



## Contribution of Wheat Production to the Washington Economy

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Sales of Washington wheat in 2018 came in at approximately \$835.7 million. Of that, roughly \$693.1 million was exported out of the state. Yields were slightly above trend for the third year in a row. Price per bushel in 2018 was lower than trend at \$5.45, and below the 2012 high of \$8.07. The economic impacts of wheat production are substantial for the state, 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.

**Table 1: Impacts from WA Wheat**

Output and employment contributions of wheat production to the Washington Economy (2016)	
Washington Wheat Exports	\$693,141,204
Indirect Output (earned from business to business transactions)	\$550,343,446
Induced Output (earned from spending for personal activity)	\$307,396,646
<b>TOTAL ECONOMIC OUTPUT</b>	<b>\$1,550,881,296</b>
Direct Employment	1,556
Indirect Employment (off farm jobs supported by grain farm business transactions)	4,205
Induced Employment (off farm jobs supported from personal grain farm employment)	1,930
<b>TOTAL EMPLOYMENT</b>	<b>7,691</b>

Source: WSU IMPACT Center

By exporting \$693.1 million of wheat in 2018, Washington’s wheat farmers contributed over \$1.5 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 \$550.3 million of economic activity in 2018. Thus, every new dollar coming into the state because of wheat exports contributed an additional \$0.79 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 \$307.4 million in 2018.

This translates to about \$0.44 of additional businesses activity from serving the needs of farm households. All total then, every dollar from wheat exports resulted in another \$1.24 in economic activity throughout the state, much of it in the rural communities where the grain producers operate.

Table 2 shows the Acres, yields, sales, and value of production from 2015-2018. Even though acres harvested and yields were the same or higher than 2012 total sales were still roughly \$350 million lower because of the lower price. Figure 1 shows the evolution of prices during the marketing year over the three-year period. Prices are rebounding but have reached

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the \$6.27/bu high from 2015 and are still well below the 2012/13 high of \$8.87/bu that we saw in November of that year.

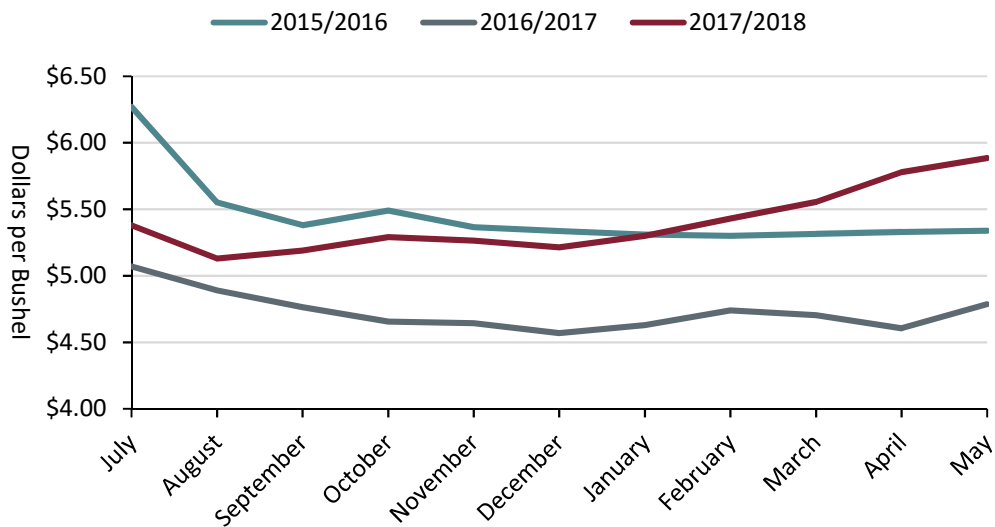
Total direct employment associated with wheat production amounted to 1,556, up slightly for last year. The indirect and induced employment grew also and supported another 6,135 jobs. Total employment supported by the new wheat dollars in the economy amounted to 7,691 job (see table 1).

**Table 2:** *Wheat acres, yields, prices, and sales from 2015-2018*

Year	Acres harvested (000)	Yield (bu/acre)	Bushels Sold (000)	Price (\$/bu)	Total Sales (000)
2015	2,225	50.3	111,900	\$5.35	\$598,665
2016	2,200	71.5	157,290	\$4.16	\$654,326
2017	2,140	66.6	130,615	\$4.85	\$633,484
2018	2,165	70.8	153,282	\$5.32	\$815,460

Source: USDA NASS Quick Stats

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



Source: USDA Agricultural Marketing Service