

U.S. Animal Food Industry Economic Contribution Study



Institute for Feed Education & Research

About

Lawmakers on Capitol Hill pay attention when constituents within their districts and states raise issues about how laws and regulations are affecting their livelihoods or business operations. Though the American Feed Industry Association realizes the impact the industry has across the country, without solid data, it could not fully advocate on members' behalf. In 2016, the Institute for Feed Education and Research sought to prove the industry's value in local (i.e., congressional district), state and national economies through a first-of-its-kind economic analysis of the industry.

Results

The study, performed by Decision Innovation Services, showed that the 6,200 animal food manufacturing facilities across the country generated \$297.1 billion in total U.S. sales in 2016, including roughly \$102 billion in benefits to associated industries, such as the transportation industry. The industry employed over 944,000 people that year – paying nearly \$56 billion in wages – and contributed roughly \$22.5 billion in cumulative local, state and federal taxes.

The analysis determined that the demand for animal food is strong. The animal food industry will continue to grow the economy with the development of innovative solutions that meet consumer demands, reduce the industry's environmental impact and increase productivity.

Impact

For the first time, the animal food manufacturing industry now has access to a reliable public database of congressional district, state and national economic data for use in member company and AFIA meetings with elected officials. The data, which is good for five years, is also used broadly in AFIA's communications efforts to inform reporters on the industry's economic impact and get the facts in front of interested agricultural audiences who can make a difference for our industry. Allied organizations, such as state and regional feed and grain associations, have also referenced the data in lobbying days with members of Congress at the state and national levels.

There are a variety of legislative and regulatory policies that could, and do, influence the animal food manufacturing industry, including international trade expansion, tax reform, farm bill programs and food/feed

THE U.S. BY THE NUMBERS:



Total Sales
\$297.1 billion



Value-Added
\$102 billion



Labor Income
\$55.9 billion



Jobs
944,227



Taxes
\$22.5 billion

TOTAL SALES: The broadest measure of economic activity—often referred to as “output”; **VALUE-ADDED:** A component of “total sales,” which includes the sales minus the cost of inputs (e.g., grains); **LABOR INCOME:** A component of “value-added,” which includes the sum of employee compensation (i.e., wages) and proprietor income (self-employed); **EMPLOYMENT (JOBS):** A measure of part- and full-time job positions, including contract workers; **TAXES:** The sum of taxes paid at the local, state and federal levels by all directly and indirectly affected industries as a result of the animal feed and pet food industry existing.

safety rules. Results from studies like this assist the AFIA and the animal food industry in addressing issues that affect our industry.