

TABLE 1.—VALUE OF U.S. IMPORTS AND EXPORTS OF TRACTORS AND USED TRACTORS SUITABLE FOR AGRICULTURAL USE, 6-YEAR AVERAGES (1996–2001)

[Tractor values are in millions of dollars]

	New and used tractors ¹	Used tractors ²	Percent used tractors, by value
Imports	\$1,483.12	\$62.01	4.2
Exports	1,190.79	33.79	2.8
Net imports	292.33	28.22	9.7

Source: U.S. Department of Commerce, Bureau of the Census, as reported by the World Trade Atlas.

¹ Harmonized tariff code 870190: Tractors, not elsewhere specified or included.² Harmonized tariff code 8701901090: Tractors, suitable for agricultural use, used, except track-laying type.

The United Kingdom is the largest supplier of used tractors to the United States, followed by Japan and Germany (table 2). These three countries have, on

average, supplied nearly three-fourths of annual used tractor imports by the United States over the past 6 years. Canada, Netherlands, France, and

Belgium supplied about 20 percent of imports combined.

TABLE 2.—VALUE OF USED TRACTOR IMPORTS¹ FROM THE LEADING SOURCES, 6-YEAR AVERAGES (1996–2001)

[Tractor values are in millions of dollars]

Country	Average value	Percentage of total
United Kingdom	\$18.766	30.3
Japan	13.875	22.4
Germany	13.524	21.8
Canada	5.481	8.8
Netherlands	3.411	5.5
France	1.960	3.2
Belgium	1.509	2.4
Total from above sources	58.526	94.3
Total from all sources	62.014	—

Source: U.S. Department of Commerce, Bureau of the Census, as reported by the World Trade Atlas.

¹ Harmonized tariff code 8701901090: Tractors, suitable for agricultural use, used, except track-laying type.

Imports of used farm equipment from several of these countries have already been restricted by the interim rule because of FMD outbreaks in those countries after the rule became effective on March 31, 2001. However, import levels suggest that the interim rule has had little impact on trade volumes. For example, the value of used tractor imports from the United Kingdom (Great Britain and Northern Ireland) during 2001—throughout which its FMD-free status was revoked, except for the first 14 days of January—totaled \$18.025 million. This amount compares closely with its 1996–2001 annual average of \$18.766 million. Used tractor imports in the same year from Netherlands and France, both of which had their FMD-free status revoked at different times during 2001, were valued at \$2.977 million and \$1.800 million, respectively, amounts not very different from their 1996–2001 annual averages of \$3.411 million and \$1.960 million. Finally, used tractor imports from Japan in 2001, which had its FMD-free status revoked throughout the year, were valued at \$15.071 million, an

amount larger than its 1996–2001 annual average of \$13.875 million.

Used tractors entering the United States from regions affected with FMD must be certified by the national animal health service of their region of origin as having been steam-cleaned before being exported. APHIS does not have information on steam-cleaning costs overseas, but costs at U.S. ports provide a basis for assessing the impact of the interim rule. The cost for steam-cleaning all the tractors shipped in a 40-foot container holding approximately 16 tractors with rotary tillers is roughly \$2,000.³ We expect the cost of certification would likely be less than \$50. The average price of imported used tractors is about \$4,940 each.⁴ Thus, the value of the tractors in a container would total about \$79,040, of which the \$2,050 cost of cleaning and certification represents about 2.6 percent.

The principal cost component in both cleaning and certification is labor. It is

³ APHIS cost estimates for the port of Long Beach, CA.

⁴ Six-year average, 1996–2001. U.S. Department of Commerce, Bureau of the Census, as reported by the World Trade Atlas.

expected, therefore, that cleaning and certification costs would not be any higher overseas, and could well be lower, depending on relative labor costs. The 2.6 percent may represent an upper bound of the additional import expenses that would be attributable to the interim rule.

The two groups that can be expected to incur some costs as a result of the interim rule are importers of used farm equipment and farmers; if passed along by the exporter, importers and farmers will likely split the additional cost of the required cleaning and certification depending on the demand elasticity in the market for used farm equipment. Most importers likely employ fewer than 100 people, the threshold the Small Business Administration has set for such firms to be called small entities. Most farms earn \$750,000 or less in annual receipts, the corresponding threshold for agricultural operations to be called small entities. Therefore, most businesses likely to be affected by the interim rule are small entities. However, the data on used tractors, currently the only data available on used farm equipment, indicate that the effects will