



California Agricultural Trade

Salinas, California

March 19, 2010

Robert Tse
Deputy Secretary
California Department of
Food and Agriculture

California Agricultural Exports



and

International Trade



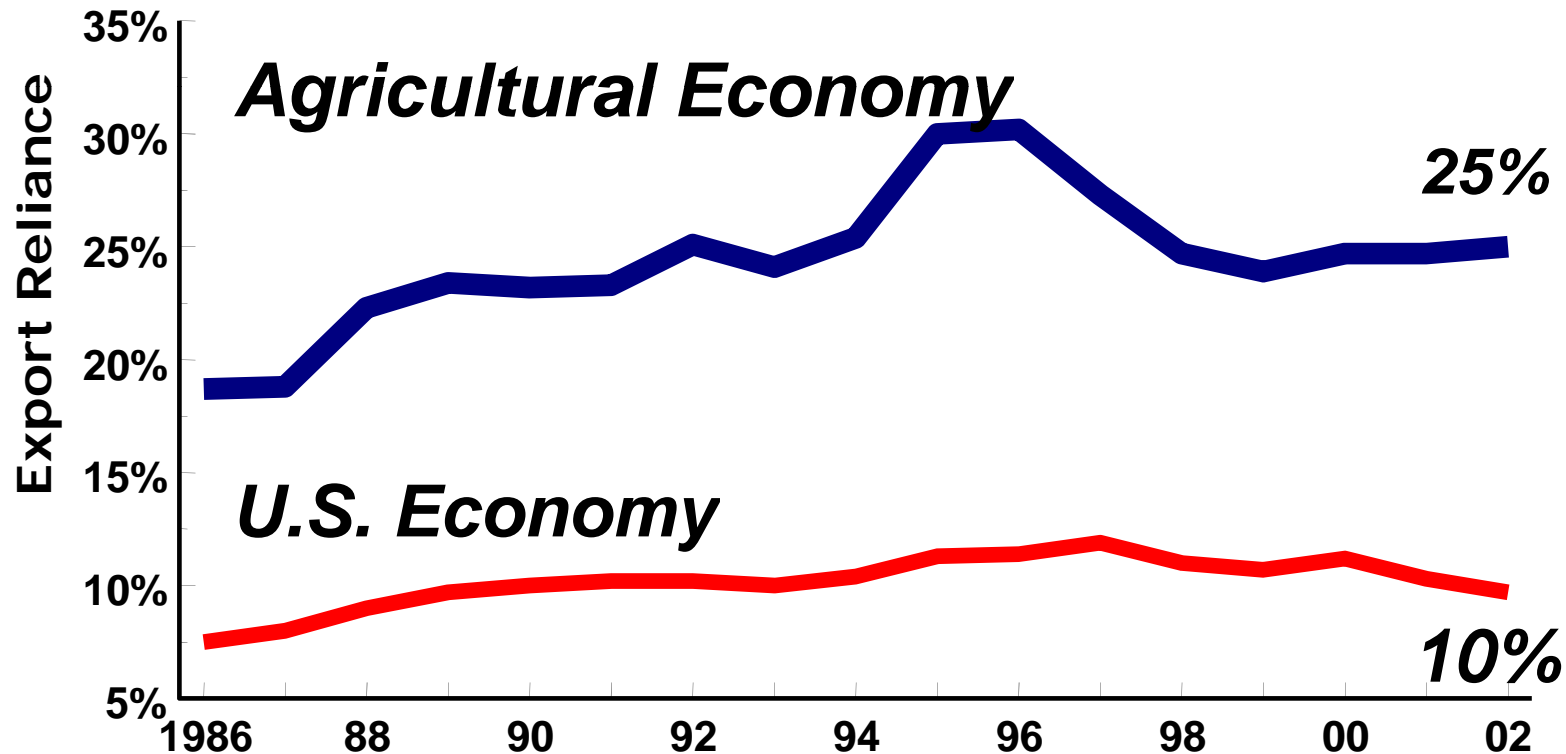
Context

Agricultural Exports

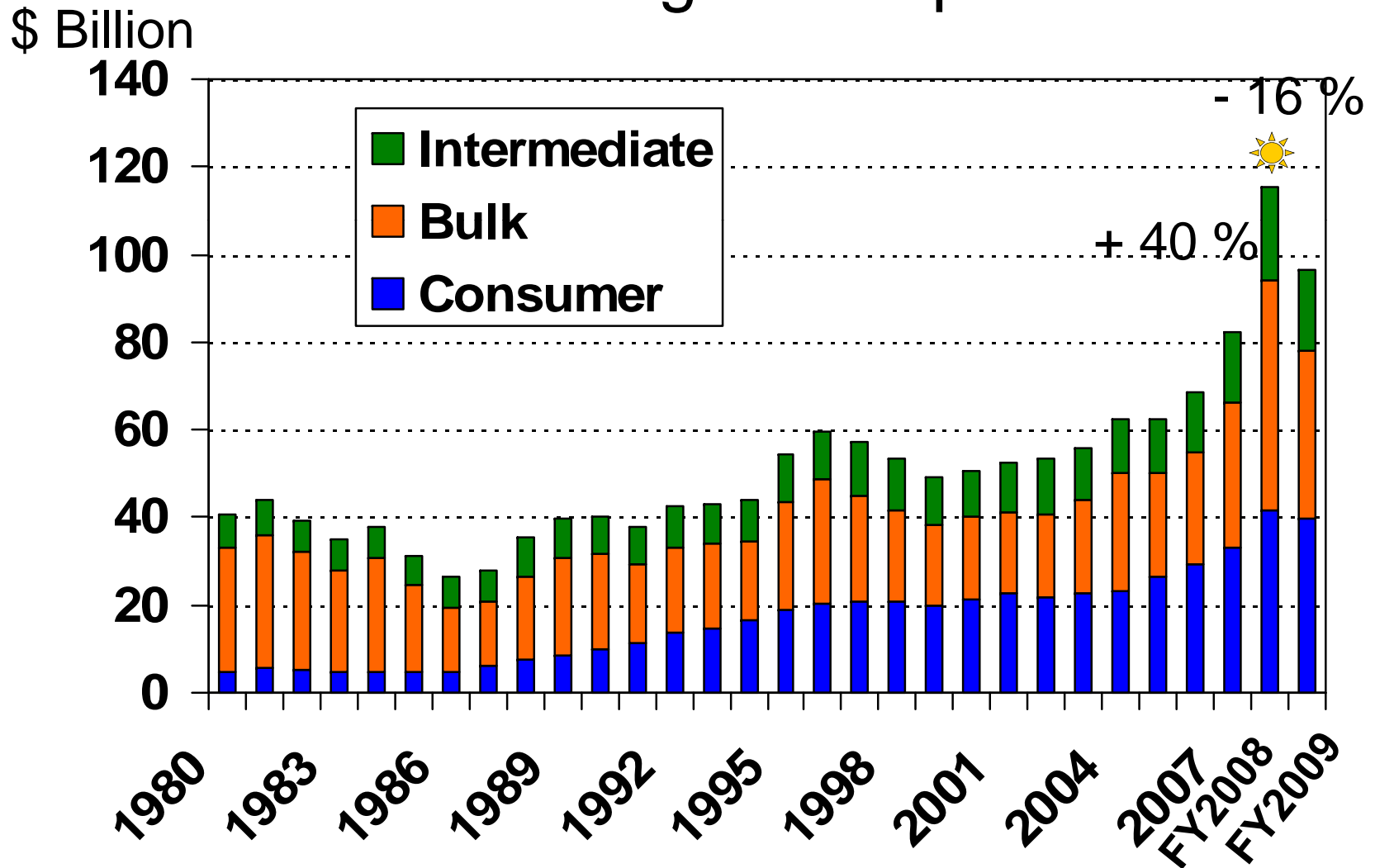


Are Vital to American Farmers

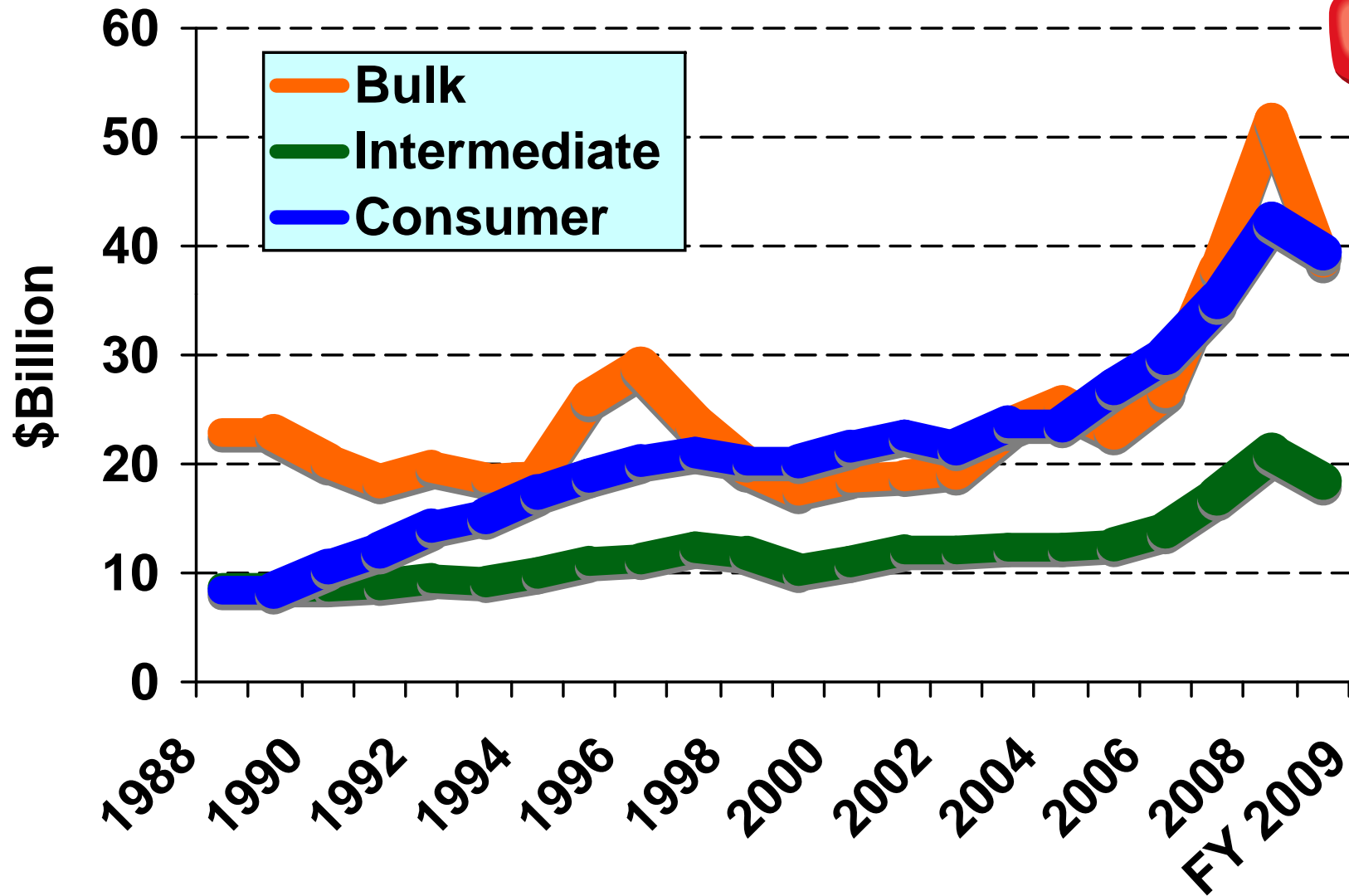
U.S. agriculture's reliance on export markets is much higher than the U.S. economy



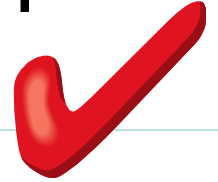
U.S. Agricultural Exports Reach Record Level in 2008, Fall 16 Percent in FY 2009 – Still Second Highest Export Level



20 Year Trend U.S. Agricultural Exports



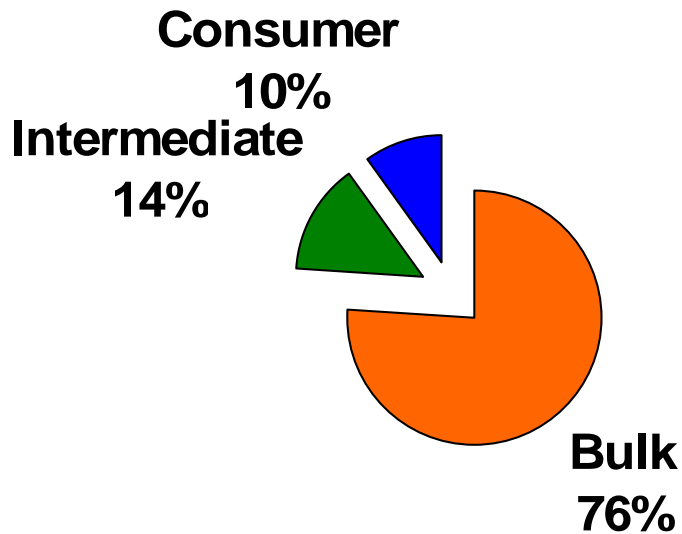
30 Year Trend for U.S. Agricultural Exports ... Shift to Consumer Foods



U.S. Agricultural Exports

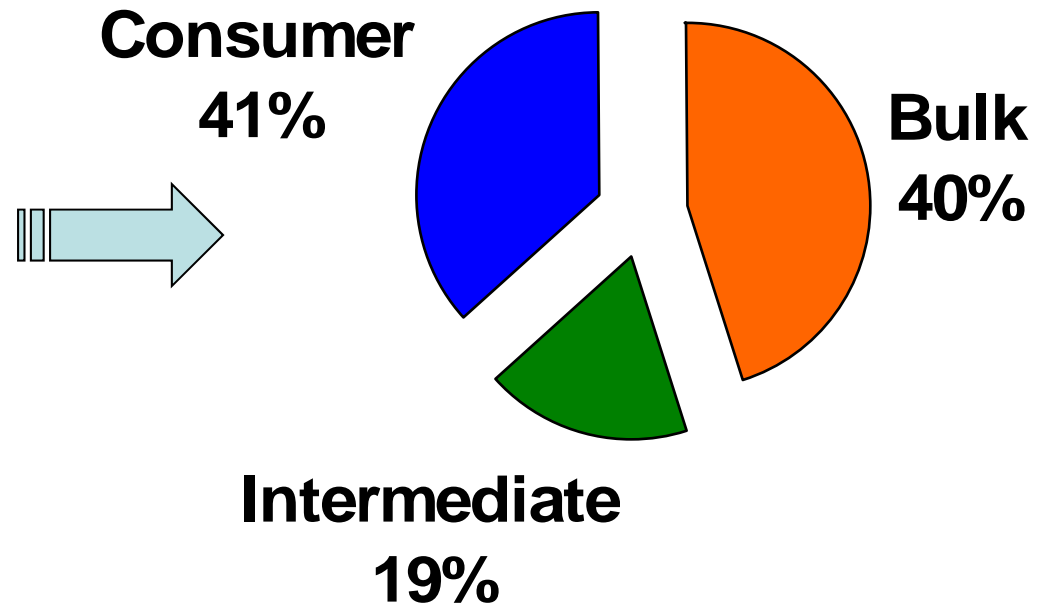
\$21.8 Billion

FY 1975

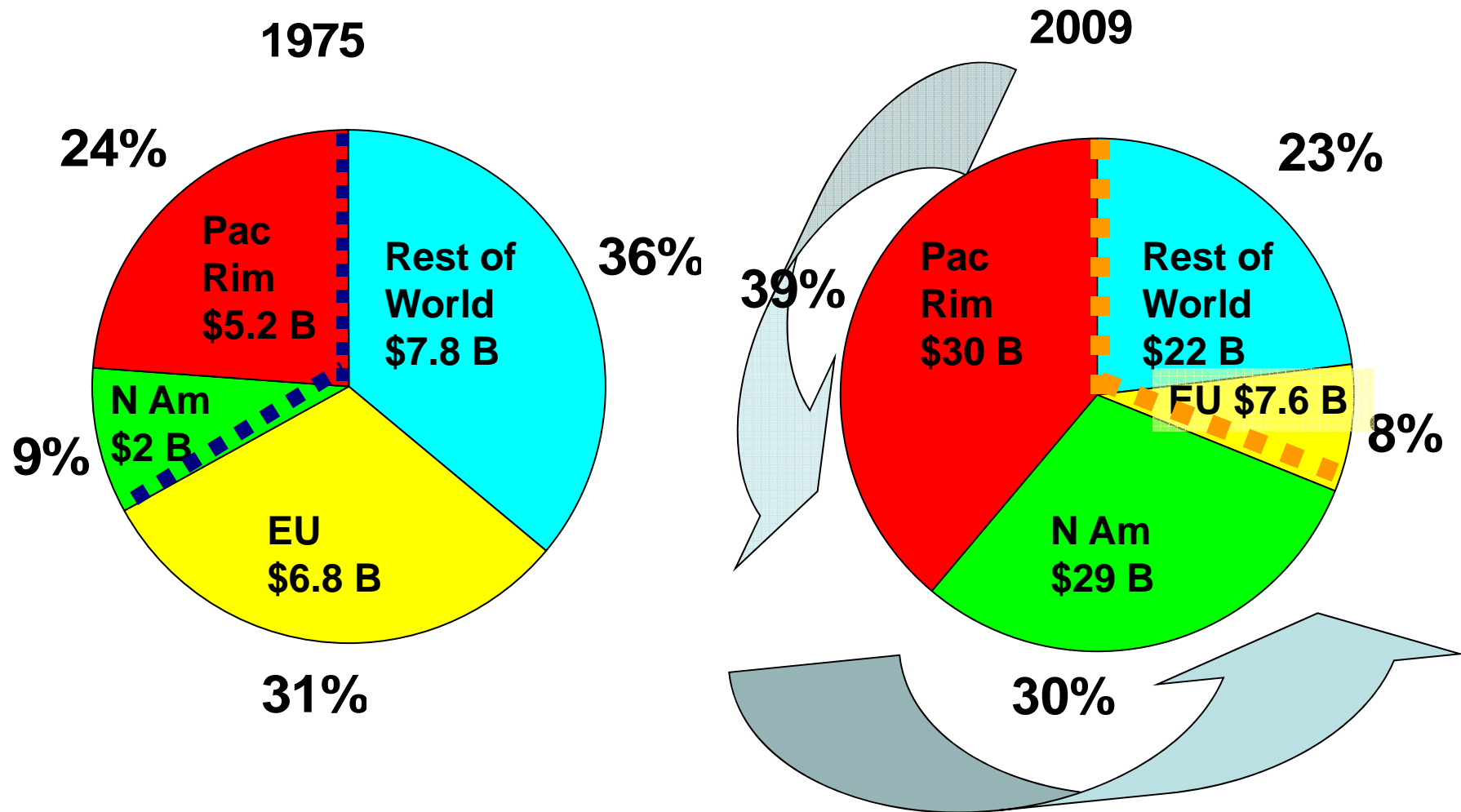


\$96.6 Billion

FY 2009



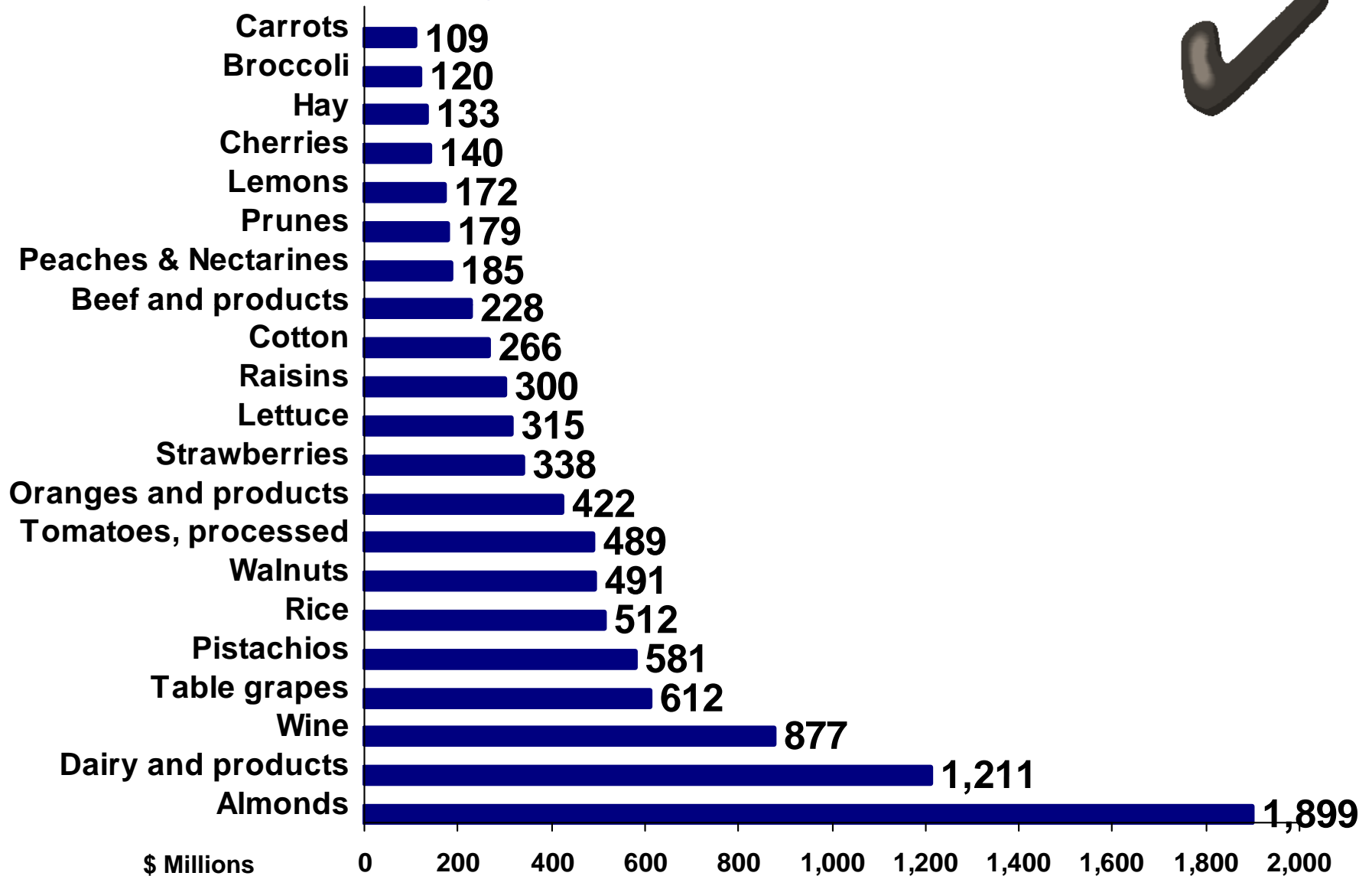
Markets for U.S. Agricultural Products Shift to Pacific Rim and North America



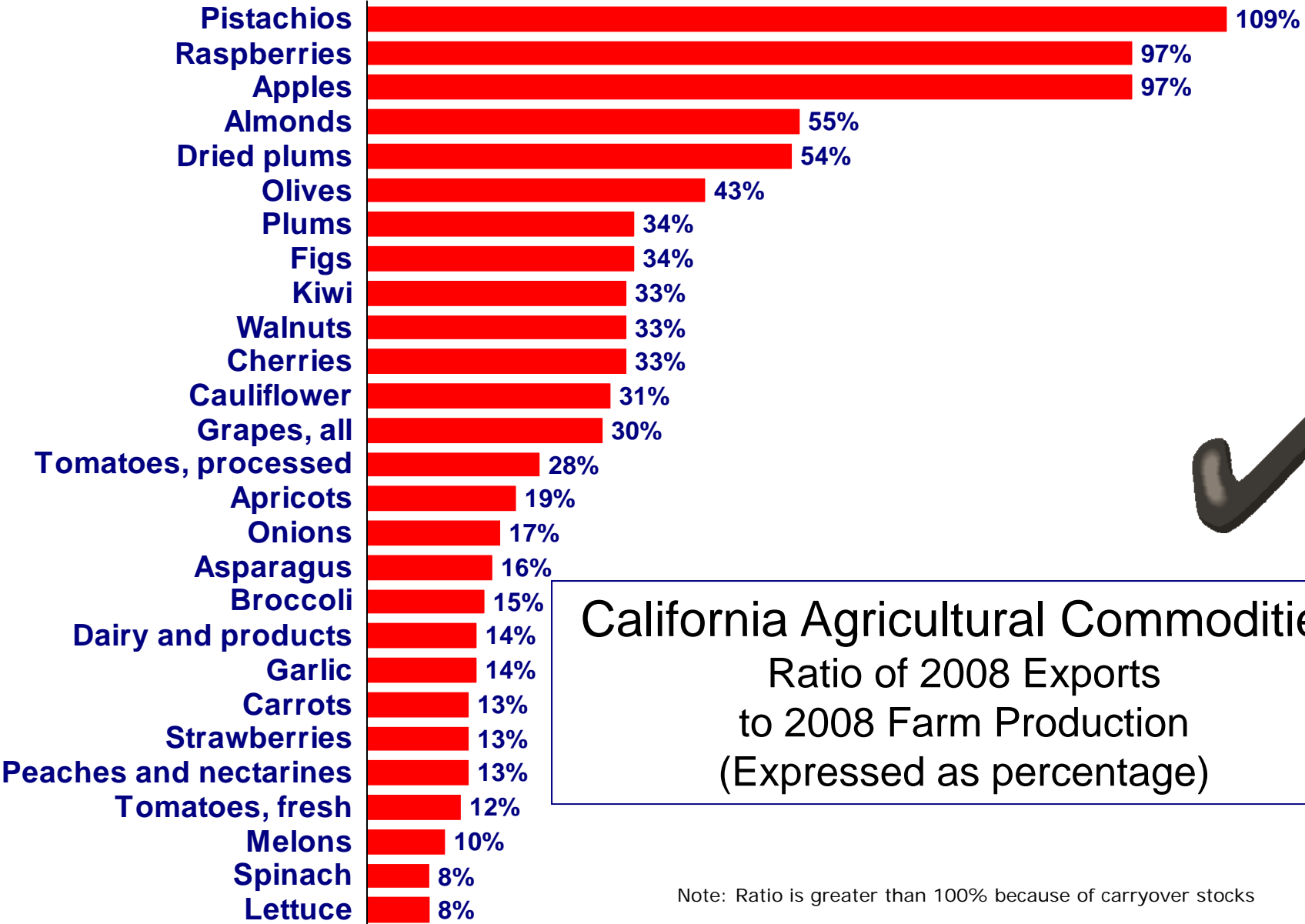
California Review

Top California Agricultural Exports – 2008

\$13 Billion Total



California Products Are an Export Success

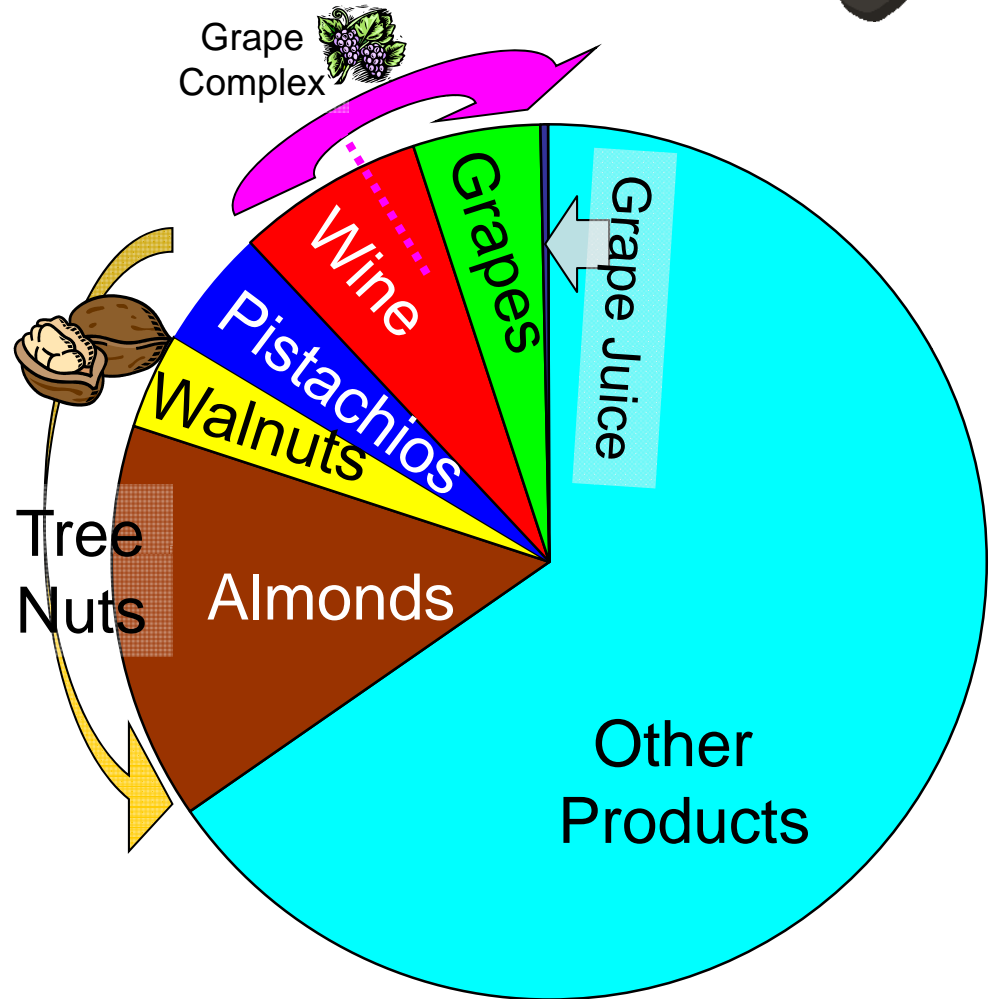
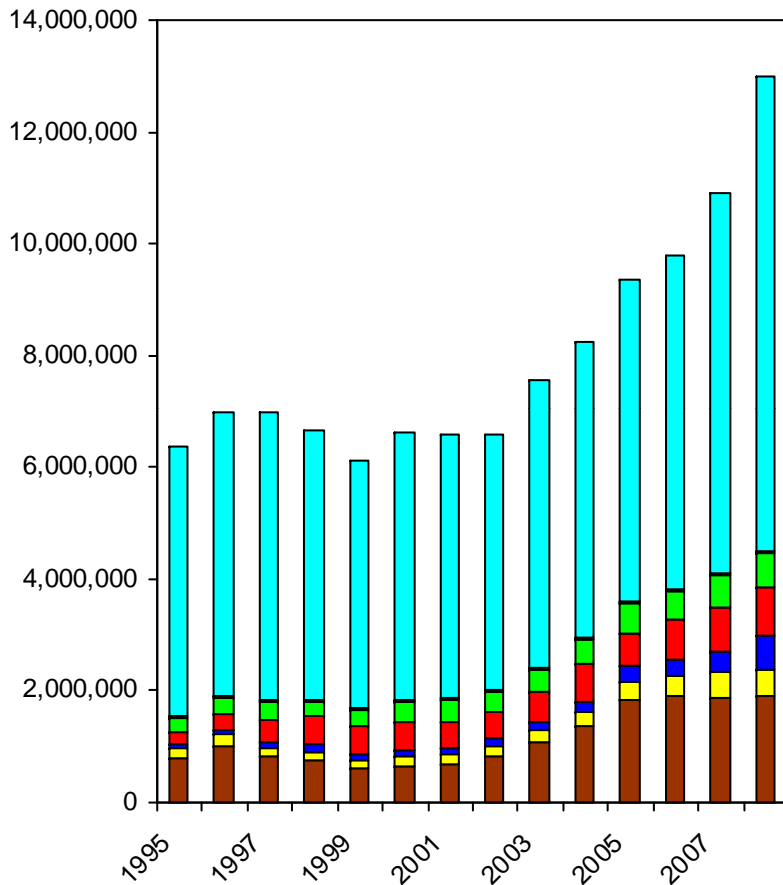


California Agricultural Commodities
 Ratio of 2008 Exports
 to 2008 Farm Production
 (Expressed as percentage)

Note: Ratio is greater than 100% because of carryover stocks

California Export Profile

Tree Nut and Grape Complex Account for 1/3 of California Agricultural Exports

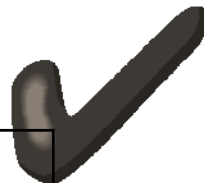
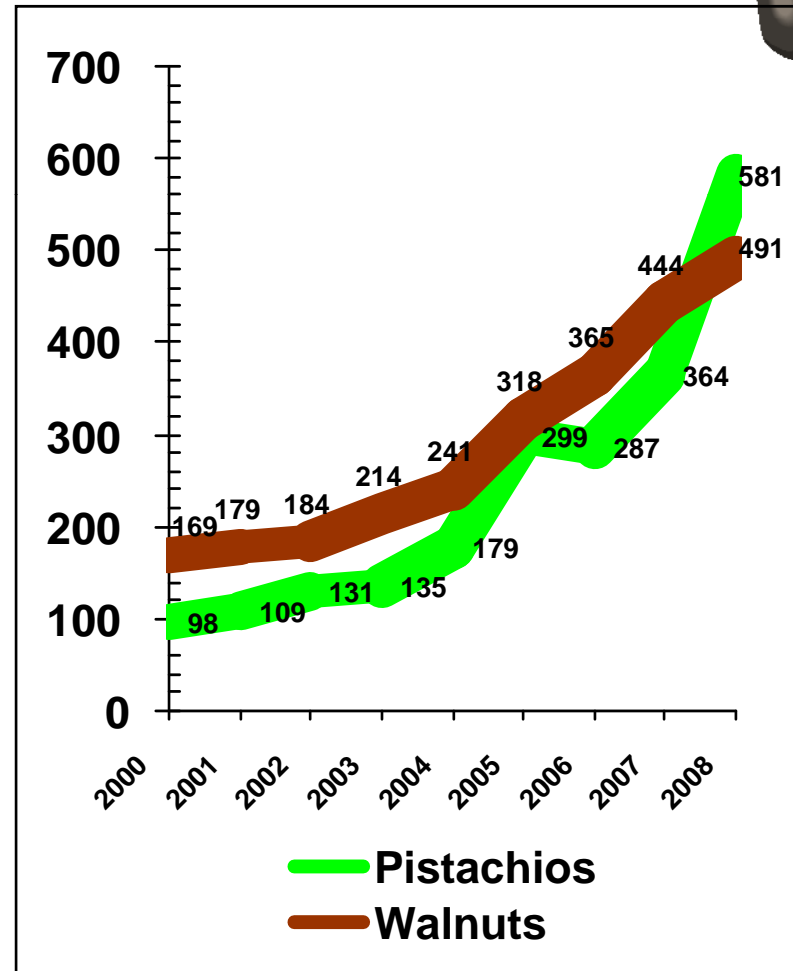
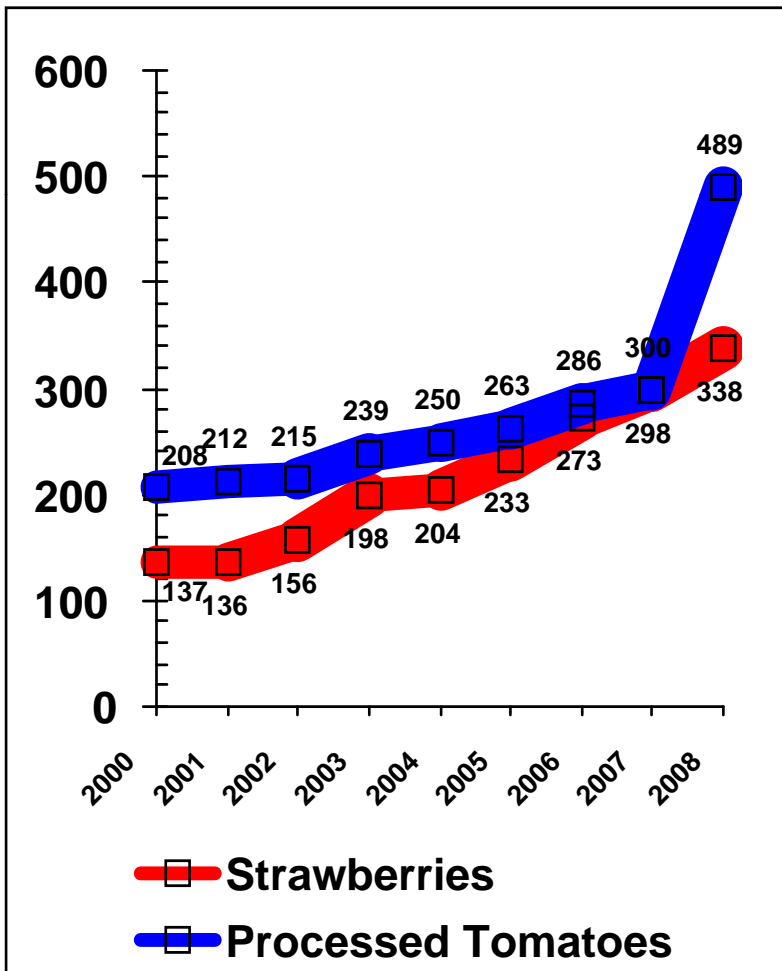


Led by almonds, tree nut complex of almonds, walnuts and pistachios exceed \$2.9 billion in exports and account for 23-percent of total California agricultural exports. Strong growth by walnuts and pistachios. California water shortages threaten tree nut production growth

2008

California Processed Tomatoes and Strawberries Double, Walnuts Triple and Pistachios Up Six Times in Exports

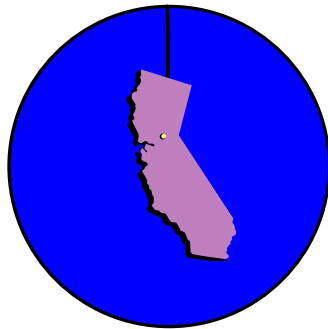
\$ Million



National Importance of California

U.S. Exports of Horticulture Products by California Grown

California Share of
U.S. Tree Nut Exports

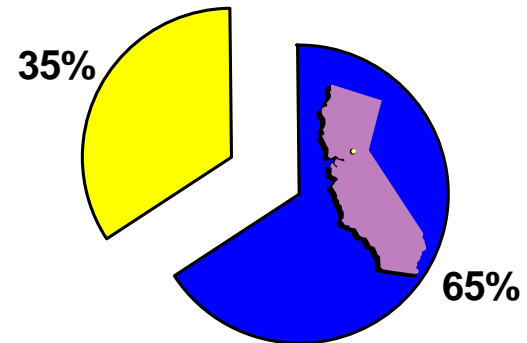


100%

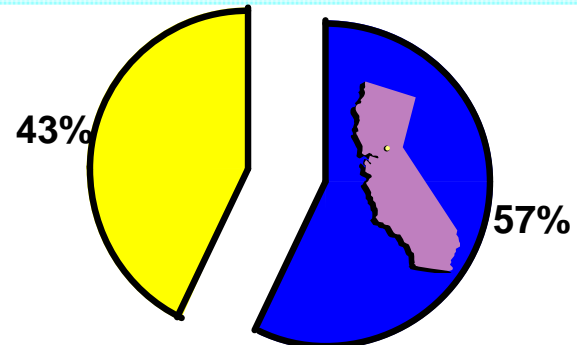


California Share

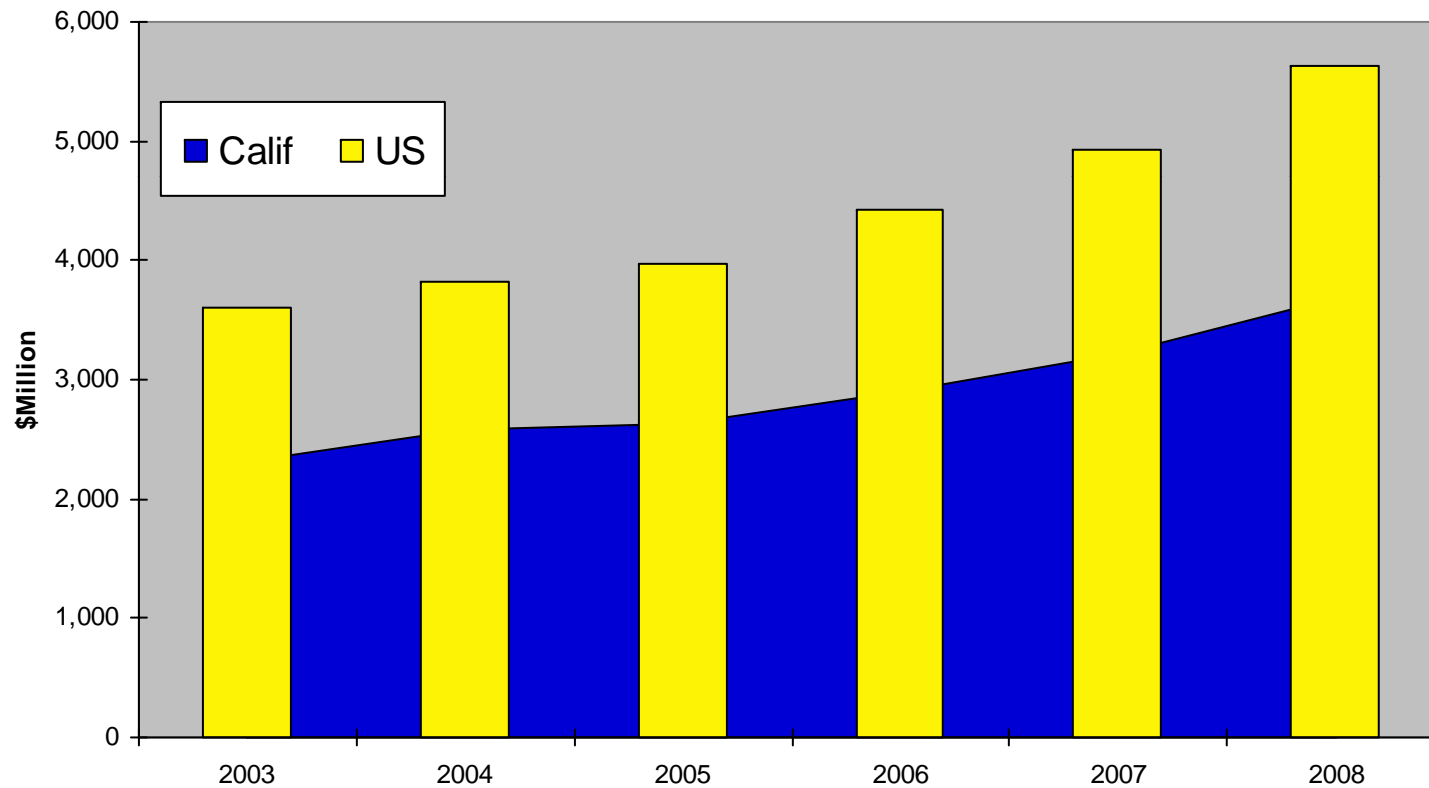
California Share of
U.S. Fruit Exports



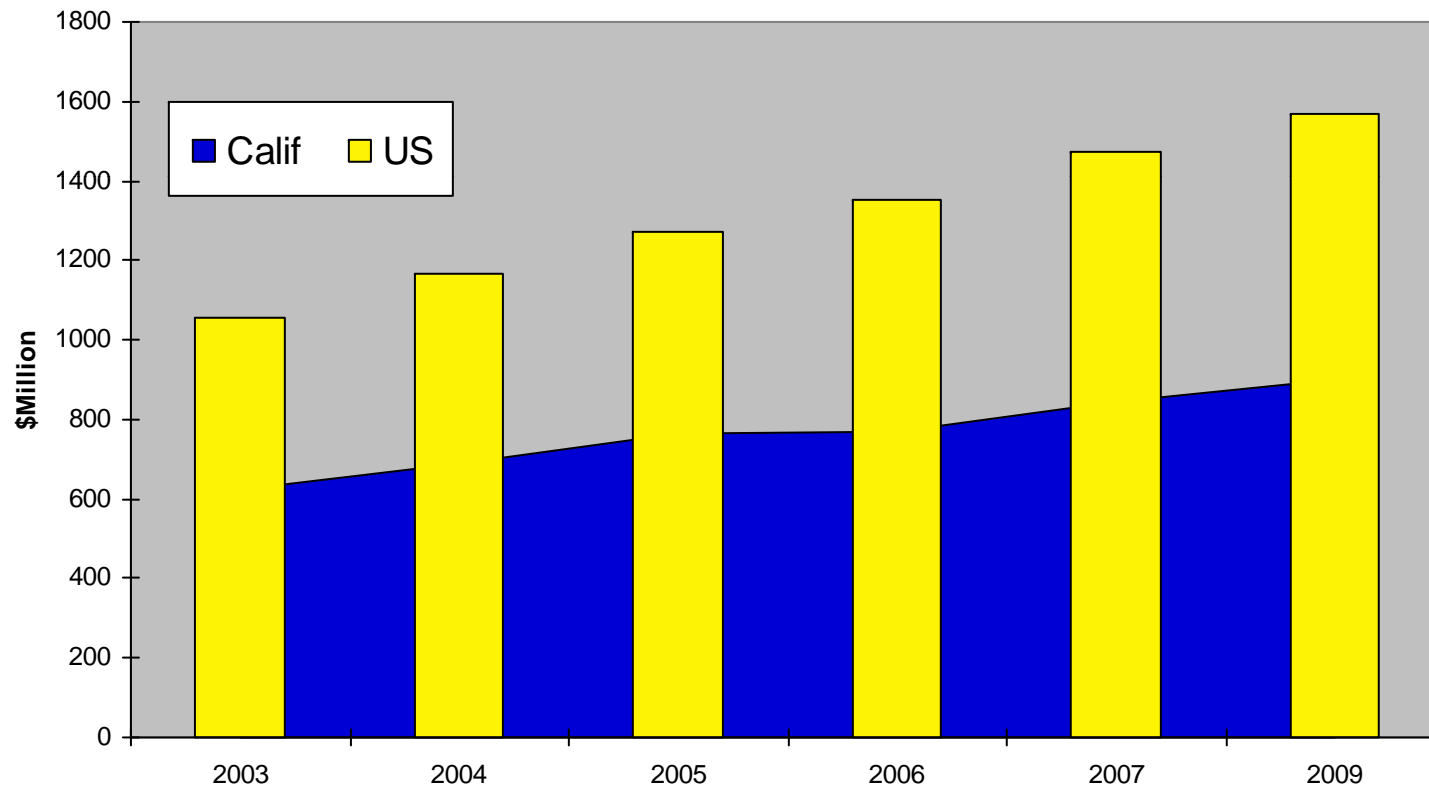
California Share of
U.S. Vegetable Exports



California and U.S. Exports of Fresh Fruits and Wine

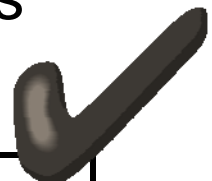


California and U.S. Exports of Fresh Vegetables



California Grown Dominates Exports

California Accounts for 90-100 Percent of U.S. Exports
... \$4.76 Billion out of \$4.8 Billion ...

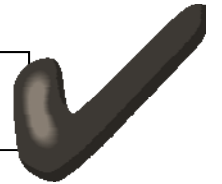


✓ Almonds	✓ Walnut	✓ Pistachios
✓ Raisins	✓ Dried Plums	✓ Dates
✓ Figs	✓ Kiwi	✓ Olives
✓ Garlic	● Table Grapes	● Apricots
● Plums	● Strawberries	● Celery
● Broccoli	● Processed Tomatoes	● Lemons

✓ 100-Percent From California

California Products Rule!

California Grown Share of U.S. Exports of These Products:



Peaches & Nectarines	84%
Carrots	77%
Raspberries	73%
Lettuce	67%
Tangerines & Mandarins	53%
Oranges & Products	51%
Grape Juice	48%
Dry Beans	40%
Fresh Tomatoes	38%

Cherries	36%
Melons	34%
Sweet Potatoes	33%
Potatoes	31%
Grapefruit	24%
Hay	22%
Rice	22%
Pears	13%
Cotton	11%

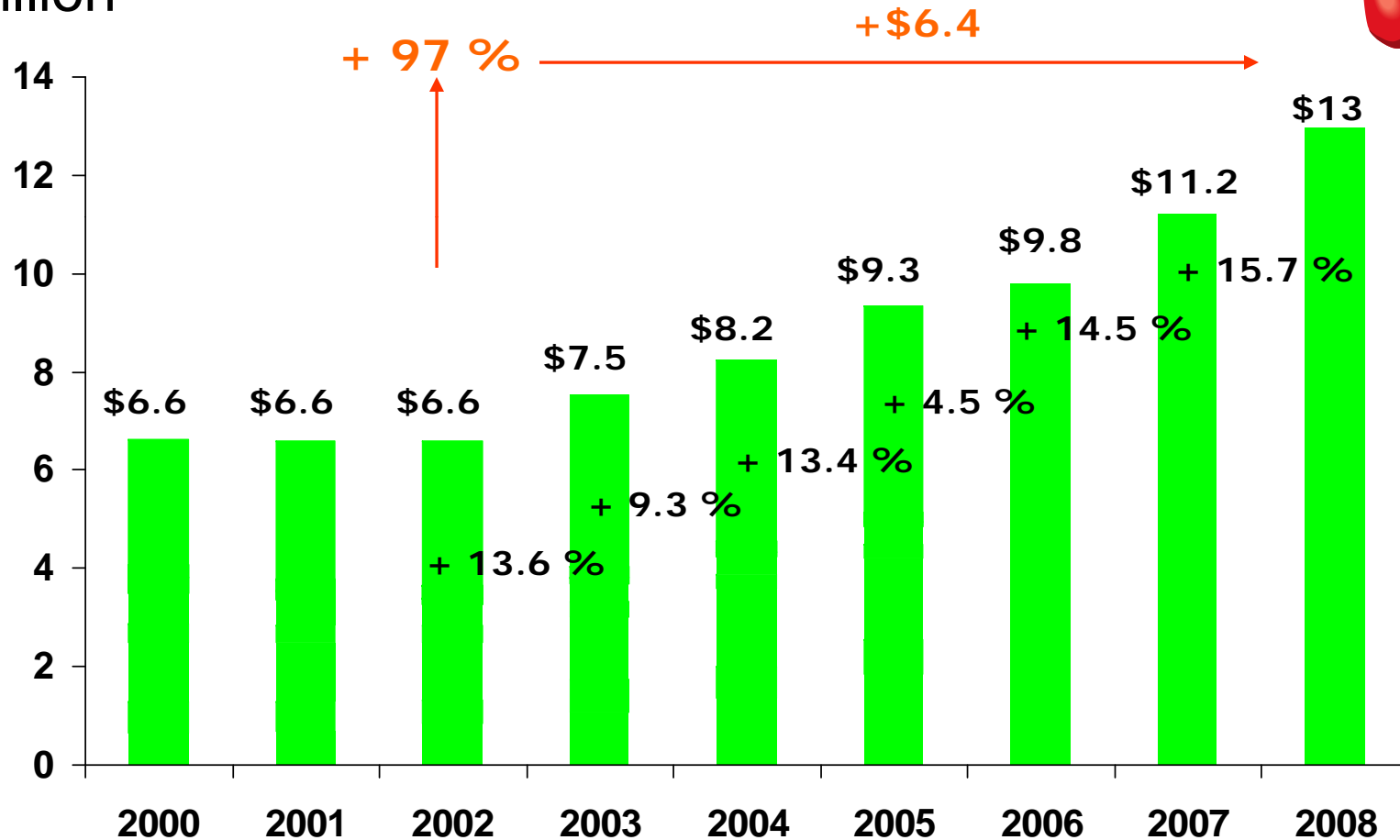
Trend

Two Decades of Growth in Export Sales

California Dominates Specialty Crops

Global California Exports

\$ Billion



California Agricultural Exports

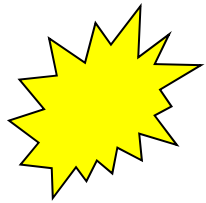


Where it goes

Top Three Markets Account for 50-Percent of Exports

Top Five Markets Account for 60-Percent of Exports

Top Eight Markets Account for 66-Percent of Exports



Top U.S. and California Markets



Top U.S. Markets*

1	Canada	\$16.3 Billion
2	Mexico	\$16 Billion
3	China HK	\$13.8 Billion
4	Japan	\$13.2 Billion
5	EU-27	\$10.1 Billion
6	S. Korea	\$ 5.6 Billion
7	Taiwan	\$ 3.4 Billion

2008

To World: \$115 Billion



Top California Markets

1	Canada	\$2.5 Billion
2	EU	\$2.4 Billion
3	Japan	\$1.1 Billion
4	Mexico	\$762 Million
5	China HK	\$752 Million
6	S. Korea	\$454 Million
7	Taiwan	\$229 Million

2008

To World: \$13 Billion

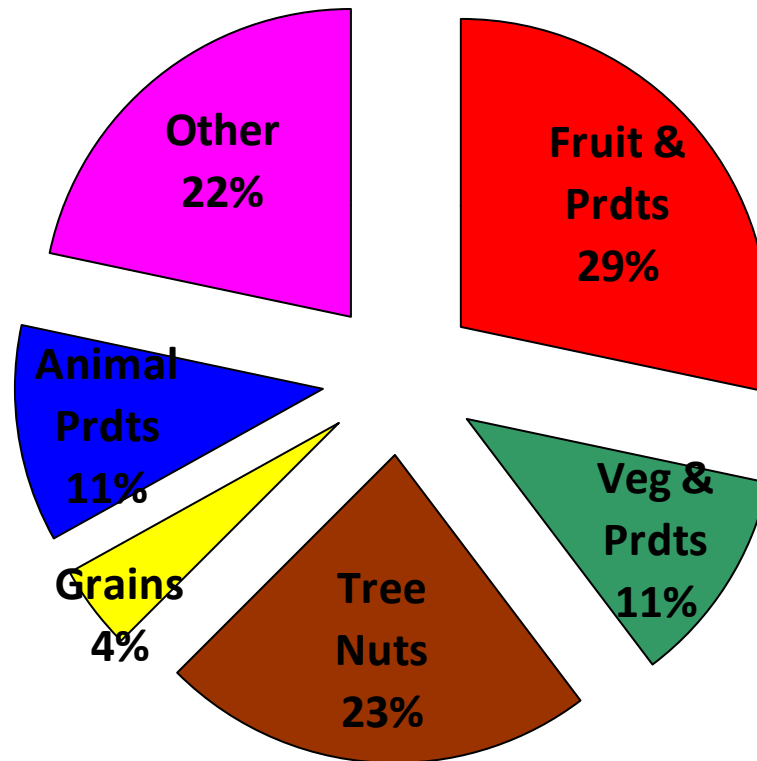


Top Ten 2008 Export Markets for California Agricultural Products



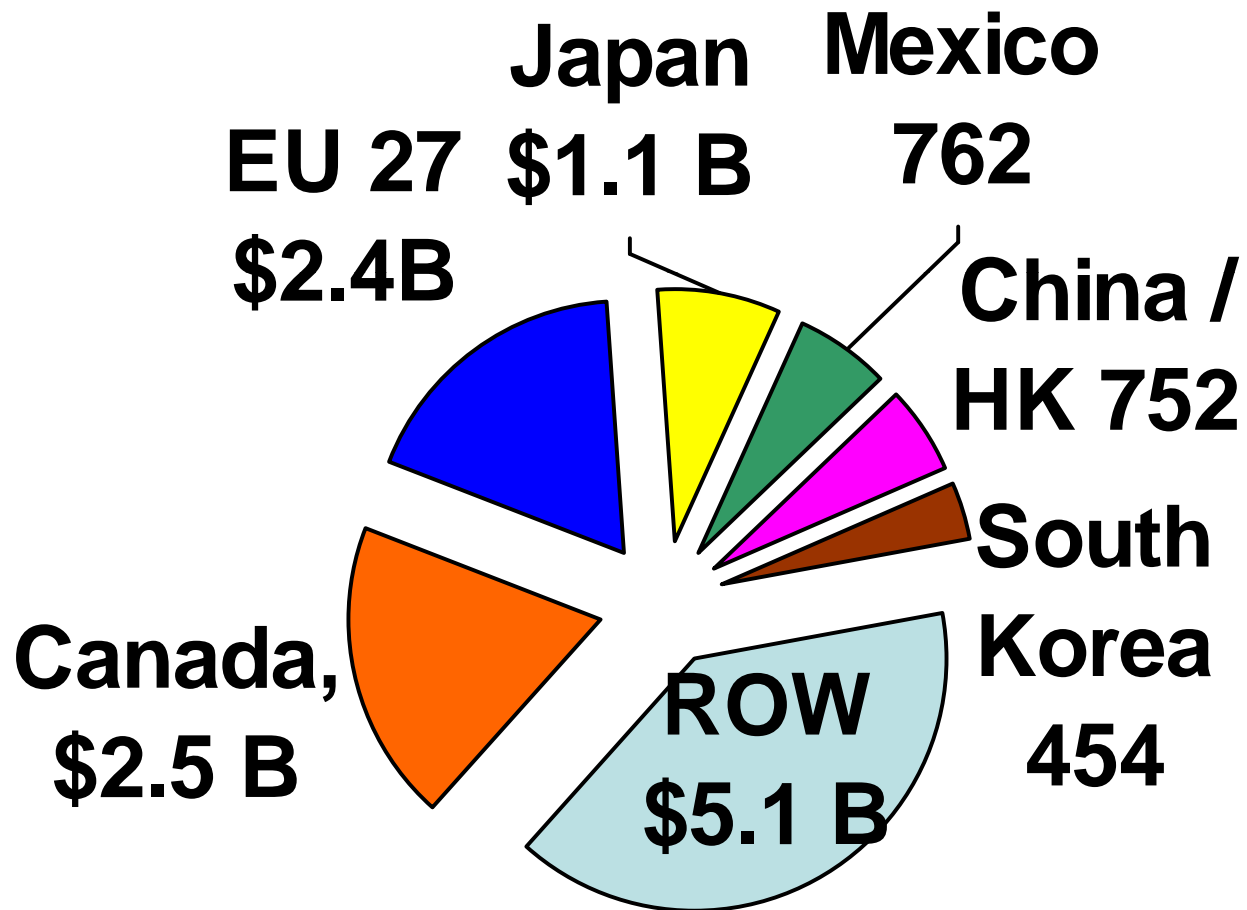
Canada	\$2.5 Billion	Lettuce, Strawberries, Table Grapes, Wine, Processed Tomatoes, Almonds, Dairy
European Union	\$2.4 Billion	Almonds, Wine, Pistachios, Walnuts, Raisins, Proc. Tomatoes, Prunes
Japan	\$1.1 Billion	Rice, Almonds, Hay, Citrus, Dairy
Mexico	\$762 Million	Dairy, Table Grapes, Fresh & Processed Tomatoes, Strawberries, Walnuts
China-Hong Kong	\$752 Million	Almonds, Pistachios, Cotton, Oranges, Table Grapes, Dairy, Beef, Wine
South Korea	\$454 Million	Oranges, Rice, Beef, Walnuts, Almonds
Taiwan	\$229 Million	Peaches, Table Grapes, Beef, Almonds
Australia	\$226 Million	Table Grapes, Proc. Tomatoes, Walnuts
India	\$217 Million	Almonds, Cotton, Pistachios, Table Grapes
UAE	\$145 Million	Almonds, Oranges, Proc. Tomatoes

Snapshot California Ag Exports What!



2008: \$13 Billion

Snapshot California Ag Exports Where!



2008: \$13 Billion

2009 Recession Impact

Top U.S. Markets 2008 & 2009

Recession Impact Drops All Markets



China Bucks Trend with Reaching Record Levels in 2009

Top U.S. Markets 2008

1 Canada*	\$16.3 Billion
2 Mexico*	\$16 Billion
3 China HK	\$13.8 Billion
4 Japan*	\$13.2 Billion
5 EU-27	\$10.1 Billion
6 S. Korea*	\$ 5.6 Billion
7 Taiwan*	\$ 3.4 Billion

2008

To World*: \$115 Billion

*

RECORD EXPORTS

Top U.S. Markets 2009

1 Canada	\$15.7 Billion	-3.4%
2 Mexico	\$12.9 Billion	-19%
3 China HK*	\$15.2 Billion	+10%
4 Japan	\$11.1 Billion	-16%
5 EU-27	\$ 7.5 Billion	-26%
6 S. Korea	\$ 3.9 Billion	-29%
7 Taiwan	\$ 3.0 Billion	-12.5%

2008

To World: \$98.6 Billion

Exports Fall \$16.7 Billion - 14.5%

Global

Recession

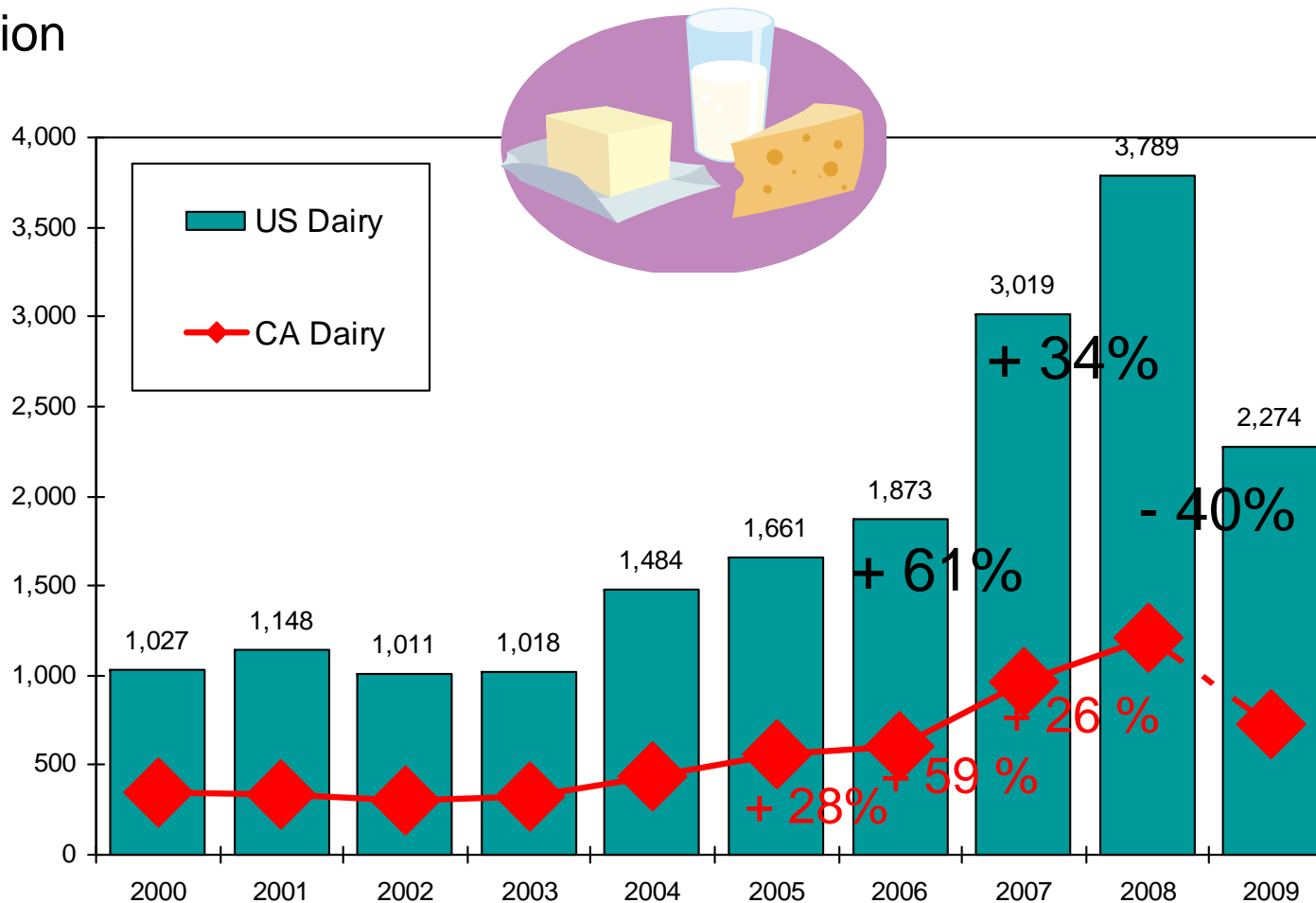
Impact

California & US Dairy Export Profile

Sharp drop in exports in 2009
USDA Forecast Recovery in 1010



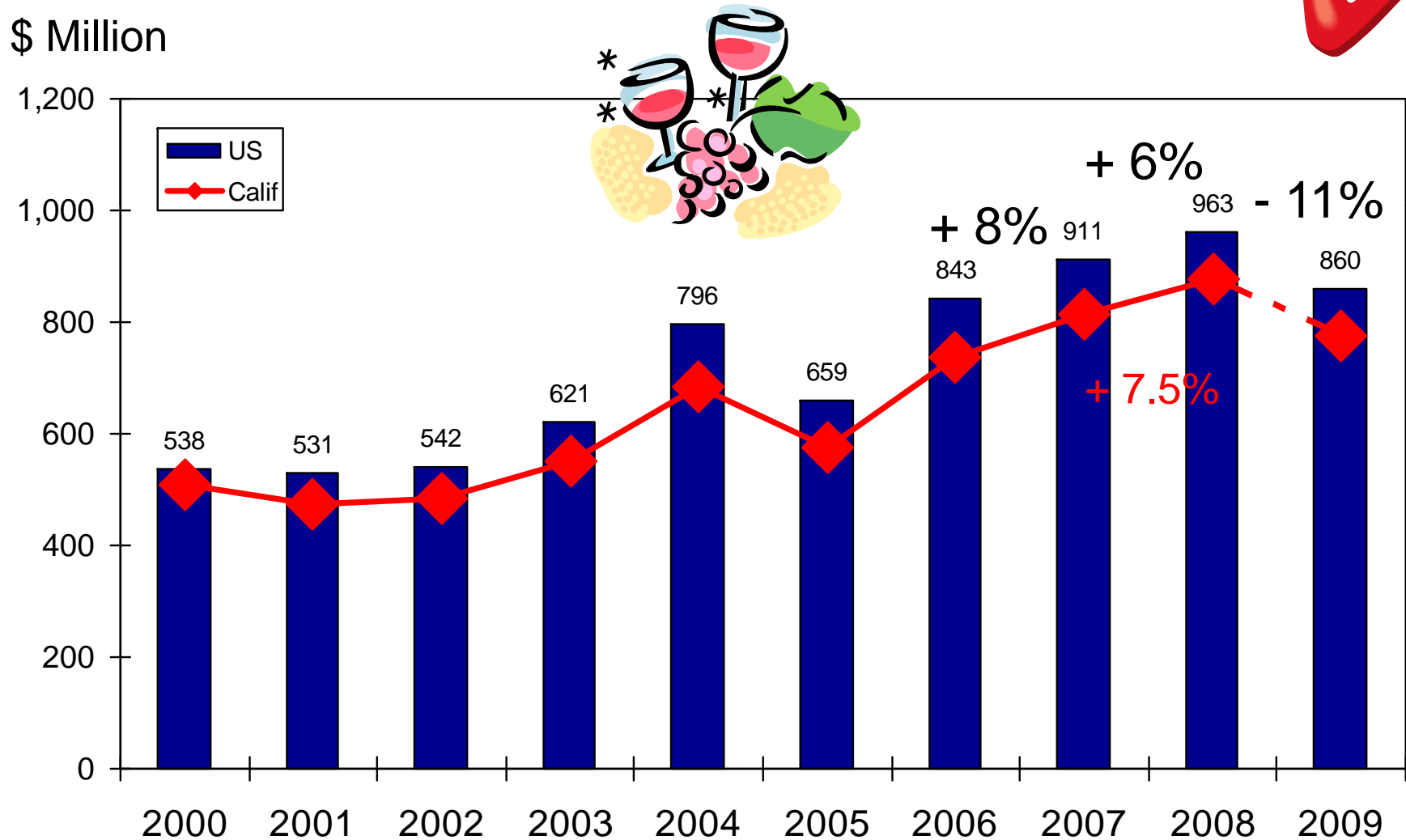
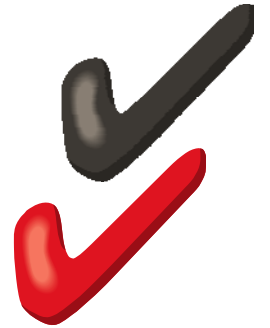
\$ Million



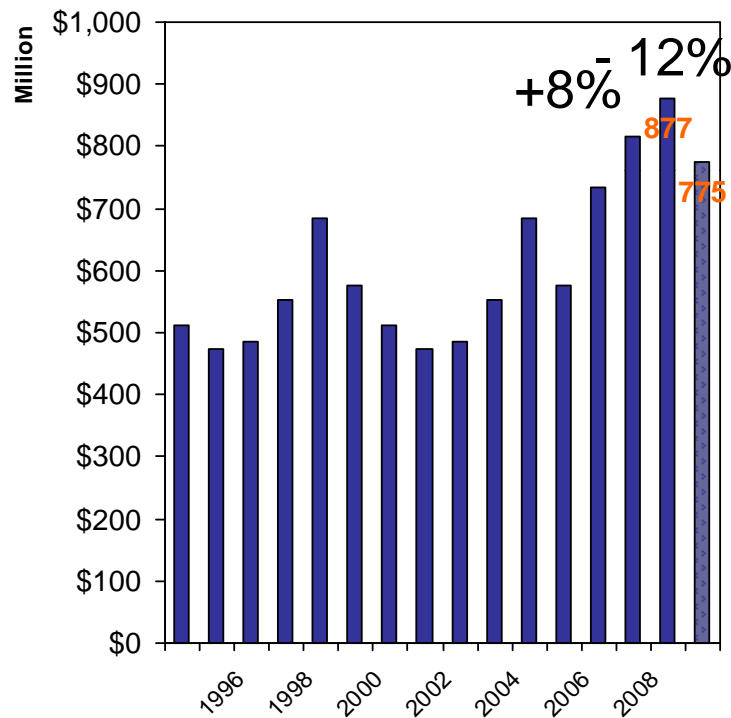
California & US Wine Export Profile

11 percent drop in exports in 2009

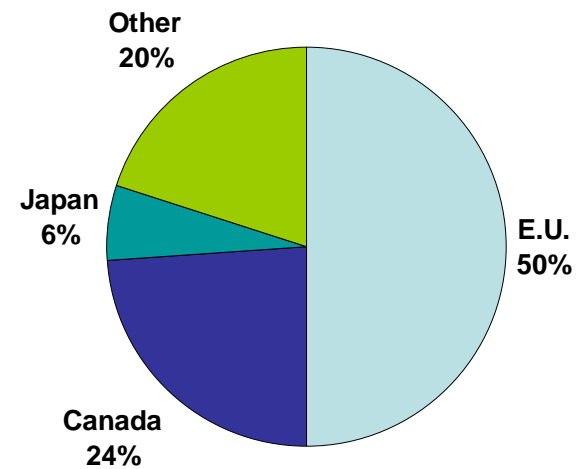
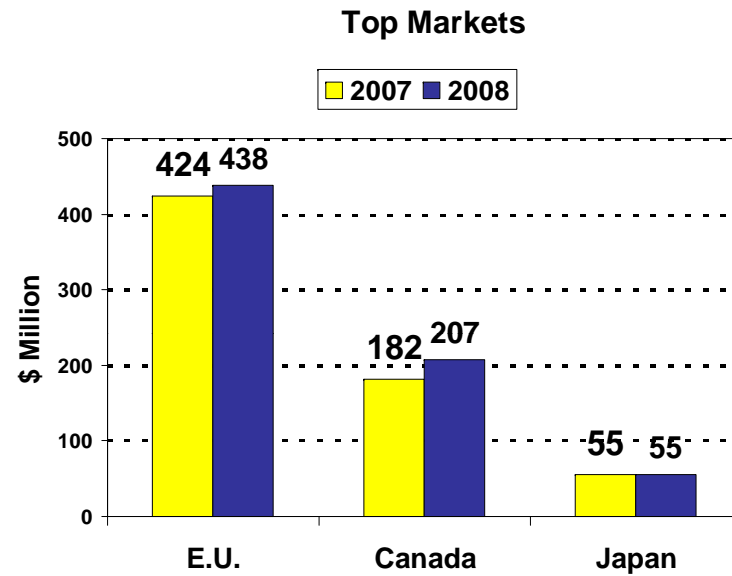
California Dominates US Wine Exports



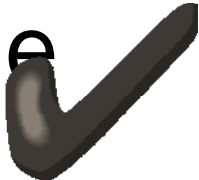
2008 California Wine Export Profile



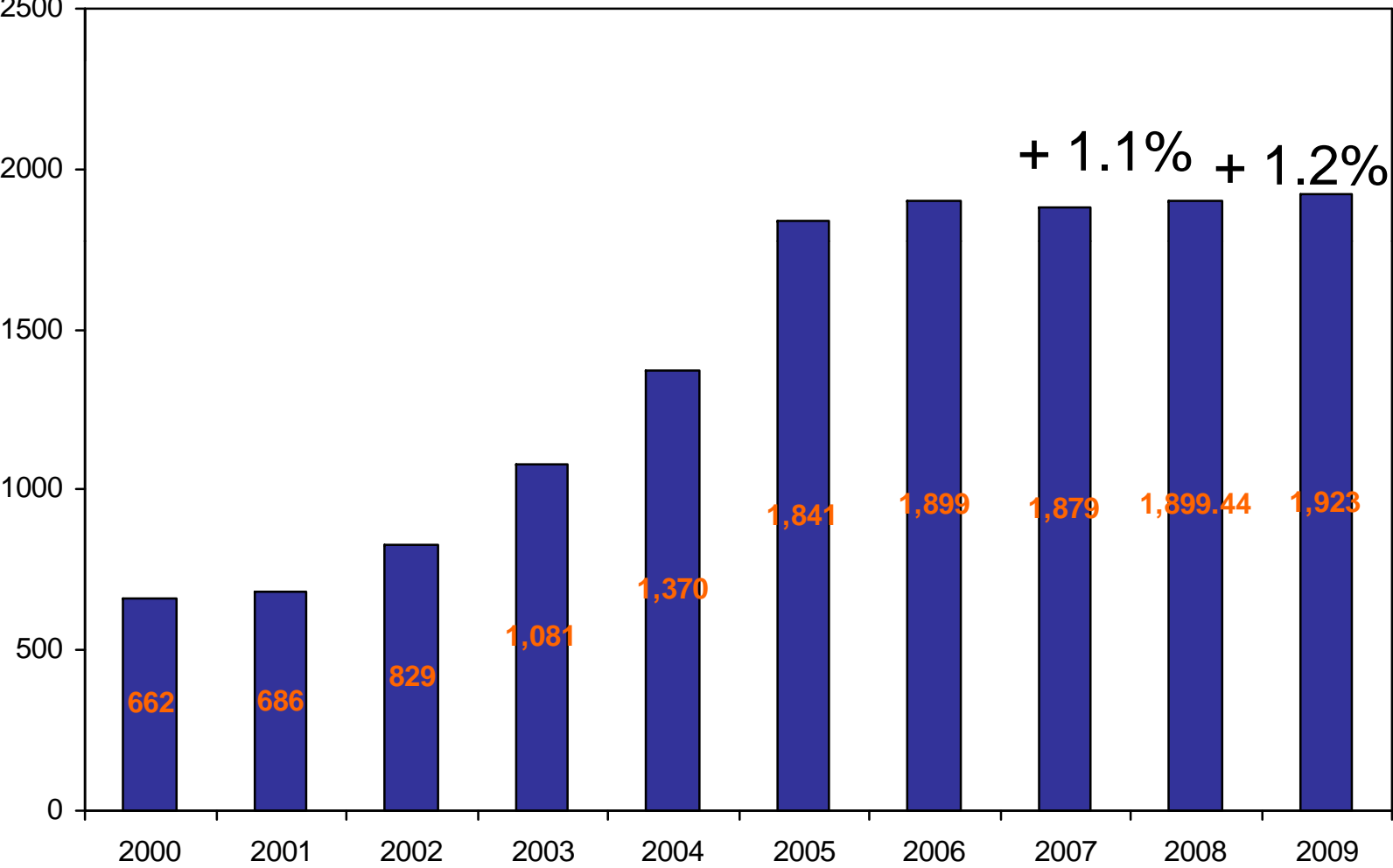
2008 Export Rank: 3



California & US Almond Export Profile



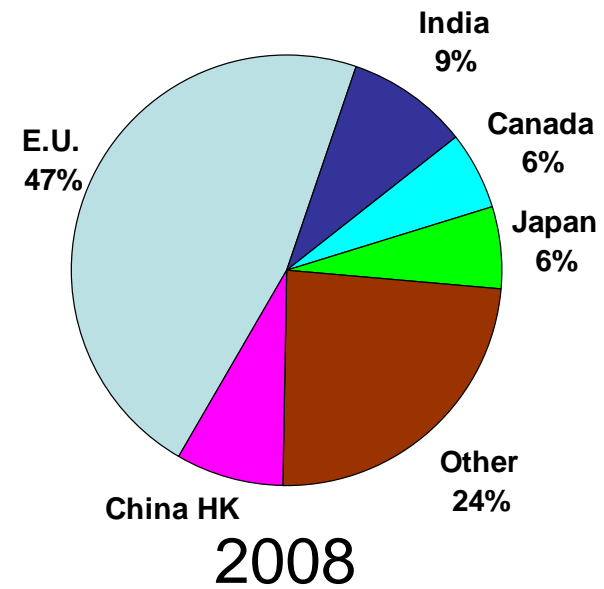
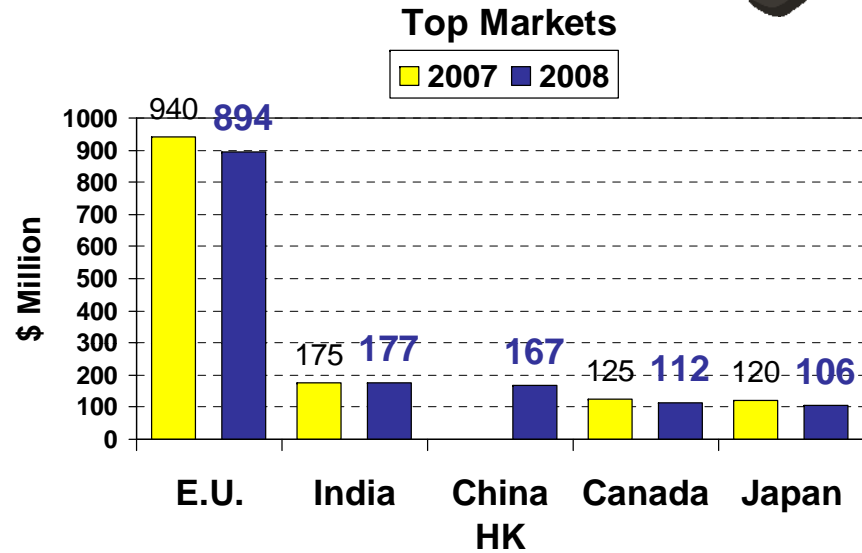
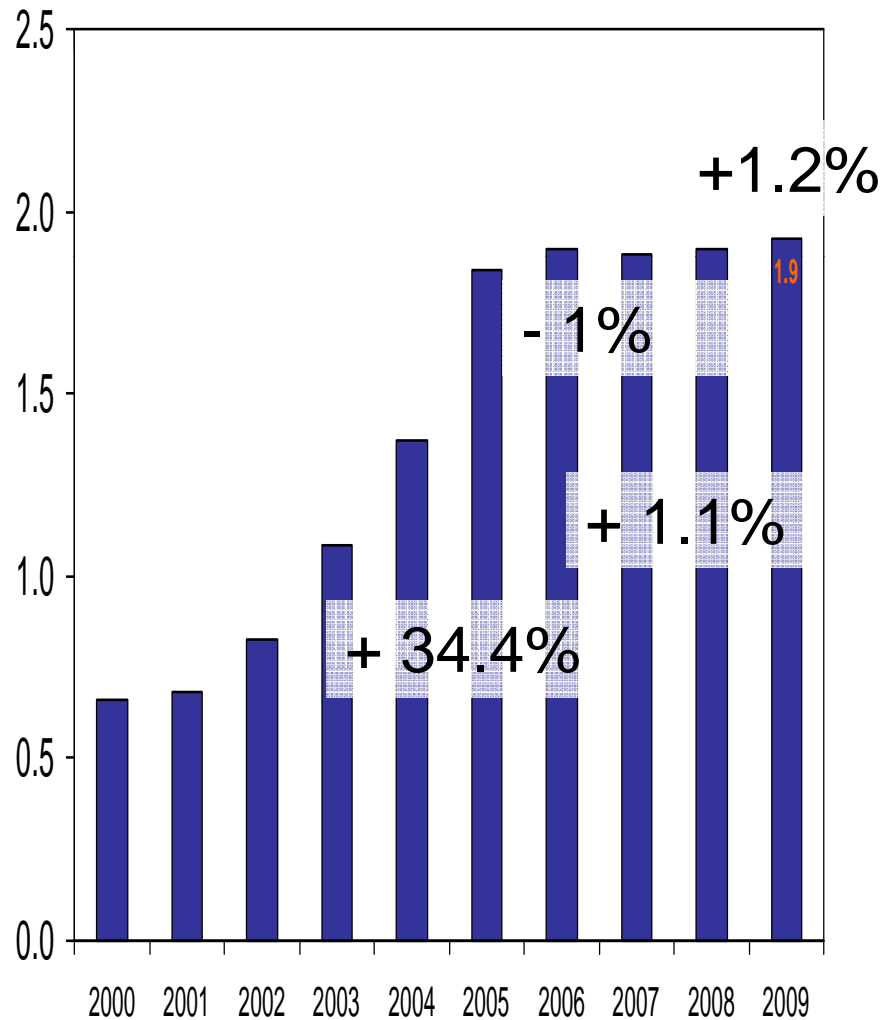
\$ Million USDA Forecast Soft Prices for Almonds



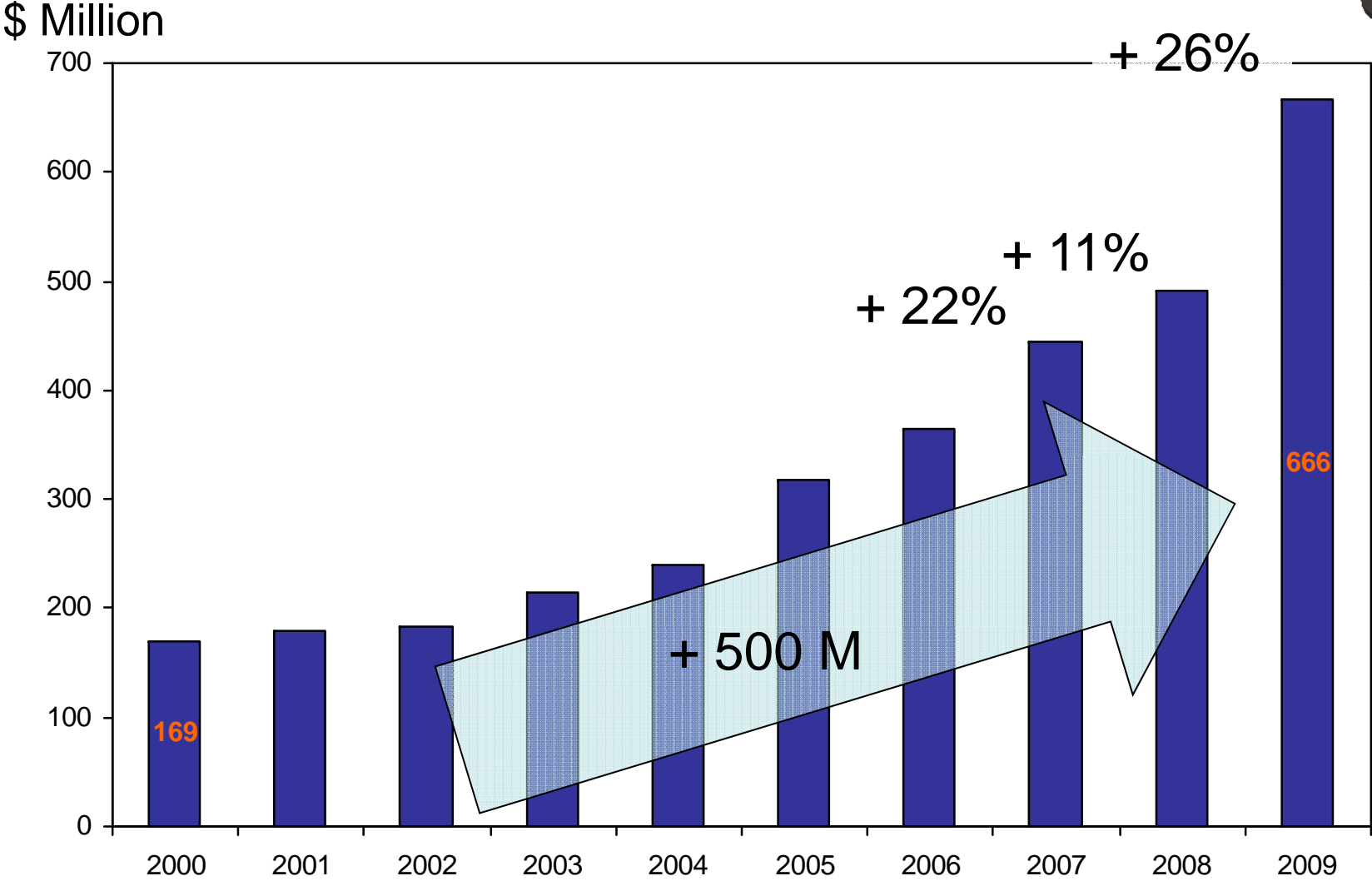
California Almond Export Profile



\$ Billion 2008 Export Rank: 1



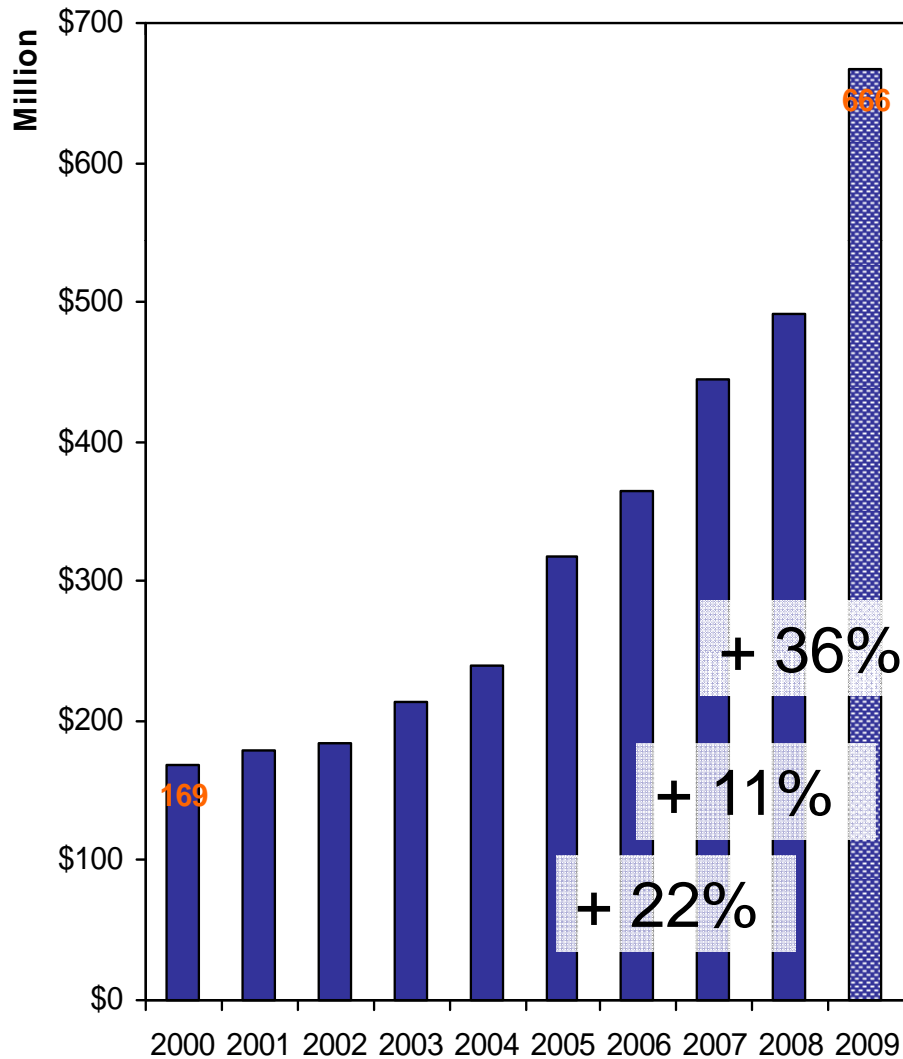
California & US Walnut Export Profile



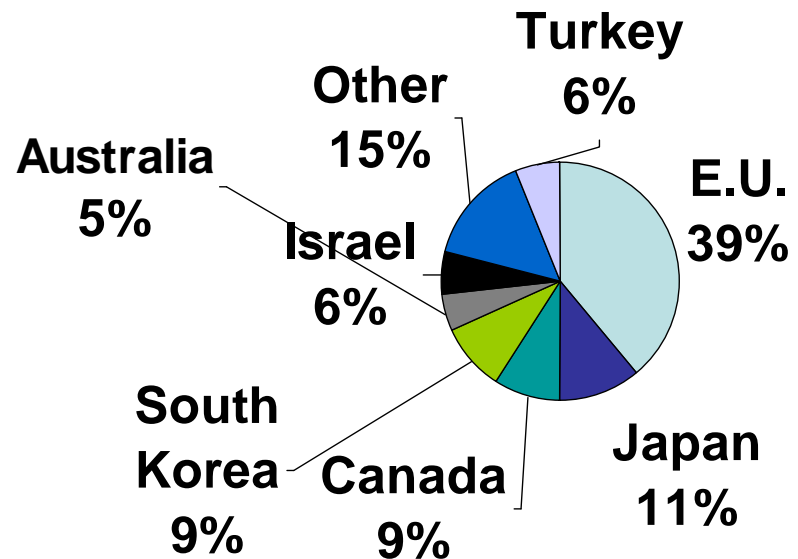
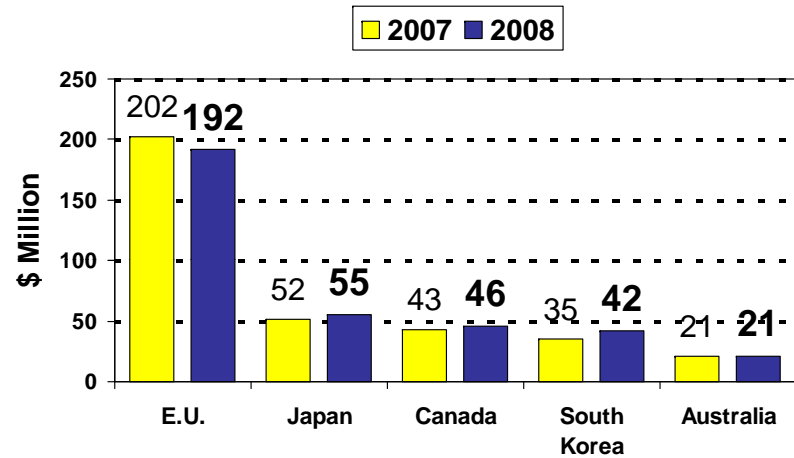
2008 California Walnut Export Profile



2008 Export Rank: 6

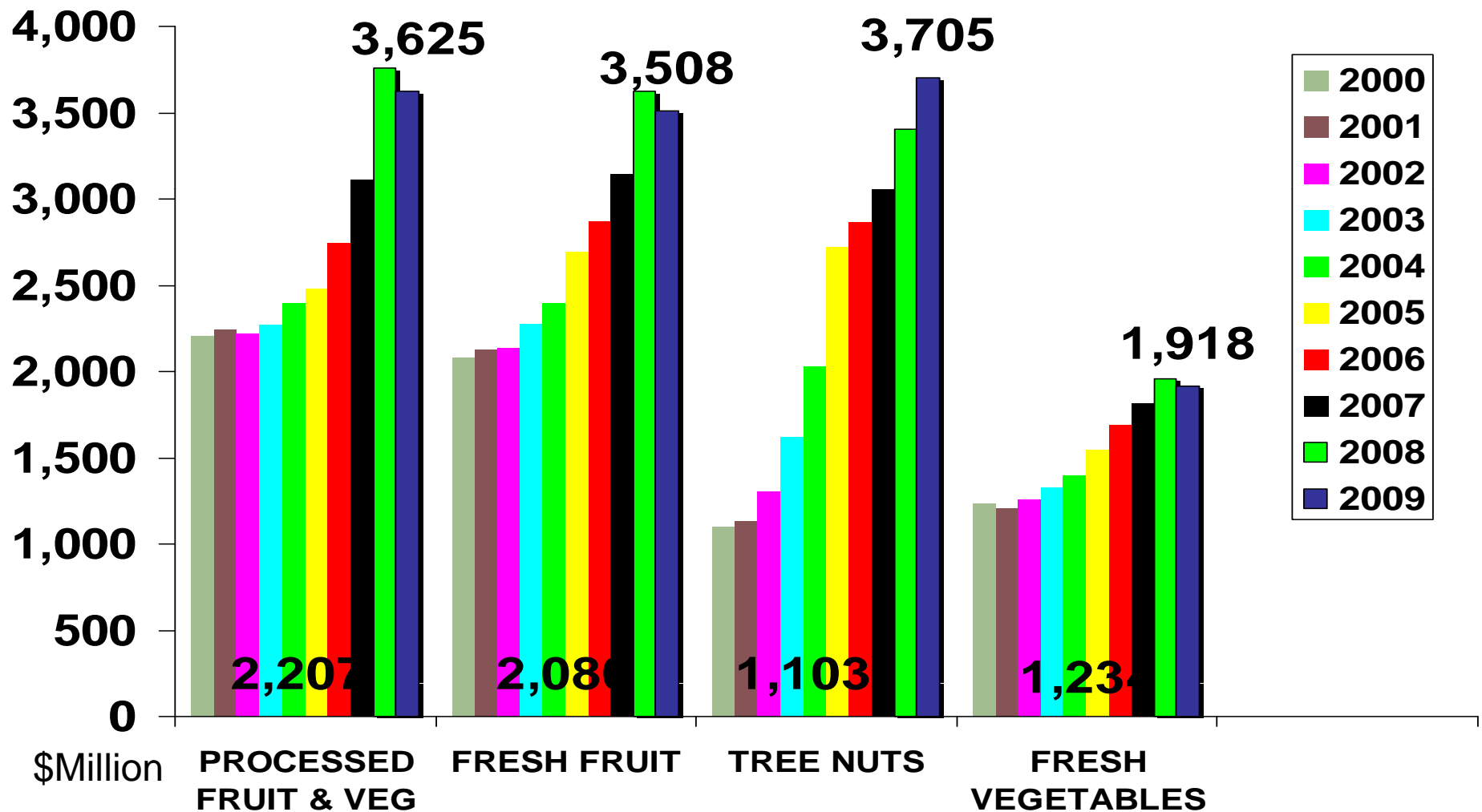
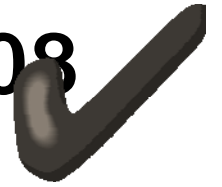


Top Markets



09 U.S Exports of Horticulture Products Off Slightly From Record Shipments in 2008

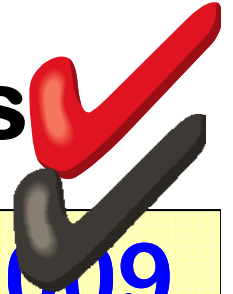
But Decade of Vigorous Growth Marked



Future ?

USDA Forecast

FY 2010 U.S. Ag Trade Forecasts



Changes in 2010 Forecast over FY 2009

Ag Exports up \$3.4 billion to \$100 billion

AgImports to rise \$4.1 billion to \$77.5 billion

**Recovering global economy expected to boost demand for
high value products**

\$1.2 Billion of gain expected in Asia - \$1 Billion in East Asia

\$600 million of gain expected in North America

USDA 2010 Forecast

AgExports = \$100 Billion

AgImports = \$77.5 Billion

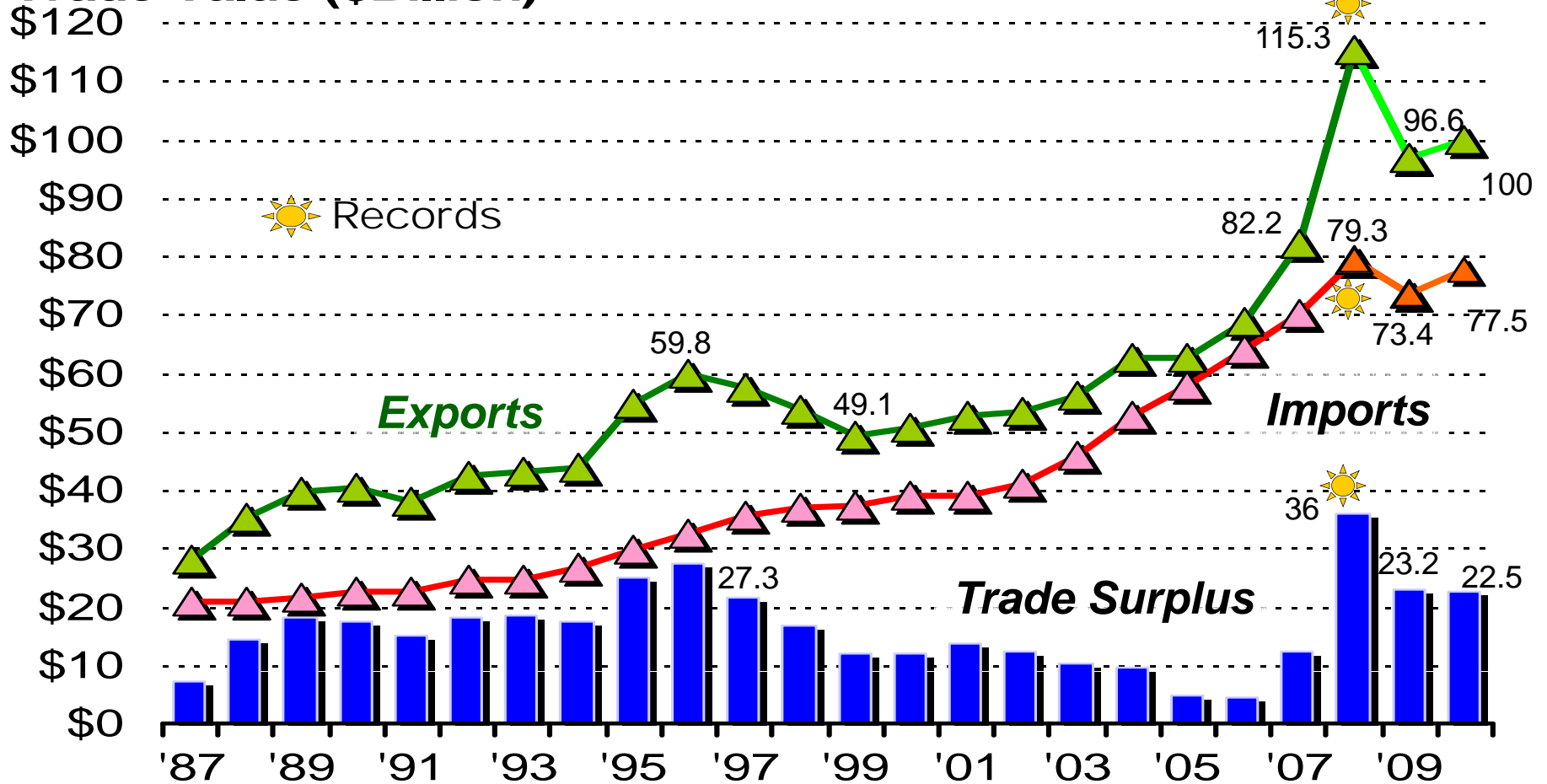
AgSurplus = \$22.5 Billion

U.S. Agricultural Trade



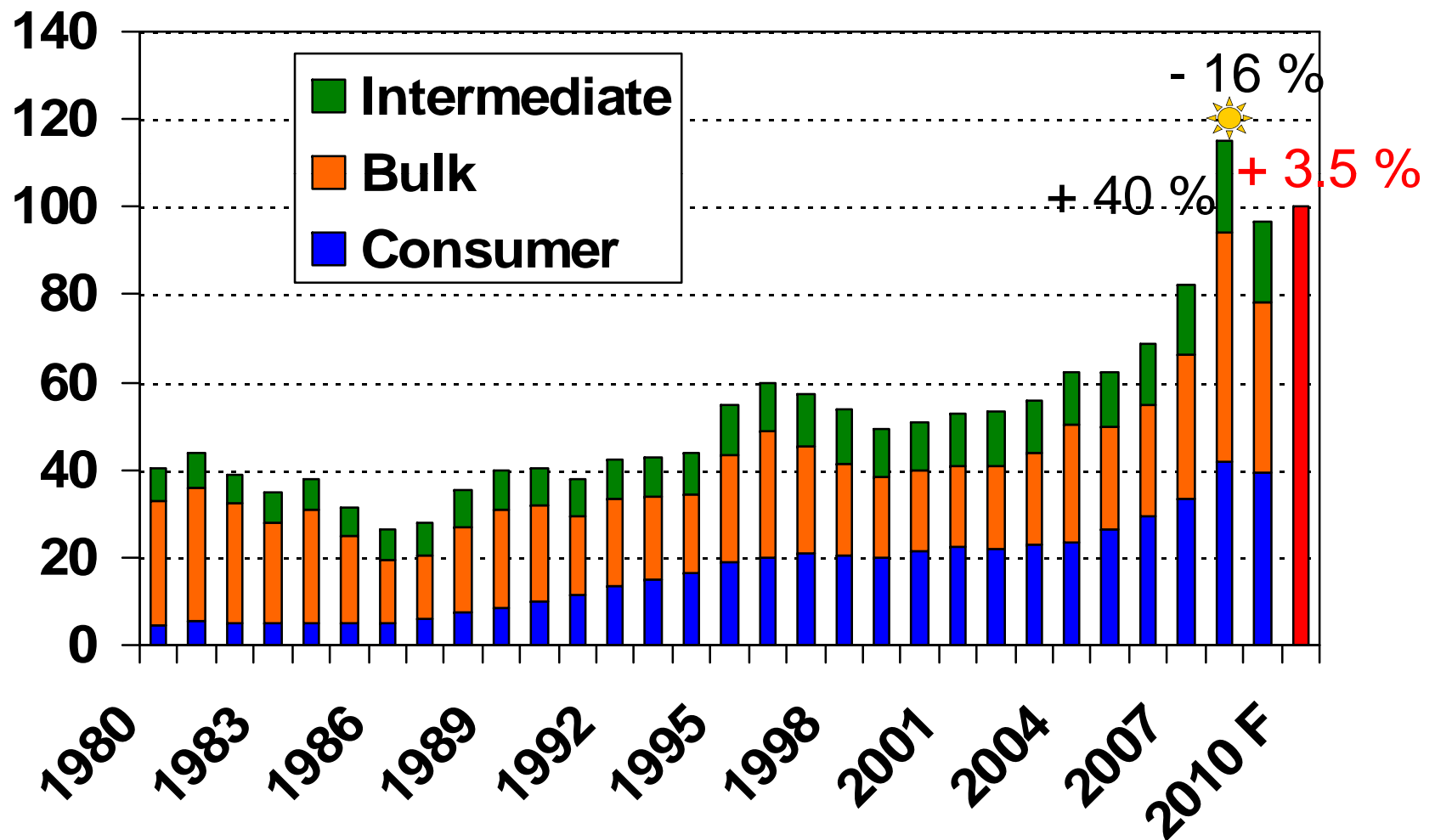
Competition in grain, soybean & cotton markets and global economic recovery shape the 2010 export outlook. Lower grain volumes & prices account for two-thirds of the \$18 billion export loss in 2009. Imports recover in 2010 after large decline in 2009.

Trade Value (\$Billion)



U.S. Agricultural Exports Reach Record Level in 2008, Fall 16 Percent in 2009

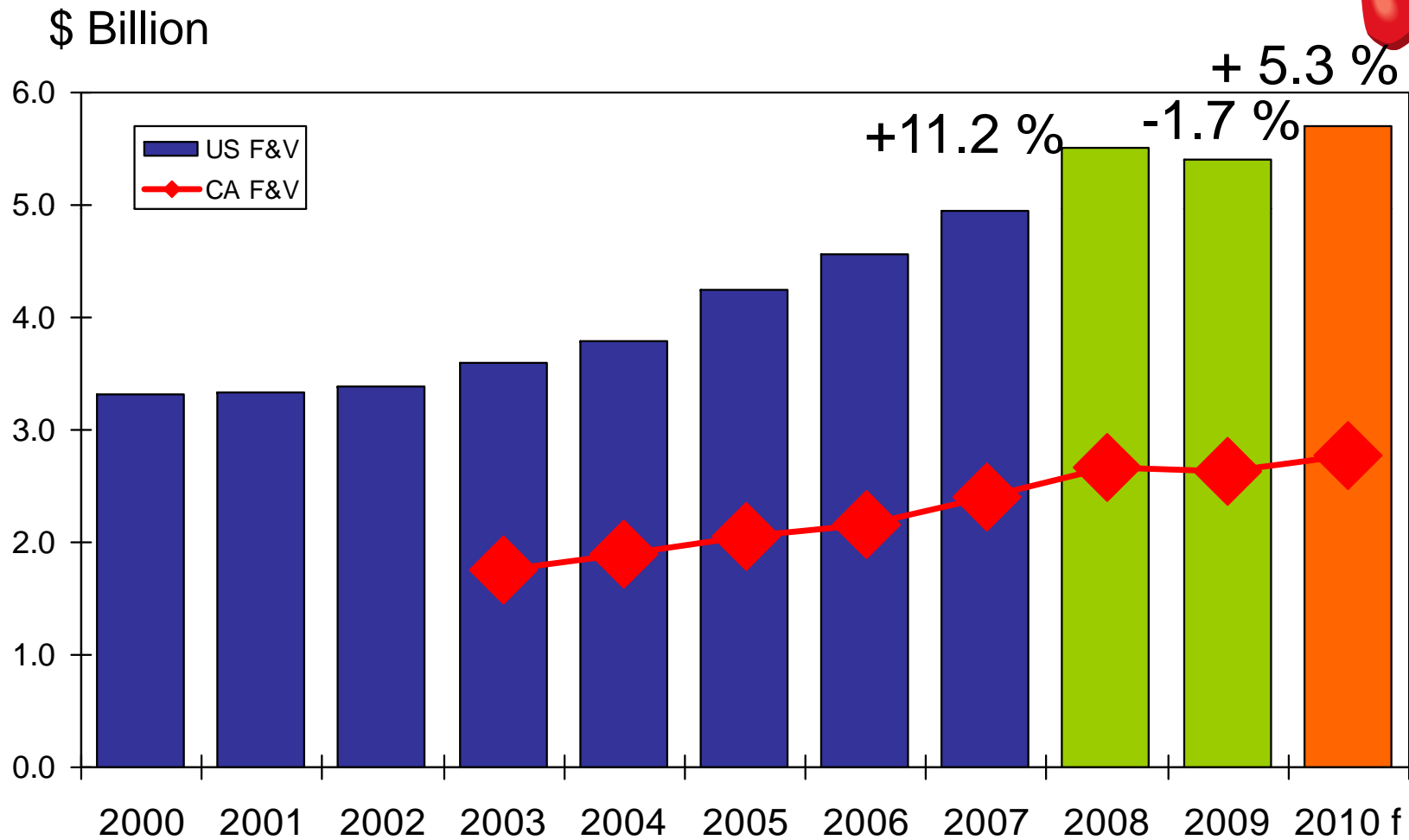
Expect Second Highest Export Level in 2010



USDA Forecast

California Effect

California and U.S. Exports of Fruits and Vegetables

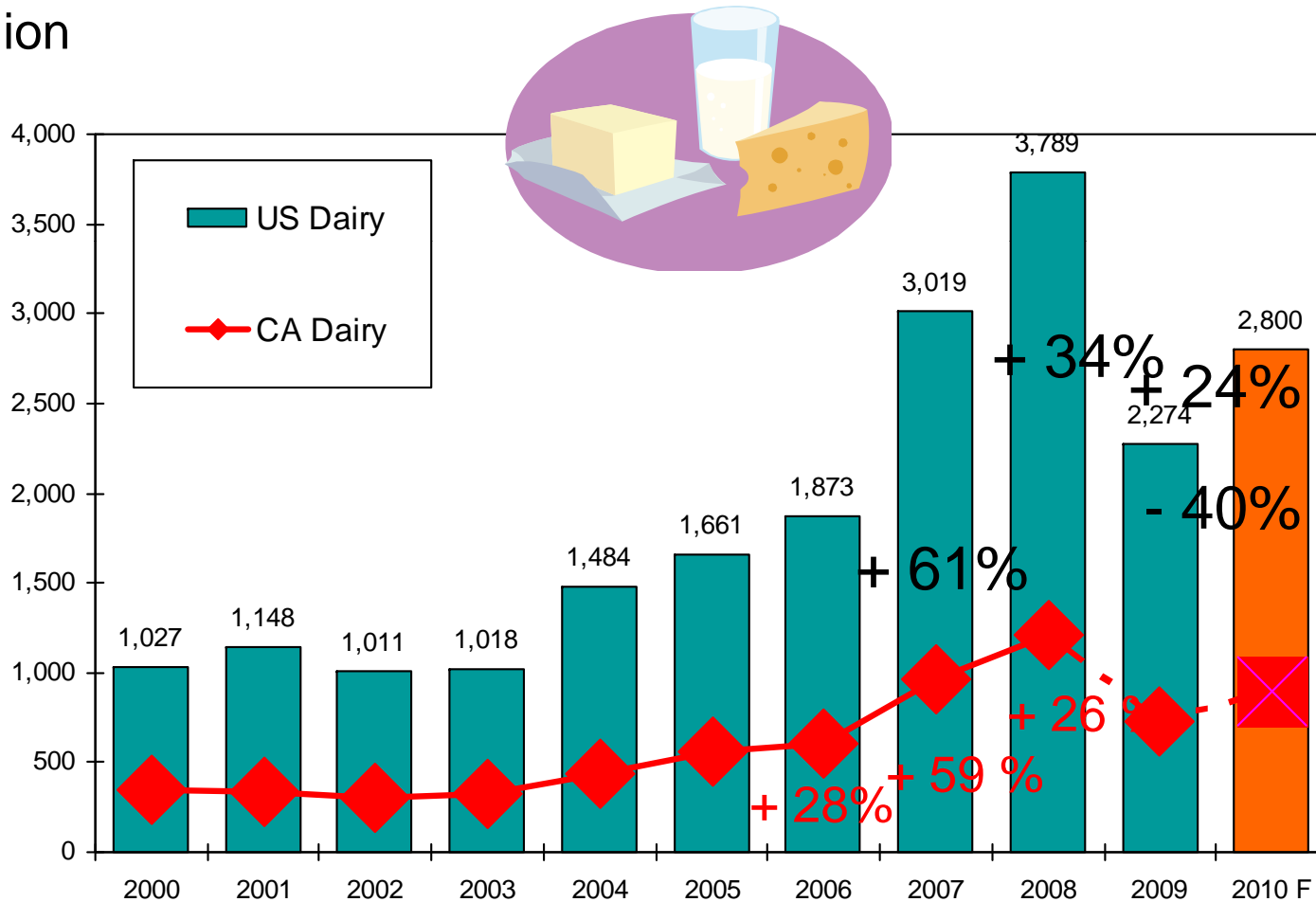


California & US Dairy Export Profile

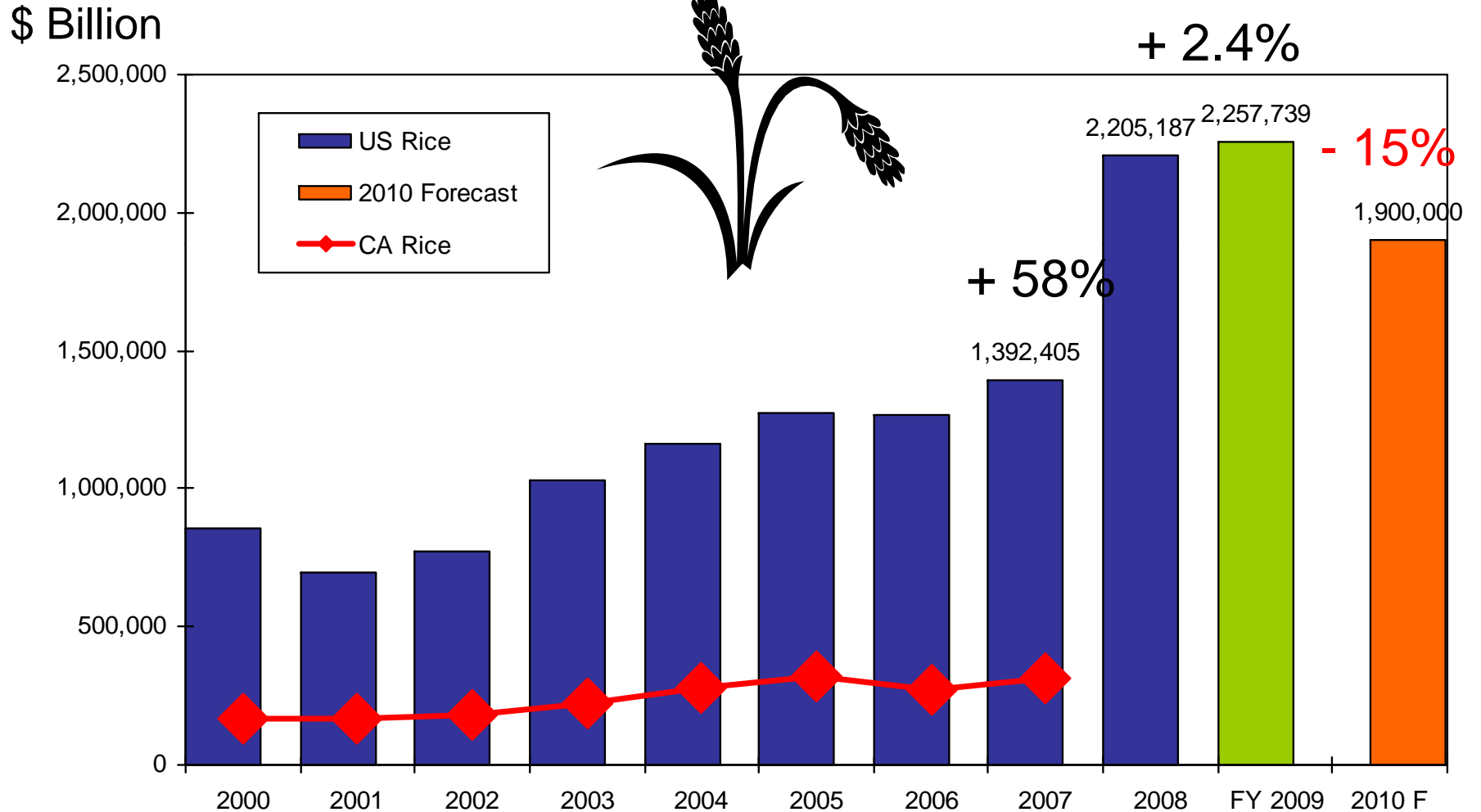
Sharp drop in exports in 2009
USDA Forecast Recovery in 1010



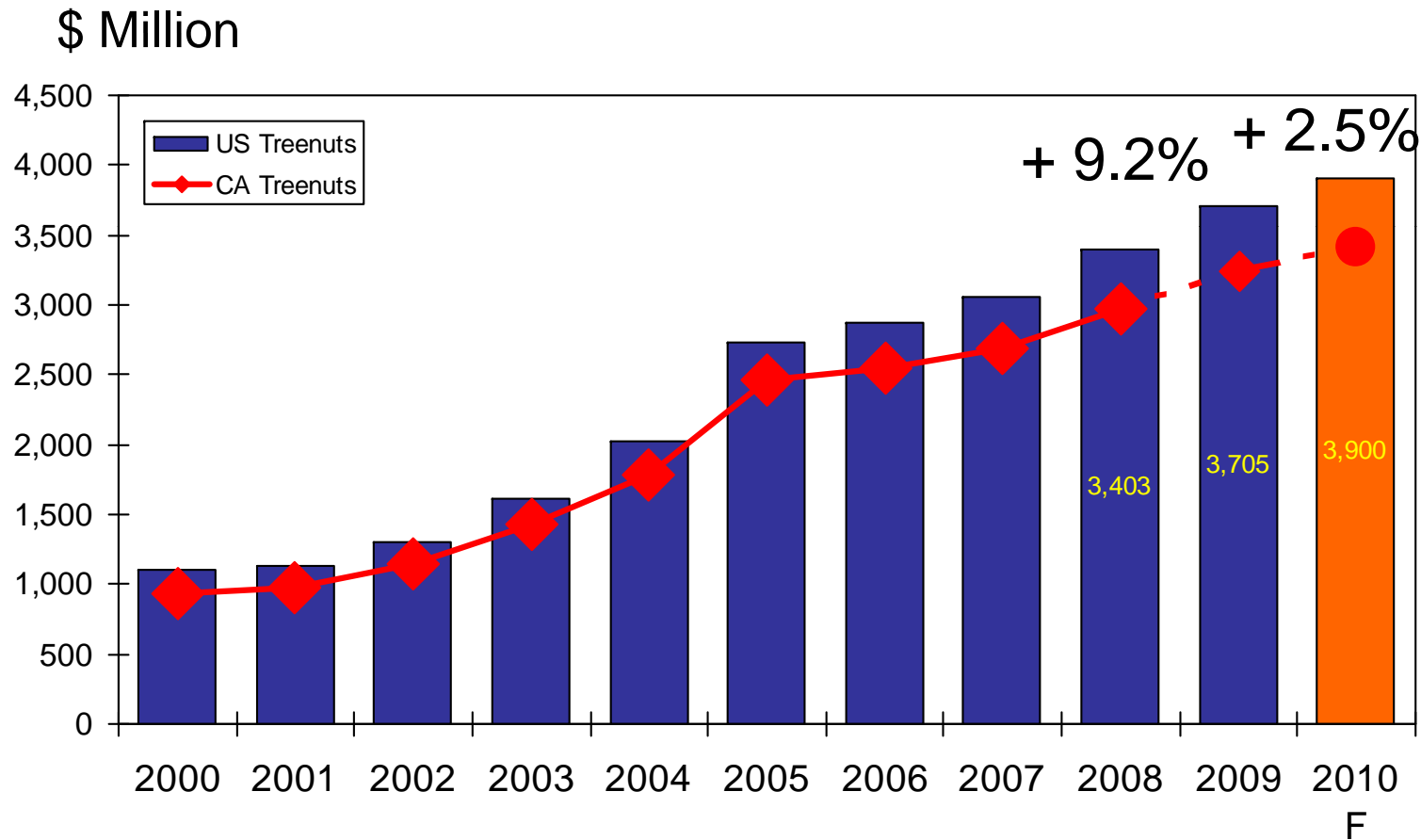
\$ Million



California & US Rice Export Profile



California and U.S. Exports of Treenuts



Export Outlook for Horticultural Products

FY 2009: \$20.6 Billion -  \$166 Million from FY 2008

FY 2010 Forecast:

 \$900 Million from FY 2009

\$21.5 Billion Record

2009

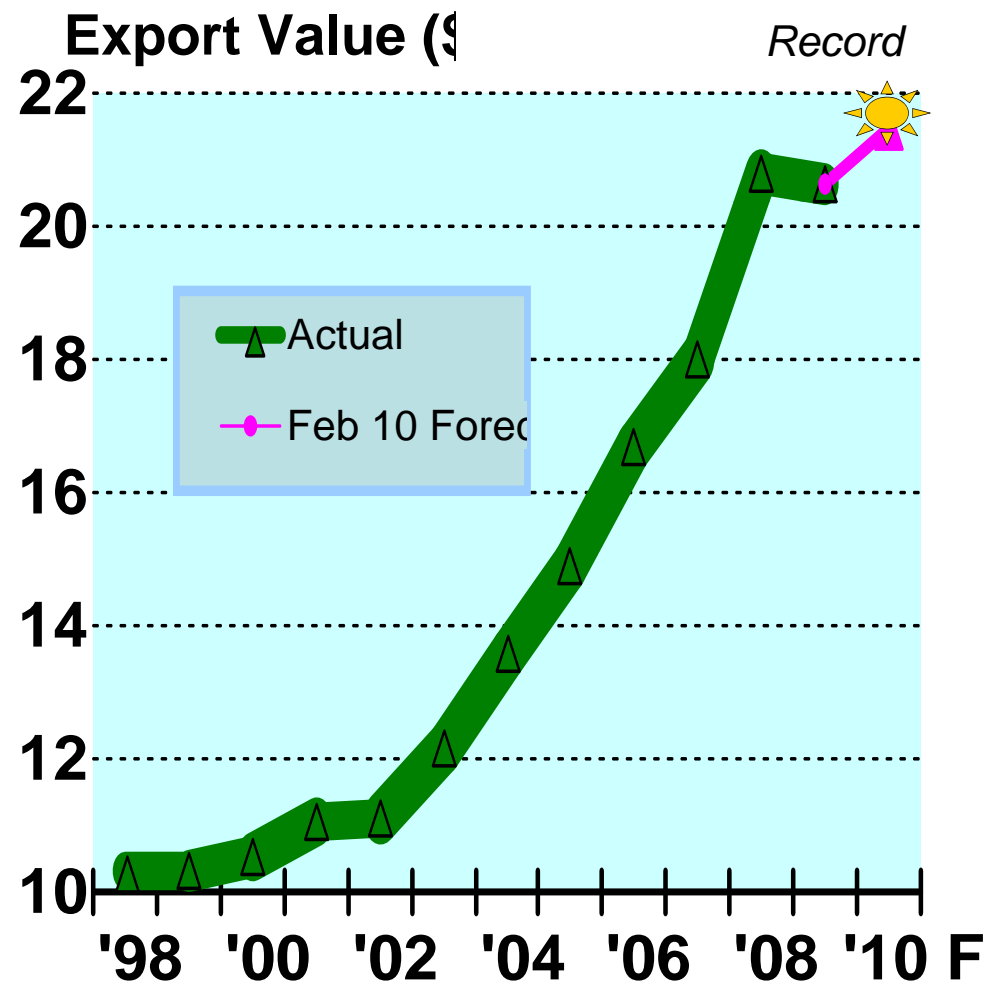
Key Developments

- Fruits and vegetables, both fresh & processed, reduced \$400 million due to short-term contraction in shipments related to economic crisis

•2010

Key Developments

- Horticultural products up \$1 billion on higher unit values, however lower volumes of processed products
- Demand for tree nuts expands in Asia and Europe; record high US almond stocks will help the industry meet foreign demand although unit values are expected lower



Thank You

