

Agriculture Impact Study

THE ECONOMIC IMPACTS of AGRICULTURE on the ECONOMY OF HURON COUNTY

A study by Dr Harry Cummings, University of Guelph. Funded by the Huron County Federation of Agriculture.

The Study Focuses on documenting and/or calculating the following:

- * # and type of farm operations
- * # and types of ag related businesses
- * # of direct, indirect, and induced jobs supported by agriculture
- * direct and indirect sales created by agriculture
- * looking at the total impact in terms of sales, expenditures and jobs

Three Impact Categories were studied:

A. DIRECT: Farm gate sales, from 1996 Census data from Statistics Canada

B. INDIRECT: Businesses that buy from farmers, and businesses that sell to farmers. A representative business survey was completed

C. INDUCED: Service Sector jobs that support the Direct and Indirect categories. The ratio of Service Sector to Agriculture jobs was calculated.

A. DIRECT IMPACT:

	1990	1995
# of Farms	3,260	3,150
farm gate sales	\$436 M	\$512 M

Huron ranks ahead of Nova Scotia, PEI, New Brunswick, and Newfoundland with respect to farm gate sales.

Direct jobs in agriculture for Huron in 1996 was 5,025. Total jobs from all sectors in Huron County in 1996 was 29,820 - therefore 16 % of the County jobs are from direct employment on farms.

B. INDIRECT IMPACTS

In 1996 Huron County Federation identified 775 Businesses in Huron as being Related to Agriculture - that is they buy from farmers, or they sell to farmers (business transactions only, personal purchases were not studied) 220 of these businesses were surveyed.

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When the results of those surveyed was extrapolated over the 775 businesses, the following numbers result:

Total Ag-related Sales in 1996: \$1,489,000,000
Total Ag-related FTE jobs in 1996: 12,128 (FTE - Full Time Equivalent)

C. INDUCED IMPACTS

Induced Impacts are impacts on businesses that benefit from the expenditure of wages and salaries of workers in the Agriculture and Agriculture-related sectors. For the purposes of this study we have not calculated Induced Sales, but this would add significantly to the overall impact.

Induced Jobs refer to the service Sector Jobs which are supported by jobs from the Agriculture and Ag-Related Sectors. These represent jobs in the education, health and government services. To make estimates of the induced jobs in Huron, a combination of two administrative areas was utilized: Morris Township and McKillop Township. The total direct employment figure for the two primary production industries, Agriculture and Manufacturing, was divided by the total number of jobs in the Education, Health, and Government Service Sector. The resulting ratio for Huron is 0.18, therefore the 5,025 Direct jobs and the 12,128 Indirect jobs, support 3,528 Induced jobs.

SUMMARY

Employment:

Total on-farm jobs in Huron County in 1996: 5,025
Estimated Indirect Ag-related FTE jobs in Huron County in 1996: 12,128
Estimated Induced jobs supported by Agriculture in Huron County in 1996: 3,528
Total jobs related to Agriculture: 20,681 - 69 % of Huron County Labour Force tied to
Agriculture (29,820 FTE jobs total in Huron, 1996 Census)

EMPLOYMENT MULTIPLIER: For every on-farm job in Huron, there are an additional 3.53 jobs created off of the farm.

Sales:

Total Farm gate sales in 1995: \$511,918,855
Estimated Indirect Ag-related sales in 1996: \$1,489,000,000
Total Sales related to Agriculture: \$2 Billion

SALES EXPENDITURE MULTIPLIER: For each dollar in farm gate sales, there are \$2.91 in sales in businesses that deal with farmers.