

# Livestock industry beefs up Illinois's economy

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A recent report conducted by the University of Illinois provides an economic snapshot of the current state of the livestock industry, giving the Illinois livestock industry data to back up their importance to the state. The data show the production sector of the industry contributing to more than 25,000 jobs and \$3.5 billion to the state's economy. When combined with meat and dairy processing, the numbers are an even more impressive 99,000 jobs and \$27 billion.

"The meat and dairy complex, which includes the livestock industry, is big, approaching 5 percent of the gross state product," said Peter Goldsmith, U of I agricultural and consumer economist in the College of Agricultural, Consumer and Environmental Sciences. "That's a lot of employees, a lot of taxes, and much of its impact occurs in urban areas through industrial processing and [food manufacturing](#) where we don't have a lot of agricultural votes. So, strategically, the meat and dairy processing sector seems like a really good partner."

A copy of the 133-page report entitled The [Economic Impact](#) of Illinois's Livestock Industry is available to download at [illinoislivestock.org](http://illinoislivestock.org). Click on the research tab. Goldsmith wrote the report along with Miao Wang, a doctoral student and research assistant in the college.

Goldsmith said that, for the most part, the trends were fairly consistent, except for pork.

"The expansion of pork is really a high note," he said. "Pork exports are quite strong because of our weak dollar and high-quality products. It's a really a bright spot nationally. There has been about 10 percent growth nationally since 2000 because of the success with international exports. Here in Illinois, pork had 5 percent growth. In terms of beef, we don't have big feedlots here to complement our cow-calf industry, so much of the new investment in beef packing occurs out West where cattle can be more efficiency fattened."

Goldsmith said one of the reasons for the report was to give the livestock industry [legitimacy](#) as an economic engine for the state and help livestock industry stakeholders have a better understanding of the industry.

"Dairy has seen new technologies emerge and new business models, such as large-scale dairy operations with 3,200 cows in a facility and more profitability," Goldsmith said. "We still struggle to site those large facilities here in Illinois even though business models have improved and nationally attracted a lot of capital investment. We have only one here in the state. It has been quite successful both in terms of profitability as well as being a good neighbor, a steward of the environment, and an important source of local tax revenue and jobs. Producers recently tried to site two other facilities and they failed." Goldsmith explained that the real growth in dairy demand is being met by the large facilities that aren't being built here in Illinois. "They're being built elsewhere."

Interestingly the majority of the livestock products utilized by Illinois's meat and dairy processing sector originate from outside the state.

"We need new ideas for how to move the needle to improve the policy environment for livestock. Investors only work with you if you grow. One opportunity is to develop a broader strategic process of working to improve Illinois's overall business climate. A healthy business

environment for meat and dairy processors is good for the state's livestock producers." These new markets would reside close by, and Illinois producers would be well positioned to meet the demand.

The report indicated that Clinton County has the largest livestock production in the state, with \$122 million in direct output and \$169 million in total output. The industry in the county generates annual taxes of \$13 million and total direct employment of 1,089 full time workers. The livestock industry in Jasper County generates the greatest share of the county's economic activity or 9.9 percent of all the personal income.

Provided by University of Illinois at Urbana-Champaign

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