



Economic Contribution of Export Trade of Grain and Grain Products

Minnesota 7th Congressional District

Exports of grain and grain products added \$1,094.7 million in value to the Minnesota 7th Congressional District's economy in 2016, according to an IHS Markit Agribusiness Consulting study commissioned by the U.S. Grains Council.

Economic Contribution Results

- In 2018, the Minnesota 7th Congressional District's grain and grain product exports were valued at \$779.5 million – 25.8% of the district's grain and grain products production value.
- The economic “ripple effects” of these grain and grain products exports supported:
 - \$1,094.7 million in economic output,
 - \$317.0 million in gross regional product (GRP), and
 - 4,337 jobs in the district's economy.
- For every \$1 million in exports of malt and other barley, sorghum, corn, ethanol, residual milling products, and the corn equivalent of meat exports, 6 jobs and \$0.41 million of GRP are supported within the district.

Minnesota Congressional District #7			
2018 Economic Contribution ¹ Provided by Select Grain and Grain Products Exports			
Commodity	Jobs	Gross Regional Product (\$ millions)	Output (\$ millions)
Malt Barley	2	237.30	0.51
Other Barley	1	0.06	0.20
Malt (Barley Equiv.)	23	1.60	5.19
Corn	3,366	237.30	767.51
Sorghum	0	0.00	0.00
Ethanol	212	20.54	100.92
Residual Milling Feed Products	215	20.81	102.25
Corn Equivalent of Meat	518	36.53	118.16
Total	4,337	317.01	1,094.74

¹ Economic contribution is the summation of direct, indirect and induced impacts as defined on page 2.

Note: Numbers may not add due to rounding.

Source: U.S. Grains Council, IMPLAN and IHS Markit Agribusiness Consulting

Economic Contribution of Export Trade of Grain and Grain Products for Minnesota 7th Congressional District (Continued)

About the Study

This study investigated the economic contribution from the export of malt and other barley, sorghum, corn, ethanol and its co-products including distiller's dried grains with solubles (DDGS), corn gluten feed, and corn gluten meal (described as "residual milling feed products"), as well as corn equivalents of meat exports.

Export markets are one outlet for U.S. grain production, and they impact the entire farming value chain. Access to export markets supports jobs and economic activity in sectors including construction and maintenance, restaurants, hospitals, and retail stores, in addition to the transportation apparatus and industry that is in place to handle the outflows of grain products.

Minnesota Congressional District #7 Overview (2018)			
Product	Export Value (\$ millions)	Value of Production (\$ millions)	Percent of Grain Production Exported
Malt Barley	0.38	19.32	2.0
Other Barley	0.15	0.67	22.2
Malt (Barley Equiv.)	3.86	-	-
Corn	571.03	2,305.32	24.8
Sorghum	0.00	0.00	0.0
Ethanol	57.69	538.60	10.7
Residual Milling Feed Products	58.45	158.01	37.0
Corn Equivalent of Meat*	87.91	2,197.47	-
Total*	779.47	5,219.40	25.8

*Meat production is actual meat production value, not corn equivalent. Not Included in % of production exported

Note: Numbers may not add due to rounding.

Source: NASS USDA, ERS USDA, U.S. Grains Council, and IHS Markit Agribusiness Consulting

Economic Impacts

This study analyzed the economic contribution of grain and grain product exports by aggregating three separate impacts: direct, indirect, and induced impacts. Direct impacts are the benefits farmers directly receive in the form of additional sales to fill export demand. Indirect impacts are realized by businesses supporting farms, like fertilizer suppliers or transportation companies. Induced impacts are those created from the spending of labor income and profits and would include, for example, farm employees purchasing groceries. For this study, these impacts are aggregated to provide a holistic view of how grain and grain products exports support the district's economy.

Economic Variable Definitions

- **Jobs** are the total number of jobs supported by the economic activity.
- **Gross Regional Product (GRP)** is very similar to GDP and is the total value added by each step in the supply chain. The GRP can be thought of as the summation of labor income, profit, taxes and indirect business taxes.
- **Output** can be defined as the summation of the business revenues that are associated with exports of grain and grain products.

