**Fiscal Facts: Turbulence for Wisconsin’s Export Economy**

Manufacturing and agriculture play an outsized role in Wisconsin’s economy, making exports essential. Yet since the mid-2010s, the value of those exports has fallen both statewide and in the Milwaukee area.

Now newly enacted U.S. tariffs are triggering retaliatory actions by some major trading partners, making 2025 a bumpy ride so far for many Wisconsin businesses and farmers.

Wisconsin’s exported goods were valued at $27.5 billion in 2024, or about 7.8% of the state’s GDP. That was down by approximately $4.2 billion from its 2012 peak in inflation-adjusted dollars. After growing rapidly from 2009 to 2012, the adjusted value of state exports plateaued, then slowly fell for several years before dropping precipitously in 2020 due to the pandemic.

State exports recovered after that but then fell again in 2023 and 2024. Given the importance of the manufacturing sector to the state’s economy – and the benefits exports provide in bringing revenue and investment into the state from beyond its borders – these declines may be cause for concern.

Notably, in the International Trade Administration data used for a recent Forum report on this topic, exports only consist of the physical merchandise sold across international borders. This means things like agricultural commodities, manufactured goods, and raw materials are included, while the value of services rendered to international customers are not.

Wisconsin’s two largest export categories, industrial and electrical machinery, were together valued at $10.9 billion, or 39.5% of the state’s total exports in 2024. This was followed by the third largest export category, medical equipment and supplies.

While agricultural and food products do not appear in Wisconsin’s top 10 export categories, if the value of the state’s 2024 exports in these categories were totaled together, it would add up to $4.0 billion, or 14.4% of total exports that year. That would rank second behind industrial machinery.

in 2024, the biggest importers of Wisconsin products were Canada ($8.5 billion), the European Union ($4.5 billion), and Mexico ($4.4 billion). China was another major destination for Wisconsin products. Together, those four markets accounted for nearly 67% of all Wisconsin exports.

The Milwaukee area is by far the state’s largest exporting region, with exports valued at $9.7 billion in 2023. After adjusting for inflation, that was 19.4% lower than in 2013. Meanwhile, exports from Racine and Madison, the state’s second and third largest exporting regions, have grown over the past 10 years. Some smaller metro areas in the state experienced steep decreases in exports between 2013 and 2023, including La Crosse, Green Bay, and Appleton.

Looking ahead, manufacturing and agriculture remain two of Wisconsin’s most important sectors. This makes our state’s economy particularly vulnerable to disruptions in access to foreign markets.

While the Trump administration hopes its new and expanded tariffs will produce economic benefits over the long term, these import taxes could increase the cost of inputs that Wisconsin manufacturers rely on to produce goods. Retaliatory tariffs imposed by some of our biggest trading partners also could hurt exports from the state.

State and local policymakers in Wisconsin have little control over decisions made at the federal level. However, they may wish to expand existing strategies or consider new ones to limit any negative impacts of recent changes on Wisconsin businesses, workers, and consumers.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at* [*wispolicyforum.org*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*