



## *Trade and Agriculture* **What's at Stake for Ohio?**

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Ohio is an important producer and exporter of agricultural products. In 2007, the State's cash farm receipts totaled \$6.9 billion. Ohio ranked 11th among all 50 states in 2007 with agricultural exports estimated at \$2.2 billion. Agricultural exports help boost farm prices and income, while supporting about 23,445 jobs both on the farm and off the farm in food processing, storage, and transportation. A leading soybean producer, Ohio has a major interest in the exports of that important contributor to the state's economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 32 percent in 2007.

Ohio's top agricultural exports in 2007 were:

- soybeans and products -- \$828 million
- feed grains and products -- \$454 million
- wheat and products -- \$270 million
- live animals and meat -- \$59 million

World demand for these products is increasing, but so is competition among suppliers. If Ohio's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *more open access* to growing global markets.

### **How Trade Agreements Benefit Ohio Agriculture**

Ohio, one of the nation's top soybean producers, benefits under the Uruguay Round agreement as South Korea reduced its tariffs on soybean oil by 14.5 percent from 1995 to 2004. Thus far, the tariff reduction has supported a threefold increase in export volume. The Philippines reduced its tariffs on soybean meal from 10 to 3 percent during the same period. China's accession to the WTO has helped to raise U.S. exports of soybeans to that country by over six fold from 1999 to 2004, surpassing \$2.4 billion this year.

One of the largest feed corn producers, Ohio benefited under the NAFTA when Mexico converted its import licensing system for corn to a transitional tariff-rate quota that will remain in effect until 2008. Under this system, the volume of U.S. corn exports to Mexico has risen over 42 percent since 1994, reaching 120 million bushels valued at \$585 million in 2002.

Under the U.S. – Australian FTA, Ohio’s vegetable industry will benefit. Australia’s 5-percent tariff would be eliminated on a number of U.S. vegetable exports including sweet corn (frozen and canned). From 2001 through 2003, U.S. suppliers annually shipped on average \$21.5 million worth of vegetable and vegetable products to Australia.

### **Export Success Stories**

As a major soybean producer, Ohio has benefited from the efforts of the American Soybean Association (ASA), in partnership with USDA, and various producer organizations to increased demand for U.S. soybeans and meal in a number of key markets in Asia. For example, Technical training in feeding soy hulls in the swine industry in Malaysia has enhanced the competitiveness of US soybeans and added an estimated \$37 million in U.S. exports.

Ohio’s wheat industry has benefited from the efforts of U.S. Wheat Associates to sell wheat to Thailand and Pakistan. Thailand's flour mills' participation in U.S. Wheat Associates marketing programs has improved importers' ability to refine contract specifications, understand the U.S. marketing system and develop contacts with country elevators. This programming has facilitated identity preserved purchases, improving trade. Sales in 2003/04 were up 46 percent compared to the previous year. U.S. Wheat Associates have also convinced Pakistan to revise new tender terms to make them acceptable by U.S. exporters. As a result, U.S. export sales reach 326,000 metric tons vs. zero in the entire previous marketing year.