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THE LEADER



TRADE MATTERS

American farmers export a little more than 20 percent of everything they grow and raise. In recent years, our top five trading partners have accounted for about 50 percent of all agricultural exports, which demonstrates just how important those markets are. Trade matters to American farmers.

In 2017, U.S. agriculture exports to China – our second largest market at the time – were valued at \$19.6 billion. That figure is forecasted to be just \$6.5 billion in 2019, a whopping \$13 billion decline in only two years. That's a huge loss for farmers.

A recent article from American Farm Bureau highlighted the impact of retaliatory tariffs on the hardwood industry, citing a 43 percent decrease in exports to China since mid-2018. Another article

cited a 53 percent drop in soybean exports to China due to tariffs and the African Swine Fever epidemic in the country.

In North Carolina, major commodities like pork, poultry, tobacco, and soybeans rely heavily on China and other foreign markets. And it's worth noting that rural economies are particularly dependent on agricultural trade, with Sampson, Duplin, and Wayne counties exporting more than \$100 million of agricultural products in 2016. Trade matters to rural North Carolina.

North Carolina agriculture generates \$91.8 billion each year and supports one out of about every six jobs in our state. If we want North Carolina agriculture and the state economy to grow, then trade matters.

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Growth requires consumers. No matter how much farmers grow, someone has to buy it. There are nearly 330 million people in the United States, the third largest population in the world, but that's less than 5 percent of the world's population. International markets provide valuable opportunities for American farmers to sustain and expand their businesses to the other 95 percent of the world.

Valued at \$3.6 billion in 2017, the state ranked 13th nationally in ag exports and grows several high value commodities like pork, poultry, tobacco, soybeans, forestry products, sweet potatoes, and cotton. Free and open trade in international markets provides North Carolina farmers a golden opportunity to grow as consumer income rises and dietary preferences

expand overseas. Conversely, barriers to free trade stifle profitability and discourage productivity. For example, the recent trade dispute with China has taken its toll on farmers who grow these export sensitive commodities like tobacco, which saw farm receipts plummet from \$161 million to just \$4 million from 2017 to 2018. As a result, North Carolina is on course to harvest the smallest tobacco crop since World War II.

The bottom line is this: whether selling close to home or around the world, North Carolina farmers and agribusinesses will be more profitable by having access to more markets and more consumers.

N.C. Top Export Commodities (value in millions)

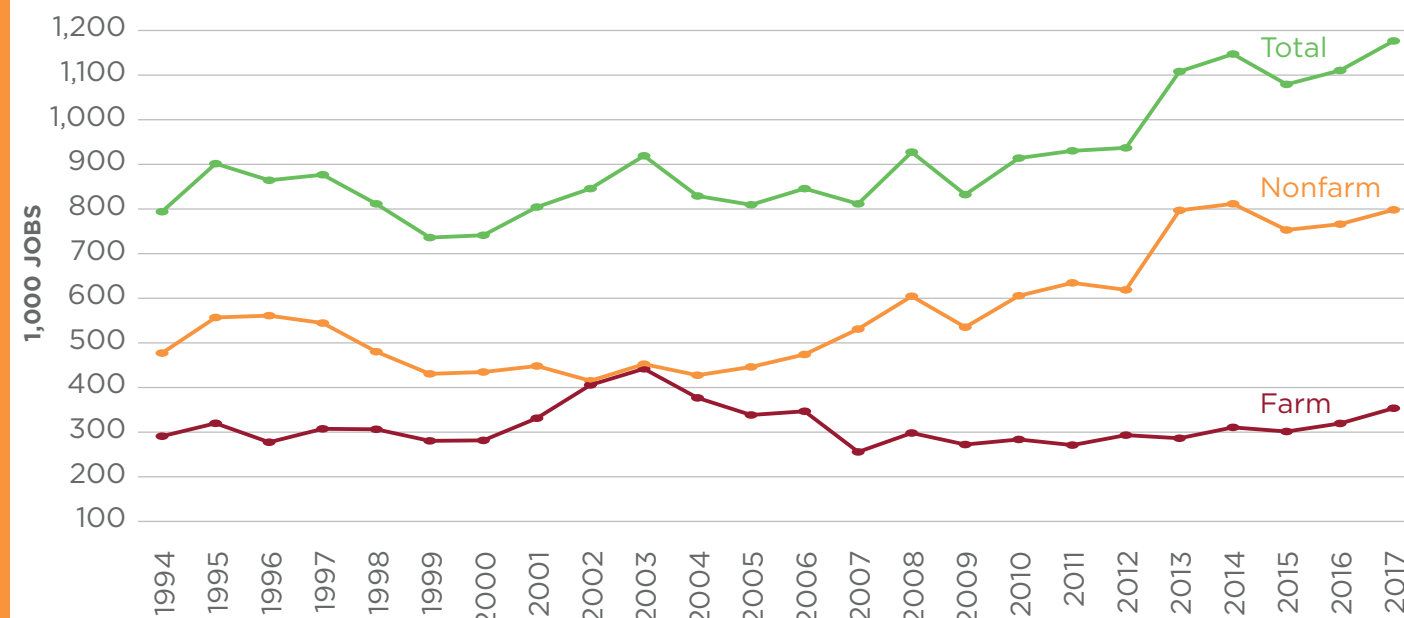
	2013	2014	2015	2016	2017
Pork	727.9	724.1	610.9	654.0	721.4
Poultry/eggs	689.2	668.4	507.4	544.4	560.2
Tobacco	559.7	538.4	546.0	543.0	504.4
Forest Products	414.8	508.8	425.0	404.1	479.4
Soybeans	391.9	380.3	337.6	273.9	321.0
Cotton	360.8	255.5	182.7	112.4	151.0

N.C. Total Agricultural Exports (value in billions)

Total Animal Products	1.654	1.615	1.299	1.357	1.461
Total Plant Products	2.667	2.642	2.273	2.031	2.163
Total Agricultural Exports	4.322	4.078	3.573	3.389	3.624

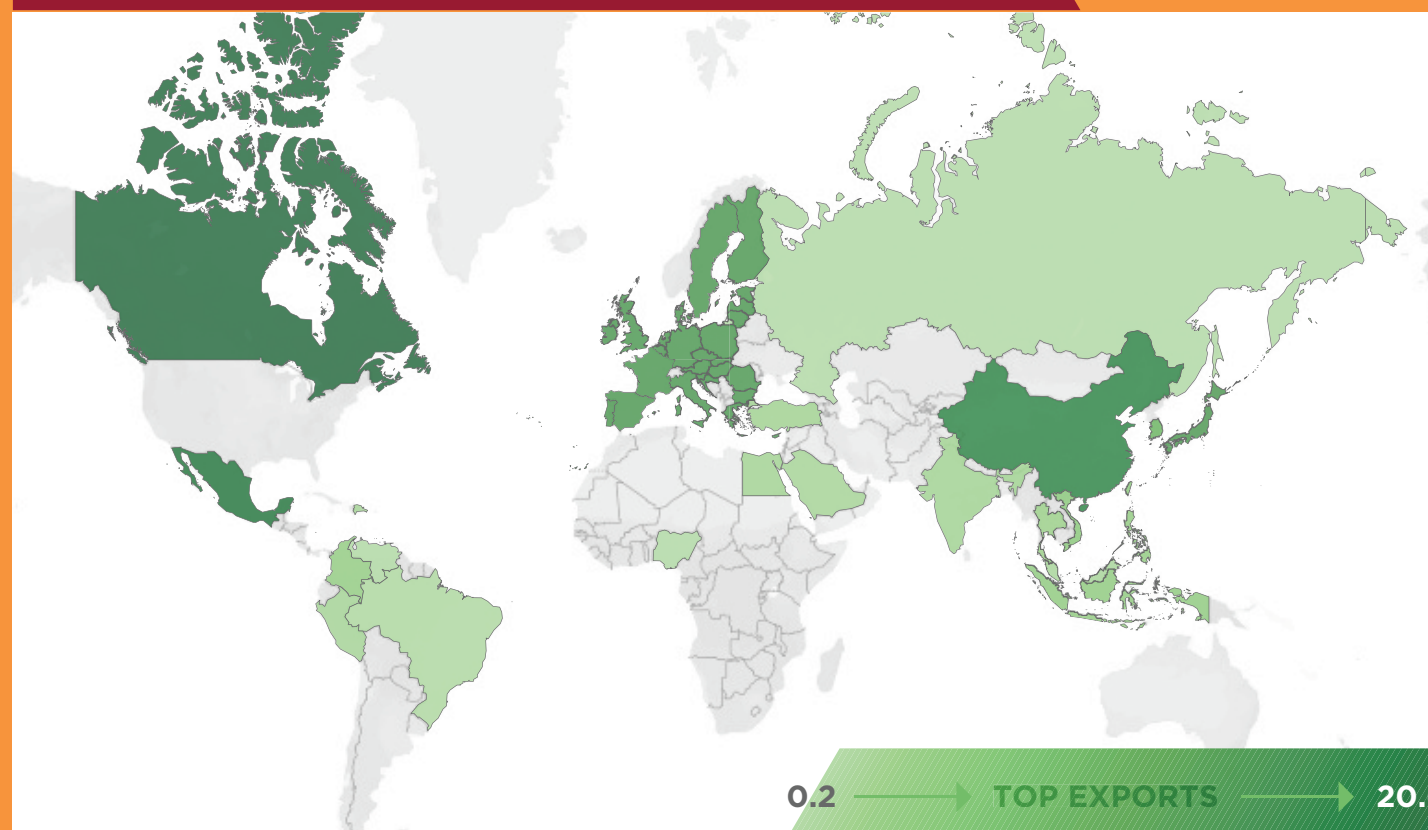
(excludes forest products)

U.S. Agricultural Exports Supported Jobs Outside Farming



Total U.S. Agricultural Exports (billion dollars)

FY 2018



U.S. Top Agricultural Export Markets (value in billions)

	2016	2017	2018	2019 (forecast)
Canada	20.3	20.5	20.7	21.5
Mexico	17.7	18.6	19	19.7
EU Nations	11.6	11.5	13.5	13.4
Japan	10.6	11.9	12.9	12.6
China	19.2	19.6	9.2	6.5