THE CHICAGO COUNCIL ON GLOBAL AFFAIRS

How Foreign Policy Impacts Rural Iowa

Elizabeth Shackelford, Senior Fellow, US Foreign Policy

“Those of us who conduct foreign policy haven’t always done a good job connecting it to the needs and aspirations of the American people,”

Secretary of State Antony Blinken

Industrial Policy:
Government intervention in markets to incentivize activity that is seen as politically or strategically necessary and infeasible by just letting markets roam free.

US Industrial Policy Under Biden

FEBRUARY 24, 2022

The Biden-Harris Plan to Revitalize American Manufacturing and Secure Critical Supply Chains in 2022

BRIEFING ROOM › STATEMENTS AND RELEASES

- Feb 2021 Executive Order 14017
- Feb 2022 Supply Chain Plan
- Aug 2022 CHIPS Act
- Aug 2022 Inflation Reduction Act (IRA)

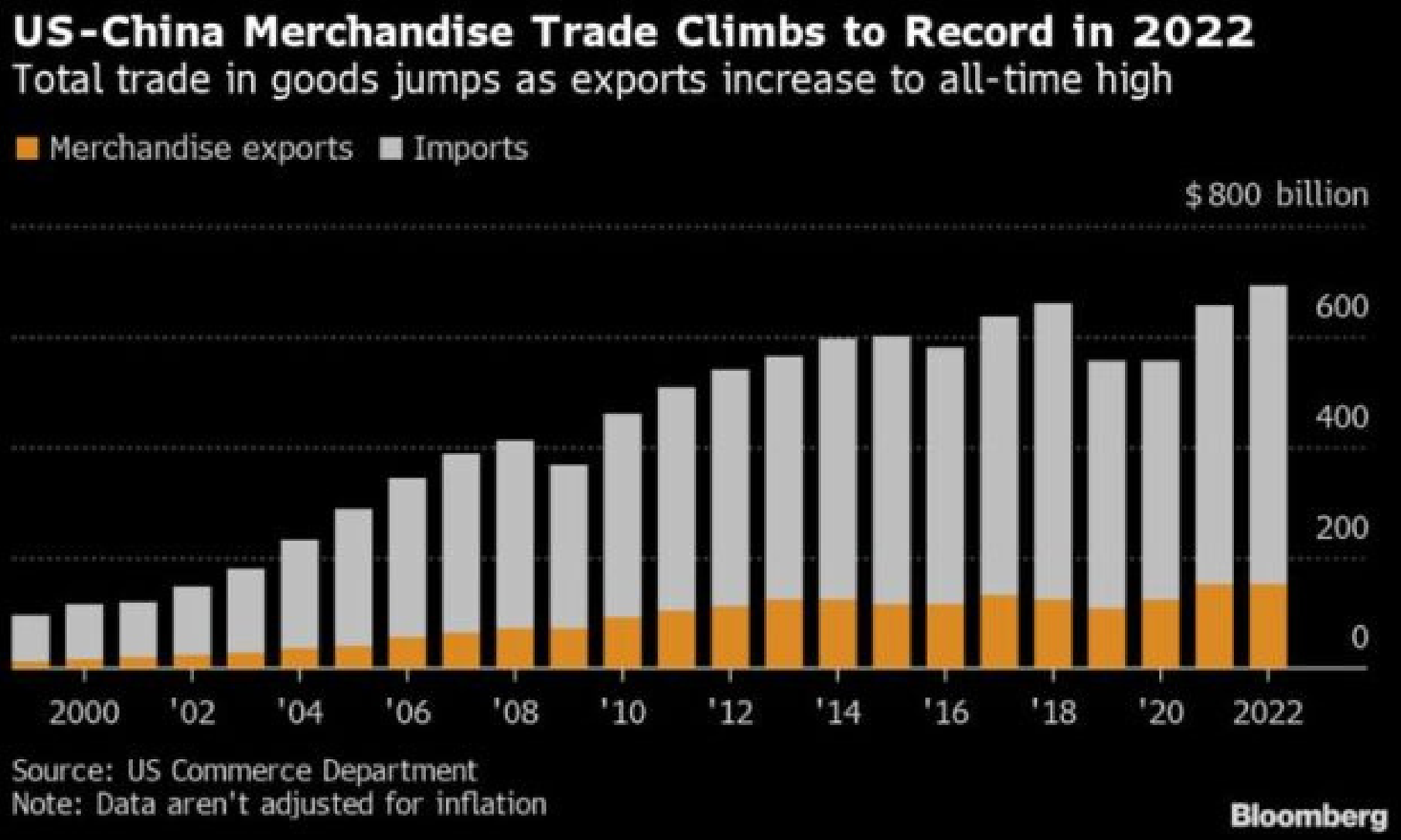


Image Source: Bloomberg Law

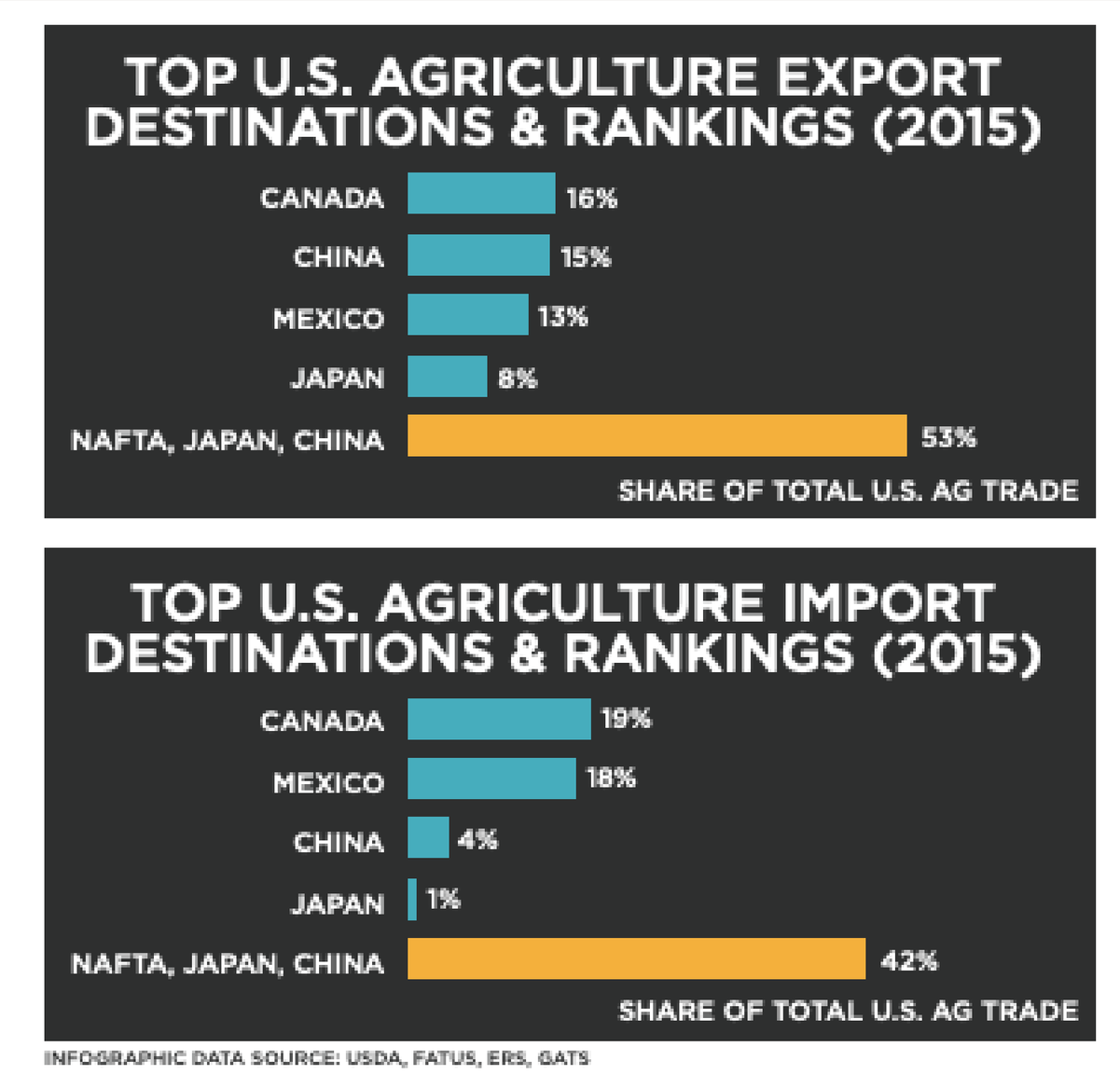


Image Source: Iowa Farm Bureau

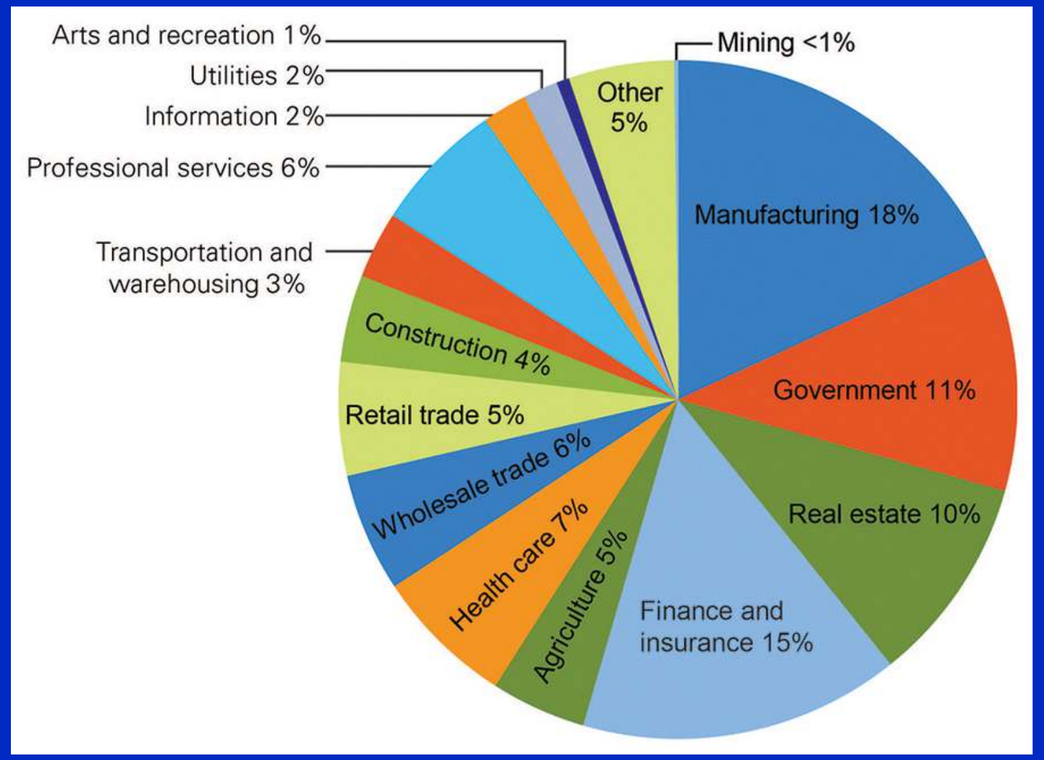
IOWA EXPORTS TO CHINA/TAIWAN

	IOWA ALLOCATED SHARE OF U.S. PRODUCTION (%)	IOWA ALLOCATED SHARE OF U.S. EXPORTS (MILLIONS)
CORN	18.1%	$93
SOYBEANS	15.5%	$2,292
BEEF	5.3%	$19
PORK	29.4%	$217
DAIRY	2.3%	$10
TURKEY	4.4%	$0.33

Image Source: Iowa Farm Bureau

Iowa's Integration with the Global Economy

- Iowa is not as reliant on trade as other states and the US as a whole.
- In 2022, foreign trade formed half as much of Iowa's GDP as it did the US GDP.



Iowa's Economic Diversity (*2017 BEA data*)

Iowa's Integration with the Global Economy

Mexico and Canada comprised half of Iowa's exports and imports in 2022.

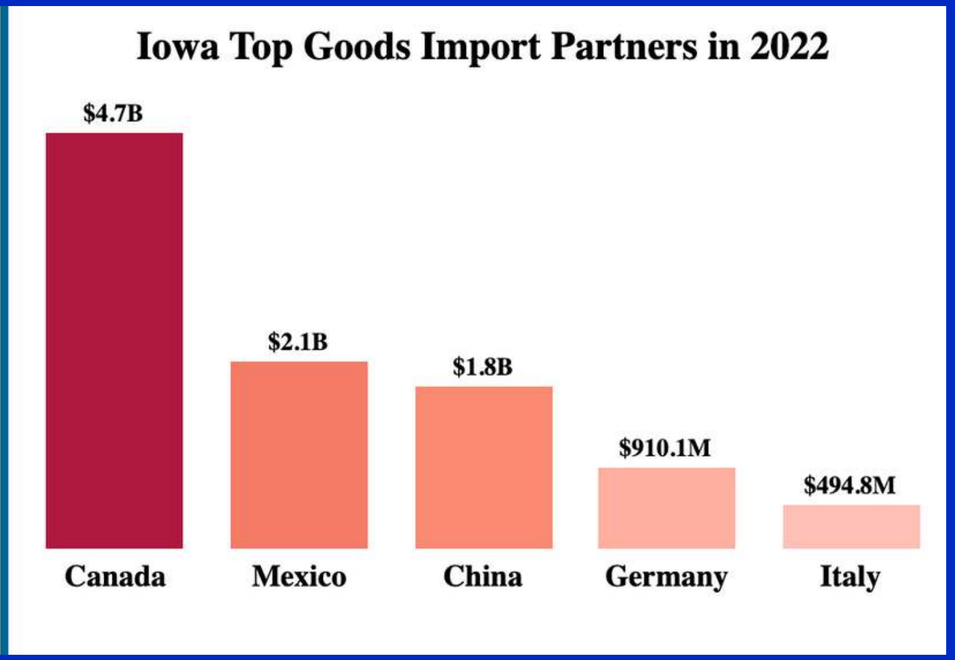
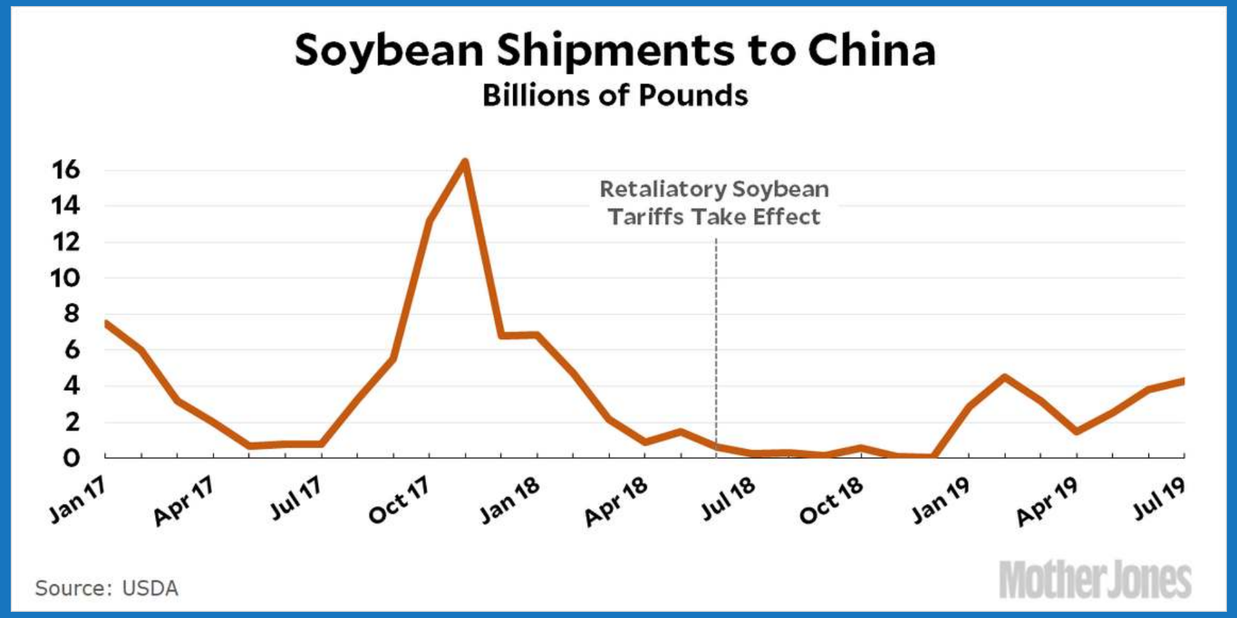


Image and Data Source: ITA

Impacts of Geopolitics on Iowa's Economy: Retaliatory Tariffs



China tariffs on U.S. soybeans could cost Iowa farmers up to $624 million

The escalating U.S.-China trade dispute erupted Friday; Trump has said the back-and-forth stems from "China's theft of intellectual property and technology."

The Des Moines Register / Jun 15, 2018

How Biden's Industrial Policies Impact Iowa

- Green incentives
- Biofuels subsidies
- Cover crop incentives

TECH

The global chip shortage is starting to have major real-world consequences

PUBLISHED FRI, MAY 7 2021•3:40 AM EDT | UPDATED MON, MAY 17 2021•8:52 PM EDT

Global chip shortage hits car production in China and Japan

Semiconductor problem hits wider industry, with growth in China at four-month low and 6% drop in Japan

Chip shortage on track to ease—but risks remain

New industry survey finds hints of optimism from semiconductor executives despite continued supply chain threats and geopolitical upheaval.

THE SALT

Farmers Got Billions From Taxpayers In 2019, And Hardly Anyone Objected

December 31, 2019 · 4:13 PM ET

Heard on All Things Considered

Return to Divisive Politics and Democratic Dangers in Latin America

Mexico's Illiberal Democratic Trap

GUILLERMO TREJO

Beneath Mexico's fractious left-right political divide lies a more fundamental division between establishment elites and a growing movement of citizens

Bloomberg + Follow View Profile

Mexico Senate Passes Electoral System Overhaul Ahead of Vote

Story by Jose Orozco and Alex Vasquez • Wednes... 48 10 9 Comments

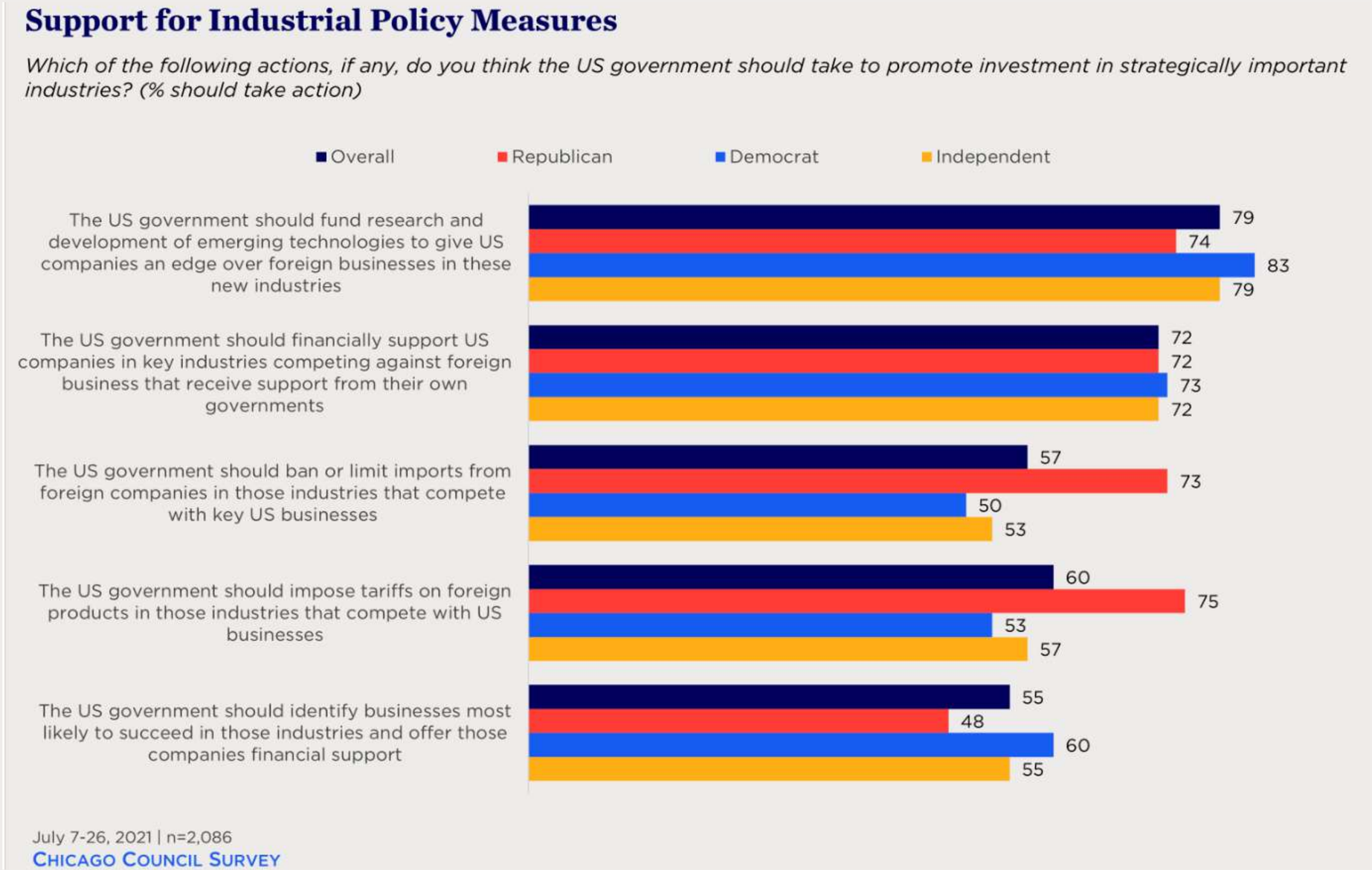
Mexico's Dying Democracy

AMLO and the Toll of Authoritarian Populism

By Denise Dresser **November/December 2022**

Published on October 21, 2022

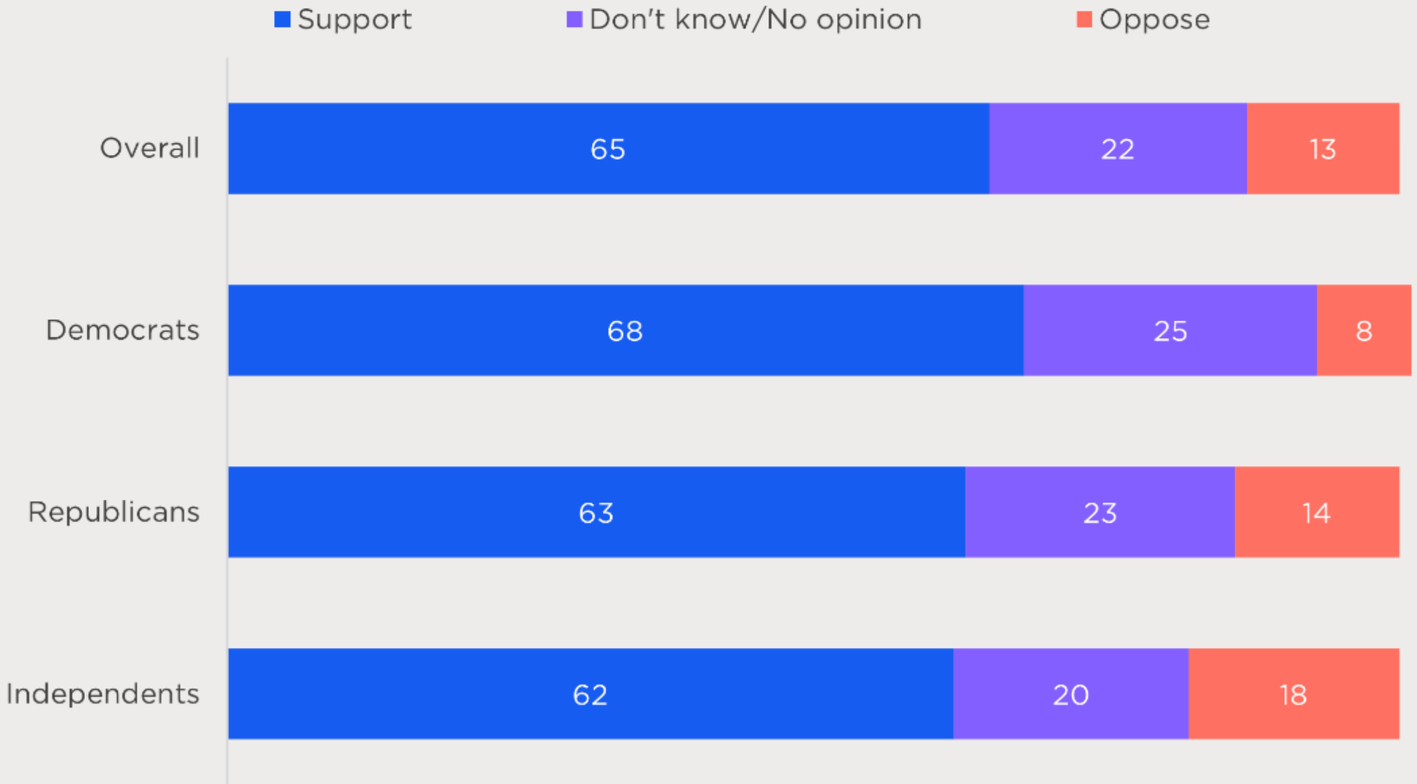
Public Opinion and Industrial Policy



Public Opinion and Industrial Policy

Support for Government Assistance in Semiconductor Production

As you may know, an industry-wide shortage of semiconductor chips has disrupted production in the automotive and electronics industries, forcing some firms to scale back production. Based on what you know, do you support or oppose government assistance to promote the domestic production of semiconductor chips? (%)



March 25-27, 2022 | n=2,006
MORNING CONSULT/POLITICO

Questions?