

# Agriculture

multibillion dollar industry for Louisiana



# Agriculture

is a multibillion dollar industry for Louisiana — creating jobs and generating income in rural and urban areas.

Louisiana agriculture goes well beyond the traditional view of the industry and includes a complex set of interrelated businesses involved in the food and fiber system, which produces everything from the food we eat to many of the clothing fibers we wear and vital parts of the homes we live in.

Those enterprises turn out billions of dollars worth of products each year, and they add billions more to the economy through the value that is added from further processing of the products, business generated for supporting industries and so forth.

## Agriculture's monetary value

Louisiana food and fiber product industries generated almost \$18 billion in output during 2009, and another \$8 billion was produced by food and fiber service industries.

As part of those economic contributions, the value-added from the food and fiber sectors amounted to more than \$8.5 billion for the state's economy in 2009.



## What is agriculture?

Some people think of agriculture purely as crop and animal production. They think of cotton or soybeans or cattle but fail to realize Louisiana agriculture is much broader than such a limited view. Agriculture is, in essence, a complex system of businesses that produce the food and fiber all of us need for everyday life.

Sure, there are traditional crops like rice, sugarcane, sweet potatoes and many more. But animal production enterprises also range from poultry to beef, and timber industries produce a variety of wood and wood products. The state even sees hundreds of millions of dollars generated from farming the waters – Louisiana's fisheries enterprises that put crawfish, catfish, crabs, shrimp, oysters and much more on our plates.



## What agriculture means to you

Although common misconceptions may be that jeans come right off the rack or that milk originates in the dairy case, those products actually begin on the farm with the production of cotton and the tending of a dairy herd.

The same is true for the variety of fruits, vegetables and meats we consume every day. It's even true for lumber and paper, which begin as the result of the efforts of tree farmers or foresters.

This publication is based on 2010 data from the LSU AgCenter's Louisiana Summary of Agriculture and Natural Resources and the latest available data (2009) from the U.S. Bureau of Economic Analysis.

**Louisiana businesses generated \$26 billion in food and fiber products and services during 2009.**

**In 2009, food and fiber activities created \$8.5 billion of value-added for the state's economy.**

**238,000 Louisiana workers earned more than \$5 billion from the food and fiber sectors in 2009.**

But what agriculture means to you isn't limited to the vast array of products it puts in your mouth or the ways it helps to provide the necessary raw materials for your clothing and shelter.

Some of agriculture's biggest contributions come in the employment it generates and its other contributions of value to the economy.

For example, 9.4 percent of the state's workers – 238,000 – were employed full time or part time in food and fiber sectors in 2009. In addition, \$5 billion in employee wages and benefits were generated by that employment in Louisiana.

Couple those with the vast array of businesses that are affected by the \$26 billion in products and services from the food and fiber system, as well as the additional \$8.5 billion in value-added it generates, and it's easy to see agriculture definitely means a great deal to your life and the state's economy.



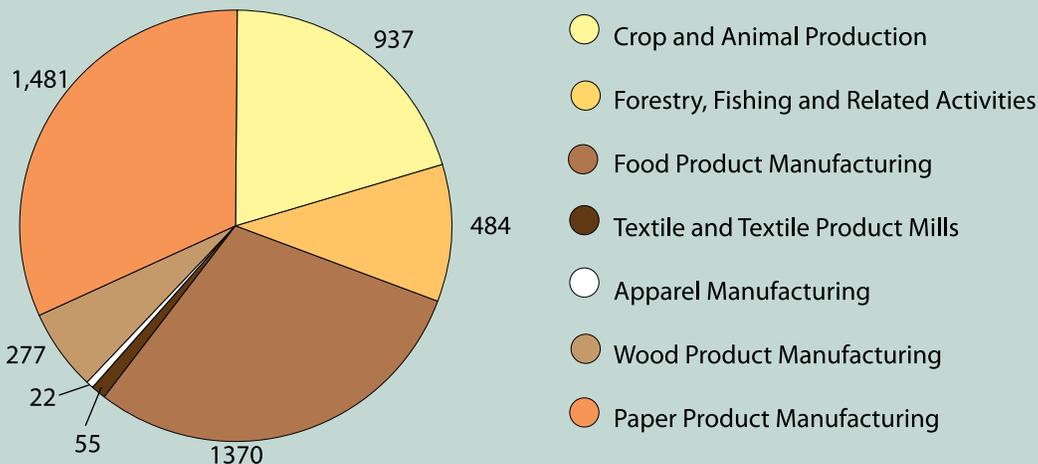
## The economic scope of Louisiana's food and fiber system

- The value of products and services generated in Louisiana by the industries in the food and fiber system totaled more than \$26 billion in 2009. Approximately \$18 billion of that output was generated by food and fiber product industries, while \$8 billion was generated by food and fiber service industries.

- On top of the products and services, the total value-added from food and fiber activities was \$8.5 billion in 2009. ("Value-added" is the difference between the price of a product sold and the cost of the materials and services required to produce it.)

- Paper product manufacturing was the largest product contributor of the value-added in the Louisiana food and fiber system. In 2009, paper product manufacturing contributed almost \$1.5 billion in value-added to the state's economy. The food product manufacturing sector ranked second, with nearly

Value Added Created by Food and Fiber Product Sectors, 2009 (Millions of Dollars)



*The distribution of more than \$4.6 billion in value-added from food and fiber product industries (shown at left) demonstrates paper product manufacturing was the greatest single contributor — generating almost \$1.5 billion in value-added for the state's economy. This represented almost one-third of all value-added from food and fiber products. Other leading industries included food product manufacturing and crop and animal production. Value-added in the food and fiber service industries (which is not shown here) contributed another \$3.9 billion.*

**Forestry is the state's leading plant commodity with a production value of nearly \$825 million in 2010.**

**Fisheries and wildlife commodities added \$575 million to the state's economy in 2010.**

**Louisiana poultry growers generated \$812 million in products during 2010.**



\$1.4 billion in value-added, and crop and animal production was third, with \$937 million.

- The value-added from the food and fiber system contributed approximately 4.18 percent of the total

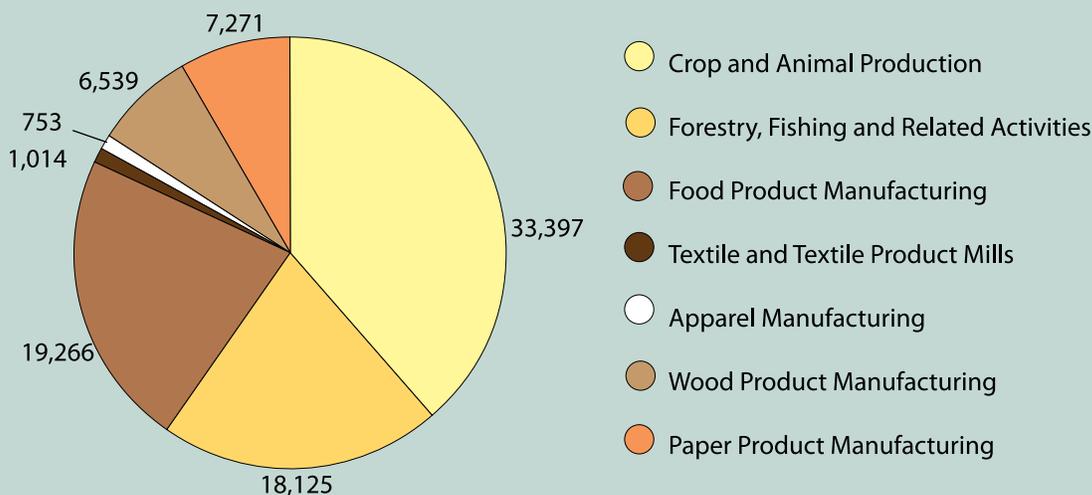
value-added in the Louisiana economy in 2009. That value is slightly less than the 4.24 percent contribution to the state's economy in 2008. (Most of the decrease stemmed from losses in the forest product manufacturing sectors.)

- The Louisiana food and fiber system accounted for more than 238,000 full-time and part-time jobs in 2009, contributing 9.4 percent of the total employment in Louisiana. The largest individual food and fiber product employer was the crop and animal production sector. Jobs as farm proprietors and hired farmworkers totaled 33,000 – an increase of about 1,000 jobs from 2008.

- Employees in the Louisiana food and fiber system received \$5 billion in wages, salaries and other employee compensation in 2009. This represents 5 percent of the total compensation earned by employees across all sectors of the state's economy.
- Louisiana's food and fiber system was seriously challenged by the Great Recession during 2009. The recession affected almost all sectors of the food and fiber system. 2010 was expected to be a rebound year for most sectors dominated by crop and animal production, but the wood products sector will continue to be challenged by the housing downturn.



Full-time and Part-time Jobs by Food and Fiber Product Sectors, 2009



*The crop and animal production sector was the only food and fiber product sector to see an increase in jobs gaining almost 1,000 jobs between 2008 and 2009. Wood product manufacturing showed the greatest job losses — shedding more than 1,500 jobs or 19 percent of its workforce from 2008 to 2009.*

# Facts

## about Louisiana's agricultural commodities

### Facts about Louisiana's agricultural commodities

- Louisiana produces a vast array of agricultural products – ranging from timber to tomatoes, cotton to corn and soybeans to sweet potatoes, just to name a few.
- Production of agricultural commodities affects the economy of every parish of the state.
- Plant production is the largest commodity area in Louisiana's agricultural economy – with on-farm value of plant products totaling nearly \$3.3 billion in 2010. It is led by forestry, which accounts for about \$824 million of that value. Sugarcane and soybeans followed in 2010 with tallies of \$503 million and \$424 million, respectively, and other major plant commodities grown in the state include cotton, feed grains, hay, nursery stock, rice, sweet potatoes, wheat and a variety of vegetables and produce.
- Poultry production is the state's leading animal enterprise, with gross farm value of nearly \$812 million for Louisiana poultry products in 2010. Other major animal commodities account for an additional \$872 million in production and include beef cattle, dairy, horses, sheep, goats, swine and others.
- Fisheries and wildlife commodities also play a role in the state's agricultural economy. Production amounts to \$575 million – led by \$252 million from Louisiana's aquaculture enterprises in 2009.
- Agricultural commodities produced in the state steadily increased their value from 2002 through 2004 before facing setbacks from hurricane damage in 2005. The 2006-2007 rebound, however, returned values to the pre-storm levels and beyond – with on-farm values running about \$5 billion to \$5.5 billion from 2006 through 2010.
- Additional economic contributions from processing Louisiana agricultural commodities – at timber mills, rice mills, sugar mills and so forth – added billions of additional dollars to the state's economy.

**The 2010 production year was much improved over the previous two for most of Louisiana's food and fiber industries.**

### Value of Selected Louisiana Agricultural Products in 2010

*Drawn from 2010 Louisiana Summary of Agriculture and Natural Resources, LSU AgCenter*

	Aquaculture	Beef	Cotton	Dairy	Feed Grains	Forestry	Horses	Marine Fisheries	Nursery Crops	Poultry	Produce*	Rice	Soybeans	Sugarcane	Sweet Potatoes
Parishes Producing Crop	44	63	23	18	34	64	64	25	32	28	64	30	41	23	15
Top Producing Parish	Acadia	Natchitoches	Tensas	Tangipahoa	Franklin	Vernon	Bossier	Plaquemines	Rapides	Union	Jefferson	Acadia	East Carroll	Iberia	Franklin
Louisiana's Gross Farm Value	\$252 million	\$371 million	\$175 million	\$48 million	\$310 million	\$824 million	\$445 million	\$207 million	\$78 million	\$812 million	\$258 million	\$412 million	\$424 million	\$503 million	\$82 million

\*Produce category includes greenhouse vegetables, commercial vegetables, home gardens, fruit crops, peanuts and pecans.



**Proud to serve Louisiana.** The LSU AgCenter is the state's only educational institution dedicated solely to research and outreach on day-to-day matters that affect people's living standards.

So it stands to reason that the LSU AgCenter has a commitment to Louisiana agriculture and that its work is vital in providing the food and fiber people need for their daily lives – not to mention agriculture's valuable contributions to the state's economy. Conducting research, education and outreach programs that contribute to the development of new crop varieties, improved production techniques and better processing methods are just some of our contributions to Louisiana's food and fiber system.

But the LSU AgCenter's work is not limited to those. We're also educating people about nutrition, health, food safety and backyard gardening, which all tie in to the food and fiber sectors. In addition, we have programs that cover a wide array from character education for youth and adults to water conservation, economic development, raising children, controlling termites and fire ants and much more.

The LSU AgCenter provides individuals, families, businesses, industries and local governments with valuable information to improve economic conditions and quality of life. Its faculty members across the state are here to serve all the people of Louisiana – and Louisiana's vital agricultural industries.

For the latest research-based information, visit our website:

**[www.LSUAgCenter.com](http://www.LSUAgCenter.com)**

Other sites of interest:

Louisiana Summary of Agriculture and Natural Resources:

**[www.lsuagcenter.com/agsummary](http://www.lsuagcenter.com/agsummary)**

Bureau of Economic Analysis - Gross State Product Series:

**[www.bea.gov/bea/regional](http://www.bea.gov/bea/regional)**

Applying a Hybrid Methodology for Measuring the Economic Contribution  
of the Food and Fiber System to the Louisiana Economy:

**[www.lsuagcenter.com/bulletin886](http://www.lsuagcenter.com/bulletin886)**

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The contents of this document are based on 2010 data from the LSU AgCenter's Louisiana Summary of Agriculture and Natural Resources, the latest available data (2009) from the U.S. Bureau of Economic Analysis and research by J. Matthew Fannin, Ph.D., Associate Professor, and John Westra, Ph.D., Associate Professor, LSU AgCenter, Department of Agricultural Economics and Agribusiness.

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