

The Importance of Trade for U.S. Agriculture

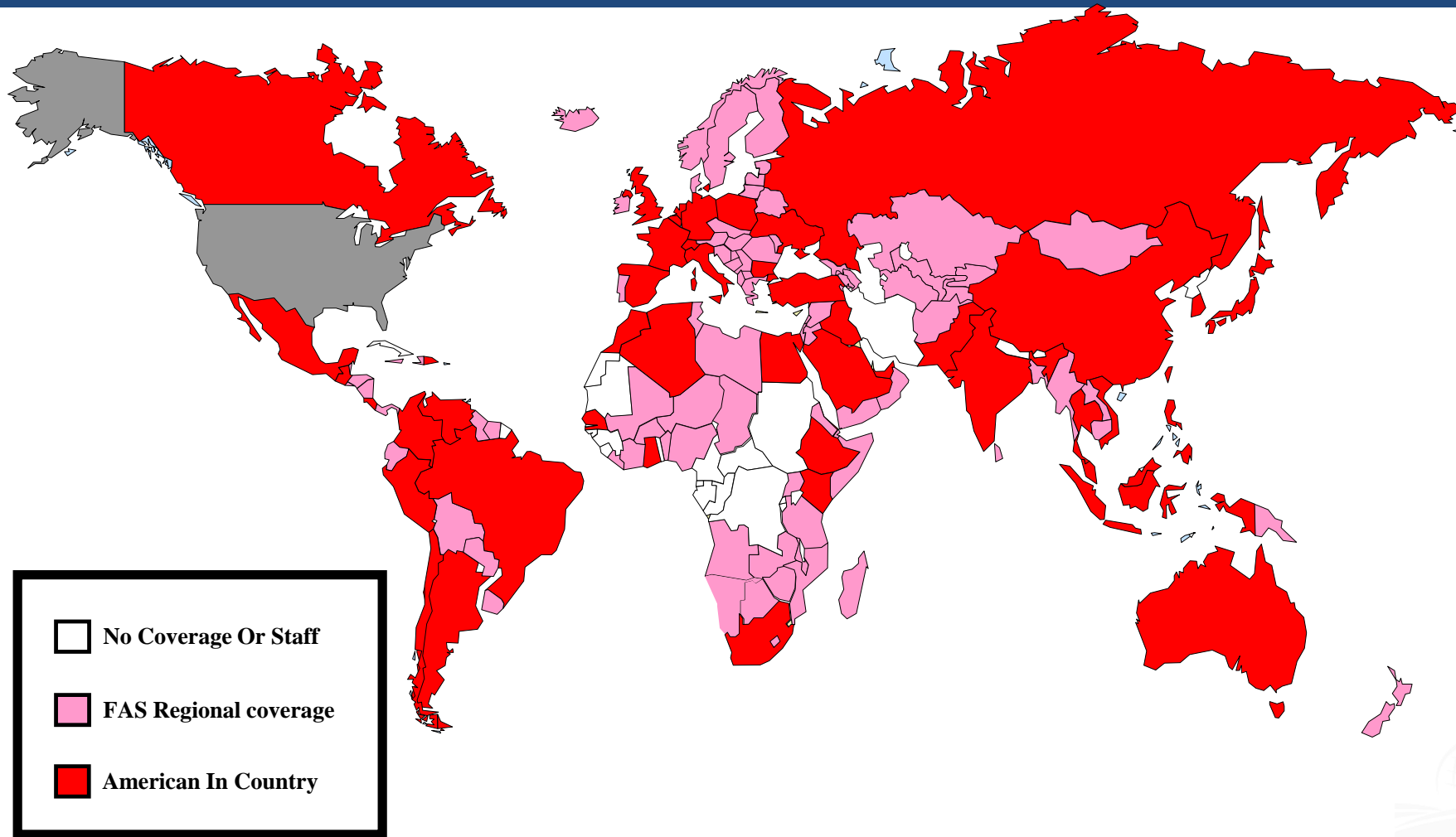
Nuffield International Contemporary Scholars Conference

March 13, 2019

Clay M. Hamilton
Associate Administrator

What is the Foreign Agricultural Service (FAS)?

FAS Coverage in 171 Countries



What is Foreign Agricultural Service (FAS)?

Supports U.S. Farmers & Ranchers to Export their Products

- Trade Policy
- Export Promotion
- Trade Capacity Building
- Market Intelligence



Post: Guangzhou

South China Expands As a Huge Market for U.S. Wood and Wood Products

Post: Berlin

Opportunities for U.S. organics on German Market

Post: Brasilia

U.S. Milk Powder Exports Gain Market Share in Brazil

Post: Addis Ababa

Ethiopia's Ag Imports Continue Growing



United States Department of Agriculture
Foreign Agricultural Service

FAS Market Intelligence

USDA United States Department of Agriculture
ISSN: 1554-9089

World Agricultural Supply and Demand Estimates

Office of the Chief Economist Agricultural Marketing Service Farm Service Agency Economic Research Service Foreign Agricultural Service

WASDE - 563 Approved by the World Agricultural Outlook Board March 9, 2017

USDA United States Department of Agriculture
Foreign Agricultural Service

Grain: World Markets and Trade

February 2017

Stiff Competition Among Rice Exporters as Global Trade Expands

USDA United States Department of Agriculture
Foreign Agricultural Service

World Agricultural Production

Circular Series WAP 02-17
February 2017

THAILAND: Dry-Season Rice Vegetation Index Anomaly

Global rice trade is projected to increase in 2017, as recent 2-year sufficiency, a

With global stocks of rice are low, and consecutive years of limited foreign supply is limited. For stocks and a

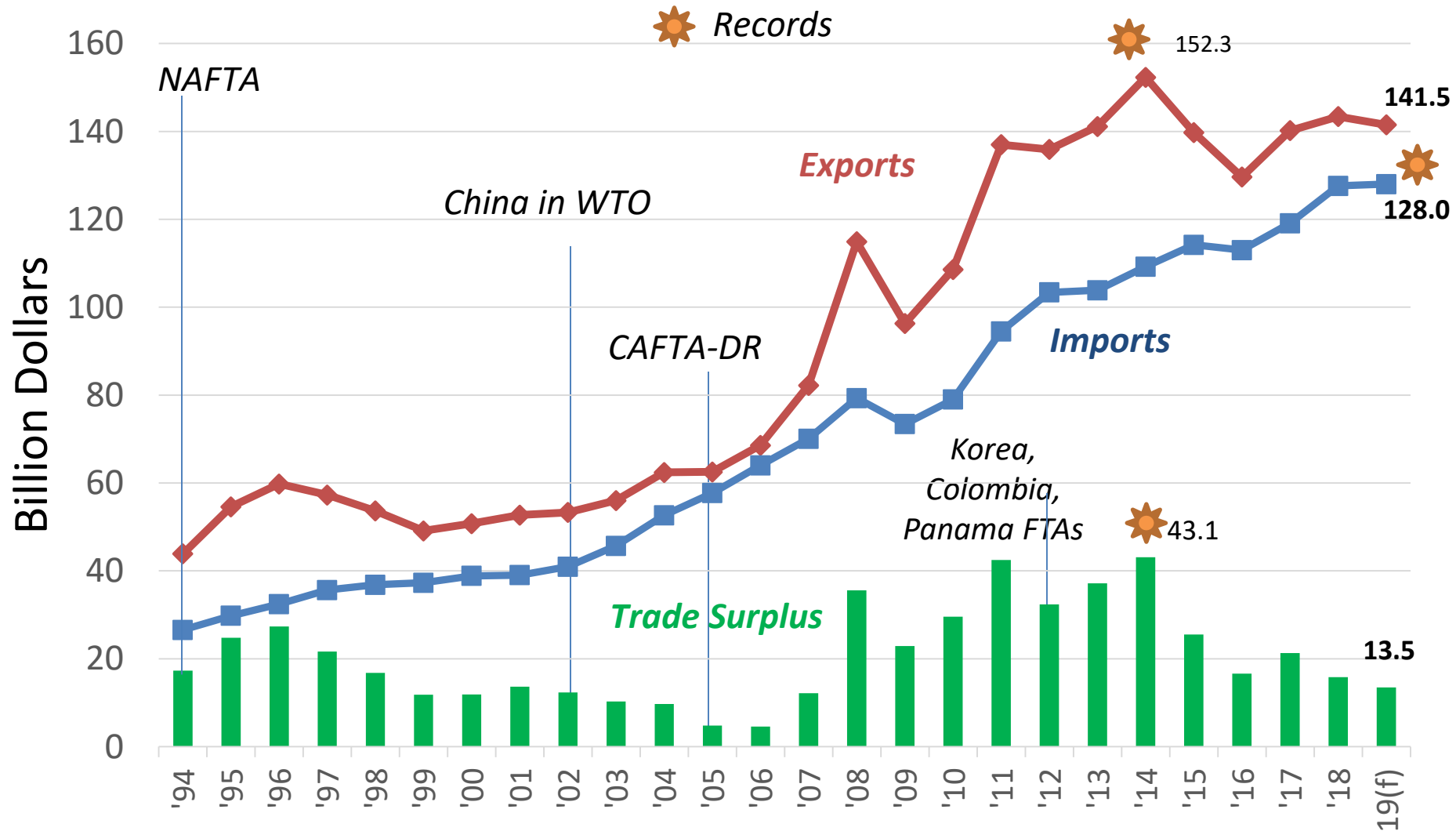
Meanwhile, ethanol and large corn stocks are expected to be drawn down over several years. Exports from the U.S. are based on import demand, and are set to expand

Assists U.S. Farmers to Export their Products

- GAIN Reports
- PSD Online
- GATS Trade Database
- Export Sales
- Trade Reports

U.S. Agricultural Trade Situation

February 2019 Forecast

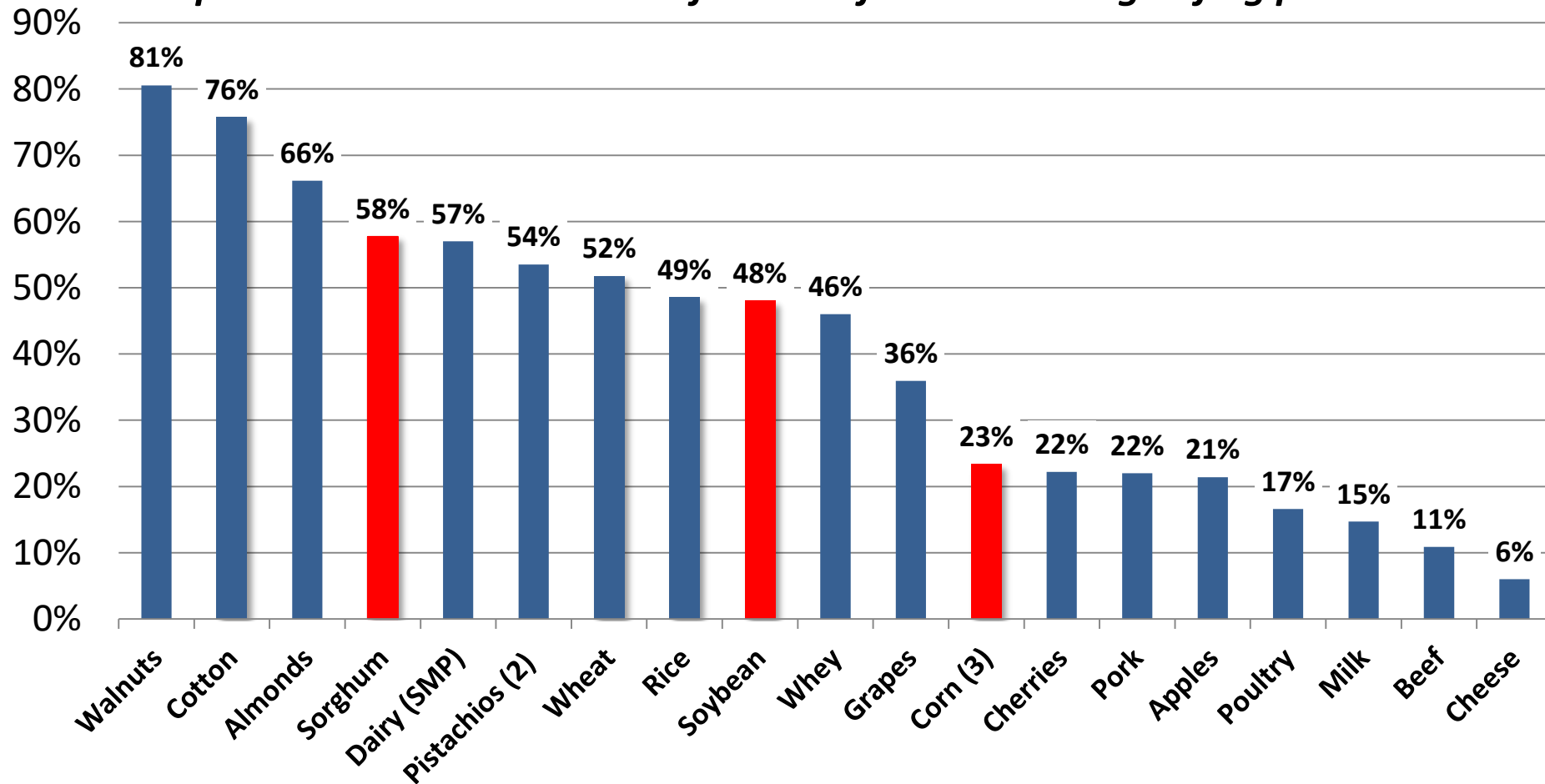


Source: USDA FAS Global Agricultural Trade System, FATUS

Fiscal Year

More than 20% of U.S. Ag Production is Exported

Exports are a critical source of income for a wide range of ag products



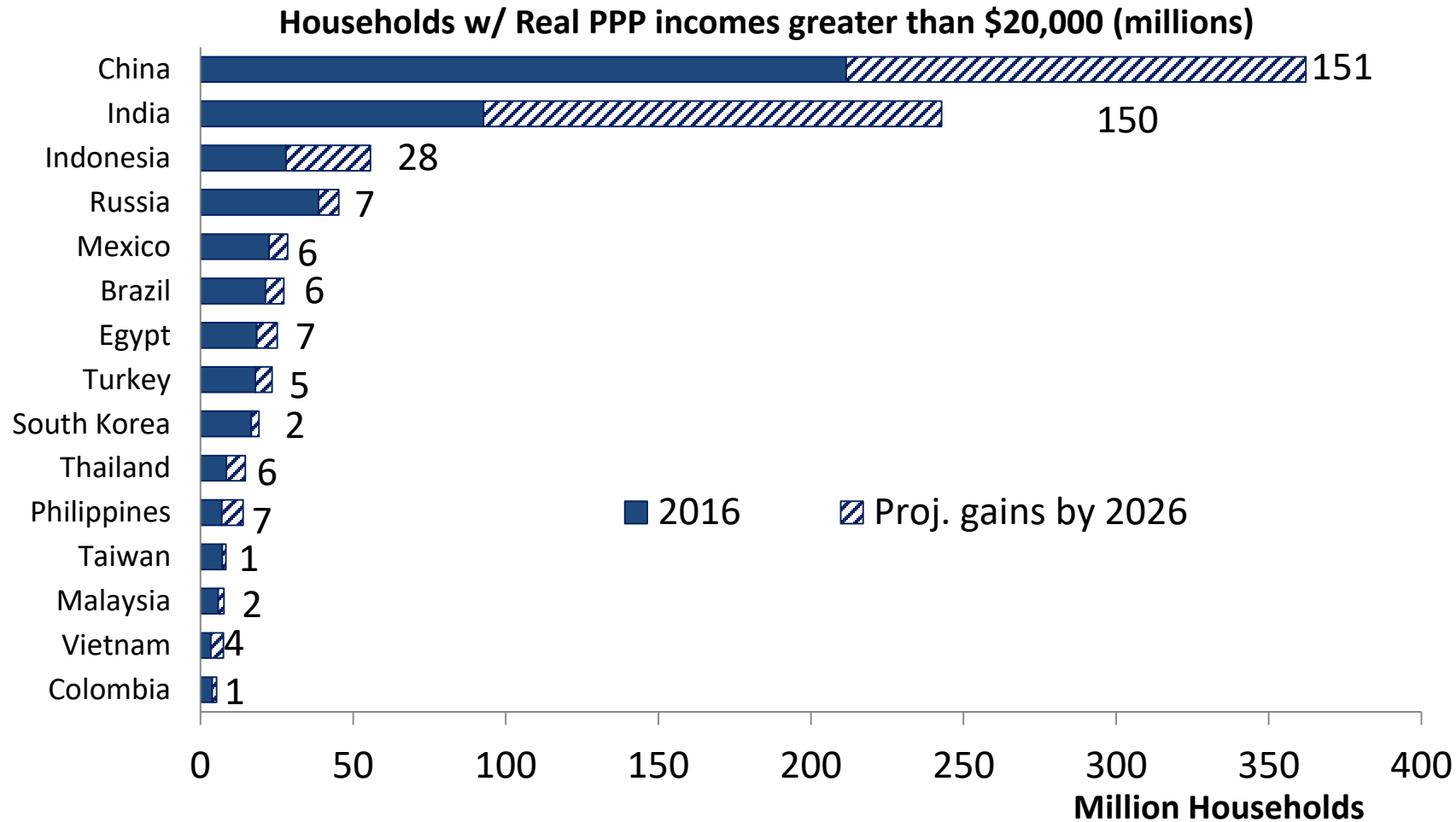
(1) All Dairy Products: Calendar Year 2017

(2) Pistachios: Marketing Year 2016/2017

(3) Corn & corn embedded in ethanol, DDGS, and HFCS exports

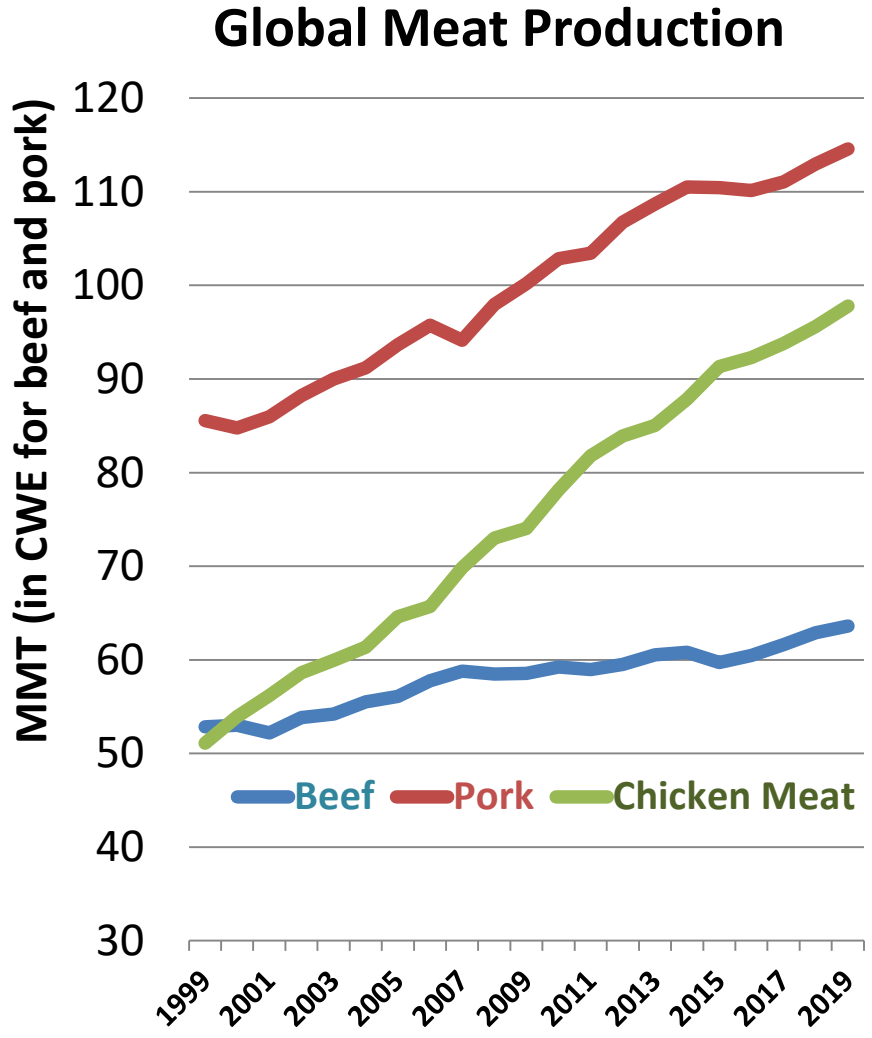
Source: USDA/FAS/PSD database, 2017/18 marketing year data
U.S. Dairy Export Council

China and India Drive Potential Growth: “Middle Class” Households, in Middle Income Countries, Up 71% From 2016 Levels

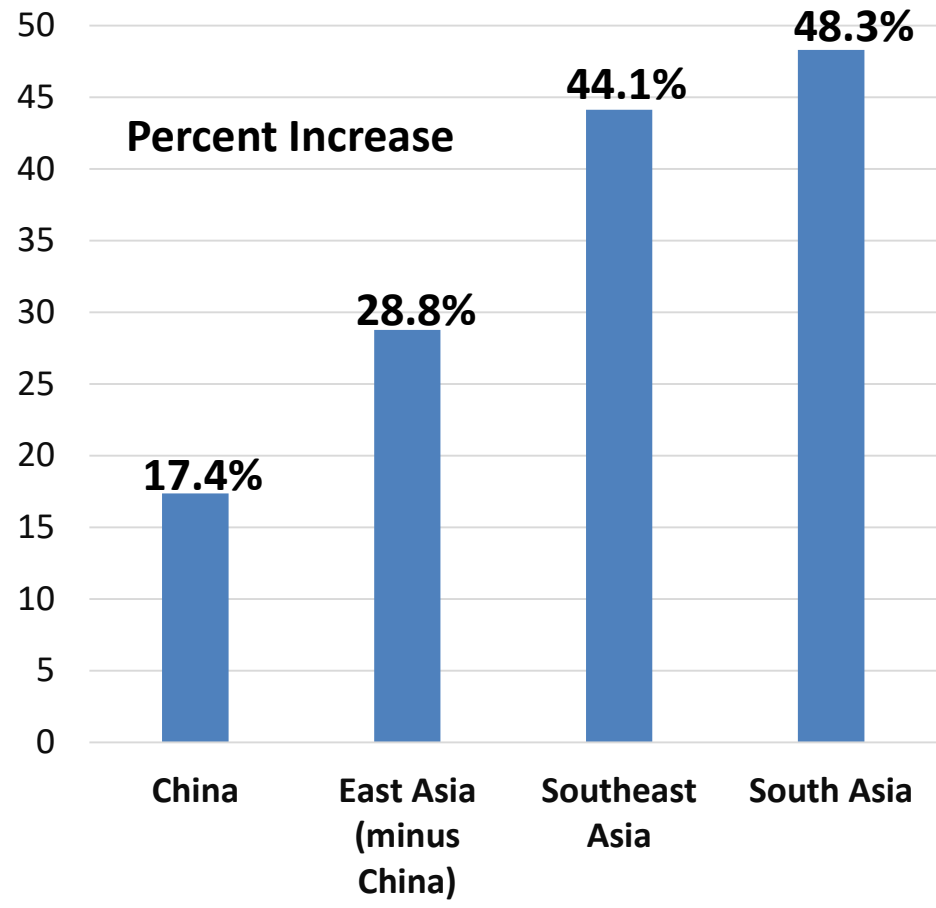


Source: Global Insight’s Global Consumer Markets data as analyzed by OGA

Global Meat Demand Fueling Grain & Feed Production



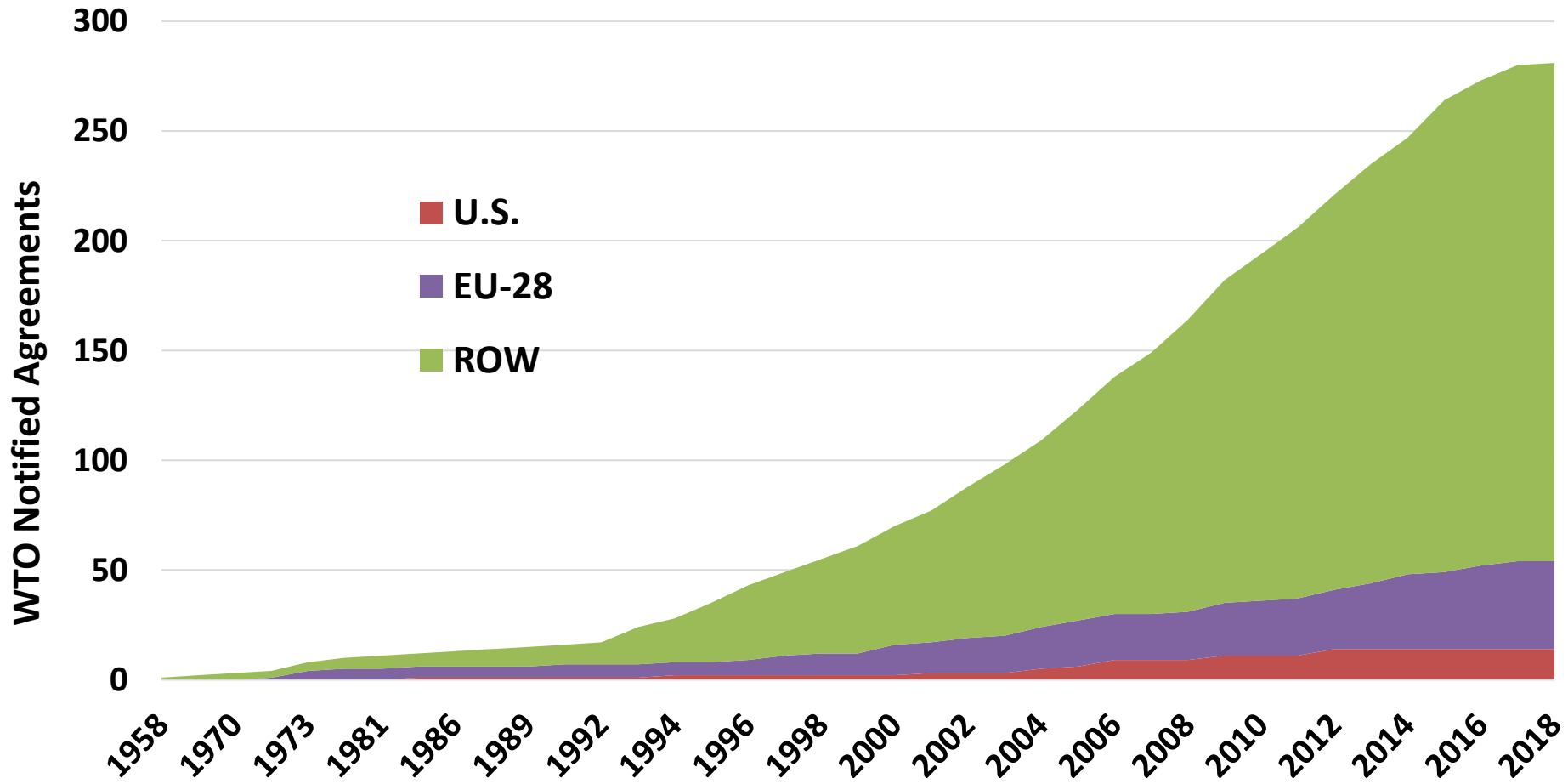
Changes in Beef, Pork & Poultry Consumption (2008-2018)



Source: USDA Production, Supply & Distribution Database

As WTO Stalls, Countries Turn to FTAs for Market Access, U.S. Falling Behind

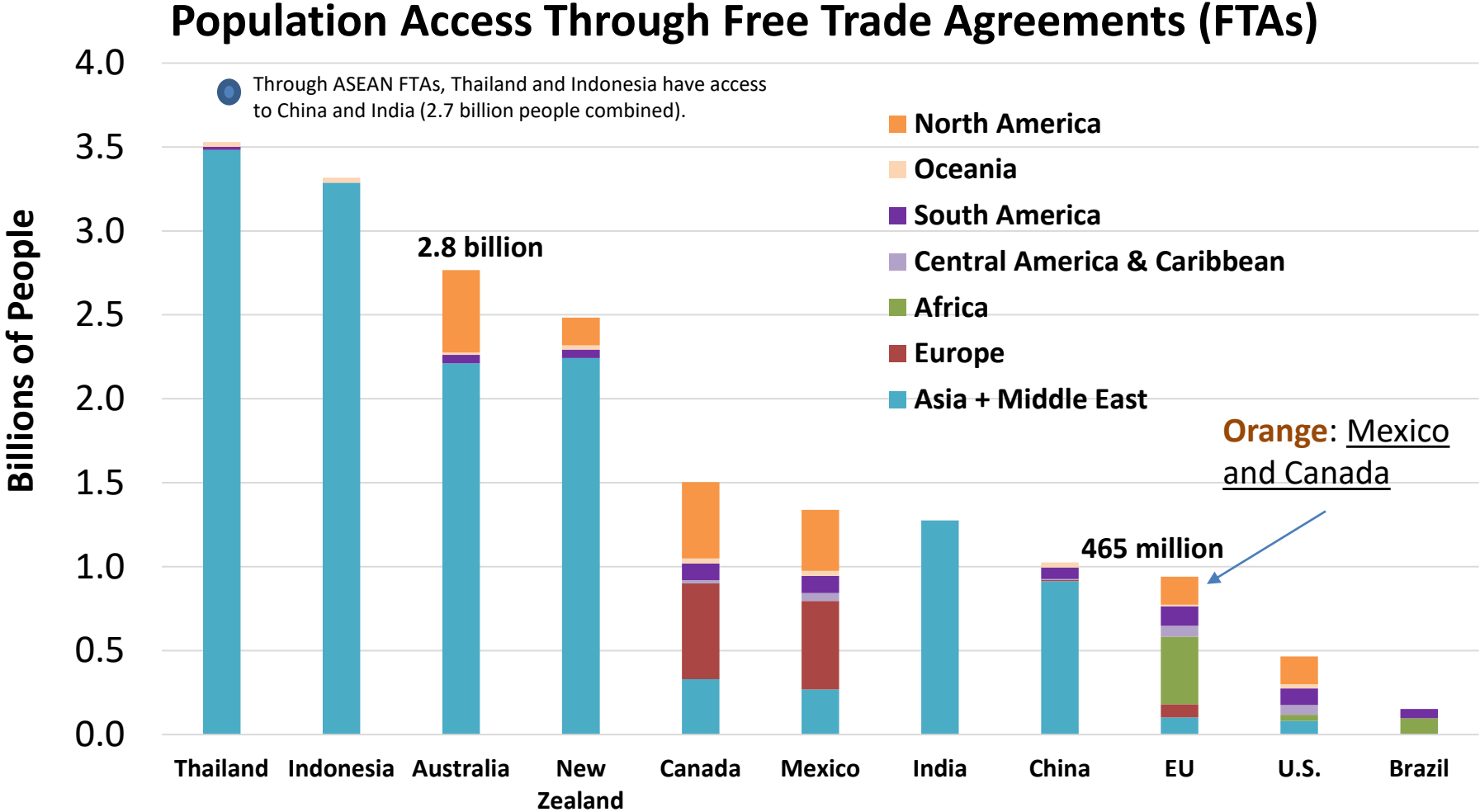
Global Preferential Trade Agreements



Source: WTO

U.S. Competitors Have More Market Access to the World

Canada and Mexico make up most of population access for the United States



Note: includes only FTAs that were notified to the WTO, as of September 2018, and CPTPP
 Source: World Trade Organization, World Bank (2017)

U.S. Trade Agenda

Trade Agreements

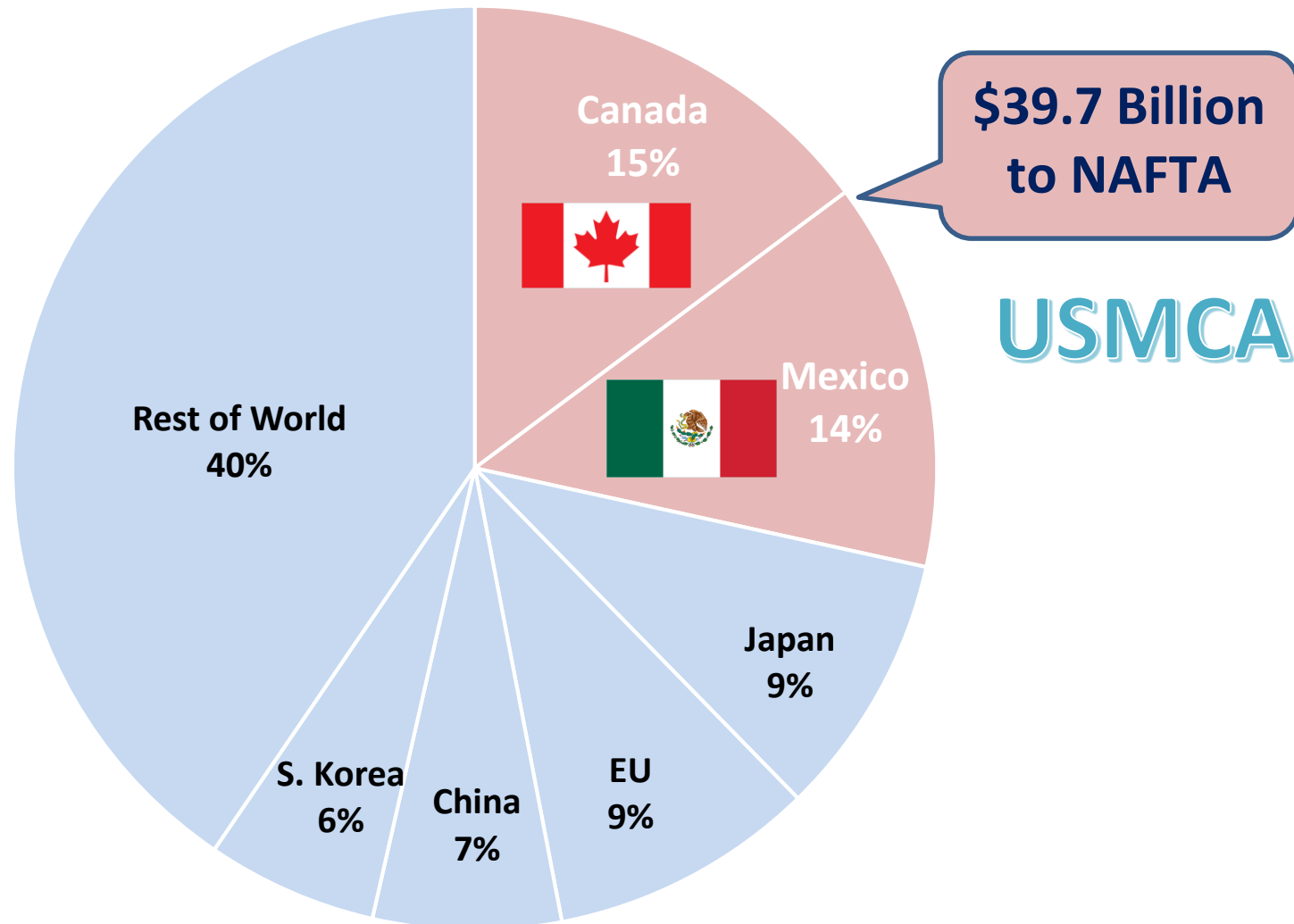
- **USMCA** – Improves dairy and poultry access, fair treatment for wheat and other agricultural products, updated SPS rules
- Korea – Updated KORUS
- Future potential trade agreements – **Japan**, UK, EU, Kenya

Enforcing Commitments

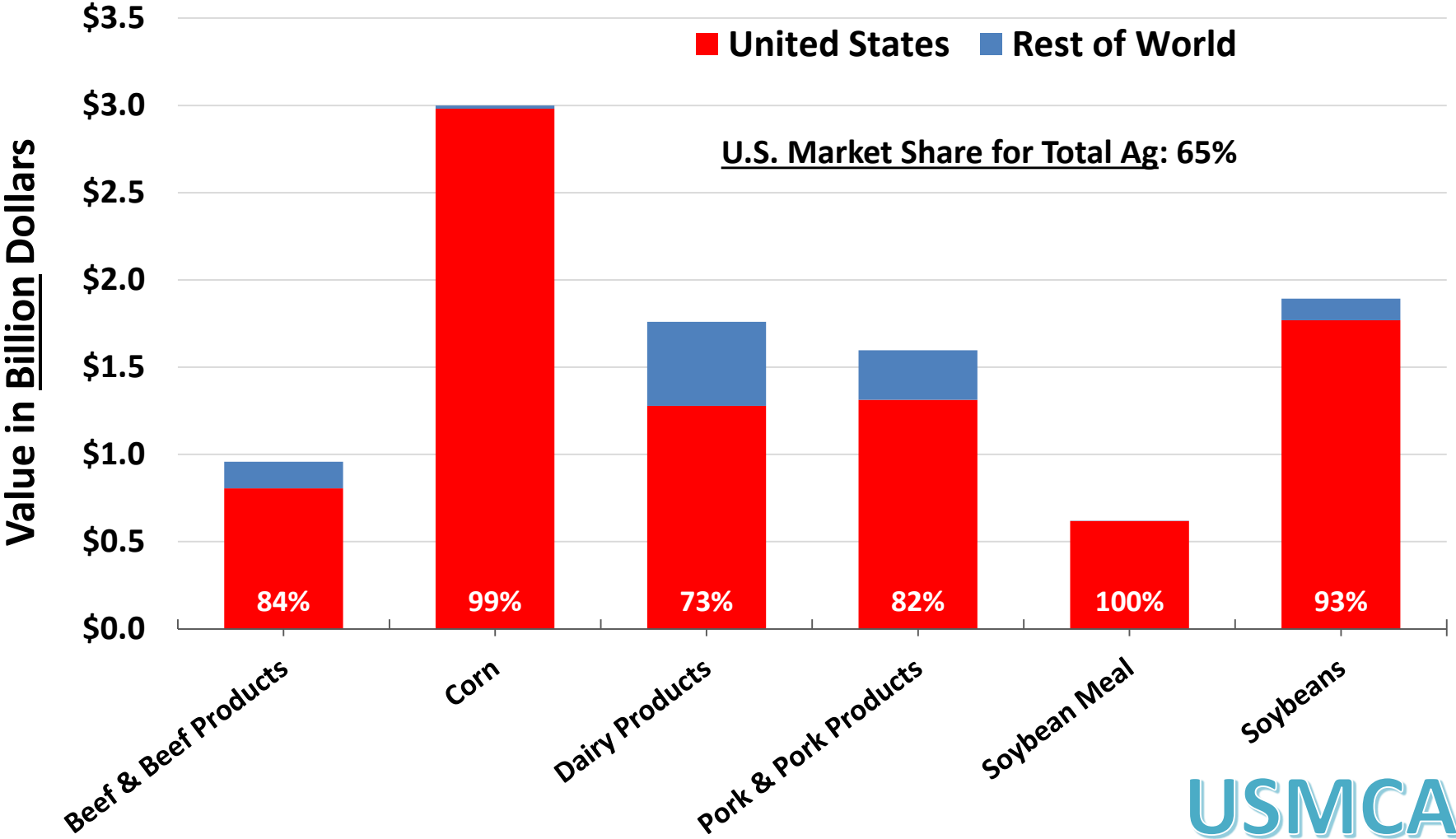
- **China** – Ongoing negotiations working toward fair trade
- India – WTO Counter Notification concerning India's trade-distorting domestic support prices for pulses (02/12/19)

Over 28% of Total U.S. Agricultural Exports are Shipped to Canada and Mexico

FY 2018 U.S. Ag Exports to World (Total: \$140 B)



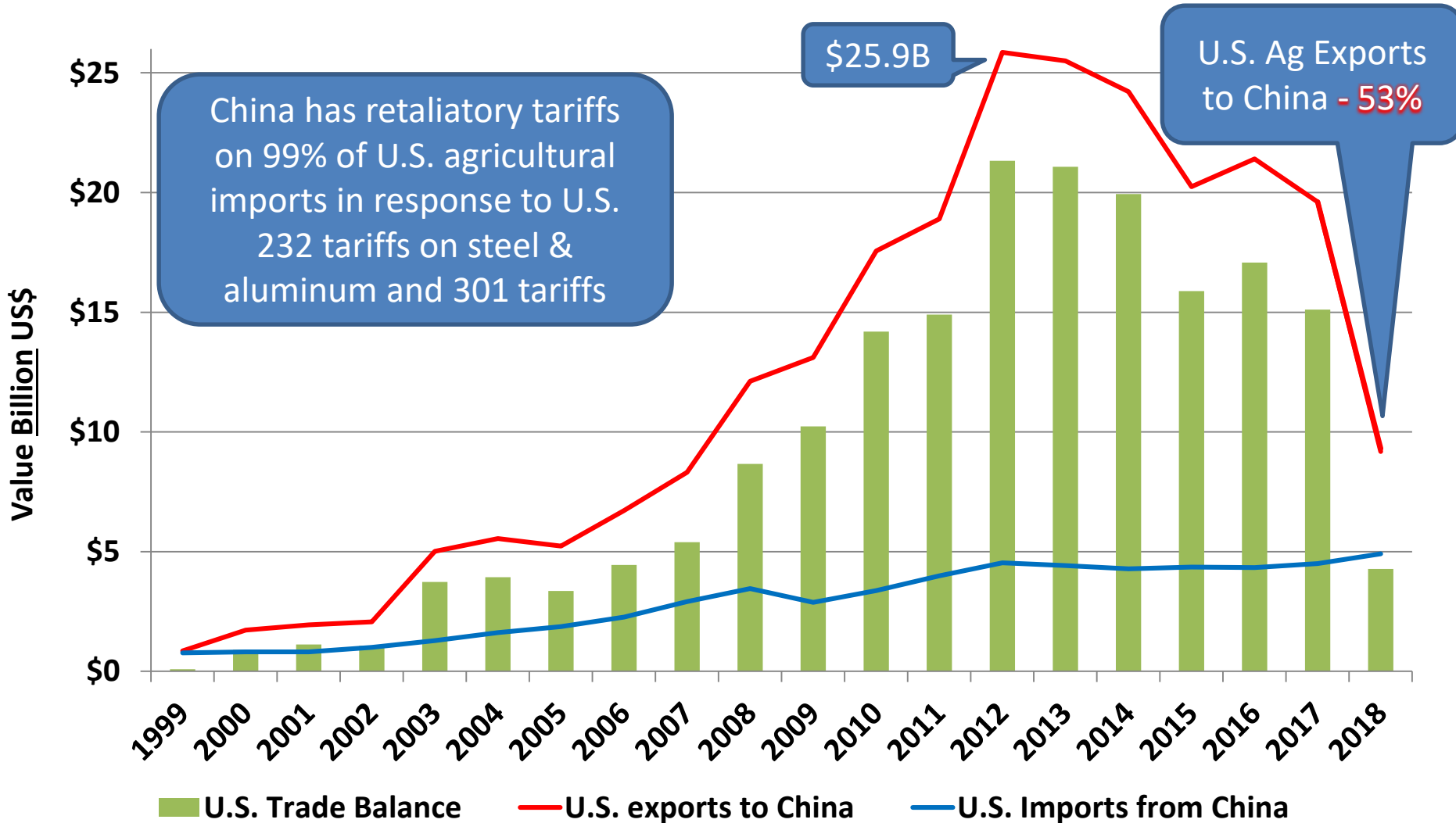
Mexican Agricultural Imports & U.S. Market Share 2018



USMCA

Source: IHS Markit, Global Trade Atlas (GTA), BICO-HS6

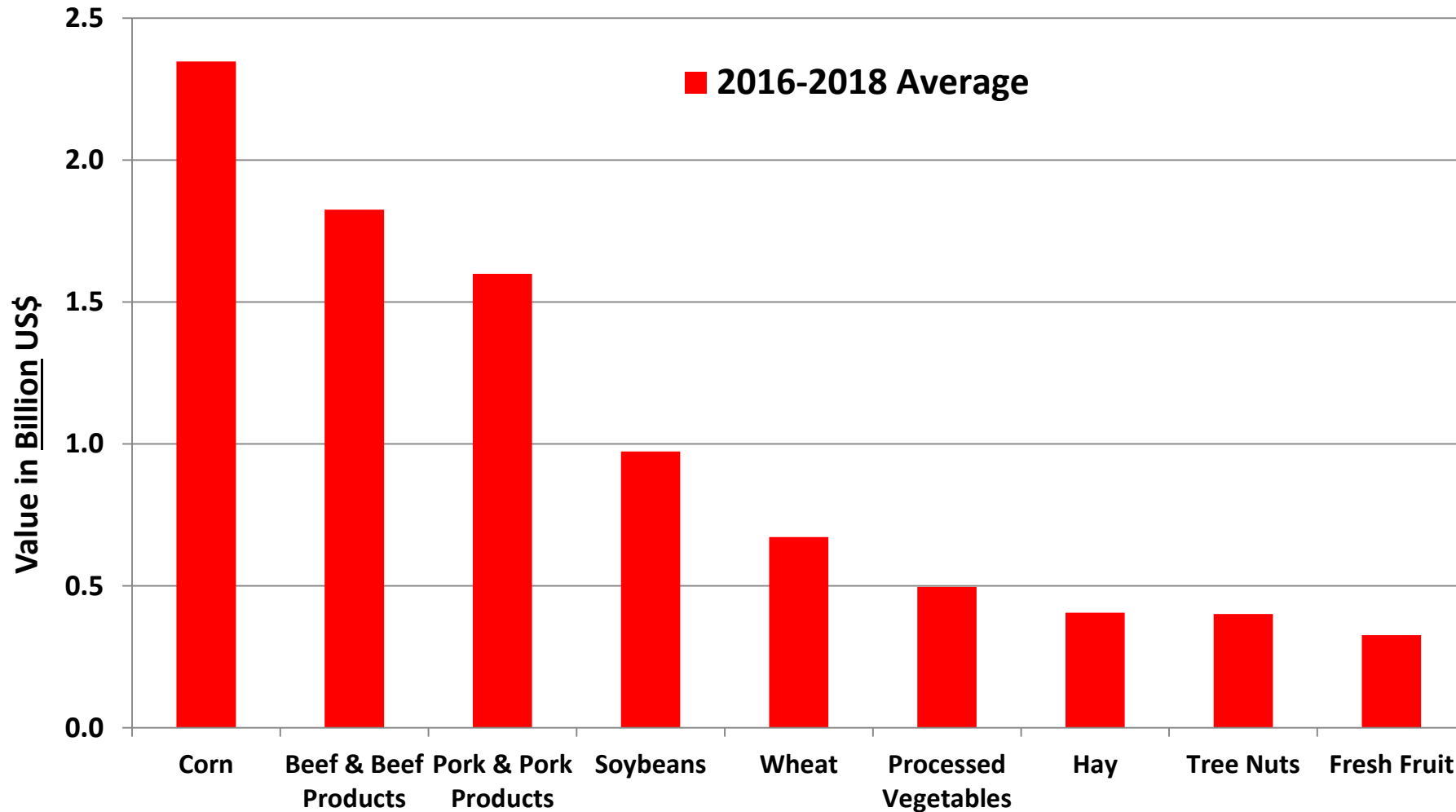
U.S. Agricultural Trade with China (1999 – 2018)



Top U.S. Agricultural Exports to Japan



Total U.S. Agricultural Exports to Japan in 2018 = \$12.9 billion



FAS Here to Help:

Partnerships Support Continued Export Growth

- **Market Access Program (MAP):** Marketing and Promotion Program (\$200 million)
- **Foreign Market Development Program (FMD):** Create, expand and maintain long-term export markets (\$27 million)
- **Emerging Markets Program (EMP):** Market development in emerging economies
- **Agricultural Trade Promotion Program (ATP):** Mitigation for retaliatory tariffs: \$200M to develop new markets
- **Additional programs:** GSM-102, Quality Samples Program, Technical/Scientific support programs

Summary

- Opportunities for U.S. agricultural exports globally, FAS programs can help U.S. producers find and expand those markets
- Retaliatory tariffs hurting U.S. ag exports, which also reduces U.S. ag trade surplus.
- U.S. competitiveness jeopardized by third party agreements that put U.S. products at disadvantage
- U.S. needs FTAs to maintain, if not gain, market share in new trade environment