



## Georgia Farm Gate Value 20-Year Trends

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Agricultural production is a critical and significant contributor to Georgia's economy, providing substantial economic impact and employment opportunities. Reflecting the diversity of agronomic conditions across the state, Georgia's agricultural production is equally diverse and continually evolving with changes in market prices and supply and demand. This publication explores trends in the farm gate value (FGV) of Georgia's agriculture over the last twenty years, from the beginning of data collection in 2001 to the most recent wave of data in 2022.

Figure 1 shows the normalized, inflation-adjusted FGV for Georgia. The grey bars highlight two significant events that impacted all economic sectors in Georgia: the 2008 recession and the 2020 COVID-19 pandemic. Inflation adjustments were made using the U.S. Inflation Calculator, an online tool that uses Consumer Price Index (CPI) data from the Bureau of Labor Statistics. Real FGV was determined by adjusting the nominal annual FGV of commodity production by the CPI inflation factor for each year, relative to 2020. This normalization facilitates easier comparison of farm gate trends over time, with 2020 serving as a reference point due to the substantial economic impact of COVID-19 on both agricultural and broader economic sectors. To normalize the figures relative to 2020, each commodity's real annual farm gate value is divided by the base year 2020. Therefore, values in 2020 equal one, and all other annual values are ratios representing their value relative to 2020.

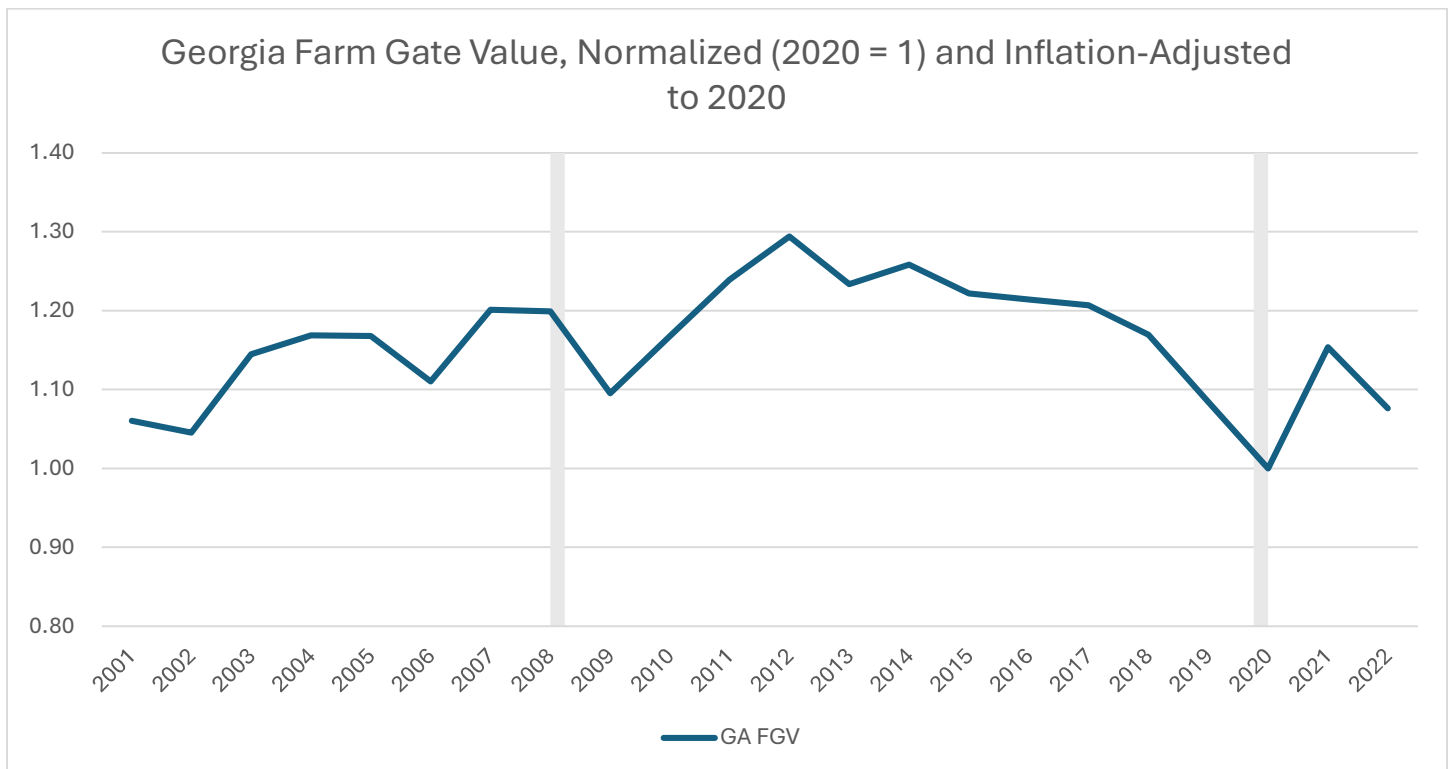


Figure 1. Normalized and inflation-adjusted (to 2020) Georgia farm gate value.

Source: University of Georgia College of Agricultural and Environmental Sciences Farm Gate Value Report, calculations made by authors

In the period before the 2008 recession, Georgia’s farm gate value experienced moderate increases, which continued with the economic rebound after the economy emerged from the 2008 Great Recession. In subsequent years leading up to the Covid-19 pandemic, farm gate values trended lower, reverting closer to the 20-year historical average value. Over this same time the broader economy in Georgia experiences relatively greater growth. Figure 2 shows Georgia's normalized, inflation-adjusted Gross Domestic Product (GDP), which measures the market value of all final goods and services produced in Georgia between 2001 and 2022. Except for the 2008 recession and the 2020 COVID-19 pandemic, Georgia has experienced steady economic growth, particularly during the expansionary period from 2008 to 2020. In contrast to Figure 1, while Georgia's overall economy, as measured by GDP, has grown over the last 20 years across various sectors, the farm gate value of agricultural outputs has not shown a similar upward trend. Since the conception of the inflation-adjusted Georgia Farm Gate Value report, Georgia FGV has increased by 2%. Georgia agriculture has remained an important aspect of the state’s economy despite the 7% decrease in number of farms and 14,417 acres of farmland lost from 2017 to 2022 reported by the USDA’s Census of Agriculture.

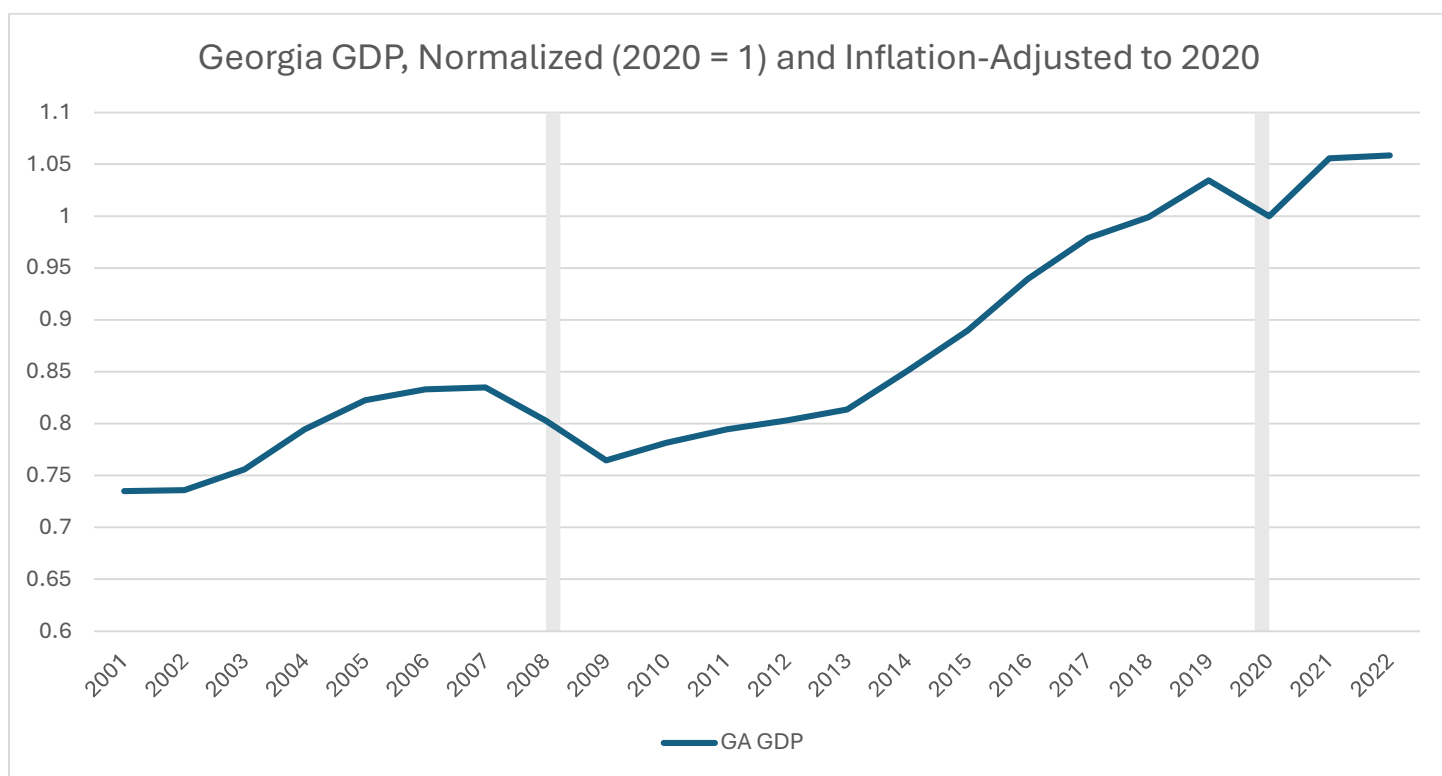


Figure 2. Normalized and inflation-adjusted (to 2020) Georgia GDP. Source: Bureau of Economic Analysis.

Over the 20-year period, farm gate values for various commodity categories and agricultural sectors followed distinct trajectories due to varying market and agronomic influences. As depicted in Figure 3, which shows the normalized, inflation-adjusted farm gate values for agritourism, fruits and nuts, ornamental horticulture, vegetables, and other agriculture, all categories experienced moderate growth. Notably, agritourism saw a substantial increase after the Great Recession, peaking at nearly 250% of the 2020 value, while annual fluctuations in farm gate values for the other categories remained relatively moderate. Over the past decade, many farms in Georgia have taken advantage of increased consumer interest in agritourism by diversifying their operations’ income to include revenue from educational and recreational experiences.

Source: University of Georgia College of Agricultural and Environmental Sciences Farm Gate Value Report, calculations made by authors

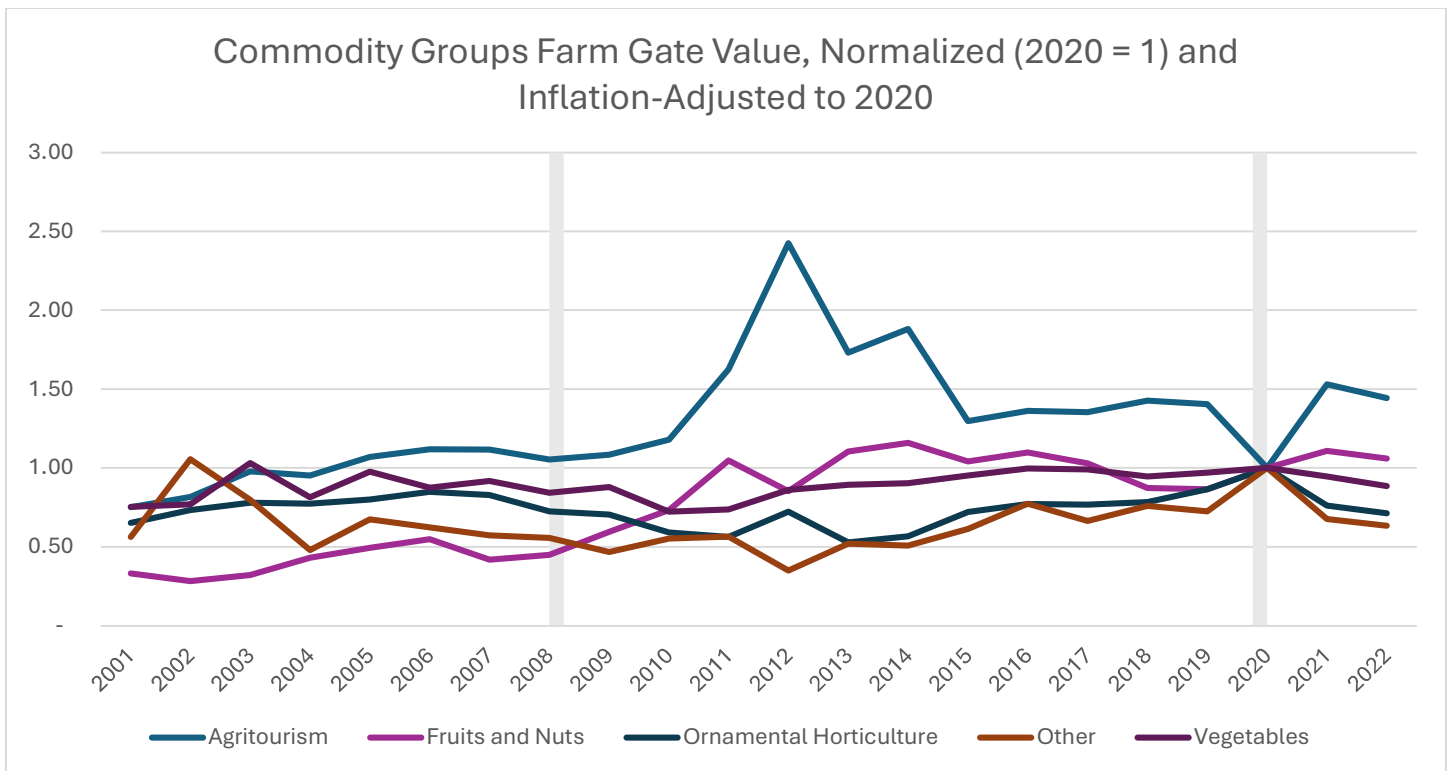


Figure 3. Normalized and inflation-adjusted (to 2020) farm gate value of agritourism, fruits and nuts, ornamental horticulture, other, and vegetables.

Considering other agricultural sectors, including forestry and related products, livestock and aquaculture, poultry and eggs, and row and forage crops, Figure 4 displays the normalized, inflation-adjusted farm gate values. Poultry and eggs saw a significant decline in farm gate value during the COVID-19 pandemic due to supply chain issues caused by processing disruptions, although they rebounded in 2021 to 160% of the low value. However, this recovery is still below the peak of 214%. Farm gate values for the other categories showed notable changes between 2008 and 2020: livestock and aquaculture, as well as row and forage crops, saw increases in farm gate values, partly due to rising commodity prices during the global financial recovery from the 2008 recession, while forestry and related products experienced a decline. Despite fluctuations in farm gate values across different commodity sectors over the past 20 years, Georgia's overall portfolio of agricultural products, as shown in Figure 1, has generally seen a gradual increase in value, excluding the impact of the COVID-19 pandemic.

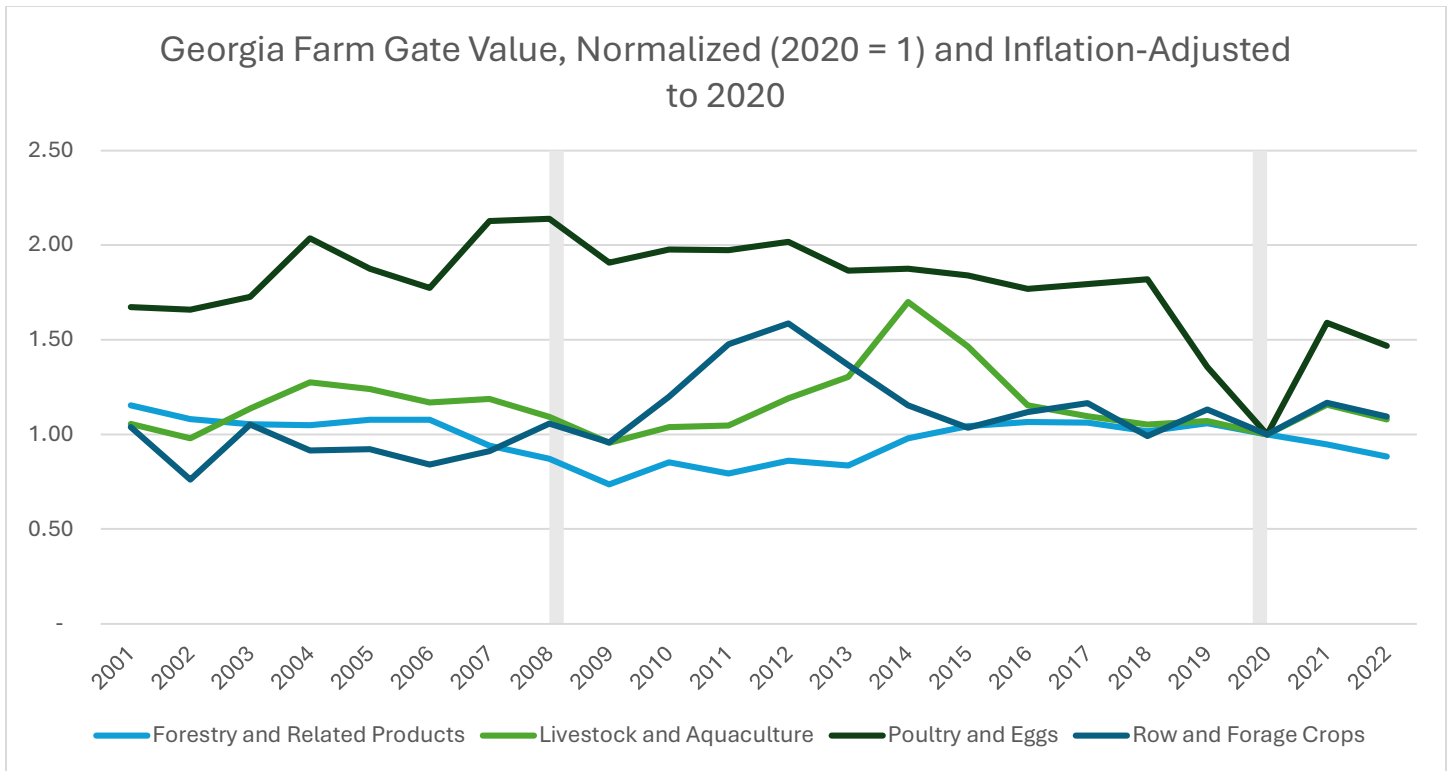


Figure 4. Normalized and inflation-adjusted (to 2020) farm gate value of forestry and related products, livestock and aquaculture, poultry and eggs, and row and forage crops.

Source: University of Georgia College of Agricultural and Environmental Sciences Farm Gate Value Report, calculations made by authors

References:

U.S. Bureau of Economic Analysis, "[SASUMMARY State annual summary statistics: personal income, GDP, consumer spending, price indexes, and employment](#)" (accessed Friday, August 2, 2024).

U.S. Department of Agriculture National Agricultural Statistics Service 2017 and 2022 Census of Agriculture

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