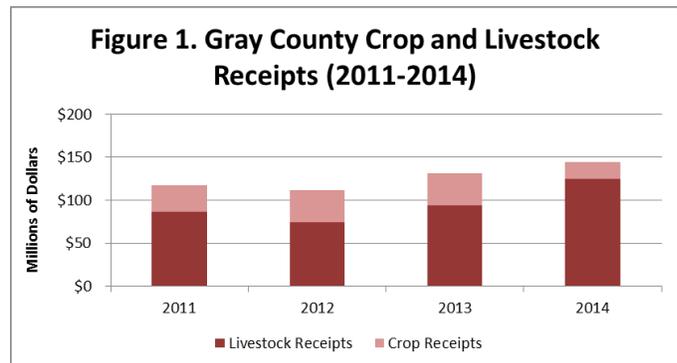


AT A GLANCE

- *Gray County's agricultural value exceeded \$144.5 million in 2014 (Figure 1).*
- *The 1,438 agricultural-related employees account for 21.2% of all private-sector employment (Table 2).*
- *Gray County ranks 3rd in hog sales, 16th in fed-cattle sales and 18th in dairy sales (Table 1).*
- *Gray County ranks 44th among counties in Texas with total agricultural receipts averaging \$126.8 million, generating county- and state-level impacts of \$186.4 million and \$244.9 million, respectively (Table 1).*
- *This analysis does not include the impact of agriculturally related public sector employees or the 417 farm and ranch operators.*

The Impact of Agribusiness GRAY COUNTY 2015

Most of Gray County's 926-square-mile area is used for agricultural purposes with 353,781 acres in pasture and another 161,161 acres in cropland. Agricultural receipts have steadily increased over the last couple of years reflecting the rise in livestock prices.



Crop production is an important part of the local economy, generating an average of \$31 million annually in the 2011-2014 time

period. Approximately 21,600 irrigated acres provide flexibility with respect to the type of crops that can be grown in the county. However, the traditional crops of cotton, corn, hay, wheat and sorghum have dominated with average annual sales of \$11 million, \$8.2 million, \$4.4 million, \$3.5 million and \$3 million, respectively (Table 1).

Table 1. Average Annual Agricultural Cash Receipts, Gray County, 2011-2014.

| | Value (\$1,000,000) | State Rank | County Economic Impact* (\$1,000,000) | State Economic Impact* (\$1,000,000) |
|--|------------------------|------------|---|--|
| Crops: | | | | |
| Corn | \$8.2 | 36 | \$12.2 | \$18.9 |
| Wheat | \$3.5 | 52 | \$5.2 | \$8.1 |
| Cotton | \$11.0 | 55 | \$15.9 | \$20.1 |
| Sorghum | \$3.0 | 61 | \$4.5 | \$6.9 |
| Ensilage | \$0.9 | 30 | \$1.2 | \$1.7 |
| Hay | \$4.4 | 88 | \$6.1 | \$8.2 |
| Other Crops | \$0.0 | | \$0.0 | \$0.0 |
| Total Crop Receipts | \$31.0 | 83 | \$45.1 | \$63.9 |
| Livestock and Livestock Products: | | | | |
| Fed Beef - Value Added | \$48.0 | 16 | \$75.6 | \$95.2 |
| Cow-calf and Stockers | \$16.2 | 117 | \$25.6 | \$32.2 |
| Hogs | \$11.5 | 3 | \$13.7 | \$16.5 |
| Dairy | \$19.3 | 18 | \$25.4 | \$35.5 |
| Other | \$0.1 | 171 | \$0.1 | \$0.1 |
| Total L & LP | \$95.0 | 28 | \$140.3 | \$179.5 |
| Other Ag-Related | \$0.8 | 192 | \$1.1 | \$1.4 |
| Total Agricultural Receipts** | \$126.8 | 44 | \$186.4 | \$244.9 |

*Does not include impacts of forward-linkages through the processing sectors.

** Rounding of numbers may affect totals and prevent some commodities with low receipts from appearing in the table.

Livestock production is a critical part of the local economy, contributing \$95 million in value-added sales annually. Fed beef is the primary component of livestock production in the county, with feedlot operations providing value-added sales of \$48 million annually in the 2011-2014 time period (Table 1). Cow-calf and stocker operations added another \$16.2 million in receipts. The dairy industry contributed \$19.3 in sales, and swine added \$11.5 million. Gray County is ranked 3rd among Texas counties in swine production, 16th in fed beef, and 18th in dairy.



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 \$126.8 million in cash receipts from farm and ranch production to a total county-level economic output contribution of \$186.4 million. A good deal of the money that is spent outside Gray County is still spent in Texas, so the farm-level production leads to a larger state-level output of \$244.9 million.

| | Number of Employees | Annual Payroll \$1,000,000 |
|---------------------------|--------------------------------|---------------------------------------|
| Private Sector | 1,114 | \$24.90 |
| Farm and Ranch | 324 | \$5.67 |
| Total | 1,438 | \$30.57 |

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

Agribusinesses take many forms including: manufacturing, retail trade and food service, wholesale trade, agricultural services and transportation. A total of 1,114 people were employed in Gray County agribusinesses during 2013, with an associated payroll of \$24.9 million, according to the 2013 Texas County Business Patterns publication. In addition, 324 people were either employed full- or part-time on local farms, ranches and confined livestock operations, earning \$5.7 million annually (2012 Census of Agriculture). It should be noted that the impact of agriculture on the Gray County economy is underestimated, since the economic contributions of public sector employees working in agriculture and the 417 farm and ranch operators are not considered in this analysis.



(AgEco-FS-10: Dr. Steve Amosson, Kay Ledbetter and Michelle Jones, Amarillo; Dr. Rebekka Dudensing, Ruoxi Lu and Jonathan Ellison, College Station; Dr. Bridget Guerrero, Canyon; and Mike Jeffcoat, Gray County. Revised August 2015)