



Increment Report

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The Texas A&M AgriLife Extension “Estimated Value of Agricultural Production and Related Items”, otherwise known as the Agricultural Increment Report is an annual summary of the incremental revenue that is generated by each Texas county for that production year. The County Extension Ag Agent (CEA) for each county solicits production information from his or her agricultural producers for all their crop and/or livestock production and yields then computes dollar-wise production estimates using local market year average prices.

Why is Extension collecting these data? The question could be asked, “Why is it necessary for Extension to complete an annual increment report when other agencies are also reporting farm information?” The USDA-Farm Services Agency reports production of tillage agricultural products and the USDA-National Agricultural Statistics Service completes their Census of Agriculture.

Un-biased. Texas A&M AgriLife Extension is reporting the value of what was produced within each county for educational purposes only. There are no commercial motives to sell chemicals or insurance/financial services behind the collection of these data. People are also familiar with the long history of Texas A&M University and its Research and Extension work within agriculture.

Timely. Texas A&M AgriLife Extension is uniquely able to collect these data, aggregate the information, and publish concise, accurate and well organized summaries in less than six months each year. Many USDA or Census Bureau reports may take a year or more to be released to the public.

First Hand Knowledge. Texas A&M AgriLife Extension has agricultural professionals who live and work in each county. The CEA is in a good position to have first-hand knowledge of all the various components of their county’s incremental agricultural revenue. As a member of the community and county in which they serve, the ag agents are privy to “coffee shop/sale barn” talk that leaves them on the cutting edge of information gathering.

What is this information used for?

Another question that could be asked is, “What is the increment report information used for?” Well, as it turns out, the data from the increment report is the front line, “go-to” information

used by a large number of individuals and groups. This Texas A&M AgriLife Extension clientele can be divided into several categories.

Many commodity groups and agribusinesses request increment report information. On the policy making side, the governor, legislature, senate, county judges, county commissioners, Councils of Government (COG) and various Chambers of Commerce all rely on these data to answer such questions as, “What is the agricultural GDP for Texas this year?” or “How will a change in federal, state or local policy effect agriculture and local, regional and state economies?” or “What is the economic loss of a wildfire, tornado, hurricane, flood, drought, or other disaster?” The increment report information is routinely used when loss claims are filed.

What is this information NOT used for?

Texas A&M AgriLife Extension does not support the use of this information for any government regulatory or taxing entity. The information collected as part of the increment report should **not** be used by local appraisal districts in ag use valuation calculations, or for yield adjustments for crop insurance or production history purposes. The basis of most crop insurance coverage is farm level yield and gross revenue. Similarly, the basis of land valuation is the expected future net income at the farm level. The increment report data collects only gross income which (to protect the privacy of individual producers) is collected at an aggregate level: county, district, and statewide averages. After the data are compiled it is impossible to determine individual production or sales or gross income, much less net income. For this reason, it is invalid to use levels or multi-year changes in increment report variables as the basis for insurance claims or land valuation.

Service and Support

The Agricultural Economics Department of Texas A&M University is committed to providing any support needed by County Extension Agents in the completion of this report. The increment report data collection process occurs in the winter. Instructions and data forms are sent to County Extension offices in the late fall. This mailing typically includes county level worksheets and state wide farm-level prices for many of the commodities produced in Texas. Most local District Economists enhance the support by providing Farm Service Agency (FSA) acreage reports, more localized price data and any useful county-level yield or inventory numbers that are available. District Extension Economists also routinely conduct agent trainings demonstrating how to complete the increment report or how current conditions or unique circumstances could be reported. These district specialists provide a first point of contact with any questions or requests for assistance. Similarly, the state-wide coordinator of the increment report (John Robinson, 979.845.8011) is always available for questions, replacement forms, and other assistance.