GROWING AGRICULTURAL EXPORTS: VIRGINIA’S AGGRESSIVE TRADE AGENDA

SOUTHERN LEGISLATIVE CONFERENCE

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JULY 30, 2012
Who, What, When, Where & Why?

- Why are agricultural exports important?
- Where does Virginia export agricultural products?
- Who is exporting from Virginia?
- How is Virginia increasing agricultural exports?
- What success have we achieved?
- Why should I care?
- Where do we go from here?
IMPACT OF AGRICULTURE & FORESTRY

- Commonwealth’s Largest Two Industries

- Economic Impact: Almost $80 Billion Annually
  - $55B From Agriculture; $24B From Forestry

- Provides Nearly 500k Jobs Via Production, Value-Added & Ripple Effect Industries

- More Than 10% of all VA Jobs; Every Industry Job Supports 1.5 Jobs Elsewhere
AG EXPORTS FROM THE SOUTH

- ALABAMA, $1.1 billion
- ARKANSAS, $1.2 billion
- FLORIDA, $4.2 billion
- GEORGIA, $2.9 billion
- KENTUCKY, $1 billion
- LOUISIANA, $21.9 billion
- MISSISSIPPI, $600 million
- MISSOURI, $1.9 billion
- NORTH CAROLINA, $2.8 billion
- OKLAHOMA, $600 million
- SOUTH CAROLINA, $650 million
- TENNESSEE, $1.8 billion
- TEXAS, $11.6 billion
- WEST VIRGINIA, $100 million

Source: GTIS, using data from U.S. Census Bureau
IMPORTANCE OF AG EXPORTS

- Exports Mean Jobs & Opportunities

- USDA: Exports Generate Nearly 30% of Annual Farm Cash Receipts

- Every $1.00 From Exports Creates Another $1.40 in Support Activities: Processing, Packaging, Financing & Shipping

- Export Related Jobs Pay Average of 15% More Than Other Jobs
Ag & Forestry Secretary’s Focus

- Act as Ambassador, Chief Marketing Officer
- Mindset: “Buy Local – Sell Global”
- Utilize Governor, C&T Secretariat, VEDP, VPA
- Build Strong Partnerships with Private Sector
- Increase Virginia’s Global Presence
- Capitalize on Diverse Market, Product Portfolios
Record $2.35B in Ag/Forestry Exports

2%, 6% Above Previous Highs in ‘09, ’10

Soybeans, Grains, Meat Products Driving Growth

Asia, North Africa Regions Help Spur Increase

Great News; Trade Barriers Continue to Impact
**Virginia's Top Export Markets**

- Morocco, $360 million
- China, $304 million
- Canada, $220 million
- Switzerland, $149 million
- Egypt, $139 million
- Tunisia, $66 million
- Cuba, $65 million
- Venezuela, $60 million
- Indonesia, $57 million
- Taiwan, $56 million
- Vietnam, $52 million
- Saudi Arabia, $52 million
- Hong Kong, $47 million
- Jamaica, $47 million
- Japan, $41 million
- Ireland, $39 million
- Turkey, $38 million
- Brazil, $37 million
- Mexico, $36 million
- United Kingdom, $31 million
Diversity of Virginia’s Agriculture

- Poultry: 32%
- Meat Animals: 17%
- Miscellaneous Livestock: 9%
- Milk: 13%
- Greenhouse & Nursery: 8%
- Fruits & Nuts: 1%
- Vegetables: 4%
- Field Crops: 16%
Virginia’s Top Agricultural Exports

- Soybeans
- Soybean Meal, Oils
- Grains (Wheat, Corn, Feed)
- Pork
- Poultry
- Leaf Tobacco
- Wood Products
- Fats & Oils
- Cotton
- Seafood & Aquaculture Products
- Fresh Vegetables, Fruits
- Hides & Skins
- Processed Food Products
- Beverages (Alcohol, Non-Alcohol)
- Rendered Products
KEYS TO VIRGINIA’S GLOBAL SUCCESS

- Growers/Producers Offering Product Diversity
- Strategic Mid-Atlantic Location
- World-Class Air, Land, Sea Ports; Excellent Rail & Interstate System
- Business Friendly Climate
- Public Sector Recognizing Importance of Exports
Full Integration of Agriculture and Forestry Industries Into Virginia’s Economic Development and Jobs Creation Strategic Plan
VA’S PRINCIPALS IN GROWING EXPORTS

- “No Silos” Approach to Leading
- Governor McDonnell – “Bob’s For Jobs”
- Secretaries of Ag & Forestry / Commerce & Trade
- Partners at VPA, VEDP, VTC, VT & VSU
- VDACS Division of Marketing & Development
STRATEGIES TO GROW AG EXPORTS

- Strong Partnerships with Private Sector Companies
- Focus on Retaining Solid Market Presence in Mature & Established Markets
- Pursue Growth Opportunities in Emerging Markets
- Develop Business in “Unconventional” Markets
- Preserve Farmland; Keep Farming Profitable
EXAMPLE: OPPORTUNITIES IN CHINA

- Food and agricultural imports from the U.S. are growing at 20-30% each year
- U.S. products are seen as safe and high quality
- China’s purchases match well with the basket of ag. products grown/produced in Virginia
- Growing market recognition for Virginia. Last year, Virginia ranked twelfth among U.S. states in terms of the value of agricultural sales to China
- Membership in WTO provides some leverage for U.S.
VA’S COMMITMENTS TO GROWTH & SUCCESS

- New State Funds for Trade Reps in Key Markets
  - Offices in Shanghai & New Delhi to support HK Office
  - Preparing for Offices in Latin America & Europe

- Gubernatorial Missions in US, EU, Asia, India & Israel

- Secretary of Agriculture & Forestry Missions
  - US, EU, Asia, Canada, India, Israel, Cuba

- VDACS Division of Marketing & Development
  - Missions: US, Canada, Russia, Turkey, UK, Japan, Others
  - Reverse Trade Missions: S. Korea, Malaysia, Vietnam, Others
VA’S COMMITMENTS TO GROWTH & SUCCESS

- Advocating Open & Fair Trade Policies
  - Colombia, Panama, S. Korea FTAs

- Battling Artificial International Trade Barriers
  - China: Poultry, Hardwood/Softwood Logs
  - India: Leaf Tobacco, Poultry, GMO Products
  - European Union: Poultry, GMO Products
NEW EXPORT GROWTHS & SUCCESSES

- More than $150 Million in New Ag Exports During McDonnell Administration…
  - Soybeans, Wine, Logs, Seafood and Peanuts to China, Hong Kong
  - Wine, Specialty Foods, Seafood to European Union
  - Soybeans to Japan
  - Livestock to Russia and Canada; First Shipment

- More than $500 Million in Contracts for 2012-13
2012 Commitments to Growth & Success

- Creation of Governor's Agriculture & Forest Industries Development Fund (AFID)
- Secretary Placed on VEDP Board
- New Specialty Crop Research Funds
- More International Marketing Support
  - VDACS to Receive $700k to Support New Efforts in EU, Eastern Europe, North Africa, Central America
2012 COMMITMENTS TO GROWTH & SUCCESS

- Continuation of Strategic Marketing Agenda
  - McDonnell Administration-Private Sector Partnerships

- Gubernatorial/Secretariat Missions to Europe, Canada, Asia, Cuba, Others

- Continued Promotion of Free, Fair Trade Efforts

- VDACS Missions/Reverse Missions; Outreach
  - Full Utilization of Current, New Foreign Offices
CONCLUSION

THANKS FOR YOUR ATTENTION

QUESTIONS?