

## From plant to plate



Eleanor Herndon



Mark Roper



Jim Deeds



Joe Cacka

### Northern Colorado Regional Food System Assessment

[www.larimer.org/foodassessment](http://www.larimer.org/foodassessment)

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# Agricultural Inputs: Labor and Purchases

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This element of the food system focuses on the economic impacts of agriculture production. When a farm purchases inputs from suppliers within a designated region, the regional economy is stimulated (those dollars remain within the region.) When farmers make purchases outside their region, this results in economic activity “leaking” out. A number of factors can lead to such “leakages,” including limited capacity of regional suppliers and competition from suppliers outside the region.

Every five years the United States Department of Agriculture conducts a Census of Agriculture. Farmers self report information about their operations and this information is aggregated at the county level. Production expense estimates reflect the number of dollars spent in each category by farmers in their respective counties for the 2007 calendar year, regardless of where the purchases are made. Some of these supplies, services, and costs provided income to local businesses generating economic activity for the region.

### 2007 Census of Agriculture Production Expense Estimates

	Boulder	Larimer	Weld	Regional Change from 2002 to 2007
<b>Supplies Purchased</b>				
Fertilizer, lime, soil conditioners	\$ 1,699,000	\$ 2,880,000	\$ 22,573,000	25.87%
Chemicals	\$ 545,000	\$ 1,416,000	\$ 12,382,000	20.53%
Seeds, plants, vines, trees	\$ 4,933,000	\$ 7,217,000	\$ 36,869,000	41.05%
Livestock and poultry purchased or leased (all)	\$ 2,432,000	\$ 4,884,000	\$ 512,984,000	-8.37%
<i>Breeding livestock purchased or leased</i>	<i>\$ 627,000</i>	<i>\$ 1,672,000</i>	<i>\$ 20,419,000</i>	
<i>Other livestock and poultry purchased or leased</i>	<i>\$ 1,806,000</i>	<i>\$ 3,212,000</i>	<i>\$ 492,565,000</i>	
Feed	\$ 2,988,000	\$ 29,690,000	\$ 445,458,000	46.64%
Gasoline, fuels, oils	\$ 2,394,000	\$ 6,957,000	\$ 36,428,000	48.43%
Utilities	\$ 1,370,000	\$ 4,074,000	\$ 23,808,000	6.98%
Supplies, repairs, maintenance	\$ 3,181,000	\$ 8,509,000	\$ 50,900,000	6.47%
<b>Services</b>				
Farm hired labor	\$ 8,530,000	\$ 19,377,000	\$ 93,158,000	-8.86%
Contract supplied labor	\$ 556,000	\$ 1,419,000	\$ 4,342,000	-34.85%
Custom work and custom hauling	\$ 494,000	\$ 2,319,000	\$ 12,491,000	14.19%
<b>Rent</b>				
Land, buildings, and grazing fees (cash)	\$ 1,129,000	\$ 3,107,000	\$ 18,433,000	2.65%
Machinery, equipment, farm share of vehicles	\$ 45,000	\$ 692,000	\$ 5,260,000	-16.70%
<b>Interest</b>				
All	\$ 2,072,000	\$ 7,563,000	\$ 34,544,000	1.35%
<i>Secured by real estate</i>	<i>\$ 1,627,000</i>	<i>\$ 5,116,000</i>	<i>\$ 21,620,000</i>	<i>11.20%</i>
<i>Not secured by real estate</i>	<i>\$ 445,000</i>	<i>\$ 2,446,000</i>	<i>\$ 12,924,000</i>	<i>-12.55%</i>
<b>Other Financial Expenses</b>				
Property taxes	\$ 1,416,000	\$ 3,757,000	\$ 10,472,000	-4.87%
Depreciation	\$ 3,981,000	\$ 13,494,000	\$ 56,520,000	-0.61%
<b>Other</b>				
Other (animal health, storage, marketing, etc.)	\$ 5,599,000	\$ 9,737,000	\$ 57,689,000	-11.90%
<b>Total</b>	<b>\$ 9,382,000</b>	<b>\$ 113,596,000</b>	<b>\$ 1,377,792,000</b>	<b>8.78%</b>

Each expenditure category represents the total market for that farm input by county. The term “custom work” refers to an arrangement where another business provides a service including labor and equipment to the farm for a fee. Fees are generally structured on either a per acre or per unit basis (i.e. bushel or bale), or both.

Farms in Weld County spent the largest proportion on livestock not for breeding purposes, as well as on livestock feed. Farms in Boulder County spend the largest proportion on fertilizer, lime, and soil conditioners as well as chemicals and seeds, plants, vines and trees. Farms in Larimer County spent the smallest proportion on livestock of all types, but farms in Boulder County spent the smallest proportion on livestock feed. Also, farms in Weld County spent the smallest proportion on interest, taxes, and depreciation. In aggregate, farms in the region spent the greatest proportion on livestock that was not for breeding purposes, which is not surprising considering that Weld County represents 90% of the regional expenditures.

The USDA Census of Agriculture also tracks information on hired farm labor. The term “workers” refers to individuals paid by the farm who are not considered to be operators.

### Hired Farm Labor - Number of Workers

	Boulder	Larimer	Weld
<b>2007</b>	983	2,278	6,915
<b>2002</b>	820	2,458	7,698
<b>1997</b>	1,073	2,252	8,238
<b>1992</b>	1,098	1,600	8,336
<b>% change from 1992 to 2007</b>	-10%	42%	-17%

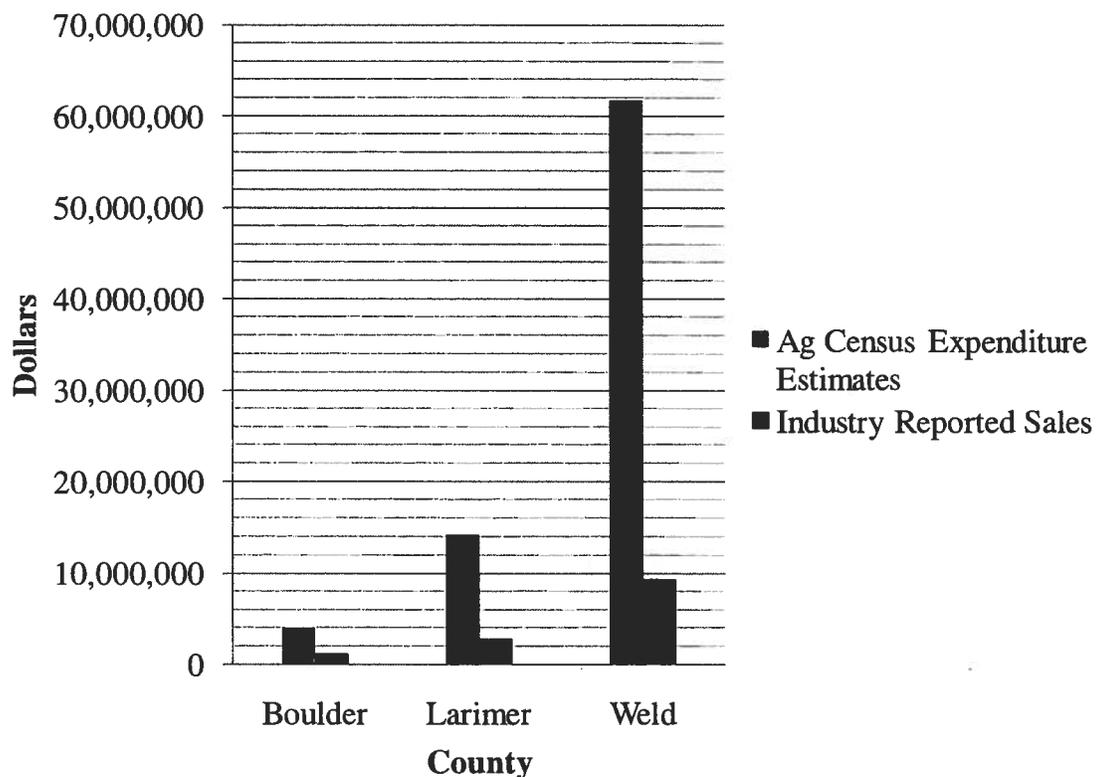
### Hired Farm Labor- Expenditures, Adjusted for Inflation (2007 dollars)

	US Total	Colorado Total	Boulder	Larimer	Weld
<b>2007</b>	\$21,877,661,000	\$390,625,000	\$8,530,000	\$19,377,000	\$93,158,000
<b>2002</b>	\$21,400,882,323	\$423,000,731	\$8,085,070	\$22,655,485	\$102,391,680
<b>1997</b>	\$19,172,399,287	\$340,535,659	\$11,096,996	\$16,928,409	\$80,409,940
<b>1992</b>	\$19,155,325,403	\$309,867,668	\$10,726,217	\$10,918,337	\$82,590,984
<b>% Change from 1992 to 2007</b>	14%	26%	-20%	77%	13%

These data show that hired farm labor has changed over time. The data suggests that expenditures per laborer have increased over time. Also, the farm labor markets show variation even over as small a region as three counties. Over time the economic impact of farm employment is changing.

The graphic below illustrates the dependence of regional agriculture on inputs obtained from other parts of the state and country.

Ag Census expenditure estimates reflect the amount of money that farmers spent on machinery and equipment, from any source. Industry reported sales reflect the dollar amounts of new equipment sold by dealers. It is important to note that the agricultural census data is from 2007 and the industry reported sales data is generally from fiscal year 2009-10.



## Sources

USDA ERS 2007 Census of Agriculture; accessible at <http://www.agcensus.usda.gov/Publications/2007/>

USDA ERS 2002 Census of Agriculture; accessible at <http://www.agcensus.usda.gov/Publications/2002/>

USDA ERS 1997 Census of Agriculture; accessible at <http://www.agcensus.usda.gov/Publications/1997/>

USDA ERS 1992 Census of Agriculture; accessible at <http://www.agcensus.usda.gov/Publications/1992/>

U.S. Department of Labor CPI Inflation Calculator; accessible at [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)