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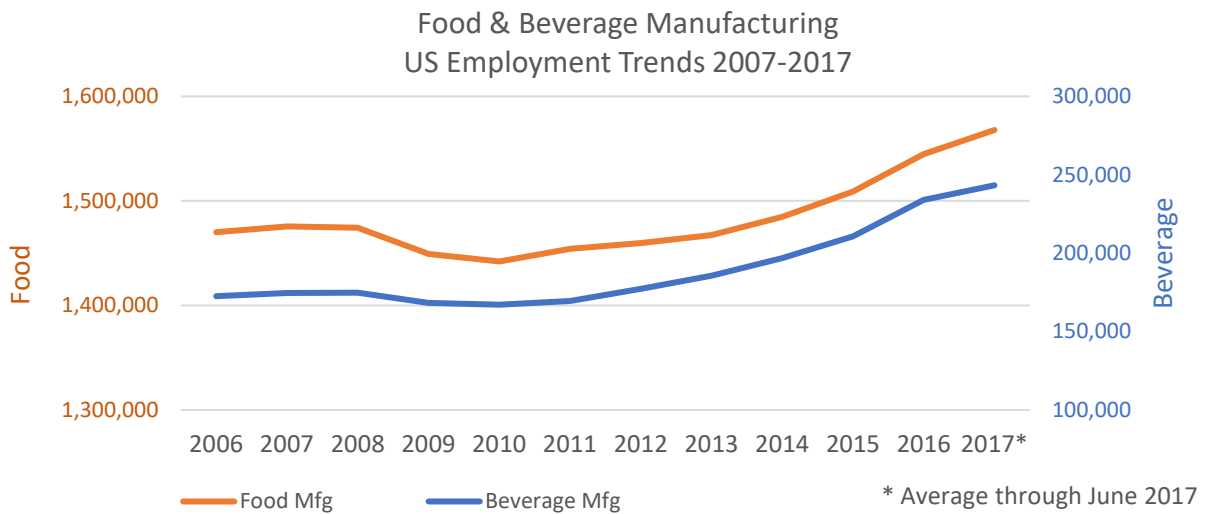
Trade & Industry Development: Food, Glorious Food!

By: Cyndi Dancy, director of research, Garner Economics LLC

Top Areas for the Food & Beverage Manufacturing Industry

The food and beverage industry remains a generous slice of the nation’s manufacturing sector with steadily increasing employment. Consumers drive trends on what is being produced, how it is packaged, and the industry continues to adapt and thrive. Metro areas with large populations have a foothold on food productions, while other areas have found their specialties driving employment.

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More than 1.8 million people across the United States work in food and beverage manufacturing sectors as of June 2017, according to the Bureau of Labor Statistics. These two sectors show continual employment growth since 2010 with strong advancement in the past five years.

Although the food processing sector has a much higher employment level, the beverage sector is increasing at a faster rate. Rates of growth over the past five years are at seven percent for food processing and 37 percent for beverage manufacturing based on preliminary figures for the first six months of 2017.

More than half of the employment growth in the beverage manufacturing industry is accounted for in the development of breweries as the craft brew scene expanded greatly across the United States. We'll sip on that and other beverages later in this article.

FOOD MANUFACTURING

The transformation of livestock and agricultural crops into products for consumption can be as simple as washing & packaging or a more complex process involving cooking, baking, etc.

TOP STATES FOR FOOD & BEVERAGE MANUFACTURING

Ranked by Number of Establishments

RANK 2017	STATE	NUMBER OF FACILITIES	EMPLOYMENT
1	California	6,344	218,818
2	New York	2,804	65,147
3	Texas	2,765	107,855
4	Illinois	2,186	83,587
5	Florida	1,905	42,023
6	Washington	1,686	45,955
7	Pennsylvania	1,652	80,208
8	Oregon	1,317	29,435
9	New Jersey	1,312	34,349
10	Michigan	1,298	44,929

Source: Bureau of Labor Statistics, Garner Economics

So where are these food and beverage manufacturing sector jobs? California leads the U.S. with the most facilities and employment largely due to the farming output in the Central Valley. The top metro areas for food manufacturing, covering all activity under NAICS code 311 Food Manufacturing, are generally the most populous MSAs across the nation. All of the metro areas on the ranking are within the top 25 MSAs ranked by population.

TOP METROS FOR FOOD MANUFACTURING EMPLOYMENT

Ranked by 12-Month Average Employment Ending June 2017

METRO AREA	FOOD MANUFACTURING EMPLOYMENT (NAICS 311)	FOOD MANUFACTURING CONCENTRATION ¹ (Location Quotient)	AVERAGE WEEKLY WAGE
1 New York-Newark-Jersey City, NY-NJ-PA MSA ²	51,881	0.52	\$915
2 Chicago-Naperville-Elgin, IL-IN-WI MSA ³	50,872	1.05	\$1,130
3 Los Angeles-Long Beach-Anaheim, CA MSA	47,595	0.73	\$954
4 Atlanta-Sandy Springs-Roswell, GA MSA	26,353	0.95	\$1,577
5 Dallas-Fort Worth-Arlington, TX MSA	19,936	0.54	\$1,008
6 Boston-Cambridge-Newton, MA-NH MSA	19,796	0.68	\$975
7 San Francisco-Oakland-Hayward, CA MSA	16,676	0.65	\$1,033
8 Minneapolis-St. Paul-Bloomington, MN-WI MSA ²	15,968	0.75	\$953
9 Seattle-Tacoma-Bellevue, WA MSA	14,987	0.72	\$1,028
10 Portland-Vancouver-Hillsboro, OR-WA MSA	13,303	1.06	\$828

Source: Bureau of Labor Statistics, Garner Economics

Now, if we review the regions based on the concentration, or location quotient (LQ), the ranking becomes a vastly different list. The LQ displays the comparison of regional workers compared to the national rate of employment for that industry. The higher the LQ, the higher the specialization a region has for that particular industry sector. These metros tend to be mid-sized or small in regard to population but have a high concentration of food manufacturing workers.

TOP METROS FOR FOOD MANUFACTURING CONCENTRATION

12-Month Average Employment Ending June 2017 Ranked by LQ

	METRO AREA	FOOD MANUFACTURING EMPLOYMENT (NAICS 311)	FOOD MANUFACTURING CONCENTRATION ¹ (Location Quotient)	AVERAGE WEEKLY WAGE
1	Sioux City, IA-NE-SD MSA	10,808	11.49	\$1,001
2	Gainesville, GA MSA	10,404	11.21	\$701
3	Decatur, IL MSA	5,736	10.69	\$1,879
4	Grand Island, NE MSA	4,245	8.94	\$805
5	Hanford-Corcoran, CA MSA	4,176	8.63	\$900
6	Gettysburg, PA MSA	2,834	7.58	\$843
7	St. Joseph, MO-KS MSA	4,513	7.33	\$947
8	Merced, CA MSA	6,548	7.27	\$891
9	Fort Smith, AR-OK MSA	8,052	6.80	\$758
10	Logan, UT-ID MSA	4,079	6.46	\$819

Source: Bureau of Labor Statistics, Garner Economics

BEVERAGE PRODUCTION

Beverage manufacturing includes:

- soft drinks
- ice manufacturing
- bottling water
- breweries
- wineries
- distilleries

Then there's beverage production. Beverage manufacturing has a strong presence in California with five of the top ten metro areas for this sector located in the state. The Napa region ranks number one on this list with an average of 10,054 employees engaged in primarily wine production. As well-known as the region is for wine, it is no surprise that the LQ of 75.51 shows concentrated employment in the beverage industry. Additional California metros also have strong wine production, while other metros on the list are headquarters for major beer brands.

TOP METROS FOR BEVERAGE MANUFACTURING

Ranked by 12-Month Average Employment Ending June 2017

	METRO AREA	BEVERAGE MANUFACTURING EMPLOYMENT (NAICS 311)	BEVERAGE MANUFACTURING CONCENTRATION ¹ (Location Quotient)	AVERAGE WEEKLY WAGE
1	Napa, CA MSA	10,054	75.51	\$1,288
2	Santa Rosa, CA MSA	8,481	25.14	\$1,034
3	St. Louis, MO-IL MSA	4,558	2.05	\$1,445
4	Denver-Aurora-Lakewood, CO MSA	4,478	1.76	\$1,210
5	Dallas-Fort Worth-Arlington, TX MSA	4,385	0.75	\$1,372
6	San Francisco-Oakland-Hayward, CA MSA	4,154	1.04	\$1,008
7	Modesto, CA MSA	3,962	11.94	\$1,717
8	Seattle-Tacoma-Bellevue, WA MSA ⁴	3,767	1.15	\$1,055
9	Riverside-San Bernardino-Ontario, CA MSA	3,767	1.56	\$883
10	Cincinnati, OH-KY-IN MSA	3,090	1.83	\$1,137

Source: Bureau of Labor Statistics, Garner Economics

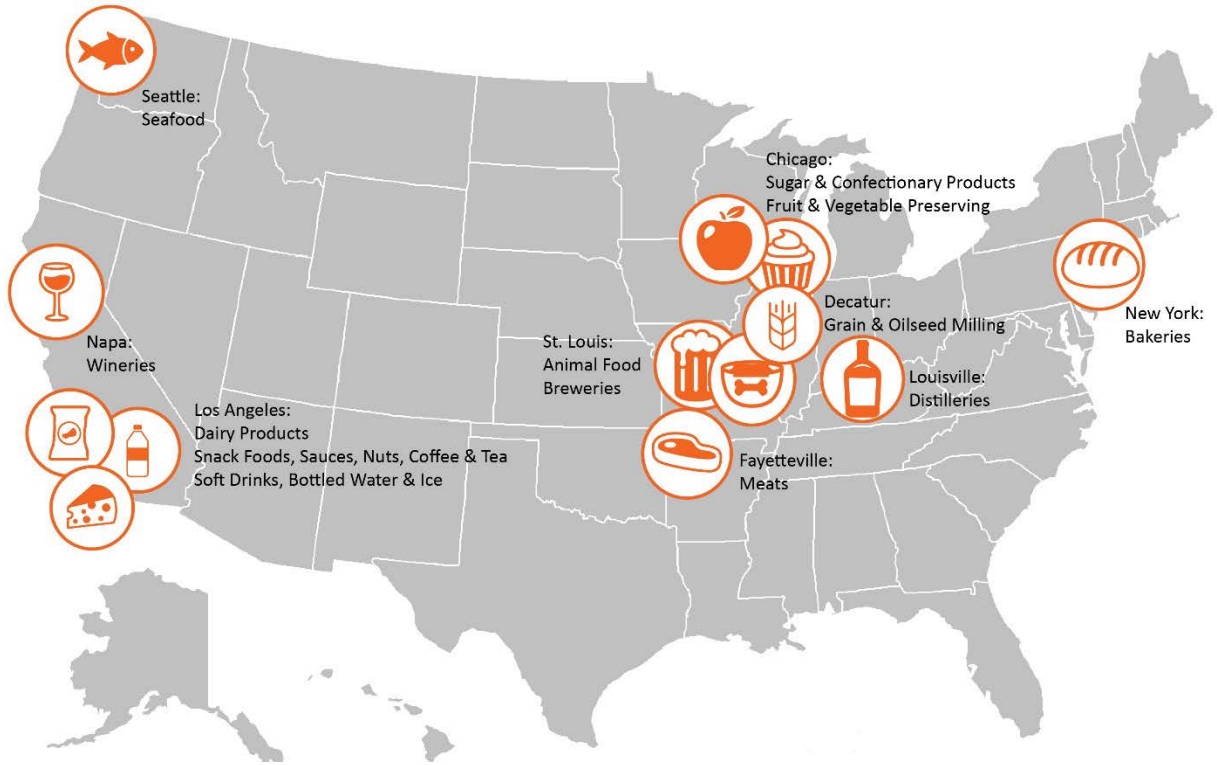
Taking the cue from Napa, CA having a specialization in wine, below are the top metro areas for subsectors of food and beverage production. Napa Valley, when evaluated for just their wine production, had an employment LQ of 290. Decatur, IL also portrayed an extreme concentration (270 LQ) within the Grain & Oilseed Milling category. Louisville, KY had the third highest LQ of 28.28 for distilleries employment reflecting its recognized bourbon heritage.

FOOD & BEVERAGE MANUFACTURING: SUBSECTOR RANKING

Ranked by June 2017 Employment

INDUSTRY SUBSECTOR	METRO AREA	JUNE 2017 EMPLOYMENT	EMPLOYMENT CONCENTRATION ¹ (Location Quotient)	AVERAGE WEEKLY WAGE ⁵
Animal Food	St. Louis, MO-IL MSA	2,404	4.35	\$2,831
Grain & Oilseed Milling	Decatur, IL MSA	5,713	270.98	\$1,865
Sugar & Confectionary Products	Chicago-Naperville-Elgin, IL-IN-WI MSA	6,335	2.79	\$1,195
Fruit & Vegetable Preserving	Chicago-Naperville-Elgin, IL-IN-WI MSA	4,280	0.78	\$1,250
Dairy Products	Los Angeles-Long Beach-Anaheim, CA MSA	5,043	0.84	\$1,512
Meats	Fayetteville-Springdale-Rogers, AR-MO MSA	10,830	13.16	\$661
Seafood	Seattle-Tacoma-Bellevue, WA MSA	3,624	6.7	\$1,586
Bakeries	New York-Newark-Jersey City, NY-NJ-PA MSA	28,327	1.41	\$636
Snack Foods, Sauces, Nuts, Coffee & Tea	Los Angeles-Long Beach-Anaheim, CA MSA	12,000	1.34	\$963
Soft Drinks, Bottled Water & Ice	Los Angeles-Long Beach-Anaheim, CA MSA	5,180	1.16	\$1,171
Breweries	St. Louis, MO-IL MSA	2,745	4.32	\$1,479
Wineries	Napa, CA MSA	10,557	290.34	\$1,194
Distilleries	Louisville-Jefferson County, KY-IN MSA	1,727	28.28	\$3,901

Source: Bureau of Labor Statistics, Garner Economics



The food & beverage processing industry continues to change with consumers increasingly choosing healthy, fresh, organic, and ready to eat alternatives over traditional products. Specialty foods, snack foods, and sauce manufacturing are three subsectors of the food processing industry that have seen a rise and are forecasted to grow. On the beverage manufacturing side, craft breweries and distilleries are undergoing exceptional growth nationally. Look for the future of the industry to quickly adapt and retool as consumer preferences change.

Notes:

¹ Data presented is for June 2017

² LQ Data are 2016 Annual Average due to 12-month data not fully meeting disclosure and data standards

³ Employment and LQ Data are 2016 Annual Average due to 12-month data not fully meeting disclosure and data standards

⁴ Data are 2016-2017 averages from US Census Quarterly Workforce Indicators due to BLS data availability

⁵ Wages reflect quarterly average weekly wage

Food and Beverage Manufacturing Subsectors:

- | | |
|---|--|
| Animal Food (NAICS 3111) | Bakeries (NAICS 3118) |
| Grain & Oilseed Milling (NAICS 3112) | Snack Foods, Sauces, Nuts, Coffee & Tea (NAICS 3119) |
| Sugar & Confectionary Products (NAICS 3113) | Soft Drinks, Bottled Water & Ice (NAICS 31211) |
| Fruit & Vegetable Preserving/Specialty Foods (NAICS 3114) | Breweries (NAICS 31212) |
| Dairy Products (NAICS 3115) | Wineries (NAICS 31213) |
| Meats (NAICS 3116) | Distilleries (NAICS 31214) |
| Seafood (NAICS 3117) | |



About Cyndi Dancy: Cyndi Dancy is Director of Research for Garner Economics, and economic development and site location consulting firm headquartered in Atlanta, GA. Cyndi has more than 20 years of economic development experience including specialties of research, geospatial analytics, marketing and business development. She serves as the director of research at Garner Economics.

About Garner Economics: We are data driven strategists helping companies, communities and organizations, large and small, urban and rural, achieve success.

We offer location advisory services, analytical research, industry targeting, strategic planning, and organizational assessments with a wealth of expertise to companies, communities, and organizations globally.

Garner Economics and Primus Builders have partnered to create one of the most extensive site certification initiatives in the economic development and food/beverage industry. Their goal is to help communities prepare for the location of food and beverage projects, which also helps companies in that industry sector understand that a communities' site or building has met rigorous review requirements. See more at <https://garnereconomics.com/services/food-processing-site-certification>.

We are based in Atlanta, GA with representative offices in Europe (Berlin), Asia (Seoul), and North Carolina.



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