

Key First Quarter 2014 Colorado Agricultural Export Facts, Issues and opportunities

Colorado Department of Agriculture

Markets Division

Timothy J. Larsen

Timothy.Larsen@state.co.us

- U.S. total agricultural exports up 10.75%
- Colorado's agricultural exports up 19.2%

Colorado's first quarter agricultural export key points

- Total Colorado agricultural exports increased 64.8 million (19.2%) in the first quarter of 2014 versus 2013.

Colorado's top 10 sectors all increase

Description	U.S. Dollar (millions)			% Change
	2012	2013	2014	2014/2013
all ag. exports	347.6	337.4	402.2	19.19
Meat	210.4	202.9	218.7	7.81
Hides And Skins	45.3	55.4	66.2	19.43
Miscellaneous Food	10.8	13.3	22.4	68.59
Dairy/Eggs/Honey/Etc	18.9	9.9	17.2	72.85
Beverages	2.8	4.4	14.3	224.82
Sugars	5.2	8.4	10.2	22.07
Misc Grain/Seed/Fruit	7.4	5.3	8.1	52.78
Cereals*	8.0	2.7	7.6	185
Food Waste; Animal Feed	11.1	5.4	6.9	28.48
Baking Related	3.2	4.9	5.8	19.25

*quarterly export report does not reflect Colorado wheat exports which are reported annually

Colorado's top 10 global markets

- All top 10 markets except Canada increased in the first quarter of 2014 versus 2013.

Value in US \$ millions

Rank	Country	2012	2013	2014	2014/2013 (% change)
	Countries	347.6	337.4	402.2	19.19
1	Canada	91.5	105.9	98.1	-7.37
2	Mexico	82.5	51.7	84.1	62.72
3	Japan	42.4	41.0	47.7	16.33
4	Korean Republic	28.5	42.6	45.5	6.9
5	China	30.5	29.0	37.2	28.54
6	Taiwan	10.6	20.9	24.3	16.49
7	Hong Kong	7.2	17.6	18.3	3.87
8	Egypt	6.3	4.5	4.6	1.8
9	Chile	6.3	1.6	4.1	153.21
10	Indonesia	4.7	0.4	3.8	783.32

Edible beef continues as Colorado's top export sector

While Canadian imports of Colorado beef are down \$16.2 million, Colorado remains the largest exports of beef to Canada, supplying over 22 percent of Canada's total beef imports.

Value in US \$ millions

Rank	Country	CO rank as supplier	% of CO to total market	2012	2013	2014	2014/2013
	TOTAL CO			185.0	177.1	196.2	10.79
1	Canada	1	22.5%	48.7	60.3	44.1	-26.9
2	Japan	3	15%	37.9	37.4	43.3	15.91
3	Korean Republic	2	19%	22.2	28.4	37.2	30.73
4	Mexico	3	14%	37.9	18.7	36.7	96.01
5	Hong Kong	6	8%	5.7	17.0	17.5	3.22

Millet exports rebound

Colorado's millet exports rebounded from the 2012 crop loss, with a \$4.2 million (266 percent) increase in exports with the 2013 crop.

Major market barriers for increased exports

Beef:

China does not allow U.S. beef to be imported. As the largest importer of beef, access for U.S. beef is critical for the Colorado and U.S. beef industry.

Within the Trans Pacific Partnership (TPP) trade negotiations, the U.S. is asking Japan to revise their import duties on beef, to match the agreement obtained with the Korean-US Free Trade Agreement, which requires Korea to begin to lower their import duty of beef and eventually allow import duty free of Colorado and U.S. beef to Korea. Colorado's beef industry is seeking the same agreement with Japan for our beef through the TPP. Colorado exported over \$798 million in beef to Japan in 2013. Japan's import duty of U.S. beef to Japan is 38.5 percent and 12.8 percent on edible beef products such as tongue and liver. Colorado could significantly grow the export of beef to Japan if the Japanese consumer did not have to pay the inflated prices of our beef with the added costs of 38.5 percent import duty. This is not only on the cost of the product, but also the cost of the freight to get the beef to Japan.

Wheat:

With imports of \$77 million from Colorado in 2013, Japan is a major importer of Colorado wheat. Currently the Japanese government imports the wheat to be resold for flour millers. Direct imports of Colorado and U.S. wheat are subject to the equivalent of a 145 percent import duty on wheat sold directly to Japanese flour mills. Again, with full access and without the onerous import duty of 145 percent, Colorado and U.S. wheat would have increased market potential in Japan.

Dairy:

Colorado's dairy industry would have increased market potential in Japan without the current import duties on dairy products that include 35 to 40 percent duty on cheeses, depending on the variety, whey products import duty of 35 percent plus 500 yen/kilo ((US\$4.88).