



Agricultural Trade – The Long View

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Introduction

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- Trade has become a critical issue in U.S. agriculture
 - Due to trade re-arrangement, MFP payments to farmers are important income stabilizers
 - \$9.4 billion budgeted in 2018
 - \$14.5 billion budgeted in 2019

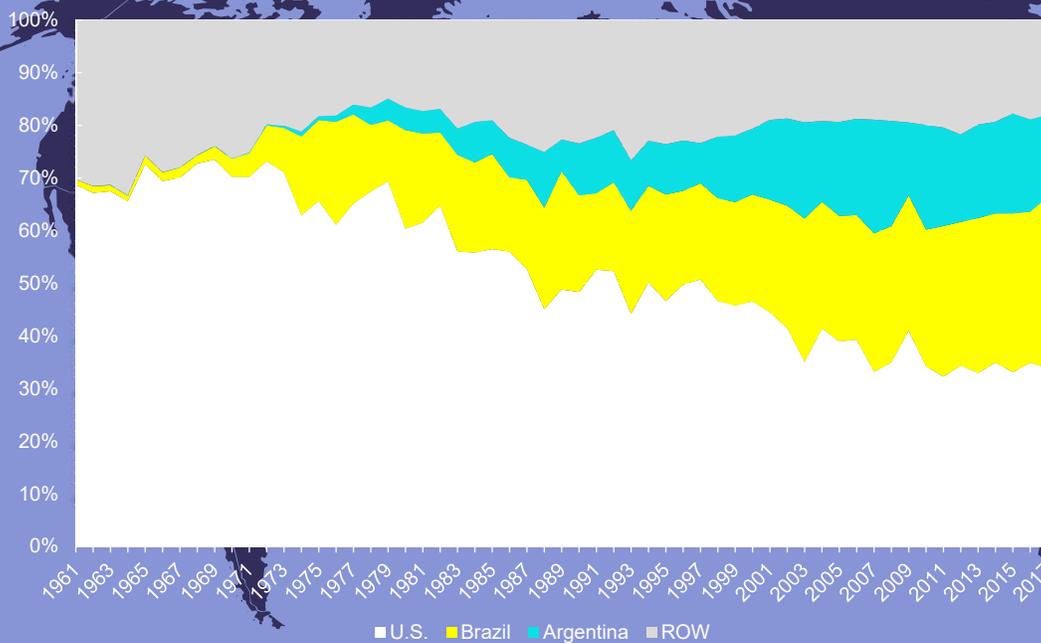


Introduction

- **Goal of the session is to examine the trade of Soybeans, Maize, and Wheat**
 - Share of global production
 - Importance of trade in commodities for certain countries
 - Importance of China
 - Mix of importers of U.S. commodities
 - Mix of global importers



Share of World Soybean Production





Top Soybean Importing Countries, 2016

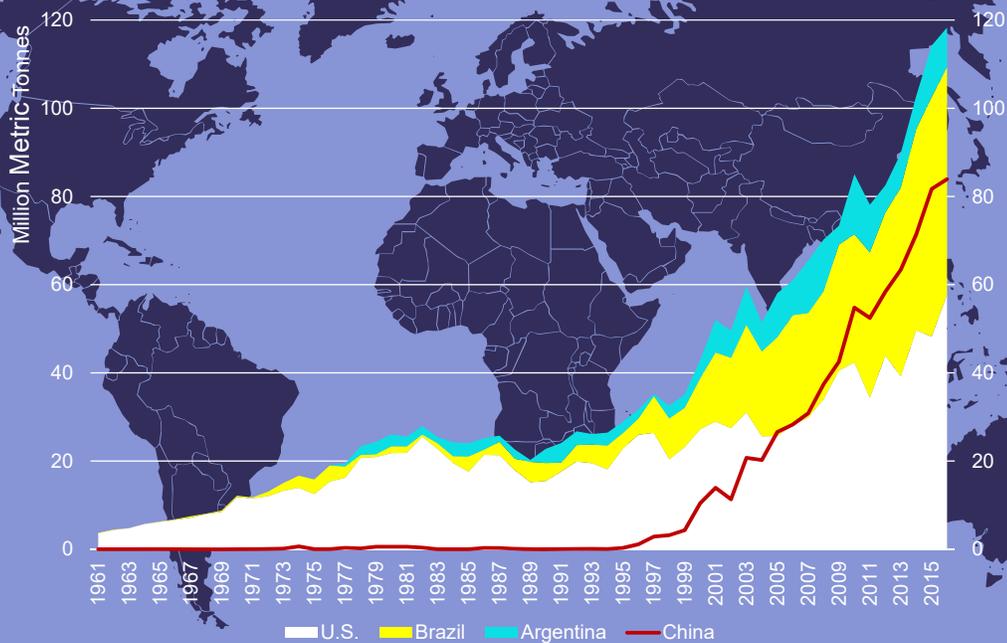
Country	Market Share
China	63.1%
Netherlands	3.3%
Mexico	3.0%
Spain	2.4%
Germany	2.4%

Market Share of top 5 importing countries – 74.2%

Market Share of top 10 importing countries – 84.0%

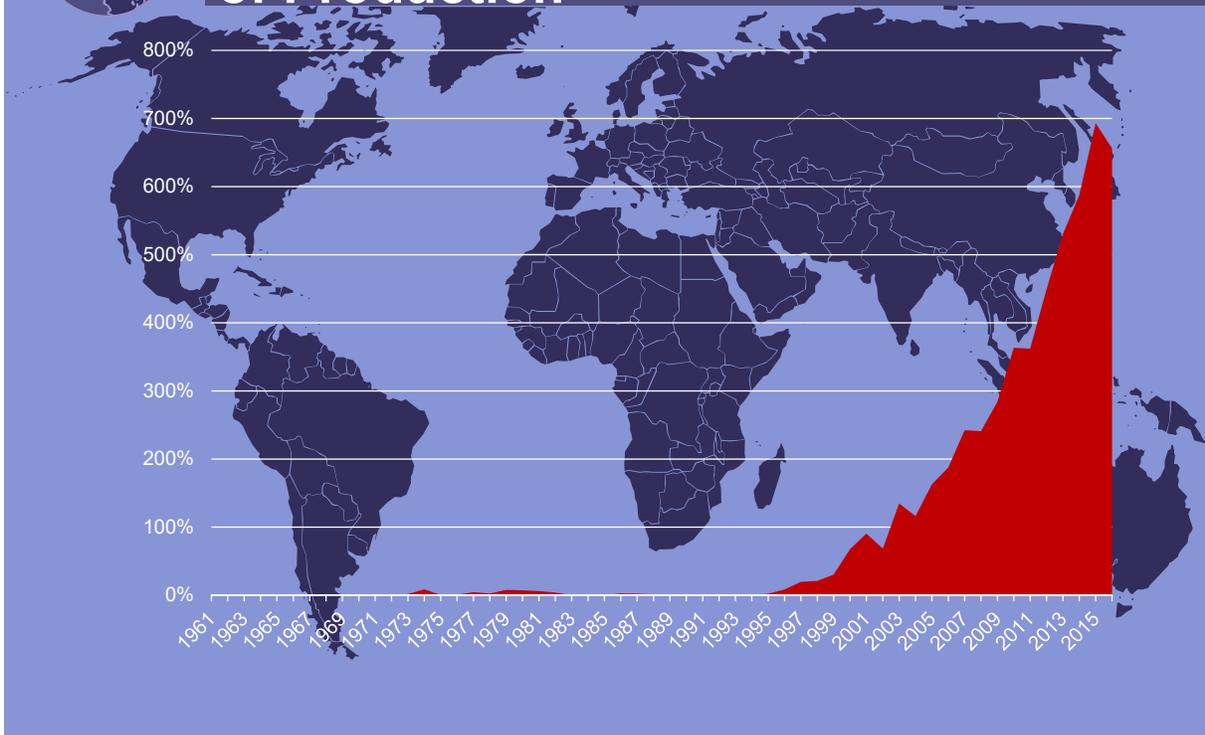


Argentina, Brazil, and U.S. Soybean Exports and China's Imports

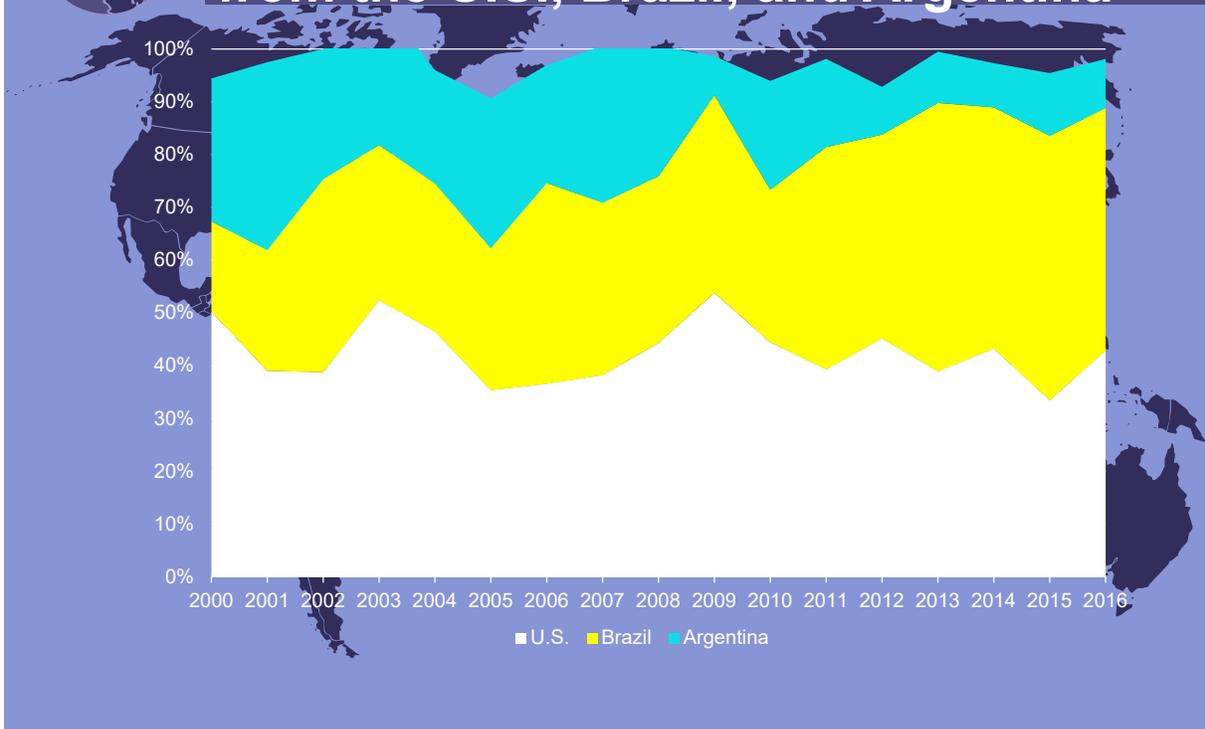




China's Soybean Imports as a Percent of Production



Percent of China's Soybean Imports from the U.S., Brazil, and Argentina





Top Soybean Exporting Countries, 2016

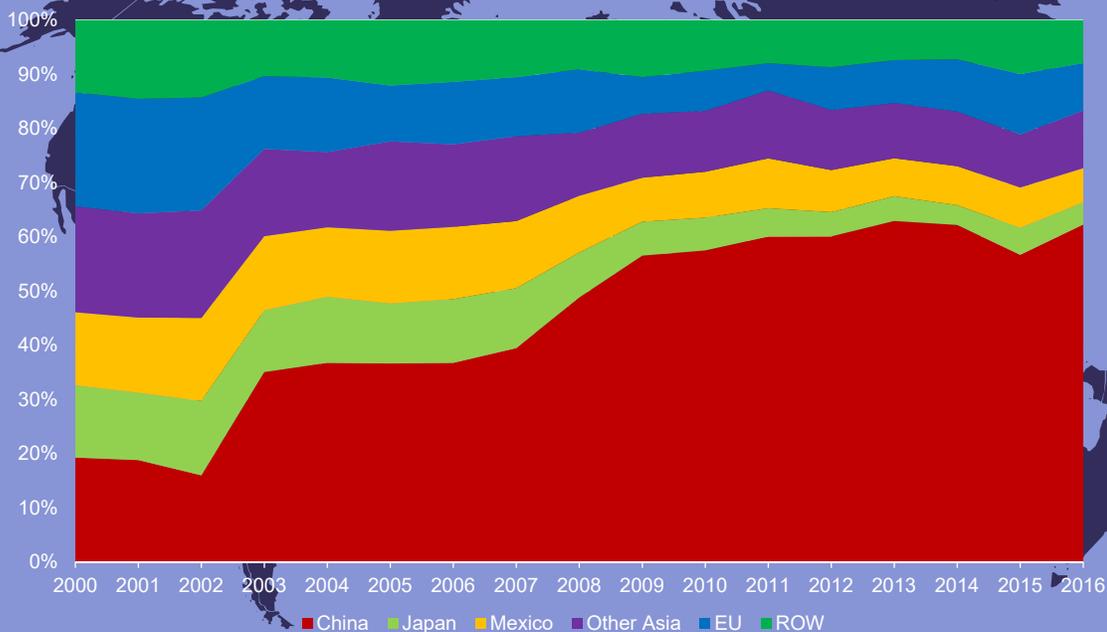
Country	Market Share
U.S.	42.8%
Brazil	38.2%
Argentina	6.6%
Paraguay	4.0%
Canada	3.3%

Market Share of top 5 exporting countries – 95.0%

Market Share of top 10 exporting countries – 98.7%



Share of U.S. Soybean Exports





Discussion

- You are an advisor to Ambassador Doud from the United States Trade Representative's Office.
- What is your advice to him for soybeans based on the data provided?

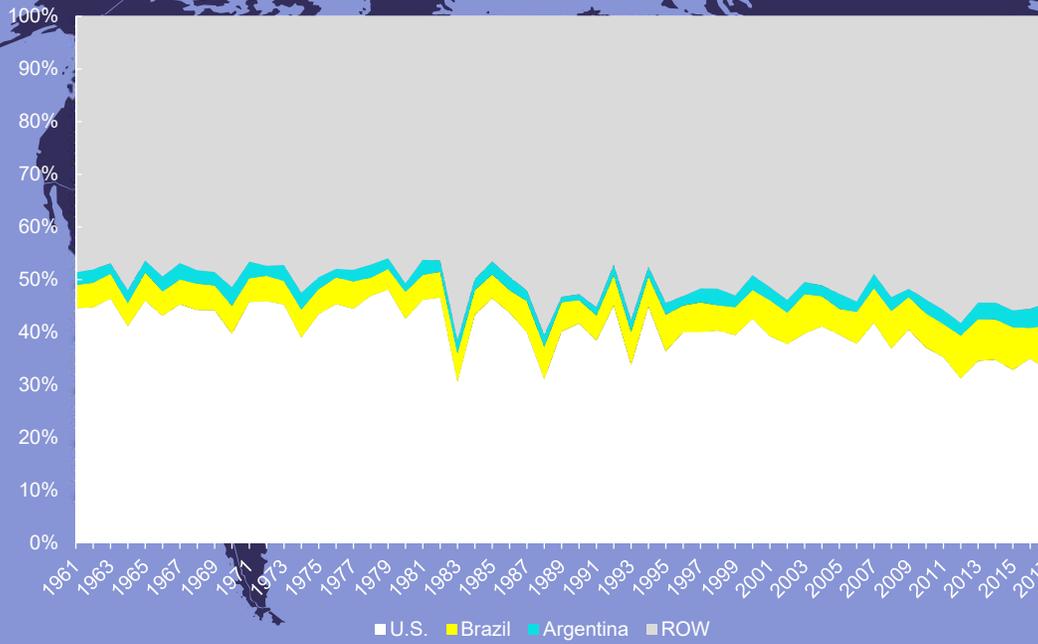


Soybean Analysis

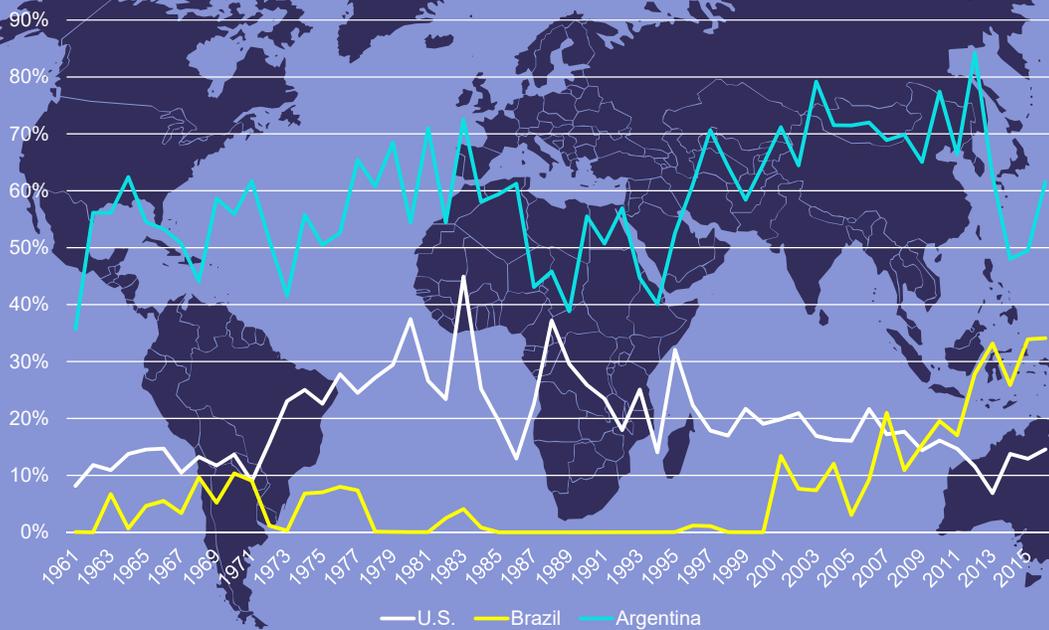
- Soybean production dominated by three countries, United States, Brazil, and Argentina
 - Over 80% of production
 - 50% of the U.S. and Brazilian crop are exported
 - Over 90% of China's imports are from these three countries
- Soybean imports dominated by China
 - Over 60% of imports
 - Top ten countries market share is nearly 84% of imports
- U.S. heavily dependent on China for exports



Share of World Maize Production

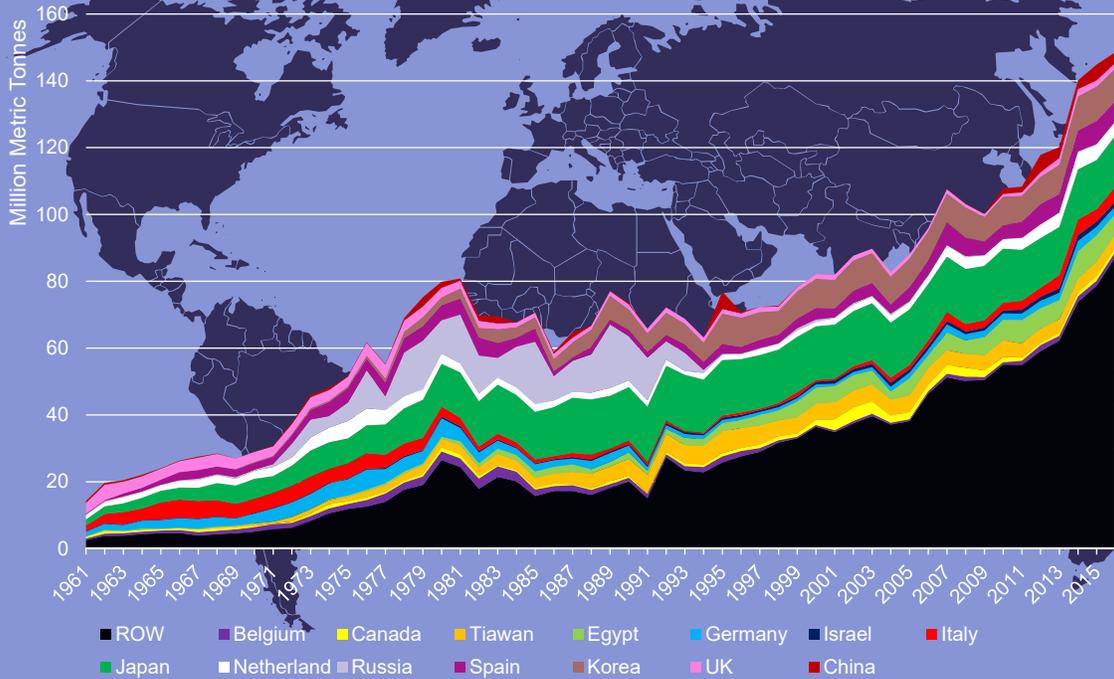


Exports as a Percent of Maize Production





Maize Importing Countries



Top Maize Importing Countries, 2016

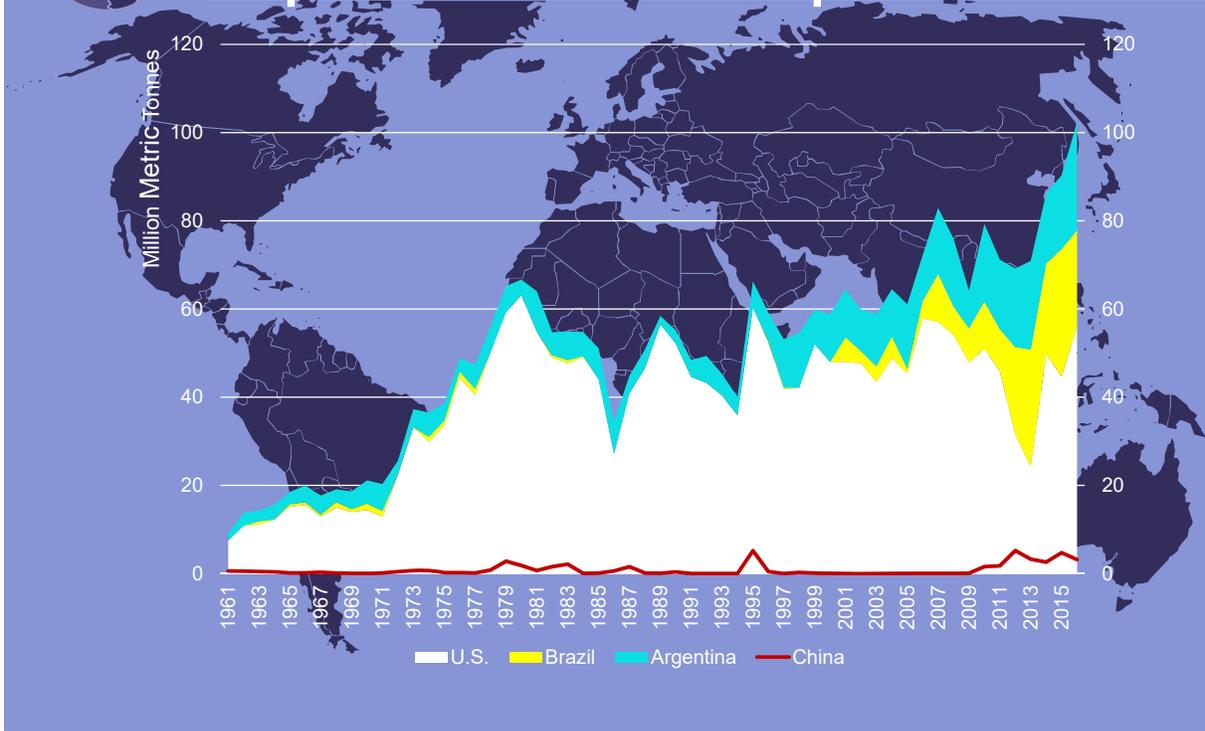
Country	Market Share
Japan	10.3%
Mexico	9.5%
South Korea	6.6%
Vietnam	5.4%
Spain	4.1%

Market Share of top 5 importing countries – 35.9%

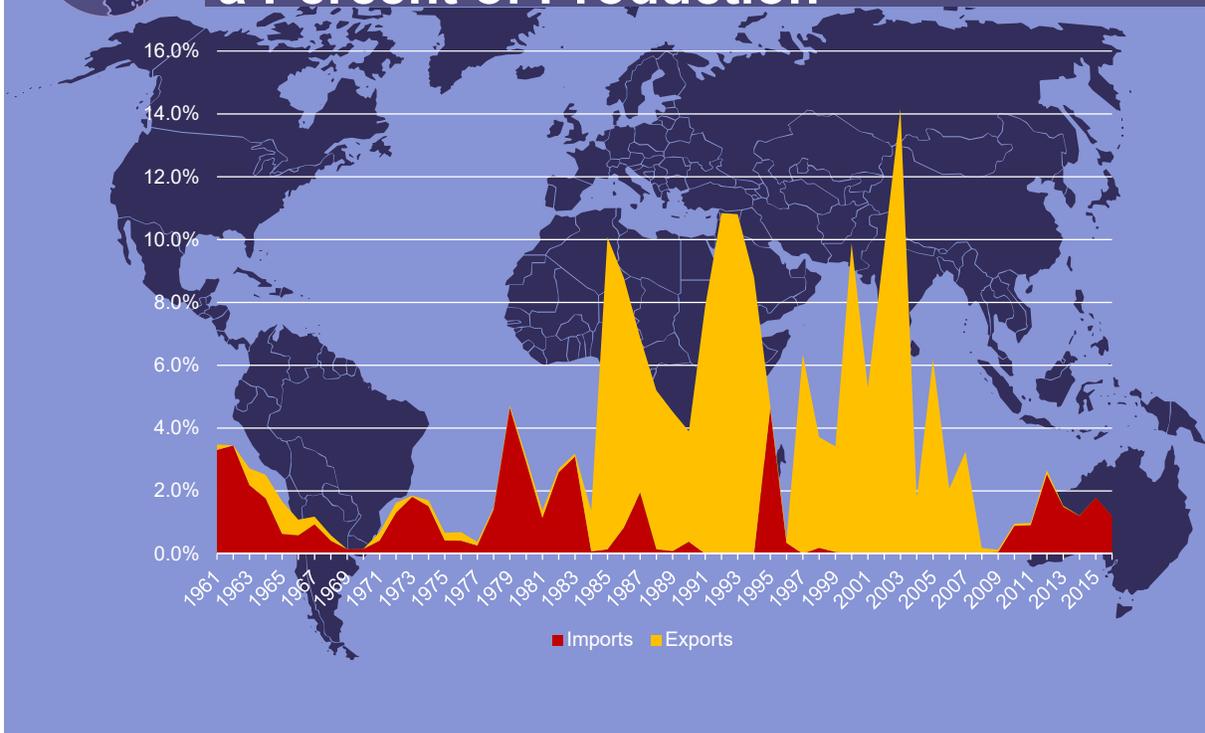
Market Share of top 10 importing countries – 52.7%



Argentina, Brazil, and U.S. Maize Exports and China's Imports



China's Maize Imports and Exports as a Percent of Production





Top Maize Exporting Countries, 2016

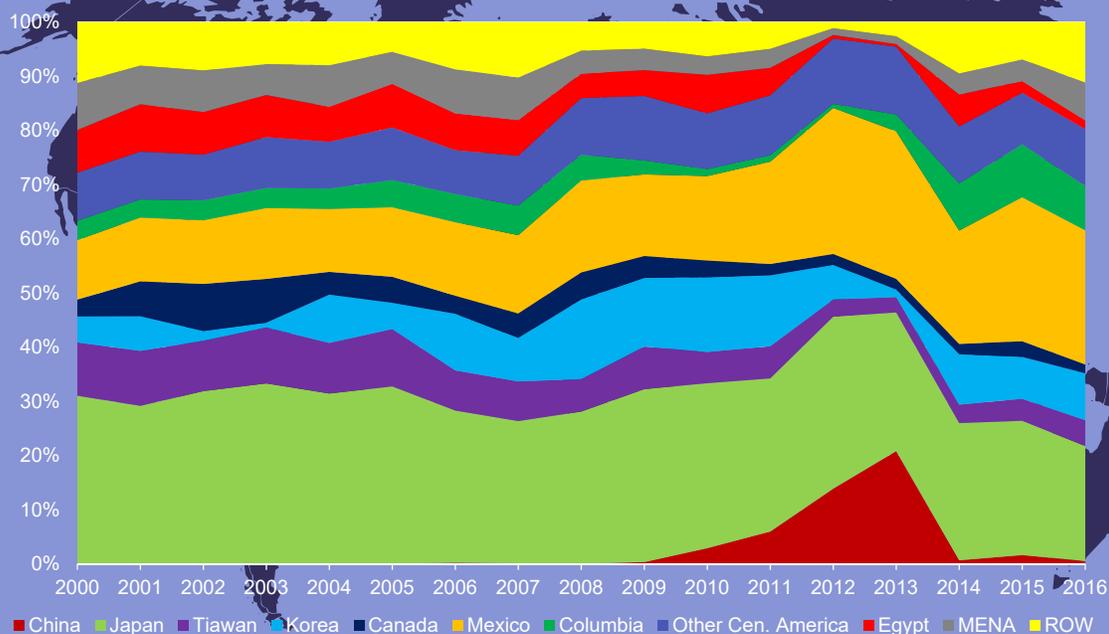
Country	Market Share
U.S.	38.0%
Argentina	16.6%
Brazil	14.8%
Ukraine	7.5%
France	3.7%

Market Share of top 5 exporting countries – 80.6%

Market Share of top 10 exporting countries – 91.2%



Share of U.S. Maize Exports





Discussion

- You are an advisor to Ambassador Doud from the United States Trade Representative's Office.
- What is your advice to him for corn based on the data provided?

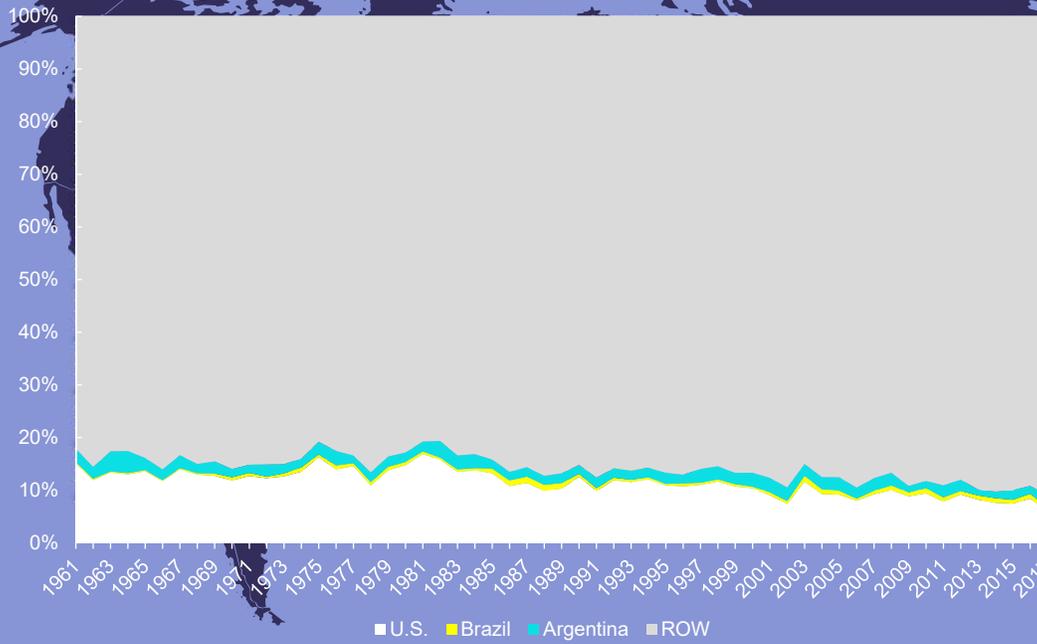


Maize Analysis

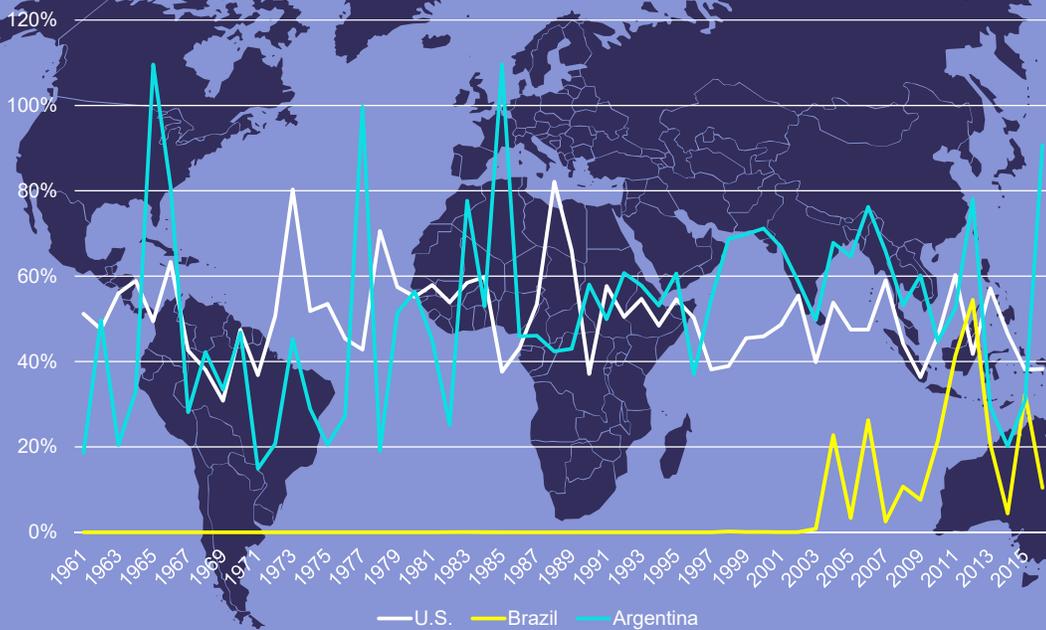
- U.S. produces roughly 1/3 of world corn crop
 - Roughly 20% of U.S. production is exported
- Corn imports are not that important for China
 - Virtually self-sufficient
- Major importers are Japan, Mexico, and South Korea
 - Top ten countries market share is nearly 53% of imports
- U.S. heavily dependent on Japan, Mexico, and Korea



Share of World Wheat Production

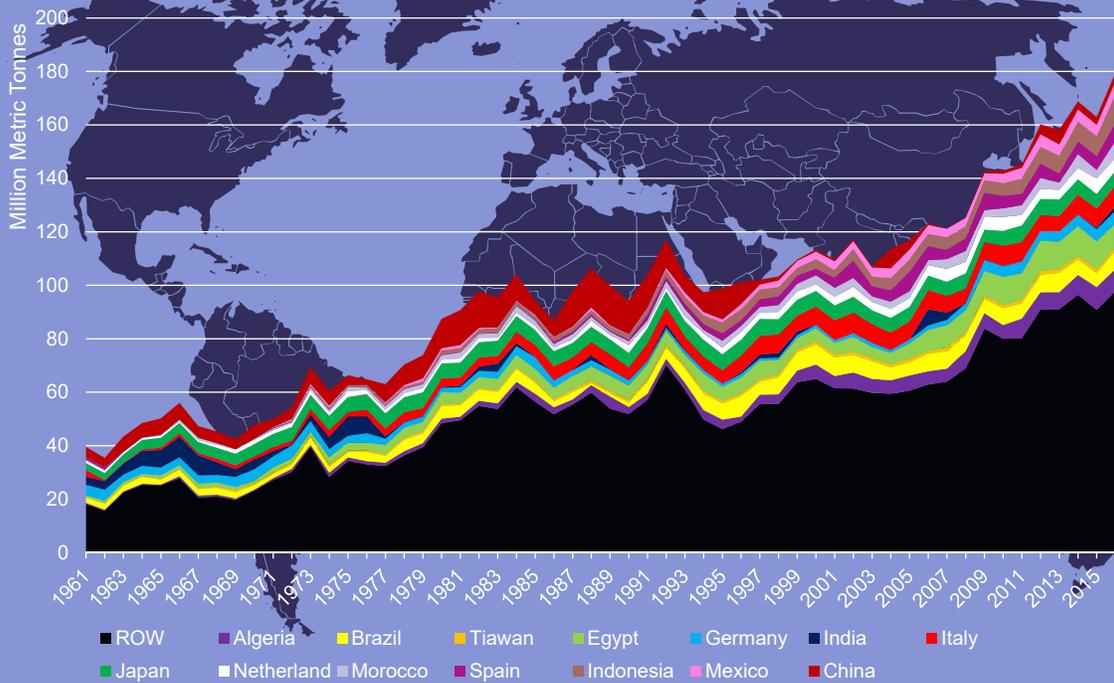


Exports as a Percent of Wheat Production





Wheat Importing Countries



Top Wheat Importing Countries, 2016

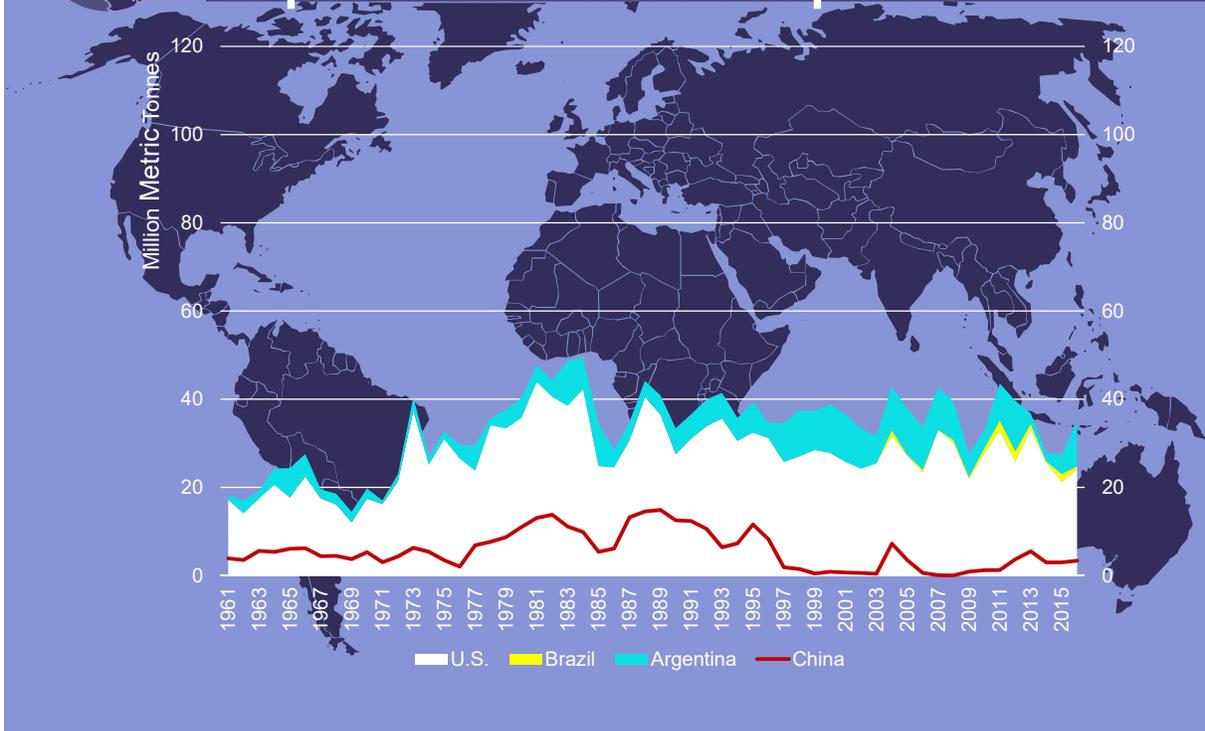
Country	Market Share
Indonesia	5.7%
Egypt	4.7%
Algeria	4.5%
Italy	4.2%
Spain	3.8%

Market Share of top 5 importing countries – 22.9%

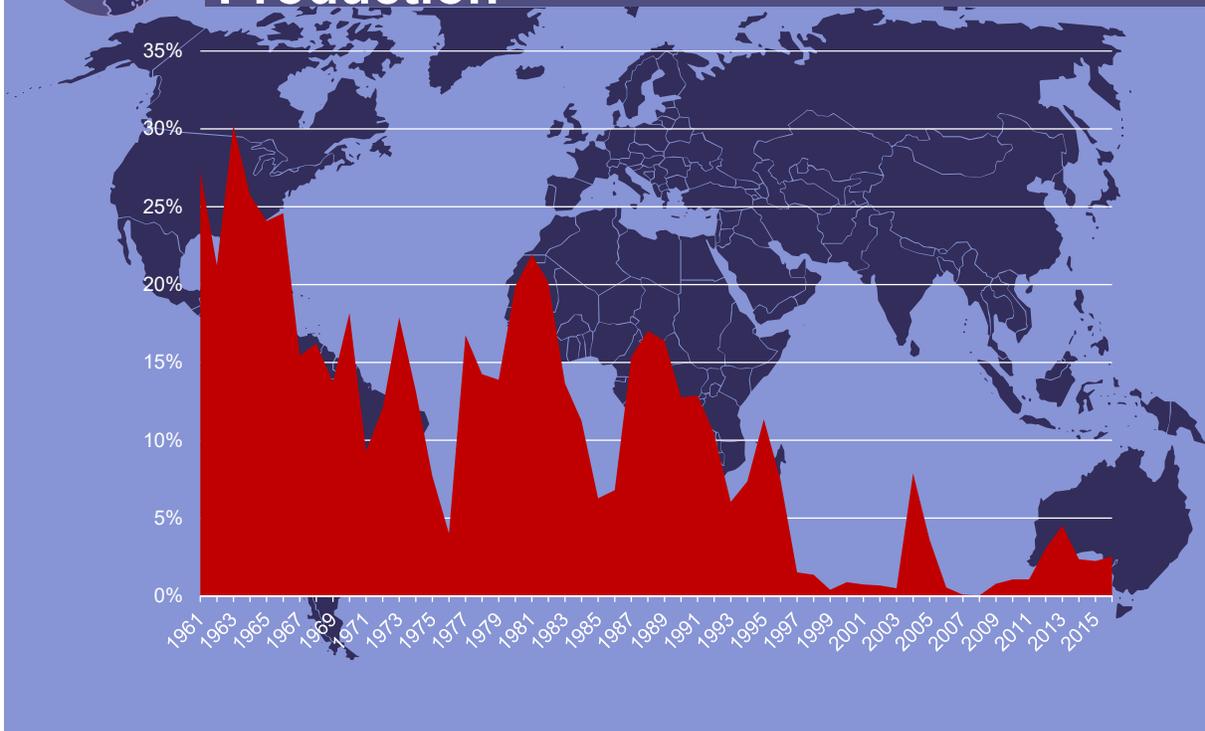
Market Share of top 10 importing countries – 38.3%



Argentina, Brazil, and U.S. Wheat Exports and China's Imports



China's Wheat Imports as a Percent of Production





Top Wheat Exporting Countries, 2016

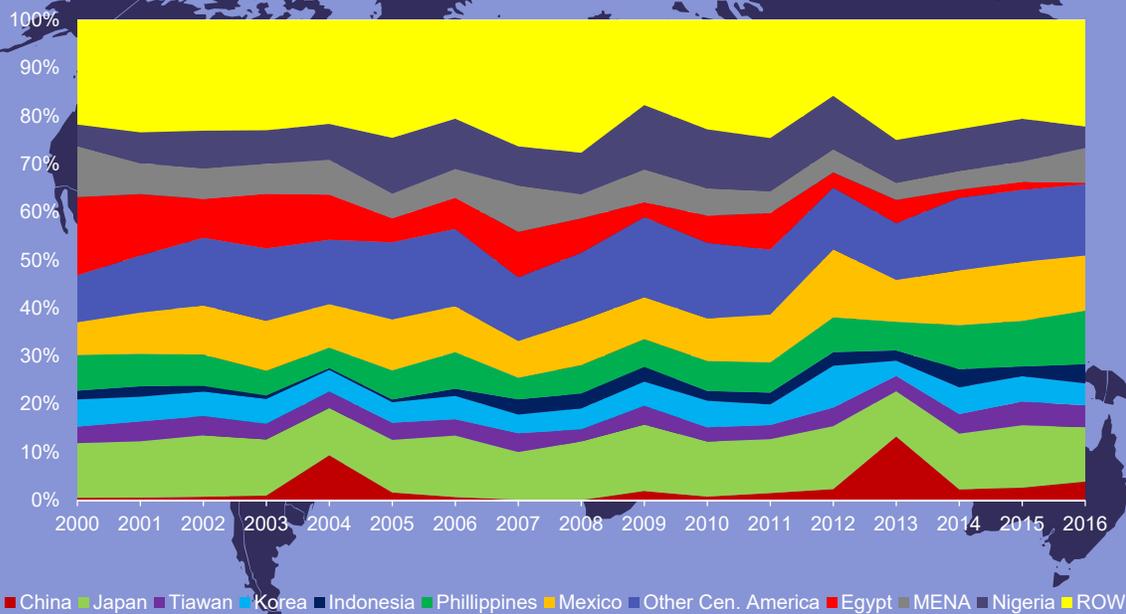
Country	Market Share
Russia	13.8%
U.S.	13.1%
Canada	10.7%
France	10.0%
Australia	8.8%

Market Share of top 5 exporting countries – 56.4%

Market Share of top 10 exporting countries – 80.1%



Share of U.S. Wheat Exports





Discussion

- You are an advisor to Ambassador Doud from the United States Trade Representative's Office.
- What is your advice to him for wheat based on the data provided?



Wheat Analysis

- U.S. produces roughly 10% of world corn crop
 - Roughly 40% of U.S. production is exported
- Wheat imports had historically been more important for China
 - However, currently, they are virtually self-sufficient
- Major importers are Indonesia, Egypt, Algeria, Italy and Spain
 - Top ten countries market share is about 38% of imports
- U.S. heavily dependent on Japan, Mexico, and the Philippines
 - Central America is an important market



Conclusions

- The trade situation differs between soybeans, corn, and wheat
- For Soybeans
 - Very concentrated in supply with the U.S., Brazil, and Argentina dominating
 - Very concentrated in demand with China dominating
- For Corn (Maize)
 - U.S. dominate in production, it exports 20% of production
 - USMCA and Japan negotiations are very important for the corn producer



Conclusions

- The trade situation differs between soybeans, corn, and wheat
- For Wheat
 - Very dispersed in production
 - U.S. exports nearly 40% of the crop
 - Demand is very dispersed with no country importing more than 5% of total imports
 - USMCA and Japan are important for the wheat market