This publication provides estimates of the total (multiplier-based) economic impact of agriculture in Lauderdale County. This analysis accounts for the total effect of county agriculture throughout the local economy. Economic impact is measured in terms of: 1) output or revenue (the value of sales of all local goods and services) and 2) employment.

For Lauderdale County in 2015:

1) Total direct agricultural output is estimated at $257.5 million. With multiplier effects, agricultural output has a total estimated economic impact of $325.2 million. This means, for every dollar of direct output from agriculture, the total economic impact on the county’s economy is $1.26 (i.e., the 325.2 divided by the 257.5) (Figure 1, “Output”).

2) There are 1,331 workers employed in county agriculture. With multiplier effects, an estimated 1,853 jobs are generated by county agriculture, or one direct agricultural job leads to 1.39 jobs (i.e., 1,853 divided by 1,331) in the county (Figure 1, “Employment”).

DEFINITIONS

Agriculture: Crop and livestock production (i.e., farming); food and fiber processing, such as ice cream plants and textile mills; farm inputs, such as fertilizer plants and feed mills; and forestry-based products, such as sawmills and paper mills.

Multiplier Effect: Impact on the non-agricultural part of the economy. Examples of the multiplier effect include farmers and other agricultural businesses purchasing local inputs (e.g., utilities), and local spending by agricultural workers and owner-operators.

Output: Revenue (value of sales) of all local goods and services.
The output multiplier is $1.26. A dollar of output in agriculture leads to $1.26 in county-level output (i.e., the dollar plus the $0.26 multiplier effect).

The employment multiplier is 1.39. A job in agriculture leads to 1.39 in county-level jobs (i.e., the job plus the 0.39 multiplier).

References

Acknowledgments
Appreciation is extended to the following organizations for their support and assistance: Farm Credit Mid-America; Tennessee Cattlemen’s Association; Tennessee Department of Agriculture; Tennessee Farm Bureau; and the Tennessee Soybean Promotion Board. We would also like to thank Rob Holland, Extension Specialist and Director, Center for Profitable Agriculture; Kevin Rose, Extension Agent and Giles County Director; Jacob Boone, Extension Agent and Hancock County Director; Jeff Lannom, Extension Agent and Weakley County Director; and University of Tennessee Extension for their financial support and time.