

# Role of crop exports and international trade agreements in general

In recent columns we have made our thoughts about exports clear when it comes to crop agriculture.

We have shown the numbers that make it obvious that no matter what policy we have on the books, over time, US crop exports decline as a percentage of world crop exports. In addition, US total major-crop acreage is a lower percentage of world crop acreage than it was a couple of decades ago and this percentage will continue to decline.

When it comes to major crops, we have argued that implementing policies aimed at recapturing a “lost era of export-driven agricultural prosperity” is a fool’s errand that ends up hurting US farmers’ bottom line. The US has long been the residual supplier for importers of major crops and will continue to be.

None of this is to say that crop exports are unimportant to US farmers and to our export customers. And being the world’s residual supplier of storable commodities often serves a critical role in addressing world-wide humanitarian needs.

What we do say is that crop exports should not be viewed as the dominant part of the US total utilization either now or in the future.

It is of course true that crops often experience significant, if not outsized, variations in within-season prices based on spurts in and/or conjectures about current export levels, but the operative phrase is short-term.

A farm program built on the promise of accelerating growth in major-crop exports is a farm program built on a sinking and unstable foundation.

There are many other aspects of exports and international trade that are of paramount importance. For example, we think the current administration’s attitudes on trade agreements touch on critical issues that have been ignored for far too long. Our concern is that they have tackled these issues in a ham-handed, piecemeal fashion with little consistent follow through.

As a slight digression, let’s consider the international trade of products in general. To be truly acceptable in the long-run, trade and trade agreements must benefit people in both exporting and importing countries. As obvious as that sounds, it’s not as automatic as many discussions seem to imply.

For example if as part of its economic planning, country X decides that importing a given product is cheaper than producing it domestically, the trade negotiators need to consider the impact that such a trade has on people both in their own country as well as the exporting country.

For the importing country, attention needs to be given not only to the consumers who have access to a less expensive product, but also to the workers who lose their jobs as the result of importing rather than domestically producing the product.

If the concerns of displaced workers are not adequately addressed, implemented trade agreements will give rise to a growing number of people who think that trade is all about the rich getting richer and leaving the dregs for those put out of work. And they will be right if less than adequate compensation is provided to equip displaced workers with skills AND with the means to comfortably make the transition.

In the case of products imported into the US, workplace and environmental standards in place in the US are often not adhered to in countries producing the imports. As a result, workers in those countries suffer from poor working conditions and long hours. In addition, toxins that

would be prohibited in the US can be used in the production of export goods. All of this results in an under accounting of the true monetary and human costs of producing goods imported into the US.

When trade agreements are written, consumers, workers, and environmentalists from all participating countries should have a seat at the trade negotiating table equal to those who represent corporations and their stockholders.

This might result in lengthier negotiations, but in the end the benefits would be more widely spread, the environment would be taken care of, and the agreement would be able to sustain long-term support from all involved.

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