Agriculture: Still big

Acadiana is no longer a one- or two-industry region. Once known only for its agriculture and oil, the region continues to be a top producer in both those areas.

But retailers are beginning to notice this trade area of 500,000 people. So are health care providers, bankers and financial institutions. Highways meet waterways meeting rail lines in Acadiana—as distributors and truckers and boatmen now realize. Growing markets in Latin America make Acadiana even more attractive as a stopping and shipping point.

This is the second of a series of Sunday business page articles looking at Acadiana: Building on a New Diversity.

In industrialized countries sometimes gloss over the importance agriculture plays in a country’s economic well-being, choosing instead to focus on manufacturing and service sector enterprises that provide a more visible employment.

But, Acadiana’s agriculture experts agree that the region’s agricultural economy continues to be the primary economic stimulus, promoting economic growth, stability and security for the region and the nation.

In terms of dollars earned, Louisiana’s agriculture and aquaculture industry, and the largest and most valuable commodity, forestry, contributed about $3.4 billion to the state economy in 1992, according to a 1993 LSD Agriculture Center report.

Value-added industries such as processing, storage and transportation of ag-products, added another $4.1 billion to the state’s economy, swelling agriculture’s impact to $7.5 billion, the report shows.

Statewide, agribusinesses provided jobs for about 68,000 hired farm workers, and about 220,000 additional employees affiliated with 13,000 agricultural enterprises, generating about $2.9 billion in annual payrolls, the Agriculture Center reports.

Michael Danna, editor for the Louisiana Farm Bureau News, points out that Louisiana’s agricultural production not only provides sufficient products for export markets, but helps lower consumer prices for foodstuffs. He said consumers pay about 12 cents of every dollar for foodstuffs.

“It doesn’t take much to recognize that a country that produces enough food to feed its population, keep prices down and feed the people of other countries, can feel more secure as a nation,” he said.

Area farms, however, are posting mixed revenue results for the past two years, according to agriculture experts.

While sugarcane harvests are up, rice and soybean harvests will be down due to a warmer and wetter summer, and reduced acreage, according to Stan Dutile, LSU extension service county agent for Lafayette Parish.

A review of the Agriculture Center’s records shows that total agriculture production in Acadiana, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, St. Mary and Vermilion parishes fell by 4 percent in 1993, dropping to about $451.1 million compared to $462.4 million in 1992.

Dutile attributes declining farm incomes to reductions in the number of farmers, and reduced acreage. He said Lafayette Parish has 194 farms operating currently, compared to 167 farms in 1992.

“In the 1970s when soybeans first came to Louisiana we had a peak of about 50,000 acres planted,” he said. “We will have only about 12,000 planted acres for 1994.”

In the nation, the number of farmers has dropped to 1.9 million, the fewest since 1850, a 1994 U.S. Census Bureau report shows. The remaining farms are larger and more productive, but the average age of farmers has risen, causing some concern in the agriculture industry.

Kyle McCann, associate commodities director for the Louisiana Farm Bureau Federation Inc., also points out that farmers make up about 2 percent of the total workforce, but directly benefit the lives of 17 percent of all U.S. workers. Concerned with farm demographic trends, McCann said the average age of farmers today is 53.3 years old compared to 52 years old in 1987. He attributes rising age levels to the financial risks and amount of capital required to operate farms.

“Net returns per acre are so small, margins are so narrow by the acre, that even if a son wanted to come back to the farm, there might not be enough (farm income) to support two families,” he added.