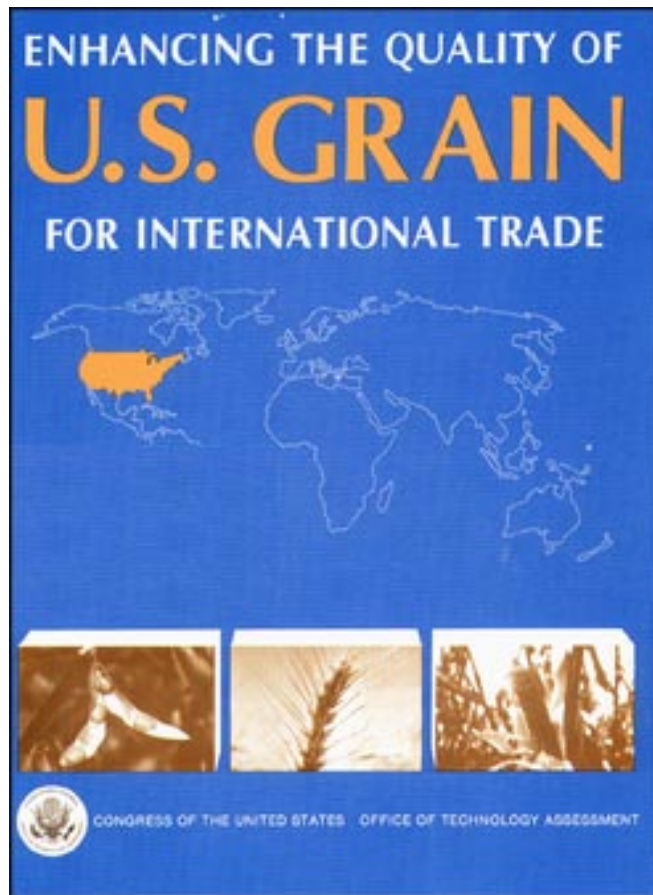


*Enhancing the Quality of U.S. Grain for  
International Trade*

February 1989

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## Foreword

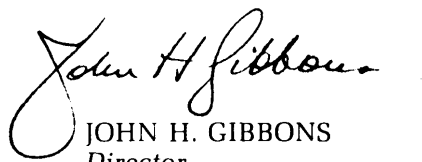
American agriculture, long the sector of the economy considered the most productive and competitive in the world, began to show signs of declining international competitiveness in the early 1980s. Many reasons have been given for this, including the problems of the quality of U.S. grain. The quality issue is receiving renewed attention in the current world buyers' market for grain. Some are concerned that as the influence of important economic variables such as the strength of the dollar and the extent of agricultural price support cause U.S. exports to become more price-competitive, opportunities to increase exports may be hampered by buyers' qualms about U.S. grain quality.

Complaints of overseas buyers about low-quality U.S. grain receive widespread attention. Buyers protest that they receive dirty, molded, or infested grain, or that characteristics contracted for, such as a certain protein level, were not met. Exporters argue that foreign buyers are using quality complaints to bargain for lower prices. Farmers and many Members of Congress point to loss of market share to prove the importance of quality. The problems—real or perceived—have persisted for many years, and neither industry response nor congressional actions to date provide a satisfactory answer or reassure U.S. customers.

During debate on the Food Security Act of 1985, the issue of the quality of U.S. grain was again raised. It became apparent that insufficient information was available to make wise decisions. Congress then amended the act and directed the Office of Technology Assessment to conduct a comprehensive study of the technologies, institutions, and policies that affect U.S. grain quality and to prepare a comparative analysis of the grain quality systems of major export competitors of the United States. The study was also requested by the House Committee on Agriculture and the Joint Economic Committee.

This report is one of two in that assessment. It focuses on the U.S. grain system and possible changes within that system to enhance grain quality. A second report, *Grain Quality in International Trade: A Comparison of Major U.S. Competitors*, provides OTA's analysis of the grain quality systems of other major exporters.

OTA greatly appreciates the contribution of the advisory panel, authors of technical background papers, the many industry associations, and other advisors and reviewers who assisted OTA from the public and private sector. Their guidance and comments helped develop a comprehensive study. As with all OTA studies, however, the content of this report is the sole responsibility of OTA.

  
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NOTE: OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the advisory panel members. The panel does 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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<sup>\*</sup>Through March 1987.

<sup>\*</sup>Through April 1987.

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