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Tools for Community Self-determination

Genesee County (Michigan) Local Farm & Food Economy

Highlights of a data compilation

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for

The Ruth Mott Foundation

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Genesee County (Bureau of Economic Analysis):

434,027 residents earned \$11.5 billion of personal income in 2007. The county's population peaked in 1973, at 451,762, due to industrial layoffs. Nevertheless, personal income rose from \$8 billion in 1970 to \$12 billion in 1994, in dollars adjusted for inflation. Despite this increase, there has been little public planning to assure a secure and stable food supply.

Issues affecting low-income residents of Genesee County:

27% (114,922) of the county's residents live in a household earning less than a living wage (less than 185% of the federal poverty level). This level is a more meaningful measure of adequate pay than the poverty line itself. At this level of income, children qualify for free or reduced-price lunch at school. These lower-income residents earn a combined \$1 billion per year, spending \$220 million buying food. Their food purchases are supplemented by \$96 million of SNAP benefits (formerly known as food stamps) and also by WIC coupons. *Data from Federal Census of 2000, & Bureau of Labor Statistics.*

Food-related health conditions in the Flint metropolitan area:

One-tenth (10%) of Flint metro residents have no health insurance. This lack of insurance carries significant public costs, since both county governments and medical facilities pay for treating customers who are not covered. Costs of this treatment in Michigan are estimated to be \$3 billion per year.¹

Food has become a leading cause of death in the U.S, rivaling tobacco. A high-calorie diet, combined with a lack of exercise, accounts for one-fifth of the annual deaths in the U.S.² Six

¹ Anstett, Patricia (2009). "Health costs rise as more go uninsured." *Detroit Free Press*, May 28. <http://www.freep.com/article/20090528/NEWS07/90528042/> — accessed June 8, 2009.

² McGinnis, J.M. & W.H. Foege (1993). "Actual causes of death in the United States." *JAMA* 270(18):2207-12; and Mokdad, A.H, J.S. Marks, D.F. Stroup, & J.I. Gerberding (2000). "Actual causes of death in the United States." *JAMA* 291(10):1238-45 [with published corrections in *JAMA* (2005), 293(3), 293-294.]

of the fifteen leading causes of death are related to poor diet and low physical activity.³

66% of Flint MSA residents are overweight or obese, with over one third (37%) overweight and more than one quarter (29%) obese. Over four of every five metro residents (81%) eat fewer fruits and vegetables than nutritionists recommend (five servings per day), and 77% report they have less than 20 minutes physical activity three days per week. 8% of metro residents have been diagnosed with diabetes. *Source: Centers for Disease Control, 2005.*

The county's farms (Agricultural Census, 2007)

Agriculture Census data for 2007 were released February 4, 2009.

Land:

- 988 farms, 6% fewer than in 2002 (1,051).
- 606 (61%) farms are less than 50 acres.
- 878 (89%) are less than 180 acres.
- 30 (3%) of farms are 1,000 acres or more.
- The most prevalent farm size is 10-49 acres, with a total of 530 farms (54%).
- Average farm size is 131 acres, 73% of Michigan's average.
- The county has 129,232 acres of land in farms, a decrease of 9% since 2002.
- This amounts to 1.3% of the state's farmland, and 1.8% of Michigan's farms.
- 82% of farmland is cropland, and 7% is woodland.
- Genesee County farms have 94,730 acres of harvested cropland.
- 89 farms have a total of 1,082 acres of irrigated land — 1% of the county's farmland.
- Average value of land and buildings per farm is \$488,344. This is 80% of the state average of \$610,556.

Sales:

- \$59 million of crops and livestock sold (2007).
- This is a 100% increase in sales over 2002 (\$29 million).
- Total farm production expenses were \$54 million.
- This is an increase of 51% over \$36 million of production expenses in 2002.
- The largest single cost of production was seeds, plants, vines and trees, for a total of \$7.3 million. Hired farm labor was next, at \$6.5 million. Depreciation was the county's third-largest production expense, at \$6.3 million. Fertilizers ranked fourth, at a cost of \$6.2 million. Supplies, repair and maintenance costs totaled \$4.9 million.
- \$48 million of crops were sold (81% of sales), an increase of 121% over 2002 sales of \$22 million.
- \$11 million of livestock and products were sold (19% of sales).
- The value of livestock and related products sold increased 42% from \$7.8 million in 2002, while the number of farms/ranches selling livestock and related products increased 3% from 2002 to 2007.
- 678 (69%) of the county's farms sold less than \$10,000 of products in 2002. Their aggregate sales of \$1.5 million amounted to 2.5% of the county's farm product sales.

³ Heron M., D.L. Hoyert, J. Xu, C. Scott, & B. Tejada (2008). *Deaths: preliminary data for 2006*. National Vital Statistics Report 56:16. http://www.cdc.gov/nchs/data/nvsr/nvsr56/nvsr56_16.pdf.

- 91 farms (9%) sold more than \$100,000 of products, an aggregate total of \$50 million, 85% of county farm product sales.
- 312 (31%) farms received \$1.6 million of federal subsidies in 2007 [*Note that Agriculture Census data differ from Bureau of Economic Analysis data*].
- 61% (605) of county's farms reported net losses in 2007 even after subsidies are taken into account. This is higher than the Michigan average of 55% (31,010 of 56,014).

Principal products of Genesee County farms (2007 Census of Agriculture)

	\$ millions
Ornamentals & nursery	17.7
Corn	12.2
Soybeans	11.0
Milk & dairy	5.4
Cattle & calves	3.5
Forage & hay	1.9
Fruits & nuts	1.6
Vegetables	1.2

Nursery, Landscape and Ornamental Crops:

- 64 farms sold \$17.7 million of ornamental and nursery crops; this is the single most important farm product in Genesee County. Sales increased 280% over the 2002 level of \$4.6 million.
- This represents 2.8% of Michigan's total sales of ornamental crops.
- 21 farms sold \$160,000 of Christmas trees.

Cattle & Dairy:

- 181 farms hold an inventory of 6,410 cattle and calves.
- 4,277 cattle worth \$3.5 million were sold from 149 farms in 2007. This represents a 51% increase in cattle or calves sales over 2002.
- 15 farms held an inventory of 1,417 dairy cows.
- 17 farms were reported as selling milk or dairy products, up from 12 farms in 1997. Milk and dairy sales rose 61% from \$3.3 million in 2002 to \$5.3 million in 2007.
- 367 farms produced 31,895 dry tons of forage crops (hay, etc.) on 11,852 acres.
- 19 farms raised 14,494 tons of corn for greenchop on 1,073 acres.

Other livestock & animal products:

- 77 farms sold a total of \$565,000 of horses. This means sales fell 16% in five years (from \$672,000); while the number of farms fell 25% from 102.
- 114 farms raise laying hens, and held an inventory of 3,103 hens in 2007.
- 18 farms held an inventory of 1,515 broiler chickens.
- 105 farms sold poultry and products, double the number in 2002 (50), for sales totaling \$99,000. 2002 sales were not reported by the Agriculture Census, to protect confidentiality.

- 48 farms sold 2,420 hogs and pigs for a total of \$138,000. This is an increase of 30% in the number of farms (from 37), and a 66% decrease in sales (from \$401,000), over the past five years.
- 53 farms hold an inventory of 1,113 sheep, lambs, and goats; and sold \$89,000 worth.

Grains, Dry Edible Beans, Oil Crops, and others:

- Genesee County farms sold \$25 million of grains, oil crops and edible beans, a 91% increase over \$13 million sold in 2002 .
- 190 county farms raised \$12 million (3.9 million bushels) of corn on 32,122 acres in 2007.
- This was an average price of \$3.07 per bushel.
- 179 county farms raised 1.4 million bushels of soybeans on 38,771 acres, worth \$11 million.
- 85 of the county's farmers sold 407,874 bushels of wheat, primarily winter wheat, on 7,289 acres. Total value was \$1.7 million.
- 21 farms produce 11,648 bushels of oats on 289 acres.
- 5 farms produce 3,800 bushels of barley on 61 acres.
- 6 farms produce 7,795 bushels of dry edible beans on 484 acres, worth \$237,000.
- 3 farms produce sugar beets.

Vegetables & Melons (some farmers state that Ag Census data does not fully represent vegetable production):

- Total vegetable and potato sales were \$1.2 million (0.3% of Michigan's), down 27% from \$1.6 million in 2002.
- 63 farms produce these vegetables on 787 acres of land; there were 52 vegetable farms in 2002.
- This is 0.5% of Michigan's vegetable acreage.
- 7 farms raise potatoes.

Fruits (some farmers state that Ag Census data does not fully represent fruit production):

- The county has 33 fruit farms with 480 acres of orchard.
- 36 farms sold \$1.6 million of fruit and nuts, 2.5 times the 2002 sales level, from 1.5 times the number of farms. Genesee County has 1.1% of Michigan's fruit farms.

Direct and organic sales:

- 136 (14%) farms sell \$1.5 million of food directly to consumers. This is a 5% increase in the number of farms selling direct (129 in 2002), and a 47% increase in direct sales, from \$1 million in 2002. Direct sales account for 2.6% of county farm sales, six the national average.
- Genesee County farmers make 2.6% of the state's \$58 million of direct sales.
- 20 county farms sold organic foods (\$882,000 in sales) from 20 acres.
- This means sales of organic foods averaged \$44,000 per acre.
- This is 3.4% of Michigan farms selling organic, but only 2.8% of state sales (\$32 million).
- 7 farms market through community supported agriculture (CSA).
- 47 farms produce added-value products on the farm.

Conservation practices:

- 141 farms use rotational management or intensive grazing.
- 211 farms use conservation practices.
- 10 farms generate some electricity on the farm.

Highlights of Genesee County, Michigan (2007 Census of Agriculture)

- Ranks 6th in Michigan for number of horses (1,174), with \$565,000 sold.
- Ranks 9th in Michigan for sales of nursery and greenhouse products (\$18 million).
- 16 American Indian farm operators.
- 12 African-American farm operators.
- 8 Latino farm operators.

Highlights of the state of Michigan (2007 Census of Agriculture)

- Ranks 3rd in nation for sales of Christmas trees and shrubs (\$29 million).
- Ranks 5th in U.S. for sales of fruits, nuts & berries (\$392 million).
- Ranks 6th in nation for sales of nursery and greenhouse crops (\$623 million).
- Ranks 7th in U.S. for sales of milk and dairy products (\$1.3 billion).
- Ranks 7th in nation for acres devoted to corn silage (297,381).
- Ranks 9th in U.S. for vegetable sales (\$347 million).
- Total farm commodities sold: \$5.7 billion.
- This is an increase of 53% over 2002.
- Value of crops sold: \$3.3 billion.
- Value of livestock and products sold: \$2.4 billion.
- Sales of cattle and calves totaled \$449 million.
- Hog and pig sales totaled \$358 million.
- Unusually diverse farm operators (See lines immediately following):
- 613 American Indian farm operators.
- 129 Asian-American farm operators.
- 324 African-American farm operators.
- 937 Latino farm operators.
- The number of farms in Michigan rose 5% to 56,014 in 2007 from 53,315 in 2002.
- Most prevalent farm size is 10-49 acres.
- Federal payments totaled \$119 million, 18% less than in 2002.

Michigan's Top 25 farm commodities (2008 — Economic Research Service):

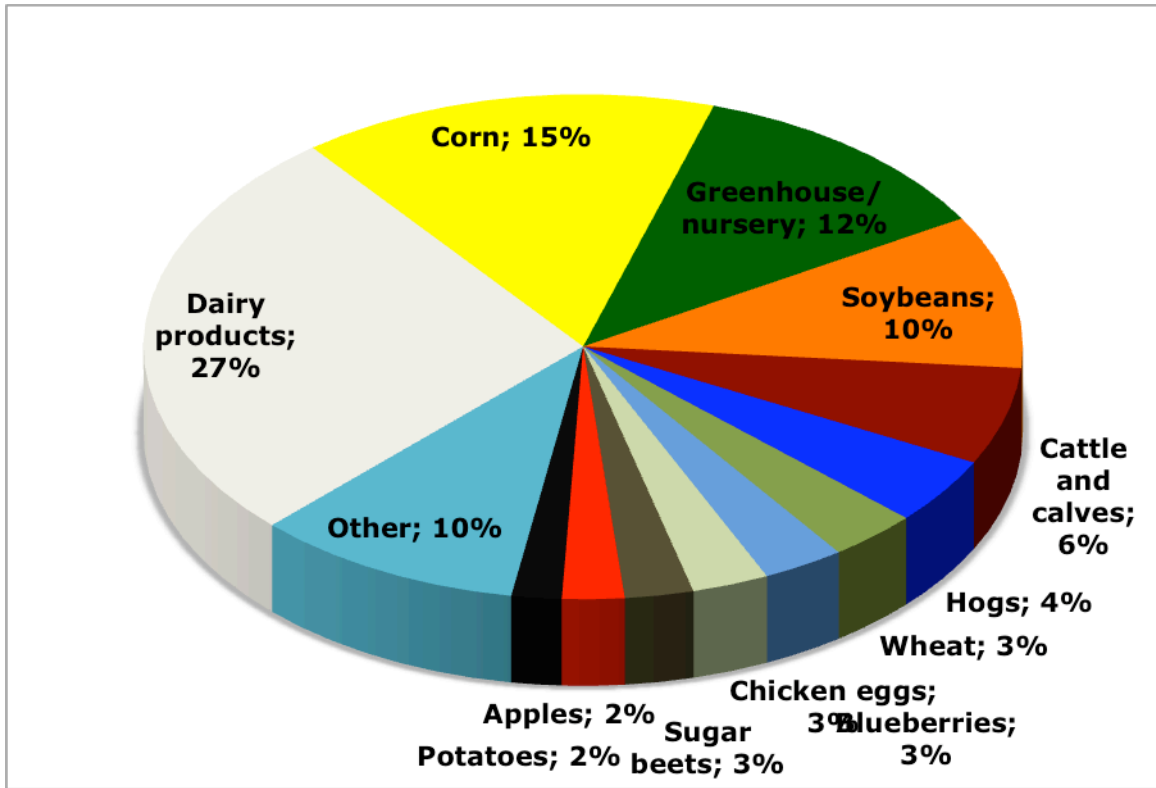
See chart, next page

		\$ millions
1	Dairy products	1,484
2	Corn	847
3	Greenhouse/nursery	646
4	Soybeans	542
5	Cattle and calves	343
6	Hogs	236
7	Wheat	180
8	Blueberries	165
9	Chicken eggs	155
10	Sugar beets	139
11	Apples	126
12	Potatoes	101
13	Hay	91
14	Dry beans	90
15	Turkeys	84
16	Cherries	69
17	Cucumbers	51
18	Tomatoes	34
19	Grapes	28
20	Beans, snap	23
21	Peaches	16
22	Asparagus	15
23	Carrots	15
24	Corn, sweet	14
25	Squash	14

Note that the \$58 million of direct sales from Michigan farmers to consumers would rank direct sales above the 17th most important product listed above.

Michigan's Top 25 farm commodities (2008 — Economic Research Service):

See table, previous page



Balance of Cash Receipts and Production Costs (Bureau of Economic Analysis):

Genesee County ranchers and farmers sell \$54 million of commodities per year (average for the years 1978-2007), spending \$61 million to raise these products, for an average loss of \$7 million each year. The farm sector as a whole did not earned a positive cash flow from raising commodities (though clearly some individual farms have made money) in any year from 1984-2006, gaining a slightly positive cash flow only in 2007. Note that these sales figures compiled by the BEA are lower than cash receipts recorded by the USDA Agriculture Census (above).

Overall, farm producers have suffered a loss of \$219 million since 1978. Moreover, 61% of the county's farms and ranches reported a net loss in 2007 (Ag Census), even after subsidies are taken into account.

Genesee County farmers earned \$4.7 million less by selling commodities in 1969 than they earned in 2007 (in 2007 dollars). Sales of livestock and related products fell 63%, from \$35 million in 1978 to \$13 million in 2007, while crop income rose only slightly.

Farmers and ranchers earn another \$2 million per year of farm-related income — primarily custom farm work and rental income (30-year average for 1978-2007). Federal farm support payments average \$4 million per year for all farmers in the county over the same years. Even taking these sources of income into account, net farm income has averaged a deficit of \$1 million. This means many farm families rely deeply on off-farm income.

Genesee County's consumers:

Genesee county consumers spend \$1.1 billion buying food each year, including \$645 million for home use. Most of this food is produced outside the county. Only \$1.5 million of food products (2.6% of farm cash receipts, and 0.1% of local consumer needs) are sold by farmers directly to consumers.

Estimated change in net assets for all county households was a combined loss of \$605 million in 2006 alone (BLS). This places additional pressure on Genesee County residents as they pay for food.

Farm and food economy summary:

Farmers lose \$7 million each year producing food commodities, spending \$35 million buying inputs from external suppliers, for a total outflow of \$42 million from the county economy.

Meanwhile, consumers spend more than \$900 million buying food from outside. Thus, total loss to the county is \$940 million of potential wealth *each year*. This loss amounts to more than 17 times the value of all commodities raised in the county.

Genesee County: markets for food eaten at home (2007):

Source: Bureau of Labor Statistics

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 140
Fruits & vegetables	117
Cereals and bakery products	81
Dairy products	71
“Other,” incl. sweets, fats, & oils	236

If Genesee County consumers purchased only 15% of the food they need for home use directly from county farmers, this would produce \$97 million of new farm income in Genesee County — an amount equivalent to 1.8 times the average farm sales in the county.

State of Michigan: markets for food eaten at home (2007):

Michigan residents purchase \$26 billion of food per year, \$15 billion of this to eat at home.

Source: Bureau of Labor Statistics

	<i>millions</i>
Meats, poultry, fish, and eggs	\$3,184
Fruits & vegetables	2,658
Cereals and bakery products	1,841
Dairy products	1,619
“Other,” incl. sweets, fats, & oils	5,355

Key data sources:

Bureau of Economic Analysis data on farm production balance

<http://www.bea.doc.gov/bea/countyal/reis/>

Food consumption estimates from Bureau of Labor Statistics Consumer Expenditure Survey

<http://www.bls.gov/cex/home.htm>

U.S. Census of Agriculture

<http://www.nass.usda.gov/census/>

USDA/Economic Research Service food consumption data:

<http://www.ers.usda.gov/data/foodconsumption/>

USDA/ Economic Research Service farm income data:

<http://ers.usda.gov/Data/FarmIncome/finfidmu.htm>

Centers for Disease Control: Behavior Risk Factors Surveillance System

BRFSS <http://apps.nccd.cdc.gov/brfss-smart/>

National Association of County and City Health Officials (NACCHO)

Big Cities Health Inventory <http://www.naccho.org/>

For more information:

To see results from *Finding Food in Farm Country* studies in other counties of the U.S.:

<http://www.crcworks.org/locales.html>

To read the original *Finding Food in Farm Country* study from Southeast Minnesota (written for the Experiment in Rural Cooperation): <http://www.crcworks.org/ff.pdf>

To view a PowerPoint presented in March, 2008, by Ken Meter at Rep. Collin Peterson's (D-MN) Minnesota agricultural forum, called the "Home Grown Economy":

<http://www.crcworks.org/crcppts/petersonKM08.pdf>

To get a brief list of essential food facts, many of which are cited in the presentation above,

<http://www.crcworks.org/foodmarkets.pdf>

To link to further analysis of farm and food economies in the U.S.:

<http://www.crcworks.org/econ.html>

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