



OREGON
DEPARTMENT OF AGRICULTURE

WHY TRADE MATTERS TO OREGON AGRICULTURE

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WHY TRADE MATTERS TO OREGON

- Oregon (all sectors) had a record \$22 Billion in export sales in 2016
 - Almost \$2 billion in agricultural exports out of \$5 billion annually for total farmgate value
 - Over \$800 mill. in new expected sales from WUSATA projects in 2016
- Top Markets: China, Malaysia, Vietnam, Canada, Japan, Korea, Taiwan
- 95% of global consumers outside the US
- Youth concentration and expendable incomes rising most rapidly in East Asian markets

Oregon Exports, Jobs, & Foreign Investment

Oregon Depends on World Markets

- Exports from Oregon helped contribute to the \$2.21 trillion of U.S. goods and services exports in 2016.

Exports Support Jobs

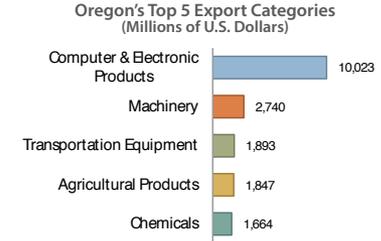
- Nationally, U.S. jobs supported by exports reached an estimated 11.5 million in 2015, up 1.9 million from 2009.

Exports Sustain Thousands of Oregon Businesses

- A total of 6,084 companies exported from Oregon locations in 2014.

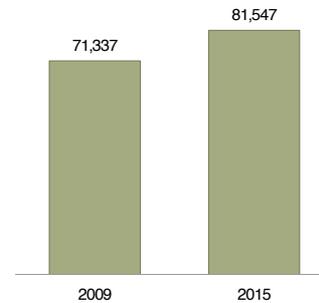
\$22.0 billion

Oregon goods exports in 2016



Jobs Supported by Oregon Goods Exports

Up by 10 Thousand Jobs Since 2009



81,547

U.S. jobs supported by goods exports from Oregon in 2015

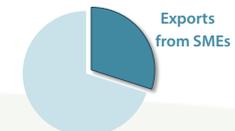
96% of these jobs were supported by manufactured goods exports

5,390

Number of small and medium-sized (SME) goods exporters in Oregon in 2014

SMEs account for **89%** of Oregon goods exporters

...and **30%** of known Oregon goods export value

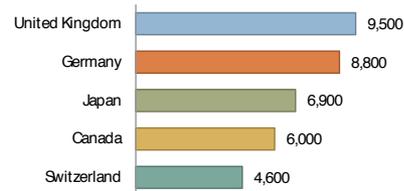


Oregon Exports, Jobs, & Foreign Investment

Foreign Investment & Jobs in Oregon

- In 2014, foreign-owned companies employed 52,800 Oregon workers

Oregon Employment in Foreign-Owned Companies
Number of Employees by Country of UBO



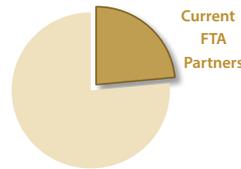
3.6%

Share of Oregon private-industry employment at foreign-owned firms

Free Trade Agreements

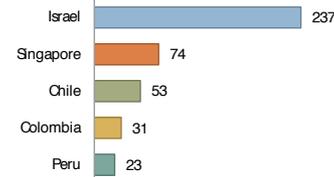
- The U.S. currently has 14 free trade agreements in force with 20 countries.
- Oregon's exports to U.S. FTA partners totaled \$5.2 billion in 2016.

In 2016, exports to FTA markets accounted for **24%** of Oregon exports



Since 2006, exports from Oregon have grown to several FTA markets

Top Dollar Growth, 2006-16
(Millions of U.S. Dollars)



Oregon's Metropolitan Exports

- Portland-Vancouver-Hillsboro is the 19th largest metro area reporting exports nationwide.

Metro Area	2015 Goods Export Value	Share of State Exports
Portland-Vancouver-Hillsboro	\$18.8 billion	*
Albany	\$650 million	3.2%
Eugene	\$400 million	2.0%
Salem	\$385 million	1.9%
Corvallis	\$238 million	1.2%
Medford	\$233 million	1.1%
Bend-Redmond	\$149 million	0.7%
Grants Pass	\$50 million	0.2%

*Share of state exports unavailable for MSAs that cross state lines

Prepared by the Office of Trade and Economic Analysis, International Trade Administration, U.S. Department of Commerce.

For more resources please see www.trade.gov/mas/ian. Sources include resources from the U.S. Department of Commerce's International Trade Administration, Bureau of the Census, and Bureau of Economic Analysis.

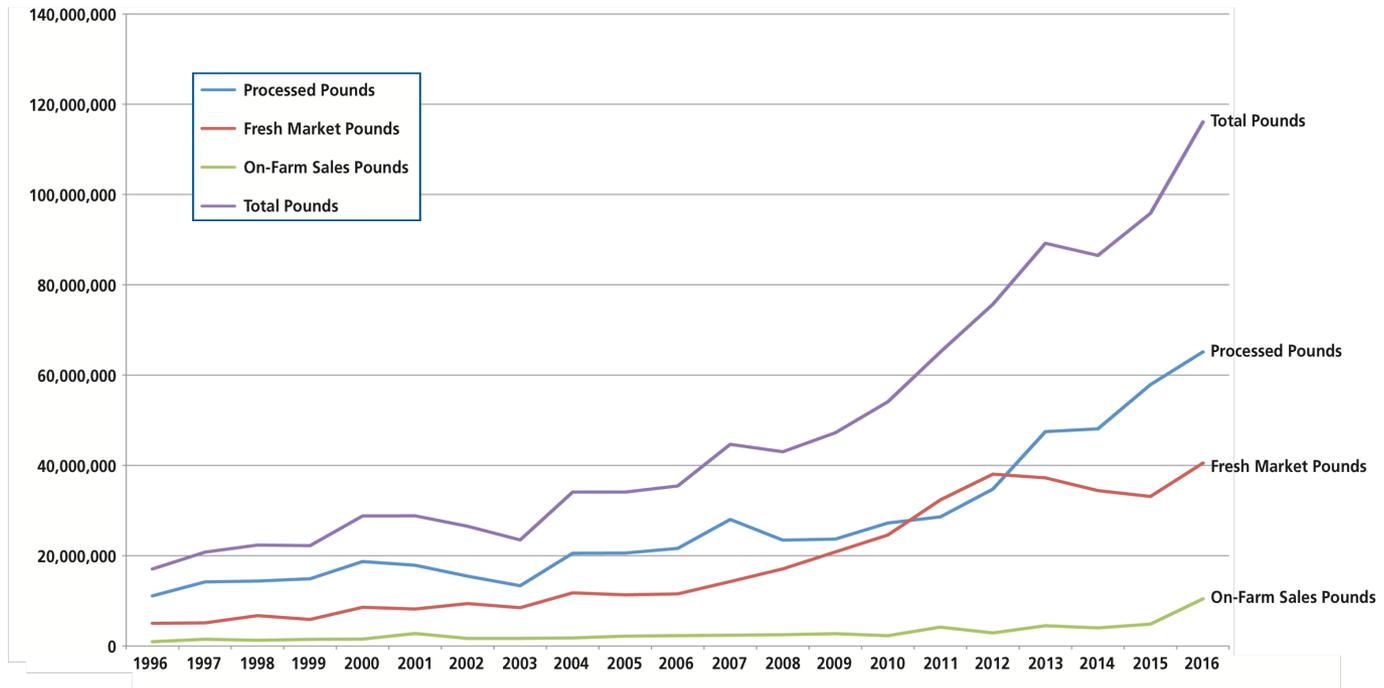


WHAT BENEFITS DO EXPORTS HAVE TO OREGON AGRICULTURE?

- **Stabilize prices**
- **Provide increased jobs and ancillary job growth – transportation, storage, marketing, etc.**
- **Maintain diversity in size, commodity and scale**
- **Maintain growth in agricultural sector**



OREGON BLUEBERRY MOVEMENT • 1996-2016

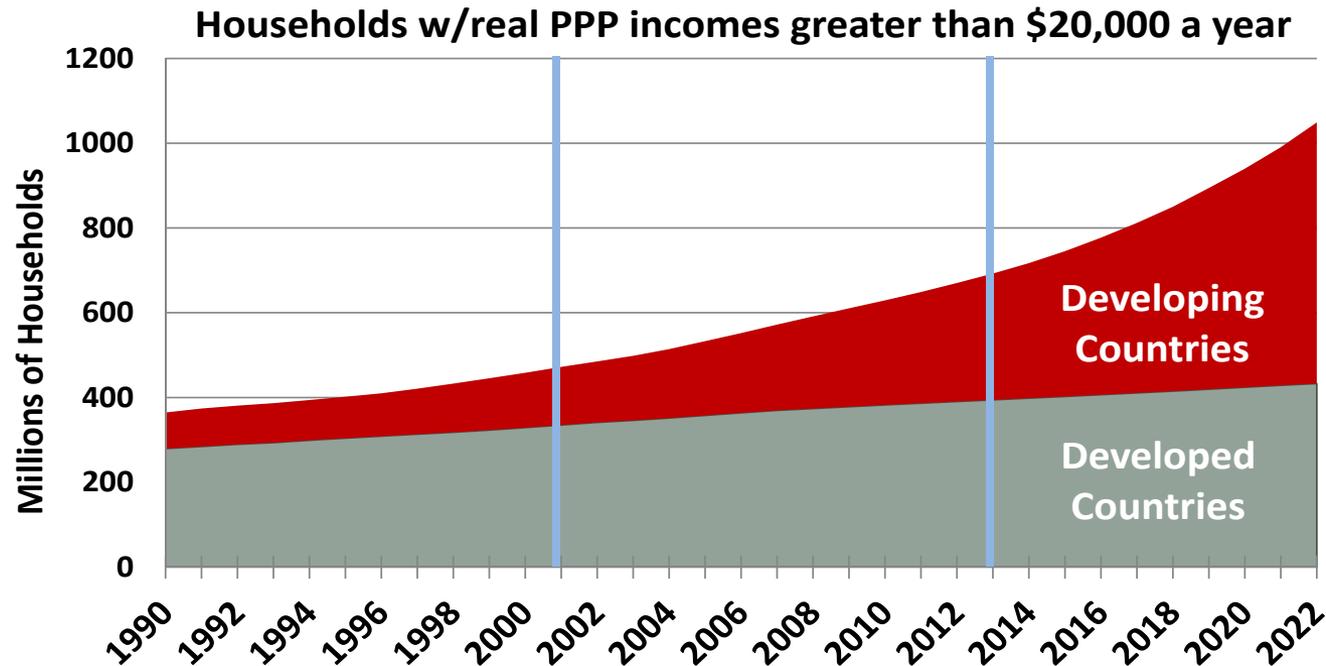




Population:

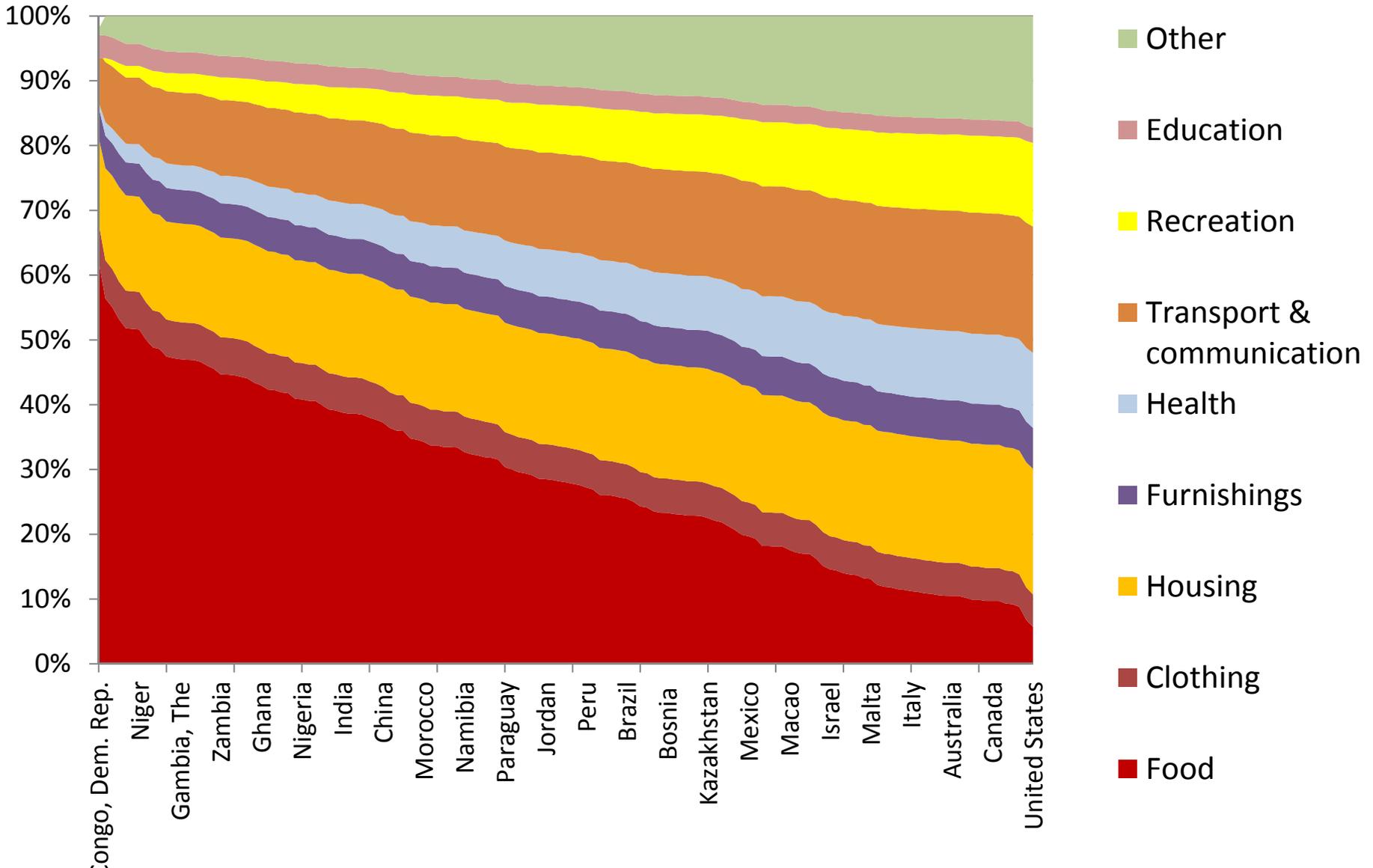
Global “Middle Class” is Expected to Increase to 1 Billion Households by 2022

Middle class in developing countries projected to increase over 120% by 2022 vs. just 11% in developed countries.



Additional Dollar of Income: How Is It Spent?

Lower income countries spend much of that additional income on food



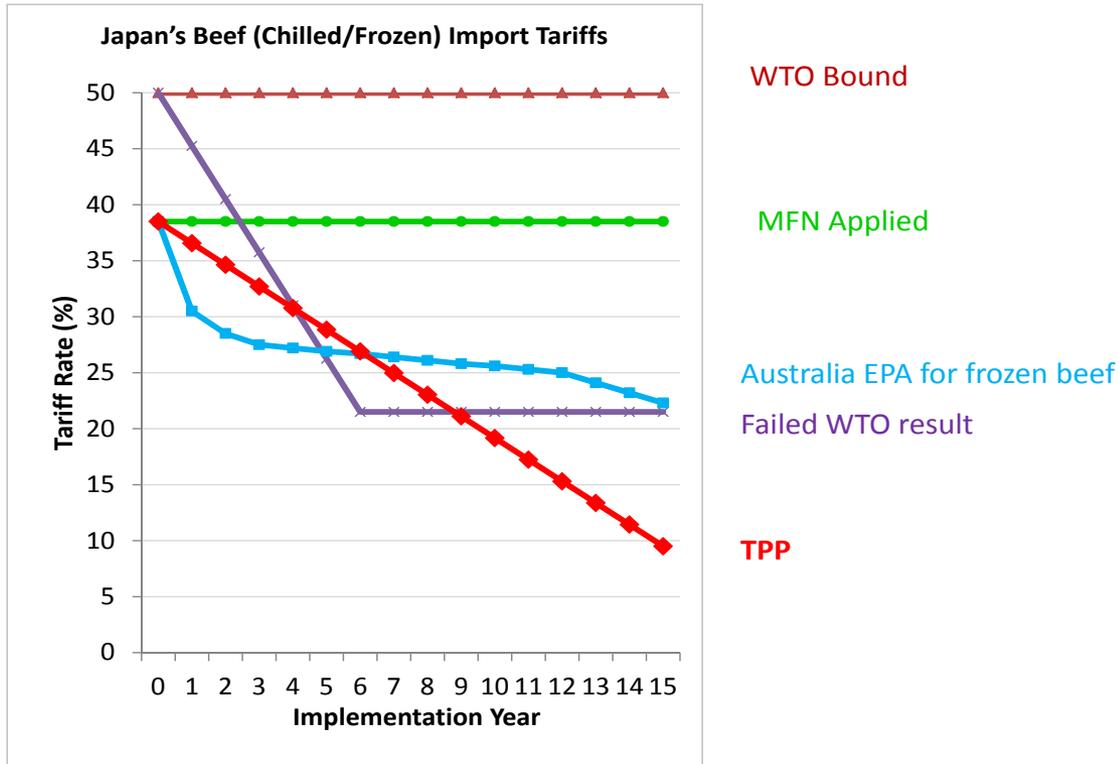


TRADE POLICY CONTEXT

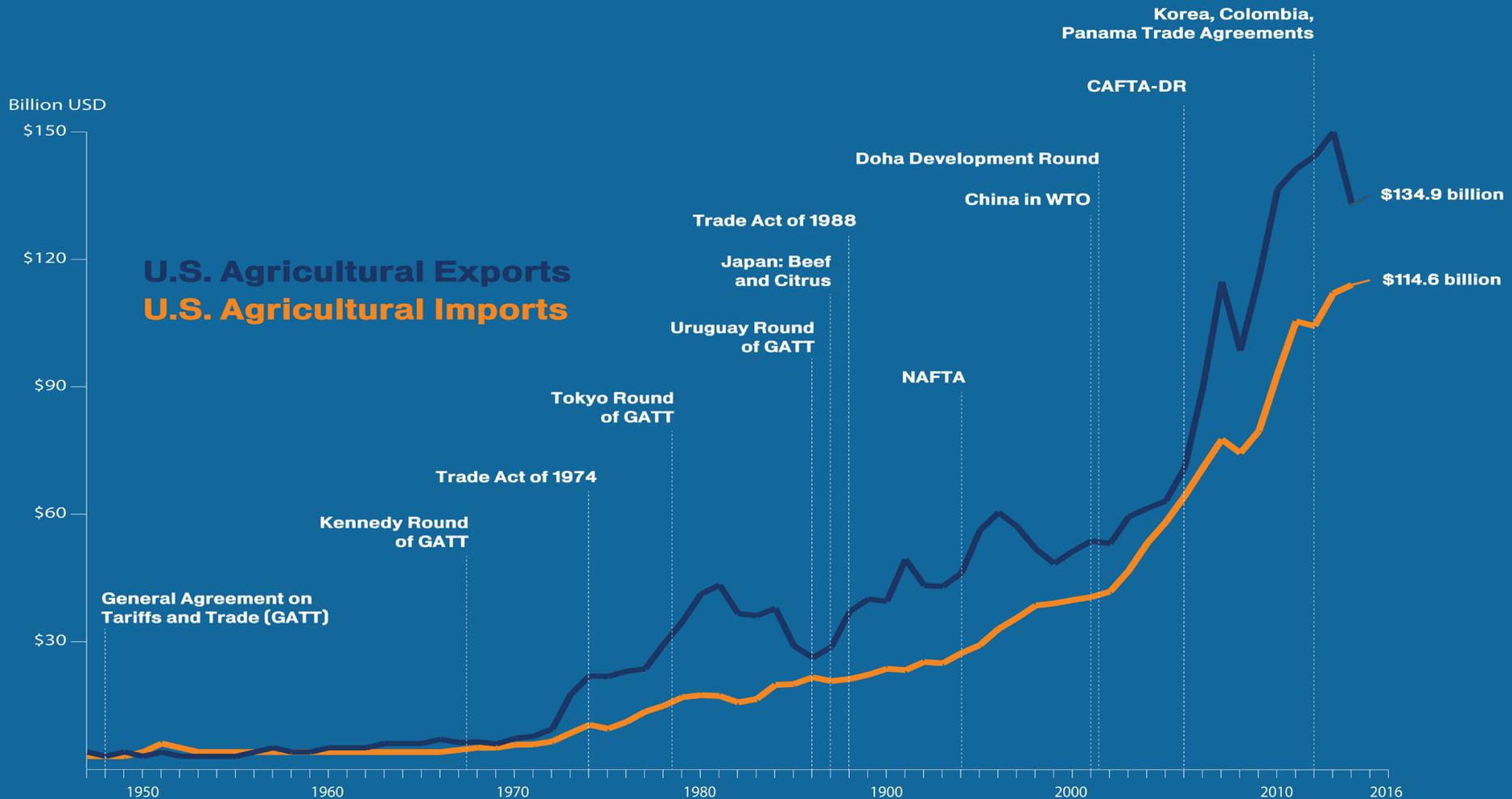
- **US pulls out of TPP agreement and refuses to ratify. TPP11 moving forward.**
 - TPP11 countries will likely move forward and realize those tariff gains
- **US begins renegotiation of NAFTA**
- **Canada, EU, Australia and New Zealand actively working toward trade agreements to capitalize on growing Asian markets**



TPP Illustration (Japan Beef Tariff)



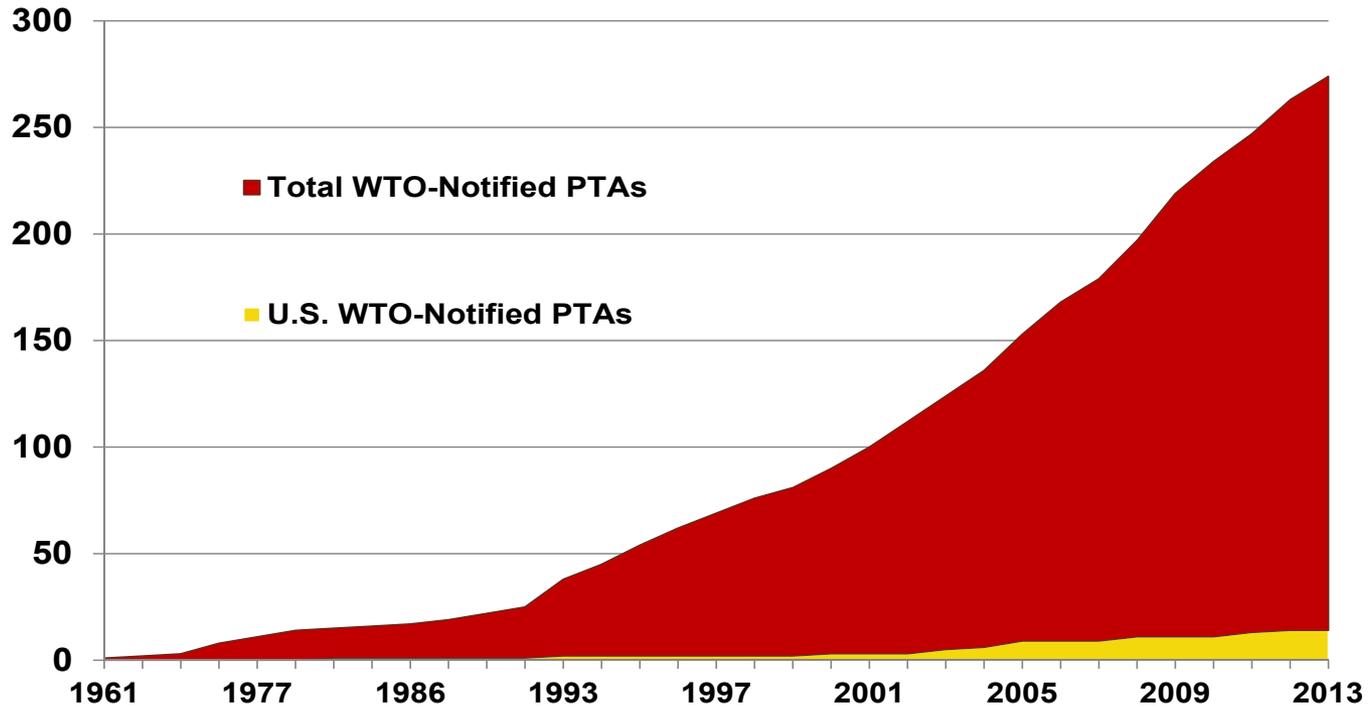
Trade Agreements Create Opportunities for U.S. Agriculture





As WTO Stalls, Countries Turn to FTAs for Market Access. U.S. Falling Behind.

Global Preferential Trade Agreements



Source: WTO



CHALLENGES

- **Current federal administration's policy on trade**
- **Transportation and Oregon infrastructure causes delays**
- **Consumption decreasing in historically key markets**
- **Oregon does not have a coordinated, strategic direction on trade and FDI**
- **Oregon is not well known internationally as a destination or brand**



OPPORTUNITIES

- **Trade creates rural economic growth – manufacturing, food processing, seafood**
- **Value-added food processing**
 - **Less subject to tariff inequities from free-trade agreements**
- **FDI incentives and open policy statement**
- **Branding increases even more value**
- **Investment in road & rail infrastructure and access**



Ag Development & Marketing Strategy:

A coordinated, focused global strategy to promote and enhance the Oregon brand overseas, both as a destination for investment and as a source of high quality goods and services.

Key markets:

Japan
China

Canada
SE Asia

2018 Focused Director's Trade Missions:

China
Canada