

# MESSENGER-INQUIRER



11-12-22

## U.S. Ag Exports Remain Strong Amidst A lot of Headwinds

Dr. Will Snell Extension Professor in the Department of Agricultural Economics, University of Kentucky, wrote the following article concerning expansion of agricultural exports despite challenges that would typically decrease international sales.

Despite tight supply inventories, shipping and other transportation challenges, a higher valued U.S. dollar, and an overall slowing global economy, U.S. agricultural export sales are set to establish record levels in 2022. The value of U.S. ag exports is up 16% through the first eight months of this year relative to the same period in 2021. Higher prices are creating the increase, with aggregate export volume down 3%. In reality, some of the export volume growth has been constrained this past year due to limited U.S. crop and livestock supplies, not diminished export growth due to higher prices.

China remains the number one foreign customer for U.S. agriculture accounting for 16% of total U.S. exports, followed by Canada (15%), Mexico (15%), Japan (8%), and South Korea (5%). Taiwan, which recently sent a trade delegation to Kentucky to purchase grains, is the United States' sixth largest market. Leading the list of the largest U.S. export gains for ag

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products important to Kentucky so far in 2022 are soybeans (+53%), dairy (+26% ), beef (+25%), poultry (+18%), and corn (+5%). U.S. distilled spirits exports are 22% higher while forestry products are up 13%., both rebounding from dismal 2021 export levels. Pork exports are down 13%, following record-setting years in 2020 and 2021. Tobacco exports continue to plummet.

While overall U.S. ag exports have been increasing in recent years, the value of U.S. ag imports has been growing at a faster pace. The most recent Outlook for U.S. Agricultural Trade notes that after recording significant trade surpluses over the past five decades, U.S. ag has experienced trade deficits in FY 2019 and FY 2020. In fact, the U.S. has recorded ag trade deficits with four of its top ag export markets, Canada, Mexico, and the EU -- averaging \$31 billion over the past 5 years. Looking forward, anticipated increases in the value of the U.S. dollar and a slowing global economy will likely constrain future U.S. ag exports if global crop supplies rebound in 2023.

Another major factor complicating the outlook is how the ongoing war in Ukraine will impact Ukrainian and Russian crop exports and availability of important ag inputs such as fertilizer and energy. USDA is projecting that U.S. ag exports will decline in the upcoming fiscal year (October – September) while imports will continue to grow, leading to another ag trade deficit projected in FY 2023.

## **Daviess County Grain Yield Demonstration Plots**

One non-GMO yellow corn yield plot was planted May 2 on the Nalley Road farm of Jeff Rice and harvested on November 1. The highest adjusted yield in the field was BH Genetics

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BH8420 at 217.2 bu./acre. Second was Stewart 15CV519 at 215.2 bu./acre. Third was FS InVision FS62Z00 at 215.1 bu./acre. All of the corn and soybean plot location results are posted on my website at <https://daviess.ca.uky.edu/daviess-grain-plots>. Printed books detailing plots and yield contest entries will be available next week.

## **County Agricultural Investment Program Extension**

There was a delay in funding approval by the Kentucky Office of Agricultural Policy for the County Agricultural Investment Program conducted by the Green River Area Beef Improvement Group in Daviess, Henderson, Mclean, and Webster Counties. As a result, the application and project completion deadline has been extended to December 31. Unfortunately, the delay also prevents any purchases prior to April 6, 2022 from being eligible. Call the Extension office to request an application.

## **Backgrounding Conference**

UK Extension Specialists for Agricultural Economics, Drs. Greg Halich, Kenny Burdine, and Jonathan Shepard are teaming up this Wednesday from 9:30 a.m. to 2:00 p.m. at the Warren County Extension office to provide a regional conference on the profitability of backgrounding feeder cattle this upcoming winter. The program is funded by the Kentucky Beef Network and Kentucky Agricultural Development Fund but there is a \$15 participant registration fee. Topics to be discussed include cost of gain versus value of gain, understanding of the current market environment, budget and marketing concepts, tax management, and livestock risk protection insurance. Call their office Monday at (270) 842-1681 to register.

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