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Economic Impacts of Agriculture and Forestry in Tennessee, 1997



by

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Executive Summary

The agro-forestry industrial complex contributes \$56.7 billion to the Tennessee economy, accounting for 21 percent of the economic activity conducted within the state and employing 293,000 individuals. Outdoor hunting, fishing, and bird watching enthusiasts generate an additional 3.6 billion dollars annually. The agro-forestry industrial complex includes the primary industries typically associated with agriculture and forest operations such as the growing of crops, the breeding and feeding of livestock, and the management and logging of trees. Also included in the industrial complex are the input supply industries and the value-added sub-sectors, which include food and kindred products manufacturing, apparel and textiles, and forestry products manufacturing.

Agriculture, a subset of the agro-forestry industrial complex in Tennessee, includes farming and related industries, as well as value-added food and fiber production, processing and manufacturing. Agriculture accounts for 14.2 percent of the state's economy and generates \$38.5 billion in output. It employs about 218,000 Tennesseans, with 114,000 employed (both full- and part-time) in agricultural production. In addition,

- Raw agricultural products generate nearly \$2.4 billion in farm cash receipts annually.
- Tennessee farmers earn more than 63.5 percent of their cash receipts from sales of cattle and calves, cotton, broilers, tobacco, and dairy products.
- The manufacturing of food and kindred products adds value in excess of \$4.6 billion to the state's economy.
- Tobacco, soybeans, cotton, wheat, and poultry are important contributors to Tennessee's agricultural exports.

This analysis was conducted using the Tennessee Agri-Industry model (TNAIM) and the Impact Analysis for Planning (IMPLAN) model and databases, adjusted for agricultural data from the *1997 Census of Agriculture*. TNAIM, an input-output model for five trading regions within the state, traces transactions conducted within the economy and attempts to quantify the economic interdependencies within each region's economy for a given point in time. Through these interdependencies, one can evaluate the indirect and induced impacts that economic activity in one region might have on the entire state economy.

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