



Trade and Agriculture **What's at Stake for New York?**

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New York produces agricultural products that are exported worldwide. In 2007, the State's cash receipts from farming totaled \$4.4 billion, and exports were estimated at \$867 million. Agricultural exports help boost farm prices and income, while supporting about 9,240 jobs both on the farm and off the farm in food processing, storage, and transportation. Exports are increasingly important to New York's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 20 percent in 2007.

New York's top agricultural exports in 2007 were:

- dairy products -- \$218 million
- fruits -- \$118 million
- wheat and products -- \$110 million
- vegetables and preparations -- \$71 million

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

New York Benefits From Trade Agreements

New York is one of the nation's top vegetable producers. Under the U.S. – Australian FTA in, Australia's 5-percent tariff would be eliminated on a number of U.S. vegetable exports including mushrooms, potatoes (fresh, dried and flakes), and 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.

Under the U.S. – Australian FTA, New York's fruit industry will benefit. Australia's 5-percent tariff would be eliminated on a number of fruits and nuts including processed products like cranberry juice, fruit jams and jellies. Australia has also committed to addressing outstanding phytosanitary issues, including those for apples 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.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), a two-track approach will be established for dairy products with the objective of achieving free trade within 20 years. The first step is the establishment of reciprocal duty-free tariff rate quotas (TRQs). The second and concurrent step involves the immediate elimination of in-quota tariffs on dairy products. U.S. dairy products shipped to Central America face a range of different

TRQs and import tariffs as high as 65 percent. From 2001 through 2003, U.S. suppliers annually shipped on average 17,880 metric tons of dairy products valued at \$44.1 million to all six countries combined.

Export Success Stories

The New York dairy industry benefited when a major baker in the Philippines introduced *Carrot Raisin Loaf*, a bread manufactured with whey and milk powders. The company developed the product after participating in the U.S. Dairy Export Council's Bakery Workshop in 2000, one-on-one consultations in 2001 and the U.S. Whey for Biscuits and Confectionery Seminar held this year. The value of exports of U.S. whey to the Philippines exceeded \$5 million in 2003. Skim Milk Powder (SMP) exports from the United States totaled more than \$22 million, which was 9.6 percent of total U.S. SMP exports that year.