



## **AGRICULTURE**

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Although it is perceived as strictly a rural concern, agriculture production touches every legislative district. As a product of its geography and topography, Oklahoma maintains a diverse agricultural sector: from the heavily irrigated southwest section mostly devoted to cotton, wheat, and cattle, to the semi-arid high plains of the Panhandle with its heavy concentration of cattle feedlots and large-scale hog farms. The central section of the state is dominated by wheat and dairy farming, as well as diversified crops such as peanuts, pecans and hay. The wetter eastern region adds timber and poultry operations to the state's agriculture sector.

Oklahoma ranks 2nd in the U.S. in the production of winter wheat, 4th in cattle and calf production, 4th in pecans, 7th in peanuts, and 10th in peaches.

For all of the diversity and agricultural bounty in the state, the agricultural economic sector is in transition. Drastic price fluctuations and the structure of agricultural production have changed the face of Oklahoma's farming economy.

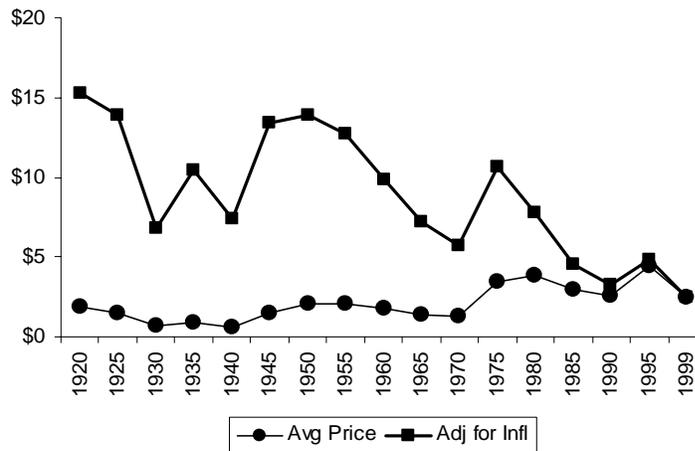
### **AGRICULTURAL PRICES**

A review of agricultural prices provides some historical trends for Oklahoma's major agricultural commodities.

#### **Wheat**

The price of wheat has generally seen an upward trend since the Great Depression; however, adjusted for inflation, there has been a dramatic decrease in the real value of wheat during the same period. Of all Oklahoma commodities, wheat has fared the worst in terms of economic retention of value.

### Average Annual Price of Wheat 1920 through 1999 (Dollars per Bushel)



Source: 1999 Agricultural Census, published by the National Agricultural Statistics Service (USDA)

Although the price of wheat has increased from \$1.45 per bushel in 1945 to \$2.35 per bushel in 1999 (a 62% increase in actual price), adjusted for inflation, the value of wheat per bushel has actually declined 82%.

The greatest decline in value has come recently, with the 1999 average price of wheat falling to a 10-year low.

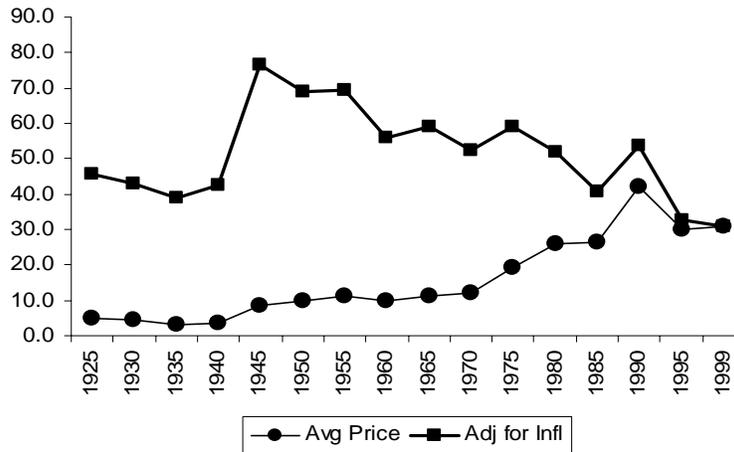
### **Peanuts**

The price of peanuts has generally seen an upward trend since the Great Depression. However, adjusted for inflation, there has been a significant decrease in the real value of peanuts during the same period.

The price of peanuts has increased from 8.3 cents per pound in 1945 to 28 cents per pound in 1999 (a 237% increase in actual price). Adjusted for inflation, however, the value of peanuts per pound has declined 63% – from 76.6 cents per pound in 1945 to 28 cents per pound in 1999.

The price of peanuts in 1999 was lower than it was 10 years ago (about 30% lower in actual dollars and about 45% lower adjusted for inflation).

Average Price of Peanuts  
1925 through 1999 (Cents per Pound)

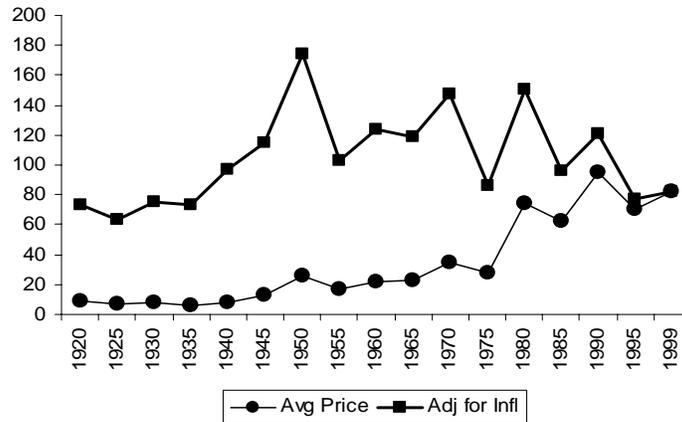


Source: 1999 Agricultural Census

### Cattle

The price of cattle has generally seen an upward trend since the Great Depression. Adjusted for inflation, there has also been an increase in the real value of cattle during the same period.

Average Price Received for Cattle  
1920 to 1999 (dollars per hundred weight)



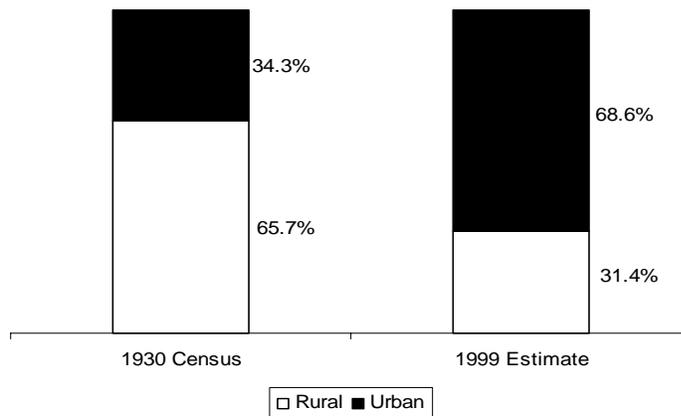
Source: 1999 Agricultural Census

Cattle is one of the few commodities in Oklahoma that has retained its value since the Great Depression. It must be noted, however, that the price of cattle in Oklahoma has been volatile in the last 50 years.

## **RURAL OKLAHOMA**

U.S. Census data confirms that fewer Oklahomans are living in rural communities than ever before. The dominant occupation for rural Oklahomans continues to be related to agriculture. However, the data suggests that only one-third of Oklahoma farmers can afford to work full-time on their farms. More than half of Oklahoma farmers seek additional work throughout the year to supplement their income. Finally, the census data suggests that more rural Oklahomans are leaving their farms and moving to larger cities and towns. This trend is particularly high among the 18-35 age group.

Percent of Oklahoma Population  
*Living in Rural Versus Urban Centers*

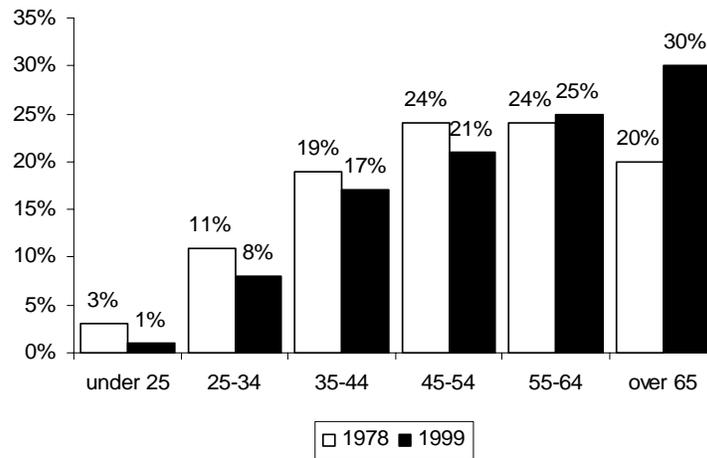


Source: U.S. Census Bureau, 1999

## **Age of Farmers**

The average age of farmers has been rising. Today, the average farm operator is about 57 years old. Twenty years ago, the average age for the Oklahoma farmer was 51. Fewer Oklahomans under 35 are choosing to engage in agricultural activities – a 40% decrease over the past 20 years.

Farm Operators by Age  
Percentage of Total (1978 and 1999)



Source: 1999 Agricultural Census

**Farming as an Occupation**

Only 35% of Oklahoma’s farmers work full-time on their farms. Fifty-one percent of the total number of farmers work 100 full-time days or more per year off the farm in other jobs.

The average farmer needs about \$250,000 in loans per year to meet expenses. The average net income of a farmer is \$6,145. Because banks no longer can afford to loan money to farmers at low interest rates, the United States Department of Agriculture, Farm Service Agency (USDA FSA) has become the lender of last resort. Oklahomans used the FSA to make 1,034 loans worth \$76 million in FFY’1998, according to a 1999 *Journal Record* report.

**LEGISLATIVE INITIATIVES RELATING TO AGRICULTURE**

The Legislature addresses agricultural issues mainly through the Oklahoma Department of Agriculture (ODA) and the Oklahoma Conservation Commission. Recent legislative spending initiatives include:

- programs that assist farmers in developing best management practices;

- the Agricultural Linked Deposit (Ag-Link) Program, which through the State Treasurer's office helps farmers secure low-interest loans;
- technical assistance programs for farmers and agricultural producers through ODA. (Ag Mediation, Hazardous Analysis Critical Control Points Program, Tree Improvement Centers, etc.);
- rural fire suppression expansions to save farm structures and land (see Rural Fire Defense);
- weather modification efforts to protect crop damage due to hail (see Environment);
- Boll Weevil Eradication Organization to protect cotton crops;
- international marketing efforts that assist foreign sales of Oklahoma commodities and products;
- agricultural diversification and value-added program that allocates grants and loans to individuals, cooperatives, and other agricultural groups;
- efforts to create a safe, competitive environment for producers in agriculture; and
- working with the USDA and United States Environmental Protection Agency to encourage sustainable growth.