



Lyon County - O'Brien County - Osceola County - Sioux County

CLIPPINGS

A Weekly Column from Iowa State University Extension and Outreach

Week of May 22, 2017

For Immediate Release

Study: Iowa Pork Industry Remains Important Economic Driver

Curtis Meier, President, Iowa Pork Producers Association

CLIVE, Iowa — A new study commissioned by the Iowa Pork Producers Association shows the state's pork industry continues to be a key contributor to the rural Iowa and the state economy.

The economic contribution study was conducted in late 2016 by Decision Innovation Solutions of Urbandale, which produced the results in accordance with methods prescribed and endorsed by the Minnesota IMPLAN Group. The research results are based on IMPLAN modeling data from 2015.

Economic Contributions

The industry contributed \$36.7 billion in sales in 2015, with \$13.1 billion, or 35.6 percent, from swine production; \$18.3 billion, or 49.7 percent, from hog slaughtering; and \$5.4 billion, or 14.7 percent, from pork processing.

The sales total included \$12.2 billion in added value beyond the \$24.5 billion cost of inputs. There were 141,813 jobs associated with the pork industry, or about the total combined populations of Ames, Ankeny and Coralville in 2015, with nearly 52 percent in production alone. One in nearly 12 working Iowans has a job tied to the pork industry.

The industry produced \$8.3 billion in labor income, contributed \$756.4 million in state and local taxes and \$1.56 billion in federal taxes in 2015.

"Iowa has long been the nation's leader in swine production because of the proximity to abundant supplies of corn and soybeans, the primary components in swine feed," said IPPA President Curtis Meier of Clarinda. "We're proud of our ranking and are pleased that the industry is such a profound economic contributor to our local communities. The study shows what pork does for rural Iowa."

Select County Analysis

In addition to analyzing state level hog production and related economic activity, county level results for a cross section of 25 Iowa counties were estimated. These counties included some of the top producing counties (Hardin, Plymouth and Washington), as well as some of the lesser producing ones (Iowa, Marshall and Union).

The average hog inventory per county is 206,623 head, while the average number of hog farms per county is 63. This results in an average inventory per Iowa hog farm of 3,265 head.

The 25 focus counties selected for further analysis have inventories that account for 31 percent of Iowa hogs. Additionally, these counties represent 28 percent of the farms in Iowa, with an average inventory per hog farm of 3,671 head, 406 more than the statewide average head per farm.

Reliance on Feedstuffs

Iowa's pork industry relies heavily on the ability of corn and soybean farmers to produce abundant supplies to feed pigs and the study looked at how many acres of Iowa cropland is dedicated to feeding pigs in Iowa.

Hogs raised in Iowa consume grain raised on more than 5.7 million acres: 3.3 million acres of corn and Dried Distillers Grain with Solubles; and 2.4 million acres of soybeans. Overall, pigs eat 24.7 percent of the acres planted to corn and soybeans in the state: 24.5 percent of the corn acres and 25 percent of the acres planted to soybeans.

"Our association represents the best pig farmers in the nation and they are committed to humanely raising quality pork at the lowest cost possible," Meier said. "Farmers are the original environmentalists and work daily to preserve our natural resources for future generations by supporting the Iowa Nutrient Reduction Strategy, abiding by manure management plans developed for their farms and actively contributing to and supporting their local communities."

Local Economic Contributions

Decision Innovation Solutions also looked at what the construction and operations effects of a new, 2,400-head wean-to-finish hog barn in Iowa would be on the local and state economy. Employment, labor income, value added and sales are all common measures of economic activity. An Iowa hog farm relies on roughly 30 percent of its needs from local businesses.

Construction of a new hog farm requires purchases of steel, concrete and equipment. Once completed, the farm purchases feed, veterinary care and other professional services, and several more inputs to produce hogs for sale. One new barn would generate 14.6 jobs, provide more than \$869,000 in labor income; \$1.1 million in value added and \$2.3 million in sales, according to the study.

- 30 -

Curtis Meier, President
Iowa Pork Producers Association
712-370-0611