



Economic Impact of Expanding Livestock Production

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Outline

- Potential for Growth
- Economic Impact from Expansion Scenarios



Outline

- UNL Report: Economic Impacts of Cattle, Hog, Dairy and Poultry Industry Changes
- Authors:
 - Bruce Johnson, Dept. of Agri. Economics
 - Eric Thompson, Dept. of Economics
 - Anil Giri, Dept. of Agri. Economics
 - Tschepelayi Kabata, Dept. of Agri. Economics



Potential For Growth

- The Ogallala Aquifer
- Industrial Production Complex— Golden Triangle, Suppliers and Processors
- Growth in Grain and Ethanol Production
- Opportunity to Expand Farm and Other Rural Population



Nebraska Agriculture

#1 in irrigated acres with nine million acres

#1 in commercial red meat production

#1 (tied with Texas) for cattle-on-feed numbers

#2 in corn-based ethanol production

#3 in corn for grain production

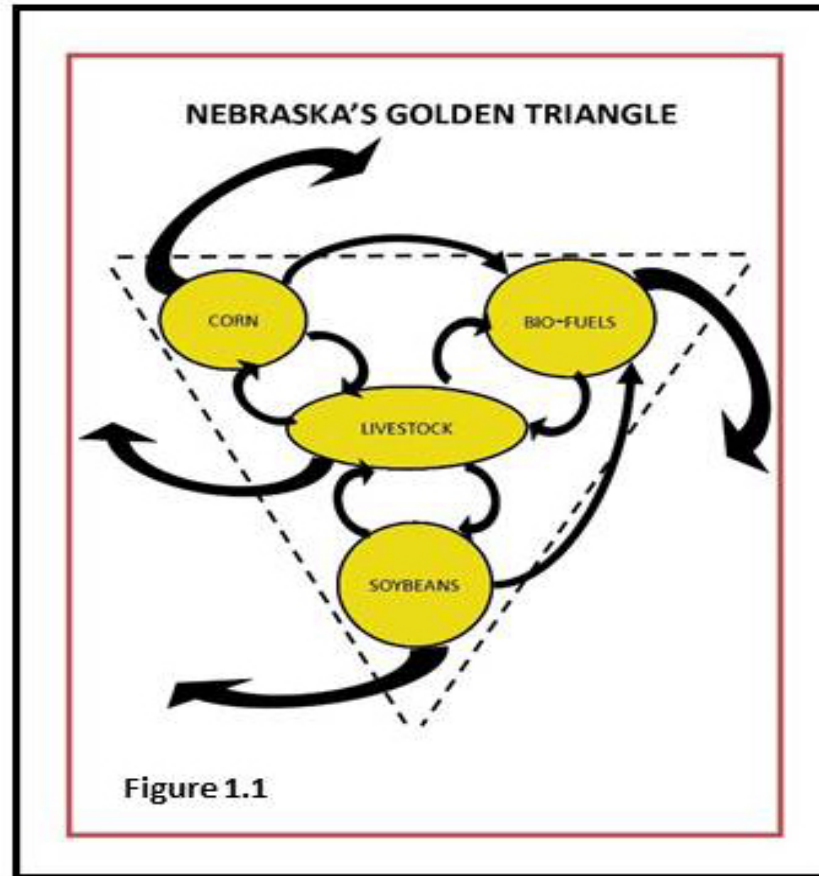
#4 in soybean production

#5 in all hay production

#6 in all hogs and pigs, and #7 in hog slaughtering



Nebraska Agriculture- Golden Triangle



**Start
Something.**

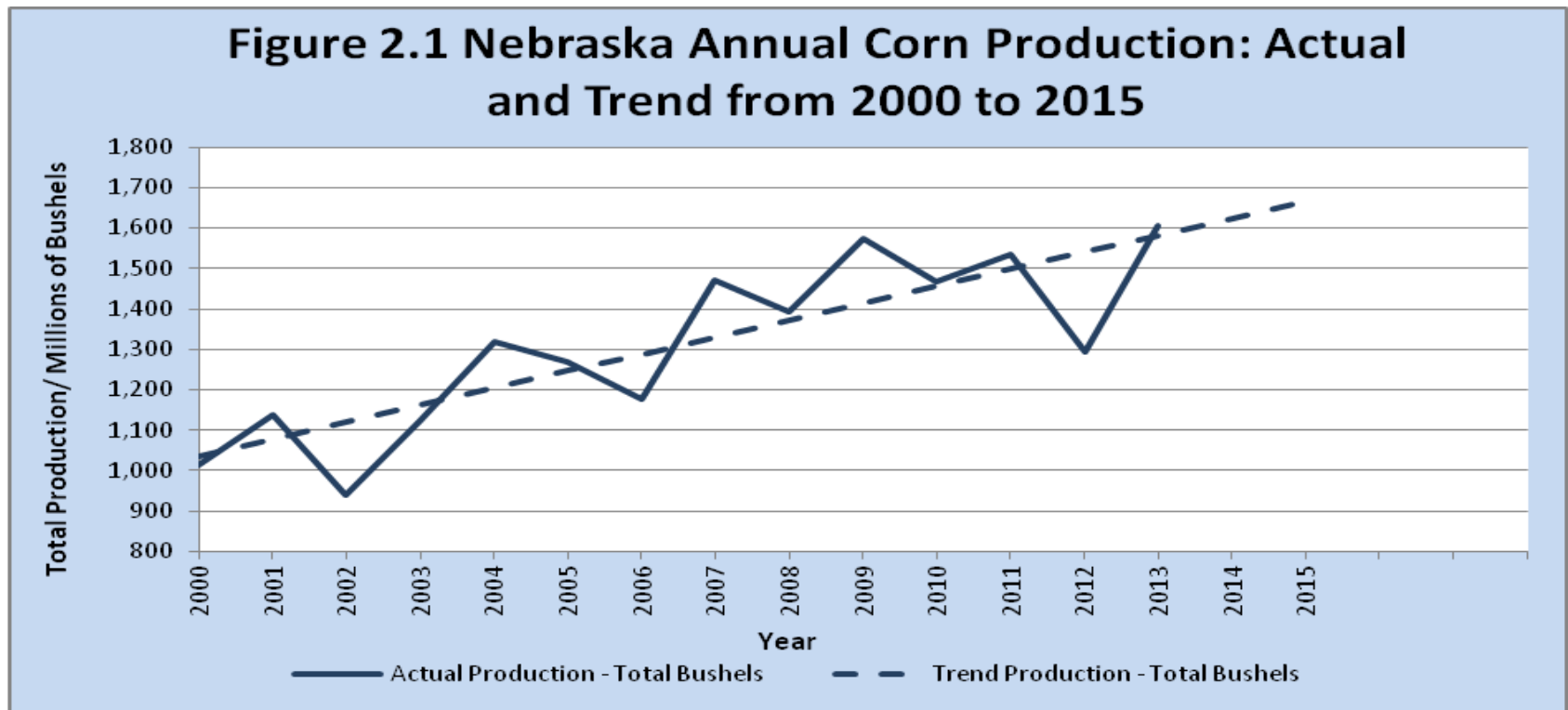


Potential For Growth

- A surge in irrigated crop production and ethanol production over the last 15 years
- The other component of the golden triangle – livestock production – has room to grow



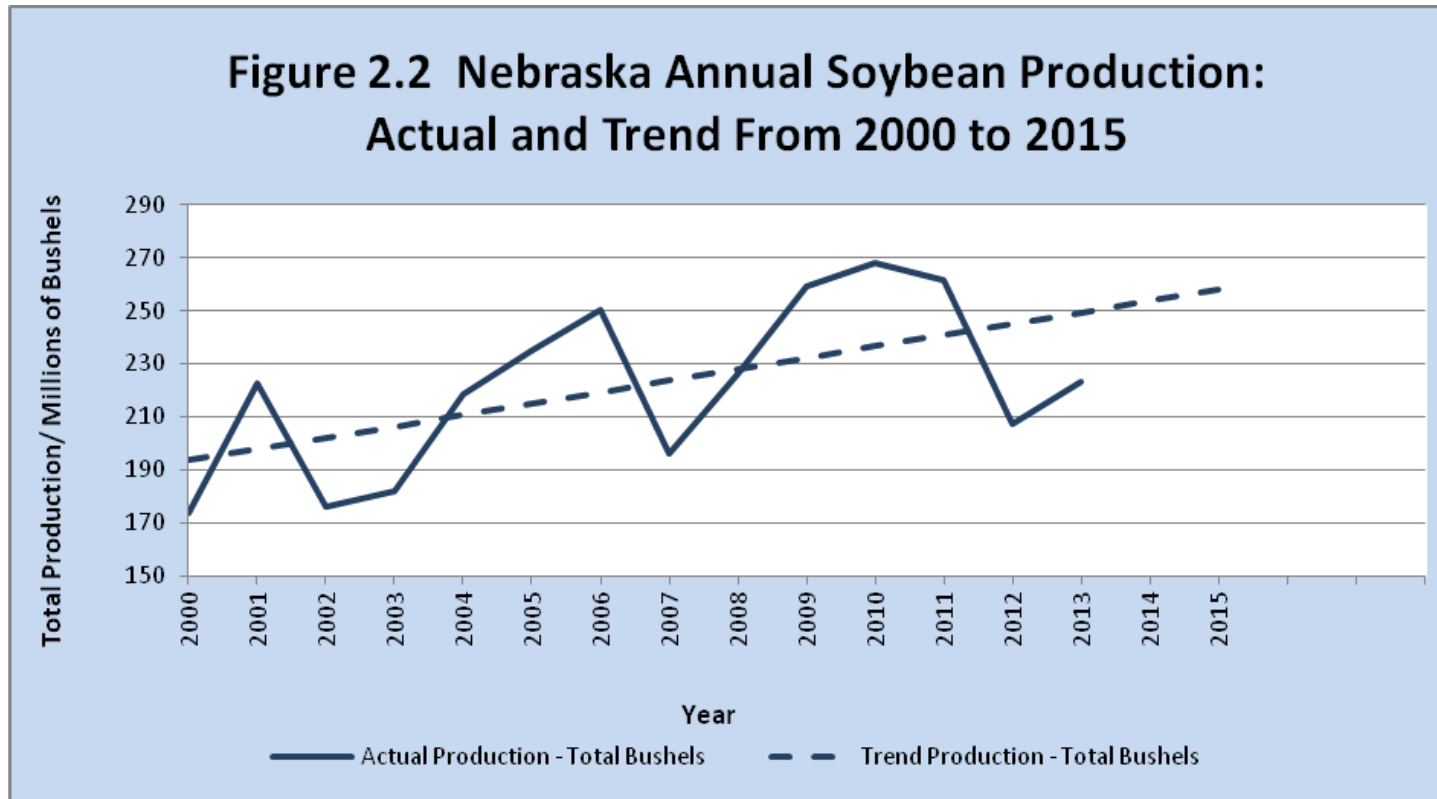
Nebraska Agriculture- corn production



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Nebraska Agriculture-soybean production





Economic Impact From Expansion Scenarios

- Expansion of Production and Processing
 - Hog Finishing
 - Poultry
 - Dairy Herd
 - Fed Cattle



Economic Impact From Expansion Scenarios

- Statewide impacts broken into impacts for
 - agricultural production counties
 - processing counties
 - adjacent counties
 - rest of state



Economic Impact From Expansion Scenarios

- Results show there are large statewide impacts
- Especially large impacts in processing counties
- Significant benefits for Nebraska's cities



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Economic Impact

Hog Finishing – 25% Expansion

Measure	Annual Amount
Output	\$800.2 million
Value-Added	\$184.6 million
Income	\$115.6 million
Jobs	2,676
Local Tax Revenue	\$6.1 million

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Distribution of Impact

Hog Finishing – 25% Expansion

	Jobs	Income
Finishing Counties	21%	31%
Processing counties	52%	43%
Rest of Region	5%	3%
Rest of State	22%	22%

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Project Rawhide

- Nebraska is a finalist for a fully integrated poultry processing operation with a leading global company.
- Great opportunity to diversify and increase farm income.
- Company seeks partnerships with 125-175 local farmers for a grower network of at least 330 barns.
- Estimated annual economic impact is over a **billion dollars**.
- You can learn more of this opportunity and how you can participate, by talking to Team Nebraska throughout the day or by visiting them from 3-4pm in the designated seminar area of the expo.

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Economic Impact

Dairy – Doubling of Herd

Measure	Annual Amount
Output	\$369.4 million
Value-Added	\$158.9 million
Income	\$78.5 million
Jobs	2,012
Local Tax Revenue	\$6.2 million

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Distribution of Impact Dairy – Doubling of Herd

	Jobs	Income
Finishing Counties	38%	36%
Processing counties	41%	40%
Rest of Region	7%	8%
Rest of State	14%	17%

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Economic Impact

Fed Cattle – 10% Increase

Measure	Annual Amount
Output	\$1,275.4 million
Value-Added	\$494.5 million
Income	\$274.5 million
Jobs	7,299
Local Tax Revenue	\$16.1 million

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Distribution of Impact

Fed Cattle – 10% Increase

	Jobs	Income
Finishing Counties	23%	20%
Processing counties	37%	32%
Rest of Region	17%	21%
Rest of State	23%	27%

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THANK YOU

ANY QUESTIONS?