



Growing Wisconsin Food and Agricultural Exports

Wisconsin Agricultural Export Advisory Council (WAXC)

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

March 6, 2024

AGENDA

- DATCP and WEDC Welcome
- WAXC Chair Welcome
- Roll Call of Council Members
- Public Comments
- 2022 Year End Export Highlights
- WAXC Dairy, Meat, and Crop Industry Leader Discussion of 2023 Export Plans and Challenges
- Export Expansion Grant Project – Center for Dairy Research, Tom Guerin
- Break



AGENDA

- Recent Trade Promotion Activity Highlights
 - VIV Middle East and Africa Trade Show, November 2023
 - Thailand Cheese Promotion Mission, January 2024
 - WEDC/DATCP Trade Mission to Mexico, February 2024
- IABC Trade Promotion Activity Plans FY24 March-June, FY25 June-December
- Upcoming Dates – WAXC Webinars, WAXC Council Meeting
- Future Topics
- Adjourn



Public Appearances

3 2 1



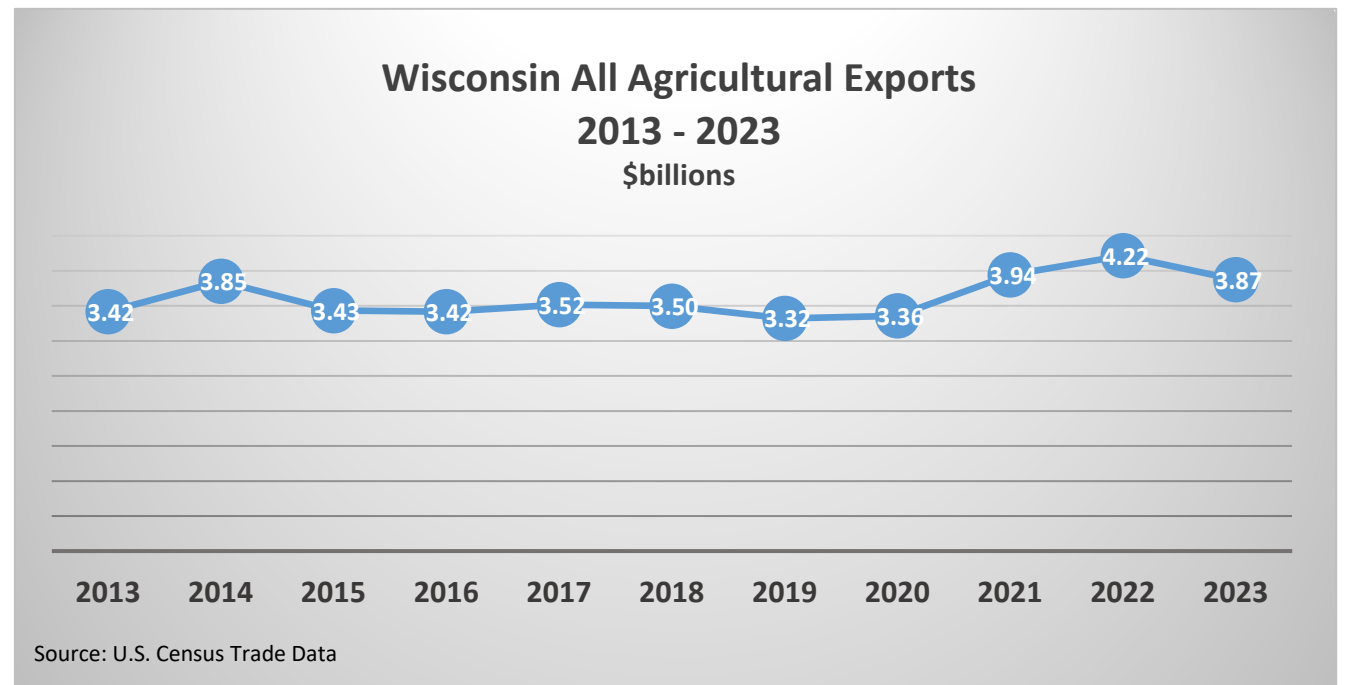
WISCONSIN AGRICULTURAL EXPORTS - 2023 FULL YEAR

\$3.87 billion

Net gain 2021-2023: \$210 million, or 5.3%

- Top 10 products: 68% of total
- Largest product: sauces and yeasts, up 3.4%
 - ▣ Meat cuts: up 21.8%
 - ▣ Soybeans: up 11.5%

USDA forecast projects a decline in agricultural exports by the end of 2024.



WISCONSIN AGRICULTURAL EXPORTS - 2023 FULL YEAR

3rd highest year on record

- Top 10 markets: 78% of total
 - ▣ Mexico: up 38.7%, record level
 - ▣ # 7 Netherlands up
 - ▣ #8 Australia up

Wisconsin is 11th in U.S. agricultural exports, year to date

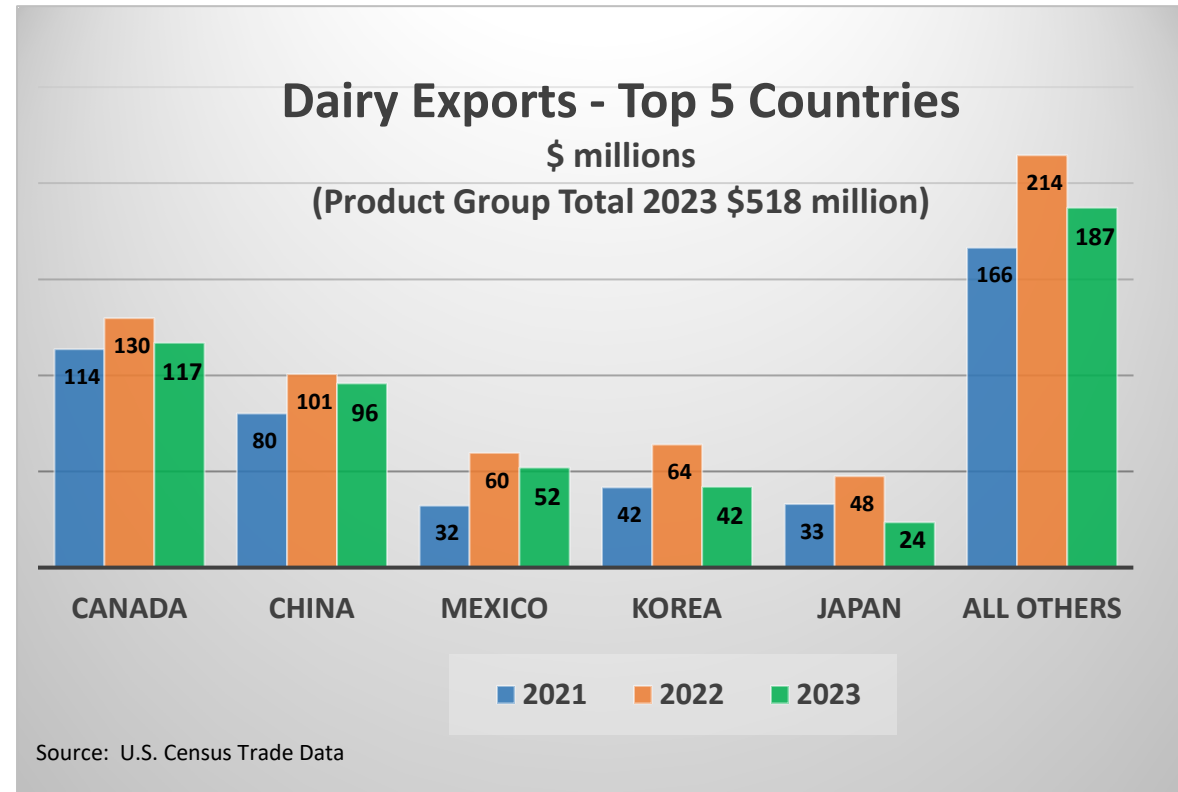
- 13th in 2022



WISCONSIN AGRICULTURAL EXPORTS, FULL YEAR 2023 - DAIRY

Dairy exports: \$518 million

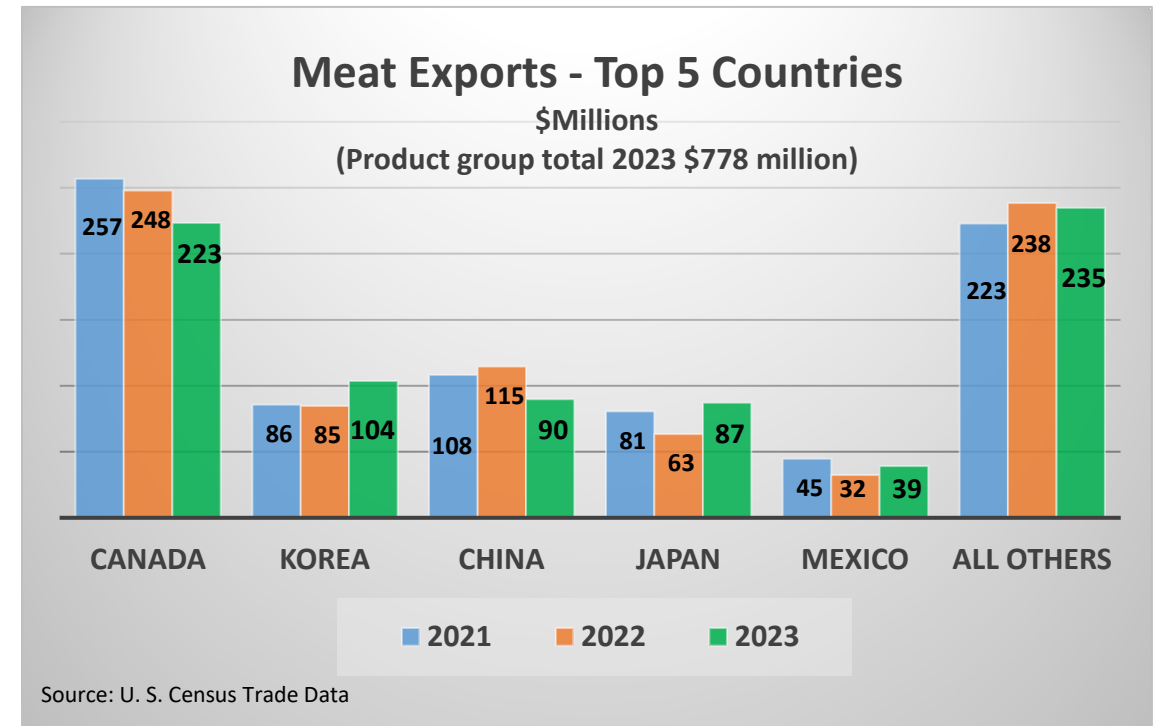
- Top 5 countries: 64% of total
- Next 5 of top 10:
 - India up 147%
 - Australia up 18%
 - Brazil up 34%
 - Vietnam and Netherlands down
- Lactose up; all other dairy products down



WISCONSIN AGRICULTURAL EXPORTS, 2023 FULL YEAR - MEAT

Meat exports: \$591 million

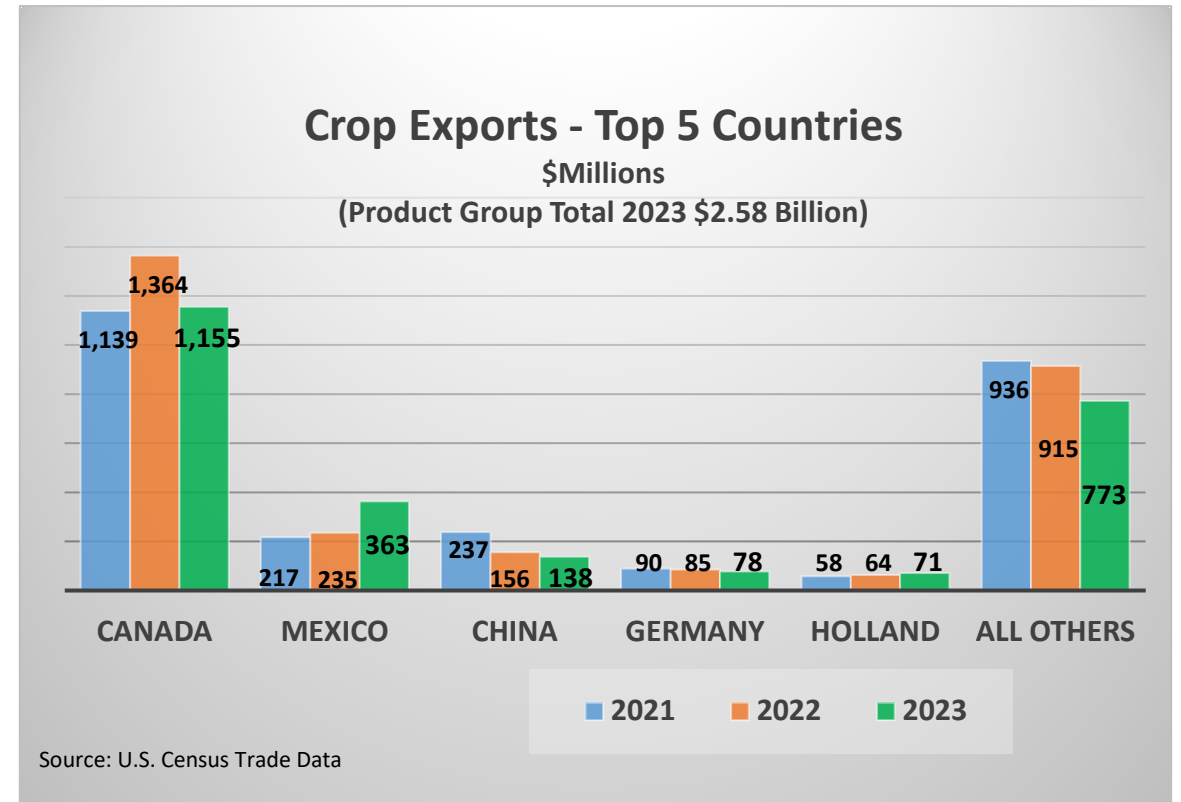
- Top 5 countries: 70% of total
- Korea up 22%
- Japan up 38%
- Mexico up 21%
- Next 5 of top 10: Finland, Germany, UK, Taiwan, Hong Kong
- Germany, UK, Taiwan - up double digits



WISCONSIN AGRICULTURAL EXPORTS, 2023 FULL YEAR - CROP

Crop exports: \$2.58 billion

- Top 5 countries: 70% of total
 - ▣ Mexico up 54%; 382% in soybeans
 - ▣ Netherlands up 12%, double digits in soybeans
- Next 5 of top 10: Korea, Japan, Australia (up 5%), UK, Italy
- Soybeans and flavoring ingredients up double digits



WISCONSIN AGRICULTURAL EXPORT ADVISORY COUNCIL

WAXC Dairy, Meat, and Crop Industry Leader Discussion of 2023 Export Results and 2024 Outlook



WISCONSIN AGRICULTURAL EXPORT ADVISORY COUNCIL

Intermodal Facility Opportunity Larry Krueger, Krueger Lumber



WAXC Presentation 2024

A Possible Opportunity

to Improve Wisconsin's Expensive Export Transportation Costs

Quality Wisconsin Products go all over the world.

We appreciate the good help from Wisconsin
DATCP and Wisconsin Economic
Development. Their work supports our sales
effort.



For shipping long distance, especially for export, most everyone uses these.

Shipping containers. The world does its business with these metal, intermodal boxes.

On any given day, there are about 90,000,000 of these shipping containers on the ocean going from suppliers to customers

Wisconsin exporters rely on good movement of these Intermodal shipping containers.



To bring the intermodal shipping containers to us, most Wisconsin producers need the containers trucked in from the railroad yard

We load the containers, then send them back by truck to the railroad Intermodal yard. At the railroad Intermodal yard, the containers are loaded onto a Class I railroad. Class I railroads are the big railroads that can take the containers from the Intermodal rail yard to the export ports on the east and west coasts.



Trains can be a super efficient way to move cargo. They can haul miles-long trains full of containers with very few workers.



There is an expensive problem for Wisconsin shippers.

My company, Krueger Lumber, is paying \$1,600 to \$1,700 per container to truck these Intermodal shipping container from the railroad yard to our facility so we can load them. We are located about a 3 hour's drive from the railroad Intermodal yard.

Exporters further away are paying much more. Their truck drivers are limited by how far they can travel in a day, so have to be hired for more than one day.

One of my Chinese customers buys product from all over the eastern half of the USA. He told me the most expensive state to ship from is Wisconsin.

We pay more to truck these containers from the railyards to our sawmill, than we pay from the railyard to China.

These very high container trucking costs put Wisconsin at a competitive disadvantage.

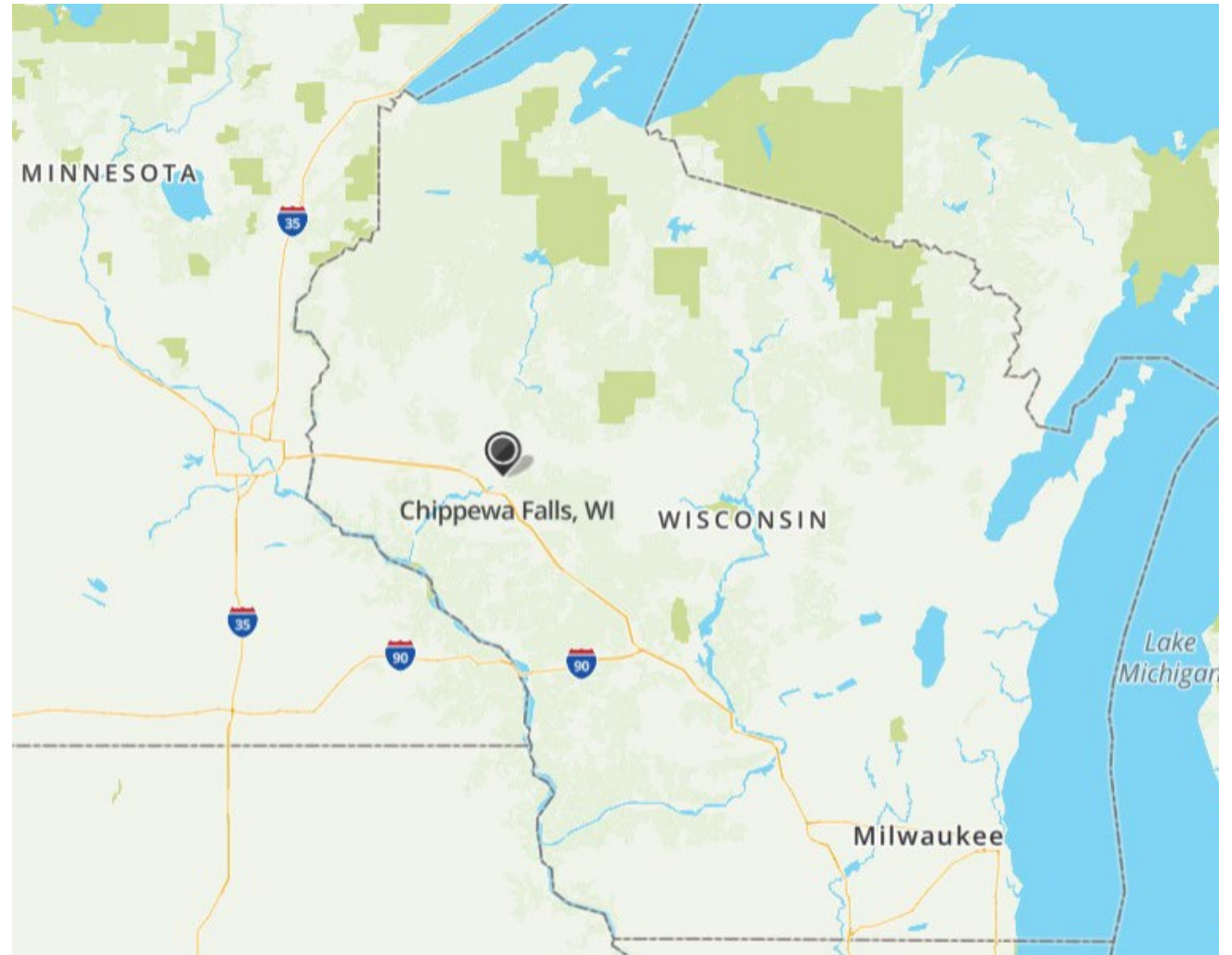


Why oh why does it cost so much to ship containers in Wisconsin?

There are a number of reasons why we Wisconsin exporters pay so much to ship our products.

There is currently only one, publicly accessible Intermodal container railroad yard in Wisconsin. It is in the northwest part of our state in Chippewa Falls

Since there is only one public option in our state for our shipping containers, most containers come from the Chicago area. Only a limited number of trucking companies are allowed to pick up the containers at the Chicago area rail yard. And it is not cheap. It is also overcrowded.



What if we had another Railroad Intermodal yard option in our state?

I have participated in, read, and been to seminars on 3 different Wisconsin Intermodal railroad studies over the past 5 years. Wisconsin DOT does a good job of recognizing how important improving our Intermodal shipping is for our state. Unfortunately, none of these studies has resulted in improvement. To make Intermodal work, you need a large, Class I railroad interested in moving our containers from Wisconsin to the export ports on the east and west coasts.

If we had a Class I railroad's help, we could get a new Intermodal rail yard in Wisconsin. It would give us another option for loading the shipping containers onto the railroad right here in Wisconsin. It could dramatically lower our Wisconsin export transportation costs.

So how do you interest a Class I railroad to help the Intermodal container business in Wisconsin?



You offer to help the railroad make a good profit and still save the shippers of Wisconsin money.

The previous Wisconsin Intermodal studies reported that the Intermodal yard in Green Bay used to “lift” 26,000 containers a year. That Intermodal yard was closed 20 years ago, after our Wisconsin railroad system was bought by the Canadian National Railroad (CN). Container business has grown a lot in the past 20 years.

I was at a railroad conference and spoke to representatives from the Canadian Pacific Kansas City Railroad (CPKCR). They are a Class I railroad competitor of the CN. We discussed the old level of container business that was done out of Green Bay and the high cost to truck the containers to rail yards. Why couldn't the CPKC Railroad take some of that \$1,600 per container truck cost and ship the containers by rail out of Wisconsin?

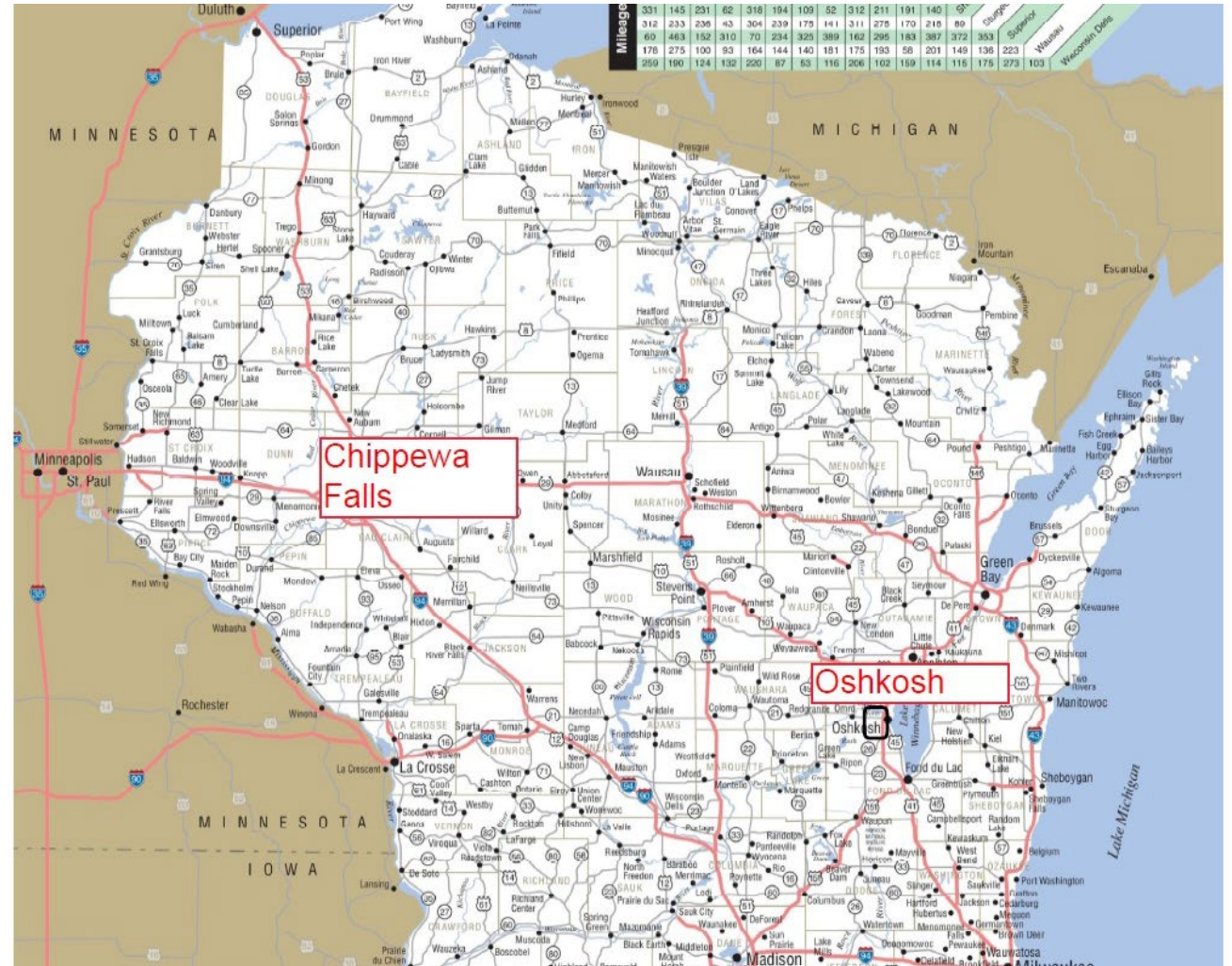


Oshkosh Intermodal, a potential quick, easy, low-cost solution

With the high number of containers that used to be shipped in Green Bay, and the outrageous trucking costs the exporters of Wisconsin are paying, the CPKC Railroad said they might be interested in giving us some rail service. Why pay the trucking companies all that money when the CPKC Railroad could ship the containers by rail, right here in Wisconsin. But where to put the Intermodal rail yard?

Wisconsin has a relatively new rail transload yard in Oshkosh. Upgraded to help serve the Oshkosh Corp, (think Oshkosh Truck).

That yard is on rail track owned by the state of Wisconsin. It connects to track run by the CPKC Railroad in Milwaukee. Plus, at Oshkosh, we could ask the short line railroad, WATCO, who already run some tracks in Wisconsin, to operate this new, Intermodal rail yard. The representative of CPKC Railroad said they preferred a 3rd party, like WATCO, to operate the Intermodal yard.



Do we try to take advantage of this CPKC Railroad opportunity ?

The representative from CPKC Railroad said they would be willing to sit down with the shippers of Wisconsin, with no firm commitment on their part, to discuss the Oshkosh Intermodal idea. In particular, they want to speak with not only us exporters, but with Wisconsin importers as well. Turns out the importers of containers pay about 3 times as much per containers, as us exporters do.



Improved Intermodal container shipping is critical for our Wisconsin Exports, and more.

A few positives about the Oshkosh Intermodal idea:

- Make our Wisconsin exports more competitive.
- Increase our export sales.
- Reduce truck /dray costs of bringing containers to Intermodal rail yards.
- By loading containers onto railroad here in Wisconsin, we have the potential to load the containers heavy, without paying the overweight fees.
- It would stop the trucking of 10,000's of containers on our highways. Ship them by rail instead.
- Reduced carbon footprint of rail shipping vs truck shipping.
- Avoid the congestion and often poor service of existing Intermodal options.
- There is room at the existing Oshkosh rail transload yard.
- Oshkosh is a relatively low cost and speedy option for our Intermodal problem.
- Oshkosh is in WISCONSIN. It would create jobs here.



What do you think?

Should we, as struggling Wisconsin Exporters, who are paying way too much for our container shipping, help organize a meeting with representatives of other shipping companies and the CPKC Railroad and try to help ourselves and our state?

Thank you for your time,

Larry Krueger

Lake States Lumber Association



WISCONSIN AGRICULTURAL EXPORT ADVISORY COUNCIL

Export Expansion Grant Project
Center for Dairy Research
Tom Guerin



WISCONSIN AGRICULTURAL EXPORT ADVISORY COUNCIL

Break



AGENDA

- Recent Trade Promotion Activity Highlights
 - VIV Middle East and Africa Trade Show, November 2023
 - Thailand Cheese Promotion Mission, January 2024
 - WEDC/DATCP Trade Mission to Mexico, February 2024
- IABC Trade Promotion Activity Plans FY24 March-June, FY25 June-December
- Upcoming Dates – WAXC Webinars, WAXC Council Meeting
- Future Topics
- Adjourn



TRADE PROMOTION ACTIVITIES: FY24 NOVEMBER - FEBRUARY

VIV MEA (Middle East Asia)

November 20-22, 2023, Dubai U.A.E

- Largest regional show for livestock, feed and genetics (large, small ruminant livestock, poultry)
- 4 companies: Esmilco, Genex, AbE Discovery, Carefree Enzymes
- 78 leads and \$110,000 in anticipated sales



TRADE PROMOTION ACTIVITIES: FY24 NOVEMBER - FEBRUARY

WEDC – DATCP Trade Mission

Mexico City and Monterrey

January 28-February 2, 2024

- 5 companies: Hinterland Brewing, Croix Valley, Bruschi USA, DynaVap, WellIntel
- 15 prospective partners met



TRADE PROMOTION ACTIVITIES: FY24 NOVEMBER - FEBRUARY

Wisconsin Cheese Promotion Mission

Thailand, Bangkok and Chiang Mai
January 29-February 3, 2024

- Collaboration with Dairy Farmers of Wisconsin, Center for Dairy Research, UW-River Falls, USDA Foreign Ag Service
- Follow-up from June 2023 Chef and Influencers tour, Thai Iron Chef Ian
- 5 companies, representing 13 Wisconsin cheesemakers: Ellsworth Creamery, Blue River Trading, Marieke Gouda, Orange Cheese, Organic Valley
- 60 meetings, 2 distributor agreements signed, \$350,000 anticipated sales



TRADE PROMOTION ACTIVITIES: FY24 MARCH - JUNE

Food and Hotel Vietnam, Ho Chi Min City, Vietnam, March 19-21, 2024

Retail and food service show for dairy, meat, and crop products. 3 companies recruited

Lead: Jennifer Lu

Kazakhstan Outbound Trade Mission, April 19-26, 2024

Follow-up to World Dairy Expo inbound mission for livestock, genetics, feed, and supplements. Kazakhstan planning to invest over \$95 million in dairy herd development.

3 companies recruited, 3 pending

Lead: Jennifer Lu



TRADE PROMOTION ACTIVITIES: FY24 MARCH - JUNE

International Food Exhibition (IFE), London England, March 25-27, 2024

Retail and food service show for dairy, food products, ingredients, craft beers, and distilled spirits. Follow-up from UK Trade Mission. 3 companies recruited

Lead: Shirley Acedo

WEDC Trade Mission to Toronto and Winnipeg, Canada, April 7-11, 2024

Multi-Sector manufacturing, industrial, food, and agriculture. One dairy company recruited

Lead: Chad Hoffman, WEDC

ANUGA Select Food Show, Sao Paulo, Brazil, April 9-11, 2024

Retail and food service show, 2 companies recruited

Lead: Shirley Acedo



TRADE PROMOTION ACTIVITIES: FY24 MARCH - JUNE

USDA Agricultural Trade Mission to India, New Delhi, April 22 – 26, 2024

U.S. state departments of agriculture, commodity groups and companies market prospecting and promote Wisconsin dairy, meat and crop products, **Recruiting 2 companies**

Lead: Krista Knigge

Wisconsin Agricultural Trade Mission to Chile, May 6-10, 2024

Secretary-led mission to one of Latin America's strongest economies and developed retail markets and advanced milk production, 4 companies recruited, **recruiting 4 dairy, food, pet foods, craft beers and distilled spirits, genetics, livestock, feed products**

Lead: Shirley Acedo

Thaifex-Anuga, Bangkok, Thailand, May 28-June 1, 2024

Southeast Asia's largest food show for retail and food service, 3 companies recruited

Lead: Shirley Acedo



TRADE PROMOTION ACTIVITIES: FY24 MARCH - JUNE

Carrefour International du Bois, Nantes, France, May 28-30, 2024

Largest European show for wood products, collaborating with American Hardwood Export Council and Softwood Export Council, **Recruiting 3 hardwood and softwood companies**

Lead: Jennifer Lu

China Dairy Expo, Chungqing, China, June 4-6, 2024

China's largest trade show for dairy production, first time in three years it will be open to international attendees, 5 companies recruited

Lead: Jennifer Lu

Mission to Beijing and Shanghai, China June 23-28, 2024

U.S. Dairy Export Council (USDEC), USDA Foreign Agricultural Service, **Recruiting 4 USDEC member dairy companies**

Lead: Jennifer Lu



TRADE PROMOTION ACTIVITIES: FY25 JULY - DECEMBER

Africa Food Trade Show, Nairobi, Kenya, July 9-11, 2024

Packaged foods, dairy products, food ingredients, pet foods, craft distilled spirits, beers for Kenya and East Africa markets, **Recruiting 4 companies** Lead: Shirley Acedo

USDA Agricultural Trade Mission to Colombia Bogota, July 29 – August 2, 2024

U.S. state departments of agriculture, commodity groups, companies prospect, promote Wisconsin dairy, meat and crop products, **Recruiting 2 companies**
Lead: Mark Rhoda-Reis

Americas Food and Beverage Show, September 16-18, 2024

Association of State Departments of Agriculture (NASDA), A Taste of the States Pavilion
Recruiting 10 companies, 4 food and beverage product associations to promote Wisconsin products in Latin American and Caribbean markets, Lead: Shirley Acedo



TRADE PROMOTION ACTIVITIES: FY25 JULY - DECEMBER

World Dairy Expo, October 1-4, Madison, Wisconsin

Global Dairy Summit – Inviting global leaders in the dairy industry to provide an outlook on the dairy industry over the next five years, on trends, opportunities, and challenges. U.S. and international attendees and exhibitors are invited to participate.

Lead: Mark Rhoda-Reis

Dairy Livestock and Genetics U.S. Exporter and International Importer Seminar

National Association of Animal Breeders (NAAB), Livestock Exporters Association (LEA), logistics, finance, compliance professionals, **Recruiting 10 companies** to promote livestock, genetics, feed, and supplements

Lead: Jennifer Lu



TRADE PROMOTION ACTIVITIES: FY25 JULY - DECEMBER

International Dairy Federation Global Dairy Summit, Paris, France, October 15-18, 2024

Global organization of dairy producers and processors, with 1,200 to 1,500 dairy attendees, promote dairy livestock, genetics, feed, supplements, finished products

SIAL, Paris, France, October 19-23, 2024

Largest international food show, space must be paid in FY24, **Recruiting 5 companies**

Lead: Shirley Acedo

USDA Agricultural Trade Mission to Rabat and Casablanca, Morocco, December 2-10, 2024

Advance opportunities developed on previous missions and trade shows in Morocco, **Recruiting 6 companies**



International Agribusiness Center Team



Mark Rhoda-Reis

Director

Export and Business
Development Bureau

608-400-5311

mark.rhodareis@wi.gov



Jennifer Lu

International Consultant

Dairy, Animal Feed, Livestock & Genetics
- Asia, Near East, Oceania, Middle East

Wood Products, Ginseng, Mink - Global

608-347-1852

jennifer.lu@wi.gov



Shirley Acedo

International Consultant

Processed Foods and Food Ingredients -
Global

Livestock and Genetics - Americas,
Europe, Africa, Middle East

608-419-4643

shirley.acedo@wi.gov



Amy Kennedy

International Grants, Reporting, Trade Promotion
Coordination, Certificates of Free Sale

715-965-0121

amy.kennedy@wi.gov

**+ 2 International Consultants
in recruitment**



Wisconsin Agricultural Export Advisory Council

WEDC Update

Katy Sinnott, Vice President, Global Trade & Investment



WEDC/DATCP Wisconsin Initiative for Agriculture Exports FY'24 Update

➤ WIAE International Market Access Grants

- Through the IMAG, Wisconsin companies can be reimbursed for specific short-term expenses associated with a targeted export project that will help to grow their presence in their identified international market(s).
- WEDC continues to work closely with DATCP to engage Wisconsin agriculture companies to utilize these grant dollars for projects focused on accelerating their export strategy.
- WEDC's current IMAG grant window will close March 15th.

➤ Grant Description

- Up to \$25,000 can be awarded and the company must provide 30% match
- Can be used for export education, trade shows/missions, marketing & promotion, consulting services and product design for export
- Requires 35% of the value of the product or service is composed of Wisconsin inputs

WEDC FY'25 Global Trade Missions



Global Trade Mission: United Kingdom (Farnborough Air Show)
July 21-26, 2024

Global Trade Mission: Australia
November 1-8, 2024

Global Trade Mission: UAE (Arab Health)
January 27-30, 2025

Global Trade Mission: Mexico
February 22-28, 2025

Global Trade Mission: China
March – Dates TBD

Global Trade Mission: Canada
April 6-11, 2025

Global Trade Mission: Germany/Switzerland
April 20-26, 2025

GLOBAL TRADE & INVESTMENT CONTACTS



Katy Sinnott

Vice President,
Global Trade and Investment
608.210.6838
katy.sinnott@wedc.org



Aaron Zitzelsberger

Senior Director,
Global Trade & Investment
608.210.6734
aaron.zitzelsberger@wedc.org



Francisco Carrillo

International Business
Development Director
Latin America, Spain, Portugal
608.210.6757
francisco.carrillo@wedc.org



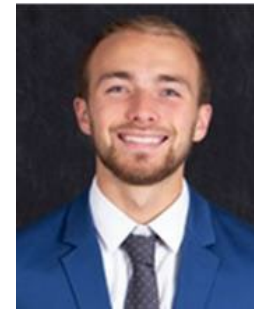
Chad Hoffman

Market Development Director
Canada, Australia, Middle East,
India, and Africa
608.210.6890
chad.hoffman@wedc.org



Fanfu Li

International Business
Development Director
East Asia
608.210.6868
fanfu.li@wedc.org



Rome Rauter

Market Development Director
Europe
608.210.6801
rome.rauter@wedc.org



Katie Ujdak

Global Trade & Investment
Grants Manager
608.210.6773
katie.ujdak@wedc.org

UPCOMING DATES

WAXC Webinars

- July 10, 2024—Topic To Be Confirmed

WAXC Council Meeting

- September 18, 2024

WISCONSIN AGRICULTURAL EXPORT ADVISORY COUNCIL

Discussion of Future Topics for WAXC Council Meetings and Webinars



WISCONSIN AGRICULTURAL EXPORT ADVISORY COUNCIL

Adjourn



Thank you!



International Agribusiness Center

Mark Rhoda-Reis, Bureau Director

mark.rhodareis@wisconsin.gov | (608) 400-5311 | datcp.wi.gov

March 6, 2024