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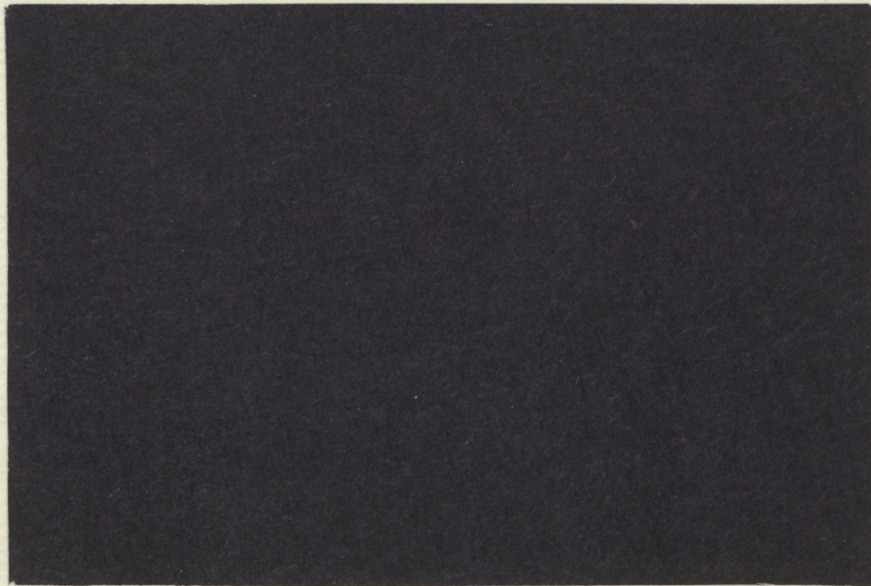
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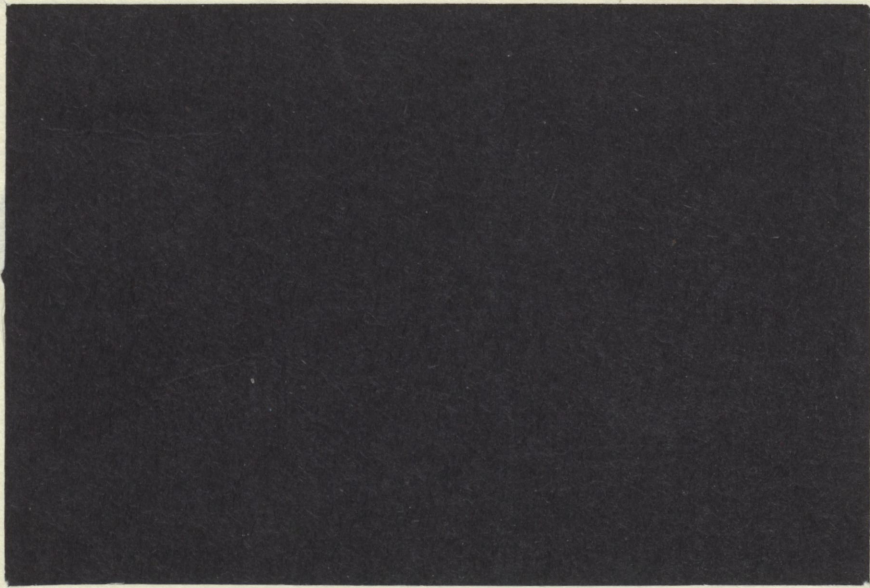


## CTAP Staff Report

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**RECENT TRENDS IN U.S. AGRICULTURAL IMPORTS**

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## Recent Trends in U.S. Agricultural Imports

The total value<sup>1</sup> of U.S. imports in 1984 amounted to \$316.7 billion, of which \$18.9 billion was spent on agricultural commodities (Table 1). Some have attributed the increase in agricultural imports from \$15.3 billion in 1982 to an expected \$19.5 billion in 1985 to the recent strengthening of the U.S. dollar.

Imported agricultural commodities can be divided into two broad groups, supplements<sup>2</sup> and complements<sup>3</sup>. Supplements currently account for about two-thirds of total agricultural imports. Meat and meat products account for about a third of supplementary imports while fruit products, vegetable preparations, and sugar are the other major imported commodities classified as supplements. Coffee and cocoa account for over one-half of complementary imports, and together with rubber and bananas amount to 90 percent of all complementary agricultural imports. Some have expressed concern as to whether the composition of agricultural imports is shifting in favor of supplementary imports. The present paper is only an attempt to judge the seriousness of these concerns about the level and composition of agricultural imports.

### Nominal Import Values

A look at overall trends provide us with some insight into the importance of observed changes in agricultural imports. Table 1 reports changes in the

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<sup>1</sup>Import value is defined by the USDA as the market value in the foreign country and excludes import duties, ocean freight, and marine insurance.

<sup>2</sup>Supplements consist of all imports of agricultural commodities produced commercially in the U.S., together with all other agricultural imports interchangeable to any significant extent with domestically produced commodities. Supplements are also called competitive agricultural imports.

<sup>3</sup>Complements include all agricultural imports other than the supplements. Complements are also called non-competitive agricultural imports.

TABLE 1: NOMINAL VALUE OF IMPORTS BY PRINCIPAL GROUPS, U.S., FISCAL YEAR.  
in Bil. U.S. \$

YEAR	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
ALLCOM	42.7	50.1	61.4	82.5	101.1	105.9	142.6	166.0	193.6	240.9	254.7	248.8	246.9	316.7
NONAGCOM	36.9	44.0	54.1	73.0	91.5	95.8	129.3	152.1	177.4	223.6	237.5	233.5	230.6	297.8
AGCOM	5.8	6.0	7.3	9.5	9.6	10.1	13.4	13.9	16.2	17.3	17.2	15.3	16.3	18.9
TOTSUP	3.7	4.0	4.7	6.3	6.8	6.3	6.5	7.3	9.1	9.9	11.3	10.1	10.8	12.2
ANIPRODS	1.5	1.6	2.1	2.8	1.7	2.2	2.3	2.8	3.8	3.7	3.7	3.6	3.9	3.9
DAIRPROD	0.1	0.1	0.2	0.5	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.7	0.8
HIDESKIN	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2
MEATPROD	1.0	1.1	1.4	1.8	1.1	1.4	1.3	1.6	2.5	2.3	2.2	2.0	2.1	1.9
VEGPROD	2.1	2.3	2.6	3.5	5.1	4.1	4.2	4.6	5.3	6.2	7.6	6.5	6.9	8.3
FRUPROD	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.5	0.6	0.6	0.7	0.9	1.0	1.3
NUTPROD	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
GRAPROD	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5
OILPROD	0.2	0.2	0.2	0.4	0.7	0.5	0.6	0.5	0.7	0.6	0.9	0.5	0.5	0.8
SUGPROD	0.8	0.9	0.9	1.4	2.8	1.6	1.1	1.0	1.1	1.8	2.4	1.4	1.0	1.1
VEGPREP	0.3	0.3	0.4	0.4	0.4	0.4	0.6	0.8	0.8	0.9	1.0	1.1	1.0	1.3
TOTCOMP	2.1	2.1	2.6	3.3	2.8	3.8	6.8	6.6	7.1	7.4	5.9	5.3	5.5	6.7
BANANAS	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.6
COFFEE	1.2	1.1	1.5	1.7	1.2	2.0	4.0	3.5	3.6	4.2	2.8	2.6	2.7	3.1
COCOABNS	0.2	0.2	0.2	0.3	0.3	0.3	0.5	0.6	0.6	0.4	0.5	0.3	0.4	0.4
RUBBER	0.2	0.2	0.2	0.4	0.4	0.4	0.6	0.6	0.8	0.7	0.7	0.5	0.5	0.8

Source: Agricultural Statistics, U.S.D.A., 1983.

Data for 1983-84 from FATUS Fiscal Year 1984 Supplement.

TABLE 2: VALUE INDEX OF IMPORTS BY PRINCIPAL GROUPS, U.S., FISCAL YEAR.  
ALLCOM = 100

YEAR	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
ALLCOM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
NONAGCOM	86	88	88	88	91	90	91	92	92	93	93	94	93	94
AGCOM	14	12	12	12	9	10	9	8	8	7	7	6	7	6
TOTSUP	8.6	7.9	7.7	7.6	6.7	5.9	4.6	4.4	4.7	4.1	4.4	4.1	4.4	3.9
ANIPRODS	3.6	3.2	3.4	3.4	1.7	2.1	1.6	1.7	1.9	1.5	1.5	1.4	1.6	1.2
DATRPROD	0.3	0.3	0.3	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2
HIDESKIN	0.3	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1
MEATPROD	2.4	2.2	2.2	2.2	1.0	1.3	0.9	1.0	1.3	0.9	0.9	0.8	0.8	0.6
VEGPROD	5.0	4.7	4.3	4.2	5.1	3.9	3.0	2.7	2.7	2.6	3.0	2.6	2.8	2.6
FRUPROD	0.4	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.2	0.3	0.4	0.4	0.4
NUTPROD	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
GRAPROD	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
OILPROD	0.5	0.4	0.4	0.5	0.6	0.5	0.4	0.3	0.3	0.3	0.4	0.2	0.2	0.3
SUGPROD	1.9	1.9	1.5	1.7	2.7	1.5	0.8	0.6	0.6	0.8	0.9	0.6	0.4	0.4
VEGPREP	0.7	0.7	0.7	0.5	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.5	0.4	0.4
TOTCOMP	5.0	4.2	4.3	4.0	2.7	3.6	4.8	4.0	3.7	3.1	2.3	2.1	2.2	2.1
BANANAS	0.5	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
COFFEE	2.7	2.2	2.4	2.1	1.2	1.9	2.8	2.1	1.9	1.7	1.1	1.1	1.1	1.0
COCOABNS	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.2	0.1
RUBBER	0.4	0.3	0.3	0.5	0.3	0.4	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2

Source: Agricultural Statistics, U.S.D.A., 1983.  
Data for 1983-84 from FATUS Fiscal Year 1984 Supplement.

nominal dollar value of U.S. imports, broken down by category. In Table 2, the import figures are converted to indices using total imports as the base. This shows that, although agricultural imports have grown from \$5.8 billion in 1971 to \$18.9 billion in 1984 (Figure 1), as a share of total imports, agricultural imports have in fact fallen from 14 to 6 percent during this period (Figure 2).

Also, as can be seen in Figure 2, the share of supplementary imports declined faster than that of complementary imports up to 1977. After 1977, the import share of supplements stabilized at about 4 to 5 percent while that of complements declined further.

Yet another way to look at imports is to consider the relative increase of each component since 1971, as presented in Table 3. Total U.S. imports increased by 641 percent, while agricultural imports increased by only 224 percent (Figure 3). Supplements increased 232 percent over the period, with major increases coming from dairy, fruit and grain products. Meat product and sugar imports have increased more slowly. Complementary imports increased sharply during 1976-77 and peaked in 1979-80 (Figure 4).

#### Inflation-Adjusted Import Values

It must be noted that the above assessments are based on the nominal dollar value of imports. Hence, inflationary price changes will tend to overstate the actual increases in imports. One way to estimate the real value of agricultural imports is by deflating the nominal values using the U.S. wholesale price index (WPI), in order to remove the effect of general inflation in the U.S. Real values computed using the U.S. WPI with base year 1971 are presented in Table 4. Nominal and real values of imports are compared in Figure 5 and Figure 6. In real terms, the value of total imports



FIG. 1: U.S. AGRICULTURAL IMPORTS

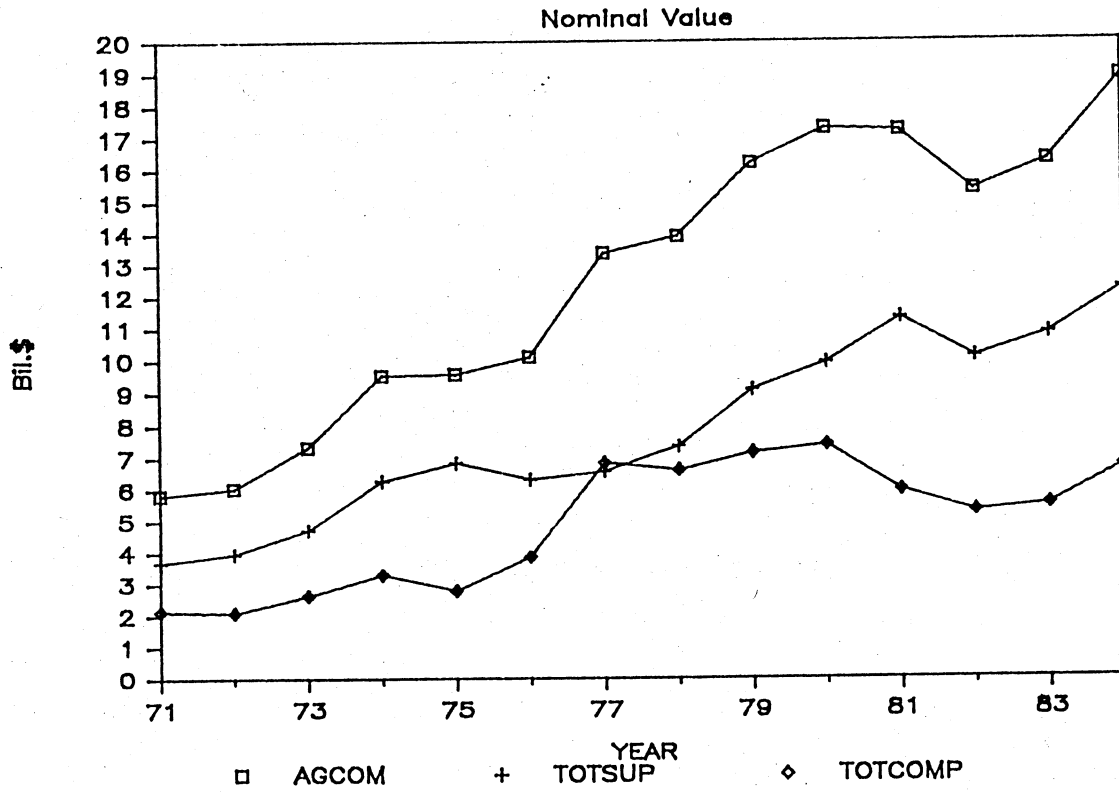


FIG. 2: U.S. AGRICULTURAL IMPORTS

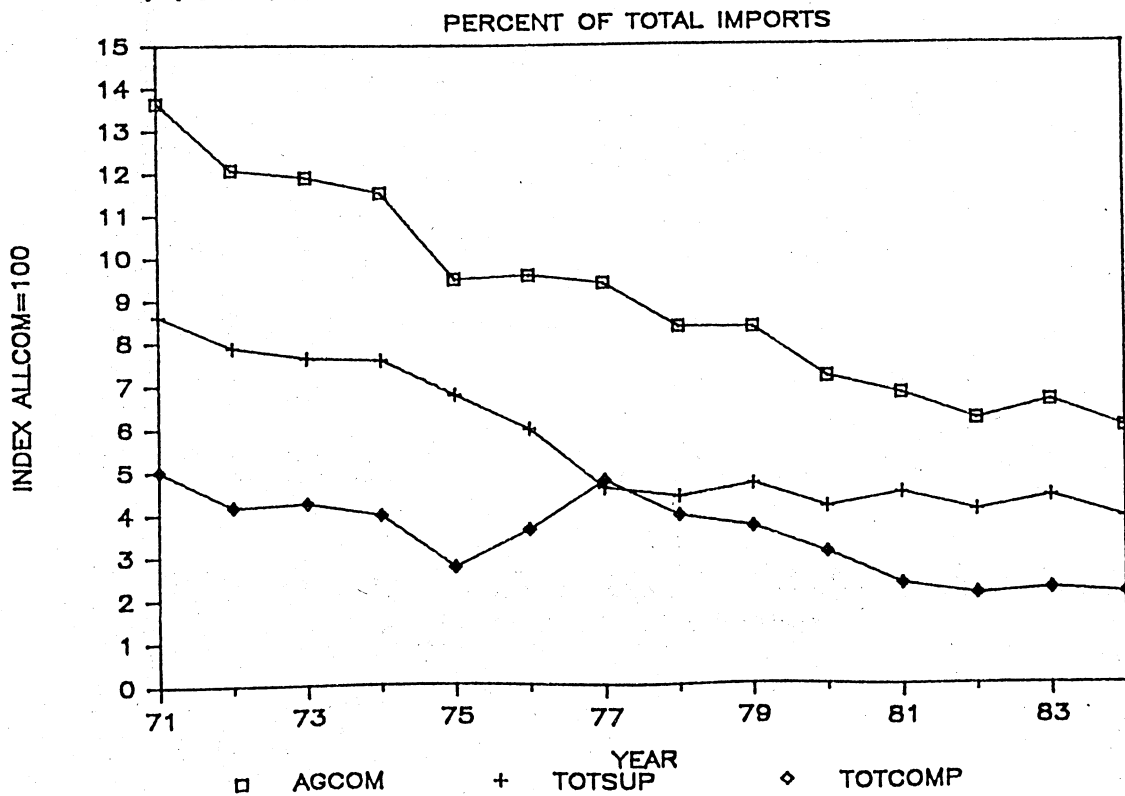


TABLE 3: NOMINAL VALUE OF IMPORTS BY PRINCIPAL GROUPS, U.S., FISCAL YEAR.  
1971 = 100

YEAR	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
ALLCOM	100	117	144	193	237	248	334	389	453	564	596	582	578	741
NONAGCOM	100	119	147	198	248	260	350	412	481	606	644	633	625	807
AGCOM	100	104	126	164	164	173	229	238	278	296	295	263	279	324
TOTSUP	100	107	128	170	185	171	178	199	246	269	307	274	293	332
ANIPRODS	100	105	135	182	110	143	150	179	245	241	243	231	251	255
DAIRPROD	100	112	156	363	166	194	240	258	309	367	417	473	564	603
HIDESKIN	100	90	129	134	122	169	182	208	272	196	242	182	165	186
MEATPROD	100	108	135	177	104	136	128	158	245	225	220	200	207	191
VEGPROD	100	109	122	162	239	190	198	212	247	289	353	305	323	387
FRUPROD	100	101	124	138	149	154	224	283	390	345	416	536	627	795
NUTPROD	100	108	128	153	129	164	205	192	228	218	237	206	228	305
GRAPROD	100	113	142	182	242	246	233	258	306	368	420	483	607	724
OILPROD	100	94	102	192	298	244	291	231	304	281	413	232	224	363
SUGPROD	100	113	115	170	336	198	134	127	132	224	293	168	118	139
VEGPREP	100	107	133	130	122	134	200	250	253	277	334	366	338	424
TOTCOMP	100	98	122	153	129	178	318	307	332	343	276	245	255	312
BANANAS	100	92	100	102	104	133	161	175	196	211	260	287	287	325
COFFEE	100	96	128	146	105	174	342	298	314	359	241	226	228	266
COCOABNS	100	89	101	152	148	183	250	300	340	209	251	171	199	198
RUBBER	100	96	111	248	195	223	317	337	453	407	377	287	283	425

Source: Agricultural Statistics, U.S.D.A., 1983.  
Data for 1983-84 from FATUS Fiscal Year 1984 Supplement.

FIG. 3: U.S. IMPORT INDICES  
INDEX OF NOMINAL VALUES

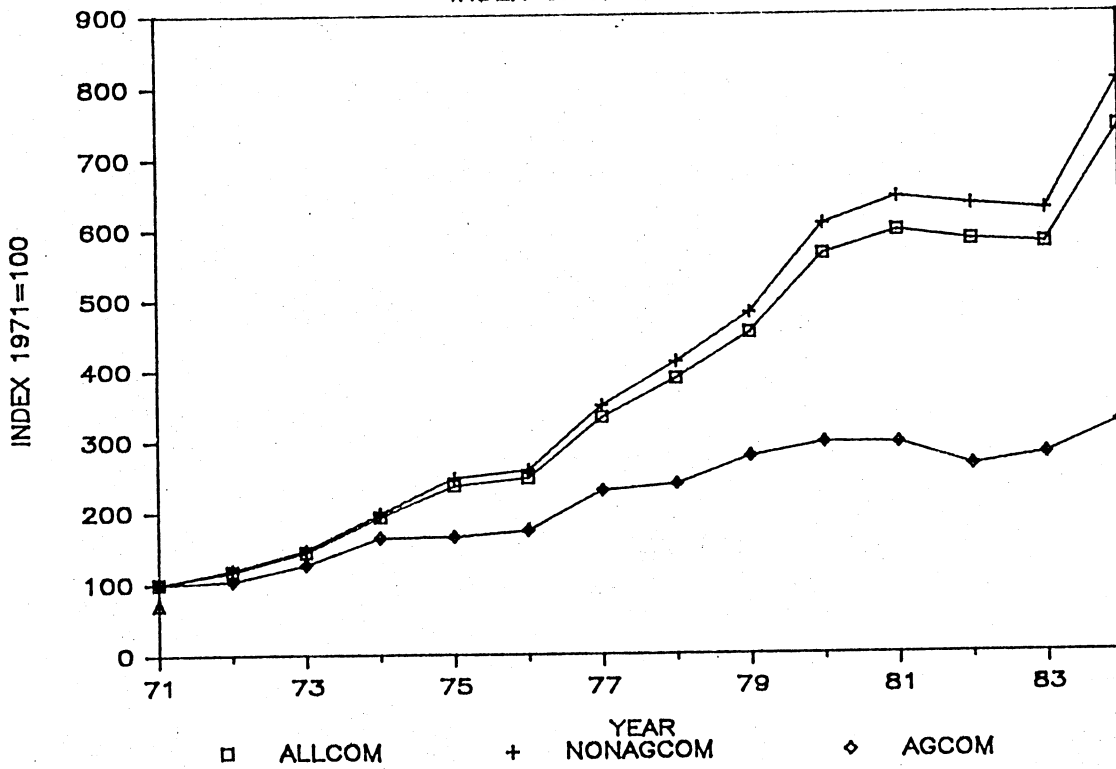


FIG. 4: U.S. AGRICULTURAL IMPORTS  
INDEX OF NOMINAL VALUES

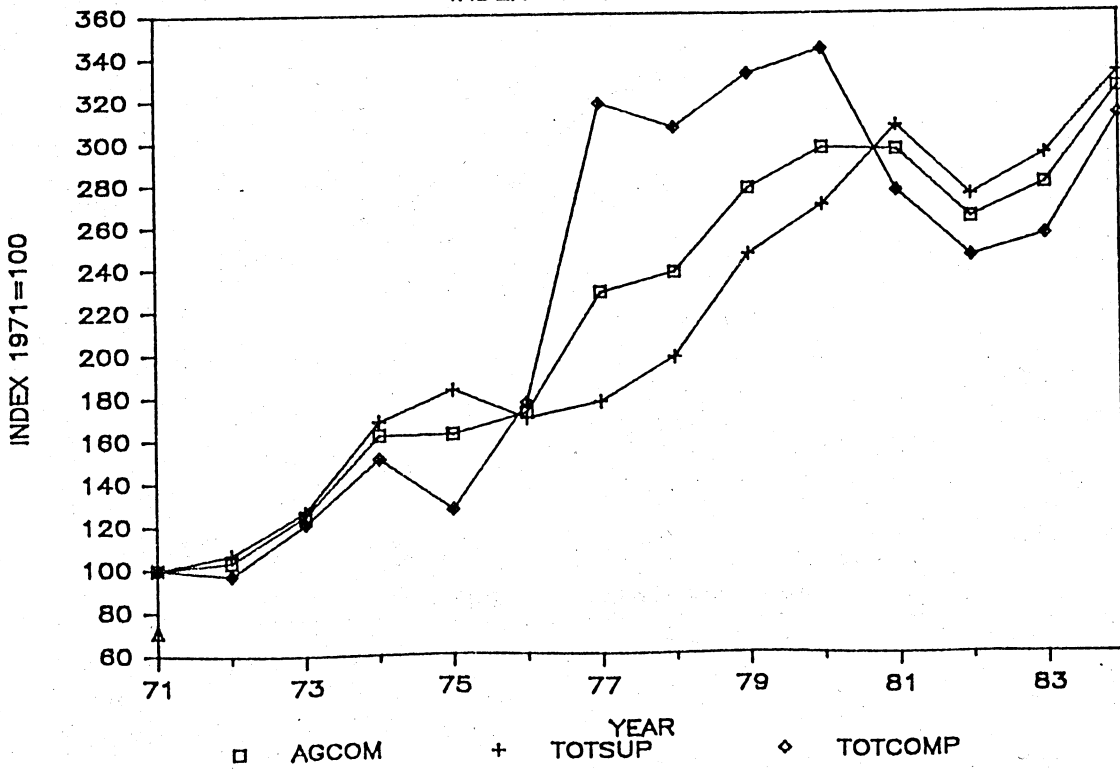


TABLE 4: REAL VALUE OF IMPORTS BY PRINCIPAL GROUPS, U.S., FISCAL YEAR.  
in Bil. U.S. \$

YEAR	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
ALLCOM	42.7	47.9	52.0	58.7	65.9	66.0	83.7	90.4	93.7	102.2	99.3	95.0	92.9	115.0
NONAGCOM	36.9	42.1	45.8	51.9	59.6	59.7	75.9	82.9	85.8	94.8	92.6	89.2	86.7	108.2
AGCOM	5.8	5.8	6.2	6.8	6.2	6.3	7.8	7.6	7.8	7.3	6.7	5.9	6.1	6.9
TOTSUP	3.7	3.8	4.0	4.5	4.4	3.9	3.8	4.0	4.4	4.2	4.4	3.9	4.1	4.4
ANIPRODS	1.5	1.6	1.8	2.0	1.1	1.4	1.4	1.5	1.8	1.6	1.5	1.4	1.5	1.4
DAIRPROD	0.1	0.1	0.2	0.3	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
HIDESKIN	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1
MEATPROD	1.0	1.0	1.2	1.3	0.7	0.9	0.8	0.9	1.2	1.0	0.9	0.8	0.8	0.7
VEGPROD	2.1	2.2	2.2	2.5	3.3	2.5	2.5	2.5	2.6	2.6	3.0	2.5	2.6	3.0
FRUPROD	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.3	0.4	0.5
NUTPROD	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
GRAPROD	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
OILPROD	0.2	0.2	0.2	0.3	0.4	0.3	0.4	0.3	0.3	0.3	0.4	0.2	0.2	0.3
SUGPROD	0.8	0.9	0.8	1.0	1.8	1.0	0.6	0.6	0.5	0.8	0.9	0.5	0.4	0.4
VEGPREP	0.3	0.3	0.3	0.3	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
TOTCOMP	2.1	2.0	2.2	2.3	1.8	2.4	4.0	3.6	3.4	3.1	2.3	2.0	2.1	2.4
BANANAS	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
COFFEE	1.2	1.1	1.3	1.2	0.8	1.3	2.3	1.9	1.8	1.8	1.1	1.0	1.0	1.1
COCOABNS	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1
RUBBER	0.2	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.2	0.2	0.3

Source: Agricultural Statistics, U.S.D.A., 1983.  
Data for 1983-84 from FATUS Fiscal Year 1984 Supplement.

FIG. 5: U.S. IMPORTS

NOMINAL VALUE

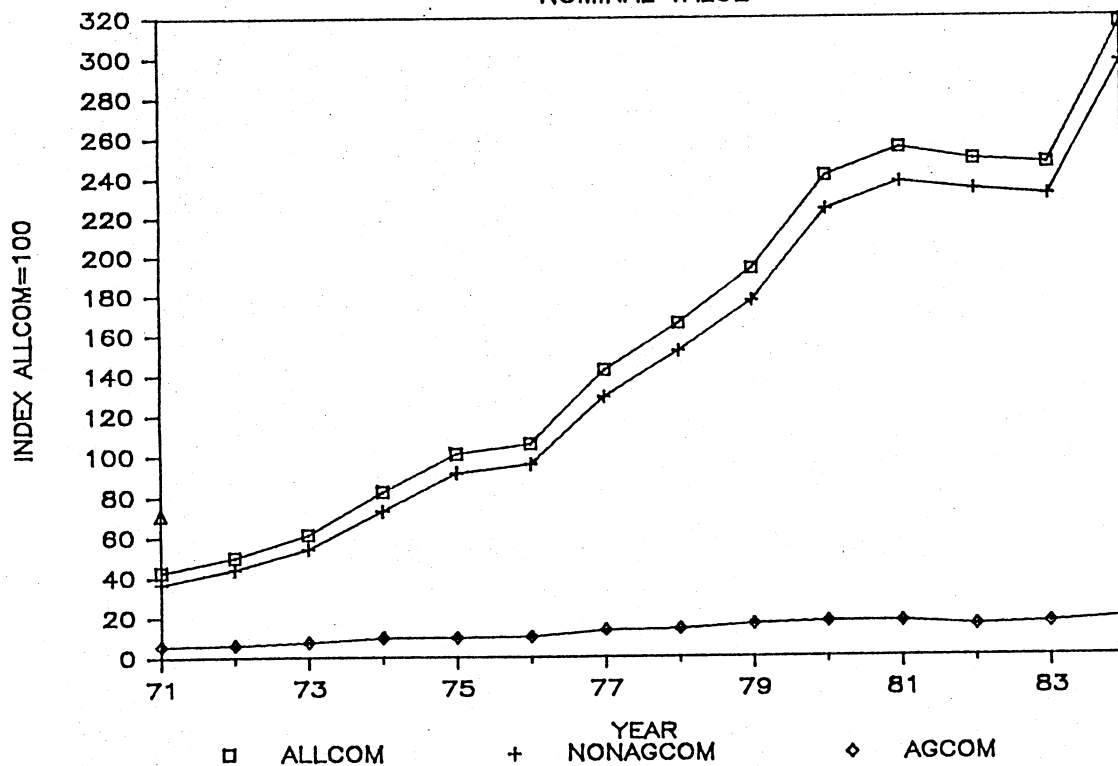
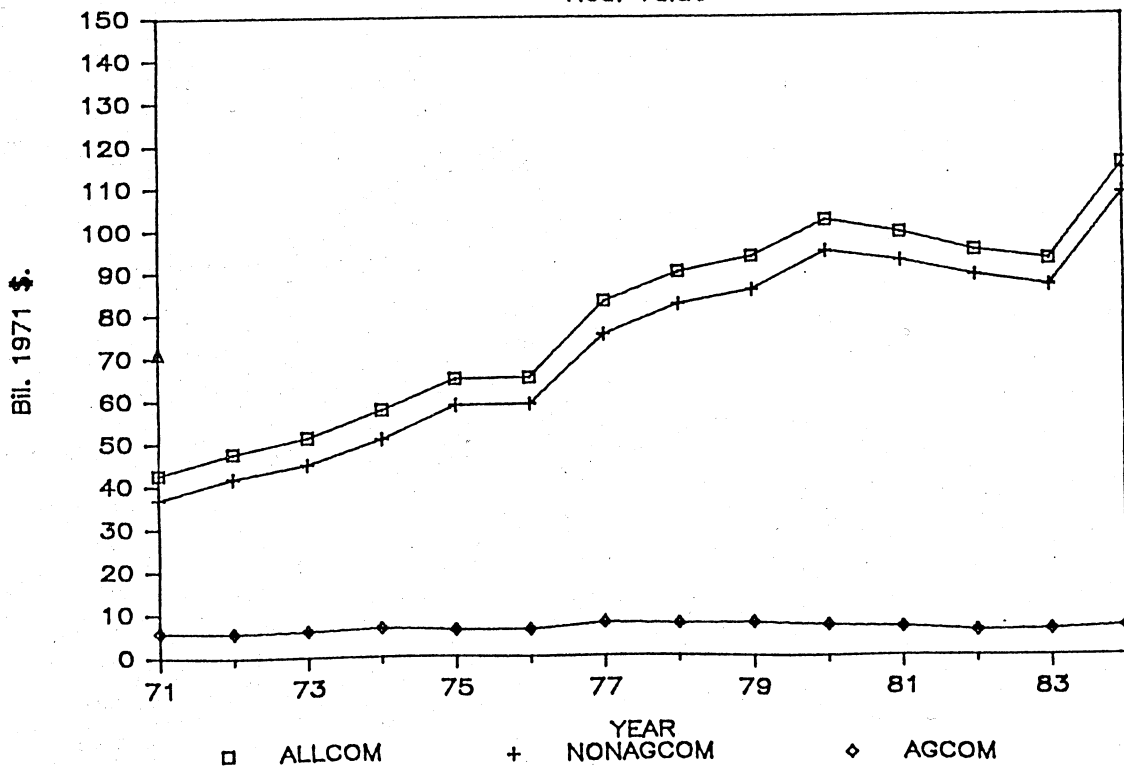


FIG. 6: U.S. IMPORTS

Real Value



rose from \$42.7 billion to \$115.0 billion between 1971 and 1984, while agricultural imports increased from \$5.8 billion in 1971 to \$7.8 billion by 1977 and then declined to \$5.9 billion in 1982. In 1983 and 1984, however, real dollar value of imports increased again.

Supplementary imports fluctuated between \$3.7 to \$4.4 billion over this period, while complementary imports rose from \$2.1 to \$4.0 billion between 1971 and 1976 and then declined to their original level in the early 1980s (Figure 7). Imports of animal products remained fairly steady at around \$1.5 billion throughout the period, while most of the fluctuations in supplementary goods were due to changes in vegetable product imports.

Table 5 presents the relative increases of each component since 1971 in real terms. It shows a relatively stable level of agricultural imports despite a 169 percent increase in total U.S. imports during the 1971-85 period (Figure 8). Also, as can be seen in Figure 9, complementary imports fluctuated more than supplementary imports.

The agricultural import quantity indices presented in Table 6 also show a sharp increase between 1971 and 1977 in total agricultural imports, and relatively steady imports thereafter. Complementary imports increased from 1971 to 1976 and decreased thereafter while supplements increased steadily (Figure 10).

#### Comparisons and Summary

A summary of comparative trends of nominal and real values and quantity indices are presented in Table 7. In real terms and quantity indices, the growth in agricultural commodity imports between 1971 and 1984 is only about 18 to 26 percent with a temporary peak during 1976-77. Figures 11, 12 and 13 provide a direct comparison of the components of agricultural imports in

FIG. 7: U.S. AGRICULTURAL IMPORTS

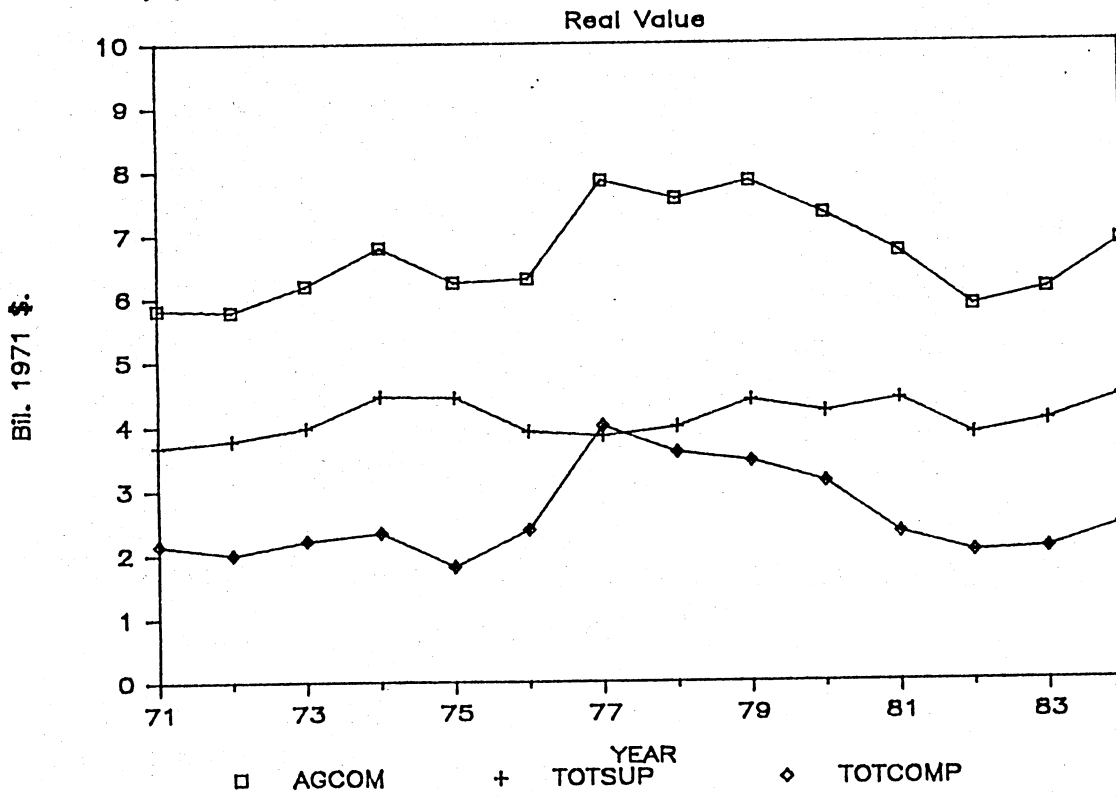


FIG. 8: U.S. IMPORT INDICES

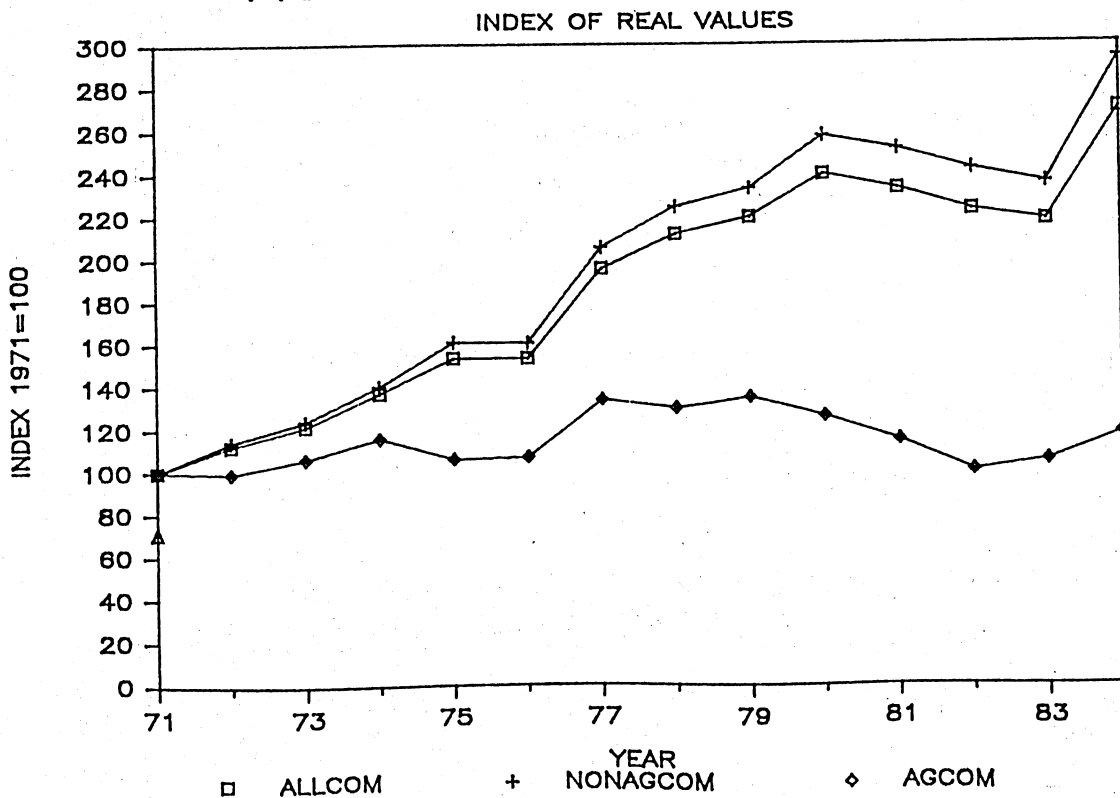


TABLE 5: REAL VALUE OF IMPORTS BY PRINCIPAL GROUPS, U.S., FISCAL YEAR.  
1971 = 100

YEAR	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
ALLCOM	100	112	122	138	154	154	196	212	219	239	232	222	217	269
NONAGCOM	100	114	124	141	162	162	206	225	233	257	251	242	235	293
AGCOM	100	99	106	117	107	108	135	130	134	126	115	101	105	118
TOTSUP	100	103	108	121	121	106	104	108	119	114	120	105	110	121
ANIPRODS	100	101	115	130	72	89	88	98	119	102	95	88	95	93
DAIRPROD	100	107	132	258	108	121	141	141	150	156	163	180	212	219
HIDESKIN	100	86	110	95	79	105	107	113	132	83	94	70	62	68
MEATPROD	100	103	114	126	68	84	75	86	118	96	86	76	78	69
VEGPROD	100	104	104	115	156	119	116	116	120	123	137	116	122	140
FRUPROD	100	97	105	98	97	96	132	154	188	146	162	205	236	289
NUTPROD	100	103	108	109	84	102	120	104	110	92	93	79	86	111
GRAPROD	100	108	120	130	158	153	137	141	148	156	164	184	228	263
OILPROD	100	90	86	137	194	152	171	126	147	119	161	89	84	132
SUGPROD	100	108	97	121	219	123	79	69	64	95	114	64	44	50
VEGPREP	100	102	113	92	80	83	118	136	122	118	130	140	127	154
TOTCOMP	100	93	103	109	84	111	186	167	161	145	108	94	96	113
BANANAS	100	88	85	73	68	83	94	95	95	90	101	110	108	118
COFFEE	100	91	108	104	69	109	201	163	152	152	94	86	86	97
COCOABNS	100	85	85	108	97	114	147	164	164	89	98	65	75	72
RUBBER	100	91	94	176	127	139	186	184	219	173	147	109	106	154

Source: Agricultural Statistics, U.S.D.A., 1983.  
Data for 1983-84 from FATUS Fiscal Year 1984 Supplement.



FIG. 9: U.S. AGRICULTURAL IMPORTS

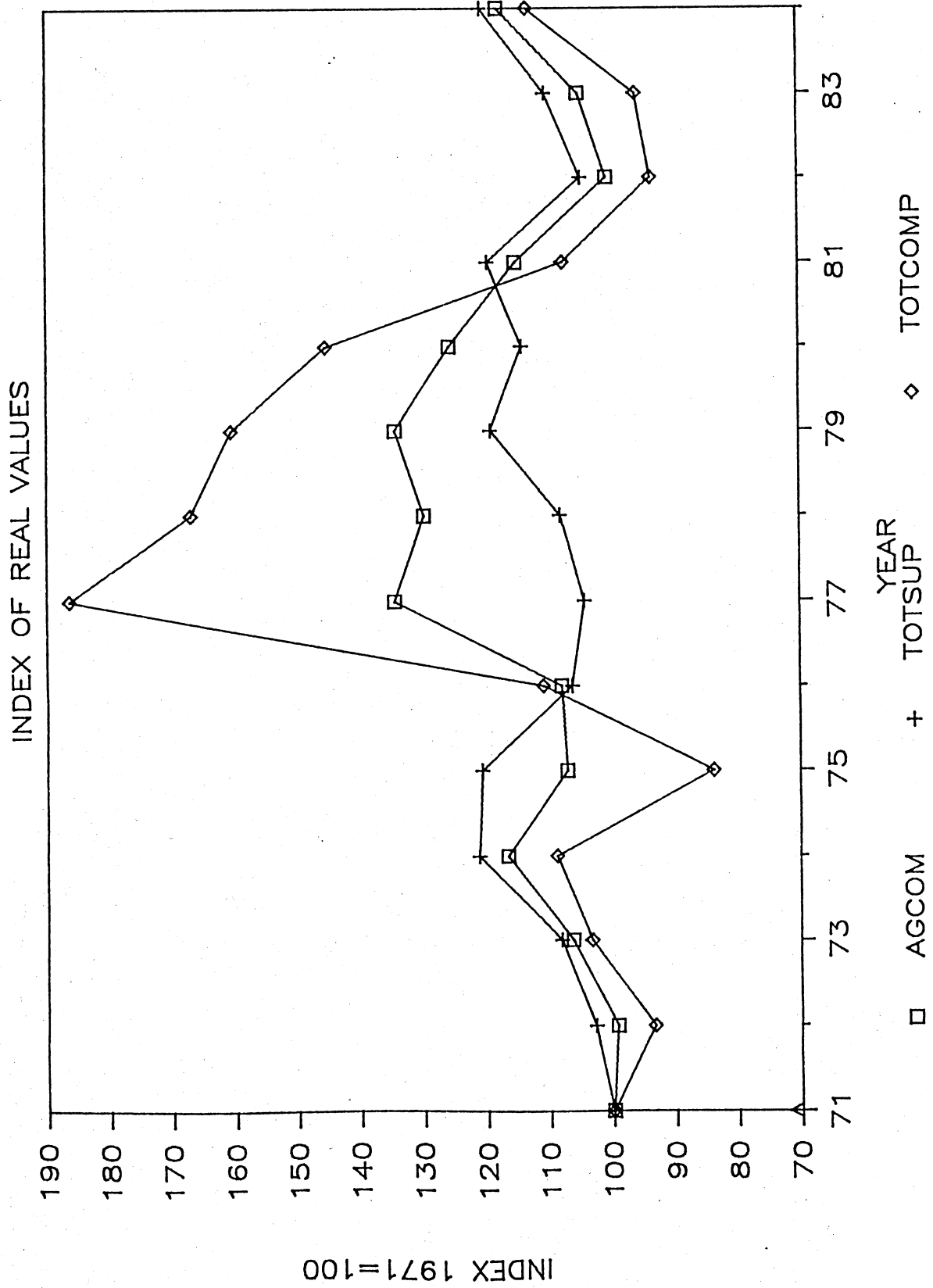


TABLE 6: AGRICULTURAL IMPORT QUANTITY INDICES, U.S., FISCAL YEAR. (1971=100)

YEAR	† 1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
TOTAL	† 100	104	111	111	94	122	114	115	126	116	122	120	126
COMPLEMENTARY	† 100	107	110	108	90	125	101	104	124	112	110	110	109
SUPPLEMENTARY	† 100	104	111	114	98	119	122	122	128	118	127	122	137
ANIPROD	† 100	98	109	114	84	107	104	112	123	112	115	114	124
DAIRPROD	† 100	94	120	233	99	129	133	140	155	147	159	173	185
HIDESKIN	† 100	76	77	67	63	84	78	72	71	58	92	47	95
MEATPROD	† 100	104	112	109	91	105	97	107	123	111	111	110	115
WOOL	† 100	64	62	26	24	96	80	63	64	73	122	117	104
GRAINS	† 100	114	134	125	125	143	131	124	150	156	145	172	179
VEGOILS	† 100	105	114	98	111	194	154	129	131	111	175	134	140
SUGARETC	† 100	104	97	103	87	72	97	80	77	72	69	64	47
TOBACCO	† 100	117	112	126	145	136	137	144	158	162	154	126	229

Source: Agricultural Statistics 1982 for 1971-75 data.  
 -- do -- 1983 for 1976-83 data.

Fig.10: Agricultural Imports, U.S.

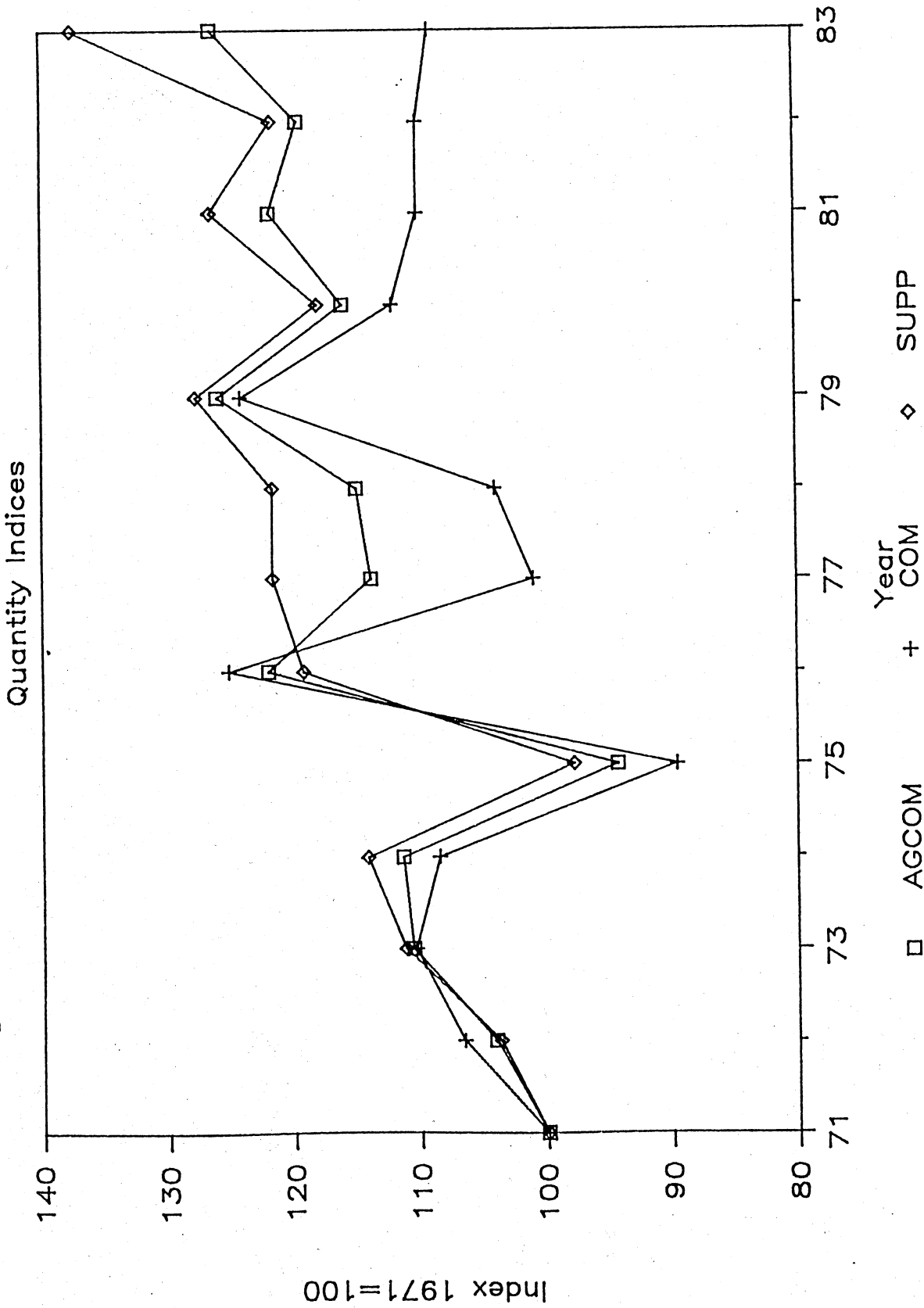


TABLE 7: IMPORTS BY PRINCIPAL GROUPS, U.S., FISCAL YEAR.  
1971 = 100

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
=====														
NOMINAL VALUE														
*****														
ALLCOM	100	117	144	193	237	248	334	389	453	564	596	582	578	741
-----														
NONAGCOM	100	119	147	198	248	260	350	412	481	606	644	633	625	807
AGCOM	100	104	126	164	164	173	229	238	278	296	295	263	279	324
TOTSUP	100	107	128	170	185	171	178	199	246	269	307	274	293	332
TOTCOMP	100	98	122	153	129	178	318	307	332	343	276	245	255	312
REAL VALUE														
*****														
ALLCOM	100	112	122	138	154	154	196	212	219	239	232	222	217	269
-----														
NONAGCOM	100	114	124	141	162	162	206	225	233	257	251	242	235	293
AGCOM	100	99	106	117	107	108	135	130	134	126	115	101	105	118
TOTSUP	100	103	108	121	121	106	104	108	119	114	120	105	110	121
TOTCOMP	100	93	103	109	84	111	186	167	161	145	108	94	96	113
QUANTITY INDEX														
*****														
TOTAL	100	104	111	111	94	122	114	115	126	116	122	120	126	
SUPPLEMENTARY	100	104	111	114	98	119	122	122	128	118	127	122	137	
COMPLEMENTARY	100	107	110	108	90	125	101	104	124	112	110	110	109	
=====														

Source: IMPORT VALUES from Agricultural Statistics, U.S.D.A., 1983.  
Data for 1983-84 from FATUS Fiscal Year 1984 Supplement.

QUANTITY INDICES from Agricultural Statistics 1982 for 1971-1975.  
1983 for 1976-1983

FIG. 11: U.S. AGRICULTURAL IMPORTS  
NOMINAL, REAL & QUANTITY INDICES

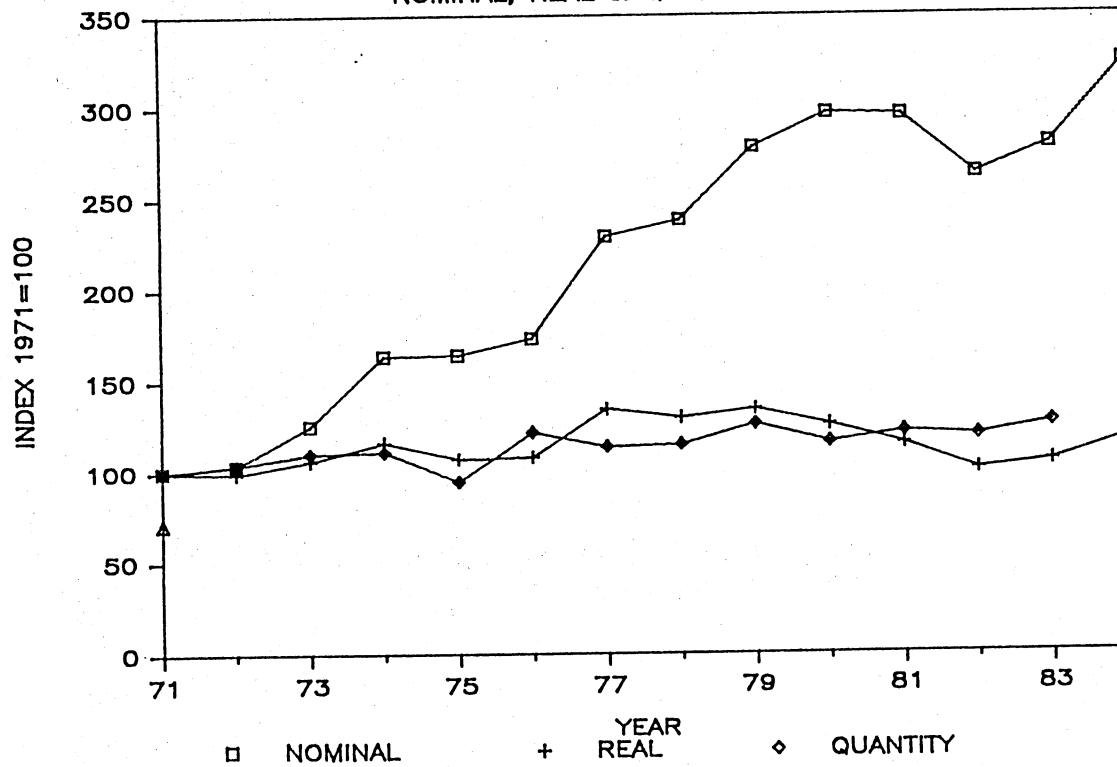


FIG. 12: U.S. IMPORTS OF SUPPLEMENTS  
NOMINAL, REAL & QUANTITY INDICES

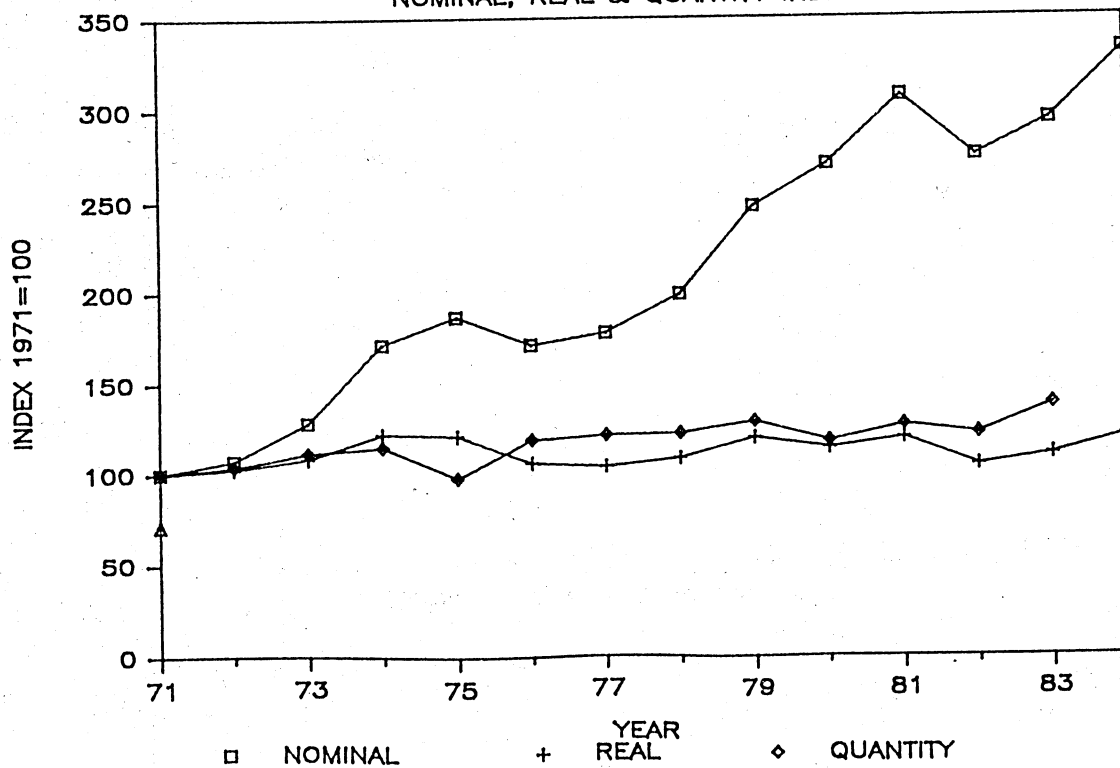


FIG. 13: U.S. IMPORTS OF COMPLEMENTS  
NOMINAL, REAL & QUANTITY INDICES

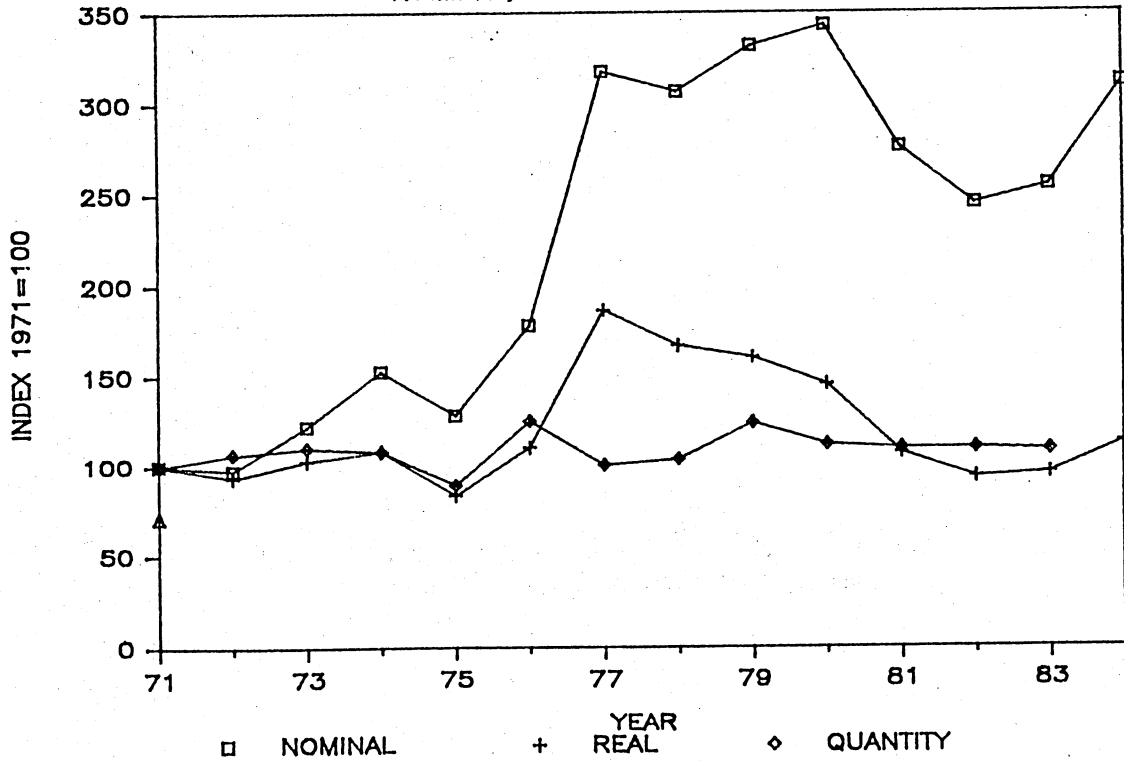
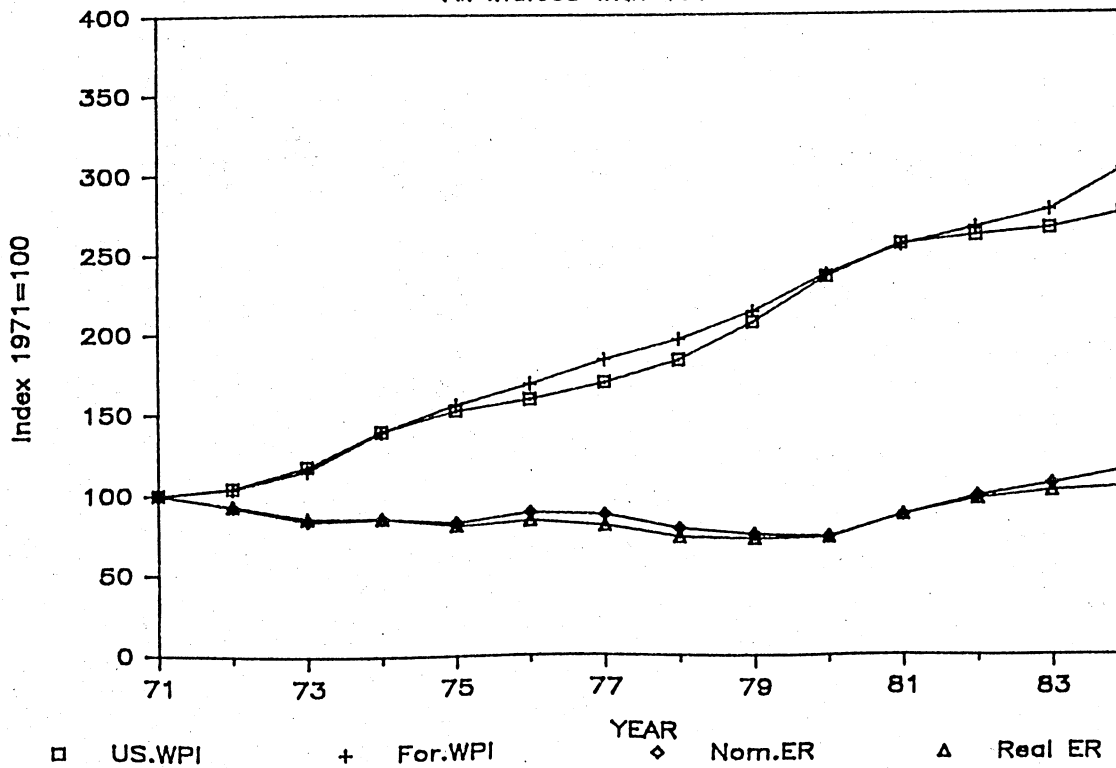


FIG. 14: Exchange Rates & WPI  
All indices with 1971 = 100



nominal, real and quantity indices. These figures indicate that the sharp increases seen in nominal values substantially overstated real changes; agricultural imports have, in real terms, remained reasonably steady over the period while total U.S. imports have increased by over 150 percent.

With regard to the influence of the strong dollar on agricultural imports, only a preliminary attempt to trace any linkages can be made, since in the long term, agricultural imports have remained relatively stable. The multi-lateral trade-weighted nominal exchange rate (Table 8) shows a steady decline until 1980 and a rapid increase thereafter. The exchange rate is defined such that a decline reflects a weaker dollar while a rise implies a strengthening of the dollar. More relevant than such a general exchange rate, for the study of trade effects, is the multi-lateral trade-weighted real rate of exchange. Given the real and nominal exchange rates and the U.S. WPI, the implied foreign WPI can be calculated. Figure 14 shows that the foreign WPI has been growing more rapidly than the U.S. WPI in the 1980s. The small increases in the real exchange rate during 1982-84 is overstated substantially by the nominal exchange rate, as foreign inflation rates were generally greater than U.S. inflation rates.

In an attempt to trace possible linkages between the exchange rates and imports, the real value and quantity indices are plotted along with the real and nominal exchange rates in Figure 15. If imports and exchange rates were closely related, one would expect the indices to move together. The data do not show any such obvious direct linkages.

TABLE 8: SOME RELEVANT TRADE MACRO INDICES OF THE U.S.

YEAR	*	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
X-RATE(71)NOM	*	100.0	92.6	84.1	86.1	83.6	89.6	87.7	78.4	74.8	74.2	87.4	99.0	106.4	114.8
X-RATE(71)REAL	*	100.0	93.0	85.9	86.3	81.7	84.6	81.0	73.2	72.3	73.7	87.7	97.1	102.0	104.3
U.S.WPI(1971)	*	100.0	104.5	118.2	140.4	153.4	160.5	170.4	183.6	206.7	235.8	256.5	261.8	265.9	275.3
For.WPI(1971)	*	100.0	104.0	115.7	140.1	157.1	170.1	184.5	196.7	213.6	237.2	255.6	266.8	277.3	302.8

Exchange Rates reported are multi-lateral trade weighted rates

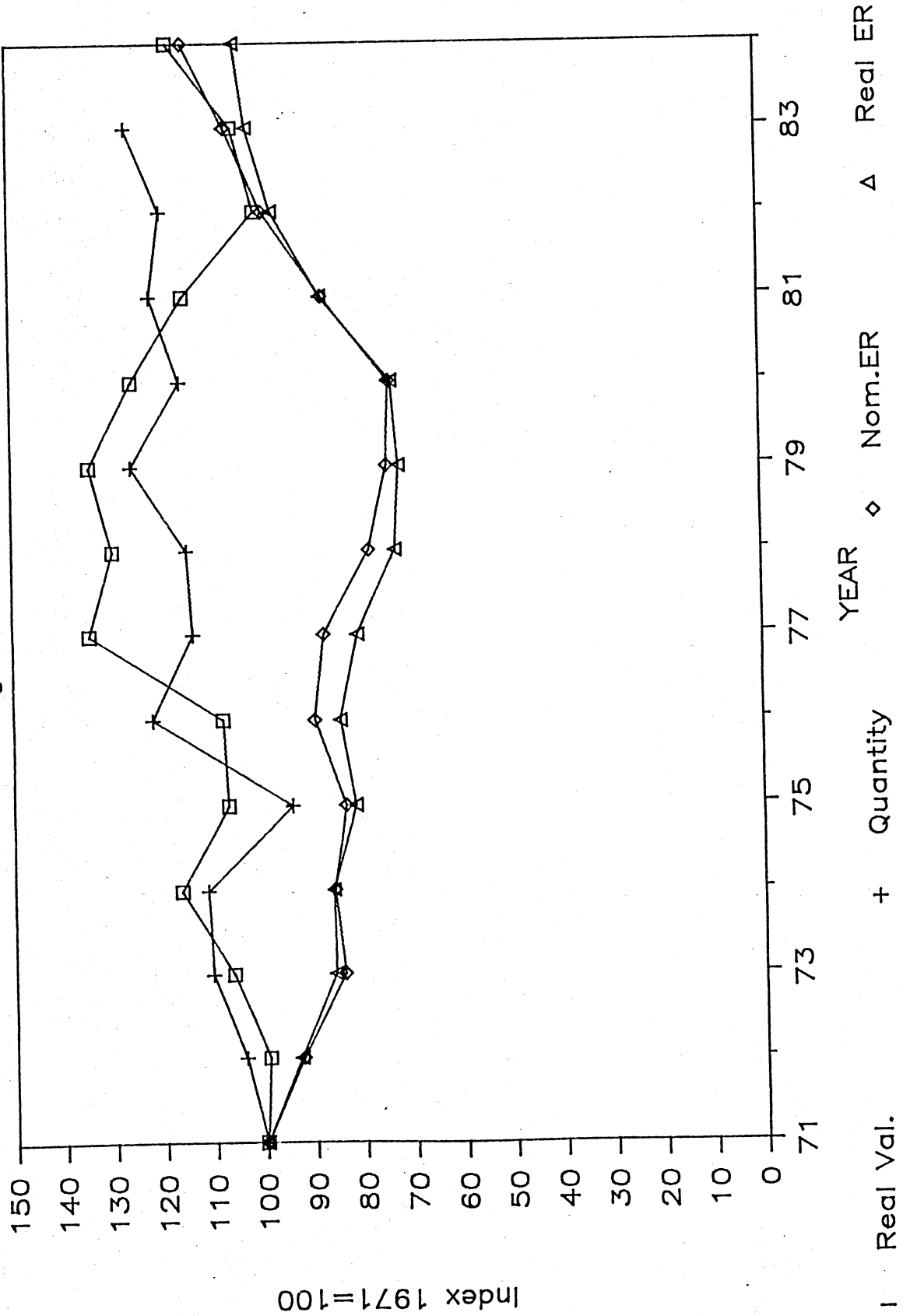
For.WPI is the foreign WPI computed as;

$$\text{For.WPI} = \text{U.S.WPI} * \text{X-RATE(NOM.)} / \text{X-RATE(REAL)}$$

Source: The Economic Report of the President, Feb. 1984.



FIG. 15: Real & Quantity Import Indices  
& Exchange Rates 1971 = 100



Glossary of Terms used

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X-RATE(71)NOM   ▪ Nominal exchange rate 1971=100  
 X-RATE(71)REAL   ▪ Real exchange rate 1971=100;Multilateral trade-weighted value of U.S.\$  
 U.S.WPI(1971)   ▪ U.S.WPI (1971=100)

ALLCOM	▪ ALL COMMODITIES
NONAGCOM	▪ NONAGRICULTURAL COMMODITIES
AGCOM	▪ AGRICULTURAL COMMODITIES
TOTSUP	▪ SUPPLEMENTARY COMMODITIES
ANIPRODS	▪ ANIMALS AND ANIMAL PRODUCTS
DAIRPROD	▪ DAIRY PRODUCTS
HIDESKIN	▪ HIDES AND SKINS
MEATPROD	▪ MEATS AND MEAT PRODUCTS
POULPROD	▪ POULTRY PRODUCTS
DANIPROD	▪ OTHER ANIMAL PRODUCTS
VEGPROD	▪ VEGETABLE PRODUCTS
COTPROD	▪ COTTON, UNMANUFACTURED
FRUPROD	▪ FRUITS AND PREPARATIONS
NUTPROD	▪ NUTS AND PREPARATIONS
GRAPROD	▪ GRAINS AND PREPARATIONS
OILPROD	▪ OILBEARING MATERIALS AND PRODUCTS
SUGPROD	▪ SUGAR AND RELATED PRODUCTS
VEGPREP	▪ VEGETABLES AND PREPARATIONS
OVEGPROD	▪ OTHER VEGETABLE PRODUCTS
	▪
TOTCOMP	▪ COMPLEMENTARY PRODUCTS
BANANAS	▪ BANANAS
COFFEE	▪ COFFEE, GREEN
COCOABNS	▪ COCOA BEANS
RUBBER	▪ RUBBER, DRY FORM

