



***Fiscal 2001 AgExport Forecast
Increased to \$53.5 Billion
Imports Lowered to \$1 Billion to \$39 Billion***

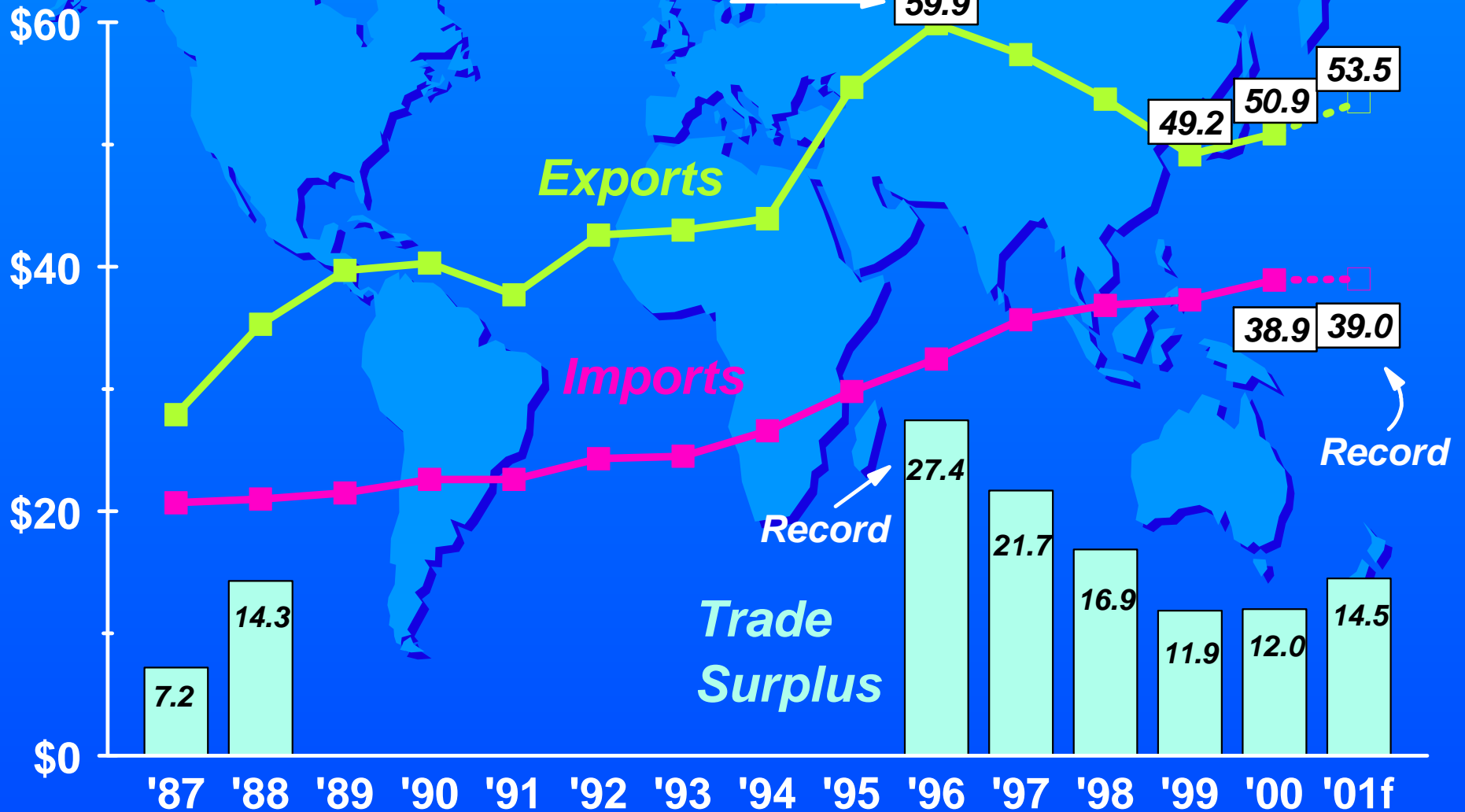
***Quarterly Export Forecasts for
Agricultural, Fishery & Forest Products***

***USDA's "Outlook for US Agricultural Trade" for Fiscal 2001
was released on June 1, 2001
CMP/FAS/USDA***

U.S. Agricultural Trade

Export Chgs from 2000 to 2001: horticultural & animal hides support the overall increase; no significant improvement in grain & oilseeds outlook

US AgTrade (\$Bil)



Summary of Major Changes in the Export Outlook

2001 (chg since last quarter)

Exports

- ✓ Animal hide exports sharply increase (+\$400 mil) due to strong China sales & rising price
- ✓ Cotton exports are reduced (-\$200 million) due to lower prices & slower export volume
- ✓ Soybean volume is raised 700,000 tons (China sales), but lower prices leaves value unchanged
- ✓ Corn volume lowered 4.4 MMT due to greater competition from China, Brazil & Argentina

- ✓ Ag Exports to China raised \$500 million to \$2.3 billion (soybeans, hides)
- ✓ Ag Exports to Mexico raised \$300 million to \$7.4 billion

Imports

- ✓ Forecast lowered \$1 billion to \$39 billion, largely due to lower coffee prices and prices of other tropical products

Export Outlook for Grain & Feed

Revised Forecast for 2001:  \$300 Million to \$14.2 Billion

Revised FY 2001 Forecast (since Feb)

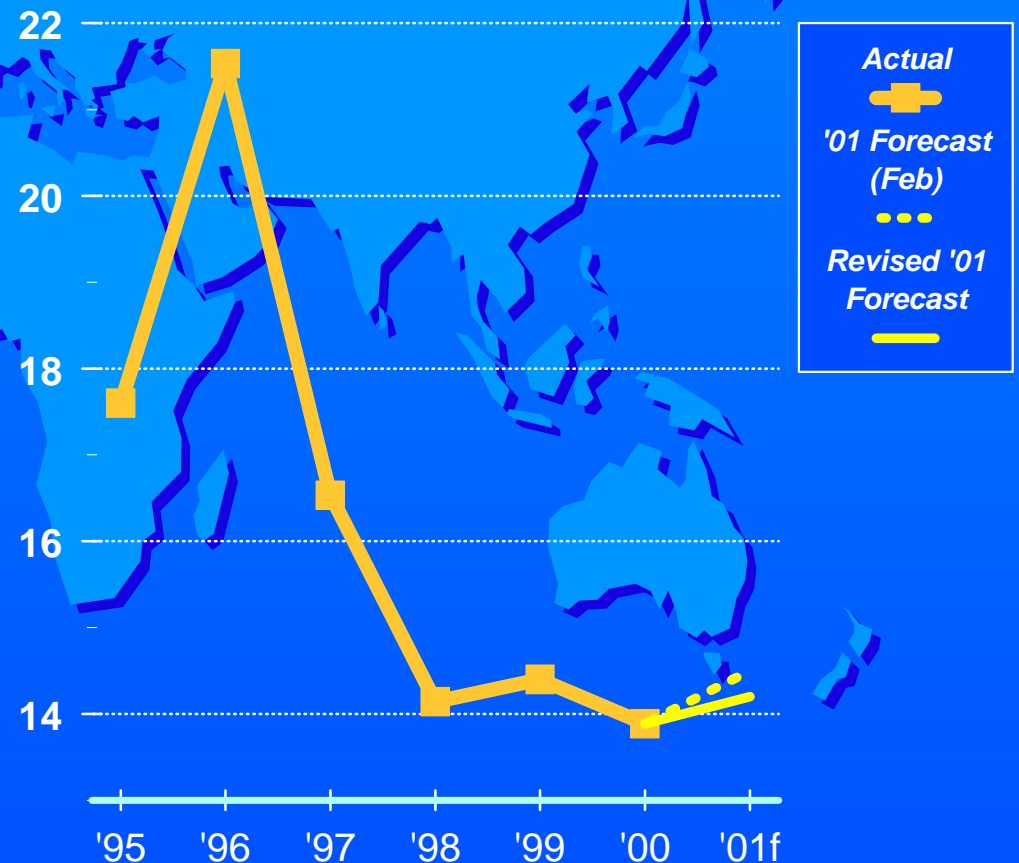
Key Upside Developments

- Wheat prices strengthen due to smaller 2001/02 wheat crop & lower stocks (prices currently near 5-year avg)
- Corn & sorghum exports to Mexico are strong

Key Downside Developments

- Wheat vol lowered 900,000 tons due to smaller 2001/02 US crop & increased SHemisphere competition
- Corn vol lowered 4.5 million tons to 47.5 million tons due to competition from China, Brazil & Argentina
- Increased competition continue to pressure rice prices lower; export vol is reduced

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



Note: Includes corn gluten feed/meal

Export Outlook for Oilseeds & Products

Revised Forecast for 2001:  \$350 Million to \$8.8 Billion

Revised FY 2001 Forecast (since Feb)

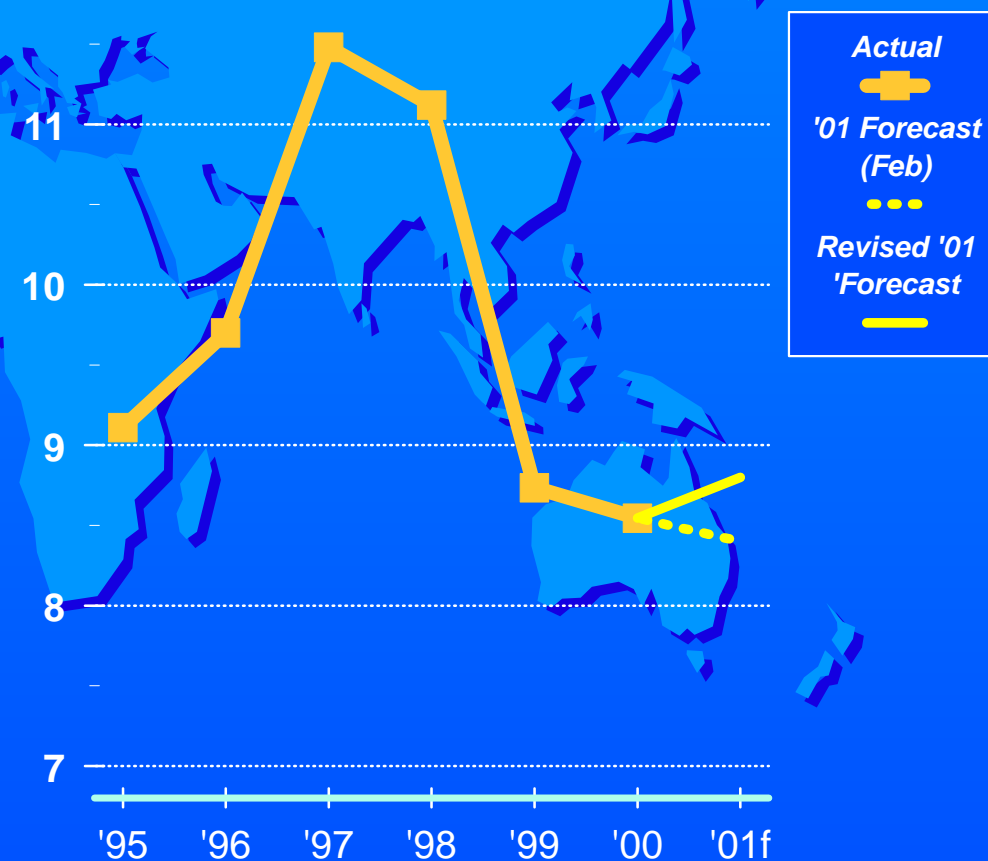
Key Upside Developments

- Competitive prices & strong foreign demand boost US soybean exports
- Foreign demand for soy flours, isolates, concentrates & other minor products boost the overall forecast
- Low prices curb foreign planting of high-oil crops

Key Downside Developments

- Increased demand for oilseeds reduced US soybean meal exports

US. Oilseed & Prod Exports (\$Bil)



Note: Excludes corn gluten feed/meal

Export Outlook for Cotton & Linters

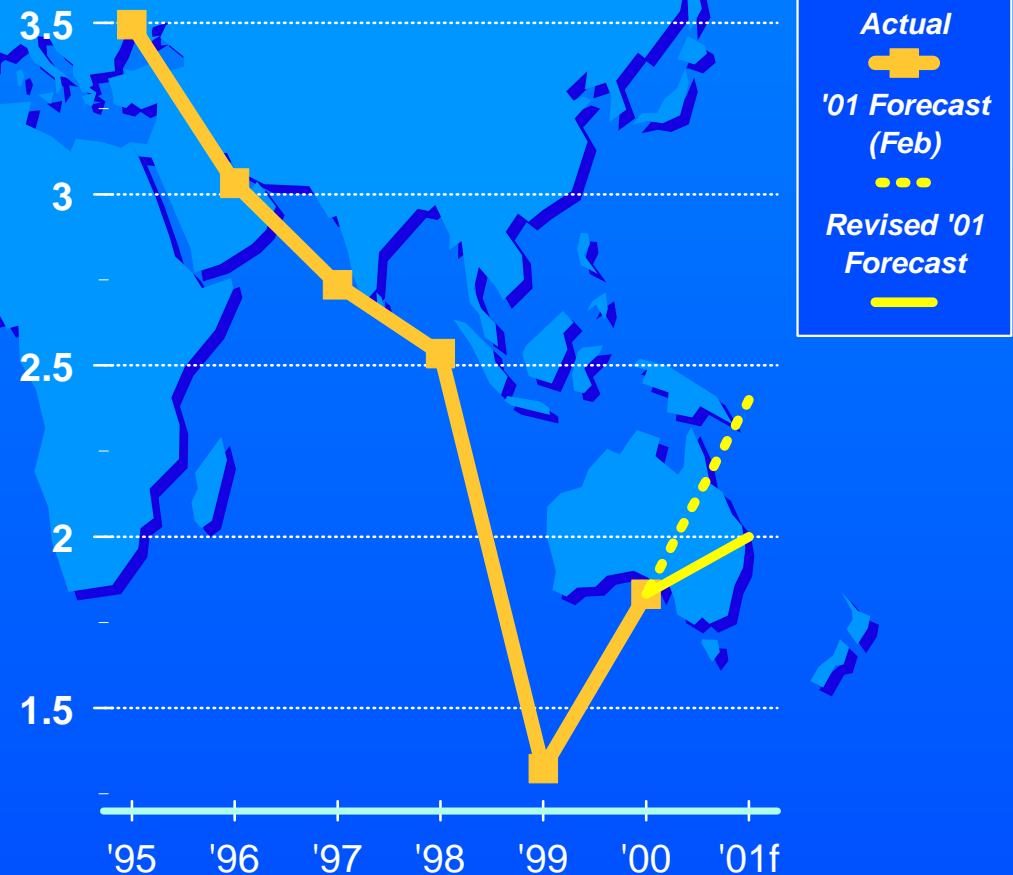
Revised Forecast for 2001:  \$200 Million to \$2.0 Billion

Revised FY 2001 Forecast (since Feb)

Key Downside Developments

- Prices are down sharply, in part due to the large US crop resulting from program support
- Exports have slowed to several markets, including Mexico (reduced US textile activity) and Turkey (financial markets)

U.S. Cotton Exports (\$Bil)



Export Outlook for DL&P Products

Revised Forecast for 2001:  \$500 Million to \$12.6 Billion

Revised FY 2001 Forecast (since Feb)

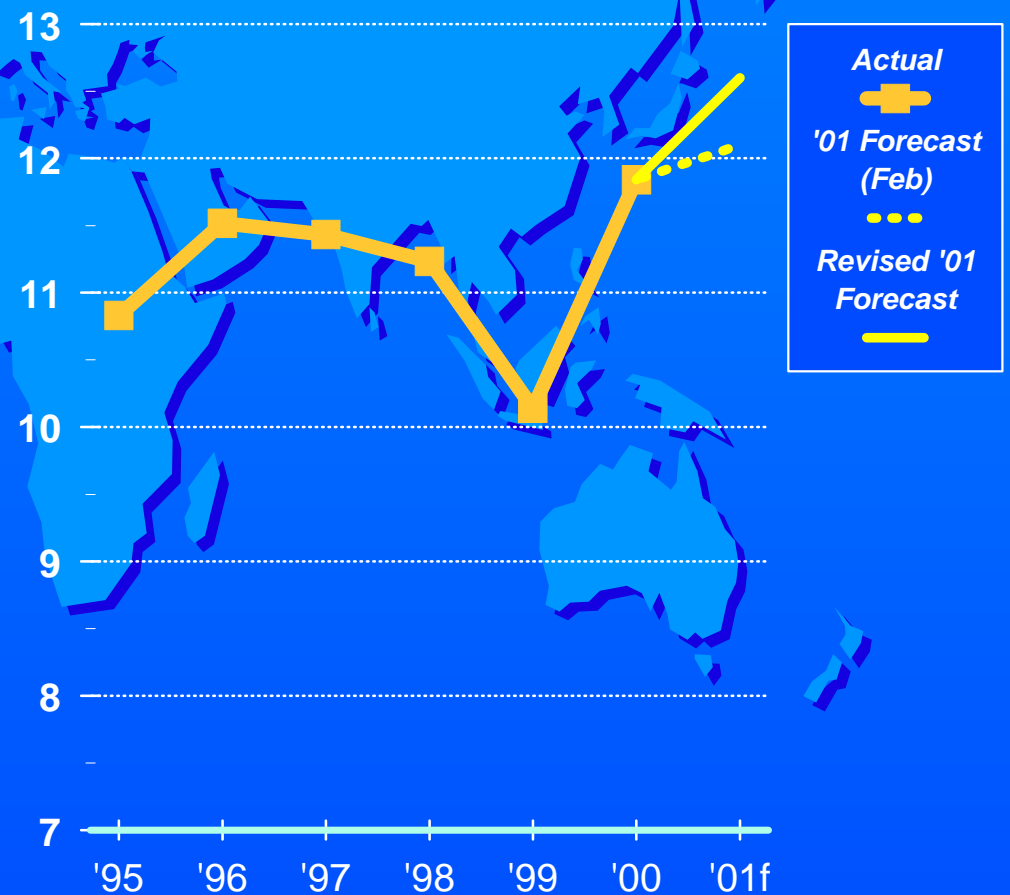
Key Upside Developments

- Record cattle hide exports to China/Hong Kong; sales to Korea are recovering
- Poultry & pork expand in Japan and Russia

Key Downside Developments

- Beef exports slowed by relatively higher prices, especially to Japan
- Some rendered products fell due to BSE concerns

Dairy, Livstck, Poultry Exports (\$Bil)



Export Outlook for Horticultural Products

Revised Forecast for 2001:  \$100 Million to \$11.4 Billion

Revised FY 2001 Forecast (since Feb)

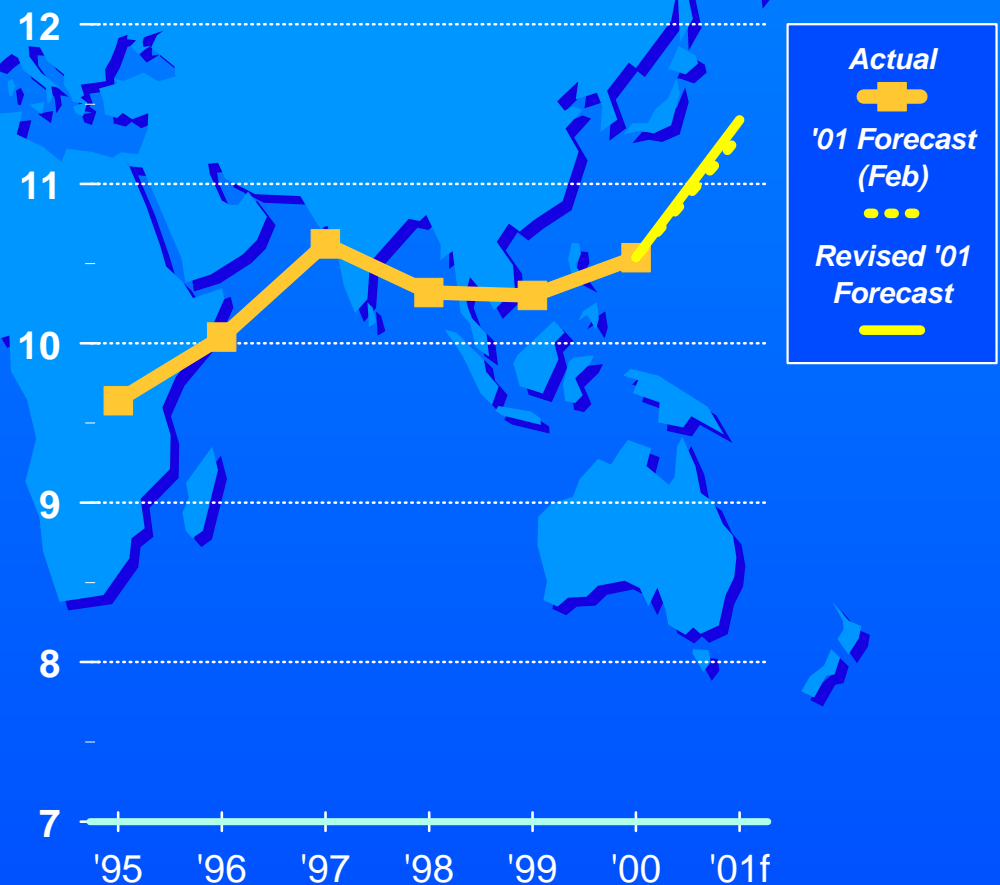
Key Upside Developments

- Tree nut exports increased 9% to \$1.2 billion due to high prices and strong sales vols
- Sales to Canada & Mexico remain strong

Key Downside Developments

- Some decline in the value of wine exports
- Sales to Japan are slow

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



Export Outlook for Fishery Products

Revised Forecast for 2001:  \$100 Million to \$2.9 Billion

Revised FY 2001 Forecast (since Feb)

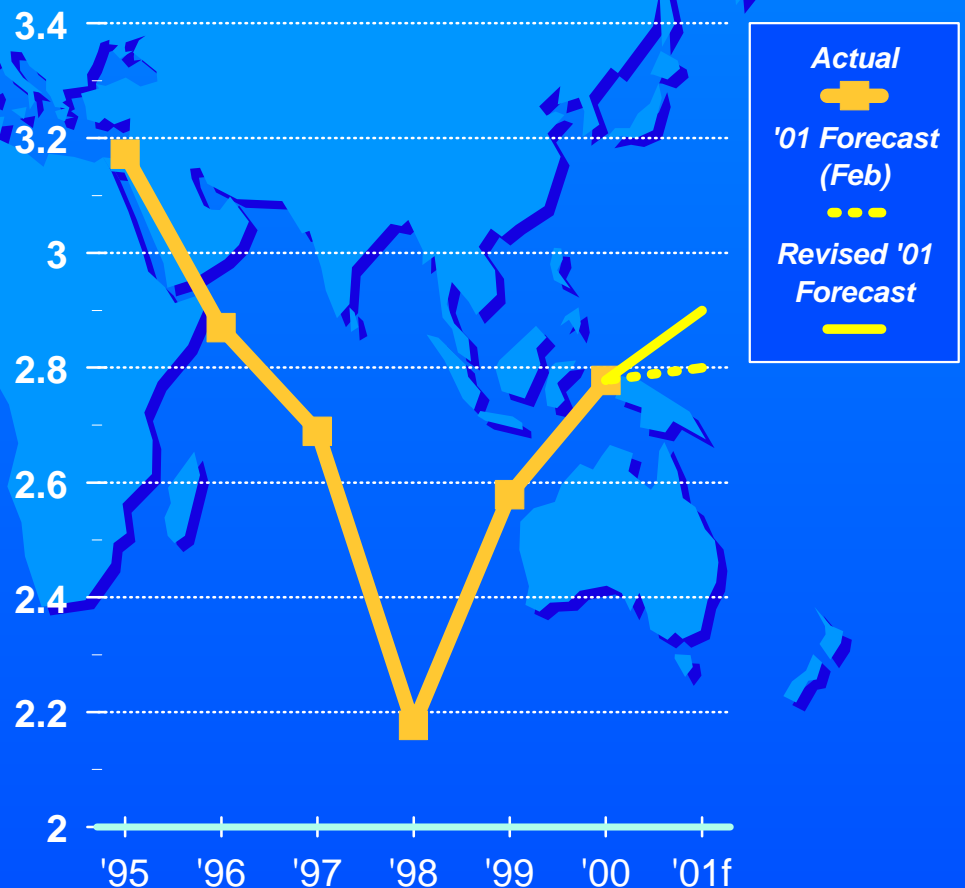
Key Upside Developments

- exports to Japan, our top market, are up 17% over 2000 due to increased pollock fillet & roe sales
- EU demand for fishery products is rising due to foot-and-mouth disease outbreak concerns
- pollock total allowable catch for 2001 is up 23 %

Key Downside Developments

- the Alaska sockeye salmon harvest is forecast to be down 14 %
- strong competition from Chile, China, Norway, and Russia

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



Export Outlook for Solid Wood Products

Revised Forecast for 2001:  \$300 Million to \$6.0 Billion

Revised FY 2001 Forecast (since Feb)

Key Upside Developments

- Exports to Mexico are up 2% on increased demand for Oriented Strand Board (OSB)

Key Downside Developments

- Exports to Canada are down 3% due to increased Canadian panel production
- Exports to the EU are down 10% due to the strong dollar and competition from Eastern Europe and Russia

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

