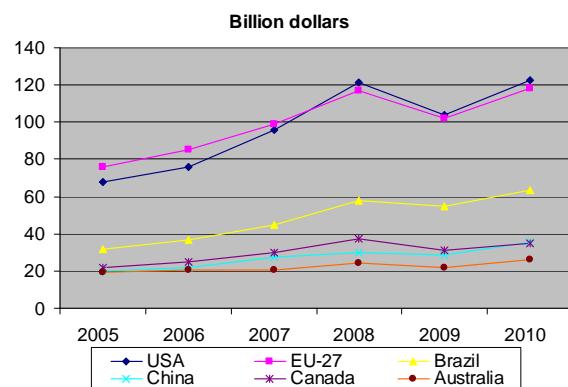


U.S. agricultural exports: Global leader during 2005–10 with continued record exports projected in 2011

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

The United States is the leading global exporter of agricultural goods. NAFTA markets and Asian countries were the leading export destinations during 2005–10. Exports included a variety of bulk commodities and processed agricultural goods. U.S. agricultural export competitiveness is based on numerous factors including favorable resource endowments and technology intensity.

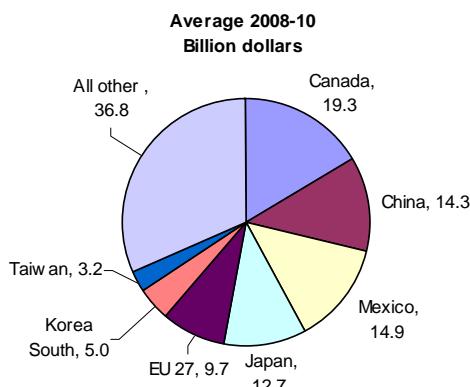
U.S. farmers, ranchers, and processors were the world's leading exporters of agricultural goods during 2005-10.



Source: GTIS, Global Trade Atlas Database.

- The value of U.S. agricultural exports increased by 81% during 2005–10, far outpacing import growth of 35%, which contributed to a large and expanding agricultural trade surplus during the period.
- Although U.S. agricultural production accounted for about 1% of total U.S. GDP in 2010, much less than manufacturing (22%) and services (77%), agriculture represented 10% of total value of U.S. merchandise exports.
- The U.S. agricultural sector is highly reliant on foreign markets, which absorbed about one-third of total U.S. agricultural production in 2010.
- An estimated 1 million farm and nonfarm jobs are dependent on U.S. agricultural exports.

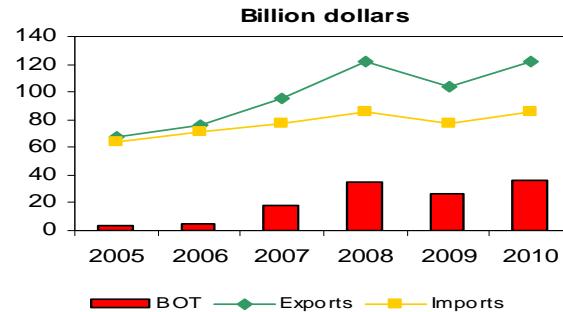
Over 50% of U.S. agricultural exports (\$61 billion) were shipped to four markets, Canada, Mexico, China, and Japan.



Source: GTIS, Global Trade Atlas Database.

- The United States was the world's leading single-country exporter of agricultural products in 2010 (\$122 billion), accounting for an estimated 17% of total global exports, far ahead of other prominent global agricultural suppliers Brazil (\$64 billion), China (\$36 billion), and Canada (\$35 billion).
- The value of U.S. and world agricultural exports trended higher during 2005–10 fueled mainly by surges in commodity prices during 2006–08 and 2009–10, and to a lesser degree, increased trade volumes during the period.
- The United States was the leading global exporter of oilseeds, grains, many meat and horticultural products, and a variety of processed foods.
- Higher projected unit values for leading U.S. exports, including oilseeds and grains, are projected to help the United States maintain its position as the leading global agricultural supplier through 2011.

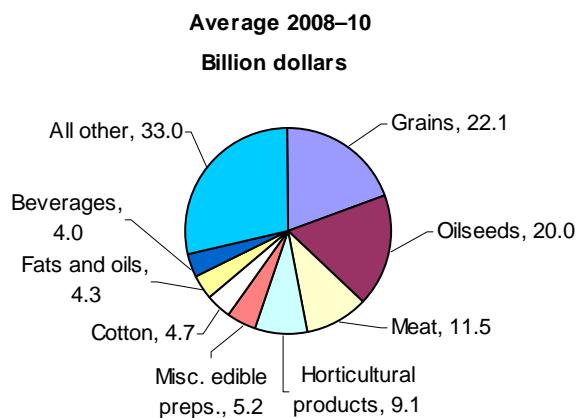
The U.S. agricultural sector consistently produced a trade surplus during 2005-10, which grew by 800 percent to \$36 billion in 2010.



Source: GTIS, Global Trade Atlas Database.

- Canada and Mexico imported roughly one-third of total U.S. exports (\$34 billion). Geographical proximity, duty-free treatment, and similar consumer preferences (particularly in Canada) accounted for this large share. Leading exports were corn, soybeans, beef, and processed foods.
- China was the third leading U.S. market on average during 2008–10. However, strong growth in U.S. soybean exports at the end of the period made China the second-leading U.S. agricultural market after Canada in 2010.
- By geographic region, Asia purchased approximately 40% of total U.S. agricultural exports. U.S. shipments to the region were concentrated in soybeans, corn, wheat, pork, poultry, and beef.
- U.S. exports to Latin America were 22% of the total and included corn, soybeans, wheat, beef, and poultry. The EU-27 accounted for 10% of the total; leading exports included soybeans, tree nuts, tobacco, whiskey, and wine.

Oilseeds and grains led all U.S. agricultural exports averaging over \$40 billion annually during 2008–10.



Source: GTIS, Global Trade Atlas Database.

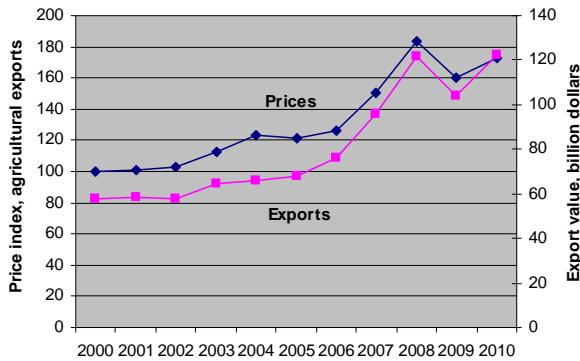
- The dramatic rise in the value of U.S. agricultural exports from 2006 to 2008 resulted from price surges for key U.S. agricultural commodities and a weaker U.S. dollar.
- The value of U.S. exports of grains more than doubled from 2006 to 2008 owing to a surge in export unit values of corn and wheat (200% increase), and rice (172%).
- Agricultural commodity price inflation was driven by a variety of supply factors such as slower global production growth, rising fuel and other input prices, and adverse weather. Demand factors included rising populations, increased per capita consumption of meat, increased biofuels production, and dollar devaluation.
- After declining in 2009 during the recession, soybean and corn prices increased in 2010 which led to a rebound in U.S. export growth. Continued price increases for these and other commodities are expected to lead to record U.S. agricultural exports in 2011.

U.S. agricultural export competitiveness is driven by resource endowments, technology intensity, production scale, and efficient supply chains.

- An abundance of high quality arable land; generally large scale production allowing scale economies; technology- and capital-intensive farming, and the use of leading-edge biotechnology make the U.S. farm and processed food sectors highly competitive in international markets.
- The U.S. agricultural sector also benefits from a market-based system with a highly developed and efficient marketing and distribution system from the farm to domestic consumers and international markets.

- U.S. agricultural exports are diversified, led by relatively unprocessed oilseeds and grains such as soybeans, corn, and wheat, as well as relatively higher value goods such as meat (poultry, pork, and beef), horticultural products (tree nuts, apples, and grapes), and processed foods.
- By sector, oilseeds (primarily soybeans) and meat exports grew the most during 2005–10. Rising demand in China fueled the rise in oilseed exports. Strong demand growth for pork, poultry, and beef in Mexico, Canada, and Japan led to strong growth in U.S. meat exports.
- The value of U.S. grain exports, particularly corn and wheat, surged then declined following dramatic price changes during 2005–10, while volumes were relatively steady during the period.
- Beverages (primarily distilled spirits and wine) and miscellaneous edible preparations (processed and semiprocessed foods and ingredients) experienced uneven export growth as demand fell during the global recession in 2008–09 before recovering in 2010.

The spike in the value of U.S. agricultural exports during 2006–08 and 2009–10 track closely to the rise in global commodity prices during the period.



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

Sources: Bureau of Labor Statistics, databases; CIA World Factbook; Global Trade Atlas; USDA, ERS; GTAP Version 7, Purdue University; USDA, FAS, "National Export Initiative, Importance of U.S. Agricultural Exports," 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; USITC Dataweb.

Disclaimer: The views expressed are those of the author and not those of the USITC or any of its Commissioners.