



Agriculture's Economic Impact in Lake County Ohio

EXECUTIVE SUMMARY
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Lake County Soil & Water Conservation District (Lake SWCD) partnered with Ohio State University Extension (OSUE), American Farmland Trust (AFT) and Ohio Wine Producers Association (OWPA) to assess the characteristics and economic impacts of the agricultural industries in Lake County Ohio, between 2007 and 2013. Funding for the project was granted by the Lake-Geauga Fund of the Cleveland Foundation, with support from the Lake County Development Council.

Lake County is located on the Lake Erie coast in northeast Ohio, with the Cleveland Metropolitan Area to the west. It has its roots in agriculture, and contains unique natural resources to support specialty agricultural industries. Lake County was once known as the rose capital of the world, but the lands in western Lake County have now been converted to residential and commercial uses. Agriculture is important to the quality of life in Lake County and future growth of Lake County should be planned with this in mind. This document is a summary of the findings of the five studies.

Finding a Balance- A Cost of Community Services Study For Madison Village and Township, Lake County, Ohio, March 2008 (Lake SWCD & AFT)

Cost of Community Services (COCS) studies were initiated by the American Farmland Trust to assess the fiscal impact of the land uses in a community by analyzing revenues and expenditures on a land use basis. A COCS examines revenues by land use and the costs to provide public services (such as public works, police protection, planning and general government) to residential, commercial and industrial, farm, and forest land. For Madison Township, using data from fiscal year 2006, the findings were that for each dollar of revenue received from residential properties in the form of taxes, \$1.24 was spent to provide services to those lands. For each tax dollar from commercial and industrial land uses, 33 cents was spent to provide services, and for each tax dollar received from farm and forest land, 30 cents was spent. Residential land uses created a deficit of \$2,803,676, while the other two categories generated surpluses of \$2,842,271 from commercial and industrial, and \$306,044 from farm and forest land.

Residential land use contributes the largest amount of revenue, but its net fiscal impact is negative. Commercial/industrial and farm/forest land pays more in taxes than it receives in services. Residential development is the backbone of the community, but it does not generate enough income for the services it requires. It is important for communities to plan for growth that includes a mix of commercial/industrial and farm/forest lands to help achieve fiscal balance and a sustainable community. The study confirms similar findings from a 1993 COCS study of Madison Village and Madison Township.

The Northeast Ohio Grape and Wine Economic Impact Study, November 2008 (Lake SWCD, OSUE & OWPA)

Surveys were conducted in 2007 to determine the contribution of grape growers, wineries and winery patrons to the regional economy in Lake, Ashtabula and Geauga Counties. They examined demographic data, grape production, wine sales, capital and variable investments, future operational concerns, spending habits of winery visitors and the economic multiplier effect of the grape and wine industry in Northeast Ohio.

The grape and wine industry has been a long standing industry of Northeast Ohio with more than 1,300 acres of vineyards and 20 wineries. A 2007 survey by the Orbitz Worldwide travel company ranked the Grand River Viticultural Area as the 6th favorite destination in the country for wine and food travelers. The survey indicated that an estimated 494,000 people visit Northeast Ohio winery and vineyard operations each year. 88.5% indicated that the wineries were the primary reason for their visit to Northeast Ohio. Winery patrons spend more than \$13 million in the tri-county area on wine, food and gifts at wineries and add to the local economy by purchasing gas, food and lodging in the communities surrounding the wineries.

The estimated annual output of the industry is \$15 million, which includes wine sales, gift and other non-wine sales, special events and restaurant sales. Estimations of the ripple effect of this value on Ohio's economy indicate a \$24.25 million impact on Ohio's sales, \$31.17 million to its gross state product and \$35.47 million to Northeast Ohioans' income. It is clear that the wine and grape industry in Northeast Ohio makes a direct and significant contribution to our regional economy and drives other economic development.

***Results of the Lake County Nursery Industry Survey, December 2009
(Lake SWCD, OSUE)***

The Nursery Industry comprises the largest portion of the agricultural economy of Lake County. In January 2009, a survey was mailed to 89 Lake County nurseries. Respondents were asked to report average sales in the previous five years and expense data for 2007 to avoid the extremes that occurred in the 2008 economy.

The total Lake County Nursery Industry employment is estimated at 1,327 jobs, a payroll of over \$30 million and total annual estimated sales of \$87.5 million. The average firm has sales of \$605,000 of container grown crops and \$488,000 of field grown crops. The typical firm has been in business almost 35 years, is headed by an owner over 50 years of age, and employs about 2 family members, 11 permanent full time employees and about 23 seasonal employees.

The industry has an estimated sales of \$29.8 million within the state of Ohio, supporting an estimated 465 additional jobs in Ohio, 100 of them in the related Agriculture, Forestry, Fishing and Hunting sector. This reflects strong ties to nursery-related spending. Other sectors closely impacted by nursery-related spending in Ohio are Retail Trade (69 estimated positions) and Health and Social Services (60 estimated positions). These positions create wealth in Ohio and generate additional spending throughout the state. Sales of Lake County Nursery Industry products in Ohio support the additional sales of goods and services in the state valued at an estimated \$161.9 million.

***Economic Impact Analysis of the Crop and Livestock Industries in Lake County, Ohio
for the Lake County Soil and Water Conservation District, February 2013 (Lake SWCD, OSUE)***

A survey was mailed to traditional crop and livestock producers in Lake County in 2012, with the assistance of the Lake County Farm Bureau. Over 60 surveys were sent, but a limited response and sample size made it difficult to measure the economic impact with survey data alone. IMPLAN, an economic input-output software system was used to measure the total impacts of the producers. The crop industry was measured with 65 full-time equivalent jobs, an annual payroll of \$4.1 million and a total output of \$7,328,698. The livestock industry had 35 full-time equivalent jobs, an annual payroll of \$1 million, and total output of \$4,013,569. The combined output of the two industries is \$11.3 million.



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*Economic Impact Analysis of the Crop, Livestock, Viticulture, and Horticulture Industries in Lake County, Ohio for the Lake County Soil and Water Conservation District, August 2013
(Lake SWCD, OSUE)*

This study follows-up on the earlier industry surveys. The IMPLAN model (an economic input-output software system) was run for the combined agricultural industries sector in Lake County. The table below shows the total estimated economic contribution of the crop and animal livestock, viticulture and horticulture industries in Lake County. When the IMPLAN model is run on one particular industry and then run on the combined agricultural industries, the data are not directly comparable. Variables within the model react differently to one another causing differing results. For information about the contributions of a specific industry, the study for that industry should be consulted. For information about the effects of the agricultural industry in Lake County as a whole, consult the combined study.

Combined Agricultural Industries' Economic Impact using IMPLAN

Activity	Total Output	Employment	Labor Income	Total Value Added
Crop Industry	\$3,318,767	31	\$1,449,401	\$1,743,463
Animal Livestock	\$3,990,781	36	\$714,862	\$1,415,174
Viticulture	\$7,956,401	214	\$3,039,901	\$3,399,509
Horticulture	\$136,135,196	1,150	\$93,361,999	\$88,710,848
Total	\$151,401,145	1,431	\$98,566,163	\$95,268,994

Conclusion

These economic impact studies show that the agricultural industry in Lake County is significant and brings millions of dollars to our local and regional economy. Lake County residents, officials and communities need to consider the value of agriculture as they plan for growth, giving agriculture its place at the table of community and economic development discourse.

The full version of each economic impact study may be accessed on the Lake County Soil and Water Conservation District website at lakecountyohio.gov/soil.

