

Economic Contribution of Agriculture to Houston County, Texas



Houston County produces a number of crops, with crop receipts (including crop insurance payments) from production agriculture totaling \$78.8 million for 2016.¹ The county also has a large number of cattle and poultry, and livestock receipts totaled \$68.6 million for 2016. Total cash receipts from agricultural production totaled \$201.0 million. Table 1 includes a breakdown of cash receipts for important Houston County agricultural commodities.

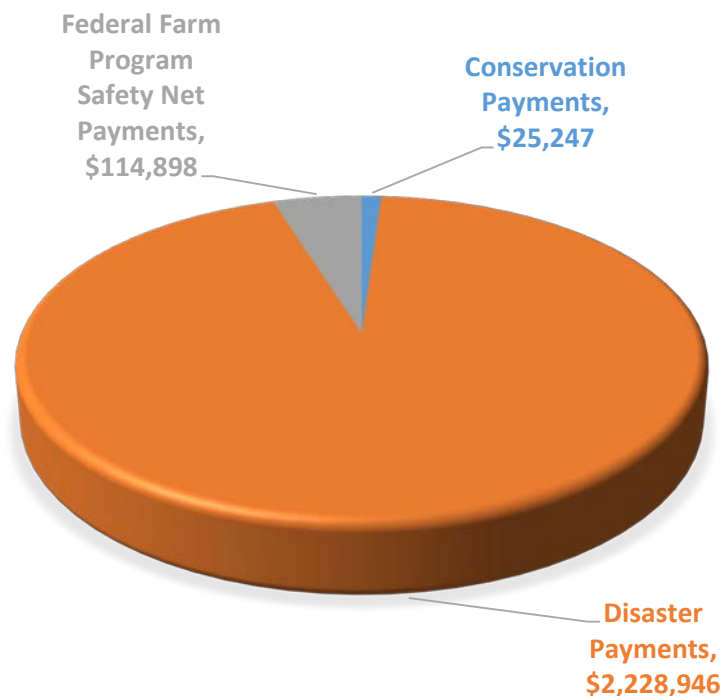
	2016 Receipts	Output (Sales) Contribution (Thousands of Dollars)	Value Added	Jobs
Watermelon	\$ 1,210.0	\$ 1,554.9	\$ 939.9	20.2
Hay	\$ 76,000.0	\$ 103,796.3	\$ 53,461.8	3,429.1
Pecans	\$ 958.5	\$ 1,205.7	\$ 838.0	14.0
Other Crops	\$ 169.8	\$ 231.8	\$ 119.4	7.7
Soybeans	\$ 145.2	\$ 206.1	\$ 112.5	1.1
Cotton	\$ 135.0	\$ 203.6	\$ 107.0	2.3
Feed Corn	\$ 97.2	\$ 130.9	\$ 33.4	1.3
Food Corn	\$ 60.0	\$ 77.1	\$ 46.6	1.0
Vegetables	\$ 6.8	\$ 8.8	\$ 5.3	0.1
Total Crops	\$ 77,572.5	\$ 105,860.2	\$ 54,724.1	3,456.7
Beef	\$ 62,740.0	\$ 89,814.7	\$ 30,947.6	1,579.0
Broilers	\$ 4,290.4	\$ 5,197.0	\$ 1,513.3	20.1
Other Poultry	\$ 1,618.0	\$ 1,959.9	\$ 570.7	7.6
Total Livestock	\$ 68,648.4	\$ 96,971.5	\$ 33,031.6	1,606.7
Timber	\$ 51,921.0	\$ 65,244.3	\$ 23,214.2	1,007.0
Hunting	\$ 1,495.0	\$ 2,159.5	\$ 486.8	128.5
Horses	\$ 125.0	\$ 170.0	\$ 74.7	6.6
Total Ag Related	\$ 53,541.0	\$ 67,573.7	\$ 23,775.6	1,142.1
Total	\$ 200,971.9	\$ 271,960.4	\$ 112,471.2	6,225.7

Economic activity by the agriculture industry (direct effect) ripples through the county economy as firms purchase inputs (indirect effect) and pay employees who also make regional purchases (induced effect). Many production expenses are paid to local suppliers. Farmers and ranchers also spend part of their wages and profits within the region--eating at local restaurants and buying groceries, clothing and movie tickets. In turn, the employees of these businesses purchase supplies and spend wages at local businesses. Money is multiplied as it circulates through the economy. Of course, money also leaks from the regional economy as firms and households purchase goods and services from other parts of the state, nation, and world. These leakages reduce the overall economic contribution of agricultural production.

The total effects are the sum of direct, indirect and induced for each of the outcomes: employment, labor income, total value added (contribution to gross regional product) and output (gross sales). The original \$201.0 million economic contribution from farm and ranch production leads to a total county-level economic output of \$272.0 million and 6,226 full- and part-time jobs annually.² This total contribution includes a \$112.5 million contribution to gross regional product across the county. Value added is a component of output, so the figures in Table 1 cannot be summed.

In addition to agriculture receipts, government payments totaled \$2.4 million in 2016 for Houston County. Figure 1 shows a breakdown of these government payments, in which disaster payments equaled \$2,228,946, federal farm program safety net payments totaled \$114,898 and conservation payments equaled \$25,247.³

Figure 1. Government Payments for Houston County, Texas, 2016



¹ Grahame, Mason, and John Robinson. 2016. Estimated Value of Agricultural Production and Related Items, 2016, State and Extension Districts. Texas A&M AgriLife Extension Service, Department of Agricultural Economics, May. <https://agecoext.tamu.edu/resources/increment-report/>.

² Contributions modeled using IMPLAN: IMPLAN Group, LLC. 2016 County and software, <http://www.implan.com/>.

³ Government Payments, 2016. Environmental Working Group Farm Subsidy Database, October. <https://farm.ewg.org/region.php?fips=48141&progcode=total&yr=2016>