

# Economic Impacts of Agriculture

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## 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

<https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/ag-and-food-sectors-and-the-economy/>

### 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

Economic Research Service. *U.S. Agricultural Trade at a Glance*. USDA, 2021

<https://www.ers.usda.gov/topics/international-markets-us-trade/u-s-agricultural-trade/us-agricultural-trade-at-a-glance/>

## 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.

Lopez, R., Joglekar, D., Zhu, C., Gunther, P., and Carstensen, F. *Economic Impacts of Connecticut's Agricultural Industry*. University of Connecticut and the Connecticut Center for Economic Analysis, 2010.

<https://farmlandinfo.org/publications/economic-impact-of-connecticuts-agricultural-industry/>

### 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.

Meter, Ken, and Rosales, John. 2001. *Finding Food in Farm Country: The Economics of Food and Farming in Southeast Minnesota*. University of Minnesota, 2001.

<https://farmlandinfo.org/publications/finding-food-in-farm-country/>

### 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.

Lopez, Rigoberto A., Jeremy Jelliffe, Chris Laughton. *Northeast Economic Engine: Agriculture, Forest Products and Commercial Fishing*. Farm Credit East, 2020.

<https://farmlandinfo.org/publications/northeast-economic-engine-agriculture-forest-products-and-commercial-fishing/>

### 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.

Tanjuakio R.V., Hastings, S.H., and Tytus, P.J. *The Economic Contribution of Agriculture in Delaware*. Agricultural and Resource Economics Review, Volume 25, Issue 1, April 1996.

<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.

Davis, Alison, and Simona Balazs. *The Influence of the Agricultural Cluster on the Fayette County Economy*. University of Kentucky: Community and Economic Development Initiative of Kentucky, 2017.

<https://fayettealliance.com/wp-content/uploads/2017/06/FINAL-Fayette-Alliance-Report-May-11.pdf>

### 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.

Davis, Alison, Simona Balazs, Joe Kercsmar, and Melody Nall. *The Influence of the Agricultural Cluster to Woodford County's Economy*. University of Kentucky: Community and Economic Development Initiative of Kentucky, 2017.

[https://woodfordforward.org/wp-content/uploads/2017/04/FINALThe-Influence-of-the-Agricultural-Cluster-to-Woodford-Countys-Economy\\_April242017.pdf](https://woodfordforward.org/wp-content/uploads/2017/04/FINALThe-Influence-of-the-Agricultural-Cluster-to-Woodford-Countys-Economy_April242017.pdf)

## 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.

Rahe, M., Van Dis, K., Weiland, J., and Gwin, L. Economic Impact of Local Food Producers in Central Oregon. Oregon State University Extension Service, Central Oregon Intergovernmental Council, and High Desert Food and Farm Alliance, 2017.

<https://extension.oregonstate.edu/sites/default/files/documents/10896/economicimpactlocalfoodscentraloregon.pdf>

## 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.

Lynch, J., Meter, K., Robles-Schrader, G., Goldenberg, M.P., Bassler, E., Chusid, S., & Jansen Austin, C. Exploring Economic and Health Impacts of Local Food Procurement. Chicago, IL: Illinois Public Health Institute, 2015.

<https://farmlandinfo.org/publications/exploring-economic-and-health-impacts-of-local-food-procurement/>

## 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.

Dumont, Andrew, Daniel Davis, Jacob Wascalus, Teresa Cheeks Wilson, James Barham, Debra Tropp. *Harvesting Opportunity: The Power of Regional Food System Investments to Transform Communities*. Federal Reserve Bank of St. Louis and the Board of Governors of the Federal Reserve System, 2017.

<https://farmlandinfo.org/publications/harvesting-opportunity-the-power-of-regional-food-system-investments-to-transform-communities/>

## 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.

Swenson, Dave. The Economic Impact of Fruit and Vegetable Production in Southwest Iowa Considering Local and Nearby Metropolitan Markets. Iowa State University, Department of Economics, 2010.

<https://farmlandinfo.org/publications/the-economic-impacts-of-fruit-and-vegetable-production-in-southwest-iowa-considering-local-and-nearby-metropolitan-markets/>