



Agriculture and Natural Resources
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July 2009

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Agriculture generates \$59.16 billion and 353,991 jobs in Wisconsin

Madison, Wis. -- Wisconsin's farms and agricultural businesses generate \$59.16 billion in economic activity and provide jobs for 353,991 people, according to a recent study conducted by University of Wisconsin-Extension based on data for 2007.

The study shows that Wisconsin agriculture contributes in a significant way to the state's economic base despite the acute financial pressures caused by low prices for several products including milk and cheese as well as high input costs. The study's findings indicate agriculture's economic activity increased 14.9 percent, up from \$51.5 billion, from a similar study conducted in 2004 using data for 2000.

"This study clearly demonstrates agriculture's huge role in our state's economy and the importance of having a diverse agricultural portfolio. No other sector is so broadly based across the entire state," said Rod Nilsestuen, Secretary of Wisconsin Department of Agriculture, Trade and Consumer Protection.

Here's how agriculture's \$59.16 billion economic impact breaks down:

- The direct economic effect of agriculture is \$38.8 billion. This figure represents the sales of all farm products and value-added products.
- Sales of agricultural products create another \$13.6 billion in business-to-business purchases for items such as fuel, fertilizer, feed, farm equipment, veterinary services and crop consultants.
- This business-to-business activity then generates another \$6.7 billion in economic activity, because people who work in agriculture-related businesses spend their earnings.

"This study shows that Wisconsin is an incredibly diverse agricultural state that makes many contributions to our food supply and economy," said Bill Bruins, president of the Wisconsin Farm Bureau Federation. "This diversity has helped agriculture and many of our rural communities to stabilize and even grow."

The research, conducted by Steve Deller UW-Madison professor of agricultural economics/UW-Extension community development specialist and David Williams, UW-

Extension associate professor and assistant program leader for Agriculture and Natural Resources, uses a state-of-the-art economic model to measure how dollars earned from sales of agricultural products multiply in the state economy. The study also provides an historical look at several economic measures of Wisconsin agriculture and a first of its kind look at the relative strengths of clusters of various agriculture sectors.

“This work represents the very best in the partnership between UW-Extension and the applied research in the College of Agricultural and Life Sciences here at UW-Madison,” said Rick Klemme, Dean and Director of UW-Extension, Cooperative Extension.

Molly Jahn, Dean of UW-Madison’s College of Agricultural and Life Sciences added, “These data show the strengths within Wisconsin agriculture and the potential opportunities of our various sectors helps us to provide targeted education, research and Extension leadership to the many stakeholders and audiences we serve through our many programs.”

James Robson, Chief Executive Officer, Wisconsin Milk Marketing Board, Inc., said, “This new report is important because it underscores the tremendous economic contribution that our dairy industry makes to our communities and state every year. The milk that’s produced on our dairy farms is the starting point for a \$26 billion dairy business that provides jobs, supports our local economies and gives our cheese and dairy processors the ability to craft more than 600 varieties, types and styles of award-winning cheese and hundreds of other nutritious dairy and food products. During the present economic downturn, it’s important to remind all state residents that the future success of *America’s Dairyland* begins on our dairy farms.”

About one out of every ten state citizens (10 percent) works in a job related to agriculture. These occupations include farmers, farm employees, veterinarians, crop and livestock consultants, feed and fuel suppliers, food processors, machinery manufacturers and dealers, barn builders and agricultural lenders. Every job in agriculture supports an additional 0.89 job elsewhere in Wisconsin’s economy.

About 9 percent of Wisconsin’s total income, or \$20.2 billion, comes from agriculture. This figure includes wages and salaries, benefits and profits of farmers and workers in agriculture-related businesses. Each new dollar of agricultural income generates another \$1.24 in state income.

The study confirms the tremendous strengths that Wisconsin has in many sectors including dairy production, dairy product manufacturing and animal production and suggests areas for future policy discussion to promote a stable and growing agricultural economy.

Possible plans for future analysis of this data include a more in-depth assessment of regional and county-by-county economic impacts to help policy makers and others as they plan for the future of Wisconsin agriculture.

The study was conducted by University of Wisconsin-Extension in cooperation with the Wisconsin Farm Bureau Federation, Wisconsin Milk Marketing Board, Wisconsin Agriculture in the Classroom and the Wisconsin Department of Agriculture, Trade and Consumer Protection. You can read the research report, “Agriculture and the Wisconsin Economy” on line at <http://www.uwex.edu/ces/aq/wisag>.

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