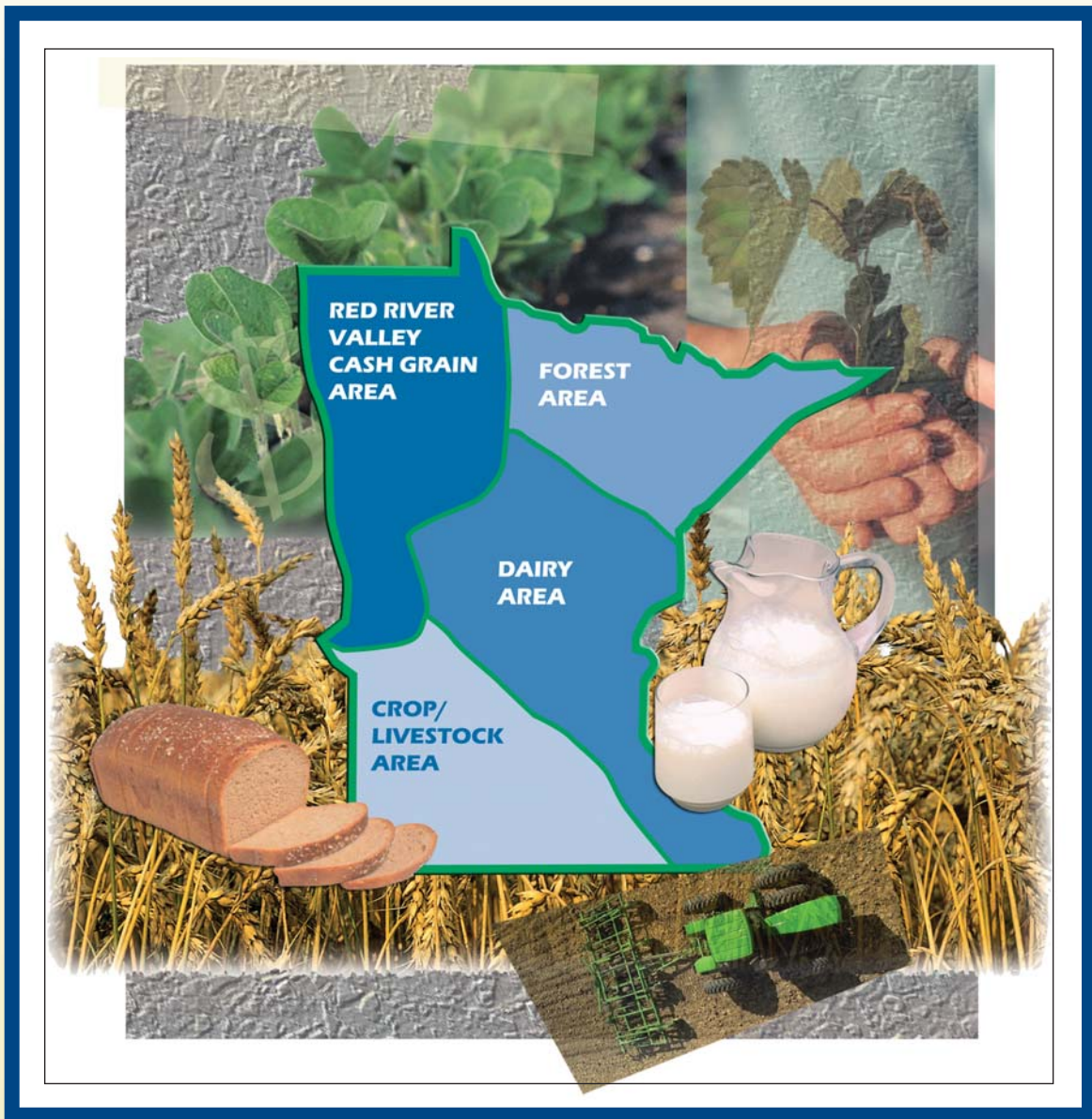


Minnesota Agriculture

THE FOUNDATION OF MINNESOTA'S ECONOMY

2007



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

www.mda.state.mn.us

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 sixth in agricultural production and seventh in exports.

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



2007

TABLE OF CONTENTS

Minnesota Profile	3
Agricultural Facts	3
Major Crops and Products	3
Agricultural Cash Receipts	4
Minnesota's National Ranking	4
Agricultural Exports	5
Economic Impact of Minnesota's Agriculture	6
Agriculture's Contribution to the State Economy	6
Economic Impact of Livestock Industry	7
Economic Impact of Bio-fuels	8



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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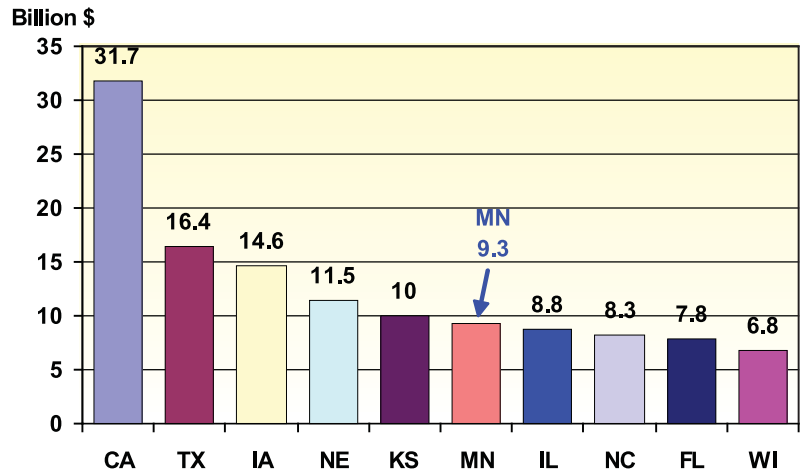
MINNESOTA PROFILE

- Population: 5.17 million
(2006 – ranks 21st among all states)
- Urban population: 73%
Rural population: 27% (2006 estimate)
- Total employment: 3,498,587 jobs (2005)
- 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

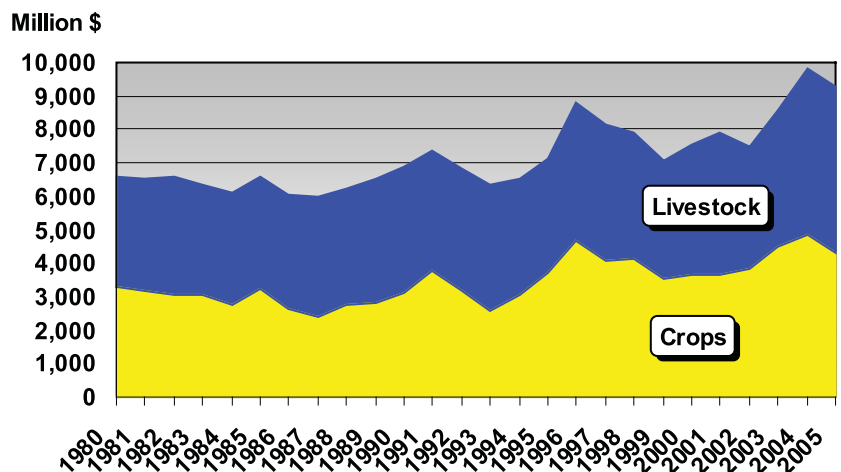
MINNESOTA AGRICULTURAL FACTS

- Minnesota is the 6th largest agricultural producer in the U.S. (2005)
- Number of farms: 79,300 (2006)
- Farm land: 27.4 million acres (54% of Minnesota's total land area)
- Average farm size: 346 acres
- Farm income from agricultural marketing:
Crops -- \$4.34 billion
Livestock -- \$4.96 billion
Total -- \$9.3 billion (6th 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 (2005)



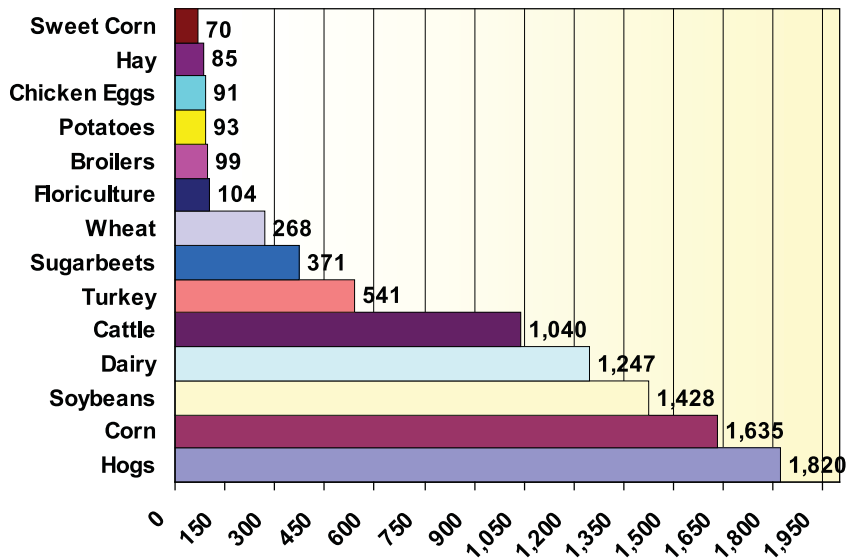
Minnesota Agricultural Cash Receipts



Minnesota's Agricultural Products by Ranking (2005) - Million \$

Crops	Value	% of Total	Livestock	Value	% of Total
Corn	\$1,634.82	17.6%	Hogs	\$1,820.31	19.6%
Soybeans	\$1,428.12	15.4%	Dairy	\$1,246.63	13.4%
Sugarbeets	\$371.31	4.0%	Cattle and calves	\$1,040.41	11.2%
Wheat	\$268.19	2.9%	Turkey	\$540.68	5.8%
Floriculture	\$103.63	1.1%	Chicken eggs	\$142.35	1.5%
Potatoes	\$93.03	1.0%	Broilers	\$90.90	1.0%
Hay	\$84.28	0.9%	Sheep and lamb	\$15.21	0.2%
Sweet corn (processed)	\$69.95	0.7%	Honey	\$7.37	0.1%
Dry beans	\$41.32	0.4%			
Green peas (processed)	\$40.33	0.3%			
Sunflowers	\$19.15	0.2%			
Apples	\$9.00	0.1%			
Oats	\$7.43	0.1%			
Barley	\$6.70	0.1%			
Other crops	\$160.90	1.7%	Other livestock products	\$102.43	1.1%
Total Crops	\$4,338.11	46.6%	Total Livestock	\$4,962.75	53.4%

Minnesota Major Agricultural Crops Value (Million \$) (2005)



MINNESOTA AGRICULTURAL CASH RECEIPTS

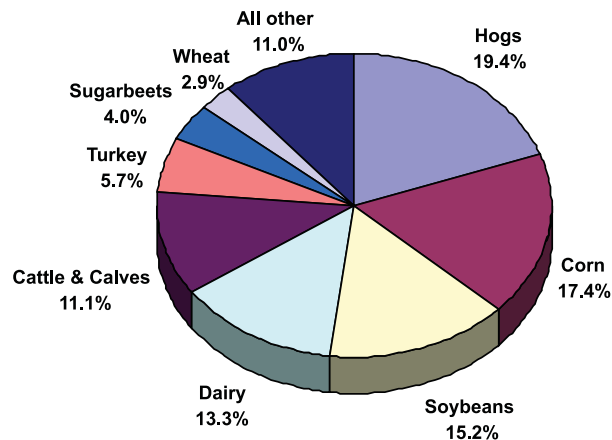
- Minnesota's top 5 commodities in 2005: hogs, corn, soybeans, dairy, and cattle & calves, which accounted for 77% of Minnesota's total agricultural cash receipts.
- From 1990 to 2005, agricultural cash receipts increased from \$6.9 billion to \$9.3 billion, a 35% growth.

MINNESOTA'S NATIONAL RANKING IN AGRICULTURAL PRODUCTION (2006)

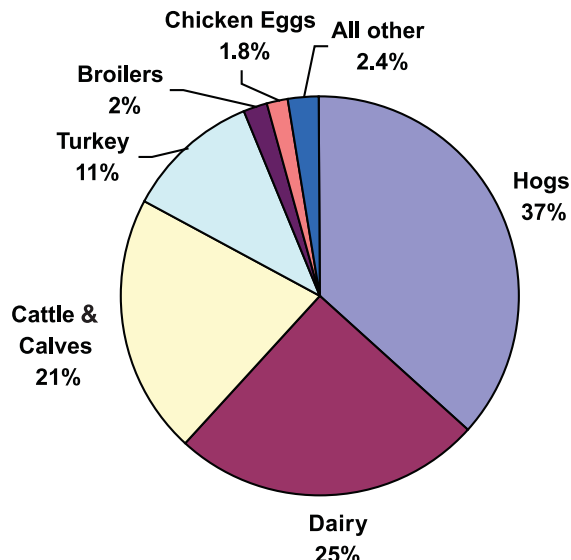
- 1st:** sugarbeets, turkey, sweet corn for processing, green peas for processing
- 2nd:** spring wheat, oats, canola, cultivated wild rice
- 3rd:** hogs, soybeans
- 4th:** corn, sunflowers, flaxseed, mink pelts, dry beans, American cheese
- 5th:** barley, ice cream, total cheese
- 6th:** potatoes, dairy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



Minnesota Cash Receipts (2005)



Minnesota Livestock Sectors (2005)



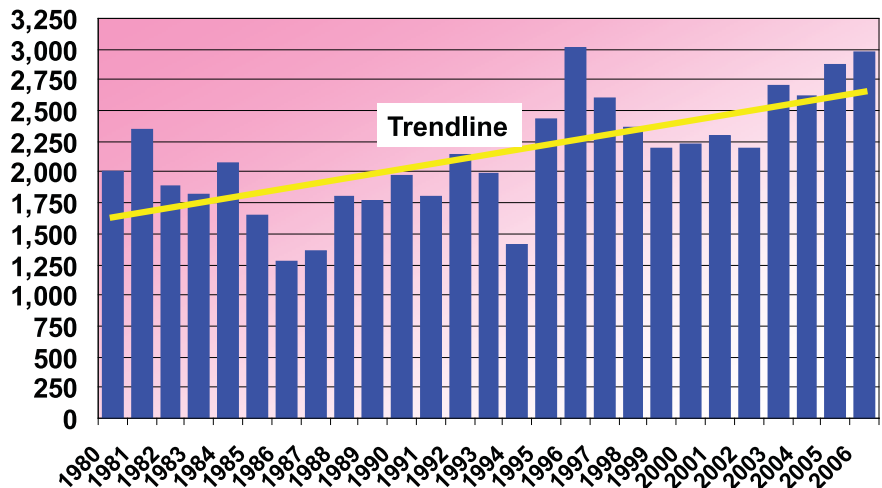
MINNESOTA AGRICULTURAL EXPORTS

- Minnesota is the 7th largest agricultural exporting state in the U.S.
- Minnesota's total agricultural exports in 2006: \$2.98 billion.
- Minnesota's top 5 export commodities: soybeans, corn, wheat, livestock products, and processed vegetables.
- The top 5 commodities contribute 80% of all agricultural exports.
- Soybeans, corn and wheat account for 64% of all commodity exports.
- Soybeans and soybean products account for one-fourth of Minnesota's total agricultural exports.

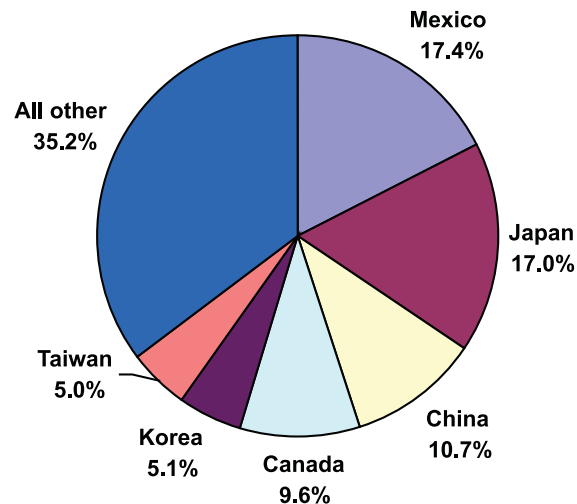


Minnesota Agricultural Exports (1980-2006)

Million \$



Minnesota Top Export Markets (2006)



Minnesota Agricultural Exports by Commodity (Million \$)

2006 Rank	Commodity	2006 Exports	% of Total	1990 Exports	% of Total
1	Soybeans & products	\$830.10	27.9%	\$507.0	25.6%
2	Feed grains & products	\$827.40	27.8%	\$828.7	41.9%
3	Livestock products (excludes poultry)	\$336.00	11.3%	\$93.0	4.7%
4	Wheat & products	\$241.00	8.1%	\$73.3	3.7%
5	Processed vegetables	\$138.00	4.6%	\$153.8	7.8%
6	Feed & fodder	\$103.30	3.5%	\$80.7	4.1%
7	Dairy products	\$83.20	2.8%	\$13.6	0.7%
8	Poultry & products	\$79.50	2.7%	\$39.8	2.0%
9	Hides & skins	\$59.70	2.0%	\$55.7	2.8%
10	Seeds	\$17.60	0.6%	\$15.0	0.8%
11	Fats & oils	\$13.70	0.5%	\$14.6	0.7%
12	Sunflower seeds & oil	\$13.40	0.5%	\$7.5	0.4%
	All other	\$234.20	7.9%	\$95.7	4.8%
	Total	\$2,977.10	100%	\$1,978.4	100.0%

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.

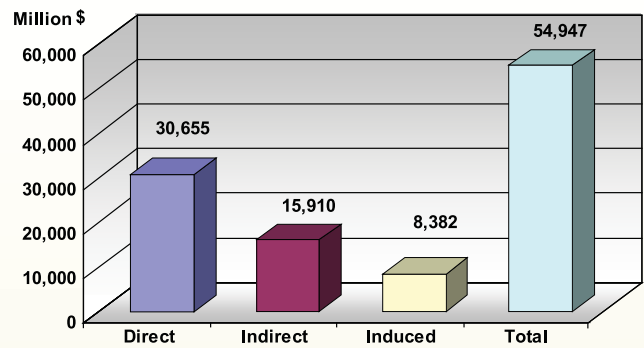
Export Strength

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

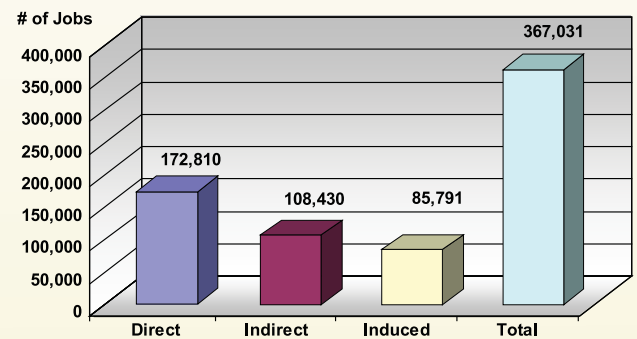
Total Economic Impact

- 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 **\$55 billion** economic activities for the state.
- Employment impact:
 - The "multiplier effect" of Minnesota's agricultural production and processing supports over **367,000 jobs**.

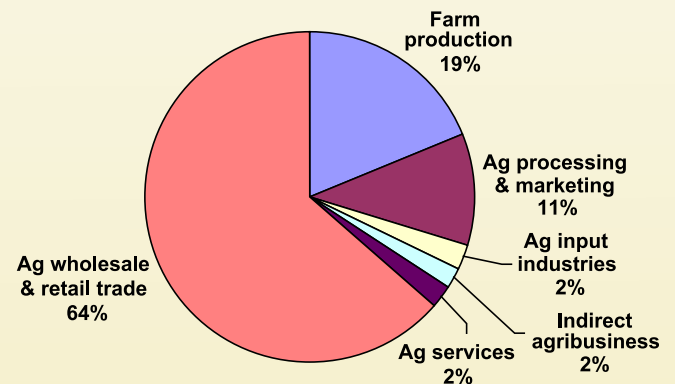
Output Impact



Employment Impact



Minnesota Ag Employment



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 15% of total jobs.
- In rural Minnesota, agricultural employment accounts for 24% 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 LIVESTOCK INDUSTRY

- Minnesota is the 8th largest livestock producer in the U.S.
- In 2005, Minnesota's livestock cash receipts totaled \$4.96 billion.
- Livestock production contributes 53.4% of Minnesota's total agricultural income.

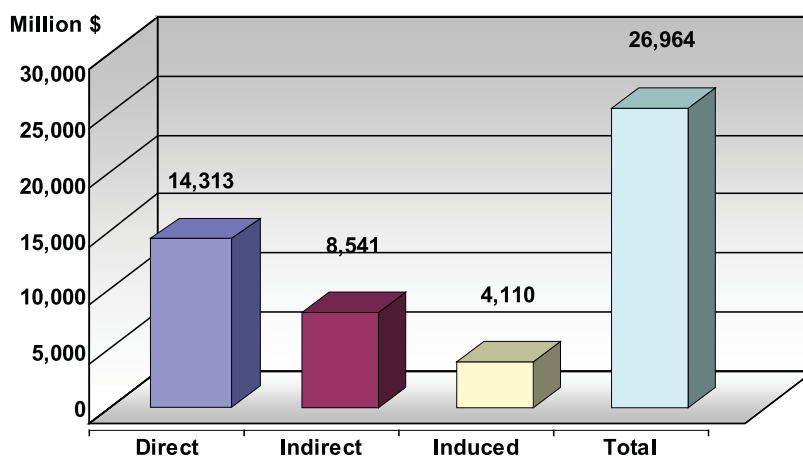
Importance of the livestock industry

- 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:
20% of total annual corn crop
14% of total annual soybean crop
- Without the strengths of the livestock industry, Minnesota's agricultural production and processing industries would lose 50% of their economic value.

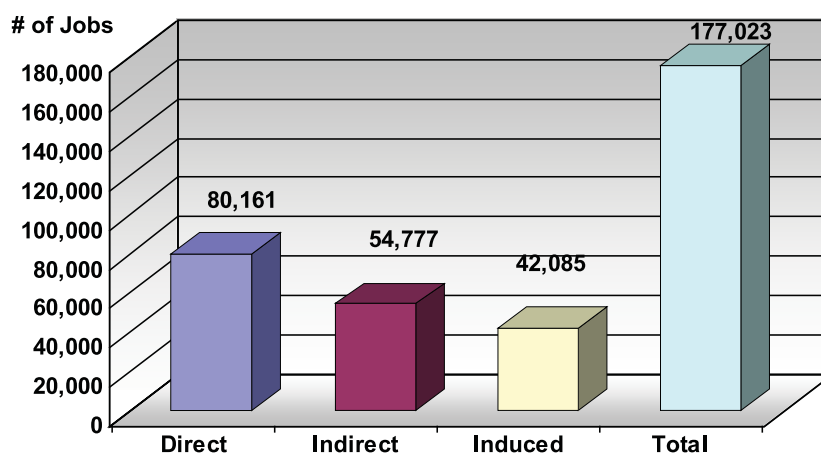
ECONOMIC IMPACT OF MINNESOTA'S LIVESTOCK INDUSTRY

- Minnesota's livestock industry (including production and processing) generates \$27 billion in total economic impacts.
- Minnesota's livestock industry (including production and processing) supports nearly 177,000 jobs.
- Minnesota's livestock industry creates economic activities in many other sectors including agriculture, manufacturing, transportation, trade, services, and construction.

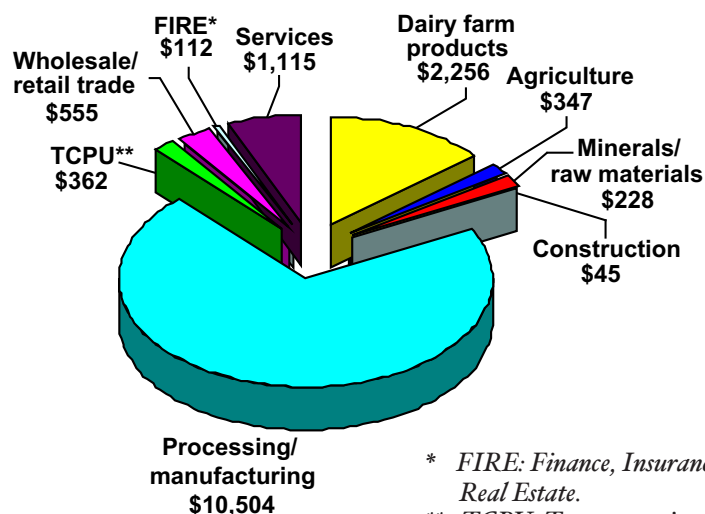
Minnesota Livestock Industry Output Impact



Minnesota Livestock Industry Employment Impact



The Economic Ripple Effect of One Dairy Cow = \$15,524



* FIRE: Finance, Insurance, and Real Estate.

** TCPU: Transportation, Communication, and Public Utilities.

ECONOMIC IMPACT OF SOY DIESEL IN MINNESOTA

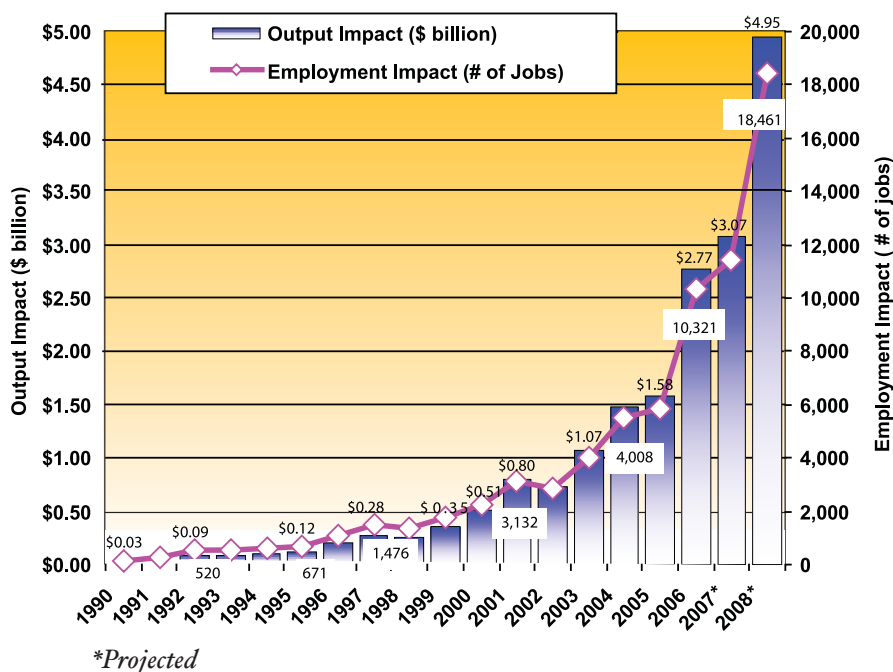
(Based on Minnesota's 2006 soy diesel production of 60 million gallons)

Minnesota's 2006 soy diesel production capacity in 2006 is projected to be 60 million gallons. At this annual production level, soy diesel in Minnesota generates various economic impacts that include:

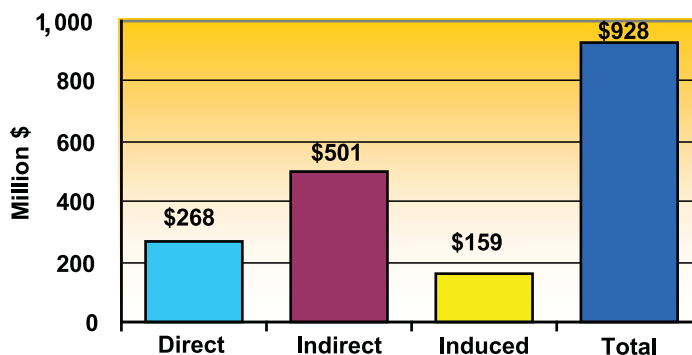
- Increased demand for Minnesota's soybean crop by 13 percent annually.
- Increased in-state soybean processing capacity by 31 percent.
- An annual output impact of \$928 million.
- Employment opportunities for 5,668 jobs.
- The "multiplier impact" will benefit various economic sectors, such as agriculture, manufacturing, construction, transportation, trade, services, finance, insurance, and real estate.

Total Impacts	2006
Output Impact (\$ Million)	
Direct	\$268 million
Indirect	\$501 million
Induced	\$159 million
Total	\$928 million
Employment Impact (# of jobs)	
Direct	122 jobs
Indirect	4,034 jobs
Induced	1,512 jobs
Total	5,668 jobs

Minnesota Ethanol: Output and Employment Impact



Soydiesel in Minnesota: Output Impact



Soydiesel in Minnesota: Employment Impact

