

Texas produces a variety of field, nursery, and vegetable crops, alongside a diverse mix of livestock, dairy, and poultry enterprises that generate economic activity in the state, regions, and counties where these commodities are produced. Hunting, fishing, timber and other agricultural-related activities can also generate economic activity. The focus of this analysis is on the economic contribution of production agriculture in **Palo Pinto County**.

Table 1. County-Level Agricultural Receipts and Economic Contribution (2023)

<b>Commodity</b>	<b>Cash Receipts</b> <sup>1,2</sup>	<b>Economic Output (Sales)</b> <sup>4</sup>	<b>Value Added</b> <sup>4</sup>	<b>Jobs</b> <sup>4</sup>
Nursery	\$600,000	\$815,195	\$381,590	9
Hay	\$571,923	\$811,239	\$387,772	20
Other Crops	\$50,000	\$70,458	\$26,703	1
<b>Total Crops</b>	<b>\$1,221,923</b>	<b>\$1,696,892</b>	<b>\$796,066</b>	<b>30</b>
Cow Calf & Stockers	\$4,590,000	\$6,353,292	\$2,405,233	133
Other Livestock	\$292,500	\$315,817	\$262,236	6
<b>Total Livestock</b>	<b>\$4,882,500</b>	<b>\$6,669,109</b>	<b>\$2,667,469</b>	<b>139</b>
Hunting	\$2,500,000	\$3,036,535	\$1,756,403	47
Fishing	\$500,000	\$438,802	\$434,388	12
Other Ag Related	\$117,500	\$162,346	\$115,631	4
<b>Total Ag Related</b>	<b>\$3,117,500</b>	<b>\$3,637,683</b>	<b>\$2,306,422</b>	<b>62</b>
<b>Total Government Payments</b> <sup>3</sup>	<b>\$1,007,838</b>	<b>\$851,134</b>	<b>\$380,893</b>	<b>12</b>
<b>Total Effects</b>	<b>\$10,229,761</b>	<b>\$12,854,816</b>	<b>\$6,150,851</b>	<b>243</b>

<sup>1</sup> Hames, Ryan, and John Robinson. 2024. Estimated Value of Agricultural Production and Related Items, 2023, State and Extension Districts. Texas A&M AgriLife Extension Service, Department of Agricultural Economics, May 2024.

<sup>2</sup> Risk Management Agency - USDA. 2023. Annual county Crop Insurance Indemnity Payments, 2023. <https://public-rma.fpac.usda.gov/apps/SummaryOfBusiness/ReportGenerator>

<sup>3</sup> Environmental Working Group. 2022. Farm Subsidy Database. Washington D.C. Accessed data from EWG Farm Subsidy Database.

<sup>4</sup> IMPLAN model, 2022 Data, using inputs provided by the user and IMPLAN Group, LLC, IMPLAN System (2022 U.S. data and software), 16905 Northcross Drive, Suite 120, Huntersville, NC 28078. <http://www.implan.com>

Economic contribution analysis measures the gross change in economic activity associated with an industry, production agriculture at the county level in this case. Economic activity in production agriculture (direct effect) ripples through the regional economy as farms, ranches, and other agricultural-related enterprises purchase inputs (indirect effect) and pay employees who also make purchases (induced effect). Many farm and ranch production expenses are paid to local suppliers, or other suppliers in the region. Farmers and ranchers also spend part of their profits and/or wages on consumer goods - eating at local restaurants and buying groceries, fuel, utilities, and other consumer items. In turn, the employees of these businesses purchase supplies and spend wages at local or regional businesses. Money is multiplied as it circulates through the economy. Of

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course, money also leaks from the county economy as businesses and households purchase goods and services from other parts of the region, state, nation, and world. These leakages reduce the overall economic contribution of agricultural production within the county.

The total effects in Table 1 are the sum of the direct, indirect and induced effects for each of the three indicators: *economic output* (cash receipts plus gross intermediate input sales by supporting industries), *value added* (contribution to the state's Gross Domestic Product, or GDP), and *jobs* (number of full-and part-time jobs). The original economic contribution from farm and ranch production (cash receipts, which includes crop insurance proceeds) leads to *total economic output*, which supports the number of *jobs* (annually) presented in Table 1. *Value added* represents the value added in production (gross receipts less the cost of inputs) through the use of land, labor, and capital. Labor income (not shown in Table 1) is a subset of *value added* which is a component of *economic output*. The three economic indicators represent separate measures of economic contribution and thus cannot be summed.

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