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# Competition in East Asia's Agricultural Import Market

J. Albert Evans

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### Abstract

Over the past 25 years, growth in agricultural imports in Japan, Korea, Taiwan, and Hong Kong has been significant. Growth in imports of high-value products (HVP's) generally exceeded growth in imports of low-value products (LVP's) and often exceeded growth in gross domestic product. The United States was the leading provider of both HVP's and LVP's to those East Asian countries between 1962 and 1986. The bulk of the East Asian countries' imports from the United States have been LVP's, although the share of HVP's in total imports has been rising. The East Asian countries will remain important markets for agricultural imports in the nineties as a result of continued strong economic growth and trade liberalization, both of which will especially benefit HVP imports.

**Keywords:** East Asia, Japan, South Korea, Taiwan, Hong Kong, agricultural imports, high-value products (HVP's), low-value products (LVP's), import share, export share.

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## Summary

Japan, South Korea, Taiwan, and Hong Kong have seen rapid economic growth and strong export performance in the past two decades. These four East Asian countries have also seen significant growth in agricultural imports. Growth in imports of high-value products (HVP's) generally exceeded growth in imports of low-value products (LVP's) and often exceeded growth in gross domestic product (GDP). Growth in all levels of agricultural imports was generally slower in the 1977-86 period compared with the 1967-76 period, consistent with slower rates of growth in GDP and population.

LVP's account for over half of East Asia's agricultural imports, but this share dropped from 84 percent in 1962 to 60 percent in 1986. HVP's accounted for an estimated 40 percent of East Asia's \$28.2 billion of agricultural imports in 1986, up from 16 percent in 1962, making HVP's the fastest growing portion of East Asia's agricultural imports. One-third of East Asia's 1986 agricultural imports came from the United States. Wheat, corn, soybeans, cotton, wool and hair, and hides and skins account for two-thirds of East Asia's LVP imports, while livestock and fruit, vegetable, and nut products account for two-thirds of HVP imports.

The four East Asian countries are vital markets for U.S. agricultural exports. In 1986, East Asia took 33 percent of U.S. LVP exports and 24 percent of U.S. HVP exports. The United States was the leading provider of both HVP's and LVP's to the East Asian countries between 1962 and 1986. The bulk of the East Asian countries' imports from the United States have been LVP's, although the share of LVP's in total East Asian imports has been dropping. LVP's accounted for 86 percent of total agricultural imports from the United States in 1962 and 72 percent in 1986. Corn, soybeans, hides and skins, cotton, wheat, and unmanufactured tobacco made up over 85 percent of total U.S. shipments over the 1962-86 period. Corn and hides and skins accounted for much larger shares of U.S. LVP exports to East Asia in 1986 than in 1962-64. The shares accounted for by wheat and cotton have fallen, while those for soybeans and tobacco have been stable.

The share of U.S. exports accounted for by HVP's varied from 12 to 20 percent between 1962 and 1985, but surged to 28 percent in 1986 as East Asia's total HVP imports grew to account for 40 percent of total agricultural imports. Although U.S. HVP exports to East Asia grew faster than LVP exports in the 1973-82 and 1983-86 periods, the share of U.S. HVP's exports has lagged the share of HVP's in East Asia's total agricultural imports. That is, the United States is still primarily a provider of LVP exports even as the share of HVP's in East Asia's total agricultural imports grows.

The U.S. share of East Asia's LVP and HVP imports has rebounded since the mid-eighties. The 1985 Food Security Act provided for more competitive U.S. prices, especially for corn and cotton. In

addition, the decline in the value of the U.S. dollar made U.S. exports more competitive.

The East Asian countries will remain important markets for agricultural imports in the nineties as a result of continued strong economic growth, which will further raise real incomes and import demand. This growth will especially benefit HVP imports because HVP's are more income elastic than LVP's. Market liberalization measures will also contribute to increased access for imports. Many of the recent trade liberalization measures have been aimed at HVP's rather than LVP's. Over the next decade, HVP's will likely account for a growing share of East Asia's agricultural imports. Import growth of grains and oilseeds is likely to remain flat, reflecting stagnant livestock production and growing demand for imports of meats and other livestock products. Trade liberalization measures will also lead to growing imports of livestock products, which will reduce the demand for feedstuffs. Because U.S. exports to East Asia are heavily concentrated in grains and soybeans, continued sluggish demand for these commodities will accentuate the already discernible tilt toward HVP's in U.S. exports.

The United States will continue to face strong competition in the lucrative East Asia markets. Processing and export subsidies will keep the European Community (EC) a formidable competitor in the East Asian HVP markets, especially for meats, dairy products, and cereal products. Australia will remain an important U.S. competitor in livestock and grains because of its proximity to East Asia and product quality. Many tropical products exported by the six member countries of the Association of Southeast Asian Nations (ASEAN)--Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand--are complementary rather than competitive with U.S. exports. But palm oil from Indonesia and Malaysia will continue to compete with U.S. soybean oil. China is expected to be less competitive in East Asia's corn market but remain a strong competitor in the soybean and soybean products markets. U.S. dominance in East Asia's LVP import markets will likely continue in the nineties, but U.S. farm policies and exchange rates will influence U.S. competitiveness.



# Competition in East Asia's Agricultural Import Market

J. Albert Evans

## Introduction

The four East Asian countries of Japan, South Korea, Taiwan, and Hong Kong have become increasingly important markets for the world's major agricultural exporting countries, including the United States.<sup>1</sup> As a result of rapid economic growth and limited agricultural production, these countries have become large importers of agricultural products. While imports of bulk, low-value products (LVP's) such as grains and oilseeds still account for over half of East Asia's agricultural imports, imports of high-value products (HVP's) are growing at a faster rate. Competition among suppliers for these attractive markets is keen, especially for the growing HVP trade. U.S. and other countries' interest is high in expanding HVP exports, because of the faster growth in world HVP imports and the economic benefits that accrue to a country from the additional processing, transport, and storage (1).<sup>2</sup>

This report examines trends in agricultural imports in the four East Asian countries for the period 1962-86 using a market share approach to assess the competitive position of the United States and other major exporters. Import market shares, or the share of imports accounted for by major suppliers, are presented for total agricultural imports, LVP imports, and HVP imports. Export market shares, or the share of a country's exports going to East Asia, are also given for total agricultural exports, LVP exports, and HVP exports.)

## Methodology

Import market share analysis, or the share of agricultural imports provided by exporting countries or regions, is the

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<sup>1</sup> Although Hong Kong is a colony of the United Kingdom, and Taiwan is not recognized by some countries, both will be referred to as countries. In this report, the term "East Asia" is used to refer to the four countries.

<sup>2</sup> Underscored numbers in parentheses refer to references cited at the end of this report.

primary method used to assess the competitiveness of major exporters in the East Asian markets during the period 1962-86. Nine supplying countries or regions are examined: the United States; Canada; the Association of Southeast Asian Nations (ASEAN), which includes Thailand, Indonesia, Malaysia, Singapore, the Philippines, and Brunei; Australia; New Zealand; the European Community (EC); China; Argentina; and Brazil.<sup>3</sup> Import shares are given for total agricultural imports, HVP imports, and bulk imports. In addition, export market share analysis, or the share of each country's or region's agricultural exports that go to the East Asian markets, is used to gauge the importance of the East Asian markets to the nine suppliers.

### **Classification of Products as HVP or LVP**

No generally accepted system exists for classifying products as HVP's or LVP's (3). The classifications used in this study are based on an earlier ERS study and adopt essentially the same definition of HVP's and LVP's (7). High-value products as defined here consist of three sub-sets of products: semi-processed products; highly processed products; and high-value unprocessed products.

Semi-processed products include intermediate products such as animal feeds where processed meat output is the ultimate objective. Semi-processed products include fresh, chilled, and frozen meat; wheat flour; refined sugar; coffee, cocoa, and tea; animal feeds, oilseed cake and meal; animal oils and fats; and vegetable oil.

Highly processed products are ready for final consumption and embody a substantial processing component. These products include prepared and preserved meats; milk, butter, and cheese; cereal preparations; dried, preserved, and prepared fruit; preserved and prepared vegetables; nonchocolate sugar preparations; chocolate and related products; spices; miscellaneous food preparations; wine, beer and other fermented beverages; and tobacco manufactures, mainly cigarettes.

High-value unprocessed products include only eggs, fresh fruits, nuts, and fresh vegetables. These items are included as HVP's because of their relatively high unit values. The set of LVP's is defined to include all agricultural products not defined in the three subsets of HVP's. The LVP's include bulk products such as grains and oilseeds, and relatively unprocessed but higher unit-value agricultural products such as cotton, unmanufactured tobacco, and cattle hides. The term "bulk" is often used for non-HVP products, although this term is not appropriate for some non-HVP's such as cattle hides. Likewise, the term "low unit-value product" is not appropriate for some non-HVP's with high unit values such as cotton and unmanufactured tobacco.

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<sup>3</sup> Import data for the EC were adjusted to include the current 12 member countries for the entire 1962-86 period. Data include intra-EC trade.

Classifying commodities as either HVP or LVP gives rise to apparent inconsistencies. For example, the unit value of beef cattle for breeding, an LVP, may far exceed the unit value of some fresh fruits, apples for example, which are included as HVP's because fresh fruits in general have relatively high unit values. Hides and skins, also classed as LVP's, probably undergo sufficient processing to be classed as HVP's. Even furskins, with high unit values, are included with other hides and skins. Appendix table 1 lists selected products by SITC codes.<sup>4</sup>

### Data Sources

Data used to derive the import market shares are derived from United Nations (U.N.) agricultural import data (Revision I annual SITC system), as reported by Japan, South Korea, Taiwan, and Hong Kong, and maintained in the National Institute of Health (N.I.H.) data bank. Although Taiwan has not been an official member of the United Nations since the early 1970's, the N.I.H. data files include import data for Taiwan for most years between 1962 and 1980. For 1982-86, a Taiwanese data tape was obtained from the office of the United States Trade Representative (USTR). Because the import data on the tape was coded under the different Revision II quarterly SITC system, the data were cross-referenced to assure comparability before aggregating Taiwanese data with the U.N. data for Japan, South Korea, and Hong Kong to obtain import totals and supplier shares for the entire region.

At the time of writing, 1986 was the most recent year for which the U.N. import data were available for East Asia. In order to include more recent years for the United States, Census Bureau data for 1987 and 1988 were added. U.S. exports to East Asia are used as a proxy for East Asian imports from the United States in 1987 and 1988. U.S. Schedule B commodity codes were cross-referenced to U.N. SITC codes to maintain consistent definitions of HVP's and LVP's.

The same data sources are used to derive export market shares. A limitation of the U.N. export data is that Taiwan has not been shown directly as an export destination since the early 1970's. However, exports by the selected suppliers are included in a residual for Asia designated as "not elsewhere specified" (n.e.s.). After spot-checking such data against official Taiwan data for the same exporters and commodities, in almost all instances, the U.N. export data labeled under the n.e.s. category were determined to be good proxies for actual exports to Taiwan.

### Presentation of Data

The vast number of products included in the trade data made it necessary to aggregate individual products into general groups. Data were not disaggregated beyond the 4-digit SITC level. This

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<sup>4</sup> SITC, or Standard International Trade Classification, codes are a commonly used method to classify products. There are five levels of aggregation, with the single digit having the highest level of aggregation and the five-digit code level the least aggregation, that is, the most detail.

aggregation is more relevant in the case of HVP's, which were generally grouped at the 3-digit SITC level. The approximately 30 groups of HVP's used in the analysis actually represent hundreds or thousands of products.

Data are generally given for 3-year periods (1962-64, 1969-71, 1978-80, and 1982-84) to facilitate presentation and to dampen year-to-year effects of weather or other random events on trade. The periods selected were the most appropriate given data availability and world market conditions. Data for 1985 and 1986 are presented separately because these are the most recent years where U.N. data were available at the time of writing.

### East Asia's Agricultural Imports

World agricultural imports grew steadily, and sometimes rapidly, in the sixties and seventies, but stagnated in the eighties (fig. 1). East Asia's imports have followed a similar pattern, peaking in 1984. East Asia's share of world imports grew steadily in the sixties and seventies, from 7 percent in 1962 to a high of 12 percent in 1973. However, that share remained constant in the 1980's at about 11 percent. (See App. table 2.)

Based on 1986 data, Japan is by far the largest market of the four East Asian countries, with the remaining imports fairly evenly divided among the other three countries (table 1). The

Figure 1  
World and East Asia's agricultural imports

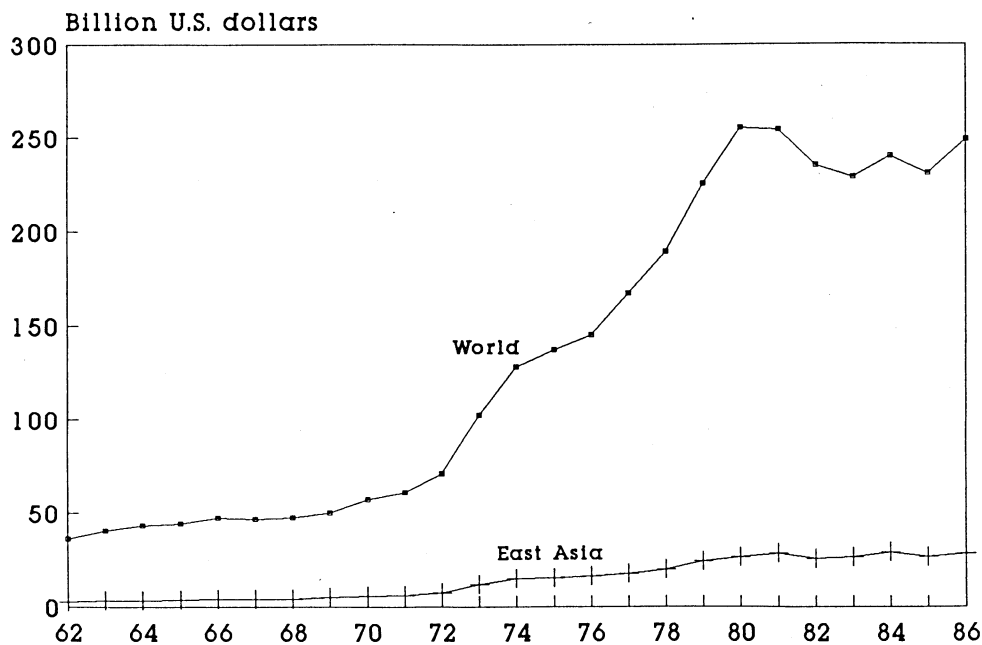


Table 1--East Asia's agricultural imports by importing country and source, 1986

Exporter/Importer	Japan	South Korea	Taiwan	Hong Kong	Total
<u>Million dollars</u>					
United States	6,006	1,389	1,281	646	9,322
New Zealand	439	65	65	52	621
Canada	991	106	95	33	1,225
EC	1,474	118	143	413	2,148
China	1,550	4/ NA	0	1,587	3,137
ASEAN	1,680	519	275	333	2,807
Australia	1,549	318	316	169	2,352
Argentina	2/	2/	17	2/	3/423
Brazil	2/	2/	31	2/	3/562
Other 1/	4,423	794	714	647	5/5,641
Total	18,112	3,309	2,937	3,880	28,238
<u>Percent</u>					
Share of total	64	12	10	14	100

1/ Includes imports from East Asian countries. Such trade amounted to 5.9 percent of total imports in 1984.

2/ Not available separately but included in "Other" below.

3/ Includes data for Japan, South Korea and Hong Kong included in "other".

4/ Not available and included under Hong Kong for re-export to South Korea.

5/ Includes imports from Argentina and Brazil.

Sources: (4, 6).

United States was the largest supplier to each market, except for Hong Kong, where it was second after China.

For the past several decades, the economies of the four East Asian countries have been marked by rapid economic growth and strong export performance. Growth in agricultural imports has also been significant. Growth in HVP imports generally exceeded growth in LVP imports and often exceeded growth in gross domestic product (table 2). Growth in all levels of agricultural imports was generally slower in the 1977-86 period compared with the 1967-76 period. Since income and population growth are major factors affecting import demand, this result is consistent with the slower growth rates in GDP and population generally observed in the second period.

East Asia's agricultural imports have been greatly influenced by government agricultural and trade policies, which, except for Hong Kong, have resulted in highly protected agricultural sectors. Japan, Korea, and Taiwan maintain an extensive array of trade barriers on many agricultural products (tables 3-5).

Despite the rapid growth in agricultural imports, many exporting countries feel they could export even more if these trade barriers were removed.

U.S. bilateral and other agreements with Japan, South Korea, and Taiwan have eliminated or reduced some import barriers. Further

Table 2--East Asia: Compound annual growth rates for selected economic variables 1/

Variable	1967-76	1977-86	1967-86
	<u>Percent</u>		
<b>Japan:</b>			
GDP	15.6	7.1	11.4
Consumer price index	8.9	3.8	6.3
Population	1.2	.7	1.0
Agricultural imports	13.6	4.5	9.0
LVP's	12.1	1.9	6.9
HVP's	19.7	9.7	14.6
<b>South Korea:</b>			
GDP	29.3	20.6	24.9
Consumer price index	14.1	10.8	12.4
Population	2.0	1.5	1.7
Agricultural imports	23.5	9.5	16.3
LVP's	24.4	8.9	16.4
HVP's	15.1	15.8	15.4
<b>Taiwan:</b>			
GDP	19.2	14.2	16.7
Consumer price index	8.3	6.1	7.2
Population	2.1	1.7	1.9
Agricultural imports	25.0	9.1	16.7
LVP's	24.9	7.9	16.1
HVP's	25.4	14.6	19.9
<b>Hong Kong:</b>			
GDP	16.8	17.4	17.0
Consumer price index	6.7	8.7	7.7
Population	2.2	2.0	2.1
Agricultural imports	13.4	7.1	10.2
LVP's	14.1	9.2	11.6
HVP's	25.4	14.6	19.9

1/ All growth rates are in nominal values.

Sources: (2, 5, 8, 11).

liberalization may result from current multilateral negotiations under the General Agreement on Tarriffs and Trade (GATT). Examples of recent progress in opening East Asian markets include:

- o ending Japanese tariffs on manufactured tobacco products in April 1987;
- o a bilateral agreement on July 5, 1988, between the United States and Japan which removes import quotas on beef and oranges after 3 years and those on orange juice after 4 years (to be replaced by tariffs). Japanese beef import quotas will increase 60,000 tons annually until termination in early 1991;

Table 3--Japanese trade practices

Commodity	Policy or practice	Reason for the barrier	1987 imports from the U.S.
			<u>Million dollars</u>
Feed grains	Restrictions on number of feed mills through licensing, tariff on compound feed imports	Protect feed industry	1,210
Corn	Tariff quota on corn for industrial use	Protect potato starch industry	1,022
Rice	State trading	Protect producers	.4
Vegetable oils	Higher tariff imposed on unrefined oils with low acid content	Protect refiners	33
In-shell peanuts	Plant quarantine restrictions	Protect producers	0
Peanuts	Import quota; cartel marketing policies	Same as above	14
Beef cattle	Lack of quarantine facilities; tariff quota; high tariff on fat cattle	Protect producers; budget constraints	12
Pork, fresh, chilled, frozen	Variable levy	Protect domestic industry	90
Poultry, especially boneless and further processed	Tariff	Same as above	95
Eggs	Same as above	Protect producers	27
Canned fruit	Ban on use of sodium benzoate as preservative	Protect health	16

Source: (9).

- o phasing out of Japanese import quotas on eight categories of processed agricultural products by April 1990, as a result of a ruling by the GATT;
- o recent South Korean and Taiwanese tariff reductions on selected agricultural products;
- o the establishment of a South Korean beef import quota since 1988 following a ban on beef imports for general consumption since 1984 and for tourist hotels since 1985; and
- o the lifting or easing of Korean restrictions on imports of cigarettes and wine and related products in 1988 and early 1989.

Many exporting countries fill East Asia's demands for a highly diverse range of imported products. In terms of import market share, the United States has been the dominant supplier over the

Table 4--Taiwanese trade practices

Commodity	Policy or practice	Reason for the barrier	1987 imports from the U.S.
			<u>Million dollars</u>
Wheat	Quota; special levy to pay for rice diversion	Reduce rice surplus; protect rice producers	107
Peanuts	Imports banned	Protect producers	0
Edible offals	Same as above	Same as above	0
Chicken and parts	Same as above	Same as above	0
Apples	Restrictive import licensing; high duties	Same as above	17
Grapefruit	Same as above	Same as above	5.4
Oranges	Same as above	Same as above	3.0
Grapes	Same as above	Same as above	8.2
Prepared pecans	High duties	Same as above	NA
Prepared macadamia nuts	Same as above	Same as above	NA
Cereal flour	Restrictive import licensing	Same as above	.04
Rice	Same as above	Same as above	.2

NA = Not applicable or not available. Trade data based on Taiwan customs statistics.  
Source: (9).

Table 5--South Korean trade practices

Commodity	Policy or practice	Reason for the barrier	1987 imports from the U.S.
			<u>Million dollars</u>
Corn	Import quotas: Upper limit on grain use in feed	Encourage domestic production; curb growth of livestock sector	370.8
Barley	Ban on imports for feed	Same as above	0
Nongrain feed ingredients	Restrictive licensing (most products banned)	Encourage domestic production	10.0
Cereal seeds	Quotas; standards; restrictive licensing	Same as above	.9
Peanuts	Restrictive licensing	Protect producers	.08
Soybean meal	Quota	Protect domestic industry	8.7
Confectionery sunflowerseed	Imports banned	Same as above	.002

Continued--



Table 5--South Korean trade practices--Continued

Commodity	Policy or practice	Reason for the barrier	1987 imports from the U.S.
			<u>Million dollars</u>
Vegetable oils	Restrictive licensing; tariff favoring palm oil	Protect domestic industry	5.4
Soy protein concentrate, textured vegetable proteins	High tariff (30%); lack of products awareness	Same as above	.3
Beef	Quota	Protect farmers	1.7
Pork products	Restrictive licensing (virtual ban)	Protect pork and beef producers	0
Offals	Restrictive licensing	Protect pork industry	0
Dairy products	Restrictive licensing (most products banned)	Protect dairy industry	.7
Fresh fruits, tree nuts, and vegetables <sup>1/</sup>	Restrictive import licensing--virtual ban except for imports through the Korea Tourist Hotel Supply Center	Protect farmers	.5
Canned and frozen fruit	Restrictive licensing	Same as above	1.5
Orange juice concentrate	Quantity limited by quota	Protect domestic citrus industry	4.8
Other fruit juices	Restrictive licensing; high tariffs	Protect domestic industry	.8
Wine	Import quota; 30% import duty plus industry taxes	Protect wine industry	.1
Chocolate confectionery	High duty	Protect domestic industry	.6
Alfalfa pellets and cubes	Quota; tariff	Same as above	1.0

<sup>1/</sup> Except 30-50 percent tariff for grapefruit, lemons, raisins, prunes, almonds, and cherries.

Note: Korean trade statistics, except U.S. data for cereal seeds, soybean meal, vegetable oils, fresh fruit, tree nuts and vegetables, canned and frozen fruit, other fruit juices, and alfalfa.

Source: (9).

1962-86 period, although the U.S. share in 1986 was down sharply from the peak of 41 percent in 1982-84 (table 6). (Actual value data available in app. table 3.) The decline in the U.S. share primarily reflects sharp drops in imports of U.S. cotton and coarse grains because U.S. prices were not competitive with those of other suppliers. U.S. exports also suffered from the effects of a strong U.S. dollar, which made U.S. exports more expensive for these countries in terms of their national currencies.

Australia's share has declined, while ASEAN, China, and the EC have increased their overall share of East Asia's agricultural imports. The EC's HVP exports have benefited from a combination

Table 6--East Asia's agricultural imports, by supplier share

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	30	32	40	41	37	33
ASEAN	7	7	9	9	9	10
Australia	14	12	11	9	9	8
Canada	4	4	5	5	5	4
New Zealand	1	2	2	2	2	2
China	6	7	7	9	11	11
EC	3	4	6	5	6	7
Argentina	1	2	2	1	1	2
Brazil	1	2	1	2	2	2
Other <sup>1/</sup>	32	28	18	17	17	20
Total <sup>2/</sup>	100	100	100	100	100	100

<sup>1/</sup> Includes intraregional trade among East Asian countries, which amounted to 5.9 percent of total imports in 1984. <sup>2/</sup> Totals may not add due to rounding.

Sources: (4, 6).

of export and processing subsidies (1). In the eighties, China's exports benefited from growing agricultural productivity and aggressive export policies, especially for corn and cotton. Policies in the ASEAN countries of Thailand, Indonesia, and Malaysia have emphasized exports, which has enhanced their competitiveness in the East Asian markets for many commodities, including poultry, fruits and vegetables, sugar, tropical beverages and spices, corn, palm oil, and natural rubber.

Growth in total agricultural, HVP, and LVP imports from the United States generally exceeded growth in imports from other suppliers in the periods 1963-72 and 1973-82 (table 7). However, in the 1983-86 period, growth in U.S. imports lagged growth in imports from the rest of the world. U.S. export performance in East Asia declined relative to the total of other suppliers in the mid-eighties. On a more positive note, East Asia's HVP imports from the United States grew faster than LVP imports in the 1973-82 and 1983-86 periods.

#### Imports of Low-Value Products

LVP's account for over half of East Asia's agricultural imports, but this share dropped from 84 percent in 1962 to 60 percent in 1986 (fig. 2). Wheat and corn dominate cereal imports, while soybeans are the primary oilseed import. Only six products--wheat, corn, soybeans, cotton, wool and other hair, and hides and skins--have accounted for about 60 percent of the value of East Asia's LVP imports (table 8). This share has changed little since 1969-71. (Volume data are in App. table 4.)

The demand for some LVP imports is a function of demand for East Asia's exports. East Asia's textile industries require imported

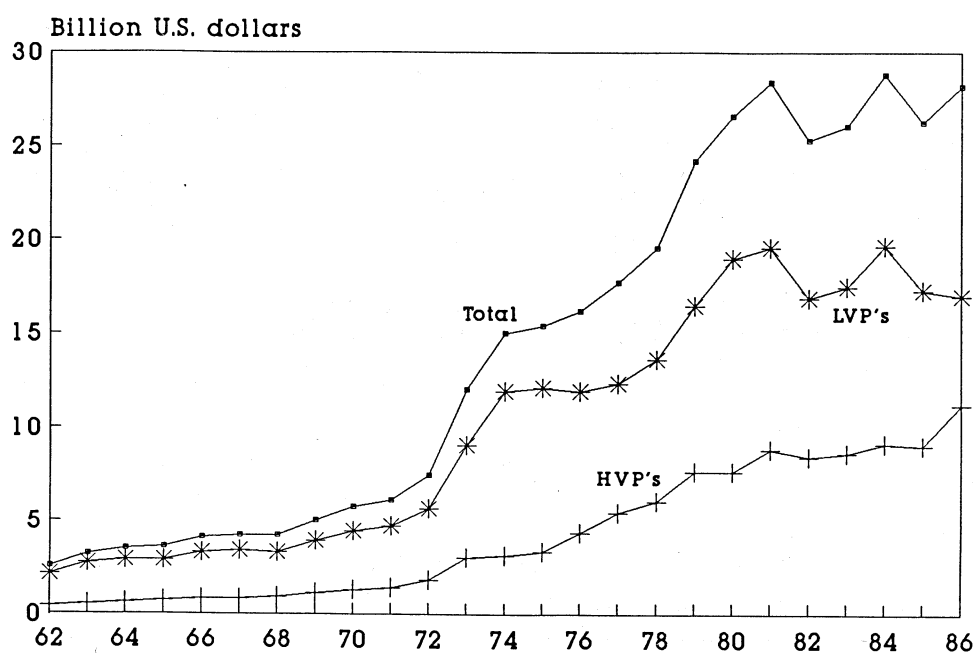
Table 7--Growth in East Asia's agricultural imports from world and United States 1/

Period	HVP imports		LVP imports		Total imports	
	World	United States	World	United States	World	United States
	Percent					
1963-72	15.9	10.8	10.3	12.9	11.4	12.5
1973-82	16.5	19.3	11.7	15.4	13.1	16.1
1983-86	7.5	6.8	.3	-4.7	2.8	-2.1

1/ Compound annual growth rates.

Sources: Derived from (4, 6).

Figure 2  
East Asia's imports of HVP's and LVP's



raw cotton and wool. Leather industries in Japan, South Korea, and Taiwan require imported hides and skins.

The demand for other LVP's is a function of rising incomes and changing tastes. For example, rising per capita incomes lead many consumers to substitute wheat products for rice products or to supplement diets by adding wheat products, thus increasing demand for wheat. Growing demand for livestock products lead to expanding livestock production in Japan, South Korea, and Taiwan, which requires grain for feed and soybeans to crush for protein meal.

#### Import Market Share

As with total agricultural imports, the United States has the largest share of the LVP market (table 9). (Actual value data

Table 8--East Asia's LVP imports

Commodity	1962-64	1969-71	1978-80	1982-84	1985	1986
<u>Million dollars</u>						
<b>Cereals:</b>						
Wheat	285	464	1,493	1,647	1,570	1,457
Rice	99	201	285	227	120	116
Barley	23	62	274	281	263	176
Corn	175	427	2,294	3,065	2,780	2,397
Rye	0	5	7	39	36	30
Oats	0	8	24	19	17	13
Other cereals, unmilled	44	224	711	675	719	632
<b>Selected oilseeds:</b>						
Soybeans	180	428	1,653	1,907	1,821	1,702
Peanuts	6	20	73	96	74	84
Copra	17	24	38	39	46	26
Palm kernels	4	5	4	5	5	1
Cottonseed	13	23	16	15	20	17
Linseed	13	17	30	30	29	23
<b>Miscellaneous:</b>						
Cotton	542	683	2,351	2,414	2,128	1,740
Wool and other hair	394	408	998	1,143	1,306	1,251
Tobacco, unmanufactured	48	91	501	574	524	496
Natural rubber and gums	119	153	713	672	635	685
Hides and skins	64	112	809	971	1,200	1,676
Sugar, raw	194	292	1,108	606	353	450
Live animals	60	108	377	413	363	394
Other	216	551	2,586	3,165	3,288	3,706
<b>Total LVP imports</b>	<b>2,496</b>	<b>4,306</b>	<b>16,345</b>	<b>18,003</b>	<b>17,297</b>	<b>17,072</b>
<u>Percent</u>						
Six commodities <sup>1/</sup>	66	59	59	62	62	60

-- = Less than \$1 million.

<sup>1/</sup> Wheat, corn, soybeans, cotton, wool and hair, and hides and skins.

Sources: (4, 6).

Table 9--East Asia's LVP imports, by supplier share

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
<u>Percent</u>						
United States	30	35	47	49	45	39
Canada	5	5	5	6	7	6
EC	2	3	4	3	4	5
China	5	5	6	8	11	11
ASEAN	8	8	9	8	7	9
Australia	16	12	10	8	10	9
New Zealand	1	1	1	1	1	1
Brazil	1	2	*	1	1	1
Argentina	1	3	2	2	2	2
Other	31	26	16	14	12	17
<b>Total <sup>1/</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* = less than 1 percent. <sup>1/</sup> Totals may not add due to rounding.

Sources: (4, 6).

available in app. table 5.) The U.S. share declined sharply between 1982-84 and 1986. China's share of East Asia's LVP market more than doubled from 1962-64 to 1986, and China overtook Australia as the second leading supplier of LVP imports. China's increasing penetration of East Asia's LVP market, especially in the mid-eighties, was mainly at the expense of U.S. corn and cotton. Australia's share declined in the sixties and seventies, but steadied in the eighties. The ASEAN (7-9 percent) and Canadian (5-7 percent) shares were relatively unchanged over 1962-86. The EC's share increased gradually from 2 percent in 1962-64 to 5 percent in 1986.

### Export Market Share

The East Asian countries have become increasingly important markets for many countries' LVP exports. Fully one-third of all U.S. exports of LVP's went to East Asia in 1986 compared with only 18 percent in 1962-64 (table 10). Even though the value of U.S. exports to East Asia fell in 1985 and 1986, the share of U.S. exports going to the region increased. The shares of Canadian, ASEAN, and New Zealand LVP exports going to East Asia have also increased. Australia has consistently marketed a quarter or more of its LVP exports to East Asia. The share of Argentina's exports to East Asia has varied widely, rebounding to a relatively high 13 percent in 1986, slightly above that in 1969-71.

The EC exported 3 percent of its LVP's to East Asia in 1986, unchanged from 1982-84 and slightly above the 2 percent of 1969-71. Most EC exports of LVP's go to other EC-member countries.

### Products and Competitors

This section describes the composition of East Asia LVP imports for 1962-86, and analyzes performance of the United States and the eight other competitors in these markets. Import shares are

Table 10--East Asia's LVP's imports: Export market share for major suppliers

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	18	27	25	28	32	33
Canada	10	13	17	15	18	20
EC	1	2	2	3	2	3
ASEAN	14	16	18	19	23	28
Australia	25	31	28	24	23	28
New Zealand	5	9	15	20	17	18
Brazil	10	16	3	4	6	NA
Argentina	4	11	9	7	6	13
Other	16	12	8	10	12	9

NA = Not applicable or not available.

Sources: (4, 6).

given for the major products, including wheat, corn, soybeans, cotton, wool/hair, hides and skins, and unmanufactured tobacco.

Throughout the 1962-86 period, the United States was the leading and often dominant supplier of many of East Asia's LVP imports (table 11). In 1986, the United States had the leading import share for wheat, corn, cotton, soybeans, hides and skins, and unmanufactured tobacco. These six commodities accounted for 60 percent of East Asia's total LVP import value. Other important suppliers in terms of import market shares were: wheat--Australia and Canada; corn--China, Argentina, and ASEAN (Thailand); soybeans--China; cotton--Australia and China; hides and skins--the EC, Canada, China, Australia, and New Zealand; and unmanufactured tobacco--the EC and ASEAN.

### Cereals

Cereals accounted for 28 percent of East Asia's total LVP imports in 1986. The U.S. share of cereal imports was 55 percent in 1986, down from 68 percent in 1978-80. Corn and wheat accounted for 90 percent of the value of East Asia's 1986 cereal imports from the United States. Canada and Australia are major U.S. competitors in the East Asian wheat market. Together, the United States (60 percent of the market), Canada (23 percent), and Australia (15 percent) supplied nearly all the region's wheat imports over the period. Growth in the volume of wheat imports slowed in the eighties compared with the two earlier decades as a result of increased wheat production and larger imports of wheat products.

The United States has also been the leading supplier of feed grains, mostly corn. In 1984, the United States dominated with a 95-percent share, although that share has since fallen. China became a major competitor in the East Asian corn market in 1985; in 1986 its share reached 13 percent. However, Chinese exports have fallen since then because of reduced supplies for export.

Thailand, an ASEAN member, has long been a corn exporter, but its share of the market has fallen sharply as its own domestic consumption has grown. Argentina, generally a minor supplier, had an import share of 7 percent in 1986.

The United States and Argentina were the major competitors in East Asia's sorghum import market throughout the seventies and eighties, followed by Australia which usually supplied less than 15 percent. The only notable exception to this pattern was in 1980 and 1981 when Argentina's share of the East Asian sorghum market dropped to almost zero when it diverted its sorghum to the Soviet market during the 16-month partial U.S. trade embargo against the Soviet Union. The U.S. share more than doubled from 1978 and 1979 levels to exceed 80 percent. In contrast, the region's total sorghum imports, and those of U.S. origin, declined sharply in 1983, when the U.S. payment-in-kind (PIK) diversion program was in effect and relative prices favored substitution of corn in livestock rations.

Table 11--Major LVP imports of East Asia and supplier shares

Commodity/year	Imports	U.S.	ASEAN	EC	Australia	Canada	New Zealand	China	Argentina	Brazil	Other
	Million dollars	----- Percent -----									
<b>Wheat:</b>											
1986	1,457	60	0	1	15	23	0	0	1	0	0
1984	1,687	62	0	0	16	20	0	0	0	0	2
1978	1,179	70	0	0	13	17	0	0	0	0	0
1971	503	60	0	0	20	20	0	0	0	0	0
1964	330	53	0	1	13	33	0	0	0	0	0
<b>Corn:</b>											
1986	2,397	62	6	0	0	0	0	13	7	0	12
1984	3,311	95	1	0	0	0	0	2	1	0	1
1978	1,758	81	4	0	0	0	0	0	1	0	14
1971	436	51	22	0	0	0	0	1	7	5	14
1964	16	47	23	0	0	0	0	4	1	0	25
<b>Soybeans:</b>											
1986	1,702	92	0	0	0	1	0	5	0	2	0
1984	2,124	94	0	0	0	1	0	5	0	0	0
1978	1,447	97	0	0	0	1	0	2	0	0	0
1971	500	92	0	0	0	0	0	8	0	0	0
1964	207	85	0	0	0	0	0	15	0	0	0
<b>Cotton:</b>											
1986	1,740	25	0	0	12	0	0	12	1	1	50
1984	2,651	53	0	0	7	0	0	7	5	0	32
1978	2,112	53	0	0	1	0	0	0	1	1	40
1971	775	37	0	1	0	0	0	0	0	8	53
1964	543	36	0	0	0	0	0	0	0	4	60
<b>Wool/hair:</b>											
1986	1,251	1	1	7	55	0	11	9	2	0	14
1984	1,250	0	1	7	50	0	12	12	2	0	16
1978	864	0	2	4	70	0	11	5	2	0	6
1971	331	0	0	2	79	0	6	1	2	0	10
1964	424	0	0	3	78	0	5	1	3	0	10
<b>Hides and skins:</b>											
1986	1,676	64	1	8	3	6	2	3	0	0	13
1984	1,224	63	1	7	4	6	2	3	0	0	14
1978	713	66	1	5	11	4	4	1	0	0	8
1971	102	63	3	7	12	3	2	1	1	0	8
1964	62	57	6	6	12	3	1	2	2	1	10
<b>Unmanufactured tobacco:</b>											
1986	496	75	2	6	0	0	0	1	0	1	15
1984	567	71	2	8	0	0	0	2	0	1	16
1978	490	70	4	7	0	1	0	2	0	1	15
1971	113	66	5	8	0	0	0	0	0	0	21
1964	58	65	4	4	0	2	0	1	0	0	24
<b>All other LVP's:</b>											
1986	6,355	14	21	10	7	8	1	18	3	1	17
1984	7,018	15	20	8	8	11	0	16	4	1	17
1978	5,118	14	19	8	12	8	1	15	6	1	16
1971	1,986	16	13	5	10	7	0	13	4	4	28
1964	976	17	19	3	7	3	0	10	2	0	39

Sources: (4, 6).

## Oilseeds

In 1986, oilseeds accounted for 13 percent of East Asia's total LVP imports. Soybeans made up 71 percent of the total value of oilseed imports. Over the last quarter century, the United States has dominated the soybean and, to a lesser extent, the total oilseed import market. In 1986, the U.S. share of soybean imports rose slightly to 92 percent, and its share of the oilseeds market was 70 percent.

Brazil, Argentina, China, and Canada fill the East Asian soybean import needs not covered by the United States. Canada supplies only food-use soybeans. For total oilseeds, Canada, with large rapeseed exports, was a major U.S. competitor in 1986 in East Asia with a 14-percent share, followed by China with 9 percent.

## Cotton

East Asian imports of raw cotton totaled \$1.74 billion in 1986. The United States has been the major supplier, although its dominance was eroded sharply in the mid-eighties before the marketing loan provisions of the 1985 Food Security Act took effect. (This provision allows U.S. exports to be sold at prevailing world prices, even if U.S. farm prices are higher.) China and Australia, each with 12-percent shares in 1986, are major competitors. Since the mid-eighties, China has increased its share to 15-20 percent. Since 1986, the rebound in U.S. exports to East Asia has resulted in lower shares for Australia, Pakistan, and the USSR.

## Hides and Skins

Imports of hides and skins (including furskins) totaled \$1.7 billion in 1986, a 25-fold increase from 1962-64. Hides and skins are manufactured into products such as clothing, shoes, and accessories that are mainly re-exported. Imports rose sharply during the sixties and seventies as Japan, Korea, and Taiwan developed tanning and other leather-working and apparel industries to fill both domestic and export demand. South Korea and Japan are the leading East Asian importers of hides and skins.

The U.S. share of East Asia's market for hides and skins has been high the past 25 years, over 60 percent since 1971. The EC, Canada, China, Australia, and New Zealand compete in this market, each with less than 10-percent shares in 1986. Australia expanded its tanning and leather industry in the eighties to increase the value of domestic processing, and more hides and skins are now used domestically. As a result, Australia's share fell sharply in the eighties and was only 3 percent in 1986. As recently as 1978-80 its share was 10 percent.

## Wool and Other Hair

East Asian imports of wool and other animal hair totaled \$1.3 billion in 1986 and accounted for 7 percent of total LVP imports.



Wool imports have varied over the 25 years in competition with other fibers, including cotton and manmade fibers. Although East Asia's textile industry, which except in Japan is geared largely to exports, expanded sharply during the period, the volume of wool imports peaked in 1969-71 while cotton imports continued to increase. The U.S. share of the wool market has been negligible over the last 25 years and was less than 1 percent in 1986. Australia, New Zealand, China, and the EC have the highest shares of East Asia's import market, led by Australia's 55-percent share in 1986. Australia's large market share is attributed to its proximity and reputation as an exporter of high-quality apparel wools, such as the merino type. New Zealand's wool exports are primarily for use in carpet manufacturing. Wool exports of the United States are dominated by types suitable for apparel use.

#### Unmanufactured Tobacco

The East Asian market for unmanufactured tobacco, \$496 million in 1986, has been steady since the late seventies. Import volume and value grew the most in the seventies. The United States has been the dominant supplier for the past 25 years, with 75-percent shares in 1985 and 1986. The EC was the leading competitor with a 6-percent share in 1986, followed by ASEAN, China, and Brazil with 1 to 2 percent each. Recent liberalization of Japanese and South Korean cigarette imports has already resulted in greater imports of processed tobacco products, which have displaced unprocessed tobacco imports used in domestic cigarette manufacturing.

#### Natural Rubber and Gums

In 1986, East Asian imports of natural rubber and gums totaled \$685 million. Import volume has trended up over the past 25 years, with virtually all supplied by Malaysia and Indonesia, the world's leading producers and exporters. The United States, while not a player in the region's natural rubber market, is a major supplier of synthetic rubber products.

#### Raw Sugar

Imports of raw sugar by East Asia amounted to \$450 million in 1986, 27 percent more than in 1985 but far below the \$1.1 billion in 1978-80 when sugar prices were much higher. East Asian countries have the facilities to process raw sugar but are not major producers and instead rely heavily on imports. The major suppliers of raw sugar to East Asia in the eighties have been ASEAN and Australia, each with a 30-percent market share in 1986. The United States, a net sugar importer, does not export raw sugar.

#### Live Animals

East Asia imported \$394 million of live animals in 1986. Hogs, poultry, and cattle, respectively, were the major imports in value terms in 1986. The U.S. share of the market was 11 percent, near the upper end of its range over the past decade.

The top U.S. sales were of cattle and horses. China dominated the market (71 percent) with large sales to Hong Kong, followed by the United States, the EC (7 percent), and Australia (6 percent).

### LVP Imports from the United States

The bulk of the East Asian countries' imports from the United States have been LVP's, although the share of LVP's in total imports has been dropping (fig. 3). LVP's accounted for 86 percent of total agricultural imports from the United States in 1962, but only 72 percent in 1986. Corn, soybeans, hides and skins, cotton, wheat, and unmanufactured tobacco have made up over 85 percent of total U.S. shipments over the period (table 12). (Volume data available in app. table 6.)

The relative importance of U.S. commodities in the import mix has changed over the period. Corn and hides and skins accounted for a much larger share of total LVP imports from the United States in 1986 than in 1962-64. Corn's share in U.S. exports has grown from 10 to 22 percent, and hides and skins from 5 to 16 percent.

The share accounted for by wheat (from 19 to 13 percent) and cotton (from 27 to 6 percent) has fallen, while that for soybeans has been stable at about 20 percent. Cotton has rebounded since 1986, a particularly poor year for U.S. exports.

At the time of writing, the U.N. import data were not available after 1986. Data on U.S. exports to East Asia in 1987 and 1988

Figure 3  
East Asia's agricultural imports from the United States

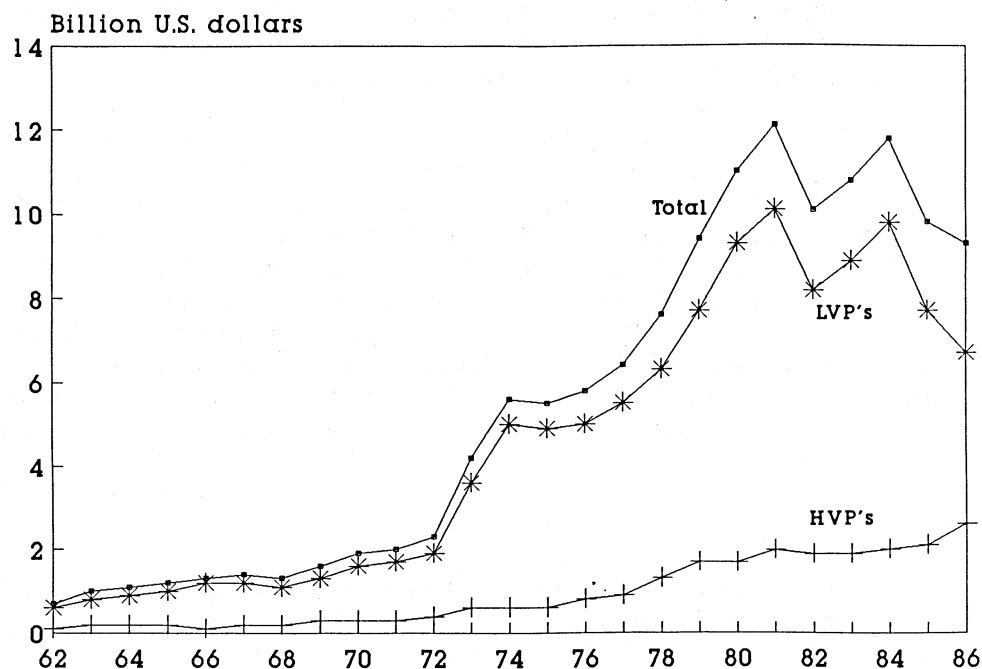


Table 12--East Asia's LVP imports from the United States

Commodity	1962-64	1969-71	1978-80	1982-84	1985	1986
<u>Million dollars</u>						
<b>Cereals:</b>						
Wheat	146	282	1,029	1,094	1,003	879
Rice	5	75	85	--	--	1
Barley	17	5	35	79	34	15
Corn	76	248	1,968	2,726	2,117	1,486
Other cereals, unmilled	37	118	387	279	332	248
<b>Oilseeds:</b>						
Soybeans	154	387	1,575	1,812	1,628	1,558
Peanuts	--	2	26	23	22	20
<b>Miscellaneous:</b>						
Cotton	204	199	1,297	1,293	974	433
Tobacco	33	63	353	400	391	372
Hides and skins	37	67	520	596	750	1,066
Live animals	2	7	48	40	28	44
Other LVP's	49	72	327	501	458	569
<b>Total LVP</b>	<b>760</b>	<b>1,525</b>	<b>7,650</b>	<b>8,843</b>	<b>7,737</b>	<b>6,991</b>
<u>Percent</u>						
Six commodities 1/	86	82	88	89	89	87

-- = less than \$500,000.

1/ Wheat, corn, soybeans, cotton, tobacco, and hides and skins.

Sources: (4, 6).

from the U.S. Census Bureau are included to illustrate the continued high concentration of LVP's in the total value of U.S. exports (table 13). LVP imports from the United States rebounded sharply in 1987 and 1988, led by increases in corn and cotton, partly from more competitive prices that resulted from the 1985 Food Security Act.

### Imports of High-Value Products

HVP's, the fastest growing portion of East Asia's agricultural imports, accounted for 40 percent of East Asia's \$28.2 billion of agricultural imports in 1986, up from 16 percent in 1962. East Asia's rapid economic development has raised per capita incomes and resulted in growing consumption and imports of meats, milk, eggs, fresh fruits and vegetables, and other processed foods. East Asia has switched from importing grains (an LVP) to feed domestic livestock to importing meats (an HVP) as a result of policy changes that reduced barriers on meat imports. Also, physical constraints and environmental concerns have limited growth in meat production. Consumption of convenience or consumer-ready food items is increasing rapidly. Semi-processed products, such as vegetable oils, are imported for use in manufacturing highly processed consumer-ready products. High-value unprocessed items, such as fresh fruits and vegetables, are

Table 13--U.S. LVP exports to East Asia, 1987 and 1988

Commodity	Quantity		Value	
	1987	1988	1987	1988
	- - - 1,000 tons - - -		- - Million dollars - -	
<b>Cereals:</b>				
Wheat	5,863	5,919	685	858
Rice	14	8	4	3
Barley	0	107	0	14
Corn	20,410	22,636	1,630	2,492
Other cereals <sup>1/</sup>	2,834	2,202	226	233
Soybeans	6,917	6,467	1,414	1,797
Cotton	755	681	883	1,026
Tobacco	58	NA	356	339
Hides, skins, furskins	NA	NA	179	1,317
Other	NA	NA	<u>2/</u> 488	<u>2/</u> 583
			<u>Percent</u>	
LVP share of total	NA	NA	73	72

NA = Not applicable or not available.

<sup>1/</sup> Almost exclusively grain sorghum but includes some buckwheat and canary seed.

<sup>2/</sup> ERS estimate.

Source: (10).

imported because they are not produced in sufficient quantities locally or are seasonal.

### Import Market Share

East Asia's HVP imports totaled \$11.2 billion in 1986. Similar to LVP imports, the United States has the largest share of East Asia's HVP import market (table 14). (Value data available in app. table 7.) The U.S. share of East Asia's HVP market over the 25 years fell from 28 percent to 24 percent, although the share held constant during the eighties. China and the EC were the major U.S. competitors in the sixties and seventies. In the eighties, the ASEAN countries gained market share. Australia's share has fluctuated over the period; its 11-percent share in 1978-80, second only to the U.S. 23 percent, declined to 7 percent in 1986.

### Export Market Share

East Asia has taken an increasingly large share of world exports of HVP's. East Asia was the destination for almost 25 percent of U.S. HVP exports in 1986 (table 15). East Asia took 29 percent of Australia's HVP exports in 1986, down slightly from the high of 32 percent in 1982-84. Over the 25-year period, the percentage of Australian and New Zealand HVP exports that went to East Asia showed a sixfold increase. Australia and New Zealand found new trade opportunities in East Asia after their ties with Europe weakened in 1973 when the United Kingdom joined the European Community. Canada shipped 10 percent of its total HVP

Table 14--East Asia's HVP imports, by supplier share

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	28	21	23	23	23	24
New Zealand	3	5	4	4	4	3
Canada	2	2	4	4	3	3
EC	8	9	10	9	11	11
China	14	13	10	12	11	11
ASEAN	3	4	10	10	12	12
Australia	5	9	11	10	7	7
Brazil	2	3	3	4	5	4
Other	35	34	25	24	24	25
Total	100	100	100	100	100	100

Sources: (4, 6).

Table 15--East Asia's HVP imports: Export market share for major suppliers

Exporter	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	7	9	15	19	21	24
Canada	2	5	17	14	10	10
EC	1	1	1	1	2	2
ASEAN	5	8	10	12	15	17
Australia	4	12	26	32	30	29
New Zealand	2	7	11	12	12	14
Brazil	1	2	3	4	4	NA
Argentina	2	2	2	2	1	2

NA = Not available.

Sources: (4, 6).

exports to East Asia in 1986, down from 17 percent in 1978-80 but up from 2 percent in 1962-64.

Livestock HVP's accounted for more than half the value of HVP exports to East Asia in 1986 for the EC, Australia, New Zealand, Canada, and Argentina (table 16). In 1986, U.S. shipments of livestock and fruit, nut, and vegetable (f.n.v.) products to East Asia accounted for 76 percent of U.S. HVP exports to the region. ASEAN HVP exports to East Asia consisted mainly of f.n.v.'s and tropical products. Livestock products, primarily fresh, chilled, or frozen meats, dominated Australia's HVP marketings in East Asia in 1986. In the sixties, cereal HVP exports accounted for a major share of Australia's exports to the region.

New Zealand HVP exports to East Asian markets consist increasingly of f.n.v.'s, whereas in 1962 its HVP exports to East Asia were almost totally livestock products. China's 1986 shipments to

Table 16--Distribution of HVP exports to East Asia, by product group

Supplier	Livestock	Cereals	Fruits, nuts, and vegetables	Tropical products	Oilseed products	Miscellaneous
	<u>Percent</u>					
United States:						
1986	40	1	36	12	32	18
1962	38	13	21	16	4	8
Canada:						
1986	63	16	70	1	3	1
1962	37	61	1	1	0	0
EC:						
1986	55	12	7	11	2	13
1962	32	12	23	2	23	23
Australia:						
1986	82	7	6	2	6	3
1962	46	39	15	0	0	0
New Zealand:						
1986	61	0	36	3	0	0
1962	99	0	1	0	0	0
ASEAN:						
1986	14	3	4	24	13	2
1962	5	18	29	20	26	2
China: <sup>1/</sup>						
1986	24	3	50	13	6	4
Argentina: <sup>1/</sup>						
1986	68	19	3	0	5	5
Brazil:						
1986	14	0	5	7	6	0
1962	0	0	0	99	1	0
Other: <sup>1/</sup>						
1986	30	3	29	33	2	3

<sup>1/</sup> Data not available for 1962.

Sources: (4, 6).

those markets were highly specialized with nearly 75 percent of the value attributed to f.n.v.'s and livestock products. Argentina's exports to East Asia over 1962-86 increasingly consisted of livestock products due to greatly expanded sales of meat and fishmeal to East Asia since the mid-seventies. Brazil's exports were mostly tropical products although exports of fresh, chilled, and frozen meats grew.

### Products and Competitors

East Asia's HVP imports are concentrated in three groups: livestock; fruits, nuts, and vegetables (f.n.v.); and tropical products (table 17). These three groups accounted for about 85 percent of the total HVP import bill of \$11.2 billion in 1986. Semi-processed products composed more than half of the value of East Asia's total HVP imports in 1986 (table 18). Japan took about 70 percent of all HVP imports in 1985 and 1986. Japan accounted for about 80 percent of the imported semi-processed HVP's, more than 70 percent of the unprocessed HVP's, and about 60 percent of the highly processed, consumer-ready HVP's.

Table 17--East Asia's HVP imports, by product groups

Product group 1/	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Million dollars</u>					
Livestock	155	427	2,844	3,405	3,354	4,176
Cereals	47	84	346	438	381	431
Fruits, nuts, and vegetables	148	428	1,895	2,484	2,627	3,273
Tropical products	113	189	1,181	1,277	1,459	1,983
Oilseed products	31	63	409	490	456	457
Other	48	105	449	608	707	846
Total HVP imports	542	1,296	7,124	8,702	8,984	11,166
	<u>Percent</u>					
HVP share of total imports	18	23	30	33	34	40

1/ See App. table 8 for a listing by SITC code of the individual products in each product group.  
Sources: (4, 6).

Meat accounted for about 50 percent of East Asia's semi-processed imports in 1986, and coffee and products about 22 percent. Fresh fruits and nuts dominate high-value unprocessed imports, vegetables, milk and cream, cereal preparations, and tobacco manufactures, the top item with 15 percent of the total.

### Livestock

Between 1962 and 1986, the value of HVP livestock imports showed a 36-fold increase. Meats, which now account for well over 50 percent of all livestock product imports, compared with about 25 percent in the early sixties, constituted about 25 percent of East Asia's total HVP imports in 1986. In 1986, the United States provided 25 percent of East Asia's \$4.2-billion livestock HVP market (table 19). Of total livestock HVP's imported from the United States in 1986, meats accounted for 77 percent of sales. The U.S. share in 1986 was down sharply from 36 percent in 1962-64, but the share increased between 1969-71 and 1986.

The U.S. share was well above the shares of Australia and the EC, its nearest competitors. The EC has become more competitive and Australia and New Zealand less so in the last few years. The EC's large export subsidies have helped boost its share. Australia and New Zealand, although major meat and dairy exporters, lost market share over the period. New Zealand's penetration of East Asia's markets for livestock HVP's was greatest in the late sixties and early seventies when it sharply increased subsidized sales of fresh, chilled, and frozen meats, milk and cream, butter, and cheese. Over the 25-year period, China also lost market share in livestock products. A sizable segment of the East Asian population, mainly Japanese, prefers beef that is well marbled, as do many American beef eaters. Such grain-fed beef is available only in limited supplies from Australia, New Zealand, and other countries because their

Table 18--East Asia's HVP imports, by processing stage and product, 1985 and 1986

Processing stage and product	Total East Asia		Japan		Other East Asia	
	1985	1986	1985	1986	1985	1986
	<u>Million dollars</u>					
High-value unprocessed	2,029	1,399	2,603	1,887	630	716
Eggs	156	223	86	144	70	79
Fresh fruits and nuts	1,186	1,565	829	1,152	357	413
Vegetables, fresh, frozen or preserved	687	815	484	591	203	224
Semiprocessed	4,460	5,670	3,402	4,486	1,058	1,184
Meats, fresh, chilled, frozen	2,187	2,842	1,844	2,478	343	364
Wheat flour	17	21	0	0	17	21
Refined sugar/related products	29	38	0	1	29	37
Coffee and products	829	1,256	748	1,132	81	124
Cocoa beans and products	166	173	149	156	17	17
Tea and mate	125	152	60	106	65	46
Animal feeding stuff	510	629	303	355	207	274
Oilseed cake and meal	74	146	36	77	38	69
Animal oils	141	103	50	36	91	67
Vegetable oils	382	310	212	145	170	165
Highly processed	2,495	2,893	1,386	1,705	1,109	1,188
Meats, dried, salted, or smoked	34	36	11	16	23	20
Meats (canned) and meat preparations	131	157	71	94	60	63
Milk and cream	333	356	92	85	241	271
Butter	17	18	3	2	14	16
Cheese	133	143	125	134	8	9
Cereal preparations	277	321	194	236	83	85
Fruits (dried)	65	73	46	53	19	20
Fruits, preserved or prepared	333	394	260	313	73	81
Vegetables, preserved or prepared	356	426	210	256	146	170
Sugar preparations	46	60	14	23	32	37
Chocolate/related products	117	148	85	111	32	37
Spices	146	157	68	89	78	68
Margarine and shortening	19	16	2	2	17	14
Wine, beer, and other fermented beverages	122	145	95	104	27	41
Tobacco manufactures	366	443	110	187	256	256
Total	2,984	11,166	6,187	8,078	2,797	3,088
	<u>Percent</u>					
Share of total	100	100	69	72	31	28

Sources: (4, 6).

industries produce mainly leaner range-fed beef. East Asian imports of U.S. beef continue to rise as imports are increasingly liberalized, although U.S. gains in market share have slowed since the mid-seventies. Imports of fresh, chilled, or frozen meats from the United States have increased in importance relative to other livestock products. In 1986, U.S. export earnings from canned meats, eggs, animal oils and fats, and meat and fishmeal each accounted for 4 to 5 percent of total livestock products, compared with 77 percent from fresh, chilled, or frozen meats.



Table 19--East Asia's imports of livestock HVP's, by supplier share

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	36	22	22	23	24	25
Canada	2	3	6	6	4	4
EC	10	9	11	11	16	16
Australia	12	20	24	21	17	15
New Zealand	10	12	8	8	8	6
ASEAN	1	1	3	3	3	4
China	15	15	8	10	7	7
Argentina <sup>1/</sup>	0	0	0	1	1	1
Brazil <sup>1/</sup>	0	0	0	1	2	2
Other	14	18	18	16	18	20

<sup>1/</sup> Included under "Other" for years prior to 1982.

Sources: (4, 6)

### Fruits, Nuts, and Vegetables

The value of f.n.v. imports increased nearly 30-fold between 1962 and 1986. The United States led with a 29-percent share of the \$3.3 billion market in 1986, up from an average share of 19 percent in 1969-71 (table 20). Of f.n.v. imports from the United States, about 70 percent of the value total was from fresh fruits, mainly citrus, and nuts. High quality and some market liberalization measures, including the removal of Japanese quotas on grapefruit imports in 1971, have resulted in higher U.S. penetration of the East Asian market. The U.S. gains have come mainly at the expense of the group of "other" suppliers. The nine suppliers captured 75 percent of the f.n.v. value market in 1986, sharply above the 47-percent share in 1962-64.

China and ASEAN are the major U.S. competitors in East Asian f.n.v. markets. Since 1969-71, China's share of the East Asian f.n.v. market has been stable, 17 to 20 percent, while ASEAN's

Table 20--East Asia's imports of fruits, nuts, and vegetable HVP's, by supplier share

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	19	19	32	30	29	29
Canada	0	0	1	1	1	1
EC	3	2	3	3	2	3
Australia	2	1	2	1	1	1
New Zealand	0	1	2	3	3	4
ASEAN	3	6	17	16	19	17
China	20	18	17	19	18	19
Brazil <sup>1/</sup>	0	0	0	1	1	1
Other	53	53	26	26	26	25

<sup>1/</sup> Included in "Other" for years prior to 1982.

Sources: (4, 6).

share surged from an average of 6 percent in 1969-71 to 17 percent in 1986. Much of this growth results from supplying a dominant share of East Asia's banana imports. The ASEAN region continues to develop its food processing industries, and has become increasingly competitive in supplying fruit and vegetable juices, preserved fruits, and nut products.

### Tropical Products

Although tropical product imports totaled \$2.0 billion in 1986, this group declined in importance as its share in total HVP imports fell from 23 percent in 1962 to 18 percent in 1986. Being a temperate country, the United States is not a major supplier of these products. The U.S. share of East Asia's tropical product HVP import market has been around 3-4 percent since the late sixties (table 21). In 1965, the United States had a 20-percent share of this market based on large sales of coffee extracts and concentrates. By 1986, U.S. sales of chocolate and chocolate products were the main items in this group with major competition provided by the EC, Australia, New Zealand, ASEAN, and Brazil.

ASEAN, Brazil, the EC, and China are the main competitors in tropical products. ASEAN increased its share sharply in the eighties and mainly supplies green roasted coffee and spices. Brazil's main export is green roasted coffee. The EC exports primarily sugar, coffee, cocoa, and chocolate products. China, which supplies mainly tea and spices, slightly improved its competitive position during the eighties, while that of the EC eased.

### Oilseed Products

The oilseed HVP group consists of vegetable oils and oilseed cake and meal. Although the region has substantial oilseed-crushing capacity, and thus imports mostly oilseeds, some meals and oils are still imported. East Asia imported \$310 million of vegetable

Table 21--East Asia's imports of tropical product HVP's, by supplier share

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	15	3	5	4	4	3
Canada	0	0	0	0	0	0
EC	10	18	11	9	8	7
Australia	0	2	1	1	1	1
New Zealand	0	2	1	1	1	1
ASEAN	3	3	9	12	15	15
China	15	6	5	7	9	8
Brazil <sup>1/</sup>	0	0	0	19	19	17
Other	57	66	68	47	43	48

<sup>1/</sup> Included in "Other" for years prior to 1982.

Sources: (4, 6).

oils and \$146 million of oilseed cake and meal in 1986. Vegetable oils account for about two-thirds of oilseed product imports. Vegetable oil imports by East Asia rose sharply during 1962-86 despite increased soybean oil produced by the expansion of the domestic crushing industry.

U.S. soybean oil and ASEAN palm oil compete directly in the East Asian market. Palm oil accounted for 41 percent of vegetable oil imports in 1986 and soybean oil only 2 percent. Rapeseed, cotton, peanut, sunflower, and coconut oil had minor import shares. ASEAN is the leading palm oil supplier because two of its members, Malaysia and Indonesia, are the world's first- and second-largest palm oil exporters. In 1962-64, the U.S. share of East Asia's vegetable oil market was 36 percent and ASEAN's was 10 (table 22). By 1986, the U.S. share was only 14 percent and ASEAN's was 36 percent.

Malaysia and Indonesia have capitalized on their comparative advantage in producing palm oil with its low cost per unit of output in comparison with other vegetable oils. Government incentives were important in creating palm oil processing industries with the result that virtually all palm oil is now exported as processed oil. Government and industry trade missions have successfully promoted applications of palm oil in East Asia and other vegetable oil markets. Consequently, palm oil's share of world and East Asian vegetable oil imports has surged, despite the fact that it contains more saturated fats (a growing health concern) in comparison with most other competitive oils, such as soyoil.

During 1962-86, the Chinese share of East Asian oilseed product imports varied widely. Despite gains from marketing soybean meal in the mid-eighties, China's 1986 share of 16 percent was well below the 27-percent high in 1967. Canada increased its market share from 3 percent in 1978-80 to 8 percent in 1986 through greater shipments of rapeseed oil and meal. Imports of soybean

Table 22--East Asia's imports of oilseeds product HVP's, by supplier share

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	36	22	26	16	12	14
Canada	0	0	3	6	7	8
EC	2	2	2	3	7	6
Australia	0	0	0	0	0	0
New Zealand	0	0	0	0	0	0
ASEAN	10	18	38	38	43	36
China	11	17	9	14	12	16
Argentina <sup>1/</sup>	0	0	0	1	1	1
Brazil <sup>1/</sup>	0	0	0	12	6	6
Other	41	42	22	10	12	13

<sup>1/</sup> Included in "Other" for years prior to 1982.

Sources: (4, 6).

meal from the United States have declined sharply since 1978-80, reflecting greater competitiveness by China, Canada, and the EC.

### Cereal Products

The cereal products group consists of wheat flour, cereal preparations, bran, and other livestock feed residues. East Asia's cereal product import market in 1986 totaled \$431 million, 4 percent of the value of total HVP imports. Cereal product imports grew more slowly than imports of other products in the eighties, reflecting the shifting of diets toward animal products. Imports of cereal products in 1986 were up 25 percent from the 1978-80 average and five times larger than in 1969-71.

The U.S. share of East Asia's cereal products market has fallen substantially since 1962-64 (table 23). Over the 25-year period, the EC more than quadrupled its share of this market. Since 1969-71, Canada and Australia lost market share. The EC's highly developed food processing sector, although subsidized to offset high producer price supports on cereals and other products, has developed quality products and marketed them aggressively. Such efforts enabled the EC to become the leading supplier of cereal HVP's in East Asia during the seventies and eighties.

### Miscellaneous Products

Imports of miscellaneous products, accounting for \$846 million in 1986, consisted of margarine and shortening, wine and beer, tobacco products, food wastes, and certain prepared animal feeds. U.S. sales consisted mainly of tobacco products, predominantly cigarettes, and prepared animal feeds. The U.S. share of miscellaneous products imports remained stable throughout 1962-86, averaging 57 percent in 1986 and 1978-80 and 59 percent in 1962-64. The EC is the major U.S. competitor, providing 19 percent of imports in 1986, somewhat below its 1978-80 average.

If trade in tobacco products is liberalized further, U.S. sales of cigarettes and tobacco products could continue to increase,

Table 23--East Asia's imports of cereal product HVP's, by supplier share

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
United States	24	18	3	4	7	4
Canada	9	16	19	19	13	11
EC	6	17	30	29	28	34
Australia	15	16	19	18	13	12
New Zealand	0	0	0	1	1	1
ASEAN	6	8	7	9	11	10
China	3	6	6	8	8	8
Argentina <sup>1/</sup>	0	0	0	0	1	2
Other	37	19	16	12	18	18

<sup>1/</sup> Included under "Other" for years prior to 1982.

Sources: (4, 6).

despite rising concerns in East Asian countries about the effects of smoking on health. The Japanese liberalization of its tobacco products market since 1987, and the decline in the exchange value of the dollar, led to a large increase in imports of cigarettes, primarily from the United States.

#### HVP Imports from the United States

The share of U.S. exports accounted for by HVP's was fairly stable between 1962 and 1985, but surged to 28 percent in 1986 as East Asia's total HVP imports grew to account for 40 percent of total agricultural imports (fig. 4). Even though U.S. HVP exports to East Asia have been growing faster than LVP exports, the share of U.S. exports accounted for by HVP's has lagged the share accounted for by HVP's in East Asia's total agricultural imports.

East Asia's imports from the United States are concentrated in livestock products, f.n.v., and "other" categories (table 24). (Value data available in app. table 8.) Over the period, livestock, cereals, tropical products, and oilseed products have lost import share while f.n.v. imports have gained share.

U.S. HVP exports grew in 1987 and 1988 as a result of several factors (table 25). The depreciation of the U.S. dollar against East Asian currencies since 1985, particularly the Japanese yen, higher commodity prices in 1988, rapid economic growth throughout East Asia, and Japanese import policy concessions for beef,

Figure 4  
HVP's share of East Asia's imports from the world and the United States

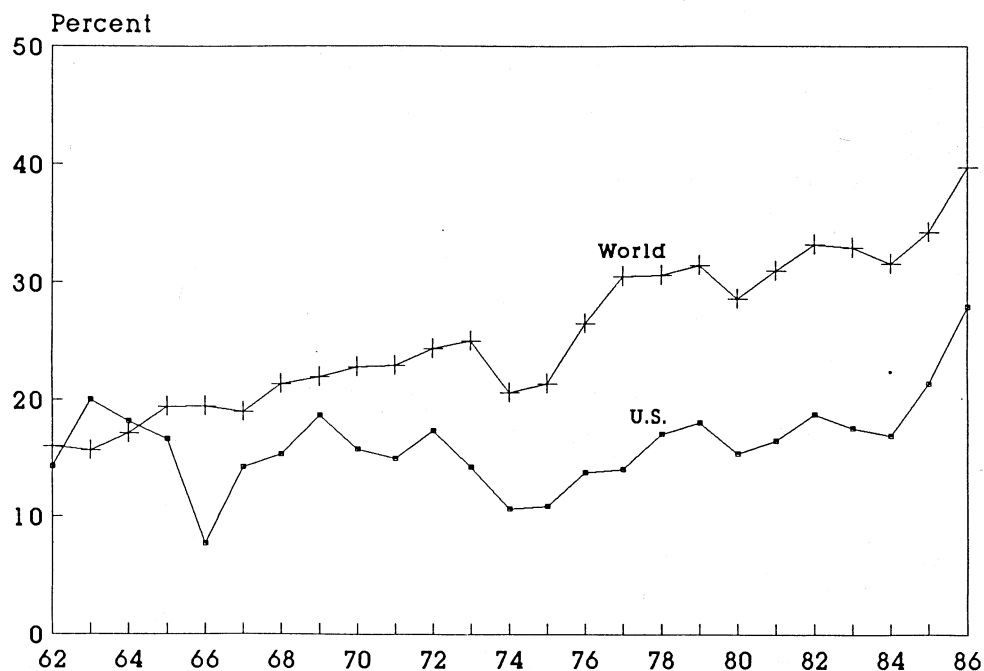


Table 24--U.S. shares of East Asia's HVP imports, by major product group

Product group	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Percent</u>					
Livestock	36	22	22	23	24	25
Cereals	24	18	3	4	7	4
Fruits, nuts, vegetables	19	19	32	30	29	29
Tropical products	15	3	5	4	4	3
Oilseed products	36	22	26	16	12	14
Other	59	58	57	59	57	57

Sources: (4, 6).

Table 25--U.S. exports of HVP's to East Asia, by product classes, 1987 and 1988

Product	1987	1988	Product	1987	1988
	<u>Million dollars</u>			<u>Million dollars</u>	
Red meats and selected products	679	1,095	Fresh fruits	479	547
Fresh, chilled, or frozen:			Citrus	328	357
Beef carcasses	563	852	Noncitrus	151	190
Pork, primal cuts	70	140	Fruit juices	51	85
Other	46	103	Citrus	32	52
Variety meats	146	187	Noncitrus	19	33
Beef tongues	39	48	Other fruit products <sup>3/</sup>	105	119
Other beef <sup>1/</sup>	104	132	Tree nuts, shelled	105	131
Other	3	7	Vegetables	200	284
Poultry meat and products	189	237	Fresh or chilled	30	58
Chickens in pieces <sup>2/</sup>	128	154	Canned	41	66
Chickens, whole <sup>2/</sup>	16	29	Frozen	107	134
Other	45	54	Dehydrated	22	26
Feed and ingredients	248	350	Vegetable oils	34	62
			Animal fats <sup>4/</sup>	43	59
			All other	203	<sup>5/</sup> 244
			Total	2,482	<sup>5/</sup> 3,400

<sup>1/</sup> Includes beef liver.<sup>2/</sup> Fresh, chilled, or frozen.<sup>3/</sup> Predominantly canned and dried fruits but also frozen fruits and miscellaneous fruit preparations.<sup>4/</sup> Almost exclusively inedible tallow.<sup>5/</sup> Estimated.

Source: (10).

citrus, and tobacco products all contributed to larger HVP imports from the United States.

U.S. HVP exports to East Asia increased 12 percent in 1987 to \$2.5 billion. Meats, fruit, and vegetable products registered the largest gains in 1987. Fresh fruits and fruit products, primarily citrus, accounted for 26 percent of sales. Red meat products of all types, primarily frozen boneless beef, constituted fully 33 percent of total U.S. export value. Among the other major contributors to U.S. sales in 1987 were poultry meat

products, feeds and ingredients, and vegetables. Total U.S. agricultural exports to East Asia in 1988 were \$12.1 billion, or 30 percent more than in 1987. The HVP component of farm sales to East Asia was an estimated \$3.4 billion, raising the HVP share of total exports slightly to 28 percent from 27 percent in 1987. Because of the difficulties in classifying products as HVP or LVP, as discussed earlier, these percentages are somewhat arbitrary. Based on U.N. import data, comparable percentages were 18 percent in 1978-80 and 16 percent in 1962-64. The distribution of U.S. HVP exports to the region in 1988 remained heavily concentrated in beef, poultry, and f.n.v. products.

### Conclusions

The East Asian countries will remain important markets for agricultural imports in the nineties as a result of continued strong economic growth, which will further raise real incomes and import demand. This growth will especially benefit HVP imports because the demand for HVP's is more income elastic than LVP's.

Market liberalization measures will also result in increased access for imports, which could also benefit HVP imports because many of the recent and potential trade liberalization measures have been aimed at HVP's. Thus, over the next decade, HVP's will likely account for a growing share of East Asia's agricultural imports. Import growth of grains and oilseeds is likely to remain flat, reflecting stagnant livestock production. The growing demand for meats and other livestock products will be met by imports. Trade liberalization measures will also lead to growing imports of livestock products. Because U.S. exports to East Asia are heavily concentrated in grains and soybeans, continued sluggish demand for these commodities will accentuate the already discernible tilt toward HVP's in U.S. exports. The United States will continue to face strong competition in the lucrative East Asia markets. Unless there are significant changes in processing and export subsidies, the EC will remain a formidable competitor in the East Asian HVP markets, especially in meats, dairy products, and cereal products. Australia will remain an important U.S. competitor in livestock and grains because of its proximity and product quality. ASEAN palm oil will continue to compete with U.S. soybean oil, but many ASEAN tropical product exports are complementary rather than competitive with U.S. exports. China is expected to be less competitive in East Asia's corn market but remain a strong competitor in the soybean and soybean products markets. U.S. dominance in East Asia's LVP import markets will likely continue in the nineties, but will be influenced by U.S. farm policies and exchange rates.

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Appendix table 1--Selected low-value and high-value products by SITC code

Low-value products		High-value products	
SITC code	Commodity	SITC code	Commodity
	<u>Cereals</u>		<u>Unprocessed</u>
041.0	Wheat	025	Eggs
(042.1/042.2)	Rice	051	Fresh fruits and nuts
043.0	Barley	054	Vegetables, fresh, frozen or simply preserved
044.0	Corn		
045.1	Rye		
045.2	Oats		
045.9	Other cereals, unmilled		
	<u>Oilseeds</u>		<u>Semi-processed</u>
221.4	Soybeans	011	Meats, fresh, chilled, frozen
221.1	Peanuts	046	Wheat flour
221.2	Copra	061.2	Refined sugar/related products
221.3	Palm kernels	071	Coffee and products
221.6	Cottonseed	072	Cocoa beans and products
221.5	Linseed	074	Tea and mate
		(081.2/081.4/081.9)	Animal feeding stuffs
		081.3	Oilseed cake and meal
		411.3	Animal oils
		(421/422)	Vegetable oils
	<u>Miscellaneous</u>		<u>Highly processed</u>
263.1	Cotton	012	Meats, dried, salted or smoked
262	Wool and other hair	013	Meats (canned) and meat preparations
121.0	Tobacco, unmanufactured	022	Milk and cream
231.1	Natural rubber and gums	023	Butter
21	Hides and skins	024	Cheese
061.0	Sugar, raw	048	Cereal preparations
001	Live animals	052	Fruits (dried)
		053	Fruits, preserved or prepared
		055	Vegetables, preserved or prepared
		062	Sugar preparations
001	Live animals (continued)	073	Chocolate/related products
		091	Margarine and shortening
		075	Spices
		(112.1-112.3)	Wine, beer, and other fermented beverages
		122	Tobacco manufactures

Appendix table 2--Data on East Asia's agricultural imports and U.S. agricultural exports, 1962-86

Year	World imports	East Asia's imports	East Asia's share of world imports	East Asia's HVP imports	East Asia's LVP imports	East Asia's imports from U.S.	East Asia's HVP imports from U.S.	East Asia's LVP imports from U.S.	HVP's share of East Asia's total imports	HVP's share of East Asia's imports from U.S.
	<u>Billion dollars</u>	<u>Percent</u>				<u>Billion dollars</u>			<u>Percent</u>	<u>Percent</u>
1962	36.0	2.5	6.9	.4	2.1	0.7	0.1	0.6	16.0	14.3
1963	40.0	3.2	8.0	.5	2.7	1.0	.2	.8	17.0	20.0
1964	43.0	3.5	8.1	.6	2.9	1.1	.2	.9	18.0	18.2
1965	44.0	3.6	8.2	.7	2.9	1.2	.2	1.0	19.0	16.7
1966	47.3	4.1	8.7	.8	3.3	1.3	.1	1.2	20.0	7.7
1967	46.6	4.2	9.0	.8	3.4	1.4	.2	1.2	20.0	14.3
1968	47.2	4.2	8.9	.9	3.3	1.3	.2	1.1	21.0	15.4
1969	50.0	5.0	10.0	1.1	3.9	1.6	.3	1.3	23.0	18.8
1970	57.0	5.7	10.0	1.3	4.4	1.9	.3	1.6	22.0	15.8
1971	61.0	6.1	10.0	1.4	4.7	2.0	.3	1.7	24.0	15.0
1972	71.0	7.4	10.4	1.8	5.6	2.3	.4	1.9	24.0	17.4
1973	102.0	12.0	11.8	3.0	9.0	4.2	.6	3.6	25.0	14.3
1974	128.0	15.0	11.7	3.1	11.9	5.6	.6	5.0	21.0	10.7
1975	130.7	15.4	11.2	3.3	12.1	5.5	.6	4.9	22.0	10.9
1976	145.0	16.2	11.2	4.3	11.9	5.8	.8	5.0	26.0	13.8
1977	167.0	17.7	10.6	5.4	12.3	6.4	.9	5.5	31.0	14.1
1978	189.0	19.6	10.4	6.0	13.6	7.6	1.3	6.3	31.0	17.1
1979	225.0	24.2	10.8	7.6	16.5	9.4	1.7	7.7	32.0	18.1
1980	255.0	26.6	10.4	7.6	19.0	11.0	1.7	9.3	29.0	15.5
1981	254.0	28.4	11.2	8.8	19.6	12.1	2.0	10.1	31.0	16.5
1982	235.0	25.3	10.8	8.4	16.9	10.1	1.9	8.2	33.0	18.8
1983	229.0	26.1	11.4	8.6	17.5	10.8	1.9	8.9	33.0	17.6
1984	240.0	28.8	12.0	9.1	19.7	11.8	2.0	9.8	32.0	16.9
1985	231.0	26.3	11.4	9.0	17.3	9.8	2.1	7.7	34.0	21.4
1986	249.0	28.2	11.3	11.2	17.0	9.3	2.6	6.7	40.0	28.0

Sources: (4, 6).

Appendix table 3--East Asia's agricultural imports by source

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Million dollars</u>					
United States	910	1,794	9,320	10,889	9,842	9,322
ASEAN	203	390	2,199	2,328	2,335	2,807
Australia	429	646	2,525	2,350	2,318	2,352
Canada	136	226	1,115	1,405	1,266	1,225
New Zealand	38	94	458	585	568	621
China	188	405	1,651	2,414	2,927	3,137
EC	87	226	1,315	1,364	1,694	2,148
Argentina	44	130	397	375	344	423
Brazil	41	139	282	439	548	562
Other 1/	962	1,552	4,207	4,556	4,439	5,641
Total	3,038	5,602	23,469	26,705	26,281	28,238

1/ Includes intraregional trade among East Asian countries. Such trade amounted to 5.9 percent of total imports in 1984.

Sources: (4, 6).

Appendix table 4--East Asia's LVP imports

Commodity	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>1,000 tons</u>					
<b>Cereals:</b>						
Wheat	3,854	6,755	8,270	8,804	9,367	9,957
Rice	752	1,188	769	656	NA	392
Barley	358	1,049	1,949	1,879	1,99	1,642
Corn	2,854	6,396	16,632	20,744	20,899	21,622
Rye	6	50	60	313	315	312
Oats	7	141	178	107	130	100
Other cereals, unmilled	752	3,586	5,551	4,672	5,871	6,167
<b>Selected oilseeds:</b>						
Soybeans	1,644	3,609	5,697	6,602	7,272	7,570
Peanuts	27	64	77	110	92	117
Copra	98	123	76	84	111	138
Palm kernels	29	35	12	16	15	8
Cottonseed	179	264	85	94	144	143
Linseed	92	135	106	104	106	104
<b>Miscellaneous:</b>						
Cotton	890	1,124	1,495	1,509	1,530	1,714
Wool and other hair	255	356	276	281	314	325
Tobacco, unmanufactured	35	49	115	114	97	NA
Natural rubber and gums	235	373	602	719	825	868
Hides and skins	160	272	441	875	570	695
Sugar, raw	1,549	2,700	3,126	2,697	2,816	2,806

NA = Not available or not applicable.

Sources: (4, 6).

Appendix table 5--East Asia's LVP imports by source

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Million dollars</u>					
United States	760	1,525	7,650	8,839	7,737	6,691
ASEAN	188	333	1,509	1,422	1,240	1,509
Australia	400	535	1,711	1,493	1,646	1,601
Canada	127	196	837	1,048	1,019	941
New Zealand	22	35	177	205	197	236
China	113	233	961	1,378	1,954	1,913
EC	42	110	594	571	686	919
Argentina	27	112	332	314	297	371
Brazil	31	102	55	95	134	112
Other	786	1,125	2,519	2,638	2,387	2,779
<b>Total LVP's</b>	<b>2,496</b>	<b>4,306</b>	<b>16,345</b>	<b>18,003</b>	<b>17,297</b>	<b>17,072</b>

Sources: (4, 6).

Appendix table 6--East Asia's LVP imports from the United States

Commodity	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>1,000 tons</u>					
<b>Cereals:</b>						
Wheat	1,945	4,446	5,797	5,963	5,974	5,880
Rice	36	108	244	233	#	3
Barley	252	65	241	544	268	136
Corn	1,219	3,734	14,312	18,396	15,640	13,192
Other, unmilled	653	1,902	2,931	2,018	2,807	2,436
<b>Oilseeds:</b>						
Soybeans	1,396	3,271	5,471	6,298	6,520	6,958
Peanuts	#	5	29	24	27	25
<b>Miscellaneous:</b>						
Cotton	343	346	839	813	654	410
Tobacco	17	271	66	62	58	51
Hides and skins	108	187	324	374	444	532

# = less than 500 tons.

Sources: (4, 6).

Appendix table 7--East Asia's HVP imports by source

Supplier	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Million dollars</u>					
United States	150	269	1,670	2,046	2,105	2,631
ASEAN	15	57	690	906	1,095	1,300
Australia	29	111	814	857	672	751
Canada	9	30	278	357	247	284
New Zealand	16	59	281	380	371	385
China	75	172	690	1,036	973	1,224
EC	45	116	721	793	1,008	1,229
Argentina	17	18	65	61	47	52
Brazil	10	37	227	344	414	450
Other	176	427	1,688	1,922	2,052	2,860
Total	542	1,296	7,124	8,702	8,984	11,166

Sources: (4, 6).

Appendix table 8--East Asia's HVP imports from the United States, by product group

Product group	1962-64	1969-71	1978-80	1982-84	1985	1986
	<u>Million dollars</u>					
Livestock <u>1/</u>	55	92	636	797	809	1,046
Cereals <u>2/</u>	11	15	11	19	27	19
Fruits, nuts, vegetables <u>3/</u>	28	81	599	742	759	954
Tropical products <u>4/</u>	17	6	60	51	52	68
Oilseed products <u>5/</u>	11	14	106	77	54	63
Other <u>6/</u>	28	61	258	360	404	481
Total HVP imports	150	269	1,670	2,046	2,105	2,631

1/ Includes meats (SITC codes 011, 012, and 013), milk and cream (SITC 022), butter (SITC 023), cheese (SITC 024), eggs (SITC 025), animal oils and fats (SITC 4113), and meat and fishmeal (SITC 0814).

2/ Includes wheat flour (SITC 046), cereal preparations (SITC 048), and bran, pollard, sharps, etc. (SITC 0812).

3/ Includes fresh, preserved, and prepared fruits and nuts (SITC 051 and 053), dried fruits (SITC 052), vegetables fresh, frozen, or simply preserved (SITC 054), and vegetables, roots, and tubers preserved or prepared (SITC 055).

4/ Includes green roasted coffee (SITC 0711), coffee extracts and concentrates (SITC 0713), cocoa beans, new or roasted (SITC 0721), cocoa products (SITC codes 0722 and 0723) chocolate and products (SITC 073), tea and mate (SITC 074), and spices (SITC 075).

5/ Includes vegetable oils (SITC 421-422) and oilseed cake and meal (SITC 0813).

6/ Includes margarine and shortening (SITC 091), wine and beer (SITC 1121-1123), tobacco manufactures (SITC 122), and food wastes and prepared animal feed not elsewhere specified (SITC 0819).

Sources: (4, 6).

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