

# Trade Promotion Authority

## What's at Stake for Michigan Agriculture?

July 2014

Michigan is a leading producer and exporter of agricultural products, ranking 18<sup>th</sup> among the 50 U.S. states in the value of its agricultural exports in USDA's most recent calculations. The state's exports reached an estimated \$3.2 billion in 2012, up from \$2.4 billion in 2008. Michigan's exports help boost farm prices and income, while supporting about 21,100 jobs both on the farm and in related industries such as food processing, transportation and manufacturing. Export sales accounted for approximately 39 percent of total Michigan farm receipts in 2012.

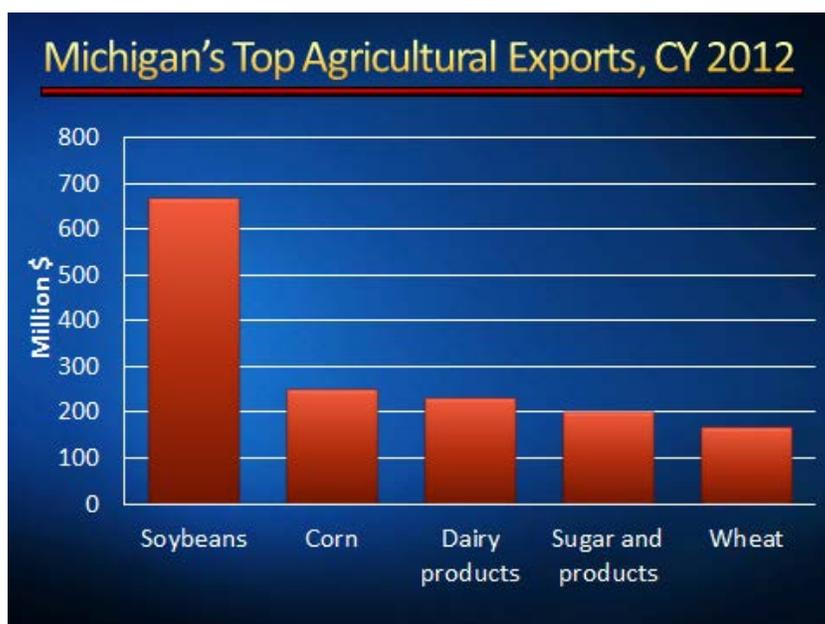
Michigan's top five agricultural exports in 2012 were:

1. Soybeans — \$669 million
2. Corn — \$251 million
3. Dairy products — \$232 million
4. Sugar and products — \$200 million
5. Wheat — \$169 million

Overall, U.S. food and agricultural exports reached a record \$140.9 billion in fiscal 2013, supporting nearly one million American jobs. Global demand for these products is growing but so is competition among suppliers.

### Trade Promotion Authority

Trade Promotion Authority is a critical tool in our efforts to seek approval of trade agreements that support and create U.S. jobs while helping American agriculture to compete more successfully in an ever-expanding global marketplace. Right now, the United States is negotiating two critical trade agreements – the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (T-TIP). Trade Promotion Authority will help ensure that America's farmers, ranchers, and food processors receive the greatest benefit from these negotiations.



### Agriculture Benefits from Free Trade Agreements

In countries where the United States has free trade agreements, exports of U.S. food and agricultural products have grown significantly. Examples include our pacts with Colombia, Panama, and South Korea that took effect in 2012; CAFTA-DR, under which our free trade relationships with five Central American countries and the Dominican Republic began between 2006 and 2009; and the U.S.-Chile free trade agreement, which entered into force in 2004.

- **Soybeans, soymeal, and soy oil** exports to Korea, Colombia, and Panama increased from \$593 million in 2011 to nearly \$770 million in 2013.
- **Wheat** exports to Central America and the Dominican Republic grew from \$257 million in 2005 to almost \$530 million in 2013. Wheat exports to Chile increased from \$36 million in 2003 to almost \$185 million in 2013.
- **Dairy** exports to Korea, Colombia, and Panama grew from \$264 million in 2011 to almost \$378 million in 2013. Dairy exports to Central America and the Dominican Republic increased from \$68 million in 2005 to more than \$170 million in 2013. Dairy exports to Chile rose from \$3 million in 2003 to almost \$54 million in 2013. In addition, U.S. dairy exports to Singapore increased from \$8 million in 2003 to more than \$90 million in 2013 thanks to the free trade agreement that took effect in 2004.