



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

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New York produces agricultural products that are exported worldwide. In 2002, the State's cash receipts from farming totaled \$3.1 billion, and exports were estimated at \$493 million. Agricultural exports help boost farm prices and income, while supporting about 7,300 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 16 percent in 2002.

New York's top five agricultural exports in 2002 were:

- vegetables -- \$101.3 million
- wheat and products -- \$78.6 million
- fruits -- \$61.3 million
- dairy products -- \$56.6 million
- feed grains and products -- \$36.9 million
- live animals and red meats -- \$15.5 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 benefiting from a number of agricultural trade agreements. While there is still much to be done, examples of market opportunities for New York include:

- As one of the nation's larger commercial apple producers, New York benefits under the U.S.-Israel Agreement on Trade in Agricultural Products as Israel expands access to its apple market from 1,600 tons (duty-free quota) in 1995 to 1,855 tons in 2001. Currently, the quota remains at 1,855 tons and will hopefully be raised in future negotiations.
- New York benefited under the Uruguay Round as Japan, Korea and Thailand lower their tariffs on sweet corn. By 2004, Thailand will reduce its tariffs on canned and frozen sweet corn to 30 and 40 percent, and Korea will reduce its tariffs on frozen sweet corn from 60 to 54 percent. Japan reduced its tariffs on frozen sweet corn from 12.5 percent in 1995 to 10.6 percent in 2000. Supported by lower tariffs, U.S. canned sweet corn exports to Japan topped \$52 million in 2002, up 24 percent since 1995. U.S. canned sweet corn

exports to Korea hit \$14 million in 2002, up 40 percent from 1995.

- Under the Uruguay Round, the EU reduced tariffs on wine, and now the majority of U.S. wine exported face EU tariffs at 13.1 ECUs per hectoliter or about 50 cents per gallon. By, April 2000, Japan implemented its final wine duty reduction under the Uruguay Round agreement. The tariff rate on bottled wine was lowered to 15 percent. Supported by lower tariffs, U.S. wine exports to the EU more than doubled from its 1995-level reaching \$542 million in 2002. Likewise, U.S. wine exports to Japan increased from \$32 million to \$79 million. Under the U.S. –Canada Free Trade agreement, Canada reduced its cost-of-service mark-up on U.S. wines. U.S. exports of wine and products to Canada rose from \$27 million in 1990 to \$92 million in 2002.