

# 2016 Agricultural Trade Talking Points

## Why do we need agricultural trade?

### **International trade is essential to the health of U.S. agriculture.**

- U.S. agriculture is 2.5 times more reliant on trade than the overall economy.
- 2015 agricultural exports were a record \$139.5 billion, and 2016 exports are expected to remain robust at \$138.5 billion.
- U.S. farmers export about:
  - ✓ 56% of their soybeans
  - ✓ 50% of their wheat
  - ✓ 40% of their cotton
  - ✓ 26% of their pork
  - ✓ 20% of their corn
  - ✓ 14% of their dairy
  - ✓ 13% of their beef
  - ✓ 17% of their broiler chickens

### **Agriculture and ag exports are essential to the U.S. economy.**

- Every dollar of ag exports creates another \$1.47 in supporting activities such as processing, packaging, shipping and financing of ag products.
- The agri-food chain generates about 16% of the U.S. gross domestic product and employs 17% of the American workforce.

### **Future growth of agriculture depends on international markets.**

- The U.S. market has 322 million people; the world market has 7.3 billion people.
- By 2025 population growth is +60 million for the U.S. and + 1.6 billion for the world
- Only 5% of the world's population resides in the U.S. while 95% of global consumers live outside the U.S. and have 75% of global purchasing power

## Why support additional regional or global free trade agreements (FTAs)?

- U.S. ag exports face trade-distorting:
  - ✓ domestic support that is **3 times greater** than U.S. support
  - ✓ tariffs that are **4 times higher** than U.S. tariffs and
  - ✓ export subsidies that are **30 times greater** than U.S. agriculture receives.
- The elimination of remaining global trade barriers via a WTO agreement would increase the gain we already enjoy from trade by another 50%.
- Free Trade Agreements (FTAs) are essential to the success of U.S. agriculture.

## Why should every American care about trade?

- Trade generates jobs and is vitally important for small businesses.
- Large companies account for 4% of U.S. exports while 96% are by small companies.
- In 1950, international trade accounted for 5% of U.S. economic growth, while in 2002, it accounted for more than 25% of U.S. growth.
- U.S. goods and services exports supported 9.7 million jobs in 2011 (22% of all manufacturing sector jobs are related to exports)
- U.S. ag exports alone support nearly a million jobs on and off the farm
- U.S. jobs supported by exports pay 13-18 % more than the national average
- Real U.S. income is 9% higher than it would have been due to the trade liberalizing efforts since WWII. That 9% equals \$1.3 trillion in additional American income.

Sources: AFBF, Peterson Institute, U.S. Chamber of Commerce, ERS/USDA, USTR, CIA, Department of Commerce International Trade Administration