



# Crossroads Resource Center

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## **Tools for Community Self-determination**

### **Southeast Minnesota Food & Farm Economy**

*Highlights of a data compilation covering fifteen counties*  
by Ken Meter, Crossroads Resource Center (Minneapolis)  
for

**Experiment in Rural Cooperation**  
**University of Minnesota — Regional Sustainable Development Partnerships**

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#### **Southeast Minnesota**

*(Blue Earth, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur,  
Mower, Olmsted, Rice, Steele, Wabasha, Waseca, & Winona Counties)*

577,000 residents [2000 Census] earn \$17 billion of annual income [BEA]

**The region's farms** (2002 Agriculture Census *unless otherwise noted*)  
16,748 farms (21% of Minnesota's farms).

#### *Land:*

- Average size is 289 acres (85% of the state average of 340 acres)
- 4,976 (30%) of farms are less than 50 acres in size
- 2,871 (17%) of farms are larger than 500 acres
- Average value of land and buildings is \$604,000
- 4.1 million acres of total cropland (18% of state's)

#### *Commodity sales:*

- \$2.1 billion of farm commodity sales each year [BEA – average for 13 years 1993-2005]
- \$916 million of crop sales [BEA – average for 13 years 1993-2005]
- \$1.2 billion sales of livestock and products [BEA – average for 13 years 1993-2005]
- 5,245 (31%) of the region's farms sell less than \$2,500 of products per year
- 6,970 (42%) of the region's farms sell less than \$10,000 of products per year
- 4,445 (27%) of the region's farms sell more than \$100,000 of products per year
- 9,882 (59%) growers receive federal farm subsidies (about \$219 million total per year according to BEA — annual average over 13 years, 1993-2005)

#### *Primary commodity crops:*

- 8,684 farms (52%) raise field corn
- The 282 million bushels of corn raised in 2002 amounted to 29% of Minnesota's crop
- 2,137 farms raise 1.5 million tons of corn silage (24% of Minnesota's)
- 7,415 farms (44%) raise soybeans
- 71 million bushels of soybeans were raised in 2002 (24% of Minnesota's crop)

## *Highlights of Southeast Minnesota Farm & Food Economy (15 counties)*

### *Livestock:*

- The number of farms selling livestock or related products fell 16% from 1997 to 2002
- The value of livestock sales decreased by \$527 million (28%) from 1969 to 2005 (in 2005 dollars)
- 268,000 cattle were sold by 5,199 farms in 2002 (18% of the state's total)
- 6,161 farms hold an inventory of 541,000 cattle and calves (24% of Minnesota's)
- 268,000 cattle were sold in 2002 (20% of Minnesota's)
- Total cattle sales amounted to \$159 million (18% of Minnesota's)
- 1,571 farms sold milk and dairy products (26% of Minnesota's farms; 31% of sales)
- Milk sales decreased 15% from 1997 to 2002, falling from \$336 million to \$285 million (dollars not adjusted for inflation)
- 1,578 farms hold an inventory of 2 million hogs and pigs (31% of Minnesota's)
- 6 million hogs and pigs were sold in 2002 (33% of Minnesota's)
- 735 farms raise sheep and lambs, selling \$2.3 million (17% of Minnesota's animals)

*Poultry and aquaculture [Note that USDA does not report poultry data for many counties in the region to protect the identity of individual farms, so the following counts marked with asterisks (\*\*) are all likely to be low]:*

- 805 farms raise poultry (18% of state's poultry farms)
- 449 laying hen operations (18% of state's) have 49 birds or less. One has more than 100,000
- 505 farms raise 8,600\*\* laying hens and 62,000\*\* broilers
- The region housed 260,000\*\* laying hens and 20,000\*\* broilers in 1997
- 113 farms raise 1.5 million\*\* turkeys (10% of state's), up from 702,000\*\* in 1997
- Total poultry & egg sales amounted to \$50 million\*\* from 511 farms
- 12 aquaculture operations (12% of state's) sold \$137,000 of fish (1.5% of state sales)

### *Other crops:*

- 6,544 farms raise 1.3 million tons of forage crops (hay, etc.)
- 212 farms raise 334,000 bushels of wheat (3% of Minnesota's)
- 3.5 million bushels of oats produced on 2,051 farms (27% of Minnesota's)
- 990 farms raise 100,000 acres of vegetables
- 28 farms raise 655,000 hundredweight of potatoes
- 7 farms raise 5,714 hundredweight of green beans
- 1,713 acres of orchard on 124 farms

### *Organic & Direct food sales:*

- \$705,000 of organic foods are sold by 82 farms (21% of state's)
- 763 farms (5% of the region's farms) sell \$4.2 million of food directly to consumers (20% of Minnesota's direct sales)
- This is a 13% increase in the number of farms, and a 37% increase in direct food sales, from 1997 to 2002 (dollars not adjusted for inflation)

The region's farmers sold an average of \$2.15 billion of food commodities per year (1993-2005 average), spending \$2.27 billion to raise them, losing an average of \$120 million in production costs each year [*All dollar figures in this section are listed in 2005 dollars*]. This is a total loss of \$1.6 billion for all farms in the region over the 13-year period. Cash receipts exceeded production expenses in only three of those years.

Farmers earned \$728 million less in 2005 than they had in 1969. Although there was a small improvement in farm income in 2004, losses deepened again in 2005.

Note that the annual farm production *surplus* in 1973-1974 was \$1.5 billion *per year*.

Each year since 1993, the region's farmers have earned an average of \$120 million of other farm-related income (such as cash rents for land, custom work for neighbors, production of nursery crops, etc.) which basically cover their losses producing crops and livestock. Federal subsidies amount to an average of about \$220 million each year for all farms in the region over the past thirteen years, for a total of \$2.8 billion in subsidies.

Most of the declines are due to declining prices for livestock and livestock products. While cash receipts from raising crops have held steady at about \$800 million each year since 1969, livestock receipts (including livestock products like milk) fell from \$1.9 billion in 1969 to \$1.3 billion in 2005 (\$600 million less, a 31% decline).

Farmers have reduced petroleum costs to one-half of 1981 levels, about \$100 million in 2005. They spend \$250 million per year on chemicals and lime, lower than the peak of \$400 million in 1975, but higher than the 1969 level of \$170 million. Labor costs have held fairly steady at \$170 million per year from 1969-2005.

Overall, even after subsidies were taken into account, 41% of the region's farms reported net losses in 2002.

**The county's consumers:**

Southeast Minnesota consumers spend \$1.3 billion buying food each year. \$710 million of this buys food to eat at home, and \$550 million is spent for eating out. Most all of this food is sourced outside the region. \$4.2 million of food products (0.2% of total sales) are sold by farmers directly to consumers, less than half the national rate of 0.5%.

**Poverty level:**

113,000 residents (20% of those surveyed) live in a household earning less than a living wage. "Living wage" is defined as 185% of the federal poverty guideline — the level at which children are eligible for free or reduced prices for school lunch, but still not enough to live well.

Since 1983, farmers received an average of \$200 million of subsidies each year — to produce commodities that are not directly eaten by consumers — while low-income residents received an average of \$20 million in food coupons per year.

**Farm and food economy summary:**

Farmers lose \$120 million each year producing food commodities, while spending \$960 million buying outside inputs. Meanwhile the region's consumers spend \$750 million buying food from outside. This is a total loss to the region of \$1.8 billion of potential wealth *each year*. This loss amounts to 84% of the value of all food commodities raised in the region.

**Southeast Minnesota: markets for food eaten at home (BLS)**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 156
Fruits & vegetables	113
Cereals and bakery products	100
Dairy products	86
“Other,” incl. sweets, fats, & oils	254

**Southeast Minnesota: household markets for energy & utilities (BLS)**

	<i>millions</i>
Utilities, fuels, and public services	\$ 693
Natural gas	159
Electricity	218
Fuel oil and other fuels	23
Telephone services	219
Water and other public services	73

**County & State Food markets (BLS):**

**Blue Earth County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 15.0
Fruits & vegetables	10.9
Cereals and bakery products	9.6
Dairy products	8.3
“Other,” incl. sweets, fats, & oils	24.5

**Dodge County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 4.6
Fruits & vegetables	3.3
Cereals and bakery products	2.9
Dairy products	2.5
“Other,” incl. sweets, fats, & oils	7.4

**Faribault: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 4.7
Fruits & vegetables	3.4
Cereals and bakery products	3.0
Dairy products	2.6
“Other,” incl. sweets, fats, & oils	7.7

**Fillmore: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 5.8
Fruits & vegetables	4.2
Cereals and bakery products	3.7
Dairy products	3.2
“Other,” incl. sweets, fats, & oils	9.5

**Freeborn County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 9.5
Fruits & vegetables	6.9
Cereals and bakery products	6.1
Dairy products	5.2
“Other,” incl. sweets, fats, & oils	15.5

**Goodhue County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 12.1
Fruits & vegetables	8.8
Cereals and bakery products	7.7
Dairy products	6.6
“Other,” incl. sweets, fats, & oils	19.7

**Houston County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 5.4
Fruits & vegetables	3.9
Cereals and bakery products	3.4
Dairy products	3.0
“Other,” incl. sweets, fats, & oils	8.8

**Le Sueur County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 6.9
Fruits & vegetables	5.0
Cereals and bakery products	4.4
Dairy products	3.8
“Other,” incl. sweets, fats, & oils	11.1

**Mower County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$11.1
Fruits & vegetables	8.1
Cereals and bakery products	7.1
Dairy products	6.1
“Other,” incl. sweets, fats, & oils	18.1

**Olmsted County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 34.1
Fruits & vegetables	24.8
Cereals and bakery products	21.7
Dairy products	18.7
“Other,” incl. sweets, fats, & oils	55.5

**Rice County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$13.5
Fruits & vegetables	9.8
Cereals and bakery products	8.6
Dairy products	7.4
“Other,” incl. sweets, fats, & oils	21.9

**Steele County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 9.1
Fruits & vegetables	6.6
Cereals and bakery products	5.8
Dairy products	5.0
“Other,” incl. sweets, fats, & oils	14.8

**Wabasha County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 5.9
Fruits & vegetables	4.3
Cereals and bakery products	3.8
Dairy products	3.2
“Other,” incl. sweets, fats, & oils	9.6

**Waseca County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 5.0
Fruits & vegetables	3.6
Cereals and bakery products	3.2
Dairy products	2.8
“Other,” incl. sweets, fats, & oils	8.2

**Winona County: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$13.4
Fruits & vegetables	9.7
Cereals and bakery products	8.5
Dairy products	7.3
“Other,” incl. sweets, fats, & oils	21.7

**Minneapolis-St. Paul Metro Area: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$809.3
Fruits & vegetables	587.6
Cereals and bakery products	516.0
Dairy products	444.4
“Other,” incl. sweets, fats, & oils	1,316.2

**State of Minnesota: markets for food eaten at home**

	<i>millions</i>
Meats, poultry, fish, and eggs	\$1,349.3
Fruits & vegetables	979.8
Cereals and bakery products	860.4
Dairy products	41.0
“Other,” incl. sweets, fats, & oils	2,194.6

**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 plenary appearance to the Community Food Security Coalition in October 2006: <http://www.crcworks.org/crcppts/cfsc06.pdf>.

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

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