

Economic Contribution of Agriculture to Victoria County, Texas



Victoria County produces a number of crops, with crop receipts from production agriculture averaging \$41.2 million between 2013 and 2016, the latest available data. The county also has a large number of cattle, and livestock receipts averaged \$22.3 million over the four-year period. Victoria County's "other ag-related" receipts come primarily from hunting and aquaculture. Total cash receipts from agricultural production averaged \$67.5 million. Average receipts provide a more stable view of the industry by smoothing annual fluctuations in prices and yields, which can be affected by drought, floods, etc. Table 1 includes a breakdown of cash receipts for important Victoria County agricultural commodities.

County level data are from the Texas A&M AgriLife Extension Service Increment Report.¹ Breakdowns of production by precinct were estimated by the Extension faculty, based on local knowledge on satellite imagery.² Values provided for precincts are only estimates, and actual production patterns may be somewhat different. Almost all crop production in the county occurs in precincts 1 and 4. Most rangeland and livestock are located in precincts 2 and 3.

Table 1. Average Cash Receipts by Commodity, 2013-2016, Victoria County, TX, \$1,000.

	Victoria Co	Precinct 1	Precinct 2	Precinct 3	Precinct 4
Total Crops:					
Corn	14,665.25	9,776.83	0.00	0.00	4,888.42
Cotton	8,171.28	5,447.52	0.00	0.00	2,723.76
Sorghum	10,676.78	7,117.85	0.00	0.00	3,558.93
Rice	2,740.28	1,826.85	0.00	0.00	913.43
Soybeans	1,232.00	821.33	0.00	0.00	410.67
Hay	1,958.75	1,305.83	0.00	0.00	652.92
Other Crops	1,742.33	1,161.55	0.00	0.00	580.78
Total Crop Receipts	41,186.65	27,457.77	0.00	0.00	13,728.88
Livestock and Livestock Products:					
Fed Beef	2,107.50	175.63	702.50	702.50	526.88
Other Beef	19,969.70	1,664.14	6,656.57	6,656.57	4,992.43
Other	219.79	18.32	73.26	73.26	54.95
Total L & LP	22,296.99	1,858.08	7,432.33	7,432.33	5,574.25
Other Ag-Related	4,027.50	335.63	1,342.50	1,342.50	1,006.88
Total Agricultural Receipts	67,511.138	29,651.47	8,774.83	8,774.83	20,310.01

Economic activity by the agriculture industry (direct effect) ripples through the county economy as firms purchase inputs and pay employees who also make regional purchases. 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 original \$67.5 million in cash receipts from farm and ranch production leads to an estimated annual economic output of \$96.9 million and more than 1,750 full- and part-time jobs across the entire Victoria County economy. This total contribution includes a \$35.6 million contribution to gross regional product and a \$13.8 million contribution to labor income across the region.³ Labor income is a component of value added, which is a component of output, so the figures in Table 2 cannot be summed. The table also shows how agriculture in each precinct contributes to the county economy.

Table 2. Average Annual Contribution of Production Agriculture to the Victoria County Economy, 2013-2016.

	Victoria Co	Precinct 1	Precinct 2	Precinct 3	Precinct 4
Output	\$96,895,728	\$44,380,890	\$11,552,150	\$11,552,150	\$29,410,539
Value Added	\$35,622,540	\$16,075,034	\$4,384,758	\$4,384,758	\$10,777,991
Labor Income	\$13,823,746	\$7,141,798	\$1,185,161	\$1,185,161	\$4,311,625
Employment	1,757.3	682.3	279.6	279.6	515.9

¹ Johnstone, Chandler, and John Robinson. 2017. Estimated Value of Agricultural Production and Related Items, 2013-2016, and 2017 Projected, State and Extension Districts. Texas A&M AgriLife Extension Service, Department of Agricultural Economics, May. <https://agecoext.tamu.edu/resources/increment-report/>.

² Google Maps. <https://www.google.com/maps/>, accessed March 20, 2018.

³ Contributions modeled using IMPLAN: IMPLAN Group, LLC. 2016 Victoria County Data and software, <http://www.implan.com/>.