

# The Contribution of Agribusiness to Colorado's Economy in 2002



Putting Knowledge to Work

## Preliminary Executive Summary

November 2004

Agriculture in Colorado continues to be an important economic driver in several counties and privately held agricultural land is 46% of the total land base in the state (does not include public grazing land). In quantifying the contribution of agribusiness to Colorado's economy we use several variables including income, employment and sales. However, the value of agriculture to the state extends beyond the direct economic returns to include wildlife habitat, view-scapes and aquifer recharge areas. Although we cannot quantify these non-market values in this report, we do want to recognize their value and importance to the state.

2002 was an atypical year for agriculture as Colorado experienced the worst drought conditions in recorded history. However, due to the higher prices and sales of inventory, total cash receipts were down only \$175 million (3%) from 2001.

Agribusiness is composed of three distinct economic sectors. *Farm Production* includes the traditional farm production of commodities such as wheat, corn, and livestock as well as green houses, orchards and horse farms. *Agricultural Inputs* are businesses that support production agriculture including financing and agricultural services. *Processing and Marketing* is the final agribusiness sector and includes the first order processing and marketing necessary to bring the final goods to the consumer. Industries include trucking, warehousing, and processing.

Agribusiness continues to gain jobs and income primarily in the Inputs and Processing and Marketing economic sectors but not at the same rate for total jobs in the state. Therefore, Agribusiness' contribution as a percent to the Colorado economy is shrinking. However, 30% of Colorado's counties continue to rely on agribusiness for over 20% of their total jobs.

### Agriculture Facts

- 31,369 farms and ranches in 2002, an increase of 3.8% from 30,197 in 1997
- Average farm size 991 acres in 2002 down from 1,071 acres in 1997
- Colorado's debt to equity ratio has *increased* 1.5% since 1997 to 18.7% --the US rate has *decreased* by 0.1%.
- Farms sales totaled \$5.1 billion in 2002 compared to \$5.2 billion in 1997 (adjusted for inflation). Farm sales in real dollars have been declining since 1990.
- 73% of total farms sales are from livestock and 27% from crops.
- The cattle industry continues to become more concentrated where 71% of farms selling fewer than 100 animals only account for 5% of sales. On the other hand, 3% of farms selling over 1000 animals represent 81% of the sales.
- Meat exports rank 4<sup>th</sup> in value of total Colorado Exports.

Agribusiness in 2002						
Economic Sector	Employment		Income \$million		Value Added	Gross Sales In Millions\$
		% of State		% of State		
Farm Production	43,074	1.7%	631	0.5%	*	5,114
Inputs	13,589	0.5%	431	0.4%	*	*
Processing and Marketing	50,416	1.9%	1,537	1.3%	*	*
Total Agribusiness	107,079	4.1%	2,600	2.1%	*	*
State Totals	2,588,082		121,841			

Source: Colorado Demography Office. \* To be released with final report in early 2005

## Colorado Agribusiness Employment, Income and Production Sales by County in 2002

County	Employment				Personal Income in Millions \$					Sales in Millions \$	
	Production	Agribusiness	% of Total	Rank*	Production	Inputs & Process		Agribusiness % of total		Production	Rank
						cnty. income	Rank*				
Colorado	43,074	107,079	4.1%		631.02	1,968.65		2.1%		5,113.53	
Adams	1,578	7,009	4.1%	42	9.80	205.34		3.0%	22	79.58	15
Alamosa	728	980	10.5%	32	23.98	3.80		9.9%	18	81.56	12
Arapahoe	381	5,314	1.5%	54	1.65	95.50		0.5%	34	25.63	29
Archuleta	242	273	6.1%	36	-3.48	0.57		-2.5%	56	3.62	50
Baca	848	976	41.2%	3	15.62	2.33		32.4%	8	80.49	13
Bent	417	501	27.2%	14	6.09	2.56		16.8%	15	55.04	19
Boulder	1,044	4,225	2.0%	52	9.17	89.36		1.0%	31	41.06	23
Chaffee	275	352	4.4%	40	-2.11	0.73		-0.6%	49	5.34	46
Cheyenne	457	513	39.4%	5	-2.98	2.62		-1.2%	53	22.85	30
Clear Creek	0	12	0.3%	61	0.00	0.21		0.1%	38	0.00	61
Conejos	635	730	24.9%	17	0.43	2.96		6.4%	20	25.67	28
Costilla	252	362	33.9%	12	5.54	0.90		24.6%	11	21.30	31
Crowley	320	339	22.5%	18	20.17	0.41		33.6%	7	54.48	20
Custer	172	201	12.9%	27	-2.86	0.86		-5.4%	61	3.57	51
Delta	1,386	2,068	18.5%	21	6.39	13.29		6.7%	19	47.78	22
Denver	19	13,797	2.8%	48	0.65	445.37		1.5%	28	2.18	54
Dolores	216	246	26.4%	15	-0.95	0.97		0.1%	41	4.88	48
Douglas	857	1,467	1.9%	53	-3.64	6.30		0.1%	42	14.28	39
Eagle	196	462	1.4%	55	-3.25	6.87		0.3%	37	5.16	47
Elbert	979	1,189	21.5%	19	-8.49	4.34		-2.6%	57	29.18	25
El Paso	1,096	3,156	1.1%	57	-5.87	52.23		0.4%	36	25.76	27
Fremont	644	867	5.4%	37	-0.14	7.18		1.3%	29	13.51	41
Garfield	678	1,032	4.1%	43	-2.82	7.76		0.5%	33	18.90	35
Gilpin	0	0	0.0%	63	0.00	0.00		0.0%	44	0.00	62
Grand	209	277	3.2%	46	-4.00	1.50		-1.0%	52	6.00	45
Gunnison	308	367	3.9%	44	-5.14	0.77		-1.6%	55	7.05	44
Hinsdale	17	23	6.3%	35	-0.45	0.08		-4.4%	60	0.23	59
Huerfano	336	357	11.0%	30	-3.55	0.51		-4.3%	59	7.72	43
Jackson	207	299	34.9%	9	-5.86	2.54		-25.7%	63	12.59	42
Jefferson	698	6,373	2.6%	49	5.59	318.55		2.8%	23	19.20	34
Kiowa	537	594	59.8%	1	11.66	1.53		49.8%	1	58.48	18
Kit Carson	1,072	1,636	34.3%	10	15.42	13.55		25.4%	10	181.96	5
Lake	0	11	0.5%	38	0.00	0.27		0.4%	32	0.00	63
La Plata	879	1,463	5.4%	60	-5.69	13.03		0.8%	35	13.71	40
Larimer	1,975	4,547	3.1%	47	24.41	96.52		2.0%	27	114.46	8
Las Animas	616	810	11.2%	29	-10.09	4.24		-3.0%	58	14.94	38
Lincoln	595	793	25.3%	16	-7.39	2.46		-6.9%	62	36.65	24
Logan	1,359	2,057	17.1%	22	48.34	17.01		17.2%	14	389.45	4
Mesa	1,968	3,240	5.1%	39	7.03	37.28		2.1%	26	52.80	21
Mineral	14	14	2.5%	51	-0.07	0.03		-0.3%	47	0.20	60
Moffat	557	754	12.0%	28	-4.41	3.84		-0.3%	45	15.99	36
Montezuma	924	1,272	10.7%	31	-0.33	7.81		2.4%	25	20.24	32
Montrose	1,372	2,423	13.9%	25	12.49	20.87		6.0%	21	100.25	11
Morgan	1,402	4,887	34.0%	11	54.43	111.10		35.4%	4	481.97	3
Otero	747	1,678	18.8%	20	14.68	17.84		12.8%	17	108.23	10
Ouray	86	118	6.4%	34	-1.53	0.80		-1.2%	54	3.65	49
Park	216	246	8.3%	33	-1.93	1.28		-0.7%	50	2.65	53
Phillips	703	937	37.3%	7	18.35	3.63		31.7%	9	127.07	7
Pitkin	108	192	1.0%	58	-1.41	1.72		0.0%	43	1.68	56
Prowers	821	1,207	16.5%	23	42.52	8.30		20.6%	12	164.95	6
Pueblo	981	2,362	3.7%	45	-9.93	36.79		1.3%	30	27.35	26
Rio Blanco	352	555	13.1%	26	-1.46	4.90		2.5%	24	15.35	37
Rio Grande	640	2,095	33.8%	13	39.78	32.05		33.7%	6	113.31	9
Routt	601	737	4.1%	41	-7.56	4.55		-0.5%	48	20.00	33
Saguache	496	898	40.9%	4	15.45	5.80		34.2%	5	72.57	16
San Juan	0	0	0.0%	62	0.00	0.01		0.1%	39	0.00	64
San Miguel	117	143	2.5%	50	-1.94	0.53		-0.7%	51	1.86	55
Sedgwick	433	501	37.0%	8	11.81	2.39		39.5%	3	68.65	17
Summit	47	142	0.7%	59	-0.88	1.65		0.1%	40	1.60	57
Teller	95	107	1.3%	56	-1.07	0.28		-0.3%	46	0.98	58
Washington	993	1,279	50.4%	2	4.39	4.87		18.9%	13	80.21	14
Weld	5,571	13,490	15.1%	24	261.20	222.64		13.7%	16	1,525.14	1
Yuma	1,557	2,083	38.7%	6	53.95	12.49		41.2%	2	579.07	2

Source: Colorado Demography Office. \* Rank based on percentage of total county employment or income. Complete report and agribusiness sales data will be available early in 2005. For questions contact Elizabeth Garner at 303-866-3096 or Elizabeth.garner@state.co.us