

## **AGRICULTURE NOW GENERATES \$88.3 BILLION AND 413,500 JOBS IN WISCONSIN, UW STUDY SAYS** **Steven Deller, UW-Extension/Madison Community Development Economist**

Wisconsin's farms and agricultural businesses generate \$88.3 billion in economic activity and 413,500 jobs, based on data for 2012, according to a new study from University of Wisconsin-Extension and the University of Wisconsin-Madison.

"Agriculture remains an important part of the Wisconsin economy," said Steven Deller, a UW-Extension community development specialist and professor in the UW-Madison agricultural and applied economics department. "Even in the most urban parts of the state, agriculture's contribution is notable."

The study is a follow-up to one that Deller conducted five years ago using 2007 data. He found that agriculture has risen in importance for the Wisconsin economy, despite the combined effects of the drought of 2012 and the Great Recession. It generated \$29 billion more economic activity in 2012 than in 2007 and an additional 59,509 jobs. In 2012 it accounted for 11.9 percent of the state's overall employment (up from 10 percent in 2007), 10.9 percent of labor income, 10.9 percent of total income, and 16.1 percent of industrial sales.

Here's how agriculture's \$88.3 billion economic impact breaks down:

- In 2012, on-farm activity contributed 153,900 jobs, \$5.7 billion to labor income (wages, salaries and proprietor income), \$8.9 billion to total income, and \$20.5 billion to industrial sales.
- Food processing contributed 259,600 jobs, \$12.9 billion to labor income, \$21.2 billion to total income, and \$67.8 billion to industrial sales.
- Total agricultural activity contributed 413,500 jobs, \$18.6 billion to labor income, \$30.1 billion to total income, and \$88.3 billion to industrial sales.
- Dairy remains a major Wisconsin industry, with growing strength in dried-condensed-evaporated milk and butter supplies. Dairy farming and dairy processing contribute 78,900 jobs, \$3.9 billion to labor income, \$7.2 billion to total income, and \$43.4 billion to industrial sales.

Here's how agriculture's impact increased:

- Sales from farm-related activity and food processing combined rose from \$59.2 billion in 2007 to \$88.3 billion in 2012; an increase of 49.3 percent.
- Sales related to on-farm activity increased 62.7 percent, from \$12.6 billion to \$20.5 billion.
- Sales from food processing industrial sales increased from just under \$50 billion to \$67.8 billion; an increase of 35.6 percent.

About one in nine people working in Wisconsin hold a job related to agriculture, the new study indicates. They include farmers, their employees and those providing them with goods and services—veterinarians, crop and livestock consultants, feed and fuel suppliers, equipment dealers and lenders—as well as those employed in equipment manufacturing and food processing.

The impact varies by region. In southwestern Wisconsin, agriculture accounts for 24,200 jobs or 18.1 percent of total employment, most of it related to on-farm activities. In southeastern Wisconsin, the most urban part of the state, agriculture contributes 50,900 jobs or 4.3 percent of total employment, mostly in food processing.

"When we think of agriculture, we must move beyond focusing within farm gate and consider food processing as an important part of the Wisconsin economic cluster," Deller said.

It's also important to look beyond dairying, he adds. "Although one may traditionally think of Wisconsin as the 'Dairy State,' the truth is that agriculture is diverse and is likely becoming more diversified across the state. Other parts of Wisconsin agriculture such as the beef industry, vegetables, breweries and more specialized activities like hops, grapes, and wineries are growing in size and importance."

The full report "Contribution of Agriculture to the Wisconsin Economy: Updated for 2012" is online and can be found at <http://wp.aae.wisc.edu/wfp/contribution-of-agriculture-to-the-wisconsin-economy/>.

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