EXECUTIVE SUMMARY

Building the Next Generation of U.S. Agricultural Export Markets

The Role of Agricultural Development Investments Abroad in Strengthening U.S. Trade



American farmers and agribusiness are facing increasing pressure on multiple fronts. Rising input costs, stagnating crop prices, weather issues, trade disruptions, and emerging biosecurity threats like New World screwworm and avian influenza – all of these issues have compounded over the past several years to strain the farm economy. Although market conditions can change quickly, recent projections have pointed to continued pressure on margins for major row crops through 2027, leaving many farm businesses on uncertain footing.

For decades, U.S. agricultural exports have been dominated by just a handful of large customers, including Canada, Mexico, China, South Korea, and Japan, that have historically purchased a fairly narrow range of commodities. In coming years, these markets will remain important, but the outlook for their further growth is limited. In short, the U.S. will need to rely on new, potentially rapidly growing markets to build its demand base and protect American farm livelihoods against ongoing risks and future shocks.

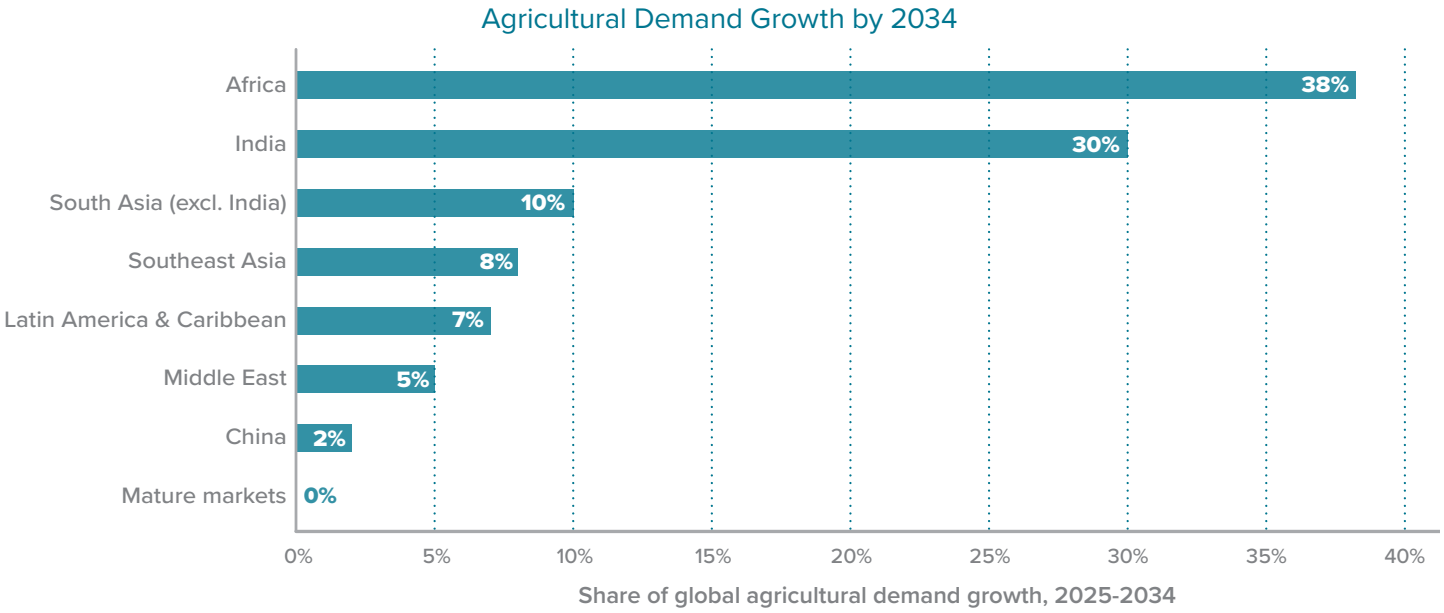
Emerging markets, largely in Africa and South Asia, represent the biggest growth opportunities for American agricultural trade; however, many countries in these regions face a variety of challenges that currently prevent them from becoming mature, commercial markets. This paper outlines how the U.S. can use foreign policy mechanisms – including global agricultural development, trade and market promotion programs, regulatory standards, agricultural research, and cross-sector collaboration – to help countries increase their market readiness and build a stable, reliable environment for U.S. private sector, simultaneously supporting international development outcomes and long-term U.S. trade.

By strategically refining and coordinating U.S. foreign policy and agricultural development programs, the U.S. can precondition emerging markets for private sector actors such as cooperators, traders, and U.S. businesses to support future trade. Notably, nine out of ten of the largest U.S. agricultural export destinations in 2024 had previously received U.S. assistance. The U.S. can support market readiness in several ways:

- **Building the consumer demand base:** Rising incomes through agricultural growth can, over time, create demand for higher-value goods, including U.S. products.
- **Supporting value chains:** Helping countries improve storage, processing, cold chains, and other logistics can increase capacity for imports.
- **Strengthening institutions:** Supporting the development of regulatory, customs, contract enforcement, and other systems can smooth pathways for trade.
- **Nurturing commercial relationships:** Collaboration with commodity-focused cooperator organizations and private-sector companies can establish relationships between buyers and sellers, creating a record of trust.
- **Addressing trade barriers:** The adoption of U.S. standards for sanitary and phytosanitary measures and biotechnology, consistent with international norms, can support increased trade.
- **Creating familiarity and trust of U.S. products:** Sustained U.S. presence in partner countries, such as through agricultural research programs, cooperator engagement, and ongoing technical assistance, can create strong relationships, familiarity, and preference for U.S. agricultural products.

Commercial markets usually develop through a long sequence, rather than a single intervention. Over time, purchasing power expands, products and institutions become familiar, sectors and regulations develop, commercial relationships form, and trade becomes self-sustaining. The U.S. has seen this pattern play out many times – Mexico and South Korea are two notable examples where early food assistance was followed over decades by substantial agricultural trade. Today, there are a number of emerging market countries that could potentially follow a similar trajectory; this paper examines five case studies of countries where sustained U.S. support has contributed to market readiness or has the potential to do so in the future.

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Source: OECD-FAO Agricultural Outlook 2025-2034

Key Recommendations

Looking ahead, agricultural development efforts could be better aligned to support both global food and nutrition security and U.S. trade. The report makes a series of recommendations to this end, including:

COORDINATING EXISTING CAPABILITIES

- Syncing trade-promotion and development efforts to advance aligned priorities
- Updating the Global Food Security Strategy and Research Strategy to work across all U.S. departments and agencies, to help avoid work duplication and allow programs to build on each other
- Increasing communications and coordination with cooperators, market-access organizations, and the private sector
- Regularly assessing market growth indicators to gauge program success

INSTITUTIONAL KNOWLEDGE AND CONTINUITY

- Supporting local capacity building and ongoing maintenance at every step

EMERGING MARKET ENGAGEMENT

- Sustaining presence in key markets to support continuity and future growth
- Tailoring and adjusting in-country engagement based on levels of market establishment

REGULATORY AND MARKET ACCESS

- Supporting the adoption of U.S. regulatory and biosafety standards to counter influence from competing countries

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