

Global Trade in Agriculture

Soybeans as an example

According to Agriculture Council of America U.S. farmers produce 46% of the world's soybeans, 41% of the world's corn, 20.5% of the world's cotton and 13% of the world's wheat. Trade relationships are created and multi-national corporations are started so goods can be exchanged to benefit their own society. To give this information life, we will start to analyze how one company in Marysville, Ohio started to specialize in soybeans. This coordinated effort by Ohio and Japanese businesses increased local production of soybeans. These essential products were then exported back to Japan so their general population could produce high quality Tofu and other products. Before you start this activity please take time to read and take notes on the following Agribusiness Newsletter from Union County and the two news articles that focus on this Marysville company called Kapi.

Student Notes on Provided Articles:

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Directions: Below is a list of the Top 10 U.S. Export Markets for Soybeans by Volume created by the United States Department of Agriculture. Use the table to answer the following question.

1. Calculate what percent of the U.S. Total Soybean exports are sent to the Top 10 markets compared to the world total. Please enter values in the table for Oct-May 2015 and Oct to May 2016.

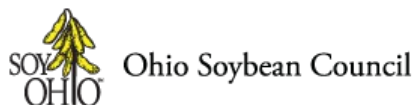
Top 10 US Export Markets for Soybeans by Volume				
Export Markets	Commodity- Soybeans (Metric Tons)			
	Oct to May 2015	Percent of world total	Oct to May 2016	Percent of world total
China	28,393,867		26,316,125	
European Union	3,780,744		4,037,666	
Mexico	2,481,790		2,460,703	
Japan	1,547,275		1,721,893	
Indonesia	1,489,282		1,619,727	
Taiwan	1,234,488		1,244,916	
Bangladesh	440,397		599,981	
Russia	266,975		520,300	
Vietnam	744,919		453,337	
Thailand	501,593		437,572	
World Total	44,866,037		42,494,328	

As you see from Figure 1.0 above; soybeans are in high demand from different global economic zones. Over 90% of U.S. soybean exports are sent from United States farmers to these 10 countries. Today's farmers are always answering the question "Where are soybeans needed and wanted in the world?" The U.S. farmers are the start of the supply chain.

Soybean exports depend on the demand and policies of importers. The United States and Brazil account for over 80 percent of global soybean exports. Much of this trade is influenced by the policies of importers, including China, many Asian countries, and the European Union (EU). Brazil, the world's largest soybean exporter, is projected to increase shipments between 2016/17 and 2025/26 by 35 percent to 76.4 million tons. Soybean exports from the next largest exporter, the United States, are expected to grow 6 percent to reach 52.4 million tons in the same time period. (<http://www.ers.usda.gov/amber-waves/2016-may/major-factors-affecting-global-soybean-and-products-trade-projections.aspx#.VOX6i5ErKhc>)

Soybeans are Ohio's perfect export due to the following reasons:

- ∞Ohio's climate and soil are good for crop growth
- ∞Ohio typically receives 36" of rain each year
- ∞Most of Ohio's precipitation is from rainfall and thunderstorms
- ∞Monthly average temperature ranges from a high of 85.8°F to a low of 15.5°F
- ∞Ohio has 4" to 12" topsoil
- ∞Ohio has a great diversity of soils, some of which are very productive
- ∞Ohio is one of only four states in which over 50% of its land is classified as "prime farmland"
- ∞Corn and soybeans are the top Ohio crops



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Why are soybeans needed and wanted in the world?

1. Research to discover why the main ten exporters of U.S. soybeans have needs for this agricultural product. Informative resources are listed below the table; also feel free to reach out and discover other credible sites on your own. Please include those sites used in your research notes.

Country	Need for Soybeans
China	
European Union	
Mexico	
Japan	
Indonesia	
Taiwan	
Bangladesh	
Russia	
Vietnam	
Thailand	

<http://ncsoy.org/media-resources/uses-of-soybeans/>

http://www.panda.org/what_we_do/footprint/agriculture/soy/facts/

<http://www.worldwildlife.org/industries/soy>

<http://ussoy.org/u-s-soy-used-in-waters-worldwide/>

http://www.non-gmoreport.com/articles/jun08/gm_soybeans_used_for_food.php

<http://topics.amcham.com.tw/2016/01/taiwans-soy-story-american-soy-and-taiwanese-cuisine/>

<http://www.earth-policy.org/mobile/books/fpep/fpepch9>

https://www.gov.mb.ca/agriculture/market-prices-and-statistics/trade-statistics/pubs/russia_soybean_market_en.pdf

<https://fdir.idei.fr/wp-content/uploads/2012/newsletter7.pdf>

2. Research the following charts on chartsbin.com

(1) Arable Land (2) Water Stress by Country (3) Meat Consumption

Using one of these charts, explain how the use of soybeans and its by-products is integral in your discovery regarding its effects on global meat consumption, water stress levels, or arable land? Feel free to use any other information that we discussed prior to this question.

Reflection:

What factors are regulated by these countries when importing soybeans? For example: Acceptance of GMOs may be specific to a certain economic zone. Rules about pests and pathogens crossing borders may be another topic area. Explain below and prepare to share your findings with your classmates.