



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

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Utah produces agricultural products that are exported worldwide. In 2008, the State's cash receipts from farming totaled \$1.5 billion, and exports were estimated at \$448 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. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 29 percent in 2008.

Utah's top agricultural exports in 2008 were:

- wheat and products -- \$142 million
- hides and skins -- \$87 million
- live animals and red meats -- \$74 million
- dairy products -- \$41 million

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

Utah 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.

Under the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), U.S. prime and choice cuts of beef gain preferential access as applied tariffs of 15 to 30 percent are immediately eliminated (except the Dominican Republic) while those applied to other cuts are phased-out over 15 years. Tariffs on beef offal and other beef products are phased out over 5 to 10 years. As part of the agreement, all six countries are working toward the recognition of the U.S. meat inspection and certification systems, which would replace the existing policy of plant-by-plant inspections and approval.

From 2001 through 2003, U.S. suppliers annually shipped on average 4,094 metric tons valued at \$9.8 million to all six countries combined.

Export Success Stories

Washington, Oregon, Idaho, and Utah are the benefactors of joint export efforts by Northwest Cherries and the USDA under the Market Access Program (MAP). With the new acreage of cherries in the northwest coming into production, the export promotion program will be key to finding overseas markets for the expanded U.S. production. Northwest Cherries are marketed as “The Diamond of Fruit” creating a brand identity known throughout the world. Because of the successful campaign, Northwest Cherries has been able to demand higher prices and provide a product that is valued by importers, retailers, and the consumers.