

The Ohio Food Processing Industry

Ohio's Standing

- Ohio's food and beverage manufacturing industry shipped \$25.2 billion worth of products in 2006.
- The industry employed over 60,200 workers at 1,106 production plants in 2006.
- Ohio ranks in the top five states in one-half of the food processing groups. (See the top half of the table at the lower right of this page).
- The reason most commonly cited for Ohio's leading position in food processing is the state's strategic location between the grain belt and the populous Eastern markets.
- Underscoring Ohio's location advantages is the fact that the state's borders are within 500 miles of 60 percent of both the U.S. and Canadian populations.

Production Leaders

- The frozen specialty food industry is one of Ohio's major economic success stories. General Mills operates the world's largest pizza plant in the southern Ohio community of Wellston. In nearby Jackson, Luigino's produces an extensive line of frozen foods. Stouffer's products originate from Nestle's Solon plant near Cleveland. Heinz' Weight Watcher division employs 800 in Massillon.
- Campbell's soup factory in Napoleon is the largest in the world. Heinz' plant in Fremont makes more ketchup than anywhere else in the world.
- Dannon operates the world's largest yogurt plant in Auglaize County.

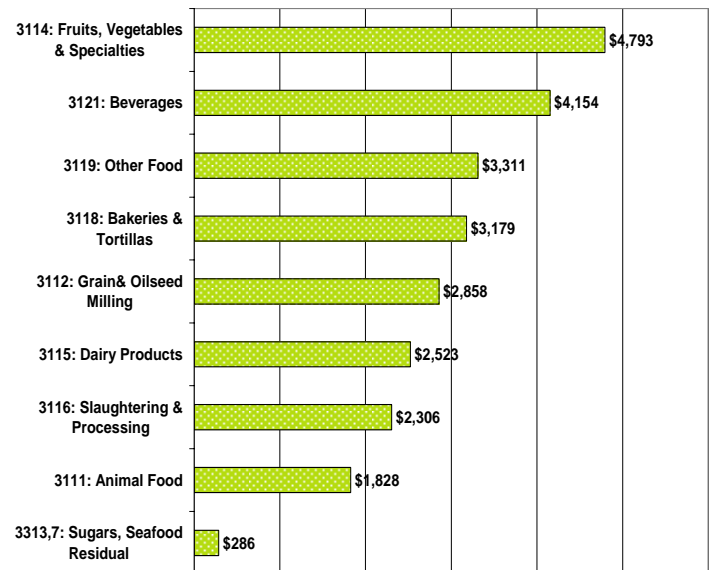
Agriculture Inputs

- Another reason food processing is concentrated in Ohio is the state's varied agriculture sector. The bottom half of the table to the right shows the state's strength in selected dairy products, tomatoes, syrup, and grain production.

Headquarters

- Major food-related companies headquartered in Ohio include Bob Evans Farms, Chiquita Brands International, Kroger, Lancaster Colony, JM Smucker, and Wendy's International.
- Corporate divisions headquartered here include Ross Products/Abbott Labs and Worthington Foods/Kellogg.

Food Processing Shipments from Ohio, by Group, 2006 (in millions of dollars)



Source: U.S. Census Bureau

High-Ranking Mfg. Industries and Agricultural Products

Major Industry/Group/Product	Ohio's Apparent Rank	Percent of U.S.
Food Processing	5th	4.4%
Fruits, Vegetables & Specialty Foods	2nd	9.3%
Beverages	3rd	5.1%
Animal Food	3rd	6.9%
Bakeries & Tortillas	4th	5.9%
Other Food Processing	5th	5.1%
Agricultural Products		
Swiss Cheese	1st	
Eggs	2nd	
Tomatoes for Processing	3rd	
Fresh Tomatoes	5th	
Maple Syrup	5th	
Sweet Corn	5th	
Winter Wheat	5th	

Sources: U.S. Census Bureau, Ohio Dept. of Agriculture

Key Trends

Employment

- During this decade, the food and beverage industry has been a comparatively stable source of employment.
- Food and beverage employment (NAICS 311 and 3121 combined) declined 6.6 percent. By comparison, manufacturing employment overall declined 16.8 percent.
- Employment in the food processing industry (311) is forecast to decline by 500 jobs (less than 1 percent) from 2004 through 2014 according to the Ohio Bureau of Labor Market Information.
- This forecast indicates that the employment gains in the slaughtering and bakery groups will be offset by losses, principally in the dairy and fruit/vegetable/specialty groups.

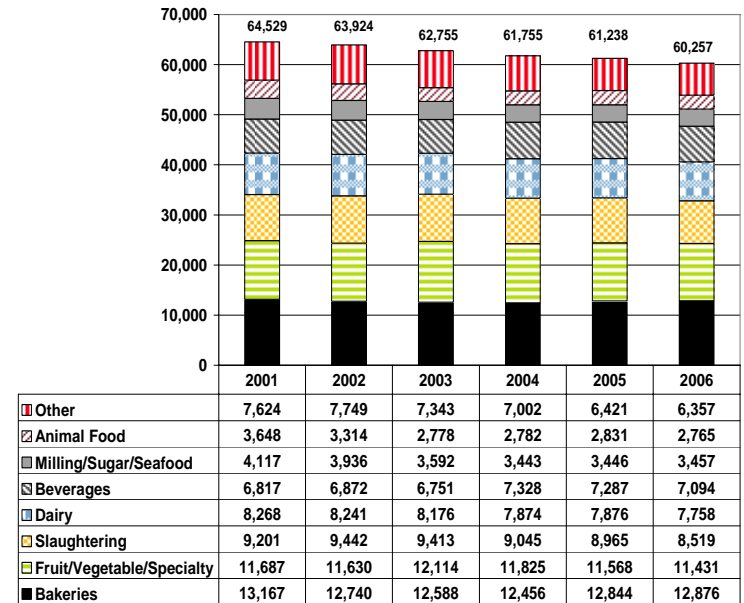
Production

- Data from the U.S. Bureau of Economic Analysis show that, as of 2005, food and beverage industry output in Ohio was 1.6 percent to the overall value of goods and services produced in the state.
- After adjusting for inflation, though, the volume of industry goods produced in 2005 was at its lowest level since 1997.
- Never-the-less, the food and beverage industry remains somewhat concentrated in Ohio, although the relative concentration fluctuates from year-to-year.

Exports

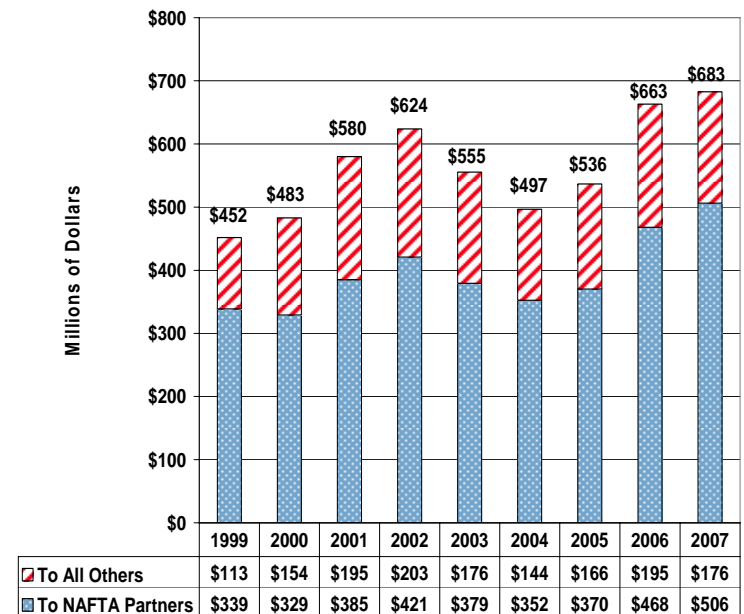
- Data from the U.S. International Trade Administration show that exports of food and beverage products from Ohio rose 51.1% from \$462 million in 1999 to \$683 million in 2007 after adjusting for inflation. (All export figures are standardized on 2007. Import figures for states are not tracked.)
- A substantial majority of exports go to NAFTA partners Canada and Mexico; however, exports to all other countries collectively grew at slightly faster rate during this time.
- Vast majority of exports are food products; beverages are tiny fraction.

Employment Trends



Source: Ohio Bureau of Labor Market Information

Exports from Ohio



Sources: U.S. International Trade Administration, Trade Stats Express; and U.S. Bureau of Labor Statistics.

Investment Trends

- Investment in Ohio's food and beverage industry (NAIC 311 and 3121 combined) ranged from \$517 million to \$618 million during the 2001-2006 period; this was about 3.5 to 4.4 percent of the national total.
- On average, about six out of every seven dollars invested went into food processing equipment (NAICS 311).
- Ohio's portion of total national capital expenditures, which averaged 3.9 percent, is less than the corresponding portion of value added in the state – 4.8 percent – during the 2001-2006 period.

Major Projects

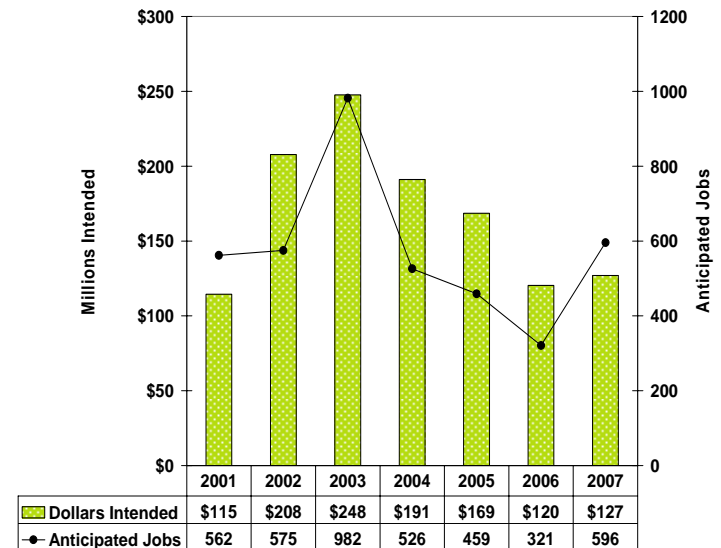
- The Ohio Dept. of Development tracks major investment announcements. "Major" is defined as a project involving at least \$1 million, 50 new jobs, or 20,000 square feet. Such projects often are phased-in over several years. Therefore, summary figures are only crudely comparable with capital expenditures.
- Since 2001, companies in the food and beverage industry have announced 151 major projects with intentions to invest close to \$1.18 billion. Just over 4,000 new jobs were anticipated. 2003 was the peak year, with \$248 million worth of projects and 982 jobs.
- 137 of the 151 projects, with almost \$1.08 billion of planned expenditures, were for food processing facilities; well over 3,600 new jobs were anticipated.
- The remaining 14 projects planned to invest \$98 million in breweries and soft drink and fruit juice plants; over 350 new jobs were planned.
- Campbell Soup, including its Pepperidge Farm subsidiary, announced projects totaling \$139.6 million (M) from 2002 to 2006, the largest of any single company.
- Other companies planning to invest at least \$20M included Abbott Lab's Ross Products, Brooks Beverage Mgt., Cargill, ConAgra, Dannon, General Mills, JM Smucker (including its International Multifoods subsidiary), Luigino's, Michelina's, Miller Brewing, Minerva Cheese, PepsiCo (including its Frito Lay subsidiary), and Procter & Gamble's Iams.
- Luigino's plans also anticipated 405 new jobs, the largest number of any company.

Capital Expenditures



Source: U.S. Census Bureau

Project Announcements



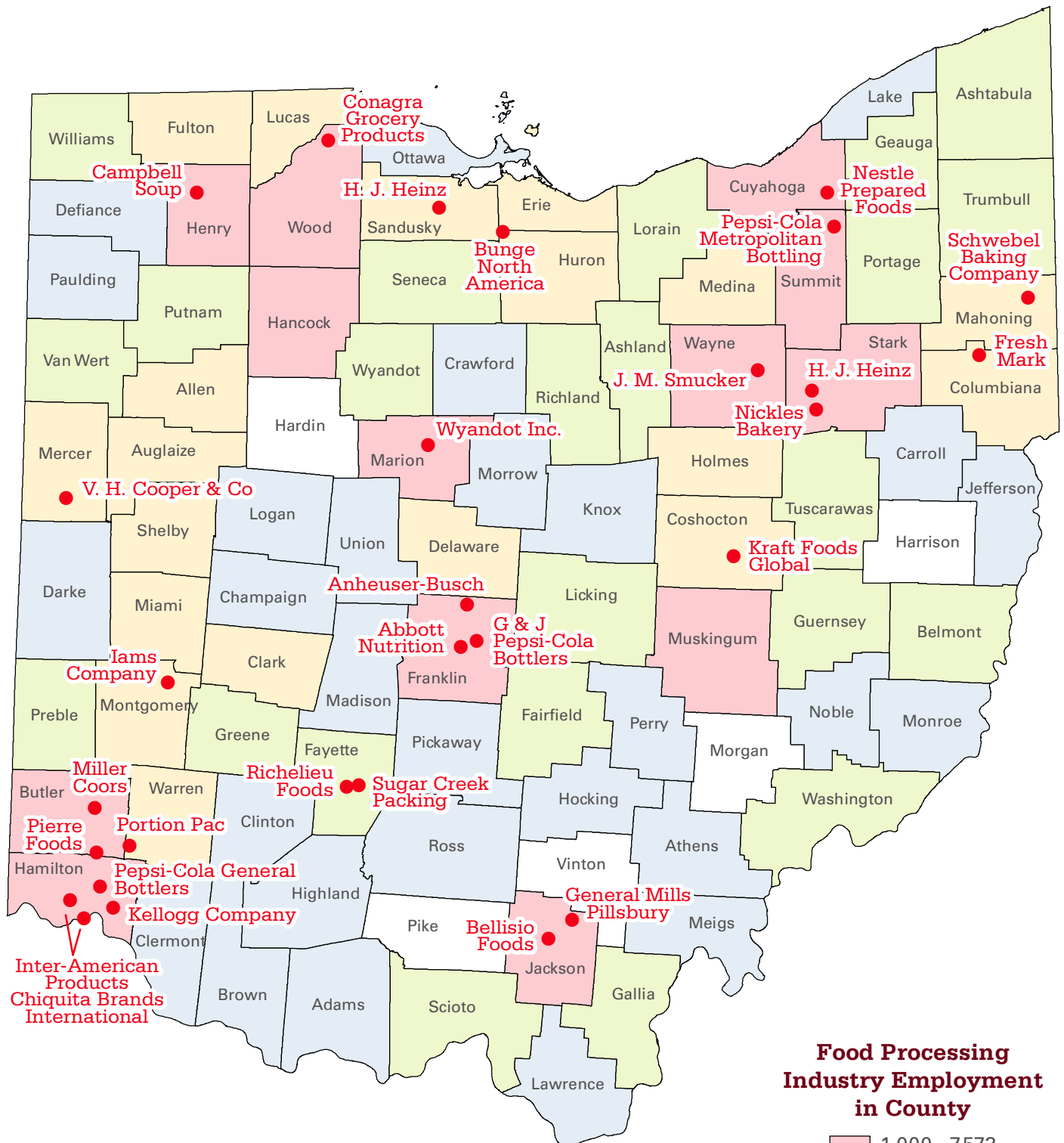
Source: Ohio Dept. of Development

Top Six announced Investments, 2007

Company	County	Product	Dollars (millions)
Miller Brewing	Butler	Beer	\$20.0
Bear Creek	Licking	Candy	\$13.0
Great Lakes	Cuyahoga	Beer	\$11.5
Mane	Warren	Flavorings	\$11.2
Cloverdale Farms	Lorain	Food	\$10.0
Koch Foods	Butler	Meat	\$10.0

Source: Ohio Dept. of Development

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Sources: 2006 County Business Patterns, U.S. Census Bureau and Selectory® Business Database, Harris InfoSource

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