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GEORGIA**  
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**AGECON-25-04-PR**

May 7, 2025

## **Georgia Direct to Consumer Sales Economy Indicator**

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### **Key Takeaways**

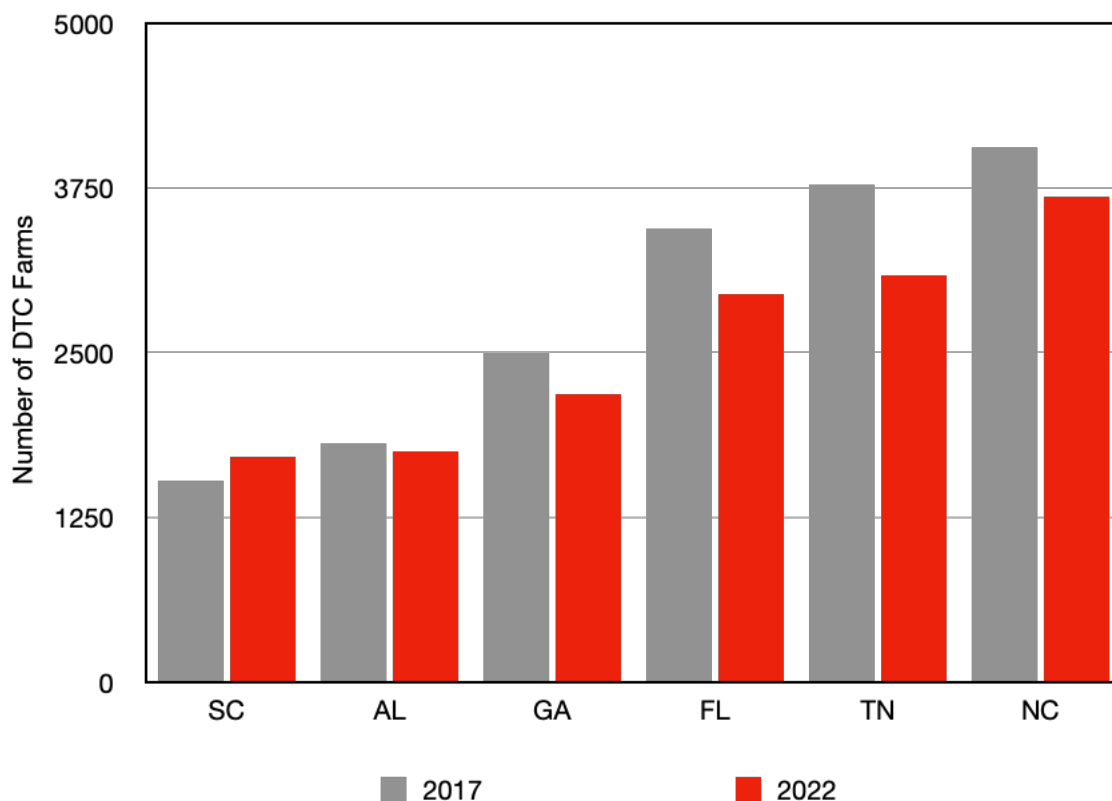
- Georgia's direct-to-consumer (DTC) farm participation has declined, but revenue per farm has increased, remaining below the national average.
- Georgia's DTC sector is characterized by a number of small farms whose revenue relies heavily on DTC sales.
- Large-scale farms (\$1M+) generate the highest contribution to Georgia's DTC, concentrating DTC revenue in fewer high-earning farms.
- Despite more than half of DTC farms being located in metro counties, their contribution to total DTC revenue is only about one-third of the state's overall DTC sales.

Direct-to-consumer (DTC) sales play a critical role in Georgia's agricultural economy, providing farmers with alternative revenue streams and increasing consumer access to locally sourced products. Leveraging the most recent USDA Census data, this report aims to analyze the current state of DTC farm sales in Georgia, and its significance compared to neighboring states and the nation. According to the USDA, DTC sales refer to transactions made directly to consumers by agricultural farms. Examples include on-farm stores/stands, pick-your-own farms, farmers markets, mobile markets, and online direct sales. However, DTC excludes non-edible products such as Christmas trees, cut flowers, and nursery products. This report provides economic indicators to better understand the contribution of DTC sales in Georgia's agricultural economy.

## Number of DTC Farms

In 2022, about 5.57% of agricultural farms in Georgia (2,186 out of 39,264 farms) sold agrifood products directly to consumers, reflecting a 14.55% decrease from 2017 (Figure 1). Despite this decline in the number of participating farms, the proportion of farms engaged in direct sales remained relatively stable, decreasing slightly from 5.90% in 2017 (or 2,504 out of 42,439 farms). This trend aligns with the national pattern. While the total number of U.S. farms engaged in DTC sales fell by 10.33% (from 130,056 farms to 116,617) in 2022, the proportion of farms participating in DTC sales remained relatively steady—6.4% in 2017 compared to 6.1% in 2022. Overall, this trend reflects a strategic adaptation by small- and mid-sized farms to maintain economic viability. By capitalizing on consumer demand for local, fresh, and sustainably produced food, smaller farms have increasingly relied on DTC channels such as farmers' markets, community-supported agriculture (CSA), and on-farm sales.

**Figure 1. Number of DTC Farms in 2022**



Most of Georgia's neighboring states experienced a decline as well, ranging from mild to significant (Figure 1). Tennessee saw the sharpest decrease, with a 22.10% decline, followed by Florida at 16.97%. Alabama also saw a modest reduction of 3.42%. In contrast, South Carolina was the only state to experience growth, with a 10.89% increase in farms engaging in direct sales.

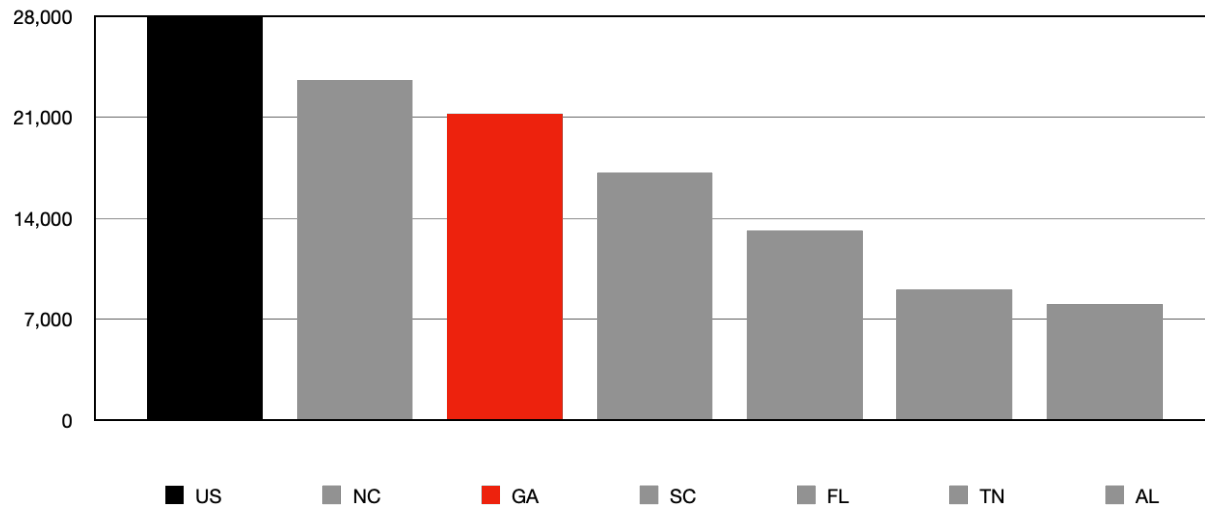
## Average DTC Revenue per Farm

In terms of nominal revenue generated by DTC sales per farm, Georgia reported an average of \$21,229 in 2022, ranking it second among its bordering states (Figure 2). North Carolina which had the highest average DTC income at \$23,603, though this remained below the national average of \$27,98. When comparing nominal DTC average revenue growth from 2017 to 2022, Georgia saw a 23.12% rise (Table 1). Tennessee was the only neighboring state to experience a decline, with a slight decrease of 1.8%.

Table 1. Average DTC Revenue per Farm (Nominal)

	2022	2017	% change
Georgia	\$21,229	\$17,242	23.12%
Alabama	\$8,035	\$5,176	55.24%
Tennessee	\$9,069	\$9,235	-1.80%
Florida	\$13,104	\$10,808	21.24%
South Carolina	\$17,132	\$14,576	17.54%
North Carolina	\$23,603	\$19,702	19.80%
US	\$27,981	\$21,570	29.72%

Figure 2. Average DTC Revenue per Operation (2022)

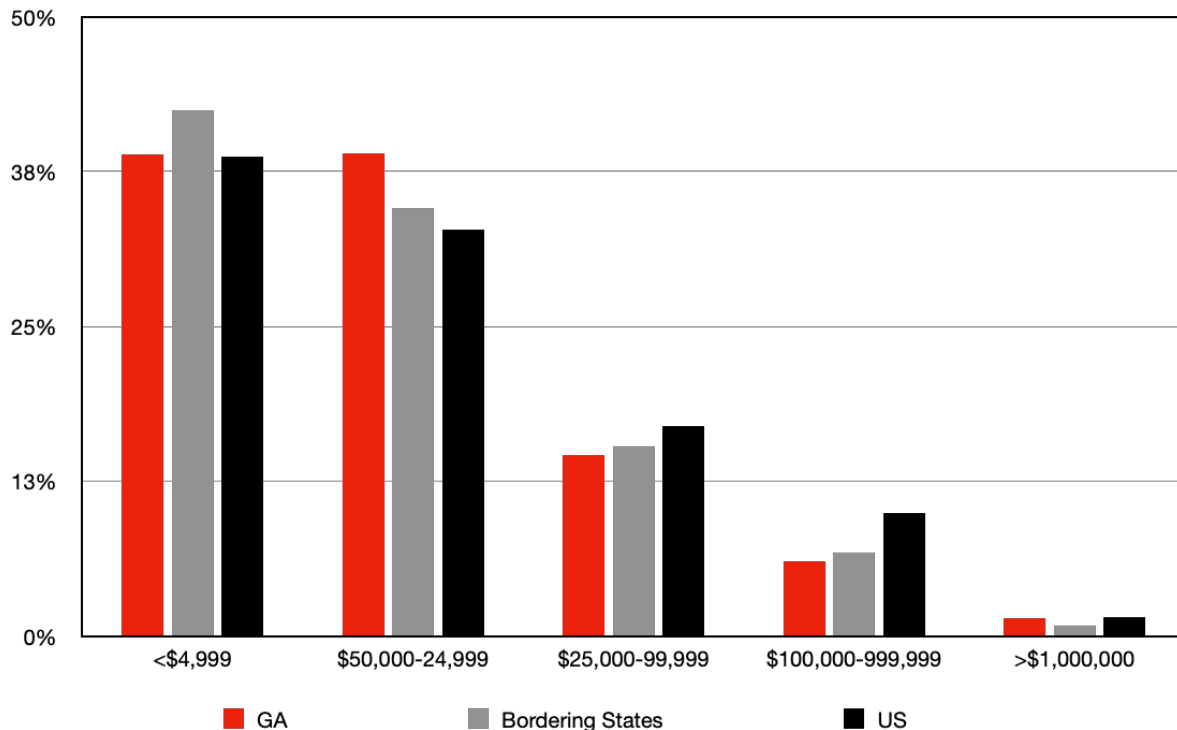


## Farm Count (Participation)

This section highlights how DTC farms in Georgia are distributed across income brackets, focusing on how many operations fall into each revenue category. About 38.88% of DTC farms in Georgia reported earning less than \$4,999 per year, closely aligning with the national average of 38.75%. In contrast, farms generating over \$1,000,000 annually made up only a small portion

of DTC sales in Georgia, with just 32 farms accounting for 1.46% of total DTC participation. However, despite their limited numbers, these farms generate a substantial share of DTC revenue, as described in the following section. Additionally, 38.98% of DTC farms in Georgia reported annual DTC revenues in the \$5,000–\$24,999 range. Figure 3 compares the percentage of DTC farm sizes across different revenue categories in Georgia, bordering states, and the U.S.

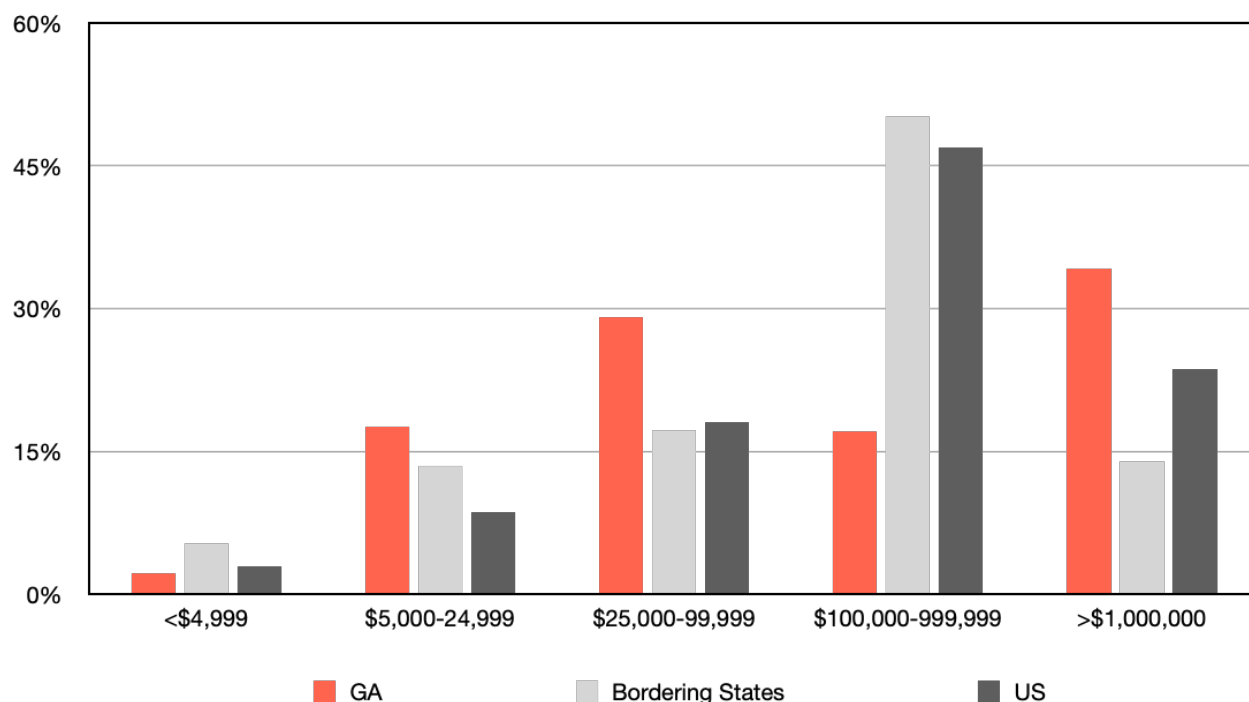
**Figure 3. Percentage of DTC Farms Size by Revenue Category**



### **DTC Revenue Contribution by Farm Size (based on annual gross income from DTC)**

While the previous paragraph focused on the number of farms in each revenue category, this section highlights how much each group contributes to Georgia’s total DTC revenue. As Figure 4 illustrates, large-scale farms with revenues exceeding \$1 million contribute 34.18% of Georgia’s total DTC revenue, even though they make up a small portion of DTC participants. This is significantly higher than in bordering states (13.94%) and the U.S. (23.62%). Farms earning \$100,000–\$999,999 contribute only 17.03% of Georgia’s total DTC sales, whereas they dominate in bordering states (50.20%) and the U.S. (46.96 %). The category of farms with a revenue below \$4,999 contribute just 2.12% of Georgia’s total DTC revenue. This suggests a gap in mid- and smaller-tier DTC farms in Georgia, which may indicate the need for a more diverse and balanced DTC farm structure in the state.

**Figure 4. DTC Revenue Contribution by Farm Size (%)**



The high contribution of large-scale farms to Georgia’s DTC market can be attributed to the nature of the distribution networks and the types of agricultural products commonly sold directly to consumers. Large-scale operations may have more established marketing infrastructure and greater capacity to distribute products through multiple DTC channels, including farmers' markets, farm stores, and online sales. Additionally, some of larger farms may produce high-value or specialty products, such as premium meats, dairy, or horticultural goods, that can generate significant revenue with more specialized direct sales outlets, e.g., farm stores, and online sales. In contrast, mid-sized and small farms, which typically produce a smaller quantity of a broader diversity of fruits, vegetables, and niche products, may be limited to local farmers market.

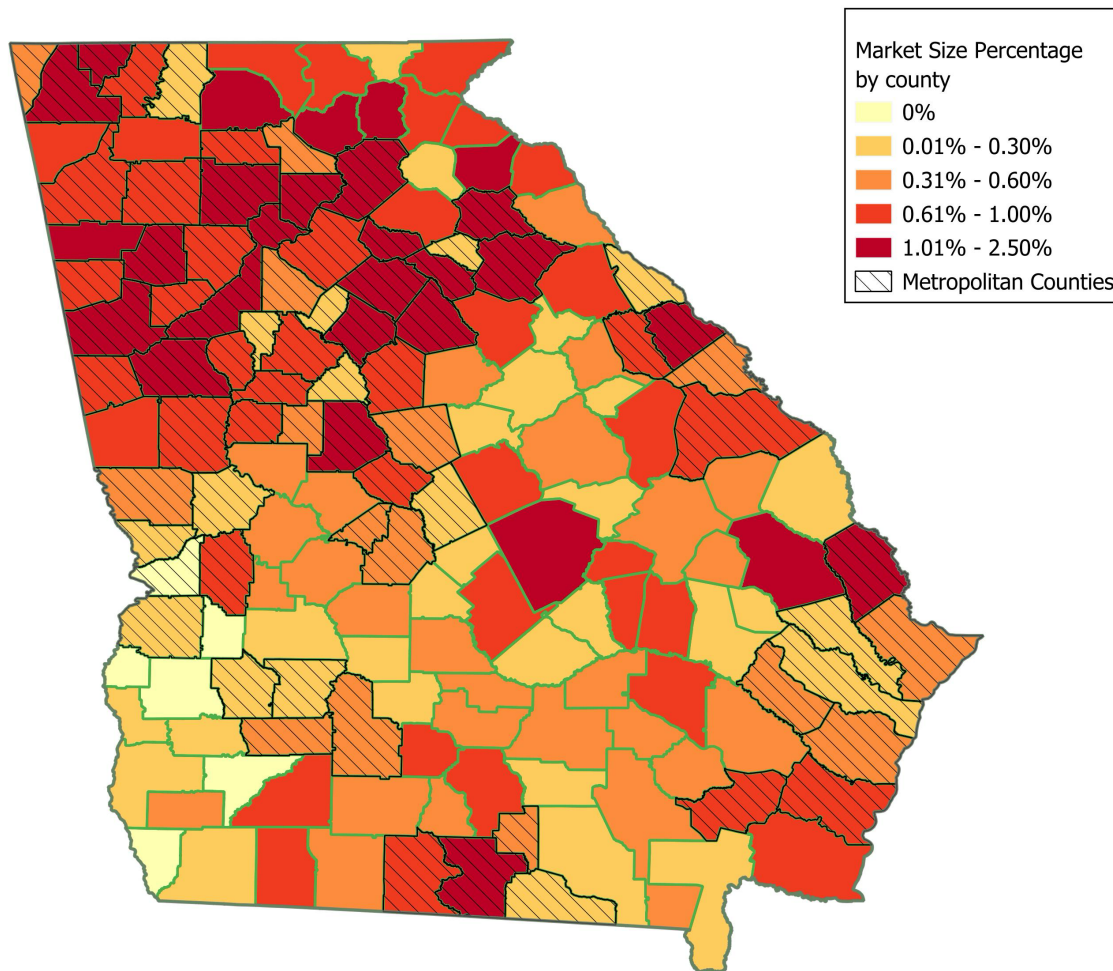
### **DTC Participation by County**

Among Georgia’s 159 counties, eight reported more than \$1 million in revenue from DTC marketing sales in the most recent USDA Census. These counties include Paulding County (\$3.7 million), Gilmer County (\$3.3 million), Hart County (\$1.8 million), Rabun County (\$1.7 million), Lumpkin County (\$1.5 million), Rockdale County (\$1.2 million), Haralson County (\$1.2 million), and Forsyth County (\$1.1 million).

In terms of DTC farm participation, Fulton and Walker counties had the highest number of DTC farms, with 47 farms each, followed by Hall County with 44 farms and Madison County with 41 farms. Paulding ranked fifth in the number of DTC farms, which eight other counties had between 30 and 40 DTC farms. Figure 5 illustrates the percentage of farms with DTC participation by county in Georgia.

Metro counties account for 56.72% of all DTC farms, while their revenue comprises approximately 32.23% of total DTC sales. This may suggest that DTC farms in metro counties are smaller scale farms with lower sales volumes compared to their rural counterparts.

**Figure 5. Farm participation in DTC by county**



## Conclusions

Georgia's (DTC) market is evolving, with fewer farms participating but higher revenues per operation. While rural counties account for a larger share of total DTC revenue, metro areas have a higher concentration of DTC farms yet contribute a smaller portion of total sales. This pattern suggests possible differences in farm size, market access, or business models between urban and rural farms. Additionally, Georgia's DTC market appears more reliant on high-revenue farms, which could indicate opportunities or challenges in the sector's overall structure. Strengthening urban farming initiatives, improving marketing channels, and increasing infrastructure support could enhance metro DTC farm profitability, while simultaneously reinforcing rural-based DTC farms as the primary drivers of revenue in Georgia's DTC market.