

Oregon agricultural sales hit new high at \$4.4 Billion

by Bend_Weekly_News_Sources

CORVALLIS, Ore. — Agriculture in Oregon generated gross sales of \$4.4 billion in 2006, setting an all-time sales record and logging a fourth straight year of sales growth. The state's agricultural sector has experienced steady annual increases in sales since posting a figure of \$3.48 billion in 2003.

The 2006 sales of \$4.4 billion is an 8.9 percent increase over the 2005 total. An overview of Oregon's agricultural economic performance is included in the "2006 Oregon County and State Agricultural Estimates," Special Report 790-06, made available by the Oregon State University Extension Service.

The full report, featuring estimates by OSU agricultural faculty, is available online at <http://oregonstate.edu/oain/>. (Select "Ag Summaries" on the right side of the page, and then 2006 for the Oregon County and State Agricultural Estimates (SR790). "In summary, 2006 was a good year for Oregon agriculture," said Larry Burt, an OSU Extension economist and lead author and coordinator of the annual Oregon agricultural statistics report.

"Nursery Crops, with sales of \$679 million, returned to the number one rank in 2006 after being slightly behind cattle estimates since the 2002 crop year," Burt said.

"Cattle returned to the number two ranking at \$636 million.

"Taken as a whole, ornamental crops such as nursery, bulbs, greenhouse crops, turf sod, and Christmas trees accounted for \$961 million of 2006 Oregon agricultural sales — almost 22 percent of total agricultural sales in the state," he added.

Thirteen Oregon counties had more than \$100 million in farm sales, led by Marion County, with \$585 million; Clackamas County, \$395 million; Washington County, \$322 million; Umatilla County, \$289 million; and Yamhill County, \$276 million. Of the 12 major agricultural commodity groups covered in the report, just one — dairy products — posted a decrease in gross sales from 2005 to 2006, Burt pointed out.

"This is the first year in recent memory that almost all commodity sectors enjoyed an annual increase in commodity sales," said Burt. "Price instability and market volatility usually have negative impact on sales in several sectors of the farm and ranch economy from year to year.

"However, in 2006 the volatility of the marketplace seemed to be on the side of many of our growers with

several commodities enjoying significant, even dramatic, price increasesâ€”in some cases more than 50 percent," Burt said.

The economic data summarized in the year-end agricultural sales report are based on farm level statistics from many sources, including county Extension field faculty and specialists who gather information through personal observation and contacts with producers, growers, processors and wholesalers.

All crop commodities generated \$3.2 billion in gross sales, and livestock and poultry commodities earned \$1.2 billion.

The \$4.4 billion in sales generated by farmers and ranchers is just one component of agriculture's effect on the state's economy, Burt noted. Agricultural sales, and related farm and ranch activity, generates additional value through farm purchases, services to farmers, farm employment, product processing and distribution, he said.

Overall, the crops sector was a bright spot in this year's report.

Grass seed and legume sales were up 29 percent over the previous year's figure. Production in 2006 of the three major Oregon seed crops â€” tall fescue, annual ryegrass and perennial ryegrass â€” rose 9.6 percent over 2005 levels. An estimated average 21 percent increase in prices helped boost the surge in seed gross sales. Small fruits and berries were up 28 percent in 2006, with \$126.2 million in sales. Harvested acreage was generally up slightly and yields were mixed due to cold damage on some crops. However, 2006 prices were noticeably improved for most berry crops compared with 2005. In 2006 price increases for the top three Oregon berry crops were: blueberries up 64 percent, Marion and other blackberries up 23 percent and cranberries up 31 percent.

Vegetable crops, bringing in \$333 million, recorded an increase of 25 percent in sales over the 2005 level. Dry storage onions accounted for nearly 40 percent of Oregon's vegetable production gross sales in 2006. A major contributor to the gain in sales was a jump in onion prices of 69 percent from 2005 to 2006. Other vegetables, both processed and fresh, showed little change in production and value of sales over the previous year.

At \$312 million, hay and forage commodities were up 22 percent from the 2005 sales figure of \$256 million. Total production of alfalfa hay was up about 7 percent while other hay production was up slightly. On average, prices per ton increased a healthy 15.5 percent over the previous year.

Rounding out the crop commodity sales picture, wheat at about \$185 million in 2006 sales was 8.3 percent higher than 2005 levels. Both lower harvested acreage and lower yield contributed to about a 9 percent drop in

production. This was offset by a 2006 price increase of 17.4 percent.

Field crops were up 4.7 percent to \$213 million. Potatoes, a major Oregon field crop, experienced slightly lower sales due primarily to reduced yields. A 6.6 percent increase in potato prices was not enough to offset a 9 percent drop in production.

The tree fruit and nut sector was up about 6 percent to \$244.8 million in 2006 sales. Sweet cherries at \$50.9 million were 33.9 percent higher than the gross sales value estimated in 2005. Slightly increased harvested acreage and greatly increased yields more than offset a price decline.

Wine grape crops posted gross sales of \$46.7 million, an increase of 27.6 percent over the 2005 figure. A major increase in harvested acreage and slightly improved yields led to a 25.6 percent increase in estimated wine grape production for 2006 compared to the previous year.

Gross sales of hazelnuts, the main nut crop in Oregon, were down somewhat in 2006. Significantly higher yields on slightly increased harvested acreage resulted in a 43 percent increase in production. However, grower prices at 52 cents per pound were less than half the level paid for the 2005 crop.

Livestock and poultry products posted \$1.164 billion in sales, a marginal increase of 2 percent over the 2005 figure of \$1.141 billion.

Cattle, the top livestock commodity, were up 2.7 percent in sales from 2005 levels, though 2006 cattle inventories were estimated to be down just over 2 percent from the previous year. However, price increases in many cattle categories more than offset the drop in inventory.

In other livestock sectors, lamb prices were softer in some counties and hog inventories were down somewhat, but more pigs were sold at slightly higher prices in many counties. Increased broiler sales at slightly higher prices coupled with stronger prices for eggs helped the poultry sector post sales of \$110 million, an increase of 13 percent over the 2005 figure.

Dairy product sales were down 4 percent. Statewide, dairy cow numbers were down slightly and milk yields were steady. However, prices dropped 4.4 percent, causing a dip in gross sales of about \$15 million below the 2005 sales level of \$340 million.

A total of 82 commodities grossed \$1 million or more in sales, the OSU economists noted in the report.

According to Burt, Oregon boasts a broad diversity of agricultural commodities compared to most other states.

"Many states produce only a handful of commercial agricultural commodities," Burt observed. "In Oregon, however, each year our faculty track somewhere around 130 commodities that are commercially grown plus many other miscellaneous crop categories," he added.

Agricultural commodity sales by county were: 1) \$585 million Marion; 2) \$395 million Clackamas; 3) \$322 million Washington, 4) \$289 million Umatilla; 5) \$282 million Linn; 6) \$276 million Yamhill; 7) \$250 million Morrow; 8) \$249 million Malheur; 9) \$205 million Klamath; 10) \$146 million Polk; 11) \$134 million Lane; 12) \$108 million Tillamook, and \$108 million Benton; 14) \$82 million Jackson; 15) \$79 million Multnomah; 16) \$75 million Douglas; 17) \$68 million Harney; 18) \$66 million Wasco, and \$66 million Baker; 20) \$59 million Lake; 21) \$57 million Hood River; and \$57 million Union; 23) \$52 million Jefferson; 24) \$46 million Coos; 25) \$45 million Grant; 26) \$43 million Wallowa; 27) \$41 million Crook; 28) \$31 million Josephine; 29) \$30 million Columbia, and \$30 million Sherman; 31) \$27 million Curry; and \$27 million Deschutes; 33) \$26 million Gilliam; 34) \$17 million Clatsop; 35) \$13 million Lincoln; and 36) \$12 million Wheeler.

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