



## Contribution of Wheat Production to the Washington Economy

T. Randall Fortenbery<sup>1</sup> and Timothy P. Nadreau<sup>2</sup>

**Table 1**  
**Output and employment contributions of wheat production to the Washington Economy (2019)**

Washington Wheat Exports	\$660,806,171
Indirect Output (earned from business-to-business transactions)	\$581,338,371
Induced Output (earned from spending for personal activity)	\$578,664,838
<b>TOTAL OUTPUT</b>	<b>\$1,820,809,379</b>
Direct Employment	2,216
Indirect Employment (off farm jobs supported by grain farm business transactions)	3,137
Induced Employment (off farm jobs supported from personal grain farm employment)	4,090
<b>TOTAL EMPLOYMENT</b>	<b>9,442</b>

Source: WSU IMPACT Center

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 \$581.3 million of economic activity in 2019. Thus, every new dollar coming into the state because of wheat exports contributed an additional \$0.88 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 by 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 \$578.7 million in 2019. This translates to about \$0.87 of additional businesses activity from serving the needs of farm households. All total then, every dollar from wheat exports resulted in another \$2.75<sup>3</sup> in economic activity throughout the state, much of in it in the rural communities where the grain producers operate.

Table 2 shows the acres, yields, sales, and value of production from 2015-2019. Even though acres harvested and yields were similar to those in 2012, total sales were still roughly \$370 million lower

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.

Sales of Washington wheat in 2019 came in at approximately \$792.2 million. Of that, roughly \$660.8 million was exported out of the state. Even though yields were down from 2018 they were above trend for the fourth year in a row. The national average wheat price 2018/19 marketing year (the marketing year is from June 1 to May 31) grew slightly to \$5.55 per bushel, but was still well below the 2012/13 marketing year high of \$8.07.

By exporting \$660.8 million of wheat in 2019, Washington's wheat farmers contributed over \$1.8 billion in sales 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

<sup>1</sup> Professor and Thomas B. Mick Endowed Chair, School of Economic Sciences, Washington State University

<sup>2</sup> Assistant Research Professor, IMPACT Center, School of Economic Sciences, Washington State University

<sup>3</sup> The multipliers in IMPLAN have changed due to the update of the Bureau of Economic Analysis Benchmark I-O Tables.

because of the lower price. Figure 1 shows the evolution of prices during the marketing year over the past four-year period. Prices are rebounding but remain 31% lower than the \$8.07/bu high from 2012.

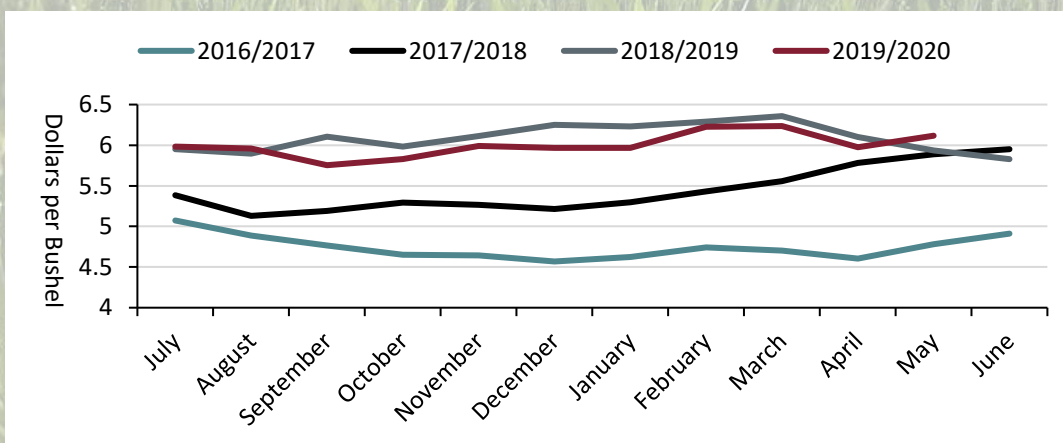
Total direct employment associated with wheat production amounted to 2,216 jobs, up from last year. The indirect and induced employment grew also and supported another 7,226 jobs. Total employment supported by the new wheat dollars in the economy amounted to 9,442 job (see table 1).

**Table 2**  
**Wheat acres, yields, sales, and value from 2015 - 2019**

Year	Acres harvested (000)	Yield (bu/acre)	Bushels Sold (000)	Price (\$/bu)	Total Sales (000)
2014/2015	2,225	50.3	111,900	\$5.35	\$598,665
2015/2016	2,200	71.5	157,290	\$4.16	\$654,326
2016/2017	2,140	66.6	142,500	\$4.85	\$691,125
2017/2018	2,165	70.8	153,210	\$5.51	\$844,187
2018/2019	2,205	64.7	142,735	\$5.55	\$792,179

Source: USDA NASS Quick Stats

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



Source: USDA Agricultural Marketing Service