



Trade and Agriculture **What's at Stake for West Virginia?**

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West Virginia produces agricultural products that are exported worldwide. In 2002, the State's total cash receipts from farming reached \$406 million, and exports were estimated at \$35 million. These industries are important to West Virginia's economy. Exports help boost farm prices and income, while supporting jobs both on the farm and off the farm in food processing, storage, and transportation.

West Virginia's top agricultural exports in 2002 were:

- poultry and products -- \$18 million
- feed and fodders -- \$5 million
- fruit and preparations -- \$3 million

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

West Virginia Benefits From Trade Agreements

West Virginia is already benefiting from a number of agricultural trade agreements. While there is still much to be done, examples of market opportunities include:

- With a large portion of its farm receipts coming from the poultry industry, West Virginia benefits under the Uruguay Round agreement because Korea eliminated its import quotas on frozen chicken, whole and parts, in 1997, and is progressively reducing its tariffs to between 18 to 20 percent by 2004. These market-opening steps supported a rise in U.S. poultry exports to Korea from 22,000 tons valued at \$28 million in 1996 to 120,000 tons valued at \$79 million in 2002.
- West Virginia benefited when the Philippines opened a tariff-rate quota for poultry meat of 16,701 tons in 1998, which will reach up to 23,500 tons by 2004. This arrangement permitted U.S. poultry exports to rise from 2,700 tons valued at \$3 million in 1997 to over 17,000 tons valued at \$14 million in 2002. Under NAFTA, poultry products, except leg quarters, thighs and drumsticks, are imported duty free as tariff-rate quotas (TRQ) were eliminated on January 1, 2003.

- West Virginia also benefited from the safeguard measure agreement between the U.S. and Mexico. The agreement places a TRQ on leg quarters, thighs, and drumsticks until 2007. From 1993 to 2001, U.S. poultry exports to Mexico rose from 164,000 tons valued at \$188 million to 280,000 tons valued at \$258 million. U.S. exports to Mexico in 2002 were hampered by outbreaks of Avian Influenza and Exotic Newcastle Disease within the United States.
- Under the 1999 U.S.-China Agricultural Cooperation Agreement, China accepts all poultry meat that is certified wholesome by USDA. Since 1999, direct exports of U.S. poultry meat rose from 77,000 tons valued at \$48 million, to more than 100,000 tons valued at \$49 million.