



Ohio Senate Transportation, Commerce, & Workforce Committee
Senate Resolution 376
Wednesday, October 23, 2019

Chair McColley, Ranking Member Antonio, and distinguished members of the Senate Transportation, Commerce & Workforce Committee; The Ohio Soybean Association would like to express our support for Senate Resolution 376.

I am testifying today on behalf of the Ohio Soybean Association (OSA) and its members. OSA is a member-driven, grassroots organization dedicated to improving the business climate for Ohio soybean farmers by providing leadership and advocating for sound policy at the state and national levels. As the sixth-largest soybean producing state, soybeans are an important part of Ohio's economy. Soybeans are Ohio's largest crop by acreage and largest export crop. The industry employs more than 30,000 people and generates more than \$5.3 billion in economic activity annually.

We support this resolution and swift passage of the USMCA in Congress because of the benefits to the agriculture industry. For Ohio farmers, it would provide much needed relief and certainty to our deeply rooted agricultural community. Our farmers have been working through one of the most difficult business environments of their lives, and the Ohio agricultural community is near unanimous in its support of this deal.

Over the last 25 years, U.S. food and agricultural exports to Canada and Mexico have more than quadrupled under NAFTA – growing from \$9 billion in 1993 to nearly \$40 billion in 2018. NAFTA helped significantly in creating a reliable, high-quality supply of food products for U.S. consumers, while supporting more than 900,000 American jobs in food and agriculture and related sectors of the economy. USMCA builds on the success of the NAFTA agreement, and will ultimately lead to freer markets and fairer trade.

Mexico and Canada are important trading partners for Ohio. Mexico is the second largest export market for U.S. soy and imports more than 90% of its soybean needs. The U.S. market share is 90% in soybeans and 95% in soybean meal. Over the past three years, Ohio's exports of soy to Mexico have increased by 50%.

Canada accounts for about 38% of the state's export market, with Ohio sending Canada nearly \$19 billion worth of imports in 2017 — everything from auto parts to furniture to soap.

With the passage of USMCA, farmers will have access to a vital marketplace which will generate jobs to boost both national and rural economies. This trade agreement will help restore some degree of market certainty to export markets for soybean growers. Overall, U.S. exports of soy have declined in the past couple of years as a result of the trade tensions with China, and while those tensions continue, Mexico has been a bright spot for Ohio soybean farmers. The passage of USMCA is needed to maintain international soybean trade momentum and head off potential competition from Brazil and Argentina. Thank you for your time and I would be happy to answer any questions from the committee.

Kirk B. Merritt
Executive Director
Ohio Soybean Association