



NEBRASKA FARM AND RANCH LOSSES FROM RETALIATORY TARIFFS 2019 ESTIMATES

Retaliatory tariffs imposed by importing countries on U.S. agricultural goods are diminishing farm and ranch revenues. An analysis by Nebraska Farm Bureau estimates the ongoing retaliatory tariffs imposed could cost Nebraska producers \$943 million in lost revenues in 2019. The estimates incorporate the loss of foreign markets for the Nebraska-produced commodities of wheat, soybeans, corn, sorghum, alfalfa, dried beans, pork, and dairy products. The trade losses for 2019 are in addition to the estimated losses due to trade disruptions in 2018 of \$695 million to \$1.026 billion.

Nebraska Farm Bureau’s analysis borrows from United States Department of Agriculture (USDA) estimates of gross trade damages for purposes of calculating Market Facilitation Payments (MFP). USDA defines economic losses to producers in terms of gross trade damages, or the total amount of expected export sales lost to trade partners due to additional tariffs. USDA states, “export sale losses provide the most direct link to the retaliatory action(s) and is the single estimate that most comprehensively accounts for the full scale of trade impacts.”

The USDA employed a Global Simulation Analysis of Industry-Level Trade Policy model to simulate the expected reduction in U.S. commodity exports due to retaliatory tariffs. The expected reductions in exports were then divided by the commodity’s average production for the years 2015-2017 to arrive at specific commodity rates. Thus, the commodity rates provide an estimate of the per unit value of the trade losses due to retaliatory tariffs on U.S. commodity exports. USDA estimated rates for Nebraska-produced commodities are listed in TABLE 1.

TABLE 1. USDA ESTIMATED COMMODITY TRADE LOSS RATES

Alfalfa	Corn	Dairy	Dried Beans	Pork	Sorghum	Soybean	Wheat
\$2.81/ton	\$0.14/bu	\$0.20/cwt	\$8.22/cwt	\$11/head	\$1.69/bu	\$2.05/bu	\$0.41/bu

To provide an estimated trade loss for each commodity in Nebraska, USDA commodity rates are applied to Nebraska 2019 estimated production using National Agricultural Statistics Service (NASS) reported harvested acres and yield estimates. The June 1 pork inventory and annual milk production in 2018 for Nebraska are used to derive estimates of the trade losses to pork and dairy. The commodity trade loss estimates provide a measure of the costs of the ongoing retaliatory tariffs to Nebraska producers. The estimated trade loss to Nebraska producers for each commodity are listed in TABLE 2.

TABLE 2. ESTIMATED TRADE LOSSES TO NEBRASKA PRODUCERS (MILLION \$)

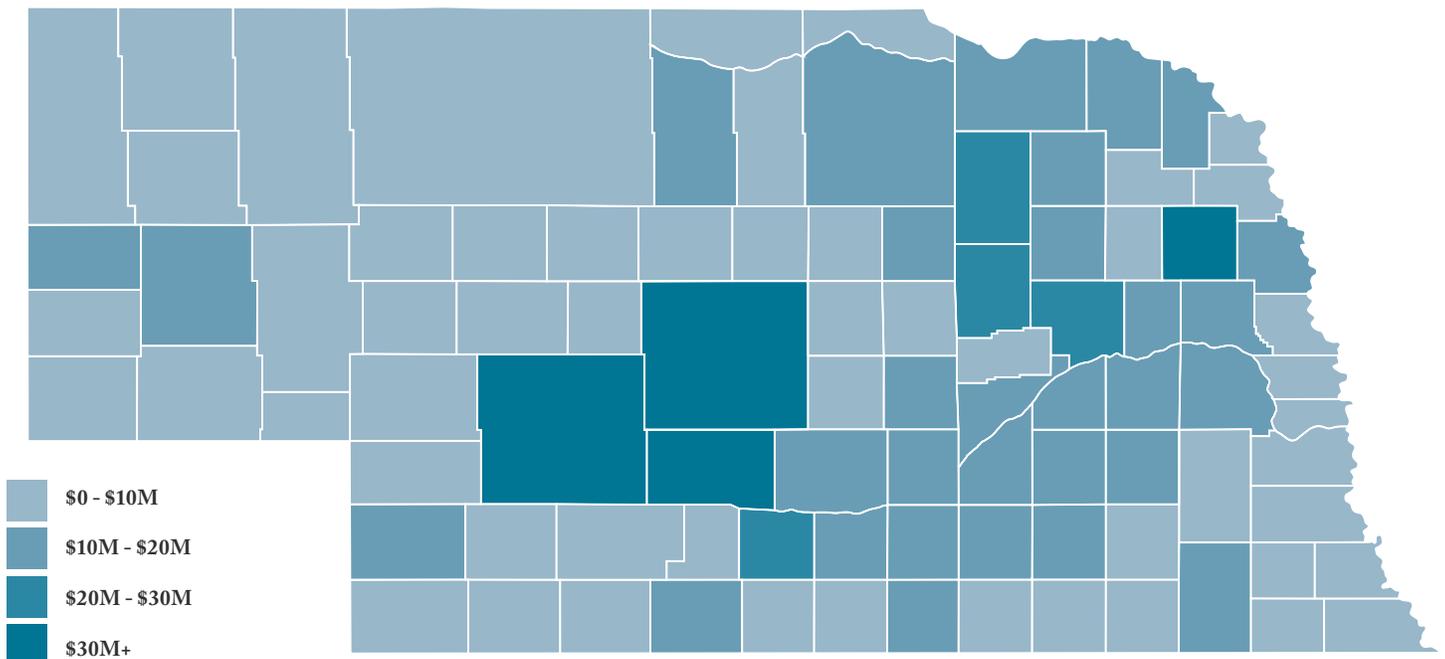
Soybeans	\$588.5
Corn	\$251.3
Pork	\$39.6
Sorghum	\$26.2
Wheat	\$23.1
Alfalfa	\$9.6
Dairy	\$2.9
Dried Beans	\$2.0
TOTAL	\$943.2

The estimates do not account for MFP payments to be received by Nebraska producers to mitigate the trade losses. In 2018, MFP payments amounted to \$574 million for Nebraska producers. There are a couple reasons for not including them in the analysis. First, as of this writing, it is unclear the amount of MFP payments to be received by Nebraska producers. Second, the purpose of the analysis is to estimate the cost to Nebraska producers regardless of the MFP payments as a gauge of the impacts on Nebraska agriculture of the ongoing trade disputes. Additionally, not all trade losses are factored into the loss estimates. Export losses of beef, hides and skins, ethanol, and other byproducts of Nebraska’s processing industries are not accounted for and these too will affect producers’ bottom lines. Accounting for these could result in producers’ losses easily exceeding \$1 billion.

In the Nebraska Farm Bureau report released in December 2018, *A Path Forward on Trade: Retaliatory Tariffs and Nebraska Agriculture*, it was estimated for every dollar in revenue loss to Nebraska farmers, an additional \$0.23 was lost in labor income in Nebraska. Applying this ratio to the 2019 revenue loss estimates suggests the \$943.2 million revenue loss would result in a loss of labor income of \$217 million, or a total income loss to Nebraska’s economy of \$1.16 billion due to the retaliatory tariffs on U.S. agriculture products.

The 2017 Census of Agriculture conducted by the NASS provides estimates of commodity sales by county. Using each county’s share of total state commodity sales, the total loss of \$943.2 million can be apportioned across counties to provide a sense of which Nebraska counties are most impacted by the ongoing trade disputes. FIGURE 1 maps the results. Cuming County is the most impacted county, with estimated trade losses exceeding \$48 million. After that, a cluster of counties, Custer, Dawson, and Lincoln Counties are estimated to experience losses exceeding \$32 million. Platte County could also experience losses of nearly \$30 million. APPENDIX A lists the estimated trade loss to producers in each county.

FIGURE 1. ESTIMATED TRADE LOSS DUE TO RETALIATORY TARIFFS



Source: Nebraska Farm Bureau estimates.

APPENDIX A. ESTIMATED COMMODITY TRADE LOSSES - PER COUNTY

ADAMS	\$16,840,651.76	FRONTIER	\$5,210,359.81	NANCE	\$6,663,202.40
ANTELOPE	\$22,718,181.32	FURNAS	\$10,313,843.74	NEMAHA	\$4,909,468.40
ARTHUR	\$1,180,525.78	GAGE	\$12,020,768.60	NUCKOLLS	\$6,329,403.00
BANNER	\$4,312,319.29	GARDEN	\$3,483,827.46	OTOE	\$7,316,256.47
BLAINE	\$1,375,313.60	GARFIELD	\$2,347,751.06	PAWNEE	\$3,383,859.25
BOONE	\$20,327,353.84	GOSPER	\$4,536,325.29	PERKINS	\$8,443,322.86
BOX BUTTE	\$7,591,276.29	GRANT	\$1,035,250.10	PHELPS	\$24,809,318.73
BOYD	\$4,473,641.36	GREELEY	\$8,295,215.46	PIERCE	\$10,960,805.34
BROWN	\$12,474,401.13	HALL	\$12,974,499.57	PLATTE	\$29,542,619.99
BUFFALO	\$14,274,944.28	HAMILTON	\$11,830,957.73	POLK	\$14,188,534.00
BURT	\$11,315,885.52	HARLAN	\$6,876,525.10	RED WILLOW	\$8,074,470.23
BUTLER	\$11,145,167.29	HAYES	\$7,175,142.56	RICHARDSON	\$6,407,747.17
CASS	\$7,046,428.14	HITCHCOCK	\$2,558,113.33	ROCK	\$4,638,009.68
CEDAR	\$18,151,307.82	HOLT	\$19,459,003.44	SALINE	\$8,877,390.79
CHASE	\$18,882,963.50	HOOKER	\$602,168.97	SARPY	\$2,356,417.83
CHERRY	\$9,907,878.46	HOWARD	\$10,090,481.32	SAUNDERS	\$15,465,638.49
CHEYENNE	\$7,033,470.89	JEFFERSON	\$9,420,780.18	SCOTT'S BLUFF	\$13,846,539.78
CLAY	\$15,276,299.58	JOHNSON	\$3,566,762.45	SEWARD	\$10,767,133.03
COLFAX	\$15,636,657.05	KEARNEY	\$15,863,366.06	SHERIDAN	\$6,461,592.71
CUMING	\$48,568,113.26	KEITH	\$6,944,271.79	SHERMAN	\$5,978,699.10
CUSTER	\$33,515,304.82	KEYA PAHA	\$2,245,294.38	SIoux	\$5,720,283.45
DAKOTA	\$3,644,935.01	KIMBALL	\$1,715,119.68	STANTON	\$8,940,932.81
DAWES	\$2,614,318.63	KNOX	\$12,377,607.88	THAYER	\$9,770,154.03
DAWSON	\$32,111,073.38	LANCASTER	\$8,101,886.40	THOMAS	\$1,046,748.59
DEUEL	\$3,059,842.15	LINCOLN	\$32,403,255.12	THURSTON	\$8,892,278.76
DIXON	\$11,651,873.07	LOGAN	\$1,227,678.16	VALLEY	\$9,606,000.23
DODGE	\$11,605,836.21	LOUP	\$1,321,639.69	WASHINGTON	\$6,452,453.98
DOUGLAS	\$2,382,718.48	MADISON	\$11,845,459.56	WAYNE	\$9,602,567.85
DUNDY	\$6,913,551.95	McPHERSON	\$1,218,453.63	WEBSTER	\$14,924,523.06
FILLMORE	\$10,337,698.82	MERRICK	\$10,311,226.55	WHEELER	\$12,148,410.40
FRANKLIN	\$4,584,679.00	MORRILL	\$13,716,323.69	YORK	\$14,626,077.22



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