

The Economic Importance of Food and Fiber



A Spotlight on Lamar County, Georgia

Prepared for
Lamar County Cooperative Extension

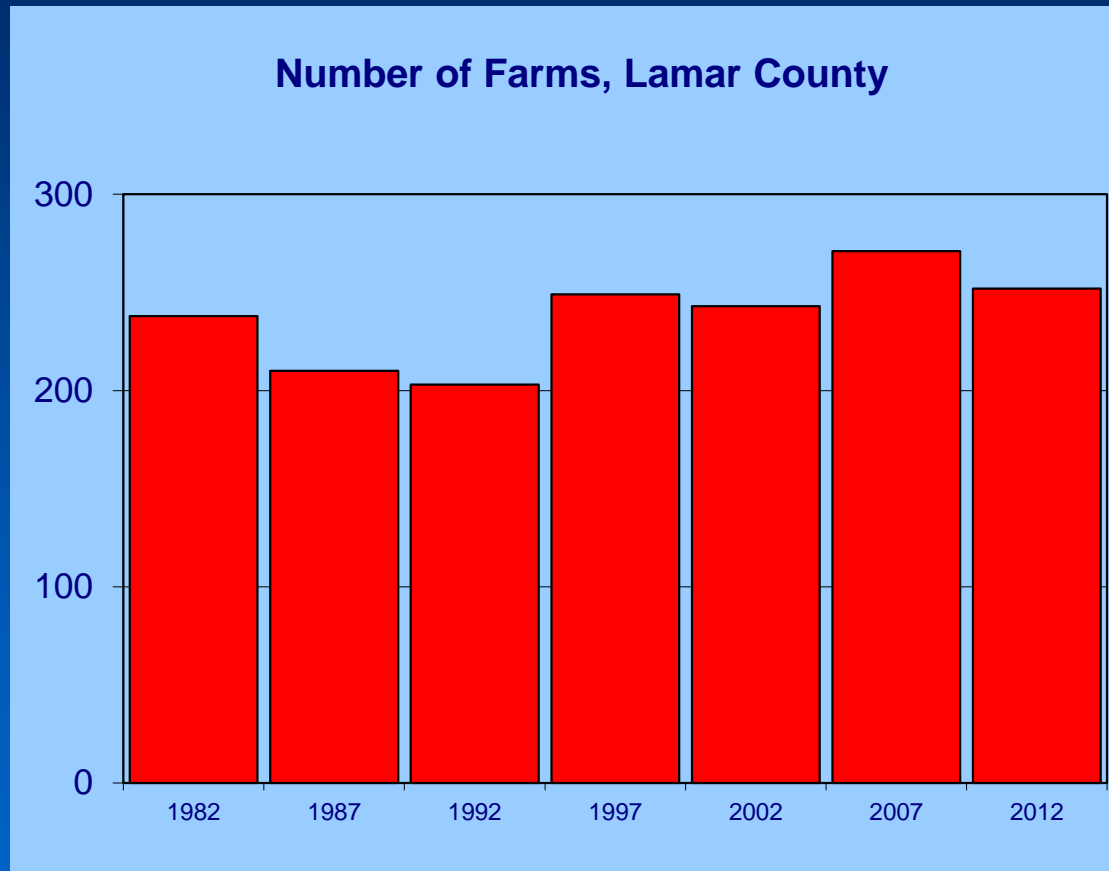
May 2016 by:

The Center for Agribusiness
and Economic Development

College of Agricultural
and Environmental Sciences

The University of Georgia

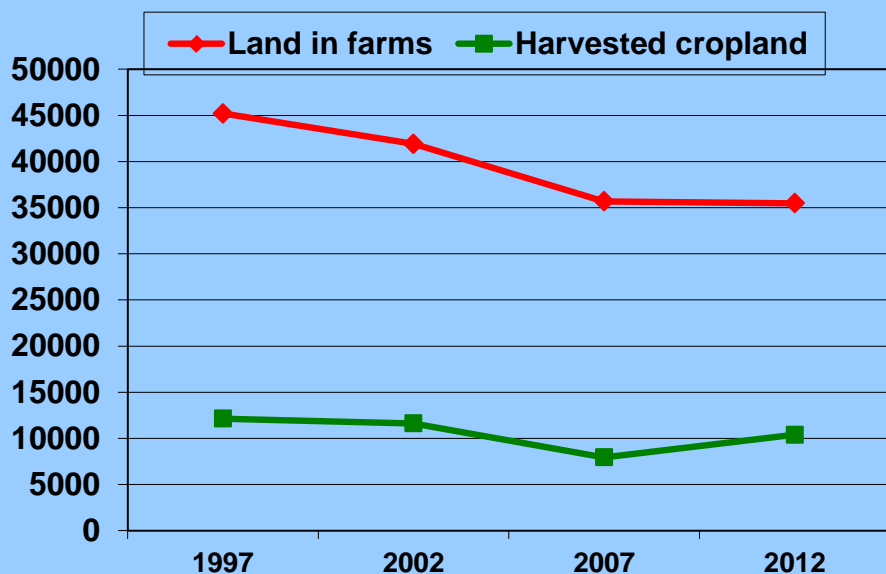
Trends in Lamar County: Number of Farms



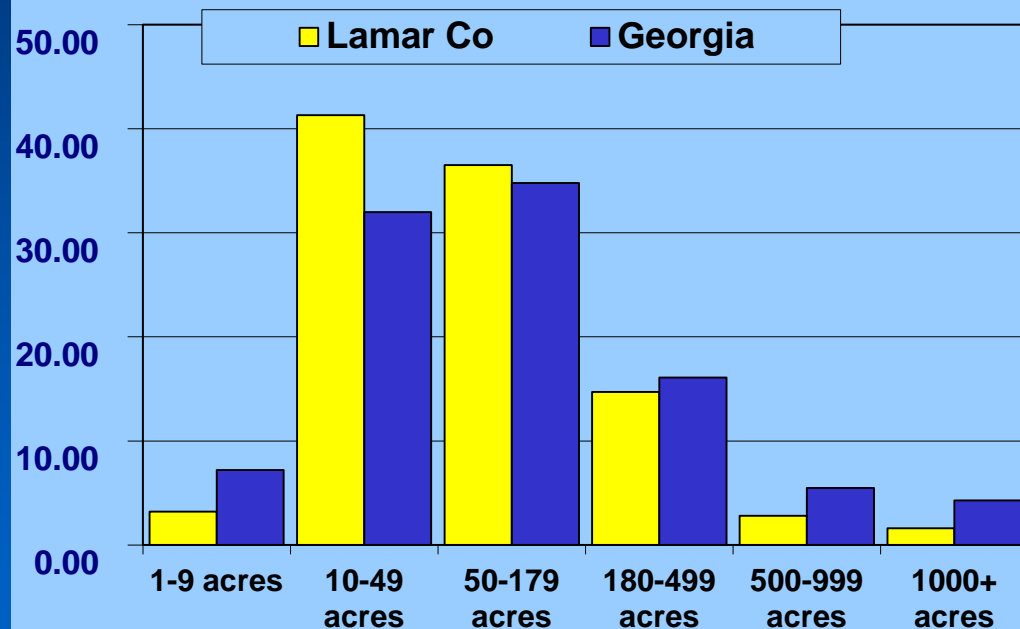
Source: 1978-2012 (quinquennial) Censuses of Agriculture

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

Land in Farms & Harvested Cropland
Lamar County



Percent of Farms by Size, 2012



Agriculture in Georgia

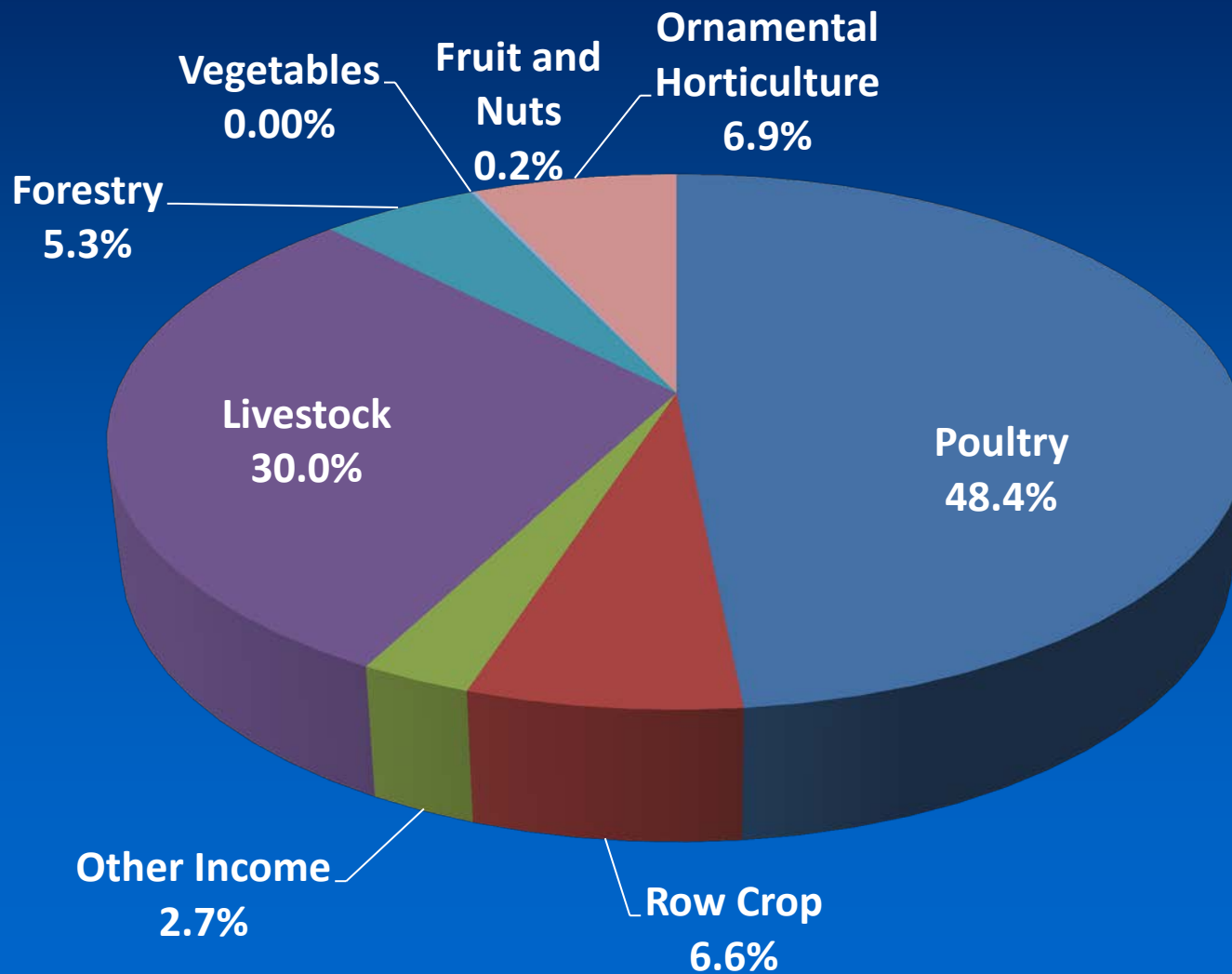
- Georgia's 2014 Farm Gate Value was \$13.99 billion. Adding the value of \$2.2 billion of landscape services increased the total agricultural production value to \$16.2 billion.
- Total food and fiber production and directly related businesses account for a \$74.3 billion *output impact* on Georgia's \$907.7 billion economy.

What We Know about Lamar County

- 2014 Farm Gate Value in Lamar Co. was \$37.3 million. Adding \$5.7 million of landscape services increased the total agricultural production value to \$43.0 million.
- The highest value commodity group was poultry and eggs, representing 48.4% of the total agricultural production value.

Lamar County

2014 Farm Gate Production Value



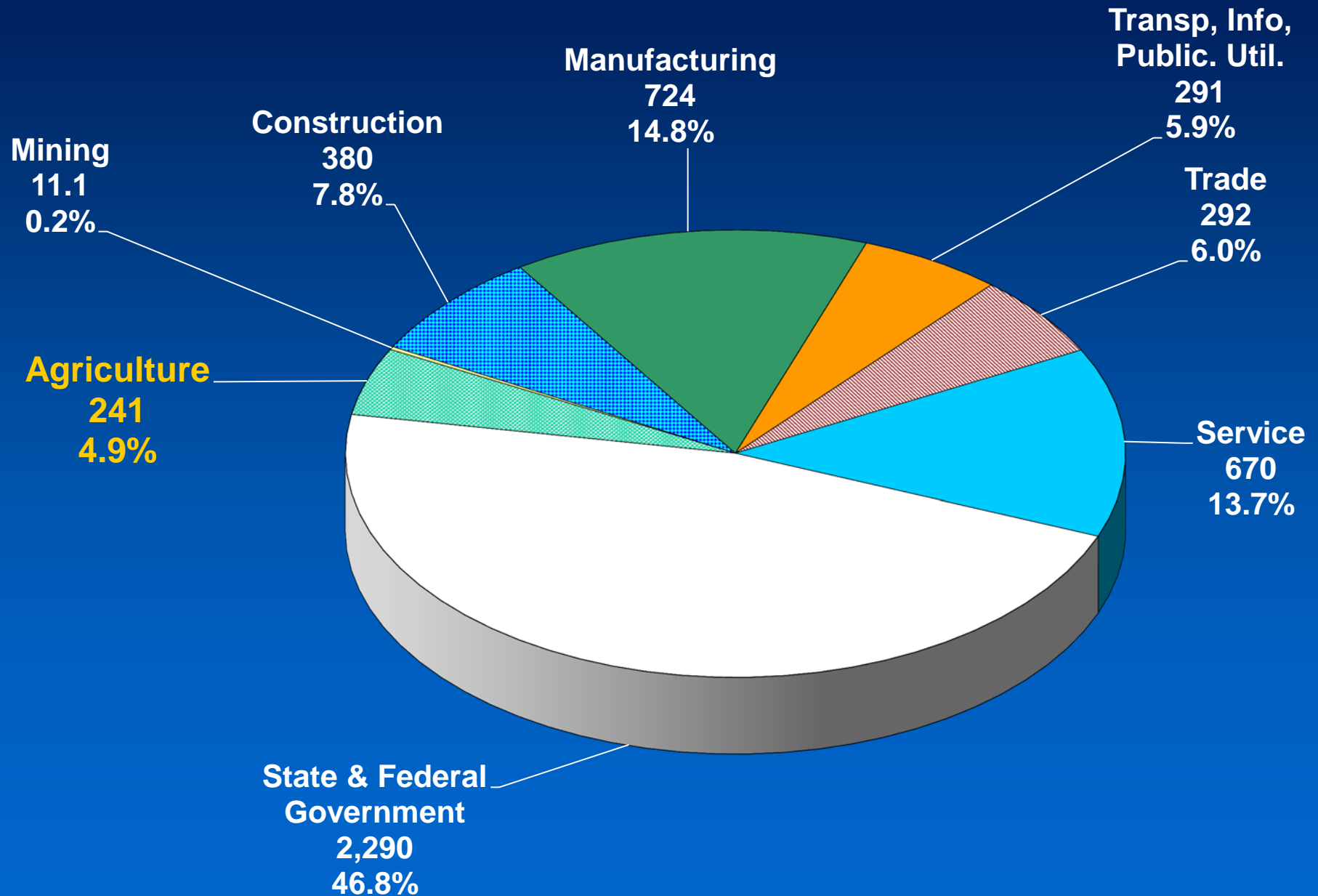
Examining the Contribution

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) *Economic Contribution* of food and fiber production and directly related industries?

Lamar County Employment

Total Jobs = 5,760



An Economic Snapshot of Lamar County

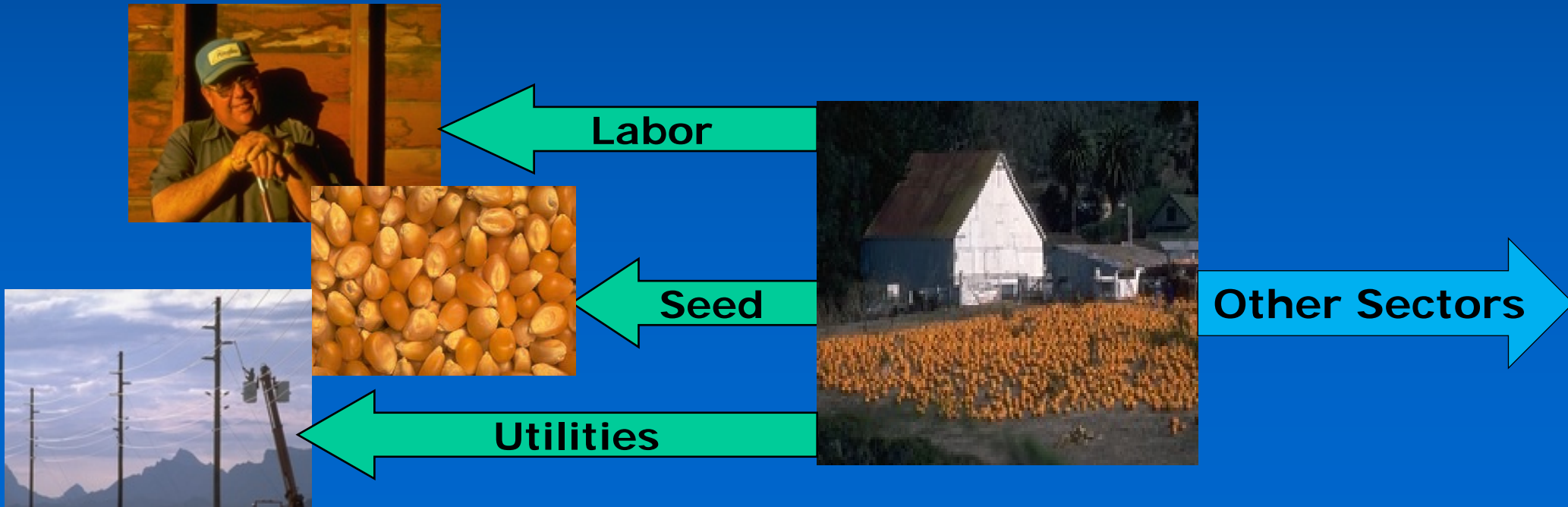
- How much of Lamar County's total economic output comes from food and fiber production?
- AG value alone of \$43.0 million consisting of Farm Gate Value and landscape services comprises 5.1% of the county's economy.
- AG plus directly related businesses (ex. Ag Support Services, Processing, etc.) comprise 15.7% of the county's economy.

What is the Economic Contribution?

- What is the total (direct and indirect) *contribution* 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 contribution measures output created due to food and fiber production and processing in the county.

What Economic Contribution Means: A Brief Explanation

- The *contribution* 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.
- Further, agricultural commodities are sold to other sectors as the inputs to production.



Lamar County

Agriculture *Contribution*

Sector	Direct	Total
Ag + Landscape Services	\$51,219,464	\$51,219,464
Mining		\$35,077
Utilities		\$283,257
Construction		\$372,987
Manufacturing		\$21,874
Wholesale Trade		\$3,147,109
Retail trade		\$1,127,642
Transportation & Warehousing		\$959,426
Information		\$550,441
Finance & insurance		\$1,039,567
Real estate & rental		\$2,989,171
Professional- scientific & tech services		\$813,356
Management of companies		\$42,662
Administrative & waste services		\$496,710
Educational svcs		\$36,838
Health & social services		\$826,190
Arts-entertainment & recreation		\$138,566
Accommodation & food services		\$709,178
Other services		\$724,159
Government & non NAICS		\$39,453
TOTAL	\$51,219,464	\$65,573,125

Total
Contribution
of Production
AG = \$65.6
million
1.7% of total
economy

Lamar County

Production Agriculture + Directly Related Industries Contribution

Sector	Direct	Total
Ag + Related Industries	\$340,481,789	\$340,481,789
Mining		\$102,236
Utilities		\$1,970,307
Construction		\$1,966,086
Other Manufacturing		\$197,095
Wholesale Trade		\$12,032,263
Retail trade		\$4,656,512
Transportation & Warehousing		\$12,034,853
Information		\$2,370,819
Finance & insurance		\$4,554,576
Real estate & rental		\$11,463,465
Professional- scientific & tech services		\$2,792,166
Management of companies		\$1,113,541
Administrative & waste services		\$2,778,130
Educational svcs		\$133,120
Health & social services		\$3,155,620
Arts- entertainment & recreation		\$584,853
Accommodation & food services		\$2,982,375
Other services		\$2,603,237
Government & non NAICS		\$260,788
Total	\$340,481,789	\$408,233,829

**Total
Contribution
of AG +
Related =
\$408.2 million
10.4% of total
economy**

Lamar County

Production Agriculture + Directly Related Industries Employment *Contribution*

Sector	Direct	Total
Ag + Related Industries	2,184	2,184
Mining		1
Utilities		3
Construction		14
Manufacturing		1
Wholesale Trade		67
Retail trade		67
Transportation & Warehousing		92
Information		7
Finance & insurance		27
Real estate & rental		43
Professional- scientific & tech services		40
Management of companies		8
Administrative & waste services		55
Educational svcs		5
Health & social services		45
Arts- entertainment & recreation		14
Accommodation & food services		53
Other services		25
Government & non NAICS		3
Total	2,184	2,752

Total
Contribution
of AG + Related
Employment =
2,752

Accounts for
3.4% of
employment

What These Numbers Mean: A Brief Explanation

- *Direct contribution* is \$340.5 million. This includes food and fiber production, processing and directly related manufacturing.
- *Total contribution* includes related sectors and sums to \$408.2 million. This includes the captured 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.

Lamar County Food and Fiber Conclusions

- The total *economic contribution* of food and fiber production, processing and direct manufacturing is \$408.2 million.
- The total county *output* is \$3.9 billion.
- Thus, food and fiber (directly and indirectly) account for 10.4% 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“*

*Check our website for more resources:
www.caed.uga.edu*

**Ag Profile Report
#16-04A**

