



**IOWA
ASSOCIATION
OF BUSINESS
AND INDUSTRY**

BUSINESS

AUGUST 2025 MONTHLY

International Trade Plays Major Role in Iowa's Economy



STORY ON PAGE 11

CALENDAR OF EVENTS

- AUGUST 19**
Environment Public Policy
Committee Meeting
DES MOINES
- AUGUST 21**
Economic Growth Public Policy
Committee Meeting
DES MOINES
- AUGUST 25**
Executive Open Golf Outing
WEST DES MOINES
- AUGUST 26**
Tax Public Policy Committee
Meeting
DES MOINES

- SEPTEMBER 9**
Webinar: How Employers
Can Lead the Charge in
Nonpartisan Voter Engagement
VIRTUAL
- SEPTEMBER 16**
Webinar: Workers'
Compensation Webinar –
Session Three
VIRTUAL
- OCTOBER 3-14**
Elevate Iowa Manufacturing Tour
STATEWIDE
- OCTOBER 14**
Iowa Manufacturing Conference
ALTOONA

Visit www.iowaabi.org and click the "Events" tab for details on upcoming events.

INSIDE

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Meet ABI's Newest Members: Visit our newest members' websites, and see how their products and services can benefit you.

- Exec One Consulting | www.execoneconsulting.com
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FROM THE CHAIR:

Iowa Businesses on a Global Stage

This month's publication focuses on international trade and highlights ABI members who are conducting global business. One of Iowa's greatest strengths is that our business community thinks big — well beyond state and national borders.

International trade fuels growth for companies of all sizes. Whether it's exporting Iowa-made equipment, sourcing specialized components from abroad, or building strategic partnerships in other countries, our members prove that geography

doesn't limit opportunity.

In this month's cover story, you'll find insights from the Iowa Trade Study — combined with interviews and input from Iowa executives leading businesses in the global marketplace. Together, they offer a compelling look at where our state stands internationally and how we can strengthen our reach in the years ahead.

August also ushers in a critical moment for ABI's advocacy work. Members are actively participating in public policy committee meetings that will

shape the Association's legislative priorities heading into 2026. Your input will ensure ABI advocates for policies that support global competitiveness.

Looking ahead, I'm excited to say that planning has begun for the 2026 Taking Care of Business Conference, set for June 2–4 in Coralville & Iowa City. The conversations and insights shared there always energize the business community in attendance, and this year's conference will be no different. Stay tuned for more information as the months of planning unfold! **ABI**



Kellan Longenecker
ABI Chair
General Mills

CAPITOL BUSINESS:

Controlling What We Can Control

In today's economic climate, uncertainty is a given. Ongoing conversations about tariffs and global trade policy remind us that some forces are beyond the control of any one business.

Our 2025 ABI CEO Survey confirms what many of you already feel: 39% of respondents say tariffs on Chinese imports have negatively impacted their business, and 40% say the same about tariffs on Canadian and Mexican imports. Roughly a third remain in "wait-and-see" mode, unsure how these policies will play out.

While we cannot dictate federal or international policy, Iowa businesses have proven time and again they can adapt, innovate, and succeed. In 2020, when supply chain disruptions were at unprecedented levels, Iowa com-

panies rose to the challenge—finding new suppliers, adjusting operations, and creating solutions to keep serving customers. That same mindset is just as valuable today.

At ABI, we believe one of the best ways to navigate uncertainty is to focus on what can be influenced. That's why our advocacy on behalf of Iowa's business community is so important. State-level policy decisions directly affect your operations, competitiveness, and long-term success.

Recent wins — like HF 2317's phased corporate income tax cuts — make Iowa more competitive. Major unemployment insurance reforms will save employers nearly \$1 billion over five years. Pro-growth regulatory changes are cutting red tape. Iowa's state government

reorganization has not only made state government leaner, but response times for regulatory actions are decreasing. And the new Major Economic Growth Attraction (MEGA) program is already positioning Iowa to attract transformational investments from new and existing businesses.

Beyond the Statehouse, the governor and her delegation's overseas trade trips continue to open doors for Iowa companies and commodities, forging relationships and creating opportunities in markets where our members want to grow.

ABI will continue to champion policies that strengthen Iowa's business climate, giving employers every possible advantage to thrive — no matter the global headwinds. **ABI**



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COVER STORY FROM PAGE 9

International Trade Plays Major Role in Iowa's Economy

BY EMERY STYRON

Foreign Direct Investment (FDI) accounted for 36,500 of Iowa's 226,580 manufacturing jobs in 2022, a figure that's been on a steady climb since 2010, according to a region-focused report on international trade released in June by the Midwest Manufacturing Association.

The 2025 Midwest Manufacturing Trade and Foreign Investment Review, produced by Economic Leadership LLC, draws on trade data from the U.S. Census Bureau and economic data from Lightcast to examine the role of manufacturing in the Midwest economy with a focus on imports, exports and FDI. The Midwest region is defined as Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. Most data in the report is from 2024, the latest year for which complete annual data is available.

- Other highlights from the report:
- Manufacturing accounts for 12% of all employment in Midwest and is the top contributing industry to the region's GDP.
 - For each job in manufacturing, an additional three jobs are supported

- elsewhere in the Midwest economy.
- The top three trading partners for both imports and exports in the Midwest are Canada, Mexico, and China, respectively.
- The total employment impact of exports on the Midwest economy is approximately 3 million workers, representing about 8% of the total workforce.

Imports, Exports Both Rising

In its executive summary the report noted "manufacturers in the Midwest depend on international trade both to access global markets and to secure essential inputs for their products with real exports and imports both on the rise. Manufacturing in the Midwest has also become more reliant on foreign investors and employers. Many of the region's top manufacturing industries, including transportation equipment, are engaging in international trade with company subsidiaries abroad. This has contributed to the increase in real imports over time."

The report's authors also emphasize international trade's "vital role in the manufacturing industry," pointing out: "Access to international markets enables companies to expand their customer

base beyond domestic demand, allowing them to operate at larger scales and reduce costs. Imports also provide access to raw materials and other inputs that may not be available domestically. For the Midwest—a region heavily reliant on industrial output—trade remains a critical component of economic performance."

Exports are described as "a key source of new revenue for the economy" that "also help buffer local economies against downturns by tapping into global demand cycles."

Both Imports and Exports Support Iowa Jobs

Iowa's 226,580 manufacturing jobs comprised about 5% of the Midwest total. The report shows the importance of both imports and exports on Iowa's manufacturing activity.

"Trade opens doors for Iowa manufacturers and the communities they support," said ABI President Nicole Crain. "Global markets create opportunities for growth, attract investment, and sustain thousands of high-quality jobs right here at home."

Across Iowa, the reports shows, 4% of total employment and 25,560 jobs were supported directly or indirectly by manufacturing exports, in 2024. Imports met

17% of Iowa's demand for manufactured goods. Manufacturing exports for the state were estimated at \$14 billion, helping Iowa to a trade surplus on an inflation-adjusted basis.

Nearly 35,000 Jobs From Export Ripple Effect

"Export-related jobs in the manufacturing industry also generate broader economic benefits beyond the initial employees and their payroll," the report notes. Economists quantify "ripple effects" — the additional economic output manufacturing stimulates through supply chain interactions and household spending by workers — using multipliers, which are derived from input-output models that track spending between industries within a region.

According to labor data compiler Lightcast's input-output model, the manufacturing industry in the Midwest has an employment multiplier of 4.27, meaning an additional 3.27 jobs are generated elsewhere in the Midwest economy for every one job created in manufacturing. The multiplier effect from manufacturing exports accounted for 34,660 jobs in

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Distinguished Counsel

Five of Fredrikson's Iowa attorneys are honored to be ranked among the top attorneys in the 2025 Chambers USA Guide.



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Real Estate



Ryan Haaland
Real Estate



Bridget Penick
Labor & Employment



Emily Pontius
Labor & Employment



J. Marc Ward
Corporate/M&A

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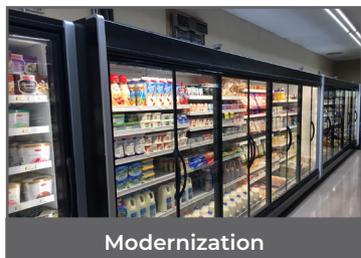
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Iowa, according to the report.

Top manufacturing exports for Iowa, by sector, were agriculture and construction machinery, \$2.43 billion; meat products, \$2.03 billion; grain and oil seed milling products, \$1.23 billion; basic chemicals, \$1.09 billion; and pesticides, fertilizers and other ag chemicals, \$0.93 billion.

Of Iowa's \$127.56 billion in manufacturing revenue, \$14.39 billion or 11.3%, is attributed to manufacturing exports.

Canada, Mexico, China Iowa's Top Trading Partners

Top customers for Iowa's exports are Canada, \$5.03 billion; Mexico, \$3.17 billion; Japan \$0.97 billion; China, \$0.93 billion and Brazil, \$0.79 billion.

On the import side, Canada ranks first at \$3.61 billion, followed by Mexico, \$2.41 billion; China, \$1.29 billion; Germany, \$1.0 billion; and Italy, \$0.43 billion. The surplus of Iowa's exports over imports widened between 2010 and 2014 but has narrowed to its historical range and remained roughly constant since.

Trends to watch: Related-party trading, Midwest lagging, automation

The report also identifies three other international trade trends to keep an eye on:

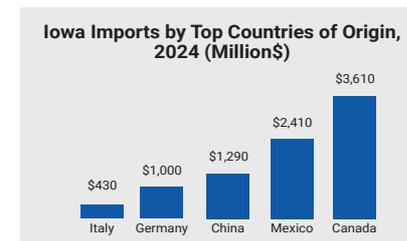
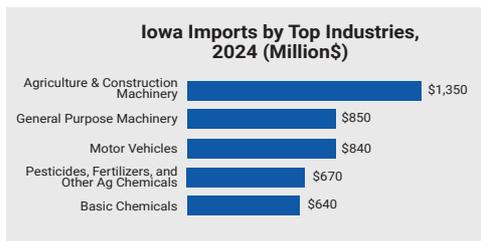
- "The nature of trade is evolving." As more companies operate internationally with facilities and supply chains spread across multiple countries, transactions termed "related-party trading" between U.S. com-

panies and their foreign subsidiaries, or between foreign companies and their U.S. affiliates may reflect internal business strategies rather than traditional market competition. In cases when it's cheaper or more efficient for a company to manufacture a component abroad and shipping it to the U.S. for final assembly, "such imports may not have a negative impact."

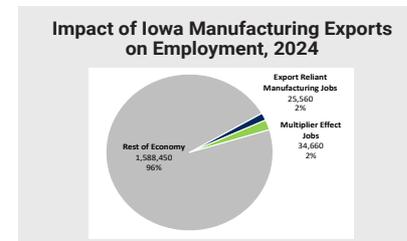
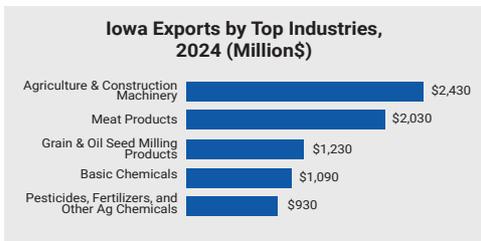
- The Midwest is the nation's traditional manufacturing hub with employment trends that historically mirror the national average, but that may be changing. National manufacturing employment is projected to outpace that of the Midwest in the next decade, suggesting stronger job growth in other regions.
- Employment growth remained sluggish during the recovery, but real GDP in the manufacturing sector grew at a faster pace. "By 2024, real GDP in manufacturing was 13 percent above its 2007 level, whereas employment remained six percent lower. This divergence suggests that companies may be maintaining output by relying more on automation and fewer workers."

"While technology and automation are reshaping manufacturing, Iowa companies are proving they can adapt and thrive," Ms. Crain said. "Our role is to ensure they have the workforce, infrastructure, and policy environment to seize these opportunities and stay competitive on a global scale." **ABI**

Imports



Exports



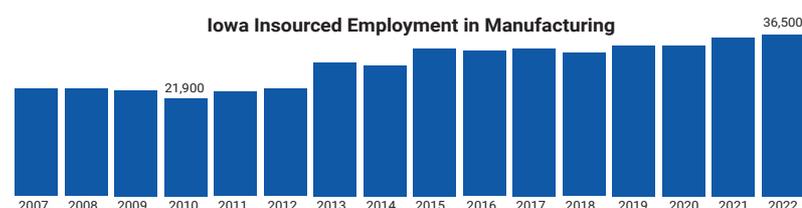
Manufacturing Exports Contribution to Iowa Manufacturing Industry

Indicator	Amount from Exports	IA Manufacturing Total	IA Manufacturing Percentage
Sales (millions)	\$14,390	\$127,560	11.3%
Earnings (millions)	\$2,380	\$20,810	11.4%
Jobs	25,560	226,580	11.3%

Iowa Exports by Top Countries of Origin, 2024 (Million\$)



Foreign Direct Investment



Learn more about how ABI supports Iowa manufacturers by visiting www.iowaabi.org.

Data gathered by Economic Leadership, LLC. 2025

EVENT REWIND:

Business Horizons 2025

Sixty-six Iowa high school students gathered at Drake University July 13–17 for the ABI Foundation’s annual Business Horizons program. Over five action-packed days, participants worked in teams to develop product ideas, create marketing materials, and pitch their concepts to a panel of investors.

The week also included hands-on workshops, business tours, and networking with Iowa industry leaders. Students gained valuable skills in leadership, teamwork, and problem-solving — while building connections that will serve them well in school, careers, and beyond. ABI



FROM THE FOUNDATION:

Scholarships to Careers: Investing in Iowa's Manufacturing Talent

For many years, manufacturers and industries have been struggling to find and build a strong talent pipeline and future workforce. Elevate Iowa Manufacturing, an initiative of the ABI Foundation, has a goal to shape the future workforce by promoting careers and educational opportunities in manufacturing.

Elevate Iowa Manufacturing is supporting eight deserving high school seniors who are studying an area of manufacturing at an Iowa community college through scholarships. These students from around Iowa shared their passion, background and dedication to their manufacturing field.

The 2025 Scholarship Recipients:

- Austin Downs, Louisa-Muscatine High School – Eastern Iowa Community College
- Colton Vander Wiel, North Mahaska High School – Hawkeye Community College
- Garin Schaffner, English Valleys High School – Indian Hills Community College
- Gideon Goodpaster, Mediapolis High School – Southeastern Community College
- Jenna Koons, Hampton-Dumont High School – North Iowa Community College
- Maxwell De Jong, Unity Christian High School – Northwest Iowa Community College
- Sawyer Toft, Audubon High School – Des Moines Area Community College
- Vainqueur Okonga, Iowa City High School – Kirkwood Community College

Elevate Iowa Manufacturing and the ABI Foundation are committed to advancing Iowa's manufacturing workforce and supporting lifelong learning in the industry. Watch for exciting updates on the Elevate Iowa Manufacturing Tour and ABI's Iowa Manufacturing Conference this October. ABI



Colton Vander Wiel



Austin Downs



Jenna Koons



Garin Schaffner



Maxwell De Jong



Gideon Goodpaster



Vainqueur Okonga



Sawyer Toft

WHAT'S TRENDING:

The Best Approach to A Successful Global IP Strategy – Build Your Foundation at Home First!

For businesses expanding internationally, intellectual property often becomes an unfortunate afterthought—something “we’ll deal with later.” But as more Iowa companies get drawn in global markets, the need for a clear, intentional and effective IP strategy is more important than ever.

The best way to start global domination - Own the United States first.

The U.S. remains one of the most IP-friendly jurisdictions in the world. By securing strong IP portfolio (think: patents, trademarks, copyrights, trade secrets and trade dress) here first, businesses create a solid legal foundation that can support global growth. In fact, owning your rights in the U.S. can serve as a launchpad for international filings.

Said another way, you have little to no chance of securing adequate IP protections abroad if you don’t take the steps and learn the processes that are necessary here in the U.S.

Once your U.S. IP is buttoned up, and your organization has developed that internal institutional knowledge and competency, your organization will be knowledgeable, experienced and ready to take on the world.

From there, it’s about taking a thoughtful, strategic approach to

where you expand protections. Where are your products sold? Where are your competitors based? What countries are critical to your supply chain or distribution network?

Too many companies spend heavily protecting IP in countries that don’t pencil-out — or worse, they skip protection altogether where it does. A smart international IP strategy focuses on key markets, high-risk regions, and jurisdictions where enforcement is actually viable.

As someone who’s been both a General Counsel of a growing international tech company and outside IP counsel to countless globally-expanding companies, I advise clients to treat international IP like any other business investment: prioritize based on impact, timing, and ROI. Not every country matters. But the right ones matter a lot.

The world is getting smaller. Smart companies are getting smarter. Start at home. Own the U.S. first. Then expand with purpose and power abroad.

Global domination is achieved by one small, smart, step after the other.

And always remember – “Innovation without protection is philanthropy” – which is a global truth. ABI



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