



THE GREAT (TRADE) WALL

Associated Press

Chinese shoppers buy vegetables at a supermarket in Hangzhou, China. U.S. farmers have sought out China as a market for their fruits, berries, nuts and other crops.

QUESTION: How's China's economy doing? **ANSWER:** It's complicated, especially for U.S. farmers.

By **MATEUSZ PERKOWSKI**
Capital Press

China watchers agree that nation's economic health is faltering. With a slowing rate of growth and massive debt, China's continued status as a global economic powerhouse is in doubt.

Investors and economists are split over the situation's gravity, though. Is the patient merely under the weather — or is it on the verge of cardiac arrest?

While the Chinese government has acknowledged that some key economic sectors are sluggish, its official statistics are met with suspicion by analysts.

"We don't have good data. We don't have a good sense of what's going on over there," said Lindsey Piegza, chief economist for the Stifel Financial Corp., an investment bank. "You wonder how much they're masking behind those figures."

Farmers in the U.S. have reason to worry

about economic instability across the Pacific. They were on track to ship roughly \$20 billion worth of agricultural products to China last year, making it the second largest destination for U.S. farm goods behind Canada.

Even so, U.S. agricultural exports to China have fallen more than 20 percent from the most recent peak of about \$26 billion in 2012, according to USDA.

Soybeans are the biggest agricultural export to China, but many other farm goods from across the U.S. also cater to the market, including fruits, nuts, wheat, cheeses, livestock hides and grass seed produced in the West.

Serious deterioration in the Chinese economy would further diminish demand for U.S. farm products, in turn weighing

Turn to **CHINA**, Page 12

China vs. U.S. — agricultural production and other trade statistics



Item	China	United States
Population (2016 est.)	1.37 billion	324 million
Labor force in ag (2012 est.)	270.1 million	1.1 million
Total land area (sq. mi.)	3.7 million	3.8 million
Ag land as percent of total (2011 est.)	54.7%	44.5%
Irrigated land (sq. mi., 2012)	266,440	101,930
GDP (purchasing power parity, 2016 est.)	\$21.27 trillion	\$18.56 trillion
Ag as percent of GDP (2016 est.)	8.6%	1.1%
Total value of all imports (2016 est.)	\$1.44 trillion	\$2.2 trillion
Ag imports, total (2014)	\$146.6 billion	\$111.7 billion
Total value of all exports (2016 est.)	\$2.01 trillion	\$1.47 trillion
Ag exports, total	\$79.8 billion (2013)	\$150 billion (2014)

Source: USDA ERS, FAS; www.cia.gov

Alan Kenaga/Capital Press

"Certainly the system could collapse. However, like our housing bubble, bubbles can continue for a long time and it is difficult to predict when they might burst."

Desmond O'Rourke,

a retired Washington State University agriculture economist and world apple market analyst

Ag reaction split on Trump's withdrawal from TPP

By **MATTHEW WEAVER**
Capital Press

Ag groups are split on President Donald Trump's decision to withdraw the U.S. from the Trans-Pacific Partnership, a 12-nation trade agreement negotiated by the Obama administration.

Many U.S. agricultural groups saw the TPP as a potential boon. It included the U.S. and 11 other coun-



Trump

tries — Japan, Canada, Mexico, Australia, Vietnam, Chile, Malaysia, Peru, New Zealand, Singapore and Brunei Darussalam. Japan, Mexico and Canada are among the biggest trade partners

for U.S. agriculture.

Trump also committed to renegotiating the North American Free



Duvall

Trade Agreement with Canada and Mexico. If partners refuse a revamped pact that gives American workers "a fair deal," Trump said he will give notice of intent to withdraw the U.S. from NAFTA.

American Farm Bureau Federation President Zippy Duvall said in a statement that his organization

viewed TPP as a positive for agriculture. It would have added \$4.4 billion annually to the struggling agriculture economy, he said.

"With this decision, it is critical that the new administration begin work immediately to do all it can to develop new markets for U.S. agricultural goods and to protect and advance U.S. agricultural interests in the critical Asia-Pacific region," Duvall said.

The Farm Bureau pledged to work with the Trump administration to ensure that U.S. agriculture can compete in the global marketplace.

"American agriculture is virtually always a winner when trade agreements remove barriers to U.S. crop and livestock exports because we impose very few compared to other nations," Duvall said. "We need the administration's commitment to

Turn to **TPP**, Page 12

INSIDE



SPOKANE AG EXPO SPECIAL SECTION

Scotts defends decision to seek deregulation for GE bentgrass

By **SEAN ELLIS**
Capital Press

ONTARIO, Ore. — USDA officials have defended their Jan. 17 decision to deregulate a genetically engineered creeping bentgrass that escaped field trials in 2003 and has taken root in two Oregon counties and a small part of one Idaho county.

And Scotts Miracle-Gro Co., which created the grass, defended its decision to seek a deregulated status for the grass despite agreeing not to commercialize it.

Environmental groups, on the other hand, continue to harshly criticize USDA's decision to deregulate the creeping bentgrass, which was developed by Scotts and Monsanto Corp. to withstand applications of glyphosate, the active ingredient in Monsanto's Roundup weed killer.

Rick Coker, a USDA public affairs specialist, told Capital Press in an email the department must, under the Plant Protection Act, respond to any petition that requests a determination of regulatory status for a genetically engineered organism.

USDA's decision must be based on whether the organism is likely to pose a plant pest risk, he said. If the department determines it does not, it "has no legal basis to continue to regulate that GE organism and must deregulate (it)."

After escaping field trials, the bentgrass took root in Malheur and Jefferson counties in Oregon and part of Canyon County in Idaho.

Scotts reached a 10-year memorandum of agreement and memorandum of understanding with USDA in 2015 that

Turn to **SCOTTS**, Page 12



What is Watrustology?

Find out inside.

Washington Trust Bank



7 29467 70125 0

