

Attachment 1:

IDAHO AGRICULTURE

GROWING FOR THE WORLD



IDAHO

Idaho State Department of Agriculture

PO Box 790, Boise, ID, USA 83701-0790 • P: 208.332.8530 • F: 208.334.2879 • agri.idaho.gov

To find Idaho products, local places that sell Idaho product, recipes or local events, visit idahopreferred.com



IDAHO AGRICULTURE

GROWING FOR THE WORLD



For all U.S. STEERS and HEIFERS sold, \$325 million of their value can be attributed to Exports

In FY15 EXPORT SALES of Idaho Food & Agriculture products totaled nearly \$2.0 Billion

Overseas sales of agricultural products support more than 1 million American jobs, both on and off the farm, including 24,000 jobs in Idaho

31% of gross U.S. farm income comes directly from exports

1 in 6 rows of Idaho potatoes are exported

1 in 3 U.S. Farm ACRES is planted for export

50% of Idaho's WHEAT is exported to foreign markets

The United States exports MORE food and fiber than we IMPORT from world markets creating a positive agricultural trade balance

US jobs supported by exports PAY 13-18% more than the US national average

BUSINESS ACTIVITY \$1.00 + \$1.27 Ag exports support rural communities with every dollar of exports stimulating another \$1.27 in

More than 88% of Idaho exporters are SMALL BUSINESSES and that number is growing all the time



Keynote Speaker

Joseph W. Glauber

Joe Glauber is a Senior Research Fellow at the International Food Policy Research Institute in Washington, DC where his areas of interest are price volatility, global grain reserves, crop insurance and trade. Prior to joining IFPRI, Glauber spent over 30 years at the U.S. Department of Agriculture including as Chief Economist from 2008 to 2014. As Chief Economist, he was responsible for the Department's agricultural forecasts and projections, oversaw climate, energy and regulatory issues, and served as Chairman of

the Board of Directors of the Federal Crop Insurance Corporation.

From 2007-2009, Glauber was the Special Doha Agricultural Envoy at the office of the U.S. Trade Representative where he served as chief agricultural negotiator in the Doha talks. He served as economic adviser at the so-called Blair House agreements leading to the completion of the Uruguay Round negotiations and was senior economist for agriculture at



the President's Council of Economic Advisers. He is the author of numerous studies on crop insurance, agricultural policy, and agricultural trade issues.

Dr. Glauber received his Ph.D. in agricultural economics from the University of Wisconsin in 1984 and holds an AB in anthropology from the University of Chicago. In 2012, he was elected Fellow of the Agricultural and Applied Economics Association.



Director and Official Representative of the Idaho-Mexico Trade Office

Fabiola McClellan

Ms. McClelland formed ATTEND Marketing International in 2014 which has managed multiple USA Pavilions at various trade shows throughout Mexico. From 2010-2013 she served as a Senior Marketing Specialist for the U.S. Department of Agriculture Foreign Agriculture Service in Mexico. Between 1998 and 2007 she lived in Santiago, Chile; Sao Paulo, Brazil and London, England and was involved in various leadership roles with the American School Foundation. Between 1992 and 1997 she worked for Disney Consumer Products in Mexico as a Food and Promotions Director and was then promoted to Marketing Director. Previous to her work at Disney she was a Brand Manager for Nestlé U.S.A. and Mexico.

Ms. McClellan has a BA from Trinity University in San Antonio, Texas in French Language and International Studies; a BBA from the University of Texas at Austin in Marketing and International Business and an MBA from the University of Texas at Austin in Marketing and Finance.



Director and Official Representative Idaho-Asia Trade Office

Eddie Yen

Mr. Eddie Yen has served as Director of the State of Idaho-Asia Trade office since it opened in 1990. As director he is responsible for activities that promote Idaho companies in Taiwan and Southeast Asia. Mr. Yen has a comprehensive and deep understanding of Idaho's agricultural industries, their opportunities and their export needs.

Mr. Yen served as the secretary and treasurer for American Trade Offices Association in Taipei (ASOA), a group comprised of twenty-one members, from 1992-2001 and 2004 to 2006, and the treasurer for See America Committee from 2003 to 2006, and served as chairman in 1997. Prior to joining the state of Idaho, Mr. Yen served as a project manager for international trade show recruitment and management in China External Trade Development Council (CETRA – changed to TAITRA now). Mr. Yen graduated from Tunghai University majored in English literature and marketing.



State of Idaho-China Trade Office Chief Representative

Tara Qu

Ms. Tara Qu is the director of the Idaho-China Trade Office. She has extensive experience in government affairs and business development in China. Prior to joining the Idaho-China Trade Office in 2015, Ms. Qu served for U.S. Department of Commerce as Chief Representative of the U.S. Commercial Center and Commercial Representative of Foreign Commercial Service in Shanghai for 13 years.

Additionally, during her five years of employment with Panasonic Avionics Corporation Ms. Qu was responsible for establishing a presence in China for the company. She is a graduate of Baruch College, CUNY.

Register for \$35 today at www.IdahoExportOutlook.com

For more information contact:

Laura M. Johnson, Bureau Chief
Market Development Division
Idaho State Department of Agriculture
208 332-8533

Enjoy a luncheon with keynote speaker Joseph Glauber,
Followed by a panel discussion with Idaho Trade Office Managers Eddie Yen, Tara Qu and Fabiola McClellan

March 8, 2017 • Grove Hotel, Boise, ID • 11:30 - 2:30 • \$35

Exports provide significant business opportunity but are not without some significant headwinds from a strong dollar and an uncertain political climate. At this seminar, learn where the best opportunities lie and how to compete and succeed in the current marketplace.



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Idaho State Department of Agriculture

IDAHO

Food and agriculture exports are critical to Idaho's economy, reaching nearly \$2.0 billion annually. One in 6 rows of Idaho potatoes are exported and 1 in 3 acres of U.S. farmland is planted for export. With 96% of the world's population outside of the U.S., a global middle class population expected to top 2.7 billion people by 2030, and a mature domestic food market, exports will be increasingly important for generating business growth in agriculture.

The Global Outlook for Idaho Food and Ag Exports

Navigating the Headwinds | March 8, 2017

Register today at www.IdahoExportOutlook.com



Idaho – Asia Trade Office
Eddie Yen



Market Review - Taiwan

- Population: 23.4 million
- Real GDP Growth: 1.5% in 2016 and 2.5% in 2017
- Bilateral trade with US:
 - US\$ 65 billion in 2016
 - America's 9th trading partner
- Idaho's #3 export market in 2016
 - US\$ 637 million/13.1% of Idaho's total export in 2016





Market Review - Taiwan

- **Growing Opportunities 2017:**
 - ✓ Semiconductor/Telecommunications(IoT)
 - ✓ Materials and Chemicals
 - ✓ Finance, Securities and Insurance
 - ✓ Wellness products & technology
 - ✓ Dairy products and Dairy supplies
 - ✓ Fresh fruit/fresh potatoes/super foods/organic products
- **Major Reform/ Effect:**
 - ✓ New and first woman president TSAI in Taiwan history
 - ✓ Her party's agenda is ZERO nuclear which creates good opportunities for renewable energy options and technology





Market Review - ASEAN

- **Southeast Asia Region**

“Is becoming a VERY important market for many Idaho products especially dairy products, processed foods, fresh fruits and hi-tech products”.

Countries include Vietnam, Philippines, Thailand, Malaysia, Indonesia and Singapore
- **Population: 644.7 million**
- **Total Idaho exports to this region is about \$660 M in 2015**





Market Review - ASEAN

- **Growing Opportunities 2017:**
 - ✓ Electronics/Information and communications technology
 - ✓ Medical devices
 - ✓ Dairy products & supplies
 - ✓ Red meats, fresh fruit, fresh potatoes, frozen vegetables and wheat
- **Major Reform/ Effect:**
 - ✓ President Trump's new trade policy "***America First***" is creating uncertainty to this region
 - ✓ New government change in Vietnam, ***but stable***
 - ✓ There is an ***anti-Mainland Chinese sentiment*** in some of those countries because of economic and South Sea reasons



Projects and Successes for Idaho

- **Trade Shows in Southeast Asia: 2016**
 - ✓ Food Ingredients Asia Jakarta for UDI: 2016
 - ✓ Education Fair in Vietnam (LCSC and ISU): 2016






Projects and Successes for Idaho

- Trade Shows in Taiwan: 2015-2016
 - ✓ Aerospace & Defense Show: 2015 – Seven companies
 - ✓ Building Materials Show: 2016 – Four companies



Projects and Successes for Idaho

- Trade Shows in Taiwan: 2015-2016
 - ✓ Food Taipei: 2016 – Agri-Beef, IPC, Koenig Winery and Glanbia
 - ✓ Taiwan Fresh Produce Show: 2016 – Four companies



Projects and Successes for Idaho

- SelectUSA Investment Show: 2016
 - ✓ SelectUSA Taiwan: 2016



Projects and Successes for Idaho

- Trade Missions: 2015 and 2016
 - ✓ Agriculture Director's Dairy Mission to Thailand and Vietnam: 2015
 - ✓ Agriculture Director's Mission to Taiwan: 2016
 - ✓ Dairy Inbound from Vietnam: 2016: Four companies from Vietnam



Projects and Successes for Idaho

- Individual Company Support:
 - ✓ ASU: Night vision equipment and training
 - ✓ Dynamite Marketing: Products for healthier swine
 - ✓ Glanbia: Cheese products
 - ✓ Standlee Forage: Alfalfa hay to Taiwan, Thailand and Vietnam
 - ✓ Koenig Winery – the new tasting room investment is from Taiwan



Source: http://www.pearmancontracting.com/projects_koenig_winery_tasting_room.php



Upcoming Events and Projects

- Trade Shows and Trade Mission in 2017
 - ✓ **Governor Otter's Trade Mission to Taiwan and Vietnam in November**
 - ✓ Secutech Taipei in April
 - ✓ Food Taipei in June
 - ✓ Aerospace & Defense Show Taipei in August
 - ✓ CommuniAsia Singapore in September
 - ✓ Fresh Fruits & Vegetables Show Taiwan in November
 - ✓ Building Materials & Decoration Show Taipei in December



Thank You

Eddie Yen

State of Idaho-Asia Trade Office

Representative

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Idaho – China Trade Market

Tara Qu

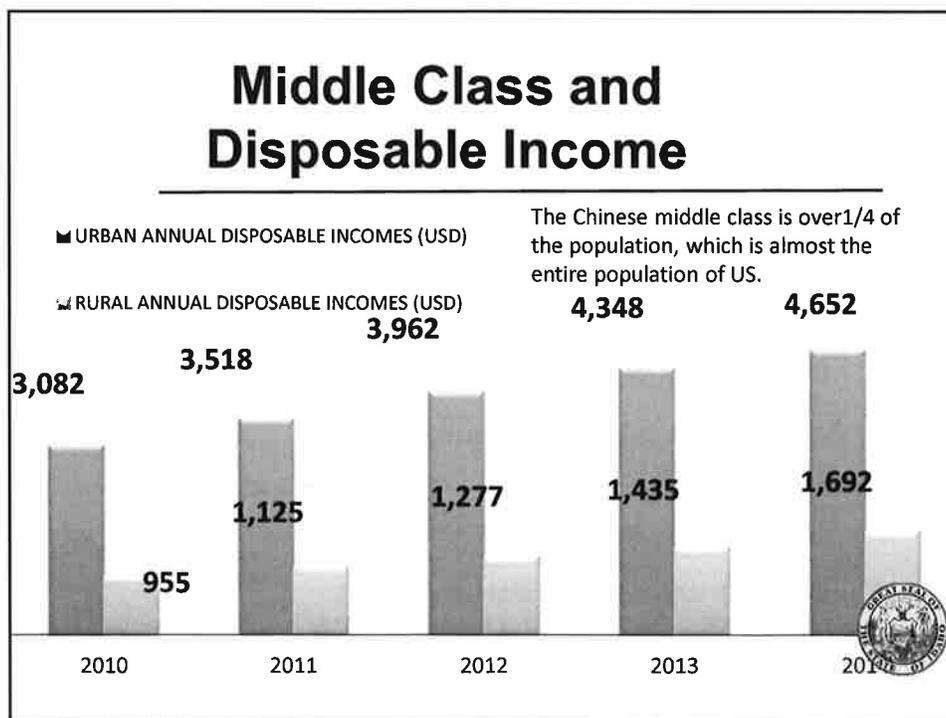
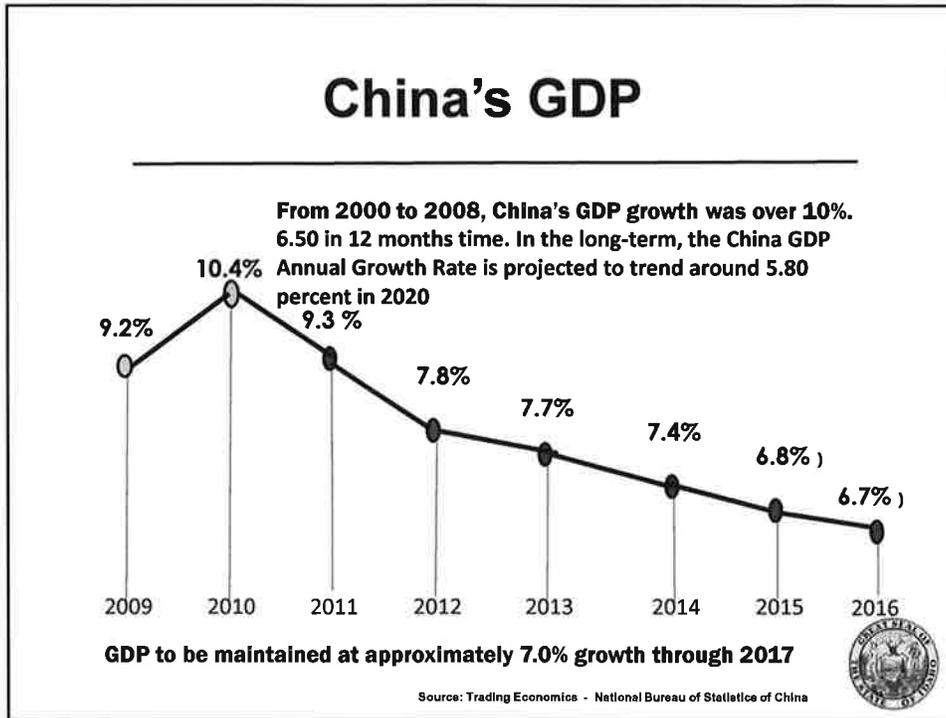


Market Overview

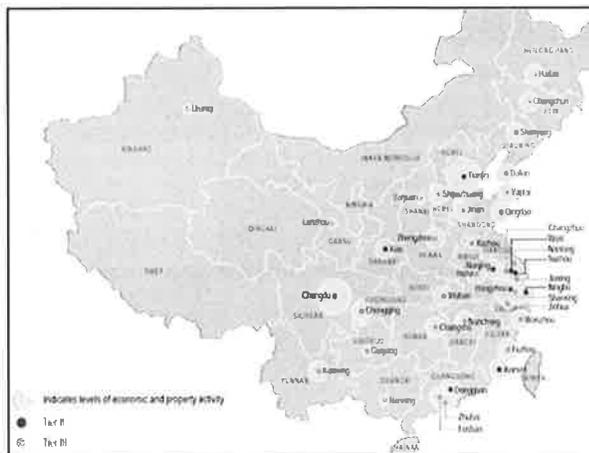
Market Overview

- China's population is over 1.38 billion, largest in the world and four times of US.
- The current Chinese middle class is over 1/4 of the population, which is almost the entire population of US. It is predicted that the number will be doubled by 2020.
- China is world's fastest growing market and 2nd largest economy in the world.
- China is US's 2nd largest trade partner.
- Idaho's 4th largest export market of USD \$620 million in 2016 and over 10.6% increase in 2016.





Potential Market



- Total of 34 provinces, municipal cities and Special areas like Hong Kong and Macau
- Urban population was increased by 22%, while, rural population decreased by 15% in 2015
- Home ownership rate is over 90%
- Average prices of new homes in 70 Chinese cities went up 12.4 percent year-on-year



Market Opportunities

- **Leading Industry Opportunities:**
 - ✓ Green energy and environmental Tech
 - ✓ Healthcare
 - ✓ Agriculture products
 - ✓ Agriculture machinery
 - ✓ Tourism and travel
 - ✓ Aviation
 - ✓ E-commerce
- **Major Reform/ Effect:**
 - ✓ Pollution: air pollution causes death; 40% river polluted and 70% groundwater not suitable for human direct contact.
 - ✓ China's business climate is changing: economic slowing down, labor cost increasing, industry reforming and upgrading...



Projects and Successes for Idaho

Governor Otter led Trade Mission to China, October 2016
Beijing, Shanghai and Guangzhou



Projects and Successes for Idaho

SelectUSA Investment Seminars in 2016

- ✓ Beijing, Chengdu and Wulumuqi, Jan 2016
- ✓ Wuhan and Fuzhou, March, 2016
- ✓ Nanjing, June 2016
- ✓ Guangzhou, November 2016



Projects and Successes for Idaho

Success stories

- ✓ Symms Fruit Ranch – Red delicious apples
- ✓ Namaste – mixed baking powder
- ✓ Thorne Research – nutrition supplements
- ✓ Boise Cascade – lumber
- ✓ College of Idaho – co-organize a concert with the Shanxi University



Upcoming Events and Projects

SelectUSA Investment Seminars in 2017

- ✓ Guangzhou, April 2017
- ✓ Wuxi and Suzhou, Jiangsu Province, May 2017
- ✓ Beijing and Shenyang, June 1, 2017
- ✓ Hefei, Anhui Province, October 2017



Upcoming Events and Projects

Trade Shows in 2017

- ✓ 8th Dairy Conference of China and China Dairy Exhibition – June 16-18, 2017 in Nanjing
- ✓ Sylvawood Expo 2017 – June 26-28, 2017 in Shanghai
- ✓ 11th China Horse Fair - Oct 12 – 14, 2017 in Beijing
- ✓ Asian Business Aviation Conference and Exhibition (ABACE) - April 2018
- ✓ China International Agriculture Machinery Exhibition - Oct 26-28, 2017 in Wuhan (CIAME)
- ✓ FHC (Food & Drinks) China 2017 – Nov 11-14, 2017



China Trade Office is your home away from home

- Due diligence, due diligence and due more diligence
- Research, research and more research
- Localization, localization and localization
- Ready for IPR protection
- Ready for policy change



Thank You

Tara Qu

State of Idaho-China Trade Office

Chief Representative

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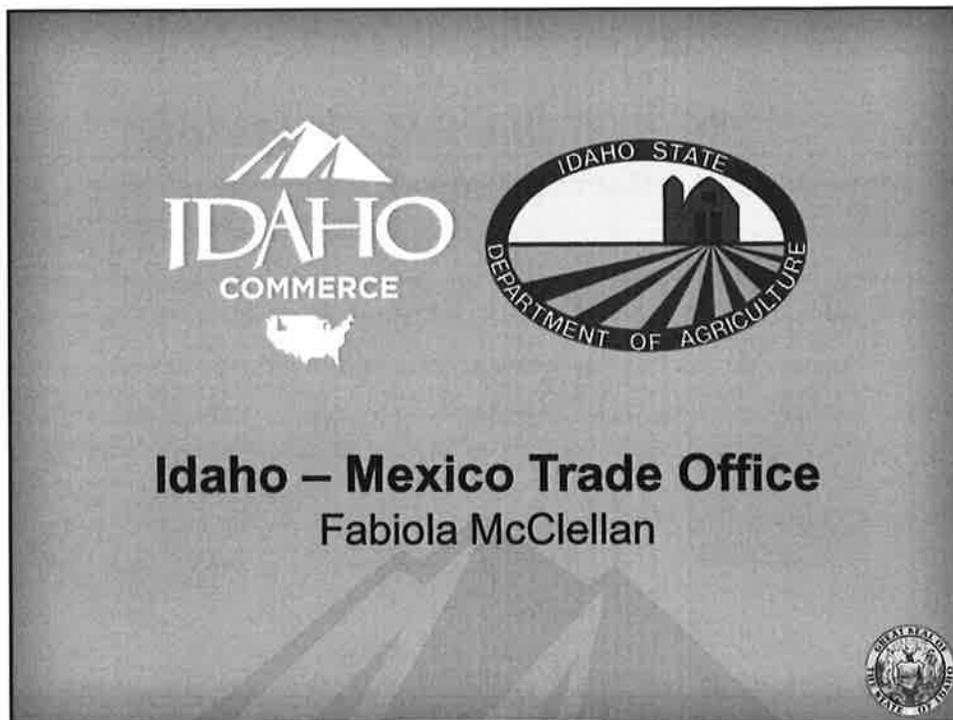
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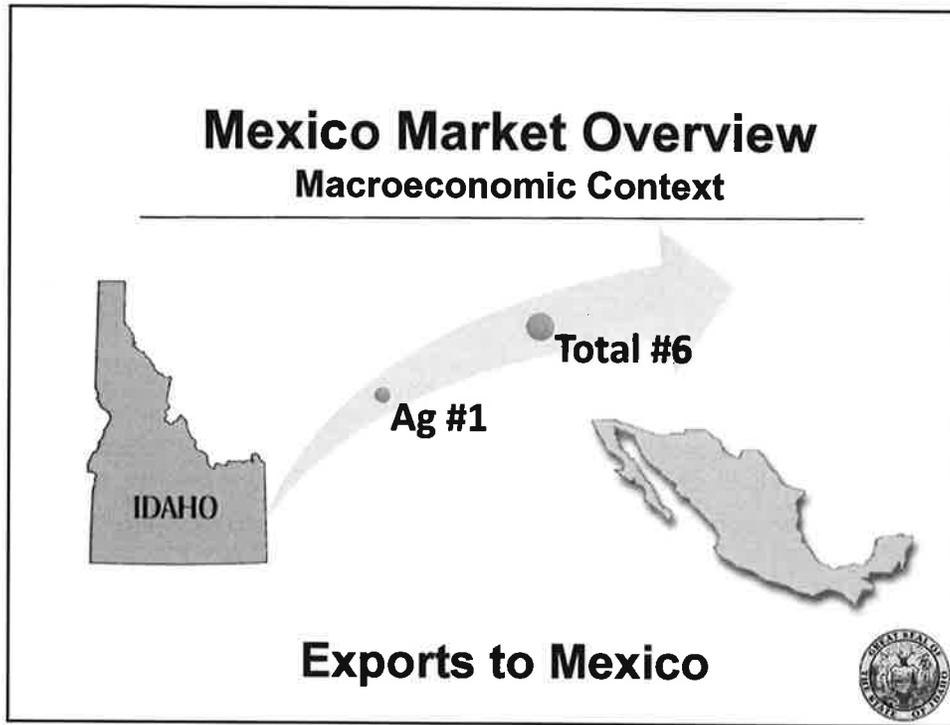




Mexico Market Overview

- **Macroeconomic Context**
- **Key Learnings From The Past**
- **Upcoming Events and Projects**
- **Final Reflections**





Sources: Sources: SE, IMSS, SGM and CNBV

Mexico Market Overview

Key Learnings From The Past

2009 CRISIS	2014 FISCAL REFORMS
<ul style="list-style-type: none"> ✓ Consumers pay less but purchase more frequently ✓ Innovation is key <p>Examples:</p> <ul style="list-style-type: none"> ✓ Egg cartons from 30 to 12 pack (+12% growth) ✓ Bean package innovation (+350% growth) 	<ul style="list-style-type: none"> ✓ Lower classes most affected ✓ Media influence public opinion ✓ High-end products less elastic <p>Examples:</p> <ul style="list-style-type: none"> ✓ Greek Yoghurt +500% growth in a -6% category @ +66% price ✓ Tequila premium segment 10% growth @ +500% prices 

Sources: TodoRetail, Nielsen

Mexico

Upcoming Events and Projects



Mexico Hotel & Restaurant Industry
Outbound Trade Mission to
Mexico City & Cancun
June 19-23, 2017

- Trade Mission



Upcoming Events and Projects

- **Website Development**
- **Establishing Contact with Mexican customers**
- **Networking through new organizations (AMCHAM, ASOM)**
- **Database Enhancement**



Projects and Successes for Idaho

- **Strategic Plan Development for Key sectors:**
 - **Softwoods (SEC- UFPI)**
 - **Bean Seed (Costa Rica)**



Mexico Final Reflections

- **Microeconomic uncertainty create sense of crisis for Mexicans**
 - (+) GDP growth is expected to continue but at a lower rate for 2017
- **Mexican peso devaluation affects...**
 - (+) US dollars come into Mexico (exports, remittances and FDI)
 - (+) Additional purchasing power by Mexican market for U.S. goods
 - (-) Product cost increase of foreign goods (fewer purchases)

➤ **Innovation is key!**



Thank You

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