

## **The Importance of U.S. Agricultural Exports to Farmers, Ranchers and Rural Prosperity**

# **THE CASE FOR TRADE PROMOTION AUTHORITY**

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### **AGRICULTURAL EXPORTS SUPPORT JOBS AND THE ECONOMY**

Agricultural exports support over one million U.S. jobs, both on and off the farm.

Fiscal years 2010-2014 represented the strongest five years in history for U.S. agricultural exports, with sales totaling \$675 billion. Record U.S. agricultural exports of \$152.5 billion in FY 2014 also generated an additional \$180 billion in related business activity.

### **ACCESS TO FOREIGN MARKETS IS VITAL**

U.S. producers rely on and prosper from access to foreign markets. Currently, we export:

- Half of U.S. wheat, milled rice production and soybean production;
- 70 percent of almond, walnut and pistachio production;
- More than 75 percent of cotton production;
- 40 percent of grape production, 20 percent of cherry production and 20 percent of apple production;
- 20 percent of poultry and pork production and 10 percent of beef production.

Today, only 1 percent of U.S. companies export, and yet 95 percent of the world's consumers live outside the borders of the United States. Population growth and rising incomes – particularly in the developing world – are creating significant new opportunities.

U.S. farmers, ranchers and food processors are well positioned to capitalize on growing global demand, especially since the productivity of U.S. agriculture is growing faster than domestic food and fiber demand. But to do this, we need to break down tariff and non-tariff barriers to allow our agricultural sector to compete on a level playing field.

### **AMERICAN PRODUCERS BENEFIT FROM TRADE AGREEMENTS**

Trade agreements are the most effective way to eliminate foreign tariffs, unscientific regulatory barriers and bureaucratic administrative procedures designed to block trade.

A Trans-Pacific Partnership (TPP) agreement will break down market barriers in countries representing 39 percent of the world's gross domestic product.

A Transatlantic Trade and Investment Partnership (T-TIP) agreement will remove tariffs and regulatory barriers that have hampered U.S. agricultural exports to the European Union.

Three recently completed free trade agreements are already creating new opportunities for U.S. exporters. Duties have been eliminated on almost two-thirds of U.S. farm exports to Korea, nearly 70 percent of U.S. farm exports to Colombia and more than half of U.S. farm exports to Panama.

## **LOSING GROUND**

U.S. exporters fall behind when other countries strike preferential agreements that lower tariffs and non-tariff barriers between them. There are now approximately 260 preferential trade agreements worldwide, only 20 of which involve the United States.

While U.S. farmers and ranchers are the most efficient producers in the world, their competitive edge is eroded when less-efficient competitors have preferential agreements, especially in price-sensitive developing nations.

**With Trade Promotion Authority (TPA), the United States will be able to pursue trade agreements that support and create U.S. jobs while helping America's farmers and ranchers increase U.S. exports and compete in a highly competitive, globalized economy. TPA signals to our TPP and T-TIP trading partners that Congress and the Administration stand together on the high standards our negotiators are seeking at trade talks.**

*For more information about Trade Promotion Authority and its importance to U.S. agriculture, please contact FAS Legislative Affairs at (202) 720-7115 or [LPA@fas.usda.gov](mailto:LPA@fas.usda.gov).*