



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

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Wyoming produces agricultural products that are exported worldwide. In 2007, the State's total cash receipts from farming reached \$1 billion and the State's overseas sales were estimated at \$61 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.

Wyoming's top agricultural exports in 2007 were:

- feeds and fodders -- \$14 million
- feed grains and products -- \$11 million
- wheat and products -- \$10 million
- live animals and meat -- \$9 million
- planting seeds -- \$7 million

World demand for agricultural and wood products is increasing, but so is competition among suppliers. If Wyoming'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 Wyoming Agriculture

Wyoming benefited under NAFTA, when Mexico converted its import licensing system for corn to a transitional tariff-rate quota which will remain in effect until 2008. Under this new 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 Uruguay Round, the Philippines converted its import ban on corn to tariffs. Since then, the United States has exported well over 1 million tons of corn to the Philippines.

Wyoming benefited from limits set on subsidized wheat exports during the Uruguay Round. These limits influenced the EU's decision to make changes to its Common Agricultural Policy and ultimately lowered internal EU market prices to world price levels. Annual EU wheat exports dropped from 22 million tons to about 14 million tons as lower market prices stimulated domestic use. Meanwhile, annual EU wheat imports jumped from 1.5 million tons to 7 million tons as the levied margin of protection fell. This translates to an 11 percent reduction in global export competition and a 5.5-million

ton increase in EU wheat imports, a third of which is supplied by the United States.