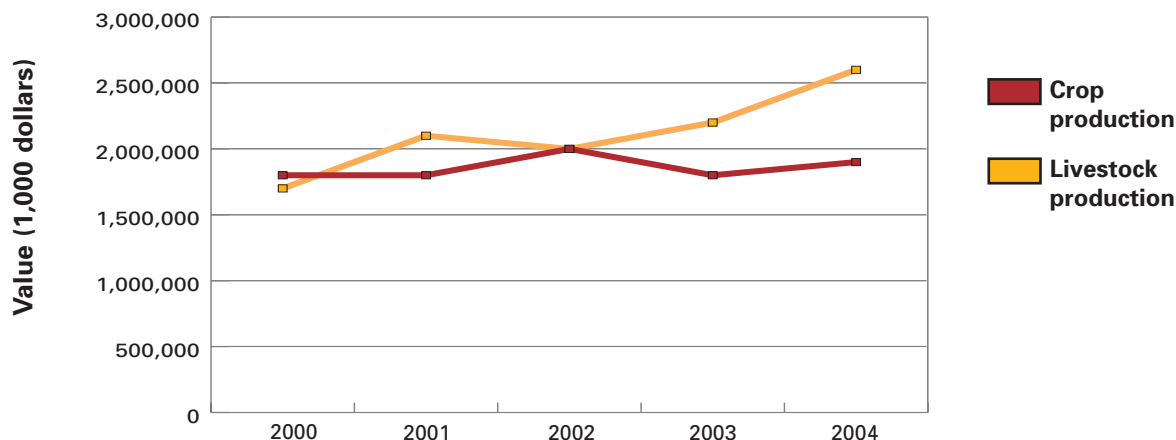


AGRICULTURE

Agriculture continues to be Idaho's most important natural resource industry. In 2003 Idaho ranked among the top 10 states in 17 different crop and livestock categories. Over the last 10 years the structure of Idaho's agriculture has changed as livestock has become more valuable than crops. Milk and cattle were the top farm commodities for the state, bringing in over \$1 billion each in 2003. The dairy industry continues to grow with milk cows and production per cow at record highs in 2003. Idaho's dairy sales ranked fifth in the nation, and Idaho ranked 15th nationally for cattle in 2003. Despite the loss of 3,000 cattle operations from 1997-2002, actual sales increased by nearly 300,000 head during that period. Since 2001, the value of livestock in Idaho has exceeded that of crops. In the three decades prior, crops were more valuable every year except for 1979. Idaho potatoes have continued a 50-year run in leading the nation in sales, but cash values have often suffered in recent years.

Value of livestock and crop production



Water is Idaho's economic lifeblood. The state began a water rights adjudication process in the Snake River Basin in 1987. About 85 percent of 150,000 claims have been recognized. The Snake River Plain is one of the most intensively irrigated farming areas in the world. Farmers control about 93 percent of all the water diverted from the Snake River, its tributaries and groundwater. Several years of drought, decades of groundwater pumping and more efficient irrigation techniques have lowered the 10,000-square-mile Eastern Snake River Plain Aquifer. Protecting water rights, agriculture, rural communities, the environment and Idaho's multi-faceted economy is one of the biggest issues Idaho has ever faced.

The face of the farm continues to evolve. From 1997 to 2002 the number of farms, farm acres and average farm size in Idaho decreased, and the overall profile of agriculture continues to change. The smallest farms of less than 100 acres and largest farms over 2,000 acres increased, while the mid-sized farms declined. Technology, increased production in foreign markets, dietary changes, Canadian cattle imports and mad cow disease, environmental stewardship, urban growth, tighter profit margins and industrialization have all influenced the nature of Idaho agriculture.

AGRICULTURE

Agriculture in Idaho, 1969-2002

	1969	1974	1978	1982	1987	1992	1997	2002
Number of Farms	25,475	23,680	24,249	24,714	24,142	22,124	25,590	25,017
Acres in Farmland	14,416,521	14,274,258	14,699,100	13,921,639	13,931,875	13,468,992	12,057,001	11,767,294
Avg. Farm Size in Acres	566	603	606	563	577	609	471	470

Idaho's largest farms continue increasing their control over total production. In 2002, less than 3 percent of the farms had sales exceeding \$1 million but accounted for 68 percent of the total sales. In 1997, just over 2 percent of farms had sales exceeding \$1 million, accounting for 52 percent of the total sales. The value of sales from dairy farms of \$1 million or more accounted for 86 percent of the total dairy and dairy products revenues during 2002.

Nearly two-thirds of Idaho's farms had sales of less than \$10,000. Sales from these farms accounted for less than 1 percent of total sales. The number of farms with less than 10 acres increased by almost 2,000 from 1997 to 2002. These small hobby farms represent almost 20 percent of all farms.

The number of individuals listing their primary occupation as "farmer" increased by 8.4 percent from 1997-2002. Hired farm labor decreased by 22 percent, or 14,000 workers, but almost all the decline was in part-time employees who worked less than 150 days. The average age for farmers in Idaho is now 54.

Manufacturers food and kindred products

	1972	1977	1982	1987	1992	1996	2001
Value Added in Millions	\$257.3	\$339.0	\$657.1	\$902.1	\$1,152.8	\$1,432.0	\$1,619.6

Idaho agricultural exports

Exports are important for Idaho agriculture. Falling trade barriers, a weak dollar and an expanding middle class are driving greater export opportunities. The major export markets for Idaho are Asia, Canada and Latin America.

