

**U.S. AND THE WORLD:
PARTNERS IN AGRICULTURAL TRADE***

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Welcome to the Department of Agricultural Economics and Rural Sociology's display at the 1987 Farm Science Review. During the next few minutes, we invite you to explore the international world of the U.S. food and fiber system.

It probably comes as no surprise to you that the U.S. is the world's largest exporter of agricultural products. It may surprise you to learn, though, that we are also the world's largest importer of agricultural products. Whether it is corn to Russia or coffee from Brazil, the life of Ohioans is intimately bound to an international flow of agricultural products.

Let's begin by examining the general picture for U.S. exports and imports before discussing more detailed information. As many of you may know, U.S. agricultural exports have declined dramatically since 1980 (Figure 1). This decline has totaled 35 percent. Since exports of non-agricultural products have remained relatively stable, the share of total U.S. exports accounted for by agricultural exports has dropped from 19 to 13 percent.

In contrast to U.S. agricultural exports, U.S. imports of agricultural products have increased by \$3 billion since 1980 (Figure 2). This translates into a 21 percent increase, which is far smaller than the 53 percent increase in imports of non-agricultural products.

Putting the export and import pictures together results in a dismal trend in the U.S. trade balance, or the difference between

exports and imports (Figure 3). Since 1980, the trade surplus for agriculture has declined by more than two-thirds. As bad as this situation is, it is dwarfed by the explosive growth in the non-agricultural trade deficit from \$53 to \$166 billion. To help pay for this deficit, the U.S. has gone from the world's largest creditor nation during the early 1980s to the world's largest debtor nation.

One reason for the declining export performance of U.S. agriculture has been increasing production around the world. Despite these increases, the U.S. remains the largest exporter of corn, soybeans, and wheat. The U.S. exports more corn than its four closest competitors combined: Argentina, France, China, and Thailand (Figure 4). In total, U.S. exports will account for 69 percent of the world corn trade during 1987 (Figure 5). The same general picture emerges for soybeans, but U.S. dominance is not as great. Brazil exports about half as many soybeans and soybean products as the U.S. (Figure 6). Moreover, Argentina's share has nearly doubled during the 1980s to its current share of about 12 percent. Nevertheless, the U.S. still accounts for half of the world trade in soybeans and soybean products (Figure 7). U.S. dominance is the least for wheat (Figure 8). Canada, France, and Australia also export large amounts of wheat. Reflecting their importance, the U.S. exports less than one-third of the wheat in the world (Figure 9).

Despite the increased production of ag commodities in the European Community, four of its member countries are among the

top ten export markets for U.S. agricultural commodities: the Netherlands, West Germany, Spain, and Italy (Figure 10). The other major geographical collections are North America and the Far East. Both of our North American neighbors are among the top five U.S. export markets. The Far East includes the single largest country market, Japan. It is also the fastest growing market for U.S. agricultural exports. Consumption of food in the Far East, particularly grain-intensive red meats, has grown rapidly with the spectacular economic growth of that region of the world.

We now turn to the import side of the trade equation. During the last five years, Brazil has been the leading source for U.S. agricultural imports (Figure 11). U.S. imports from Brazil include coffee and frozen concentrated orange juice.

Taken as a group, the top ten sources of U.S. agricultural imports are about equally divided between developed and less developed countries. In general, U.S. imports from less developed countries are tropical products which the U.S. can grow only in limited amounts. These complementary products expand the variety of the American diet.

The developed countries in this list, Canada, Australia, New Zealand, France, the Netherlands, and West Germany, send agricultural products to the U.S. that often compete against American products. Therefore, let's examine U.S. imports of three major Ohio farm products: cheese, beef, and pork. Major U.S. import sources for cheese are New Zealand and several

European countries: Denmark, Italy, Finland, and France (Figure 12). Beef imports come from a more geographically diverse set of countries: Australia, New Zealand, Canada, Argentina, and Costa Rica (Figure 13). Canada is not only an important U.S. import source for beef but also the leading U.S. import source for pork (Figure 14). Denmark and three East European countries, Poland, Hungary, and Yugoslavia, are the other top five pork import sources for the U.S.

Despite the diversity of import sources for cheese, beef, and pork, U.S. imports from all countries of the world account for only 4-6 percent of total U.S. domestic consumption (Figure 15). Thus, the role of imports is not large when compared with total U.S. consumption.

In summary, the international flavor of the U.S. food and fiber system is truly amazing. In its own way, it illustrates the interdependence which characterizes today's world.

We thank you for your attention. If you would like additional information on international trade or careers in agricultural economics and rural sociology please contact the Department of Agricultural Economics and Rural Sociology, The Ohio State University.

Figure 1. U.S. Exports, 1980-1986

Billions of Dollars

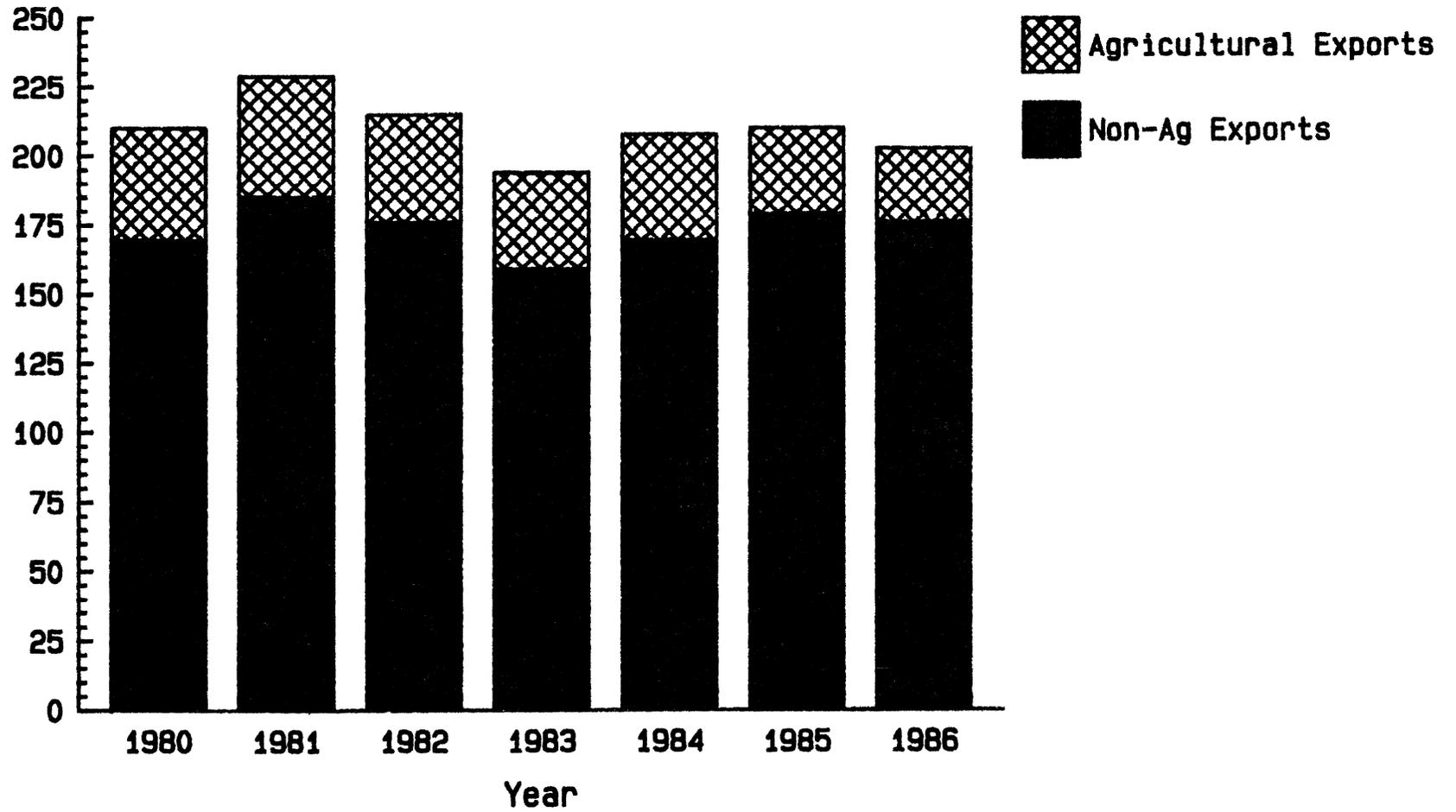


Figure 2. U.S. Imports, 1980-1986

Billions of Dollars

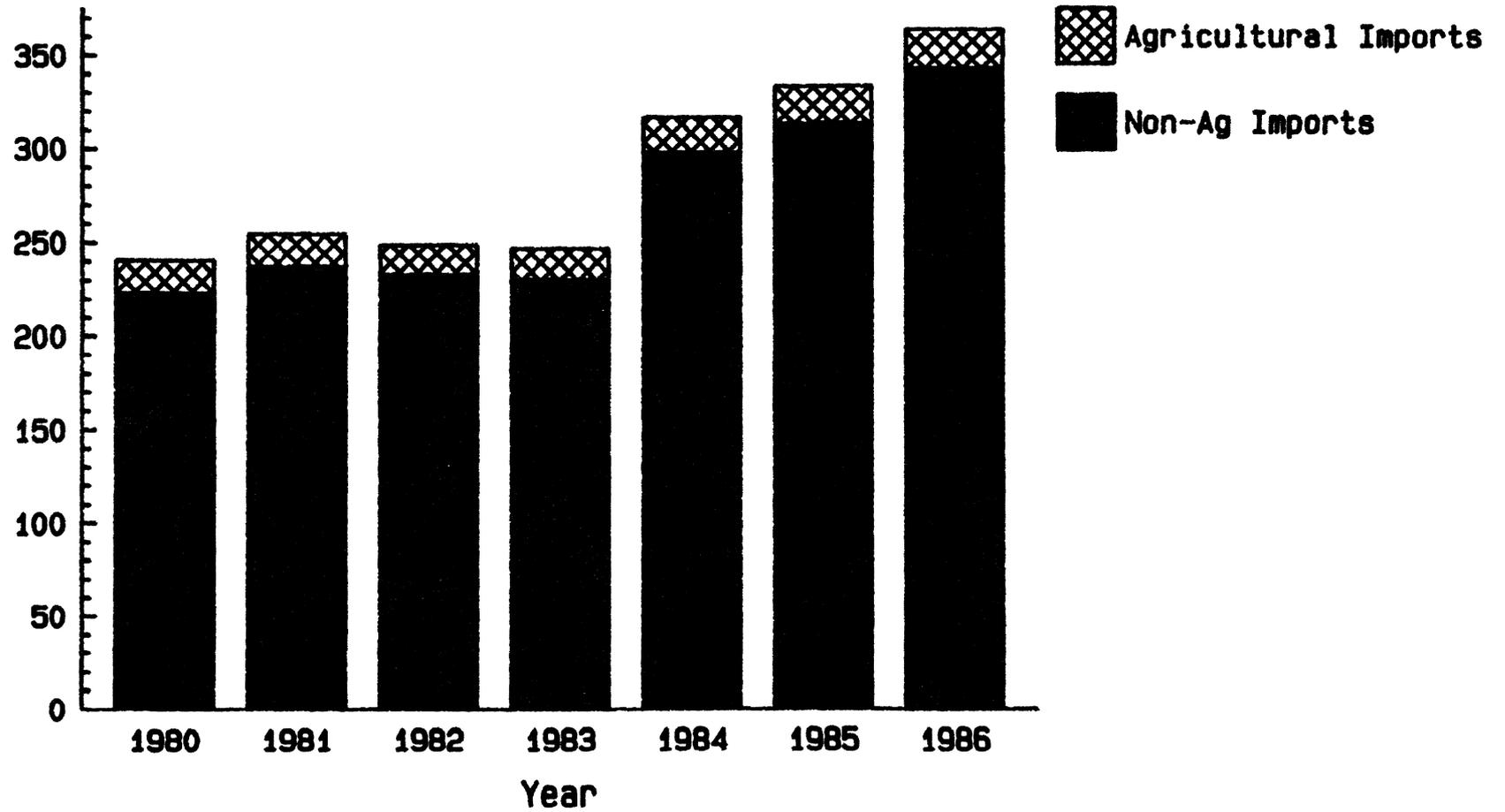


Figure 3. U.S. Trade Balance, 1980–1986

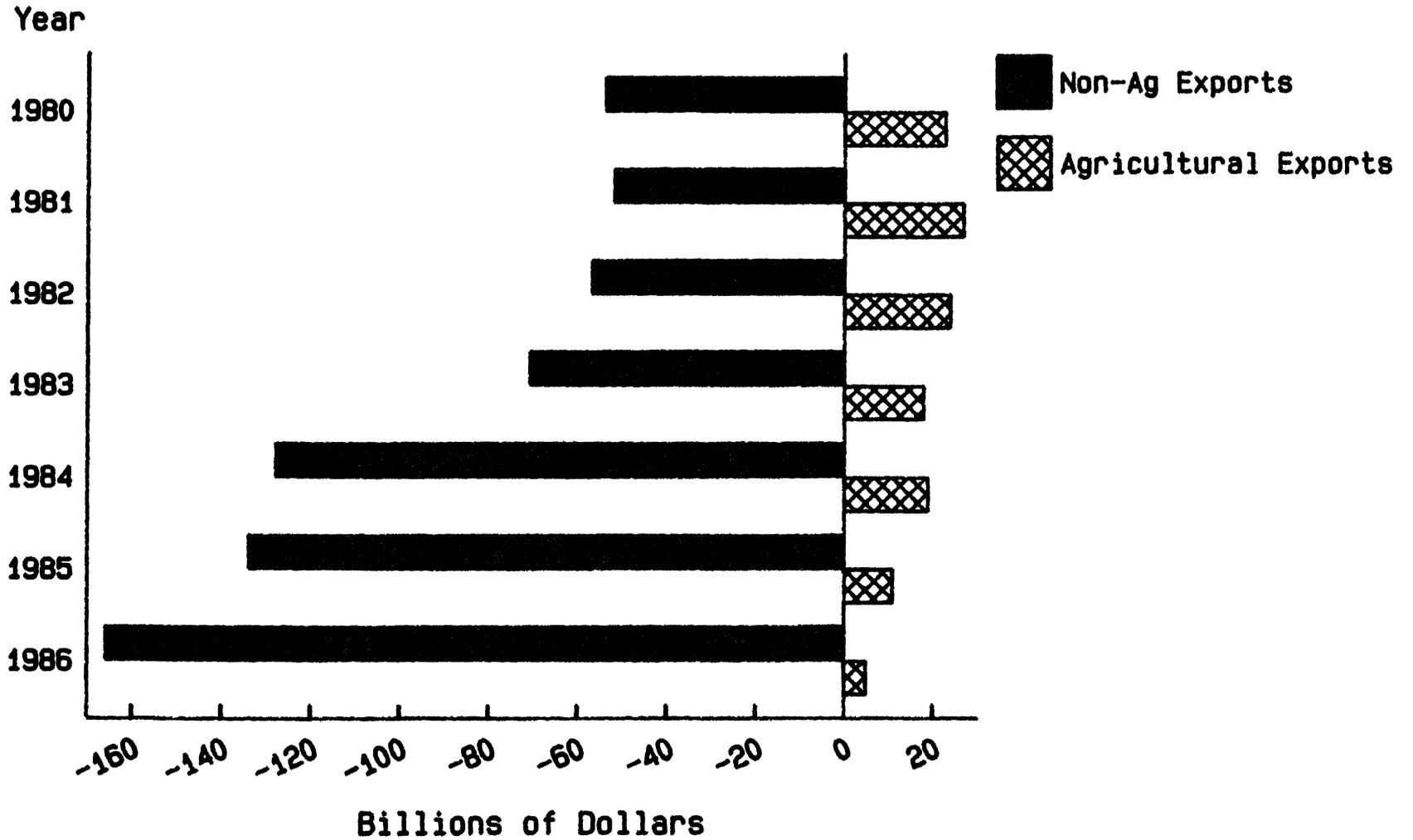
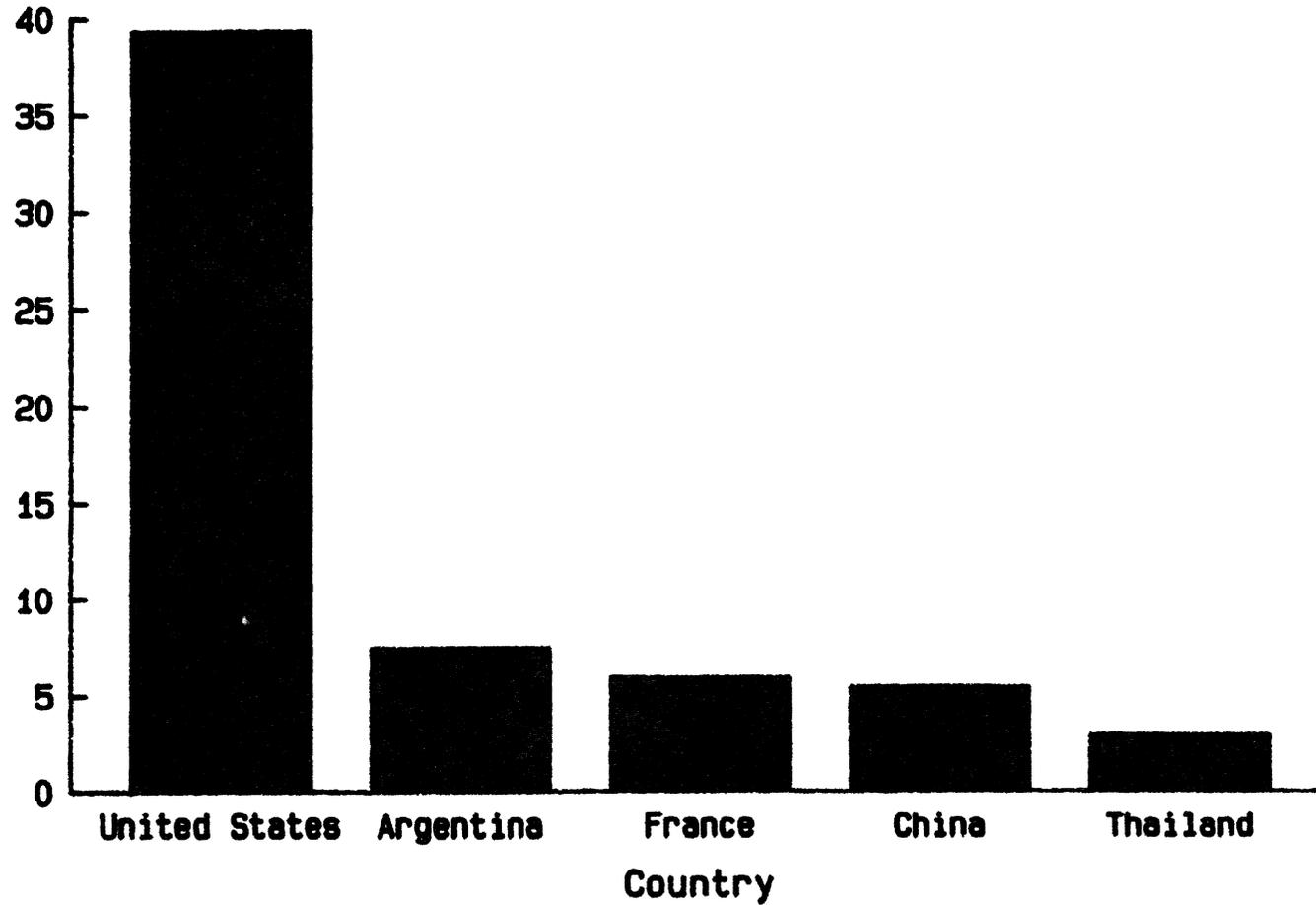


Figure 4. Top Five Exporters of Corn, 1986-1987

Million Metric Ton



**Figure 5. U.S. Share of World Trade
in Corn, 1986-1987**

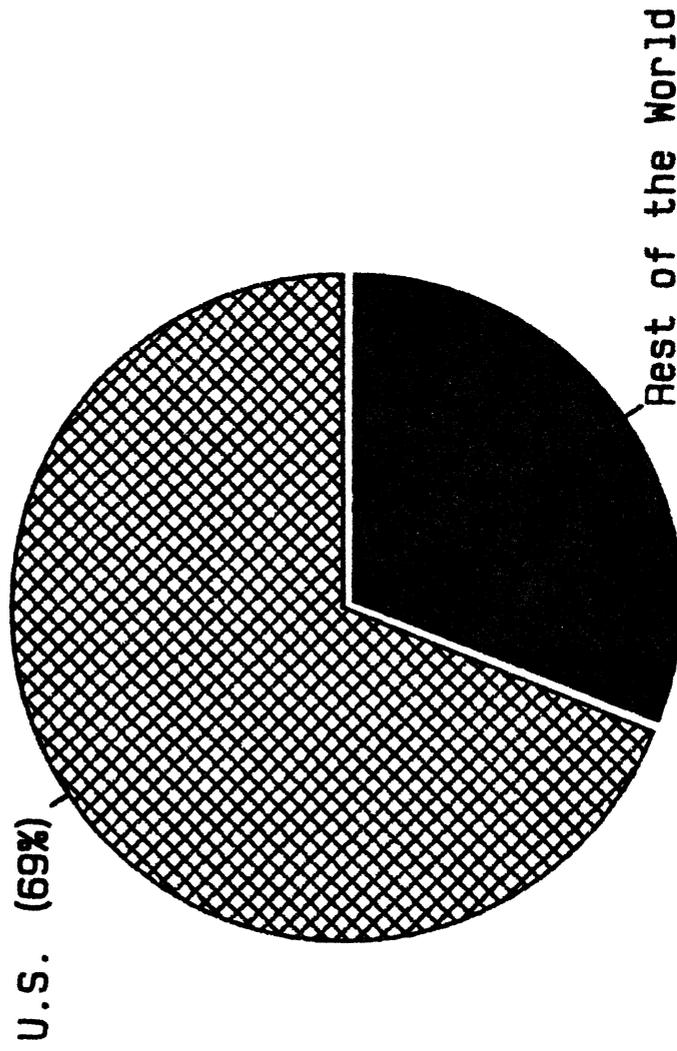
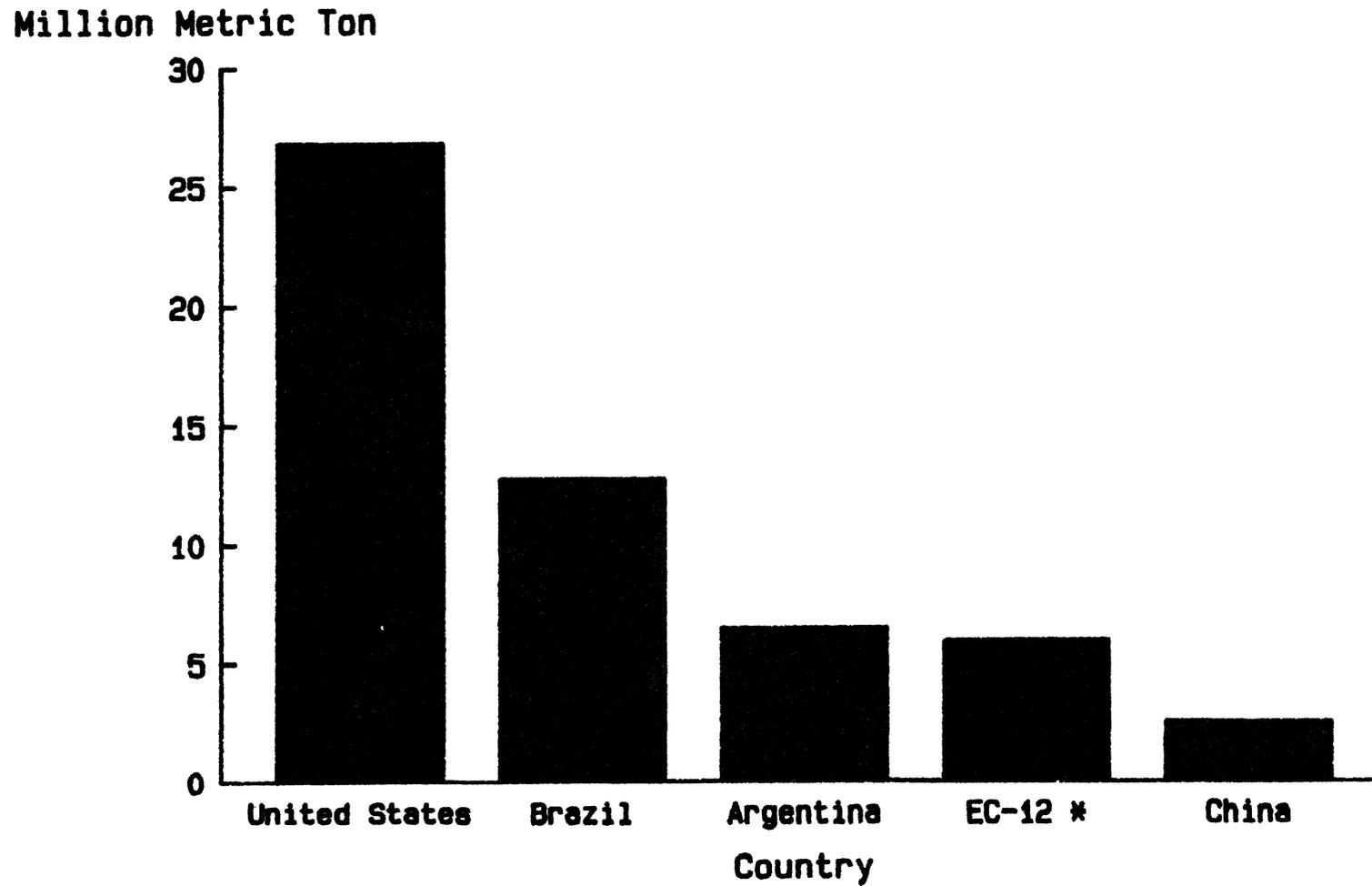


Figure 6. Top Five Exporters of Soybeans, 1986-1987



* The European Community

**Figure 7. U.S. Share of World Trade
in Soybeans, 1986-1987**

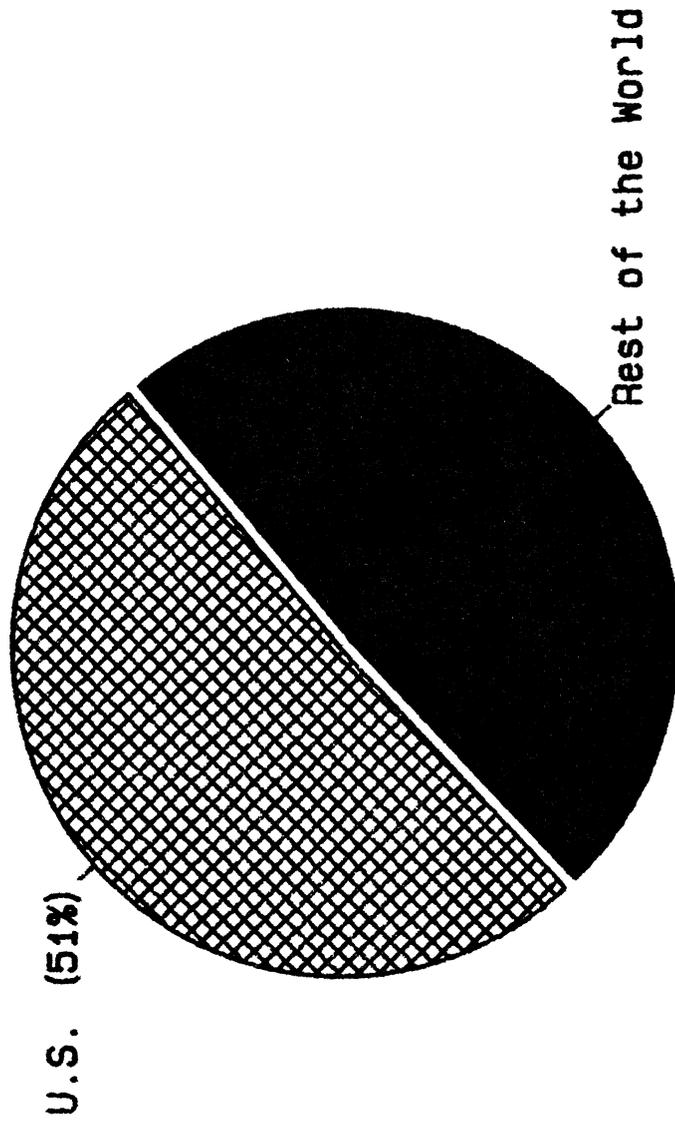
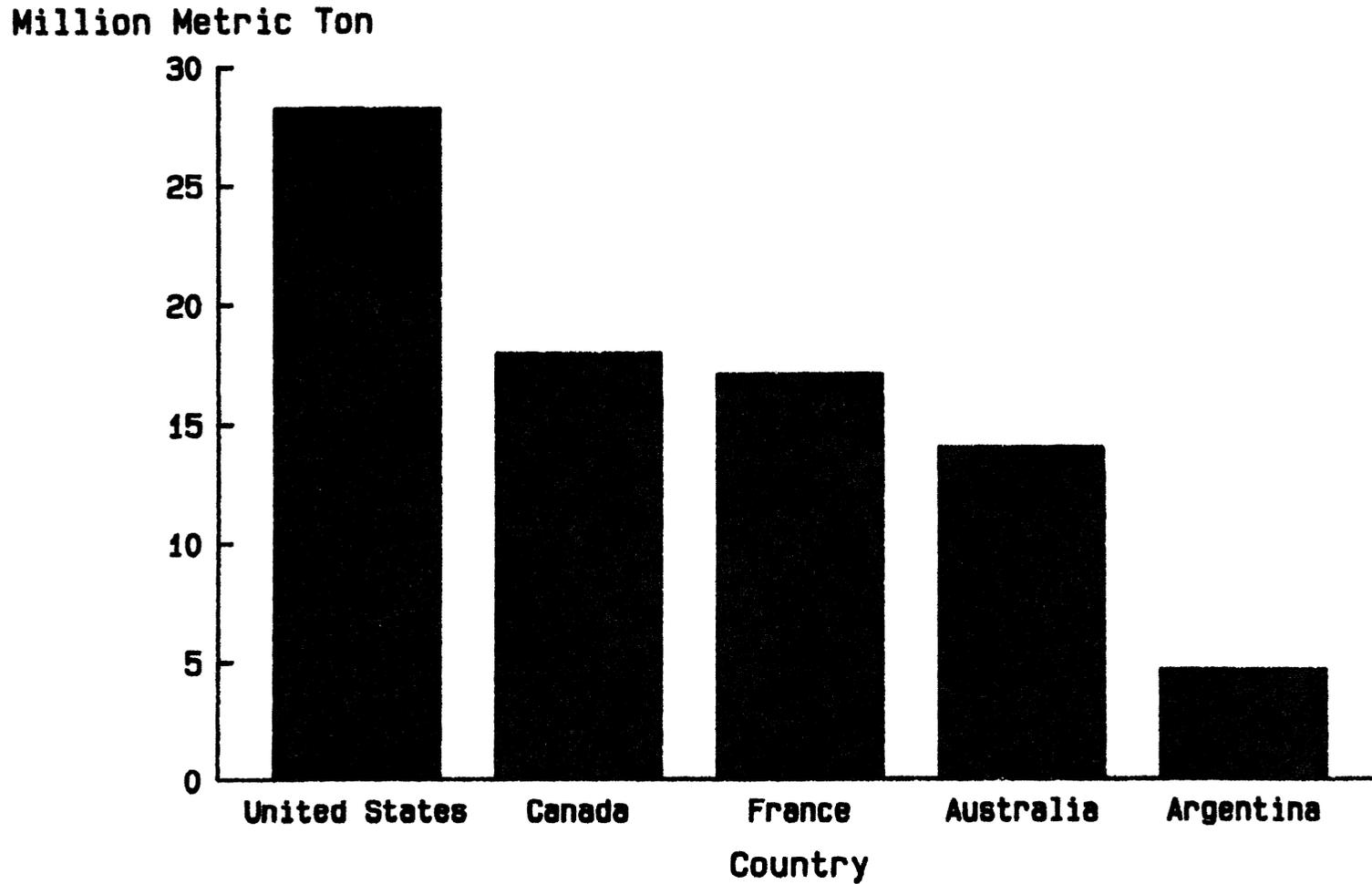


Figure 8. Top Five Exporters of Wheat, 1986-1987



**Figure 9. U.S. Share of World Trade
in Wheat, 1986-1987**

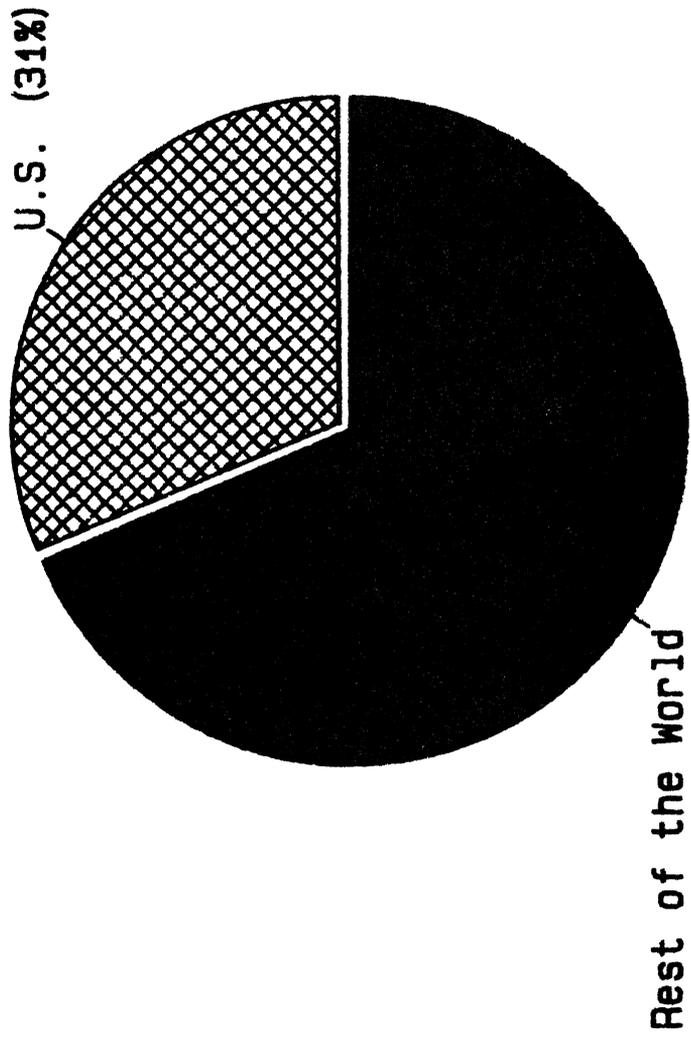


Figure 10. Principal Markets for U.S. Agricultural Exports, 1982–1986

- 1 Japan**
- 2 Netherlands**
- 3 Canada**
- 4 USSR**
- 5 Mexico**
- 6 South Korea**
- 7 Taiwan**
- 8 West Germany**
- 9 Spain**
- 10 Italy**

Figure 11. Principal Sources for U.S. Agricultural Imports, 1982–1986

- 1 Brazil**
- 2 Canada**
- 3 Mexico**
- 4 Australia**
- 5 Colombia**
- 6 Indonesia**
- 7 New Zealand**
- 8 France**
- 9 Netherlands**
- 10 West Germany**

**Figure 12. Leading Exporters to the
U.S. of Cheese, 1986**

New Zealand

Denmark

Italy

Finland

France

**Figure 13. Leading Exporters to the
U.S. of Beef, 1986**

Australia

New Zealand

Canada

Argentina

Costa Rica

**Figure 14. Leading Exporters to the
U.S. of Pork, 1986**

Canada

Denmark

Poland

Hungary

Yugoslavia

Figure 15. Share of Total U.S. Consumption Accounted for by Imports of Cheese, Beef and Pork, 1986

