



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

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Oregon produces agricultural products that are exported worldwide. In 2008 the State's cash receipts from farming totaled \$4.4 billion, and exports were an estimated \$1.5 billion. Agricultural exports help boost farm prices and income, while supporting about 17,374 jobs both on the farm and off the farm in food processing, storage, and transportation. Exports are increasingly important to Oregon's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 34 percent in 2008.

Oregon's top agricultural exports in 2008 were:

- wheat and products -- \$285 million
- planting seeds -- \$280 million
- fruits and preparations -- \$209 million
- vegetables and preparations -- \$133 million

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

Oregon is one of the nation's top vegetable producers. If Congress ratifies the U.S. – Australian FTA in its current form, 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, Oregon'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.

Australia generally applies lower tariffs of around 5 percent on most processed foods. If Congress ratifies the U.S. – Australian FTA in its current form, U.S. processed foods and beverages will immediately receive duty-free tariff treatment. From 2001 through 2003, U.S. suppliers annually shipped to Australia on average: breads, cakes, and pastries valued at \$4.6 million; soups and broths valued at \$80,000; wines valued at \$1.1 million; distilled spirits valued at \$56 million; and chocolate bars valued at \$1.3 million.

Export Success Stories

Portland area companies are benefiting from market development efforts in China. The APA-The Engineered Wood Association announced that one of its members recently sold and shipped about \$130,000 worth of glued laminated timber for the construction of two bridges in Shanghai, China. The two contracts - one for a three-meter span pedestrian bridge and the other for a 30-meter light vehicular traffic bridge – were the direct result of an USDA-sponsored trade mission and seminar organized in May 2004. Another Oregon-based company is providing the engineering design, consolidation and on-site erection supervision for these two bridges. These contracts represent a major step in ongoing U.S. industry efforts to gain a share of the burgeoning construction materials market in China. In fact, designs for several additional bridges have been requested.

Oregon pea and lentil producers have benefited from the USDA and USA Pea and Lentil Association market development successes. Through aggressive promotional efforts in the Philippines, they have managed to sustain and expand U.S. peas exports despite strong Canadian marketing efforts. Through trade servicing and generic promotions in Germany, U.S. lentil exports to Germany went up approximately 300 percent between 2000 and 2003. Over that time, three German packagers have begun using U.S. lentils as a premium packaged product. In addition, generic promotion of peas in Mexico has also helped to increase exports and market share in that market, as peas are now used in a snack product.

The Pear Bureau reports that a sharp increase in the export volume to Mexico is attributed to the USDA market development programs in Mexico. As a major U.S. pear producing state, Oregon reaped some of the increased trade benefits as pear exports to Mexico reached nearly \$35 million, establishing a new record level of exports to Mexico, the industry's top export market. Since 1996, U.S. pear exports to Mexico have increased over 230 percent. U.S. pear exports in the 2003/04-season reached almost \$45 million.