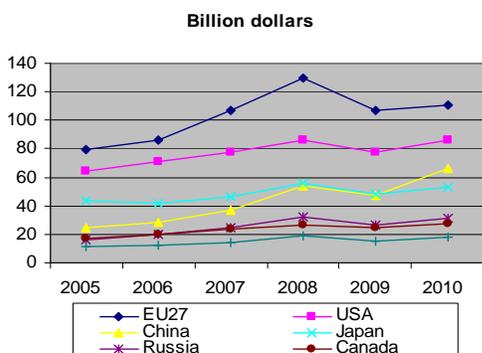


U.S. agricultural imports reached a record \$86 billion in 2010 making the United States the world's leading single-country importer of food products.

George S. Serletis (george.serletis@usitc.gov, 202-205-3315); Office of Industries

The United States is the leading importer of agricultural goods. Its large population of relatively high income consumers that demand a wide variety of fresh and processed foods make the United States among the world's most attractive markets to global suppliers. NAFTA partners, Canada and Mexico combined, were the leading suppliers during 2005–10. Imports included a variety of processed foods such as beverages and unprocessed bulk commodities such as coffee and cocoa.

The United States was the leading single-country destination for agricultural goods imports during 2005–10; imports increased 35% by value during the period.

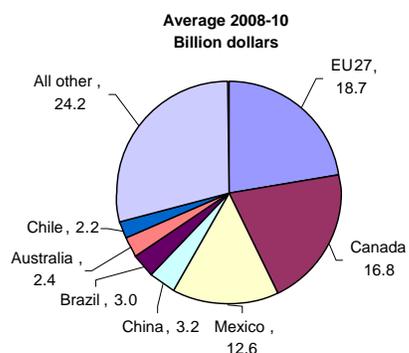


Source: GTIS, Global Trade Atlas Database.

- U.S. agricultural imports were \$86 billion in 2010, which led all other countries and accounted for an estimated 13% of global agricultural imports.
- During 2005–10, imported food products accounted for an increasing share of total U.S. food consumption. According to the latest available estimates, approximately 17% of the volume (in 2009) and 9% by value (in 2007) of U.S. food consumption was supplied by foreign producers.
- Global agricultural trade was relatively concentrated with the leading 6 importing markets accounting for over half (\$331 billion) of global imports (\$600 billion) in 2009.
- In addition to the United States, notable importers in 2010 were the EU-27 (\$111 billion), China (\$66 billion), Japan (\$53 billion), and Russia (\$32 billion). All experienced relatively strong import growth during the period except for 2008–09 when there was a decline in import value primarily caused by a drop in world agricultural prices.

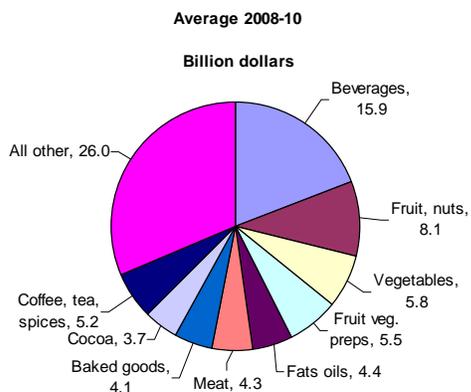
- U.S. imports from the EU-27 were relatively stable during 2005–10. Alcoholic beverages, i.e., wine, beer, and spirits, accounted for over half (\$9.7 billion) of these products in 2010.
- NAFTA partners Mexico and Canada supplied \$29 billion or 35% of total U.S. agricultural imports. Shipments from Canada increased by 30% as leading products—bakery goods, live cattle, and vegetable oils, posted strong gains during 2005–10.
- Shipments from Mexico were up 90% during the period due to import growth in beer, fresh tomatoes, fruit, and sugar.
- By region, Latin America supplied 30% of imports, including coffee, bananas, beer, grapes, and tomatoes. Asia was the source of 13% of food imports. Leading products were palm oil, coffee, and cashews.

The EU-27, Canada, and Mexico accounted for 58% of U.S. agricultural imports on average during 2008-10.



Source: GTIS, Global Trade Atlas Database.

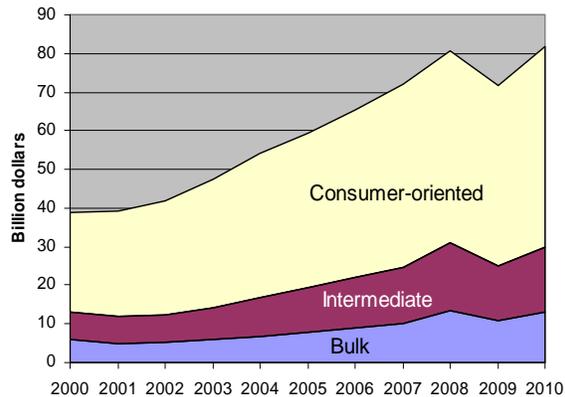
U.S. agricultural imports were highly diversified among a wide variety of processed and unprocessed products.



Source: GTIS, Global Trade Atlas Database.

- Beverages were the leading import sector with distilled spirits (\$5.2 billion), wine (\$4.2 billion), and beer (\$3.5 billion) the leading sector imports in 2010.
- Fruit, the second-leading import sector, expanded by 52% during 2005–10, as grape and banana prices increased. The vegetable sector similarly expanded by 50%, led by double-digit volume growth in most categories, including tomatoes, peppers, and asparagus.
- Imports of tropical products such as coffee (\$4.1 billion in 2010) and cocoa (\$1.3 billion) also expanded in value during 2005–10. Increases in both commodities resulted from price increases while quantities were relatively stable.
- Meat, primarily beef for hamburger, fell by 10% during 2005–10 owing to increased domestic supply. Baked goods imports increased by 45% with increased cross-border shipments from Canada and Mexico.

Analysis of longer-term trends shows that U.S. imports of consumer-oriented agricultural products expanded rapidly from 2000, doubling to \$52 billion.

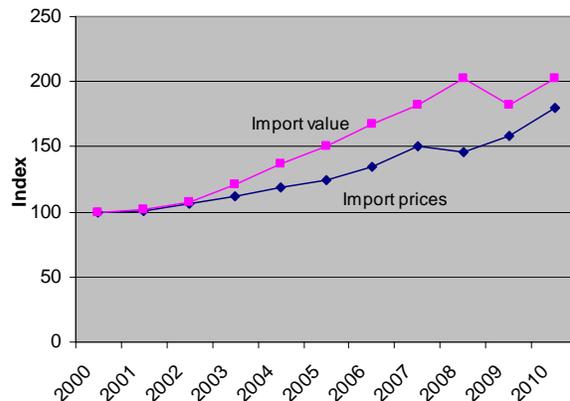


Source: USDA, FAS, GATS database.

- Imports of consumer-oriented (CO) products, such as baked goods, meats, fruits and vegetables, and beverages, accounted for 63% of total imports in 2010.
- By volume, CO goods imports increased by nearly 38% during 2000–10, as an increasing share of U.S. CO product consumption was met by imports.
- From 2000 until the recession in 2008–09 CO products were the fastest growing import segment owing to strong consumer spending and other factors (listed below).
- Intermediate goods (e.g., vegetable oils, and sugar) were 20% of imports in 2010. Bulk products (e.g., cocoa and unroasted coffee) accounted for 16%. Both posted strong value gains during the decade; however, growth in bulk products was attributable mostly to rising commodity prices.
- Notably, imports of CO products declined by the greatest rate during the 2008–09 recession, as U.S. consumers decreased spending on certain imported food products.

- The value of U.S. agricultural imports doubled during 2000–10, while prices increased by 72%. Thus, although a substantial share of import growth was caused by price increases, a significant share (roughly one-quarter) can be attributed to increased volumes.
- Strong import volume growth came from increased demand among leading sector imports, including alcoholic beverages (wine and beer) and vegetables.
- Of note, U.S. import prices increased at a slower pace than U.S. export prices. This has led to an increasing U.S. trade surplus. In contrast to imports, the largest segment of U.S. agricultural exports is bulk commodities (see U.S. agricultural exports EBOT).
- Agricultural commodity prices surged in early 2011, which will further boost both U.S. imports and exports.

U.S. agricultural imports rose at a faster pace than prices indicating rising growth in volumes during 2000–10.



Sources: Bureau of Labor Statistics; GTIS, Global Trade Atlas Database.

U.S. demographic factors and the evolving structure of the international food industry are among many factors driving U.S. agricultural imports.

- Demand factors include the relative affluence of the U.S. market's 300 million consumers who demand a wide range of quality fresh and processed foods at competitive prices; increased demand for convenience foods including imported foods; increasing ethnic diversity leading to demand for a wider variety of foods.
- Supply factors include concentration and globalization of the international food industry with sourcing and processing of agricultural products across the globe; integration of global supply chains and improved technology including cold storage that allow for increased availability of quality fresh produce at competitive prices year-round (including during U.S. off-seasons); the rise of mega retailers that source low-cost food products globally.

The United States is one of the world's most open markets for agricultural imports.

- U.S. agricultural tariffs are among the world's lowest. The average U.S. WTO bound agricultural tariff is 9%, compared to the world average of 60%. Effective U.S. tariffs are similarly low. In 2010, the average calculated duty on U.S. agricultural imports was less than 1%.
- A limited number of U.S. agricultural imports are subject to tariff rate quotas (TRQs) (whereby higher duties are assessed above a certain import quantity). These products include sugar, ethyl alcohol, canned tuna, beef, dairy products, and tobacco.
- U.S. sanitary (food safety and animal health standards) and phytosanitary (plant health) (SPS) measures restrict imports of certain products from certain countries. However, U.S. SPS measures are generally based on internationally recognized standards.

Sources: Bureau of Labor Statistics, databases: Global Trade Atlas; USDA, ERS; GTAP Version 7, Purdue University; USDA, ERS, "U.S. Food Imports," undated; USDA, ERS, "Outlook for U.S. Agricultural Trade" November 30, 2010; USDA, ERS, "Global Supply and Demand: Factors Contributing to the Recent Increase in Food Commodity Prices," May 2008; USDA, ERS, unpublished data; USDA, FAS, GATS database; USITC Dataweb.

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