

The Economic Importance of Food and Fiber



A Spotlight on Pierce County, Georgia

**Prepared for
Pierce County Cooperative Extension
January, 2013**

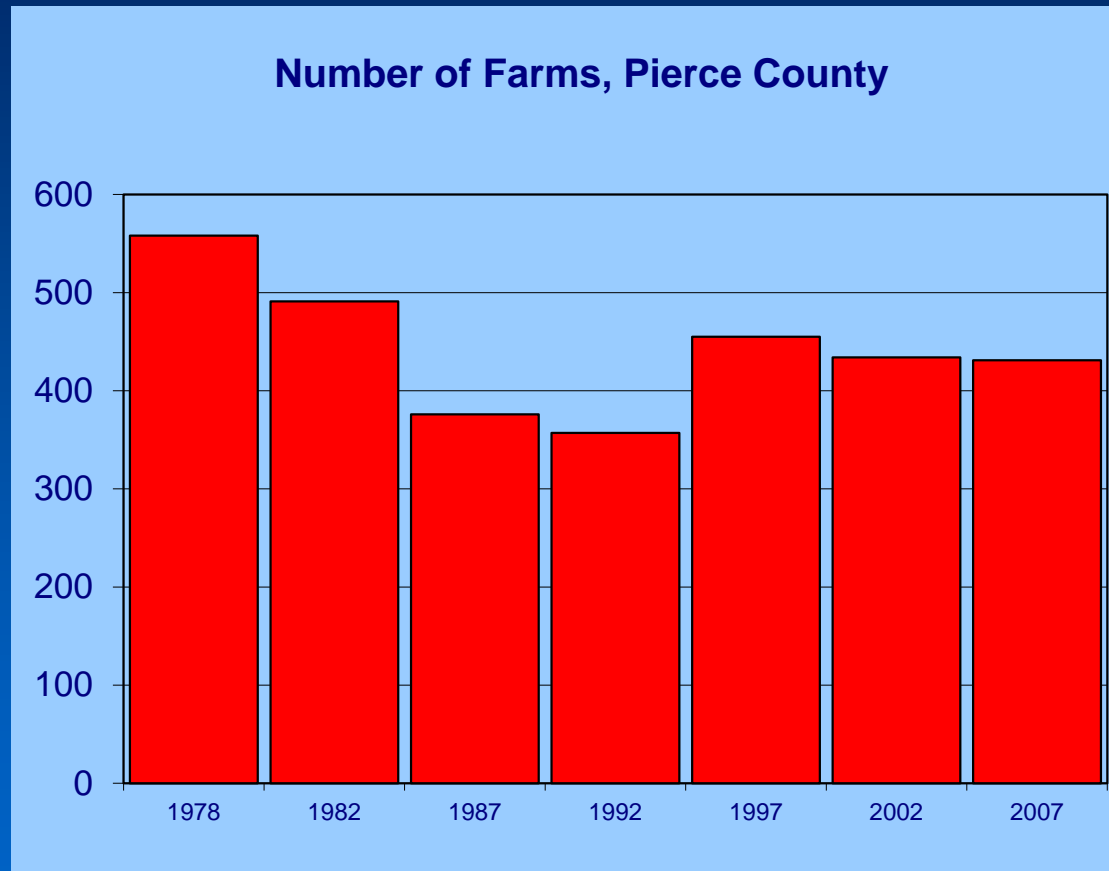
by:

**The Center for Agribusiness
and Economic Development**

**College of Agricultural
and Environmental Sciences**

The University of Georgia

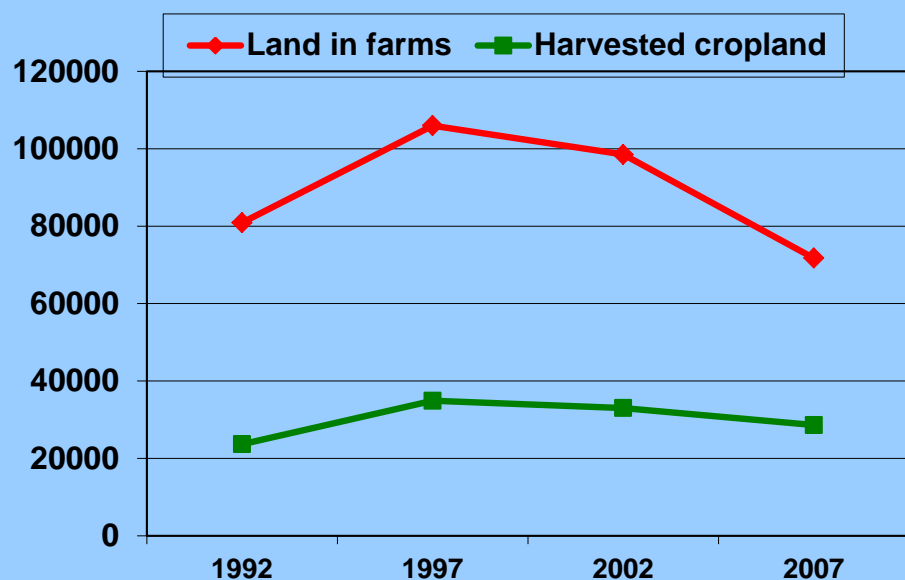
Trends in Pierce County: Number of Farms



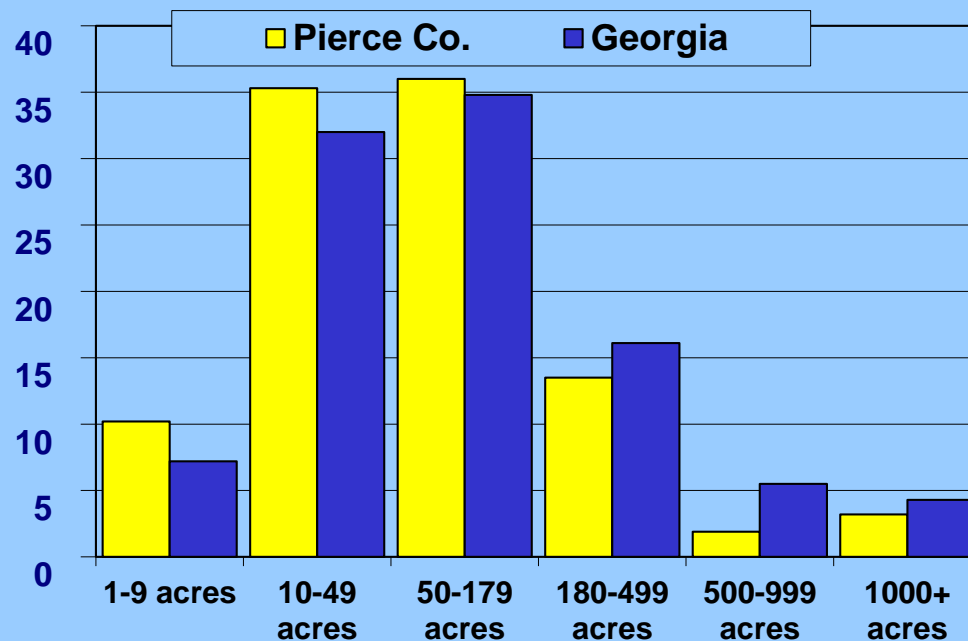
Source: 1978-2007 (quinquennial) Censuses of Agriculture

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

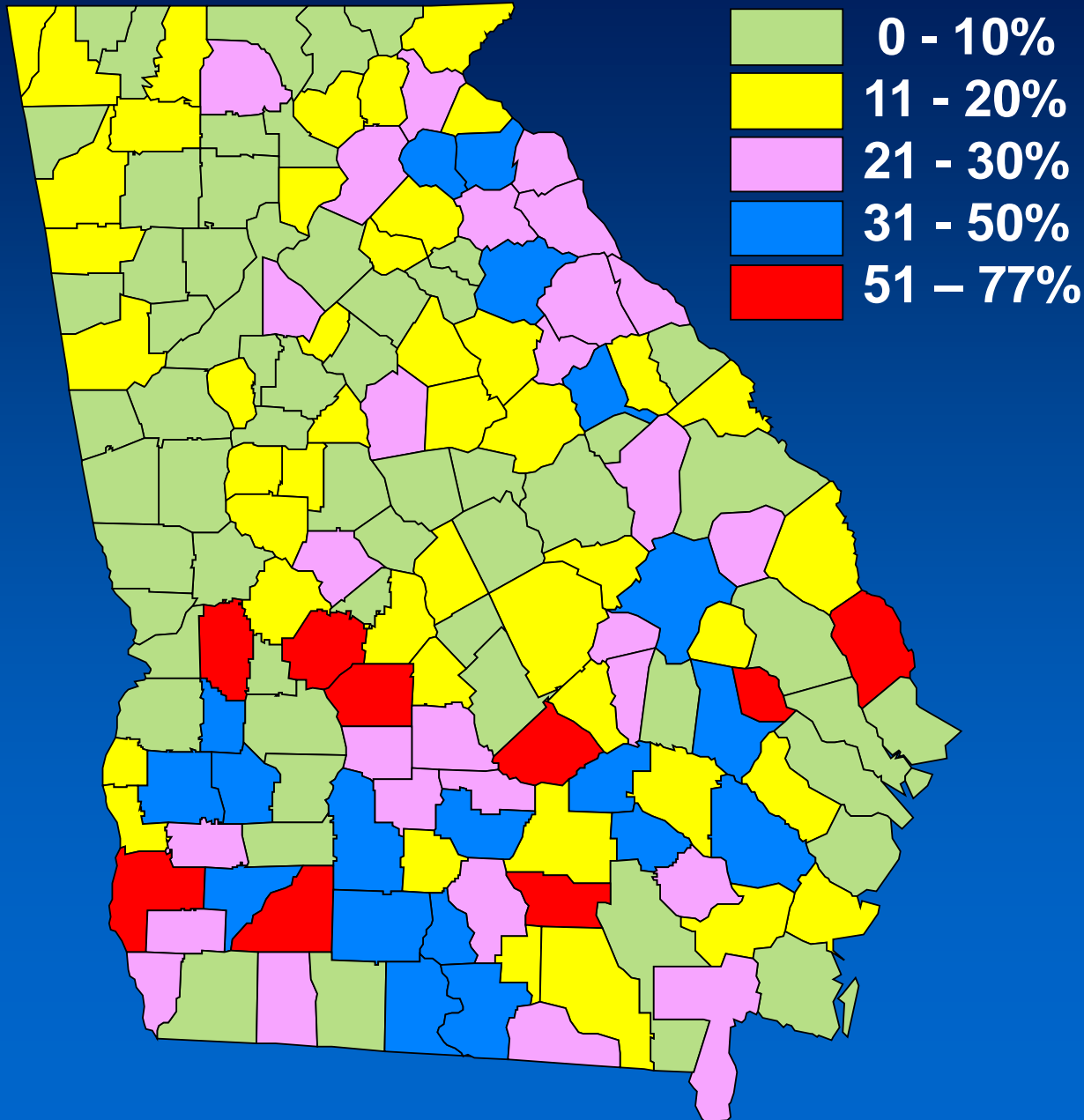
Land in Farms & Harvested Cropland
Pierce County



Percent of Farms by Size, 2007



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

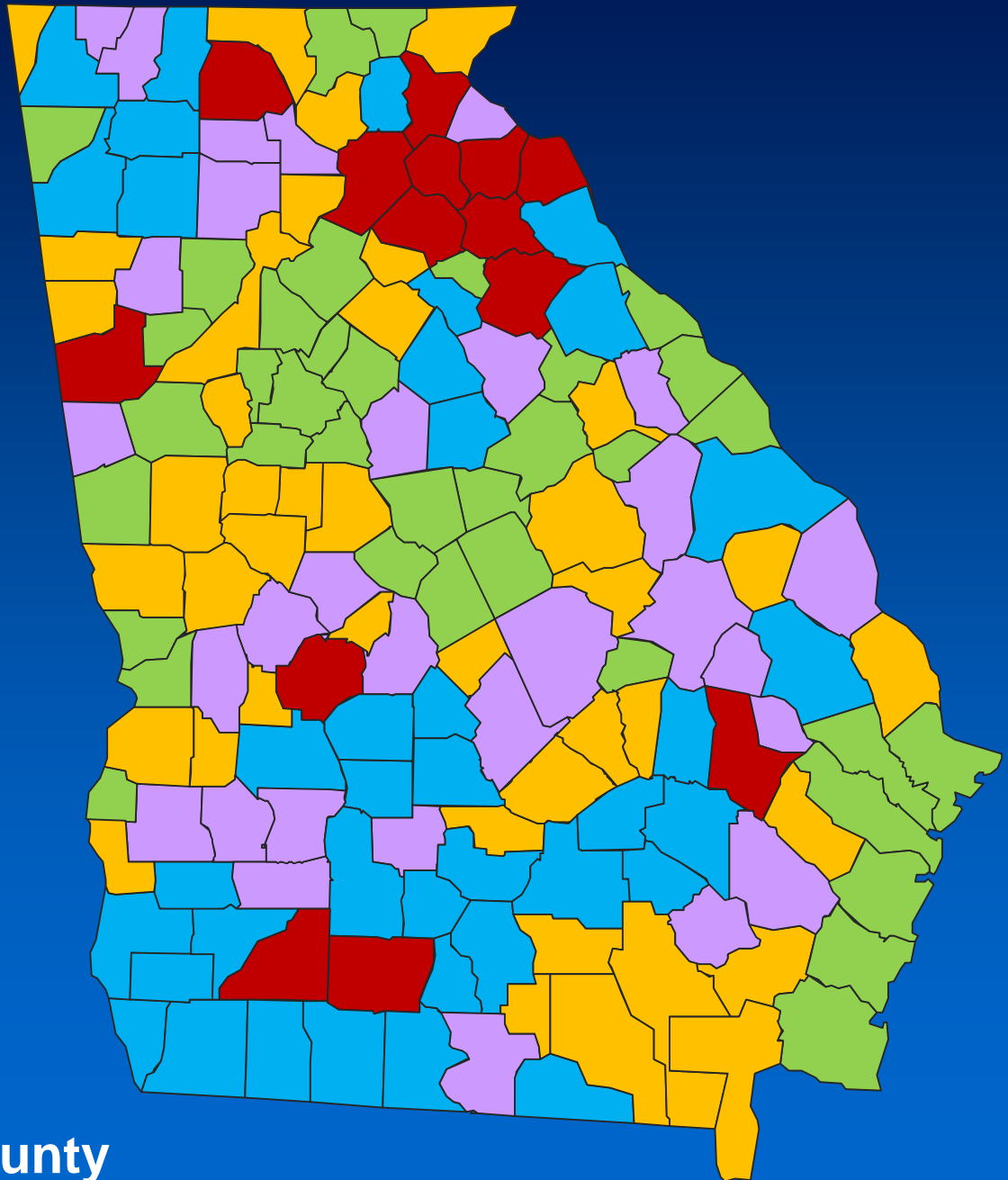


Agriculture in Georgia

- Georgia's 2010 Farm Gate Value was \$12.0 billion. Adding the value of \$2.2 billion of landscape services increased the total agricultural production value to \$14.2 billion.
- Total food and fiber production and directly related businesses account for a \$68.9 billion *output impact* on Georgia's \$719.8 billion economy.

Production Agriculture: 2010

**Georgia Total
Agricultural
Production
Value
\$14.2 Billion**



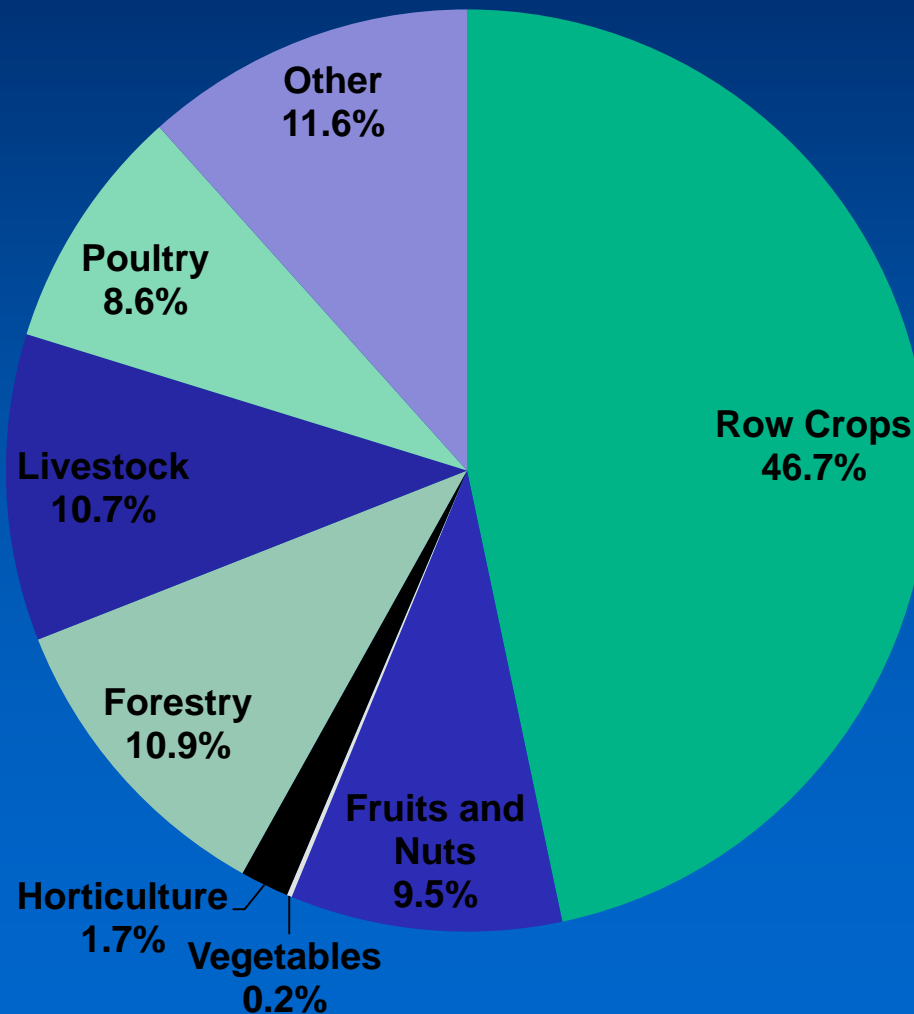
**2010 Farm Gate Value by County
in Millions of Dollars**

What We Know about Pierce County

- **2010 Farm Gate Value in Pierce Co. was \$52.1 million. Adding \$1.7 million of landscape services increased the total agricultural production value to \$53.8 million.**
- **The highest value commodity group was row and forage crops, representing 46.7% of the total agricultural production value.**

Pierce County

2010 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?**

Pierce County Economy

Agriculture *OUTPUT*

	Output in \$	Percent
Agriculture	53,761,071	8.16%
Mining	430,855	0.07%
Construction	70,975,455	10.77%
Manufacturing	100,783,311	15.29%
Trans-Utilities-Info	48,195,385	7.31%
Trade	94,579,966	14.35%
Finance-Ins-RE	119,681,975	18.16%
Services	105,436,014	16.00%
Govt. & non-NAICS	74,475,558	4.88%

Total County Economic Output = \$659 million

Pierce County Economy

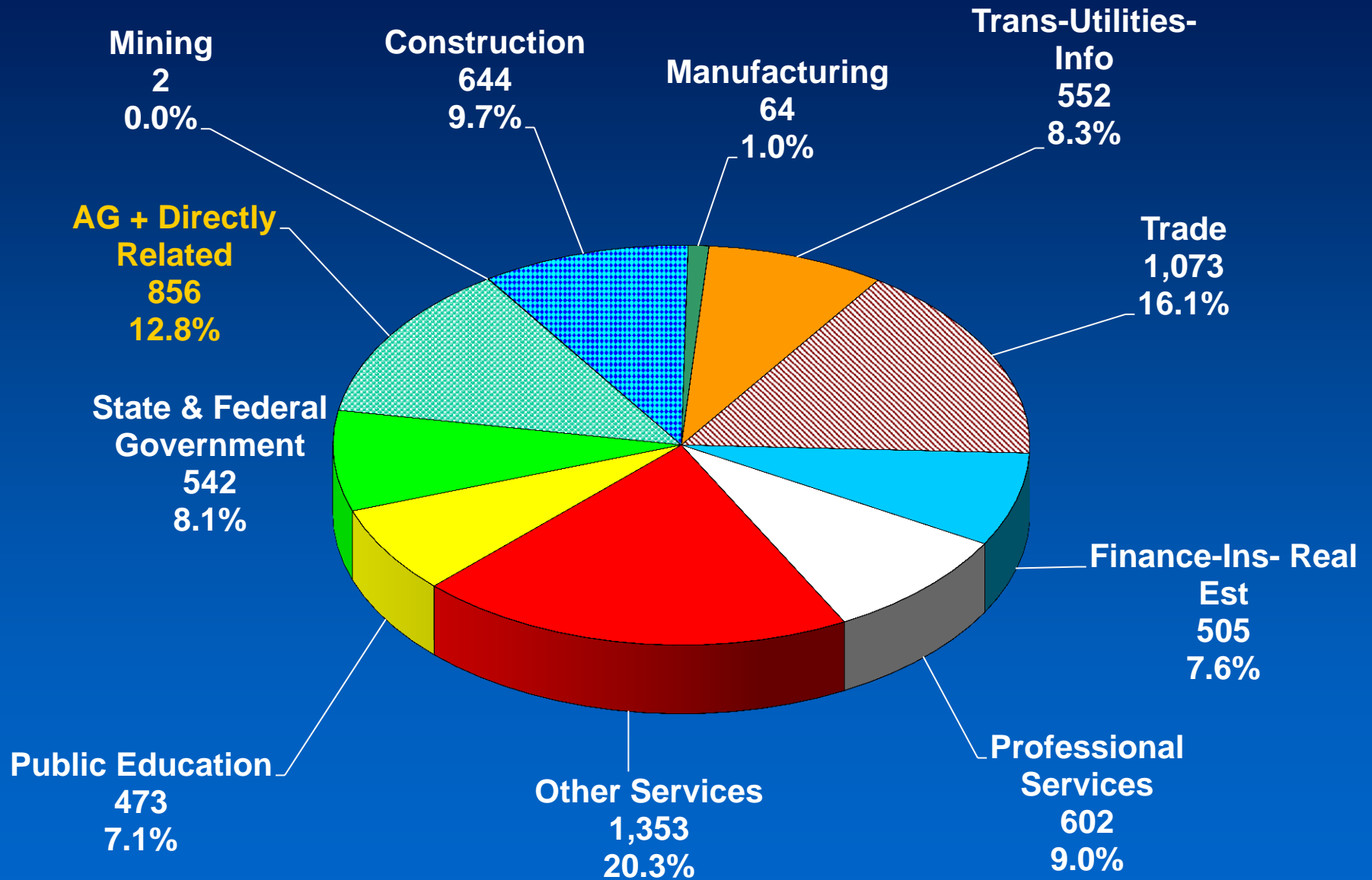
Agriculture + Directly Related Businesses *OUTPUT*

	Output in \$	Percent
Agriculture + Direct	137,577,930	20.88%
Mining	430,855	0.07%
Construction	70,975,455	10.77%
Manufacturing	16,966,453	2.57%
Trans-Utilities-Info	48,195,385	7.31%
Trade	94,579,966	14.35%
Finance-Ins-Real Est	119,681,975	18.16%
Services	105,436,014	16.00%
Govt. & non-NAICS	65,131,382	9.88%

Total County Economic Output = \$659 million

Pierce County Employment

Total Jobs = 6,667



An Economic Snapshot of Pierce County

- **How much of Pierce County's total economic output comes from food and fiber production?**
- **AG value alone of \$53.8 million consisting of Farm Gate Value and landscape services comprises 8.2% of the county's economy.**
- **AG plus directly related businesses (ex. Ag Support Services, Processing, etc.) comprise 20.9% 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



Pierce County

Agriculture *IMPACT*

	Direct \$	Indirect \$
Agriculture	137,577,930	0
Mining	0	35
Construction	0	1,520,668
Manufacturing	0	75,735
Trans-Utilities-Info	0	5,360,748
Trade	0	6,455,384
Finance-Ins-Real Est	0	17,339,656
Services	0	9,681,236
Govt. & non-NAICS	0	1,620,210
Total	137,577,930	42,053,672

Total Impact of Production AG = \$179.6 million
27.3% of total economy

Pierce County

Production Agriculture + Directly Related Businesses *IMPACT*

	Direct \$	Indirect \$
Agriculture + Direct	317,771,519	0
Mining	0	62
Construction	0	1,831,485
Manufacturing	0	1,632,776
Trans-Utilities-Info	0	13,333,619
Trade	0	10,446,805
Finance-Ins-Real Est	0	19,833,830
Services	0	12,867,368
Govt. & non-NAICS	0	1,579,749
Total	317,771,519	61,525,693

Total Impact of AG + Directly Related = \$379.3 million
24.9 % of total economy

Pierce County

Production Agriculture + Directly Related Industries Employment *IMPACT*

	Direct	Indirect
Agriculture + Direct	856	0
Mining	0	0
Construction	0	16
Manufacturing	0	0
Trans-Utilities-Info	0	57
Trade	0	74
Finance-Ins-Real Est	0	80
Services	0	181
Govt. & non-NAICS	0	7

**Total Impact of AG + Directly Related Employment = 1,272 Jobs
19.1% of total employment**

What These Numbers Mean: A Brief Explanation

- ***Direct*** impact is \$137.6 million. This includes food and fiber production, processing and directly related manufacturing.
- ***Indirect*** impact from related sectors is \$42.1 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.**

Pierce County Food and Fiber Impact Conclusions

- The total *impact* of food and fiber production, processing and direct manufacturing is \$179.6 million.
- The total county *output* is \$659.0 million.
- Thus, food and fiber (directly and indirectly) account for 27.3% 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

AP#13-02A

