



NEWS RELEASE

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GOVERNOR YOUNGKIN DETAILS NEW ECONOMIC IMPACT STUDY OF VIRGINIA AGRICULTURE AND FORESTRY

In 2021, industries provided more than a \$105 billion boost to the Commonwealth's economy

During the recent Virginia Farm Bureau Federation Annual Convention, Governor Glenn Youngkin announced the results of an economic impact study from the University of Virginia's Weldon Cooper Center for Public Service. Concluding in October, the research found that in 2021, the total economic impact of Virginia agriculture and forestry industries was over \$105 billion in total industry output. This total represents an estimated 11.2 percent of entire state's output. In addition, the total employment influence for these two Virginia industries was 490,295 employees, representing 9.4 percent of total state employment.

"In addition to more than \$105 billion in total industry output, the total value-added impact of Virginia's agriculture and forestry industries was \$55.1 billion, which made up 9.3 percent of the state's gross domestic product," **said Governor Youngkin**. "This study highlights the important role Virginia's agriculture and forestry industries play in the Commonwealth's economy. These industries are major employers, and their economic influence is far beyond the farms and forests where most agricultural and forestry commodities are grown and harvested."

"The study executed by the Weldon Cooper Center for Public Service provides a comprehensive representation of the contribution that our agricultural and forestry industries make to the economy of the Commonwealth of Virginia," **said Virginia Secretary of Agriculture and Forestry Matthew Lohr**. "Like many industries, Virginia's agriculture and forestry sectors were profoundly impacted by the pandemic, however both sectors have recovered lost ground and forged ahead to support Virginia's overall economy."

The study, led by Dr. Terrance Rephann of The Weldon Cooper Center for Public Service at the University of Virginia, updates previous studies that were done in 2008, 2013 and 2017. The new study indicates that the total economic impact of agriculture and forestry industries has grown since 2017. Over the last five years, which included production and supply chain interruptions in 2020 due to COVID-19, Virginia's agriculture and forest industries statewide economic impact in 2021 was over \$105 billion in total output, compared to the \$98.2 billion combined output in 2016. The total employment impact for the industries rose three percent from 478,079 jobs in 2016 to 490,295 jobs in 2021. The total value-added impression of the industries grew ten percent from \$50.1 billion in 2016 to \$55.1 billion in 2021.

“The study highlights the importance of agriculture to Virginia’s economy and how the diversity of the state’s agricultural production helps position producers for success,” said **Joseph Guthrie, Commissioner of the Virginia Department of Agriculture and Consumer Services (VDACS)**. “The VDACS team is focused on helping Virginia farmers and producers move more of their products to local and national markets, and within the global marketplace.”

In 2021, the total impact of Virginia agricultural industries alone was \$82.3 billion in total industry output, included 381,844 jobs, and \$43.8 billion in value-added impact. Livestock account for approximately 63 percent of farm cash receipts, with poultry, beef, and dairy constituting the largest products. Crops make up the difference with grains, such as corn, wheat, and soybeans, being the most significant field crops. Greenhouse and nursery products are also important. Virginia’s food, beverage, and fiber processors and manufacturers buy many of their agricultural commodity inputs from Virginia farmers. These industries have grown by approximately 1,100 jobs (two percent) over the last five years. In 2021, Virginia ranked fourth nationally in the production of tobacco, seventh for apples, eighth for peanuts, and tenth for poultry and eggs and trout aquaculture.

“The forests that cover two-thirds of Virginia provide a range of economic, social and environmental benefits,” said **Rob Farrell, State Forester of the Virginia Department of Forestry (VDOP)**. “Not only is forestry the third largest contributor to the economy of Virginia, the forestry industry touches every part of the Commonwealth.” In 2021, Virginia’s forestry industries had a total impact of \$23.6 billion in total industry output, included 108,451 jobs, and \$11.3 billion in value added impact.

In addition to production activities at farms and timber tracts, agriculture and forestry industries encompass food and beverage processing, some agricultural-fiber related textile manufacturing, wood products manufacturing, pulp and paper mills, and furniture manufacturing. Distribution businesses such as grain elevators and raw commodity warehouses, rely on supplies of Virginia farm and forest products as well. These production, manufacturing, and distribution sectors procure material and service inputs, labor, and value-added services from Virginia-based businesses and households. Such purchases account for a multiplier effect that captures the flow of dollars as it ripples through the Virginia economy. Because of this “ripple effect”, Virginia agriculture and forest industries affect every other industry in the Commonwealth to some degree.

This study did not capture or include economic activity connected to corporate and regional offices, research and development laboratories, and other operations of agribusiness manufacturing firms. Several areas of activity, such as recreational opportunities, wildlife habitat, ecosystems services, agritourism, wine tourism, horse events, and agricultural festivals, were also not part of the Cooper Center study. If included, the total impact would be several billion dollars more than \$105 billion.

Finally, the study did not address the environmental and other social economic benefits of agriculture and forested landscapes for the Commonwealth. These benefits include improved water and air quality, flood risk mitigation, wildlife habitat conservation, and scenic amenities, among others.

A full copy of the study, as well as an Executive Summary, is posted on the VDACS website at www.vdacs.virginia.gov/pdf/weldoncooper.pdf and on the VDOF website at dof.virginia.gov.

Governor Glenn Youngkin delivers remarks at the 2022 Virginia Farm Bureau Annual Convention.



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About the Virginia Department of Forestry

The Virginia Department of Forestry (VDOP) protects and develops healthy, sustainable forest resources for Virginians. With nearly 16 million acres of forestland and more than 108,000 Virginians employed in forestry, forest products and related industries, Virginia forests provide an overall economic output of more than \$21 billion annually.

Headquartered in Charlottesville, the agency has forestry staff members assigned to every county to provide citizen service and public safety protection across the Commonwealth, which it's been doing now for more than 100 years. VDOP is an equal opportunity provider.

About the Virginia Department of Agriculture and Consumer Services

Established in 1877, the Virginia Department of Agriculture and Consumer Services (VDACS) promotes the economic growth and development of Virginia agriculture, provides consumer protection and encourages environmental stewardship.

The agency is headquartered in Richmond and has several field offices, four regional diagnostic animal health laboratories and a global network of representatives promoting Virginia products internationally.