

# International Agribusiness Center

## 2019 Export Highlights, 1<sup>st</sup> Quarter

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For download, please visit: <https://datcp.wi.gov/Documents/IABCExportHighlights2019Q1.pdf>



### Highlights

- Wisconsin exported over \$800 million in agricultural and food products to 147 countries in the first quarter of 2019, a **decrease of 4.8 percent**, or nearly \$40 million in value compared to the same period last year. Food and Agriculture Exports made **up 14.8 percent** of Wisconsin's overall Q1 exports of \$5.42 billion are **down 0.6 percent** from the same period last year. Total U.S. agricultural exports were valued at \$40.8 billion, a **decrease of 4.57 percent** compared to the same period last year.
- The top three export markets – Canada, China and Mexico make up over 57% of total exports and contributed nearly **\$49 million to the loss** for the same period in 2018. Of the top five markets only Japan was **up, 1.7 percent**.
- Among the top 20 markets that make up nearly 89 percent of all Wisconsin exports, nine of those markets had double-digit increases totaling a little over \$25 million. The bright spots were: Thailand **up over 71 percent**, Germany, **up over 59 percent**, Saudi Arabia **up nearly 47 percent**, Singapore and Italy **up nearly 25 percent**. The top five markets are highlighted below
  - Canada Q1: \$349 million, **down 6.2 percent**      2018: \$1.44 billion **down 1.3 percent**
  - China Q1: \$56 million, **down 31.3 percent**      2018: \$293 million, **down 2.35 percent**
  - Mexico Q1: \$53 million, **down 0.7 percent**      2018: \$250 million, **down 39.3 percent**
  - Korea Q1: \$46 million, **down 18.8 percent**      2018: \$215 million, **up 20.4 percent**
  - Japan Q1: \$42 million, **up 1.7 percent**      2018: \$175 million, **up 20.6 percent**
- The top five product categories making up 43 percent of total exports totaled over \$346 million in Q1 of 2019 and **declined nearly 6%** from the same period last year. The top 20 products exported make up nearly 95% of total exports, totaling \$754 million, declining 6.5%. The top five products are highlighted below...
  - Misc. Preparations, Sauces, yeasts \$93 million, **down 2.7 percent**
  - Prepared Vegetables, Fruit, Nuts \$76 million, **up 8.6 percent**
  - Wood and Wood Articles \$58 million, **down 6.9 percent**
  - Dairy – Cheese and Whey\* \$58 million, **down 18.9 percent**
  - Meat and Fish Preparations \$55 million, **down 12.0 percent**

*\*This does not include dairy derivatives such as lactose and casein.*
- Wisconsin currently ranks 14th among U.S. states in agricultural exports, first in the export of ginseng roots, prepared/preserved cranberries, sweet corn prepared/preserved, raw fur skins and bovine semen. Wisconsin ranked second in the export of whey and third in the export of cheese.



## Impact of China - Retaliatory Tariffs

- Nearly one-third, \$1.43 billion of Wisconsin agriculture and food exports are affected by the countervailing tariffs in China. The full list is over 40 items, identified by their Harmonized System (HS) code. An estimated one-quarter to one-half of the list are expected to receive the additional 15 percent tariff, pushing the tariff rates to 25% and above for some items
- Overall, there was a nearly **1.4 percent drop** in exports of the tariffed items from 2017 to 2018 and in the first quarter of 2019 a nearly **21 percent drop** of those same items compared with the same period last year.
- The major product categories of Dairy, Lumber, Ginseng, Cranberries, Prepared Foods, Beverages (ethanol), Cranberries, Hides and Skins (mink & bovine), Beverages and Animal Feed are all directly affected. Soybeans and corn are indirectly affected as those commodities are shipped to processing facilities in other states and counted as exports from those locations.

### Top Ten Food and Agriculture Items Carrying Retaliatory Tariffs in China

Codes	Description	2018 \$ (million)	% Change '18-'19	Q1 2019 \$ (million)	% Change Q1 '18 - '19
	TOTAL ALL COMMODITIES	1,428	-1.35	264.5	-20.74
040410	Whey And Modified Whey, Whether Or Not Concentrated Or Containing Added Sweeteners	44	-7.2	6.2	-55.89
410150	Whole Hides And Skins, Of A Weight Exceeding 16 Kg, Or Bovine/Equine Animals, Whether Or Not De-haired Or Split	32	-22.69	7.6	-20.78
440791	Oak Wood, Sawn Or Chipped Lengthwise, Sliced Or Peeled, Whether Or Not Planed Etc., Over 6 Mm (.236 In.) Thick	29	-16.83	5.7	-34.26
440399	Non-coniferous Wood In The Rough, Nesoi, Whether Or Not Stripped Of Bark Or Sapwood Or Roughly Squared, Not Treated	16	45.52	4.4	-10.6
440799	Non-coniferous Wood Nesoi, Sawn Or Chipped Lengthwise, Sliced Or Peeled, Whether Or Not Planed, Etc., Over 6 Mm (.236 In.) Thick	16	28.91	2.5	-39.94
410419	Tanned/Crust Hides & Skins Of Bovine/Equines, W/O Hair On, In The Wet State, Nesoi	15	19.91	0.3	-92.89
121120	Ginseng Roots, Fresh Or Dried, Whether Or Not Cut, Crushed Or Powdered	15	5.25	1.3	-23.7
440795	Ash, Sawn Or Chipped Lengthwise, Sliced Or Peeled	14	6.23	2.5	0.79
200893	Cranberries (Vaccinium Macrocarpon, Vaccinium Oxycoccos, Vaccinium Vitis-Idaea), Prepared Or Preserved, Nesoi	13	20.41	4.7	35.93
170211	Lactose And Lactose Syrup Containing By Weight 99% Or More Lactose, Expressed As Anhydrous Lactose, Calculated On The Dry Matter	9	11.11	1.7	-40.85

Prepared 15 May 2019 by: Mark Rhoda-Reis, Ashwini Rao and Lindsey Sarbacker