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Tools for Community Self-determination

Wallowa County, Oregon Local Farm & Food Economy

Highlights of a data compilation
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for
Oregon Rural Action

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Wallowa County (Bureau of Economic Analysis, 2009)

6,889 residents receive \$225 million of income annually. Although income from retail and manufacturing has fallen over the past ten years, personal income still increased 82% from 1969 – 2009, after dollars were adjusted for inflation. Population growth [see below] played a significant role in this increase. The largest source of personal income is transfer payments (from government programs such as pensions), which account for \$62 million (28%) of personal income [see below]. Capital income (from interest, rent or dividends) ranks just below transfer payments, with a rounded-off value of \$62 million of personal income. Government jobs rank third, with \$37 million. Retail jobs rank fourth, with \$13 million. Health care jobs ranked next, with \$8 million. Manufacturing jobs produce \$5 million of personal income. Note that income from public sources makes up 44% of all personal income earned in the county.

Income earned from transfer payments includes \$27 million of retirement and disability insurance benefits, \$22 million of medical benefits, \$3.9 million of income maintenance benefits, \$4.2 million of unemployment insurance, and \$2.6 million of veteran's benefits.

Government income includes \$9 million of income earned by federal workers, \$3 million for state government workers, and \$24 million earned by local government staff. Military personnel earn \$949,000 of personal income.

Although population has increased 10% since 1969, there has been only limited public planning to assure a secure and stable food supply.

Issues affecting low-income residents of Wallowa County:

Nearly 1,900 residents (28%) earn less than 185% of federal poverty guidelines. At this level of income, children qualify for free or reduced-price lunch at school. These lower-income residents spend \$12 million each year buying food, including \$1 million of SNAP benefits (formerly known as

¹ Nick Wojciak contributed substantial research to this report.

food stamps) and additional WIC coupons. The county's 526 farmers receive an annual combined total of \$4 million in subsidies (23-year average, 1987-2008), mostly to raise crops such as wheat that are sold as commodities, not to feed Wallowa County residents. *Data from Federal Census of 2000, Bureau of Labor Statistics, & Bureau of Economic Analysis.*

9% percent of the county's households (nearly 600 residents) earn less than \$10,000 per year. *Source: Federal Census American Community Survey 2005-2009.*

20% of Oregon adults aged 18-64 carry no health insurance. *Source: Centers for Disease Control.*

Food-related health conditions:

26% of Oregon residents reported in 2009 that they eat five or more servings of fruit or vegetables each day. 74% do not. This is a key indicator of health, since proper fruit and vegetable consumption has been connected to better health outcomes. *Source: Centers for Disease Control.*

56% of Oregon adults reported in 2009 they have at least 30 minutes of moderate physical activity five or more days per week, or vigorous physical activity for 20 or more minutes three or more days per week. *Source: Centers for Disease Control.*

7% of Oregon residents have been diagnosed with diabetes as of 2010. *Source: Centers for Disease Control.* Medical costs for treating diabetes and related conditions in Wallowa County are estimated at \$4 million per year. Costs for the state of Oregon as a whole total \$2.2 billion. *Source: American Diabetes Association cost calculator.*

61% of Oregon residents are overweight (33%) or obese (28%). *Source: Centers for Disease Control.*

The county's farms (Agricultural Census, 2007)

Agricultural Census data for 2007 were released February 4, 2009

The Census of Agriculture defines a "farm" as "an operation that produces, or would normally produce and sell, \$1,000 or more of agricultural products per year."

Land:

- 526 farms. This is 1% of Oregon farms.
- The county had 5% more farms in 2007 than in 2002. Some of this may be due to census takers making better contact with small farms.
- 113 (21%) of these are 1,000 acres or more in size.
- 170 (32%) farms are less than 50 acres.
- Average farm size is 1,004 acres, more than double the state average of 425 acres.
- The county has 528,000 acres of land in farms.
- This amounts to 3% of the state's farmland.
- Wallowa County holds 49,000 acres of harvested cropland.
- 45,000 of these acres are irrigated.
- Average value of land and buildings per farm was \$1.2 million. This was significantly more than the 2007 state average of \$804,000.

Sales:

With the exception of foods sold directly to consumers (see below), farmers typically sell commodities to wholesalers, brokers or manufacturers that require further processing or handling to become consumer items. The word “commodities” is used in this report to mean the crops and livestock sold by farmers through these wholesale channels. The term “products” encompasses commodity sales, direct sales, and any other sales.

- The county’s farmers sold \$32 million of crops and livestock in 2007.
- Farm product sales increased by 55% from 2002 to 2007.
- \$12 million of crops were sold.
- \$20 million of livestock and products were sold.
- 275 (52%) of the county’s farms sold less than \$10,000 of products in 2007.
- Total sales from these small farms were \$598,000, 2% of the county’s farm product sales.
- 84 (16%) of the county’s farms sold more than \$100,000 of products.
- Total sales from these larger farms were \$25 million, 78% of the county’s farm product sales.
- 51% of the county’s farms (269 of 526) reported net losses in 2007. This is less than the Oregon average of 65%.
- 209 (40%) of Wallowa County farmers collected a combined total of \$2.9 million of federal subsidies in 2007.

Top farm products of Wallowa County (2007). *Note that sales data for aquaculture, fruits, tree nuts, and berries, sheep, goats, and their products, Christmas trees, and vegetables were suppressed by the USDA in an effort to protect confidentiality. Therefore, these products are not included in this chart.*

Product	\$ millions
Cattle and calves	19
Forage (hay, etc.)	7
Wheat	3
Barley	1

Production Expenses:

- Feed purchases were the largest single expense for Wallowa farmers in 2007, totaling \$3.7 million (13% of production expenses).
- Gasoline, fuel, and oil ranked as the second most important expense, at \$3.6 million (12%).
- Supplies, repairs, and maintenance cost farmers \$3.5 million (12%).
- Farmers charged \$3.4 million (11%) to depreciation.
- Land and building rental cost farmers \$2.8 million (9%).
- Interest expenses totaled \$2.6 million (9%).
- Hired farm labor cost farmers \$2.3 million (8%).
- Fertilizer, lime, and soil conditioners cost \$2.2 million (7%).

Cattle & Dairy:

- 270 farms hold an inventory of 43,000 cattle.
- 26,000 cattle worth \$19 million were sold by farmers in 2007.
- 240 farms raise beef cows.
- 10 farms raise milk cows.
- 227 farms produced 114,000 tons of forage crops (hay, etc.) on 35,000 acres.
- 139 farms sold \$7 million of forage.

Other Livestock & Animal Products:

- 9 farms hold an inventory of 38 hogs and pigs.
- 9 farms sold 75 hogs and pigs in 2007.
- 47 farms hold an inventory of 1,446 sheep and lambs.
- 53 farms sold sheep, goats, and lambs in 2007. *Note that data for sales of sheep, goats, and their products were suppressed by the USDA in an effort to protect confidentiality.*
- 36 farms hold an inventory of 618 laying hens.
- One farm raises broiler chickens.
- 3 farms engage in aquaculture.
- 54 farms raise horses and ponies.

Grains, Oil Seeds, & Edible Beans:

- 56 farms produced \$4.1 million of grains, oil seeds, and edible beans.
- 39 farms produced 405,000 bushels of wheat on 8,117 acres, worth \$2.7 million.
- This amounts to an average price per bushel of wheat of \$6.66. *Note that this price is an approximation, and does not necessarily represent the actual price at which wheat was sold.*
- This includes:
 - 20 farms produced 157,000 bushels of winter wheat on 3,778 acres.
 - 26 farms produced 248,000 bushels of spring wheat on 4,339 acres.

Vegetables & Melons (some farmers state that Ag Census data does not fully represent vegetable production):

- 16 farms worked 101 acres to produce vegetables. *Note that data for vegetable sales were suppressed by the USDA in an effort to protect confidentiality.*
- This represents a 45% increase in the number of farms (from 11 in 2002).
- 6 farms raised potatoes.

Fruits (some farmers state that Ag Census data does not fully represent fruit production):

- 2 farms in the county have orchards. *Note that data for acreage of orchards were suppressed by the USDA in an effort to protect confidentiality.*
- 2 farms sold fruits, nuts and berries. *Note that data for sales of fruits, nuts, and berries were suppressed by the USDA in an effort to protect confidentiality.*

Nursery & Greenhouse Plants:

- 6 farms sold \$101,000 worth of ornamentals in 2007.
- This represents a decrease of 33% in the number of farms (from 9 in 2002) and an increase of 2% in the number of sales from 2002.
- One farm sold Christmas trees.

Direct & Organic Sales:

- 57 farms sell \$313,000 of food products directly to consumers. This is a 12% increase of number of farms (51 in 2002) selling direct over 2002, and a 240% increase in direct sales over 2002 sales of 92,000.
- This amounts to 1% of farm product sales, more than double the national average of 0.4%.

- 10 farms in the county sold \$378,000 of organic products, accounting for 0.4% of Oregon's organic sales.
- For comparison, 799 farms in Oregon sold \$88 million of organic food products.
- 9 farms market through community supported agriculture (CSA).
- 89 farms produce and sell value-added products.

Conservation Practices:

- 154 farms use conservation methods such as no-till, limited tilling, filtering field runoff to remove chemicals, fencing animals to prevent them from entering streams, etc.
- 197 farms practice rotational or management intensive grazing.
- 14 farms generate energy or electricity on the farm.

Other Crops:

- 11 farms produced 43,000 bushels of oats on 453 acres. *Note that the USDA does not report sales data for oats.*
- 29 farms produced 259,000 bushels of barley on 3,827 acres, worth \$1.2 million.

**Limited-resource farms and others in Wallowa County
(Census of Agriculture, 2007)**

Small family farms:	Farms	Percent	Acres	Percent
Limited-resource	71	13%	41,903	8%
Retirement	105	20%	47,845	9%
Residential/lifestyle	181	34%	76,225	14%
Farming occupation/lower sales	76	14%	61,423	12%
Farming occupation/higher sales	31	6%	44,163	8%
Large family farms	23	4%	119,388	23%
Very large family farms	9	2%	45,884	9%
Nonfamily farms	30	6%	91,126	17%
Total	526		527,957	

Definitions of terms (Agricultural Census 2007):

Limited-resource farms have market value of agricultural products sold gross sales of less than \$100,000, and total principal operator household income of less than \$20,000.

Retirement farms have market value of agricultural products sold of less than \$250,000, and a principal operator who reports being retired.

Residential/lifestyle farms have market value of agricultural products sold of less than \$250,000, and a principal operator who reports his/her primary occupation as other than farming.

Farming occupation/lower-sales farms have market value of agricultural products sold of less than \$100,000, and a principal operator who reports farming as his/her primary occupation.

Farming occupation/higher-sales farms have market value of agricultural products sold of between \$100,000 and \$249,999, and a principal operator who reports farming as his/her primary occupation.

Large family farms have market value of agricultural products sold between \$250,000 and \$499,999.

Very large family farms have market value of agricultural products sold of \$500,000 or more.

Nonfamily farms are farms organized as nonfamily corporations, as well as farms operated by hired manager.

County and State Highlights

Wallowa County highlights (Agriculture Census 2007):

- 526 farms, 5% more than in 2002.
- Wallowa County has 528,000 acres of land in farms.
- Farmers sold \$32 million of products in 2007.
- \$12 million (38%) of these sales were crops.
- \$20 million (62%) of these sales were livestock.
- The most prevalent farm size is 1,000 acres or more with 113 farms (21%) in this category.
- The next most prevalent is 108 acres with 108 (21%) farms.
- 170 farms (32%) are less than 50 acres.
- 275 farms (52%) sold less than \$10,000 in farm products.
- 84 farms (16%) sold more than \$100,000 in farm products.
- Wallowa County ranks 1st in Oregon for inventory of bison, but *inventory figures were not reported by the USDA in an effort to protect confidentiality.*
- The county ranks 4th in the state for acreage of short-rotation woody crops, but *acreage figures for short-rotation woody crop were not reported by the USDA in an effort to protect confidentiality.*
- Wallowa County ranks 5th in the state for sales of barley, with 3,827.
- The county ranks tenth in Oregon for acreage of forage (hay, etc.), with 35,000.
- Wallowa County ranks 10th in the state for acreage of wheat, with 8,117.
- The county ranks 10th in the state for inventory of cattle and calves, with 43,000.
- 57 farms sold \$313,000 of food directly to consumers. This is a 12% increase in the number of farms selling direct (51 in 2002), and a 240% increase in direct sales over 2002 sales of \$92,000.
- Direct sales were 1% of farm product sales, more than double the national average of 0.4%.

State of Oregon highlights (Agriculture Census 2007):

- 38,553 farms, 4% less than in 2002.
- Oregon has 16 million acres of land in farms.
- Farmers sold \$4.4 billion of products in 2007.
- \$3 billion (68%) of these sales were crops.
- \$1.4 billion (32%) of these sales were livestock.
- The most prevalent farm size is 10 to 49 acres with 14,142 farms (37%) in this category.
- The next most prevalent is 1 to 9 acres with 9,546 (25%) farms.
- 2,564 farms (7%) are 1,000 acres or more.
- 23,688 farms (61%) are less than 50 acres.
- 26,035 farms (68%) sold less than \$10,000 in farm products.
- 4,678 farms (12%) sold more than \$100,000 in farm products.
- Oregon ranks 1st in the U.S. for acreage of Christmas trees, with 67,000.
- The state ranks 1st in the country for acreage of field and grass seed crops, with 557,000.
- Oregon ranks first in the country for sales of Christmas trees, with \$117 million.
- The state ranks 3rd in the U.S. for sales of ornamentals, with \$989 million.
- Oregon ranks 3rd in the country for sales of forage crops (hay, etc.), with \$698 million.
- The state ranks fourth in the country for sales of fruits, tree nuts, and berries, with \$516 million.
- Oregon ranks 9th in the U.S. for sales of sheep, goats, and their products, with \$21 million.
- The state ranks 9th in the country for acreage of vegetables, with 150,000.
- Oregon ranks ninth in the country for inventory of sheep and lambs, with 217,000.
- The state ranks 10th in the U.S. for vegetable sales, with \$339 million.
- 6,274 farms sold \$56 million of food directly to consumers. This is a 2% decrease in the number of farms selling direct (6,383 in 2002), and a 163% increase in direct sales over 2002 sales of \$21 million.
- Direct sales were 1.3% of farm product sales, over three times the national average of 0.4%.
- If direct food sales made up a single commodity, the value of these sales would outrank the state's 15th-most important product, chicken eggs.
- 933 farms farm organically, with a total of 46,000 acres of harvested cropland, and 42,000 acres of pastureland.
- 16,000 acres on 470 farms are undergoing organic conversion.
- 799 farms in Oregon sold \$88 million of organic food products, including \$42 million of crops (this may include ornamental and greenhouse crops), \$3 million of livestock and poultry, and \$43 million of products from livestock and poultry (such as milk or eggs).
- 311 farms market through community supported agriculture (CSA).
- 1,753 farms produce value-added products.
- 9,327 farms use conservation methods such as no-till, limited tilling, filtering field runoff to remove chemicals, fencing animals to prevent them from entering streams, etc.
- 9,694 farms practice rotational management of intensive grazing.
- 631 farms generate energy or electricity on the farms.

Oregon's top farm products in 2010 (Economic Research Service)

See chart on next page.

	\$ millions
1 Ornamentals	760
2 Cattle & calves	446
3 Dairy products	412
4 Wheat	326
5 Hay	253
6 Potatoes	139
7 Onions	129
8 Ryegrass	123
9 Pears	90
10 Cherries	78
11 Fescue	73
12 Hazelnuts (filberts)	67
13 Blueberries	64
14 Grapes	63
15 Chicken eggs	52
16 Mint	43
17 Blackberries	35
18 Hops	31
19 Corn	27
20 Apples	26
21 Corn, sweet	26
22 Beans, snap	20
23 Sheep and lambs	19
24 Bluegrass, Kentucky	19

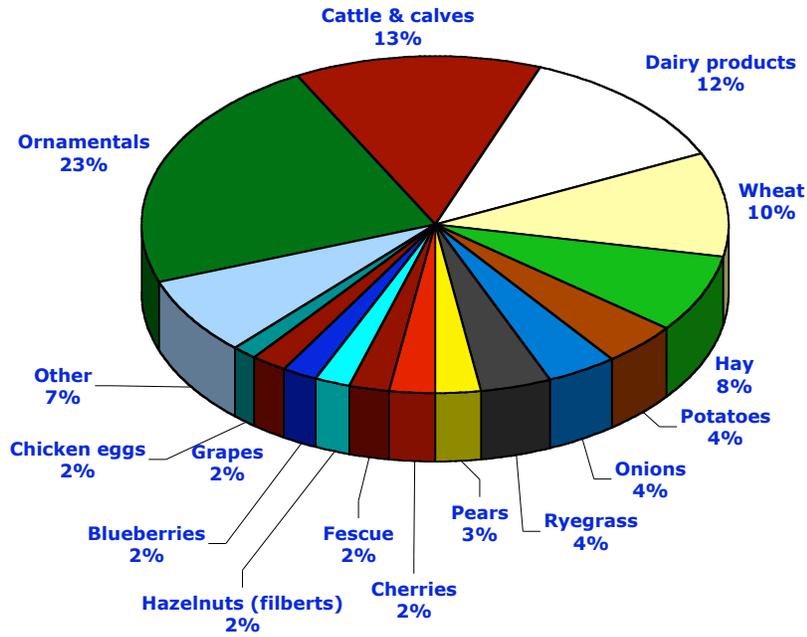
Note: broiler chickens were also listed among Oregon's top 25 products, but sales figures for these products were not released by ERS, in an effort to protect confidentiality.

Note also that at \$56 million, direct sales from farmers to consumers amount to more than the value of the 15th-ranking product, chicken eggs.

Oregon's top farm products in 2010 (Economic Research Service)

See table on previous page

Top farm products in Oregon, 2010



Source: USDA Economic Research Service

Balance of Cash Receipts and Production Costs (BEA):

Wallowa County ranchers and farmers sell \$40 million of food products per year (1987-2009 average), spending \$50 million to raise them, for an average loss of \$10 million each year, or 27% of sales. *Note that these sales figures compiled by the BEA may differ from cash receipts recorded by the USDA Agriculture Census (above).*

Overall, farm producers spent \$245 million more producing crops and livestock than they earned by selling these products from 1987 to 2009. Farm production costs exceeded cash receipts for 21 years of that 23-year period. Moreover, 51% of the county's farms and ranches reported a net loss to the 2007 Census of Agriculture. Wallowa County farmers and ranchers earned \$16 million less by selling farm products in 2009 than they earned in 1969 (in 2009 dollars).

Farmers and ranchers earn another \$6 million per year of farm-related income — primarily custom work, and rental income (23-year average for 1987-2009). Federal farm support payments are relatively small, averaging \$4 million per year for the entire county for the same years.

The county's consumers:

See also information covering low-income food consumption and food-related health conditions, page 1-2 above.

Wallowa County consumers spend \$18 million buying food each year, including \$11 million for home use. Most of this food (\$16 million) is produced outside the county. Only \$313,000 of food products (1% of farm cash receipts and 1.7% of the county's consumer market) are sold by farmers directly to consumers.

Estimated change in net assets (that is, assets minus liabilities) for all county households combined was a loss of \$36 million in 2009 alone (BLS). This places additional pressure on Wallowa County consumers trying to buy food.

Farm and food economy summary:

Farmers lose \$10 million each year producing food commodities, while spending \$17 million buying inputs sourced outside of the county. From the standpoint of the county as a whole, these external input purchases take money away from the local economy. This is a total loss of \$27 million to the county.

Meanwhile, consumers spend \$16 million buying food from outside. Thus, total loss to the county is \$43 million of potential wealth *each year*. This loss amounts to more than the value of all food commodities raised in the county.

Wallowa County: markets for food eaten at home (2009):

Wallowa County residents purchase \$18 million of food each year, including \$11 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 2.3
Fruits & vegetables	2.0
Cereals and bakery products	1.4
Dairy products	1.1
“Other,” incl. Sweets, fats, & oils	3.9

If Wallowa County residents purchased 15% of their food for home use directly from county farmers, this would generate \$1.6 million of new farm income for the county. This would require each resident of the county to buy, on average, less than \$5.00 of food directly from farmers each week.

Northeast Oregon: markets for food eaten at home (2009):

Northeast Oregon residents purchase \$322 million of food each year, including \$189 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 40.8
Fruits & vegetables	34.5
Cereals and bakery products	24.1
Dairy products	20.2
“Other,” incl. Sweets, fats, & oils	68.2

If Northeast Oregon residents purchased 15% of their food for home use directly from farmers in the region, this would generate \$28 million of new farm income. This would require each resident of the region to buy, on average, less than \$5.00 of food directly from farmers each week.

Pendleton: markets for food eaten at home (2009):

Pendleton residents purchase \$225 million of food each year, including \$131 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 28.6
Fruits & vegetables	24.2
Cereals and bakery products	16.8
Dairy products	14.1
“Other,” incl. Sweets, fats, & oils	47.7

Baker County: markets for food eaten at home (2009):

Baker County residents purchase \$43 million of food each year, including \$25 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 5.4
Fruits & vegetables	4.6
Cereals and bakery products	3.2
Dairy products	2.7
“Other,” incl. Sweets, fats, & oils	9.0

Umatilla County: markets for food eaten at home (2009):

Umatilla County residents purchase \$195 million of food each year, including \$114 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 24.7
Fruits & vegetables	20.9
Cereals and bakery products	14.6
Dairy products	12.2
“Other,” incl. Sweets, fats, & oils	41.2

Union County: markets for food eaten at home (2009):

Union County residents purchase \$66 million of food each year, including \$39 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 8.4
Fruits & vegetables	7.1
Cereals and bakery products	5.0
Dairy products	4.2
“Other,” incl. Sweets, fats, & oils	14.1

Metro Boise: markets for food eaten at home (2009):

Metro Boise residents purchase \$1.9 billion of food each year, including \$1.1 billion to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 239
Fruits & vegetables	202
Cereals and bakery products	141
Dairy products	118
“Other,” incl. Sweets, fats, & oils	400

Oregon: markets for food eaten at home (2009):

Oregon residents purchase \$10 billion of food each year, including \$6 billion to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 1,287
Fruits & vegetables	1,089
Cereals and bakery products	759
Dairy products	636
“Other,” incl. Sweets, fats, & oils	2,150

Key data sources:

Bureau of Economic Analysis data on farm production balance

<http://www.bea.doc.gov/bea/regional/reis/>

Food consumption estimates from Bureau of Labor Statistics Consumer Expenditure Survey

<http://www.bls.gov/cex/home.htm>

U.S. Census of Agriculture

<http://www.nass.usda.gov/census/>

USDA/Economic Research Service food consumption data:

<http://www.ers.usda.gov/data/foodconsumption/>

USDA/ Economic Research Service farm income data:

<http://ers.usda.gov/Data/FarmIncome/finfidmu.htm>

For more information:

To see results from *Finding Food in Farm Country* studies in other regions of the U.S.:

<http://www.crcworks.org/locales.html>

To read the original *Finding Food in Farm Country* study from Southeast Minnesota (written for the Experiment in Rural Cooperation): <http://www.crcworks.org/ff.pdf>

To view a PowerPoint presented in March, 2008, by Ken Meter at Rep. Collin Peterson's (D-MN) Minnesota agricultural forum, called the "Home Grown Economy":

<http://www.crcworks.org/crcppts/petersonkm08.pdf>

To get a brief list of essential food facts, many of which are cited in the presentation above,

<http://www.crcworks.org/foodmarkets.pdf>

To link to further analysis of farm and food economies in the U.S.:

<http://www.crcworks.org/econ.html>

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