



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

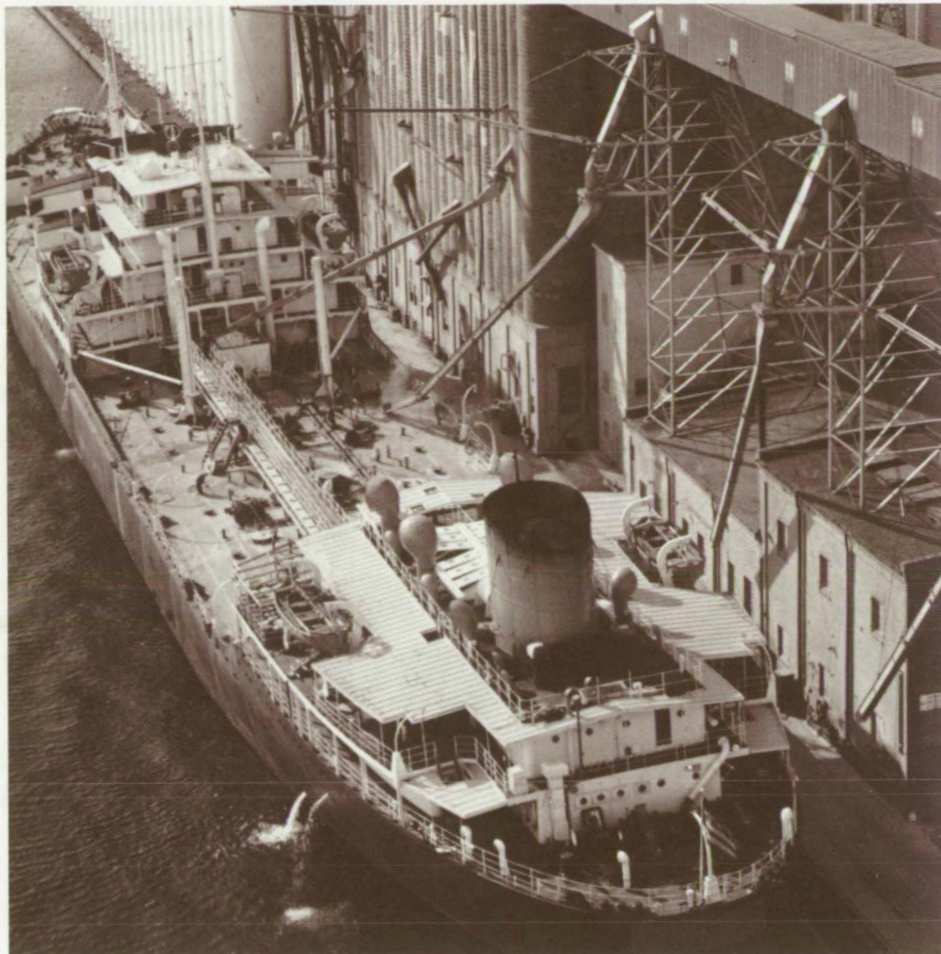


International Trade

American farm exports have exceeded agricultural imports every year since 1959. This trade surplus has ranged from \$26.6 billion in fiscal 1981 to a low of \$5.4 billion in 1986. It has since rebounded to \$14.3 billion in fiscal 1988. The United States remains the world's largest exporter of agricultural products. With a large expanse of fertile soil and generally mild, moist weather, the United States is unsurpassed in its ability to competitively produce large amounts of corn, wheat, and other field crops. Most of our exports consist of these commodities, along with other unprocessed products. One out of every three acres in U.S. agriculture is farmed for export, making the United States the world's biggest exporter of corn, wheat, soybeans, and cotton.

U.S. agricultural exports reached record highs in the early 1980's. Shipments subsequently fell more than \$17 billion, as U.S. competitiveness ebbed and world markets contracted during the first half of the decade. From their 1986 low, exports have risen more than \$9 billion, reaching \$35 billion in fiscal 1988 (table 1).

The recent recovery in agricultural exports has not been complete. U.S. exports of grains, which accounted for most of the decline during the 1980's, only reached \$12.6 billion in fiscal 1988, 59 percent of 1981's record level. The European Community's (EC) shift from



the world's largest grain importer to one of the biggest exporters is a large part of the reason for lost U.S. sales. By sustaining domestic prices well above world market levels, the EC's Common Agricultural Policy gradually reduced the region's need for imports and then subsidized exports, to the detriment of U.S. grain shipments.

While agricultural exports remain a bright spot in the U.S. trade picture, during the last 30 years we have lost a commanding lead as the world's largest nonagricultural exporter. Furthermore,

imports of these products equaled about 9 percent of our Gross National Product last year, about triple the percentage recorded in 1959.

Along with other imports, U.S. purchases of agricultural products have grown during the 1980's, reaching a record \$21 billion in fiscal 1988. However, these imports still accounted for less than 5 percent of total U.S. consumer spending on food, a share that has changed little over the years. Although still growing, agriculture's share of total U.S. imports has shrunk from 25 percent

Authors Karen Ackerman, Stephen MacDonald, and Steve Milmoe are agricultural economists with the Commodity Trade Analysis Branch, Commodity Economics Division.

Table 1. Agricultural Exports Have Rebounded From Their 1986 Low, Hitting \$35 Billion in Fiscal 1988

Item	Exports			Imports		
	Fiscal year			Fiscal year		
	1981	1986	1988	1981	1986	1988
	<i>Million dollars</i>			<i>Million dollars</i>		
Grains and products	21,383	9,472	12,581	412	668	868
Wheat	7,706	3,260	4,467	1	25	52
Corn	8,966	3,291	4,338	14	26	8
Rice	1,537	648	731	4	31	51
Other grains	1,442	452	794	33	43	110
Grain products	1,731	1,822	2,251	362	543	647
Oilseeds and products	9,335	6,299	7,700	908	639	838
Soybeans	5,986	4,174	5,008	4	6	9
Other oilseeds	501	166	230	374	63	62
Oilseed meals	1,670	1,132	1,502	8	15	42
Vegetable oils	1,095	746	961	522	555	725
Animal products	4,107	4,353	6,058	3,730	4,283	5,233
Meat	1,481	1,295	2,221	2,225	2,260	2,788
Beef	282	539	1,009	1,621	1,252	1,681
Poultry	493	282	424	3	12	12
Hides and skins	1,002	1,440	1,838	281	200	247
Other animal products	1,624	1,618	1,999	1,224	1,822	2,198
Horticultural products	3,558	2,911	3,855	1,966	3,493	3,710
Fresh fruits and fruit products	1,514	1,237	1,714	695	1,553	1,781
Nuts	599	677	906	248	382	336
Fresh vegetables	319	227	310	532	799	725
Other vegetable products	1,127	770	924	495	760	868
Tobacco	1,339	1,318	1,296	366	606	611
Beverages²	114	78	163	1,141	1,848	2,008
Nursery products	72	60	80	283	353	419
Other	3,873	1,818	3,601	8,413	8,986	7,324
Agricultural products	43,780	26,309	35,334	17,218	20,875	21,011

¹Less than \$1 million. ²Excludes juice.

Source: *Foreign Agricultural Trade of the United States*, USDA, ERS, various issues.
Contact: Steve Millmoe or Stephen MacDonald (202) 786-1822.

in 1959 to 5 percent in 1988. As disposable income has increased during the last 30 years, Americans have spent less of each additional dollar they have earned on food and more on television sets, cars, VCRs, and other big import items. So while agricultural imports grew from \$4 billion in 1959 to \$21 billion in 1988, nonagricultural imports increased from \$11 billion to \$416 billion, producing record U.S. trade deficits in the process.

Agricultural imports generally fall into two categories: commodities that cannot be produced profitably in the United States (noncompetitive imports) and those that compete directly with U.S. products (competitive imports). During the last 12 years, noncompetitive imports—such as coffee, cocoa, and bananas—remained around \$6.6 billion, but competitive imports more than doubled. U.S. imports of meats, fruits, vegetables, and other competitive products rose to nearly \$15 billion in fiscal 1988 from less than \$7 billion in 1977. Meats became the largest single U.S. agricultural import in 1988, surpassing coffee for the first time in 16 years.

Trade Varies By Commodity

Despite the decline in the overall U.S. agricultural trade balance during the early part of this decade, there was considerable variation in performance among commodities. For example, growth in meat exports outpaced the increase in meat imports during the 1980's. Although the United States is the world's largest beef importer, trade in meats has grown steadily more favorable for us.

There are important distinctions between the types of meat products imported and those exported, particularly

for beef. Most imported beef comes from low-cost, range-fed animals raised in Australia, Argentina, or Canada and is destined for further processing. Our beef exports, on the other hand, are largely high-quality, grain-fed cuts. They have grown in recent years as Japan's strong economy and currency, along with a reduction in some trade barriers, prompted more imports. As in America, Japanese consumers prefer grain-fed beef, of which the United States is the largest producer and exporter.

The United States is a large importer of fruit. Bananas, which are not grown

here, account for 55 percent of total fresh fruit imports (*table 2*). However, the trade balance for other fruits varies since the United States both imports and exports particular commodities, depending on the time of year. For instance, apples and grapes are imported largely from the Southern Hemisphere during our winter season. Thus, fruit from such countries as Chile and New Zealand arrive when our crops are unavailable. Although our annual trade deficits in competitive fruits are generally large, monthly balances can

Table 2. The United States Imports Both Competitive and Noncompetitive Products

Import	Volume					Value				
	Fiscal year					Fiscal year				
	1980	1982	1984	1986	1988	1980	1982	1984	1986	1988
	<i>Thousand metric tons</i>					<i>Million dollars</i>				
Bananas	2,333	2,557	2,615	2,859	2,888	407	553	627	703	768
Green coffee	1,105	1,023	1,087	1,185	1,006	4,166	2,620	3,091	4,153	2,414
Cocoa and products	325	355	449	507	562	968	707	1,056	1,189	1,164
Meat and products ¹	912	902	905	1,139	1,280	2,277	2,024	1,931	2,248	2,788
Fruits, nuts, and vegetables	na	2,555	3,401	3,794	4,287	1,653	2,225	2,953	3,493	3,710
Sugar	3,920	3,460	2,829	1,905	1,069	1,619	1,177	1,144	654	368
Vegetable oils	649	725	797	1,173	1,311	560	425	683	555	725
Other ²	na	na	na	na	na	5,626	5,754	7,431	7,910	9,074
Total	na	na	na	na	na	17,276	15,485	18,916	20,875	21,011

na = not available. ¹Excludes poultry. ²Includes grains, rubber, live animals, dairy, and tobacco.

Source: *Foreign Agricultural Trade of the United States*.
Contact: Steve Milmoie (202) 786-1822.

range from a \$100-million deficit to a \$10-million surplus because of seasonal variations.

Despite the loss of sales to the EC and its customers, the healthiest trade balance for American agriculture still comes from grain. We have long been the world's largest exporter of raw grains, and about two-thirds of the wheat and one-quarter of the corn produced in the United States is shipped overseas in a

given year. Exports of these two commodities and their related products equaled 95 million metric tons in fiscal 1988 (*table 3*). Imports of raw grains are confined to localized border trade with Canada and to grains for which U.S. growing conditions and policies are less favorable. Oats for milling and horse feed (745,000 metric tons) is the largest raw grain import.

The United States also exports more oilseeds and products than it imports.

Half of all U.S. soybeans are shipped overseas, either as beans, meal, or oil. The small amount of oilseeds we purchase from other countries consists largely of oilseeds not generally grown in the United States, such as sesame seed, and border trade with Canada. U.S. trade in vegetable oils is less positive, with large imports of coconut, palm, and palm kernel oils nearly offsetting exports of soybean oil.

Table 3. Grains and Oilseeds Top the List of U.S. Agricultural Exports

Export	Volume					Value				
	Fiscal year					Fiscal year				
	1980	1982	1984	1986	1988	1980	1982	1984	1986	1988
	<i>Thousand metric tons</i>					<i>Million dollars</i>				
Animal products ¹	2,509	2,603	2,510	2,598	2,849	3,771	4,075	4,218	4,353	6,058
Wheat and products ²	37,211	45,570	42,975	26,981	41,703	6,633	7,675	6,783	3,547	4,674
Feed grains and products	71,549	58,179	55,546	36,237	53,308	9,169	7,051	8,217	3,817	5,209
Rice	2,955	2,911	2,293	2,382	2,173	1,170	1,149	897	648	731
Oilseeds and products ³	35,597	35,397	26,961	27,582	29,441	9,811	9,545	8,602	6,266	7,700
Fruits, nuts, and vegetables ⁴	3,301	4,509	3,458	3,445	4,236	3,041	3,412	2,816	2,915	3,651
Other ⁵	10,341	11,025	12,181	10,637	14,571	6,886	6,190	6,494	4,763	7,311
Total	163,463	160,194	145,924	109,862	148,280	40,481	39,097	38,027	26,309	35,334

¹Excludes live animals, hides, skins, and eggs. ²Includes flour and bulgur. ³Includes soybeans, sunflowerseeds, peanuts, cottonseed, safflowerseed, flaxseed, and nondefatted soybean flour. ⁴Excludes fruit juices. ⁵Includes feeds and fodders, cotton, and tobacco.

Source: *Foreign Agricultural Trade of the United States*.
Contact: Stephen MacDonald (202) 786-1822.

Processed and High-Value Products

In addition to classifying commodities by type—orchard, field, or livestock products, for example—agricultural products can also be differentiated by the amount of processing involved. Processing adds value to raw commodities and increases economic activity in the country where the processing takes place. Processing and differentiation may or may not completely coincide. For instance, soybean meal and wheat flour are clearly processed products, but they are only slightly differentiated. U.S. wheat flour and soybean meal are less distinguishable from their foreign counterparts than are U.S. tobacco and purebred cattle.

A country that exports processed goods captures a larger amount of the economic activity that occurs when value is added to a raw product intended for human consumption. Exporters of such items sell service, as well as goods, to consumers. In general, the more highly differentiated the products of a given industry, the more trade proceeds in both directions. For example, fruits are differentiated by season and meat by quality; hence, the United States both imports and exports these commodities. In contrast, U.S. trade in raw grains is largely in one direction, just as is U.S. trade in crude oil.

Exports of U.S. raw materials and bulk commodities totaled nearly \$20 billion in fiscal 1988, substantially above imports of less than \$3 billion. The United States had a smaller surplus in semiprocessed products, with exports of less than \$10 billion and imports of more than \$5 billion. Currently, the United States runs a \$3.4 billion deficit in highly processed products (tables 4 and 5).

Table 4. Most U.S. Agricultural Exports Are Bulk Commodities

U.S. agricultural exports, fiscal 1988			
Item	Million dollars	Item	Million dollars
Highly processed	3,957.6	Semiprocessed, con't.	
Meats ¹	36.3	Bull semen	41.2
Poultry meat ¹	17.8	Wheat flour	171.3
Dairy products	535.5	Bulgur wheat	26.5
Miscellaneous animal products	132.0	Feed grain products	76.9
Other wheat products	9.2	Feeds and fodders	1,718.9
Other grain products	159.7	Hops	62.2
Blended food products	55.7	Oilseed meal	1,501.8
Dried fruits	263.8	Vegetable oils	960.9
Frozen fruits	28.3	Essential oils	120.0
Canned fruits	79.1	Other miscellaneous vegetable products	132.9
Other fruits ²	25.0	Nursery and greenhouse products	80.0
Fruit juices	252.5		
Nuts ³	775.6	High-value unprocessed	2,152.1
Frozen vegetables	171.0	Live animals	535.3
Canned vegetables	138.2	Eggs	109.9
Other vegetables ²	390.7	Fresh fruit	1,065.7
Sugar and products	205.2	Fresh vegetables	310.4
Spices	26.8	Unshelled nuts	130.8
Tea and mate	17.2		
Flavoring syrups	238.7	Raw materials	3,904.6
Coffee	78.2	Tobacco	1,296.0
Cocoa	14.3	Cotton	2,150.1
Chocolate products	110.9	Seeds	414.5
Beverages ⁴	84.4	Rubber	42.6
Wine	78.6	Fibers	1.4
Popcorn	32.9		
Semiprocessed	9,542.4	Bulk food products	15,777.6
Meats ⁵	1,760.2	Wheat	4,466.9
Poultry meat ⁵	406.5	Rice	731.4
Down feathers	29.9	Feed grains	5,131.8
Animal fats	544.6	Oilseeds	5,237.7
Hides and skins	1,837.5	Pulses	209.9
Wool and mohair	41.4		
Sausage casings	29.7	Total	35,334.3

¹Includes prepared and preserved products. ²Includes prepared items. ³Includes shelled and prepared nuts. ⁴Excludes juice. ⁵Includes fresh and frozen meat.

Source: *Foreign Agricultural Trade of the United States*.
Contact: Stephen MacDonald (202) 786-1822.

Table 5. In 1988, the United States Imported \$7.4 Billion Worth of Highly Processed Agricultural Products

U.S. agricultural imports, fiscal 1988			
Item	Million dollars	Item	Million dollars
Highly processed	7,360.4	Semiprocessed, con't.	
Chocolate products	199.5	Raw sugar	367.8
Coffee products	186.0	Molasses	71.2
Noncompetitive spices	355.4	Vegetable oils	724.7
Red meats ¹	726.6	Oilcake and meal	42.0
Poultry meat	12.5	Nursery stock	145.2
Dairy products	880.8	Other vegetable products	36.4
Miscellaneous animal products	157.2	High-value unprocessed	6,203.8
Biscuits and wafers	273.8	Bananas and plantains	820.5
Pasta and noodles	83.3	Coffee beans	2,413.7
Fruits ¹	354.2	Cocoa beans	497.6
Orange juice	523.0	Live animals ⁴	737.5
Other juices	244.8	Eggs	14.8
Vegetables ¹	867.9	Fresh fruits	658.8
Confectionery products	62.5	Nuts and preparations	335.7
Other sugar products	119.9	Fresh vegetables	725.2
Competitive spices	31.2		
Beverages ²	2,008.5	Raw materials	2,044.9
Cut flowers	273.4	Rubber and allied gums	948.6
		Raw silk	6.6
Semiprocessed	5,120.1	Carpet wool ⁵	47.2
Cocoa products	466.8	Non-cotton fibers	25.1
Tea	123.3	Apparel wool ⁵	244.8
Essential oils	141.5	Tobacco	610.8
Crude drugs	222.5	Cotton	8.8
Other noncompetitive products	18.7	Seeds	153.0
Red meats ³	2,061.9	Bulk food products	281.5
Down feathers	61.9	Wheat	51.8
Animal fats	19.3	Oats	86.5
Hides and skins	247.1	Barley	21.1
Sausage casings	66.3	Rice	50.6
Bull semen	2.7	Oilseeds	71.4
Other grains and preparations	141.1	Total	21,010.7
Feeds and fodders	159.6		

¹Includes prepared and preserved items. ²Excludes juice. ³Includes fresh and frozen meats. ⁴Includes poultry. ⁵Unmanufactured.

Source: *Foreign Agricultural Trade of the United States*.
Contact: Steve Milmoie (202) 786-1822.

The U.S. comparative advantage in growing bulk agricultural products assures that exports of such goods far outweigh imports. Similarly, a natural disadvantage in growing tropical products assures that imports of unprocessed high-value products—like coffee, cocoa, and bananas—substantially outweigh exports. However, the differentiation added to highly processed foods encourages two-way trade between countries by creating a wider variety of products. Since these goods compete through product characteristics, as well as price, they can be economically produced in a number of countries.

U.S. trade in highly processed goods—both food and nonfood—is a two-way channel, skewed in favor of the rest of the world. Our negative trade balance in highly processed food items, however, is substantially smaller than our deficit in highly processed nonfood products, which exceeds \$100 billion annually. While the competitiveness of U.S. agriculture has recovered in recent years, improved competitiveness in processing has been less dramatic and will remain a concern for the foreseeable future.

World Markets

U.S. agricultural trade varies as much between regions as across commodities (table 6). The United States runs trade deficits in meat and fruits with Australia and New Zealand—both meat exporters—and with Latin America, the source of most of our imported fruits and vegetables. We also maintain deficits with Sub-Saharan Africa and developing countries in Asia, such as the Philippines and Indonesia. These regions, as well as Latin America, are the source of most noncompetitive and tropical imports.

During the 1980's, the most noteworthy agricultural trade developments for the United States have been the change from surplus to deficit in trade with Latin America, the dramatic reduction in the trade surplus with the EC, and the growth of surpluses with East Asia. Shifts in trade with the EC and East Asia have involved U.S. exports almost exclusively, while the trade balance with Latin America has suffered from both higher imports and lower exports. Because many Latin American countries are heavily in debt, the demands of debt-service have forced them to cut imports while increasing exports, to the detriment of U.S. agricultural and nonagricultural trade.

U.S. Export Programs

Commercial export programs have played a major role in the recovery of U.S. exports since 1986. In fiscal 1988 alone, these programs assisted almost 20 percent of U.S. agricultural exports.

An array of programs is available to help commercial exporters compete in world markets. Price reduction programs, such as the Export Enhance-

Table 6. U.S. Agricultural Trade Varies Between Regions

	U.S. agricultural exports			U.S. agricultural imports		
	1981	1986	1988	1981	1986	1988
	<i>Million dollars</i>					
Western Europe	11,821	6,848	8,029	2,766	4,492	4,441
EC-12 ¹	11,081	6,432	7,513	2,500	4,115	4,121
Other Western Europe	740	415	516	266	376	320
Eastern Europe	2,056	447	559	303	287	320
USSR	1,706	1,105	1,934	10	12	20
Middle East	1,780	1,243	1,903	225	339	306
Asia	14,353	9,251	14,025	2,755	3,036	3,251
Japan	6,739	5,139	7,274	116	199	239
China	2,184	83	613	298	191	262
Other East Asia	3,629	2,788	4,318	215	356	336
South and Southeast Asia	1,801	1,241	1,820	2,126	2,289	2,414
Africa	2,845	2,134	2,272	1,348	1,179	848
North Africa	1,514	1,401	1,659	12	16	22
Sub-Saharan Africa	1,331	733	613	1,336	1,163	826
Latin America	6,870	3,598	4,401	6,850	8,146	7,482
Mexico	2,732	1,114	1,726	1,075	1,981	1,903
Central America	373	334	413	1,351	1,610	1,199
Caribbean	808	752	867	557	423	377
South America	2,957	1,398	1,394	3,867	4,132	4,003
Canada	2,141	1,466	1,973	1,143	1,971	2,370
Oceania²	208	216	238	1,818	1,413	1,972
Developed	20,909	13,669	17,883	5,843	8,075	9,118
Less developed	16,925	11,005	14,346	10,764	12,309	11,289
Centrally planned	5,946	1,635	3,106	611	490	603
Total	43,780	26,309	35,334	17,218	20,875	21,011

¹The 12 countries of the European Community. ²Includes Australia and New Zealand.

Source: *Foreign Agricultural Trade of the United States*.
Contact: Stephen MacDonald or Steve Milmoie (202) 786-1822.

ment Program (EEP), permit exporters to reduce the price of a commodity to meet subsidized competition. Credit guarantee programs allow exporters to make credit available to countries that may be facing foreign exchange constraints. Exporters seeking to expand demand for U.S. agricultural products overseas may use the Cooperator Program and the Targeted Export Assistance Program to fund trade fairs, advertising, educational campaigns, and other promotional activities.

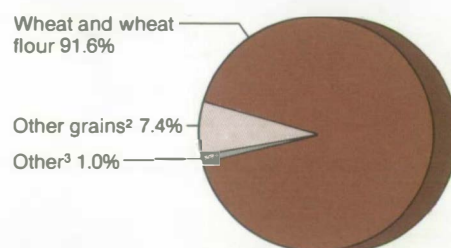
The Export Enhancement Program, announced in May 1985 and extended under the Food Security Act of 1985 and the Omnibus Trade Act of 1988, helps U.S. exporters meet subsidized competition and attempts to encourage agricultural trade negotiations under the General Agreement on Tariffs and Trade (GATT). Under EEP, exporters receive bonuses in the form of certificates redeemable for commodities held by the Commodity Credit Corporation (CCC). This enables exporters to sell certain commodities to specified countries at prices below U.S. market levels. As of September 30, 1988, the program had assisted sales of almost \$6 billion worth of commodities. Wheat is the chief EEP commodity, accounting for almost 90 percent of all program shipments. Sales of wheat flour, barley, sorghum, rice, other grains, vegetable oils, frozen poultry, eggs, and dairy cattle have also occurred under EEP (figure 1).

EEP-assisted wheat exports have increased from about 20 percent of all U.S. wheat exports in fiscal 1986 to almost two-thirds of the total in 1988. During that period, U.S. wheat exports rose by almost 65 percent. In 1988, EEP-assisted shipments accounted for a smaller share of total exports of barley and sorghum (30 percent), wheat flour (30 percent), and vegetable oil (20 percent).

Importers in 65 countries may purchase U.S. agricultural commodities

under EEP. Many of the targeted countries, especially in the Middle East and North Africa, are markets where our competitors subsidize their exports. Almost 40 percent of EEP wheat sales have been targeted to North African and Middle Eastern countries (figure 2). The Soviet Union, China, India, the Philippines, and Mexico also have bought large amounts of wheat under EEP.

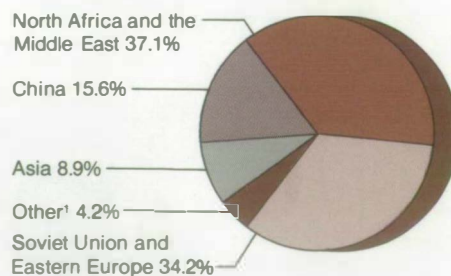
Figure 1. Wheat and Flour Were the Major Commodities Sold Under the Export Enhancement Program in Fiscal 1986-88¹



¹Fiscal 1986-88 average. ²Includes barley, sorghum, barley malt, rice, and semolina. ³Includes vegetable oil and frozen poultry. Excludes small quantities of table eggs and numbers of dairy cattle.

Contact Karen Ackerman (202) 786-1823.

Figure 2. From June 1985 through September 1988, Almost 40 Percent of EEP Wheat Sales Were Targeted to North Africa and the Middle East



¹Includes countries in Latin America and Sub-Saharan Africa.

Contact Karen Ackerman (202) 786-1823.

The CCC operates short-term and intermediate-term credit guarantee programs to make purchases of U.S. agricultural commodities more affordable and to increase U.S. exports. The Export Credit Guarantee Program (GSM-102) has guaranteed short-term credit (up to 3 years) since 1981. GSM-102, the largest credit program, helped export \$2.6 billion of agricultural commodities in 1987, including wheat and products (\$690 million), soybeans and products (\$534 million), corn and products (\$490 million), cotton (\$265 million), and rice (\$138 million). Mexico, Korea, Iraq, Egypt, and Algeria were the major users of GSM-102 in 1987. The Intermediate Credit Guarantee Program (GSM-103) covers credit extended for 3 to 10 years. In 1987, GSM-103 helped export \$154 million of commodities, such as wheat, tobacco, breeder livestock, and protein concentrates. Major GSM-103 purchasers that year were Morocco, Iraq, and Argentina.

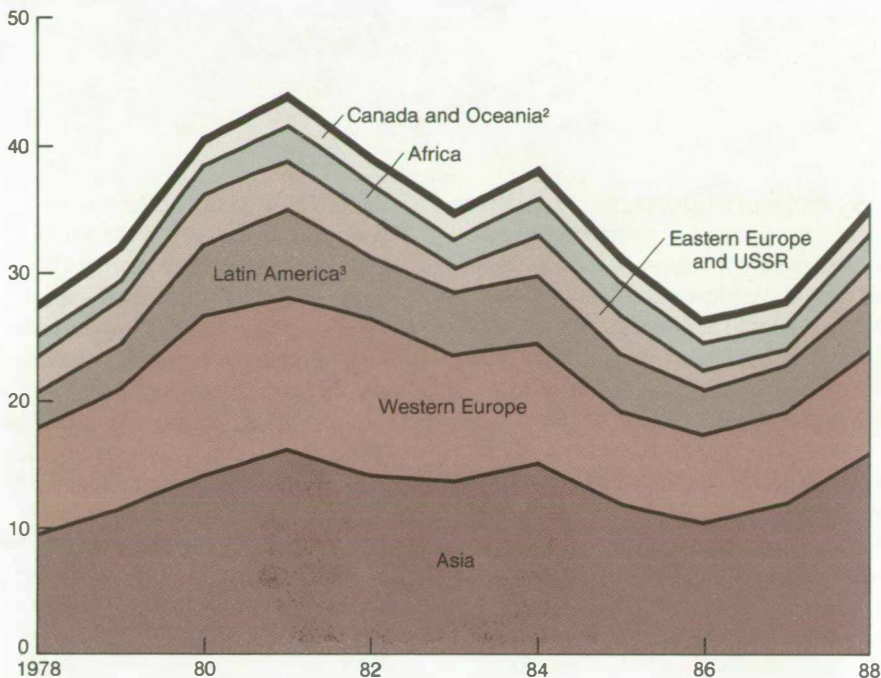
The Targeted Export Assistance (TEA) Program provides export assistance in the form of generic certificates to U.S. producer groups disadvantaged by the trade policies of competing nations. Producer and regional groups participating in the program redeem or sell the generic certificates to finance promotional and educational programs, such as trade fairs, consumer surveys, and demonstrations in targeted markets. The major commodities targeted for TEA projects in 1989 are fresh and processed fruits and vegetables, nuts, and meat products for export to Western Europe and developed Asian countries. Under the Cooperator Program, USDA's Foreign Agricultural Service works with nonprofit producer organizations, governments, firms, and trade associations in other countries to develop and expand markets for U.S. agricultural exports.

U.S. Agricultural Trade . . . At a Glance

U.S. agricultural exports grew more than \$9 billion in fiscal 1987 and 1988 from 1986's level. Asia accounted for 60 percent of this growth, led by strong demand in Japan and Korea, the two largest single-country markets for U.S. farm products in fiscal 1988. Exports to the Soviet Union expanded in 1988, but Eastern Europe's imports were still constrained by debt-service obligations.

Buyers of U.S. Agricultural Exports

Billion dollars¹



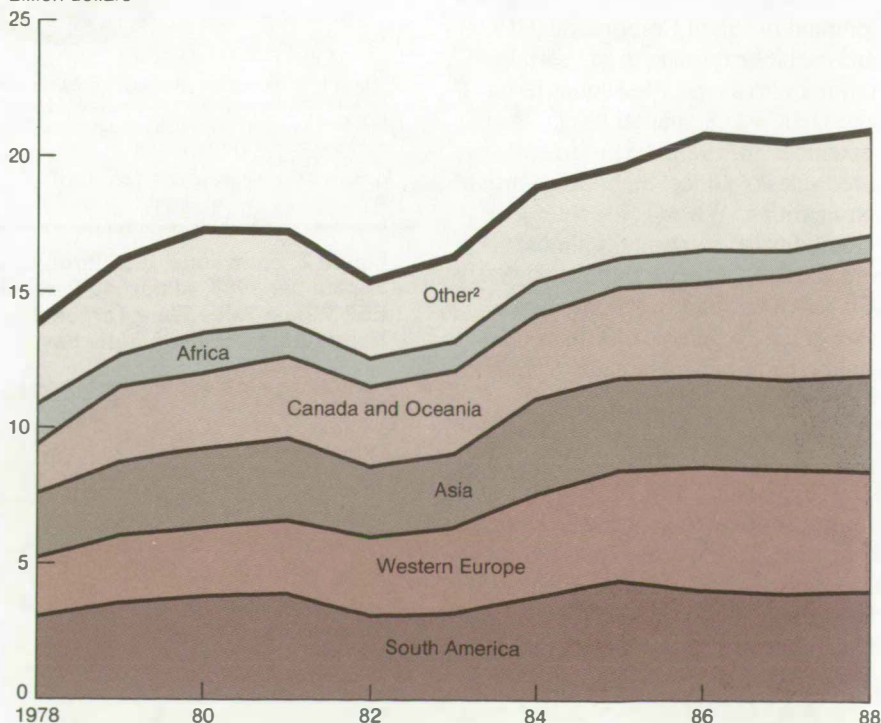
¹Fiscal year basis. ²In recent years, U.S. agricultural exports to Canada have been under-reported by an estimated \$1 billion annually. This discrepancy is officially recognized by both governments. ³Includes the Caribbean and Central America.

Contact Stephen MacDonald (202) 786-1822.

For the third consecutive year, Western Europe was the largest supplier of agricultural commodities to the United States in fiscal 1988. South America previously held the number one spot. Western Europe supplies wine, pork, beer, cheese, and cocoa, while South America sends coffee, orange juice, cocoa beans, bananas, and sugar. The five largest individual country suppliers in 1988 were Canada, Mexico, Brazil, Australia, and Indonesia.

Suppliers of U.S. Agricultural Imports

Billion dollars¹



¹Fiscal year basis. ²Includes the Caribbean and Central America.

Contact Steve Milmo (202) 786-1822.