

*A Review of U.S. Competitiveness in  
Agricultural Trade*

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**A REVIEW OF  
U.S. COMPETITIVENESS IN  
AGRICULTURAL TRADE**

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**A TECHNICAL MEMORANDUM**

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DEPARTMENT OF COMMERCE  
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# Foreword

America's ability to compete in international agricultural markets has come into question during the past several years. Several factors have contributed to recent declines in the volume and value of U.S. agricultural exports. The global recession of the early 1980s, along with expanded production among the major exporting nations, accentuated competition for world markets. Many countries, especially those in the developing world, began to develop sophisticated domestic production capacities, and cut back on imports wherever possible. Technology transfer from the United States has become increasingly rapid.

This OTA technical memorandum reviews key factors that influence U.S. trade in agriculture. It is part of a larger OTA project that analyzes the effects of technological change on both international trade and the structure of the domestic economy. Despite basic structural changes in the economy of the United States in recent years, agriculture and food production remain important parts of this country's economic framework.

Agriculture's importance to U.S. trade grew during the 1970s, when an agricultural trade surplus helped to offset damaging trade losses in other areas. With the Nation's trade deficit reaching record levels, recent declines in the volume and value of agricultural exports pose formidable questions concerning the U.S. position in an increasingly complex system of international trade. We trust that Congress will find this OTA review an informative and useful tool in addressing these questions.



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\*The Economic Research Service at USDA grouped extensive review by several different analysts under John E. Lee's auspices.

NOTE: OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the reviewers. The reviewers do not, however, necessarily approve, disapprove, or endorse this report. OTA assumes full responsibility for the report and the accuracy of its contents.

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