ECONOMIC IMPACT OF AGRICULTURE

Powder River County

January 2021

Powder River County is a rural sparsely populated county located in the southeastern portion of the state. Over 77% of land in Powder River County is classified as farm land.

Overview (2017 Data)

Population	1,716
County Size (acres)	2,110,845
Land in Farms (%)	77.1
Number of Farms	325
Median Farm Size (acres)	2,400
Average Farm Size (acres)	5,005

Source: Census of Agriculture: Table 1: County Summary

Highlights: 2017

Farm Revenue

Farm revenue (which includes the market value of products sold, government payments, and farm-related income) were nearly \$69 million while production expenses were \$52 million. Government payments were 4.1% of farm revenues.

Market Value of Products Sold	\$62,094,000
Government Payments	\$2,797,000
Farm-Related Income	\$3,954,000
Total Farm Production Expenses	\$52,337,000
Net Cash Farm Income	\$16,508,000

Source: Census of Agriculture: Tables 2, 3, 4, 5 and 6: 2017

Taxation

The market value of all property in Powder River County was approximately \$434 million in 2019. The taxable value assigned by the Montana Department of

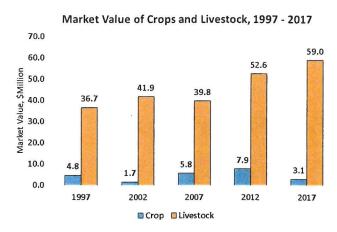
Revenue was \$12 million. Agricultural Property (as defined by Montana Department of Revenue as Class 3 Property) comprised 13% of the county's taxable value.

Property Tax Summary	2019	2014
Market Value of All	\$434,895,744	\$360,436,587
Property		
Taxable Value of All	\$12,680,080	\$9,268,206
Property		S" 64
Taxable Value of	\$1,711,142	\$2,047,046
Agricultural Property		
Ag Taxable Value as %	13%	22%
of All Property		

Source: Montana Dept. of Rev. Montana Taxes by County in $\underline{2018}$ and Montana Taxes by County in $\underline{2014}$

Market Value of Crops and Livestock

After adjusting for inflation, the market value of crops decreased by 36%, while the market value of livestock increased by 61%, from 1997 to 2017.



Sources: <u>Census of Agriculture</u>: Table 1: County Summary Highlights: 2017 and <u>St. Louis Fed Producer Price Index</u>

Crops and Livestock

Cattle comprised 92% of total crop and livestock sales in 2017.

Share of Market Value in 2017

5%

1%

2%

92%

Grain Cattle Other Livestock Other

Source: Census of Agriculture: Table 2: County Summary Highlights: 2017

Farm Size by Acres

The percentage of smaller farms, less than 500 acres, increased from 25% to 27%, while the percentage of larger farms, 500 acres or more, decreased from 75% to 73% from 2012 to 2017.

	2017		2012	
Farm Size by Acres	Number of Farms	%	Number of Farms	%
1 to 9	6	2	33	10
10 to 49	23	7	20	6
50 to 179	23	7	8	2
180 to 499	36	11	22	7
500 to 999	28	9	37	11
1,000 or more	209	64	208	63
TOTAL	325	100	328	100

Source: Census of Agriculture: Table 2: County Summary Highlights: 2017

Farm Size by Sales

The percentage of the smallest farms with less than \$100,000 in sales decreased from 52% to 46%, while the percentage of the largest farms with sales of \$100,000 or more increased from 48% to 54% from 2012 to 2017.

	2017		2012		2017 2012
Farm Size by Sales	Number of Farms	%	Number of Farms	%	
Less than 2,500	50	15	57	17	
2,500 to 4,999	9	3	9	3	
5,000 to 9,999	15	5	13	4	
10,000 to 24,999	18	6	27	8	
25,000 to 49,999	27	8	29	9	
50,000 to 99,999	31	10	35	11	
100,000 or more	175	54	158	48	
TOTAL	325	100	328	100	

Source: Census of Agriculture: Table 1: County Summary Highlights: 2017

Tillage and Land Use

The percentage of farms using no till or cover crops increased, while the percentage of farms using reduced or intensive tillage decreased from 2012 to 2017.

	2017		2012	012	
Tillage	Number of Farms	%	Number of Farms	%	
No tillage	35	11	26	8	
Reduced tillage	17	5	24	7	
Intensive tillage	44	14	86	26	
Cover crops	21	6	13	4	
TOTAL FARMS	325		328		

Source: Census of Agriculture: Table 41 Land Use Practices

Producer Profile

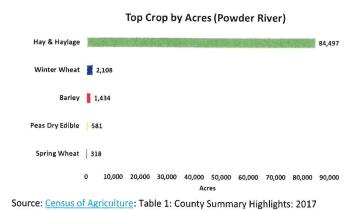
The county producer population was slightly younger than the Montana producer population. Thirty-eight percent of county producers were under 55 years of age, while 32% were over 65 years of age. Thirty-four percent of the Montana producer population were under 55, while 36% were over 65 years of age. Sixty percent of producers in the county were males, while 60% of Montana producers were males. Farming was the primary occupation for 71% of county producers, while farming was the primary occupation for 50% of Montana producers.

	County		State	
Characteristics	Number of Producers	%	Number of Producers	%
Age	15 15 27 15 16 16 17		To provide the second	
18 – 25	4	1	570	1
25 to 34	58	9	3,285	7
35 to 44	67	10	5,179	11
45 to 54	113	18	7,309	15
55 to 64	189	29	13,838	29
65 to 74	128	20	11,469	24
75 and older	75	12	5,587	12
Sex	The grant			-
Male	385	60	28,563	60
Female	256	40	18,673	40
Primary Occupation		= 1072-22		
Yes	452	71	23,847	50
No	189	29	24,314	50
TOTAL PRODUCERS	641	100	48,161	100

Source: <u>Census of Agriculture</u>: Table 45 Selected Operation and Producer Characteristics

Top Crops by Acres

The top crops were hay and haylage, winter wheat, barley, peas dry edible, and spring wheat.



Top Livestock

The top livestock were cattle, sheep, poultry (chickens) and hogs.

Livestock	Number of Head
Cattle	84,944
Sheep	10,620
Chicken - Layers	538
Hogs	36

Source: <u>Census of Agriculture</u>: Tables 11 (Cattle), 13 (Sheep) and 19 (Poultry)

Employment Impact

Agricultural production employed 518 workers, or 51% of the county's labor force. According to IMPLAN, economic impact model, 360 of the workers were directly employed in production agriculture. An additional 128 workers were employed in businesses supporting agricultural production, such as feed and fertilizer dealers, and another 30 workers were employed in other related businesses, such as grocery and drugs stores. For every 10 jobs on farms and ranches, 4 additional jobs are generated in the county.

Impact Type	Labor Force	Impact Multipliers
County Labor Force	1,006	
Direct Impact	360	
Indirect Impact	128	0.36
Induced Impact	30	0.08
Total Impact	518	0.44
Agriculture's Share (%)	51	

Source: Bureau of Labor Statistics, www.bls.gov/#cntyaa and IMPLAN Estimates

Value Added Impacts

Farms and ranches generated \$33.6 million of value-added, or 41% of the county's total gross domestic product of \$81 million in 2017. According to IMPLAN, \$24.5 million was directly contributed by farmers and ranchers. An additional \$7.4 million was generated by businesses supporting agricultural production and \$1.7 million was generated by other related businesses. Each dollar of value-added in agriculture by a farmer or rancher contributes an additional \$0.37 of value-added in other sectors of the county's economy.

Impact Type	Value-Added (\$1 million)	Impact Multipliers
County GDP*	81.0	The second second second second second
Direct Impact**	24.5	li manifi
Indirect Impact**	7.4	0.30
Induced Impact**	1.7	0.07
Total Impact**	33.6	0.37
Agriculture's Share (%)	41	

Sources: * St. Louis Federal Reserve Bank, ** IMPLAN Estimates

References

 2017 Census of Agriculture, National Agricultural Statistics Service, Montana, State and County Data, Volume 1, Geographic Area Series, part 26 https://www.nass.usda.gov/Publications/AgCensus/2017/FulllReport/Volume 1, Chapter 1 State Level/Montana/mtv1.pdf

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