A New Era for an Economic Powerhouse
Michigan’s Food Processing Industry
TOTAL ECONOMIC IMPACT OF FOOD PROCESSING IN MICHIGAN = $24.97 billion

• Compared to 2002:
  • Compound annual growth rate of 3.7%
  • Nearly 20% increase of direct impact
• Food processing industry employs nearly 134,000 Michigan workers.
  • 1588 Licensed Food Processors; of those 963 are small processors (less than $25,000 annual gross sales) in Michigan.
• Michigan ranks 19th nationally in food processing.
• Michigan produces over 200 commodities on a commercial basis, making the state second nationally in agricultural diversity and an extremely diversified portfolio for food processing.

Global Diversity for Food Processors

• Michigan exports over one-third of its agricultural commodities every year internationally.
• Agricultural exports generated $1.55 billion in economic activity and employed over 19,000 residents.
• In 2009, Michigan companies participating in international market activities conducted by MDA and the Food Export—Midwest reported actual increase in export sales of $13.6 million and projected exports of an additional $13.7 million in projected export sales.
  • The companies have added 26 new employees due to the increase in export sales due to the activities.
  • 43 companies made a first time export sale in a new market.

“Better Made has been committed to the use of Michigan potatoes since 1930. Michigan has many advantages over other potato producing areas; they enjoy a good climate, a central location for transportation, ample land to rotate their crops, plentiful water to irrigate, and an university system in the forefront of potato development.”

— Mike Schena, President of Better Made Snack Foods Company in Detroit

Michigan Apples

• Contributes $770 million in annual economic impact to the state.
• Nation’s third-largest apple producing state.
• Highest-value fruit crop produced in the state.
• Michigan’s average five-year apple production is 19.3 million bushels or 819 million pounds (USDA).

Michigan Asparagus

• Processes 95% of the U.S. asparagus.
• In 2009, produced 16 million pounds; of that 8.6 was canned and 7.4 was frozen.

Michigan Beef

• Michigan cattle herd totaled 1.1 million head.
• Cattle are raised in every Michigan county on about 14,000 farming operations.
• Cattle and cash receipts for Michigan cattle totaled $289 million.
• Since there are about 9.5 million consumers in the state, the industry meets about 33% of Michigan’s demand for beef.

Michigan Carrots

• Produces 5,000 acres of carrots.
• Estimated value of carrots grown is $17.7 million.

Michigan Cherries

• Produces 70–75% of the tart cherries in the U.S.
• Grows 20% of the nation’s sweet cherries.
• 190 million pounds of tart cherries; and 21,500 tons of sweet cherries.
• Nationally, ranks first in tart cherries and fourth in sweet cherries.

Michigan Corn

• Produces 309 million bushels planted acres: 2.35 million
• Adds nearly $1.1 billion to Michigan’s economy.
• Nationally, ranks 11th in total production.
Agricultural Expansion Opportunities

• If funding was available to invest, there are both large and small scale opportunities within Michigan’s food processing industry.
• Given the state’s economic situation, geographic location, the diversity and expanse of Michigan crop and feed grain production and access to large population centers, there is a good potential to expand processing.
• Buying locally directly supports our farmers and food processors, as well as our state’s economy. Michigan farm operations marketing directly to consumers equates to $37.3 million.

“Hudsonville Ice Cream views our Made in Michigan status as a major advantage. We buy over $1 million of fresh raw materials from Michigan farmers such as our milk and cream, blueberries and cherries. Additionally, we purchase all of our flavorings and a fair amount of chocolate, caramel and fudge from Michigan processors. Our forecast is to grow our procurement of Michigan products by double digits based largely on our current sales growth trends but also by adding to the list of items purchased such as Michigan honey, Michigan peaches and Michigan apples in 2011.”

—Bruce Kratt, Director of Sales and Marketing for Hudsonville Ice Cream

“As a specialty food manufacturer, in Michigan, we will purchase over two million pounds of Michigan fruits, beet sugar, various flours, and dairy products. It feels good to know that we are in a business that not only processes food here in Michigan, but most all of our raw materials coming in, are also from Michigan.”

—Wendy Achatz, Co-owner of Achatz Handmade Pie Company in Chesterfield Township.

Michigan Dairy
• Ranked eighth nationally in milk production.
• $5.9 billion impact on the state’s economy.
• Milk is the top ranked Michigan commodity in terms of cash receipts. In 2009, the dairy industry contributed about 20% of the total cash receipts in Michigan’s agriculture industry.
• Michigan’s total dairy farm receipts averaged $1.2 billion from 2005–2009.
• About 7.9 billion pounds of milk was produced on Michigan dairy farms in 2009.

Michigan Dry Beans
• Nationally, ranks first in small red beans, cranberry beans and black beans and second in navy beans.
• Nationally, ranks second for production of all beans, producing this year about 12.5% of the U.S. production.
• Produces 3,850 million bags of 100 pounds each, or nearly 175,000 metric tons.
• Plant 230,000 acres of dry beans this year.

Michigan Pork
• Raise 2 million hogs annually.
• Generate $250 million in sales.
• Producers support $400 million in gross state product and export 28% of pork produced.
• Pork exports provide 700 Michigan jobs and $30 million in personal income.
• Provides 5,300 pork-related jobs in the state.

Michigan Potatoes
• 90 potato growers in Michigan, covering 40,000 acres.
• The estimated value annually is $156.2 million, in 2008.
• Ranks first in the U.S. in potato chip production.
• The average person consumes 132 pound of potatoes per year — 50 pounds in fresh and 82 pounds in chips, frozen and other potato products.
Michigan Agricultural Processing Renaissance Zones (APRZs)

The first of its kind in the nation, Michigan’s Renaissance Zones program encourages development by making select areas virtually free of state and local taxes for businesses. APRZs have created 3,558 new jobs and generated $742 million in new capital investment in agricultural processing businesses.

“Without a Renaissance Zone, Graceland Fruit would not have been able to make investments over the last five years. The investment allowed us to retain over 50 jobs, and over $30 million of new capital improvements.”

—Don Nugent, President and CEO of Graceland Fruit, Inc. in Frankfort.

**Michigan Poultry**

- Laying hens: 16 million birds produce farm gate value of about $110 million annually.
- Turkeys: Produce 5 million birds per year with a farm gate value $120 million annually.
- Broilers: Grow about 3–5 million five-pound broilers per year with an approximate farm value of $12.5 million.

**Michigan Soybeans**

- Field-gate value of more than $600 million in field crop production.
- Only 12% of the Michigan’s soybeans are processed in Michigan with a $4.14 billion economic impact.
- Soybeans and soybean products exported result in a $45.68 million value in 2008.
- Ranks 11th highest soybean-producing state in the nation.
- Produce 79.6 million bushels of soybeans in 2009.

**Michigan Sugar Beets**

- An annual economic impact over $450 million and over $1 billion of indirect economic impact.
- Over 4 million tons of beets are processed every year.
- Produces over one billion pounds of sugar annually.
- 1,100 sugar beet farm families and over 150,000 acres.

**Michigan Wine and Grape**

- Produces nearly $790 million of total economic value to the state.
- Accounts for more than 5,000 jobs across the state, for a payroll of more than $190 million.

**Michigan Wheat**

- Plant over 600,000 acres of winter wheat with an average yield per acre of 68 bushels.
- Annual production totals 42 million bushels with an average farm gate value of $180 million.
- Michigan is ranked 14th in total US wheat production with winter wheat varieties consisting of both soft white.
- Michigan is home to wheat milling operations, cereal companies and bakeries that contribute a total of nearly $3 billion to the state’s economy.