

Economic Impact of the Cranberry Industry to Massachusetts

The cranberry industry makes a major economic contribution to the economy of the Commonwealth of Massachusetts. As our nation's second largest producer of cranberries, and home for a number of significant cranberry related businesses, this industry creates major economic activity well beyond the nearly 13,000¹ acres of cranberry bogs in southeastern Massachusetts.

Massachusetts cranberry growers continue to be among the most progressive and efficient producers in the country. The Commonwealth produces 28% of the nation's cranberries, second only to Wisconsin, and markets both processed and fresh market. There is no other Massachusetts food product which ranks as high in terms of national production in addition to having a significant economic contribution to the state's economy.

Employment in the cranberry industry includes jobs on the farm/bog operations, as well as in sectors that provide services and inputs to producers and processing and marketing entities. Without a strong and robust cranberry production sector, employment in cranberry-related input and processing sectors could decline or move to other states.

Because the cranberry industry employs local labor and purchases goods and services from other industries, its economic impact cascades throughout the state economy, resulting in a "multiplier," or economic stimulus.

The overall economic impact of a given sector is comprised of three components. The direct farm or factory-gate sales of that sector is referred to as the direct impact. The spending of businesses on inputs, goods and services from other local firms is referred to as the indirect impact. Finally, the spending of employees of these firms on goods and services within the community is referred to as the induced impact. The total economic impact of each farm, processing and marketing sector is the sum of the direct, indirect and induced impacts of those businesses.

The following profile illustrates the cranberry industry's total economic impact in Massachusetts. It is based on data from a 2023 economic analysis conducted by Farm Credit East. 2022 was a year in which cranberry producers' total value of production was \$73.4 million.² This \$73.4 million in farm-gate value was then analyzed using IMPLAN software to model the economic impact of cranberry production to the local economy. On top of direct farm sales, the cranberry production sector generates \$45.5 million in indirect impact and \$31.7 million in induced impact for a total of \$151 million.

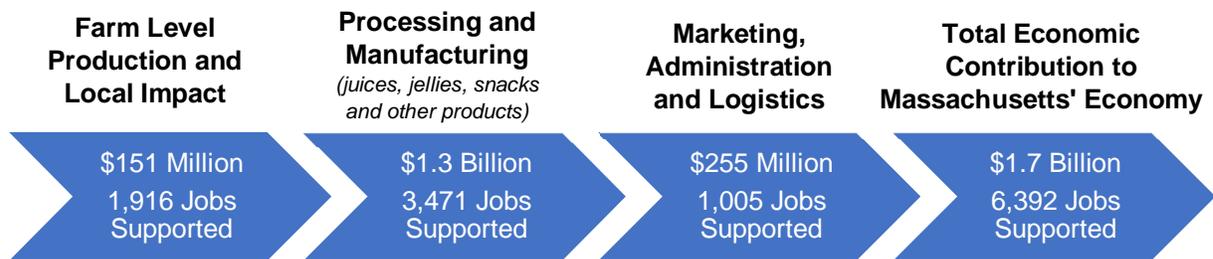
It should be noted that while estimating the economic contribution of the cranberry industry to the Commonwealth, this study does not consider the value of non-market benefits, such as open space, climate resilience, wildlife habitat, scenic views and other aesthetic considerations, or the positive impact the industry has on tourism. Much of the state's production is concentrated in

¹ USDA NASS Noncitrus Fruits and Nuts: 12,700 acres harvested in 2020.

² Cranberry Marketing Committee: 1.989 million barrels harvested in 2022. (1 barrel = 100 pounds)

Plymouth, Bristol and Barnstable counties, which are significantly impacted by tourism revenue and activities.

Economic Impact of Cranberry Production in Massachusetts (2023)



Commentary

As with many agricultural sectors, there are many more jobs created off-the-farm than in direct farm production. While there are 1,916 jobs supported by cranberry farming activities, there are an additional 4,476 jobs supported by the activities of processors, marketers and logistics providers, resulting in a total of 6,392 jobs. It should be noted, however, that the non-farm jobs and economic activity would not exist, or be greatly diminished, without the farm production.

The full impact of the cranberry industry to the Commonwealth exceeds \$1.7 billion. This economic contribution is important to the overall strength of the Massachusetts' economy and vital to dozens of communities and non-farm businesses as a result of the economic multiplier impact.

While the economic contribution of the cranberry industry to the Commonwealth is significant, the industry faces numerous challenges. Among them are rising production costs, global marketplace competition, attracting and retaining qualified workers, climate change, limited ability to expand production due to development pressure, and volatility of market pricing.

In response to these challenges, the Commonwealth has supported the industry through incentives offered by the Massachusetts Department of Agricultural Resources (MDAR), including the Cranberry Bog Renovation Grant Program, the Cranberry Renovation Tax Credit Program, and other programs that support agriculture more broadly. These programs have been crucial to help modernize the industry in Massachusetts and maintain its viability in the face of these challenges.

In conclusion, cranberries, one of the few fruits native to North America that are commercially cultivated, have a 200+ year history of being grown in Massachusetts. The cranberry industry makes a major contribution to the economy and culture of the Commonwealth, both in quantifiable ways, such as economic impact, as well as qualitative ways, such as its contribution to maintaining the distinctive landscape of Southeastern Massachusetts, environmental stewardship, quality of life, recreation and tourism.

FarmCreditEast.com

*Knowledge Exchange Contacts:
Chris Laughton, Chris.Laughton@FarmCreditEast.com*

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CONTACT INFORMATION

We look forward to your questions and feedback. Please contact us at KnowledgeExchange@farmcrediteast.com

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