

2006-2010 Economic Contribution of Colorado, Matagorda, and Wharton County Rice Production and Milling



An analysis of the rice industry in Colorado, Matagorda, and Wharton counties was run using AgriLife Extension commodity cash value data and the IMPLAN modeling system (Minnesota IMPLAN Group, Inc., Hudson, WI, 2010). The economic contribution of rice production and rice milling were run separately, and the value of the grain was excluded from the milling analysis to avoid double counting. Part of the milling industry is located in Brazoria County but is still considered part of the local economy. The wholesale and retail aspects of the regional rice industry are not included in this analysis.

5-year Average Rice Contribution, 2006-2010 (2010 Dollars)

	Value of Production	Total Output Value	Total Employment	Direct GRP Contribution	Total GRP Contribution
Production	\$76,178,700	\$99,693,900	2,676.8	\$29,294,300	\$42,949,700
Milling	\$211,356,200	\$274,458,200	631.0	\$19,401,200	\$57,915,000
Total	\$287,534,900	\$374,152,100	3,307.8	\$48,695,500	\$100,864,700

- The average value of the rice crop from 2006 through 2010 was \$76.2 million in 2010 dollars. This translated to \$99.7 million in total annual output and 2,677 full- and part-time jobs in all sectors of the economy. Much of the value of production pays for inputs, such as seed and fertilizer. The output or revenue less the cost of goods sold (inputs) is the contribution to Gross Regional Product (GRP), a measure of the value added to the regional economy. Rice production made an average \$29.3 million direct contribution to GRP and a \$42.9 million contribution across all sectors each year.
- Milling the 2006-2010 average rice crop contributed an additional \$211.4 million in output and 631 jobs across all sectors of the regional economy. The milling sector's contribution to GRP from local rice production alone (excluding the milling of imported grain) averaged \$57.9 million per year.
- Because the milling analysis excludes the cost of rice production, the production and milling contributions can be added to determine the total contribution of rice production and primary processing. The average annual direct contribution from 2006-2010 was \$287.5 million. After spending circulated through the local economy, rice made an average contribution of \$374.2 million and 3,308 jobs annually. The rice industry's average direct contribution to GRP was \$48.7 million, and the total contribution across all sectors was \$100.9 million per year, based on the five year average.

3-year Average Rice Contribution, 2008-2010 (2010 Dollars)

	Value of Production	Total Output Value	Total Employment	Direct GRP Contribution	Total GRP Contribution
Production	\$89,835,800	\$117,566,800	3,156.7	\$34,546,200	\$50,649,600
Milling	\$249,247,700	\$323,662,400	744.0	\$22,879,400	\$68,297,800
Total	\$339,083,500	\$441,229,200	3,900.7	\$57,425,600	\$118,947,400

- Over the past three years, season average rice receipts have been significantly higher, due to stronger prices along with increased plantings and better yields. This increased the 2008-2010 three-year average value of production to \$89.8 million and production's contribution to the regional economy to \$117.6 million and 3,157 jobs. This included a \$68.3 million contribution to GRP. When combined with milling, the rice industry contributed \$339.1 million in direct value, \$441.2 million in output and 3,901 jobs across sectors, and \$118.9 million in GRP across all sectors.
- Lower prices and decreased acreage are expected to result in a 2011 production value of \$352.5 million for production and milling combined, down slightly from 2010 levels but still above even the three-year average. This is expected to result in \$458.3 million in output and 4,051 jobs across the economy and a \$122.6 million contribution to GRP (2010 dollars).