

AGRIBUSINESS ANALYSIS
SAN ANTONIO MARKET AREA

Gordon R. Powell
Russell F. McDonald
Robert E. Branson

July 1974

Texas Agricultural Market Research and Development Center

in cooperation with

Department of Agricultural Economics and Rural Sociology
The Texas Agricultural Extension Service
The Texas Agricultural Experiment Station
College Station, Texas

and kindred product. Of the manufacturing industries in the study area considered to be related to or directly engaged in the agribusiness classification of the U.S. Census of Business, gross sales in 1972 amounted to over a billion dollars. Total retail sales of all products in the study area in 1972 were over 4 billion.

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REPORT HIGHLIGHTS

1. The Greater San Antonio trade area for the agribusiness study comprises a primary market area of 11 counties and a secondary market area of 47 counties.
2. Analyses indicate that the agriculture-agribusiness sector contribution to the overall Greater San Antonio trade area economy amounted to approximately 2.9 billion dollars in 1973.
3. The 2.9 billion dollars in 1973 from agriculture-agribusiness was responsible for 41 percent of the trade area's economic activity, based on ACOG input-output data. It was 28 percent if one uses State input-output study data.
4. Based on personal income estimates for 1973, agriculture-agribusiness generated 921 million dollars of economic activity, or 15 percent of the total for the area.
5. Military bases, as is well known, also contribute significantly to the economy of the Greater San Antonio trade area. Business activity attributable only to personal income to this segment in 1973 generated 743 million dollars or 12 percent of the area total. This was slightly less than that from agriculture-agribusiness.
6. The total contribution of the military amounts to an estimated 2.5 billion dollars, or 24 percent of the total area business activity based on ACOG input-output factors. This compares with the 41 percent estimate for agriculture-agribusiness.
7. The military contribution to gross San Antonio product amounts to 24 percent of the total area economy, if one uses statewide input-output multipliers to reflect the total impact of military expenditures.
8. Approximately 93,553 business establishments in the trade area are in industry code classifications that have direct or indirect relationship to agriculture. Their total payroll is \$521,679,000 per year. Sales totaled 1.2 billion dollars. Of this, an estimated 550 to 743 million dollars, or 45 to 60 percent is estimated to be agriculture-agribusiness related.

percent of the two total gross product estimates in 1973 and 22-32 percent in 1972. The former estimate reflects the higher agricultural prices received in 1973 compared with 1972.

The military component has no physical product in the same sense as agriculture or manufacturing, its dollar outlays paid in wages are used since they add to the money flow (purchases for living needs). Assuming that all income was spent in the area, the final impact of the military and civilian employee wages received was 2.3 billion in 1972 and 2.5 billion in 1973. This amounts to between 23-34 percent of the total gross product in 1972 and 24-35 percent in 1973 using the state-wide multiplier factor from the State input-output model.

Personal Income Estimate

The third view taken of the economic impact in the San Antonio market area deals with personal income flows. These data are developed from U.S. Department of Commerce reports. As stated earlier, data do not exist that describes the agribusiness component. Consequently, the scope and depth of penetration into the total economy resulting from all the ancillary production and marketing activities in the system generally are overlooked. Nevertheless, the effect of these economic activities may be estimated by applying personal income multipliers to the available personal income data. Measured are the effects of this personal income being spent for

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Table 1. Contribution of agriculture-agribusiness to the greater San Antonio market area, 1973.

	GNP				Personal Income		Agricultural-Agribusiness Economic Impact Estimate	
	Base I		Base II		(41 county area)		Billion \$	%
	Billion \$	%	Billion \$	%	Million \$	%		
Agriculture	2.9	41	2.9	28	921.4	15.3	3.9 ^{1/}	38
Military	2.5	35	2.5	24	743.2	12.3	2.5	25
Other	1.6	24	4.8	48	4,372.1	72.4	3.8	37
TOTAL	7.0	100	10.2	100	6,036.7	100.0	10.2	100

^{1/} Agricultural and agribusiness impact adjusted to 1973 from 1972.

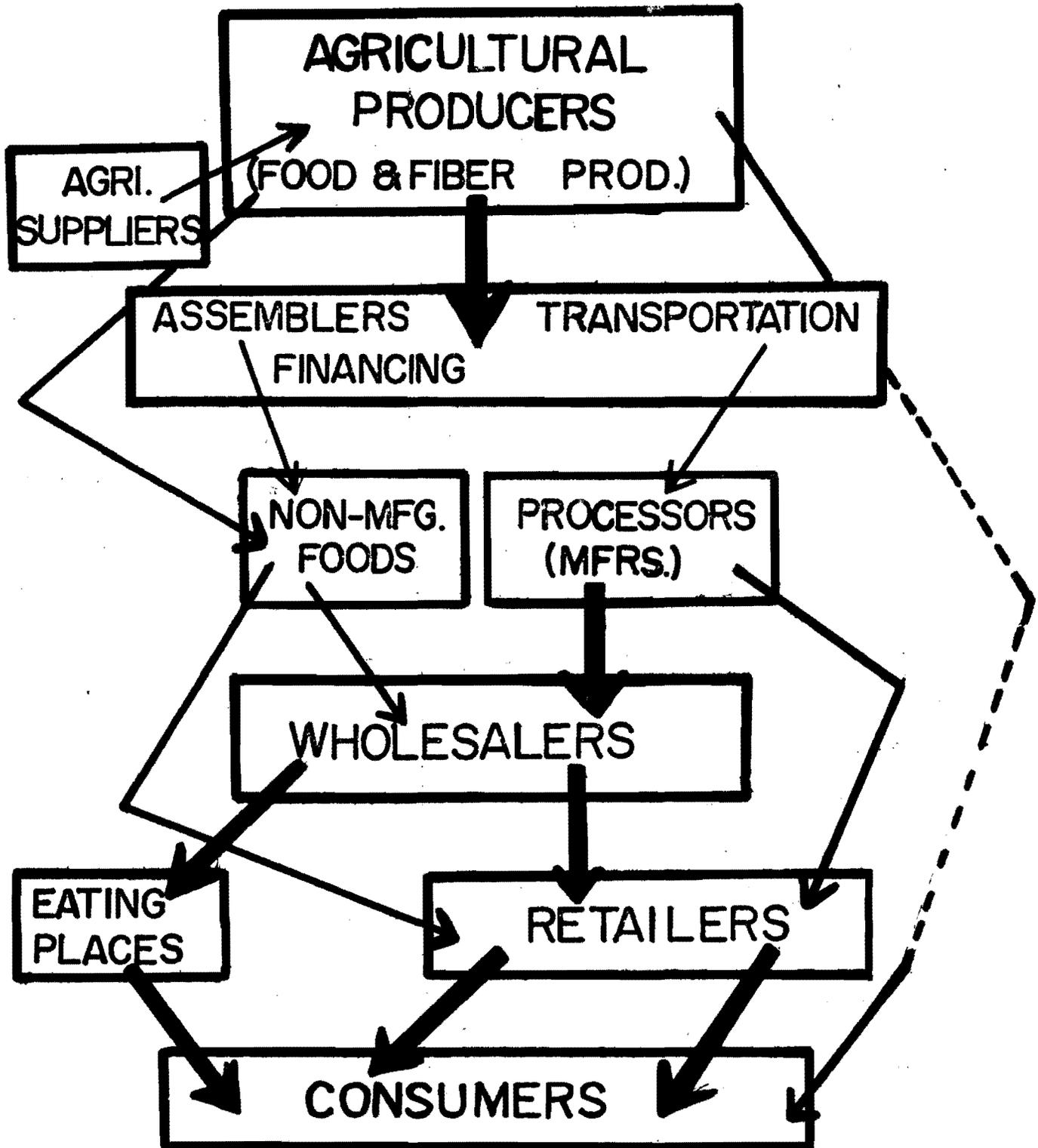
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FIG. 1 DIMENSIONS OF THE AGRICULTURAL PRODUCTION-MARKETING PROCESS



EXECUTIVE SUMMARY

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by

Gordon R. Powell, Russell F. McDonald
and Robert E. Branson^{1/}

Economic Impact Estimates

The primary objective of this study was to determine the economic impact of agriculture and agribusiness in the San Antonio market area. The forty-seven county area was designated by the Agribusiness Committee of the Greater San Antonio Chamber of Commerce. The finding is that agriculture is responsible overall for about four out of ten dollars generated in the San Antonio economy. This compares with the military segment, another important contributor, which accounts for three and one-half out of ten, or nearly the same as agriculture.

^{1/}Fruit and Vegetable Marketing Specialist; Economist, Marketing, respectively, Texas Agricultural Extension Service, and Coordinator, Texas Market Research and Development Center and economist, Texas Agricultural Experiment Station; and all of Department of Agricultural Economics, Texas A&M University.

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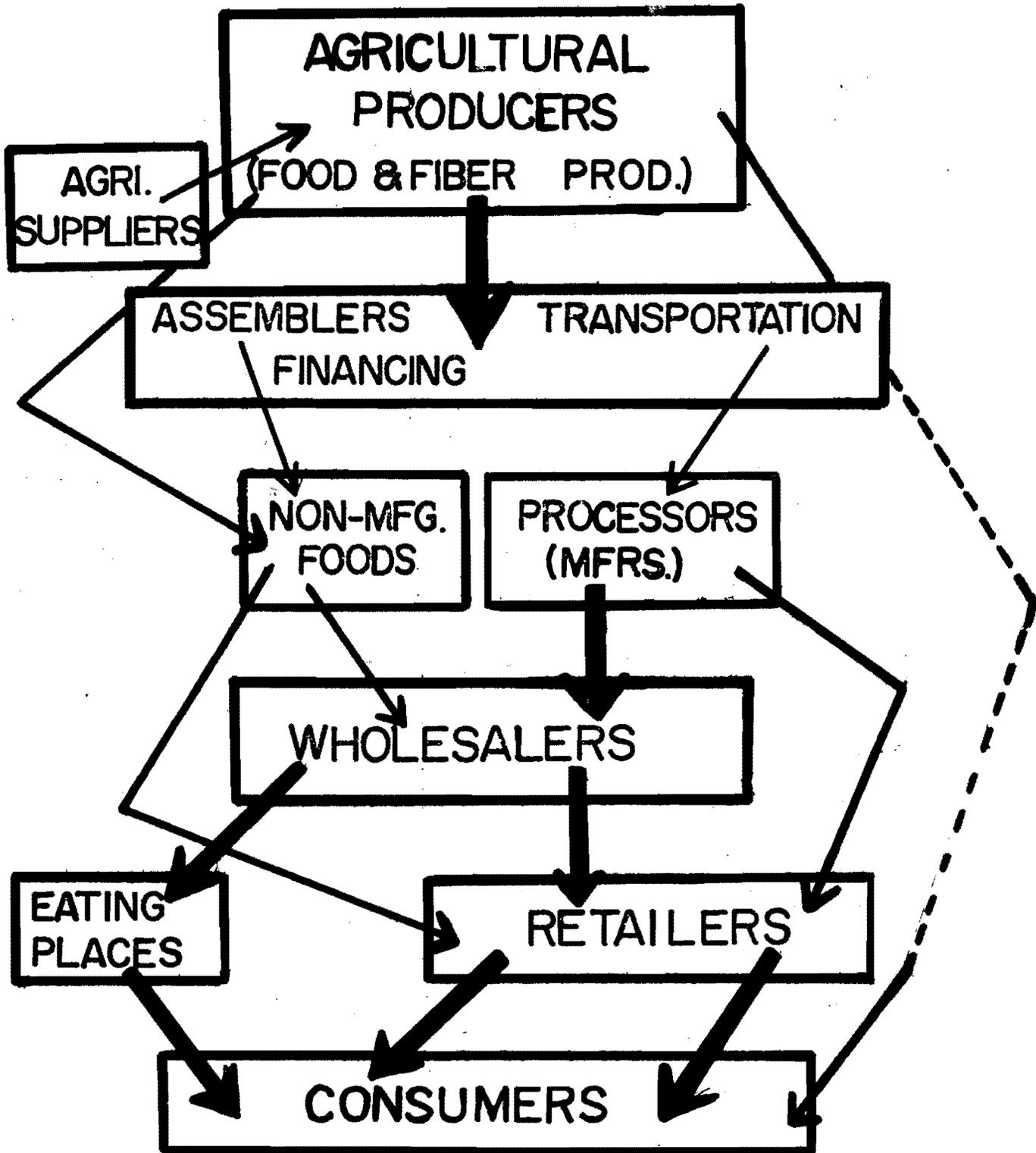
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