

July 2015

## Ellsworth County

### Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

A total of 13 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Ellsworth County economy.<sup>1</sup> These 13 sectors have a total direct output of approximately \$132 million and support 499.5 jobs in Ellsworth County. Running the model for all 13 sectors simultaneously produces the following results:

**Agriculture Contribution in Ellsworth County**

Impact Type <sup>2</sup>	Employment	% of Total Employment	Total Value Added <sup>3</sup>	% of Gross		
				Regional Product <sup>4</sup>	Regional Product	
Direct Effect	499.5	11%	\$52,579,270	18%	\$132,311,407	45%
Indirect Effect	101.0	2%	\$6,587,407	2%	\$13,536,785	5%
Induced Effect	70.6	2%	\$4,648,427	2%	\$8,256,177	3%
Total Effect	671.1	15%	\$63,815,104	22%	\$154,104,369	53%

As shown in the above table, agriculture, food, and food processing supports 671.1 jobs, or 15% of the entire workforce in the county. These industries provide a total economic contribution of approximately \$154 million, roughly 53% of Gross Region Product (GRP). As noted below in the calculation of Gross Regional Product, imports and institutional sales are subtracted. Therefore, counties that import a relatively large amount of goods and services will have a reduced GRP which may lead to agricultural output being greater than GRP.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 13 agriculture, food, and food processing sectors is approximately \$64 million, or 22% of the GRP. This indicates that personal income, business income, and taxes generated by these sectors account for 22% of the total economy.

The following tables document the overall summary numbers of the model, top industries affected by employment and output, and a listing of all industries that were analyzed.

<sup>1</sup> Article on building a contribution analysis in IMPLAN that avoids double counting:  
[https://implan.com/index.php?option=com\\_content&view=category&id=19](https://implan.com/index.php?option=com_content&view=category&id=19)

<sup>2</sup> Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

<sup>3</sup> Value Added = Labor Income + Indirect Business Taxes + Other Property Type Income

<sup>4</sup> GRP = Final Demand of Households + Governments Expenditures + Capital + Exports - Imports - Institutional Sales

<sup>5</sup> Output = Intermediate Inputs + Value Added

In the top ten by employment, Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming is the top employer in the agriculture industry with 114.4 employees. This table also shows the amount of jobs that are created by the agriculture industry in Ellsworth County.

**Top 10 Industries Affected by Employment**

Sector Description:	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming .....	114.4	\$26,836,471
Other chemical and fertilizer mineral mining.....	107.6	\$38,138,747
Grain farming .....	91.3	\$28,944,703
Animal production, except cattle and poultry and eggs.....	77.7	\$7,133,659
All other crop farming.....	60.9	\$7,000,276
Animal, except poultry, slaughtering.....	24.4	\$14,712,559
Wholesale trade.....	13.8	\$2,684,433
Support activities for agriculture and forestry .....	13.3	\$841,174
Truck transportation.....	13.3	\$1,812,992
Monetary authorities and depository credit intermediation .....	13.2	\$1,979,428

The Other chemical and fertilizer mineral mining industry directly contributes approximately \$38 million to Ellsworth County’s economy. This table also shows how much revenue is generated in other industries by having a strong agriculture industry.

**Top 10 Industries Affected by Output**

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Other chemical and fertilizer mineral mining.....	107.6	\$38,138,747
Grain farming .....	91.3	\$28,944,703
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming .....	114.4	\$26,836,471
Animal, except poultry, slaughtering.....	24.4	\$14,712,559
Animal production, except cattle and poultry and eggs.....	77.7	\$7,133,659
All other crop farming.....	60.9	\$7,000,276
Farm machinery and equipment manufacturing.....	7.8	\$4,762,565
Oilseed farming.....	2.0	\$3,897,895
Wholesale trade.....	13.8	\$2,684,433
Monetary authorities and depository credit intermediation .....	13.2	\$1,979,428

