

The Economic Importance of Food and Fiber

The background of the slide is a stylized, colorful illustration of a farm scene. It features a red barn with a white roof, several silos, and a wooden fence in the foreground. The scene is set against a blue sky with white clouds. The overall style is reminiscent of a folk-art or naive painting style.

A Spotlight on Mitchell County, Georgia

Prepared for
Mitchell County Cooperative Extension

February 2017 by:
The Center for Agribusiness
and Economic Development

College of Agricultural
and Environmental Sciences

The University of Georgia

Agriculture in Georgia

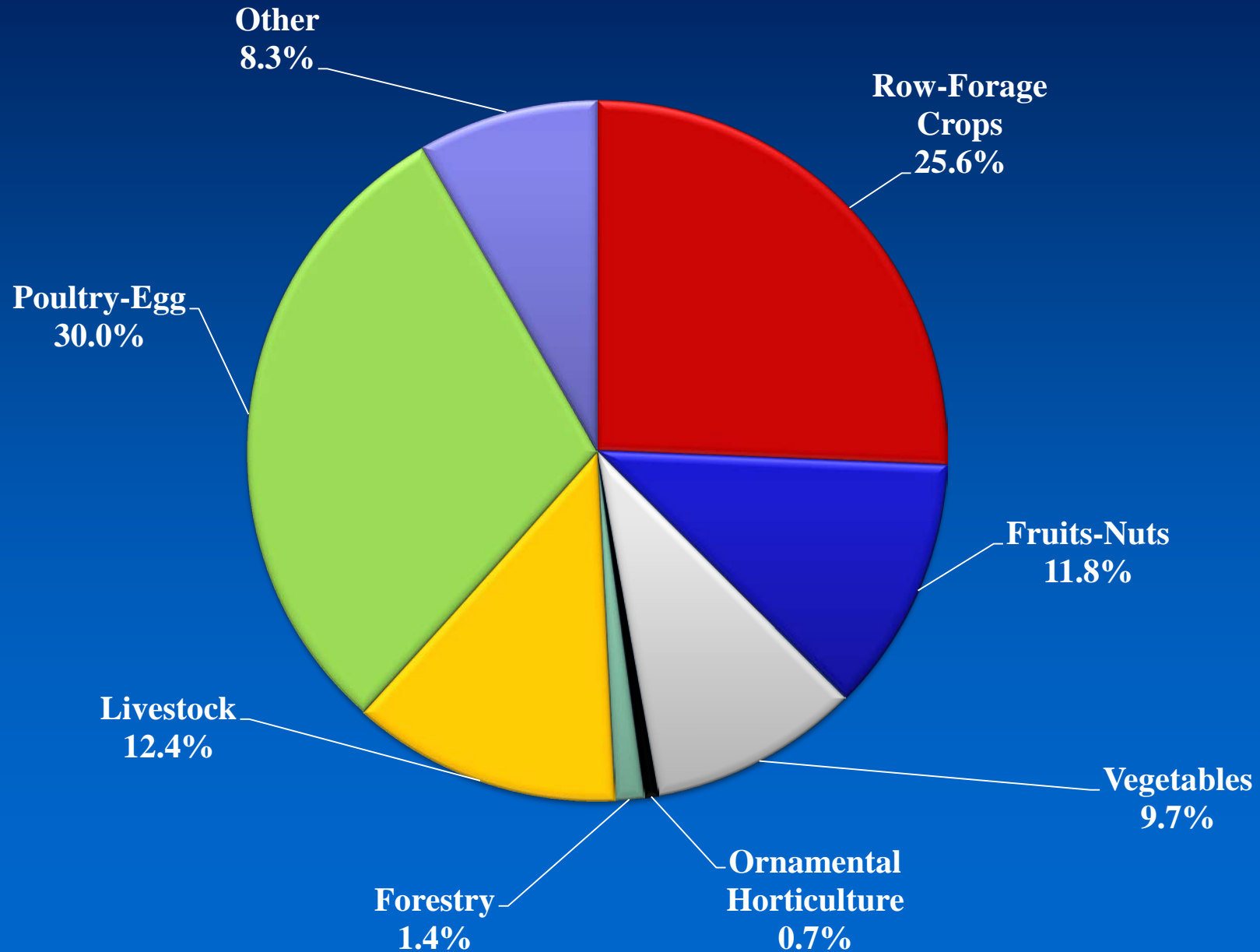
- Georgia's 2015 Farm Gate Value was \$13.8 billion. Adding the value of \$2.2 billion of landscape services increased the total agricultural production value to \$16.0 billion.
- Total food and fiber production and directly related businesses account for a \$74.9 billion *output impact* on Georgia's \$917.6 billion economy.

What We Know about Mitchell County

- 2015 Farm Gate Value in Mitchell Co. was \$356.1 million. Adding \$886.4 thousand of landscape services increased the total agricultural production value to \$357 million.
- The highest value commodity group was poultry and eggs, representing 30% of the total agricultural production value.

Mitchell County

2015 Farm Gate Production Value



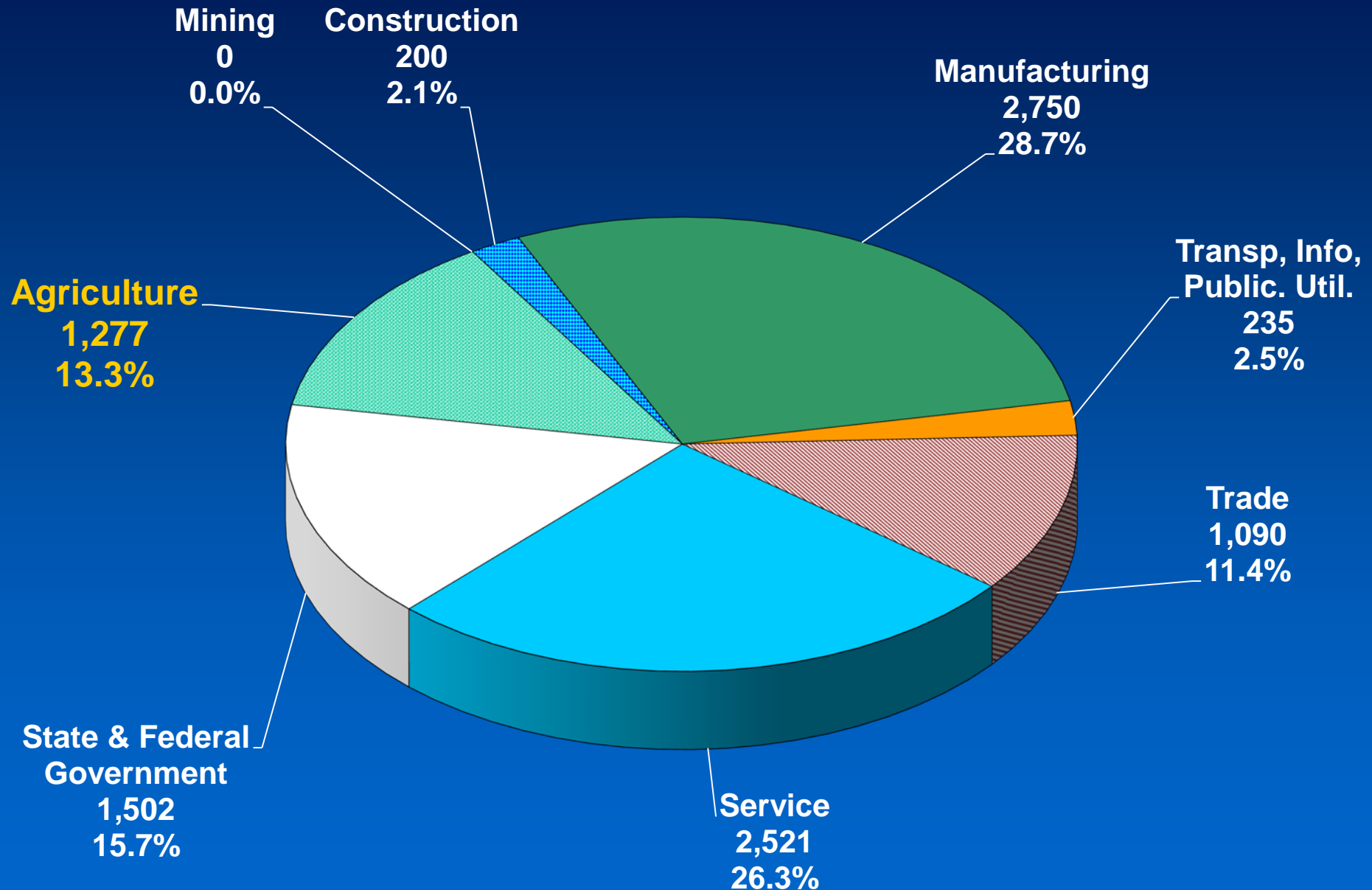
Examining the Contribution

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?

Mitchell County Employment

Total Jobs = 9,575



An Economic Snapshot of Mitchell County

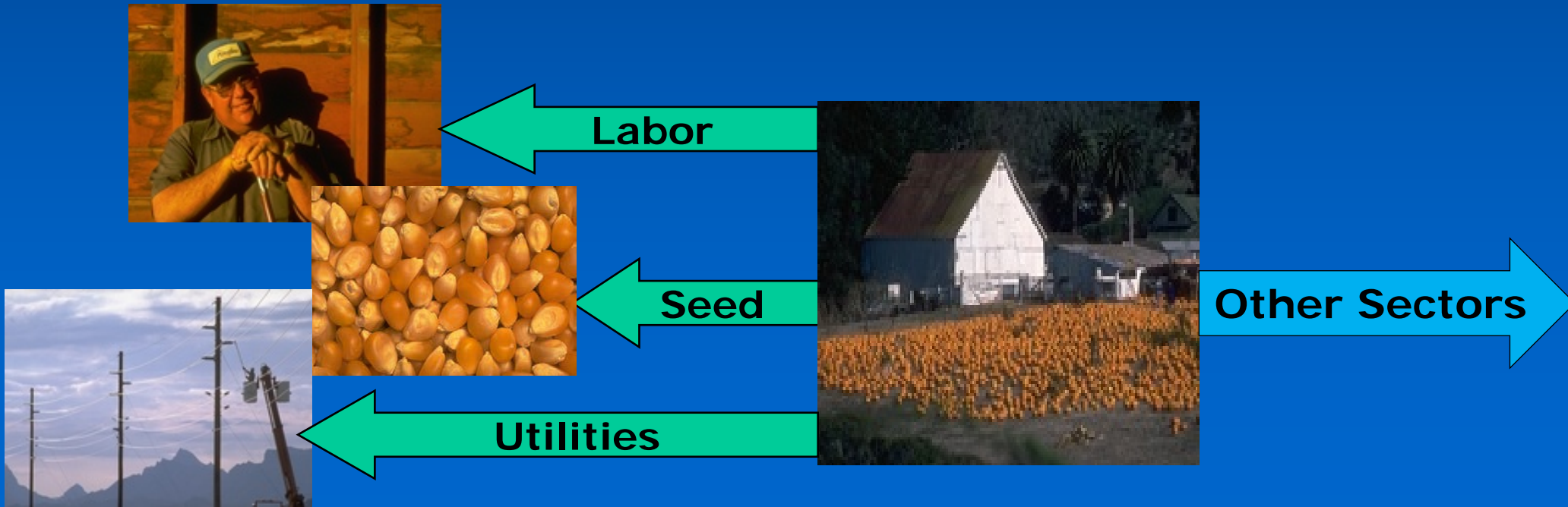
- How much of Mitchell County's total economic output comes from food and fiber production?
- AG value alone of \$357 million consisting of Farm Gate Value and landscape services comprises 21% of the county's economy.
- AG plus directly related businesses (ex. Ag Support Services, Processing, etc.) comprise 58% 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.



Mitchell County

Agriculture *Contribution*

Sector	Direct	Total
Ag + Landscape Services	\$356,999,020	\$356,999,020
Mining	-	-
Utilities		4,056,153
Construction		1,320,800
Manufacturing		321,814
Wholesale Trade		8,957,067
Retail trade		8,789,776
Transportation & Warehousing		2,429,246
Information		296,622
Finance & insurance		8,208,958
Real estate & rental		21,247,319
Professional- scientific & tech services		1,650,927
Management of companies		161,773
Administrative & waste services		549,800
Educational svcs		644,900
Health & social services		10,766,459
Arts-entertainment & recreation		311,041
Accommodation & food services		3,657,539
Other services		2,974,586
Government & non NAICS		312,616
TOTAL	\$356,999,020	\$433,656,416

**Total
Contribution
of Production
AG = \$433.7
million
25.5% of total
economy**

Mitchell County

Production Agriculture + Directly Related Industries Contribution

Sector	Direct	Total
Ag + Related Industries	\$ 984,303,576	\$ 984,303,576
Mining		-
Utilities		9,441,272
Construction		2,365,120
Other Manufacturing		974,778
Wholesale Trade		19,857,323
Retail trade		13,995,792
Transportation & Warehousing		13,339,932
Information		682,964
Finance & insurance		15,547,555
Real estate & rental		31,202,081
Professional- scientific & tech services		3,973,891
Management of companies		2,311,693
Administrative & waste services		1,277,444
Educational svcs		938,558
Health & social services		15,987,194
Arts- entertainment & recreation		535,617
Accommodation & food services		6,300,212
Other services		5,382,867
Government & non NAICS		808,507
Total	\$ 984,303,576	\$1,129,226,376

**Total
Contribution
of AG +
Related = \$1.1
billion
66.5% of total
economy**

Mitchell County

Production Agriculture + Directly Related Industries Employment *Contribution*

Sector	Direct	Total
Ag + Related Industries	4,815	4,815
Mining		0
Utilities		7
Construction		19
Manufacturing		4
Wholesale Trade		115
Retail trade		190
Transportation & Warehousing		88
Information		3
Finance & insurance		70
Real estate & rental		51
Professional- scientific & tech services		44
Management of companies		11
Administrative & waste services		48
Educational svcs		14
Health & social services		197
Arts- entertainment & recreation		9
Accommodation & food services		101
Other services		108
Government & non NAICS		10
Total	4,815	5,947

Total
Contribution
of AG + Related
Employment =
5,947

Accounts for
62% of
employment

What These Numbers Mean: A Brief Explanation

- *Direct contribution* is \$984 million. This includes food and fiber production, processing and directly related manufacturing.
- *Total contribution* includes related sectors and sums to \$1.1 billion. 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.

Mitchell County Food and Fiber Summary/Conclusions

- The total *economic contribution* of food and fiber production, processing and direct manufacturing is \$1.1 billion.
- The total county *output* is \$1.7 billion.
- Thus, food and fiber (directly and indirectly) account for 66.5% of the total county output, considering the multiplier effects.

Contact Information

Prepared by

Sharon P. Kane, Sr. Public Service Associate, Economist
Karen Stubbs, Research Professional

Center for Agribusiness & Economic Development
Dr. Kent Wolfe, Director

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

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



**College of Agricultural &
Environmental Sciences**

Center for Agribusiness and Economic Development

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