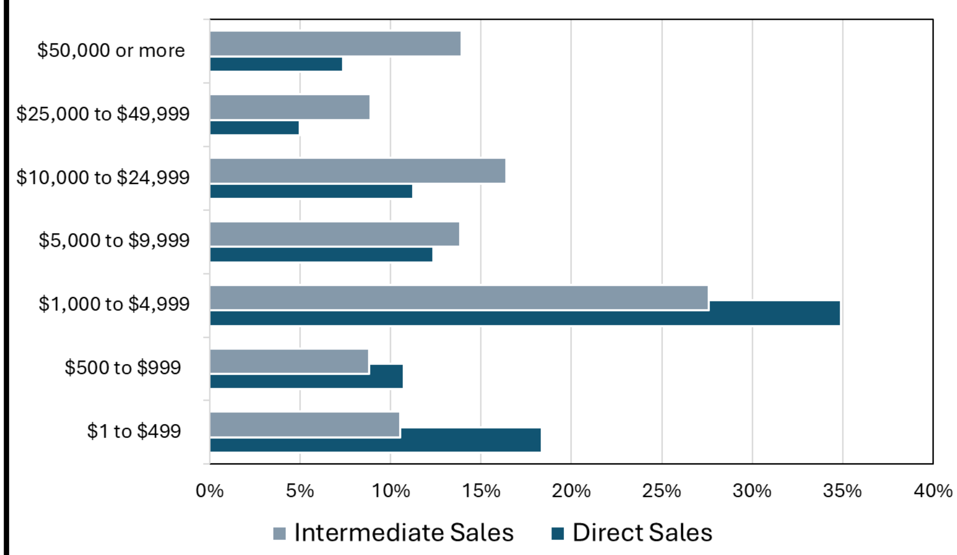
Local Food

Extension
UNIVERSITY OF WISCONSIN–MADISON

The past several years have seen a growth in the demand for *farm to fork,* through *direct from farmer* sales both to consumers and local institutions such as restaurants and schools of agricultural products. This is evident by the popularity of Farmer's Markets in Wisconsin. In fact, Wisconsin is home to the largest producer-only farmer's market in the nation, the Dane County Farmer's Market. Using data from the 2022 Census of Agriculture, there were 4,848 farms that reported direct sales to consumers with total sales of $81.7 million, for average farm sales of $16,864. Compared to 1997, the first year the USDA began collecting this data, the number of farms with direct sales remained constant, but sales per farm increased from $4,920.

Sales directly to consumers accounts for about one in four dollars of the sales into local foods markets. In 2022, 1,750 Wisconsin farms reported $221.1 million in sales directly to retailers, restaurants, food hubs, or other local institutions (e.g. hospitals). The average farm with "intermediate sales" was $126,332. Farms in that contribute to local food are most often fruits and vegetables. However, third most popular in the direct to consumer sales is beef. Poultry and egg production also contribute heavily to local foods, but this is often done to an intermediate retailer or other institution. While farms that are selling into "intermediate markets" are larger than farms selling direct to consumers, a large majority of both types of these farms tend to be modest in size (Figure 1). Indeed, nearly three in four (76.4%) of farms with direct sales and 60.7% of farms with intermediate sales had sales of less than $10,000 in 2022.

Figure 1: Wisconsin Farm Based Local Foods: Number of Operations by Sales Volume

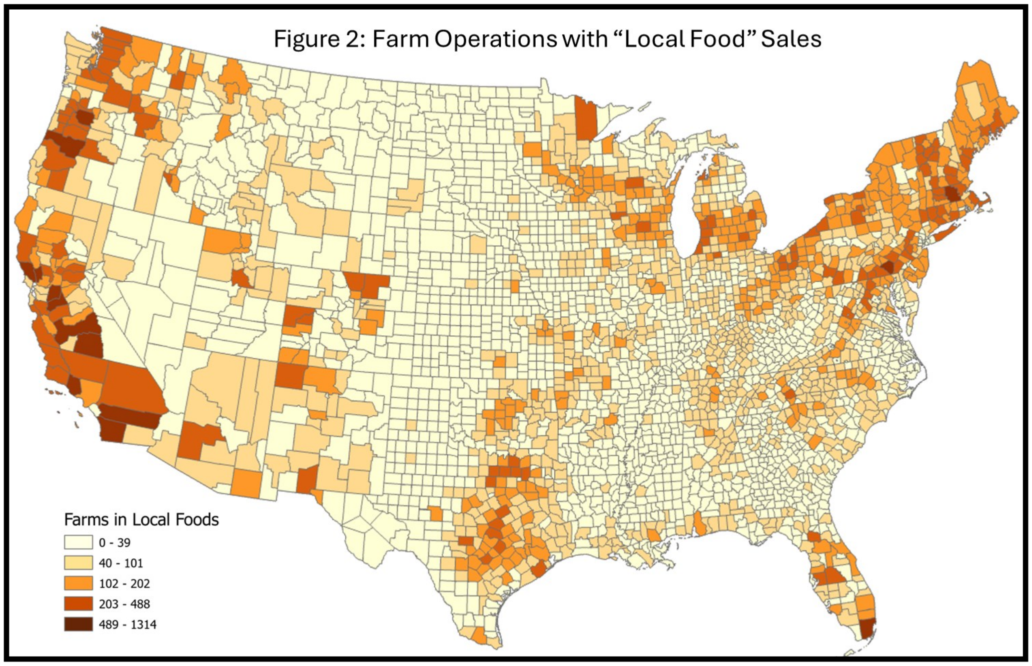


Source: Census of Agriculture, 2022

If we explore the concentration of farms with sales into the local food system across Wisconsin within the context of the whole of the U.S. it becomes clear that Wisconsin has a relatively high concentration (Figure 2).

Updated 2024

Local Food



There are clear concentrations along the Pacific coast, southern Florida, Texas and a long swath of the northeastern U.S. and west through the lower half of Michigan and Wisconsin up to the Twin Cities in Minnesota. Proximity to larger concentrations of population, helps explain the spatial location of farms selling into local food markets. Given that there are over 16.5 million people living within the triangle roughly defined by Chicago-Milwaukee-Twin Cities, the market potential for Wisconsin farms selling into local food systems is significant.

Despite the modest size of many Wisconsin farms that sell into the local foods system, their activity has an impact on the larger Wisconsin economy. Using a regional economic model of Wisconsin, our analysis suggests that local food farms support 2,.535 jobs, $110.4 million in labor income (wages, salaries and proprietor income), $240.6 million in total income (labor income plus all other sources of income) and $507.8 million in industrial sales or revenue (Table 1). The economic activity generated by local foods farms also generates tax (and fees/charge) flowing to governments. Here $5.5 million flows to local governments across Wisconsin and $11 million to state government (Table 2).

Table 1: Contribution to Wisconsin Economy

	Employment	Labor Income (MM$)	Total Income (MM$)	Industry Sales (MM$)
Farm Local Foods	2,535	$110.4	$240.6	$507.8
Economic Multiplier	1.577	1.945	1.813	1.677

Table 2: Contribution to Government Revenues

	Local Govt. (MM$)	State Govt. (MM$)	Federal Govt. (MM$)	Total Govt. (MM$)
Farm Local Foods	$5.5	$11.0	$27.04	$43.6

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