

The Economic Importance of Food and Fiber

A Spotlight on Lowndes County, Georgia

**Prepared for
Lowndes County Cooperative Extension
October, 2012**

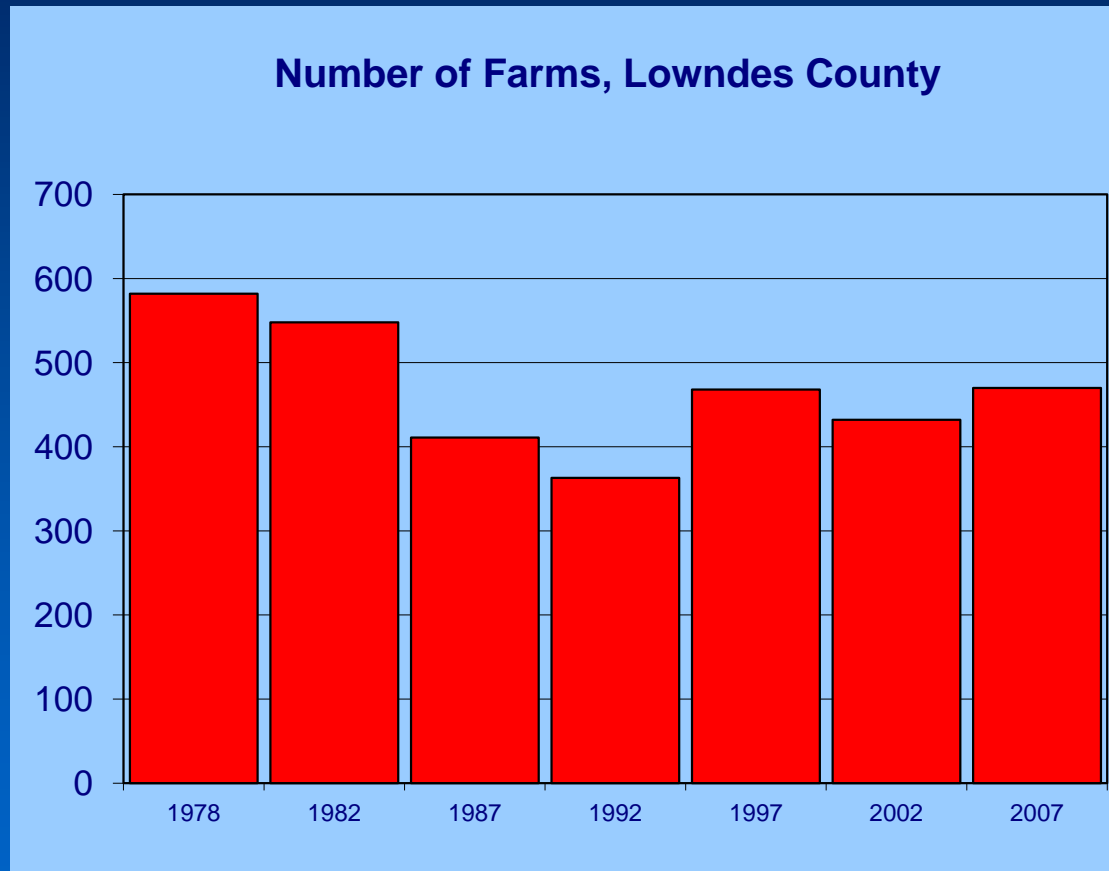
by:

**The Center for Agribusiness
and Economic Development**

**College of Agricultural
and Environmental Sciences**

The University of Georgia

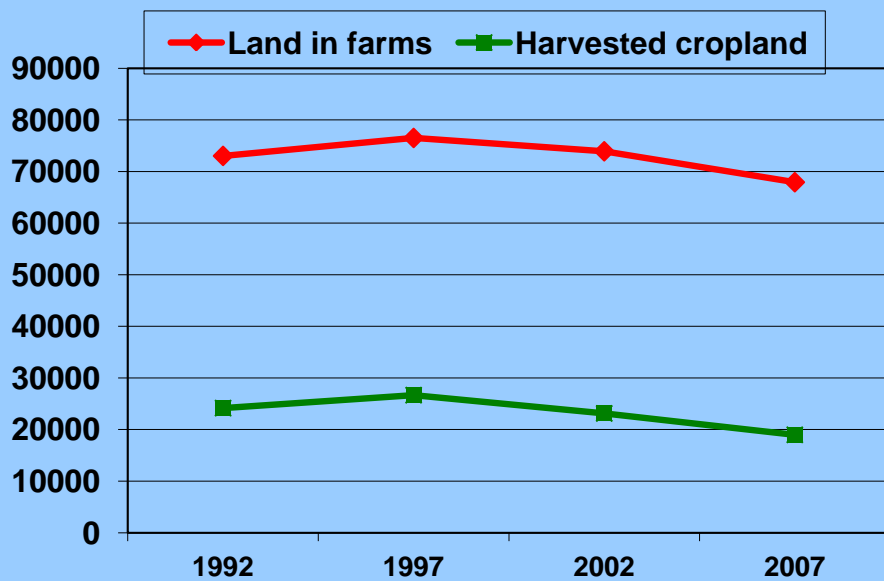
Trends in Lowndes County: Number of Farms



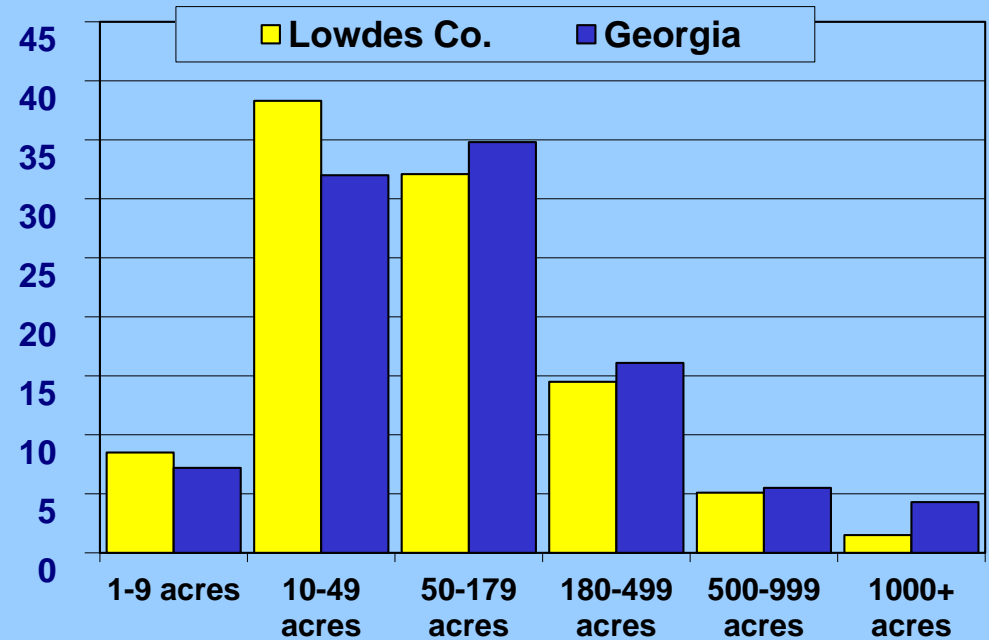
Source: 1978-2007 (quinquennial) Censuses of Agriculture

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

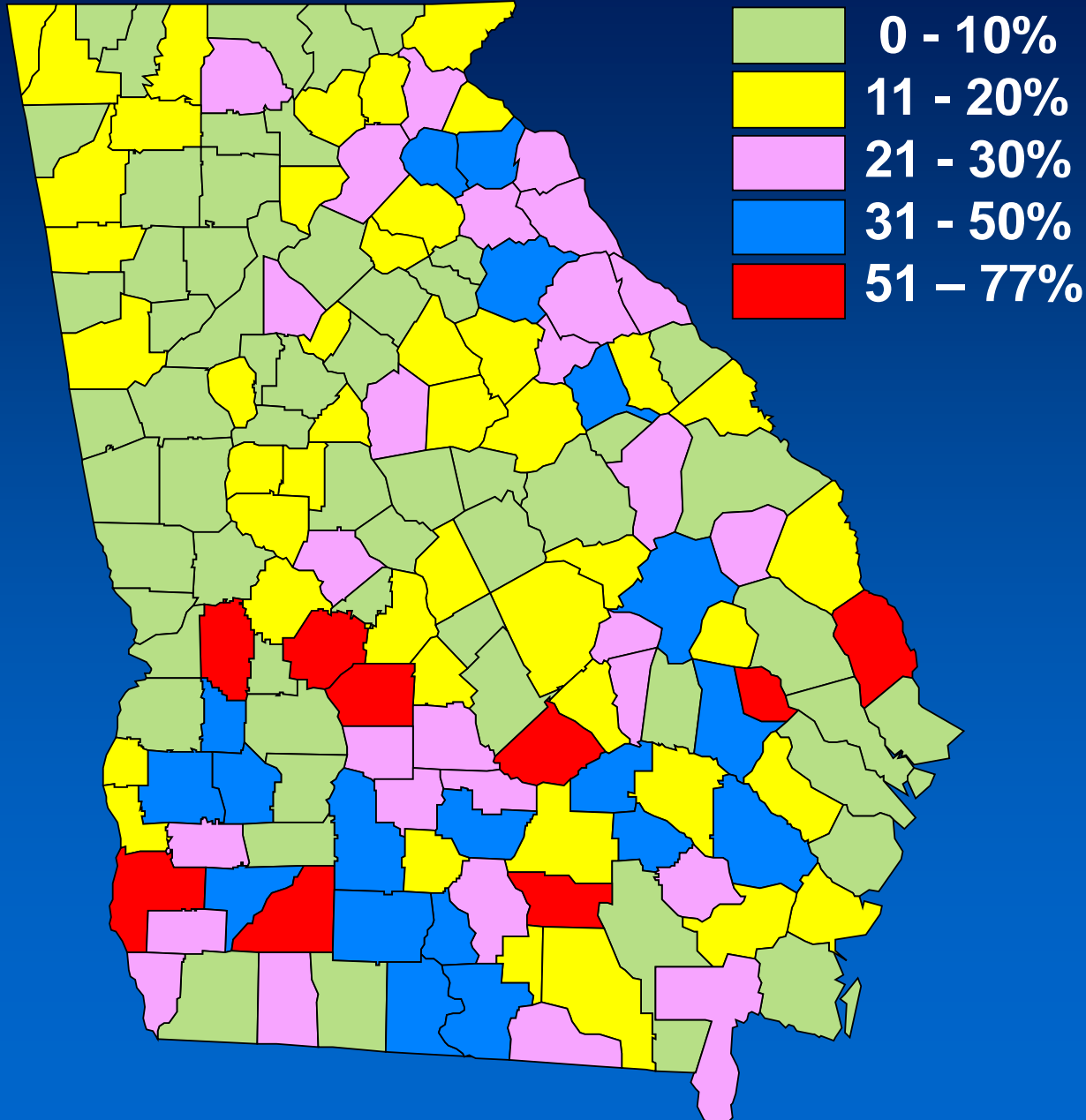
Land in Farms & Harvested Cropland
Lowndes County



Percent of Farms by Size, 2007



Food and Fiber Production and Directly Related Manufacturing as % of Total Economic Output

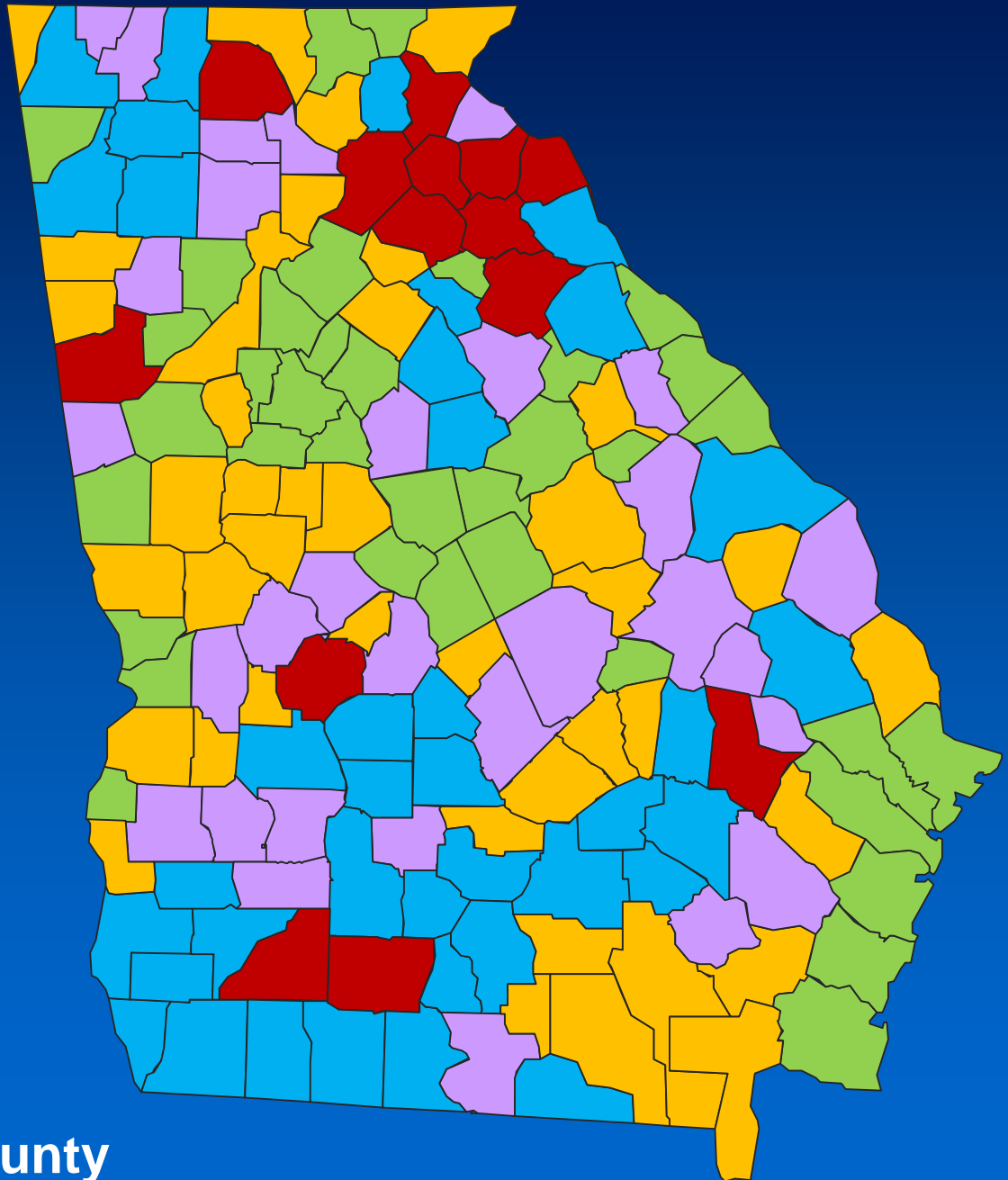


Agriculture in Georgia

- Georgia's 2010 Farm Gate Value was \$12.0 billion. Adding the value of \$2.2 billion of landscape services increased the total agricultural production value to \$14.2 billion.
- Total food and fiber production and directly related businesses account for a \$68.9 billion *output impact* on Georgia's \$719.8 billion economy.

Production Agriculture: 2010

Georgia Total
Agricultural
Production
Value
\$14.2 Billion



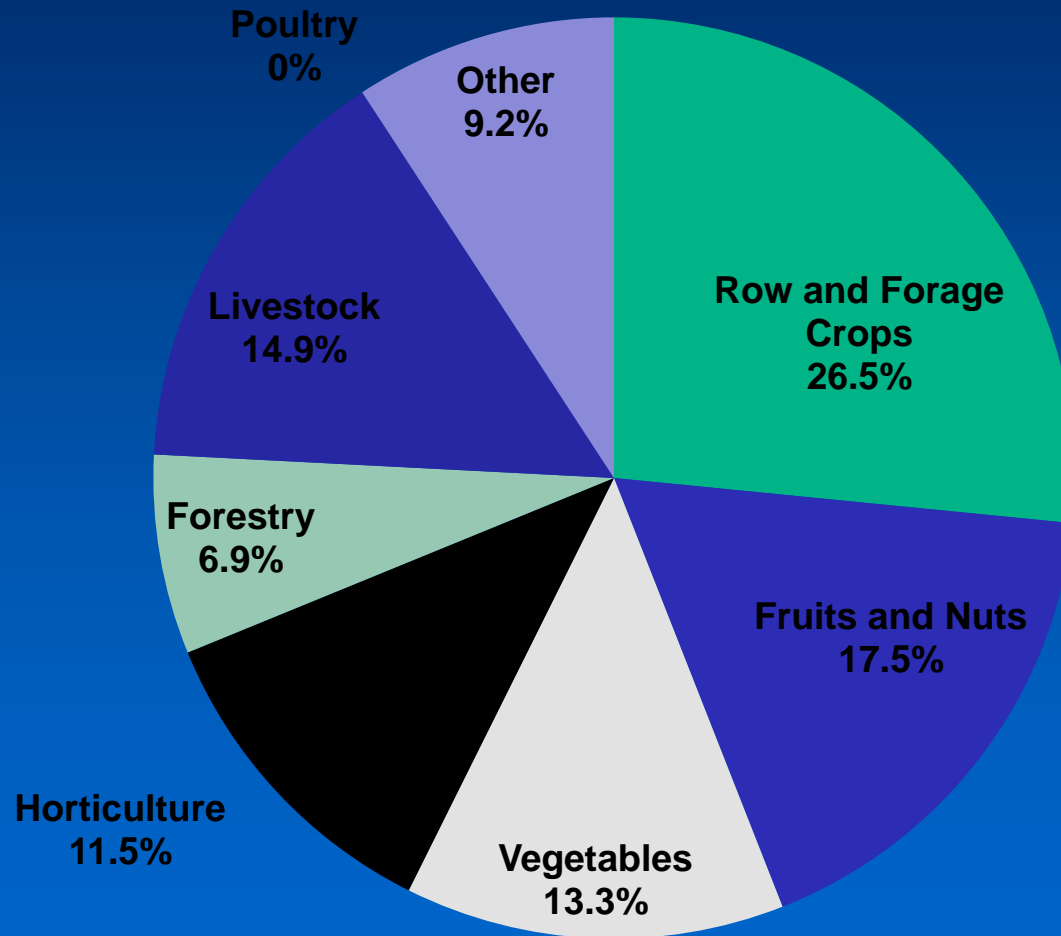
2010 Farm Gate Value by County
in Millions of Dollars

What We Know about Lowndes County

- **2010 Farm Gate Value in Lowndes Co. was \$59.5 million. Adding \$17.6 million of landscape services increased the total agricultural production value to \$77.1 million.**
- **The highest value commodity group was row and forage crops, representing 26.5% of the total agricultural production value.**

Lowndes County

2010 Agricultural Production Value



What We Did

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) *Impact* of food and fiber production and directly related industries?**

Lowndes County Economy

Agriculture *OUTPUT*

	Output in \$	Percent
Agriculture	77,148,481	1.03%
Mining	80,526,471	1.07%
Construction	367,246,218	4.89%
Manufacturing	1,600,248,864	21.32%
Trans-Utilities-Info	582,772,187	7.77%
Trade	651,552,162	8.68%
Finance-Ins-RE	999,178,611	13.31%
Services	1,497,679,614	19.96%
Govt. & non-NAICS	1,647,885,793	21.96%

Total County Economic Output = \$7,504.2 million

Lowndes County Economy

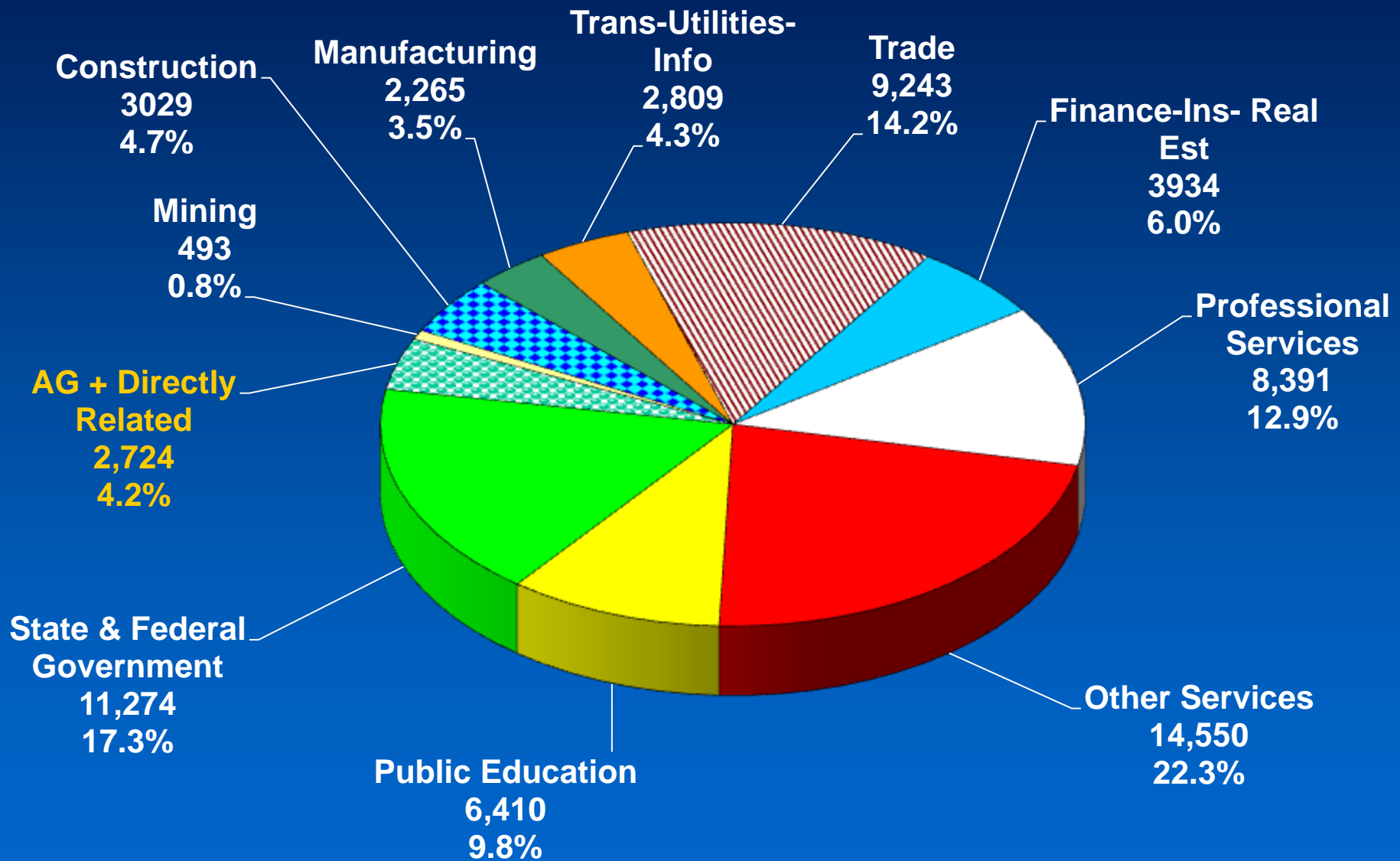
Agriculture + Directly Related Businesses *OUTPUT*

	Output in \$	Percent
Agriculture + Direct	969,498,026	12.92%
Mining	80,526,471	1.07%
Construction	367,246,218	4.89%
Manufacturing	707,899,319	9.43%
Trans-Utilities-Info	582,772,187	7.77%
Trade	651,552,162	8.68%
Finance-Ins-Real Est	999,178,611	13.31%
Services	1,497,679,614	19.96%
Govt. & non-NAICS	1,647,885,793	21.96%

Total County Economic Output = \$ 7,504.2 million

Lowndes County Employment

Total Jobs = 65,121



An Economic Snapshot of Lowndes County

- **How much of Lowndes County's total economic output comes from food and fiber production?**
- **AG value alone of \$77.1 million consisting of Farm Gate Value and landscape services comprises 1.5% of the county's economy.**
- **AG plus directly related businesses (ex. Ag Support Services, Processing, etc.) comprise 16.5% of the county's economy.**

What is the Impact?

- 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.



Labor



Seed



Utilities



Lowndes County

Agriculture *IMPACT*

	Direct \$	Indirect \$
Agriculture	77,148,481	0
Mining	0	1,347
Construction	0	687,970
Manufacturing	0	1,295,162
Trans-Utilities-Info	0	4,948,170
Trade	0	4,873,831
Finance-Ins-Real Est	0	14,665,222
Services	0	11,576,815
Govt. & non-NAICS	0	1,074,293
Total	77,148,481	39,122,810

Total Impact of Production AG = \$116.3 million
1.5% of total economy

Lowndes County

Production Agriculture + Directly Related Businesses *IMPACT*

	Direct \$	Indirect \$
Agriculture + Direct	969,498,026	0
Mining	0	99,826
Construction	0	7,409,843
Manufacturing	0	3,867,843
Trans-Utilities-Info	0	80,640,921
Trade	0	38,130,126
Finance-Ins-Real Est	0	58,679,554
Services	0	73,366,163
Govt. & non-NAICS	0	6,287,990
Total	969,498,026	268,482,265

**Total Impact of AG + Directly Related = \$1,238.0 million
16.5% of total economy**

Lowndes County

Production Agriculture + Directly Related Industries Employment *IMPACT*

	Direct	Indirect
Agriculture + Direct	1,048	0
Mining	0	0
Construction	0	6
Manufacturing	0	2
Trans-Utilities-Info	0	21
Trade	0	70
Finance-Ins-Real Est	0	57
Services	0	183
Govt. & non-NAICS	0	4

**Total Impact of AG + Directly Related Employment = 4,841 Jobs
7.4% of total employment**

What These Numbers Mean: A Brief Explanation

- ***Direct*** impact is \$969.5 million. This includes food and fiber production, processing and directly related manufacturing.
- ***Indirect*** impact from related sectors is \$268.5 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.**

Lowndes County Food and Fiber Impact Conclusions

- The total *impact* of food and fiber production, processing and direct manufacturing is \$1,238.0 million.
- The total county *output* is \$7,504.2 million.
- Thus, food and fiber (directly and indirectly) account for 16.5% of the total county output, considering the multiplier effects.

Contact Information

Prepared by:

Sharon P. Kane and Karen Stubbs

Center for Agribusiness & Economic Development

Dr. Kent Wolfe, Director

*“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 “Resources”, then

“Georgia Statistics System”

Ag Profile Report

AP#12-16A

