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Outlook for U.S. Agricultural Trade

Records Forecast for FY 2008 Agricultural Trade; FY 2007 Export Forecast Raised

Contents

Economic Outlook
Export Products
Regional Exports
Import Products
Regional Imports
Special Article
Contact Information

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

The next release is
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Fiscal 2008 agricultural exports are forecast at a record \$83.5 billion, up \$4.5 billion from the revised 2007 estimate. Record export values are forecast across all major commodity groups. Tight global markets for bulk commodities raise unit values, and ample U.S. supplies permit increased export volumes for grains and cotton. A record corn crop and reduced competition for corn and wheat are forecast. Very large U.S. carry-over stocks and strong Chinese demand support increased cotton shipments. Horticulture exports are supported by strong foreign demand and a competitive dollar. Livestock export values rise due to volume gains for beef. China replaces the European Union as the 4th largest overseas market for U.S. agricultural products.

Fiscal 2007 agricultural exports are raised from May's forecast to a record \$79 billion. The forecast for grains is up as volume and unit value for wheat are higher than previously expected due to less competition and tighter global supply. Soybean and cotton forecasts are raised due to higher shipments in recent months. Livestock exports are adjusted upward on a sharp jump in dairy exports.

Fiscal 2008 agricultural imports are forecast at a record \$75 billion, up \$4.5 billion from the unchanged 2007 estimate. This reflects a slower rate of growth since 2003, the result of a weak dollar and the negative impacts of higher fuel prices and the housing market slump on disposable incomes and wealth. The largest gains are forecast for fresh and processed fruits, coffee beans, other tropical products, bulk grains, wine, and beer.

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

Item	2003	2004	2005	2006	Forecast		
					Fiscal 2007 May	Aug.	Fiscal 2008 Aug.
					\$ billion		
Exports	56.0	62.4	62.5	68.6	77.5	79.0	83.5
Imports	45.7	52.7	57.7	64.0	70.5	70.5	75.0
Balance	10.3	9.7	4.8	4.6	7.0	8.5	8.5

Reflects forecasts in the August 10, 2007, *World Agricultural Supply and Demand Estimates* report.

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

The World Economy and Trade

Even as U.S. gasoline prices moderate from record levels and the U.S. and world equities markets retreat sharply from record levels, the world economy is more favorable to growth in U.S. exports and farm exports than expected earlier this year. U.S. gross domestic product is expected to grow 2.1 percent in 2007, about as expected in May 2007, with growth between 3.0 and 3.1 percent in 2008. Mild growth slowdowns in Europe and Canada will keep world economic growth at 3.6 percent in 2008, up from 2007's 3.5 percent, slightly below the prior forecast. Growth in Asia, particularly China, and the transition economies is expected to be up. Crude oil prices in 2008 are expected to rise 5 to 6 percent from 2007, and gasoline, diesel, and heating oil prices may rise 3, 6, and 7 percent respectively. Farm fertilizer prices will be up 4 to 6 percent in 2008, as wholesale commercial natural gas prices rise 6 percent in 2008. The macroeconomic picture is about the same as in May except that the speedup in Chinese growth in 2008 is larger than previously expected. This growth should prevent a slowdown in Japanese growth, whose economy is closely tied to China.

U.S. growth slowed in 2007 due to a sharp decline in housing construction and services associated with falling home real estate sales, and financial market disturbances due to difficulties in sub-prime mortgages. Risk premiums rose from very low levels to more normal levels, raising the price of loans in the last five months of 2007. Rising exports will be a growth area in 2008. China's GDP is expected to grow 11.6 percent in 2008, bringing growth in East Asia to over 8 percent. The rest of Asia is slated to grow over 6.5 percent, with India growing 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 will likely overcome the drag of higher energy product prices and greater financing difficulties.

The dollar exchange rate is an important component of agricultural trade. Relative to 2007, the dollar is expected to depreciate 8 percent against the euro, 4.5 percent against the yuan, and 4 percent against the Brazilian real in 2008. The dollar is forecast to be up 2 percent versus the yen, 2 percent against the Canadian dollar, 5 percent against the Mexican peso, and 10 percent against the Argentinean peso.

Compared with the May forecast, the economic environment is now perceived as more favorable to U.S. farm exports as the rest of the world's growth is stronger and the U.S. dollar is a little weaker in several 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.

Downside Risk

The recent financial market volatility and continued high energy and commodity input prices may trigger a slowdown in world and U.S. growth beyond what is expected. However, the likelihood of such an unfavorable scenario is relatively low.

Export Products

Grain and feed exports are forecast at a record \$24.3 billion in fiscal 2008, up \$1.3 billion from the revised 2007 estimate. Larger export volumes drive the total value increase for all grains, but higher unit values for wheat and coarse grains due to tight global supplies are also a factor. An increase of 1.5 million tons coupled with higher unit value boost corn exports to \$9.3 billion. The projected record 2007/08 U.S. corn crop supports both the expansion of exports and domestic ethanol production. At the same time, the drought in Europe boosts sales opportunities for U.S. suppliers as corn from Argentina and Brazil is diverted to Europe. Sorghum exports rise \$200 million mostly due to a volume increase resulting from strong demand for non-GMO feed.

Fiscal 2008 wheat exports rise \$200 million from the 2007 estimate due to a 500,000-ton increase and higher unit values. Tight global stocks sustain prices above 2007 levels, although stronger competition from key suppliers such as Australia and Russia may constrain U.S. export growth for lower-protein wheat. Still, U.S. hard wheat may have greater export opportunities because world supplies of high-protein wheat are expected to be tight with lower Canadian and Argentine crop prospects. Rice exports rise \$200 million to \$1.5 billion in fiscal 2008 due to a 300,000-ton increase and higher unit values. Increased sales to several markets are expected, as are a smaller U.S. crop and higher world prices.

The forecasts for wheat and corn are revised for fiscal 2007. Wheat exports are up \$500 million supported by a 500,000-ton increase. There has been less competition from Canada and the EU-27 than expected in May, and unit value is higher in response to reduced crop prospects for Ukraine, Canada and the EU. Fiscal 2007 corn export value is lowered from the May estimate, due to a downward revision of 2 million tons, reflecting increased competition from Argentina and Brazil.

Fiscal 2008 oilseed and product exports are forecast to reach \$13.7 billion, \$600 million above the 2007 estimate, due to higher unit values. Soybean export value is forecast to rise to \$8.7 billion, as sharply higher unit value more than offsets declining volume. Lower production is partly due to reductions in soybean planted acreage as farmers shift to grains. China's demand for imported soybeans remains very strong given growing demand for meal and oil and prospects for a smaller domestic soybean crop in 2007. Higher soybean prices and a tightening vegetable oil market will propel meal and oil prices higher and support U.S. export values.

The fiscal 2007 export forecast for soybeans is raised from the May estimate to \$8.1 billion due to a 500,000-ton increase and an upward revision in unit value. Much of the volume increase is attributed to China and the EU. Soybean meal volume is up as well with growth focused on the Caribbean/Central America region, South Korea, and Taiwan. Strong demand for vegetable oils, and Argentina's recent limits on soybean crushing due to electricity shortages, results in stronger than expected sales of soybean oil to China.

Fiscal 2008 cotton exports are forecast to reach 3.6 million tons, up 400,000 tons from the revised 2007 forecast. Increased volume helps boost expected export value to a record \$5.5 billion. This outlook is supported by the largest U.S. carryover stocks since 1967/68 and a record exportable surplus. Strong foreign demand, especially from China, will support U.S. exports, as will the expectation

for limited global production growth in 2007/08. The global crop outlook assumes relatively low cotton prices compared with competing crops. As a result, world stocks are forecast to decline and trade to increase, driven primarily by China.

The fiscal 2007 export forecast for cotton is raised from the May estimate, boosting value to \$4.3 billion. Import demand from Turkey and several other countries was stronger than expected, and competition from India in the China market fell off more rapidly than expected.

Livestock, poultry, and dairy exports are forecast at a record \$15.6 billion in fiscal 2008—mainly due to increased beef exports. Beef shipments are forecast to rise to 540,000 tons valued at \$2.2 billion. This outlook assumes Japan and South Korea continue to limit U.S. imports of beef to boneless cuts. The United States can ship boneless beef from cattle under 20 months of age to Japan and under 30 months of age to South Korea. Beef exports to these markets are expected to gradually increase as consumer confidence rebuilds and U.S. beef becomes more widely available in the marketplace.

The fiscal 2008 forecast for pork is unchanged from the revised estimate for 2007; the broiler meat forecast is slightly lower. Export quantity is forecast higher due to strong demand and a competitive dollar, but unit value is lower due to increased U.S. broiler production. No significant growth in the value of dairy product exports is expected for fiscal 2008, in sharp contrast with the dramatic rise in 2007. Unit values will be pressured lower by increased production in the United States and Australia. However, continued strong U.S. consumer demand for dairy products may support dairy product prices and limit export growth.

The fiscal 2007 export estimate for livestock, poultry, and dairy products is increased \$500 million from the May estimate to a record \$15.3 billion. This is mostly due to a large upward revision in dairy product exports to a record \$2.3 billion. World prices for many products have risen sharply, and there have been larger than anticipated U.S. shipments of dry products and cheese. The value of broiler meat exports is raised from the May estimate as broiler parts prices have remained strong. An upward revision for beef export value offsets a downward revision for pork.

The fiscal 2008 export forecast for U.S. horticultural products is a record \$18.6 billion, \$800 million higher than the revised 2007 estimate. The outlook assumes continued production growth, and recovery in the California orange crop after the January 2007 freeze. Solid world economic growth and a weak dollar continue to support U.S. exports. There is no change in export values for fresh fruits and vegetables and tree nuts, but processed fruits and vegetables are forecast to rise \$200 million. Fruit juice exports to Canada are expected to rise. Most of the increase for horticultural products is in “other” processed products, including essential oils, wine, and unspecified “food preparations.”

Fiscal 2007 horticultural product exports are lowered from the May estimate but remain a record \$17.8 billion. Forecasts for fresh and processed fruits and vegetables are increased, with higher volumes and unit values for many products, while forecasts for tree nuts and other horticultural products are lowered. Tree nut exports are lowered to \$2.9 billion with somewhat reduced sales to Europe due to lower volume and unit value.

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

Commodity	October-June		Fiscal year 2006	Forecast Fiscal 2007		Forecast Fiscal 2008
	2006	2007		May	Aug.	Aug.
	VALUE	<i>---Billion dollars---</i>				
Grains and feeds 1/	13.478	16.830	18.281	22.6	23.0	24.3
Wheat 2/	3.199	3.729	4.289	5.3	5.8	6.0
Rice	1.050	1.013	1.296	1.3	1.3	1.5
Coarse grains 3/	4.877	7.132	6.808	9.6	9.5	10.3
Corn	4.380	6.561	6.187	8.9	8.7	9.3
Feeds and fodders	2.302	2.569	3.090	3.3	3.4	3.5
Oilseeds and products 4/	8.520	10.969	10.643	12.6	13.1	13.7
Soybeans	5.296	7.159	6.334	7.8	8.1	8.7
Soybean meal 5/	1.187	1.447	1.599	1.8	1.8	1.8
Soybean oil	0.237	0.394	0.311	0.5	0.5	0.5
Livestock, poultry, and dairy	9.929	11.712	13.370	14.8	15.3	15.6
Livestock products	6.454	7.404	8.637	9.5	9.5	9.9
Beef and veal 6/	1.004	1.293	1.399	1.7	1.8	2.2
Pork 6/	1.816	1.980	2.405	2.7	2.6	2.6
Beef and pork variety meats 6/	0.563	0.595	0.761	0.8	0.8	0.8
Hides, skins, and furs	1.471	1.637	1.978	2.2	2.2	2.2
Poultry and products	2.180	2.656	2.967	3.4	3.5	3.4
Broiler meat 6/ 7/	1.407	1.705	1.911	2.2	2.3	2.2
Dairy products	1.295	1.653	1.766	1.9	2.3	2.3
Tobacco, unmanufactured	0.924	0.950	1.058	1.2	1.1	1.1
Cotton	3.827	2.973	4.666	3.9	4.3	5.5
Seeds	0.724	0.754	0.880	0.9	0.9	0.9
Horticultural products 8/	12.584	13.408	16.675	18.0	17.8	18.6
Fruits and vegetables, fresh	3.318	3.566	4.471	4.6	4.8	4.8
Fruits and vegetables, processed 8/	2.910	3.229	3.924	4.1	4.2	4.4
Tree nuts, whole and processed	2.349	2.280	2.926	3.0	2.9	2.9
Sugar and tropical products 9/	2.204	2.559	3.008	3.4	3.5	3.7
Major bulk products 10/	19.173	22.956	24.452	29.2	30.1	33.1
Total 11/	52.201	60.164	68.593	77.5	79.0	83.5
VOLUME	<i>---Million metric tons---</i>					
Wheat 2/	18.948	18.306	25.005	26.3	26.8	27.3
Rice	3.243	2.603	4.024	3.4	3.4	3.7
Coarse grains 3/	44.426	42.945	61.363	59.3	57.5	60.0
Corn	40.073	39.662	56.038	55.0	53.0	54.5
Feeds and fodders	8.804	8.464	11.727	10.9	11.2	11.1
Soybeans	21.974	26.282	26.418	29.4	29.9	27.8
Soybean meal 5/	5.332	6.130	7.301	7.6	7.8	7.5
Soybean oil	0.402	0.587	0.523	0.7	0.7	0.6
Beef and veal 6/	0.246	0.305	0.345	0.4	0.4	0.5
Pork 6/	0.763	0.768	0.986	1.1	1.0	1.0
Beef and pork variety meats 6/	0.367	0.371	0.489	0.5	0.5	0.5
Broiler meat 6/ 7/	1.761	1.847	2.321	2.4	2.4	2.5
Tobacco, unmanufactured	0.147	0.149	0.169	0.2	0.2	0.2
Cotton	3.007	2.164	3.679	3.0	3.2	3.6
Major bulk products 10/	91.744	92.450	120.658	121.6	121.0	122.6

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

While the increase in 2008 U.S. agricultural exports is geographically broad-based, affecting almost all major U.S. export markets, most of the gain is concentrated in Asia and Western Hemisphere markets. Over 80 percent of the \$4.5-billion increase is focused on these two regional markets with China, Canada, and Mexico being the primary drivers for 2008. China moves ahead of the EU as the 4th largest market for U.S. agricultural products.

Asia

U.S. agricultural exports to Asia in fiscal 2008 are forecast at a record \$30.6 billion, up \$1.9 billion from the revised 2007 forecast. Much of the expected increase is due to stronger exports to China (up \$800 million), Japan (up \$400 million), and Southeast Asia (up \$300 million). Asia is expected to account for almost 37 percent of total U.S. agricultural exports in 2008, roughly unchanged from its share in 2007.

For 2008, China will continue to be a major engine of growth for U.S. agricultural exports. U.S. exports are forecast at \$8.4 billion, up \$800 million from 2007 levels—an increase that is greater than to any other market. Cotton and soybeans, are the two largest U.S. agricultural exports to China, recently accounting for 70 percent of total sales, with both poised to expand further in 2008, particularly cotton. China is the world's largest cotton importer. For the 2007/08 marketing year, USDA forecasts China's cotton imports from all suppliers are expected to increase almost 50 percent from the previous year—from 10.5 million bales in 2006/07 to 16 million bales in 2007/08—due to increased domestic mill use and lower beginning stocks. With the U.S. being the leading cotton supplier to China, U.S. exports are projected to increase sharply from 2007 levels. Likewise, China is the world's largest soybean importer. For the 2007/08 marketing year, China's soybean imports are expected to increase 16 percent from the previous year—from 28.8 million tons in 2006/07 to 33.5 million tons in 2007/08—due to reduced production and a higher domestic crush. This shift is expected to benefit U.S. soybean exports to China in 2008. In addition to cotton and soybeans, U.S. high-value product exports to China have been growing rapidly in recent years. In 2007, these exports are expected to increase almost 50 percent from the record levels reached in 2006—led by fresh and prepared red meats, chicken paws, processed fruit and vegetables, food ingredients, and cattle hides—and are expected to increase further in 2008.

U.S. exports to Japan are forecast to reach \$9.7 billion in 2008, up \$400 million from forecast 2007 levels and the strongest showing since the Asian financial crisis in 1997. Much of this increase in export value is expected to result from higher commodity prices in 2008, which should boost the value of bulk commodity exports (such as soybeans, corn, and wheat). In addition, continued growth in the Japanese economy and a stronger yen is boosting consumer confidence and supporting U.S. high-value exports such as red meats, horticultural products, and processed foods and beverages. However, this forecast assumes Japan continues to limit U.S. imports of beef to boneless cuts from cattle under 20 months of age.

Fiscal 2008 exports to Southeast Asia are forecast to reach \$4.4 billion, up \$300 million from the revised 2007 level. Much of this regional gain is due to Indonesia, where U.S. exports are projected to increase \$200 million from the previous year to \$1.5 billion, making Indonesia the largest market in Southeast Asia and the eighth

largest in the world for U.S. agricultural exporters. In addition, Indonesia has been one of the strongest growth markets worldwide in recent years, rising 50 percent between 2006 and 2008 and has doubled from the level of 2000. Continued strength in the economy and rising incomes has increased consumer demand for agricultural products including those from the United States. Export gains have been broad-based across a variety of bulk and high-value product categories, although soybeans, wheat, feeds and fodders and dairy products have expanded the most.

Western Hemisphere

U.S. agricultural exports to Western Hemisphere markets in fiscal 2008 are forecast at a record \$34.4 billion, up \$1.8 billion from the 2007 forecast. Almost all of the expected increase is due to stronger exports to Mexico (up \$600 million), Canada (up \$500 million), Central America and Caribbean (up \$300 million), and Colombia (up \$300 million). For 2008, exports to Western Hemisphere markets are expected to account for roughly 41 percent of total U.S. agricultural exports, unchanged from its share in 2007.

Exports to our 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 \$26.9 billion in 2008—up \$1.2 billion from 2007 and almost \$5 billion from 2006. U.S. agricultural exports to Canada and Mexico now account for roughly one-third of worldwide U.S. agricultural exports. For 2008, Canada and Mexico will continue to be our top two markets worldwide with U.S. exports expected to reach new highs of \$13.6 billion and \$13.2 billion, respectively. Exports to Canada are overwhelmingly dominated by high-value products, such as fresh horticultural products and processed food and beverages, and these products are expected to account for much of the projected increase in agricultural exports. Exports to Mexico, on the other hand, are more diversified, with bulk commodities—such as coarse grains (largely corn), soybeans, wheat, and cotton—being more comparable in export value to consumer-oriented high-value products—such as meats, horticultural products, and processed foods. For fiscal 2008, the value of exports to Mexico is expected to benefit from higher commodity export prices, stronger import demand for corn and cotton, and continued rapid growth of Mexico's middle class, which is boosting import demand for a wide range of high-value products.

One of the most noteworthy growth stories of the past few years for U.S. agricultural exporters is Colombia. In 2002, U.S. exports to Colombia totaled \$485 million. For 2007, exports are forecast to reach \$1 billion and for 2008, \$1.3 billion—making Colombia one of the top 10 markets for U.S. agricultural exports. Through sound macroeconomic management, trade and market reforms, and significant improvements in the security situation, the Colombian government has helped boost private investment and consumer confidence. The Colombian economy has responded positively, growing by 6.5-6.8 percent annually over the past two years—its fastest clip since the emerging markets financial crisis of the late 1990s. As a result, the country's import demand for agricultural products is expanding across a broad spectrum of products, including bulk commodities such as corn, wheat, soybeans, and cotton, as well as a variety of intermediate and consumer-oriented high-value products, exports of which should exceed \$300 million in 2007 and expand further in 2008.

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

Country and region 1/	October-June		Fiscal year 2006	Forecast Fiscal 2007		Forecast Fiscal 2008
	2006	2007		May	Aug.	
	---Billion dollars---					
Asia	19.487	22.076	24.937	* 28.4	28.7	30.6
East Asia	16.427	18.170	20.827	23.8	23.8	25.3
Japan	6.262	7.410	8.155	9.3	9.3	9.7
China	5.592	5.475	6.613	7.6	7.6	8.4
Hong Kong	0.694	0.798	0.912	1.0	1.0	1.1
Taiwan	1.843	2.151	2.416	2.7	2.7	2.8
South Korea	2.028	2.323	2.719	3.2	3.2	3.3
Southeast Asia	2.557	3.207	3.433	* 3.9	* 4.1	4.4
Indonesia	0.781	1.048	1.047	1.3	1.3	1.5
Philippines	0.630	0.698	0.828	0.9	0.9	1.0
Malaysia	0.318	0.377	0.426	0.5	0.5	0.5
Thailand	0.474	0.593	0.640	0.7	0.8	0.9
South Asia	0.503	0.699	0.676	0.7	0.8	0.9
Western Hemisphere	20.775	24.214	28.082	32.6	32.6	34.4
North America	16.235	18.741	22.006	25.6	25.7	26.9
Canada	8.577	9.681	11.609	13.0	13.1	13.6
Mexico	7.658	9.060	10.397	12.6	12.6	13.2
Caribbean	1.556	1.776	2.038	2.3	2.3	2.5
Central America	1.299	1.612	1.744	2.1	2.1	2.2
South America	1.686	2.086	2.294	2.6	2.5	2.7
Brazil	0.216	0.229	0.281	0.3	0.3	0.3
Colombia	0.578	0.835	0.802	1.1	1.0	1.3
Venezuela	0.343	0.295	0.442	0.5	0.4	0.4
Europe/Eurasia	6.764	7.364	8.597	9.0	9.1	9.6
European Union-27 2/	5.682	6.139	7.181	7.5	7.7	8.0
Other Europe 3/	0.267	0.261	0.326	0.4	0.4	0.4
FSU-12 4/	0.816	0.964	1.090	1.1	1.0	1.2
Russia	0.678	0.739	0.906	0.9	1.0	1.1
Middle East	2.341	2.997	3.060	3.5	3.8	3.9
Turkey	0.766	0.993	1.009	1.2	1.2	1.4
Saudi Arabia	0.312	0.369	0.435	0.5	0.5	0.6
Africa	2.173	2.698	3.052	3.6	3.9	4.0
North Africa	1.106	1.643	1.616	2.1	2.4	2.5
Egypt	0.653	1.030	0.955	1.2	1.6	1.7
Sub-Saharan Africa	1.067	1.055	1.436	1.5	1.5	1.6
Oceania	0.541	0.649	0.734	0.8	0.8	0.9
Transshipments via Canada 5/	0.118	0.166	0.131	0.1	0.1	0.2
Total	52.201	60.164	68.593	77.5	79.0	83.5

Total may not add due to rounding. * Earlier forecasts omitted roughly \$500 million in exports to other countries in Southeast Asia, not listed, which are now included in the forecasts. The May forecasts for Southeast Asia (\$3.4) and therefore Asia (\$27.9) have been revised to include the other countries. No other totals have been revised.

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

Only minor revisions were made to the May 2007 forecasts for fiscal year 2007, leaving total U.S. agricultural imports unchanged at \$70.5 billion. This value represents a 10-percent increase from the fiscal 2006 \$64 billion import bill. The preliminary import forecast for fiscal 2008 is \$75 billion, 6 percent (\$4.5 billion) more than in 2007. The slowing of import growth in 2008 is the result of domestic economic conditions and the dollar's exchange rate. Higher U.S. interest rates, weaker domestic economic activity, higher prices, as well as the weak dollar combine to slow the demand for imports.

Among the changes in import projections for 2007 are a \$300-million reduction in sugar and tropical products, which was offset by a \$300-million gain in livestock and meats and a \$100-million increase in horticulture products. In import volume, significant upward adjustments were made to fresh fruits and vegetables to account for faster-than-expected gains during the spring months of 2007. Early spring vegetable shipment volume to the domestic market was reduced and delayed by both the January freeze on the West Coast and Easter freezes and subsequent drought in the Southeastern U.S. Smaller crops of oranges, lemons, fresh-use apples, pears, and strawberries, due partly to California's winter freeze, triggered larger imports so far this year.

Initial import projections for 2008 show significant gains for grains and feed (up \$600 million), oilseeds and products (up \$400 million), horticulture products (up \$2.7 billion), and sugar and tropical products (up \$800 million), for a total increase of \$4.5 billion from 2007. The only major group unchanged in 2008 is livestock, dairy, and poultry, whose import value remains at \$11.9 billion, due to minor offsetting changes in import volumes.

In 2007, the 3-percent higher import value for livestock and meats is largely due to higher expected unit values. The value of beef and pork imports is raised as stronger expected unit values more than offset expected lower import volume compared with May. Smaller meat import volumes resulted as domestic production of beef and pork rose 1 percent. Import unit values for beef and meat products other than pork and lamb were up in 2007, which are likely to discourage larger imports in 2008. Continued high global demand for dairy products in 2008, and increased U.S. production, is expected to keep import volumes at roughly 2007 levels.

U.S. imports of bulk grains are up nearly 60 percent in value through the first three quarters of fiscal 2007, particularly for wheat, which rose by 120 percent over the 2006 level. All other grains, feeds, and grain product groups jumped by double-digit rates based on value. These imports are spurred by higher domestic prices and reduced domestic supply as more farm acreage is planted to corn. Excluding oats, the import volumes of all grains and products were up in 2007 despite higher import unit values. Only import prices of feeds and fodders have fallen.

Demand for imported oilseeds and products continues to grow with few exceptions. Only coconut oil, due to a reduced supply, and rapeseed show significant reductions in volume. Prices for most oilseeds and products remain stable to higher in fiscal 2007 compared with 2006. The greatest price strength is found with vegetable oils where most prices are significantly higher. Only olive oil has shown a significant

price cut over last year (12 percent) leading to a lower import value forecast. With unit values for oilseeds and products expected to remain unchanged or slightly higher in fiscal 2008, the import forecast is raised. Continued volume growth in vegetable oils, rapeseed and rapeseed meal contribute to the higher 2008 forecast.

Consumer demand for fresh and processed fruits is helping drive up U.S. horticulture imports. In 2008, \$1.1 billion of the \$2.7-billion projected rise in horticulture imports are for fruits and related products, including fruit juices. Drought conditions and damage from freezes in key production areas of the country are adversely affecting the domestic supply of some major fruit crops in 2007. Significantly higher import prices for processed fruits are responsible for the boost in import value. Despite large gains in import volumes of vegetables in 2007, import values for fresh vegetables were up moderately because import prices are down thus far. The import value for processed vegetables is driven more by volume than by prices.

The other big part of horticulture import gains in 2008 is from beverages—\$300 million each for wine and beer. Demand for alcoholic beverages continues to grow as their import volumes have expanded by more than 9 percent on average annually since 1996. In 2007, volume is up 13 percent thus far, boosted by lower import prices. Overall, the import gain from horticulture is projected to account for 60 percent of total U.S. import growth in 2008.

The \$800-million additional imports of sugar and tropical products in 2008 are from \$100- to \$200-million gains in most commodity groups—coffee beans, sweeteners other than sugar, confections, cocoa, and rubber. Demand remains high especially for products whose domestic production is either small or nonexistent. In 2007, the decline in sugar import value is more than offset by imported coffee. Also, the drop in cocoa imports is more than recovered by imported rubber. Although total import volumes of sugar and tropical products are down in 2007, sharply higher import prices have boosted import values by 5 percent.

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

Commodity	October-June		Fiscal year 2006	Forecast Fiscal year 2007		Forecast
	2006	2007		May	Aug.	Fiscal year 2008 Aug.
VALUE						
--- Billion dollars ---						
Livestock, dairy, and poultry	8.844	9.101	11.527	11.6	11.9	11.9
Livestock and meats	6.581	6.771	8.510	8.6	8.9	8.9
Cattle and calves	1.309	1.313	1.602	1.5	1.6	1.5
Swine	0.435	0.479	0.580	0.6	0.6	0.6
Beef and veal	2.487	2.558	3.254	3.4	3.4	3.5
Pork	0.958	0.922	1.263	1.1	1.2	1.2
Dairy products	1.959	1.986	2.609	2.6	2.6	2.6
Cheese	0.741	0.801	0.993	1.1	1.1	1.1
Grains and feed	3.564	4.344	4.926	6.0	6.0	6.6
Grain products	2.502	2.859	3.434	3.9	3.9	4.2
Oilseeds and products	2.572	2.848	3.472	4.0	3.9	4.3
Vegetable oils	1.807	1.967	2.444	2.9	2.8	3.0
Horticulture products	22.427	25.016	29.142	32.6	32.7	35.4
Fruits, fresh	3.877	4.470	4.687	5.3	5.4	5.9
Fruits, processed	1.918	2.563	2.601	3.4	3.5	4.1
Fruit juices	0.768	1.224	1.056	1.6	1.7	2.1
Nuts and preparations	0.789	0.779	1.071	1.1	1.1	1.2
Vegetables, fresh	3.283	3.498	3.979	4.1	4.2	4.4
Vegetables, processed	2.041	2.365	2.754	3.2	3.2	3.5
Wine	3.022	3.349	4.043	4.6	4.5	4.8
Malt beer	2.454	2.752	3.376	3.9	3.9	4.2
Essential oils	1.866	1.816	2.469	2.5	2.4	2.5
Cut flowers & nursery stock	1.120	1.210	1.424	1.5	1.5	1.6
Sugar & tropical products	9.948	10.428	13.593	14.7	14.4	15.2
Cane and beet sugar	1.032	0.601	1.405	0.9	0.9	0.9
Confections 1/	0.843	0.890	1.170	1.3	1.3	1.4
Cocoa and chocolate 1/	1.914	1.970	2.631	2.7	2.7	2.8
Coffee beans & products	2.357	2.640	3.206	3.7	3.6	3.8
Rubber, natural	1.440	1.542	1.950	2.2	2.1	2.2
Other imports 2/	1.073	1.193	1.367	1.5	1.5	1.6
Total agricultural imports	48.428	52.931	64.026	70.5	70.5	75.0
VOLUME						
--- Million metric tons ---						
Wine 3/	0.583	0.649	0.783	0.9	0.9	1.0
Malt beer 3/	2.335	2.641	3.223	3.8	3.8	4.2
Cattle and calves 4/	1.975	1.853	2.397	2.2	2.3	2.1
Swine 4/	6.409	7.010	8.613	9.4	9.4	9.5
Beef and veal, fresh	0.789	0.774	1.027	1.0	1.0	1.1
Pork, fresh	0.335	0.321	0.437	0.5	0.4	0.4
Fruits, fresh	6.378	7.027	8.003	8.1	8.8	9.3
Fruits, processed 5/	0.995	1.071	1.327	1.4	1.4	1.5
Vegetables, fresh	3.376	3.689	4.076	4.0	4.4	4.6
Vegetables, processed 5/	2.060	2.247	2.763	3.1	3.0	3.2
Vegetable oils	1.838	1.930	2.500	2.8	2.6	2.8
Cocoa and chocolate	0.916	0.894	1.263	1.3	1.3	1.4
Coffee beans	0.947	1.001	1.296	1.4	1.4	1.5
Rubber, natural	0.839	0.753	1.069	1.0	1.0	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.

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

Regional Imports

Continued strong import demand for high-value European agricultural and food products is driving up their value in 2008 to \$16 billion from \$15.3 billion in 2007. Also growing at a fast pace are imports from Asia, specifically China and Southeast Asia. A wider range of food items are increasingly imported from China, Indonesia, Thailand, and Vietnam, even while excluding fish and shellfish. These Asian countries are supplying the U.S. with more fruit, vegetables, nuts, and vegetable oils.

Imports from Canada and Mexico have slowed as the Mexican peso and particularly the Canadian dollar have risen in exchange value with respect to the U.S. dollar. Nevertheless, U.S. import demand from South America and Central America is on an upward trend, partly driven by free trade agreements with the U.S. and larger production of fresh fruits, vegetables, and other tropical products for the export market. Brazil, Chile, Peru, Argentina, and Colombia are vying for greater access to the U.S. market, and market share for more of their crops and products. Lower transport cost affords Latin American exporters a competitive advantage over rivals in Asia, Africa, or Europe. The principal advantage of Latin American exports remains their seasonal supply of produce available during the colder months in the U.S.

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

Region and country	October-June		Fiscal year 2006	Share of total 2006	Forecast Fiscal year 2007		Forecast
	2006	2007			2006	2008	
	--- Billion dollars ---			Percent	--- Billion dollars ---		
VALUE					May	Aug.	Aug.
Western Hemisphere	25.973	28.493	33.756	52.7	36.8	36.8	38.9
Canada	9.774	10.833	13.203	20.6	14.4	14.4	15.1
Mexico	7.493	8.076	9.316	14.5	9.7	9.7	10.0
Central America	2.177	2.352	2.846	4.4	3.1	3.1	3.4
Costa Rica	0.895	0.938	1.157	1.8	1.3	1.3	1.4
Guatemala	0.699	0.771	0.933	1.5	1.0	1.0	1.1
Other Central America	0.583	0.644	0.756	1.2	0.8	0.8	0.9
Caribbean	0.322	0.342	0.443	0.7	0.5	0.5	0.6
South America	6.207	6.891	7.948	12.4	9.1	9.1	9.8
Brazil	1.606	1.858	2.208	3.4	2.5	2.5	2.7
Chile	1.525	1.699	1.714	2.7	2.1	2.1	2.3
Colombia	1.118	1.153	1.451	2.3	1.6	1.6	1.7
Other South America	1.958	2.180	2.574	4.0	2.9	2.9	3.1
Europe and Eurasia	10.845	11.517	14.492	22.6	15.9	15.9	16.7
European Union-27 1/	10.558	11.110	14.111	22.0	15.3	15.3	16.0
Other Europe	0.247	0.358	0.330	0.5	0.5	0.5	0.6
Asia	6.906	7.884	9.432	14.7	11.2	11.2	12.4
East Asia	2.265	2.805	3.030	4.7	3.9	3.9	4.5
China	1.561	2.076	2.107	3.3	2.9	2.9	3.4
Other East Asia	0.704	0.729	0.923	1.4	1.0	1.0	1.1
Southeast Asia	3.826	4.204	5.287	8.3	6.0	6.0	6.5
Indonesia	1.489	1.392	2.049	3.2	2.1	2.1	2.2
Thailand	0.929	1.116	1.272	2.0	1.5	1.5	1.6
Other Southeast Asia	1.408	1.696	1.967	3.1	2.4	2.4	2.7
South Asia	0.815	0.875	1.114	1.7	1.3	1.3	1.4
India	0.743	0.790	1.012	1.6	1.1	1.1	1.2
Oceania	3.110	3.272	4.232	6.6	4.3	4.3	4.4
Australia	1.777	1.905	2.434	3.8	2.6	2.6	2.7
New Zealand	1.270	1.309	1.705	2.7	1.6	1.6	1.6
Africa	1.007	1.097	1.407	2.2	1.6	1.6	1.7
Sub-Saharan	0.867	0.926	1.209	1.9	1.4	1.4	1.5
Ivory Coast	0.369	0.444	0.460	0.7	0.6	0.6	0.7
Middle East	0.585	0.668	0.708	1.1	0.8	0.8	0.9
Turkey	0.366	0.407	0.427	0.7	0.5	0.5	0.6
World total	48.428	52.931	64.026	100.0	70.5	70.5	75.0

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.

Food Import Demand

U.S. demand for imported food¹ grew by 9.5 percent annually over the past decade. In fiscal year 2006, U.S. food imports totaled \$40.8 billion, which is 58 percent of total U.S. agricultural imports. Among the fastest-growing imports are tree nuts, snack foods, other prepared foods, fresh fruits and vegetables, processed fruits and vegetables, prepared red meats, wine, beer, and coffee. Among the major sources of U.S. food imports, China, Chile, Brazil, Indonesia, and Vietnam have supplied significantly higher amounts in recent years.

Fruit, nuts, and vegetables, which expanded by an average 10 percent in the past 5 years, amounted to \$14.9 billion in fiscal 2006, or 37 percent of total food imports. They represent the largest imported food groups, and are followed by other processed foods at \$12.4 billion. Imports of tree nuts have increased by more than 13 percent since 2002. The top sources of tree nuts in 2006 were India (cashews), Mexico, Vietnam, and Brazil.

Imported fresh fruits and vegetables totaled \$8.7 billion in 2006, growing 9.2 percent per year since 2002. The top sources of fresh produce are Mexico, Chile, and Canada. However, Peru and China have sharply boosted exports of fresh vegetables to the U.S. in the past 5 years. Excluding bananas, fresh fruit imports reached \$3.5 billion in 2006, rising 12 percent annually on average since 2002. The principal sources of imported fresh fruit are Mexico, Chile, and Costa Rica. Among the fastest growing fresh produce items are mangoes, pineapples, strawberries, pears, melons, avocados, cucumbers, asparagus, garlic, lettuce, peppers, and squash.

The average 9.5-percent growth of U.S. food imports in the past 5 years derives from 4.6-percent growth in food import volume and a 4.7-percent increase in food import prices per year. Imported food prices increased 26 percent from 2002 to 2006, after falling in 2002. Since 80 percent of U.S. food imports are processed (i.e., not fresh or chilled produce), import price inflation was due largely to consumer-ready processed food. Part of import price inflation stems from the depreciation of the dollar since 2002. Given that much of the fastest-growing food groups was imported from Canada and Mexico (as the top sources), the strength of the Canadian dollar and the Mexican peso relative to the U.S. dollar helped raise U.S. food import costs. (The peso started appreciating in 2005.)

Based on the import pace in the first three quarters of fiscal year 2007, U.S. food imports are projected to reach \$45 billion in 2007, up 10 percent from 2006. The fastest-growing imported food groups in 2007 are processed fruit and vegetables, prepared consumer foods, wine, and beer. In volume terms, imported wine, beer, cheese, nuts, spices, and prepared foods are the growth leaders in 2007. Demand for these high-value foods is driven by income growth as well as by the expansion of the U.S. food service sector, as Americans eat more than half of their food outside their homes. The appeal of prepared foods reflects consumer preferences for convenience.

About 51 percent of U.S. food imports (based on value) are shipped from developed countries, down from 57 percent in recent years. In the past decade, Brazil and Argentina have emerged as the top U.S. sources of prepared red meats thereby raising the share of U.S. imports supplied by developing countries. In addition, Mexico has emerged as the top U.S. source for beer, snacks, and processed produce;

¹ Food is defined as edible consumer-oriented agricultural products. Bulk and intermediate agricultural products are excluded.

China for snacks and processed fruit and vegetables; Chile for fresh fruit; Mexico and Vietnam for tree nuts; and Peru for fresh vegetables. Based on volume (i.e., product weights), the share of food imports from developed countries dropped from 34 percent in 2003 to 29 percent in 2007.

By region, 31 percent of the value of U.S. food imports comes from Canada and Mexico, 20 percent from the rest of the Western hemisphere, 20 percent from the European Union, and 19 percent from Asia. Imported fresh fruit and vegetables, except bananas, come largely from Mexico, Chile, Canada, Costa Rica, Peru, and Guatemala. A fast-growing share of fresh produce is supplied from China, Argentina, and South Africa, principally apples, oranges, and pears. Most bananas come from Ecuador, Costa Rica, and Guatemala. Larger shipments of fresh produce into the U.S. are driven by year-round demand by consumers as well as increased interest in tropical and specialty fruits and vegetables.

Eighty-four percent of U.S. food imports (based on value) are products from crops. The other 16 percent is from livestock, dairy, and poultry. Fresh produce comprises about a quarter of imported crop products.

Value of U.S. food imports, by food group, 2003-07

Food groups	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007f	2007/06 change
	<i>Billion \$</i>					<i>Percent</i>
Livestock products	5.7	7.5	8.0	7.5	7.1	-4.9
Dairy products	1.7	2.1	2.3	2.3	2.2	-6.3
Red meats	4.0	5.4	5.7	5.1	4.9	-4.3
Fruits, nuts, and vegs.	10.9	12.0	13.7	14.9	16.7	11.9
Fruits and vegs., fresh	6.4	6.9	7.8	8.7	9.4	8.0
Fruits and vegs., proc.	3.8	4.2	4.8	5.1	6.3	22.3
Other processed foods	8.2	9.2	9.8	11.0	12.4	13.1
Snack foods	3.5	4.1	4.4	4.6	5.0	7.8
Other prepared foods	3.6	4.0	4.4	5.2	6.2	19.0
Wine and beer	5.8	6.1	6.7	7.4	8.6	15.9
Total imported food 1/	30.6	34.9	38.1	40.8	44.8	9.9
Percent of ag. imports	58.1	60.5	59.5	57.8	59.7	3.3
Developed countries	17.5	20.0	21.1	21.8	22.8	4.6
Developing countries	13.1	14.9	17.0	18.9	22.0	16.4

f = ERS forecast.

1/ Includes consumer-ready edible agricultural products; excludes bulk and intermediate agricultural products.

Source: Compiled by ERS using data from Census Bureau, U.S. Dept. Commerce, publicly available at <http://www.fas.usda.gov/ustrade> (BICO imports).

Reliability Tables

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

Commodity	Average absolute forecast errors fiscal 2000-06					Forecast accuracy fiscal 2000-06					Forecast accuracy Percent
	Aug 1/ Nov	Feb	May	Aug 2/ Nov	Aug	Nov	Feb	May	Aug		
	Percent					"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, with 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-Saharan	---	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, with 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 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											
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, with 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, with 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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