



United States
Department
of Agriculture

AES-38

May 27, 2003



Electronic Outlook Report from the Economic Research Service, www.ers.usda.gov
and Foreign Agricultural Service, www.fas.usda.gov



Outlook for U.S. Agricultural Trade

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Fiscal 2003 U.S. Agricultural Export Forecast Reduced \$1 Billion and Imports Raised \$2.5 Billion From February

U.S. agricultural exports in fiscal year 2003 are reduced by \$1 billion to \$56 billion; nevertheless, exports remain \$2.7 billion above fiscal 2002. An \$800-million and 5-million-ton reduction since February in corn exports, due to increased foreign export competition, led the decrease in both export value and volume. Poultry exports also are off. Partially offsetting these declines are increases in wheat, rice, soybean, and horticultural product exports. Gradual strengthening of global economic growth and a weakening dollar support year-to-year export growth.

Imports in 2003 are forecast to rise to a record \$45.5 billion, mainly as a result of the continued strength of the U.S. dollar. Half of the \$2.5-billion import gain forecast since February is expected to be horticultural products, particularly wine and vegetables. Any further weakening of the dollar from its relatively high level will slow import growth.

With exports somewhat less than forecast in February and imports up sharply, the expected 2003 export surplus falls to \$10.5 billion, the lowest since fiscal 1987.

Table 1--U.S. agricultural trade, fiscal years 1998-2003, year ending September 30

Item	1998	1999	2000	2001	2002	Forecast	
						Fiscal 2003	
						Feb.	May
Billion dollars							
Exports	53.6	49.1	50.7	52.7	53.3	57.0	56.0
Imports	36.8	37.3	38.9	39.0	41.0	43.0	45.5
Balance	16.8	11.8	11.9	13.7	12.3	14.0	10.5

Reflects forecasts in the May 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 next release is
Aug.. 26, 2003

Approved by the
World Agricultural
Outlook Board, the
Economic
Research Service,
and the Foreign
Agricultural
Service, U.S.
Department of
Agriculture.

The United States and world economies are finally moving beyond the slow growth experienced in the last 2 years. U.S. gross domestic product (GDP) growth in fiscal year 2003 is estimated to be above 2 percent, about the same as in fiscal year 2002. World growth in 2003 is expected to exceed 2 percent, compared with just 1.6 percent in 2002. It is anticipated that trend growth will resume in the second half of 2003 and continue in 2004 in both the United States and the world.

Japan and Germany continue to have sluggish growth; but, both are forecast to show increasing growth in 2003 and 2004. A recovery of growth in Brazil is expected to continue in 2003. China and India continue rapid growth, although the SARS problem for China is likely to reduce growth there below what was previously expected.

Developed Economies

Economic prospects in the United States still remain somewhat uncertain. Consumer spending is slowing and savings rates are increasing. Unemployment in the United States and elsewhere has been rising, but is likely to show some reductions beginning in late 2003 and thereafter. Interest rates and inflation remain at historically low rates.

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

Japan continues to experience lackluster growth. However, this is an improvement over 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. 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 markets. Economic growth in developing countries is expected to accelerate to more than 4 percent in 2003 and 5 percent in 2004.

Overall growth in the Asian developing countries is forecast to exceed 5 percent in 2003 and 2004. China and India, because of their internal dynamics, continue to grow at high rates, forecast at over 6 percent in 2003. 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 is likely to see positive growth in 2003 and 2004. Argentina has experienced almost a 75-percent depreciation of its currency against the dollar since January 2002. The impact of that depreciation on Argentine exports is beginning to be felt and likely will make Argentina a strong agricultural competitor through 2004. But, significant adjustments are still needed before rapid growth resumes. Mexico's economy is strongly tied to the United States and is expected to grow at just over 3 percent in 2003. Stronger GDP growth also is forecast for Central America.

The transition economies are likely to continue growth of about 4 percent in 2003. For Africa, the longer term impact of AIDS is already being felt in some countries as declining populations lead to diminished ability of some to feed themselves.

Exchange Rates

The dollar has begun to depreciate against foreign currencies. This depreciation is becoming more broadly based. As a result, U.S. agricultural exports are expected to be more competitive in world markets in the second half of 2003 and in 2004.

Export Products

The forecast for fiscal 2003 U.S. grain and feed exports is lowered \$800 million from February's estimate to \$15.3 billion. Reduced export volumes and unit prices for corn and sorghum result in this downward adjustment. However, somewhat higher wheat unit values and upward revisions for rice and value-added grain products provide some offset. The forecast for U.S. wheat and flour exports is lowered 500,000 tons to 24.5 million tons, but higher unit prices should boost export value \$100 million to \$4 billion. U.S. wheat sales have been constrained due to increased competition from the Black Sea region and the EU in many markets around the world. Compared with last year, U.S. wheat export volume is down more than 1 million tons, but higher prices lead to a gain in total value.

The forecast for U.S. coarse grain exports is lowered 5.5 million tons and \$900 million to 47.1 million tons valued at \$5.3 billion. Since February, unit prices for corn and sorghum are 4-7 percent lower and export volumes are lowered 5 million tons and 500,000 tons, respectively. This weaker corn outlook is due to increased competition from China, Argentina, and Brazil. Larger global supplies of feed-quality wheat have weighed on corn prices. The forecast export value remains a slight improvement over last year because of significantly higher prices resulting from a smaller domestic corn crop.

Fiscal 2003 U.S. rice exports are increased 400,000 tons from the February estimate to a record 4.2 million tons. Demand for U.S. rice is strong mostly due to commercial sales to Brazil and Venezuela. With export unit values higher, primarily due to the record pace of shipments, as well as tight supplies, export value is revised up to just under \$900 million.

Forecast at \$10 billion, the export outlook for oilseeds and products remains unchanged from February's estimate, but shipping volume is raised due to the improved outlook for soybean exports. The estimate for soybeans is increased 1.9 million tons to 27.5 million tons due to greater-than-expected sales to China. China's total soybean imports are expected to reach a record 16.5 million tons in market year 2002/03. However, weaker expected unit prices

moderate the overall gain in export value for soybeans now forecast at \$6.2 billion. Compared with last year, greater competition from South American suppliers and tighter domestic supply lowered export volume, but higher prices resulted in greater export value. The soybean meal forecast is slightly higher from the previous estimate due to increased export unit values, but remains well below last year's levels due to competition from South America and a preference for U.S. soybeans versus soybean meal. No changes were made to the soybean oil forecast.

The forecast for fiscal 2003 livestock, poultry, and dairy product exports is lowered \$500 million to \$11.9 billion. Lower export volumes and unit values for poultry meat are the main factors, but lower prices for pork and dairy products also contribute to the downward revision. The forecast for U.S. broiler exports is 2.2 million tons valued at \$1.5 billion, down 100,000 tons and \$140 million from the February estimate. Lower broiler unit values are one factor, but some trade disruptions have resulted from disease outbreaks and inspection and quota issues with Russia. The forecast for beef and pork exports remain at 2 million tons valued at \$5 billion. Demand for beef and pork remains strong but largely unchanged from last year in traditional North American and Asian markets, while world competition intensifies in non-traditional markets. Japan's safeguard measures on beef and pork and Mexico's ongoing dumping investigation on pork continue to create some uncertainty.

The forecast for U.S. horticultural products is raised \$300 million from the February estimate to a record \$11.6 billion. This improved outlook is due to a more competitive dollar and strong sales to top markets like Canada, the EU, Japan, and Mexico. The forecast for fresh and processed fruit is up \$100 million to \$3.5 billion. Higher prices for apples and pears (the result of smaller domestic crops) support this increase, and grape exports are up to several countries. With record export sales of \$1.4 billion, the outlook for tree nuts remains very positive, supported by large domestic crops and strong foreign demand. Wine and essential oil exports also are expanding.

Table 2--U.S. agricultural exports: Value and volume by commodity, 2002-2003

Commodity	October-March		Fiscal 2002	Forecast Fiscal 2003	
	2002	2003		Feb.	May
Billion dollars					
VALUE					
Grains and feeds 1/	7.099	7.476	14.131	16.1	15.3
Wheat and flour	1.846	1.950	3.605	3.9	4.0
Rice	0.372	0.503	0.733	0.7	0.9
Coarse grains 2/	2.596	2.619	5.271	6.2	5.3
Corn	2.190	2.310	4.581	5.5	4.7
Feeds and fodders	1.313	1.353	2.530	2.9	2.7
Oilseeds and products	6.452	6.929	9.745	10.0	10.0
Soybeans	3.996	4.924	5.468	6.0	6.2
Soybean meal	0.786	0.680	1.294	1.0	1.1
Soybean oil	0.256	0.325	0.454	0.5	0.5
Livestock products	4.518	4.250	8.681	9.0	8.8
Beef, pork, and variety meats	2.393	2.370	4.749	5.0	5.0
Hides and skins, incl. furs	0.877	0.864	1.776	1.8	1.8
Poultry and products	1.267	1.006	2.303	2.4	2.2
Broiler meat 3/	0.865	0.652	1.546	1.6	1.5
Dairy products	0.510	0.458	0.964	1.0	0.9
Tobacco, unmanufactured	0.750	0.612	1.147	1.2	1.1
Cotton and linters	1.126	1.228	2.052	2.6	2.6
Seeds	0.491	0.493	0.849	0.9	0.9
Horticultural products	5.545	5.808	11.109	11.3	11.6
Fruits and preparations	1.627	1.669	3.425	3.4	3.5
Vegetables and preparations	1.498	1.494	3.004	3.1	3.1
Tree nuts and preparations	0.727	0.831	1.232	1.3	1.4
Sugar and tropical products	1.154	1.193	2.312	2.4	2.5
Major bulk product value 4/	10.486	11.636	18.162	20.5	20.0
Total value 5/	28.914	29.455	53.294	57.0	56.0
Million metric tons					
VOLUME					
Wheat	13.149	10.892	25.353	24.5	24.0
Wheat flour	0.289	0.172	0.454	0.5	0.5
Rice	1.668	2.542	3.516	3.8	4.2
Coarse grains 2/	26.871	23.005	53.448	52.6	47.1
Corn	23.014	20.444	46.913	47.0	42.0
Feeds and fodders	6.595	6.266	12.630	12.5	12.5
Oilseeds and products	28.513	27.471	40.202	35.0	36.7
Soybeans	21.865	21.893	28.897	25.6	27.5
Soybean meal	4.141	3.391	6.805	5.4	5.4
Soybean oil	0.665	0.624	1.143	1.0	1.0
Beef, pork, and variety meats	0.966	0.956	1.950	2.0	2.0
Broiler meat 3/	1.182	1.097	2.260	2.3	2.2
Animal fats	0.641	0.664	1.339	1.3	1.4
Tobacco, unmanufactured	0.108	0.093	0.163	0.2	0.2
Cotton and linters	1.202	1.122	2.206	2.4	2.4
Horticultural products	4.018	4.045	7.940	8.0	8.0
Sugar and tropical products	0.584	0.604	1.229	1.3	1.3
Total major bulk product volume 4/	64.863	59.547	113.583	109.1	105.4

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

Year-to-year, U.S. agricultural exports still are projected up \$2.7 billion. Both Asia and the Western Hemisphere are expected to take more U.S. agricultural exports in 2003 than in 2002. Exports to Western Europe and Oceania in 2003 also are slightly above 2002. But exports to other regions are projected to remain about the same or decline.

Since the February estimate, however, projected U.S. agricultural exports are reduced \$1 billion. And, expected exports to all regions, except Asia and Oceania, are decreased correspondingly. But, global demand for some U.S. exports may rise slightly in the second half of 2003 compared with the first half, boosted by gradually improving global economic growth. Also contributing will be the depreciation of the U.S. dollar against most of the world's currencies, making U.S. exports less expensive abroad.

The Western Hemisphere and Asia remain the two largest markets for U.S. agricultural exports. Exports to the two regions are now forecast nearly the same in 2003. Since February, anticipated exports to Asia have been raised \$400 million to \$21.3 billion, while expected exports to the Western Hemisphere are reduced slightly to \$21.5 billion.

Exports to Asia are boosted by the large shipments of U.S. soybeans made to China in the first half of the year. U.S. exports to China so far equal \$2.4 billion, exceeding the amount previously projected for the year; consequently U.S. exports to China have been increased to \$3.1 billion for 2003. While the United States will continue to export soybeans to China in the second half of 2003, exports will be much smaller. Record soybean crops in all three major South American soybean-producing countries--Brazil, Argentina, and Paraguay--are now on the market in competition with U.S. soybeans. South American shipments will affect not only U.S. soybean exports, but to an even greater extent exports of soybean meal and soybean oil.

Other Asian countries are likely to have slightly higher economic growth in the second half of 2003 than in the first half. But at the same time, exports of corn are slipping and competition from China's corn exports is increasing. Projected U.S. exports to South Korea are reduced slightly from February estimates. Reductions in expected shipments to Hong Kong

reflect mainly a loss of economic activity due to SARS. Exports to Indonesia are up, partly reflecting delivery in 2003 of a large U.S. rice food aid shipment delayed from 2002. Indonesia also is increasing imports of soybeans and soybean meal and other feed ingredients.

In the Western Hemisphere, exports to the two largest markets, Canada and Mexico, are weaker than in February and expectations for the year are reduced slightly. Canada is now forecast to take \$9 billion worth of U.S. agricultural products in 2003, followed closely by Mexico with \$7.6 billion. But, even though reduced from February's expectations, these export projections remain 5 and 7 percent, respectively, above 2002, as the North American Free Trade Agreement continues to boost intra-regional trade. In addition, several Latin American countries are adding rice imports from the United States this year in response to large 2002 U.S. supplies and lower prices.

In 2002 the U.S. made an unusually large shipment of feed ingredients to Switzerland. Since then both value and volume of these sales declined sharply and are not expected to be nearly as large in 2003. Exports to Other Western Europe are reduced correspondingly. Exports to the European Union are unchanged from previous projections. So, anticipated exports to all of Western Europe are reduced to \$7.1 billion in 2003, just slightly above 2002.

Exports to Russia in the first half of 2003 are smaller than the same period in 2002; so the expected total for the year is reduced to \$600 million. Some sales under the new U.S.-Russia agreement for exports of poultry meat to that market still are expected in the second half of this year. Exports of poultry meat to Russia in the first half of the year declined 36 percent in quantity and 53 percent in value.

Increased export competition from Ukraine in 2002 reduced U.S. shipments to Egypt. While larger 2003 wheat and barley crops in North Africa and the Middle East will reduce import demand there, as well. Exports to North Africa are lowered \$400 million from February projections. Exports to the Middle East are \$300 million less than in February.

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

Country and Region 1/	October-March		Fiscal 2002	Share of total 2002	Forecast Fiscal 2003	
	2002	2003			Feb.	May
	Billion dollars			Percent	Billion dollars	
Asia (excl. Middle East)	10.573	11.922	19.433	36.5	20.9	21.3
Japan	4.310	4.577	8.291	15.6	8.8	8.8
China	1.187	2.376	1.769	3.3	2.3	3.1
Hong Kong	0.599	0.541	1.145	2.1	1.1	1.0
Taiwan	0.997	1.072	1.909	3.6	2.1	2.0
South Korea	1.403	1.385	2.670	5.0	2.8	2.7
Southeast Asia	1.610	1.669	2.880	5.4	3.0	3.1
Indonesia	0.399	0.520	0.783	1.5	0.8	0.9
Philippines	0.442	0.405	0.763	1.4	0.8	0.8
Malaysia	0.177	0.171	0.365	0.7	0.4	0.4
Thailand	0.423	0.390	0.625	1.2	0.7	0.6
South Asia	0.464	0.295	0.751	1.4	0.8	0.6
Western Hemisphere	10.054	10.521	20.133	37.8	21.7	21.5
Canada	4.179	4.364	8.586	16.1	9.1	9.0
Mexico	3.638	3.765	7.089	13.3	7.9	7.6
Caribbean	0.760	0.795	1.495	2.8	1.6	1.6
Central America	0.630	0.693	1.218	2.3	1.4	1.4
South America	0.847	0.904	1.744	3.3	1.7	1.9
Brazil	0.130	0.161	0.318	0.6	0.3	0.4
Colombia	0.246	0.285	0.485	0.9	0.5	0.5
Venezuela	0.159	0.163	0.329	0.6	0.3	0.4
Western Europe	4.533	3.899	7.031	13.2	7.5	7.1
European Union	4.015	3.682	6.273	11.8	6.7	6.7
Central and Eastern Europe	0.131	0.109	0.225	0.4	0.2	0.2
New Independent States 2/	0.596	0.366	0.896	1.7	1.0	0.8
Russia	0.487	0.249	0.711	1.3	0.8	0.6
Middle East	1.379	1.178	2.454	4.6	2.5	2.2
Turkey	0.396	0.375	0.723	1.4	0.8	0.7
Saudi Arabia	0.187	0.159	0.354	0.7	0.3	0.3
Africa	1.238	1.047	2.406	4.5	2.5	2.1
North Africa	0.887	0.554	1.562	2.9	1.6	1.2
Egypt	0.570	0.358	1.025	1.9	1.1	0.8
Sub-Saharan Africa	0.351	0.492	0.844	1.6	0.9	0.9
Oceania	0.250	0.281	0.501	0.9	0.5	0.6
Transshipments 3/	0.161	0.133	0.215	0.4	0.2	0.2
Total 3/	10.476	9.878	53.294	100.0	57.0	56.0

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.

U.S. agricultural imports jump sharply from February's projected \$43 billion to \$45.5 billion for fiscal year 2003. The import surge is partly the result of the strength of the U.S. dollar before it began to depreciate. Of the \$2.5 billion added to February's import outlook, close to \$1.2 billion is attributed to more horticulture imports and coffee, cocoa, rubber, sugar and products, and oilseeds and products account for the remainder.

The first half of the 2003 fiscal year signals much higher imports than previously expected. The \$45.5-billion projection assumes that the import pace in the second half of the fiscal year will not slow markedly because of an expected time lag in the effect of exchange rate changes on import demand. Any further weakening of the dollar from its relatively high level, however, will slow import growth.

Vegetables and wine are driving horticulture imports sharply higher this fiscal year, \$1.2 billion higher than in February's outlook, and \$2.2 billion more than fiscal 2002. Imports of tomatoes, asparagus, cucumbers, peppers, potatoes, squash, and other vegetables are all up. Prepared vegetables such as olives, mushrooms, artichokes, and pickles are also high in demand. Together, fresh and prepared vegetable imports are expected to gain roughly \$700 million from the last forecast, and \$900 million from 2002. Imported wine and other nonalcoholic beverages are projected to rise \$500 million from the last forecast and \$800 million from 2002. Imports of fruits and fruit juices are also expected up, albeit only \$100 million from the last forecast, but \$400 million from 2002.

Imports of animals and products are expected to drop \$200 million from the previous forecast of \$9.3 billion to \$9.1 billion. This change is triggered by a \$300-million expected drop in imported live animals as imports of swine and horses are down compared with the first half of fiscal 2002. Part of this decline, however, is offset by a \$100-million forecast increase in beef, pork, and other variety meat imports.

Following the discovery of a BSE-infected cow in Canada, imports of ruminants and products were suspended on May 20, 2003. The duration of the suspension will depend on the outcome of the continuing investigation. These forecasts do not reflect uncertainties associated with the suspension.

While grain imports are projected to fall largely due to a steep decline in imported wheat, grain products and feeds remain on an upward trend. The poor 2002 Canadian wheat crop is largely responsible for smaller U.S. wheat imports. Compared with the last forecast, wheat imports decline by \$200 million, but are more than offset by \$300 million in additional imports of grain products and feeds. Overall, imported grains and feeds in 2003 are forecast to rise \$100 million from February's estimate and by about \$300 million from 2002.

Sugar and confectionery imports will be about \$300 million higher than the \$1.8 billion forecast in February, which was \$100 million more than in 2002. The import value of tropical products—coffee, cocoa, rubber—is a combined \$5.4 billion, which is \$1.2 billion more than the February forecasts, and \$1.4 billion higher than in 2002. An increase in import volume and higher prices are behind the gain. Greater volumes of coffee and rubber/gums and higher prices for cocoa, rubber, and sugar are of note.

Although import volumes of vegetable oils, oilseeds, and derived products are unchanged from February's forecasts, import values of these products are up due to higher prices for oilseeds and tropical oils. Among oilseeds, year-over-year imports of flaxseed, rapeseed, soybeans, and sunflower seeds are higher. Similarly, oilseed meal imports are up year-over-year, along with olive oil, palm kernel oil, rapeseed oil, soybean oil, and coconut oil. Altogether, the import value of oilseeds and products is projected at \$2.1 billion in 2003, up \$300 million from the last forecast and \$400 million higher than in 2002.

Table 4--U.S. agricultural imports: Value and volume by commodity, 2002-2003

Commodity	October-March		Fiscal 2002	Forecast Fiscal 2003	
	2002	2003		Feb.	May
Billion dollars					
VALUE					
Animals and products	4.577	4.611	9.094	9.3	9.1
Live animals, except poultry	1.176	1.101	2.022	2.1	1.8
Red meats and products	1.972	2.073	4.187	4.3	4.4
Dairy products	0.910	0.904	1.841	1.8	1.8
Grains and feeds	1.799	1.959	3.594	3.8	3.9
Grains	0.404	0.344	0.754	0.8	0.6
Grain products and feeds	1.395	1.615	2.840	3.0	3.3
Horticulture products 1/	8.771	9.884	17.542	18.5	19.7
Fruits and preps. and juices	2.532	2.730	4.931	5.2	5.3
Bananas	0.580	0.574	1.188	1.2	1.2
Nuts and preparations	0.325	0.366	0.648	0.7	0.7
Vegetables and preparations	2.853	3.328	5.443	5.6	6.3
Wine and malt beverages	2.309	2.661	5.047	5.3	5.8
Cut flowers and nursery	0.587	0.607	1.135	1.2	1.2
Sugar and related products	0.763	0.960	1.711	1.8	2.1
Tobacco, unmanufactured	0.376	0.292	0.734	0.8	0.6
Oilseeds and products	0.743	0.958	1.679	1.8	2.1
Coffee and products	0.720	0.929	1.610	1.6	2.0
Cocoa and products	0.863	1.154	1.715	1.9	2.2
Rubber and gums	0.268	0.490	0.655	0.7	1.1
Other noncompetitive imports 2/	0.634	0.659	1.306	1.3	1.3
Other competitive imports 3/	0.604	0.669	1.339	1.4	1.5
Total agricultural imports	20.117	22.565	40.979	43.0	45.5
Million metric tons					
VOLUME					
Fruit juices 4/	13.884	16.585	28.461	29.0	34.0
Wine and malt beverages 4/	14.594	15.026	32.158	33.0	33.0
Red meats and products	0.763	0.829	1.656	1.7	1.8
Cheese and casein	0.155	0.160	0.324	0.3	0.3
Grains and feeds	3.317	2.749	6.136	5.6	5.1
Grains	2.692	2.040	4.918	4.4	3.7
Feeds and fodders	0.625	0.709	1.218	1.2	1.4
Fruits and preparations	4.193	4.429	8.356	8.6	8.8
Bananas	2.031	2.078	4.192	4.3	4.3
Nuts and preparations	0.141	0.144	0.283	0.3	0.3
Vegetables, fresh or frozen	2.461	2.735	4.321	4.5	4.7
Cane and beet sugar	0.652	0.674	1.339	1.4	1.4
Tobacco, unmanufactured	0.144	0.117	0.271	0.3	0.2
Oilseeds and products	1.625	1.780	3.649	3.1	3.9
Vegetable oils	0.937	0.916	1.938	1.8	1.9
Coffee and products	0.573	0.684	1.195	1.2	1.4
Cocoa and products	0.531	0.508	0.986	1.1	0.9
Rubber and gums	0.489	0.584	1.166	1.2	1.4

1/ Includes essential oils. 2/ Includes tea, spices, and natural drugs. 3/ Includes nonalcoholic beverages, seeds, and other vegetable products. 4/ Liquid imports are measured in hectoliters. All other imports include only items measured in metric tons.

Totals may not add due to rounding. Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Regional Imports

Of the \$2.5-billion additional U.S. agricultural imports projected for 2003, around \$2 billion will come from Southeast Asia, Mexico, the European Union, and Brazil. Imports of tropical products from Indonesia, Thailand, Malaysia, and the Philippines are noteworthy, especially tropical oils and rubber. Vegetables from Mexico, the United States' largest

vegetable source, are also a large part of the import gain. Increasing fast from Brazil are noncompetitive imports such as coffee, cocoa, essential oils, spices, and cashew nuts, as well as the competitive products beef, dairy products, orange juice, and sugar. Last, but not least, Europe, Chile, Canada, and Australia are the leaders in exporting wine to the United States.

Table 5--U.S. agricultural imports: Value by region, 2002-2003

Country and Region	October-March		Fiscal 2002	Share of total 2002	Forecast Fiscal 2003	
	2002	2003			Feb.	May
	Billion dollars			Percent		
Western Hemisphere	11.202	12.362	22.291	54.4	23.3	24.3
Canada	4.980	5.270	10.188	24.9	10.7	10.7
Mexico	2.725	3.138	5.288	12.9	5.4	6.0
South America	2.436	2.790	4.524	11.0	4.8	5.1
Brazil	0.510	0.712	1.081	2.6	1.2	1.4
Colombia	0.465	0.535	0.903	2.2	1.0	1.0
Chile	0.748	0.757	1.124	2.7	1.2	1.1
Other South America	0.713	0.785	1.416	3.5	1.5	1.6
Central America	0.921	1.020	1.933	4.7	2.0	2.1
Costa Rica	0.380	0.390	0.814	2.0	0.9	0.8
Caribbean	0.141	0.145	0.357	0.9	0.4	0.4
Western Europe	4.204	4.700	8.672	21.2	9.2	9.7
European Union	4.114	4.591	8.468	20.7	8.9	9.4
Eastern Europe	0.161	0.192	0.303	0.7	0.4	0.4
New Independent States 1/	0.040	0.043	0.083	0.2	0.1	0.1
Asia (excluding Middle East)	2.302	2.808	5.046	12.3	5.3	6.1
China	0.455	0.551	0.974	2.4	1.2	1.2
Southeast Asia	1.114	1.490	2.553	6.2	2.6	3.3
Indonesia	0.382	0.514	0.910	2.2	1.0	1.2
Thailand	0.313	0.400	0.708	1.7	0.7	0.9
South Asia	0.353	0.369	0.736	1.8	0.8	0.8
India	0.322	0.336	0.670	1.6	0.7	0.7
Oceania	1.405	1.500	3.180	7.8	3.3	3.4
Australia	0.859	0.918	1.894	4.6	2.0	2.0
New Zealand	0.515	0.553	1.227	3.0	1.3	1.3
Africa	0.514	0.671	0.886	2.2	1.1	1.1
Ivory Coast	0.199	0.333	0.241	0.6	0.3	0.4
Middle East	0.290	0.290	0.518	1.3	0.6	0.5
Turkey	0.182	0.157	0.321	0.8	0.3	0.3
TOTAL	20.117	22.565	40.979	100.0	43.0	45.5

Totals may not add due to rounding.

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

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

Reliability Tables

Table 6--Reliability of United States May export projections by country, 1977/78-2001/02

Country/region	Difference between May projections and final data						
	Average Percent	Average	Max below Billion \$	Max above	Below	Equal	Above
					Number of years		
Asia excl. Mid East	6.6	1.2	-3.6	4.7	13	1	11
Japan	4.1	0.3	-1	0.4	15	2	8
China	18.6	0.2	-0.5	0.7	9	3	13
Hong Kong 1/	4.6	0	-0.2	0.1	3	9	3
Taiwan 1/	8.4	0.2	-0.8	0.3	8	4	3
South Korea 1/	6.7	0.2	-0.5	0.3	6	4	5
Southeast Asia 6/	7.3	0.2	-0.2	0.4	5	1	4
Indonesia 2/	6.9	0	-0.1	0	2	3	0
Philippines 1/	10.5	0.1	-0.1	0.2	5	7	3
Malaysia 2/	10	0	-0.1	0	2	3	0
Thailand 2/	4	0	0	0.1	0	4	1
South Asia	18.1	0.1	-0.2	0.3	3	4	10
Canada	4.4	0.1	-0.6	0.2	13	9	3
Mexico 3/	11.1	0.3	-0.7	0.5	12	1	9
Caribbean 4/	0	0	0	0	0	1	0
Central America 4/	8.3	0.1	0.1	0.1	0	0	1
South America 7/	7	0.1	-0.2	0.2	1	1	6
Brazil 1/	19.8	0.1	-0.2	0.1	4	8	3
Colombia 4/	0	0	0	0	0	1	0
Venezuela 1/	9.8	0	-0.1	0.1	4	9	2
Western Europe 5/	3.3	0.3	-0.7	0.7	4	1	3
European Union 5/	2.5	0.2	-0.3	0.4	1	3	4
Central and E. Europe	19.9	0.1	-0.1	0.8	1	9	15
FSU/New Ind States	13.5	0.2	-0.7	0.6	10	4	11
Russia 5/	24.4	0.2	-0.2	0.6	4	2	2
Middle East	11.9	0.2	-0.5	0.6	7	3	15
Turkey 2/	15.7	0.1	-0.1	0.2	1	2	2
Saudi Arabia 1/	7.8	0	-0.1	0.1	3	9	3
Africa	7.8	0.2	-0.5	0.5	10	4	11
North Africa	7.9	0.1	-0.4	0.5	5	11	9
Egypt 1/	9.2	0.1	-0.3	0.1	6	4	5
Sub-Sahara	11.2	0.1	-0.2	0.2	11	7	7
Oceania	8.7	0	-0.1	0.1	5	17	3
World	2.8	1.1	-3.1	2.9	13	3	9

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.

Reliability Tables

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

Country/Region	Differences between May projections and final data						
	Average Percent	Average Billion dollars	Max below Billion dollars	Max above Billion dollars	Below Number of years	Equal Number of years	Above Number of years
Canada	4.6	0.3	-0.7	0.4	11	1	1
Mexico	3	0.1	-0.2	0.4	4	4	5
South America 1/	2.2	0.1	-0.1	-0.1	1	0	0
Brazil	16.9	0.2	-0.5	1.2	6	2	5
Colombia 2/	1.4	0	0	0.1	0	4	1
Chile 3/	7.9	0.1	0	0.1	0	1	3
Central America 2/	5	0.1	-0.1	0.1	3	0	2
Costa Rica 2/	3.1	0	-0.1	0	1	3	0
Caribbean 4/	11.1	0	0	0.1	0	2	1
Western Europe	4.3	0.3	-0.5	0.6	7	2	4
European Union	4.9	0.3	-0.5	0.3	8	3	2
Eastern Europe	9	0	-0.1	0.1	2	9	1
FSU/New Ind. States	17.9	0	-0.2	0	2	5	0
Asia, excl. Mid East	4.1	0.2	-0.6	0.7	5	4	4
China	6.2	0	-0.1	0.1	3	9	1
Southeast Asia 3/	4.4	0.1	-0.4	0.2	1	2	4
Indonesia 2/	7.2	0.1	-0.1	0.1	2	1	1
Thailand 2/	11.1	0.1	-0.1	0.1	2	1	2
South Asia 3/	10.9	0.1	-0.1	0.2	3	2	1
Oceania	3.8	0.1	-0.3	0.1	5	7	1
Australia 2/	3.6	0	-0.1	0.1	1	2	1
New Zealand 2/	6.4	0.1	-0.1	0.1	1	1	2
Africa	6.7	0.1	-0.1	0.1	5	6	2
Ivory Coast 2/	16.7	0.1	0	0.2	0	3	2
Middle East	18.6	0.1	-0.4	0.3	3	6	3
Turkey 2/	6.3	0	0	0.1	0	3	1
World	2.7	0.8	-1.9	1.2	9	1	3

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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