U.S. Agricultural Trade: Trends, Composition, Direction, and Policy

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Summary

U.S. agricultural exports, imports, and the agricultural trade surplus are expected by the U.S. Department of Agriculture (USDA) to reach record levels in FY2011. FY2011 U.S. farm exports are forecast by the U.S. Department of Agriculture to reach $137 billion, while agricultural imports are expected to reach $93 billion. The agricultural trade surplus is projected to be $44 billion. Exports of high-value products (e.g., fruits, vegetables, meats, wine and beer) have increased since the early 1990s and now account for 60% of total U.S. agricultural exports. Exports of bulk commodities (e.g., soybeans, wheat, and feed grains) remain significant.

Leading markets for U.S. agricultural exports are China, Canada, Mexico, Japan, the European Union (EU), South Korea, and Taiwan. The United States in 2011 is forecast to be the world's leading exporter of corn, wheat, soybeans, and cotton. The U.S. share of world beef exports, which declined after the 2003 discovery of a case of "mad cow disease" in the United States, is recovering as more countries have re-opened their markets to U.S. product. The United States, European Union, Australia, and New Zealand are dominant suppliers of dairy products in global agricultural trade. New Zealand and the United States are the main suppliers of nonfat dry milk to world markets, while the EU is the leading supplier of cheeses.

China has been among the fastest-growing markets for U.S. agricultural exports. Agricultural exports to Canada and Mexico, both partners of the United States in the North American Free Trade Agreement (NAFTA), have also grown rapidly.

Most U.S. agricultural imports are high-value products, including fruits, nuts, vegetables, wine, and beer. The biggest import suppliers are NAFTA partners Canada and Mexico, and the EU. Together these three are forecast to provide more than 50% of total U.S. agricultural imports in FY2011. Brazil, Australia, Indonesia, New Zealand, and Colombia are also important suppliers of agricultural imports to the United States.

According to estimates by the Organization for Economic Cooperation and Development (OECD), the United States provides the third-lowest amount of government policy-generated support to its agricultural sector among OECD countries. The United States' average applied tariff for agricultural products is estimated by the World Trade Organization to be 8.9%, a little more than twice the average applied tariff for non-agricultural products. Export subsidies, export credit guarantees, and market development programs are among the programs used by the United States to promote U.S. agricultural exports. The United States also provides U.S. agricultural commodities to developing countries as food aid for emergency relief or use in nonemergency development activities.

Contents

Figures

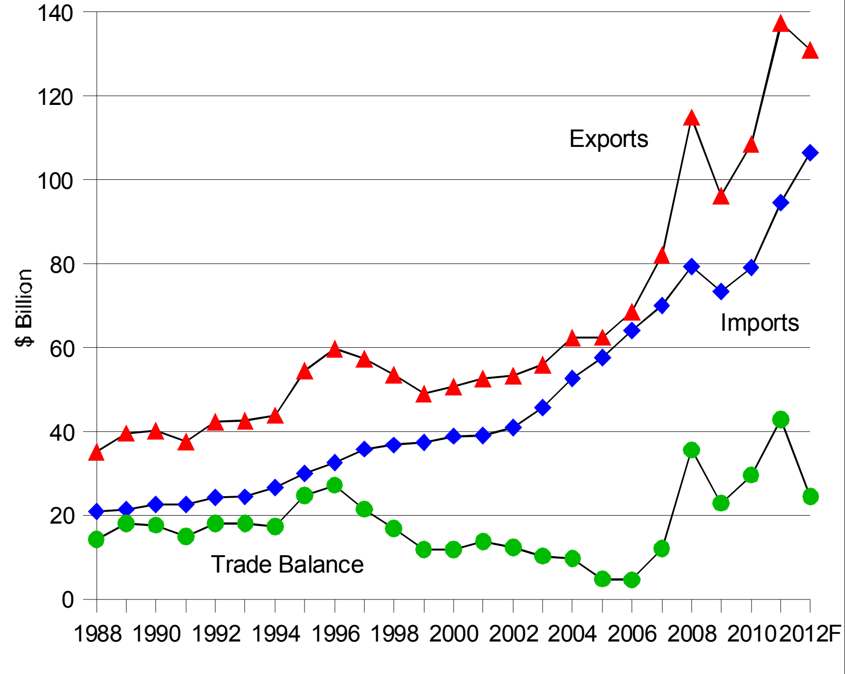
Tables

Contacts

U.S. Agricultural Exports, Imports, and Trade Balance

- According to USDA, FY2012 agricultural exports are forecast to reach $131 billion, slightly below the fiscal 2011 record level of $137 billion.
- U.S. agricultural imports are forecast to reach $106.5 billion in FY2012, a record high and a $12 billion increase over FY2011 agricultural imports.
- The expected $24.5 billion U.S. agricultural trade surplus for FY2012 is below FY2011's all-time high of $42.9 billion.

Figure 1. U.S. Agricultural Exports, Imports, and the Trade Balance, FY1998-FY2012F



Source: U.S. Department of Agriculture. Economic Research Service. F = Forecast

Table 1. U.S. Agricultural Exports and Imports, FY1988-FY2012F

($ billion)

Year	Exports	Imports	Balance
1988	35.3	21.0	14.3
1989	39.6	21.5	18.1
1990	40.2	22.6	17.7
1991	37.6	22.6	15.0
1992	42.4	24.3	18.1
1993	42.6	24.4	18.1
1994	43.9	26.6	17.3
1995	54.6	29.9	24.7
1996	59.8	32.6	27.2
1997	57.3	35.8	21.5
1998	53.6	36.8	16.8
1999	49.1	37.3	11.8
2000	50.7	38.9	11.9
2001	52.7	39.0	13.7
2002	53.3	41.0	12.3
2003	56.0	45.7	10.3
2004	62.4	52.7	9.7
2005	62.5	57.7	4.8
2006	68.6	64.0	4.6
2007	82.2	70.1	12.1
2008	114.9	79.3	35.6
2009	96.3	73.4	22.9
2010	108.6	79.0	29.6
2011	137.4	94.5	42.9
2012F	131.0	106.5	24.5

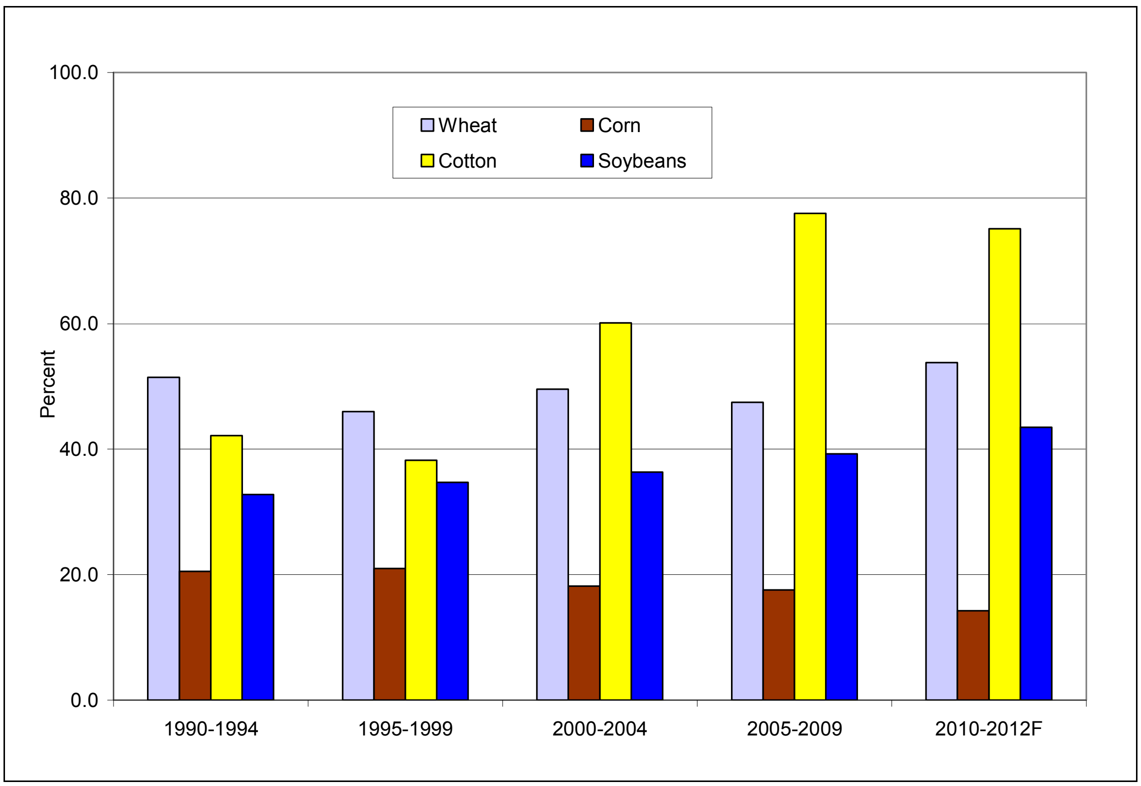
Source: U.S. Department of Agriculture. Economic Research Service, Outlook for U.S. Agricultural Trade, AES-73, February 23, 2012, available at http://usda01.library.cornell.edu/usda/current/AES/AES-02-23-2012.pdf.

Note: F= Forecast.

Shares of U.S. Crop Production Exported: Selected Commodities

- In 2011/2012, a forecast 48.8% of the U.S. wheat crop will be exported, while 13.8% of the U.S. corn crop will move into world markets.
- The export share of soybeans is forecast to be 41.7% in 2011/2012. Oilseed exports are down slightly due to early-season shipments from South America.
- Cotton's export share in 2011/2012 is forecast to be 70.2%. Cotton is the United States' most export-dependent field crop.

Figure 2. U.S. Agricultural Exports: Share of U.S. Production Exported, 1990/1991-2011/2012F



Source: U.S. Department of Agriculture, Economic Research Service.

Note: F = Forecast.

Table 2. U.S. Agricultural Exports: Shares of U.S. Crop Production Exported, 1990/1991-2011/2012F

(percent)

Year	Wheat	Corn	Cotton	Soybeans
1990/1991	39.2	21.8	50.3	28.9
1991/1992	64.8	21.2	37.7	34.4
1992/1993	54.9	17.6	32.1	35.2
1993/1994	51.2	21.0	42.5	31.5
1994/1995	51.2	21.7	47.8	33.4
1995/1996	56.9	30.1	42.9	39.1
1996/1997	44.0	19.5	36.2	37.2
1997/1998	41.9	16.3	39.9	32.5
1998/1999	41.1	20.3	30.9	29.4
1999/2000	47.3	20.5	39.8	36.7
2000/2001	47.7	19.6	39.2	36.1
2001/2002	49.4	20.0	54.2	36.8
2002/2003	52.9	17.7	69.1	37.9
2003/2004	49.4	18.8	75.4	36.1
2004/2005	49.4	15.4	62.1	35.1
2005/2006	47.7	19.2	74.0	30.6
2006/2007	50.2	20.2	60.0	34.9
2007/2008	61.6	18.7	71.0	43.3
2008/2009	40.6	15.3	103.5	43.1
2009/2010	39.6	15.1	98.8	44.6
2010/2011	58.4	14.7	79.4	45.1
2011/2012F	48.8	13.8	70.2	41.7

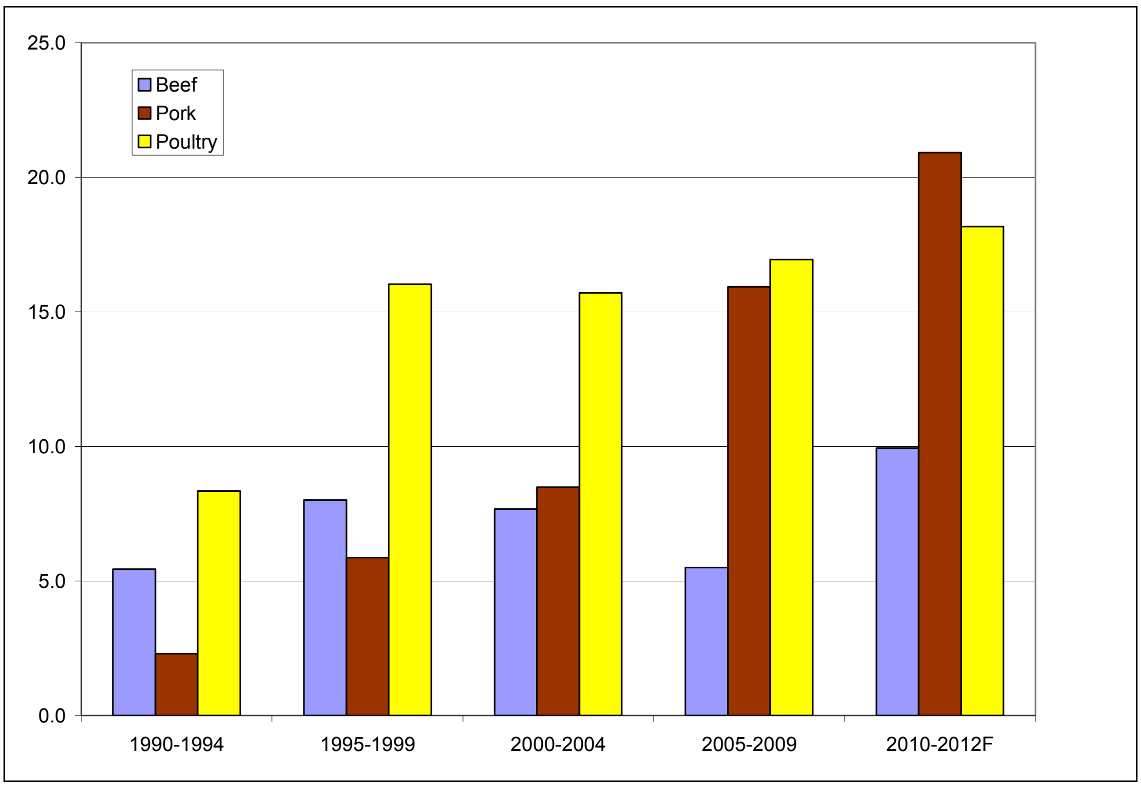
Source: Calculated by CRS using data from the U.S. Department of Agriculture's Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Note: F = Forecast.

Shares of U.S. Livestock Products Exported: Selected Commodities

- U.S. livestock products are much less export-dependent than crops.
- Beef exports, which grew from around 4% of production in 1990 to almost 10% by 2003, have slowly recovered from export bans on U.S. beef following the 2003 discovery of a BSE-infected cow in the United States. The beef export share of production in 2012 is forecast to be 11%.
- Pork exports as a share of production have grown substantially, from 1.6% in 1990 to a forecast 22.1% in 2012.
- Poultry's export share of production has almost tripled since 1990, from 6.2% to a forecast 18.3% in 2012.

Figure 3. U.S. Agricultural Exports: Shares of U.S. Livestock Products Exported, 1990-2012F



Source: U.S. Department of Agriculture, Economic Research Service.

Note: F = Forecast.

Table 3. U.S. Agricultural Exports: Shares of U.S. Production of Livestock Exported, 1990-2012F

Year	Beef	Pork	Poultry
1990	4.4	1.6	6.2
1991	5.1	1.8	6.4
1992	5.7	2.4	7.1
1993	5.5	2.6	8.9
1994	6.5	3.1	12.1
1995	7.1	4.4	15.7
1996	7.2	5.7	16.9
1997	8.3	6.0	16.3
1998	8.3	6.5	15.8
1999	9.0	6.6	15.6
2000	9.1	6.8	16.3
2001	8.6	8.0	18.0
2002	8.9	8.2	15.1
2003	9.5	8.6	15.2
2004	1.9	10.6	14.2
2005	2.8	12.9	14.9
2006	4.3	14.2	14.8
2007	5.4	14.3	16.5
2008	7.4	19.9	19.1
2009	7.4	17.8	19.4
2010	8.7	18.8	18.5
2011	10.3	21.9	17.7
2012F	10.9	22.1	18.3

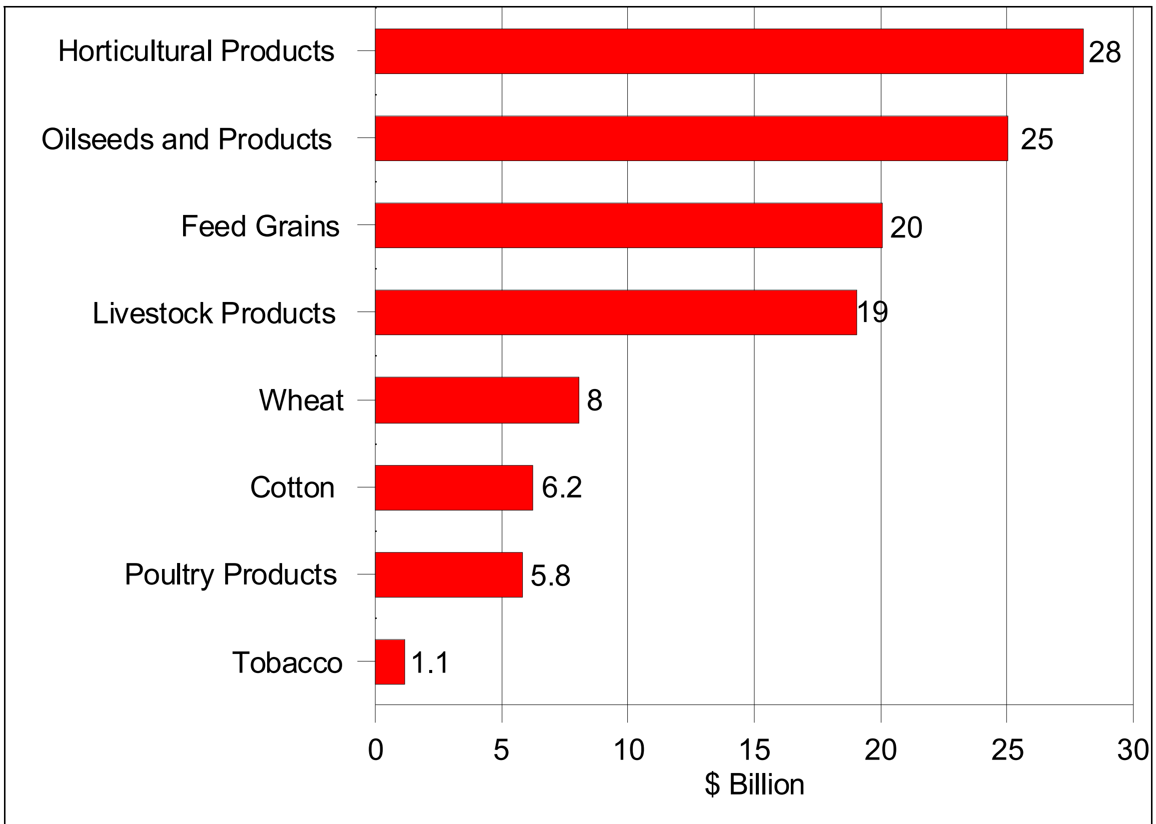
Source: Calculated by CRS using data from the U.S. Department of Agriculture's Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Note: F = Forecast.

Composition of U.S. Agricultural Exports: Major Commodity Components

- The United States exports a wide range of agricultural products, including horticultural products, field crops, livestock products, and poultry.
- Horticultural product exports (fruits, vegetables, tree nuts, and their preparations)—forecast at $28 billion for FY2012—comprise the largest commodity category of U.S. agricultural exports in FY2012.
- Oilseeds (mainly soybeans) and oilseed products (mainly meal and oil)—with a forecast value of $25 billion in FY2012—are the second-largest commodity component of U.S. agricultural exports.
- Livestock and poultry products together would amount to more than $24 billion in FY2012.
- Field crop exports (including feed grains, wheat, cotton, and tobacco) are forecast to account for more than $35 billion of U.S. agricultural exports in FY2012.

Figure 4. U.S. Agricultural Exports of Major Commodities, FY2012F



Source: U.S. Department of Agriculture. Economic Research Service. F = Forecast

Table 4. U.S. Agricultural Exports of Major Commodities, FY2012F

($ billions)

Commodity	FY2012F Exports
Horticultural Products	28.0
Oilseeds and Products	25.0
Feed Grains	20.0
Livestock Products	19.0
Wheat	8.0
Cotton	6.2
Poultry Products	5.8
Tobacco	1.1

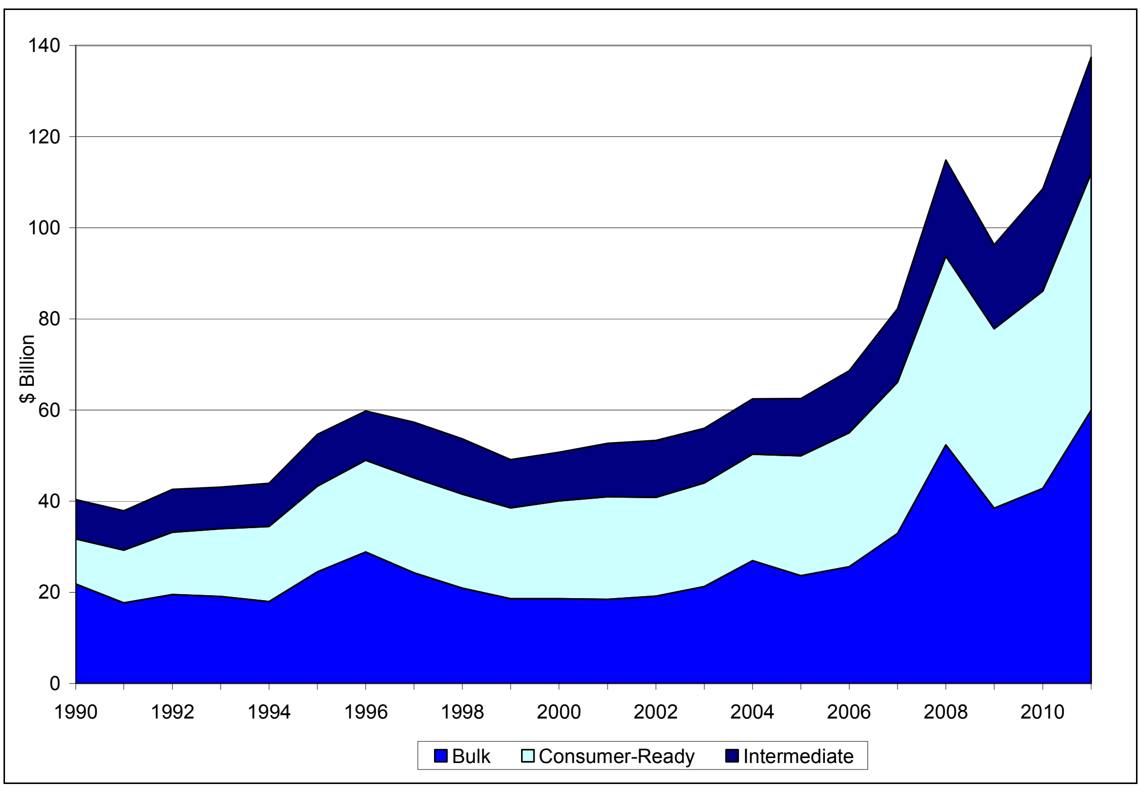
Source: U.S. Department of Agriculture. Economic Research Service, Outlook for U.S. Agricultural Trade AES-73, February 23, 2012, available at http://usda01.library.cornell.edu/usda/current/AES/AES-02-23-2012.pdf.

Note: F = Forecast.

Composition of U.S. Agricultural Exports: Bulk, Consumer-Ready, and Intermediate Product Exports

- *Bulk agricultural export*s include products like wheat, coarse grains, cotton, and soybeans.
- *Intermediate product*s have been processed to some extent and include products like wheat flour, soybean oil, and feeds.
- *Consumer-ready products* include both processed products such as breakfast cereals and products such as fresh fruits and vegetables, meat and dairy products, and wine and beer.
- Until 1990, bulk agricultural exports were the mainstay of U.S. farm export trade. The total of high-value (intermediate plus consumer-ready) products has exceeded the value of bulk agricultural exports in every fiscal year since FY1991.
- In FY2011, high-value exports accounted for 56.3% of total U.S. agricultural exports and bulk exports for 43.6%.

Figure 5. U.S. Agricultural Exports, FY1990-FY2011: Bulk, Consumer-Ready, and Intermediate Product Exports



Source: U.S. Department of Agriculture, Foreign Agriculture Service.

Table 5. U.S. Agricultural Exports, FY1990-FY2011: Total, Bulk, Consumer-Ready, and Intermediate Product Exports

($ thousands)

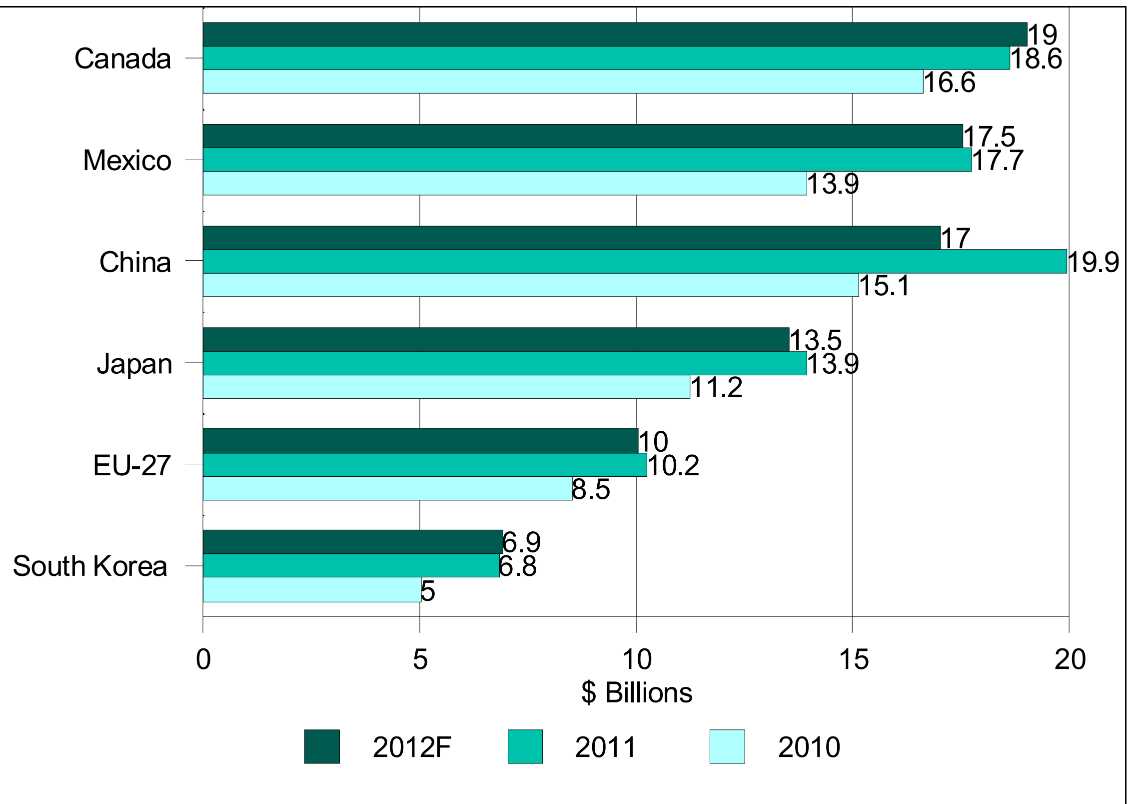
Year	Total	Bulk	% of Total	Consumer-Oriented	% of Total	Intermediate	% of Total
1990	40,347,960	21,793,461	54.0	9,891,735	24.5	8,662,764	21.5
1991	37,864,207	17,701,487	46.7	11,574,646	30.6	8,588,074	22.7
1992	42,554,780	19,523,240	45.9	13,689,029	32.2	9,342,511	22.0
1993	43,057,753	19,084,550	44.3	14,889,726	34.6	9,083,477	21.1
1994	43,893,020	17,940,578	40.9	16,460,463	37.5	9,491,979	21.6
1995	54,613,152	24,446,611	44.8	18,847,340	34.5	11,319,201	20.7
1996	59,785,653	28,781,235	48.1	20,167,462	33.7	10,836,956	18.1
1997	57,305,347	24,250,805	42.3	20,878,010	36.4	12,176,532	21.2
1998	53,661,663	20,925,957	39.0	20,641,538	38.5	12,094,168	22.5
1999	49,118,260	18,596,897	37.9	19,898,512	40.5	10,622,851	21.6
2000	50,761,767	18,580,955	36.6	21,481,221	42.3	10,699,591	21.1
2001	52,716,911	18,436,458	35.0	22,541,751	42.8	11,738,702	22.3
2002	53,320,111	19,122,275	35.9	21,708,519	40.7	12,489,316	23.4
2003	56,014,534	21,224,523	37.9	22,723,487	40.6	12,066,524	21.5
2004	62,400,792	26,903,911	43.1	23,353,486	37.4	12,143,395	19.5
2005	62,516,894	23,613,456	37.8	26,287,920	42.0	12,615,518	20.2
2006	68,593,452	25,619,902	37.4	29,363,783	42.8	13,609,768	19.8
2007	82,220,048	32,883,623	40.0	33,191,509	40.4	16,144,916	19.6
2008	114,910,785	52,375,640	45.6	41,387,674	36.0	21,147,472	18.4
2009	96,296,337	38,438,804	39.9	39,406,888	40.9	18,450,645	19.2
2010	108,562,979	42,769,018	39.4	43,294,456	39.9	22,499,504	20.7
2011	137,374,267	59,959,291	43.6	51,943,126	37.8	25,471,850	18.5

Source: Data in this table are compiled from U.S. Department of Agriculture, Foreign Agricultural Service databases, available at http://www.fas.usda.gov/gats/default.aspx.

Major Country Markets for U.S. Agricultural Exports

- *Canada*, with Mexico a U.S. partner in the North American Free Trade Agreement (NAFTA), is the largest market for U.S. agricultural exports, with exports valued at $19 billion. *Mexico* is the second-largest market, with exports valued at $17.5 billion. Total U.S. agricultural exports to its NAFTA partners are forecast at $36.5 billion for FY2012.
- *China* is third-largest market for U.S. agricultural exports in FY2012, with exports valued at $17 billion.
- *Japan* ($13.5 billion forecast for FY2012), which was the number-one U.S. destination for agricultural products for many years, is forecast to be the fourth-largest export destination. It is followed by the *EU-27*, the fifth-largest U.S. farm export market, with forecast agricultural exports of $10 billion.
- Other Asian markets—*South Korea, Taiwan, Hong Kong*—also are major markets for U.S. agricultural exports, with forecast values in FY2012 of $6.9 billion, $3.5 billion, and $3.3 billion, respectively.

Figure 6. Major Country Markets for U.S. Exports, FY2009-FY2012F



Source: U.S. Department of Agriculture. Economic Research Service. F = Forecast

Table 6. Major Country Markets for U.S. Agricultural Exports, FY2009-FY2012F

($ billion)

Country	2010	2011	2012F
Canada	16.6	18.6	19.0
Mexico	13.9	17.7	17.5
China	15.1	19.9	17.0
Japan	11.2	13.9	13.5
EU-27	8.5	10.2	10.0
South Korea	5.0	6.8	6.9
Taiwan	3.2	3.6	3.5
Hong Kong	2.5	3.2	3.3
Turkey	2.0	2.5	2.1
Russia	1.0	1.4	1.4

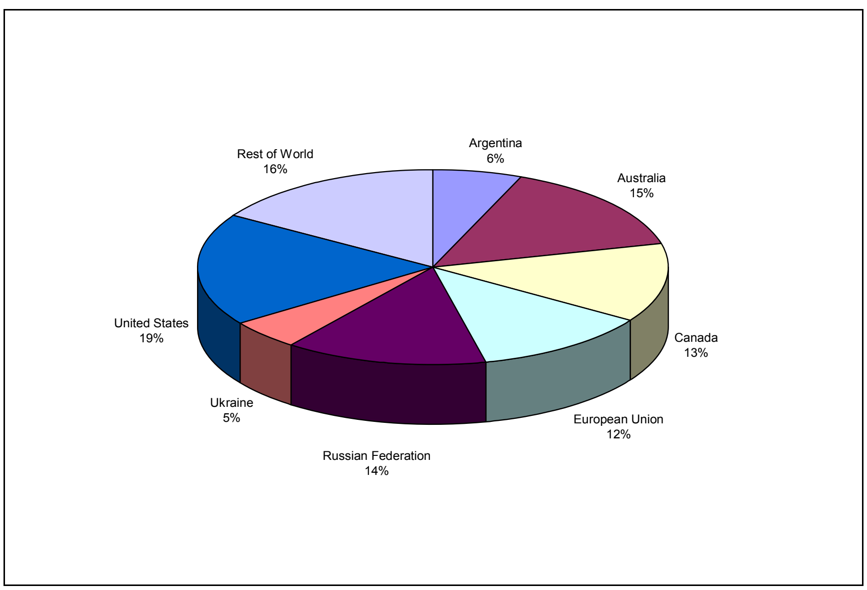
Source: U.S. Department of Agriculture. Economic Research Service, Outlook for U.S. Agricultural Trade, AES-73, February 23, 2012, available at http://usda01.library.cornell.edu/usda/current/AES/AES-02-23-2012.pdf.

Note: F = Forecast.

World Export Market Shares: Crops

- **Wheat:** The United States is the major supplier of wheat and wheat products to the world market, with a forecast export market share of 18.6% in marketing year 2011/2012. Australia (15.1%), the Russian Federation (14.0%) and Canada (12.9%) are major competitors in this market (see **Figure 7** and **Table 7**).
- **Rice:** Thailand (22% export market share forecast for 2011/2012) is the world's major rice exporter, but Vietnam (21%) has emerged as a major competitor. India (14.1%) and Pakistan (11.8%) are forecast to have the third- and fourth-largest export market shares in 2011/2012. The United States would be the world's fifth-largest rice exporter with a forecast share in 2011/2012 of 9.6% (see **Figure 8** and **Table 8**).
- **Corn:** The United States has the world's largest export market share for corn, with a 2011/2012 forecast share of 44.4% (see **Figure 9** and **Table 9**). Since the mid-1990s, Brazil has increased its share of world corn exports, while China, an exporter of corn during most of the last 16 years, has lost export market share.
- **Soybeans:** Brazil is forecast to be the world's main supplier of soybeans to the world market in 2011/2012, with a share of 40.7%. Brazil's export market share has grown compared to its 10.9% share in 1995/1996. The United States is forecast to have the second-largest export market share at 37.4%, down from 73% in 1995/1996 (see **Figure 10** and **Table 10**).
- **Cotton:** U.S. cotton exports are estimated to be 30.1% of the world total in 2011/2012. U.S. competitors include India (16.4%), Australia (11%), Uzbekistan (7.5%), and West/Central African countries (6.4%) (see **Figure 11** and **Table 11**).

Figure 7. Shares of World Exports of Wheat and Wheat Products, 2011/2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.
Notes: F = Forecast.

Table 7. Shares of World Exports of Wheat and Wheat Products, 1995/1996-2011/2012F

(percent)

Country	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
Argentina	4.5	9.5	10.7	8.5	10.2	11.2	9.7
Australia	13.4	18.0	14.7	16.3	15.7	15.7	15.5
Canada	16.5	18.2	19.3	14.5	16.9	17.1	15.4
European Union[a]	13.3	16.7	13.6	14.4	18.0	15.4	12.0
Russian Federation	0.2	0.7	1.1	1.6	0.5	0.7	4.1
Ukraine	1.4	1.2	1.3	4.6	1.7	0.1	5.2
United States	34.1	25.5	27.1	28.1	26.1	28.5	24.7
Rest of World	16.6	10.2	12.3	12.0	11.0	11.4	13.4
Country	**2002/2003**	**2003/2004**	**2004/2005**	**2005/2006**	**2006/2007**	**2007/2008**	**2008/2009**
Argentina	6.4	8.7	10.6	8.2	9.6	9.6	4.7
Australia	8.7	16.6	13.2	13.7	7.8	6.4	10.3
Canada	8.9	14.6	13.3	13.7	17.4	13.7	13.2
European Union[a]	17.2	9.0	13.2	13.4	12.4	10.5	17.7
Russian Federation	11.9	2.9	7.6	9.1	9.6	10.4	12.8
Ukraine	6.2	0.1	3.9	5.5	3.0	1.1	9.1
United States	21.9	29.0	25.9	23.3	22.1	29.3	19.3
Rest of World	18.8	19.2	12.3	13.0	18.1	19.1	13.0
Country	**2009/2010**	**2010/2011E**	**2011/2012F**				
Argentina	3.8	7.2	6.1				
Australia	10.9	14.2	15.1				
Canada	14.0	12.6	12.9				
European Union[a]	16.3	17.3	12.2				
Russian Federation	13.7	3.0	14.0				
Ukraine	6.9	3.3	5.0				
United States	17.6	26.6	18.6				
Rest of World	16.9	15.8	16.2				

Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

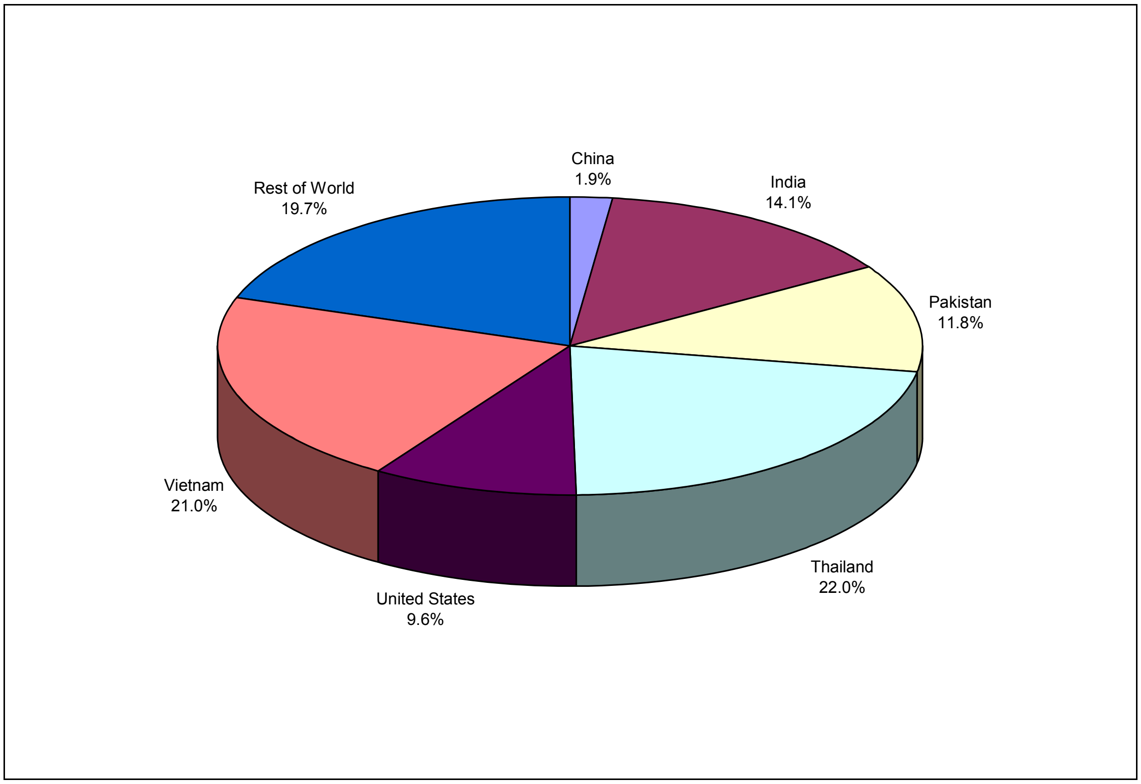
Notes: July-June marketing year.

E = Estimate.

F = Forecast.

a. 1995/1996-1998/1999 data are EU-15 and 1990/2000 to present are EU-27.

Figure 8. Shares of World Exports of Rice, 2011/2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 8. Shares of World Exports of Rice, 1994/1995-2011/2012F

(percent)

Country	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001
China	0.2	1.3	5.0	13.5	10.9	13.0	7.6
India	20.0	18.6	11.1	16.9	11.1	6.4	7.9
Pakistan	8.5	8.5	9.4	7.2	7.4	8.9	9.9
Thailand	28.6	26.8	27.7	23.0	26.9	28.7	30.8
United States	14.6	13.3	12.2	11.5	10.7	12.5	10.3
Vietnam	11.1	15.4	17.6	13.7	18.4	14.8	14.5
Rest of World	17.1	16.1	17.0	14.2	14.7	15.8	19.0

Country	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
China	7.1	9.4	3.2	2.3	4.2	4.2	3.3
India	23.9	16.1	11.6	16.2	15.6	19.7	11.4
Pakistan	5.8	7.1	7.3	10.5	12.3	8.4	10.2
Thailand	26.0	27.4	37.2	25.1	25.4	29.9	33.6
United States	11.7	13.8	11.3	13.3	11.4	9.5	11.0
Vietnam	11.7	13.8	15.8	17.9	16.2	14.2	15.6
Rest of World	13.9	12.5	13.6	14.8	15.0	14.0	14.9

Country	2008/2009	2009/2010	2010/2011E	2011/2012F
China	2.7	2.0	1.4	1.9
India	7.2	6.5	10.9	14.1
Pakistan	10.9	12.7	8.6	11.8
Thailand	29.2	28.6	30.2	22.0
United States	10.3	12.2	9.3	9.6
Vietnam	20.3	21.3	20.1	21.0
Rest of World	19.4	16.7	19.4	19.7

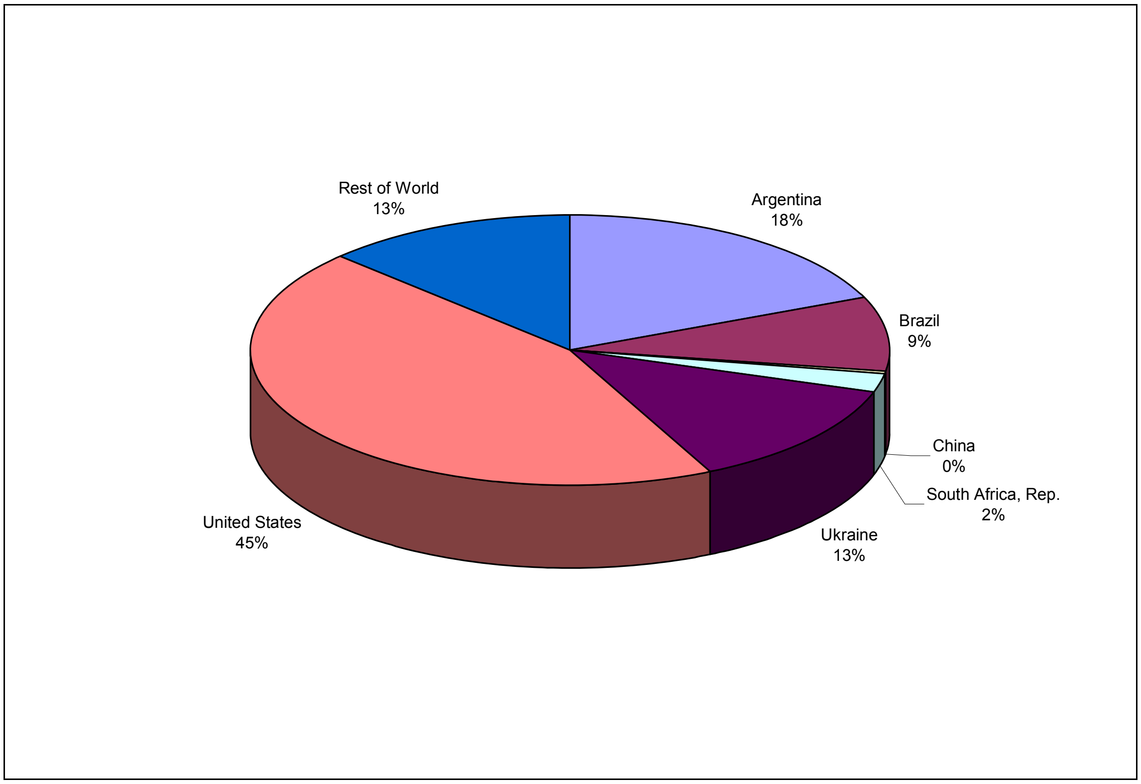
Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Notes: July-June marketing year.

E = Estimate.

F = Forecast.

Figure 9. Shares of World Exports of Corn, 2011/2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 9. Shares of World Exports of Corn, 1995/1996-2011/2012F

(percent)

Country	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
Argentina	10.7	15.3	20.2	11.4	12.3	16.1	11.8
Brazil	0.3	0.7	0.0	0.0	0.1	4.9	5.3
China	0.2	5.8	9.8	4.9	13.7	9.6	11.8
South Africa, Rep.	2.7	2.4	1.7	1.2	1.2	1.9	1.6
Ukraine	0.1	0.0	0.9	0.5	0.1	0.5	0.5
United States	81.4	70.0	59.9	75.7	68.4	63.7	64.9
Rest of World	4.5	5.7	7.5	6.3	4.3	3.3	4.1

Country	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Argentina	16.0	13.2	18.1	12.9	17.2	15.9	10.1
Brazil	4.1	7.4	1.9	3.4	8.8	8.0	8.5
China	19.8	9.6	10.0	4.5	5.8	0.6	0.2
South Africa, Rep.	1.5	1.0	2.0	1.7	0.5	1.1	2.5
Ukraine	1.1	1.6	3.1	3.0	1.1	2.1	6.5
United States	53.2	61.7	59.6	67.8	59.3	61.7	56.9
Rest of World	4.3	5.6	5.3	6.7	7.4	10.5	15.2

Country	2009/2010	2010/2011 E	2011/2012 F
Argentina	18.3	16.5	18.5
Brazil	9.3	12.6	9.0
China	0.2	0.1	0.2
South Africa, Rep.	1.7	3.1	2.4
Ukraine	5.5	5.5	12.7
United States	53.5	49.4	44.4
Rest of World	11.6	12.8	12.8

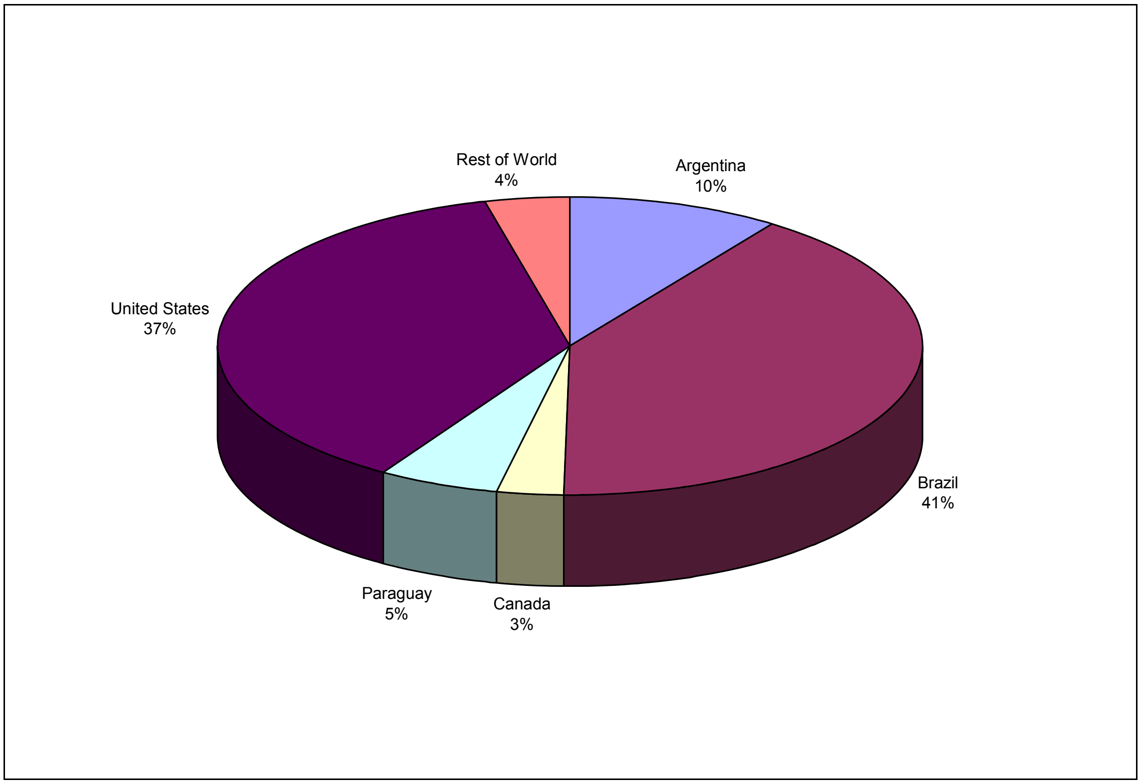
Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Notes: October-September marketing year.

E = Estimate.

F = Forecast.

Figure 10. Shares of World Exports of Soybeans, 2011/2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 10. Shares of World Exports of Soybeans, 1995/1996-2011/2012F

(percent)

Country	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
Argentina	6.6	2.1	7.2	8.1	9.0	13.6	11.3
Brazil	10.9	22.9	22.3	23.5	24.3	28.8	27.4
Canada	1.9	1.3	2.0	2.3	2.1	1.4	0.9
Paraguay	5.0	5.8	5.8	6.1	4.4	4.4	4.3
United States	73.0	65.6	60.5	57.7	58.2	50.5	54.7
Rest of World	2.5	2.3	2.2	2.3	2.0	1.3	1.3

Country	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Argentina	14.1	12.0	14.8	11.4	13.5	17.6	7.3
Brazil	32.1	36.4	31.1	40.8	33.1	32.2	39.0
Canada	1.2	1.6	1.7	2.1	2.4	2.2	2.6
Paraguay	5.0	4.8	4.6	3.2	5.5	5.8	2.9
United States	46.4	43.1	46.1	40.3	42.9	40.0	45.3
Rest of World	1.3	2.1	1.8	2.1	2.6	2.2	2.9

Country	2009/2010	2010/2011E	2011/2012F
Argentina	14.1	10.0	9.6
Brazil	30.9	32.6	40.7
Canada	2.4	3.2	3.1
Paraguay	5.8	6.5	5.4
United States	44.1	44.4	37.4
Rest of World	2.7	3.3	3.8

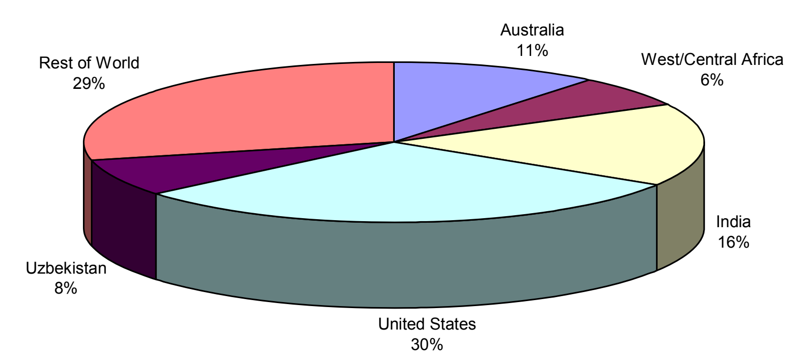
Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Notes: Marketing year.

E = Estimate

F = Forecast

Figure 11. Shares of World Exports of Cotton, 2011/2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Notes: West/Central Africa includes Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Cote d'Ivoire, Mali, Niger, Senegal, and Togo.

F = Forecast.

Table 11. Shares of World Exports of Cotton, 1995/1996-2011/2012F

Country	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
Australia	5.3	8.9	10.1	12.9	11.8	14.9	10.7
West/Central Africa	10.2	12.3	13.5	15.3	13.8	12.4	12.2
India	2.1	4.4	1.2	0.8	0.3	0.4	0.2
United States	28.1	25.6	28.1	18.3	24.8	25.7	37.7
Uzbekistan	16.5	17.0	17.1	16.2	15.5	13.2	12.0
Rest of World	37.8	31.8	30.0	36.5	33.9	33.4	27.1
Country	**2002/2003**	**2003/2004**	**2004/2005**	**2005/2006**	**2006/2007**	**2007/2008**	**2008/0209**
Australia	8.7	6.5	5.7	6.4	5.7	3.1	4.0
West/Central Africa	12.4	13.4	11.8	9.9	10.3	6.8	7.1
India	0.2	2.1	1.9	8.2	13.0	19.2	7.8
United States	39.1	41.4	41.2	39.4	34.5	34.9	43.9
Uzbekistan	11.2	9.3	11.3	10.7	12.0	10.7	9.9
Rest of World	28.4	27.3	28.1	25.4	24.6	25.2	27.3
Country	**2009/2010**	**2010/2011E**	**2011/2012F**				
Australia	5.9	7.0	11.0				
West/Central Africa	6.2	6.0	6.4				
India	18.4	14.3	16.4				
United States	33.8	40.3	30.1				
Uzbekistan	10.7	7.4	7.5				
Rest of World	25.0	25.0	28.6				

Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Notes: Marketing year.

E = Estimate.

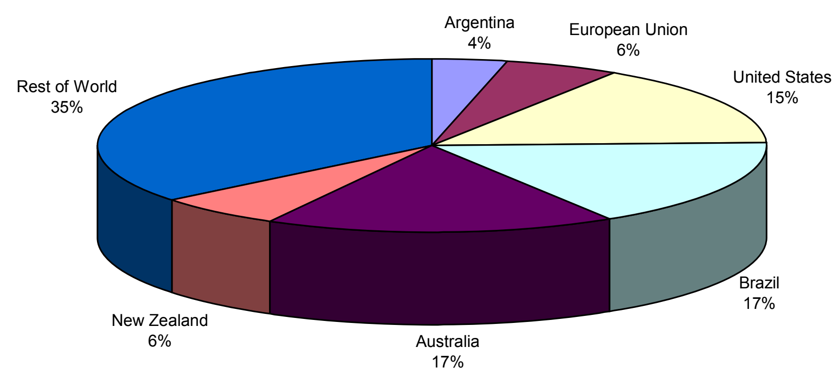
F = Forecast.

a. Includes Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Cote d'Ivoire, Mali, Niger, Senegal, and Togo.

World Market Shares: Livestock and Dairy

- **Beef:** Australia, with 16.8% (forecast) of world exports in 2012, is the largest supplier of beef to world markets. The U.S. share of world beef exports is forecast to be 15.2% in 2012. Lingering effects of mad cow disease continue to affect demand for U.S. beef in world markets; the U.S. share of world beef exports had reached 18.9% in 2000. (See **Figure 12** and **Table 12**.)
- **Pork:** The United States is forecast to have the largest export market share for pork (35.3%) in 2012. Main competitors for pork export market shares include the EU (29.0%) and Canada (17.7%). (See **Figure 13** and **Table 13**.)
- **Poultry:** Brazil is the world's leading supplier of poultry meat to the world market (36.1% forecast export market share for 2012). The United States, with 31.7% of world poultry meat exports, and the EU, with 11.7%, have lost market share to Brazil over the past decade. (See **Figure 14** and **Table 14**.)
- **Dairy Products:** For 2012, New Zealand (29.3%) and the EU (27.3%) are forecast to be the leading suppliers of nonfat dry milk to world markets (see **Figure 15** and **Table 15**). The EU (44.5%) is the leading supplier of cheese to world markets (see **Figure 16** and **Table 16**), while New Zealand (61.1%) is the world's largest exporter of butter (see **Figure 17** and **Table 17**).

Figure 12. Shares of World Exports of Beef and Veal, 2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 12. Shares of World Exports of Beef and Veal, 1995-2012F

Country	1995	1996	1997	1998	1999	2000	2001
Argentina	9.7	9.4	7.8	5.5	6.0	6.0	2.9
European Union[a]	21.6	20.9	18.7	14.2	17.3	11.2	10.4
United States	14.9	16.2	16.6	17.9	18.6	18.9	17.5
Brazil	4.1	4.3	4.0	5.5	7.8	8.2	12.6
Australia	20.0	19.5	20.0	22.7	21.2	22.2	23.4
New Zealand	9.0	9.5	8.6	8.7	7.4	8.0	8.2
Rest of World	20.7	20.1	24.3	25.4	21.6	25.6	24.9
Country	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Argentina	5.3	5.8	9.2	10.2	7.3	7.0	5.6
European Union[a]	9.0	6.7	5.4	3.4	2.9	1.8	2.7
United States	17.2	17.5	3.1	4.3	6.8	8.5	11.9
Brazil	13.5	17.8	24.0	25.0	27.5	28.7	23.7
Australia	20.8	19.0	20.4	18.8	18.9	18.4	18.5
New Zealand	7.4	8.4	8.9	7.8	7.0	6.5	7.0
Rest of World	26.9	24.8	29.0	30.4	29.7	29.1	30.6
Country	**2009**	**2010**	**2011P**	**2012F**			
Argentina	8.8	3.8	3.3	3.6			
European Union[a]	2.0	4.3	6.0	5.6			
United States	11.8	13.5	15.8	15.2			
Brazil	21.5	20.1	16.8	16.7			
Australia	18.4	17.6	17.2	16.8			
New Zealand	6.9	6.8	6.4	6.1			
Rest of World	30.6	33.8	34.5	35.9			

Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

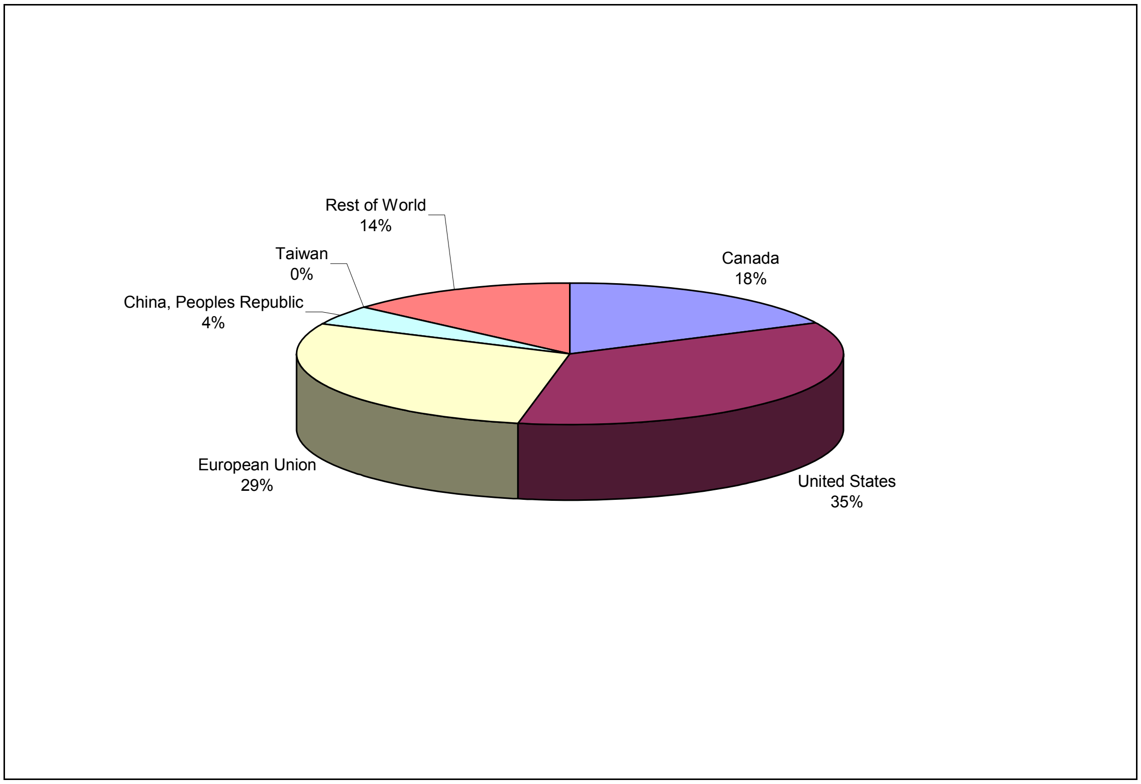
Notes:

P = Preliminary.

F = Forecast.

a. 1995-1998 data are EU-15 and 1999 to present are EU-27.

Figure 13. Shares of World Pork Exports, 2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 13. Shares of World Pork Exports, 1994-2012F

(percent)

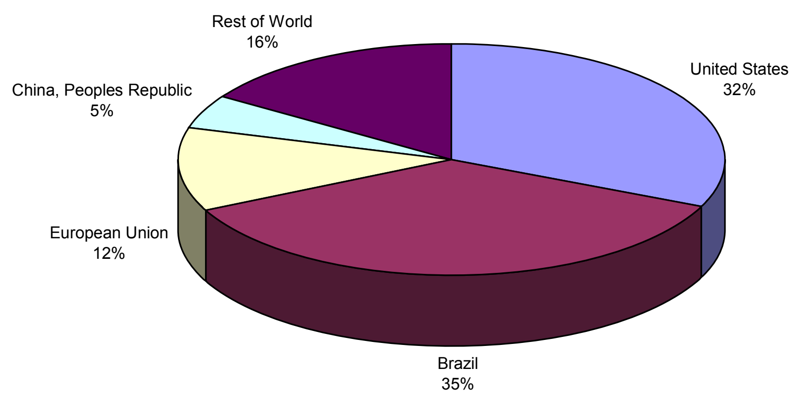
Country	1995	1996	1997	1998	1999	2000	2001
Canada	15.5	13.6	14.5	14.7	17.0	21.3	22.6
United States	15.1	15.6	16.3	19.0	17.9	18.9	21.7
European Union[a]	32.6	30.5	32.7	35.2	49.0	43.1	30.1
China	4.4	4.8	6.9	6.9	4.4	4.7	6.9
Taiwan	16.1	13.7	2.2	0.1	0.0	0.0	0.1
Rest of World	16.2	21.8	27.3	24.1	11.8	12.0	18.7
Country	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Canada	23.0	23.3	20.5	21.6	20.5	20.0	18.3
United States	19.5	18.6	20.9	24.1	25.8	27.5	34.2
European Union[a]	26.5	27.2	27.5	22.7	24.4	24.8	28.0
China	8.2	9.5	11.4	10.0	10.3	6.8	3.6
Taiwan	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	22.8	21.4	19.6	21.6	18.8	20.9	15.9
Country	**2009**	**2010**	**2011P**	**2012F**			
Canada	19.8	19.2	17.6	17.7			
United States	32.8	31.7	34.2	35.3			
European Union[a]	25.0	29.0	30.4	29.0			
China	4.1	4.6	4.0	4.3			
Taiwan	0.0	0.0	0.1	0.1			
Rest of World	18.2	15.5	13.8	13.6			

Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Notes: F = Forecast.

a. 1995-1998 data are EU-15 and 1999 to present are EU-27.

Figure 14. Shares of World Poultry Meat Exports, 2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 14. Shares of World Total Poultry Meat Exports, 1994-2012F

(percent)

Country	1995	1996	1997	1998	1999	2000	2001
United States	41.3	41.9	48.7	46.5	47.1	46.7	45.8
Brazil	10.0	11.7	15.1	13.7	16.6	18.2	22.3
European Union[a]	0.0	0.0	17.8	18.9	17.6	15.1	11.7
China (PRC)	6.1	6.6	8.1	7.6	8.5	9.7	8.9
Rest of World	42.6	39.8	10.4	13.3	10.2	10.3	11.3
Country	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
United States	38.6	36.9	35.7	34.4	35.8	36.1	37.3
Brazil	27.9	31.5	39.7	39.9	38.0	39.4	38.3
European Union[a]	13.5	12.0	12.0	10.1	10.5	8.6	8.8
China (PRC)	7.7	6.4	4.0	4.8	4.9	4.8	3.4
Rest of World	12.3	13.3	8.7	10.8	10.9	11.1	12.2
Country	**2009**	**2010**	**2011P**	**2012F**			
United States	37.2	34.4	32.4	31.7			
Brazil	36.0	35.7	36.1	36.1			
European Union[a]	9.4	11.1	12.0	11.7			
China (PRC)	3.5	4.3	4.5	4.6			
Rest of World	13.8	14.5	15.0	15.9			

Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

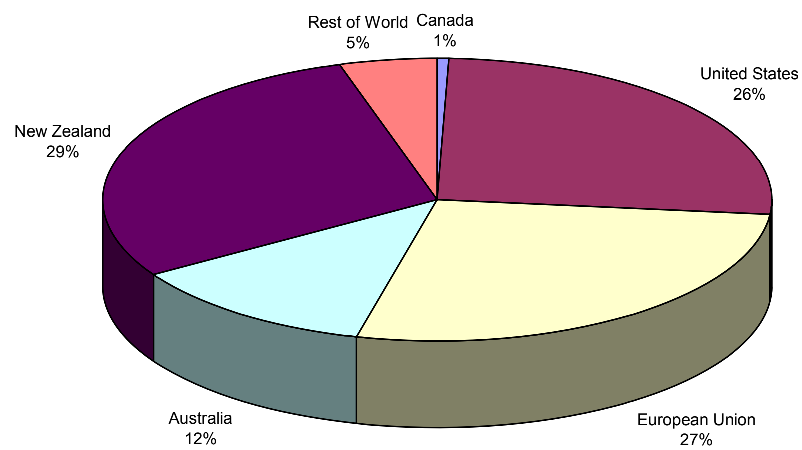
Notes: NA = Not Available.

P = Preliminary.

F = Forecast.

a. 1997-1998 data are EU-15 and 1999 to present are EU-27.

Figure 15. Shares of World Nonfat Dry Milk Exports, 2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 15. Shares of World Nonfat Dry Milk Exports, 1995-2012F

(percent)

Country	1995	1996	1997	1998	1999	2000	2001
Canada	2.5	2.5	2.9	3.8	3.6	2.7	4.7
United States	9.5	2.4	11.3	11.5	19.1	11.9	9.7
European Union[a]	NA	NA	27.3	19.4	32.4	37.7	28.1
Australia	10.9	12.8	19.8	22.1	21.1	21.2	22.0
New Zealand	9.7	11.5	20.7	21.8	18.0	13.3	22.0
Rest of World	67.4	70.8	18.0	21.4	5.9	13.2	13.4
Country	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Canada	4.4	3.1	1.4	0.6	1.2	1.3	1.0
United States	11.3	12.3	20.8	27.5	26.4	23.6	36.0
European Union[a]	23.5	29.4	24.9	18.8	8.1	18.4	16.5
Australia	20.7	16.9	16.8	14.0	17.4	16.0	11.0
New Zealand	28.3	25.1	22.5	21.9	29.1	25.7	22.3
Rest of World	11.8	13.2	13.7	17.2	17.8	15.1	13.2
Country	**2009**	**2010**	**2011P**	**2012F**			
Canada	0.9	0.4	0.6	0.7			
United States	21.8	28.6	28.1	26.0			
European Union[a]	20.3	28.1	29.0	27.3			
Australia	14.6	11.9	11.3	12.0			
New Zealand	35.8	25.6	26.5	29.3			
Rest of World	6.7	5.4	4.5	4.7			

Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

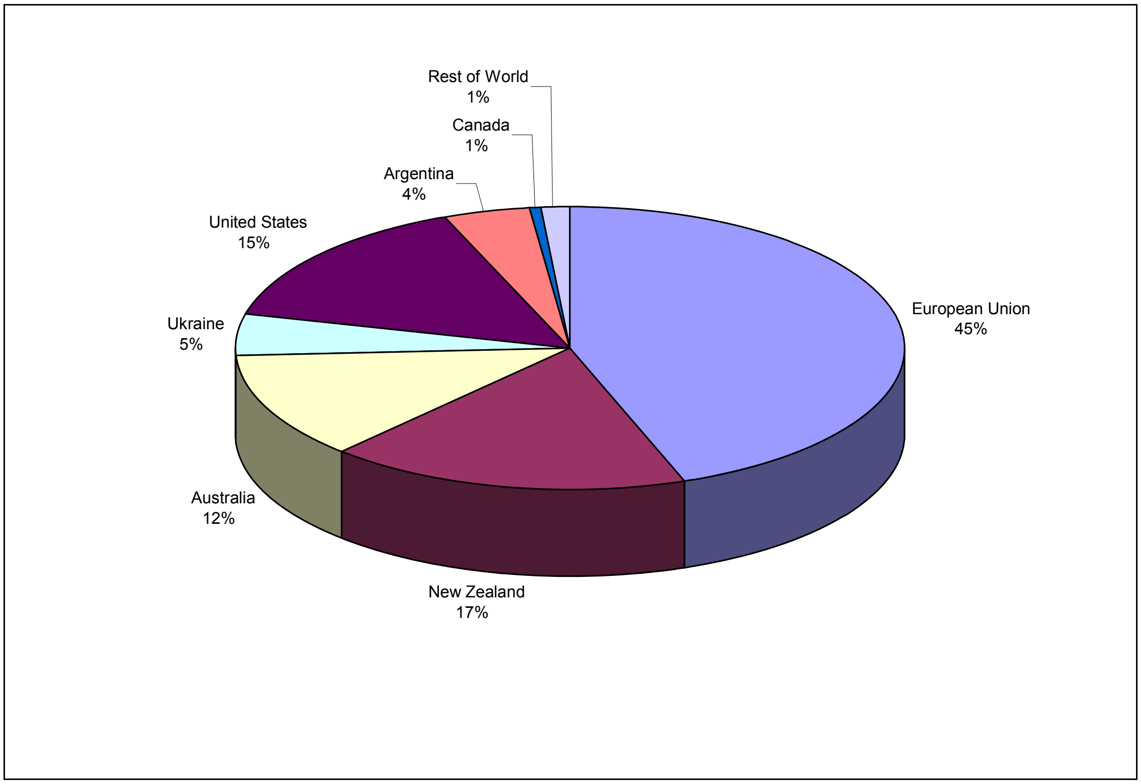
Notes: NA = Not Available.

P = Preliminary.

F = Forecast.

a. 1997-1998 data are EU-15 and 1999 to present are EU-27.

Figure 16. Shares of World Cheese Exports, 2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 16. Shares of World Cheese Exports, 1994-2011F

Country	1994	1995	1996	1997	1998	1999	2000	2001
European Union[a]	NA	NA	NA	51.0	46.2	45.2	45.5	43.4
New Zealand[b]	5.9	6.9	6.7	25.0	25.6	26.1	23.2	25.1
Australia[c]	4.1	4.5	4.3	13.3	16.6	18.7	21.0	19.7
Ukraine	0.2	0.2	0.1	0.2	0.4	0.7	1.1	2.8
United States	1.1	1.1	1.2	4.0	4.1	4.1	4.4	4.8
Argentina	0.6	0.5	0.4	2.0	1.9	2.2	2.1	1.6
Canada	0.3	0.6	0.6	2.4	3.0	2.7	1.7	1.7
Rest of World	87.8	86.2	86.6	2.0	2.2	0.3	0.9	0.9
Country	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
European Union[a]	43.9	44.9	42.4	40.1	44.0	40.9	40.0	41.3
New Zealand[b]	24.3	23.7	22.4	21.1	23.4	23.7	20.1	23.5
Australia[c]	19.0	17.2	17.1	18.2	15.8	16.2	16.5	13.1
Ukraine	3.2	5.1	7.6	9.3	3.9	4.7	6.3	6.2
United States	4.7	4.3	4.9	4.7	5.6	7.7	10.7	8.7
Argentina	2.3	1.9	2.5	3.6	4.5	3.4	2.9	3.9
Canada	1.5	0.9	0.9	0.7	0.9	0.8	0.8	0.7
Rest of World	1.0	1.9	2.2	2.2	1.9	2.6	2.7	2.6
Country	**2010**	**2011P**	**2012F**					
European Union[a]	44.0	43.8	44.5					
New Zealand[b]	19.3	18.0	17.4					
Australia[c]	12.0	12.0	12.1					
Ukraine	5.8	5.3	4.9					
United States	12.7	15.0	15.0					
Argentina	3.3	3.9	4.2					
Canada	0.7	0.6	0.6					
Rest of World	2.3	1.3	1.3					

Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Notes: NA = Not Available.

P = Preliminary.

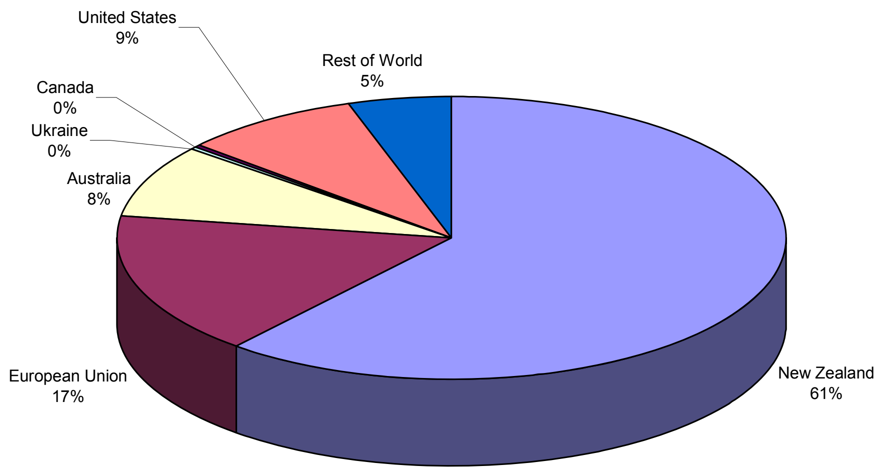
F = Forecast.

a. 1997-1998 data are EU-15 and 1999 to present are EU-27.

b. Year ending May 31 of the year shown.

c. Year ending June 30 of the year shown.

Figure 17. Shares of World Butter Exports, 2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Note: F = Forecast.

Table 17. Shares of World Butter Exports, 1994-2012F

(percent)

Country	1994	1995	1996	1997	1998	1999	2000	2001
New Zealand[a]	20.2	19.3	21.0	42.1	50.2	44.3	48.1	43.3
European Union[b]	NA	NA	NA	29.2	26.8	31.9	25.9	28.5
Australia[c]	7.1	6.9	6.6	14.8	16.7	18.6	18.5	16.9
Ukraine	1.7	5.6	8.4	7.9	1.6	1.3	4.1	7.3
Canada	0.2	0.5	1.1	1.6	1.9	1.7	1.3	2.2
United States	7.1	5.2	1.7	2.4	0.5	0.3	0.5	0.0
Rest of World	63.7	62.5	61.1	2.0	2.2	1.9	1.5	1.8
Country	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
New Zealand[a]	50.5	44.6	40.8	41.3	51.0	49.7	49.4	60.6
European Union[b]	27.9	36.8	40.8	41.6	30.1	27.5	21.6	18.5
Australia[c]	15.2	12.6	8.7	8.6	9.9	10.2	8.2	10.3
Ukraine	1.8	2.1	4.9	2.9	2.2	0.5	0.8	0.1
Canada	2.1	1.4	2.0	2.4	2.2	1.7	0.1	0.4
United States	0.4	1.4	1.0	1.1	1.3	5.1	12.6	3.7
Rest of World	2.1	1.3	1.8	2.1	3.3	5.3	7.2	6.4
Country	**2010**	**2011P**	**2012F**					
New Zealand[a]	57.4	59.8	61.1					
European Union[b]	20.8	16.5	16.5					
Australia[c]	8.5	8.3	8.3					
Ukraine	0.1	0.3	0.3					
Canada	0.1	0.1	0.1					
United States	7.9	10.4	8.8					
Rest of World	5.1	4.6	5.0					

Source: U.S. Department of Agriculture, Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Notes: NA = Not Available.

P = Preliminary.

F = Forecast.

a. Year ending May 31 of the year shown.

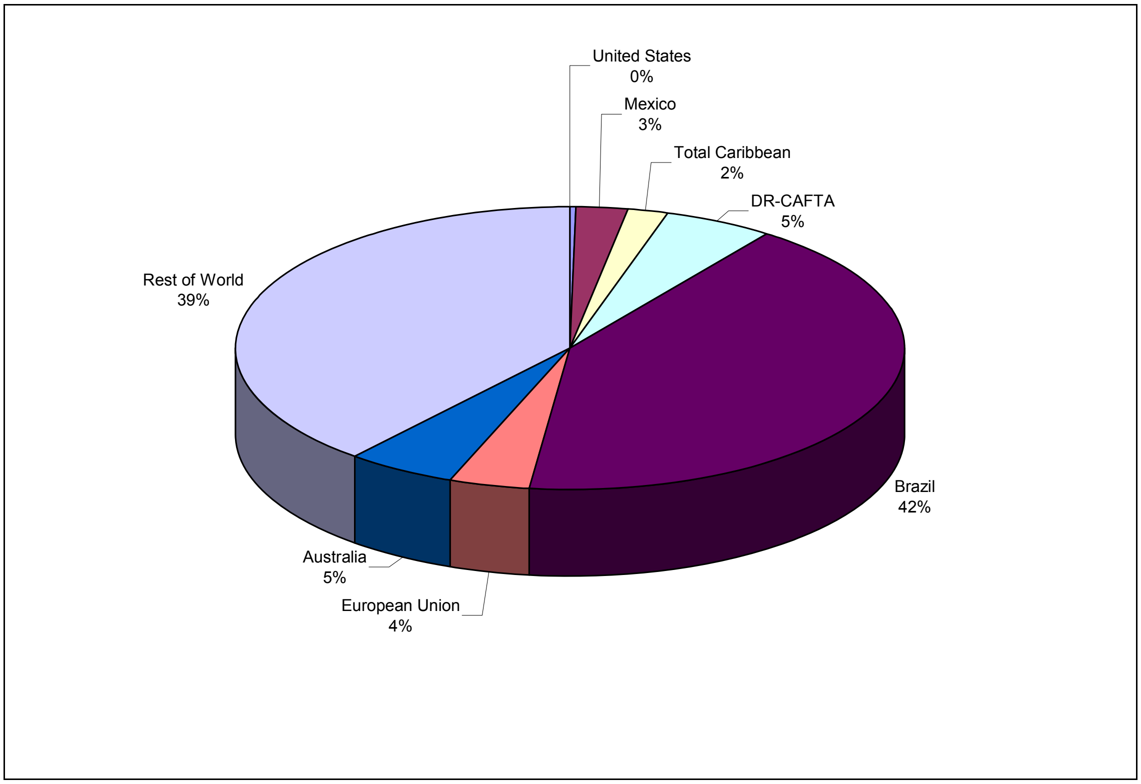
b. 1997-1998 data are EU-15 and 1999 to present are EU-27.

c. Year ending June 30 of the year shown.

World Market Shares: Sugar

- Brazil is the world's leading exporter of sugar, with an export market share forecast at 42.0% for 2011/2012.
- DR-CAFTA (including the Dominican Republic and Central American countries), with 5.4% of global sugar exports, is forecast to be the world's second-largest exporter of sugar in 2011/2012.
- The United States is a sugar importer, with negligible sugar exports (forecast to be 0.3% for 2011/2012).

Figure 18. Shares of World Sugar Exports, 2011/2012F



Source: U.S. Department of Agriculture, Foreign Agricultural Service.

Notes: DR-CAFTA includes Dominican Republic and Central America. The European Union (EU) data include French overseas departments of Reunion, Guadeloupe, and Martinique, but do not include intra-EU trade. EU data include sugar-containing products. October-September marketing year. F = Forecast.

Table 18. Shares of World Sugar Exports, 1995/1996-2011/2012F

(percent)

Country	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
United States	0.9	0.5	0.4	0.6	0.3	0.3	0.3
Mexico	1.8	2.5	2.9	1.4	0.8	0.4	1.0
Total Caribbean	12.7	11.3	8.0	9.7	9.5	9.0	8.4
DR-CAFTA[a]	5.2	5.7	6.3	5.3	5.3	6.1	5.3
Brazil	16.4	15.3	19.1	23.3	27.1	20.1	27.4
European Union[b]	13.1	13.8	16.9	14.2	14.7	17.2	11.3
Australia	12.0	12.0	12.1	10.9	9.9	8.0	8.5
Rest of World	37.8	38.9	34.4	34.7	32.6	38.8	37.8

Country	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
United States	0.3	0.6	0.5	0.4	0.7	0.4	0.3
Mexico	0.1	0.0	0.3	1.7	0.3	1.3	2.9
Total Caribbean	4.8	5.2	2.5	2.5	2.5	2.7	2.5
DR-CAFTA[a]	4.9	5.1	5.5	5.3	5.2	4.8	5.9
Brazil	29.7	32.7	38.4	34.5	40.8	38.4	45.1
European Union[b]	11.9	10.5	12.8	16.8	4.8	3.3	2.8
Australia	8.7	8.9	9.5	8.5	7.6	7.3	7.4
Rest of World	39.7	36.9	30.5	30.2	38.1	41.7	33.2

Country	2009/2010	2010/2011E	2011/2012F
United States	0.4	0.4	0.3
Mexico	1.5	2.8	2.5
Total Caribbean	1.9	1.6	1.7
DR-CAFTA[a]	6.0	5.3	5.4
Brazil	47.1	46.0	42.0
European Union[b]	5.1	1.8	3.9
Australia	7.0	4.9	5.2
Rest of World	31.1	37.3	39.0

Source: U.S. Department of Agriculture. Foreign Agricultural Service Production, Supply and Distribution Online database, http://www.fas.usda.gov/psdonline/psdHome.aspx.

Notes: E = Estimated.

F = Forecast.

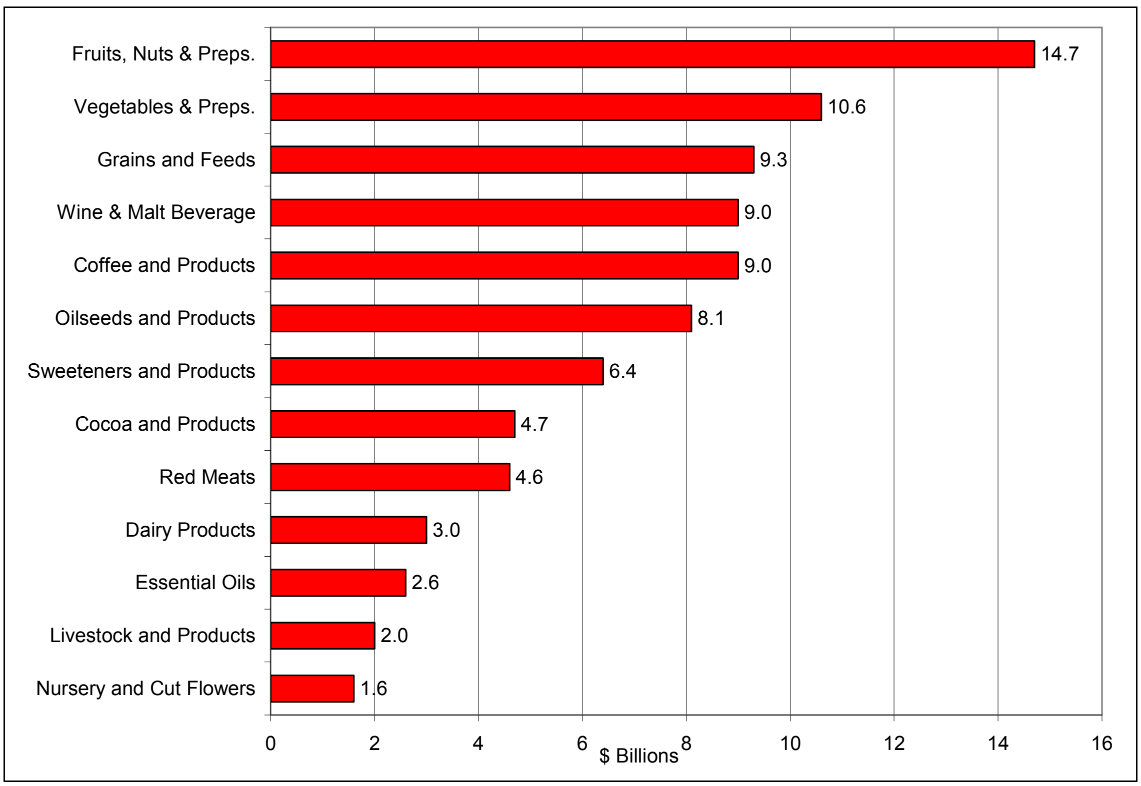
a. DR-CAFTA includes Dominican Republic and Central America. 1995/1996-2003/2004 data are EU-15, 2004/2005-2005/2006 are EU-25, and 2006/2007 to present are EU-27.

b. The EU Includes French overseas departments of Reunion, Guadeloupe, and Martinique. EU trade data does not Include intra trade. Beginning 2004/2005, the data reflects the EU enlargement by accession of 10 countries. EU exports include sugar-containing products.

Major U.S. Agricultural Imports

- High-value horticultural products (fruits, nuts, vegetables, and preparations; wine and malt beverages; nursery stock and flowers; and others) are the largest category of U.S. agricultural imports, and are forecast to be $43.3 billion in FY2012.
- Other sizeable commodity imports forecast for FY2012 are livestock and dairy ($13 billion), grains and feeds ($9.3 billion), and oilseeds and products ($8.1 billion).
- Imports of tropical products such as coffee, cocoa, sugar, and products are forecast to be $31.1 billion in FY2012.

Figure 19. Major Agricultural Imports by Commodity, FY2012F



Source: U.S. Department of Agriculture, Economic Research Service.

Note: F = Forecast.

Table 19. Major U.S. Agricultural Imports, FY2012F

($ billions)

Commodity	FY2012F
Fruits, Nuts & Preps.	14.7
Vegetables & Preps.	10.6
Grains and Feeds	9.3
Coffee and Products	9.0
Wine & Malt Beverage	9.0
Oilseeds and Products	8.1
Sweeteners and Products	6.4
Cocoa and Products	4.7
Red Meats	4.6
Dairy Products	3.0
Essential Oils	2.6
Livestock and Products	2.0
Nursery and Cut Flowers	1.6

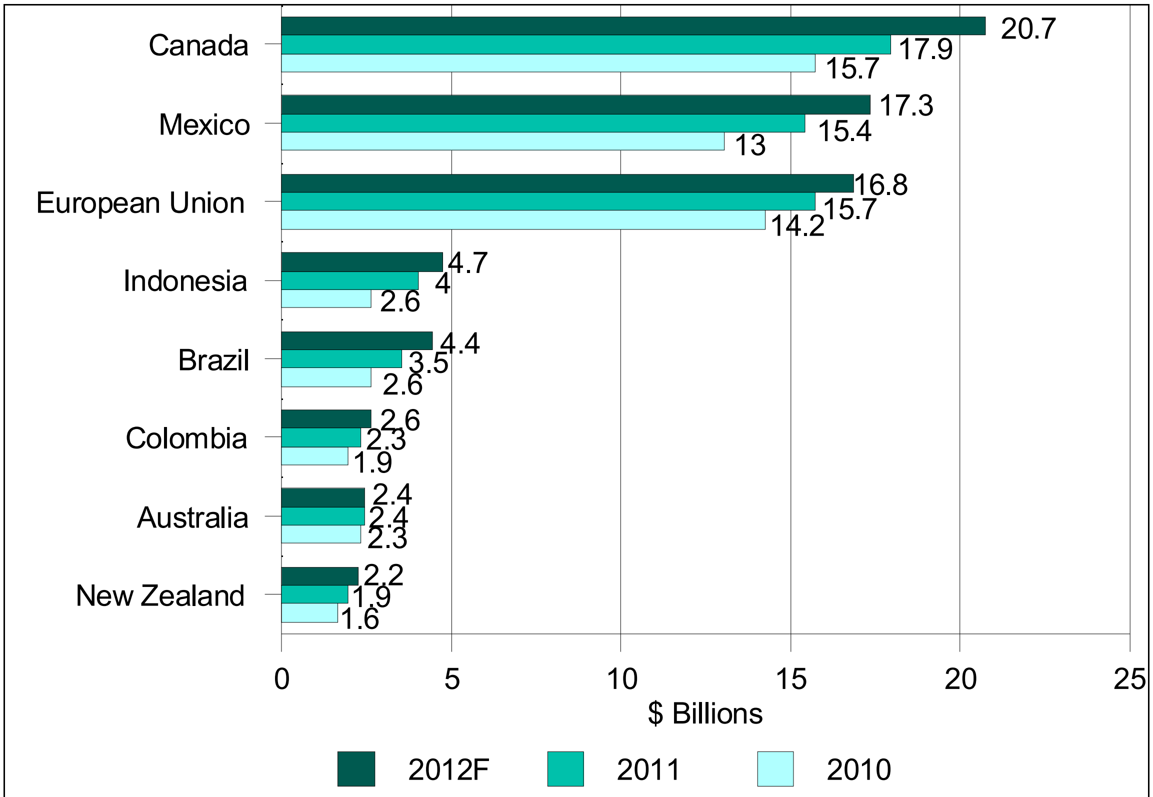
Source: U.S. Department of Agriculture, Economic Research Service, Outlook for U.S. Agricultural Trade, AES-73, February 23, 2012, available at http://usda01.library.cornell.edu/usda/current/AES/AES-02-23-2012.pdf.

Note: F = Forecast.

U.S. Agricultural Imports by Country of Origin

- NAFTA partners Canada ($20.7 billion) and Mexico ($17.3 billion) and the EU-27 ($16.8 billion) are forecast to be the source of more than 50% of total U.S. agricultural imports ($106.5 billion) in FY2012.
- Indonesia is expected to ship $4.7 billion of farm products to the United States in FY2012; agricultural imports from Brazil are expected to reach $4.4 billion in FY2012.
- Australia, with whom the United States entered into a free trade agreement (FTA) in 2005, is forecast to provide the United States with $2.4 billion worth of agricultural imports in FY2012. Colombia, a prospective FTA partner, is forecast to ship $2.6 billion of farm products to the United States in FY2012.

Figure 20. U.S. Agricultural Imports by Country of Origin, FY2010-FY2012F



Source: U.S. Department of Agriculture. Economic Research Service. F = Forecast

Table 20. U.S. Agricultural Imports by Country of Origin, FY2010-FY2012F

($ billion)

Country	FY2010	FY2011	FY2012F
Canada	15.7	17.9	20.7
Mexico	13.0	15.4	17.3
European Union	14.2	15.7	16.8
Indonesia	2.6	4.0	4.7
Brazil	2.6	3.5	4.4
Colombia	1.9	2.3	2.6
Australia	2.3	2.4	2.4
New Zealand	1.6	1.9	2.2

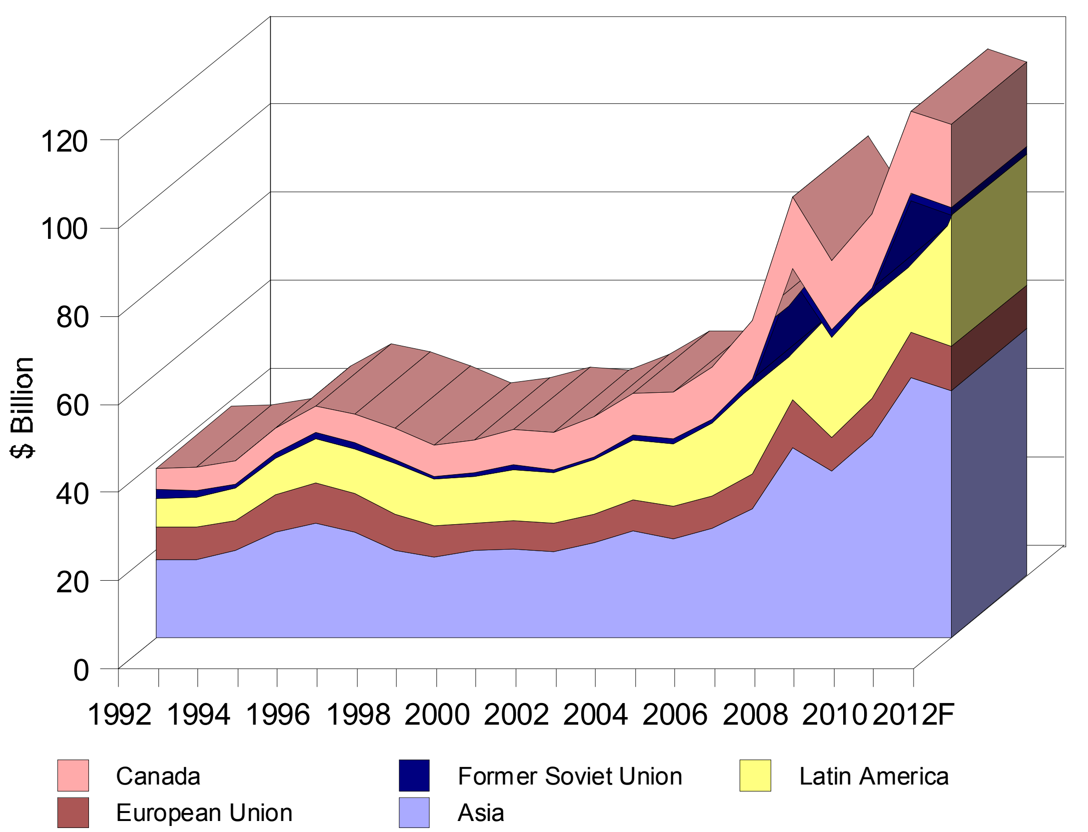
Source: U.S. Department of Agriculture, Economic Research Service, Outlook for U.S. Agricultural Trade, AES-73, February 23, 2012, available at http://usda01.library.cornell.edu/usda/current/AES/AES-02-23-2012.pdf.

Notes: F = Forecast.

Regional Market Growth in U.S. Agricultural Exports

- Economic growth in Asia has contributed to relatively consistent long-term growth in U.S. agricultural exports to the region.
- Despite some year-to-year variation, the EU, the United States' fifth-largest agricultural export market, has been a relatively stable market for U.S. agricultural exports, with little growth since 1992.
- Agricultural exports to countries in the former Soviet Union have declined in value since the 1992 break-up of the USSR.
- Agricultural exports to Latin America, including Mexico, and to Canada have grown rapidly since the early 1990s, due in part to geographic proximity and NAFTA, among other factors.

Figure 21. Growth in U.S. Agricultural Exports, FY1992-FY2012F



Source: U.S. Department of Agriculture. Economic Research Service. F = Forecast

Table 21. Growth in U.S. Agricultural Exports to Selected Markets, FY1992-FY2012F

($ billion)

Year	Asia	European Union	Latin America[a]	Former Soviet Union	Canada
1992	17.8	7.2	6.5	2.2	4.8
1993	17.8	7.2	6.9	1.6	5.2
1994	19.9	6.6	7.4	1.0	5.3
1995	24.0	8.4	8.2	1.2	5.8
1996	26.0	9.2	9.9	1.6	6.0
1997	23.9	9.0	10.0	1.3	6.6
1998	19.7	8.5	11.3	1.0	7.0
1999	18.5	7.0	10.4	0.8	7.0
2000	19.7	6.4	10.6	0.7	7.5
2001	20.1	6.5	11.6	1.1	8.0
2002	19.5	6.5	11.5	0.7	8.6
2003	21.7	6.3	12.4	0.7	9.1
2004	24.3	7.0	13.6	1.1	9.6
2005	22.5	7.2	14.4	1.2	10.4
2006	24.9	7.2	16.5	1.1	11.6
2007	29.3	8.0	20.0	1.4	13.3
2008	43.2	10.7	27.5	2.3	16.2
2009	37.8	7.6	22.8	1.8	15.5
2010	45.8	8.5	23.8	1.4	16.6
2011	59.0	10.2	30.0	1.6	18.6
2012F	56.0	10.0	29.8	1.7	19.0
Rate of Growth[b]	5.61%	1.58%	7.52%	-1.22%	6.77%

Source: U. S. Department of Agriculture, Economic Research Service, Outlook for U.S. Agricultural Trade, AES-73, February 23, 2012, available at http://usda01.library.cornell.edu/usda/current/AES/AES-02-23-2012.pdf.

Notes: F = Forecast.

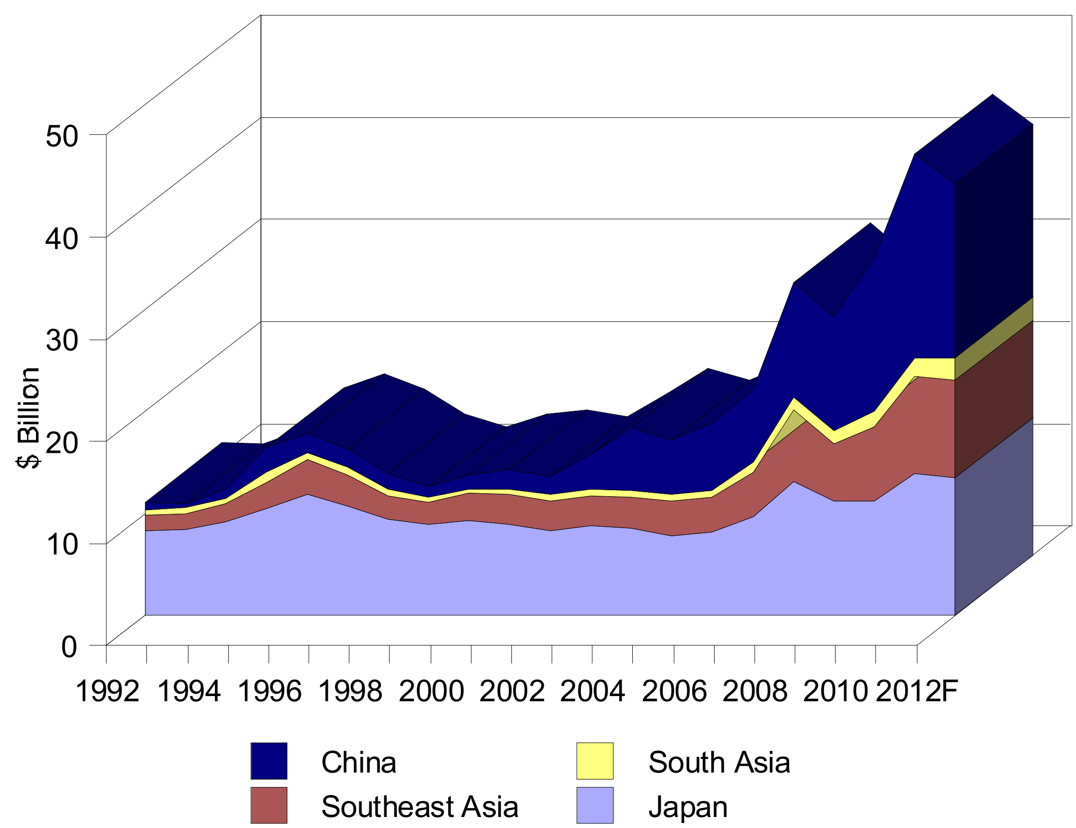
a. Including Mexico.

b. The rate of growth is the change in U.S. exports from 1992 to 2012F. Calculations were made by CRS using a compound rate of growth calculator.

Growth in U.S. Agricultural Exports to Asian Markets

- Like the EU, Japan also has been a relatively stable and slow-growing market for U.S. agricultural exports.
- U.S. agricultural exports to China, fueled by rates of GDP growth in excess of 9%, have grown rapidly since the early 1990s (16.4%). FY2012 U.S. agricultural exports to China are forecast to be more than 10 times their value in FY2001, when China became a member of the World Trade Organization.
- Rapid income growth in Southeast Asia also has stimulated demand for U.S. agricultural exports since 1992.
- Agricultural exports to South Asia also have shown growth since 1992.

Figure 22. Growth in Agricultural Exports to Asian Markets, FY1992-FY2012F



Source: U.S. Department of Agriculture. Economic Research Service. F = Forecast

Table 22. Change in U.S. Agricultural Exports to Asian Markets, FY1992-FY2012F

($ billion)

Year	Japan	Southeast Asia	South Asia	China
1992	8.4	1.5	0.5	0.7
1993	8.5	1.6	0.6	0.3
1994	9.2	1.8	0.6	0.9
1995	10.5	2.6	1.0	2.4
1996	11.9	3.4	0.7	1.8
1997	10.7	3.1	0.7	1.8
1998	9.5	2.3	0.6	1.5
1999	8.9	2.2	0.5	1.0
2000	9.4	2.6	0.4	1.5
2001	8.9	2.9	0.6	1.9
2002	8.3	2.9	0.8	1.8
2003	8.8	2.9	0.6	3.5
2004	8.5	3.1	0.7	6.1
2005	7.8	3.4	0.7	5.3
2006	8.2	3.4	0.7	6.6
2007	9.7	4.4	1.0	7.1
2008	13.1	7.1	1.2	11.2
2009	11.2	5.7	1.2	11.2
2010	11.2	7.3	1.5	15.1
2011	13.9	9.6	1.8	19.9
2012F	13.5	9.6	2.2	17.0
Rate of Growth[a]	2.29%	9.24%	7.31%	16.40%

Source: U.S. Department of Agriculture. Economic Research Service, Outlook for U.S. Agricultural Trade, AES-73, February 23, 2012, available at http://usda01.library.cornell.edu/usda/current/AES/AES-02-23-2012.pdf.

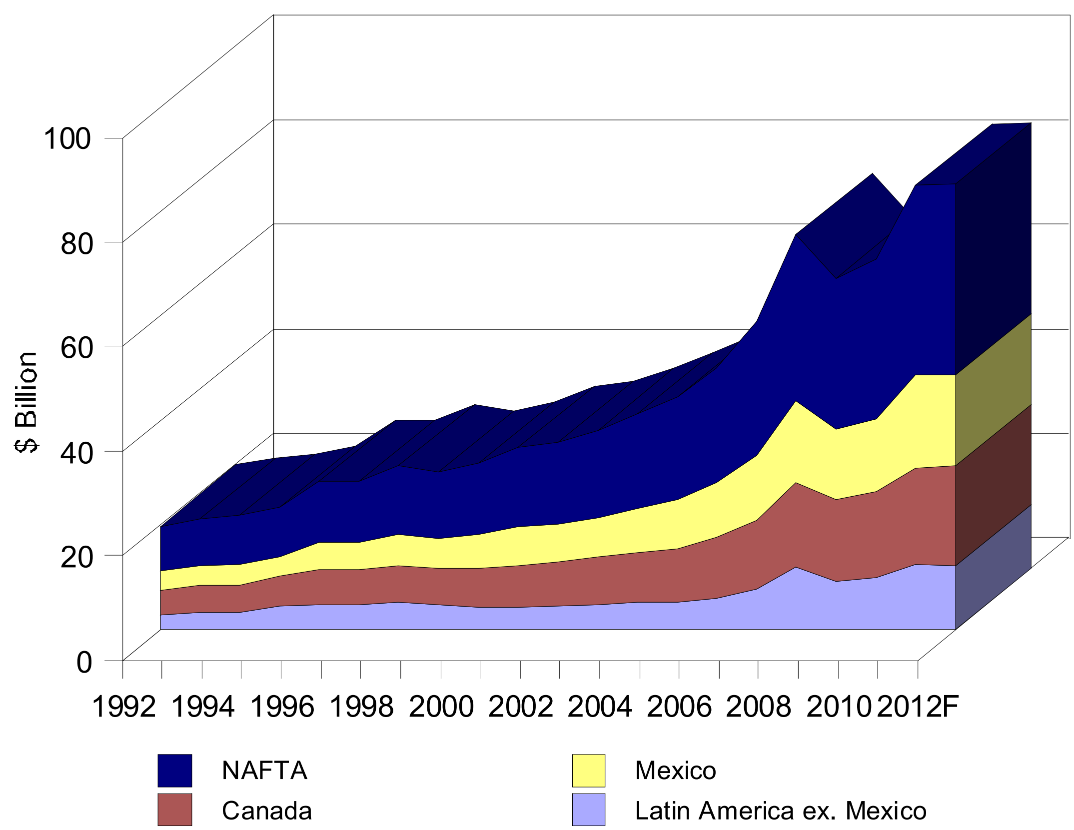
Notes: F = Forecast.

a. The rate of growth is the change in U.S. exports from 1992 to 2012F. Calculations were made by CRS using a compound rate of growth calculator.

Growth in Agricultural Exports to North and South America

- Growth in U.S. agricultural trade with Canada and Mexico, both NAFTA trading partners, and with Latin America has been particularly strong since 1992.
- U.S. agricultural exports to Canada are forecast to be $19 billion in FY2012.
- U.S. agricultural exports to Mexico are expected to be $17.5 billion in FY2012.
- U.S. agricultural exports to Latin America (excluding Mexico) are expected to reach $12.3 billion in FY2012, down from $12.4 billion in FY2011.

Figure 23. Change in Agricultural Exports to North and South America, FY1992-FY2012F



Source: U.S. Department of Agriculture. Economic Research Service. F = Forecast

Table 23. Change in Agricultural Exports to North and South America, FY1992-FY2011F

($ billion)

Year	Latin America ex. Mexico	Canada	Mexico	NAFTA
1992	2.8	4.8	3.7	8.5
1993	3.3	5.2	3.7	8.9
1994	3.2	5.3	4.1	9.4
1995	4.5	5.8	3.7	9.5
1996	4.9	6.6	5.1	11.7
1997	4.9	6.6	5.1	11.7
1998	5.3	7.0	6.0	13.0
1999	4.7	7.0	5.7	12.7
2000	4.3	7.5	6.3	13.8
2001	4.3	8.0	7.3	15.3
2002	4.5	8.6	7.1	15.7
2003	4.8	9.1	7.6	16.7
2004	5.2	9.6	8.4	18.0
2005	5.2	10.4	9.3	19.7
2006	6.1	11.6	10.4	22.0
2007	7.7	13.3	12.3	25.6
2008	12.0	16.2	15.6	31.8
2009	9.3	15.5	13.5	29.0
2010	9.9	16.6	13.9	30.5
2011	12.4	18.6	17.7	36.3
2012F	12.3	19.0	17.5	36.5
Rate of Growth[a]	7.30%	6.77%	7.68%	7.19%

Source: U.S. Department of Agriculture, Economic Research Service, Outlook for U.S. Agricultural Trade, AES-73, February 23, 2012, available at http://usda01.library.cornell.edu/usda/current/AES/AES-02-23-2012.pdf.

Notes: F = Forecast.

a. The rate of growth is the change in U.S. exports from 1992 to 2012F. Calculations were made by CRS using a compound rate of growth calculator.

U.S. Agricultural and Trade Policies

Domestic Support

The Food, Conservation, and Energy Act of 2008 (P.L. 110-246, 2008 farm bill) was enacted into law in June 2008 and will govern most federal farm and food policies through 2012. The 2008 farm bill provides price and income support to U.S. agricultural producers through 2012. In addition, the farm bill authorizes programs for conservation, rural development, nutrition (domestic food assistance), trade, and food aid. Budgetary outlays for all U.S. agricultural programs were $139.3 billion in FY2011.[1]

By one widely used measure, the producer support estimate (PSE) calculated by the Organization for Economic Cooperation and Development (OECD), the United States provided an estimated $25.6 billion in agricultural support to producers in 2010 (provisional estimate).[2] PSEs measure assistance to producers in terms of the value of monetary transfers generated by agricultural policy. Transfers are paid by consumers or by taxpayers in the form of market price support, direct payments, or other support. They are a broader measure of support than direct government spending alone. The percentage PSE measures support in relation to gross farm receipts. As a percent of gross farm receipts, the PSE for the United States is 7% in 2010, the third-lowest among OECD countries (**Figure 24**, **Table 24**). OECD attributes a decrease of 3% (over 2009) in the PSE expected for the United States for 2010 to a decrease in market price support for dairy. Over a longer period, the trend in producer support in the United States has been downward, dropping from a PSE of 22% in 1986-1988 to 7% in 2010. Among U.S. commodities, sugar is the most highly subsidized product in the United States, with a provisional single commodity transfer estimated at 28.3% of the gross value of sugar production in 2010 (**Figure 25**, **Table 25**).

[1] U.S. Department of Agriculture, at http://www.obpa.usda.gov/budsum/FY13budsum.pdf.

[2] OECD countries include Australia, Canada, the European Union, Iceland, Japan, Korea, New Zealand, Norway, Switzerland, Turkey, and the United States.

Figure 24. Producer Support Estimates (PSEs) in Selected OECD Countries

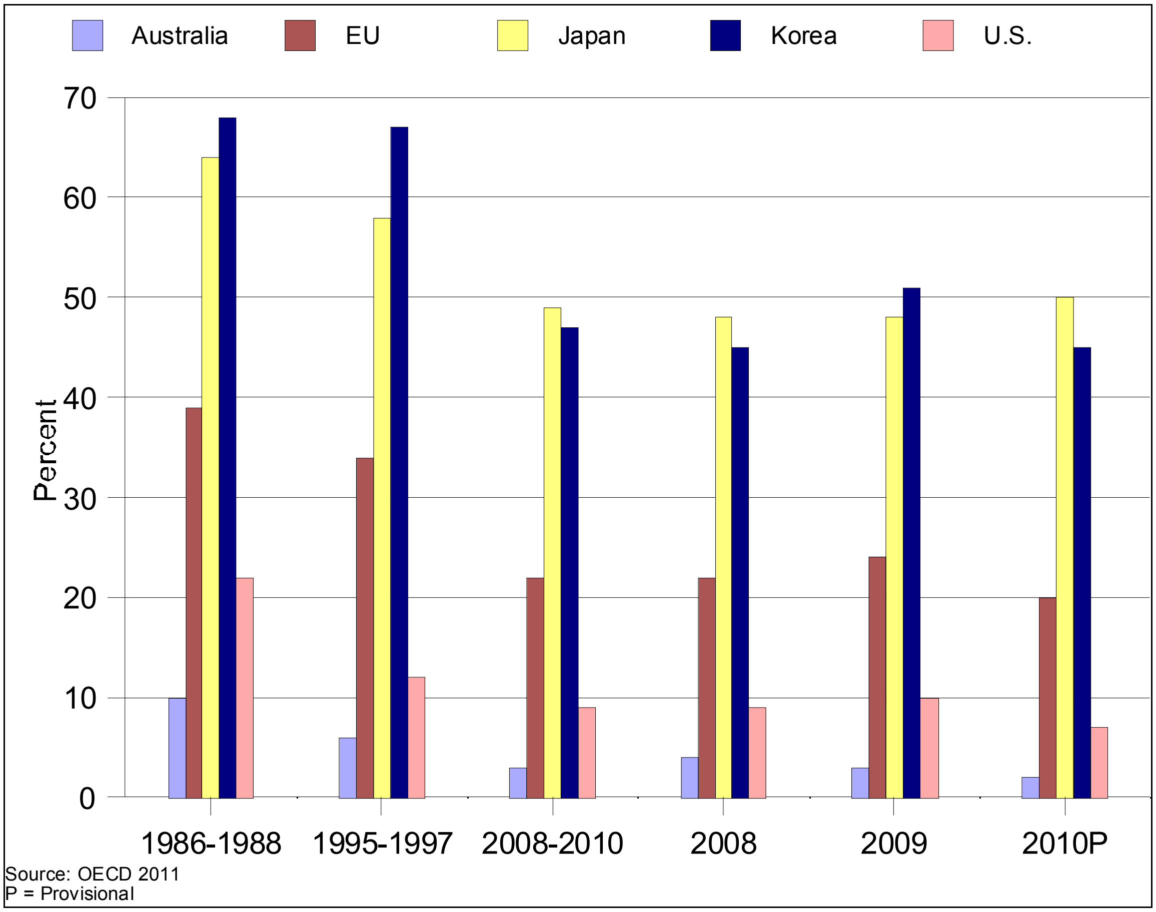


Table 24. Producer Support Estimates (PSEs) in Selected OECD Countries

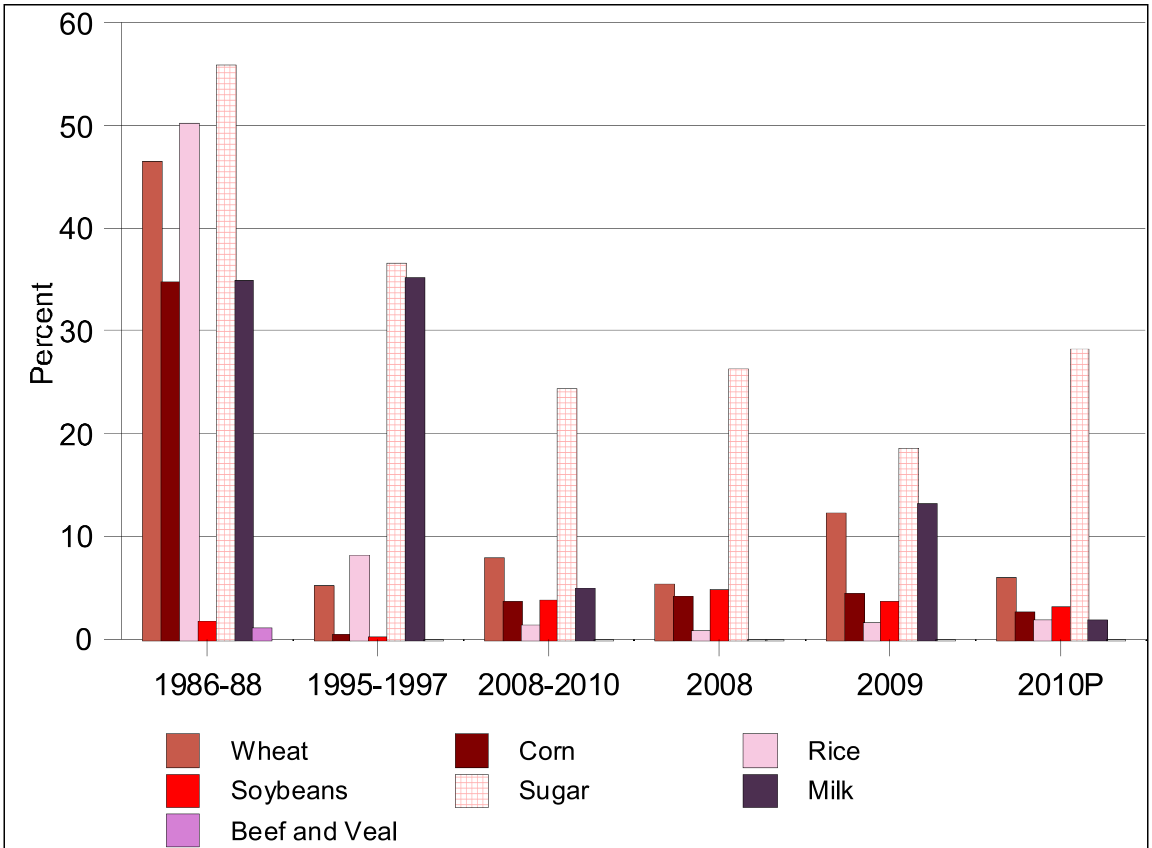
(percent)

Country	1986-1988	1995-1997	2008-2010	2008	2009	2010P
Australia	10%	6%	3%	4%	3%	2%
EU	39%	34%	22%	22%	24%	20%
Japan	64%	58%	49%	48%	48%	50%
Korea	70%	67%	47%	45%	51%	45%
U.S.	22%	12%	9%	9%	10%	7%

Source: Organization for Economic Co-operation and Development (OECD), Agricultural Policy Monitoring and Evaluation 2011.

Note: P = Provisional.

Figure 25. Producer Single Commodity Transfers (PSCs): Selected Commodities in the United States



Source: OECD 2011
P = Provisional

Table 25. Producer Single Commodity Transfers (PSC) in the United States, by Commodity

(percent)

Products	1986-1988 (Average)	1995-1997	2008-2010	2008	2009	2010P
Wheat	46.5	5.2	7.9	5.3	12.3	6.0
Corn	34.8	0.5	3.7	4.2	4.5	2.6
Rice	50.2	8.2	1.4	0.8	1.6	1.9
Soybeans	1.7	0.2	3.8	4.8	3.6	3.2
Sugar	55.9	36.6	24.4	26.3	18.6	28.3
Milk	34.9	35.2	5.0	0.0	13.2	1.8
Beef and Veal	1.1	0.0	0.0	0.0	0.0	0.0

Source: Organization for Economic Cooperation and Development (OECD),), Agricultural Policy Monitoring and Evaluation 2011.

Note: P = Provisional.

Trade Measures

With agricultural exports totaling $137 billion in FY2011, the United States is the world's largest exporter of agricultural products. The United States applies tariffs and tariff quotas[3] to products entering the United States from abroad. According to the World Trade Organization (WTO), the United States' average applied tariff for agricultural products is 8.9%, which is above the average applied U.S. tariff for non-agricultural products (4%), but relatively low compared to other WTO member countries.[4] About 170 tariff lines (a tariff line is a product as described in a schedule or list of tariffs) are subject to tariff quotas, including beef, dairy products, and sugar. The average in-quota tariff was 9.1% in 2007, while the out-of-quota was 42%.[5]

Under the WTO Agreement on Agriculture, the United States made export subsidy reduction commitments for 13 commodities.[6] The 2008 farm bill repealed authority for the Export Enhancement Program (EEP), which was used to fund subsidies for those products, with the exception of dairy products. Export subsidies, in the form of cash bonuses, can be provided to exporters of dairy products under the Dairy Export Incentive Program (DEIP), which was reauthorized in the 2008 farm bill through 2012. Prior to its repeal, no expenditures were made for EEP from FY2002. Spurred by declining prices for dairy products in 2008-2009, USDA announced in May 2009 DEIP allocations for nonfat dry milk, butter fat, and cheeses. DEIP bonuses of $19 million were awarded in FY2009. In FY2010, DEIP bonuses of $2 million were awarded. No bonuses were awarded in FY2011.

A federally chartered public corporation operated by USDA, the Commodity Credit Corporation (CCC), makes credit guarantees available to private financial institutions who finance the purchase of U.S. agricultural exports. Under the GSM-102, the CCC guarantees repayment of credit made available to finance U.S. agricultural exports on credit terms of up to three years. Exporters tallied $4.1 billion of agricultural exports under the GSM-102 program in FY2011. USDA announced $5.4 billion in CCC guarantees for agricultural exports under the GSM-102 program for FY2012. The CCC also operates the Facilities Guarantee Program (FGP), which guarantees credit to U.S. banks that finance export sales of U.S. goods and services that are used to improve agricultural export-related facilities in emerging markets (storage, processing, and handling facilities).

Two export market development programs, the Market Access Program (MAP) and the Foreign Market Development Program (FMDP), assist producer groups, associations, and firms with promotional and other activities.

Food Aid

The United States is the world's leading supplier of food aid. It provides more than half of the global total.

[3] A tariff quota is defined by WTO as a trade measure applied at the border where quantities inside a quota are charged lower import duty rates than those outside (which can be high).

[4] WTO, *Trade Policy Review: United States 2010*, p. 90, available at http://www.wto.org/english/tratop_e/tpr_e/tp_rep_e.htm#bycountry.

[5] Ibid, p. 81.

[6] Wheat and wheat flour, coarse grains, rice, vegetable oils, butter and butter oil, skim milk powder, cheese, other milk products, bovine meat, pigmeat, poultry meat, live dairy cattle, and eggs.

The United States provides food aid mainly through P.L. 480, also known as the Food for Peace Program. Wheat and wheat flour are the main commodities provided as food aid, but rice and vegetable oils are also important in P.L. 480 programs. Higher-value products are made available in special feeding programs. Responsibility for implementing food aid programs is shared by USDA and the U.S. Agency for International Development (AID).

P.L. 480 food aid is provided on a grant basis through Title II of the Food for Peace Act of 2008, the successor legislation of the Agricultural Trade and Development Assistance Act of 1954 (P.L. 480). Two other food aid programs are conducted under Section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985. The former provides surplus CCC inventories, if available, as donations; the latter provides concessional credit terms or commodity donations to support emerging democracies or countries making free market economic reforms. A recently enacted food aid program, the McGovern-Dole School Food for Education Program, finances school feeding and child nutrition projects in poor countries.

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