

Economic Impact of the Texas Poultry Industry

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The Texas poultry industry's estimated to contribute more than \$1.6 billion to the state's economy, according to results from a survey of broiler, egg and turkey producers operating in 2003. Survey results indicate that Texas produced 615.6 million broilers and turkeys in 2003 and 4.7 billion table eggs. The USDA ranked Texas sixth in the U. S. in broiler production and seventh in egg production in 2003.

Broilers and Turkeys

A broiler is a 6- to 8-week-old bird bred especially for meat production. A broiler can be male or female. Broilers are hatched at a company-owned hatchery, then delivered to contract growers. Turkeys are also bred for meat production and hatched in company-owned facilities. They are reared on company-owned or contract farms for 20 weeks. In 2003, more than 611 million broilers were processed in Texas (nearly 3 billion pounds live weight).

Employees

In 2003, the Texas broiler and turkey industries employed more than 10,700 people. More than 82 percent of them were employed in processing plants, with 6 percent employed in live production and field service, 4 percent in hatcheries, 3 percent in office and administrative areas, 2 percent on company-owned farms, and 3 percent in feed mills.

Farms

The Texas broiler and turkey industries produce birds on both company-owned and contract farms. In

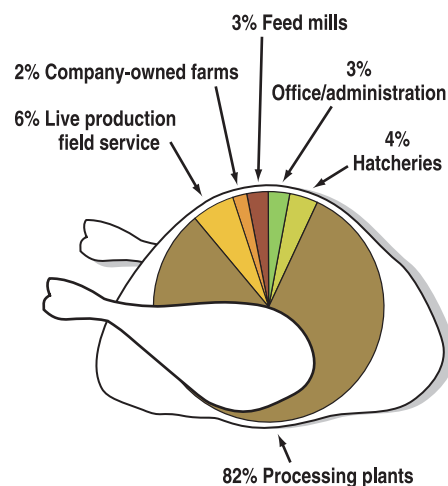


Figure 1. Employment in the Texas broiler and turkey industry.

2003, birds were produced in 5,933 rearing houses, of which 5,544 were on 1,165 contract farms. There were an additional 613 houses used to produce fertile eggs, 566 of which were on 194 contract farms. Thus, there were a total of 1,476 contract broiler and turkey farms in Texas in 2003.

Feed

In 2003, broiler and turkey companies milled more than 3.32 million tons of feed, predominately from grain (64 percent). This is the equivalent of 76.4 million bushels of corn, or 39 percent of the state's corn production. Soybean meal made up 23 percent of

feed ingredients. This is equivalent to 31.8 million bushels of soybeans, or 26.8 million bushels more than the state produced.

Revenue

The total gross income of all broiler operations in 2003 was estimated at \$1.2 billion. Companies spent an estimated \$208 million on payroll; contract payments to growers were estimated at \$160 million.

Impact

Multipliers are used to measure an industry's economic impact. A standard multiplier estimates that for each \$1 in gross income, \$1.35 enters the Texas economy. The broiler industry's 2003 gross income (\$1.2 billion), times the multiplier (1.35), brought more than \$1.64 billion to the Texas economy.

Multipliers are also used to determine the number of jobs created outside an industry. Every \$1 million in gross income to the poultry industry creates more than 30 jobs, including grocery store workers, department store employees and others. All told, broiler producers created 36,480 jobs outside the industry in 2003.

Eggs

Employees

The Texas egg industry employed more than 860 people in 2003. Of these, 36 percent worked in egg processing, 24 percent on company-owned farms, 10 percent in live production and field service, 10 percent in administration, and 4 percent in feed mills.

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Farms

Most eggs are produced on company-owned farms. Of the 272 laying houses that produced eggs in 2003, 104 were on 34 contract farms. In addition, there were 45 houses used to rear pullets.

Eggs and Birds

Texas produced more than 3.7 billion eggs in 2003. Of those, 94 percent were Grade A or AA. More than 14.5 million birds were in production, averaging 263 eggs per hen.

Feed

The egg industry milled more than 521,000 tons of feed in 2003. Feed was 61 percent grain and 19 percent soybean meal. This equates to 9.4 million bushels of corn (5 percent of the state's corn production) and 4.2 million bushels of soybeans (84 percent of the state's soybean production).

Revenue

The egg industry had an estimated gross income of more than \$350 million in 2003, with more than \$27 million paid in wages and about 3.8 million paid on contracts.

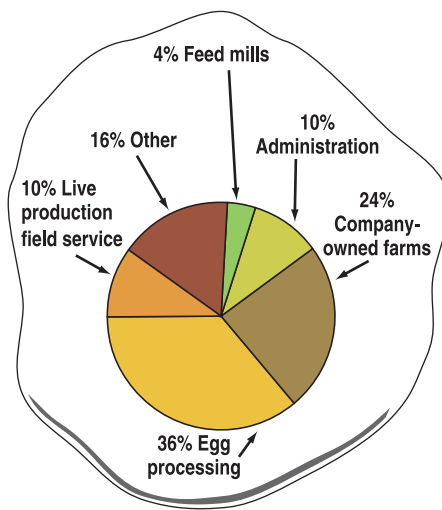


Figure 2. Employment in the Texas egg industry.

Impact

Using the gross income multiplier (1.35), it can be estimated that the egg industry had a \$484 million impact on the economy of Texas. The egg industry also creates 30 jobs outside the industry for every \$1 million in gross income, generating an estimated 10,750 jobs outside the poultry industry in 2003.

Total impact

The Texas poultry industry contributes more than \$1.6 billion to the state economy, employs more than 11,500 people, has an overall economic impact of \$2.1 billion, and produces jobs for more than 47,000 Texans outside the poultry industry. The only agricultural commodity in Texas with greater impact is Cattle and Calves.

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