Missouri Farm Bureau Commodity Conference
“Export Opportunity and Challenges of the U.S. Trade Policy”

August 10, 2018,
Jefferson City, Missouri

Global Excellence through Genetics and Service
“Well, all I know is what I read in the newspapers.”
“I Never Met a Man I Didn’t Like”

I guess Will never met...

Kim Jong-Un

or

Vladimir Putin
Export & Import Trade Value for Agriculture

Billions of Dollars

Export & Import Trade Value for Agriculture

Export
Import

Missouri Farm Bureau Commodity Conference
What is Driving the Export Market?

Population Growth
Urbanization
Expanding Economies
By 2050, World Population will Grow to 9.5 Billion. Developing Countries Grow by 100 Million Annually.
### Global Population Growth

#### 1960
- **China**: 644,450,000
- **India**: 449,662,000
- **USA**: 186,177,000
- **Russia**: 119,860,000
- **Japan**: 92,501,000
- **Indonesia**: 87,793,000
- **Germany**: 73,180,000
- **Brazil**: 72,494,000
- **UK**: 52,410,000
- **Italy**: 49,715,000

#### 1980
- **China**: 977,837,000
- **India**: 697,230,000
- **USA**: 229,588,000
- **Indonesia**: 147,490,000
- **Russia**: 138,063,000
- **Brazil**: 122,200,000
- **Japan**: 78,072,000

#### 2000
- **China**: 1,269,975,000
- **India**: 1,053,481,000
- **USA**: 282,896,000
- **Indonesia**: 211,540,000
- **Brazil**: 175,786,000
- **Russia**: 146,401,000
- **Pakistan**: 138,250,000
- **Bangladesh**: 131,281,000
- **Japan**: 125,715,000

#### 2017
- **China**: 1,388,232,693
- **India**: 1,342,512,706
- **USA**: 326,474,013
- **Indonesia**: 263,510,146
- **Brazil**: 211,243,220
- **Pakistan**: 196,744,376
- **Nigeria**: 191,835,936
- **Bangladesh**: 164,827,718
- **Russia**: 146,401,000
- **Mexico**: 130,222,815

*Note: Italy is not listed in 2017.*
What Happens When You Make More Money?
“Challenges of Keeping an Export Market”
What affects the export business?

- Economy
- Currency
- Oil Prices
- Weather
- Politics
- Disease

TTF = Trump Trade Factor
Your opinion on trade policy may have a ... different perspective from where you sit
Opportunities and Impact of Exports

• 96% of consumers live outside USA

• In 2017 approximately $300/head from a slaughter beef animal and $53.50/head for slaughter pig comes the export market.
What is a Free Trade Agreement?

• Trade agreements set out the rules of the road for trade
• How to manage disputes. Where once they focused on tariffs – the government levy on imports –
• They increasingly address regulations and standards
Free Trade Agreements

- Worldwide there are over 287 FTA’s
- The United States participates in 15 that covers 20 countries
- North American Free Trade Agreement (NAFTA)
- Trans Pacific Partnership (TPP)
- Trans Atlantic Trade and Investment Partnership (T-TIP)
Top Export Market for U.S. Beef

- 30% Japan
- 16% South Korea
- 15% Mexico
- 11.5% Canada
- 10.3% Hong Kong

- The five destinations represent nearly 83% of total U.S. exports
What do Free Trade Agreements do for me?

- KORUS-South Korea
- From 2012 to 2017 US beef sales have increased from $582 Million to $1.06 Billion (82% increase)
- From 2012 to 2017 US pork sales have increased from $192 million to $379 million (97% increase)
- Korea is a $6 Billion market for the US agricultural goods
What do Free Trade Agreements do for me?

• NAFTA
• Under NAFTA no tariffs and no quotas
• Without NAFTA a 26.5% tariff on sales > 11,803 MT beef to Canada
• Mexico-20% tariff on chilled beef, 25% on frozen beef and 20% tariff on variety meats
• Gives the TPP members duty free access to the Mexican market
What do Free Trade Agreements do for me?

• JAPAN-TPP
• Would have lowered tariffs from 38.5% to 9% over 16 years and dropping to 27% in one year
• By withdrawing from TPP gives Australia, New Zealand, Canada and Mexico a lower tariff rate than U.S. beef
• On July 29th, the EU signed a free trade agreement with Japan
Farm Subsidies Are Part of Negotiations
Disease will influence the market

- Foot and Mouth Disease
- BSE Disease (Mad Cow)
- Tuberculosis
- Leukosis
- Blue Tongue
- Schmallenberg Virus
- West Nile Virus (Equine)
- Avian Influenza (Poultry)
- H1N1 Flu (Swine Flu)
- Porcine Epidemic Diarrhea (Swine)
- African Swine Fever (ASF)
What are you willing to do for higher prices?

- **Animal Identification**
  1. Traceability to access markets
  2. Animal data
  3. Health records

- **Animal Welfare Program**
  1. How are your animals treated?
  2. Satisfy third party interest
12 More Reasons

The Royal Society for the Prevention of Cruelty to Animals

Shaping societal concerns around the globe and it has been shown that the people trust them!
You Want to Sell to China?
You Want to Sell to China?
What’s Ahead For US Agriculture? Numbers Will Drive Our Industry!

- 310 million Chinese will move to the middle class by 2020 with demands for more food and products
Reorganization of USDA/APHIS/VS
USDA User Fees and Health Paper Endorsement


Overtime Rate
Export Certificate Rate
Where Do The Export Dollars Go?

Every Billion Dollars of Agricultural Exports Creates 8,400 jobs in the US Economy
"There are three kinds of men. The one that learns by reading. The few who learn by observation. The rest of them have to pee on the electric fence for themselves."

Will Rogers
Thank you!
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