

An Analysis of the Economic Impacts from the Tennessee Agricultural Enhancement Program (TAEP)



*HOW TAEP
STRENGTHENS THE
STATE'S ECONOMY
2011 Update*

*Report to the Tennessee Department of Agriculture
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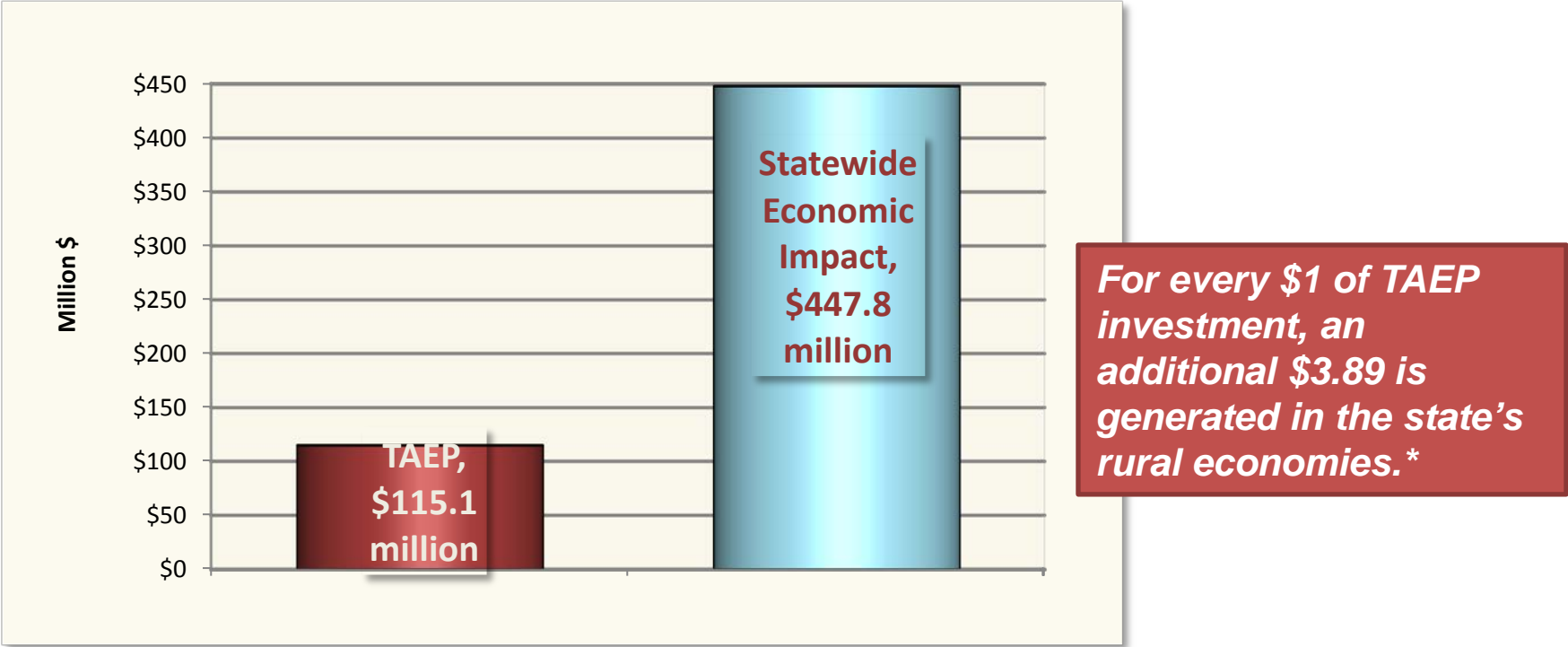
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TAEF Overview

- The Tennessee Agricultural Enhancement Program (TAEF) is designed to support agriculture in Tennessee by providing cost share funds to producers for long term investments in their livestock and farming operations.
- The purposes of these cost share programs are to help producers maximize farm profits, adapt to current market situations and prepare for the future.
- In addition, TAEF enhances the economic impacts that producers can make in their local communities.

Overall Economic Impacts to the State

Figure 1. TAEP Investment and Total Economic Impact



FY06 through FY12 (Projected)

- State investment=**\$115.1 million.**
- Overall economic impact=**\$447.8 million**
- Projected to result in **4,654 additional jobs.**

**Multiplier includes the estimated total economic impacts from both TAEP funds and producers' matching funds*

TAEF Major Program Areas

Cattle Genetics Program

Hay Storage Program

Livestock Feed Storage Program

Grain Storage Program

Producer Diversification Program

Agricultural Industry Development

Cattle Genetics Program

The Program Goals for the Cattle Genetics Program are to increase the marketability and reputation of Tennessee's cattle.

Each TAEP Dollar:

Adds \$1.71 in total economic activity

Adds \$3.99 in total economic activity when matched with producer cost share dollars

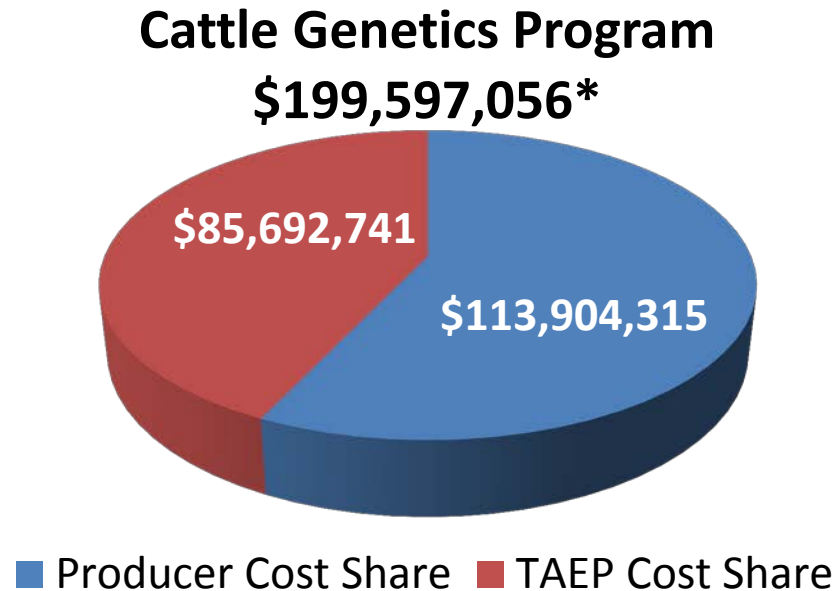
Each Million Dollars of TAEP:

Adds 16.8 jobs

Adds 39.6 jobs when matched with producer cost share dollars

Cattle Genetics Program

Figure 2. Cattle Genetics: Total Projected Economic Activity FY06-FY12



*Total value includes direct, indirect, and induced impacts from both TAEF and producer dollars invested

Cattle Genetics Program

The Top Five Industries Impacted with Jobs for the Cattle Genetics Program, 2011

Industry	NAICS*	Number of Jobs**
<i>Total Impacts</i>		
Veterinary Services	54194	58.7
Farm Machinery & Equipment Manufacturing	333111	16.8
Support Activities for Agriculture & Forestry	115	9.0
Food Services & Drinking Places	722	4.8
Wholesale Trade Businesses	42	4.8
	<i>(Remaining Industries)</i>	<u>44</u>
	Total:	138.1

*North American Industrial Classification System

** Includes both direct and multiplier effects.

Hay Storage Program

The Program Goals for the Hay Storage Program are to improve quantity and nutritional quality by using proper storage and management.

Each TAEP Dollar:

Adds \$1.82 in total economic activity

Adds \$4.76 in total economic activity when matched with producer cost share dollars

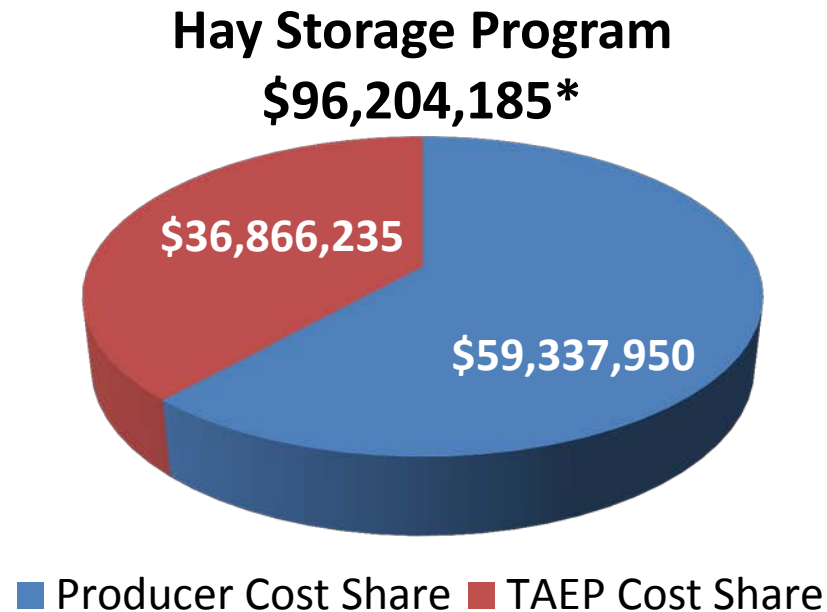
Each Million Dollars of TAEP:

Adds 15.7 jobs

Adds 41.0 jobs when matched with producer cost share dollars

Hay Storage Program

Figure 3. Hay Storage: Total Projected Economic Activity FY06-FY12



*Total value includes direct, indirect, and induced impacts from both TAEP and producer dollars invested

Hay Storage Program

The Top Five Industries Impacted with Jobs for the Hay Storage Program, 2011

Industry	NAICS*	Number of Jobs**
<i>Total Impacts</i>		
Construction of New Nonresidential Commercial/Health Care Structures	23	101.7
Architectural, Engineering, & Related Services	5413	5.7
Food Services & Drinking Places	722	5.5
Real Estate Establishments	531	3.5
Wholesale Trade Businesses	42	3.4
	<i>(Remaining Industries)</i>	<u>48.3</u>
	Total:	168.1

*North American Industrial Classification System

** Includes both direct and multiplier effects.

Livestock Feed Storage Program

The Program Goals of the Livestock Feed Storage Program are to improve long term feed storage, cost efficiency, and feed quality.

Each TAEP Dollar:

Adds \$1.77 in total economic activity

**Adds \$4.16 in total economic activity when matched with
producer cost share dollars**

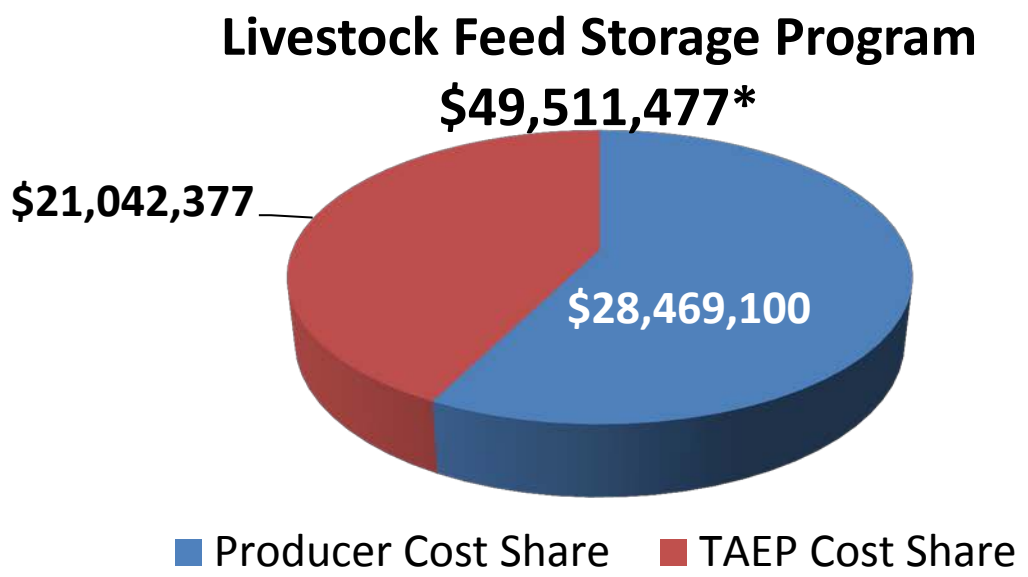
Each Million Dollars of TAEP:

Adds 13.8 jobs

**Adds 32.5 jobs when matched with producer cost share
dollars**

Livestock Feed Storage Program

Figure 4. Livestock Feed Storage: Total Projected Economic Activity FY06-FY12



*Total value includes direct, indirect, and induced impacts from both TAEP and producer dollars invested

Livestock Feed Storage Program

The Top Five Industries Impacted with Jobs for the Livestock Feed Storage Program, 2011

Industry	NAICS*	Number of Jobs**
<i>Total Impacts</i>		
Construction of New Nonresidential Commercial/Health Care Structures	23	16.0
Food Services & Drinking Places	722	1.0
Architectural, Engineering, & Related Services	5413	0.9
Farm Machinery & Equipment Manufacturing	333111	0.9
Wholesale Trade Businesses	42	0.7
	<i>(Remaining Industries)</i>	<u>9.3</u>
	Total:	28.8

*North American Industrial Classification System

** Includes both direct and multiplier effects.

Grain Storage Program

The Program Goals of the Grain Storage Program are to improve quantity, quality, and marketing through proper storage and management.

Each TAEP Dollar:

Adds \$1.82 in total economic activity

**Adds \$5.21 in total economic activity when matched with
producer cost share dollars**

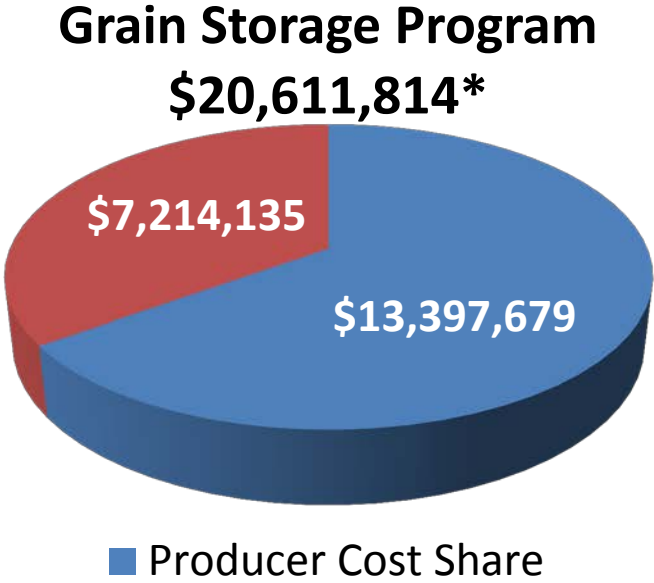
Each Million Dollars of TAEP:

Adds 15.7 jobs

**Adds 44.9 jobs when matched with producer cost share
dollars**

Grain Storage Program

Figure 5. Grain Storage: Total Projected Economic Activity FY06-FY12



*Total value includes direct, indirect, and induced impacts from both TAEP and producer dollars invested

Grain Storage Program

The Top Five Industries Impacted with Jobs for the Grain Storage Program, 2011

Industry	NAICS*	Number of Jobs**
<i>Total Impacts</i>		
Construction of New Nonresidential Commercial/Health Care Structures	23	24.3
Architectural, Engineering, & Related Services	5413	1.4
Food Services & Drinking Places	722	1.3
Real Estate Establishments	531	0.8
Wholesale Trade Businesses	42	0.8
	<i>(Remaining Industries)</i>	<u>11.5</u>
	Total:	40.1

*North American Industrial Classification System

** Includes both direct and multiplier effects.

Producer Diversification Program

The Program Goals of the Producer Diversification Program are to encourage agricultural producers to expand or improve their operations through the production of diversified agricultural products.

Each TAEP Dollar:

Adds \$1.48 in total economic activity

Adds \$3.99 in total economic activity when matched with producer cost share dollars

Each Million Dollars of TAEP:

Adds 32.2 jobs

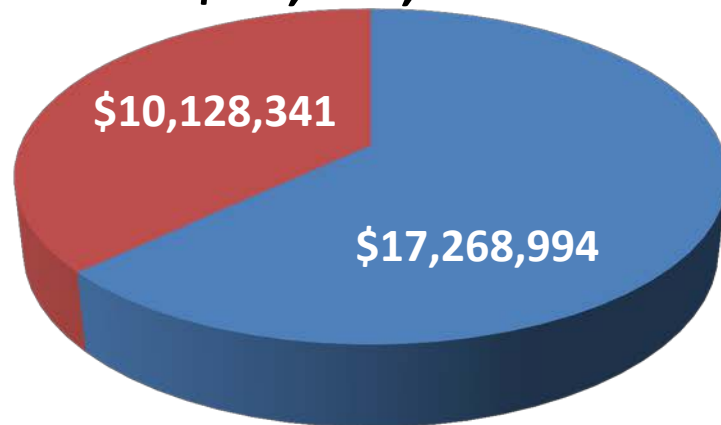
Adds 88.2 jobs when matched with producer cost share dollars

Producer Diversification Program

Figure 6. Producer Diversification: Total Projected Economic Activity FY06-FY12

Producer Diversification Program

\$27,397,335*



■ Producer Cost Share ■ TAEF Cost Share

*Total value includes direct, indirect, and induced impacts from both TAEF and producer dollars invested

Producer Diversification Program

The Top Five Industries Impacted with Jobs for the Producer Diversification Program, 2011

Industry	NAICS*	Number of Jobs**
<i>Total Impacts</i>		
	1122, 1124-5,	
Animal Production, except Cattle, Poultry, & Eggs	1129	14.4
Other Amusement & Recreation Industries	71391-3, 71399	9.5
Fruit Farming	111336, 111339	8.7
Greenhouse, Nursery, & Floriculture Production	1114	8.1
	1112, 11131-2,	
	111331-4,	
Vegetable & Melon Farming	111336, 111339	3.8
	<i>(Remaining Industries)</i>	<u>7.7</u>
	Total:	52.2

*North American Industrial Classification System

** Includes both direct and multiplier effects.

Ag Industry Development Program

TAEP's Agricultural Industry Development funding supports a variety of activities that help support industry development. They include agribusiness development, market promotion, assistance for farmers markets, fairs, community kitchens/incubators, community agricultural learning facilities, forest industry development, program administration/implementation and other activities.

Each TAEP Dollar:

Adds \$2.07 in total economic activity

Adds \$2.45 in total economic activity when matched with producer cost share dollars

Each Million Dollars of TAEP:

Adds 25.8 jobs

Adds 30.5 jobs when matched with producer cost share dollars

Ag Industry Development Program

The Top Five Industries Impacted with Jobs for the Ag Industry Development Program, 2011

Industry	NAICS*	Number of Jobs**
<i>Total Impacts</i>		
Civic, Social, Professional, & Similar Organizations	8134, 8139	47.3
Real Estate Establishments	531	2.1
Food Services & Drinking Places	722	2.0
Museums, Historical Sites, Zoos, & Parks	712	1.0
Monetary Authorities & Depository Credit Intermediation Activities	5222-3	0.9
	<i>(Remaining Industries)</i>	<u>17.0</u>
	Total:	70.3

*North American Industrial Classification System

** Includes both direct and multiplier effects.

Conclusions

- The TAEP supports agriculture and rural communities by providing cost share funds to producers to investing the farming operations.
- The TAEP not only helps farmers, but also helps provide additional jobs in rural areas.
- Through its funding history (FY06-FY12), the TAEP is projected to result in 4,654 additional jobs.
- These jobs come from a variety of industries, including agricultural related industries, but also in supporting industries, such as construction, real estate, wholesaling, and a variety of others.