

AgImports

Continue Four Decades of Expansion

Demand & supply factors at work in a relatively open market

- Demand: consumer preferences (variety, luxury, ethnic foods); population growth (2.7 million/year); high disposable income
- Supply: capital flows build foreign capacity; technology transfer; supply chains increasingly global; production costs (lower wages favor labor-intensive crops)

FY 2008 import values for products driving most long-term growth

- horticultural products \$35 billion (fruit & vegs \$17.8 bil, wine & beer \$8.6 bil)
- snack foods \$5.2 bil, beef & pork \$4.4 bil, vegeils \$4.1 bil, dairy products \$3 bil

Key observations for FY 2008 – imports rise \$6 bil to record \$76 bil

- import volume growth slows slightly with weaker dollar and consumer spending, but higher prices keep value growing near the faster pace seen in the past 5 years
- grains, oilseeds & their products add \$2.4 billion in 2008 – mostly due to higher prices (this compares to only \$300 million additional sales in 2005)
- tropical product imports continues to grow above trend due to strong global demand for natural rubber, coffee & other products