

## **CED Report Shows Substantial Economic Impact from U.S. Food and Beverage Industry**

**March 16, 2017** – Washington, D.C. – Today, the Committee for Economic Development of The Conference Board (CED) released a report detailing the U.S. food and beverage industry's economic impact on the nation's economy. The non-partisan, business-led public policy organization presented the findings at a forum comprised of industry leaders at the National Press Club.

The report is part of a series of research studies designed to measure the impact that certain industries have on the U.S. economy. Last year, CED released *Child Care in State Economies*, which examined the economic effects of the child care industry in states throughout the U.S.

The [\*Economic Contribution of The Food and Beverage Industry\*](#) examines, specifically, how the industry contributes to growth and innovation; the industry's impact on regional economies; how it responds to emerging and dynamic consumer demand; and, the role of public policy in shaping the market environment for the industry.

Select findings from the CED report are as follows:

### **Employment**

- The industry employs 1.46 million workers in nearly 27,000 establishments, accounting for 13 percent of total U.S. manufacturing employment.
- It makes an especially robust contribution to lower-population states, accounting for more than 20% of all manufacturing employment in Nebraska, Idaho, Iowa, South Dakota, Delaware, and Hawaii.

### **Manufacturing and trade activity**

- Food (including beverages) is the only major product category in which the United States maintains a positive trade balance with other countries, reflecting our nation's strong comparative advantage.
- While other divisions of the manufacturing sector have waned, the food and beverage industry has remained far more stable due to the steady demand for food and the industry's continuous innovation.
- The industry alone generates a \$164 billion in value added. The value added paid out includes \$83 billion in total salary and benefits, \$9.7 billion in taxes, and \$62 billion in property income.

### **Economic multiplier**

- Every dollar of the industry's output generates between \$0.40 and \$1.35 of additional economic activity in local economies.
- Additionally, every dollar of the industry's output generates \$1.27 of economic activity in the U.S. economy with expanded international sales.

### **Product innovation and affordability**

- At least 40 percent of the industry's new foods and beverages have positive nutrition or health attributes, in response to consumer demand for healthful products.
- The industry spends \$5.4 billion annually on research. Venture capital firms invest another \$3 billion to fund innovations in food market and processing technologies.
- The industry contributes to food affordability. U.S. consumers spend less than 10% percent of income on food, and less than consumers in other comparable countries.

### **Farm sector**

- The industry transforms raw farm commodities from more than 2 million farms into consumer food and beverage products; they are marketed through nearly 700,000 retail stores and foodservice outlets.
- The industry provides the link between farms and retailers to meet the needs of 320 million U.S. consumers.

"The industry is an important contributor to GDP growth and jobs at both the national as well as at the regional and local levels," said Mike Petro, Executive Vice President of CED.

"With 87 American factories employing more than 51,000 people, we're proud to be part of an industry making such a positive economic contribution to the U.S. economy. Nestlé is also working to address the skills gap in the industry through Project Opportunity, a career-acceleration program designed to help people of all ages gain work experience and training in food and beverage manufacturing."

The study received guidance from a working group of food industry representatives. View the report, executive summary, and an infographic featuring the findings [here](#).

### **About the Committee for Economic Development**

Founded in 1942, the Committee for Economic Development of The Conference Board (CED) is a nonprofit, nonpartisan, business-led public policy organization that delivers well-researched analysis and reasoned solutions to our nation's most critical issues. CED's work is grounded on seven core principles: sustainable capitalism, long-term economic growth, efficient fiscal and regulatory policy, competitive and open markets, a globally competitive workforce, equal economic opportunity, and nonpartisanship in the nation's interest. Learn more at [www.ced.org](http://www.ced.org).

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