



# COOPERATIVE EXTENSION

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## Agriculture Production & Producer Needs in Nevada, 2005

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Due to the popularity of the gaming industry in Nevada, it is easy to overlook Nevada's other important economic sectors. Among these is agriculture, which accounted for less than one percent of gross state product (GSP) in 2004 (BEA, 2005), but resulted in \$384 million in sales in 2003 (NAS, 2004).

Agriculture remains an underdeveloped industry partly due to the large majority of public lands in Nevada, which account for eighty-six percent of Nevada's seventy-one million acres. This leaves only a small portion which may be developed for private use (BLM, 2006). The Bureau of Land Management (BLM) manages two-thirds (forty-eight million acres) of the state's land and provides grazing permits to livestock producers (BLM, 2006), which enables Nevada's largest agricultural sector, cattle, to thrive.

This fact sheet provides an overview of a recent study of agricultural producers in Nevada which sought to determine the types of crops and livestock currently under production, the production and marketing methods in use, and the types of educational programming Nevada's agricultural producers would be interested in attending. The results of the study were obtained through a mail survey of agriculture producers during the spring of 2005. One hundred ninety-three producers from across the state responded to the survey, or approximately 6.4% of Nevada's total (3,000) agriculture-producing entities (NAS, 2005). Although the information obtained from this survey represents a relatively small percentage of producers, understanding the products and needs of agriculture producers in Nevada may help to address the state's agricultural needs, with particular implications for educators and policy makers.

### Marketing & Advertising

Just over half of producers who participated in this study currently direct market their products, meaning they sell products directly to their customers without

going through a middleperson. The remaining producers market their products through a farmer's market, food broker, local manufacturer, farmer's or rancher's cooperative, directly to restaurants, directly to stores, through community supported agriculture (CSA) programs, and/or through a local food distributor.

Slightly more than one-third of participating producers use word-of-mouth to pass information about their company and/or products to the public. Another third advertise using business cards, newspaper ads or circulars inside newspapers, the Internet, television or radio ads, billboards, and/or distributed recipes. The final one-third of producers said that they do not advertise at all.

Over eighty percent of meat producers (including cattle, lamb, etc.) sell their meat as live animals on the hoof, while approximately 10% sell their meat as carcasses. A very small percent of meat producers sell their meat pre-cut, which may create a problem for potential customers locally, especially private consumers, who may prefer buying meat in small cuts, as opposed to half or quarter carcasses that require further butchering.



**Pricing:** Most of the producers in the study (81%) use market-driven pricing techniques. This means they set their prices based upon the "going rate," or at the same price other producers and companies are selling their product. Of the remaining producers, a small

percentage of producers set the price of their products using previously agreed-upon contracts. Others base the price of their products on input costs, meaning the price is determined according to how much it cost the producer to produce it. Depending on the product, this may include feed costs, fertilizer costs, labor, etc. Another small percentage set their prices by basing the price on the quantity sold to the customer. For example, the more pounds of beef a distributor purchases, the lower the per-pound price becomes. The remaining producers determine their prices through competitive bidding (auctions) or by letting the customer set the price.

**Contracts:** Just over half of the producers in this study engage in contracts (with contract defined as either a formal or informal contract, purchase agreement, or other binding agreement) with either current or potential buyers of their products. Slightly less than half of producers do not contract with current or potential buyers, but the majority of producers who do not currently contract would consider doing so.

**Labeling:** The vast majority of agricultural producers in the study, over 90%, do not use a label on their packaged products. Of the few producers who do label their products, approximately one-third do specifically mention Nevada on their product labels.



### Current Meat Production

Ranching is the prevalent form of agriculture in Nevada. In 2004, livestock accounted for sixty-seven percent of revenue from agriculture (NAS, 2005). While cattle ranching is the most common livestock industry in Nevada (accounting for seventy percent of agriculture revenue), other varieties of livestock are currently being raised in Nevada. Eighty-three percent of study producers who raise livestock for meat currently produce growth hormone-free meats, while 9% of livestock producers do not currently produce growth hormone-free meats, but would be interested in doing so in the future. The remaining 8% do not

produce growth hormone-free meats and are not interested in doing so.

**Beef:** Cow/calf, cattle, and beef operations are the most common types of livestock production in Nevada. While only a very small percentage of livestock producers in Nevada raise certified organic beef, the majority of the study producers raise natural beef. Natural beef is defined by USDA as beef that is minimally processed and contains no artificial ingredients or preservatives.

The majority of study beef producers grass-feed their cattle. Grass provides a more natural diet for the animal, as opposed to a diet composed of grains and/or corn, which cattle would not be exposed to in their natural environment. Grass-fed cattle is believed to result in meat that is lower in fat content, also referred to as "lean" or "heart-healthy" meat.

The majority of beef producers sell their livestock in the late fall months, from September through October, but younger calves are also sold during the spring months, from April through May or June.



**Lamb:** Seven study producers raise between twenty and forty head of lamb for meat on an annual basis. Two of these producers raise hair sheep breeds, which are less labor-intensive than traditional wool sheep breeds because they do not have to be shorn and are not as sensitive to warm temperatures. Studies have found that consumers prefer the milder taste of hair sheep meat to wool sheep meat (Duckett and Kuber, 2001).

The majority of study producers sell their lamb as live animals, although a small percentage of lamb producers have them butchered around nine months. Butchered lamb is available in July and December, while whole animals are available in the summer and fall, from May through October.

**Turkey:** The study found that there is currently one turkey operation in Nevada. This operation produces approximately six hundred pounds of turkey each year, which is available in November.

**Ostrich:** Two study participants raise ostrich for meat. Both of these operations generate natural, hay- and grain-fed ostrich meat, which is sold as steaks, ground meat, shish kebab meat, salami, pepper sticks, and jerky.

**Goat:** One study producer has a goat operation that sells live animals for meat. These animals are available in early summer, from May through July.

### Current Dairy Production

Dairy, considered to be a segment of livestock production, is one of the larger agricultural industries in Nevada, accounting for 17% of the state's 2004 agricultural revenue (NAS, 2005). There are a variety of producers in Nevada who raise livestock for dairy products, including eggs, milk, and cheese.

Eighty-eight percent of study dairy producers currently use growth hormone-free dairy production methods, while the remaining 12% of respondents do not produce growth hormone-free dairy products and are not interested in doing so in the future. Again, the high percentage of dairy producers who do not use growth hormones indicates the potential opportunity to reach out to the niche market that prefers hormone-free dairy products.

The following sections are a brief summarization of dairy products currently being produced in Nevada.

**Eggs:** Four of the producers involved in this study have chicken egg-producing operations in Nevada. Of these four operations, two provide eggs to members of their CSA program. These two operations produce organic eggs that are distributed by the half-dozen, and one of the operations has taken a further step to produce cage free, specialty breed eggs.

Of the two egg operations who sell their products to the general public, one farm/ranch produces free range eggs, and both sell the eggs by the dozen and half-dozen from February through October.

**Milk (Cow):** Two study participants run dairy operations in Nevada that currently produce milk. One of these operations produces two thousand gallons of milk each day, which is sold at the farm gate and is available year-round. The operation ships its raw milk to Model Dairy, a private milk manufacturing company based in Reno, Nevada.

**Cheese:** According to the study, there are several different cheese-producing operations in Nevada at this time. Cheese products currently sold include Feta and mild Feta (both raw and pasteurized), Ricotta, Colby,

cheddar, and Manchego. One study participant currently makes Chevre, a soft cheese produced from goat milk, which is available in many flavors, including plain, garlic, dill, horseradish, and tequila habanera, which took fourth place in a Wisconsin cheese makers contest. One study producer describes his/her cheese operation as producing a variety of gourmet and specialty cheeses.



### Current Horticultural Production

Horticultural production in Nevada is not as widespread as livestock production. In 2004, all crops brought in 32% of the state's total agricultural revenue (NAS, 2005). Although horticultural production is a relatively small segment of agriculture in Nevada, there are many small-scale and a few large-scale farming operations scattered throughout the state. About 37% of study producers currently produce organic crops (this number does not necessarily reflect the growers who are certified organic), while one quarter of the growers who do not currently produce organic crops would be interested in doing so at some point in the future. The remaining 8% do not produce organic crops and have no interest in doing so.

Eighty-two percent of study producers currently grow chemical-free crops. The remaining producers do not currently grow chemical-free crops and are not interested in doing so. Eighty-five percent of study producers currently grow pesticide-free crops, while the remaining growers do not currently produce pesticide-free crops and are not interested in doing so. Eighty-three percent of the crop producers in the study currently produce herbicide-free crops, while the remaining currently do not produce herbicide-free crops, nor do they have any interest in doing so. These numbers indicate the potential for producers in Nevada to service the niche market of consumers who are interested in purchasing crops that have been minimally altered by chemicals.

The following sections present a brief description of horticultural products currently being grown in Nevada.

**Corn:** Two study participants have corn-producing operations in Nevada. One operation produces approximately one thousand tons of corn silage and grain corn each year, while the other grows fifteen acres of pesticide and residue-free sweet corn on an annual basis. Another producer is interested in growing both sweet corn and tamale corn as the market develops.

**Flowers:** Two study producers maintain operations that produce flowers for mixed cut flower bouquets. Flowers are available through the summer and fall, from June through October.



**Grapes:** Grapes are a relatively new crop in Nevada, but study participants indicated that there are currently several vineyards in the state, as well as one operation that produces table grapes. While the vineyards process the grapes into wine, the table grape operation has grapes available in late summer and early fall, from August through November.

**Miscellaneous:** Four of the study producers grow fruits and vegetables and sell their produce in mixed parcels or by individual products. Packaging of these products varies from farm to farm, but includes ½ bushel pre-packaged mixes and consumer-packaged individual items. Fruits and vegetables grown by these farmers include berries, melons, and greens. The majority of these products are available from June through October.

There is one study participant producing each of the following: potatoes, organic teas, onions, sweet cherries, hydroponic tomatoes, organic apples, pecans, and honey. The potatoes are pesticide and residue-free and are available in fifty pound boxes. The organic teas are available in a variety of flavors and packaging and are available year-round. The onions are certified as a premium number one product, are pesticide and residue-free, and are available in fifty or twenty-five pound pre-packed bags, or consumer-packaged two, three, five, ten, and forty pound bags/boxes. Sweet cherries are sold in one pound boxes and are available in late June. Hydroponic tomatoes are sold in fifteen and twenty-five pound boxes and are available from October through May. Apples are USDA certified organic, come in four varieties, and are sold mainly on a u-pick basis from late August through October. Pecans are the papershell variety, and are certified organic. There is no additional product information for honey.

#### **Educational Programming of Interest**

About one-third of agricultural producers in the study would be interested in learning about marketing techniques, and another third would be interested in learning about farm/ranch finance. The remaining third is equally interested in attending educational programs about value-added agriculture, pricing techniques, and branding and certification processes.

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