

# **A REPORT ON THE AGRICULTURAL SECTOR IN ILLINOIS**

Commission on Government Forecasting and Accountability  
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Commission on Government  
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## *EXECUTIVE SUMMARY*

Due to its favorable climate, fertile soil and extensive transportation network, Illinois has become one of the leading producers of agricultural products. Illinois is a leading producer of both crops and livestock. This report will examine the Illinois' Agricultural sector as a part of the overall economy. The report will analyze agricultural production within the state and the value associated with it. Trends related to production, input costs, and overall value added were examined over the last twenty-five years. This report will rely primarily on historical data available from two services of the United States Department of Agriculture, the National Agricultural Statistics Service and the Economic Research Service. The major observations of the report are summarized below:

- In 2004, Illinois had 73,000 farm operations spread out over 27.5 million acres which is a significant decrease from the 203,000 farms on 31.7 millions acres of land in 1950.
- Illinois was the leading producer of soybeans in the county in 2004 with 500 million bushels produced. At 2.1 billion bushels, Illinois was the second leading producer of corn behind Iowa.
- Illinois was fourth in the country in hog production with over 4 million hogs and pigs on the farm and 1.8 million hogs and pigs marketed in 2004.
- Over the last twenty-five years, a greater percentage of the value created from agriculture within Illinois has come from the production of crops. In the early 1980s, crops accounted for approximately 62% of the value produced and livestock accounted for 33%. In 2004, crops have grown to 75% and livestock has been reduced to 18%.
- In 2004, the net value added, which is the amount that contributes to the Gross State Product (GSP), for the Illinois Ag sector was \$6.3 billion, an increase of over 67% from 2003.
- The Ag sector has grown at a nominal rate of 1.95% per year and a real rate of 0.80% per year since 1980, which lags behind the growth of Illinois' GSP.
- Illinois moved past Texas to become the third leading exporter of Ag products behind California and Iowa in FY 2004. Illinois exported \$3.65 billion throughout the fiscal year.
- Total Illinois farm and farm-related employment was 950,758 in 2002. This represented 13% of total Illinois employment. In non-metro counties farm related employment was over 20%, while metro counties had farm related employment of 12%. This represents a reduction in the percentages from the 1981 data.

## I. Introduction

This report analyzes and discusses the agriculture sector in the Illinois economy. Data on farm operations are presented (Section II) along with information on agricultural production (Section III). This is followed by an examination of the components used to arrive at the sector's net-value added. Net value added is the sector's contribution to the State and National economy and equals the sum of the income from production earned by all factors-of-production, regardless of ownership. This examination was conducted using the following methods.

Net value-added calculations for each states Ag sector are prepared by the USDA's Economic Research Service each year. Using these calculations, estimates for each component including revenues and costs were examined from 1980–2004. These data were analyzed using three methods; 1) change in nominal value, 2) change in the percentage of value created, and 3) change in real terms.

Nominal values were looked at to see how different farm operation categories changed in terms of the dollar values without adjusting for inflation. Percentages were used to show the change in importance of different categories over time. The individual inputs were analyzed against total value creation by the Ag sector and against the individual value creation methods that would be more prominent in using that method. For example, annual seed costs were analyzed against crop production valuations, while feed costs were compared to livestock production valuations. Finally, production price index factors were used to account for inflation, so that the “real” changes in each category could be identified.

These methods were used in examining the components of the value-added calculations as outlined in Chart 1. The changes in nominal value and percentages of total will be presented in Sections IV-VIII, while changes in real terms will be discussed in Section IX. These sections will be followed by information on government payments to farmers (Section X), agricultural exports (Section XI), farm-related employment (Section XII), and property taxes (Section XIII).

### Chart 1. Economic Calculations

<b>Value Created by Agricultural Production</b>	----- <b>Section IV</b>
- Purchased Inputs	----- <b>Section V</b>
+ <u>Net Government Transactions</u>	----- <b>Section VI</b>
<b>Gross Value Added</b>	
- <u>Capital Consumption</u>	
<b>Net Value Added</b>	----- <b>Section VII</b>
- <u>Payments to Stakeholders</u>	----- <b>Section VIII</b>
<b>Net Farm Income</b>	----- <b>Section VIII</b>

## II. Illinois Farm Characteristics

### Number and Size of Illinois Farms

The average size of Illinois' 73,000 farms is 377 acres, which is predominantly made up of acres in a corn/soybean rotation. Total farmland in Illinois is 27.5 million acres. In 2004, the State had 20,000 farm operations that had cattle and 3,400 with hogs and pigs. The total number of farms and the total number acres in farmland has dropped considerably over the last 50 years, while the average size of farms has grown. In 1950, there were 203,000 farms in Illinois on over 31.7 million acres. This averaged out to 156 acres per farm compared to the 377 acres per farm in 2004. Since 1950, the total amount of farmland has decreased by an average 0.26% per year, while the total number of farm operations has decreased by 1.88% per year. These changes have led to an average increase of 1.65% per year in the average size of farm operations in acres. Chart 2 illustrates these changes.

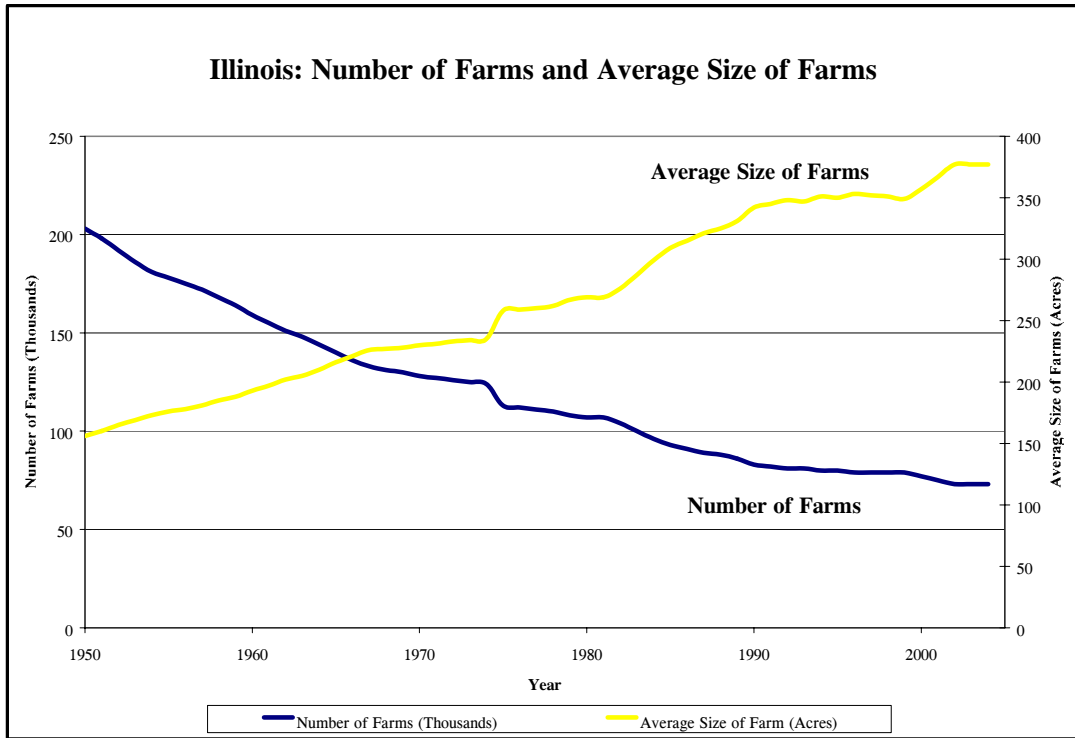
Illinois farms are spread over 27.5 million acres, which makes up over 77% of the states total area. The vast majority (24.2 million) of these acres are consist of land used to grow crops. Other uses include woodlands, pastureland, conservation or organic practices, and land in house lots, ponds, roads, or wasteland.

### Illinois Farms by Sales Class

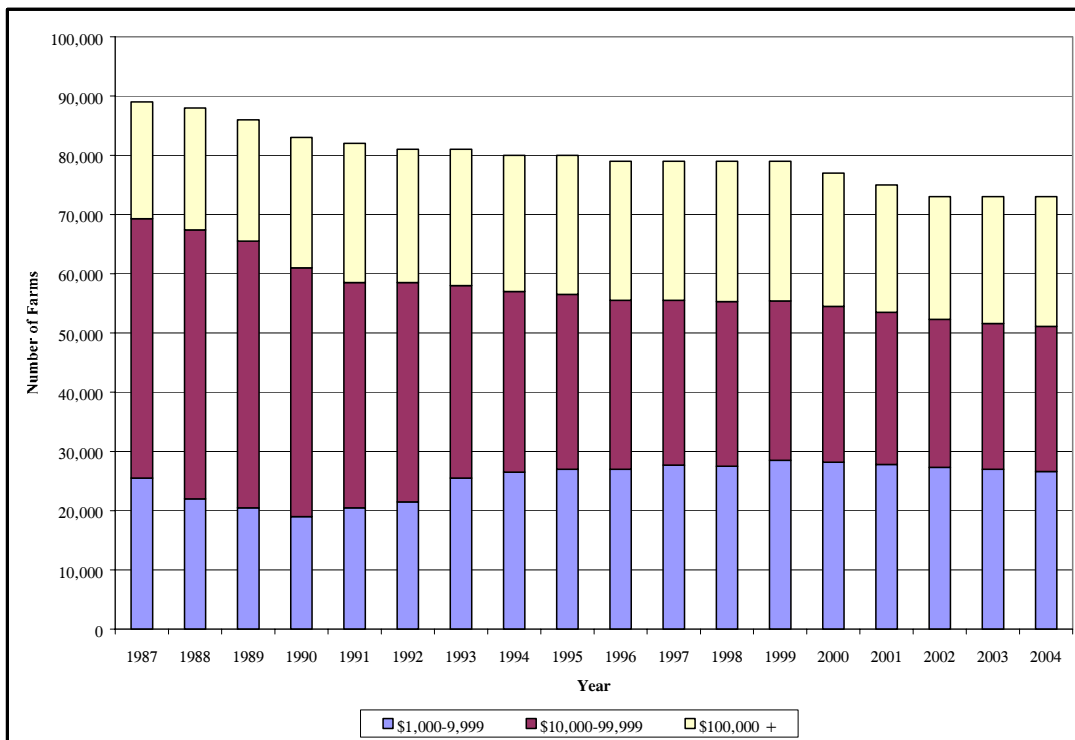
Farm operations can be divided by sales into three categories, those that sell less than \$10,000, those that sell between \$10,000 and \$100,000, and those that sell more than a \$100,000 in a year. Between 1987 and 2004, the middle sales class shrunk while the low and high classes grew. In 1987, 28.7% of all Illinois farms were in the lowest sales bracket of \$1,000-9,999 in sales per year, 49.2% sold between \$10,000-99,999, and 22.1% had sales of more than \$100,000. In 2004, the low class made up 36.4% of total Illinois farms, the middle sales class made up 33.6%, and the highest class made up 30.0%. This change in the makeup of Illinois farms is illustrated in Chart 3.

Along with the number of farms in each of these sales classes, the amount of land used by these classes has changed. In 1987, 40.2% of the farmland in use in Illinois was used by farm operations in the \$10,000-99,999 sales category. In 2004, this group used only 18.6% of the total farmland. Meanwhile, the highest sales category went from 53.9% to 75.3%. The lowest sales class basically remained unchanged in their percentage of total farmland use during this time period. The change in the percent of Illinois farmland use is shown in Chart 4.

**Chart 2. Number and Average Size of Farms in Illinois**

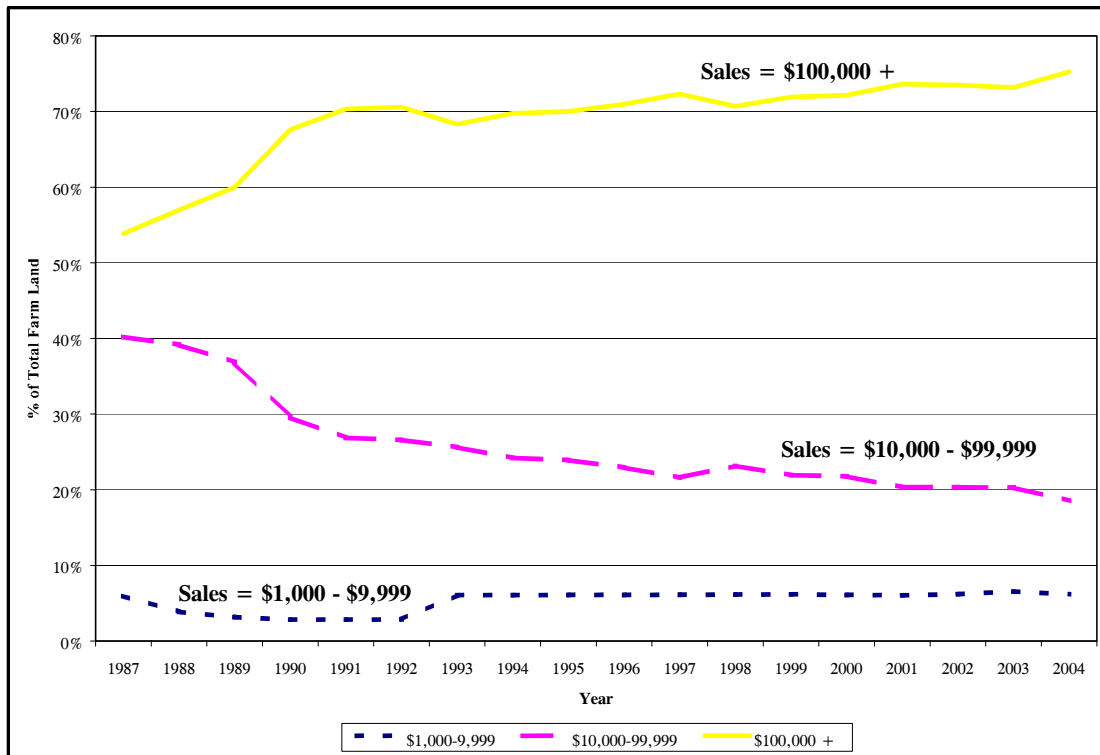


**Chart 3. Illinois Farms by Sales Class**





**Chart 4. Illinois Farm Land in Use by Sales Class**



Cattle Operations

The 20,000 cattle operations can be categorized by the amount of cattle. The majority of these operations (64.5%) have less than 50 head of cattle. Another 18% have between 50-99 head, while 16.4% have 100-499 head. There are 170 operations (0.85%) that have 500-999 head and 50 (0.25%) with more than 1,000 head of cattle. The make up of cattle operations has been steady in these approximate proportions since 1993. While these proportions have held steady, as mentioned previously, the total number of cattle operations has been steadily declining.

Hog Operations

Illinois had 3,400 hog operations in 2004. Approximately one-third of these were small operations with less than 100 hogs. Another 36% of the operations had between 100 and 1,000 head. The largest operations, with more than 1,000 head of hogs, made up approximately 31% of total hog farms in Illinois.

When examining hog operations, a trend towards larger operations is obvious over the last 13 years. In 1993, operations with less than 1,000 head made up over 88% of the total, while operations with more than 1,000 head made up only 11.3%. In 2004, the smaller operations made up 69.1% of total operations, while larger operations on the

other hand, had grown to represent over 30.9%. For more information on the make up of the livestock operations, see Tables 1 and 2.

<b>Table 1. Illinois Cattle Operations, by number of animals, 2004</b>						
<b>Year</b>	<b>Total</b>	<b>1-49 Head</b>	<b>50-99 Head</b>	<b>100-499 Head</b>	<b>500-999 Head</b>	<b>1000+ Head</b>
1993	31,000	21,000	5,350	4,400	190	60
1994	29,000	18,900	5,300	4,580	160	60
1995	27,000	17,000	5,300	4,500	140	60
1996	27,000	17,200	5,200	4,400	150	50
1997	26,000	16,900	4,800	4,100	150	50
1998	26,000	16,900	4,800	4,100	150	50
1999	26,000	17,100	4,800	3,900	160	40
2000	25,000	16,200	4,700	3,890	170	40
2001	24,000	15,400	4,500	3,880	180	40
2002	23,000	14,700	4,400	3,680	170	50
2003	20,000	12,400	3,900	3,480	170	50
2004	20,000	12,900	3,600	3,280	170	50

<b>Table 2. Illinois Hog Operations, by number of animals, 2004</b>							
<b>Year</b>	<b>Total</b>	<b>1-99 Head</b>	<b>100-499 Head</b>	<b>500-999 Head</b>	<b>1000-1999 Head</b>	<b>2000-4999 Head</b>	<b>5000+ Head</b>
1993	11,500	4,000	4,400	1,800	840	390	70
1994	11,000	3,800	4,000	1,900	820	400	80
1995	9,600	3,200	3,700	1,500	770	340	90
1996	8,800	2,900	3,400	1,300	780	320	100
1997	7,500	2,600	2,500	1,200	690	390	120
1998	7,000	2,200	2,250	1,300	690	430	130
1999	6,500	2,100	1,950	1,200	660	460	130
2000	5,100	1,800	1,400	700	660	430	110
2001	5,100	1,800	1,400	670	670	450	110
2002	4,000	1,100	1,100	680	580	400	140
2003	3,600	1,100	900	550	500	400	150
2004	3,400	1,100	780	470	450	470	130

### III. Agricultural Production in Illinois

Illinois is a leading producer of both crops and livestock. Illinois' production capabilities primarily revolve around the growing of corn and soybeans and the raising of hogs and pigs. Illinois also grows winter wheat, sorghum, hay, and other fruits and vegetables. Significant production capabilities in cattle and dairy products also exist.

#### Crops

Crop production in Illinois accounted for over \$8.6 billion of value in 2004. The majority of crop production in Illinois was in corn and soybeans. Corn and soybean production made up approximately 89% of the 24.17 million acres of Illinois cropland. Other crops such as winter wheat, sorghum, oats, and hay are grown but only account for approximately 11% of the acres. Below is a description of each crop category.

#### *Corn*

In 2004, Illinois had over 11 million acres in corn production. These acres averaged a yield of 180 bushels per acre for a total production amount of over 2.0 billion bushels. Illinois' corn acres made up 15.75% of the total harvested acres in corn within the U.S. Illinois ranked second behind Iowa in terms of acres harvested and total production. Illinois was tied for third in average yield overall, though it was second behind Iowa for states that are major producers of corn.

Illinois has averaged harvesting 10.7 million acres of corn a year since 1980 and this total has not varied significantly over this period. Due to advancements in agricultural technology, average crop yields and total production numbers have increased over the last twenty years. In the ten growing seasons from 1985-1994, Illinois farmers averaged 127 bushels per acre. From 1995 to 2004, the average yield was 144 bushels per acre. Average total production was 1.34 billion bushels from 1985-1994; while the average was 1.57 billion bushels from 1995-2004.

#### *Soybeans*

Illinois was the leading soybean producing state in the nation in 2004. Illinois produced 500 million bushels of soybeans. Iowa followed close behind at 497 million bushels. Illinois had the second highest amount of acres of soybeans harvested with 9.9 million acres. Iowa had the most acres with 10.2 million acres. Illinois had the second highest yield per acre at 50.5 bushels per acre, behind Indiana's average yield of 52.0 bushels per acre. Illinois contributed 13.39% of total soybean acres harvested and 15.92% of the total production in the U.S.

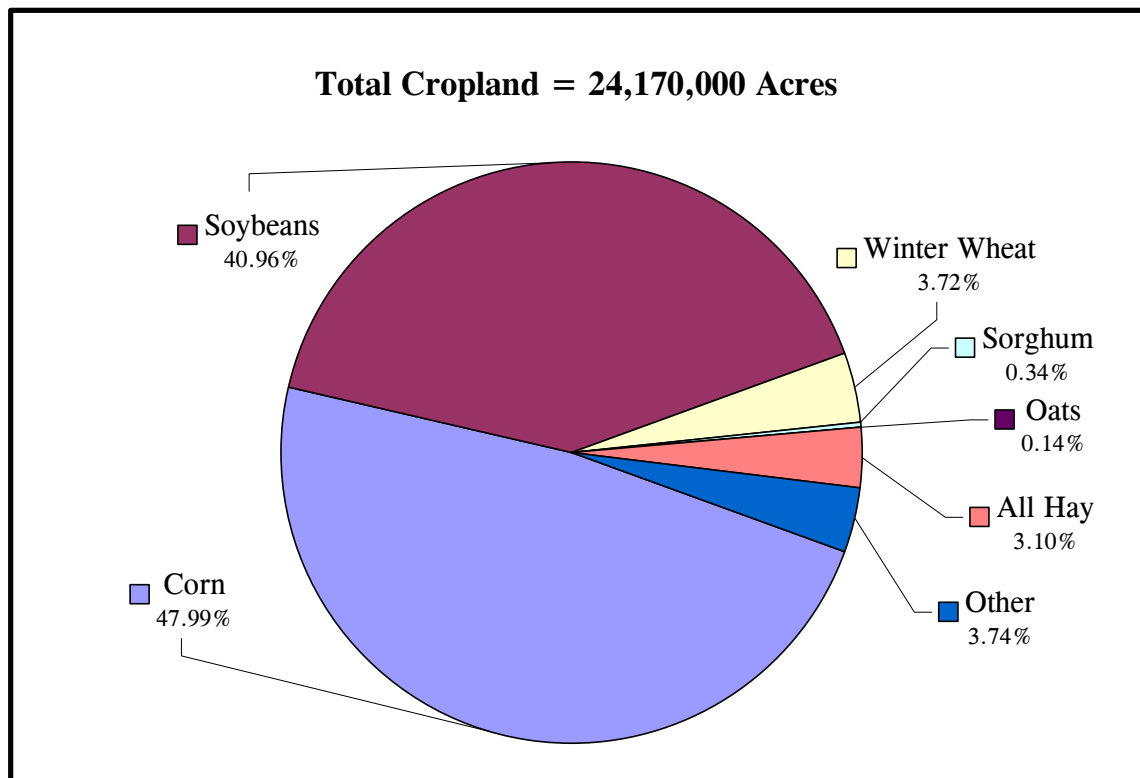
Examining Illinois soybean production over the last twenty years, the amount of harvested acres has increased considerably in the last ten years. From 1985 to 1994, Illinois averaged 9.0 million harvested acres. During the last ten years, Illinois averaged 10.2 million acres. This calculates to an increase of 13.3%. During these time periods, the average yield per acre increased 8.2% from 40 to 43 bushels per acre. Increases in both of these categories led to an associated increase in average total production for soybeans from 358 million bushels per year during the 1985-1994 time-period to an average of 438 million bushels per year during 1995-2004, or an increase of over 22.4%.

*Other crops*

While corn and soybeans are by far the most widely grown crops within Illinois, they are not the only ones. Winter wheat is the third leading crop within the State, though it only accounts for 3.72% of the total cropland. In 2004, 900,000 acres of winter wheat were grown. These acres led to a total production of 53 million bushels. Illinois ranked 11<sup>th</sup> in both acres and total production of winter wheat.

Sorghum, oats, hay, and other crops account for the remaining acres of cropland in Illinois. For more information on the breakdown of Illinois cropland, see the pie chart below.

**Chart 5. Illinois Cropland Acreage by Crop, 2004**



## Livestock

Illinois' livestock production was worth over \$2 billion dollars in 2004. Production of meat animals is the major driver in this sector of the Illinois economy. Illinois is a leading producer of hogs and pigs in the country. Illinois also has a sizeable amount of cattle and dairy product production within the State.

### *Hogs and pigs*

Production of hogs and pigs is the leading livestock in terms of both total numbers and value. In Illinois, over 4 million hogs and pigs were being raised in 2004. Illinois was the fourth leading producer of hogs and pigs in that year in terms of both the number of animals raised and pounds marketed behind Iowa, North Carolina, and Minnesota. Illinois accounted for 7.2% of the hogs and pigs raised in the U.S. in 2004 and 6.5% of the hogs and pigs marketed.

Illinois hog production has fallen considerably over the past twenty-five years. In 1980, Illinois had 6.8 million hogs and pigs being raised within the state. This number has shrunk by an average 2.2% per year to reach its current level of 3.95 million hogs. This contrasts with U.S. hog production, which has been consistently been around 57 million hogs per year. This has led Illinois' percentage of total production to decrease from a high of 11.15% in 1981 to its current low of 6.5% over the analyzed time period.

### *Cattle and Calves*

Cattle and calf production is another leading component in Illinois agriculture. As of January 1, 2005, there were 1.38 million head of cattle in Illinois. In 2004, 558 million pounds of beef were marketed from Illinois. Illinois was the 24<sup>th</sup> ranked state in total on farm cattle production and cattle marketed in 2004 representing 1.4% of total U.S. cattle inventory and 1.0% of total pounds marketed.

Similar to hogs and pigs, cattle and calf production has been reduced significantly since 1980. In 1980, there were 2.7 million head of cattle in Illinois. In 2005, there were 1.38 million. This reduction calculates to a declining growth rate of -2.62% per year. In comparison, U.S. cattle production decreased during this time period at a rate of -0.57% per year. As such, Illinois' percentage of total U.S. production has been reduced from a high of 2.43% in the early 1980s to a current level of 1.44%, which is close to the low over the analyzed time period of 1.38% in 2004.

### *Dairy Products*

Dairy products are the last major component of the livestock sector. In 2004, Illinois had 107,000 head of milk cows. Illinois was the 11<sup>th</sup> leading state in terms of total cheese production at over 93 million pounds. Illinois was the 2<sup>nd</sup> leading producer of creamed cottage cheese with over 377 million pounds produced in 2004. Illinois' cottage cheese production accounted for 9.5% of the U.S. total.

For an overview of the Ag sector in Illinois, please see Table 3 on the following page.

**Table 3. Overview of the Agriculture Sector in Illinois**

Commodity	Year	Unit	United States total or average	Illinois total or average	Illinois as a percent of U.S.	Illinois rank among states
<b>FARMS</b>						
Number of Farms	2004		2,113,470	73,000	3.5%	11
Land in Farms	2004	Thousand acres	936,600	27,500	2.9%	14
<b>CASH RECEIPTS FROM FARM MARKETINGS</b>						
Crops	2004	Million dollars	124,001	8,689	7.0%	2
Livestock	2004	Million dollars	124,558	2,007	1.6%	23
Total	2004	Million dollars	248,559	10,696	4.3%	5
<b>CROPS</b>						
Corn, grain						
Acreage	2004	Thousand acres	73,632	11,600	15.8%	2
Yield per acre	2004	Bushels	160	180	-	-
Production	2004	Thousand bushels	11,807,217	2,088,000	17.7%	2
Soybeans						
Acreage	2004	Thousand acres	73,958	9,900	13.4%	2
Yield	2004	Bushels	42.47	50.5	-	-
Production	2004	Thousand bushels	3,140,996	499,950	15.9%	1
Winter wheat						
Acreage	2004	Thousand acres	34,458	900	2.6%	10
Yield per acre	2004	Bushels	43.5	59	-	-
Production	2004	Thousand bushels	1,499,074	53,100	3.5%	10
Sorghum, grain						
Acreage	2004	Thousand acres	6,517	82	1.3%	9
Yield per acre	2004	Bushels	70	109	-	-
Production	2004	Thousand bushels	454,899	8,938	2.0%	6
Oats						
Acreage	2004	Thousand acres	1,720	35	2.0%	12
Yield per acre	2004	Bushels	65	70	-	-
Production	2004	Thousand bushels	111,135	2,450	2.2%	13
All hay						
Acreage	2004	Thousand acres	49,547	750	1.5%	23
Yield per acre	2004	Tons	2.45	3.41	-	-
Production	2004	Thousand tons	121,353	2,560	2.1%	21
<b>LIVESTOCK</b>						
Cattle & calves on farms	1/1/2005	Thousand head	95,848	1,380	1.4%	24
Cattle & calves marketed	2004	Million pounds	53,765	558	1.0%	24
Hogs & pigs on farms	9/1/2005	Thousand head	61,536	4,050	6.6%	4
Pig crop	2004	Thousand head	102,458	7,411	7.2%	4
Hogs & pigs marketed	2004	Million pounds	27,755	1,797	6.5%	4
Sheep & lambs on farms	1/1/2005	Thousand head	6,135	69	1.1%	24
Sheep & lambs marketed	2004	Million pounds	610	5	0.8%	25
Milk cows on farms	1/1/2005	Thousand head	9,010	107	1.2%	21
Milk production	2004	Million pounds	170,809	1,978	1.2%	20
Total cheese	2004	Thousand pounds	8,876,463	93,609	1.1%	11
Creamed cottage cheese	2004	Thousand pounds	377,229	35,911	9.5%	2
Egg production	2004	Million eggs	89,131	1,044	1.2%	22
Turkey production	2004	Thousand head	263,207	2,900	1.1%	14
Turkey production	2004	Thousand pounds	7,304,813	89,320	1.2%	14
<b>AGRICULTURAL EXPORT SALES</b>						
All commodities	FY04	Million dollars	62,297.3	3,654.40	5.9%	3
Soybeans and products	FY04	Million dollars	9,034.7	1,397.80	15.5%	1
Feed grains and products	FY04	Million dollars	8,104.4	1,340.20	16.5%	2
Live animals and meat <sup>1</sup>	FY04	Million dollars	4,420.3	247.0	5.6%	7
Wheat and products	FY04	Million dollars	6,621.5	152.6	2.3%	15
Hides and skins	FY04	Million dollars	1,768.8	51.1	2.9%	11
Feeds and fodders	FY04	Million dollars	2,027.8	57.2	2.8%	8
Fats, oils, and greases	FY04	Million dollars	574.2	20.6	3.6%	8
Seeds	FY04	Million dollars	1,005.1	6.3	0.6%	32
<sup>1</sup> Excluding poultry						
Source: National Agricultural Statistics Service, USDA						

## Geographic Distribution of Production

Within Illinois, agriculture production is heaviest in the central and northern regions. Some of the leading counties in the country for the production of corn and soybean are within these regions. Other crops such as winter wheat and vegetables are more prevalent in the southern areas of the State. In general, livestock production tends to be more on the western side of Illinois. Cattle production is most heavily concentrated in northwestern Illinois, while hog production is more scattered throughout the State.

### *Corn*

The leading producer of corn for grain in 2004 was McLean County at 61.8 million bushels. Iroquois and LaSalle Counties followed it at 59.8 million and 54.1 million. Corn was grown in all 102 Illinois counties in 2004. Illinois counties averaged 20.5 million bushels of corn. Morgan County was the highest yielding county at 200 bushels per acre.

### *Soybeans*

Livingston County was the leading producer of soybeans in Illinois for the 2004 growing season. Livingston County produced 14.9 million bushels. McLean and Iroquois counties followed closely behind at 14.4 and 13.9 million bushels respectively. Like corn, soybeans were grown in all 102 counties and averaged 4.9 million bushels per county. Carroll County was the highest yielding county at 57 bushels per acre.

### *Hogs and Pigs*

Hog production is evenly spread out in Illinois though tending to be more on the west side of the state. In 2003, 97 of the 102 counties had hog operations. The five counties that did not have hog operations were Alexander, Cook, DuPage, Lake, and Union. DeKalb County had the most hogs with 203,100 head. Clinton and Henry counties were the second and third leading producers with 165,900 and 162,700 head. These three counties were also the leading counties in hogs marketed.

### *Cattle and Calves*

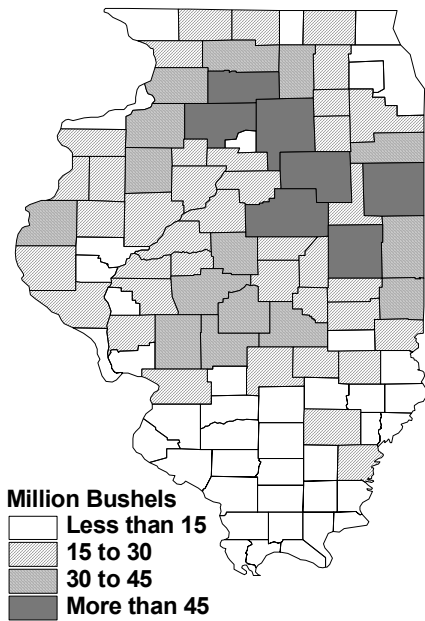
The highest levels of cattle production were located in the northwestern tip of Illinois. The three leading counties are Jo Daviess, Stephenson, and Clinton. Joe Davies County had over 60,000 head of cattle in 2004, while Stephenson and Clinton had 53,300 and 45,200. The leading marketers of cattle were different than the leaders in total inventory. Henry and DeKalb counties were the leading sellers of cattle with 29,200 and 26,700 head sold respectively.



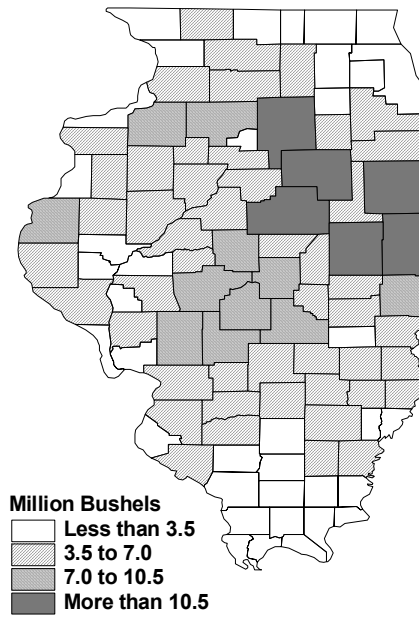
Maps showing the distribution of Ag production in Illinois can be seen below. More detailed information on county level production is contained in Appendices 1 and 2.

### Chart 6. Illinois Ag Production by County

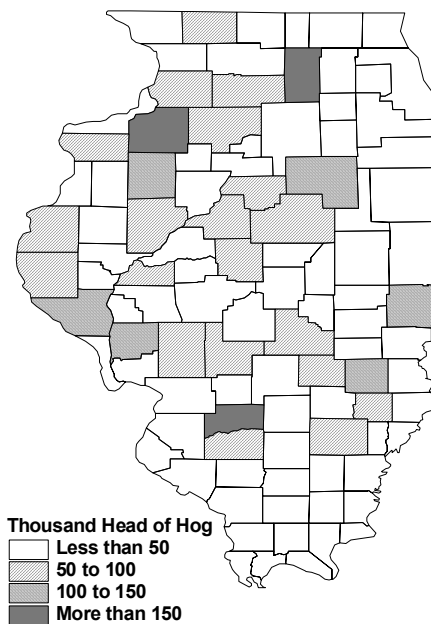
Illinois Corn Production, 2004



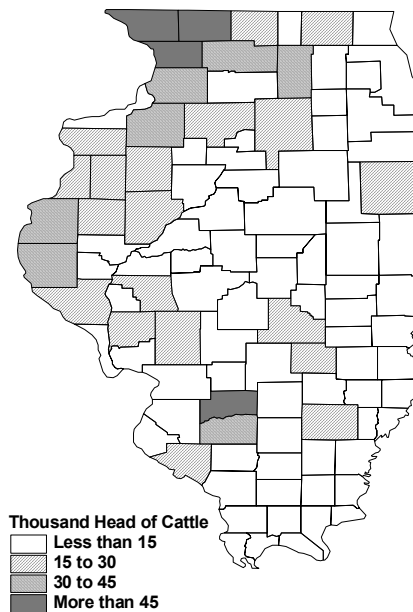
Illinois Soybean Production, 2004



Illinois Hog Inventory, 2003



Illinois Cattle Inventory, 2004



Source: Economic Research Service

## **IV. Value of Farm Production**

In 2004, the total value of agricultural production exceeded \$11.6 billion in Illinois. This amount can be separated into three categories: 1) crop production, 2) livestock production, and 3) services and forestry. Crop production accounted for the largest piece of total value at almost \$8.7 billion. Livestock production supplied \$2.0 billion to the total, while revenue from services and forestry added \$939 million. The \$11.6 billion represented an increase of 24.4% from the \$9.3 billion in value created in 2003.

### Crop Production

The value of crop production category consists of value produced from the yield from plants in a single growing season. This category is subdivided into classes of food grains, feed crops, oil crops, fruits and tree nuts, vegetables, all other crops, and home consumption. The total value also is adjusted based on unsold inventory from the crop season or the sale of inventory from the previous season. In 2004, total crop production value was \$8.7 billion. The majority of this value was produced in the feed crops class (\$4.2 billion), which is made up 98% by corn, and the oil crops class (\$2.9 billion), whose value is almost 100% soybeans. The feed crops class and oil crops class made up 48.4% and 33.9% of the total value from crop production in 2004. These two classes have averaged 51.85% and 40.76% of total crop production value over the past twenty-five years.

The all other crops category and the food crops (which is primarily winter wheat) category made up the next largest portions at \$357 million and \$174 million. These categories averaged 4.1% and 3.45% of the total value of production respectively. The inventory adjustment category has shown a large amount of variance over the years. The category has ranged from adding as much 20% of the total value (which represents current-year production not sold by December 31) to subtracting as much as 62% of the value (which represents an offset to production from prior years included in current-year sales). In 2004, the value of inventory adjustment was \$917 million.

### Livestock Production

Livestock production contributed over \$2 billion to the total value of Ag production in Illinois in 2004. The majority of this value (over \$1.5 billion) was produced through the production of animals for meat. Animals for meat include hogs (\$1.0 billion), cattle and calves (\$487 million), and sheep and lambs (\$3 million). The next largest category contributing to the value of livestock production is dairy products at \$309 million. Poultry and eggs contributed \$89 million, while other miscellaneous livestock contributed another \$23 million. Similar to valuating crop production, livestock production has an inventory adjustment category. In 2004, the value of inventory adjustment for livestock production equaled \$62 million.

## Revenue from Services and Forestry

The final contributor to total Ag production consists of revenues from Ag related services and forestry. In 2004, this component of total Ag sector production added \$939 million. This category is made up of four components: 1) machine hire and custom work, 2) forest products sold, 3) other farm income, and 4) gross imputed rental value of farm dwellings. The revenue from rentals is the largest component at \$539 million. The second largest is other farm income at \$217 million, followed by machine hire and custom work at \$174 million and forest products sold at \$9 million.

## Trends in the Value of Ag Sector Production

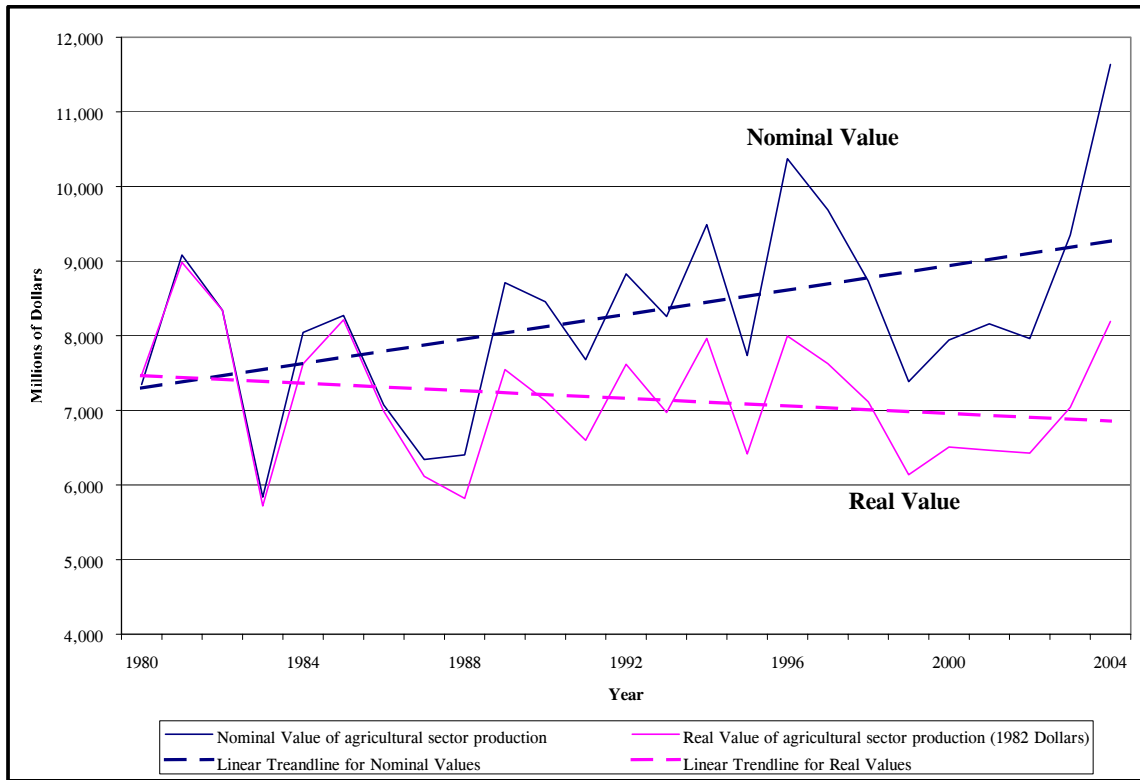
Overall, the nominal value of Ag sector production has been rising over the last twenty-five years with a large amount of variance. From a low in 1983 of \$5.8 billion, Ag sector production grew to \$11.6 billion by 2004. The large amount of variance in this value can be attributed to numerous factors including commodity prices and yields, which can vary from year to year. The trends in Ag sector production are shown in Chart 7.

Looking at the components that make up Ag sector production in nominal terms over the last two decades, two categories have increased. The crop production category rose from \$4.5 billion to near \$7 billion and the services and forestry category almost doubled from \$500 million to near \$1 billion. Livestock production held steady at around \$2 billion over this time period.

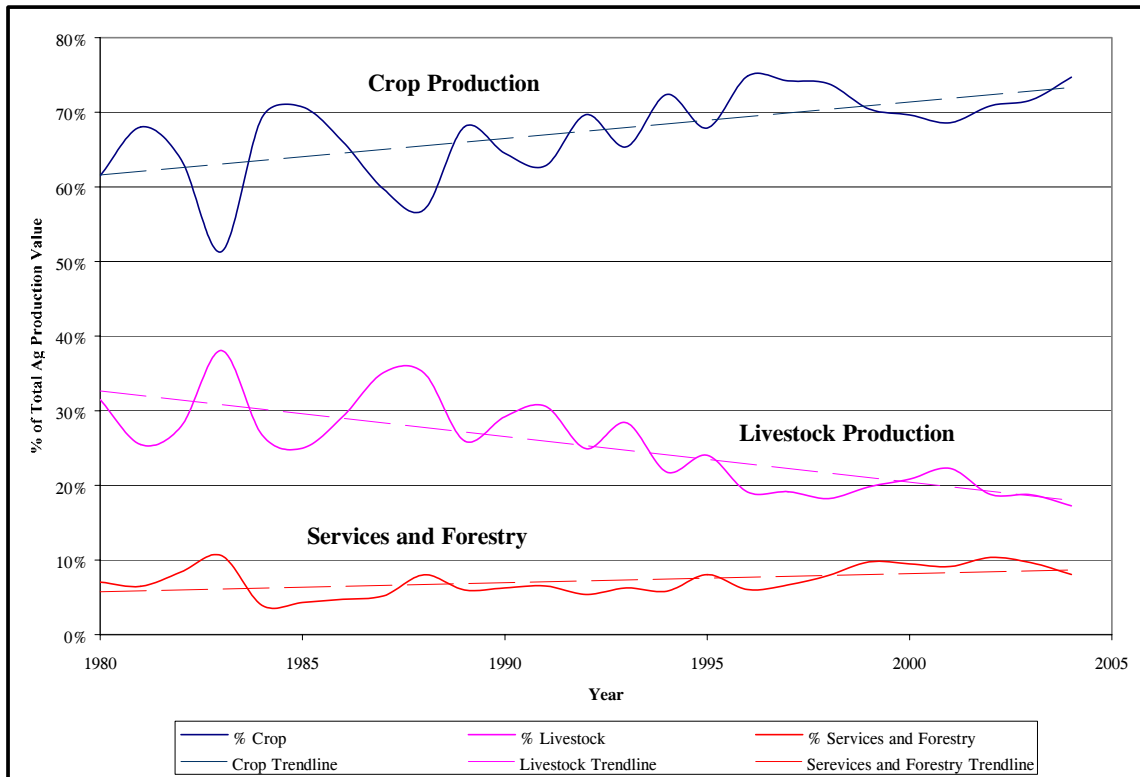
Due to these changes, the value of crop production has become a larger percentage of the total value of Illinois' agricultural sector production. Though this percentage has varied since 1980, in general, crop production has gone from accounting for approximately 62% of total value to over 74%. This has been offset by a decrease in the percentage made up by livestock production. Livestock production has gone from approximately 33% of total value in the early 1980s to the current level of just over 17%. The percentage due to revenue from services and forestry consistently has been 5% to 10% of the total, though there has been a slight upward trend over the last twenty-five years. These changes are illustrated in Chart 8.

Data for nominal values for Ag sector production can be found in Appendix 3.

**Chart 7. Illinois Ag Sector Production Values (1980-2004)**



**Chart 8. Components of Total Ag Production Value (1980-2004)**



## V. The Cost of Agricultural Inputs

To produce \$11.6 billion in value, the Ag sector had to outlay \$4.8 billion for inputs in 2004. Input costs have been on the rise since 1987. Total inputs decreased from \$3.7 billion in 1980 to \$3.1 billion in 1987 (-2.3% annual growth), and then rose from this level to \$4.8 billion in 2004 (2.6% annual growth). These outlays represented 42% of the total value created in 2004. Input outlays have averaged approximately 48% of the total value produced since 1980. These outlays have consistently ranged from 40% to 60% of total value created depending upon commodity prices, yields, and input prices. Input costs can be classified into three categories: 1) farm origin inputs, 2) manufactured inputs, and 3) other inputs. These categories are discussed in greater detail below.

### Farm Origin Inputs

Farm origin inputs are inputs produced from other farm operations and purchased by farm operations to be used at their own location. Inputs in this category include livestock and poultry purchased for future production, feed purchased for livestock, and seed for growing crops. In 2004, Illinois farmers purchased \$1.37 billion in farm origin inputs. The largest portion of this total was from seed at \$750 million. Feed for livestock contributed \$500 million, while purchases of livestock and poultry added \$116 million.

Total farm origin inputs have been rising in value since 1980. These outlays have increased from around \$900 million to its current level of \$1.36 billion. This represents annual growth of 1.7%. Concerning the segments that make up farm origin inputs, nominal feed purchase costs have stayed within a range of \$400 million to \$600 million throughout this time period. Livestock and poultry costs have slowly declined from \$313 in 1980 to \$116 million in 2004. Seed costs, on the other hand, have increased substantially during this period, especially since 1989. Nominal seed costs have risen 4.1% per year from \$286 million in 1980 to \$750 million in 2004.

Farm origin inputs represented a cost that equaled 11.74% of total value produced by the Ag sector in 2004 and has averaged 13.72% of total value produced over the last twenty-five years. The cost for farm origin inputs has consistently ranged between 12% and 16% of total value produced. In analyzing individual costs to associated types of value production led to some interesting findings. Outlays for feed have steadily increased as a proportion of value created from livestock production. In the early 1980s, outlays for feed amounted to around 20% of the value created by livestock production. This percentage has increased to approximately 27% in the last few years and rose to almost 30% of livestock production value in 1995 and 2000. Expenditures for livestock and poultry on the other hand have been relatively flat to negative around 10% of livestock production value over the last twenty-five years. Cost of seed generally equaled 6% to 8% of the value created from crop production from 1980 to

1998. In 1999, seed costs jumped above 11% of the value of crop production and stayed between 11% and 12% until 2004 when it fell back to 8.6%.

### Manufactured Inputs

Manufacture inputs are inputs used in crop and livestock production but produced by a non-farm operation. These inputs include 1) fertilizers and lime, 2) pesticides, 3) petroleum fuel and oil, and 4) electricity. In 2004, manufactured inputs cost \$2.0 billion. Fertilizers and lime represented the largest portion of this amount, accounting for \$900 million. Pesticides cost \$670 million, while petroleum fuel and oils comprised \$328 million. Electricity use was the smallest contributor to the total cost for manufactured inputs at \$87 million.

In looking at historical data, manufactured inputs have consistently totaled 15% to 20% of the total value produced by the Ag sector. Manufactured input totals decreased from \$1.7 billion in 1980 to \$1.2 billion in 1987 and have risen ever since to their current level of \$2.0 billion.

In looking at individual inputs, fertilizer and lime costs have equaled 10% to 15% of the value created by crop production. Pesticides, on the other hand, have steadily increased from around 6% in 1980 to a high near 14% of crop production value in 2001. This category has subsided somewhat in recent years by falling to only 7.7% of crop production value in 2004. Petroleum fuel and oils have declined as a percentage of both the total value created and value created from crop production since the early 1980s.

### Other Purchased Inputs

The other purchased inputs category includes all other inputs used in the running of farm operations except for payments to stakeholders. This category includes payments for repair and maintenance of capital equipment, machine hire or custom work, the costs for marketing, storage, and transportation, contract labor, and miscellaneous expenses. Other purchased inputs were a \$1.5 billion expense to Illinois farmers in 2004. This amount was primarily made up of miscellaneous expenses (\$593 million) and repair and maintenance of capital equipment (\$531 million). Machine hire and custom work added another \$196 million. Marketing, storage, and transportation expenses enlarged the total costs by \$150 million, while contract labor added \$17 million.

Other purchased input category costs have risen 1.9% per year in value since 1980. From 1980-1997, the input costs for this category averaged \$959 million. Since 1998, it has averaged \$1.09 billion. Similar to the category as a whole, the components of the other purchased input category have been fairly stable though, miscellaneous

expenses have shown steady growth going from \$400 million a year in 1987 to \$500 million in 2002.

Other purchased input costs have generally come in at 12% to 16% of total production value for most of the past two decades. From 1999-2003, these costs approached 17%, but they fell below 13% again in 2004. Though the percentage of cost to total value has risen and fallen, real costs (in 2004 dollars) have been steady at approximately \$1.5 billion per year since 1985. Repair and maintenance costs have reliably come in at 4% to 6% of total value production with little variability. The other main component of this category, miscellaneous expenses, has grown over this period. In 1980, miscellaneous expenses were equivalent to 4% of total value production. In 2003, this category had risen to 8.5%.

For more information on input costs please see Appendix 4 at the end of this report.

## **VI. Government Transactions**

Transactions with the government are included in calculations in determining gross value added, and eventually, the net value added to the U.S. economy. Government transactions are predominantly direct government payments from the federal government and property taxes paid to the state government. Also included in these transactions are motor vehicle registrations and licensing fees, although they are insignificant compared to these other two categories.

Net government transactions added \$647 million to the gross value added of the Illinois Ag sector in 2004. Illinois farmers received direct payments in the amount of \$1.2 billion in 2004. The amount of \$1.2 billion was reduced by \$480 million spent on property taxes and \$36 million more spent on vehicle registrations and licensing fees to come to the \$647 in net government transactions.

Net government transactions are generally a positive amount but sometimes they are not. Twenty of the last twenty-five years, net government transactions have been positive. The variance of this number is almost totally dependent on the amount of direct government payments to Illinois farmers. These payments are contingent on numerous factors and lead to a large amount of variance in the amount of payments from year to year. Government payments are based on commodity prices, yields, the amount of acres in production, and the current legislation in effect. Direct government payments play a significant role in determining the gross value of the Illinois Ag sector. Government payments have added between 0.5% and 24.5% of the value of total production of the Illinois Ag Sector. For more information on direct government payments, see the section titled “Government Payments” on page 26.

Property taxes and vehicle related expenses paid by Illinois farmers on the other hand have been very consistent over time. Property taxes have steadily risen from a low of \$345 million in 1985 to a high of \$530 million in 2003. This amount lowered to \$480 million in 2004 but the general trend has been upward over the last twenty years. Vehicle related expenses have risen by 6.0% a year, going from \$9 million in 1980 to \$36 million in 2004.

For additional information on property taxes and agriculture, see the section titled “Property Taxes in Agriculture” on page 33.



## **VII. Net Value-Added**

Net value-added is the sector's contribution to the Illinois and National economies and is the sum of the income from production earned by all factors-of-production, regardless of ownership. Net value-added is calculated by taking the total value of production minus the cost of inputs plus net government transactions to arrive at gross value added. A charge for yearly capital consumption is subtracted from gross value added to arrive at net value added.

In 2004, net value added for the Illinois Ag sector was \$6.3 billion. This was an increase of over 67% from 2003. This was primarily due to a \$2.3 billion increase in the value of agricultural sector production from record yields in crop production. Overall, net value added has been trending upward with some variance over the last twenty-five years. The overall net value of the Illinois Ag sector has trended upward at 1.95% per year. This compares to growth in the Illinois GSP of 3.92%-6.11% per year depending upon which GSP definition and time period examined. As such, the Illinois Ag sector has lagged behind the Illinois economy as a whole over the last twenty-five years. In addition, the Ag sector portion of the economy has more variance from year to year than the Illinois economy as a whole.

## VIII. Payments to Stakeholders and Farm Income

### Payments to Stakeholders

To arrive at net farm income, which is the farm operators' share of income from the sector's production activities, payments to all other stakeholders must be subtracted from the net value added. These payments include employee compensation, net rent received by non-operator landlords, and real estate and non-real estate interest. In 2004, payments to stakeholders equaled \$2.3 billion. These payments included \$443 million to employees, \$1.1 billion for rent to landlords, and \$692 million in interest.

One interesting point that can be gathered from the data is that rent to non-operator landlords increased throughout the mid-1980s, while real estate and non-real estate interest decreased. This may indicate a movement from land ownership to land rental by farm operators during this period. Overall, total payments to stakeholders and its components have been relatively stable since 1994. Total stakeholder payments have averaged \$1.7 billion and have consistently been between \$1.6 billion and \$2.0 billion. Payments to landlords have stayed within a range of \$1.0 to \$1.3 billion, while interest payments have moved between \$600 million and \$800 million. Employee compensation has risen during this time from \$258 million to \$312 million. Since 1980, payments to shareholders have averaged 26.24% of the total production value of the Ag sector. This number has ranged from 20% to 30% during this time period.

### Net Farm Income

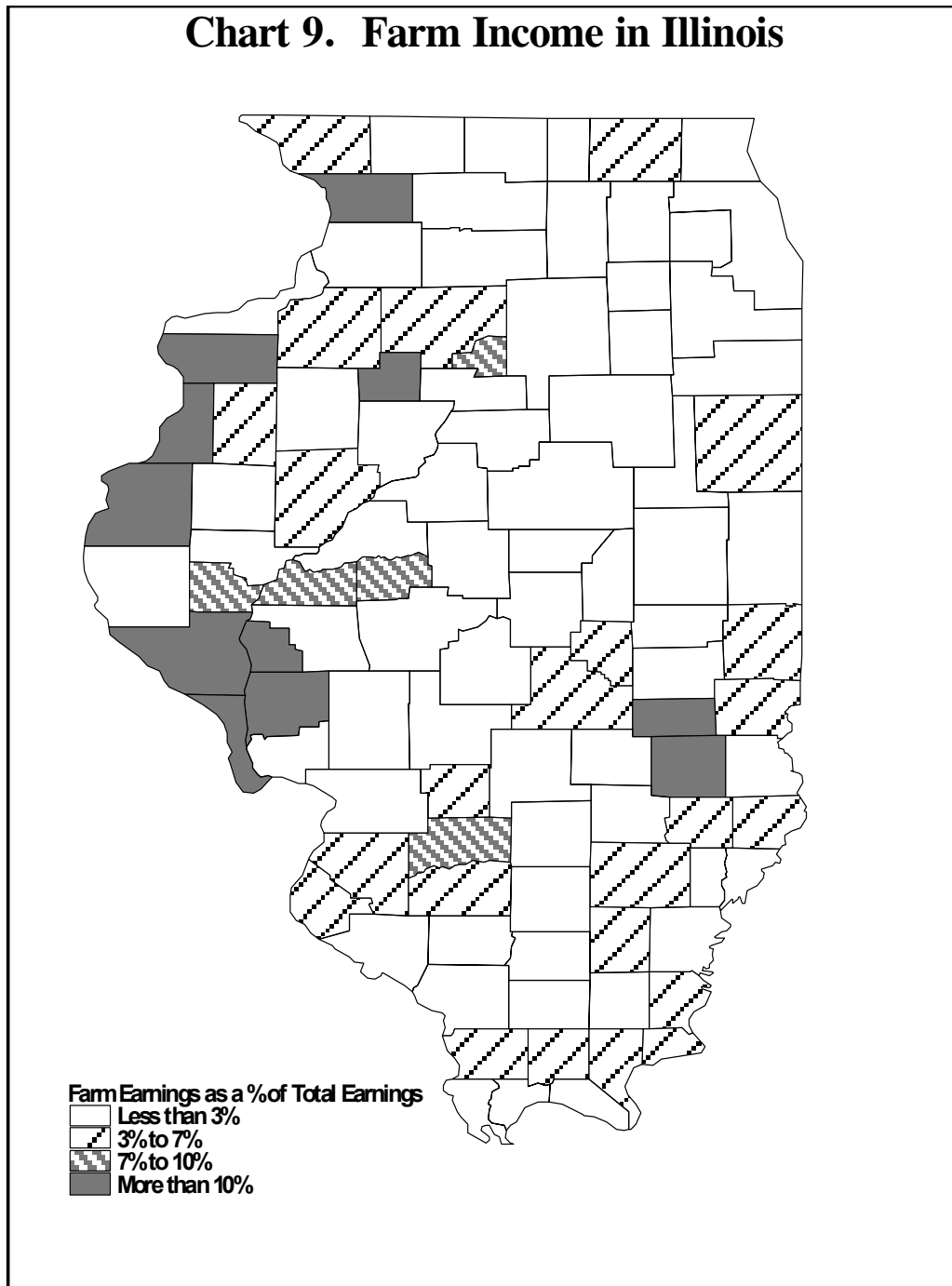
Once all these other factors are taken into consideration, net farm income can be obtained. As mentioned previously, net farm income is the farm operators' share of income from the sector's production activities. In 2004, net farm income was \$4.0 billion, a twenty-five year high. This was a 138% increase over 2003's total of \$1.7 billion. Due to all the variability in farming, net farm income has ranged from a net loss of \$488 million in 1983 to 2004's high of \$4.0 billion. Despite all the variability, there is an upward trend of 4.5% per year.

To investigate where the value created from agriculture goes, percentages of who received net value added were analyzed. In the end, farm operators kept the most from the value created through Ag production in Illinois. Since 1990, Illinois farmers, on average, have kept 42.7% of the net value created. Landlords received 30.4% of the net value added, while real estate and non-real estate interest collectors (most likely banks) collected 18.3%. Employees retained the remaining 8.6% of the net value added.

Considering farm income as a percentage of total income, 11 counties have farm income averaging more than 10% of its total income over the period of 2001-2003. Countries with the highest farm income percentage tend to be in the far western portion of the state. In 2003, the county most dependent upon farm income was Henderson

County at over 20%. On average from 2001-2003, metro areas within the state had farm income as just 0.11% of their total income, while non-metro counties had 2.47% of total income accounted for by farm income. Chart 9 illustrates the counties in Illinois where farm income represents the largest proportion of total income within the state.

The calculations for net value added and net farm income can be found in Appendix 5.



## IV. Real Valuations

Real estimations were used to ascertain the valuations of these categories in a standard year's dollar. By using Production Price Index factors for individual items, the dollar amounts from each year were adjusted for inflation and converted to 1982 dollars. By doing this, the "real" increases or declines in value can be seen.

### Production

The real value of Ag sector production has been flat to negative with a high amount of variance since 1980. Most of this variance is explained by the ups and downs associated with the crop production component. The real high for production value was in 1981 at \$8.9 billion. This compares to a low value of \$5.7 billion in 1983. The results for 2004 at \$8.2 billion were the highest real value for Ag production since 1986.

Looking at the components that make up Ag sector production in real terms, crop production has held steady over the wide range of \$4 billion to \$6 billion since 1986. Crop production in 2004 was at a high of \$6.1 billion over the analyzed period. Services and forestry have increased in real value from \$483 million in 1996 to \$661 million in 2004. In coordination with the reduction in overall livestock production, livestock production value has steadily decreased the entire period from \$2.4 billion to \$1.4 billion. This fall in real value equals to a negative annual growth rate of 2.1%.

### Input Costs

Unlike nominal costs, real values for total input costs have been relatively steady. From 1980 to 1984, real total input values declined from \$4.0 billion to \$3.5 billion. Real costs for inputs have stayed around \$3.5 billion since then.

### *Farm Origin Inputs*

In real value terms (1982 dollars), total farm origin inputs have remained around \$970 million with some variance. Real feed costs averaged \$468 million from 1980 through 1994 but dropped significantly afterwards. From 1995 through 2004 real feed costs averaged \$353 million a year. Real livestock and poultry costs have declined steadily from \$319 million in 1980 to \$82 million in 2004, which is an annual decline of 5.5%. Real seed costs remained around \$300 million per year until 1990, at which point they rose to around \$530 million a year. Real seed costs have grown by 3.9% per year since 1990.

### *Manufactured Inputs*

Real manufactured input costs declined in the early 1980s due to decreased costs associated with fertilizers and lime. Since then manufactured inputs have been very steady around \$1.5 billion since 1985. The amount spent on petroleum fuel and oils has declined in real terms steadily since 1980. This decrease was offset by an increase in the amount spent on pesticides.

### *Other Purchased Inputs*

In real value terms, the other purchased inputs category has been fairly steady with an increase in recent years. From 1980-1992, other purchase inputs amounted to around \$950 million. Since then the amount has grown to approximately \$1.05 billion.

Examining the components that make up other purchased inputs, real repair and maintenance costs fell from 1980 to 1985 and then steadily increased, although they have not yet reached their 1980 values. Real marketing, storage, and transportation costs have averaged \$115 million and have stayed around that amount.

### Net Government Transactions

The real low for government transactions was 1981 and 1982 at a net loss of \$369 million and the real high was in 2002 at \$1.2 billion. Property taxes have risen steadily in nominal value, while staying flat in real value. In real terms property taxes have been consistently between \$350 and \$420 million and have averaged \$377 million since 1980. Vehicle related expenses grew at 4.5% per year in real value, although they remain an insignificant amount.

### Net Value-Added

Overall, real net value added has been trending upward with some variance over the last twenty-five years, although at less of an upward trend than associated with nominal value. The real net value added has trended upward at 0.80% per year since 1980. This compares to real growth of 1.91%-2.55% per year in the Illinois GSP depending upon, which GSP definition and time period examined.

### Payments to Stakeholders

Similar to nominal payments to stakeholders, real payments to stakeholders have been stable over the analyzed period. Real payments to stakeholders have averaged \$1.7 billion since 1980. The individual components of this category acted similarly to the nominal data although at reduced amounts.

## Net Farm Income

Overall, real net farm income has increased 3.87% per year with a considerable amount of variability. This variability can be seen in the lows and highs for this category. Real net farm income was at its worst in 1983 when it was a negative \$567 million. It was highest in 2004 at \$2.8 billion.

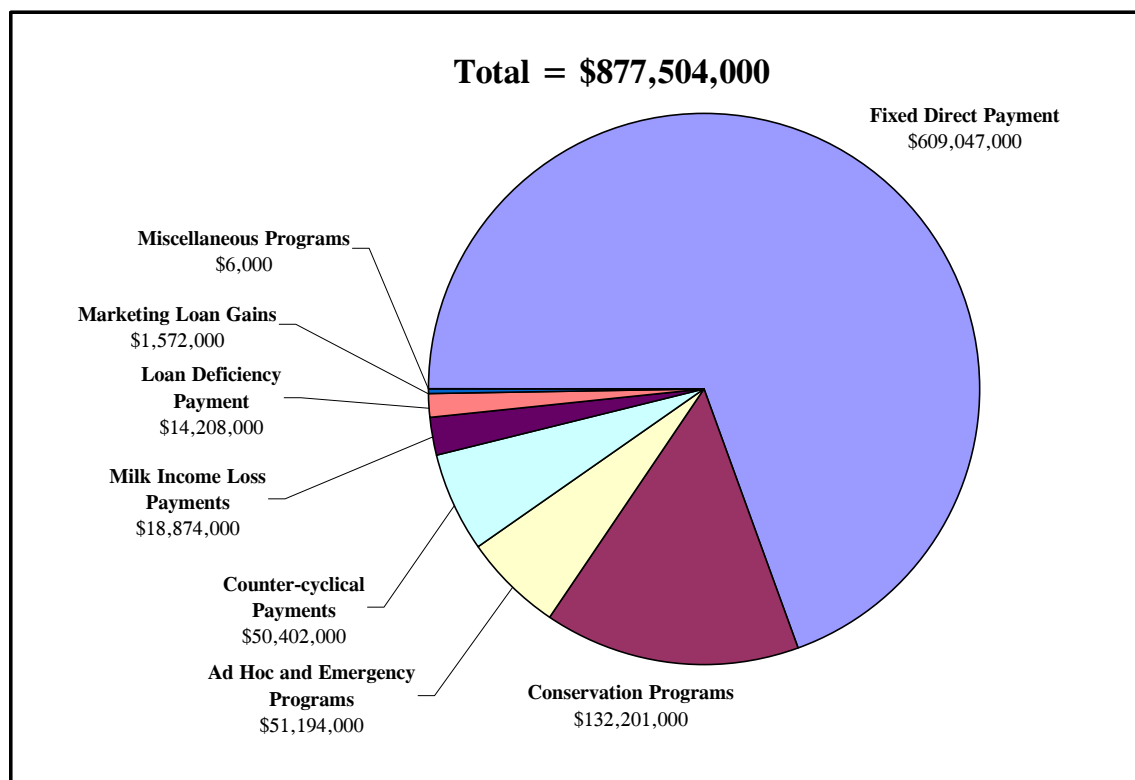
Data on real valuations for production, input costs, and net value-added can be found in Appendices 6 through 8.

## X. Government Payments

Numerous farm programs administered by the U.S. Department of Agriculture make payments to U.S. farmers every year. There are numerous reasons behind these payments, a primary one being to protect farmers from the risk of falling commodity prices. These payments are often coupled to production practices or commodity prices. In 2003, the U.S. Government made net total payments of over \$17 billion, of which Illinois farmers received over \$866 million (5.03% of U.S. total). Illinois ranked fourth in the country behind Texas, Arkansas, and Iowa in total payments received.

Payments to Illinois farmers were primarily made up by fixed direct payments and payments through conservation programs. Other types of payments received include counter-cyclical payments, loan deficiency payments, gains on marketing loans, milk income loss payments, ad hoc and emergency programs, and other miscellaneous programs. Payments to Illinois farmers totaled \$877.5 million for these programs but were reduced by \$11.4 million due to payments made to the government by farmers due to production flexibility contracts. Chart 10 illustrates the break down of government payments to Illinois farmers in 2003. In 2004, Illinois farmers received \$1.16 billion in government payments, though individual category data were unavailable at the time of this report.

**Chart 10. Government Payments to Illinois Farmers, 2003**



### Fixed Direct Payments

Fixed direct payments are outlined in the Farm Security and Rural Investment Act of 2002 (2002 Farm Act), which covers crops from 2002 through 2007. The fixed, direct payment applies to USDA program crops and are not related to production practices or commodity prices. The size of the payment is determined by the acres in each crop base and the program yield for that crop. A fixed rate is paid per bushel of production. Examples relevant to Illinois include \$0.28 per bushel for corn, \$0.44 per bushel for soybeans, and \$0.52 per bushel for wheat. These rates are then multiplied by the crop base, the program yield estimate for each crop, and finally, by .85 (to cover only 85% of the production acres). The payment is made in two disbursements. A 50% disbursement is available after December 1<sup>st</sup> of the calendar year prior to harvest. The other half is available in October of the harvest calendar year. In 2003, Illinois farmers received \$609 million in fixed, direct payments.

### Counter-cyclical Payments

Counter-cyclical payments were a new program outlined in the 2002 Farm Act and are coupled to price but decoupled from production. This program was developed to provide an improved counter-cyclical income safety net to replace most ad hoc market loss assistance payments that were provided to farmers during 1998-2001. In 2003, Illinois farmers collected \$50.4 million in counter-cyclical payments.

Counter-cyclical payments are available to covered commodities whenever the effective price is less than the target price. The effective price is equal to the sum of 1) the higher of the national average farm price for the marketing year, or the national loan rate for the commodity and 2) the direct payment rate for the commodity. The target price is the price established in the 2002 Farm Act for calculating counter-cyclical payments. Currently, counter-cyclical target prices are \$2.63 per bushel for corn, \$5.80 per bushel for soybeans, and \$3.92 per bushel for wheat. The payment amount for a farmer equals the product of the payment rate, the payment acres (85% of production base), and the payment yield.

### Conservation Programs

Conservation programs accounted for \$132 million of payments in 2003. Under the 2002 Farm Act, producers can choose from a wide range of voluntary conservation and environmental programs designed to protect a wide range of resources. In essence, these programs pay farmers to utilize their farmland in other ways such as for restoring wetlands or wildlife habitat. Programs under this category include the Conservation Reserve Program, the Wetlands Reserve Program, the Environmental Quality Incentives Program, and the Conservation Security Program.



### Ad Hoc and Emergency Programs

Payments under this heading are related to all programs that provide disaster and emergency assistance payments to growers. Programs in this category include the Crop Disaster Program, the Crop Loss Disaster Assistance Program, Dairy Indemnity Program, and the Dairy Market Loss Assistance Program. Illinois received \$51.1 million in 2003 from programs such as these.

For more information on these topics go to the USDA website at <http://www.ers.usda.gov/Features/farmbill/>.

## **XI. Agricultural Exports**

In federal fiscal year 2004, total Illinois agricultural exports were \$3.65 billion dollars. This amount accounted for 5.89% of the \$62.3 billion of agricultural exports sent to other countries by the United States. The \$3.65 billion was the third highest total in the country behind California (\$9.2 billion) and Iowa (\$3.67 billion). This total showed an increase of \$450 million, or 15%, above 2003 levels. Agricultural products made up 12.1% of the \$30.2 billion in total exports from Illinois in 2004. Since 1995, Agricultural exports have averaged \$3.62 billion per year (adjusted to 2004 dollars) and has tracked within a range of an adjusted \$3.1 to \$4.6 billion per year.

As a major agricultural state in the U.S., Illinois was a leading exporter of numerous commodities. The top five agricultural exports in fiscal year 2004 were 1) soybeans and products, 2) feed grains and products, 3) other (primarily minor oilseeds, essential oils, beverages other than juice, nursery and greenhouse, wine, and vegetable products), 4) live animals and meat excluding poultry, and 5) wheat products. Illinois was the leading exporter of soybeans in the U.S. Illinois exported \$1.40 billion worth of soybean and soybean related products. This represented 15.5% of all soybean exports in the U.S. At \$1.34 billion, Illinois was the second leading exporter of feed grains (corn) and related products (16.5% of U.S. total), just behind the state of Iowa, which exported \$1.37 billion. Illinois was the fifth leading exporter of products in the other category with \$316 million. At \$152 million in wheat exports, the State was the fifteenth ranked state in the country. Illinois was the seventh leading exporter of live animals and meat with \$247 million. Table 4 shows the top ten states for exporting of these and other commodity groups.

### Table 4. U.S. Agricultural Exports, by leading State, FY 2004

Commodity Group	United States		Leading 10 States, by value									
	1	2	3	4	5	6	7	8	9	10		
	Million dollars											
	CA	IA	<b>IL</b>	TX	NE	KS	MN	AR	ND	WA		
Total	62,297.30	9,197.30	3,676.30	<b>3,654.40</b>	3,363.40	3,015.00	2,928.00	2,891.20	1,900.10	1,891.90	1,886.70	
	<b>IL</b>	IA	MN	IN	NE	OH	MO	SD	AR	ND		
Soybeans and products	9,034.70	<b>1,397.80</b>	1,262.50	877.8	751.4	671.1	606.7	537.7	425.3	409.7	325.7	
	IA	<b>IL</b>	NE	MN	IN	KS	TX	OH	SD	WI		
Feed grains and products	8,104.40	1,369.50	<b>1,340.20</b>	876.6	718	580.1	401.5	356.6	353.6	329	272.3	
	KS	ND	OK	MT	WA	MN	TX	SD	NE	OH		
Wheat and products	6,621.50	1,149.40	749.8	420.2	355	325.5	313.2	271	264.7	227.7	224.2	
	CA	WA	WI	MN	ID	OR	FL	MI	ND	AZ		
Vegetables and preparations	5,187.60	2,429.80	522.3	275.5	257.9	250.3	158.3	145.4	137	128.9	85.3	
	TX	MS	GA	CA	AR	NC	LA	TN	AL	MO		
Cotton and linters	4,536.50	1,081.80	522.4	520	492.1	444.6	255.6	253.1	219.3	202.1	172.5	
	IA	NE	KS	TX	NC	MN	<b>IL</b>	KY	IN	OK		
Live animals and meat	4,420.30	725.00	520.8	343.2	327.1	255.2	250.2	<b>247</b>	197.2	164.3	127.2	
	CA	FL	WA	OR	MI	NY	HI	TX	ME	AZ		
Fruit and preparations	3,807.80	2,086.70	596.9	533	106.4	84.7	61.8	46.2	45.3	25.7	22.7	
	GA	AR	NC	AL	MS	TX	IN	VA	CA	SC		
Poultry and products	2,512.60	274.20	272.9	229.5	228.1	176.3	135.8	77.6	75.3	70.1	69.2	
	TX	KS	NE	IA	MN	ND	MO	<b>IL</b>	CO	OK		
Feeds and fodders	2,027.80	329.50	271.8	182.3	108.8	89.2	79.5	58.4	<b>57.2</b>	50.4	49	
	CA	OR	GA	TX	NM	HI	AZ	LA	AL	MS		
Tree nuts	1,887.80	1,731.40	39.8	28.5	26.6	20.9	10.7	8.6	7.6	3	2.7	
	NE	KS	TX	WI	CO	CA	UT	IA	MN	PA		
Hides and skins	1,766.80	350.40	322.3	279.8	115.1	110.6	64.2	57.4	55.9	54.8	51.9	
	CA	WI	NY	PA	ID	MN	NM	MI	TX	WA		
Dairy products	1,321.20	282.10	170.8	90.1	77.8	70.3	62.7	51.9	48.8	46.5	41.9	
	AR	CA	LA	MS	TX	MO	na	na	na	na		
Rice	1,318.30	588.50	355.9	154.9	90.9	68.1	60.1	na	na	na	na	
	NC	KY	GA	SC	TN	VA	na	na	na	na		
Tobacco, unmanufactured	1,049.50	382.20	266	80.8	80.3	73.5	49.1	na	na	na	na	
	CA	OR	KS	IN	ND	NV	AZ	FL	MS	IA		
Seeds	1,005.10	201.50	111.2	66.3	58.8	41.9	35.9	35.7	35.1	31.3	26.3	
	NE	KS	TX	IA	CO	WI	CA	<b>IL</b>	MN	PA		
Animal fats	574.20	114.40	101.1	87	34.7	34.6	24.9	21.6	<b>20.6</b>	19.3	17.1	
	GA	TX	AL	FL	NC	SC	VA	OK	NM	na		
Peanuts and products	218.70	93.90	39.8	28.6	18.7	18.3	5.8	5.3	5.3	3.1	na	
	ND	SD	KS	MN	CO	TX	NE	na	na	na		
Sunflowerseed and oil	170.00	96.90	29.2	13.1	9	7.5	4.5	3.7	na	na	na	
	TX	MS	GA	AR	CA	LA	NC	AL	TN	MO		
Cottonseed and products	108.20	26.20	12.6	11.9	11.2	11	5.9	5.7	5.3	5.1	4.5	
	CA	FL	PA	ND	<b>IL</b>	WA	OR	MN	OH	TX		
Other	6,624.10	1,078.40	368.7	337.9	318	<b>315.8</b>	310.1	212.1	156.6	153.2	125.3	

na = not applicable

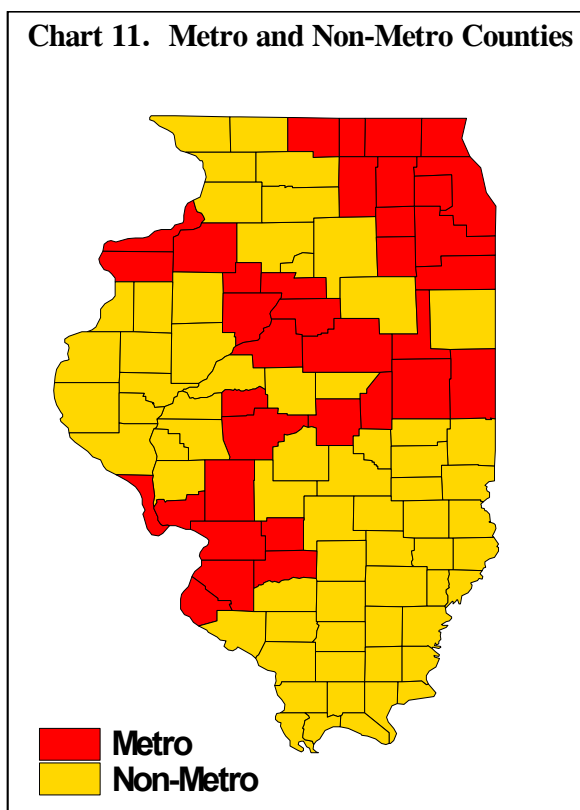
Other = Sugar and tropical products, minor oilseeds, essential oils, beverages other than juice, nursery and greenhouse, wine, and misc. vegetable products.

Source: ERS/USDA, "U.S. Agricultural Trade Update - State Exports", FAU-102-02, July 8, 2005

## XII. Employment in the Ag Sector

Using data from the Bureau of the Census and Department of Commerce, the USDA's Economic Research Service estimated Illinois' total farm and farm-related employment was 950,758 in 2002. This represented 13.0% of the total Illinois employment of 7,316,528. These estimates were broken down into three categories: farming, closely related to farming, and peripherally related to farming. The farming category was made up of people who directly worked on farms, such as farm proprietors and farm employees. This category consisted of 94,461 people in 2002. The closely related category consisted of ancillary services such as agricultural service providers, agricultural input industries (chemicals, machinery, etc.), and agricultural processors and marketers. This category accounted for 156,543 jobs. The final category was peripherally related jobs related to farming. This was by far the largest at 699,754 and was made up of people involved in agricultural wholesale and retail trade and indirect agribusiness.

The data for farming related employment in Illinois were analyzed by metro and non-metro areas by the Economic Research Service. This analysis highlights the importance of agriculture to non-metro areas in Illinois. Based on the June 2003 metropolitan area definitions by the Bureau of the Census, Illinois has 36 metro counties and 66 non-metro counties. These counties are shown in Chart 11. These 36 metro counties account for 86.7% of the states population but only 37.2% of the landmass. The non-metro counties on the other hand only have 13.3% of the population but 62.8% of the land area. In the metro counties, farm related employment accounts for approximately 12% of total employment, while in non-metro areas, farm related occupations compose 20.5% of total employment. To put it simpler, 1 in 8.35 people work in farm related jobs in metro areas, while 1 in 4.89 people work in farm related jobs in non-metro counties. This does not mean that all metro counties have insignificant Ag components. In fact, there are major Ag counties that are metro counties like Henry and McLean Counties.



In analyzing the Illinois employment situation, farm related jobs have become a decreasing proportion of the states employment over the last few decades. In looking at farm employment between 1981 and 2002, total farm employment has increased from

901,626 to 950,758 (0.25% growth per annum). This compares to annual job growth of 1.22% in all sectors. Due to this, farm related jobs have gone from making up almost 16% of all jobs in Illinois in 1981 to 13% in 2002. This decrease is most apparent in non-metro areas where farm employment made up 26.8% of total employment in 1981 but has decreased to 20.5% in 2002. More detailed information on farm employment numbers are shown in Table 5.

Farm Industries	Total			Metro		Non-Metro	
	Employment	% of total	% of U.S. Industry Employment <sup>1</sup>	Employment	% of total	Employment	% of total
<b>Farming:</b>							
Farm production	94,461	1.29%	3.07%	35,296	0.55%	59,165	6.72%
....Farm proprietors	78,410	1.07%	3.58%	27,805	0.43%	50,605	5.75%
....Farm wage & salary	16,051	0.22%	1.81%	7,491	0.12%	8,560	0.97%
<b>Closely Related:</b>							
Agricultural services	19,963	0.27%	3.16%	15,227	0.24%	4,736	0.54%
Agricultural input industries--	28,918	0.40%	9.46%	21,935	0.34%	6,983	0.79%
....Agricultural chemicals	1,091	0.01%	3.10%	745	0.01%	346	0.04%
....Farm machinery & equipment	7,116	0.10%	12.42%	4,883	0.08%	2,233	0.25%
....Farm supply & mach. wholesale trade	10,688	0.15%	5.72%	6,324	0.10%	4,364	0.50%
....Commodity contract brokers	10,023	0.14%	37.73%	9,983	0.16%	40	0.00%
Agricultural processing & marketing--	107,662	1.47%	4.27%	86,839	1.35%	20,823	2.36%
....Meat products	17,383	0.24%	3.45%	12,831	0.20%	4,552	0.52%
....Dairy products	4,449	0.06%	3.31%	3,393	0.05%	1,056	0.12%
....Canned, froz., and pres. fruit & veg.	7,873	0.11%	4.42%	7,609	0.12%	264	0.03%
....Grain mill products	6,354	0.09%	6.15%	3,927	0.06%	2,427	0.28%
....Bakery products	15,106	0.21%	6.17%	13,990	0.22%	1,116	0.13%
....Sugar & confectionery products	11,663	0.16%	14.02%	10,951	0.17%	712	0.08%
....Fats & oils products	4,171	0.06%	24.35%	3,523	0.05%	648	0.07%
....Beverages	5,958	0.08%	3.86%	5,218	0.08%	740	0.08%
....Misc. food prep. and kindred prod.	7,564	0.10%	4.86%	6,018	0.09%	1,546	0.18%
....Tobacco products	329	0.00%	1.36%	329	0.01%	0	0.00%
....Apparel & textiles	7,447	0.10%	1.23%	6,170	0.10%	1,277	0.15%
....Leather products & footwear	1,890	0.03%	3.77%	1,839	0.03%	51	0.01%
....Packaging	8,820	0.12%	6.90%	6,884	0.11%	1,936	0.22%
....Farm-related raw material whisle trade	6,759	0.09%	7.26%	2,808	0.04%	3,951	0.45%
....Warehousing	1,896	0.03%	4.50%	1,349	0.02%	547	0.06%
<b>Peripherally Related:</b>							
Agricultural wholesale & retail trade	672,486	9.19%	4.00%	587,537	9.13%	84,949	9.65%
Indirect agribusiness	27,268	0.37%	5.57%	23,690	0.37%	3,578	0.41%
<b>Total Farm Employment</b>	<b>950,758</b>	<b>12.99%</b>	<b>3.99%</b>	<b>770,524</b>	<b>11.97%</b>	<b>180,234</b>	<b>20.47%</b>
All other employment	6,365,770	87.01%	4.45%	5,665,465	88.03%	700,305	79.53%
<b>TOTAL EMPLOYMENT</b>	<b>7,316,528</b>	<b>100.00%</b>	<b>4.38%</b>	<b>6,435,989</b>	<b>100.00%</b>	<b>880,539</b>	<b>100.00%</b>

<sup>1</sup>This statistic represents the percentage of an individual industry's total U.S. employment in Illinois.

Metro and non-metro estimates are based on June 2003 metropolitan area definitions.

Source: Compiled by the Economic Reserch Service/USDA using data from U.S. Bureau of the Census and the Bureau of Economic Analysis, U.S. Department of Commerce

### **XIII. Property Taxes in Agriculture**

#### Farmland Assessment

When attempting to ensure fairness in the tax system, policymakers must confront the question of ability to pay. Is ability to pay based on wealth or income? Although the two are similar, differences exist and farmers epitomize the distinction. Farmers are property rich and, relative to that property, income poor.

Because they are property rich, farmers spend a greater proportion of what they make for property taxes. The value of goods and services produced in Illinois (the nominal Illinois Gross State Product) in 2001 was \$475.5 billion. Total property tax extensions for 2001 were \$16.9 billion, or roughly 3.6% of the Gross State Product. In the same year farmers sold \$7.3 billion in crops and livestock, and the property taxes paid by farm land owners was approximately \$613 million, or 8.4% of total agricultural production. For the period 1997 – 2001, property taxes comprised 4.1% of total personal income in Illinois. However, property taxes accounted for 38.1% of farm personal income.

#### Agricultural Economic Value

Unlike other property, farm property is not assessed based on its traditional market value. Instead, it is assessed according to its ability to produce income or its “agricultural economic value.” The Department of Revenue applies a complex formula that examines soil productivity, market conditions, production costs, and interest rates as a means of identifying this value.

The process of determining agricultural economic value begins with the University of Illinois – College of Agriculture rating each soil type found in Illinois. This rating is based on each soil type’s capability of producing crops, and is known as the “soil productivity index.” This soil capability data is combined with information regarding average crop yields, crop prices, rotation practices, and farm product prices as a means of calculating a gross income per acre. Production costs per acre are then calculated and subtracted from the gross income per acre to determine the net income per acre. This income is capitalized by dividing net income by the most recent five-year average Federal Land Bank farmland mortgage interest rate. This amount represents the estimated agricultural economic value and is equalized at 33 1/3% to account for the statutory assessment level.

#### Farmland Assessment Changes

Between 1994 and 2004, the number of Illinois farms fell from 80,000 to 73,000, a 9% decrease in total farms. Over this same period, the per-acre value of farmland and buildings increased from \$1,670 to \$2,610 resulting in an increase of approximately

56%. These statistics stand in stark contrast to the trends experienced between 1978 and 1988, when the number of Illinois farms decreased by 20% and the per-acre value of farmland and buildings decreased by roughly 22%. Table 6 illustrates the changes in the number of farms and per-acre value.

<b>Table 6. Total Number of Illinois Farms and Associated Per Acre Nominal Value (1994-2004)</b>		
Year	Number of Farms	Value Per Acre*
1994	80,000	1,670
1995	80,000	1,820
1996	79,000	1,900
1997	79,000	1,980
1998	79,000	2,130
1999	79,000	2,220
2000	77,000	2,260
2001	75,000	2,290
2002	73,000	2,350
2003	73,000	2,430
2004	73,000	2,610

\*This chart includes farmland and buildings in nominal dollars  
**Source:** Illinois Department of Agriculture; Illinois Agricultural Statistics, U.S. Department of Agriculture; Economic Research Service (ERS) and National Agriculture Statistics Service

Between 1991 and 2001, the equalized assessed value of farm property increased by 60.3% increasing from \$5.5 billion to \$8.8 billion. Once again, this trend is different than that experienced between 1977 and 1987. Over that period, equalized assessed value decreased by 16% falling from \$8.2 billion to \$6.9 billion.

Although the Statewide equalized assessed value of farm property increased, disparities in valuation exist between the various sections of the State. Between 1991 and 2001, only three counties witnessed a decrease in farm-equalized assessments. The counties that saw a decrease in farm-equalize assessments were Cook (-28.4%), DuPage (-46.8%), and Madison (-41.7%) counties. The remaining ninety-nine counties experienced an increase in equalized assessed value. These increases ranged from 14.6% in Lake County to 285.6% in St. Clair County. Despite these Charts, total increases and decreases in equalized assessed value impact counties differently based on the composition of the tax-base with regards to the different types of property.

Appendix 9, attached, compares the changes in the farm property tax base to changes in extensions and tax rates by county.

## **XIV. Conclusion**

In summary, the Illinois Ag sector has become a smaller part of the State's economy over the last twenty-five years but it still remains a prominent industry within the state. This diminishing can be seen in agriculture's proportion of Illinois' Gross State Product growing at a smaller rate than the rest of the economy. This can also be seen in the reduction in the percentage of people who have jobs that are related to farming.

Even though the impact of the Ag sector has been reduced, there remains evidence that agriculture remains a prominent industry throughout the state, especially in non-metro areas of the state. Illinois remains a leading producer of corn, soybeans, and hogs. Illinois is also a leading exporter of agricultural products. Farming related employment is still relatively high as almost 13% of all Illinois jobs are still related to farming.



<b>Appendix 1. Illinois Corn and Soybean Production, by county, 2004</b>								
	<b>Corn Production</b>				<b>Soybean Production</b>			
	Planted All Purposes	Harvested Acres	Yield	Total Production	Planted All Purposes	Harvested Acres	Yield	Total Production
	Unit of Measure							
<b>County</b>	1,000 Acres	1,000 Acres	Bushels per Acre	1,000 Bushels	1,000 Acres	1,000 Acres	Bushels per Acre	1,000 Bushels
Adams	136.0	134.2	195	26,169	125.0	124.6	50	6,230
Alexander	13.0	12.7	166	2,108	38.0	37.9	45	1,706
Bond	68.0	67.2	169	11,357	82.0	81.8	48	3,926
Boone	73.0	71.1	175	12,443	46.0	45.8	51	2,336
Brown	49.0	48.1	185	8,899	38.0	37.9	48	1,819
Bureau	271.0	268.7	186	49,978	147.0	146.6	52	7,623
Calhoun	20.0	19.7	177	3,487	18.0	17.9	51	913
Carroll	136.0	133.9	189	25,307	54.0	53.9	57	3,072
Cass	89.0	88.5	194	17,169	54.0	53.9	51	2,749
Champaign	295.0	292.3	181	52,906	249.0	248.3	54	13,408
Christian	212.0	210.9	188	39,649	164.0	163.6	52	8,507
Clark	106.0	103.1	187	19,280	105.0	102.9	52	5,351
Clay	80.0	79.4	154	12,228	102.0	101.4	43	4,360
Clinton	90.0	86.6	169	14,635	104.0	102.4	49	5,018
Coles	121.0	120.2	183	21,997	111.0	110.7	54	5,978
Cook	4.0	3.9	154	601	6.0	5.9	48	283
Crawford	87.0	85.6	173	14,809	92.0	91.8	47	4,315
Cumberland	76.0	72.9	173	12,612	70.0	69.8	50	3,490
De Kalb	206.0	204.0	180	36,720	121.0	120.5	52	6,266
De Witt	103.0	102.4	181	18,534	94.0	93.5	54	5,049
Douglas	132.0	130.7	182	23,787	113.0	112.7	54	6,086
Du Page	3.0	2.9	161	467	2.0	1.9	44	84
Edgar	172.0	171.1	188	32,167	148.0	147.6	56	8,266
Edwards	41.0	40.7	166	6,756	40.0	39.8	48	1,910
Effingham	95.0	92.4	171	15,800	100.0	99.7	50	4,985
Fayette	113.0	111.3	171	19,032	136.0	135.6	47	6,373
Ford	149.0	148.2	178	26,380	126.0	125.7	50	6,285
Franklin	45.0	44.6	138	6,155	77.0	76.8	42	3,226
Fulton	151.0	149.6	186	27,826	122.0	121.7	52	6,328
Gallatin	77.0	74.9	164	12,284	77.0	74.3	41	3,046
Greene	115.0	113.4	179	20,299	94.0	93.7	52	4,872
Grundy	112.0	111.4	173	19,272	89.0	88.8	51	4,529
Hamilton	70.0	69.2	162	11,210	84.0	83.8	45	3,771
Hancock	162.0	161.0	193	31,073	150.0	149.6	53	7,929
Hardin	3.0	2.9	142	412	5.0	4.9	38	186
Henderson	93.0	92.2	185	17,057	63.0	61.6	52	3,203
Henry	231.0	227.6	186	42,334	166.0	165.5	53	8,772
Iroquois	328.0	324.8	184	59,763	279.0	277.6	50	13,880
Jackson	33.0	32.0	143	4,576	78.0	77.8	42	3,268
Jasper	101.0	99.1	176	17,442	117.0	116.5	51	5,942
Jefferson	48.0	47.5	147	6,983	86.0	85.0	41	3,485
Jersey	71.0	69.4	183	12,700	56.0	55.7	51	2,841
Jo Daviess	80.0	71.8	177	12,709	45.0	44.9	54	2,425
Johnson	8.0	7.7	155	1,194	16.0	15.9	44	700
Kane	96.0	95.0	174	16,530	57.0	56.4	49	2,764
Kankakee	190.0	189.0	179	33,831	135.0	134.6	50	6,730
Kendall	84.0	83.4	182	15,179	62.0	61.8	54	3,337
Knox	166.0	164.2	194	31,855	122.0	121.7	56	6,815
La Salle	305.0	302.4	179	54,130	235.0	234.4	53	12,423
Lake	10.0	9.9	134	1,327	11.0	10.9	31	338

<b>Appendix 1. continued</b>								
	<b>Corn Production</b>				<b>Soybean Production</b>			
	Planted All Purposes	Harvested Acres	Yield	Total Production	Planted All Purposes	Harvested Acres	Yield	Total Production
	Unit of Measure							
<b>County</b>	1,000 Acres	1,000 Acres	Bushels per Acre	1,000 Bushels	1,000 Acres	1,000 Acres	Bushels per Acre	1,000 Bushels
Lawrence	82.0	80.5	172	13,846	79.0	78.7	46	3,620
Lee	247.0	244.6	185	45,251	118.0	117.6	50	5,880
Livingston	297.0	294.8	181	53,359	287.0	286.2	52	14,882
Logan	188.0	187.0	188	35,156	148.0	147.3	56	8,249
Macon	156.0	155.2	191	29,643	131.0	130.3	55	7,167
Macoupin	186.0	183.8	189	34,738	145.0	144.7	50	7,235
Madison	107.0	106.0	163	17,278	124.0	123.6	46	5,686
Marion	73.0	72.1	158	11,392	92.0	90.7	46	4,172
Marshall	103.0	102.4	183	18,739	72.0	71.6	53	3,795
Mason	141.0	138.9	179	24,863	89.0	88.6	49	4,341
Massac	25.0	24.5	133	3,259	39.0	38.9	35	1,362
McDonough	150.0	148.4	198	29,383	124.0	123.7	53	6,556
McHenry	103.0	99.6	157	15,637	57.0	56.9	45	2,561
McLean	338.0	333.9	185	61,772	268.0	266.7	54	14,402
Menard	82.0	81.5	191	15,567	70.0	69.5	52	3,614
Mercer	134.0	133.2	183	24,376	104.0	103.7	54	5,600
Monroe	52.0	51.6	181	9,340	76.0	75.8	46	3,487
Montgomery	168.0	166.7	181	30,173	149.0	148.6	50	7,430
Morgan	136.0	135.1	200	27,020	115.0	114.7	55	6,309
Moultrie	95.0	94.2	179	16,862	78.0	77.8	55	4,279
Ogle	208.0	203.0	184	37,352	106.0	105.8	50	5,290
Peoria	115.0	113.8	192	21,850	83.0	82.3	55	4,527
Perry	53.0	51.3	134	6,874	80.0	79.8	42	3,352
Piatt	134.0	133.2	191	25,441	116.0	115.6	55	6,358
Pike	160.0	158.8	187	29,696	100.0	99.3	50	4,965
Pope	7.0	6.9	133	918	11.0	10.9	37	403
Pulaski	20.0	19.8	163	3,227	34.0	33.9	43	1,458
Putnam	41.0	40.3	189	7,617	25.0	24.9	54	1,345
Randolph	65.0	63.2	148	9,354	107.0	106.4	42	4,469
Richland	84.0	83.2	155	12,896	95.0	94.5	45	4,253
Rock Island	74.0	73.5	182	13,377	50.0	49.9	52	2,595
Saline	46.0	45.7	157	7,175	53.0	52.8	43	2,270
Sangamon	227.0	225.8	192	43,354	158.0	157.6	54	8,510
Schuyler	68.0	67.5	191	12,893	64.0	63.5	53	3,366
Scott	57.0	56.7	195	11,057	45.0	44.9	52	2,335
Shelby	178.0	175.2	175	30,660	160.0	159.6	50	7,980
St. Clair	90.0	89.0	167	14,863	117.0	116.7	46	5,368
Stark	95.0	94.5	189	17,861	68.0	67.7	56	3,791
Stephenson	156.0	151.0	184	27,784	83.0	82.5	51	4,208
Tazewell	151.0	150.2	187	28,087	121.0	120.4	54	6,502
Union	17.0	16.4	149	2,444	28.0	27.9	40	1,116
Vermilion	223.0	221.7	167	37,024	207.0	206.0	53	10,918
Wabash	55.0	54.2	163	8,835	55.0	54.9	49	2,690
Warren	148.0	146.8	193	28,332	119.0	118.7	56	6,647
Washington	98.0	94.4	155	14,632	146.0	145.3	43	6,248
Wayne	105.0	103.3	164	16,941	127.0	122.6	46	5,640
White	105.0	100.6	161	16,197	112.0	111.3	47	5,231
Whiteside	220.0	217.9	183	39,876	103.0	102.8	53	5,448
Will	117.0	116.4	164	19,090	106.0	105.7	50	5,285
Williamson	15.0	13.3	132	1,756	25.0	23.2	39	905
Winnebago	90.0	87.5	172	15,050	52.0	51.9	45	2,336
Woodford	146.0	145.2	182	26,426	118.0	117.1	54	6,323

<b>Appendix 2. Illinois Cattle and Hog Production, by county, 2004</b>				
	<b>Cattle and Calf Inventory</b>	<b>Cattle and Calves Marketings</b>	<b>Hog and Pig Inventory</b>	<b>Hogs and Pigs Marketed</b>
	Unit of Measure			
<b>County</b>	Head	Head	Head	Head
Adams	44,700	13,200	90,600	207,000
Alexander	2,100	900	0	0
Bond	10,600	2,700	10,100	26,000
Boone	7,800	3,000	13,300	38,000
Brown	9,700	2,900	22,300	48,000
Bureau	15,500	9,200	73,400	175,000
Calhoun	6,300	2,200	6,100	16,000
Carroll	45,100	25,800	38,800	80,000
Cass	4,500	2,600	70,500	184,000
Champaign	5,500	3,100	20,700	47,000
Christian	4,600	1,300	24,500	58,000
Clark	3,300	1,700	43,500	109,000
Clay	9,600	2,800	39,900	106,000
Clinton	45,200	9,100	165,900	383,000
Coles	5,300	2,100	4,800	12,000
Cook	0	0	0	0
Crawford	5,300	1,700	16,500	39,000
Cumberland	9,500	3,800	41,200	85,000
De Kalb	31,000	26,700	203,100	437,000
De Witt	2,300	800	19,400	48,000
Douglas	3,400	600	7,600	18,000
Du Page	0	0	0	0
Edgar	6,800	2,600	109,500	230,000
Edwards	5,400	1,300	17,900	39,000
Effingham	24,800	7,500	83,400	189,000
Fayette	15,000	4,200	9,400	21,000
Ford	3,800	1,700	37,000	70,000
Franklin	6,500	1,800	32,900	81,000
Fulton	24,200	8,900	77,300	187,000
Gallatin	2,300	700	7,700	18,000
Greene	16,900	5,000	121,200	236,000
Grundy	2,200	700	6,900	14,000
Hamilton	2,400	1,000	24,000	48,000
Hancock	34,000	15,500	97,200	231,000
Hardin	5,400	1,600	12,300	25,000
Henderson	18,400	10,700	22,000	45,000
Henry	40,100	29,200	162,700	344,000
Iroquois	23,700	15,000	30,700	62,000
Jackson	12,300	3,000	5,500	14,000
Jasper	8,100	2,300	108,600	241,000
Jefferson	13,300	4,500	9,500	20,000
Jersey	11,400	4,100	3,800	8,000
Jo Daviess	60,200	20,400	17,000	39,000
Johnson	13,600	3,500	7,900	17,000
Kane	5,500	2,900	28,500	67,000
Kankakee	5,500	3,900	21,200	45,000
Kendall	2,100	700	28,200	78,000
Knox	22,900	9,100	108,900	259,000
La Salle	20,000	7,600	16,500	35,000
Lake	1,400	200	0	0

<b>Appendix 2. continued</b>				
	<b>Cattle and Calf Inventory</b>	<b>Cattle and Calves Marketings</b>	<b>Hog and Pig Inventory</b>	<b>Hogs and Pigs Marketed</b>
	Unit of Measure			
<b>County</b>	<b>Head</b>	<b>Head</b>	<b>Head</b>	<b>Head</b>
Lawrence	1,200	600	30,800	80,000
Lee	11,400	11,000	53,800	123,000
Livingston	6,200	2,400	118,300	285,000
Logan	6,300	2,300	80,200	160,000
Macon	2,700	2,100	14,800	31,000
Macoupin	27,400	10,100	69,900	145,000
Madison	14,900	4,500	28,300	58,000
Marion	6,900	2,400	9,800	22,000
Marshall	6,500	2,800	10,700	22,000
Mason	6,400	2,300	10,100	20,000
Massac	6,800	1,900	10,600	21,000
McDonough	16,500	5,300	20,800	53,000
McHenry	18,800	7,300	20,200	42,000
McLean	13,600	4,600	81,400	209,000
Menard	6,200	2,100	38,600	78,000
Mercer	17,000	6,200	65,600	160,000
Monroe	8,400	3,000	40,200	81,000
Montgomery	10,700	3,600	60,800	133,000
Morgan	16,300	5,600	44,300	99,000
Moultrie	4,200	1,300	8,900	19,000
Ogle	33,500	17,400	47,700	106,000
Peoria	12,200	4,300	20,000	43,000
Perry	8,100	2,700	5,100	11,000
Piatt	1,800	600	7,700	18,000
Pike	20,400	7,800	118,700	275,000
Pope	8,700	1,800	2,000	4,000
Pulaski	3,900	1,100	2,300	6,000
Putnam	1,400	500	5,500	13,000
Randolph	22,300	5,900	11,400	27,000
Richland	4,700	2,200	56,900	119,000
Rock Island	10,200	4,100	27,800	61,000
Saline	7,400	2,400	23,000	50,000
Sangamon	11,000	3,500	49,900	97,000
Schuyler	10,800	3,600	42,700	113,000
Scott	4,000	1,000	10,900	24,000
Shelby	21,900	6,200	52,200	110,000
St. Clair	8,100	2,100	28,800	62,000
Stark	2,500	800	16,500	37,000
Stephenson	53,300	14,200	83,000	190,000
Tazewell	11,100	3,000	68,100	148,000
Union	12,600	3,900	0	0
Vermilion	8,500	2,300	15,400	31,000
Wabash	2,900	600	3,300	7,000
Warren	18,800	6,800	48,200	100,000
Washington	30,400	8,200	59,600	148,000
Wayne	15,900	5,100	60,100	138,000
White	4,000	1,300	13,700	35,000
Whiteside	31,000	22,500	58,400	131,000
Will	6,900	1,800	17,700	38,000
Williamson	7,000	2,600	11,800	27,000
Winnebago	18,300	5,500	15,300	37,000
Woodford	8,200	2,900	77,200	155,000

### Appendix 3. Nominal Value of Illinois Agricultural Production, 1980-2004

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
	Million Dollars												
Value of crop production	4,517	6,179	5,310	2,996	5,573	5,849	4,671	3,786	3,646	5,927	5,455	4,826	6,151
Food grains	269	318	239	185	239	123	84	123	218	396	230	146	178
Feed crops	2,745	2,585	2,726	2,526	2,288	3,637	2,573	2,098	1,636	2,168	2,766	2,719	2,604
Oil crops	2,438	2,264	2,051	2,003	2,014	2,007	1,770	1,753	1,908	1,866	2,024	1,919	2,105
Fruits and tree nuts	17	17	16	15	15	13	21	19	19	17	13	22	26
Vegetables	56	60	56	34	43	42	47	50	52	81	74	87	78
All other crops	102	100	101	103	62	74	181	189	193	199	229	260	278
Home consumption	11	11	10	10	10	9	9	7	7	6	6	6	6
Value of inventory adjustment <sup>1</sup>	(1,121)	826	110	(1,882)	903	(57)	(14)	(453)	(387)	1,194	113	(334)	875
Value of livestock production	2,313	2,314	2,329	2,222	2,154	2,066	2,068	2,227	2,245	2,262	2,471	2,353	2,202
Meat animals	1,928	1,790	1,950	1,875	1,773	1,668	1,771	1,854	1,937	1,799	2,013	1,915	1,754
Dairy products	324	355	353	361	338	340	339	346	333	356	326	307	332
Poultry and eggs	62	68	60	53	55	38	38	39	54	80	86	76	63
Miscellaneous livestock	10	8	5	5	7	5	22	25	23	22	19	17	17
Home consumption	35	40	33	26	23	28	23	23	28	28	26	24	22
Value of inventory adjustment <sup>1</sup>	(46)	54	(72)	(98)	(42)	(14)	(125)	(59)	(130)	(24)	2	14	15
Revenues from services and forestry	518	589	702	618	316	357	335	330	514	522	530	502	476
Machine hire and customwork	40	44	77	54	64	87	67	85	83	93	90	87	84
Forest products sold	5	5	0	0	5	5	5	5	4	4	4	4	5
Other farm income	4	4	113	118	82	119	120	76	150	151	161	130	106
Gross imputed rental value of farm dwellings	469	536	511	447	166	146	143	164	278	274	275	281	281
Value of agricultural sector production	7,347	9,082	8,340	5,836	8,043	8,272	7,074	6,342	6,404	8,711	8,456	7,681	8,829

<sup>1</sup>A positive value of inventory change represents current-year production not sold by December 31.  
A negative value is an offset to production from prior years included in current-year sales.

Source: Economic Research Service, USDA

**Appendix 3. continued**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Million Dollars											
Value of crop production	5,396	6,868	5,251	7,764	7,187	6,444	5,201	5,532	5,597	5,643	6,695	8,689
Food grains	171	180	251	170	183	159	97	136	98	114	161	174
Feed crops	2,998	2,946	3,499	3,361	3,457	3,116	2,512	2,724	2,915	3,282	3,509	4,206
Oil crops	2,380	2,386	2,449	2,535	3,032	2,783	2,050	2,081	2,048	2,344	2,732	2,946
Fruits and tree nuts	22	13	22	18	19	14	14	20	19	21	24	21
Vegetables	72	81	73	79	69	62	67	76	74	61	65	66
All other crops	272	284	280	279	311	293	302	309	317	338	339	357
Home consumption	6	6	6	6	6	7	7	7	6	6	4	2
Value of inventory adjustment <sup>1</sup>	(524)	972	(1,330)	1,315	110	10	153	179	120	(523)	(141)	917
Value of livestock production	2,345	2,066	1,859	1,980	1,855	1,593	1,463	1,656	1,818	1,495	1,753	2,007
Meat animals	1,914	1,652	1,508	1,598	1,527	1,160	1,110	1,323	1,444	1,218	1,446	1,518
Dairy products	313	322	304	332	297	317	296	255	301	242	246	309
Poultry and eggs	74	78	76	88	81	75	68	71	67	65	83	89
Miscellaneous livestock	17	17	17	21	24	25	24	24	24	23	23	23
Home consumption	20	17	15	13	11	9	7	4	4	4	5	6
Value of inventory adjustment <sup>1</sup>	8	(21)	(61)	(72)	(84)	8	(42)	(21)	(21)	(57)	(50)	62
Revenues from services and forestry	516	553	623	627	645	693	721	754	746	825	901	939
Machine hire and customwork	82	83	98	69	89	78	88	118	86	110	113	174
Forest products sold	5	5	5	8	10	10	10	10	10	9	9	9
Other farm income	121	118	147	161	157	196	191	167	184	216	260	217
Gross imputed rental value of farm dwellings	307	347	373	388	388	409	432	459	466	491	519	539
Value of agricultural sector production	8,256	9,488	7,734	10,372	9,686	8,730	7,384	7,942	8,161	7,963	9,348	11,635

<sup>1</sup>A positive value of inventory change represents current-year production not sold by December 31.  
A negative value is an offset to production from prior years included in current-year sales.

Source: Economic Research Service, USDA

#### Appendix 4. Nominal Value of Illinois Agricultural Inputs, 1980-2004

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
	Million Dollars												
Purchased inputs	3,680	3,696	3,663	3,436	3,589	3,308	3,160	3,137	3,444	3,626	3,699	3,823	3,814
Farm origin	1,057	1,022	1,019	972	973	879	913	939	1,142	1,170	1,167	1,159	1,195
Feed purchased	457	467	478	509	454	413	422	428	555	562	553	551	580
Livestock and poultry purchased	313	245	249	219	217	191	216	234	247	247	248	202	204
Seed purchased	286	310	292	244	303	275	276	278	340	362	365	406	411
Manufactured inputs	1,679	1,731	1,644	1,424	1,644	1,436	1,325	1,225	1,289	1,415	1,446	1,582	1,553
Fertilizers and lime	876	814	742	605	768	663	635	538	638	700	663	740	703
Pesticides	280	335	345	304	360	325	316	321	300	369	402	482	493
Petroleum fuel and oils	456	508	472	433	431	372	302	278	260	249	291	275	268
Electricity	67	74	85	82	85	77	73	87	91	96	90	85	89
Other purchased inputs	944	942	1,001	1,040	971	993	921	973	1,013	1,042	1,086	1,082	1,066
Repair and maintenance of capital items	401	398	350	346	329	314	310	318	335	358	371	383	361
Machine hire and customwork	83	90	84	93	110	102	93	94	106	116	109	106	104
Marketing, storage, and transportation expenses	145	153	161	145	129	137	108	116	90	90	101	98	112
Contract labor	7	7	8	7	9	12	9	11	8	9	10	8	9
Miscellaneous expenses	309	294	398	450	396	428	403	433	475	468	495	487	479

Source: Economic Research Service, USDA

**Appendix 4. continued**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Million Dollars											
Purchased inputs	3,976	4,083	4,030	4,283	4,282	4,316	4,244	4,355	4,507	4,246	4,786	4,837
Farm origin	1,233	1,215	1,094	1,131	1,194	1,142	1,141	1,155	1,251	1,155	1,366	1,366
Feed purchased	596	609	504	464	461	409	428	409	441	388	470	500
Livestock and poultry purchased	202	176	166	177	204	159	148	157	153	132	176	116
Seed purchased	435	429	424	490	529	574	565	589	657	635	720	750
Manufactured inputs	1,549	1,627	1,703	1,906	1,850	1,871	1,793	1,881	1,895	1,767	1,852	1,985
Fertilizers and lime	670	711	762	865	820	835	775	783	815	755	790	900
Pesticides	508	570	603	701	678	717	702	722	722	678	680	670
Petroleum fuel and oils	270	260	251	256	261	238	233	299	269	253	271	328
Electricity	101	85	86	84	91	81	83	77	88	82	111	87
Other purchased inputs	1,194	1,242	1,234	1,246	1,238	1,303	1,309	1,319	1,361	1,324	1,568	1,486
Repair and maintenance of capital items	386	378	415	422	407	419	443	452	464	430	467	531
Machine hire and customwork	120	129	125	127	130	150	142	154	140	134	135	196
Marketing, storage, and transportation expenses	137	152	137	145	136	144	141	140	141	129	154	150
Contract labor	7	7	6	10	6	6	8	10	6	10	14	17
Miscellaneous expenses	544	575	550	543	559	585	575	563	611	621	798	593

Source: Economic Research Service, USDA



**Appendix 5. Nominal Value Added to the U.S. Economy by the Illinois Agricultural Sector via the Production of Goods and Services, 1980-2004**

Item	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
	Million dollars												
Value of agricultural sector production <sup>1</sup>	7,347	9,082	8,340	5,836	8,043	8,272	7,074	6,342	6,404	8,711	8,456	7,681	8,829
less: Purchased inputs	3,680	3,696	3,663	3,436	3,589	3,308	3,160	3,137	3,444	3,626	3,699	3,823	3,814
plus: Net government transactions	(363)	(373)	(244)	177	188	137	527	1,032	947	289	41	4	57
Direct Government payments	36	49	118	560	543	491	883	1,478	1,374	726	507	441	481
Motor vehicle registration and licensing fees	9	8	9	9	9	11	10	11	12	12	14	14	15
Property taxes	390	414	353	374	347	344	346	434	414	425	452	424	409
Gross value added	3,304	5,013	4,433	2,578	4,643	5,100	4,440	4,236	3,907	5,373	4,798	3,862	5,072
less: Capital consumption	1,388	1,489	1,381	1,339	1,188	1,071	962	910	962	989	972	977	970
Net value added <sup>2</sup>	1,916	3,524	3,051	1,239	3,454	4,029	3,478	3,327	2,945	4,385	3,826	2,884	4,102
less: Payments to stakeholders	1,804	2,007	2,152	1,727	2,459	2,472	2,083	2,002	1,894	2,282	2,186	1,994	2,147
Employee compensation (total hired labor)	231	220	221	213	217	221	216	219	243	260	300	290	310
Net rent received by nonoperator landlords	722	755	781	391	1,131	1,260	996	993	873	1,267	1,153	1,034	1,217
Real estate and nonreal estate interest	851	1,033	1,149	1,123	1,111	992	871	789	778	756	733	670	620
Net farm income <sup>3</sup>	112	1,517	899	(488)	995	1,557	1,395	1,325	1,051	2,102	1,641	890	1,955

<sup>1</sup>Value of agricultural sector production is the gross value of the commodities and services produced within a year.

<sup>2</sup>Net value-added is the sector's contribution to the National economy and is the sum of the of the income from production earned by all factors-of-production, regardless of ownership.

<sup>3</sup>Net farm income is the farm operators' share of income from the sector's production activities.

Source: Economic Research Service/USDA

Appendix 5. continued

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Million dollars											
Value of agricultural sector production <sup>1</sup>	8,256	9,488	7,734	10,372	9,686	8,730	7,384	7,942	8,161	7,963	9,348	11,635
less: Purchased inputs	3,976	4,083	4,030	4,283	4,282	4,316	4,244	4,355	4,507	4,246	4,786	4,837
plus: Net government transactions	410	(164)	78	(88)	60	439	1,286	1,415	1,331	79	300	647
Direct Government payments	851	303	544	387	552	945	1,799	1,944	1,850	615	866	1,163
Motor vehicle registration and licensing fees	14	15	17	15	17	18	16	20	20	18	36	36
Property taxes	427	452	448	460	476	488	497	509	499	517	530	480
Gross value added	4,690	5,240	3,782	6,001	5,464	4,853	4,426	5,002	4,985	3,797	4,863	7,445
less: Capital consumption	939	949	973	970	1,007	1,023	1,033	1,041	1,054	1,068	1,084	1,149
Net value added <sup>2</sup>	3,751	4,292	2,809	5,031	4,458	3,831	3,394	3,960	3,931	2,729	3,779	6,296
less: Payments to stakeholders	2,114	1,959	1,973	2,280	2,244	2,316	2,305	2,379	2,361	2,006	2,090	2,274
Employee compensation (total hired labor)	327	307	294	282	290	341	326	308	337	338	416	443
Net rent received by nonoperator landlords	1,212	1,042	1,008	1,293	1,237	1,243	1,233	1,281	1,298	986	1,007	1,139
Real estate and nonreal estate interest	575	609	670	704	717	733	746	790	726	682	667	692
Net farm income <sup>3</sup>	1,637	2,333	836	2,751	2,214	1,515	1,089	1,581	1,569	722	1,689	4,022

<sup>1</sup>Value of agricultural sector production is the gross value of the commodities and services produced within a year.

<sup>2</sup>Net value-added is the sector's contribution to the National economy and is the sum of the of the income from production earned by all factors-of-production, regardless of ownership.

<sup>3</sup>Net farm income is the farm operators' share of income from the sector's production activities.

Source: Economic Research Service/USDA

## Appendix 6. Real Value of Illinois Agricultural Production, 1980-2004

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
	Million 1982 Dollars												
Value of crop production	4,595	6,112	5,310	2,937	5,283	5,808	4,616	3,651	3,314	5,136	4,599	4,146	5,307
Food grains	273	314	239	181	226	123	83	119	198	343	194	126	154
Feed crops	2,793	2,557	2,726	2,477	2,169	3,612	2,542	2,023	1,488	1,879	2,332	2,336	2,247
Oil crops	2,480	2,239	2,051	1,964	1,909	1,993	1,749	1,690	1,734	1,617	1,706	1,649	1,816
Fruits and tree nuts	17	17	16	15	14	13	21	18	18	15	11	19	22
Vegetables	57	59	56	34	41	42	46	49	47	71	63	75	68
All other crops	103	99	101	101	59	73	179	182	176	172	193	223	240
Home consumption	11	11	10	10	9	9	9	6	6	5	5	5	5
Value of inventory adjustment <sup>1</sup>	(1,140)	817	110	(1,845)	856	(57)	(14)	(437)	(352)	1,035	95	(287)	755
Value of livestock production	2,353	2,289	2,329	2,179	2,042	2,051	2,043	2,147	2,041	1,960	2,084	2,021	1,900
Meat animals	1,961	1,770	1,950	1,838	1,681	1,657	1,750	1,787	1,761	1,559	1,698	1,645	1,514
Dairy products	329	351	353	354	320	338	335	333	303	308	275	264	286
Poultry and eggs	63	67	60	52	52	38	37	37	49	69	72	65	54
Miscellaneous livestock	11	8	5	5	7	5	22	24	21	19	16	15	15
Home consumption	36	40	33	25	22	28	23	22	26	24	22	21	19
Value of inventory adjustment <sup>1</sup>	(47)	54	(72)	(96)	(40)	(14)	(123)	(57)	(118)	(20)	1	12	13
Revenues from services and forestry	526	583	702	606	300	354	331	318	467	452	447	432	411
Machine hire and customwork	41	43	77	53	60	86	66	82	75	81	76	75	73
Forest products sold	5	5	0	0	5	5	5	5	3	3	3	3	4
Other farm income	4	4	113	116	78	118	118	73	136	131	136	112	91
Gross imputed rental value of farm dwellings	477	530	511	438	157	145	141	158	252	237	232	242	243
Value of agricultural sector production	7,474	8,983	8,340	5,722	7,624	8,214	6,990	6,115	5,822	7,548	7,130	6,599	7,618

<sup>1</sup>A positive value of inventory change represents current-year production not sold by December 31.

A negative value is an offset to production from prior years included in current-year sales.

Source: Economic Research Service, USDA, Computations by CGFA.

**Appendix 6. continued**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Million 1982 Dollars											
Value of crop production	4,557	5,767	4,358	5,986	5,659	5,252	4,323	4,534	4,435	4,554	5,041	6,119
Food grains	144	151	209	131	144	130	81	111	78	92	122	122
Feed crops	2,532	2,473	2,903	2,591	2,722	2,539	2,088	2,233	2,310	2,649	2,643	2,962
Oil crops	2,010	2,003	2,033	1,955	2,388	2,268	1,704	1,706	1,623	1,892	2,058	2,075
Fruits and tree nuts	19	11	18	14	15	12	12	17	15	17	18	15
Vegetables	61	68	61	61	54	50	55	62	59	49	49	47
All other crops	229	239	233	215	245	239	251	254	251	273	255	251
Home consumption	5	5	5	5	5	5	6	6	4	5	3	2
Value of inventory adjustment <sup>1</sup>	(443)	816	(1,103)	1,014	86	8	127	146	95	(422)	(106)	646
Value of livestock production	1,980	1,735	1,543	1,527	1,461	1,299	1,216	1,357	1,441	1,207	1,320	1,413
Meat animals	1,616	1,387	1,252	1,232	1,202	946	923	1,084	1,144	983	1,089	1,069
Dairy products	264	270	252	256	234	258	246	209	238	196	185	217
Poultry and eggs	62	66	63	68	64	61	56	58	53	53	62	63
Miscellaneous livestock	14	15	14	16	19	20	20	19	19	19	17	16
Home consumption	16	15	13	10	9	7	5	4	3	3	4	5
Value of inventory adjustment <sup>1</sup>	6	(17)	(51)	(55)	(66)	6	(35)	(17)	(17)	(46)	(37)	43
Revenues from services and forestry	436	464	517	483	507	565	599	618	591	666	678	661
Machine hire and customwork	70	70	82	54	70	64	73	97	68	89	85	122
Forest products sold	4	4	4	6	8	8	8	8	8	7	7	6
Other farm income	102	99	122	124	124	160	159	137	146	174	195	153
Gross imputed rental value of farm dwellings	260	291	310	299	306	334	359	377	369	396	391	379
Value of agricultural sector production	6,973	7,966	6,418	7,997	7,627	7,115	6,138	6,510	6,467	6,427	7,040	8,193

<sup>1</sup>A positive value of inventory change represents current-year production not sold by December 31.

A negative value is an offset to production from prior years included in current-year sales.

Source: Economic Research Service, USDA, Computations by CGFA.

## Appendix 7. Real Value of Illinois Agricultural Inputs, 1980-2004

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
	Million 1982 Dollars												
Purchased inputs	3,982	3,704	3,663	3,457	3,546	3,376	3,359	3,256	3,383	3,374	3,354	3,463	3,479
Farm origin	1,075	1,011	1,019	952	923	873	902	906	1,039	1,014	984	995	1,031
Feed purchased	465	462	478	499	430	410	417	412	505	487	467	473	500
Livestock and poultry purchased	319	242	249	214	205	190	213	226	225	214	210	174	176
Seed purchased	291	307	292	239	287	273	273	268	309	313	308	348	355
Manufactured inputs	1,947	1,761	1,644	1,485	1,702	1,517	1,546	1,412	1,423	1,458	1,455	1,537	1,528
Fertilizers and lime	997	836	742	630	788	689	674	558	610	644	618	662	638
Pesticides	319	344	345	317	369	338	335	333	287	340	374	431	447
Petroleum fuel and oils	551	507	472	452	455	407	432	395	389	341	354	339	334
Electricity	80	74	85	85	89	84	105	124	136	132	109	105	110
Other purchased inputs	960	932	1,001	1,020	921	986	911	939	921	903	915	930	920
Repair and maintenance of capital items	408	394	350	339	311	312	306	307	304	310	313	329	311
Machine hire and customwork	84	89	84	91	104	101	91	91	96	101	92	91	90
Marketing, storage, and transportation expenses	147	151	161	142	122	136	106	112	81	78	85	84	97
Contract labor	7	7	8	6	8	12	9	11	8	8	8	7	8
Miscellaneous expenses	314.25	291.23	398.35	440.82	375.15	424.99	398.01	417.67	431.9	405.74	417.41	418.49	413.09

Source: Economic Research Service, USDA, Computations by CGFA.

**Appendix 7. continued**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Million 1982 Dollars											
Purchased inputs	3,585	3,575	3,413	3,400	3,452	3,624	3,624	3,600	3,584	3,517	3,635	3,426
Farm origin	1,041	1,020	908	872	940	931	949	947	991	932	1,028	962
Feed purchased	503	511	418	358	363	333	356	335	349	313	354	352
Livestock and poultry purchased	170	148	138	136	160	129	123	128	121	106	132	82
Seed purchased	368	360	352	378	417	468	470	483	521	513	542	528
Manufactured inputs	1,535	1,513	1,482	1,568	1,537	1,631	1,587	1,572	1,515	1,516	1,426	1,418
Fertilizers and lime	610	593	586	647	618	650	627	629	623	609	584	625
Pesticides	462	476	463	524	511	558	568	580	552	548	503	466
Petroleum fuel and oils	337	334	322	298	303	316	289	289	256	271	240	258
Electricity	126	109	111	98	106	107	103	74	84	88	99	68
Other purchased inputs	1,008	1,043	1,024	961	975	1,062	1,088	1,081	1,079	1,068	1,181	1,047
Repair and maintenance of capital items	326	318	344	325	320	341	369	370	367	347	352	374
Machine hire and customwork	102	108	104	98	103	122	118	127	111	108	102	138
Marketing, storage, and transportation expenses	116	128	114	112	107	117	117	114	112	104	116	105
Contract labor	6	6	5	7	5	5	7	8	5	8	11	12
Miscellaneous expenses	459.11	482.52	456.62	418.77	440.35	476.52	477.61	461.86	483.92	501.2	600.72	417.57

Source: Economic Research Service, USDA, Computations by CGFA.

**Appendix 8. Real Value Added to the U.S. Economy by the Illinois Agricultural Sector via the Production of Goods and Services, 1980-2004**

Item	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
	Million 1982 dollars												
Value of agricultural sector production <sup>1</sup>	7,474	8,983	8,340	5,722	7,624	8,214	6,990	6,115	5,822	7,548	7,130	6,599	7,618
less: Purchased inputs	3,982	3,704	3,663	3,457	3,546	3,376	3,359	3,256	3,383	3,374	3,354	3,463	3,479
plus: Net government transactions	(369)	(369)	(244)	174	178	136	520	995	861	250	34	3	49
Direct Government payments	36	49	118	549	515	488	872	1,425	1,249	629	427	379	415
Motor vehicle registration and licensing fees	9	8	9	8	8	11	10	11	11	11	12	12	13
Property taxes	397	410	353	367	329	342	342	419	377	368	381	364	353
Gross value added	3,123	4,910	4,433	2,439	4,256	4,974	4,151	3,855	3,300	4,425	3,810	3,139	4,188
less: Capital consumption	1,412	1,473	1,381	1,313	1,127	1,064	951	877	875	857	819	840	837
Net value added <sup>2</sup>	1,711	3,437	3,051	1,126	3,130	3,910	3,200	2,977	2,426	3,568	2,991	2,300	3,351
less: Payments to stakeholders	1,835	1,985	2,152	1,693	2,331	2,455	2,058	1,930	1,722	1,978	1,843	1,713	1,852
Employee compensation (total hired labor)	235	217	221	209	206	219	213	211	221	225	253	249	267
Net rent received by nonoperator landlords	734	747	781	383	1,072	1,251	984	958	794	1,098	972	888	1,050
Real estate and nonreal estate interest	866	1,021	1,149	1,101	1,053	985	861	761	707	655	618	576	535
Net farm income <sup>3</sup>	(125)	1,452	899	(567)	799	1,455	1,142	1,047	704	1,590	1,148	586	1,498

<sup>1</sup>Value of agricultural sector production is the gross value of the commodities and services produced within a year.

<sup>2</sup>Net value-added is the sector's contribution to the National economy and is the sum of the of the income from production earned by all factors-of-production, regardless of ownership.

<sup>3</sup>Net farm income is the farm operators' share of income from the sector's production activities.

Source: Economic Research Service/USDA, Computations by CGFA.

Appendix 8. continued

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Million 1982 dollars											
Value of agricultural sector production <sup>1</sup>	6,973	7,966	6,418	7,997	7,627	7,115	6,138	6,510	6,467	6,427	7,040	8,193
less: Purchased inputs	3,585	3,575	3,413	3,400	3,452	3,624	3,624	3,600	3,584	3,517	3,635	3,426
plus: Net government transactions	346	(138)	65	(68)	47	358	1,069	1,160	1,055	64	226	456
Direct Government payments	719	254	451	298	435	770	1,495	1,593	1,466	496	652	819
Motor vehicle registration and licensing fees	12	13	14	11	13	15	13	16	16	15	27	25
Property taxes	361	380	372	355	375	397	413	417	395	417	399	338
Gross value added	3,734	4,253	3,070	4,528	4,222	3,849	3,583	4,070	3,937	2,975	3,631	5,223
less: Capital consumption	793	797	808	748	793	833	858	854	836	862	816	809
Net value added <sup>2</sup>	2,941	3,457	2,262	3,781	3,429	3,015	2,724	3,216	3,101	2,112	2,814	4,414
less: Payments to stakeholders	1,786	1,644	1,637	1,758	1,767	1,888	1,916	1,950	1,871	1,619	1,574	1,601
Employee compensation (total hired labor)	276	258	244	218	228	278	271	253	267	273	313	312
Net rent received by nonoperator landlords	1,024	875	836	997	974	1,013	1,025	1,050	1,028	796	759	802
Real estate and nonreal estate interest	485	511	556	543	565	597	620	648	575	550	502	488
Net farm income <sup>3</sup>	1,155	1,812	625	2,023	1,662	1,128	808	1,266	1,230	493	1,240	2,812

<sup>1</sup>Value of agricultural sector production is the gross value of the commodities and services produced within a year.

<sup>2</sup>Net value-added is the sector's contribution to the National economy and is the sum of the of the income from production earned by all factors-of-production, regardless of ownership.

<sup>3</sup>Net farm income is the farm operators' share of income from the sector's production activities.

Source: Economic Research Service/USDA, Computations by CGFA.



<b>Appendix 9. CHANGES IN FARM PROPERTY EQUALIZED ASSESSED VALUATION, EXTENSIONS AND TAX RATES, BY COUNTY (1991 - 2001)</b>			
<b>County</b>	<b>% Change in Farm EAV</b>	<b>% Change in Farm Extensions</b>	<b>% Change in Farm Tax Rates</b>
Statewide	60.3%	61.0%	0.4%
Cook County	-28.4%	-22.3%	8.5%
Collar counties	54.4%	57.4%	0.6%
Rest of State	61.1%	61.6%	0.4%
Adams	64.6%	68.9%	2.6%
Alexander	63.6%	72.3%	5.3%
Bond	79.2%	83.5%	2.3%
Boone	103.0%	87.1%	-7.9%
Brown	56.1%	54.4%	-1.2%
Bureau	67.0%	63.3%	-2.3%
Calhoun	214.7%	197.1%	-5.7%
Carroll	49.3%	48.3%	-0.7%
Cass	51.5%	53.0%	1.1%
Champaign	41.0%	53.1%	8.5%
Christian	50.4%	41.5%	-6.0%
Clark	83.2%	63.1%	-11.1%
Clay	24.7%	10.3%	-11.6%
Clinton	67.4%	93.6%	15.6%
Coles	52.7%	53.9%	0.9%
Cook	-28.4%	-22.3%	8.5%
Crawford	62.7%	90.8%	17.2%
Cumberland	54.8%	50.5%	-2.9%
DeKalb	57.6%	63.0%	3.5%
DeWitt	59.4%	65.6%	3.8%
Douglas	49.2%	54.4%	3.5%
DuPage	-46.8%	-50.4%	-7.1%
Edgar	54.4%	55.9%	0.9%
Edwards	38.9%	32.5%	-4.6%
Effingham	74.6%	65.3%	-5.2%
Fayette	72.7%	76.6%	2.2%
Ford	51.1%	44.4%	-4.5%
Franklin	103.3%	86.8%	-8.1%
Fulton	63.5%	62.6%	-0.5%
Gallatin	48.7%	36.4%	-8.2%
Greene	49.8%	57.6%	5.2%
Grundy	51.2%	71.3%	13.3%
Hamilton	74.7%	86.4%	6.7%
Hancock	54.4%	45.7%	-5.6%
Hardin	80.5%	54.2%	-14.5%
Henderson	45.9%	51.9%	4.1%
Henry	42.5%	36.3%	-4.4%
Iroquois	39.4%	32.3%	-5.0%
Jackson	95.3%	68.9%	-13.6%
Jasper	172.9%	191.0%	6.7%
Jefferson	79.9%	86.1%	3.4%
Jersey	70.2%	50.3%	-11.6%
JoDaviess	168.3%	175.3%	2.6%
Johnson	105.5%	94.6%	-5.2%
Kane	47.0%	51.8%	3.2%
Kankakee	119.5%	118.1%	-0.6%
Kendall	62.4%	80.6%	11.2%
Knox	54.7%	56.4%	1.1%
Lake	14.6%	21.2%	5.8%

<b>Appendix 9. continued</b>			
<b>County</b>	<b>% Change in Farm EAV</b>	<b>% Change in Farm Extensions</b>	<b>% Change in Farm Tax Rates</b>
LaSalle	57.3%	70.0%	8.1%
Lawrence	74.8%	57.4%	-10.0%
Lee	55.3%	43.7%	-7.5%
Livingston	47.9%	52.9%	3.3%
Logan	46.3%	32.9%	-9.2%
McDonough	68.8%	68.1%	-0.5%
McHenry	76.1%	73.9%	-1.2%
McLean	41.6%	46.5%	3.5%
Macon	50.4%	50.9%	0.4%
Macoupin	56.2%	43.8%	-8.0%
Madison	-41.7%	-38.6%	5.4%
Marion	82.7%	76.8%	-3.2%
Marshall	59.8%	63.4%	2.2%
Mason	92.9%	100.9%	4.0%
Massac	137.9%	101.6%	-15.2%
Menard	57.8%	61.3%	2.2%
Mercer	43.2%	41.9%	-1.0%
Monroe	99.5%	86.4%	-6.6%
Montgomery	56.1%	63.2%	4.5%
Morgan	49.8%	54.9%	3.4%
Moultrie	51.5%	44.2%	-4.8%
Ogle	64.8%	87.1%	13.5%
Peoria	78.5%	81.1%	1.5%
Perry	50.6%	70.9%	13.4%
Piatt	39.0%	54.2%	10.9%
Pike	32.8%	26.8%	-4.5%
Pope	85.9%	89.2%	1.8%
Pulaski	62.6%	66.8%	2.6%
Putnam	48.7%	43.9%	-3.2%
Randolph	77.7%	79.7%	1.0%
Richland	80.9%	82.7%	0.9%
Rock Island	78.7%	69.0%	-5.4%
St. Clair	285.5%	310.1%	6.3%
Saline	43.6%	47.5%	2.7%
Sangamon	41.9%	43.5%	1.2%
Schuyler	56.4%	61.2%	3.1%
Scott	60.6%	61.5%	0.6%
Shelby	68.9%	50.3%	-10.9%
Stark	84.6%	78.9%	-3.2%
Stephenson	61.8%	68.2%	4.0%
Tazewell	59.4%	55.3%	-2.7%
Union	89.5%	80.7%	-4.6%
Vermilion	48.6%	54.2%	3.7%
Wabash	50.4%	52.4%	1.4%
Warren	48.0%	41.7%	-4.3%
Washington	72.2%	76.4%	2.5%
Wayne	75.3%	77.4%	1.2%
White	33.1%	34.6%	1.2%
Whiteside	56.4%	53.5%	-1.8%
Will	81.8%	84.4%	1.5%
Williamson	98.0%	107.6%	5.0%
Winnebago	75.5%	93.4%	10.2%
Woodford	69.2%	63.9%	-3.1%

**SOURCE: Illinois Department of Revenue; 1991 & 2001 Illinois Property Tax Statistics, computations by**

## **BACKGROUND**

The Commission on Government Forecasting and Accountability (CGFA), a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

- 1) Preparation of annual revenue estimates with periodic updates;
- 2) Analysis of the fiscal impact of revenue bills;
- 3) Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization;
- 4) Periodic assessment of capital facility plans;
- 5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
- 6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- 7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a Monthly Briefing, the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Bonded Indebtedness Report" examines the State's debt position as well as other issues directly related to conditions in the financial markets. The "Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year Budget Summary; Report on the Liabilities of the State Employees' Group Insurance Program; and Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program. The Commission also publishes each year special topic reports that have or could have an impact on the economic well being of Illinois. All reports are available on the Commission's website.

These reports are available from:

Commission on Government Forecasting and Accountability  
703 Stratton Office Building  
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