



# 2008 State of Montana Export Summary

## Notes

1. *The State of Montana calculates the total value of all Montana products exported to foreign (non-U.S.) destinations using data from the following three reports.*
  - *“State of Montana, All Commodity Exports by Origin of Movement series,” World Institute for Strategic Economic Research (WISER)*
  - *“All Wheat: Recorded Movement by Destination & Calendar Year, Montana,” Montana Agricultural Statistics Service (MASS)*
  - *“All Wheat: Prices Received by Farmers, Monthly and Marketing Year Average, Montana,” Montana Agricultural Statistics Service*

*WISER’s Origin of Movement data series track exports by the state of origin for all shipments sent out of the United States and are compiled from export records that are filed with the federal government by the companies and individuals that make those shipments. While WISER’s Origin of Movement data series accurately record most commodity exports with a high degree of reliability, they do not accurately record the true value of bulk shipments of grain and coal from the producing states – largely owing to those industries’ commodity handling practices at the port of export.*

*To compensate for the Origin of Movement data series’ shortcoming in the tracking of bulk wheat exports from Montana, the state utilizes MASS statistics to generate a more accurate picture of all Montana grain exports and, accordingly, a more accurate total value of all commodities exported from the state.*

*The two MASS data tables noted above track shipments of Montana wheat by destination and prices paid to farmers for wheat sold throughout the calendar year. Using these two data series, the State of Montana computes a value for all Montana wheat that is exported overseas via Pacific Northwest bulk grain export terminals. In the Export Summary, these wheat exports are identified as “bulk shipments” to distinguish them from rail, truck, or containerized shipments of wheat that are recorded by WISER’s Origin of Movement data series.*

2. *On an annual basis, roughly 70-80 percent of all wheat grown in Montana is shipped to Pacific Northwest grain handling facilities for subsequent export to Asia. When the wheat arrives at a grain handling facility it is stored in silos until a contract for wheat has been fixed between the seller and the buyer. Because Montana wheat is high in protein, it is typically blended with lower-protein content wheat from other states to meet the specified protein content in the purchase contract. This process of blending high and low-protein wheat to achieve a specified protein content renders the task of identifying the state of origin for the lot of wheat sold virtually impossible. Thus, the industry practice is to report bulk shipments of wheat as originating in the state where the grain handling facility is located.*

*While an aggregate value for all bulk exports of Montana wheat can be deduced, no national-level purchasing information is made available to the State. Thus the values of individual shipments made to specific destinations cannot be tracked. Nonetheless, industry sources indicate that roughly 30 percent of all wheat shipped to Pacific Northwest grain handling facilities is exported to Japan.*

3. *Taiwan and South Korea's rankings in terms of their importance to the state as a market for Montana goods is quite likely rather dramatically understated. Like Japan, Taiwan and South Korea are major purchasers of Montana wheat.*