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Desk Reference Guide to U.S. Agricultural Trade

Abstract

This publication is designed to be a practical and up-to-date reference source for those involved or interested in the international trade of U.S. food and agricultural products. Its objective is to present a comprehensive overview of the various aspects of U.S. agricultural trade from both an export and an import perspective. The publication is divided into four parts: U.S. agricultural exports, U.S. agricultural imports, U.S. fish and forest product exports and imports, and a statistical appendix. Within the export and import sections, information is provided by major subject area. The contents of this publication reflect information, data, and USDA forecasts available as of February 1994.

Keywords: Desk reference, agricultural exports, agricultural imports, bulk commodities, intermediate products, consumer-oriented products, emerging markets, Government programs, trade policy, exchange rates, General Agreement on Tariffs and Trade, competitive imports, noncompetitive imports, import suppliers, import controls, free trade agreement.

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Inquiries about subject matter

Anyone having questions about the subject matter of this report should direct his/her comments to the author or to the Trade and Economic Analysis Division, Foreign Agricultural Service, USDA, Room 3059-South Building, Washington, DC 20250-1000. Tel: (202) 720-1294.

Ordering Information

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United States Department of Agriculture

Foreign Agricultural Service

Agriculture Handbook No. 683

Revised April 1994

Desk Reference Guide to U.S. Agricultural Trade

Diane Dolinsky

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[Correction: Replaces page ii in Desk Reference Guide]

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Introduction

The successful conclusion of the agricultural trade negotiations in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) underscores the importance of agricultural trade to the world and the U.S. economy. Inflation rates, levels of unemployment, and the exchange rate of the dollar to foreign currencies are all closely related to farm product trade between the United States and other nations.

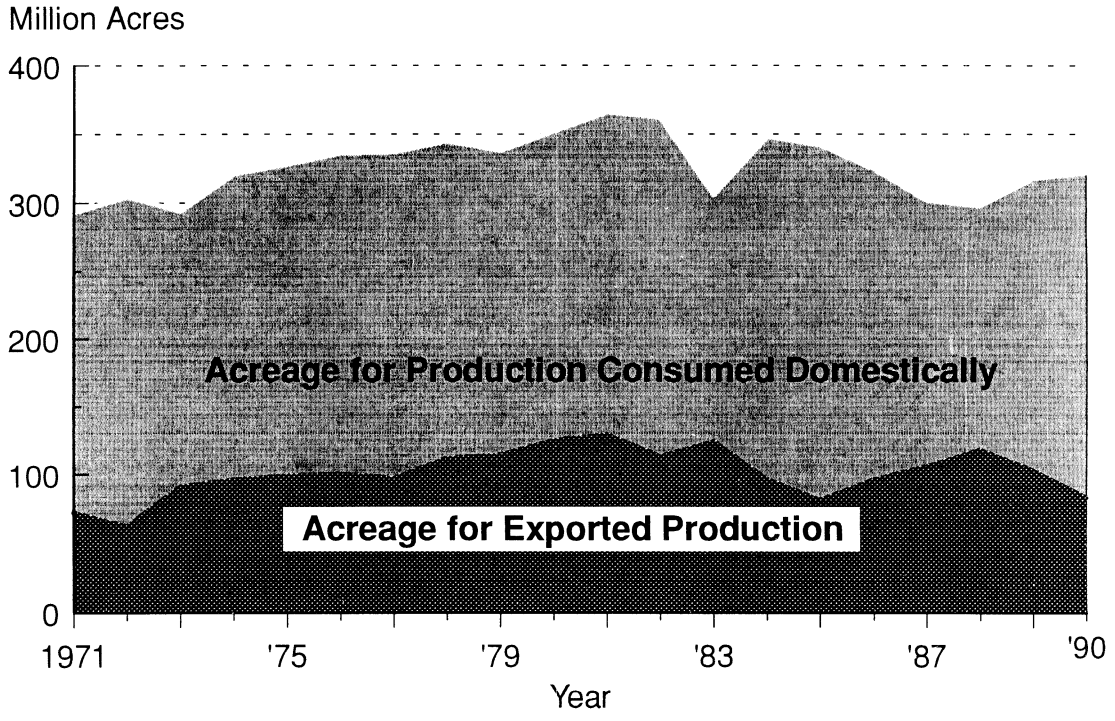
U.S. agricultural exports create more than half a million off-farm jobs in financing, storage, packaging, processing, merchandising, and shipment. Another half-million jobs are created on the farm to produce food for overseas markets.

At the farm level, agricultural exports provide producers with an expanded market and therefore a better income. In normal crop years, the output from about 30 percent of U.S. harvested acreage is destined for export markets, which generate about one-fifth of farmers' cash receipts. In 1990, the output from 26 percent of harvested acreage was exported.

Exports lower production costs and increase efficiency by allowing farmers to more fully use their land, equipment, and capital. This contributes to the comparative advantage of U.S. agricultural output.

The United States exports a large part of its crop production. The export share for major crops in the 1994 marketing year is forecast at about 46 percent for wheat, 22 percent for feed grains, 53 percent for rice, 34 percent for soybeans, and 36 percent for cotton. Exports also provide an important outlet for U.S. meats, tallow, hides, skins, and many horticultural products, such as almonds, apples, citrus fruits, and wines.

Over One-Fourth of U.S. Acreage Committed to Exports in 1990



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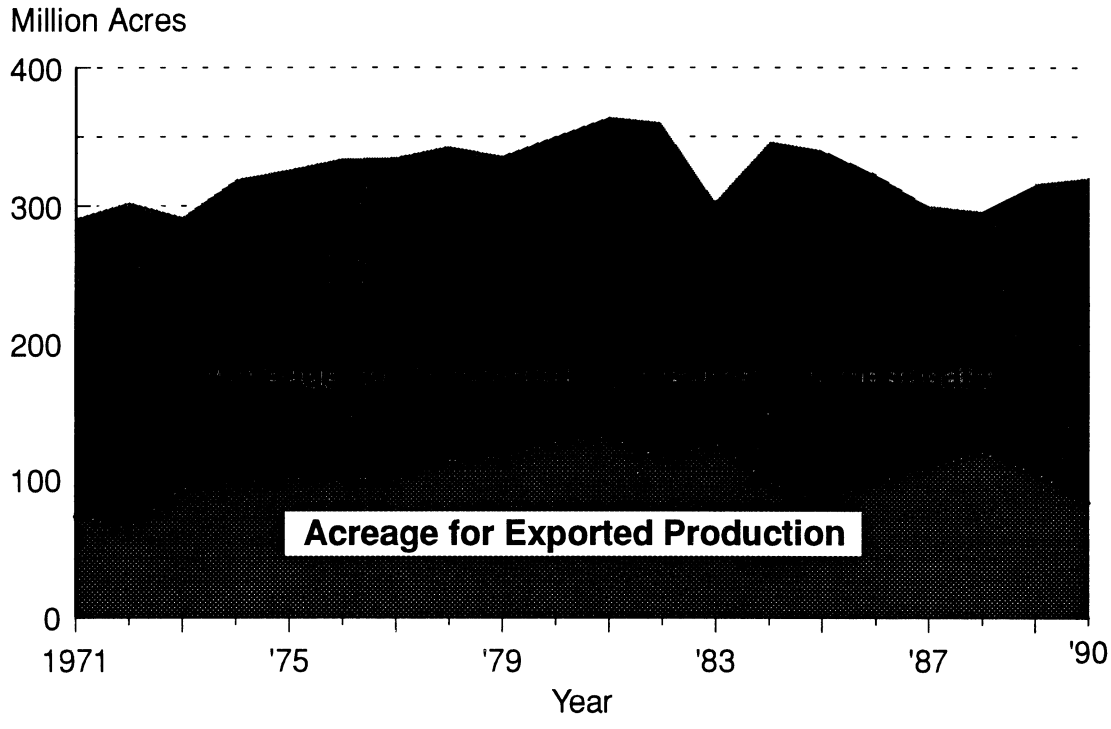
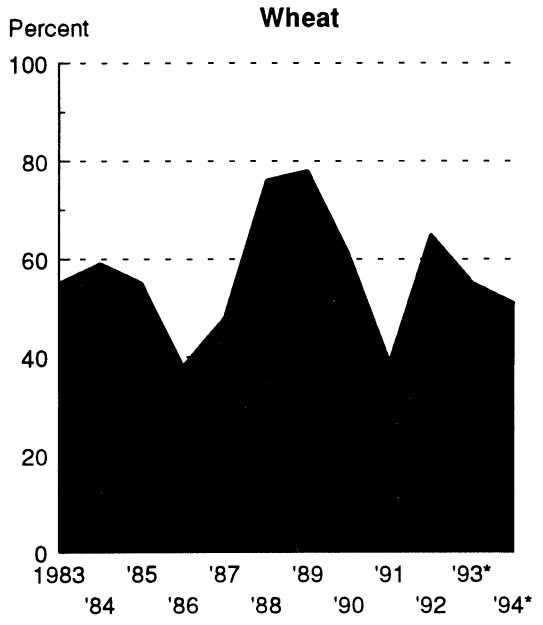
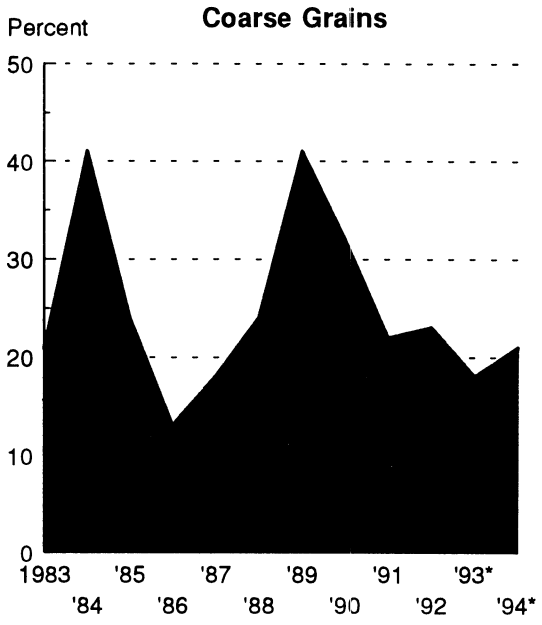


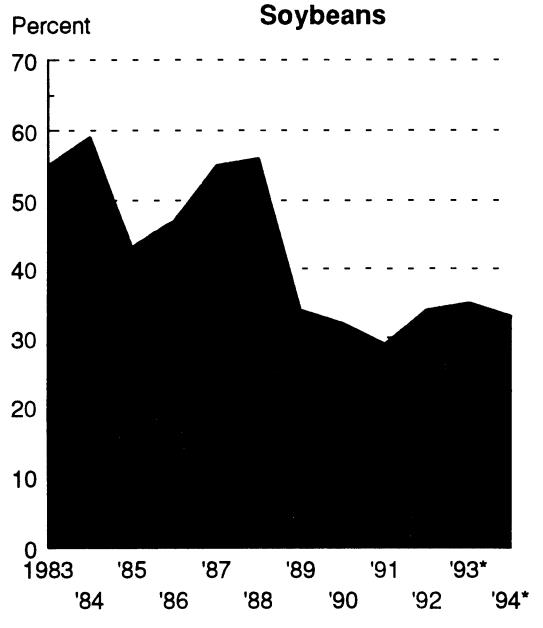
A Large Percentage of U.S. Crop Production Is Exported



Year ending May 31



Year ending August 31



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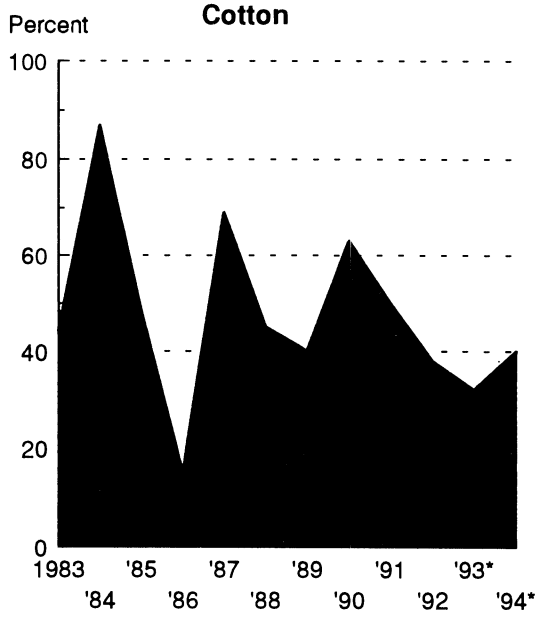


Year ending July 31

* 1993 data are preliminary estimates and 1994 data are projections. Both are from "World Agricultural Supply and Demand Estimates," USDA, February 10, 1994 (WASDE #287).

Agriculture's Trade Balance Ranked Among Major U.S. Industries

Agriculture continues its unbroken 30-year record of trade surpluses. In 1993, it retained its position as the second largest positive contributor to the total U.S. merchandise trade balance with a surplus of $17.6 billion, and was one of only four industries to achieve a positive trade balance. With 1994 agricultural exports expected to rise roughly the same amount as imports, FAS projects agriculture's trade surplus to remain relatively unchanged and continue as a bright spot in the nation's balance of trade picture.

For several years, the Foreign Agricultural Service (FAS) has tracked and reported on the trade performance of 11 major U.S. industries. Agriculture recorded a trade surplus of $17.6 billion in calendar year 1993. This placed agriculture behind top-ranked aircraft/ships/trains ($24.8 billion) and ahead of chemicals ($16.6 billion) and industrial machinery ($11.3 billion). The remaining seven industries tracked by FAS all recorded trade deficits. The industries which continued to record the largest trade deficits were road vehicles (-$47 billion), mineral fuels and products (-$45 billion), and textiles/apparel (-$31.2 billion).

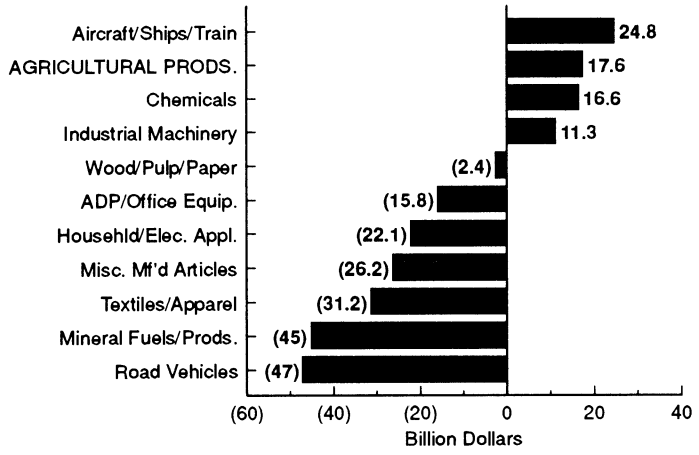
In 1993, agriculture retained its ranking as the second largest positive contributor to the U.S. merchandise trade balance. The total U.S. merchandise trade deficit grew $35.5 billion to $135.6 billion in 1993, a 35-percent increase from the previous year. Agriculture's net positive contribution fell $600 million while the non-agricultural portion of the trade balance deteriorated $34.9 billion to -$153.2 billion.

Compared to the previous year, total U.S. merchandise exports rose 3 percent to $439.3 billion in 1993. Six industries accounted for two-thirds of all exports, with industrial machinery clearly in the lead at $59.5 billion. Seven of the 11 industries recorded sales gains from the previous year. Although agricultural exports fell to $42.5 billion, down $300 million from 1992, agriculture maintained its rank as the fifth largest export industry accounting for 10 percent of total U.S. merchandise exports. Of the four industries ranked ahead of agriculture in export value, only industrial machinery and chemicals registered trade surpluses.

Turning to the other half of the equation, total U.S. merchandise imports reached $574.9 billion, up 9 percent from 1992. Road vehicle imports were clearly in the lead at $86.9 billion, but imports of miscellaneous manufactured articles and household/electrical appliances were also significant at $72 billion each. All industries, with the exception of aircraft/ships/trains, recorded higher imports in 1993. Agricultural imports rose $300 million to $24.9 billion, up 1 percent from the previous year. Of the 11 industries tracked by FAS, agriculture remained the third smallest import industry, accounting for only 4 percent of total U.S. merchandise imports.

The total U.S. merchandise trade deficit stood at $135.6 billion in 1993. Without agriculture, the total trade deficit would have risen to $153.2 billion, a 13-percent increase over the actual figure. Although a relatively open import regime and rising consumer demand for imported foods are expected to fuel the long-term growth in U.S. agricultural imports, agricultural export gains should continue outpacing the growth in imports over the next several years. Led by aggressive export promotion activities, a competitively priced U.S. dollar, and improved access to certain foreign markets, agriculture should continue as a positive force for the nation's trade account well into the next century.

Agriculture Is Second Largest Contributor to Merchandise Trade Balance



Looking Back: A Review of Agricultural Exports

U.S. agricultural exports maintained slow but steady growth throughout the 1950's and 1960's. This trend accelerated sharply during the 1970's, one of the most prosperous eras in the history of U.S. agriculture.

Global Demand Soars in 1970's

The export boom was a direct consequence of rapidly expanding world demand for farm products. U.S. agricultural export volume rose from 60 million tons at the beginning of the 1970's to a high of 164 million tons in fiscal 1980, while the value increased almost sixfold. Several factors contributed to this upsurge.

Sharp increases in petroleum prices during the 1970's netted oil exporters large increases in revenue from petroleum shipments to the energy-dependent developed countries. The oil-exporting countries used part of their earnings to buy more farm products from the United States and other countries with surplus food supplies.

Oil exporters deposited much of their wealth in major international banks which recycled these additional financial resources into developing countries with rich natural resource bases. Developing countries, in turn, used some of the funds to buy additional U.S. agricultural products.

Severe drought in many countries stimulated U.S. export sales--especially of bulk commodities such as wheat, corn, and soybeans.

The former Soviet Union became a major buyer of U.S. grains during this period. Beginning in 1973, it relied on the United States for up to 70 percent of its grain imports. Before 1973, only small quantities of U.S. grains had been sold to the Soviets.

In addition, U.S. international aid programs, such as P.L. 480 (Food for Peace) and credit arrangements for developing countries, became more prolific, creating new demand for U.S. agricultural products.

1980's Present New Challenges

Rapidly changing world economic, financial, and political conditions during the 1980's led to a marked change from the previous decade's pattern of export growth.

A worldwide economic recession sidetracked U.S. trade in the early 1980's. This caused agricultural trade to shrink somewhat, reversing the upward trend of the previous three decades.

Stringent monetary policies were invoked at the onset of the 1980's to curb high U.S. inflation rates experienced throughout the 1970's. These tight-money policies pushed U.S. real interest rates to record levels and made the U.S. dollar a better investment. This contributed to a sharp appreciation in the value of the U.S. dollar relative to the currencies of major trading partners. The net effect was more expensive U.S. farm commodities for foreign customers.

Loan rates to farmers participating in U.S. price-support farm programs were set at rigid, high levels that were consistently above the world market price for most commodities. Combined with the appreciating U.S. dollar, this policy provided competitors with a protective price umbrella under which they could expand production and sell their exportable surpluses on the world market at the expense of the United States.

During this same period, the rising cost of borrowed money in the United States and other major industrialized countries was weakening the economies of debt-strapped developing countries. The high real interest rates resulted in increasing debt loads for these countries and squeezed hard currency reserves and inflation-adjusted disposable incomes. This, in turn, had a negative impact on food import demand.

As the 1980's progressed, the European Community, now the European Union (EU), became a fierce U.S. competitor in world commodity markets, especially in grain. This was in marked contrast to the 1970's, when the EC was a major market for U.S. grains. In addition, other traditionally large grain importers, such as China and India, became net exporters in the early 1980's.

By the mid-1980's, U.S. policymakers were convinced that something had to be done to recapture the shrinking U.S. share of the world market. The result was the 1985 Food Security Act. This legislation overhauled many longstanding farm programs, making them more market-sensitive, and authorized programs designed to counter unfair trade practices.

There were important changes on the macroeconomic front as well. During the first quarter of 1985, the U.S. dollar peaked and began to depreciate against the currencies of major trading partners. In effect, this lowered the price of U.S. farm products in foreign markets.

Taken together, the more market-oriented farm legislation and the lower valued dollar sharpened the competitive edge of U.S. exporters in subsequent years.

U.S. agricultural exports bottomed out in 1986, when the impact of the farm legislation and the depreciating dollar began to be felt. After the 1986 low point of $26.3 billion, exports advanced every year reaching $40.1 billion in 1990. Exports dipped to $37.5 billion in 1991, but in 1992 rebounded to $42.3 billion, the second highest export value since the $43.8 billion record in 1981. And in 1993, exports rose slightly to $42.5 billion, where they are projected to remain for the current year.

Several other factors stand out as major influences on agricultural trade during the 1980's. Among these are falling crude oil prices, droughts in various regions of the world, a major shift in the product mix of agricultural trade, and the emergence of Asia as the dominant regional market for U.S. agricultural products.

The decline in crude oil prices was brought on by a worldwide oil glut caused by overproduction in the early 1980's. This resulted in lower expenditures on petroleum imports in many developing countries, leaving them with more reserves to spend on agricultural imports.

The sporadic droughts of the mid- and late 1980's resulted in the disappearance of the large worldwide commodity surplus built up during the first half of the decade. These weather patterns turned out to be a boon for U.S. farmers, boosting export opportunities and helping the United States to strengthen its position as the leading agricultural supplier to foreign markets.

The product mix during the 1980's shifted away from bulk commodities toward processed and consumer-ready products. This change became more pronounced as Asia rose to prominence as a regional market for U.S. farm products.

Asia replaced Western Europe as the leading regional market for U.S. agricultural products in 1979. Since then, the percentage of U.S. agricultural exports shipped to Asia has steadily increased from 32 percent, or $12.8 billion, in fiscal 1980 to 37 percent, or $16 billion, in fiscal 1993.

An important development that helps explain the link between these two phenomena is the rising level of economic interdependence between Asia and the United States. The cultural exchange brought on by the increased level of economic interdependence has resulted in a closer convergence of tastes and preferences in both hemispheres.

For example, Asians have begun to incorporate more Western-style foods into their diets. This, in turn, has led to a surge in demand for Western-style consumer-ready goods in Asia. Increases in demand have been most marked for beef, horticultural products, beverages, and pre-packaged foods. Both U.S. beef and poultry meat exports to Asia posted record levels in fiscal 1993. Fueled by a burgeoning demand for a diversity of tastes, U.S. sales of snack foods, dairy products, fresh vegetables, and tree nuts to Asia also reached all-time highs.

Asia To Remain Top Regional Market in 1990's

Strong projected income growth and continued demand for westernized foods point to further expansion of the Asian market for U.S. agricultural products. Most of the world's economies that experienced rapid industrialization and high-income growth in the 1980's are located in this region. Japan, South Korea, Taiwan, Hong Kong, and Singapore are among the top prospects for further growth.

Other market opportunities could emerge from the world's developing economies where rapid population increases may translate into a growing need for imported food. Provided these countries can expand their economies to finance the purchase of more food imports, the sheer mass of consumers should provide tremendous market opportunities for major food exporters such as the United States. Bulk commodities such as grains and oilseeds appear to have the best growth prospects in these markets.

Sweeping changes in Eastern Europe and the former Soviet Union could break the erratic patterns of farm product purchases there and possibly result in more stable demand patterns in the 1990's. However, the outcome of the new policies and their impact on agricultural trade are uncertain at this point, particularly as protectionist sentiments grow throughout the region.

The difficulty of discerning trends is even more pronounced in the former Soviet Union, where trade will be continue to be negatively impacted by recent political and economic instability. Severe bottlenecks in obtaining raw materials and moving goods to market, combined with the slow process of transforming state enterprises, have contributed to the economic malaise. Although structural reforms are proceeding, albeit at varying paces in the different countries, institutions have yet to replace the vast central planning systems of former times. Consequently, the potential for stronger demand for U.S. exports is long-term.

1994 Agricultural Export Outlook

U.S. agricultural exports in fiscal 1994 are forecast to match 1993 levels of $42.5 billion, based on December 1993 USDA forecasts. Continued strong sales of high-value products, such as meat and fruit and vegetable products, coupled with a large jump in rice shipments, are expected to offset lower exports of wheat, corn, tobacco, and soybeans.

Greater export demand for U.S. high-value products will be sparked by several recently completed trade agreements and expanding economies in certain growth countries. Trade liberalization and higher incomes should boost sales of consumer-oriented high-value products to another record, with particularly robust sales to Mexico and Asia expected to continue.

Japan is projected to remain as the top U.S. agricultural export market in 1994 with sales totaling $8.9 billion, up from 1993 sales of $8.4 billion. The first shipments of rice to that country are expected to help raise U.S. rice exports to record levels. Additionally, other high-value products such as fresh fruits, fresh vegetables, and processed horticultural products are expected to see gains. U.S. exports to the European Union are projected to remain flat at $7.0 billion as their weak economic recovery continues and demand for some U.S. commodity exports weakens. Forecast sales to North American markets are mixed, with continued 7-percent growth expected to Mexico ($3.9 billion), and an unchanged forecast to Canada ($5.2 billion). With Mexican incomes (in terms of real GDP growth) forecast to reach 3.5 percent in 1994, sales of U.S. consumer-oriented, high-value products to Mexico--which grew by 8 percent in 1993 and now account for more than one-third of all U.S. agricultural sales to Mexico--are projected to become more important in 1994.

Among the remaining top 10 U.S. agricultural export markets, a gain is forecast to Taiwan and the Philippines and declines are forecast to the former Soviet Union. Shipments to South Korea, Hong Kong, and Egypt are forecast to match fiscal 1993.

Commodity Highlights

The forecast for fiscal year 1994 exports of U.S. *wheat and flour* is 32.6 million tons, 4.5 million lower than in fiscal 1993. Export value is expected to drop roughly $700 million to $4.3 billion. U.S. wheat shipments are forecast to fall in response to lower demand from the countries of the former Soviet Union, sharply lower South Asian imports, and continued low imports by China, which harvested a record crop and is undergoing market reforms.

U.S. *coarse grain* shipments are expected to reach 39.1 million tons, down 11 million from last year. Most of the decline is due to lower corn exports. Smaller import demand, especially from Southern Africa, Eastern Europe, and Canada, sharply higher U.S. prices, and increased competition will mean lower U.S. corn exports. Record corn shipments from China will continue to displace U.S. corn in South Korea and other Pacific Rim markets. Despite sharply higher corn (and sorghum) prices, the value of exports is expected to fall to $4.7 billion, down $400 million.

U.S. *rice* exports are expected to reach 2.7 million tons, valued at $1.1 billion in fiscal 1994, up a substantial $300 million from last year. Although volume is expected to match the level of fiscal 1993, prices are forecast to rise because Japan will import rice from the United States and other countries to offset shortages resulting from an unusually poor harvest in Japan.

The forecast for fiscal 1994 exports of *oilseeds and products* is 24.1 million tons, down 5.3 million from last year. However, total export value is expected to fall by only $400 million to $7 billion due to higher prices compared with last year. Higher expected prices for U.S. soybeans and products reflect a flood-induced decline in U.S. oilseed stocks and declines in global stocks and stock/use ratios. Weaker foreign demand and increased competition are expected to reduce U.S. soybean exports 3.9 million tons to 16.5 million tons. Meal exports are forecast to fall 1.3 million tons to 4.4 million. Demand for U.S. soybeans and products is forecast to weaken, mainly due to ongoing cuts in EU grain prices which should further reduce EU meal-feeding rates. Competition is expected to increase as a result of a larger South American oilseed crop and higher oilseed production in India and China.

The outlook for *cotton* calls for modest increases in the volume and value of U.S. exports from last year. In fiscal 1994, cotton exports are expected to reach 1.5 million tons valued at $2 billion, up 300,000 tons and $500 million. This forecast reflects slightly larger U.S. supplies, increased import demand from countries that have traditionally exported cotton, including Mexico, Brazil, Turkey, and Colombia, and lower production and subsequently lower expected exports for key competitors.

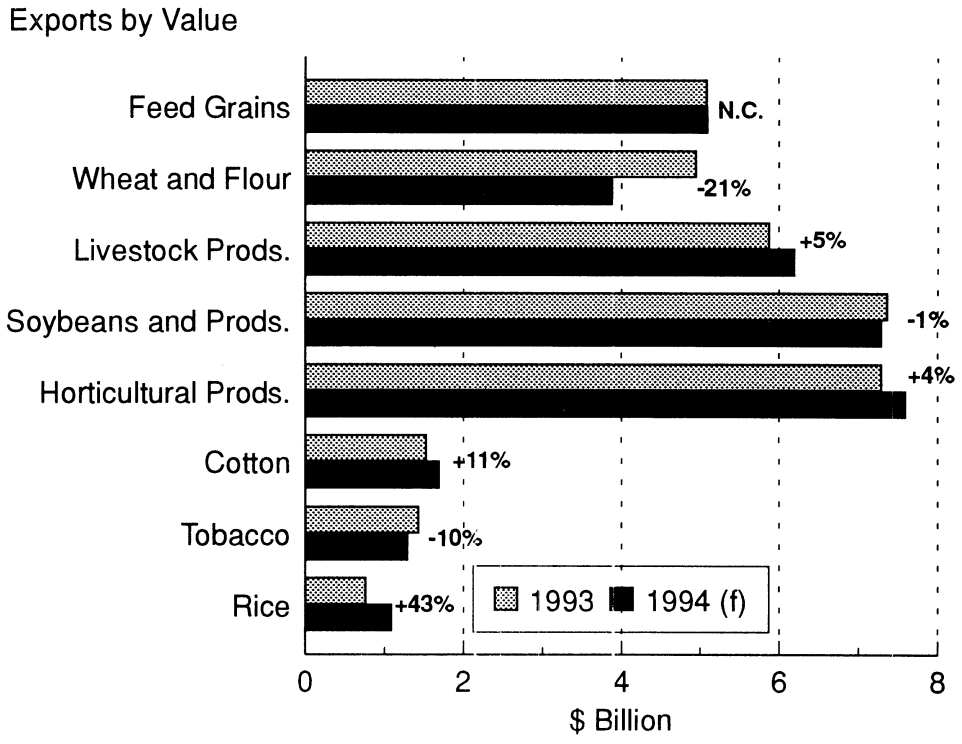
The forecast for fiscal 1994 exports of *unmanufactured tobacco* is $1.2 billion, or $200 million lower than last year. The new U.S. law on domestic use requirements is expected to reduce the availability of domestic leaf for export, and prices are not expected

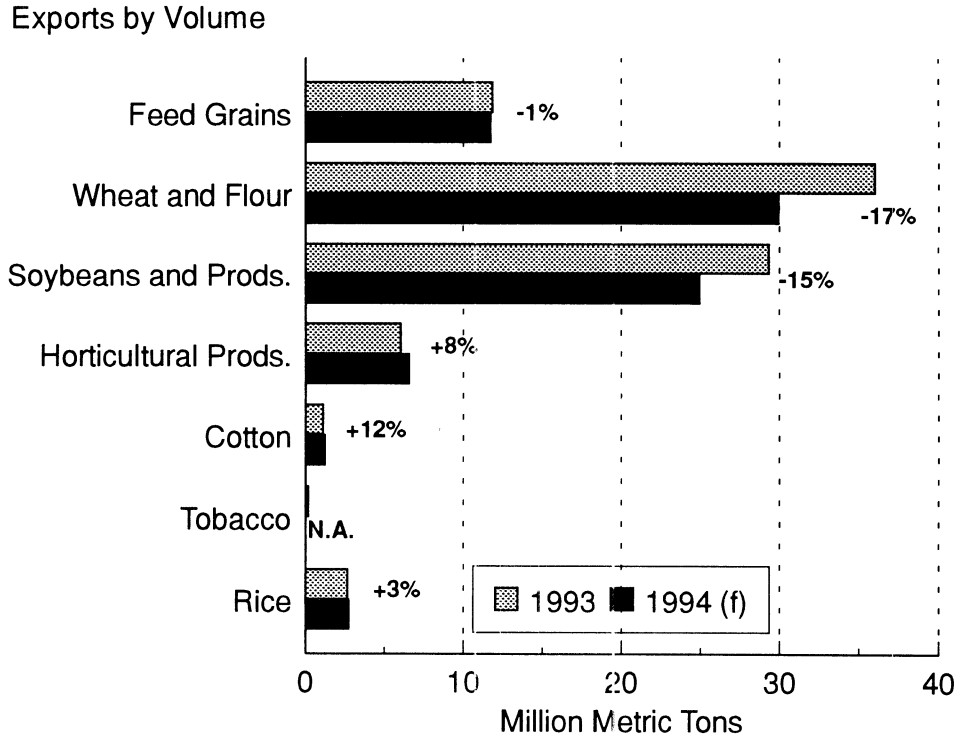
to rise because of the dampening impact of larger domestic stocks of foreign tobacco.

The forecast for fiscal 1994 exports of *livestock, poultry, and dairy* products is up $300 million from the record set in fiscal 1993 to $8.4 billion. Beef, pork, and variety meats are expected to account for half of the gain as exports of these products to Japan, Canada, South Korea, and Mexico continue to rise. Greater foreign demand for U.S. meats is the result of rising incomes, agreements with Japan and South Korea to reduce trade barriers, and the desire of East Asian consumers to add more protein to their diets in the form of meats. U.S. exports of hides, skins, and furs will remain near $1.3 billion in fiscal 1994, on the expectation that economic growth in the EU, Japan, and Korea will remain relatively weak. In addition, problems with pollution in Mexico and Taiwan continue to reduce demand from local tanneries. Compared to the previous year, U.S. poultry exports are expected to rise $100 million in fiscal 1994. Broiler parts account for virtually the entire expected increase in poultry exports. The competitiveness of the U.S. broiler industry and growing consumer health awareness continue to drive U.S. sales upward. While sales growth is widespread to all major overseas markets, Hong Kong, Mexico, Japan, and Canada are the top markets.

Horticultural product exports are expected to reach a new record high of $7.7 billion in fiscal 1994, up $400 million from last year. Most of this expansion is due to expected sales growth in fresh and processed fruits and vegetables and juices to Canada, Japan, and the EU, as well as higher almond export prices and higher walnut exports. A growing foreign demand for healthful foods, adequate U.S. supplies, and the continued market promotion activities of U.S. firms that are supported by Market Promotion Program (MPP) funding are driving exports higher. At nearly $400 million in fiscal 1993, wine and beer exports are also expected to remain flat. However, exports of other major horticultural products such as floricultural products, ginseng, and various edible preparations, which together totaled just over $600 million in fiscal 1993, are expected to continue their upward trend and reach record highs.

U.S. Agricultural Exports Led by Horticultural and Oilseed Products





Note: "f" indicates forecast, "N.C." indicates no change, "N.A." indicates no forecast is made.

Bulk, Intermediate, and Consumer-Oriented Products

During the past decade, one of the most significant changes in world agricultural trade has been in its product mix. Bulk commodity trade, which once dominated international agricultural trade and U.S. exports, greatly diminished in importance throughout the 1980's and continued to do so in 1991. This sector now accounts for less than one-third of global agricultural exports, down from 49 percent in 1980. World trade in bulk products declined by nearly 4 percent from 1980 to 1985, and contracted by another 14 percent over the subsequent six years. Meanwhile, from 1985 to 1991, global trade in all agricultural products expanded by 31 percent, or almost $50 billion.

The expansion in overall global agricultural trade was fueled by growing exports of consumer-oriented high-value products, which increased by nearly 80 percent since 1983. By 1987, this product category had overtaken bulk commodities to become the largest of the three market segments that comprise global agricultural trade. By 1991, consumer-oriented products had risen to account for over 45 percent of the total, while bulk commodities had fallen to a 32-percent share of global agricultural trade.

The third segment--intermediate goods--has also declined for 2 years in a row in terms of share of global trade, after posting moderate gains through the later 1980's. In 1991, these exports totaled $47 billion or 34 percent of total trade, down slightly from $50 billion and 25 percent in 1989.

The reasons for such a profound shift in agricultural trade toward higher value products are many. They include rising incomes in major markets, reduced levels of border protection, changing tastes and preferences, demographic developments such as the rise of two-income families, growing ownership rates abroad for refrigerators and microwaves, and the growing popularity of Western-style supermarkets and restaurants. These trends are likely to continue developing over the next 3-6 years, by which time consumer-oriented products are projected to comfortably exceed 50 percent of global agricultural trade.

While the United States is the world's leading supplier of bulk commodities, the EU is the top exporter of consumer-oriented products. Thus, as world trade in consumer-ready products has grown, so have total agricultural exports from the EU. In fact, EU exports have increased so much that they could exceed U.S. exports for the first time ever by the mid-1990's. Roughly 67 percent of agricultural exports from the EU are consumer-oriented products, such as fresh and

NOTE: Our analysis excludes intra-EU trade from global trade figures (intra-EU trade was estimated at $100 billion in 1990). Although this adjustment greatly increases the complexity of compiling these statistics, most economists believe it gives a far more accurate picture of global trade and competitiveness. Because of this adjustment, many of these statistics do not match previous releases by USDA and other Government agencies. It also alters some of the conclusions drawn from previous analyses, as noted in the text.

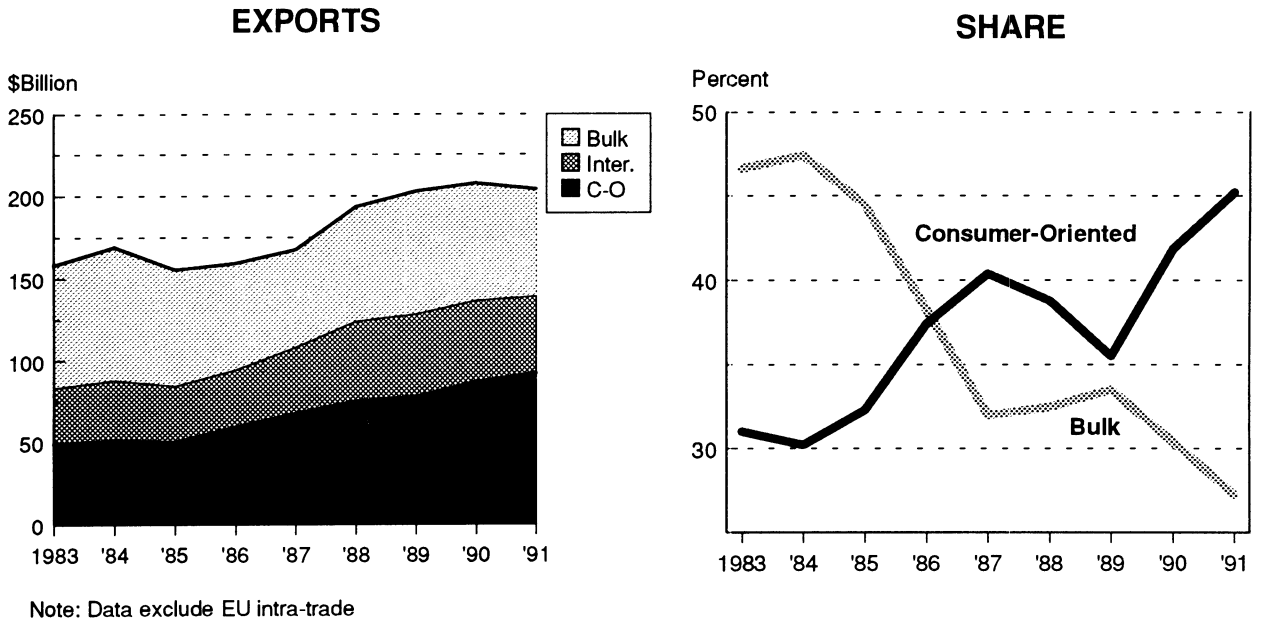
Agricultural products moving into the world market can be classified into three major product groups: bulk, intermediate, and consumer-oriented. The latter two categories are often grouped together and labeled as high-value products.

Bulk commodities include wheat, rice, feed grains, soybeans, peanuts, cottonseed, flaxseed, safflowerseed, other bulk oilseeds, unmanufactured tobacco, cotton, pulses, and raw sugar. Tropical products, such as green coffee, cocoa, and natural rubber, are also included in this category.

Intermediate products are principally semiprocessed products in the intermediate stage of the food chain, such as wheat flour, feeds and fodders, hops, live animals, planting seeds, oilseed meals, vegetable oils, hides and skins, wool, and refined sugar.

Consumer-oriented products are fundamentally end-use products that require little or no additional processing for consumption. Included in this group are such items as fresh and processed horticultural products, fresh and processed meats, snack foods, pet foods, beer and wine, and other processed food products. Consumer-oriented products may also be called consumer-ready products.

Consumer-Oriented Products Play a Larger Role in Global Agricultural Trade



Note: Data exclude EU intra-trade

processed horticultural products, wine and beer, meat, dairy, and bakery and pasta products. These products accounted for almost 79 percent of the growth in total EU agricultural trade during the 1980's.

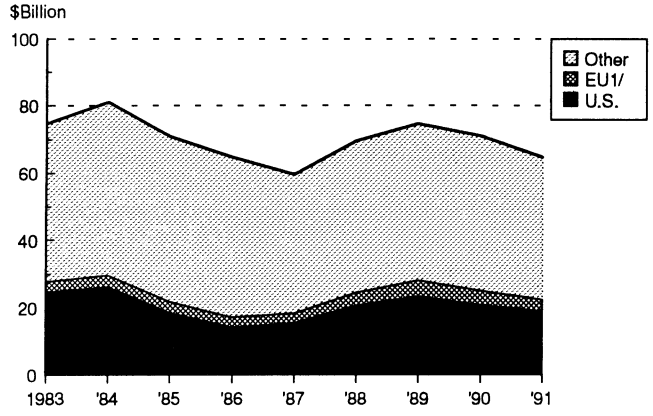
U.S. exports of consumer-oriented products, though smaller than bulk exports, are the fastest growing segment, more than keeping pace with global trade trends and moving to new record highs in each of the last 6 years. The consumer-oriented share of total U.S. agricultural exports nearly doubled since 1985 to 32 percent in 1991. The share for bulk commodities dropped from nearly two-thirds to under a half during the same time period. More stagnation in U.S. bulk exports is anticipated, with annual growth rates expected to average roughly 2 percent for the next 3-6 years.

Most U.S. consumer-ready exports are horticultural products, led by fresh fruits and vegetables ($2.6 billion in 1992), processed fruits and vegetables ($1.6 billion), and tree nuts ($929 million). Other major consumer-oriented exports include red meats ($3.1 billion in 1992), snack foods ($830 million), pet foods ($400 million), and wine and beer ($369 million).

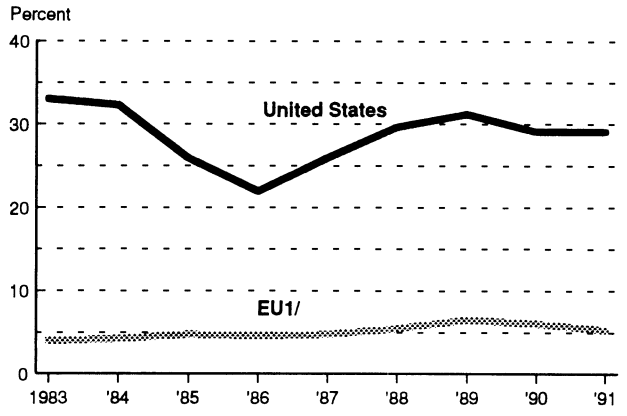
United States Is Largest Bulk Exporter, but Lags in High-Value Trade

Bulk

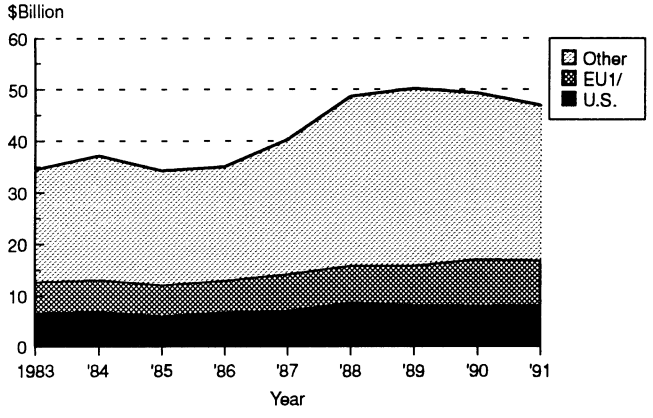
EXPORTS

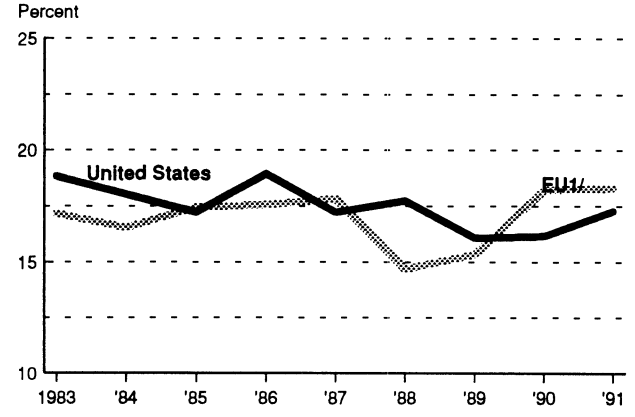


SHARE

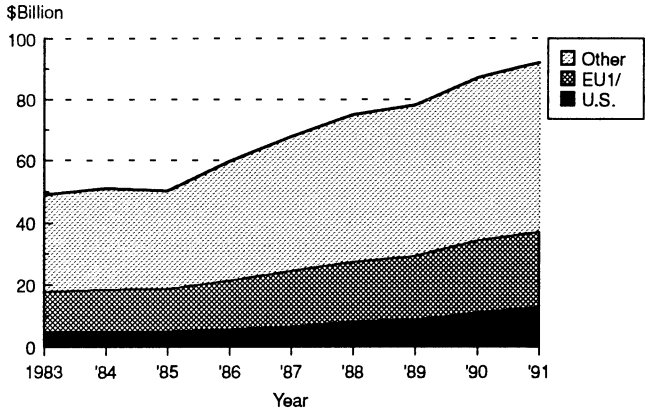


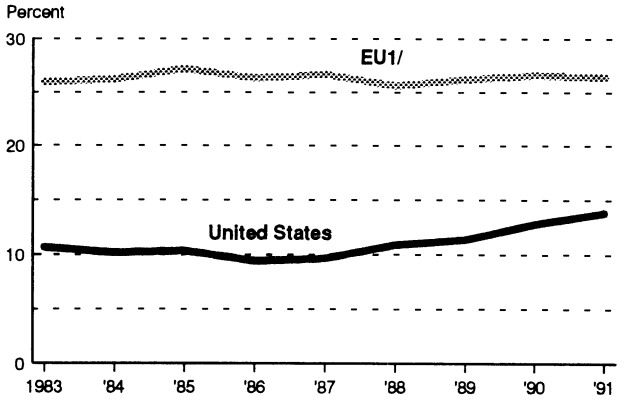
Intermediate





Consumer-Oriented





1/ EU data exclude EU intra-trade

Emerging Markets

U.S. agricultural sales have been shifting over the past two decades toward developing countries. More than two-fifths of all agricultural exports were shipped to developing markets in fiscal 1993, a gain of 10 percent from the 31-percent share they held in 1970. A sharp fall in grain sales to the EC contributed to this shift, as the EC moved from being a net importer to a major net exporter of grains.

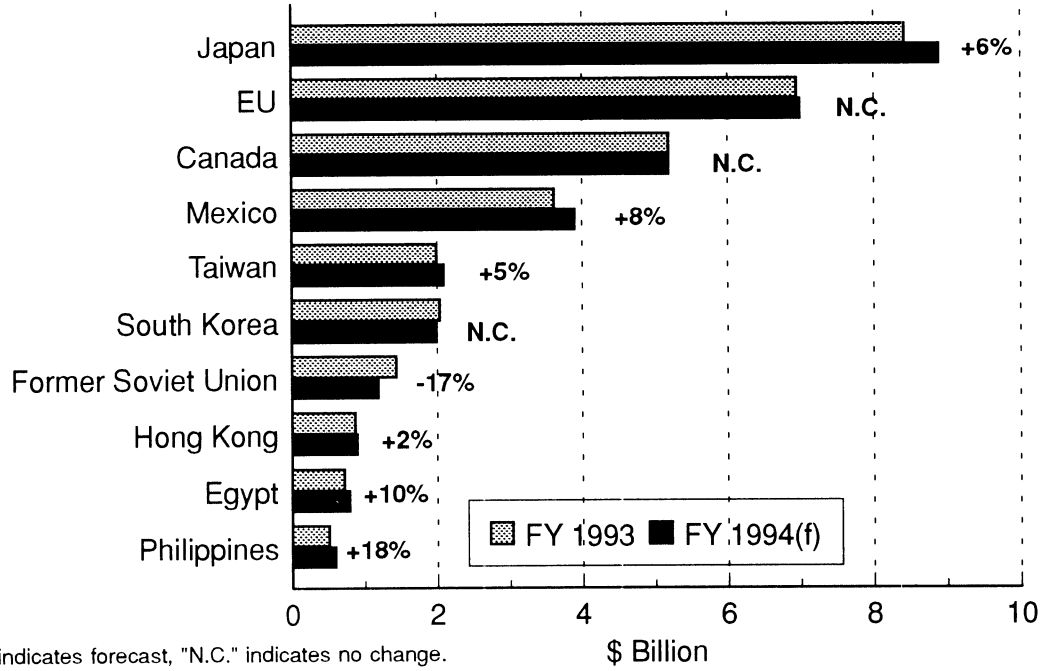
Developing countries account for three-fourths of the world's population and make up the fastest growing trade sector. As their economies have improved, they have sought to improve dietary standards. As a result, a number of developing countries have become leaders in demand for imported agricultural products, including South Korea, Taiwan, Hong Kong, and Singapore and the ASEAN-4 (Thailand, Indonesia, Malaysia, and the Philippines). Certain countries in Latin America, most notably Mexico and Chile, have also seen more than threefold growth in their import demand over the last half decade. However, due to hard currency shortages and foreign debt obligations, some other countries in Latin America and Africa have been unable to translate this need into agricultural imports.

The Asian market grew more than any other U.S. agricultural regional export market during the 1980's, and forecasts indicate that Asia should continue as the top regional market for U.S. exports during the next 3 to 6 years. Asia provided 5 of the top 10 U.S. agricultural markets in 1993. As usual, Japan led the list, while the EU ranked second. South Korea was the fifth largest U.S. export market at $2.0 billion. Taiwan was the sixth largest with purchases just below $2.0 billion, Hong Kong was seventh largest with purchases of $878 million, and at tenth place, exports to the Philippines totaled $511 million.

Another promising regional market is North America itself, including Canada ($5.2 billion) and Mexico ($3.6 billion). In each of the last 4 years, exports within North America have grown more than sales to any other regional market, including Asia and Western Europe. In fiscal 1992, for the first time ever, U.S. exports to its two closest neighbors exceeded sales to Japan, as well as to the European Community. In fiscal 1993, the rate of growth of U.S. exports to Canada exceeded that of any other market in the United States' top 10 ranking, thereby buoying the overall North American market to new record highs.

The fiscal 1994 forecast is for moderate growth in sales to Asia and North America, and sluggish exports to Western Europe. Among single-country markets, sales to Japan are expected to rise the most, up roughly half a billion. Mexico will be next in terms of absolute levels of growth, largely due to the momentum generated with the implementation of NAFTA in January 1994.

Japan and EU Top U.S. Agricultural Export Markets



Note: "f" indicates forecast, "N.C." indicates no change.

Leading Export States and Customs Districts

Agricultural products for export are produced in every region of the United States and in nearly every farm community, which means export benefits are felt throughout the entire Nation.

However, 10 States accounted for almost three-fifths of U.S. agricultural exports in fiscal 1992, the latest year for which State export data are available. These were, in descending order of export value: California, Iowa, Nebraska, Illinois, Texas, Kansas, Minnesota, North Dakota, Indiana, and Washington.

On a regional basis, the Corn Belt, a major producer of both soybeans and feed grains, accounted for 21 percent of total farm exports. The Northern Plains, the largest contributor of wheat exports, was next with roughly 17 percent. The Pacific region, the major horticultural producing area, ranked third with just under 17 percent.

Agricultural products destined for the export market are consolidated for shipment at port facilities, mostly located along the nation's coastlines. Exceptions are such inland ports as Nogales, Arizona, and Minneapolis, Minnesota. For accounting purposes, the U.S. Customs Service groups ports by customs district and records shipments--exports and imports--on this basis.

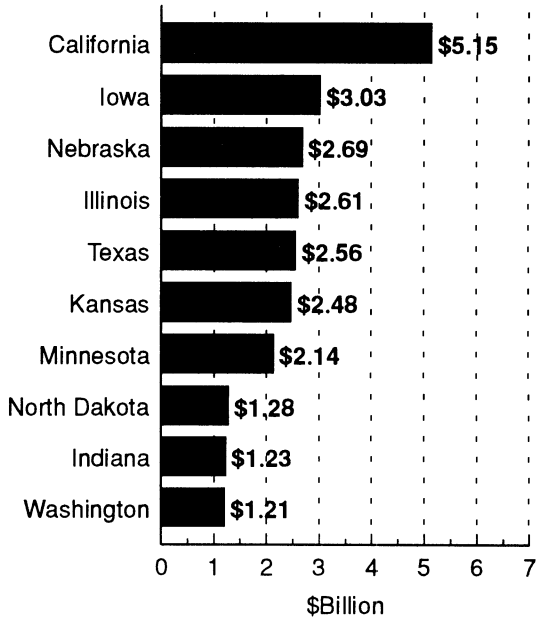
For example, a shipment of California wine coolers being exported from the United States to a foreign country from the San Francisco Bay area, whether by air, rail, ship, or ground transportation, must be accompanied by an export declaration document and pass through a U.S. Customs Service checkpoint in the San Francisco Bay area. The customs agent is responsible for reporting this shipment to the San Francisco customs district office, which in turn relays the information to the U.S. Bureau of the Census headquarters office in Suitland, Maryland.

The New Orleans customs district is the leader in agricultural exports, with annual shipments amounting to 26 percent of total U.S. agricultural exports. While it lost market share in the 1980's relative to other customs districts, New Orleans is still the dominant point of shipment, with exports valued at $10.9 billion in fiscal 1993.

Other billion-dollar agricultural export customs districts in 1993 were: Los Angeles, $3.8 billion; San Francisco, $3.5 billion; Seattle, $3.4 billion; Portland, Oregon, $2.7 billion; Detroit, $2.7 billion; Houston/Galveston, $2.4 billion; Laredo, Texas, $2.3 billion; and Norfolk, $1.3 billion.

Regionally, the West Coast ports have been gaining market share at the expense of the Gulf and East Coast, growing from 25 percent to 33 percent of total U.S. agricultural exports during the past 10 years. Reasons for this shift center around the growing importance of consumer-oriented product exports and the emergence of the Pacific Rim countries as principal markets for U.S. agricultural exports. Customs districts in the Great Lakes region have likewise been growing modestly, up almost 5 percent to 12 percent of total exports.

California Top Export State in 1992



U.S. Government-Assisted Sales

The U.S. Government encourages export expansion through several types of initiatives intended to combat unfair competition, develop new markets, and provide food assistance to needy countries. To this end, the Food, Agriculture, Conservation, and Trade Act of 1990 contained a number of provisions modifying such longstanding programs as export credit guarantees and P.L. 480, and creating the new Market Promotion Program (MPP), which replaced and broadened the scope of the former Targeted Export Assistance (TEA) Program.

The Export Credit Guarantee Program (GSM-102) of the Commodity Credit Corporation (CCC) allows foreign buyers to purchase U.S. farm commodities from private U.S. exporters, with U.S. banks providing the financing at commercial rates of interest with terms up to 3 years. CCC's guarantee covers the risk that the foreign buyer's bank might fail to pay under a letter of credit.

Agricultural commodities valued at $35 billion have been exported under GSM-102 credit guarantees since the program's inception in September 1980. This figure excludes the $7 billion in export shipments that were covered by both GSM-102 and the Export Enhancement Program during the last 8 years. The GSM-102 program operates in cases where credit is necessary to increase or maintain U.S. exports to foreign markets and where private financial institutions would be unwilling to provide financing without CCC's guarantee. It also permits developing countries to purchase on full commercial terms.

The Intermediate Export Credit Guarantee Program (GSM-103) is similar to the GSM-102 program. The major difference is that terms of credit generally have a payback period of 3 to 7 years, with a maximum of 10 years.

Two other programs were specifically designed to counter unfair foreign trade practices. They are the Export Enhancement Program (EEP) and the Market Promotion Program (MPP).

The EEP, started in May 1985, permits the use of CCC-owned commodities or cash payments as export bonuses in markets where the United States has lost market share because of unfair trading practices of competitors. A wide range of products and countries is covered by EEP. From its introduction through February 3, 1994, 168 initiatives with 106 countries had been announced, and bonuses of more than $6.2 billion had been awarded to assist sales of U.S. agricultural products.

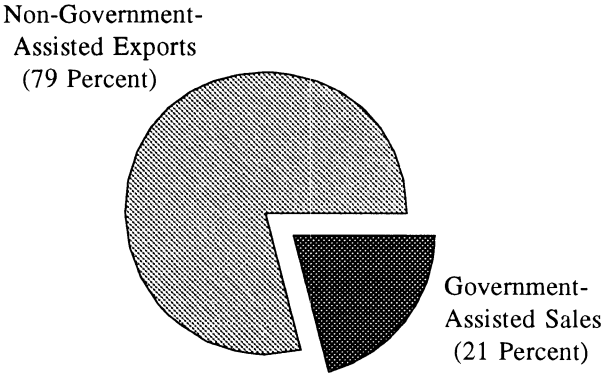
During this period, the EEP supported sales of 143 million tons of wheat, 6.2 million tons of wheat flour (grain equivalent basis), 13.2 million tons of barley, 73,000 tons of semolina, 500,000 tons of barley malt (grain equivalent basis), 319,000 tons of sorghum, and 917,000 tons of rice. Additional sales made through the EEP included 243,000 tons of frozen poultry, 1.7 billion table eggs, 1.7 million tons of vegetable oil, 189,000 tons of poultry feed, 70,000 head of dairy cattle, and 4,000 tons of canned peaches.

The MPP is another export initiative to encourage the development, maintenance, and expansion of commercial export markets. The program authorizes money to help U.S. producers and other organizations finance promotional activities for U.S. agricultural products. Every $1 in MPP funds generates another $2 to $7 in additional agricultural exports.

In fiscal 1993, USDA allocated $148 million in MPP funds to 66 organizations to conduct promotions in more than 100 countries. The commodities covered under MPP are primarily consumer-oriented products, including peaches, fruit cocktail, potatoes, walnuts, raisins, wine, prunes, citrus, dried beans, grapes, apples, poultry, eggs, and wood products.

MPP is similar to the TEA program it replaced. During fiscal years 1986 to 1990, $730 million in export assistance was allocated under the TEA program.

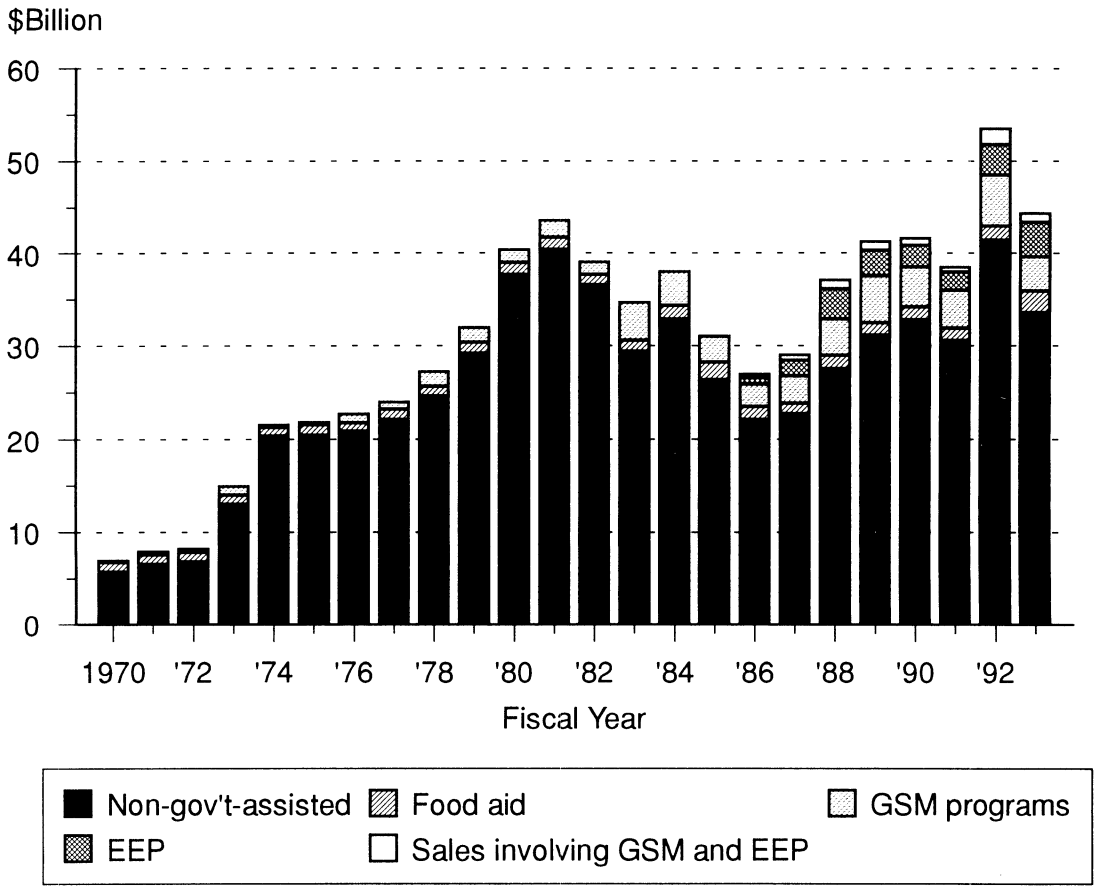
Government-Assisted Sales Accounted for More Than One-Fifth of Total Agricultural Exports in Fiscal 1993



P.L. 480, one of the oldest export programs, serves as both a food aid mechanism and a market development tool. Since 1980, the United States has shipped more than $15 billion in agricultural commodities through P.L. 480 (titles I, II, and III). USDA is responsible for title I, the concessional sales program, while the Agency for International Development is responsible for title II and the title III grant food aid program. P.L. 480 commodities will go to areas of greatest need.

Section 416 of the Agricultural Act of 1949 provides for the donation of any eligible commodity held in CCC inventory. The donations are distributed to the needy overseas through public and private nonprofit voluntary agencies and foreign governments. Between 1983 and 1993, the United States donated $2.2 billion worth of agricultural products through this program.

Government Programs Help Boost Sales of U.S. Farm Products



Competitors' Support for Farmers

U.S. government efforts to strengthen the United States' share of global agricultural trade should be viewed in the context of our competitors' interventions in their domestic markets, and their direct and indirect efforts to advance their respective farm sectors. These efforts fall into five major areas: market access; export subsidies; export financing; internal support policies; and rules governing sanitary and phytosanitary measures. In order to grasp the scope of competitors' actions, four of the five methods which are frequently employed to boost exports or counter imports are introduced herein. Since the elimination of barriers was the focus of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), ratification of the Uruguay Round agreement will help to liberalize trade and limit the spread of protectionist measures. However, there will remain many legal, effective ways for countries to promote their own interests in agricultural trade.

Export Subsidies

Export subsidies offered by competitors displace U.S. exports in third country markets. An example is the "restitution" that European Union (EU) farmers are entitled to under the Common Agricultural Policy (CAP) when world market prices are below EU market prices. EU restitutions in marketing year 1993/94 have so far ranged about $57-$84 per ton of wheat. In another illustration, EU restitutions for pork exports to the countries of the former Soviet Union reached approximately $518 per ton in February 1994, a dramatic increase over the normal $185/ton refund.

The EU aggressively uses export subsidies, which allow EU exporters to sell agricultural products on the world market at a price usually much lower than the internal EU price and sometimes lower than the prevailing world market price. This has eroded the competitive advantage of many U.S. agricultural exports to third markets, displacing U.S. wheat, coarse grain, poultry, meat, and other exports. To counter these practices and help minimize U.S. producers' losses from unfair competition, the EEP, DEIP, and similar U.S. government-assisted programs help bolster U.S. agricultural exports.

Export Financing

Increased competition in international agricultural markets, combined with a decrease in financial resources for export support programs, has increased the appeal of credit guarantees for agricultural exporting countries. Credit guarantee programs for agricultural exports have enhanced or replaced more costly subsidies and direct credit schemes. Exporting country governments mainly ensure credit to markets with high market development potential or political importance. Competition for markets is global, but is particularly strong in North Africa.

By assuming most or all of the commercial and political risk involved, these programs provide incentives for agricultural exporters to export to countries that are considered questionable credit risks. Each of the major agricultural exporting countries provides some form of credit guarantees in support of exports. Examples include Co-Face credits given by France and Hermes credits given by Germany. One important caveat regarding export financing--it is not considered a barrier to trade unless access to credit is tied to other trade-distorting conditions.

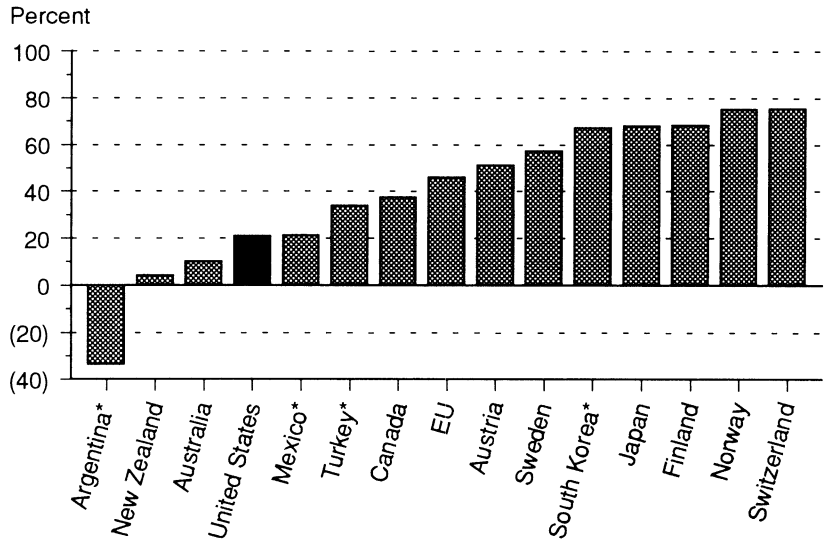
The terms offered may vary from country to country, but most programs offer credit guarantees of up to 3 years. The percentage of the risk and the amount of principle covered by the guarantees may also differ.

Internal Support

To quantify countries' levels of government support and protection for domestic agriculture, and to place multilateral negotiations on a common ground, the Organization of Economic Co-operation and Development (OECD) monitors and publishes the Production Susbidy Equivalents (PSE) of member countries. The PSE measures the value of monetary transfers to producers from consumers of agricultural products and from taxpayers resulting from a given set of agricultural policies, in a given year. These internal policies may affect producer and consumer prices, lower input costs, establish tax concessions, and so forth. A lower PSE suggests less internal support for the agricultural sector, and vice versa. The U.S. has the third lowest net percentage PSE among the OECD member countries. Estimates of the level of internal support of non-OECD countries can be made following a similar methodology. Examples from other regions--Argentina, Mexico, Turkey, and South Korea--are compared with the more industrialized OECD countries in the chart on the next page.

The PSE reflects the level of support disciplined under each member country's aggregate measurement of support (AMS) for its farm sector. The AMS is important because in the GATT, reduction commitments for internal support by each OECD country are made at the aggregate level, which means that a government can select where to cut support in order to meet its target, or overall obligation.

Production Subsidy Equivalents for Agriculture Vary by Country Average 1989-93



* Argentina and Turkey data are average 1988-92; Mexico and South Korea data are average 1987-91
Source: OECD countries' PSEs published by the OECD; other nations' PSEs estimated by the Economic Research Service, USDA.

In contrast to the EU, the United States has already made reductions in internal support which effectively bring it in line with its Uruguay Round obligations. These reductions were carried out in the late 1980's as part of federal budget cuts and changing farm programs.

Sanitary and Phytosanitary Barriers

Unjustified sanitary and phytosanitary (SPS) barriers cause U.S. producers to lose significant opportunities to compete in markets abroad. Every country uses SPS measures to protect its population, plants, and animals from potentially harmful pests, bacteria, or diseases on imported animals, plants, and food products. SPS measures become trade barriers when they are not scientifically justified and when their primary purpose is to restrict trade. For example, a country may not prohibit the entry of an agricultural product which may be a host to a pest or disease that already exists in the importing country and which that country is making no effort to control.

Apart from the unjustified use of SPS regulations to restrict trade, packaging and labeling requirements, shelf life standards, and processing requirements are also used as barriers to trade. For example, unjustifiably short "shelf life" standards limit the amount of time a food product may remain on the shelf of a grocery store. Other barriers maintained as SPS restrictions encompass restrictive and uneven application of health-related measures, refusal to accept competitor nations' manufacturers' self-certification of conformance to foreign product standards, requirements for costly and onerous testing and registration procedures for agricultural products, abrupt changes in food standards or pesticide tolerances, and prolonged quarantines which render fresh produce inedible or cause perishable commodities to degrade. The lack of a transparent system of SPS regulations is an additional problem that is frequently encountered in foreign markets.

In the case of labeling requirements, several countries initiated regulations requiring that a "country of origin mark" be affixed on a product in such a manner that it overshadows the principal display design of the product. Additional requirements are that the ingredients list include what percentage of each ingredient comes from which country. Such regulations could have the effect of creating discrimination against imports and reducing sales of U.S. commodities.

FAS normally works with foreign officials, U.S. regulatory agencies, and industry to remove these barriers. FAS is notified whenever new SPS technical regulations are being considered by GATT member countries. Such notification gives U.S. authorities and businesses an opportunity to comment before these new regulations are instituted.

SPS barriers are often difficult to resolve because they involve the trade policy, and scientific and regulatory bureaucracies of both parties. In addition, the gathering of data supporting one's position can take a great deal of time.

This article was prepared with assistance from Jim Higgiston, William Glynn, and Michael A. Smith.

North American Free Trade Agreement: Benefits to U.S. Agriculture

On January 1, 1994, the United States, Canada, and Mexico implemented the North American Free Trade Agreement (NAFTA). The agreement will eliminate most barriers to trade and investment within North America, and create the largest Free Trade Zone worldwide, in terms of population.

Since the 1989 U.S.-Canada Free Trade Agreement has already boosted U.S. agricultural exports to Canada, the most significant growth in trade from NAFTA will be with Mexico, already U.S. agriculture's third largest single-country market.

Increases Production Efficiency

NAFTA will lead to gains in efficiency in all three countries as producers respond to greater market opportunities. U.S. agriculture will benefit from greater trade, higher agricultural export prices, and increases in economic efficiency and productivity.

The elimination of agricultural trade restraints means producers in each country will have the opportunity to be more competitive. Under the agreement, all nontariff measures affecting agricultural trade between the United States, Canada, and Mexico will be eliminated immediately by conversion to either tariff-rate quotas or ordinary tariffs. This includes Mexico's import licensing system, the single greatest barrier to U.S. agricultural sales in that market.

All agricultural tariffs will be eliminated--many immediately and others over transition periods of 5, 10, or 15 years. The immediate tariff eliminations apply to a broad range of agricultural products. This will have a positive impact upon U.S.-Mexican trade, where more than half the value of agricultural trade became duty free as the agreement went into effect. Tariff reductions between the United States and Canada had already been implemented under the U.S.-Canada Free Trade Agreement.

All three countries protected their import-sensitive sectors with longer transition periods, tariff-rate quotas, and--for certain products--special safeguard provisions. However, after the 15-year transition period, free trade will prevail for all agricultural products traded between the United States and Mexico. NAFTA also provides for tough rules of origin to ensure that maximum benefits accrue to items produced in North America.

Recent Gains to Mexico Will Continue

U.S. agricultural exports to Mexico have grown significantly since the mid-1980's, rising from $1.4 billion to almost $3.7 billion in fiscal 1993. This growth is largely the result of unilateral liberalization in Mexico, the natural comparative advantages of the two countries, and relatively strong Mexican economic performance including the rapid expansion of the Mexican middle class. NAFTA locks in the gains in market access in Mexico since the late 1980's, and assures that U.S. agricultural exports to Mexico will continue to grow.

Mexico's demographic trends and pattern of economic development bode well for U.S. agricultural exports to that country. Mexico's population of around 90 million is growing at 2 percent a year and is becoming more urban. The agreement will boost incomes in Mexico and increase demand for a greater volume and variety of food and feed products. Mexico's comparative advantages indicate that it will continue to be a net importer of food and fiber. Combined with greater market access, this assures continued growth in U.S. agricultural exports to Mexico.

Mexico imported primarily bulk commodities prior to 1987 (mostly coarse grains and soybeans). But Mexico is now one of the largest and fastest growing markets for U.S. high-value products. High-value products (including intermediate and consumer-oriented items) now account for 65 percent of all U.S. agricultural sales to Mexico, up from 40 percent in 1987. Consumer-oriented food products have gained the most; meat and poultry, horticultural products, dairy products, and snack foods are among the leaders. Other high-value products doing well include live animals, cattle hides, feeds and fodders, and soybean meal.

At the end of the 15-year transition period, U.S. annual agricultural exports will likely be about $2.6 billion higher than without a NAFTA agreement. Over the same period, U.S. annual farm cash receipts likely will increase by about 3 percent compared with receipts without a NAFTA.

Greater trade will also expand U.S. employment in processing and transportation. For example, agricultural exports to Mexico from the United States already support 100,000 jobs in agriculture, food processing, transportation, packaging, and the economy at large. The agreement will add as many as 56,000 more jobs--up more than 50 percent from the current level. It is expected to provide particular impetus to the economies of Texas, Arizona, and other Southern States.

Mexico's main exports to the United States are feeder steers and tropical and horticultural crops, such as

green coffee and selected fruits and vegetables. These exports also will likely expand with the agreement.

Grains, Meats, Horticulture Will Rise

Grains and meats are expected to account for the majority of the expanded value of U.S. agricultural trade by the end of the 15-year transition period. NAFTA assures that the United States can ship 2.5 million metric tons of corn into Mexico without a tariff. This duty-free quota will grow by 3 percent a year over the 15-year transition period. U.S. sorghum exports (about 4 million metric tons in fiscal 1993) will increase due to the immediate elimination of the sorghum tariff. U.S. wheat exports also would increase under NAFTA due to the elimination of tariffs and licensing, and to higher Mexican incomes.

As one of the fastest growing markets for U.S. meat, NAFTA's tariff elimination will further boost growth. U.S. exports of beef, pork, variety meats, and sausages to Mexico are expected to continue expanding. U.S. poultry exports, already up sharply in recent years, will likewise grow as Mexico removes import licensing requirements and Mexican demand expands.

NAFTA will create new market opportunities for U.S. horticultural products as a result of lower trade barriers and income growth in Mexico. The most significant gainers will include fresh apples, pears, peaches, and fresh vegetables, especially during Mexico's off-season. U.S. tree nut exports to Mexico, which have doubled in recent years, will continue to expand as NAFTA immediately eliminates Mexico's tariffs on these products.

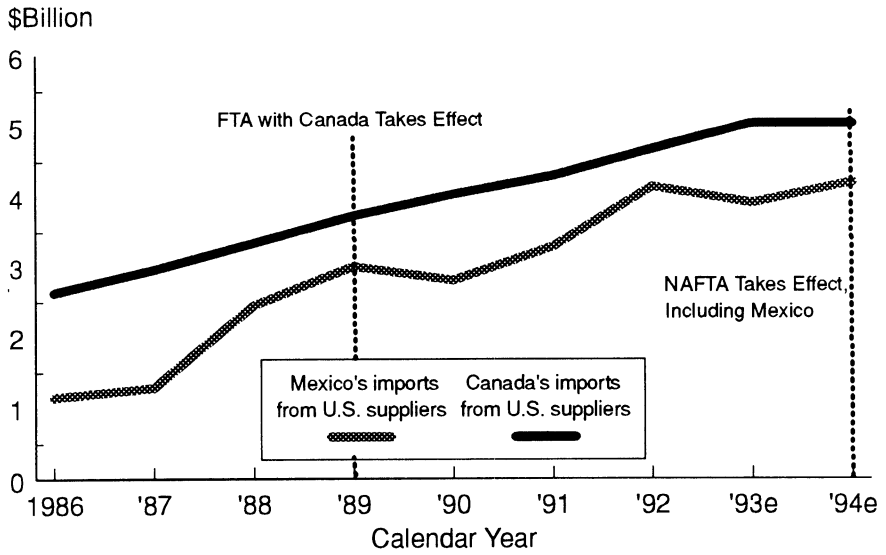
U.S. horticultural imports from Mexico are seasonal and generally enter the United States during the winter. Under NAFTA, tariffs on selected horticultural commodities during the U.S. off-season will be eliminated immediately, while other tariffs will be phased out gradually. The longer phaseout periods apply to tariffs during seasons when Mexican imports compete more directly with production in the U.S. The agreement also includes quantity-based safeguards to protect U.S. producers of import-sensitive fruits and vegetables from import surges.

Protection for Import-Sensitive Crops

In addition to a transition period of up to 15 years, NAFTA has special safeguards to protect import-sensitive crops. For example, NAFTA liberalizes trade with Mexico in all products, including those farm products protected by Section 22 import quotas. However, imports from non-NAFTA countries are still limited by quotas. Initially, Mexico is granted a small duty-free quota for Section 22 products in the U.S. market. Mexican exporters are charged a relatively large tariff for any sales over that amount. The duty-free quota grows at a 3-percent compounded annual rate over the NAFTA transition period, while the over-quota tariff is gradually phased out. For dairy products, cotton, and sugar-containing products, the phase-out period is 10 years; for peanuts the phase-out is 15 years.

NAFTA side agreements contain special provisions for two particularly import sensitive products--sugar and frozen concentrated orange juice (FCOJ). U.S.

Agricultural Trade Increases with Canada and Mexico



Note: 1993 & 1994 are estimated, based upon U.S. export data and official USDA forecasts
Source: United Nations

and Mexican tariffs on sugar will be phased out in conjunction with treatment of U.S. and Mexican border protection on sugar. During the first 6 years, the United States will reduce its second tier tariffs on sugar imports from Mexico by 15 percent while Mexico aligns its tariff regime with that of the United States. In any year that Mexico reaches net surplus producer status during the initial 6-year period, it would be allowed access to the United States for its net production surplus, up to 25,000 metric tons. Mexico will be considered to have reached net surplus producer status when production of sweeteners (including high fructose corn syrup) exceeds consumption under the NAFTA formula. In years 7 through 14, there will be a new ceiling of 250,000 metric tons on Mexico's sugar exports to the United States.

Although U.S. and Mexican tariffs on frozen concentrated orange juice will be phased out over 15 years, the formula for achieving this goal delineates a means that minimally disrupts the U.S. juice market. The United States will have a tariff-rate quota for FCOJ that will give Mexico annual access for 40 million gallons at a reduced tariff rate, and a higher (most favored nation) tariff rate for over-quota volumes. There will be no growth in the quota volume over the transition period. The over-quota tariff, however, will decline by 15 percent over the first 6 years, stay constant in years 7 through 10, and then be phased out over the remaining 5 years. A price-based safeguard is also part of the agreement.

NAFTA also contains special agricultural safeguard provisions to provide timely, effective relief against surges in imports from Mexico. These provisions allow only a specified quantity of a product to enter at low or preferential NAFTA duty rates, and higher tariffs are automatically triggered when imports reach a specified level. The United States will apply the special safeguard on imports of seven horticultural items, including tomatoes. These items accounted for about $340 million in imports from Mexico in 1991, or about 15 percent of U.S. agricultural imports from Mexico. Mexico will have a special safeguard against an import surge for three groups of products: live swine and most pork products, apples, and potato products. These products collectively represent about $100 million in imports from the United States.

NAFTA will improve incentives for buying within the NAFTA region and ensure that only North American producers will get the primary benefits of tariff preferences. Non-Mexican-origin goods must be transformed or processed significantly in Mexico before they can receive NAFTA's lower duties for shipment to the United States.

NAFTA Includes Canadian Provisions

The U.S.-Canada Free Trade Agreement (FTA), which went into effect January 1, 1989, will remove all tariff and some nontariff barriers to agricultural trade between the two countries within a 10-year period. These provisions have been incorporated unchanged into NAFTA.

Canada is the second largest single-country agricultural export market for the United States. In fiscal year 1993, U.S. agricultural exports to Canada totaled $5.2 billion, up 8 percent from the previous year. Most of these exports are consumer-oriented, high-value products, such as fresh and processed fruits and vegetables, red meats, and snack foods. U.S. agricultural imports from Canada are also rising, reaching $4.4 billion in fiscal 1993, up from $3.9 billion the previous year.

Both Canada and the United States are phasing out all tariffs on agricultural products, a process that, under the terms of the agreement, will be completed by January 1, 1998.

Uruguay Round of the GATT: Benefits to U.S. Agriculture

The Uruguay Round was the eighth round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT). Beginning in Punta del Este, Uruguay, on September 20, 1986, and concluding on December 15, 1993 in Geneva, it was the most ambitious negotiating round in the history of the GATT. Although negotiations to reduce barriers to trade covered 15 areas, from tariffs to intellectual property rights, the Uruguay Round placed particular attention on agriculture, a sector that was neglected in previous negotiations.

Many GATT members, including the United States, made world agricultural trade reform a top priority in the round. U.S. agriculture is among the most competitive in the world, and improved access to foreign markets is expected to raise export earnings for the U.S. agricultural sector by over $1 billion annually by 2000. (The Economic Research Service estimates gains will range between $1.6 billion and $4.7 billion in export value.) Multilateral trade reform through the GATT provided an opportunity to address trade-distorting practices in many countries simultaneously and to establish a set of rules to smooth global trading relationships. The 116 GATT member countries account for more than four-fifths of world trade and include 9 of the top 10 markets for U.S. agricultural products.

Overview

While the American agricultural industry has naturally focused on immediate improvements in market access as a result of the Uruguay Round, it is important to recognize the longer term benefits of this agreement:

--The economic growth generated by all of the different Uruguay Round agreements (including the non-agricultural areas) will increase income globally, resulting in increased demand for U.S. agricultural exports;

--Agriculture will be more fully under the disciplines of the GATT. This will provide a significantly improved process for dealing with agricultural trade problems;

--Non-tariff trade barriers will be replaced with tariffs, which will make import protection less arbitrary and help simplify future negotiations to liberalize agricultural markets;

--Binding all of the world's agricultural tariff rates will prohibit countries from exceeding their bound tariff rates without providing compensation;

--Trade-distorting internal support and export subsidies will be capped and reduced; countries will not be able to increase such subsidies beyond the levels specified in the agreement;

--For the first time the GATT will have rules developed specifically to allow the challenge of unjustified health-related barriers to imports;

--The Uruguay Round agreement will result in a stronger and institutionally more efficient organization, the World Trade Organization (WTO), facilitating trade relationships among countries; and

--Conditions for accession to the WTO by countries such as China, Russia, and Taiwan will reflect the stronger disciplines developed in the Uruguay Round.

Specific disciplines agreed to in the Uruguay Round cover the areas of market access, export subsidies, internal support, and sanitary and phytosanitary measures.

Market Access

--Reduction of import barriers will improve exporter access to overseas markets. All countries will replace non-tariff measures with ordinary tariffs (tariffication). All agricultural tariffs will be bound and reduced.

--The replacement of non-tariff measures with tariffs will include two complementary disciplines: countries will open up minimum access opportunities where there has been little or no trade, and countries will ensure that current access opportunities are maintained.

--Each tariff, including those established under tariffication, will be subject to a minimum reduction (15 percent for developed countries, 10 percent for developing countries). Moreover, each country must make an overall average reduction (36 percent for developed countries, 24 percent for developing countries).

Export Subsidies

--As a result of the Uruguay Round, cuts in export subsidies, most significantly by the European Union, will reduce the level of unfair competition in world markets. For developed countries, export subsidies will be reduced by 21 percent in terms of quantity and by 36 percent in terms of budgetary outlays by the end of the 6-year implementation period. For developing countries, the reduction commitments are

14 percent and 24 percent, respectively, over a 10-year period.

--Because only a small portion of U.S. agricultural exports is subsidized, this multilateral cut in subsidization of exports will greatly benefit the United States. By reducing the quantity of exports that can be subsidized on world markets, the agreement will create trade opportunities for U.S. producers who are more efficient than producers elsewhere.

--In addition, the Uruguay Round establishes a strong framework for further reduction of export subsidies in future negotiations.

--Products that did not receive export subsidies in the 1986-90 period will not be eligible for export subsidies in the future.

Internal Support

--All countries must establish ceilings for the amount of support afforded producers through internal support mechanisms. Average support provided through measures linked to production is totaled across all commodities for the 1986-88 period. Policies that are deemed to be non-trade distorting are not included in the total measure of support and are not subject to reduction.

--Developed countries must reduce this total level of support in equal annual installments by 20 percent by the year 2000. Developing countries must reduce the total level of support by 13 percent by the year 2004.

--Due to changes in support programs in recent farm and budget legislation, the United States need not make reductions in internal support.

Sanitary and Phytosanitary Measures

--The Sanitary and Phytosanitary (SPS) Agreement will impose GATT disciplines on the use of health-related measures which restrict imports, and it will encourage the use of international standards.

--Under the new system, any trade-restrictive measures taken by an importing country for the purpose of protecting human, animal, or plant health must be based on science, including the use of risk assessment techniques.

--A measure stricter than an international standard may be used in a country, but only if the country has a scientific justification for taking the measure. Transparency in the development and implementation of SPS measures will now be required.

This article was contributed by the Multilateral Trade Policy Affairs Division.

Part II: U.S. Agricultural Imports

Introduction

The United States ranks as the world's third largest importer of agricultural products, behind the EU and Japan. However, as a percentage of total merchandise imports, U.S. agricultural imports have declined steadily since the early 1950's from a high of 47 percent in 1951 to a low of 4 percent in fiscal 1993.

Agricultural products are imported for several reasons.

Many imported products are simply not produced in commercial volume in the United States. Among these are spices, teas, cocoa, coffee, bananas, olives, carpet wools, natural rubber, and silk.

Some seasonal items, such as fresh fruits and vegetables, are imported during the U.S. off-season. Agricultural products such as sugar are purchased in their raw form for processing and packaging in the United States because foreign producers have a cost advantage over U.S. producers.

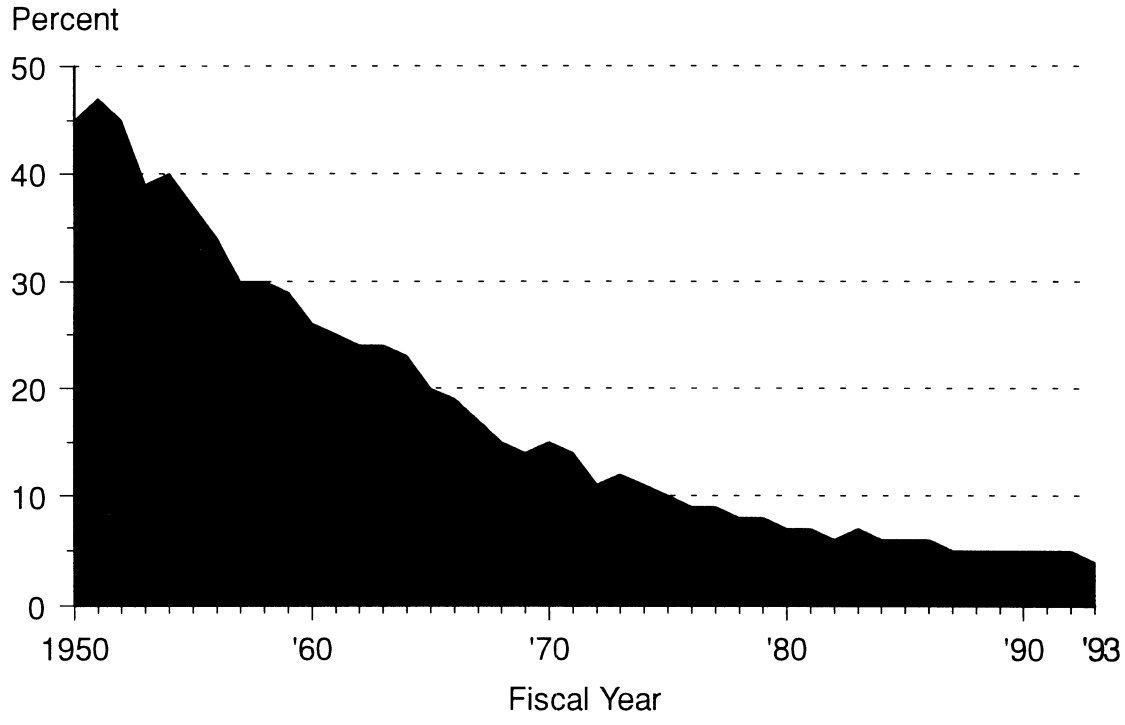
The value of the dollar rose steadily from the mid-1970's before turning sharply higher in the early 1980's. This made foreign commodities a good buy for U.S. consumers. Foreign exporters took advantage of this opportunity to expand their markets and to whet U.S. consumer appetites for their products. Even after a sharp devaluation of the dollar during the late 1980's (raising the landed cost of foreign commodities here), imports rose each year but one, reaching $24.4 billion in 1992, up from under $20 billion in 1985, the year the dollar peaked against most currencies.

The United States has the biggest economy in the world. The locomotive effect that the U.S. economy has on other economies puts the United States in the position of importing some agricultural products, especially from developing countries, in order to facilitate trade.

In addition, many U.S. consumers prefer imported products, such as European wines and cheeses and Oriental tobaccos.

Contrary to popular belief, agricultural imports do have some positive effects on the U.S. economy. They provide many jobs in their transportation, storage, handling, processing, and distribution. These jobs ultimately translate into higher personal disposable incomes and an expanded tax base. This is especially true for local economies with port facilities. Imports also provide foreign countries with U.S. dollars which, in turn, can be used to purchase U.S. products.

Agriculture's Share of U.S. Imports Has Declined Since the Early 1950's



Review of Agricultural Imports

U.S. agricultural imports remained relatively stable between 1950 and 1969. During this period, imports ranged from a high of $5.1 billion in fiscal 1951 to a low of $3.6 billion in fiscal 1961. However, since 1969, agricultural imports have risen nearly every year, climbing from $5.7 billion in fiscal 1970 to a record $24.4 billion in fiscal 1993.

The rise in agricultural imports since 1969 can be attributed to several factors.

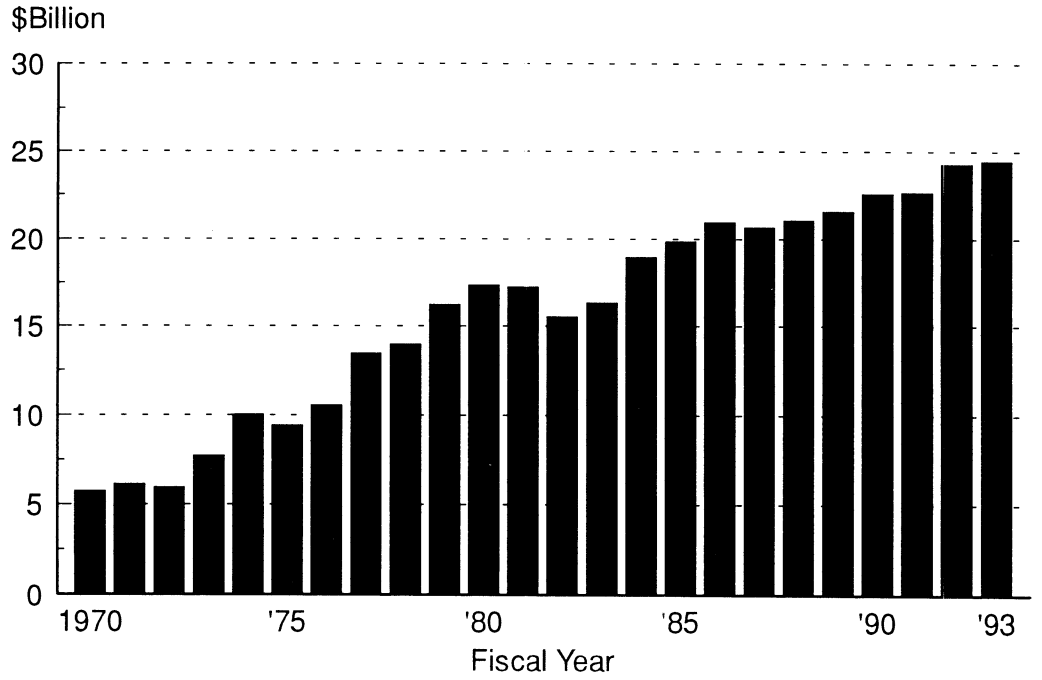
The Organization of Petroleum Exporting Countries (OPEC) oil embargo of 1973 and 1974 sent world energy prices spiraling higher and netted oil-producing countries handsome dividends. U.S. monetary policy pumped billions of dollars into the domestic economy to help finance the rise in oil prices. This generated too many dollars chasing too few goods and resulted in high inflation rates. U.S. consumers spent many of these dollars to appease their appetites for foreign products in the 1970's.

The value of the U.S. dollar vis-a-vis most major foreign currencies began to strengthen in 1973 after the United States opted to place the dollar on a free-floating exchange rate standard in place of the "gold standard." The dollar continued on an upward trend until it peaked in March 1985. The strengthening dollar translated into ever-lower prices for foreign commodities and provided other nations with an incentive to expand agricultural exports to the United States.

Changes in consumer tastes and preferences have played a major role in the expansion of agricultural imports, especially for products that compete either directly or indirectly with foods produced domestically. Many imported goods differ in taste and aroma from counterparts produced in the United States. Examples are German and Dutch beer, French wines and cheeses, Italian pasta, Danish hams, and Polish sausages. These consumer preferences, combined with rising U.S. incomes, have been major factors behind the rise in food imports.

Steady increases in U.S. income and population also have provided powerful stimuli for increased total food consumption. Much of this rise in food demand has been met through increased imports, especially from developing countries that supply many of the commodities not produced in commercial volume in the United States.

U.S. Agricultural Imports Reach $24.4 Billion in Fiscal 1993



1994 Agricultural Import Outlook

U.S. agricultural imports for fiscal 1993 were $24.5 billion, slightly higher than the previous year. Competitive import value increased 2 percent to $18.9 billion, but noncompetitive imports fell 4 percent to $5.5 billion. Fiscal 1994 imports are again projected to be $24.5 billion, competitive imports are forecast to increase slightly, and noncompetitive imports are to remain steady. The EU, Canada, Mexico, Brazil, and Australia are expected to be the top five suppliers.

As with exports, U.S. agricultural imports tend to be highly concentrated in a few commodities. In 1993, the top five product categories accounted for 41 percent of total food imports: vegetables and preparations, fruits (including juices), beef and veal, wines and malt beverages, and grains and feed. Although the fiscal 1994 forecast shows these same five products to comprise the top five imports, a change in their respective rankings and shares of overall imports is forecast. Grains and feed imports will move up in the rankings to tie with fruits for the second highest product import. Beef and veal and wines and malt beverages will drop down to fourth and fifth place, respectively.

Agricultural commodities imported by the United States fall into two general classifications: competitive goods, those items which compete in some form with commodities produced in commercial volume in the United States; and noncompetitive goods, those items not produced in large quantities in the United States.

In fiscal 1993, $18.9 billion worth, or 77 percent, of U.S. agricultural imports fell within the competitive products classification. However, many items in this category are only partially competitive. For example, imports of Mexican fruits and vegetables during the winter months mostly complement instead of compete with seasonal production in the United States.

Fiscal 1994 vegetable and vegetable preparation imports are forecast to post another new record, rising to $2.5 billion. Mexico is by far the largest supplier of imported vegetables, accounting for three-quarters of all fresh vegetable imports and 17 percent of processed vegetable imports in fiscal 1993. Canada and the EU are the only other significant suppliers of fresh vegetables, but several countries vie for the processed market. These include, in order of import value in fiscal 1993, the EU (primarily Spain), Thailand, Canada, the Philippines, and China.

For fiscal 1994, fruit and fruit juice imports are forecast to rise $100 million to $2.1 billion. Supporting the higher forecast, first quarter imports of fruit and fruit juice increased slightly compared to the same period the year earlier. Orange juice imports from Brazil rose 55 percent in the first quarter as prices rose, although this gain was offset by sharply lower fruit imports from Chile. Other major suppliers of fruit to the U.S. market include Argentina, Mexico, Guatemala, Honduras, Australia, and New Zealand.

Grain and feed imports should reach $2.1 billion in fiscal 1994, up from $1.6 billion in fiscal 1993. Trends seen in the first quarter include a surge of barley from Canada, and an increase in Swedish shipments of oats. Canada alone accounts for almost three-quarters of the United States' grain and feed imports.

The near double-digit growth in beef and veal imports in fiscal 1993 is expected to slow considerably. Consequently, 1994's imports are forecast unchanged from the prior year's $1.9 billion. First quarter imports of beef from Canada increased 25 percent to 44,000 metric tons, 30 percent of imports. However, this gain was offset by lower shipments from Australia and tonnage was reduced by half from New Zealand.

Imports of wines and malt beverages in 1994 are forecast to be down $100 million to $1.8 billion. The largest suppliers include France, the Netherlands, Italy, Mexico, and Canada.

Other competitive imports which should remain roughly unchanged from 1993 include imports of live animals ($1.6 billion) and sugar ($1.1 billion).

Noncompetitive commodities consist mostly of tropical products not produced commercially in the United States--such as coffee, cocoa, bananas, plantains, rubber, tea, and spices. The United States imported $5.5 billion worth of noncompetitive products in fiscal 1993.

In terms of value, coffee is one of the largest food imports. However, these imports have declined steadily from $3.2 billion in 1986 to last year's $1.5 billion. The slump is due mostly to sharply lower coffee prices; quantities imported have been mostly flat over the same period. Coffee was once the largest agricultural product imported by far, accounting for roughy 20 percent of total imports by value. It now accounts for just 6 percent of U.S. agricultural imports. The value of coffee imports in fiscal 1994 is forecast to increase due to higher unit values for raw coffee.

Banana and plantain imports should fall to $1 billion as shipments remain steady but prices fall slightly. Cocoa imports are expected to remain at $1 billion.

Major Suppliers

While the United States imports commodities from more than 100 countries, five generally supply well over half of U.S. import demand.

In fiscal 1993, the EU was the leading supplier with sales totaling $4.7 billion. Major consumer-oriented food imports from the EU were wine, beer, ale, pork, processed fruits, cheese, nursery products, processed vegetables, olives, pasta, chocolates, and apple juice. Major intermediate agricultural products imported from the EU include olive oil, miscellaneous sugar and tropical products, essential oils, and miscellaneous livestock products. Tobacco was the largest bulk import from the EU.

Canada was the second largest supplier in fiscal 1993, with sales totaling $4.4 billion. Primary imports from Canada were live cattle, pork, beer, ale, beef, veal, breads, and pastries.

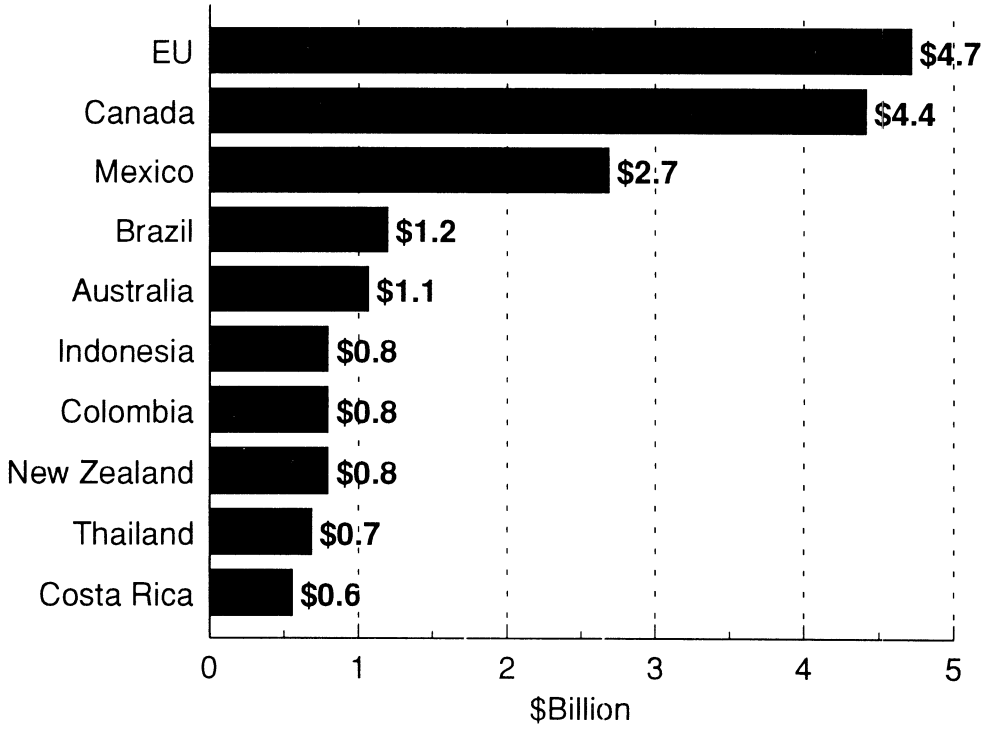
Mexico registered third place at $2.7 billion. Leading exports to the United States include fresh fruits and vegetables, live cattle, processed fruits and vegetables, raw coffee, and beer.

Other top suppliers included Brazil (tobacco, orange juice, raw coffee, cocoa beans, cocoa paste, and cashews); Australia (red meats, meat products); Indonesia (rubber and allied products); Colombia (coffee, bananas, and plantains); and New Zealand (red meats, meat products, dairy products).

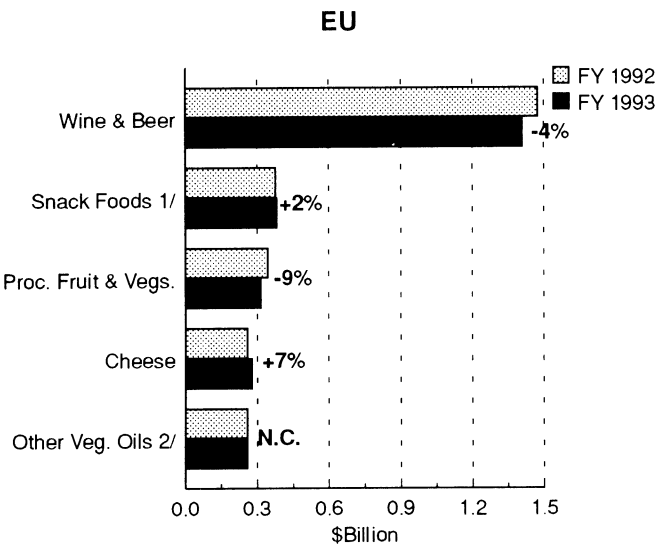
Many important suppliers of agricultural commodities to the United States are developing nations with economies highly dependent upon agricultural production. These countries depend heavily on sales to the United States and other developed countries to generate foreign exchange earnings, which they, in turn, use to service their foreign debt and purchase additional imports, including agricultural products from the United States.

In fiscal 1993, purchases from developing countries accounted for almost half of all U.S. agricultural imports. In fact, 6 of the top 10 suppliers (Mexico, Brazil, Colombia, Indonesia, Thailand, and Guatemala) were developing countries.

EU Top Supplier of U.S. Agricultural Imports in Fiscal 1993



Value of Major U.S. Imports From Two of the Top Four Suppliers Grows in Fiscal 1993



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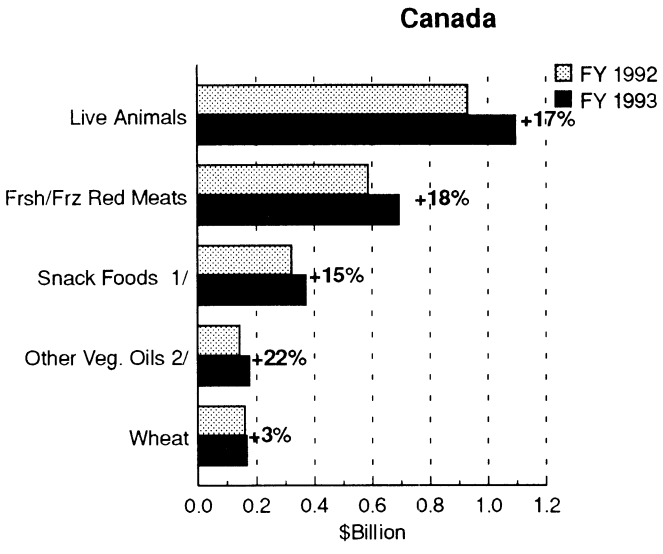

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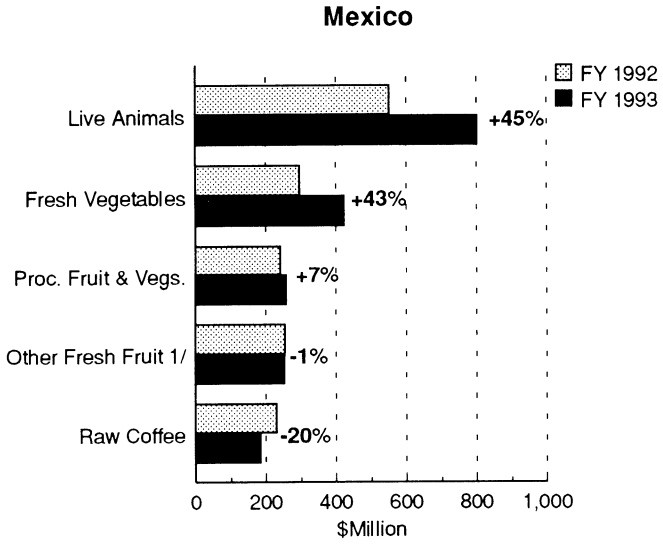
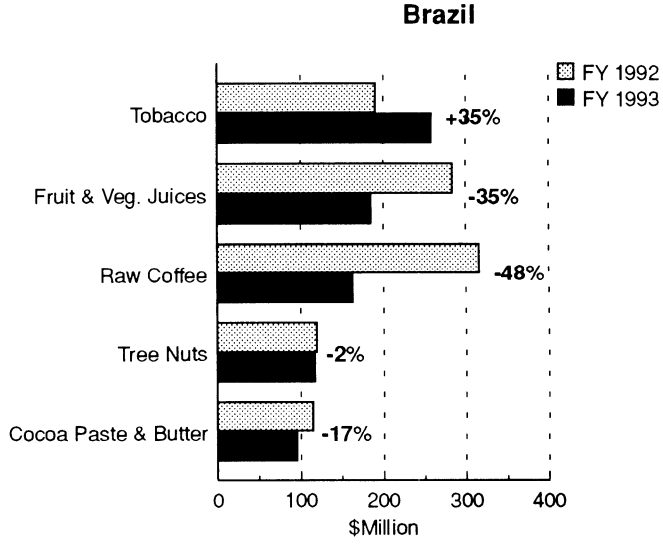


1/ Excluding Bananas and Plantains



Leading Import Regions and Customs Districts

Agricultural imports are brought into the United States by various transportation modes, ranging from trucks that haul fresh vegetables from Mexico and Canada to cargo ships that transport large amounts of commodities from other continents for commercial processing and distribution.

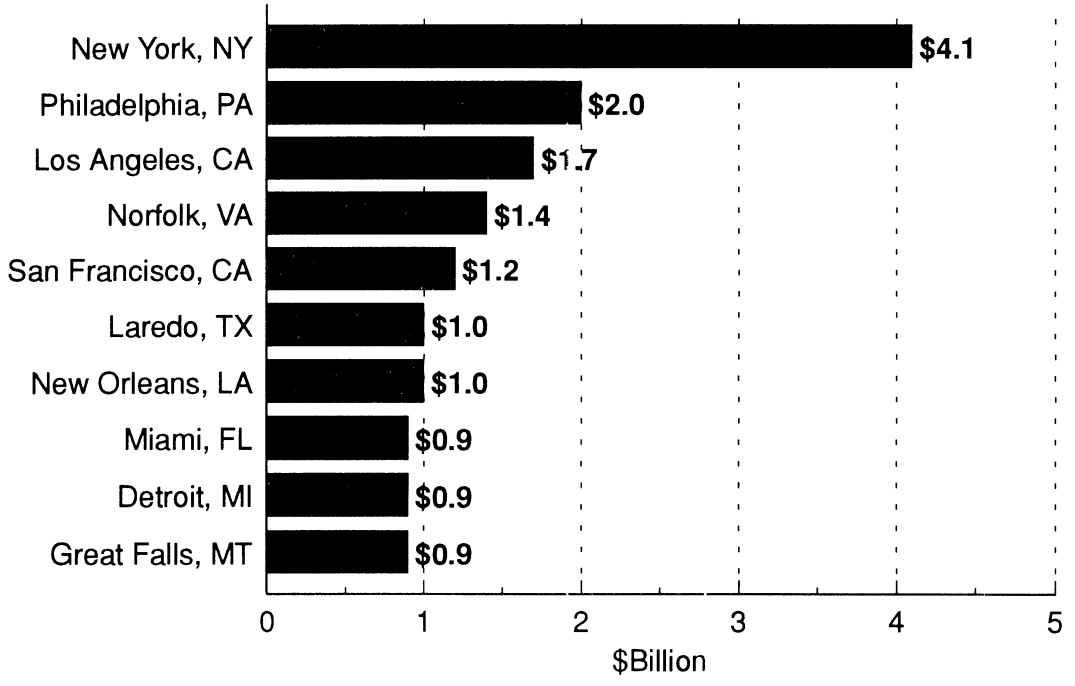
Imports tend to gravitate toward ports where major population centers are located. Three of the four largest customs districts for agricultural imports--New York City, Philadelphia, Los Angeles--are all major metropolitan areas. Imports into these three customs districts and Norfolk accounted for 37 percent of all food items entering the United States in fiscal 1993. The port of New York City alone handled one-sixth ($4.1 billion) of imported farm products in 1993.

While most ports benefited from the steady expansion of agricultural imports, some prospered more than others. The largest increases since 1989 have been in Great Falls, up $472 million; Los Angeles, up $430 million; Detroit, up $348 million; Pembina, North Dakota, up $325 million; and Wilmington, North Carolina, up $305 million. Taken together, these five customs districts accounted for more than three-fifths the $2.9 billion gain in import value during the same period (1989-93).

A few ports have witnessed significant declines in agricultural imports since 1989. The largest declines were registered through New Orleans; Tampa, Florida; Mobile, Alabama; Baltimore; and Savannah, Georgia.

East coast ports dominate agricultural import trade. In 1993, these ports handled $10.9 billion worth, or 45 percent, of total U.S. agricultural imports. West coast ports ranked second at $4.8 billion. The Gulf ports, serving the Caribbean Basin and Latin America as important points of entry, were third at $4.6 billion.

New York City Leading Customs District for Agricultural Imports



U.S. Import Controls

Certain agricultural imports are governed by statutes that restrict the amount that can enter the United States in any given year. Among these are Section 22 of the Agricultural Adjustment Act of 1933, as amended; the Sugar Headnote Authority under the Harmonized Tariff Schedule of the United States; and the U.S. Meat Import Act.

Section 22 directs the Secretary of Agriculture to advise the President when there is reason to believe that any commodity is being imported in such a quantity that it materially interferes, or threatens to interfere, with price stabilization or price support programs being conducted by the U.S. Department of Agriculture, or reduces substantially the amount of any product processed in the United States from such commodities.

If the President agrees with the Secretary's recommendation, he directs the U.S. International Trade Commission (ITC) to conduct an investigation and submit its findings and recommendations to him. The President is then authorized to impose import controls to the degree outlined in Section 22. If the President feels that emergency conditions exist, he can take action before receiving ITC's recommendations.

Import controls are currently in effect under Section 22 for refined sugar (a fee only) and certain sugar-containing products; various dairy products including cheese; peanuts; and certain cotton, cotton waste, and other cotton products.

The cheese import quota covers approximately 85 percent of all imported cheeses. Quotas are determined on the basis of cheese type and then allocated by country. The country allocations were determined by the level of imports from each country during a designated period of time.

Sugar imports are governed by the Sugar Headnote Authority, which is entirely separate from Section 22. The headnote authority allows the President to proclaim duties and quotas on sugar simultaneously. These duties and quotas must consider the interests of domestic producers and materially affected contracting parties to the GATT. In September 1990, the President eliminated the absolute quota on sugar and replaced it with a tariff-rate quota.

The U.S. Meat Import Act allows for import controls on fresh, chilled, and frozen beef; certain prepared and preserved beef; veal; mutton; and goat meat. Imports of pork, lamb, poultry, and live animals are exempt from these controls.

The act provides for the imposition of import quotas under certain circumstances. However, in most years, the system allows free access to the U.S. market. The act stipulates a formula for calculating a trigger level each year. If estimates of imports exceed the trigger level, voluntary restraint agreements are negotiated with foreign countries to avoid mandatory quotas.

Part III: U.S. Fish and Forest Products

Although the "Desk Reference Guide" previously focused only on trade in agricultural products, U.S. trade in forest products and edible fish and seafood is likewise significant and lies squarely within the Department's oversight. In fiscal 1993, while U.S. agricultural exports totaled $42.4 billion, the inclusion of the forest products and edible fish and seafood categories brought the aggregate total of U.S. exports under the purview of the USDA to $52.7 billion. The top offshore markets for these products closely mimic the major markets for agricultural exports, with Japan, the European Union, and Canada comprising the major destinations. The trade in these products will be described in turn, beginning with forest product exports and imports, followed by U.S. edible fish and seafood trade flows.

Exports and Imports of Forest Products

The export market for forest products is alive, well, and thriving. Since 1987, the value of wood product exports, which are also referred to as forest product exports and specifically exclude sales of pulp and paper, has more than doubled. Forest product exports comprise 14 percent of total U.S. agricultural, edible fish and seafood, and forest product exports. In fiscal 1993, the United States exported $7.3 billion worth of forest products and imported $7.7 billion. Thus for the first time in 5 years, the United States was a net importer of forest products.

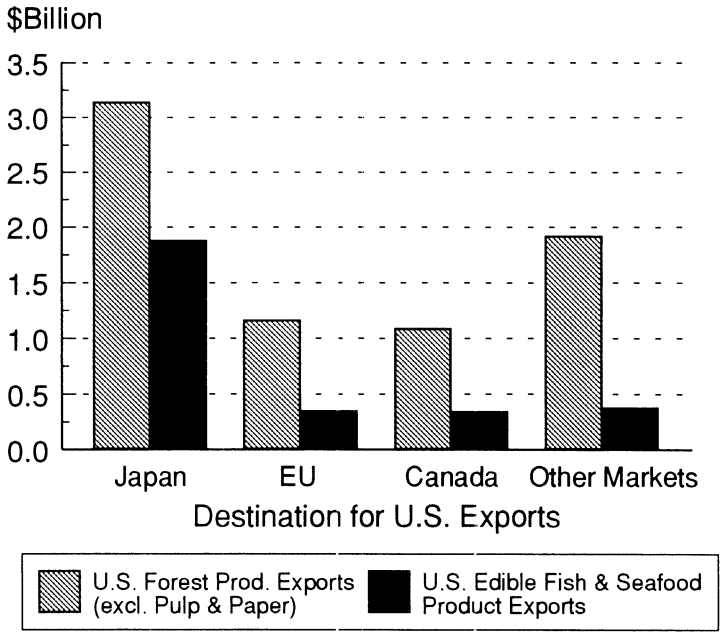
The Japanese Market Picks Up

Japan currently accounts for 43 percent of the U.S. export market for wood products, making it by far the number one market for U.S. exporters. In fiscal 1993, U.S. sales of wood products to Japan totaled $3.1 billion. Logs, lumber, and panel products comprised 84 percent, or $2.7 billion, of this total. After several years of stagnating U.S. sales, exports for 1993 were 18 percent higher than 1992, representing increasing prices and a slow, steady increase in the Japanese economy.

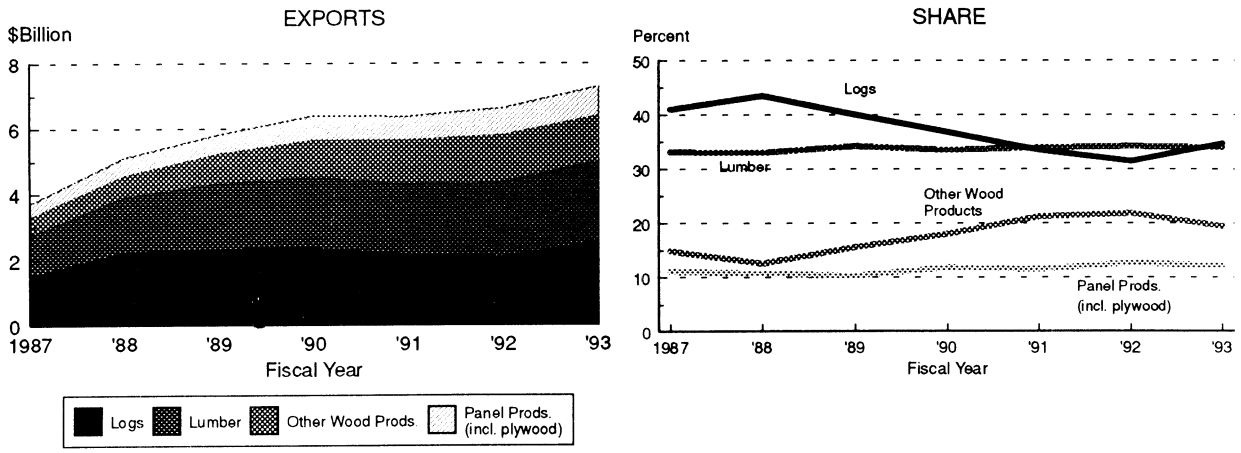
Exporters of forest products to Japan meet restrictive tariff and non-tariff barriers. Tariffs on processed wood products such as plywood are as high as 10 to 15 percent and up to 20 percent on other highly processed wood products such as laminated lumber. Japanese standards and codes limit sales opportunities and reduce potential for wood construction.

Wooden building products still receive discriminatory treatment in Japan. For example, the Building Standards Law effectively limits the use of wooden windows to areas outside of fire protection districts (similar to downtown areas of major cities) and quasi-

Japan and EU Are Leading Destinations for U.S. Forest, Fish Product Exports



Forest Product Exports Exhibit Strong Growth As Processed Wood Products Gain in Share



fire protection districts (similar to suburban areas of major cities). The Building Standards Law requires the installation of fire doors (and fire-rated windows) or other fire preventive equipment in openings of external walls of buildings located in fire protection and quasi-fire protection districts. This, in theory, limits the window market to steel-framed windows with wired glass, since wooden and aluminum windows normally cannot pass the necessary test. Local building officials, however, allow aluminum windows to be used in low-rise construction in quasi-fire protection districts throughout Japan because aluminum is non-combustible. U.S. experts indicate that wooden windows perform as well as aluminum windows with respect to fire performance, and better than aluminum windows in most other respects (thermal efficiency, etc.).

Canada Is Both Customer and Competitor

Canada is a major competitor and yet one of the best customers for U.S. forest products. Due to Canada's proximity to the United States, it is no surprise that Canada is the second largest market for U.S. wood products. Exports totaled $1.1 billion in 1993. The largest single category of Canadian-bound shipments was U.S. lumber, which topped $354 million.

The United States, in turn, is Canada's largest export market for lumber. Lumber imports from Canada skyrocketed in 1993 to over $4 billion as the U.S. domestic housing industry rebounded after several years of languishing starts. Also, the price of softwood lumber in the United States during 1993 proved to be very attractive to Canadian exporters. Relatively higher U.S. lumber prices were due to a combination of factors, including the relative shortage of product out of the Northwest, the uptake in housing starts, and generally positive macroeconomic conditions.

Since the early 1960's, interests from the United States and Canada have debated whether the Canadian softwood lumber industry has unfairly benefitted from government production subsidies. This issue was first legally challenged by the U.S. softwood lumber industry in 1982. The determination of this case found that Canada did not subsidize its industry. Again, this issue was challenged by the U.S. industry in 1986. This time a memorandum of understanding was signed with provisions allowing Canadian customs to collect an offsetting export tax. In 1991, Canada withdrew its memorandum of understanding, and once again the United States legally challenged Canada's practices.

In 1994, the U.S. Department of Commerce (Commerce) conformed its subsidy findings with the Binational Panel's instructions and determined that the subsidy rates resulting from Canadian provincial stumpage programs and log export restrictions are zero percent. In its remand determination, Commerce noted that it disagreed with the Panel's decisions with respect to specificity (whether the subsidies affect specific industries) and market distortion of provincial stumpage programs, and strongly objected to the Panel's interpretation of countervailing duty law with respect to log export restrictions as subsidies.

The Coalition for Fair Lumber Imports, a consortium of U.S. lumber manufacturers, has asked the USTR to request an Extraordinary Challenge Committee (ECC) to review the subsidy panel decision. USTR Kantor, citing conflict of interest allegations against two Canadian panelists who ruled in favor of Canadian softwood lumber, said it is his intention to pursue an

ECC. Attorneys have indicated that they expect an ECC to be convened to review the Panel's findings.

In early 1994, a different Binational Panel issued its decision on review of the remand determination of the U.S. International Trade Commission (Commission). That Panel was reviewing an October 1993, Commission determination that reaffirmed its original ruling that the U.S. industry was injured by softwood lumber imports from Canada. The Panel determined that the Commission did not present substantial evidence of price suppression by reason of imports from Canada.

The existing 6.51 percent countervailing duty will continue to be collected, and held in in-bond, until the case is resolved.

EU Opportunities Begin With Germany

The EU is also a major market for U.S. exports of wood products. Together, the 12 countries of the EU account for 16 percent of U.S. wood product exports, or $1.2 billion in 1993. Germany is the top European market and the fifth largest single country market overall.

U.S. wood product exports to Germany totaled $302 million in 1993. Despite the general sluggishness of the German economy, Germans are increasing their purchases of U.S. wood products. Market opportunities for plywood and other value-added products like glue laminated beams are at an all-time high.

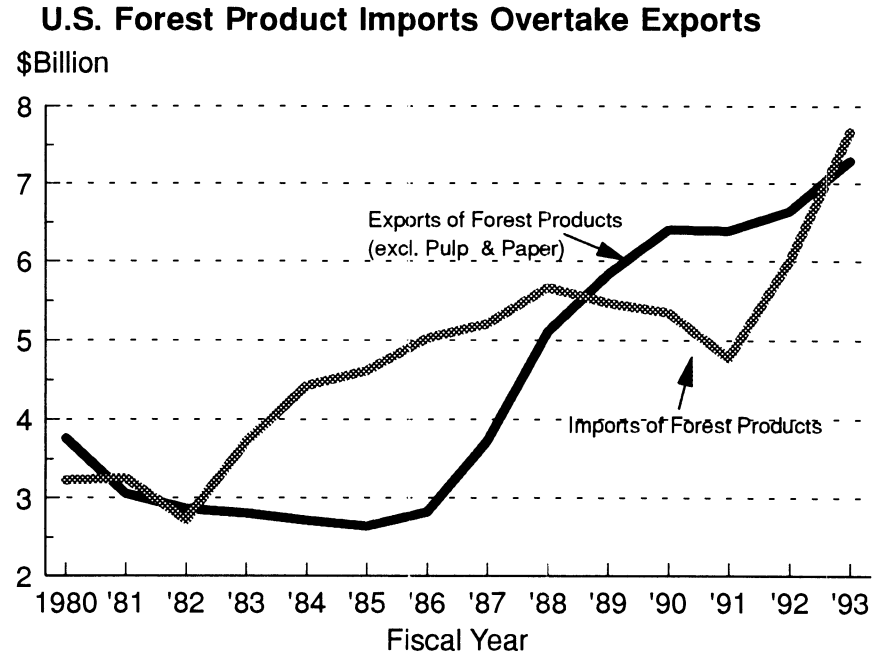
Because of increasing home construction in the wake of re-unification, demand for wood products used in construction is also strong, especially softwood lumber. Germany imported large volumes of softwood lumber from Finland and Sweden, although demand for high-quality lumber from the United States has also been significant. The expanding housing market has also driven demand for hardwood lumber, where the United States is the leading supplier.

The ability of U.S. wood products to compete in the European market will depend on whether restrictive product codes and standards, including those for building materials, are adopted as part of the EU single market initiative. The U.S. forest products industry is concerned because even small changes in the standards could restrict the United States from competing in the EU market. However, if standards are essentially consistent with those of the United States, it could simplify the export process and, combined with the expected economic growth rates, provide new opportunities for U.S. wood exporters.

Currently, the delivery of softwood plywood under the EU tariff/quota system is limited to 650,000 cubic meters. This volume is consigned to a common pool from which each of the EU member countries is allowed to draw on a first-come, first-served basis. As a result, exports are cyclic, with importers purchasing the majority of their needs at the start of the new year in order to avoid the 10 percent ad valorem tariff on imports over the quota.

Mix of U.S. Sales to South Korea Changes

South Korea was the third largest market for U.S. wood products in 1993 and the United States was the top supplier for the Korean forest products market.



U.S. exports of wood products to Korea totaled $408 million, of which U.S. log exports comprised $256 million and lumber, panel products, and other wood products equaled $152 million.

Traditionally, Korea has been a log-oriented market because of its low labor and production costs. However, this is changing. Log export bans in Southeast Asia, higher labor rates, lower Korean tariffs for processed wood products, increased export demand for musical instruments, and strong growth in domestic construction and furniture production have caused Korea to increase its imports of processed wood products significantly. As evidence of this trend, imports of the three categories of lumber, panel products, and other wood products reached all-time highs in 1993.

Korea depends on imports for the bulk of its wood products needs. This trend is projected to continue given Korea's limited forest resources and its strong economy, which grew 7 percent in 1993.

Prospects to Mexico Are Bright

U.S. wood product exports to Mexico, the fourth largest market, have increased over the last 10 years, but were virtually unchanged in 1993. Whereas in 1983 U.S. exports were valued at $39 million, in 1992 they reached a record $494 million, although they slipped to $491 million in 1993. U.S. exports consisted mainly of softwood and hardwood lumber, panel products, and other miscellaneous wood.

The United States is the leading supplier of forest products to the Mexican market, supplying 87 percent of Mexican imports in 1992. Softwood lumber has been the leading item exported to Mexico, accounting for 49 percent of total U.S. exports to Mexico in 1993.

As the Mexican economy looks brighter and offers increased market opportunities, the U.S. forest products industry is well positioned to meet Mexico's expanding demand for wood products. As a result of stronger economic growth, the domestic demand for wood, especially for the construction and furniture industries, has gained significantly. Also supporting U.S. exports, poor reforestation efforts and inefficient harvesting techniques have caused Mexico's forests to deteriorate. In addition, high interest rates have prevented the Mexican forest industry from adequately investing in new machinery, leaving the industry incapable of meeting domestic consumption needs. Due to Mexico's past economic difficulties, a shortage of capital has hindered the Mexican furniture industry from modernizing and has left Mexico with a severe housing shortage.

This article was contributed by Chris Twarok.

Exports and Imports of Edible Fish and Seafood Products

U.S. exports of fish and seafood products more than doubled in 5 years, from $1.6 billion in calendar 1987 to $3.4 billion in 1992, before dropping to $3 billion in 1993. This makes the United States the world's largest exporter of fish and seafood. Sharply higher sales of surimi, roe and urchin, crab, and canned salmon are most significant among the gainers. In addition to the expansion in exports, the United States' share of world trade rose to more than 10 percent, primarily at the expense of the EU. Fueled primarily by rapidly growing demand in the United States' top markets, U.S. exports of edible fish and seafood should continue to climb throughout the decade.

Edible fish and seafood products are a major U.S. export success story. According to the Department of Commerce's National Marine Fisheries Service, the U.S. catch of edible commercial landings and aquaculture production together grew more than 86 percent from 4.4 billion pounds in calendar 1987 to an estimated 8.3 billion pounds in 1992. U.S. overseas sales grew at an even more rapid pace, expanding more than 110 percent over the same period to reach a record $3.4 billion in calendar 1992, the eighth record set in as many years. This makes exports vital to the U.S. fisheries industry. Exports in 1992 accounted for approximately one-quarter of U.S. production value.

U.S. fish and seafood exports, which were $3 billion in calendar 1993, are highly concentrated. Sixty-six percent go to Japan, and 87 percent is shipped to the top three markets--Japan, Canada, and the EU. However, even smaller markets are significant. For example, South Korea, which ranks fourth as a destination for U.S. fish and seafood exports, is now a $110 million market. Sales to Taiwan, which is the United States' fifth largest market, represent a $40 million market.

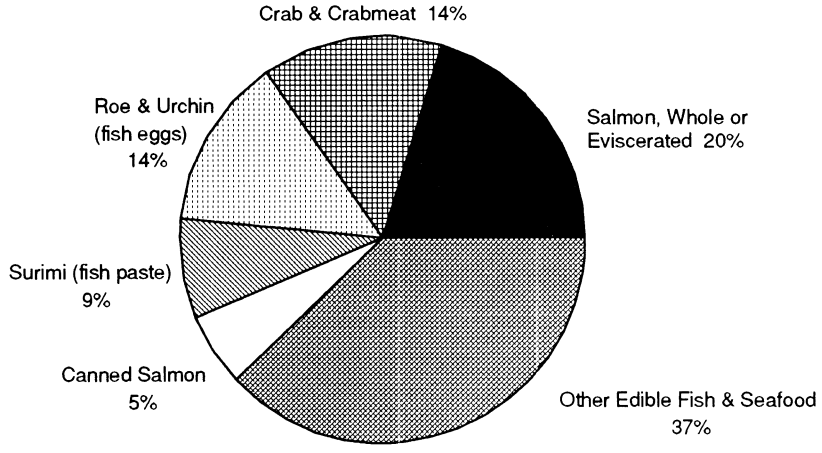
The United States gained in global market share even as the absolute value of international seafood trade expanded. The growing affluence of overseas customers, which makes offshore shipments of live and frozen seafood possible for those who can afford it, is one reason for the expansion of trade. This is as true in Japan, the largest seafood importing country, as it is in Asia's newly industrializing countries. FAO statistics reveal that the value of Japan's fish and shellfish imports increased by 95 percent from 1986 to 1992, rising $6.2 to $12.8 billion in the process. However, that market has softened considerably since 1992 as the economic recovery began to slide again, hitting Japanese consumers in their pocketbooks and bringing lower prices for seafood exporters.

Also supporting the expansion of trade, the EU strengthened its seafood imports from $5.2 to $11.5 billion (excluding intra-trade) from 1986 to 1992. This growth is tied to changes in eating patterns, overfishing in European waters, and the abundance of cheaper fish imports. In Europe, as in the United States, fish and seafood are increasingly viewed as healthy alternatives to meat.

U.S. Gains in Global Market Share

The United States' share of global exports (excluding EU intra-trade) climbed to 10.3 percent of world fish and seafood trade in 1990, the most recent year available, up

Salmon Is Leading U.S. Fish Export



Calendar Year 1993

U.S. Export Composition

GATT Brings Some Progress in Seafood Liberalization

The international seafood market is particularly dynamic, with supply fluctuations, pricing, non-tariff barriers, and other competitive factors playing a key role in export performance. Yet high tariff barriers can still present an insurmountable obstacle to market penetration, so it is important to note that the GATT agreement will bring some liberalization in seafood trading. For example, Japanese negotiators offered tariff improvements covering 140 fishery products. The new agreements will likely come into effect July 1, 1995, with tariffs being reduced over a phased period of 5-6 years. The tariff on salmon, for example, would decline to 3.5 percent at the end of the 5-year phase-in period from the current 5 percent duty. Crab would move from 6 percent to 4 percent, while pollock surimi would be reduced to 4.2 percent from the current 6 percent. Progress is also being made with other markets such as the EU.

from 5 percent in 1971. Interestingly, most of the gain in market share has been at the expense of the EU, which fell from an 11-percent to a 6-percent share over the same period. The EU's decline largely reflects the depletion of resources surrounding the European continent.

There are many reasons for the U.S. gains. Legislated changes in legal fishing boundaries which excluded non-U.S. fishing fleets from U.S. territorial waters, the aggressive exploration of marine resources, and rising incomes in target markets help explain the increase in U.S. exports. Improvements in cold storage facilities and cargo techniques mean that demand can be met year-round, rather than just seasonally. Additionally, international marketing efforts led by industry associations such as the Alaskan Seafood Marketing Institute (ASMI), the U.S. Surimi Commission, the Catfish Institute, the Southeast Fisheries Association, and regional export promotion associations have increased the visibility of U.S. product to customers overseas.

The United States should maintain its position in the medium term as the world's largest exporter of edible fish and seafood. Its global market share should remain at 10 percent through the end of the decade. However, the Japanese market will pose significant challenges to U.S. exporters in the near term. Heightened competition, changing eating patterns, and U.S. supply fluctuations of seasonal species are key limiting factors.

Change in the Product Mix

Trends in export statistics indicate a change in the types of fish and seafood products exported by the United States. Although the largest single category tracked by the Foreign Agricultural Service is whole or gutted salmon, U.S. overseas shipments of whole salmon declined in value due to lower export prices brought on by higher production here and abroad. By contrast, U.S. firms succeeded in increasing sales of products which are relatively unfamiliar to U.S. consumers, such as fish eggs and surimi. These items are shipped almost exclusively to Japan, where rising affluence supports expanding demand for a range of seafood products. U.S. companies also achieved a 70-percent gain in the aggregate value of both crab and canned salmon exports over the last half decade. Crab and crabmeat exports go predominantly to Japan. Two-thirds of canned salmon exports, on the other hand, are destined for the United Kingdom. To cite another example, exports of U.S. lobster boomed, reaching $88 million in 1993, up 45 percent since 1989.

New products and new ways to prepare items, supported by advertising and brand marketing, are key to future industry growth. Cooking demonstrations and recipe booklets are proven tools for teaching product flexibility. However, stable, competitive pricing of raw material is the essential ingredient to warrant such efforts. The volatility of fish prices in relation to those for beef and chicken works against the seafood industry's promotion efforts.

A Closer Look at Fish and Seafood Markets

As the largest destination for U.S. fish and seafood in the foreseeable future, the Japanese market is changing in ways that greatly impact U.S. industry. Many Japanese industrial conglomerates are undergoing restructuring and tending to move away from fishing activities, partly because of a reduction in the Japanese catch, and partly because of a shortage of labor in Japan. This has resulted in new opportunities for U.S. seafood exporters.

As Japanese seafood imports continue to rise as they have in the last half decade, distribution channels are beginning to shift from the traditional fish market auctions towards direct importing by supermarkets, discount stores, and restaurant chains. Sidestepping the middle tier of transactions may help reduce retail prices. It also sets the stage for promotional campaigns that may catch the customers' eye.

For Canada, major U.S. export items include whole salmon ($45 million), canned salmon ($36 million), fish fillets ($35 million), shrimp ($33 million), and fresh/chilled lobster ($18 million). Most of U.S. whole salmon and fresh lobster exports represent cross-border trade. A large portion of the gain in fish fillets is due to increases in U.S. shipments of Alaska pollock fillets,

which are proving more attractive to Canadian shoppers as Canadian catches of Atlantic cod decrease. Canada is by far the largest market for U.S. shrimp, but the Canadian recession has harmed U.S. sales, which stood at $48 million as recently as 1991. However, large supplies from third country producers and the development of "cold water" shrimp fisheries in eastern Canada have also served to drag down U.S. shrimp exports to our northern neighbor.

The EU is the third largest market (on a calendar year basis) for U.S. fish and seafood exports, reflecting demand for a diverse range of edible products linked to a multicultural population. U.S. fish processors and exporters are advised to look at this market more carefully in the future, as its growth is expected to range from 7 to 12 percent per annum over the next 5 years. Currently, about 32 percent of the $326 million of the United States' EU-bound exports is a single product--canned salmon, most of which goes to the United Kingdom. U.S. firms sold $44 million worth of whole and gutted salmon in the EU, mostly to France. Additionally, U.S. fresh or chilled lobsters are doing particularly well in Italy ($17 million) and France ($12 million). Regional export promotion associations, State departments of agriculture, and industry associations are now promoting less traditional types of commodities in Europe, including catfish, crawfish, mussels, dogfish, butterfish, and skate wings. France and Spain are the focuses for some of the latter, east coast product promotions.

As the EU strives to develop a unified seafood import regime by the end of 1994, difficulties will undoubtedly arise, as they recently did in France in early 1994, when seafood was stopped at customs due to protests by French fishermen.

U.S. Is Large Importer

While U.S. edible fish and seafood exports increased, U.S. imports of these products remained fairly steady over the last 7 years. U.S. imports fluctuated from a low of $5.2 billion, to a high of $5.7 billion during the 1987-1993 period. This puts the United States second (after Japan) among the world's importers of edible fish and seafood products. It also places the United States firmly in the position of a net fish importer.

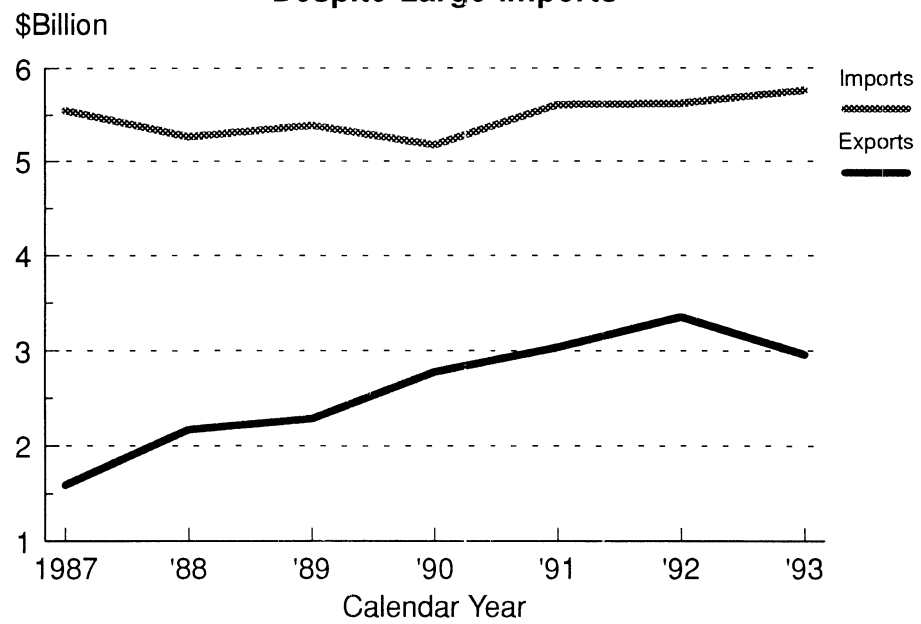
Roughly half of U.S. fish and seafood imports are non-competitive with U.S. production. That is, they represent trade in tropical varieties of shrimp and certain warm water varieties of lobster which are neither native to U.S. waters nor suitable for large-scale domestic aquaculture.

In contrast to export patterns, U.S. imports of edible fish and seafood are highly dispersed in terms of source countries. This is due to relatively easy access to the U.S. market, the growth of aquaculture production in many developing economies, and the shift of large-scale fish processing from high to low labor cost countries.

The largest supplier to the United States is Canada with 20 percent of the import market, followed by Thailand, Ecuador, and China. However, the top eight suppliers, which include the aforementioned countries plus Mexico, Taiwan, Indonesia and New Zealand, account for only 64 percent of total U.S. imports of edible fish and seafood.

This article was prepared with assistance from Steve Beasley.

U.S. Exports of Edible Fish and Seafood Grow at a Rapid Clip Despite Large Imports



Part IV: Statistical Appendix

Value of U.S. Exports by Major Sector
Fiscal years 1951–93

Year	Agricultural	Nonagricultural	Total	Agriculture's share
	----- $Billion -----			– Percent –
1951	3.4	9.2	12.6	27
1952	4.1	11.5	15.6	26
1953	2.8	12.3	15.1	19
1954	2.9	12.3	15.2	19
1955	3.1	11.8	14.9	21
1956	3.5	13.4	16.9	21
1957	4.7	16.0	20.7	23
1958	4.0	14.7	18.7	21
1959	3.7	13.6	17.3	21
1960	4.5	14.6	19.1	24
1961	4.9	15.6	20.5	24
1962	5.1	16.3	21.4	24
1963	5.1	16.5	21.6	24
1964	6.1	18.6	24.7	25
1965	6.1	20.2	26.3	23
1966	6.7	22.2	28.9	23
1967	6.8	24.0	30.8	22
1968	6.3	26.4	32.7	19
1969	5.8	29.6	35.4	16
1970	7.0	34.3	41.3	17
1971	8.0	35.9	43.9	18
1972	8.2	36.6	44.8	18
1973	15.0	47.8	62.8	24
1974 1/	21.6	69.4	91.0	24
1975	21.8	83.2	105.0	21
1976	22.7	89.0	111.7	20
1977	24.0	95.1	119.1	20
1978	27.3	104.3	131.6	21
1979	32.0	135.6	167.6	19
1980	40.5	169.8	210.3	19
1981	43.8	185.4	229.2	19
1982	39.1	176.0	215.1	18
1983	34.8	159.4	194.2	18
1984	38.0	170.0	208.0	18
1985	31.2	179.7	210.9	15
1986	26.3	176.6	202.9	13
1987	27.9	203.1	231.0	12
1988	35.3	260.6	295.9	12
1989	39.5	302.7	342.2	12
1990	40.1	335.8	375.9	11
1991	37.5	376.5	414.0	9
1992	42.3	400.2	442.5	10
1993	42.5	391.1	433.6	10

1/ Beginning Oct. 1, 1973, domestic exports include Defense Department Grant–in–Aid.
Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Value of U.S. Imports by Major Sector
Fiscal years 1951–93

Year	Agricultural	Nonagricultural	Total	Agriculture's share
	----- $Billion -----			– Percent –
1951	5.1	5.7	10.8	47
1952	4.7	5.8	10.5	45
1953	4.3	6.6	10.9	39
1954	4.2	6.3	10.5	40
1955	3.8	6.6	10.4	37
1956	4.1	8.0	12.1	34
1957	3.8	8.9	12.7	30
1958	3.9	8.9	12.8	30
1959	4.0	9.9	13.9	29
1960	4.0	11.5	15.5	26
1961	3.6	10.6	14.2	25
1962	3.8	11.9	15.7	24
1963	3.9	12.5	16.4	24
1964	4.1	13.7	17.8	23
1965	4.0	15.7	19.7	20
1966	4.5	18.8	23.3	19
1967	4.5	21.9	26.4	17
1968	4.9	26.8	31.7	15
1969	4.8	30.3	35.1	14
1970	5.7	33.4	39.1	15
1971	6.1	38.7	44.8	14
1972	5.9	45.9	51.8	11
1973	7.7	57.5	65.2	12
1974 1/	10.0	82.0	92.0	11
1975	9.4	89.3	98.7	10
1976	10.5	103.7	114.2	9
1977	13.4	129.1	142.5	9
1978	13.9	152.1	166.0	8
1979	16.2	177.4	193.6	8
1980	17.3	219.3	236.6	7
1981	17.2	237.5	254.7	7
1982	15.5	233.4	248.9	6
1983	16.3	229.3	245.6	7
1984	18.9	295.1	314.0	6
1985	19.8	313.7	333.5	6
1986	20.9	341.3	362.2	6
1987	20.6	364.6	385.2	5
1988	21.0	409.6	430.6	5
1989	21.5	442.3	463.8	5
1990	22.5	464.8	487.3	5
1991	22.6	465.8	488.4	5
1992	24.2	493.9	518.1	5
1993	24.4	537.6	562.0	4

1/ Imports for consumption, customs value basis, beginning Oct. 1, 1973.
Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Value of U.S. Foreign Trade Balance by Major Sector
Fiscal years 1951–93

Year	Agricultural	Nonagricultural	Total
		$Billion	
1951	−1.7	3.5	1.8
1952	−0.6	5.7	5.1
1953	−1.5	5.7	4.2
1954	−1.3	6.0	4.7
1955	−0.7	5.2	4.5
1956	−0.6	5.4	4.8
1957	0.9	7.1	8.0
1958	0.1	5.8	5.9
1959 1/	−0.3	3.8	3.5
1960	0.5	3.1	3.6
1961	1.3	5.0	6.3
1962	1.3	4.4	5.7
1963	1.2	4.0	5.2
1964	2.0	4.9	6.9
1965	2.1	4.5	6.6
1966	2.2	3.4	5.6
1967	2.3	2.1	4.4
1968	1.4	−0.3	1.1
1969	0.9	−0.7	0.2
1970	1.3	1.0	2.3
1971	1.8	−2.8	−1.0
1972	2.3	−9.3	−7.0
1973	7.2	−9.7	−2.5
1974	11.5	−12.6	−1.1
1975	12.4	−6.1	6.3
1976	12.3	−14.7	−2.4
1977	10.6	−33.9	−23.3
1978	13.4	−47.8	−34.4
1979	15.8	−41.8	−26.0
1980	23.2	−49.6	−26.4
1981	26.6	−52.0	−25.4
1982	23.6	−57.4	−33.8
1983	18.5	−70.0	−51.5
1984	19.1	−125.1	−106.0
1985	11.4	−134.0	−122.6
1986	5.4	−164.6	−159.2
1987	7.3	−161.4	−154.1
1988	14.4	−149.0	−134.6
1989	18.1	−139.5	−121.4
1990	17.6	−129.0	−111.4
1991	14.9	−89.2	−74.3
1992	15.0	−90.8	−75.8
1993	18.0	−146.5	−128.5

1/ Last fiscal year the United States ran an agricultural trade deficit.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Acreage Required for U.S. Agricultural Exports 1/

Crop years 1972–90

Year	Total harvested acreage	Acreage required for exports	Share of acreage exported
	--- Million acres ---		– Percent –
1972	305	62	20
1973	294	91	31
1974	321	96	30
1975	328	99	30
1976	336	100	30
1977	337	97	29
1978	345	112	32
1979	338	114	34
1980	352	125	36
1981	366	129	35
1982	362	113	31
1983	306	124	41
1984	348	96	28
1985	342	81	24
1986	325	96	30
1987	302	106	35
1988	298	118	40
1989	318	103	32
1990	322	83	26

Sources: "Economic Indicators of the Farm Sector, Productivity and Efficiency Statistics," and "Agricultural Resources," Economic Research Service, USDA, Washington, DC.

1/ This series was discontinued after 1990.

U.S. Exports of Selected Commodities as a Share of Production

Marketing years 1965–94

Year	Wheat	Feed grains 1/	Rice	Soybeans	Cotton
			Percent		
1965	56	16	58	42	28
1966	66	18	57	43	20
1967	59	14	61	40	51
1968	51	13	62	40	59
1969	35	11	50	37	26
1970	42	12	59	53	29
1971	55	13	52	55	38
1972	37	13	64	49	32
1973	72	21	61	53	39
1974	71	22	53	50	47
1975	57	24	60	49	34
1976	55	27	42	50	40
1977	44	26	55	59	45
1978	55	27	73	54	38
1979	67	27	57	54	57
1980	64	30	63	53	63
1981	64	36	63	56	53
1982	64	24	45	61	42
1983	55	21	45	55	44
1984	59	41	71	59	87
1985	55	24	45	43	48
1986	38	13	44	47	15
1987	48	18	63	55	69
1988	76	24	56	56	45
1989	78	41	54	34	40
1990	61	32	50	32	63
1991	39	22	45	29	50
1992	65	23	42	34	38
1993 2/	55	18	43	35	32
1994 2/	51	21	53	33	40

1/ Includes corn, sorghum, barley, oats, rye, millet, and mixed grains. Marketing years for the respective commodities are listed below.
2/ 1993 data are preliminary estimates and 1994 data are projections. Both are from "World Agricultural Supply and Demand Estimates," USDA, February 10, 1994, report #287.

Note: Marketing years vary by commodity, depending on when harvest occurs. Months corresponding to U.S. marketing years for the various commodities are listed below.

Wheat:	June–May	Corn:	September–August
Sorghum:	September–August	Barley:	June–May
Oats:	June–May	Rice:	August–July
Soybeans:	September–August	Soybean meal:	October–September
Soybean oil:	October–September	Cotton:	August–July

Source: Historical data prior to 1993 is from Global Electronic Database Exchange System (GEDES), Commodity and Marketing Programs, Foreign Agricultural Service, USDA, Washington, DC.

U.S. Exports of Selected Commodities as a Share of World Trade

Marketing years 1965–94

Year	Wheat	Feed grains 1/	Rice	Soybeans	Soymeal	Soyoil	Cotton
				Percent			
1965	36	52	17	88	65	78	25
1966	38	55	18	90	69	72	18
1967	36	46	22	88	69	72	27
1968	39	48	25	90	68	69	25
1969	29	40	24	90	65	58	17
1970	29	40	23	94	64	58	16
1971	36	34	17	94	62	58	22
1972	29	42	21	88	50	52	18
1973	42	56	20	85	53	43	25
1974	45	50	21	81	50	44	31
1975	41	51	29	73	40	30	22
1976	43	56	21	79	42	26	17
1977	37	57	21	80	35	32	27
1978	41	59	24	85	38	35	29
1979	39	60	21	82	40	36	31
1980	40	66	21	82	38	35	40
1981	43	59	23	80	31	22	30
1982	45	55	22	86	30	26	32
1983	38	55	19	86	28	24	27
1984	35	54	17	77	22	21	35
1985	33	51	18	65	20	21	31
1986	26	39	15	77	24	18	10
1987	27	48	21	72	26	14	26
1988	37	54	19	73	25	22	28
1989	35	57	19	61	19	20	24
1990	31	63	21	62	17	15	32
1991	27	53	18	60	18	10	34
1992	28	48	14	66	22	18	23
1993 2/	30	49	16	71	20	15	21
1994 2/	29	40	15	57	15	13	25

1/ Includes corn, sorghum, barley, and oats. Marketing years for the respective commodities are listed below.

2/ 1993 data are preliminary estimates and 1994 data are projections. Both are from "World Agricultural Supply and Demand Estimates," USDA, February 10, 1994, report #287.

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Soybeans:	September–August	Soybean meal:	October–September
Soybean oil:	October–September	Cotton:	August–July

Source: Historical data prior to 1993 is from Global Electronic Database Exchange System (GEDES), Commodity and Marketing Programs, Foreign Agricultural Service, USDA, Washington, DC.

U.S. Agricultural Export Summary
Fiscal years 1971–94

Year	Value	Volume
	– $Billion –	– Million tons –
1971	8.0	63.3
1972	8.2	68.6
1973	15.0	106.6
1974	21.6	99.9
1975	21.8	93.5
1976	22.7	114.1
1977	24.0	111.9
1978	27.3	131.3
1979	32.0	137.4
1980	40.5	163.9
1981	43.8	162.3
1982	39.1	157.9
1983	34.8	144.6
1984	38.0	143.6
1985	31.2	126.0
1986	26.3	109.9
1987	27.9	129.3
1988	35.4	148.4
1989	39.6	146.4
1990	40.1	148.8
1991	37.5	129.4
1992	42.3	143.6
1993	42.5	146.8
1994 1/	42.5	127.1

1/Forecast from "Outlook for U.S. Agricultural Exports," USDA, February 25, 1994.
Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

U.S. Agricultural Export Summary

Calendar years 1971–93

Year	Value	Volume
	– $Billion –	– Million tons –
1971	7.7	60.3
1972	9.4	77.7
1973	17.7	111.2
1974	21.9	95.0
1975	21.9	101.2
1976	23.0	113.8
1977	23.6	110.7
1978	29.4	136.9
1979	34.7	147.1
1980	41.2	163.0
1981	43.3	162.6
1982	36.6	151.3
1983	36.1	145.5
1984	37.8	146.8
1985	29.0	118.8
1986	26.2	108.8
1987	28.7	133.2
1988	37.1	147.8
1989	39.8	152.0
1990	39.3	138.8
1991	39.1	137.0
1992	42.8	146.1
1993	42.5	143.1

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

U.S. and World Agricultural Exports by Major Processing Stage

Calendar years 1970–92

Year	Bulk 1/		Intermediate 3/		Consumer-oriented 4/		Total	
	U.S.	World 2/	U.S.	World 2/	U.S.	World 2/	U.S.	World 2/
	$Billion							
1970	4.6	20.3	1.5	8.5	1.2	12.4	7.3	41.2
1971	4.9	20.8	1.7	8.9	1.3	13.5	7.9	43.2
1972	6.2	23.8	1.8	10.5	1.5	16.3	9.5	50.7
1973	13.0	37.4	2.9	16.1	1.9	21.2	17.8	74.7
1974	16.3	50.9	3.8	19.8	2.1	23.3	22.1	94.0
1975	16.5	52.4	3.0	18.2	2.5	24.1	22.0	94.8
1976	16.4	54.4	3.7	20.1	3.2	27.6	23.2	102.2
1977	16.4	60.6	4.4	24.8	3.4	32.9	24.1	108.3
1978	20.6	64.5	5.2	26.8	4.1	38.2	29.8	129.4
1979	24.2	72.4	6.4	33.2	4.6	46.0	35.2	151.5
1980	29.2	87.5	7.2	37.8	5.5	51.7	41.8	177.0
1981	30.4	86.4	7.2	39.3	6.1	54.7	43.8	180.4
1982	25.2	74.9	6.1	34.4	5.6	51.5	36.9	160.8
1983	24.6	74.7	6.5	34.5	5.2	48.9	36.3	157.9
1984	26.2	81.1	6.7	37.2	5.2	51.1	38.1	169.4
1985	18.4	70.9	5.9	34.3	5.2	50.3	29.5	155.5
1986	14.2	64.7	6.6	35.1	5.6	59.5	26.4	159.3
1987	15.5	59.6	6.9	40.3	6.5	67.6	29.0	167.6
1988	20.6	69.6	8.6	48.7	8.2	75.1	37.4	193.4
1989	23.3	74.7	8.1	50.2	8.9	78.1	40.2	203.0
1990	20.7	71.2	8.0	49.4	11.2	87.1	39.8	207.6
1991	18.9	64.8	8.1	47.0	12.7	92.2	39.7	204.0
1992	20.1	65.8	8.7	51.3	14.5	97.8	43.3	214.9

1/ Bulk commodities include wheat, rice, feed grains, soybeans, peanuts, cottonseed, flaxweed, safflowerseed, other bulk oilseeds, unmanufactures tobacco, cotton, pulses, and raw sugar. Tropical products, such as green coffee, cocoa, and natural rubber, are also included in this category.

2/ Data exclude intra-EU trade.

3/ Intermediate products are principally semiprocessed products in the intermediate stage of the production chain and include wheat flour, feeds and fodders, oilseed meals, hops, ferments and yeasts, vegetable oils, animal fats, hides and skins, furskins, wool, cattle embryos, bull semen, planting seeds, refined sugar, and live animals.

4/ Consumer-oriented products are fundamentally end-products that require little or no additional processing for consumption and include such items as fresh and processed fruits and vegetables, tree nuts, nursery products, cut flowers, fresh and processed meats, dairy products, eggs, bakery products, and prepared oilseed products such as oil-based salad dressings and peanut butter.

Note: Consumer-oriented and total statistics exclude cigarettes and distilled liquors which are not classified as agricultural goods by the U.S. government.

Sources: Compiled from the Food and Agriculture Organization (FAO) of the United Nations, the United Nations Statistical Office, and the Trade and Economic Analysis Division of the Foreign Agricultural Service, USDA, Washington, DC.

Competitors' Share of World Agricultural Exports by Processing Stage

Calendar years 1970–92

	1970–74 average	1975–79 average	1980–84 average	1985–89 average	1990	1991	1992
			----------Percent----------				
Total							
United States	20	23	23	18	19	19	20
European Union 1/	11	12	14	16	18	18	19
Australia	6	4	4	5	6	5	5
Canada	4	4	4	4	4	4	5
China	2	2	3	4	4	4	4
Bulk 2/							
United States	28	31	32	27	29	29	31
Canada	6	5	7	6	6	7	8
European Union 1/	2	2	4	5	6	5	7
Australia	3	4	4	5	6	5	5
Brazil	7	6	5	5	4	5	5
Intermediate 3/							
European Union 1/	11	14	19	16	18	18	19
United States	19	19	18	17	16	17	17
Australia	11	8	7	9	9	7	7
Malaysia	2	4	5	5	5	6	6
Argentina	3	4	4	5	5	6	5
Consumer–oriented 4/							
European Union 1/	19	23	25	26	27	26	27
United States	8	9	10	10	13	14	15
Australia	6	4	4	4	4	4	4
Thailand	2	3	3	3	3	4	4
New Zealand	5	4	4	4	4	4	4

1/ Bulk commodities include wheat, rice, feed grains, soybeans, peanuts, cottonseed, flaxweed, safflowerseed, other bulk oilseeds, unmanufactures tobacco, cotton, pulses, and raw sugar. Tropical products, such as green coffee, cocoa, and natural rubber, are also included in this category.

2/ Data exclude intra–EU trade.

3/ Intermediate products are principally semiprocessed products in the intermediate stage of the production chain and include wheat flour, feeds and fodders, oilseed meals, hops, ferments and yeasts, vegetable oils, animal fats, hides and skins, furskins, wool, cattle embryos, bull semen, planting seeds, refined sugar, and live animals.

4/ Consumer–oriented products are fundamentally end–products that require little or no additional processing for consumption and include such items as fresh and processed fruits and vegetables, tree nuts, nursery products, cut flowers, fresh and processed meats, dairy products, eggs, bakery products, and prepared oilseed products such as oil–based salad dressings and peanut butter.

Note: Consumer–oriented and total statistics exclude cigarettes and distilled liquors which are not classified as agricultural goods by the U.S. government.

Sources: Compiled from the Food and Agriculture Organization (FAO) of the United Nations, the United Nations Statistical Office, and the Trade and Economic Analysis Division of the Foreign Agricultural Service, USDA, Washington, DC.

Value of U.S. Government Program Sales

Fiscal years 1960–93

Year	Government-assisted sales					Total exports
	Food aid 1/	GSM 2/	EEP 3/	Other 4/	Total 5/	
	$Million					
1960	967	1	0	149	1,117	4,519
1961	1,172	18	0	144	1,335	4,946
1962	1,297	33	0	198	1,528	5,143
1963	1,409	77	0	47	1,533	5,079
1964	1,375	118	0	44	1,537	6,068
1965	1,539	95	0	32	1,666	6,097
1966	1,314	210	0	32	1,556	6,747
1967	1,248	339	0	22	1,610	6,831
1968	1,273	141	0	6	1,420	6,331
1969	1,037	116	0	1	1,155	5,751
1970	1,056	211	0	0	1,267	6,958
1971	1,023	391	0	0	1,414	7,955
1972	1,057	372	0	0	1,429	8,242
1973	946	1,029	0	0	1,975	14,984
1974	866	298	0	0	1,164	21,559
1975	1,099	249	0	0	1,348	21,817
1976	904	957	0	0	1,861	22,742
1977	1,104	755	0	0	1,859	23,974
1978	1,073	1,583	0	17	2,672	27,289
1979	1,187	1,591	0	18	2,796	31,979
1980	1,342	1,417	0	41	2,800	40,481
1981	1,333	1,874	0	173	3,379	43,780
1982	1,108	1,393	0	24	2,525	39,095
1983	1,195	4,069	0	95	5,359	34,776
1984	1,506	3,646	0	16	5,168	38,033
1985	1,906	2,761	87	96	4,849	31,203
1986	1,345	2,417	716	112	5/ 4,202	26,336
1987	1,077	2,984	1,684	157	5/ 5,126	27,877
1988	1,469	3,880	3,314	109	5/ 7,820	35,336
1989	1,311	5,057	2,827	137	5/ 8,369	39,523
1990	1,435	4,300	2,384	7	5/ 7,348	40,122
1991	1,324	4,111	2,009	40	5/ 6,964	37,534
1992	1,516	5,529	3,297	133	5/ 8,767	42,316
1993	2,364	3,759	3,734	16	5/ 8,907	42,454

1/ Sales under P.L. 480, Titles I, II, III, and Section 416 of the Agricultural Act of 1990.

2/ Sales under GSM–102 and GSM–103 export credit guarantee programs.

3/ Sales under the Export Enhancement Program authorized by the Food Security Act of 1985.

4/ CCC direct sales for 1978–92 and barter sales for 1960–69, plus small barter programs in fiscal 1982 and 1984.

5/ Total Government-assisted sales reflect the sum of sales under food aid, GSM programs, EEP, and other for 1960–85. However, an overlap in the GSM and EEP programs for 1986–93 resulted in double-counting. The following amounts have been subtracted from total Government-assisted sales to correct for the double-counting: 1986, $387 million; 1987, $578 million; 1988, $951 million; 1989, $964 million; 1990, $778 million; 1991, $520 million; 1992, $1.7 billion; 1993, $965 million.

Source: Program Analysis Division, Export Credit Programs, Foreign Agricultural Service, USDA, Washington, DC.

Value of U.S. Agricultural Exports to Developed and Developing Economies

Fiscal years 1970–94

Year	Total	Developed 1/	Share of Total exports	Developing	Share of Total exports	Other countries 2/	Share of Total exports
	– $Billion –		Percent	$Billion	Percent	$Billion	Percent
1970	7.0	4.6	65.7	2.2	31.4	0.2	2.9
1971	8.0	5.1	63.8	2.6	32.5	0.3	3.8
1972	8.2	5.2	63.4	2.6	31.7	0.4	4.9
1973	15.0	9.1	60.7	4.0	26.7	1.9	12.7
1974	21.6	12.3	56.9	7.3	33.8	2.0	9.3
1975	21.8	12.5	57.3	7.8	35.8	1.5	6.9
1976	22.7	12.7	55.9	6.8	30.0	3.2	14.1
1977	24.0	14.5	60.4	7.4	30.8	2.1	8.8
1978	27.3	14.6	53.5	9.3	34.1	3.4	12.5
1979	32.0	16.7	52.2	10.6	33.1	4.7	14.7
1980	40.5	20.3	50.1	14.3	35.3	5.9	14.6
1981	43.8	20.9	47.7	16.9	38.6	6.0	13.7
1982	39.1	20.1	51.4	14.0	35.8	5.0	12.8
1983	34.8	18.5	53.2	13.9	39.9	2.4	6.9
1984	38.0	19.2	50.5	14.9	39.2	3.9	10.3
1985	31.2	15.2	48.7	12.7	40.7	3.3	10.6
1986	26.3	14.0	53.2	10.7	40.7	1.6	6.1
1987	27.9	15.0	53.8	11.5	41.2	1.4	5.0
1988	35.4	18.0	50.8	14.3	40.4	3.0	8.5
1989	39.6	18.0	45.5	16.4	41.4	5.2	13.1
1990	40.1	19.8	49.4	16.0	39.9	4.4	11.0
1991	37.5	20.0	53.3	14.8	39.5	2.7	7.2
1992	42.3	21.7	51.2	17.1	40.3	3.6	8.5
1993	42.5	21.9	51.7	18.2	42.8	2.3	5.5
1994 3/	42.5	22.5	52.9	18.0	42.4	2.0	4.7

Note: Totals may not add due to rounding.

1/ Includes Western Europe, Japan, Canada, Israel, and Oceania.

1/ Formerly called the centrally planned economies. Includes the former USSR, China and Eastern Europe.

3/ Forecast from "Outlook for U.S. Agricultural Exports," USDA, February 25, 1994.

Source: U.S. Bureau of the Census/ Economic Research Service, USDA, Washington, DC.

Value of U.S. Agricultural Exports by Region of World

Fiscal years 1989–94

Region	1989	1990	1991	1992	1993	1994 1/
				$Million		
Canada 2/	2,177	3,707	4,395	4,804	5,202	5,400
Transshipments via Canada	357	269	162	209	332	9/
Latin America	5,436	5,142	5,474	6,384	6,813	6,900
Mexico	2,761	2,662	2,872	3,653	3,621	3,900
Other Latin America	2,675	2,480	2,601	2,731	3,192	3,000
Venezuela	587	346	307	393	498	200
Brazil	149	104	271	143	231	400
Western Europe	7,041	7,318	7,346	7,762	7,484	7,300
European Union 3/	6,497	6,796	6,774	7,183	6,964	6,800
Other Western Europe	544	522	572	579	520	500
Eastern Europe 4/	394	519	303	221	465	400
Former Soviet Union	3,185	2,938	1,716	2,640	1,435	1,300
Middle East 5/	2,136	1,900	1,331	1,682	1,811	2,000
Israel	322	284	279	342	363	400
Saudi Arabia	425	447	481	506	429	500
Africa	2,199	1,914	1,819	2,201	2,593	2,400
North Africa 6/	1,717	1,437	1,325	1,312	1,587	1,600
Sub–Saharan Africa	482	478	493	889	1,006	800
Asia	16,332	16,102	14,647	15,989	15,866	16,400
Japan	8,093	8,075	7,718	8,364	8,430	9,100
China (PRC)	1,486	909	667	690	317	300
Other East Asia 7/	4,619	5,199	4,637	4,922	4,919	4,900
Other Asia 8/	2,133	1,910	1,611	2,001	2,185	2,100
Oceania	267	314	344	424	453	400
Agricultural total	**39,523**	**40,122**	**37,533**	**42,316**	**42,454**	**42,500**

Note: Totals may not add due to rounding.

1/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Exports," USDA.

2/ Prior to 1990, U.S. exports to Canada were underreported by about $1 billion a year. Since January 1990, the U.S. Bureau of Census began adjusting U.S. export statistics to account for the differences, which were recognized by both Governments.

3/ Includes former East Germany beginning in fiscal 1991.

4/ Includes East Germany prior to fiscal 1991.

5/ Turkey, Cyprus, Syria, Yemen, Iraq, Iran, Qatar, Jordan, Gaza Strip, Oman, Kuwait, Saudi Arabia, Israel, United Arab Emirates, Lebanon, and Bahrain.

6/ Morocco, Algeria, Tunisia, Libya, and Egypt.

7/ Republic of Korea, Hong Kong, and Taiwan.

8/ Afghanistan, India, Pakistan, Nepal, Bangladesh, Sri Lanka, Burma, Vietnam, Laos, Cambodia, Brunei, Mongolia, Thailand, Malaysia, Singapore, Indonesia, the Philippines, and Macao.

9/ Not available.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Top 15 Markets for U.S. Agricultural Exports
Fiscal years 1989–94

Country 1/	1989	1990	1991	1992	1993	1994 2/
				$Million		
Japan	8,093	8,075	7,718	8,364	8,430	9,100
European Union 3/ 4/	6,497	6,796	6,774	7,183	6,964	6,800
Netherlands	1,839	1,628	1,559	1,808	1,792	6/
Germany 5/	918	1,091	1,134	1,090	1,133	6/
United Kingdom	737	759	884	881	915	6/
Spain	851	969	855	951	806	6/
France	474	469	572	617	603	6/
Italy	601	704	677	684	568	6/
Belgium–Luxembourg	410	424	462	457	481	6/
Portugal	301	338	251	240	223	6/
Ireland	176	171	163	204	178	6/
Denmark	97	122	113	131	159	6/
Greece	93	120	104	120	108	6/
Canada 3/ 7/	2,177	3,707	4,395	4,804	5,202	5,400
Mexico	2,761	2,662	2,872	3,653	3,621	3,900
Taiwan	1,593	1,816	1,736	1,913	1,998	2,100
South Korea	2,453	2,702	2,159	2,200	2,041	1,900
Former Soviet Union	3,185	2,938	1,716	2,640	1,435	1,300
Hong Kong	573	685	744	816	800	900
Egypt	930	740	692	709	600	700
Philippines	342	351	373	442	400	600
Saudi Arabia	425	447	481	547	500	500
Algeria	506	423	422	477	500	500
Venezuela	587	346	307	394	300	400
Israel	322	284	279	342	363	400
China (PRC)	1,486	909	667	690	400	300
Total of top 15	**31,930**	**32,881**	**31,335**	**35,174**	**33,554**	**34,800**
Agricultural total	**39,523**	**40,122**	**37,534**	**42,316**	**42,454**	**42,500**

1/ Country listings and rankings are based on fiscal year 1994 forecasts and do not necessarily show the 15 leading markets in other years.

2/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Exports," USDA.

3/ Data not adjusted for transshipments.

4/ Rankings for EU countries based on fiscal year 1993 data.

5/ Includes former East Germany beginning in fiscal 1991.

6/ Not available.

7/ Prior to 1990, U.S. exports to Canada were underreported by about $1 billion a year. Since January 1990, the U.S. Bureau of the Census began adjusting U.S. export statistics to account for these differences, which were recognized by both Governments.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Value of U.S. Agricultural Exports by State

Fiscal years 1988–92

	1988	1989	1990	1991	1992	1992 Ranking
			$Million			(1–50)
Corn Belt	9,056	9,425	10,245	8,509	8,879	
Iowa	2,846	2,978	3,203	2,784	3,032	2
Illinois	2,630	2,638	3,218	2,543	2,614	4
Indiana	1,384	1,424	1,590	1,291	1,229	9
Ohio	1,096	1,160	1,107	1,019	1,006	15
Missouri	1,100	1,225	1,128	872	998	16
Northern Plains	6,278	7,397	6,139	5,768	7,344	
Nebraska	2,121	2,984	2,490	2,310	2,691	3
Kansas	2,326	2,845	1,964	1,926	2,481	6
North Dakota	1,028	834	943	846	1,281	8
South Dakota	804	734	743	685	891	17
Pacific	4,647	5,372	6,184	6,471	7,030	
California	3,402	3,561	4,540	4,798	5,146	1
Washington	813	1,242	1,024	1,043	1,208	10
Oregon	360	512	506	496	554	24
Hawaii	38	41	114	134	121	36
Alaska	33	16	0	0	0	50
Lake States	3,164	3,167	3,808	3,421	4,023	
Minnesota	1,804	1,763	2,122	1,835	2,138	7
Wisconsin	767	694	878	815	1,027	14
Michigan	593	710	809	772	858	19
Southern Plains	2,754	3,338	2,811	2,774	2,995	
Texas	2,247	2,640	2,398	2,455	2,559	5
Oklahoma	507	699	413	319	436	27
Appalachia	2,168	2,374	2,383	2,447	2,651	
North Carolina	872	918	947	978	1,103	11
Kentucky	729	841	836	881	879	18
Tennessee	339	340	318	316	352	29
Virginia	223	269	278	267	310	33
West Virginia	6	7	4	5	7	45
Mountain States	2,082	2,431	2,432	1,966	2,568	
Colorado	673	884	721	632	778	20
Idaho	506	724	620	525	628	21
Montana	432	299	408	215	532	25
Arizona	304	317	440	372	389	28
Utah	65	79	103	99	99	37
New Mexico	59	77	99	80	90	38
Wyoming	41	47	40	40	50	42
Nevada	3	4	2	2	2	47

continued...

Value of U.S. Agricultural Exports by State

Fiscal years 1988-92

	1988	1989	1990	1991	1992	1992 Ranking (1-50)
			----------$Million----------			
Northeast	739	877	891	967	1,089	
New York	237	267	251	282	311	32
Pennsylvania	240	270	292	302	349	30
Maryland	114	158	156	158	165	35
New Jersey	48	47	41	43	54	41
Delaware	40	52	60	59	74	39
Connecticut	26	40	44	60	60	40
Massachusetts	18	24	27	32	39	43
Maine	12	16	16	27	28	44
Vermont	5	4	3	3	7	46
Rhode Island	0	0	1	1	1	48
New Hampshire	0	0	1	1	1	49
Lake States	3,164	3,167	3,808	3,421	4,023	
Minnesota	1,804	1,763	2,122	1,835	2,138	7
Wisconsin	767	694	878	815	1,027	14
Michigan	593	710	809	772	858	19
Corn Belt	9,056	9,425	10,245	8,509	8,879	
Iowa	2,846	2,978	3,203	2,784	3,032	2
Illinois	2,630	2,638	3,218	2,543	2,614	4
Indiana	1,384	1,424	1,590	1,291	1,229	9
Ohio	1,096	1,160	1,107	1,019	1,006	15
Missouri	1,100	1,225	1,128	872	998	16
Northern Plains	6,278	7,397	6,139	5,768	7,344	
Kansas	2,326	2,845	1,964	1,926	2,481	6
Nebraska	2,121	2,984	2,490	2,310	2,691	3
North Dakota	1,028	834	943	846	1,281	8
South Dakota	804	734	743	685	891	17
Appalachia	2,168	2,374	2,383	2,447	2,651	
North Carolina	872	918	947	978	1,103	11
Kentucky	729	841	836	881	879	18
Tennessee	339	340	318	316	352	29
Virginia	223	269	278	267	310	33
West Virginia	6	7	4	5	7	45
Southeast	1,469	1,690	1,949	1,997	2,288	
Florida	593	659	750	1,007	1,093	12
Georgia	419	529	597	497	605	23
Alabama	235	280	320	277	332	31
South Carolina	222	221	283	216	258	34

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[Correction: Replaces page 53 in Desk Reference Guide]

Value of U.S. Agricultural Exports by State (Continued)

Fiscal years 1988-92

	1988	1989	1990	1991	1992	1992 Ranking (1-50)
Delta States	1,945	2,454	2,251	2,063	2,130	
Arkansas	907	1,212	1,065	955	1,055	13
Mississippi	608	692	678	611	625	22
Louisiana	430	550	508	497	450	26
Southern Plains	2,754	3,338	2,811	2,774	2,995	
Texas	2,247	2,640	2,398	2,455	2,559	5
Oklahoma	507	699	413	319	436	27
Mountain States	2,082	2,431	2,432	1,966	2,568	
Colorado	673	884	721	632	778	20
Idaho	506	724	620	525	628	21
Montana	432	299	408	215	532	25
Arizona	304	317	440	372	389	28
Utah	65	79	103	99	99	37
New Mexico	59	77	99	80	90	38
Wyoming	41	47	40	40	50	42
Nevada	3	4	2	2	2	47
Pacific	4,647	5,372	6,184	6,471	7,030	
California	3,402	3,561	4,540	4,798	5,146	1
Washington	813	1,242	1,024	1,043	1,208	10
Oregon	360	512	506	496	554	24
Hawaii	38	41	114	134	121	36
Alaska	33	16	0	0	0	50
Unidentified	1,111	1,141	1,178	1,228	1,421	
Agricultural total	**35,379**	**39,651**	**40,122**	**37,534**	**42,316**	

Note: Totals may not add due to rounding.

Source: Foreign Agricultural Trade of the United States, Economic Research Service, USDA, Washington, D.C.

Value of U.S. Agricultural Exports by State (Continued)

Fiscal years 1988–92

	1988	1989	1990	1991	1992	1992 Ranking (1–50)
Delta States	1,945	2,454	2,251	2,063	2,130	
Arkansas	907	1,212	1,065	955	1,055	13
Mississippi	608	692	678	611	625	22
Louisiana	430	550	508	497	450	26
Southern Plains	2,754	3,338	2,811	2,774	2,995	
Texas	2,247	2,640	2,398	2,455	2,559	5
Oklahoma	507	699	413	319	436	27
Mountain States	2,082	2,431	2,432	1,966	2,568	
Colorado	673	884	721	632	778	20
Idaho	506	724	620	525	628	21
Montana	432	299	408	215	532	25
Arizona	304	317	440	372	389	28
Utah	65	79	103	99	99	37
New Mexico	59	77	99	80	90	38
Wyoming	41	47	40	40	50	42
Nevada	3	4	2	2	2	47
Pacific	4,647	5,372	6,184	6,471	7,030	
California	3,402	3,561	4,540	4,798	5,146	1
Washington	813	1,242	1,024	1,043	1,208	10
Oregon	360	512	506	496	554	24
Hawaii	38	41	114	134	121	36
Alaska	33	16	0	0	0	50
Unidentified	1,111	1,141	1,178	1,228	1,421	
Agricultural total	**35,379**	**39,651**	**40,122**	**37,534**	**42,316**	

Note: Totals may not add due to rounding.

Source: "Foreign Agricultural Trade of the United States," Economic Research Service, USDA, Washington, DC.

Value of U.S. Agricultural Exports by Customs District

Fiscal years 1989–93

Customs district	1989	1990	1991	1992	1993	1993 Ranking (1–44)
			$Million			
Gulf Coast	18,824	16,953	15,000	17,565	17,453	
New Orleans, LA	12,363	11,645	10,208	11,782	10,873	1
Houston/Galveston, TX	3,328	2,584	1,919	2,105	2,443	7
Laredo, TX	1,494	1,359	1,648	2,111	2,298	8
Tampa, FL	355	378	421	461	563	14
Port Arthur, TX	601	414	151	350	469	16
El Paso, TX	275	223	293	392	345	20
Mobile, AL	261	223	166	129	264	26
Nogales, AZ	129	105	170	201	161	28
Dallas/Ft. Worth, TX	16	20	22	31	36	35
St. Louis, MO	1	2	2	3	3	40
West Coast	12,945	13,903	12,823	14,446	14,068	
Los Angeles, CA	3,844	4,269	3,984	4,306	3,848	2
San Francisco, CA	2,759	2,844	3,007	3,511	3,544	3
Seattle, WA	2,964	3,470	3,186	3,329	3,421	4
Portland, OR	3,022	2,918	2,140	2,713	2,669	5
San Diego, CA	181	199	247	314	311	22
Great Falls, MT	175	203	259	273	275	25
Great Lakes	3,031	3,953	4,394	4,664	5,160	
Detroit, MI	1,053	1,869	2,326	2,411	2,654	6
Buffalo, NY	250	508	596	677	711	12
Ogdensburg, NY	244	353	439	486	485	15
Duluth, MN	642	416	297	361	429	19
Pembina, ND	242	258	274	296	310	23
Cleveland, OH	350	271	270	195	292	24
Chicago, IL	174	209	160	192	244	27
Milwaukee, WI	69	60	27	42	32	36
Minneapolis, MN	7	9	5	4	3	39
East Coast	4,490	4,771	4,691	4,987	5,128	
Norfolk, VA	1,375	1,456	1,400	1,421	1,267	9
New York, NY	729	748	913	915	949	10
Miami, FL	579	558	626	653	715	11
Baltimore, MD	516	536	414	428	658	13
Charleston, SC	399	399	425	510	466	17
Wilmington, NC	291	429	375	449	435	18
Savannah, GA	427	403	305	363	334	21
Portland, ME	60	98	78	86	93	30
St. Albans, VT	20	20	41	46	89	31
Philadelphia, PA	48	77	74	77	75	32
Boston, MA	32	31	29	27	37	34
Washington, DC	13	15	11	12	11	38
Providence, RI	0	1	1/	1/	1/	43
Bridgeport, CT	0	0	0	0	0	44

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Value of U.S. Agricultural Exports by Customs District (Continued)
Fiscal years 1989–93

Customs district	1989	1990	1991	1992	1993	1993 Ranking (1–44)
			$Million			
Other customs districts	262	256	257	234	218	
San Juan, PR	153	156	161	132	125	29
Honolulu, HA	68	66	65	76	67	33
Anchorage, AK	16	8	13	18	27	37
Virgin Islands	25	26	18	8	0	42
Mail Shipments	1	1	6	8	2	41
Agricultural total	**39,523**	**40,122**	**37,534**	**42,316**	**42,454**	

Note: Totals may not add due to rounding.

1/ Value greater than zero but less than $100,000.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, D.C.

Value of U.S. Agricultural Exports by Major Commodity Group

Fiscal years 1989–94

Commodity	1989	1990	1991	1992	1993	1994 1/
			$Million			
Grains and feeds	17,833	16,792	12,513	14,095	14,332	13,700
Wheat and flour	6,273	4,426	3,057	4,482	4,954	4,300
Rice, milled basis	956	830	752	758	768	1,100
Feed grains 2/	7,249	7,962	5,653	5,659	5,094	4,700
Corn 3/	6,107	6,929	4,872	4,593	4,251	4,000
Feeds and fodders	1,823	1,813	1,894	2,077	2,196	2,300
Oilseeds and products	6,800	6,278	5,723	7,338	7,371	7,000
Soybeans	4,089	3,939	3,464	4,311	4,606	4,300
Soybean meal	1,336	990	1,010	1,334	1,146	900
Soybean oil	404	339	192	356	327	400
Unmanufactured tobacco	1,274	1,373	1,533	1,568	1,443	1,200
Cotton and linters	2,059	2,719	2,619	2,195	1,538	2,000
Planting seeds	498	580	625	667	664	700
Livestock products	5,383	5,418	5,545	5,973	5,886	6,100
Red meats 4/	2,327	2,398	2,481	2,935	3,052	3,200
Hides and skins (incl. furs)	6/	1,773	1,439	1,317	1,271	1,300
Poultry products	726	856	1,007	1,195	1,315	1,400
Poultry meat	507	631	738	887	994	6/
Dairy products	490	342	367	733	891	900
Horticultural products	4,086	5,154	6,116	6,992	7,298	7,700
Fresh/processed fruits	1,538	1,858	2,452	2,825	2,742	2,900
Fresh/processed vegetables	904	1,278	1,681	1,855	2,102	2,200
Tree nuts	694	745	822	945	920	1,000
Sugar and tropical products	1,166	1,404	1,582	1,706	1,716	1,800
Wood products 5/	5,876	6,431	6,419	6,761	7,293	6/
Agricultural total	**39,523**	**40,122**	**37,534**	**42,316**	**42,454**	**42,500**

Note: Totals may not add due to rounding.

1/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Exports," USDA.

2/ Includes corn, oats, barley, sorghum, and rye.

3/ Excludes products.

4/ Includes beef, pork, and variety meats.

5/ Not included in agricultural total.

6/ Not available.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Volume of U.S. Agricultural Exports by Major Commodity Group

Fiscal years 1989–94

Commodity	1989	1990	1991	1992	1993	1994 1/
			1,000 metric tons			
Grains and feeds	115,142	113,601	95,194	101,234	104,149	5/
Wheat and flour	38,950	28,989	27,765	35,097	37,148	32,600
Rice, milled basis	3,061	2,508	2,418	2,281	2,713	2,700
Feed grains 2/	60,921	69,625	51,802	50,195	50,100	39,100
Corn 3/	50,481	59,898	44,496	40,597	41,766	33,000
Feeds and fodders	11,019	11,071	11,766	11,711	11,885	12,000
Oilseeds and products	21,379	24,274	22,433	28,881	29,408	24,100
Soybeans	14,116	17,217	15,139	19,247	20,400	16,500
Soybean meal	4,799	4,575	4,962	6,301	5,653	4,400
Soybean oil	754	614	354	747	644	600
Unmanufactured tobacco	212	220	239	246	231	5/
Cotton and linters	1,986	2,283	1,598	1,527	1,163	1,500
Planting seeds	494	578	517	705	556	5/
Livestock products 4/	2,437	2,367	2,320	2,770	2,811	5/
Red meats	793	751	744	870	903	100
Animal fats	1,362	1,249	1,169	1,392	974	1,300
Poultry products 4/	425	576	644	821	1,012	5/
Poultry meat	419	560	614	787	974	1,100
Dairy products 4/	357	224	222	399	467	5/
Horticultural products 4/	3,796	4,565	5,048	5,951	6,090	6,700
Sugar and tropical products 4/	744	849	1,162	1,102	910	5/
Agricultural total 4/	**146,407**	**148,818**	**129,350**	**143,636**	**146,797**	**127,100**

Note: Totals may not add due to rounding.

1/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Exports," USDA.

2/ Includes corn, oats, barley, sorghum, and rye and products.

3/ Excludes products.

4/ Includes only those commodities measured in metric tons.

5/ Not available.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

U.S. Agricultural Imports: Competitive and Noncompetitive
Fiscal years 1971–94

Year	Competitive	Noncompetitive	Total	Competitive as share of total
	---$Billion---			–Percent–
1971	3.8	2.3	6.1	62
1972	3.9	2.0	5.9	66
1973	5.0	2.7	7.7	65
1974	6.7	3.3	10.0	67
1975	6.5	2.9	9.4	69
1976	6.3	4.2	10.5	60
1977	6.6	6.8	13.4	49
1978	7.3	6.6	13.9	53
1979	9.1	7.1	16.2	56
1980	9.9	7.4	17.3	57
1981	11.3	5.9	17.2	66
1982	10.2	5.3	15.5	66
1983	10.8	5.5	16.3	66
1984	12.2	6.7	18.9	65
1985	13.0	6.8	19.8	66
1986	13.1	7.8	20.9	63
1987	13.9	6.7	20.6	67
1988	14.5	6.5	21.0	69
1989	15.2	6.2	21.5	71
1990	16.9	5.6	22.5	75
1991	17.2	5.4	22.6	76
1992	18.5	5.8	24.2	77
1993	18.9	5.5	24.4	75
1994 1/	19.0	5.5	24.5	75

1/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Exports," USDA.
Source: U.S. Bureau of the Census/ Economic Research Service, USDA, Washington, DC.

Value of U.S. Agricultural Imports from Developed and Developing Economies

Fiscal years 1971–94

Year	Developed 1/	Developing	Other countries 2/	Total
		$Billion		
1971	1.8	4.1	0.2	6.1
1972	1.9	3.8	0.2	5.9
1973	2.4	5.2	0.1	7.7
1974	3.3	6.5	0.2	10.0
1975	2.8	6.4	0.2	9.4
1976	3.2	7.0	0.3	10.5
1977	3.4	9.6	0.4	13.4
1978	4.1	9.4	0.4	13.9
1979	5.1	10.6	0.5	16.2
1980	5.4	11.4	0.5	17.3
1981	5.9	10.7	0.6	17.2
1982	6.2	8.9	0.4	15.5
1983	6.5	9.4	0.4	16.3
1984	7.3	11.1	0.5	18.9
1985	7.8	11.5	0.5	19.8
1986	8.2	12.2	0.5	20.9
1987	8.9	11.2	0.6	20.6
1988	9.1	11.4	0.6	21.0
1989	9.5	11.3	0.7	21.5
1990	10.2	11.7	0.6	22.5
1991	10.5	11.5	0.6	22.6
1992	11.3	12.3	0.7	24.2
1993	11.6	12.1	0.7	24.4
1994 3/	11.9	12.0	0.6	24.5

Note: Totals may not add due to rounding.

1/ Includes Western Europe, Japan, Canada, Israel, and Oceania.

2/ Formerly called the cantrally planned economies. Includes the former USSR, China, and Eastern Europe.

3/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Exports," USDA.

Source: U.S. Bureau of the Census/ Economic Research Service, USDA, Washington, DC.

Value of U.S. Agricultural Imports by Region of World

Fiscal years 1989–94

Region	1989	1990	1991	1992	1993	1994 1/
			$Million			
Canada	2,785	3,096	3,215	3,930	4,422	4,600
Latin America	7,414	8,149	7,918	7,899	7,969	8,100
Mexico	2,093	2,581	2,536	2,286	2,708	2,700
Other Latin America	5,321	5,568	5,382	5,613	5,261	5,400
Caribbean	379	400	320	300	319	7/
Central America	1,194	1,200	1,322	1,497	1,545	7/
South America	3,756	3,750	3,742	3,817	3,394	7/
Brazil	1,579	1,548	1,319	1,358	1,199	1,200
Western Europe	4,555	4,816	4,846	5,098	5,080	5,100
European Union 2/	4,178	4,451	4,435	4,733	4,735	4,800
Other Western Europe	377	365	411	366	345	300
Former Soviet Union	21	15	14	20	29	8/
Eastern Europe 3/	331	324	306	350	281	200
Middle East 4/	300	392	407	760	426	300
Africa	791	623	567	675	623	600
North Africa	27	34	52	67	54	8/
Sub–Saharan Africa	764	589	514	608	569	600
Asia	3,380	3,118	3,151	3,588	3,746	3,700
Japan	219	232	267	256	258	300
Canada	321	275	305	369	424	400
Other East Asia 5/	312	338	352	315	297	300
Other Asia 6/	2,528	2,273	2,227	2,648	2,767	2,700
Oceania	1,900	2,026	2,165	2,003	1,879	1,900
Australia	1,024	1,165	1,278	1,121	1,067	7/
New Zealand	840	818	856	848	772	7/
Agricultural total	**21,477**	**22,514**	**22,588**	**24,323**	**24,454**	**24,500**

Note: Totals may not add due to rounding.

1/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Exports," USDA.

2/ Includes former East Germany beginning in fiscal 1991.

3/ Includes East Germany prior to fiscal 1991.

4/ Turkey, Cyprus, Syria, Lebanon, Iraq, Iran, Israel, Jordan, Gaza Strip, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Yemen, Oman, and Bahrain.

5/ Korea, Hong Kong, and Taiwan.

6/ Afghanistan, India, Pakistan, Nepal, Bangladesh, Sri Lanka, Burma, Thailand, Mongolia, Vietnam, Laos, Cambodia, Malaysia, Singapore, Indonesia, Brunei, the Philippines, and Macau.

7/ Not available.

8/ Less than $50 million.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Value of U.S. Agricultural Imports by Region of World

Fiscal years 1989-94

Region	1989	1990	1991	1992	1993	1994 1/
			----------$Million----------			
Canada	2,785	3,096	3,215	3,930	4,422	4,600
Latin America	7,414	8,149	7,918	7,899	7,969	8,100
Mexico	2,093	2,581	2,536	2,286	2,708	2,700
Other Latin America	5,321	5,568	5,382	5,613	5,261	5,400
Caribbean	379	400	320	300	7/	7/
Central America	1,194	1,200	1,322	1,497	7/	7/
South America	3,756	3,750	3,742	3,817	7/	7/
Brazil	1,579	1,548	1,319	1,358	1,199	1,200
Western Europe	4,555	4,816	4,846	5,098	5,080	5,100
European Community 2/	4,178	4,451	4,435	4,733	4,735	4,800
Other Western Europe	377	365	411	366	345	300
Former Soviet Union	21	15	14	20	29	8/
Eastern Europe 3/	331	324	306	350	281	200
Middle East 4/	300	392	407	760	426	300
Africa	791	623	567	675	623	600
North Africa	27	34	52	67	54	8/
Sub-Saharan Africa	764	589	514	608	569	600
Asia	3,380	3,118	3,151	3,588	3,746	3,700
Japan	219	232	267	256	258	300
China	321	275	305	369	424	400
Other East Asia 5/	312	338	352	315	297	300
Other Asia 6/	2,528	2,273	2,227	2,648	2,767	2,700
Oceania	1,900	2,026	2,165	2,003	1,879	1,900
Australia	1,024	1,165	1,278	1,121	7/	7/
New Zealand	840	818	856	847	7/	7/
Agricultural total	**21,477**	**22,514**	**22,588**	**24,323**	**24,454**	**24,500**

Note: Totals may not add due to rounding.

1/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Exports," USDA.

2/ Includes former East Germany beginning in fiscal 1991.

3/ Includes East Germany prior to fiscal 1991.

4/ Turkey, Cyprus, Syria, Lebanon, Iraq, Iran, Israel, Jordan, Gaza Strip, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Yemen, Oman, and Bahrain.

5/ Korea, Hong Kong and Taiwan.

6/ Afghanistan, India, Pakistan, Nepal, Bangladesh, and Sri Lanka, Burma, Thailand, Mongolia, Vietnam, Laos, Cambodia, Malaysia, Singapore, Indonesia, Brunei, the Philippines and Macau,

7/ Not available.

8/ Less than $50 million.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, D.C.

Top 15 Suppliers of U.S. Agricultural Imports

Fiscal years 1988–93

Country 1/	1988	1989	1990	1991	1992	1993
			$Million			
European Union	4,121	4,165	4,437	4,424	4,723	4,719
Italy	566	589	681	743	861	795
France	733	716	730	718	828	786
Netherlands	747	765	836	783	795	879
Germany 2/	530	542	546	573	624	620
Denmark	573	491	533	545	442	468
Spain	395	404	412	407	417	372
United Kingdom	187	214	216	224	250	260
Ireland	152	173	220	168	207	227
Greece	91	113	119	114	136	151
Belgium–Luxembourg	85	103	97	107	119	120
Portugal	62	55	46	43	45	40
Canada 3/	2,370	2,784	3,095	3,206	3,879	4,417
Mexico	1,903	2,085	2,568	2,523	2,271	2,691
Brazil	1,899	1,574	1,548	1,320	1,358	1,199
Australia	1,151	1,024	1,165	1,278	1,121	1,067
Indonesia	839	864	682	659	789	839
Colombia	804	820	791	766	871	816
New Zealand	788	840	818	856	848	772
Thailand	328	434	455	485	647	693
Costa Rica	354	379	412	457	510	562
Guatemala	307	344	501	452	514	493
Chile	348	384	467	433	491	466
China	262	321	275	305	369	425
Argentina	352	364	375	541	486	384
Ecuador	432	419	443	478	414	349
Total of top 15	**16,258**	**16,802**	**18,032**	**18,183**	**19,291**	**19,892**
Agricultural total	**21,014**	**22,560**	**22,588**	**24,323**	**24,454**	**24,500**

Note: Totals may not add due to rounding.

1/ Country listings and rankings are based on fiscal 1993 data and do not necessarily show the 15 leading suppliers in other years.

2/ Includes former East Germany beginning in fiscal 1991.

3/ Data not adjusted for transshipments.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Value of U.S. Agricultural Imports by Customs District

Fiscal years 1989–93

Customs district	1989	1990	1991	1992	1993	1993 Ranking (1–43)
			$Million			
East coast	10,542	10,531	10,578	11,488	10,936	
New York, NY	4,151	4,000	3,936	4,166	4,097	1
Philadelphia, PA	1,953	2,262	2,287	2,246	2,009	2
Norfolk, VA	1,222	1,057	1,241	1,587	1,369	4
Miami, FL	788	790	815	879	947	8
Baltimore, MD	748	760	682	720	659	14
Wilmington, NC	184	208	218	435	489	19
Charleston, SC	432	323	332	383	361	20
Boston, MA	382	330	305	334	340	23
Savannah, GA	384	475	445	416	304	24
St. Albans, VT	139	154	158	169	173	28
Portland, ME	138	161	151	143	168	30
Providence, RI	16	5	4	5	15	38
Washington, DC	5	6	4	6	6	40
Bridgeport, CT	0	0	0	0	0	43
West coast	3,630	3,902	4,144	4,606	4,782	
Los Angeles, CA	1,246	1,419	1,612	1,698	1,676	3
San Francisco, CA	1,156	1,229	1,199	1,247	1,182	5
Great Falls, MT	386	448	495	691	858	10
Seattle, WA	474	437	450	531	596	15
San Diego, CA	274	294	312	338	365	21
Portland, OR	94	75	76	102	105	31
Gulf coast	4,392	4,861	4,569	4,418	4,591	
Laredo, TX	919	1,060	1,077	913	1,006	6
New Orleans, LA	1,125	976	969	1,109	989	7
Nogales, AZ	605	872	780	626	854	11
Houston/Galveston, TX	563	566	591	555	570	16
Tampa, FL	656	780	583	681	560	17
El Paso, TX	141	220	242	219	299	25
Mobile, AL	306	295	238	215	216	27
St. Louis, MO	47	57	57	61	68	35
Dallas/Ft. Worth, TX	29	35	32	38	29	37
Port Arthur, TX	1	1/	1/	1/	1/	42

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Value of U.S. Agricultural Imports by Customs District (Continued)

Fiscal years 1989–93

Customs district	1989	1990	1991	1992	1993	1993 Ranking (1–43)
Great Lakes	2,544	2,807	2,837	3,337	3,716	
Detroit, MI	544	614	708	826	892	9
Buffalo, NY	558	599	618	745	813	12
Pembina, ND	371	482	476	582	696	13
Ogdensburg, NY	394	464	448	468	494	18
Chicago, IL	304	322	290	333	385	20
Duluth, MN	203	145	128	175	205	28
Cleveland, OH	72	82	88	88	95	32
Milwaukee, WI	66	58	52	79	91	33
Minneapolis, MN	32	41	29	41	45	36
Other customs districts	374	436	431	398	384	
San Juan, PR	287	328	311	298	294	26
Honolulu, HA	73	94	105	85	74	34
Virgin Islands	12	12	14	14	14	39
Anchorage, AK	1	2	1	1	1	41
Agricultural total	**21,467**	**22,538**	**22,557**	**24,246**	**24,409**	

Note: Totals may not add due to rounding.

1/ Value greater than zero but less than $500,000.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

Value of U.S. Agricultural Imports by Major Commodity Group

Fiscal years 1989–94

Commodity	1989	1990	1991	1992	1993	1994 1/
			$Million			
Competitive products	**15,239**	**16,930**	**17,170**	**18,549**	**18,929**	**19,000**
Animals and products	4,886	5,498	5,645	5,555	5,917	5,900
Live animals	740	1,053	1,131	1,275	1,569	1,600
Beef and veal	1,525	1,843	2,024	1,933	1,919	1,900
Pork	778	888	866	625	663	800
Dairy products	834	951	807	816	860	900
Horticultural products	5,921	6,635	6,453	6,760	6,863	6,800
Fruits (incl. juices)	1,878	2,206	2,042	2,275	2,037	2,100
Fresh/processed vegetables	1,959	2,264	2,185	2,125	2,440	2,500
Tree nuts	333	356	443	432	508	400
Wines and beer	1,751	1,809	1,784	1,928	1,878	1,800
Grains and feed	1,139	1,181	1,271	1,548	1,639	2,100
Sugar and related products	949	1,119	1,132	1,114	1,060	1,100
Oilseeds and products	946	964	959	1,124	1,204	1,400
Unmanufactured tobacco	521	588	698	1,299	1,101	700
Planting seeds	187	164	173	214	214	200
Other competitive	690	781	839	935	931	800
Noncompetitive products	**6,238**	**5,584**	**5,418**	**5,774**	**5,525**	**5,500**
Bananas and plantains	851	926	992	1,083	1,083	1,000
Coffee, incl. processed	2,467	1,997	1,831	1,798	1,502	1,600
Cocoa, incl. processed	969	1,042	1,005	1,122	1,028	1,000
Rubber and allied gums	1,051	712	664	756	839	900
Spices	289	245	264	267	259	300
Tea	133	151	152	173	187	200
Other noncompetitive	478	511	510	575	627	500
Agricultural total	**21,477**	**22,514**	**22,588**	**24,323**	**24,454**	**24,500**

Note: Totals may not add due to rounding.

1/ Forecasts from February 25, 1994, "Outlook for U.S. Agricultural Products," USDA.

Source: U.S. Bureau of the Census/ Foreign Agricultural Service, USDA, Washington, DC.

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