

Arizona's Agribusiness System in the State Economy

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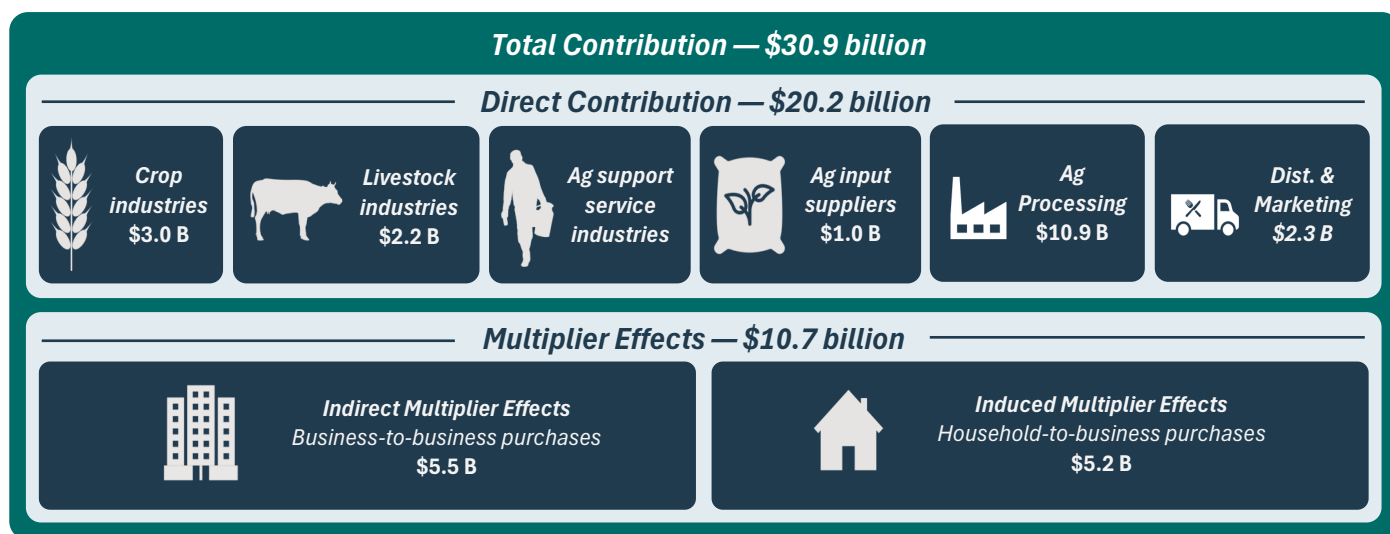
November 2024

About the Study

This study quantifies the importance of agriculture and agribusiness to Arizona's economy in 2022. Agriculture and agribusiness include on-farm production of crops, livestock, and livestock products; agricultural support services; agricultural input suppliers; agricultural processing; and marketing and distribution. The study estimates the direct contribution of these industries to the state economy, as well as additional economic activity supported through multiplier effects in industries outside of agriculture and agribusiness. Indirect multiplier effects capture economic activity in non-agricultural industries that provide goods and services as inputs to Arizona agribusinesses. Induced multiplier effects capture economic activity in industries that provide consumer goods and services to households. Direct, indirect, and induced effects combined measure the total economic contribution to the state economy.

Sales Contribution

Arizona agriculture & agribusiness supported a total of **\$30.9 billion** in economic activity (sales) in 2022.



Employment & Labor Income Contribution

- The agribusiness system directly and indirectly supported **more than 126,000 full- and part-time jobs**, employing more than 160,000 unique workers.
- The agribusiness system **supported \$7.2 billion in labor income**. This is the wages, salaries, and benefits paid to workers and income earned by business-owners.
- Part the agribusiness system's \$7.2 billion labor income contribution was support of **\$3.3 billion in labor income in non-agribusiness industries**. Arizona's agribusiness system spending, through indirect and induced effects, supports labor income in non-agribusiness sectors of Arizona's economy. For example, as a result of agribusiness economic activity, nearly \$135 million was paid as income to those employed by hospitals and physician offices, \$66 million was paid to workers in retail food and beverage stores, and nearly \$70 million was paid to those working in the real estate industry.

Value Added (GSP) Contribution

Value added measures the net incremental change in the value of a good from the last stage in production. At the national level, it is equivalent to Gross Domestic Product (GDP). At the state level, it is equivalent to Gross State Product (GSP).

- In 2022, the agribusiness system *directly contributed approximately \$6.2 billion to value added*. Including multiplier effects, **the agribusiness system contributed \$12.2 billion to Arizona's GSP**.
- Arizona's top five agribusiness industries, in terms of their direct contribution to GSP, were agribusiness wholesaling, vegetable and melon farming, agricultural support services (largely farm labor contracting from harvesting activities), bread and bakery products, and fluid milk manufacturing.

From the 2022 Census of Agriculture...



- There are **16,710 farm operations** in Arizona.
- Arizona farmers and ranchers manage 25.5 million acres of land – 35% of Arizona's total land area.



- Arizona farmers and ranchers manage **\$24.2 billion in farm assets** (land, buildings, and machinery).
- The **top 5%** of farms accounted for 97% of total agricultural sales.
- The **top 114** farms accounted for 75% of total agricultural sales.
- Arizona's three top producing counties – Maricopa, Pinal, and Yuma – accounted for **81% of Arizona's agricultural sales**.
- These same three counties ranked in the **top 1%** among all U.S. counties in total agricultural sales.
- 79% of Arizona farms and ranches **had sales of less than \$25,000**



- 89% of Arizona farms are operated by families, individuals, or partnerships.
- Arizona has the highest percent of female agricultural producers in the country, at 48%.
- Arizona also has the highest share of Native American and Alaska Native producers in the country, at 56%.

How was the study done?

The economic contribution analysis was modeled using the IMPLAN Pro 2022 model for Arizona. The state model was customized using the best available, most recent data to more accurately reflect the production and economic context in Arizona. The study relies on a number of data sources, first and foremost the 2022 Census of Agriculture (USDA, 2024).