

The Economic Importance of Food and Fiber

A Spotlight on Spalding County, Georgia

Prepared for:
Spalding County Cooperative Extension
November, 2006

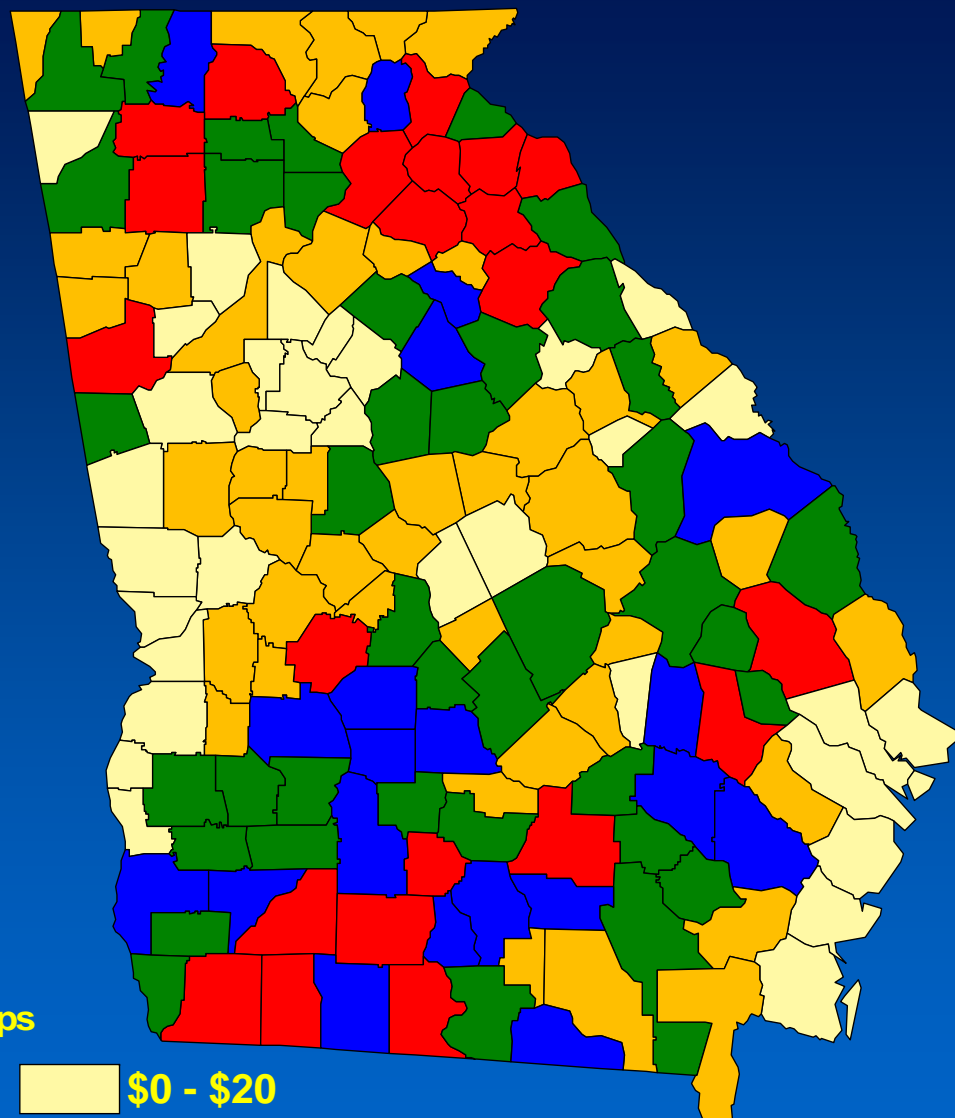
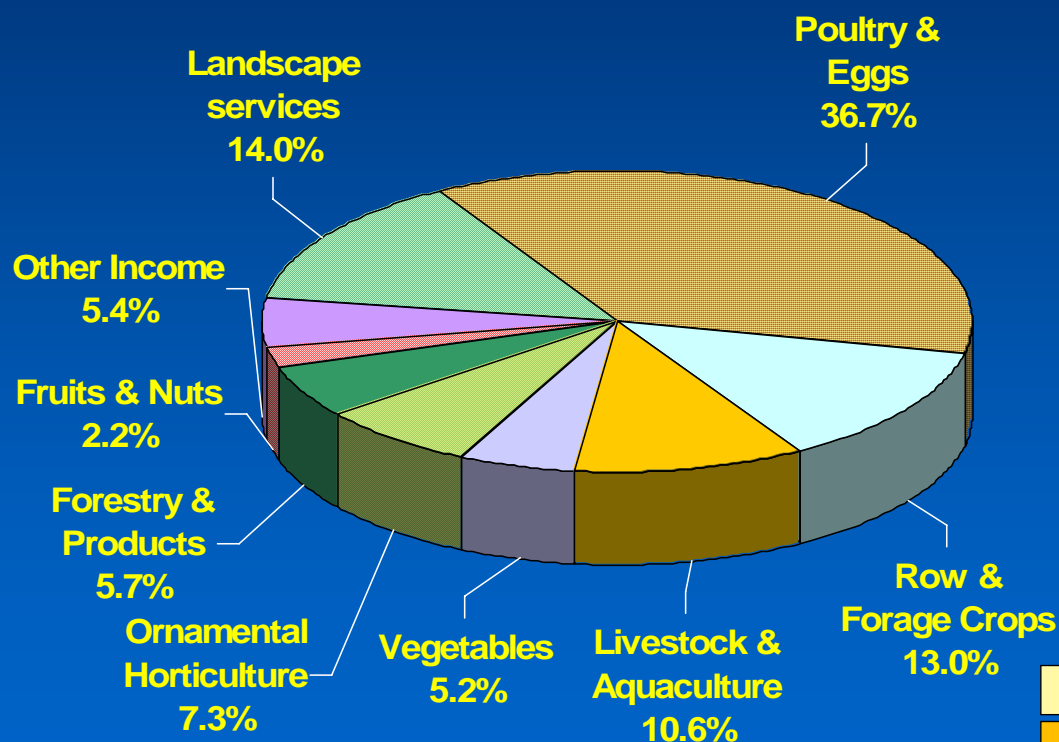
by:
The Center for Agribusiness and Economic Development
College of Agricultural and Environmental Sciences
The University of Georgia

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.

Production Agriculture: 2005

Georgia Total
Agricultural
Production Value
\$12.3 Billion



2005 Farm Gate
Value by County
in Millions of Dollars

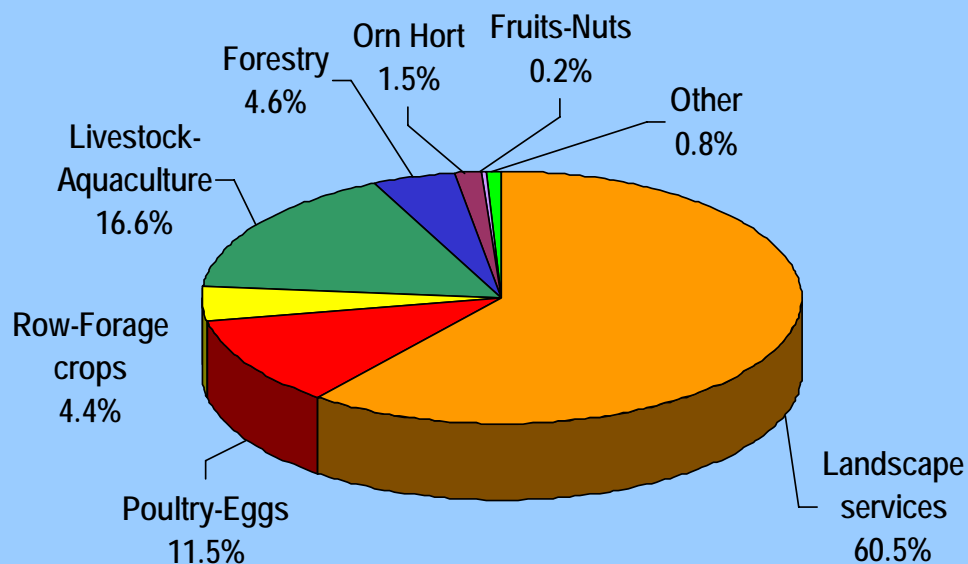
What We Know about Spalding County

- 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.

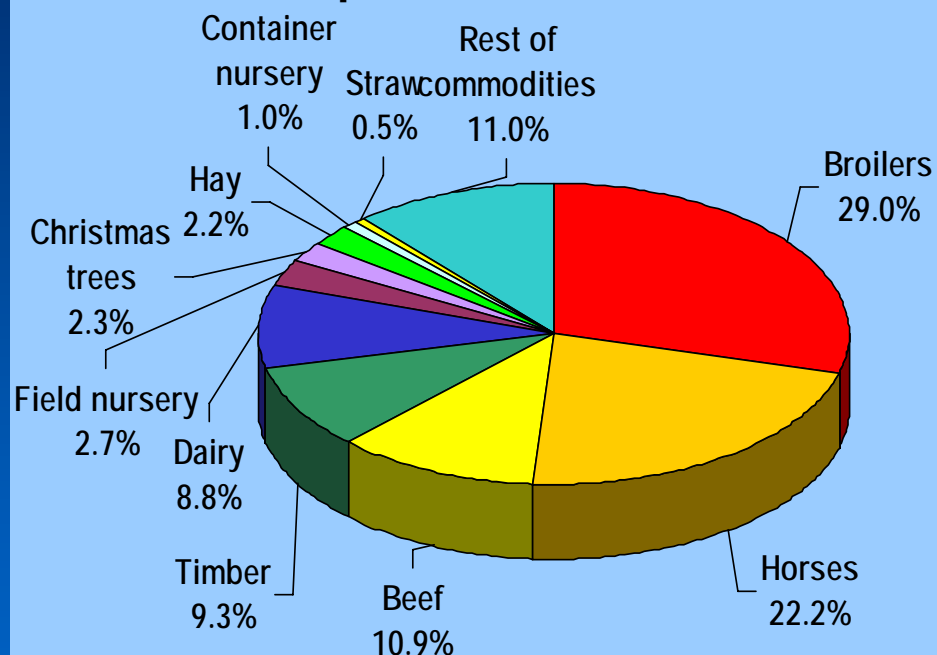
Spalding County

2005 Agricultural Production Value

2005 Agricultural Production



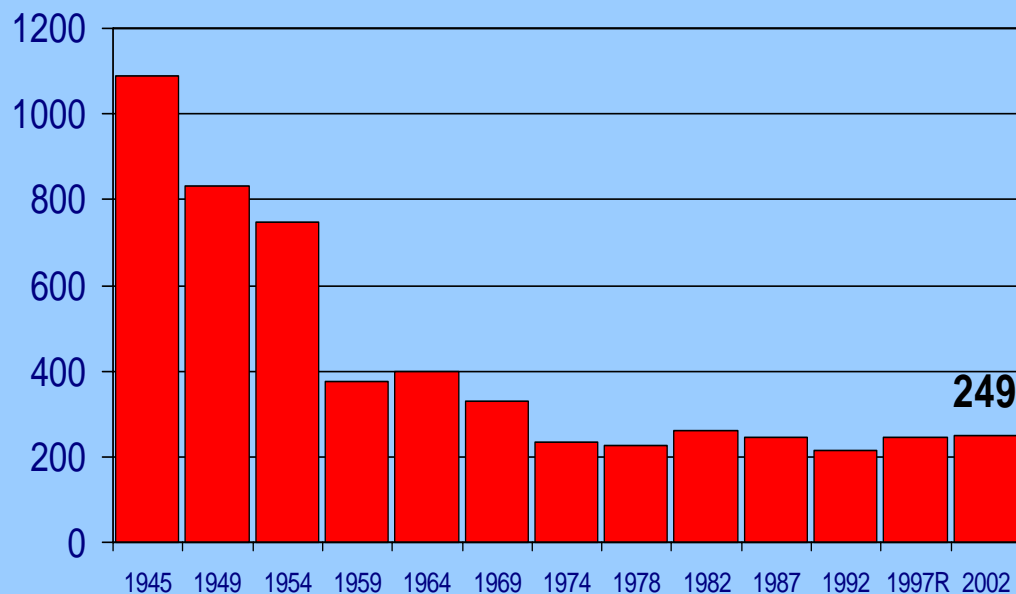
2005 Top Farm Gate Commodities



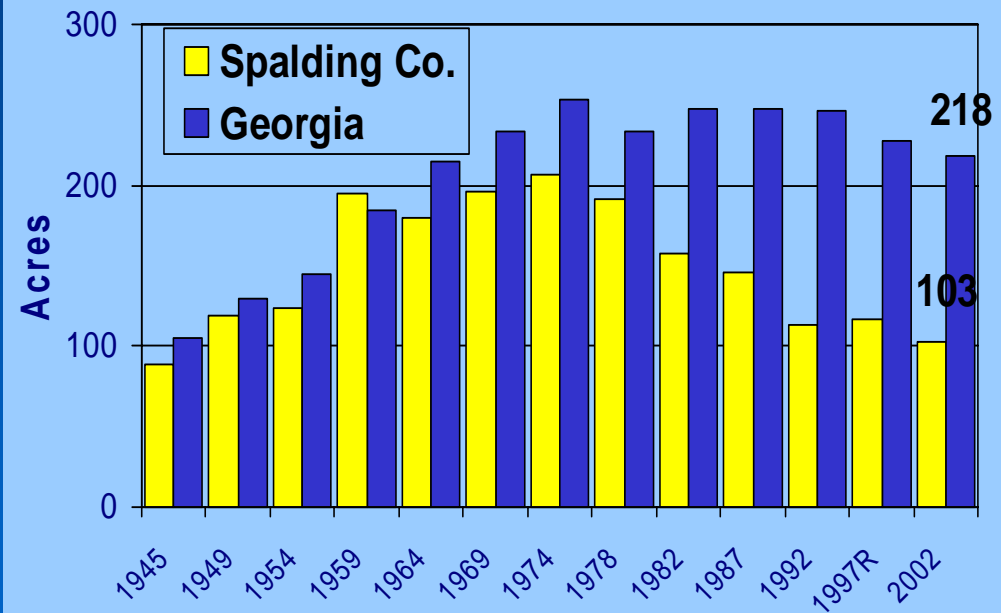
Total AG Value = \$22.2 million

Trends in Spalding County: Number of Farms & Average Farm Size

Number of Farms, Spalding County

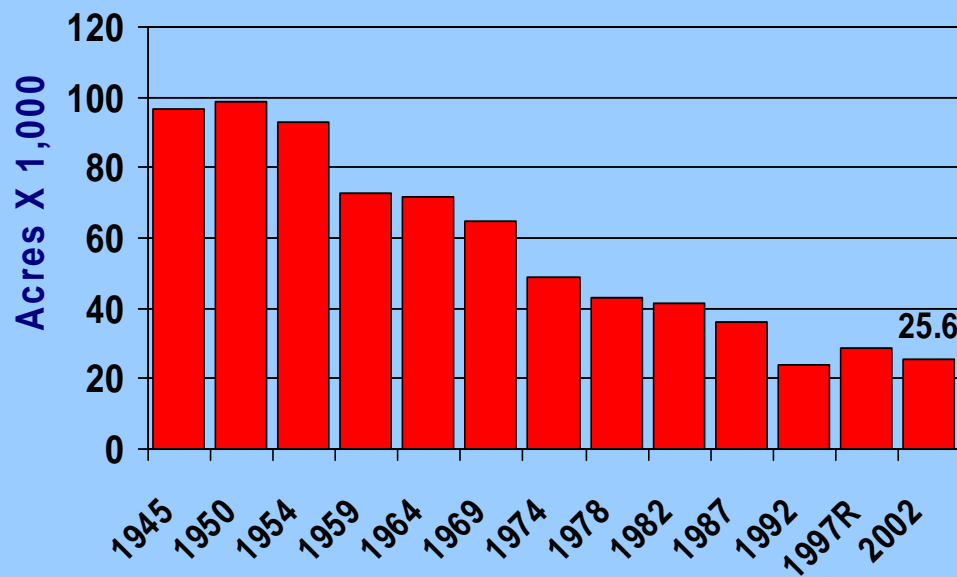


Average Farm Size

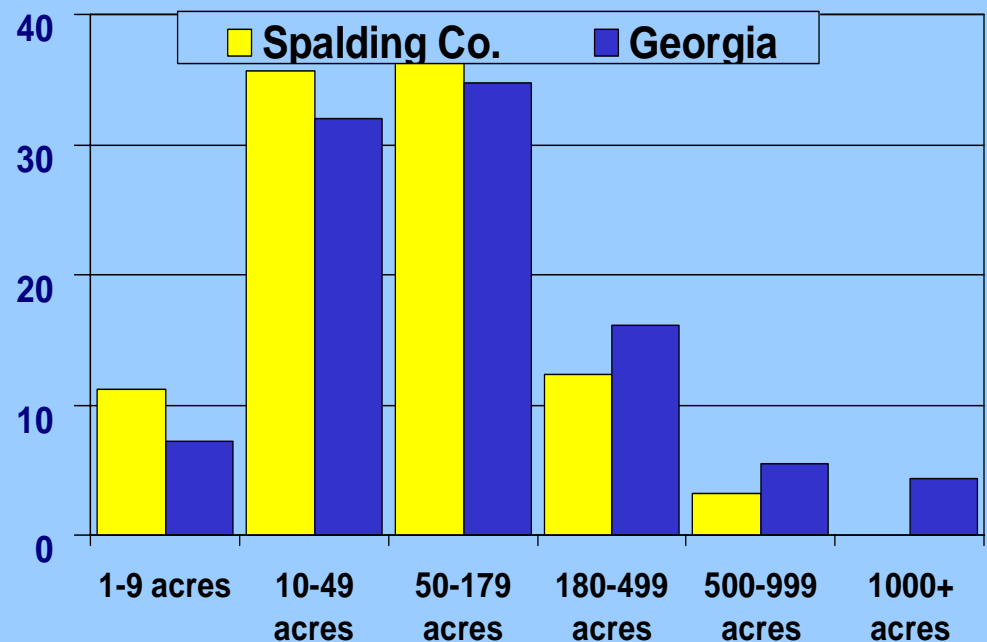


Trends in Spalding County: Land in Farms & Farms by Size

Land in Farms
Spalding County

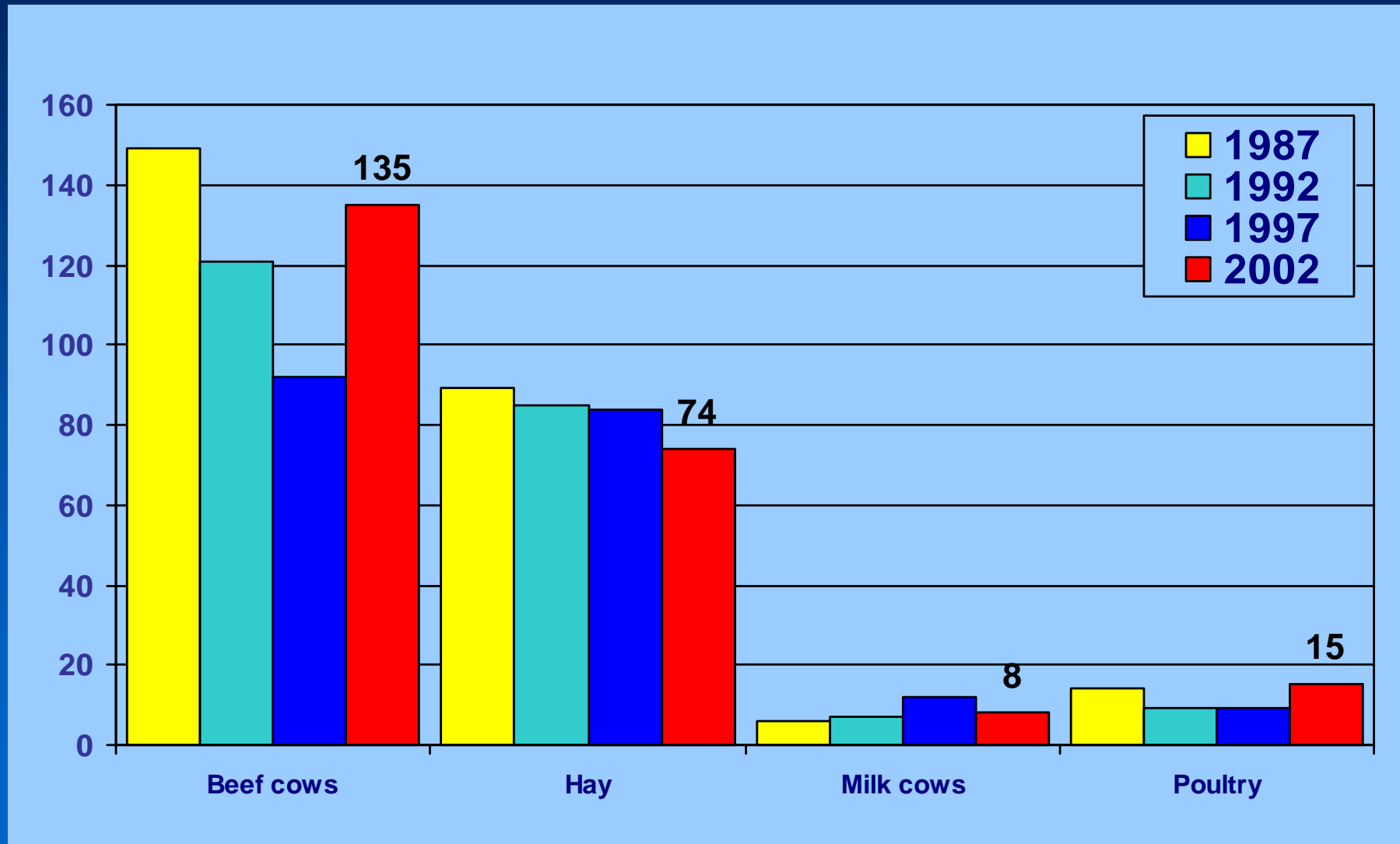


Percent of Farms by Size, 2002



Trends in Spalding County

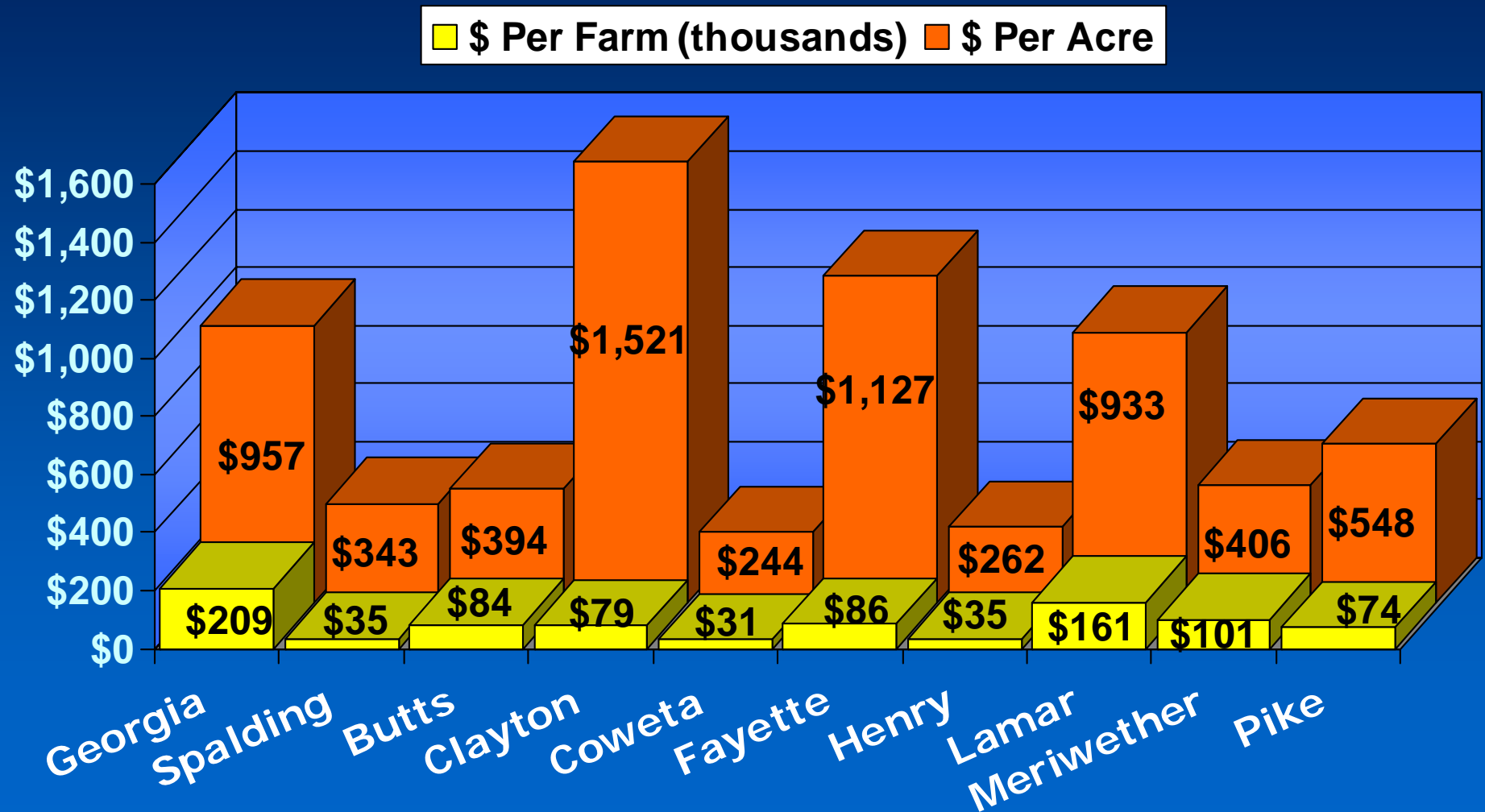
Number of Farms by Commodity



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*

	Output in \$ Millions	Percent
Agriculture	22.233	0.8
Mining	1.852	0.1
Construction	197.779	6.8
Manufacturing	1,050.214	36.3
Trans-Utilities-Info	77.420	2.7
Trade	342.667	11.8
Finance-Ins-RE	143.850	5.0
Services	652.908	22.6
Government	403.751	14.0

Total County Economic Output = \$2.893 billion

Spalding County Economy

Agriculture + Directly Related Businesses *OUTPUT*

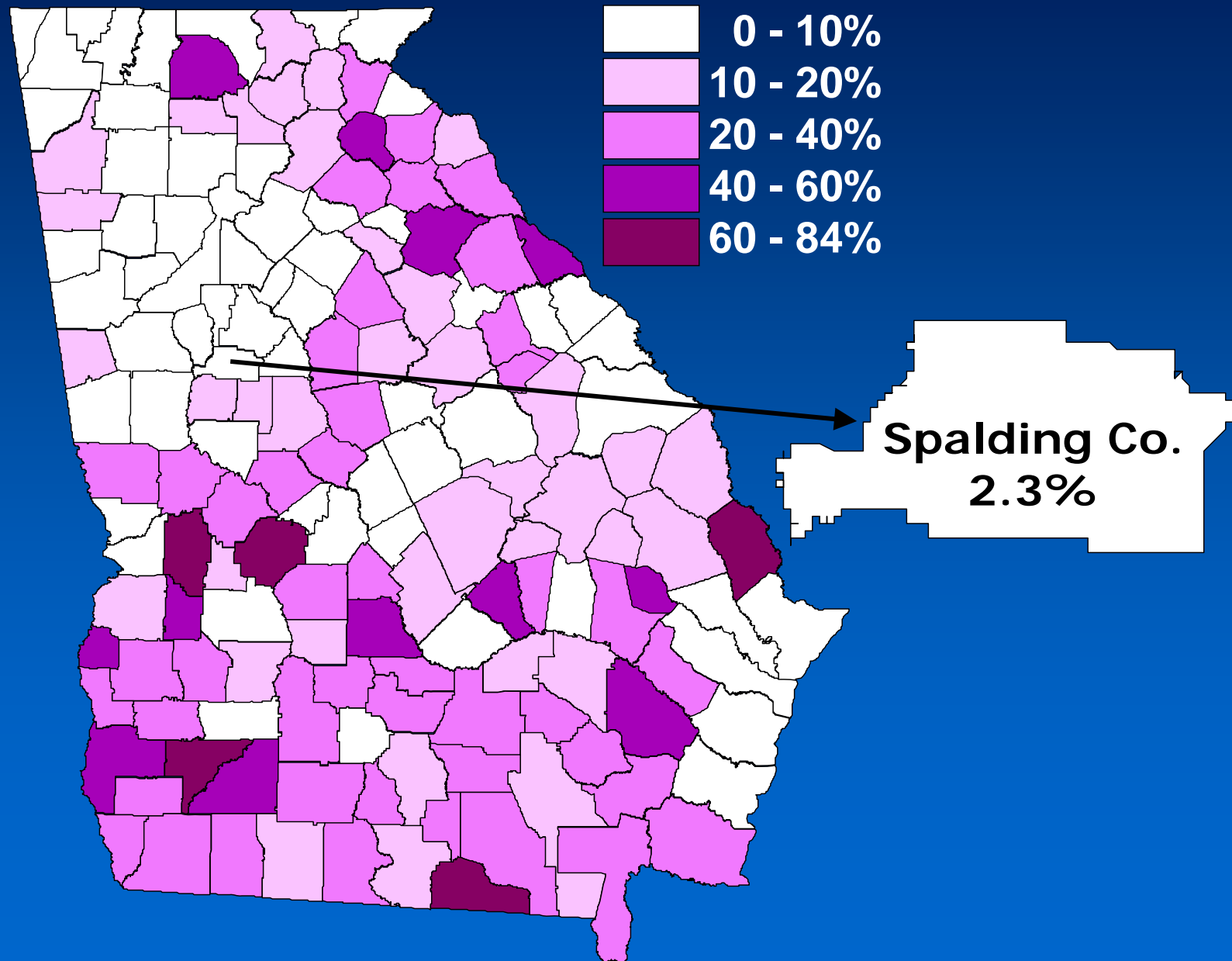
	Output in \$ Millions	Percent
<i>Agriculture + Direct</i>	65.345	2.3
Mining	1.852	0.1
Construction	197.779	6.8
Manufacturing	1,007.102	34.8
Trans-Utilities-Info	77.420	2.7
Trade	342.667	11.8
Finance-Ins-RE	143.850	5.0
Services	652.908	22.6
Government	403.751	14.0

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.

Food and Fiber Production, Processing and Direct Manufacturing as % of Total Output

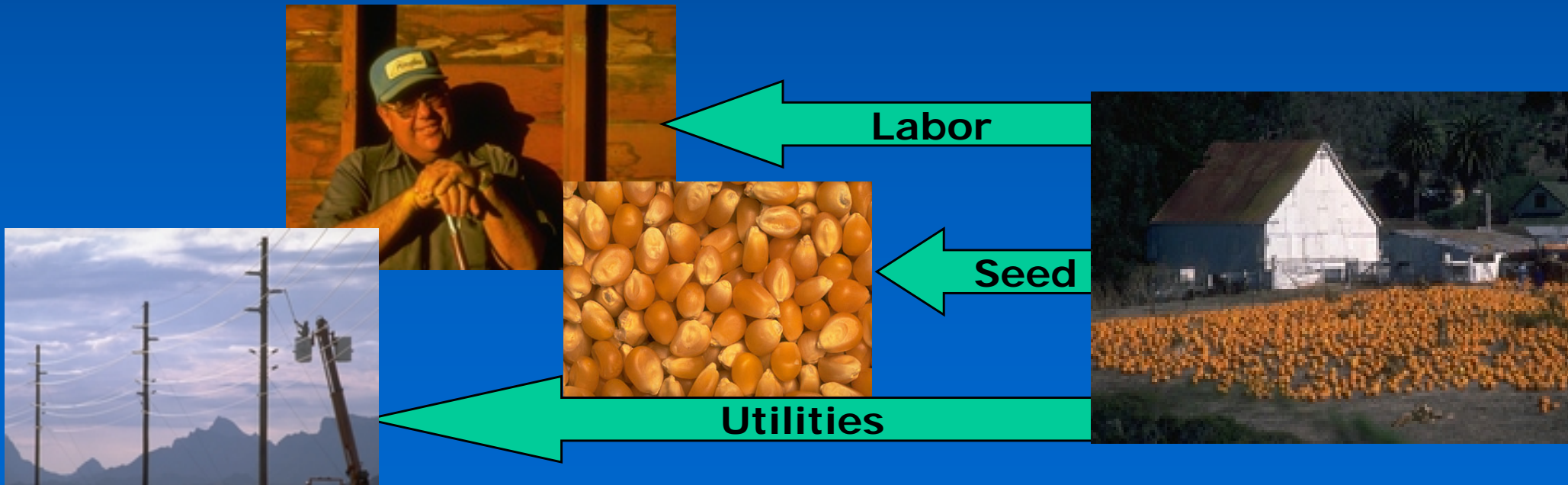


What is the Impact?

- 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.



Spalding County

Agriculture *IMPACT*

	Direct \$ Millions	Indirect \$ Millions
Agriculture	22.233	0
Mining	0	0.000
Construction	0	0.073
Manufacturing	0	0.355
Trans-Utilities-Info	0	0.479
Trade	0	3.108
Finance-Ins-RE	0	0.917
Services	0	2.792
Government	0	1.084
Total	22.233	8.808

Total Impact of Production AG = \$31 million – 1.1% of total economy

Spalding County

Production Agriculture + Directly Related Businesses *IMPACT*

	Direct \$ Millions	Indirect \$ Millions
Agriculture + Direct	65.345	0
Mining	0	0.000
Construction	0	0.176
Manufacturing	0	1.653
Trans-Utilities-Info	0	1.395
Trade	0	7.269
Finance-Ins-RE	0	1.970
Services	0	6.109
Government	0	2.085
Total	65.345	20.656

Total Impact of AG + Directly Related = \$86 million -- 3% of total economy

Spalding County

Production Agriculture + Directly Related Industries Employment *IMPACT*

	Direct	Indirect
Agriculture + Direct	631	0
Mining	0	0
Construction	0	2
Manufacturing	0	7
Trans-Utilities-Info	0	12
Trade	0	80
Finance-Ins-RE	0	14
Services	0	104
Government	0	2

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:

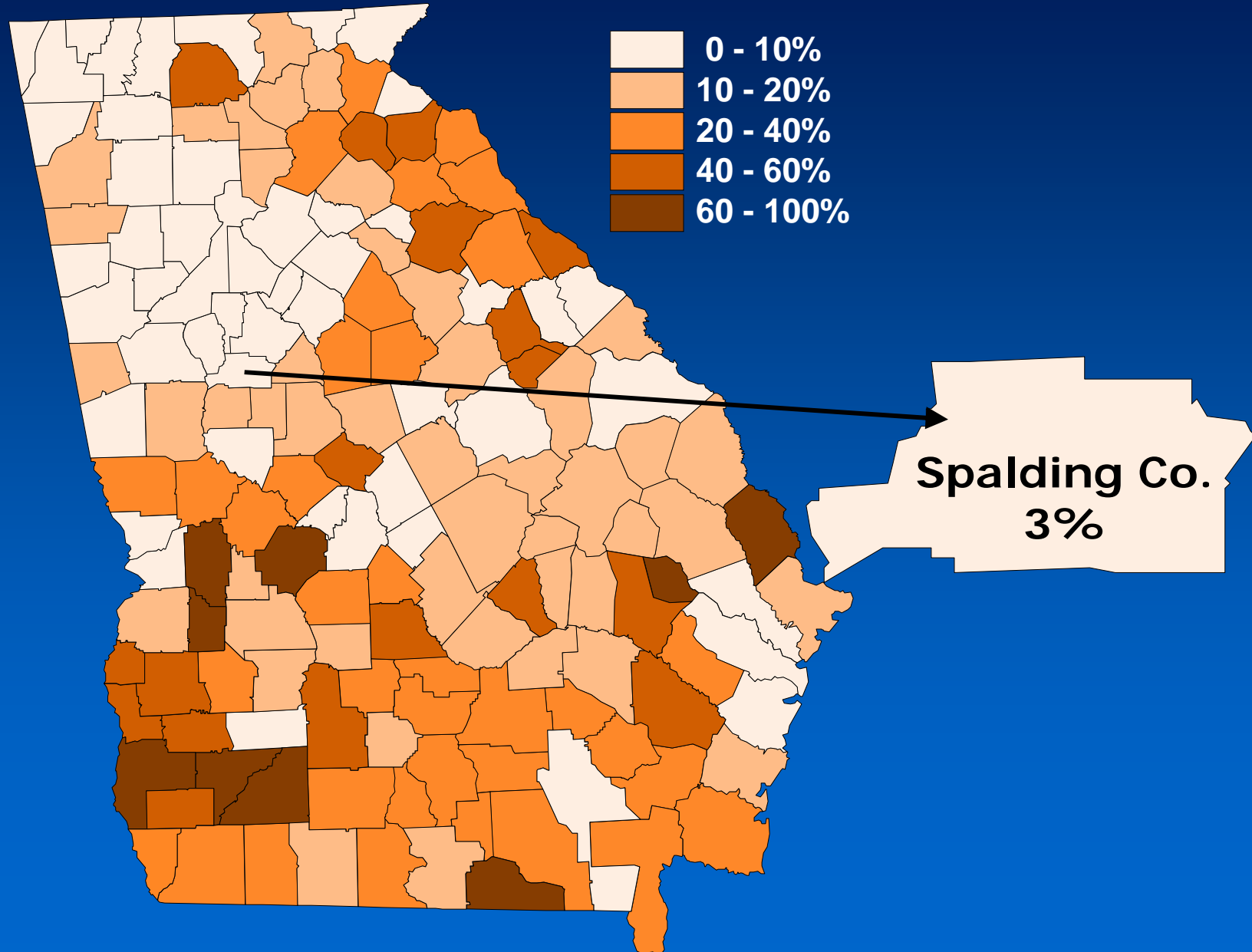
A Brief Explanation (continued)

- 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



Contact Information

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*“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

