

# **Unilateral Trade Policies and Southern Agriculture**

**Presentation at  
SAEA Organized Symposium:  
The Impacts U.S. Trade Policies  
on Southern Agriculture**

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# Overview

- **History of U.S. Trade Sanctions**
- **Impacts of Trade Sanctions on Agriculture**
- **The Case of Cuba – Economic Impacts**
- **Summary and Implications**

# History of U.S. Trade Sanctions

- **The U.S. has imposed trade sanctions on numerous countries for various stated reasons since 1950**
  - **North Korea – War, Nuclear Weapons**
  - **Vietnam – War, MIA Issues**
  - **Cuba – Communist Takeover, African Involvement**
  - **Libya – Support of Terrorism, Pan Am 103**
  - **USSR – Invasion of Afghanistan**
  - **Iran – Support of Terrorism, Suspected WMDs**
  - **Sudan – Civil War, Human Rights, Terrorism**
  - **Iraq – Invasion of Kuwait, Suspected WMDs**
- **Each time, important markets lost, especially Cuba, and especially for rice, wheat, and other grains**
- **Now trading with, or at least exporting to, most, but lost market share over the years**

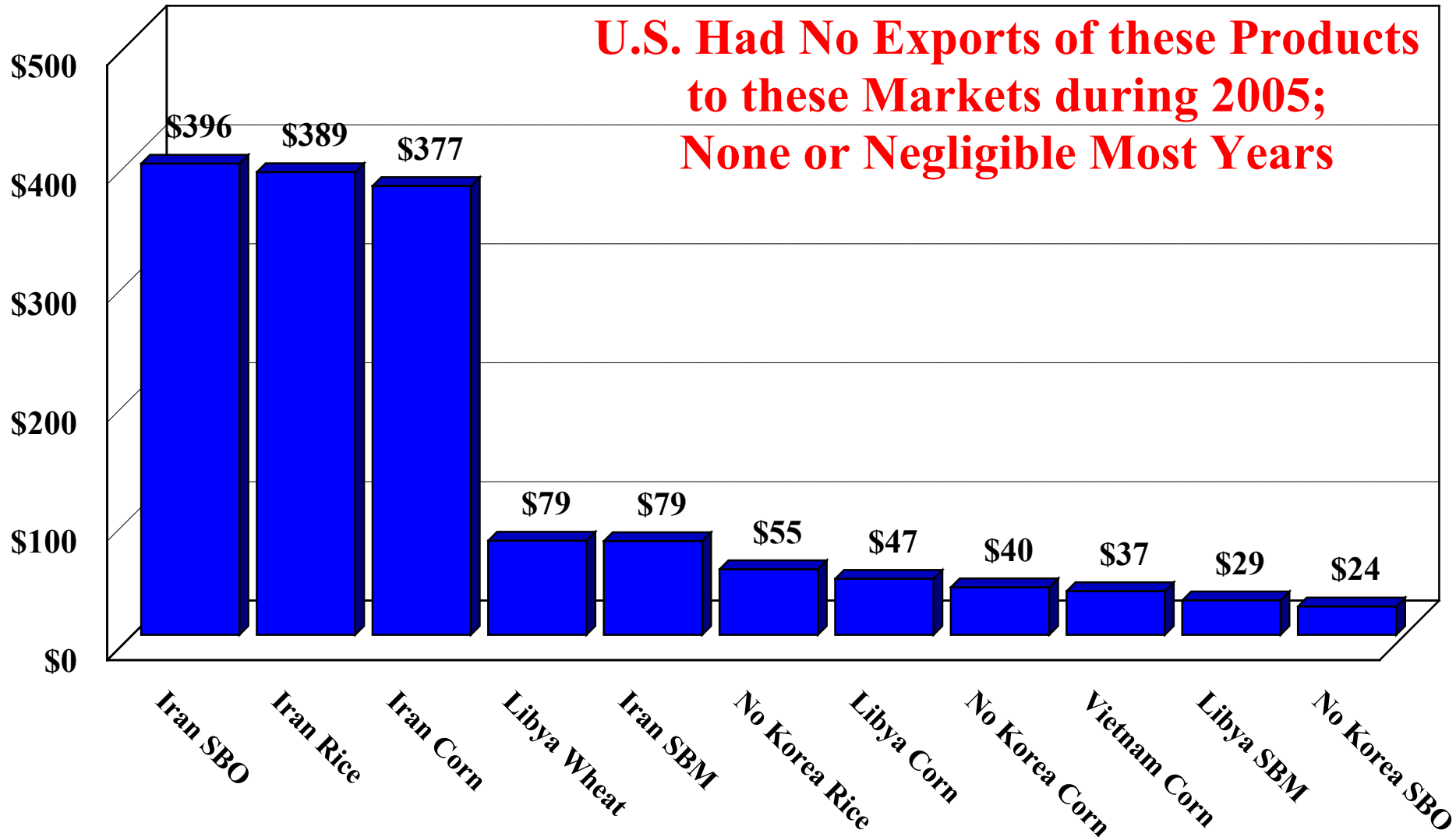
# Agricultural Imports for Countries Targeted by U.S. Sanctions, 2006

	<b>Agricultural Imports</b>	<b>Imports from U.S.</b>	<b>Percent from U.S.</b>
	<i>Million Dollars</i>		
<b>Cuba</b>	<b>\$1,039</b>	<b>\$328.2</b>	<b>31.6%</b>
<b>Vietnam</b>	<b>\$3,464</b>	<b>\$216.0</b>	<b>6.2%</b>
<b>Sudan</b>	<b>\$1,147</b>	<b>\$71.6</b>	<b>6.2%</b>
<b>Iran</b>	<b>\$5,110</b>	<b>\$5.1</b>	<b>0.1%</b>
<b>Libya</b>	<b>\$1,216</b>	<b>\$33.8</b>	<b>2.8%</b>

Source: [www.wto.org](http://www.wto.org), [www.fas.usda.gov/ustrade](http://www.fas.usda.gov/ustrade), and [www.usitc.gov](http://www.usitc.gov)

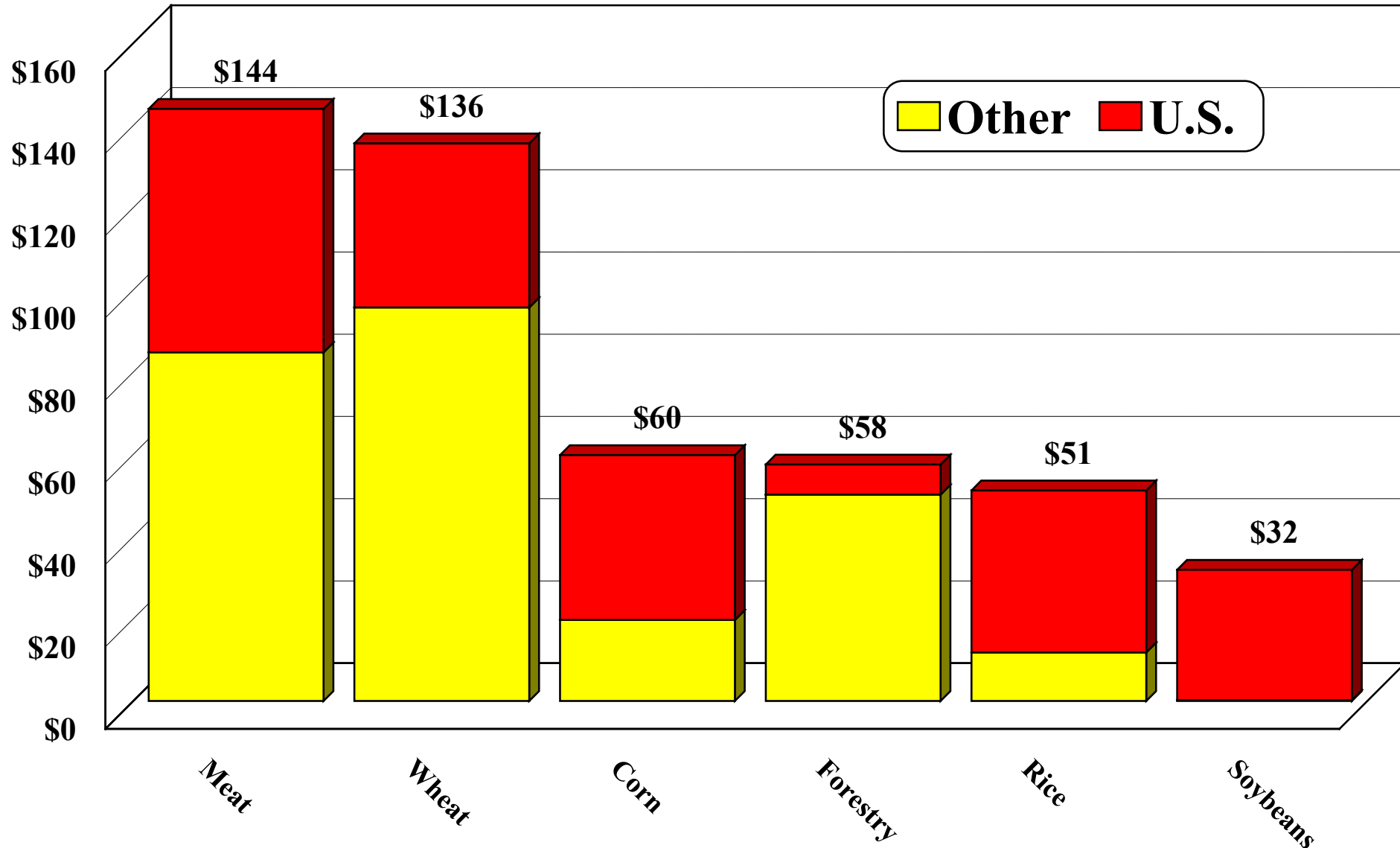
# Selected Ag Imports for Countries Targeted by U.S. Sanctions, 2005

Million Dollars



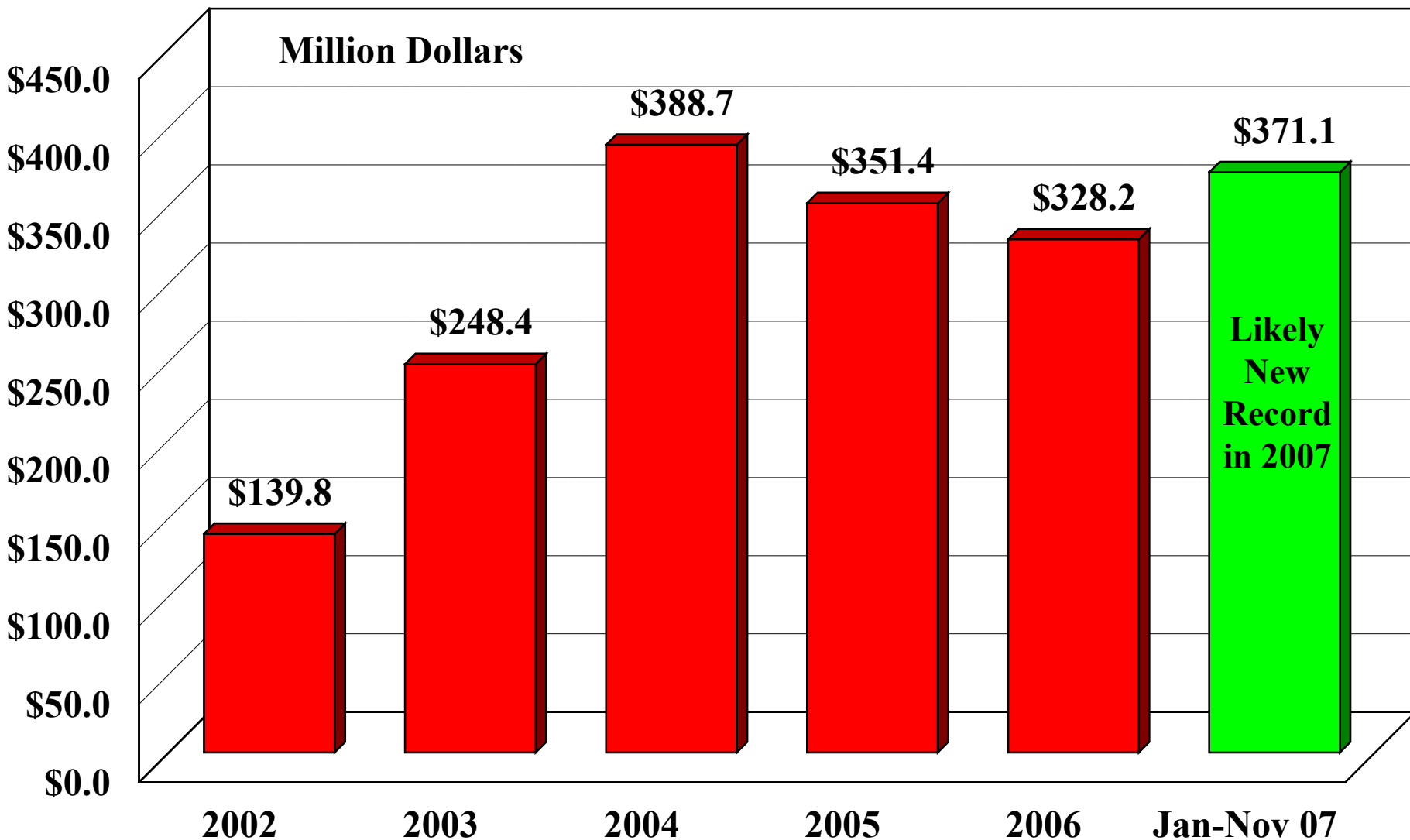
# Selected Ag Imports to Cuba, 2006

Million Dollars



Source: U.S. Trade Internet System, [www.fas.usda.gov/ustrade](http://www.fas.usda.gov/ustrade) and [www.usitc.gov](http://www.usitc.gov)

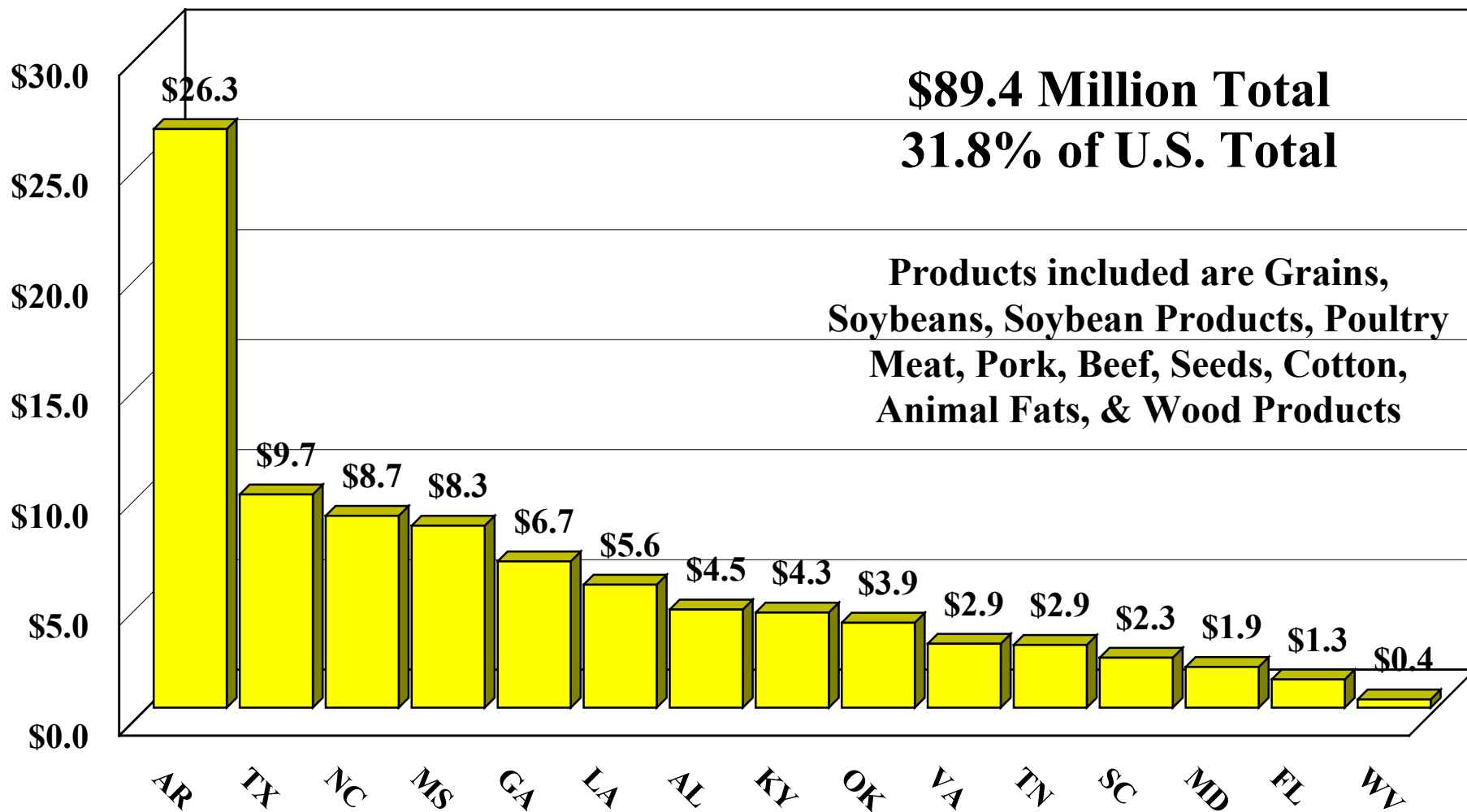
# U.S. Agricultural and Related Products Exports to Cuba, 2002 - November 2007



Source: U.S. Trade Internet System, [www.fas.usda.gov/ustrade](http://www.fas.usda.gov/ustrade)

# Southern U.S. Agricultural Exports to Cuba, Major Products, 2006

Million Dollars

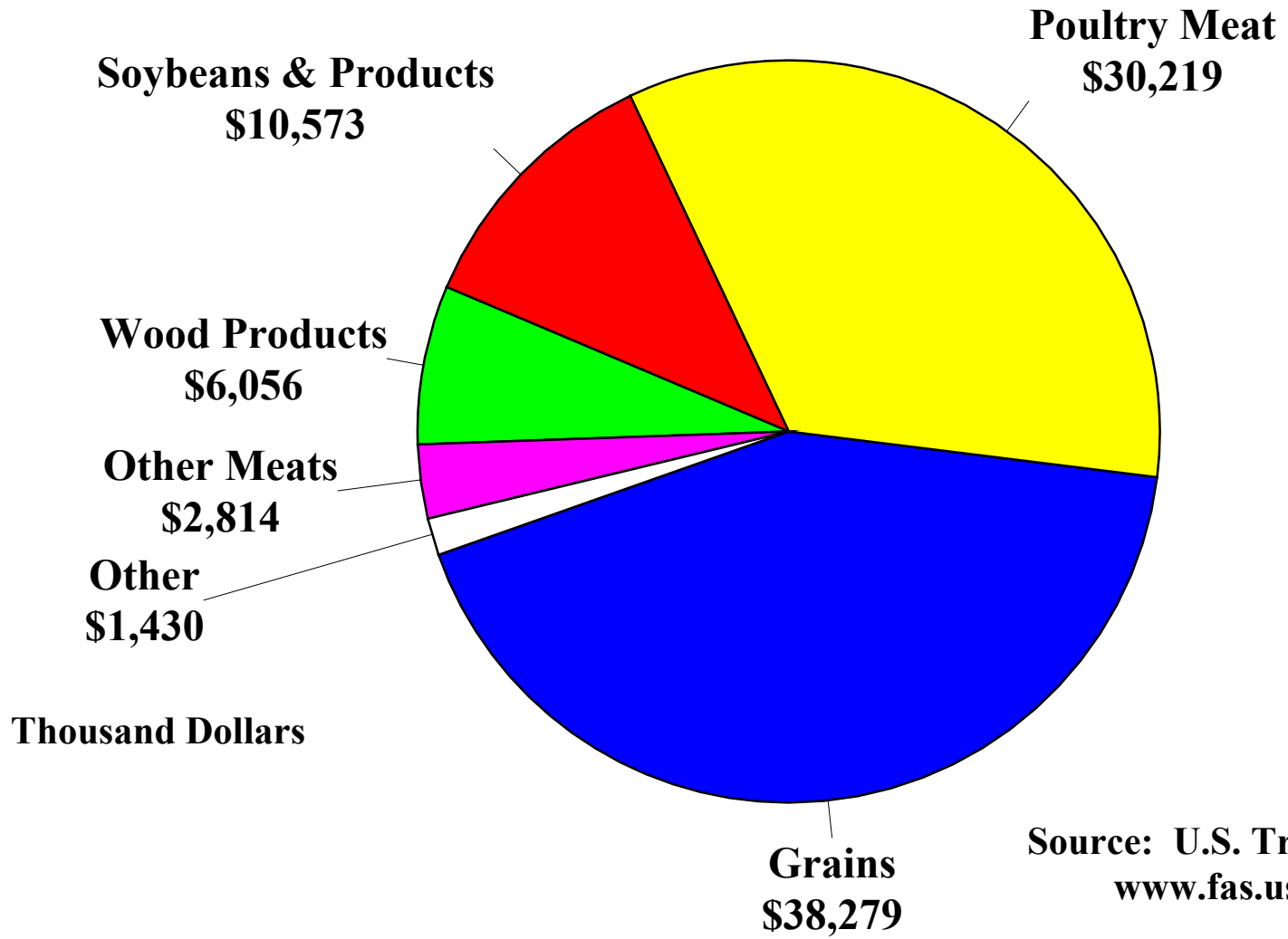


Source: U.S. Trade Internet System, [www.fas.usda.gov/ustrade](http://www.fas.usda.gov/ustrade)



# Composition of Southern U.S. Exports to Cuba, 2006

**\$89.4 Million Total**



**Thousand Dollars**

**Source: U.S. Trade Internet System,  
[www.fas.usda.gov/ustrade](http://www.fas.usda.gov/ustrade)**

# Economic Impacts of Southern U.S. Exports to Cuba, 2006

	<b>Business Activity</b>	<b>Income</b>	<b>Employment</b>
	<i>(Million Dollars)</i>		<i>(Jobs)</i>
<b>Direct</b>	<b>\$89.4</b>	<b>\$27.8</b>	<b>1,332</b>
<b>Indirect &amp; Induced</b>	<b>\$104.0</b>	<b>\$48.9</b>	<b>669</b>
<b>Total</b>	<b>\$193.4</b>	<b>\$76.7</b>	<b>2,001</b>

Source: Center for North American Studies, using IMPLAN Input/Output Model

# Byrd Amendment/Crawfish

- **The Byrd Amendment directed the U.S. Bureau of Customs and Border Protection to distribute monies to companies that petitioned or supported antidumping and countervailing duty actions.**
- **In the case of the U.S. crawfish industry, companies that did not petition or support antidumping actions against Chinese crawfish imports were not included in a \$7.5 million payout by Customs as a result of a 1997 antidumping order on crawfish tailmeat imports from China.**

# Byrd Amendment/Crawfish

## Crawfish Processor Information: 2000-2004

	2000	2001	2002	2003	2004
<b>Number of Firms</b>	24	23	29	28	27
<b>Total Pounds</b>	269,381	665,232	1,711,985	2,056,336	1,697,270
<b>Pounds/Firm</b>	11,224	28,923	59,034	73,441	62,862
<b>Top 3 Processor Share</b>	0.42	0.57	0.47	0.38	0.32
<b>Top 5 Processor Share</b>	0.61	0.71	0.60	0.52	0.49
<b>Herfindahl Index</b>	0.10	0.18	0.12	0.08	0.07

# Summary and Conclusions

- **Many Times Agriculture Has Borne Disproportionate Share of the Burden**
- **Sanctions Are Disruptive, May Harm US Producers & Likely Ineffective if Unilateral**
- **Southern Rice, Corn, Wheat, Meats Harmed by Sanctions**
- **US Ag Export Growth to Cuba Impressive- Likely Politically Motivated**
- **Economic Impacts to Southern U.S. is Substantial**

# Implications

- **As Sanctions are Lifted, There is an Educational Role to Inform**
- **Important to Be Objective, Staying Out of the Political Fray**
- **Staying Out of the Process may Cost Producers in some Cases (Byrd/Crawfish)**
- **Geopolitical Considerations Always Trump Agricultural Interests**