

The Economic Importance of Food Manufacturing in Louisiana's Hurricane Affected Parishes

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The economic effects of hurricanes Katrina and Rita on Louisiana's food processing industry cannot be measured without firm level data regarding wind and flood damage to buildings, equipment, and inventories, as well as, data regarding higher costs and lost revenues due to unavailability of raw materials. However, we can document the magnitude of the industry prior to the hurricanes, which provides a benchmark for assessing the impact of the hurricanes on Louisiana's food processing industry. The following report summarizes what we know.

Thirty one out of Louisiana's sixty four parishes are considered to be affected by hurricanes Katrina and Rita. Table 1 shows the number of food manufacturing establishments in hurricane affected parishes, categorized by the North American Industrial Classification Code. In 2003, there were 385 food manufacturing establishments in Louisiana, of which, 301 were located in hurricane affected parishes (table 1; U.S. Census of Manufactures, 2003). In other words, food processing establishments in hurricane affected parishes accounted for about 78% of Louisiana's total food processing industry in 2003. With respect to employment, hurricane affected parishes accounted for approximately 68% (12,853) of the state's food processing jobs (18,936) in 2003 (U.S. Census of Manufactures, 2003).

Total value of shipments for Louisiana's food manufacturing industry was about \$5.5 billion in 2002 (Economic Census, 2002). We do not have data for value of shipments for all affected parishes; however, the data is available for the New Orleans metro area, which was one of the areas heavily damaged by Katrina. This includes Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany parishes. The total value of shipments for food manufacturing for these parishes was \$2.2 billion in 2002, which accounts for about 40% of total food manufacturing in Louisiana.

Table 1. Percentage of Louisiana Food Manufacturing Establishments Located in the Hurricane Affected Counties

| Industry Code | Industry Code Description | Establishments in Hurricane Affected Parishes^a | Total Establishments in Louisiana | Percentage^b |
|----------------------|---|--|--|-------------------------------|
| 311 | Food Manufacturing | 301 | 385 | 78.18 |
| 3111 | Animal Food Manufacturing | 13 | 21 | 61.90 |
| 31111 | Animal Food Manufacturing | 13 | 21 | 61.90 |
| 311119 | Other Animal Food Manufacturing | 13 | 21 | 61.90 |
| 3112 | Grain and Oilseed Milling | 16 | 21 | 76.19 |
| 31121 | Flour Milling and Malt Manufacturing | 13 | 16 | 81.25 |
| 311211 | Flour Milling | 3 | 4 | 75.00 |
| 311212 | Rice Milling | 10 | 12 | 83.33 |
| 31122 | Starch and Vegetable Fats and Oils Manufacturing | 3 | 5 | 60.00 |
| 311222 | Soybean Processing | 2 | 2 | 100.00 |
| 311223 | Other Oilseed Processing | 0 | 1 | 0.00 |
| 311225 | Fats and Oils Refining and Blending | 1 | 2 | 50.00 |
| 3113 | Sugar and Confectionery Product Manufacturing | 37 | 41 | 90.24 |
| 31131 | Sugar Manufacturing | 21 | 22 | 95.45 |
| 311311 | Sugarcane Mills | 19 | 20 | 95.00 |
| 311312 | Cane Sugar Refining | 2 | 2 | 100.00 |
| 31132 | Chocolate and Confectionery Manufacturing from Cacao Beans | 2 | 2 | 100.00 |
| 311320 | Chocolate and Confectionery Manufacturing from Cacao Beans | 2 | 2 | 100.00 |
| 31133 | Confectionery Manufacturing from Purchased Chocolate | 8 | 10 | 80.00 |
| 311330 | Confectionery Manufacturing from Purchased Chocolate | 8 | 10 | 80.00 |
| 31134 | Nonchocolate Confectionery Manufacturing | 6 | 7 | 85.71 |
| 311340 | Nonchocolate Confectionery Manufacturing | 6 | 7 | 85.71 |
| 3114 | Fruit and Vegetable Preserving and Specialty Food Manufacturing | 14 | 22 | 63.64 |
| 31141 | Frozen Food Manufacturing | 4 | 6 | 66.67 |
| 311412 | Frozen Specialty Food Manufacturing | 4 | 6 | 66.67 |
| 31142 | Fruit and Vegetable Canning, Pickling, and Drying | 10 | 16 | 62.50 |
| 311421 | Fruit and Vegetable Canning | 8 | 13 | 61.54 |
| 311422 | Specialty Canning | 0 | 1 | 0.00 |
| 311423 | Dried and Dehydrated Food Manufacturing | 2 | 2 | 100.00 |
| 3115 | Dairy Product Manufacturing | 9 | 11 | 81.82 |
| 31151 | Dairy Product (except Frozen) Manufacturing | 9 | 10 | 90.00 |
| 311511 | Fluid Milk Manufacturing | 8 | 9 | 88.89 |
| 311514 | Dry, Condensed, and Evaporated Dairy Product Manufacturing | 1 | 1 | 100.00 |
| 31152 | Ice Cream and Frozen Dessert Manufacturing | 0 | 1 | 0.00 |
| 311520 | Ice Cream and Frozen Dessert Manufacturing | 0 | 1 | 0.00 |
| 3116 | Animal Slaughtering and Processing | 41 | 64 | 64.06 |
| 31161 | Animal Slaughtering and Processing | 41 | 64 | 64.06 |
| 311611 | Animal (except Poultry) Slaughtering | 10 | 18 | 55.56 |
| 311612 | Meat Processed from Carcasses | 29 | 37 | 78.38 |
| 311613 | Rendering and Meat Byproduct Processing | 1 | 2 | 50.00 |

| | | | | |
|--------|--|----|-----|--------|
| 311615 | Poultry Processing | 1 | 7 | 14.29 |
| 3117 | Seafood Product Preparation and Packaging | 45 | 54 | 83.33 |
| 31171 | Seafood Product Preparation and Packaging | 45 | 54 | 83.33 |
| 311711 | Seafood Canning | 8 | 8 | 100.00 |
| 311712 | Fresh and Frozen Seafood Processing | 37 | 46 | 80.43 |
| 3118 | Bakeries and Tortilla Manufacturing | 87 | 104 | 83.65 |
| 31181 | Bread and Bakery Product Manufacturing | 79 | 95 | 83.16 |
| 311811 | Retail Bakeries | 56 | 69 | 81.16 |
| 311812 | Commercial Bakeries | 23 | 26 | 88.46 |
| 31182 | Cookie, Cracker, and Pasta Manufacturing | 8 | 9 | 88.89 |
| 311821 | Cookie and Cracker Manufacturing | 6 | 6 | 100.00 |
| 311822 | Flour Mixes and Dough Manufacturing from Purchased Flour | 1 | 1 | 100.00 |
| 311823 | Dry Pasta Manufacturing | 1 | 2 | 50.00 |
| 3119 | Other Food Manufacturing | 39 | 47 | 82.98 |
| 31191 | Snack Food Manufacturing | 3 | 3 | 100.00 |
| 311919 | Other Snack Food Manufacturing | 3 | 3 | 100.00 |
| 31192 | Coffee and Tea Manufacturing | 10 | 10 | 100.00 |
| 311920 | Coffee and Tea Manufacturing | 10 | 10 | 100.00 |
| 31193 | Flavoring Syrup and Concentrate Manufacturing | 2 | 2 | 100.00 |
| 311930 | Flavoring Syrup and Concentrate Manufacturing | 2 | 2 | 100.00 |
| 31194 | Seasoning and Dressing Manufacturing | 15 | 20 | 75.00 |
| 311941 | Mayonnaise, Dressing, and Other Prepared Sauce Manufacturing | 9 | 11 | 81.82 |
| 311942 | Spice and Extract Manufacturing | 6 | 9 | 66.67 |
| 31199 | All Other Food Manufacturing | 9 | 12 | 75.00 |
| 311991 | Perishable Prepared Food Manufacturing | 2 | 4 | 50.00 |
| 311999 | All Other Miscellaneous Food Manufacturing | 7 | 8 | 87.50 |

a. Parishes Affected by Hurricanes, Katrina and Rita:

Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge, and West Feliciana.

b. Number of establishments in hurricane affected parishes/total number of establishments in Louisiana X 100.