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# **The Influence of the Agricultural Cluster on the Fayette County Economy**

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# Overview of Today's discussion

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- Updated Impact of Agricultural Cluster
  - 1 in 12 jobs
  - \$2.3 billion impact
  - \$1.3 billion in value-added (profits, income, dividends)
  - \$8.5 million in occupational license taxes
  - Industries affected by a loss in the Ag Cluster

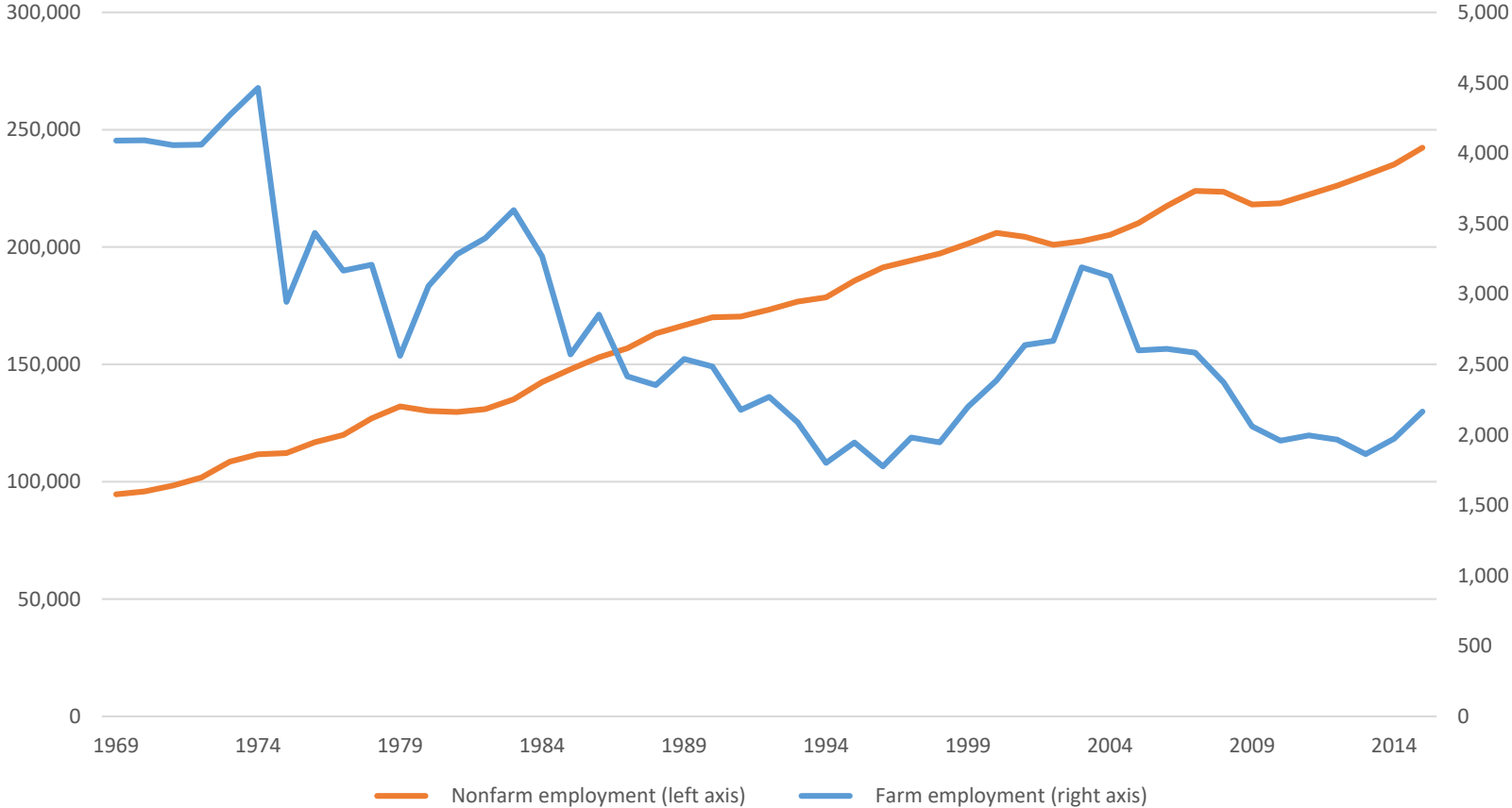
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# The Agricultural Cluster

## Fayette County

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### Nonfarm vs farm employment 1969-2015 full- and part-time jobs



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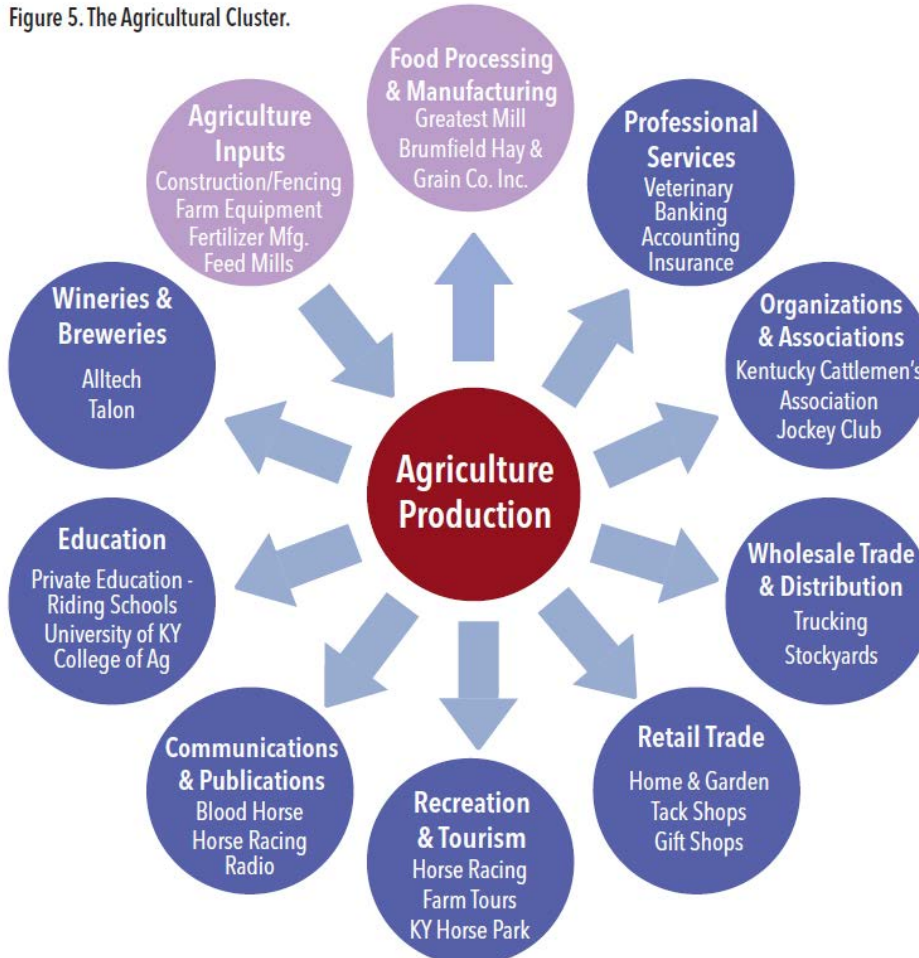
# Ag Cluster Impact Methodology

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- Estimate on-farm employment based on Census of Ag 2007, 2012, Bureau of Labor Statistics Data, ESRI Business Analyst
- 2012 Ag Census not used for equine industry
- Identify ag inputs, food and beverage industries that likely have on farm impacts
- Extend definition of traditional ag and food cluster to services where we can say for certain 100% of a job is attributed to agriculture (veterinarians, real estate, tourism, etc)

# A Picture of Fayette Ag Cluster

Figure 5. The Agricultural Cluster.



# Comparing 2012 and 2017 Studies

Table 4. Comparison between 2012 and 2017 Fayette County Studies.

Industry Classification	Earlier Study (2012)	Current Study
All Production Agriculture	5,556 (Based on estimates from Census of Ag 2007)	4,322 (Based on estimates from BEA 2015)
Food Products	407 (included Jif)	132
Beverage and Tobacco	273 (included Coke, Pepsi, Snapple, Ice)	179

# Supporting Ag Services

Table 5. Industry Detail for Businesses that DIRECTLY Support Agriculture.

Industry	Direct Employment	Output	Employee Compensation	Value Added
Construction	51	\$11,585,515	\$2,589,702	\$6,712,329
Wholesale trade	444	\$158,980,816	\$29,195,602	\$34,204,685
Retail trade	149	\$51,955,377	\$18,176,459	\$20,007,053
Truck transportation	135	\$42,404,649	\$9,647,526	\$12,418,287
Warehousing & storage	38	\$16,329,228	\$4,393,639	\$5,734,025
Publishing and broadcasting	49	\$15,668,696	\$5,185,731	\$6,266,456
Credit intermediation, securities & other financial	31	\$19,155,344	\$2,434,068	\$3,751,208
Insurance carriers & related	97	\$59,937,684	\$7,616,277	\$11,737,649
Real estate	12	\$3,273,539	\$844,113	\$1,109,622
Professional- scientific & tech services	547	\$112,707,119	\$27,642,089	\$28,448,632
Horse farm tours and equine landscaping	81	\$7,059,621	\$3,654,658	\$4,736,396
Educational services	1,034	\$86,425,739	\$32,743,245	\$38,017,851
Labs and diagnostics	38	\$3,624,804	\$1,680,450	\$1,982,772
Performing arts & spectator sports	1,054	\$48,468,064	\$36,755,168	\$40,175,959
Museums & similar	26	\$1,713,846	\$532,752	\$566,051
Recreation, stables, and equine misc	270	\$16,261,375	\$5,379,194	\$7,919,691
Non-veterinary pet care	8	\$1,179,886	\$438,349	\$604,907
Religious, grant making & other organizations	412	\$60,764,119	\$22,574,964	\$31,152,711
Government & non NAICS	121	\$36,157,776	\$4,676,809	\$18,791,806
<b>Total</b>	<b>4,597</b>	<b>\$753,653,197</b>	<b>\$216,160,795</b>	<b>\$274,338,090</b>

Sources: IMPLAN (2014), Census of Ag (2012), ESRI/Business Analyst (2015), and Business Websites



## Hospitality Sector/Tourism – Only for Keeneland and KHP

Table 9. Hospitality Sector Sales Estimates.

	Keeneland	Kentucky Horse Park ESTIMATES
Accommodations	\$19,494,923	\$9,053,967
Food & drinking places	\$19,610,569	\$11,687,778
Gasoline	\$7,729,076	\$6,878,877
Other retail	\$4,209,618	\$3,746,560

Source: Bollinger (2015) and Author's calculations

Table 10. Hospitality Sector Employment Impact.

	Direct Employment	Total Employment
Accommodations	385 jobs	604 Jobs
Food and Drinking Places	289 Jobs	458 Jobs
Gasoline	252 Jobs	481 Jobs
Other retail	103 Jobs	180 Jobs
Total Hospitality Jobs	1,029 Jobs	1,724 Jobs

Source: IMPLAN (2014) and Author's calculations

Study includes discussion of other events/conferences and Horse Country (page 15), but no numbers are included in analysis

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# Total Economic Importance of Agriculture

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Table 6. The Economic Impact of the Agricultural Cluster.

	Total Employment with Multiplier	Total Output with Multiplier	Total Value Added with Multiplier
The Traditional Ag. & Food Processing Cluster	6,853	\$1.1 Billion	\$695.1 Million
Secondary Ag & Equine Businesses	7,238	\$1.2 Billion	\$577.2 Million
<b>Total Ag. Cluster Impact</b>	<b>14,091</b>	<b>\$2.3 Billion</b>	<b>\$1.3 Billion</b>

Source: IMPLAN (2014)

\$8.5 million in payroll taxes as a result of the local occupational tax

**Table 8. Top 15 Industries with a Loss in Sales (indirect effect)**

**Industry**

Wholesale trade

Production agriculture (in addition to the 10% loss)

Real estate

Petroleum refineries

Truck transportation

Maintenance and repair construction of nonresidential structures

Other local government enterprises

Insurance carriers

Monetary authorities and depository credit intermediation

Insurance agencies, brokerages, and related activities

Electric power transmission and distribution

Accounting, tax preparation, bookkeeping, and payroll services

Warehousing and storage

Management of companies and enterprises

Employment services

*Source: IMPLAN (2014)*

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# Questions/Concerns?

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