

Agriculture as Economic Infrastructure: Why It Matters—and What Must Be Done

Understanding Agriculture's True Economic Impact Through The Pasture, Platform, and the Plate Model™

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Agriculture is often described as a discrete sector of the economy, measured and evaluated based on its direct contribution to gross domestic product. This framing, while common, is incomplete. It captures production but fails to account for the broader system of economic activity that agriculture supports and enables. In prior articles, I introduced **The Pasture, Platform, and the Plate Model™** as a framework to better understand agriculture's role not as a standalone industry, but as economic infrastructure. This distinction is not merely conceptual. It has practical implications for how agriculture is evaluated, regulated, financed, and integrated into broader economic decision-making.

Traditional economic metrics reinforce a narrow view. In the United States, farm production itself represents a relatively small share of GDP, often cited at less than one percent. However, when the broader food and agriculture system is considered—including processing, distribution, retail, and food service—the economic contribution expands significantly, accounting for a materially larger share of both GDP and employment.¹ This divergence reflects a structural issue in measurement: agriculture is recorded at the point of production, while the industries that depend upon it are categorized separately. The result is a fragmented view that understates agriculture's true economic significance.

A more accurate understanding emerges when agriculture is viewed as an integrated system. At its foundation is the **pasture layer**, where crops and livestock are produced through the use of land, water, and labor. This layer is inherently constrained by biological and environmental limits, making it fundamentally different from industries that can scale without regard to natural inputs. The **platform layer** consists of the industries and systems that support, coordinate, and scale agricultural production, including equipment manufacturing, input suppliers, veterinary and agronomy services, logistics, transportation, and distribution networks. These activities are often treated as independent sectors, yet they exist because agricultural production exists. The **plate layer** represents the point at which agriculture becomes visible economic activity, encompassing restaurants, grocery and retail operations, hospitality, lodging, and events. While these industries are measured as separate contributors to the economy, they are structurally dependent on the agricultural foundation that supports them.

When viewed collectively, these layers form a continuous and interdependent system. Agriculture does not end with production; it enables and drives the economic activity that follows. This system-level perspective helps explain why disruptions in agriculture rarely remain confined to farms. Instead, they propagate through supply chains, affect service providers, and ultimately influence pricing, availability, and economic stability across multiple industries. Research on global food systems consistently demonstrates that disruptions in primary agricultural production can cascade through processing, distribution, and consumption channels, amplifying their economic impact.²

The consequences of failing to recognize this system are significant. Policymakers who evaluate agriculture narrowly may design regulatory frameworks that inadvertently disrupt production capacity or increase costs without fully accounting for downstream effects. Financial institutions that assess agricultural exposure only at the level of direct lending may underestimate broader portfolio risk tied to supply chains, service industries, and regional economies. Studies of agricultural credit markets indicate that shocks in agricultural production can influence wider rural financial systems and economic performance.³ Similarly, business leaders operating in logistics, hospitality, and retail sectors may fail to recognize their dependence on agricultural stability, leaving them vulnerable to supply disruptions and price volatility.⁴

In addition to its economic contributions, agriculture provides substantial non-economic value. It supports land stewardship, contributes to environmental sustainability, and sustains rural communities. It plays a central role in food security and often underpins cultural and social structures in agricultural regions. These contributions are widely acknowledged in policy and development literature but are not fully captured in traditional economic metrics.⁵ As a result, decisions based solely on measured output risk overlooking critical factors that contribute to long-term economic resilience.

The equine industry provides a practical illustration of how this system operates. Horses originate as agricultural assets dependent on land, feed, and care. From that foundation, a network of services—including veterinary care, training, transportation, and facility management—supports their development and use. At the point of consumption, equine events generate economic activity through tourism, lodging, dining, and retail. Economic impact studies in multiple jurisdictions have demonstrated that when these downstream effects are included, the equine industry contributes billions in total economic activity.⁶ Yet much of this impact is not categorized as agriculture, reinforcing the limitations of traditional measurement frameworks.

The central insight that follows from this analysis is straightforward: **if agriculture stops, everything it supports stops**. The inverse is equally important. When agriculture is strong, the system it supports is strong. Recognizing this relationship requires more than a shift in perspective; it requires a shift in action. Policymakers must expand economic evaluation frameworks to incorporate downstream dependencies and system-wide effects. Financial institutions must integrate agriculture's broader role into risk assessment and portfolio analysis. Business leaders must account for the dependence of their operations on agricultural stability.



Greater collaboration across agriculture, finance, and policy sectors is necessary to align decision-making with the realities of an interconnected system. Finally, there must be a broader recognition of agriculture's non-economic contributions, including its role in environmental stewardship, land use preservation, and community stability.

Agriculture does not stop at production. It enables, connects, and drives the economic activity that follows. Understanding this is not an academic exercise; it is a practical necessity. When agriculture is evaluated accurately, decisions improve. When decisions improve, the systems that depend on agriculture—our economy, our communities, and our long-term resilience—are strengthened.

Endnotes

1. United States Department of Agriculture, Economic Research Service, *Ag and Food Sectors and the Economy* (latest available data).
2. Food and Agriculture Organization of the United Nations, *The State of Food and Agriculture* (various editions discussing food system interdependencies).
3. Federal Reserve System, reports on agricultural credit conditions and rural economic impacts.
4. World Bank, *Food Supply Chain Disruptions and Economic Impacts* (global analyses of supply chain vulnerability).
5. Food and Agriculture Organization of the United Nations, research on agriculture's role in sustainability, land stewardship, and rural development.
6. American Horse Council Foundation, *Economic Impact of the U.S. Horse Industry* (latest study).

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