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California Agriculture Symposium

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The Future of California Agriculture: Global Marketing and Trade Policy



It's about the question of free trade and its impact on California agriculture?

1. Current view of free trade (static)

2. Future view of free trade (dynamic)

➤ *Global marketing*

➤ *Trade policy*

1. *Current view of free trade (static)*

Irwin calls it: Free Trade Under Fire

Manufacturing job losses

Increased competition

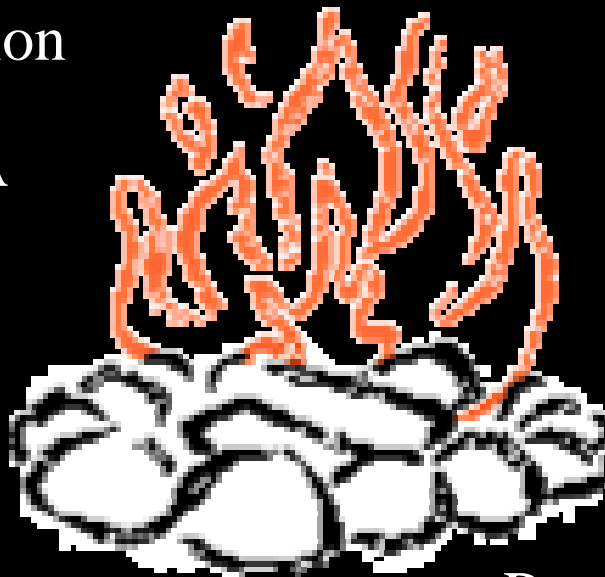
FTAs: NAFTA/CAFTA

China

WTO compliance

Labor/environment

Unilateral disarmament



SPS Concerns

Trade deficit

“Dumping”

Slow pace of reform

Multinationals

Production/export subsidies

Cargill view of free trade: Challenges, yes! Opportunities, yes!

- Open markets grow faster than closed ones.
- Markets driven by supply and demand are more predictable than markets driven by political pressures.
- Global market creates greater opportunity to use our skills and resources more effectively.

2. Future view of free trade (dynamic)



GLOBAL MARKETING

Center for Strategic and International Studies (CSIS)



1. *Population*
2. *Resources Management*
3. *Technology*
4. *Information*
5. *Conflict*
6. *Economic Integration*
7. *Challenge of Governance*

What does this mean for California Ag?

It's success is highly dependent on the future of GLOBAL demand and the ability of California agriculture to serve as a GLOBAL supplier.

Future of GLOBAL demand



Where are the future demand
“pockets”?









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California as a GLOBAL supplier



Innovative

Efficient

Adaptable

Competitive

Not tied to farm subsidies (are a few exceptions)

2. Future view of free trade (dynamic)



TRADE POLICY

U.S. trade policy must support global demands, or U.S. agriculture will be out of the global game.



WTO: Doha Ag Negotiations

CAFTA-DR FTA

Future FTAs: ASIA!!!

U.S. Wants Free-Trade Talks With Five More Asean Members

Possible Pacts With Brunei, Indonesia, the Philippines In Line With Bush Goals

By DITAS LOPEZ

DOW JONES NEWSWIRES

March 18, 2005

MANILA, Philippines -- The U.S. expects to open bilateral free-trade negotiations with five more members of the Association of Southeast Asian Nations to expand economic ties with these countries, a visiting senior U.S. official said Thursday.

Barbara Weisel, assistant U.S. trade representative in the Asian-Pacific region, told a news conference the U.S. is looking at negotiating with the Philippines, Indonesia, Malaysia, Brunei and Cambodia for free-trade agreements.

What about Korea, Japan, others?

Summing up:

- Free trade comes with challenges and opportunities.
- If we think of free trade in static terms, will get shocked!
- Must think of trade in dynamic terms.
- Must have global marketing strategy and U.S. trade policy to support it.
- There is a place for California agriculture in global trade.

“Free trade reduces world suffering.”

-- David Brooks

The New York Times



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