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AGRICULTURAL MARKET ANALYSIS

Cheyenne - Laramie County

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TOURISM MARKET ANALYSIS
Cheyenne-Laramie County, Wyoming

- Prepared for -

**Cheyenne-Laramie County
Economic Development Task Force**

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April 1986

This contract is financed by funds authorized under Section 801 of the Military Construction Authorization Act, 1981, (P.L. 96-418 as amended by P.P. 97-99, 10 U.S.C.).

The 801 Grant Agreement is between the Wyoming Industrial Siting Administration, acting on behalf of the Wyoming-Nebraska Intergovernmental Executive Impact Council (IEIC) and the United States of America, acting through the Department of the Air Force.

The Wyoming Industrial Siting Administration designated the City of Cheyenne as coordinator of this project.

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INTRODUCTION

The agricultural industry is the oldest basic, or export industry in Laramie County. It has historically provided substantial income and employment opportunities for farmers, ranchers and local businesses such as retail establishments, repair and other services.

This report presents an analysis of the agricultural industry in Laramie County. Specific objectives include:

- Assess the importance of the agricultural industry in relation to the overall economy. Income, retail sales, employment and assessed valuation trends are considered.
- Determine the composition of the agricultural sector. Overall land use, crop mix, livestock and production patterns are analyzed.
- Identify existing and potential secondary or spinoff activities that would benefit the agricultural sector.
- Evaluate market opportunities for area agricultural activities.
- Assess policy options available to local jurisdictions that would enhance the agricultural economy.

The agricultural overview is intended to provide the understanding needed to incorporate this sector into overall economic development planning in Cheyenne-Laramie County. It is recognized that agricultural activities in Laramie County are subject to considerable external influences well beyond local control.

LARAMIE COUNTY AGRICULTURAL MARKET ANALYSIS

The agricultural sector has played an important role in the development of the Laramie County economy. Recent economic downturns and market developments have adversely affected the agricultural economy on the national and local levels. The purpose of this section is to assess the historical and current contribution of agriculture to the Laramie County economy. Current problems facing the local agricultural sector are analyzed and policy alternatives are set forth.

Historical Development

The Laramie County region was settled in the 1860's by homesteaders. Initially, cattle ranching was the predominant agricultural activity. Sheep ranching eventually became established. Farming was limited to planting for personal consumption and feed for local livestock. When the railroad was established, access to national markets became possible with certain crops grown for trade.(1)

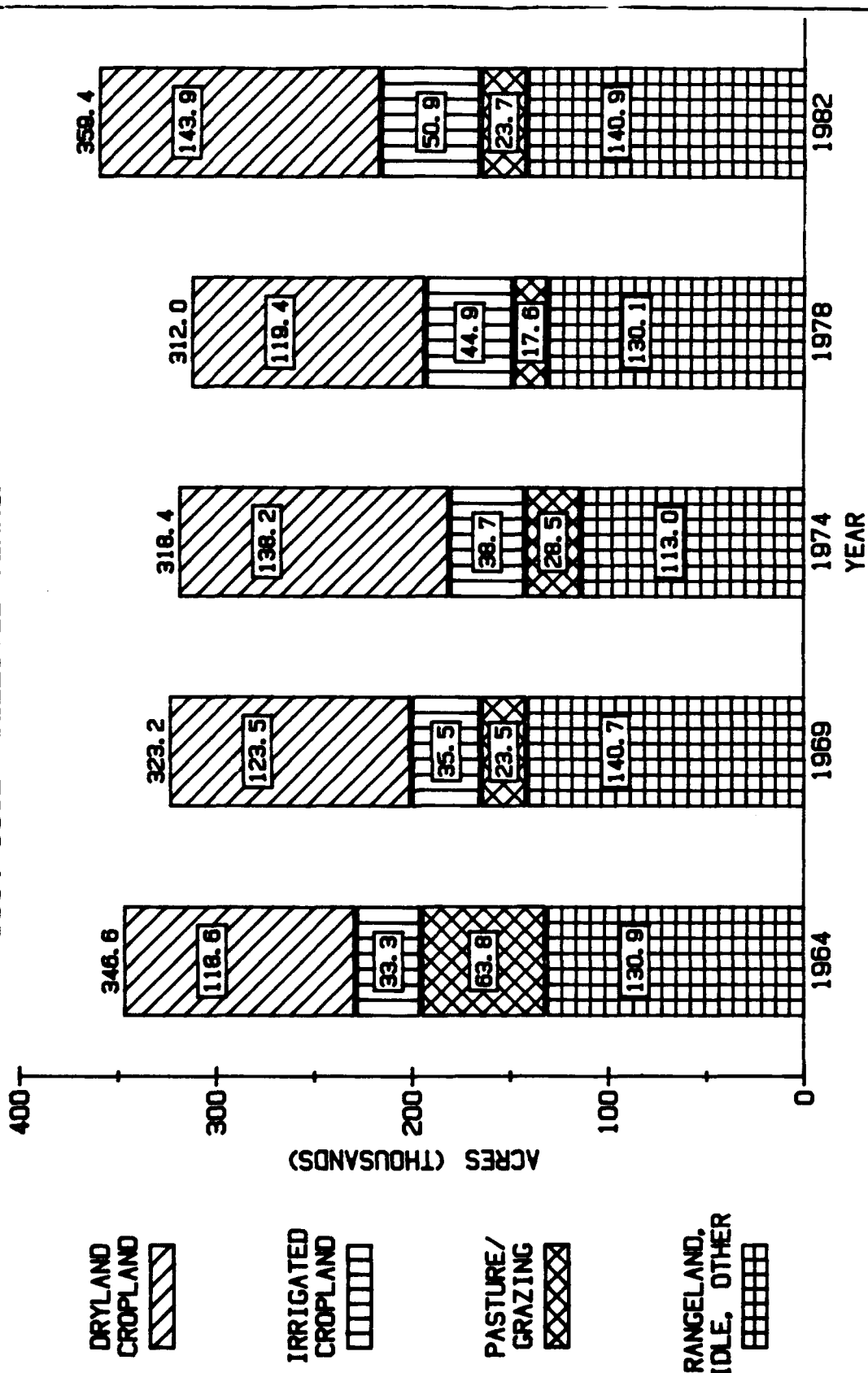
Overall land use. In general, crop farming is concentrated in the eastern and southeastern portions of Laramie County. The northern and western portions of the county provide grazing land for ranching operations.(2)

The number of farms and ranches has remained relatively stable over the last two decades. About 550 farms and ranch establishments were counted in 1964, versus 582 in 1982. Acreage devoted to all agricultural uses declined during this period. Agricultural acreage declined from 2.1 million in 1964 to 1.6 million in 1978, a 20 percent drop. Agricultural acreage increased slightly between 1978 and 1982. Average farm size also declined from 3,731 acres in 1964 to 2,832 in 1982:(3)

	Laramie County				
	1964	1969	1974	1978	1982
Farms and ranches	553	577	563	531	582
Acres in farms and ranches	2,063,050	1,731,212	1,686,951	1,616,476	1,648,419

As indicated on Figure 1, cropland has increased in importance over the past 20 years. In 1964, cropland accounted for 16.8 percent of agricultural land use. By 1982, almost 22 percent of the agricultural land use was devoted to cropland. Irrigated cropland has also become more significant. In

**FIGURE 1. AGRICULTURAL ACREAGE IN
LARAMIE COUNTY, WYOMING
1964-1982 (SELECTED YEARS)**



1982, 50,900 acres of cropland were irrigated, a 53.1 percent increase over the 1964 amount:(4)

Cropland	Laramie County				
	1964	1969	1974	1978	1982
Harvested:					
Dryland	118,596	123,537	138,160	119,407	143,922
Irrigated	33,269	35,504	38,695	44,889	50,939
Subtotal	151,865	159,041	176,855	164,296	194,861
Pasture/grazing	63,750	23,519	28,461	17,590	23,712
Other*	130,935	140,669	113,048	130,092	140,907
Subtotal	346,550	323,229	318,364	311,978	359,480
Woodland	1,044	2,100	4,060	661	2,329
Other**	1,715,456	1,405,883	1,364,527	1,303,837	1,286,610
Total	2,063,050	1,731,212	1,686,951	1,616,476	1,648,419

*Includes cropland used for soil improvement crops, crop failure, cultivated summer fallow and idle cropland.

**Includes pastureland other than cropland and woodland pasture, rangeland and land used in house lots, barn lots, ponds, roads and wasteland.

Crop mix. Winter wheat and hay are the two dominant crops as illustrated in Table 1. Since 1976 these crops have usually represented at least 90 percent of the crop mix. Other crops, such as oats, barley and dry beans, account for between five and 10 percent of the crop mix. Interviews with area officials and ranchers indicate that potatoes are grown to a lesser extent.(5)

The importance of irrigation differs by crop. Data set forth in Table 2 indicate that the majority of barley, dry beans, sugar beets, corn grain and hay planting are irrigated. Winter wheat, the predominant crop, is usually not irrigated.

The geographical composition of markets varies for crops. Almost all of the wheat harvested is eventually traded in national and international markets. Potatoes and dry beans also tend to leave the region. Most of the remaining crops are consumed locally by livestock. Almost all of the local hay crops are consumed locally.(6)

Information provided in Table 3 indicates that Laramie County farms are as productive as farms in southeast Wyoming and the state as a whole. In terms of yield per acre, Laramie County farms consistently produce above average amounts of wheat and barley.

Livestock. The cattle and calf herd in Wyoming and Laramie County has steadily declined since 1975 (see Figure 2). In 1985, there were 67,000 cattle and calves in Laramie County, 14.1 percent less than the population in

TABLE 1. MAJOR CROPS HARVESTED IN LARAMIE COUNTY, WYOMING

Crop	Acres Harvested								Present Distribution			
	1976	1978	1980	1982	1984	1976	1978	1980	1982	1984	1976	1982
Winter wheat	113,000	101,200	109,900	120,500	108,000	64.0%	62.2%	61.1%	66.5%	59.3%		
Spring wheat	4,100	1,300	300	600	1,100	2.3	0.8	0.2	0.3	0.6		
Barley	6,300	4,300	6,000	4,000	6,400	3.6	2.6	3.3	2.2	3.5		
Oats	3,500	2,700	3,500	3,200	8,000	2.0	1.7	1.9	1.8	4.4		
Dry beans	500	1,900	3,000	3,000	4,500	0.3	1.2	1.7	1.7	2.5		
Sugar beets	730	300	500	400	600	0.4	0.2	0.3	0.2	0.3		
Grain corn	300	1,100	300	1,500	4,600	0.2	0.7	0.2	0.8	2.5		
Hay	48,000	50,000	56,500	48,000	49,000	27.2	30.7	31.4	26.5	26.9		
Total	176,430	162,800	180,000	181,200	182,200	100.0%	100.1%	100.1%	100.0%	100.0%		

Source: Wyoming Crop and Livestock Reporting Service, Wyoming Agricultural Statistics, selected years.

TABLE 2. RELATIONSHIP OF IRRIGATED TO TOTAL ACRES
FOR MAJOR CROPS HARVESTED IN LARAMIE COUNTY, WYOMING

Crop	Percent of Harvested Acreage That Was Irrigated				
	1976	1978	1980	1982	1984
Winter wheat	1.1%	2.2%	3.5%	3.7%	3.8%
Spring wheat	31.7	46.2	66.7	83.3	45.5
Barley	55.6	88.4	85.0	80.0	60.9
Oats	22.9	81.5	94.3	59.4	16.3
Dry beans	100.0	100.0	100.0	100.0	100.0
Sugar beets	100.0	100.0	100.0	100.0	100.0
Grain corn	66.7	90.9	66.7	93.3	100.0
Hay	60.4	50.0	58.4	80.4	61.2

Source: Wyoming Crop and Livestock Reporting Service, Wyoming Agricultural Statistics, selected years.

TABLE 3. YIELD PER ACRE FOR SELECTED CROPS
IN LARAMIE COUNTY, SOUTHEAST WYOMING AND THE STATE OF WYOMING

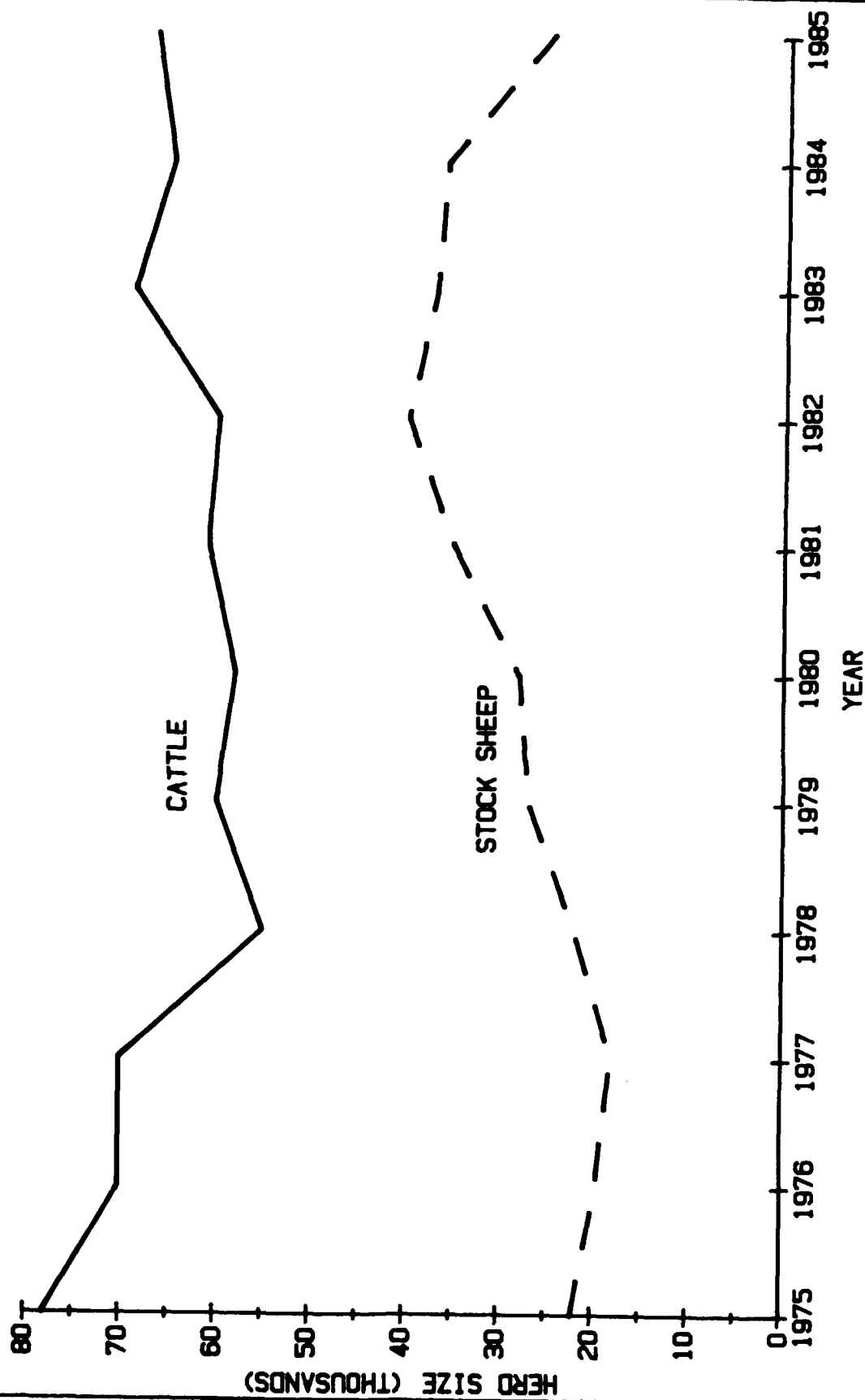
	Yield Per Acre					
	1979	1980	1981	1982	1983	1984
<u>Laramie County</u>						
Winter wheat (bushels)	42.0	33.3	40.4	53.0	54.0	59.0
Spring wheat (bushels)	50.0	34.0	36.0	58.0	60.0	50.0
Barley (bushels)	51.0	49.8	48.9	56.3	71.5	70.0
Oats (bushels)	48.0	69.0	67.0	79.4	64.0	64.5
Dry beans (pounds)	1,800	2,070	--	1,660	1,670	2,000
Sugar beets (tons)	14.6	20.2	23.3	22.0	13.5	11.2
Grain corn (bushels)	75.0	95.0	90.0	95.0	101.0	97.0
Hay (tons)	1.78	1.65	1.78	1.87	2.26	2.25
<u>Wyoming</u>						
Winter wheat (bushels)	38.0	35.0	42.0	51.6	52.3	51.8
Spring wheat (bushels)	48.0	37.2	32.7	50.3	57.0	56.8
Barley (bushels)	65.5	72.5	72.3	71.2	72.6	71.5
Oats (bushels)	57.4	63.2	60.0	69.4	62.1	62.6
Dry beans (pounds)	1,866	1,980	2,100	1,800	1,800	2,051
Sugar beets (tons)	18.8	22.6	24.0	21.1	19.2	20.0
Grain corn (bushels)	87.9	97.8	110.8	106.4	104.0	100.0
Hay (tons)	2.04	1.78	2.02	2.06	2.08	2.06
<u>Southeast Wyoming**</u>						
Winter wheat (bushels)	39.1	34.1	39.6	51.3	51.8	50.9
Spring wheat (bushels)	49.0	34.0	33.0	49.0	51.7	48.2
Barley (bushels)	48.9	50.3	48.4	57.7	64.7	70.0
Oats (bushels)	47.4	59.1	60.0	72.5	59.0	55.7
Dry beans (pounds)	1,900	2,040	2,170	1,753	1,822	2,095
Sugar beets (tons)	18.4	21.7	25.0	19.4	14.9	19.3
Grain corn (bushels)	89.0	99.4	114.2	108.8	107.7	102.1
Hay (tons)	1.78	2.21	2.52	2.29	2.65	2.41

*Reflective of irrigated acreage only.

**Includes Converse, Goshen, Laramie, Niobrara and Platte Counties.

Source: Wyoming Crop and Livestock Reporting Service, Wyoming Agricultural Statistics, selected years.

FIGURE 2. CATTLE AND SHEEP POPULATION IN
LARAMIE COUNTY, WYOMING
1975-1985



1975. Between four and five percent of the Wyoming cattle and calf herd is typically concentrated within Laramie County:(7)

Cattle and Calves on Wyoming Farms and Ranches		
Year	Laramie County	Wyoming
1975	78,000	1,690,000
1976	70,000	1,580,000
1977	70,000	1,600,000
1978	55,000	1,357,000
1979	60,000	1,380,000
1980	58,000	1,340,000
1981	61,000	1,350,000
1982	60,000	1,390,000
1983	69,000	1,475,000
1984	65,000	1,395,000
1985	67,000	1,365,000

The decline of the cattle herd reflects a number of market trends that have impacted the beef industry on a national and regional basis. Lower per capita beef consumption (because of changing consumer tastes and an aging population) and a moderation in the rate of population growth has resulted in a lower domestic demand for beef. In addition, the beef export market is depressed, primarily related to a strong dollar and alternative supplies. The combination of these factors has resulted in a declining herd size nationally as well as locally.(8)

The sheep herd in Laramie County and the state has fluctuated since 1975. There were 22,000 stock sheep in Laramie County in 1975. The population gradually increased until 1982, when the herd size approximated 40,000. The sheep population declined to 25,000 in 1985, representing a 37.5 percent drop in three years. A small portion of the statewide sheep herd (between two and three percent) is managed by Laramie County ranchers:(9)

Stock Sheep on Wyoming Farms and Ranches		
Year	Laramie County	Wyoming
1975	22,000	1,226,000
1976	19,500	1,103,000
1977	18,000	1,071,000
1978	22,000	1,010,000
1979	27,000	960,000
1980	28,000	960,000
1981	35,000	990,000
1982	40,000	1,000,000
1983	37,000	950,000
1984	36,000	960,000
1985	25,000	740,000

Most livestock is transported out of state. The majority of the Laramie County cattle herd is moved outside the county to markets outside the state. Approximately 30 percent stays within Wyoming when moved. Of the sheep that are moved, an average of 85 percent are transported out of state. Only a small portion of the sheep herd is transported to other parts of Wyoming:(10)

<u>Animals Moved on Brand Certificates, Laramie County</u>						
	<u>Cattle and Calves</u>			<u>Sheep and Lambs</u>		
	To Points Out of Wyoming	To Points In Wyoming	Total	To Points Out of Wyoming	To Points In Wyoming	Total
1977	40,944	15,470	56,414	4,765	840	5,605
1978	36,796	15,042	51,838	9,149	744	9,893
1979	33,614	15,257	48,871	7,457	1,261	8,718
1980	35,055	18,307	53,362	8,067	2,562	10,629
1981	37,257	15,368	52,625	11,308	541	11,849
1982	33,527	14,036	47,563	6,141	1,424	7,565
1983	29,922	13,951	43,873	6,031	328	6,359
1984	39,383	18,085	57,468	4,221	1,619	5,840

Interviews with area ranchers indicate that animals transported out of the state are usually bound for Colorado and Nebraska feedlots. Exceptions occur for cattle that are custom slaughtered for personal consumption.(11)

Economic Impact of Agriculture

The impact of agriculture on the Laramie County economy is reflected in a number of economic indicators. Assessed value, retail sales, income and expense data are dealt with.

Sales of agricultural products. Gross revenue derived from the sale of agricultural commodities generated by Laramie County farms and ranches approximated \$38.8 million in 1982. The bulk of gross agricultural income is usually tied to the sale of livestock. In constant 1985 dollars, sales increased from \$33.7 million in 1964 to a high of \$50.2 million in 1974. Sales subsequently declined to \$42.1 million in 1982:(12)

<u>Farm and Ranch Related Gross Income by Source (Millions)</u>						
Year	<u>Current Dollars</u>			<u>Constant 1985 Dollars</u>		
	Crops and Other	Livestock	Total	Crops and Other	Livestock	Total
1964	\$ 2.7	\$ 6.4	\$ 9.1	\$10.0	\$23.7	\$33.7
1969	3.4	9.6	13.0	9.9	27.9	37.8
1974	12.7	10.0	22.7	28.1	22.1	50.2
1978	8.5	17.6	26.1	13.8	28.6	42.4
1982	18.7	20.1	38.8	20.3	21.8	42.1

Income. After tax income statistics available from the Bureau of Economic Analysis indicate that farm related income has declined in importance since 1978. Personal income from farm and ranch operations and agricultural services approximated \$2.0 million in 1983; a 58.3 percent drop from the \$4.8 million earned in 1978. In relative terms, 0.3 percent of Laramie County income was tied to agriculture in 1983, versus 1.1 percent in 1978:(13)

Industrial Sector	Earnings by Place of Work (Millions)					
	1978	1979	1980	1981	1982	1983
Farm	\$ 4.2	\$ 3.7	\$ 5.1	\$ 1.8	*	\$ 0.6
Agricultural services	0.6	1.0	1.0	1.3	\$ 1.4	1.4
Other	<u>449.4</u>	<u>513.4</u>	<u>582.7</u>	<u>640.6</u>	<u>675.3</u>	<u>683.1</u>
Total	\$454.2	\$518.1	\$588.8	\$643.7	\$676.7	\$685.1

Less than \$50,000.

Commodity prices. Commodity prices impact the overall performance and financial contribution of the agricultural sector. Prices received for key commodities produced by Wyoming farmers and ranchers have fallen since 1980, although many commodities experienced slight price increases between 1983 and 1984. Beef and sheep prices have declined 14 and 35 percent, respectively, since 1980. Bean prices declined by almost 50 percent:(14)

Average Prices Received by Wyoming Farmers
and Ranchers (Current Dollars)

Year	Beef						Barley	
	Cattle(1)	Sheep(1)	Wool(2)	Corn(3)	Beans(1)	Hay(4)	Wheat(3)	(3)
1980	\$64.18	\$20.19	\$0.97	\$2.03	\$26.59	\$59.58	\$3.39	\$2.72
1981	58.42	19.25	0.91	3.05	26.52	66.45	3.13	3.08
1982	56.79	15.37	0.77	2.36	11.80	57.58	2.06	2.80
1983	54.60	13.57	0.68	2.12	14.64	58.25	2.07	2.84
1984	55.01	13.03	0.88	3.12	15.91	68.33	3.23	2.80

- (1) Dollars per hundred weight.
 (2) Cents per pound.
 (3) Dollars per bushel.
 (4) Dollars per ton.

In constant dollar terms, price declines have been more significant. Certain commodities experienced slight price increases between 1983 and 1984:(15)

Average Prices Received by Wyoming Farmers
and Ranchers (Constant 1985 Dollars)

Year	Beef							Barley (3)
	Cattle(1)	Sheep(1)	Wool(2)	Corn(3)	Beans(1)	Hay(4)	Wheat(3)	
1980	\$81.35	\$25.59	\$1.23	\$2.57	\$33.70	\$75.52	\$4.30	\$3.45
1981	67.15	22.13	1.05	3.51	30.48	76.38	3.60	3.54
1982	61.53	16.65	0.83	2.56	12.78	62.38	2.23	3.03
1983	58.31	14.47	0.73	2.26	15.61	62.10	2.21	3.03
1984	56.48	13.38	0.90	3.20	16.34	70.15	3.32	2.88

(1) Dollars per hundred weight.

(2) Cents per pound.

(3) Dollars per bushel.

(4) Dollars per ton.

Operating expenditures. Selected farm and ranch operating expenses are displayed in Table 4. Livestock and poultry costs (purchase of animals, inoculations, etc.) constitute the largest cost component. Outlays for feed are the second most significant expense. Together, livestock and feed constitute the majority of farm and ranch operating expenses. Energy costs increased in importance between 1969 and 1982. In 1982, energy costs represented 20.9 percent of overall operating expenses, up from 10.3 percent in 1969. Recently, lower energy costs have been present.

A portion of the costs of operating a farm or ranch benefit the overall community. Certain items and services required for operation are purchased locally. Interviews with area ranchers and officials indicate that the major purchases associated with farm operation (implement and livestock acquisition) take place outside of Laramie County. For example, major implements are typically purchased in Kimball and Scottsbluff, Nebraska as well as Greeley, Colorado. A large portion of feed purchases also takes place outside the county. Many ranchers purchase feed in Weld County, Colorado.(16)

Employment. Farm proprietors constitute the bulk of farm-related employment. In 1982 for example, there were 627 farm proprietors, versus 382 wage and salaried employees on farms and ranches. Farm-related employment has been relatively stable in relation to the overall employment base. Farm and ranch operators have accounted for between 18 and 20 percent of all proprietors since 1977. Farm and agricultural service-related employment

TABLE 4. SELECTED FARM AND RANCH OPERATING EXPENSES

Line Items	Laramie County							
	1969		1974		1978		1982	
	Mil- lions	Per- cent	Mil- lions	Per- cent	Mil- lions	Per- cent	Mil- lions	Per- cent
Livestock and poultry	\$2.7	39.7%	\$ 2.9	27.4%	\$ 5.7	37.5%	\$ 5.8	28.9%
Feed	1.2	17.6	2.7	25.5	2.7	17.8	3.5	17.4
Seed	0.1	1.5	0.3	2.8	0.4	2.6	0.6	3.0
Fertilizer	0.2	2.9	0.5	4.7	0.8	5.3	1.3	6.5
Other chemicals	0.1	1.5	0.1	0.9	0.2	1.3	0.6	3.0
Energy	0.7	10.3	1.4	13.2	2.3	15.1	4.2	20.9
Hired labor	1.3	19.1	1.6	15.1	1.8	11.8	2.6	12.9
Custom work, machine hire and rental machinery	--	--	0.9	8.5	1.1	7.2	1.3	6.5
Contract labor	0.5	7.4	0.2	1.9	0.2	1.3	0.2	1.0
Total*	\$6.8	100.0%	\$10.6	100.0%	\$15.2	99.9%	\$20.1	100.1%

*Excludes debt service, land and equipment costs.

Source: U.S. Department of Commerce, Bureau of the Census, Census of Agriculture, 1969, 1978 and 1982.

accounted for about 1.5 percent of all wage and salary employment between 1977 and 1982:(17)

	Employment, Laramie County					
	1977	1978	1979	1980	1981	1982
Proprietors:						
Farm	608	618	625	631	644	627
Nonfarm	<u>2,502</u>	<u>2,556</u>	<u>2,736</u>	<u>2,679</u>	<u>2,735</u>	<u>2,829</u>
Subtotal	3,110	3,174	3,361	3,310	3,379	3,456
Wage and Salary:						
Farm	384	370	422	413	385	382
Agricultural services	87	90	143	128	130	155
Other	<u>31,118</u>	<u>33,364</u>	<u>34,840</u>	<u>35,637</u>	<u>36,132</u>	<u>36,142</u>
Subtotal	31,589	33,824	35,405	36,178	36,647	36,679
Total	34,699	36,998	38,766	39,488	40,026	40,135

Assessed value. Table 5 illustrates that agricultural-related assessed valuation has declined in absolute and relative terms over recent years. Agricultural-based assessed valuation declined from \$18.3 million in 1980 to \$14.4 million in 1984, a 21.3 percent drop. This decrease has been primarily reflected in an acreage reduction in grazing and dry farmland. In 1980, agricultural-related assessed value approximated ten percent of the taxable base. By 1984, only 6.4 percent of the overall assessed value was related to agriculture.

The market value of all agricultural land and buildings has increased since 1978. In constant dollar terms, there was a slight decrease in market values between 1978 and 1982:(18)

Year	Value of Agricultural Land and Buildings (Millions)	
	Current Dollars	Constant 1985 Dollars
1969	\$ 82.9	\$241.0
1974	180.5	399.3
1978	268.3	435.6
1982	339.6	367.9

TABLE 5. ASSESSED VALUATION IN LARAMIE COUNTY

Category	Assessed Value																			
	1980				1981				1982				1983				1984			
	Millions	Percent	Millions	Percent	Millions	Percent	Millions	Percent	Millions	Percent	Millions	Percent	Millions	Percent	Millions	Percent				
Agricultural																				
Irrigated land	\$ 1.8	0.9%	\$ 1.8	0.9%	\$ 2.2	1.0%	\$ 2.7	1.2%	\$ 1.8	0.8%										
Dry farm land	3.3	1.7	3.3	1.6	3.6	1.6	3.1	1.3	2.3	1.0										
Grazing land	6.9	3.5	5.6	2.7	5.4	2.4	4.9	2.1	3.3	1.4										
Farmsteads	0.3	0.2	0.3	0.1	0.3	0.1	0.3	0.1	0.3	0.1										
Improvements on agricultural land	4.3	2.2	4.3	2.1	4.4	1.9	4.5	1.9	4.6	2.0										
Farming utensils	0.5	0.3	0.6	0.3	0.6	0.3	0.6	0.3	0.6	0.3										
Harvest equipment	0.3	0.2	0.4	0.2	0.4	0.2	0.4	0.2	0.4	0.2										
Tractors	0.9	0.5	0.9	0.4	1.0	0.4	1.0	0.4	1.1	0.5										
Irrigation systems	--	--	--	--	--	--	--	--	--	--										
Subtotal	\$ 18.3	9.5%	\$ 17.2	8.3%	\$ 17.9	7.9%	\$ 17.5	7.5%	\$ 14.4	6.3%										
Other	\$177.0	90.6%	\$188.7	91.6%	\$207.8	92.1%	\$214.2	92.4%	\$ 213.9	93.7%										
Total	\$195.3	100.1%	\$205.9	99.9%	\$225.7	100.0%	\$231.7	99.9%	\$ 228.3	100.0%										

Source: State of Wyoming Department of Revenue and Taxation, Ad Valorem Tax Division, Annual Report, selected years.

Retail sales. The agricultural sector represents a very small portion of Laramie County retail sales activity. Since 1978 retail sales in the agricultural sector have ranged from \$200,000 to \$600,000 per year, accounting for less than one percent of all retail sales:(19)

Fiscal Year	Laramie County Retail Sales (Millions)	
	Agricultural Sector	Total Sales
1978	\$.2	\$263.2
1979	.4	338.7
1980	.3	373.3
1981	.2	407.5
1982	.3	428.0
1983	.4	440.1
1984	.3	477.4
1985	.6	503.1

Retail sales in the agricultural sector do not include those retail sales related to local purchases by the farm and ranch community.

Secondary Activity

Agricultural-related processing and manufacturing. A number of establishments in Laramie County are dependent on agricultural activities. These establishments typically provide goods or services to agricultural producers or use agricultural outputs in a manufacturing process.

There are several fresh potato and packaging plants in east Laramie County. These facilities clean and package potatoes grown throughout the area and subsequently ship the product to nearby markets (Colorado and Nebraska). The Tortilla Manufacturing and Supply Company utilizes wheat-based products. Most of the remaining agriculturally-related establishments emphasize collecting and distributing food and grain produced in the area. Agriculturally based establishments in Laramie County include:(20)

Organization	Service/Product
Holgerson Potatoes	Potato processing
Mylar Potatoes	Potato processing
Lodgepole Potatoes	Potato processing
High Plains Coop	Grain elevator
Pine Bluffs Feed and Grain	Grain elevator
Pillsbury	Grain elevator
A&C Feed Company	Feed pellets
Cheyenne Elevator	Grain elevator
Tortilla Manufacturing and Supply Company	Tortilla manufacturing
Walteers Feed and Grain	Grain elevator
Burns Coop	Grain elevator

In addition to the above activities, agriculture contributes to certain other aspects of the Laramie County economy such as bank loans or deposits, lawyer fees, and other goods or services.

Agricultural Development Prospects

The agricultural sector is in large part influenced by national and international market forces. In addition, Federal Government policies (i.e., subsidies, export policies) play a major role. As a result, locally initiated policy options are limited. This section briefly summarizes circumstances that characterize the agricultural sector, and identifies economic development options that could be pursued on the local level.

Circumstances facing the agricultural sector. The situation confronting the local agricultural economy is consistent with problems facing the agricultural economy on the national level. In general, an overabundance in commodities has led to lower prices. In turn, land and asset values have fallen. In addition, key production costs (i.e., supplies, labor and debt service expenses) have increased. Increasing costs and decreasing revenues have resulted in lower real incomes for farm and ranch operators. The agricultural downturn has had key impacts on the local economy:

- Foreclosures. Most foreclosures have been on farms and ranch operations that became established or instituted major expansions in the 1970's. Ranchers and farmers were permitted to borrow against inflated land values to finance equipment and land acquisitions. Current income levels often cannot support these highly leveraged positions.
- Declining impact of agriculture on the overall economy. As indicated earlier in this section, agriculture has declined in economic importance over the past 10 years. Agriculturally based assessed value, personal income and retail sales have decreased in relative importance.

Area officials believe that in Laramie County the farming sector has experienced a greater downturn than the ranching sector. This is because farmers are burdened with more capital intensive purchases (i.e., implements) and, as a result, experience more debt-related problems.

Economic development opportunities. Since the agricultural economy is primarily influenced by national and international trends, few meaningful policy options are controllable by local decision makers. Business, market and policy opportunities that were mentioned by area officials and farm and ranch operators are listed on Table 6.

In general, market, climate and general economic conditions preclude most listed opportunities. For example, major feedlots are economically feasible when adjacent to large amounts of feed crops (i.e., corn, hay, milo). Because of climatic conditions, the Laramie County area cannot grow an adequate food supply. Adverse weather conditions also limit development of extensive auction terminal activity and a more diverse crop mix. Gasahol production facilities are probably not feasible due to the probable cut backs in federal subsidies and competitive facilities in western Nebraska.

Recommendations from area officials and ranch and farm operators indicate that various food processing businesses should be encouraged to move

TABLE 6. POTENTIAL POLICIES THAT WOULD ENHANCE THE AGRICULTURAL SECTOR IN LARAMIE COUNTY

Policy/Action	Potential Benefits	Market Potential
Encourage slaughterhouse/feedlot	• Increase demand for local beef/sheep • Jobs, income	• Limited • Major competition • Weather a hinderance • Not proximate to adequate amounts of feed
Establish terminal auctions	• Increase demand for local livestock	• Limited • Major competition in Fort Collins and Torrington
Sponsor training programs (cash flow analysis, business economics, budgeting, etc.)	• Would enable operators to plan better for economic downturns • Many programs already in place	• Could coordinate existing programs with little effort
Diversify crop mix	• Cash crops (i.e., truck farming and vegetables) would increase incomes	• Limited • Climate a major concern
Establish gasahol production facility	• Additional demand for corn, wheat	• Limited • National subsidies decreasing • Competitive plant proposed in western Nebraska
Encourage more year-round employment in all types of manufacturing industries	• Would enable agricultural families to supplement income via part time, seasonal or spouse employment • Marginal operators more prone to stay in business, especially during economic downturns	• Certain potential
Establish lamb processing plant	• Would increase demand for local and state sheep	• Limited • Competition from south (Monfort) • Distance from markets (northeast U.S.) • Herd in region might be insufficient
Attract. implement/equipment dealers	• Income and employment opportunities	• Limited • A number of dealers have gone out of business
Flour mill	• Create demand for local crop • Jobs, income	• Limited • Flour production industry oriented to a small number of very large producers
Leather processing	• Create demand for local herd • Jobs, income	• Some potential • Leather is harvested at point of slaughter (i.e., major feedlots); feedlots in region could be a major supply source
Wool processing	• Jobs, income • Plant would remove oil and dirt from harvested wool, lowering shipping weight and costs	• Limited • Was researched before • Transportation costs not major concern of large wool consumers
Food incubator	• Publicly subsidized food processing facility; facilities are leased to businesspeople at below market rates who wish to start a processing plant by using locally grown commodities; facilitates start-up ventures that could benefit the agricultural sector	• Limited • High risk due to market considerations and lack of facilities that have been successful elsewhere (Colorado is initiating a facility) • Could compete with existing, non-subsidized businesses • Possible resistance to publicly subsidizing a business that is traditionally private

Source: Based on interviews with area officials, farmers and ranchers.

into the area. Such establishments could create additional income and employment producing opportunities. Since these types of businesses are sensitive to specific market and economic conditions, opportunities might be limited.

Local policies should recognize the limitations inherent in trying to influence the agricultural economy on the local level. Emphasis should be placed on existing market opportunities that are realistically achievable. Even with success, major changes in the agricultural situation are not anticipated. It is suggested that certain policies be pursued:

- Encourage growth of year-round manufacturing firms. Such firms would provide part-time, seasonal or full-time employment for farm and ranch families. This income source would enable these families to supplement income derived from traditional agricultural sources. The availability of manufacturing jobs would be of special benefit to marginal operators.
- Sponsor training programs. Business-oriented courses (cash flow analysis, budgeting, etc.) should be emphasized. With Laramie County Community College in Cheyenne, such a program would be relatively easy to implement. In addition, a number of farm assistance groups are already offering various instruction opportunities (i.e., Rural Support Network, Laramie County Agricultural Extension Service). In certain instances, the coordination of existing programs would be helpful.
- Develop products targeted to specialty markets.(21) For example, woolen goods could be marketed under distinct label capitalizing on its local origins. Lean beef is also a product geared toward a small segment of the market.
- Supplement income through cottage industries. Ranchers and farmers often augment income through the manufacturing of handicrafts, cultivating honey, selling hay or firewood. These small operations will not impact the overall health of agriculture but they can help a farm or ranch over depressed times. Business development programs which aid agriculturalists in starting up and operating cottage industries could prove helpful.
- Find alternative uses for ranchland. Many ranchers are opening their land to hunters for a fee. Other ranchers have converted their homes to bed and breakfast facilities to attract the tourist market.
- Since many of the problems associated with the local agricultural sector are also applicable to farmers and ranchers throughout Wyoming, cooperation between Laramie County, local entities and the State of Wyoming would be beneficial. Certain programs could be initi-

ated on a statewide basis that would not be effective on the local level. For example, marketing and promotional efforts oriented towards the Wyoming beef and sheep industries could improve local markets. The "Wyoming Lean Beef" trademark is an example of an existing marketing program which responds to changes in consumer taste. Support for a statewide network of weavers and spinners of Wyoming wool is also gaining strength. In addition, projects that would have a statewide or regional benefit (i.e., agricultural incubator, malting plant or seed production industry) might be appropriate for state backing.

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AGRICULTURAL MARKET ANALYSIS

Laramie County, Wyoming

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April 1986