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AgriGate

A National Agricultural Biosecurity Center Newsletter

NABC
National Agricultural Biosecurity Center

IN THIS ISSUE:

BRINGING NATIONAL SECURITY TO AGRICULTURE PRODUCERS IN THE MIDWEST

Located on the Manhattan campus of Kansas State University, the National Agricultural Biosecurity Center, or NABC, is an integral part of the midwest's expanding animal health corridor. The NABC contributes to and accesses a vast network of interdisciplinary research and resources in the areas of animal and plant diseases, foodborne pathogens, environmental changes, food security, emergency management and One Health.

The mission of the NABC is to facilitate prevention and response strategies that address emerging threats to agricultural economies and the food supply in the U.S. and the world.

GLOBAL CORN STOCKS

Why This Matters: This issue is crucial for Midwest agriculture because the region is the heart of U.S. corn production, with states like Iowa, Illinois, and Nebraska heavily reliant on corn farming. Tight global stocks, especially when excluding China, can drive up prices, benefiting Midwest farmers in the short term. However, supply concerns in major exporting countries like Brazil and Ukraine increase market volatility. Additionally, potential shifts in China's import behavior could impact demand for U.S. corn.

Global corn stocks are expected to hit an 11-year low relative to demand by the end of 2024. However, when considering only the supplies available to the global market, the shortfall appears even more severe, with levels approaching a three-decade low.

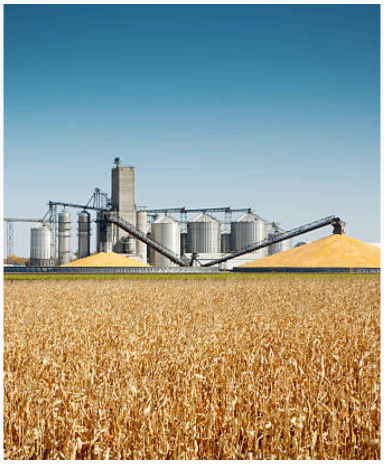
China, which holds an extraordinary amount of corn—more than five times that of the United States—plays a crucial role in skewing global supply estimates. According to the U.S. Department of Agriculture (USDA), when China is excluded, the world's 2024-25 ending corn stocks fall to about 87 million metric tons, a 12-year low. More critically, the global stocks-to-use ratio excluding China is pegged at 7.8%, the lowest since 1995-96, well below the four-year and 20-year averages of 9.2% and 11%, respectively.

Key exporters such as Brazil, Ukraine, and the European Union are also experiencing low stock levels, with Brazil's reserves at their lowest in over two decades. Meanwhile, U.S. inventories are tighter than previously anticipated. Even when including China's stockpile, the 2024-

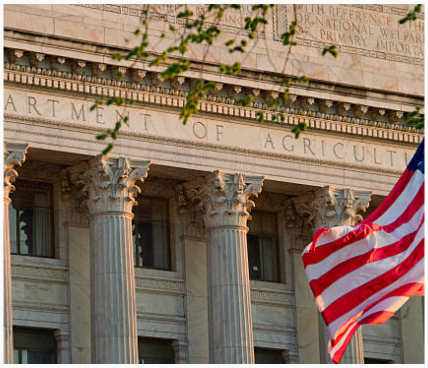
GLOBAL CORN STOCKS CONTINUED

25 global corn stocks-to-use ratio is at 20.3%, the lowest since 2013-14. China's dominance in global corn reserves is a result of long-term policies encouraging domestic production. Since ending its government stockpiling program in 2016, the country has continued to subsidize corn farming, leading to massive stock accumulation. In 2024-25, China is expected to hold 70% of the world's corn reserves, the highest in 28 years.

While China has been the world's top corn importer in recent years, its overall reliance on imports remains minimal compared to other major importers like Japan and Mexico. This justifies excluding China from certain global balance sheet calculations. Meanwhile, U.S. corn stocks are tightening, with the 2024-25 stocks-to-use ratio dropping to 10.2%, fueling bullish bets in commodity markets. However, the potential for increased U.S. planting may ease supply concerns soon.



AGRICULTURAL EXPORT PROMOTION ACT OF 2025



Why This Matters: The Agriculture Export Promotion Act of 2025 is particularly vital for Midwest agriculture, where farming is a cornerstone of the economy. States like Iowa, Kansas, Minnesota, and Illinois rely heavily on international markets for commodities such as corn, soybeans, pork, and wheat. By expanding the Market Access Program (MAP) and Foreign Market Development Program (FMDP), this legislation will help Midwestern farmers secure new trade opportunities, increase export revenues, and stabilize rural economies. With global competition intensifying, ensuring strong export programs is crucial for maintaining the Midwest's agricultural leadership and protecting the livelihoods of thousands of farmers and agribusinesses.

Bipartisan legislation introduced in the U.S. House of Representatives aims to boost American agricultural exports by increasing funding for key USDA programs. The Agriculture Export Promotion Act of 2025 seeks to expand the Market Access Program (MAP) and Foreign Market Development Program (FMDP), both of which help U.S. farmers and producers compete in global markets.

"Robust agricultural trade is essential for the success of America," said Rep. Tracey Mann (R-Kan.), one of the bill's co-sponsors. "Congress must responsibly invest taxpayer dollars in places where we can see a wise return on those investments. The Agricultural Export Promotion Act strengthens America's flagship agricultural trade programs, increases American export revenue, adds jobs to the economy, and promotes U.S. agricultural sales overseas while simultaneously supporting rural economies like those in the Big First District."

The bill has bipartisan support, with backing from Representatives Dan Newhouse (R-Wash.), Brad Finstad (R-Minn.), Ashley Hinson (R-Iowa), Jimmy Panetta (D-Calif.), Kim Schrier (D-Wash.), Jim Costa (D-Calif.), and Chellie Pingree (D-Maine). If passed, the legislation would double annual MAP funding from $200 million to $400 million and FMDP funding from $34.5 million to $69 million.

Established in 1985, MAP assists agricultural trade groups, farmer cooperatives, and small businesses in promoting U.S. commodities overseas. FMDP, developed in 1955, helps bulk commodity producers establish long-term international trade relationships.

A recent Texas A&M University study projected that doubling funding for these programs could generate an additional $44.4 billion in U.S. agricultural exports between 2024 and 2029. The legislation is supported by over 150 industry organizations, including the American Farm Bureau Federation, National Pork Producers Council, and U.S. Soybean Export Council. By strengthening these trade initiatives, the bill aims to bolster rural economies and create new opportunities for American farmers in the global marketplace.

TARIFF UPDATE

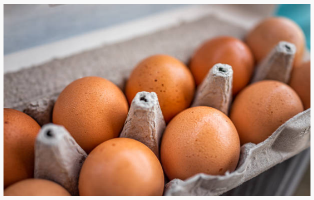
Why This Matters: The decline in U.S. agricultural exports to China has serious implications for Midwest agriculture, as the region is a major producer of soybeans, corn, and livestock—key exports to China. With China increasingly relying on Brazil and other suppliers, Midwest farmers face declining demand, lower prices, and financial uncertainty. Tariffs and trade disruptions add further strain to an industry already dealing with rising input costs and unpredictable weather. While efforts to find new markets continue, replacing China's massive purchasing power is challenging. The shift in trade threatens farm incomes, rural economies, and the long-term stability of Midwest agriculture.

China has significantly reduced its reliance on U.S. agricultural products since the trade war during President Trump's first term, and this trend is expected to continue following Beijing's recent announcement of tariffs on U.S. farm goods. On Tuesday, China's finance ministry revealed it would impose additional tariffs of 10% to 15% on a variety of agricultural imports, including soybeans, corn, beef, and dairy, in response to new U.S. tariffs. China's imports of U.S. agricultural goods dropped significantly in recent years. In 2024, the value of U.S. agricultural exports to China fell by 14%, continuing a 20% decline in 2023. This decline follows China's 2018 retaliatory tariffs on key U.S. farm products, such as soybeans, pork, and corn. In response, China diversified its agricultural imports, turning to suppliers like Brazil while ramping up domestic production to reduce dependency on U.S. goods and enhance food security.

Despite these declines, China remains the largest export market for U.S. farmers. For instance, the U.S. exported $12.8 billion worth of soybeans to China in 2024, but the U.S. share of China's soybean market has dropped from 40% in 2016 to just 18% in 2024, with Brazil filling the gap. The U.S. has also seen a sharp drop in corn exports to China, with Brazil now overtaking the U.S. as the leading supplier. Meanwhile, U.S. exports of meat, cotton, and sorghum have been impacted as well, with China turning to other suppliers for many of these products. While China's imports from the U.S. have decreased, U.S. farm leaders still regard China as an "irreplaceable" market, recognizing the challenges in replacing the demand for agricultural products from this major trading partner.

EGG PRICES EXPECTED TO INCREASE

Why This Matters: Kansas relies heavily on poultry and egg production. Skyrocketing egg prices and avian influenza outbreaks threaten farmers' livelihoods and consumer costs. With millions of birds culled, Kansas producers face financial strain. The USDA's investment in biosecurity and aid is crucial to stabilizing the region's agricultural economy.



The U.S. Agriculture Department (USDA) forecasts that egg prices could surge by over 40% in 2025 due to the ongoing avian influenza crisis. With over 166 million birds already culled to curb the virus, prices have reached an all-time high of $4.95 per dozen, with some consumers paying over $12 per dozen. The USDA is allocating an additional $1 billion—on top of the $2 billion already spent—to support biosecurity measures and compensate affected farmers.

To combat the outbreak, the USDA emphasizes farm biosecurity, including stricter sanitation, mandatory biosecurity audits, and financial aid covering up to 75% of necessary improvements. Despite these efforts, experts warn that it will take months before consumers see relief at the checkout.

The Trump administration's plan includes $500 million for biosecurity, $400 million for direct farmer aid, and $100 million for vaccine research. While vaccines could reduce the need for mass culling, none are yet viable for widespread use. In the meantime, the government is exploring egg imports, but analysts doubt they will significantly impact supply. Though industry leaders support the administration's approach, they acknowledge that fundamental solutions, including vaccine development and better prevention, are still needed to stabilize egg prices.