

# Value Added

Economic Impact  
of Agriculture  
in Arkansas

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Produced by the  
University of Arkansas Division of Agriculture  
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# Value In / Value Out Value Added

Agriculture accounts for nearly \$1 out of every \$5 of added value in the state's economy.

"Value Added" is the total contribution to the economy of employee, owner and property income, plus indirect business taxes.

Value added as a result of agricultural and forestry production and processing in Arkansas was \$13.1 billion in 2001, the latest year for which relevant statistics are available. That was 19.6 percent of the total value added in the state's economy.

The agriculture and forestry sector provided 291,290 jobs and \$7.8 billion in labor income.



## Total Impact of Arkansas Agriculture

- Employment — 291,290 jobs  
(1 out of 5 Arkansas jobs)
- Wages — \$7.8 Billion  
(12.7 percent of Arkansas wages)
- Value Added — \$13.1 Billion  
(\$1 of every \$5 of  
added value in Arkansas)

A detailed analysis is provided in "Impact of the Agricultural Sector on the Arkansas Economy in 2001," by J. Popp, G. Vickery, H.L. Goodwin, and W. Miller. Research Report 975. Arkansas Agricultural Experiment Station, University of Arkansas Division of Agriculture, Fayetteville.

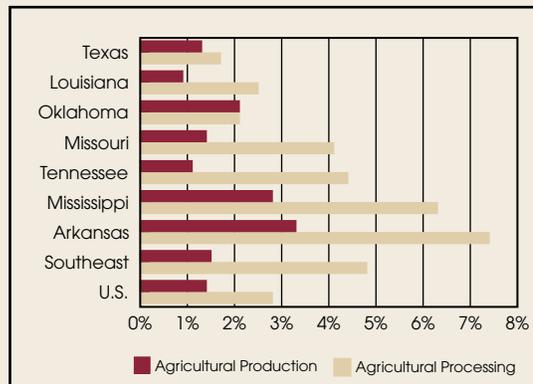


# Arkansas Counts on Agriculture

**A**rkansas led the Southeast region in the percentage of the economy contributed by agriculture in 2001. Agricultural based enterprises produced 10.7 percent of the Gross State Product in Arkansas compared to 6.3 percent for the Southeast region and 4.2 percent for the U.S.

Arkansans are involved in agriculture and forestry not only on our 14.6 million acres of farmland and in the forests that occupy more than half of the state's total area, but also in our Fortune 500 companies and in the banks, retail stores and service businesses in our cities and towns.

**Production and processing as a percentage of Gross State Product**



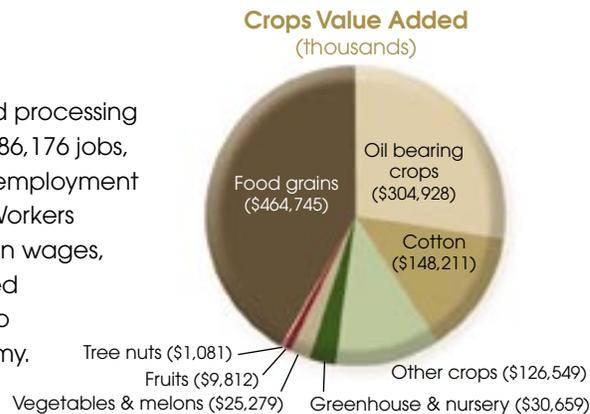
Source: The BEA (2001 data) includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia in the Southeast region.

# Home Grown & Home Cooking

In-state processing of home-grown agricultural and forestry products is a potent combination for adding value in our economy. Producers and processors buy goods and services from agribusinesses and other businesses, which multiplies the economic impact in small towns and cities throughout the state.

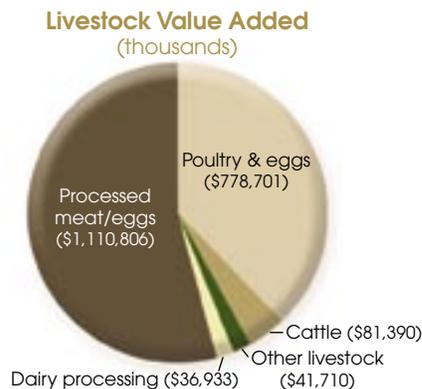
## Crops

Crop production and processing were responsible for 86,176 jobs, or 5.7 percent of all employment in Arkansas in 2001. Workers received \$2.1 billion in wages, and the sector added \$4.1 billion of value to the Arkansas economy.



## Livestock

Livestock enterprises accounted for 111,548 jobs in 2001, which was 7.3 percent of all jobs that year in Arkansas. Workers received \$2.8 billion in wages, and the sector added \$4.1 billion of value to the Arkansas economy.

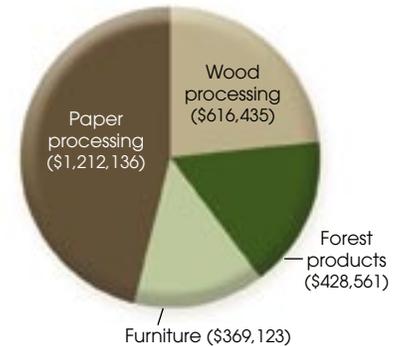




## Forestry

The production and processing of forest products accounted for 88,294 jobs in 2001, which was 5.8 percent of total employment. Workers were paid \$2.8 billion in wages. Value added to the state's economy was \$4.6 billion.

**Forestry Value Added**  
(thousands)



## Total Impact

The total impact of agricultural and forestry production, processing, indirect impacts and induced impacts in 2001 was 291,290 jobs, wages and salaries of \$7.8 billion and value added of \$13.1 billion.

### Impact of agriculture on state economy

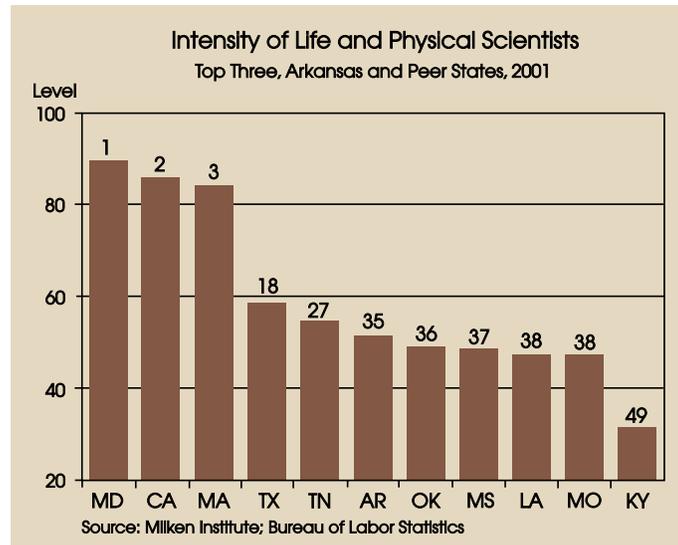
	Employment (thousands)	Labor Income (billion \$)	Value Added (billion\$)
Ag Production	75.4	1.3	2.6
Ag Processing	98.4	3.2	4.7
Ag Indirects	54.0	1.8	3.1
Ag Induced	63.5	1.5	2.7
<b>Total Ag Related</b>	<b>291.3</b>	<b>7.8</b>	<b>13.1</b>



# Agriculture in the Knowledge-Based Economy

**A**griculture is a leader in the emerging knowledge-based economy of Arkansas. No other sector relies more on science and technology to increase productivity and meet high standards for environmental stewardship.

In the most recent State Technology and Science Index\* our No. 35 ranking in “Intensity of Life and Physical Scientists in the Workforce” surpassed peer states such as Oklahoma, Kentucky, Missouri, Louisiana and Mississippi. A 2004 economic study said, “Arkansas’ relative strength in this indicator is encouraging. It demonstrates that the state has the potential to capitalize on its resources in agriculture and food processing to boost its overall position in the sciences.”\*\*



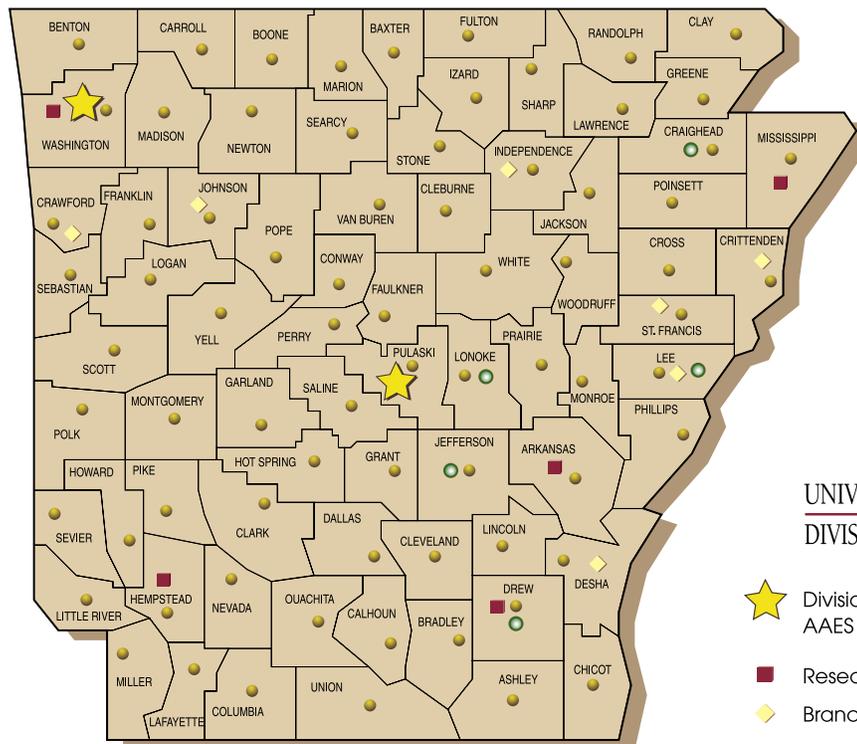
\*Milken Institute report based on 2001. [www.milkeninstitute.org](http://www.milkeninstitute.org).

\*\*Arkansas’ Position in the Knowledge-based Economy: Prospects and Policy Options. Page 106. UA Center for Business and Economic Research, an Accelerate Arkansas study funded by the Winthrop Rockefeller Foundation. July 2004.

# Arkansas is our campus

The University of Arkansas Division of Agriculture conducts research and extension programs to support Arkansas agriculture in its broadest definition.

Our 1,420 employees include Cooperative Extension Service faculty in all 75 counties, Agricultural Experiment Station scientists and Extension specialists on five university campuses and at five research and extension centers, and support personnel at 10 Branch Experiment Stations and other units.



**U of A**  
UNIVERSITY OF ARKANSAS  
DIVISION OF AGRICULTURE

- ★ Division & CES Headquarters, Little Rock  
AAES Headquarters, Fayetteville
- Research & Extension Centers
- ◆ Branch Experiment Stations
- Other Locations
- County Extension Offices

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# University of Arkansas Division of Agriculture

The Division of Agriculture is one of 13 major units of the University of Arkansas System.

The Division is a statewide campus, with faculty based on University campuses, at Research and Extension Centers and in every Arkansas county.

## Administration

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## Arkansas Agricultural Experiment Station

State Headquarters & Departments, University of Arkansas, Fayetteville

- Agricultural Economics & Agribusiness
- Agricultural & Extension Education
- Animal Science
- Biological & Agricultural Engineering
- Crop, Soil, & Environmental Sciences
- Entomology
- Food Science
- Horticulture
- Plant Pathology
- Poultry Science
- Human Environmental Sciences

## Cooperative Extension Service

State Headquarters & Divisions, Little Rock

- Agriculture & Natural Resources
  - Agricultural Economics
  - Agricultural Engineering & Safety
  - Agronomy
  - Animal Science
  - Economic & Community Development
  - Environmental & Natural Resources
  - Horticulture
  - Pest Management
  - Poultry Science
- Family & Consumer Science
- 4-H & Youth Development
- District Directors
  - Delta
  - Ouachita
  - Ozark
- County Programs
  - Agriculture & Natural Resources
  - Family & Consumer Science
  - 4-H & Youth Development

## Research & Extension Centers & Branch Stations

- Arkansas Agricultural Research & Extension Center, Fayetteville
- Northeast Research & Extension Center, Keiser
  - Cotton Branch Station, Marianna
  - Delta Branch Station, Clarkedale
- Rice Research & Extension Center, Stuttgart
- Southeast Research & Extension Center, Monticello
  - Southeast Branch Station, Rohwer
- Southwest Research & Extension Center, Hope
- Fruit Substation, Clarksville
- Livestock & Forestry Substation, Batesville
- Pine Tree Branch Station, Colt
- Vegetable Substation, Alma

## Other Units

- Arkansas Forest Resources Center, Monticello
- Institute of Food Science & Engineering, Fayetteville
- Soil Testing & Research Laboratory, Marianna
- UA/ASU Cooperative Research, Jonesboro
- CES Agricultural Center, Lonoke
- UAPB Cooperative Research & Extension, Pine Bluff



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DIVISION OF AGRICULTURE