



October 20, 2009

EXPORTS: Critical to U.S. Agriculture

1 out of every 3 dollars earned by U.S. farmers comes from sales abroad of agriculture products grown in the United States. Most farmers and ranchers rely on export markets. In 2008, more than 33 percent of total market cash receipts for agriculture came from exports to such global markets.

Ag exports to Canada and Mexico have almost tripled since 1996. Our trade agreements with countries and regions such as Canada, Mexico, Central America, and Australia give American farmers and ranchers the opportunity to pursue customers on a level playing field and make new sales that would have never been possible.

During these economic times, it is essential that we open new markets for American farmers and ranchers. But the longer the Obama administration keeps the U.S. on the sidelines, the faster other countries are moving forward with trade agreements that put American agriculture at a severe disadvantage. Just this week, the European Union and South Korea initialed an agreement that will give European farmers far better access to the huge South Korean market than U.S. farmers have.

The United States exported a record-setting \$115.5 billion in agricultural products in 2008. But our exports are falling. USDA predicts that exports by U.S. farmers and ranchers will fall to \$97 billion this year because of the world recession and other factors. One important way to stem the decline is for the White House to move forward on our pending trade agreements with Colombia, Panama, and South Korea instead of passively allowing other countries to sign agreements that cut U.S. farmers and ranchers out.

SOLUTION: Let U.S. agriculture compete for new customers. Some 95% of the world's population lives outside the United States. That means that our farmers and ranchers have to sell abroad to reach 19 out of every 20 consumers of food and ag products. Such exports create jobs for many Americans beyond farmers and ranchers – in 2006 ag exports created \$117 billion in economic activity in the United States, including jobs in manufacturing, food processing, packaging, advertising and other services.

AG TOP TEN

TOP TEN AGRICULTURE EXPORTERS (2007)

1. United States	\$ 113.9 billion
2. Germany	72.7 billion
3. France	65.2 billion
4. Canada	48.8 billion
5. Brazil	48.2 billion
6. Belgium	41.1 billion
7. China	39.0 billion
8. Spain	37.8 billion
9. Netherlands	34.9 billion
10. Italy	34.9 billion

Source: World Trade Organization