



Crossroads Resource Center

7415 Humboldt Ave. S. / Minneapolis, Minnesota 55423 / 612.869.8664
kmeter@crcworks.org www.crcworks.org

Tools for Community Self-determination

Iowa Valley Region (Iowa) Local Farm & Food Economy

Highlights of a data compilation

by Ken Meter, Crossroads Resource Center (Minneapolis) for

Iowa Valley RC&D

Benton, Iowa, Johnson, Linn, Poweshiek, and Tama Counties

January 25, 2007

Iowa Valley Region (Iowa)

396,000 residents receive \$13 billion of income annually (2004). \$1.5 billion (12%) of this personal income is government payments. Service jobs, investment income (interest, dividend and rental income), manufacturing, and government salaries are the four largest sources of personal income, at \$2 billion each (Bureau of Economic Analysis).

The region's farms (Agricultural Census, 2002)

Land:

- 7,000 farms. This is 7.7 % of Iowa's total.
- 437 (6%) of these are 1,000 or more acres in size.
- 1,739 (16%) farms are less than 50 acres.
- Average farm size is 308 acres.
- The region has 2 million acres of land in farms, including 1.6 million acres of harvested cropland.
- This amounts to 7% of the state's farmland.
- 52 farms (5%) have a total of 612 acres of irrigated land.
- Average value of land and buildings per farm is \$666,000. This is 94% of the state average.

Sales:

- \$730 million of crops and livestock sold (2002).
- \$478 million of crops sold (65% of sales).
- \$252 million of livestock and products sold (35% of sales).
- The number of farms/ranches selling livestock, poultry and related products decreased 24% from 1997 to 2002 (4,126 to 3,140), while the amount of products sold fell 10%.
- 2,281 (33%) of the region's farms sold less than \$5,000 of products in 2002.
- 1,842 farms (26%) sold more than \$100,000 of products.
- 33% of Iowa Valley farms (2,303 of 7,000) reported net losses in 2002.
- The region's farmers collected a combined total of \$1.05 billion of federal commodity support payments from 1995-2005 (Environmental Working Group).

Cattle & Dairy:

- 2,647 ranches and farms (8% of Iowa's cattle operations) hold an inventory of 222,000 cattle.
- 149,000 cattle (67%) were sold in 2002.
- 187 farms (6% of Iowa's dairy farms) raise 12,000 milk cows. The number of dairy farms fell 18% from 1997 to 2002, while sales fell 34%.
- 2,862 farms produce 418,000 tons of forage crops (hay, etc.).

Other livestock & animal products:

- 639 farms (6% of Iowa's hog farms) hold an inventory of 509,000 hogs and pigs.
- 1.2 million hogs and pigs were sold in 2002.
- 383 farms hold an inventory of 23,000 sheep and lambs. This is 10% of Iowa's sheep farms.
- 250 farms raise poultry — 191 to harvest their eggs. This is 10% of Iowa's poultry farms
- An inventory of 230,000 layers were held in the region.

Grains

- 3,971 farms raise 134 million bushels of corn on 783,000 acres.
- 455 farms raise 251,000 tons of corn to be chopped green.
- 3,715 farms raise 35 million bushels of soybeans on 702,000 acres.
- 693 farms raise 1.1 million bushels of oats on 15,000 acres.
- 21 farms raise 72,000 bushels of wheat.

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

- 94 farms work 729 acres to raise vegetables. This is 12% of the state's vegetable farms, but only 8% of Iowa's vegetable acreage.

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

- The region has 63 farms with a total of 361 acres of orchards. This is 13% of Iowa's farms raising fruit.
- Johnson and Linn Counties are the 3rd and 4th most important producers of fruits, tree nuts and berries in Iowa, selling a total of \$563,000 in 2002.

Direct and organic sales:

- 289 farms sell \$1.5 million of food directly to consumers. This is a 9% rise in the number of farms (264 in 1997) selling direct, and an 82% increase in the value of direct sales from 1997 to 2002. It amounts to 0.2% of all Iowa farm commodity sales.
- Iowa Valley farmers are more likely to sell direct than other Iowa farmers, with 12% of state sales.
- 50 farms in the region sold organic food products (\$1 million of sales).
- 402 farms in Iowa sold \$13 million of organic food products.

Balance of Cash Receipts and Production Costs (BEA):

The balance of farm cash receipts over production costs rose \$100 million from 2003 to 2004 in Iowa Valley. Because of this, 2004 was the first year since 1997 in which farmers earned more than they spent. Despite this, farmers lost an average of \$43 million each year from 1998-2004, selling an average of \$740 million of food commodities per year, but spending \$783 million to raise them. This is a total loss of \$300 million from raising commodities over the past seven years.

Aggregate farm cash flow was negative each year from 1998 to 2003, though it turned positive in 2004. Overall, one of every three of the region's farms and ranches lost money in 2002 (Ag Census). The region's farmers and ranchers earned \$250 million less by selling commodities in 2004 than they earned in 1969 (in 2004 dollars).

Farmers and ranchers earn another \$40 million per year of farm-related income — primarily custom work, and rental income (seven-year average for 1998-2004). 4,748 (68%) of the region's farms collected federal farm support payments, averaging an annual total of \$115 million from 1998 - 2004 (BEA).

Whether they make a profit or not, Iowa Valley farms spend at least \$300 million each year buying farm inputs from outside suppliers.

The region's consumers:

Iowa Valley consumers spend \$845 million buying food each year, including \$482 million for home use. Most of this food (over \$500 million) is produced outside the region. \$1.5 million of food products (0.2% of farm cash receipts) are sold by farmers directly to consumers. The W. K. Kellogg Foundation has set a national goal of raising sales of sustainably produced foods from 3 to 10% by 2015.

Estimated change in net assets for all households in the region combined was a loss of \$638 million in 2004 alone (BLS).

Farm and food economy summary:

Farmers lose \$40 million each year producing food commodities, and spend \$300 million buying inputs from external suppliers. Meanwhile, consumers spend at least \$500 million buying food from outside.

Thus, total loss to the region is \$840 million of potential wealth *each year*. This loss amounts to more than the value of all food commodities produced in the region.

Iowa Valley region: markets for food eaten at home (2004):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 118
Fruits & vegetables	77
Cereals and bakery products	54
Dairy products	67
"Other," incl. sweets, fats, & oils	165

Iowa Valley region: markets for energy used at home (2004):

	<i>millions</i>
Gasoline & Motor Oil	\$ 245
Electricity	145
Natural Gas	95
Fuel Oil	16

Iowa recreation markets:

- Travelers in Iowa spend \$ 4.6 billion each year (2004 — Prouty, Vilsack)
- \$1.8 billion of this is spent in rural areas (Prouty)
- \$1.4 billion per year is spent by travelers to buy food in Iowa (IDED, 2005a)
- Tourism generated \$273.4 million of tax receipts in 2004 and 62,000 jobs (IDED, 2005b)

Iowa recreation and tourism assets:

- 400 certified organic operations
- 165 farmers' markets — first in U.S. in markets per capita
- 31 wineries
- First in nation in number of farm acres set aside for conservation

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>

Prouty, Dennis (2000). "Economic Impact of Travel on the Iowa Economy." Iowa Legislative Fiscal Bureau, Prepared for U.S. Travel Data Center of the Travel Industry of America, January 26, 2. International travel is not included in this total.

Vilsack announces new tourism stats, October 13, 2004. "Travel industry grows to \$4.6 billion annually in Iowa." www.traveliowa.com/iowafacts/statistics.html Viewed December 5, 2005.

Iowa Department of Economic Development (2005a). "Travel Industry." Survey of visitors to 13 Welcome Centers in the state during the year, 2. Viewed at http://www.traveliowa.com/travelindustry/wc_intro.html, January 30, 2006.

Iowa Department of Economic Development Tourism Office (2005b). Iowa Tourism Results as of November 1, 2005. PowerPoint presentation.

Food & energy markets for each county:

Benton County food market:	\$54 million
Food eaten at home	\$31 million
Food eaten away from home	\$23 million

Benton County markets for food eaten at home (2004):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 8
Fruits & vegetables	5
Cereals and bakery products	3
Dairy products	4
“Other,” incl. sweets, fats, & oils	11

Benton County markets for energy used at home (2004):

	<i>millions</i>
Gasoline & Motor Oil	\$ 16
Electricity	9
Natural Gas	6
Fuel Oil	1

Iowa County food market:	\$34 million
Food eaten at home	\$20 million
Food eaten away from home	\$15 million

Iowa County markets for food eaten at home (2004):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 5
Fruits & vegetables	3
Cereals and bakery products	2
Dairy products	3
“Other,” incl. sweets, fats, & oils	7

Iowa County markets for energy used at home (2004):

	<i>millions</i>
Gasoline & Motor Oil	\$ 10
Electricity	6
Natural Gas	4
Fuel Oil	1

Johnson County food market: \$246 million
Food eaten at home \$141 million
Food eaten away from home \$106 million

Johnson County markets for food eaten at home (2004):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 34
Fruits & vegetables	22
Cereals and bakery products	16
Dairy products	20
“Other,” incl. sweets, fats, & oils	48

Johnson County markets for energy used at home (2004):

	<i>millions</i>
Gasoline & Motor Oil	\$ 71
Electricity	42
Natural Gas	28
Fuel Oil	5

Linn County food market: \$429 million
Food eaten at home \$245 million
Food eaten away from home \$184 million

Linn County markets for food eaten at home (2004):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 60
Fruits & vegetables	39
Cereals and bakery products	27
Dairy products	34
“Other,” incl. sweets, fats, & oils	84

Linn County markets for energy used at home (2004):

	<i>millions</i>
Gasoline & Motor Oil	\$ 124
Electricity	74
Natural Gas	48
Fuel Oil	8

Poweshiek County food market: \$41 million
Food eaten at home \$24 million
Food eaten away from home \$18 million

Poweshiek County markets for food eaten at home (2004):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 6
Fruits & vegetables	4
Cereals and bakery products	3
Dairy products	3
“Other,” incl. sweets, fats, & oils	8

Poweshiek County markets for energy used at home (2004):

	<i>millions</i>
Gasoline & Motor Oil	\$ 12
Electricity	7
Natural Gas	5
Fuel Oil	1

Tama County food market: \$39 million
Food eaten at home \$22 million
Food eaten away from home \$17 million

Tama County markets for food eaten at home (2004):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 5
Fruits & vegetables	4
Cereals and bakery products	3
Dairy products	3
“Other,” incl. sweets, fats, & oils	8

Tama County markets for energy used at home (2004):

	<i>millions</i>
Gasoline & Motor Oil	\$ 11
Electricity	7
Natural Gas	4
Fuel Oil	1

For more information:

To see results from *Finding Food in Farm Country* studies in other regions of Minnesota, Iowa, California, Hawaii: <http://www.crcworks.org/fffc.pdf>.

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 by Ken Meter at a keynote appearance to the Minnesota Rural Partners Summit in July, 2005: <http://www.crcworks.org/metersummit05.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/rural.html>.

Contact Ken Meter at Crossroads Resource Center
<kmeter@crcworks.org>
(612) 869-8664