2020 Minnesota Agriculture & Forestry Economic Contribution Study

Hennepin County

Hennepin County contributes the following to Minnesota's economy through agriculture, agri-food, forestry, and related industries.

Jobs

Hennepin County agriculture and related industries supported 34,508 jobs which accounts for an estimated 3% of total jobs the county.

Crops	Livestock	Forestry	Processing and Other Agriculture
2,054 jobs	3,009 jobs	8,103 jobs	21,341 jobs

Output

Total output or sales in Hennepin County generated from agriculture and related industries total an estimated $9,312 million.

Crops	Livestock	Forestry	Processing and Other Agriculture
$578.9 million	$876.6 million	$2,217.8 million	$5,638.9 million

Value-Added

Agriculture in Hennepin County generated an estimated $4,311.4 million in total value added above the cost of inputs, which represented 3% of value-added in the study area.

Crops	Livestock	Forestry	Processing and Other Agriculture
$244.1 million	$394.6 million	$1,027.5 million	$2,645.2 million

Labor Income

There is an estimated $12.5 million in labor income supported by agriculture and related industries in the county.

Crops	Livestock	Forestry	Processing and Other Agriculture
$173.8 million	$292.2 million	$694.5 million	$1,654.6 million

Hennepin County Quick Facts

Number of Farm Operations	Average Farm Size	Market Value of Crops	Market Value of Livestock
467 farms	98 acres	$51.9 million	$6.6 million

AgriGrowth™ Growing MN Food & Agriculture℠

*This study was commissioned by AgriGrowth in partnership with more than two dozen Minnesota agriculture organizations. For a full list of partners, and to read the full report, please see this link: **https://tinyurl.com/MN-Ag-Forestry**.*

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Methodology

The 2020 Economic Contribution Study of Minnesota Agriculture and Forestry was completed with a combination of the 2018 Minnesota IMPLAN dataset, data from the USDA 2017 Census of Agriculture and other USDA/NASS sources. The IMPLAN modeling system and Microsoft Excel were used for calculating and tabulating the results of this analysis. Results, shown as 2020 values throughout this report, are presented using these common economic modeling terms:

- **Value Added**
  - Sales (output) minus the cost of inputs
- **Sales (Output)**
  - The broadest measure of economic activity – sometimes referred to as "output"
- **Employment (Jobs)**
  - A measure of job positions without regard to whether they are full-time equivalents
- **Household Income**
  - Income from all sources that accrues to individuals as payment for personal employment (earnings or labor income), payment for ownership interests or capital provision (dividends, interest and rents), or as transfer payments (payments to individuals for which nothing is offered in return)

Defining Agriculture and Forestry

When completing an economic contribution study, there are generally questions as to what economic activity up and down the value chain should be included for a particular industry. Outlined below is the process used in this study for defining agriculture, and the same guidelines have been applied to the forestry industry.

There is usually considerable discussion regarding the blurred lines between production agriculture, processing and retail, and how agriculture should be defined. Agriculture can be defined as: 1) including only farm-level production, 2) including farm-level production, input manufacturing, and food processing, or 3) from the "farm to fork" perspective, which would also include distribution, restaurants and retail.

To strike middle (and defensible) ground between including more than just farm level production and seeking to attribute excess economic activity to the agriculture industry, this analysis includes production agriculture plus the first round of value added to the process. For example, in addition to the production of livestock and poultry, we have also included the industries that process them (i.e., production, processing, slaughtering, and rendering). As mentioned, we have followed this same pattern of analyzing other agricultural industries (e.g., crops), forestry production and further processing (sawmills, etc.)

Using the above rationale as a guide, the IMPLAN models were created and analyzed using the recommended methodology for a Multi-Industry Contribution Analysis. The IMPLAN modeling system uses more than 20,000 industries and classifies them according to the North American Industry Classification System (NAICS) and groups them into 546 industries. There were 101 IMPLAN sectors identified for this analysis to represent agriculture, forestry and related economic activities in the State of Minnesota.