## **ECONOMIC IMPACT OF AGRICULTURE**

## **Custer County**



January 2021

Custer County is a rural county located in the southeastern part of the state. Over 86% of land in Custer County is classified as farm land.

# Overview (2017 Data)

Population	11,586
County Size (acres)	2,421,318
Land in Farms (%)	86.3
Number of Farms	441
Median Farm Size (acres)	600
Average Farm Size (acres)	4,737

Source: Census of Agriculture: Table 1: County

Summary Highlights: 2017

#### **Farm Revenue**

Farm revenues (which includes the market value of products sold, government payments, and farm-related income) were over \$83 million while production expenses were \$67 million. Government payments were 4% of farm revenues.

Market Value of Products Sold	\$76,622,000
Government Payments	\$3,114,000
Farm-Related Income	\$3,795,000
Total Farm Production Expenses	\$67,211,000
Net Cash Farm Income	\$16,320,000

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

#### **Taxation**

The market value of all property in Custer County was approximately \$1 billion in 2019. The taxable value assigned by the Montana Department of Revenue was \$22 million. Agricultural Property (as

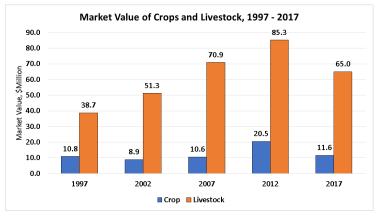
defined by Montana Department of Revenue as Class 3 Property) comprised 14% of the county's taxable value.

<b>Property Tax Summary</b>	2019	2014
Market Value of All	\$1,102,305,706	\$632,048,923
Property		
Taxable Value of All	\$22,370,518	\$16,568,979
Property		
Taxable Value of	\$3,199,671	\$3,196,183
Agricultural Property		
Ag Taxable Value as %	14%	19%
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

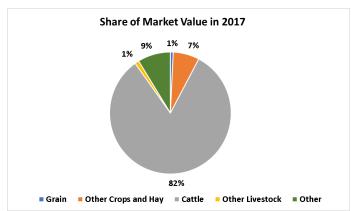
After adjusting for inflation, the market value of crops increased by 7%, while the market value of livestock increased by nearly 68%, from 1997 to 2017.



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 (82%) and other crops and hay (7%) comprised 89% of total crop and livestock sales in 2017.



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

## Farm Size by Acres

The percentage of smaller farms, less than 500 acres, decreased slightly from 52% to 49%, while the percentage of larger farms, 500 acres or more, increased slightly from 48% to 51% from 2012 to 2017.

	2017		2012	
	Number		Number	
Farm Size by Acres	of Farms	%	of Farms	%
1 to 9	39	9	40	9
10 to 49	68	15	65	15
50 to 179	79	18	71	17
180 to 499	28	6	44	10
500 to 999	55	12	29	7
1,000 or more	172	39	174	41
TOTAL	441	100	423	100

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

## Farm Size by Sales

The proportion of total sales from of the smallest farms with less than \$100,000 in sales increased from 64% to 69%, while the proportion of total sales from the largest farms with sales of \$100,000 or more decreased from 36% to 31% from 2012 to 2017.

	2017		2012	
Farm Size by	Number		Number	
Sales	of Farms	%	of Farms	%
Less than 2,500	123	28	113	27
2,500 to 4,999	24	5	21	5
5,000 to 9,999	23	5	37	9
10,000 to 24,999	36	8	33	8
25,000 to 49,999	53	12	39	9
50,000 to 99,999	44	10	29	7
100,000 or more	138	31	151	36
TOTAL	441	100	423	100

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

## Tillage and Land Use

The percentage of farms using reduced tillage or cover crops increased, while the percentage of farms using intensive tillage decreased from 2012 to 2017.

	2017		2012	
	Number		Number	
Tillage	of Farms	%	of Farms	%
No tillage	34	8	34	8
Reduced tillage	35	8	16	4
Intensive tillage	62	14	98	23
Cover crops	25	6	11	3
TOTAL FARMS	441		423	

Source: Census of Agriculture: Table 41 Land Use Practices

#### **Producer Profile**

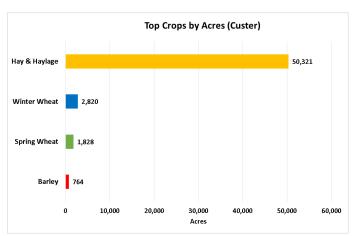
The county producer population was somewhat younger than the Montana producer population. Thirty-eight percent of county producers were under 55 years of age, while 31% were over 65 years of age. Thirty-four percent of the Montana producer population were under 55, while 36% were over 65 years of age. Fifty-eight percent of producers in the county were males, while 60% of Montana producers were males. Farming was the primary occupation for 48% of county producers, while farming was the primary occupation for 50% of Montana producers.

	County		State	
	Number of		Number of	
Characteristics	Producers	%	Producers	%
Age				
18 – 25	13	2	570	1
25 to 34	96	11	3,285	7
35 to 44	82	10	5,179	11
45 to 54	132	15	7,309	15
55 to 64	237	28	13,838	29
65 to 74	164	19	11,469	24
75 and older	99	12	5,587	12
Sex	Sex			
Male	497	58	28,563	60
Female	359	42	18,673	40
Primary Occupation				
Yes	412	48	23,847	50
No	444	52	24,314	50
TOTAL PRODUCERS	856	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 and spring wheat and barley.



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

## **Top Livestock**

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

Livestock	Number of Head
Cattle	90,952
Sheep	5,461
Chickens-Layers	792
Chickens-Broilers	110
Turkeys	52

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

#### **Employment Impact**

Agricultural production employed 760 workers, or 12% of the county's labor force. According to IMPLAN, economic impact model, 499 of the workers were directly employed in production agriculture. An additional 174 workers were employed in businesses supporting agricultural production, such as feed and fertilizer dealers, and another 87 workers were employed in other related businesses, such as grocery and drugs stores. For every 10 jobs on farms and ranches, 5 additional jobs are generated in the county.

Impact	Labor	Impact
Туре	Force	Multipliers
County Labor Force	6,153	
Direct Impact	499	
Indirect Impact	174	0.35
Induced Impact	87	0.17
Total Impact	760	0.52
Agriculture's Share (%)	12	

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

#### **Value Added Impacts**

Farms and ranches generated \$48.3 million of value-added, or 10% of the county's total gross domestic product of \$506 million in 2017. According to IMPLAN, \$29.3 million was directly contributed by farmers and ranchers. An additional \$13.6 million was generated by businesses supporting agricultural production and \$5.4 million was generated by other related businesses. Each dollar of value-added in agriculture by a farmer or rancher contributes an additional \$0.64 of value-added in other sectors of the county's economy.

Impact Type	Value-Added (\$1 million)	Impact Multipliers
County GDP*	506.0	
Direct Impact**	29.3	
Indirect Impact**	13.6	0.46
Induced Impact**	5.4	0.18
Total Impact**	48.3	0.64
Agriculture's Share (%)	10	

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 <a href="https://www.nass.usda.gov/Publications/AgCensus/2017/Full-Report/Volume 1, Chapter 1 State Level/Montana/mtv1.pdf">https://www.nass.usda.gov/Publications/AgCensus/2017/Full-Report/Volume 1, Chapter 1 State Level/Montana/mtv1.pdf</a>

- Dept. of Revenue "Montana Taxes by County in 2014" <a href="https://mtrevenue.gov/wp-content/uploads/2018/01/2014-Taxes-by-County.pdf">https://mtrevenue.gov/wp-content/uploads/2018/01/2014-Taxes-by-County.pdf</a>
- Dept. of Revenue "Montana Taxes by County in 2018" <a href="https://mtrevenue.gov/wp-content/uploads/2020/02/2018-Taxes-by-County.pdf">https://mtrevenue.gov/wp-content/uploads/2020/02/2018-Taxes-by-County.pdf</a>
- St. Louis Federal Reserve Bank (2017). Current dollar gross domestic product by county for Montana, retrieved from <a href="https://fred.stlouisfed.org/release/tables?rid=397&eid=1062609&od=2017-01-01#">https://fred.stlouisfed.org/release/tables?rid=397&eid=1062609&od=2017-01-01#</a>
- St. Louis Federal Reserve Bank (2020). Producer price index for all commodities, St. Louis Federal Reserve Bank, retrieved from https://fred.stlouisfed.org/series/PPIACO
- Bureau of Labor Statistics (2017), Montana labor force, retrieved from <a href="https://bls.gov/lau/#cntyaa">https://bls.gov/lau/#cntyaa</a>

#### **Report produced by MSU Extension:**

- George Haynes, MSU Extension, Professor and Specialist
- Joel Schumacher, MSU Extension, Associate Specialist
- Jeff Peterson, Economic Impact Analyst, Impacts Montana

#### **Contact Us:**

MSU Extension Economics P.O. Box 172800 Bozeman, MT 5971 406-994-3511



For more information: www.montana.edu/agimpact

Montana State University Extension is an ADA/EO/AA/Veteran's Preference Employer and Provider of Educational Outreach.