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Outlook for U.S. Agricultural Trade

FY 2008 Export Forecast Raised to Record \$101 Billion; Imports Increased to \$76.5 Billion

Fiscal 2008 agricultural exports are forecast at \$101 billion, up \$10 billion from November's forecast and 19 billion above 2007. Higher unit values for wheat, feed grains, and soybeans and products account for about \$6 billion, or just over half of the overall increase since November. Grain and feed exports rise to a record \$32.7 billion; oilseeds and products are expected to reach a record \$18.9 billion. Foreign demand remains remarkably strong given sharply higher prices. Tight competitor stocks boost demand for U.S. wheat and corn, with a similar story unfolding for soybeans. Total bulk commodity exports rise 5 million tons to near-record levels, mostly on gains for wheat and corn. High-value animal and horticultural product exports, both setting new records, boost the export forecast \$2 billion. Shipping volumes for most meats are raised on strong demand, a weak dollar, and adequate domestic supplies. Similar market conditions benefit horticultural exports.

Fiscal 2008 agricultural imports are forecast at a record \$76.5 billion, up \$1 billion from November and \$6.5 billion above 2007. Vegetable oils, dairy products, and grain products account for the largest upward adjustments from the November forecast. Horticultural product imports are forecast to rise \$2.6 billion above 2007, with two-thirds of that gain from fruits and vegetables. Grains and feeds, grain products, and oilseeds and products account for 37 percent of the overall increase, mainly the result of higher prices.

Table 1--U.S. agricultural trade, fiscal years 2003-2008, year ending September 30

Item	2003	2004	2005	2006	2007	Forecast Fiscal 2008	
						Nov.	Feb.
\$ billion							
Exports	56.0	62.4	62.5	68.6	81.9	91.0	101.0
Imports	45.7	52.7	57.7	64.0	70.0	75.5	76.5
Balance	10.3	9.7	4.8	4.6	11.9	15.5	24.5

Reflects forecasts in the February 8, 2008, *World Agricultural Supply and Demand Estimates* report.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

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The next release is
May 29, 2008

Approved by the
World Agricultural
Outlook Board.

Economic Outlook

As energy prices stay high, the U.S and world equities markets retreat from record levels, and the impact of the home mortgage crisis is felt globally, world growth slows. As the dollar weakens further, the world economy is more favorable to growth in U.S. exports and farm exports than expected late last year. U.S. gross domestic product grew 2.2 percent in 2007 with growth between 1.4 and 1.8 percent expected in 2008, down sharply from prior forecasts. Growth slowdowns in North America, Europe, and Japan will keep world economic growth at 3 percent in 2008, down modestly from 2007, but essentially the same as the prior forecast. Growth in Asia, particularly China, and the transition economies is expected to be below 2007, in part due to higher raw material prices and lower growth in Europe and North America. Crude oil prices in 2008 are expected to be up over 10 percent from 2007, and gasoline, diesel, and heating oil prices may rise 8, 10 and 12 percent, respectively. Farm fertilizer prices will be up 7-9 percent in 2008, as wholesale natural gas prices rise in 2008. The macroeconomic picture has deteriorated from late 2007 as growth in 2008 in the U.S., Japan, and Asia is slower than previously expected. Strong but slower growth in China should limit the size of the slowdown in non-Japanese East Asian growth, which would be expected from a U.S. growth slowdown.

U.S. growth will slow in 2008 due to a sharp decline in housing construction due to falling home real estate sales and financial market disturbances due to difficulties in sub-prime mortgages and high energy prices. Adjustments to the financial and housing situation are expected to continue into 2009, despite lower interest rates. Rising farm and nonfarm exports will be growth areas in 2008. China's GDP is expected to grow 10.5 percent in 2008, bringing growth in the rest of East Asia to 4.5 percent. The rest of Asia is slated to grow over 5 percent, with India growing more rapidly, somewhat below prior expectations. Strong international goods trade continues to support near-trend world growth and good growth supports surging trade, continuing a cycle beginning in 2003. This robust trade growth will likely overcome the drag of industrial material prices and greater financing difficulties in keeping the impact of the growth slowdowns in Europe and North America modest, particularly on developing economies.

The dollar exchange rate is an important determinant of agricultural trade. Relative to 2007, the dollar, adjusted for relative inflation rates, is expected to depreciate 7 percent against the euro, 6 percent against the yuan, and 8 percent against the Brazilian real in 2008. The dollar is forecast to be up 2 percent versus the yen, unchanged against the Canadian dollar, down 2 percent against the Mexican peso, and down 6 percent against the Argentinean peso. The weaker dollar will partly offset the impact of slowing world growth on U.S. exports.

Compared with the November forecast, the economic environment is now perceived as positive to U.S. farm exports as the rest of the world's growth weakens modestly and the U.S. dollar is weaker in most major markets. The oil market appears to have had only modest economic effects on most major U.S. trading partners, with Canada (as a major energy exporter) better off than expected given the large amount of trade with the United States.

The likelihood of recent financial market volatility and continued high energy and input prices triggering a larger slowdown in world growth is modest.

Export Products

The fiscal 2008 forecast for grain and feed exports is raised to a record \$32.7 billion, up \$5.2 billion from the November forecast and \$8.5 billion above last year. The revision is mostly due to surging unit values for wheat and coarse grains, reflecting reduced competitor exportable supplies and strong demand. The forecast for fiscal 2008 wheat exports is up \$2.6 billion to \$10.1 billion, and mostly reflects higher unit value although volume is also increased. U.S. wheat shipments have started to slow in the last few months as many buyers bought ahead in the fall. Sales are also slowing due to limited exportable U.S. supplies and other competitors entering the market such as Kazakhstan, Argentina, and Australia.

The forecast for coarse grain exports is raised to 70 million tons, up 2 million tons since November due mostly to higher unit value. Corn and sorghum exports are up \$2.4 billion from November. Coarse grain exports are forecast at 14.1 billion, \$4.3 billion above last year's level. While competitor exportable supplies of corn and other feed grains are limited, U.S. supplies have remained ample due to a record corn crop. Record prices have not yet had any significant dampening effect on importers. In addition, Argentina's corn export registration ban, now in place for nearly one year, allowed the United States to sell to nontraditional corn importers. China's corn exports have remained minimal. With much higher sales than last year, the forecast for sorghum exports is unchanged from November; higher imports from the EU offset lower demand from Mexico.

Rice exports are unchanged at 3.8 million tons, but higher unit value boosts sales \$100 million to \$1.7 billion. Stronger sales to Saudi Arabia and Turkey more than offset an expected slowdown to Mexico and countries in Central America, which completed purchases earlier in anticipation of further price increases.

The fiscal 2008 export forecast for oilseeds and products is a record \$18.9 billion, up \$2.6 billion from the November estimate and \$5.2 billion higher than fiscal 2007. The revision is mostly due to higher unit values for soybeans (although volume is also raised), but soybean meal and oil forecasts are raised as well. Compared with last year, soybean export volume is still forecast 2.9 million tons lower, but unit values are much higher, reflecting strong demand for feed and non-feed uses. Soybean exports are raised \$1.5 billion since November to \$11.9 billion, or \$3.4 billion above last year. Growing sales to China, which are expected to top 40 percent of U.S. exports, continue to drive export volume. Meal shipments are increased on improved sales to Asia, while rising soybean oil exports are attributed to China and North Africa.

The forecast for fiscal 2008 cotton exports is lowered \$200 million from the November estimate to \$5.6 billion, but still remains a record. This reduction is due to lower export volume and reflects decreased import demand and greater export competition since November, making it more difficult for the United States to reduce its large carryover stocks. The revised estimate is the result of a 2 percent decrease in forecast world consumption due to lower mill use in China, Pakistan, India, and Turkey. These four markets accounted for nearly 60 percent of U.S. exports last year. Since November, estimates of more production and less consumption in India have expanded exportable supplies in competition with U.S. cotton.

Exports of livestock, poultry, and dairy products are forecast at a record \$18 billion in fiscal 2008, up \$900 million from the November estimate and \$1.7 billion higher than last year. Increased pork and broiler meat shipments and higher prices for animal fats account for most of the change since November. Beef shipments are noticeably higher than last year, but there is little change in the U.S. beef export forecast as traders continue to face BSE-related restrictions in Asian and other markets.

Pork exports are raised 140,000 tons since November to a record 1.2 million tons. Expanding pork shipments are supported by abundant domestic supplies, a competitive dollar, and firm demand from key importers Japan and Canada. The revised poultry meat forecast reflects higher broiler shipments and unit value due to firm foreign demand resulting from the weaker dollar. Shipments to key markets Russia and China should continue strong. The forecast for animal fats is raised mostly due to higher unit value as prices rise in vegetable oil markets.

Horticultural product exports are increased \$1.1 billion from November to a record \$19.7 billion, up \$1.8 billion from last year. This outlook is supported by a competitive dollar and strong foreign demand for healthful and convenience foods. In general, export value is rising on both volume gains and higher unit value, and sales are surging to our top market Canada. Fresh fruits and vegetables are forecast at a record \$5.1 billion, up \$200 million from the previous forecast. A larger orange crop more than offsets some decline in grapefruit production. California's orange crop is projected to increase 40 percent over last year's crop to 2.1 million tons. Deciduous fruit export value is forecast higher mainly due to higher table grape and pear shipments and a tighter apple market, which should raise apple prices. Mexico and Canada, our largest pear markets, are more than offsetting weaker apple shipments to the United Kingdom. Fresh vegetable exports are forecast higher due to strong growth to Canada and emerging markets like Taiwan.

Processed fruit and vegetables are forecast to reach a record \$5 billion in fiscal 2008, up \$500 million from November. Food service chains and strong demand for fruit juices, dried fruit, and frozen fruits and vegetables support this expansion. Florida's orange crop, which is used for juice, is expected to be 29 percent larger than last year's hurricane-damaged crop, up to 6.8 million tons.

Whole and processed tree nuts are forecast at \$3.3 billion, up \$300 million from the previous forecast. Year-to-date almond export volume, mostly to the EU, is well above trend and expected to reach a new record with a record harvest in 2007. Almond prices, which fell in 2006 and 2007, should remain relatively firm as stocks are somewhat lower. The walnut crop is smaller than last year's crop, and prices are expected to remain strong. Almond exports to the EU continue to increase with the implementation of the Voluntary Aflatoxin Sampling Plan. Other horticultural products including wine, essential oils, and miscellaneous food preparations are all forecast higher.

Table 2--U.S. agricultural exports: Value and volume by commodity, 2006-2008

Commodity	October-December		Fiscal year 2007	Forecast Fiscal 2008	
	2006	2007		Nov.	Feb.
	VALUE	<i>---Billion dollars---</i>			
Grains and feeds 1/	5.293	8.940	24.175	27.5	32.7
Wheat 2/	1.106	3.071	6.365	7.5	10.1
Rice	0.285	0.405	1.279	1.6	1.7
Coarse grains 3/	2.384	3.537	9.794	11.7	14.1
Corn	2.191	3.024	8.922	10.2	12.4
Feeds and fodders	0.806	1.032	3.489	3.9	4.1
Oilseeds and products 4/	4.242	6.253	13.669	16.3	18.9
Soybeans	2.967	4.488	8.483	10.4	11.9
Soybean meal 5/	0.465	0.681	1.933	2.2	2.9
Soybean oil	0.158	0.309	0.611	0.7	1.0
Livestock, poultry, and dairy	3.895	5.100	16.342	17.1	18.0
Livestock products	2.615	2.988	10.106	10.8	11.4
Beef and veal 6/	0.420	0.531	1.894	2.4	2.3
Pork 6/	0.693	0.819	2.625	2.7	3.1
Beef and pork variety meats 6/	0.207	0.266	0.830	0.8	1.0
Hides, skins, and furs	0.490	0.496	2.159	2.3	2.1
Poultry and products	0.825	1.143	3.777	3.7	4.0
Broiler meat 6/ 7/	0.523	0.783	2.477	2.4	2.7
Dairy products	0.455	0.970	2.459	2.6	2.6
Tobacco, unmanufactured	0.401	0.466	1.144	1.1	1.3
Cotton	0.592	0.876	4.294	5.8	5.6
Seeds	0.276	0.353	0.946	1.0	1.2
Horticultural products 8/	4.826	5.348	17.911	18.6	19.7
Fruits and vegetables, fresh	1.211	1.380	4.776	4.9	5.1
Fruits and vegetables, processed 8/	1.086	1.257	4.402	4.5	5.0
Tree nuts, whole and processed	1.040	1.160	2.938	3.0	3.3
Sugar and tropical products 9/	0.854	1.004	3.455	3.7	3.7
Major bulk products 10/	22.644	12.843	31.359	38.0	44.7
Total 11/	20.382	28.342	81.947	91.0	101.0
VOLUME	<i>---Million metric tons---</i>				
Wheat 2/	5.541	9.711	28.718	28.7	31.0
Rice	0.783	0.966	3.317	3.8	3.8
Coarse grains 3/	15.773	19.888	59.104	68.0	70.0
Corn	14.567	17.267	54.095	60.0	62.0
Feeds and fodders	2.762	3.220	11.655	12.1	12.4
Soybeans	11.746	11.247	30.319	26.5	27.4
Soybean meal 5/	2.092	2.126	7.971	7.5	7.9
Soybean oil	0.256	0.328	0.857	0.7	0.9
Beef and veal 6/	0.101	0.123	0.442	0.5	0.5
Pork 6/	0.275	0.322	1.004	1.1	1.2
Beef and pork variety meats 6/	0.130	0.154	0.506	0.5	0.6
Broiler meat 6/ 7/	0.637	0.731	2.525	2.5	2.7
Tobacco, unmanufactured	0.062	0.069	0.180	0.2	0.2
Cotton	0.436	0.590	3.104	3.6	3.4
Major bulk products 10/	34.342	42.472	124.743	130.8	135.8

Total may not add due to rounding.

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.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

Regional Exports

Much of the \$10 billion increase in the forecast is being driven by broadly higher export prices, so USDA has raised its 2008 forecast to virtually every regional market. The forecast for U.S. agricultural exports has been increased to Asia (up \$2.8 billion), Africa (up \$1.9 billion), North America (up \$1.8 billion), Middle East (up \$1.4 billion), Latin America (up \$800 million), EU-27 (up \$700 million), and the Former Soviet Union (up \$500 million).

Asia

U.S. agricultural exports to Asia in 2008 are forecast at a record \$35 billion, up \$2.8 billion from the November forecast and \$5.7 billion higher than 2007. Much of the upward revision is due to stronger expected exports to Japan (up \$600 million), China (up \$600 million), and Southeast Asia (up \$1 billion, primarily due to an improved outlook for the Philippines and Indonesia). For 2008, Asia is expected to account for almost 35 percent of total U.S. agricultural exports, down slightly from its share in 2007.

U.S. exports to China are forecast to reach a record \$8.4 billion, up \$600 million from the previous forecast and almost \$1.4 billion from 2007 levels. Much of the improved outlook is due to an increase in expected sales of soybeans and a wide variety of high value products. China continues to be the world's largest and fastest growing soybean importer with total imports forecast to reach 34 million tons in 2008, an increase from the previous forecast and 18 percent, or 5.3 million tons, higher than 2007 levels. This—coupled with the U.S. being China's largest foreign supplier and historically high U.S. export prices—means the value of U.S. soybean exports will significantly exceed previously projected levels and comfortably reach new record highs. Likewise, exports of U.S. consumer-oriented high value products to China continue to expand at impressive rates. In 2007, exports reached a record high of almost \$1 billion, up 44 percent from the previous year. With China's economy expected to be among the fastest growing in the world in 2008, the country's rapidly growing middle class should boost U.S. high value exports by a comparable amount this year, led by higher sales of poultry meat, red meats, and dairy products.

U.S. exports to Japan are forecast to reach \$11 billion in 2008, up \$600 million from the previous forecast and the highest since the Asian financial crisis in 1997. Much of this increase in export value is due to higher expected commodity prices in 2008, which boosts the value of major bulk commodity exports such as soybeans, corn, and wheat. In addition, Japan is a major export market for U.S. high value products. For 2008, exports of these products are expanding faster than previously expected—benefiting from a growing Japanese economy and a stronger yen. This is boosting Japanese consumers' purchasing power and increasing the competitiveness of a wide range of U.S. high value exports such as meats, horticultural products, and processed foods and beverages.

Fiscal 2008 exports to Southeast Asia are forecast to reach \$5.8 billion, up \$1 billion from the previous forecast and up \$1.5 billion from 2007 levels. Most of the gain is due to revisions for the Philippines (up \$400 million) and Indonesia (up \$300 million). Likewise, exports to Vietnam are expanding rapidly. In fact, Vietnam is the fastest growing market in the region, and for 2008, exports should exceed \$500 million. Wheat, soybeans, cotton, feeds and fodders, and a wide

variety of consumer-oriented high value products (particularly dairy products) dominate U.S. agricultural exports to Southeast Asia. For 2008, U.S. exports of these products are expected to benefit from continued strong growth in consumer incomes and a growing middle class plus local currencies which have appreciated significantly against the U.S. dollar over the past two years.

Europe, Africa, and the Middle East

U.S. agricultural exports to the markets in this region in 2008 are forecast at \$25 billion, up \$4.6 billion from the previous forecast and up \$6.8 billion from 2007. Like Asia, the revisions since November are broad-based with all major markets being revised higher—Middle East (up \$1.4 billion), North Africa (up \$1.2 billion), Sub-Saharan Africa (up \$700 million), EU-27 (up \$700 million), and Russia (up \$500 million). For 2008, these markets are expected to account for roughly 25 percent of total U.S. agricultural exports, up from 22 percent in 2007.

Upward revisions in 2008 forecasts have been particularly noteworthy for the Middle East and North Africa with export strength across the board in bulk commodities (particularly grains) and high value products. Exports to this region are typically dominated by sales to Egypt, Turkey, and Saudi Arabia. Fiscal 2008 exports to Egypt are projected to reach \$2.2 billion (up \$400 million from the previous forecast), while exports to Turkey are forecast to reach \$1.8 billion (up \$300 million) and exports to Saudi Arabia reach the \$1 billion mark (up \$400 million)—with all three markets easily reaching new record highs. However, other markets in the region are also expected to do well. USDA does not provide specific forecasts for any other markets in the Middle East and North Africa. However, based on export performance in the first quarter of the fiscal year, 2008 is shaping up to be a particularly strong year for U.S. agricultural exports to Morocco, Algeria, Iraq, and Israel.

Western Hemisphere

U.S. agricultural exports to Western Hemisphere markets in 2008 are forecast at a record \$39.7 billion, up \$2.6 billion from the previous forecast and up \$6.5 billion from 2007. While there have been revisions in the export forecasts across most of the markets in the region, 70 percent of the increase is due to higher expected shipments to Canada and Mexico. For 2008, exports to Western Hemisphere markets are expected to account for almost 40 percent of total U.S. agricultural exports, down slightly from 2007.

Canada and Mexico are the United States' top two markets worldwide. Exports to both are forecast to continue the impressive growth shown over the past 15 years. Exports are forecast to reach a combined \$30.2 billion in 2008—up \$1.8 billion from November and up almost \$5 billion from 2007. This means that our two NAFTA partners currently account for 30 cents out of every dollar in worldwide U.S. agricultural exports—up from just 20 cents on the dollar when NAFTA went into effect 15 years ago. Exports to Canada are projected to reach a record \$15.7 billion, up \$1 billion from the previous forecast and up \$2.5 billion from 2007, due largely to higher exports of meats, horticultural products, and corn. Exports to Mexico are forecast to reach \$14.5 billion in 2008, up \$800 million from the previous forecast and up \$2.2 billion from 2007, due largely to increased exports of wheat, soybeans (including products), dairy products, and fresh fruit.

Table 3--U.S. agricultural exports: Value by region, 2006-2008

Country and region 1/	October-December		Fiscal year 2007	Forecast Fiscal 2008	
	2006	2007		Nov.	Feb.
<i>---Billion dollars---</i>					
Asia	7.210	10.243	29.321	32.2	35.0
East Asia	6.013	8.292	23.952	26.3	28.0
Japan	2.303	2.714	9.693	10.4	11.0
China	1.980	3.243	7.051	7.8	8.4
Hong Kong	0.311	0.397	1.082	1.3	1.4
Taiwan	0.726	0.906	2.932	3.3	3.5
South Korea	0.691	1.030	3.178	3.5	3.7
Southeast Asia	1.002	1.633	4.338	4.8	5.8
Indonesia	0.290	0.458	1.375	1.5	1.8
Philippines	0.229	0.391	0.950	1.1	1.5
Malaysia	0.100	0.154	0.508	0.6	0.7
Thailand	0.227	0.310	0.786	1.0	1.1
South Asia	0.195	0.319	1.031	1.1	1.2
Western Hemisphere	8.021	10.054	33.145	37.1	39.7
North America	6.201	7.392	25.516	28.4	30.2
Canada	3.109	3.907	13.206	14.7	15.7
Mexico	3.093	3.486	12.311	13.7	14.5
Caribbean	0.614	0.803	2.399	2.9	2.9
Central America	0.551	0.737	2.187	2.4	2.6
South America	0.656	1.122	3.042	3.4	4.0
Brazil	0.068	0.104	0.375	0.4	0.5
Colombia	0.276	0.383	1.115	1.4	1.5
Venezuela	0.096	0.181	0.518	0.6	0.8
Europe/Eurasia	2.960	3.963	9.824	11.0	12.3
European Union-27 2/	2.562	3.279	8.053	8.9	9.6
Other Europe 3/	0.093	0.154	0.331	0.4	0.5
FSU-12 4/	0.304	0.529	1.440	1.7	2.2
Russia	0.230	0.436	1.122	1.3	1.8
Middle East	1.027	1.763	4.224	4.7	6.1
Turkey	0.266	0.392	1.363	1.5	1.8
Saudi Arabia	0.100	0.273	0.537	0.6	1.0
Africa	0.835	1.785	4.246	4.7	6.6
North Africa	0.523	1.152	2.628	2.9	4.1
Egypt	0.309	0.465	1.645	1.8	2.2
Sub-Saharan Africa	0.312	0.633	1.619	1.8	2.5
Oceania	0.221	0.285	0.899	1.0	1.0
Transshipments via Canada 5/	0.108	0.248	0.288	0.3	0.3
Total	20.382	28.342	81.947	91.0	101.0

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.

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.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

Import Products

Like a large locomotive that is slowing, it may take some time before U.S. agricultural import growth significantly reduces pace after averaging 11 percent since 2003 and 9 percent in 2007. Although import volume growth slowed from 8 percent in 2006 to 5 percent in 2007 and is expected to slow further in 2008, the price escalation of most farm products over the past year will raise the value of U.S. agricultural imports to an estimated \$76.5 billion in fiscal year 2008. Despite higher food and fuel prices, sluggish domestic economic activity and the weak dollar, Americans' eating habits and choices will keep food products flowing in at a brisk pace.

Although grains, feeds, grain products, oilseeds, and oilseed products collectively amount to only 16 percent of the \$76.5 billion import bill, their projected \$2.4-billion gain in 2008 represents 37 percent of the overall \$6.5-billion import increase from 2007. The \$2.6 billion additional imports of horticultural crops and products in 2008 contribute 40 percent of the total import gain. And close to two-thirds of the \$2.6 billion additional horticulture imports are fruits and vegetables. Thus, the bulk of U.S. agricultural import gains in 2008 is from crop products, not livestock or dairy products, which are expected to increase by only \$300 million from 2007.

About \$1.7 billion of the horticulture import gain in 2008 is from fruits and vegetables and \$400 million from wine and beer. Although imported wine and beer have consistently increased in both volume and value each year, American per capita consumption has stabilized between 23.7 and 23.8 gallons annually, down from 26 to 27 gallons in the early 1980s. On average, Americans consume close to 800 pounds of fruits, nuts, and vegetables per capita per year, which represents 36 percent of total annual per capita food consumption of 2,230 pounds. Of this consumed amount of fruits and vegetables, 183 pounds or 23 percent are imported. For wine and beer, the combined import share of U.S. consumption is 20 percent.

Imports of beef and veal for 2008 are reduced to \$3.2 billion from \$3.6 billion in November due to 140,000 fewer tons of expected foreign shipments. The strong Canadian dollar and higher U.S. cattle slaughter rate have discouraged import demand for beef. Also, pork imports were reduced by 25,000 tons, which amounts to an \$80-million decline. Instead, imported pork is partly supplanted by more shipments of slaughter hogs from Canada. A record 11 million head of Canadian swine are expected due to disincentives to slaughter hogs and process meat in Canada, including higher feed costs, a less competitive meat processing sector, and the higher exchange rate. As the number of swine shipments is more than offset by lower beef and pork imports, total livestock and meat import value drops by about \$300 million. Nevertheless, the estimated \$8.9 billion import value for livestock and meats in 2008 is unchanged from the 2007 amount. When dairy products are added to the total, however, the import value for all animal products rises \$300 million from more imported cheese and other dairy products.

Because U.S. wheat production is projected up 14 percent in 2008, wheat import volume is expected to decline 26 percent. However, since imported wheat prices are 50-percent higher than in the past year, the value of wheat imports is anticipated to rise 15 percent. Although rice import volume is projected up 4 percent in 2008, a 15-percent price hike will boost import value by 20 percent. Higher prices for imported feed grains—up 30 percent on average—plus the 12-percent larger import

volume will likewise boost import value by around 40 percent. Wheat products and other food grain products drive the \$300-million projected increase in imported processed grain products. Bulk grain imports add another \$200 million, plus \$100 million for feeds and fodders.

The \$1.6-billion jump in imports of oilseed products is attributed to higher prices of tropical oils and larger expected shipments. Import value of oilseeds and products is estimated to be up by 21 percent from 2006, largely due to a 48-percent jump in vegetable oils. Prices of coffee and cocoa beans, as well as rubber and natural gums, are higher in 2007 than in 2006, whereas sugar prices are lower. The prices of imported palm oil, palm kernel oil, and coconut oil were up 44 percent, 60 percent, and 66 percent, respectively, in 2007. Import volume of oilseeds and products is estimated to be up by 14 percent from 2006, largely due to a similar jump in vegetable oil shipments. Prices of other tropical imports, however, such as coffee and cocoa beans and products, sugar, rubber, and gums have been volatile in the past year. The lower import volumes of cocoa and coffee beans thus far are offset by higher prices such that they help drive the import value of tropical crops. Overall, the average prices for imported food, feeds, and beverages were up 8 percent in 2007. The prices of imported commodities in 2007 will impact import values during at least the first half of fiscal 2008 due to the time gap between order and shipment dates.

Table 4--U.S. agricultural imports: Value and volume by commodity, fiscal years 2006-2008

Commodity	October-December		Fiscal year	Forecast	
	2006	2007	2007	Fiscal year 2008	
				Nov.	Feb.
VALUE	---Billion dollars---				
Livestock, dairy, & poultry	3.071	3.371	12.021	12.3	12.3
Livestock and meats	2.264	2.402	8.906	9.2	8.9
Cattle and calves	0.476	0.675	1.698	1.8	1.8
Swine	0.159	0.166	0.646	0.6	0.7
Beef and veal	0.803	0.704	3.386	3.6	3.2
Pork	0.313	0.289	1.211	1.2	1.2
Dairy products	0.707	0.854	2.653	2.7	3.0
Cheese	0.322	0.353	1.077	1.1	1.2
Grains and feed	1.490	1.762	5.993	6.6	6.8
Grain products	1.019	1.145	3.917	4.2	4.3
Oilseeds and products	0.902	1.325	4.018	4.8	5.6
Vegetable oils	0.633	0.939	2.774	3.5	4.1
Horticulture products	7.660	8.264	32.391	35.2	35.0
Fruits, fresh	1.097	1.165	5.406	6.0	5.8
Fruits, processed	0.725	0.888	3.418	4.0	4.1
Fruit juices	0.316	0.426	1.618	2.0	2.1
Nuts and preparations	0.291	0.336	1.079	1.2	1.2
Vegetables, fresh	0.938	1.020	4.165	4.4	4.5
Vegetables, processed	0.781	0.853	3.149	3.4	3.4
Wine	1.239	1.353	4.544	4.8	4.8
Malt beer	0.927	0.843	3.686	4.0	3.8
Essential oils	0.582	0.631	2.427	2.5	2.5
Cut flowers & nursery stock	0.363	0.380	1.531	1.6	1.6
Sugar & tropical products	3.460	3.712	14.141	15.0	15.1
Cane and beet sugar	0.215	0.232	0.814	0.9	0.9
Confections 1/	0.319	0.318	1.221	1.3	1.3
Cocoa and chocolate 1/	0.692	0.725	2.593	2.7	2.7
Coffee beans & products	0.811	0.927	3.654	3.8	3.9
Rubber, natural	0.499	0.531	2.087	2.2	2.2
Other imports 2/	0.277	0.327	1.472	1.6	1.7
Total agricultural imports	16.860	18.760	70.037	75.5	76.5
VOLUME	---Million metric tons---				
Wine 3/	0.235	0.235	0.869	1.0	0.9
Malt beer 3/	0.889	0.802	3.535	3.7	3.5
Fruit juices 3/	1.025	1.206	4.794	4.5	4.9
Cattle and calves 4/	0.696	0.892	2.320	2.6	2.6
Swine 4/	2.338	2.869	9.474	9.7	11.0
Beef and veal	0.235	0.203	1.026	1.1	1.0
Pork	0.108	0.098	0.424	0.4	0.4
Fruits, fresh	1.868	1.910	8.791	9.3	9.2
Fruits, processed 5/	0.323	0.340	1.442	1.5	1.5
Vegetables, fresh	0.987	1.109	4.384	4.6	4.8
Vegetables, processed 5/	0.761	0.757	2.954	3.2	3.0
Vegetable oils	0.644	0.799	2.637	2.8	3.1
Cocoa and chocolate	0.301	0.274	1.140	1.4	1.2
Coffee beans	0.326	0.312	1.370	1.5	1.4
Rubber, natural	0.224	0.248	1.005	1.0	1.1

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.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

Regional Imports

The largest source of imported grains, grain products, and feeds is Canada, supplying 3 times more than the European Union. For oilseeds and products, 36 percent of imports are shipped from Canada, and 21 percent are supplied by the EU. With respect to imported dairy products, however, the EU is the principal source, shipping as much as the next top sources (New Zealand and Canada) combined. And because of tropical oil price inflation, Malaysia, the Philippines, and Indonesia are among the chief import sources of oilseed products.

Among the major suppliers of U.S. agricultural imports, China ranks first in the pace of shipments—24 percent on average in value annually over the past 5 years. Nevertheless, it still lags far behind Mexico, which supplies the U.S. with more than 3 times the products. Fishery and horticultural products are China's leading food exports to the U.S., combining for 71 percent of total shipment value. Among the other major sources of U.S. imports after China are Australia, Brazil, Indonesia, Chile, and New Zealand. The next tier of suppliers includes Colombia, Thailand, Costa Rica, India, and Guatemala. The higher prices of many tropical crops, especially vegetable oils, offset to a large extent the dollar's lower exchange rate.

Table 5--U.S. agricultural imports: Value by region, fiscal years 2006-2008

Country and region	October-December		Fiscal year 2007	Share of total 2007 <i>Percent</i>	Forecast Fiscal 2008	
	2006	2007			Nov.	Feb.
	--- Billion ---				--- Billion ---	
Western Hemisphere	8.614	9.560	37.073	52.9	39.5	39.9
Canada	3.636	4.181	14.701	21.0	15.7	15.8
Mexico	2.170	2.424	9.916	14.2	10.3	10.4
Central America	0.570	0.663	3.112	4.4	3.4	3.4
Costa Rica	0.229	0.252	1.214	1.7	1.3	1.3
Guatemala	0.182	0.221	1.028	1.5	1.1	1.1
Other Central America	0.159	0.190	0.869	1.2	1.0	1.0
Caribbean	0.085	0.085	0.451	0.6	0.5	0.5
South America	2.153	2.208	8.893	12.7	9.6	9.8
Brazil	0.625	0.745	2.525	3.6	2.7	2.8
Chile	0.340	0.258	1.922	2.7	2.2	2.2
Colombia	0.375	0.396	1.519	2.2	1.6	1.6
Other South America	0.813	0.810	2.928	4.2	3.1	3.2
Europe and Eurasia	4.134	4.450	15.544	22.2	16.4	16.4
European Union-27 1/	3.998	4.298	14.987	21.4	15.7	15.7
Other Europe	0.120	0.126	0.490	0.7	0.6	0.6
Asia	2.480	3.058	10.813	15.4	12.6	13.2
East Asia	0.895	1.018	3.766	5.4	4.5	4.6
China	0.636	0.754	2.800	4.0	3.4	3.5
Other East Asia	0.259	0.264	0.965	1.4	1.1	1.1
Southeast Asia	1.291	1.678	5.834	8.3	6.7	7.2
Indonesia	0.440	0.583	1.939	2.8	2.3	2.5
Thailand	0.343	0.352	1.498	2.1	1.6	1.6
Other Southeast Asia	0.508	0.743	2.398	3.4	2.8	3.0
South Asia	0.294	0.362	1.213	1.7	1.4	1.4
India	0.263	0.332	1.094	1.6	1.2	1.2
Oceania	1.059	1.125	4.399	6.3	4.5	4.5
Australia	0.680	0.704	2.608	3.7	2.7	2.7
New Zealand	0.353	0.386	1.700	2.4	1.7	1.7
Africa	0.387	0.351	1.392	2.0	1.6	1.6
Sub-Saharan	0.353	0.307	1.178	1.7	1.4	1.4
Ivory Coast	0.161	0.128	0.482	0.7	0.6	0.6
Middle East	0.186	0.217	0.816	1.2	0.9	0.9
Turkey	0.113	0.139	0.478	0.7	0.6	0.6
Total	16.860	18.760	70.037	100.0	75.5	76.5

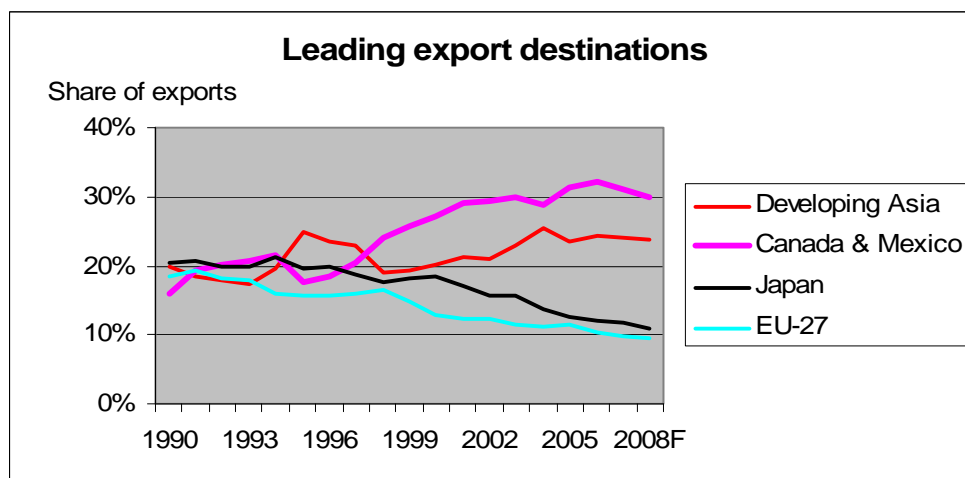
Totals may not add due to rounding.

1/ The former EU-25 plus Romania and Bulgaria who acceded in January 2007.

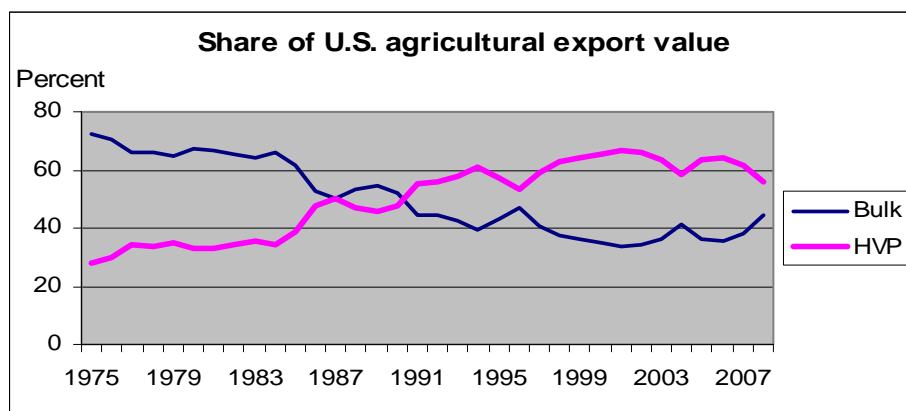
Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

Top Trading Partners Have Changed Dramatically

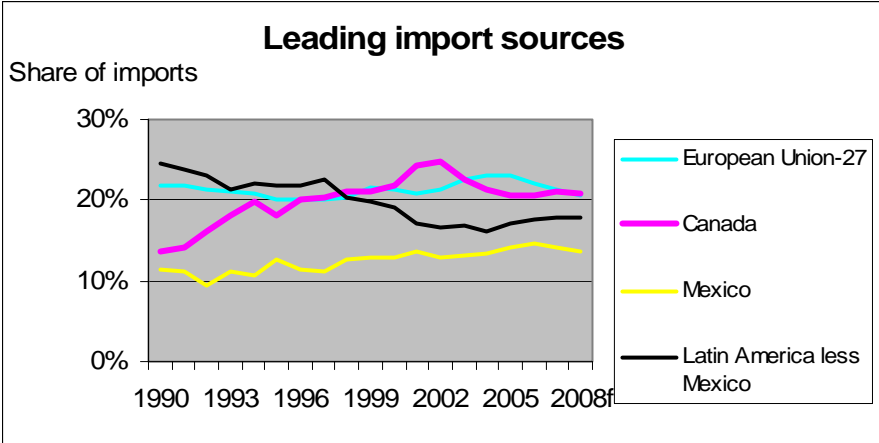
U.S. agricultural exports continue climbing to new highs. A new record has been set each of the last 5 years, with indications that growth will continue. A number of factors underlie these developments. Foreign economic growth, particularly in developing countries, is essential for strong trade demand. Also, a lower dollar makes U.S. exports less expensive in foreign markets. Since 1990, the leading destinations for U.S. exports have changed tremendously. Japan and the European Union were historically our top markets, but the share of U.S. exports going to these markets has been declining since the mid 1990s. The inception of NAFTA in 1994 led to tremendous growth in exports to Canada and Mexico, which have since become our leading destination markets. Growth in exports to developing Asia is also trending upward, with a dip in 1997-99 related to the Asian financial crisis.



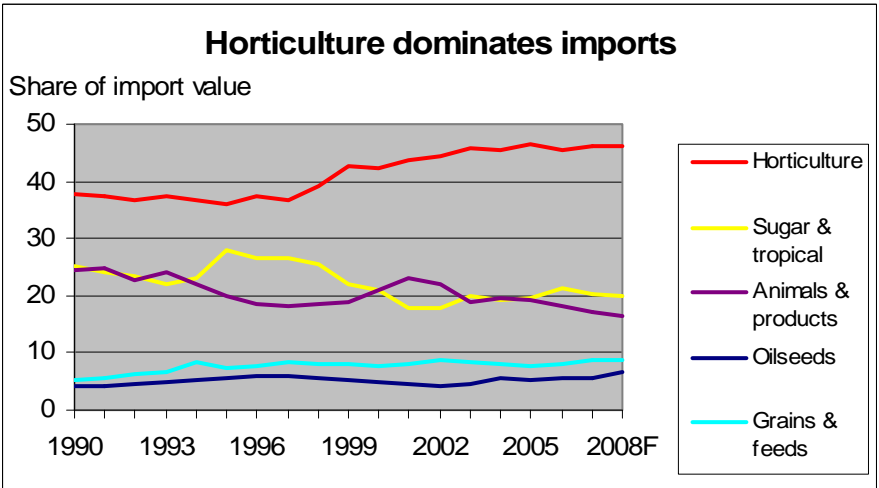
Some of the shift is related to policy, some is related to demand growth. Historically, bulk products were the predominant exports, but in 1991 high-value product exports exceeded bulk exports for the first time. High-value product values have continued to climb since then and have exceeded bulk exports ever since. For example, part of the shift is moving from soybeans to soybean oil. The soybean oil share of all agricultural exports has risen 14 percent since 1990, on average, while the share of soybean exports has risen less than 1 percent. There has also been a large increase in shares for dairy products, poultry, and red meat exports. Fruits, nuts, and vegetables are also up 6 percent from 1990.



The value of U.S. agricultural imports has been growing steadily since 1988. Latin America (other than Mexico) was the leading source of our imports, but its share has declined over time. Imports from the EU have been mostly steady, exceeding Latin America in 1999. Imports from Mexico have risen rather steadily since 1997, but are still below the rest of Latin America. Canada has seen the most growth, becoming the leading source in 2001, only to fall back below the EU in 2003 with the emergence of bovine spongiform encephalopathy. This has now been largely resolved and trade has started to increase again. Together, our NAFTA partners have accounted for more than 30 percent of our imports since the trade agreement was signed in 1994.



Most agricultural imports are high-value products—exceeding 90 percent of import value for at least the last 3 decades. Horticulture and sugar and tropical products account for roughly 60 percent. The most dramatic increase has been for essential oils—products used in flavorings (citrus and mint oils), carbonated beverages, and personal care products—with a 16-percent increase in share since 1990. Grains and feeds have increased their share by 9 percent over time. These are mostly grain products such as biscuits, wafers, and grain products such as flours and other milled grains. Wine imports continue trending up while malt beverage imports have tapered off somewhat since 2002. Although the share of animals and products (such as wool and hides) has declined over the period, they still account for nearly 20 percent. Fruits, nuts, and vegetables have also retained a 20 percent share.



Reliability Tables

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

Commodity	Average forecast errors fiscal 2005-07					Forecast accuracy fiscal 2005-07					Forecast accuracy
	Aug ¹	Nov	Feb	May	Aug ²	Aug ¹	Nov	Feb	May	Aug ²	
Export value	Percent					"X" if error ? 5%					Percent
Grains and feeds	12	9	7	4	2	-	-	-	X	X	40
Wheat	12	9	9	7	6	-	-	-	-	-	0
Rice	8	13	13	8	5	-	-	-	-	X	20
Coarse grains	23	9	9	3	2	-	-	-	X	X	40
Corn	23	9	9	2	2	-	-	-	X	X	40
Feeds and fodders	13	9	5	7	3	-	-	X	-	X	40
Oilseeds and products	11	11	8	5	3	-	-	-	X	X	40
Soybeans	13	9	10	6	4	-	-	-	-	X	20
Soybean meal	26	25	17	15	6	-	-	-	-	-	0
Soybean oil	25	31	14	6	6	-	-	-	-	-	0
Livestock, poultry, and dairy	15	10	7	6	3	-	-	-	-	X	20
Livestock products	13	8	5	4	2	-	-	X	X	X	60
Beef and veal	27	21	7	12	6	-	-	-	-	-	0
Pork	12	2	2	4	2	-	X	X	X	X	80
Beef and pork variety meats	13	6	0	0	5	-	-	X	X	X	60
Hides, skins, and furs	13	8	6	3	0	-	-	-	X	X	40
Poultry and products	13	11	10	7	5	-	-	-	-	X	20
Broiler meat	12	13	9	9	3	-	-	-	-	X	20
Dairy products	24	19	12	12	5	-	-	-	-	X	20
Tobacco, unmanufactured	0	3	6	6	3	X	X	-	-	X	60
Cotton	14	14	7	6	1	-	-	-	-	X	20
Planting seeds	7	4	4	4	0	-	X	X	X	X	80
Horticultural products	4	4	1	1	0	X	X	X	X	X	100
Fruits and vegetables, fresh	4	4	2	2	2	X	X	X	X	X	100
Fruits & veget., processed	6	6	4	5	2	-	-	X	X	X	60
Tree nuts	14	11	6	5	2	-	-	-	X	X	40
Sugar and tropical products	9	8	4	2	1	-	-	X	X	X	60
Major bulk products	5	6	6	2	1	X	-	-	X	X	60
Total agricultural exports	9	7	5	4	2	-	-	X	X	X	60
Average error & accuracy	13	10	7	5	3	14%	17%	34%	55%	86%	41
Export volume											
Wheat	9	7	7	5	4	-	-	-	X	X	40
Rice	9	12	9	3	2	-	-	-	X	X	40
Coarse grains	9	8	7	2	2	-	-	-	X	X	40
Corn	10	9	8	3	2	-	-	-	X	X	40
Feeds and fodders	5	16	3	5	2	X	-	X	X	X	80
Oilseeds and products	11	11	3	0	1	-	-	X	X	X	60
Soybeans	6	7	5	4	2	-	-	X	X	X	60
Soybean meal	21	16	14	7	4	-	-	-	-	X	20
Soybean oil	27	23	14	7	13	-	-	-	-	-	0
Beef, pork, other red meats	15	12	6	3	3	-	-	-	X	X	40
Beef and veal	17	29	13	0	0	-	-	-	X	X	40
Pork	10	0	10	5	0	-	X	-	X	X	60
Beef and pork variety meats	20	0	0	0	7	-	X	X	X	-	60
Broiler meat	6	6	1	4	3	-	-	X	X	X	60
Tobacco, unmanufactured	0	0	0	0	0	X	X	X	X	X	100
Cotton	15	11	8	5	3	-	-	-	X	X	40
Major bulk products	3	1	3	2	2	X	X	X	X	X	100
Average error & accuracy	11	10	7	3	3	18%	24%	41%	88%	88%	52

¹ Forecast made for following fiscal year, with 15 months out. ² Forecast made for current fiscal year, with 3 months remaining in current fiscal year. - = Error exceeds 5 percent.

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

Country/region	Average forecast errors fiscal 2005-07					Forecast accuracy fiscal 2005-07					Forecast accuracy
	Aug ¹	Nov	Feb	May	Aug ²	Aug ¹	Nov	Feb	May	Aug ²	
Export value	Percent					"X" if error ? 5%					Percent
Asia	10	7	7	4	1	-	-	-	X	X	50
East Asia	8	7	8	3	1	-	-	-	X	X	50
Japan	14	5	4	3	2	-	X	X	X	X	100
China	6	17	17	3	6	-	-	-	X	-	25
Hong Kong	9	7	10	7	3	-	-	-	-	X	25
Taiwan	14	13	13	10	5	-	-	-	-	X	25
South Korea	22	11	9	8	5	-	-	-	-	X	25
Southeast Asia	19	21	13	12	4	-	-	-	-	X	25
Indonesia	36	14	5	9	6	-	-	X	-	-	25
Philippines	20	19	12	3	8	-	-	-	X	-	25
Malaysia	0	8	0	0	0	X	-	X	X	X	75
Thailand	25	32	19	10	0	-	-	-	-	X	25
South Asia	40	24	24	20	11	-	-	-	-	-	0
Western Hemisphere	9	7	4	2	1	-	-	X	X	X	75
North America	7	6	3	1	1	-	-	X	X	X	75
Canada	6	4	3	1	1	-	X	X	X	X	100
Mexico	8	8	5	3	2	-	-	X	X	X	75
Caribbean	8	6	5	3	3	-	-	X	X	X	75
Central America	14	10	5	4	3	-	-	X	X	X	75
South America	20	11	14	11	7	-	-	-	-	-	0
Brazil	25	0	25	8	8	-	X	-	-	-	25
Colombia	18	10	4	0	3	-	-	X	X	X	75
Venezuela	20	23	8	0	15	-	-	-	X	-	25
Europe and Eurasia	15	8	3	4	4	-	-	X	X	X	75
European Union-27	19	7	5	5	4	-	-	X	X	X	75
Other Europe	100	36	29	24	24	-	-	-	-	-	0
FSU-12	21	27	19	13	12	-	-	-	-	-	0
Russia	9	13	10	13	7	-	-	-	-	-	0
Middle East	24	14	12	10	5	-	-	-	-	X	25
Turkey	29	23	16	8	8	-	-	-	-	-	0
Saudi Arabia	0	7	11	11	11	X	-	-	-	-	0
Africa	24	10	9	7	2	-	-	-	-	X	25
North Africa	38	12	11	11	5	-	-	-	-	X	25
Egypt	38	15	15	12	8	-	-	-	-	-	0
Sub-Sahara	0	7	4	9	7	X	-	X	-	-	25
Oceania	22	23	18	4	8	-	-	-	X	-	25
Transshipments via Canada	67	56	56	22	39	-	-	-	-	-	0
Average error & accuracy	21	14	12	8	6	8%	8%	35%	46%	57%	36

¹ Forecast made for following fiscal year, with 15 months out. ² Forecast made for current fiscal year, with 3 months remaining in current fiscal year. - = Error exceeds 5 percent.

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

Commodity	Average forecast errors fiscal 2005-07					Forecast accuracy fiscal 2005-07					Forecast accuracy
	Aug ¹	Nov	Feb	May	Aug ²	Aug ¹	Nov	Feb	May	Aug ²	
Import value	Percent					"X" if error ? 5%					Percent
Livestock, dairy, and poultry	9	5	7	6	2	-	X	-	-	X	40
Livestock and meats	10	6	9	7	2	-	-	-	-	X	20
Cattle and calves	22	16	21	11	4	-	-	-	-	X	20
Swine	11	9	6	6	2	-	-	-	-	X	20
Beef and veal	11	9	8	9	2	-	-	-	-	X	20
Pork	5	5	8	5	0	X	X	-	X	X	80
Dairy products	9	7	6	6	1	-	-	-	-	X	20
Grains and feed	6	6	2	2	0	-	-	X	X	X	60
Grains	11	7	7	18	4	-	-	-	-	X	20
Grain products	3	3	2	1	0	X	X	X	X	X	100
Grain products and feed	8	6	5	1	1	-	-	X	X	X	60
Oilseeds and products	15	15	8	7	3	-	-	-	-	X	20
Vegetable oils	16	15	6	10	6	-	-	-	-	-	0
Horticulture products	5	5	3	2	1	X	X	X	X	X	100
Fruits and preps., and juices	11	9	5	3	13	-	-	X	X	-	40
Fruits, fresh	14	12	8	5	2	-	-	-	X	X	40
Fruits, preserved	12	7	5	2	1	-	-	X	X	X	60
Fruit juices	13	15	8	3	2	-	-	-	X	X	40
Nuts and preparations	19	14	12	4	5	-	-	-	X	X	40
Vegetables and preparations	4	3	4	1	1	X	X	X	X	X	100
Vegetables, fresh	3	3	5	2	1	X	X	X	X	X	100
Vegetables, processed	4	3	2	2	1	X	X	X	X	X	100
Wine and malt beer	5	5	4	3	1	X	X	X	X	X	100
Wine	4	3	2	2	3	X	X	X	X	X	100
Malt beer	3	4	5	5	2	X	X	X	X	X	100
Essence oils	10	6	4	6	3	-	-	X	-	X	40
Cut flowers & nursery stock	6	5	5	0	0	-	X	X	X	X	80
Sugar and tropical products	7	9	6	4	2	-	-	-	X	X	40
Cane and beet sugar	30	31	21	6	4	-	-	-	-	X	20
Confections	8	4	4	4	4	-	X	X	X	X	80
Tobacco, unmanufactured	8	13	18	14	9	-	-	-	-	-	0
Cocoa and chocolate	14	11	13	2	3	-	-	-	X	X	40
Coffee beans and products	10	9	6	4	3	-	-	-	X	X	40
Natural rubber	19	16	21	10	4	-	-	-	-	X	20
Spices, natural drugs, tea	13	7	9	11	0	-	-	-	-	X	20
Tobacco, seeds, other veget.	16	10	16	21	3	-	-	-	-	X	20
Other imports	5	5	4	2	0	X	X	X	X	X	100
Total agricultural imports	5	4	2	1	1	X	X	X	X	X	100
Average error & accuracy	10	8	8	5	3	29%	37%	45%	61%	92%	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
Cattle and calves	7	9	29	15	10	-	-	-	-	-	0
Swine	7	6	1	4	1	-	-	X	X	X	60
Beef and veal, fresh	20	20	5	5	5	-	-	X	X	X	60
Pork, fresh	33	33	29	17	0	-	-	-	-	X	20
Fruits, fresh	4	4	3	2	1	X	X	X	X	X	100
Fruits, preserved	15	8	15	8	8	-	-	-	-	-	0
Vegetables, fresh	3	3	3	1	1	X	X	X	X	X	100
Vegetables, processed	15	15	8	8	---	-	-	-	-	-	0
Oilseeds and products	8	7	10	5	2	-	-	-	X	X	40
Vegetable oils	11	10	7	6	4	-	-	-	-	X	20
Cocoa and chocolate	11	10	12	5	5	-	-	-	X	X	40
Coffee beans	10	7	7	3	4	-	-	-	X	X	40
Rubber, natural	9	9	6	10	6	-	-	-	-	-	0
Average error & accuracy	11	10	10	6	4	12%	12%	23%	35%	42%	43

¹ Forecast made for following fiscal year, with 15 months out. ² Forecast made for current fiscal year, with 3 months remaining in current fiscal year. - = Error exceeds 5 percent. - - - = No forecast available.

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

Country/region	Average forecast errors fiscal 2005-07					Forecast accuracy fiscal 2005-07					Forecast accuracy
	Aug ¹	Nov	Feb	May	Aug ²	Aug ¹	Nov	Feb	May	Aug ²	
Import value	Percent					"X" if error ? 5%					Percent
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-27	---	6	4	4	2	---	-	X	X	X	75
Other Europe	---	31	24	15	13	---	-	-	-	-	0
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	---	29%	31%	69%	86%	55

¹ Forecast made for following fiscal year, with 15 months out. ² Forecast made for current fiscal year, with 3 months remaining in current fiscal year. - = Error exceeds 5 percent. --- = No forecast available.

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Special article – Top Trading Partners Have Changed Dramatically

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

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