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Contact: Ella Krucoff  
(202) 862-9540

## U.S. AGRICULTURAL TRADE SURPLUS WITH THE E.C. NEARS \$5 BILLION

The United States maintained an agricultural trade surplus with the European Community of nearly \$5 billion in fiscal year 1983, although the total value of its exports fell, according to United States Department of Agriculture figures.

The Community remains by far the biggest single agricultural export market for the U.S., taking \$7.63 billion in U.S. produce in 1983. That compares with \$5.89 billion taken by Japan and \$4.9 billion by South America. About 20 to 25 percent of E.C. agricultural imports originate in the United States, the USDA notes in a report published in the November/December 1983 issue of Foreign Agricultural Trade of the United States.

Worldwide, the value of U.S. agricultural exports dropped by 11 percent in fiscal 1983, to \$34.8 billion. The value of its farm exports to the Community fell by 14 percent, from \$8.89 billion in 1982 to \$7.63 billion in 1983, while its agricultural trade surplus with the E.C. declined from \$6.48 billion to \$4.93 billion.

Some U.S. farm exports increased, however. The value of U.S. exports of corn by-products to the Community rose from \$480 million in 1982 to \$620 million in 1983 - a 29 percent increase. In addition, U.S. exports of wheat flour worldwide almost doubled, from .75 million tons in 1982 to 1.48 million in 1983. The U.S. in 1983 sold 1 million tons of subsidized wheat flour to Egypt, a traditional Community market.

The USDA attributes the overall decline to "sluggish world demand, improved crop production abroad, more intense competition for import markets and higher exchange rates for the U.S. dollar." It notes that since 1980, the U.S. dollar has appreciated 64 percent against the European Currency Unit, making imports from the U.S. much more expensive in the E.C.

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At the same time, the relative strength of the dollar has made agricultural imports from the E.C. more attractive to the U.S. The value of these imports rose in 1983 by 12 percent, compared with a 6 percent overall increase in U.S. farm imports. Gains were recorded for casein, cheese, wine and malt beverages.

The USDA predicts that although the volume of U.S. farm exports will be down in 1984, their value will return to the 1982 level of \$39 billion because of expected price increases for most commodities.

SELECTED U.S. AGRICULTURAL EXPORTS TO THE EUROPEAN COMMUNITY				
Commodity - Fiscal years	1981	1982	1983	1984 (Forecast)
	<u>Million dollars</u>			
TOTAL	8,921	8,888	7,629	8,848
Animals & products	780	942	749	739
Meats & prod.	254	221	161	143
Inedible tallow	94	147	80	137
Grains & preparations	2,029	1,494	892	1,203
Wheat & flour	482	448	272	258
Rice	103	166	83	117
Coarse grains	1,423	866	521	820
Fruits & prep.	261	194	183	208
Nuts & prep.	304	274	224	238
Oilseeds & prod.	3,806	4,190	3,610	4,626
Protein meal	788	945	955	1,173
Soybeans	2,602	2,975	2,414	3,294
Feeds & fodders	717	701	858	762
Tobacco	494	478	529	498
	<u>1,000 metric tons</u>			
Meats & prod.	152	147	127	110
Inedible tallow	217	348	218	311
Wheat & flour	2,592	2,647	1,658	1,534
Rice	219	522	227	266
Coarse grains	9,826	7,421	4,245	5,206
Protein meal	3,305	4,239	4,439	4,283
Soybeans	8,757	11,552	10,029	9,450
Tobacco	97	87	93	84

Sources: U.S. Bureau of the Census and USDA estimates.