

The Economic Importance of Food and Fiber

A Spotlight on Polk County, Georgia

Prepared by:



Center for Agribusiness
and Economic Development

College of Agricultural & Environmental Sciences

UNIVERSITY OF GEORGIA

July 2018

Agriculture in Georgia

- Georgia's 2016 Farm Gate Value was over \$13.75 billion. Adding the value of \$2.5 billion of landscape services increased the total agricultural production value to \$16.25 billion.
- Total food and fiber production and directly related businesses account for a \$73.3 billion *output contribution* to Georgia's \$972 billion economy.



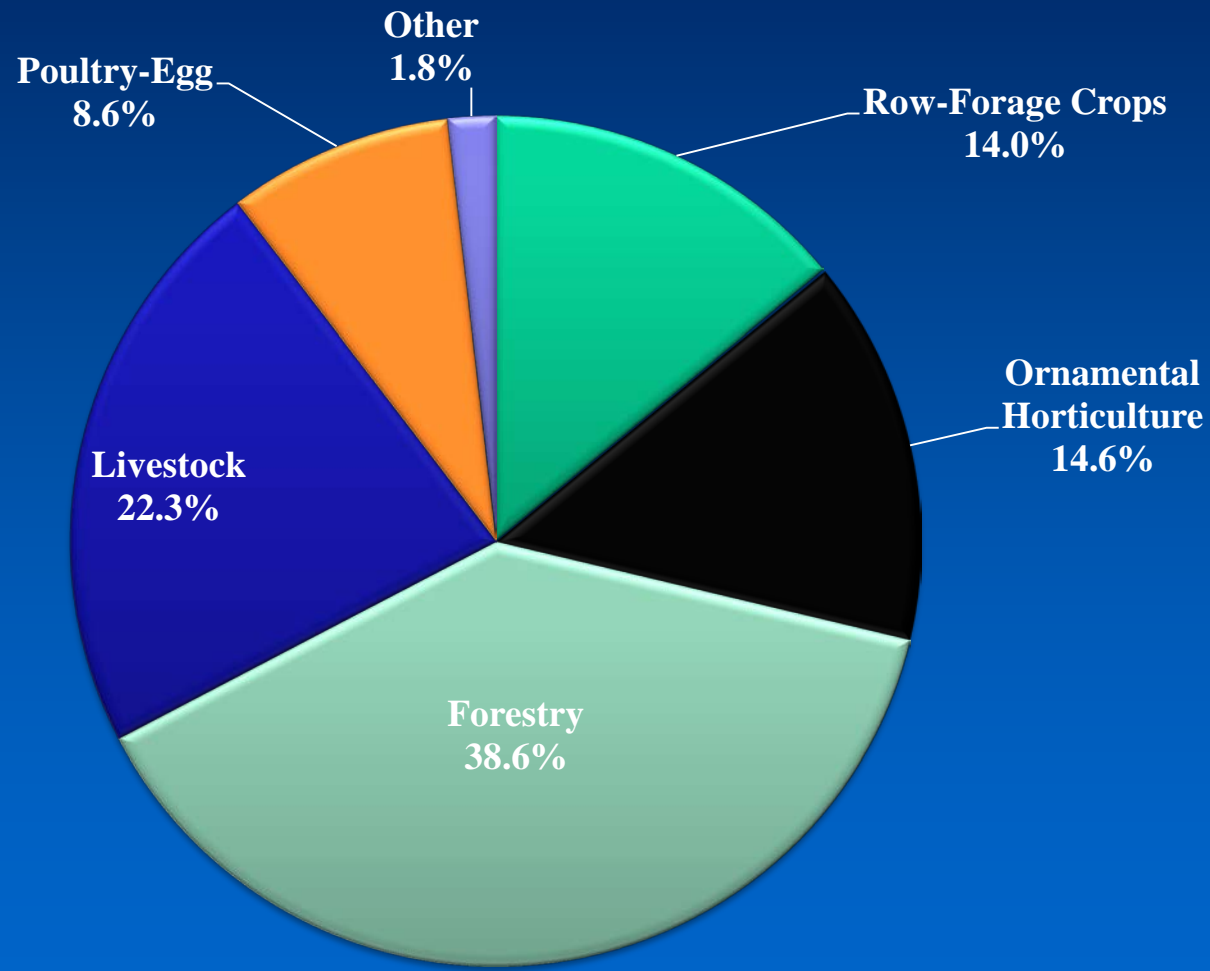
What We Know about Polk County

- 2016 Farm Gate Value in Polk Co. was \$28.3 million for agricultural production plus landscape services of \$14.6 for a total of \$42.9 million.
- The highest value commodity group was forestry, representing 38.6% of the total Farm Gate production value.



Polk County

2016 Farm Gate Production Value



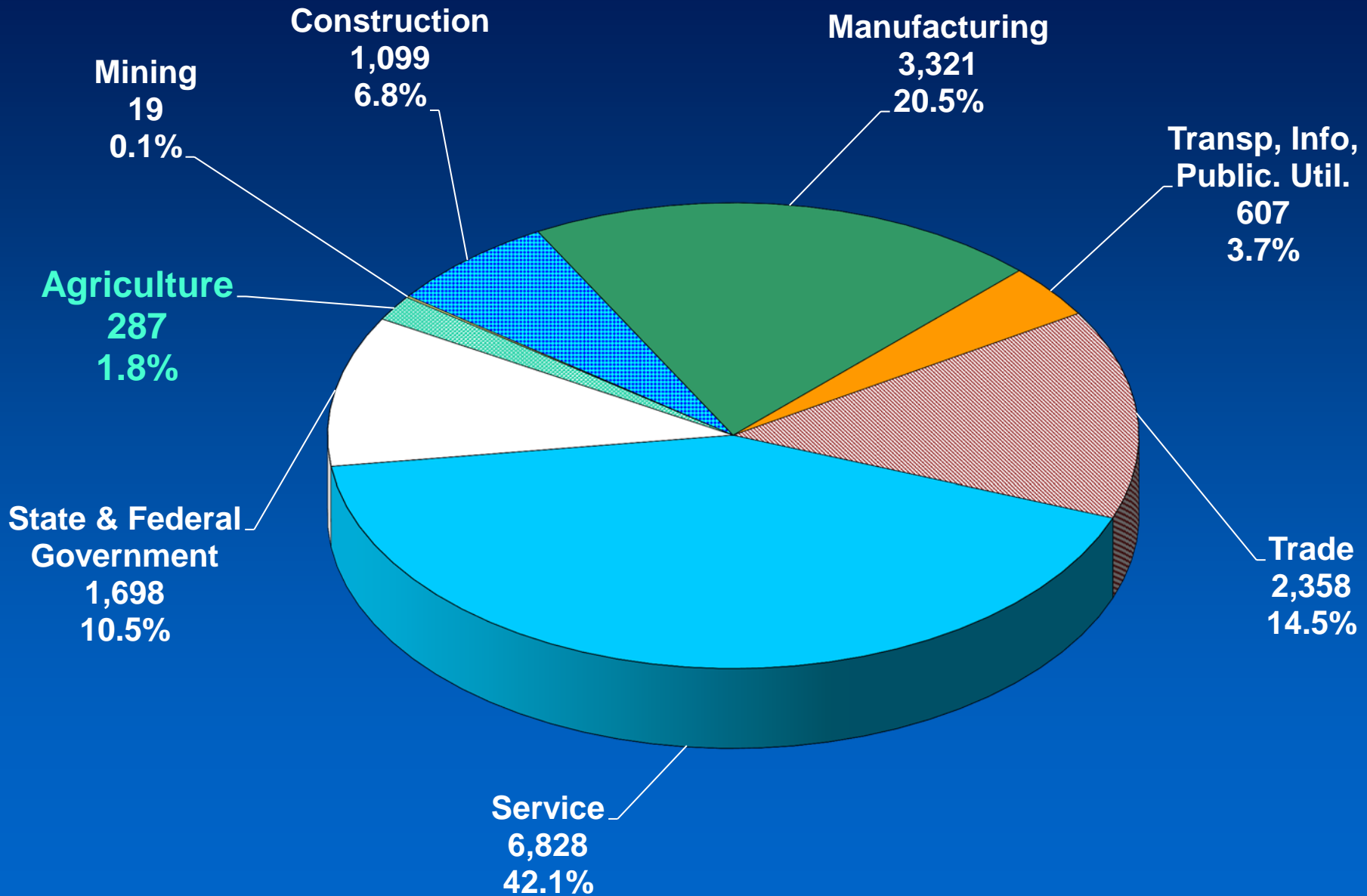
Examining the Economic Contribution County Economy Modeled

- 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?



Polk County Employment

Total County Employment = 16,218



An Economic Snapshot of Polk County

- How much of Polk County's total economic output comes from food and fiber production and related industries?
- AG value alone of \$42.9 million-consisting of Farm Gate Value and landscape services (if applicable) comprises 1.7% of the county's economy.
- AG plus directly related businesses (ex. Ag Support Services, Processing, food & fiber manufacturing, etc.) comprise 9.7% of the county's economy.



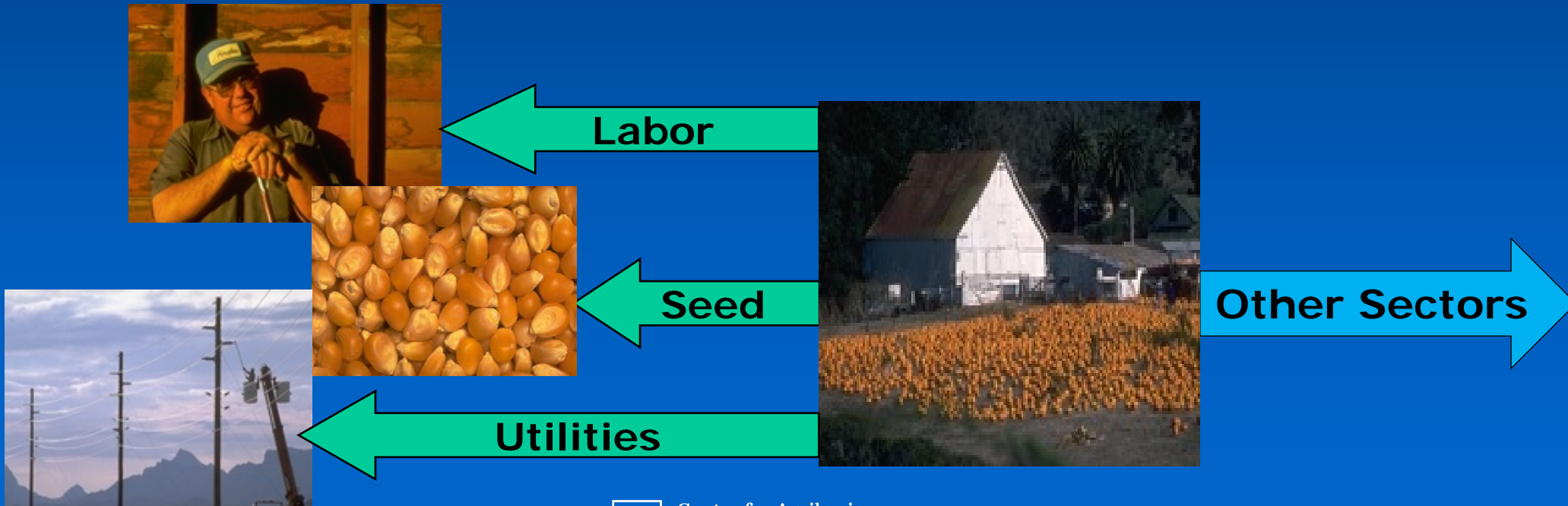
What is the Economic Contribution?

- What is the total (direct and indirect) *economic 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 and quantifies their economic role.
- The indirect contribution measures output created by food and fiber production, processing and spending by employees of those industries



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.



Polk County

Agriculture *Economic Contribution*

Sector	Direct	Total
Ag + Landscape Services	42,902,485	42,902,485
Mining	0	23,176
Utilities	0	473,329
Construction	0	304,133
Manufacturing	0	76,398
Wholesale Trade	0	1,162,130
Retail trade	0	1,366,676
Transportation & Warehousing	0	925,284
Information	0	297,651
Finance & insurance	0	916,264
Real estate & rental	0	2,440,876
Professional- scientific & tech services	0	519,353
Management of companies	0	10,391
Administrative & waste services	0	556,705
Educational services	0	26,154
Health & social services	0	956,178
Arts-entertainment & recreation	0	30,629
Accommodation & food services	0	884,347
Other services	0	445,493
Government & non NAICS	0	97,896
TOTAL	42,902,485	54,415,546

Total
Contribution
of Production
AG = \$54.4
million
2.1% of total
economy

Polk County

Production Agriculture + Directly Related Industries Contribution

Sector	Direct	Total
Ag + Related Industries	247,372,616	247,372,616
Mining	0	41,884
Utilities	0	2,733,476
Construction	0	1,173,729
Other Manufacturing	0	535,410
Wholesale Trade	0	4,049,376
Retail trade	0	4,504,191
Transportation & Warehousing	0	8,729,860
Information	0	1,157,314
Finance & insurance	0	3,185,779
Real estate & rental	0	7,556,296
Professional- scientific & tech services	0	1,897,989
Management of companies	0	304,976
Administrative & waste services	0	2,695,709
Educational svcs	0	80,766
Health & social services	0	3,091,431
Arts- entertainment & recreation	0	139,417
Accommodation & food services	0	3,229,405
Other services	0	1,477,158
Government & non NAICS	0	499,283
Total	247,372,616	294,456,063

Total
Contribution
of AG +
Related =
\$294.5 million
11.5% of total
economic
output

Polk County

Production Agriculture + Directly Related Industries Employment *Contribution*

Sector	Direct	Total
Ag + Related Industries	1,518	1,518
Mining	0	0
Utilities	0	2
Construction	0	10
Manufacturing	0	2
Wholesale Trade	0	23
Retail trade	0	54
Transportation & Warehousing	0	54
Information	0	4
Finance & insurance	0	16
Real estate & rental	0	14
Professional- scientific & tech services	0	44
Management of companies	0	3
Administrative & waste services	0	54
Educational services	0	3
Health & social services	0	38
Arts- entertainment & recreation	0	6
Accommodation & food services	0	58
Other services	0	25
Government & non NAICS	0	4
Total	1,518	1,933

Total
Contribution
of AG + Related
Industries
Employment =
1,933
Accounts for
11.9% of
employment

What These Numbers Mean: A Brief Explanation

- *Direct contribution* is \$247.4 million. This includes food and fiber production, processing and directly related manufacturing.
- *Total contribution* includes related sectors and sums to \$294.5 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 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 food and fiber and related industries. They take home wages and buy groceries at local stores, which increases demand there.



Polk County Food and Fiber Summary

- The total *economic contribution* of food and fiber production, processing and direct manufacturing is \$294.5 million.
- The total county *output* is \$2.6 billion.
- Thus, food and fiber industries (directly and indirectly) account for *11.5%* of the total county output, considering the multiplier effects from direct and related industries.



Contact Information

Prepared by

Sharon P. Kane, Sr. Public Service Associate, Economist

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



Center for Agribusiness
and Economic Development
College of Agricultural & Environmental Sciences
UNIVERSITY OF GEORGIA