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Outlook for U.S. Agricultural Trade

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Fiscal Year 2004 U.S. Agricultural Exports and Imports Expected To Exceed 2003

Fiscal 2004 U.S. agricultural exports are forecast at \$57 billion, up \$1.5 billion from the revised estimate of \$55.5 billion for 2003. Volume of major bulk exports is expected to gain 8 percent to more than 112 million tons. Export competition for wheat markets is expected to be substantially reduced, while the export unit value of cotton likely will rise sharply. Volume gains for wheat and corn more than offset declines for rice and soybeans. Total export value rises for beef and poultry meat, wheat, cotton, corn, and fruits and nuts. Exports of soybeans and soybean oil are likely to decline in both volume and value after strong performances in 2003. Global economic growth and a weaker dollar lead to increased demand for U.S. products.

U.S. agricultural imports also are expected to rise in 2004, to \$47.5 billion, up \$2.5 billion from the revised \$45 billion for 2003. Trade forecasts for the current and coming year reflect the impact of BSE on trade with Canada. Horticultural products are expected to account for more than half of the overall increase. Gradual depreciation of the U.S. dollar tempers import growth.

With import growth once again forecast stronger than export growth, the 2004 U.S. agricultural export surplus slips to just \$9.5 billion, the lowest since fiscal 1987.

Table 1--U.S. agricultural trade, fiscal years 1999-2004, year ending September 30

Item	1999	2000	2001	2002	Estimate		Forecast
					Fiscal 2003		Fiscal 2004
					May	Aug.	Aug.
Billion dollars							
Exports	49.1	50.7	52.7	53.3	56.0	55.5	57.0
Imports	37.3	38.9	39.0	41.0	45.5	45.0	47.5
Balance	11.8	11.9	13.7	12.3	10.5	10.5	9.5

Reflects forecasts in the Aug. 12, 2003, *World Agricultural Supply and Demand Estimates* report.
Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

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The United States and world economies are moving beyond the slow growth experienced in the last 2 years. U.S. gross domestic product (GDP) growth in fiscal year 2004 is expected to exceed 3 percent, compared with likely more than 2 percent in 2003. World growth in 2004 is expected to move towards 3 percent, from a sluggish 2 percent in 2003.

Japan and Germany, two of the world's largest economies, continue to have poor growth in 2003, but both are forecast to show modest growth in 2004. Brazil, which has been experiencing slow growth over the past several years, is expected to grow more than 3 percent in 2004. China and India continue rapid growth, as does much of Asia.

Developed Economies

Economic growth in the United States still remains below long term rates. Growth should recover to over 3 percent in 2004, around trend levels. Consumer spending is slowing, and savings rates are increasing. Unemployment in the United States has been stubbornly high, but is expected to begin recovering. Interest rates and inflation remain at historically low rates.

GDP growth in the European Union (EU) is likely to be around 1 percent in 2003 and remain below 2 percent in 2004. The euro has strongly appreciated against the dollar and has returned to its 1999 original issue rate. Rigidities in EU labor markets will constrain growth for the foreseeable future. For Germany, the combination of the long and expensive rebuilding of the East and having the mark tied to the euro at an overvalued rate has taken a toll on growth.

Japan's lackluster 2003 growth of around 1 percent is expected to continue into 2004. However, this is an improvement from no growth in 2002. The export sector alone cannot revive Japan's economy. Some means must be found to stimulate domestic demand. Slow growth in Japan, along with historically high rates of savings, have resulted in interest rates of zero and deflation. U.S. agricultural exports to Japan declined in all but one year since the peak in 1996.

Developing Economies

Renewed growth in the United States is particularly important for those developing countries dependent

on export to the United States. Economic growth in developing countries is likely to accelerate to exceed 5 percent in 2004, up from nearly 5 percent in 2003.

Asia continues to be the most dynamic region of the world. Overall growth in Asian developing countries is forecast to exceed 5 percent in both 2003 and 2004. China and India continue to grow at high rates, forecast at over 7 and almost 6 percent respectively, in both 2003 and 2004. The rest of Asia is expected to see increasing growth in the second half of 2003 and 2004.

In Latin America, after a 4-year recession, Argentina should return to normal growth in excess of 3 percent in 2004 after experiencing positive growth in 2003. Argentina's currency has depreciated almost 75 percent against the dollar since January 2002. The impact of that depreciation on Argentine exports is making its products highly competitive in world markets. Mexico's economy is strongly tied to the United States and is expected to grow at just over 2.5 percent in 2003 and over 3 percent in 2004. Stronger GDP growth also is forecast for Central America.

The transition economies and Africa are likely to continue the strong growth of 2003 into 2004. However the impact of AIDS is already being felt in some African countries as declining populations and lower productivity diminish the ability of some to feed themselves.

Exchange Rates

The dollar continues to depreciate against foreign currencies. Between March 2002 and May 2003, the dollar depreciated almost 9 percent on a trade-weighted basis. In the past 2 months, there has been some reversal of that pattern, particularly with regard to the euro. The euro appreciated from around 1.16 euros to the dollar to about 0.84, but has since fallen to 0.91. This pattern is repeated to a lesser degree for a number of the major trading currencies. While the full extent to the dollar depreciation is not yet known, a further depreciation is anticipated on a broad basis in the rest of this year and into next year (www.ers.usda/data/exchangerates/). As a result, U.S. agricultural exports are expected to be more competitive in world markets in 2004.

Export Products

The initial forecast for fiscal 2004 U.S. grain and feed exports is \$15.5 billion, up \$600 million from the revised fiscal 2003 estimate. This improved outlook is due to volume gains for wheat and corn which more than offset somewhat lower unit values. Russia and Ukraine's sharply reduced 2003/04 wheat crops and ample U.S. supplies, lead to a 21-percent increase in expected U.S. wheat export volume to 27.5 million tons. A smaller EU wheat crop is also a contributing factor. Lower unit values, due to a larger domestic crop, limit the overall gain in value for wheat exports to \$600 million. The estimate for FY 2003 wheat shipments is reduced 1.3 million tons to 22.7 million tons because late-season shipments were slower than expected.

The forecast for fiscal 2004 coarse grain exports is 51.9 million tons, up 5.6 million tons from the revised fiscal 2003 estimate and permitting some increase in overall value despite lower unit values. Corn exports are forecast to rise 5 million tons and \$300 million to 46 million tons valued at \$4.9 billion, due to competition from China and reduced domestic supply. The value for sorghum is forecast to remain largely unchanged since lower unit value offsets higher volume. The estimate for U.S. corn shipments in fiscal 2003 is lowered 1 million tons from the May estimate due to greater than expected competition from China and Brazil.

U.S. rice exports are forecast at 3.1 million tons in fiscal 2004, a large decline from the record 4.3 million tons estimated for fiscal 2003. Following this year's record sales, U.S. old-crop supply will be tight and production prospects for 2003/04 are lower. However, sharply higher unit values (nearly 25 percent higher) are forecast from the current year, limiting the decline in value. For fiscal 2003 estimates, strong demand from Brazil and Venezuela leads to a 100,000-ton increase in export volume.

Forecast at \$9.1 billion in fiscal 2004, the export outlook for oilseeds and products is \$1 billion lower than the estimate for fiscal 2003. Soybean export volume is forecast to drop 1.1 million tons below the current-year estimate pressured by continued growth in South American soybean production, slower growth in imports by China, and a rebound in global rapeseed crops. Weaker soybean export unit values are expected due to improved domestic and global

supplies. As a result, soybean value is forecast to fall \$800 million to \$5.7 billion. Increased competition from South America, coupled with lower domestic stocks and the return to more normal rapeseed volumes, will cut U.S. soybean oil shipments in half compared with fiscal 2003. Value will fall even lower as export unit values decline in the coming year and global supplies of vegetable oil expand. No significant change is expected for soybean meal, because a slight reduction in volume is offset by somewhat higher unit values. The major change in the fiscal 2003 forecast since May is an 800,000-ton upward revision in U.S. soybean shipments, due to a further increase in China's total imports now estimated at a record 18.2 million tons in 2002/03.

Cotton export volume is forecast to remain unchanged at 2.6 million tons, but sharply higher unit values should raise value \$700 million from the current year estimate to \$3.5 billion. Consumption should be greater than production and global stocks are significantly reduced since consumption also outpaced production over the past several years. The current fiscal 2003 estimate is raised 200,000 tons from the May estimate, in part due to stronger than expected demand from China. China's tariff-rate quota is filling more quickly this year compared with the previous year due to the imposition of fewer administrative restrictions.

The forecast for fiscal 2004 livestock, poultry, and dairy product exports is a record \$12.4 billion, up \$800 million from the revised 2003 estimate due to higher export volume and unit values for meats, as well as gains for dairy products. Japan's safeguard measures on beef and pork, which raise tariffs when triggered, will continue to weigh on the global outlook for U.S. beef and pork exports until March of 2004. Mexico's ongoing antidumping investigation on pork also weighs on the market. However, despite these considerations, some increase in U.S. beef and pork export volume and unit values are forecast supporting a \$200-million increase to a record \$5.1 billion in fiscal 2004. Lower prices and flat sales for pork to Mexico lead to a slight reduction in the fiscal 2003 estimate. For other livestock products, U.S. exports of cattle to Canada are expected to be limited as fewer U.S. feeder cattle will be finished in Canadian feed lots.

The fiscal 2004 outlook for poultry products shows an increase of \$200 million over the current year. This forecast is supported by a \$200-million gain in broiler meat sales—the result of larger volume and higher unit prices. In fiscal 2003, U.S. broiler meat exports to Russia are expected to lag previous-year sales, because uncertainties in the Russian quota system and disease outbreaks earlier in the year limited export opportunities. The fiscal 2003 estimate for total broiler meat exports is lowered from the May figure due to weaker sales to Asian markets.

Forecast at \$1 billion in fiscal 2004, U.S. dairy product exports are expected to increase \$100 million over the current-year estimate supported by a weaker dollar. However, low international prices for most products continue to hamper value gains. With stable demand from South Korea and China and some increase expected for Taiwan, U.S. exports of hides

and skins are forecast to remain unchanged at \$1.8 billion through fiscal 2004.

A record \$12 billion is forecast for U.S. horticultural exports in fiscal 2004, up \$200 million from the revised current-year estimate. Stronger global demand and a more competitive dollar should boost overall sales. Some recovery in the apple, pear, and citrus crops should expand available supplies. The forecast for fruits and preparations is up \$100 million to \$3.6 billion. With record export sales of \$1.4 billion in fiscal 2003 expected, the 2004 outlook for tree nuts remains very positive supported by strong foreign demand and large domestic crops. The fiscal 2003 estimate for total horticultural exports is raised \$200 million from the May estimate to \$11.8 billion, largely due to very strong sales of wine and essential oils. Large domestic supplies and softening prices are boosting wine shipments to all overseas markets.

Table 2--U.S. agricultural exports: Value and volume by commodity, 2002-2004

Commodity	October-June		Fiscal 2002	Estimate Fiscal 2003		Forecast FY 2004 Aug.
	2002	2003		May	Aug.	
	Billion dollars					
VALUE						
Grains and feeds 1/	10.437	10.871	14.150	15.3	14.9	15.5
Wheat and flour	2.606	2.678	3.612	4.0	3.8	4.4
Rice	0.564	0.733	0.737	0.9	0.9	0.8
Coarse grains 2/	3.881	3.893	5.292	5.3	5.2	5.5
Corn	3.354	3.449	4.599	4.7	4.6	4.9
Feeds and fodders	1.927	1.966	2.529	2.7	2.7	2.7
Oilseeds and products	8.145	8.646	9.750	10.0	10.1	9.1
Soybeans	4.719	5.828	5.474	6.2	6.5	5.7
Soybean meal	1.048	0.900	1.295	1.1	1.1	1.1
Soybean oil	0.375	0.441	0.454	0.5	0.5	0.2
Livestock products	6.519	6.499	8.657	8.8	8.6	9.0
Beef, pork, and variety meats	3.565	3.742	4.749	5.0	4.9	5.1
Hides and skins, incl. furs	1.320	1.329	1.777	1.8	1.8	1.8
Poultry and products	1.787	1.532	2.304	2.2	2.1	2.3
Broiler meat 3/	1.205	0.989	1.546	1.5	1.4	1.6
Dairy products	0.750	0.695	0.964	0.9	0.9	1.0
Tobacco, unmanufactured	1.013	0.855	1.148	1.1	1.0	1.1
Cotton and linters	1.668	2.101	2.052	2.6	2.8	3.5
Seeds	0.677	0.647	0.843	0.9	0.8	0.9
Horticultural products	8.418	8.924	11.113	11.6	11.8	12.0
Fruits and preparations	2.443	2.545	3.418	3.5	3.5	3.6
Vegetables and preparations	2.860	2.343	3.028	3.1	3.1	3.1
Tree nuts and preparations	0.382	0.956	1.233	1.4	1.4	1.5
Sugar and tropical products	1.720	1.809	2.309	2.5	2.5	2.6
Major bulk product value 4/	14.251	15.888	18.194	20.0	20.1	20.9
Total value 5/	41.133	42.579	53.291	56.0	55.5	57.0
Million metric tons						
VOLUME						
Wheat	18.776	15.536	25.411	24.0	22.7	27.5
Wheat flour	0.406	0.218	0.452	0.5	0.3	0.5
Rice	2.678	3.673	3.543	4.2	4.3	3.1
Coarse grains 2/	40.413	34.333	53.625	47.1	46.3	51.9
Corn	35.352	30.632	47.058	42.0	41.0	46.0
Feeds and fodders	9.756	8.965	12.629	12.5	12.0	12.5
Oilseeds and products	34.657	33.070	40.229	36.7	37.6	36.2
Soybeans	25.525	25.650	28.925	27.5	28.3	27.2
Soybean meal	5.566	4.428	6.811	5.4	5.5	5.5
Soybean oil	0.968	0.827	1.143	1.0	1.0	0.5
Beef, pork, and variety meats	1.457	1.472	1.950	2.0	2.0	2.0
Broiler meat 3/	1.718	1.626	2.263	2.2	2.2	2.3
Animal fats	0.894	1.016	1.339	1.4	1.3	1.3
Tobacco, unmanufactured	0.142	0.127	0.163	0.2	0.2	0.2
Cotton and linters	1.799	1.890	2.206	2.4	2.6	2.6
Horticultural products	6.071	6.083	7.939	8.0	8.0	8.2
Sugar and tropical products	0.903	0.946	1.228	1.3	1.3	1.4
Total major bulk product volume 4/	89.333	81.209	113.873	105.4	104.4	112.5

1/ Includes pulses and processed grain products. 2/ Includes corn, barley, sorghum, oats, and rye. 3/ Includes only Federally inspected product. 4/ Includes wheat, rice, coarse grains, soybeans, cotton and linters, and tobacco. 5/ Includes a small amount of miscellaneous product not elsewhere specified.

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

Regional Exports

Regional forecasts for fiscal year 2004 will be made in the November issue of this report.

Estimated 2003 U.S. exports were reduced by \$500 million from the May forecast, with much of the drop in both volume and value of wheat and corn. Small declines also were made in the value of beef, pork, and variety meats, broiler meats, and tobacco exports and, in the quantity of feeds and fodders. In contrast, some commodities were increased since May.

Expected exports of soybeans and cotton gained in both volume and value. Horticulture products also are up in value, while rice exports are larger in volume. But gains in export volume and value were not sufficient to offset the larger losses.

Decreased European demand for U.S. soybeans in 2003, helps account for some of the \$900 million reduction in this forecast of U.S. exports to the European Union. Exports to the EU are decreased to \$5.8 billion in 2003. Soybean exports are already off by 1.8 million tons and \$87 million. Exports of orange juice and feeds and fodders, especially corn by-products, are also off sharply in both quantity and value. U.S. tobacco leaf exports are down \$160 million in the first 9 months of the year. Weak economic growth in Europe and the competitiveness of Brazil's real are contributing factors.

Russia is another destination to which U.S. exports are declining in 2003. Russia's imports of U.S. products are estimated at just \$500 million in 2003, compared with \$700 million in 2002. U.S. poultry meat was lowered again by \$100 million. In the year to date, poultry meat exports are already down by \$185 million because the United States experienced disease outbreaks, which limited exports after agreement was reached with Russia on export levels. Exports of soybean meal, tobacco, vegetable oils, and red meats also are down in value in 2003. And Russia has not imported any corn or wheat from the U.S. this year.

Exports to Egypt also are estimated \$200 million below the May forecast. Wheat, corn, soybeans, and soybean meal are responsible for the decreased

estimates for 2003. Competition from other exporters is responsible for the decline in wheat and corn.

Expected 2003 U.S. agricultural exports to Canada, the largest U.S. market, have been boosted by another \$100 million since May to \$9.1 billion. Canada is taking more processed items, such as fruit juice, wine, and grain products. Canada's imports of U.S. fresh fruits, especially oranges and apples, also are up this year.

Forecast exports to Mexico remain unchanged at a record \$7.6 billion, up significantly from the previous year. This year's growth in trade is mainly due to increased shipments and higher prices for wheat, corn, cotton, and soybeans and products. The overall value for consumer foods and beverages during the first 9 months of fiscal 2003 remains unchanged from the same period last year at \$2.2 billion or 40 percent of total sales.

The largest value gain since May in 2003 U.S. exports occurs in estimated exports to China. U.S. exports to China are forecast \$400 million higher than in May, at \$3.5 billion. These would be the highest U.S. agricultural exports on record to China. Most of the gain is in soybean exports, which China has been taking in large quantities for use in its oilseed processing industry instead of importing meals. Also this year, China is purchasing more U.S. cotton and livestock products, such as calf skins and mink pelts. Gains in livestock product imports may to some extent begin to reflect trade improvement due to China's entry into the World Trade Organization.

Japan remains the second largest U.S. market with expected exports of \$9 billion, also a little more than forecast in May. Total value is up largely due to higher wheat and corn prices. Exports of feeds and fodders, calf skins, wine, and other oilseeds also show significant growth. And, exports of beef, soybeans, soybean meal, and soybean oil remain strong. Exports of beef and other higher-valued products are expected to increase further as Japan's economic growth slowly begins to expand again.

Table 3--U.S. agricultural exports: Value by region, 2002-2003

Country and Region 1/	October-June		Fiscal 2002	Share of total 2002	Estimate Fiscal 2003	
	2002	2003			May	Aug.
	Billion dollars			Percent	Billion dollars	
Asia (excl. Middle East)	15.005	16.953	19.461	36.5	21.3	21.9
Japan	6.322	6.873	8.307	15.6	8.8	9.0
China	1.470	2.973	1.770	3.3	3.1	3.5
Hong Kong	0.863	0.790	1.145	2.1	1.0	1.1
Taiwan	1.429	1.495	1.921	3.6	2.0	2.0
South Korea	2.043	2.062	2.668	5.0	2.7	2.7
Southeast Asia	2.238	2.283	2.880	5.4	3.1	3.0
Indonesia	0.603	0.733	0.784	1.5	0.9	0.9
Philippines	0.586	0.511	0.763	1.4	0.8	0.7
Malaysia	0.265	0.258	0.365	0.7	0.4	0.4
Thailand	0.526	0.516	0.624	1.2	0.6	0.6
South Asia	0.634	0.468	0.751	1.4	0.6	0.6
Western Hemisphere	14.973	15.963	20.098	37.7	21.5	21.5
Canada	6.397	6.832	8.588	16.1	9.0	9.1
Mexico	5.303	5.674	7.058	13.2	7.6	7.6
Caribbean	1.123	1.164	1.489	2.8	1.6	1.6
Central America	0.911	1.003	1.219	2.3	1.4	1.4
South America	1.240	1.290	1.743	3.3	1.9	1.8
Brazil	0.197	0.258	0.318	0.6	0.4	0.4
Colombia	0.359	0.393	0.485	0.9	0.5	0.5
Venezuela	0.229	0.229	0.329	0.6	0.4	0.3
Western Europe	5.899	5.198	7.034	13.2	7.1	6.2
European Union	5.230	4.906	6.276	11.8	6.7	5.8
Central and Eastern Europe	0.179	0.154	0.224	0.4	0.2	0.2
New Independent States 2/	0.733	0.510	0.896	1.7	0.8	0.7
Russia	0.591	0.351	0.711	1.3	0.6	0.5
Middle East	1.967	1.730	2.456	4.6	2.2	2.2
Turkey	0.610	0.632	0.725	1.4	0.7	0.8
Saudi Arabia	0.274	0.229	0.354	0.7	0.3	0.3
Africa	1.826	1.500	2.406	4.5	2.1	2.0
North Africa	1.251	0.763	1.560	2.9	1.2	1.0
Egypt	0.832	0.499	1.020	1.9	0.8	0.6
Sub-Saharan Africa	0.575	0.737	0.845	1.6	0.9	1.0
Oceania	0.365	0.417	0.501	0.9	0.6	0.6
Transshipments 3/	0.186	0.154	0.215	0.4	0.2	0.2
Total 3/	41.133	42.579	53.291	100.0	56.0	55.5

Total may not add due to rounding.

1/ Projections, other than to the 10 largest destination countries, are based primarily on trend or recent average growth analysis.

2/ New Independent States (NIS) are the former Soviet Union, including the Baltic Republics.

3/ Transshipments through Canada have not been allocated to their final destinations for 1999 through 2003, but are included in the total.

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

The country's steady appetite for imported food and other farm commodities is expected to push U.S. import value to \$47.5 billion for fiscal 2004. Imports are expected to rise as the U.S. economy slowly recovers growth momentum, but gains will be tempered by a weaker dollar. Gains in 2004 imports are attributed to increased demand for fresh and frozen vegetables, wine, grain products, confectionery products, coffee, and cocoa. The 2004 forecast is \$2.5 billion above the revised \$45 billion estimated for 2003. The estimate for 2003 is down \$500 million from May's \$45.5 billion estimate.

Among horticulture product imports, a dramatic increase in demand for essential oils from the European Union helps catapult total horticulture imports up more than \$1.5 billion in 2004 from the increased forecast of \$20 billion for 2003. U.S. demand is strongest for imported wine, fresh and frozen vegetables, especially tomatoes, and prepared and preserved fruits, including fruit juices.

In contrast to flat demand for beer, U.S. wine imports continue unabated and are increased by \$300 million for 2004. This demand benefits primarily vintners in the European Union and Australia.

Imports of fresh and frozen vegetables are raised \$250 million. During the off-season, U.S. demand for fresh and frozen vegetables cannot be supplied by domestic farmers alone. This need is filled by shipments from Canada, Mexico, Chile, Peru, Ecuador, China, New Zealand, and the European Union.

Additional opportunities to satisfy increased U.S. demand for prepared or preserved fruits and fruit juices, up \$190 million in 2004, are taken by exporters in South America and Southeast Asia. The major sources of apple juice are China, Argentina, and Chile. Brazil remains the principal supplier of orange juice to the United States, followed by Costa Rica.

Red meat imports also are projected to expand in 2004. U.S. red meat production is anticipated to decline again in 2004, pushing imports up. In addition, a resumption of imports from Canada and higher expected cattle slaughter will help boost imports from that country. However, live animal imports are expected to be substantially lower as current regulations ban the import of live ruminants from Canada. Estimated U.S. red meat and product imports for 2003 were reduced by \$400 million from May's forecast. Shipments of ruminants and products from Canada were halted following the discovery of a case of BSE in May. Although imports are expected to resume during September, it is unlikely that the full decline will be made up by the end of fiscal 2003. In addition, U.S. cow slaughter has been higher than previously expected, reducing the need for imported processing beef. Drought and higher exchange rates in Australia have reduced imports from that country.

Value and volume of grain imports is projected up \$450 million in 2004. Most of the gain will be in imported grain products, which are expected to rise again by at least \$300 million. Closures of U.S. wheat flour mills have led to greater imports from Canada. The gains for bulk grains will be much smaller. More wheat will be shipped from Canada and rice from Thailand, India, China, and Pakistan. Feed grain imports also are forecast up in 2004 as higher demand for barley more than offsets lower corn imports.

More imports of confectionery products and beet and cane sugar are part of the \$240 million upward adjustment of estimates for sugar products in 2004. Cocoa and cocoa goods also are expected to be imported at a faster clip as recent prices have fallen. With import values rising, coffee and rubber import volumes in 2003 are already ahead of 2002 due to a pick-up in demand by consumers and industry. This demand is expected to continue in 2004. The value of nonalcoholic beverages and seeds, as well as soybeans, rapeseed, flaxseed, and sunflowerseed also rises.

Table 4--U.S. agricultural imports: Value and volume by commodity, 2002-2004

Commodity	October-June		Fiscal 2002	Forecast Fiscal 2003		Forecast
	2002	2003		May	Aug.	Fiscal 2004 Aug.
VALUE			Billion dollars			
Animals and products	6.878	6.742	9.066	9.1	8.4	8.1
Live animals, except poultry	1.576	1.443	1.995	1.8	1.6	0.9
Red meats and products	3.141	3.123	4.187	4.4	4.0	4.2
Dairy products	1.371	1.392	1.841	1.8	1.9	2.0
Grains and feeds	2.608	2.859	3.599	3.9	3.9	4.4
Grains	0.557	0.478	0.754	0.6	0.6	0.7
Grain products	1.679	1.965	2.342	---	2.7	3.0
Horticulture products 1/	13.500	15.388	17.543	19.7	20.0	21.5
Fruits, fresh and frozen	1.989	2.117	2.300	---	2.4	2.5
Bananas	0.891	0.879	1.188	1.2	1.2	1.2
Fruits, prep. or pres., and juices	1.069	1.264	1.443	---	1.7	1.9
Nuts and preparations	0.475	0.530	0.648	0.7	0.7	0.8
Vegetables, fresh and frozen	2.517	2.967	3.120	---	3.7	3.9
Vegetables, prepared or preserved	1.720	1.862	2.324	---	2.5	2.7
Wine	1.855	2.353	2.522	---	3.2	3.5
Malt beverages	1.846	1.887	2.526	---	2.6	2.7
Cut flowers and nursery stock	0.894	0.954	1.135	1.2	1.2	1.3
Sugar and related products	1.206	1.525	1.710	2.1	2.0	2.2
Tobacco, unmanufactured	0.560	0.463	0.736	0.6	0.6	0.6
Oilseeds and products	1.192	1.465	1.675	2.1	2.0	2.1
Coffee and products	1.157	1.435	1.610	2.0	2.0	2.1
Cocoa and products	1.228	1.664	1.714	2.2	2.2	2.3
Rubber and gums	0.443	0.775	0.655	1.1	1.0	1.1
Tea, spices, and natural drugs	1.003	1.082	1.306	1.3	1.4	1.5
Nonalcoholic bevg., seeds, and other	1.011	1.134	1.340	1.5	1.5	1.6
Total agricultural imports	30.786	34.531	40.954	45.5	45.0	47.5
VOLUME			Million metric tons			
Wine and malt beverages 2/	19.630	19.697	26.711	---	26.8	34.0
Red meats and products	1.226	1.239	1.655	1.8	1.6	1.8
Cheese and casein	0.236	0.238	0.324	0.3	0.3	0.4
Grains	3.670	2.719	4.918	3.7	3.6	3.7
Feeds and fodders	0.918	1.000	1.212	1.4	1.3	1.3
Fruits and preparations	6.602	6.867	7.493	8.8	7.8	8.9
Bananas	3.124	3.167	4.192	4.3	4.2	4.3
Vegetables, fresh or frozen	3.522	3.851	4.320	4.7	4.7	4.9
Sugar, beet and cane	0.939	1.093	1.342	1.4	1.6	1.8
Oilseeds and products	2.584	2.688	3.638	3.9	3.8	3.9
Vegetable oils	1.440	1.358	1.927	1.9	1.8	1.9
Coffee and products	0.868	1.004	1.194	1.4	1.4	1.6
Cocoa and products	0.740	0.722	0.986	0.9	1.0	1.1

--- = No previous forecast. Totals may not add due to rounding.

1/ Includes essential oils. 2/ Liquid imports are measured in hectoliters.

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

Regional Imports

U.S. agricultural imports for 2003 are decreased \$500 million compared with May's forecast. U.S. entry restrictions on cattle and beef due to BSE account for smaller imports from Canada. Lower U.S. red meat imports also pull down shipments from Australia. And downward adjustments in tropical imports reduce Mexico's sales to the United States.

Because of increased 2003 U.S. import demand for horticulture crops, particularly during the off-season, the major suppliers are geographically closer, such as Brazil and Chile in South America.

Import gains from the EU are largely comprised of essential oils, wine, grain products, cheese, and olive oil.

Major imports from Southeast Asia arriving at a fast pace include: processed fruits and vegetables from Thailand, nuts from Vietnam, and cane sugar from the Philippines. In tropical oils, Malaysia and the Philippines are our top suppliers.

Country and region	October-June		Fiscal 2002	Share of total 2002	Forecast Fiscal 2003	
	2002	2003			May	Aug.
	Billion dollars			Percent	Billion dollars	
Western Hemisphere	17.097	18.600	22.291	54.4	24.3	23.9
Canada	7.534	7.807	10.188	24.9	10.7	10.4
Mexico	4.289	4.844	5.288	12.9	6.0	5.9
South America	3.536	4.054	4.524	11.0	5.1	5.1
Brazil	0.754	1.048	1.081	2.6	1.4	1.4
Colombia	0.702	0.784	0.903	2.2	1.0	1.0
Chile	1.008	1.061	1.124	2.7	1.1	1.2
Other South America	1.071	1.162	1.416	3.5	1.6	1.5
Central America	1.476	1.612	1.933	4.7	2.1	2.1
Costa Rica	0.616	0.624	0.814	2.0	0.8	0.8
Caribbean	0.262	0.283	0.357	0.9	0.4	0.4
Western Europe	6.309	7.409	8.672	21.2	9.7	10.0
European Union	6.166	7.245	8.468	20.7	9.4	9.7
Eastern Europe	0.226	0.273	0.303	0.7	0.4	0.4
New Independent States 1/	0.062	0.059	0.083	0.2	0.1	0.1
Asia (excluding Middle East)	3.630	4.412	5.046	12.3	6.1	6.0
China	0.711	0.884	0.974	2.4	1.2	1.2
Southeast Asia	1.791	2.370	2.553	6.2	3.3	3.3
Indonesia	0.605	0.817	0.910	2.2	1.2	1.2
Thailand	0.509	0.660	0.708	1.7	0.9	0.9
South Asia	0.544	0.568	0.736	1.8	0.8	0.8
India	0.497	0.515	0.670	1.6	0.7	0.7
Oceania	2.338	2.419	3.180	7.8	3.4	3.1
Australia	1.381	1.420	1.894	4.6	2.0	1.8
New Zealand	0.917	0.962	1.227	3.0	1.3	1.2
Africa	0.729	0.940	0.886	2.2	1.1	1.0
Ivory Coast	0.231	0.390	0.241	0.6	0.4	0.4
Middle East	0.396	0.419	0.518	1.3	0.5	0.5
Turkey	0.256	0.242	0.321	0.8	0.3	0.3
World total	30.786	34.531	40.979	100.0	45.5	45.0

Totals may not add due to rounding.

1/ New Independent States are the former Soviet Union, including the Baltic Republics.

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

Reliability Tables

Table 6--Reliability of United States August export projections, by country, fiscal years 1977/78-2001/2002

Country/Region	Differences between August projections and final data						
	Average	Average	Max below	Max above	Below	Equal	Above
	Percent	Billion dollars		Number of years			
Asia excl. Mid East	6.2	1.1	-4.2	5.6	11.0	2.0	12.0
Japan	2.6	0.2	-0.8	0.3	13.0	2.0	10.0
China	10.7	0.1	-0.2	0.3	6.0	9.0	10.0
Hong Kong 1/	3.6	0.0	-0.1	0.1	2.0	10.0	3.0
Taiwan 1/	2.4	0.1	-0.2	0.1	4.0	8.0	3.0
South Korea 1/	3.5	0.1	-0.3	0.2	4.0	7.0	4.0
Southeast Asia 6/	5.4	0.1	-0.1	0.3	3.0	3.0	4.0
Indonesia 2/	2.9	0.0	-0.1	0.0	1.0	4.0	0.0
Philippines 1/	8.6	0.0	-0.1	0.1	2.0	9.0	4.0
Malaysia 2/	5.0	0.0	-0.1	0.0	1.0	4.0	0.0
Thailand 2/	4.0	0.0	0.0	0.1	0.0	4.0	1.0
South Asia	9.4	0.1	-0.1	0.1	3.0	7.0	7.0
Canada	2.5	0.1	-0.3	0.2	10.0	11.0	4.0
Mexico 3/	5.5	0.1	-0.4	0.2	9.0	5.0	8.0
Caribbean 4/	0.0	0.0	0.0	0.0	0.0	2.0	0.0
Central America 4/	0.0	0.0	0.0	0.0	0.0	2.0	0.0
South America 7/	4.3	0.1	-0.1	0.1	5.0	2.0	2.0
Brazil 1/	17.8	0.0	-0.2	0.1	3.0	10.0	2.0
Colombia 4/	0.0	0.0	0.0	0.0	0.0	1.0	0.0
Venezuela 1/	7.1	0.0	-0.1	0.1	3.0	11.0	1.0
Western Europe 5/	1.6	0.1	-0.3	0.3	3.0	3.0	2.0
European Union 5/	2.9	0.2	-0.3	0.5	1.0	1.0	6.0
Central and E. Europe	11.8	0.1	0.0	0.9	0.0	14.0	11.0
FSU/New Ind States	9.2	0.1	-0.2	0.5	7.0	6.0	12.0
Russia 5/	19.3	0.1	-0.1	0.4	2.0	3.0	3.0
Middle East	5.7	0.1	-0.5	0.3	6.0	8.0	11.0
Turkey 2/	10.7	0.1	-0.1	0.1	1.0	2.0	2.0
Saudi Arabia 1/	6.7	0.0	-0.1	0.1	2.0	10.0	3.0
Africa	6.4	0.1	-0.5	0.2	11.0	3.0	11.0
North Africa	7.6	0.1	-0.4	0.2	7.0	8.0	10.0
Egypt 1/	9.8	0.1	-0.3	0.2	6.0	6.0	3.0
Sub-Sahara	6.1	0.0	-0.1	0.1	10.0	13.0	2.0
Oceania	10.6	0.0	-0.1	0.1	4.0	18.0	3.0
World	2.1	0.9	-1.6	4.3	11.0	2.0	12.0

1/ 1978/88-2001/02. 2/ 1998/99-2001/02. 3/ 1980/81-2001/02. 4/ 2001/02 single year only.

5/ 1994/95-2001/02. EU-15 formed in 1995. 6/ Intermittent.

Table 7--Reliability of United States August import projections, by country, fiscal years 1989/90-2001/2002

Country/Region	Differences between August projections and final data						
	Average	Average	Max Below	Max Above	Below	Equal	Above
	Percent	Billion dollars			Number of Years		
Canada	2.4	0.1	-0.3	0.2	8.0	2.0	3.0
Mexico	2.9	0.1	-0.1	0.4	2.0	6.0	5.0
South America 1/	3.4	0.1	-0.1	0.2	1.0	0.0	1.0
Brazil	10.0	0.1	-0.2	0.5	7.0	2.0	4.0
Colombia 2/	3.1	0.0	-0.1	0.1	1.0	3.0	1.0
Chile 3/	6.6	0.1	0.0	0.1	0.0	3.0	4.0
Central America 2/	4.0	0.1	-0.1	0.1	2.0	1.0	2.0
Costa Rica 2/	0.0	0.0	0.0	0.0	0.0	5.0	0.0
Caribbean 4/	8.3	0.0	0.0	0.1	0.0	3.0	1.0
Western Europe	3.3	0.2	-0.5	0.2	7.0	2.0	4.0
European Union	4.4	0.2	-0.5	0.3	9.0	2.0	2.0
Eastern Europe	5.8	0.0	-0.1	0.1	1.0	11.0	1.0
FSU/New Ind. States	12.5	0.0	-0.1	0.0	2.0	6.0	0.0
Asia, excl. Mid East	3.5	0.1	-0.3	0.4	5.0	2.0	6.0
China	3.6	0.0	-0.1	0.1	2.0	10.0	1.0
Southeast Asia 3/	4.1	0.1	-0.2	0.3	1.0	2.0	4.0
Indonesia 2/	3.7	0.0	-0.1	0.1	1.0	3.0	1.0
Thailand 2/	2.5	0.0	-0.1	0.0	1.0	4.0	0.0
South Asia 3/	5.6	0.0	0.0	0.2	0.0	5.0	2.0
Oceania	2.7	0.1	-0.1	0.0	7.0	6.0	0.0
Australia 2/	1.3	0.0	0.0	0.1	0.0	3.0	1.0
New Zealand 2/	2.3	0.0	0.0	0.1	0.0	3.0	1.0
Africa	7.2	0.1	-0.1	0.1	3.0	6.0	4.0
Ivory Coast 2/	10.0	0.0	0.0	0.2	0.0	4.0	1.0
Middle East	17.8	0.1	-0.4	0.2	3.0	5.0	5.0
Turkey 2/	0.0	0.0	0.0	0.0	0.0	5.0	0.0
World	1.9	0.6	-1.1	1.2	7.0	0.0	6.0

1/ 2001/02 single year only. 2/ 1998/99-2001/02. 3/ 1995/96-2001/02. 4/ 2000/01-2001/02.

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