

U.S. Food and Agricultural Exports = More American Jobs September 8, 2010

The United States is at the center of global agricultural trade due to a combination of ideal agronomic factors, our agricultural infrastructure, and our longstanding success in agricultural development and innovation. Yet, we must further leverage our current competitive advantages to boost U.S. agricultural exports. <u>Increased agricultural and food exports result in a stronger economy and stronger communities across America</u>.

U.S. exports and overall trade have increased significantly since the World Trade Organization's founding in 1995, including a nearly 81% increase in U.S. agricultural and manufacturing exports. Exports account for nearly 50% of U.S. wheat crop production, 20% of the U.S. pork industry, 10% of the U.S. beef industry, 15% of U.S. corn production, and 15% of U.S. potato production, for example.

One in six U.S. manufacturing jobs (including those involved in agriculture) — about 2.5 million jobs — are dependent on international trade, as are over 800,000 farming jobs. Reducing trade barriers abroad and gaining market access supports jobs for farmers and growers, transportation and food processing workers, and small- and medium-sized businesses that supply the agricultural and food industries.

The U.S. Department of Agriculture estimates that every \$1 billion in agriculture exports supports 12,000 American jobs. But to keep these jobs and grow more — we need a proactive trade agenda — including swift passage of pending Free Trade Agreements to reduce and/or eliminate tariffs and other barriers to our agricultural exports.

- * In July 2010, Canada beat the U.S. to China's consumer market, agreeing to a protocol for exports of Canadian beef to China. A similar approach could result in \$500 million in additional U.S. exports to China.
- * The pending U.S.-Korea FTA reduces a 40% tariff on U.S. beef to South Korea to zero over 15 years. For a market that was once worth \$800 million to the U.S. industry, that equals \$320 million annually in tariffs paid. Moreover, the agreement will result in over \$680 million in new U.S. pork sales, creating 9,000 new jobs. If we do not implement the deal, we could lose the entire market for U.S. pork within 10 years as the Europe-Korea FTA will favor European pork suppliers.
- * This summer, the Canadian Parliament ratified an FTA with Colombia that will improve Canada's access to the Colombian market. Failure to ratify the U.S.-Colombia FTA has already resulted in American exporters paying over \$2.8 billion in tariffs since Nov. 2006 and loss of market share.

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We cannot afford to sit on the bench while other countries move forward on trade in the global food and agricultural marketplace.