2025 Economic Impact of the Peanut and Tree Nut Industry

Prepared for

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The Economic Impact Study of the Peanut and Tree Nut Industry: 2025

Executive Summary

The Economic Impact Study of the Peanut and Tree Nut Industry estimates the economic contributions made by the Peanut and Tree Nut industry to the U.S. economy in 2025. John Dunham & Associates (JDA) conducted this research, which was funded by the Peanut and Tree Nut Processors Association (PTNPA). This work used standard econometric models first developed by the U.S. Forest Service, and now maintained by IMPLAN, Inc.[1] Data came from PTNPA, the Federal Government, US Farm Data, and Data Axle.

The study defines the peanut and tree nut industry as any business that engages in services related to, the production, processing, manufacturing, distribution, and industrial use of peanut and tree nut products. The study measures the number of jobs in these sectors, the wages paid to employees, and their economic output.

Industries are linked to each other when one industry buys from another to produce its own products. Each industry in turn makes purchases from a different mix of other industries, and so on. Employees in all industries extend the economic impact when they spend their earnings. Thus, economic activity started by the peanut and tree nut industry generates output (and jobs) in hundreds of other industries, often in sectors and states far removed from the original economic activity. The impact of supplier firms, and the "induced impact" of the re-spending by employees of the industry and supplier firms, is calculated using an input/output model of the United States. The study calculates the impact on a national basis, by state, and by congressional district.

The study also estimates taxes paid by the industry and its employees. Federal taxes include industry- specific excise and sales taxes, business and personal income taxes, FICA, and unemployment insurance. State and local tax systems vary widely. Direct retail taxes include state and local sales taxes, license fees, and applicable gross receipt taxes. The peanut and tree nut industry pays real estate and personal property taxes, business income taxes, and other business levies that vary in each state and municipality. All entities engaged in business activity generated by the industry pay similar taxes.

The peanut and tree nut industry is a dynamic part of the U.S. economy, accounting for about $148.3 billion in total economic output or roughly 0.5 percent of GDP.[2] The industry directly or indirectly employed approximately 515,107 Americans in 2025. These workers earned nearly $40.7 billion in wages and benefits, and overall, the industry paid $15.7 billion in federal, state and local business taxes.

Summary Results

The Economic Impact Study of the Peanut and Tree Nut Industry measures peanut and tree nut companies, and their supply-chain partners in the United States, including companies that produce, process, manufacture, and distribute peanut and tree nut products, as well as the industrial use of said products. The industry contributes about $148.3 billion in economic output, or 0.5 percent of GDP, and through its production and distribution linkages impacts firms in 507 of the 528 sectors of the US economy.[3]

Other firms are related to the peanut and tree nut industry as suppliers. These firms provide a broad range of goods and services, including equipment, personnel services, financial services, advertising services, consulting services or transportation services. Finally, a number of people are employed in government enterprises responsible for the regulation of the sector. All told, we estimate that the peanut and tree nut industry is responsible for about 189,781 supplier jobs. These firms generate about $52.2 billion in economic activity.

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1 IMPLAN® model, 2023 Data, using inputs provided by the user and IMPLAN Group LLC, IMPLAN System (2025), 16905 Northcross Dr., Suite 120, Huntersville, NC 28078, www.IMPLAN.com

2 Based on GDP of $30.486 trillion. See: *Gross Domestic Product: Second Quarter 2025*, US Department of Commerce, Bureau of Economic Analysis.

3 Economic sectors based on 2023 IMPLAN sectors.

An economic analysis of the peanut and tree nut industry will also take additional linkages into account. While it is inappropriate to claim that suppliers to the supplier firms are part of the industry being analyzed[4], the spending by employees of the industry, and those of supplier firms whose jobs are directly dependent on the peanut and tree nut industry, should surely be included. This spending on everything from housing, to food, to entertainment and medical care makes up what is traditionally called the "induced impact" or multiplier effect. In other words, this spending, and the jobs it creates, is induced by the peanut and tree nut industry. The induced impact of the sector is estimated to be nearly $38.8 billion, and generates just over 180,796 jobs, for a multiplier of about 0.68.[5]

An important part of an impact analysis is the calculation of the contribution of the industry to the public finances of the community. In the case of the peanut and tree nut industry, the traditional business taxes paid by the firms and their employees provide $15.7 billion in revenues to the federal, state and local governments.

Table 1 below presents a summary of the total economic impact of the peanut and tree nut industry in the United States. Summary tables for each state are included in the output model, which is discussed in the following section.

Table 1
Economic Contribution of the Peanut and Tree Nut Industry

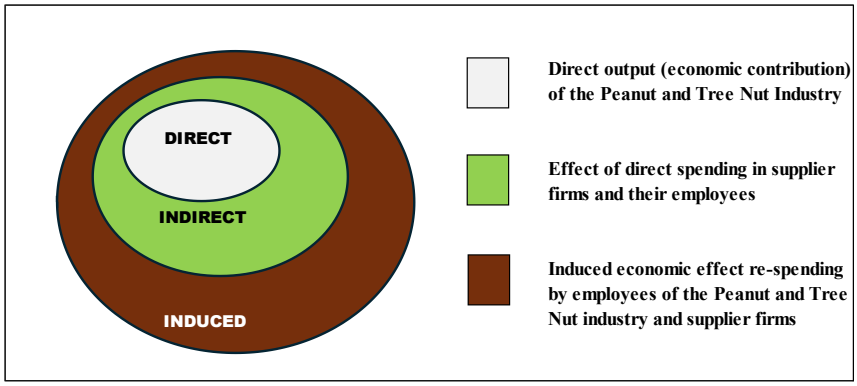
	Direct	Supplier	Induced	Total
Jobs (FTE)	144,530	189,781	180,796	515,107
Wages	$ 13,150,020,600	$ 15,088,022,200	$ 12,449,684,300	$ 40,687,727,100
Economic Impact	$ 57,326,712,000	$ 52,171,359,600	$ 38,751,633,400	$ 148,249,705,000
Taxes				$ 15,701,879,600

Economic Impact Modeling – Summary

The Economic Impact Study of the Peanut and Tree Nut Industry begins with an accounting of the direct employment in peanut and tree nut facilities. Direct employment in the scope of this study includes the farming of tree nuts (excluding peanuts), the processing of tree nuts and peanuts, the production of tree nut and peanut products, the wholesale of peanut and tree nut products, as well as companies and organizations that are heavy users of peanuts and tree nuts (for example The Hershey Company). The data comes from a variety of government and private sources. It is sometimes mistakenly thought that initial spending accounts for all of the impact of an economic activity or a product. For example, at first glance it may appear that consumer expenditures for a product are the total of the impact on the local economy. However, one economic activity always leads to a ripple effect whereby other sectors and industries benefit from this initial spending. This inter-industry effect of an economic activity can be assessed using multipliers from regional input-output modeling.

[4] These firms would more appropriately be considered as part of the supplier firms' industries.

[5] Often, economic impact studies present results with very large multipliers – as high as 4 or 5. These studies invariably include the firms supplying the supplier industries as part of the induced impact. John Dunhan & Associates believes that this is not an appropriate definition of the induced impact and as such limits this calculation to only the defect of spending by direct and supplier employees.



The economic activities of events are linked to other industries in the state and national economies. The activities the peanut and tree nut industry perform - such as hiring engineers, scientists, marketing and business teams and other jobs account for the direct effects on the economy. Regional (or indirect) impacts occur when these activities require purchases of goods and services such as real estate, equipment or electricity from local or regional suppliers. Additional induced impacts occur when workers involved in direct and indirect activities spend their wages. The ratio between induced economic and direct impact is termed the multiplier. The framework in the chart to the left illustrates these linkages. This method of analysis allows the impact of local activities to be quantified in terms of final demand, earnings, and employment in the states and the nation as a whole.

Once the direct impact of the industry has been calculated, the input-output methodology discussed below is used to calculate the contribution of the supplier sector and of the re-spending in the economy by employees in the industry and its suppliers. This induced impact is the most controversial part of economic impact studies and is often quite inflated. In the case of the peanut and tree nut industry model, only the most conservative estimate of the induced impact has been used.

Model Description and Data

This analysis is based on data provided by the Peanut and Tree Nut Processors Association, Data Axle, and the federal government. The analysis utilizes the IMPLAN Model in order to quantify the economic impact of the peanut and tree nut industry on the economy of the United States.[6] The model adopts an accounting framework through which the relationships between different inputs and outputs across industries and sectors are computed. This model can show the impact of a given economic decision – such as a factory opening or operating a sports facility – on a pre-defined, geographic region. It is based on the national income accounts generated by the US Department of Commerce, Bureau of Economic Analysis (BEA).[7]

Every economic impact analysis begins with a description of the industry being examined. In the case of the peanut and tree nut industry model, the industry is defined as the peanut and tree nut industry and their supply-chain partners in the United States, including companies that produce, process, distribute, and employ the use of peanut and tree nut products.

The IMPLAN model is designed to run based on the input of specific direct economic factors. It uses a detailed methodology (see IMPLAN Methodology section) to generate estimates of the other direct impacts, tax impacts and supplier and induced impacts based on these entries. In the case of this model, direct employment in the peanut and tree nut industry is the starting point for the analysis. Data for individual peanut and tree nut facilities were compiled from the PTNPA member lists, Data Axle, US Farm Data, and data from the federal government, with direct employment data for these facilities as of May 2025.

These data are gathered at the facility level; therefore, a company with a farm, production facility, and corporate office would have three facilities, each with separate employment counts. Since the Data Axle data is adjusted on a continual basis, JDA staff verified the data. Multiple stages of cleaning were then performed on these data, including removing

[6] Op. cit. Footnote 1.

[7] RIMS II is a product developed by the U.S. Department of Commerce, Bureau of Economic Analysis as a policy and economic decision analysis tool. IMPLAN was originally developed by the U.S. Forst Service, the Federal Emergency Management Agency and the Bureau of Land Management. It was converted to a user-friendly model by the Minnesota IMPLAN Group in 1993.

duplicates records, removing defunct facilities and companies, and correcting inaccurate information. The data from Data Axle was then merged with those from other sources, including member data provided by PTNPA. The database was checked against company websites and addresses were confirmed to ensure companies were legitimate, operated within the definition, and were still in business. Employment estimates were generally taken directly from the Data Axle data. Where no data was available, employment at each location was estimated to be equal to the median value for similar sites in the same state. Determining employment for farming data required a different approach. Data provided by US Farm Data contains estimated acreage rather than employment. The estimated acreage was checked against publicly available information provided by USDA to confirm its accuracy. JDA then multiplied acreage by a modeled jobs-per-acre estimate to approximate the number of FTE employees at each farm location.

Once the initial direct employment figures have been established, they are entered into a model linked to the IMPLAN database.[8] The IMPLAN data are used to generate estimates of direct wages and output. Wages are derived from data from the U.S. Department of Labor's ES-202 reports that are used by IMPLAN to provide annual average wage and salary establishment counts, employment counts and payrolls at the county level. Since this data only covers payroll employees, it is modified to add information on independent workers, agricultural employees, construction workers, and certain government employees. Data are then adjusted to account for counties where non-disclosure rules apply.

Wage data includes not only cash wages, but health and life insurance payments, retirement payments and other non-cash compensation. It includes all income paid to workers by employers. Distribution income and exercised stock options received by proprietors including sole proprietors, and distributions to partners of LLCs are also included in wage figures.

Total output is the value of production by industry in a given state. It is estimated by IMPLAN from sources similar to those used by the BEA in its RIMS II series. Where no Census or government surveys are available, IMPLAN uses models such as the Bureau of Labor Statistics Growth model to estimate the missing output.

The model also includes information on income received by the federal, state and local governments, and produces estimates for the following taxes at the federal level: Corporate income; payroll, personal income, estate and gift, excise taxes, customs duties; and fines, fees, etc. State and local tax revenues include estimates of: Corporate profits, property, sales, severance, estate and gift and personal income taxes; licenses and fees and certain payroll taxes.

While IMPLAN is used to calculate the state level impacts, Data Axle data provide the basis for congressional district estimates. Publicly available data at the county and congressional district level is limited by disclosure restrictions. Therefore, this model uses actual physical location data provided by Data Axle to allocate – and the resulting economic activity – by county. For counties entirely contained in a single congressional district, jobs are allocated based on the percentage of total sector jobs in each county. For counties broken by congressional districts, allocations are based on the percentage of total peanut and tree nut jobs physically located in each segment of the county. Physical locations are based on either the actual address of the facility, or the zip code of the facility, with facilities placed randomly throughout the zip code area. Zip code areas are broken across other geographies based on the percentage of road-weighted physical areas, thereby accounting for both business activity and geographic factors. All supplier and induced jobs are allocated based on the percentage of a state's employment in that sector in each of the counties. Again, Data Axle data are the basis for these percentages.

[8] IMPLAN® model, 2023 Data, using inputs provided by the user and IMPLAN Group LLC, IMPLAN System (2025), 16905 Northcross Dr., Suite 120, Huntersville, NC 28078, www.IMPLAN.com

IMPLAN Methodology[9]

Francoise Quesnay, one of the fathers of modern economics, first developed the analytical concept of inter-industry relationships in 1758. The concept was actualized into input-output analysis by Wassily Leontief during the Second World War, an accomplishment for which he received the 1973 Nobel Prize in Economics.
Input-Output analysis is an econometric technique used to examine the relationships within an economy. It captures all monetary market transactions for consumption in a given period and for a specific geography. The IMPLAN model uses data from many different sources – as published government data series, unpublished data, sets of relationships, ratios, or as estimates. The IMPLAN Group LLC gathers this data, converts it into a consistent format, and estimates the missing components.

There are three different levels of data generally available in the United States: Federal, state and county. Most of the detailed data is available at the county level, and as such there are many issues with disclosure, especially in the case of smaller industries. IMPLAN overcomes these disclosure problems by combining a large number of datasets and by estimating those variables that are not found from any of them. The data is then converted into national input-output matrices (Use, Make, By-products, Absorption and Market Shares) as well as national tables for deflators, regional purchase coefficients and margins.

The IMPLAN Make matrix represents the production of commodities by industry. The Bureau of Economic Analysis (BEA) Benchmark I/O Study of the US Make Table forms the bases of the IMPLAN model. The Benchmark Make Table is updated to current year prices and rearranged into the IMPLAN sector format. The IMPLAN Use matrix is based on estimates of final demand, value-added by sector and total industry and commodity output data as provided by government statistics or estimated by IMPLAN. The BEA Benchmark Use Table is then bridged to the IMPLAN sectors. Once the re-sectoring is complete, the Use Tables can be updated based on the other data and model calculations of interstate and international trade.

In the IMPLAN model, as with any input-output framework, all expenditures are in terms of producer prices. This allocates all expenditures to the industries that produce goods and services. As a result, all data not received in producer prices is converted using margins which are derived from the BEA Input- Output model. Margins represent the difference between producer and consumer prices. As such, the margins for any good add to one. If, for example, 10 percent of the consumer price of peanut and tree nut is from the purchase of trucking services, then the trucking margin would be 0.1. Deflators, which account for relative price changes during different time periods, are derived from the Bureau of Labor Statistics (BLS) Growth Model. The 224 sector BLS model is mapped to the 528 sectors of the IMPLAN model. Where data is missing, deflators from BEA's Survey of Current Businesses are used.

Finally, one of the most important parts of the IMPLAN model, the Regional Purchase Coefficients (RPCs) must be derived. IMPLAN is derived from a national model, which represents the "average" condition for a particular industry. Since national production functions do not necessarily represent particular regional differences, adjustments need to be made. Regional trade flows are estimated based on the Multi-Regional Input-Output Accounts, a cross-sectional database with consistent cross interstate trade flows first developed in 1977. These data are updated and bridged to the 528 sector IMPLAN model.

Once the databases and matrices are created, they go through an extensive validation process. IMPLAN builds separate state and county models and evaluates them, checking to ensure that no ratios are outside of recognized bounds. The final datasets and matrices are not released before extensive testing takes place.

[9] This section is paraphrased from IMPLAN Professional: Users Guide, Analysis Guide, Data Guide, Version 2.0, MIG, Inc., June 2000.

About John Dunham & Associates

John Dunham & Associates (JDA) is a leading economic consulting firm specializing in the economics of fast-moving issues. JDA is an expert at translating complex economic concepts into clear, easily understandable messages for a wide range of audiences. JDA's clients have included a wide variety of businesses and organizations, including some of the largest companies in America, such as:

- Altria
- Diageo
- Feld Entertainment
- Forbes Media
- MolsonCoors
- Verizon
- Wegmans Stores

John Dunham is a professional economist with nearly 40 years of experience. He holds a Master of Arts degree in Economics from the New School for Social Research as well as a Master of Business Administration from Columbia University. He also has a professional certificate in Logistics from New York University. Mr. Dunham has worked as a manager and an analyst in both the public and private sectors. He has experience in conducting cost-benefit modeling, industry analysis, transportation analysis, economic research, and tax and fiscal analysis. As a senior economist for Philip Morris, he developed tax analysis programs, increased cost-center productivity, and created economic research operations. He has presented testimony on economic and technical issues in federal court and before federal and state agencies.

Prior to Philip Morris, John was an economist with the Port Authority of New York and New Jersey, the Philadelphia Regional Port Authority, and the City of New York's Department of Ports & Trade.