

Economic Contribution of Agriculture to the Arkansas Economy in 2023¹

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Agriculture is essential to the livelihood of many Arkansans and serves as one of the state's primary economic drivers. In 2023, Arkansas' economy was bolstered by 37,400 farms, 18.8 million acres of forests, 13.7 million acres of farmland, and numerous agricultural product manufacturing firms (USDA, 2025; Arkansas Department of Agriculture, 2024). Arkansas consistently ranks among the nation's top five producers of key commodities, including rice, broilers, catfish, cotton, and turkeys, generating substantial revenue through the export of these and other goods. Beyond supplying food and related goods and services, the agriculture sector plays a critical role in employment, supporting 248,201 jobs in Arkansas through direct, indirect, and induced economic contributions. This fact sheet highlights the findings of a recent study that analyzes the total economic contribution of Arkansas' agriculture sector in

2023, measured by jobs, income, and value added².

Measuring Economic Activity of Arkansas' Agriculture Sector

The economic contribution of agriculture includes all economic activity generated within industries that make up the Agriculture Sector (e.g., agricultural production, agricultural processing, agriculture-related industries). This includes jobs supported, wages paid, and value added to state economy, a measure similar to State Gross Domestic Product (GDP). While these "direct" contributions are important, additional value is generated as Arkansas agribusinesses and related industries purchase inputs from local suppliers, and when workers spend their earnings within the state. These additional contributions are described as indirect and induced effects, respectively. The sum of the direct, indirect, and induced

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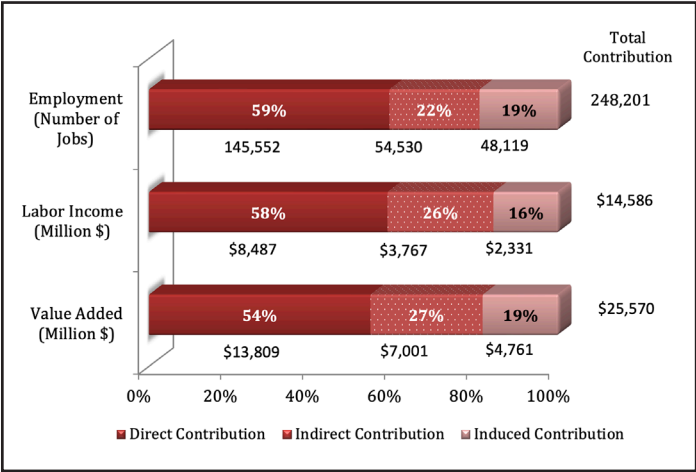
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²Agriculture includes timber production and forest product manufacturing in addition to agricultural products as defined in Economic Contribution of the Agricultural Sector to the Arkansas Economy in 2023 (Seo, 2025).

³Value added is the sum of employee compensation, proprietary income, other property-type income, and indirect business taxes. The sum of value added for all industries is a measure of the size of the state economy.

Figure 1. The Agriculture Sector's Contribution to the Arkansas Economy in 2023



Source: IMPLAN, 2025. Note: The sum of the values may not match exactly due to rounding.

contributions provides a more complete understanding of the total economic contribution of agriculture to the state economy.

Agriculture's Contributions

In 2023, agriculture contributed \$25.6³ billion in value to the Arkansas economy, making up 14 cents for every dollar of value added in the state. Agriculture supported around 248,201 jobs, which is one of every seven jobs in Arkansas. These jobs also generated \$14.6 billion in labor income, accounting for 14.4% of the state's total labor income. Direct effects — those originating from the Agriculture Sector — made up the majority of contributions to employment (59%), labor income (58%), and value added (54%) generated by agriculture (Figure 1).

Contributions by Industry Type

The Agriculture Sector includes businesses involved in agricultural production, agricultural processing, and agriculture-related activities. Agricultural production involves the production and/or harvesting of agricultural commodities including crop, livestock, and forestry products. Agricultural processing refers to industries that take those agricultural commodities and process them into various products such as packaged food products, clothing, and furniture. Lastly, the agriculture-related category includes fishing, hunting and trapping, and support activities for agriculture and forestry.

In 2023, agricultural production supported 82,480 jobs, generated over \$4.54 billion in labor income, and contributed nearly \$7.2 billion in value added to the Arkansas economy. Agricultural processing accounted for 154,145 jobs, more than \$9.7 billion in labor income, and an estimated \$17.9 billion in value added. Agriculture-related activities contributed 11,576 jobs, \$369 million in labor income, and \$476 million in value added. (Table 1).

Overall, the agricultural processing industry accounted for the largest share of agriculture's contribution to the state economy, followed by agricultural production and agriculture-related industries. Agricultural processing generated 62.1% of agriculture's employment, 66.3% of labor income, and 69.9% of value added, with poultry processing being the primary economic contributor within the processing sector.

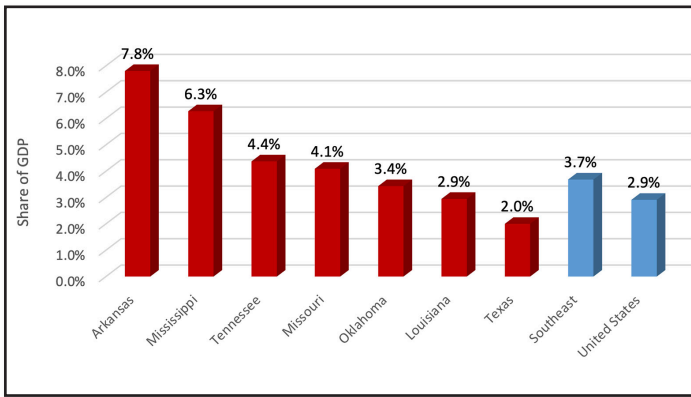
Table 1. Total Economic Contribution of Agriculture by Industry Type, 2023

Industry Type	Employment (jobs)	Labor Income (million \$)	Value Added (million \$)
Production	82,480	\$4,540	\$7,211
Processing	154,145	\$9,676	\$17,884
Ag Related	11,576	\$369	\$476
Total Contribution	248,201	14,585	25,571

Source: IMPLAN, 2025, Note: The sum of the values may not match exactly due to rounding.

³Contributions are reported in nominal 2023 dollars.

Figure 2. Agriculture's Share of Total State GDP, 2023*



Source: USDC BEA, 2024

*Represents the direct contribution of agricultural production, processing and ag related industries. Wholesale and retail activities are excluded.

How Does Arkansas Compare?

The direct contribution of agricultural production, agricultural processing, and agriculture-related industries to the state GDP⁴ is higher in Arkansas than in all surrounding states⁵. This share also surpasses the averages for both the Southeastern United States⁶ and the nation (Figure 2).

This represents a share of GDP from Arkansas' Agriculture Sector that is:

- 3.9times greater than in Texas
- 2.6times greater than in Louisiana
- 2.3times greater than in Oklahoma
- 1.9times greater than in Tennessee
- 1.8times greater than in Missouri
- 1.2times greater than in Mississippi
- 2.1times greater than in the Southeast region
- 2.7times greater than in the U.S. as a whole

Conclusion

Agriculture plays a crucial role in the Arkansas economy, providing jobs, income, and contributing 14% to the state's value added. For many years, agriculture has accounted for a higher proportion of Arkansas' GDP than that of any surrounding state, the Southeastern region, or the U.S. as a whole. As such, the continued strength of agriculture is essential to the social and economic well-being of Arkansas communities, as well as to the infrastructure and services that enhance residents' quality of life.

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⁴ GDP by state is the market value of goods and services produced by the labor and property located in a state. GDP does not factor in the impact of subsidies and taxes on products, which are presented in the previous value-added estimates.

⁵ Calculations based on the percent of the direct contribution of the Agriculture Sector to state GDP. This includes value generated by agricultural production, processing, and ag-related industries, but excludes contributions of associated wholesale and retail industries.

⁶ The Southeast is defined by BEA to include Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia, and is not the sum of Arkansas' contiguous states listed in the table.

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