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# THE ECONOMIC IMPACTS OF THE PROPOSED DENVER SLAUGHTERHOUSE BAN

AUTHOR: COLE ANDERSON

## ABOUT THE AUTHOR



**Cole Anderson** is a research analyst with Common Sense Institute. He joined CSI in June of 2022.

Before joining CSI, Cole attended the University of Denver where he double majored in Economics and Public Policy, fostering his passion for pressing policy issues. His work at CSI has covered a variety of topics including crime, healthcare, foster care, and workforce issues among other topics.

## ABOUT COMMON SENSE INSTITUTE

**Common Sense Institute** is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Coloradans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

## TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.



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## WHAT'S PROPOSED?

Among a slew of proposals, Denver's upcoming November ballot will feature a "Prohibition on Slaughterhouses" initiative prohibiting the construction or use of slaughterhouses within Denver beginning in 2026.<sup>i</sup> If passed, the prohibition would be the first of its kind in the U.S although ballots in Sonoma<sup>ii</sup> and Berkley California will feature similar initiatives that would restrict the animal processing industry.<sup>iii</sup>

Proponents of the measure in Denver argue that slaughterhouses are a nuisance to those living near them due to the “foul odors which they produce, their unsightly industrial facades, and the disagreeable nature of their operations.”<sup>iv</sup>

The measure would require Denver to prioritize job training and employment assistance to those who would have their employment affected by the shuttering of the industry, although it’s not clear to what degree these programs would be required to assist those laid off.

Opponents of the initiative have raised fears that the measure will negatively impact Colorado’s agriculture sector by lowering output and decreasing jobs and may be used as a “beachhead” for future legislation looking to regulate the agricultural sector, further hampering the economic viability of the industry.

*Not only is livestock the key driver of Colorado’s agricultural sector, but Colorado is the nation’s leading lamb and sheep processor. In 2023 and 2022 Colorado accounted for 19% of national lamb and sheep production.*

## Key Findings

- Even if 80% of the lost slaughterhouse economic activity in Denver is retained elsewhere within Colorado, total output in the metro Denver area will decline an estimated \$760 million in 2026.
- If the measure passes, job losses in Metro Denver would range from 2,160 to 1,930 in 2026. Over 65% of job losses are outside of the food processing industry sector of which slaughterhouses are a part of.
- Colorado is the nation’s leading lamb and sheep processor. In 2023 and 2022 Colorado accounted for roughly 19% of the U.S. total lamb and sheep production.
- Net emissions from the measure are unlikely to decrease and may even increase from their current level due to the demolition and construction of new slaughterhouse facilities and longer shipping/trucking routes for goods.
- If the proposed measure were to pass, it would harm not only the metro Denver and Colorado economy but would also negatively impact potential future investments into the state’s agricultural industry. The National Western Stock Show is held annually in Denver and supported \$171 million in economic activity in 2023.<sup>v</sup>

## WHO IS IMPACTED?

Colorado sold over \$9.2 billion dollars of agricultural goods in 2022. Livestock, poultry, and products alone accounted for \$6.4 billion, or 70%, of this total output, while crops were \$2.8 billion.<sup>vi</sup> Accordingly, the state ranked 29th in the U.S in terms of gross crop sales but ranked 16th in gross livestock sales in 2022. The discrepancy highlights the outsized impact that Colorado's livestock market has on not only the agricultural industry, but on the state's economy at large.

Colorado is the nation's leading lamb and sheep processor. In 2023 and 2022 Colorado accounted for roughly 19% of total lamb and sheep production. The state processed 397,000 head in 2022 outpacing the next closest state, Texas, by 39% or by 112,300 head.<sup>vii</sup> Disrupting this production process would stunt the Denver metro's economic growth and threaten its status as the nation's top producer of lamb and sheep, directly impacting the livelihood of thousands who rely on this sector.

If the measure is approved by voters this November, there is one major processing plant that would be impacted. Superior Farms located in the Denver Globeville neighborhood processes hundreds of thousands of sheep per year making it one of the country's largest processors of lamb.<sup>viii</sup> Their goods are shipped throughout Colorado and around the U.S. It's estimated that this single facility accounts for 15%-20% of the nation's total lamb slaughter capacity.<sup>ix</sup>

The processing facility employs roughly 170 workers who, if the measure passes, would lose their jobs. These workers would be prioritized into job and employment assistance programs under the current ballot text, but there's no mention of how rigorous that process would be in finding alternative employment opportunities for those laid off.

## WHAT WOULD THE IMPACT BE?

Despite the proponents of the measure stating that “emissions from industrial animal agricultural operations are a significant cause of climate change,” it’s likely that the proposal would increase emissions in Colorado. Prohibiting slaughterhouses inside of Denver would lead to an increase in the price of these goods however it is unlikely to be large enough to impact overall demand for lamb/meat products in the state, and this continued demand will still need to be fulfilled.

The slowdown in production would necessitate importing these goods until a new facility could be constructed in Colorado unless this business permanently leaves Colorado. In either of these scenarios’ emissions are likely to increase either through longer and more frequent shipping trips, or through the new construction of facilities outside of Denver County limits.

Furthermore, Colorado producers may second guess building new facilities outside of Denver. If this legislation passes, a long-term investment in the state’s animal processing sector may be perceived as high risk when compared to the robust and protected animal processing sectors in neighboring states where production disruptions are unlikely.

# MODELING ANALYSIS

CSI estimated the dynamic economic impacts using the REMI PI+ economic simulation model. These simulations demonstrate that the loss of the direct economic activity associated with the animal slaughtering and processing sector has ramifications across other sectors. The modeling builds off three scenarios used in a prior report but includes estimates on the impacts to the Denver metro (Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas, Jefferson counties) rather than just the state as a whole.<sup>x</sup>

- **Scenario 1** - Assuming all business is lost outside of Colorado
- **Scenario 2** - Assuming 50% of the lost business remains in Colorado
- **Scenario 3** - Assuming 80% of the lost business remains in Colorado

**SCENARIO 1: ALL ECONOMIC ACTIVITY GENERATED BY SLAUGHTERHOUSES IN DENVER WILL BE LOST OUTSIDE OF COLORADO.**

| Scenario 1 2026 Impacts |            |                |
|-------------------------|------------|----------------|
| Region                  | Employment | Nominal Output |
| Metro Denver            | -2,160     | -\$822,000,000 |
| Rest of Co              | -250       | -\$64,000,000  |
| Statewide               | -2,410     | -\$886,000,000 |

<sup>x</sup>Estimates may not sum due to rounding

**SCENARIO 2: HALF OF ALL ECONOMIC ACTIVITY GENERATED BY SLAUGHTERHOUSES IN DENVER WILL BE RELOCATED SOMEWHERE IN COLORADO.**

| Scenario 2 2026 Impacts |            |                |
|-------------------------|------------|----------------|
| Region                  | Employment | Nominal Output |
| Metro Denver            | -2,015     | -\$783,000,000 |
| Rest of Co              | 470        | \$234,000,000  |
| Statewide               | -1,550     | -\$549,000,000 |

<sup>x</sup>Estimates may not sum due to rounding

**SCENARIO 3: ASSUMES THAT 80% OF THIS ECONOMIC ACTIVITY IS RETAINED IN THE STATE.**

| Scenario 3 2026 Impacts |            |                |
|-------------------------|------------|----------------|
| Region                  | Employment | Nominal Output |
| Metro Denver            | -1,930     | -\$760,000,000 |
| Rest of Co              | 900        | \$413,000,000  |
| Statewide               | -1,030     | -\$347,000,000 |

<sup>x</sup>Estimates may not sum due to rounding





## BOTTOM LINE

Colorado is home to the largest lamb and sheep processing industry in the country, supplying goods around the country while playing a key role in supporting the state's agricultural sector and the economy at large.

If the proposed measure were to pass, it would harm not only the metro Denver and Colorado economy but would also negatively impact potential future investments into the state's agricultural industry.

## SOURCES

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