



The Impact of Agribusiness DEAF SMITH COUNTY 2009

Highlights

- Deaf Smith County's agricultural value exceeds \$589.1 million (Figure 1).
- Deaf Smith County ranks 1st in fed-beef production among all counties in the United States (Table 1).
- Deaf Smith County has total agricultural receipts of \$501.5 million, generating county- and state-level impacts of \$747.4 million and \$993.0 million, respectively (Table 1). These receipts result in the county ranking 1st among the 254 counties in Texas (Table 1) and 16th in the country.
- The 2,967 agricultural-related employees account for 50.5% of all private-sector employment (Table 2).
- This analysis does not include the impact of agriculturally related public sector employees or the 957 farm and ranch operators.

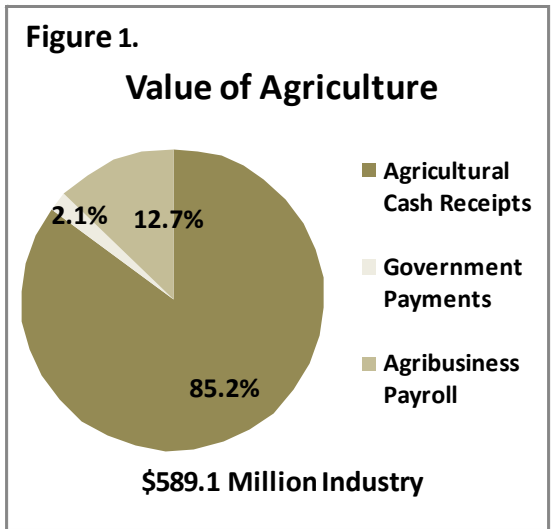


Table 1. Average Annual Agricultural Cash Receipts, Deaf Smith County, 2005-2008.

	Value (\$1,000,000)	State Rank	County Economic Impact* (\$1,000,000)	State Economic Impact (\$1,000,000)
Crops:				
Corn	\$12.7	18	\$16.3	\$21.5
Wheat	\$21.6	6	\$27.6	\$36.4
Cotton	\$10.7	59	\$14.0	\$17.1
Sorghum	\$11.4	15	\$14.6	\$19.3
Ensilage	\$14.4	1	\$19.6	\$25.7
Hay	\$5.4	63	\$7.4	\$9.6
Other Crops	\$8.3		\$11.4	\$14.9
Total Crop Receipts	\$84.5		\$110.9	\$144.5
Livestock and Livestock Products:				
Fed Beef: Value-Added	\$299.8	1	\$484.5	\$651.7
Cow-calf and Stockers	\$22.8	56	\$36.9	\$49.6
Hogs	\$0.0	52	\$0.1	\$0.1
Dairy	\$93.8	2	\$114.3	\$146.3
Other	\$0.3		\$0.3	\$0.4
Total L & LP	\$416.7		\$636.1	\$848.1
Other Ag-Related	\$0.3		\$0.4	\$0.4
Total Agricultural Receipts	\$501.5	1	\$747.4	\$993.0

* Does not include direct impacts or payroll from local agribusinesses whose inputs are not directly tied to agricultural commodities produced in the county.

	Number of Employees	Annual Payroll \$1,000,000
Private Sector	1,754	\$51.2
Farm and Ranch	1,213	\$23.7
Total	2,967	\$74.9

*Employment estimates do not include ag-related public sector/government employees



Most of Deaf Smith County's 1,500 square miles are used for agricultural purposes with 422,000 acres in pasture and another 524,000 acres under cultivation. Approximately 132,000 irrigated acres provide flexibility with respect to the type of crops that can be grown in the county. However, the traditional crops of wheat, ensilage, corn, sorghum and cotton have dominated with average annual sales of \$21.6 million, \$14.4 million, \$12.7 million, \$11.4 million and \$10.7 million, respectively. Overall, Deaf Smith County ranks 6th in wheat production, 18th in corn, 15th in sorghum and 1st in ensilage production. Deaf Smith ranks 1st in total agriculture receipts among the state's 254 counties and 16th overall among all U.S. counties (Table 1).

Livestock production is a critical part of the local economy, contributing \$416.7 million in value-added sales annually. Fed beef is the primary component of livestock production in the county, providing value-added sales of \$299.8 million annually in the 2005-2008 time period (Table 1). Deaf Smith County is the leading county in fed-beef production in Texas, in fact, the leading county in the entire country. Another important component is the dairy industry, which has blossomed in the last decade. Deaf Smith County now ranks 2nd among all Texas counties in dairy production, contributing \$93.8 million in sales. Cow-calf and stocker operations also contributed significantly to the economy, adding \$22.8 million in value-added production.

Of course, the direct value of agricultural production is not the only benefit to the local economy. Many production expenses are paid to local suppliers. Farmers and ranchers also spend part of their wages and profits in the county - eating at local restaurants and buying groceries, clothing, etc. In turn, the employees of these businesses purchase supplies and spend wages at local businesses. As money circulates through the economy, it multiplies the original \$501.5 million economic contribution from farm and ranch production to a total county-level economic output of \$747.4 million. A good deal of the money that is spent outside Deaf Smith County is still spent in Texas, so the farm-level production leads to a larger state-level output of nearly a billion dollars (\$993.0 million).



Agribusinesses take many forms including: manufacturing, retail trade and food service, wholesale trade, agricultural services and transportation. A total of 1,754 people were employed in Deaf Smith County agribusinesses during 2007, with an associated payroll of \$51.2 million according to the 2007 Texas County Business Patterns publication. In addition, 1,213 people were either employed full- or part-time on local farms, ranches and confined-feeding operations, earning \$23.7 million annually. It should be noted that the impact of agriculture on the Deaf Smith economy is underestimated since the economic contributions of public sector employees working in agriculture and the 957 farm and ranch operators are not considered in this analysis.

(AgEco-FS-8: Dr. Steve Amosson, Natalia Bernard, Kay Ledbetter and Fran Bretz, all of Amarillo; Dr. Rebekka Dudensing, College Station; Bridget Guerrero, Lubbock; and Rick Auckerman, Deaf Smith County. Dec. 2009)