



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

U.S. Department of Agriculture
Foreign Agricultural Service
September 2009

Nevada produces and exports agricultural products. In 2008, the state's farm cash receipts totaled \$575 million. Exports in 2008 were estimated at \$57 million. Agriculture is important to Nevada's economy. It creates jobs on farms and also supports jobs in related sectors, such as food processing, transportation, and manufacturing.

Nevada's top agricultural exports in 2008 were:

- planting seeds -- \$31 million
- vegetables – \$13 million
- wheat and products - \$5.4 million
- feeds and fodders -- \$4.1 million

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

Under the U.S.-Australia Free Trade Agreement, Nevada's vegetable industry will benefit. Australia's 5-percent tariff would be eliminated on a number of U.S. vegetable exports including potatoes (fresh, dried and flakes) and spinach. From 2001 through 2003, U.S. suppliers annually shipped on average \$21.5 million worth of vegetable and vegetable products to Australia.

Nevada benefits from NAFTA, under which 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

USDA's market development funding through the Western U.S. Agricultural Trade Association (WUSATA) and the states of Nevada and Washington sponsored five companies to participate in a trade show promoting food ingredients to food manufacturers in Guatemala, Costa Rica and El Salvador. Each company met with 5-10 food processors in each country; close to \$250,000 of sales were generated by this trade mission, with \$3.5 million projected in new sales for the first year.

A joint Market Access Program (MAP) funded project between Nevada and Washington State in April proved successful for 10 companies looking to do business in Asia. Headed by the Washington Department of Agriculture and the Nevada Commission on Economic Development, the group led the companies to two additional trade missions to Malaysia and the Philippines. Organizers set appointments for foreign buyers and American sellers as well as arranged for educational tours of the markets. On site sales topped to \$150,000 and sales for the next 12 months are estimated at \$2.1 million. The companies made excellent contacts and received valuable insight into the market.