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U.S. and Tennessee Farmers' Stake In World Agricultural Exports

by M. B. Badenhop*

JUN 27 1969

The U.S. farmer has an important stake in the foreign market. U.S. agricultural exports totaled \$6.3 billion in 1967-68 (year ending June 30), making the U.S. the leading world exporter of agricultural products.¹ Exports of farm products, at one-fifth of total U.S. exports, were equivalent to 15% of the \$42,788 million in cash receipts that U.S. farmers received from farm marketings in 1967.

One of Four Acres' Products Exported

The output from 1 of every 4 harvested acres, or about 71 million acres of U.S. cropland, moved abroad the last fiscal year. This market provided an outlet for nearly three-fourths of the U.S. production of dry edible peas; almost two-thirds of the rice and wheat (including product equivalent); about half of the cotton and hides and skins; about two-fifths of the soybeans (including oil equivalent) and tallow; one-fourth of the flaxseed and grain sorghums; and one-fifth of the non-fat dry milk, lemons and limes, and dry edible beans (Figure 1).

In 1967-68, U.S. farmers supplied nearly one-fifth of the world's

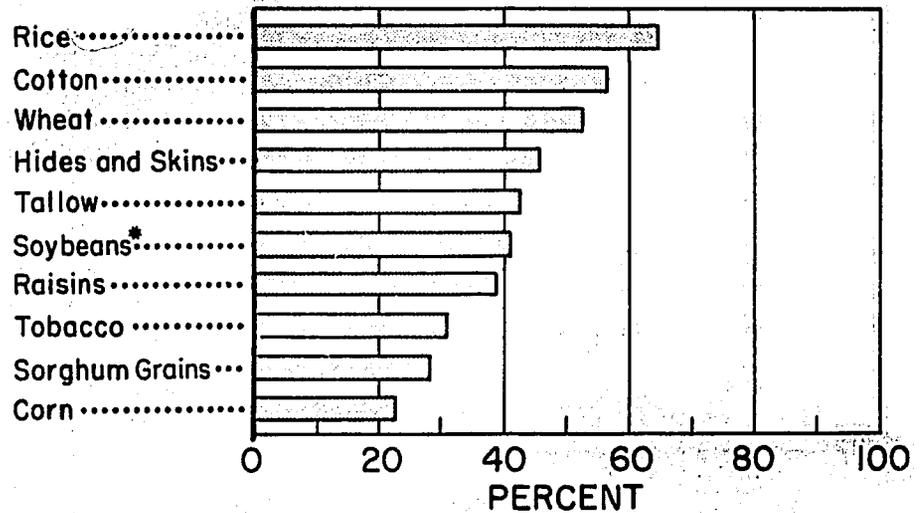


Figure 1. The ten leading U. S. agricultural exports, as a percentage of farm sales, 1968**

*Including meal.

**Exports compared with farm sales except with production for rice, hides and skins, tallow, cotton, and tobacco, for the year ending June 30, 1968.

Source: U.S. Department of Agriculture, ERS, Foreign Agricultural Trade of the United States, November 1968.

agricultural exports. U.S. farm product exports in 1967-68 re-

quired the financing, inland transportation, storage, and ocean transportation for 58 million long tons of cargo — enough to fill 10 million freight cars or 5,000 cargo ships. In moving these exports, an average of 14 ships left U.S. ports each day.

Gifts and Grants to the Tennessee Agricultural Experiment Station, January 1 - March 31, 1969, to supplement support of research on specific problems.

Name of donor	Amount
Aluminum Company of America	\$29,611.00
Cities Service Foundation	1,000.00
Cotton Producers Institute	7,500.00
Shell Development Company	750.00
Stauffer Chemical Company	2,125.00

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¹The statistical data for this report were extracted from U. S. Department of Agriculture, ERS, Foreign Agricultural Trade of the United States, November 1968.

Tennessee Farmers' Share

Like other U.S. farmers, the Tennessee farmer also has an important stake in the foreign market. The value estimate of Tennessee's export share totals \$102 million, or \$1 out of \$6 of Tennessee

farmers' cash receipts from marketings in 1967. To this total, soybeans, including oil equivalent, contributed \$29.9 million; protein meal, \$18.4 million; wheat, including product equivalent, \$10.2 million; cotton, excluding linters \$10.0

million; and unmanufactured tobacco \$6.4 million (Table 1). Tennessee ranks 20th among the 50 states in value estimates of exports.

The states in the East South Central Region of which Tennessee

Table 1. Value of export shares of agricultural commodities, United States, East South Central Region, and Tennessee and type of export, fiscal year 1968

Commodity	United States			East South Central Region ¹			Tennessee		
	Government program	Commercial	Total	Government program	Commercial	Total	Government program	Commercial	Total
	Million dollars								
Wheat	704.6	487.9	1,192.5	15.4	10.9	26.3	4.2	3.0	7.2
Wheat flour	62.5	22.5	85.0	2.2	0.8	3.0	2.2	0.8	3.0
Rice, excluding paddy	137.0	202.2	339.2	3.6	5.2	8.8	—	—	—
Total feed grains ²	119.9	880.4	1,000.3	1.6	20.5	22.1	0.4	4.8	5.2
Cotton, excluding linters	174.7	300.1	474.8	33.4	57.3	90.7	3.7	6.3	10.0
Soybeans	—	750.7	750.7	—	78.1	78.1	—	21.0	21.0
Flaxseed	—	15.7	15.7	—	—	—	—	—	—
Soybean oil	112.0	5.2	117.2	11.4	0.5	11.9	8.5	0.4	8.9
Cottonseed oil	3.5	4.0	7.5	0.7	0.9	1.6	0.1	0.2	0.3
Protein meal	—	253.0	253.0	—	29.5	29.5	—	18.4	18.4
Tobacco, unmanufactured	105.2	388.4	493.6	8.7	32.2	40.9	1.4	5.0	6.4
Fruits and preparations	—	287.4	287.4	—	1.7	1.7	—	0.3	0.3
Vegetables and preparations	0.4	168.8	169.2	—	2.2	2.2	—	0.5	0.5
Dairy products	110.3	5.4	115.7	7.6	0.3	7.9	3.1	0.1	3.2
Meat and products, excluding poultry	—	104.4	104.4	—	5.3	5.3	—	2.4	2.4
Hides and skins	1.8	109.5	111.3	—	4.9	4.9	—	2.0	2.0
Poultry products	0.3	58.4	58.7	0.1	10.3	10.4	—	0.9	0.9
Lard and tallow (edible and inedible)	20.1	123.8	143.9	1.1	6.2	7.3	0.5	2.8	3.3
Nuts and preparations	—	40.6	40.6	—	3.6	3.6	—	—	—
Other	50.2	504.2	554.4	2.8	31.5	34.3	0.8	8.1	8.9
Total	1,602.5	4,712.6	6,315.1	88.6	301.9	390.5	24.9	77.0	101.9

¹Includes Tennessee, Kentucky, Mississippi, and Alabama.

²Includes corn, grain sorghum, barley and oats.

Source: U. S. Department of Agriculture, "U. S. Agricultural Export Shares by Region and States, Fiscal Year 1968" ERS, Foreign Agricultural Trade of the United States, November 1968.

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World Agricultural Exports

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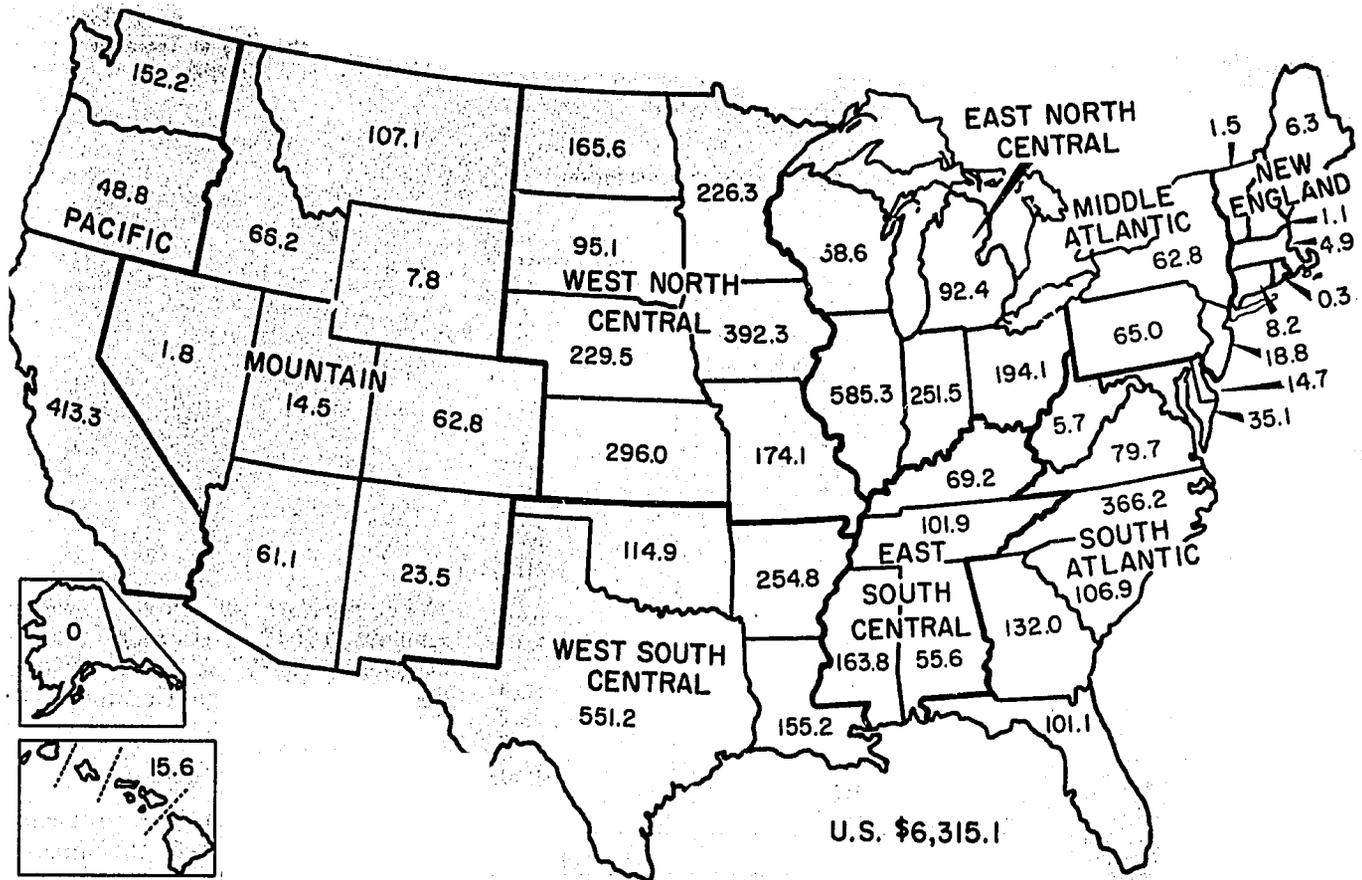


Figure 2. Agricultural export shares, United States, 1967-1968, (figures in millions of dollars).

Source: U.S. Department of Agriculture, ERS, Foreign Agricultural Trade of the United States, November 1968.

is a part have an export share of \$391 million. They supplied one-fifth of the cotton exports, one-sixth of the poultry products, and 12% of the protein meal. This region also supplied soybeans, soybean oil, wheat, tobacco, dairy products, and meat and products (Figure 2).

State Shares

Largest state shares of agricultural exports in 1967-68 were attributed to Illinois (\$585.3 million), Texas (\$551.2 million), California

(\$413.3 million), Iowa (\$392.3 million), North Carolina (\$366.2 million), Kansas (\$296.0 million, and Nebraska \$229.5 million, Figure 2). Many other states contributed significant shares of the agricultural market, particularly certain products.

Most Exports are for Dollar Sales

Of the \$6.3 billion U.S. agricultural exports in 1967-68, \$4.7 billion were commercial sales for dollars and \$1.6 billion moved under Public Law 480, or for foreign cur-

rency sales, long-term credit sales, donations, barter, and AID programs. Moreover, so that products such as wheat, wheat flour, and tobacco could compete in the world market, the Commodity Credit Corporation (CCC) paid exporters in cash and sold limited quantities of a few commodities from stocks at less than domestic market prices. Of the total U.S. agricultural exports, an estimated \$1.4 billion moved with such export assistance — \$0.8 billion as commercial sales for dollars and \$0.6 billion under government-financed programs.

Table 2. U.S. agricultural exports: Value by country of destination, fiscal year, 1968

	Not adjusted for exports to Canada for storage ¹		Adjusted for exports to Canada for storage ¹	
	Rank	Value	Rank	Value
	Million dollars			
Japan	1	898.3	1	902.7
Canada	2	543.3	4	464.8
India	3	511.1	2	518.1
Netherlands	4	494.1	3	513.3
United Kingdom	5	397.9	5	405.8
West Germany	6	386.8	6	396.9
Italy	7	237.6	7	241.0
Korea, Republic of (South)	8	179.1	8	179.1
Pakistan	9	169.0	9	169.0
Spain	10	158.3	10	163.7
South Vietnam	11	153.9	11	153.9
France	12	144.9	12	146.2
Belgium - Luxembourg	13	139.2	13	144.0
Taiwan	14	121.5	14	122.1
Brazil	15	112.2	15	112.2
Other	—	1,667.9	—	1,682.3
Total		6,315.1		6,315.1

¹Refers to U.S. exports of grains and soybeans shipped to Canadian ports on the lower St. Lawrence River for storage and reloading into vessels bound for trans-oceanic destinations.

Source: U.S. Department of Agriculture, ERS, Foreign Agricultural Trade of the United States, November 1968, p. 57.

Since 1960, about 86% of the grain in agricultural exports were commercial sales for dollars and 14% were P.L. 480 and AID shipments.

Major Importing Countries of U. S. Agricultural Exports

U. S. agricultural commodities are exported to over 150 countries around the world. However, in 1967-68, 72% of the \$6.3 billion went to 15 countries (Table 2). The top five markets were Japan, Canada, India, the Netherlands, and the United Kingdom. The chief export market area was Asia, which received total agricultural exports valued at \$2.5 billion.

Japan, the largest Asian recipient as well as world market, received U.S. farm products valued at \$898 million. And Japan paid for these products almost entirely with dollars. India, the third largest U.S. market for agricultural exports, accounted for over a half billion dollars. European countries followed Asia, and received total exports valued at \$2,421 million. The European Economic Community (EEC), was the largest single market area in Europe, accounting for \$1.4 billion. Exports to the European Free Trade Association amounted to \$653 million. Other marketing areas and the value of

their receipts of exports were: Canada (\$543 million), Latin America (\$587 million), Africa (\$219 million), and Oceanic (\$46 million).

Promotion Programs

Vigorous promotion programs are being conducted to improve sales of U. S. Agricultural commodities in important foreign markets. These include product demonstrations, trade fairs, trade centers, and technical assistance. About 60 U. S. trade associations in cooperation with more than 100 foreign trade associations, work with the U. S. Department of Agriculture to develop markets for virtually all agricultural commodities. Development work is going on in more than 70 countries. And the recent history about development work with the developing nations is that it later pays off in still greater world trade handsomely — with a group of happier countries with more of their peoples' needs met and presumably a more peaceful world. Thus Tennessee's farmers—ranked number 21 among the Nation's farmers in 50 states in the value of farm products sent abroad — can feel that they are helping solve some of the wants of the world as well as contributing to world peace.