

Trends in Population Growth in the Bitterroot Valley

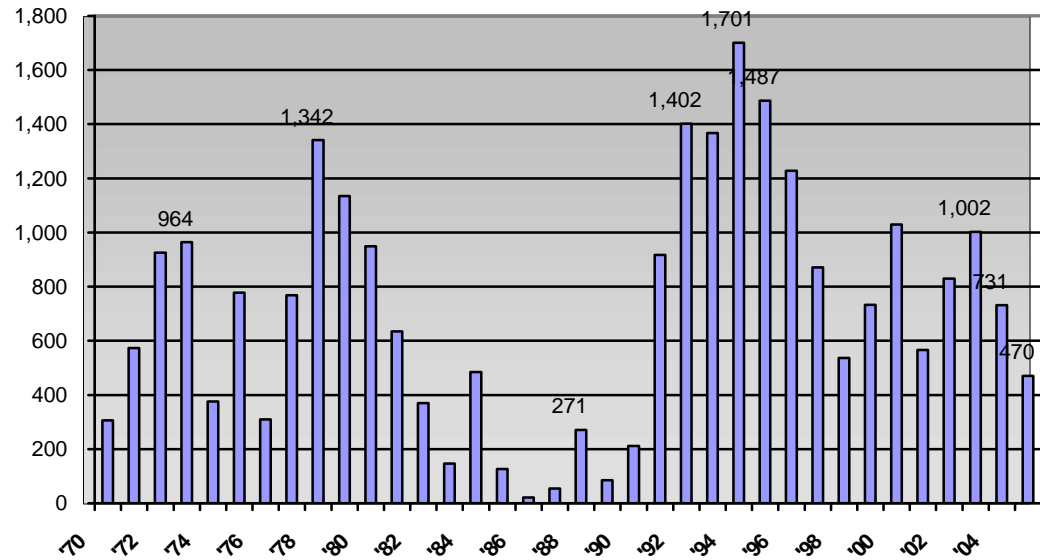
In 1970 the population of Ravalli County stood at 14,500 people. Growth was strong in the '70s and the population reached 22,600 by 1980. Growth waned in the early and mid-'80s, resulting in only a modest population increase to around 25,000 people by 1990. Strong growth then returned in the early '90s, pushing the valley's population to over 36,000 by 2000. The very latest estimate for July 1, 2005, places the county's population at 39,940.

Trends in growth over time can be viewed in both absolute terms and relative terms (percentage growth). The upper chart shows annual growth each year since 1970, using July 1 estimates by the Census Bureau and Bureau of Economic Analysis, U.S. Commerce Department. The lower chart shows annual percentage change.

During the '70s, annual growth rose as high as 6 to 7 percent in three of the ten years and in all but three years, was well over 3 percent growth. In the '90s, growth approached 6 percent in only one year (1993-94). During the first half of the '90s, Ravalli was one of the fastest growing counties in the entire U.S. More recently, annual growth has fallen to less than 3 percent and to less than 2 percent in each of the last two years. For the last three years, growth went from 2.7% (an addition of over 1,000 new residents) in 2002-03 to growth of 1.9% (plus 731) in 2003-04 and to growth of 1.2% (plus 470) in 2004-05.

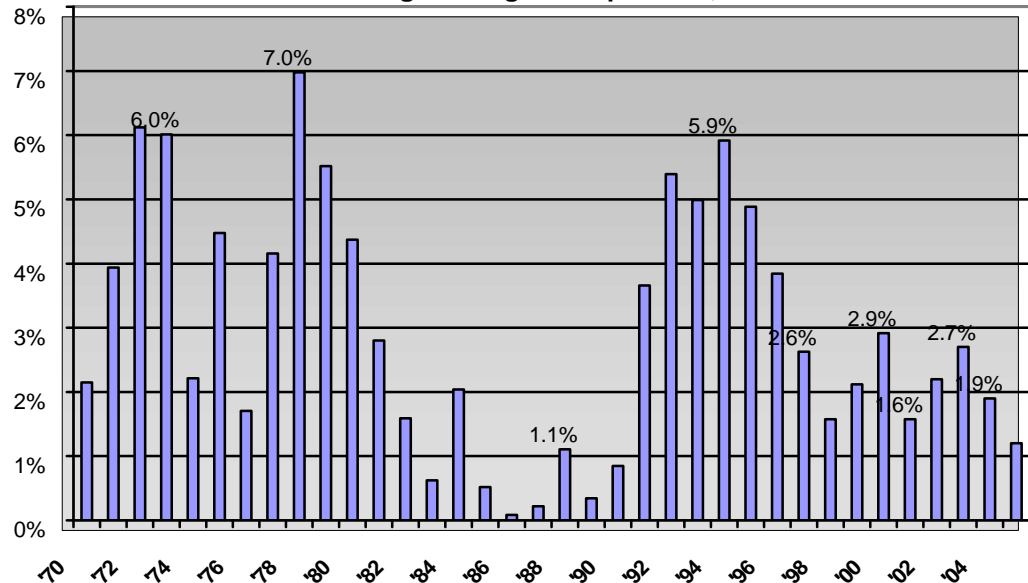
The direction in this growth trend is somewhat uncertain at this point.

Annual Population Change in Ravalli Co., 1970 to 2005



Source: Census Bureau July 1 estimates

Annual Percentage Change in Population, Ravalli Co.

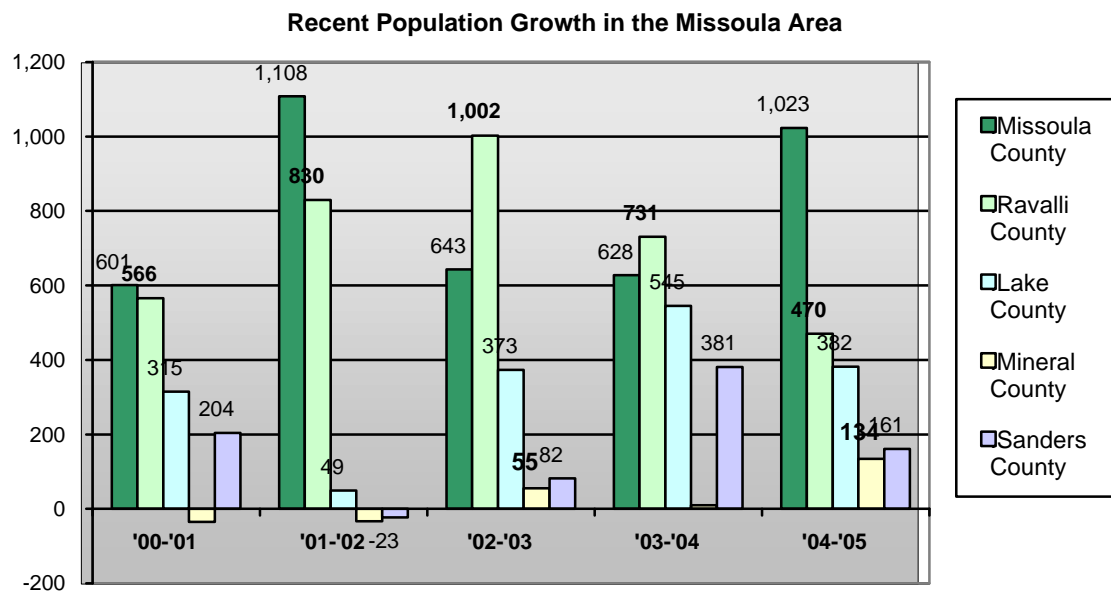


Recent Population Change in Nearby Counties

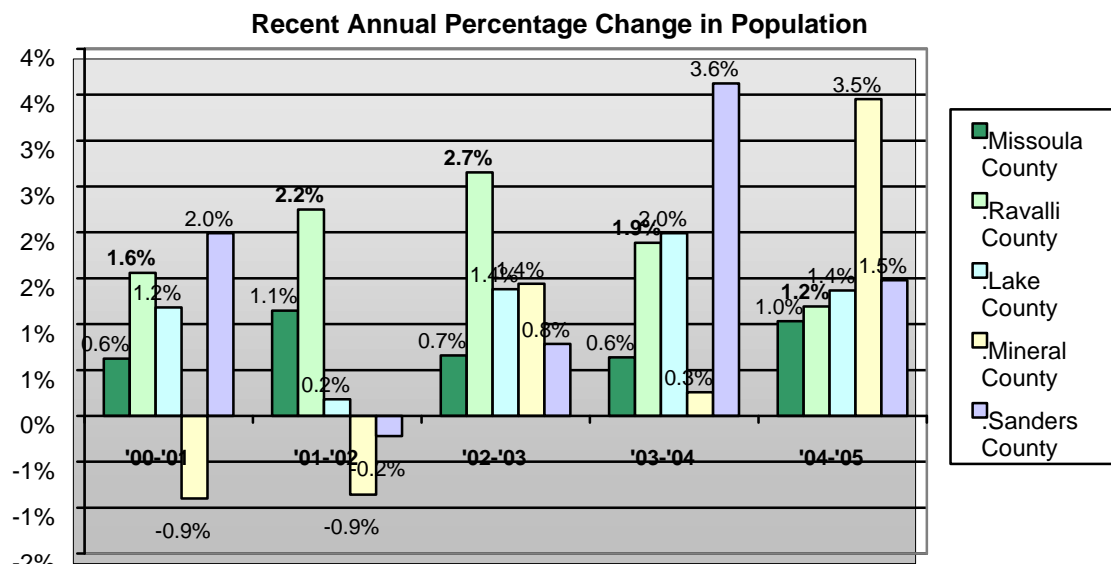
Ravalli County is one of several counties that are closely-linked to the larger nearby county of Missoula where the largest city in the immediate area is located. Missoula County grew from around 96,000 people at the time of the 2000 Census to over 100,000 in 2005. Just as growth has slowed a bit in recent years in Ravalli County, down from very high levels in the mid-'90s, growth also has slowed in Missoula County. Once growing by 2 percent or more a year, Missoula County more recently is growing at 1% or less a year.

The upper chart shows annual growth for Ravalli, Missoula, and several other counties in the larger multi-county area surrounding the City of Missoula. Mineral County, which had been losing population during the recent past is now seeing population growth. Sanders County also is growing. However, both of these counties have relatively small populations. Mineral County's 2005 population was a little over 4,000 and Sanders County's population was just over 11,000.

Lake County, directly north of the City of Missoula, had a 2005 population of over 28,000 and has been seeing steady growth of 1 to 2% in recent years. The five-county area centered around the City of Missoula (Missoula, Ravalli, Lake, Mineral, and Sanders) is the second largest regional population in Montana currently, just behind that of a ten-county area centered around Billings. However, in only a few more years, the Missoula five-county area's population will be the largest multi-county population concentration in all of Montana.



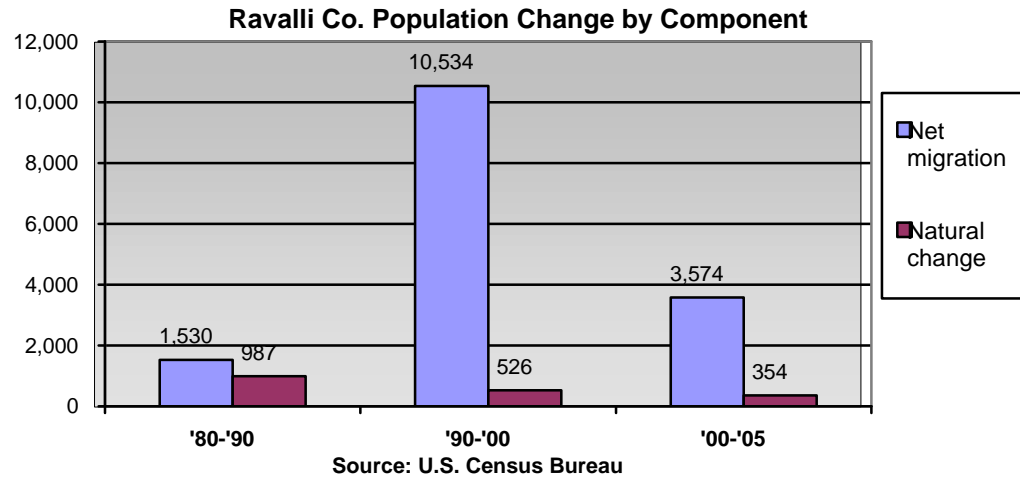
Source: U.S. Census Bureau estimates



Source: U.S. Census Bureau estimates

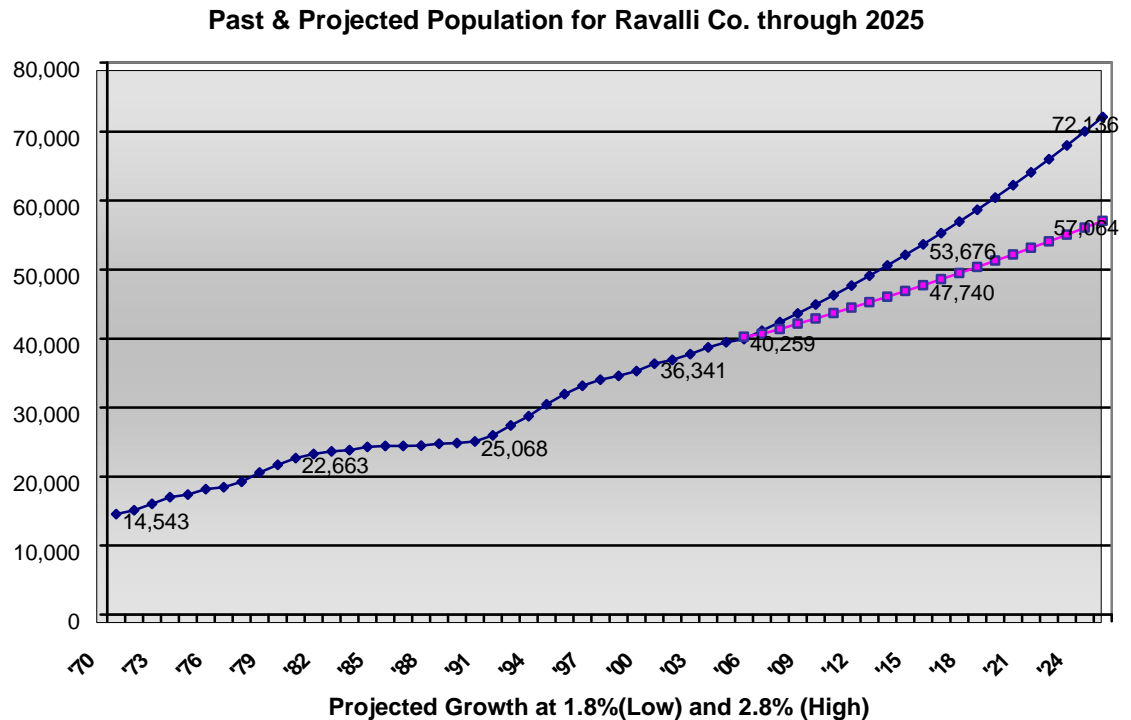
Past and Projected Population Change in Ravalli County

Population growth in the Bitterroot Valley is being largely driven by migration trends. The upper right chart shows population change by major component for three periods: 1980-1990, 1990-2000, and 2000-2005. During the '90s when growth greatly accelerated, 95 percent of this growth was due to increased net migration. Net migration in the '90s averaged about 1,050 annually. Net migration in the five years between 2000 and 2005 is averaging less than 720 annually.



The chart at the lower right shows total population levels for Ravalli County since 1970 when it totaled 14,500, and extending through 2005 when population reached 39,940. High and low projections are then shown extending through 2025. It is possible for future growth to exceed 3% a year or, conversely, fall below 1.5% due to some uncertainty. However, two sets of projections are made - a "low growth" scenario that assumes growth at about 1.8% annually and a "high growth" scenario that assumes growth at 2.8% annually.

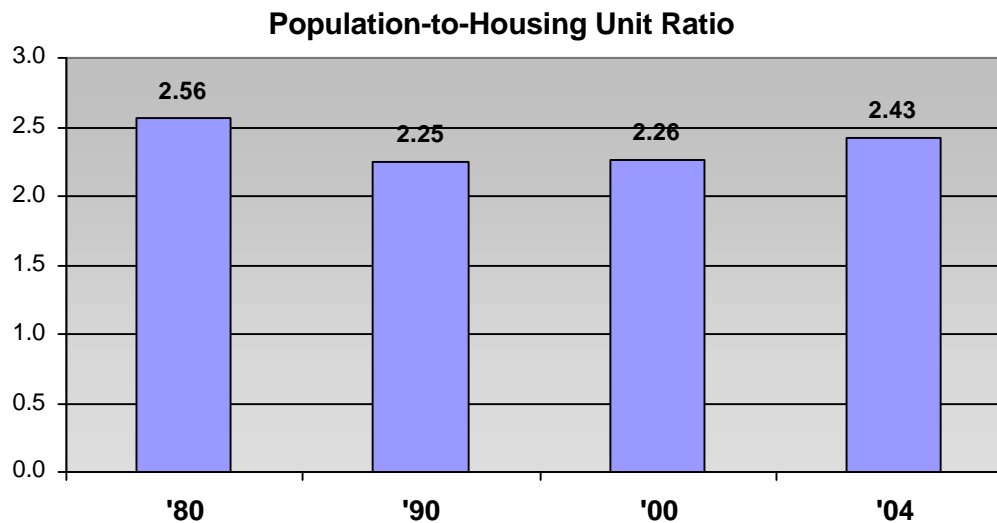
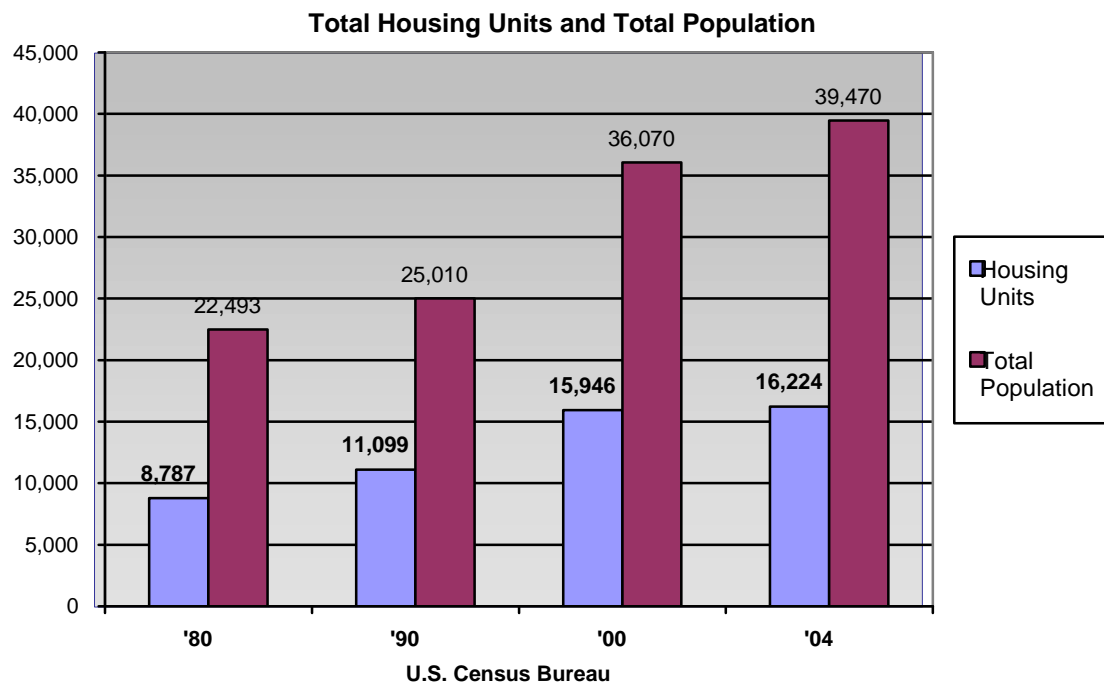
Under the low growth scenario, population in the Bitterroot will approach 48,000 by 2015 and 57,000 by 2025. In the higher growth scenario, the valley's population will rise to 54,500 by 2015 and exceed 72,000 in 2025. Based upon the recent slowdown in growth, the lower growth scenario may be more likely.



Total Housing Units in Ravalli County

The total number of housing units of all types in Ravalli County has grown as the population has grown. The top chart shows total housing unit counts next to population counts for the last three Censuses ('80, '90, '00). Also shown are estimates for housing units and population on July 1, 2004. Housing units are of all types, including occupied ones and vacant ones, owner occupied and rent occupied, and mobile homes and condominiums.

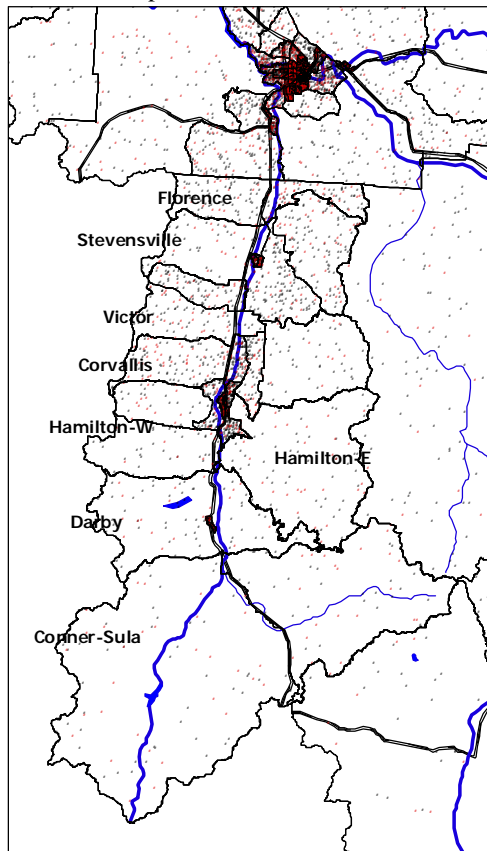
As the total population grew from 22,493 in 1980 to 36,070 in 2000 – a 60 percent increase - the number of housing units grew from 8,787 to 15,946 – a greater than 80 percent increase. The ratio of population-to-housing units over time is shown in the lower chart. This ratio fell from 2.56 in 1980 to 2.25 in 1990 and rose from 2.26 in 2000 to 2.43 in 2004. These fluctuations can be attributed to shifting age demographics in the county, with an older population and smaller households. As the number of young adults increases and birth rates rise, this ratio will increase.



Recent Housing Development in the Bitterroot Valley

The number of housing units in the Bitterroot Valley has steadily grown from 8,787 in 1980 to 11,099 in 1990 and to almost 16,000 in 2000. The map below shows the distribution of housing units in the valley by Census block group in 1990, with the ones existing prior to 1980 in black and the ones added between 1980 and 1990 in red (5 units per dot). The map at the right shows housing units distribution in 2000, with the ones added between 1990 and 2000 shown in red.

1980's Development

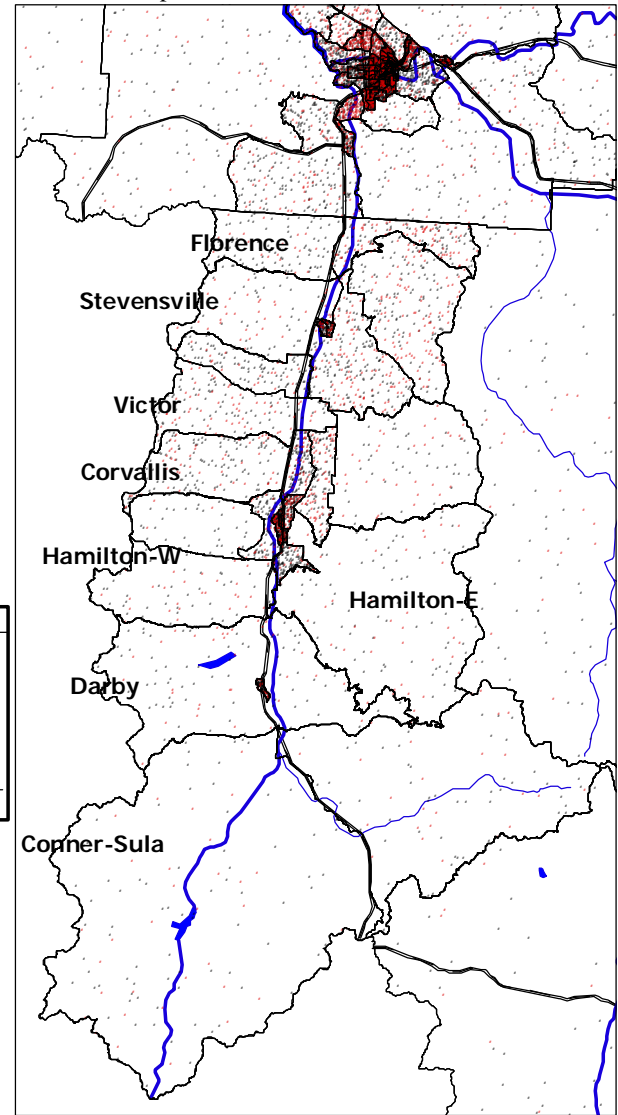


Neighborhood	Pre 1970	1970-80	1980-90	1990-2000	Total 2000
Florence	243	135	271	286	935
Stevensville	527	688	473	964	2652
Victor	280	258	161	252	951
Corvallis	257	363	250	512	1382
Hamilton-W	806	570	318	608	2302
Hamilton-E	1307	647	307	589	2850
Darby	810	852	512	1449	3623
Conner-Sula	326	293	227	405	1251
Total	4556	3806	2519	5065	15946

• 1 dot = 5 housing units



1990's Development

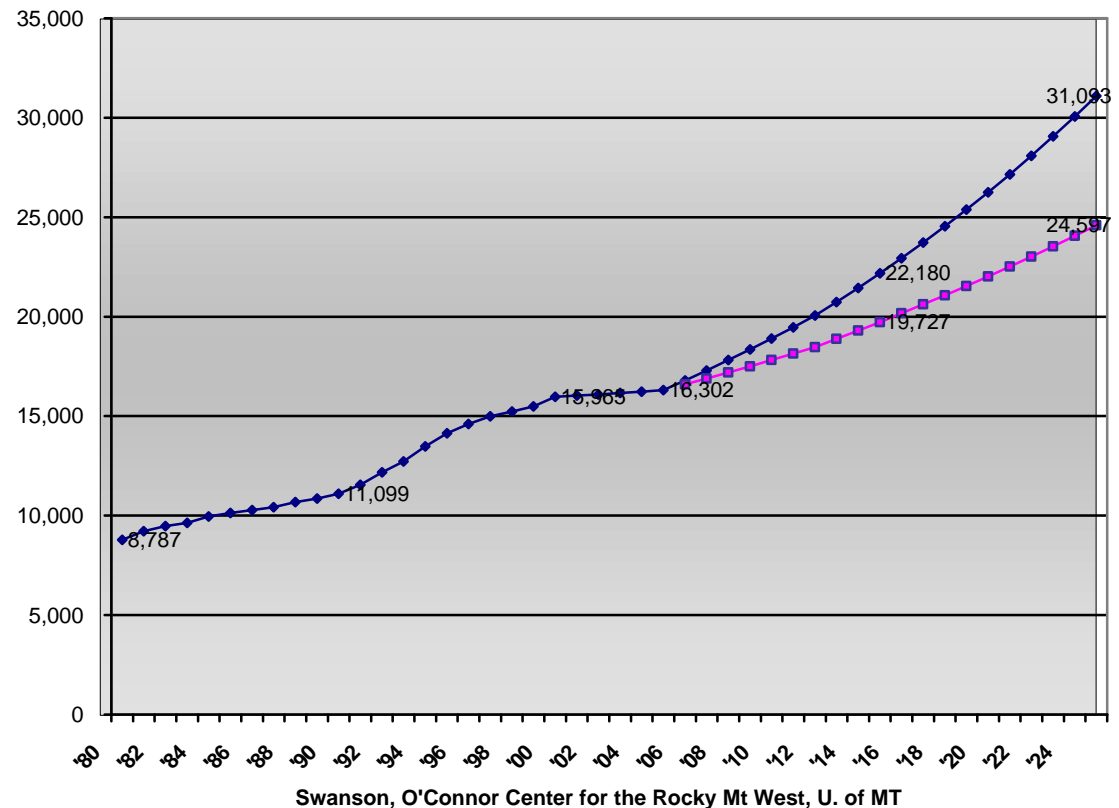


Past and Projected Housing Expansion in Ravalli County

There are solid numbers on the number of housing units in Ravalli County for each Census year ('80, '90, '00), and the Census Bureau has made estimates of the number of housing units for each year since 2000. Estimates for years between the Census years and for 2005 forward are made using population estimates and assumed ratios for population-to-housing. The population projections, as previously discussed, assume 1.8% (low) to 2.8% (high) annual growth. The population-to-housing ratio was 2.56 in 1980 and had fallen to 2.26 in 2000 before rising back to 2.43 in 2004. A ratio of 2.45 is assumed for each year between 2005 and 2012, but this is estimated to gradually decrease thereafter as the area population ages, falling to 2.32 by 2025.

Under these assumptions, the number of housing units in Ravalli County can be expected to grow from the current level of 16,302 to more than 31,000 by 2025 – an increase of 14,790 units or an increase of over 90 percent. However, under the more likely lower growth scenario (population growth at 1.8% annually), the number of housing units would reach 24,600 by 2025 – an increase of 8,300 units or 50 percent.

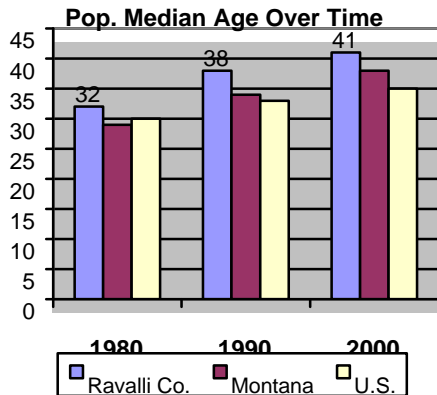
Past and Projected Housing Units for Ravalli Co. through 2025



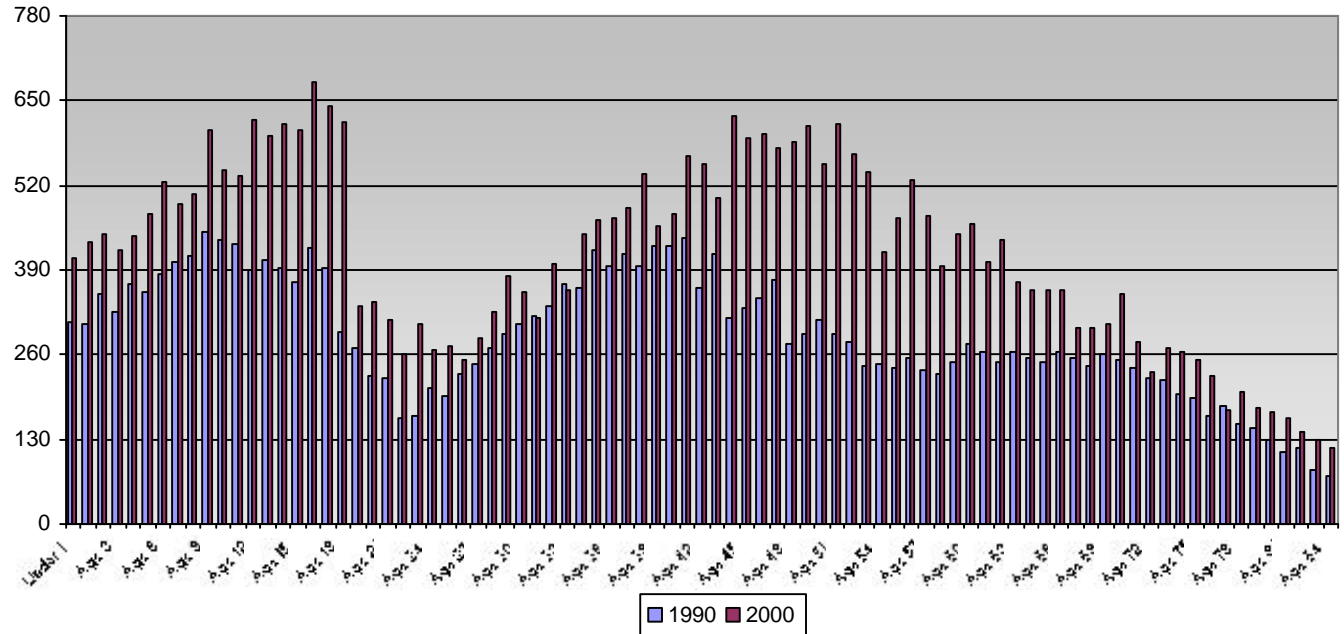
As more homes are built in the Bitterroot Valley, there will be a corresponding impact on area land use. More land will be developed for housing of all types. Some of the new housing will occur within or closeby incorporated communities in the county and some will occur in outlying areas. Some will be part of relatively small developments, perhaps one house at a time. And some will be part of relatively large developments containing several hundred housing units. Some will be single family homes on relatively large tracts or building sites, while some will be townhomes or condominium units and apartments.

Ravalli's Population by Single Ages: 1990 vs. 2000

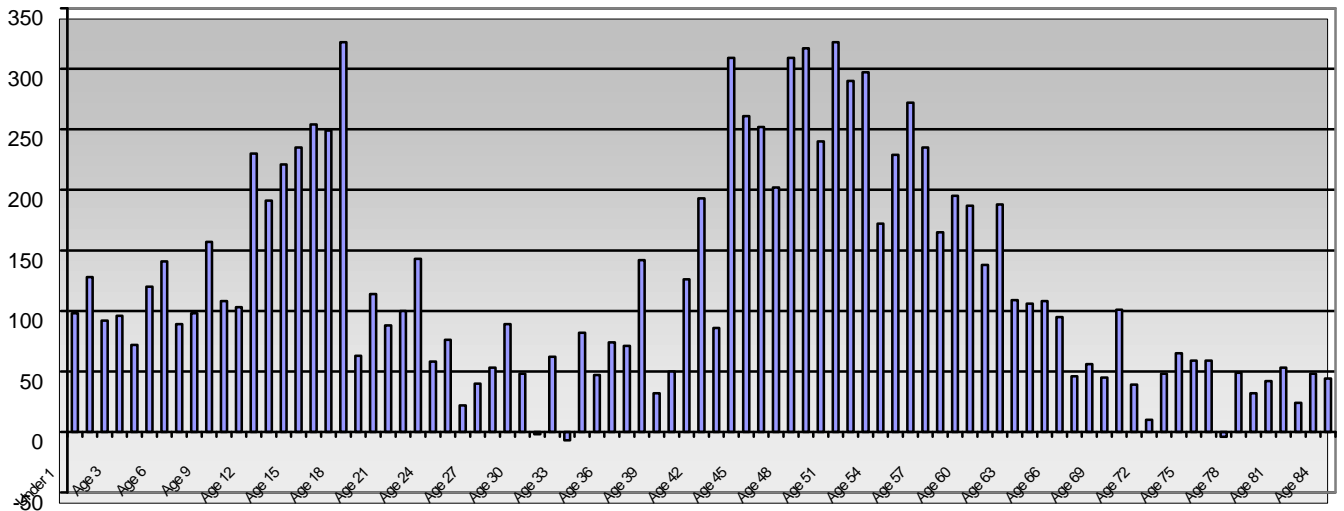
The upper right chart shows Ravalli County's population by single age in 1990 and ten years later in 2000. Population growth during the ten-year period is concentrated among persons in their 40s and 50s ("baby boomers") and among young adults in their teens (boomer "echo"). A general aging of the population as it grows is also reflected in median age figures, showing the median age of Ravalli Co. rising from 32 in 1980 to 41 in 2000. Ravalli County's population is older in relative terms than the state population as a whole.



Ravalli County Population by Single Age, 1990 vs. 2000



Ravalli Co. Population Change by Single Ages, 1990 - 2000



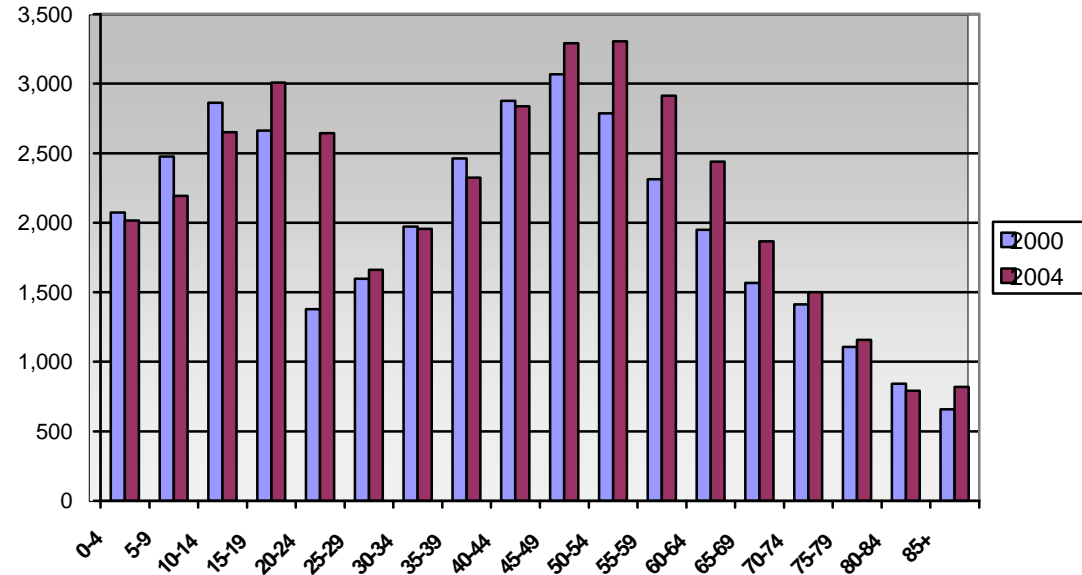
Current Age Group Distribution of Ravalli County's Population

The U.S. Census Bureau produced estimates of county-level populations by detailed age groupings for their 2004 population estimates. Ravalli County's population grew from 36,070 people in 2000 to an estimated 39,376 in 2004. The chart at the upper right shows how this population change occurred for 5-year age groupings from youngest (0-4) to oldest (85 and older).

The county's most recent growth is concentrated among persons 45 to 70 years of age and most of these are aging baby boomers. There also is significant growth in the number of young adults (20-24) and teenagers (15-19) and both of these fit into what is referred to as the "boomer echo," which is the children of boomers. The population of children under 15 is shrinking and there was some shrinkage in persons between 30 and 45.

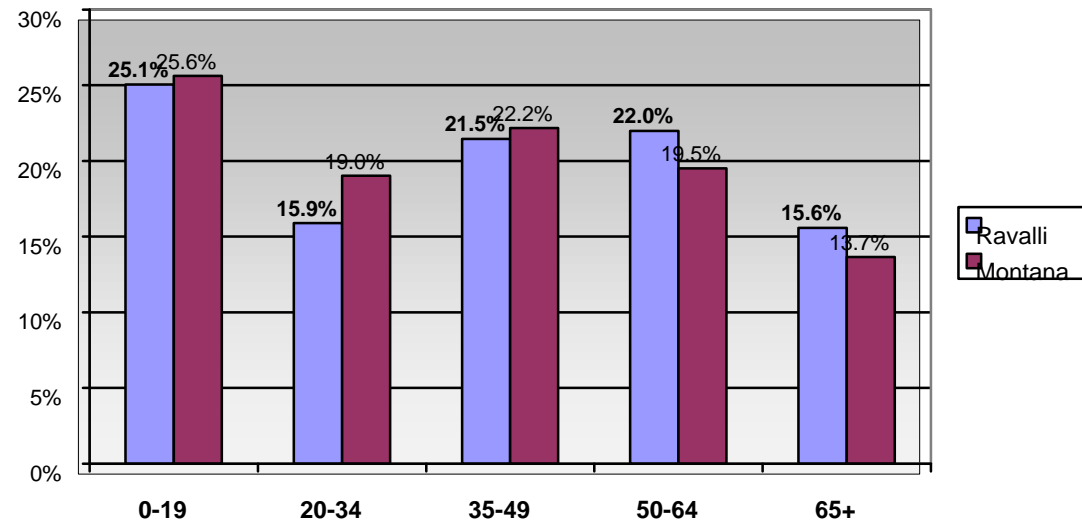
As indicated previously, the population of Montana is projected to become one of the oldest populations among U.S. states over the next ten to fifteen years, having major implications for the size of the labor force (older populations have a smaller share of the total at ages of workforce participation), housing (older people without children have different housing needs and wants than younger adults), and also health care. The lower chart shows how Ravalli's population compares to that of the state as a whole in terms of shares of the population across major age groupings. Ravalli's population is older than the state as whole in terms of having greater shares of the population 50 to 64 years of age (22% vs. 19.5%) and 65 and older (15.6% vs. 13.7%).

Ravalli Co. Population by 5-yr. Age Groupings: 2000 vs. 2004



Source: U.S. Census Bureau

Age Grouping Shares of the Total Population, Ravalli vs. Montana



Montana's Projected Population Change by Single Age for 2000-2010

The upper chart shows the population by single age as projected for 2010 by the U.S. Census Bureau and for ten-years earlier in 2000. During the '90s, the greatest growth in population was among persons between 40 and 60. In the current decade, this growth shifts to persons 50 to 70 as baby boomers age. The second bubble in the population – boomer echo – shifts to growth in persons 25 to 35.

Two significant dips in the population are projected - one for persons between 36 and 47 and the other for young persons between 8 and 21. Decline in this latter age range will ripple through Montana's high schools and colleges, reflected in falling high school enrollment and in-state college students. The increase in population 25 to 35 further reflects itself in an increase in very young children or those under 7 or 8.

Projected Montana Pop. by Age: 2000 vs. 2010

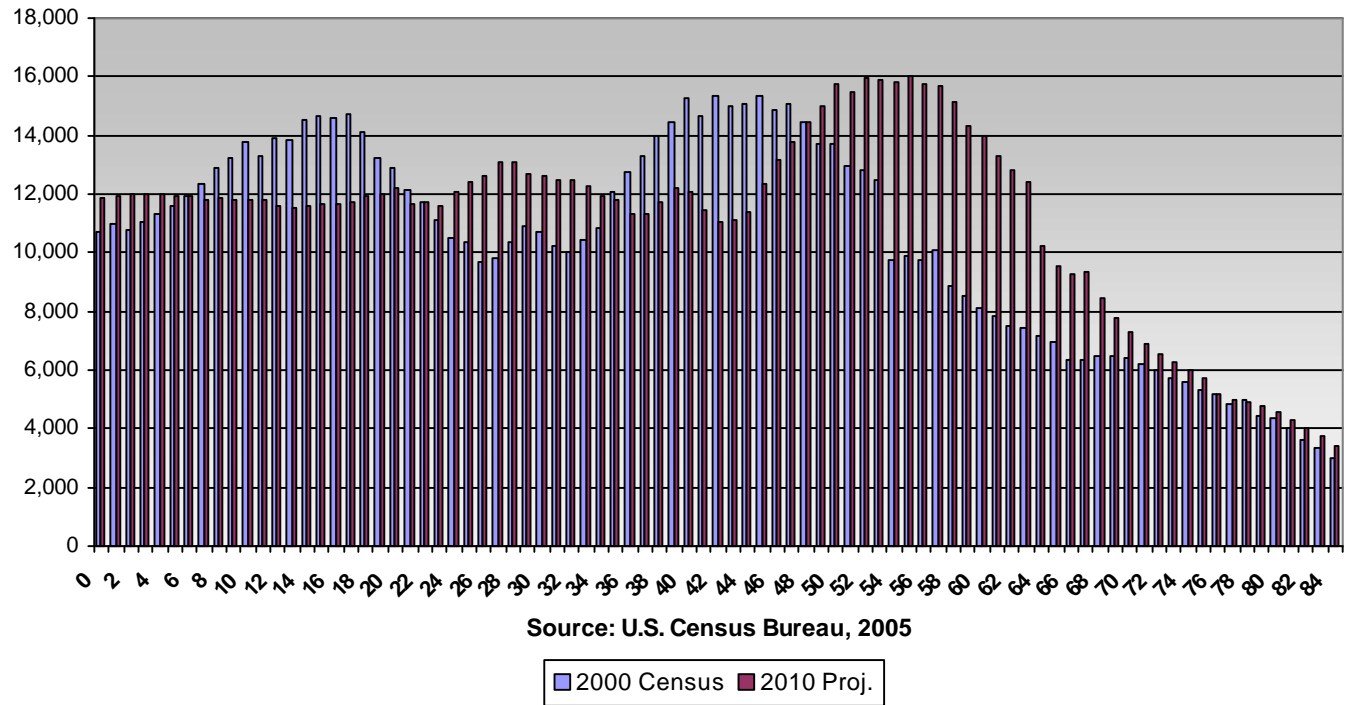
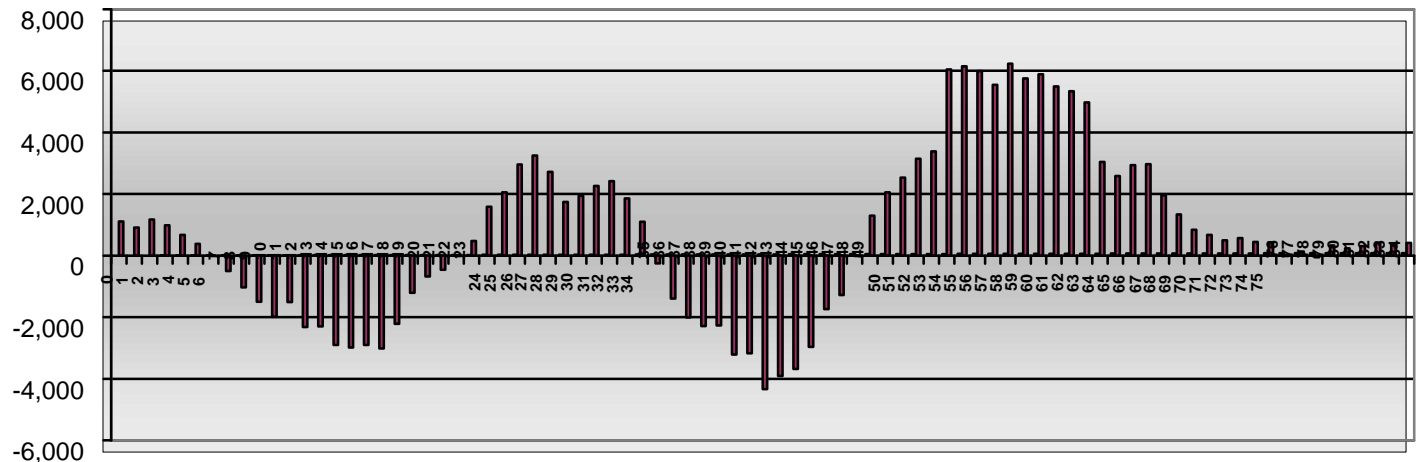


Fig 6: Montana Projected Pop. Change by Age: 2000 to 2010

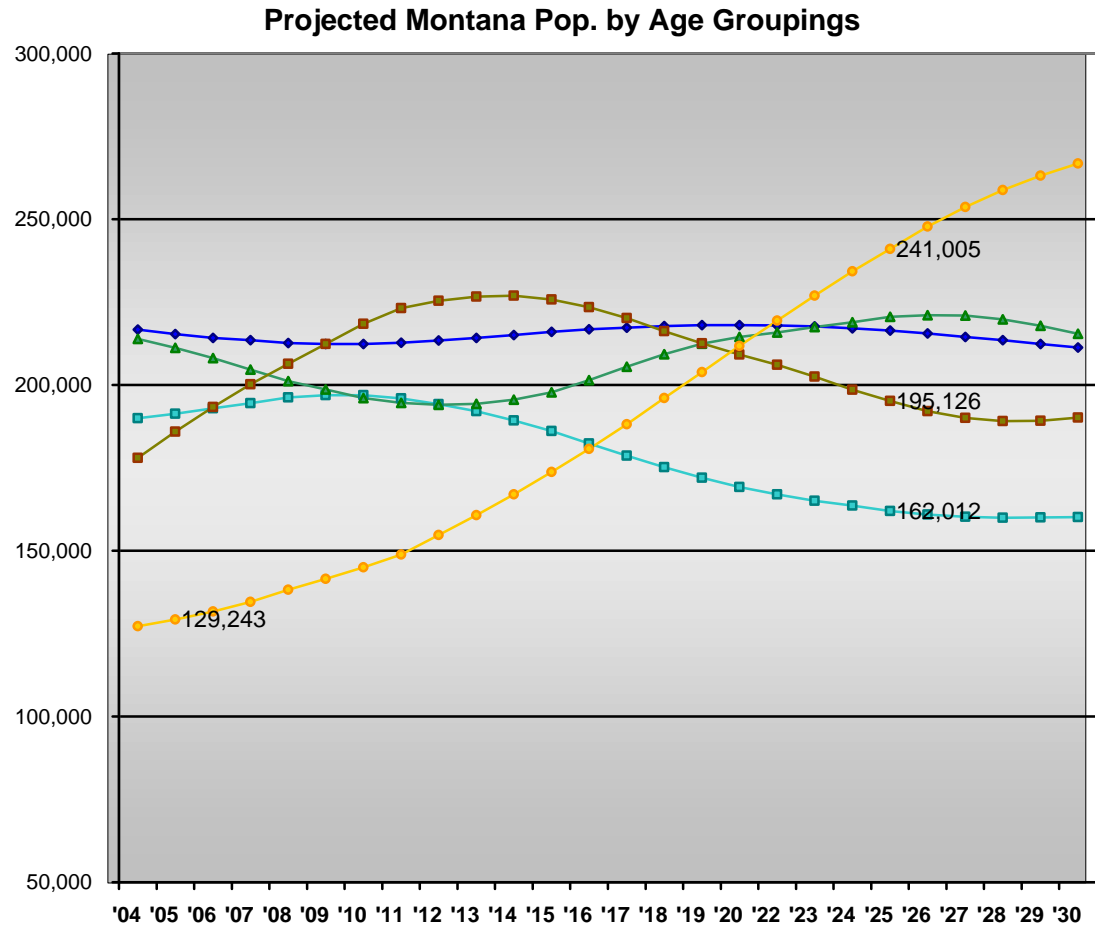


Projected Populations for Major Age Groupings in Montana

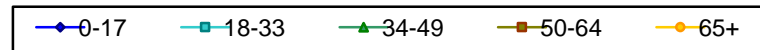
Census Bureau population projections by single age are grouped into five major groupings to view how population levels are expected to shift given underlying age demographics and to further examine how projections may affect the size of the state's work force. These five groupings are:

- Under 18 (school age and younger population – pre-work force population)
- 18 to 33 (young adult, work force population)
- 34 to 49 (mid-life work force population)
- 50 to 64 (older adult, work force population)
- 65 and older (retirement population)

The chart at the right shows projected population levels in Montana for each of these groupings between now and 2030. The under 18 population will slightly decline before rising after 2012 and then begin another decline after 2020. The young adult, work force population, which is currently rising, will start to decline after 2010 and fall until about 2027. The mid-life work force population, which is currently falling, will begin to increase after 2013 and rise until about 2026. The older adult, work force group will sharply increase in the next several years before falling after 2014. And the senior or retirement age population will sharply increase.



Source: U.S. Census Bureau, 2005



While Montana's overall population is projected to gradually increase over time, there will be significant swings in population by major age grouping. These swings add complexity to confidently estimating further employment levels in Montana, which quite clearly may be constrained by growth in the state's available work force.

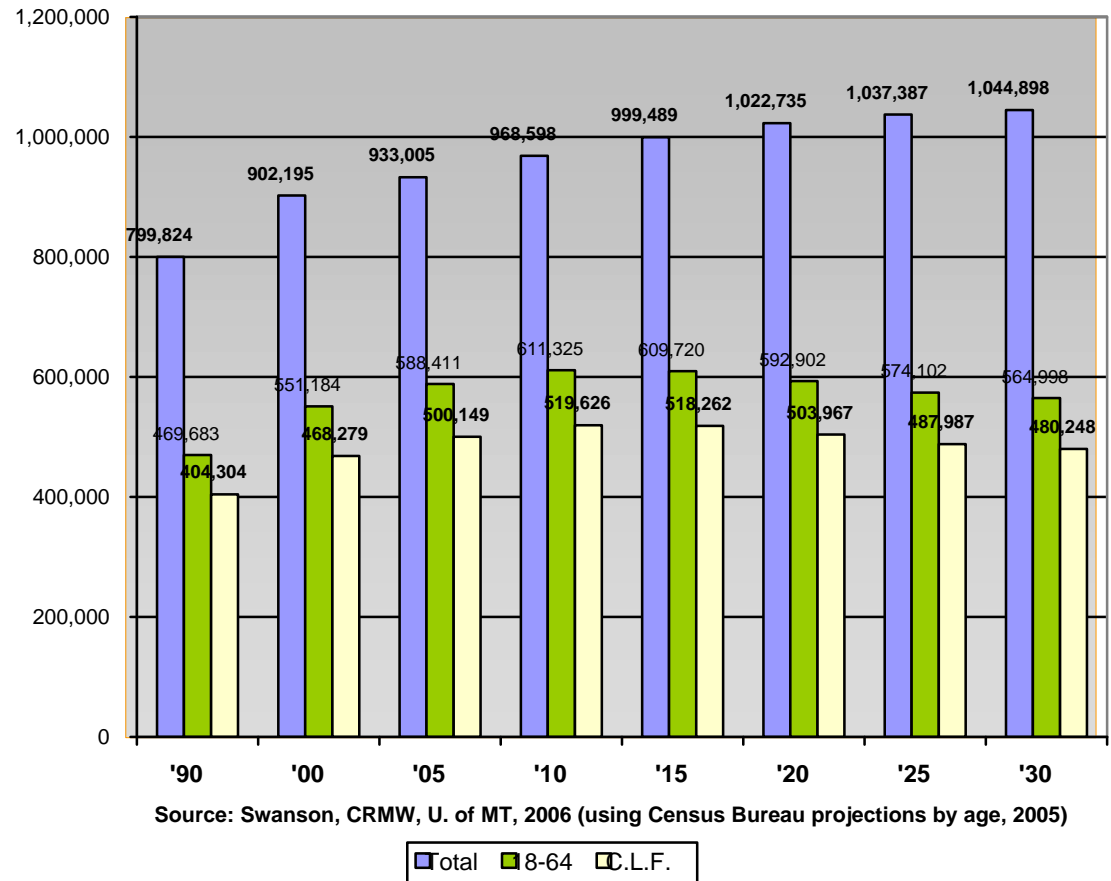
Past and Projected Civilian Labor Force in Montana using Census Bureau 2005 Population Projections

The labor force is primarily composed of adults between the ages of 18 and 64. The chart at the right shows past and projected population, as currently projected for Montana by the U.S. Census Bureau (2005 projections). Also shown are past and projected populations for persons 18 to 64. While the total population is projected to continue increasing, the population between 18 and 64 is projected to plateau in 2011 through 2013, then begin a gradual decline.

The ratio between the total civilian labor force in Montana and the state's population 18 to 64 was 86% in 1990 and 85% in 2000. This ratio has been fairly stable over time. Extending this ratio forward and applying it to these population projections provide rough estimates of the size of Montana's civilian labor force in the future as these population and age projections unfold.

Because the work force age group of the population peaks and begins to decline after 2011, so should the total size of the civilian labor force. As can be seen, it will rise from 500,000 in 2005 to about 520,000 in 2010, then plateau and slightly decline to 518,000 in 2015. This decline would continue through 2030.

Fig. 16: Montana Labor Force Projections using Census Bureau Population Projections



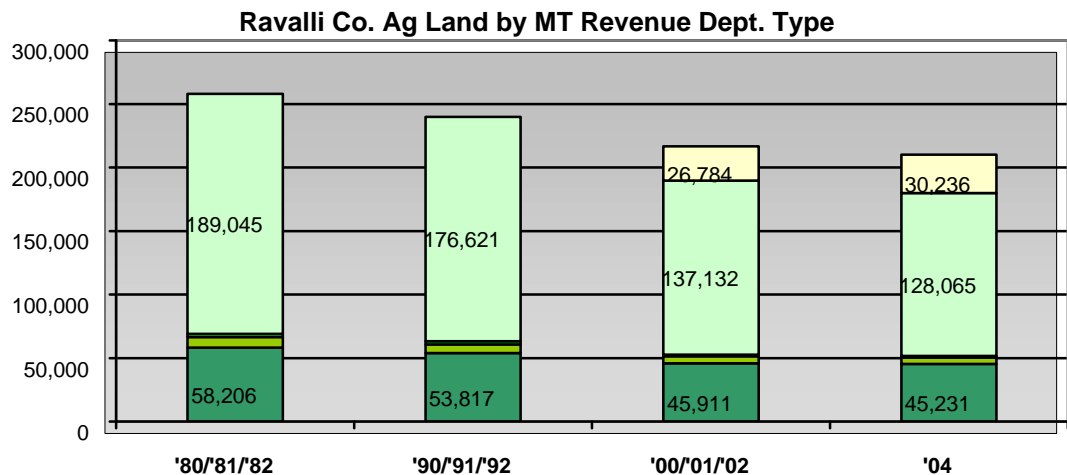
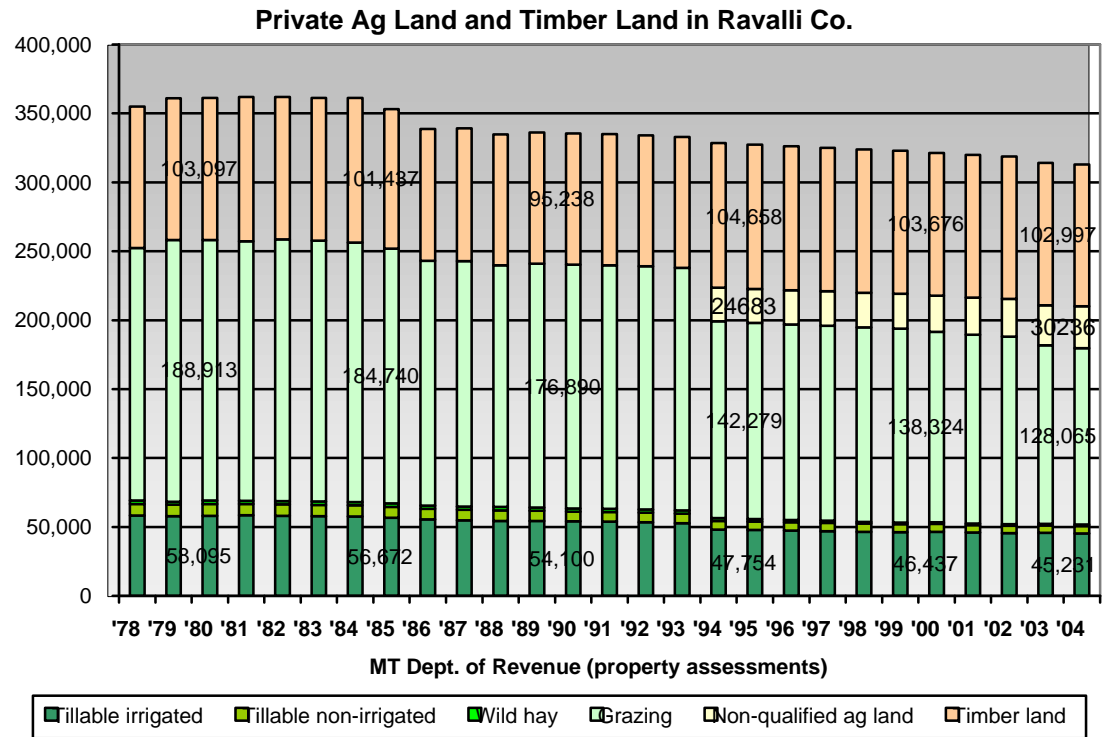
In projecting future growth in the state's labor force, it is very important to factor in how labor force expansion in the state may be constrained by shifting age demographics. If the population at prime ages of work force participation is not growing, then the labor force itself cannot grow. And if labor force expansion is constrained, so will be employment and labor earnings growth. At the national level there is a growing appreciation of how changing age demographics will constrain expansion of the labor force. However, in states like Montana with older populations than the nation as a whole, there is little appreciation of how this same phenomena could result in an actual decline in the state's labor force in future years.

Agricultural Land in the Bitterroot Valley

There are two major sources of information on area ag land acreage. One is the U.S. Census of Agriculture who does comprehensive assessments of agriculture every five years, including estimates of land in farms. The other is the Montana Department of Revenue (MDOR) who classifies and periodically values all land and other property for taxation purposes. MDOR assigns land parcels to various classifications, including various categories of ag land, and these assessments are done annually.

Parcels 160 acres and larger that are under one ownership are classified as "agricultural." Parcels 20 to 160 acres in size under one ownership are classified as agricultural if at least \$1,500 in agricultural product is produced and sold. If this \$1,500 threshold in ag sales is not met, these parcels are classified as "non-qualifying ag land." (this practice began with the 1994 assessments). Parcels under 20 acres that meet the \$1,500 threshold are classified as ag land. Those not meeting this are classified as rural "tract" land.

Ag lands are further classified by the following types: tillable irrigated land, tillable non-irrigated land, wild hay land, and grazing land. The upper right chart shows ag land by type for Ravalli County since 1978. Land classified as private timber land also is shown. In 2004 there was over 210,000 acres of various types of ag land, including over 30,000 acres in "non-qualifying ag land." This is down from nearly 218,000 acres in 2000, 223,000 acres in 1995, 240,000 in 1990, 252,000 in 1985, and 258,000 in 1980. The lower chart shows 3-year acreage averages (except '04).



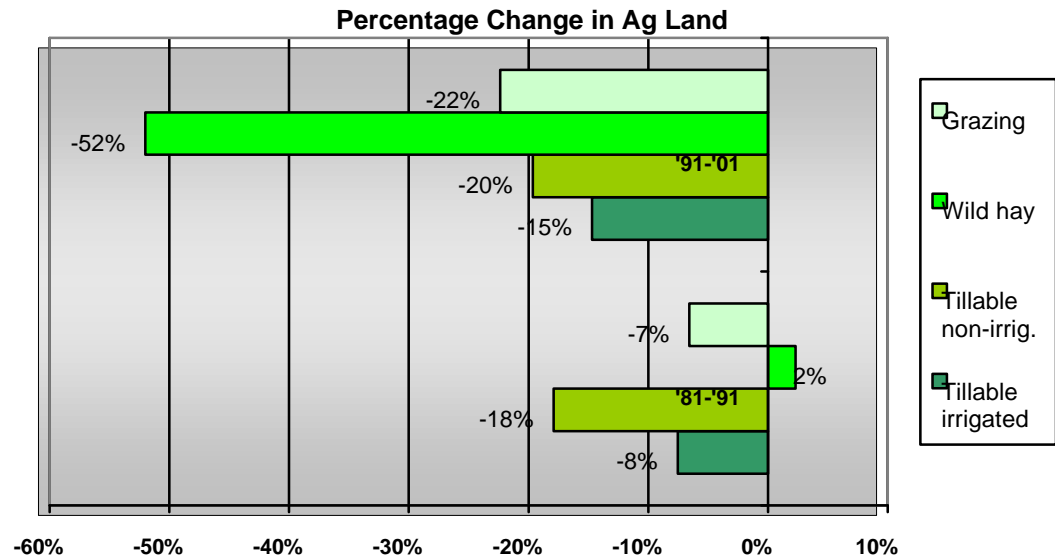
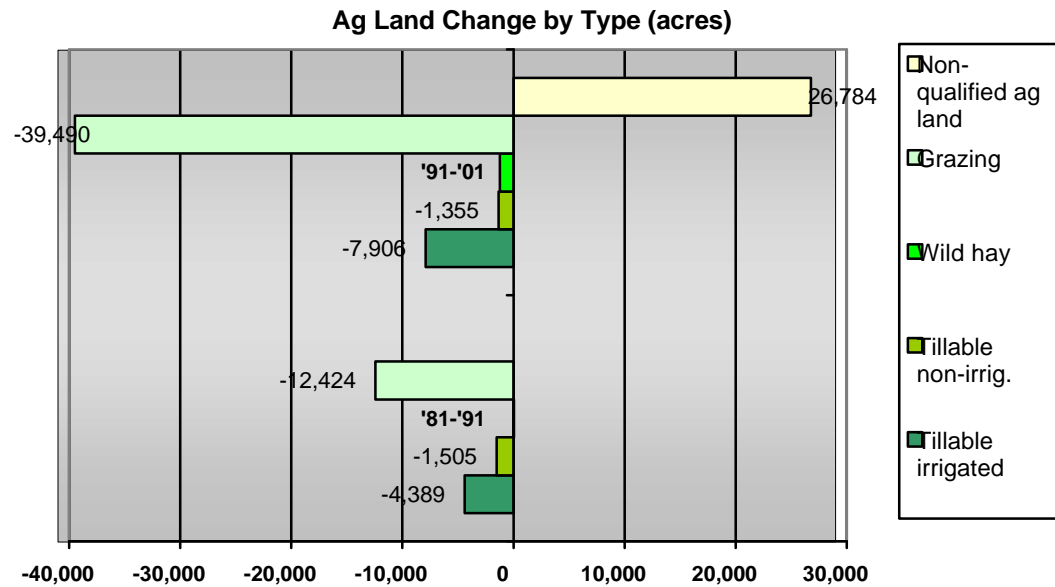
Change in Ag Land by Type in Ravalli County

The chart in the upper right shows change in the number of ag land acres in Ravalli County by type for two different periods: the early '80s to early '90s (using three-year averages for ag land for each such as '80, '81, '82 and '90, '91, '92), and the ten-year period since the early '90s (again using three-year averages). MDOR data on county ag land are used in these charts.

In the earlier period, grazing land acreage fell by 12,424 acres (a 7 percent fall), tillable irrigated acreage fell by 4,389 acres (8 percent decline) and tillable non-irrigated acreage fell by 1,505 acres (an 18 percent decline). In the latter period during the '90s when growth in the valley significantly increased, grazing land acreage declined by 39,490 acres (down 52 percent), tillable irrigated land fell by 7,906 acres (down 15 percent) and tillable non-irrigated land fell by 1,355 acres (down 20 percent). Land from which wild hay was harvested, although small in total acreage, fell by over 50 percent.

In this latter period during the '90s, the amount of land placed in the "non-qualifying ag land" (parcels of 20 to 160 acres that don't have agricultural sales of at least \$1,500) rose to 26,784 acres. This land also could be construed as "lost ag land" in that it appears to have been taken out of commercial agricultural production and use in that it no longer has ag sales of any significance.

Ag land loss in the valley is largely associated with population growth and housing and other development that accompanies this growth.



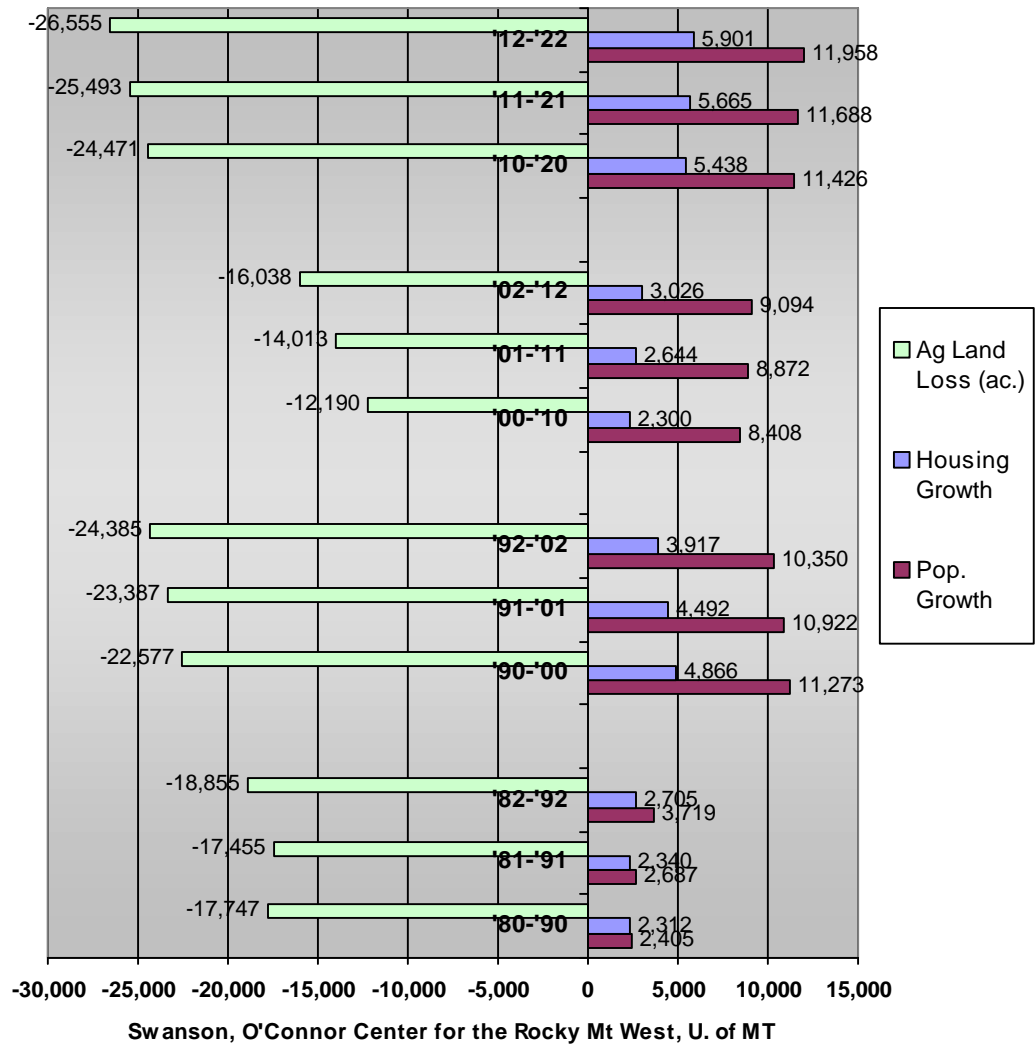
Population and Housing Growth in the Bitterroot and Associated Ag Land Loss

In the mid-'90s ag land of some type accounted for roughly 70 percent of all land in Ravalli County that was outside of Forest Service lands. Because of this, as the population of the valley has grown and the number of housing units increased, there has been a steady decline in valley ag land. The chart shows this change for succeeding ten-year periods. The 1980-90, 1981-91, and 1982-92 comparisons are at the bottom of the chart. Above these are ten-year periods dating from the early '90s: 1990-2000, 1991-2001, and 1992-2002. Projections for subsequent sets of ten-year period up through 2012-2022 are shown at the top.

For each set of years, the chart shows population and housing growth for these periods at the right and corresponding losses in total ag land at the left (which includes DOR's "non-qualifying" ag land). In the period from the early '80s to early '90s, there was a greater than 7 acre decline in ag land for every additional housing unit. This association fell to a 5 to 6 acre loss per housing unit in the next ten-year period (early '90s to early 2000). The top two sets of years for ten-year periods then show projections for the future.

In making estimates for the future, assumptions must be made regarding probable future ag land losses associated with additional housing units. And it is assumed that with an older population in the future, this ratio (how much ag land is lost as new housing is added) will gradually decline from present levels.

Population and Housing Growth and Associated Ag Land Loss in the Bitterroot



For the 2000-01-02 to 2010-11-12 period, a ratio of 5.3 is assumed. And for the 2010-11-12 to 2020-21-22 period, a ratio of 4.5 is assumed; that is, the association between housing development and associated ag land loss would fall to a loss of 4.5 acres per housing unit.

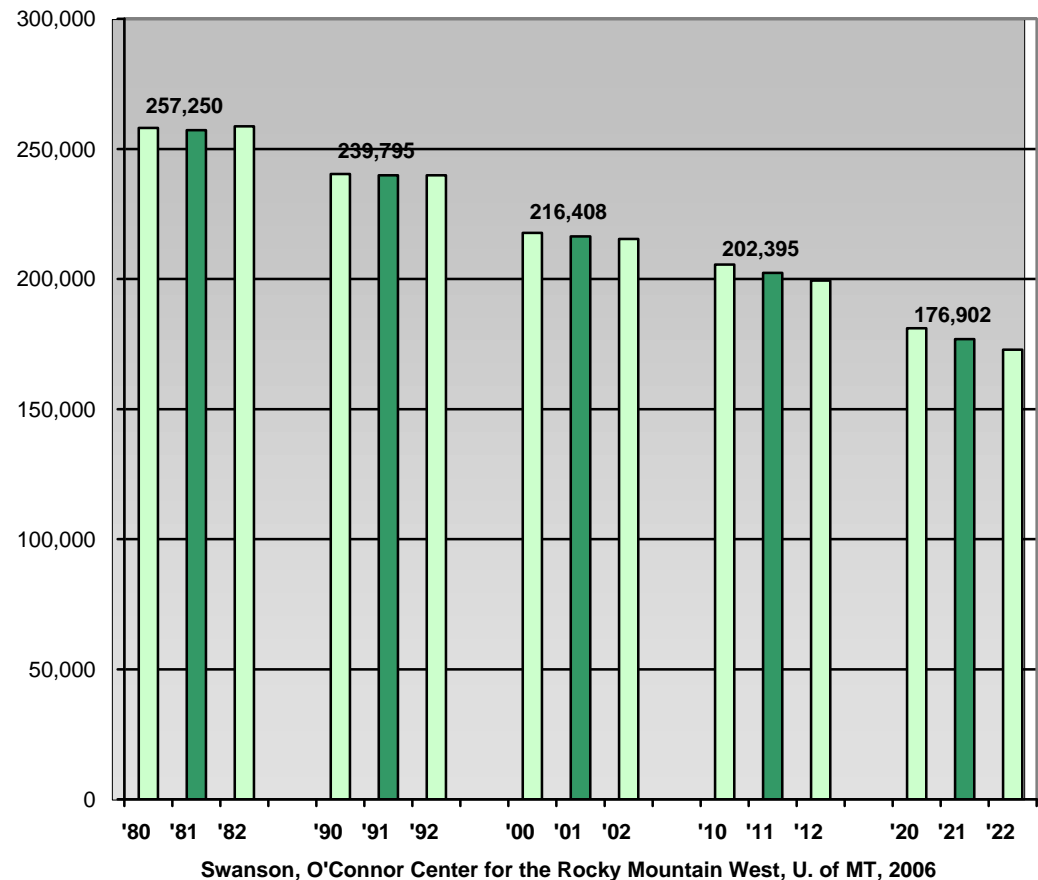
Past and Projected Ag Land in the Bitterroot Valley

Under current and emerging population growth and land development and conversion patterns, the total acreage of ag land in the Bitterroot Valley will see continuing decline. Ag land acreage totaled around 216,000 acres in the early part of this decade, down from 240,000 acres in the early '90s (a decline of over 23,000 acres or 10 percent), which was down from 257,000 acres in the early '80s (a decline from the early '80s to early '90s of nearly 17,500 acres or nearly 7 percent).

By the early part of the next decade (2011) ag land is projected to fall to about 202,000 acres (a decline of about 14,000 acres or a 6.5% fall in ten years). And by 2021 ag land acreage in the county would total only 177,000 acres under these projections – a fall of another 25,000 acres from the 2011 projected level or ten-year decline of 12.6%. This would be a decline of nearly 40,000 acres or 18% fall from recent levels. The latest DOR total for ag land of 210,000 acres in 2004, an 18% decline in twenty years would translate into a loss of nearly 38,000 acres between 2004 and 2024.

In interpreting these estimates of potential ag land loss in the Bitterroot Valley, it's important to keep the following assumptions upon which they were based in mind. First, a mid-point population projection is used between the "low" and "high" scenarios for Ravalli County of 1.8% to 2.8% (or 2.3%). Second, a ratio of population-to-housing units of 2.45 through 2012 that then gradually falls to 2.36 by 2025 is assumed (the decline reflects a steadily aging area population and the notion that persons per household fall among older populations).

Past and Projected Ag Land in the Bitterroot



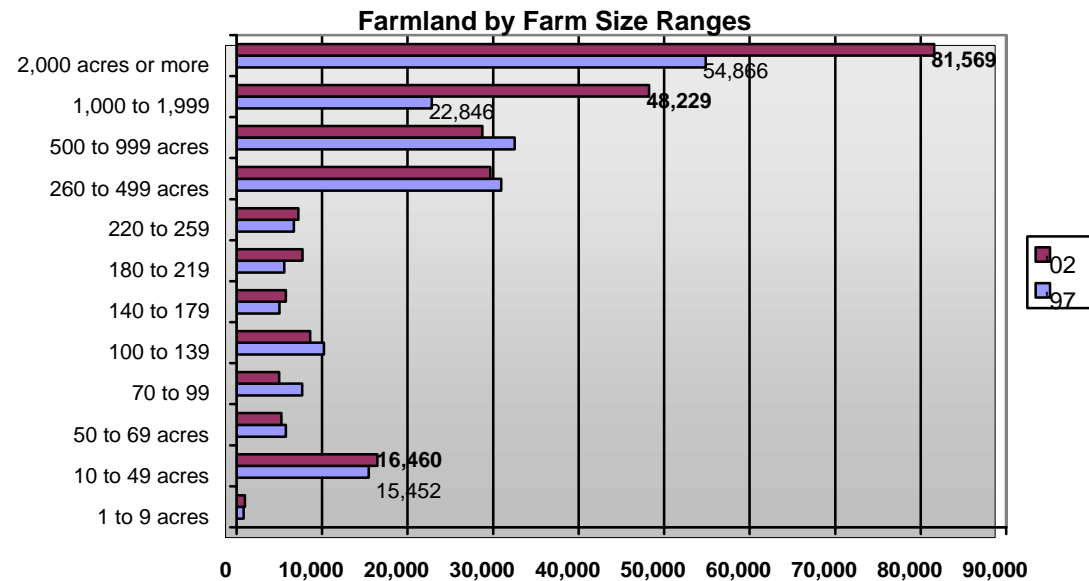
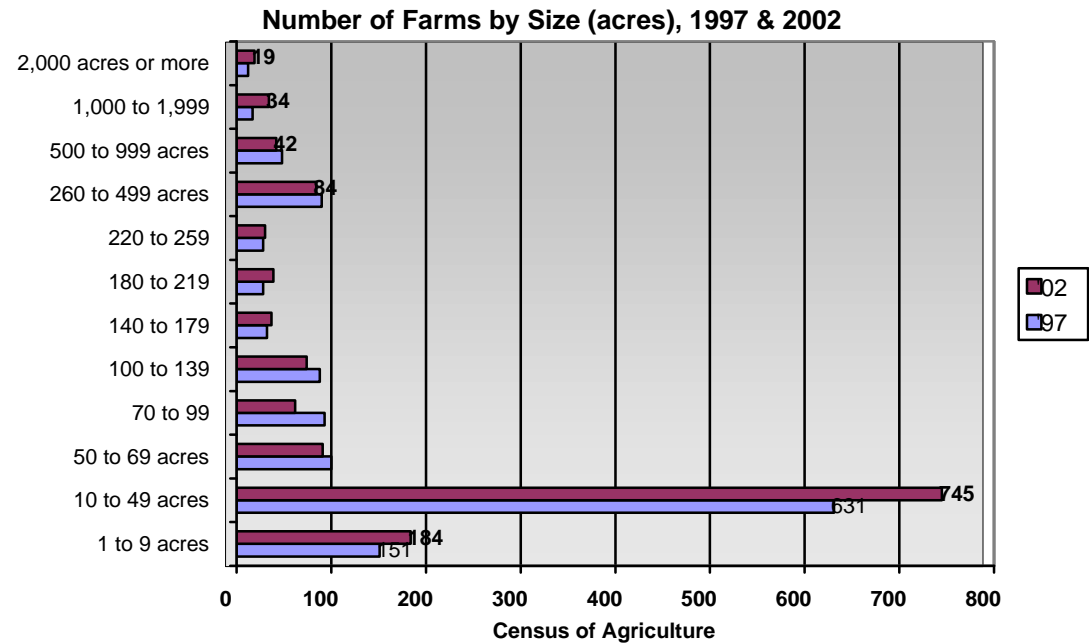
Next, it is assumed that the ratio of ag land loss per new housing unit will also fall as the population ages from recent levels of 5 to 6 acres of ag land per unit to 5.3 acres per unit over the next ten years and to 4.5 acres per unit over the subsequent ten-year period. Finally, these ag land loss projections would largely reflect future growth and development in the valley under present management and planning, recognizing that the past pattern of ag land loss could be reduced with more strenuous planning in the valley.

Farm Size Distribution in Ravalli County

Ravalli County is 2,400 square miles in size with 1,862 square miles of this total land area in federal land ownership – mainly Forest Service national forest and national forest wilderness areas. The remaining 538 square miles of land (344,000 acres) is largely non-federal land and primarily private lands (although there are some other federal lands in the county, such as fish and wildlife refuge lands, and some state lands). Of these 344,000 acres, an estimated 245,133 acres were considered part of land owned by farms in the Bitterroot in 2002 (over 70 percent of this remaining land).

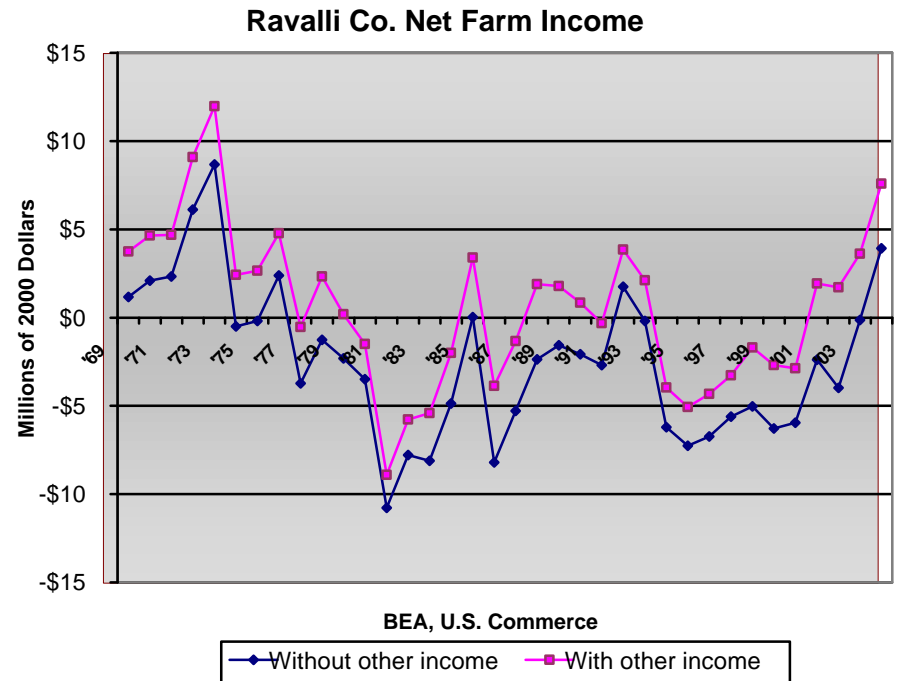
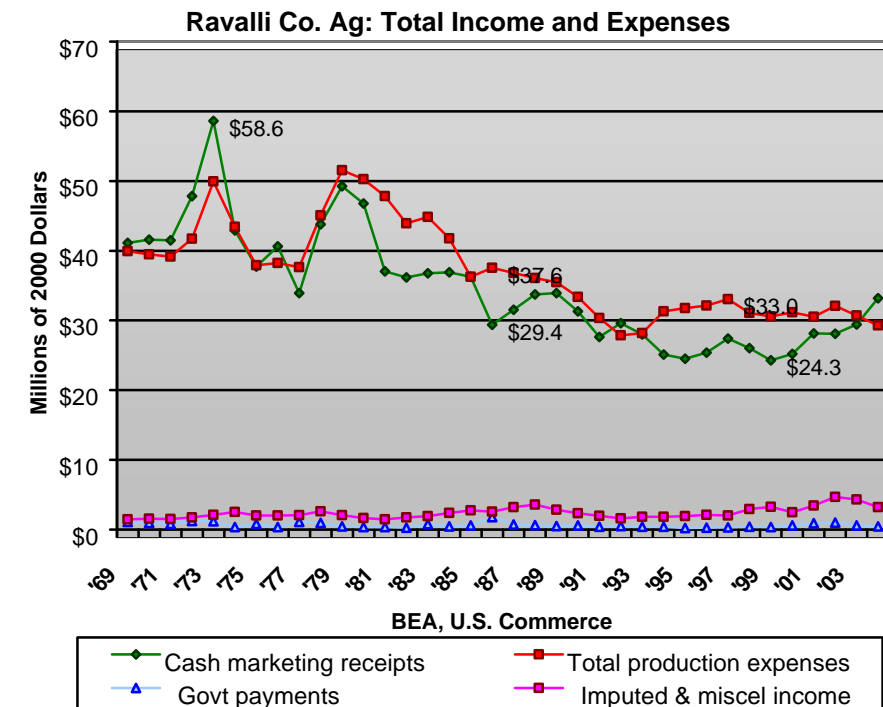
The number of farms in the county totaled 1,441 in 2002, up slightly from the previous Census count in 1997. Farms are all operations producing and selling agricultural product of \$1,000 or more during the year. The upper chart shows the distribution of farms in the county by size classes in acres, with large farms and ranches of 2,000 acres or more at the top (19 farms in all) and very small farms of less than 10 acres at the bottom. Just over half of all farms in the valley are in the 10 to 49 acre class (745 farms). Another 184 farms are in the under 10 acres group.

The lower chart shows how farmland in the county is distributed by farm-size classes. Over 81,000 acres of the 245,133 total is in the very largest farm-size class (2,000 plus acres). The next highest farmland acreage is by the 34 farms 1,000 to 1,999 acres in size. Over half of all farmland in the county is in the two very largest farm-size classes and held by a total of around 53 farms.



Financial Conditions and Trends among Ravalli County Farmers and Ranchers

The chart below shows total cash marketing receipts and other income by ag producers in Ravalli County, as well as total production expenses in 2000 inflation-adjusted dollars. Annual production costs in recent years have totaled around \$33 million and often exceed cash receipts from the marketing of crops and livestock, which have totaled less than \$30 million recently. Income from other sources, including farm program payments, off-set this but not enough to assure year-to-year profitability.



The chart above shows net earnings for agricultural producers in Ravalli County over time, with and without income from other sources (farm program benefits and farm-related income such as in machine hire income or custom work and imputed income for “home consumption”). Without these other income sources, income from marketing receipts of both crops and livestock simply have been inadequate to cover all production costs in many years. However, this can be masked due to the fact that the single largest production cost of farmers and ranchers is their capital costs (machinery costs, costs of depreciation, interest payments on loans, etc.).

In inflation-adjusted dollars, income from cash marketings has fallen from over \$58 million in the early '70s to \$30 million or less for most years since the mid-'80s. This has created pressure to contain and lower overall costs, which producers in Ravalli County have done. However, cost reductions have been more than matched by reductions in marketing receipts.

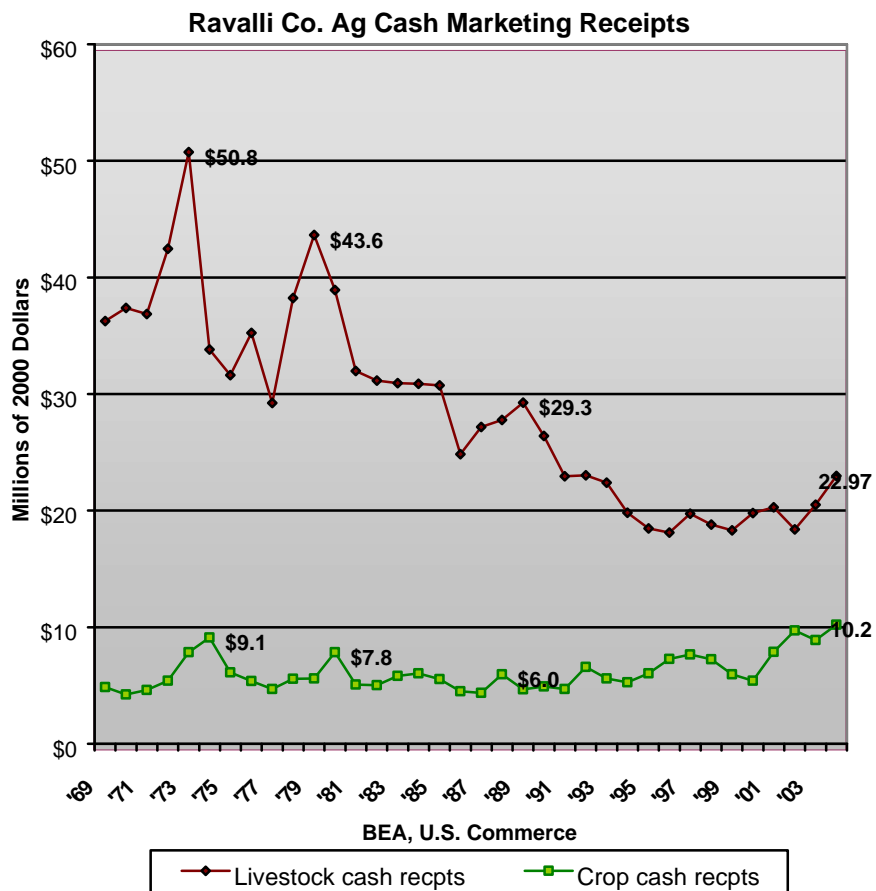
Trends in Cash Receipts for Livestock and Crop Marketings in Ravalli County

Total cash marketing receipts by agricultural producers in the Bitterroot Valley have steadily fallen in inflation-adjusted dollars since the early '70s. The chart below shows the two major categories of these receipts: livestock marketings and crop receipts.

Cash receipts from marketings of livestock peaked at over \$50 million in the early '70s, then fell before rising back to around \$44 million in the early '80s. Since this time, these receipts have been largely in decline, although this decline has been much more modest in more recent years. In 2004 cash receipts from livestock marketings totaled almost \$23 million..

Crop marketing receipts by area producers are considerably lower than receipts from livestock sales, but the difference between these has steadily declined as livestock receipts have fallen. The value in 2000 dollars of all crop marketing receipts totaled about \$8 to \$9 million annually in the mid-'70s. In the early '90s these had fallen to as low as \$6 million annually. More recent these have risen to back to \$9 to \$10 million a year.

It is important to understand that these declines in cash receipts by agricultural producers in the Bitterroot Valley are matched by very similar trends for agricultural producers in many other regions of the U.S. However, in fast-growing areas where there is already considerable pressure for the conversion of ag land to other uses through development, lack of profitability for many producers adds further to the likelihood of such farmland conversion and loss.



Ag Production Expenditures by Area

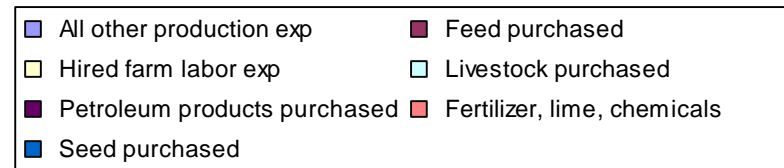
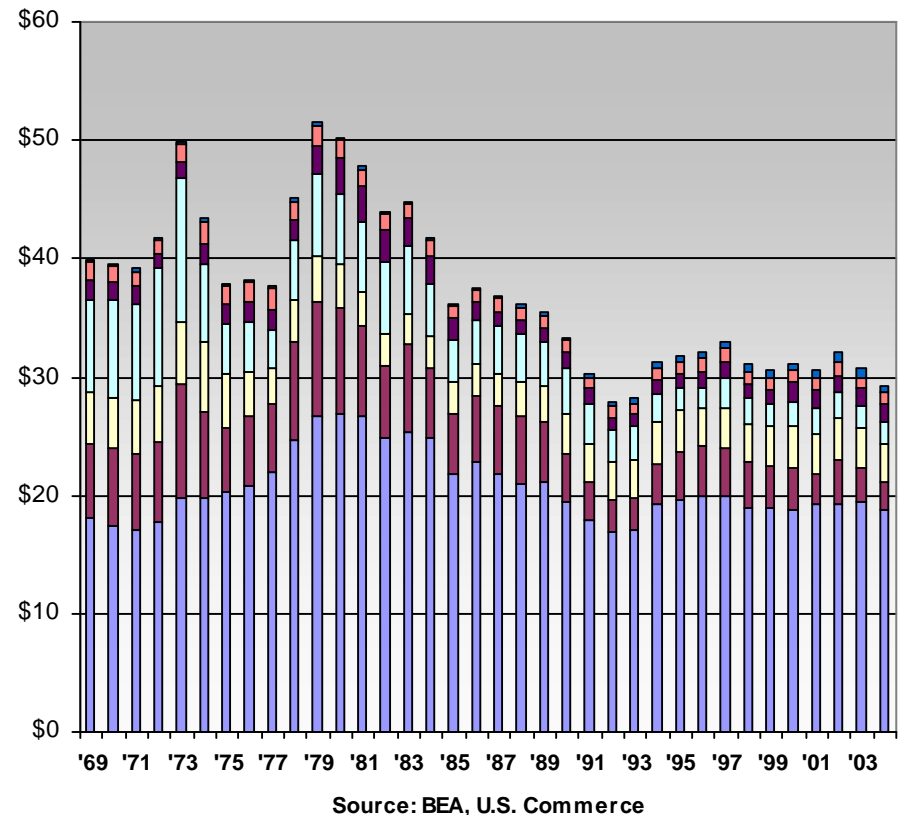
Farmers and Ranchers

Expenditures in producing crops and livestock by Ravalli County producers have been averaging about \$30 to \$32 million annually in recent years. The chart at the right shows how this money is expended by major category. The largest category by far is referred to as “all other production expenses” in the chart. Included in this are expenses for capital depreciation, interest charges on loans, rent and taxes, machinery repair and operation costs, and other miscellaneous costs of production. In 2004, these totaled almost \$19 million. These expenditures can be traced to banks and other lending institutions in the valley who make and service agricultural loans and others who repair farm equipment and machinery.

Producers spent an additional \$2.4 million on feed for livestock, \$3.2 million on hired labor, \$1.8 million on the purchase of livestock, \$1.4 million on petroleum products, almost \$1 million on fertilizer and other chemicals, and \$.6 million on the purchase of seeds.

A more complete and detailed breakdown of these cost figures is shown on the page that follows. The table also shows how “net realized income” for ag producers is derived by government statisticians. The cash marketing receipts of \$33 million in 2004, combined with income from other sources of \$3.7 million sums to a total of \$36.9 million. Minus production expenses of \$29.3 million results in realized net income of \$7.6 million. Subtracted from this is the change in the value of crop and livestock inventories going into the year, which yields total net earnings, including those by corporate or non-proprietor farms, of \$7.1 million. Subtracting net earnings by corporate farms of \$1.3 million, results in net earnings for farm proprietors of \$5.8 million. And adding to this farm wages and related income of farm workers, yields total farm income of \$8.2 million. These \$8.2 million in farm income accounted for less than one percent of the valley’s entire personal income base in 2004 of over \$864 million.

Ag Production Expenses by Type in Ravalli Co. in Millions of 2000 Dollars



However, while yielding \$8.2 million in net earnings, farmers spent nearly \$30 million on production costs and these expenditures represented sales activity and income to suppliers of these inputs. And producers marketed over \$33 million in livestock and crops that are handled and used and consumed by many others both in and outside of the area.