2019 Iowa Agricultural Economic Contribution Study

for: COALITION TO SUPPORT IOWA'S FARMERS





August 2019

Contents

List of Figures	4
List of Tables	5
Executive Summary	7
Key Findings	7
Background	8
Iowa Agriculture	8
Iowa Farm Demographics	9
Methodology	11
Defining Agriculture	12
Economic Impact Study versus Economic Contribution Study	12
State Level Results	13
State Value-Added	13
State Jobs	14
State Output	15
State Household Income	16
Detailed Results	17
Crops	17
Livestock	18
Other Agriculture	19
County Level Results	21
County Value-Added	21
County Jobs	23
Congressional District Results	25
Value-Added	25
Jobs	27
Iowa Agriculture: Looking Ahead	29
Cattle Processing	
Aquaculture	
Trends in Consumer Preferences	

Addressing Resistance to Livestock Production	29
Impacts of Trade	30
Appendix A, IMPLAN Aggregation Scheme	31
Appendix B, Detailed County Level Maps	33
Value-Added	33
Jobs	36

List of Figures

Figure 1, Number of Iowa Farm Operations by Size	9
Figure 2, Number of Iowa Farm Operations by Type	. 10
Figure 3, Iowa Agriculture Total Value-Added	. 13
Figure 4, Iowa Agriculture Total Jobs	. 14
Figure 5, Iowa Agriculture Total Output	. 15
Figure 6, Iowa Agriculture Household Income	. 16
Figure 7, Economic Contribution of Iowa's Crop Industries – Value-Added	. 17
Figure 8, Economic Contribution of Iowa's Crop Industries - Jobs	. 18
Figure 9, Economic Contribution of Iowa's Livestock Industries – Value-Added	. 18
Figure 10, Economic Contribution of Iowa's Livestock Industries - Jobs	. 19
Figure 11, Economic Contribution of Iowa's Other Ag Industries – Value-Added	. 19
Figure 12, Economic Contribution of Iowa's Other Ag Industries - Jobs	. 20
Figure 13, Percent of Value-Added Derived from Total Agriculture and Agricultural-Related	
Industries	. 21
Figure 14, Percent of Value-Added Derived from Total Ag	. 22
Figure 15, Value-Added Derived from Total Ag	. 22
Figure 16, Percent of Jobs Derived from Total Agriculture and Agricultural-Related Industries	. 23
Figure 17, Percent of Jobs Derived from Total Ag	. 24
Figure 18, Jobs Derived from Total Ag	. 24
Figure 19, Percent of Value-Added Derived from Total Ag by Congressional District	. 25
Figure 20, Value-Added Derived from Total Ag by Congressional District (\$M)	. 26
Figure 21, Percent of Total Jobs Derived from Agriculture by Congressional District	. 27
Figure 22, Jobs Derived from Agriculture by Congressional District	. 28
Figure 23, Value-Added Derived from Crops (\$M)	. 33
Figure 24, Percent of Value-Added Derived from Crops	. 33
Figure 25, Value-Added Derived from Livestock (\$M)	. 34
Figure 26, Percent of Value-Added Derived from Livestock	. 34
Figure 27, Value-Added Derived from Other Ag (\$M)	. 35
Figure 28, Percent of Value-Added Derived from Other Ag	. 35
Figure 29, Jobs Derived from Crops	. 36
Figure 30, Percent of Jobs Derived from Crops	. 36
Figure 31, Jobs Derived from Livestock	. 37
Figure 32, Percent of Jobs Derived from Livestock	. 37
Figure 33, Jobs Derived from Other Ag	. 38
Figure 34, Percent of Jobs Derived from Other Ag	. 38

List of Tables

Table 1, Acronyms	6
Table 2, Historical Iowa USDA Census of Agriculture Data	10
Table 3, Iowa Farm Sales by Source	11

Table 1, Acronyms

<u>Acronym</u>	<u>Description</u>				
USDA	United States Department of Agriculture				
USDA/NASS	United States Department of Agriculture, National Agricultural Statistics Service				
USDA/ERS	United States Department of Agriculture, Economic Research Service				
BEA	Bureau of Economic Analysis				
BLS	Bureau of Labor Statistics				

Executive Summary

The results of this study indicate that although there have been struggles in the agriculture industry, it is still a very important part of Iowa's economy, supporting about 1 in every 5 jobs across Iowa. While there was a varying degree of increases and reductions for the components of economic contribution, the livestock industry and further processing in Iowa has expanded jobs and value-added for the economy.

This study is based on a combination of the 2017 Census of Agriculture, USDA/NASS datasets, and the IMPLAN modeling system. This analysis is patterned after the Iowa Agriculture Economic Contribution Studies completed in 2009 and 2014 which allows us to analyze change over time.

Key Findings

In 2017, agriculture and related industries in Iowa are estimated to contribute:

- \$39.7 billion in total value-added
 - Total value-added decreased slightly from about \$39.9 in the 2014 study.
- 399,631 jobs which represents almost 20% of total lowa jobs
 - Total ag-related jobs have decreased from 418,771 in 2014.
- \$121.1 billion in output (sales)
 - Total output has increased from \$112.2 billion in 2014.
- \$22.2 billion in household income
 - o Household income declined slightly from \$24.4 billion in the 2014 study.

Of the **\$39.7 billion** in total value-added and **399,631 jobs** from the agriculture industry and related economic activity:

- Crop production and related industries contributed:
 - o \$11.1 billion in value-added
 - o **111,965 jobs** which has declined from 183,379 in the 2014 study.
- Livestock production and related industries contributed:
 - o \$15.8 billion in value-added
 - o 185,985 jobs which has increased from 122,764 in the 2014 study.
- Other agriculture and related industries contributed:
 - \$12.9 billion in value-added
 - o **101,681 jobs** which has declined slightly from 112,627 in the 2014 study.

Background

This Iowa Agriculture Economic Contribution Study quantifies agriculture and its related industries and its contribution to the economy. This study relies heavily on the 2017 data from the IMPLAN modeling system, the USDA 2017 Census of Agriculture, and other USDA/NASS datasets. This study is patterned after similar studies completed by Decision Innovation Solutions for Iowa in 2009 and 2014, South Dakota in 2014 and 2019, Illinois in 2015 and 2019 (forthcoming), and Alabama in 2016.

Iowa Agriculture

The Iowa agriculture industry has continued to be a leader in crop and livestock production even during down times in the industry. Iowa is currently ranked the #1 state in the nation for¹:

- All Hogs and Pigs Inventory
- All Hogs and Pigs Value
- All Layers Inventory
- Animal Products Export Value (2017)
- Commercial Hog Slaughter
- Egg Production
- Pig Crop
- Pork Export Value (2017)
- Corn Export Value (2017)

- Corn for Grain Production
- Feeds and Other Grains Export Value (2017)
- Harvested Acreage of Principal Crops
- Off-Farm Grain Storage Capacity
- On-Farm Grain Storage Capacity
- Total Grain Storage Capacity

The list above and the following rankings show Iowa's ability to be a leading producer of various crops and livestock. These rankings demonstrate the importance of Iowa to help feed, clothe and fuel those beyond Iowa and the U.S. According to 2018 data from the USDA National Statistics Service, Iowa is currently ranked in the top ten states for:

- Cash Receipts (2017)
- Farm Production Expenditures
- Principal Crops Total Value (2017)
- Commercial Red Meat Production
- Field and Miscellaneous Crops Value
- Soybean Export Value (2017)
- Soybean Production
- Total Value of Agricultural Exports (2017)

- Cash Rent per Acre for Cropland
- Milk Goat Inventory
- Net Farm Income (2017)
- Number of Farms
- Beef Export Value (2017)
- Cattle on Feed Inventory, January 1
- Inventory of Steers 500 Lbs and over
- Average Value of Cropland

¹ https://www.nass.usda.gov/Statistics by State/Iowa/Publications/Rankings/IA-2019-Rankings.pdf

- Total Market Sheep & Lambs Inventory
- All Cattle & Calves Value
- Number of USDA Certified Organic Farms (2017)
- Turkeys Raised
- All Cattle & Calves Inventory
- Alfalfa Hay Production
- Cheese Production
- Oat Production
- Corn for Silage Production
- Sheep Shorn

- Beef Cows that have Calved Inventory
- Calf Crop
- Land in Farms
- All Sheep and Lambs Inventory
- Total Sheep and Lambs Inventory
- Total Breeding Sheep & Lambs Inventory
- Total Lamb Crop
- Wool Production

Iowa Farm Demographics

Figure 1 displays the breakdown of Iowa farm operations by size, according to the 2017 Census of Agriculture. The smaller size farms are typically hobby or specialty farms, while the farm operations larger in size generally make up the majority of farm sales. The most common farm size in Iowa is the 10 to 50-acre category with 18,183 farms, followed by 11,754 farms at 260 to 499 acres, and 10,381 farms with a size of 500 to 999 acres. There are only 1,892 farms in Iowa in the largest size category of 2,000 or more acres.

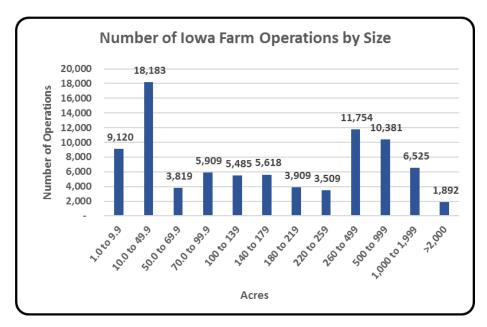


Figure 1, Number of Iowa Farm Operations by Size

Of the 86,104 farms in Iowa, 83% are held by families and individuals, while an additional 9% are family-held corporations, and 6% in partnerships. Less than 1% of Iowa farms are in a corporation that is not family-held.

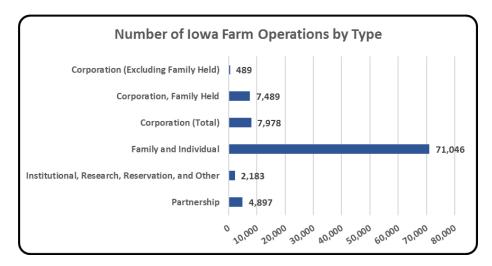


Figure 2, Number of Iowa Farm Operations by Type

According to the 2017 Census of Agriculture, there were 86,104 farms in Iowa in 2017. This number declined 2.9% from 88,637 farms in 2012. The average size of an Iowa farm in 2017 was 355 acres versus 345 acres in 2012. Since 1997, farm size has fluctuated between 331 acres and 355 acres. While the value of land and buildings, and machinery and equipment has continued to rise, the value of farm products sold declined slightly from 2012 to 2017 contributing to the current financial stress faced by some farms.

Table 2, Historical Iowa USDA Census of Agriculture Data

	<u>2017</u>	<u>2012</u>	<u>2007</u>	<u>2002</u>	<u>1997</u>
Number of Iowa Farms	86,104	88,637	92,856	90,655	96,705
Average Iowa Farm Size (acres)	355	345	331	350	334
Market Value (per farm)					
Land and Buildings (\$)	\$2,506,812	\$2,207,220	\$1,122,023	\$707,730	\$559,678
Machinery and Equipment (\$)	\$230,716	\$213,856	\$136,771	\$100,422	\$79,607
Farm Products Sold (\$)	\$336,296	\$347,728	\$219,890	\$135,388	\$125,766
Livestock Inventory					
Cattle & Calves	3,950,920	3,893,683	3,982,344	3,535,945	3,717,394
Beef Cows	938,818	885,568	904,100	987,670	1,051,178
Milk Cows	223,579	204,757	215,391	206,965	222,090
Hogs and Pigs	22,730,540	20,455,666	19,295,092	15,486,531	14,513,319
Laying Chickens	56,554,774	52,218,870	53,793,712	38,650,210	21,514,768
Turkeys	4,793,219	4,383,172	4,002,111	3,681,862	2,552,845
Cattle and Calves Sold	3,595,241	3,446,109	3,635,880	2,929,704	2,936,978
Hogs and Pigs Sold	60,292,876	49,355,848	47,279,443	41,232,492	27,340,921
Production (bushels)					
Corn for Grain	2,583,967,870	1,835,358,239	2,292,163,101	1,851,276,224	1,581,093,092
Oats for Grain	2,786,849	3,868,538	4,481,462	10,761,952	14,451,930
Soybeans	553,576,064	406,951,953	430,739,578	487,380,897	459,309,682

Since the value of crop sales has declined from 2012 to 2017 and livestock and poultry production sales have increased, the percent of total sales by source has shifted from relying more heavily on crops to livestock in the State of Iowa, which is similar to 2002.

Table 3, Iowa Farm Sales by Source

Farm Sales by Source (lowa)	<u>2017</u>	% of 2017 Total	<u>2012</u>	% of 2012 Total	<u>2007</u>	<u>% of</u> 2007 Total	<u>2002</u>	<u>% of</u> 2002 Total
Total Sales (\$1000)	\$28,956,455	100%	\$30,821,532	100%	\$20,418,096	100%	\$12,273,634	100%
Average Per Farm	\$336,296		\$347,728		\$219,890		\$135,388	
Grains & Oilseeds (\$1000)	\$13,832,573	48%	\$17,366,814	56%	\$10,343,585	51%	\$6,071,272	49%
Livestock, Poultry, and Their Products (\$1000)	\$15,123,882	52%	\$13,454,718	44%	\$10,074,511	49%	\$6,202,362	51%
Poultry and Eggs (\$1000)	\$1,579,664	5%	\$1,291,808	4%	\$872,263	4%	\$511,949	4%
Cattle and Calves (\$1000)	\$4,760,338	16%	\$4,504,373	15%	\$3,606,633	18%	\$2,119,935	17%
Milk & Other Dairy Products from Cows (\$1000)	\$868,320	3%	\$799,467	3%	\$689,680	3%	\$442,431	4%
Hogs and Pigs (\$1000)	\$7,796,511	27%	\$6,767,424	22%	\$4,827,224	24%	\$3,078,455	25%
Sheep, Goats, and Their Products (\$1000)	\$61,679	0%	\$43,020	0%	\$40,199	0%	\$23,366	0%
Other Animals and Their Products (\$1000)	\$13,814	0%	\$26,186	0%	\$22,324	0%	\$10,276	0%

Methodology

The 2019 Iowa Agriculture Economic Contribution Study was completed with a combination of the 2017 Iowa IMPLAN dataset, data from the USDA 2017 Census of Agriculture and other USDA/NASS sources. The IMPLAN modeling system and Microsoft Excel were used for calculating and tabulating the results of this analysis. Results, shown as 2017 values throughout this report are presented using these common economic modeling terms:

Value-Added

Sales (output) minus the cost of inputs

Sales (Output)

The broadest measure of economic activity – sometimes referred to as "output"

Employment (Jobs)

 A measure of job positions without regard to whether they are full-time equivalents

Household Income

 Income from all sources that accrues to individuals as payment for personal employment (earnings or labor income), payment for ownership interests or capital provision (dividends, interest and rents), or as transfer payments (payments to individuals for which nothing is offered in return)

Defining Agriculture

When completing an economic contribution study, there are generally questions as to what economic activity up and down the value chain should be included for a particular industry. Outlined below is the process used in this study for defining agriculture.

There is usually considerable discussion regarding the blurred lines between production agriculture, processing and retail, and how agriculture should be defined. Agriculture can be defined as: 1) including only farm-level production, 2) including farm-level production, input manufacturing, and food processing, or 3) from the "farm to fork" perspective, which would also include distribution, restaurants and retail.

To strike middle (and defensible) ground between including more than just farm level production and seeking to attribute excess economic activity to the agriculture industry, this analysis includes production agriculture plus the first round of value added to the process. For example, in addition to the production of livestock and poultry, we have also included the industries that process them (i.e., production, processing, slaughtering, and rendering).

Using the above rationale as a guide, the IMPLAN models were created and analyzed using the recommended methodology for a Multi-Industry Contribution Analysis. The IMPLAN modeling system uses more than 20,000 industries and classifies them according to the North American Industry Classification System (NAICS) and groups them into 536 industries. There were sixty-five IMPLAN sectors identified for this analysis to represent agriculture and related economic activities in the State of Iowa.

Economic Impact Study versus Economic Contribution Study

The term "Economic Impact Study" implies a change has taken place within a local economy. The change in a local economy typically comes from one of the following sources:

- Entrance/departure of a new business or industry
- Expansion/contraction of an existing business or industry

While estimating a change (economic impact study) such as the entrance or departure of industry activity is a worthwhile endeavor in many instances, this is not how the contribution of the agri-food sector in this analysis was estimated. This analysis is an effort to evaluate the structure of existing industries within an existing economy. As a result, shocking the economy to create or eliminate parts of the industry is not appropriate. For that reason, this study is called an "economic contribution analysis"; in other words, we are interested in understanding what lowa agriculture currently contributes to the overall economy. This is a key difference from what is traditionally termed an "economic impact study". With a contribution analysis, the sum of individual industry estimates will never differ from the total of what actually exists in a given study area.

State Level Results

The sixty-five IMPLAN sectors identified (and present in Iowa) for this study were aggregated into three main categories to provide an overview of the economic contribution of these industries. These aggregated industries are:

- Crops
- Livestock
- Other Agriculture

Further details on the industries included in each of these categories are shown in the 'Detailed Results' section of the report and also in Appendix A.

State Value-Added

Total value-added refers to the portion of total sales that actually created additional value from the economic activity in an area and/or industry and is an accurate indicator of the ability of an industry to improve economic prospects in a given area. Total value-added for an industry represents the value of the industry's total sales minus the value of any inputs used in the production process from other industries. Key components of value-added are employee compensation (hired labor) and proprietor's income (self-employed), which is collectively known as 'labor income'.

The agriculture industry and related economic activity add a significant contribution to the Iowa economy with about \$39.7 billion in value-added. Of this amount, \$15.8 billion comes from the Livestock category, \$12.9 billion from Other Agriculture, and \$11.1 billion from the Crops category.

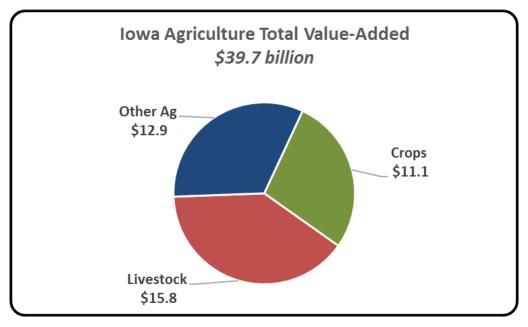


Figure 3, Iowa Agriculture Total Value-Added

State Jobs

The jobs² number represents an estimate of the number of positions (jobs) currently filled in an area or industry. The estimates provided here originate from the IMPLAN input-output model. Jobs includes positions whether they are full or part time, so care must be used in making comparisons. "Jobs" does not count positions that are unfilled.

As shown in Figure 4, lowa's agriculture industry and related economic activities contribute a sizeable amount of jobs to the economy with about 399,631 jobs. Of this amount, 185,985 jobs come from the Livestock category, 111,965 from Crops, and 101,681 from Other Agriculture.

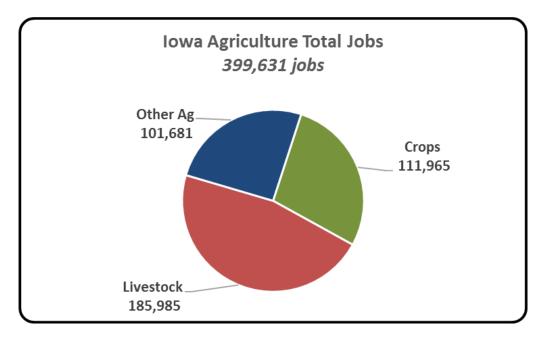


Figure 4, Iowa Agriculture Total Jobs

² Jobs do not refer to the number of people working or to full-time equivalent employment. Jobs can be full or part time, and a single individual can hold multiple jobs. In short, jobs cannot be looked upon as interchangeable or comparable across industries, businesses, or locations.

State Output

Total output (sales) refers to the total value of all production or sales of the identified industries within a study area. This is a total number that does not make deductions for the cost or origination of inputs that were used in the production process, which means that there is some double counting that occurs with this measure of economic activity. Figure 5 illustrates the contribution of agriculture and related industries to lowa's economy. As shown, lowa's agriculture industry and related economic activities contribute significantly to the state economy with about \$121.1 billion in total output.

Of this amount, \$48.5 billion comes from Livestock, \$37.7 from Crops, and \$35.0 from Other Agriculture.

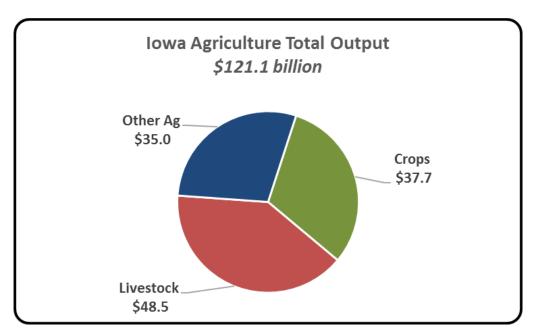


Figure 5, Iowa Agriculture Total Output

State Household Income

Household income is defined as income from all sources that accrues to individuals as payment for personal employment (earnings or labor income), payment for ownership interests or capital provision (dividends, interest and rents), or as transfer payments (payments to individuals for which nothing is offered in return). Figure 6 illustrates the contribution of each of the four categories to Iowa's total household income. As shown, Iowa's agriculture industry and related economic activities contribute about \$22.2 billion in household income to the economy.

Of this amount, \$10.5 billion comes from Livestock, \$6.7 billion from Other Agriculture, and \$5.0 billion from Crops.

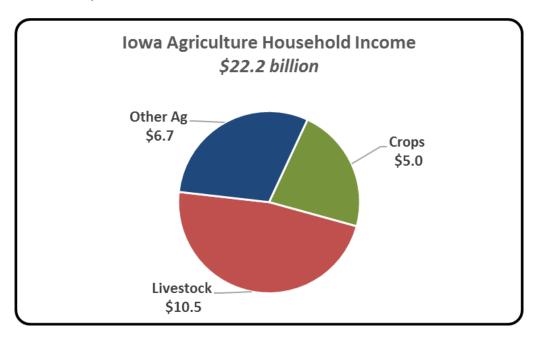


Figure 6, Iowa Agriculture Household Income

Detailed Results

The previous section showed the state level results by the three major categories: 1) Crops, 2) Livestock and 3) Other Agriculture. The following section shows the results by industry within each of the three major categories to show which specific industries are major contributors. Goods and services used by the agriculture industry to operate such as banking and insurance are not specifically shown, but they are embedded as required inputs for the agriculture industry and related economic activities.

Crops

The Crops category includes industries such as grain and oilseed farming, soybean processing and more. Total value-added contributed to the Iowa economy from crops was \$11.1 billion (see Figure 7). Crop production and related economic activity in Iowa also accounted for 111,965 jobs (see Figure 8), \$37.7 billion in output, and nearly \$5.0 billion in household income. The 'Primary Food Processing – Crops' category was a major contributor in this area which shows how important processing is to the value chain. This category also includes items such as wet corn milling and soybean processing.

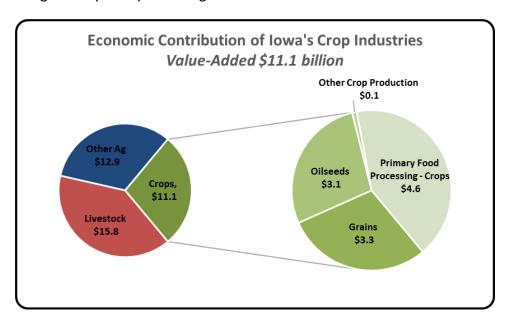


Figure 7, Economic Contribution of Iowa's Crop Industries - Value-Added

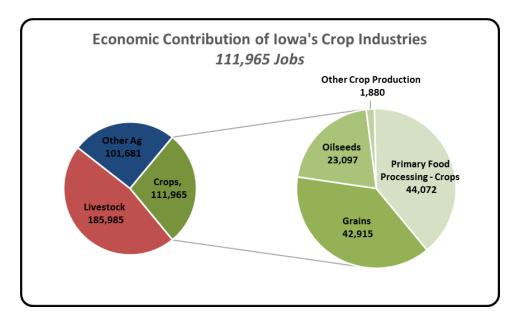


Figure 8, Economic Contribution of Iowa's Crop Industries - Jobs

Livestock

The Livestock category includes industries such as beef cattle production, hog production, dairy cattle, poultry production (layers (egg production), broilers and turkeys), meat/poultry processing rendering and more. Total value-added contributed to the economy from livestock and related economic activity in Iowa was about \$15.8 billion (see Figure 9).

Livestock production and related economic activity in Iowa also accounted for 185,985 jobs, \$48.5 billion in output, and about \$10.5 billion in household income. In addition to the production of livestock and poultry, meat processing is a large contributor to Iowa's economy.

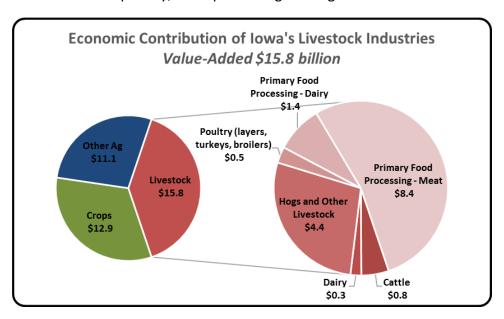


Figure 9, Economic Contribution of Iowa's Livestock Industries - Value-Added

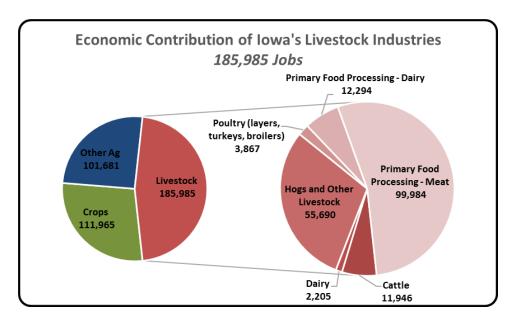


Figure 10, Economic Contribution of Iowa's Livestock Industries - Jobs

Other Agriculture

The Other Agriculture category includes industries such as animal feed production, farm machinery and equipment manufacturing, ethanol production, dog and cat food manufacturing, veterinary services, many food manufacturing industries and more. Total value-added contributed to the economy from Other Agriculture was \$12.9 billion (see Figure 11).

Other agriculture and related economic activity in Iowa also accounted for 101,681 jobs, nearly \$35.0 billion in output, and about \$6.7 billion in household income. Other food processing and farm machinery manufacturing industries were major contributors to the Other Ag category.

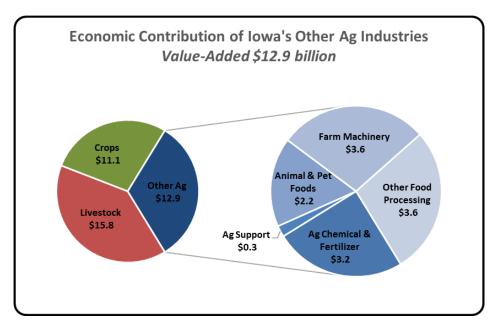


Figure 11, Economic Contribution of Iowa's Other Ag Industries - Value-Added

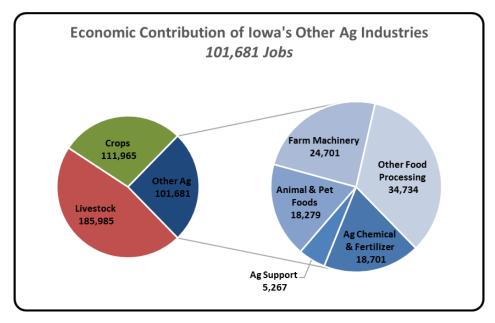


Figure 12, Economic Contribution of Iowa's Other Ag Industries - Jobs

County Level Results

The results presented so far in this report have been focused on the state level, however similar analyses have been performed for all of Iowa's ninety-nine counties. As one would expect, the contribution of agriculture varies widely, not just in terms of total contribution, but the degree to which some counties are more or less reliant upon agriculture in terms of the four primary measures of economic activity (value-added, jobs, output, and household income). While there is variation across counties, a county that is very reliant upon agriculture in terms of value-added is more likely to also be reliant upon agriculture in terms of jobs, output, and household income.

County Value-Added

Figure 13 shows the share of value-added in a local economy that is derived from agriculture and related economic activity. As shown, there are 55 counties that derive more than 30% of their total value-added from the agriculture industry as shown in the three right columns.

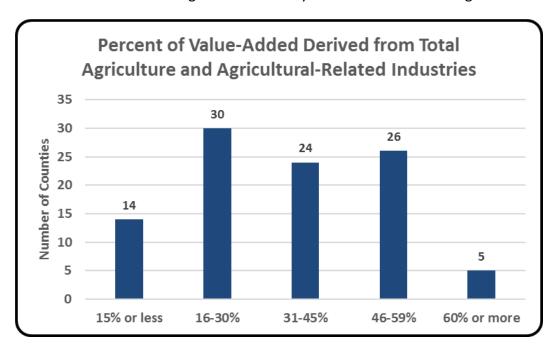


Figure 13, Percent of Value-Added Derived from Total Agriculture and Agricultural-Related Industries

As shown in Figure 14, the top five counties that derive the largest share of their total value-added from the agriculture industry include Tama, Mitchell, Clarke, Crawford and O'Brien counties. On a total dollar basis, the leading counties for value-added from the agriculture industry in Iowa include Linn, Polk, Black Hawk, Woodbury, and Sioux counties (see Figure 15). See Appendix B for detailed value-added county maps for crops, livestock and other ag.

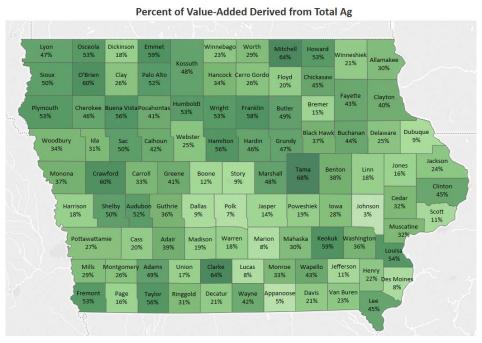


Figure 14, Percent of Value-Added Derived from Total Ag

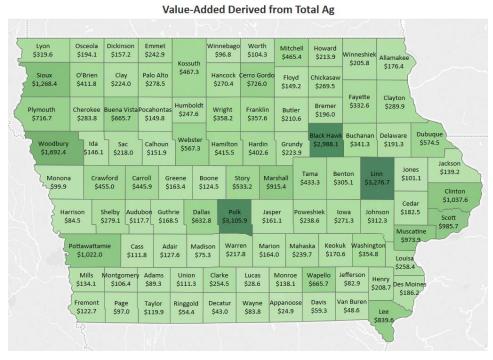


Figure 15, Value-Added Derived from Total Ag

County Jobs

Figure 16 shows the share of jobs derived from agriculture and related economic activity at the county level. As shown, there are 44 counties in the State of Iowa that derive more than 30% of their local jobs from the agriculture industry as shown in the three right columns.

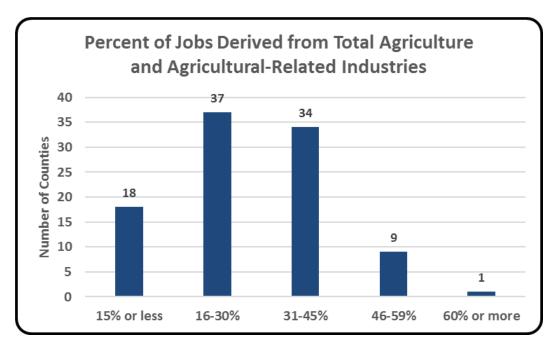


Figure 16, Percent of Jobs Derived from Total Agriculture and Agricultural-Related Industries

The top five counties that rely most heavily on agriculture as a percent of total jobs include Tama, Clarke, Crawford, Osceola, and Keokuk counties (see Figure 17). When looking at jobs, the leading counties for total jobs from the agriculture industry in Iowa include Polk, Black Hawk, Linn, Woodbury, and Pottawattamie counties (see Figure 18). See Appendix B for detailed county jobs maps for crops, livestock and other ag.

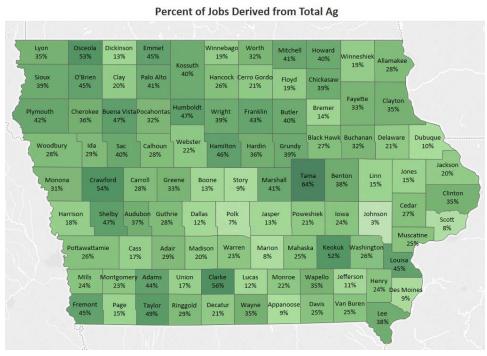


Figure 17, Percent of Jobs Derived from Total Ag

Jobs Derived from Total Ag

Winnebag 1,295 Lyon 2,420 1,240 2,513 3.341 2,313 Clay 2,267 Sioux 11,114 2,402 2,314 6,978 2,011 2,796 2,628 6,706 1,393 2,801 2,733 ack Hav 25,034 Calhour 3,365 2,168 7,023 19,110 1,506 1,731 2,037 Tama 5,708 Benton 3,902 Marshall 1,325 5.933 5.183 4,699 1,748 1,729 9,144 9,410 Jasper 2,117 25,062 3,148 4,044 1,079 1,552 7,141 3,031 7,618 12,538 1,457 4,194 2,062 2,367 Louisa 1,033 3,163 Des Moine 2,491 1.056

Figure 18, Jobs Derived from Total Ag

Congressional District Results

The results of this study also show the importance of agriculture at the Congressional District level.

Value-Added

The percent of value-added generated from agriculture and related industries ranges from 10% in the 3rd Congressional District (\$6.1 billion) to 37% in the 4th Congressional District (\$15.1 billion).

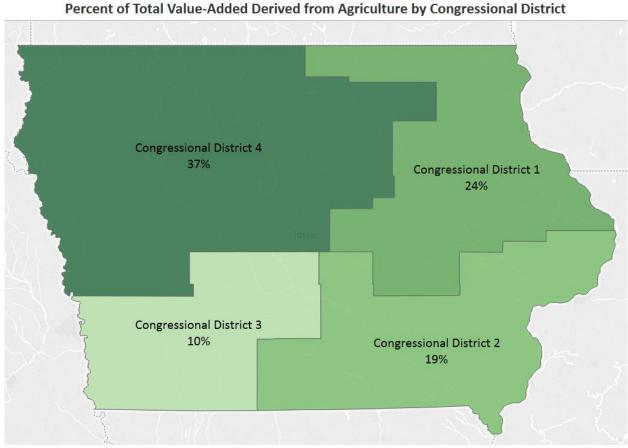


Figure 19, Percent of Value-Added Derived from Total Ag by Congressional District

Value-Added Derived from Agriculture by Congressional District (\$M)

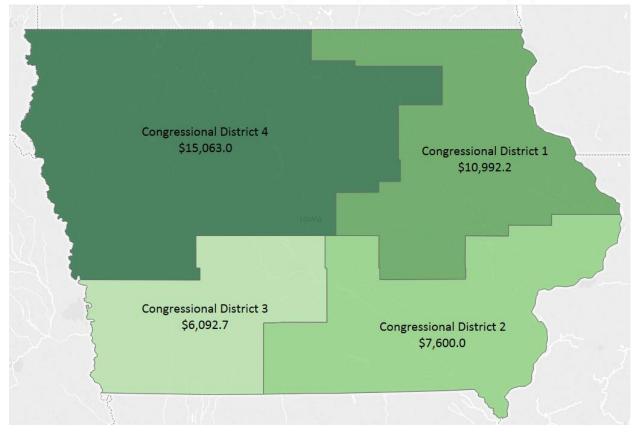


Figure 20, Value-Added Derived from Total Ag by Congressional District (\$M)

Jobs

Each of the four Iowa congressional districts derive at least 10% of their jobs from the agriculture industry, with the 4th Congressional District relying on agriculture and related industries for nearly a third of its jobs (see Figure 21).

Percent of Total Jobs Derived from Agriculture by Congressional District

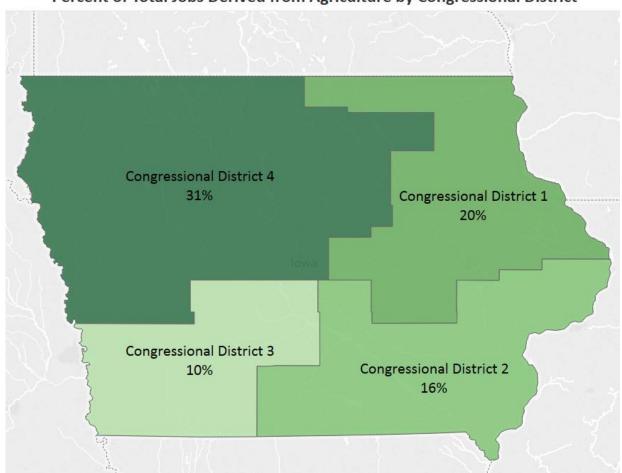


Figure 21, Percent of Total Jobs Derived from Agriculture by Congressional District

Jobs Derived from Agriculture by Congressional District

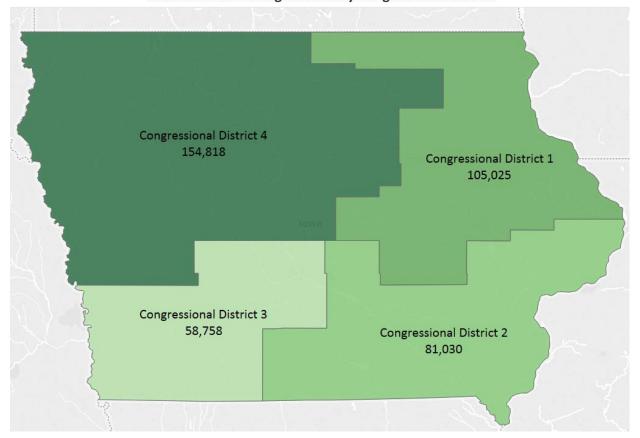


Figure 22, Jobs Derived from Agriculture by Congressional District

Iowa Agriculture: Looking Ahead

Cattle Processing

lowa is in the top five states for cattle on feed inventory. With limited cattle slaughtering and processing facilities in the state, travel distances are high and much of this portion of the value-chain leaves the State of Iowa. As cattle inventories in Iowa continue to grow, the addition of further processing is a potential way to capture more economic activity from the cattle industry.

Aquaculture

Aquaculture is an emerging industry in the State of Iowa. The developing use of recirculating aquaculture systems (RAS) eliminate the need to be near coastal or inland waters. Research in food fish and shrimp nutrition are driving the replacement of expensive fish meal and fish oil to agricultural products like soybean meal and soybean oil. Aquaculture producers see the value of bringing production to the source of alternative feed ingredients. As the aquaculture industry grows, there will be demand for local processing and further value-adding capabilities. Additionally, the development of a "fresh fish" marketing alternatives for aquaculture products could stimulate investment in more overnight handling and shipping infrastructure.

Trends in Consumer Preferences

Organic, Cage-Free, and Non-GMO are just some of the more frequently mentioned terms in changing consumer food preferences. The challenge faced by lowa's farmers can be captured in two words: communication and adaptation. On one hand it is important that the consumer hears and understands the farmers side of the food chain. At the same time, producers need to be ready to adapt to a changing market.

lowa could be well-situated geographically to be at the center of more production of niche, but growing, segments of consumer-led products. But for this to occur, there will likely need to be development of marketing and distribution channels to supply those developing markets. And, there will likely need to be some modifications of existing production chains to accommodate these niche market preferences. This may include more non-GMO and/or organic feed production, segregated feedstuff processing and handling and, in some ways, a mind-set change by producers who are willing to move out of low-cost, high-volume commodity production and embrace differentiated production and marketing.

Addressing Resistance to Livestock Production

A challenge for the Iowa livestock industry that is likely to continue, if not get stronger, is local resistance to livestock production expansion. Siting decisions may get more complex and pressures to install more structures or mechanisms to control water runoff, odor, and other characteristics of livestock production are all apt to gain more support, not only from urban

dwellers, but also from rural, non-farm residents. Expansion of livestock production is likely to need more access to site planning and site selection analytic data. This may include interactive mappings and better access to libraries of federal, state and local regulations that can be overlaid onto siting maps.

Impacts of Trade

Livestock production in Iowa has been a main contributor to increased supplies of exportable products, especially for pork and beef as well as for feedstuffs like corn, soybeans and DDGs. Trade disruptions for these basic items could be a force that puts more focus on value-adding to our products within Iowa. This could especially play out if animal diseases such as African Swine Fever continue to spread across China, southeast Asia and eastern Europe. This may present opportunities for Iowa to produce, process and export more pork and poultry products rather than basic feedstuffs like corn and soybeans.

Uncertainty breeds opportunity. With increased uncertainty facing Iowa agriculture, there are more opportunities if Iowa's farmers are prepared to meet the challenges.

Appendix A, IMPLAN Aggregation Scheme

IMPLAN Code	IMPLAN Description	Aggregation Description	
1	Oilseed farming	Oilseeds	
2	Grain farming	Grains	
3	Vegetable and melon farming	Other Crop Production	
4	Fruit farming	Other Crop Production	
5	Tree nut farming	Other Crop Production	
6	Greenhouse, nursery, and floriculture production	Other Crop Production	
7	Tobacco farming	Other Crop Production	
8	Cotton farming	Other Crop Production	
9	Sugarcane and sugar beet farming	Other Crop Production	
10	All other crop farming	Other Crop Production	
15	Forestry, forest products, and timber tract production	Other Crop Production	
16	Commercial logging	Other Crop Production	
11	Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	Cattle	
12	Dairy cattle and milk production	Dairy	
13	Poultry and egg production	Poultry	
14	Animal production, except cattle and poultry and eggs	Hogs and Other Livestock	
17	Commercial fishing	Hogs and Other Livestock	
18	Commercial hunting and trapping	Hogs and Other Livestock	
19	Support activities for agriculture and forestry	Ag Support	
459	Veterinary services	Ag Support	
33	Potash, soda, and borate mineral mining	Ag Chemical and Fertilizer	
34	Phosphate rock mining	Ag Chemical and Fertilizer	
35	Other chemical and fertilizer mineral mining	Ag Chemical and Fertilizer	
165	Other basic organic chemical manufacturing	Ag Chemical and Fertilizer	
169	Nitrogenous fertilizer manufacturing	Ag Chemical and Fertilizer	
170	Phosphatic fertilizer manufacturing	Ag Chemical and Fertilizer	
171	Fertilizer mixing	Ag Chemical and Fertilizer	
172	Pesticide and other agricultural chemical manufacturing	Ag Chemical and Fertilizer	
65	Dog and cat food manufacturing	Animal and Pet Foods	
66	Other animal food manufacturing	Animal and Pet Foods	
262	Farm machinery and equipment manufacturing	Farm Machinery	
72	Fats and oils refining and blending	Other Food Processing	
73	Breakfast cereal manufacturing	Other Food Processing	
76	Nonchocolate confectionery manufacturing	Other Food Processing	
77	Chocolate and confectionery manufacturing from cacao beans	Other Food Processing	
78	Confectionery manufacturing from purchased chocolate	Other Food Processing	

79	Frozen fruits, juices and vegetables manufacturing	Other Food Processing
80	Frozen specialties manufacturing	Other Food Processing
83	Dehydrated food products manufacturing	Other Food Processing
94	Bread and bakery product, except frozen, manufacturing	Other Food Processing
95	Frozen cakes and other pastries manufacturing	Other Food Processing
96	Cookie and cracker manufacturing	Other Food Processing
97	Dry pasta, mixes, and dough manufacturing	Other Food Processing
98	Tortilla manufacturing	Other Food Processing
99	Roasted nuts and peanut butter manufacturing	Other Food Processing
100	Other snack food manufacturing	Other Food Processing
101	Coffee and tea manufacturing	Other Food Processing
102	Flavoring syrup and concentrate manufacturing	Other Food Processing
103	Mayonnaise, dressing, and sauce manufacturing	Other Food Processing
104	Spice and extract manufacturing	Other Food Processing
105	All other food manufacturing	Other Food Processing
106	Bottled and canned soft drinks & water	Other Food Processing
107	Manufactured ice	Other Food Processing
108	Breweries	Other Food Processing
109	Wineries	Other Food Processing
110	Distilleries	Other Food Processing
111	Tobacco product manufacturing	Other Food Processing
67	Flour milling	Primary Food Processing - Crops
68	Rice milling	Primary Food Processing - Crops
69	Malt manufacturing	Primary Food Processing - Crops
70	Wet corn milling	Primary Food Processing - Crops
71	Soybean and other oilseed processing	Primary Food Processing - Crops
74	Beet sugar manufacturing	Primary Food Processing - Crops
75	Sugar cane mills and refining	Primary Food Processing - Crops
81	Canned fruits and vegetables manufacturing	Primary Food Processing - Crops
82	Canned specialties	Primary Food Processing - Crops
84	Fluid milk manufacturing	Primary Food Processing - Dairy
85	Creamery butter manufacturing	Primary Food Processing - Dairy
86	Cheese manufacturing	Primary Food Processing - Dairy
87	Dry, condensed, and evaporated dairy product manufacturing	Primary Food Processing - Dairy
88	Ice cream and frozen dessert manufacturing	Primary Food Processing - Dairy
89	Animal, except poultry, slaughtering	Primary Food Processing - Meat
90	Meat processed from carcasses	Primary Food Processing - Meat
91	Rendering and meat byproduct processing	Primary Food Processing - Meat
92	Poultry processing	Primary Food Processing - Meat
93	Seafood product preparation and packaging	Primary Food Processing - Meat

Appendix B, Detailed County Level Maps Value-Added

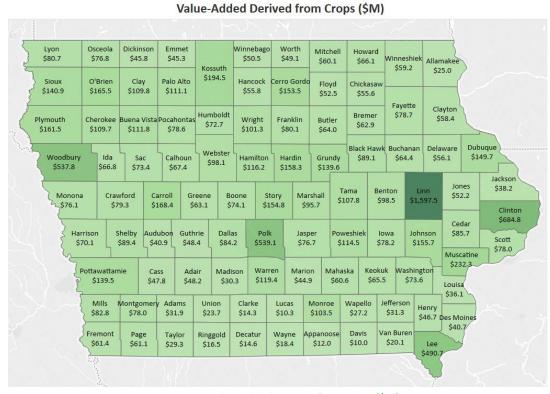


Figure 23, Value-Added Derived from Crops (\$M)

Mitchell Sioux O'Brier 24% Clay 13% Palo Alto Hancock rro Gord Floyd 7% Chickasa 21% 6% 6% Clayton Plymouth 12% iena Vista Wright 15% Franklin Butler 15% ocahontas 16% Black Hawk Buchanan Delaware Ida 14% Sac 17% 1% 11% 19% 16% 18% Benton Greene Crawford Carroll Story Marshall 10% 13% 16% Dallas Guthrie Polk Jasper 18% 1% Muscatin Keokuk 23% Pottawattamie Adair 15% Marion ashington 10% 4% 2% Louisa Montgomery 19% Union Clarke Jefferson 18% 17% 4% 4% 3% 5% nes Moine Decatur Wayne

Percent of Value-Added Derived from Crops

Figure 24, Percent of Value-Added Derived from Crops

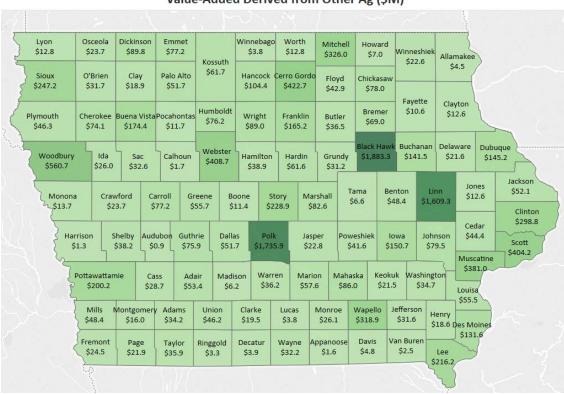
Osceola Dickinson Winnebago Mitchell Howard \$226.1 \$120.4 \$93.5 \$21.6 \$42.5 \$42.4 \$79.3 \$140.9 Winneshiek Allamakee \$124.0 Kossuth \$146.9 \$211.0 O'Brien Clay Palo Alto Cerro Gordo Hancock Floyd Chickasaw \$880.3 \$214.6 \$95.4 \$115.7 \$149.9 \$110.2 \$135.9 Fayette Clayton Humboldt Bremer \$243.3 \$218.8 Cherokee ena Vis Franklin Butle \$98.6 \$64.1 \$508.9 \$100.0 \$379.5 \$59.4 \$168.0 \$112.3 \$110.2 Buchanan Delaware Webste Ida Calhoun Hamilton Hardin Grundy \$135.4 \$113.5 Sac \$279.6 \$60.5 \$593.9 \$53.3 \$111.9 \$53.1 \$82.8 \$260.4 \$182.7 Jackson \$49.0 Linn Tama Benton Crawford Monona Carroll Greene Boone Story \$36.3 \$318.9 \$158.2 \$69.9 \$351.9 \$737.1 \$44.6 \$149.6 \$10.1 \$200.3 \$39.1 \$54.0 Harrison Shelby Audubo Guthrie Dallas Polk Poweshiek Iowa Johnson \$52.4 Scott \$13.1 \$151.5 \$75.9 \$44.1 \$496.9 \$830.8 \$61.6 \$82.6 \$42.4 \$77.0 \$503.5 Muscatine Madison Mahaska Adair Cass \$38.8 \$682.3 \$26.1 \$62.2 \$61.6 \$93.1 \$83.6 \$246.5 Mills Union Clarke Lucas Monroe Jefferson \$319.6 es Moine \$2.9 \$12.4 \$23.2 \$41.4 \$220.6 \$14.6 \$8.4 \$20.0 \$143.4 \$13.9 Decatur Davis Van Burer Taylor Ringgold \$36.9 \$14.0 \$24.5 \$33.2 \$11.3 \$44.4 \$26.0 \$132.7

Value-Added Derived from Livestock (\$M)

Figure 25, Value-Added Derived from Livestock (\$M)

Percent of Value-Added Derived from Livestock Lyon 33% Osceola Dickinson Winnebago Mitchell Howard 29% Winneshi Allamake 13% Kossuth 25% O'Brien Clay Palo Alto ro Gordo Floyd 31% 11% 22% 14% 23% Fayette Clayton 32% Bremer 30% Plymouth 38% Cherokee uena Vista Pocahonta Wright 25% Franklin Butler 16% 16% 18% 32% 25% Dubuque Webster Woodbury Ida Sac 26% Hamilton Hardin Grundy 13% 17% 15% 3% 12% 11% 23% 35% 21% 11% Jackson Jones Tama 50% Benton Linn Story 0% 20% 4% 11% 4% 3% 38% Clinton Cedar Harrison Shelby Guthrie Dallas Polk Poweshiel Iowa Johnson Jasper 33% 9% 5% Muscatine 12% Pottawattamie Warren Washington Marion Mahaska Cass Adair Madison 10% 12% 25% 18% 8% 6% Montgomer Wapello Jefferson 3% Van Burer Decatur Page Ringgold Wayne Taylor 16% 16% 12%

Figure 26, Percent of Value-Added Derived from Livestock



Value-Added Derived from Other Ag (\$M)

Figure 27, Value-Added Derived from Other Ag (\$M)

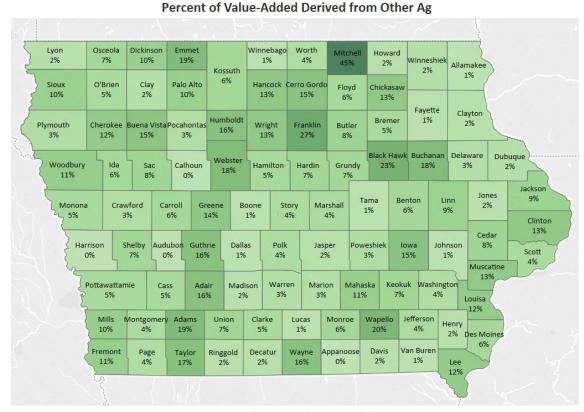


Figure 28, Percent of Value-Added Derived from Other Ag

Jobs

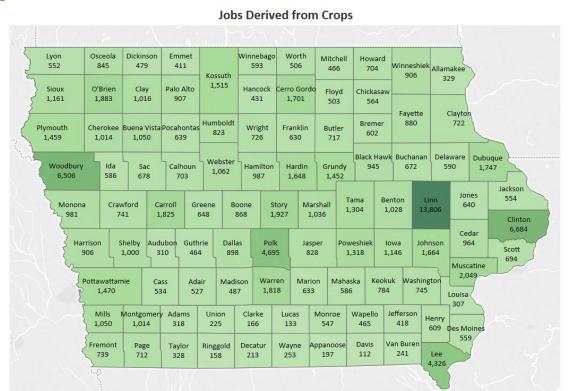


Figure 29, Jobs Derived from Crops

3% 13% 7% 11% 5% 4% 14% Sioux Clav Palo Alto Hancock erro Gordo O'Brier Floyd Chickasa 20% 15% Fayette 8% Clayton Bremer Wright 10% Franklin Plymouth 9% ena Vista Pocahontas Cherokee Butler 14% 14% 10% 11% Delaware Dubuque Woodbury Sac 12% Calhoun Hamilton Hardin 1% 6% 6% 4% 15% 23% 11% 12% Jackson Jones Linn Story Marshall Crawford Carroll Greene 12% Boone 15% 10% 9% Cedar Harrison Shelby Guthrie Dallas Polk Johnson Audubo Jasper 5% Iowa Scott 1% Muscatine Pottawattamie Marion Mahaska /ashingtor Cass Adair Madison 12% 10% 3% 17% 6% Louisa Montgomery 17% Mills Adams Union Clarke Lucas Monroe Wapello Jefferson 15% 12% 3% 18% 3% 5% s Moine Davis Van Buren Page Ringgold Decatu Wayne

Percent of Jobs Derived from Crops

Figure 30, Percent of Jobs Derived from Crops

Osceola Dickinson Winnebago Worth Mitchell Howard Winneshiek Allamake 1,666 841 313 1,436 626 629 1.734 890 Kossuth 2.152 1.900 2.137 O'Brien Palo Alto Sioux Clay Hancock erro Gordo Floyd Chickasay 7,970 1.009 1.977 1.012 1.038 1,939 1,445 Fayette Clayton Humboldt Bremer 2,661 2,942 Cherokee Franklin Wright Butler 1.262 777 4,656 1,080 4,225 657 1,513 1,004 1,657 Dubuque Buchanan Delaware Webster Woodbury Ida Calhoun Hamilton Hardin Grundy 11.689 3,398 Sac 1,657 1.344 853 7,124 693 1,208 1,598 2,375 994 688 Jackson Tama Benton Linn Monona Crawford Carroll Greene Boone Story Marshall 644 4,284 2,284 1,095 179 4,148 2,122 636 635 1.748 7,500 Clinton Cedar Shelby udubon Guthrie Dallas Poweshiek Jasper 2,258 753 5,656 6,863 1,024 1,324 772 1,288 5,374 Muscatine 4,366 Keokuk Warren Washington Madison Marion Mahaska Pottawattamie Cass Adair 1,349 2,078 8,717 1,108 1,213 574 562 Louisa 2,108 Montgomer Lucas Monroe Jefferson 396 617 2,889 410 257 4,024 468 2,302 Des Moine 303 Van Bure Fremont Decatur Wayne Appanoose Page Taylor Ringgold 879 615 311 1,060 572 580 1.882

Jobs Derived from Livestock

Figure 31, Jobs Derived from Livestock

Lyon 24% Osceola Dickinson Emmet Worth Mitchell Howard 2% 24% 16% Winneshiek 27% 13% Allamakee 12% Kossuth 20% Palo Alto O'Brien Sioux Clay Hancock erro Gordo Floyd Chickasaw 28% 21% 9% 17% 12% 6% 19% Fayette Clayton 27% Humboldt Bremer 24% Cherokee cahontas Wright Franklin 21% 29% 15% 30% 15% 20% 16% 24% Dubuque Black Hawk Buchanan Delaware Webster Woodbury Sac 21% Calhoun Hamilton Hardin Grundy 13% 16% 13% 4% 13% 15% 11% 16% 29% Jackson Benton Linn Crawford Monona Carroll Greene Boone Story Marshall 22% 4% 43% 13% 12% 5% 3% 34% 3% Shelby Audubon Guthrie Dallas Scott 28% 26% 6% 9% 6% 1% Washington Warren Keokuk Pottawattamie Cass Adair Madison Marion Mahaska 30% 16% 13% 11% 12% 37% Mills Jefferson Montgon 18% 8% 50% 8% 5% 4% 18% D Van Burer Page Taylor 30% Ringgold 21% Decatur Wavne 6% 21% 17% Lee

Percent of Jobs Derived from Livestock

Figure 32, Percent of Jobs Derived from Livestock

Lyon Winnebago Worth Mitchell 203 255 1,008 851 105 Winneshiek 1,373 74 283 84 653 O'Brien Palo Alto rro Gord Floyd Chickasay 1,982 402 241 482 844 3,338 443 934 Fayette Clayton 157 180 Franklin Plymouth Cherokee iena Vist ocahontas Wright Butler 710 631 1,431 97 746 1,168 359 Woodbury Ida Calhoun Hamilton Hardin Grundy 12,400 1,036 234 1,877 3,285 5,480 226 400 34 372 649 353 Jackson Jones Tama Benton Linn 9,704 579 Crawford Marshall Carroll Greene Boone Story 120 590 165 752 464 225 2,258 Clinton 1.841 Cedar Shelby Guthrie Dallas Harrison Audubo Jasper Poweshiek Iowa Johnson Scott 13,504 528 15 266 389 1,230 1,092 403 2,656 Muscatine Keokuk Pottawattamie Adair Madison Warren Marion Mahaska Washington 2.351 349 202 84 492 321 1.040 235 466 Louisa 170 Jefferson Mills Montgome Adams Union Clarke Monroe Wapello Lucas 411 134 249 540 185 57 229 294 2,392 252 Des Moine 1,629 Van Burer Fremont Ringgold Decatur Wayne Appanoo Davis 31 64 29 301 271 339 76 268 1.392

Jobs Derived from Other Ag

Figure 33, Jobs Derived from Other Ag

Percent of Jobs Derived from Other Ag Osceola Dickinson Winnebago Worth Mitchel Howard 14% 21% Winneshiek Allamakee 2% Kossuth 1% O'Brien Clay Palo Alto Sioux Cerro Gordo Hancock Floyd Chickasa 7% 8% 2% 10% 12% Fayette 1% Clayton Humboldt Bremer Plymouth Cherokee Wright Franklin Butler 12% 18% 7% 10% 2% 10% 5% Black Hawk Buchanan Delaware Dubuque Webste Woodbury Calhoun Hamilton Hardin Grundy 13% 10% 2% Sac 14% 7% 1% Jackson Jones Linn Tama Crawford Carroll Story Monona Greene Boone Marshall 2% 4% 2% Clinton Harrison Shelby Audubor Guthrie Dallas Polk Poweshiek Johnson Scott 1% 3% Muscatine Pottawattamie Marion Mahaska Washington Cass Adair Madison 5% 4% Louisa Montgome Clarke Lucas Jefferson 2% 11% 3% 1% 5% 12% 4% Page Ringgold Decatur Wayne Davis Van Burer Taylor 0% 2% 1% Lee 7%

Figure 34, Percent of Jobs Derived from Other Ag