

The Economic Importance of Food and Fiber

A Spotlight on Oconee County, Georgia

**Prepared for
Oconee County Cooperative Extension
May 2013**

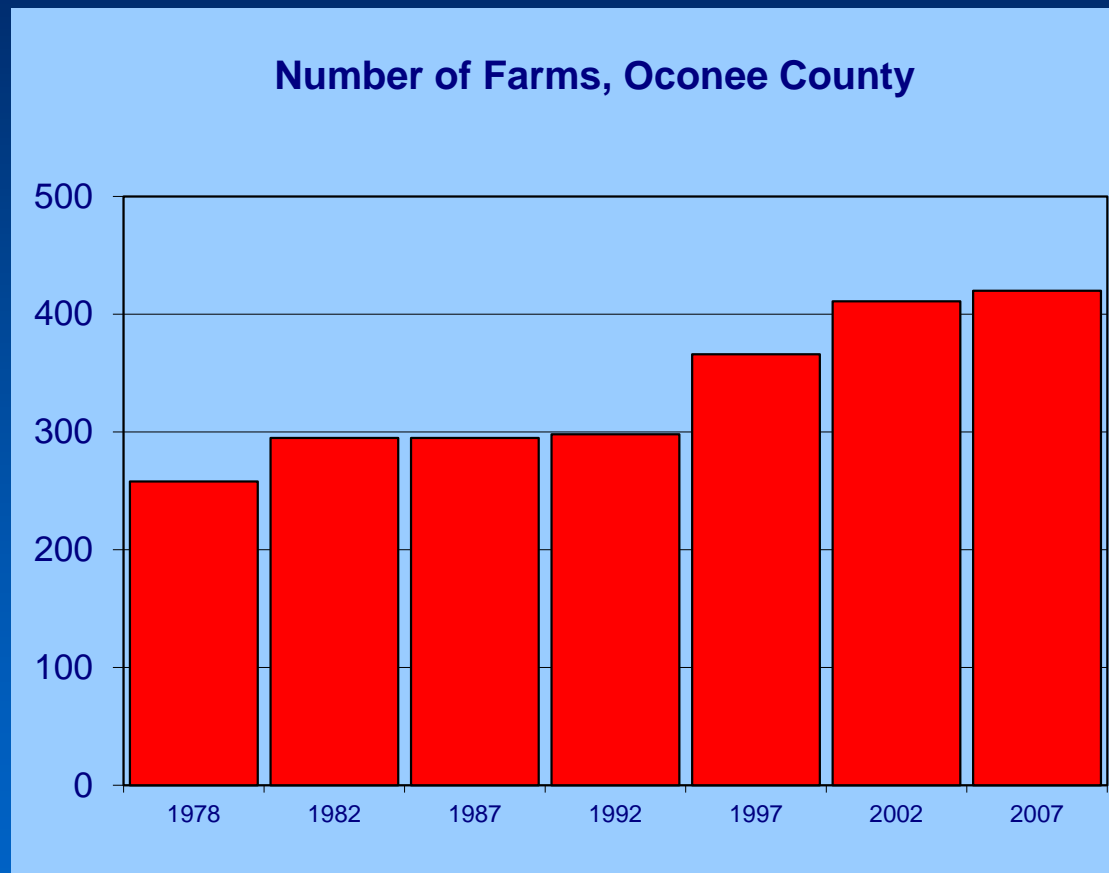
by:

**The Center for Agribusiness
and Economic Development**

**College of Agricultural
and Environmental Sciences**

The University of Georgia

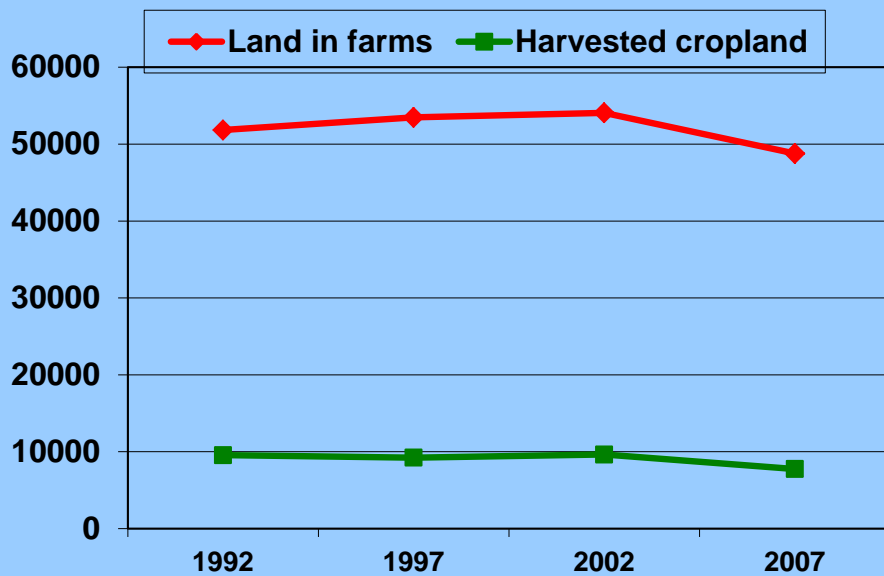
Trends in Oconee County: Number of Farms



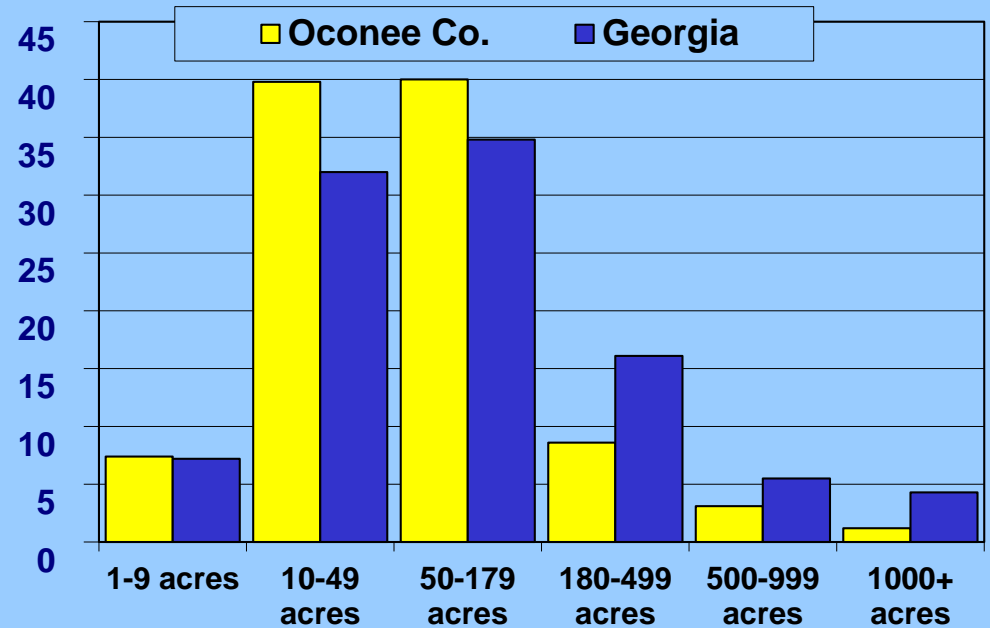
Source: 1978-2007 (quinquennial) Censuses of Agriculture

Trends in Oconee County: Land in Farms, Harvested Cropland & Farms by Size

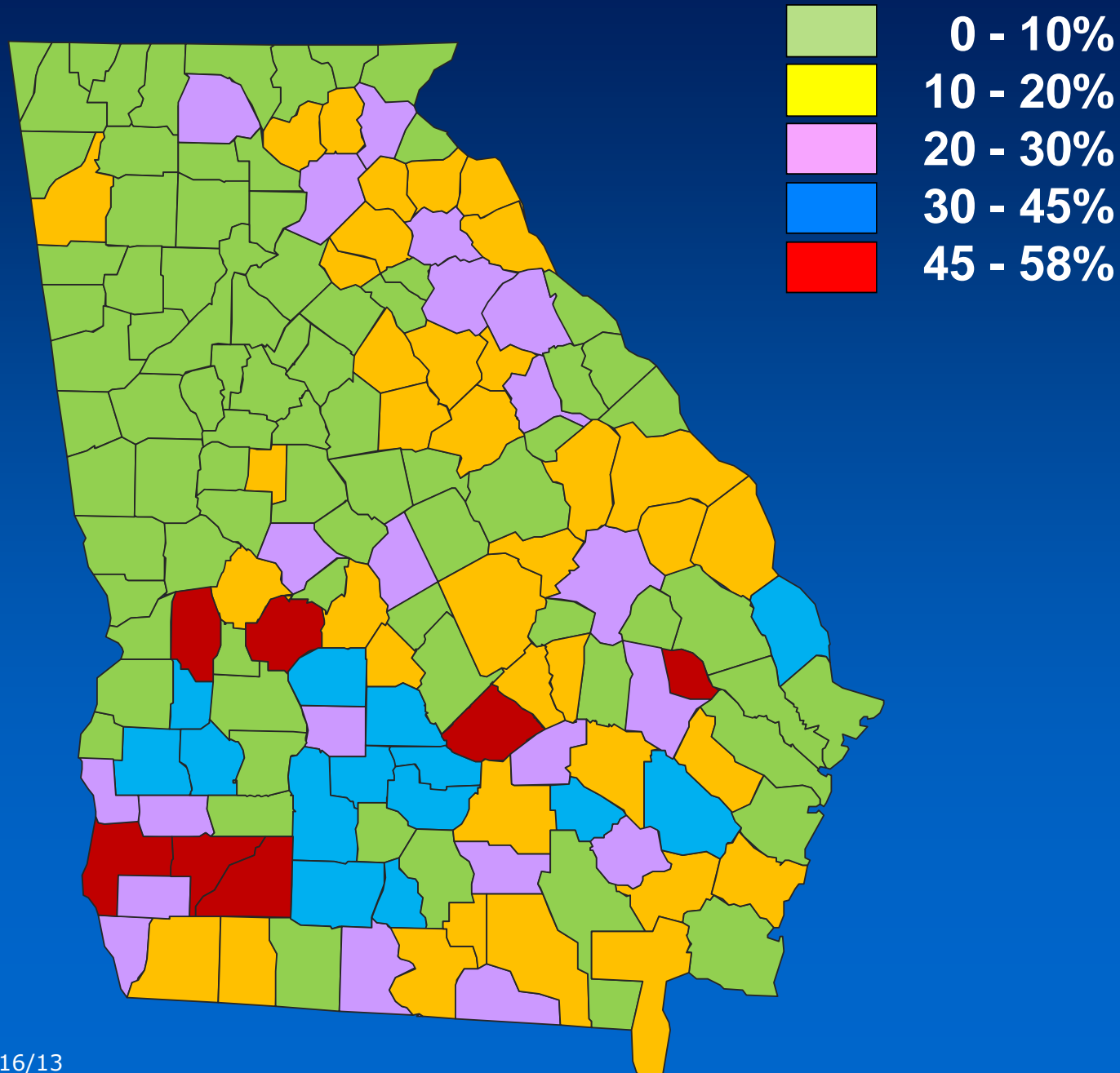
Land in Farms & Harvested Cropland
Oconee County



Percent of Farms by Size, 2007



Food and Fiber Production Plus Directly Related Sectors as % of Total Economic Output



Agriculture in Georgia

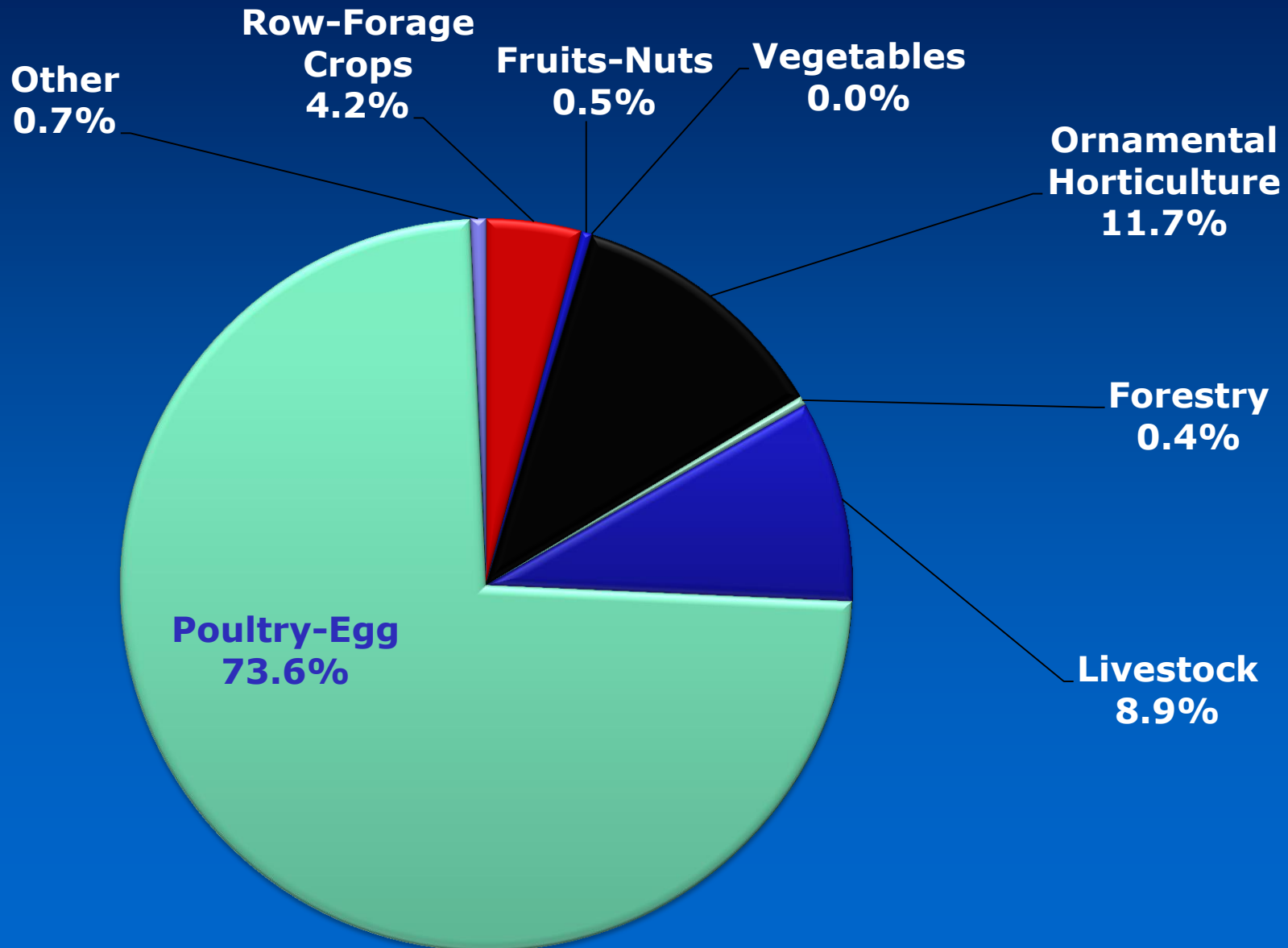
- Georgia's 2011 Farm Gate Value was \$13.0 billion. Adding the value of \$2.1 billion of landscape services increased the total agricultural production value to \$15.1 billion.
- Total food and fiber production and directly related businesses account for a \$71.1 billion *output impact* on Georgia's \$763.6 billion economy.

What We Know about Oconee County

- **2011 Farm Gate Value in Oconee Co. was \$123.2 million. Adding \$7.7 million of landscape services increased the total agricultural production value to \$130.9 million.**
- **The highest value commodity group was Poultry and Eggs, representing 73.6% of the total agricultural production value.**

Oconee County

2011 Agricultural Production Value



What We Did

County Economy Modeled

- **The Center for Agribusiness and Economic Development performed an analysis of the county's economy, focusing on the role of food and fiber.**
- **How much of the county's total current economic output comes from food and fiber production and directly related processing? (A Snapshot of the Economy)**
- **What is the total (direct and indirect) *Impact* of food and fiber production and directly related industries?**

Oconee County Economy

Agriculture *OUTPUT*

	Output in \$	Percent
Agriculture	130,937,105	9.56%
Mining	5,046,201	0.37%
Construction	70,191,728	5.12%
Manufacturing	120,586,835	8.80%
Trans-Utilities-Info	40,514,929	2.96%
Trade	143,973,233	10.51%
Finance-Ins-RE	356,049,817	25.99%
Services	383,525,034	28.00%
Govt. & non-NAICS	118,997,019	8.69%

Total County Economic Output = \$1,369.8 million

Oconee County Economy

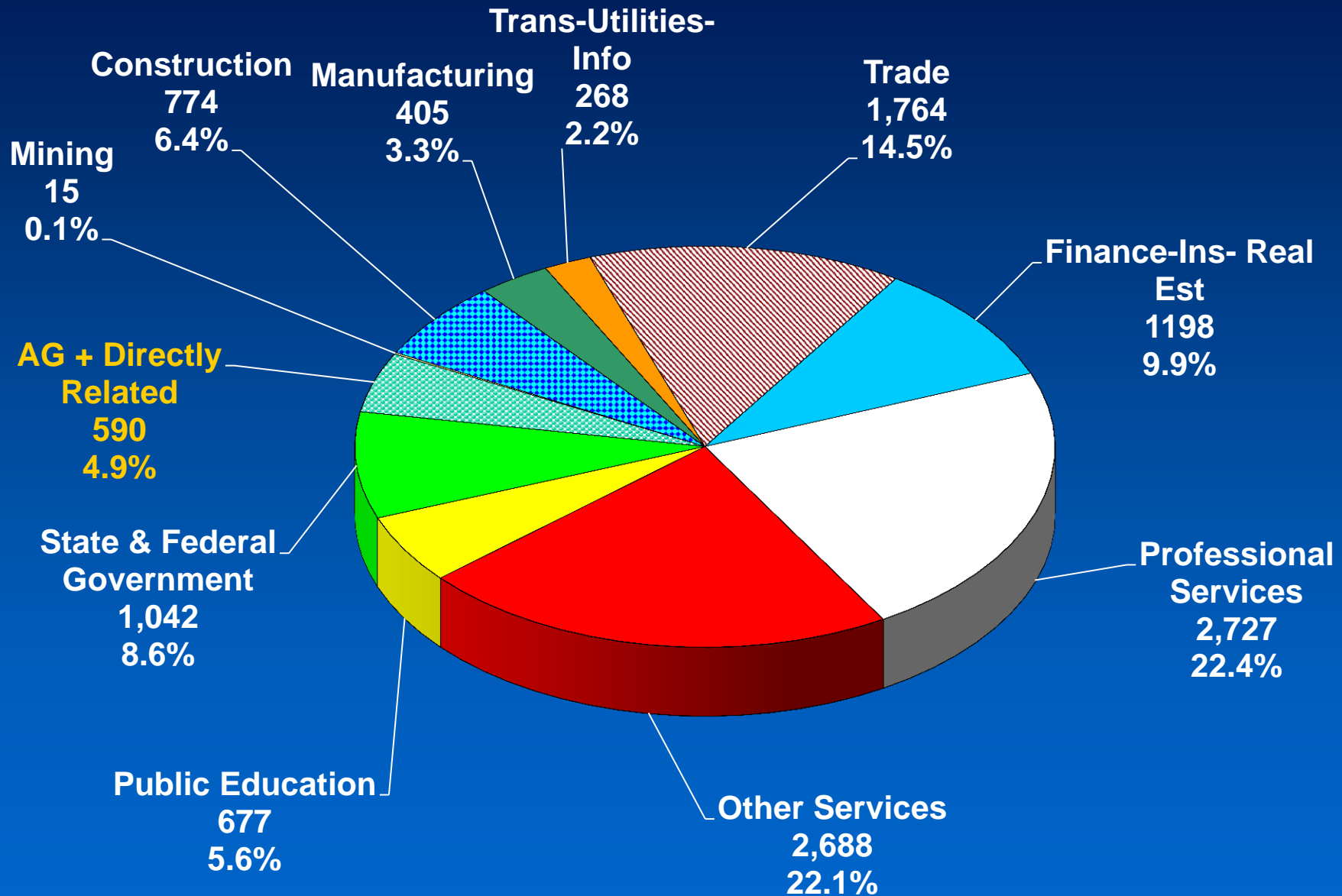
Agriculture + Directly Related Businesses *OUTPUT*

	Output in \$	Percent
Agriculture + Direct	140,835,241	10.28%
Mining	5,046,201	0.37%
Construction	70,191,728	5.12%
Manufacturing	110,688,698	8.08%
Trans-Utilities-Info	40,514,929	2.96%
Trade	143,973,233	10.51%
Finance-Ins-Real Est	356,049,817	25.99%
Services	383,525,034	28.00%
Govt. & non-NAICS	118,997,019	8.69%

Total County Economic Output = \$1,369.8 million

Oconee County Employment

Total Jobs = 12,147



An Economic Snapshot of Oconee County

- **How much of Oconee County's total economic output comes from food and fiber production?**
- **AG value alone of \$130.9 million consisting of Farm Gate Value and landscape services comprises 9.6% of the county's economy.**
- **AG plus directly related businesses (ex. Ag Support Services, Processing, etc.) comprise 10.3% of the county's economy.**

What is the Impact?

- What is the total (direct and indirect) *impact* of food and fiber production and directly related industries?
- This scenario illustrates how other industries are affected by the presence of food and fiber in the county. The indirect impacts measure output created due to food and fiber production and processing in the county.

What Impact Means: A Brief Explanation

- The *impact* numbers capture the ripple effects that food and fiber create in the county's economy. Many other sectors rely in part on the existence of food and fiber for sales.



Labor



Seed

Utilities



Oconee County

Agriculture *IMPACT*

	Direct \$	Indirect \$
Agriculture	130,937,105	0
Mining	0	124,754
Construction	0	1,233,896
Manufacturing	0	101,921
Trans-Utilities-Info	0	2,992,775
Trade	0	3,415,167
Finance-Ins-Real Est	0	8,600,086
Services	0	6,537,176
Govt. & non-NAICS	0	595,099
Total	130,937,105	23,600,875

Total Impact of Production AG = \$154.5 million
11.3% of total economy

Oconee County

Production Agriculture + Directly Related Businesses *IMPACT*

	Direct \$	Indirect \$
Agriculture + Direct	140,835,241	0
Mining	0	128,023
Construction	0	1,287,908
Manufacturing	0	112,531
Trans-Utilities-Info	0	3,114,969
Trade	0	3,781,183
Finance-Ins-Real Est	0	9,301,680
Services	0	7,327,006
Govt. & non-NAICS	0	630,053
Total	140,835,241	25,683,354

**Total Impact of AG + Directly Related = \$166.5 million
12.2% of total economy**

Oconee County

Production Agriculture + Directly Related Industries Employment *IMPACT*

	Direct	Indirect
Agriculture + Direct	590	0
Mining	0	0
Construction	0	16
Manufacturing	0	0
Trans-Utilities-Info	0	19
Trade	0	41
Finance-Ins-Real Est	0	38
Services	0	108
Govt. & non-NAICS	0	4

**Total Impact of AG + Directly Related Employment = 816 Jobs
6.7% of total employment**

What These Numbers Mean: A Brief Explanation

- ***Direct*** impact is \$140.8 million. This includes food and fiber production, processing and directly related manufacturing.
- ***Indirect*** impact from related sectors is \$25.7 million. This captures the effects of farmers (direct source) buying supplies (seed, fertilizer, work boots) from local stores. These stores must increase their output to meet farmer demand.

What These Numbers Mean:

A Brief Explanation (continued)

- **As local stores increase their output, they may demand more stock from local wholesalers (also in the Trade sector). Local wholesalers demand more from local manufacturers, thus increasing activity in the Manufacturing sector.**
- **Local stores also hire employees to assist farmers. They take home wages and buy groceries at the local store which increases demand there.**

Oconee County Food and Fiber Impact Conclusions

- The total *impact* of food and fiber production, processing and direct manufacturing is \$166.5 million.
- The total county *output* is \$1,369.8 million.
- Thus, food and fiber (directly and indirectly) account for 12.2% of the total county output, considering the multiplier effects.

Contact Information

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*“Adding Value to Georgia's Agricultural Economy
Through Research and Extension“*

*To learn more about your county, go to:
<http://www.caed.uga.edu/>
...click on “Resources”, then
“Georgia Statistics System”*

**Ag Profile Report
#13-08A**

