

Contribution of Agriculture to Wisconsin

Agriculture's Contribution to The Wisconsin Economy: Crop Farming

As noted in the most recent analysis of the Contribution of Agriculture to the Wisconsin Economy (Deller, 2019) observes that, while widely viewed as the Dairy State, Wisconsin agriculture is highly diverse. Specialty crops ranging from ginseng to animal production used to produce fur clothing speaks to this diversity. One large component of Wisconsin agriculture is crop production. Over the past 50 year, crops accounted for about one in every five dollars of farm revenue and has been historically lower than the national average (Figure 1). This speaks to the importance of livestock (dairy) to Wisconsin farm revenue. But over this time period, the growth in dependency in crops for revenues has increased an average of 2.9% per year. In the year period crops accounted for about 11.5% by over the past few years it has averaged almost 25%.

These crops tend to be dominated by corn and soybeans with 24,384 and 18,296 farms reporting some level of production (Table 1). But unlike the farms in the tradition “corn and bean belt” Wisconsin crop farms tend to be of more modest size as measured by acreage with about three quarters reporting having less than 500 acres (Table 2). This scale of operation is also reflective of the amount of revenues received (Table 3). The majority, about 70%, report revenues from corn and soybeans as less than \$250,000.

The economic contribution of farms that produce oil seeds and grains is relatively modest when compared to dairy and other livestock production (Table 4). Once the multiplier effects

Figure 1: Chare of Total Wisconsin Farm Revenue from Crops

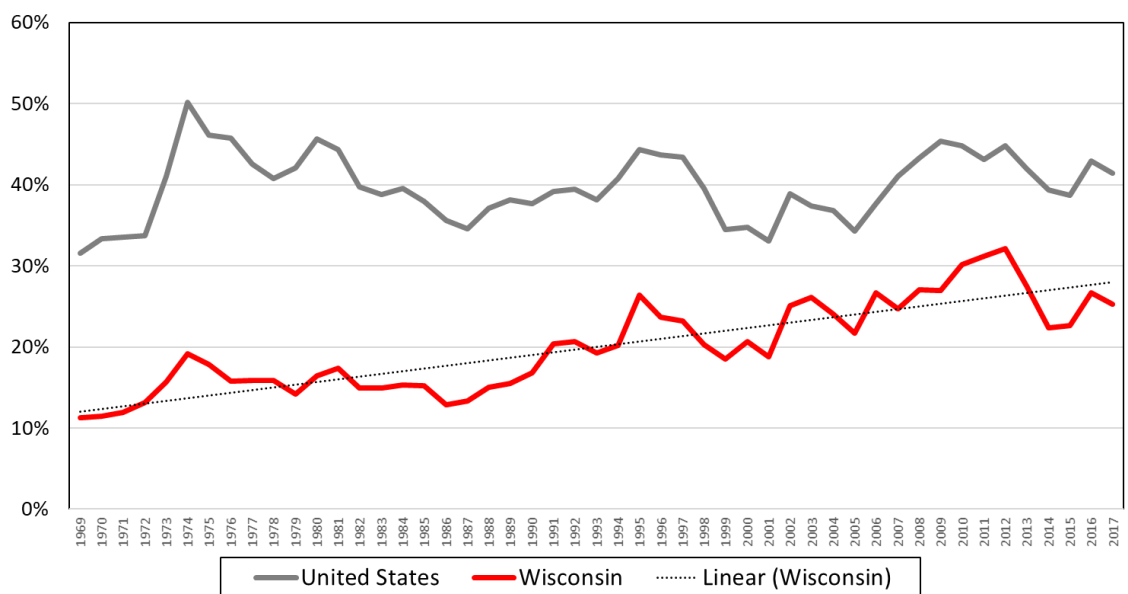


Table 1: Number of Crop Producing Farms (2017)

	Corn	Wheat	Soybeans	Sorghum	Barley	Other Grains
Number of Farms	24,384	3,864	18,296	71	462	3,818
Distribution of Farms	47.9%	7.6%	35.9%	0.1%	0.9%	7.5%

Care must be taken when considering the number of livestock (e.g., dairy) farms that grow their own crops for feed. Farmers growing their own feed is generally lost in this analysis.

Table 2: Cropping Farms by Size (Acres, 2017)

	Corn		Soybeans	
1.0 TO 9.9	302	1.2%	144	0.8%
10.0 TO 49.9	2,023	8.3%	1,531	8.4%
50.0 TO 69.9	956	3.9%	713	3.9%
70.0 TO 99.9	1,758	7.2%	1,188	6.5%
100 TO 139	2,231	9.1%	1,573	8.6%
140 TO 179	2,066	8.5%	1,518	8.3%
180 TO 219	1,926	7.9%	1,344	7.3%
220 TO 259	1,638	6.7%	1,202	6.6%
260 TO 499	5,945	24.4%	4,509	24.6%
500 TO 999	3,522	14.4%	2,843	15.5%
1,000 TO 1,999	1,388	5.7%	1,173	6.4%
2,000 OR MORE	629	2.6%	558	3.0%

Table 3: Cropping Farms by Size (Sales, 2017)

	Corn		Soybeans	
LESS THAN 1,000 \$	357	1.5%	145	0.8%
1,000 TO 2,499	472	1.9%	269	1.5%
2,500 TO 4,999	593	2.4%	426	2.3%
5,000 TO 9,999	1,019	4.2%	808	4.4%
10,000 TO 24,999	2,699	11.1%	2,160	11.8%
25,000 TO 49,999	2,923	12.0%	2,189	12.0%
50,000 TO 99,999	3,957	16.2%	3,068	16.8%
100,000 TO 249,999	5,213	21.4%	3,966	21.7%
250,000 TO 499,999	3,414	14.0%	2,535	13.9%
500,000 TO 999,999	2,067	8.5%	1,563	8.5%
1,000,000 OR MORE	1,670	6.8%	1,167	6.4%

are taken into account oilseed and grain farming contributes over 37,400 jobs to the Wisconsin economy, \$5.4 billion in industrial sales or revenue, just under \$1.3 billion in labor income (wages, salary and proprietor income) and almost \$2.1 billion in total income (labor income plus other sources of income such as dividends, interest and rent). This level of economic activity is also associated with almost \$55.8 million in state and local government revenues.

Table 4: Economic Contribution of Crop Farming (2017)

	Industry Sales (MM\$)	Employment	Labor Income (MM\$)	Total Income (MM\$)
Direct Effect	\$ 2,875.9	19,751	\$ 418.7	\$ 586.2
Indirect Effect	\$ 1,648.8	11,440	\$ 574.1	\$ 989.4
Induced Effect	\$ 843.8	6,205	\$ 277.1	\$ 490.5
Total Effect	\$ 5,368.5	37,398	\$ 1,269.9	\$ 2,066.0
Multiplier	1.867	1.893	3.033	3.525

For this analysis we use an input-output model of the Wisconsin economy. One can think of this model as a “spreadsheet of the economy” where buyers (demand) are across the columns of the spreadsheet and sellers (supply) are down the rows. Any individual cell of the spreadsheet captures the amount of money flowing from the seller to the buyer. Because supply must equal demand we can trace changes in one part of the economy (an interaction between supply and demand) throughout the whole of the economy. These changes are often referred to as the multiplier effects.

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