

Economic Impact of FY 2024 Ohio Food Program, Agricultural Clearance Program and ARPA Food Programs

Prepared for the Ohio Association of Foodbanks

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I. Overview

In state fiscal year 2024, funding was provided for a series of programs to enhance the availability of fresh fruits, vegetables, protein items and shelf staple items to Ohio's 12 Feeding America foodbanks. The two largest state funded programs are the Ohio Food Program which focuses on protein and shelf staple items and the Agricultural Clearance Program which directs agricultural surplus items from Ohio farmers and growers to the foodbanks. These programs were funded at a combined total of roughly \$31.85 million in FY 2024.

Furthermore, an additional \$21.6 million in Federal funding from the American Rescue Plan Act (ARPA) was provided to Ohio in FY 2024 and was used to fund the ARPA Food Program which provided both fresh produce and shelf staple items to be distributed through Ohio's foodbanks network in the aftermath of the COVID-19 pandemic and its fallout. Inclusion of this funding brings **total funding for all of Ohio's food programs in FY 2024 to nearly \$53.5 million.**

Not only do these programs play a vital role in providing much-needed support to Ohio families struggling with the impact of poverty and the continued slow recovery from the recession, but these programs also provide an additional benefit to the state in terms of supporting Ohio's agricultural sector. This report provides a summary of the economic impact of these programs on the state economy.

II. Direct Economic Impact of Ohio Food Support Programs

Table 1 on the following page provides an overview of expenditures, food purchased, and meals provided through each of the three Ohio food support programs in fiscal year 2024.

The data in Table 1 (provided by the Ohio Association of Foodbanks) summarizes the **direct economic impact** of the three food support programs in place in Ohio in FY 2024. 71.1 million pounds of food was purchased at a total cost of \$43.3 million – a roughly 46% increase in food quantity and 41% increase in purchase cost compared to FY 2023. The FY 2024 food purchased was sufficient to provide 59.3 million meals to needy families through Ohio's network of foodbanks (note that based on calculations made by the U.S. Dept. of Agriculture, 1.20lbs of food is considered to constitute 1 meal). When storage, packing, distribution, and administrative costs are included, total food support program expenditures total nearly \$53.5 million in FY 2024. The direct economic impact of the food support programs includes the meals provided as well as the income received by the food producers, storage, packing and distribution providers, and administrators of the programs.

Table 1: Summary of Ohio Food Programs, FY 2024

Measure	FY24 Ag. Clearance Program	FY24 Ohio Food Program	FY24 Ag. ARPA Food Support	FY24 Total State Food Supply
Total Cost of Food Purchased	\$9,770,015	\$16,312,715	\$17,212,176	\$43,294,906
Total Pounds of Food Purchased	32,428,226	17,436,770	21,269,862	71,134,858
Number of Meals Provided	27,023,522	14,530,642	17,724,885	59,279,049
Storage and Distribution Costs	\$1,923,000	\$1,923,000	\$2,910,000	\$6,756,000
Administrative Costs	\$961,500	\$961,500	\$1,500,000	\$3,423,000
Total Program Costs	\$12,654,515	\$19,197,215	\$21,622,176	\$53,473,906

Source: Ohio Association of Foodbanks

III. Economic Multiplier Effects

In addition to direct impact, all economic activity also produces indirect and induced effects that are the result of “economic multiplier effects”. Multiplier effects are the result of additional expenditures made by those who are suppliers for the food support programs, as well as from purchases made by those who derive income directly or indirectly from the food support programs in Ohio. For example, when a farmer purchases fertilizers for his crops from an Ohio crop nutrient supplier, this supplier will earn profits, make investments in his or her business, and hire employees. These types of effects are termed **indirect economic impact**. In addition, the supplier’s employees in turn spend the money they have earned on other items in the local economy, providing additional economic impact, which is termed **induced economic impact**. Finally, the merchants whose goods are purchased by these employees also enjoy an increase in their income, which begins another round of economic “ripple effects”.

The economic ripple effects created by the three Ohio food support programs can be measured by using standard economic multiplier models. Multiplier models allow researchers to compute the indirect and total economic impact resulting from a particular economic initiative or industry based upon the inputting of the initial data reflecting the direct economic benefits of the initiative or industry in question. This analysis uses the RIMS II Multiplier Model developed by the U.S. Department of Commerce Bureau of Economic Analysis (BEA).

This model is based on national and regional economic data, which is periodically updated by the BEA. The RIMS II model is the most widely used model of its type in the country. The most current RIMS II multipliers available are based upon 2017 national data and 2022 regional data.

A. Agricultural Clearance Program

Table 2 provides a slightly more detailed overview of the direct economic impact of the Agricultural Clearance Program. The BEA economic multiplier model utilizes different multipliers for different categories of farm products. Table 2 also shows that 21.7 million pounds of the total 25.85 million pounds in produce purchased through the ACP was from Ohio farms in FY 2024 at an expenditure of \$6.1 million.

Table 2: Agricultural Clearance Program Total and Ohio-Sourced FY 2024 Fruit, Vegetable, and Other Food Purchases

Commodity	Total Pounds Purchased	Total Cost	Ohio Pounds Purchased*	Ohio ACP Cost*
Vegetables & Melons	27.84 million	\$7.81 million	17.9 million	\$5.3 million
Fruit & Berries, Milk & Cheese	4.59 million	\$1.96 million	3.0 million	\$1.3 million
Total	32.43 million	\$9.77 million	20.9 million	\$6.6 million

* Ohio Association of Foodbanks data shows that the ACP Ohio food purchase quantity is 64.3% of total food purchased and the cost of Ohio-purchased food is 67.1% of total ACP expenditures.

The administrative, storage and distribution costs data in Table 1 and the food purchase data in Table 2 can be used with the RIMS II multiplier model in order to compute the total (direct + indirect) economic of the Agricultural Clearance Program on Ohio’s economy in FY 2024. In order to compute the economic impact, the economic multipliers will only be applied to the \$6.6 million in Ohio-based ACP purchases. Table 3 provides a summary of this impact, showing the direct and indirect economic impact on output in the state of Ohio as well as the income generated, and number of jobs created.

Table 3: FY 2024 Economic Impact of the Ohio Agricultural Clearance Program

Agricultural Clearance Program	Direct Economic Impact	Indirect Economic Impact	Total Economic Impact
Food Purchases			
Total Value of Output	\$9.8 million		
Value of Ohio Output*	\$6.6 million		\$12.7 million
Income			\$3.2 million
Employment			111 jobs
Storage, Distribution & Administrative			
Value of Output	\$2.9 million	\$3.6 million	\$6.5 million
Income			\$2.1 million
Employment			40 jobs
Ag Clearance Total			
Value of Ohio Output	\$9.5 million	\$9.7 million	\$19.2 million
Income			\$5.3 million
Employment			151 jobs

* The FY 2024 cost of \$6.55 million in ACP Ohio-sourced food purchases is based on data from the Ohio Association of Foodbanks.

The data in Table 3 show that the \$6.55 millions of direct food purchases from Ohio providers through the Agricultural Clearance Program in FY 2024 led to an additional \$6.15 million in output produced across the state, for a total increase in output of \$12.7 million. \$3.2 million in additional income was generated across the state, and 111 jobs were created. In addition, \$2.9 million in expenditures on storage, distribution, and administration resulted in an additional \$3.6 million in output across the state, along with \$2.1 million in additional income and 40 additional jobs. In sum, in addition to providing 27.0 million meals to needy Ohioans in FY 2024. **The Agricultural Clearance Program also added a total of \$19.2 million in output across Ohio, generated \$5.3 million in income, and led to the creation of 151 jobs.**

B. Ohio Food Program

Table 2 provides a slightly more detailed overview of the direct economic impact of the Agricultural Clearance Program. The BEA economic multiplier model utilizes different multipliers for different categories of farm products. Table 2 also shows that 21.7 million pounds of the total 25.85 million pounds in produce purchased through the ACP was from Ohio farms in FY 2024 at an expenditure of \$6.1 million.

Table 4: FY 2024 Economic Impact of the Ohio Food Program

Ohio Food Program	Direct Economic Impact	Indirect Economic Impact	Total Economic Impact
Food Purchases			
Total Value of Output	\$16.3 million		
Value of Ohio Output*	\$5.5 million	\$7.2 million	\$12.7 million
Income			\$3.9 million
Employment			101 jobs
Storage, Distribution & Administrative			
Value of Output	\$2.9 million	\$3.6 million	\$6.5 million
Income			\$2.1 million
Employment			40 jobs
Ohio Food Program Total			
Value of Ohio Output	\$8.4 million	\$10.8 million	\$19.2 million
Income			\$6.0 million
Employment			141 jobs

* The FY 2024 cost of \$5.5 million in OFP Ohio-sourced food purchases is based on data from the Ohio Association of Foodbanks.

The data in Table 4 show that the \$5.5 million of direct food purchases from Ohio providers through the Ohio Food Program in FY 2024 led to an additional \$7.2 million in output produced across the state, for a total increase in output of \$12.7 million. \$3.9 million in additional income was generated across the state, and 101 jobs were created. In addition, \$2.9 million of expenditures on storage, distribution, and administration resulted in an additional \$3.6 million in output across the state, along with \$2.1 million in additional income and 40 additional jobs. In sum, in addition to providing 14.5 million meals to needy Ohioans in FY 2024, the **Ohio Food Program added \$19.2 million in output across Ohio, generated \$6.0 million in income, and led to the creation of 141 jobs.**

C. FY24 ARPA Food Assistance Programs

Table 5 shows the results of applying the RIMS II economic multiplier models to the data in Table 1 relating to the FY 2024 ARPA Food Support program. ARPA funds were provided by the state to purchase produce, protein, shelf-stable and non-food household items and then distribute these items through the Ohio foodbanks network. The analysis of the ARPA food assistance programs used the same multipliers as were used to estimate the impact of the Ohio Food Program. A total of \$17.2 million in additional food assistance was purchased with ARPA funds. \$12.6 million (73.4%) of these food purchases were made from Ohio-based vendors. Economic multiplier effects will be computed based on the Ohio-sourced purchases only. In addition, \$4.4 million in storage, distribution, and administration costs were incurred to administer the ARPA food program. The impact of these expenditures are also included in the economic multiplier analysis summarized in Table 5.

Table 5: FY 2024 Economic Impact of ARPA Food Programs

ARPA Food Programs	Direct Economic Impact	Indirect Economic Impact	Total Economic Impact
Food Purchases			
Total Value of Output	\$17.2 million		
Value of Ohio Output*	\$12.6 million	\$16.7 million	\$29.3 million
Income			\$8.9 million
Employment			232 jobs
Storage, Distribution & Administrative			
Value of Output	\$4.4 million	\$5.45 million	\$9.85 million
Income			\$3.3 million
Employment			61 jobs
ARPA Food Support Total			
Value of Ohio Output	\$17.0 million	\$22.1 million	\$39.15 million
Income			\$12.2 million
Employment			293 jobs

* The FY 2024 cost of \$12.6 million in ARPA Ohio-sourced food purchases is based on data from the Ohio Association of Foodbanks.

The data in Table 5 show that the \$12.6 million of direct food purchases from Ohio providers through the ARPA Food Program in FY 2024 led to an additional \$16.7 million in output produced across the state, for a total increase in output of \$29.3 million.

\$8.9 million in additional income was generated across the state, and 232 jobs were created. In addition, \$4.4 million of expenditures on storage, distribution, and administration resulted in an additional \$5.45 million in output across the state, along with \$3.3 million in additional income and 61 additional jobs. In sum, in addition to providing 17.7 million meals to needy Ohioans in FY 2024, the **ARPA Food Program added \$39.15 million in output across Ohio, generated \$12.2 million in income, and led to the creation of 293 jobs.**

D. FY 2024 Ohio Food Assistance Program

Table 6 on the following page shows the cumulative economic impact when all of the State’s FY 2024 food assistance programs shown in Tables 3, 4 and 5 are added together. Table 6 includes the Ohio-based purchases from:

- 1 - The Agricultural Clearance Program
- 2 - The Ohio Food Program
- 3 - The ARPA Food Program

Table 6: FY 2024 Economic Impact of ARPA Food Programs

All Ohio Food Assistance Programs	Direct Economic Impact	Indirect Economic Impact	Total Economic Impact
Food Purchases			
Total Value of Output	\$43.3 million		
Value of Ohio Output*	\$24.6 million	\$30.1 million	\$54.7 million
Income			\$16.0 million
Employment			444 jobs
Storage, Distribution & Administrative			
Value of Output	\$10.2 million	\$12.6 million	\$22.8 million
Income			\$7.5 million
Employment			141 jobs
Food Assistance Totals			
Total Value of Output	\$53.5 million		
Value of Ohio Output	\$34.8 million	\$42.7 million	\$77.5 million
Income			\$23.5 million
Employment			585 jobs

The data in Table 6 show that the \$43.3 million of direct food purchases through the Agricultural Clearance Program, the Ohio Food Program, and the Federal ARPA Food Relief program, in FY 2024 included \$24.6 million of food purchases made from Ohio providers. These Ohio-sourced food purchases led to an additional \$30.1 million in output produced across the state, for a total increase in output of \$54.7 million. Additionally, \$16.0 million in additional income was generated across the state, and 444 jobs were created. **When expenditures on storage, distribution, and program administration are included, the FY 2024 Agricultural Clearance Program, Ohio Food Program and ARPA funding added \$77.5 million in output across Ohio, generated \$23.5 million in income, and led to the creation of 585 jobs, in addition to the direct benefits of providing 59.3 million meals to needy Ohioans.**

