Economic Contribution of Hog Production

In Kansas and Kansas's 1st Congressional District



by Holly Cook and Lee Schulz

Introduction

The pork industry is a significant driver of economic activity in the Kansas economy. Kansas is the 11th largest pork producing state, and Kansas's 1st district is the 10th largest hog producing region in the United States.¹ The results of the statewide study of the pork industry in Kansas can be used to estimate the contributions of hog production to Kansas's 1st Congressional District.²

The Kansas Pork Industry

Kansas produces 4.04 million hogs annually valued at \$505.20 million.³ To produce this volume of hogs, the Kansas pork industry:

- Uses 34.3 million bushels of corn and 236.3 thousand tons of soybean meal
- Provides 702 direct full-time-equivalent jobs with annual payroll near \$43.08 million

Kansas's hog industry is closely linked to the pork processing sector. In 2021, 116.7 million pounds of pork were processed in Kansas facilities, feeding a growing demand from both domestic and export consumers. When combined with pork processing and other indirect and induced impacts, the total impact of hog production on the Kansas economy is:

- \$2.54 billion in total economic activity
- 7,673 jobs and \$407.32 million in annual personal earnings
- Pork exports support about 1,948 jobs and \$103.42 million in personal incomes

Economic Contribution to Kansas's 1st District

The 1st Congressional District has 79.8% of Kansas's hog inventory implying that farmers in the district:

- Annually market 3.22 million hogs valued at approximately \$402.95 million
- Feed 27.4 million bushels of corn and 188.4 thousand tons of soybean meal
- Directly support 560 jobs and \$34.36 million in personal income

When combined with pork processing and the additional indirect and induced activity supported by the industry, the total economic contribution of the pork industry to the 1st District's economy is:

- \$2.03 billion in total sales
- 6,120 jobs and \$324.88 million annual payroll
- Pork exports support 1,554 jobs and \$82.49 million in personal incomes

	Jobs	Income	Value Added	Sales
Direct Pork Industry	2,969	\$155.64 mil.	\$276.55 mil.	\$1.35 bil.
Indirect Activity	1,979	\$113.60 mil.	\$177.61 mil.	\$492.50 mil.
Induced Activity	1,172	\$55.64 mil.	\$102.27 mil.	\$183.63 mil.
Total Impact	6,120	\$324.88 mil.	\$556.43 mil.	\$2.03 bil.

¹ State rank was determined from December 2021 hog inventories reported in the 2021 USDA Meat Animals Disposition, Production and Income Report. Congressional District rank is based on 2017 hog inventories reported in the most recent U.S. Census of Agriculture.

² District-level estimates are based on the results of <u>The Kansas Pork Industry 2021: Current Structure and Economic Importance</u> by Holly Cook and Lee Schulz. District impacts are calculated as a proportion of the state-level impact equal to the district share of total inventory.

³ Annual value of sales is based on the 10-year average values forecasted by University of Missouri FAPRI and are intended to reflect long-run conditions in the industry.

Economic Contribution of Hog Production





Introduction

The pork industry is a significant driver of economic activity in the Kansas economy. Kansas is the 11th largest pork producing state, and Kansas's 2nd district is the 37th largest hog producing region in the United States.1 The results of the statewide study of the pork industry in Kansas can be used to estimate the contributions of hog production to Kansas's 2nd Congressional District. 2

The Kansas Pork Industry

by Holly Cook and Lee Schulz

Kansas produces 4.04 million hogs annually valued at \$505.2 million.3 To produce this volume of hogs, the Kansas pork industry:

- Uses 34.3 million bushels of corn and 236.3 thousand tons of soybean meal
- Provides 702 direct full-time-equivalent jobs with annual payroll near \$43.08 million

Kansas's hog industry is closely linked to the pork processing sector. In 2021, 116.7 million pounds of pork were processed in Kansas facilities, feeding a growing demand from both domestic and export consumers. When combined with pork processing and other indirect and induced impacts, the total impact of hog production on the Kansas economy is:

- \$2.54 billion in total economic activity
- 7,673 jobs and \$407.32 million in annual personal earnings
- Pork exports support about 1,948 jobs and \$103.42 million in personal incomes

Economic Contribution to Kansas's 2nd District

The 2nd Congressional District has 15.4% of Kansas's hog inventory implying that farmers in the district:

- Annually market 622,048 hogs valued at approximately \$77.84 million
- Feed 5.3 million bushels of corn and 36.4 thousand tons of soybean meal
- Directly support 108 jobs and \$6.64 million in personal income

When combined with pork processing and the additional indirect and induced activity supported by the industry, the total economic contribution of the pork industry to the 2nd District's economy is:

- \$391.91 million in total sales
- 1,182 jobs and \$62.76 million annual payroll
- Pork exports support 300 jobs and \$15.93 million in personal incomes

	Jobs	Income	Value Added	Sales
Direct Pork Industry	573	\$30.07 mil.	\$53.42 mil.	\$261.30 mil.
Indirect Activity	382	\$21.94 mil.	\$34.31 mil.	\$95.14 mil.
Induced Activity	226	\$10.75 mil.	\$19.76 mil.	\$35.47 mil.
Total Impact	1,182	\$62.76 mil.	\$107.48 mil.	\$391.91 mil.

¹ State rank was determined from December 2021 hog inventories reported in the 2021 USDA Meat Animals Disposition, Production and Income Report. Congressional District rank is based on 2017 hog inventories reported in the most recent U.S. Census of Agriculture.

² District-level estimates are based on the results of The Kansas Pork Industry 2021: Current Structure and Economic Importance by Holly Cook and Lee Schulz. District impacts are calculated as a proportion of the state-level impact equal to the district share of total inventory.

³ Annual value of sales is based on the 10-year average values forecasted by University of Missouri FAPRI and are intended to reflect long-run conditions in the industry.