

The U.S. Sheep Industry's Contributions to the U.S. Economy



The U.S. sheep industry plays an important role in supporting the economic viability and vitality of rural America and beyond. A *U.S. Sheep Industry Economic Contribution Analysis* was recently conducted on behalf of the American Sheep Industry Association. A contribution analysis is a particular type of economic analysis that tracks the gross economic activity of an industry as dollars cycle through the broader economy.

Production in any given industry is linked to other industries – i.e., production in one industry depends on suppliers in other industries for inputs (backward links), while incomes earned in the production and supplier industries are then spent on goods and services provided by still other industries (forward links). Backward links supported by the Production sector of the sheep industry include industries supplying feed, fuel, fertilizer, veterinary and shearing services, etc. Forward links include food and clothing purchases, housing, health care, etc.

The Production sector of the U.S. sheep industry is itself backlinked to the Processing and Manufacturing sector of the industry – supplying slaughter lambs and sheep, wool, and fluid milk as inputs for further processed and manufactured outputs (carcasses, case-ready cuts of meat, sheep milk cheese, dog food, leather and shearing products, wool textiles and apparel, military dress uniforms, etc.).

Contributions to the U.S. Economy¹

Production Sector - The *Total Contribution* of the **Production Sector** of the U.S. sheep industry was estimated at \$1.4 billion in total output (sales), supporting:



8,492 total jobs



\$494.0 million in total labor income



\$833.2 million in total value-added



\$151.4 million in total local, state, and federal taxes

Processing and Manufacturing Sector - The *Total Contribution* of the **Processing and Manufacturing Sector** of the U.S. sheep industry was estimated at \$3.7 billion in total output (sales), supporting:



14,153 jobs



\$854.3 million in labor income



\$1.4 billion in value added



\$273.4 million in local, state, and federal taxes

¹ Note: *Total Contribution* results for the Production and the Processing and Manufacturing sectors of the U.S. sheep industry are not additive due to the linkage structure of the analysis. Analysis based on 2021 data.

Reference:

U.S. Sheep Industry Economic Contribution Analysis. Knob Economics. November 2023. For more information, visit www.sheepusa.org.