ECONOMIC IMPACT OF AGRICULTURE

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Prairie County

January 2021

Prairie County is a rural sparsely populated county located in the eastern portion of the state. Over 67% of land in Prairie County is classified as farm land.

Overview (2017 Data)

Population	1,087
County Size (acres)	1,111,426
Land in Farms (%)	67.2
Number of Farms	179
Median Farm Size (acres)	1,800
Average Farm Size (acres)	4,175

 $Source: \underline{Census\ of\ Agriculture} : Table\ 1:\ County\ Summary$

Highlights: 2017

Farm Revenue

Farm revenue (which includes the market value of products sold, government payments, and farm-related income) topped \$50 million while production expenses were \$39 million. Government payments were 9.2% of farm revenues.

Market Value of Products Sold	\$43,300,000
Government Payments	\$4,610,000
Farm-Related Income	\$2,261,000
Total Farm Production Expenses	\$39,101,000
Net Cash Farm Income	\$11,070,000

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

Taxation

The market value of all property in Prairie County was approximately \$203 million in 2019. The taxable value assigned by the Montana Department of Revenue was \$5 million. Agricultural Property (as

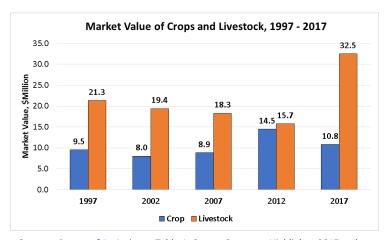
defined by Montana Department of Revenue as Class 3 Property) comprised 26% of the county's taxable value.

Property Tax Summary	2019	2014
Market Value of All	\$203,890,816	\$140,459,177
Property		
Taxable Value of All	\$5,386,671	\$3,995,137
Property		
Taxable Value of	\$1,414,933	\$1,186,239
Agricultural Property		
Ag Taxable Value as %	26%	30%
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

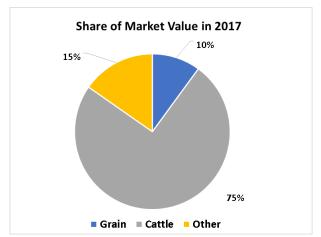
After adjusting for inflation, the market value of crops increased by 13%, while the market value of livestock increased by 52%, from 1997 to 2017.



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 (75%) and grain (10%) comprised 85% 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 from 31% to 27%, while the percentage of larger farms, 500 acres or more, increased from 69% to 73% from 2012 to 2017.

	2017		2017 2012		
	Number		Number		
Farm Size by Acres	of Farms	%	of Farms	%	
1 to 9	4	2	14	8	
10 to 49	4	2	7	4	
50 to 179	24	13	14	8	
180 to 499	16	9	22	12	
500 to 999	13	7	17	9	
1,000 or more	118	66	112	60	
TOTAL	179	100	186	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 58% to 50%, while the percentage of the largest farms with sales of \$100,000 or more increased from 42% to 50% from 2012 to 2017.

	2017		2012	
Farm Size by	Number		Number	
Sales	of Farms	%	of Farms	%
Less than 2,500	35	20	40	22
2,500 to 4,999	4	2	4	2
5,000 to 9,999	9	5	13	7
10,000 to 24,999	12	7	11	6
25,000 to 49,999	12	7	23	12
50,000 to 99,999	18	10	17	9
100,000 or more	89	50	78	42
TOTAL	179	100	186	100

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

Tillage and Land Use

The percentage of farms using no till, 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	51	28	32	17
Reduced tillage	31	17	28	15
Intensive tillage	15	8	74	40
Cover crops	11	6	2	1
TOTAL FARMS	179	_	186	_

Source: Census of Agriculture: Table 41 Land Use Practices

Producer Profile

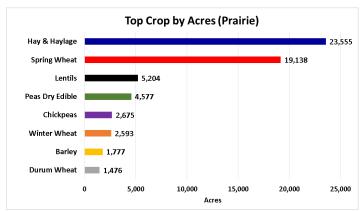
The county producer population was slightly younger than the Montana producer population. Thirty-six percent of county producers were under 55 years of age, while 35% were over 65 years of age. Thirty-four percent of the Montana producer population were under 55, while 36% were over 65 years of age. Fifty-nine percent of producers in the county were males, while 60% of Montana producers were males. Farming was the primary occupation for 67% 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	12	4	570	1
25 to 34	32	10	3,285	7
35 to 44	43	13	5,179	11
45 to 54	31	9	7,309	15
55 to 64	99	29	13,838	29
65 to 74	94	28	11,469	24
75 and older	23	7	5,587	12
Sex				
Male	199	59	28,563	60
Female	137	41	18,673	40
Primary Occupation				
Yes	225	67	23,847	50
No	111	33	24,314	50
TOTAL PRODUCERS	336	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, spring wheat, lentils, peas dry edible, chickpeas, winter wheat, barley, and durum wheat.



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

Top Livestock

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

Livestock	Number of Head
Cattle	48,224
Sheep	967
Chicken - Layers	360

Source: Census of Agriculture: Tables 11 (Cattle), 13

(Sheep) and 19 (Poultry)

Employment Impact

Agricultural production employed 369 workers, or 76% of the county's labor force. According to IMPLAN, economic impact model, 295 of the workers were directly employed in production agriculture. An additional 72 workers were employed in businesses supporting agricultural production, such as feed and fertilizer dealers, and another 2 workers were employed in other related businesses, such as grocery and drugs stores. For every 10 jobs on farms and ranches, 3 additional jobs are generated in the county.

Impact Type	Labor Force	Impact Multipliers
County Labor Force	486	
Direct Impact	295	
Indirect Impact	72	0.24
Induced Impact	2	0.01
Total Impact	369	0.25
Agriculture's Share (%)	76	

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

Value Added Impacts

Farms and ranches generated \$20.1 million of value-added, or 59% of the county's total gross domestic product of \$34 million in 2017. According to IMPLAN, \$15.6 million was directly contributed by farmers and ranchers. An additional \$4.4 million was generated by businesses supporting agricultural production and \$0.1 million was generated by other related businesses. Each dollar of value-added in agriculture by a farmer or rancher contributes an additional \$0.29 of value-added in other sectors of the county's economy.

Impact Type	Value-Added (\$1 million)	Impact Multipliers
County GDP*	34.0	
Direct Impact**	15.6	
Indirect Impact**	4.4	0.28
Induced Impact**	0.1	0.01
Total Impact**	20.1	0.29
Agriculture's Share (%)	59	

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

References

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- Dept. of Revenue "Montana Taxes by County in 2014" https://mtrevenue.gov/wp-content/uploads/2018/01/2014-Taxes-by-County.pdf
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