



Trade and Agriculture **What's at Stake for Mississippi?**

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Mississippi is an important producer of agricultural products and exports worldwide. The State's farm cash receipts totaled \$4.9 billion in 2008. Agricultural sales overseas were estimated at \$1.6 billion in 2008. Agricultural exports help boost farm prices and income, while supporting about 18,532 jobs both on the farm and off the farm in food processing, storage, and transportation. Exports are important to Mississippi's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 33 percent in 2008.

Mississippi's top five agricultural exports in 2008 were:

- soybeans and products -- \$512 million
- poultry and products -- \$354 million
- cotton -- \$249 million
- rice -- \$149 million
- wheat and products -- \$148 million

World demand for these products is increasing, but so is competition among suppliers. If Mississippi's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *more open access* to growing global markets.

How Trade Agreements Benefit Mississippi Agriculture

As one of the leading states in poultry production, Mississippi benefited under the Uruguay Round agreement when Korea eliminated its import quotas on frozen chicken in 1997, and reduced its tariffs to between 18 to 20 percent by 2004. These steps supported a rise in U.S. poultry to 120,000 tons valued at \$79 million by 2002. The Philippines opened a tariff-rate quota for poultry meat of 16,701 tons in 1998, which rose to 23,500 tons by 2004.

Under the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), all applied import tariffs on U.S. poultry meats that currently range between 30 and 164 percent will be eliminated over 10 to 18 years depending on the product and country. Each country also commits to adopting a "systems approach" to the recognition of the U.S. poultry inspection system, thereby eliminating plant-by-plant inspections and facilitating trade. From 2001 through 2003, U.S. poultry meat suppliers annually shipped on average 65,550 metric tons valued at \$61 million to all six countries combined.

Mississippi benefits under NAFTA with new rules of origin that increase demand for U.S. textiles in Canada and Mexico. Mexico's 10-percent tariff on cotton has been eliminated. This tariff reduction supports U.S. cotton exports to Mexico, which rose from 558,000 bales to 2.2 million bales from marketing year 1995 to 2002. U.S. industry estimates that the Caribbean Basin Initiative and Africa Growth and Opportunity Act will increase annual cotton sales by 100,000 bales.

Export Success Stories

Using USDA Market Access Program (MAP) funds, Mississippi catfish has been successfully promoted to Canada's largest food retailer, Loblaws. The Catfish Institute (TCI) forged a new marketing alliance with Loblaws' sister division, Real Atlantic Superstores (RASS). An initial product launch with RASS included a chain-wide flyer combined with in-store sampling at 25 of the chain's 46 stores in Atlantic Canada. The catfish promotions also featured decorations, product posters, take-home recipes and educational literature. As a result of this promotion, over 1,200 pounds of catfish were sold in one weekend.