



## *Trade and Agriculture* **What's at Stake for West Virginia?**

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West Virginia produces agricultural products that are exported worldwide. In 2006, the State's total cash receipts from farming reached \$451 million, and exports were estimated at \$42 million. These industries are important to West Virginia's economy. Exports help boost farm prices and income, while supporting jobs both on the farm and off the farm in food processing, storage, and transportation.

West Virginia's top agricultural exports in 2006 were:

- poultry and products -- \$21 million
- feed and fodders -- \$7 million
- fruit and preparations -- \$4 million

World demand for agricultural products is increasing, but so is competition among suppliers. If West Virginia's industries are to compete successfully for export opportunities in the 21st century, they need *fair trade* and *more open access* to growing global markets.

### **How Trade Agreements Benefit West Virginia Agriculture**

West Virginia broiler industry accounts for nearly 30 percent of the state's farm cash receipts. West Virginia 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, which 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.

## **Export Success Stories**

Over the past three years West Virginia food and agricultural companies have participated in Southern United States Trade Association's (SUSTA) market development programs. Last year, four West Virginia companies participated in a Caribbean buyers mission. Two West Virginia companies participated in "Go South" promotions resulting in export sales of over \$10,000, and a small honey company exported over \$75,000 in product as a result of SUSTA's brand program.

A honey company from West Virginia nearly doubled its overall export sales from 2000 to 2001 as a participant in SUSTA's MAP Branded program. The company boosted its global marketing efforts in 2001 using MAP funding to promote honey and other condiments in Canada. For these products, the company saw a 115 percent increase in export sales from 2000 to 2001. As a result of their participation in the Branded program, the company's overall export sales skyrocketed from around \$500,000 in 2000 to nearly \$1 million in 2001.