

## Wisconsin: Agricultural Exports Lag, Family Farms Decline under “Free Trade” Deals

The **Trans-Pacific Partnership (TPP)**, being negotiated behind closed doors with 11 Pacific Rim nations, would expand the North American Free Trade Agreement (NAFTA) “trade” pact model under which agricultural imports have surged, agricultural exports have slowed and family farms have disappeared. U.S. negotiators used the 2011 Korea Free Trade Agreement (FTA) – under which agricultural exports have stagnated – as the TPP template.

### U.S. Food Exports Stagnate under FTAs

FTA supporters have sold the deals to U.S. farmers and ranchers by hyping the agreements’ prospects for increasing exports. *But U.S. food exports to all U.S. FTA partners have been lagging behind U.S. food exports to the rest of the world.* The volume of U.S. food exports to non-FTA countries rebounded quickly after the 2009 drop in global trade following the financial crisis. But U.S. food exports to FTA partners remained below the 2008 level until 2014. Even then, U.S. food exports to FTA partners were just 1 percent higher than in 2008, while U.S. food exports to the rest of the world stood 24 percent above the 2008 level.

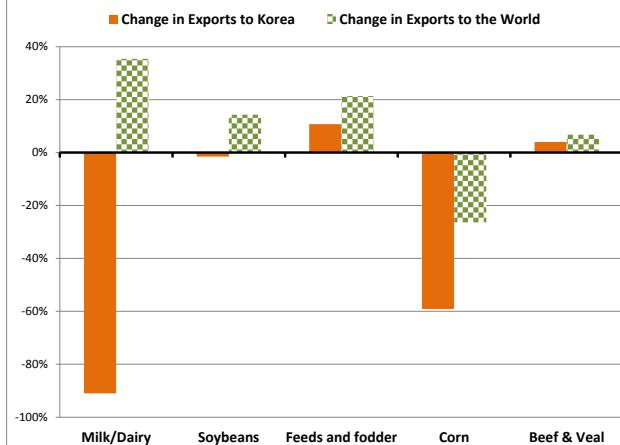
#### **U.S. Food Exports Grow 1% to FTA Partners, 24% to Rest of World, relative to 2008 (Pre-crisis)**



### U.S. Exports to Korea of Wisconsin’s Top Agricultural Exports Fall under Korea FTA

U.S. farmers were promised that the Korea FTA – the U.S. template for the TPP – would boost U.S. agricultural exports to Korea. But *U.S. exports to Korea have fallen in three of Wisconsin’s top five agricultural export sectors in the first three years of the Korea FTA*, while exports in the other two sectors have grown more slowly to Korea than to the world (by volume). Measuring by value, total U.S. agricultural exports to Korea have increased less than 1 percent under the FTA while U.S. agricultural exports to the world have risen 14 percent.

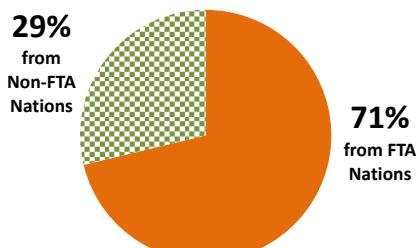
#### **U.S. Exports to Korea Fall Short in All of WI’s Top 5 Agricultural Exports under Korea FTA**



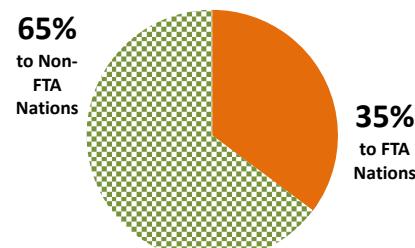
### FTA Countries Responsible for More than 70% of U.S. Food Imports, Just 35% of Food Exports

Most U.S. food imports come from FTA countries, while most U.S. food exports *are not* sold in FTA countries. This may seem counterintuitive – certainly it is the opposite of what FTA proponents have promised U.S. farmers and ranchers. *In 2014, the 20 U.S. FTA partners were the source of 71 percent of all U.S. food imports, but were the destination of just 35 percent of all U.S. food exports* (measuring by volume).

#### **U.S. Food Imports**



#### **U.S. Food Exports**

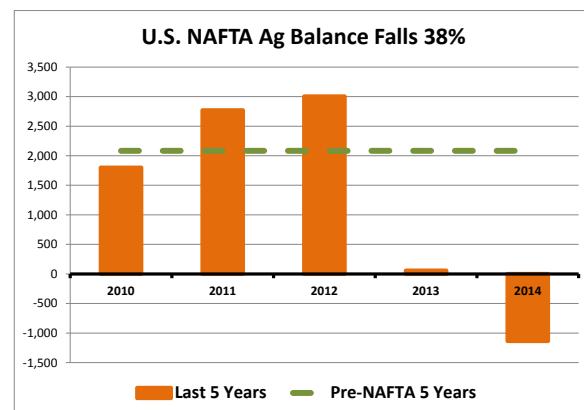
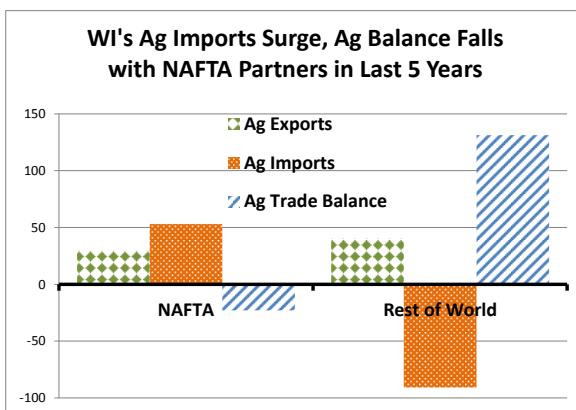


# Wisconsin Cannot Afford the TPP's Expansion of the NAFTA "Trade" Pact Model

## Wisconsin's NAFTA Trade: Ag Imports Surge, Ag Trade Balance Suffers

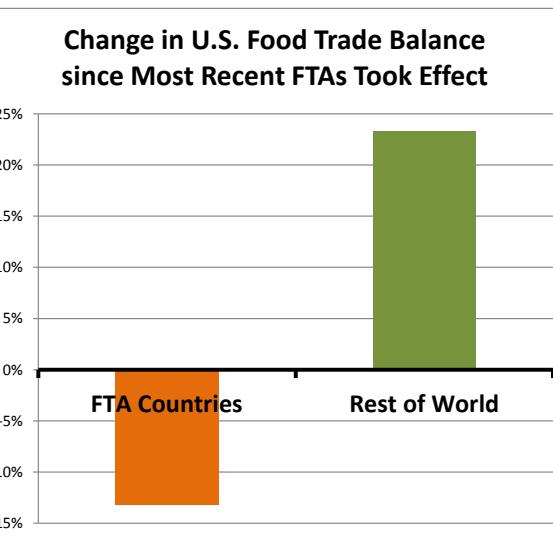
Wisconsin has an agricultural trade *deficit* of \$61 million with NAFTA partners Mexico and Canada, but a \$313 million agricultural trade *surplus* with the rest of the world. This disparity has worsened in recent years. While Wisconsin's agricultural imports from NAFTA countries have *increased* 46 percent, or \$53 million, in the last five years, the state's agricultural imports from the rest of the world have *decreased* by 71 percent, or \$91 million. As a result, Wisconsin's NAFTA agricultural balance has *dropped* by \$23 million, or 59 percent, since 2009, while its agricultural trade balance with the rest of the world has *improved* by \$131 million, or 72 percent.

*Nationwide, the U.S. agricultural trade balance with NAFTA partners has fallen from a \$2.5 billion trade surplus in the year before NAFTA to a \$1.1 billion trade deficit in 2014 – the largest NAFTA agricultural trade deficit to date. Even if one includes agricultural trade over the preceding several years, when agricultural export values were inflated by anomalously high international food prices, the average U.S. agricultural trade balance with NAFTA countries over the last five years still fell 38 percent below the average balance in the five years before NAFTA.*



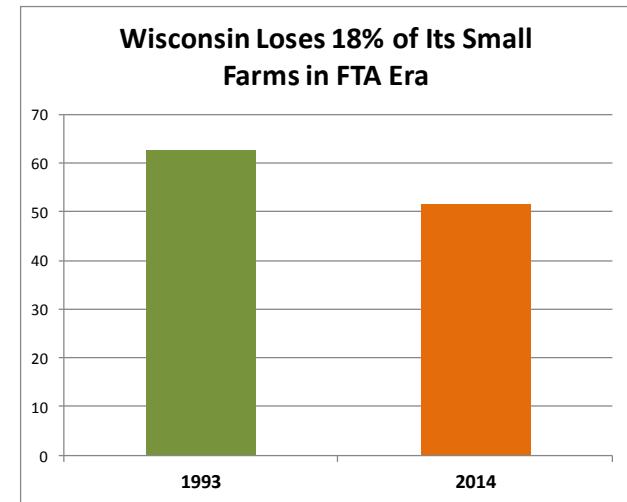
## U.S. Food Trade Balance Falls 13% with FTA Partners, Rises 23% with Rest of World

Due to stagnant U.S. food exports to FTA countries and a surge in food imports from those countries, the U.S. food trade balance (by volume) with FTA countries has fallen 13 percent since 2011, the year before the most recent FTAs took effect. In contrast, the U.S. food trade surplus with the rest of the world has risen 23 percent since 2011.



## 11,000 Wisconsin Small-Scale Farms Disappear in the FTA Era

Small-scale U.S. family farms have been hardest hit by rising agricultural imports and declining agricultural trade balances under FTAs. Since NAFTA took effect, more than 11,000, or 18 percent, of Wisconsin's smaller-scale farms have disappeared. Nationwide, nearly 180,000 small U.S. farms have gone under since NAFTA and NAFTA expansion pacts have taken effect.



*Sources: U.S. Department of Agriculture, International Trade Administration, U.S. Census Bureau*