

2010 MONTANA EXPORT SUMMARY

In the last fifteen years, between 1996 and 2010, overall exports have grown 107%. Montana’s exports bottomed out in 2003 at \$585 million and topped out at \$2.1 billion in 2008. Continuous export growth occurred between 2004 and 2008 at an accumulative rate of 144%. In 2009 there was a marginal decline in exports due to the global downturn in the economy. However, in 2010 exports bounced back and to reach near record levels and fetched the second highest export total of \$1.96 billion in combined exports.

Table 1: Montana’s Total Exports

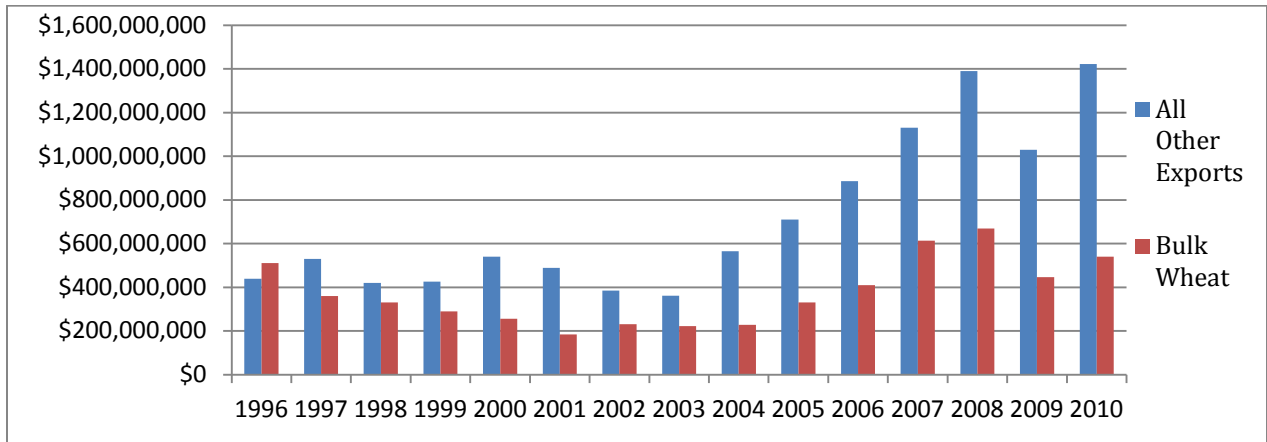
Year	Amount
2010	\$ 1,963,516,403
2009	\$ 1,477,492,274
2008	\$ 2,064,596,369
2007	\$ 1,747,062,375
2006	\$ 1,310,811,942
2005	\$ 1,045,682,736
2004	\$ 844,504,090
2003	\$ 585,418,521
2002	\$ 617,819,652
2001	\$ 673,731,543
2000	\$ 796,563,554
1999	\$ 716,952,974
1998	\$ 752,245,703
1997	\$ 889,847,805
1996	\$ 949,970,377

Source: WISER Trade and National Agricultural Statistics Service, US Department of Agriculture

Bulk wheat remains the Treasure State’s number one export commodity, where farmers haul their wheat to grain elevators to be shipped via rail to west coast ports. In 2010, Montana exported 102 million bushels of bulk wheat valued at \$541.1 million dollars. Bulk wheat exports vary more from prices than demand. For example in 2008, wheat fetched over \$10.00 per bushel while in 2003, wheat prices fell to \$3.08 a bushel. Farmers received an average of \$5.30 per bushel during the 2010 calendar year.

As seen in Chart 1 on page 2, bulk wheat exports were larger than all other exports in 1996. However, in 1997 manufactured products overtook non-manufactured products and have continued this trend ever since.

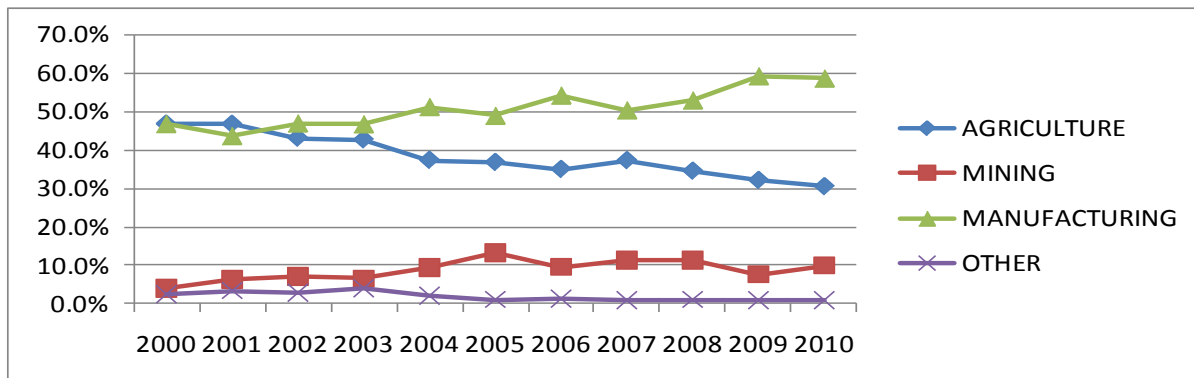
Chart 1: Montana's Exports by Bulk Wheat and All Other Products



Source: WISER Trade and National Agricultural Statistics Service, USDA

There are three major export industry sectors in Montana: agriculture, manufacturing and mining. The other sector is a catchall that includes second-hand goods, waste and scrap, and returned goods. As chart 2 below indicates, agricultural products such as bulk wheat, accounted for nearly 51% of all exports in 1999. By 2010 agricultural exports fell to 30% of the state's overall total as manufactured exports continued to account for an increasing share of Montana exports. Mining products such as crude oil, copper, cement, and talc surged to 13% of all exports in 2005. In 2010, mining represented 10% of all export industry sectors.

Chart 2: Montana's Export Industry Sectors

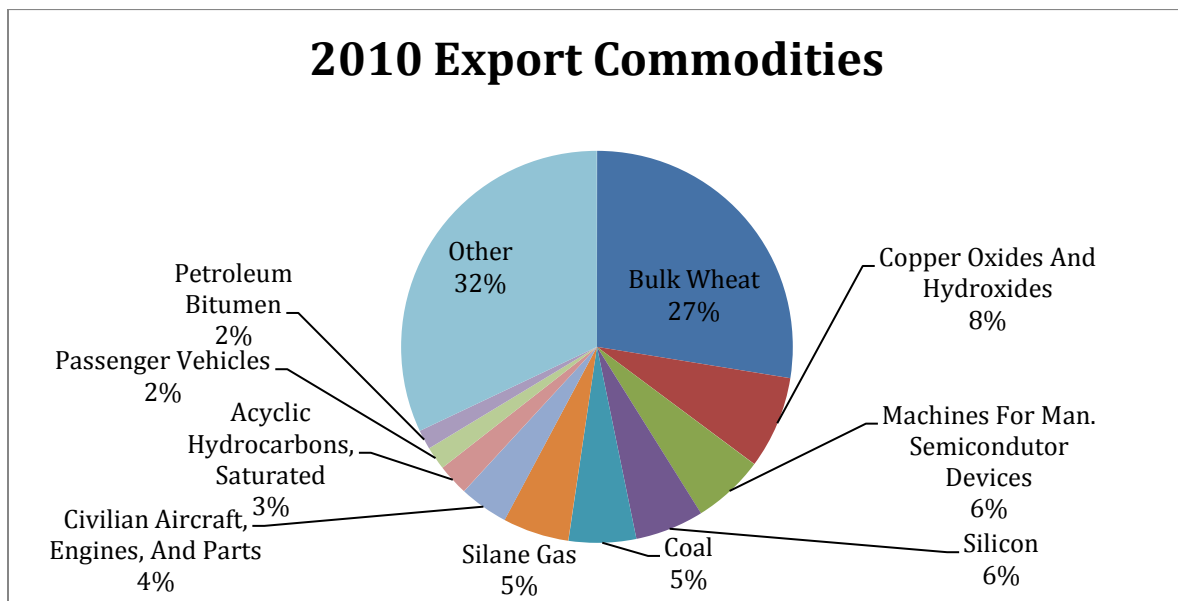


Source: WISER Trade and National Agricultural Statistics Service, USDA

In 2010, bulk wheat accounted for 27% of Montana's commodity exports with the majority of these shipments sent to Japan and to secondary markets in Taiwan, South Korea, the Philippines, and Indonesia. Montana's largest manufactured export category in 2010 was copper oxides & hydroxides which totaled 8% of overall exports. The bulk of these exports were sent to Mainland China and the Republic of Korea. Other manufactured products exported from the state included fabrication machines used in the manufacture of

semiconductor devices with the lion's share going to the Republic of Korea & Taiwan, silicon exported to Japan and coal sent to the Republic of Korea for a combined total of 17% of the state exports. In 2010, civilian aircraft, engines & parts increased 370% from 2009 with a large part of these shipments sent to Canada. Chart 3 highlights the 2010 top ten export commodities sent from the Big Sky state.

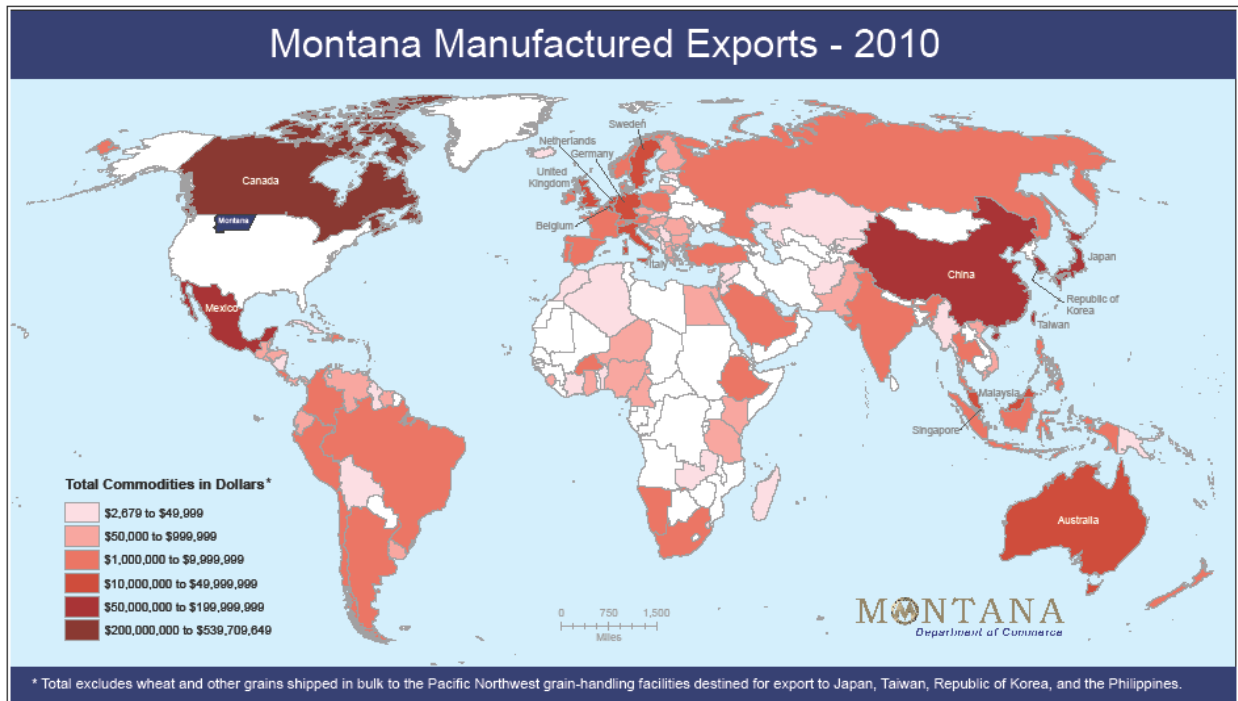
Chart 3: Montana's Top Ten Exports



Source: WISER Trade and National Agricultural Statistics Service, USDA

Montana's trading partners span the globe. Our neighbor to the north (Canada) received 37% of all Montana exports in 2010. The Republic of Korea was Montana's second largest trading partner and increased 141% from 2009 figures. Mainland China also experienced an increase of 103% from a year prior and ranked as Montana's third largest trading partner in 2010. The following countries rounded out Montana's top ten trading partners in ranking order: Japan (4), China (Taiwan) (5), Mexico (6), United Kingdom (7), Germany (8), Belgium (9), and the Netherlands (10). The map below illustrates where Montana's exports go worldwide. All of these figures exclude bulk wheat figures. Again, bulk wheat is exported to Japan, Taiwan, South Korea, the Philippines, and Indonesia.

Map 1: Montana's Trading Partners



Over 8,800 Montanans were employed in 2008 by companies exporting manufactured exports, according to Office of Trade and Industry Information (OTII) of the US Department of Commerce latest figures. Over 76% of these employees work for nonmanufacturing companies in such areas as transportation, storage, and business services like accounting. These companies assist in the export of manufactured exports. Manufactured export employment as a percent of all manufacturing employment was 11.4% for Montana in 2008. Nationally, manufactured export employment represents 22% of all manufacturing jobs. Not included in these employment numbers are workers in Agriculture and Mining sectors that export goods, such as wheat farmers and copper miners.

An estimated 886 Montana businesses are classified as “exporters” by OTII. Over 87% of these companies are small and medium sized enterprises (SMEs) with less than 500 employees. SMEs generated more than half (61%) of Montana’s total exports of merchandise in 2008. That was the second highest percentage among the 50 states, and well above the national average of 31%.

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