

Overview and Economic Impact of the Mississippi Blueberry Industry

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Abstract

U.S. per capita consumption of blueberries has risen in the past decade, fueled in part by the industry's efforts to promote the health benefits associated with blueberry consumption. As a response to increased consumer demand, blueberry acreage in Mississippi has significantly increased, from about 80 acres in 1981 to 2,700 acres in 2012. Production in the state consists mainly of Rabbiteye or Southern Highbush varieties, 50% of which is sold wholesale through marketing cooperatives (MDAC 2013). This study estimates the economic impact of this industry on Mississippi's agricultural economy.

Keywords: impact analysis, economic multipliers, IMPLAN

Methodology

Economic impacts of the Mississippi blueberry industry were estimated using statistical data available from USDA-ERS (2013) and USDA-NASS (2014) on the value of production for 2012. IMPLAN^o was used to derive the economic multipliers that capture the secondary impacts of intermediate purchases by blueberry firms on other economic sectors (indirect effects) and on household consumer spending by individuals employed by the blueberry industry (induced effects), in addition to direct impacts for output/sales, labor income (wages and salaries), employment, value-added (the residual value of a sector's output after it pays for its inputs), and taxes paid. Impact estimates for 2012 are expressed in 2014 dollars using the GDP Implicit Price Deflator to account for inflation.

Results

Economic impacts of the Mississippi blueberry industry in 2012 were estimated at \$39.02 million in output, \$23.70 million in labor income, 320 jobs, and \$22.10 million in value-added (Table 1). Output by the Mississippi blueberry industry totaled \$15.55 million in 2012. Adding this to indirect and induced effects resulted in a total impact of \$39.02 million. This estimate does not include the economic impact of taxes paid by producers, workers, and input suppliers in the industry. Blueberry industry workers within Mississippi earned a total of \$15.12 million in wages and salaries from production and sales of blueberries. Combining this with secondary impacts, which totaled \$8.58 million, resulted in a total labor income impact of \$23.70 million. More than 63% of this total labor income effect was from the wages and salaries earned at the producer level throughout the state. The industry also employed 92 people directly to produce its output, while intermediate purchases and household consumer spending supported the employment of an additional 229 individuals. Finally, direct value-added impacts were estimated at \$8.65 million, which combined with \$13.45 million in secondary impacts, resulted in a total value-added impact of \$22.10 million.

Table 1. Total Economic Impact of the Mississippi Blueberry Industry, 2012

Impact Type	Output (\$ million)	Labor Income (\$ million)	Employment (jobs)	Value Added (\$ million)
Direct Effect	15.55	15.12	92	8.65
Indirect Effect	5.87	2.09	69	2.79
Induced Effect	17.60	6.49	160	10.66
Total Effect	39.02	23.70	320	22.10
Multiplier	2.51	1.57	3.50	2.56

The total economic impact of the Mississippi blueberry industry extends beyond its initial output/sales, labor income, employment, and value-added values. These activities create income for state workers and taxes for local, state, and federal governments, which also create secondary impacts in the form of indirect and induced effects. The total effect of taxes paid to state/local and federal governments was estimated at \$3.75 million. Overall, the economic impact of the blueberry industry to Mississippi's economy is significant as reflected in the measures of economic activity described.

References

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