

Minnesota Agriculture

The Foundation of Minnesota's Economy



2004 - 05

*A profile of Minnesota's
agriculture and its contribution
to the state economy.*

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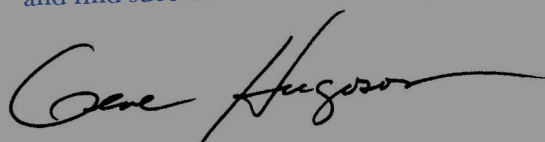
Message from the Commissioner of Agriculture

Agriculture is the foundation of Minnesota's economy. Throughout Minnesota's history, production agriculture has been the cornerstone upon which the state's economy has been built. Today, Minnesota remains one of America's leading agricultural producers. The state ranks seventh in agricultural production, and is among the top 10 exporters of agricultural commodities.

With only a small percentage of the state's population engaged in farming, our agricultural producers provide a reliable source of food and clothing for an ever-growing consumer population. It is a huge responsibility.

Agriculture also provides opportunities for the development of many other industries in our state, such as manufacturing, transportation, and the wholesale and retail trades. In fact, the agricultural industry generates nearly one-fifth of the state's overall economic activities. One of every five Minnesota workers has a job that is directly or indirectly related to agriculture.

Today, Minnesota's agricultural industry is facing many new challenges – food safety, changes in consumer demands, environmental protection, sustaining our rural communities, and developing new products and markets. With public expectations growing, it is more important than ever for the agricultural community to tell its story. Minnesota farmers' tradition of hard work and innovative spirit will help them meet these challenges and find success in the 21st century.



Gene Hugoson
Commissioner



2004-05

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Orville L. Freeman Building

Minnesota Department of Agriculture Mission

From the Farm to the Family

Our mission is to work toward a diverse agricultural industry that is profitable and environmentally sound; to protect public health and safety regarding food and agricultural products; and to ensure orderly commerce in agricultural and food products.

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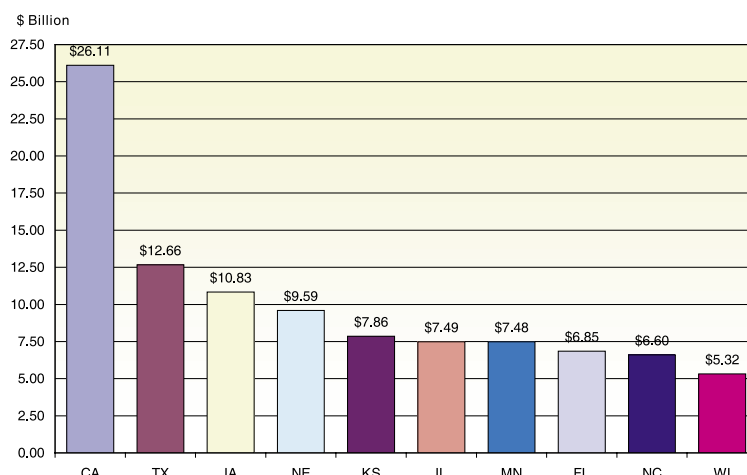
MINNESOTA PROFILE

- Population: 5.06 million
(2003 – ranks 21st among all states)
- Urban population: 71%
Rural population: 29% (2000 Census)
- Total workforce: 2,998,434 people (04)
- Total area: 84,068 square miles
(12th largest state)
- Land area: 79,289 square miles
- Lakes and water surface:
4,779 square miles
- Number of lakes (larger than 10 acres): 15,291

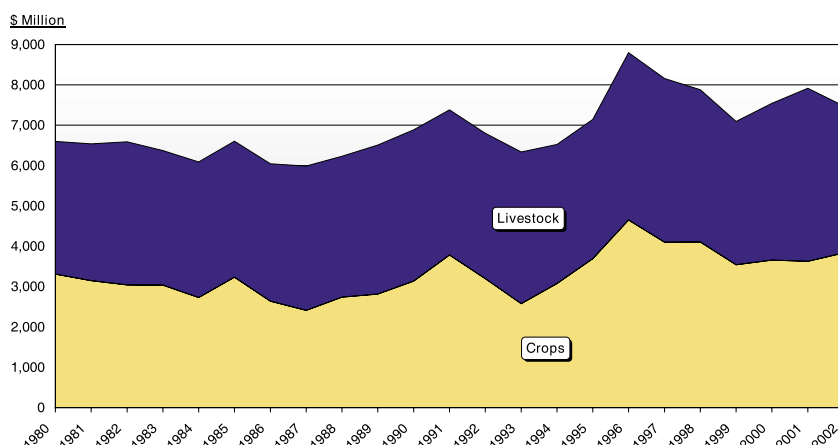
MINNESOTA AGRICULTURAL FACTS (2002)

- Minnesota is the 7th largest agricultural producer in the U.S.
- Number of farms: 80,900
- Farm land: 27.8 million acres (55% of Minnesota's total land area)
- Average farm size: 344 acres
- Farm income from agricultural marketing:
Crops -- \$3.8 billion
Livestock -- \$3.6 billion
Total -- \$7.5 billion (7th in the nation)
- Crops and livestock are equally important to Minnesota's agriculture; they complement each other and are inter-dependent, making a diverse and well balanced production agriculture.

Agricultural Cash Receipts: Top 10 States (2002)



Minnesota Agricultural Cash Receipts



Minnesota's Agricultural Products by Ranking (2002) - Million Dollars

Crops	Value	% of Total	Livestock	Value	% of Total
Corn	\$1,348.5	18.0%	Hogs	\$1,067.8	14.3%
Soybeans	\$1,327.8	17.8%	Dairy	\$1,011.3	13.5%
Sugarbeets	\$356.8	4.8%	Cattle and calves	\$866.2	11.6%
Wheat	\$243.2	3.2%	Turkey	\$413.4	5.5%
Potatoes	\$95.7	1.3%	Chicken eggs	\$106.2	1.4%
Hay	\$80.3	1.1%	Broilers	\$68.9	0.9%
Floriculture	\$78.3	1.0%	Honey	\$12.1	0.2%
Sweet corn (processed)	\$57.2	0.8%	Sheep and lamb	\$11.9	0.2%
Dry beans	\$41.7	0.6%			
Green peas (processed)	\$31.4	0.4%			
Barley	\$11.3	0.2%			
Sunflowers	\$9.3	0.1%			
Oats	\$8.8	0.1%			
Other crops	\$143.0	1.9%	Other livestock products	\$86.9	1.2%
Total Crops	\$3,833.3	51.3%	Total Livestock	\$3,644.9	48.7%

**Minnesota Major Agricultural Crops Value
(Million \$) (2002)**

**MINNESOTA
AGRICULTURAL CASH
RECEIPTS**

- Minnesota’s top 5 commodities in 2002: corn, soybeans, hogs, dairy, and cattle & calves, which accounted for 75% of Minnesota’s total agricultural cash receipts.
- From 1990 to 2002, agricultural cash receipts increased from \$6.9 billion to \$7.5 billion, an 8.6% growth.

**MINNESOTA’S
NATIONAL RANKING
IN AGRICULTURAL
PRODUCTION (2002)**

- 1st:** sugarbeets, turkey, sweet corn for processing, green peas for processing
- 2nd:** spring wheat, oats, canola, cultivated wild rice
- 3rd:** soybeans, hogs, flaxseed,
- 4th:** corn, sunflowers, dry beans, cheese, mink pelts
- 5th:** dairy cows, barley, honey
- 6th:** potatoes, red meat
- 7th:** all wheat
- 8th:** total livestock production
- 9th:** all hay
- 10th:** cattle and calves, chickens, eggs



Minnesota Cash Receipts (2002)

Minnesota Livestock Sectors (2002)

MINNESOTA AGRICULTURAL EXPORTS

- Minnesota is the 7th largest agricultural exporting state in the U.S.
- Minnesota's total agricultural exports in 2002: \$2.2 billion.
- Minnesota's top 5 export commodities: soybeans, corn, livestock products, wheat, and processed vegetables.
- The top 5 commodities contribute 83% of all agricultural exports.
- Soybeans, corn and wheat account for 63% of all commodity exports.
- Soybeans and soybean products account for one-third of Minnesota's total agricultural exports.

Minnesota Agricultural Exports (1980-2002)



Minnesota Agricultural Exports by Commodity (Million Dollars)

2002 Rank	Commodity	2002 Exports	% of Total	1990 Exports	% of Total
1	Soybeans & products	\$675.1	30.6%	\$507.0	25.6%
2	Feed grains & products	\$512.1	23.3%	\$828.7	41.9%
3	Livestock products (excludes poultry)	\$238.4	10.8%	\$93.0	4.7%
4	Wheat & products	\$203.2	9.2%	\$73.3	3.7%
5	Processed vegetables	\$194.2	8.8%	\$153.8	7.8%
6	Feed & fodder	\$75.2	3.4%	\$80.7	4.1%
7	Dairy products	\$74.2	3.4%	\$39.8	2.0%
8	Poultry & products	\$51.8	2.4%	\$13.6	0.7%
9	Hides & skins	\$50.8	2.3%	\$55.7	2.8%
10	Seeds	\$26.9	1.2%	\$15.0	0.8%
11	Fats & oils	\$12.3	0.6%	\$14.6	0.7%
12	Sunflower seeds & oil	\$4.7	0.2%	\$7.5	0.4%
	All other	\$83.5	3.8%	\$95.7	4.8%
	Total	\$2,202.4	100.0%	\$1,978.4	100.0%

EXPORT MARKETS FOR MINNESOTA AGRICULTURAL PRODUCTS

- Asia is the largest regional market for Minnesota's agricultural exports, with a marketshare of 36% in 2002.
- North America is the second largest regional market for Minnesota's agricultural exports, with a marketshare of 30% in 2002.
- The top 6 regional markets account for 88% of Minnesota total agricultural exports.

Largest Regional Markets for Minnesota Agricultural Products

2002 Rank	Region	% of Total
1	Asia	36%
2	North America	29.9%
3	European Union	11.6%
4	Middle East	4.3%
5	South America	3.4%
6	Caribbean Islands	2.9%
	Top 10 Total	87.9%
	All other	12.1%
	World Total	100.0%

- Canada is the largest country market, with a market-share of 16.3% in 2002.
- Japan is the second largest country market, with a market-share of 15.8% in 2002.
- The top 6 country markets account for 60% of Minnesota total agricultural exports.

Largest Country Markets for Minnesota Agricultural Products

2002 Rank	Country	% of Total
1	Canada	16.3%
2	Japan	15.8%
3	Mexico	13.6%
4	China	5.9%
5	Korea	5.0%
6	Taiwan	3.7%
	Top 10 Total	60.4%
	All other	39.6%
	World Total	100.0%

Minnesota Agriculture's Contribution to the State Economy

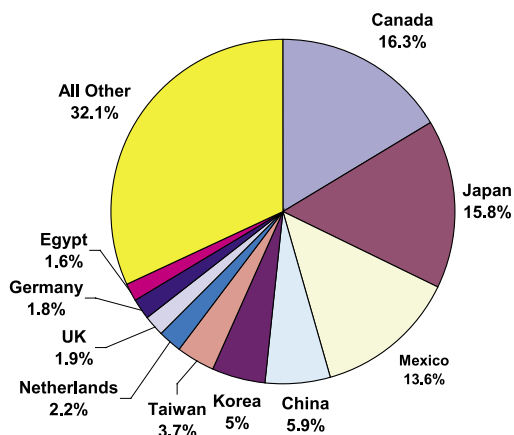
- Minnesota's agricultural industry (including production and processing), is the second largest economic sector in Minnesota.

Largest industries in Minnesota:

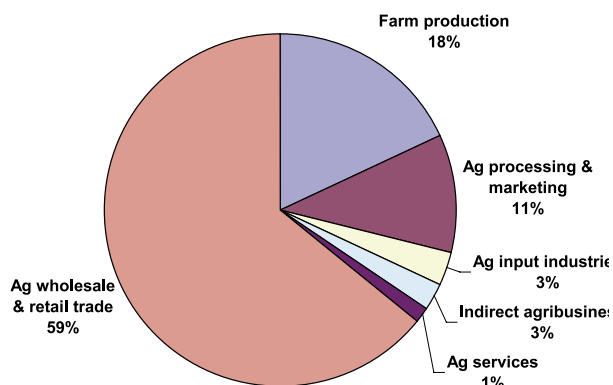
1. Manufacturing
2. Agriculture
3. Services
4. Wholesale and retail trade
5. Finance, insurance and real estate
6. Construction
7. Transportation, communication, and public utilities
8. Mining

- Agriculture is the second largest employer in Minnesota.
- Employment in agriculture and food industry accounts for 16% of total jobs.
- In rural Minnesota, agricultural employment accounts for 26% of all jobs.
- Even in metro areas, agricultural employment accounts for 13% of all jobs.
- Over 80% of all agricultural jobs are off-farm, in processing, distribution, supply, and service sectors.

Minnesota's Top Export Markets (2002)



Minnesota Ag Employment



ECONOMIC IMPACT OF THE AGRICULTURAL INDUSTRY IN MINNESOTA

Economic Foundation

- Minnesota's agriculture has a long history of serving as an economic cornerstone for the state's economy. It supports many other industries, such as manufacturing, transportation, wholesale and retail trade, services, construction, banking, insurance, and real estate.

Job Creation

- Every agricultural production job supports an additional 1.5 jobs in all economic sectors.

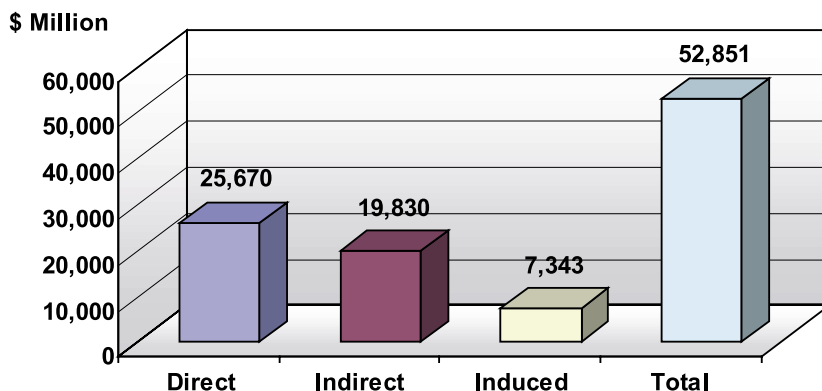
Export Strength

- Agricultural and food exports account for more than 20% of Minnesota's total exports from all industries.

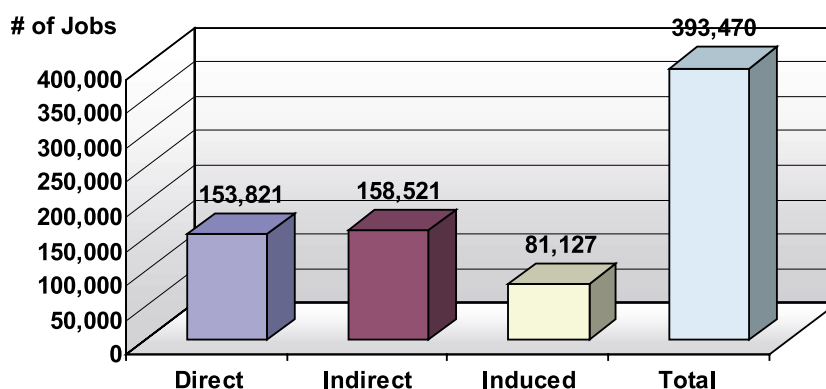
Total Economic Impact

- The economic contribution of Minnesota's agricultural industry reaches far beyond the agricultural sector due to the "multiplier effect".
- Output impact:
 - The "multiplier effect" of Minnesota's agricultural production and processing generates **\$53 billion** economic activities for the state.
- Employment impact:
 - The "multiplier effect" of Minnesota's agricultural production and processing supports over **393,000 jobs**.

Output Impact

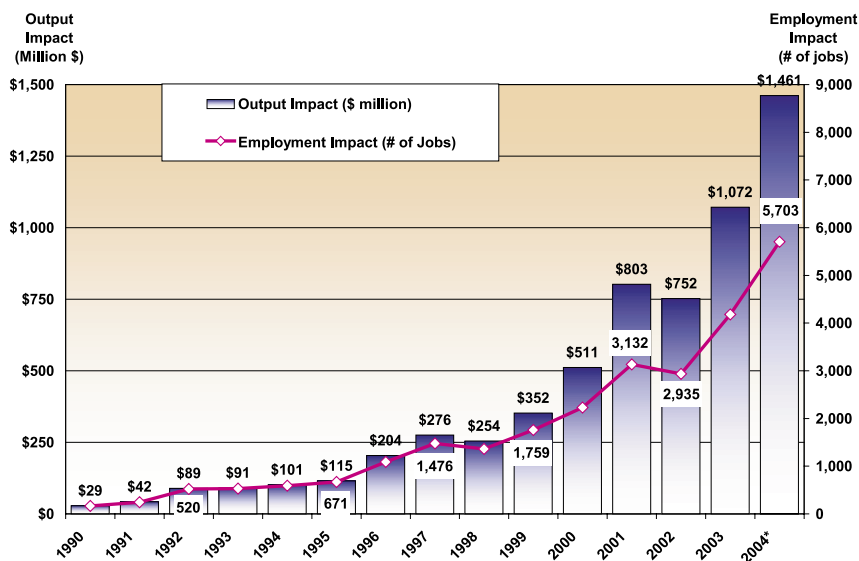


Employment Impact



Minnesota Ethanol:

Total Economic Impact and Employment Impact



*Projected

Minnesota's Livestock Industry

- Minnesota is the 8th largest livestock producer in the U.S.
- In 2002, Minnesota's livestock cash receipts totaled \$3.6 billion.
- Livestock production contributes 49% of Minnesota's total agricultural income.

Importance of the Livestock Industry

- The livestock industry is a key sector in Minnesota's agriculture.
- Livestock production supports crop farming through feed utilization, a significant market for Minnesota's major crops.
- The livestock industry in Minnesota consumes:
 - 28% of total annual corn crop
 - 23% of total annual soybean crop
- Without the strengths of the livestock industry, Minnesota's agricultural production and processing industries would lose 50% of its economic value.

Economic Impact of Minnesota's Livestock Industry

- Minnesota's livestock industry (including production and processing) generates \$28 billion in total economic impacts.
- Minnesota's livestock industry (including production and processing) supports more than 193,000 jobs.
- Minnesota's livestock industry creates economic activities in many other sectors including agriculture, manufacturing, transportation, trade, services, and construction.

Livestock Industry Output Impact

Livestock Industry Employment Impact

