



Washington
State Department of
Agriculture

Washington State Agriculture: Trade and Tariffs

Washington Public Ports Association
December 5, 2018

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Trade & Tariffs



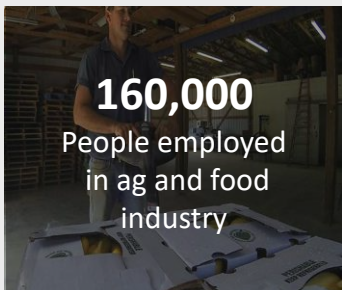
- ❖ **Washington Agriculture Industry Overview**
- ❖ **Retaliatory Tariffs**
- ❖ **New Trade Agreements**

Statistics











- **2017 Export Values**
- **2017 Calendar Year**

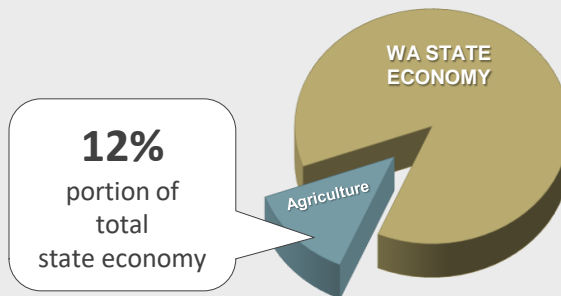


Washington's Agriculture Industry



#1 - Washington tops in nation for:

-  Apples
-  Concord Grapes
-  Sweet Cherries
-  Spearmint oil
-  Raspberries
-  Blueberries
-  Hops
-  Aquaculture
-  Pears
-  Seed Peas



Top WA Food & Ag Exports 2017



Fish & Seafood: \$1.2 B

Top markets: **Canada, China, Japan**



Frozen Potato Products: \$756 M

Top markets: **Japan, South Korea, China**



Apples: \$720 M

Top markets: **Canada, Mexico, India**

Wheat: \$532 M

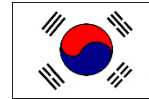
Top markets: **Japan, Philippines, South Korea**



Hay: \$493 M

Top markets: **Japan, South Korea, China**

Top Trading Partners 2017



- 1) **Canada (\$1.3B):** Seafood, Apples, Cherries
- 2) **Japan (\$1B):** Wheat, Frozen French Fries, Hay
- 3) **China (\$594M):** Seafood, Frozen French Fries, Hay
- 4) **South Korea (\$397M):** Wheat, Seafood, Hay
- 5) **Mexico (\$358M):** Apples, Dairy, Frozen French Fries

Section 232 Retaliation (Steel & Aluminum)



China: Implemented April 2, 2018

Turkey: Implemented June 21, 2018

European Union: Implemented June 22, 2018

Canada: Implemented July 1, 2018

Mexico: Implemented July 5, 2018

India: Implementation Postponed (New Date Dec. 17, 2018)

China - Section 232 Retaliation



Additional 15% Tariff

Greatest Impacts

Sweet Cherries:

Apples:

Wine:

Pears:

Dried Fruit:

Frozen Fruits & Berries:

Fresh Cranberries:

2017 Export Value

\$99.7 million

\$17.6 million

\$1.6 million

\$697 thousand

\$544 thousand

\$181 thousand

\$92 thousand

Mexico – Section 232 Retaliation



Additional 15% - 25% Tariff

Greatest Impacts

Fresh Apples:

Frozen Potato Products:

Dairy Preparations:

Cheeses:

Pork Products:

2017 Export Value

\$125.6 million

\$36.9 million

\$4.2 million

\$405 thousand

\$119 thousand

India – Section 232 Retaliation (Proposed)



Additional 10% - 25% Tariff

Greatest Impacts

Fresh Apples:

Dried Chickpeas:

Dried Lentils:

2017 Export Value

\$96 million

\$20 million

\$4 million

Other Section 232 Retaliation



Canada, European Union, Turkey

Minor agriculture impacts

- **Canada: Roasted coffee, breads and pastries, sauces and condiments, soups, etc. \$148M**
- **European Union: Kidney Beans, Cranberry Juice, Prepared Cereal \$22M**
- **Turkey: \$0M**

China Sec. 301 Intel. Property Retaliation



Additional 25% Tariff

Implemented July 6, 2018

Greatest Impacts

Fish & Seafood:

Hay:

Sweet Cherries:

Wheat:

Dairy:

Apples:

Apricots:

Pulses:

2017 Export Value

\$156.0 million

\$103.9 million

\$99.7 million

\$67.5 million

\$25.0 million

\$17.6 million

\$5.4 million

\$5.2 million

China Section 301 Intellectual Property Additional Retaliation



Schedule II (\$16B) - Implemented August 23, 2018

- Additional 25% Tariff

Supplemental (\$60B) - Implemented September 24, 2018

- Additional 5% - 10% Tariff

Greatest Impacts

Frozen French Fries:

Frozen Vegetables:

Fishmeal:

Hop Pellets & Extract:

Wine:

2017 Export Value

\$54.4 million

\$10.5 million

\$10.3 million

\$9.3 million

\$1.6 million

Cherries

2017 exports to China: \$99.7 million

- **Tariff now 50%**

WSU conducting study to assess losses and other economic impacts.

- **Expect total market closure next year**

Industry Impacts



Apples

2017 Exports to China: \$17.6 million

- **Tariff now 50%**

2017 Exports to Mexico: \$125.6 million

- **Tariff now 20%**

2017 Exports to India: \$96 million

- **Tariff will be 75%**

Industry Impacts



Fish & Seafood

2017 Exports to China: \$156 million. Tariffs now 27% - 39%

- ❖ Frozen Fish: \$89.6M; Frozen & Chilled Fillets: \$10M
- ❖ Frozen Crab: \$23.4M; Live/Chilled Crab: \$12.6M
- ❖ Live/Chilled Clams (Geoduck): \$14.9M
- ❖ Live/Chilled Oysters: \$607K
- ❖ Live/Chilled Sea Cucumber: \$456K
- ❖ Live/Chilled Cold-Water Shrimp/Prawns: \$392K
- ❖ Live Chilled Sea Urchin: \$55K

Retaliatory Tariffs



All WA Food & Ag: Over \$1B potentially impacted based on 2017 exports

- Difficult to assess impacts right away
- Some sectors affected more quickly than others

Effects of President Trump & President Xi G-20 meeting?

U.S. - Mexico - Canada Agreement



- In 2017, Canada was Washington's #1 food & ag export market (\$1.3 billion). Mexico was #5 (\$358 million).
- Canada is a top market for **apples, wine, seafood, cherries, berries, pears and onions.**
- Mexico is a top market for **apples, dairy, pears, hop extract and frozen vegetables.**



New Trade Agreements?

JAPAN

- In 2017, Japan was Washington's #2 food & ag export market (\$1 billion).
- Japan is a top market for **hay, frozen French fries, white wheat, dairy products, beef and frozen vegetables.**
- **CPTPP and Japan-EU Free Trade Agreement**

New Trade Agreements?



EUROPEAN UNION

- In 2017, Washington food & ag exports to the EU totaled \$510 million.
- If counted as a single market, the EU would be our #4 market.
- EU countries are top markets for fish & seafood, hops, chickpeas, lentils and peppermint oil.

New Trade Agreements?



UNITED KINGDOM

- In 2017, the U.K was Washington's #16 food & ag export market importing \$115 million. #3 EU market.
- The U.K. is a top importer of Washington hops.
- Other Washington exports to the U.K.: fish and seafood, peppermint oil, and cherries.

USDA Trade Mitigation Programs

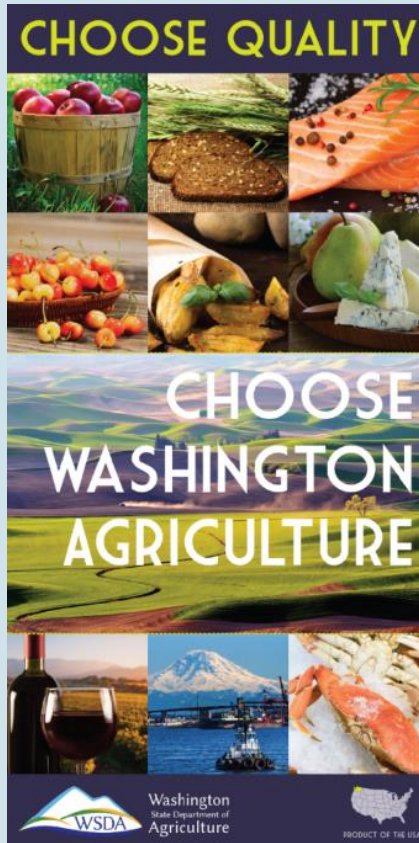


- 1) **Market Facilitation Program.** Provides direct payments to corn, soybeans, sorghum, wheat, cotton, dairy, hogs; sweet cherries and shelled almonds.
- 2) **Food Purchase and Distribution Program.** Government purchases for schools and food banks of fruits, nuts, legumes, rice, beef, pork and milk.
- 3) **Ag Trade Promotion Program.** Competitive cost-share grant program to develop new markets.

Tariff Mitigation & Trade Promotion

- 1) State Market Access Program (Competitive Grants)
- 2) International Marketing Program
- 3) Regional Markets Program
- 4) Food Assistance Program
- 5) Washington Grown Brand Recognition Program

Questions?



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