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Outlook for U.S. Agricultural Trade

FY 2007 U.S. Agricultural Export Forecast Lowered to \$77.5 Billion; Import Forecast Raised to \$70.5 Billion

The fiscal 2007 agricultural export forecast is lowered \$500 million from February, but remains a record at \$77.5 billion. Cotton exports are lowered \$600 million mainly due to unexpected delays in China's imports. Corn exports drop \$300 million largely due to a 1 million-ton reduction in shipments, the result of renewed competition from China, Argentina, and Brazil. Beef export volume is reduced lowering the value to \$1.7 billion. U.S. beef exports to Mexico, which accounted for nearly 60 percent of U.S. foreign sales in fiscal 2006, have slowed. On the upside, fiscal 2007 wheat exports are raised on higher export volume and unit value due to reduced export competition from Canada and the EU.

Despite a downward revision in the export forecast, the \$8.8 billion increase from fiscal 2006 to 2007 is still the second highest on record. Over two-thirds of the annual increase is due to grains and oilseeds. Tighter markets for most grains and soybeans continue, mostly due to increased domestic demand for ethanol and strong foreign demand. Meat exports show solid gains, and horticultural products continue their fifth year of rapid expansion.

Fiscal 2007 agricultural imports are forecast at a record \$70.5 billion, up \$500 million from the February forecast. Although a record high level, the rate of import growth has slowed since 2003, reflecting a weaker dollar. Horticultural and grain products account for the majority of the forecast growth.

Table 1--U.S. agricultural trade, fiscal years 2002-2007, year ending September 30

Item	2002	2003	2004	2005	2006	Forecast	
						Fiscal 2007	
						Feb.	May
Exports	53.3	56.0	62.4	62.5	68.7	78.0	77.5
Imports	41.0	45.7	52.7	57.7	64.0	70.0	70.5
Balance	12.3	10.3	9.7	4.8	4.7	8.0	7.0

Reflects forecasts in the May 11, 2007, *World Agricultural Supply and Demand Estimates* report.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Contents

[Economic Outlook](#)
[Export Products](#)
[Regional Exports](#)
[Import Products](#)
[Regional Imports](#)
[Special article](#)
[Contacts and Links](#)

Tables

[Commodity Exports](#)
[Regional Exports](#)
[Commodity Imports](#)
[Regional Imports](#)
[Reliability Tables](#)

Web Sites

[U.S. Trade Data](#)
[FAQ & Summary Data](#)
[Articles on U.S. Trade](#)

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The World Economy and Trade in 2007

As U.S. gasoline prices and the U.S. stock market valuations hit record levels, the World economy is quite favorable to growth in U.S. exports and farm exports in particular. U.S. gross domestic product is expected to grow 2.3 percent in 2007, below the 3.0 percent expected in February 2007. Mild growth slowdowns in Europe, Japan, Mexico, and Canada further dampen world economic growth. As a result, the world economy is slated to grow at 3.5 percent, down from last year's 4 percent, but up from the prior forecast of 3.3 percent. Growth in Asia, particularly China, and the transition economies is expected to be up from prior 2007 forecasts—providing the boost to world growth. Although crude oil prices are expected to fall 2-4 percent from 2006, gasoline, diesel, and heating oil prices may be up 6, 3, and 1 percent respectively. Farm fertilizer prices will be relatively flat in 2007, as wholesale nitrogenate prices fall compared with 2007. The macroeconomic picture is about the same as in February except the drop in U.S. growth and the speedup in Chinese growth are larger than previously expected.

U.S. growth is slowing due to a sharp decline in housing construction and services associated with falling home real estate sales and rising energy costs. Rising exports will be a growth area in 2007. China is expected to grow 10.2 percent in 2007, but the rest of Asia is slated to grow 4.5 percent, with Korea and India growing slightly more rapidly. Surging international goods trade continues to support robust world growth and robust growth supports surging trade, in a cycle seen since late 2003. This strong trade growth may overcome the drag of higher energy product prices.

Relative to 2006, the dollar is expected to depreciate 8 percent against the euro, 4.5 percent against the yuan, and 4 percent relative to the Brazilian real in 2007. The dollar is forecast to be up 2 percent versus the yen, 2 percent against the Canadian dollar, 5 percent relative to the Mexican peso, and 10 percent relative to the Argentinean peso.

Compared with the February forecast, the economic environment is now perceived as more favorable to U.S. farm exports as the rest of world's growth is stronger than prior expectations and the U.S. dollar is a little weaker. The oil market appears to have only modest economic effects on most of our big trading partners, with Canada as a major energy exporter better off than expected given the large amount of trade with the United States.

Export Products

The forecast for fiscal 2007 grain and feed exports is lowered \$200 million from the February estimate to \$22.6 billion, but still remains \$4.3 billion above fiscal 2006. Compared with the previous year, the outlook for 2006/07 global grain markets continues to reflect tight U.S. and global grain supplies and higher unit values due to strong domestic and global demand.

Fiscal 2007 corn exports are lowered \$300 million from the February estimate to \$8.9 billion due to a 1.0 million ton reduction in shipments and a small reduction in unit value. Export competition from China, Argentina, and Brazil is somewhat stronger than earlier expected. Corn export unit value, forecast about 50 percent higher than last year, is down slightly from February's estimate due to record Southern Hemisphere crops just harvested and expectations for a record U.S. crop in 2007/08.

Fiscal 2007 wheat exports are raised from the February forecast on higher export volume and unit value, due to reduced export competition from Canada and the EU. A 1.3 million-ton upward revision in shipments and an average export unit value of \$203 per ton raise export value to \$5.3 billion. The forecast for rice is lowered 200,000 tons to 3.4 million tons with no sales to Turkey, delays in PL 480 Title 1 shipments to the Philippines, no new sales to Iraq, and slower rough rice sales to Latin America.

The fiscal 2007 export forecast for oilseeds and products is lowered \$60 million from the February estimate to \$12.6 billion, but remains \$1.9 billion above the previous year's figure. Marginal downward adjustments for fiscal 2007 soybean and soybean meal shipments are partly offset by higher soybean export unit value. Soybean export value is unchanged at \$7.8 billion, but soybean meal is reduced slightly to \$1.8 billion. Higher unit values compared with last year, mainly influenced by rising corn unit values and increased ethanol production, continue to influence foreign demand. U.S. soybean exports to China are still expected to approach record levels, although somewhat below initial expectations. China's demand for soybeans has slowed due to high prices and competition between crushers, which tightens operating margins and lowers profits.

The fiscal 2007 forecast for U.S. cotton exports is lowered 300,000 tons and \$600 million from the February estimate to 3 million tons valued at \$3.9 billion. This revision is mainly due to unexpected delays in China's imports caused by a slow response to tariff-rate quota allocations. Continued stronger competition from Indian cotton in China also has some impact on U.S. export volume. Compared to 2007, the reduced export outlook for 2007 cotton exports is entirely due to reduced China imports. As of mid May, sales to date and outstanding sales to all other countries are running slightly ahead of the last marketing year.

Fiscal 2007 exports of livestock, poultry, and dairy products are forecast to reach a record \$14.8 billion, up from the February forecast and \$1.4 billion higher than the previous year. Most of the increase since February is due to upward revisions for hides and skins, pork, and broiler meat. The beef export forecast is reduced 45,000 tons to 410,000 tons which lowers the value to \$1.7 billion. This forecast assumes current policies in place for beef trade disrupted by BSE bans. U.S. beef exports to Mexico, which accounted for nearly 60 percent of U.S. foreign sales in fiscal 2006, have slowed. Pork exports to Mexico are also lower. Strong demand from Japan

and Korea, which supports higher unit values and offsets any volume decline, leads to an increase in the pork export forecast to a record \$2.7 billion.

The fiscal 2007 forecast for U.S. hides and skins exports is increased to a record \$2.2 billion. This is due to increased shipments and higher unit values for bovine hides to China and Korea, the two largest markets. Broiler meat export volume is lowered slightly due to slower sales to Russia and Mexico, but higher unit value results in an increase to a record \$2.2 billion. Higher unit value is mostly attributed to a decline in U.S. production and lower stocks.

The export forecast for U.S. horticultural products is unchanged at a record \$18 billion, or \$1.3 billion above fiscal 2006. A competitive U.S. dollar and strong foreign demand continue to support this outlook. Fiscal 2007 export forecasts for fresh and processed fruits and vegetables, tree nuts, and other horticultural products all remain unchanged from the February estimate, but well above 2006 sales, with higher volumes and unit values for many products.

From October 2006 to March 2007, the quantity of U.S. orange exports were 34 percent below the same period last year, mainly due to the January freeze and short supplies from California, but unit values were up 13 percent. During the same period, U.S. grapefruit exports were up 60 percent, mostly due to a larger Florida grapefruit crop and excellent quality, but unit values fell over 10 percent. Deciduous fruit shipments fell in the second quarter, but unit values were 14 percent higher. Fresh vegetables, excluding potatoes, were up 17 percent for the first 6 months of fiscal 2007.

The processed fruit and vegetable export forecast for fiscal 2007 remains at \$4.1 billion. The major export categories are juices, processed vegetables (prepared, frozen, and dried), and dried fruit. Supported by generally higher unit values and increased export volumes for processed vegetables and dried fruit, export values to major markets (especially Canada and Japan) for all three product groups are increasing.

Table 2--U.S. agricultural exports: Value and volume by commodity, 2006-2007

Commodity	October-March		Fiscal year	Forecast	
	2006	2007	2006	Fiscal 2007	
				Feb.	May
VALUE	---Billion dollars---				
Grains and feeds 1/	8.907	11.102	18.337	22.8	22.6
Wheat 2/	2.258	2.398	4.320	4.9	5.3
Rice	0.727	0.669	1.304	1.4	1.3
Coarse grains 3/	3.082	4.825	6.822	10.0	9.6
Corn	2.755	4.434	6.199	9.2	8.9
Feeds and fodders	1.533	1.682	3.090	3.4	3.3
Oilseeds and products 4/	6.707	8.143	10.693	12.7	12.6
Soybeans	4.487	5.595	6.382	7.8	7.8
Soybean meal 5/	0.842	1.001	1.603	1.9	1.8
Soybean oil	0.173	0.274	0.311	0.5	0.5
Livestock, poultry, and dairy	6.595	7.534	13.397	14.6	14.8
Livestock products	4.259	4.911	8.646	9.5	9.5
Beef and veal 6/	0.614	0.780	1.409	1.9	1.7
Pork 6/	1.188	1.362	2.405	2.6	2.7
Beef and pork variety meats 6/	0.386	0.395	0.762	0.8	0.8
Hides, skins, and furs	0.936	1.056	1.978	2.0	2.2
Poultry and products	1.541	1.651	2.986	3.2	3.4
Broiler meat 6/ 7/	1.020	1.043	1.930	2.1	2.2
Dairy products	0.795	0.973	1.766	1.9	1.9
Tobacco, unmanufactured	0.716	0.786	1.058	1.2	1.2
Cotton	2.310	1.473	4.664	4.5	3.9
Seeds	0.567	0.570	0.886	0.9	0.9
Horticultural products 8/	8.344	8.988	16.665	18.0	18.0
Fruits and vegetables, fresh	2.141	2.307	4.472	4.6	4.6
Fruits and vegetables, processed 8/	1.907	2.115	3.919	4.1	4.1
Tree nuts, whole and processed	1.727	1.700	2.926	3.0	3.0
Sugar and tropical products 9/	1.442	1.679	3.008	3.3	3.4
Major bulk products 10/	13.580	15.746	24.550	29.8	29.2
Total 11/	35.593	40.279	68.721	78.0	77.5
VOLUME	---Million metric tons---				
Wheat 2/	13.561	11.895	25.164	25.0	26.3
Rice	2.299	1.754	4.055	3.6	3.4
Coarse grains 3/	28.602	29.702	61.467	60.5	59.3
Corn	25.675	27.437	56.134	56.0	55.0
Feeds and fodders	5.921	5.529	11.729	11.6	10.9
Soybeans	18.658	20.978	26.616	29.9	29.4
Soybean meal 5/	3.715	4.299	7.316	7.9	7.6
Soybean oil	0.297	0.428	0.523	0.7	0.7
Beef and veal 6/	0.145	0.187	0.348	0.5	0.4
Pork 6/	0.502	0.539	0.987	1.1	1.1
Beef and pork variety meats 6/	0.249	0.246	0.489	0.5	0.5
Broiler meat 6/ 7/	1.203	1.219	2.348	2.5	2.4
Tobacco, unmanufactured	0.112	0.122	0.169	0.2	0.2
Cotton	1.797	1.064	3.678	3.3	3.0
Major bulk products 10/	65.028	65.514	121.149	122.6	121.6

Total may not add due to rounding.

For August 2006 and future forecasts, pulses have been subtracted from grain and feed and added to processed vegetables. This change has also been incorporated into historic data shown in this table. 1/ Includes corn gluten feed and meal, and processed grain products. 2/ Excludes wheat flour. 3/ Includes corn, barley, sorghum, oats, and rye. 4/ Excludes corn gluten feed and meal. 5/ Includes soy flours made from protein meals. 6/ Includes chilled, frozen, and processed meats. 7/ Includes only federally inspected product. 8/ Includes juices. 9/ Includes coffee and cocoa products, tea, and spices. 10/ Includes wheat, rice, coarse grains, soybeans, cotton, and unmanufactured tobacco. 11/ Includes cotton linters.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Regional Exports

U.S. agricultural exports to Asia in FY 2007 are forecast at \$27.9 billion, down \$800 million from February's forecast but still almost \$3 billion higher than 2006. The reduced 2007 outlook since February is due to downward revisions in exports to China (down \$700 million) and Korea (down \$200 million). On the other hand, stronger-than-expected import demand growth in Indonesia is responsible for an increase of \$100 million in the outlook for U.S. exports to that country. For 2007, Asia is expected to account for roughly 36 percent of total U.S. agricultural exports.

While 2007 exports to China are still expected to reach record highs, the outlook has been revised downward since February, to \$7.6 billion, largely due to reductions in U.S. cotton sales. Cotton and soybeans are the two largest U.S. agricultural exports to China, accounting for 70 percent of total sales in 2006. However, during the first half of the fiscal year, cotton exports to China are down almost 73 percent from year ago levels. Cotton shipments have been disappointing due to unexpected delays in China's imports from a slow response to that country's tariff-rate quota allocations and strong competition from Indian cotton in China. U.S. soybean exports are still expected to approach record levels, although somewhat below initial expectations. China's demand for soybeans has slowed due to high prices and competition between crushers, which tightens operating margins and lowers profits. However, most other U.S. agricultural exports to China are rising rapidly, benefiting from that country's continued strong economic growth (now in excess of 10 percent annualized growth). U.S. high value product exports are up almost 40 percent from last year's record levels and are expected to finish the year somewhere between \$2.0-2.5 billion. While the gains are broad based, fresh and prepared red meats, poultry meat, processed fruit and vegetables, food ingredients, and cattle hides are leading the pack.

Like China, U.S. agricultural exports to South Korea are expected to show strong growth over 2006 levels. However, the 2007 outlook has been revised downward to \$3.2 billion, which is down \$200 million from February's outlook but up \$500 million from the previous year. The reduced outlook is not due to any fundamental weakness but rather that the pace of U.S. exports in the first half of 2007 has not met previous expectations, partly due to competition from China. In fact, U.S. exports to Korea are showing strength across a broad spectrum of products, including both bulk and high value products. Higher export unit values for many bulk commodities this year have led to increases in export value, led by feed grains, soybeans, wheat, and feeds and fodders. However, the gains in high value products have been particularly noteworthy this year as 24 of the 27 major product categories are showing gains from last year's levels (many are double digit gains) and should finish the year at \$1.5-1.8 billion.

U.S. agricultural exports to Indonesia in fiscal 2007 are now forecast to reach \$1.3 billion, an upward revision of \$100 million from February's outlook and up \$250 million from the previous record set in 2006. In USDA's prior export forecasts for 2007, the Department expected strong economic growth in Indonesia would lead to significant gains in consumer demand for imported agricultural products. However, the pace of gains in U.S. exports in the first half of fiscal 2007 has exceeded our previous expectations, leading to the upward revision in the 2007 outlook. Like many other markets in Asia, the gains for 2007 have been broad based, with the most impressive performance registered by soybeans, wheat, feeds and fodders, and dairy products.

A slight improvement in U.S. export prospects to South America since February is responsible for a small increase (\$100 million) in the outlook for 2007 exports to Western Hemisphere markets. Fiscal 2007 exports to this region are now expected to reach \$32.6 billion—42 percent of worldwide U.S. exports. While the revision in the regional forecast is modest, the gains from the previous year are impressive—up \$4.5 billion from the previous record high of 2006 with double-digit gains being registered to North America, Caribbean, Central America, and South America.

Fiscal 2007 exports to our North American Free Trade Agreement (NAFTA) partners, Canada and Mexico, are expected to continue the impressive growth shown over the past 15 years. Exports are forecast to reach a combined \$25.6 billion, unchanged from February's outlook but up \$3.6 billion over 2006, and now accounts for 33 percent of total U.S. agricultural exports. While there are many factors contributing to the gains in 2007, strong economic growth and open import regimes facilitated by NAFTA and a competitive U.S. dollar are major drivers. Canada and Mexico will continue to be our top two markets in 2007, with exports expected to reach record highs of \$13 billion and \$12.6 billion, respectively.

Exports to Canada are expected to increase \$1.4 billion from 2006 levels, with gains broad-based across almost all major product sectors—over 90 percent of the product sectors in the first half show gains over year ago levels—and most of those are expected to finish the year at record levels. However, high-value products lead the pack with fruit and vegetables, red meats, poultry, juices, and grocery products the noteworthy gainers. For 2007, Mexico will come close to overtaking Canada as the top U.S. export market as projected exports increase by \$2.2 billion. Like Canada, export gains to Mexico are broad-based, with 80 percent of product sectors showing gains and many headed to new record highs this year. Bulk commodities are doing particularly well, led by strong gains in corn. Corn sales are benefiting from rising Mexican import demand, which is increasing U.S. export tonnage despite higher world corn prices. Likewise, high value product exports are performing well, led by fruits, nuts, vegetables, food ingredients, feeds and fodders (including distillers dried grains—a co-product of corn-based ethanol production), and animal fats. High-value products now represent almost two-thirds of total agricultural exports to Mexico.

U.S. agricultural exports to the Middle East and Africa in FY 2007 are forecast at \$7.1 billion, up \$200 million from February's forecast and \$1 billion higher than 2006. Turkey accounts for all of the upward revision in the forecast since February with 2007 exports now projected at \$1.2 billion. USDA's export forecast for Turkey in February projected no increase in 2007 exports from 2006 levels. However, since then, shipments of cotton, feeds and fodders, and poultry meat have been stronger than expected, resulting in an increase in the export forecast. Cotton accounts for almost half of the value of U.S. agricultural exports to Turkey and the value of those shipments in 2007 is up 30 percent from year ago levels. Feeds and fodder exports are benefiting from the growth in Turkey's livestock industry and exports of corn gluten feed and meal are significantly higher, benefiting from high global grain prices and favorable import duties. Poultry meat exports are running sharply higher than year ago levels and are expected to reach new highs. However, U.S. poultry meat exported to Turkey is transshipped to other markets in the region and do not enter Turkey's domestic market.

Table 3--U.S. agricultural exports: Value by region, 2006-2007

Country and region 1/	October-March		Fiscal year 2006	Forecast Fiscal 2007	
	2006	2007		Feb.	May
	---Billion dollars---				
Asia	13.522	14.618	25.013	28.7	27.9
East Asia	11.482	12.103	20.898	24.7	23.8
Japan	4.239	4.815	8.193	9.3	9.3
China	4.228	3.811	6.657	8.3	7.6
Hong Kong	0.475	0.546	0.912	1.0	1.0
Taiwan	1.269	1.447	2.410	2.7	2.7
South Korea	1.263	1.473	2.712	3.4	3.2
Southeast Asia	1.677	2.110	3.438	3.3	3.4
Indonesia	0.464	0.651	1.047	1.2	1.3
Philippines	0.438	0.463	0.828	0.9	0.9
Malaysia	0.224	0.256	0.431	0.5	0.5
Thailand	0.321	0.439	0.640	0.7	0.7
South Asia	0.363	0.406	0.676	0.7	0.7
Western Hemisphere	13.659	15.819	28.102	32.5	32.6
North America	10.516	12.121	22.003	25.6	25.6
Canada	5.493	6.125	11.599	13.0	13.0
Mexico	5.023	5.996	10.404	12.6	12.6
Caribbean	1.075	1.178	2.053	2.3	2.3
Central America	0.904	1.101	1.756	2.1	2.1
South America	1.164	1.419	2.290	2.5	2.6
Brazil	0.137	0.147	0.281	0.3	0.3
Colombia	0.415	0.583	0.794	1.1	1.1
Venezuela	0.251	0.183	0.442	0.5	0.5
Europe/Eurasia	4.918	5.339	8.622	9.0	9.0
European Union-27 2/	4.097	4.572	7.189	7.4	7.5
Other Europe 3/	0.204	0.183	0.326	0.5	0.4
FSU-12 4/	0.617	0.584	1.108	1.1	1.1
Russia	0.515	0.435	0.921	0.9	0.9
Middle East	1.524	2.102	3.058	3.3	3.5
Turkey	0.487	0.588	1.009	1.0	1.2
Saudi Arabia	0.189	0.249	0.435	0.5	0.5
Africa	1.490	1.846	3.060	3.6	3.6
North Africa	0.728	1.180	1.613	2.1	2.1
Egypt	0.465	0.740	0.955	1.2	1.2
Sub-Saharan Africa	0.762	0.666	1.448	1.5	1.5
Oceania	0.366	0.442	0.735	0.8	0.8
Transshipments via Canada 5/	0.114	0.113	0.131	0.1	0.1
Total	35.593	40.279	68.721	78.0	77.5

Total may not add due to rounding.

1/ Projections are based primarily on trend or recent average growth analysis.

2/ The former EU-25 plus Romania and Bulgaria who acceded in January 2007. February forecasts are for EU-25 with Romania and Bulgaria included in Other Europe. The May forecasts are for EU-27.

3/ Major countries include Switzerland, Norway, Iceland, and former Yugoslav states.

4/ The former 15 Republics of the Soviet Union minus the three Baltic Republics.

5/ Transshipments through Canada have not been allocated to final destination but are included in the total.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Import Products

The forecast for U.S. agricultural imports in fiscal year 2007 is raised to \$70.5 billion from February's \$70 billion estimate. Higher import values for cattle, grains and feed, vegetable oils, fresh and processed fruit, processed vegetables, wine, beer, confections, and coffee result in the \$500 million increase. On top of strong demand (based on volume) for many imported agricultural products, import unit values for practically all major groups were higher in the first half of fiscal 2007 compared with the same period in 2006. A major factor that helps raise import values is the lower exchange rate of the U.S. dollar in 2006 and so far in 2007 compared with earlier rates.

In aggregate, U.S. agricultural imports are up 5 percent based on volume, and 3 percent with respect to unit values. Thus, total import value in the first half of fiscal 2007 is 8.5 percent higher than in 2006. The higher import forecast for 2007 is attributed to this increased value. Among import groups, U.S. demand is strongest for grains, processed grains and feed, vegetable oils, farm animals, and processed vegetables. Import prices are up by double-digit rates on average for sugar and tropical products such as cocoa, coffee, spices, and rubber, but not for raw or refined sugar.

The new forecasts raise cattle imports by \$100 million, in part due to a 6-percent higher price per head. Cattle import quantity is modestly lower due to smaller projected herds in Mexico and Canada. More imported swine are expected at \$65 per head, the same price as in February. The value of beef and veal imports is adjusted down by \$100 million due to their lower price. Imported beef is kept down by higher domestic cow slaughter as well as reduced beef production by foreign suppliers, particularly Australia, where drought persists. Similarly, the import value of pork is \$100 million smaller as prices retreat somewhat. These changes, however, offset each other and leave the total import forecast for livestock, meats, and dairy unchanged at \$11.6 billion.

Significantly higher unit values for wheat, wheat flour, oats, feed, fodder, and grain products raised the import forecast for grains and feeds by \$300 million. Of this amount, \$200 million are from processed grain products, including animal feed. Shipments of bulk grains such as wheat, rice, and barley are arriving at a faster pace than last year, but are slower for oats due in part to a higher unit value. Wheat imports thus far in the fiscal year are twice as large as last year's due to a double-digit price and volume hike, raising import value by more than \$100 million. Feed and fodder imports are 20 percent higher in volume than in 2006.

Given that vegetable oil prices are slightly lower on average this year than last, import volume is up 13 percent, which raised the corresponding import value 10 percent, or about \$100 million for the fiscal year. Lower import prices of olive oil and palm kernel oil helped generate higher import volume only for palm kernel oil. Food manufacturers and services are combining different vegetable oils in their quest to replace oils with trans-fatty acids in their products and menus. Palm oil, palm kernel oil, and canola oil are the biggest gainers thus far, although there is also strong demand for imported oilseeds, led by rapeseed and soybeans.

A \$300-million increase is forecast for horticulture crops and products in 2007, up 1 percent from the previous estimate. Imported fruit juices are up \$200 million in part to supplement the shortfall from Florida's storm-damaged orange orchards. In addition, forecasts are raised by \$100 million each for fresh fruits, processed vegetables, wine, and beer. The new import forecast for fresh vegetables, however, is reduced by \$200 million due to higher domestic production in 2007. Sixty percent of this year's imported fresh vegetables have already entered the U.S. in the first two quarters. A large portion of these reduced imports are tomatoes from Mexico, basically due to stronger shipments from Florida and weather-related production problems in Mexico. Florida is recovering normal market share after two seasons of low output due to hurricane damage.

Import volumes of fresh and processed fruit and processed vegetables (except juices) are all up. Import prices are also higher, except for fresh citrus fruits, bananas, dried beans, and many fresh vegetables. For imported wine and beer, however, prices are marginally lower. But volume imports of wine and beer are up by double-digit rates compared with 2006. U.S. demand for high-value foreign foods and beverages is driven by strong U.S. economic growth in 2006.

Increased import demand for coffee, candy, and nonalcoholic beverages, including soft drinks, was not enough to offset the import reduction of sugar and rubber. Sugar imports are down sharply because domestic sugar production is higher this year following the weather-reduced levels of 2006. Thus, import requirements for sugar have declined, and imported sugar prices since October 2006 are still lower than those in fiscal 2006. Higher rubber prices, up 25 percent thus far this year, are slowing rubber import volumes, which are projected to decline by \$100 million from \$2.3 to \$2.2 billion in 2007. Unlike sugar, rubber's import estimate for 2007 is still \$100 million more than in 2006.

Table 4--U.S. agricultural imports: Value and volume by commodity, fiscal years 2006-2007

Commodity	October-March		Fiscal year 2006	Forecast Fiscal year 2007	
	2006	2007		Feb	May
	VALUE	--- Billion dollars ---			
Livestock, dairy, & poultry	6.199	6.070	11.527	11.6	11.6
Livestock and meats	4.640	4.536	8.509	8.6	8.6
Cattle and calves	1.018	0.955	1.602	1.4	1.5
Swine	0.302	0.316	0.580	0.6	0.6
Beef and veal	1.694	1.626	3.254	3.5	3.4
Pork	0.659	0.605	1.263	1.2	1.1
Dairy products	1.362	1.325	2.610	2.6	2.6
Cheese	0.502	0.550	0.994	1.1	1.1
Grains and feed	2.384	2.898	4.929	5.7	6.0
Grain products	1.689	1.925	3.434	3.7	3.9
Oilseeds and products	1.635	1.807	3.466	3.9	4.0
Vegetable oils	1.145	1.261	2.437	2.8	2.9
Horticulture products	14.750	16.429	29.189	32.3	32.6
Fruits, fresh	2.547	2.906	4.689	5.2	5.3
Fruits, processed	1.233	1.614	2.603	3.2	3.4
Fruit juices	0.489	0.760	1.056	1.4	1.6
Nuts and preparations	0.539	0.531	1.070	1.1	1.1
Vegetables, fresh	2.389	2.410	3.979	4.3	4.1
Vegetables, processed	1.348	1.566	2.755	3.1	3.2
Wine	1.945	2.233	4.043	4.5	4.6
Malt beer	1.511	1.765	3.375	3.8	3.9
Essential oils	1.135	1.155	2.469	2.5	2.5
Cut flowers & nursery stock	0.731	0.786	1.423	1.5	1.5
Sugar & tropical products	6.479	6.883	13.560	15.0	14.7
Cane and beet sugar	0.671	0.406	1.403	1.4	0.9
Confections 1/	0.557	0.597	1.169	1.2	1.3
Cocoa and chocolate 1/	1.350	1.396	2.631	2.7	2.7
Coffee beans & products	1.490	1.711	3.205	3.6	3.7
Rubber, natural	0.918	0.979	1.950	2.3	2.2
Other imports 2/	0.707	0.787	1.354	1.5	1.5
Total agricultural imports	32.153	34.874	64.025	70.0	70.5
VOLUME	--- Million metric tons ---				
Wine 3/	0.384	0.444	0.783	0.9	0.9
Malt beer 3/	1.429	1.682	3.223	3.6	3.8
Cattle and calves 4/	1.502	1.329	2.397	2.2	2.2
Swine 4/	4.321	4.640	8.613	9.0	9.4
Beef and veal, fresh	0.531	0.486	1.027	1.1	1.0
Pork, fresh	0.233	0.211	0.437	0.5	0.5
Fruits, fresh	3.998	4.019	8.008	8.5	8.1
Fruits, processed 5/	0.650	0.662	1.329	1.4	1.4
Vegetables, fresh	2.439	2.175	4.076	4.3	4.0
Vegetables, processed 5/	1.370	1.520	2.763	3.0	3.1
Vegetable oils	1.177	1.329	2.505	2.8	2.8
Cocoa and chocolate	0.649	0.638	1.263	1.3	1.3
Coffee beans	0.622	0.670	1.296	1.4	1.4
Rubber, natural	0.568	0.483	1.069	1.1	1.0

1/ Confections are consumer-ready products that contain sugar. Cocoa and chocolate are intermediate products.

2/ Tobacco, planting seeds, and cotton. 3/ Liquid volume is in billion liters. 4/ Million head; includes bison. 5/ Excludes juices.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Regional Imports

While the U.S. import forecast from Canada is up \$300 million, imports from Mexico are adjusted \$300 million downward. U.S. fresh vegetable imports, which are supplied extensively from Mexico, especially tomatoes, have slowed significantly. Weaker imports from Costa Rica are offset by stronger imports from Brazil. The anticipated import value from the European Union is raised \$300 million to \$15.3 billion as processed fruits and vegetables, wine, beer, candy, chocolate, and coffee all increase. Of shipments from the Western Hemisphere, 52 percent arrive during the first half of the fiscal year due to the seasonal nature of many fresh crops. On the other hand, 52 percent of shipments from Europe and Asia come in the last two quarters.

The \$300-million gain in imports from Asia is attributed mostly to China. The list of agricultural items imported from China is broadening. The relatively fixed link of the Chinese currency to the dollar represents an incentive for China to export to the U.S.. If the renminbi were allowed to appreciate freely, Chinese exports would cost more to importers. More tropical oil exports from Malaysia are offset by reduced imports from Indonesia. The sharp depreciation of the U.S. dollar against the New Zealand dollar is discouraging horticulture and other imports from that country. Since the Australian dollar depreciated to a lesser extent against the U.S. currency, that country's exports have slowed only moderately.

Table 5--U.S. agricultural imports: Value by region, fiscal years 2006-2007

Region and country	October-March		Fiscal year 2006	Share of total 2006	Forecast	
	2006	2007			Fiscal year 2007	
	--- Billion dollars ---			Percent	--- Billion dollars ---	
					Feb	May
Western Hemisphere	17.433	18.726	33.744	52.7	36.8	36.8
Canada	6.569	7.173	13.204	20.6	14.1	14.4
Mexico	4.983	5.139	9.314	14.5	10.0	9.7
Central America	1.327	1.402	2.848	4.4	3.2	3.1
Costa Rica	0.539	0.553	1.157	1.8	1.4	1.3
Guatemala	0.427	0.454	0.936	1.5	1.0	1.0
Other Central America	0.361	0.395	0.755	1.2	0.8	0.8
Caribbean	0.194	0.201	0.443	0.7	0.5	0.5
South America	4.361	4.810	7.935	12.4	9.0	9.1
Brazil	1.112	1.250	2.195	3.4	2.4	2.5
Chile	1.092	1.249	1.714	2.7	2.1	2.1
Colombia	0.774	0.785	1.452	2.3	1.6	1.6
Other South America	1.384	1.526	2.573	4.0	2.9	2.9
Europe and Eurasia	7.065	7.712	14.513	22.7	15.6	15.9
European Union-27 1/	6.869	7.438	14.114	22.0	15.0	15.3
Other Europe	0.168	0.241	0.349	0.5	0.5	0.5
Asia	4.441	5.062	9.420	14.7	10.9	11.2
East Asia	1.446	1.814	3.028	4.7	3.6	3.9
China	0.988	1.336	2.105	3.3	2.6	2.9
Other East Asia	0.458	0.478	0.924	1.4	1.0	1.0
Southeast Asia	2.463	2.671	5.277	8.2	6.0	6.0
Indonesia	0.939	0.861	2.030	3.2	2.2	2.1
Thailand	0.619	0.717	1.276	2.0	1.5	1.5
Other Southeast Asia	0.905	1.092	1.971	3.1	2.3	2.4
South Asia	0.532	0.577	1.115	1.7	1.3	1.3
India	0.486	0.519	1.012	1.6	1.2	1.1
Oceania	2.093	2.082	4.232	6.6	4.4	4.3
Australia	1.190	1.247	2.434	3.8	2.6	2.6
New Zealand	0.852	0.792	1.705	2.7	1.8	1.6
Africa	0.719	0.823	1.406	2.2	1.6	1.6
Sub-Saharan	0.632	0.713	1.207	1.9	1.3	1.4
Ivory Coast	0.310	0.380	0.460	0.7	0.5	0.6
Middle East	0.402	0.469	0.710	1.1	0.8	0.8
Turkey	0.236	0.286	0.429	0.7	0.5	0.5
World total	32.153	34.874	64.025	100.0	70.0	70.5

1/ The former EU-25 plus Romania and Bulgaria who acceded in January 2007. February forecasts are for EU-25 with Romania and Bulgaria included in Other Europe. The May forecasts are for EU-27.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Impacts of Biofuel Production

Rising fossil fuel prices and policy changes, including the passage of the Energy Policy Act of 2005, have revived interest in renewable energy sources. Bioenergy derived from plant materials has been one of the most rapidly growing sectors. Most global bioenergy production currently comes from grains, oilseeds, and sugar. However, the range of potential feedstocks is expanding as research focuses on cellulosic sources of biomass such as wood and perennial grasses. Currently, corn-based ethanol is the largest source of bioenergy used as a U.S. fuel additive or substitute for petroleum fuel, while biodiesel (made from vegetable oils and fats) provides a smaller share of bioenergy.

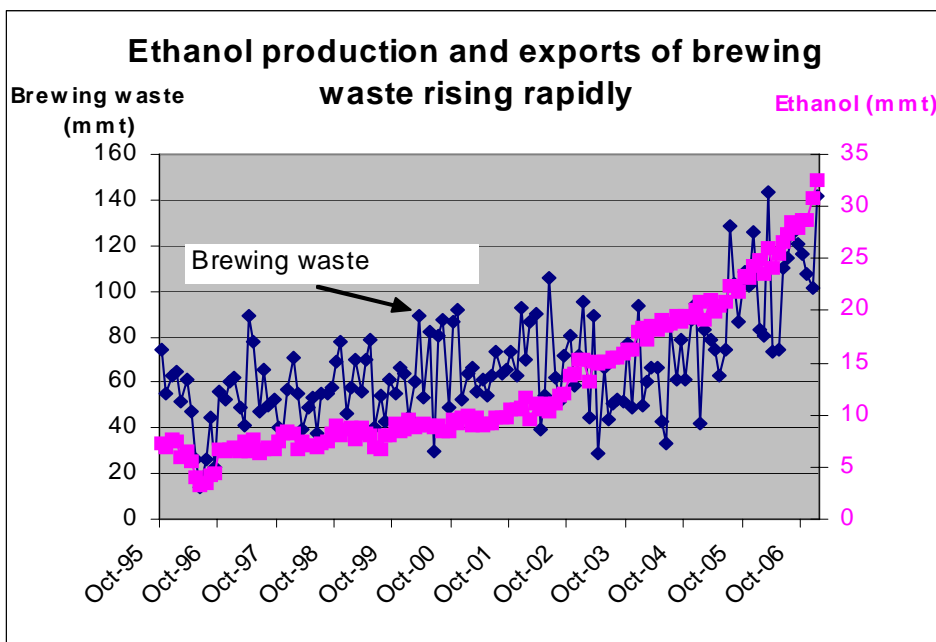
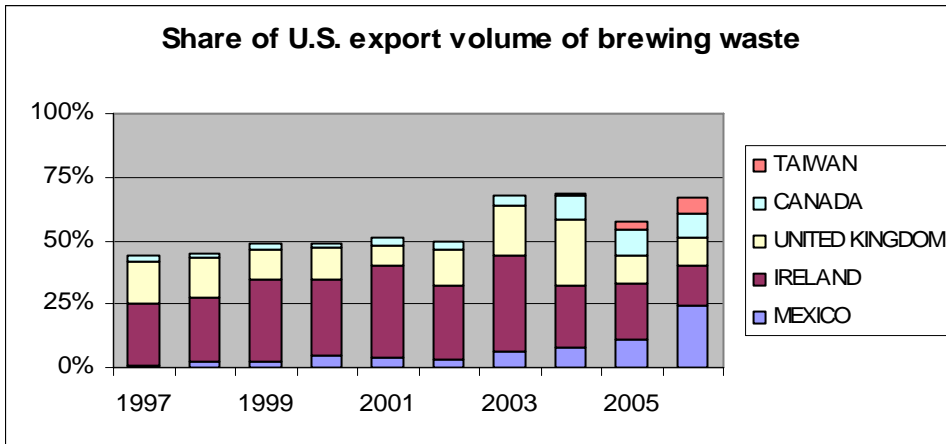
The rapid increase in grain-based ethanol production along with the potential for cellulosic ethanol has profound implications for crop prices, commodity markets, land use, rural communities, consumers, and environmental quality. The expansion of bioenergy production raises several key questions: Where will ethanol producers get the corn needed to increase their output? How will increased biodiesel production affect soybean markets? What will be the impact of increased use of crops for energy on livestock production?

Corn is the main feedstock for ethanol in the United States. The starch in the corn must first be turned into sugar, which is then fermented into alcohol. Wheat, sorghum, potatoes, and beverage wastes are also used at some ethanol plants. In most of the world, sugar cane and sugar beets are the most frequently used feedstock for producing ethanol, since sugar crops are the easiest to convert into alcohol. Brazil is the world's largest ethanol producer and makes most of its ethanol from sugar.

Corn-based ethanol plants use either a wet or dry mill process. In a dry mill process, a bushel of corn will produce about 2.7-2.8 gallons of ethanol, 18 pounds of distiller's dried grains (DDG), and 18 pounds of carbon dioxide (CO₂ for soft drinks or dried ice). DDGs can be fed to livestock either wet or dry. Drying the distiller's grain increases its shelf life and improves its ability to be transported over longer distances. DDGs with solubles (DDGS) are a high-quality feedstuff ration for dairy cattle, beef cattle, swine, poultry, and aquaculture. It can be partially substituted for corn, soybean meal, and dicalcium phosphate in livestock and poultry feeds.

USDA Agricultural Projections to 2016 discusses the likely effects of the boom in ethanol production on corn and soybean trade and on livestock feed. Ethanol production is assumed to expand sharply through 2009/10. Although more moderate growth is assumed in subsequent years, over 12 billion gallons of ethanol are expected to be produced annually by 2016. Most of this expansion is corn-based dry mill production. Consequently, more than 30 percent of the corn crop is projected to be used to produce ethanol by 2009/10. The projections assume that 75 percent of distiller's grains will be used in domestic livestock feeding, 10 percent will be exported, and the remaining 15 percent will go to other nonfeed, domestic uses. Of the portion of distiller's grains used for domestic livestock feeding, 80 percent is assumed to be used for beef cattle, 10 percent for dairy, and 5 percent each for poultry and hogs. Since beef cattle are assumed to be the largest users of distiller's grains, they substitute mostly for corn in rations, with only a small offset expected in soybean meal use.

Information on DDG trade is incomplete. Currently, DDG trade is reported in the brewing or distilling dregs and waste category (HS 23033). It is unclear what share of this category is attributed to DDGs. U.S. exports of brewing waste have grown from about \$70 million in fiscal 1998 to over \$150 million in fiscal 2006. Volume has also almost doubled from just over 600 million metric tons in fiscal 1998 to over 1.2 billion metric tons in fiscal 2006. This growth is expected to continue as U.S. ethanol production continues to expand. The top destination markets are Mexico, Ireland, Taiwan, Canada, and the United Kingdom. Although several member states of the EU-27 are in the top 20 destinations, the EU share has fallen from 96 percent in fiscal 1997 to 30 percent in fiscal 2006. Exports of brewing waste closely track ethanol production.



For more information on biofuels, see:
<http://www.ers.usda.gov/Briefing/bioenergy/> and
<http://www.fas.usda.gov/cmp/biofuels/biofuels.asp>

Ethanol Expansion in the United States: How Will the Agricultural Sector Adjust?
 USDA-ERS, Outlook Report No. FDS-07D-01, May 2007, available at:
<http://www.ers.usda.gov/Publications/FDS/2007/05May/FDS07D01/>

Reliability Tables

Table 6--Reliability of quarterly U.S. export projections, by commodity and quarter

Commodity	Average absolute forecast errors					Forecast accuracy					Forecast accuracy Percent
	Fiscal 2000-06					Fiscal 2000-06					
	Aug 1/ Percent	Nov	Feb	May	Aug 2/ Percent	Aug	Nov	Feb	May	Aug	
						"X" if error ≤ 5%					
Export value											
Grains and feeds	8	9	6	2	1	-	-	-	X	X	40
Wheat (and flour)	10	8	4	4	3	-	-	X	X	X	60
Rice	13	12	10	5	5	-	-	-	X	X	40
Coarse grains	17	16	9	3	2	-	-	-	X	X	40
Corn	17	17	9	3	2	-	-	-	X	X	40
Feeds and fodders	12	8	7	5	3	-	-	-	X	X	40
Oilseeds and products	6	7	5	2	2	-	-	X	X	X	60
Soybeans	10	9	6	4	2	-	-	-	X	X	40
Soybean meal	13	12	12	8	2	-	-	-	-	X	20
Soybean oil	27	30	9	5	12	-	-	-	X	-	20
Livestock products	11	9	5	2	2	-	-	X	X	X	60
Beef, pork, and variety meats	16	17	5	3	2	-	-	X	X	X	60
Hides, skins, and furs	13	11	14	5	3	-	-	-	X	X	40
Poultry and products	12	10	9	4	3	-	-	-	X	X	40
Broiler (poultry) meat	17	17	15	6	0	-	-	-	-	X	20
Dairy products	16	13	9	8	3	-	-	-	-	X	20
Tobacco, unmanufactured	9	7	9	8	6	-	-	-	-	-	0
Cotton and linters	12	9	6	5	3	-	-	-	X	X	40
Planting seeds	10	12	12	8	3	-	-	-	-	X	20
Horticultural products	4	4	2	1	1	X	X	X	X	X	100
Fruits and preparations	4	4	4	3	3	X	X	X	X	X	100
Vegetables and preparations	4	3	3	3	2	X	X	X	X	X	100
Tree nuts and preparations	16	10	7	5	6	-	-	-	X	-	20
Sugar and tropical products	9	9	7	4	1	-	-	-	X	X	40
Major bulk products	4	7	7	5	4	X	-	-	X	X	60
Total agricultural exports	5	4	3	1	1	X	X	X	X	X	100
Average error & accuracy	13	11	7	4	3	17%	17%	34%	79%	86%	47
Export volume											
Wheat	9	7	5	3	3	-	-	X	X	X	60
Rice	11	10	9	4	3	-	-	-	X	X	40
Coarse grains	11	11	8	5	3	-	-	-	X	X	40
Corn	11	11	9	5	3	-	-	-	X	X	40
Feeds and fodders	7	10	5	5	2	-	-	X	X	X	60
Oilseeds and products	8	7	4	2	1	-	-	X	X	X	60
Soybeans	9	7	5	3	2	-	-	X	X	X	60
Soybean meal	17	8	9	5	2	-	-	-	X	X	40
Soybean oil	22	15	5	1	5	-	-	X	X	X	60
Beef, pork, and variety meats	13	13	7	3	2	-	-	-	X	X	40
Broiler (poultry) meat	14	13	11	3	2	-	-	-	X	X	40
Tobacco, unmanufactured	0	0	0	0	0	X	X	X	X	X	100
Cotton and linters	11	6	5	5	5	-	-	X	X	X	60
Horticultural products	4	3	3	3	1	X	X	X	X	X	100
Sugar and tropical products	6	6	5	2	0	-	-	X	X	X	60
Major bulk products	4	4	4	2	1	X	X	X	X	X	100
Average error & accuracy	12	9	6	3	2	15%	25%	60%	100%	95%	59

1/ Forecast made for following fiscal year--15 months out. 2/ Forecast made for current fiscal year with 3 months remaining in current fiscal year.

Table 7--Reliability of quarterly U.S. export value projections, by country and quarter

Country/region	Average absolute forecast errors Fiscal 2000-06					Forecast accuracy Fiscal 2000-06					Forecast accuracy Percent
	Aug 1/ Percent	Nov	Feb	May	Aug 2/ Percent	Aug	Nov	Feb	May	Aug	
Export value						"X" if error ≤ 5%					
Asia	---	7	6	2	2	---	-	-	X	X	50
East Asia	---	10	11	4	1	---	-	-	X	X	50
Japan	---	6	5	2	2	---	-	X	X	X	75
China	---	23	22	8	5	---	-	-	-	X	25
Hong Kong	---	8	8	5	1	---	-	-	X	X	50
Taiwan	---	7	7	4	3	---	-	-	X	X	50
South Korea	---	8	8	4	3	---	-	-	X	X	50
Southeast Asia	---	9	6	7	4	---	-	-	-	X	25
Indonesia	---	13	9	5	3	---	-	-	X	X	50
Philippines	---	14	13	9	6	---	-	-	-	-	0
Malaysia	---	4	4	7	4	---	X	X	-	X	75
Thailand	---	16	16	7	5	---	-	-	-	X	25
South Asia	---	23	21	16	8	---	-	-	-	-	0
Western Hemisphere	---	4	2	1	1	---	X	X	X	X	100
North America	---	8	5	2	1	---	-	X	X	X	75
Canada	---	3	3	1	1	---	X	X	X	X	100
Mexico	---	7	6	2	1	---	-	-	X	X	50
Caribbean	---	10	8	5	4	---	-	-	X	X	50
Central America	---	7	5	5	2	---	-	X	X	X	75
South America	---	8	8	6	3	---	-	-	-	X	25
Brazil	---	20	32	5	10	---	-	-	X	-	25
Colombia	---	9	10	0	0	---	-	-	X	X	50
Venezuela	---	15	12	0	7	---	-	-	X	-	25
Other Latin America	---	8	8	0	5	---	-	-	X	X	50
Europe and Eurasia	---	11	8	4	4	---	-	-	X	X	50
European Union-25	---	5	4	4	4	---	X	X	X	X	100
Other Europe	---	13	10	13	6	---	-	-	-	-	0
FSU-12	---	24	23	13	13	---	-	-	-	-	0
Russia	---	26	28	16	12	---	-	-	-	-	0
Middle East	---	11	8	5	5	---	-	-	X	X	50
Turkey	---	18	12	8	7	---	-	-	-	-	0
Saudi Arabia	---	7	12	5	8	---	-	-	X	-	25
Africa	---	10	9	7	7	---	-	-	-	-	0
North Africa	---	10	11	5	7	---	-	-	X	-	25
Egypt	---	10	12	10	12	---	-	-	-	-	0
Sub-Sahara	---	12	12	12	7	---	-	-	-	-	0
Oceania	---	16	14	6	6	---	-	-	-	-	0
Transshipments	---	24	19	0	12	---	-	-	X	-	25
Average error & accuracy	---	12	11	6	5	---	11%	18%	61%	61%	38

1/ Forecast made for following fiscal year--15 months out. 2/ Forecast made for current fiscal year with 3 months remaining in current fiscal year. --- = No forecast available.

Table 8--Reliability of quarterly U.S. import projections, by commodity and quarter

Commodity	Average absolute forecast errors					Forecast accuracy					Forecast accuracy
	Fiscal 2000-06					Fiscal 2000-06					
	Aug 1/	Nov	Feb	May	Aug 2/	Aug	Nov	Feb	May	Aug	
	Percent					"X" if error ≤ 5%					Percent
Import value											
Animals and products	10	7	7	6	2	-	-	-	-	X	20
Live animals, except poultry	19	17	18	9	3	-	-	-	-	X	20
Red meat and products	11	8	8	5	2	-	-	-	X	X	40
Beef and veal (WASDE)	15	10	10	12	3	-	-	-	-	X	20
Pork (WASDE)	4	4	12	4	0	X	X	-	X	X	80
Dairy products	9	8	5	5	1	-	-	X	X	X	60
Grains and feeds	5	5	3	2	1	X	X	X	X	X	100
Grain products	2	2	1	1	0	X	X	X	X	X	100
Oilseeds and products	13	12	7	7	3	-	-	-	-	X	20
Vegetable oils	19	19	8	13	4	-	-	-	-	X	20
Horticulture products	5	4	3	2	1	X	X	X	X	X	100
Fruits and preps., and juices	4	4	6	6	3	X	X	-	-	X	60
Fruits, fresh or frozen	16	14	9	7	1	-	-	-	-	X	20
Fruits, prep.or pres.& juices	7	9	6	4	2	-	-	-	X	X	40
Nuts and preparations	22	17	14	6	6	-	-	-	-	-	0
Vegetables and preparations	7	5	5	1	1	-	X	X	X	X	80
Vegetables, fresh or frozen	3	3	7	2	1	X	X	-	X	X	80
Vegetables, prep.or pres.	2	1	2	1	0	X	X	X	X	X	100
Wine	5	4	3	2	3	X	X	X	X	X	100
Malt beverages	3	3	6	4	1	X	X	-	X	X	80
Essential oils	8	6	4	6	4	-	-	X	-	X	40
Nursery stock and cut flowers	7	5	6	0	0	-	X	-	X	X	60
Sugar and related products	11	11	9	5	2	-	-	-	X	X	40
Cocoa and products	14	11	10	1	3	-	-	-	X	X	40
Coffee and products	17	17	14	4	3	-	-	-	X	X	40
Natural rubber and gums	21	16	22	10	8	-	-	-	-	-	0
Spices, natural drugs, tea	13	7	9	11	0	-	-	-	-	X	20
Total agricultural imports	5	4	3	1	1	X	X	X	X	X	100
Average error & accuracy	10	8	8	6	2	34%	43%	34%	60%	91%	53
Import volume											
Wine (HL)	8	7	4	1	1	-	-	X	X	X	60
Malt beverages (HL)	5	4	4	2	1	X	X	X	X	X	100
Wine & malt beverages (HL)	3	2	3	2	7	X	X	X	X	-	80
Cattle and calves	7	9	29	15	10	-	-	-	-	-	0
Beef and veal	20	20	5	5	5	-	-	X	X	X	60
Dairy products	33	33	29	17	0	-	-	-	-	X	20
Grains and products	8	5	4	3	2	-	X	X	X	X	80
Fruits and preparations	3	3	2	4	2	X	X	X	X	X	100
Fruits, fresh or frozen	4	4	3	2	1	X	X	X	X	X	100
Nuts and preparations	20	13	17	11	7	-	-	-	-	-	0
Vegetables, fresh or frozen	3	3	3	1	1	X	X	X	X	X	100
Vegetable oils	11	10	7	6	4	-	-	-	-	X	20
Sugar and related products	23	25	17	8	11	-	-	-	-	-	0
Cocoa and products	11	10	12	5	5	-	-	-	X	X	40
Coffee and products	10	7	7	3	4	-	-	-	X	X	40
Average error & accuracy	11	10	9	6	4	23%	27%	38%	62%	69%	44

1/ Forecast made for following fiscal year--15 months out. 2/ Forecast made for current fiscal year with 3 months remaining in current fiscal year. - - - = No forecast available.

Table 9--Reliability of quarterly U.S. import value projections, by country and quarter

Country/region	Average absolute forecast errors Fiscal 2000-06					Forecast accuracy Fiscal 2000-06					Forecast accuracy Percent
	Aug 1/	Nov	Feb	May	Aug 2/	Aug	Nov	Feb	May	Aug	
	Percent					"X" if error ≤ 5%					
Import value											
Western Hemisphere	---	4	2	2	1	---	X	X	X	X	100
Canada	---	6	4	4	1	---	-	X	X	X	75
Mexico	---	5	5	3	1	---	X	X	X	X	100
Central America	---	3	6	3	1	---	X	-	X	X	75
Costa Rica	---	9	7	1	0	---	-	-	X	X	50
Guatemala	---	11	11	11	0	---	-	-	-	X	25
Other Central America	---	0	0	6	6	---	X	X	-	-	50
Caribbean	---	5	12	12	8	---	X	-	-	-	25
South America	---	5	3	3	2	---	X	X	X	X	100
Brazil	---	13	12	6	3	---	-	-	-	X	25
Chile	---	2	6	5	1	---	X	-	X	X	75
Colombia	---	6	5	0	2	---	-	X	X	X	75
Other South America	---	8	4	3	3	---	-	X	X	X	75
Europe and Eurasia	---	7	5	3	2	---	-	X	X	X	75
European Union-25	---	6	4	4	2	---	-	X	X	X	75
Other Europe	---	31	24	15	13	---	-	-	-	-	0
FSU-12	---	0	0	0	0	---	X	X	X	X	100
Asia	---	8	7	3	1	---	-	-	X	X	50
East Asia	---	3	2	0	2	---	X	X	X	X	100
China	---	6	3	1	2	---	-	X	X	X	75
Other East Asia	---	7	11	4	4	---	-	-	X	X	50
Southeast Asia	---	13	11	3	3	---	-	-	X	X	50
Indonesia	---	13	14	4	2	---	-	-	X	X	50
Thailand	---	7	10	8	3	---	-	-	-	X	25
Other Southeast Asia	---	5	8	0	0	---	X	-	X	X	75
South Asia	---	8	12	6	3	---	-	-	-	X	25
India	---	9	7	7	5	---	-	-	-	X	25
Oceania	---	7	8	3	2	---	-	-	X	X	50
Australia	---	9	8	3	3	---	-	-	X	X	50
New Zealand	---	7	11	6	4	---	-	-	-	X	25
Africa	---	9	14	3	6	---	-	-	X	-	25
Sub-Saharan	---	0	29	0	4	---	X	-	X	X	75
Ivory Coast	---	21	24	6	3	---	-	-	-	X	25
Middle East	---	8	14	0	5	---	-	-	X	X	50
Turkey	---	12	17	0	4	---	-	-	X	X	50
Average error & accuracy	---	8	9	4	3	---	31%	34%	71%	89%	56

1/ Forecast made for following fiscal year--15 months out. 2/ Forecast made for current fiscal year with 3 months remaining in current fiscal year. --- = No forecast available.

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Foreign Agricultural Service homepage: <http://www.fas.usda.gov/>

Economic Research Service homepage: <http://www.ers.usda.gov/>

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