

# NEWS RELEASE

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## **WISCONSIN THIRD IN NATION FOR FOOD MANUFACTURING, NUMBER ONE IN STATE**

With more than \$43 billion in food shipments in 2016, Wisconsin trails only Illinois and California as the top food manufacturing state in the nation. Within Wisconsin, food manufacturing ranks as the states number one manufacturing industry when measured by value of shipments.

That is the finding of the Midwest Food Products Association ([MWFPA](http://www.mwfpa.org)) based on the latest figures derived from the U.S. Census Bureau's annual survey of manufacturers. According to Nick George, president of the MWFPA, the state's ranking is due in part "to Wisconsin's diversified portfolio of food processing industries, including well developed processing sectors such as dairy, meat, cheese, and fruits and vegetables."

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The Census Bureau survey, which provides manufacturing statistics that are crucial to accurate estimates of domestic production and productivity, places Wisconsin's food industry as the state's top manufacturing industry when measured by value of shipments, coming in ahead of machinery manufacturing, fabricated metal product manufacturing and paper manufacturing. The numbers released today by MWFPA are based on U.S. Census Bureau data analyzed by the Association.

Wisconsin is not only a leader in dairy and cheese, but also a national leader in vegetable production. It regularly places at or near the top nationally in the production of green beans, sweet corn, sweet peas and potatoes. It repeatedly ranks in the top ten for crops such as carrots and cabbage. "We are second in the nation behind California for total value of processed vegetable crops," said George.

George noted that many people aren't aware that Wisconsin is home to some of the largest food manufacturing companies in the nation. The state is a major food processor hosting companies possessing national and international name recognition.

The Census Bureau figures also show food manufacturing to be Wisconsin's leading manufacturing employer. More than 65,000 people were food processing employees in 2016 (the most recent year for which data are available), representing 14.9 percent of manufacturing workforce in the state. It also accounts for \$3.2 billion in annual payroll placing it third in that category among the Badger State's manufacturing industries.

Yet, according to George, food manufacturing, like the rest of the state's manufacturing industry, is finding it difficult to fill jobs. A study released by Competitive Wisconsin in April of 2017 found that workforce shortages and the availability of skilled workers to be food manufacturer's number one concern. "Our members are hard-pressed to find local workers in almost every position category in their plants," George pointed out.

Other key findings from the annual survey include:

- The largest food processing sector, as measured by value of shipments, is dairy product manufacturing. In 2016 the industry reported over \$20 billion in shipments (46.4 percent of total food manufacturing shipments).

- Dairy processing has the largest number of workers in the food manufacturing industry employing over 22,000 individuals. This is followed by meat manufacturing which employs more than 16, 000 individuals.
- In 2016, the Wisconsin food manufacturing sector overall reported value added (the total worth contributed to a final product as a result of the manufacturing process) of \$15.3 billion, and capital expenditures of \$1.1 billion.

Statistics presented at the University of Wisconsin's Agriculture Outlook Forum documented that specialty crop production and processing in Wisconsin generates more than \$5.8 billion in economic activity and almost 25,000 jobs. This provides a ripple effect to local economies when food processors hire and pay people and buy numerous inputs and services (including raw products from farmers). This income is then spent and re-spent in the statewide economy as well.

"It's proof that a thriving agricultural industry depends in large part on a strong food manufacturing sector," added George. "Firms engaged in the processing of agricultural commodities add income and profits to Wisconsin's economy while they add value to the agricultural commodities themselves," he noted. "They transform crops and livestock into products worth more in the world marketplace, and they provide employment and income opportunities to Wisconsin residents."