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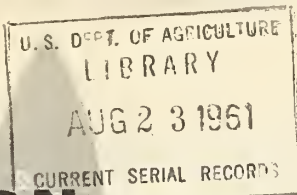
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U. S. Agricultural Exports under the Food for Peace Program July-March 1960-61

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Development & Trade Analysis
Division

U. S. exports of agricultural commodities in the first three quarters of fiscal year 1960-61 rose to \$3,806 million, \$433 million or 13 percent above the total of \$3,373 million for the comparable period a year earlier. This high level of exports exceeded the total annual value of agricultural exports for 10 of the last 15 fiscal years. Larger shipments under Government-financed export programs accounted for about 55 percent of the total increase, but dollar sales, which made up the remaining 45 percent, also rose appreciably.

Most of the increase in Government program exports this year was brought about by a pronounced rise in sales for foreign currencies under Title I of Public Law 480. Increases also occurred in PL 480 Title II shipments for disaster relief and PL 480 Title III donations. The additional Title I exports accounted for over four-fifths of the total increase in Government program shipments.

A large share of the \$194 million increase in sales for foreign currency under Title I, the major instrument of the Food for Peace program, represented stepped-up shipments of wheat and flour along with larger exports of cotton. Major U. S. market outlets for Title I wheat sales were India, Poland, Pakistan, Brazil, and UAR-Egypt, while the major outlets for cotton were India, Poland, Spain, Indonesia, Yugoslavia, and Korea.

Disaster relief shipments under Title II and donations under Title III of PL 480 together contributed \$88 million to the total increase in Government program exports. A substantial pick-up in wheat exports under Title II contributed materially to the increase. Larger exports of non-fat dry milk resulting from increased availability of supplies also contributed to the rise in foreign relief donations. Food and feed were provided under Title II of PL 480 to relieve conditions due to extended drought in several Eastern Mediterranean countries, notably UAR-Syria, Jordan, and Lebanon. Surplus foods were also contributed under Title II for child feeding programs, for aid to refugees, and to provide local currency to finance needed economic development projects.

PL 480 Title III barter exports, along with shipments made under the Mutual Security Act, were lower during the first three quarters of

1960-61 than they were during the comparable period a year earlier. Most of the decrease in barter shipments is attributed to a decrease in the demand for feed grains and dairy products under barter transactions, while the small decrease in exports under the Mutual Security Act resulted from lower shipments of vegetable oils along with slight decreases in a number of other commodities.

Additional exports of cotton to Japan accounted for the increase of \$8 million in disbursements under Export-Import Bank loans for agricultural commodities during the period.

Purchases under the Commodity Credit Corporation credit sales program in the first three quarters of 1960-61 amounted to \$15.5 million compared with \$1.0 million in 1959-60. This increase reflected a growing recognition of this program by exporters and foreign importers as an instrument for providing short- and medium-term credit for dollar exports of agricultural commodities.

* * *

A substantial increase in U. S. exports for dollars amounting to \$197 million occurred during the first three quarters of 1960-61. Commercial sales for dollars, averaging 67 percent of total agricultural exports since 1954-55, represent the major means of payment for U. S. agricultural exports. Advances in exports of wheat, cotton, soybeans, and tobacco accounted for most of the increase in dollar sales. It is estimated that nearly two-fifths of the dollar exports were assisted by payments in cash or in kind and to a limited extent by sales from Government-owned stocks at less than domestic market prices.

Larger exports of wheat alone accounted for nearly one-half of the increase in dollar sales. Dollar exports to Western Europe, especially Italy and Spain, increased markedly because of a poor quality harvest there, while increased commercial exports to Japan reflected the results of market promotion work.

The rise in dollar sales of cotton was second to that of wheat and accounted for over two-fifths of the increase in commercial sales for dollars. Exports have benefited from continued high cotton consumption abroad, the relatively low level of cotton stocks in other major producing countries, and the plentiful supply of U. S. cotton available for export at competitive prices. Exports of cotton for dollars increased to several countries of Western Europe, as well as to Canada, Japan, Australia, and the Union of South Africa.

Exports of soybeans for dollars were up sharply from the comparable period a year earlier. Dollar sales during the first three quarters of 1960-61 totaling \$254 million were 23 percent above their total in the comparable period of 1959-60. The continued strong demand in industrialized countries and the reduced supplies available from Communist China were factors accounting for the increase. Over two-thirds of U. S. beans went to Japan, the Netherlands, West Germany, and Canada.

Exports of tobacco sold for dollars in the first three quarters increased by \$37 million or 16 percent above the total of \$239 million in 1959-60. U. S. exports were encouraged by the large 1960 crop of above average quality, relatively stable prices for U. S. tobacco, and steadily increasing world cigarette output. The largest increases were in exports to the United Kingdom, the Netherlands, and Sweden.

Table 1.-- U.S. exports under specified government-financed programs, exports outside specified government-financed programs, and total agricultural exports, July-June 1954-55 through July-March 1960-61

Program	July - March								
	1954-55:	1955-56:	1956-57:	1957-58:	1958-59:	1959-60:	1959-60:	1960-61:	through March 1961
	Million:	Million:	Million:	Million:	Million:	Million:	Million:	Million:	Million:
	dollars:	dollars:	dollars:	dollars:	dollars:	dollars:	dollars:	dollars:	dollars:
Public Law 480:									
Title I, sales for foreign									
currency.....	73 :	439 :	909 :	659 :	725 :	825 :	563 :	757 :	4,387
Title II, disaster relief.....	83 :	91 :	88 :	92 :	56 :	65 :	43 :	98 :	573
Title III, donations.....	135 :	184 :	165 :	173 :	131 :	104 :	71 :	104 :	996
Title III, barter.....	125 :	298 :	401 :	100 :	132 :	153 :	119 :	83 :	1,292
Total Public Law 480.....	416 :	1,012 :	1,563 :	1,024 :	1,044 :	1,147 :	796 :	1,042 :	7,248
Mutual Security, Secs. 402 and									
550, sales for foreign currency,									
and economic aid 1/.....	450 :	355 :	394 :	227 :	210 :	167 :	115 :	105 :	1,908
Total exports under specified									
government-financed programs.....	866 :	1,367 :	1,957 :	1,251 :	1,254 :	1,314 :	911 :	1,147 :	9,156
Total exports outside specified									
government-financed programs 2/....	2,278 :	2,129 :	2,771 :	2,752 :	2,465 :	3,213 :	2,462 :	2,659 :	18,267
Total agricultural exports.....	3,144 :	3,496 :	4,728 :	4,003 :	3,719 :	4,527 :	3,373 :	3,806 :	27,423
Percent of Total Exports									
	Percent:	Percent:	Percent:	Percent:	Percent:	Percent:	Percent:	Percent:	Percent:
Public Law 480									
Title I, sales for foreign									
currency.....	2 :	13 :	19 :	16 :	20 :	18 :	17 :	20 :	16
Title II, disaster relief.....	3 :	3 :	2 :	2 :	1 :	2 :	1 :	2 :	2
Title III, donations.....	4 :	5 :	4 :	4 :	3 :	2 :	2 :	3 :	3
Title III, barter.....	4 :	8 :	8 :	3 :	4 :	3 :	4 :	2 :	5
Total Public Law 480.....	13 :	29 :	33 :	25 :	28 :	25 :	24 :	27 :	26
Mutual Security, Secs. 402 and									
550, sales for foreign currency,									
and economic aid.....	14 :	10 :	8 :	6 :	6 :	4 :	3 :	3 :	7
Total exports under specified									
government-financed programs.....	27 :	39 :	41 :	31 :	34 :	29 :	27 :	30 :	33
Total exports outside specified									
government-financed programs.....	73 :	61 :	59 :	69 :	66 :	71 :	73 :	70 :	67
Total agricultural exports.....	100 :	100 :	100 :	100 :	100 :	100 :	100 :	100 :	100

1/ Values shown are disbursements for exports. Actual liftings for 1955-56 were \$379 million; for 1956-57, \$364 million; for 1957-58, \$221 million; and for 1958-59, \$195 million.

2/ Exports "outside specified government programs" (sales for dollars) include, in addition to unassisted commercial transactions, shipments of some commodities with governmental assistance in the form of (1) extension of credit for relatively short periods, (2) sales of government-owned commodities at less than domestic market prices, and (3) export payments in cash or in kind.

Table 2.—U.S. agricultural exports under specified government-financed programs, exports outside specified government-financed programs, and total agricultural exports, value, July-March 1960-61

Commodity	Public Law 480				P. L. 665			
	Title I	Title II	Title III		Sec. 402	agric'l	agric'l	Total
	Sales	Famine	Foreign		sales for	exports	exports	Total
	for	and other	donations	Barter	foreign	under	outside	agric'l
	foreign	emergency	relief	1/	currency	specified	specified	exports
	currency	relief	1/	2/	aid 3/	gov't	gov't	progs. 4/
	Million	Million	Million	Million	Million	Million	Million	Million
	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars
Wheat.....	396.9	55.4	1.3	23.4	14.2	491.2	219.0	710.2
Wheat flour.....	35.5	19.1	45.1	4.7	2.0	106.4	35.7	142.1
Rye.....	—	—	—	.9	—	.9	4.0	4.9
Corn, except seed.....	20.6	4.4	.5	9.0	2.7	37.2	200.6	237.8
Grain sorghums.....	9.6	1.5	—	5.7	.1	16.9	57.6	74.5
Barley.....	25.1	9.9	—	6.6	4.4	46.0	20.9	66.9
Corn meal.....	—	.5	11.8	—	—	12.3	—	12.3
Wheat and rye products, n.e.c.....	5/ .1	—	—	—	—	.1	9.7	9.8
Rice, milled.....	49.1	2.0	15.1	.7	—	66.9	40.0	106.9
Cotton.....	6/ 136.2	2.3	—	6/ 10.3	36.5	185.3	585.6	770.9
Tobacco, unmanufactured.....	22.0	—	—	19.9	11.0	52.9	276.0	328.9
Soybeans.....	—	—	—	—	13.5	13.5	254.4	267.9
Flaxseed.....	—	—	—	—	.1	.1	10.4	10.5
Tallow, edible and inedible.....	—	—	—	—	5.3	5.3	64.9	70.2
Soybean oil.....	52.6	—	—	—	1.5	54.1	20.0	74.1
Cottonseed oil.....	5.9	—	—	—	2.1	8.0	23.8	31.8
Linseed oil.....	—	—	—	—	7/	7/	.9	.9
Oilcake and meal.....	—	—	—	—	.3	.3	34.8	35.1
Milk, evaporated and condensed.....	—	—	—	—	8.3	8.3	12.2	20.5
Milk, whole, dried.....	—	—	—	—	.1	.1	8.2	8.3
Milk, nonfat dried.....	2.6	3.1	30.2	.9	.2	37.0	10.0	47.0
Butter.....	—	—	—	.7	—	.7	8/ .4	.3
Infants' and dietetic foods.....	—	—	—	—	.4	.4	9.3	9.7
Poultry, fresh or frozen.....	.2	—	—	—	—	.2	38.6	38.8
Hides and skins.....	—	—	—	—	2.4	2.4	61.5	63.9
Dried fruit.....	.1	—	—	—	—	.1	36.5	36.6
Fruits and juices, fresh, frozen and canned.....	.8	—	—	—	—	—	152.6	153.4
Crude rubber and allied gums.....	—	—	—	—	7/	7/	.3	.3
Other agricultural commodities.....	—	—	—	—	—	—	471.3	471.3
Total agricultural exports	757.3	98.2	104.0	82.8	105.1	1,147.4	2,653.4	3,805.8

- 1/ Foreign donations are authorized under Sec. 416 of the Agricultural Act of 1949 and Sec. 302, Title III, P.L. 480.
- 2/ The barter program is authorized under the Charter Act of the Commodity Credit Corporation; Sec. 303, Title III, P.L. 480; and other legislation.
- 3/ Mutual security programs, sales for foreign currency, except \$.4 million. Includes ocean transportation when not reported separately.
- 4/ "Agricultural exports outside specified government programs" (sales for dollars) include, in addition to unsisted commercial transactions, shipments of some commodities with governmental assistance in the form of (1) extension of credit for relatively short periods, (2) sales of government-owned commodities at less than domestic market prices, and (3) export payments in cash or in kind.
- 5/ Bulgur wheat.
- 6/ Title I based partly on vessel bookings and barter based on invoices to contractors during period.
- 7/ Less than \$50,000.
- 8/ Excess of government portion over total exports may be attributed to lags in reporting or to differences in valuation procedures.

Table 3.--U.S. agricultural exports under specified government-financed programs, exports outside specified government-financed programs, and total agricultural exports, quantity, July-March, 1960-61.

Commodity	Public Law 480				P.L. 665		Total	Total	
	Title I		Title II	Title III	Sec. 402	agric'l	agric'l		
	Sales		Famine		sales for		exports	exports	Total
	Unit	for	and other	Foreign	foreign	under	outside	agric'l	
	foreign	emergency	donations	Barter	currency,	specified	specified	exports	
	currency	relief	1/	2/	aid 3/	gov't	gov't		
						progs.	progs.		
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	
	units	units	units	units	units	units	units	units	
Wheat (60 lb.).....	Bu.: 242,645	11,544	665	14,116	7,891	276,861	135,937	412,798	
Wheat flour.....	Cwt: 10,376	3,534	8,839	1,418	431	24,598	10,216	34,814	
Rye (56 lb.).....	Bu.: --	--	--	954	--	954	3,602	4,556	
Corn, except seed (56 lb.).....	Bu.: 15,976	1,315	360	7,593	2,068	27,312	163,416	190,728	
Grain sorghums (56 lb.).....	Bu.: 8,761	670	--	4,912	40	14,383	52,719	67,102	
Barley (48 lb.).....	Bu.: 21,831	5,019	--	6,851	4,389	38,090	24,228	62,318	
Corn meal.....	Cwt: --	138	2,790	--	--	2,928	6	2,934	
Wheat and rye products, n.e.c.....	Lb.: 5/ 1,109	--	--	--	--	1,109	39,595	40,704	
Rice, milled.....	Cwt: 9,761	192	1,732	241	--	11,926	4,802	16,728	
Cotton (running bale).....	Bale: 6/ 1,048	15	6/ 86	295	1,444	4,345	5,789		
Tobacco, unmanufactured.....	Lb.: 30,935	--	--	30,847	13,357	75,139	352,215	427,354	
Soybeans (60 lb.).....	Bu.: --	--	--	--	5,629	5,629	110,450	116,079	
Flaxseed (56 lb.).....	Bu.: --	--	--	--	28	28	3,395	3,423	
Tallow, edible and inedible.....	Lb.: --	--	--	--	65,661	65,661	1,010,992	1,076,653	
Soybean oil.....	Lb.: 501,475	--	--	--	11,477	512,952	153,220	666,172	
Cottonseed oil.....	Lb.: 46,467	--	--	--	15,174	61,641	206,173	267,814	
Linseed oil.....	Lb.: --	--	--	--	48	48	6,881	6,929	
Oilcake and meal.....	S.T.: --	--	--	--	4	4	567	571	
Milk, evaporated and condensed.....	Lb.: --	--	--	--	32,999	32,999	79,934	112,933	
Milk, whole dried.....	Lb.: --	--	--	--	98	98	15,031	15,129	
Milk, nonfat dried.....	Lb.: 29,026	25,570	317,746	13,154	1,322	386,818	53,205	440,023	
Butter.....	Lb.: --	--	--	1,922	--	1,922	7/-1,460	462	
Infants' and dietetic foods.....	Lb.: --	--	--	--	640	640	12,454	13,094	
Poultry, fresh or frozen.....	Lb.: 839	--	--	--	--	839	135,109	135,948	
Hides and skins.....	No.: --	--	--	--	287	287	9,867	10,154	
Dried fruit.....	Lb.: 324	--	--	--	--	324	190,772	191,096	
Fruits and juices,									
fresh, frozen, and canned.....	Lb.: 6,096	--	--	--	--	6,096	1,525,202	1,531,298	
Crude rubber and allied gums.....	Lb.: --	--	--	--	83	83	7/-18	65	

1/ Foreign donations are authorized under Sec. 416 of the Agricultural Act of 1949 and Sec. 302, Title III, P.L. 480.

2/ The barter program is authorized under the Charter Act of the Commodity Credit Corporation; Sec. 303, Title III, P.L. 480; and other legislation.

3/ Mutual security programs, principally sales for foreign currency. See footnote 3/ of Table 2.

4/ "Agricultural exports outside government programs" (sales for dollars) include, in addition to unassisted commercial transactions, shipments of some commodities with governmental assistance in the form of (1) extension of credit for relatively short periods, (2) sales of government-owned commodities at less than domestic market prices and (3) export payments in cash or in kind.

5/ Bulgur wheat.

6/ Title I based partly on vessel bookings and barter based on invoices to contractors during period.

7/ Excess of government portion over total exports may be attributed to lags in reporting or to differences in classification procedures.

Table 4.--Credit sales of agricultural commodities, value by commodity,
July - March 1960-61 1/

Commodity	Export-Import Bank Loans <u>2/</u>	CCC credit sales <u>3/</u>	Total credit sales
	Million dollars	Million dollars	Million dollars
Wheat.....	--	6.1	6.1
Corn.....	--	6.8	6.8
Grain sorghums.....	--	.7	.7
Barley.....	--	.8	.8
Cotton.....	35.7	--	35.7
Tobacco.....	--	<u>4/</u>	<u>4/</u>
Milk, nonfat dry.....	--	1.1	1.1
Total.....	35.7	15.5	51.2

1/ Credits for relatively short periods repayable in dollars plus interest (covering the financing costs of the lending agency).

2/ Disbursements during the period.

3/ Purchases during the period.

4/ Less than \$50 thousand.



Growth Through Agricultural Progress

A brief description of the Food for Peace programs, along with a summary of exports under these programs for the years 1954-55 through 1958-59, is presented in Foreign Agriculture Circular, FATP 16-60, dated June 30, 1960. See page A-13 of the circular for details on sources and comparability of data.
