

FY 2005 Export Forecasts for Ag, Fishery & Solid Wood Products

Since February...

Agricultural Exports Raised \$1.5 Billion to \$60.5 Billion

Imports Raised \$0.5 Billion to a Record \$58.5 Billion

AgTrade Surplus at \$2 Billion

USDA's "Outlook for U.S. Agricultural Trade"
were released on May 24, 2005 at 4pm EST
Prepared by Foreign Agricultural Service/USDA

U.S. Agricultural Trade

In 2005, exports drop as lower bulk commodity prices and increased competition are partially offset by record horticultural, pork & dairy sales; imports continue rapid rise on strong demand and weak dollar.

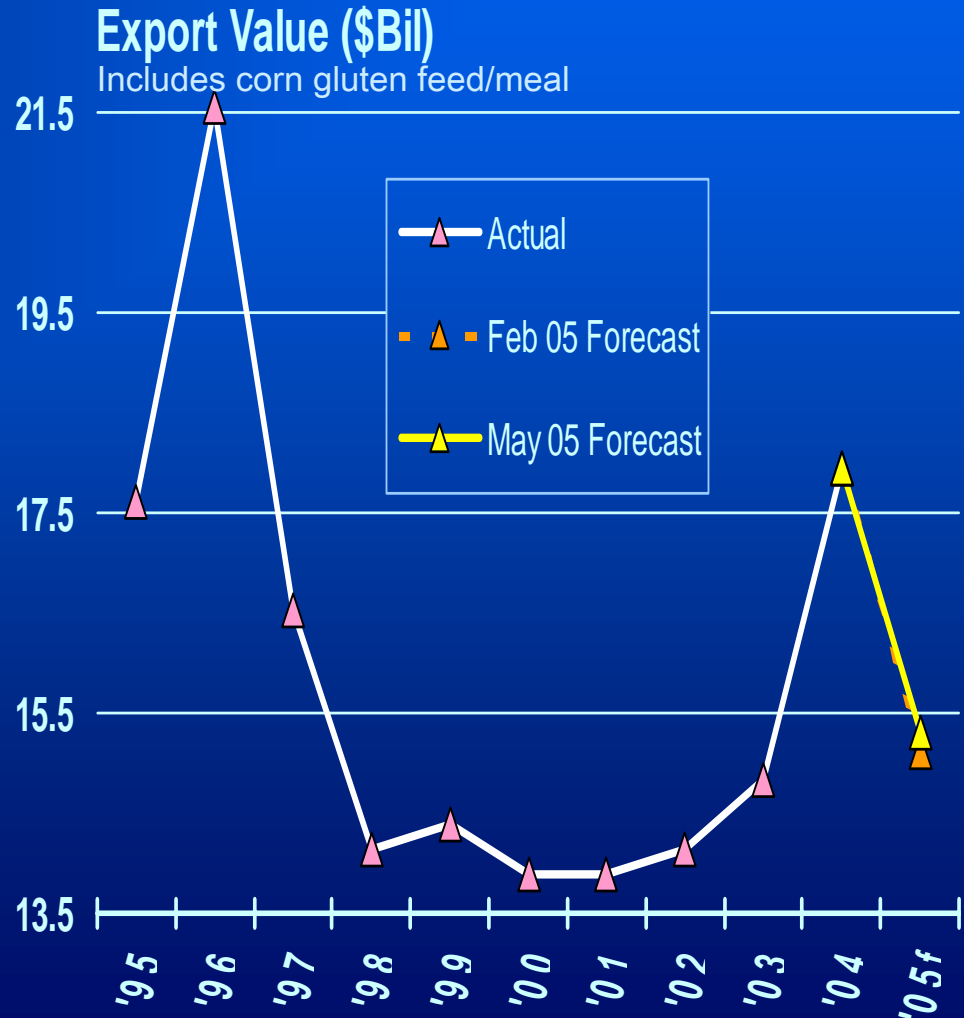


Export Outlook for Grain & Feed Products

Revised FY 2005 Forecast:  \$200 Million to \$15.3 Billion

Revised FY 2005 Forecast *Key Developments*

- Rice volume up 300,000 tons; vol & unit value increases raise value
- Wheat/corn export value unchanged, but increased Argentina & China competition lower U.S corn volume

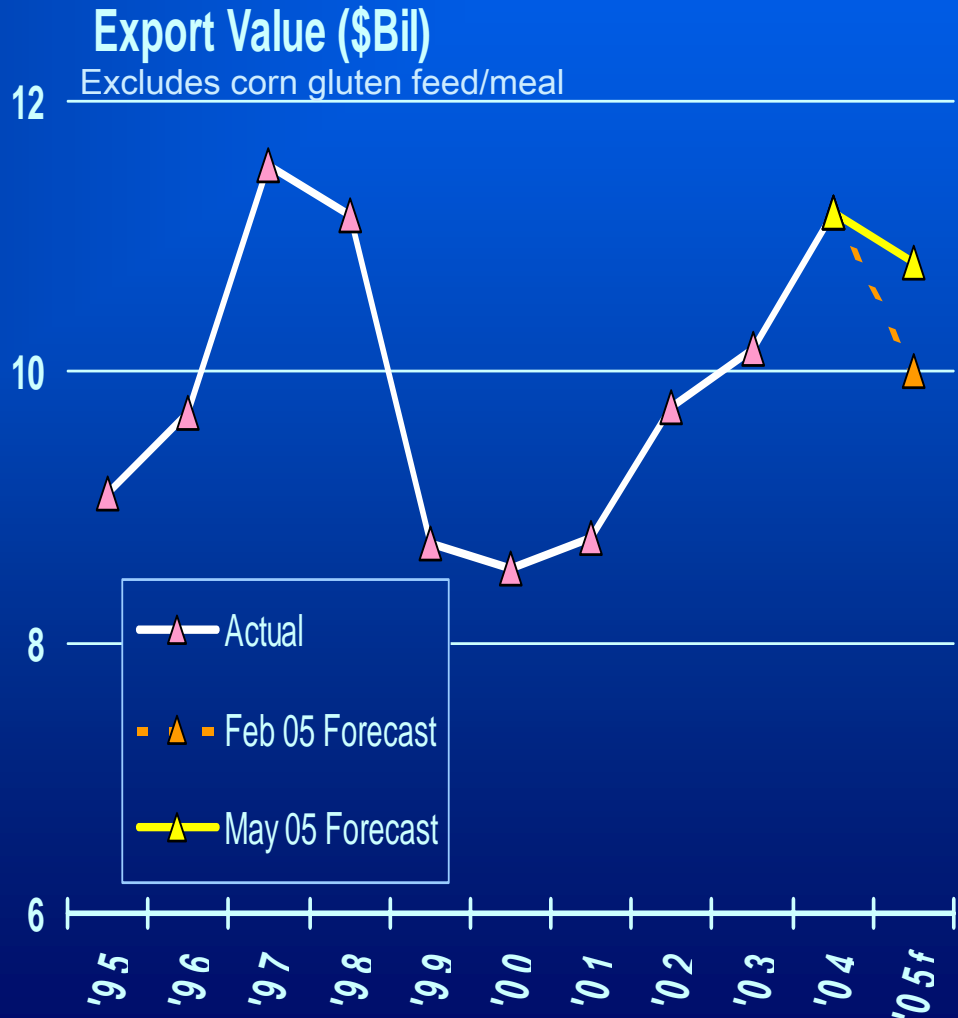


Export Outlook for Oilseeds & Products

Revised FY 2005 Forecast:  \$800 Million to \$10.8 Billion

Revised FY 2005 Forecast *Key Developments*

- Higher export unit values and increased soybean shipments raise soybean exports \$800 million to \$6.9 billion
- Large downward revision in Brazilian soybean crop size

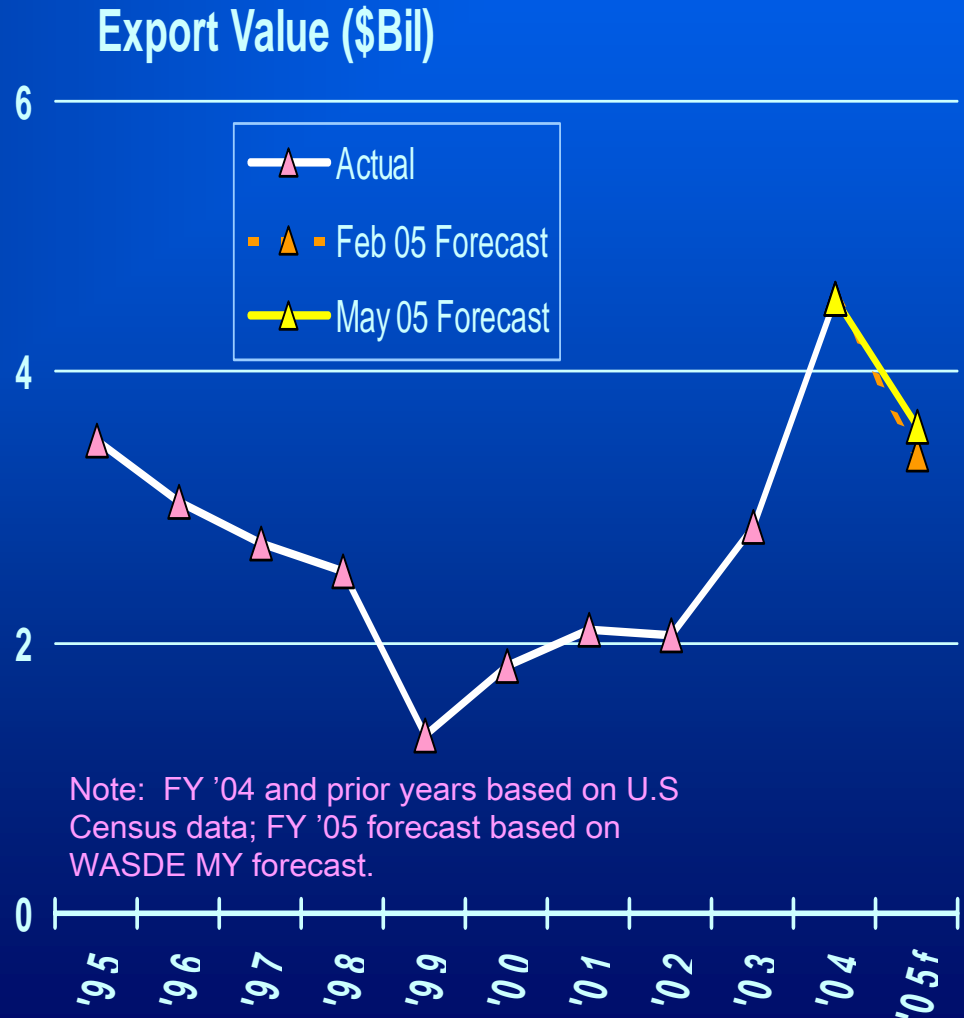


Export Outlook for Cotton & Linters

Revised FY 2005 Forecast:  \$200 Million to \$3.6 Billion

Revised FY 2005 Forecast *Key Developments*

- Census data tracking exports more closely
- Strengthening demand outside of China
- Some China import demand shifted until next year



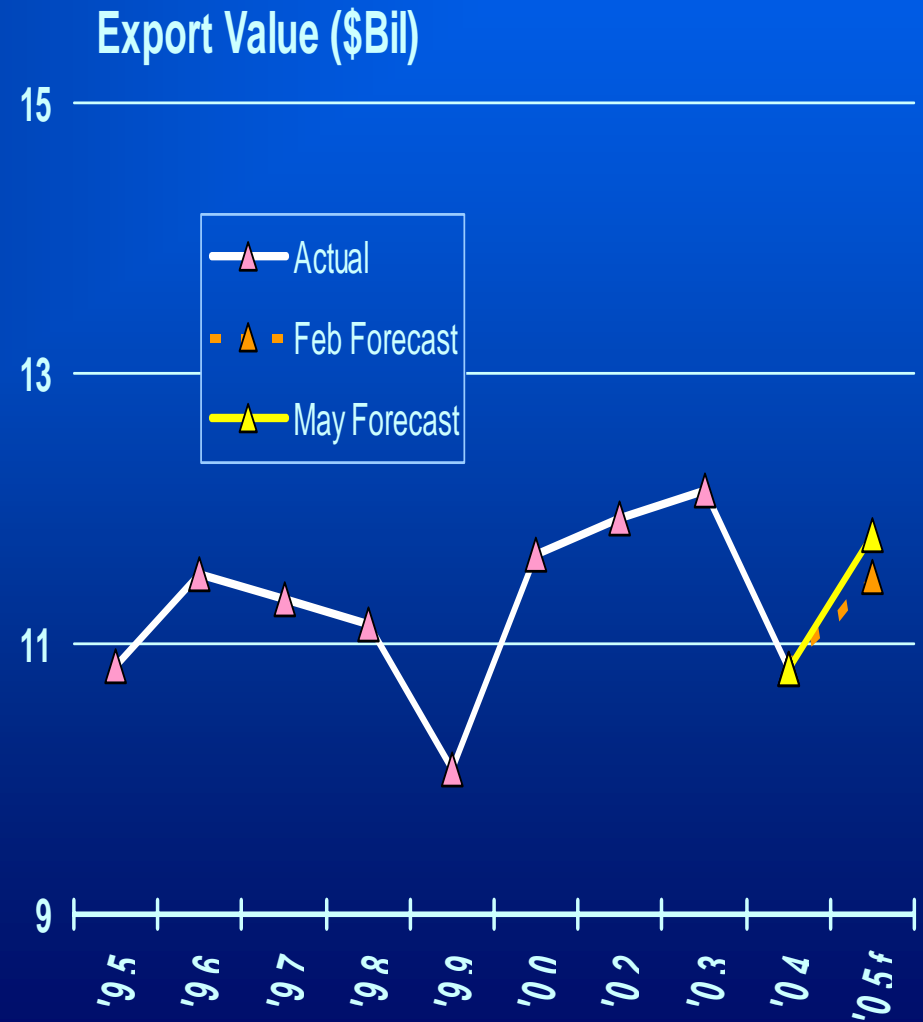
Export Outlook for Dairy, Livestock & Poultry

Revised FY 2005 Forecast:  \$300 Million to \$11.8 Billion

Revised FY 2005 Forecast

Key Developments

- Pork sets records: 858,000 MT valued at \$2.3 bil due to strong overseas demand & weak dollar
- Broiler export vol lowered, partly due to Russia's quota & licensing scheme
- Beef variety meat export growth to Mexico and Poland



Export Outlook for Horticultural Products

Revised FY 2005 Forecast: **Unchanged at \$14.5 Billion**

Revised FY 2005 Forecast

Key Developments

- Total forecast unchanged
- Rising value of tree nuts as well as wine, beer and other misc. products offsets slight declines in fruit & vegetable export value

Initial FY 2006 Projections

Upside Developments

- Export values continue upward trend based on higher unit values
- Continued weakness of dollar helps exports; U.S. products remain price competitive

Wild Cards

- Crop sizes
- Global economy

