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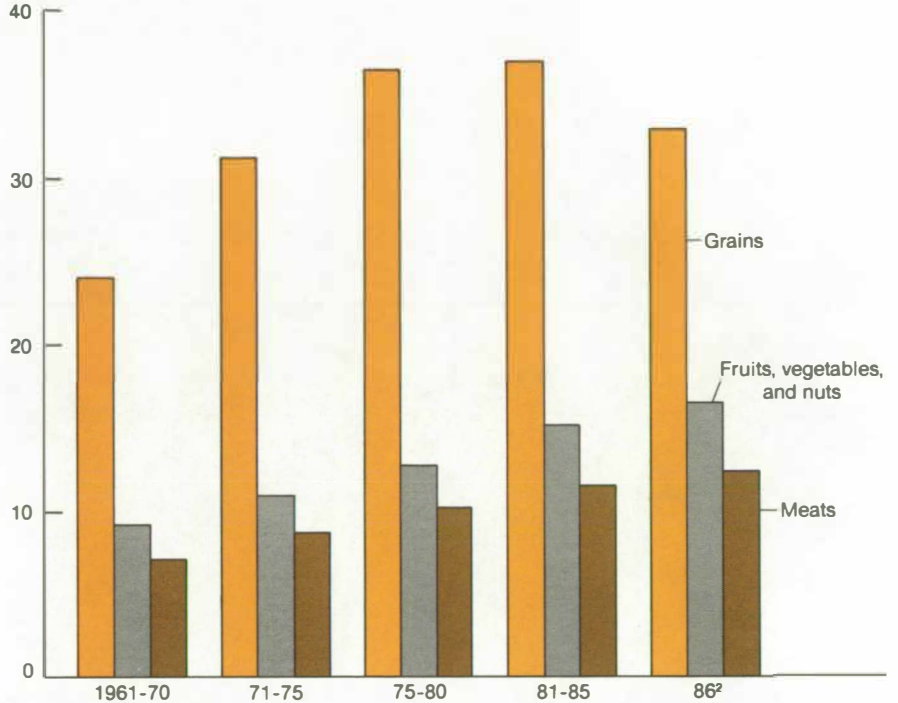
## World Food Production and Trade

International trade is increasingly important to nations all over the world. This is readily apparent in world grain trade. In the 1980's, a larger share of the production of grains—as well as meats and fruits, vegetables, and nuts—is being traded in the world market than 20 years ago.

Grains are an important component of agricultural trade for many industrialized countries. Their grain exports steadily expanded as a proportion of production from 1961 until the early 1980's. After 1983, however, overseas shipments did not keep pace with output. Stockpiles in industrial nations grew, and exports as a percentage of production plummeted.

### Grain Exports Are Important to Industrial Countries

Exports as a percent of production<sup>1</sup>



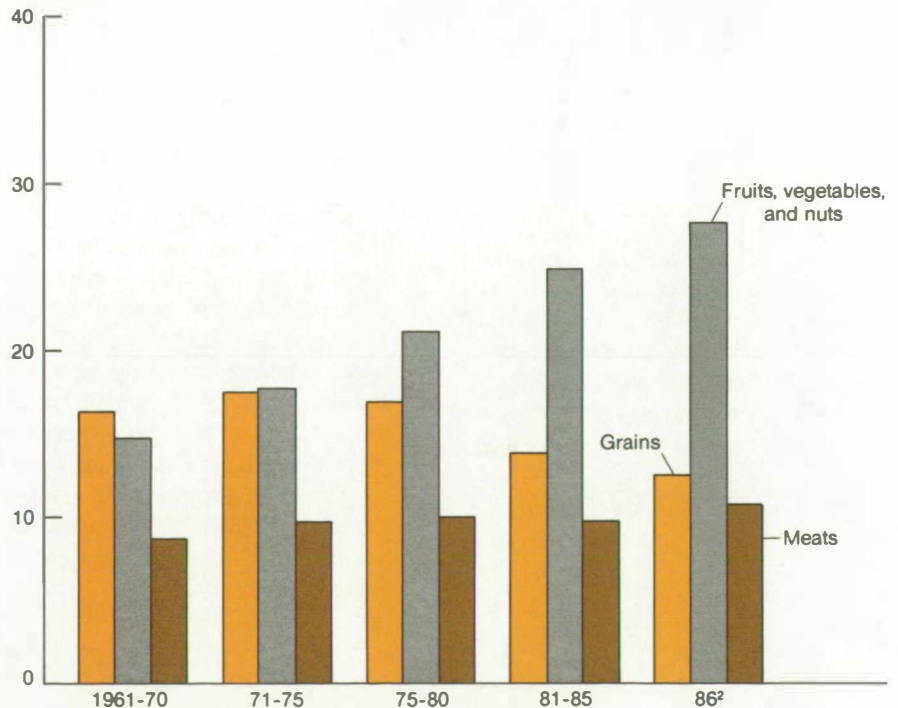
<sup>1</sup>By volume, all industrialized countries. <sup>2</sup>Includes 1987 data for grains.

Imports of fruits, vegetables, and nuts by industrial countries have come to increasingly augment and compete with domestically produced commodities. Not all of these items come from developing nations in the tropics. Industrial countries also trade these products among themselves—their exports have increased as a share of production almost as fast as imports. In addition to the traditional imports—such as tomatoes—from developing countries, industrial nations are also purchasing a growing variety of specialty products.

In contrast, grain imports by industrial countries have been declining in proportion to production. This is partly a measure of recent self-sufficiency in the European Community (EC). Further, Canada and Australia have also expanded production. Of the industrial countries, only Japan remains a significant market for both feed and food grains.

### Industrial Countries Are Key Importers of Fruits, Vegetables, and Nuts

Imports as a percent of production<sup>1</sup>



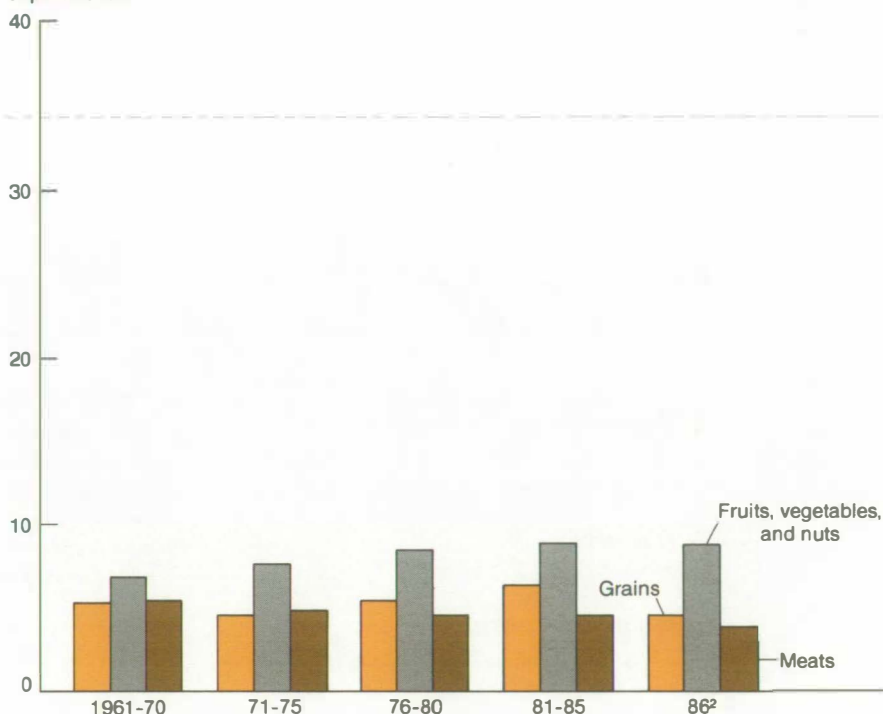
<sup>1</sup>By volume, all industrialized countries. <sup>2</sup>Includes 1987 data for grains.

Very few developing countries produce sufficient food surpluses for export. Only Argentina has been a consistent supplier of grains and beef to the world market over the past 20 years. Most developing nations consume virtually all they produce. In addition, many simply cannot compete with the large subsidies given to grain exporters by the EC and the United States.

The exception is those goods that earn foreign exchange, such as fruits and vegetables not generally grown in temperate climates—bananas, breadfruit, arrowroot, cassava, cowpeas, and chayote, for example. Trade in these commodities, as a percent of production, has been growing steadily since the early 1960's.

### Developing Countries Export Less of Their Production Than Industrial Countries

Exports as a percent of production<sup>1</sup>



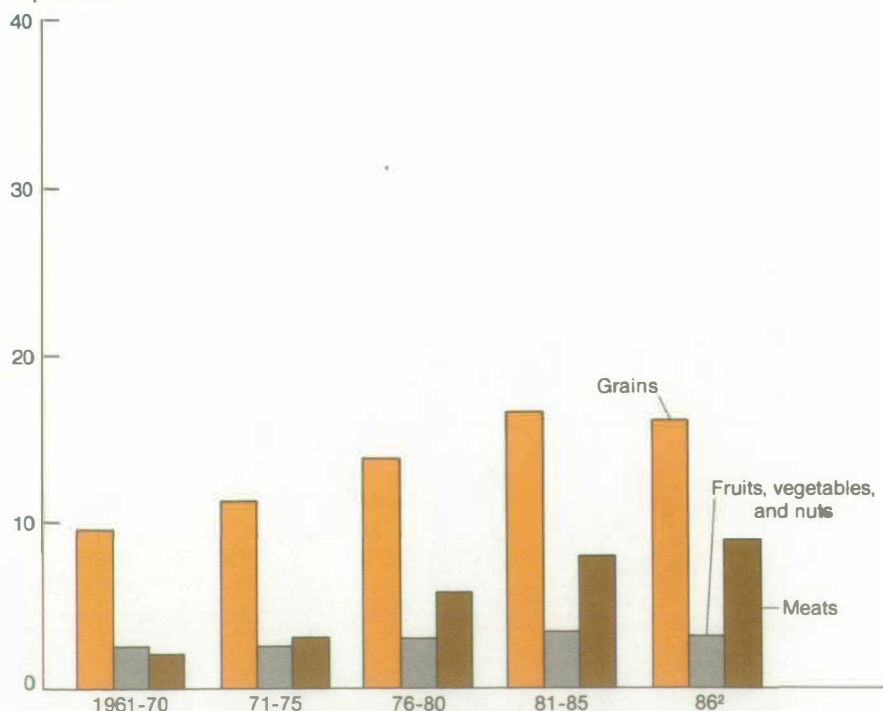
<sup>1</sup>By volume, all developing countries. <sup>2</sup>Includes 1987 data for grains.

Most developing countries must import grain to supplement their diets as incomes rise and demand increases. During the 1980's, subsidies given by the EC and United States to their producers and exporters have made these "purchases" possible at very low prices. But the low prices have dampened production incentives, and imports by some countries have risen. However, the increased importance of grain imports to production also reflects the dismal output of foodstuffs in Sub-Saharan Africa during much of the 1980's.

The developing world's imports of a higher proportion of meat relative to production can be interpreted two ways. It may mean that incomes are rising rapidly, but it could also mean that domestic production has deteriorated. Some developing countries have been forced to slaughter livestock because they could not purchase feed with scarce foreign exchange.

### Grains and Meat Are Vital Imports in Many Developing Countries

Imports as a percent of production<sup>1</sup>



<sup>1</sup>By volume, all developing countries. <sup>2</sup>Includes 1987 data for grains.

Authors David Stallings, Mathew Shane, and Tim Baxter are agricultural economists with the Agriculture and Trade Analysis Division.

Source: Food and Agriculture Organization, United Nations.