



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 (2020)

Washington Wheat Exports	\$849,708
Indirect Output (earned from business-to-business transactions)	\$492,092
Induced Output (earned from spending for personal activity)	\$589,609
TOTAL OUTPUT	\$1,931,408
Direct Employment	2,750
Indirect Employment (off farm jobs supported by grain farm business transactions)	3,526
Induced Employment (off farm jobs supported from personal grain farm employment)	3,190
TOTAL EMPLOYMENT	9,466

Source: WSU IMPACT Center

(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 \$492.1 million of economic activity in 2020, down from 2019 values. Still, every new dollar coming into the state because of wheat exports contributed \$0.58 in additional 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 \$589.6 million in 2020. This translates to an additional \$0.69 per dollar of exports in businesses activity from serving the needs of farm households. All total, every dollar from wheat exports resulted in another \$2.27³ in economic activity throughout the state, much of it in the rural communities where the grain producers operate.

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 2020 came in at approximately \$944.1 million. Of that, roughly \$849.7 million was exported out of the state. Yields were above trend this year. The national average wheat price for the 2019/20 marketing year (the marketing year is from June 1 to May 31) fell slightly to \$4.58 per bushel, well below the 2012/13 marketing year high of \$8.07. Wheat producers in Washington did better than the national average price, averaging \$5.70 per bushel in the 2019/2020 marketing year. This reflects the higher value of soft white wheat grown in Washington compared to varieties grown in other regions of the U.S.

By exporting \$849.7 million of wheat in 2020, Washington's wheat farmers contributed over \$1.9 billion in sales to the state economy. This occurred in two ways: farmer purchases of farm business inputs

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

Table 2 shows Washington acres, yields, sales, and value of production from 2016-2020. Even though price did not see a dramatic change in 2020, acreage and yields both grew substantially relative to 2019, causing total sales to increase 20% over 2019. Figure 1 shows the evolution of white wheat prices at the Portland terminal during the marketing year over the past three-year period and through April of 2021. If prices remain at the higher levels seen since January of 2021, and acreage and yields remain strong, the 2020/2021 sales will likely exceed \$1 billion resulting in much higher contributions moving forward.

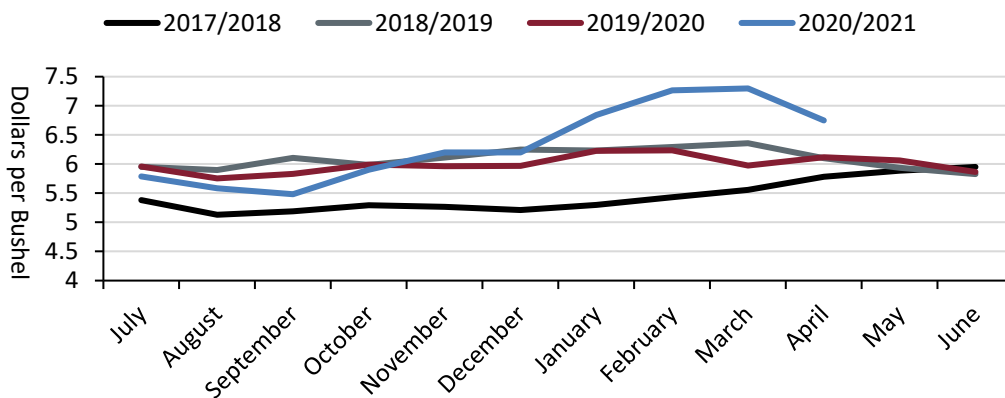
Total direct employment associated with Washington wheat production amounted to 2,750 jobs, up nearly 500 jobs from last year. The indirect and induced employment also grew and supported another 6,716 jobs. Total employment supported by new wheat dollars in the economy amounted to 9,466 job (see table 1).

Table 2
Washington Wheat acres, yields, sales, and value from 2016 - 2020

Year	Acres harvested (000)	Yield (bu/acre)	Bushels Sold (000)	Price (\$/bu)	Total Sales (000)
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
2019/2020	2,285	72.5	165,635	\$5.70	\$944,120

Source: USDA NASS Quick Stats

Figure 1
Portland White Wheat Prices



Source: USDA Agricultural Marketing Service