Economic Impacts of Agriculture

National Analyses

1. **Ag and Food Sectors and the Economy**
   This website regularly updates agriculture’s impact on the domestic economy. In 2020, farms directly contributed $135 billion to domestic GDP, while farms, combined with forestry, food and beverage retail, and service industries directly contributed $1.1 trillion (about 6 percent) to overall domestic GDP. There are also statistics related to employment, household expenditures, manufacturing, and government programs.

   Economic Research Service. *Ag and Food Sectors and the Economy*. USDA, 2021

2. **U.S. Agricultural Trade at a Glance**
   This website regularly updates trends and impacts in global agricultural trade. U.S. agricultural exports support output, employment, income, and purchasing power in both the farm and nonfarm sectors. ERS estimates that (in 2020) each dollar of agricultural exports stimulated another $1.03 in business activity. The $150.1 billion of agricultural exports in calendar year 2020 produced an additional $154.3 billion in economic activity, for a total economic output of $304.4 billion. Every $1 billion of U.S. agricultural exports in 2020 supported approximately 7,550 U.S. jobs throughout the economy. Agricultural exports in 2020 required 1,133,000 full-time civilian jobs, which included 694,000 jobs in the nonfarm sector.


State and Regional Analyses

1. **Economic Impacts of Connecticut’s Agricultural Industry**
   This study measures the economic impact of Connecticut’s agricultural industry through agricultural output, value-added output, economic multipliers, job creation, and social and ecosystem services. Estimates in 2017 show that statewide agricultural sales of $2.7 to $3.5 billion generated between 16,650 to 22,753 jobs and $1 to $1.7 billion in value added.


2. **Finding Food in Farm Country: The Economics of Food and Farming in Southeast Minnesota**
   This study connects farm production and sales data with consumption data to suggest a sustainable regional economic model. The study finds that as much as $800 million leaves the region. Findings also show greater economic benefits when revenue transitions to smaller agricultural production systems.

3. **Northeast Economic Engine: Agriculture, Forest Products and Commercial Fishing**
   This report illustrates the importance of agriculture, commercial fishing, forest products and related industries to the Northeast economy. Utilizing 2017 data, this economic impact analysis determined the region's agriculture, fishing and forestry generated an economic impact of $102.4 billion in the eight Northeast states in 2017. Furthermore, agriculture, fishing and forestry supported 513,018 jobs across the eight Northeast states.
   

4. **The Economic Contribution of Agriculture in Delaware**
   This study utilizes an IMPLAN model to conduct an economic analysis for Delaware’s agricultural sector. In each economic impact measure, the share of the local agricultural sector to the total Delaware economy ranged from 2 to 6 percent in 1991.
   
   [https://doi.org/10.1017/S106828050000006X](https://doi.org/10.1017/S106828050000006X)

5. **The Influence of the Agricultural Cluster on the Fayette County Economy**
   This study conducts an economic impact analysis of the multi-sectoral industries dedicated to agriculture in Fayette County, KY. It estimates the agricultural cluster contributes over 14,000 jobs to the county, as well as an additional 1,724 jobs in the hospitality sector. Employment in the agricultural cluster is estimated to contribute $8.5 million to the local tax base, in addition to the $2.3 billion in total output annually.
   

6. **The Influence of the Agricultural Cluster on the Woodford County**
   This study conducts an economic impact analysis of the multi-sectoral industries dedicated to agriculture in Woodford County, Kentucky. It estimates the agricultural cluster contributes over 2,700 jobs to the county, that employment in the agricultural cluster contributes $1.1 million to the local tax base, in addition to the $565 million in total output annually.
   

**Local Food System Analyses**

1. **Economic Impact of Local Food Producers in Central Oregon**
   This study utilizes an IMPLAN model to assess the economic impact of locally produced food in the tri-county region of Central Oregon. The study estimates that local farmers support an additional $0.36 in sales
for every dollar of local produce sold. It also estimates potential growth in local food sales towards increased jobs created and wages earned.


2. Exploring Economic and Health Impacts of Local Food Procurement
This report describes local food procurement activities and strategies across the country, estimating the barriers to implementation as well as the health and economic benefits of these procurement practices. Key factors for success include inclusive partnerships and networks, collaborative and entrepreneurial leadership, development of local processing capacity, and dedicated funding to build sustainability.


3. Harvesting Opportunity: The Power of Regional Food System Investments to Transform Communities
In recent years, policymakers and practitioners have gained new insights into the potential for regional food systems to promote economic growth for both rural and urban communities through the creation of new or the enhancement of existing jobs and businesses. Regional food system stakeholders have also learned that appropriately targeted policies and support can advance the economic and financial security of low- and moderate-income households and communities. This report explores these recent findings, highlights models for collaboration between policymakers, practitioners and the financial community, and discusses research, policy and resource gaps that, if addressed, might contribute to the success of regional food systems strategies.


4. The Economic Impact of Fruit and Vegetable Production in Southwest Iowa Considering Local and Nearby Metropolitan Markets
This study details the total economic impact if fruit and vegetable production replace traditional corn and soybean production in Southwest Iowa. An additional 900 acres of new fruit and vegetable production would yield $2.42 million in sales and $928,373 in additional labor incomes.