

ILLINOIS

2016 Illinois Trade Talking Points

Why does Illinois need trade?

- ✓ The U.S. exported a record \$2.35 trillion in goods and services in 2014, benefiting all states.
- ✓ Every state benefits from trade because U.S. exports support jobs and businesses and help sustain the economy during times of domestic economic crisis.
- ✓ Free Trade Agreements already in force account for \$37.4 billion or 55% of Illinois 2014 exports.
- ✓ **Merchandise exports** from Illinois in 2014 were \$68.2 billion
 - Illinois ranks as the 6th largest merchandise exporter out of the 50 United States
 - Illinois largest export markets are Canada, Mexico, China, Germany, and Japan
 - Illinois leading export is machinery, which accounted for 19% of total merchandise exports
 - Other top manufacturing exports from Illinois are transportation equipment, chemicals, computer and electronic products, and petroleum and coal products.
- ✓ **High-tech product exports** from Illinois were \$13.4 billion in 2013:
 - Illinois is also the 6th largest exporter of high-tech products.
 - More than 50,000 Illinois jobs are supported by tech exports
- ✓ **Exports and jobs for ILLINOIS:**
 - 23,060 companies exported goods from Illinois in 2012
 - Of those, 90% are small and medium-sized companies (less than 500 employees)
 - Small and medium-sized companies generate nearly 1/4 of Illinois total merchandise exports
 - 27% of all manufacturing jobs in Illinois depend on exports

Trade is Essential to Illinois Agriculture

- ✓ Illinois is an agricultural production powerhouse that is consistently one of the top 3 agricultural exporting states in the U.S.
- ✓ On a national scale, Illinois produces 20% of the corn and soybeans and is a major player in production of pork (4th), wheat, beef, and dairy products.
- ✓ Producer organizations estimate that Illinois exports 30% or more of its corn, soybeans, and wheat production.
- ✓ Every dollar of ag exports creates another \$1.47 in supporting activities such as processing, packaging, shipping and financing of ag products.

Trade is Essential to Illinois Agribusiness and Jobs

- ✓ The food and fiber system in the U.S. generates about 14% of the U.S. gross domestic product and employs nearly more than 17% of the American workforce.
- ✓ Illinois agribusinesses that are major employers and also depend on trade include:
 - ADM (headquarters: Decatur)
 - Caterpillar (headquarters: Peoria)
 - CFI Industries (headquarters: Deerfield)
 - Dean Foods (headquarters formerly in Illinois, now in Dallas)
 - Deere (headquarters: Moline)
 - GSI (headquarters: Assumption)
 - Sloan Implements (headquarters: Decatur)

- ✓ These firms, their employees, and local communities benefit tremendously from trade:
 - **Caterpillar**, with facilities in East Peoria, Joliet, Decatur, Aurora, Mossville and elsewhere, exports more than half of its production. In 2012, Caterpillar exported more than \$22 billion worth of goods and services. Caterpillar executives see the TPP as a boom to business because it creates a less complex business environment and reduces or eliminates tariffs on CAT products. For example, Vietnam's 15% tariff on CAT bulldozers costs buyers there an additional \$150,000 per dozer. Eliminating that tariff will make CAT equipment much more affordable to the 11 Asian Pacific nations in the agreement.
 - **Deere & Co.**, with facilities in Illinois and Iowa, publically states that the company's profitability and growth are tied directly to the global marketplace. Company leaders believe that increasing U.S. exports through trade agreements like TPP presents a valuable opportunity for the company and its customers and employees. Nearly 40% of Deere's revenues come from sales outside of the U.S. and Canada and 25-30% of products manufactured at Deere's larger equipment facilities in Iowa and Illinois are exported. Importantly, the enhanced export opportunities that TPP will open to Deere's customers are expected to add value to the US agricultural economy.
 - **ADM** is headquartered in Chicago and has multiple facilities in Illinois, across the U.S., and overseas. The company's core mission is serving the vital global needs for food and energy worldwide. Company executives acknowledge that these growing needs will fuel the company's profitable growth strategy. 2014 net sales were \$81.2 billion. ADM connects farmers' crops to markets on six continents using its more than 32,300 employees serving customers in more than 160 countries.
 - **Kraft Heinz**, with corporate offices in Glenview and locations throughout Illinois is the fifth largest food and beverage company in the world. Kraft Heinz, a self-described "global food powerhouse" believes its significant presence in high-growth developing markets will deliver consistent growth in the coming years. A majority of Kraft Heinz nearly \$30 billion in net sales is generated outside of the U.S. via its many popular brands sold in more than 45 countries.
 - **Hillshire Brands** (former Sara Lee) in Chicago is a subsidiary of Tyson Foods. Hillshire is a major global player in global packaged meat products that directly benefits from global population and economic growth. Like Kraft Heinz, Hillshire Brands purchases vast amounts of agricultural commodities, including beef and pork, for its processed food products. Also like Kraft Heinz, Hillshire and its parent Tyson Foods cite rapid growth in markets outside the U.S. as a major factor affecting future earnings and profitability.

Sources: AFBF, Bloomberg, FAS/USDA, U.S. Bureau of Economic Analysis, U.S. Census Bureau, U.S. Commerce Department, SEC, USTR and company websites.