

From: Ben Elenbaas
Sent: Saturday, December 06, 2025 10:20 AM
To: Cathy Halka <CHalka@co.whatcom.wa.us>; Kirsten Smith <KSmith@co.whatcom.wa.us>
Subject: Comp plan Homework for chapter 7 and 8.

Cathy or Kirsten, can you distribute this article to my peers, I think it's important information for us to try and understand as we work on the comp plan, specifically chapters 7 and 8. I'll include a few quotes that I thought were poignant.

"Washington ranks among the top states in the nation in overall agricultural production value. "However, production value does not always translate directly into profitability," the office said. "Profitability is what is needed to keep farms in business."

Also,

"This is hitting all levels of agriculture," said Jon Paul Driver, WSU Extension farm and ranch management specialist. "This isn't a small guy going out of business while the big get bigger, this is everybody. This is all levels of agriculture struggling, and all geographies, and nearly all crops and commodities."

Read more at: https://capitalpress.com/2025/12/04/washington-ranks-last-in-farmer-take-home-pay-in-2024/?fbclid=IwY2xjaw0gPklleHRuA2FlbQIxMQBzcnRjBmFwcF9pZAwzNTA2ODU1MzE3MjgAAR5Qnvk1iCA0hzU-FRR3GycN9Eh8T-VsP0wPr0sWUNVeK06fmJOPxUYZT8_DTA_aem_qUHUX-bhVfmiGcfsI6xyAw

Ben Elenbaas
Councilmember for District 5

Whatcom County Council
311 Grand Ave. Suite 105
Bellingham, WA 98225

Phone: [425-395-4833](tel:425-395-4833)
Email: BElenbaas@WhatcomCounty.us

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Washington ranks last in farmer take-home pay in 2024

Published 10:20 am Thursday, December 4, 2025

By [Matthew Weaver](https://capitalpress.com/author/matthewweaver/) (<https://capitalpress.com/author/matthewweaver/>).



Wheat being harvested in the Palouse. Returns to Washington operators in 2024 totaled -\$295 million, according to the USDA Economic Research Service's farm income report.

WSU Extension expert says strong dollar mainly to blame

Washington ranked last in the nation in 2024 for financial returns to farm operators, and the picture isn't likely to vastly improve for 2025, a Washington State University financial advisor says.

Returns to Washington operators in 2024 totaled -\$295 million, according to the [USDA Economic Research Service's farm income and wealth statistics report](https://data.ers.usda.gov/reports.aspx?ID=4032#P8a7d57bcf0f5412daa2a58436f0bbf84_2_96iT0R0x47) (https://data.ers.usda.gov/reports.aspx?ID=4032#P8a7d57bcf0f5412daa2a58436f0bbf84_2_96iT0R0x47), released in September.

The report weighs gross farm receipts – including cash from crops, animals, government payments and noncash income – against farm production expenses, such as feed, seed, fertilizer, fuel, electricity, repairs and maintenance and labor.

Trending

Beekeepers call for testing, certification to fight honey adulteration

(<https://capitalpress.com/2025/12/05/beekeepers-call-for-testing-certification-to-fight-honey-adulteration/>)

Washington farm: Cheaper to pay up than fight AG

(<https://capitalpress.com/2025/12/05/washington-farm-cheaper-to-pay-up-than-fight-ag/>)

Washington's gross farm receipts totaled \$13.8 billion, while expenses totaled \$14.1 billion.

"This is hitting all levels of agriculture," said Jon Paul Driver, [WSU Extension farm and ranch management specialist](https://capitalpress.com/2025/02/08/hay-farmer-offers-financial-guidance-community-to-growers/). (<https://capitalpress.com/2025/02/08/hay-farmer-offers-financial-guidance-community-to-growers/>) "This isn't a small guy going out of business while the big get bigger, this is everybody. This is all levels of agriculture struggling, and all geographies, and nearly all crops and commodities."

Cattle and a few vegetables may be exceptions, Driver said.

Washington ranged from \$2 billion to \$2.8 billion since 2016, then dropped to less than \$2 billion in 2022 and \$926 million in 2023.

California and Texas were the top for returns to operators in 2024, with \$19 billion and \$12 billion, respectively. Alaska was the only other state to have negative returns, with -\$10 million.

Trending

CattleFax analyst tells Oregon ranchers the beef cycle has turned

(<https://capitalpress.com/2025/12/05/cattlefax-analyst-tells-oregon-ranchers-the-beef-cycle-has-turned/>)

Citing forage market turmoil, Anderson Hay seeks Chapter 11 bankruptcy

(<https://capitalpress.com/2025/12/05/citing-forage-market-turmoil-anderson-hay-seeks-chapter-11-bankruptcy/>)

Returns to Oregon farmers were \$818 million and returns to Idaho farmers were \$2.3 billion.

Returns to U.S. farmers were nearly \$160 billion.

Driver points to the strength of the U.S. dollar and adverse impacts on trade. The dollar strengthened in the second half of 2022, after the Federal Reserve raised interest rates, he said.

Higher interest rates and higher inflation rates incentivize foreign direct investment in U.S. assets. This drives up demand and the price for the dollar, weakening purchasing power for foreign trade partners, Driver said.

“Washington is particularly sensitive to trade,” Driver said. “This was foreseeable. The strong dollar is not all of the problem, but most of the problem with regard to profitability in Washington farms.”

State response

In a response to Capital Press, the Washington State Department of Agriculture public information office said it is aware of the ERS estimates.

“While WSDA does not independently calculate statewide ‘returns to operators,’ the ERS findings reflect the very real economic pressures many Washington farmers have experienced in recent years,” the WSDA office said.

Washington ranks among the top states in the nation in overall agricultural production value.

“However, production value does not always translate directly into profitability,” the office said. “Profitability is what is needed to keep farms in business.”

The same ERS Wealth Statistics data indicates that production expense increased 72.6% for Washington State from 2016 to 2024, leading the nation in production expense increase over this time period, the WSDA office noted. The U.S. average was 33% over the same time period.

“For many years, producers have maintained higher costs for labor, fuel, fertilizer, irrigation, transportation, and other key inputs, while market prices for certain commodities softened,” the WSDA office said. “These combined pressures can result in negative aggregate returns even in a highly productive agricultural state.”

The WSDA noted wide variation across farm types, regions and commodities, with some operations performing better than others depending on cost structure, access to markets, diversification and risk management tools.

“The ERS figure reflects an aggregate estimate and does not mean that every Washington farm experienced a loss,” the office said.

Supporting farm viability requires a multi-pronged approach, including advocating for policies that support farmers, promoting risk management and diversification and strengthening local and international market access, the office said.

“WSDA is currently conducting an analysis of agricultural viability intended to highlight the key challenges, and opportunities, our agricultural producers are facing,” the WSDA office said. “We also work closely with industry groups and federal partners to ensure Washington agriculture is positioned to remain competitive and resilient.”

Zero control

“The problem is the farmer has zero control over interest rates or exchange rates, and very little control over foreign demand,” Driver said.

He attributes about 70% of the situation to the strong dollar. That’s before any discussions about state or federal policies, state tax structures or federal tariffs – all of which are adding to the problem, he added.

“We could almost have this discussion completely apolitically,” Driver said. “It’s not a political problem ... There’s nothing the State of Washington can do about interest rates or exchange rates. That’s the bulk of the problem, so the answer is to adapt.”

Intentional review

Driver advises farmers to “retool and re-evaluate every single thing” for current market structures.

They should take stock of financial assets such as land and equipment, he said.

“Evaluate their operations very, very carefully,” he said. “Nobody really likes change, everybody would rather do what they’ve historically been good at, but in this case, that switch from bulk foreign sales, bulk foreign exports, to domestic products, is tough. Because it’s not what we’ve done historically.”

While change can be painful, intentional review of a farm, ranch or processor can be a bright spot, Driver said.

“That intentional review and rebuilding is really valuable to a farm, because you’ll come out of it stronger on the backside,” he said.

He also recommends farmers take stock of “human assets,” and whether they’re making the best use of available skill sets.

“For those farmers with employees, do we have the right employees in the right role for the right responsibilities?” he said. “Are we making good use of the ownership’s talent, or have we been coasting a little bit because things were good for a while?”

Taking those intentional first steps allows a farmer to have honest conversations with lenders, accountants and their families, Driver said.

Driver works with farmers as a consultant (<https://westrme.wsu.edu/farm-stress-management-draft/>) to manage finances and stress. His services are free.

“Those kinds of resources become increasingly important,” he said.

Looking ahead

USDA will issue another report in the fall of 2026, Driver said.

“It’s not hard to look at the anecdotal evidence that we have for 2025 and say that they’re not going to be dramatically better,” he said. “We’re not in that upward trend for 2025; to say whether it’s going to be stable or dramatically worse, that’s tough to know. But we’re not in that wild upward spring.”

Driver wanted to end with some optimism.

“The reality is that Washington agriculture isn’t going anywhere,” he said. “We have an abundance of infrastructure – port infrastructure, road infrastructure or the variety of farmland that Washington has to produce a variety of crops. There’s challenges with that, but there’s always going to be agriculture in Washington because it’s a great place to grow. There is hope for the future, it just has to look different than maybe what it’s looked like.”

TOP 10

California: \$19 billion

Texas: \$12 billion

Iowa: \$6.2 billion

Nebraska: \$5.6 billion

Illinois: \$4.6 billion

Kansas: \$4.5 billion

South Dakota: \$3.9 billion

North Carolina: \$3.6 billion

Georgia: \$3.6 billion

Wisconsin: \$3.2 billion

BOTTOM 10

Washington: – \$295 million

Alaska: -\$10.1 million

New Hampshire: \$38 million

Rhode Island: \$47 million

Massachusetts: \$57 million

West Virginia: \$148 million

Connecticut: \$190 million

Nevada: \$223 million

Hawaii: \$227 million

Vermont: \$230 million

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