



Free Trade Agreements One Step Closer to Reality

The squeaky wheel gets the oil, or so the saying goes. After four plus years, WD-40 has finally come to the squeaky wheel that is the U.S. Free Trade Agreements with South Korea, Colombia, and Panama. On Monday, October 3, President Obama sent implementing legislation to Congress to ratify all three bilateral free trade agreements.

Increased trade benefits that will result from passage of the free trade agreements will support every state, boosting sales, jobs, and purchasing power in rural and urban areas alike. AFBF estimates that the three agreements will directly boost U.S. agricultural exports nearly \$2.5 billion when fully executed and add more than 22,500 jobs.

How? Free trade agreements create additional imports and exports through bilateral promises to lower costly barriers to trade between partners. Reductions in the cost of goods allow consumers to stretch their dollar further, allowing them to make additional purchases. Those additional purchases are interpreted by the business community as a sign that consumer confidence is improving, making them more willing to invest in expansionary efforts. The combined effect of a more positive outlook, reduced costs, and increased export competitiveness is a boost in overall productivity, enabling companies to hire more workers.

More exports → more production → more workers.

Estimated Increased Exports from the Pending FTAs with South Korea, Colombia and Panama	
Agricultural Product	Increased Agricultural Exports <i>Million USD</i>
Rice	\$41.4
Wheat	\$122.1
Corn	\$63.4
Other Grains	\$0.8
Fruits, Vegetables, Nuts	\$143.7
Soybeans and Products	\$139.1
Other Oilseeds and Products	\$21.1
Cotton	\$23.6
Beef	\$581.7
Poultry	\$67.1
Pork	\$230.3
Other Livestock Products	\$51.4
Dairy	\$96.0
Processed Food and Fish	\$463.4
Other Agriculture	\$305.1
Total	\$2,338.6

