

AGRICULTURAL TRADE

Yangxuan Liu

Assistant Professor and Cotton
Extension Economist

University of Georgia



**UNIVERSITY OF
GEORGIA**

**College of Agricultural &
Environmental Sciences**

*Department of Agricultural
and Applied Economics*



U.S. is the world's largest ag. exporter



In 2017, \$138 billion export and \$121 billion imports



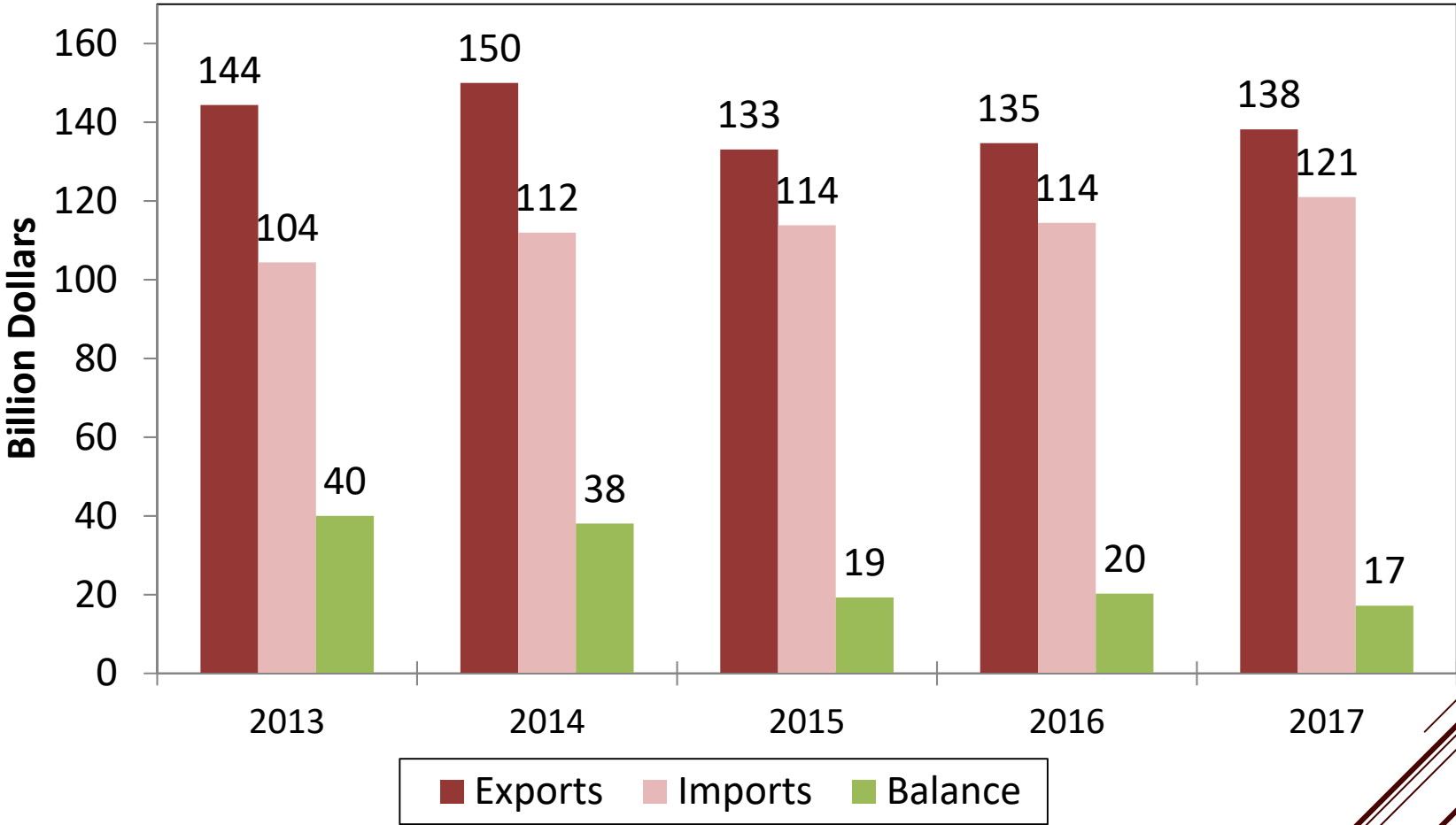
Exports are responsible for 20% of U.S. farm income



Supports more than 1 million American jobs, both on and off the farm

IMPORTANCE OF AG TRADE

Data from USDA GATS.



U.S. AGRICULTURAL TRADE

CHINA

\$19.6 billion

U.S. Agricultural Exports, 2017

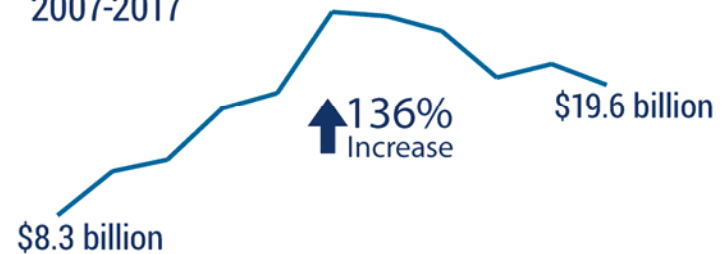
#2

Among U.S.
Agricultural Export
Markets, 2017



Export

2007-2017



Top 5 U.S. Exports

- 1 Soybeans (\$14.2 billion)
- 2 Course Grains* (\$1.0 billion)
- 3 Hides & Skins (\$949 million)
- 4 Pork (\$578 million)
- 5 Cotton (\$550 million)

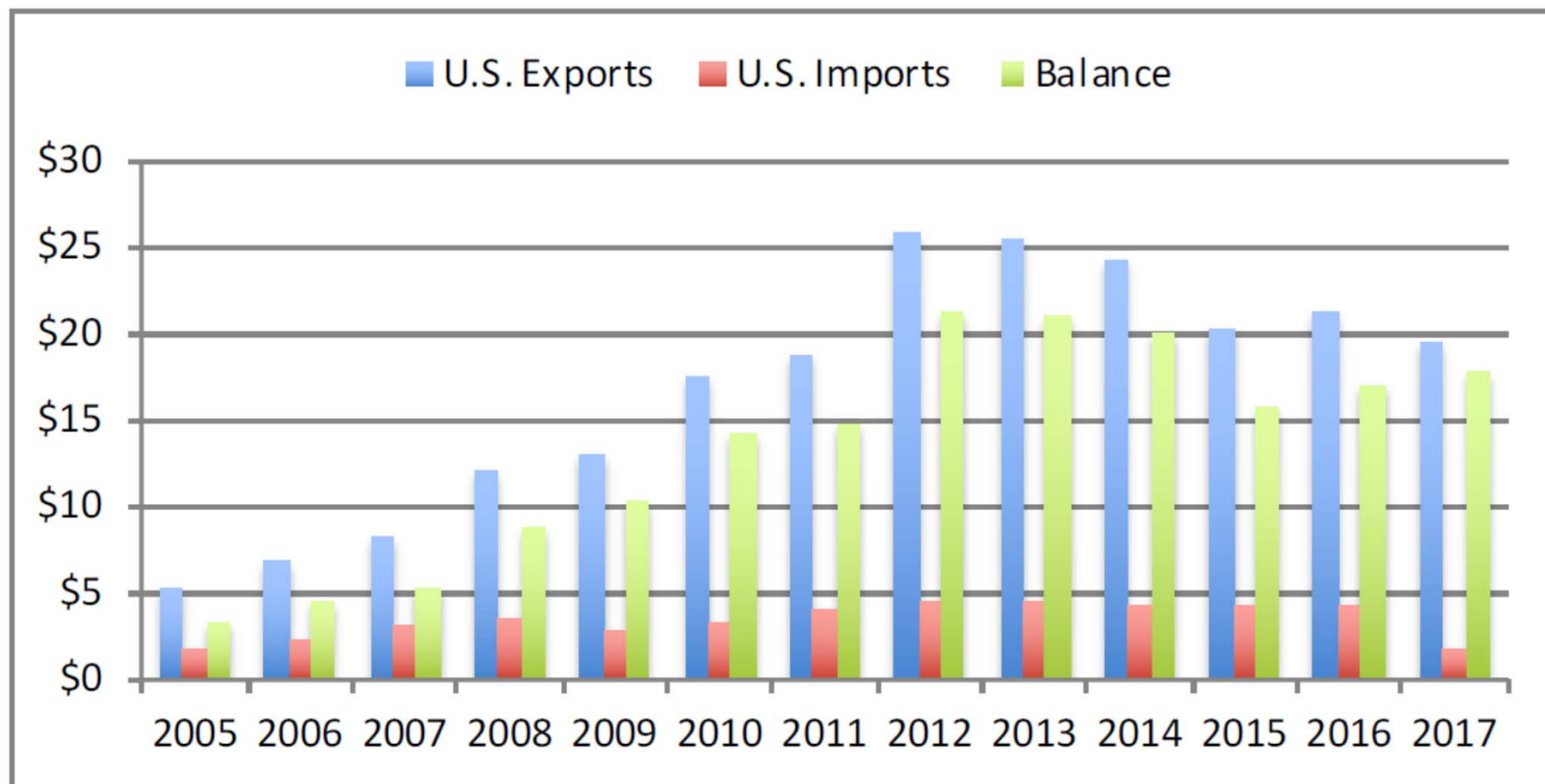
*Excluding Corn

Source: FAS Global Agricultural Trade System (GATS) BICO HS-10

IMPORTANCE OF U.S. AND CHINA AG TRADE

U.S.-China Agricultural Trade Balance

Billion Dollars



Source: U.S. Trade Internet System, www.fas.usda.gov/ustrade

Slide from Dr. Luis A. Ribera

Data from USDA FAS and USDA NASS.

Commodity	Production (Billion Dollars)	Export (Billion Dollars)	Export to China (Billion Dollars)
Corn	48.5	9.1	0.14
Cotton	7.2	5.8	0.98
Sorghum	1.2	1.0	0.84
Soybeans	41.0	21.6	12.4
Peanut	1.6	0.54	0.06
Tobacco	1.5	1.0	0.16
Wheat	8.1	6.1	0.35

2017 U.S. ROW CROPS OVERVIEW



Department of Agricultural
and Applied Economics
College of Agricultural & Environmental Sciences
UNIVERSITY OF GEORGIA

- ▶ In 2017, \$375 billion trade deficit with China.
 - ▶ U.S. imported approximately \$506 billion from China.
 - ▶ U.S. exported over \$130 billion to China
- ▶ The Trump administration proposed and implemented a series of tariffs on products from China, which led to retaliatory actions by the Chinese government.



U.S. – CHINA TRADE CHALLENGES



Department of Agricultural
and Applied Economics
College of Agricultural & Environmental Sciences
UNIVERSITY OF GEORGIA

- ▶ March 23, 2018, U.S. impose 25% tariffs on steel and 10% tariffs on aluminum.
- ▶ April 2, 2018, China suspended tariff reduction obligations on U.S. products.
 - ▶ Fruit and nut products, wine, ginseng, pork, and ethanol.
 - ▶ **Impact on Georgia Ag: Pecan is included with 15% increase in tariff rate.**

U.S.-CHINA TRADE DISPUTES TIMELINE



Department of Agricultural
and Applied Economics
College of Agricultural & Environmental Sciences
UNIVERSITY OF GEORGIA

- ▶ June 15, 2018, U.S. announced 25% tariff on goods imported from China valued at about \$50 billion.
 - ▶ \$34 billion of goods are subject to tariffs on July 6, 2018.
- ▶ June 16, 2018, China announced a list of U.S. products subject to additional 25 percent tariff.
 - ▶ \$34 billion will be subject to additional tariffs on July 6, 2018.
 - ▶ **Impact on Georgia AG: Corn, Cotton, Sorghum, Soybean, wheat, and Poultry**

U.S.-CHINA TRADE DISPUTES TIMELINE



Department of Agricultural
and Applied Economics
College of Agricultural & Environmental Sciences
UNIVERSITY OF GEORGIA

- ▶ August 8, 2018, China announced an updated list of \$16 billion in U.S. products that will be subject to an additional 25 percent tariff beginning on August 23, 2018.
 - ▶ Waste cotton yarn and other cotton waste are on the list

U.S.-CHINA TRADE DISPUTES TIMELINE



Department of Agricultural
and Applied Economics
College of Agricultural & Environmental Sciences
UNIVERSITY OF GEORGIA

Liu, Y., Fonsah, E. G., Russell, L. A., Rabinowitz, A. N., & Shurley, W. D.
University of Georgia Extension. Publication No. TP 104. June 2018.



The Impacts of
China and United States
Trade and Tariff Actions
on Georgia Agriculture

THE PERSPECTIVES OF UGA AGRICULTURAL ECONOMISTS



\$12 billion trade aid package for farmers

- Market Facilitation Program
- Food Purchase and Distribution Program
- Agricultural Trade Promotion Program

USDA TRADE AID



Department of Agricultural
and Applied Economics
College of Agricultural & Environmental Sciences
UNIVERSITY OF GEORGIA

DO YOU HAVE ANY QUESTIONS?



Feel free to contact me:

Yangxuan (Serinna) Liu

Assistant Professor

University of Georgia

(229) 386-3512

Yangxuan.Liu@uga.edu



UNIVERSITY OF
GEORGIA

College of Agricultural &
Environmental Sciences

*Department of Agricultural
and Applied Economics*