
NOVEMBER 2023

PLACE-BASED ECONOMIC DEVELOPMENT TOOLKIT: CASE STUDIES

KANSAS CITY ANIMAL HEALTH CORRIDOR

ANDREW SCHRANK
AND RODRIGO RAMIREZ-PEREZ

[HEARTLANDFORWARD.ORG](https://heartlandforward.org)



**HEARTLAND
FORWARD**

AN INSTITUTE FOR ECONOMIC RENEWAL



The Animal Health Corridor is in the Kansas City metropolitan region, spanning from Lawrence, Kansas to Columbia, Missouri. The region holds the largest concentration of animal health companies, research institutions, and service providers in the world.

The Animal Health Corridor is a powerhouse for animal health and bioscience industries, boasting a significant cluster of companies engaged in research, development, manufacturing and distribution of veterinary pharmaceuticals, vaccines, and other health products for animals. According to the Animal Health Corridor website, the corridor accounts for almost 60% of “animal health, diagnostics and pet food sales” across the globe.

The corridor’s over 300 animal health companies are major players in the local economy, generating high-value jobs, promoting export opportunities and attracting investments. The region’s specialized focus on animal health attracts talent and fosters innovation, leading to a dynamic and competitive market. Recent developments in biotechnology and genomics have further enhanced the corridor’s prominence as a global leader in animal health research. For example, Merck invested over \$100 million in 2020 to upgrade their animal vaccine production facility.

The Animal Health Corridor can trace its roots back to the Kansas City Stockyards. Kansas City was home to one of the world’s largest cattle stockyards from the 1870s well into the 1980s. At its peak, the stockyards held over two and a half million cattle at a time. The stockyards signified the Kansas City region as worldclass in agricultural industry and animal health science. The world’s first dog food designed to prevent canine diseases was developed in the region, and the region has evolved well beyond this beginning, now being the global leader in animal health production and research.

Firm and Industry Capacity

While the prevalence of major animal health companies could foster competition among them, community initiatives to train skilled talent have created an essential identity in this region. This has been incredibly beneficial to employees and employers by enabling Missourians and Kansans to seek well-paying careers in the animal health sector and supplying firms with the most robust workforce in their industry across the world. An example of this is the [Kansas Board of Regents](#), which aligns multiple academic institutions in the region on topics from financial aid to Career Technical Education (CTE). This academic practice ensures that the firms in the Animal Health Corridor will have a deep workforce to utilize when hiring.



Additionally, local firms help connect the animal health producers to the consumer. Veterinary supplier, Aspen Veterinary Resources bolsters the supply chain in the area by providing a local marketplace for animal health firms to supply across the nation. The same can be said of General Pet Supply, which serves as a merchant of products throughout the Midwestern U.S.

Community Capacity

The region also thrives due to research from multiple universities including Kansas State University, The University of Missouri, University of Kansas, and multiple vocational colleges (Griekspoor, 2016). The universities train thousands of veterinarians a year and partner with companies on cutting-edge research projects. The technical colleges provide relevant training for job seekers aligning with industry needs, including conducting cutting-edge animal health research. These research projects not only provide critical knowledge to animal health firms, but they also help students engage with CTE in a way that prepares them for work in the Animal Health Corridor. These research disciplines include animal behavior, genetics, feed safety resources, food science, meat science, plant science, agroforestry and food and agricultural policy. Many of these programs partner with the local industry to create innovative products and services.

Entrepreneurial Capacity

The Animal Health Corridor does not simply cater to established firms. In addition, there are economic incentives available to help startup firms, attributing the success of the Animal Health Corridor, in part, to these supportive government policies and incentives. Both Kansas and Missouri have implemented programs to encourage research and development, providing tax incentives to businesses and supporting workforce training initiatives. For example, companies that relocate to Kansas City—or who create 100 jobs or more—can retain employee withholding taxes.

The government also provides tax credits for investors who invest in startups in the region. University research and training is also subsidized through state and federal grants. Research and development is also subsidized to incentivize economic growth. In Kansas, businesses can receive up to 10% tax credit for research and development activities. Missouri has a 15% tax credit for research and development to encourage economic growth.

Restoring Manufacturing

Also in the region, the [Blue River Valley Eco-industrial Corridor](#) leverages the existing supply chain and industrial footprint to invest in the manufacturing capacity in the area. The Economic Development Corporation of Kansas City (EDCKC) and the Industrial Development Authority (IDA) offer incentives, such as land banking, infrastructure investments, ‘stackable’ economic and tax incentives, cleaning, greening, capacity-building, and marketing, to companies who use this as a manufacturing area.

While largely known for the wealth of animal health companies in the area, this region is far from one-dimensional. The community has a sense of identity that continues to grow. The collaboration between academia, private industry and government institutions has paved the way for innovation and knowledge exchange. This workforce is one of the world’s most robust, for any industry and as the population continues to develop, so do the tools for the workforce to grow. The Animal Health Corridor stands as a testament to the power of collaboration and strategic planning in developing thriving industry places. With its well-established infrastructure, specialized workforce and government support, the corridor remains well-positioned to continue its growth trajectory and maintain its status as a global leader in animal health innovation.