

Economic Contribution of a New Broiler House in Mississippi

Analysis of the economic contribution of a single 25,000-square-foot (50-by-500-foot) broiler house.



Construction Phase

- **Jobs¹ and earnings:** Supports 7.1 jobs earning \$311,995
- **Value added:** Supports \$256,266 of value-added activity
- **Total output (sales):** \$507,111 in total sales
- **Local and state taxes:** \$19,716
- **Federal taxes:** \$35,965



House Operations

- Each broiler house annually produces **976,800 pounds** of live birds.
- **Jobs and earnings:** Supports 0.4 jobs earning \$17,696
- **Value added:** Supports \$27,921 of value-added activity
- **Total output (sales):** \$103,243 in total sales
- **Local and state taxes:** \$2,420
- **Federal taxes:** \$3,320

A new 25,000-square-foot (50-by-500-foot) broiler house in Mississippi results in an increase in economic activity in the state, in terms of both the construction of the house and its ongoing operations. Economic activity includes spending by the grower, spending by the grower's supply-chain businesses, and spending by the employees of the grower and the supply-chain businesses.

Broiler houses also support the poultry processing industry in the state. The metrics presented here measure all components of economic activity for the various segments of the production process as well as the initial stages of broiler processing.

42 percent

of the inputs used in **producing poultry** in Mississippi come from within the state.

70 percent

of the inputs used in **processing poultry** in Mississippi come from within the state.

¹The value for jobs is an estimate of the number of full-time and part-time jobs that are created in the economy as a result of the economic activity (e.g., selling more grain, producing more broilers).



Feed Production

- Each broiler house annually uses **\$30,169** of Mississippi-produced **corn and soybeans**.
 - 51 percent of the corn used for Mississippi's poultry production industry comes from within the state.
- **Jobs and earnings:** Supports 0.4 jobs earning \$10,955
- **Value added:** Supports \$18,124 of value-added activity
- **Total output (sales):** \$55,809 in total sales
- **Local and state taxes:** \$111
- **Federal taxes:** \$2,074



Processing

- Whole bird processing from the annual production from each broiler house supports **3.5 jobs** earning **\$132,926**.
- **Value added:** Supports \$206,274 of value-added activity
- **Total output (sales):** \$829,488 in total sales
- **Local and state taxes:** \$13,534
- **Federal taxes:** \$28,812

Top Industries Impacted

The following are the top 10 Mississippi industries most impacted in terms of value added as the result of the new construction of a single poultry house (excluding construction of new commercial structures, including farm structures):

Industry	Value Added
Wholesale trade.....	\$10,157
Owner-occupied dwellings.....	\$9,977
Real estate	\$5,964
Monetary authorities and depository credit intermediation	\$2,780
Hospitals.....	\$2,640
Truck transportation	\$2,625
Physicians' offices	\$2,532
Architectural, engineering, and related services	\$2,395
Limited-service restaurants	\$2,201
Commercial and industrial machinery and equipment rental and leasing	\$2,066

The following are the top 10 Mississippi industries most impacted in terms of value added as the result of a single broiler house's operations for 1 year (excluding poultry processing and poultry and egg production):

Industry	Value Added
Truck transportation	\$28,459
Wholesale trade.....	\$18,226
Owner-occupied dwellings.....	\$12,864
Management of companies and enterprises.....	\$11,924
Real estate	\$8,595
Monetary authorities and depository credit intermediation	\$6,573
Electric power transmission and distribution	\$6,397
Limited-service restaurants	\$4,895
Hospitals.....	\$4,187
Wireless telecommunications carriers (except satellites)	\$4,037

Assumptions

- Construction costs are estimated as **\$325,000** per 25,000 square-foot broiler house.
- A single 25,000 square-foot broiler house earns **\$64,957** in annual total revenue.
- Cutout percentage for processing purposes is **82 percent**.
- Processing values are based on a 5-year USDA average (2013–17) price for wog (without giblets). Processing estimates are based on a whole bird with no further processing or value-added activities.
- Value added attributable to the various sectors being analyzed in this publication (construction, feed production, house operations, and initial process for a single 25,000-square-foot broiler house) is the difference between the industry's total output and the cost of its intermediate inputs (goods and services purchased from other industries or imported into the state).

References

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Publication 3271 (POD-10-18)

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Produced by Agricultural Communications.

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Extension Service of Mississippi State University, cooperating with U.S. Department of Agriculture. Published in furtherance of Acts of Congress, May 8 and June 30, 1914. GARY B. JACKSON, Director