



***FY '00 AgExport Forecast Rises to \$50 Billion
Imports Set at \$39 Billion***

***FY 2000 Export Forecasts for
Ag, Fishery & Forest Products***

***USDA's Quarterly Publication "Outlook for US Agricultural Trade"
was released on June 2, 2000***

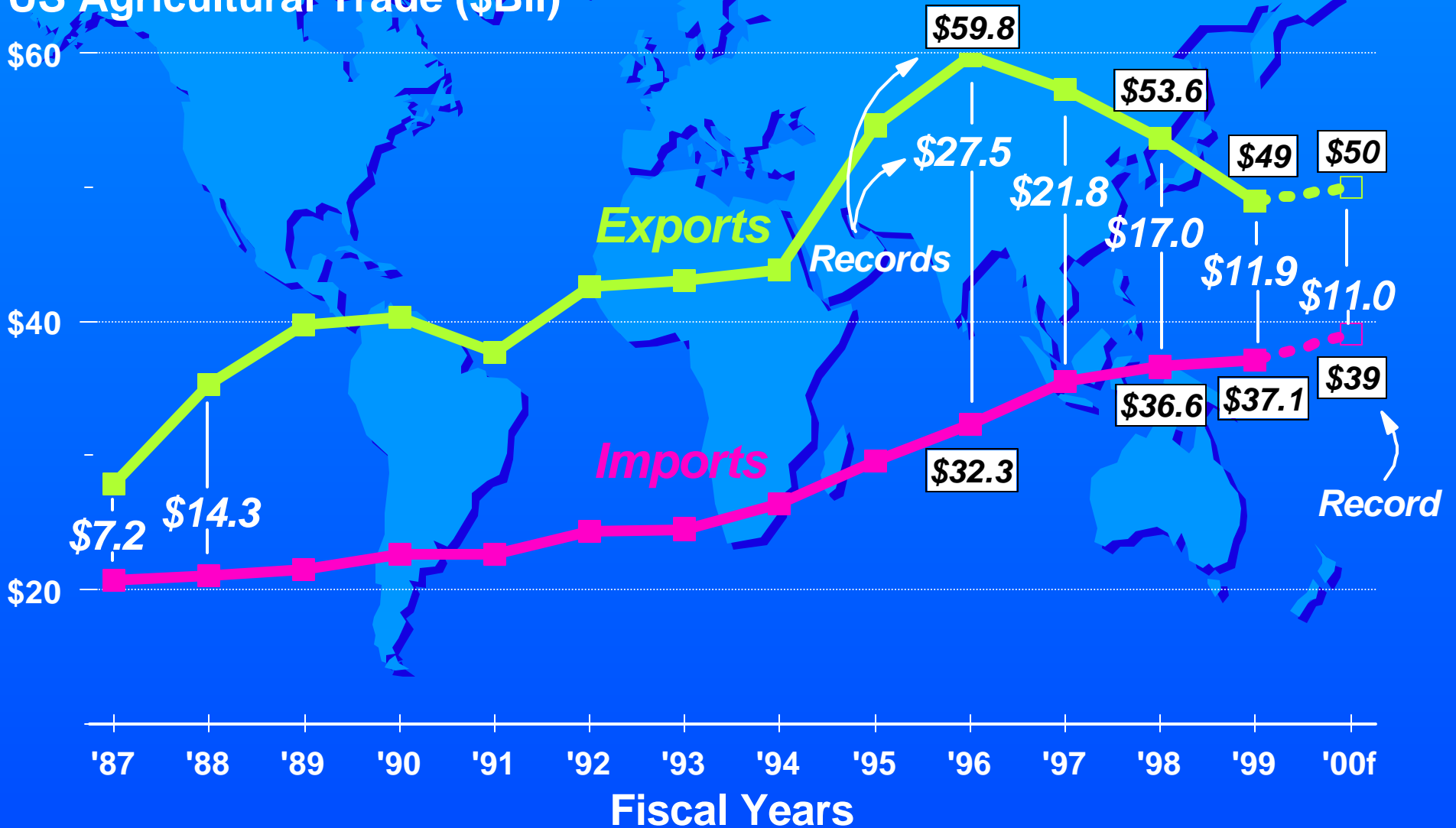
Prepared by Ernest Carter with assistance from Commodity Analysts, CMP/FAS

U.S. Agricultural Trade Balance, 1987-2000

FY 2000 export forecast set at \$50 billion -- \$1 billion over 1999

However, with imports expected to rise faster, the trade surplus should decline.

US Agricultural Trade (\$Bil)



FY 2000 Export Forecasts -- Commodity Values

Expected Changes and Main Reasons for Changes

(\$ Billions)	Feb FY '00 Forecast	June FY '00 Forecast	Chg	Main Reason
Wheat & Flour	3.6	3.6	0.0	(+) vol offset by (-) price
Rice	0.9	0.9	0.0	
Corn	4.4	4.4	0.0	(-) vol offset by (+) price
Soybeans	4.8	5.0	0.2	(+) vol -- foreign demand
Soymeal	1.2	1.2	0.0	
Soyoil	0.3	0.3	0.0	
Beef & Pork	4.8	4.8	0.0	
Hides & Skins	1.1	1.3	0.2	(+) vol -- foreign demand
Poultry Meat	1.8	1.9	0.1	(+) vol -- foreign demand
Dairy Prods	0.9	1.0	0.1	(+) vol -- prog support
Tobacco	1.3	1.3	0.0	
Cotton	1.7	1.8	0.1	(+) vol -- foreign demand
Hort Prods	10.5	10.4	-0.1	(-) vol & (-) price
Fishery Prods	2.9	2.8	-0.1	
Wood Prods	6.1	6.3	0.2	

Export Outlook for Grain & Feed

Revised Forecast for 2000:  \$200 Million to \$13.6 Billion

Revised FY 2000 Forecast (since Feb)

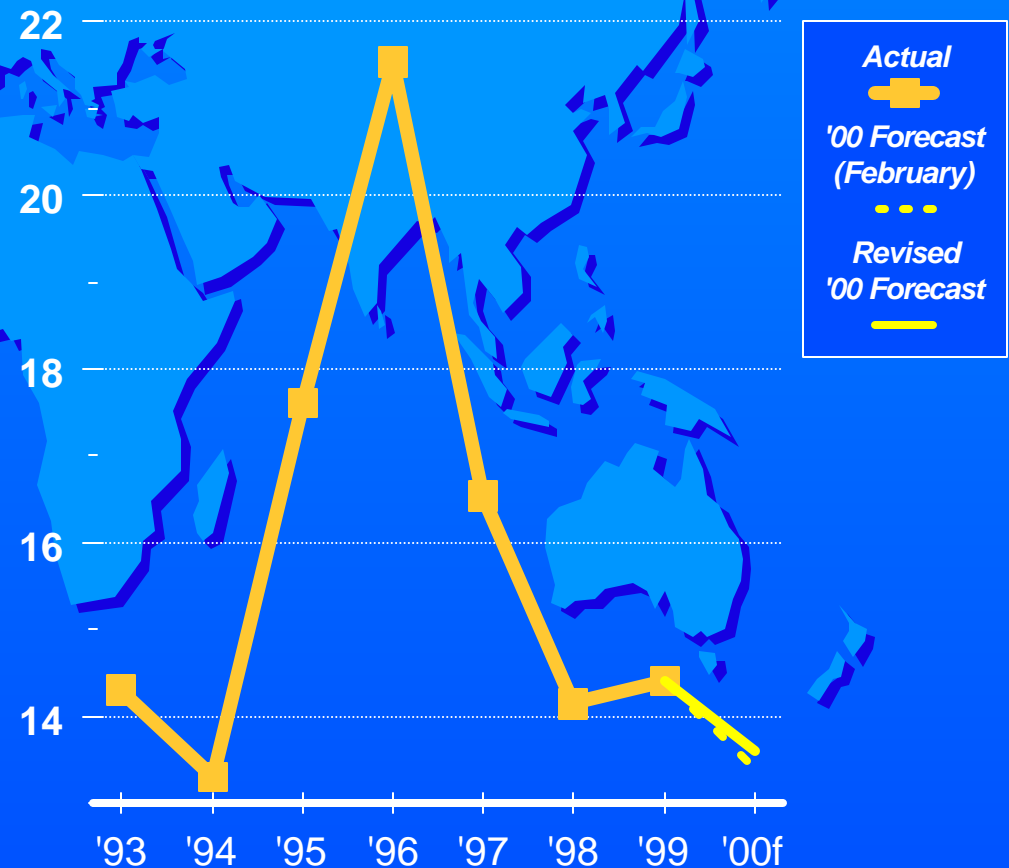
Key Upside Developments

- US wheat export volume boosted 500,000 MT due to increased foreign demand, largely the result of NAfrica & Middle East drought

Key Downside Developments

- large wheat stocks keep prices in check
- US corn export volume lowered due to upward revision in China's corn shipments (up 1 MMT to 9 MMT) and some decline in global demand

U.S. Grain & Feed Exports (\$Bil)



Note: Includes corn gluten feed/meal

Export Outlook for Oilseeds & Products

Revised Forecast for 2000: Steady at \$8.5 Billion

Revised FY 2000 Forecast (since Feb)

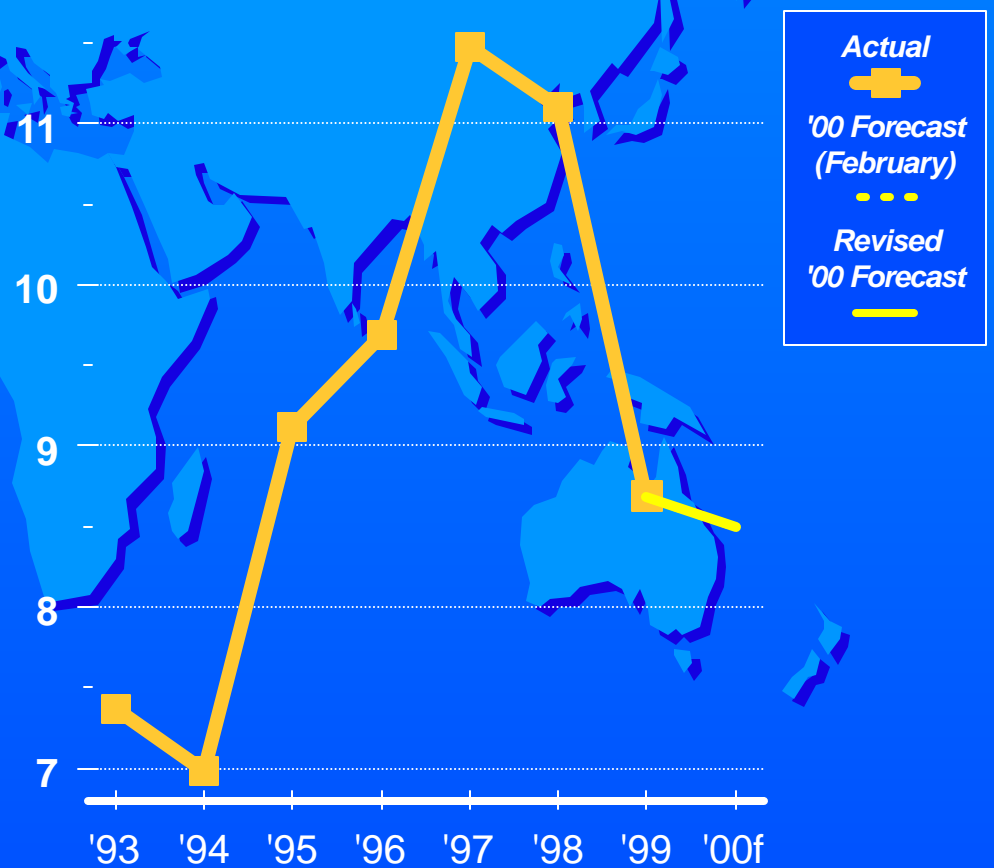
Key Upside Developments

- US soybean exports up 1.36 MMT with shipments higher to China, Mexico, EU, Indonesia
- foreign oilseed deficit increased 0.8 MMT with smaller output in India and a boost in meal and oil usage spurred by accelerating income growth

Key Downside Developments

- low prices prevent recovery in export value

US. Oilseed & Prod Exports (\$Bil)



Note: Excludes corn gluten feed/meal

Export Outlook for Cotton & Linters

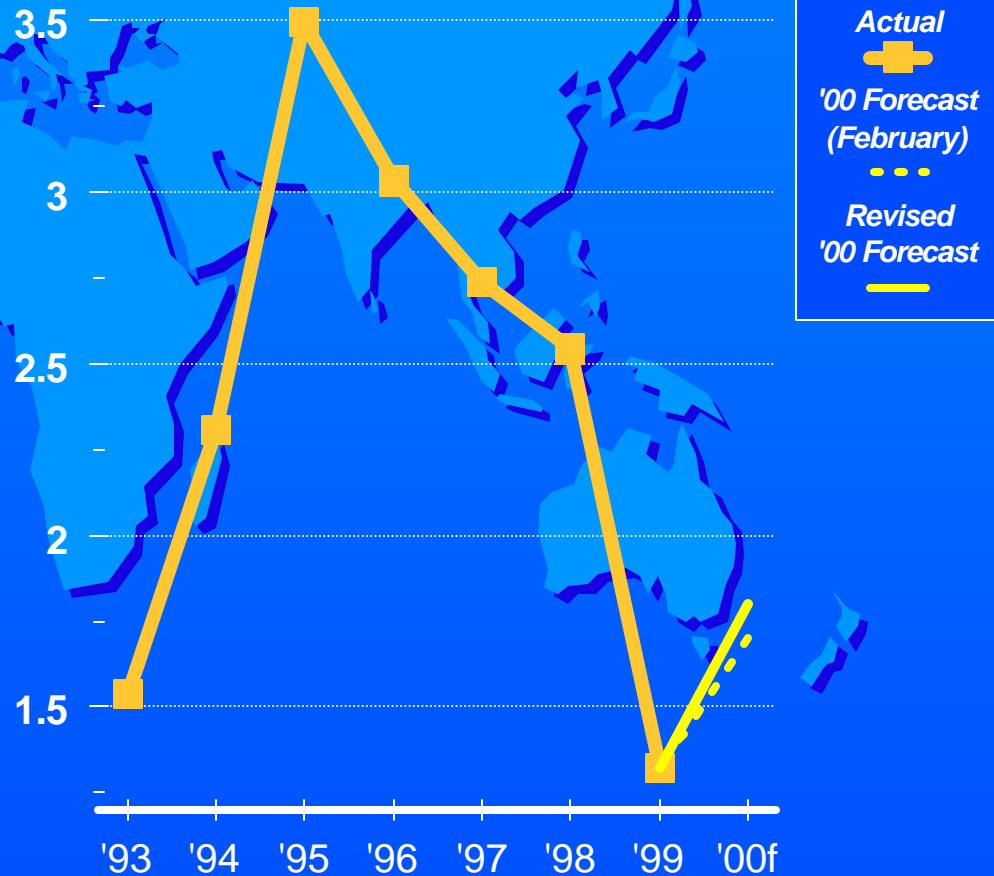
Revised Forecast for 2000:  \$100 Million to \$1.8 Billion

Revised FY 2000 Forecast (since Feb)

Key Upside Developments

- export volume raised about 100,000 tons due to stronger than expected global demand
- GSM credit guarantees and Step 2 payments continue to support sales

U.S. Cotton Exports (\$Bil)



Export Outlook for DL&P Products

Revised Forecast for 2000:  \$200 Million to \$11.5 Billion

Revised FY 2000 Forecast (since Feb)

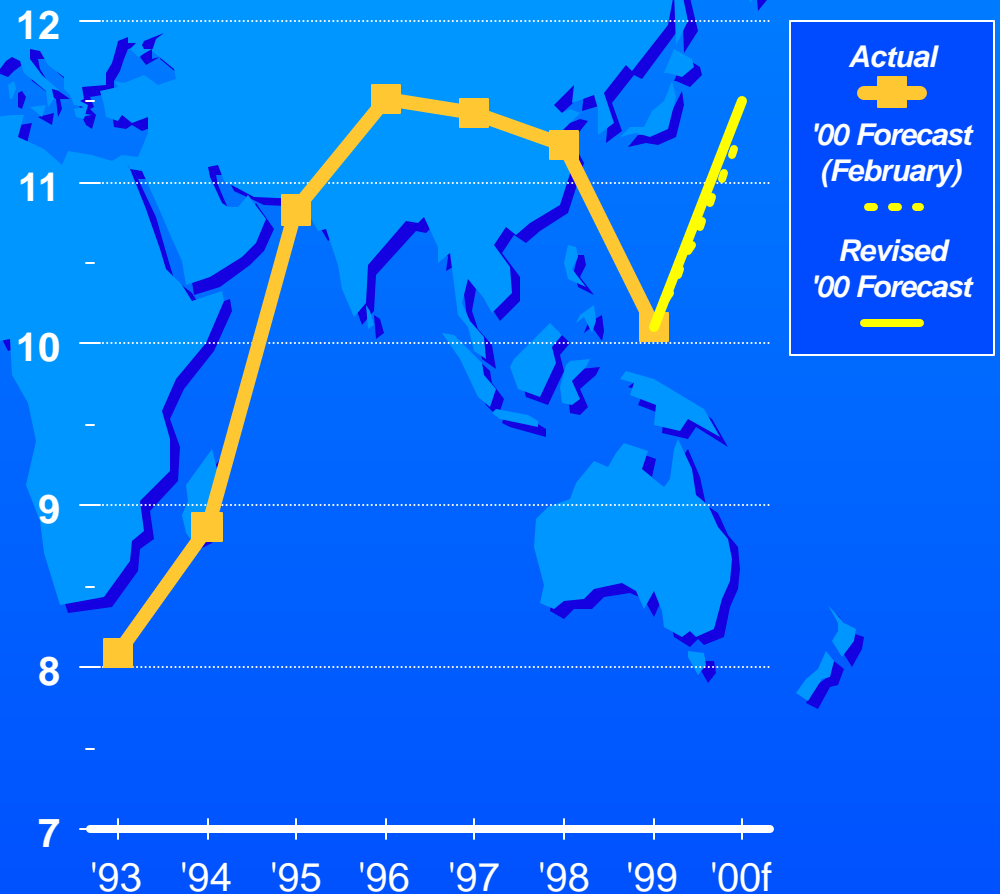
Key Upside Developments

- hides up sharply (+\$200 million) due to stronger whole hide exports to Asia
- poultry and beef exports revised up (\$65 and \$28 million) on strong export demand
- dairy exports up due to increased DEIP activity

Key Downside Developments

- tallow exports down sharply due to increased vegetable oil competition
- pork exports down slightly due to competition from Canada and subsidized EU pork

Dairy, Livstck, Poultry Exports (\$Bil)



Export Outlook for Horticultural Products

Revised Forecast for 2000:  \$100 Million to \$10.4 Billion

Revised FY 2000 Forecast (since Feb)

Key Upside Developments

- strong sales to Canada & Mexico expected

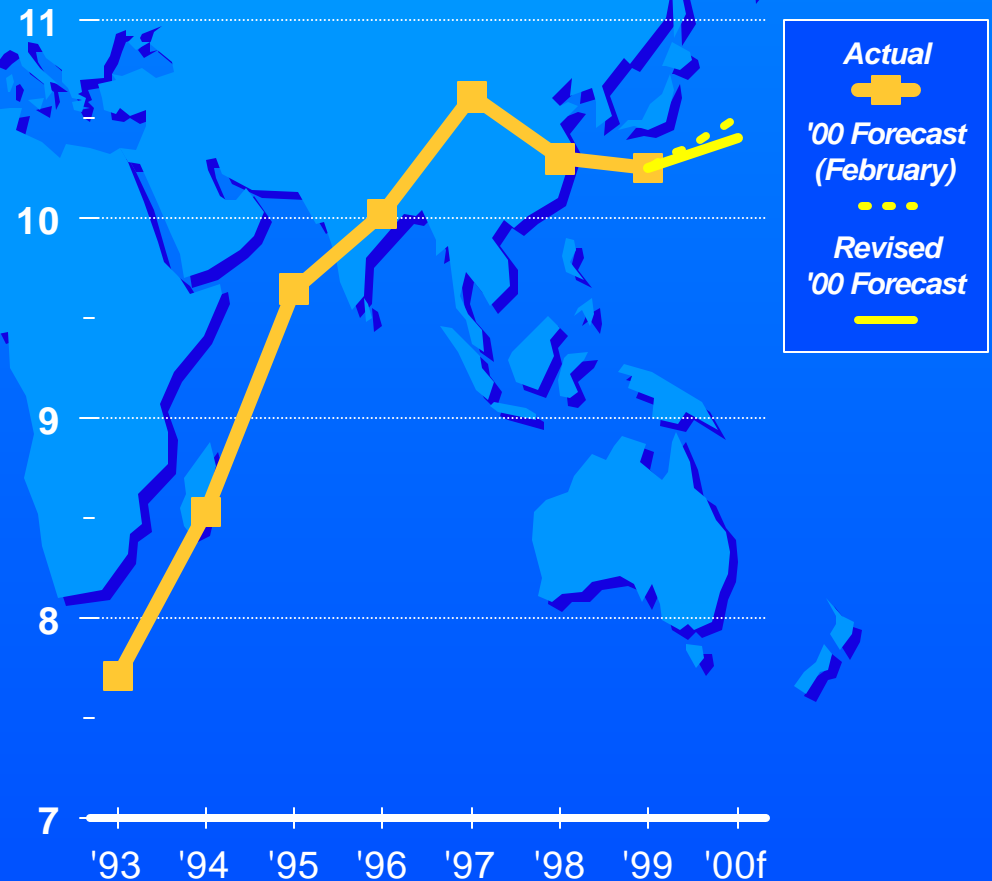
Key Downside Developments

- apple exports down due to lower supply & prices
- record US and foreign tree nuts supplies pressure prices lower

Wild Cards

- value of frozen strawberry exports could rise due to better quality

U.S. Hort. Product Exports (\$Bil)



Export Outlook for Fishery Products

Revised Forecast for 2000:  \$100 Million to \$2.8 Billion

Revised FY 2000 Forecast (since Feb)

Key Upside Developments

- export growth of 25% to 3 of top 4 markets
- squid and pollock harvests are up

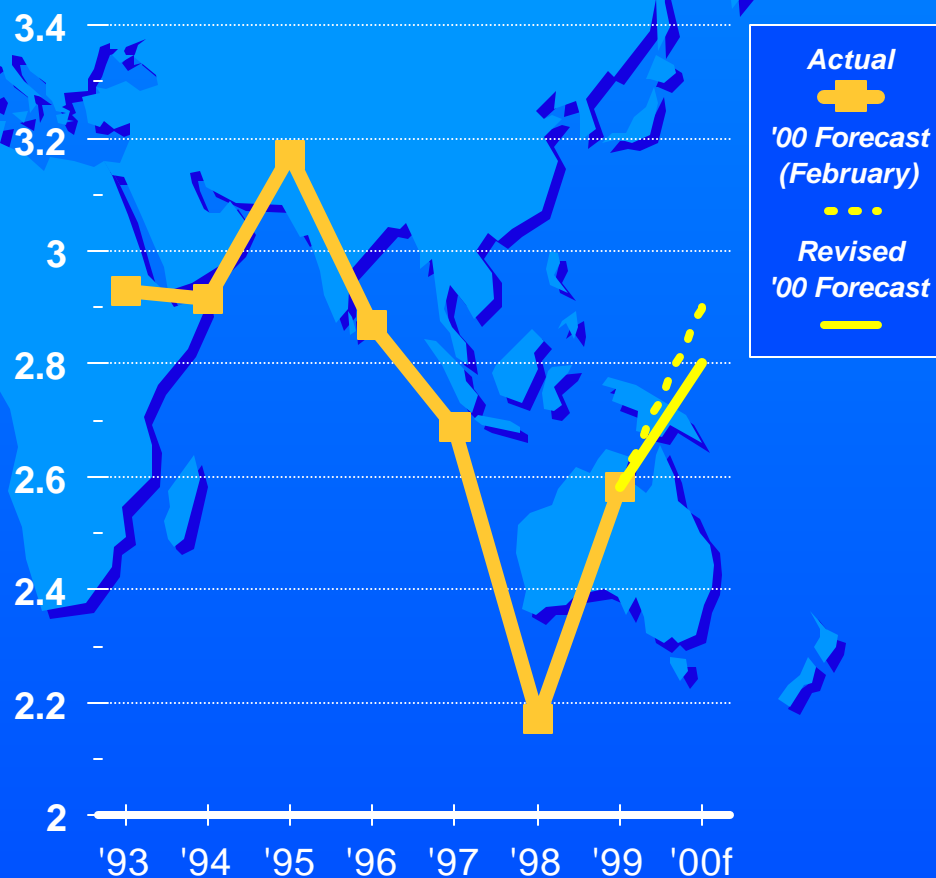
Key Downside Developments

- exports to our number one market (Japan) are slower than expected (down 7% over 1999)
- Alaska's opilio (snow) crab harvest in the Bering Sea is down 85% compared to 1999

Wild Cards

- size of US sockeye salmon harvest in 2000

U.S. Fishery Product Exports (\$Bil)



Export Outlook for Solid Wood Products

Revised Forecast for 2000:  \$200 Million to \$6.3 Billion

Revised FY 2000 Forecast (since Feb)

Key Upside Developments

- record sales to Canada & strong sales to Mex
- record sales of hardwood logs, lumber & veneer expected -- especially strong sales to EU

Key Downside Developments

- Japan: US exports still falling; competition for price-sensitive softwood log, lumber & plywood
- Korea: loss of consumer confidence may reverse recent gains in demand for housing & interior products

U.S. Solid Wood Exports (\$Bil)

