Economic Impact of trade in agriculture sector
2017 PNWER Summit
Gary Martin, President and CEO, NAEGA
President, IGTC
With Population growth, urbanization and broad based economic development, many low-income countries’ food consumption will outstrip their production capacity, and they will become larger net importers.
TODAY – 7 billion rely on 2.5 BMT (cereals and oilseeds)

2.5 BMT Global Production

- International Trade
- Local/Regional

- Roughly 300 million metric tons – about 12 percent of total demand – enter into world cereal & oilseed trade, improving diversity of foods, improving nutrition & filling food needs in deficit areas

- World food trade helps assure adequacy of diet for nearly a billion people today by complementing local & regional supplies

Bruinsma, Jell. “The Resource Outlook to 2050”
FAO Expert Meeting on How to Feed the World in 2050
International trade will play a larger role

Carrying food to a more urban population

4.0 BMT Global Production

- Trade’s complementary role grows more crucial, & will outplace market growth
- 1.5 BMT more from the world’s bread baskets & other areas is needed
- Areas of optimal land/water may contribute most with least environmental stress
- An estimated 600 MMT of grains & oilseeds from areas of surplus – about 15 percent of total production – will be transformed & delivered for consumer needs.

Bruinsma, Jell. “The Resource Outlook to 2050”
FAO Expert Meeting on How to Feed the World in 2050
Pressure has never been greater on agriculture to provide for global food security, food defense and energy security while maintaining high quality, safe products throughout the value chain.

The role of international trade in agri-bulks is expanding and increasingly complex and in need of sound, responsible, predictable commercial and official measures.”

Freedom to Market is Critical
U.S. and Canada – Partners Feeding the World

U.S. and Canadian Exports of Corn, Wheat and Soybeans to the World

Million Metric Tons

Source: UN COMTRADE
NAEGA’s Trade Priorities

• Maintaining and expanding market access, tariff concessions and other provisions that have enabled economic integration.

• Improving regulatory coherence and cooperation by implementing enhanced science based sanitary and phytosanitary rules, such as a rapid-response mechanism that commits trading partners to swiftly notify and resolve SPS issues.

• Strengthening efforts to address technical barriers to trade to prevent non-tariff barriers that lack scientific merit.

• Increasing transparency and cooperation on activities related to modern agricultural production technologies, including seed-breeding innovations.

• Aligning standards, including product and ingredient registration, fortification and certification requirements.

• Enabling innovation of information technologies to improve logistics and regulatory implementation.
Canada-U.S. Grain and Seed Trade

On August 1, 2012 Canada implemented the Marketing Freedom for Grain Farmers Act. The act changes the way Western Canadian wheat and barley farmers market their grain by removing the mandatory requirement to market wheat and barley through the Canadian Wheat Board (CWB).

This site will help you navigate the changes through a detailed and growing FAQ database, industry news and opportunity to bring your questions to the experts. Select your role from the choices below to view the detailed FAQs. Also, please feel free to submit questions online.

Recent News
- Commercial Grain Trade FAQs added
- Australian, Canadian and U.S. Groups Renounce Commitment to Innovation and Biotechnology in Wheat
- Canada-U.S. Grain Cross Border Trade Study Released

U.S. Grain Producer
Questions and answers designed to assist U.S. grain producers.
Read More >>

CDN Producer
Canadian grain producers please enter here to view our FAQs.
Read More >>

Commercial
FAQs designed with commercial interests in mind.
Coming soon >>

Seed Trade
Involved in the international seed trade? Enter here to view the FAQs.
Read More >>

http://canada-usgrainandseedtrade.info/
2011-15 Annual Average International Trade of Grains and Oilseeds

Canada net 38,577
U.S. net 114,638
Mexico net (22,139)
175,493

Regional Exports
Regional Imports

Values in 1000MT
Source: The U.S. Department of Agriculture Foreign Agriculture Service Production, Supply, and Distribution Database. Updated 10/11/2016 VLM.
Values do not include intra-regional trade within the European Union.
Totals include: grains – barley, corn, millet, mixed grain, oats, milled rice, rye, sorghum, wheat; meal – copra, cottonseed, fish, palm kernel, peanut, rapeseed, soybean, soybean (local), sunflowerseed; oil – coconut, cottonseed, olive, palm, palm kernel, peanut, rapeseed, soybean, soybean (local), sunflowerseed; and oilseed – copra, cottonseed, palm kernel, peanut, rapeseed, soybean, soybean (local), sunflowerseed.
Grain and Oilseed Trade a Success for the U.S. PNW

Washington, Oregon, Idaho and Montana Bulk Grain Exports to World

Source: USDA GATS
Asia Key Market for U.S. Grains and Oilseeds

U.S. Exports to Asia - Corn, Wheat and Soybeans

Thousands of Dollars ($USD)

Axis Title

Corn  Wheat  Soybeans

Working Together to Make Trade Work
NAFTA Grain and Oilseeds, A U.S. Success Story

U.S. Exports to Canada and Mexico of Bulk Corn, Wheat and Soybeans

Thousands of Dollars (USD)

- Wheat
- Soybeans
- Corn
Intraregional agricultural trade has experienced tremendous growth during the CUSTA-NAFTA period.

Billions of U.S. dollars

- U.S. exports to Canada
- U.S. exports to Mexico
- U.S. imports from Canada
- U.S. imports from Mexico
- Canadian exports to Mexico
- Canadian imports from Mexico

Calendar year

CUSTA = Canada-U.S. Free Trade Agreement. NAFTA = North American Free Trade Agreement.
Constrained timeline → Identify Common Objectives

Identify Common Objectives:
- Sanitary and Phytosanitary Measures
- Biotechnology
- Trade facilitation
- E-commerce
- Regulatory convergence

GOAL: Quick and Expeditious Negotiating Period
Don’t Lose site of serious market access issues
U.S. Negotiating Objectives

U.S. Objectives for Agriculture:

- “Maintain existing market opportunities”
- Eliminate non-tariff barriers
- Create RRM type mechanism
- WTO-plus standards for SPS, trade facilitation and TBT
- Good regulatory practices and transparency
Making Industry’s Voice Heard

Good morning. My name is Randy Garden. I am president of the National Grain and Feed Association. My remarks today are presented on behalf of the NGFA and the North American Export Grain Associates, trade associations that are located in the United States and whose strategies align.

NGFA, established in 1896, consists of more than 1,000 grain, feed, processing, milling, exporting and other grain-related companies that operate more than 7,000 facilities nationwide, and handle more than 70 percent of the U.S. grains and oilseed crop. NGFA also consists of 34 affiliated State and Regional Groups and Food Associations.

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Joint Statement for USTR Public Hearing on Negotiating Objectives Regarding Modernization of NAFTA

June 27, 2017

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Thank You!

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