AD activity in agricultural products has been substantial, yet little evidence has been provided in the literature about the general trends in such activity and the extent to which treatment and outcomes for agricultural products differ from that of non-agricultural products, particularly manufactured goods. This issue is obviously important for ongoing negotiations of the WTO Doha Round, and can help target areas of reform. This paper provides a first empirical look at these issues for AD activity in agricultural products to hopefully provide a base for future research and policy decisions.

There are two items of note regarding the scope of this paper. First, the focus of this paper is purely with respect to AD activity. Analysis of CVD is more complicated given the degree of complexity of the WTO Agreement on Agriculture provisions that allow government subsidies on various categories of products without member retaliation. Second, agricultural products are defined as those falling under the SITC classifications of 0 (Food and Live Animals), 1 (Beverages and Tobacco), 2 (Crude Materials: Inedible), and 4 (Animal & Vegetable Oils, Fats, Wax). This means that forestry and fisheries products are included. However, chemical products that serve as food (e.g. coumarin) or that provide inputs to agricultural production (e.g., fertilizers and pesticides) are not.

The main results are the following. First, while there is significant worldwide AD activity in agricultural products, its share in this activity has been less than that suggested by agriculture’s share in world trade flows. The levels of other forms of trade protection may be one reason why agricultural activity in AD trade protection has been relatively low. If significant reductions in these other forms fall in upcoming WTO rounds, this trend in agricultural AD activity would likely see a substantial increase as firms turn to this escape valve for trade protection demands. Second, there is evidence from US data that dumping margin determinations for agricultural products follow a different process than for other products, but not in ways that are consistent with theory. In particular, agricultural products are hit much harder by the use of “facts available”, which is employed when the foreign firm’s data are deemed unusable or are not provided.

Cost based methods of calculating dumping margins are not found to lead to higher dumping margins for agricultural products. This result is in contrast to previous literature hypothesizing that such cost based methods would be biased against products with substantial price volatility, as often characterized by agricultural products. However, measures to punish firms for not cooperating with investigations seems to hit agricultural products in a disproportionately harsh manner. Agricultural products from China have also received much larger US dumping margins, controlling for other factors. Subsequent dumping margin recalculations after a US AD case see foreign firms in agricultural cases participating more in attempts to reduce the dumping margin, but not experiencing greater declines in the dumping margin.

US data show little evidence that the injury test and ultimate decision in AD cases are different for agricultural products than non-agricultural products. Once investigated, there are no statistical differences in the likelihood of an affirmative decision, nor in the likelihood or suspension agreement. In addition, terminations and suspension agreements average around 17% for both types of products from 1980-2000.

AD case filings in agricultural products, both worldwide and for the US, follow overall activity fairly closely. In the end, the evidence suggests that agricultural products face similar challenges to other products subject to AD trade protection, which are quite daunting indeed for future WTO negotiations. Most economists studying AD trade protection argue that it has little economic bases and should be made consistent with countries’ competition policies. Eliminating AD trade protection in lieu of a WTO competition policy is likely an unattainable goal in the coming round. Alternative intermediate steps could entail substantial reform of the WTO AD code, or even eliminating it in favor of pure safeguard measures.