



# Crossroads Resource Center

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***Tools for Community Self-determination***

## **Prairie Rivers Region (Iowa) Food & Farm Economy**

*Highlights of a data compilation*

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**Prairie Rivers RC&D**

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### **Prairie Rivers RC&D region**

6 Counties — *Boone, Hamilton, Hardin, Marshall, Story, & Webster Counties*

220,000 residents earn \$4 billion in annual income; pay \$240 million in taxes each year.

### **The region's farms (2002)**

5,210 farms

- Average size is 403 acres
- 6 % of Iowa farm land
- 8 % of the state's farms under 10 acres
- 8 % of the state's farms over 1,000 acres
- 12 % of Iowa's hogs
- 9 % of Iowa's corn acreage
- 8 % of Iowa's soybean production
- 2 % of Iowa's cattle
- 2 % of Iowa's forage crops
- 0.8 % of Iowa's dairy sales
- 184 farms sell \$963,000 of food directly to consumers (35% increase in sales in 5 years)
- \$556 million of crops sold [BEA]
- \$378 million of livestock and products sold [BEA]
- 14 organic farms
- 9 % of Iowa's vegetable farms (4 % of state vegetable acreage)
- 7 % of Iowa's orchards

Region's farmers produce \$919 million of food commodities per year (Bureau of Economic Analysis data, 1998-2003 average), yet spend \$998 million to raise them, losing an average of \$69 million in production costs each year. This is a total loss of \$414 million over the last six years. One third of the region's farms reported net losses in 2002. Farmers spend an estimated \$400 million buying inputs sourced outside the region.

Farmers earn another \$72 million per year of farm-related income — primarily custom work and rental income — and an additional \$173 million of federal supports, to cover the costs of farming.

**The region's consumers:**

The region's consumers spend \$442 million buying food each year (Bureau of Labor Statistics and Federal Census), primarily from outside the region. At least \$300 million of this food, and likely far more, is sourced outside Prairie Rivers region.

Only \$963,000 of food products (0.1%) are sold by farmers directly to consumers (U.S. Agriculture Census, 2002).

**Farm and food economy summary:**

Farmers lose \$69 million each year producing food commodities, and also spend \$400 million buying outside inputs, while consumers spend \$300 million buying food from outside. This is a total loss to the region of \$770 million of potential wealth *each year*. This loss amounts to 83% of the value of all food commodities raised in the region.

**Prairie Rivers region markets for food eaten at home (BLS)** (\$250 million of \$442 million total):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 60.2
Fruits & vegetables	41.8
Cereals and bakery products	37.1
Dairy products	27.3
"Other," incl. sweets, fats, & oils	83.7

**Prairie Rivers region markets for household energy use (BLS):**

	<i>millions</i>
Household Electricity	\$ 77.2
Household Natural Gas	39.1
Household Fuel Oil	6.6
Gasoline for vehicles	108.2

**Prairie Rivers region transportation costs (BLS):**

All transportation costs	693.8
Motor vehicles	344.1

**Iowa recreation markets:**

- Iowa travelers spend \$ 4.6 billion each year (2004 — Prouty, Vilsack)
- \$1.8 billion of this is spent in rural areas (Prouty)
- \$1.4 billion per year is spent by Iowa travelers to buy food (IDED, 2005a)
- Tourism generated \$273.4 million of tax receipts in 2004 and 62,000 jobs (IDED, 2005b)

**Iowa recreation and tourism assets:**

- 400 certified organic operations
- 165 farmers' markets — first in U.S. in markets per capita
- 31 wineries
- First in nation in number of farm acres set aside for conservation

**Key data sources:**

**Bureau of Economic Analysis data on farm production balance**

<http://www.bea.doc.gov/bea/regional/reis/>

**Food consumption estimates from Bureau of Labor Statistics Consumer Expenditure Survey**

<http://www.bls.gov/cex/home.htm>

**U.S. Census of Agriculture**

<http://www.nass.usda.gov/census/>

**USDA/Economic Research Service food consumption data:**

<http://www.ers.usda.gov/data/foodconsumption/>

**USDA/ Economic Research Service farm income data:**

<http://ers.usda.gov/Data/FarmIncome/finfidmu.htm>

Prouty, Dennis (2000). "Economic Impact of Travel on the Iowa Economy." Iowa Legislative Fiscal Bureau, Prepared for U.S. Travel Data Center of the Travel Industry of America, January 26, 2. International travel is not included in this total.

Vilsack announces new tourism stats, October 13, 2004. "Travel industry grows to \$4.6 billion annually in Iowa." [www.traveliowa.com/iowafacts/statistics.html](http://www.traveliowa.com/iowafacts/statistics.html) Viewed December 5, 2005.

Iowa Department of Economic Development (2005a). "Travel Industry." Survey of visitors to 13 Welcome Centers in the state during the year, 2. Viewed at [http://www.traveliowa.com/travelindustry/wc\\_intro.html](http://www.traveliowa.com/travelindustry/wc_intro.html), January 30, 2006.

Iowa Department of Economic Development Tourism Office (2005b). Iowa Tourism Results as of November 1, 2005. PowerPoint presentation. Charts drawn by IDDED.

**For more information:**

To see results from *Finding Food in Farm Country* studies in other regions of Minnesota, Iowa, California, Hawaii: <http://www.crcworks.org/fffc.pdf>.

To read the original *Finding Food in Farm Country* study from Southeast Minnesota (written for the Experiment in Rural Cooperation): <http://www.crcworks.org/ff.pdf>.

To view a PowerPoint presented by Ken Meter at a plenary of the Community Food Security Coalition in October, 2006: <http://www.crcworks.org/crcppts/cfsc06.pdf>. [PDF file].

To link to further local economic studies in the U.S.: <http://www.crcworks.org/econ.html>.

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