



THE ECONOMIC CONTRIBUTION OF AMERICA'S FARMERS AND THE IMPORTANCE OF AGRICULTURAL EXPORTS

Executive Summary

America's farmers and ranchers make an important contribution to the U.S. economy by ensuring a safe and reliable food supply, improving energy security and supporting job growth and economic development. Agriculture is particularly important to the economies of small towns and rural areas, where farming supports a number of sectors, from farm machinery manufacturers to food processing companies.

Because of increasing agricultural productivity, access to world markets will be critical to the industry's continued success. Ninety-five percent of the world's potential consumers live outside of the United States, and population growth in the decades ahead will be concentrated in developing countries. As these countries grow and their citizens' incomes rise, their demand for meat, dairy and other agricultural products will increase.

This report discusses the crucial role of agriculture in the U.S. economy and the opportunities and challenges facing agricultural exporters. It outlines several policy recommendations designed to facilitate agricultural export opportunities and increase the already significant economic contribution of America's farmers.

Agriculture accounts for 10 percent of all U.S. exports despite comprising less than five percent of gross domestic product. The United States has posted a trade surplus in agriculture since 1960. These exports are a major reason the farm economy is important to the overall U.S. economy, supporting nearly one million jobs across the country.

However, challenges remain that could keep the United States from taking advantage of export growth opportunities. There are a number of options to facilitate exports for America's farmers, ranchers and agricultural producers, including:

- Enacting a long-term farm bill to provide certainty for U.S. agriculture;
- Pushing for provisions that reduce barriers to agricultural exports;
- Promoting export opportunities for small and beginning farmers, ranchers and processors;
- Investing in transportation infrastructure; and
- Enacting comprehensive immigration reform to bring stability to the agricultural workforce.