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AGRICULTURE, EXTERNAL TRADE AND INTERNATIONAL CO-OPERATION

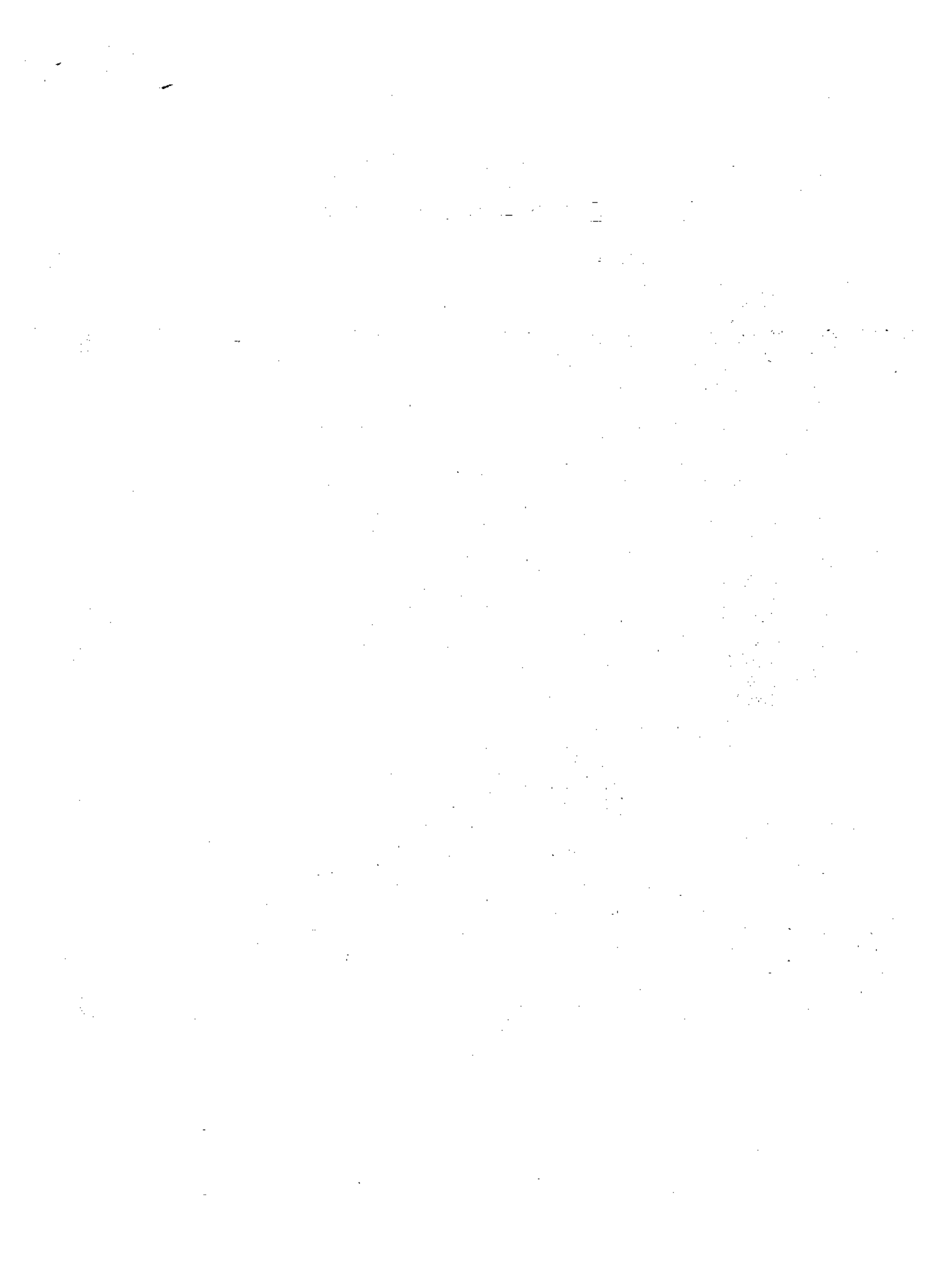
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## SYMBOLS USED IN THE FIGURES

AR	ARGENTINA
BO	BOLIVIA
BR	BRAZIL
CH	CHILE
CO	COLOMBIA
CR	COSTA RICA
CU	CUBA
DR	DOMINICAN REPUBLIC
EC	EQUADOR
SA	EL SALVADOR
GU	GUATEMALA
HA	HAITI
HO	HONDURAS
JA	JAMAICA
ME	MEXICO
NI	NICARAGUA
PA	PANAMA
PA	PARAGUAY
PE	PERU
TT	TRINIDAD AND TOBAGO
UR	URUGUAY
VE	VENEZUELA



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## INTRODUCTION

The agricultural sector of the majority of the countries of the region has proved to respond very flexibly to the stimuli provided by the domestic and external demand. In many cases, its structural transformation processes have depended above all on the dynamism of the external demand although the structural transformation process has accentuated the bimodality of the structure of agricultural production since it has been a partial transformation in terms of products, regions, and types of producers.

The reduction in domestic demand as a result of the adjustment processes and the severe crisis experienced by the world agricultural market, has been reflected in factors which have slowed down the development of agricultural activities in the region. Paradoxically, if they had adequate strategical orientation, these activities could play a key role in the necessary process of reactivating the economies since the strengthening of their links with agroindustry and services could produce greater increases in production and in the use of external inputs per unit than in other sectors.

The degree to which this will happen will depend on the importance of agriculture in production, employment and the generation of foreign currency and on the degree to which the external demand affects the agricultural supply.

In the first part of the document (Chapters I and II), the relative importance of agriculture in the principal macroeconomic variables is examined, and then an analysis is made of the impact of foreign agricultural trade on the agricultures of the countries of the region. This part ends with a description of the way in which the world market in agricultural commodities operates, with emphasis placed on the terms of insertion of the region in that market.

Chapter III contains an examination of the experience acquired in the lengthy process involved in international negotiations on farm commodities in the North-South context, and attention is drawn to the fact that international co-operation between producers and consumers, as it is now envisaged and structured, has not produced the expected results. It is therefore considered to be extremely important to pay attention to the scope and possible impact of the Uruguay Round held in the framework of GATT on problems affecting international trade in farm commodities. It is stressed that if more than the marginal progress made in the previous rounds is to be made in this round, it is urgent that the countries of the region should not only look after their own basic interests but should also influence the negotiations by adopting a common position towards the proposals made by the countries of the North. At the same time, since the Uruguay Round will provide no more than partial solutions, it is argued that the design of a new Latin American strategy of action cannot be postponed. The object of this study is to support those efforts which countries may make in this direction by presenting some observations concerning possible points which might be covered by such a strategy.

## I. AGRICULTURE AND FOREIGN TRADE IN LATIN AMERICA AND THE CARIBBEAN

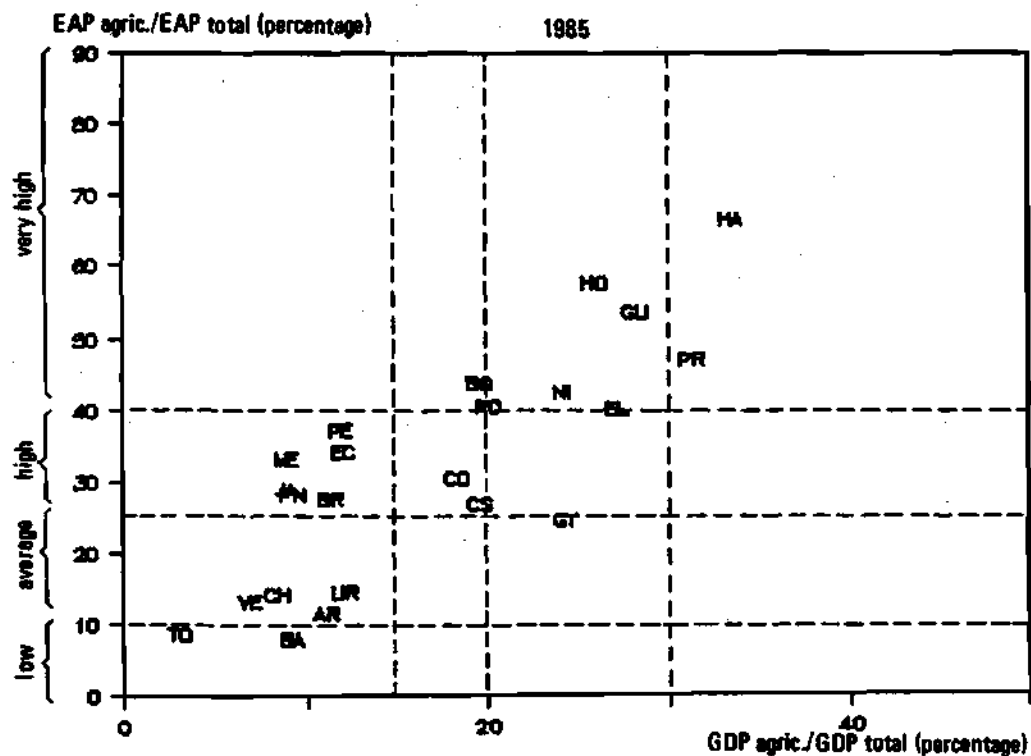
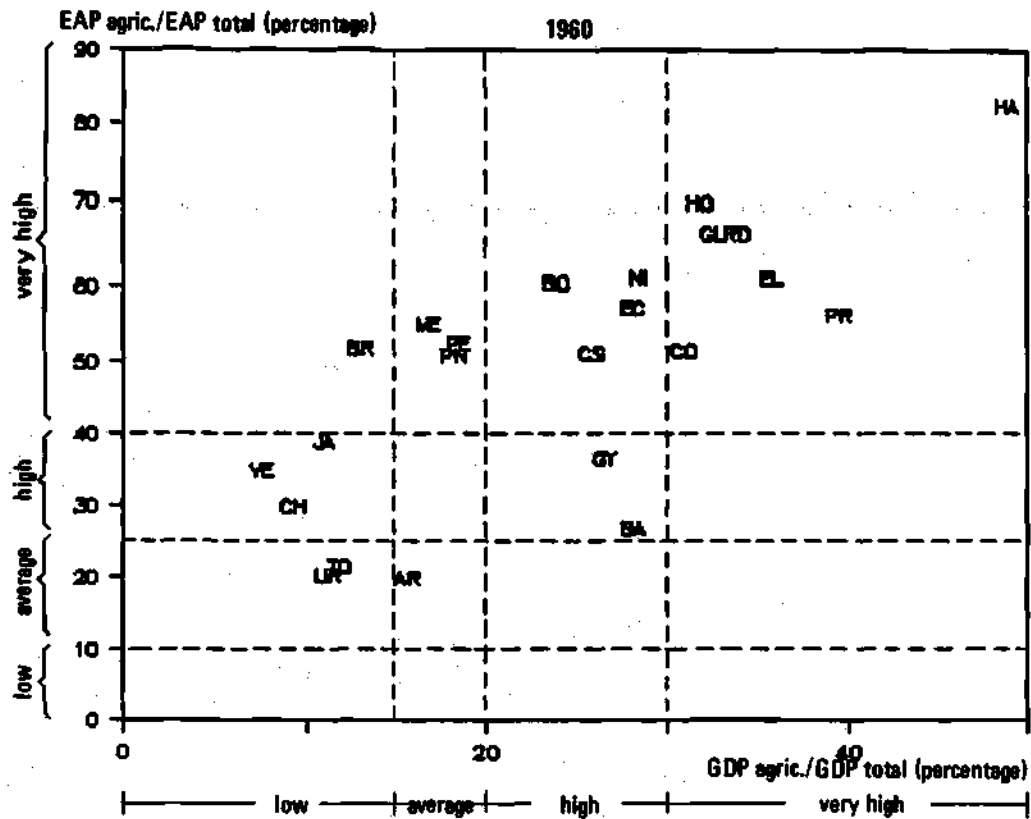
### 1. The agricultural sector and the economies of the region

The loss of importance of agriculture, in comparative terms, as a source of production, employment and, frequently, foreign currency, is an almost universal concomitant of economic growth. Some of this loss of relative importance is attributable to the growing tendency to transfer activities which used to be carried out in the agricultural sphere. These activities are moved backwards (to the sector providing inputs and means of production) and forward (to the processing industry). However, the faster growth of manufacturing and services is the major factor contributing to this trend. Latin America and the Caribbean have not been exempt from these processes. During the past quarter of a century, the region has experienced a rapid decline in the share of agriculture in the gross domestic product (GDP) --from 18% to around 11%-- and in employment --from close to 58% to under 30%. It must, however, be borne in mind that, unlike what happened in the case of the structural transformation processes of the developed countries and some of the recently industrialized countries, a not inconsiderable part of this relative loss of importance is due to the transfer of labour from agriculture to activities of minor economic significance (microtrade, a number of low productivity personal services and similar occupations).

Although these phenomena occurred in each and every country in the region, the average results obtained are based on a widely differentiated range of national situations. As shown in figure 1, the results for 1985 constitute a real continuum --from situations in which the share of agriculture in GDP and the economically active population (EAP) is low and very low (six countries) to situations in which its share in both these variables is very high, as in Haiti and, to a lesser extent in Paraguay. It should also be noted that between 1960 and 1985 all the countries moved towards positions of a smaller relative share by agriculture in both GDP and EAP (in the chart these appear as movements leftwards and downwards, respectively). In the majority of the cases, an increase may also be observed in the quotient of the percentage share in GDP and the percentage share in EAP.<sup>1</sup> This suggests a relative improvement in the productivity of the agricultural labour force by comparison with the other sectors taken into account.



Figure 1  
 LATIN AMERICA AND THE CARIBBEAN: SHARE OF AGRICULTURE IN GDP  
 AND OF AGRICULTURAL EMPLOYMENT IN THE EAP, 1960 AND 1985



Source: Joint ECLAC/FAO Agriculture Division, on the basis of data from the *Production Yearbook of FAO, 1960 and 1986* and from the *Statistical Yearbook for Latin America, 1960* and *Statistical Yearbook for Latin America and the Caribbean, 1986*, of ECLAC.

The share of agriculture in total exports has also declined fairly appreciably in the period under review, falling from close to 51% in 1960 to under 30% in the mid-1980s. Only six out of a total of 22 countries maintained some stability in terms of the relative share of farm exports in total exports (see figure 2); the remaining countries showed declines of varying degrees of significance. This tendency to decline persisted during the period 1980-1985 although the number of countries in which this variable remained stable or grew is higher than it was in the preceding periods. The relative position of the countries would indicate that there are three kinds of situation (see figure 2):

- i) countries in which the share of farm commodities in total exports is persistently high (quadrant II);
- ii) countries whose share of agricultural commodities in total exports is persistently low (quadrant IV);
- iii) countries in which the share of agricultural exports has fallen from high and very high levels in the 1960s to medium and low levels in the 1980s (quadrant III).

The share of farm imports in total imports in the period 1960-1980 experienced increases of some significance in four out of a total of 23 countries; it remained relatively stable in the large majority of countries (variations ranging between plus and minus 3%) and experienced declines of some importance in only three of the countries taken into consideration (see figure 3). This situation is in contrast with what happened in the period 1980-1985, when, in the case of nearly all the countries considered, the share of agricultural imports declined, in some cases very significantly. Bolivia and the oil-exporting countries constitute exceptions to this trend.

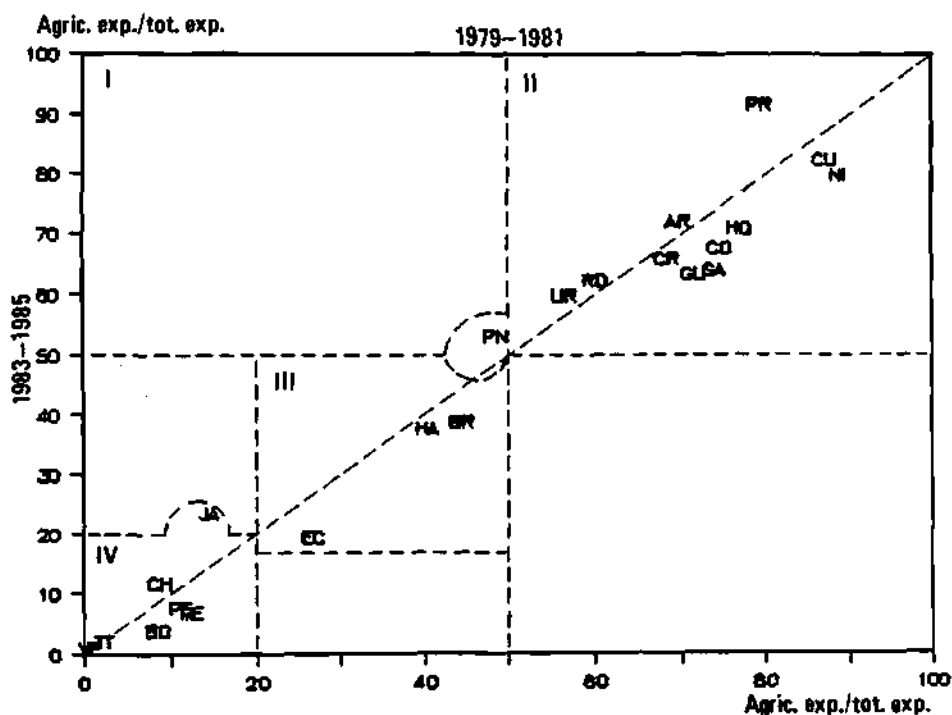
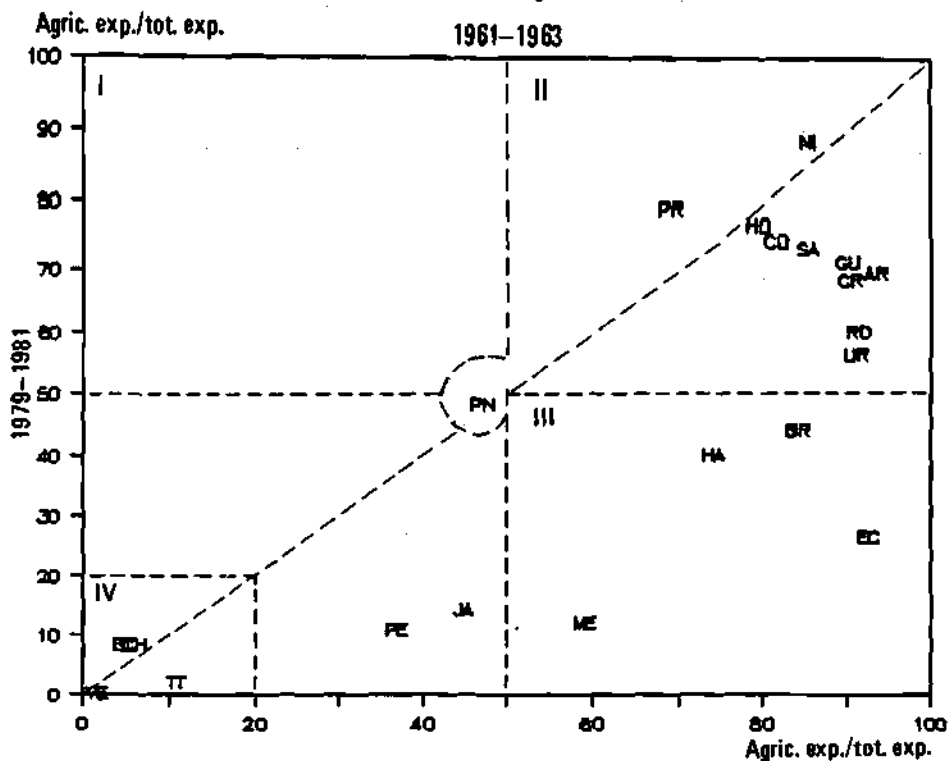
In considering the net contribution of foreign trade in agricultural commodities, it may be seen that, for the region as a whole, the situation has been positive and growing more so over the past quarter of a century. At the country level, however, four types of situation may be observed (see figure 4):

- i) countries whose net positive balance became a negative balance in the 1980s (17% of the cases observed) (quadrant I);
- ii) countries in which this variable remained positive although, in most cases, less so (nearly 70% of the cases) (quadrant II);
- iii) one country (Chile) whose deficit position became a surplus position (quadrant III); and
- iv) countries which remained in their position of net agricultural importer (13% of the cases) (quadrant IV).

As for restrictions encountered by economic development in the countries of the region (external financing, inflationary pressures, unemployment), the promotion of the agricultural sector and, more specifically, the strengthening of the link between agriculture and industry emerges as one of the more promising indications. As suggested by the review of the input-product ratio of countries representing the variety of situations present in the region, the agroindustrial complex generates increases in employment and in the product which are larger than those in the other sectors of the economy combined and call for a lower density of input per unit produced (see tables 1 and 2 annexed).

Figure 2  
 LATIN AMERICA AND THE CARIBBEAN: SHARE OF AGRICULTURAL  
 EXPORTS IN TOTAL EXPORTS.

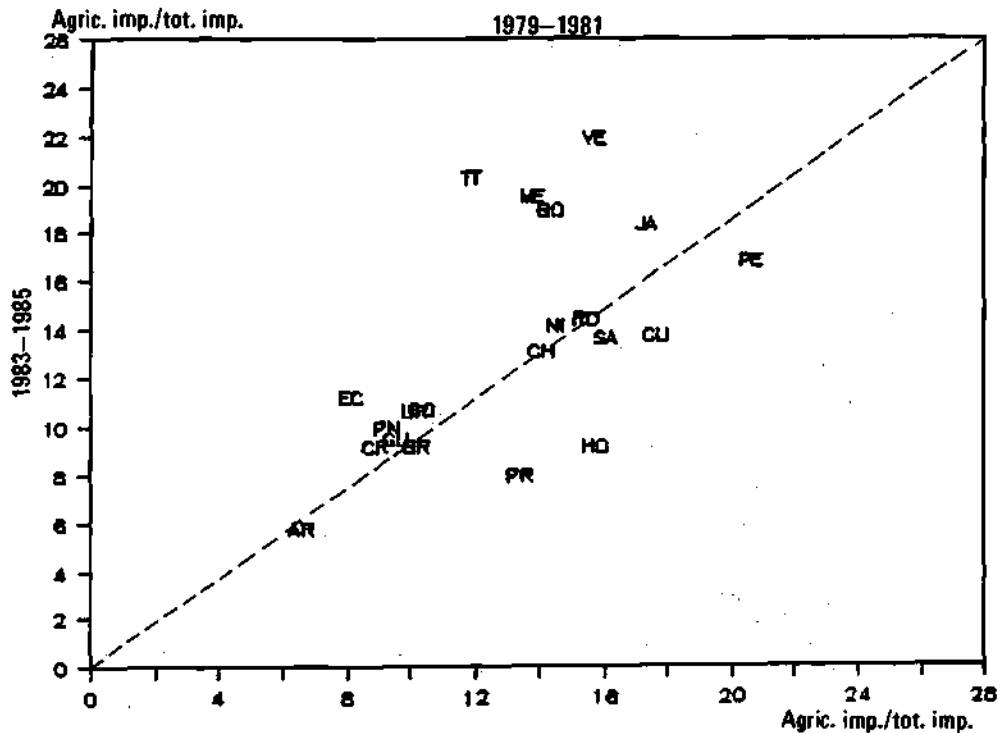
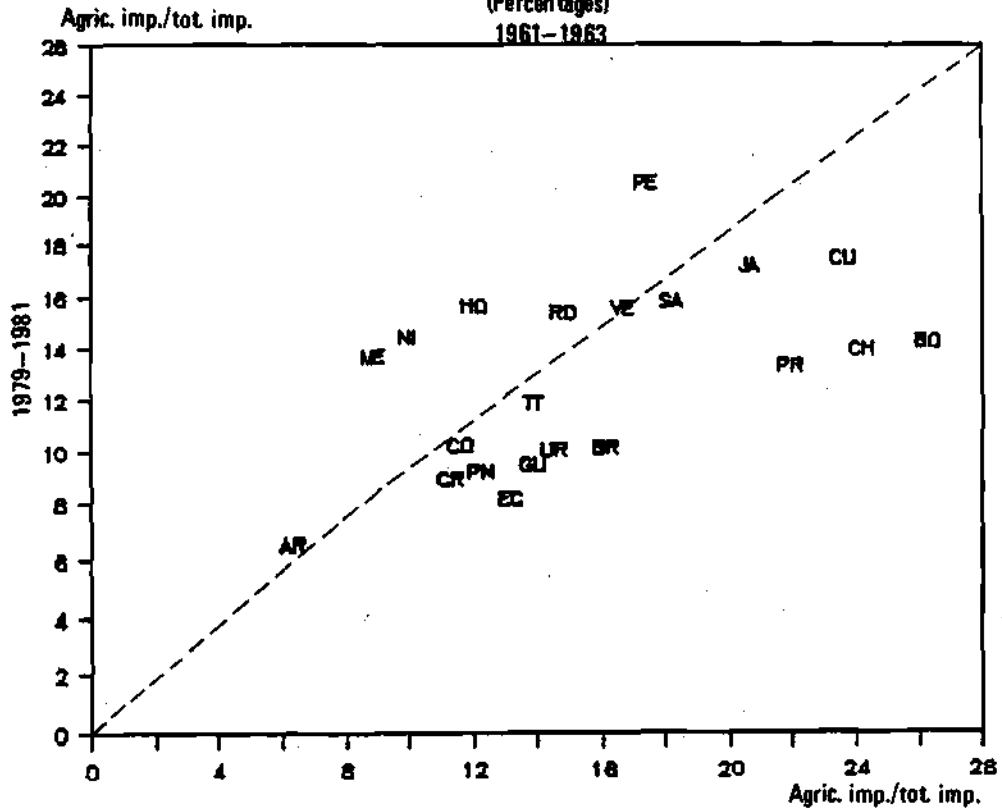
Comparison between the periods: 1961-1963 and 1979-1981; 1983-1985 and 1979-1981  
 (Percentages)



Source: Joint ECLAC/FAO Agriculture Division, on the basis of FAO data.

**Figure 3**  
**LATIN AMERICA AND THE CARIBBEAN: SHARE OF AGRICULTURAL**  
**IMPORTS PRODUCTS IN TOTAL IMPORTS.**

Comparison between the periods: 1961-1963 and 1979-1981; 1983-1985 and 1979-1981  
 (Percentages)

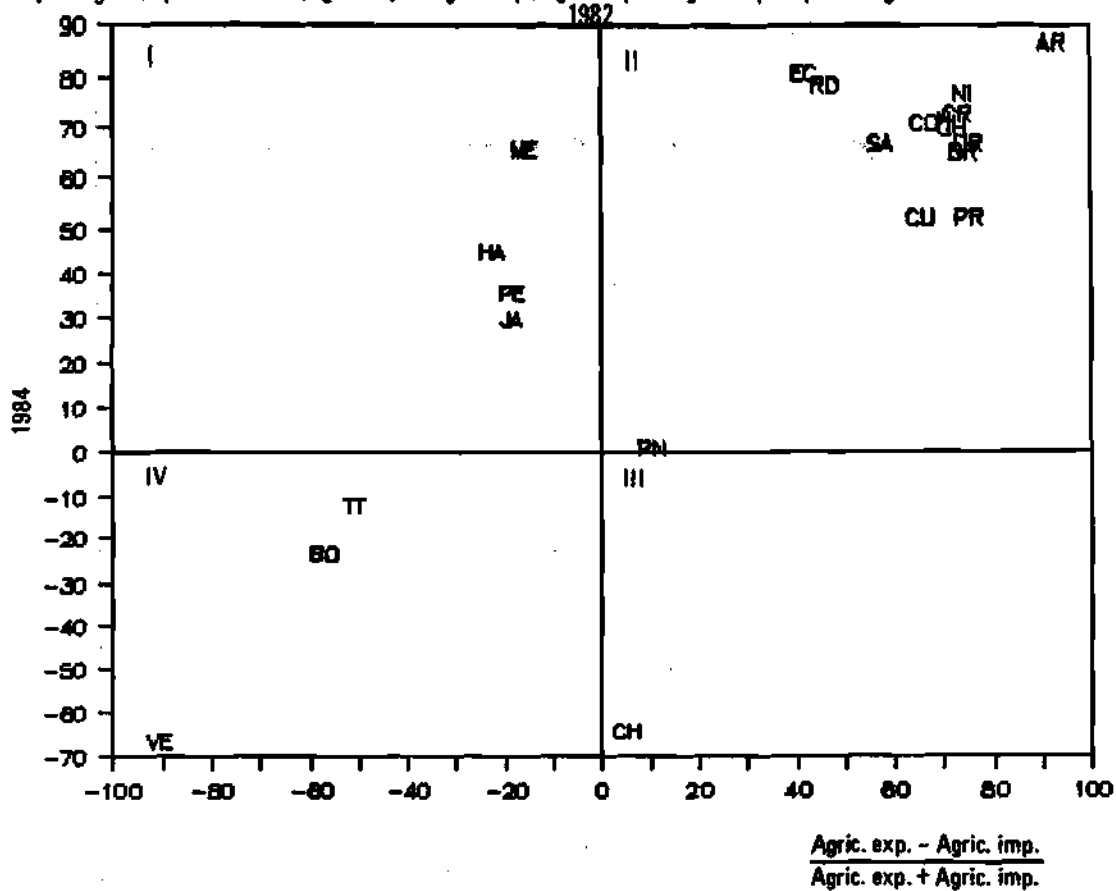


Source: Joint ECLAC/FAO Agriculture Division, on the basis of FAO data.

Figure 4  
 LATIN AMERICA AND THE CARIBBEAN: NET AGRICULTURAL EXPORTS AS A  
 PERCENTAGE OF TOTAL TRADE IN AGRICULTURAL GOODS, 1982

$\frac{\text{Agric. exp.} - \text{Agric. imp.}}{\text{Agric. exp.} + \text{Agric. imp.}}$

(Agric. exp. - Agric. imp./Agric. exp. + Agric. imp. in percentages)



Source: Joint ECLAC/FAO Agriculture Division, based on FAO data.

Together with the growth in domestic demand, that in exports and in the substitution of agricultural imports are key variables in respect of the possibility of setting a process like this into motion.

## 2. The role of foreign trade in the supply of and demand for agricultural commodities

As for the percentage of imports in the apparent consumption of agricultural commodities as a reflection of the level of external dependence, we see that it is high (over 20%) in 45% of the countries studied and that in a third of them, it is lower than 10% (see figure 5).

In the specific case of food, a large number of countries (nine out of a total of 20) require a significant share of imports to maintain their average consumption levels, which in some cases (such as Peru and Bolivia) are, even so, not high enough to satisfy the minimum standards. In addition, in the majority of the countries, the levels of caloric dependence rose in the period 1960-1980 (see figure 6).

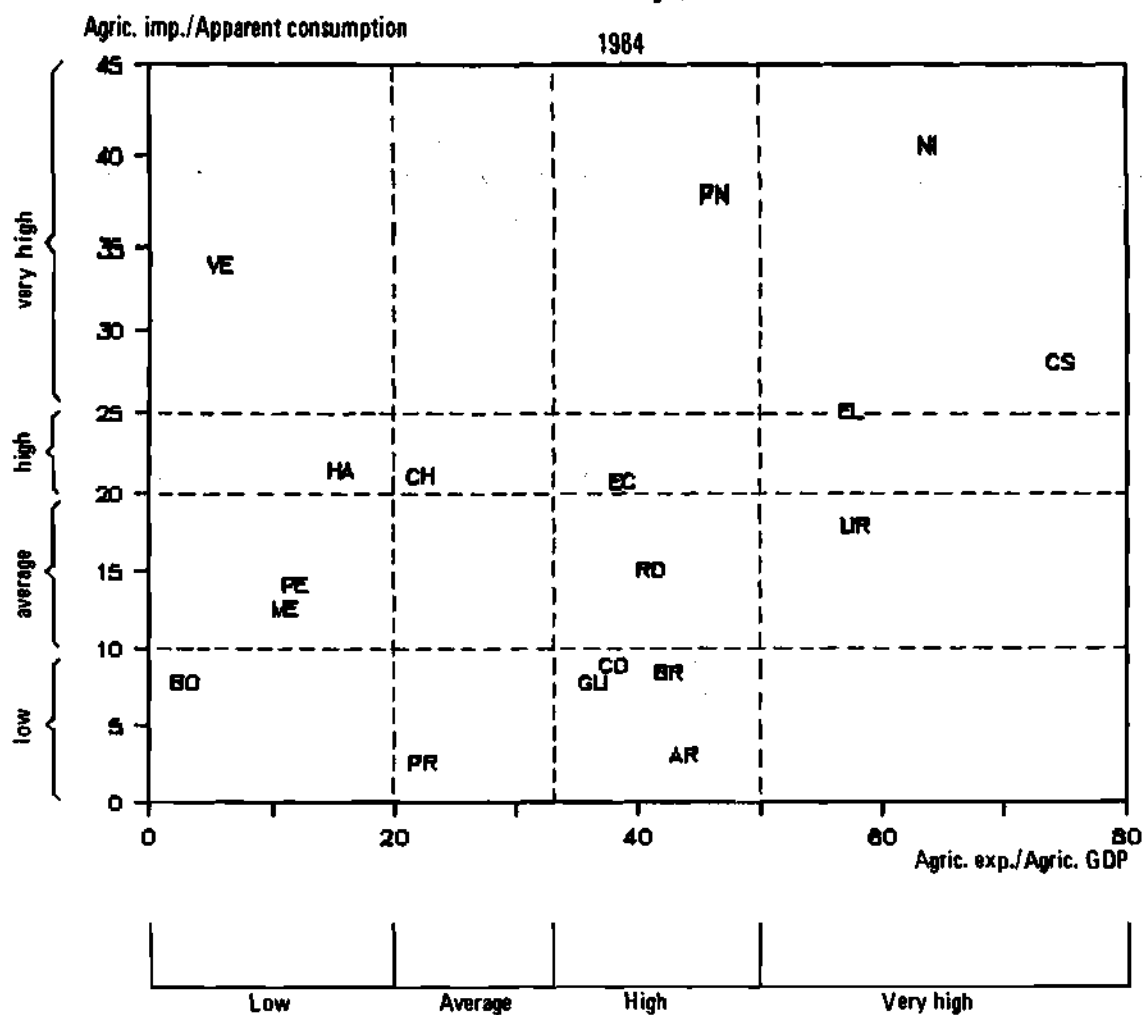
In the case of a large number of countries (60% of the cases studied), exports constitute a high and even very high share of the agricultural GDP (see figure 5); hence the growth of external demand constitutes an important yardstick of the growth of the sector itself. Moreover, bearing in mind that in some of them the agricultural GDP constitutes a sizeable share of the total GDP, we may infer that the growth of external demand is decisive to the development of their economies.

In connection with the growth pattern of exports and imports, it is appropriate to draw a distinction between the decade preceding the crisis and the period 1980-1985. There are significant differences between these two periods in terms both of current prices and of constant prices for 1980.

Actually, from the point of view of exports and imports in dollars for each year, it may be seen that during the period 1970-1980, these variables grew at rates which, in the large majority of cases, were higher than 15% a year and that in the majority of countries, imports grew at a higher rate than exports (see figure 7). During the period 1980-1985, the picture changed dramatically in that no one country showed simultaneous growth in exports and imports (quadrant II); only one of the 23 countries taken into consideration showed an increase in imports (quadrant I); six countries showed increases (allowing to less than 5% overall) in their exports, whereas 60% of the cases showed distinctly significant declines both in imports and in exports (quadrant IV).

In constant 1980 prices, the contrast between the two periods in question was very indicative of the impact had by the recession and the crisis on trade (see figure 8). In the first period, 14 out of 23 countries showed increases in the volume of both their exports and their imports; in the second period, only five countries were in that position (quadrant II). At the other extreme, while only Jamaica showed a decline in imports and exports in the first period, in the second period, there were six countries in this position

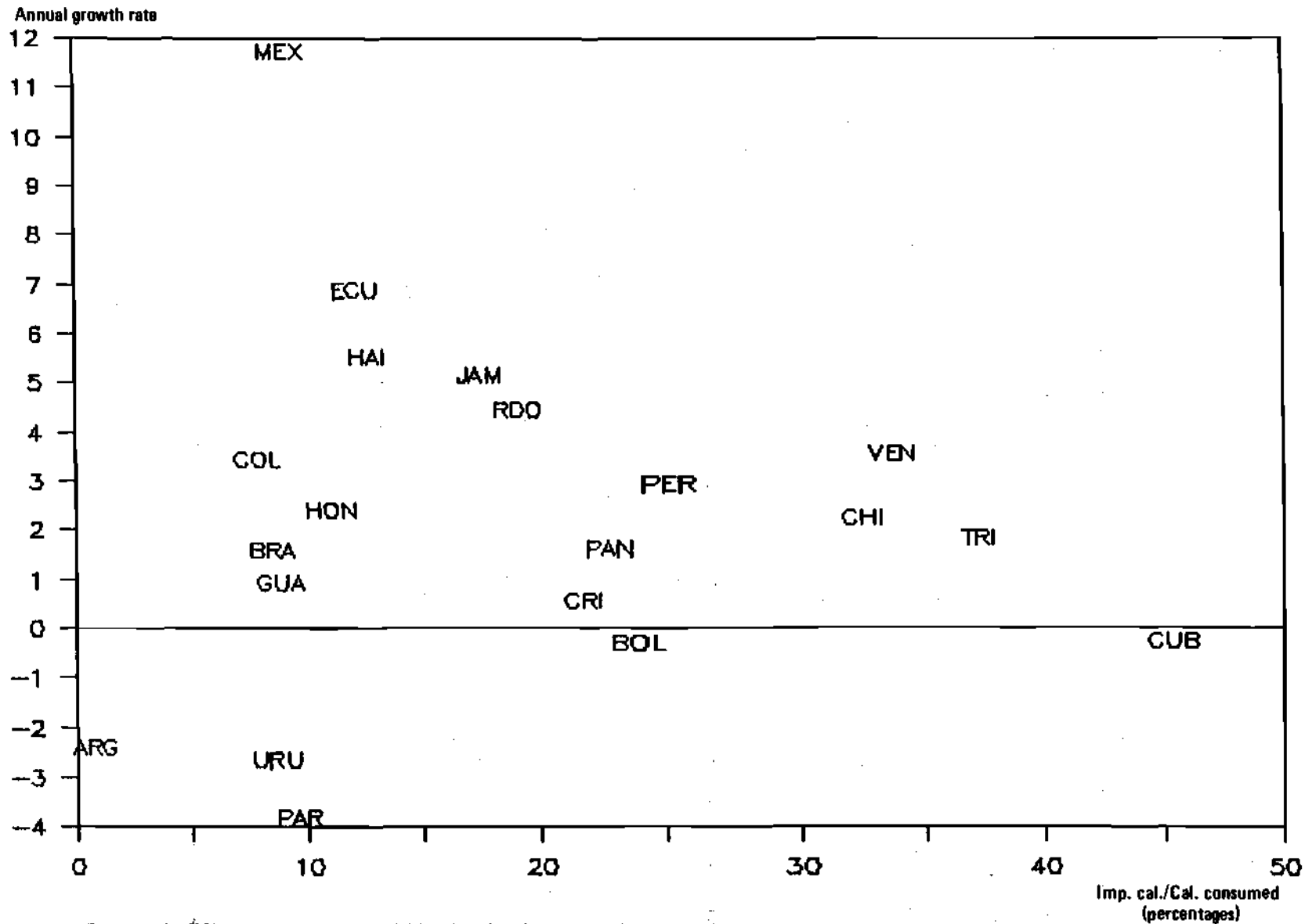
Figure 5  
 LATIN AMERICA AND THE CARIBBEAN: RELATIVE IMPORTANCE OF AGRICULTURAL  
 EXPORTS IN THE SECTORAL PRODUCT AND OF IMPORTS IN THE APPARENT  
 CONSUMPTION OF AGRICULTURAL PRODUCTS, 1984<sup>a</sup>  
 (Percentages)



Source: Joint ECLAC/FAO Agriculture Division, on the basis of data from the *Statistical Yearbook for Latin America, 1983* and the *Statistical Yearbook for Latin America and the Caribbean, 1985*, of ECLAC and from the *Foreign Trade Yearbook of FAO, 1983 and 1985*.

<sup>a</sup>The apparent consumption does not include variations in stocks (production + imports - exports).

Figure 6  
 LATIN AMERICA AND THE CARIBBEAN: LEVEL AND TREND OF THE IMPORTED COMPONENT OF CALORIES CONSUMED, 1960-1980<sup>a</sup>

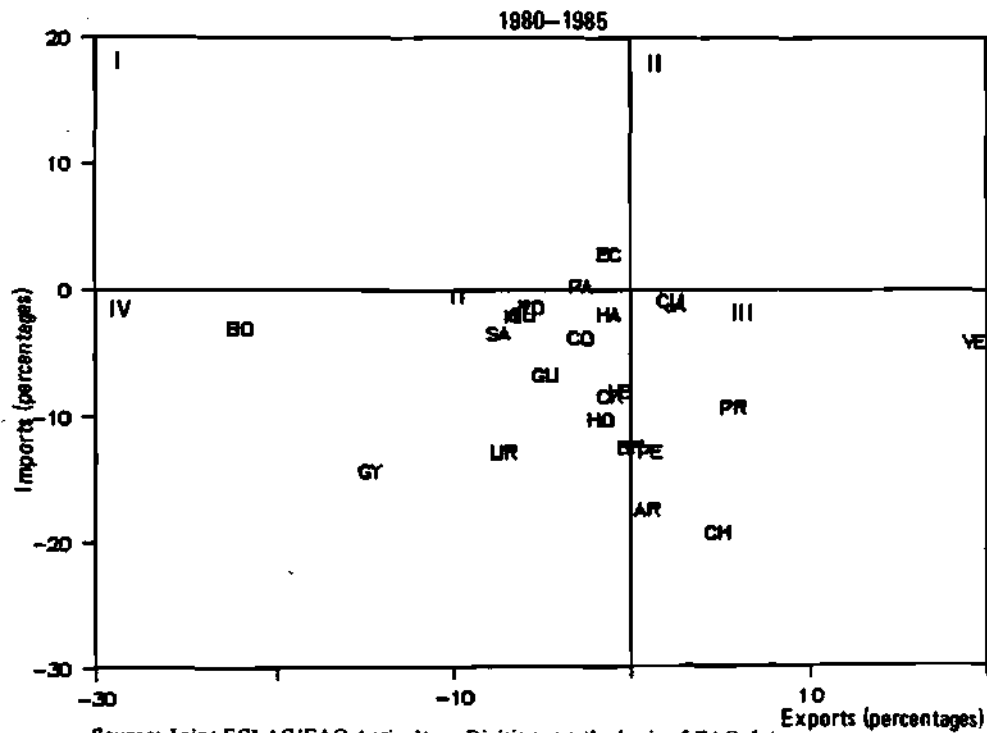
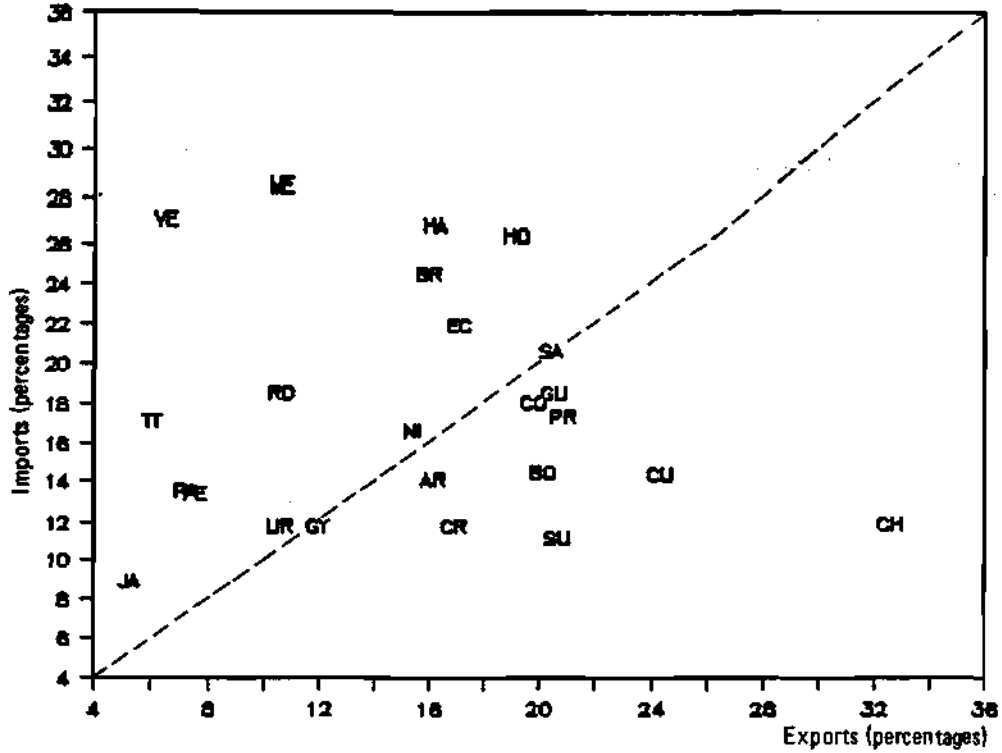


Source: Joint ECLAC/FAO Agriculture Division, based on FAO, *Hojas de balance de alimentos promedios, 1961-1963 and 1979-1981.*

<sup>a</sup>Responses to the logarithmic adjustment in percentages of imported calories in the average consumption for the period 1960/1980.

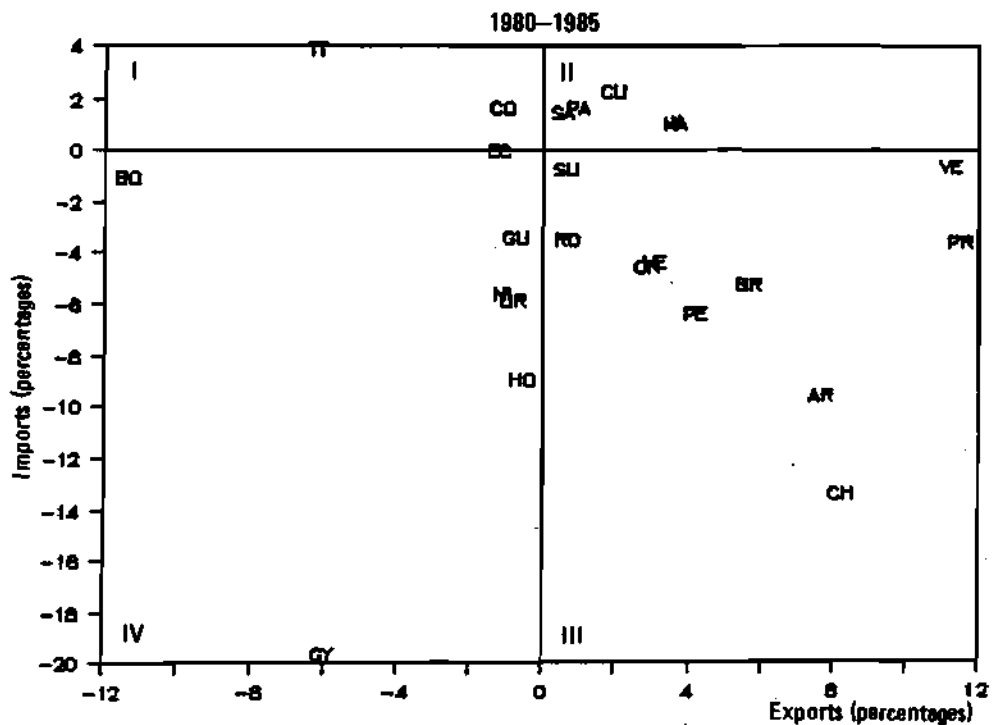
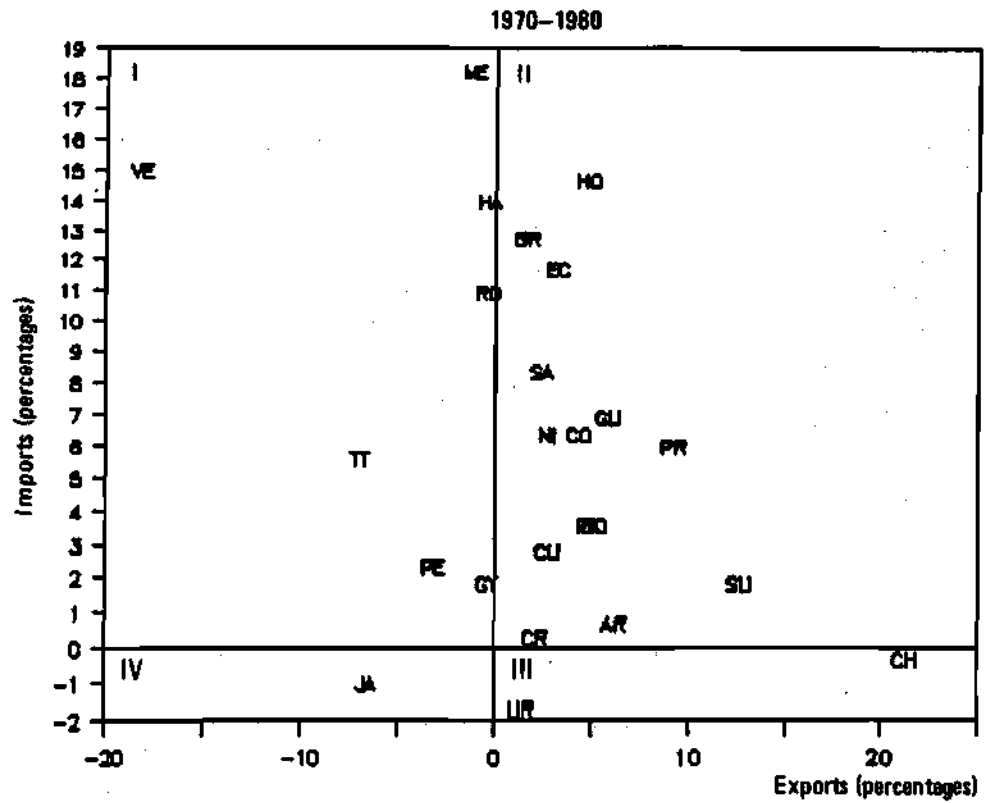


Figure 7  
 LATIN AMERICA AND THE CARIBBEAN: ANNUAL GROWTH RATE OF  
 THE VOLUME OF AGRICULTURAL EXPORTS AND IMPORTS,  
 1970/1980 AND 1980/1985<sup>a</sup>  
 1970-1980



Source: Joint ECLAC/FAO Agriculture Division, on the basis of FAO data.  
<sup>a</sup>Rate of increase of the index numbers (exponential adjustment).

Figure 8  
 LATIN AMERICA AND THE CARIBBEAN: ANNUAL GROWTH RATE OF THE  
 VOLUME OF AGRICULTURAL EXPORTS AND IMPORTS,  
 1970/1980 AND 1980/1985, (AT 1985 PRICES)<sup>a</sup>



Source: Joint ECLAC/FAO Agriculture Division, on the basis of FAO data.  
<sup>a</sup>Rate of increase of the index numbers (exponential adjustment).

(quadrant III). Just as significant is the contrast between the growth of average exports in value and in volume terms (see quadrant III of those parts of figures 7 and 8 which relate to the period 1980-1985), since while in 10 of the countries the volume of exports grew, the amount of foreign currency obtained increased in only six countries. This is a consequence of the growth pattern followed by prices, to which reference will be made below.

### 3. Composition of agricultural exports and imports

A small and relatively stable group of commodities have made up the bulk of the agricultural exports of Latin America and the Caribbean since the beginning of the past decade up to the present time. At this level of aggregation, the most significant changes, in terms of the relative position of the commodities, seem to be due to the accelerated increase of oilseeds and vegetable oils and to the diminished importance of sugar and meat (see figure 9). The commodities in the group referred to above, whose share in total exports, at regional level, grew from 75% to slightly more than 80% between 1980 and 1985, are, with few exceptions, of great importance at the level of each of the countries, taken individually, and, within the subregions, show percentage shares ranging from over 80% for Central America and the Caribbean to 30% for Mexico (see table 3 in annex).

The relative stability of the composition of exports in terms of individual commodities does not change the fact that when they are considered as items in the Standard International Trade Classification (SITC), changes may be noted in the relative position of some of them, in particular soya beans and their derivatives, fruit and vegetable juices, wood pulp and other oils and oilseeds (see table 1).

The changes observed in the composition of exports are the result of a reconciliation, which is not always easily attained, between the rigidities due to ecological conditions and the degree of flexibility shown in adapting to changes in the external demand situation.

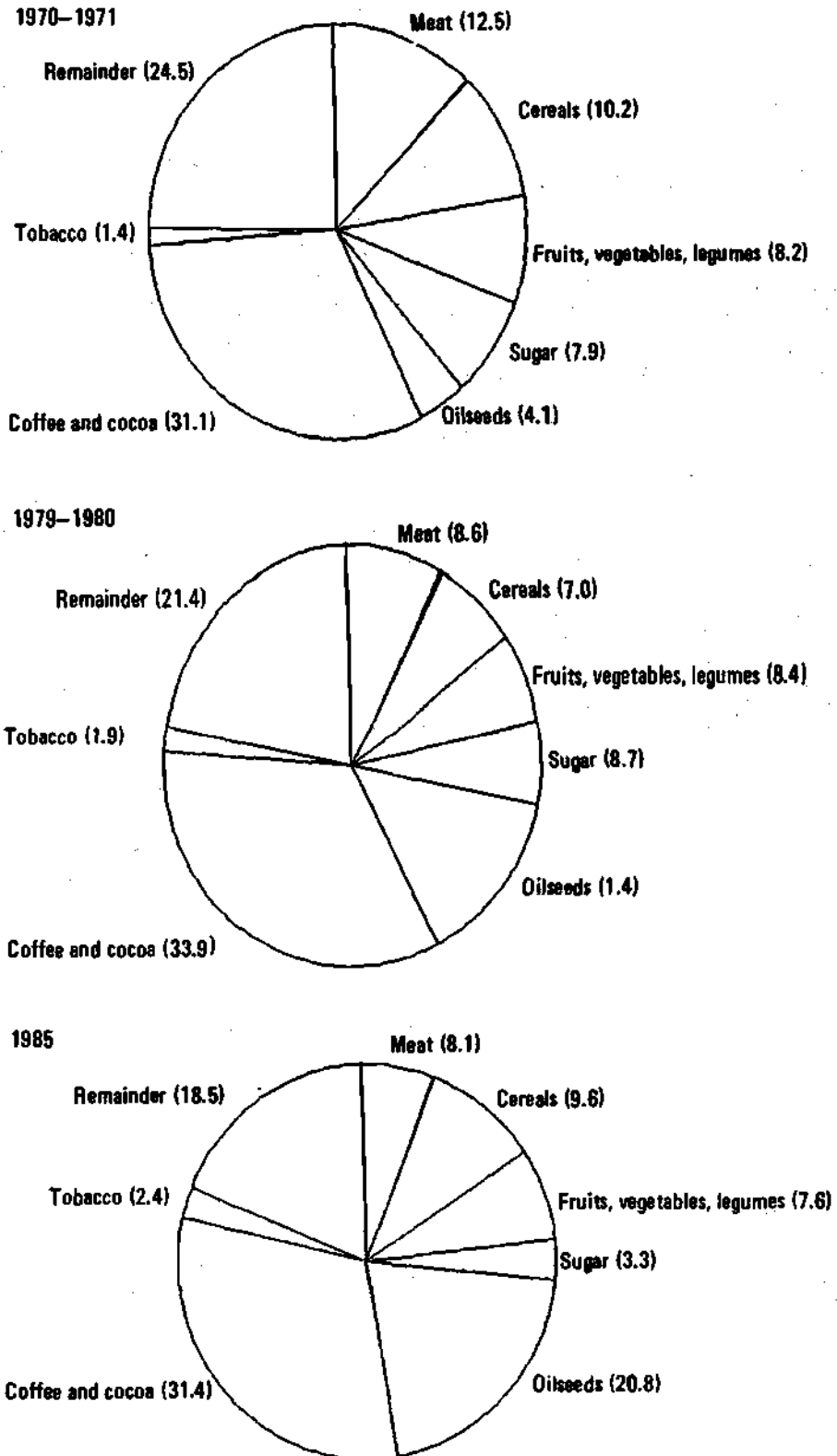
As in the case of exports, the bulk of the imports is composed of a limited number of commodities, many of them basic for the diets of the countries concerned. Six commodity groups which had constituted about half the imports in 1970 constituted nearly 70% of them in 1985; the leading group is that made up by grains while the share of oils and oilseeds increased rapidly (see figure 10).

### 4. Trends in the terms of trade in agricultural commodities and outlook for the leading exports

The terms of trade of the leading exports experienced tremendous variations during the period 1970-1984 (see figure 11), and in the long term a trend towards deterioration was shown by the majority of the leading commodities. This trend was particularly marked in the cases of sugar, meat and cotton.<sup>2/</sup>

Figure 9

LATIN AMERICA AND THE CARIBBEAN: AGRICULTURAL EXPORTS  
(Percentages of the total)



Source: Joint ECLAC/FAO Agriculture Division, based on data from *Foreign Trade Yearbook*, of FAO, 1970, 1975, 1980 and 1986.

Table 1

LATIN AMERICA a/ AND THE CARIBBEAN: MAIN AGRICULTURAL  
EXPORT PRODUCTS b/

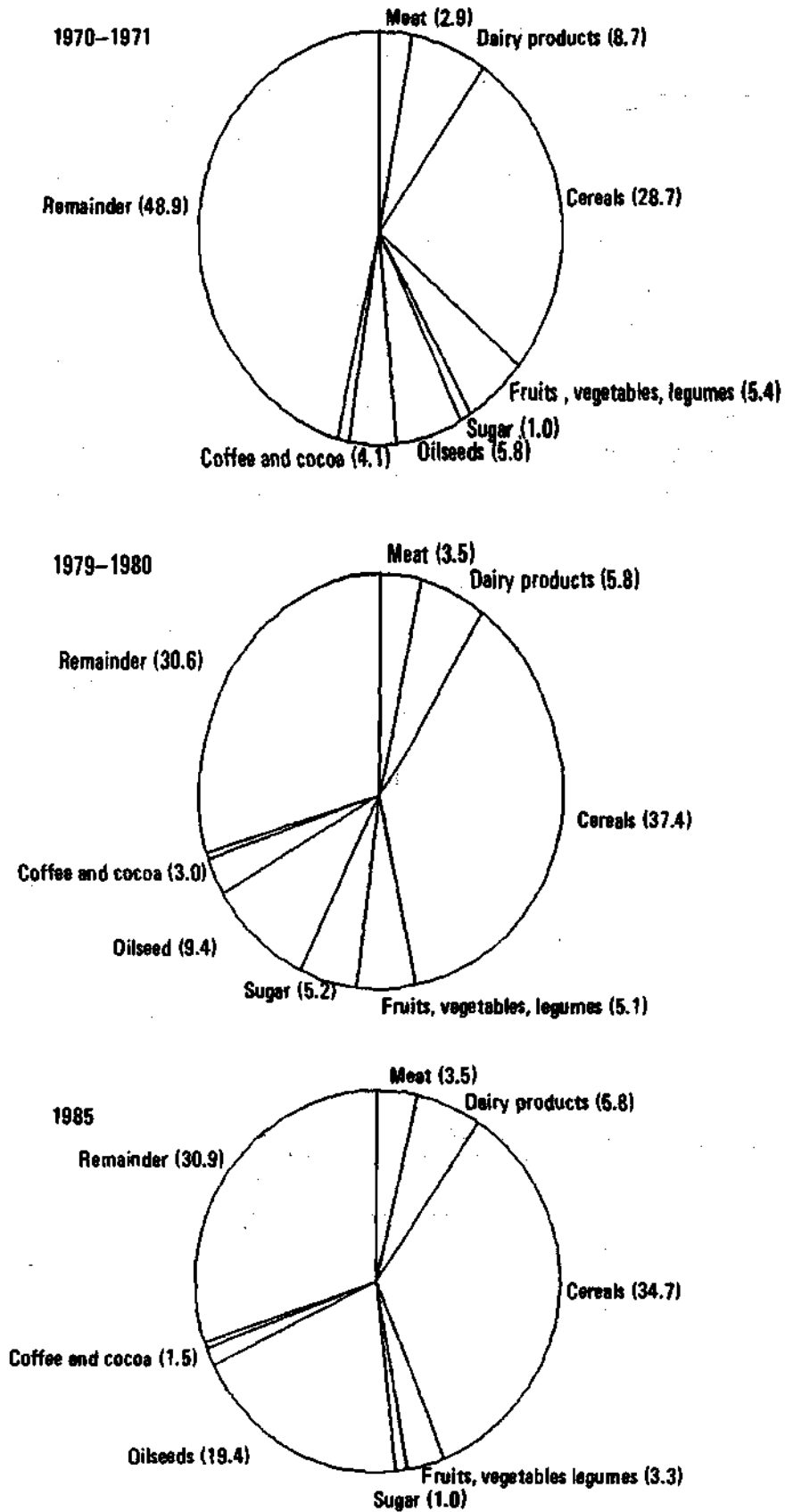
Product	Relative position		% of total agr. exports	
	1984	1970	1984	1970
Coffee, green or roasted and coffee substitutes	1	1	22.4	29.0
Oil seed cake and meal	2	8	7.6	2.4
Fruit juices and vegetable juices	3	38	5.4	0.3
Soya beans (excluding flour)	4	30	4.9	0.4
Crustacea and molluscs	5	11	3.7	1.8
Wheat	6	10	3.4	1.9
Plantains and fresh bananas	7	7	3.2	4.0
Soyabean oil	8	141	3.1	0.0
Maize (corn)	9	5	2.7	5.2
Raw cotton	10	3	2.5	6.5
Sugar	11	4	2.4	5.3
Fresh meat of bovine animals	12	2	2.1	7.5
Tobacco, unmanufactured	13	17	2.1	1.0
Wood pulp	14	67	1.8	0.1
Cereals, unmilled	15	14	1.7	1.4
Other prepared meat	16	9	1.7	2.2
Meat meal and fish meal	17	6	1.5	4.7
Sunflower seed oil	18	37	1.5	0.3
Cocoa beans, raw or roasted	19	12	1.3	1.7
Coffee extracts and essences	20	19	1.2	0.7

Source: ECLAC, External Trade Data Bank for Latin America and the Caribbean (BADECEL).

a/ Includes the countries of the Latin American Integration Association (ALADI) and of the Central American Common Market (CACM).

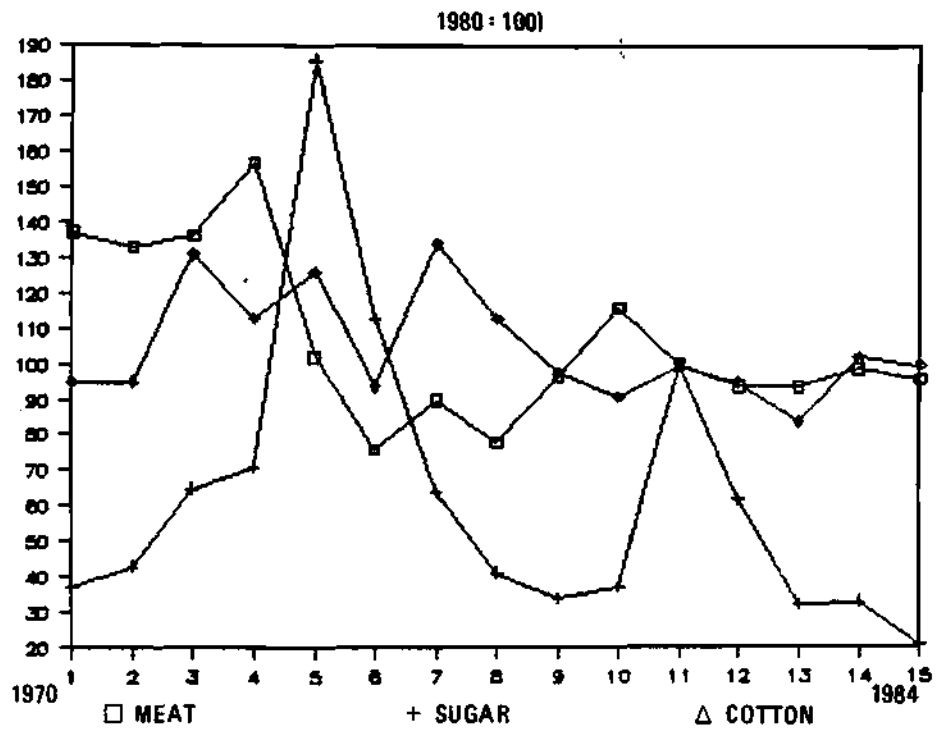
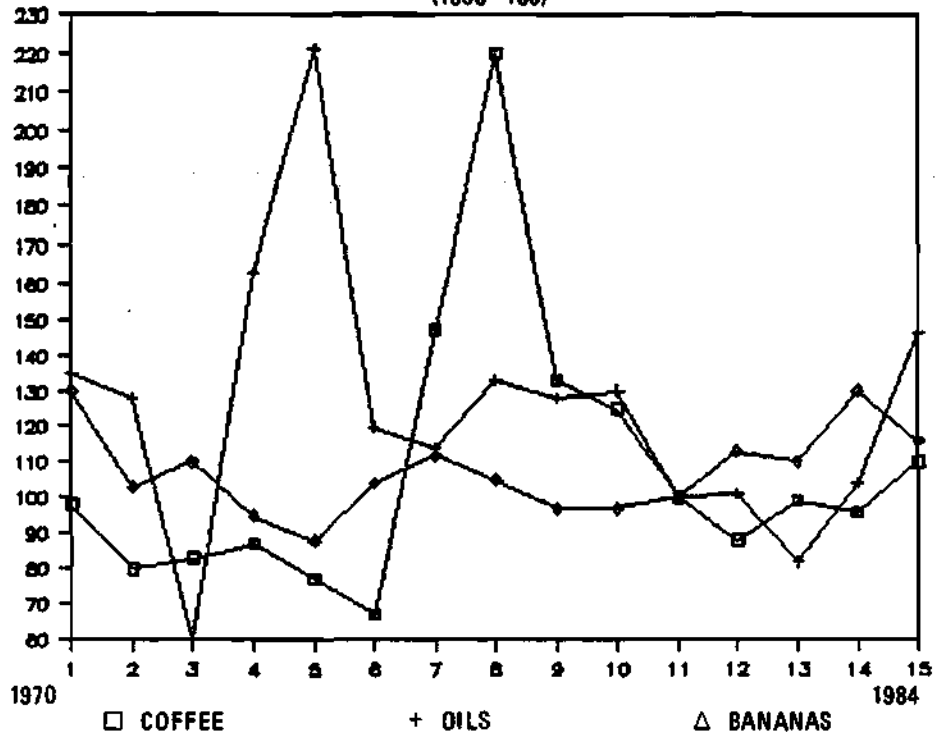
b/ Arranged by headings (five digits) of the SITC, Rev. 1, according to importance in 1984.

**Figure 10**  
**LATIN AMERICA AND THE CARIBBEAN: AGRICULTURAL IMPORTS**  
 (Percentages of the total)



Source: Joint ECLAC/FAO Agriculture Division, based on data from *Foreign Trade Yearbook*, of FAO, 1970, 1975, 1980 and 1986.

Figure 11  
 LATIN AMERICA AND THE CARIBBEAN: TERMS OF TRADE OF THE MAIN  
 AGRICULTURAL EXPORT PRODUCTS  
 (1980 = 100)



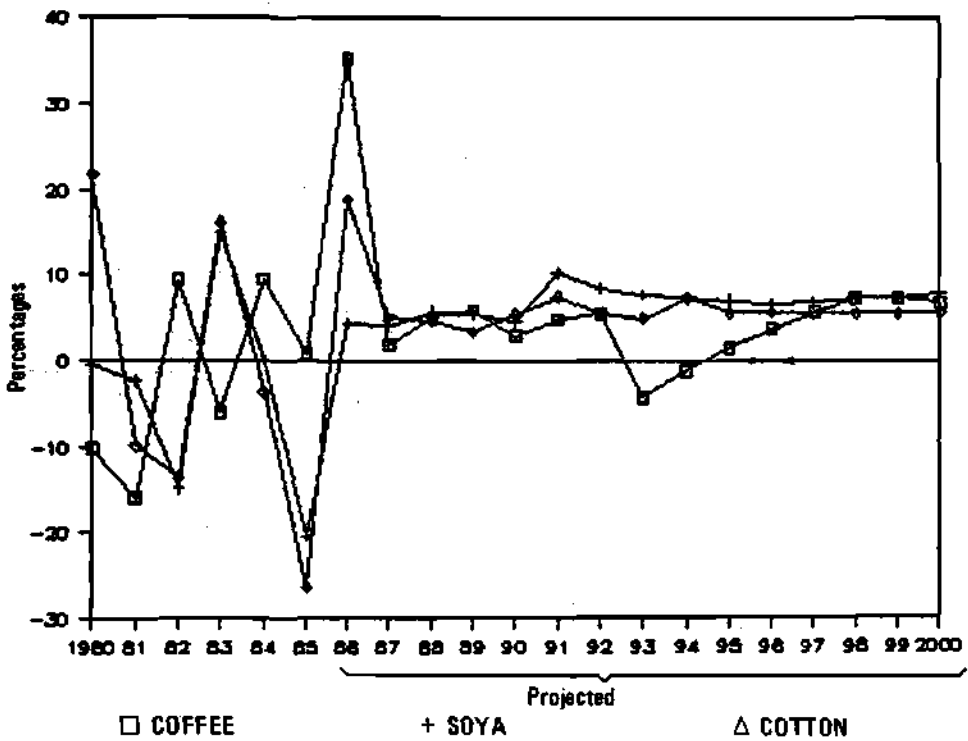
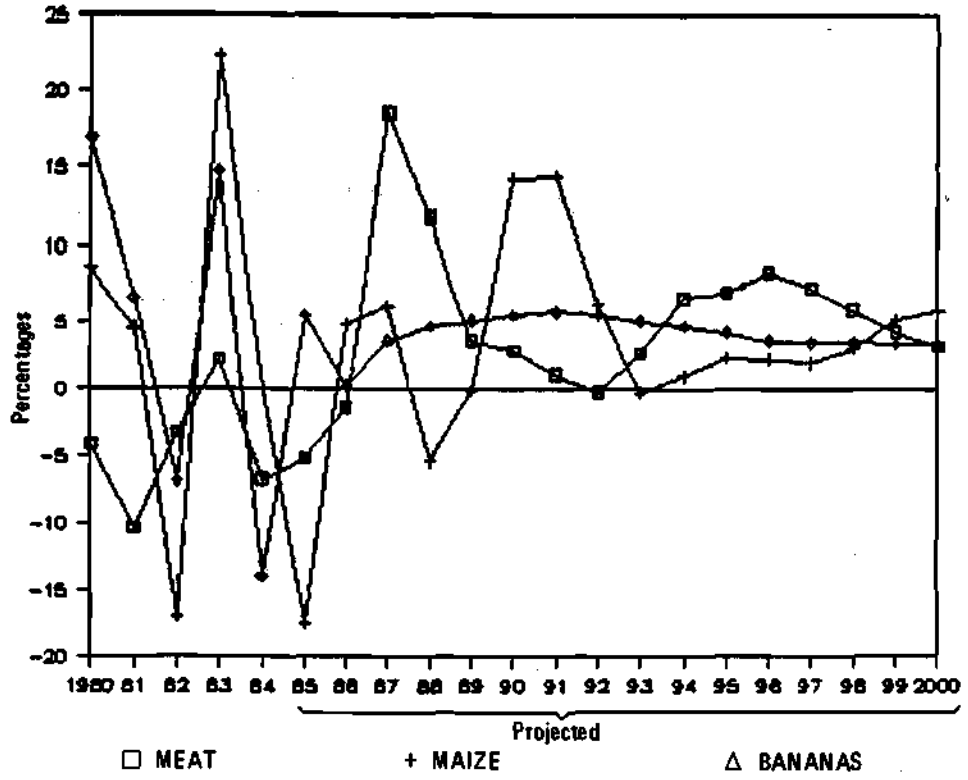
Source: Joint ECLAC/FAO Agriculture Division, based on data from UNCTAD, 1985.

When it comes to assessing the outlook for trade in the leading exports, it is necessary only to compare what actually happened with the projections made with regard to the evolution of the world agricultural market in the mid-1970s.<sup>3/</sup> This shows the tremendous hazards encountered in assessing the outlook for farm commodities. These hazards are borne in mind in the summary given here of the estimates prepared by the Inter-American Development Bank (IDB), which, in general tend to agree with those made by the World Bank for the periods under review (see figure 12).

Generally speaking, the trend may be observed towards a moderate price rise, at rates which, for the period 1990-2000, range from 4% for coffee to 7.5% for soya beans. It should, however, be borne in mind that these values are expressed in current prices, whereas estimates at constant prices for 1980 indicate that the prices of the commodities under consideration virtually stagnated. There is therefore an obvious need to diversify commodities and markets and also to encourage entry into the world and regional agreements needed to eliminate the barriers which hold back the expansion of trade between the countries of the region and the developed countries.



Figure 12  
**LATIN AMERICA AND THE CARIBBEAN: RECENT TRENDS AND PROJECTION  
 OF PRICES OF SELECTED EXPORT PRODUCTS, 1980-2000**



Source: Joint ECLAC/FAO Agriculture Division, based on IDB data, *Commodity export prospects of Latin America*, June 1986.

## II. THE WORLD MARKET IN AGRICULTURAL COMMODITIES

### 1. From the crisis of shortages to the crisis of oversupply

Publications dealing with the world agricultural trade situation in the mid-1970s differ considerably from recent analyses of the existing situation and the main trends at present.<sup>4</sup> While in the mid-1970s the trends were perceived in a way which was strongly influenced by the situation in the period 1972-1974, which was viewed as a period of crisis of shortages on the world market, in the documents published since then, concern for the grave problems created by the oversupply of farm commodities, primarily those produced in the United States and the EEC, prevails.

The contrast between these two situations and the conclusions drawn with regard to each of them suggest that caution should be exercised as regards any precise estimates made concerning world market trends in the medium and long term.

Reasonably enough, in the mid-1970s various analysts suggested that export supplies would not be available to meet import demands to the end of the 1980s, except at higher levels of prices (and correspondingly reduced demand), unless the growth of population and income in less developed countries were reduced and rates of growth in food production in these countries were raised dramatically. In contrast with this prognosis, stocks of the leading food products traded have increased considerably and their prices have fallen, in some cases, dramatically. The situation which has thus emerged is one of crisis of an opposing nature to that which occurred in the preceding decade. This has given rise to the argument that "world agriculture has reached a crisis that is unparalleled since the great depression. The costs of farm support have reached astronomical levels, yet farmers' financial stress remains serious. Prices of farm commodities in world markets are at bargain basement levels, yet consumer demand is stagnant. Surplus stocks have risen to unprecedented heights, yet current production is still running well above market requirements" (Miller, Geoff, 1986, p. 7).

The factors which have been responsible for the passage from one to another type of crisis will be examined briefly after a succinct description is given of the changes experienced by the structure of world agricultural trade since the 1960s.

## 2. Changes in the structure of world agricultural trade

In contrast with the widely held idea of an international division of labour in which the leading exporters of agricultural commodities are the developing countries, the picture which took shape during the period of the Second World War and clearly emerged immediately after the War is instead one in which the international food market is increasingly dominated, on the supply side, by a group of developed countries.

Although the world agricultural trade grew at rates somewhat lower than did trade in general after the War, it followed the same expansionist trends. The growth rates of agricultural trade (at current prices) rose from levels of around 6% a year in the 1960s to rates of around 17% the following decade.<sup>5/</sup> In spite of this, a drop occurred in the share of agricultural commodities in total trade (from 20% to around 11% in the periods referred to), overall world trade growing at rates of 9% and 20%, respectively.

This process of accelerated growth in agricultural exports was accompanied by significant changes in its share in total trade in the various countries. In the developed countries, their share in total exports grew, and in the developing countries their share in imports increased, as a consequence, in both cases, of an inverse ratio between the growth rate of exports and of imports between the two types of country.

In the developed countries, exports grew at a higher rate than imports (12% versus 10%, respectively), whereas in the peripheral countries as a whole, exports grew at 11%, and imports at 15%. The most dynamic exports from developed countries were those from Europe, and from developing countries, those from Latin America (see table 2).

The observable changes in the relative share of the various regions between 1960 and 1984 are therefore due to these differences in dynamism (see tables 3 and 4). Thus, the developed countries reduced their share in total world imports by 9% (from about 72% to about 63%) and increased their share in exports by 10%. As for exports, the share of Europe grew more than that of the United States, especially if intra-European trade is taken into account. In contrast, the decline in the share of imports was greater in the United States than Europe.

The share of the peripheral countries, excluding Latin America, differs in certain respects from that of the region, on both the import and the export side. In the case of imports, it may be noted that the share of the peripheral countries rose steadily up to 1984, when it stood at 1.7 times its 1970 level; those of Latin America, on the other hand, grew slowly up to 1980, after which they fell to a level only 25% higher than that achieved in 1970. Latin America's share in exports grew significantly between 1960 and 1970 and then remained comparatively stagnant (strictly speaking, it declined for a short period) between 1970 and 1974; the other developing countries showed a decline, which to all intents and purposes was steady, between the early 1960s up to 1984, when their share fell to slightly over half what it had been in 1960.

Table 2

GROWTH RATE OF EXPORTS AND IMPORTS IN THE NETWORK OF TRADE IN  
AGRICULTURAL PRODUCTS, AT CURRENT PRICES  
(1970-1984)

(Percentages)

Origin	Destination		United States	Europe	Planned economy soc. countries	Developing countries excl. L.A.	Latin America
	World	Developed market economy countries					
World	11.0	9.7	9.7	9.4	11.7	14.5	12.2
Developed market economy countries	11.5	10.4	10.1	10.2	16.2	14.6	12.6
United States	12.3	10.1			24.1	14.6	14.7
Europe	11.8	11.1			12.2	15.2	8.3
Planned economy socialist countries	7.9	6.1	9.0	5.9	6.6	15.2	11.0
Developing countries	10.5	8.8	9.2	7.8	12.3	14.6	11.6
Latin America	11.0	8.9	9.6	8.56	17.1	14.5	10.5

Source: Joint ECLAC/FAO Agriculture Division, on the basis of UNCTAD, Handbook of International Trade and Development Statistics, 1972, 1983 and 1986 (Supplement), United Nations, New York.

Table 3

DESTINATION OF WORLD EXPORTS OF AGRICULTURAL PRODUCTS, 1960-1984

(Percentages)

Imported by:	1960	1965	1970	1975	1980	1984
Developed market economy countries	71.6	71.2	72.9	67.4	64.0	63.0
United States	13.8	11.9	12.2	8.7	8.0	10.3
Europe	49.2	49.5	48.1	46.7	44.9	40.4
Centrally planned economies	11.1	12.4	11.6	11.6	12.4	11.8
Developing countries excluding Latin America	13.9	13.1	11.8	16.3	18.2	20.4
Latin America	3.4	3.3	3.8	4.7	5.4	4.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Joint ECLAC/FAO Agriculture Division, on the basis of UNCTAD, Handbook of International Trade and Development Statistics, 1972, 1983 and 1986 (Supplement), United Nations, New York.

Table 4

## ORIGIN OF WORLD IMPORTS OF AGRICULTURAL PRODUCTS, 1960-1984

(Percentages)

Exported by:	1960	1965	1970	1975	1980	1984
Developed market economy countries	53.0	56.0	58.9	62.9	63.8	62.9
United States	13.0	9.8	13.9	17.0	16.7	16.4
Europe	22.1	26.7	31.2	33.5	35.1	33.8
Centrally planned economies	10.9	12.4	9.6	9.1	8.1	7.6
Developing countries excluding Latin America	29.7	24.2	18.5	15.6	16.4	16.7
Latin America	6.4	7.4	13.5	12.4	11.7	12.8
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Source: Joint ECLAC/FAO Agriculture Division, on the basis of UNCTAD, Handbook of International Trade and Development Statistics, 1972, 1983 and 1986 (Supplement), United Nations, New York.

The share of the peripheral countries in export trade declined by 8%, and the percentage of world imports absorbed by them increased by around 4%. As for Latin America, its share in imports showed less of an increase than that of the other developing countries.

The changes described above were especially significant in the structure of the world grain trade. In the period prior to the War, Eastern Europe was the only deficit region in the world, and Latin America was the main exporting region, exporting 80% more than North America (see table 5). Immediately following the War, Eastern Europe's deficit remained the same in absolute terms; Africa lost a small net surplus it had held prior to the War, and Latin America saw its position reduced to that of a marginal exporter, the volume of its exports running to less than 5% of that exported by the United States and Canada.

In the 1980s, the European countries with market economies saw their deficit reduced appreciably, and the other regions, with the exception of Australia and New Zealand, became net importers of grain, primarily from North America (87%). Access to this indispensable dietary component has basically remained dependent on the vicissitudes to which the agricultural policy of North America in general and of the United States in particular are subject.

Table 5

## WORLD TRADE IN CEREALS a/

(Millions of tons)

	1934- 1938	1948- 1952	1960	1970	1980- 1983 b/
North America	5	23	39	56	128.4
Western Europe	-24	-22	-25	-30	-8.1
Eastern Europe and the Soviet Union	5	0	0	0	-40.5
Oceania	3	3	6	12	14.7
Africa	1	0	-2	-5	-14.5
Asia	2	-6	-17	-37	-69.1
Latin America	9	1	0	4	-6.5
Latin America (excluding Argentina) c/	...	-2	-3	-6	-22.2

Source: Lester R. Brown, Building a Sustainable Society, Norton, Worldwatch Institute, Washington, D.C., 1985.

a/ Exports less imports of cereals.

b/ Joint ECLAC/FAO Agriculture Division, based on FAO data.

c/ This last line has been added to the original table of the above-mentioned author in order to show the regional situation if the indicated country is excluded.

### 3. Origin and destination of the agricultural imports and exports of Latin America

The region's imports continue to come primarily from the developed countries. Imports from the United States have increased with a consequent decline in those from Europe and from within the region.

As regards the destination of its exports, greater changes are noted. These take the form of a significant decline in exports to the developed, market economy countries, which has been more marked in the case of the United States than in that of Europe; a substantial increase in exports to countries with centrally planned economies (in particular, grain from Argentina) and another appreciable increase (within the rather modest level which characterizes this trade) in exports to developing countries outside the region.

It should be noted that exports from Latin America to the United States remained virtually stagnant in real terms (0.3% of growth a year between 1960 and 1980), while exports from the United States to Latin America increased at a cumulative rate of 6.4% a year in the same period. Generally speaking, in so far as imports from the developed countries are concerned, foodstuffs have constituted the group which has shown the greatest growth, constituting close to one fourth of total imports in the present decade, whereas in the 1960s their share in total imports was less than 20%.

Intra-regional trade in the food commodities covered in section 0 of SITC behaved somewhat erratically, showing very dynamic growth at constant prices during the first half of the 1970s (nearly 20%) and falling during the five-year period 1975-1980 (to a growth rate of 15%). The corresponding values, at constant prices for 1980, were 5.6% and 1.7%, respectively. In volume terms, however, intra-regional trade grew at a lower rate than did trade with third party countries, regional integration agreements failing to affect this situation (see table 6). Indeed, the growth rate of exports within ALADI fell, at constant values, from 6.1% to 1.5% in the five-year period referred to, and that for those from the Central American Common Market rose from 0.2% to 3% (see table 7).

During the period of the crisis, there was a vertical drop in intra-regional trade, in both value and volume terms, which was more critical than the decline in trade with other countries. (See the relevant tables in the statistical annex.)

Table 6

LATIN AMERICA: GROWTH RATES OF INTRA-REGIONAL EXPORTS  
AT CURRENT PRICES

(Percentages)

Countries	1970-1975	1975-1980	1970-1980	1980-1984
<b>ALADI</b>				
Argentina	11.8	15.6	13.7	-8.1
Bolivia	76.5	19.1	45.0	-33.2
Brazil	16.8	15.6	16.2	-8.2
Colombia	30.3	7.6	18.4	-17.0
Chile	28.6	30.9	29.7	-21.4
Ecuador	27.3	34.1	25.7	-23.5
Mexico	34.7	5.8	19.4	5.1
Paraguay	29.2	5.8	16.9	-11.0
Peru	36.2	-7.8	12.0	-20.7
Uruguay	37.6	27.3	32.3	-16.0
Venezuela	46.7	27.2	36.6	-25.9
<u>Total</u>	<u>19.8</u>	<u>15.1</u>	<u>17.4</u>	<u>-12.2</u>
<b>CACM</b>				
Costa Rica	23.6	13.3	18.4	-4.8
El Salvador	8.2	13.3	10.7	-8.5
Guatemala	2.5	30.7	15.7	-5.3
Honduras	-5.4	28.5	10.2	-3.9
Nicaragua	13.4	-16.5	-2.7	14.9
<u>Total</u>	<u>9.6</u>	<u>16.0</u>	<u>12.7</u>	<u>-3.9</u>
<u>Total</u>	<u>18.7</u>	<u>15.2</u>	<u>16.9</u>	<u>-11.4</u>

Source: Joint ECLAC/FAO Agriculture Division, based on data provided by BADECEL.



Table 7

LATIN AMERICA: GROWTH RATES OF INTRA-REGIONAL EXPORTS,  
AT CONSTANT 1980 PRICES

(Percentages)

Countries	1970-1975	1975-1980	1970-1980	1980-1984
<b>ALADI</b>				
Argentina	-2.5	1.7	-0.4	-1.4
Bolivia	52.6	-2.7	21.9	-33.6
Brazil	1.7	5.1	3.4	-4.6
Colombia	19.1	-7.5	5.0	-15.1
Chile	27.7	15.0	21.2	-14.5
Ecuador	23.0	4.9	13.6	-20.2
Mexico	17.9	-5.7	5.4	9.0
Paraguay	10.2	-1.1	4.4	-12.2
Peru	22.8	-17.1	0.9	-16.8
Uruguay	26.6	12.6	19.4	-10.3
Venezuela	5.9	7.0	6.5	-25.5
<u>Total</u>	<u>6.1</u>	<u>1.5</u>	<u>3.8</u>	<u>-7.0</u>
<b>CACM</b>				
Costa Rica	12.4	0.9	6.5	-0.8
El Salvador	-1.6	0.5	-0.5	-8.0
Guatemala	-5.8	16.4	4.7	-3.0
Honduras	-15.1	14.1	-1.5	-3.4
Nicaragua	4.3	-26.2	-12.3	17.3
<u>Total</u>	<u>0.2</u>	<u>3.0</u>	<u>1.6</u>	<u>-1.5</u>
<u>Total</u>	<u>5.6</u>	<u>1.7</u>	<u>3.6</u>	<u>-6.5</u>

Source: Joint ECLAC/FAO Agriculture Division, based on data provided by BADECEL.

#### 4. Agricultural protectionism in the centre countries and liberalization of imports in Latin America

The differences in the terms of insertion of the developed and of the developing countries in the world food system related not only to the dynamics of food demand but also to the public policies which determine the rates of production of basic foods in the two types of country.

Of course there are significant differences in the growth of agricultural demand, especially in the case of the developed versus the developing countries. These differences are partly responsible for a certain asymmetry in trends. For example, in the developed countries for several decades now the basic needs of the large majority of the population have been satisfied, and growth in consumption has been due to changes in the composition of the food basket more than to anything else. In the countries of the region, the high rates of demographic growth and the great shortages of essential food commodities in themselves constitute real or potential sources of faster growth of the demand for food commodities. This is compounded by the effects had by the break up of peasant farming, which reduces the extent of consumption of food commodities produced within the countries themselves and raises the elasticity of the commercial demand for basic foodstuffs. It is also compounded by the effects of accelerated rural-urban migration. The migrants are usually absorbed in occupations yielding incomes which are low to be sure but still higher than those usually obtained in rural areas; a large percentage of these incomes go towards the purchase of food. All these factors are responsible for the fact that the demand for food has far exceeded the supply, even in cases where supply has grown at relatively high rates (over 3%). The differences between the developed countries and the countries of Latin America and the Caribbean in so far as aggregate growth of demand is concerned are rendered all the more apparent by the fact that in the former countries the composition of the demand for food has in general been consistent with the potential offered by their natural resources, whereas in the latter countries, locally produced commodities have been losing ground to other commodities many of which have to be imported.

However, the significance of the differences in the dynamics of demand is far outweighed by that of the differences which may be noted in the public policies which have helped to increase the supply in these two types of country.

The agricultural policies of the developed countries are aimed primarily at i) safeguarding the income of farmers (and in some cases, even at helping to solve their financial problems); ii) stabilizing domestic prices and iii) keeping the main components of their national diet in supply. The first of these objectives has not of course been divorced from the political power held by farmers in these countries, in spite of their limited importance numerically.

In the countries of Latin America, on the other hand, political marginality is characteristic of the peasantry (the main producer of food commodities). In addition, there has been a certain determination to keep food prices low for urban consumers, for reasons both of political stability and of accumulating wealth in the urban industrial nucleus. Both these factors have

relegated the income of the majority of the producers and the security of basic food supplies produced internally to the level of secondary issues. Increased imports have been used to provide enough free play to sustain the policies favouring low food prices.

In the case of the developed countries, the objectives mentioned above have necessitated (although this has not been made explicit in them) a policy calling for intense governmental intervention through a broad variety of instruments which have resulted in high, and in recent years even higher, degrees of agricultural protectionism. These protective measures range from tariff and non-tariff import barriers to subsidies, price supports, supply regulations and other devices.

To a large extent, the mechanisms employed so far by the developed countries to achieve the objectives referred to have given rise to price instability in the commodity markets affected and have lowered the earnings of the countries and producers associated with these commodities in the periphery.

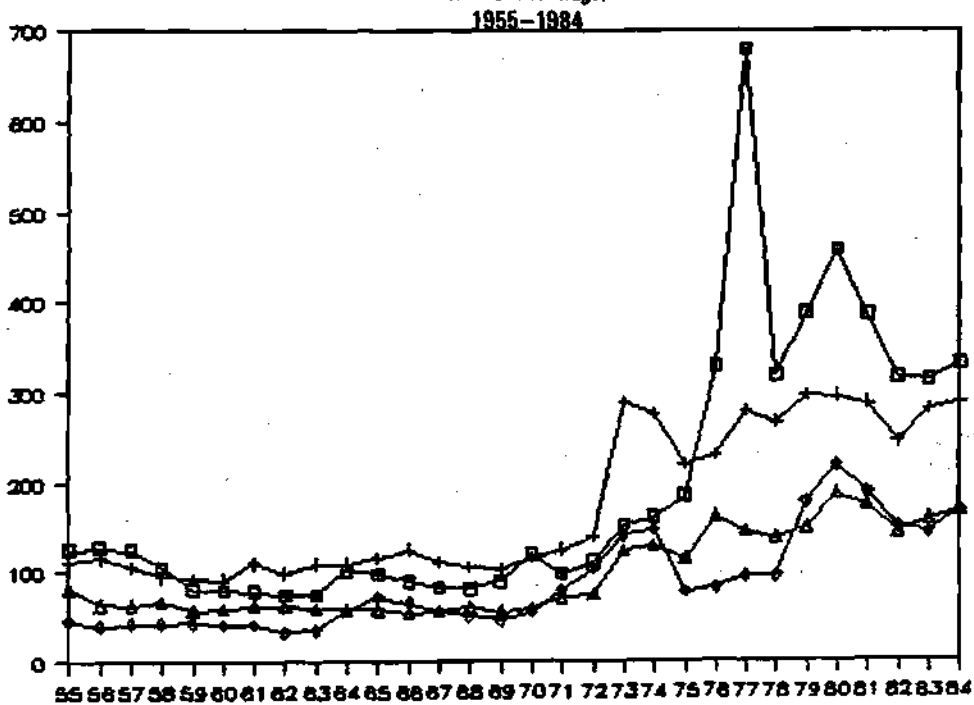
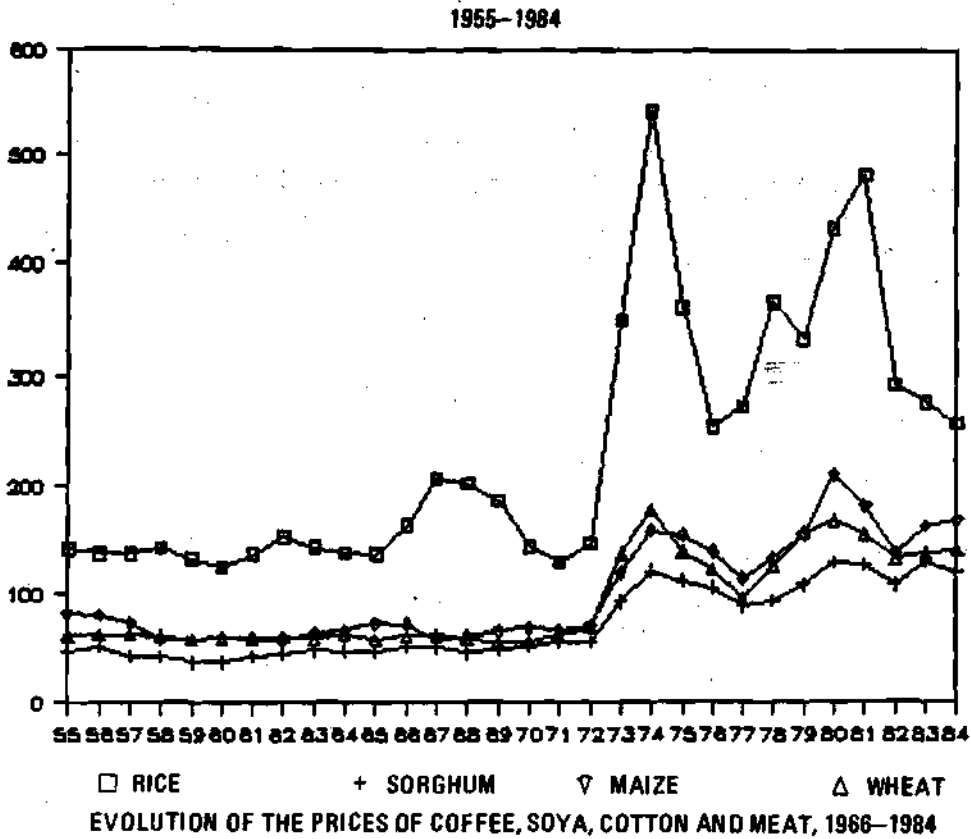
The policies applied by the United States, EEC and Japan have a decisive effect on the present behaviour of the world food system and also on the possibilities for changing it. In general, and especially since the mid-1970s, they have been a destabilizing element in respect of the world market by tending to reduce the prices of the main food commodities and to instill a high degree of variability in them, in clear contrast with the situation which prevailed in the decades prior to the "crisis of shortages" (1972-1974)<sup>6/</sup> (see figure 13).

The application of such agricultural policies has cost the consumers and tax payers of the developed countries a huge amount; they have also proved prejudicial to the accumulation of wealth and the capacity to create employment. All this has caused various sectors to view them with suspicion. Moreover, their adverse effects on market stability and on the exports of the developing countries have regularly brought them under criticism in a number of international forums.

Attempts to assess the national cost and the international impact of such policies throw light on the incongruities associated with their application. Thus, for example, they are estimated to cost the tax payers and consumers of the United States close to US\$36 billion; those of the EEC, some US\$40 billion, and those of Japan, over US\$11 billion. As for prices, those charged for rice in Japan is said to have risen to eight times the world price, and those for sugar, to have increased by a coefficient of 17 (Miller, 1986, p. 15); the sugar policy of the United States caused the world price of sugar to drop from 11.4 to 4 US cents a pound; some European farmers paid more for the imported feedstuff for their dairy cows than they could have received on the world market for the milk produced from them and sold butter as butteroil at 14% of the price paid to them to produce it (Miller, 1986, p. 15).

It is estimated that, when expressed in terms of opportunity cost, agricultural protection in the EEC has resulted in a net loss of close to one million jobs in the manufacturing and services sectors.

Figure 13  
EVOLUTION OF PRICES OF CEREALS, 1966-1984  
(Dollars/tonnage)



The agricultural policy of the developed countries to a large extent ignored the declines in the world demand due to the recession of the 1980s and did not give due consideration to the fact that the intensive growth shown by the demand in the developing countries in the preceding decade had been largely due to the great facilities available for obtaining external financing. This policy was also passive and showed lack of foresight as regards the possible medium- and long-term consequences of having recourse to imports from developing countries with deficits; this was another contributing factor to the tendencies for these countries to be asymmetrical in their insertion in international trade.

The impact had by protectionist policies on the agricultural exports of the developing countries in general and the Latin American countries in particular have been estimated by a number of writers, one of whom predicted that a 50% reduction in the trade barriers erected by OECD countries would result in an annual increase of approximately US\$8.5 billion on the world market (at 1977 prices). About 36% of this increased trade would accrue to exporters from certain least developed countries, 20% to OECD exporters and 44% to the rest of the world. Latin America receives approximately 60% of the total profits earned in the least developed countries; the potential for increased export earnings for Latin America is close to US\$1.8 billion a year, or about 13% of its total agricultural export earnings (Valdés, 1983, p. 1703).<sup>7/</sup>

The majority of the assessments made concerning the consequences for trade of reducing the protectionist measures concentrate on its implications for producers or exports of the participating countries. Some of them also include estimates of consumer cost. On the basis of calculations made by Tyers and Anderson in 1986, Hathaway notes that "the biggest gainers from liberalization of industrial market economies (IMEs) would be their own consumers, whose welfare would increase by 101.1 billion (in US dollars at 1980 prices). This would accrue mostly to consumers in the EEC and Japan. The big consumer losers would be in Eastern Europe, the USSR, and almost all developing countries" (Hathaway, 1987, p. 98).

The potentially adverse consequences for consumers in developing and deficit countries can be attributed to, among other things, the impact which the liberalization of agricultural trade would have on prices. Thus, for example, calculations made by Ziets and Valdés in 1986 indicate that increases in the price of meat due to the liberalization effected in OECD would range from between 16% and 18% and those in the price of sugar from between 14% and 16%, while the price of wheat would rise by about 12%. In 1986 Tyers and Anderson calculated that the overall liberalization of grains and meat would result in a 20% increase in the price of meat and an 8% increase in that of wheat.

All these estimates have, of necessity, been extrapolated on the basis of one structure of production and certain consumption patterns. As indicated above, they have been made in a context of passiveness with regard to the increase in imports and the persistence of bimodal agrarian structures and heterogeneous consumption patterns resulting from highly concentrated income distributions. To this extent, they do not take account of the potential long-term effect of incentives to the domestic production of basic food

commodities which would accompany an international market which was not beset by the costly oversupply of subsidized products.

In summary, it may be concluded that the asymmetry between the developed and the developing countries in so far as the increase of agro-food exports and imports are concerned seems, on the whole, to be attributable to the differences between a markedly protectionist policy which calls upon the State to provide intensive agricultural support at national level, as is characteristic of the policies of all the developed countries and a policy marked by passivity or sporadic or insufficient support of agriculture as found in the policies of the peripheral countries. The latter type of policy probably relied on continuing food assistance and on the stability which characterized the food commodities market in general (and the basic grains market in particular) up to the beginning of the past decade.

### III. CO-OPERATION AND AGRICULTURE IN THE MULTILATERAL TRADE NEGOTIATIONS

The preceding chapters have shown how important the agricultural sector is for the Latin American and Caribbean economies and also the role of foreign trade in the region's agricultural production. In keeping with the aims of this document, a description is given below of the experience acquired by the region in international negotiations on agriculture and the results that Latin America and the Caribbean can expect from the Uruguay Round, now being held within the framework of GATT.

#### 1. North-South international co-operation in the agricultural sector

Over the last forty years, commodity producers and consumers have held ongoing negotiations within the framework of international co-operation. The results obtained can only be described as sparse and they are in any event quite inconsistent with the goals of the Latin American and Caribbean countries.

For more than a decade now, the bulk of the intergovernmental activities on commodities which have taken place within the framework of UNCTAD have originated from the Integrated Programme for Commodities (IPC). This programme, as it was conceived, constitutes a unique challenge in the North-South dialogue. Its overall objective is to stabilize and increase the prices of and incomes from these goods. However, it also seeks to restructure production and trade and to secure a larger share of involvement and greater power in the rules of the game for the developing countries.

In order to achieve these goals, the Integrated Programme rests on two pillars: negotiations by product to obtain agreements between users and consumers, and the creation of a Common Fund to finance the measures taken under each agreement.

Under the Programme, however, only one new price stabilization agreement (on natural rubber) has been negotiated, together with two agreements "for the development" of jute and tropical woods. Only three agreements on products whose supplies is dominated by the developing countries —coffee, rubber and cocoa— have been kept in force (with great difficulty) and currently have operational economic clauses. In the meanwhile, two other agreements containing articles on price fixing (sugar and tin) have ceased to function for that purpose. This is due principally to the refusal of the developed countries to create a new world system for trade in commodities and to the

fact that they have imposed the criterion of subjecting them to the "rules" of the market.

This stance has adversely affected other negotiations on products not governed by an international agreement. In most instances, discussions within UNCTAD have come to a standstill. No more meetings have been held on cotton, hard fibres and products thereof, meat, tea, vegetable oils and oilseeds since October 1983, even though some issues affecting these products have been discussed within the framework of FAO. Similarly, negotiations to improve the systems for the marketing and local processing of commodities, which have lasted almost a decade, recently ended inconclusively and without any guidelines being established for future activities.

The Common Fund of the Integrated Programme could become operational with the ratifications promised by the Soviet Union and some developing countries. In any event, the Fund has difficult hurdles to clear. One of them is the scarcity of its resources. Furthermore, its financial power and potential usefulness will depend on the prior existence of international agreements requiring its use and associated with it.

Moreover, the exchange rate variations in recent years have seriously jeopardized the effectiveness of international agreements on commodities. This phenomenon has had a much more destabilizing effect on export earnings than the price fluctuations caused by supply and demand (Yeats, 1987).

With regard to the Compensatory Financing Facility (CFF) of the International Monetary Fund (IMF), this deals specifically with causes of instability in the balance of payments, and therefore does not concern itself with problems of instability in respect of the commodities themselves. The Facility's effectiveness has been considerably reduced by its own increasing conditionality and by the narrowing of the limits of access for the beneficiary countries. In 1985/1986, eight countries made use of the system to a total amount of 490 million Special Drawing Rights (SDRs) to cover their export deficits, as against the peak of 3 700 million SDRs registered in 1982/1983. In 1985/1986, the developing countries alone received a total of 111 million SDRs under the decision regarding excessive expenditure on cereals imports. The contraction in the use of the facility has culminated in the present situation, where payments to the system exceed disbursements by it. It is noteworthy too, that for the second consecutive year, no use has been made of the IMF's regulatory stocks, which help members with balance-of-payments problems to finance their contributions to approved international commodity agreements.

Since 1980, the loans granted by the World Bank group for structural adjustment have averaged US\$750 million per year and loans for sectoral adjustment US\$744 million per year. None of these types of loans, however, is channelled specifically to development based on commodities; they are allocated rather to financing imports in general. Furthermore, only a few countries have benefited from them.

Loans to agro-industry have also been very small, despite the fact that products from this sector account for around 85% of the primary production of the developing countries. Over the last 14 years, the World Bank group has



channelled less than 3% of its loans to this activity. During the period 1982-1986, US\$1.1 billion were assigned to agro-industry out of total loans amounting to US\$73.7 billion (UNCTAD, 1987).

The Scheme for the Stabilization of Export Earnings (STABEX) has been the sole compensatory financing facility that attempts to deal with the problems created by the instability of the export commodity earnings of the developing countries. However, its coverage is limited to certain countries and trade flows. In view of its past record, STABEX cannot be expected to become a world-wide programme in the foreseeable future.

The Multilateral Trade Negotiations (MIN) held prior to the Uruguay Round have yielded very meagre results as regards liberalizing agricultural trade and integrating it more effectively into the framework of the General Agreement on Tariffs and Trade (GATT). From the creation of GATT, agricultural products have been afforded different treatment from that of other international trade sectors. The negotiations in this field, which was regarded as being essentially different, were conducted in a special group (and some sub-groups) whose object was to deal with all agricultural problems. The result was that agriculture was completely divorced from the negotiations which, in the case of other products, covered subjects such as tariffs, non-tariff measures, safeguard clauses, subsidies, technical barriers to trade, etc. In this way, quantitative restrictions, export subsidies and the implementation of national price support policies for high-cost products in the developed countries came to be accepted, giving rise to huge surpluses.

In recent years, the application of restrictive measures --with the resulting distortions-- has become much more prevalent. In particular, several countries have increasingly resorted to using bilateral and sectoral agreements, including those on voluntary export restraints and the use of broad production and export subsidy programmes.

With respect to tropical products, as far back as 1963 the Contracting Parties of GATT decided to eliminate all tariff and non-tariff measures which affected the trade in these goods. Later, the developing countries succeeded in having tropical products recognized as a special priority sector in the Tokyo Declaration, and separate negotiations were carried out on them during the initial stages of that round. The negotiations were to cover tariffs, non-tariff barriers and other measures affecting trade in these products, including their processed and semi-processed forms. Moreover, at the GATT Ministerial Meeting in 1982 it was decided to hold consultations and negotiations on greater liberalization of trade in this sector.

Although some developed countries have improved the conditions of access to their markets for some tropical products --fundamentally within the framework of their Generalized System of Preferences (GSP) schemes-- no really meaningful progress has been made. In essence, the developed countries have opposed requests for liberalization in this area and are trying to win concessions for the new round of multilateral trade negotiations. Moreover, some of them have curtailed the previous preferential treatment, in particular by withdrawing the preferences granted to some developing countries, with the result that the GSP only assists approximately 25% of the dutiable exports shipped from the developing to the developed countries.

In the last two decades, a host of regional and international producers' and exporters' associations has been created. These initiatives were undertaken because it was recognized that the multilateral and bilateral efforts to link producers and consumers were not yielding results, and also because some collective measures were required to deal with the structural problems inherent in the productive and marketing sectors. Notwithstanding the profusion of associations and groups of agricultural producers —of cocoa, sultanas, coconuts, rubber, tea, jute, pepper, coffee, peanuts, sugar, bananas and meat— however, the joint measures for solving problems (especially those of low prices) have not in general produced any more effective solutions than the traditional agreements between consumers and producers.

Consequently, it is fair to say that the results of the international commodity negotiations in past decades have been very discouraging. It has been clearly shown that there is a fundamental disparity of criteria, approaches and objectives on virtually all the important issues in the North-South dialogue. The countries of the North continue to make the so-called free play of market forces the centre-piece of structural adjustment. With equal vehemence, they resist any governmental intervention in international trade, although this has not prevented them from assiduously practicing it themselves. It is also patently clear that multilateralism has lost much of its power as a means of settling the most critical economic problems and a strong tendency has developed to deal with them bilaterally, especially through ad hoc policies. It is also clear that, because of the noncommittal position adopted by the socialist countries in the North-South dialogue, the parties in the negotiations are the developing countries on the one hand and the developed market-economy countries on the other.

## 2. Agriculture in the GATT multilateral trade negotiations

Since its inception GATT has been beset by the problem of the inadequacy and weakness of the disciplinary provisions incorporated in its articles relating to agriculture.

In fact, the system of exceptions to which agriculture has been subjected within the international trade system places it formally within GATT but in effect outside the actual framework of GATT rules. This is particularly true of the 1955 waiver secured by the United States, which exempts that country from the provisions regarding agriculture and permits it to maintain restrictions on trade. The European Economic Community, for its part, handles agricultural trade in accordance with its own Common Agricultural Policy rules. Other countries, such as Switzerland, have also succeeded in establishing exceptions for the sector in their protocols of accession to GATT. Indeed, the General Agreement explicitly exempts agriculture from some of its rules, permitting, for example, export subsidies or quantitative import restrictions.

All this manoeuvring has served to undermine confidence in GATT and gradually weaken its credibility. Furthermore, precedents have been set for attempts to justify strategies to obtain special treatment or exceptions for other sectors. What is more, the countries that resort to national

agricultural support policies have become accustomed to acting outside the GATT rules as a regular practice.

Consequently, for a long time the subject of agriculture has been identified with the application of subsidies and restrictive measures, with the existence of big production surpluses, the abandonment of the concept of comparative advantages, with the destabilization of markets, prices and incomes, and in general with distorted international trade.

The first attempt to change this situation in GATT was made at the 1982 Ministerial Meeting. It was agreed then that agriculture should be incorporated more fully into the multilateral trade system, and this marked the beginning of the most extensive programme of work for this sector in GATT to date. A Committee on Trade in Agriculture was formed to make "recommendations with a view to achieving greater liberalization of trade in agriculture". To a certain extent, this was the start of the preparatory phase of a new round of multilateral trade negotiations. Although conflicting views arose as to the scope, orientation and timing of the treatment to be given to agriculture and its links with other subjects, the widespread discontent with the prevailing situation and with GATT's inability to put some order into agricultural trade led most of the countries to agree that agriculture should be a key element in any new round and should consequently be given greater priority than it had received in previous multilateral trade negotiations, which had all failed to deal effectively with the subject.

In fact, the Ministerial Declaration on the Uruguay Round, which marked the beginning of the Uruguay Round of Multilateral Trade Negotiations in September 1986, set itself apart from the seven which preceded it. Not only does this round incorporate new subjects, such as international trade in services, but also for the first time the Contracting Parties have committed themselves to deal in depth with the subject of agriculture, with a view to liberalizing and expanding their trade in this field, to finding multilateral solutions, and to bringing such trade fully under GATT rules and discipline.

One of the most bitter disputes at the Punta del Este meeting arose over how this subject should be approached in the new Round. The position of the countries or groups of countries was obviously dictated to some extent by their own national interests and domestic agricultural policies. One of the greatest sources of friction was a difference of opinion between the EEC and a group of 13 countries. Whereas the EEC objected to the inclusion of any reference to export subsidies in the text --because this meant compromising the fundamental aims and mechanisms of its Common Agricultural Policy-- the group of 13 countries not only sought to include the subject of subsidies-- and especially export subsidies-- in the text but also refused to link any gains in the agricultural sector to the overall achievements of the negotiations.

The text which was finally approved lends itself to widely divergent interpretations, especially with regard to the reduction or elimination of export subsidies, which are at present the main cause of the distortion in world agricultural trade. Nor does the text make any reference to time limits or set any specific deadline for achieving the objectives. However, it does recognize that it indirectly reflects the agricultural policies of the

Contracting Parties in the negotiating process, because in dealing with subsidies it makes a reference for the first time to the "phased reduction of their negative effects and dealing with their causes".

The text also reflects the concern "to achieve greater liberalization of trade in agriculture and bring all measures affecting import access and export competition under strengthened and more operationally effective disciplines". It also lists three main goals: "a) improving market access; b) improving the competitive environment, and c) minimizing the adverse effects that sanitary and phytosanitary regulations can have on trade in agriculture".

The so-called "Cairns Group" is made up of a number of Latin American countries (Argentina, Brazil, Chile, Colombia and Uruguay); several predominantly agricultural developed countries (Australia, Canada and New Zealand); plus Fiji, Hungary, Indonesia, Malaysia, the Philippines and Thailand. This group is in favour of including negotiations on agriculture as one of the priority sectors in the Uruguay Round and stresses the need for major adjustments in the agricultural policies of the developed countries.

The interesting feature of this group is that it was not formed according to the traditional North-South scheme, but reflects new combinations of forces within GATT, since it includes developed, developing and socialist countries which have banded together to achieve common goals. It represented a considerable pressure group at the Punta del Este meeting, especially in standing up to the EEC, and it secured valuable support from the other Contracting Parties in defending its interests and stressing the urgent need to deal with the problem of agriculture. The Cairns Group had even informally suggested (perhaps too optimistically) that a two-year deadline should be set for resolving the agricultural problems in the Round, even though the negotiations themselves were scheduled to last for four years.

The Cairns Group not only set an important precedent at the Punta del Este meeting but also continues to act in a co-ordinated manner at present. Last October, it submitted a proposal to the Uruguay Round Negotiating Group on Agriculture in which it proposed to undertake a short "programme of reforms" --lasting ten years or less-- at the end of which a long-term framework for the regulation of world agriculture would be fully enforced. Furthermore, the Group stated that it was necessary "to take early corrective measures as soon as a provisional agreement is reached on the long-term framework, or at the very latest, before the end of 1988".

In July, the United States also submitted an important proposal to the Group on Agriculture. It called for a commitment by all participants to undertake three important tasks. The first was to eliminate completely all subsidies to agriculture which directly or indirectly affect trade, within ten years. The amounts of agricultural products exported with the aid of subsidies should be frozen forthwith, and reduced to zero in ten years. The second required the gradual elimination of barriers to imports over a period of ten years, and the third called for the harmonization of sanitary regulations, provided that this did not endanger human health and safety. Furthermore, national regulations in this respect should be based on internationally agreed standards as in the case of production processes and methods. The United States proposal covers all agricultural and animal

products and the domestic policy measures which affect their production and trade.

On the whole, the Cairns Group supported the United States proposal but objected to the omission of provisions regarding special and differential treatment for the developing countries.

Another proposal submitted to the Negotiating Group on Agriculture of the Uruguay Round came from the European Communities. Because it is not specific, particularly regarding the period during which the objectives are to be attained, it is subject to different interpretations. It proposes "the gradual reduction of the negative effects of systems of assistance in international markets", to be carried out in two stages. The first, for the short term, would include emergency international co-operation measures aimed at fostering a better balance between the supply and demand for cereals, sugar and dairy products. This first stage should be "relatively short". The second stage would "seek to reverse permanently the present trend towards structural imbalance and permanent instability" and "should ensure that the amendments negotiated produce effects within a reasonable period". The proposal adds that "some conditions of special and differential treatment should be established for the developing countries".

The initial phase of the Uruguay Round was completed at the end of 1987. The negotiations as such did not begin during this period, but there was an attempt to identify the main problems and causes of instability in agricultural trade and the basic principles that will govern world trade in the future were discussed. All the proposals submitted were examined before the termination of this phase.

While it can be said that the Uruguay Round and its surveillance system have to some extent exercised a stabilizing influence, the measures that restrict or disrupt trade which have been adopted by the developed countries after the Punta del Este commitment have continued to give rise to doubts about the possibility of a successful negotiating round on agriculture. The announcement, in July, that the United States Export Incentives Programme was to receive greater financing; the new inspection requirements for imported meats imposed by the EEC; the creation of an export incentives programme for dairy products in the United States, and the new import restrictions imposed by Japan on ten agricultural products are some of the recent events which have caused these doubts. They are not only at variance with the declarations but are also inconsistent with the standstill commitment made at Punta del Este. The United States, by introducing export subsidies into its agricultural policy, has furthermore weakened its own proposal that the main object of the new GATT round should be to eliminate the use of export subsidies in agricultural trade. The EEC, for its part, has repeated since Punta del Este its stand that the basic principles of its Common Agricultural Policy are not negotiable, and this could completely block the negotiations. If, moreover, one considers that both the Community and the United States have shown a clear preference for bilateral arrangements over multilateral solutions --as for example in their confrontation on the implications of the entry of Spain and Portugal into the EEC or in the "pasta war"-- there is not much reason to hope for speedy progress on agriculture in the negotiations.

### 3. Some operational guidelines

The Uruguay Round offers the Latin American and Caribbean countries --like the other developing regions-- a chance to test the willingness of the developed countries to participate in international co-operation in the area of commodities, and especially those of agricultural origin. However, the multilateral trade negotiations within GATT cannot take the place of the necessary structural adjustment measures required with regard to trade. In this sense, the goals and measures set forth in the Integrated Programme for Commodities within the framework of UNCTAD remain fully valid, even though UNCTAD VII clearly revealed the unwillingness of the developed market economy countries to support these initiatives.

With regard to the foodstuffs produced mainly by the developing countries --coffee, cocoa, tea, spices, bananas and other tropical fruits-- (and especially those subject to fluctuations in production because of climatic variations), international agreements, compensatory financing schemes or other agreements with similar aims are becoming increasingly indispensable.

A number of distinctions need to be made among the food products most affected by the domestic policies of the developed countries, however. First of all, a distinction must be drawn between those products which are also produced by the developed countries (wheat, maize, fresh meat, temperate-zone fruits, sugar, rice, fish, soya and other oils) and other products (such as cassava and yucca, vegetable meal, oilcake and root crops) whose markets are indirectly affected by the end use made of the developed countries' surplus production, especially when this is used for animal fodder.

In addition, other distinctions can be made with regard to Third World commodity exports: i) those affected mainly by the surplus production and exports of the developed countries (cotton and wool, for example); ii) those affected by production in the developed countries, whose competitiveness is dependent on subsidy and protection policies, as in the case of cocoa products, coffee, wool and cotton yarn and fabrics, processed meat, fish, fruit, vegetables, vegetable oils, products of leather and skins, and wood products; and iii) those mainly affected by competition from synthetic products, such as rubber, jute, hard fibres, essences, sugar and cotton.

With respect to the food products mentioned in the first instance and in groups i) and ii) (especially ii)), trade liberalization measures taken on the basis of the commitments already assumed in the Uruguay Round could improve the export prospects of the developing countries. Even if the negotiations in GATT were completely successful, however, it would be no surprise if the measures which followed did not achieve the main object of the Integrated Programme for Commodities, namely, the restructuring of commodity production and trade. Consequently, in the light of the experience gained in the international negotiations in the North-South dialogue and the structural factors which adversely affect trade in this sector, measures must now be taken at the regional level, whether by Latin America and the Caribbean alone or together with other developed or developing regions.

There are also a number of measures which need to be taken to secure increased trade flows in agricultural products within the region itself. The

theoretical potential for intra-regional trade in this sector has been clearly established, as agreed in the Guatemala Declaration and Plan of Action on Basic Commodities in January 1987, and it is now necessary that urgent measures should be taken to speed up the process of reduction or elimination of tariff and non-tariff barriers within Latin America; to reduce transport costs; to orient government purchases towards regional supply, and to establish and extend payment schemes and reciprocal credits.

Another possible measure would be to explore the avenues for promoting Latin American trading companies, using the mechanisms and agents already in place. The prospects of establishing these companies for agricultural products, are more promising because of the wider variety of tradeable products available and the opportunities for shifting trade towards the region. Virtually all the countries have private or public entities engaged in the purchase of foodstuffs, and these are potentially capable of taking the place of the services offered by the transnational trading companies which have so far been responsible for the bulk of Latin American agricultural purchases.

Although the transnational trading companies have no express or deliberate intention of hurting Latin American exports through their transactions, these foreign companies are not always the best means for promoting regional exports at the best possible prices on the markets. In view of this, the region's existing trading companies should be strengthened and, where a need for them is clearly identified, Latin American multilateral State, private or mixed companies should be set up.

Likewise, in the area of marketing the region would be well advised to put into effect some measures to improve the international system of reference price fixing (mostly carried out by commodity exchanges). This could be achieved through greater participation in these companies (which are located in the developed countries) in order to influence their decision-making and management decisions and/or to examine viable alternative mechanisms for setting prices.

At the regional level, as stated in the Guatemala Plan of Action, priority attention should be given to the question of processing, not only in order to increase export earnings through an increase in added value but also to further the industrialization process. Surprising though it may seem, less than 3% of the region's exports of manufactures to the world market are food products. Although demand for food generally shows a low income-elasticity, the demand for more highly processed foodstuffs can be much more dynamic, as these foods can take the place of other less processed ones. The incorporation of new methods of packing, preserving and dehydration and the production of semi-processed foods could lend fresh vigour to the food industry itself and also have a multiplier effect on the industries which manufacture the relevant inputs. Progress along these lines could promote trade in such products within the region, provided there is a suitable division of labour in order to take advantage of economies of scale and of specialization so as to improve quality and reduce prices.

Importance should also be assigned to the identification of instruments and mechanisms capable of substantially increasing interregional trade. It is

expected that the demand for many of Latin America's agricultural products by other developing regions will increase considerably. Consequently, efforts should be made to establish efficient marketing structures and set up mechanisms such as regional trading companies, which could substantially increase the present interregional trade flows.

In pursuance of this, it is urgently necessary to promote the active participation of the countries of the region in future negotiating rounds on mutual concessions, within the framework of the Global System of Trade Preferences among Developing Countries (GSTP). During the first round, which began with the Brasilia Declaration in May 1986, 39 countries submitted lists of requests to 63 countries, that is to say, lists of products in respect of which, in their capacity as member States, they were seeking to obtain trade concessions from other member States. These lists included over 1 200 products. In all, 69 countries participated in the first round. The 39 requesting countries accounted for US\$76 billion in exports and US\$85 billion in imports to and from other developing countries. At the meeting of the Committee on the GSTP, the schedule to be followed by the countries in making their counterpart "offers" was established.

If South-South trade is to be encouraged, the preferences should cover not only tariff and non-tariff measures but also non-traditional systems such as barter, bilateral agreements, long-term contracts, etc. An up-to-date trade information system, capable of transmitting information much more rapidly than at present, would be needed. In the long run, an improvement in transport and communications can reasonably be expected --for example, through consultations among authorities in charge of maritime transport-- in order to establish the necessary links for interregional transport.

As indicated in the previous chapter, the technological innovations which improve manufacturing productivity, reduce consumption or the number of commodity inputs per product unit, or replace natural products by synthetic ones will undoubtedly have the most profound and far-reaching effects on the future prospects for prices and hence income. Consequently, the formation of research and development centres and the encouragement of regional co-operation among the already existing ones in order to further studies on the effects of technological change on supply and demand should be urgently undertaken. On the basis of such studies, measures could be recommended for maintaining and improving the level of competitiveness of agricultural products and at the same time stimulating demand by creating new uses or developing new products.

Latin America and the Caribbean should be fully aware that the Uruguay Round will at best bring only partial solutions or relief, but it does serve as a good starting point for dealing with problems whose solution is essentially multilateral.

Consequently, the countries of the region should, instead of adopting individual positions and positions on single products, take a united stand backed by increased bargaining power. In order to do this a basic premise must be to include in the negotiations, as a single global package, the interests of net Latin American exporters and importers. The truth is that the Uruguay Round will be a complex and delicate process: the only viable route for Latin



America and the Caribbean will therefore be to band together to overcome the traditional power relations in the multilateral negotiations.

#### 4. Conclusions

It is very likely that the Uruguay Round will give rise not only to a new system of trade but also to a new world production map and hence, a new international division of labour.

At the present time, therefore, it is vital for Latin America and the Caribbean to identify their goals and interests as precisely as possible. The countries of the region can influence negotiations only in so far as they succeed in adopting a common position and implementing an active strategy --and not one of merely reacting-- vis-à-vis the proposals put forward by the industrialized countries.

Since, as already noted, the Uruguay Round offers the region's countries only partial hope for progress, a number of other options should be considered simultaneously with the Round as regards agriculture.

The first option, it should be repeated, is that of active participation in the Uruguay Round, where Latin America and the Caribbean should try to organize and exercise joint bargaining power. In order to do this, the basic premise should be that the interests of both net exporters and importers of the region should be integrated into a single global negotiating package.

Secondly, the need to increase trade flows within Latin America should be taken into account.

Thirdly, ways should be explored of not only promoting Latin American trading companies but also of improving transport.

In the fourth place, efforts should be made to secure greater participation by Latin America and the Caribbean in the decision-making and management mechanisms of commodity exchanges, in order to obtain an improvement in the system used to fix reference prices at the international level.

A fifth option is to increase the degree of processing of the region's agricultural exports.

In the sixth place, instruments and mechanisms to expand interregional trade should be identified, primarily within the Global System of Trade Preferences among Developing Countries.

Another valid option is to stimulate regional co-operation among the existing research and development centres or establish new ones where necessary, with a view to studying the effects of technological change on supply and demand in order to examine and recommend measures to maintain and improve the level of competitiveness of agricultural products.

Finally, there is the option of furthering the establishment of international agreements, financing schemes and other arrangements to help mitigate the effects of fluctuations in production, prices and income.

In reality, any negotiation on agriculture is a complex and delicate process, and it should be repeated that the correct path for the region is to join efforts in order to wield greater bargaining power and so reverse the power relations that have traditionally prevailed in international negotiations in this sector.

#### Notes

1/ Indicated in figure 1 by the change in the slope of the line running between the origin and the position of the countries.

2/ Terms of trade as estimated by UNCTAD. They correspond to the ratio between the price index for the commodities referred to and the unit value index for exports of manufactures from the developed countries.

3/ See next paragraph.

4/ The material published in this connection between 1974 and 1983 is examined in a report prepared for the Committee on Foreign Affairs of the United States House of Representatives (Washington, D.C., October 1984).

5/ The growth rates in dollars at constant prices were 4.9% and 4.4%, respectively, in the periods indicated.

6/ ".... major fluctuations in production have prompted only minor changes in price due to the fact that during the 50s and 60s the United States and Canada accumulated large reserves in periods of surplus and were able to release them in periods of shortage, thus buffering price shifts ...." (R.F. Hopkins and D.J. Puchala, 1978, p. 591).

7/ These estimates are based on 99 processed natural agricultural commodities within a scenario of trade liberalization in 17 OECD countries. Consideration is given to 56 developing countries, 13 of them in Latin America.

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STATISTICAL ANNEX



Table 1

**INDEXES OF THE BACKWARD LINKAGES BY UNIT OF  
FINAL DEMAND TO THE AGRO-FOOD SECTOR<sup>a</sup>**

	Agriculture	Food industry	Food sector	Other sectors <sup>b</sup>
Brazil	0.9063	1.2865	1.1947	1.0981
Chile	0.9702	1.2230	1.1555	0.9897
Guatemala	0.9263	1.3429	1.1039	1.0013
Haiti	0.8372	1.2833	1.0393	0.9891
Mexico	0.8654	1.2642	1.1237	0.9730

Source: Joint ECLAC/FAO Agriculture Division, based on information contained in ECLAC, "Tablas de insumo-producto en América Latina", Cuadernos estadísticos de la CEPAL, N° 7, (E/CEPAL/G.1227), Santiago, Chile, 1983.

<sup>a</sup>The average for the sectors taken together is equal to 1. <sup>b</sup>Excludes combustibles and lubricants, and commerce.

Table 2

**RATIO BETWEEN THE DIRECT AND INDIRECT EFFECTS PER  
UNIT OF FINAL DEMAND IN THE FOOD SECTOR AND IN  
THE REMAINING SECTORS<sup>a</sup>**

(Percentages)

	Brazil		Guatemala		Mexico		Haiti		Chile	
	Agri- cul- ture	Food indus- try	Agri- cul- ture	Food indus- try	Agri- cul- ture	Food indus- try	Agri- cul- ture	Food indus- try	Agri- cul- ture	Food indus- try
Wages and salaries	52.7	69.0	61.2	77.5	74.9	74.7	10.6	36.7	51.0	59.3
Gross surplus	136.8	122.4	136.1	91.8	130.7	123.3	217.6	149.0	170.1	130.9
Imported inputs	22.6	62.5	55.6	216.5	22.2	65.1	3.9	71.5	55.2	119.1
Employment	309.8	127.1	460.0	180.0	648.3	319.0	45.0	200.0	207.5	102.5
Value added	104.7	102.3	105.4	85.9	104.3	101.9	144.8	113.3	108.2	96.5
Gross production	82.5	117.2	92.5	134.1	88.9	129.9	84.6	129.7	98.0	122.4

Source: Joint ECLAC/FAO Agriculture Division, based on ECLAC, "Tablas de insumo-producto en América Latina", Cuadernos estadísticos de la CEPAL, N° 7, (E/CEPAL/G.1227), Santiago, Chile, 1983.

<sup>a</sup>The table gives the percentage values of the increase in the direct and indirect effects per unit of final demand in agriculture and the agro-food industry on the one hand, and in the rest of the economy, on the other; thus, for example, the coefficient for wages and salaries in Brazil was 0.1945 for agriculture, 0.2545 for the agro-food industry and 0.3691 for the rest of the economy:  $0.1945/0.3691 = 0.527$ ;  $0.2545/0.3691 = 0.689$ , and so on for the other categories.

Table 3

**LATIN AMERICA AND THE CARIBBEAN: AGRICULTURAL EXPORTS  
OF SELECTED PRODUCTS, AT CURRENT PRICES<sup>a</sup>**

Country/Group of countries	Exports of 10 selected products (millions of current dollars)			Annual growth rates (annual per- centages)		Relative share per country of the 10 selected products in the value of agricultural exports (percentages)		
	1980	1983	1985	1980- 1983	1983- 1985	1980	1983	1985
	Mexico	566.5	616.7	615.7	2.9	-0.1	24.5	37.1
Brazil	5 445.1	4 572.6	5 299.8	-5.7	7.7	52.3	45.7	49.8
Trinidad and Tobago	30.9	27.0	23.8	-4.4	-6.1	36.8	49.1	51.7
Cuba	4 619.3	4 966.1	4 815.7	2.4	-1.5	93.1	91.1	91.8
Jamaica	70.6	73.3	55.2	1.2	-13.2	53.1	43.4	39.1
Costa Rica	574.8	475.2	572.3	-6.1	9.7	83.3	82.2	85.4
Dominican Republic	401.9	370.1	313.1	-2.7	-8.0	77.9	75.4	69.1
Guyana	122.1	65.2	57.3	-18.9	-6.3	66.7	57.2	63.7
Panama	142.4	138.8	123.5	-0.8	-5.7	59.8	57.8	54.4
Nicaragua	261.7	204.4	144.7	-7.9	-15.9	69.1	57.6	56.7
Guatemala	660.9	563.4	563.4	-5.2	-0.0	62.1	71.0	65.1
Honduras	545.9	425.6	512.6	-8.0	9.7	80.8	77.1	82.3
El Salvador	708.5	444.3	487.2	-14.4	4.7	83.3	80.8	86.1
Haiti	99.2	57.6	63.0	-16.6	4.6	87.8	80.0	92.6
Central America and the Caribbean <sup>b</sup>	8 238.0	7 811.0	7 732.0	-1.8	-0.5	83.3	82.9	83.6
Venezuela	10.3	14.5	46.8	12.0	79.8	12.7	8.1	20.3
Chile	35.3	6.3	10.1	-43.7	26.6	3.0	0.6	0.8
Colombia	2 684.0	1 776.6	2 032.8	-12.9	7.0	86.4	87.1	86.5
Peru	155.6	119.3	179.4	-8.5	22.6	23.9	32.0	32.5
Bolivia	73.0	25.7	21.3	-29.4	-8.9	58.9	53.5	73.4
Ecuador	372.7	303.3	388.3	-6.7	13.2	43.8	49.5	44.1
Andean Region <sup>b</sup>	3 331.0	2 245.0	2 678.0	-12.3	9.2	55.6	51.8	50.0
Argentina	3 498.9	3 821.1	3 981.0	3.0	2.1	61.6	63.0	68.4
Paraguay	69.3	117.1	120.4	19.1	1.4	23.4	37.1	31.0
Uruguay	200.8	269.7	131.7	10.3	-30.1	30.5	36.9	23.8
Southern Cone <sup>a</sup>	3 769.0	4 208.0	4 233.0	3.7	0.3	56.8	59.1	62.6
Latin America <sup>b</sup>	21 350.0	19 453.0	20 559.0	-3.1	2.8	60.6	59.8	60.6

Source: Joint ECLAC/FAO Agriculture Division, based on data of FAO, *Yearbook of foreign trade*, 1980, 1983, 1985.

<sup>a</sup>Corresponds to the main agricultural export products in the total for Latin America: coffee, sugar, oilseeds, vegetable oils, meats, cotton, wheat, bananas, maize and tobacco.

<sup>b</sup>Includes interregional trade.



Table 4

**ALADI AND CACM: EXPORTS OF AGRICULTURAL PRODUCTS  
TO ALADI, UNITED STATES, JAPAN, EEC, COUNTRIES  
WITH CENTRALLY PLANNED ECONOMIES\*  
AND THE REST OF THE WORLD, 1975**

(Thousands of dollars FOB)

SITC Rev.1, heading, description	ALADI	United States	Japan	EEC	CPEC	Rest of the World	Total
0711 Coffee, green or roasted and coffee substitutes	72 964	834 956	66 119	952 997	145 162	335 364	2 407 562
0611 Raw sugar, beet and cane	43 167	441 238	178 612	296 081	169 123	467 372	1 595 593
2631 Raw silk (not thrown)	47 194	46 125	231 144	214 940	45 916	139 490	724 809
2214 Soya beans (excluding flour) and meal	24	0	9 347	575 711	93 588	23 726	702 396
0440 Maize (corn), unmilled	122 382	2 230	1 568	298 802	187 434	62 910	675 326
0813 Oil seed cake and meal	3 099	114	2 690	400 737	134 933	53 952	595 525
0612 Refined sugar and other products of refining beet and cane sugar	80 758	93 299	-	22 892	123 082	187 976	508 007
0513 Bananas (including plantains), fresh	35 663	222 817	5 098	123 242	20 547	24 550	431 917
0410 Wheat and meslin, unmilled	49 217	2 234	774	43 723	132 583	94 072	322 603
0111 Meat of bovine animals	34 853	95 192	82	101 632	25 737	47 154	304 650
0721 Cocoa beans, raw or roasted	19 915	115 290	7 499	77 668	60 484	9 835	290 691
0313 Crustacea and mollusks	2 687	243 680	13 246	6 091	-	1 372	267 076
1210 Tobacco unmanufactured	4 505	60 822	10 011	139 021	2 243	26 450	243 052
0459 Cereals unmilled, n.e.s.	30 843	111	68 734	103 754	7 168	20 679	231 289
0814 Meat meal and fish meal, unfit for human consumption	21 320	19 191	3 668	57 628	62 045	37 157	201 009
0138 Other prepared or preserved meat	344	70 967	650	80 144	6	30 162	182 273
4212 Soya bean oil	23 914	1 667	1 847	11 705	8 226	116 915	164 274
0535 Fruit juices and vegetables juices	3 799	14 766	660	50 915	1 729	31 763	103 632
0713 Coffee extracts, essences and similar preparations of coffee	18	42 307	4 202	35 200	2 024	4 342	88 093
0311 Fish, fresh, chilled or frozen	10 241	29 319	975	9 693	2 382	13 471	66 081
25172 Sulphate wood pulp, bleached	37 713	0	0	5 059	0	2 861	45 633
0545 Other fresh vegetables	12 371	19 984	44	1 464	9	2 753	36 625
07231 Cocoa paste	14 405	13 869	109	907	2 052	1 603	32 945
0114 Poultry, killed or dressed	163	22	14	616	-	4 332	5 147
4216 Sunflowerseed oil	0	0	-	540	-	-	540
<b>Total</b>	<b>671 559</b>	<b>2 370 200</b>	<b>607 093</b>	<b>3 611 162</b>	<b>1 226 473</b>	<b>1 740 261</b>	<b>10 226 748</b>

Source: International Trade and Development Division, based on data of BADECEL.

\*Includes Eastern Europe (Albania, German Democratic Republic, Bulgaria, Czechoslovakia, Poland and Romania), the Union of Soviet Socialist Republics, Asia (People's Republic of China, the Democratic People's Republic of Korea, Mongolia and Viet Nam).

Table 5

**ALADI AND CACM: EXPORTS OF AGRICULTURAL PRODUCTS,  
TO ALADI, UNITED STATES, JAPAN, EEC, COUNTRIES  
WITH CENTRALLY PLANNED ECONOMIES<sup>a</sup>  
AND THE REST OF THE WORLD, 1975**

(Percentages)

SITC Rev.1, heading, description	ALADI	United States	Japan	EEC	CPEC	Rest of the World	Total
0711 Coffee, green or roasted and coffee substitutes	3.0	34.7	2.7	39.6	6.0	13.9	100.0
0611 Raw sugar, beet and cane	2.7	27.7	11.2	18.6	10.6	29.3	100.0
2631 Raw silk (not thrown)	6.5	6.4	31.9	29.7	6.3	19.2	100.0
2214 Soya beans (excluding flour) and meal	0.0	0.0	1.3	82.0	13.3	3.4	100.0
0440 Maize (corn), unmilled	18.1	0.3	0.2	44.2	27.8	9.3	100.0
0813 Oil seed cake and meal	0.5	0.0	0.5	67.3	22.7	9.1	100.0
0612 Refined sugar and other products of refining beet and cane sugar	15.9	18.4	0.0	4.5	24.2	37.0	100.0
0513 Bananas (including plantains), fresh	8.3	51.6	1.2	28.5	4.8	5.7	100.0
0410 Wheat and meslin, unmilled	15.3	0.7	0.2	13.6	41.1	29.2	100.0
0111 Meat of bovine animals	11.4	31.2	0.0	33.4	8.4	15.5	100.0
0721 Cocoa beans, raw or roasted	6.9	39.7	2.6	26.7	20.8	3.4	100.0
0313 Crustacea and mollusks	1.0	91.2	5.0	2.3	0.0	0.5	100.0
1210 Tobacco, unmanufactured	1.9	25.0	4.1	57.2	0.9	10.9	100.0
0459 Cereals, unmilled, n.e.s.	13.3	0.0	29.7	44.9	3.1	8.9	100.0
0814 Meat meal and fish meal, unfit for human consumption	10.6	9.5	1.8	28.7	30.9	18.5	100.0
0138 Other prepared or preserved meat	0.2	38.9	0.4	44.0	0.0	16.5	100.0
4212 Soya bean oil	14.6	1.0	1.1	7.1	5.0	71.2	100.0
0535 Fruit juices and vegetable juices	3.7	14.2	0.6	49.1	1.7	30.6	100.0
0713 Coffee extracts, essences and similar preparations of coffee	0.0	48.0	4.8	40.0	2.3	4.9	100.0
0311 Fish, fresh, chilled or frozen	15.5	44.4	1.5	14.7	3.6	20.4	100.0
25172 Sulphate wood pulp, bleached		82.6	0.0	0.0	11.1	0.0	6.3
0545 Other fresh vegetables	33.8	54.6	0.1	4.0	0.0	7.5	100.0
07231 Cocoa paste	43.7	42.1	0.3	2.8	6.2	4.9	100.0
0114 Poultry, killed or dressed	3.2	0.4	0.3	12.0	0.0	84.2	100.0
4216 Sunflower seed oil	0.0	0.0	0.0	100.0	0.0	0.0	100.0
<b>Total</b>	<b>6.6</b>	<b>23.2</b>	<b>5.9</b>	<b>35.3</b>	<b>12.0</b>	<b>17.0</b>	<b>100.0</b>

Source: International Trade and Development Division, based on data of BADECEL.

<sup>a</sup>Includes Eastern Europe (Albania, German Democratic Republic, Bulgaria, Czechoslovakia, Poland and Romania), the Union of Soviet Socialist Republics, Asia (People's Republic of China, the Democratic People's Republic of Korea, Mongolia and Viet Nam).

Table 6

**ALADI AND CACM: EXPORTS OF AGRICULTURAL PRODUCTS TO ALADI,  
UNITED STATES, JAPAN, EEC, COUNTRIES WITH  
CENTRALLY PLANNED ECONOMIES\*,  
AND THE REST OF THE WORLD, 1980**

(Thousands of dollars FOB)

SITC Rev.1 heading, description	ALADI	United States	Japan	EEC	CPEC	Rest of the World	Total
0711 Coffee, green or roasted, and coffee substitutes	128 925	2 260 113	330 269	2 996 180	330 851	900 399	6 946 737
0813 Oilseed cake and meal	13 203	375	20 247	1 296 493	278 348	232 027	1 840 693
0611 Raw sugar, beet and cane	99 617	867 225	-	36 512	199 600	395 457	1 598 411
2214 Soya beans (excluding flour and meal)	97 943	0	14 718	704 436	193 456	32 041	1 042 594
2631 Raw silk (not thrown)	55 253	73 841	195 118	336 933	199 147	141 823	1 002 115
0111 Meat of bovine animals	121 134	197 033	953	275 066	179 362	170 760	944 308
0410 Wheat and meslin, unmilled	237 553	5 016	0	14 436	534 983	31 466	823 454
0313 Crustaceans and mollusks	4 520	612 930	60 779	18 071	57	12 294	708 651
0513 Bananas (including plantains), fresh	33 806	350 817	665	177 464	32 945	62 637	658 334
0440 Maize (corn), unmilled	5 623	24	1 029	62 712	428 559	29 042	526 989
0138 Other prepared or preserved meat	5 369	214 269	1 991	199 796	0	83 179	504 604
4212 Soya bean oil	49 231	825	0	45 363	38 006	360 237	493 662
0612 Refined sugar and other products of refined beet and cane sugar	119 132	34 491	-	0	41 245	277 619	472 487
0814 Meat meal and fish meal, unfit for human consumption	31 765	4 458	63 626	199 180	54 787	116 224	470 040
25172 Sulphate wood pulp, bleached	100 541	43 786	86 339	193 913	12 470	16 994	454 043
1210 Tobacco, unmanufactured	10 662	121 496	7 761	226 503	9 039	61 191	436 652
0535 Fruit juices and vegetable juices	13 154	107 426	4 333	213 328	2 247	91 680	432 168
07231 Cocoa paste	28 834	154 245	10 338	49 754	129 672	25 922	398 765
0721 Cocoa beans, raw or roasted	2 504	82 529	12 713	144 283	97 666	20 807	360 502
0713 Coffee extracts, essences and similar preparations of coffee	4 626	163 414	21 798	116 474	10 635	18 193	335 140
0311 Fish, fresh, chilled or frozen	36 605	78 248	23 444	90 603	32 344	70 404	331 648
0545 Other fresh vegetables	42 187	172 270	0	11 464	0	24 405	250 326
0459 Cereals, unmilled, n.e.s.	15 164	1 103	6 155	14 018	200 980	3 037	240 457
0114 Poultry, killed or dressed	28 895	239	-	470	9 152	178 049	216 805
4216 Sunflower seed oil	13 639	0	2	42 292	47 198	80 974	184 105
<b>Total</b>	<b>1 299 885</b>	<b>5 546 173</b>	<b>862 278</b>	<b>7 465 744</b>	<b>3 062 749</b>	<b>3 436 861</b>	<b>21 673 690</b>

Source: International Trade and Development Division, based on data of BADECEL.

\*Includes Eastern Europe (Albania, German Democratic Republic, Bulgaria, Czechoslovakia, Poland and Romania), the Union of Soviet Socialist Republics, Asia (People's Republic of China, the Democratic People's Republic of Korea, Mongolia and Viet Nam).

Table 7

**ALADI AND CACM: EXPORTS OF AGRICULTURAL PRODUCTS  
TO ALADI, UNITED STATES, JAPAN, EEC, COUNTRIES WITH  
CENTRALLY PLANNED ECONOMIES<sup>a</sup>  
AND THE REST OF THE WORLD, 1980**

(Percentages)

SITC Rev.1 heading, description	ALADI	United States	Japan	EEC	CPEC	Rest of the World	Total
0711 Coffee, green or roasted and coffee substitutes	1.9	32.5	4.8	43.1	4.8	13.0	100.0
0813 Oilseed cake and meal	0.7	0.0	1.1	70.4	15.1	12.6	100.0
0611 Raw sugar, beet and cane	6.2	54.3	0.0	2.3	12.5	24.7	100.0
2214 Soya beans (excluding flour and meal)	9.4	0.0	1.4	67.6	18.6	3.1	100.0
2631 Raw silk (not thrown)	5.5	7.4	19.5	33.6	19.9	14.2	100.0
0111 Meat of bovine animals	12.8	20.9	0.1	29.1	19.0	18.1	100.0
0410 Wheat and meslin, unmilled	28.8	0.6	0.0	1.8	65.0	3.8	100.0
0313 Crustaceans and mollusks	0.6	86.5	8.6	2.6	0.0	1.7	100.0
0513 Bananas (including plantains), fresh	5.1	53.3	0.1	27.0	5.0	9.5	100.0
0440 Maize (corn), unmilled	1.1	0.0	0.2	11.9	81.3	5.5	100.0
0138 Other prepared or preserved meat	1.1	42.5	0.4	39.6	0.0	16.5	100.0
4212 Soya bean oil	10.0	0.2	0.0	9.2	7.7	73.0	100.0
0612 Refined sugar and other products of refined beet and cane sugar	25.2	7.3	0.0	0.0	8.7	58.8	100.0
0814 Meat meal and fish meal, unfit for human consumption	6.8	0.9	13.5	42.4	11.7	24.7	100.0
25172 Sulphate wood pulp bleached	22.1	9.6	19.0	42.7	2.7	3.7	100.0
1210 Tobacco, unmanufactured	2.4	27.8	1.8	51.9	2.1	14.0	100.0
0535 Fruit juices and vegetable juices	3.0	24.9	1.0	49.4	0.5	21.2	100.0
07231 Cocoa paste	7.2	38.7	2.6	12.5	32.5	6.5	100.0
0721 Cocoa beans, raw or roasted	0.7	22.9	3.5	40.0	27.1	5.8	100.0
0713 Coffee extracts, essences and similar preparations of coffee	1.4	48.8	6.5	34.8	3.2	5.4	100.0
0311 Fish, fresh, chilled or frozen	11.0	23.6	7.1	27.3	9.8	21.2	100.0
0545 Other fresh vegetables	16.9	68.8	0.0	4.6	0.0	9.7	100.0
0459 Cereals, unmilled, n.e.s.	6.3	0.5	2.6	5.8	83.6	1.3	100.0
0114 Poultry, killed or dressed	13.3	0.1	0.0	0.2	4.2	82.1	100.0
4216 Sunflower seed oil	7.4	0.0	0.0	23.0	25.6	44.0	100.0
<b>Total</b>	<b>6.0</b>	<b>25.6</b>	<b>4.0</b>	<b>34.4</b>	<b>14.1</b>	<b>15.9</b>	<b>100.0</b>

Source: International Trade and Development Division, based on data of BADECEL.

<sup>a</sup>Includes Eastern Europe (Albania, German Democratic Republic, Bulgaria, Czechoslovakia, Poland and Romania), the Union of Soviet Socialist Republics, Asia (People's Republic of China, the Democratic People's Republic of Korea, Mongolia and Viet Nam).

Table 8

**ALADI AND CACM: EXPORTS OF AGRICULTURAL PRODUCTS TO  
ALADI, UNITED STATES, JAPAN, EEC, COUNTRIES  
WITH CENTRALLY PLANNED ECONOMIES<sup>a</sup>  
AND THE REST OF THE WORLD, 1984**

(Thousands of dollars FOB)

SITC Rec.1 heading, description	ALADI	United States	Japan	EEC	CPEC	Rest of the World	Total
0711 Coffee, green or roasted and coffee substitutes	98 518	2 124 388	381 155	2 595 315	246 408	999 542	6 445 326
0813 Oilseed cake and meal	11 109	54	18 166	1 364 814	546 490	243 690	2 184 323
0535 Fruit juices and vegetables juices	2 448	985 041	7 518	395 681	5 737	155 950	1 552 375
2214 Soya beans (excluding flour and meal)	218 730	27		1 011 896	59 464	113 810	1 403 927
0313 Crustaceans and mollusks	3 747	894 853	77 671	60 997	536	17 867	1 055 671
0410 Wheat and meslin, unmilled	219 852	6	0	23 106	399 682	334 391	977 037
0513 Bananas (including plantains), fresh	25 084	568 913	698	262 639	18 522	38 969	914 825
4212 Soya bean oil	174 451	68	707	24 514	72 669	623 402	895 811
0440 Maize (corn), unmilled	56 066	7 973	12 855	180 041	267 732	259 399	784 066
2631 Raw silk (not thrown)	51 183	141 338	145 167	236 657	55 755	97 489	727 589
0611 Raw sugar, beet and cane	57 727	380 137	2 956	8 844	115 094	114 032	678 790
0111 Meat of bovine animals	45 602	45 974	3 459	226 906	52 762	240 931	615 634
1210 Tobacco, unmanufactured	18 806	183 853	13 344	274 077	20 376	96 782	607 238
25172 Sulphate wood pulp, bleached	87 430	61 182	78 942	241 427	23 753	33 957	526 691
0459 Cereals, unmilled, n.e.s.	63 465	198	123 723	55 427	224 381	18 792	485 986
0138 Other prepared or preserved meat	3 387	186 246	1 517	188 416	7	100 723	480 296
0814 Meat meal and fish meal, unfit for human consumption	18 991	32 156	21 841	178 322	68 604	123 516	443 430
4216 Sunflower seed oil	34 709	59		49 334	125 521	211 151	420 774
0721 Cocoa beans, raw or roasted	15 079	127 895	14 357	82 457	127 236	13 094	380 118
0713 Coffee extracts, essences and similar preparations of coffee	980	139 122	38 226	114 177	14 238	49 903	356 646
0114 Poultry, killed or dressed	2 537	9	15 069	17 947	11	234 205	269 778
07231 Cocoa paste	27 926	111 717	4 729	16 681	95 525	10 962	267 540
0612 Refined sugar and other products of refined beet and cane sugar	44 289	13 759		5 312	4 421	198 767	266 548
0311 Fish, fresh, chilled or frozen	16 198	62 275	30 791	68 344	29 283	45 945	252 836
0545 Other fresh vegetables	9 201	185 941	570	7 671		18 880	222 263
<b>Total</b>	<b>1 307 515</b>	<b>6 253 184</b>	<b>993 461</b>	<b>7 691 002</b>	<b>2 574 207</b>	<b>4 396 149</b>	<b>23 215 518</b>

Source: International Trade and Development Division, based on data of BADECEL.

<sup>a</sup>Includes Eastern Europe (Albania, German Democratic Republic, Bulgaria, Czechoslovakia, Poland and Romania), the Union of Soviet Socialist Republics, Asia (People's Republic of China, the Democratic People's Republic of Korea, Mongolia and Viet Nam).

Table 9

**ALADI AND CACM: EXPORTS OF AGRICULTURAL PRODUCTS TO ALADI,  
UNITED STATES, JAPAN, EEC, COUNTRIES WITH CENTRALLY PLANNED  
ECONOMIES\*, AND THE REST OF THE WORLD, 1984**

(Percentages)

SITC Rev.1, heading, description	ALADI	United States	Japan	EEC	CPEC	Rest of the World	Total
0711 Coffee, green or roasted, and coffee substitutes	1.5	33.0	5.9	40.3	3.8	15.5	100.0
0813 Oil seed cake and meal	0.5	0.0	0.8	62.5	25.0	11.2	100.0
0535 Fruit juices and vegetable juices	0.2	63.5	0.5	25.5	0.4	10.0	100.0
2214 Soya beans (excluding flour and meal)	15.6	0.0	0.0	72.1	4.2	8.1	100.0
0313 Crustaceans and mollusks	0.4	84.8	7.4	5.8	0.1	1.7	100.0
0410 Wheat and meslin, unmilled	22.5	0.0	0.0	2.4	40.9	34.2	100.0
0513 Bananas (incl. plantains), fresh	2.7	62.2	0.1	28.7	2.0	4.3	100.0
4212 Soya bean oil	19.5	0.0	0.1	2.7	8.1	69.6	100.0
0440 Maize (corn), unmilled	7.2	1.0	1.6	23.0	34.1	33.1	100.0
2631 Raw silk (not thrown)	7.0	19.4	20.0	32.5	7.7	13.4	100.0
0611 Raw sugar, beet and cane	8.5	56.0	0.4	1.3	17.0	16.8	100.0
0111 Meat of bovine animals	7.4	7.5	0.6	36.9	8.6	39.1	100.0
1210 Tobacco, unmanufactured	3.1	30.3	2.2	45.1	3.4	15.9	100.0
25172 Sulphate wood pulp, bleached	16.6	11.6	15.0	45.8	4.5	6.4	100.0
0459 Cereals, unmilled, n.e.s.	13.1	0.0	25.5	11.4	46.2	3.9	100.0
0138 Other prepared or preserved meat	0.7	38.8	0.3	39.2	0.0	21.0	100.0
0814 Meat meal and fish meal, unfit for human consumption	4.3	7.3	4.9	40.2	15.5	27.9	100.0
4216 Sunflower seed oil	8.2	0.0	0.0	11.7	29.8	50.2	100.0
0721 Cocoa beans, raw or roasted	4.0	33.6	3.8	21.7	33.5	3.4	100.0
0713 Coffee extracts, essences and similar preparations of coffee	0.3	39.0	10.7	32.0	4.0	14.0	100.0
0114 Poultry, killed or dressed	0.9	0.0	5.6	6.7	0.0	86.8	100.0
07231 Cocoa paste	10.4	41.8	1.8	6.2	35.7	4.1	100.0
0612 Refined sugar and other products of refined beet and cane sugar	16.6	5.2	0.0	2.0	1.7	74.6	100.0
0311 Fish, fresh, chilled or frozen	6.4	24.6	12.2	27.0	11.6	18.2	100.0
0545 Other fresh vegetables	4.1	83.7	0.3	3.5	0.0	8.5	100.0
Total	5.6	26.9	4.3	33.1	11.1	18.9	100.0

Source: International Trade and Development Division, based on data of BADECEL.

\*Includes Eastern Europe (Albania, German Democratic Republic, Bulgaria, Czechoslovakia, Poland and Romania), the Union of Soviet Socialist Republics, Asia (People's Republic of China, the Democratic People's Republic of Korea, Mongolia and Viet Nam).