

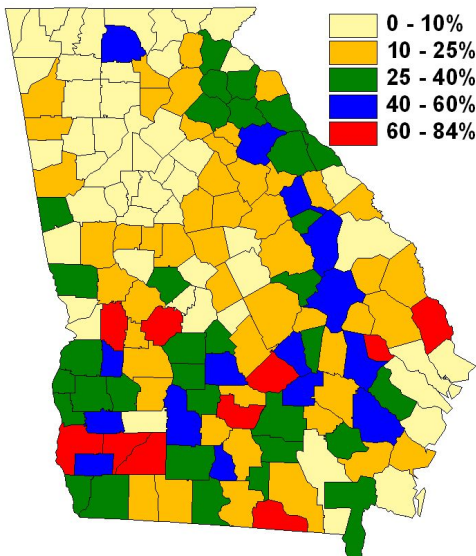
The Economic Importance of Agriculture Series

This brochure is one of a series of publications from the Center for Agribusiness and Economic Development.

The goal of these brochures is to inform Georgians of the essential role agriculture plays in the economy. Others in the series include:

- * Poultry and Eggs
- * Row and Forage Crops
- * Livestock and Aquaculture
- * Vegetables
- * Ornamental Horticulture
- * Forestry and Related Products
- * Fruits and Nuts

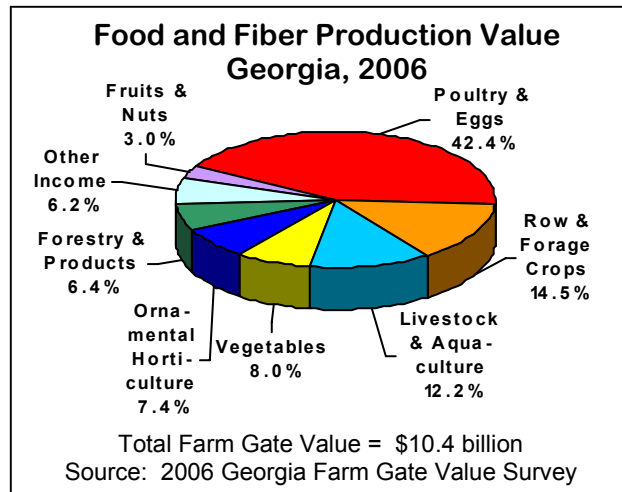
Food and Fiber Production and Directly Related Manufacturing IMPACT as a Percent of Total Economic Output



The University of Georgia

College of Agricultural & Environmental Sciences

The Center for Agribusiness and Economic Development is a unit of the College of Agricultural and Environmental Sciences, combining the missions of research and extension.



The University of Georgia and Fort Valley State University, the U.S. Department of Agriculture and counties of the state cooperating. The Cooperative Extension Service offers educational programs, assistance and materials to all people without regard to race, color, national origin, age, gender or disability. An equal opportunity/affirmative action organization committed to a diverse work force.

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Brochure Series 07-01

Economic Importance of Food and Fiber Production and Processing in Georgia



Center for Agribusiness and Economic Development

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

Georgia's Food and Fiber Industry

Food and fiber production and processing are key components of Georgia's economy. Agriculture shaped Georgia's history and will continue to be a driving force. One notable aspect of the food and fiber industry in Georgia is variety. Georgia farmers produce a wide range of commodities, from traditional items such as cotton, peanuts, and beef cows to more nontraditional commodities such as quail and meat goats. Processors have located in Georgia to take advantage of these abundant resources. Types of processors in Georgia include fresh vegetable packers, cotton gins, and first processors of commodities. These farms and firms provide jobs and income for Georgians, particularly in rural areas.

GEORGIA FOOD AND FIBER FACTS:

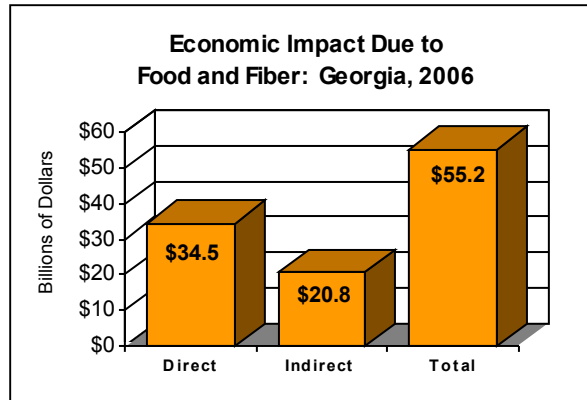
- The total value of agricultural production and services in 2006 was \$12.2 billion.
- When food and fiber processing is added to the value, the total industry accounts for \$34.5 billion.
- There are 49,000 farms in Georgia encompassing 10.5 million acres with an average size of 214 acres per farm. (USDA, ERS)
- The top five commodities (by farm gate value) are: Broilers, Cotton, Timber, Beef and Peanuts. (Center for Agribusiness)
- Georgia is a leader in the U. S. (based on cash receipts) for broilers, eggs, and cotton. (USDA, ERS)

The table below shows how agriculture impacts each sector of the Georgia economy.

billions	Direct	Indirect*	Total*
Agriculture	\$14.106	\$0	\$14.106
Mining	\$0	\$0.022	\$0.022
Construction	\$0	\$0.137	\$0.137
Manufacturing	\$20.349	\$3.884	\$24.233
Transp-Util-Info	\$0	\$3.104	\$3.104
Trade	\$0	\$3.806	\$3.806
Finance-Ins-RE	\$0	\$2.606	\$2.606
Services	\$0	\$5.804	\$5.804
Government	\$0	\$1.426	\$1.426
Total	\$34.455	\$20.790	\$55.245

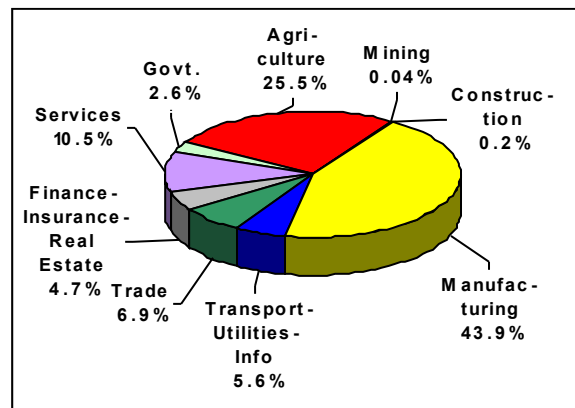
OUTPUT IMPACT

- ⇒ Food and fiber producers and processors create **direct** sales in excess of \$34.5 billion.
- ⇒ These sales, in turn, generate additional sales in the state economy, causing another \$20.8 billion worth of **indirect** economic impact.
- ⇒ The food and fiber industry generates a **total** economic impact of \$55.2 billion for the State of Georgia.



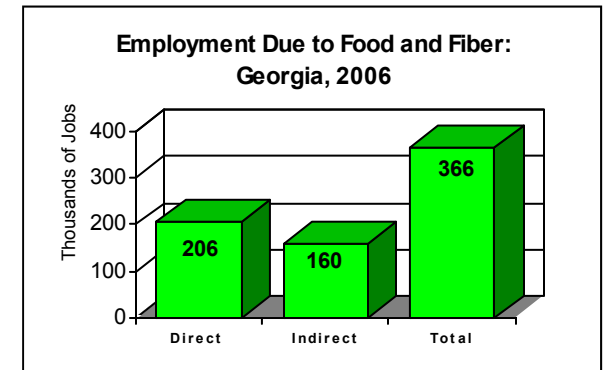
The pie chart below shows both the direct and indirect economic impact of food and fiber by industrial sectors for Georgia.

Economic Impact of Food and Fiber By Industrial Sector Georgia, 2006



EMPLOYMENT IMPACT

- ⇒ Food and fiber producers and processors **directly** employ 206,000 full-time and part-time workers.
- ⇒ Businesses engaged in economic activity associated with the food and fiber industry employ an additional 160,000 people. This **indirect** employment includes firms which provide supplies and inputs to food and fiber, such as grain elevators and equipment suppliers. Increased wage spending creates jobs in other sectors, such as retail sales and health services.
- ⇒ A **total** of more than 366,000 jobs are created due to food and fiber production and processing in Georgia.



STUDY METHODOLOGY

- ⇒ This study used an input-output model called IMPLAN to determine the effects of the food and fiber industry on Georgia.



- ⇒ Data used came from IMPLAN as well as from the **2006 Farm Gate Value Report**. Production includes all major sectors included in this series. Processing includes all industries which rely directly on the production of agricultural products in Georgia.