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Center for Economic Development and Business Research

Kansas Animal Slaughtering and Processing Manufacturing

January 2013



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This report provides data on the animal slaughtering and processing manufacturing sector in Kansas from 2007 to 2012. The data are principally based on information collected in the County Business Patterns from the U.S. Census Bureau.

Kansas Animal Slaughtering and Processing Manufacturing: Overview

Definition¹

The animal slaughtering and processing manufacturing sector refers to establishments predominantly involved in at least one of the following:

- slaughtering animals
- preparing processed meats and meat byproducts
- rendering and/or refining animal fat, bones, and meat scraps.

This sector also comprises establishments predominantly engaged in assembly cutting and packing of meats from purchased carcasses.

Animal slaughtering and processing manufacturing is classified by the U.S. Census Bureau's North American Industrial Classification System as sector 3116.

A Strength

The location quotient technique indicates that Kansas has a concentration in the animal slaughtering and processing manufacturing sector. Location quotient is defined as a ratio between a percentage of regional industry employment and a percentage of national industry employment. It determines whether a geographic area has a greater share of an industry than the nation as a whole. A region is said to be specialized when its location quotient is higher than 1.2. Kansas is specialized in animal slaughtering and processing manufacturing, with a location quotient higher than 1.2 in 2011, as well as in 2007.

<i>Kansas Animal Slaughtering and Processing Manufacturing Statistics</i>		
	2007	2011
Number of Establishments	81	74
Number of Jobs	18,004	16,984
Percent of all Kansas Jobs	1.5%	1.5%
Average Annual Wage	\$ 32,246	\$ 34,816
Total Wages Paid	\$ 580,550,000	\$ 591,311,000
Level Change in Total Wages Paid from 2007	-	\$ 10,761,000
Percent Change in Total Wages Paid from 2007	-	1.9%
Location Quotient	3.8	3.5
Source: County Business Patterns, U.S. Census Bureau.		

Moreover, the animal slaughtering and processing manufacturing sector accounted for 7.6 percent of the manufacturing industry's total wages and 11 percent of manufacturing employment in Kansas in 2011.

¹ Source: North American Industry Classification System (NAICS), U.S. Census Bureau.

Key Findings

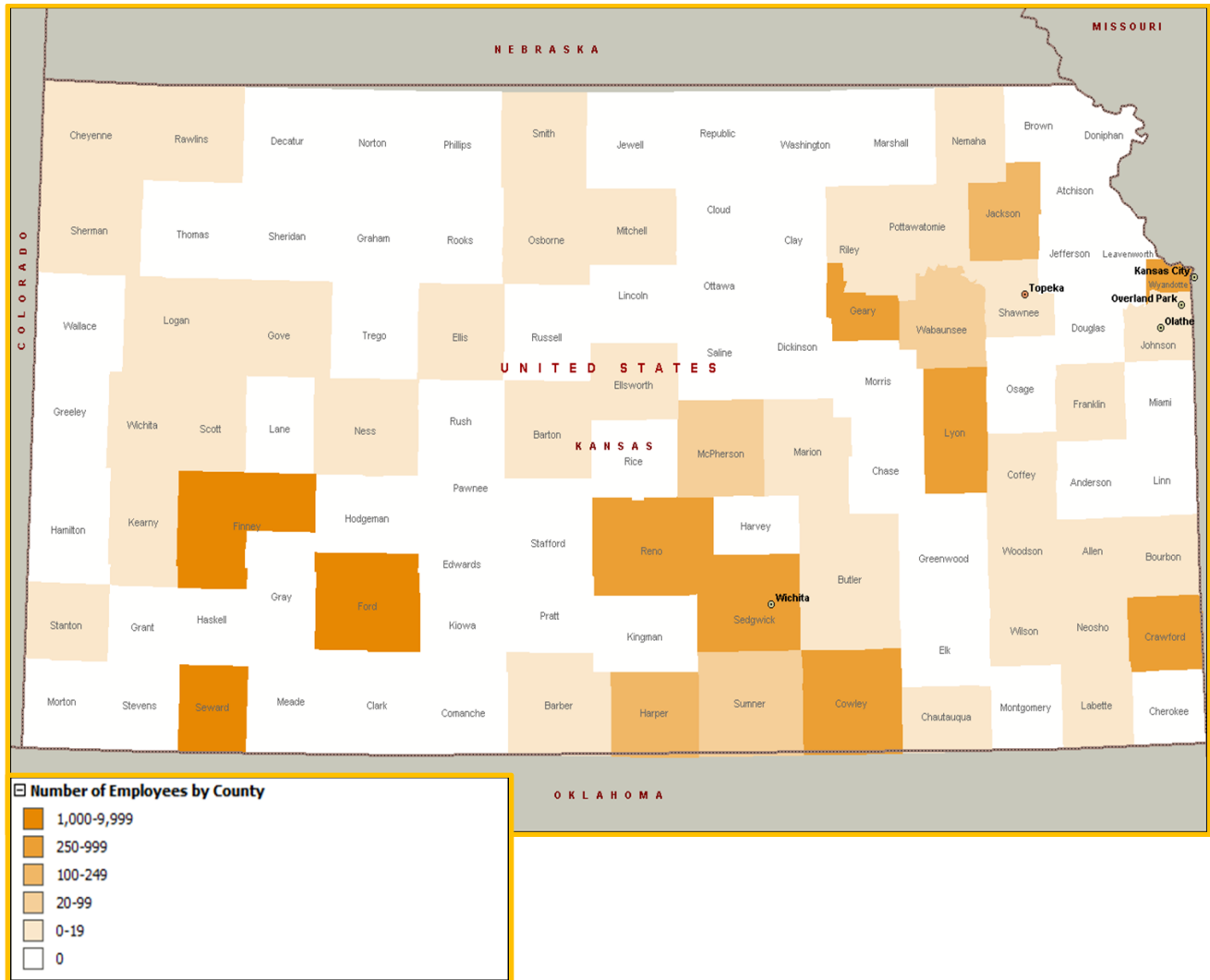
- The state of Kansas has a specialization in the animal slaughtering and processing manufacturing sector.
- Ford County employed more than 29 percent of all of the sector's employees in the state in 2011.
- In May 2012, 74.6 percent of workers in the Kansas animal slaughtering and processing manufacturing sector were production workers.
- The sector's employment during that time period was the largest for meat, poultry, and fish cutters and trimmers (5,310 employees).
- In 2012, most of the employees within the animal slaughtering and processing manufacturing sector did not need a high school diploma nor work experience in a related occupation to be hired.
- In the same year, the top highest paying jobs within the sector were first-line supervisors of production and operating workers (\$54,700), followed by industrial machinery mechanics (\$36,210).
- Kansas animal slaughtering and processing manufacturing productivity increased by 90.3 percent between 2007 and 2011.
- Asia and North America were Kansas main export partners for meat products and meat packaging products between 2007 and 2012.
- Based on available data covering the 2008-2012 period, Kansas imported more meat products and meat packaging products from North America, than from any other continents.

Kansas Animal Slaughtering and Processing Manufacturing: Trends

Main Locations

Some counties in Kansas have a greater share of animal slaughtering and processing manufacturing in their economies. As the map below shows, most of those counties are located in the lower half of Kansas, with a few in northeastern Kansas.

Kansas Animal Slaughtering and Processing Manufacturing Employees in 2011



Source: County Business Patterns, U.S. Census Bureau.

Ford County had the most animal slaughtering and processing employees in Kansas in 2011. The county contributed more than 29 percent of all animal slaughtering and processing employees in Kansas the same year. Ford County was home to four animal slaughtering and processing establishments in 2011. Finney and Seward Counties had the second largest employment number, followed by Cowley, Lyon, Reno, and Sedgwick Counties.

<i>Top Kansas Animal Slaughtering and Processing Counties by Employment in 2011</i>		
County	Employment	Percent of Industry Total
Ford	5,000-9,999	29.4% - 58.9%
Finney	2,500-4,999	14.7% - 29.4%
Seward	2,500-4,999	14.7% - 29.4%
Cowley	500-999	2.9% - 5.9%
Lyon	500-999	2.9% - 5.9%
Reno	500-999	2.9% - 5.9%
Sedgwick	877	5.2%
Industry Total	16,984	100%

Source: County Business Patterns, U.S. Census Bureau.

Some of the largest animal slaughtering and processing manufacturing companies are located in these top counties. Tyson Fresh Meats has plants in Finney and Lyon Counties, Cargill Meat Solutions is present in Ford and Sedgwick Counties, and National Beef Packing Co. is located in Ford and Seward Counties.

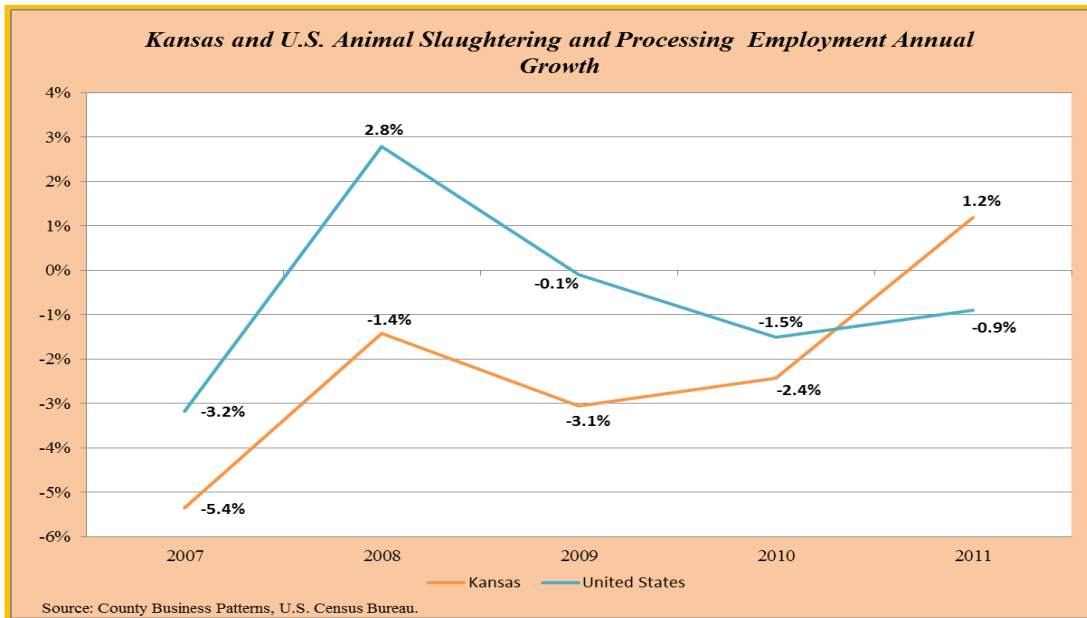
<i>Large Kansas Animal Slaughtering and Processing Manufacturers in 2013</i>			
County	Employer	City	Estimated Employment (2013)
Finney	Tyson Fresh Meats	Holcomb	3,000
Ford	Cargill Meat Solutions	Dodge City	2,700
Ford	National Beef Packing Co.	Dodge City	2,500
Seward	National Beef Packing Co.	Liberal	2,500
Cowley	Creekstone Farms Premium Beef	Arkansas City	800
Sedgwick	Cargill Meat Solutions	Wichita	800
Lyon	Tyson Fresh Meats	Emporia	500
Geary	Armour-Eckrich Meats	Junction City	+450
Wyandotte	Jennie-O Turkey Store	Olathe	+450

Source: Reference USA.

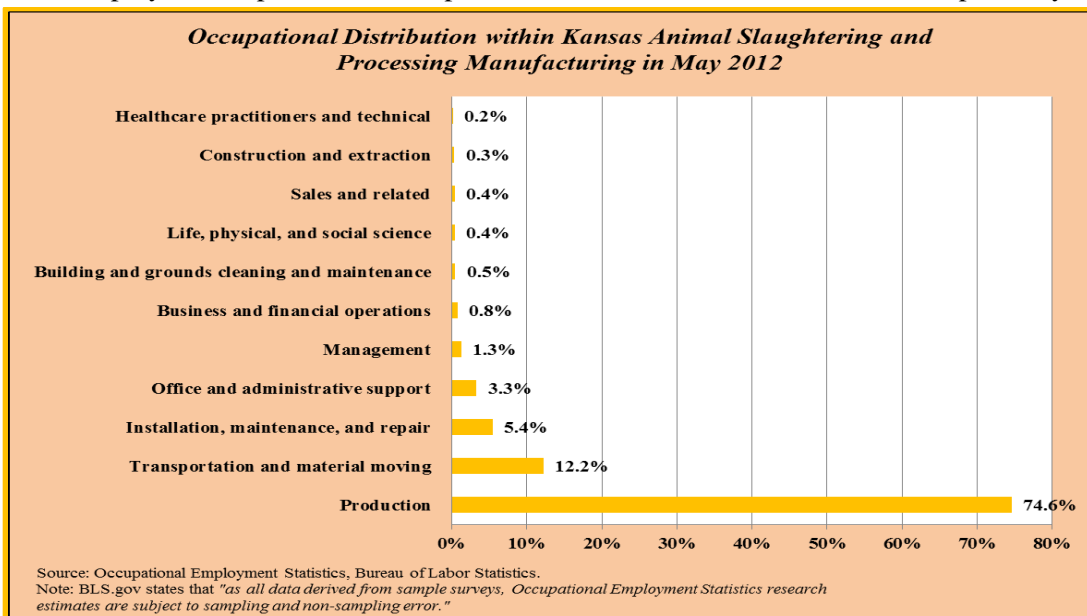
Employment

Kansas animal slaughtering and processing employment was affected during the last recession; in fact, growth dropped to -5.4 percent in 2007, -1.4 percent in 2008, and -3.1 percent in 2009. It is only in 2011 that employment growth stopped decreasing.

The United States and Kansas have similar employment growth trends. In 2008, animal slaughtering and processing employment growth improved for both geographies. Indeed, national employment growth increased to 2.8 percent. Although Kansas employment growth was negative in 2008, it performed better than the previous year. In 2011, there was an improvement in the sector's employment growth for both the United States and Kansas.



The Occupational Distribution within Kansas Animal Slaughtering and Processing Manufacturing in May 2012 figure indicates that workers employed in the sector were concentrated in production occupations (74.6 percent). The transportation and material moving and the installation, maintenance, and repair occupations employed 12.2 percent and 5.4 percent of the workers within the sector, respectively.



Employment-wise, the top five occupations within the sector in May 2012 were:

- meat, poultry, and fish cutters and trimmers
- slaughterers and meat packers
- packers and packagers (hand)
- packaging and filling machine operators and tenders
- first-line supervisors of production and operating workers

Ten Largest Occupations within Kansas Animal Slaughtering and Processing Manufacturing in 2012 (May)

Occupation	Employment	Mean Hourly Wage	Mean Annual Wage	Typical Education Needed for Entry	Work Experience in a Related Occupation
Meat, poultry, and fish cutters and trimmers	5,310	\$ 12.83	\$ 26,680	Less than high school	None
Slaughterers and meat packers	2,650	\$ 12.49	\$ 25,990	Less than high school	None
Packers and packagers (hand)	890	\$ 12.35	\$ 25,680	Less than high school	None
Packaging and filling machine operators and tenders	670	\$ 12.88	\$ 26,790	High school diploma or equivalent	None
First-line supervisors of production and operating workers	620	\$ 26.30	\$ 54,700	Postsecondary non-degree award	1 to 5 years
Inspectors, testers, sorters, samplers, and weighers	590	\$ 15.16	\$ 31,530	High school diploma or equivalent	None
Industrial machinery mechanics	450	\$ 17.41	\$ 36,210	High school diploma or equivalent	None
Laborers and freight, stock, and material movers (hand)	420	\$ 13.01	\$ 27,070	Less than high school	None
Industrial truck and tractor operators	390	\$ 13.25	\$ 27,550	Less than high school	Less than 1 year
Production workers (all other)	350	\$ 12.41	\$ 25,810	High school diploma or equivalent	None

Source: Occupational Employment Statistics, Bureau of Labor Statistics.

Note: BLS.gov states that "as all data derived from sample surveys, Occupational Employment Statistics research estimates are subject to sampling and non-sampling error."

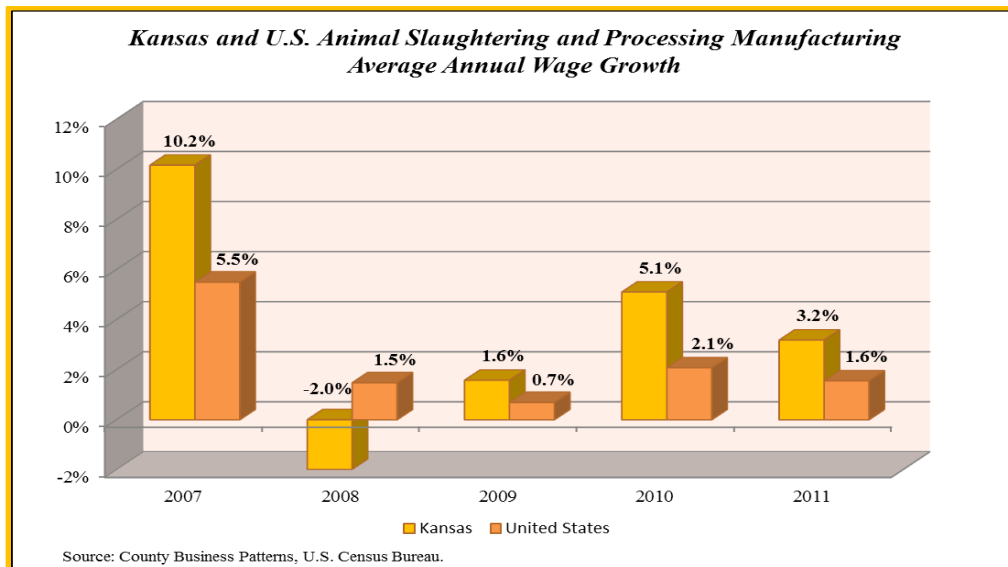
The majority of employees within the sector did not need a high school diploma, and their occupations did not require them to have work experience in a related occupation when they were hired.

According to the Kansas long-term occupational projections across all industries from the Kansas Department of Labor,² the slaughterers and meat packers occupations will create 1,012 job openings between 2010 and 2020. This occupation requires moderate-term on-the-job training.

Wages

Kansas animal slaughtering and processing wage growth was -2 percent in 2008. Wage growth started to recover the following year; however, it did not surpass the pre-2008 level.

Unlike Kansas, the national average wage for the animal slaughtering and processing manufacturing sector kept growing through the five-year period. During the studied years, the United States and Kansas wage growth was the lowest in 2008 and 2009.



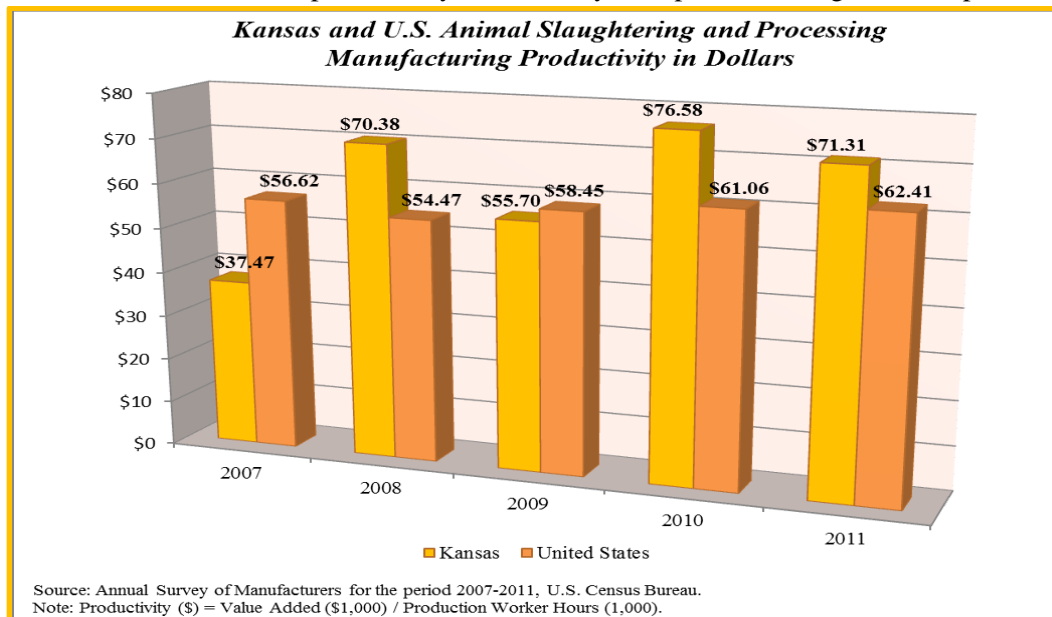
² Source: Kansas 10-Year Job Outlook, Kansas Department of Labor.

The Ten Largest Occupations within Kansas Animal Slaughtering and Processing Manufacturing in 2012 (May) table indicates that the top five highest paying occupations within the sector were:

- first-line supervisors of production and operating workers (\$54,700)
- industrial machinery mechanics (\$36,210)
- inspectors, testers, sorters, samplers, and weighers (\$31,530)
- industrial truck and tractor operators (\$27,550)
- laborers and freight, stock, and material movers (hand) (\$27,070)

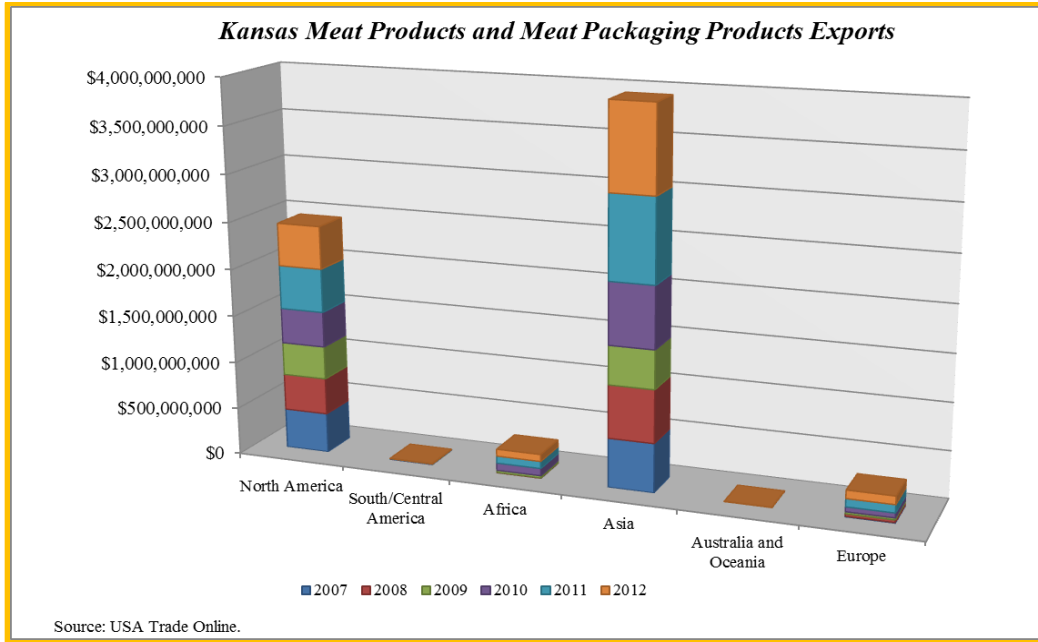
Productivity

Kansas animal slaughtering and processing manufacturing productivity was below the U.S. average the years the recession started in 2007 and ended in 2009, with \$37.47 and \$55.70, respectively, for Kansas. In the five years studied, the Kansas sector's productivity was the highest in 2010 when productivity increased to \$76.58 or by 37.5 percent compared to 2009. Kansas productivity increased by 90.3 percent between 2007 and 2011; national productivity increased by 10.2 percent during the same period.



Exports and Imports

Through the five-year period, Asia, North America, and Europe were Kansas main export partners for meat products and meat packaging products. In 2012, Kansas exports to these regions represented \$908,966,907 (Asia), \$452,685,270 (North America), and \$87,790,308 (Europe).



Based on the available data, Kansas imports from North America during the five-year period were the most substantial. However, the volume of imports from that region dropped by 20.5 percent between 2008 and 2012.

