

The Economic Impact and Tax Revenue Impact of Nebraska Supply/Marketing and Regional Cooperatives

Executive Summary

Agricultural cooperatives serve an important economic function in Nebraska and throughout the nation. Cooperatives provide significant cost savings and efficiency for agricultural producers through access to goods and services. Cooperatives also generate an economic impact on states and communities. In order to estimate the overall impact that Nebraska cooperatives have on the Nebraska state economy, the Nebraska Cooperative Council (NCC) asked the University of Nebraska-Lincoln Bureau of Business Research (BBR) to conduct an economic impact study of Nebraska Cooperatives over a three-year period from 2012-13 through 2014-15. The results of the analysis yielded the following information about Nebraska Cooperatives:

- **Nebraska Cooperatives have a \$2.2 billion annual impact** on the Nebraska economy through sales and investment.
- **Nebraska Cooperatives create a total of 13,944 jobs annually** via cooperative operations, member payments, and investments.
- Through labor income and member payments, **Nebraska Cooperatives have an average \$752.5 million annual impact on income in the Nebraska economy.**
- **Nebraska Cooperatives have a tax revenue impact of \$117.9 million annually.**
- Nebraska Cooperatives benefit the Lincoln and Omaha metropolitan areas:
 - o Nebraska Cooperatives have an indirect impact of \$127.2 million on the Omaha and Lincoln Metropolitan area economies.
 - o The Omaha and Lincoln Metropolitan Areas see 740 additional jobs and \$47.6 million in indirect labor income from the activities of cooperatives throughout the state.
 - o Nebraska Cooperative activities result in \$6.7 million state and local taxes paid in the Omaha and Lincoln Metropolitan Areas.

Additional facts about Nebraska Cooperatives include:

- Nebraska Cooperatives average about \$8.8 billion dollars in sales annually.
- Nebraska Cooperatives directly employ an average of 6,410 workers annually, with total average wages and benefits of \$308.7 million annually.
- About \$200 million in investments in new facilities and equipment are made annually.
- Nearly \$97 million annually are returned to cooperative members in the form of patronage allocations, equity redemptions, and equity redemptions to estates.

The analyses demonstrate that Nebraska Cooperatives have a significant impact on the economy in both rural and urban parts of the state.