

OUTLOOK for

U.S. Agricultural Trade

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FORECAST 1999 U.S. AGRICULTURAL EXPORTS REMAIN AT \$49 BILLION

U.S. agricultural exports for fiscal 1999 are forecast at \$49 billion, unchanged from the February estimate, but 8.5 percent below fiscal 1998. Further deterioration in prospects for export of some high-value commodities, especially hides and skins, is offset by slight improvements in expectations for grain exports. The outlook reflects a more stable world economic situation and the beginnings of a recovery in Asia.

Grain export forecasts are increased from February by \$600 million to \$14.4 billion, while horticultural products are up \$300 million to \$10.3 billion. Expectations for oilseeds and products exports and livestock poultry, and dairy exports are down \$500 million each to \$8.1 billion and \$10.6 billion.

The projected fiscal 1999 import value of \$37.5 billion is \$500 million below the February forecast. The downward adjustment primarily reflects smaller coffee and noncompetitive product import values.

The import reduction leads to a slight improvement from February in the forecast export surplus to \$11.5 billion. The expected 1999 surplus, however, remains well below 1998.

Table 1--U.S. agricultural trade, fiscal years, 1994-1999
-- Year ending September 30 --

Item	1994	1995	1996	1997	1998	1999 Projected Feb.	1999 Projected Jun.
--Billion dollars--							
Exports	43.9	54.6	59.8	57.3	53.6	49.0	49.0
Imports	26.6	29.9	32.6	35.8	37.0	38.0	37.5
Balance	17.3	24.7	27.2	21.5	16.6	11.0	11.5

This outlook reflects commodity forecasts in the June 12, 1999, World Agricultural Supply and Demand Estimates.

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Coordinator (ERS):

Carolyn Whitton 202-694-5287
Leader, Trade Data Analysis
Agriculture & Trade Outlook Br.
Market & Trade Economics Div.
Economic Research Service(ERS)

Coordinator (FAS):

Ernest Carter 202-720-2922
Special Assistant
Office of Deputy Administrator
Commodity and Marketing Programs
Foreign Agricultural Service(FAS)

U.S. Department of Agriculture
Washington, D.C. 20250

The forecasts in the Outlook for U.S. Agricultural Trade are based on information provided by the Market & Trade Economics Division of the ERS and the Commodity Divisions of FAS. Editorial support is furnished by Martha R. Evans, Information Services Division, ERS. All telephones are area code 202.

Commodity Information--ERS: Karen Ackerman (Export Programs, 694-5264); Ed Allen (Wheat/Coarse Grains, 694-5288); Mark Ash (Oilseeds, 694-5289); Nathan Childs (Rice, 694-5292); Andy Jerardo (Imports, 694-5323); Mildred Haley (Beef & Pork, 694-5176); Dave Harvey (Poultry, 694-5177); Gary Lucier (Horticulture, 694-5253); Steve MacDonald (Cotton, 694-5305); Stacey Rosen (Food Aid, 694-5164); Matt Shane (Macroeconomic projections 694-5282).

Commodity Information--FAS: Arnella Trent (Tobacco, 720-9496); Lloyd Coonrod (Seeds, 720-9491); Kimberly Svec (Dairy, Livestock & Poultry 720-8252; Alan Holz (Oilseeds, 720-0143); Dusti Fritz (Grains and Feeds, 690-4200); Dee Linse (Export Programs, 720-9847); Peter Burr (Cotton, 720-9510); Debra Pumphrey (Horticultural and Tropical Products, 720-8899).

Regional projections--ERS: For regional information call: Chris Bolling (Brazil, 694-5212); Nancy Cochrane (East Europe, 694-5143); Hunter Colby (China, 694-5215); Fred Crook (Hong Kong, 694-5217); John Dyck (Japan & South Korea, 694-5221); Anwarul Hoque (South Asia, 694-5222); Sophia Wu Huang (Taiwan, 694-5225); Susan Leetma (European Union, 694-5153); Michael Kurtzig (North Africa and the Middle East, 694-5152); Bill Liefert (New Independent States, 694-5156); John Link (Mexico, 694-5228); Suchada Langley (Canada, 694-5227); Gary Vocke (Southeast Asia, 694-5241).

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Commodity Highlights

The forecast for fiscal 1999 exports of U.S. wheat and flour is raised \$100 million from the February forecast to \$4 billion, largely reflecting a 400,000-ton upward revision in export volume to 29.5 million tons. This revision is due to reduced competition from the European Union and Canada. The average export unit value for all wheat is forecast at \$132/ton.

Table 2--U.S. agricultural exports: Value by commodity, 1998-1999

Commodity	October-March		Fiscal	Fiscal 1999	
	1998	1999	1998	Projected Feb.	Jun.
--Billion dollars--					
Grains and feeds 1/	7.607	7.349	14.109	13.8	14.4
Wheat & flour	2.088	1.844	3.887	3.9	4.0
Rice	0.641	0.661	1.134	1.1	1.0
Coarse grains 2/	2.787	2.733	4.990	4.8	5.2
Corn	2.279	2.424	4.261	4.3	4.7
Feeds and fodders	1.262	1.215	2.411	2.3	2.4
Oilseeds and products	8.005	5.354	11.090	8.6	8.1
Soybeans	4.972	3.205	6.117	4.7	4.5
Soybean meal	1.373	0.626	1.944	1.2	1.0
Soybean oil	0.546	0.420	0.881	0.7	0.6
Livestock products	3.948	3.637	7.626	7.9	7.6
Beef, pork & variety meats	2.040	1.964	4.045	4.2	4.2
Hides & skins, incl. furs	0.726	0.556	1.358	1.4	1.1
Poultry & products	1.388	1.012	2.712	2.3	2.2
Poultry meat	1.193	0.846	2.347	1.9	1.8
Dairy products	0.476	0.425	0.897	0.9	0.8
Tobacco, unmanufactured	0.756	0.791	1.448	1.4	1.4
Cotton & linters	1.516	0.883	2.537	1.4	1.4
Seeds	0.572	0.535	0.838	0.9	0.8
Horticultural products	5.202	5.180	10.318	10.0	10.3
Fruits & preparations	1.524	1.558	3.202	2.9	3.3
Vegetables & preparations	1.411	1.438	2.805	2.8	2.9
Tree nuts & preparations	0.706	0.653	1.215	1.3	1.1
Sugar, tropical, and other	1.003	0.985	2.054	1.9	2.0
Total 3/	30.475	26.150	53.629	49.0	49.0

1/ Includes pulses and corn products. 2/ Includes corn, barley, sorghum, oats, and rye. 3/ Totals might not add due to rounding.

Since February, U.S. coarse grain exports are up 2.4 million tons and \$400 million to 51.8 million tons valued at \$5.2 billion. This revision is almost entirely due to a 2.5-million ton increase in corn export volume to 46.5 million tons because of less export competition from China and South Africa. The average export unit value for corn was slightly increased to \$100/ton. Sorghum volume remained unchanged while barley shipments were lowered 150,000 tons due largely to increased competition from Australia.

Rice export volume is forecast to remain unchanged from February's projection at 3.2 million tons, however a \$10/ton drop in the average export unit value is expected to reduce export value to \$1 billion. This is due to larger than expected rough rice exports and lower prices. Prices are expected to soften further, reflecting prospects for a record 1999/2000 U.S. crop.

Mostly reflecting downward adjustments in soybean and soybean meal export volumes since February, fiscal 1999 U.S. oilseeds and products exports

Table 3--U.S. agricultural exports: Volume by commodity, 1998-99

Commodity	October-March		Fiscal	Fiscal 1999	
	1998	1999	1998	Projected Feb.	Jun.
----- --Million metric tons--					
Wheat	12.962	13.330	25.800	28.5	28.8
Wheat flour	0.247	0.439	0.459	0.6	0.7
Rice	1.765	2.000	3.315	3.2	3.2
Coarse grains 1/	23.215	27.516	43.960	49.4	51.8
Corn	18.955	24.408	37.697	44.0	46.5
Feeds & fodders	5.893	6.285	11.688	11.9	12.3
Oilseeds and products	26.566	21.226	36.018	33.8	31.7
Soybeans	18.644	15.110	23.287	22.3	21.2
Soybean meal	5.527	3.705	8.464	7.2	6.2
Soybean oil	0.883	0.688	1.396	1.2	1.1
Beef, pork & variety meats	0.770	0.776	1.559	1.7	1.7
Poultry meat	1.350	1.113	2.663	2.3	2.3
Animal fats	0.312	0.315	1.365	1.3	1.5
Cotton & linters	0.934	0.593	1.602	0.9	0.9
Horticultural products	3.756	3.797	7.414	7.1	7.5
Other	3.402	3.629	6.173	6.0	6.3
Total agriculture 2/	81.172	81.019	142.016	146.7	148.7
Major bulk products 3/	57.520	58.549	97.964	104.3	105.9

1/ Includes corn, barley, sorghum, oats, and rye. 2/ Excludes all exports measured in hectoliters, pieces, dozens, or numbers. 3/ Includes wheat, rice, coarse grains, soybeans, and cotton.

are lowered 2.1 million tons to 31.7 million tons valued at \$8.1 billion. Soybean and meal exports are now forecast at 27.4 million tons valued at \$5.5 billion. U.S. soybean and meal export volumes were reduced in light of further upward revisions in the 1998/99 South American soybean production, stock, and export estimates. The average export unit values of \$210/ton for soybeans and \$168/ton for soybean meal remain largely unchanged, having already been adjusted in February for larger South American supplies. Reduced export prices and a 100,000-ton reduction in shipments lowered the forecast for soybean oil \$80 million to \$600 million. Lagged effects of increased rainfall in Malaysia and Indonesia further raised estimated palm oil output and pressured prices lower.

The forecast for fiscal 1999 U.S. cotton exports is 900,000 tons valued at \$1.4 billion. The outlook reflects the continued slow pace of U.S. shipments and continued weakness in foreign demand.

The fiscal 1999 forecast for U.S. exports of livestock, poultry, and dairy products is lowered \$500 million from the February forecast to \$10.6 billion, in large part due to the weaker outlook for hides and skins. The forecast for beef and pork shipments remains unchanged at 1.7 million tons valued at \$4.2 billion. A decline in beef export value due to lower prices should be largely offset by gains in pork export value as pork prices rise in response to an anticipated slowdown in U.S. hog production. Poultry meat shipments remain largely unchanged at 2.3 million tons, but a downward revision in prices reduced export value \$120 million to \$1.8 billion. In addition to the sharp decrease in shipments to Russia, weakness in Mexican and Canadian markets is also evident. Sharply reduced prices and export volume lowered the estimate for hides and skins from the February forecast by \$300 million to \$1.1 billion. Reduced demand from leather industries in Asia has now been joined by a slowdown in Europe. The value of dairy products slipped \$50 million due to price declines and slower shipments under the Dairy Export Incentive Program.

The fiscal 1999 forecast for U.S. horticultural exports is raised \$300 million from the February estimate to \$10.3 billion. Overall exports to Mexico (our fourth largest market for this category) are running 25 percent ahead of last year's pace, helping to offset slightly slower sales to Canada. Sales are up to Europe, and sales to Japan and several other Asian markets are beginning to recover. Fresh and processed fruit is increased \$400 million to \$3.3 billion due, in part, to rising apple shipments. The forecast for tree nuts is lowered \$200 million to \$1.1 billion due to smaller U.S. almond, pistachio, and walnut crops.

Economic Outlook

The 1999 world economy is in transition. The worst of the global financial crisis is behind us, and although there is still some potential

for further problems, most analysts feel that the bottom has been reached and that growth will return to more normal levels in 2000 and beyond. There is a concern among the leaders of the international organizations that because the crisis is over, the impetus for reform may weaken.

There is also a sense of uncertainty and unease because the world's two largest trading economies, the United States and Japan, have been acting in unpredictable ways. The United States continues to grow in a robust fashion, with Gross Domestic Product (GDP) growing almost 4 percent for the 3rd year in a row, while Japan continues to stagnate regardless of the stimulus applied.

There is also a growing awareness that the locus of global instability has moved from variations in trade to movements of capital. The precipitating factor for the global financial crisis was the rapid shift of capital flows away from the Asian Tiger economies, from highly positive in 1996 (plus \$250 billion) to significantly negative in 1997 and 1998 (minus \$50 billion).

For the United States, the impacts of the global financial crisis have been more positive than negative. Decreased demand and the pressure on the crisis-affected countries to generate more export revenues has driven prices of raw materials and manufactured goods down, allowing the U.S. economy to grow rapidly with little or no inflation. These same factors have, however, driven the U.S. current account significantly more negative and made it more difficult to export U.S. agricultural commodities and products.

The less than 2-percent overall world GDP growth in 1998 will be repeated in 1999 before climbing slightly to 2.4 percent in 2000. Foreign growth was only 1.3 percent in 1998 and will be only slightly better at 1.5 percent in 1999. However, by 2000, growth outside the United States is forecast to double to 2.9 percent as Southeast Asia, Latin America, and the Middle East rebound from recessions into modestly positive growth. The European Union, Eastern Europe, the rest of Asia, and Africa are also projected to increase growth next year.

The European Union's 2.7 percent expansion in 1998 appears to be slowing to 1.8 percent in 1999 and then is projected to move up to 2.5 percent in 2000. The developing countries' growth increases from 2.3 percent in 1998 to 3 percent in 1999, then is expected to accelerate to almost 5 percent in 2000. However, as developing countries recover from the effects of financial crisis and capital flight, U.S. growth is expected to slow down from the current almost 4 percent growth rate to about 2.5 percent in 2000. A U.S. slowdown would be mitigated by the expected upturn in foreign economic activity, which should boost demand for U.S. exports.

The U.S. dollar's exchange value is projected to remain steady in nominal terms in 1999, but should decline in real terms by about 3 to 4 percent

as higher inflation in the rest of the world reduces its purchasing power. The dollar will be relatively stable against the currencies of some of the United States' largest markets—Canada and Mexico, but might appreciate modestly against the European Union. The dollar is forecast to depreciate in real terms against the Japanese yen and other Asian currencies as average nominal exchange rates (foreign currency units per dollar) fall in 1999. The dollar should appreciate against Latin American currencies in 1999 as recessions and higher inflation in South America reduce the attractiveness of their currencies to investors.

Regional Highlights

While total expected U.S. agricultural exports to the rest of the world are unchanged in June from February expectations, the country mix is slightly altered from February. The outlook for exports to the Western Hemisphere slipped further and is expected to decline from 1998, due primarily to less dramatic gains forecast for Mexico. Exports to Asia continue to be projected down from 1998, but not as sharply as estimated in February, as some economies in the region begin to show improvement. Shipments to Africa have been increased slightly from February, but are still off year-to-year. Expectations for Europe, Russia, the Middle East, and Oceania are unchanged from February.

Exports to the Western Hemisphere are reduced to \$17.8 billion in 1999 compared with \$18.1 billion forecast in February and \$18.4 billion shipped in 1998. Sales to Mexico have slowed from earlier expectations. While exports to Mexico still are projected up year-to-year, forecasts are reduced \$500 million from February. U.S. agricultural exports to Mexico in 1999 are projected at \$6.2 billion. U.S. agricultural exports to Mexico in the first 6 months of 1999 are off slightly from the same period in 1998. Soybeans show a significant decrease compared with last year. But, most of the other large U.S. exports to the country--meats, wheat, corn, and vegetables--remain above the first half of 1998.

Soybeans, in recent years one of the largest U.S. exports to Brazil, also are contributing to the downturn in U.S. exports to Brazil in 1999. Expected 1999 U.S. agricultural exports to Brazil are reduced to \$400 million, down from \$440 million in February. Brazil has been using imported soybeans in the soybean processing industry, along with its own soybeans. However, record soybean production there last year, high beginning stocks, another large crop expected this year, and the tighter financial situation, have combined in the first 6 months of 1999 to reduce Brazil's need for imported U.S. soybeans.

U.S. exports to Canada are forecast at \$6.8 billion, slightly more than forecast in February. Exports to Other Latin America also have been increased a little from February estimates, to \$3.9 billion.

Some improvement in the general Asian economic situation accounts for the change in expected U.S. agricultural exports to the region. U.S. exports

Table 4--U.S. agricultural exports: Value by region, 1998-99

Region	October-March		Fiscal 1998	Fiscal 1999 Forecast	
	1998	1999		Feb.	Jun.
--Billion dollars--					
Asia (excluding Mid East)	11.326	9.624	19.668	16.8	17.2
Japan	5.193	4.656	9.459	8.0	8.4
China	1.125	0.592	1.514	1.3	1.1
Hong Kong	0.848	0.685	1.568	1.3	1.3
Taiwan	1.267	1.029	1.971	1.6	1.6
South Korea	1.196	1.205	2.245	2.0	2.2
Southeast Asia	1.313	1.133	2.282	2.0	2.0
Indonesia	0.310	0.247	0.529	0.4	0.4
Philippines	0.352	0.339	0.744	0.6	0.7
Malaysia	0.191	0.173	0.310	0.3	0.3
Thailand	0.324	0.246	0.449	0.4	0.4
South Asia	0.378	0.318	0.623	0.6	0.6
Western Hemisphere	9.544	9.075	18.370	18.1	17.8
Canada	3.464	3.400	7.022	6.7	6.8
Mexico	3.042	3.002	5.956	6.7	6.2
Brazil	0.381	0.261	0.566	0.4	0.4
Venezuela	0.295	0.269	0.516	0.5	0.5
Other Latin America	2.362	2.144	4.310	3.8	3.9
Western Europe	5.774	4.439	8.844	7.5	7.5
European Union	5.572	4.280	8.508	7.3	7.3
Central and Eastern Europe	0.194	0.112	0.320	0.3	0.2
New Independent States 1/	0.788	0.247	1.456	1.4	1.4
Russia	0.630	0.134	1.103	1.1	1.1
Middle East	1.304	1.056	2.285	2.1	2.1
Turkey	0.319	0.249	0.658	0.6	0.6
Saudi Arabia	0.324	0.257	0.535	0.5	0.5
Africa	1.269	1.095	2.167	1.9	2.0
North Africa	0.924	0.745	1.475	1.3	1.3
Egypt	0.570	0.516	0.939	0.9	0.9
Sub-Saharan Africa	0.345	0.350	0.692	0.6	0.7
Oceania	0.274	0.252	0.545	0.5	0.5
Transshipments 2/	0.003	0.249	0.075	0.1	0.3
Total 2/	16.231	14.333	53.629	49.0	49.0

1/ New Independent States (NIS) are the former Soviet Union (FSU), including the Baltic Republics. 2/ Transshipments through Canada are included in the total only for fiscal 1998 and 1999, rather than being distributed by country.

to Asia are forecast at \$17.4 billion, above the \$16.8 billion forecast in February, but still 12 percent less than shipments in 1998. Forecast exports to South Korea, the Philippines, and Japan have been increased since February.

The improved economic situation is particularly a factor for South Korea. U.S. exports to South Korea have been increased to \$2.2 billion, almost equal to shipments in 1998. As the economy began to rebound, demand for meats and also for feed stuffs, has begun to rise again. Since the beginning of the fiscal year, U.S. exports to South Korea of meats are up 59 percent in quantity and 19 percent in value, while corn exports have risen by more than 140 percent in quantity and over 80 percent in value, accounting for much of the change.

Exports to Japan also look somewhat rosier than earlier expected, despite the continued sluggishness in Japan's economy. Exports to Japan are projected 5 percent higher than in February, at \$8.4 billion. So far in 1999, Japan's growth in demand for U.S. exports of fruits and vegetables continues rising, supporting U.S. exports. But, for other large exports, the quantity of meat shipped is virtually unchanged from the same period last year and corn shipments are still weak, barely above those of the first 6 months of 1998.

Exports to the Philippines are projected at \$700 million, up \$100 million from February's estimate, largely reflecting stronger than expected shipments in the first 6 months of 1999.

The first half of 1999 exports to China also are off more than previously anticipated and the pace in the second half would have to increase more sharply than expected to reach the previous forecast. Consequently, projected 1999 exports to China are reduced further to \$1.1 billion.

Stronger than expected shipments of U.S. agricultural products to Sub-Saharan Africa in the first half of 1999 led to a slight increase from February in prospects for 1999 U.S. exports to Africa. Exports to Africa are projected at \$2 billion, above February's forecast of \$1.9 billion. North Africa accounts for the year-to-year decrease in exports to Africa, as higher grain production there is reducing 1999 import demand.

U.S. Agricultural Export Programs

Export Subsidy Programs

Dairy Export Incentive Program (DEIP) sales are beginning to pick up in fiscal 1999. One thousand eight hundred six tons of cheese; 3,244 tons of whole milk powder; and 76,240 tons of nonfat dry milk were sold to countries in Africa, Asia, the Caribbean, Central America, and the Middle East in fiscal 1999 as of May 28. DEIP bonuses totaled \$87 million for the same period. Export Enhancement Program (EEP) sales of 2,046 tons of

frozen poultry to Middle Eastern countries were assisted by bonuses totaling \$1.14 million.

Commodity Credit Corporation Export Credit Guarantee Programs

Country allocations under the fiscal 1999 export credit guarantee programs (GSM-102, GSM-103 and the Supplier Credit Guarantee Program) of \$5.3 billion as of May 21, 1999, were 8 percent lower than year-ago allocations, and sale approvals of \$1 billion were 41 percent lower than fiscal 1998 approvals. On the 29th of March, USDA extended \$1 billion dollars in GSM-102 credit guarantees to the Republic of South Korea. Credit guarantee approvals for sales of agricultural commodities to Korea were \$269 million as of May 21, 1999.

U.S. Food Aid Programs

With the exception of Russia, total program funding for Title I and Food for Progress programs is valued at \$233 million for fiscal 1999. Fourteen countries will be eligible to receive the funding under Title I, while four countries will be eligible under for Food for Progress funds. Commodity assistance to these countries is expected to total roughly 1 million tons. As of May 25, agreements had been signed with three countries, Indonesia, Jamaica, and Nicaragua, and with three private entities in Indonesia and Russia, with allocations totaling \$74.2 million.

The Russia food assistance package, which falls under the PL 480 Title I and Food for Progress programs as well as section 416(b), is estimated at \$1.2 billion for fiscal 1999. In total, these programs will provide an estimated 3.2 million tons of commodity assistance.

Commodity allocations for Russia under Title I long-term credit and Food for Progress include beef, corn, lentils, nonfat dry milk, planting seeds, pork, poultry, rice, salmon, soybeans, soybean meal, and vegetable oil. Wheat and wheat flour, totaling more than 1.7 million tons, will be allocated under section 416(b). As of May 25, 1999, about 640,000 tons of wheat had been exported, while about 172,000 tons of various other commodities have been shipped. The bulk of the allocations have not yet been exported, but are expected to move during this fiscal year.

Import Highlights

The projected fiscal 1999 import value of \$37.5 billion is \$500 million more than in fiscal 1998. This projection, however, has been adjusted downward from the February forecast of \$38 billion. The downward adjustment in the forecast reflects a slower pace of imports in the first half of fiscal 1999 than in the same period of 1998.

Several of the larger import products, including tobacco, coffee, cocoa, and rubber, have fallen behind last year's pace and forecasts for these

commodities are reduced from 1998 and from February. These declines so far in 1999, largely in noncompetitive imports, more than offset small gains in animal and horticulture product imports. Continued robust economic activity in the United States, as well as the strong dollar, is raising demand for red meats, fruits and juices, vegetables, and wine. Demand for most of these high-value products has been rising since 1996 when the dollar started appreciating. Both animal and horticulture projections for 1999 are increased from 1998 and February. Grain and feed projections, however, are unchanged from February, although still slightly above 1998.

Table 5--U.S. agricultural imports: Value by commodity, 1998-1999

Commodity	October-March		Fiscal	Fiscal 1999	
	1998	1999	1998	Projected Feb.	Jun.
--Billion dollars--					
Animals and products	3.397	3.493	6.814	6.8	6.9
Live animals, ex. poultry	0.882	0.789	1.670	1.4	1.6
Red meats and products	1.320	1.422	2.718	2.8	2.9
Dairy products	0.633	0.785	1.368	1.4	1.4
Grains and feeds	1.506	1.468	2.919	3.0	3.0
Grains	0.348	0.376	0.811	0.8	0.8
Feeds and products	1.158	1.092	2.108	2.2	2.2
Horticulture products	6.727	7.304	13.850	14.6	15.0
Fruits, preps., juices	1.666	1.918	4.008	4.2	4.6
Bananas and plantains	0.580	0.585	1.214	1.3	1.2
Nuts and preps.	0.340	0.332	0.643	0.8	0.7
Vegetables and preps.	2.302	2.457	4.249	4.5	4.5
Wine and malt beverages	1.659	1.880	3.502	3.8	4.0
Nursery and cut flowers	0.567	0.549	1.082	1.1	1.0
Sugar and related products	0.699	0.700	1.675	1.8	1.7
Tobacco, unmanufactured	0.478	0.387	0.822	0.8	0.7
Oilseeds and products	1.129	1.039	2.243	2.3	2.2
Coffee and products	2.015	1.594	3.587	3.8	3.0
Cocoa and products	0.961	0.858	1.701	1.8	1.6
Rubber and allied gums	0.528	0.401	1.027	1.1	0.8
Other products	1.475	1.540	2.370	2.0	2.5
Total agricultural imports 1/	18.915	18.784	37.007	38.0	37.5

1/ Totals may not add due to rounding.

Higher prices for Canadian hogs are increasing import values for live animals. Red meat prices have likewise inched up from the lows in December. The price situation is similar for dairy products. While imports to date of live animals are running slower than last year's pace, demand for imported red meats and dairy products has increased thus far this year. Overall, the forecast 1999 import value of animals and products is expected to be \$200 million more than the \$6.8 billion forecast in February.

A jump of more than a billion dollars worth of horticultural imports is expected in fiscal 1999 over 1998, as purchases of fruits, fruit juices, and wine so far have risen at a faster pace than last year. June 1999 forecasts for fruits, fruit juices, and wine, are up a combined \$600 million from February. In the year-to-date, vegetables are also slightly ahead of last year's import pace and projections, unchanged from February, remain above 1998. Estimates for nuts, bananas, and cut flowers are reduced \$100 million each from February.

Imports of sugar products in the first half of 1999 are within close range of last year's value as average prices have remained relatively steady. Forecast sugar imports are reduced from February to \$1.7 billion, about the same as in 1998.

Table 6--U.S. agricultural imports: Volume by commodity, 1998-99

Commodity	October-March		Fiscal	Fiscal 1999	
	1998	1999	1998	Projected Feb.	Jun.
--Million metric tons--					
Red meats	0.578	0.655	1.230	1.2	1.3
Cheese and casein	0.125	0.152	0.263	0.3	0.3
Grains and feeds	3.314	3.217	6.431	6.5	6.2
Grains	2.582	2.629	5.101	5.1	5.2
Feeds and fodders	0.732	0.588	1.329	1.4	1.1
Fruits and preparations	3.688	3.814	7.345	7.8	7.6
Bananas and plantains	2.077	2.041	4.175	4.1	4.1
Fruit juices	13.586	14.718	26.577	27.0	28.8
Nuts and preparations	0.119	0.117	0.236	0.2	0.2
Wine and malt beverages	10.049	11.169	22.959	23.5	25.5
Cane and beet sugar	0.825	0.818	2.170	2.1	2.2
Tobacco, unmanufactured	0.127	0.098	0.241	0.2	0.2
Oilseeds and products	2.252	2.005	4.314	4.3	4.0
Coffee and products	0.599	0.675	1.155	1.2	1.3
Cocoa and products	0.486	0.454	0.875	1.0	0.8
Rubber and allied gums	0.557	0.591	1.162	1.2	1.2

Unmanufactured tobacco imports so far are behind the previous year's pace, as slack world demand lowered unit values 13 percent below 1998's early values. The 1999 total is lowered by \$100 million from February's estimate.

Imports of oilseeds for this year are forecast below last year because both volume and prices are well behind last year's pace. U.S. and global stocks of oilseeds are abundant. Projections have been reduced since February.

The largest predicted declines in imports in 1999 compared with 1998 and the largest downward revisions since February are in coffee and rubber. Brazil's currency devaluation early this year shrunk the U.S. import bill for coffee. U.S. imports of rubber and allied gums have been declining since 1995, partly as rubber prices continue to fall, especially following the devaluation of currencies in Southeast Asia.

Table 7--U.S. agricultural imports: Value by region, 1998-99

Region	October-March		Fiscal 1998	Fiscal 1999 Forecast	
	1998	1999		Feb.	Jun.
--Billion dollars--					
Western Hemisphere	10.288	10.165	19.978	20.9	19.3
Canada	3.884	3.866	7.798	8.1	7.8
Mexico	2.472	2.497	4.669	4.8	4.8
Brazil	0.602	0.707	1.207	1.4	1.5
Colombia	0.759	0.610	1.360	1.3	1.2
Chile	0.464	0.585	0.756	0.8	0.0
Central America	1.166	0.916	2.180	2.3	1.8
Costa Rica	0.371	0.380	0.752	0.8	0.0
Other Latin America	0.941	0.984	2.006	2.1	2.2
Western Europe	3.759	3.994	7.477	7.7	8.0
European Union	3.672	3.907	7.295	7.6	7.8
Eastern Europe	0.132	0.129	0.225	0.2	0.0
New Independent States	0.024	0.037	0.052	0.1	0.0
Asia, less Middle East	2.857	2.679	5.698	5.4	5.4
China	0.392	0.389	0.754	0.8	0.8
Southeast Asia	1.781	1.600	3.484	3.4	3.2
Thailand	0.391	0.346	0.760	0.8	0.8
Indonesia	0.686	0.657	1.360	1.3	0.0
South Asia	0.343	0.356	0.804	0.7	0.0
India	0.306	0.320	0.727	0.7	0.0
Oceania	0.925	0.947	2.063	2.2	2.2
Australia	0.504	0.494	1.103	1.2	1.2
New Zealand	0.401	0.413	0.909	1.0	1.0
Africa	0.592	0.500	0.969	0.9	0.8
Ivory Coast	0.291	0.212	0.393	0.4	0.4
Middle East	0.337	0.333	0.546	0.6	0.0
Turkey	0.255	0.234	0.408	0.4	0.0
Total	18.915	18.784	37.007	38.0	35.7

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