



Crossroads Resource Center

7415 Humboldt Ave. S. / Minneapolis, Minnesota 55423 / 612.869.8664
kmeter@crcworks.org www.crcworks.org

Tools for Community Self-determination

Northwest Wisconsin Regional Farm & Food Economy

*Highlights of a data compilation covering Barron, Burnet, Chippewa, Dunn, Eau Claire,
Pierce, Polk, Rusk, St. Croix & Washburn Counties*

Compiled by Ken Meter, Crossroads Resource Center (Minneapolis) for
University of Wisconsin Extension — Chippewa County
March 6, 2008

Northwestern Wisconsin

450,000 residents receive \$9 billion income annually (2005). Largest single source of personal income is interest, dividend and rent payments. Manufacturing income has grown in this region more than in many rural areas, and is the second most important income source. Transfer payments (pensions, etc., from public sources) are the third-largest source of personal income.

The region's farms (Agricultural Census, 2002)

Land:

- 12,795 farms. This is 17% of Wisconsin's total
- 278 (2%) of these farms are 1,000 acres or more in size
- 3,200 (25%) farms are less than 50 acres
- Average farm size is 200 acres, much the same as for Wisconsin as a whole
- The region has 2.6 million acres of farmland
- This amounts to 16% of the state's farmland
- 1.3 million acres of harvested cropland
- 309 farms (13%) have a total of 49,000 acres of irrigated land
- Average value of land and buildings per farm is \$404,000. This is 87% of the state average

Sales:

- \$715 million of crops and livestock sold (2002)
- \$528 million of livestock and products sold (74% of sales)
- \$187 million of crops sold (26% of sales)
- 48% of the region's ag sales involved dairy products
- The number of dairy farms fell 32% from 1997 to 2002, while dairy sales fell 13%
- The number of farms/ranches selling cattle fell 30% from 1997 to 2002, while sales of livestock and products fell 11%
- The number of farms selling poultry rose 31% from 1997 to 2002, while sales fell 23%
- 7,639 (60%) of the region's farms sold less than \$10,000 of products in 2002
- 1,845 farms (14%) sold more than \$100,000 of products

- 54% of the region's farms (6,881) reported net losses in 2002, even after subsidies are taken into account
- Northwest Wisconsin farmers collected an average of \$55 million of federal subsidies each year from 1993-2005 (Bureau of Economic Analysis, in 2005 dollars)

Dairy & Cattle:

- 2,663 farms raise 167,000 milk cows
- Sales of dairy products from the region fell 13% from \$400 million to \$347 million from 1997 to 2002
- 6,644 ranches and farms hold an inventory of 458,000 cattle
- 178,000 cattle were sold in 2002 for total sales of \$76 million, an 11% decline from \$85 million sold in 1997

Other livestock & animal products:

- 754 farms raise 44,000 laying hens
- 205 farms raise 41,000 broiler hens
- Sales of poultry products fell 23%, from \$79 million to \$61 million, from 1997 to 2002
- 403 farms hold an inventory of 34,000 hogs and pigs, and sold 75,000 animals, in 2002
- Hog and pig sales fell 35% from \$8.2 million in 1997 to \$5.3 million in 2002
- 405 farms hold an inventory of 15,000 sheep and lambs

Crops:

- 4,339 farms produced 60 million bushels of corn in 2002
- 2,541 farms raised 1.4 million tons of corn for chopped forage
- 1,783 farms produced 8.4 million bushels of soybeans
- 1,663 farms produced 2.1 million bushels of oats
- 200 farms produced 543,000 bushels of winter wheat
- 31 farms raised 745,000 hundredweight of potatoes
- 17 farms raised 148,000 bushels of edible beans, all of Wisconsin's output

Vegetables & Melons: (some farmers state that Ag Census data does not fully represent vegetable production):

- 294 farms work 20,000 acres to raise \$21 million of vegetables, melons and potatoes

Fruits (some farmers state that Ag Census data does not fully represent fruit production):

- The region has 143 farms holding a total of 1,023 acres of orchards
- The region's farmers sold \$4.2 million in fruit and berries

Nursery and Greenhouse plants

- 196 farms sell \$12 million of nursery and greenhouse products

Direct and organic sales:

- 783 farms sell \$3 million of food directly to consumers. This is a 4% increase in the number of farms selling direct, and a 25% increase in direct sales, from 1997 to 2002
- 70 of the region's farms sold \$1.1 million of organic foods

Balance of Cash Receipts and Production Costs (BEA):

Northwest Wisconsin region ranchers and farmers sell \$957 million of food commodities per year (average for the thirteen years 1993-2005), spending \$990 million to raise them, for an average loss of \$34 million each year. Note that these sales figures compiled by the BEA are far higher than cash receipts recorded by the USDA Agriculture Census in 2002 (above).

Overall, farm producers spent a total of \$440 million more producing crops and livestock than they earned from selling their products between 1993 and 2005. Total cash flow for all farmers in the region was negative each year from 1999 to 2005. The region's farmers and ranchers earned \$400 million less by selling commodities in 2005 than they earned in 1969 (in 2005 dollars).

Farmers and ranchers earn another \$77 million per year of farm-related income — primarily custom work and rental income (thirteen year average for 1993-2005). Federal farm support payments average \$55 million per year for the region for the years 1993-2005 [BEA]. These figures do not include off-farm income that clearly is an important reason that families are able to maintain their farm operations.

A conservative estimate of the amount of money farmers spend buying farm inputs that are sourced outside the region is \$300 million per year.

The region's consumers:

Northwest Wisconsin consumers spend \$928 million buying food each year, including \$521 million for home use. Most of this food is produced outside the region. Only \$3 million of food products (0.3% of farm cash receipts) were sold by farmers directly to consumers in 2002.

Estimated change in net assets for all region households combined was a loss of \$967 million in the year 2005 [BLS], an average of nearly \$6,000 per household.

Farm and food economy summary:

Farmers lose \$34 million each year producing food commodities, while spending \$300 million buying inputs from external suppliers.

Meanwhile, consumers spend \$800 million buying food from outside. Combined with farmgate losses, this amounts to a total loss to the region of \$1.13 billion of potential wealth *each year*. This loss amounts to 115% of the value of all food commodities currently raised in the region.

Northwest Wisconsin region: markets for food eaten at home (2005):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 115
Fruits & vegetables	83
Cereals and bakery products	73
Dairy products	63
“Other,” incl. sweets, fats, & oils	187

Key data sources:

Bureau of Economic Analysis data on farm production balance

<http://www.bea.doc.gov/bea/regional/reis/>

Food consumption estimates from Bureau of Labor Statistics Consumer Expenditure Survey

<http://www.bls.gov/cex/home.htm>

U.S. Census of Agriculture

<http://www.nass.usda.gov/census/>

USDA/Economic Research Service food consumption data:

<http://www.ers.usda.gov/data/foodconsumption/>

USDA/ Economic Research Service farm income data:

<http://ers.usda.gov/Data/FarmIncome/finfidmu.htm>

For more information:

To see results from *Finding Food in Farm Country* studies in other regions of Minnesota, Iowa, California, Hawaii: <http://www.crcworks.org/fffc.pdf>.

To read the original *Finding Food in Farm Country* study from Southeast Minnesota (written for the Experiment in Rural Cooperation): <http://www.crcworks.org/ff.pdf>.

To view a PowerPoint presented by Ken Meter at a keynote appearance to the Minnesota Rural Partners Summit in July, 2005: <http://www.crcworks.org/metersummit05.pdf>.

To get a brief list of essential food facts, many of which are cited in the presentation above, <http://www.crcworks.org/foodmarkets.pdf>.

To link to further analysis of farm and food economies in the U.S.: <http://www.crcworks.org/rural.html>.

Contact Ken Meter at Crossroads Resource Center

<kmeter@crcworks.org>

(612) 869-8664