

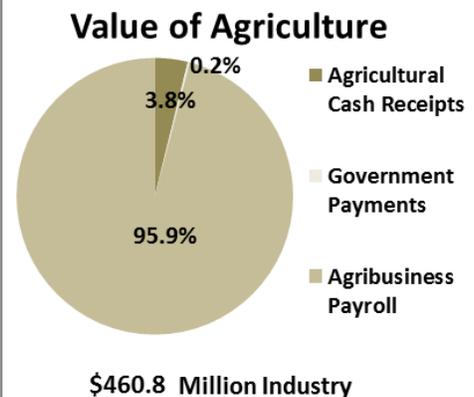
AT A GLANCE

- *Potter County's agricultural value exceeds \$460.8 million (Figure 1).*
- *The 16,875 agricultural-related employees account for 28.5% of all private-sector employment (Table 2) and received in excess of \$442 million in payroll annually.*
- *Potter ranks 18th in hog sales and 40th in fed beef sales among all Texas counties.*
- *This analysis does not include the impact of agriculturally related public sector employees or the 258 farm and ranch operators.*

## The Impact of Agribusiness POTTER COUNTY 2015

Most of Potter County's 908-square-mile land area is used for agricultural purposes with 514,475 acres in permanent pasture and another 54,166 acres in cropland. Livestock and livestock products are key components of local production agriculture, generating an average of \$13.8 million annually over the 2011-2014 time period (Table 1). Cow-calf and stocker operations are the primary component of livestock production in the county, providing value-added sales of \$7.9 million annually. Fed cattle also contribute significantly to the economy, adding \$5.6 million in value-added production. More than 90 percent of Potter County cropland is non-irrigated. Wheat, hay, and sorghum are raised with average annual sales of \$900,000, \$800,000 and \$400,000, respectively. Some cotton, ensilage and corn are also grown.

Figure 1.



Of course, the direct value of agricultural production is not the only benefit to the local economy. Many production expenses are paid to local

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

|  | Value<br>(\$1,000,000) | State Rank | County<br>Economic Impact*<br>(\$1,000,000) | State<br>Economic Impact*<br>(\$1,000,000) |
|--|------------------------|------------|---|--|
| <b>Crops:</b>                            |                        |            |   |  |
| Corn                                     | \$0.1                  | 129        | \$0.1                                       | \$0.1                                      |
| Wheat                                    | \$0.9                  | 92         | \$1.5                                       | \$2.1                                      |
| Cotton                                   | \$0.2                  | 146        | \$0.2                                       | \$0.3                                      |
| Sorghum                                  | \$0.4                  | 107        | \$0.6                                       | \$0.9                                      |
| Ensilage                                 | \$0.2                  | 46         | \$0.3                                       | \$0.3                                      |
| Hay                                      | \$0.8                  | 166        | \$1.2                                       | \$1.6                                      |
| Other Crops                              | \$0.0                  |            | \$0.0                                       | \$0.0                                      |
| <b>Total Crop Receipts</b>               | <b>\$2.5</b>           | <b>208</b> | <b>\$4.0</b>                                | <b>\$5.3</b>                               |
| <b>Livestock and Livestock Products:</b> |                        |            |   |  |
| Fed Beef - Value Added                   | \$5.6                  | 40         | \$7.0                                       | \$11.1                                     |
| Cow-calf and Stockers                    | \$7.9                  | 181        | \$10.0                                      | \$15.8                                     |
| Hogs                                     | \$0.2                  | 18         | \$0.3                                       | \$0.3                                      |
| Dairy                                    | \$0.0                  |            | \$0.0                                       | \$0.0                                      |
| Other                                    | \$0.0                  |            | \$0.0                                       | \$0.0                                      |
| <b>Total L &amp; LP</b>                  | <b>\$13.8</b>          | <b>158</b> | <b>\$17.3</b>                               | <b>\$27.2</b>                              |
| <b>Other Ag-Related</b>                  | <b>\$1.4</b>           | <b>175</b> | <b>\$1.8</b>                                | <b>\$2.0</b>                               |
| <b>Total Agricultural Receipts**</b>     | <b>\$17.7</b>          | <b>224</b> | <b>\$23.1</b>                               | <b>\$34.5</b>                              |

\*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.

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 \$17.7 million in cash receipts from farm and ranch production to a total county-level economic output contribution of \$23.1 million. A good deal of the money that is spent outside Potter County is still spent in Texas, so the farm-level production leads to a larger state-level output of \$34.5 million.



As a regional trade center, Potter County benefits from agriculture activities throughout the Texas Panhandle. This economic analysis excludes the fact that many agricultural products undergo further processing in Potter County. For example, the county is home to a cheese cutting plant, tortilla manufacturers and packing plants. It also excludes the benefits of farmers and ranchers from surrounding counties purchasing production inputs and consumption goods and services in Potter County.

|                           | <b>Number of<br/>Employees</b> | <b>Annual Payroll<br/>\$1,000,000</b> |
|---------------------------|--------------------------------|---------------------------------------|
| <b>Private Sector</b>     | <b>16,707</b>                  | <b>\$440.40</b>                       |
| <b>Farm and<br/>Ranch</b> | <b>168</b>                     | <b>\$1.63</b>                         |
| <b>Total</b>              | <b>16,875</b>                  | <b>\$442.03</b>                       |

\*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 16,707 people were employed in Potter County agribusinesses during 2013, with an associated payroll of \$440.4 million, according to the 2013 Texas County

Business Patterns publication. In addition, 168 people were either employed full- or part-time on local farms, and confined livestock operations earning \$1.6 million annually. It should be noted that the impact of agriculture on Potter County's economy is underestimated since the economic contributions of public sector employees working in agriculture and the 258 farm and ranch operators are not considered in this analysis.



*(AgEco-FS-21: Dr. Rebekka Dudensing, Ruoxi Lu and Jonathan Ellison, College Station; Dr. Steve Amosson, Kay Ledbetter and Michelle Jones, Amarillo; Dr. Bridget Guerrero, Canyon; and Austin Voyles, Potter County. Revised August 2015)*