

# Summary Measures of the Economic Importance of Agri-food Industries in Howard County, Iowa

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This summary report provides county-level statistics for Howard County, Iowa as a supplement to *The Economic Importance of Agri-food Industries in Iowa*<sup>1</sup> (hereafter referred to as the “state report”). Throughout this summary, local data will be presented that reflects the data provided in the state report. Brief descriptions of the data will be provided along with references back to the state report for more detailed explanations of the data and its use.

Table 1 shows that Howard County had 891 farms in 2002. These farms averaged 302 acres apiece compared to an average of 350 acres per farm, statewide. Nationwide, farms are generally larger than in Iowa. The average US farm included 441 acres in 2002. The estimated market value of land and buildings per farm in Howard County was \$689,530 in 2002, compared to \$808,152 for Iowa and \$604,403, nationwide. In 2002, Howard County farms marketed an average of \$118,110 worth of farm products according to the US Census of Agriculture.

Table 1. Howard County Farm Statistics from the US Census of Agriculture

	Howard County		Iowa		United States	
	2002	1997	2002	1997	2002	1997
Number of farms	891	915	90,655	96,705	2,128,982	2,215,876
Land in farms (acres)	269,400	277,767	31,729,490	32,313,119	938,279,056	954,752,502
Average farm size (acres)	302	304	350	334	441	431
Market value, per farm, of						
Land and buildings (\$)	589,597	424,988	707,730	559,678	537,833	416,007
Machinery and equipment (\$)	99,933	73,155	100,422	79,607	66,570	53,861
Farm products sold (\$)	118,110	105,232	135,388	125,766	94,245	90,880

Table 2 shows employment data for Howard County and the state of Iowa compiled within a framework used by the US Department of Agriculture (USDA) to identify a broad range of farm and farm-related employment. These numbers are a reduced set of the statistics provided as Table 4 in the state report. The USDA compiles these employment numbers annually for each of the 50 states<sup>2</sup>. For this summary, we have used the USDA classification system and data from the US Bureau of Economic Analysis and the Iowa Department of Workforce Development to generate similar results for Howard County. Detail is restricted in this summary, due to the smaller employment base and privacy issues at the county level.

<sup>1</sup> Mark Imerman, David Swenson, Liesl Eathington, Daniel Otto. Iowa State University Department of Economics. 2005.

<sup>2</sup> The USDA's definition of farm-related industries includes all food-based businesses through retailing and restaurants. Substantial portions of packaging manufacture, of gravel and lime extraction, and apparel manufacturing are also included. A discussion of the implications of the breadth of this framework is included on pages 6-9 of the state report.

Table 2. USDA-style Compilation of 2002 Farm and Farm-related Employment (Jobs)

	Howard County			Iowa	
	Jobs	County total	As a percent of State Category	Jobs	% of state total
Farm and closely-related	1,134	16.70	0.56	201,967	10.57
Peripherally-related	360	5.30	0.19	191,669	10.04
Total farm and farm-related	1,494	22.00	0.38	393,636	20.61
Total employment	6,793	100.00	0.36	1,909,934	100.00

Data derived from the US Bureau of Economic Analysis and the Iowa Department of Workforce Development within a framework obtained from the USDA.

Tables 3 and 4 estimate the value of a more restricted definition of the agri-food industries for Howard County. These tables are consistent with Tables 5 and 6 in the state report. Estimates included in these tables limit the agri-food industries to ag production (traditional farm production and nonfarm production facilities), food and other primary farm commodity processing, and ag input manufacturing (machinery, ag chemicals, and fertilizer)<sup>3</sup>.

Table 3 provides value estimates for an industry-only aggregation of the economic activity that takes place within Howard County's borders. Output is the value of total in-county production for each industry in 2002. Value-added is the value that was added to Output by each industry's in-county production process. The difference between Output and Value-added is the value of purchased inputs that go into the production process. For individual industries, these inputs may be sourced from out-of-county or from within the county. Value-added represents the value of Output minus the value of purchased inputs. Table 3 also provides an estimate of jobs<sup>4</sup> and labor income (compensation for employees and proprietors) within the agri-food industries in Howard County.

Table 3 shows that, in 2002, the total output value of Howard County's agricultural production industry was \$93.183 million. \$32.212 million of this output (34.57 percent of the total output value) was the value added to the output by Howard County's ag production activity (ag production's value added). The remainder came from purchased inputs into the process (from either in-county or out-of-county sources). 53.89 percent of this value added, or \$17.361 million, was paid out as compensation to the 1,119 production agriculture jobs in Howard County.

<sup>3</sup> Estimates were generated through a process of recompiling and analyzing statistics derived from the IMPLAN database system maintained by MIG, Inc. A detailed discussion of the estimates presented here, the differences between the two tables, and how they can be interpreted is provided in pages 9 through 17 of the state report.

<sup>4</sup> Jobs do not refer to the number of people working or to full-time-equivalent employment. Jobs can be full or part time. A single individual can hold multiple jobs. In short, jobs cannot be looked upon as interchangeable or comparable across industries, businesses, or location. Comparisons of wages and compensation are more appropriate in an economic value context.

Table 3. Industry-only Estimation Based on IMPLAN and Census Data

<b>Howard County</b>		<b>Labor</b>		<b>Value-Added</b>	
<b>Agricultural Production</b>	<b>Output*</b>	<b>Jobs</b>	<b>Income*</b>	<b>Value*</b>	<b>Pct. Of Tot.</b>
Oilseeds	20.583	175	6.785	11.067	4.68
Grain	31.981	410	7.737	14.483	6.13
Other Crops	4.235	14	0.893	2.212	0.94
Cattle	15.797	95	0.189	1.112	0.47
Poultry	0.000	0	0.000	0.000	0.00
Hogs and Pigs	15.776	317	1.183	2.450	1.04
Other Ag Production	4.811	108	0.574	0.888	0.38
<b>Sum of Ag Production</b>	<b>93.183</b>	<b>1,119</b>	<b>17.361</b>	<b>32.212</b>	<b>13.63</b>
<b>Primary Food Processing</b>					
Crop	16.246	31	1.329	2.308	0.98
Dairy	20.886	40	2.029	6.947	2.94
Meat	2.593	7	0.184	0.222	0.09
<b>Sum of Primary Food Proc.</b>	<b>39.725</b>	<b>78</b>	<b>3.542</b>	<b>9.477</b>	<b>4.01</b>
<b>Other Food/Ag Processing</b>					
Animal and Pet Foods	0.000	0	0.000	0.000	0.00
Other Food Processing	0.000	0	0.000	0.000	0.00
<b>Sum of Other Ag Proc.</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>	<b>0.00</b>
<b>Ag Input Manufacturing</b>					
Ag Chemical and Fertilizer	0.634	3	0.086	0.125	0.05
Farm Machinery	0.000	0	0.000	0.000	0.00
<b>Sum of Ag Input Mfg.</b>	<b>0.634</b>	<b>3</b>	<b>0.086</b>	<b>0.125</b>	<b>0.05</b>
<b>Sum of All Agri-food Ind.</b>	<b>133.542</b>	<b>1,200</b>	<b>20.989</b>	<b>41.814</b>	<b>17.69</b>
<b>NonAg Industries</b>	<b>431.940</b>	<b>4,174</b>	<b>130.116</b>	<b>194.602</b>	<b>82.31</b>
<b>Totals</b>	<b>565.482</b>	<b>5,374</b>	<b>151.105</b>	<b>236.416</b>	<b>100.00</b>

\* Numbers represent millions of dollars

If we add food and other ag processing and ag input manufacturing to agricultural production, the value of Howard County's agri-food industry output was \$133.542 million, or 23.62 percent of Howard County's total industrial production. Of this, \$41.814 million (31.31 percent) was value added within these industries in Howard County. \$20.989 million of this value added was paid out as wages and salaries to the 1,200 agri-food industry jobs in the county.

Overall, Table 3 shows that Howard County's agri-food industries directly accounted for 23.62 percent of the county's total output, 17.69 percent of total value added, 13.89 percent of labor income, and 22.34 percent of the county's jobs<sup>5</sup>.

<sup>5</sup> It is unusual but possible for counties to have negative output, value-added, and labor income values in some categories, resulting in negative percents of totals. Where this happens, it is generally due to write-downs of assets and proprietor interests due to firm closings or bankruptcies, market situations where output must be sold at less than production costs, or reverse flows of incomes, pensions, or benefits.

Table 4. Industry-of-output aggregation including local inputs

Howard County	Value Added				
	As a Percent of				
				Total V.A.	Nonhousehold Demand
<b>Agricultural Production</b>	<b>Output*</b>	<b>Income*</b>	<b>Value Added*</b>		
Oilseeds	23.904	9.513	13.292	5.62	6.34
Grain	33.323	11.049	16.176	6.84	7.72
Other Crops	0.495	0.167	0.267	0.11	0.13
Cattle	12.410	1.398	2.488	1.05	1.19
Poultry	0.000	0.000	0.000	0.00	0.00
Hogs and Pigs	20.818	3.389	5.451	2.31	2.60
Other Ag Production	5.957	0.970	1.560	0.66	0.74
<b>Sum of Ag Production</b>	<b>96.907</b>	<b>26.486</b>	<b>39.234</b>	<b>16.60</b>	<b>18.72</b>
<b>Primary Food Processing</b>					
Crop	26.059	5.311	7.930	3.35	3.78
Dairy	29.054	5.735	9.933	4.20	4.74
Meat	2.869	0.317	0.496	0.21	0.24
<b>Sum of Primary Food Proc.</b>	<b>57.981</b>	<b>11.363</b>	<b>18.359</b>	<b>7.77</b>	<b>8.76</b>
<b>Other Food/Ag Processing</b>					
Animal and Pet Foods	0.000	0.000	0.000	0.00	0.00
Other Food Processing	0.000	0.000	0.000	0.00	0.00
<b>Sum of Other Ag Proc.</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.00</b>	<b>0.00</b>
<b>Ag Input Manufacturing</b>					
Ag Chemical and Fertilizer	0.618	0.120	0.166	0.07	0.08
Farm Machinery	0.000	0.000	0.000	0.00	0.00
<b>Sum of Ag Input Mfg.</b>	<b>0.618</b>	<b>0.120</b>	<b>0.166</b>	<b>0.07</b>	<b>0.08</b>
<b>Sum of All Agri-food Ind.</b>	<b>155.506</b>	<b>37.969</b>	<b>57.758</b>	<b>24.43</b>	<b>27.56</b>
<b>NonAg Industries</b>	<b>367.105</b>	<b>112.108</b>	<b>151.811</b>	<b>64.21</b>	<b>72.44</b>
<b>Household Consumption</b>	<b>42.871</b>	<b>118.736</b>	<b>26.847</b>	<b>11.36</b>	<b>12.81</b>
<b>Totals</b>	<b>565.482</b>	<b>268.812</b>	<b>236.416</b>	<b>100.00</b>	<b>112.81</b>

\* Numbers represent millions of dollars

Table 4 shows a different aggregation of the county's industrial output. Table 4 is derived from the same data as is Table 3, and total values for Table 4 are identical to total values for Table 3. The difference is the point at which values were counted. In Table 3, values were counted in each industry where productive activity took place. In Table 4, values were counted at the industry that made the final export (out-of-county) sale of goods and services produced<sup>6</sup>. This is final demand analysis. It helps illustrate the magnitude of inter-industrial linkages and the value of those linkages to local income generation from export sales<sup>7</sup>.

<sup>6</sup> Goods not sold out of county were counted under the heading of "Household Consumption" and not in industry totals in Table 4.

<sup>7</sup> The point at which final products are sold out-of-county was chosen as an endpoint because it coincides with the point at which industrial output brings revenue into the county. This point also avoids problems

Table 4 reallocates all industrial activity in the county to the sectors producing goods for sale beyond the county's borders (export sale). This means that if there is a local meat packer that purchases all of its live cattle from local farmers, the output value, value-added, and personal income generated in the production of those cattle is aggregated up to the meat packing industry. Similarly, the value of locally produced farm machinery purchased for use on local farms is not included in the aggregation under farm machinery, but is subsumed under agricultural production (and partially subsumed, again, into food processing if the farm output that it was used to produce passes through local food processors on its journey to final sale outside of the county). In a nutshell, the output, value-added, and income estimates in Table 4 estimate the total share of the local economic activity utilized to generate final output from the agri-food sectors.

Under this aggregation, the total exported output value of locally produced goods and services supporting Howard County's agricultural production industry was \$96.907 million. \$39.234 million of this output (40.49 percent of the total output value) was the value added to the output by economic activity within Howard County (value added). The remainder came from inputs purchased from out-of-county sources. 67.51 percent of this value added, or \$26.486 million, was paid out as personal income to residents of Howard County that were involved (as workers, owners, investors, etc) in these activities.

If we add food and other ag processing and ag input manufacturing to agricultural production, the export value of goods and services supporting Howard County's agri-food industry output was \$155.506 million, or 27.50 percent of Howard County's total industrial production. Of this, \$57.758 million (37.14 percent) was value added within these industries in Howard County. \$37.969 million of this value added was paid out as personal income.

Overall, Table 4 shows that exports from Howard County's agri-food industries accounted for 27.50 percent of the county's total output, 24.43 percent of total value added, and 14.12 percent of the county's personal income.

Table 5. Crop Statistics From the U.S. Census of Agriculture

	Howard County		Iowa	
	2002	1997	2002	1997
Value of All Farm Products Sold*	105,236	96,288	12,273,634	12,162,165
Value of Crops Sold*	54,703	56,229	6,071,272	6,381,676
Total Cropland Harvested (acres)	212,139	221,543	23,994,343	24,008,826
Corn for grain	100,485	108,083	11,761,392	11,930,542
Corn for silage and green-chop	3,092	4,216	247,269	244,913
Soybeans	93,866	94,925	10,418,621	10,258,681
Oats	2,551	3,166	143,513	214,485
Harvested forage crops	12,916	(NA)	1,533,027	(NA)
Bushels harvested				
Corn	16,176,415	14,584,220	1,851,276,224	1,581,093,092
Soybeans	4,434,802	4,083,508	487,380,897	459,309,682
Oats	210,606	216,738	10,761,952	14,451,930

\* Values are in \$1,000s

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that would accompany trying to separate local household consumption between that which consumes local food products and that which consumes food products imported from outside the county.

Table 5 shows Howard County crop inventories and sales for 1997 and 2002. State statistics are included for comparison. Table 6 provides similar information for Howard County livestock. Data in both tables comes from the US Census of Agriculture. In both tables “(NA)” entries denote categories where data was not collected or compiled, and “(D)” entries designate that data was collected but results were suppressed to comply with personal disclosure restrictions.

Table 6. Livestock Statistics From the U.S. Census of Agriculture

	Howard County		Iowa	
	2002	1997	2002	1997
Value of All Farm Products Sold	105,236	96,288	12,273,634	12,162,165
Value of Livestock and Livestock Products Sold*	50,533	40,059	6,202,362	5,780,489
<b>Hogs and Pigs</b>				
Total inventory	136,774	97,430	15,486,531	14,513,319
Inventory of breeding stock	13,732	9,559	1,145,323	1,354,166
Number sold	317,073	176,495	41,232,492	27,340,921
Value of sales*	28,006	19,825	3,078,455	3,012,764
<b>Cattle and Calves</b>				
Total inventory	31,766	30,882	3,535,945	3,717,394
Beef cows	5,807	5,237	987,670	1,051,178
Milk cows	3,241	4,536	206,965	222,090
Number sold	20,897	18,663	2,929,704	2,936,978
Value of sales*	15,255	11,956	2,119,935	1,886,416
Value of Dairy Products Sold*	6,756	7,942	442,431	407,897
<b>Poultry and Poultry Products</b>				
Value of sales*	109	17	511,949	414,587
Inventory of layers 20 weeks and older	805	1,439	38,650,210	21,514,768
Broiler and meat-type chicken inventory	15,257	814	1,730,091	1,023,349
Broiler and meat-type chickens sold	63,523	325	9,558,127	6,919,963
Turkey inventory	38	11	3,681,862	2,552,845
Turkeys sold	(D)	(D)	9,145,415	7,279,822
<b>Sheep and Goats and Related Products</b>				
Value of sales	355	(NA)	23,366	(NA)
Inventory of sheep and lambs	2,126	1,169	249,908	272,913
Number of sheep and lambs sold	1,760	1,308	257,130	326,868

\* Values are in \$1,000s

The first three data columns of Table 7 show aggregated annual earnings in thousands of dollars from farm employment, nonfarm employment, and totals employment in Howard County from 1990 through 2003. The values are not adjusted for inflation. Note that nonfarm earnings steadily rise throughout the period. Total earnings rise, but with somewhat more variation. Farm earnings swing significantly from year-to-year. This is typical of earnings in economies with a substantial ag production sector.

The final three data columns of Table 7 show the data again. In Table 7, however, the data is differenced year-by-year. Entries for 1991, for example, are the difference between, change from, 1990 to 1991. Positive numbers denote unadjusted growth. Negative numbers denote unadjusted decline. This representation shows that nonfarm earnings tend to be growing over time, causing total earnings to trend upward over time. The variability in this growth, however, is strongly associated with the variability of farm earnings. This is due to the weather and market factors that make production agriculture returns highly variable (which is also true of many basic mining industries).

While ag production's growth in most areas is limited by the availability of suitable land, its variability has a substantial effect upon rural areas. Even in urbanized areas, the difference between a good earnings year and a bad earnings year is often heavily influenced by conditions affecting agricultural production and marketing.

A more detailed state-level discussion and illustrations are included in the state report on pages 22 through 24.

Table 7. Annual Earnings and Annual Earnings Changes

Year	Annual County Earnings by Source			Annual Changes in County Earnings		
	Farm	Nonfarm	Total	Farm	Nonfarm	Total
1990	21,377	68,134	89,511	(NA)	(NA)	(NA)
1991	15,487	74,159	89,646	-5,890	6,025	135
1992	17,426	79,212	96,638	1,939	5,053	6,992
1993	3,080	84,894	87,974	-14,346	5,682	-8,664
1994	21,429	97,748	119,177	18,349	12,854	31,203
1995	15,851	99,181	115,032	-5,578	1,433	-4,145
1996	28,879	103,887	132,766	13,028	4,706	17,734
1997	30,168	113,154	143,322	1,289	9,267	10,556
1998	24,538	129,504	154,042	-5,630	16,350	10,720
1999	14,824	135,462	150,286	-9,714	5,958	-3,756
2000	13,744	146,976	160,720	-1,080	11,514	10,434
2001	8,058	146,777	154,835	-5,686	-199	-5,885
2002	17,291	153,491	170,782	9,233	6,714	15,947
2003	9,334	175,318	184,652	-7,957	21,827	13,870

Data from the US Bureau of Economic Analysis