OHFOOD: An Ohio Food Industries Input-Output Model

(Version 3.0)

by
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Abstract

This manuscript provides the basic documentation for a sophisticated input-output model, called OHFOOD for Ohio food. The model is designed specifically to capture the interdependencies and linkages among various industries composing the complex economy of Ohio. The input-output model of Ohio's economy also maintains a high degree of detail on the food and agricultural sectors. The interindustry model describes the linkages among various sectors of the economy and provides estimates of the economic influence that expansion of the agricultural and food sectors have on the general manufacturing and service sectors of the economy. Also, OHFOOD may be used to investigate the economic influence of "shocks" to the economy, such as entry of new firms into the state.

This documentation provides a succinct analysis of the importance of food and agriculture to the state's economy, based on the interindustry model. The analysis indicates that for 1992 the food and agricultural sectors of Ohio's economy contribute approximately 13 percent of the output, 11 percent of the value added, 16 percent of the total employment, and 11 percent of total income.

Of the 5 basic components within the food and forestry production and distribution chain, the food and forestry processing sector is the largest in terms of output, but the food and forestry wholesaling and retailing sectors and the food service sector are the most significant in terms of employment. The entire food and agriculture complex accounts for over 935,400 jobs in Ohio, or about 1 of every 6 jobs.

Keeping this model updated with the latest data available is an on-going task of the Farm Income Enhancement Program and the Agribusiness Research Group within the Department of Agricultural Economics of The Ohio State University.

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Table 1. Ohio Output, Value Added, Income, and Employment, 1992

	Total Output	Value Added	Income	Employment
				Person Years
ood and Related Agricultural Sectors				
Farm Inputs/Machinery	6,020	2,420	2,317	26,478
Ferming	4,903	2,400	2,336	132,188
Dairy Farms	573	101	99	5,916
Poul try/Eggs	331	93	92	3,844
Cattle Feeding	445	89	84	4,745
Swine	314	76	71	3,534
Sheep and Goats	42	15	14	746
Food Grains	113	51	48	1,276
Feed Grains	522	339	320	6,489
Nursery/Horticulture	1,403	1,074	1,073	91,569
Fruits/Vegetables	179	61	59	1,441
Oil Bearing Crops	654	349	331	6,910
Hay/Sugar/Nut Crops	192	102	94	2,163
Forestry/Fishing/Ag Services	135	49	49	3,555
Processing	25,528	8,350	8,072	129,894
Food Processing	16,908	4,930	4,770	62,364
Meats/Eggs Processing	2,303	237	232	8,575
Dairy Processing	3,832	904	891	10,094
Proc. Food & Kindred Products	6,577	2,568	2,529	32,170
Grain Milling/Flour	969	299	296	2,474
fats/Oils	1,263	230	224	2,403
Beverage Processing	1,964	692	598	6,648
Wood/Paper/Furniture Manufacturing	8,620	3,420	3,302	67,530
Food & Forestry Wholesaling/Retailing	11,058	7,576	6,270	307,887
Food Service	8,716	4,911	4,302	338,970
Subtotal	56,225	25,657	23,295	935,417
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eneral Manufacturing & Service Sectors Mining	2,156	1,404	1,245	17,649
Construction		17 554		
=	29,236	13,554	13,428	341,452
Apparel/Yarn/Leather	2,256	919	908	25,2 3 6
Motor Vehicle Equipment	35,178	9,928	9,459	131,641
Metal Industries	34,731 75,077	13,319	12,824	219,678
Chemical/Petroleum	35,073	12,872	11,667	150,547
Publishing	8,027	4,114	4,007	77,639
Stone/Clay/Class	5,212	2,749	2,673	45,658 400 547
Machinery/Equipment	22,396	10,380	10,156	180,567
Technology Industries	9,321	4,231	4,169	71,656
Misc. Services	23,048	16,074	15,784	628,693
Transportation/Communication	22,131	11,810	10,763	237,835
Electricity/Gas/Sanitation	10,197	5,630	4,947	35,864
Wholesale/Retail	30,986	21,229	17,570	678,931
Financial/Legal	27,831	13,480	12,455	336,431
Real Estate/Development	31,475	24,277	17,315	116,187
Recreation/Amusement	3,057	1,775	1,723	80,316
Health Services	24,823	18,483	18,357	516,018
Education Services	3,775	1,788	1,788	104,394
Government/Nonprofit Others	29 ,993 271	26,575 271	26,546 271	947,758 42,633
				•
Subtotal	391,173	214,861	198,054	4,986,783
otal	447,398	240,518	221,351	5,922,200

Note:

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Each sector's output, value added, income, and employment are provided through U.S. Census information. The wholesaling and retailing sector is treated as one sector for purposes of the input-output model definition, but this sector is disaggregated for purposes of Table 1. The disaggregation procedure used is to estimate the percentage of all wholesale/retail payroll and employment solely from food wholesale/retail in Ohio using data published by <u>County Business</u>

Patterns, 1991. The percentage of payroll (26.3%) is used to estimate the proportion of agriculture and food output, value added, and income. The percentage of employment (31.3%) is used to edilest and food output, value added, and income. The percentage of employment (31.2%) is used to adjust employment in a similar fashion. Excludes hotel/motel food service.

Fig. 1. Major Linkages in Food System

Economic Transaction Flows Among Sectors

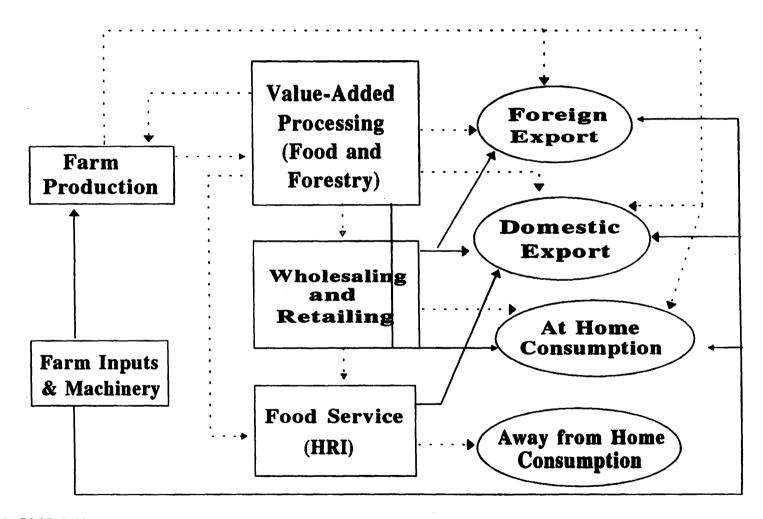
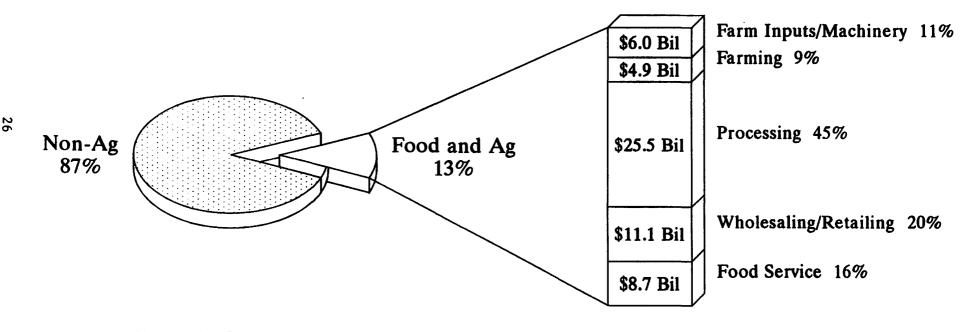


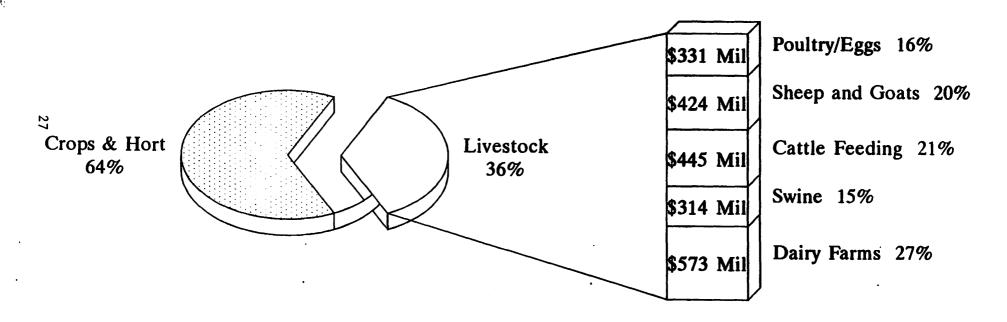
Figure 2. Ohio Economic Output Food and Agriculture, 1992



Total Output: \$447.4 Billion

Food & Ag Sectors: \$56.2 Billion

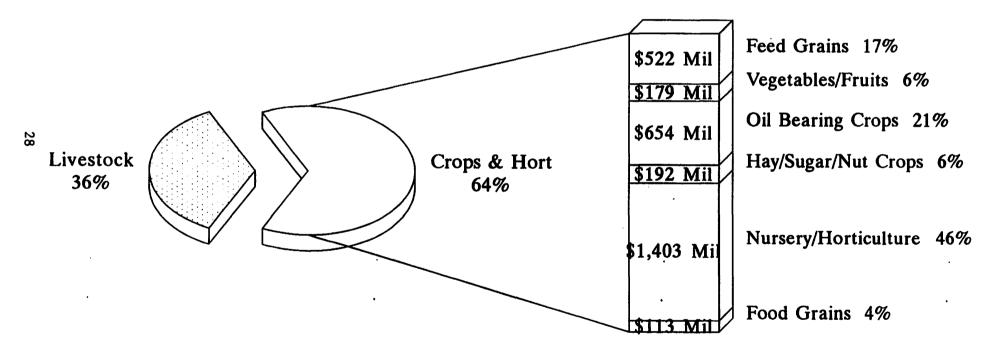
Figure 3. Ohio Agricultural Output Livestock Sectors, 1992



Total Livestock, Crops, & Hort: \$4.8 Billion

Livestock Sectors: \$1.7 Billion

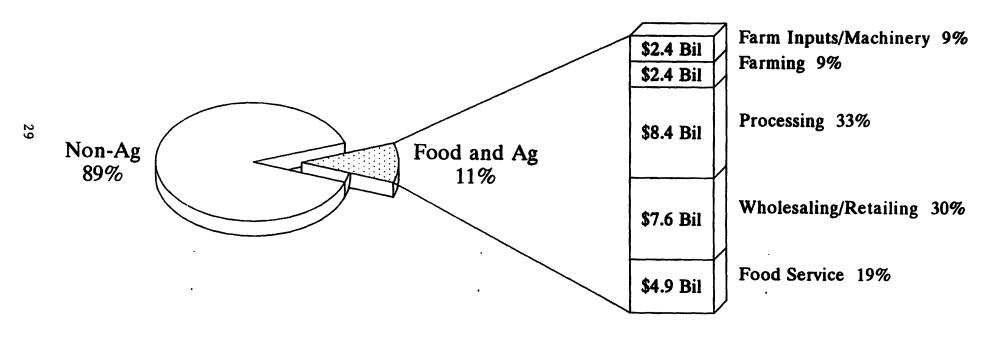
Figure 4. Ohio Agricultural Output Crops & Horticulture Sectors, 1992



Total Livestock, Crop, & Hort: \$4.8 Billion

Crops & Hort Sectors: \$3.1 Billion

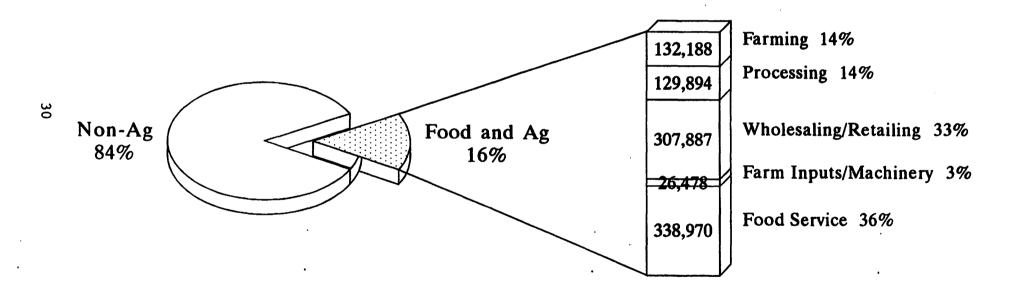
Figure 5. Ohio Value Added Food and Agriculture, 1992



Total Value Added: \$240.5 Billion

Food & Ag Sectors: \$25.7 Billion

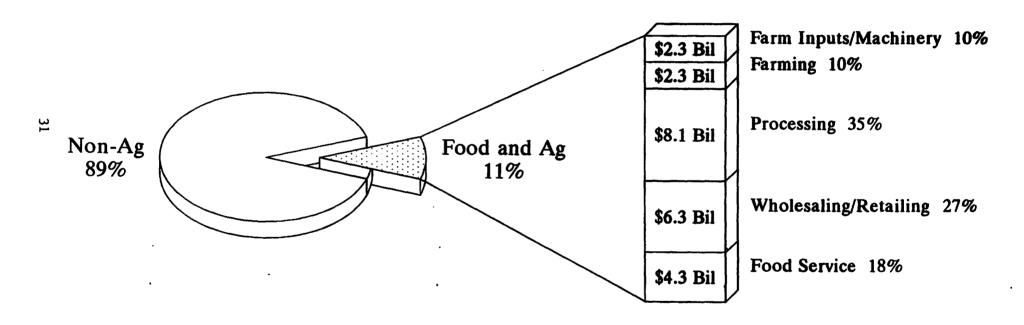
Figure 6. Ohio Employment Food and Agriculture, 1992



Total Employment: 5.9 Million

Food & Ag Sectors: 935,417

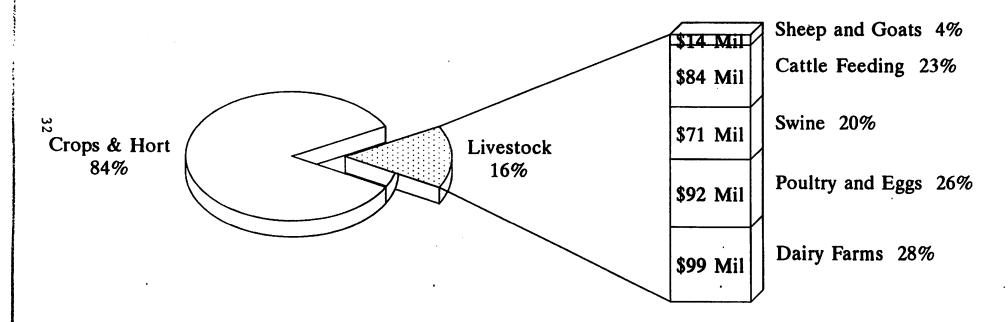
Figure 7. Ohio Income Food and Agriculture, 1992



Total Income: \$221.4 Billion

Food & Ag Sectors: \$23.3 Billion

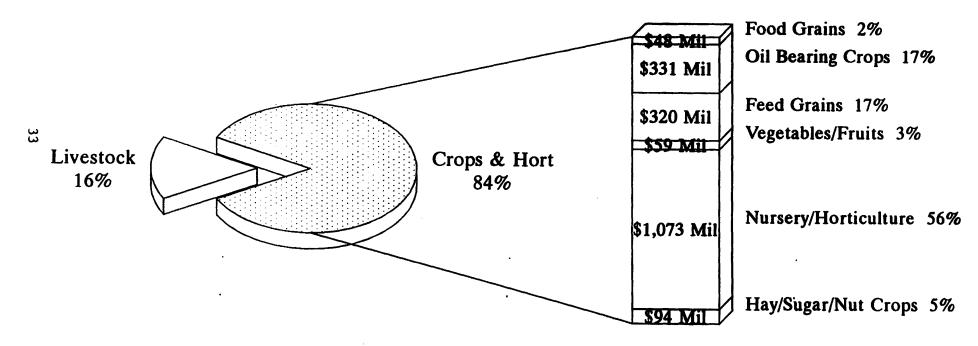
Figure 8. Ohio Agricultural Income Livestock Sectors, 1992



Total Livestock, Crops, & Hort: \$2.3 Billion

Livestock Sectors: \$360 Million

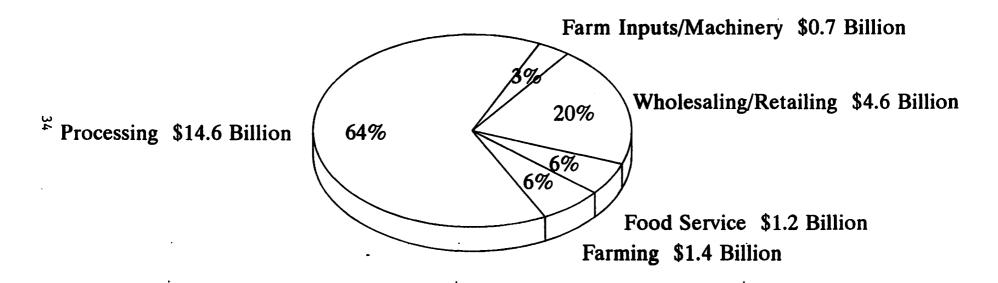
Figure 9. Ohio Agricultural Income Crops & Horticulture Sectors, 1992



Total Livestock, Crops, & Hort: \$2.3 Billion

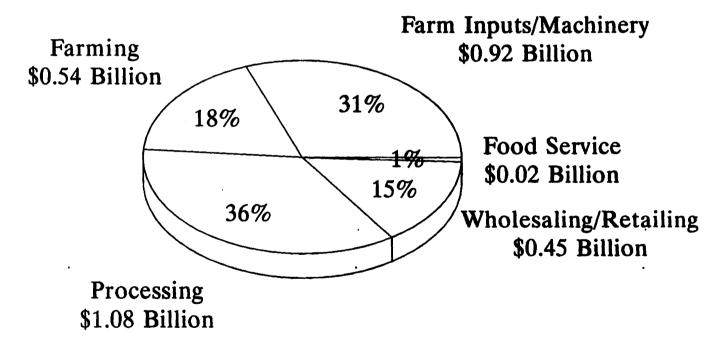
Crop & Hort Sectors: \$1.9 Billion

Figure 10. Ohio Domestic Exports Food and Agriculture, 1992



Total: \$22.6 Billion

Figure 11. Ohio Foreign Export Shares Food and Agriculture, 1992



Total: \$3.01 Billion