

Introductory Remarks

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Holding this symposium on world agricultural trade in Kansas City, in the great American heartland, is certainly appropriate. There are few other, if any, regions in the world that are so productive agriculturally. It follows that this area has a great deal to contribute to what we hope will be an improving and expanding level of world trade in agriculture. It also follows that the people in this region have something substantial to gain from an expansion in agricultural exports. Thus, it is fitting that the Federal Reserve Bank of Kansas City should sponsor this program.

The people of America can take pride in the fact that we do have such a productive agriculture sector. It is true, of course, that American agriculture has been blessed by nature. But our farmers have taken that splendid potential and developed it through industry and intelligence — with the help of the research and extension activities of the land grant colleges — into the tremendously productive agricultural system that we have today. We now contribute immensely to meeting that most basic of human needs, the need for food — and we are meeting that need not only in the United States but throughout the world.

While exports have contributed importantly to the growth of agriculture in this region, the significance of agricultural trade goes well beyond the borders of our District. All of the nation's farmers have benefited from increased trade in one way or another. The national economy has profited from the expansion of agricultural trade as well, producing more job opportunities, a higher level of economic activity, and fewer balance of payments problems than we would have had otherwise. In addition, we should acknowledge the impact that U.S. exports have had on world economies. Living standards in many countries have been upgraded substantially as a result of our foreign shipments, although quite clearly much remains to be done before the food shortage problem is solved throughout the world.

Agricultural exports have exceeded **\$20** billion in each of the last four fiscal years. Prior to **1972**, the year of the famous Russian grain sale, our foreign sales seldom ran more than \$6-7 billion per year. Obviously, export markets have become increasingly important as a source of economic well-being for farmers. Those of us who reside in the Tenth District recognize very readily the

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value of agricultural exports to our regional economy. In fiscal 1975, for example, exports represented one-fourth of the District's total cash receipts from farm sales. Furthermore, almost 40 per cent of all U.S. wheat exports in 1975 originated in our District, and substantial sales of feed grains, soybeans, and animal products were also made from District states.

In recent years, foreign demand has increased over a broad range of farm products. Increasing world population and per capita incomes can be expected to generate demand for even more farm products in the future. But the extent to which U.S. farmers will share in this increased trade will depend largely on our trade policies and those of our trading partners. The period ahead promises to be a very challenging one for policymakers and the agribusiness community. Therefore, I commend Roger Guffey and his staff for sponsoring this symposium. .