

Factsheet

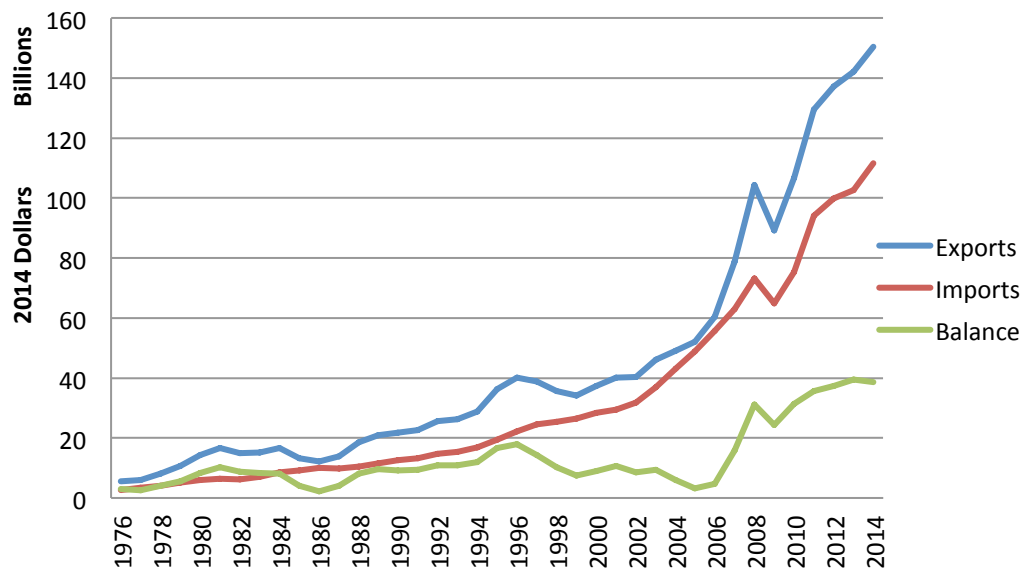
# Agricultural Exports

## How transportation keeps U.S. farmers competitive in a global market

### Agricultural Exports & the U.S. Economy

- **Agricultural Exports are a Growing Part of the U.S. Economy** - Since 1976, the real value of U.S. agricultural exports has grown at an annual rate of 9%, while net exports have increased at a rate of 7%. Total U.S. agricultural exports are valued at \$141 billion or 10% of all exports. (JEC, 2013<sup>1</sup>)

#### Agricultural Exports by Dollar Value (1976-2014)

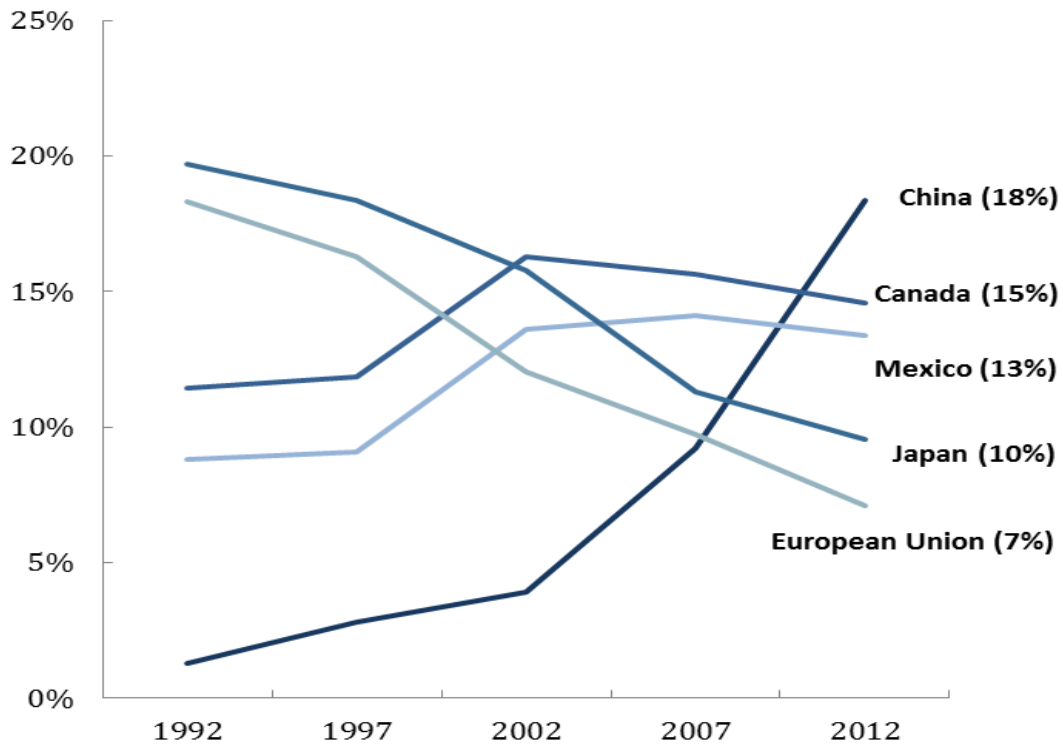


Source: U.S. Census, International Trade Data

- **Agricultural Export Markets are Changing** - Historically, Canada, Mexico, Europe, and Japan have been the biggest buyers for U.S. agricultural exports. Since 2012, however, China (which accounted for 1% of exports in 1992) has surpassed Canada as the largest export destination for U.S. agricultural products, accounting for 18% of all export sales in 2012 (JEC, 2013), as shown in over.

<sup>1</sup>Joint Economic Committee; "The Economic Contribution of America's Farmers and the Importance of Agricultural Exports" Sept 2013

### Share of U.S. Agricultural Export Sales by Country (1992-2012)



Source: Joint Economic Committee, 2013<sup>2</sup>

- **Agriculture Supports the Broader Economy** – Agriculture makes up about 1 percent of the U.S. economy and sustains nearly 1.3 million jobs. (BEA, 2014<sup>3</sup>) Agriculture also sustains additional American jobs in industries like food production, distribution and retailing. Each \$1 billion of agricultural exports supports 6,800 American jobs. (JEC, 2013<sup>4</sup>)

### Soybean Production & Exports

Soybeans are the second largest U.S. crop after corn in terms of total production. As with corn, soybeans are primarily grown in the Midwestern states, but a larger share of U.S. soybean production is exported, primarily to Asia, Canada or Europe. According to the United Soybean Board, the U.S. continues to be a major player in global soy markets, primarily as an exporter of soybeans, but competition from

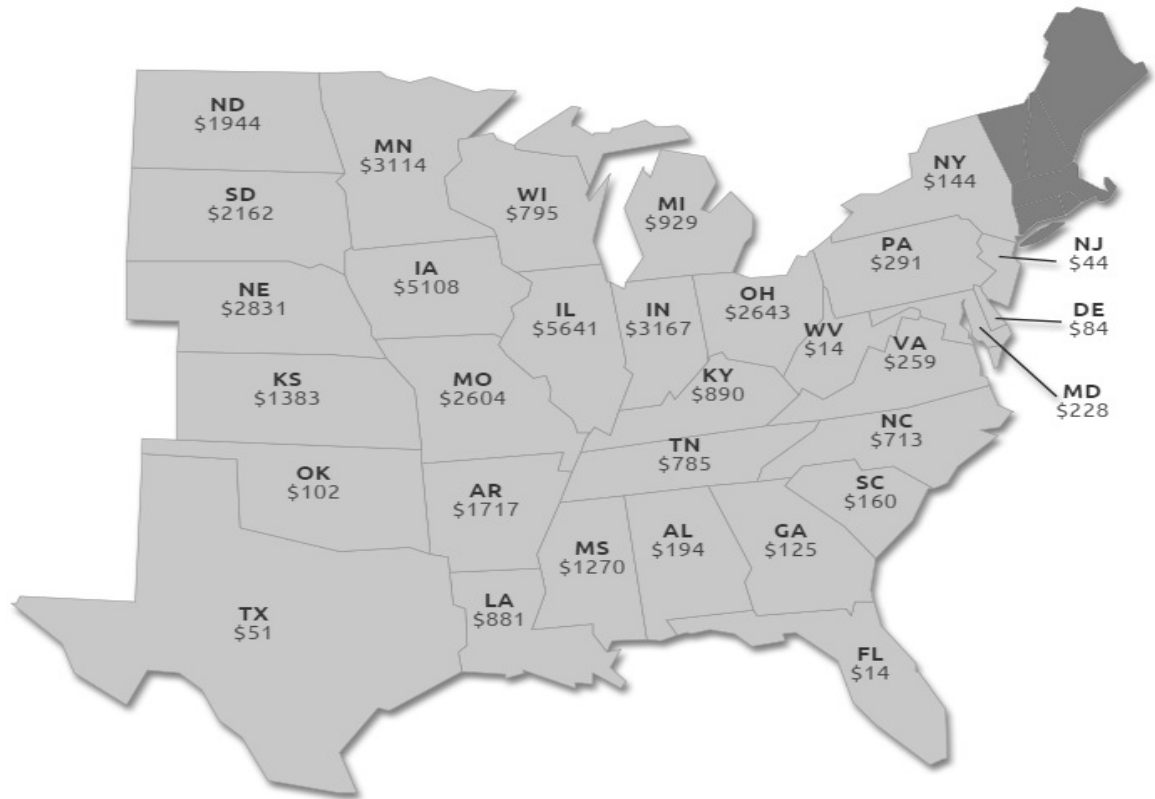
<sup>2</sup> Joint Economic Committee. "The Economic Contribution of America's Farmers and the Importance of Agricultural Exports" 2013

<sup>3</sup> Bureau of Economic Analysis; National Product Accounts

<sup>4</sup> IBID

other producer countries is a threat and low cost, reliable multimodal transportation systems are key to keeping the U.S. competitive.

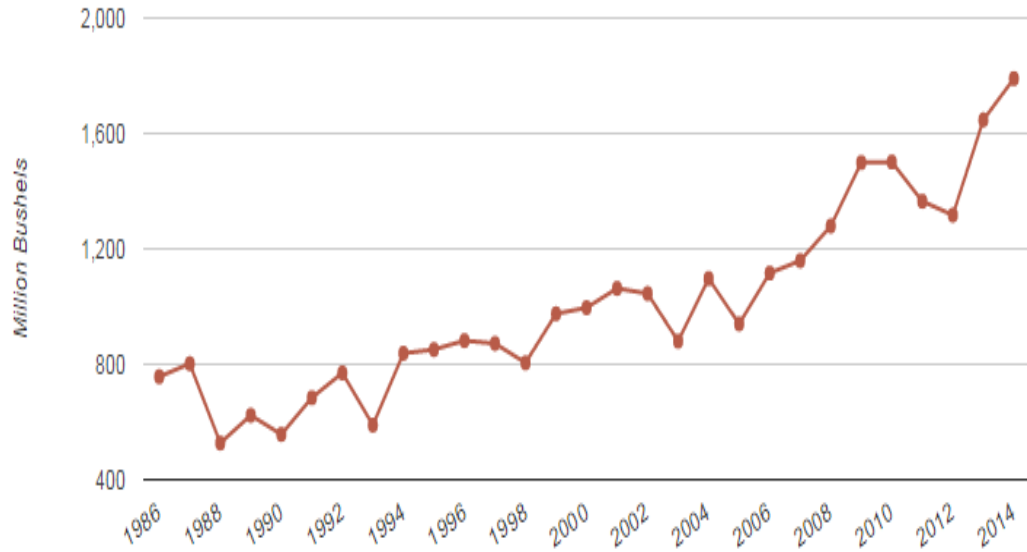
**Soybean Crop Value by State (Millions of Dollars)**



Source: Soystats.com

- **Soybeans are Often Exported Overseas** - Domestic demand for soybeans and soybean products is important, but most of the growth in U.S. soybean production is, and will continue to be, in exports of beans and of animal products based on consumption of domestic soybean meal. Significant opportunities have arisen in China, and this was the focus of attention in recent years. Exports to China now account for roughly one quarter of US production.

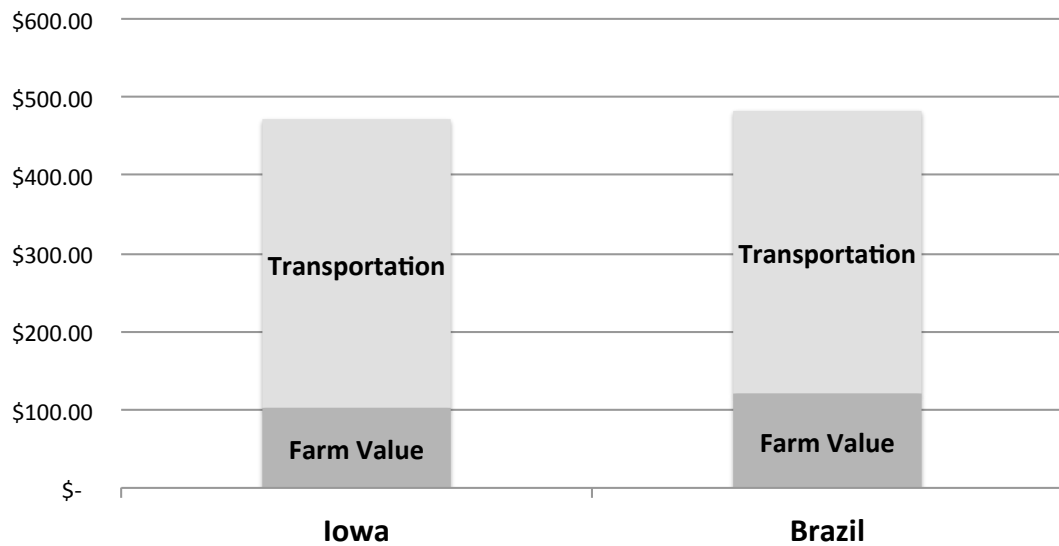
### Soybean Exports (1986-2014)



Source: Soystats.com

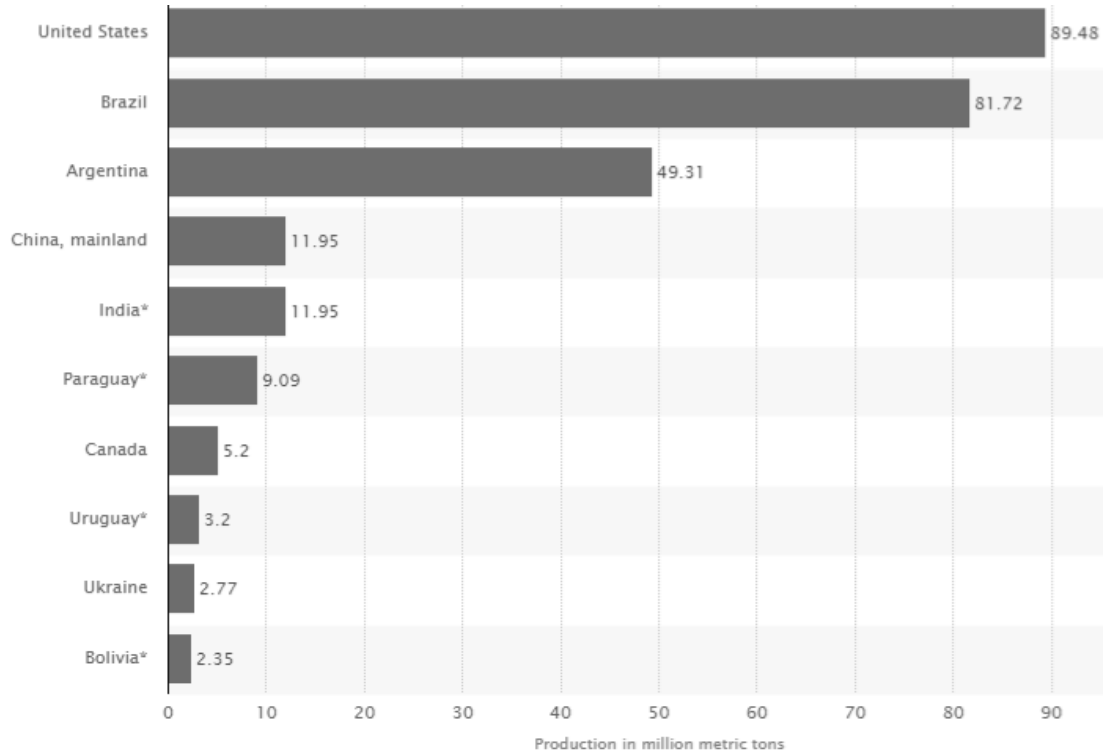
- Competition Among Soybean Exporting Countries is Tough** - Competition in export markets remains tough as South American soybeans increase their market share. Brazil has emerged as a major soy producer and exporter as a result of improvements to its inland rail and road infrastructure that better connect Brazil's soy-growing areas with its ports.

### Cost of Transporting Soybeans: Iowa vs. Brazil (Q4 2014)



Source: US Department of Agriculture

### Major Soybean Producing Countries (2013)

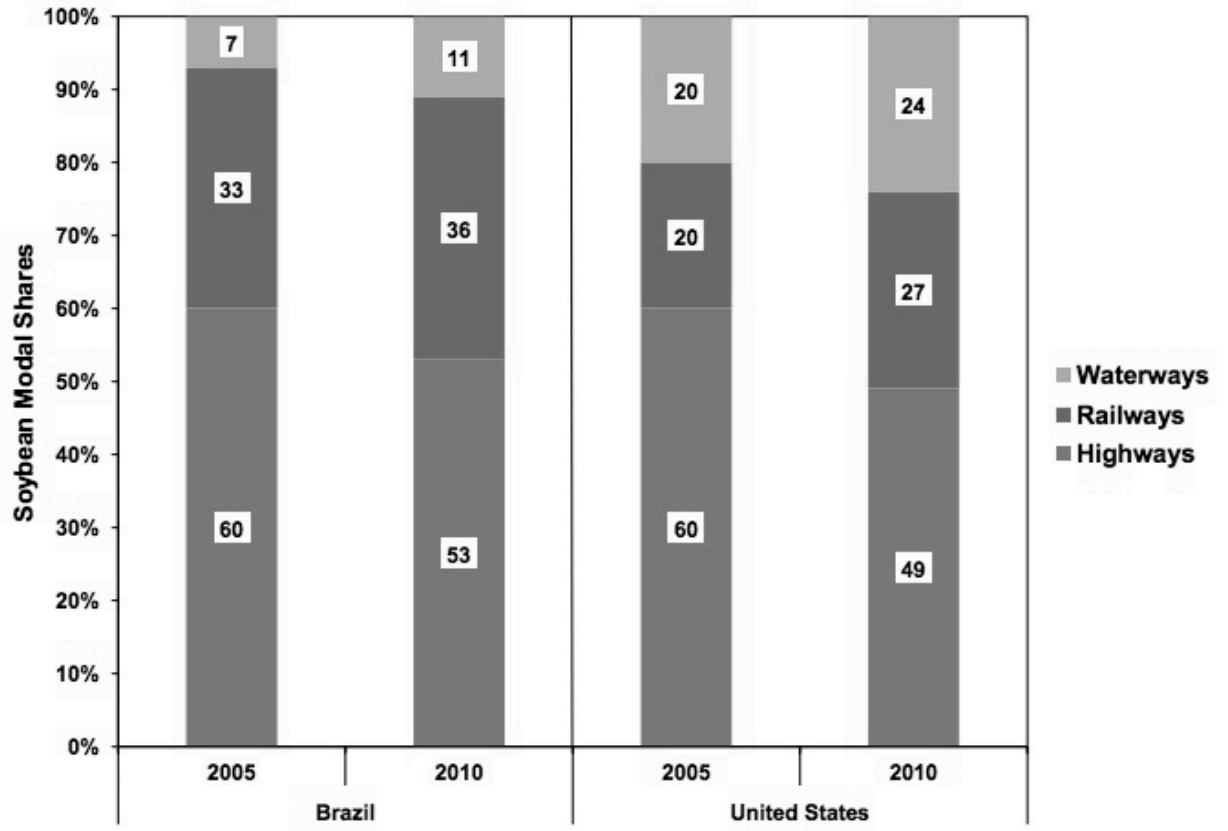


Source: Statista.com

### Agricultural Export-related Transportation Challenges

- **Exporting Agricultural Exports Requires Multimodal infrastructure** – As the Soy Transportation Coalition explains, “U.S. agriculture is a 21st century industry utilizing an early 20th century rural infrastructure.” When rural roads and bridges were designed and established, the reality of agriculture and rural America was vastly different than it is today. If this critical system is not enhanced to accommodate modern day agriculture, the ability of farmers to feed the world will be diminished. Agricultural exports of all kinds depend on multimodal transportation infrastructure – particularly roads, rails, inland waterways and ports - to move products from farms to consumers overseas, as shown in the chart over.

**Brazil and United States Soybean Modal Shares to Domestic and Export Positions**



Source: "Farm to Market: A Soybean's Journey" (Funded by the Soybean Checkoff)