

An aerial photograph of a farm at sunset. The sun is low on the horizon, casting a warm, golden glow over the landscape. The sky is filled with dramatic, colorful clouds in shades of orange, yellow, and purple. The farm below features several buildings, including a large barn and smaller structures, surrounded by green fields and trees with autumn foliage. A road or driveway leads through the property.

# Economic Impacts of Connecticut's Agricultural Industry in 2022

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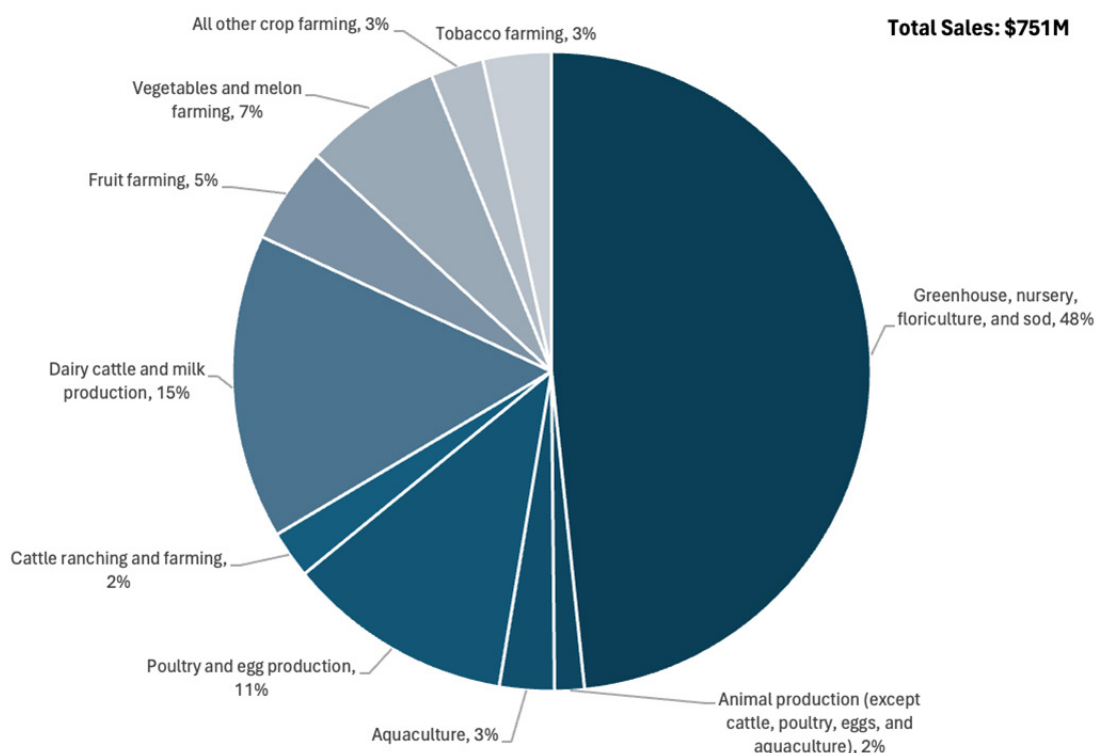


## Connecticut's Agricultural Industry At A Glance

Agriculture has been a critical component of the Connecticut economy since colonial times, when the state's economy comprised mainly agriculture, fishing, lumber, and shipbuilding. Today the importance of agriculture in the state economy remains high not only through farms but also associated forests and fisheries. Connecticut's geographic area is approximately 3.2 million acres. Despite the state's small size, its agriculture continues to thrive, and the amount of farmland, at 372,014 acres in 2022, accounts for approximately 11% of the state's total area (USDA, 2024). In addition, the state has 50,000 acres of leased shellfish beds across the Long Island Sound (Connecticut Department of Agriculture, 2019).

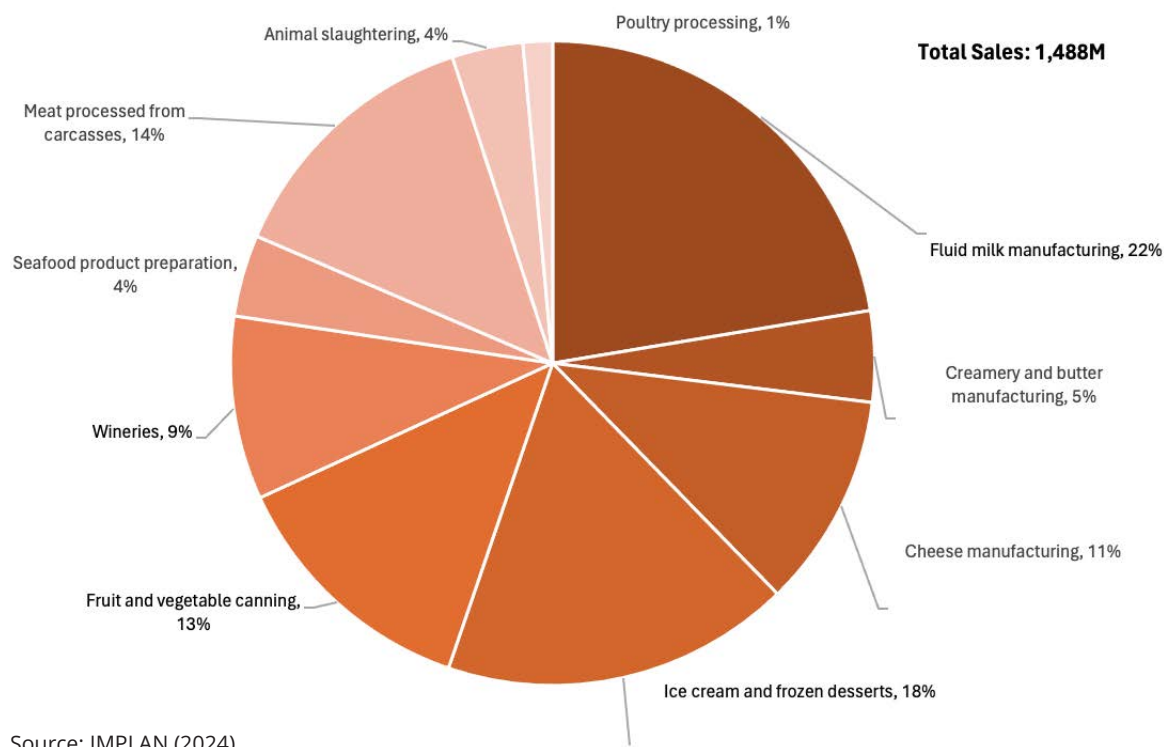
As shown in Figure 1, despite its relatively small size, Connecticut agriculture ranks third in New England in farm sales, which totaled \$751 million in 2022.<sup>1</sup> The state's agriculture is not only economically important but also quite diverse. As illustrated in Figure 1, field crops compose a minor share of agricultural sales in Connecticut, in sharp contrast to agriculture nationwide, while the largest agricultural sectors are "green" industries (nursery, greenhouse, floriculture, and sod production), vegetable and fruit farming, and dairy, poultry, and egg production. The greenhouse, nursery, floriculture, and sod sectors constitute by far the largest farm subsector in the state. As shown in Figure 2, dairy processing leads primary agricultural processing in Connecticut, accounting for more than half of it, followed by meat processed from carcasses and fruit and vegetable canning, with nearly identical shares.

**Figure 1 – 2022 Sales of Agricultural Products by Commodity Groups**



Source: IMPLAN (2024), 2022 Census of Agriculture (USDA, 2024), Connecticut Department of Agriculture (2024).

Figure 2 – 2022 Sales of Primary Agricultural and Seafood Processing Sectors



What changed between 2015 and 2022? Considering aggregate direct sales in 2015 (Lopez et al., 2017), the agricultural, fishery, and forestry production sectors expanded from \$806 million in 2015 to \$987 million in 2022, a 22% increase in nominal dollars. Primary agricultural processing sectors expanded from \$1.22 billion to nearly \$1.5 billion, a 21.7% increase. Combining production and primary agricultural processing sectors, total sales of the agricultural industry expanded from \$2.03 billion in 2015 to \$2.48 billion in 2022, approximately a 22% increase in nominal sales. When one considers PCE price inflation, the overall size of the pie expanded in real dollars.<sup>2</sup> However, there has been a restructuring of the shares of the pie due to different rates of growth in sales of various sectors.

Figure 3 shows the rates of growth of nominal dollar sales sector-by-sector between 2017 and 2022, as well as the general PCE rate of inflation (the dotted line).<sup>3</sup> A significant expansion in sales occurred in selected value-added processed animal products, such as creamery and butter manufacturing (in part due to new plants established by Agri-Mark, Inc.), ice cream manufacturing; seafood preparation; meat processed from carcasses (in contrast to the continued decline in animal slaughtering); and poultry processing. Likewise, selected agricultural production sectors saw a significant expansion, including poultry and egg production greenhouse, nursery, floriculture, and sod production, and fruit and vegetable production.<sup>4</sup>



On the other hand, sectors involved in primary animal production and processing, such as animal slaughtering, aquaculture, commercial fishing, and fluid milk manufacturing contracted significantly. The decline in fluid milk manufacturing is consistent with regional and national trends as per capita consumption of fluid milk continues to decline. The decline in sales by the commercial fishery sector reflects declines in wild-caught fish, a trend occurring across the Northeast region.<sup>5</sup> By the same token, aquaculture production experienced a sharp decline due primarily to a drastic reduction in the production of clams, as reported by the Connecticut Department of Agriculture (2024).<sup>6</sup> In the agricultural production sector, tobacco farming continued its decline in sales. To the extent that such declines reflect a combination of adverse impacts of climatic conditions and competition from imports and other U.S. producing regions, they call for renewed attention to these sectors.

In the forestry production area, sawmills saw a healthy increase in sales thanks to record high prices for lumber, although prices at the producer level did not increase as much as lumber at the retail level, which was also constrained by capacity and production technology and the species grown in Connecticut which consist mostly of hardwood rather than the more price-volatile softwood lumber reported in the media.<sup>7</sup>

Harvesting tobacco in the Connecticut River Valley. Courtesy of Connecticut Department of Agriculture



**Table 1. Main Results: Economic Output and Employment Impacts, 2022**

| Sector  | Sales          | Economic Impact | Employment Impact |
|---|----------------|-----------------|-------------------|
| <i>Agricultural, fishery, and forest production</i>               | \$ Million     | \$ Million      | Jobs              |
| Greenhouse, nursery, floriculture, and sod                        | 362.5          | 509             | 5,631             |
| Dairy cattle and milk production                                  | 115.7          | 189.2           | 742               |
| Sawmills  | 89.3           | 186.6           | 651               |
| Poultry and egg production  | 86.3           | 137.6           | 464               |
| Commercial logging  | 54.9           | 98.4            | 626               |
| Vegetable and melon farming                                       | 52.9           | 74.5            | 777               |
| Support activities for agriculture and forestry                   | 40.8           | 80.1            | 1,688             |
| Fruit farming   | 36.9           | 46.6            | 740               |
| Tobacco farming   | 25.9           | 35.3            | 574               |
| Aquaculture   | 20.8           | 33.5            | 482               |
| Grain farming   | 19.6           | 29.3            | 219               |
| All other crop farming  | 19.6           | 28.9            | 1,633             |
| Cattle ranching and farming                                       | 17.7           | 21.2            | 327               |
| Forestry  | 14.8           | 25.0            | 178               |
| Commercial fishing  | 12.6           | 18.9            | 647               |
| Animal production (except cattle, poultry, eggs, and aquaculture) | 11.3           | 13.4            | 232               |
| Commercial hunting and trapping                                   | 5.1            | 8.9             | 65                |
| Oilseed farming   | 0.4            | 0.7             | 3                 |
| <b>Total for agric., fishery, and forest prod.</b>                | <b>987.0</b>   | <b>1,537.2</b>  | <b>15,679</b>     |
| <b>REMI</b>   |                | <b>1741.1</b>   | <b>26,324</b>     |
| <b>Primary processing</b>   |                |                 |                   |
| Fluid milk manufacturing  | 333.2          | 677.4           | 1,602             |
| Ice cream and frozen dessert manufacturing                        | 260.5          | 425.0           | 1,259             |
| Meat processed from carcasses                                     | 201.0          | 293.2           | 886               |
| Fruit and vegetable canning, pickling, and drying                 | 192.3          | 300.5           | 792               |
| Cheese manufacturing  | 160.2          | 251.4           | 535               |
| Wineries  | 137.1          | 232.4           | 804               |
| Creamery and butter manufacturing                                 | 67.6           | 118.5           | 242               |
| Seafood product preparation and packaging                         | 60.9           | 93.4            | 309               |
| Animal (except poultry) slaughtering and processing               | 53.4           | 78.0            | 273               |
| Poultry processing  | 22.4           | 32.8            | 101               |
| <b>Total for primary processing</b>                               | <b>1,488.6</b> | <b>2,502.6</b>  | <b>6,803</b>      |
| <b>REMI</b>   |                | <b>1,587.1</b>  | <b>4,076</b>      |
|   |                |                 |                   |
| <b>Total for the agricultural industry</b>                        | <b>2,475.7</b> | <b>4,039.8</b>  | <b>22,482</b>     |
| <b>REMI</b>   |                | <b>3,328.20</b> | <b>30,999</b>     |

Source: IMPLAN (2024), 2022 Census of Agriculture (USDA, 2024), and the Connecticut Department of Agriculture (2024)