



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

## **Economic Impact of the U.S. Food Processing Industry**

Albert E. Myles

<sup>a</sup>*Extension Professor, Department of Agricultural Economics, Mississippi State University,  
Starkville, Mississippi, 39759, USA. Tel: 662-324-241; E-mail: alm@ext.msstate.edu*

---

The U.S. economy depends on and benefits from the economic activity (employment, compensation, output, and taxes) of food processing, as well as the impacts from the supply and distribution chains that support this industry. The analysis in this report relied solely on IMPLAN data for the United States in 2010.

The results confirmed that this industry is a major contributor to the health of the U.S. economy. Food processing in the U.S. produced more than \$1.08 trillion in economic output, including \$812.26 billion direct economic impact, and \$275.17 billion in indirect economic impact in 2010. These activities generated about 1.93 million direct jobs within the food industry, while another 10.747 million indirect jobs were created by this industry and would not have existed without the activities of food processing in the U.S. in 2010. Associated with the 12.3 million jobs were more than \$104 billion in direct employee compensation and almost \$390.67 billion in indirect compensation to support other households in the U.S. economy.

In 2010, food processing contributed more than \$1.07 trillion in value-added activity to the U.S. economy. VA is a more accurate measure than industry output for determining how much the economy expanded because of food processing during this period.

The amount of taxes totaled almost \$227 billion in 2010. Local and state taxes from food processing totaled \$89.56 billion during this period. Federal taxes totaled \$137.16 billion, with most of the taxes coming from higher sales taxes, property taxes, social security taxes, and personal income taxes as more people worked and received incomes.

The results of this study show that the Food Processing Industry produced positive economic impacts in the U.S. economy in 2010. This industry directly accounted for 15.65 percent of the more than 12.3 million jobs created as part of the supply chain for food processing during this period. Food processing and its supply chains produced more than \$2.7 billion in total output in 2010. Of this amount, food processing accounted for 40.23 percent of the direct total output, while supply chains accounted for the remaining 59.77 percent during this period. The industry generated \$226.72 billion in annual local, state, and federal government tax revenues in 2010.