



Trade and Agriculture **What's at Stake for Hawaii?**

U.S. Department of Agriculture
Foreign Agricultural Service
September 2008

Hawaii produces agricultural products that are exported worldwide. In fiscal year 2007, the State's total cash receipts from farming reached \$533 million, and exports were estimated at \$88 million. These exports help boost farm prices and income, while supporting jobs both on the farm and off the farm in food processing, storage, and transportation. Hawaii's agricultural exports alone create an estimated 940 jobs.

Hawaii's top agricultural exports in fiscal year 2007 were:

- fruits -- \$38 million
- wheat and products -- \$11 million
- tree nuts -- \$8 million

World demand for agricultural, fish and wood products is increasing, but so is competition among suppliers. If Hawaii's industries are to compete successfully for export opportunities in the 21st century, they need *fair trade* and *more open access* to growing global markets.

How Trade Agreements Benefit Hawaii Agriculture

Hawaii benefits from the Uruguay Round as Japan and South Korea make substantial tariff reductions on a wide range of fresh and processed fruits. From 1995 to 2000, Japan lowered its tariffs to 19.1-21.3 percent on fruit juices containing not more than 10 percent sucrose by weight.

Under the Uruguay Round agreement, Hawaii benefited when Japan cut tariffs on almonds and other nuts from 1995 to 2000. South Korea, Thailand, and Malaysia are doing likewise. Supported by these cuts, U.S. walnut exports to Japan rose 17 percent, reaching \$37.3 million in 2002, and U.S. walnut sales to South Korea increased 267 percent to \$6.7 million during the same period. U.S. almond sales to Thailand rose from \$652,000 in 1995 to \$1 million in 2002.

Under the U.S. – Australian FTA, Australia's 5-percent tariff would be eliminated on a number of fruit and nut products, including almonds, grapes, raisins, dried apricots, dried apples, dried plums, citrus juices, cranberry juice, fruit jams and jellies, and frozen strawberries. Australia has also committed to addressing outstanding phytosanitary issues, including those for apples, citrus, and stone fruits. From 2001 to 2003, U.S. suppliers annually shipped on average \$50 million worth of fruit and nut products to

Australia. Under the U.S. – Australian FTA, Australia has also agreed to immediately eliminate a 5-percent duty on U.S. vegetable exports. 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

Hawaii Roasters has just completed their first shipment of green coffee to Cafe Richard in France. The Hawaii Department of Agriculture arranged appointments for buyers participating in a Market Access Program (MAP) funded buying mission from France to Hawaii.