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## Livestock Production Value and Economic Impact for Nebraska Counties

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# Cornhusker Economics

## Livestock Production Value and Economic Impact for Nebraska Counties

Market Report	Year Ago	4 Wks Ago	6-6-18
<b>Livestock and Products.</b>			
<b>Weekly Average</b>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight. . . . .	135.06	*	*
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. . . . .	187.68	176.73	183.76
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. . . . .	*	145.75	158.13
Choice Boxed Beef, 600-750 lb. Carcass. . . . .	250.22	230.61	226.95
Western Corn Belt Base Hog Price Carcass, Negotiated . . . . .	78.72	63.64	78.89
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean. . . . .	91.04	71.74	78.07
Slaughter Lambs, woolled and shorn, 135-165 lb. National. . . . .	182.77	152.57	162.85
National Carcass Lamb Cutout FOB. . . . .	422.54	378.93	379.29
<b>Crops.</b>			
<b>Daily Spot Prices</b>			
Wheat, No. 1, H.W. Imperial, bu. . . . .	3.28	4.31	4.78
Corn, No. 2, Yellow Columbus, bu. . . . .	3.43	3.70	3.49
Soybeans, No. 1, Yellow Columbus, bu. . . . .	8.48	9.33	8.79
Grain Sorghum, No.2, Yellow Dorchester, cwt. . . . .	5.81	5.83	5.40
Oats, No. 2, Heavy Minneapolis, Mn, bu. . . . .	2.89	2.87	2.90
<b>Feed</b>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton. . . . .	*	*	170.00
Alfalfa, Large Rounds, Good Platte Valley, ton. . . . .	70.00	*	100.00
*Grass Hay, Large Rounds, Good Nebraska, ton. . . . .	*	*	102.50
Dried Distillers Grains, 10% Moisture Nebraska Average. . . . .	101.00	165.00	144.00
Wet Distillers Grains, 65-70% Moisture Nebraska Average. . . . .	39.50	51.50	40.50
<b>* No Market</b>			

Livestock production provides a significant economic impact in Nebraska. In 2016, 56 percent of all agriculture commodity sales in Nebraska were attributed to livestock and the industry accounted for over 50 percent of agricultural commodity sales each year since the 2012. This article provides an analysis of livestock production value and corresponding direct economic impact per county. The analysis estimates the direct economic impact of livestock production is \$8.5 billion and the total impact of livestock production in Nebraska is \$13.8 billion.

To calculate the direct economic impact, 2016 livestock sales receipts were adjusted by subtracting livestock and poultry purchases. According to the 2016 USDA Economic Research Service (ERS) data, livestock sales receipts in Nebraska totaled \$12.1 billion and livestock and poultry purchases totaled \$3.67 billion. This data is the most recent and complete report available of statewide numbers.

However, the ERS data does not include a breakdown of receipts by county. The most recent county data is available from the 2012 U.S. Census of Agriculture report. The 2016 state totals were calculated using the proportion of state receipts reported by each county in 2012. The direct economic impact by county is shown in Table 1.

The livestock industry plays a role beyond its direct impact, adding to the total economic impact within the agricultural industry when taking into account crop producers, food processors, wholesalers, and transportation businesses. A 2012 University of Nebraska-Lincoln Department of Agricultural Economics report, "The 2010 Economic Impact of the

Nebraska Agricultural Production Complex,” found that for each \$1 in direct economic impact from livestock, an additional \$0.62 in sales is generated outside the agriculture production complex. Using this multiplier, the total impact from livestock production across Nebraska equals \$13.8 billion. Table 1 includes the total impact from livestock production by county.

In addition, the 2012 report stated that livestock production in Nebraska provides a significant employment impact with over 41,000 jobs directly related to it. The estimate of \$13.8 billion is conservative in that it does not include these economic impacts in related sectors nor the wage income in those sectors, but it does clearly demonstrate the significance of the livestock sector to Nebraska agriculture and to each county in the state.

Forty-nine percent of all Nebraska farms and ranches are involved in some type of livestock or poultry enterprise. As of January 1, 2018, the state ranked first in the nation with cattle in feedlots with a capacity of more than 1,000 head. According to 2017 ERS data, Nebraska was first in commercial red meat production and second among all states in both cash receipts from all livestock and products and the number of raised cattle and calves.

Livestock production and sales are a significant part of the economy in a majority of Nebraska counties. Of the top ten Nebraska counties in overall agricultural sales, eight of those counties have over 60 percent of their agricultural sales from livestock sales and production (Table 2). Cuming County ranks number one in agricultural sales and 87 percent comes from livestock production activities, primarily cattle feeding. With a 62 percent multiplier added to show the impact of sales generated outside the agricultural complex, livestock production in Cuming County generates over \$1.1 billion of economic impact.

Cattle and calves raised and cattle on feed make up nearly 90 percent of all livestock production value in Nebraska over the last decade. Cattle and calves sold totaled 86 percent of all livestock receipts in 2012 and 90 percent in 2016. Other livestock, including hog sales and poultry, lagged behind cattle considerably with just over \$1.1 billion of the total livestock sales of \$12 billion in 2016 (Table 3). Both receipts of hog and poultry sales declined from the 2012 Census of Agriculture to 2016, which may be due in part to lower hog prices and the fact that the avian influenza that hit Nebraska in 2015 affected poultry production numbers going into 2016. With potential for further expansion and recent contract grower opportunities opening up in Nebraska, it is anticipated that hog and poultry production could make up a larger share of livestock receipts in years to come.

## Note

This study utilized the 2012 U.S. Census of Agriculture report of sales of livestock, poultry, and their products for each Nebraska county collected by NASS (available in online reports at [agcensus.usda.gov](http://agcensus.usda.gov) or by query at [quickstats.nass.usda.gov](http://quickstats.nass.usda.gov)). The study also relied on annual cash receipts and value added for 2016 reported by ERS (available at [ers.usda.gov/data-products/farm-income-and-wealth-statistics](http://ers.usda.gov/data-products/farm-income-and-wealth-statistics)). Since 2016 data were only available at the state level, the 2016 state totals were prorated by county according to the proportion of state receipts reported by county in 2012. This methodology will not accurately reflect any changing trends in local production since 2012, but does provide insight into economic impacts of livestock production at the county level across Nebraska. Up-to-date detail at the county level should be available when the 2017 Census of Agriculture data now being collected is reported in early 2019, although certain data by species may still be unavailable due to limited responses or privacy disclosure limitations.

## Sources:

- U.S. Department of Agriculture, Economic Research Service. “Annual Cash Receipts by Commodity,” 2018, Washington, D.C.
- U.S. Department of Agriculture, Economic Research Service. “Value Added to the U.S. Economy by the Agricultural Sector, 2010 – 2016,” 2018, Washington, D.C.
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- Nebraska Department of Agriculture, Nebraska Agriculture Fact Card, Feb. 2018, Lincoln, Nebraska.

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**Table 1. Economic Impact of Livestock Production per Nebraska County.**

Counties	Direct Economic Impact Based on 2016 Livestock Receipts (\$1,000's)	Total Economic Impact of Livestock Production (\$1,000's)
Nebraska	8,509,026	13,784,623
Adams	113,334	183,602
Antelope	202,736	328,433
Arthur	16,203	26,249
Banner	64,660	104,750
Blaine	21,104	34,188
Boone	188,449	305,287
Box Butte	95,017	153,928
Boyd	31,946	51,753
Brown	113,510	183,886
Buffalo	89,272	144,620
Burt	55,771	90,349
Butler	66,524	107,768
Cass	6,667	10,800
Cedar	164,102	265,846
Chase	168,526	273,012
Cherry	121,368	196,616
Cheyenne	84,318	136,595
Clay	104,253	168,889
Colfax	161,633	261,846
Cuming	684,642	1,109,120
Custer	401,743	650,823
Dakota	5,643	9,142
Dawes	39,691	64,300
Dawson	394,822	639,612
Deuel	21,915	35,502
Dixon	71,310	115,521
Dodge	93,133	150,875
Douglas	2,795	4,528
Dundy	65,298	105,783
Fillmore	53,472	86,624
Franklin	11,230	18,193
Frontier	42,514	68,873
Furnas	60,500	98,010
Gage	50,615	81,996
Garden	55,129	89,309

**Table 1. Economic Impact of Livestock Production per Nebraska County.**  
(continued)

Counties	Direct Economic Impact Based on 2016 Livestock Receipts (\$1,000's)	Total Economic Impact of Livestock Production (\$1,000's)
Garfield	30,680	49,701
Gosper	21,084	34,156
Grant	21,067	34,129
Greeley	74,276	120,328
Hall	87,449	141,668
Hamilton	58,940	95,484
Harlan	70,621	114,406
Hayes	65,545	106,184
Hitchcock	15,081	24,432
Holt	223,364	361,849
Hooker	11,188	18,124
Howard	97,638	158,174
Jefferson	60,346	97,761
Johnson	22,425	36,329
Kearney	127,708	206,887
Keith	65,350	105,867
Keya Paha	56,680	91,821
Kimball	7,316	11,852
Knox	159,418	258,258
Lancaster	22,589	36,594
Lincoln	376,753	610,340
Logan	11,466	18,574
Loup	17,676	28,635
McPherson	17,626	28,555
Madison	112,252	181,848
Merrick	82,936	134,356
Morrill	168,089	272,304
Nance	53,784	87,131
Nemaha	8,393	13,597
Nuckolls	22,322	36,162
Otoe	18,306	29,656
Pawnee	13,381	21,677
Perkins	36,893	59,767
Phelps	345,285	559,361
Pierce	82,813	134,157
Platte	301,956	489,169
Polk	115,785	187,572

**Table 1. Economic Impact of Livestock Production per Nebraska County.  
(continued)**

Counties	Direct Economic Impact Based on 2016 Livestock Receipts (\$1,000's)	Total Economic Impact of Livestock Production (\$1,000's)
Red Willow	71,310	115,521
Richardson	34,218	55,432
Rock	42,560	68,947
Saline	26,885	43,554
Sarpy	11,354	18,394
Saunders	113,574	183,989
Scotts Bluff	166,702	270,057
Seward	90,523	146,647
Sheridan	60,919	98,688
Sherman	26,288	42,587
Sioux	84,592	137,039
Stanton	85,889	139,140
Thayer	45,950	74,439
Thomas	16,311	26,424
Thurston	75,732	122,687
Valley	79,772	129,231
Washington	44,280	71,734
Wayne	80,256	130,014
Webster	98,323	159,283
Wheeler	163,333	264,599
York	81,929	132,724

**Table 2. Top 10 Nebraska Counties in Market Value of Agricultural Products Sold.**

Counties	2012 Total Sales (\$1,000's)	2012 Livestock Sales (\$1,000's)	Livestock Sales %	Direct Economic Impact from livestock based on 2016 Receipts (\$1,000's)	Total Economic Impact from livestock including 62% multiplier (\$1,000's)
Cuming	1,081,302	941,300	87	684,642	1,109,120
Custer	845,305	552,348	65	401,743	650,823
Dawson	826,281	542,833	66	394,822	639,612
Lincoln	782,661	517,990	66	376,753	610,340
Phelps	738,795	474,725	64	345,285	559,361
Platte	652,952	415,153	64	301,956	489,169
Holt	636,353	307,098	48	223,364	361,849
Antelope	535,116	278,738	52	202,736	328,433
Boone	453,395	259,094	57	188,449	305,287
Adams	417,956	155,821	37	113,334	183,602

**Table 3. Nebraska Receipts Data Totals by Livestock Category 2012 and 2016.**

	Nebraska 2012 Census of Ag Sales (\$1,000's)	Nebraska 2016 Livestock Receipts (\$1,000's)
Total Receipts from ALL Livestock, Poultry, and their products	11,690,823	12,147,374
Cattle and calves sold	10,098,166	10,976,167
Hog sales	1,085,828	733,512
Dairy sales	219,724	235,248
Poultry sales	216,370	130,453
All Other Livestock Sales*	70,734	71,994

*\*All Other includes sheep, goats, lambs, wool, equine & other*