

Trade Policy Overview

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International trade has become increasingly important to agriculture as interdependence among nations has increased since the early 1970s. Farm incomes are linked directly to international markets through trade. When trade expanded during the mid-1990s, prices and incomes grew. As trade stagnated in the late 1990s, market prices declined and farmers became more dependent upon the U.S. government for income support. The following five articles focus on the key trade components of the proposed farm bill. International Food Aid has been an important surplus disposal and market development for the United States over the past four decades. Issues affecting the future of this program are discussed. Agricultural Trade and Foreign Policy highlights U.S. efforts to maintain consistent international food policy, the use of sanctions to restrict trade, and the need to resolve trade disputes with other countries. U.S. Export Programs are designed to dispose of surplus commodities, promote exports, and provide credit guarantees to foreign buyers. Increased funding for export promotion programs has been proposed, but may be challenged by some competitors. Tariff and Non-Tariff Barriers to Trade examines policies designed to restrict trade between countries. Bilateral and Multilateral Trade Agreements discusses the types of international trade agreements and their justification under U.S. trade policy. The importance of presidential fast track, or trade promotion authority, is noted. Likely negotiating positions and issues of developed and developing countries in the current round of WTO negotiations on agriculture are highlighted.