

A look at U.S. Agriculture, Exports, and Future Trends



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Economic Value of Louisiana Agriculture

∅ Valued at more than \$9.9 billion, agriculture and forestry combined make up one of Louisiana's largest and economically dependent industries



Global Recession à à Global Expansion

- ∅ In 2010, Louisiana's agricultural economy was valued at \$9.9 billion, up from \$8.3 billion in 2009.
- ∅ Most economies are either recovering or expanding during 2010 as opposed to the global recession in 2009



Things are improving....

- ∅ Louisiana agriculture and forestry experienced an increase of over 20% from the year before.
- ∅ These gains were led by forestry and poultry, which contributed \$3.1 billion and \$1.6 billion respectively .
- ∅ These two industries, forestry and poultry, experienced a 25% increase in 2010, contrary to their 25% decrease in 2009.

Louisiana's Top 10 Commodities

<u>Commodity</u>	<u>Total Value</u>
∅ Forestry	\$3.1 billion
∅ Poultry	\$1.6 billion
∅ Sugarcane	\$847 million
∅ Rice	\$535 million
∅ Horses	\$494 million
∅ Soybeans	\$467 million
∅ Aquaculture	\$416 million
∅ Beef cattle and calves	\$411 million
∅ Marine fisheries	\$403 million
∅ Feed grains	\$357 million

Louisiana has seen unprecedented economic activity in agricultural and forestry processing and infrastructure

More than \$1 billion in new projects in the state will enhance the value-added sector of our economy. These projects include:

1. Foster Farms in Farmerville and DG Foods in Bastrop- poultry processing
2. ConAgra Foods Lamb Weston in Delhi-sweet potato processing
3. Bruce Foods in New Iberia- plant improvements
4. Myriant Technologies in Lake Providence-biobased succinic acid plant (biofuels)
5. Aquatic Energy in Lake Charles- algae plant (bioenergy)
6. Georgia- Pacific in Port Hudson- advanced paper making
7. Kennedy Rice Dryers in Mer Rouge- rice export
8. South Louisiana Rail Facility in Laccasine- grain export
9. New Orleans Cold Storage in New Orleans- poultry exports at Port of New Orleans
10. Tyson/Syntroleum in Gramercy- synthetic fuels
11. Monsanto in Luling- plant improvements
12. Louis Dreyfus in Baton Rouge- grain elevator at Port of Greater Baton Rouge
13. Zagis USA in Lacassine- cotton spinning facility
14. Louisiana Sugar Refining LLC in Gramercy- a new sugar refinery, a cooperative endeavor between Cargill, Imperial Sugar Co. and Sugar Growers & Refiners Inc.
15. IFG Port Holdings in Lake Charles-grain elevator at Port of Lake Charles
16. Terrel Grain – unit train facilities in Delhi
17. Sun Drop Fuels – Biofuels in Alexandria
18. Tubbs Rice Dryers in Mer Rouge-rice export

About Louisiana Agriculture: Farms and Farmers

∅ Louisiana land in farms

∅ Land in forests

∅ Total land in state

∅ Average size of a farm

∅ Number of farms

∅ Number of people living on farms

- | Family farms
- | Partnerships
- | Corporations

∅ Average age of Louisiana farmer

∅ Farming is primary occupation

∅ Farming is secondary occupation

∅ **Average value of agricultural production per farm**



8,109,975 acres

14,000,000 acres

27,880,000 acres

269 acres

30,106

91,432

85%

8%

7%

57

40%

60%

\$177,000

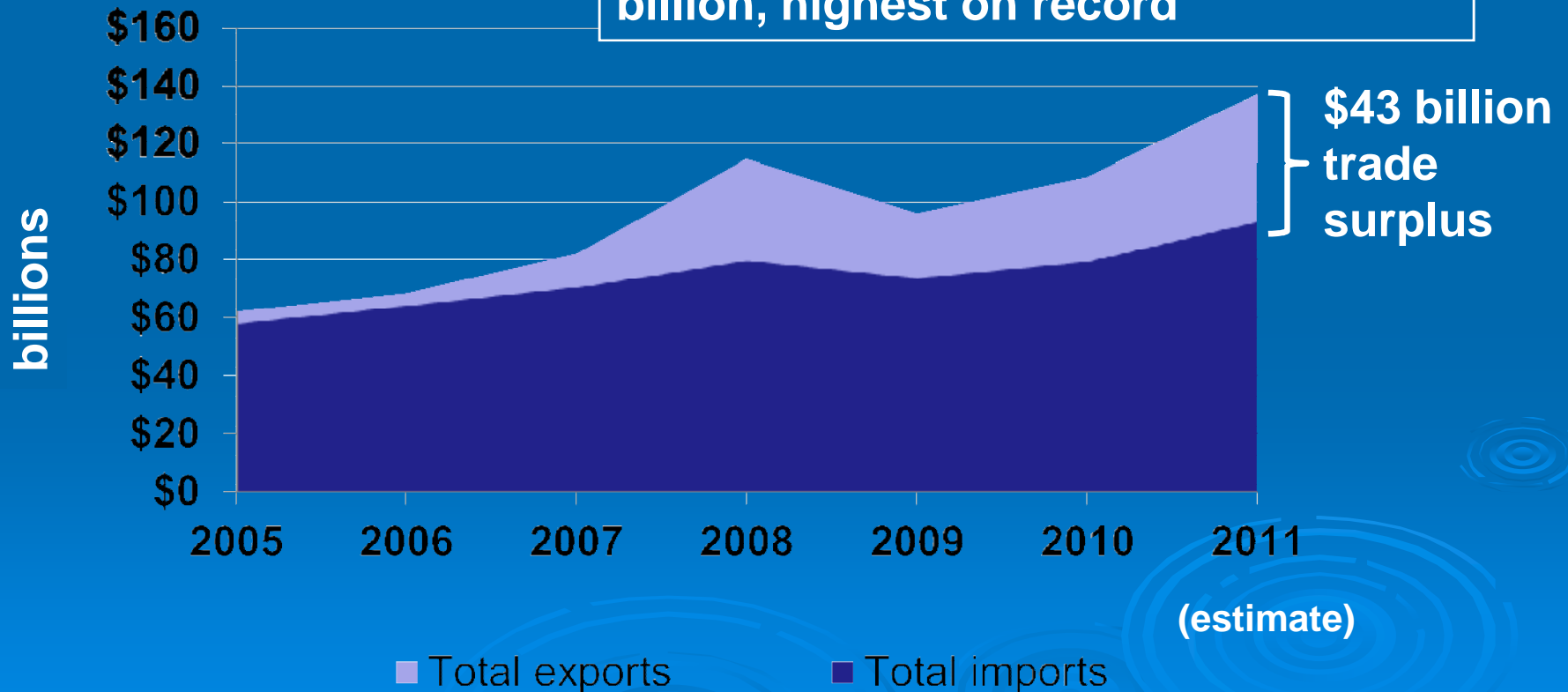
U.S. Meat Industry at a Glance

- ∅ The United States meat and poultry industry is the largest segment of U.S. agriculture.
- ∅ Total meat and poultry production in 2010 reached more than 92.1 billion pounds, up 1.2 billion pounds from 2009.
- ∅ In 2009, more than 526,290 workers were employed in the meat and poultry packing and processing industries with combined salaries of more than \$19 billion.

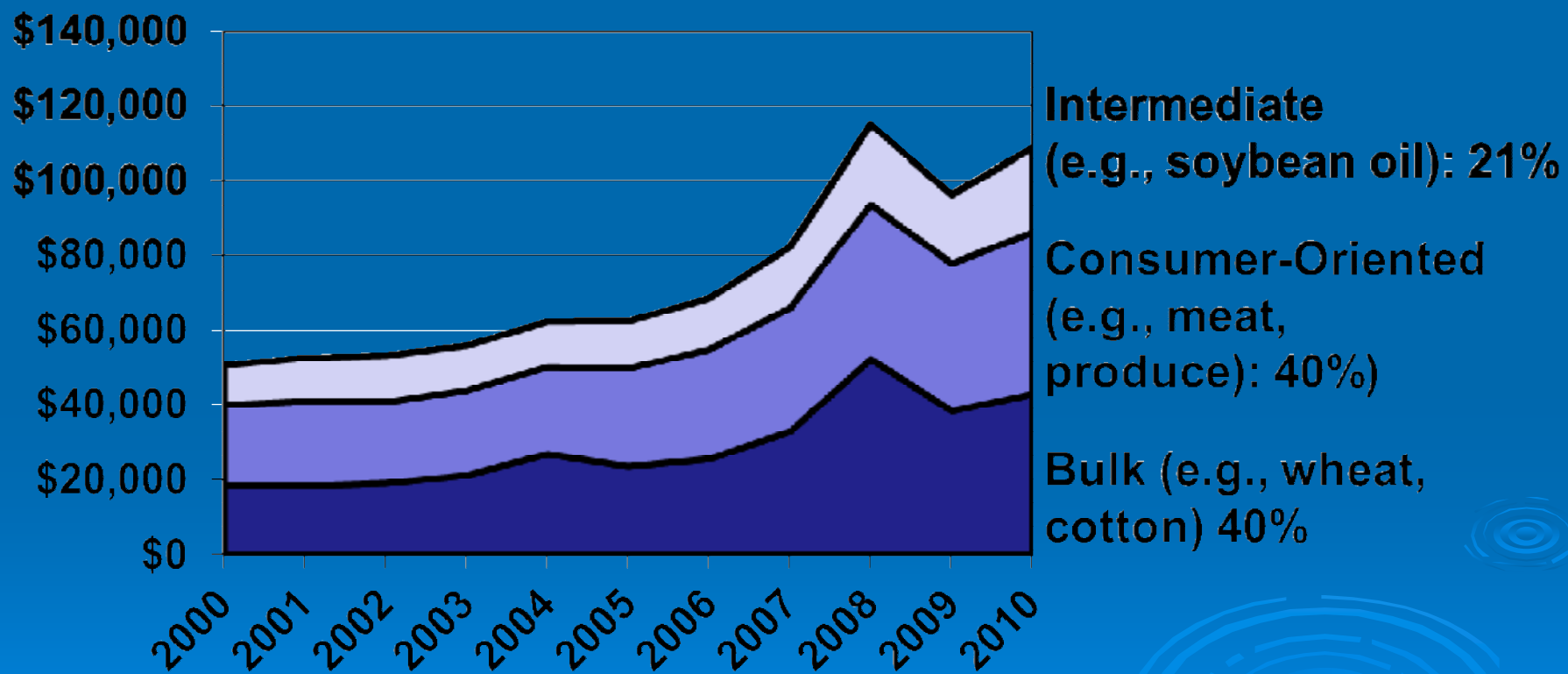


Total U.S. Exports of Food and Agriculture

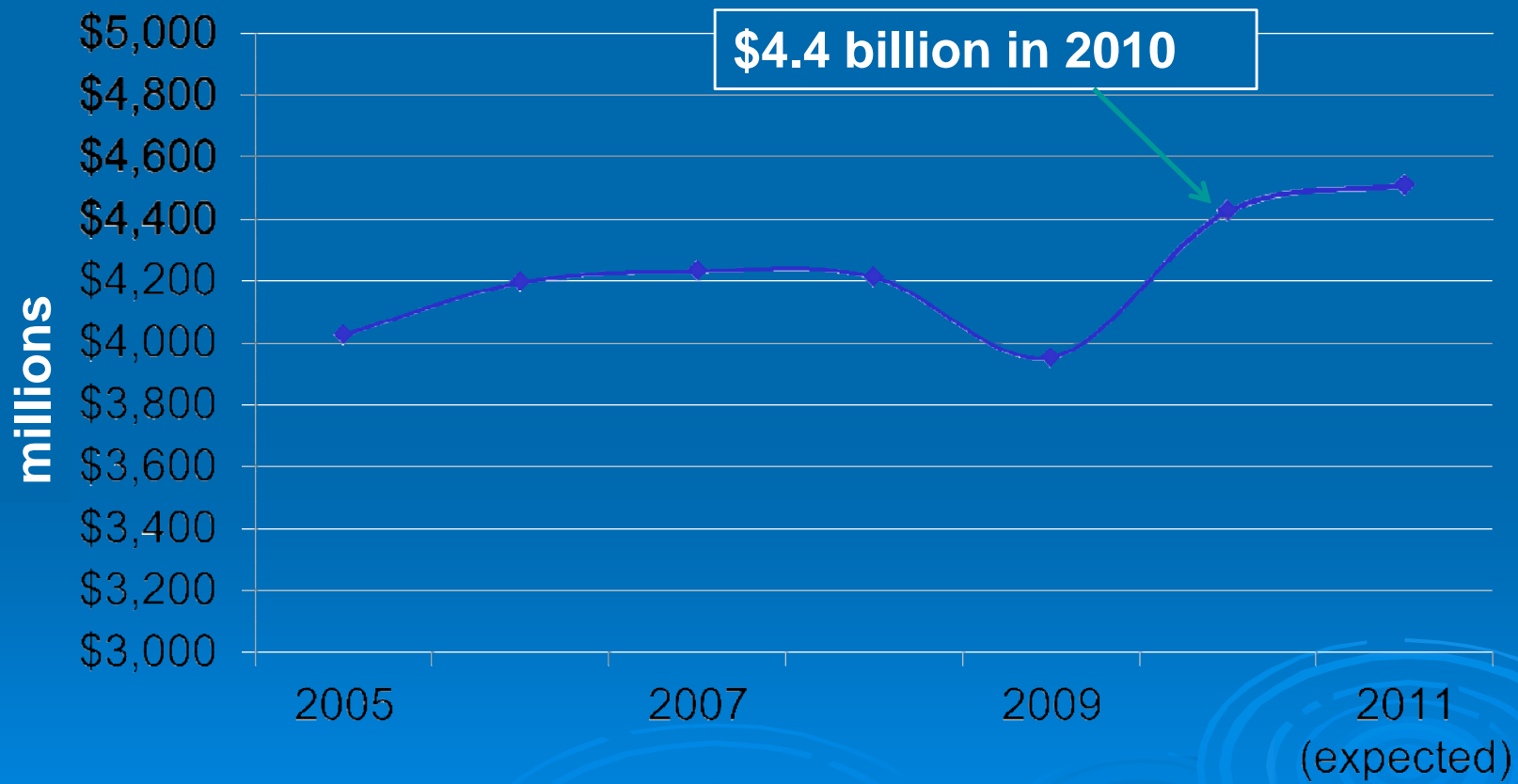
2011 exports expected to reach \$137 billion, highest on record



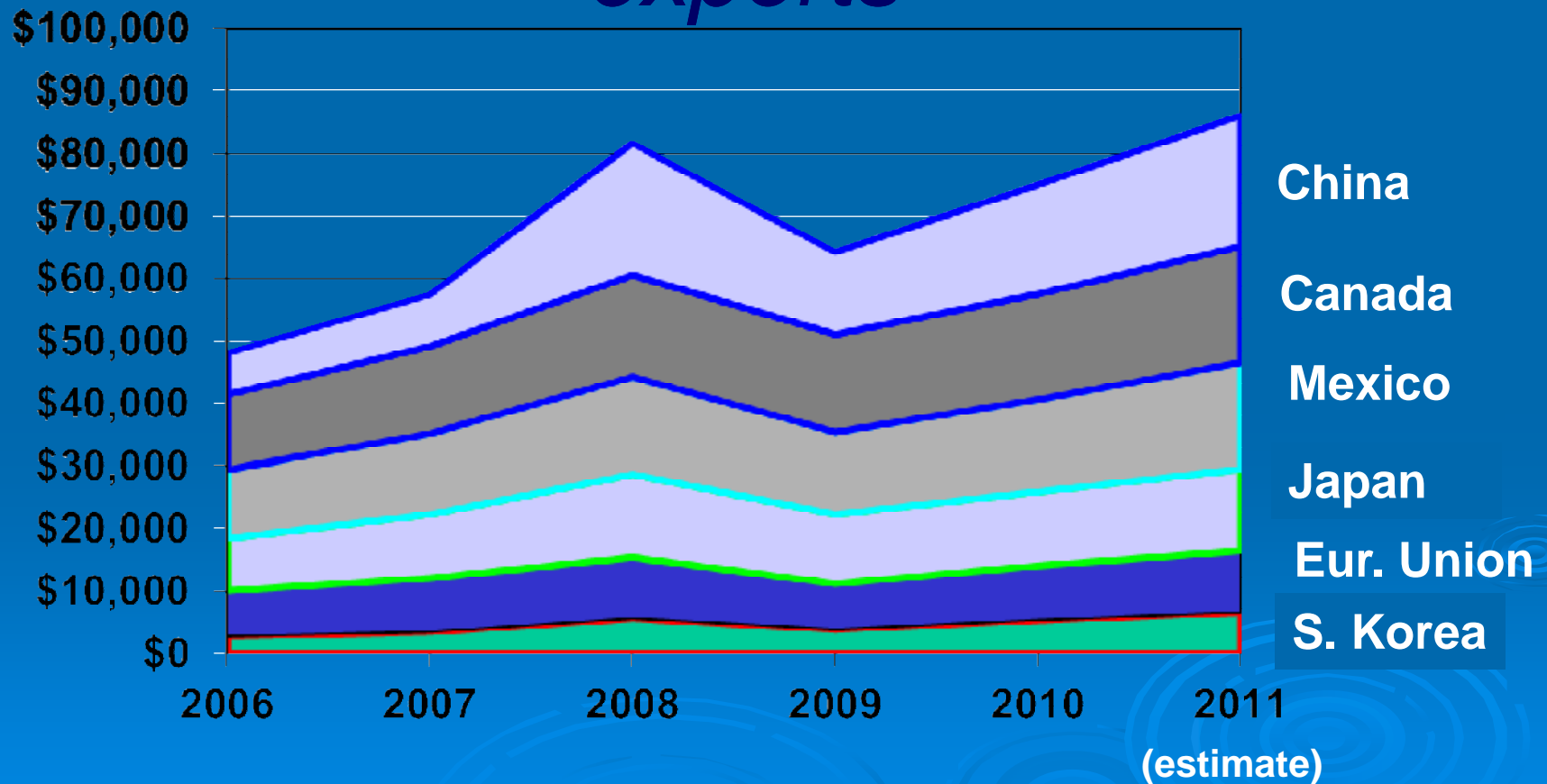
U.S. Agricultural Exports by Type



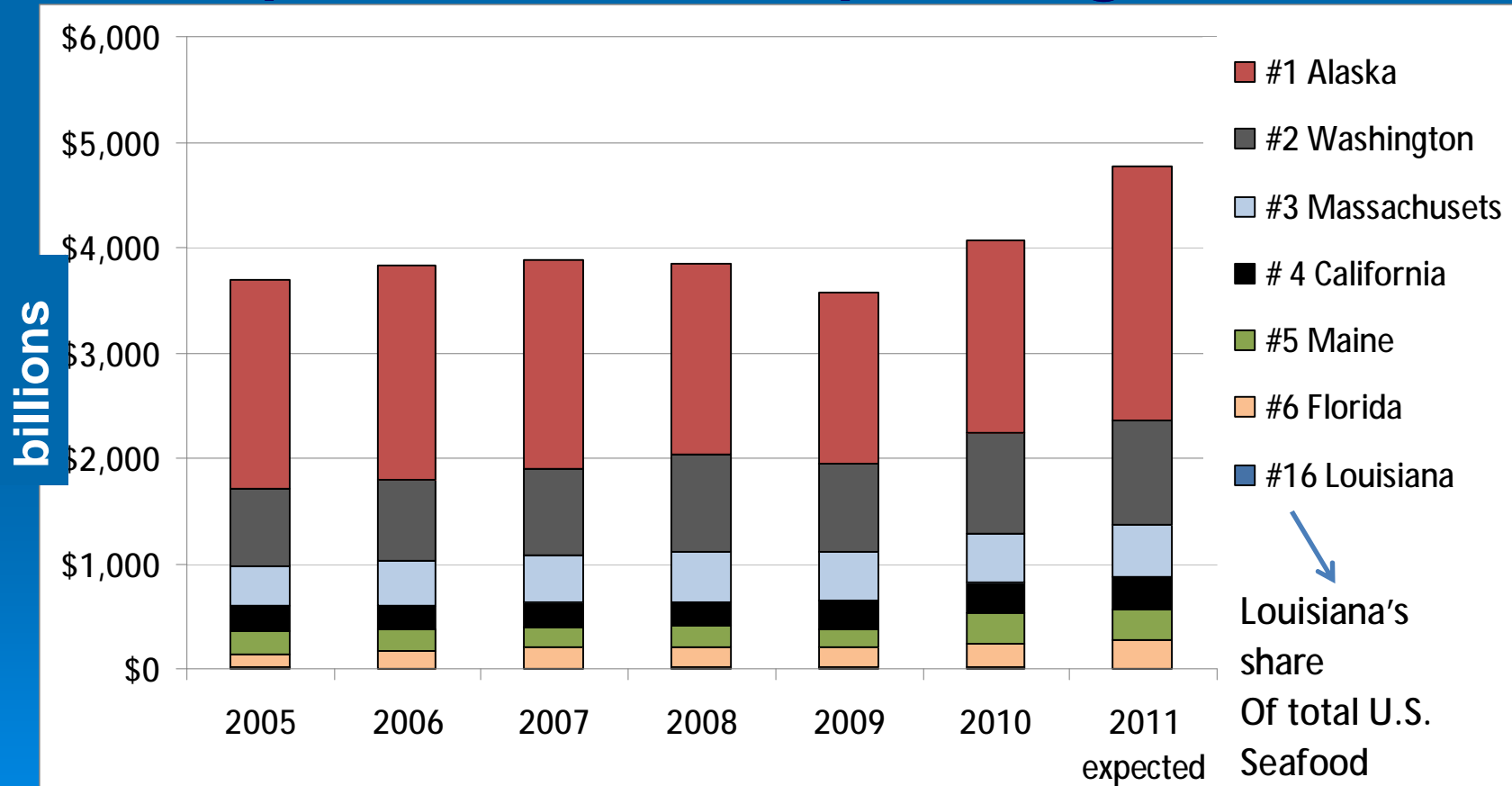
Total U.S. Seafood Exports



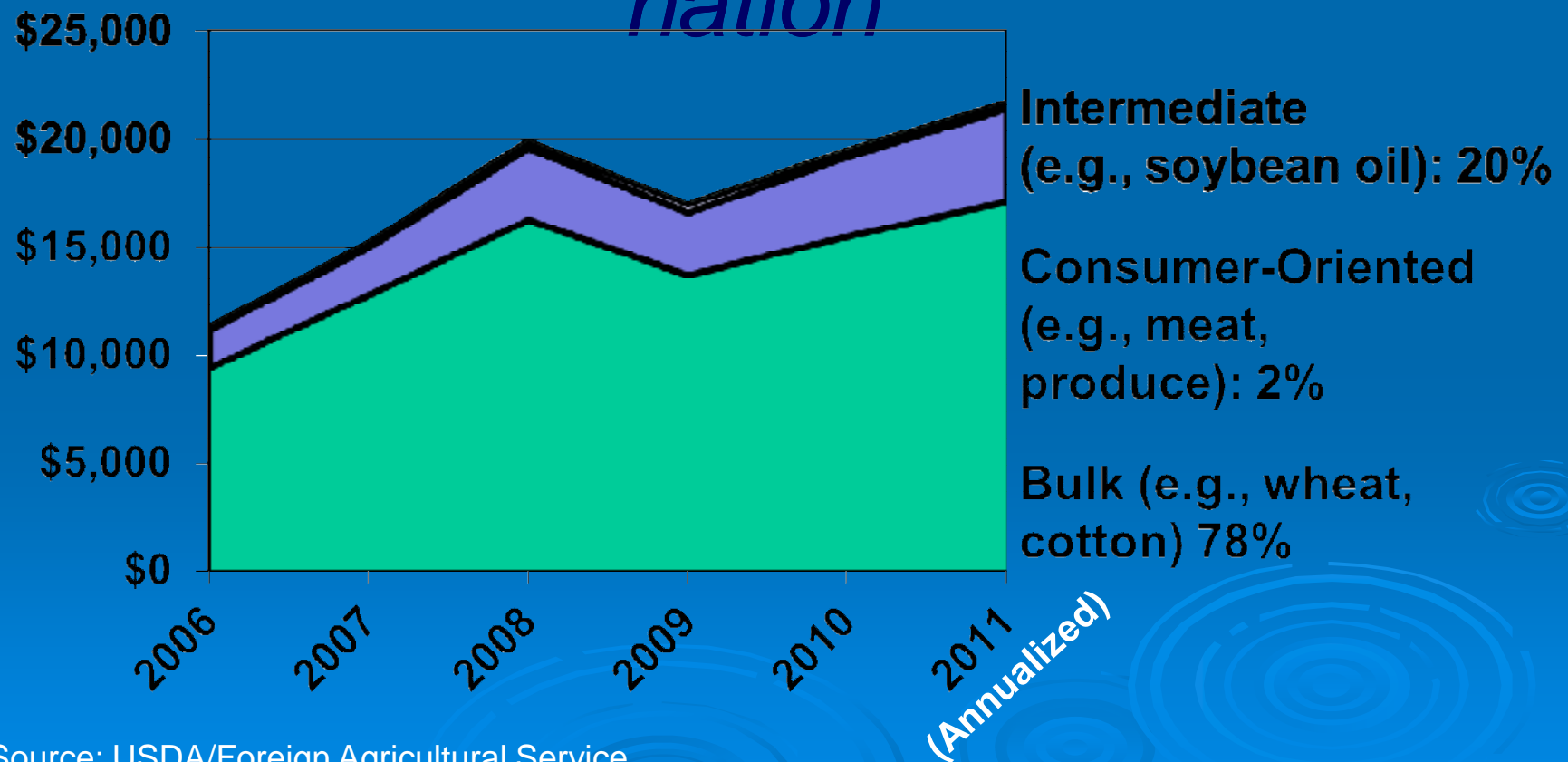
Top markets for U.S. agriculture exports



Top Seafood Exporting States



More agricultural products exported from Louisiana than any other state in the nation



Source: USDA/Foreign Agricultural Service

Top LOUISIANA agriculture exports

Top five Louisiana Agriculture Exports, 2010*

Rice	\$333 million
Soybeans	\$277.4 million
Cotton	\$115.5 million
Feed grains	\$75.9 million
Feeds and fodder	\$34.5 million
Total, top five	\$836.3 million
All other	\$76.4 million
Grand total	\$912.7 million

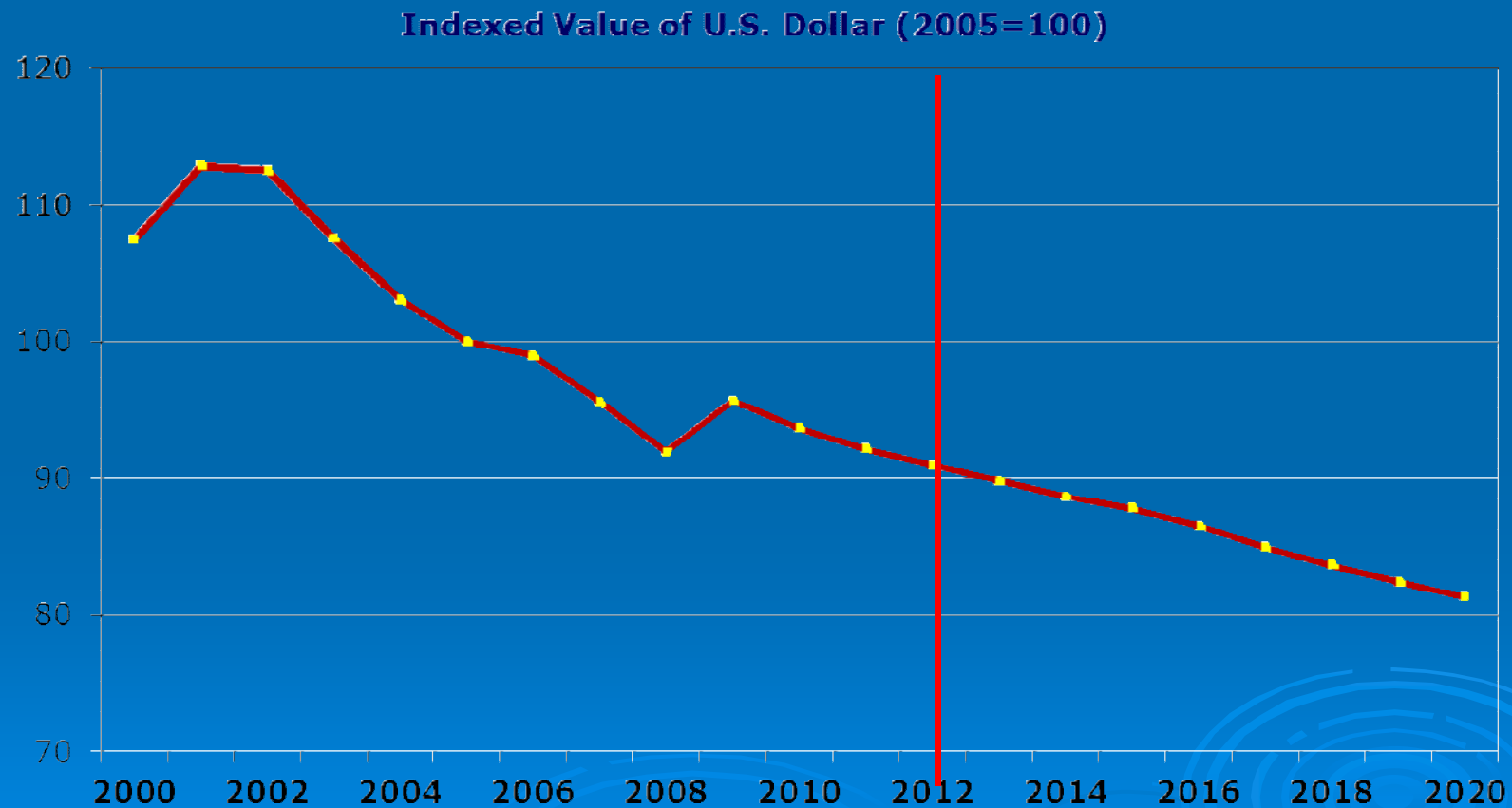
*USDA/Foreign Agricultural Service estimates

Global market trends and forecasts

- ***2012: U.S. exports remain at record \$137 billion***
 - Weak dollar and low interest rates bolstering competitiveness of U.S. ag exports
 - ***Long term: World population is projected to increase 32% to 9.1 billion by 2050***
 - Rising incomes in China, India = Increased consumption of protein and vegetable oil, multiplying demand for grains and oilseeds
 - No improvements in global yields or arable land
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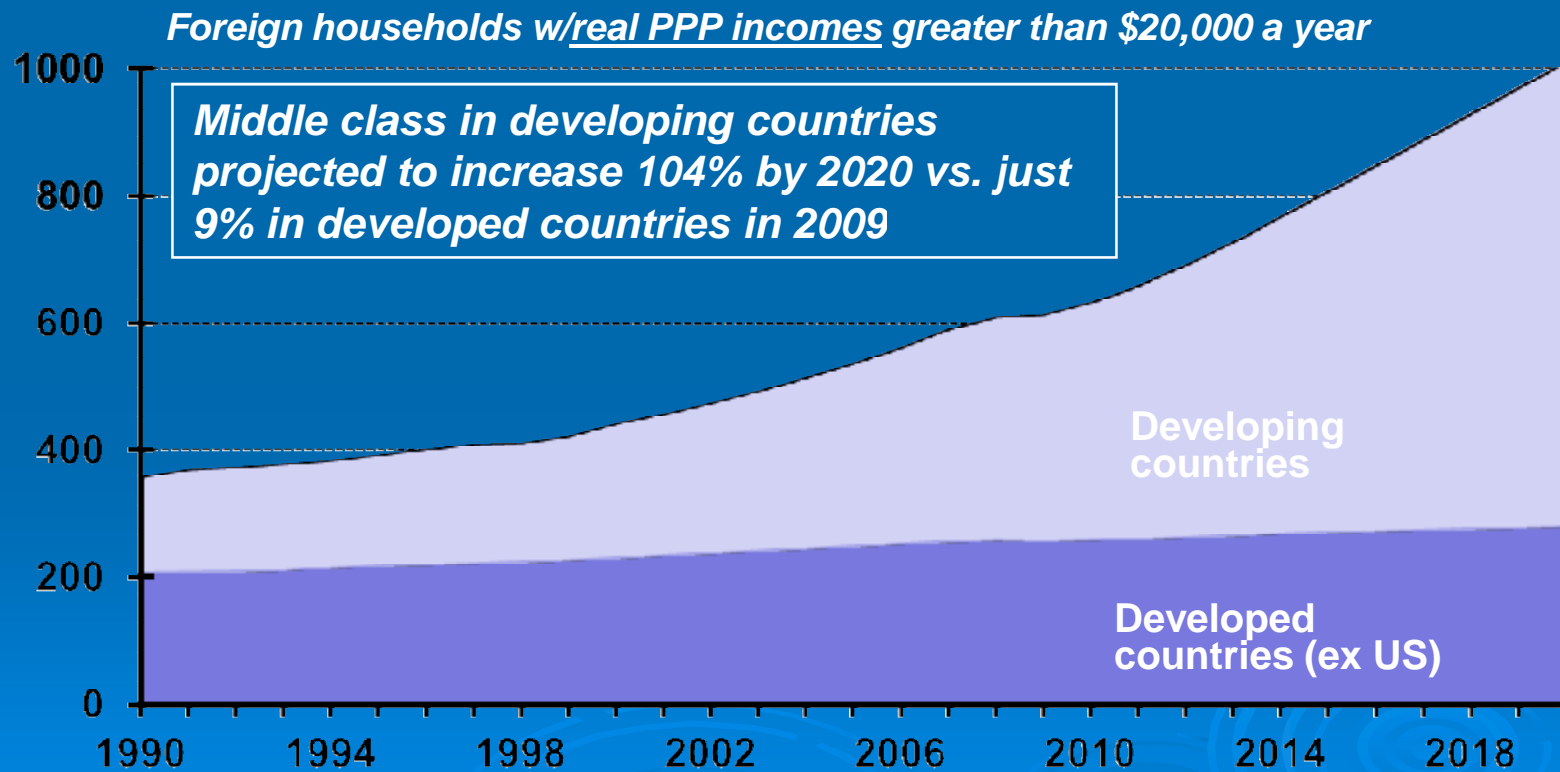
U.S. Dollar Projected to Fall Another 14% by 2020

(Weighted against the currencies of major U.S. agricultural export markets)



Source: USDA, Economic Research Service; Foreign Agricultural Service

“Middle Class” *Outside the U.S.* Expected to Double By 2020 – To 1 Billion Households *Worldwide food consumption will be impacted*



Source: Global Insight's Global Consumer Markets data as analyzed by OGA

... so why think internationally?

- n U.S. agriculture industry entering a “golden age” with all indicators showing strong demand and profits over coming decade***
- n As global demand for agricultural products soars, the U.S. is well-equipped to meet the demand and aided by a weak U.S. dollar***
- n Because 95% of the world’s consumers are outside of the U.S., yet only one in 100 companies export***

National Projections

- ∅ 100 million people will populate the United States in the next 34 years
- ∅ We must provide housing for 2 or more for every 2 people we had in 1962
- ∅ 75% of people live within 75 miles of an ocean
- ∅ The population increase will result in less land, more people and fewer farmers
- ∅ Feeding America ---37 million Americans---or one in eight people--- used a community food pantry or soup kitchen in 2010.
 - ∅ The drastic increase in hunger levels illustrates the importance of a stable, affordable food supply.



Federal Legislative Challenges

- ∅ Energy/Biomass
- ∅ Ag Labor (H2A/H2B)
- ∅ Farm Bill Debate
- ∅ Environment/EPA
- ∅ Trade Barriers
- ∅ Crop Insurance
- ∅ Agricultural Lending
- ∅ Animal Welfare
- ∅ Biosecurity/Food Safety



State Issues

- ∅ Surface Water Management
- ∅ Salt Water Intrusion
- ∅ Legacy/Oil and Gas/Land Remediation
- ∅ Budget/Dept of Ag and Forestry/Ag Centers
- ∅ Transporter Indemnity
- ∅ Education/Retirement
- ∅ DEQ



Oil companies are now “energy” companies

Chevron – Human Energy



Conoco Phillips – Energy for tomorrow



Why the push for biofuels in Louisiana?

∅ Louisiana is well-suited to produce biofuels

- | Location
- | Vegetation diversity
- | Climate
- | Agricultural infrastructure

∅ Forests yield highest amounts of biomass



Why biofuel?

- ∅ We depend on petroleum for energy
 - | 40% of U.S. energy comes from petroleum
- ∅ Heavily dependent on imported oil
 - | Two-thirds of U.S. oil is imported
 - | Political unrest in supplying countries = less energy security for U.S.



Why biofuel?

- ∅ World energy needs rising dramatically
 - | China, India rapidly developing
 - | U.S. – demand rising at 3% per year through 2050
- ∅ Oil production in a long-term decline:
 - | Today: 25 billion barrels per year
 - | 2050: 5 billion barrels per year



QUESTIONS

