

# 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, the top exporting region in Wisconsin. 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 economy depends heavily on manufacturing. With [18.6% of its private sector jobs](#) concentrated in that sector as of 2023, the state [ranked second nationally](#) in 2022 for manufacturing employment. Agriculture is another cornerstone of the state's economy, with the value of our agricultural sales [ranking 10<sup>th</sup> nationally](#) as of 2022.

Manufacturers and farmers, in turn, depend on access to export markets, and many also import materials and parts used in their operations from other countries. This means that Wisconsin businesses and residents have a lot to gain or lose from trade policy decisions made at the federal level.

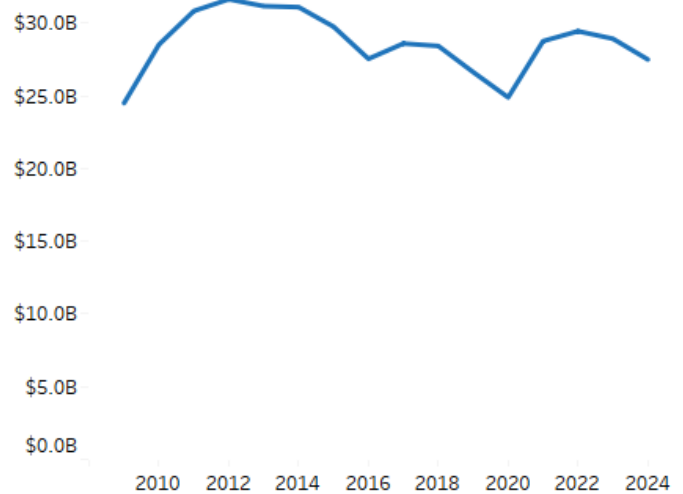
With the announcement of the most expansive [U.S. tariffs](#) in generations, and [retaliatory actions](#) by several major [importers of Wisconsin products](#), the time is ripe to examine the state's exports. This brief looks at what goods Wisconsin sells to international markets, where those products are sold, from where in the state they originate, and how the state's exports have changed over time.

To do so, we examine Wisconsin [exports data](#) from the International Trade Administration within the U.S. Department of Commerce. In these data, exports only consist of the physical merchandise sold across international borders, so things like agricultural commodities, manufactured goods, and raw materials are included, while the value of services rendered to international customers are not.

The International Trade Administration defines the source location of an exported good as the zip code of the company that receives the primary payment from its

**Figure 1: Wisconsin's Exports Peaked in 2012**

Total value of Wisconsin exports, adjusted for inflation, 2009-2024



Source: U.S. Department of Commerce. Inflation adjusted using CPI.

sale. It then assigns those zip codes to specific states and metropolitan areas, which allows for analysis of export activity by geography and product type.

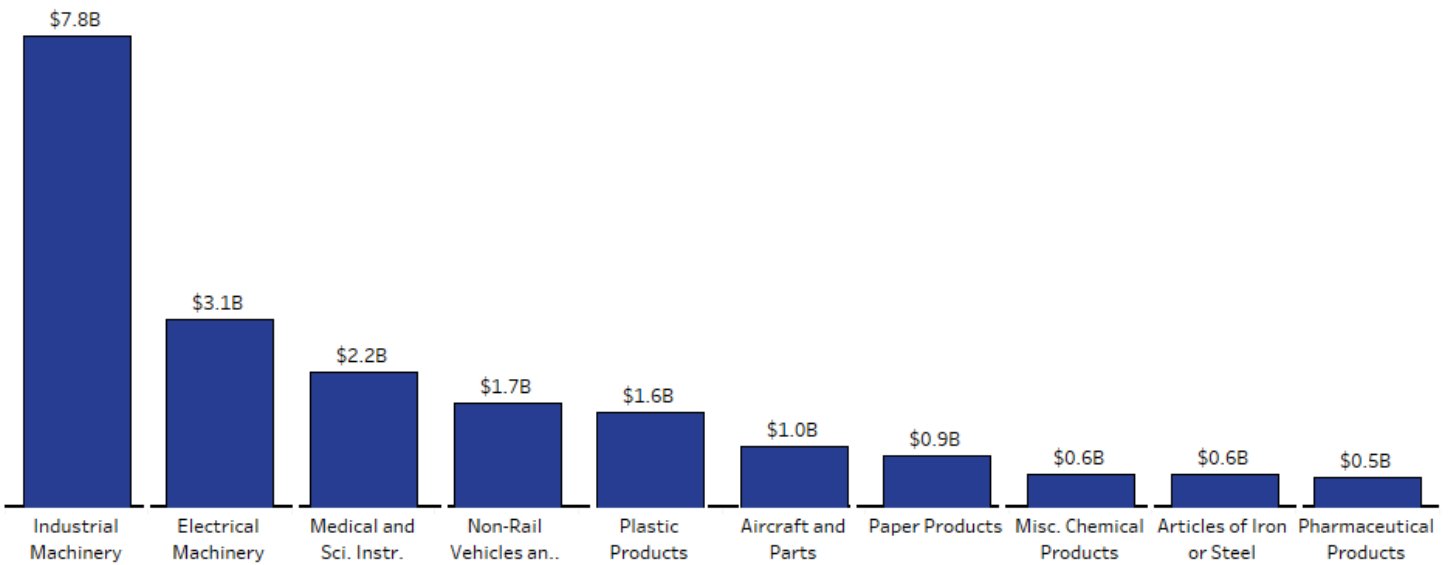
This brief is the first in a two-part series on Wisconsin's exports and imports – two vital and interconnected aspects of the state's economy.

## STATE EXPORTS TRAIL 2012 PEAK

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 (see Figure 1). 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

**Figure 2: Industrial Machinery Dominates Wisconsin's Top 10 Exports**

Value of Wisconsin's exports by product category, 2024



Source: U.S. Department of Commerce, International Trade Administration

pandemic. State exports recovered quickly after that but then fell in both 2023 and 2024. Even without adjusting for inflation, the value of Wisconsin's exports declined by \$500 million from 2023 to 2024.

Over the last decade, Wisconsin has slipped in the national rankings on exports, dropping from 19th in 2013 to 21st in 2024. Its share of total U.S. exports also fell from 1.5% to 1.3%.

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 – the slow decline since 2012 may be cause for concern.

### WHAT DOES WISCONSIN EXPORT AND TO WHERE?

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. Figure 2 shows the value of the state's top 10 export categories that year.

[Industrial machinery manufacturers](#) throughout Wisconsin create a wide range of products, including machines used in food processing, agriculture, construction, and mining. For example, major companies with facilities in Milwaukee County include [Caterpillar](#) and [Komatsu](#), which are the two largest

manufacturers of construction and mining equipment in the world. Headquartered in Dodge County, [MEC](#) is another large Wisconsin employer that fabricates metal for industrial machinery, vehicles, and a wide range of other uses.

[Electrical machinery](#), the state's second largest export category, also covers a wide range of products. Some are intended for household use, such as light bulbs, blenders, and stoves. Others like electric motors, transformers, and batteries are often for industrial use. [InSinkErator](#), a Racine company that produces garbage disposals, is one large electrical machinery manufacturer based in Wisconsin.

The state's third largest export category is [medical equipment and supplies](#), which includes equipment such as surgical tools, dental equipment, and X-ray machines, as well as consumer products like contact lenses, glasses, and dentures. Dane and Waukesha counties are major producers of medical equipment, with large GE Healthcare manufacturing facilities located in both counties.

While agricultural and food products do not appear in Wisconsin's top 10 export categories, that is because of how the International Trade Administration tracks them. If the value of the state's 2024 exports from all related categories such as dairy products, eggs, and honey; prepared vegetables, fruits, and nuts; and prepared



meat products 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.

Wisconsin businesses exported goods to more than [190 countries](#) and territories in 2024, but as Figure 3 shows, 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 66.9% of all Wisconsin exports.

## TARIFF UNCERTAINTY

In recent weeks, the Trump Administration has imposed and changed new tariffs on imports from all four of Wisconsin's top trade partners – [Canada, Mexico, China, and the European Union](#) – as well as tariffs ranging from 10% to 50% on all other countries. As of April 15, a 10% global tariff is still in place, and the tariff rate on imports from [China is 145%](#). These tariffs may [include exemptions](#) for some goods such as lumber, minerals like copper, semiconductors, and energy products. The current rates are generally higher than prior U.S. [taxes on imports](#).

[Tariffs](#) are taxes levied on imported goods that are paid for by the individual or business making the purchase. Unlike most other taxes, U.S. tariffs can be imposed or

changed by the president through executive action, as Congress has largely delegated authority over tariffs.

The administration hopes that over the long term, these tariffs will lead to increased domestic production, changes in how trade partners treat U.S. goods, and greater national security. In exchange, [the administration](#) has acknowledged there will be short-term economic disruptions, including higher prices for some products. Whether the [burden of U.S. tariffs](#) ultimately falls on American producers and consumers depends on a number of factors, such as the availability of substitute goods.

While the ultimate impacts of these new tariffs remain to be seen, they have raised concerns [among businesses](#) and [consumers](#) and created uncertainty, leading to a sharp decline in the U.S. stock market.

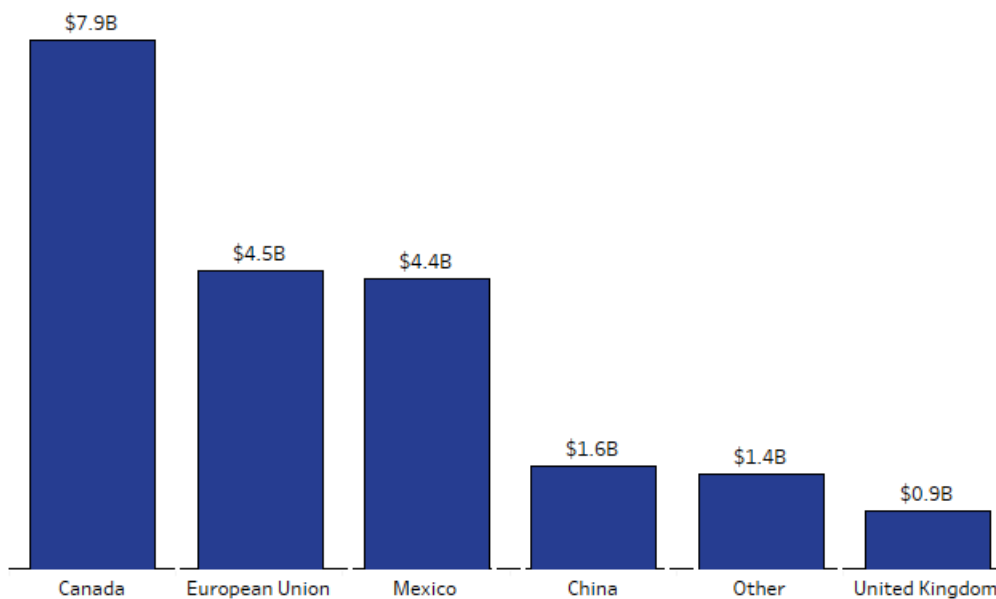
U.S. tariffs might benefit domestic manufacturers if they serve as a negotiating tool to encourage other countries to lower their own tariffs or other barriers to trade. They might also insulate Wisconsin manufacturers from international competition at home. If these tariffs cause a decline in the value of the U.S. dollar, American goods would become cheaper on the international market, which could benefit manufacturers.

However, tariffs could also negatively impact the state's exporters in two ways. First, some countries with newly imposed U.S. tariffs have retaliated with [reciprocal tariffs](#), raising the price for their residents and businesses to import American goods. These actions may cause some customers in those countries to shift other suppliers. [Analysis](#) by the New York Times suggests that Wisconsin workers are among the most vulnerable to the impact of these types of retaliatory tariffs because of the number of jobs directly supported by affected industries.

Second, many Wisconsin businesses rely on imported raw materials, components,

**Figure 3: Canada, the EU and Mexico are Biggest Importers of Wisconsin Products**

Value of Wisconsin exports by destination in billions, 2024



Sources U.S. Department of Commerce, International Trade Administration.



and other goods to make their products, and tariffs can raise the price of those items. For example, if the cost of steel or aluminum needed to produce heavy machinery rises, then Wisconsin producers would need to account for that by raising the price of their products, cutting costs elsewhere, or reducing their profits.

## WISCONSIN'S TOP EXPORTING REGIONS

The Milwaukee area is by far the state's largest exporting region and has been for many years, with exports valued at \$9.7 billion in 2023 (see Figure 4). After adjusting for inflation, however, that was 19.4% lower than in 2013. Our previous [research](#) shows that several of Milwaukee's peer metros nationally also saw their export values fall from 2012 to 2022, with Pittsburgh (-37.9%), Cleveland (-32.2%), and the Twin Cities (-31.5%) all experiencing larger declines than Milwaukee. Some peers did fare better, however, including Cincinnati (+15.1%) and Indianapolis (+10.3%).

Exports from Racine and Madison, the state's second and third largest exporting regions, have grown over the past 10 years, with both areas taking turns as the state's number two exporter. From 2013 to 2023, the inflation-adjusted value of exports from the Racine area grew at a rate of 5.8% per year, which was the fastest in the state, while those from Madison grew at a much slower annual rate of 0.6%.

The Racine area was the state's second largest exporter in 2023, with goods valued at \$3.7 billion. Industrial and electrical machinery exports were its largest export category, accounting for \$1.8 billion. Racine is home to large manufacturers like [Case IH](#), [CNH Industrial](#) and [Modine Manufacturing](#) that produce machinery for domestic and international markets.

The Madison area's exports, totaling \$2.9 billion in 2023, were distributed more evenly across several categories, with chemicals (\$672.2 million) and computer and electronic products (\$623.2 million) leading the way.

Some smaller metro areas in the state experienced steep decreases in exports between 2008 and 2023, including La Crosse, Green Bay, and Appleton. Green Bay saw declines in processed foods, paper, and machinery exports, while Appleton exported much less in computer and paper products.

The value of exports originating from outside of the state's top 12 metro areas totaled \$4.4 billion in 2023, which together would rank fourth after Milwaukee, Racine, and Madison. Those exports have grown by 10% since 2013, or 1.4% per year, bucking the downward statewide trend but falling short of some metro areas like Racine.

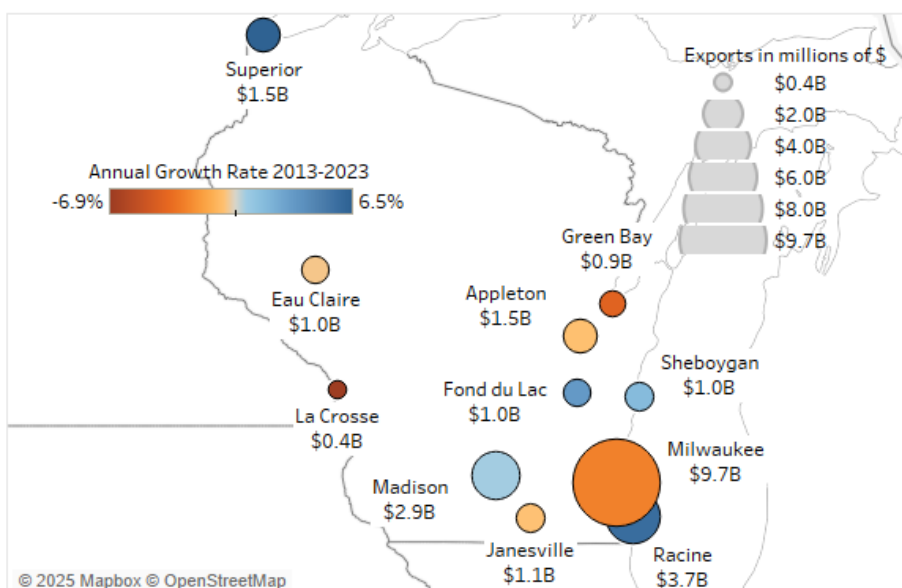
The longer-term decline in exports from Wisconsin (and some other states) raises at least some questions about past federal trade policy. However, other economic factors also play a role, including the mix of industries in the state, real estate prices, labor market changes, and shifting consumer tastes. For example, some loss of jobs in the state's paper industry over the years would have been difficult to avoid. State policies on issues ranging from taxes to infrastructure to education also may directly or indirectly influence these trends.

## CONCLUSION

Wisconsin's exports have fallen slowly over the last decade and in 2024 remained below their 2012 peak. This is a worrying trend, as is the decline in exports from the Milwaukee metro

**Figure 4: Milwaukee Exports Falling but Still Lead Wisconsin**

Value of 2023 exports by metro area and annual change in inflation-adjusted export value, 2013-2023



Source: U.S. Department of Commerce. Inflation adjusted using CPI.



area, which continues to be the state's top exporting region.

Manufacturing and agriculture remain two of Wisconsin's most important sectors, making the 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.

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

For example, the state has sought to strengthen ties between Wisconsin businesses and trade partners by [sending delegations](#) to build and maintain relationships in those countries. The state also works to [connect sellers with potential buyers](#) and help businesses navigate international markets. State officials could also consider dedicating resources to displaced workers, making changes to tax policy, or supporting industries that are less dependent on international markets. However, it may be difficult for state efforts to have impacts as large as those taking place at the federal and global levels.

While the future of federal trade policy remains uncertain, these policies could bring sweeping changes for good or ill for Wisconsin businesses, workers, and consumers. Either way, the state's corporate and political leaders will need to adapt to them as nimbly as they can.

