

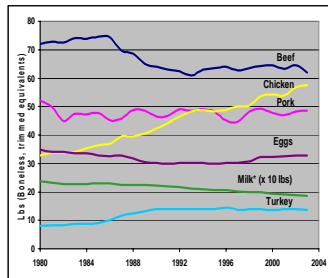


Economic Activity Associated with the Indiana Livestock Industries

Carlos D. Mayen
Kevin T. McNamara
Marcia Salazar

Consumption of Livestock Products

Per Capita Consumption

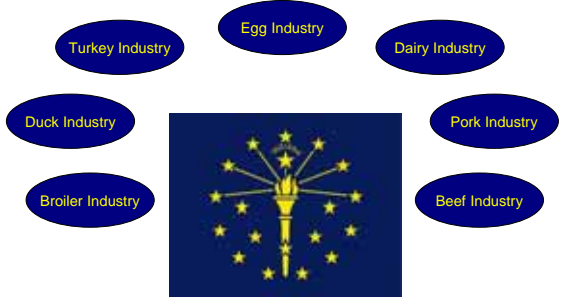


* Per Capita milk consumption is 10 times higher

Consumption Equivalents

- 62 lbs
- 99 - 10oz. steaks
- 57.5 lbs
- 260 - chicken sandwiches
- 32.7 lbs
- 253 - over easy
- 186 lbs
- 21.6 - gallons
- 48.5 lbs
- 12 - hams (4 lbs)
- 14 lbs
- 1 whole turkey (14 lbs)

Indiana Livestock Industries



Indiana's Supply of Livestock Products



- Beef for 1.7 million people



- Chicken for 2.8 million people



- Eggs for 24.7 million people



- Milk for 15.9 million people



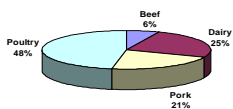
- Pork for 20.8 million people



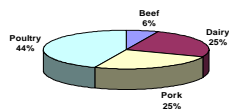
- Turkey for 25 million people

Indiana Livestock Industries

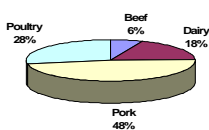
Employment



Labor Income



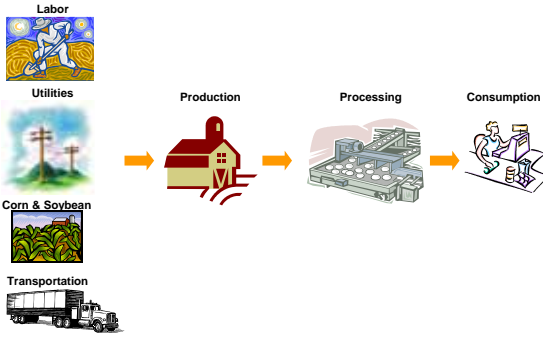
Output



Measuring Economic Activity

- Direct – Purchases, payments, and employment made by the industry as it spends money in the economy to support its production activity.
- Indirect – Activities in the economy that result from input suppliers spending money to produce the good they supply to the final producer.
- Induced – Activities in the local economy that result from household spending of income earned from either the industry or their input suppliers.

Industry Linkages



Measuring Economic Activity

- Data: Industry & Agricultural Statistics
- Input-Output model for Indiana was built to assess the value of the backward linkages to produce poultry products
- General Equilibrium Model between 509 sectors of the Indiana economy
- IMPLAN (Impact Analysis for PLANning)

Beef Industry - Overview

- Product Mix
 - Mostly live animals are sold to be slaughtered in other states



- National Rankings
 - 18th in number of cattle on feed
 - 33rd in number of beef cows
- Production
 - 19,000 beef cow operations in Indiana in 2004
 - Equivalent to 209 million pounds (live weight)

Direct Economic Activities

- Total sales by the Beef Industry in 2004 were \$173.8 million
- At production level the industry employs 910 FTE earning incomes of \$27.3 million (*IMPLAN estimates*)
- Feed Purchases
 - 15.1 million bushels of corn (*1.6 % of Indiana crop in 2004*)
 - 816 thousand tons of corn silage
 - 215 thousand tons of hay and pasture

Economic Activity Associated with the Beef Industry

	Output	Labor Income	Employment
Direct	\$173,787,696	\$27,297,498	910
Indirect	\$102,187,218	\$24,985,908	799
Induced	\$41,095,207	\$13,379,656	469
Total	\$317,070,117	\$65,663,063	2,178

Activity By Sector of the Indiana Economy

	Output	Labor Income	Employment
Beef Industry / Agriculture	\$221,476,121	\$37,433,663	1,299
Utilities	\$4,408,440	\$975,341	10
Manufacturing	\$15,572,007	\$2,467,109	39
Trade	\$13,749,914	\$5,806,945	184
Transportation and Warehousing	\$6,951,859	\$2,913,041	72
Finance, Insurance & Real Estate	\$22,886,680	\$4,538,574	160
Services	\$14,072,281	\$6,209,693	279
Healthcare and Social Assistance	\$6,270,032	\$3,384,031	91
Other	\$11,682,783	\$1,934,666	45
TOTAL	\$317,070,117	\$65,663,063	2,178

Beef Industry / Agriculture represents 70 % of total sales, 57 % of total labor income and 60 % of total employment.

Dairy Industry - Overview

- Product Mix
 - Mostly fluid milk and some manufactured dairy products such as ice cream and milk sherbet



- National Rankings
 - 14th in milk production
 - 2nd in ice cream production
- Production
 - 2,962 million pounds of milk produced in Indiana in 2004

Direct Economic Activities

- Total sales by the Dairy Industry in 2004 were \$490.6 million
- At milk production level the industry employs 3570 FTE earning incomes of \$107 million (*IMPLAN estimates*)
- Feed Purchases
 - 15.6 million bushels of corn (*1.6 % of Indiana crop in 2004*)
 - 1.2 million tons of corn silage
 - 915 thousand tons of hay and pasture
 - 96,375 tons of protein supplement (*including soybean meal*)

Economic Activity Associated with the Dairy Industry

	Output	Labor Income	Employment
Direct	\$533,063,264	\$107,099,704	3,570
Indirect	\$313,255,560	\$76,713,872	2,189
Induced	\$140,080,831	\$45,607,640	1,598
Total	\$986,399,636	\$229,421,219	7,357

Activity By Sector of the Indiana Economy

	Output	Labor Income	Employment
Dairy Industry / Agriculture	\$689,540,437	\$137,600,165	4,629
Utilities	\$11,908,650	\$2,503,533	25
Manufacturing	\$59,873,268	\$9,849,150	194
Trade	\$47,023,572	\$19,889,994	636
Transportation and Warehousing	\$17,584,088	\$7,361,128	183
Finance, Insurance & Real Estate	\$49,217,355	\$10,383,616	301
Services	\$43,923,967	\$19,942,603	886
Healthcare and Social Assistance	\$21,290,887	\$11,501,718	308
Other	\$46,037,412	\$10,389,312	194
TOTAL	\$986,399,636	\$229,421,219	7,357

Dairy Industry / Agriculture represents 70 % of total sales, 60 % of total labor income and 63 % of total employment.

Pork Industry - Overview

- Product Mix
 - Processed and Further Processed (Value Added) Products



- National Rankings
 - 5th largest hog producing state
- Production
 - 3,200 hog farms in 2004
 - 1,870 million pounds (live weight)

Direct Economic Activities

- Total sales by the Pork Industry in 2004 were \$1,375 million
- At slaughter/processing level the industry employs 3,021 FTE earning incomes of \$109 million (*IMPLAN estimates*)
- Feed Purchases
 - 70.6 million bushels of corn (*7.4 % of Indiana crop in 2004*)
 - 1,014 million pounds of supplements and minerals

Economic Activity Associated with the Pork Industry

	Output	Labor Income	Employment
Direct	\$1,375,858,176	\$109,394,440	3,021
Indirect	\$1,274,840,450	\$247,556,943	7,092
Induced	\$276,120,004	\$89,340,024	3,130
Total	\$2,926,818,630	\$446,291,407	13,243

Activity by Sector of the Indiana Economy

	Output	Labor Income	Employment
Pork Industry / Agriculture	\$2,115,489,738	\$209,985,401	6,436
Utilities	\$32,921,507	\$6,965,407	71
Manufacturing	\$198,901,700	\$25,386,560	472
Trade	\$133,386,386	\$55,486,970	1,572
Transportation and Warehousing	\$79,916,778	\$31,460,252	792
Finance, Insurance & Real Estate	\$136,948,661	\$31,141,366	933
Services	\$98,860,091	\$44,881,422	1,995
Healthcare and Social Assistance	\$41,585,458	\$22,462,383	602
Other	\$88,808,311	\$18,521,646	371
TOTAL	\$2,926,818,630	\$446,291,407	13,243

Pork Industry / Agriculture represents 72 % of total sales, 47 % of total labor income and 48.5 % of total employment.

Poultry Industry - Overview

- Varied Product Mix
 - Ducks, Broilers, Turkeys and Eggs
 - Further Processed (Value Added) Products



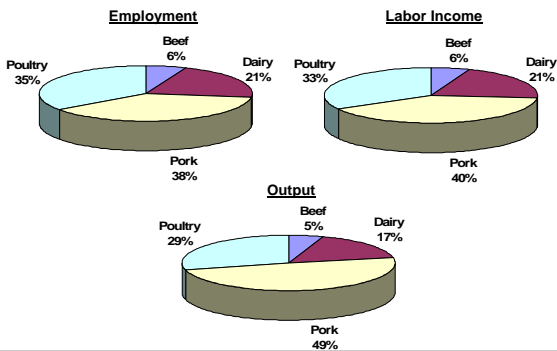
- National Rankings
 - 1st. in Duck Production
 - 3rd. in Number of Layers in Egg Production
 - 7th. in Turkey Production
- Production
 - 607 million pounds of meat
 - 6.1 billion eggs (8% of U.S. Production)

Activity by Sector of the Indiana Economy

	Output	Labor Income	Employment
Poultry Industry / Agriculture	\$1,251,769,619	\$201,572,488	7,587
Utilities	\$23,622,555	\$4,934,957	50
Manufacturing	\$67,150,037	\$11,953,955	230
Trade	\$74,771,658	\$31,563,311	997
Transportation and Warehousing	\$39,794,155	\$16,487,131	421
Finance, Insurance & Real Estate	\$60,591,232	\$14,513,262	414
Services	\$75,526,107	\$34,784,535	1,511
Healthcare and Social Assistance	\$34,206,067	\$18,473,535	495
Other	\$112,122,493	\$34,646,692	572
TOTAL	\$1,739,553,923	\$368,929,866	12,277

Poultry Industry / Agriculture represents 72 % of total sales, 54.6 % of total labor income and 61.8 % of total employment.

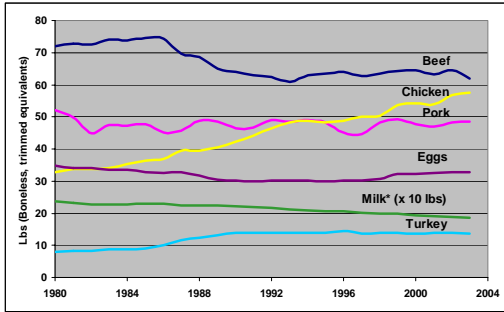
Economic Activity Associated with Indiana Livestock Industries



Summary

- Indiana Livestock Industries are associated with:
 1. \$6,000 million in output sales
 2. 35,000 FTE jobs
 3. \$1,110 million in labor income
 4. Average labor income of \$31,674

U.S. Per Capita Consumption of Livestock Products



* Per Capita milk consumption is 10 times higher

Indiana Livestock Information

Mayen, Carlos and Kevin T. McNamara. Indiana' Poultry Meat Industry, Purdue Agricultural Economics Report, <http://www.agecon.purdue.edu/extension/pubs/paer/2005/October/mcnamara.asp>

Mayen, Carlos and Kevin T. McNamara. "The Indiana Dairy Industry: Trends and Economic Importance." Purdue Agricultural Economics Report (*forthcoming*).

Mayen, Carlos and Kevin T. McNamara. "Economic Importance of the Indiana Poultry Industry: Trends and Economic Importance." Department of Agricultural Economics, Purdue University, West Lafayette, Indiana. January 2006.

Salazar, Marcia and Kevin T. McNamara. "The Indiana Hog Industry: Trends and Economic Importance." Department of Agricultural Economics, Purdue University, West Lafayette, Indiana. January 2006.

Salazar, Marcia and Kevin T. McNamara. "The Indiana Beef Industry: Trends and Economic Importance." Department of Agricultural Economics, Purdue University, West Lafayette, Indiana. January 2006.

Contact Information

Carlos D. Mayen
 Dept. of Agricultural Economics
 Purdue University
 (765) 494 - 4213
mayen@purdue.edu

Dr. Kevin McNamara
 Dept. of Agricultural Economics
 Purdue University
 (765) 494 - 4236
