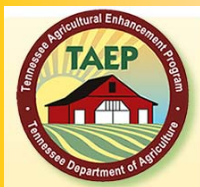


# An Analysis of the Economic Impacts from the Tennessee Agricultural Enhancement Program (TAEP)

*HOW TAEP STRENGTHENS THE STATE'S ECONOMY*



*Report to the Tennessee Department of Agriculture*

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**AIM-AG** was established in 1998 as part of the Department of Agricultural Economics, Agricultural Experiment Station. The mission of AIM-AG is to assess and project the impacts of agri-industry development on the Tennessee economy and to analyze market opportunities for **economically** efficient agri-industry development within the state.

<http://aimag.ag.utk.edu>

## Table of Contents

	Page
Overview	1
Cattle Improvement Cost Share Program	2
Hay Storage Facility Cost Share Program	4
Animal Feed Storage Cost Share Program	6
Producer Diversification Cost Share Program	8
Agricultural Industry Development	10
Appendix A	12
Methods for Projecting the Economic Impacts	12
Appendix B	14
Programs Descriptions and Analyses	14
Cattle Improvement Cost Share Program	14
Hay Storage Facility Cost Share Program	15
Animal Feed Storage Cost Share Program	17
Producer Diversification Cost Share Program	18
Agricultural Industry Development	20
TAEP Totals for Expenditures, Economic Activity, and Jobs	22



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

## HOW TAEP STRENGTHENS THE STATE'S ECONOMY



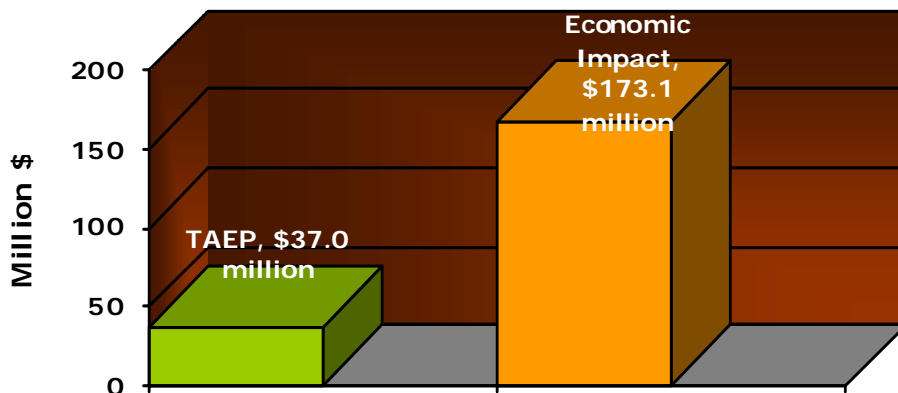
*For every \$1 of TAEP investment, an additional \$4.64 is generated in the state's rural economies.*

### Overview

The Tennessee Agricultural Enhancement Program (TAEP) is designed to support agriculture in Tennessee by providing cost share funds to producers for long term investments in their livestock and farming operations. These cost share programs help producers maximize farm profits, adapt to current market situations and prepare for the future. In addition, TAEP is also allowing producers to make positive economic impacts in their communities. The TAEP is funded through an appropriation for farm developments in the state's budget as proposed by Governor Phil Bredesen and supported by the Tennessee General Assembly.

- For fiscal years FY06 through FY08, state investment in the TAEP program totaled \$37.0 million (\$37.3 million)\*.
- The overall economic impact from the TAEP on the state's economy was \$173.1 million from FY06 through FY08.
- In total, over FY06 through FY08, the TAEP was projected to result in 2,150 additional jobs.

**Figure 1. TAEP Investment and Total Economic Impact**

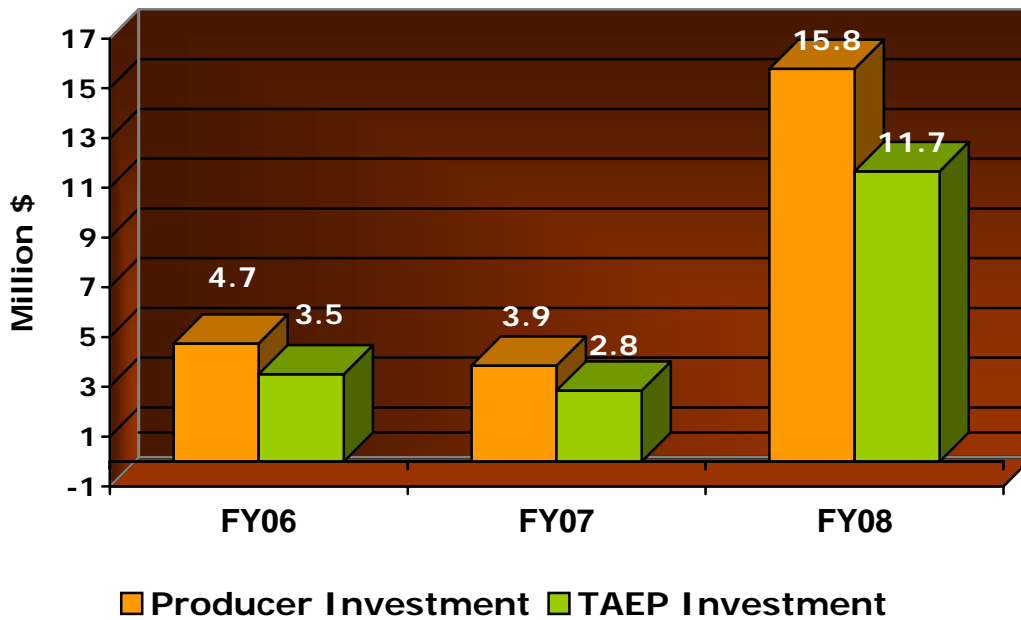


\*All dollar values in the document are adjusted into 2007 dollars.

## A. Cattle Improvement Cost Share Program

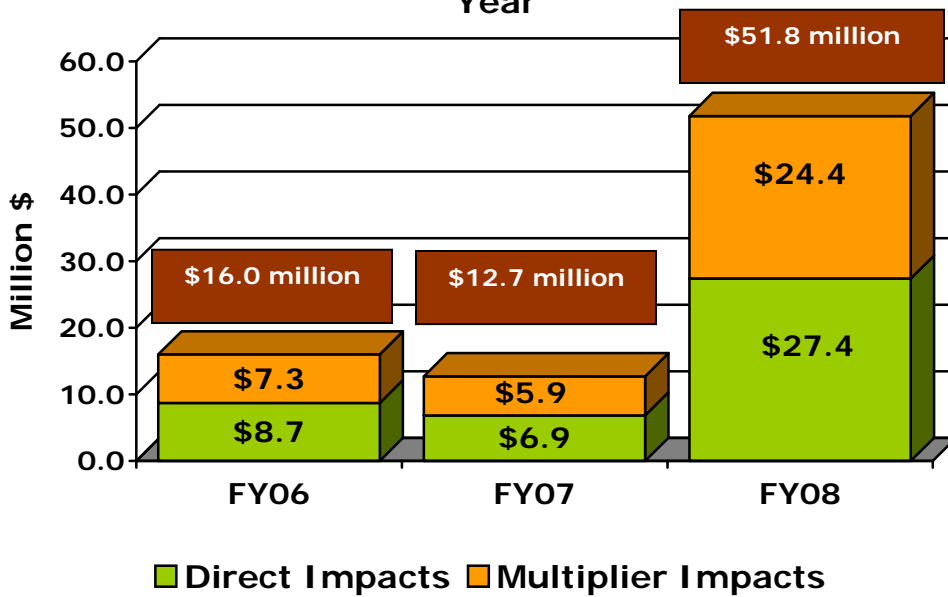
The purpose of this program is to provide cost share incentive to improve livestock management capabilities, increase the marketability and reputation of Tennessee livestock. Cost share activities include cattle genetics and livestock handling facilities.

Figure 2. Cattle Improvement Cost Share Program: Producer and TAEP Investment

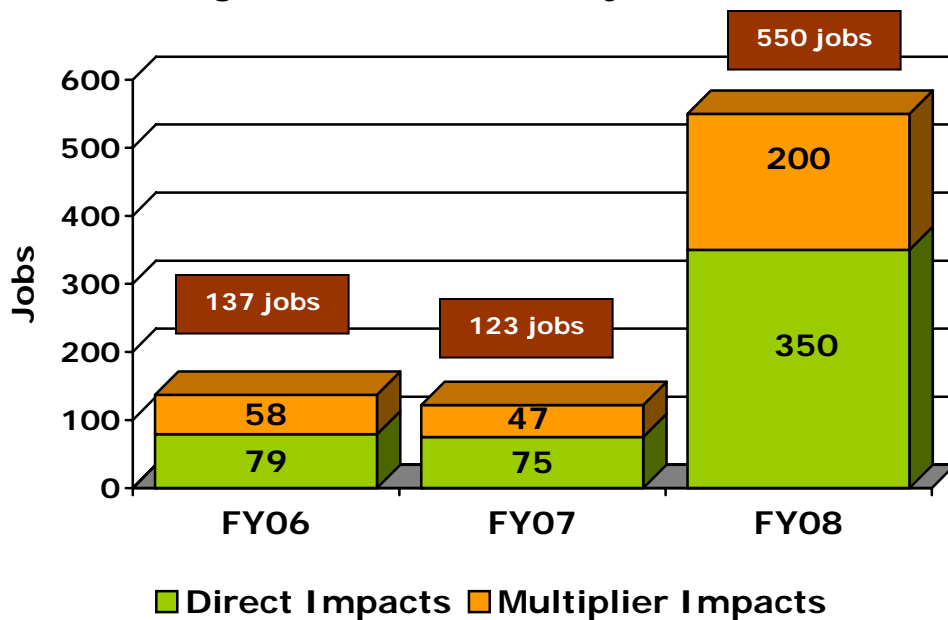


- \$18.2 million invested in **Cattle Improvement** generate \$80.5 million of economic activity
- Total dollars invested in **Cattle Improvement** generate 810 jobs

**Figure 3. Cattle Improvement Cost Share Program: Economic Activity by Fiscal Year**



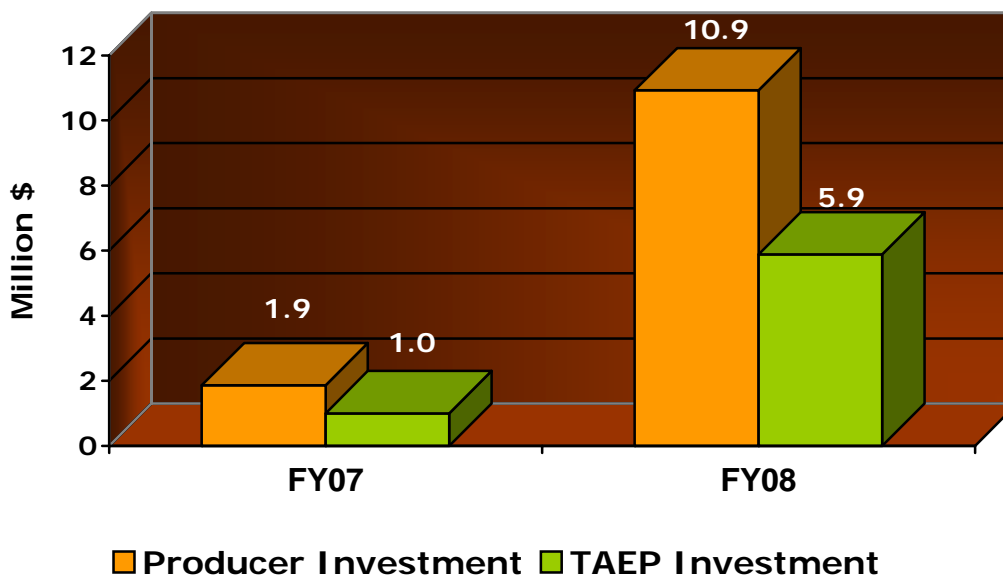
**Figure 4. Cattle Improvement Cost Share Program: Jobs Created by Fiscal Year**



## B. Hay Storage Facility Cost Share Program

The purpose of this program is to improve quantity and nutritional quality of hay by using proper storage and management practices. Cost share activities included construction of new permanent hay storage facilities or the addition of new hay storage sheds to existing structures.

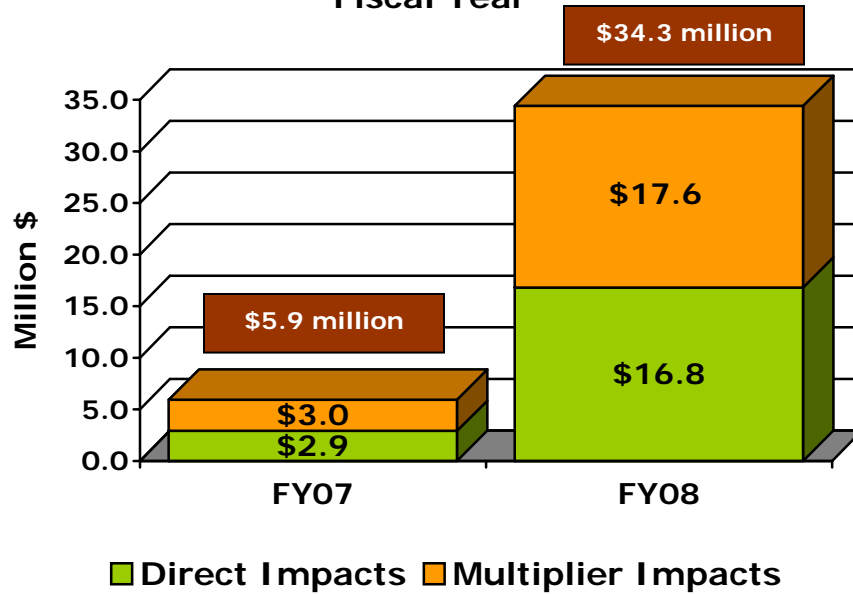
Figure 5. Hay Storage Facility Cost Share Program: Producer and TAEP Investment



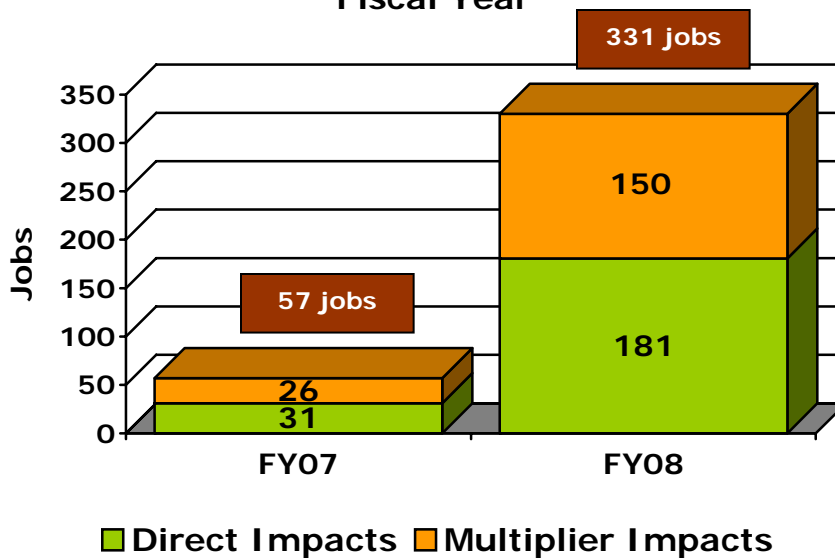
- \$6.9 million dollars invested in **Hay Storage** generate \$40.2 million of economic activity
- Total dollars invested in **Hay Storage** generate 388 jobs



**Figure 6. Hay Storage Facility Cost Share Program: Economic Activity by Fiscal Year**



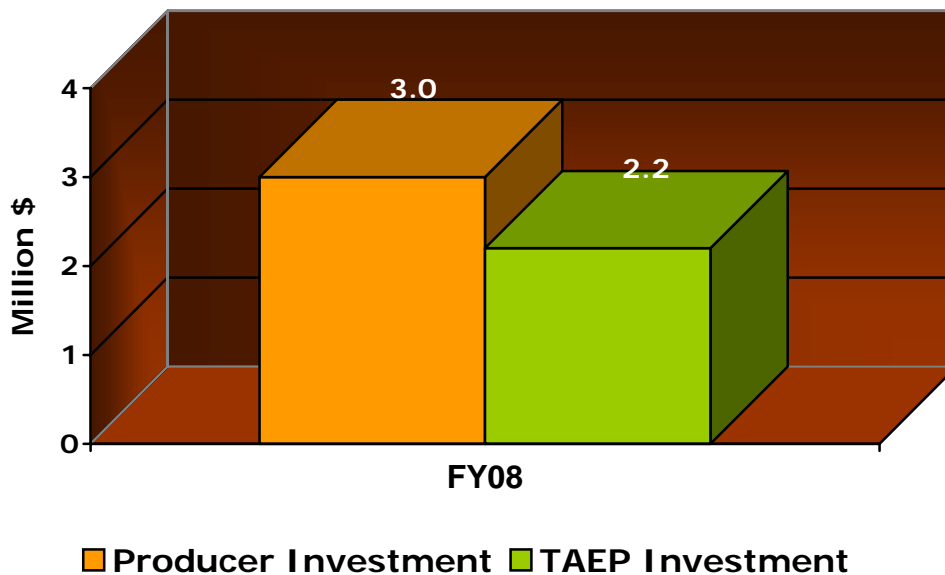
**Figure 7. Hay Storage Facility Cost Share Program: Jobs Created by Fiscal Year**



## C. Animal Feed Storage Cost Share Program

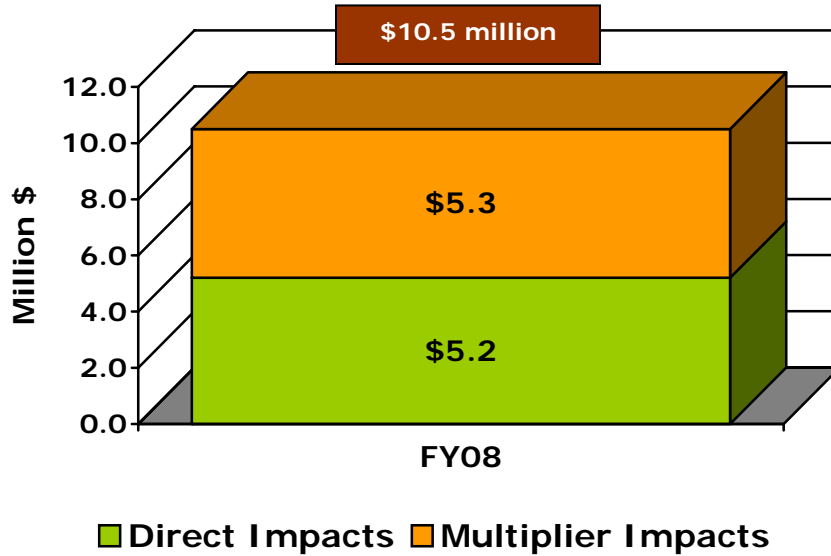
The purpose of this program is to provide producers with a cost share incentive for on farm storing and distributing feed that is necessary to their beef cattle, poultry, and swine operations. This cost share includes purchase/construction of feed bins, mixer wagons, grinder/mixers, silos, commodity baggers and commodity sheds.

Figure 8. Animal Feed Storage Cost Share Program: Producer and TAEP Investment

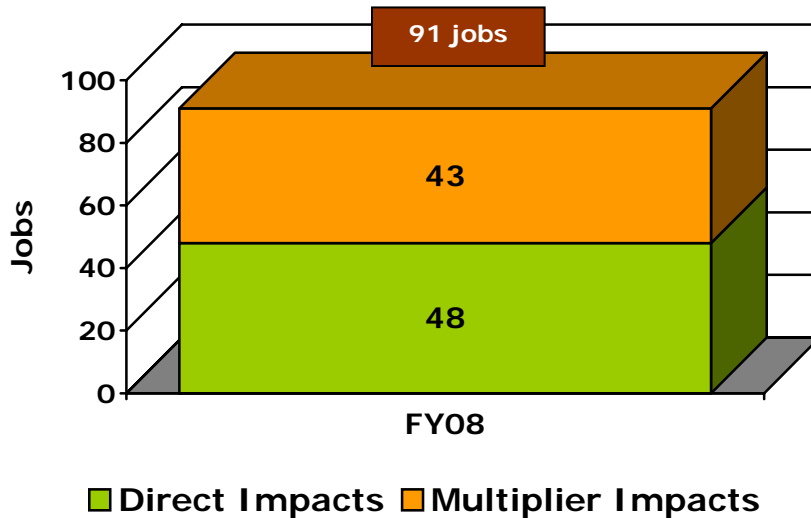


- \$2.2 million invested in **Animal Feed Storage** generate \$10.5 million of economic activity
- Total dollars invested in **Animal Feed Storage** generate 91 jobs

**Figure 9. Animal Feed Storage Facility Cost Share Program: Economic Activity by Fiscal Year**



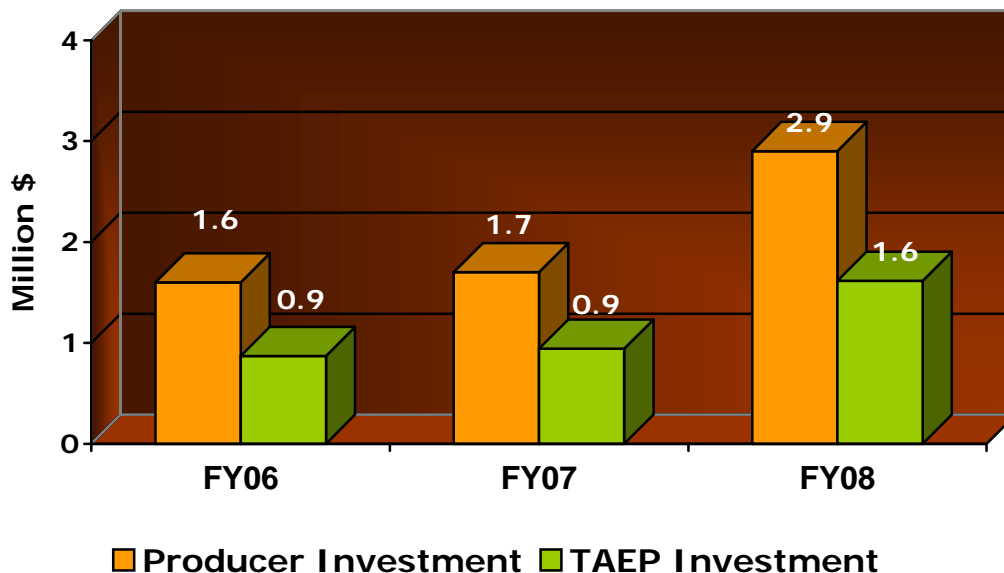
**Figure 10. Animal Feed Storage Facility Cost Share Program: Jobs Created by Fiscal Year**



## D. Producer Diversification Cost Share Program

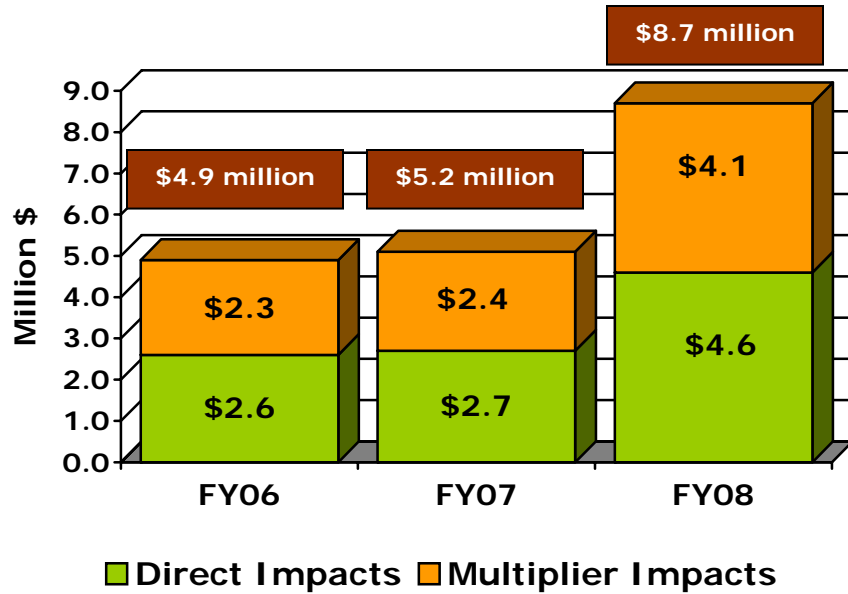
The purpose of this program is to provide producers with cost share incentive to expand or improve their operations through the production of diversified agricultural products, which are defined as: agritourism, aquaculture, bees, fruits & vegetables, goats & sheep, horticulture, organics, value-added products, and viticulture. Cost share includes installation of farm infrastructure, purchase of specialty equipment, and marketing activities.

Figure 11. Producer Diversification: Producer and TAEF Investment

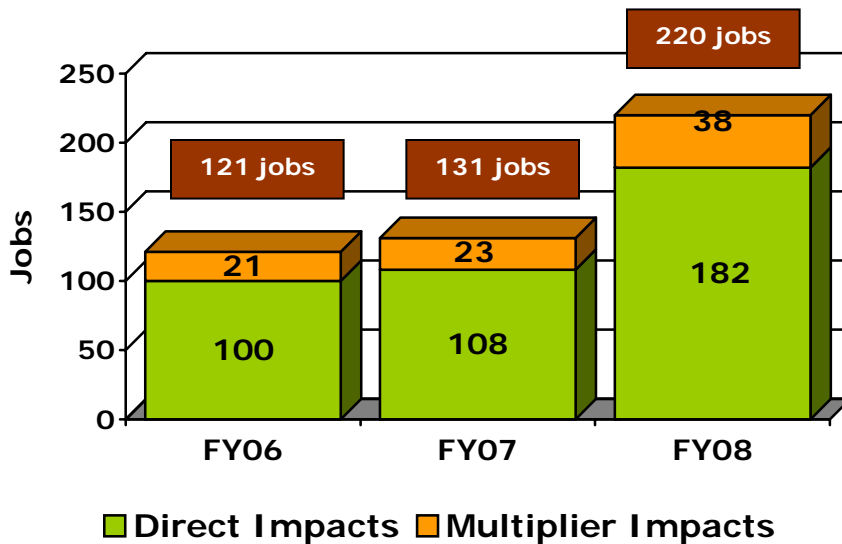


- \$3.5 million invested in **Producer Diversification** generate \$18.8 million of economic activity
- Total dollars invested in **Producer Diversification** generate 472 jobs

**Figure 12. Producer Diversification:  
Economic Activity by Fiscal Year**



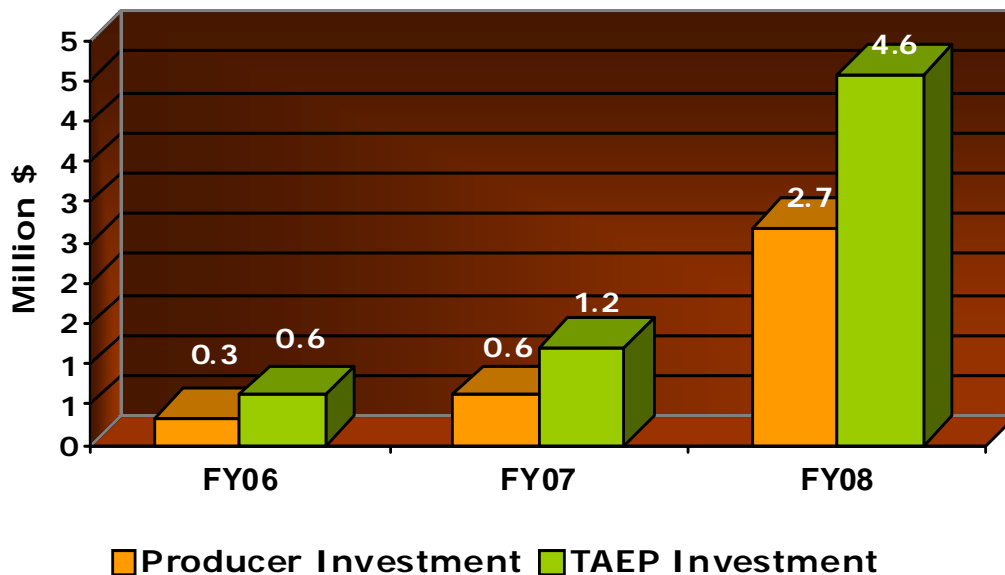
**Figure 13. Producer Diversification:  
Jobs Created by Fiscal Year**



## E. Agricultural Industry Development

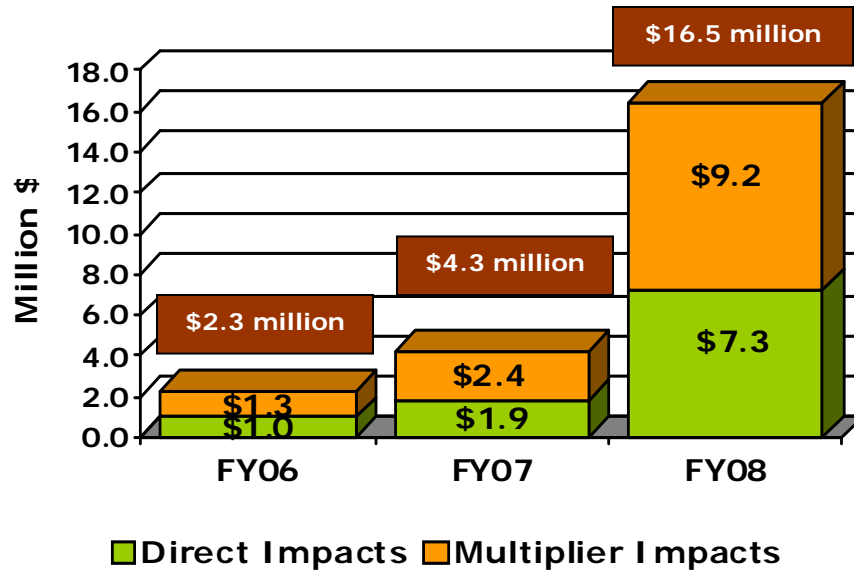
TAEP funding supports a variety of activities including agribusiness development, market promotion, farmers markets, fairs, community kitchens/incubators, community agricultural learning facilities, forest industry development, program administration & implementation and other activities.

Figure 14. Agricultural Industry Development: Producer and TAEP Investment

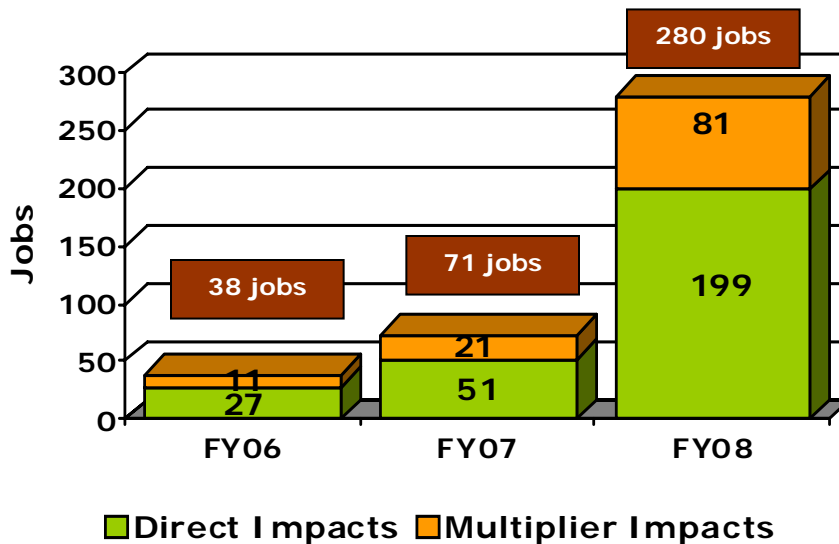


- \$6.4 million invested in **Agricultural Industry Development** generate \$23.1 million of economic activity
- Total dollars invested in **Agricultural Industry Development** generate 390 jobs

**Figure 15. Agricultural Industry Development: Economic Activity by Fiscal Year**



**Figure 16. Agricultural Industry Development: Jobs Created by Fiscal Year**



## **Appendix A**

### **Methods for Projecting the Economic Impacts**

The Tennessee Department of Agriculture provided budget information to AIM-AG for this analysis. This information includes total TAEP budget allocations for the first three fiscal years of the TAEP. Budgets for the three years were consolidated into five general groupings (cattle, hay storage, animal feed, producer diversification and a broad category entitled agricultural industry development). These groupings were established to simplify the analysis. Fiscal year budgets were based on dollar allocations of each grouping at the start of each fiscal year. Conditions during the year may have caused changes to be made in expenditures per category. Department of Agriculture staff also provided estimates as to the share of producer funding within each grouping. Since producers tend to spend more than the minimum cost share match, these estimates are considered very conservative.

To project the economic impacts of the TDA expenditures on the Agricultural Enhancement and Market Development Programs, program expenditures were used along with IMPLAN, an economic input-output model. The fundamental purpose of the input-output framework is to analyze the interdependence of industries in an economy through market based transactions. Output from the model includes descriptive measures of the economy including total industry output (i.e., economic activity), employment, and value-added for over 500 industries in the Tennessee economy. The change in total industry output is defined as the value of production by industry per year added to the state's economy as a result of the impact analyzed. Employment in IMPLAN represents total wage and salary employees, as well as self-employed jobs in a region, for both full-time and part-time workers. Therefore, changes in employment represent changes in the number of full- and part time workers. Total value added is defined as all income to worker paid by employers; self-employed income; interests, rents, royalties, dividends, and profit payments; and excise and sales taxes paid by individuals to businesses. The model also can be used for predictive purposes by providing estimates of multipliers.

Multipliers measure the response of the economy to a change in demand or production. Multiplier analysis generally focuses on the effects of exogenous changes on: a) output of the sectors in the economy, b) income earned by households because of the new outputs, and c) employment (in physical terms) that is expected to be generated because of the new outputs.



- Direct effects are the immediate effects associated with the change in the final demand for a particular industry. For example, an increase in the final demand for cotton of \$10 million will cause the farm sector to produce \$10 million worth of cotton.
- Indirect effects are the secondary effects or production changes in backward-linked industries caused when inputs needs change due to the impact of directly affected industry. Thus, following our last example, \$10 million worth of cotton will require for the fertilizer industry to produce an additional \$1 million worth in fertilizer, \$0.2 million in seeds, \$0.5 million in pesticides, etc.
- Induced effects represent the response by all local industries caused by increased expenditures of new household income and inter-institutional transfers generated from the direct and indirect effects of the change in final demand for a specific industry.
- Total effects include Direct + Indirect + Induced. Results are presented as Direct + Multiplier effects where Multiplier = Indirect + Induced.

The producer share of investment dollars is also included in projecting the total industry output (i.e., economic activity) and job effects, since these dollars were invested as a result of TAEP. All dollar values in the document are adjusted into \$2007.

## Appendix B Program Descriptions and Analyses

### *Cattle Improvement Cost Share Program*

The purpose of the Cattle Improvement cost share program is to improve livestock management capabilities, increase the marketability and reputation of Tennessee livestock. Cost share activities include cattle genetics and livestock handling facilities. Included in the initiative is to improve and enhance the state's animal diagnostics capabilities in order to improve domestic and foreign animal disease diagnosis and prevention.

In conjunction with the Cattle Improvement, cost sharing of cattle handling equipment provides incentives for cattle handling facilities to be upgraded affording a facility that is safer for the animal and the operator. Cost share funds are available to Tennessee Chartered Livestock Markets for cattle handling equipment, computers and software. Veterinarians can also apply for cost share grants for purchase of cattle handling equipment, radio frequency readers (scanners), and computers and software. Expenditures on the Cattle Improvement are shown in Table B.1.

Table B.1. Cattle Improvement.<sup>a</sup>

	FY06		FY07		FY08	
	TAEP	Producers	TAEP	Producers	TAEP	Producers
Genetics	\$1,037,000	\$1,403,000				
Equipment	\$1,803,675	\$2,440,266	\$2,190,598	\$2,963,750	\$8,600,000	\$11,635,294
Animal Health/TLN	\$177,825	\$240,587	\$264,000	\$357,176	\$1,355,000	\$1,833,235
Animal Diagnostics	\$375,000	\$507,353	\$76,000	\$102,824	\$312,000	\$422,118
Vet Program					\$100,000	\$135,294
Dairy	\$63,000	\$85,235	\$240,152	\$324,912	\$900,000	\$1,217,647
Master Beef			\$35,000	\$47,353	\$250,000	\$338,235
Master Goat					\$50,000	\$67,647
Milk Quality					\$25,200	\$34,094
Agribition			\$12,500	\$16,912	\$12,500	\$16,912
UT Cattle Evaluation	\$50,000	\$67,647	\$27,750	\$37,544	\$12,250	\$16,574
Beef Quality Assurance					\$50,000	\$67,647
Producer's Share (57.5%)		\$4,744,088		\$3,850,471		\$15,784,697
TAEP's Share (42.5%)	\$3,506,500		\$2,846,000		\$11,666,950	
<i>Total</i>	<b>\$8,250,588</b>		<b>\$6,696,471</b>		<b>\$27,451,647</b>	

<sup>a</sup> Data provided by the Tennessee Department of Agriculture.

For FY06, a total of \$8,250,588 was invested in the Cattle Improvement (producers share \$4,744,088; TAEP's share \$3,506,500). By FY08 a total of \$27,451,647 was invested (producers share \$15,784,697; TAEP's share \$11,666,950). Investment dollars for this program were either assigned to IMPLAN Sector 18 Agriculture and Forestry Support Activities, Sector 257

Farm Machinery and Equipment Manufacturing, Sector 449 Veterinary Services, and 474 Trade Show Promotions. The projected economic impacts are presented in Table B.2.

Table B.2. Projected Economic Impacts Resulting from TAEP Cost Share for the Cattle Improvement in \$2007.

	Direct	Indirect	Induced	Total
<b><i>From Producer Investment in FY06</i></b>				
Economic Activity	\$5,012,353	\$1,769,004	\$2,435,456	\$9,216,813
Jobs	45.6	11.6	21.7	78.9
Total Value Added	\$1,486,953	\$880,031	\$1,426,862	\$3,793,846
<b><i>From TAEP Investment in FY06</i></b>				
Economic Activity	\$3,704,782	\$1,307,524	\$1,800,120	\$6,812,426
Jobs	33.7	8.6	16.1	58.4
Total Value Added	\$1,099,053	\$650,458	\$1,054,637	\$2,804,148
<b><i>From Producer Investment in FY07</i></b>				
Economic Activity	\$3,938,007	\$1,331,020	\$2,038,475	\$7,307,502
Jobs	43.5	9.1	18.1	70.7
Total Value Added	\$1,285,541	\$661,868	\$1,194,612	\$3,142,021
<b><i>From TAEP Investment in FY07</i></b>				
Economic Activity	\$2,910,613	\$985,299	\$1,504,246	\$5,400,158
Jobs	31.9	6.7	13.4	52.0
Total Value Added	\$950,076	\$490,159	\$881,437	\$2,321,672
<b><i>From Producer Investment in FY08</i></b>				
Economic Activity	\$15,784,697	\$5,184,752	\$9,135,925	\$30,105,374
Jobs	217.8	36.8	81.5	336.1
Total Value Added	\$5,748,782	\$2,599,783	\$5,373,540	\$13,722,105
<b><i>From TAEP Investment in FY08</i></b>				
Economic Activity	\$11,666,950	\$3,932,540	\$6,110,594	\$21,710,084
Jobs	132.1	27.0	54.4	213.5
Total Value Added	\$3,854,629	\$1,957,277	\$3,582,365	\$9,394,271

### *Hay Storage Facility Cost Share Program*

The program provides cost share funds for producers to install hay storage facilities. Eligible costs include construction of new permanent hay storage facilities or the addition of new hay storage sheds to existing structures. Producers can apply for reimbursement of 35% cost share, up to a maximum of \$3,500 per producer per program year. Table B.3 shows the program expenditures.

Table B.3. Hay Storage Facility Cost Share Program Expenditures.<sup>a</sup>

	FY07	FY08
<b>Program</b>	<b>\$2,857,143</b>	<b>\$16,807,079</b>
Producer's Share (65%)	\$1,857,143	\$10,924,601
TAEP's Share (35%)	\$1,000,000	\$5,882,478

<sup>a</sup> Data provided by the Tennessee Department of Agriculture.

The economic impacts from the Hay Storage Facility Cost Share Program were projected by impacting Sector 38-Commercial and Institutional Buildings (includes farm building construction) in IMPLAN. This sector was selected because it encompasses construction of new farm structures which would include installation of new hay facilities. The producers share for FY07 (\$1,857,143) and FY08 (\$10,924,601) were used to project the economic impacts from the payments that resulted in new or additions to farm structures. To project the economic impacts from the TAEP, IMPLAN Sector 38 was impacted by \$1,000,000 for FY07 and \$5,882,478 for FY08. The projected economic impacts are shown in Table B.4.

Table B.4. Projected Economic Impacts from Hay Storage Facility Cost Share Program in \$2007.

Program	Direct	Indirect	Induced	Total
<b>From Producer Investment in FY07</b>				
Economic Activity	\$1,887,264	\$641,860	\$1,332,365	\$3,861,489
Jobs	20.3	5.1	11.7	37.1
Total Value Added	\$934,531	\$331,876	\$777,513	\$2,043,920
<b>From TAEP Investment in FY07</b>				
Economic Activity	\$1,016,219	\$345,617	\$717,427	\$2,079,263
Jobs	10.9	2.7	6.3	19.9
Total Value Added	\$503,209	\$178,702	\$418,661	\$1,100,572
<b>From Producer Investment in FY08</b>				
Economic Activity	\$10,924,604	\$3,715,467	\$7,712,516	\$22,352,587
Jobs	117.3	29.4	68.0	214.7
Total Value Added	\$5,409,617	\$1,921,094	\$4,500,705	\$11,831,416
<b>From TAEP Investment in FY08</b>				
Economic Activity	\$5,882,478	\$2,000,636	\$4,152,893	\$12,036,007
Jobs	63.2	15.8	36.6	115.6
Total Value Added	\$2,912,871	\$1,034,435	\$2,423,456	\$6,370,762

### *Animal Feed Storage Cost Share Program*

The purpose of this program is to increase farm income in Tennessee by providing Tennessee producers with a cost share incentive for on farm storing and distributing feed that is necessary to their beef cattle, poultry, and swine operations. Eligible costs include purchase/construction of feed bins, mixer wagons, grinder/mixers, silos, commodity baggers and commodity sheds. A producer can apply for reimbursement of 35% cost share, up to the maximum of \$3,500. By completing UT Extension's Master Beef Producer Program a producer can apply for a reimbursement of 50% cost share, up to the maximum of \$15,000. Information about program expenditures is shown in Table B.5.

Table B.5. Animal Feed Storage Cost Share Program.<sup>a</sup>

	FY08
<b>Program</b>	<b>\$5,287,059</b>
Producer's Share (57.5%)	\$3,040,059
TAEP's Share (42.5%)	\$2,247,000

<sup>a</sup> Data provided by the Tennessee Department of Agriculture.

The economic impacts from the Animal Feed Storage Cost Share Program were projected by impacting IMPLAN Sector 38-Commercial and Institutional Buildings (includes farm building construction) and Sector 257-Farm Machinery and Equipment Manufacturing. The producers share for FY08 was \$3,040,059, while the states share total invested in projects was \$2,247,000. These amounts were used to impact Sector 38 and Sector 257. The impacts were allocated 80% to Sector 38 and 20% to Sector 257. The projected economic impacts are displayed in Table B.6.

Table B.6. Projected Economic Impacts from Animal Feed Storage Cost Share Program in \$2007.

Program	Direct	Indirect	Induced	Total
<b>From Producer Investment in FY08</b>				
Economic Activity	\$3,040,059	\$1,057,814	\$1,925,292	\$6,023,165
Jobs	27.6	7.9	17.0	52.5
Total Value Added	\$1,328,598	\$540,693	\$1,122,349	\$2,991,640
<b>From TAEP Investment in FY08</b>				
Economic Activity	\$2,247,000	\$781,862	\$1,423,042	\$4,451,904
Jobs	20.4	5.9	12.5	38.8
Total Value Added	\$982,007	\$399,642	\$829,563	\$2,211,212

### *Producer Diversification Cost Share Program*

The purpose of this program is to increase farm income in Tennessee by encouraging producers to expand and improve their operations through production of diversified agricultural products. This goal will be achieved by providing cost share funds for farmers to install farm infrastructure, purchase specialty equipment and market their diversified farm products. Diversified agricultural products include agritourism, aquaculture, bees, fruits & vegetables, goats & sheep, horticulture, organics, value-added products, viticulture, and others as approved by the Tennessee Department of Agriculture. Producers can apply for reimbursement of 35% cost share, up to the maximum, for activities or items within three funding categories. The maximum cost share available per producer is \$10,000 per fiscal year in any given year. Producers meeting special requirements in the priority areas of Agritourism, Goats & Sheep, Organics, and Viticulture are eligible for reimbursement of 50% cost share, up to a maximum of \$15,000 per fiscal year. Information about TAEP expenditures on the program is shown in Table B.7.

Table B.7. Producer Diversification.<sup>a</sup>

	FY06	FY07	FY08
<b>Program</b>	<b>\$2,507,143</b>	<b>\$2,694,286</b>	<b>\$4,614,286</b>
Producer's Share (65%)	\$1,629,643	\$1,751,286	\$2,999,286
TAEP's Share (35%)	\$877,500	\$943,000	\$1,615,000

<sup>a</sup> Data provided by the Tennessee Department of Agriculture.

Proposed activities for cost share must demonstrate significant potential for increasing farm income through the improvement or expansion of farm or agri-business operations involving the production of diversified agricultural products. Cost share may be for farm infrastructure, marketing, or specialty equipment.

The economic impacts from the cost share through Producer Diversification Program are assumed to result from additional sales or new product sales that might result from the cost sharing. The impacts were projected by impacting the agricultural sectors into which cost shares were made through the Producer Diversification Program. Table B.8 shows the total amount invested by projects. The percent of requested funds by type of firm was multiplied by the total to get a projected amount invested and cost sharing for each type of firm. The IMPLAN sector to which each dollar amount was assigned is also shown in the table. The projected economic impacts are presented in Table B.9.

Table B.8. Estimated Total Investment and Cost-Share Amounts by Type of Firm.<sup>a</sup>

	IMPLAN Sector Impacted	FY06		FY07		FY08	
		Estimated Total Paid by:		Estimated Total Paid by:		Estimated Total Paid by:	
		TAEP	Producers	TAEP	Producers	TAEP	Producers
Agritourism	Sector 478 (Other amusement)	\$147,272	\$273,504	\$158,265	\$293,920	\$271,047	\$503,373
Aquaculture	Sector 13 (Animal production-except cattle & poultry)	\$9,447	\$17,545	\$10,152	\$18,854	\$17,387	\$32,290
Bees & Honey	Sector 13 (Animal production-except cattle & poultry)	\$9,719	\$18,050	\$10,445	\$19,398	\$17,888	\$33,221
Fruits & Vegetables	Sector 5 (Fruit farming); Sector 3— (Vegetable farming)	\$116,326	\$216,033	\$125,009	\$232,159	\$214,092	\$397,600
Horticulture	Sector 6 (Greenhouse & Nursery)	\$242,388	\$450,149	\$260,481	\$483,750	\$446,105	\$828,480
Organic	Sector 5 (Fruit farming); Sector 3 (Vegetable farming)	\$49,349	\$91,647	\$53,032	\$98,488	\$90,824	\$168,673
Specialty Livestock	Sector 13 (Animal production-except cattle & poultry)	\$99,592	\$184,956	\$107,025	\$198,762	\$183,295	\$340,403
Value-Added Products	Sector 61 (Fruit & Vegetable Canning, Pickling, & Drying)	\$51,407	\$95,470	\$55,244	\$102,596	\$94,612	\$175,708
Viticulture	Sector 5 (Fruit farming)	\$152,001	\$282,288	\$163,347	\$303,359	\$279,751	\$519,538
	<b>Totals</b>	<b>\$877,500</b>	<b>\$1,629,643</b>	<b>\$943,000</b>	<b>\$1,751,286</b>	<b>\$1,615,000</b>	<b>\$2,999,286</b>

<sup>a</sup> Totals may not add due to rounding.

Table B.9. Projected Economic Impacts from Producer Diversification Program in \$2007.

Program	Direct	Indirect	Induced	Total
<b><i>From Producer Investment in FY06</i></b>				
Economic Activity	\$1,670,265	\$478,205	\$1,008,989	\$3,157,459
Jobs	65.2	4.8	9.0	79.0
Total Value Added	\$929,164	\$244,746	\$581,305	\$1,755,215
<b><i>From TAEP Investment in FY06</i></b>				
Economic Activity	\$899,374	\$257,495	\$543,302	\$1,700,171
Jobs	35.1	2.6	4.8	42.5
Total Value Added	\$500,320	\$131,786	\$313,010	\$945,116
<b><i>From Producer Investment in FY07</i></b>				
Economic Activity	\$1,774,925	\$510,194	\$1,069,976	\$3,355,095
Jobs	70	5.2	9.5	84.7
Total Value Added	\$982,769	\$260,889	\$616,530	\$1,860,188
<b><i>From TAEP Investment in FY07</i></b>				
Economic Activity	\$955,728	\$274,719	\$576,141	\$1,806,588
Jobs	37.7	2.8	5.1	45.6
Total Value Added	\$529,184	\$140,478	\$331,978	\$1,001,640
<b><i>From Producer Investment in FY08</i></b>				
Economic Activity	\$2,999,286	\$861,564	\$1,808,222	\$5,669,072
Jobs	118.4	8.7	16.0	143.1
Total Value Added	\$1,661,354	\$440,527	\$1,041,893	\$3,143,774
<b><i>From TAEP Investment in FY08</i></b>				
Economic Activity	\$1,615,000	\$463,919	\$973,658	\$3,052,577
Jobs	63.8	4.7	8.6	77.1
Total Value Added	\$894,575	\$237,207	\$561,019	\$1,692,801

### *Agricultural Industry Development*

The aim of the market development program is to increase farm income by maximizing economic opportunities for Tennessee farmers and agribusinesses through innovative and effective marketing and promotional services. Programs offered are influenced by working directly with and assessing current needs and priorities of farmers, agribusinesses, commodity organizations and consumers. Programs reflect the diversity of Tennessee agriculture and the multi-level, changing marketplace. Table B.10 shows the total amount invested by projects. The cost-share percent by requested funds (i.e., 50% cost-share by TAEP and producer (programs with an asterisk) otherwise 100% TAEP) is outlined in the table. In FY06, a total of \$957,000 was invested in the Agricultural Industry Development Program. By FY08 a total of \$7,281,444 was invested. The projected economic impacts are presented in Table B.11.



Table B.10. Agricultural Industry Development Programs.<sup>a</sup>

	FY06		FY07		FY08	
	TAEP	Producers	TAEP	Producers	TAEP	Producers
Commodity Association Grants*	\$116,000	\$116,000	\$115,000	\$115,000	\$150,000	\$150,000
Agribusiness Development*	\$100,000	\$100,000	\$275,000	\$275,000	\$98,000	\$98,000
Market Development Operating	\$70,000		\$113,000		\$1,010,700	
Market Development Promotions	\$20,000		\$115,000		\$170,000	
Viticulture TFWA	\$110,000		\$148,000		\$75,000	
Agritourism	\$75,000		\$115,000		\$90,000	
Water Resources					\$450,000	
Forest Industry Development*					\$770,000	\$770,000
Fairs*	\$25,000	\$25,000	\$30,000	\$30,000	\$367,092	\$367,092
Farmers Markets*	\$100,000	\$100,000	\$200,000	\$200,000	\$489,780	\$489,780
Community Ag Learning*					\$668,000	\$668,000
Community Kitchen/Incubators*			\$75,000		\$150,000	\$150,000
Land Trust			\$25,000		\$100,000	
*Producer's Share (50.0%)		\$341,000		\$620,000		\$2,692,872
*TAEP's Share (50.0%)	\$616,000		\$1,211,000		\$4,588,572	
<b>Total</b>	<b>\$957,000</b>		<b>\$1,831,000</b>		<b>\$7,281,444</b>	

<sup>a</sup> Data provided by the Tennessee Department of Agriculture.

Table B.11. Projected Economic Impacts Resulting from TAEP for Agricultural Industry Development in \$2007.

Program	Direct	Indirect	Induced	Total
<b>From Producer Investment in FY06</b>				
Economic Activity	\$353,268	\$133,809	\$315,577	\$802,654
Jobs	9.7	1.1	2.8	13.6
Total Value Added	\$186,694	\$78,180	\$186,224	\$451,098
<b>From TAEP Investment in FY06</b>				
Economic Activity	\$638,161	\$241,719	\$570,075	\$1,449,955
Jobs	17.6	2.0	5.0	24.6
Total Value Added	\$337,254	\$141,229	\$336,404	\$814,887
<b>From Producer Investment in FY07</b>				
Economic Activity	\$623,389	\$238,018	\$561,346	\$1,422,753
Jobs	17.3	2.0	5.0	24.3
Total Value Added	\$332,090	\$139,066	\$331,253	\$802,409
<b>From TAEP Investment in FY07</b>				
Economic Activity	\$1,227,497	\$465,364	\$1,096,071	\$2,788,932
Jobs	33.4	3.9	9.7	47.0
Total Value Added	\$648,491	\$271,846	\$646,782	\$1,567,119
<b>From Producer Investment in FY08</b>				
Economic Activity	\$2,692,872	\$1,019,992	\$2,405,567	\$6,118,431
Jobs	74.1	8.6	21.3	104.0
Total Value Added	\$1,423,124	\$595,948	\$1,419,539	\$3,438,611
<b>From TAEP Investment in FY08</b>				
Economic Activity	\$4,588,572	\$1,739,683	\$4,097,192	\$10,425,447
Jobs	125.0	14.7	36.3	176.0
Total Value Added	\$2,424,119	\$1,016,238	\$2,417,716	\$5,858,073

*TAEP Totals for Expenditures, Economic Activity, and Jobs*

In Appendix Table B.12, the program expenditures for FY06 through FY08 are listed along with the cost share dollars from producers that resulted because of the program. Appendix Table B.13 presents the total economic impacts of the programs on Tennessee's economy.

Table B.12. TAEP Program Totals

Program	FY06	FY07	FY08	Totals
<b><i>Producer Cost Share</i></b>				
Cattle Improvement	\$4,744,088	\$3,850,471	\$15,784,697	\$24,379,256
Hay Storage		\$1,857,143	\$10,924,601	\$12,781,744
Animal Feed Storage			\$3,040,059	\$3,049,059
Producer Diversification	\$1,629,643	\$1,751,286	\$2,999,286	\$6,380,215
<b><i>Agricultural Industry Development</i></b>	\$341,000	\$620,000	\$2,692,872	<u>\$3,653,872</u>
			<b>TOTAL</b>	<b>\$50,244,146</b>
<b><i>TAEP Cost Share</i></b>				
Cattle Improvement	\$3,506,500	\$2,846,000	\$11,666,950	\$18,019,450
Hay Storage		\$1,000,000	\$5,882,478	\$6,882,478
Animal Feed Storage			\$2,247,000	\$2,247,000
Producer Diversification	\$877,500	\$943,000	\$1,615,000	\$3,435,500
<b><i>Agricultural Industry Development</i></b>	\$616,000	\$1,211,000	\$4,588,572	<u>\$6,415,572</u>
			<b>TOTAL</b>	<b>\$37,000,000</b>

Table B.13. Economic Impacts Across Programs and Years (\$2007)

	FY06	FY07	FY08	Total
<b><i>From Producer Investment</i></b>				
<u>Direct Economic Activity</u>				
Cattle Improvement	\$5,012,353	\$3,938,007	\$15,784,697	\$24,735,057
Hay Storage		\$1,877,264	\$10,924,604	\$12,801,868
Animal Feed Storage			\$3,040,059	\$3,040,059
Producer Diversification	\$1,670,265	\$1,774,925	\$2,999,286	\$6,444,476
<i>Agricultural Industry Development</i>	\$353,268	\$623,389	\$2,692,872	3,669,529
			<b>Total</b>	<b>\$50,690,989</b>
<u>Total Economic Activity</u>				
Cattle Improvement	\$9,216,813	\$7,307,502	\$30,105,374	\$46,629,689
Hay Storage		\$3,861,489	\$22,352,587	\$26,214,076
Animal Feed Storage			\$6,023,165	\$6,023,165
Producer Diversification	\$3,157,459	\$3,355,095	\$5,669,072	\$12,181,626

Table B.13. Continued

	FY06	FY07	FY08	Total
<i>Agricultural Industry Development</i>	\$802,654	\$1,422,753	\$6,118,431	8,343,838
			<b>Total</b>	<b>\$99,392,394</b>
<u>Total Jobs</u>				
Cattle Improvement	78.9	70.7	336.1	485.7
Hay Storage		37.1	214.7	251.8
Animal Feed Storage			52.5	52.5
Producer Diversification	79.0	84.7	143.1	306.8
<i>Agricultural Industry Development</i>	13.6	24.3	104.0	141.9
			<b>Total</b>	<b>1,238.7</b>
<b><i>From TAEP Investment</i></b>				
<u>Direct Economic Activity</u>				
<i>TAEP</i>				
Cattle Improvement	\$3,704,782	\$2,910,613	\$11,666,950	\$18,282,345
Hay Storage		\$1,016,219	\$5,882,478	\$6,898,697
Animal Feed Storage			\$2,247,000	\$2,247,000
Producer Diversification	\$899,374	\$955,728	\$1,615,000	\$3,470,102
<i>Agricultural Industry Development</i>	\$638,161	\$1,227,497	\$4,588,572	<u>\$6,454,230</u>
			<b>Total</b>	<b>\$37,352,374</b>
<u>Total Economic Activity</u>				
<i>TAEP</i>				
Cattle Improvement	\$6,812,426	\$5,400,158	\$21,710,084	\$33,922,668
Hay Storage		\$2,079,263	\$12,036,067	\$14,115,330
Animal Feed Storage			\$4,451,904	\$4,451,904
Producer Diversification	\$1,700,171	\$1,806,588	\$3,052,577	\$6,559,336
<i>Agricultural Industry Development</i>	\$1,449,955	\$2,788,932	\$10,425,447	<u>\$14,664,334</u>
			<b>Total</b>	<b>\$73,713,572</b>
<u>Total Jobs</u>				
<i>TAEP</i>				
Cattle Improvement	58.4	52.0	213.5	323.9
Hay Storage		19.9	115.6	135.5
Animal Feed Storage			38.8	38.8
Producer Diversification	42.5	45.6	77.1	165.2
<i>Agricultural Industry Development</i>	24.6	47.0	176.0	<u>247.6</u>
			<b>Total</b>	<b>911</b>