The Economic Importance of Food and Fiber

A Spotlight on Spalding County, Georgia

Prepared for:
Spalding County Cooperative Extension
November, 2006

by:
The Center for Agribusiness and Economic Development
College of Agricultural and Environmental Sciences
The University of Georgia
Agriculture in Georgia

- Georgia's 2005 Farm Gate Value was $10.6 billion. Adding the value of landscape services increased the total agricultural production value to $12.3 billion.

- Total food and fiber production and directly related businesses account for a $52.7 billion output impact on Georgia's $614 billion economy.
Georgia Total Agricultural Production Value $12.3 Billion

- Poultry & Eggs: 36.7%
- Landscape services: 14.0%
- Livestock & Aquaculture: 10.6%
- Row & Forage Crops: 13.0%
- Vegetables: 5.2%
- Ornamental Horticulture: 7.3%
- Other Income: 5.4%
- Fruits & Nuts: 2.2%

2005 Farm Gate Value by County in Millions of Dollars

- $0 - $20
- $20 - $45
- $45 - $80
- $80 - $200
- $200 - $317
What We Know about Spalding County

- 2005 Farm Gate Value in Spalding Co. was $8.8 million. Adding $13.5 million of landscape services increased the total agricultural production value to $22.2 million.

- The highest value commodity group was landscape services, representing 60.5% of the total agricultural production value.
Spalding County
2005 Agricultural Production Value

2005 Agricultural Production

- Poultry-Eggs: 11.5%
- Row-Forage crops: 4.4%
- Livestock-Aquaculture: 16.6%
- Landscape services: 60.5%
- Fruits-Nuts: 0.2%
- Orn Hort: 1.5%
- Forestry: 4.6%
- Other: 0.8%

2005 Top Farm Gate Commodities

- Broilers: 29.0%
- Horses: 22.2%
- Beef: 10.9%
- Timber: 9.3%
- Dairy: 8.8%
- Field nursery: 2.7%
- Christmas trees: 2.3%
- Hay: 2.2%
- Container nursery: 1.0%
- Straw commodities: 11.0%
- Rest of commodities: 11.0%

Total AG Value = $22.2 million
Trends in Spalding County:
Number of Farms & Average Farm Size

Number of Farms, Spalding County

Average Farm Size

Source: 1945-2002 (quinquennial) Censuses of Agriculture
Trends in Spalding County:
Land in Farms & Farms by Size

**Land in Farms Spalding County**

- **1945**: 110 acres x 1,000
- **1950**: 90 acres x 1,000
- **1955**: 80 acres x 1,000
- **1960**: 70 acres x 1,000
- **1965**: 60 acres x 1,000
- **1970**: 50 acres x 1,000
- **1975**: 40 acres x 1,000
- **1980**: 30 acres x 1,000
- **1985**: 20 acres x 1,000
- **1990**: 10 acres x 1,000
- **1995**: 5 acres x 1,000
- **2000**: 2 acres x 1,000
- **2005**: 1 acres x 1,000

**Percent of Farms by Size, 2002**

- **1-9 acres**: 25.6%
- **10-49 acres**: 30%
- **50-179 acres**: 15%
- **180-499 acres**: 10%
- **500-999 acres**: 5%
- **1000+ acres**: 1%

**Source:** 1945-2002 (quinquennial) Censuses of Agriculture
Trends in Spalding County
Number of Farms by Commodity

Source: 1987-2002 (quinquennial) Censuses of Agriculture
How Do We Compare?

Georgia, Spalding and Surrounding Counties
Farm Gate Value

Sources: 2002 Census of Agriculture and 2005 Farm Gate Value Report
What We Did

The Center for Agribusiness and Economic Development performed an analysis of the county’s economy, focusing on the role of food and fiber.
What We Asked

County Economy Modeled

- 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?
## Spalding County Economy

### Agriculture OUTPUT

<table>
<thead>
<tr>
<th>Sector</th>
<th>Output in $ Millions</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>22.233</td>
<td>0.8</td>
</tr>
<tr>
<td>Mining</td>
<td>1.852</td>
<td>0.1</td>
</tr>
<tr>
<td>Construction</td>
<td>197.779</td>
<td>6.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,050.214</td>
<td>36.3</td>
</tr>
<tr>
<td>Trans-Utilities-Info</td>
<td>77.420</td>
<td>2.7</td>
</tr>
<tr>
<td>Trade</td>
<td>342.667</td>
<td>11.8</td>
</tr>
<tr>
<td>Finance-Ins-RE</td>
<td>143.850</td>
<td>5.0</td>
</tr>
<tr>
<td>Services</td>
<td>652.908</td>
<td>22.6</td>
</tr>
<tr>
<td>Government</td>
<td>403.751</td>
<td>14.0</td>
</tr>
</tbody>
</table>

Total County Economic Output = $2.893 billion
<table>
<thead>
<tr>
<th>Industry</th>
<th>Output in $ Millions</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture + Direct</td>
<td>65.345</td>
<td>2.3</td>
</tr>
<tr>
<td>Mining</td>
<td>1.852</td>
<td>0.1</td>
</tr>
<tr>
<td>Construction</td>
<td>197.779</td>
<td>6.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,007.102</td>
<td>34.8</td>
</tr>
<tr>
<td>Trans-Utilities-Info</td>
<td>77.420</td>
<td>2.7</td>
</tr>
<tr>
<td>Trade</td>
<td>342.667</td>
<td>11.8</td>
</tr>
<tr>
<td>Finance-Ins-RE</td>
<td>143.850</td>
<td>5.0</td>
</tr>
<tr>
<td>Services</td>
<td>652.908</td>
<td>22.6</td>
</tr>
<tr>
<td>Government</td>
<td>403.751</td>
<td>14.0</td>
</tr>
</tbody>
</table>

Total County Economic Output = $2.893 billion
An Economic Snapshot of Spalding County

- How much of Spalding County’s total economic output comes from food and fiber production?

- AG value alone of $22.2 million consisting of Farm Gate Value and landscape services comprises 0.8% of the county’s economy.

- AG plus directly related businesses (ex. farm machinery mfg., flour milling, etc.) comprise 2.3% of the county’s economy.
Spalding Co.

2.3%
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.
Spalding County
Agriculture \textit{IMPACT}

<table>
<thead>
<tr>
<th>Industry</th>
<th>Direct $ Millions</th>
<th>Indirect $ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>22.233</td>
<td>0</td>
</tr>
<tr>
<td>Mining</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>Construction</td>
<td>0</td>
<td>0.073</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0</td>
<td>0.355</td>
</tr>
<tr>
<td>Trans-Utilities-Info</td>
<td>0</td>
<td>0.479</td>
</tr>
<tr>
<td>Trade</td>
<td>0</td>
<td>3.108</td>
</tr>
<tr>
<td>Finance-Ins-RE</td>
<td>0</td>
<td>0.917</td>
</tr>
<tr>
<td>Services</td>
<td>0</td>
<td>2.792</td>
</tr>
<tr>
<td>Government</td>
<td>0</td>
<td>1.084</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22.233</strong></td>
<td><strong>8.808</strong></td>
</tr>
</tbody>
</table>

Total Impact of Production AG = $31 million – 1.1% of total economy
# Spalding County
Production Agriculture + Directly Related Businesses

## IMPACT

<table>
<thead>
<tr>
<th></th>
<th>Direct $ Millions</th>
<th>Indirect $ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture + Direct</td>
<td>65.345</td>
<td>0</td>
</tr>
<tr>
<td>Mining</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>Construction</td>
<td>0</td>
<td>0.176</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0</td>
<td>1.653</td>
</tr>
<tr>
<td>Trans-Utilities-Info</td>
<td>0</td>
<td>1.395</td>
</tr>
<tr>
<td>Trade</td>
<td>0</td>
<td>7.269</td>
</tr>
<tr>
<td>Finance-Ins-RE</td>
<td>0</td>
<td>1.970</td>
</tr>
<tr>
<td>Services</td>
<td>0</td>
<td>6.109</td>
</tr>
<tr>
<td>Government</td>
<td>0</td>
<td>2.085</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65.345</strong></td>
<td><strong>20.656</strong></td>
</tr>
</tbody>
</table>

Total Impact of AG + Directly Related = $86 million -- 3% of total economy
<table>
<thead>
<tr>
<th>Industry</th>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture + Direct</td>
<td>631</td>
<td>0</td>
</tr>
<tr>
<td>Mining</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Construction</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Trans-Utilities-Info</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Trade</td>
<td>0</td>
<td>80</td>
</tr>
<tr>
<td>Finance-Ins-RE</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Services</td>
<td>0</td>
<td>104</td>
</tr>
<tr>
<td>Government</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

Total Impact of AG + Directly Related Employment = 851 Jobs
What These Numbers Mean: A Brief Explanation

- **Direct** impact is $65 million. This includes food and fiber production, processing and directly related manufacturing.

- **Indirect** impact from the Trade sector is $7.3 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.
Spalding County Food and Fiber Impact Conclusions

- The total *impact* of food and fiber production, processing and direct manufacturing is $86 million.
- The total *output* is $2.9 billion.
- Thus, food and fiber (directly and indirectly) account for 3% of the total output.
Food and Fiber Production, Processing and Direct Manufacturing Impact as % of Total Output

Spalding Co. 3%
Contact Information

Prepared by:  
Sue Boatright and Archie Flanders  
Center for Agribusiness & Economic Development  

“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 “Georgia Statistics System”

Special County Area Report  
#06-29A  
November, 2006