



Colorado Blueprint of Food and Agriculture

College of
AGRICULTURAL SCIENCES

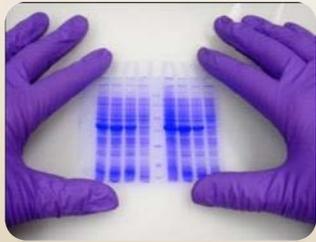
The Value Chain of Colorado Agriculture



**Colorado
State**
University

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Libby Christensen
Chad Christenson

**Colorado Farm Bureau
Legislative and Leadership Summit**
March 21, 2017



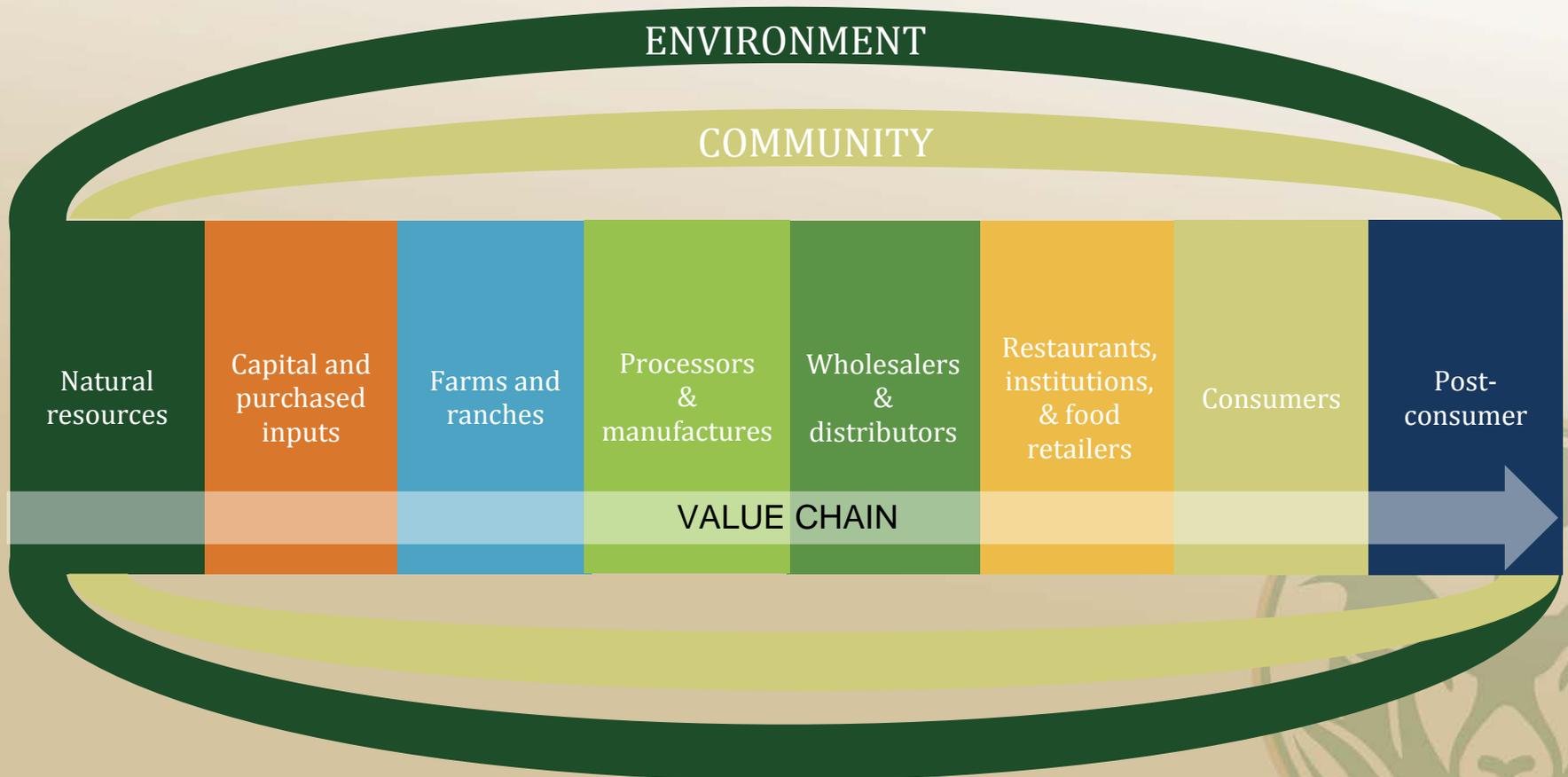
What is a Value Chain?

The series of economic steps or linkages that turn raw materials and other inputs into final products or services delivered to end users.



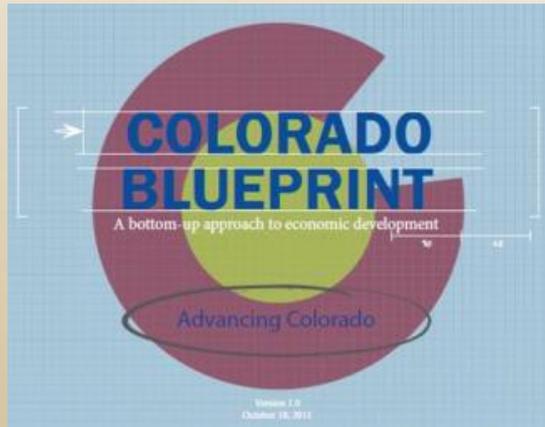


The Agricultural Value Chain



Some background

Mandate from Governor
OEDIT



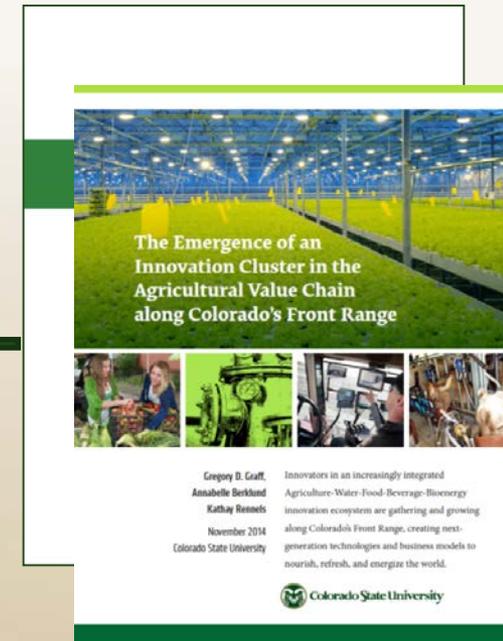
2011

Ag & Food
Key Industry Network



2011-2013

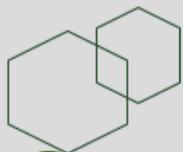
CSU, with CDA



Nov 2014

Achieved several things:

- Gave the industry focus
- Helped recognize opportunities, esp. in food manufacturing
- Put discussions of water in context
- Highlighted new nature of workforce
- Focused on ag innovation



Today, introducing...



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Adding Community Context to a Sector-Wide Conversation



COLORADO BLUEPRINT – PROJECT TEAM



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Professor – Outreach Coordinator



Gregory Graff
Associate Professor



Becca Jablonski
Assistant Professor and Food Systems
Extension Economist



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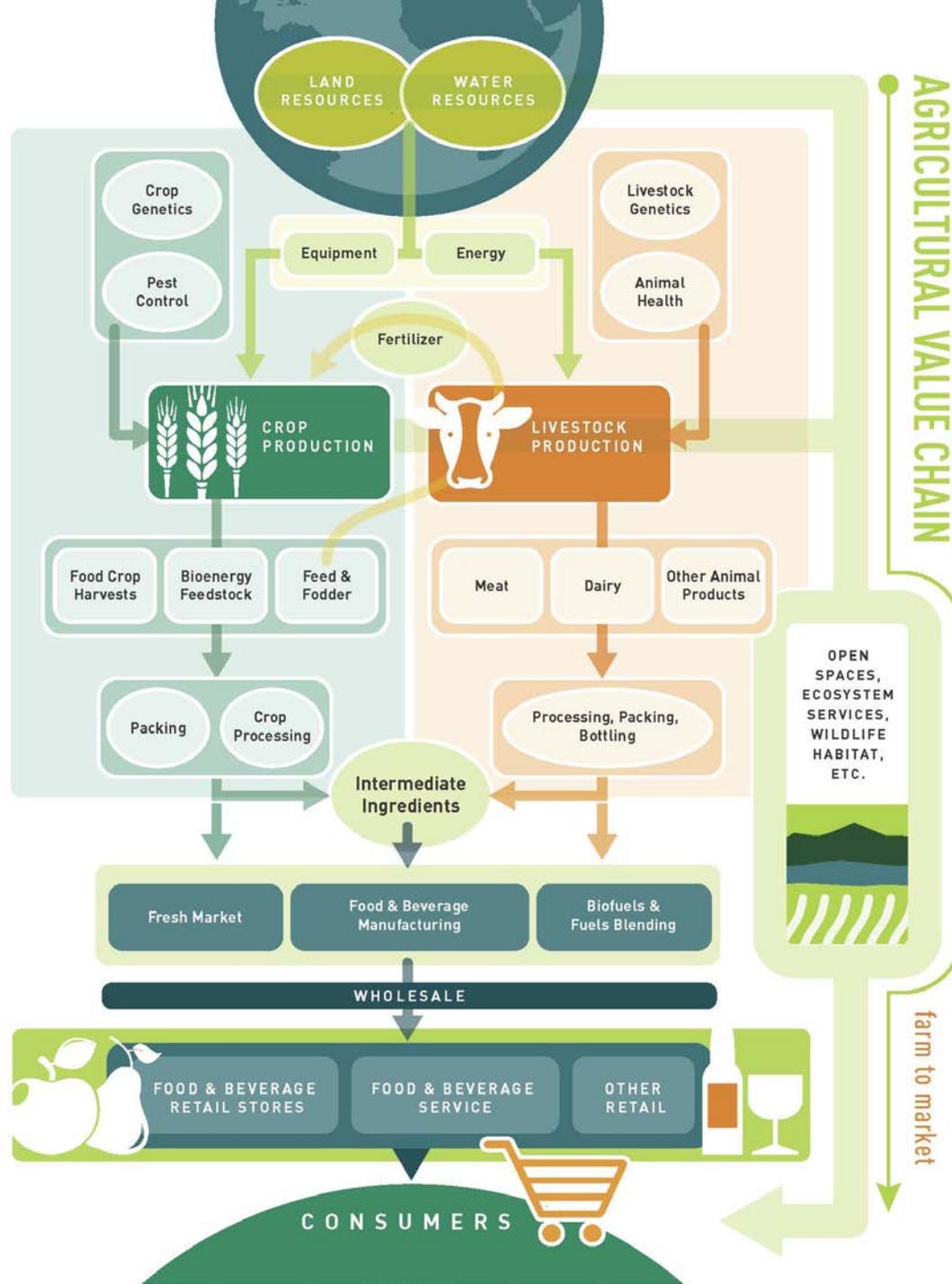
2017 update of The Value Chain of Colorado Agriculture

A comprehensive foundation of data on the size and structure of Colorado's ag and food industries, in order to:

- Identify areas where businesses share a ***common fate***
- Bring Colorado's regions together around ***shared economic strengths***
- Provide an ***integrated perspective*** to inform policy and regulatory decision making across all sectors of the value chain
- Highlight ***connections***, allow for a deeper understanding of agriculture and its impact
- Advance ***new conversations*** about Colorado agriculture.



More than 200 distinct economic activities, sub-sectors, or specific industry classes (NAICS)



Updating data from 2011 through 2015.

-and-

Adding new analyses of additional ag- and food-related activities.



What we have found:

SOME OBSERVATIONS FROM THE 2017 UPDATE OF THE AG & FOOD VALUE CHAIN

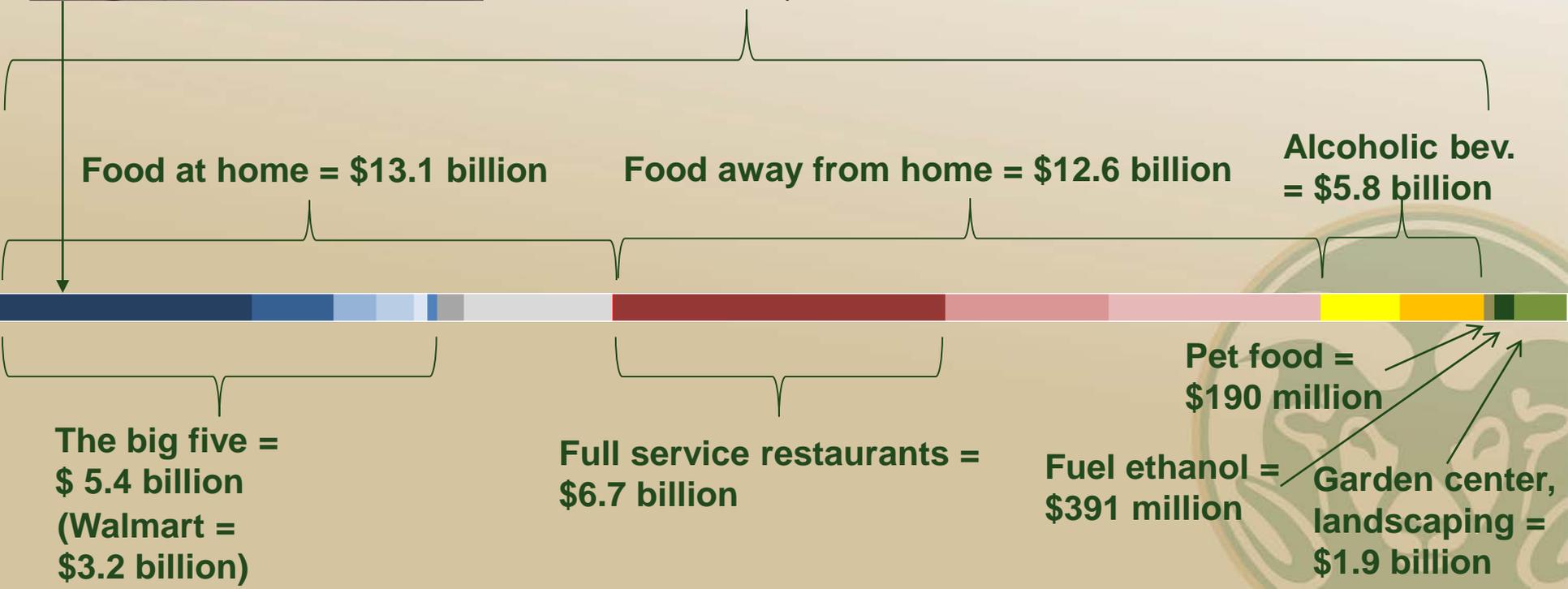




The Reality of Retail in 2015

Total Ag Product Retail Sales in Colorado = \$34 billion

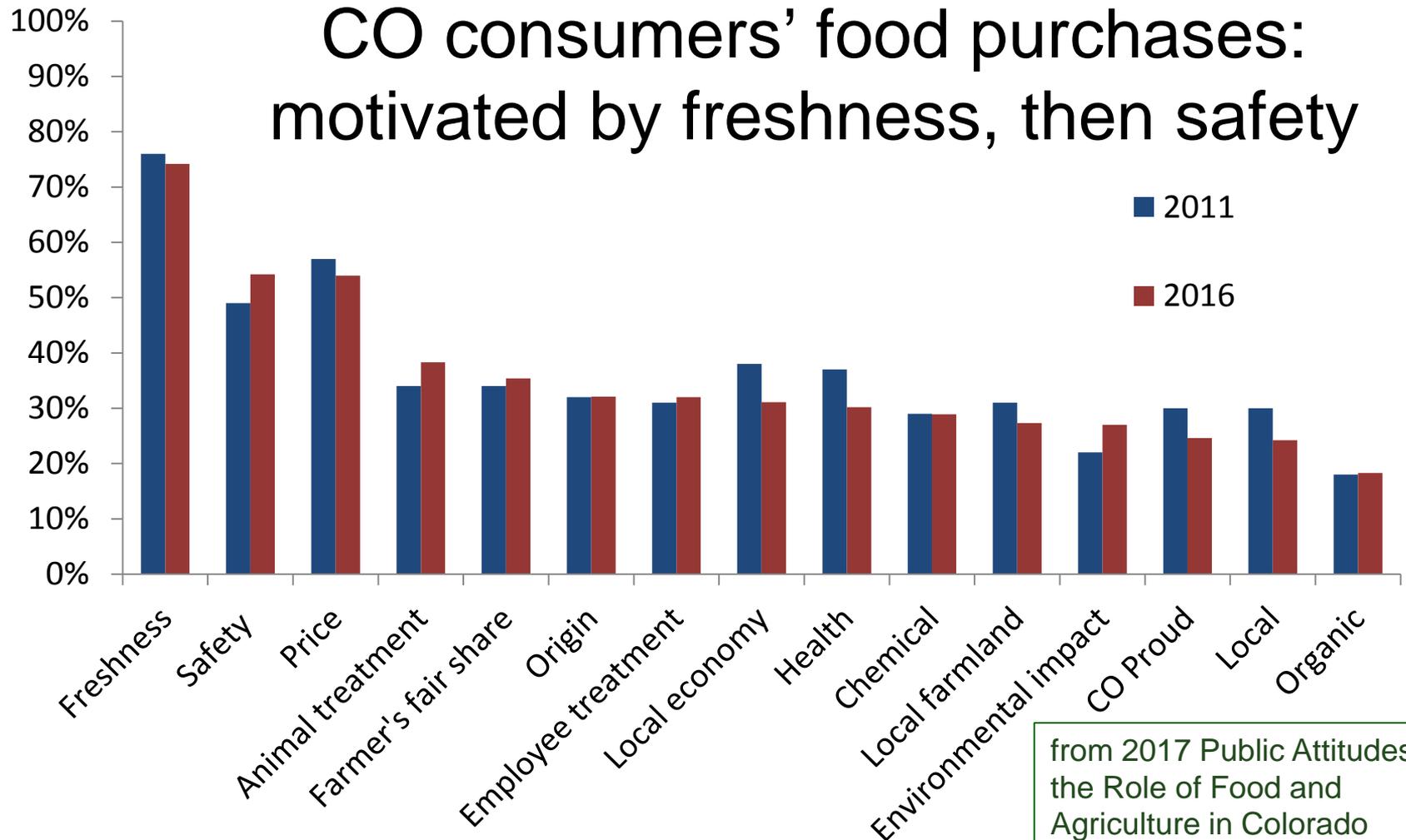
Total Food & Beverage Retail Sales in Colorado = \$31.5 billion



From the 2017 Public Attitudes Survey



CO consumers' food purchases: motivated by freshness, then safety



from 2017 Public Attitudes of the Role of Food and Agriculture in Colorado



The Quiet Link in the Value Chain: Wholesale



Over **2,000** companies and
almost **35,000** jobs in Colorado.

Highest average earning among
major segments of the ag value chain:
\$57,000

Annual average job growth: **4.6%**

2015 estimated sales =
\$3.3 billion





Feeding the World

Combined sales of Colorado's manufactured foods and beverages are estimated at **\$16.0 billion**.

Of that, an estimated **\$1.6 billion (10%)** is exported from the US, **\$ 8.3 billion (51%)** is sold out of state, **\$ 6.2 billion (38%)** is sold within CO.





A State of Beef & Beer

Value of production of beef cattle = \$2.4 billion
All animal slaughter and meat packing = **\$3.2 billion**

Beer brewing = **\$3.5 billion**





Revenues from Livestock in Colorado

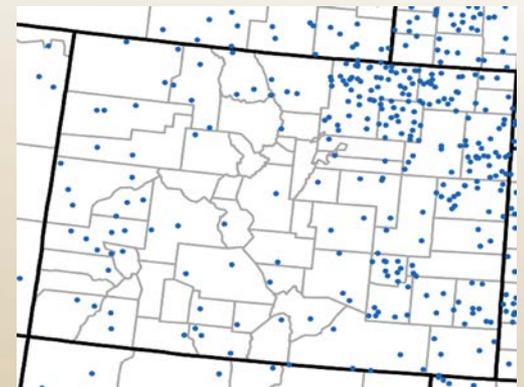
— Cattle and Calves - Total Marketings
— Cattle & Calves - Value of Production
— Hogs



Marketings
of Cattle & Calves =
\$4.0 billion

Value of production
of Cattle & Calves =
\$2.5 billion

Marketings
of hogs =
\$193 million

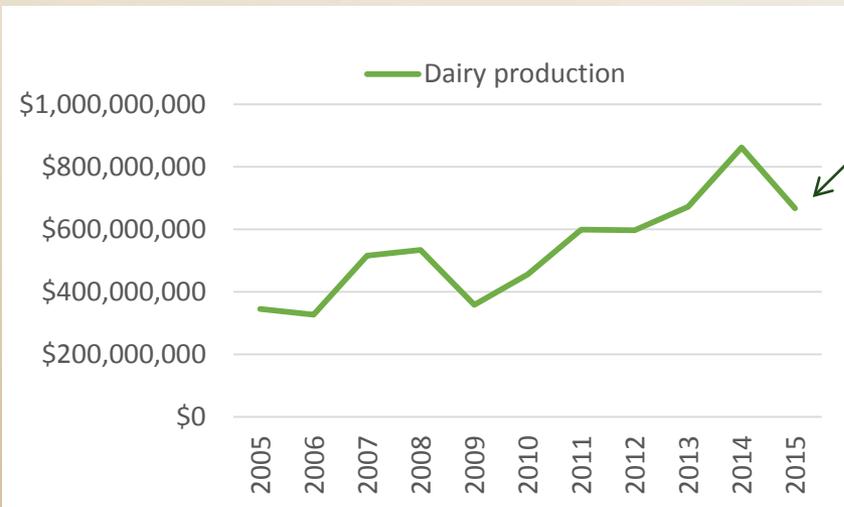


Cattle and calves in Colorado, 2015
(1 dot=10,000 head)





Dairy: Up & Coming



On farm milk production = **\$668 million**

Dairy manufacturing = **\$2.8 billion**
of which, cheese = **\$2.1 billion**

Dairy manufacturing
annual Average Sale Growth
from 2010 to 2015: **9.9%**





The Livestock Feed (Im)balance

Feed purchases are way up. Feed expenditures in 2015 are **214%** of their 2005 level.

Colorado's feed deficit was -\$400 million in 2015, but up from over -\$600 million in 2014.

Between demand for cattle feeding and for ethanol production, an estimated **100 million bushels** of grain corn need to be shipped into the state each year.



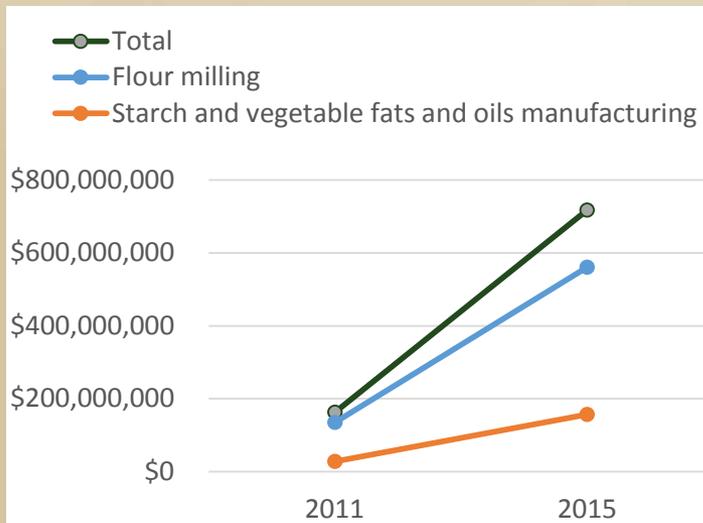
The Milling and Baking Boom

Milling = **\$717 million**

340% increase in estimated sales,
110% increase in jobs,
and 235% increase in payroll.

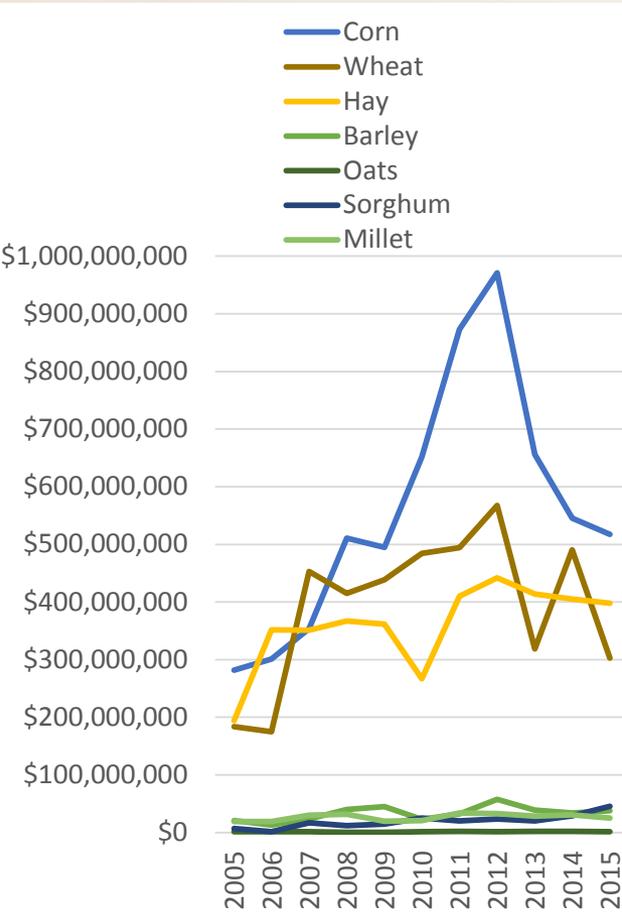
Baking = **\$1.4 billion**

25% increase in estimated sales.



Revenues from Crop Production in Colorado

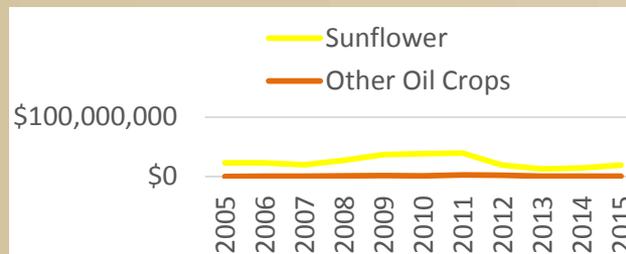
On farm production = **\$2.2 billion**



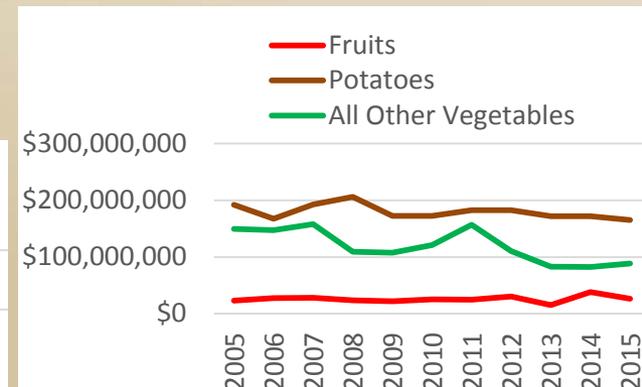
Grains and fodder



Sugar crops



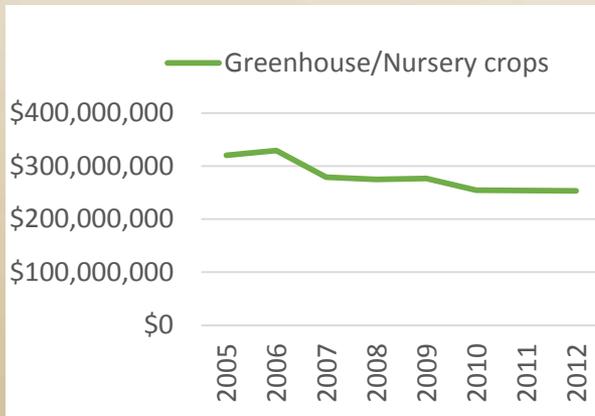
Oilseeds



Fruits and vegetables



Greenhouse & Nursery Crops: Farming the Urban Landscape



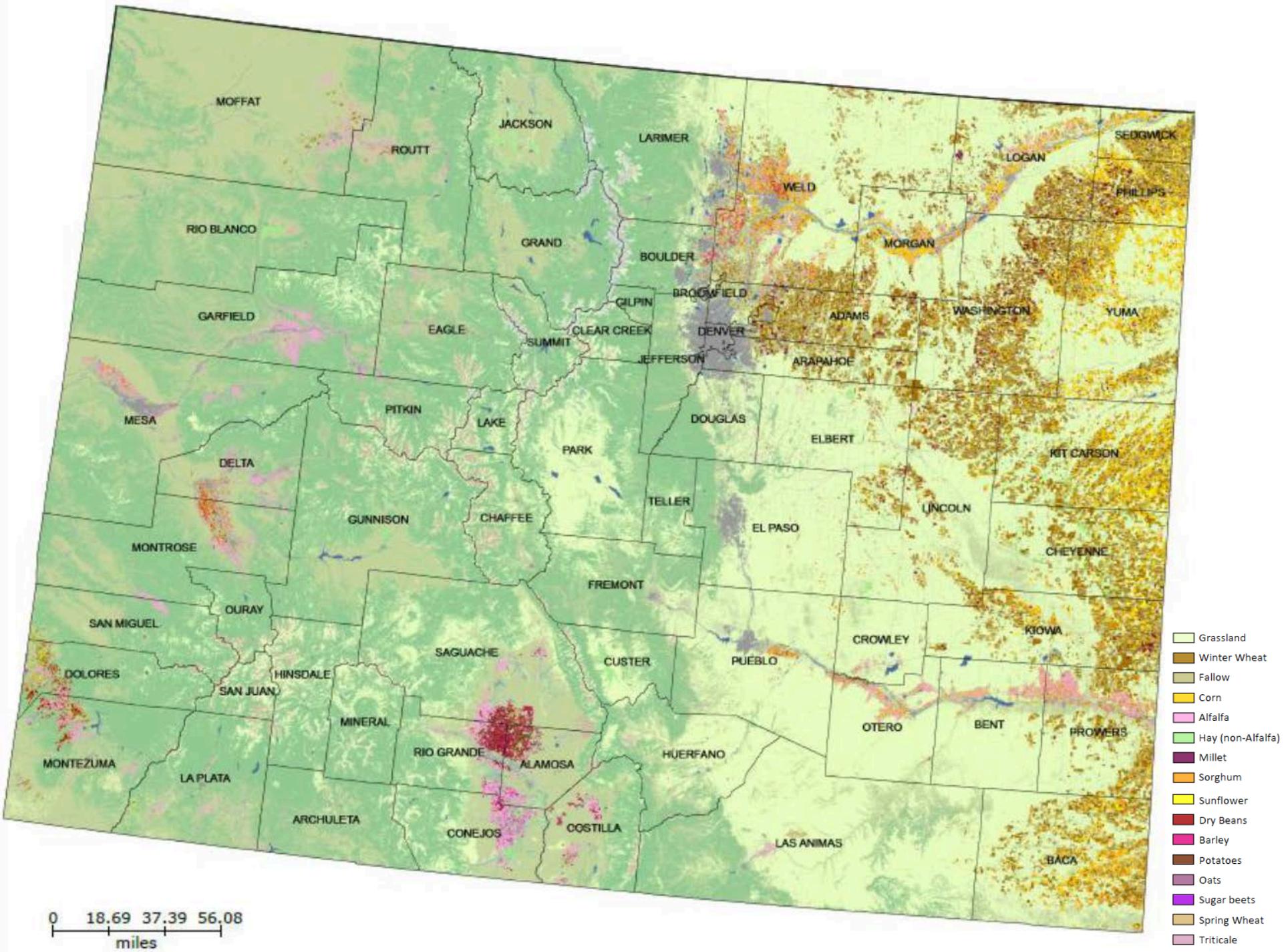
On farm production
= **\$250 million**

Retail sales of nursery, greenhouse,
and florist products
= **\$289 million**



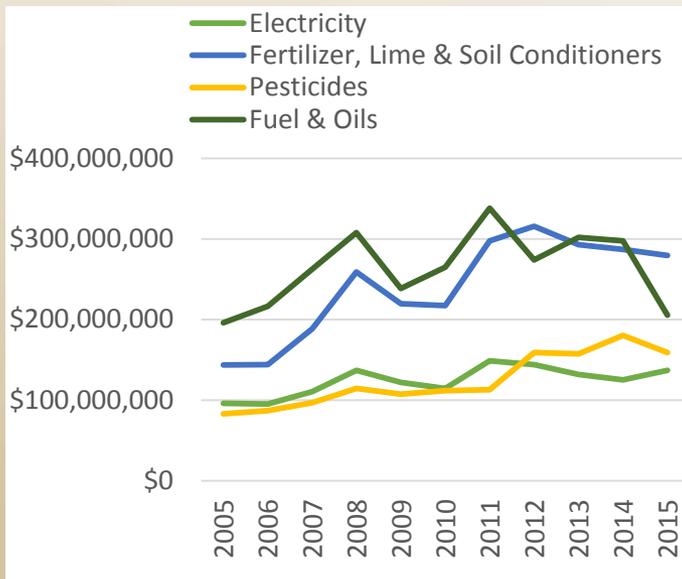
Landscaping services
= **\$1.5 billion**







Input Costs of Farming



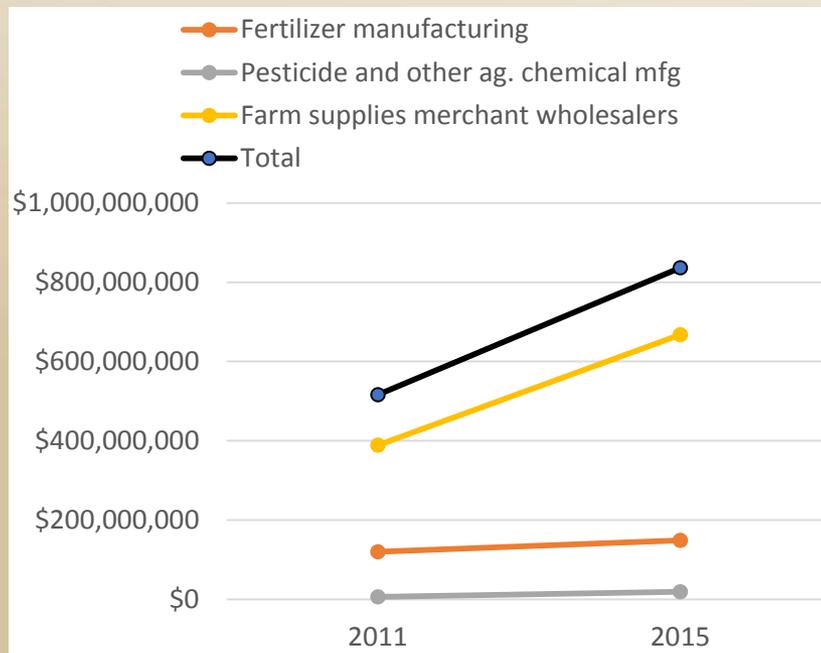
Fertilizer and pesticide expenses for farms and ranches have **increased 93 percent** over the last decade.

Fuel prices have come back down after peaking in 2008 and 2011.



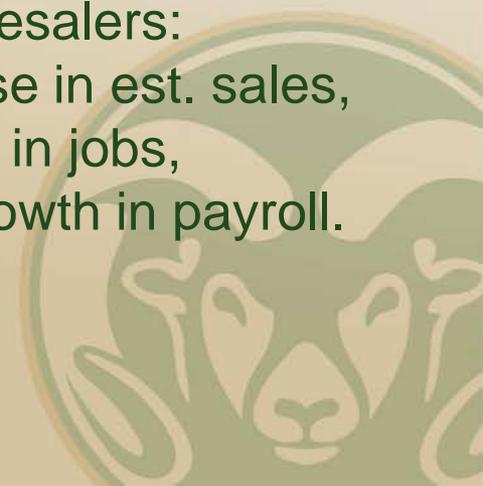


Colorado Ag Inputs Industry



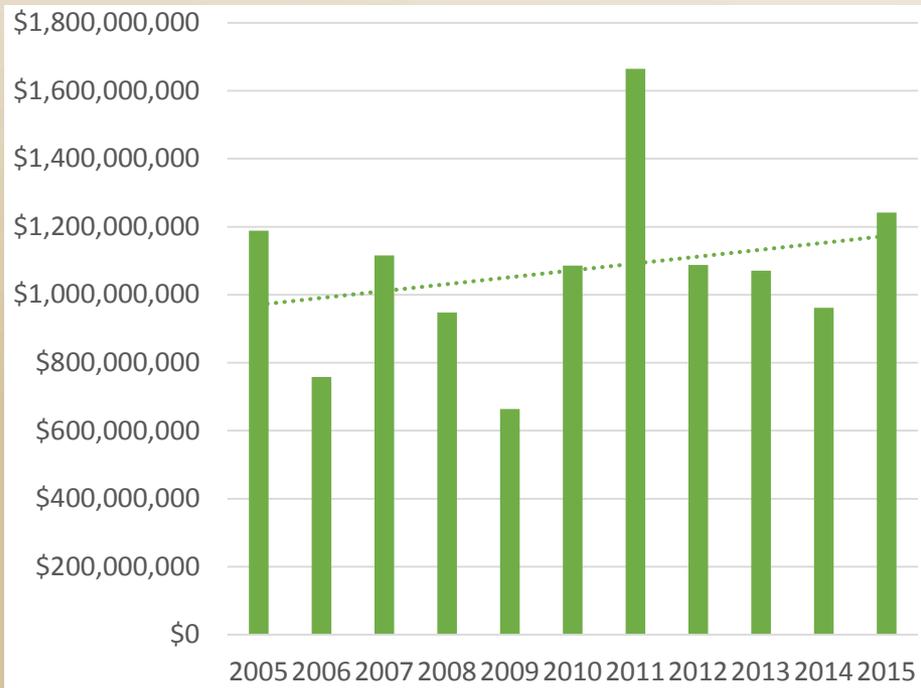
Combined manufacturing and wholesale of farm supplies: over **\$800 million**

Strongest growth in farm supply wholesalers: 72% increase in est. sales, 32% growth in jobs, and 79% growth in payroll.



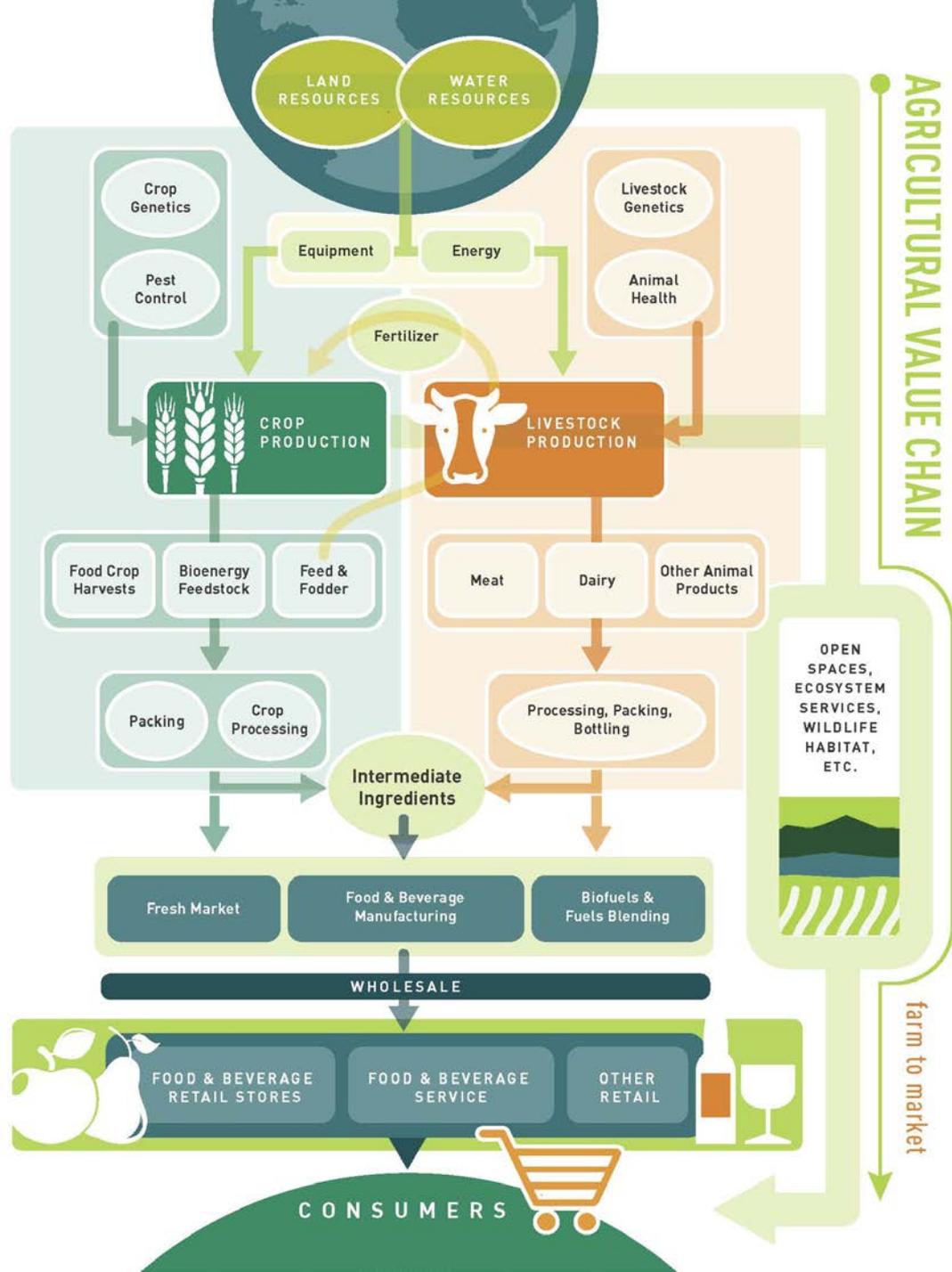


The Ups and Downs of Farming: but, generally up over the last decade.



Net returns to Colorado farm and ranch operators, with fitted trend line, 2005-2015





AGRICULTURAL VALUE CHAIN

CONSUMERS

farm to market



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**THE COLORADO BLUEPRINT OF
FOOD AND AGRICULTURE'S
EIGHT CROSS-CUTTING THEMES**





1. Create a business friendly and consumer friendly regulatory environment.
2. Address how scale impacts market performance, access and opportunities.
3. Develop workforce and youth to support agricultural sector.
4. Spur innovation and technology for food and agriculture.
5. Create and retain food and agricultural firms in Colorado.
6. Enhance access to capital for agricultural and food firms.
7. Support a Colorado brand that reflects the unique qualities of its agriculture, food, and beverages.
8. Foster the interface of food and agriculture with key support resources to contribute to vibrant communities.





Any questions?

Comments?

Reflections?

Priorities?





Thank you,
Colorado agriculture!