

# Crossroads Resource Center

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## ***Tools for Community Self-determination***

### **Baker County, Oregon Local Farm & Food Economy**

*Highlights of a data compilation*  
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for  
**Oregon Rural Action**

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#### **Baker County (Bureau of Economic Analysis, 2009)**

16,082 residents receive \$470 million of income annually. Although income from government jobs has declined over the past ten years, personal income for county residents still increased 69% from 1969 – 2009, after dollars were adjusted for inflation. Population increase [*see below*] made some contribution to this rise. The largest source of personal income is transfer payments (from government programs such as pensions), which account for \$138 million (30%) of personal income [*see below*]. Capital income (from interest, rent or dividends) brings in \$115 million of personal income. Government jobs rank third, with \$68 million. Health care jobs are next, with \$34 million. Manufacturing jobs rank fifth, producing \$27 million of personal income, and retail jobs bring in \$22 million. Note that income from public sources makes up 44% of all personal income in the county.

Income earned from transfer payments includes \$59 million of retirement and disability insurance benefits, \$50 million of medical benefits, \$12 million of income maintenance benefits, \$6.3 million of unemployment insurance, and \$5 million of veteran's benefits.

Government income includes \$20 million of income earned by federal workers, \$14 million for state government workers, and \$32 million earned by local government staff. Military personnel earn \$2 million of personal income.

Although population has increased 6% since 1969, there has been only limited public planning to assure a secure and stable food supply.

#### **Issues affecting low-income residents of Baker County:**

Over 5,700 residents (36%) 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 \$2 million of SNAP benefits (formerly known as

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<sup>1</sup> Nick Wojciak contributed substantial research to this report.

food stamps) and additional WIC coupons. The county's 688 farmers receive an annual combined total of \$1.8 million in subsidies (23-year average, 1987-2009), mostly to raise crops such as wheat that are sold as commodities, not to feed Baker County residents. *Data from Federal Census of 2000, Bureau of Labor Statistics, & Bureau of Economic Analysis.*

12% percent of the county's households (nearly 1,900 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 the county are estimated at \$9 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)**

*Agriculture 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:*

- 688 farms. This is 2% of Oregon farms.
- Baker County had 2% fewer farms in 2007 than in 2002.
- 131 (19%) of these are 1,000 acres or more in size.
- 228 (33%) farms are less than 50 acres.
- Average farm size is 1,035 acres, significantly more than the state average of 425 acres.
- The county has 712,000 acres of land in farms.
- This amounts to 4.3% of the state's farmland.
- Baker County holds 70,000 acres of harvested cropland.
- 121,000 of these acres are irrigated.
- Average value of land and buildings per farm was \$1.2 million, significantly higher 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 \$62 million of crops and livestock in 2007.
- Farm product sales decreased by 2% from 2002 to 2007.
- \$19 million of crops were sold.
- \$43 million of livestock and products were sold.
- 366 (53%) of the county’s farms sold less than \$10,000 of products in 2007.
- Total sales from these small farms were \$787,000, 1% of the county’s farm product sales.
- 120 (17%) of the county’s farms sold more than \$100,000 of products.
- Total sales from these larger farms were \$54 million, 87% of the county’s farm product sales.
- 63% of the county’s farms (430 of 688) reported net losses in 2007. This is slightly less than the Oregon average of 65%.
- 131 (19%) of Baker County’s farmers collected a combined total of \$1.3 million of federal subsidies in 2007.

**Top farm products of Baker County (2007).** *Note that sales data for fruits, tree nuts, and berries, Christmas trees, corn, horses and ponies, ornamentals, and milk were suppressed by the USDA in an effort to protect confidentiality. Therefore, these products are not included in this chart.*

<b>Product</b>	<b>\$ millions</b>
Cattle and calves	41
Vegetables	9
Forage crops (hay, etc.)	5
Wheat	5

*Production Expenses:*

- Feed purchases were the largest single expense for Baker County farmers in 2007, totaling \$9.3 million (15%).
- Depreciation costs ranked as the second most important expense, at \$7 million (11%).
- Land and building rental cost farmers \$6.4 million (10%).
- Hired farm labor cost farmers \$5.8 million (9%).
- Supplies, repairs, and maintenance cost farmers \$5.4 million (9%).
- Fertilizer, lime, and soil conditioners purchases totaled \$4.3 million (7%).
- Interest expenses totaled \$4.3 million (7%).

*Cattle & Dairy:*

- 393 farms hold an inventory of 81,000 cattle.
- 55,000 cattle were sold by farmers in 2007, for total sales of \$41 million.
- 339 farms raise beef cows.
- 14 farms raise milk cows.
- 6 farms produced 9,045 bushels of corn for silage on 367 acres.
- 357 farms produced 145,000 tons of forage crops (hay, etc.) on 57,000 acres.
- 154 farms sold \$4.9 million of forage.

*Other Livestock & Animal Products:*

- 21 farms hold an inventory of 86 hogs and pigs.
- 34 farms sold 231 hogs and pigs in 2007, worth \$33,000.
- 46 farms hold an inventory of 4,744 sheep and lambs.
- 59 farms sold \$444,000 worth of sheep, goats, and lambs in 2007.
- 64 farms hold an inventory of more than 834 laying hens.
- 5 farms raise broiler chickens.
- No farms engage in aquaculture.
- 60 farms raise horses and ponies.

*Grains, Oil Seeds, & Edible Beans:*

- 30 farms produced \$5 million of grains, oil seeds, and edible beans.
- 22 farms produced 704,000 bushels of wheat on 8,481 acres, worth \$4.7 million dollars.
- This amounts to an average price per bushel of wheat of \$6.68. *Note that this price is an approximation, and does not necessarily represent the actual price at which wheat was sold.*
- This includes:
  - 14 farms produced 530,000 bushels of winter wheat on 6,019 acres.
  - 13 farms produced 174,000 bushels of spring wheat on 2,462 acres.

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

- 15 farms worked 3,734 acres to produce vegetables, selling \$8.5 million.
- This represents a 25% increase in the number of farms (from 12) over 2002. *Note that data for 2002 sales were suppressed by the USDA in an effort to protect confidentiality.*
- 12 farms raised potatoes on 3,717 acres. *Note that data for sales of potatoes were not reported by the USDA in 2007).*

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

- 15 farms in the county have 41 acres of orchards.
- 9 farms sold fruits, nuts and berries. *Note that data for sales of fruits, nuts and berries were not reported by the USDA, in an effort to protect confidentiality.*

*Nursery & Greenhouse Plants:*

- 5 farms sold ornamentals in 2007. *Note that data for sales of ornamentals were suppressed by the USDA in an effort to protect confidentiality.*
- One farm sold Christmas trees. *Note that data for sales of Christmas trees were suppressed by the USDA in an effort to protect confidentiality.*

*Direct & Organic Sales:*

- 74 farms sell \$221,000 of food products directly to consumers. This is a 6% increase of number of farms (70 in 2002) selling direct over 2002, and an 84% increase in direct sales over 2002 sales of \$120,000.
- This amounts to 0.4% of farm product sales, the same as the national average of 0.4%.

- 5 farms in the county sold \$12,000 of organic products, accounting for less than 1% of Oregon's organic sales.
- For comparison, 799 farms in Oregon sold \$88 million of organic food products.
- 2 farms market through community supported agriculture (CSA).
- 138 farms produce and sell value-added products.

*Conservation Practices:*

- 167 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.
- 264 farms practice rotational or management intensive grazing.
- 23 farms generate energy or electricity on the farm.

*Other Crops:*

- 6 farms produced 9,045 tons of corn for silage or greenchop on 367 acres.
- 12 farms produced 51,000 bushels barley on 646 acres worth \$167,000.
- 3 farms produced 9,820 bushels of oats on 123 acres. *Note that the USDA did not report sales data for oats in 2007.*

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

<b>Small family farms:</b>	<b>Farms</b>	<b>Percent</b>	<b>Acres</b>	<b>Percent</b>
Limited-resource	102	15%	25,935	4%
Retirement	134	19%	44,785	6%
Residential/lifestyle	215	31%	88,300	12%
Farming occupation/lower sales	118	17%	68,922	10%
Farming occupation/higher sales	37	5%	122,637	17%
<b>Large family farms</b>	30	4%	128,602	18%
<b>Very large family farms</b>	19	3%	129,703	18%
<b>Nonfamily farms</b>	33	5%	102,925	14%
<b>Totals</b>	688		711,809	

*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**

### **Baker County highlights (Agriculture Census 2007):**

- 688 farms, 2% less than in 2002.
- Baker County has 712,000 acres of land in farms.
- Farmers sold \$62 million of products in 2007.
- \$19 million (31%) of these sales were crops.
- \$43 million (69%) of these sales were livestock.
- The most prevalent farm size is 50 to 179 acres with 176 farms (26%) in this category.
- The next most prevalent is 10 to 49 acres with 161 (23%) farms.
- 131 farms (19%) are 1,000 acres or more.
- 228 farms (33%) are less than 50 acres.
- 366 farms (53%) sold less than \$10,000 in farm products.
- 120 farms (17%) sold more than \$100,000 in farm products.
- Baker county ranks 4<sup>th</sup> in Oregon for acreage of potatoes, with 3,717.
- The county ranks 5<sup>th</sup> in the state for sales of cattle and calves, with \$41 million.
- Baker County ranks fifth in Oregon for acreage of forage crops (hay, etc.), with 57,000.
- The county ranks 6<sup>th</sup> in the state for inventory of cattle and calves, with 81,000.
- Baker county ranks 9<sup>th</sup> in Oregon for acreage of wheat, with 8,481.
- The county ranks ninth in the state for acreage of vegetables, with 3,734.
- Baker county ranks 10<sup>th</sup> in Oregon for acreage of barley, with 646.
- The county ranks 10<sup>th</sup> in the state for sales of livestock and poultry.
- 74 farms sold \$221,000 of food directly to consumers. This is a 6% increase in the number of farms selling direct (70 in 2002), and an 84% increase in direct sales over 2002 sales of \$120,000.
- Direct sales were 0.4% of farm product sales, the same as 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 1<sup>st</sup> in the U.S. for acreage of Christmas trees, with 67,000.
- The state ranks 1<sup>st</sup> 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 3<sup>rd</sup> in the U.S. for sales of ornamentals, with \$989 million.
- Oregon ranks 3<sup>rd</sup> 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 9<sup>th</sup> in the U.S. for sales of sheep, goats, and their products, with \$21 million.
- The state ranks 9<sup>th</sup> 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 10<sup>th</sup> 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 15<sup>th</sup>-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

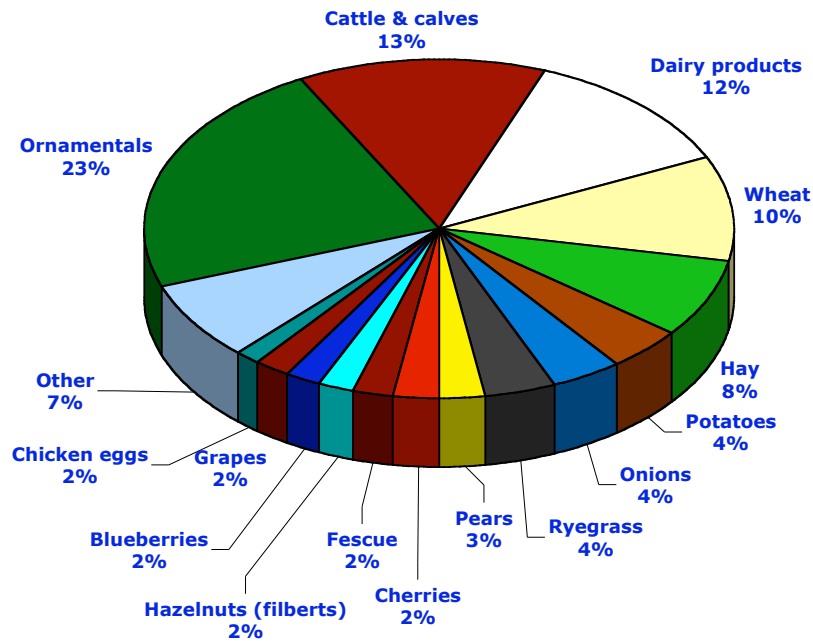
*Note: broiler chickens were also listed among Oregon's top 25 products, but sales figures for these products were not released by ERS, in an effort to protect confidentiality.*

Note also that at \$56 million, direct sales from farmers to consumers amount to more than the value of the 15<sup>th</sup>-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):**

Baker County ranchers and farmers sell \$66 million of food commodities per year (1987-2009 average), spending \$80 million to raise them, for an average loss of \$14.6 million each year, or 22% 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 \$335 million more producing crops and livestock than they have earned by selling these products from 1987 to 2009. Farm production costs exceeded cash receipts for every year of that 23-year period. Moreover, 63% of the county's farms and ranches reported a net loss to the 2007 Census of Agriculture. Baker County farmers and ranchers earned \$41 million less by selling commodities in 2009 than they earned in 1969 (in 2009 dollars).

Farmers and ranchers earn another \$8 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 \$2 million per year for all farmers in the county over the same years.

**The county's consumers:**

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

Baker County consumers spend \$43 million buying food each year, including \$25 million for home use. Most of this food (an estimated \$39 million) is sourced outside the county. Only \$221,000 of food products (0.4% of farm cash receipts and 0.5% 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 \$84 million in 2009 alone (BLS). This places additional pressure on Baker County consumers trying to buy food.

**Farm and food economy summary:**

Farmers lose \$15 million each year producing food commodities, while spending \$30 million buying inputs sourced outside of the county.<sup>2</sup> 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 \$45 million to the county.

Meanwhile, consumers spend \$39 million buying food from outside. Thus, total loss to the county is \$85 million of potential wealth *each year*. This loss amounts to more than the value of all food products raised in the county.

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<sup>2</sup> Note that there are some gaps in the production expense data reported by USDA in the Census of Agriculture for 2007. The \$30 million figure takes into account these gaps in reporting.

**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

If Baker County residents purchased 15% of their food for home use directly from county farmers, this would generate \$3.7 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

**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

**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

**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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