

U.S.-CANADA AGRICULTURAL AND FOOD TRADE: AN OVERVIEW

David Schweikhardt

**Department of Agricultural, Food & Resource Economics
Michigan State University**

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U.S.-CANADA AGRICULTURAL AND FOOD TRADE: AN OVERVIEW

Existing pattern of agricultural and food trade

**Issues potentially affecting the outlook for the future
of agricultural and food trade**

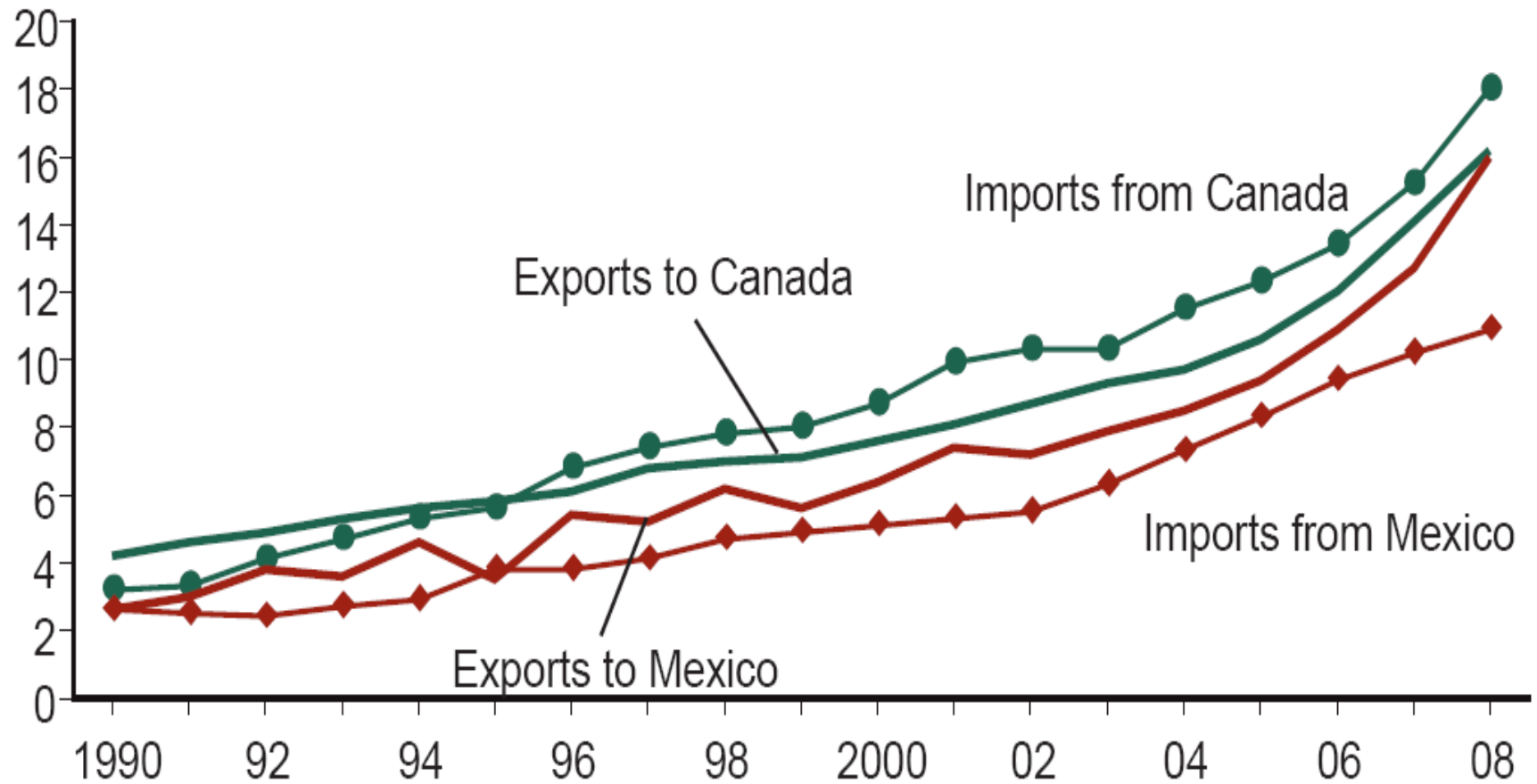


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Figure 1

U.S. agricultural trade with its NAFTA partners has more than tripled since the agreement's implementation in 1993

U.S. dollars (bil.)



Source: USDA Foreign Agricultural Service (2009)

U.S.-Canada Agricultural and Food Trade, 2008-2012 (Millions of U.S. Dollars)

<u>Year</u>	<u>U.S. Exports to Canada</u>	<u>Canada Exports to United States</u>
2008	16,254	18,009
2009	15,725	14,709
2010	16,897	16,243
2011	19,040	18,917
2012	20,629	20,226



EVOLUTION OF 10 LEADING U.S. AGRICULTURAL EXPORT MARKETS

1989

Japan
 EU
 USSR
 Mexico
 S. Korea
 Canada
 Taiwan
 China
 Egypt
 Iraq

1995

Japan
 EU
 Canada
 S. Korea
 Mexico
 China
 Taiwan
 H. Kong
 Egypt
 Russia

2006

Canada
 Mexico
 Japan
 EU-27
 China/HK
 S. Korea
 Taiwan
 Indonesia
 Turkey
 Egypt

2012

China/HK
 Canada
 Mexico
 Japan
 EU-28
 S. Korea
 Taiwan
 Indonesia
 Philippines
 Egypt



EVOLUTION OF 10 LEADING U.S. AGRICULTURAL IMPORT SOURCES

1989

EU
 Canada
 Mexico
 Brazil
 Australia
 N. Zealand
 Colombia
 Indonesia
 Philippines
 Thailand

1995

EU
 Canada
 Mexico
 S. Korea
 Indonesia
 Brazil
 Colombia
 Thailand
 Australia
 N. Zealand

2006

EU-27
 Canada
 Mexico
 Australia
 Brazil
 China
 Indonesia
 Chile
 N. Zealand
 Colombia

2012

Canada
 Mexico
 EU-28
 India
 China
 Brazil
 Indonesia
 Australia
 Chile
 Thailand



U.S.-Canada Agricultural and Food Trade, 2012 (Millions of U.S. Dollars)

U.S. Exports to Canada

Bulk:	808
Intermediate:	3,732
Consumer Oriented:	16,088

Top 5 Exports

1. Red meats	2,034
2. Prepared food	1,839
3. Fresh fruit	1,791
4. Fresh vegetables	1,628
5. Snack foods	1,286



U.S.-Canada Agricultural and Food Trade, 2012 (Millions of U.S. Dollars)

Canada Exports to U.S.

Bulk:	2,484
Intermediate:	6,609
Consumer Oriented:	11,131

Top 5 Exports

1. Snack foods	3,050
2. Vegetable oils	1,960
3. Red meats	1,717
4. Live animals	1,491
5. Proc. fruit & veg.	1,246



Ports of Border Crossing/Entry by Trucks

1	MI: Detroit	1,541,150
2	NY: Buffalo-Niagara Falls	940,221
3	MI: Port Huron	691,348
4	WA: Blaine	348,955
5	NY: Champlain-Rouses Pt.	280,925
6	ND: Pembina	214,047
7	NY: Alexandria Bay/Cape Vincent	176,144
8	WA: Sumas	135,909
9	MT: Sweetgrass	132,341
10	ND: Portal	108,103
Total		5,623,507



U.S.-CANADA AGRICULTURAL AND FOOD TRADE: AN OVERVIEW

Issues potentially affecting the outlook for the future of agricultural and food trade

1. Macroeconomics and exchange rates

2. Commodity programs

3. Regulatory differences



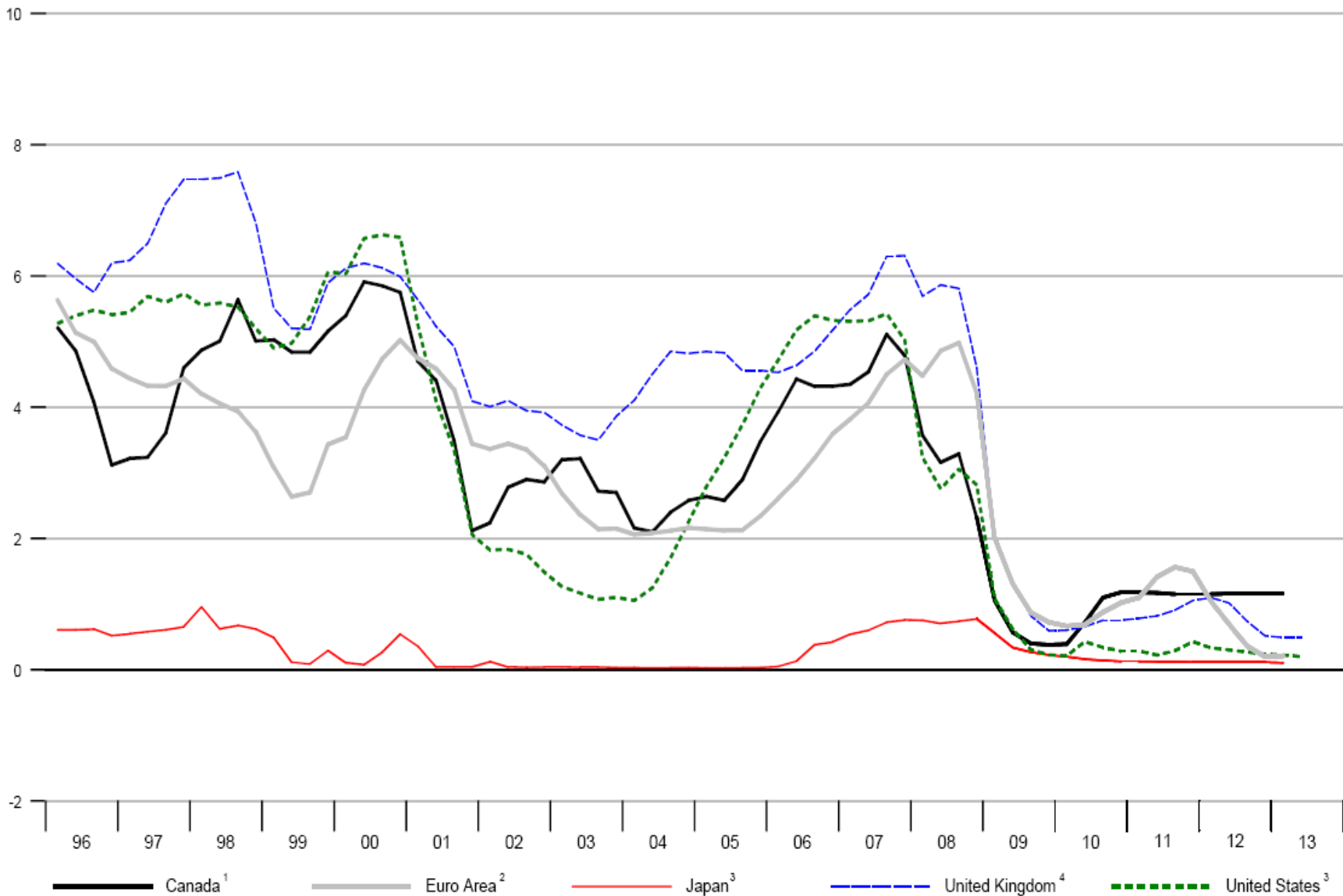
National Currency to US Dollar Exchange Rate: Average of Daily Rates for Canada
(CCUSMA02CAM618N)

Source: Organisation for Economic Co-operation and Development



Short-Term Interest Rates for Canada, Euro Area, Japan, United Kingdom, and United States

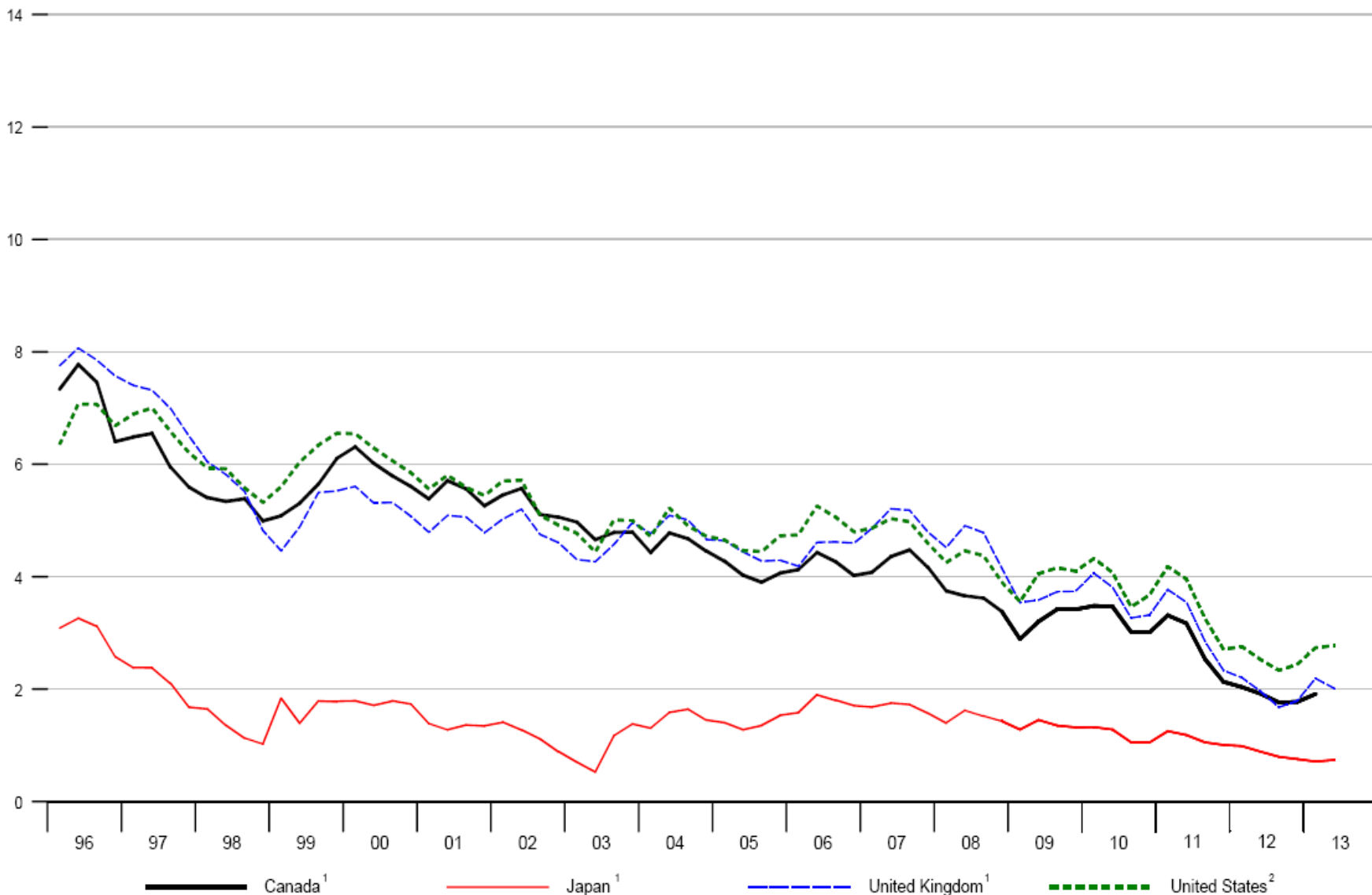
Percent



¹ 90-Day Prime Corporate Paper, ² 90-Day Deposits, ³ 3-Month CDs, ⁴ 3-Month Interbank Loans

Long-Term Interest Rates for Canada, Japan, United Kingdom, and United States

Percent



¹ 10-Year Government Bonds, ² Composite of Long-Term Government Bonds

National Currency to US Dollar Exchange Rate: Average of Daily Rates for Canada
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Source: Organisation for Economic Co-operation and Development



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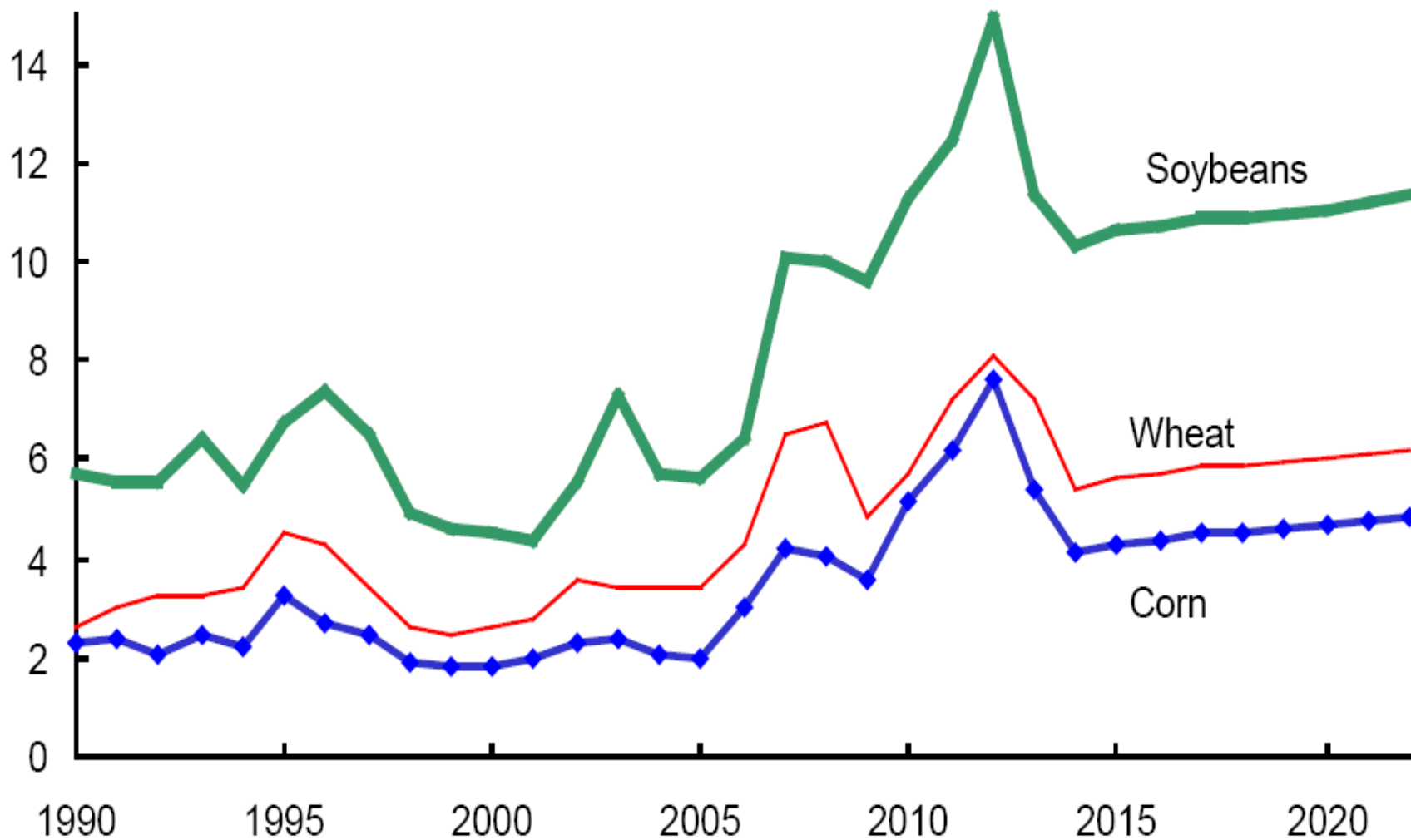
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U.S. farm-level prices: Corn, wheat, and soybeans

Dollars per bushel



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Issues potentially affecting the outlook for the future of agricultural and food trade

3. Regulatory differences

- Multiple dimensions: Food safety, food labeling, inspection, border timeliness, and more.
- Product/commodity specific.
- Potentially high negotiation/resolution costs.



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schweikh@msu.edu

(517) 355-2320



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