



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

USDA

United States
Department
of Agriculture

AES-36

Dec. 2, 2002



Outlook for U.S. Agricultural Trade

Carol Whitton, ERS coordinator

Ernest Carter, FAS coordinator

Projected 2003 U.S. Agricultural Exports Lowered \$500 Million; Imports Raised \$1 Billion

The U.S. agricultural export projection is reduced from August by \$500 million to \$57 billion, but remains well above the \$53.3 billion shipped in fiscal 2002. The reverse is true for volume. At 112.2 million tons, projected bulk export volume is up 1.9 million from the August projection but remains below 2002. Wheat, soybeans, and red meat volume and value are above August projections. However, smaller volumes and values are expected for corn, cotton, horticultural products, and dairy and poultry products. Stronger export competition and the continued strong dollar have dampened export prospects for these commodities. Modest recovery in global economic growth is anticipated, particularly in Canada, Mexico, and Asian markets other than Japan; so exports to these destinations are expected to rise.

The strong dollar also expands U.S. agricultural imports to \$43 billion, \$2 billion over the 2002 imports. Larger horticultural imports (including beer and wine) are expected from Canada, Mexico, and the European Union. With exports down and imports up from August, the expected export surplus declines \$1.5 billion from the earlier projection, but remains above 2002.

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

Item	1998	1999	2000	2001	2002	Projection Fiscal 2003	
						Aug.	Nov.
Billion dollars							
Exports	53.6	49.1	50.7	52.7	53.3	57.5	57.0
Imports	36.8	37.3	38.9	39.0	41.0	42.0	43.0
Balance	16.8	11.8	11.9	13.7	12.3	15.5	14.0

Reflects forecasts in the Nov. 12, 2002, *World Agricultural Supply and Demand Estimates* report.

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

Contents

[Economic Outlook](#)
[Export Products](#)
[Export Programs](#)
[Regional Exports](#)
[Import Products](#)
[Regional Imports](#)
[Reliability](#)
[Contacts and Links](#)

Tables

[Ag. Exports](#)
[Regional Exports](#)
[Ag. Imports](#)
[Regional Imports](#)

Web Sites

[U.S. Ag. Trade](#)
[FATUS Data](#)
[FAS U.S. Trade](#)

The next release is
Feb. 20, 2003

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

Economic Outlook

U.S. gross domestic product (GDP) growth in 2002 is likely to be only 2.2 percent, followed by a still-less-than-trend 2.8 percent in 2003. World growth of 2.8 percent also is likely in 2003, a gain over about 1.8 percent in 2002.

Developed Economies

Although a very mild recession is past, the slump in the U.S. stock market continues to constrain growth. Although consumers keep spending at a growing rate, excess capacity limits investment expenditures, putting a drag on recovery. The equity markets in the United States declined substantially between 2000 and 2002. With still-diminished profit prospects for U.S. businesses and slow investment spending continuing, no rapid return to the bull market is anticipated. Business investment, which declined more than 18 percent between 2000 and 2001, continues to run at a slow pace. Particularly pronounced is the decline in computer-related investment.

The dollar remains strong and in early 2002 was at record-high real levels. Although some weakening of the dollar is anticipated in 2003, particularly against the euro and yen, no substantial depreciation is evident or anticipated. The high dollar has encouraged strong U.S. import growth, continued high and growing current account deficits, and made U.S. exports less competitive.

GDP growth in the European Union (EU) is likely to continue weak in 2003, staying below growth in the United States. Despite the recent appreciation of the euro, the euro continues to be weak against the dollar, raising EU import costs and causing capital outflows, largely to the United States. The low euro has allowed the EU to export agricultural commodities without export subsidy. However, the euro is appreciating against Russian and central European currencies, which likely will encourage additional imports from these regions.

Japan's recession is continuing through 2002; lackluster growth of between 1 and 2 percent is expected thereafter. Japan's economy has returned to recession as its export pace slackened and domestic

demand remained weak. Despite the substantial depreciation of the yen in 2001, Japan's export growth has not been sufficient to bring the economy out of its malaise.

Developing Economies

Economic growth in developing countries is expected to recover in 2002 to nearly 3 percent before accelerating to 4.5 percent in 2003.

Overall growth in the Asian developing countries is projected to exceed 5 percent in 2002, accelerating to near 6 percent in 2003. China and India continue to grow rapidly, with only minor evidence of slowing from strong growth rates. Growth in China and India is projected at 7.2 and 4.8 percent in 2002 and the same or more in 2003. Some growth is expected in South Korea, Taiwan, Malaysia, the Philippines, and Thailand in 2003.

In Latin America, Argentina and Brazil are the most serious problem countries. Argentina is in its fourth year of recession. Argentina finally moved to a freely floating exchange rate, but has seen almost a 75-percent depreciation of its currency against the dollar. Current estimates are that Argentine GDP will contract this year by more than 13 percent. The country will continue in its depression through 2003. Brazil is in a slow growth mode with near zero growth projected for 2003. Brazil experienced a significant depreciation of its currency against the dollar and significant adjustments are still needed before rapid growth will resume. But, depreciation of currencies in Brazil and Argentina has bolstered their competitiveness in agricultural trade.

However, prospects are bright for Mexico in 2003, as GDP growth is projected up 5 percent from the only 1.5 percent growth in the previous year. Stronger economic growth, coupled with drought in some regions, boosts U.S. export opportunities.

Growth in the transition economies and Africa, which only saw a modest slowdown in growth in 2001 and 2002, is expected to resume in 2003.

Export Products

The projection for fiscal 2003 wheat and flour exports is increased to 25.5 million tons valued at \$4.2 billion. Competition from the Black Sea region and the EU remains strong, however tight global supplies of high-quality wheat are boosting U.S. wheat exports and average unit value. Australia's drought-devastated crop is projected at less than half its previous year's size and Canada's crop is the smallest in almost 30 years.

The projection for U.S. coarse grain exports is lowered \$100 million to \$6.9 billion, due to a 600,000-ton reduction in shipments. Fiscal 2003 U.S. corn shipments are lowered 1 million tons to 50 million tons due to greater than anticipated export competition from Argentina and China. Partly offsetting the downward revision in corn shipments, the projection for U.S. sorghum exports is raised 400,000 tons to 6.3 million tons. Supported by strong demand from Mexico and reduced competition from Australia, this would be the largest export volume of sorghum in 10 years.

Fiscal 2003 U.S. rice exports are increased 200,000 tons from the August projection to 3.6 million tons, but weaker average unit prices leave value unchanged at roughly \$740 million. The projected size of the 2002/03 U.S. rice crop has increased since August, and lower prices should support larger sales. Global demand for rice is strong.

The export projection for oilseeds and products is raised 1.1 million tons to 33.7 million tons, but somewhat weaker oilseed and meal unit values result in a slightly lower value of \$9.6 billion. Stronger demand from China supports a 1.9-million-ton increase since August in U.S. soybean exports now projected at 24.2 million tons, but a somewhat smaller 2002/03 domestic crop and a projected increase in South American supplies ensure U.S. shipments will remain below last year's record. The export projection for U.S. soybean meal shipments is lowered 500,000 tons to 5.6 million tons due to increased competition from South American suppliers. Projected soybean meal exports drop to \$1.1 billion on lower volume and export unit value. U.S. soybean oil exports are lowered to 1 million tons, valued at \$500 million, as a result of reduced domestic output, larger domestic use, and increased South American supplies.

The fiscal 2003 outlook for cotton exports calls for a decrease since August of 70,000 tons and \$100 million to 2.4 million tons valued at \$2.6 billion. Heavy rains and saturated soils throughout the lower Mississippi growing region have negatively impacted the U.S. crop, and the global demand for cotton is somewhat weaker than previously estimated.

Fiscal 2003 livestock, poultry, and dairy product exports are projected at a record \$12.4 billion, down \$200 million from the August estimate. Upward revisions for beef and pork were offset by reduced prospects for broiler meat. Projections for hides and skins, animal fats, and dairy products remain largely unchanged. Somewhat weaker export unit values will help support U.S. beef in increasingly competitive world markets. Year-to-year export quantities are expected to remain steady for North American markets, while shipments rise to East Asian markets other than Japan. U.S. beef exports to Korea doubled last year and further gains are expected in 2003. U.S. pork exports to Japan and Mexico, the top two major markets, are projected to rise. The projection for U.S. broiler meat slips to 2.3 million tons valued at \$1.6 billion. Export prospects are lowered due to slower import growth in Russia and increased export competition from other exporters.

The projection for U.S. horticultural products is reduced \$200 million from the August estimate, but remains a record \$11.3 billion. Although the U.S. dollar weakened somewhat against the euro, yen, and Australian dollar over the past several months, the outlook no longer calls for further depreciation. This coupled with prospects for only modest global income growth led to this downward revision for horticultural exports. Overall product sales to Japan should remain flat, while exports to the EU, Canada, and Mexico are expected to increase. The projection for U.S. fruits and preparations is lowered \$200 million since August to \$3.4 billion. The 2002 domestic apple crop is smaller, and the smaller pear crop and reduced orange juice supply are contributing factors. Projections for vegetables and preparations remain unchanged.

Table 2--U.S. agricultural exports: Value and volume by commodity, 1999-2003

Commodity	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Projected Fiscal 2003	
					Aug.	Nov.
Billion dollars						
VALUE						
Grains and feeds 1/	14.400	13.889	13.892	14.131	16.5	16.6
Wheat and flour	3.839	3.529	3.370	3.623	4.0	4.2
Rice	1.015	0.909	0.758	0.733	0.7	0.7
Coarse grains 2/	5.607	5.283	5.239	5.271	7.0	6.9
Corn	5.044	4.601	4.514	4.581	6.2	6.1
Feeds and fodders	2.240	2.470	2.747	2.530	2.9	2.8
Oilseeds and products	8.735	8.551	8.781	9.745	9.8	9.6
Soybeans	4.757	5.072	5.089	5.468	5.4	5.7
Soybean meal	1.066	1.226	1.387	1.294	1.3	1.1
Soybean oil	0.607	0.278	0.240	0.454	0.6	0.5
Livestock products	7.136	8.471	8.787	8.681	8.9	9.0
Beef, pork, and variety meats	4.152	5.063	4.833	4.749	4.9	5.0
Hides and skins, incl. furs	1.113	1.428	1.933	1.776	1.8	1.8
Poultry and products	2.068	2.240	2.538	2.303	2.6	2.4
Broiler meat 3/	1.283	1.483	1.711	1.546	1.7	1.6
Dairy products	0.873	0.955	1.056	0.964	1.1	1.0
Tobacco, unmanufactured	1.376	1.227	1.181	1.147	1.3	1.2
Cotton and linters	1.323	1.829	2.093	2.052	2.7	2.6
Seeds	0.807	0.783	0.738	0.849	0.8	0.9
Horticultural products	10.299	10.538	11.062	11.109	11.5	11.3
Fruits and preparations	3.275	3.370	3.494	3.425	3.6	3.4
Vegetables and preparations	2.820	2.988	3.035	3.004	3.1	3.1
Tree nuts and preparations	1.080	0.981	1.133	1.232	1.4	1.3
Sugar and tropical products	2.090	2.259	2.569	2.312	2.4	2.4
Major bulk product value 4/	17.817	17.749	17.630	18.194	21.0	21.2
Total value 5/	49.108	50.744	52.698	53.294	57.5	57.0
VOLUME						
Wheat	28.817	27.849	25.286	25.364	24.5	25.0
Wheat flour	0.951	0.823	0.486	0.454	0.5	0.5
Rice	3.086	3.315	3.066	3.516	3.4	3.6
Coarse grains 2/	57.720	56.557	55.164	53.448	57.4	56.8
Corn	51.949	49.378	48.192	46.913	51.0	50.0
Feeds and fodders	11.751	12.902	12.647	12.630	12.6	12.6
Oilseeds and products	33.698	36.171	37.068	40.202	32.6	33.7
Soybeans	23.029	26.045	26.569	28.897	22.3	24.2
Soybean meal	6.461	6.652	6.988	6.805	6.1	5.6
Soybean oil	1.076	0.624	0.635	1.143	1.1	1.0
Beef, pork, and variety meats	1.629	1.879	1.917	1.950	2.0	2.0
Broiler meat 3/	1.888	2.249	2.482	2.260	2.4	2.3
Animal fats	1.387	1.206	1.051	1.339	1.2	1.3
Tobacco, unmanufactured	0.205	0.180	0.177	0.163	0.2	0.2
Cotton and linters	0.908	1.532	1.686	2.206	2.5	2.4
Horticultural products	7.337	7.748	8.112	7.940	8.2	8.0
Sugar and tropical products	1.277	1.272	1.358	1.229	1.3	1.3
Total major bulk product volume 4/	113.766	115.480	111.948	113.593	110.3	112.2

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.

Export Programs

Export Subsidy Programs

Activated allocations under the Dairy Export Incentive Program (DEIP) for marketing year July 2002 through June 2003 were announced September 13, 2002. The allocations were 68,201 metric tons of nonfat dry milk, 21,097 metric tons of butterfat, and 3,030 metric tons of cheese. As of November 25, 2002, marketing year awards under DEIP totaled 1,303 metric tons of cheese with a bonus value of \$920,000, and 41,667 metric tons of nonfat dry milk with a bonus value of \$18.6 million.

Export Credit Guarantee Programs

Country allocations under fiscal year 2003 under the export credit guarantee programs (GSM-102, GSM-103, the Supplier Credit Guarantee Program (SCGP), and the Facility Guarantee Program (FGP)) totaled \$5 billion as of November 22, 2002. Sales approvals of about \$537.3 million were about 12 percent higher than fiscal year 2002 approvals at the same time last year. GSM-102 credit guarantee approvals since October 2002 were \$527.0 million, up 22 percent from the same period as last year. SCGP approvals were \$46.4 million, up about \$2 million from the same period last fiscal year. No sales have been approved for GSM-103 or for FGP this fiscal year.

Country allocations for fiscal 2002 totaled \$6.2 billion as of September 30, 2002. Sales approved totaled \$3.4 billion. Approvals were approximately \$2.9 billion for GSM-102, \$42 million for GSM-103, and \$452 million for SCGP.

U.S. Food Aid Programs

USDA and USAID have not received the final appropriation levels for food aid programs for fiscal year 2003. Appropriations may be completed early in calendar year 2003.

In fiscal 2002, the U.S. Government provided 4.7 million tons of food under the P.L. 480 (Titles I and II), Food for Progress, and Section 416(b) programs. The total value of commodities was \$1.1 billion. More than 80 countries received assistance.

Under the P.L. 480, Title I program, more than \$101 million in commodities was provided to nine

countries. This financing supported the sale of more than 500,000 tons of commodities, which consisted of wheat (215,740 tons), rice (185,720 tons), soybean meal (57,440 tons), and soybeans (45,290 tons).

Approximately 285,000 tons of food were provided under Food for Progress in 2002. The commodity value of this assistance totaled more than \$86 million. USDA provided assistance to 23 countries in eastern Europe and the former Soviet Union, Africa, Latin America, and Asia. Commodities supplied included soybean meal (73,000 tons), wheat (67,000 tons), wheat flour (34,960 tons), rice (31,880 tons), and vegetable oil (31,250 tons).

Fifty-six countries received USDA donations of 1.6 million metric tons valued at more than \$400 million through the Section 416(b) program in 2002. These donations alleviated humanitarian crises, supported agricultural development, and funded HIV/AIDS awareness and prevention programs. Part of the Section 416(b) donations consisted of about 42,000 metric tons of nonfat dry milk to 17 countries, valued at about \$84 million. More than 270,000 metric tons, valued at more than \$50 million, supported the completion of the Global Food for Education Initiative started in 2001. In the 2 years of this initiative, more than 7 million children received food, educational materials, and improved facilities. Grains and products provided under Section 416(b) included: wheat 986,000 tons, soybeans 242,000 tons, rice 89,000 tons, and corn 242,000 tons.

Appropriations for the Title II program were estimated at \$945 million for fiscal 2002, up 13 percent from FY2001. More than half these allocations were geared toward the emergency components of the program. As of October 31, allocations under approved Title II programs totaled more than 2.2 million tons. Sub-Saharan Africa received half of these, but the largest single recipient is in the Asian region. Afghanistan received nearly 300,000 tons of emergency assistance. India also received a significant allocation—200,000 tons—but this was all development assistance. Ethiopia was the largest recipient in Sub-Saharan Africa at 216,000 tons, split between emergency and development assistance. Wheat and wheat products accounted for half of the total approved program allocations.

Regional Exports

Year-to-year, U.S. agricultural exports are expected to increase by \$3.7 billion and exports to all major trading regions are boosted. Expected exports to the major countries, Mexico, Canada, Japan, the EU, and China, are raised the most. Exports to Asia and the Western Hemisphere are projected up \$1.5 billion and \$1.6 billion, respectively. Western Europe is expected to take nearly \$500 million more U.S. agricultural products in 2003.

Bulk export volume to all destinations is projected at 112.2 million tons, only slightly less than the 113.6 million tons exported in 2002. Despite the slight reduction in volume, higher unit value for many products, especially grains, contributes to export gains. The per-unit value of the major bulk commodities—wheat, coarse grains, soybeans, and cotton—as well as some high-value products, such as pork and poultry meat and vegetable oils, all increase in 2003.

Exports to Mexico are expected to show the largest growth, a gain of \$1 billion, to \$8.1 billion in 2003. U.S. exports of bulk commodities are strong to Mexico and greater exports of oilseeds, grains, and cotton all are expected to contribute to the gain in 2003. Mexico remains an important destination for certain U.S. fruit exports in 2003.

Exports to the other major market in the Western Hemisphere, Canada, also are likely to be quite robust, rising an estimated \$400 million, to \$9 billion. Since Canada is impacted by drought, it is still estimated to tie with Japan as the largest U.S. market in 2003.

Exports to the Caribbean and Central America are expected to continue growing in response to the United States' current marketing emphasis on Latin America. However, exports to South America are projected about unchanged from 2002. Colombia is

likely to continue expanding its imports of U.S. products, but poor economic conditions reflected in sagging currencies elsewhere cause other South American markets to remain weak.

Japan and China will account for most of the gains in the Asian market in 2003. The United States is projected to ship \$700 million more agricultural products to Japan in 2003 than in 2002. The primary reason for this large jump in exports is expected higher grain prices. However, depreciation of the U.S. dollar against the yen will also boost overall U.S. export value. Exports of other commodities are likely to remain weak, awaiting improvement in Japan's economy.

China's economic growth is expected to continue strong, keeping demand high. In addition, China appears to be importing more U.S. goods directly from the United States, rather than via Hong Kong as it did in the past. Consequently, exports to Hong Kong are projected to decline fractionally. Exports to China are projected up \$300 million.

Other East and Southeast Asian countries also are likely to buy more U.S. agricultural products in 2003. These include: Taiwan, South Korea, Indonesia, Philippines, Malaysia, and Thailand. Growth in these markets mainly reflects expected higher unit values and improved economic conditions.

Projected EU imports from the United States also are up in 2003, rising more than \$400 million. Depreciation of the U.S. dollar against the euro will be an important factor in growth of higher-value exports to this market.

Exports to the Middle East and Africa continue relatively strong, although growth is expected to be somewhat smaller than in 2002.

Table 3--U.S. agricultural exports: Value by region, 1999-2003

Country and Region 1/	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Share of Total 2002	Projected Fiscal 2003 1/
	Billion dollars				Percent	Billion \$
Asia (excl. Middle East)	18.375	19.553	20.081	19.433	36.5	20.9
Japan	8.905	9.301	8.942	8.291	15.6	9.0
China	1.003	1.465	1.875	1.769	3.3	2.1
Hong Kong	1.265	1.249	1.252	1.145	2.1	1.1
Taiwan	2.037	2.002	1.986	1.909	3.6	2.1
South Korea	2.478	2.531	2.541	2.670	5.0	2.8
Southeast Asia	2.189	2.580	2.907	2.880	5.4	3.0
Indonesia	0.486	0.675	0.877	0.783	1.5	0.8
Philippines	0.729	0.866	0.836	0.763	1.4	0.8
Malaysia	0.329	0.283	0.362	0.365	0.7	0.4
Thailand	0.406	0.476	0.532	0.625	1.2	0.7
South Asia	0.488	0.415	0.570	0.751	1.4	0.8
Western Hemisphere	17.431	18.126	19.555	20.133	37.8	21.7
Canada	6.940	7.512	7.994	8.586	16.1	9.0
Mexico	5.676	6.307	7.277	7.089	13.3	8.1
Caribbean	1.451	1.463	1.398	1.495	2.8	1.6
Central America	1.209	1.132	1.191	1.218	2.3	1.3
South America	2.154	1.712	1.695	1.744	3.3	1.7
Brazil	0.366	0.253	0.219	0.318	0.6	0.3
Colombia	0.468	0.427	0.442	0.485	0.9	0.5
Venezuela	0.457	0.405	0.416	0.329	0.6	0.3
Western Europe	7.481	6.532	6.761	7.031	13.2	7.5
European Union	6.923	6.193	6.249	6.273	11.8	6.7
Central and Eastern Europe	0.189	0.168	0.201	0.225	0.4	0.2
New Independent States 2/	0.867	0.921	1.029	0.896	1.7	1.0
Russia	0.526	0.659	0.823	0.711	1.3	0.8
Middle East	1.975	2.364	2.190	2.454	4.6	2.5
Turkey	0.448	0.701	0.564	0.723	1.4	0.8
Saudi Arabia	0.468	0.481	0.470	0.354	0.7	0.3
Africa	2.086	2.236	2.126	2.406	4.5	2.5
North Africa	1.398	1.522	1.464	1.562	2.9	1.6
Egypt	0.944	1.056	1.004	1.025	1.9	1.1
Sub-Saharan Africa	0.688	0.715	0.662	0.844	1.6	0.9
Oceania	0.503	0.487	0.472	0.501	0.9	0.5
Transshipments 3/	0.137	0.357	0.285	0.215	0.4	0.2
Total 3/	49.108	50.744	52.698	53.294	100.0	57.0

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.

Import Products

The value of U.S. agricultural imports in fiscal year 2003 is projected to reach \$43 billion, up \$1 billion from the last projection and \$2 billion higher than the revised figure for fiscal 2002. Year-to-year growth is due to an \$860-million rise projected for horticulture imports. This includes \$270 million from fruits and juices, \$250 from wine and malt beverages, and \$160 million from vegetables and preparations. Imports of animals and animal products, as well as grains products are expected to rise by \$300 million each. Additional gains are likely to come from expanded imports of oilseeds and products, cocoa and chocolate products, and sugar products.

The macroeconomic assumptions underlying these projections center on the still-strong U.S. dollar and faster growth of the U.S. economy compared with the EU and Japan. These conditions are similar to those in 2002.

Horticultural product imports have been increased another \$400-million since the August projection and are now expected to be \$860 million over 2002. The additional expected gain is attributed to continued strong U.S. demand for imported fruits and preparations, wine and beer, and vegetables. U.S. demand for winter market fruits and vegetables has been climbing rapidly. Leading the pack are table grapes from Chile, cauliflower and broccoli from Mexico, potatoes from Canada, and garlic from China. Wine from Chile, Italy, France, and Spain and beer from Mexico and the Netherlands are behind the rapid growth of imported alcoholic beverages. In volume, fruit and vegetable imports likely will expand by more than 400,000 tons, but show less gain than in the previous year.

Gains in livestock imports in 2003 are attributed to lower U.S. red meat production and higher projected prices. The \$300-million gain in import value of animals and animal products is largely from continued growth in red meat imports, which are projected up \$113 million from 2002. Dairy product

imports are expected to remain near the 2002 level of \$1.8 billion. Imports of American-type cheese were strong through the end of fiscal 2002. In November, the U.S. imposed a safeguard duty on above-quota imports of American-type cheese through the end of December 2002. While a \$78-million increase from 2002 in live animal imports is projected, the \$2.1-billion value for 2003 is still \$100 million less than imports in 2001.

Higher U.S. demand for foreign bread and bakery products, pasta and noodles, flour and grain mill products, and breakfast cereal foods is driving the import surge in grain products (excluding feeds and fodders) in 2003. These products mostly account for the expected gain in grain and feed value. For bulk grains, 2003 imports still are likely to exceed 2002 slightly, but value is lowered by \$150 million compared with August due to an anticipated reduction in wheat volume.

Anticipated imports of oilseeds and products in 2003 are lowered by \$100 million from August, but still are projected to exceed 2002 by \$100 million. Volume in 2003 is reduced by 100,000 tons from last quarter. Foreign supplies of oilseeds, oilmeals, and vegetable oils are projected up in 2003, while corresponding U.S. production is expected to decline. In volume, vegetable oil imports are still projected lower in 2003 than in 2002 as the smaller rapeseed crop in Canada leads to less canola oil for the United States. Also, tropical oil prices are higher.

For 2003, imports of cocoa and products, sugar and products, and tobacco, the gains seen in 2002 are expected to continue. Higher prices contribute to greater cocoa imports. In addition to higher prices, greater volume of cocoa beans, cocoa powder, and chocolate products adds to value. Strong U.S. demand for confectionery products is behind sugar products' increase. Tobacco demand also is likely to rise.

Table 4--U.S. agricultural imports: Value and volume by commodity, 1999-2003

Commodity	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Projected Fiscal 2003	
					Aug.	Nov.
Billion dollars						
VALUE						
Animals and products	7.039	8.145	9.030	9.094	9.3	9.3
Live animals, except poultry	1.411	1.737	2.198	2.022	2.1	2.1
Red meats and products	3.108	3.724	4.091	4.187	4.4	4.3
Dairy products	1.572	1.635	1.728	1.841	1.7	1.8
Grains and feeds	2.943	3.058	3.189	3.594	3.8	3.9
Grains	0.727	0.638	0.687	0.754	1.0	0.8
Grain products and feeds	2.216	2.420	2.503	2.840	2.9	3.0
Horticulture products 1/	15.321	15.820	16.426	17.542	18.0	18.4
Fruits and preps. and juices	4.683	4.537	4.603	4.931	5.2	5.2
Bananas	1.212	1.128	1.156	1.188	1.2	1.2
Nuts and preparations	0.708	0.792	0.656	0.648	0.7	0.7
Vegetables and preparations	4.527	4.657	5.182	5.443	5.5	5.6
Wine and malt beverages	3.995	4.345	4.521	5.047	5.2	5.3
Cut flowers and nursery	1.076	1.165	1.156	1.135	1.2	1.2
Sugar and related products	1.577	1.540	1.618	1.711	1.8	1.8
Tobacco, unmanufactured	0.742	0.651	0.648	0.734	0.7	0.8
Oilseeds and products	1.899	1.873	1.680	1.679	1.9	1.8
Coffee and products	2.967	2.905	1.761	1.610	1.6	1.6
Cocoa and products	1.531	1.466	1.391	1.715	1.8	1.9
Rubber and gums	0.739	0.841	0.668	0.655	0.7	0.7
Other noncompetitive imports 2/	1.301	1.384	1.334	1.306	1.3	1.3
Other competitive imports 3/	1.251	1.240	1.281	1.339	1.4	1.4
Total agricultural imports	37.310	38.923	39.027	40.979	42.0	43.0
Million metric tons						
VOLUME						
Fruit juices 4/	31.655	32.199	29.293	28.461	29.3	29.0
Wine and malt beverages 4/	24.831	27.414	29.678	32.158	32.4	33.0
Red meats and products	1.403	1.555	1.600	1.656	1.7	1.7
Cheese and casein	0.304	0.315	0.301	0.324	0.3	0.3
Grains and feeds	6.457	5.771	6.123	6.136	6.3	5.6
Grains	5.276	4.532	4.914	4.918	5.1	4.4
Feeds and fodders	1.181	1.240	1.210	1.218	1.3	1.2
Fruits and preparations	7.942	8.115	7.857	8.356	8.4	8.6
Bananas	4.418	4.396	4.093	4.192	4.1	4.3
Nuts and preparations	0.229	0.251	0.262	0.283	0.3	0.3
Vegetables, fresh or frozen	3.733	3.755	4.023	4.321	4.4	4.5
Cane and beet sugar	1.692	1.379	1.378	1.339	1.5	1.4
Tobacco, unmanufactured	0.217	0.220	0.211	0.271	0.3	0.3
Oilseeds and products	3.767	4.069	4.082	3.649	3.2	3.1
Vegetable oils	1.637	1.772	1.945	1.938	1.8	1.8
Coffee and products	1.294	1.411	1.214	1.195	1.2	1.2
Cocoa and products	0.865	1.046	0.898	0.986	1.0	1.1
Rubber and gums	1.148	1.249	1.059	1.166	1.1	1.2

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

Farm imports from the United States' top import sources are expected to climb by \$1.7 billion from 2002 to 2003. The 10 top source countries—Canada, Mexico, the EU, Australia, New Zealand, Chile, Brazil, Colombia, Indonesia, and China—have supplied 70-80 percent of total U.S. imports since the beginning of the 1990s.

Imports from Canada are projected up by \$500 million in 2003 over 2002 due to continuing large imports of cocoa products, cattle, feeds and grain

products, prepared vegetables, and potatoes. Imports from Mexico are expected to increase slowly, partly due to the appreciation of the peso against the dollar. Brazil, Colombia, and Chile are likely to increase shipments of horticultural products, raising projected imports from these countries by \$240 million in total.

With the dollar expected to weaken slightly against the euro, U.S. imports from the EU are projected up \$400 million in 2003, slightly less than the gain in 2002 over 2001. Imports from other major sources also are projected up in 2003.

Table 5--U.S. agricultural imports: Value by region, 1999-2003

Country and Region	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Share of Total 2002	Projected Fiscal 2003
	Billion dollars				Percent	Billion \$
Western Hemisphere	20.169	20.898	21.479	22.291	54.4	23.3
Canada	7.894	8.526	9.521	10.188	24.9	10.7
Mexico	4.828	4.991	5.311	5.288	12.9	5.4
South America	5.211	4.939	4.376	4.524	11.0	4.8
Brazil	1.438	1.250	0.985	1.081	2.6	1.2
Colombia	1.189	1.163	0.962	0.903	2.2	1.0
Chile	0.918	0.974	1.023	1.124	2.7	1.2
Other South America	1.667	1.552	1.406	1.416	3.5	1.5
Central America	1.887	2.124	1.931	1.933	4.7	2.0
Costa Rica	0.843	0.798	0.817	0.814	2.0	0.9
Caribbean	0.349	0.318	0.341	0.357	0.9	0.4
Western Europe	7.979	8.296	8.113	8.672	21.2	9.2
European Union	7.807	8.103	7.913	8.468	20.7	8.9
Eastern Europe	0.227	0.228	0.249	0.303	0.7	0.4
New Independent States 1/	0.062	0.083	0.081	0.083	0.2	0.1
Asia (excluding Middle East)	5.282	5.392	4.789	5.046	12.3	5.3
China	0.762	0.814	0.787	0.974	2.4	1.2
Southeast Asia	2.971	2.886	2.515	2.553	6.2	2.6
Indonesia	1.169	1.002	0.858	0.910	2.2	1.0
Thailand	0.689	0.762	0.726	0.708	1.7	0.7
South Asia	0.870	0.933	0.745	0.736	1.8	0.8
India	0.799	0.867	0.688	0.670	1.6	0.7
Oceania	2.164	2.665	3.071	3.180	7.8	3.3
Australia	1.134	1.516	1.798	1.894	4.6	2.0
New Zealand	0.950	1.106	1.228	1.227	3.0	1.3
Africa	0.862	0.882	0.762	0.886	2.2	1.1
Ivory Coast	0.295	0.291	0.163	0.241	0.6	0.3
Middle East	0.564	0.477	0.483	0.518	1.3	0.6
Turkey	0.382	0.311	0.294	0.321	0.8	0.3
TOTAL	37.310	38.923	39.027	40.979	100.0	43.0

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 of Projections

Average differences are computed based on the absolute value of the difference between each year's November estimate and the final U.S. trade figure with each country or region for that fiscal year; both are rounded to billion dollars with one decimal place. A percentage difference is calculated for each year; the average percentage for the 10 years is a simple average of these percentages. Maximums indicate the

range of variation above and below the final figure for the 10-year period. The fiscal year listed after the maximum is the most recent year in which that difference occurred. For most countries, 10 years are computed, but some countries or regions have been projected for a much shorter period as footnoted. More tables will be forthcoming in subsequent issues.

Table 6--Reliability of United States November export projections by country

Country and Region	Differences between November projection and final data 1992/93-2001/02								
	Average	Average	Max below	FY	Max above	FY	Below	Equal	Above
	Percent	Billion dollars		Year	Billion \$	Year	Number of years		
Asia (excl. Middle East)	13.0	3.0	-8.3	1995	1.8	2002	8	0	2
Japan	7.4	0.7	-1.5	1995	1.4	1998	6	0	4
China	35.0	0.7	-1.3	1995	0.9	1996	5	0	5
Hong Kong	9.2	0.1	-0.2	1995	0.3	2002	3	4	3
Taiwan	7.8	0.2	-0.4	1999	0.4	1998	3	3	4
South Korea	17.2	0.5	-1.4	1995	1.0	1998	4	1	5
Southeast Asia	11.0	0.3	-0.7	1996	0.6	1998	3	2	2
Indonesia 1/	13.0	0.1	-0.2	2000	0.1	2002	2	1	1
Philippines	15.3	0.1	-0.2	2000	0.1	2002	6	1	3
Malaysia 1/	0.0	0.0	0.0	na	0.0	na	0	4	0
Thailand 1/	5.0	0.0	-0.1	2000	0.0	na	1	3	0
South Asia 2/	27.9	0.2	-0.3	1997	0.2	1998	3	0	4
Western Hemisphere									
Canada	5.0	0.3	-0.6	1993	0.1	1996	9	0	1
Mexico	8.6	0.4	-1.2	1996	0.7	1995	6	1	3
Caribbean 3/	13.3	0.2	-0.2	2002	0.0	na	1	0	0
Central America 3/	8.3	0.1	-0.1	2002	0.0	na	1	0	0
South America 3/	0.0	0.0	0.0	na	0.0	na	0	1	0
Brazil	20.1	0.1	-0.3	1995	0.1	2001	3	5	2
Colombia 3/	0.0	0.0	0.0	na	0.0	na	0	1	0
Venezuela	16.7	0.1	-0.2	1997	0.1	2002	3	4	3
Western Europe	7.9	0.6	-1.5	1995	1.0	1999	5	0	5
European Union	6.6	0.5	-1.1	1995	1.4	1999	1	1	8
Central and Eastern Europe	22.3	0.1	-0.2	1993	0.1	1999	1	4	5
New Independent States 4/	24.5	0.3	-0.4	1996	0.6	1999	5	0	5
Russia 5/	35.5	0.3	-0.3	2000	0.7	1999	3	0	5
Middle East	12.3	0.3	-0.7	1995	0.3	1994	5	1	4
Turkey 6/	31.5	0.2	-0.2	2000	0.2	2001	2	0	2
Saudi Arabia	7.8	0.0	-0.1	1997	0.1	2002	2	6	2
Africa	8.6	0.2	-0.8	1995	0.3	1998	4	3	3
North Africa	7.8	0.1	-0.6	1995	0.2	1998	3	4	3
Egypt	16.7	0.2	-0.6	1995	0.2	1998	4	2	4
Sub-Saharan Africa	8.3	0.1	-0.2	1995	0.1	1998	4	5	1
Oceania	13.7	0.1	-0.1	1997	0.2	1996	4	4	2
Total	4.8	2.5	-9.6	1995	4.8	1998	6	0	4

1/ 1997/98-2001/02. 2/ 1996/97-2001/02. 3/ 2001/02 single year only.

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

5/ 1994/95-2001/02. 6/ 1998/99-2001/02.

Source: Economic Research Service, U.S. Department of Agriculture.

Contacts and Links

Coordinators

Carol Whitton (Cwhitton@ers.usda.gov) 694-5287
Ernest Carter (ECarter@fas.usda.gov) 720-2922

Editorial support

Martha Evans,
Information Services Division, ERS.

Commodity information—ERS

Beef Dale Leuck (DJLEUCK) 694-5186
Cotton Steve MacDonald (STEPHENM) 694-5305
Food Aid Stacey Rosen (SLROSEN) 694-5164
Horticulture Gary Lucier (GLUCIER) 694-5253
Imports Andy Jerardo (AJERARDO) 694-5266
Macroeconomics Matt Shane (MSHANE) 694-5282
Oilseeds Mark Ash (MASH) 694-5289
Pork Mildred Haley (MHALEY) 694-5176
Poultry Dave Harvey (DJHARVEY) 694-5177
Rice Nathan Childs (NCHILDS) 694-5292
Wheat/Feed Grains Ed Allen (EWALLEN) 694-5288

Regional information

Canada and Mexico
John Wainio (JWAINIO) 694-5211
South America
Constanza Valdes (CVALDES) 694-5225
China, Hong Kong, and Taiwan
Francis Tuan (FTUAN) 694-5238
Japan and Other Asia
John Dyck (JDYCK) 694-5221
European Union
Dave Kelch (DKELCK) 694-5151
Russian Federation
Bill Liefert (WLIEFERT) 694-5156
East Europe
Nancy Cochrane (COCHRANE) 694-5143

All telephones are area code 202.
All ERS Emails are @ers.usda.gov.
All FAS Emails are @fas.usda.gov.

Commodity information—FAS

Cotton James Johnson (JOHNSONJ) 690-1546
Dairy, Livestock, & Poultry
Tim Rocke (ROCKE) 720-4761
Export Programs
Penny Stevenson (STEVENSONP) 720-3224
Food Aid Programs
Robin Tilsworth (TILSWORTH) 720-4221
Grains and Feeds
Richard O'Meara (OMEARAR) 720-4933
Horticultural & Tropical Products
Nancy Hirschhorn (HIRSCHHORN) 720-2974
Oilseeds Bill George (GEORGE) 720-0143
Seeds Anne Player (PLAYER) 720-7037
Tobacco Pete Burr (BURR) 720-9493

Web Sites

U.S. Ag. Trade: ERS' U.S. Agricultural Trade Briefing Room contains special articles and features on U.S. and global trade: <http://www.ers.usda.gov/briefing/agtrade>.

FATUS Data: ERS' answers to questions about U.S. trade data and summary trade tables:
<http://www.ers.usda.gov/data/fatus/>.

FAS U.S. Trade: Foreign Agricultural Service's (FAS) interactive database of monthly U.S. trade data, including FATUS data: <http://www.fas.usda.gov/ustrade>.

Subscription Information

Subscribe to the ERS e-mail notification service at <http://www.ers.usda.gov/updates> to receive timely notification of newsletter availability. Printed copies can be purchased from the USDA Order Desk by calling 1-800-999-6779 (specify the issue number or series SUB-AES-4035).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.