

# The Impact of Resource Based Industries on the Maryland Economy



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**The Maryland Agricultural and Resource-Based Industry Development Corporation**



**MARBIDCO**  
*growing rural ventures™*

# Key Findings

The economic impact of resource based industries (RBI) in the state of Maryland in 2015 totaled \$23.3 billion, supported over 94,500 jobs, and generated over \$901 million in state and local tax revenue. To put these magnitudes into perspective, the economic output of RBI industries is equivalent to 6.8% of Maryland's personal income and 6.3% of Maryland's gross domestic product (GDP).<sup>1</sup> At the same time, total jobs supported by RBI activities (94,535) equals 3.1% of Maryland's total employment.<sup>2</sup>

Of the RBI industries, the Food and Fiber production industries (which include agriculture, forestry, and aquaculture) accounts for \$19.66 billion in economic activity, 83,619 jobs, and \$753 million in state and local tax revenue. In short, RBI activities are large and crucially important to the overall health of the Maryland economy. The total RBI impact by industry breaks down as follows:



## Agriculture (including Equine)

The agriculture sector includes crop production, animal production and processing, commercial hunting and trapping, and other industries that rely on agriculture as their supply-chain inputs. These industries contributed \$15.8 billion to the state economy, support 65,007 jobs, and added over \$605 million in combined state and local tax revenue. The equine industry (excluding racetrack operations and gambling) supported over 8,000 jobs and contributed \$1 billion to Maryland's economy. The equine sector generated close to \$65 million in state and local taxes.



## Forestry

Forestry activity and wood derivatives contributed nearly \$3.5 billion to the state economy, supported 15,271 jobs, and added nearly \$133 million in combined state and local tax revenue.



## Mining

Mining contributed nearly \$642 million to the state economy, supported 2,821 jobs, and added over \$36 million in combined state and local tax revenue.



## Natural Gas

Natural gas activities contributed over \$3 billion to the state economy, supported 8,095 jobs, and added over \$113 million in combined state and local tax revenue.



## Seafood and Aquaculture

Seafood and Aquaculture contributed nearly \$355 million to the state economy, supported 3,341 jobs, and added nearly \$15 million in combined state and local tax revenue.<sup>3</sup>

<sup>1</sup> According to the U.S. Bureau of Economic Analysis, Maryland's seasonally adjusted personal income totaled \$341.371 billion in the fourth quarter of 2015, while Maryland's seasonally adjusted gross domestic product equaled \$370.908 billion over the same period.

<sup>2</sup> According to the U.S. Bureau of Labor Statistics, Maryland's total seasonally adjusted employment in December 2015 totaled 3,001,317.

<sup>3</sup> This report does not include recreational fishing (only commercial fishing), because such data are not collected and reported by the federal government. Furthermore, most aquaculture activities (NAICS codes 112511, 112512, and 112 519) could not be separated from the much broader and primarily agricultural sector "animal production, except cattle and poultry and eggs" (IMPLAN code 14).

# Direct, Indirect, and Induced Impacts Employment

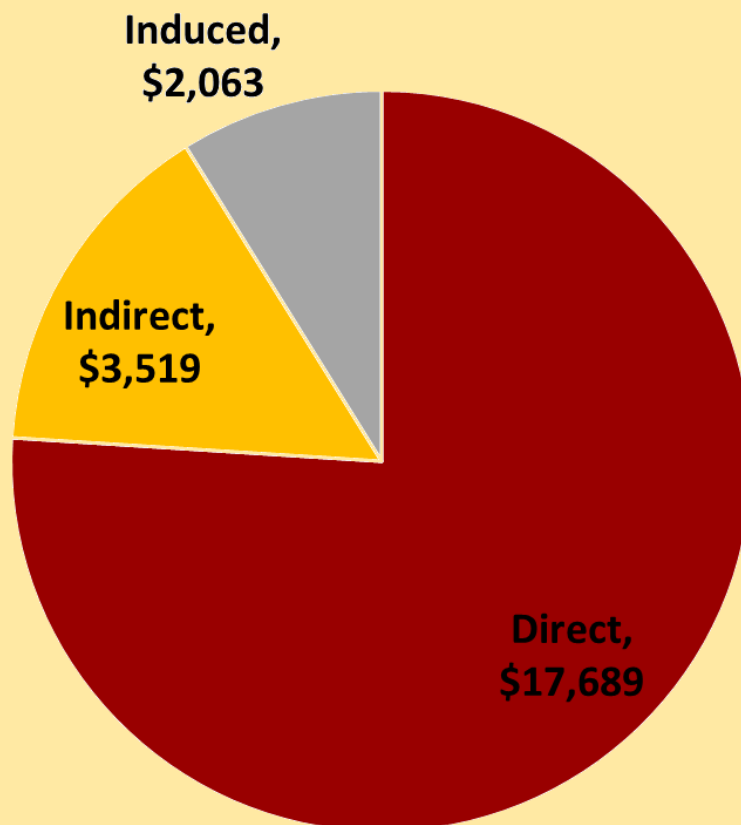


**56,452**  
Direct

**22,228**  
Indirect

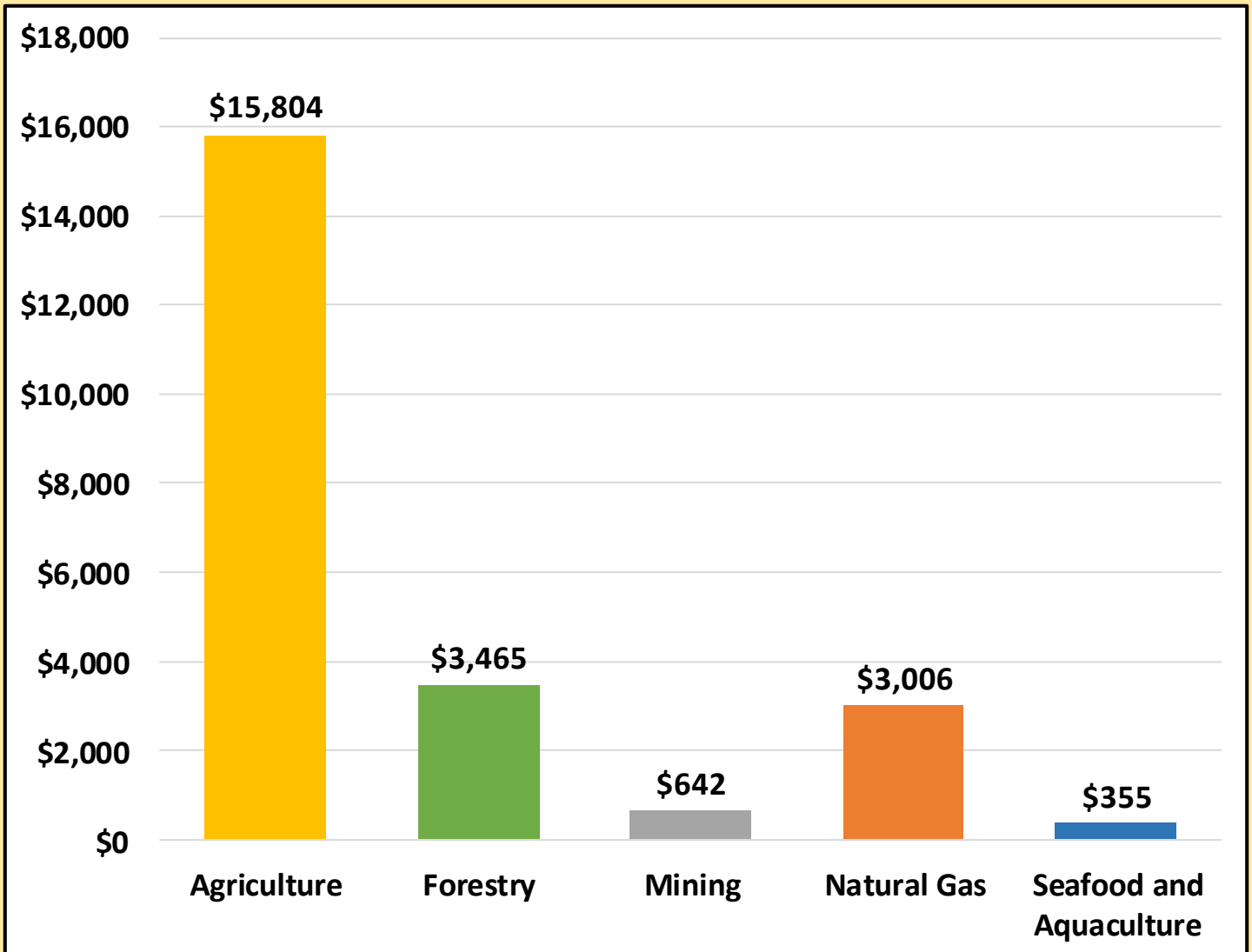
**15,855**  
Induced

## Economic Impact (Millions)



# Economic Impact by Industry

(Millions)



# Agriculture and Agricultural Support



- The agriculture sector includes crop production, animal production and processing, and commercial hunting and trapping.
- Agriculture contributed \$3.3 billion to the state economy (14.3% of RBI total), supported 23,878 jobs (25.26% of RBI total), and added nearly \$110 million in combined state and local tax revenue (12.18% of RBI total).
- Agricultural support Includes industries that rely on agricultural firms for their supply-chain input (e.g. a Maryland-based canned vegetable manufacturer who relies on Maryland farmers for their fresh vegetable supply).
- These agricultural-reliant “support industries” contributed nearly \$12.5 billion to the state economy (53.61% of RBI total), supported 41,129 jobs (43.51% of RBI total), and added over \$495 million in combined state and local tax revenue (54.92% of RBI total).

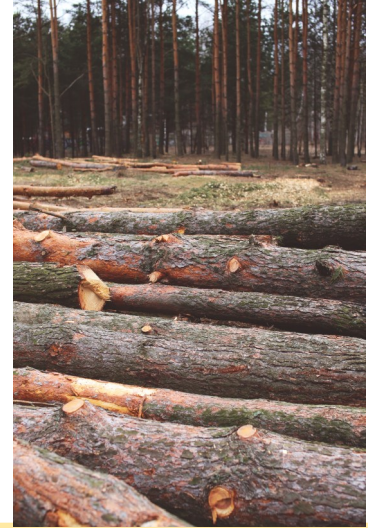
## Equine

- Statewide, the Equine Industry supported 5,028 jobs directly (\$275,261,275 in Labor Income) and another 2,974 jobs due to direct and indirect impacts (\$153,573,215 in Labor Income).
- The sector contributed \$1,079,497,270 to Maryland’s economy (\$622,674,641 Direct plus \$456,822,629 Indirect and Induced).
- The industry generated \$64,611,710 in state and local taxes.



# Forestry

- Forestry includes industries that represent the forestry commodity procedures (e.g. logging) and the immediate “downstream” processors, refineries, and manufacturers (e.g. sawmills).
- Forestry activity and wood derivatives contributed nearly \$3.5 billion to the state economy (14.89% of RBI total), supported 15,271 jobs (16.15% of RBI total), and added nearly \$133 million in combined state and local tax revenue (14.7% of RBI total).



# Mining

- Mining includes industries that represent the mining commodity producers (i.e. the miners) and the immediate support industries (i.e. the support activities (except fuels) for metallic/nonmetallic/coal mining).
- Mining contributed nearly \$642 million to the state economy (2.76% of RBI total), supported 2,821 jobs (2.98% of RBI total), and added over \$36 million in combined state and local tax revenue (4.02% of RBI total).

# Natural Gas

- Natural gas includes industries that represent the natural gas commodity producers (i.e. natural gas liquid extraction companies) and the immediate “downstream” processors, refineries, and manufacturers (e.g. organic chemical manufacturers).
- Natural gas activities contributed over \$3 billion to the state economy (12.92% of RBI total), supported 8,095 jobs (8.56% of RBI total), and added over \$113 million in combined state and local tax revenue (12.54% of RBI total).



## Seafood and Aquaculture

- The Seafood and Aquaculture sector consists of commercial fishing and seafood product preparation and packaging.
- Seafood and Aquaculture contributed nearly \$355 million to the state economy (1.52% of RBI total), supported 3,341 jobs (3.53% of RBI total), and added nearly \$15 million in combined state and local tax revenue (1.65% of RBI total).<sup>3</sup>





**Impact of Resource Based Industries in Maryland:**

**Economic: \$23.3 Billion**

**Employment: 94,500 Jobs**

**Fiscal: \$901 Million (State and Local)**

**BEACON**  
Business Economic and Community Outreach Network  
At Salisbury University