



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

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Missouri is an important producer and exporter of agricultural products. The State's farm cash receipts totaled \$6.9 billion in 2007. Missouri ranked 15th among all 50 states in 2007, with agricultural exports estimated at \$2 billion. Missouri ranks in the top-10 among states in exports of cotton, cottonseed, feeds and fodders, and rice. Agricultural exports help boost farm prices and income, while supporting about 21,314 jobs both on the farm and off the farm in food processing, storage, and transportation. Exports are increasingly important to Missouri's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 29 percent in 2007.

Missouri's top five agricultural exports in 2007 were:

- soybeans and products -- \$718 million
- feed grains and products -- \$397 million
- live animals and meat -- \$247 million
- wheat and products -- \$213 million
- cotton -- \$168 million

World demand for these products is increasing, but so is competition among suppliers. If Missouri'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 Missouri Agriculture

Missouri, one of the nation's largest 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.

As large feed corn producer, Missouri benefits 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.

Export Success Stories

As a major soybean producer, Missouri has benefited from the efforts of the American Soybean Association (ASA), in partnership with USDA, and various producer organizations to increase demand for U.S. soybeans and meal in a number of key markets in Asia. For example, ASA's work to distinguish the quality of U.S. dehulled soybean meal has enabled Korean importers to capitalize on the value-added U.S. product, resulting in 79,000 metric tons of exports in 2003, more than triple the 2001 level.