

The Economic Importance of Food and Fiber

A Spotlight on Macon County, Georgia

**Prepared for
Macon County Cooperative Extension
July, 2012**

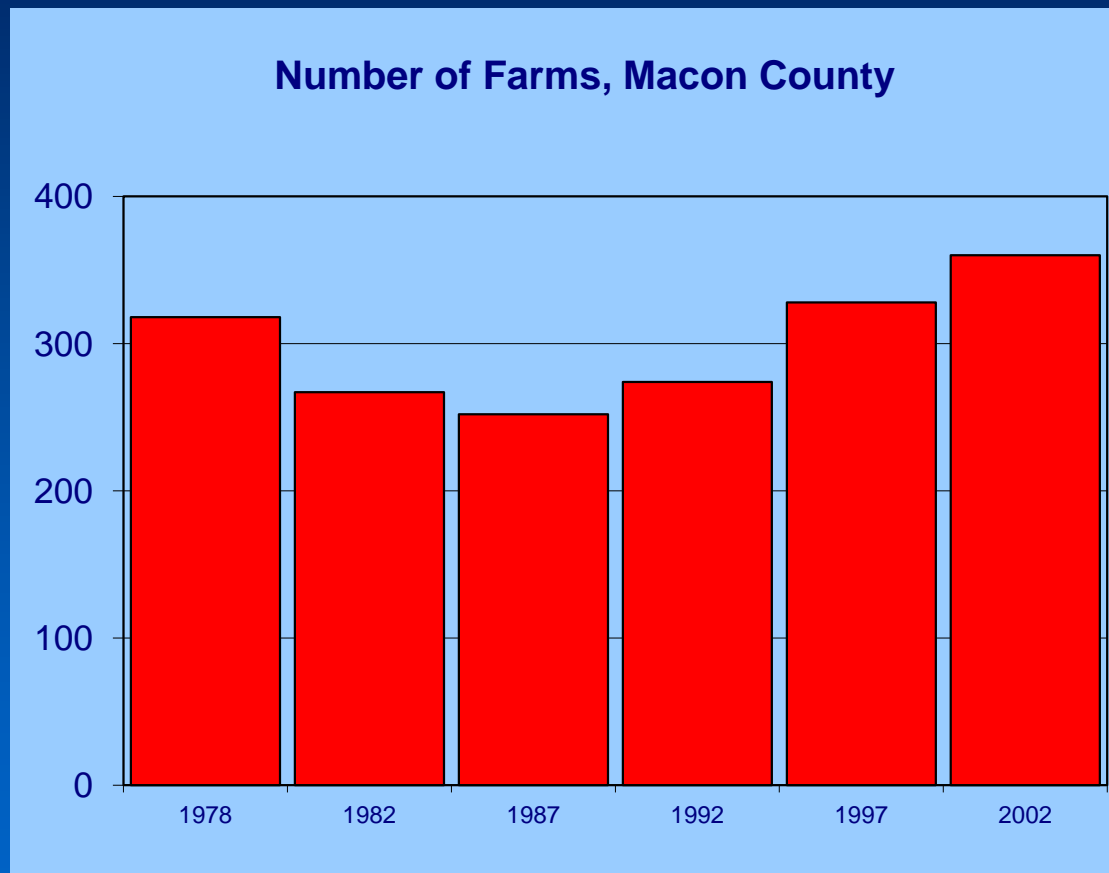
by:

**The Center for Agribusiness
and Economic Development**

**College of Agricultural
and Environmental Sciences**

The University of Georgia

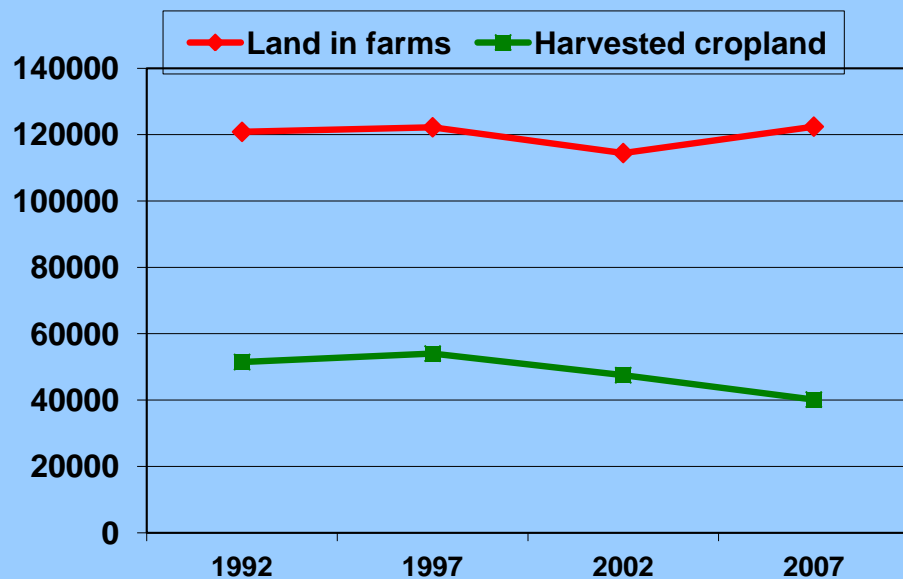
Trends in Macon County: Number of Farms



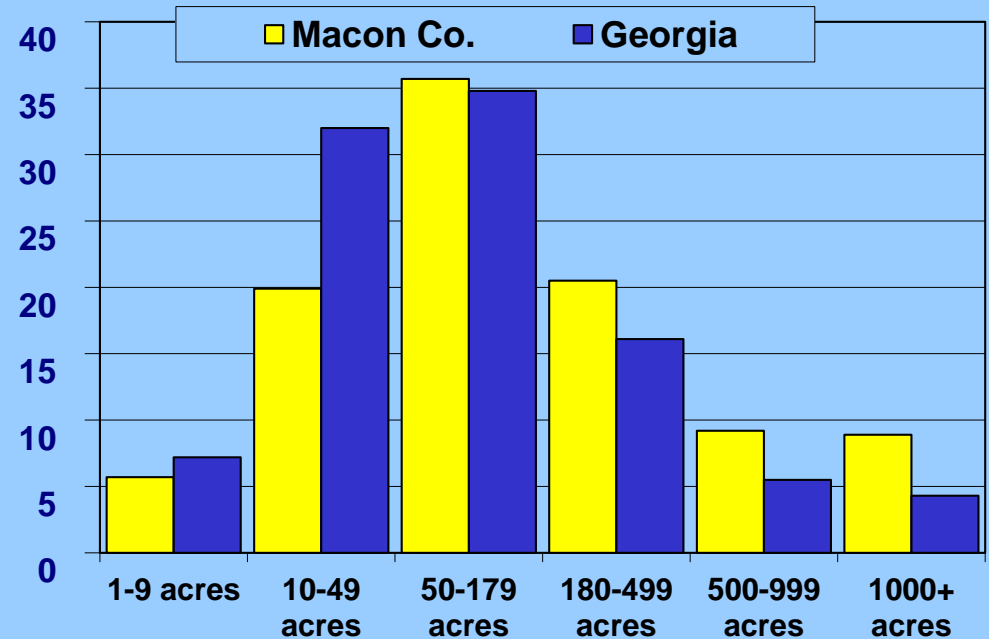
Source: 1978-2007 (quinquennial) Censuses of Agriculture

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

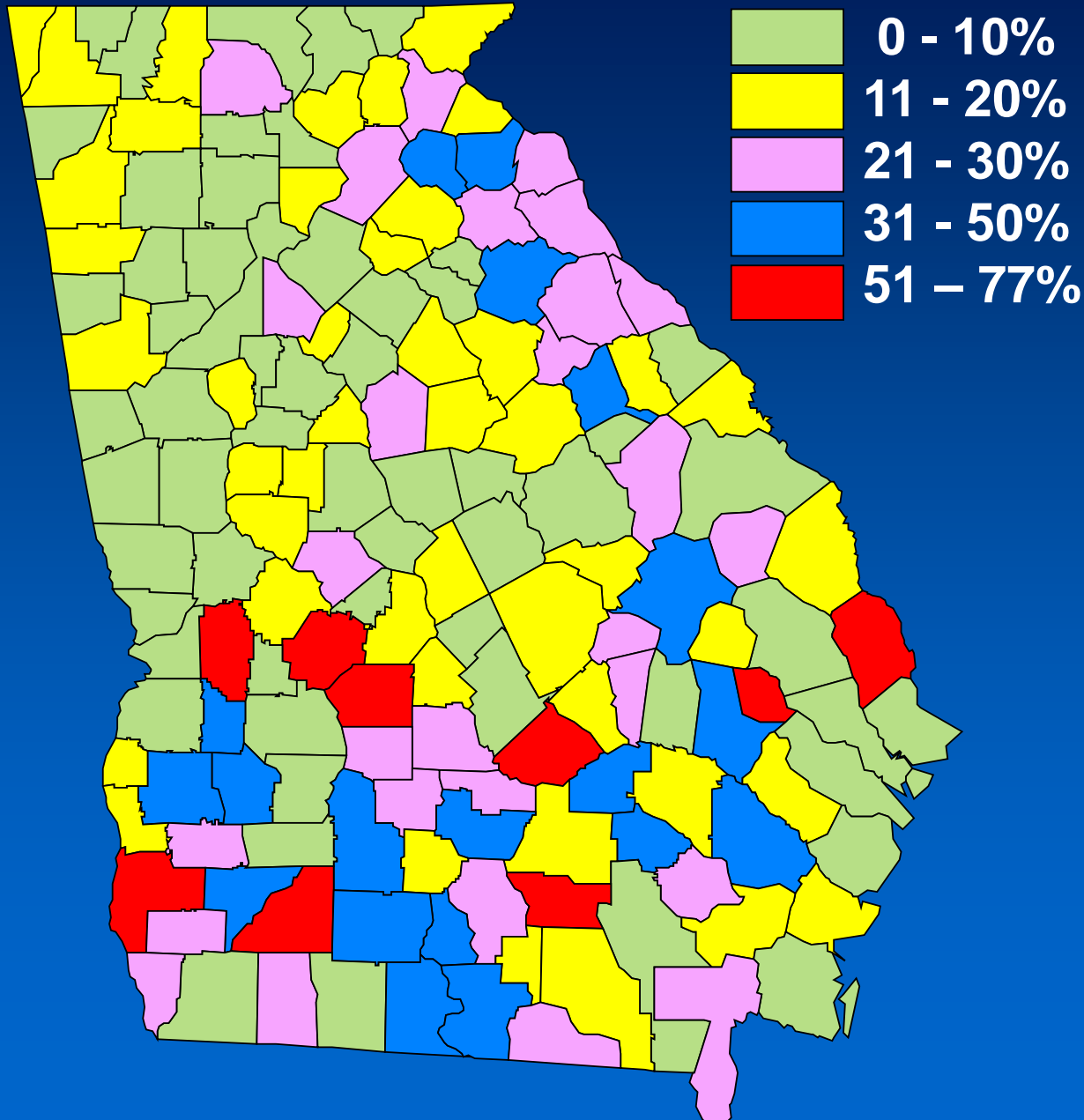
Land in Farms & Harvested Cropland
Macon County



Percent of Farms by Size, 2007



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

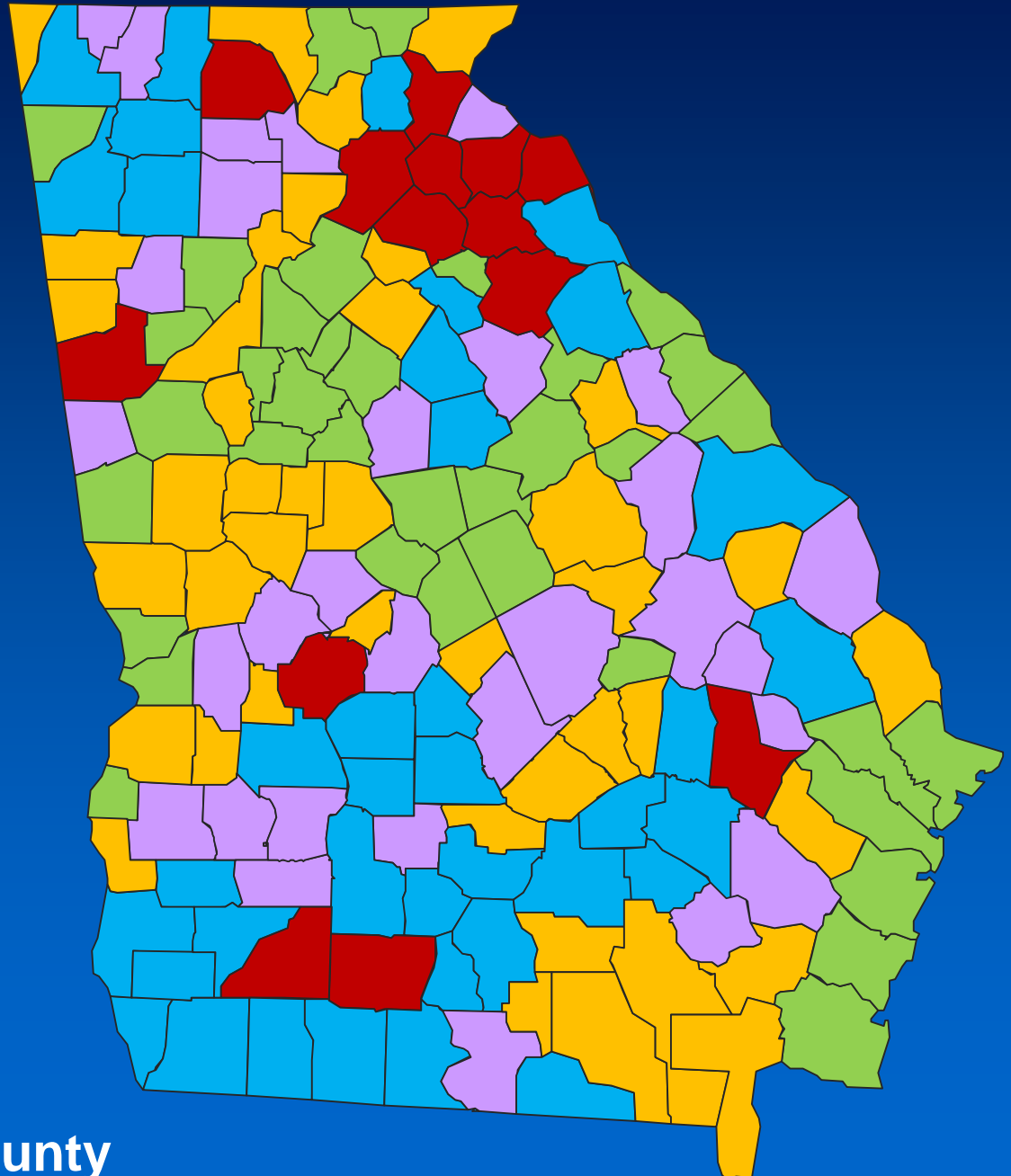


Agriculture in Georgia

- 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



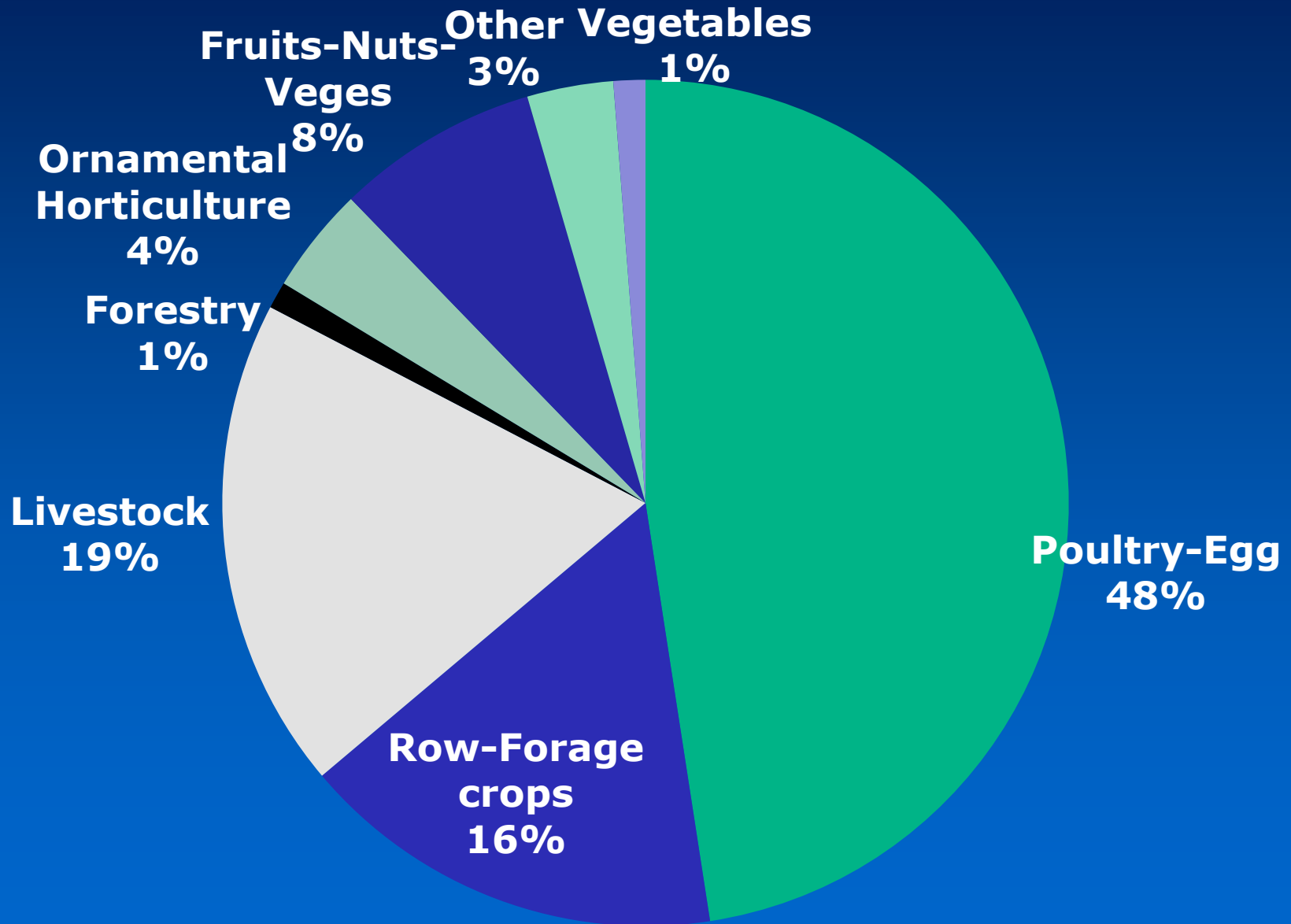
2010 Farm Gate Value by County
in Millions of Dollars

What We Know about Macon County

- **2010 Farm Gate Value in Macon Co. was \$248.5 million. Adding \$618,674 of landscape services increased the total agricultural production value to \$249.1 million.**
- **The highest value commodity group was poultry and egg , representing 47.6% of the total agricultural production value.**

Macon 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?**

Macon County Economy

Agriculture *OUTPUT*

	Output in \$	Percent
Agriculture	249,094,616	29.70%
Mining	3,144,623	0.37%
Construction	23,149,327	2.76%
Manufacturing	322,226,956	38.42%
Trans-Utilities-Info	22,940,026	2.74%
Trade	36,500,738	4.35%
Finance-Ins-RE	60,419,048	7.20%
Services	68,137,223	8.13%
Govt. & non-NAICS	52,983,284	6.32%

Total County Economic Output = \$838.6 million

Macon County Economy

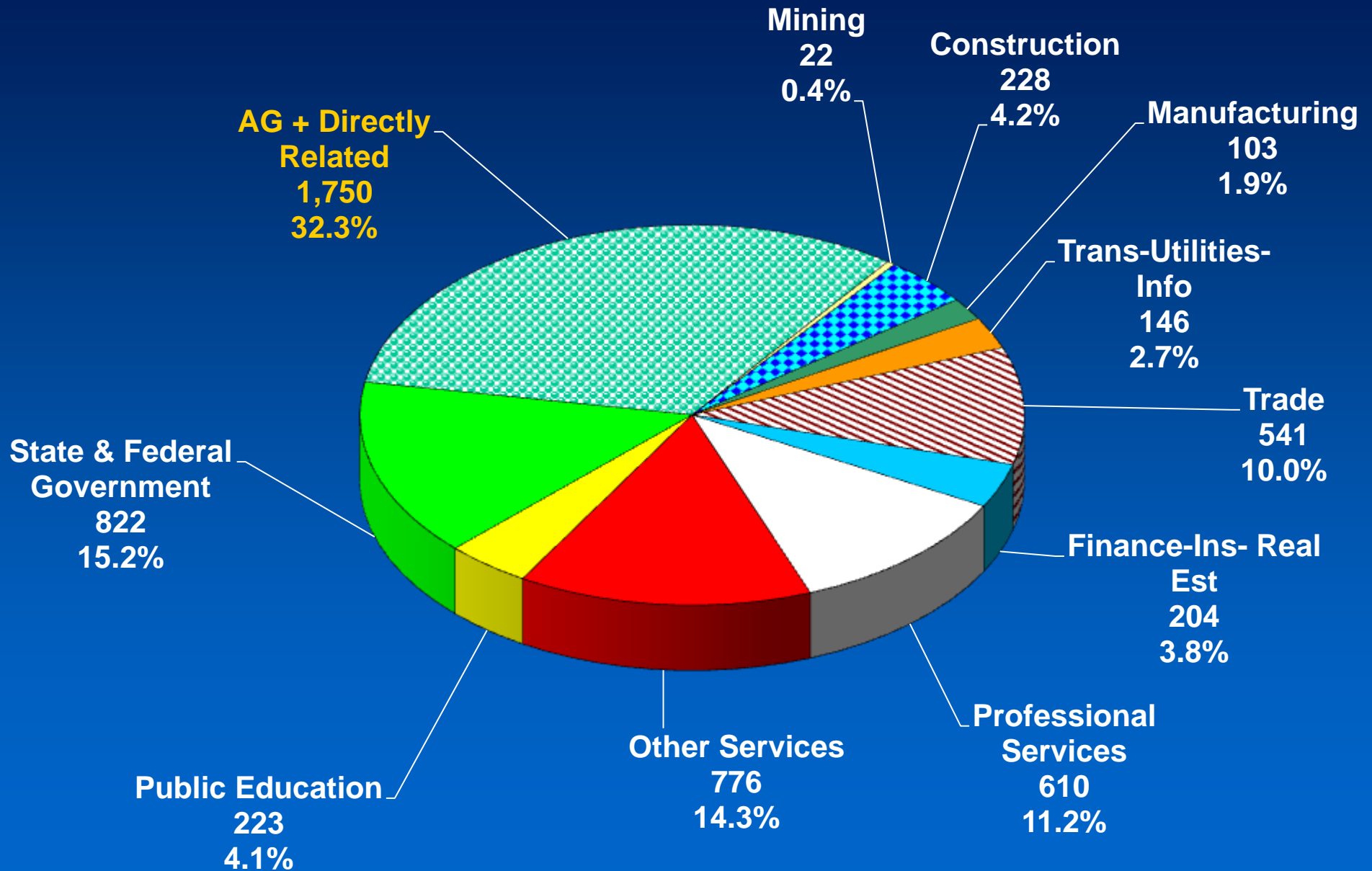
Agriculture + Directly Related Businesses *OUTPUT*

	Output in \$	Percent
Agriculture + Direct	526,732,285	62.81%
Mining	3,144,623	0.37%
Construction	23,149,327	2.76%
Manufacturing	44,589,287	5.32%
Trans-Utilities-Info	22,940,026	2.74%
Trade	36,500,738	4.35%
Finance-Ins-Real Est	60,419,048	7.20%
Services	68,137,223	8.13%
Govt. & non-NAICS	52,983,284	6.32%

Total County Economic Output = \$ 838.6 million

Macon County Employment

Total Jobs = 5,424



An Economic Snapshot of Macon County

- **How much of Macon County's total economic output comes from food and fiber production?**
- **AG value alone of \$249.1 million consisting of Farm Gate Value and landscape services comprises 29.7% of the county's economy.**
- **AG plus directly related businesses (ex. Ag Support Services, Processing, etc.) comprise 62.8% 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



Macon County

Agriculture *IMPACT*

	Direct \$	Indirect \$
Agriculture	249,094,616	0
Mining	0	297
Construction	0	845,214
Manufacturing	0	20,227,993
Trans-Utilities-Info	0	5,843,985
Trade	0	8,455,949
Finance-Ins-Real Est	0	16,488,322
Services	0	9,889,167
Govt. & non-NAICS	0	1,459,359
Total	249,094,616	63,210,285

Total Impact of Production AG = \$312.3 million
37.2% of total economy

Macon County

Production Agriculture + Directly Related Businesses *IMPACT*

	Direct \$	Indirect \$
Agriculture + Direct	526,732,285	0
Mining	0	606
Construction	0	2,225,168
Manufacturing	0	21,249,931
Trans-Utilities-Info	0	14,506,735
Trade	0	16,523,278
Finance-Ins-Real Est	0	28,031,622
Services	0	20,083,789
Govt. & non-NAICS	0	3,082,852
Total	526,732,285	105,703,983

**Total Impact of AG + Directly Related = \$632.4 million
75.4 % of total economy**

Macon County

Production Agriculture + Directly Related Industries Employment *IMPACT*

	Direct	Indirect
Agriculture + Direct	1,750	0
Mining	0	0
Construction	0	25
Manufacturing	0	27
Trans-Utilities-Info	0	98
Trade	0	212
Finance-Ins-Real Est	0	95
Services	0	423
Govt. & non-NAICS	0	14

**Total Impact of AG + Directly Related Employment = 2,644 Jobs
48.7% of total employment**

What These Numbers Mean: A Brief Explanation

- ***Direct*** impact is \$526.7 million. This includes food and fiber production, processing and directly related manufacturing.
- ***Indirect*** impact from the related sectors is \$105.7 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.**

Macon County Food and Fiber Impact Conclusions

- The total *impact* of food and fiber production, processing and direct manufacturing is \$632.4 million.
- The total county *output* is \$838.6 million.
- Thus, food and fiber (directly and indirectly) account for 75.4% of the total county output, considering the multiplier effects.

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 “Resources”, then
“Georgia Statistics System”*

Ag Profile Report
AP#12-13A

