

Texas: Agricultural Exports Fall, Family Farms Decline under “Free Trade” Deals

The **Trans-Pacific Partnership (TPP)**, being negotiated behind closed doors with 11 Pacific Rim nations, would expand the North American Free Trade Agreement (NAFTA) “trade” pact model under which agricultural imports have surged, agricultural exports have slowed and family farms have disappeared. U.S. negotiators used the 2011 Korea Free Trade Agreement (FTA) – under which agricultural exports have fallen 41 percent – as the TPP template.

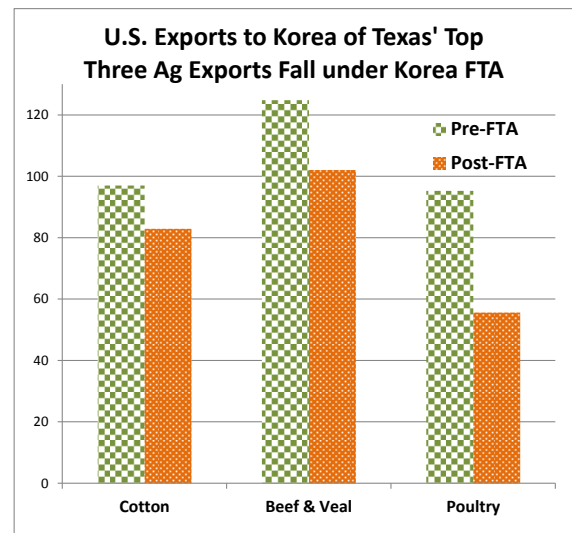
U.S. Food Exports Stagnate under FTAs

FTA supporters have sold the deals to U.S. farmers and ranchers by hyping the agreements’ prospects for increasing exports. *But U.S. food exports to all U.S. FTA partners have been lagging behind U.S. food exports to the rest of the world.* The volume of U.S. food exports to non-FTA countries rebounded quickly after the 2009 drop in global trade following the financial crisis. But U.S. food exports to FTA partners remained below the 2008 level until 2014. Even then, U.S. food exports to FTA partners were just 1 percent higher than in 2008, while U.S. food exports to the rest of the world stood 24 percent above the 2008 level.



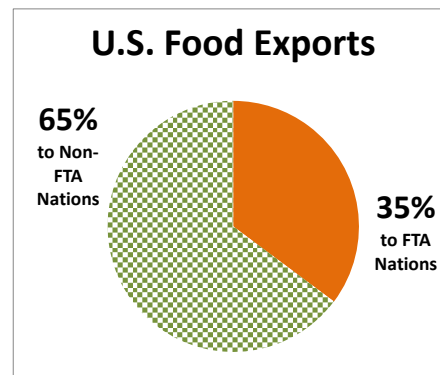
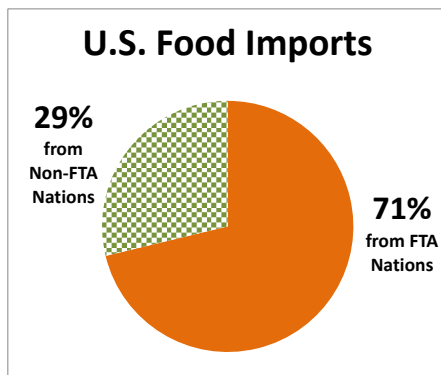
U.S. Exports to Korea of Texas’ Top Ag Exports Fall under Korea FTA

U.S. farmers were promised that the Korea FTA – the U.S. template for the TPP – would boost U.S. agricultural exports to Korea. *But U.S. exports to Korea fell in eight of Texas’ top 10 agricultural export products, from cotton to wheat to dairy to meat.* Indeed, U.S. exports to Korea of beef, pork and poultry – all top agricultural exports for Texas – declined 18, 15 and 42 percent, respectively, in the first two years of the Korea FTA (measuring by volume). Overall, total U.S. agricultural exports to Korea fell 41 percent in the FTA’s first two years.



FTA Countries Responsible for More than 70% of U.S. Food Imports, Just 35% of Food Exports

Most U.S. food imports come from FTA countries, while most U.S. food exports *are not* sold in FTA countries. This may seem counterintuitive – certainly it is the opposite of what FTA proponents have promised U.S. farmers and ranchers. *In 2014, the 20 U.S. FTA partners were the source of 71 percent of all U.S. food imports, but were the destination of just 35 percent of all U.S. food exports* (measuring by volume).

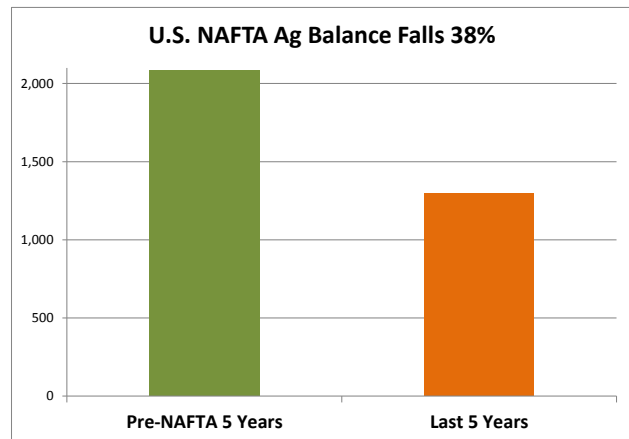
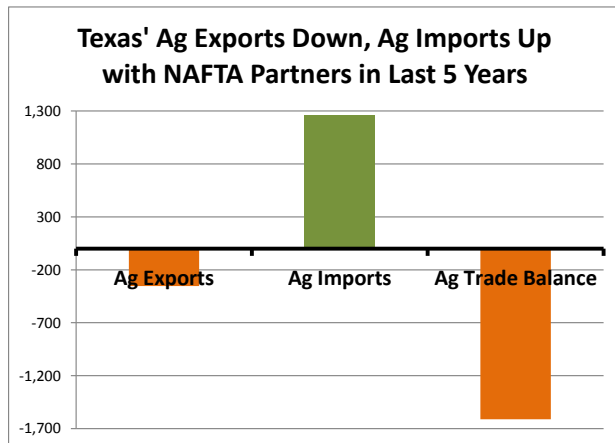


Texas Cannot Afford the TPP's Expansion of the NAFTA "Trade" Pact Model

Texas' NAFTA Trade: Ag Imports Surge, Ag Exports Fall, Ag Balance Suffers

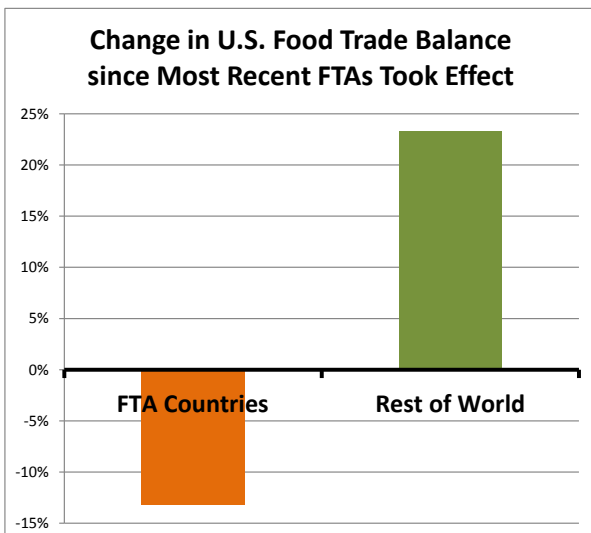
Texas' exports of agricultural products to NAFTA partners Mexico and Canada have *fallen* 23 percent, or \$354 million, in the last five years, even though Texas' agricultural exports to the rest of the world have *risen* 28 percent, or \$794 million. Texas' agricultural imports from NAFTA countries have increased 101 percent, or \$1.3 billion, in that period. As a result, Texas' NAFTA agricultural trade balance *has gone from a \$280 million surplus to a \$1.3 billion deficit* – a \$1.6 billion drop. In contrast, Texas has a \$2.7 billion agricultural trade *surplus* with the rest of the world.

Nationwide, the U.S. agricultural trade balance with NAFTA partners has fallen from a \$2.5 billion trade surplus in the year before NAFTA to a \$1.1 billion trade deficit in 2014 – the largest NAFTA agricultural trade deficit to date. Even if one includes agricultural trade over the preceding several years, when agricultural export values were inflated by anomalously high international food prices, the average U.S. agricultural trade balance with NAFTA countries over the last five years still fell 38 percent below the average balance in the five years before NAFTA.



U.S. Food Trade Balance Falls 13% with FTA Partners, Rises 23% with Rest of World

Due to stagnant U.S. food exports to FTA countries and a surge in food imports from those countries, the U.S. food trade balance (by volume) with FTA countries has fallen 13 percent since 2011, the year before the most recent FTAs took effect. In contrast, the U.S. food trade surplus with the rest of the world has risen 23 percent since 2011.



Nearly 180,000 Small-Scale U.S. Farms Disappear in the FTA Era

Smaller-scale U.S. family farms have been hardest hit by rising agricultural imports and declining agricultural trade balances under FTAs. Since NAFTA and NAFTA expansion pacts have taken effect, one out of every 10 small U.S. farms has disappeared. By 2014, nearly 180,000 small U.S. farms had been lost.

