



## Contribution of Wheat Production to the Washington Economy

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**Table 1**

**Output and employment contributions of wheat production to the Washington Economy (2016)**

Washington Wheat Exports	\$595,992,600
Indirect Output (earned from business to business transactions)	\$490,952,273
Induced Output (earned from spending for personal activity)	\$235,286,932
<b>OUTPUT</b>	<b>\$1,322,231,805</b>
Direct Employment	1,322
Indirect Employment (off farm jobs supported by grain farm business transactions)	3,655
Induced Employment (off farm jobs supported from personal grain farm employment)	1,516
<b>TOTAL EMPLOYMENT</b>	<b>6,493</b>

Source: WSU IMPACT Center

The total value of Washington agricultural production in 2016 was \$9.1 billion. Animals and animal products accounted for just under \$2.6 billion and crops represented another \$6.4 billion. Apples, once again, had the largest crop value \$2.4 billion (26.2% of total agriculture). Potatoes (\$813.3 million), Wheat (\$662.2 million), and Hay (\$539.3 million) were the second, third, and fourth highest production value agricultural crops in Washington and accounted for 27.4% of state agricultural production.

Total wheat sales were up slightly in 2016 and given the excellent weather and yields in 2017 it will likely result in an increase in total sales relative to 2016. The economic impacts of wheat production are substantial for the state as a whole, but they are particularly important to rural areas in Eastern Washington. This Fact Sheet highlights some of the more important contributions of wheat producers to the State of Washington.

Note from Table 1 that the total value of the State's wheat sales in 2016 was 1.3 billion dollars, and supported nearly 6,500 jobs in Washington. Sales in 2016 were still below their 2012 high but yields are higher than they have been in the last decade (Table 2). Prices have been in a persistent decline since 2012 but seem to have reached their low in 2016 (Figure 1).

**Table 2**  
**Wheat acres, yields, sales, and value from 2012 - 2016**

Year	Acres harvested (000)	Yield (bu/acre)	Bushels Sold (000)	Price (\$/bu)	Total Sales (000)
2012	2,165	66.6	144,125	\$8.07	\$1,163,089
2013	2,175	66.9	145,530	\$6.95	\$1,011,434
2014	2,250	48.2	108,460	\$6.55	\$710,413
2015	2,225	50.3	111,900	\$5.35	\$598,665
2016	2,200	71.5	157,290	\$4.16	\$654,326

Source: USDA NASS Quick Stats

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By exporting \$595.9 million of wheat in 2016, Washington's wheat farmers contributed over \$1.3 billion to the state economy. This occurred in two ways: farmer purchases of farm business inputs (everything from seed and fertilizer to business services including accounting and legal fees), and the personal purchases of both farmers and their employees (eating in local restaurants, attending a local sporting event or movie theatre, etc.). As illustrated in Table 1, wheat farmer's purchases of business inputs, and subsequent business-to-business sales, generated \$490.9 million of economic activity in 2016. Thus, every new dollar coming into the state because of wheat exports contributed an additional \$0.82 in spending by businesses supporting the needs of wheat farms and their vendors.

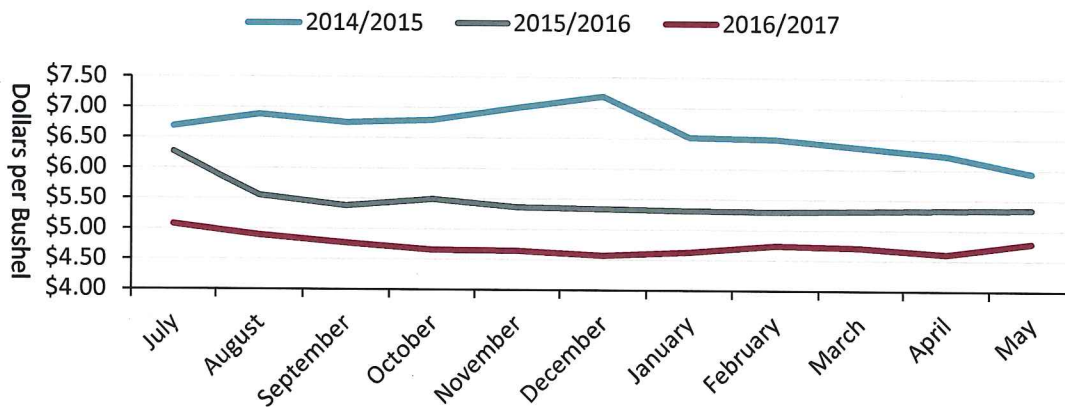
In addition to providing revenue to other businesses through business-to-business transactions, sales are also generated through wheat farmers and their employee's expenditures on personal products and services. The value of off-farm purchases by Washington wheat producers and their employees generated another \$235.2 million in 2016.

This translates to about \$0.40 of additional businesses activity from serving the

needs of farm households. All total then, every dollar from wheat exports resulted in another \$1.22 in economic activity throughout the state, much of it in the rural communities where the grain producers operate.

The growth in wheat production from 2015 to 2016, 111 million bushels to 157 million bushels, was not enough to offset the decline in wheat prices, and thus the value of wheat exports fell. This decline in export value caused less money to flow into the state but the increased multipliers, associated with a deepening economy, lead to overall increased impacts relative to 2014 and 2015. Total direct employment supported by wheat exports amounted to roughly 1,322 jobs. The indirect employment stemming from the business-to-business transactions of wheat farmers and their vendors accounted for another 3,655 full time equivalent jobs. The household-to-business transactions resulting from farmers and their employees buying personal products and services supported another 1,516 jobs. Total employment supported by the new wheat dollars in the economy amounted to 6,493 jobs (See Table 1).

**Figure 1**  
**Portland White Wheat Prices**



Source: USDA Agricultural Marketing Service