

# **Economic Importance of and Economic Impacts Associated with Agricultural Production in the Elkhorn Valley Region, Nebraska**

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## Executive Summary

Information provided in this report focuses on the economic importance of the agricultural sector in the Elkhorn Valley Region, Nebraska (Madison, Pierce, and Stanton Counties). The first part of the report reviews agriculture data from the *2007 Census of Agriculture*. These data provide information on the importance of agriculture and the agricultural sector in the Elkhorn Valley Region. The second part of the report analyzes the direct, indirect, and total economic impacts associated with agricultural operations in the Elkhorn Valley Region. This analysis utilizes an IMPLAN input-output (I-O) database and model developed specifically for the Elkhorn Valley Region.

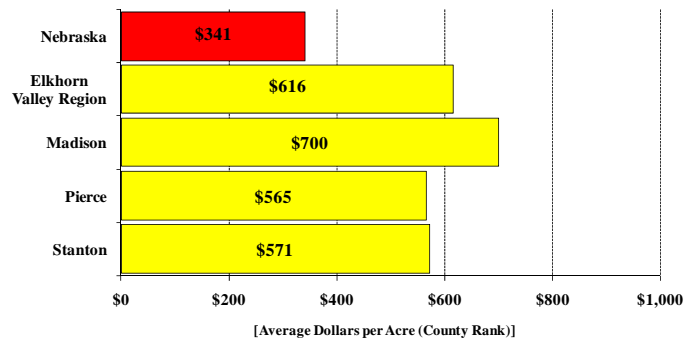
### **Agricultural and Agricultural Production in the Elkhorn Valley Region, Nebraska**

The *2007 Census of Agriculture* provides data showing the importance of agriculture and the agricultural sector in the Elkhorn Valley Region. The market value of agricultural products sold in the Elkhorn Valley Region was \$534.2 million in 2007. Sales of livestock, poultry, and their products generated 56.2 percent of revenues from agricultural commodity sales, slightly more than the state average of 55.9 percent.

The data presented in the chart indicate the average market value per acre of farm land of agricultural products sold in the Elkhorn Valley Region was \$616 in 2007 or 80.6 percent greater than the \$341 average value for the state.

Data provided in this report indicate that agricultural and agricultural products are a significant source of income for the Elkhorn Valley Region farmers. The per farm net cash income from farm operations in 2007 averaged \$59,172 for the Elkhorn Valley Region or 71.2 of the state average of \$83,142. On a per acre bases, farm operations in the Elkhorn Valley Region generated \$135 per acre of net cash income, which was 55.2 percent higher than the Nebraska average of \$87.

**Average per Acre  
Value of Agricultural Products Sold,  
Elkhorn Valley Region\* Counties and  
Nebraska, 2007**



\*The Elkhorn Valley Region includes Madison, Pierce, and Stanton Counties.  
Source: 2007 Census of Agriculture data.

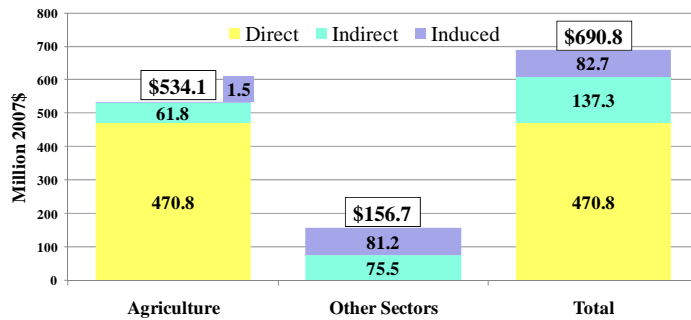
**Economic Impacts Associated with Agricultural Production in the Elkhorn Valley Region, Nebraska**

The second part of the report provides an assessment of the positive employment and other economic effects associated with the production of agricultural and agricultural products in the Elkhorn Valley Region. The analysis utilizes an IMPLAN input-output (I-O) model developed for the Elkhorn Valley Region. The major positive employment and other economic effects associated with the production of agricultural and agricultural products are summarized in the continuing portion of the Executive Summary.

**- Total Output Effects :**

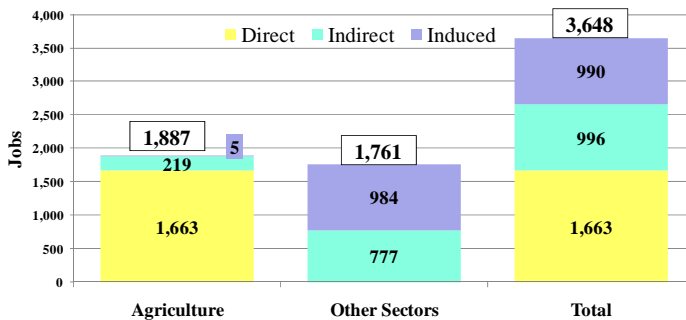
The total value of output directly associated with sales to final demand by the agricultural sector in the Elkhorn Valley Region is estimated to be \$470.8 million. When the secondary output effects (indirect and induced output) are added, the total output effects associated with the production of agricultural products in the Elkhorn Valley Region are estimated to be \$690.8 million. Of this total, 77.3 percent (\$534.1 million) is accounted for by output (direct, indirect, and induced) produced by the agricultural sector and the indirect and induced effects in other sectors represent an additional \$156.7 million of output.

**Agricultural Sector Economic Impacts  
Elkhorn Valley Region\*  
Output Impacts (Million Dollars)**



\* The Elkhorn Valley Region includes Madison, Pierce, and Stanton Counties.  
Note: Impact components may not sum to total due to rounding.  
Source: Computed from IMPLAN Input-Output Model for Elkhorn Valley Region, using 2007 Census of Agriculture data.

**Agricultural Sector Economic Impacts  
Elkhorn Valley Region\*  
Employment Impacts**



\* The Elkhorn Valley Region includes Madison, Pierce, and Stanton Counties.  
Note: Impact components may not sum to total due to rounding.  
Source: Computed from IMPLAN Input-Output Model for Elkhorn Valley Region, using 2007 Census of Agriculture data.

**- Employment Effects**

There are an estimated 1,663 individuals employed in the Elkhorn Valley Region agricultural products sector producing the output dedicated to sales to final demand (\$470.8 million). When the indirect and induced employment effects are included, employment in the agricultural sector is estimated to be 1,887 workers (and proprietors paid a salary). The other secondary employment

effects (indirect and induced effects in sectors other than agricultural and agricultural products) account for an additional 1,761 employees that support agricultural production.

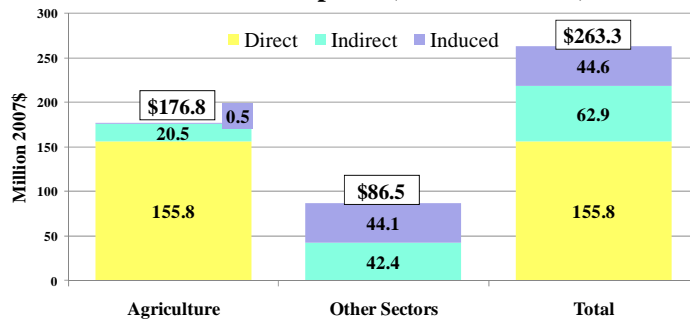
When the indirect and induced effects for all sectors are included, the estimated the Elkhorn Valley Region employment supporting the production of agricultural is estimated to be 3,648 workers.

**– Value-Added Effects**

The value-added effects associated with agricultural production in the Elkhorn Valley Region provide a good measure of the economic value associated with this sector. Value-added consists of payments to the factors of production within the local economy and includes payments to labor, proprietors’ income, other property income, and indirect business taxes. As the information and analysis

provided in this report indicate, the total value-added effects associated with the production of agricultural and agricultural products in the Elkhorn Valley Region are estimated to be \$263.3 million. Of this amount, \$176.8 million represents value-added in the agricultural products sector itself and \$86.5 million is value-added in other economic sectors supporting the production of agricultural and agricultural products in the Elkhorn Valley Region.

**Agricultural Sector Economic Impacts  
Elkhorn Valley Region\***  
Value Added Impacts (Million Dollars)



\* The Elkhorn Valley Region includes Madison, Pierce, and Stanton Counties.  
Note: Impact components may not sum to total due to rounding.  
Source: Computed from IMPLAN Input-Output Model for Elkhorn Valley Region, using 2007 Census of Agriculture data.

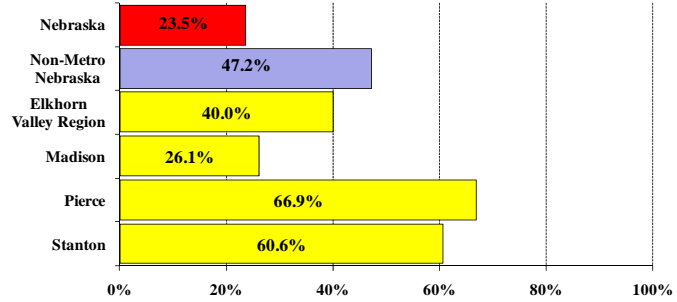
**Agricultural-Related Impacts Not Analyzed**

The analysis discussed in this report considers the backward-linkages associated with agricultural production in the Elkhorn Valley Region. That is, the analysis has considered impacts associated with economic sectors providing inputs to support agricultural production. The analysis has not considered the “stemming from” effects, or the economic impacts associated with those industry sectors with forward linkages from the agricultural production sector. The obvious sector in this regard would be food processing activities utilizing meat products as an input. Obviously, the food and meat processing industry creates a very substantial amount of additional employment and economic activity in Nebraska and in many Nebraska counties, suggesting the contributions of the agricultural industry may be significantly greater than reported in this analysis if these forward-linkages were considered.

**Agricultural Production and Property Taxes**

Agricultural production activity contributes in a significant and positive manner to the tax base and to tax revenues needed to support local schools and other local public services. In 2007, Elkhorn Valley Region agricultural producers were assessed 40.0 percent of total real and personal property taxes in the region. This was 70.2 percent higher than the state average of 23.5 percent.

**Percent of Total Property Taxes Assessed to Agricultural Operations Elkhorn Valley Region\* Counties, Non-Metro Nebraska & Statewide, 2007**



\*The Elkhorn Valley Region includes Madison, Pierce, and Stanton Counties.  
Source: Special tabulation provided by the Nebraska Department of Property Assessment & Taxation.

## **Economic Importance of and Economic Impacts Associated with Agricultural Production in the Elkhorn Valley Region, Nebraska**

Information provided in this report focuses on the importance of the agricultural sector to the economy of the Elkhorn Valley Region, Nebraska. The first part of the report reviews agriculture data from the *2007 Census of Agriculture*. These data provide insights into the importance of agriculture and the agricultural sector in the Elkhorn Valley Region. The second part of the report analyzes the secondary economic impacts associated with agricultural production in the Elkhorn Valley Region. This analysis utilizes an IMPLAN input-output (I-O) database and model developed specifically for the Elkhorn Valley Region.

### **Agriculture and Agricultural Production in the Elkhorn Valley Region, Nebraska**

The *2007 Census of Agriculture* provides data showing the importance of production agriculture for the Elkhorn Valley Region. The data presented in Table One include data for the Elkhorn Valley Region, each of the three counties in the region, and the state of Nebraska. The market value of agricultural products sold in the Elkhorn Valley Region was \$534.2 million in 2007. Sales of livestock, poultry, and their products generated 56.2 percent of revenues from agricultural commodity sales, slightly more than the state average of 55.9 percent.

In terms of the per farm value of agricultural products sold, the 200, Elkhorn Valley Region average of \$269,799 was 83.0 percent of the Nebraska statewide average of \$324,992. Data reporting the market value of agricultural products sold per farm may be somewhat misleading as the average number of acres per farm in the Elkhorn Valley Region, 438 acres, is 54 percent less than the state average of 953 acres. When data are adjusted to reflect sales per acre, the Elkhorn Valley Region average of \$616 of sales per acre is 80.6 percent higher than the Nebraska average of \$341.

Data presented in Table One indicate that agriculture is an important source of income for residents in the Elkhorn Valley Region. The per farm net cash income from farm operations in 2007 averaged \$59,172 for the Elkhorn Valley Region or 71.2 percent of the state average of \$83,142. On a per acre bases, farm operations in the Elkhorn Valley Region generated \$135 per acre of net cash income, which was 55.2 percent higher than the Nebraska average of \$87.

Table One also provides data reporting the number of farms; land in farms; farm employment; estimated market value of land and buildings; and the estimated market value of machinery and equipment for the Elkhorn Valley Region, each of the region's counties, and Nebraska.

**Table One**  
**Agricultural Characteristics, Nebraska and Elkhorn Valley Counties, 2007**

|   | Madison | Pierce  | Stanton | Region<br>Total | Nebraska   |
|---|---------|---------|---------|-----------------|------------|
| <b>Number of farm operations</b>                              | 699     | 645     | 636     | <b>1,980</b>    | 47,712     |
| % FT Farms <sup>(a)</sup>                                     | 58.1    | 59.7    | 55.5    | <b>57.8</b>     | 60.5       |
| <b>Land in farms (Acres)</b>                                  | 315,210 | 316,773 | 235,686 | <b>867,669</b>  | 45,480,358 |
| Average size (Acres)  | 451     | 491     | 371     | <b>438</b>      | 953        |
| <b>Farm employment<sup>(b)</sup></b>                          | 544     | 685     | 404     | <b>1,633</b>    | 46,997     |
| Average per farm  | 0.8     | 1.1     | 0.6     | <b>0.8</b>      | 1.0        |
| <b>Estimated market value of land and buildings</b>           |         |         |         |                 |            |
| Average per farm (\$)   | 977,194 | 979,168 | 686,690 | <b>884,524</b>  | 1,104,392  |
| Average per acre (\$)   | 2,167   | 1,994   | 1,853   | <b>1,960</b>    | 1,159      |
| <b>Estimated market value of all machinery and equipment</b>  |         |         |         |                 |            |
| Average per farm (\$)   | 141,271 | 162,655 | 114,363 | <b>139,594</b>  | 157,427    |
| Average per acre (\$)   | 313     | 331     | 309     | <b>319</b>      | 165        |
| <b>Market value of agricultural products sold</b>             |         |         |         |                 |            |
| (\$1000)  | 220,548 | 178,936 | 134,678 | <b>534,162</b>  | 15,506,035 |
| Average per farm (\$)   | 315,519 | 277,420 | 211,758 | <b>269,779</b>  | 324,992    |
| Average per acre (\$)   | 700     | 565     | 571     | <b>616</b>      | 341        |
| <b>Market value of livestock, poultry, and their products</b> |         |         |         |                 |            |
| (\$1,000)   | 126,906 | 94,621  | 78,903  | <b>300,430</b>  | 8,662,710  |
| Per farm (\$)   | 181,554 | 146,699 | 124,061 | <b>151,732</b>  | 181,563    |
| <b>Market value of crops</b>                                  |         |         |         |                 |            |
| (\$1,000)   | 93,642  | 84,316  | 55,775  | <b>233,733</b>  | 6,843,325  |
| Per farm (\$)   | 133,966 | 130,722 | 87,697  | <b>118,047</b>  | 143,430    |
| <b>Net cash farm income of operation</b>                      |         |         |         |                 |            |
| Average per farm (\$)   | 60,266  | 64,347  | 52,720  | <b>59,172</b>   | 83,142     |
| Average per acre (\$)   | 134     | 131     | 142     | <b>135</b>      | 87         |

<sup>(a)</sup> Full-time farms are defined as those where the principal operator has indicated their primary occupation is farming.

<sup>(b)</sup> Estimates of farm employment includes paid family members, office and maintenance workers if their work is primarily associated with agricultural production and proprietors if they receive a salary, but does not include contract workers or proprietors not receiving a salary.

Source: USDA, National Agricultural Statistics Service, *2007 Census of Agriculture*.

The data in Table Two present estimates of the value of production by major crop and livestock sectors reported in the *2007 Census of Agriculture*. As the data in Table Two show, the total value of output for agricultural commodities was reported to be \$534.2 million dollars, \$300.4 million from animals and animal products and \$233.7 million from crops. As reported in Table Two, sales of cattle (\$260.7 million) and hogs (26.1 million) made up 86.8 and 8.7 percent respectively of total sales from animals and animal products in the Elkhorn Valley Region in 2007. Corn (\$144.9 million) and

soybeans (79.2 million) accounted for 62.0 and 34.4 percent respectively of total sales from crops in 2007.

**Table Two**  
**Agricultural Sector Sales, Elkhorn Valley Region Counties and Nebraska, 2007**

| Commodity                       | Madison<br>County | Pierce<br>County | Stanton<br>County      | Elkhorn<br>Valley<br>Region | Nebraska |
|---------------------------------|-------------------|------------------|------------------------|-----------------------------|----------|
|                                 |                   |                  | ----- Million \$ ----- |                             |          |
| Agricultural commodities        | 220.5             | 178.9            | 134.7                  | 534.2                       | 15,506.0 |
| Animals & animal products       | 126.9             | 94.6             | 78.9                   | 300.4                       | 8,662.7  |
| Cattle                          | 116.3             | 76.6             | 67.8                   | 260.7                       | 7,358.6  |
| Hogs                            | 4.5               | 11.5             | 10.1                   | 26.1                        | 923.2    |
| Other Animals & animal products | 6.1               | 6.5              | 1.0                    | 13.6                        | 380.9    |
| Crops                           | 93.6              | 84.3             | 55.8                   | 233.7                       | 6,843.3  |
| Corn                            | 57.5              | 52.5             | 34.9                   | 144.9                       | 4,427.9  |
| Soybeans                        | 32.6              | 28.6             | 18.2                   | 79.4                        | 1,487.3  |
| Wheat                           | 1.0               | 0.8              | 0.5                    | 2.2                         | 407.3    |
| Crops other, includes hay       | 2.6               | 2.4              | 2.2                    | 7.3                         | 520.8    |

Source: USDA, National Agricultural Statistics Service, *2007 Census of Agriculture*.

**Economic Impacts Associated with Agricultural Production in the Elkhorn Valley Region**

Information presented in the continuing portion of this report focuses on the economic impacts associated with agricultural operations in the Elkhorn Valley Region. This analysis utilizes an IMPLAN economic input-output (I-O) model developed specifically for the Elkhorn Valley Region and data from the *2007 Census of Agriculture*.

From the Elkhorn Valley Region I-O model, economic multipliers are derived that quantify the level or magnitude of economic activity necessary to support the production activity of local agricultural enterprises. As such, the input-output analysis identifies and quantifies economic linkages associated with the inputs required in order for the agricultural sector to produce the level of output it has achieved (backward linkages). The model does not evaluate forward linkages. That is, the model does not provide a measure of additional (downstream) processing made possible by the production of the agricultural outputs; although, this is certainly an important factor for the Elkhorn Valley Region and for many Nebraska counties.

**Economic Impact Analysis**

The economic linkages and impacts associated with agricultural operations in the Elkhorn Valley Region are analyzed in the balance of this report. The analysis utilizes an input-output model developed for the Elkhorn Valley Region. This analysis involves identifying the multiplier effects associated with the agricultural production sector, where the multiplier effects evaluated include the output multiplier, the employment multiplier, and the value-added multiplier.

Each of the multipliers, in turn, consists of three components: the direct effect, the indirect effect, and the induced effect. The output multiplier defines (quantifies) the

change in total output for the economy, which is associated with the delivery of an additional unit (dollar) of output of agricultural and agricultural products to final demand.

The multipliers specified for the agricultural sector recognize that changes in output (increases in sales to final demand) by this sector will require additional inputs from other businesses or economic sectors be provided. The industries or economic sectors supplying additional inputs to the agricultural sector will find they also must purchase additional inputs in order to expand their output to supply the increased inputs demanded by the agricultural enterprises. As the increased demand for goods and services associated with the initial increase in sales to final demand works itself through the sectors of the economy, these effects are collected and termed the indirect effects component of each of the economic multipliers.

The induced component of the economic multipliers follows from the increased personal income (payments to households) in the Elkhorn Valley Region resulting from the increase in the demand for labor, both with respect to the direct and indirect economic effects. That is, as output is increased by the agricultural products sector (direct effect) and in the economic sectors that supply the additional inputs to the agricultural sector (indirect effects), these sectors will add labor inputs and increase their payments to labor. The translation of the additional household incomes into additional expenditures for (consumer) goods and services is referred to as the induced effects. The three effects—direct, indirect, and induced—together represent the total economic impacts embodied in the multipliers utilized to measure the economic impacts associated with the subject agricultural enterprises.

The estimated direct, indirect, and induced components of the economic multipliers associated with the production of agricultural products in the Elkhorn Valley Region are provided in Table Three. The three economic multipliers for which values are reported include the output, value-added, and employment multipliers. The output multiplier indicates that for each dollar of sales to final demand by the agricultural sector in the Elkhorn Valley Region, there will be an estimated increase in total economic output of \$1.4673 for the Elkhorn Valley Region economy.

The value-added multiplier estimates there will be total payments to the factors of production of \$0.5592 for each dollar of sales of agricultural products to final demand. This total value-added effect includes the direct effect of \$0.3309 associated with the initial sales of one dollar of output to final demand, \$0.1336 of payment to the factors of production associated with the increase in output (sales) for the intermediate (supplying) sectors, and the induced effect of \$0.0947 related to the increased household demand for goods and services resulting from the increased payment to labor (household income). The value-added multiplier of 1.6899 indicates for each dollar of value-added in the agricultural and agricultural products sector, we would expect to see approximately \$1.69 of additional value-added in other sectors of the Elkhorn Valley Region economy.

**Table Three**  
**Input-Output Multipliers for Agriculture Sector,**  
**Elkhorn Valley Area<sup>(a)</sup>, Nebraska**

| <b>Multiplier Component</b> | <b>Total</b>                      |                                  |                                       |
|-----------------------------|-----------------------------------|----------------------------------|---------------------------------------|
|                             | <b>Total Output<sup>(b)</sup></b> | <b>Value Added<sup>(c)</sup></b> | <b>Total Employment<sup>(d)</sup></b> |
| Direct                      | 1.0000                            | 0.3309                           | 3.5325                                |
| Indirect                    | 0.2916                            | 0.1336                           | 2.1149                                |
| Induced                     | 0.1757                            | 0.0947                           | 2.1020                                |
| Total                       | 1.4673                            | 0.5592                           | 7.7494                                |
| Multiplier <sup>(e)</sup>   | 1.4673                            | 1.6899                           | 2.1937                                |

<sup>(a)</sup> Elkhorn Valley Area includes Madison, Pierce, and Stanton Counties.

<sup>(b)</sup> Increase in output for each dollar of sales to final demand.

<sup>(c)</sup> Change in value added for each dollar of sales to final demand; values from the IMPLAN Input-Output database were adjusted by Ken Lemke, Nebraska Public Power District (NPPD), to conform to 2007 Census of Agriculture values.

<sup>(d)</sup> Total jobs created per million dollars of sales to final demand; values from the IMPLAN Input-Output database were adjusted by Ken Lemke, NPPD, to conform to 2007 Census of Agriculture values.

<sup>(e)</sup> Multiplier values equal the total effects divided by the direct effect.

Source: Minnesota IMPLAN Group, Inc., IMPLAN Input-Output Model for Elkhorn Valley Area and data from USDA, National Agricultural Statistics Service, *2007 Census of Agriculture*.

The employment multiplier indicates for each \$1,000,000 of sales to final demand by the agricultural and agricultural products sector, there will be a total of 7.7494 jobs supported, including the direct, indirect, and induced components of the employment multiplier. Moreover, the employment multiplier of 2.1937 indicates that for each 100 workers employed in the agricultural and agricultural products sector, we would expect to find 119 workers employed in other sectors which support agricultural production in the Elkhorn Valley Region.

Table Four provides a summary of the economic effects associated with the production of agricultural and agricultural products in the Elkhorn Valley Region. As the information provided in this table is reviewed, it will be of interest to note the estimated sales to final demand by the agricultural sector are presented in the table as the direct effects (output, employment, and value-added). For example, the direct output (value of production) associated with sales of agricultural and agricultural products to the final demand sector by the Elkhorn Valley Region agricultural producers is estimated to be \$470.8 million. From the Elkhorn Valley Region I-O model, we estimate that for the Elkhorn Valley Region agricultural sector to sell this amount of output to final demand, it would need to produce a total of \$534.1 million of total output, as approximately \$63.3 million (11.9 percent) of the total output would represent intermediate sales (sales by one producer in the agricultural sector to other producers in the same sector).

**Table Four**  
**Summary of Output, Employment and Value-Added Effects**  
**Associated with the Agriculture Sector**  
**Elkhorn Valley Area<sup>(a)</sup>, Nebraska**  
**(Annual Estimates, 2007)**

|                                     | Agriculture          | Other Economic Sectors | Total Economic Impacts |
|-------------------------------------|----------------------|------------------------|------------------------|
| <b>Output Effects</b>               |                      |                        |                        |
| Direct Output (Value of Production) | \$470,800,000        | \$0                    | \$470,800,000          |
| Indirect Effects [0.2916 of Direct] | \$61,800,000         | \$75,500,000           | \$137,300,000          |
| Induced Effects [0.1757 of Direct]  | \$1,500,000          | \$81,200,000           | \$82,700,000           |
| <b>Total Output Effects</b>         | <b>\$534,100,000</b> | <b>\$156,700,000</b>   | <b>\$690,800,000</b>   |
| <b>Employment Effects</b>           |                      |                        |                        |
| Direct Employment (FTE)             | 1,663                | 0                      | 1,663                  |
| Indirect Effects [0.5987 of Direct] | 219                  | 777                    | 996                    |
| Induced Effects [0.595 of Direct]   | 5                    | 984                    | 990                    |
| <b>Total Employment (FTE)</b>       | <b>1,887</b>         | <b>1,761</b>           | <b>3,648</b>           |
| <b>Value-Added Effects</b>          |                      |                        |                        |
| Direct Value-Added (Payments)       | \$155,800,000        | \$0                    | \$155,800,000          |
| Indirect Effects [0.4037 of Direct] | \$20,500,000         | \$42,400,000           | \$62,900,000           |
| Induced Effects [0.2863 of Direct]  | \$500,000            | \$44,100,000           | \$44,600,000           |
| <b>Total Value-Added Effects</b>    | <b>\$176,800,000</b> | <b>\$86,500,000</b>    | <b>\$263,300,000</b>   |

<sup>(a)</sup> Elkhorn Valley Area includes Madison, Pierce, and Stanton Counties.

Source: Computed from the Minnesota IMPLAN Group, Inc., IMPLAN Input-Output Model for Elkhorn Valley Area and data from USDA, National Agricultural Statistics Service, *2007 Census of Agriculture*.

### **-Output Effects**

A review of the data presented in Table Four indicates the total output effects (including the direct, indirect, and induced output) associated with the production of agricultural and agricultural products in the Elkhorn Valley Region are estimated to be \$690.8 million. Of this total, 77.3 percent (\$534.1 million) is accounted for by output (direct, indirect, and induced) produced by the agricultural sector and the indirect and induced effects in other Elkhorn Valley Region economic sectors represent an additional \$156.7 million of output.

### **-Employment Effects**

There are an estimated 1,663 people employed in the agricultural products sector<sup>1</sup> to produce the output dedicated to sales to final demand (\$470.8 million); when the indirect and induced effects are included, the estimated employment in the agricultural sector increases to 1,887 people. The other secondary employment effects (indirect and induced effects in sectors other than agricultural products), account for an additional 1,761 jobs and total employment in the Elkhorn Valley Region supporting the production of agricultural products is estimated to be 3,648 employees.

<sup>1</sup> The estimate of agricultural employment includes hired labor, hired operators, and proprietor operations if they receive a salary, but does not include owner-operators not taking a salary or contract labor.

### **-Value-Added Effects**

The value-added effects associated with the agricultural production in the Elkhorn Valley Region provide a measure of the economic value associated with this sector.

Value-added consists of payments to the factors of production within the economy and includes payments to labor, proprietors' income, other property income, and indirect business taxes. As the data in Table Four show, the total value-added effects related to the production of agricultural products in the Elkhorn Valley Region are estimated to be \$263.3 million. Of this amount, \$176.8 million is value-added in the agricultural products sector itself and an estimated \$86.5 million is value-added in other economic sectors due to the additional economic activity required to support the production of agricultural products in the Elkhorn Valley Region.

Table Five provides additional detail describing the economic effects associated with the production of agricultural products in the Elkhorn Valley Region. The data in the table identify the business or economic sectors that are the primary beneficiaries of the economic activity resulting from agricultural production in the Elkhorn Valley Region. Shown in the table is a list of the economic and business sectors likely to be positively impacted by the production of agricultural products. The impacts presented in the table include the predicted output, value-added, and employment impacts for each of the sectors associated with the production and sales to final demand of the output produced by the agricultural sector in the Elkhorn Valley Region.

**Table Five**  
**Distribution of Production Agriculture Economic Impacts, by Selected Economic Sector<sup>(a)</sup>,**  
**Elkhorn Valley Area<sup>(b)</sup>, Nebraska, 2007**

| Industry  | Total Output       | % Total       |                    | Employment     | % Total Emp.  |
|---|--------------------|---------------|--------------------|----------------|---------------|
|   |                    | Output        | Value Added        |                |               |
| Agriculture   | 534,162,000        | 77.34         | 176,786,000        | 1,887.0        | 51.72         |
| Wholesale trade businesses                                    | 22,638,000         | 3.28          | 14,348,000         | 173.5          | 4.76          |
| Real estate establishments                                    | 12,560,000         | 1.82          | 10,307,000         | 130.2          | 3.57          |
| Imputed rental activity for owner-occupied dwellings          | 12,064,000         | 1.75          | 7,877,000          | 0.0            | 0.00          |
| Monetary authorities and depository credit institutions       | 10,353,000         | 1.50          | 6,115,000          | 104.8          | 2.87          |
| Transport by truck  | 8,055,000          | 1.17          | 3,768,000          | 61.9           | 1.70          |
| Food services and drinking places                             | 6,132,000          | 0.89          | 2,404,000          | 141.3          | 3.87          |
| Offices of physicians - dentists - and other health providers | 5,776,000          | 0.84          | 3,944,000          | 49.9           | 1.37          |
| Private hospitals   | 5,473,000          | 0.79          | 2,582,000          | 59.1           | 1.62          |
| Veterinary services   | 4,537,000          | 0.66          | 2,135,000          | 60.4           | 1.66          |
| Other state and local government enterprises                  | 3,439,000          | 0.50          | 1,253,000          | 17.4           | 0.48          |
| Support activities for agriculture and forest                 | 3,215,000          | 0.47          | 2,742,000          | 105.5          | 2.89          |
| Maint & repair construct of nonresident structures            | 3,178,000          | 0.46          | 1,435,000          | 35.9           | 0.98          |
| Retail Stores - Motor vehicle and parts                       | 2,404,000          | 0.35          | 1,490,000          | 33.3           | 0.91          |
| Telecommunications  | 2,179,000          | 0.32          | 1,135,000          | 6.3            | 0.17          |
| Retail Stores - Food and beverage                             | 2,013,000          | 0.29          | 1,320,000          | 48.7           | 1.33          |
| Other basic organic chemical manufacturing                    | 1,966,000          | 0.28          | 199,000            | 1.0            | 0.03          |
| Securities - commodity contracts - investments                | 1,872,000          | 0.27          | 331,000            | 12.7           | 0.35          |
| Retail Stores - General merchandise                           | 1,851,000          | 0.27          | 1,239,000          | 38.9           | 1.07          |
| Animal (except poultry) slaughtering - rendering              | 1,752,000          | 0.25          | 158,000            | 4.1            | 0.11          |
| Accounting - tax preparation - bookkeeping                    | 1,585,000          | 0.23          | 957,000            | 21.9           | 0.60          |
| Legal services  | 1,578,000          | 0.23          | 1,106,000          | 17.4           | 0.48          |
| Insurance carriers  | 1,548,000          | 0.22          | 340,000            | 7.3            | 0.20          |
| Private junior colleges - colleges - universities             | 1,460,000          | 0.21          | 498,000            | 28.4           | 0.78          |
| Automotive repair and maintenance - except car washes         | 1,418,000          | 0.21          | 636,000            | 21.0           | 0.58          |
| All other   | 37,499,000         | 5.43          | 18,218,000         | 580.5          | 15.91         |
| <b>Total</b>  | <b>690,707,000</b> | <b>100.00</b> | <b>263,323,000</b> | <b>3,648.4</b> | <b>100.00</b> |

<sup>(a)</sup> The business or economic sectors in the Elkhorn Valley Region impacted by the production of \$470,800,000 of agricultural commodities for sale to final demand.

<sup>(b)</sup> Elkhorn Valley Area includes Madison, Pierce, and Stanton Counties.

Source: Minnesota IMPLAN Group, Inc., IMPLAN Input-Output Model for Elkhorn Valley Area and data from USDA, National Agricultural Statistics Service, 2007 Census of Agriculture.

### **Agricultural Production and Property Taxes**

As the data presented in Table Six show, agriculture contributes in a significant and positive manner to the tax base and to tax revenues needed to support local schools and other local public services. Part A of the table indicates the 2007 assessed valuation of agricultural property was \$1,442.0 million for the Elkhorn Valley Region counties; this was 41.0 percent of the total valuation for the three counties in the region. Part B of Table Six also illustrates that agriculture makes a significant contribution to local tax revenues. In 2007, assessed taxes on agricultural property in the Elkhorn Valley Region were \$65.2 million, 40.0 percent of total property taxes for the three county region.

**Table Six**  
**Agricultural Property Valuation and Taxes Levied Nebraska Statewide,**  
**Nebraska Non-Metropolitan Areas, and Elkhorn Valley Region Counties, 2007**

| <b>Part A -- Assessed Valuation (Million \$)</b> |  |                                  |  |                 |                  |   |                                       |
|--|--|----------------------------------|--|-----------------|------------------|---|---------------------------------------|
| <b>County/<br/>Nebraska</b>                      | <b>Ag. Outbuildings<br/>&amp; Farmsite</b> | <b>Ag. Personal<br/>Property</b> | <b>Ag. Dwelling &amp;<br/>Homesite</b> | <b>Ag. Land</b> | <b>Total Ag.</b> | <b>Total Property<br/>Tax Assessments</b> | <b>Ag. Taxes % of<br/>Assessments</b> |
| <b>State Total</b>                               | <b>1,679.3</b>                             | <b>1,897.1</b>                   | <b>4,116.8</b>                         | <b>28,265.5</b> | <b>34,279.4</b>  | <b>131,993.9</b>                          | <b>26.0</b>                           |
| <b>Non-Metro</b>                                 | <b>1,479.7</b>                             | <b>1,755.2</b>                   | <b>2,965.4</b>                         | <b>26,031.9</b> | <b>30,752.5</b>  | <b>62,744.7</b>                           | <b>49.0</b>                           |
| Madison  | 29.2                                       | 31.4                             | 54.9                                   | 488.8           | 575.1            | 2,174.6                                   | 26.4                                  |
| Pierce   | 26.6                                       | 34.9                             | 44.3                                   | 429.2           | 508.4            | 747.8                                     | 68.0                                  |
| Stanton  | 18.2                                       | 13.7                             | 31.6                                   | 313.4           | 358.7            | 591.7                                     | 60.6                                  |
| <b>Elkhorn Valley</b>                            | <b>74.0</b>                                | <b>79.9</b>                      | <b>130.8</b>                           | <b>1,231.3</b>  | <b>1,442.0</b>   | <b>3,514.1</b>                            | <b>41.0</b>                           |

| <b>Part B -- Taxes Levied (Million \$)</b> |  |                                  |  |                 |                  |                                     |  |
|--|--|----------------------------------|--|-----------------|------------------|-------------------------------------|--|
| <b>County/<br/>Nebraska</b>                | <b>Ag. Outbuildings<br/>&amp; Farmsite</b> | <b>Ag. Personal<br/>Property</b> | <b>Ag. Dwelling &amp;<br/>Homesite</b> | <b>Ag. Land</b> | <b>Total Ag.</b> | <b>Total All<br/>Property Taxes</b> | <b>Ag. Taxes % of<br/>Property Taxes</b> |
| <b>State Total</b>                         | <b>28.3</b>                                | <b>32.1</b>                      | <b>70.0</b>                            | <b>476.0</b>    | <b>606.4</b>     | <b>2,581.6</b>                      | <b>23.5</b>                              |
| <b>Non-Metro</b>                           | <b>24.8</b>                                | <b>29.7</b>                      | <b>50.2</b>                            | <b>437.8</b>    | <b>542.5</b>     | <b>1,149.0</b>                      | <b>47.2</b>                              |
| Madison                                    | 0.5  | 0.6                              | 1.0                                    | 8.7             | 10.8             | 41.4                                | 26.1                                     |
| Pierce                                     | 0.4  | 0.6                              | 0.7                                    | 7.0             | 8.7              | 13.0                                | 66.9                                     |
| Stanton                                    | 0.3  | 0.2                              | 0.6                                    | 5.5             | 6.6              | 10.9                                | 60.6                                     |
| <b>Elkhorn Valley</b>                      | <b>1.2</b>                                 | <b>1.4</b>                       | <b>2.3</b>                             | <b>21.2</b>     | <b>26.1</b>      | <b>65.2</b>                         | <b>40.0</b>                              |

\* Non-Metro Area includes Nebraska except Cass, Douglas, Lancaster, Sarpy, Saunders, Seward, and Washington Counties.  
Source: Special tabulation provided by the Nebraska Department of Property Assessment & Taxation.

**If further information about this analysis is desired or if the reader has questions  
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