



Growing Wisconsin Food and Agricultural Exports

International Agribusiness Center

WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION (DATCP)

November Wisconsin Agricultural Export Webinar with 2022 YTD (Q3) Export Highlights

WISCONSIN AGRICULTURAL EXPORT WEBINAR – NOVEMBER 2022

Agenda

- Welcome
- Wisconsin Q3 YTD 2022 Dairy, Meat, and Crop Product Export Highlights
- UW-Madison Export Expansion Grant Project Presentation
Assessing Barriers to Dairy Product Exports by Small and Medium-Sized Wisconsin Manufacturers
- Agricultural Export Projections
- Adjourn



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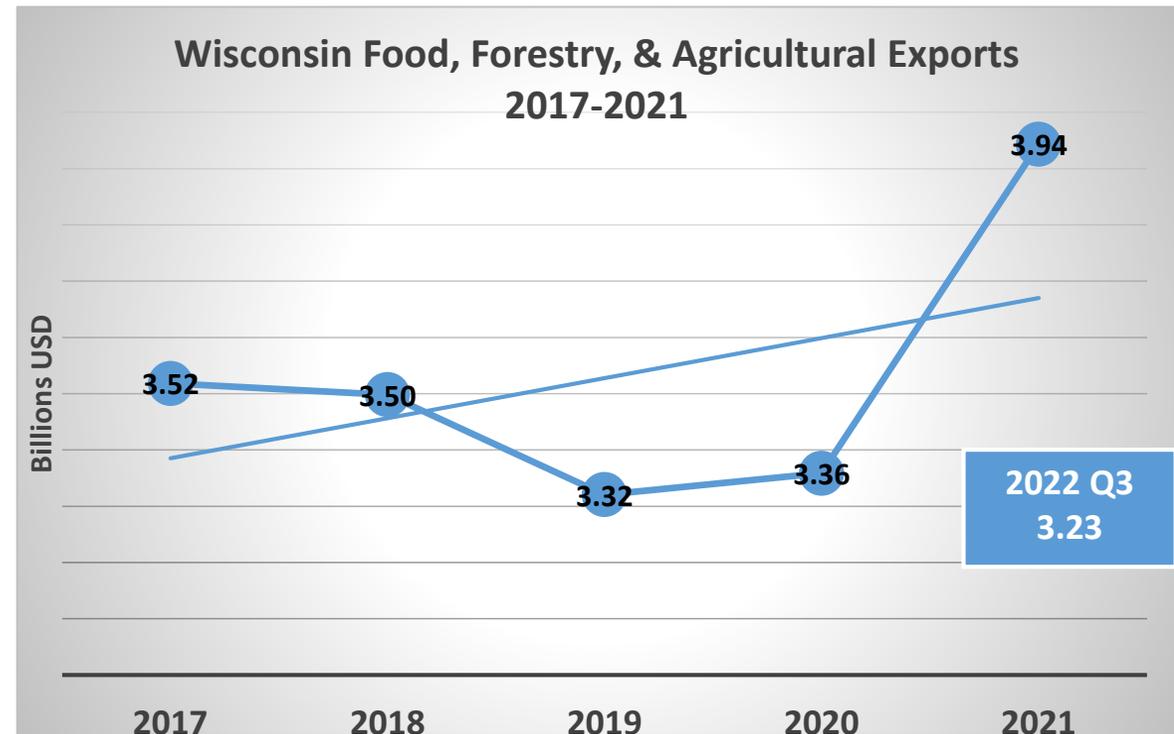


2022 YTD Q2 DAIRY, MEAT, AND CROP PRODUCT EXPORTS

\$3.23 BILLION, UP 13.6%

2022 YTD Q3 Highlights

- 2022 Wisconsin exports \$3.23 billion, up 13.6% from 2021
- 2022 U.S. exports \$163 billion, up 15.1% from 2021
- 2021 Wisconsin exports (full year) \$3.94 billion – all time high
- Five-year average (full year) \$3.53 billion



US\$ CURRENCY EXCHANGE RATES | YEAR NOVEMBER '21 – '22

US DOLLAR TO CANADIAN DOLLAR GRAPH CONVERTER

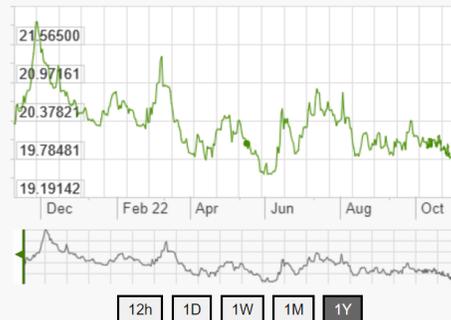
9 Nov 2021 00:00 UTC - 9 Nov 2022 20:46 UTC



Canada
US\$ - CAD
1 year
1.22 > 1.33
+8.2%

US DOLLAR TO MEXICAN PESO GRAPH CONVERTER

9 Nov 2021 00:00 UTC - 9 Nov 2022 20:34 UTC
17 May 2022 00:00 UTC close:20.023514



Mexico
US\$ - MXN
1 year
20.3 > 19.6
-3.4%

US DOLLAR TO JAPANESE YEN GRAPH CONVERTER

9 Nov 2021 00:00 UTC - 9 Nov 2022 20:36 UTC



Japan
US\$ - JPY
1 year
114 > 147
28.9%

US DOLLAR TO CHINESE YUAN RENMINBI GRAPH CONVERTER

9 Nov 2021 00:00 UTC - 9 Nov 2022 20:45 UTC



China
US\$ - CNY
1 year
6.39 > 7.20
+12.7%

US DOLLAR TO SOUTH KOREAN WON GRAPH CONVERTER

9 Nov 2021 00:00 UTC - 9 Nov 2022 20:30 UTC
18 Jan 2022 00:00 UTC close:1191.055814



Korea
US\$ - KRW
1 year
1201 > 1371
14.2%

US DOLLAR TO EURO GRAPH CONVERTER

9 Nov 2021 00:00 UTC - 9 Nov 2022 19:10 UTC



Europe
US\$ - EUR
1 year
0.86 > 1.00
15.9%

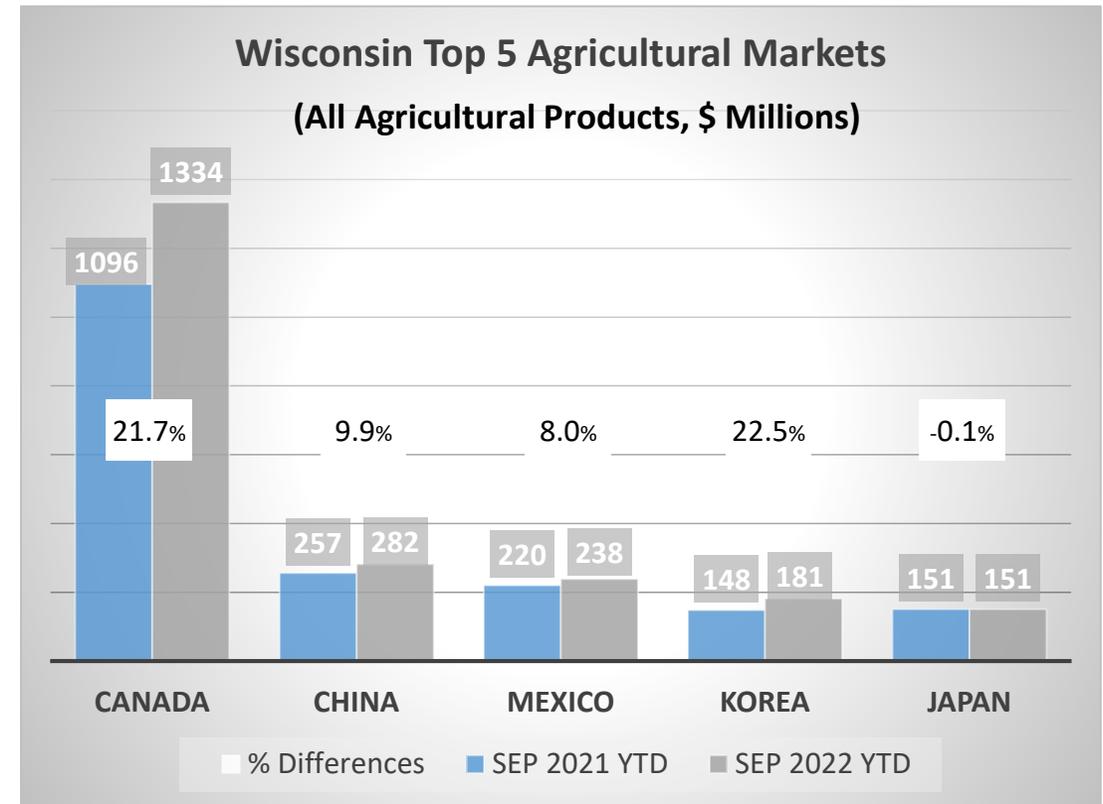


2022 DAIRY, MEAT, AND CROP PRODUCT EXPORTS

\$2.18 BILLION, UP 14.1%

Top 5 Market Highlights

- \$2.29 billion, 68% of the total
- Four of the five are up, Canada and Korea in double digits Japan is flat.
- Korea and Canada continue to have strong growth
 - Canada main drivers by gains in beverages (including ethanol), cereals, dairy and sauces.
 - Korea main drivers are dairy, milk proteins, meat, food wastes for feed

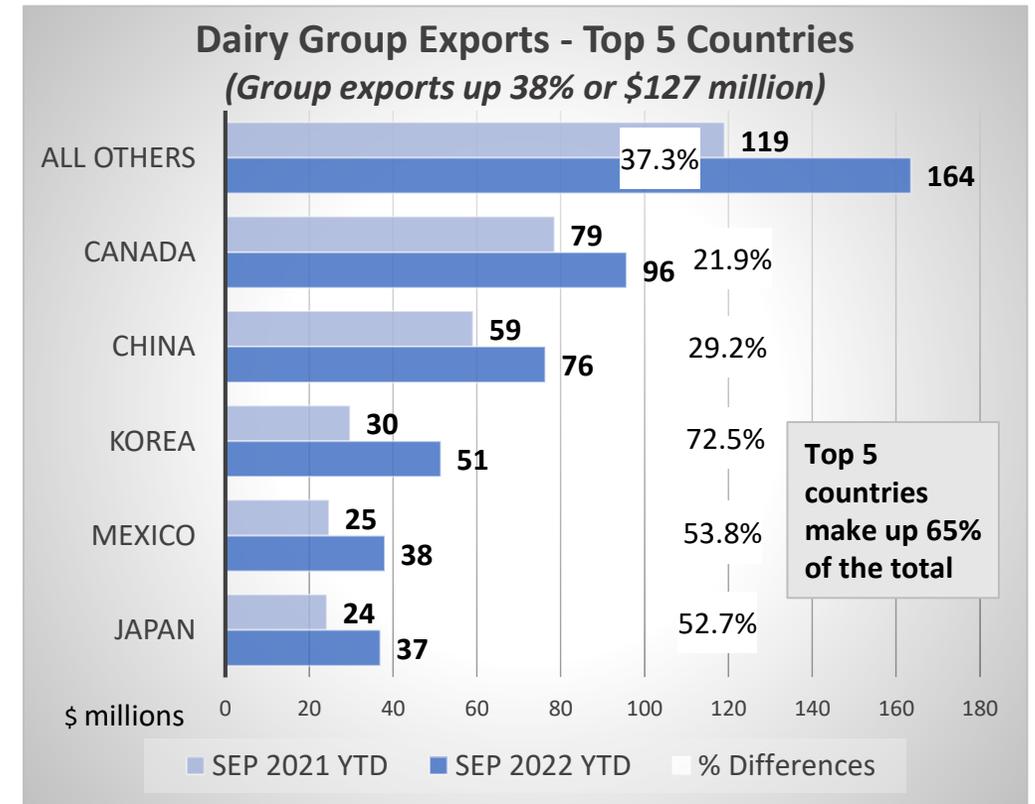


2022 YTD Q2 DAIRY PRODUCT EXPORTS

\$462 MILLION, UP 37.7%

Dairy Product Highlights (up 37.7%)

- **14% of all Wisconsin ag exports:** Includes cheese, whey, lactose, and milk proteins.
- **Top 5 products are 93% of the group total:** Whey, Cheese and Curds are 60% of the total followed by Albumins, Lactose, Butter, Milk and others,
- **Top 5 countries are 65% of the group total:** All of the top five up double digits, led by Korea, Japan, and Mexico.

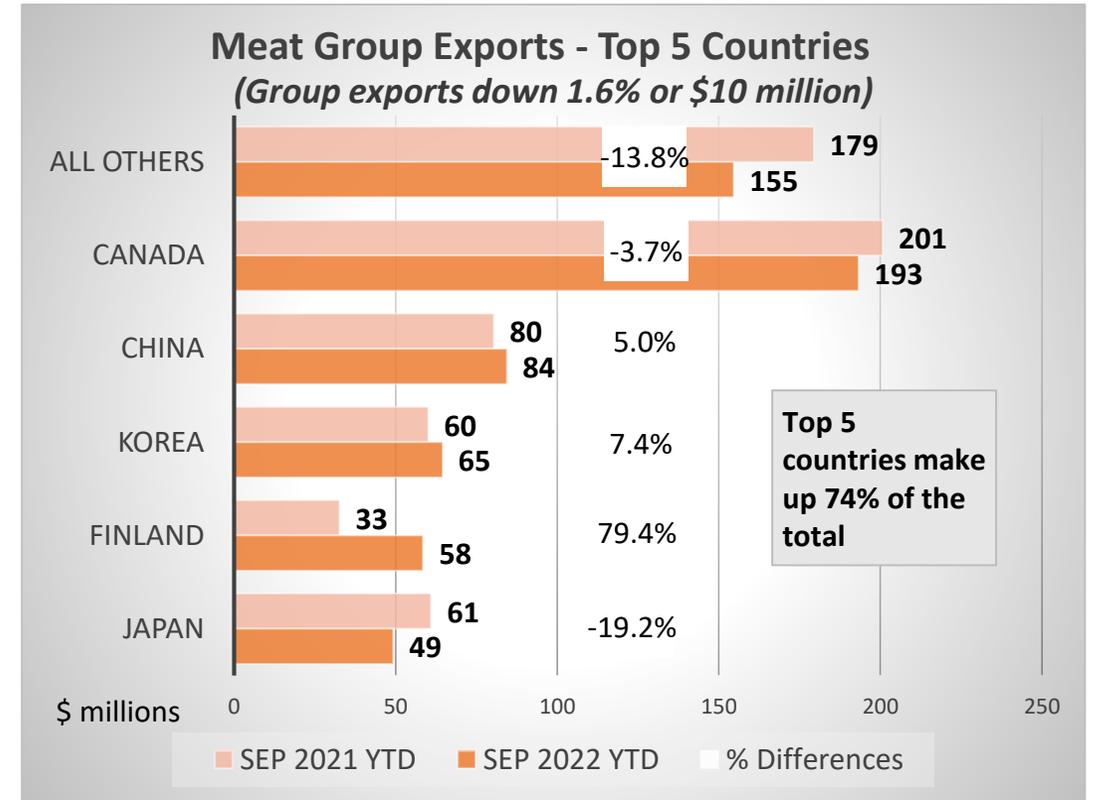


2022 YTD Q2 MEAT PRODUCT EXPORTS

\$605 MILLION, DOWN 1.6%

Meat Product Highlights (down 1.6%)

- **19% of all Wisconsin ag exports:**
Includes livestock, genetics, hides, and furs.
- **Top 5 products are 89% of the group total:** Meat preparations and genetics are 50% of the total followed by offal, furskins, proteins, and all others.
- **Top 5 countries are 72% of the group total:** Three of the top five are up double digits, and two are down along with all others. Mink sales to Finland continue up.

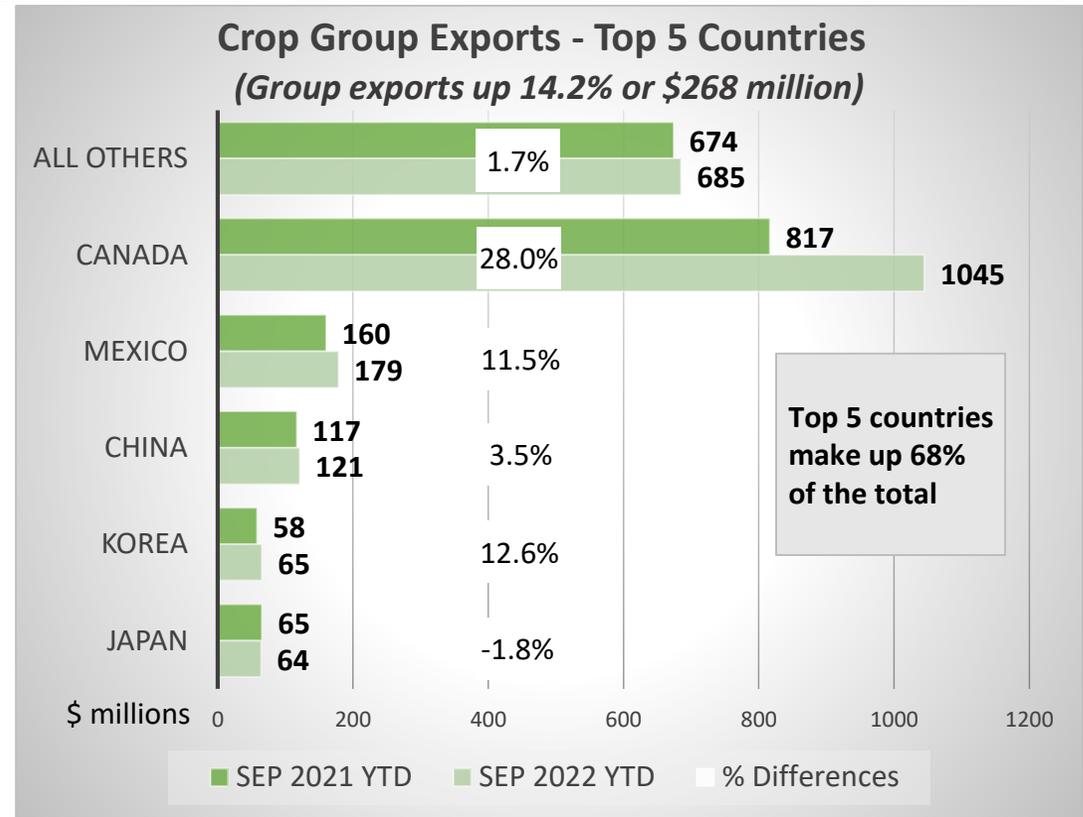


2022 YTD Q2 CROP PRODUCT EXPORTS

\$2.16 BILLION, UP 14.2%

Crop Product Highlights (up 14.2%)

- **67% of all Wisconsin ag exports:** Includes grains, forestry, processed foods, and beverages.
- **Top 5 products are 52% of the group total:** Beverages, prepared vegetables, and wood are 35% of the total.
- **Top 5 countries are 68% of the group total:** Three of the top five are up double digits, Japan is down year to date.



International Agribusiness Center Team

We are here to help!



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Assessing Barriers to Dairy Product Exports by Small- and Medium-Sized Wisconsin Manufacturers

Presentation for the Wisconsin Agricultural Export Webinar

November 16, 2022

Chuck Nicholson, UW-Madison



Agenda

- Brief introduction
- Current project objectives
- Current project status
- Related projects

Brief Introduction

- Hired with support of the UW-Madison Dairy Innovation Hub in January 2022
- Previously worked on dairy issues in four key US states
 - NY, VT, CA, PA
 - National Program on Dairy Markets and Policy
- Worked on dairy issues in five countries
 - Mexico, Colombia, Ethiopia, Kenya and Tanzania



Brief Introduction: Work on Dairy Issues

International trade policy and impacts of exports

Price volatility

Milk price cycles

Impacts of Covid-19

Spatial milk values and
Class I differentials

Value-added dairy
processing

Product classification
under Federal Milk
Marketing Orders

Antimicrobial resistance

Northeast Compact

Strategies to increase dairy competitiveness

Impacts of sexed semen

Dairy processing facility location

Growth management programs

California FMMO

Milk price deregulation

MPP-Dairy and Dairy Margin Coverage

Impacts of generic advertising

Food loss & waste



Current Project Objectives

- 1) Identify Wisconsin dairy manufacturers that currently sell to export markets and others have an interest in selling but who are not yet doing so;
- 2) Document the potential barriers to export market participation by small- and medium-sized dairy manufacturers, with an emphasis on supply chain logistics and costs;
- 3) Identify, evaluate and recommend strategies that could address barriers to export market participation for this segment of Wisconsin dairy product manufacturers, including proposals for dairy export hubs.

Current Project Activities

- 1) **Review previous information** from secondary sources on export market patterns, costs, and promotion efforts relevant to refine the data collection and analysis for this project
- 2) **Develop an online survey** of Wisconsin dairy manufacturers to assess export market participation, interest and initial assessment of barriers
- 3) **Conduct interviews and field visits** with relevant companies involved in export sales, with an emphasis on logistics providers, to quantify current constraints and potential strategies to address them;
- 4) **Integrate information** from the market characterization studies, surveys, interviews and field visits to identify, evaluate and recommend strategies that could enhance dairy product exports from the target segment of Wisconsin dairy product manufacturers
- 5) **Organize a workshop** to present the findings to interested external stakeholders

Current Project Status

Activity	Status
Review previous information	Begun review of existing export promotion programs at state and federal level, process mapping for exports and basic trade data
Develop online survey	Survey draft developed and under review by collaborators, pre-testing with WI companies soon
Conduct interviews and field visits with relevant companies	Interviewed a number of major players in dairy exports (coops and brokers) and identified additional contacts
Integrate information to evaluate and recommend strategies	Ongoing with steps above
Workshop for reporting	To be organized closer to project completion

Expected reporting June 2023



Survey Question Examples (Preliminary)

Which of the following products did your company produce during 2022? Indicate approximate volumes for all that apply.

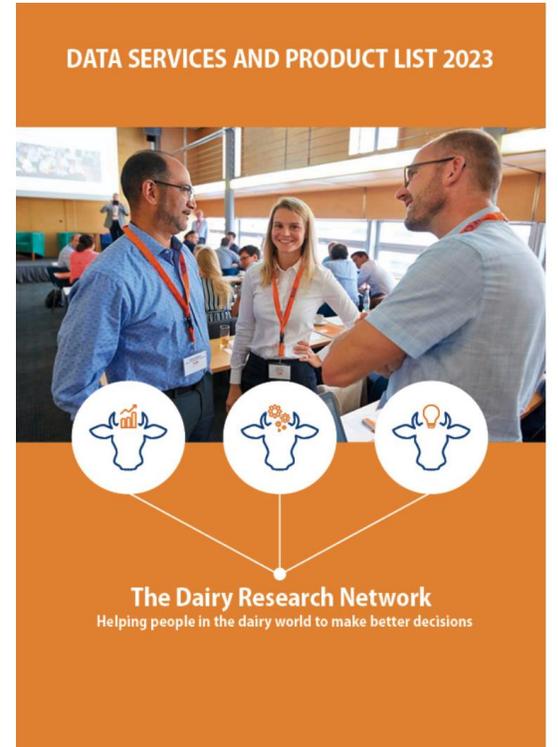
	Volume produced in 2022 (mil lbs)	Volume certified organic (mil lbs)	Volume grass fed (mil lbs)
American cheese styles	<input type="text"/>	<input type="text"/>	<input type="text"/>
Italian cheese styles (mozzarella, parmesan, others)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other cheeses	<input type="text"/>	<input type="text"/>	<input type="text"/>
Fluid whey (separated or not)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Dry whey powders (human or animal)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Whey protein concentrates	<input type="text"/>	<input type="text"/>	<input type="text"/>
Whey protein isolate	<input type="text"/>	<input type="text"/>	<input type="text"/>

How large a challenge do you anticipate the following to be for the achievement of your company's export goals in five years?

	Not a challenge at all	Minor challenge	Major challenge	Not sure
Product characteristics (making the 'right' products with existing capacity and knowledge)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competition from other US exporters (based on price, quality consistency of supply, or existing export relationships)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competition from non-US exporters (based on price, quality consistency of supply, or existing export relationships)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supply chain and logistics delays or transportation availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

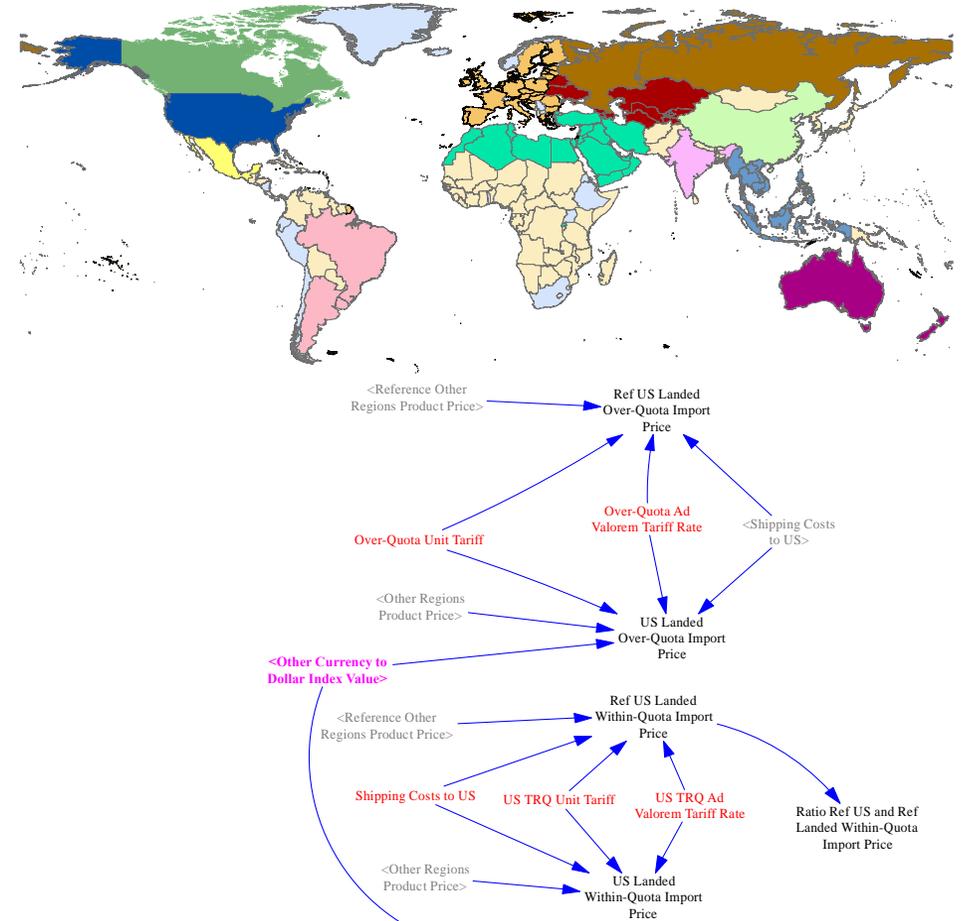
Related Project Efforts

- 1) Partnership with International Farm Comparison Network
- 2) Revise and update global dairy supply chain model for analysis of dairy trade



Related Project Efforts

- 1) Supply chain model developed with support from USITC
- 2) Global coverage in 15 regions, extensive products
- 3) Use to assess medium-term export opportunities, impacts of shocks (Covid, War, Environmental Change), returns to export promotion



Questions or Comments?

- Thank you for your attention!



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Upcoming Meetings

Wisconsin Agricultural Export Webinars

Wednesday 11 January, 2023 09:00am

Wednesday 15 February, 2023 09:00am

Wisconsin Agricultural Export Advisory Council Meeting

Wednesday 29 March, 2023 09:00am



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Thank you!



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