



MINNESOTA

Farm and Food in Focus



Diverse Sectors Serving the **AGRICULTURE & FOOD ECONOMY IN MINNESOTA**

AN UPDATE FOR CANDIDATES AND VOTERS REGARDING THE MAJOR IMPACT AND TRANSFORMATION OF MINNESOTA'S FARM/FOOD SECTOR



Beyond farms and food processing, there are thousands of companies in Minnesota that specialize in providing important services, inputs and output support to make our state a national and global leader in the larger food sector. Literally tens of thousands of jobs, from rural communities to the Twin Cities metro area, are directly tied to supporting our ag and food sector. Here are some examples.

ANIMAL FEED

Animal feed and pet food manufacturing accounts for \$1 billion of annual sales and approximately 8,000 jobs in Minnesota.

FARM MACHINERY AND EQUIPMENT SALES AND SERVICE

With over 150 farm equipment dealers in Minnesota, farm machinery and equipment sales and service account for approximately \$800 million in economic activity each year, employing over 7,800 people.

PLANTS NUTRIENTS

Seed, pesticides and crop nutrient products in Minnesota account for \$1 billion of sales and approximately 7,000 jobs.

UTILITIES

Spending over \$500 million per year, the Minnesota ag and food industry is an important user of fuel, electricity, gas, and steam needed to heat, cool, light and ventilate facilities and power equipment. Farming and ag manufacturing, however, have also been innovators in implementing energy efficient systems and clean energy generation.

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DISTRIBUTION AND TRANSPORTATION

Truck, rail, barges and distribution logistics companies are all important components of connecting Minnesota family farms to customers around the world. While the majority of agriculture and food products are transported over highways, rail and waterways are also important methods of shipping farm products. Almost 20% of Minnesota's rail-transported exports are farm products—the second largest category by weight after iron ore. On Minnesota's inland waterways, food and food products are the top commodities by weight, at 6 million pounds; by value cereal grains come in at \$689.3 million. In addition, Minnesota's seaport in Duluth has been an important agricultural transportation hub for decades, facilitating grain shipments that are destined for foreign markets.

BANKING, LEGAL AND OTHER SERVICES

Many people would be surprised to learn how many professional services jobs in Minnesota are directly connected to the farm and food sector. Many of the major law firms in the Twin Cities as well as law firms across the state have robust ag practices. In addition, consider the many banking and finance companies that serve this sector, accounting/tax and business consulting firms, engineering, advertising/marketing, insurance, commodity marketing consultants, weather forecasting, technology and others.

ETHANOL

As a major corn-growing state, Minnesota is also one of the largest ethanol producers in the United States with over 1.3 billion gallons of ethanol produced annually. Minnesota's ethanol industry contributed \$2.31 billion to the state's economy in 2019, generated \$6.7 billion in revenue for Minnesota businesses, created \$1.5 billion in household income, and supported 18,974 full-time jobs.



A lot of jobs in Minnesota are not necessarily recognizable as being dependent on farming and ag unless you really think about it. Fortunately, the ag/food sector plays a big role in diversifying our state's economy in a manner that makes us stronger and more resilient to economic downturns.

SOURCES: U.S. MN Department of Employment and Economic Development; 2020 Economic Contributions and Study of Minnesota Agriculture and Forestry, MN AgriGrowth Council/Design Innovation; Minnesota Agriculture Energy Efficiency and Renewable Energy Potential, MN Farmers Union/GDS Associates; Contributions of the Ethanol Industry to the Economy of Minnesota in 2019, MN Biofuels Association/Agriculture and Biofuels Consulting, LLP

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