

OUTLOOK for U.S. Agricultural Trade

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FISCAL 2000 U.S. AGRICULTURAL EXPORTS FORECAST AT \$50 BILLION

The forecast for fiscal 2000 U.S. agricultural exports is increased to \$50 billion, \$500 million more than estimated in February and \$1 billion above 1999. Livestock products, cotton, and soybeans account for much of the gain both year-to-year and since February.

Generally, export unit values remain weak and well below the peaks of 1995 and 1996 with the exception of beef and pork, which were above last year. But, demand is expanding more rapidly than had earlier been anticipated. In 2000, the world economy is expected to return to a pace of growth rivaling the high recorded in 1996, prior to the Asian financial crisis. Nearly all countries recently in recession are expected to show some growth.

Robust economic growth and the strong U.S. dollar continue to boost U.S. demand for agricultural imports. Imports in October through March 2000 rose more rapidly than had been anticipated, pushing the import outlook up to \$39 billion for fiscal 2000, \$1 billion greater than projected in February and \$1.5 billion over last year. Since February, expected imports of red meats, feeds and grain products, nuts, and coffee have been increased.

With imports expanding more rapidly than exports, the projected export surplus again slips to \$11 billion, the lowest since fiscal 1987.

Table 1--U.S. agricultural trade, fiscal years, 1995-2000
Year ending September 30

Item	1995	1996	1997	1998	1999	Fiscal 2000	
						Feb.	June
Billion dollars							
Exports	54.6	59.8	57.3	53.6	49.0	49.5	50.0
Imports	29.9	32.6	35.8	37.0	37.5	38.0	39.0
Balance	24.7	27.2	21.5	16.6	11.5	11.5	11.0

This outlook reflects commodity forecasts in the May 12, 2000, World Agricultural Supply and Demand Estimates.

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Commodity Highlights

The forecast for fiscal 2000 exports of U.S. wheat and flour is raised 600,000 tons from February to 28.1 million tons, but value remains unchanged at \$3.6 billion. Wheat export volume is up 500,000 tons due to strengthening foreign import demand, especially from North Africa and the Middle East, which face substantial crop losses due to drought. The drawdown in U.S. and foreign wheat stocks is expected to continue. However, large stocks held by major exporters continue to keep prices in check.

Table 2--U.S. agricultural exports: Value by commodity, 1999-2000

Commodity	October-March		Fiscal	Fiscal 2000	
	1999	2000	1999	Projected Feb.	June
Billion dollars					
Grains and feeds 1/	7.349	7.009	14.402	13.4	13.6
Wheat & flour	1.844	1.659	3.839	3.6	3.6
Rice	0.661	0.586	1.015	0.9	0.9
Coarse grains 2/	2.733	2.670	5.607	5.0	5.0
Corn	2.424	2.295	5.039	4.4	4.4
Feeds and fodders	1.215	1.220	2.241	2.3	2.4
Oilseeds and products	5.354	5.294	8.688	8.5	8.5
Soybeans	3.205	3.409	4.748	4.8	5.0
Soybean meal	0.626	0.729	1.065	1.2	1.2
Soybean oil	0.420	0.180	0.608	0.3	0.3
Livestock products	3.637	4.437	7.197	8.2	8.3
Beef, pork & variety meats	1.964	2.607	4.102	4.8	4.8
Hides & skins, incl. furs	0.556	0.646	1.108	1.1	1.3
Poultry & products	1.012	1.164	2.056	2.2	2.2
Poultry meat	0.846	1.012	1.743	1.8	1.9
Dairy products	0.425	0.507	0.855	0.9	1.0
Tobacco, unmanufactured	0.791	0.704	1.376	1.3	1.3
Cotton & linters	0.883	0.946	1.323	1.7	1.8
Seeds	0.535	0.514	0.811	0.9	0.8
Horticultural products	5.180	5.151	10.256	10.5	10.4
Fruits & preparations	1.558	1.540	3.272	3.5	3.3
Vegetables & preparations	1.438	1.465	2.819	2.8	2.9
Tree nuts & preparations	0.653	0.537	1.077	1.1	1.0
Sugar & tropical products	0.985	1.036	2.038	2.0	2.1
Major bulk products 3/	10.017	9.874	17.808	17.2	17.6
Total 4/	26.150	26.766	49.004	49.5	50.0

1/ Includes pulses and processed grain products. 2/ Includes corn, barley, sorghum, oats, and rye. 3/ Includes wheat, rice, coarse grains, soybeans, cotton, and tobacco. 4/ Total includes a small amount of miscellaneous products not elsewhere specified.

U.S. coarse grain exports are lowered 1.8 million tons to 52.3 million tons, however some upward revision in expected prices leaves the value of exports at \$5 billion. Since February, U.S. corn exports have been reduced 2 million tons to 46 million tons due to a one-million ton upward revision in China's corn exports and some reduction in global import demand. Because of strong exports to Mexico, sorghum is expected to counter this trend with somewhat higher export volume and higher prices. The forecast for rice exports remains unchanged at 3.1 million tons valued at \$900 million. Abundant supplies in nearly all exporting countries continue to pressure prices and slow U.S. rice exports.

The export forecast for U.S. oilseed and products is increased 800,000 tons to 35.4 million tons, but weak prices leave export value essentially unchanged at \$8.5 billion. The estimate for soybeans is up 1.3 million tons and \$200 million in response to upward revisions in foreign meal and oil usage resulting from accelerated economic growth. Exports to China, Mexico, the European Union (EU), and Indonesia are now expected higher. U.S. soybean meal exports are lowered 200,000 tons to 6.2 million tons, valued at \$1.2 billion, and U.S. soybean oil exports were trimmed 100,000 tons as well. Lower export prospects for these products are the result of reduced demand

Table 3--U.S. agricultural exports: Volume by commodity, 1999-2000

Commodity	October-March		Fiscal	Fiscal 2000	
	1999	2000	1999	Projected Feb.	June
Million metric tons					
Wheat	13.330	12.832	28.818	26.5	27.0
Wheat flour	0.439	0.489	0.950	1.0	1.1
Rice	2.000	2.035	3.086	3.1	3.1
Coarse grains 1/	27.516	28.379	57.710	54.1	52.3
Corn	24.408	24.439	51.886	48.0	46.0
Feeds & fodders	6.285	6.462	11.751	11.6	12.1
Oilseeds and products	21.226	23.815	33.592	34.6	35.4
Soybeans	15.110	17.757	22.974	24.4	25.7
Soybean meal	3.705	4.018	6.457	6.4	6.2
Soybean oil	0.688	0.405	1.076	0.7	0.6
Beef, pork & variety meats	0.776	0.970	1.579	1.7	1.7
Poultry meat	1.113	1.481	2.377	2.6	2.7
Animal fats	0.000	0.000	1.395	1.4	1.2
Tobacco, unmanufactured	0.122	0.105	0.205	0.2	0.2
Cotton & linters	0.593	0.835	0.922	1.4	1.5
Horticultural products	3.797	3.817	7.334	7.6	7.4
Sugar & tropical products	0.618	0.628	1.298	1.3	1.3
Total major bulk products 2/	58.671	61.942	113.714	109.7	109.8

1/ Includes corn, barley, sorghum, oats, and rye. 2/ Includes wheat, rice, coarse grains, soybeans, cotton, and tobacco.

from China as it shifts toward more soybean imports, increased meal export competition from Brazil, and upward revisions in Malaysian palm oil output.

The forecast for U.S. cotton exports is raised 100,000 tons and roughly \$100 million to 1.5 million tons valued at nearly \$1.8 billion. Stronger than previously expected global demand has led to this upward revision in U.S. export volume. The GSM Credit Guarantee Program and Step 2 payments continue to support overseas cotton sales. Tobacco is steady at roughly 200,000 tons valued at \$1.3 billion. Relatively high U.S. prices are slowing overseas tobacco sales.

The forecast for U.S. exports of livestock, poultry, and dairy products is raised \$200 million from the February forecast to \$11.5 billion. This revision is largely due to a \$200-million increase in the hides and skins estimate to \$1.3 billion, with stronger than expected whole hide exports to Asia. The forecast for beef and pork shipments at \$4.8 billion remains unchanged from February, but still is up sharply year-to-year. Beef export value is increased slightly since February due to both somewhat stronger export volume and slightly higher prices. Pork sales, on the other hand, have come under increased competition from competitively-priced Canadian pork and EU export subsidies. Exports of poultry meat are increased 100,000 tons and \$100 million from the previous forecast, reflecting large January-March shipments to Hong Kong, the Baltic States, and Mexico and resumption of some commercial shipments to Russia. Since February, the outlook for animal fats has been pressured by the large supplies and low prices of substitutable vegetable oils. But, cattle exports are stronger with the increased pace of sales to Canada under the Northwest Cattle Project.

The forecast for U.S. horticultural exports is lowered \$100 million from February's estimate to \$10.4 billion. An upward revision for fresh and processed vegetable exports does not fully offset downward revisions for fresh and processed fruit and tree nuts. Somewhat lower vegetable prices are expected to spur volume and lead to an overall increase in export value, while wine exports are expected to top a record \$600 million, a substantial increase over 1999. Despite the likely gains for stone fruits, strawberries, and table grapes in the second half of 2000, reduced apple supplies force a \$200-million reduction in the forecast for fresh and processed fruit exports. The tree nut forecast is lowered \$100 million to \$1 billion despite increased export volumes. Record world crops have resulted in sharply lower tree nut prices.

Economic Outlook

Growth throughout the world is proceeding at rates that exceed expectations of only a few months ago. The developed economies are expected to grow by more than 3 percent in 2000, led by continued Gross Domestic Product (GDP) growth in the United States of more than

4 percent. With the developing economies posting more than 5 percent growth, the world economy is likely to achieve a growth rate between 3.5 to 4 percent this year. This compares with the previous high of 3.5 percent in 1996, before the Asian financial crisis erupted. In 2001, however, as constraints on the high U.S. economic expansion take affect, along with a slight slowing in the European Union, world growth should moderate.

Developed Economies

Canadian GDP growth is forecast around 4 percent. GDP growth in the European Union (EU) is forecast at 3.3 percent in 2000 but is expected to slow somewhat to 3 percent in 2001 as inflation picks up. Japan is at long last on a recovery path if a somewhat sluggish one, with forecast growth at 1.2 percent in 2000 and near 2 percent in 2001. The United States likely will reach peak growth this year before returning to more sustainable rates in the 2.5 to 3 percent range next year.

Developing Economies

As Asian GDP continues to expand at more than 6 percent and as Latin America recovers from recessions in 1999, the developing countries are expected to return to growth in excess of 5 percent for 2000. The Middle East is also on a recovery path from recession in 1999, which in part resulted from low oil prices last year. Even Africa is expected to grow at a rate of more than 4 percent, implying positive per capita income growth in that region this year.

The fastest growing economies in Asia this year are China, South Korea, Indonesia, Malaysia, and Thailand. All are expected to exceed or come close to 7 percent growth in 2000. China is recovering from slowing growth in the past few years, while the rest are recovering from recessions in 1998. All Asian countries are depending on exports and foreign investment to sustain their recovery. Prospects for keeping growth in Asia strong depend largely on high import levels from the developed economies, especially the United States and Japan.

After recessions or sluggish growth last year, recovery in Latin America appears strong, forecast at 3.8 percent in 2000 and 4.5 percent in 2001. A turnaround in investment after a sharp contraction in 1999, and a pickup in exports supported by earlier exchange-rate depreciations are largely responsible for the region's rebound. This should boost export earnings this year and next, particularly for the larger markets, Brazil and Argentina. Mexico's forecast GDP growth of about 4.5 percent is important because of intensive trade with the United States.

The Transition Economies

After a decade of continuous or recurring negative growth, the former communist countries are finally looking toward positive economic growth. Russia's fortunes turned after its 1998 currency

depreciation and the run-up in oil prices this year. Through increased trade and investment, both the New Independent States and East European countries are riding the rising wave of Europe's improved performance. The incentive and challenge of possible accession to full European Union membership is pushing transformation of these economies into market-based models, complete with financial markets to fund private investment and greater monetary convergence with the euro.

Foreign Purchasing Power

Prospects for U.S farm exports appear a bit brighter in 2000 and 2001. Other important economic factors likely to contribute to rising U.S. exports include: the forecast reversal in the recent downward direction of the euro, a stronger Canadian dollar, and higher foreign inflation rates relative to U.S. prices over the next year. These factors, together with the income growth that accompanies rising GDP levels, should support foreign purchasing of U.S. agricultural exports.

Regional Highlights

Important Asian markets--Japan, China, Indonesia, the Philippines, and Thailand--all are expected to take a share of the increased U.S. agricultural exports forecast for 2000. With data for half the fiscal year already in, the export pace exceeds earlier expectations and projected exports to these countries have been boosted since February. Forecast exports to Canada and Mexico also have been raised this quarter compared with last quarter.

Many of the Asian markets experienced recessions in 1998 and little growth in 1999, but have returned to stronger growth potential in 2000. The anticipated stronger GDP growth forecast for the year is primarily responsible for the gains in expected exports to Asian markets. Asia also is a major purchaser of U.S. livestock products and cotton, which are contributing to 2000 U.S. export gains.

Japan is now on a path to recovery, with GDP growth expected to exceed 1 percent in 2000. Exports to Japan are forecast at \$9.2 billion, up from \$8.9 billion in 1999 and the \$9 billion projected in February. Japan is a major U.S. market for beef and pork; U.S. red meat sales to Japan in the first half of fiscal 2000 are already up 11 percent in volume and 23 percent in value compared with the first half of last year. Sales of fresh vegetables to Japan also show strong growth in both volume and value in the year-to-date.

Stronger economic growth is expected in China this year. In addition, soybean exports to China show substantial gains, up more than 100 percent in both volume and value so far this year. Forecast agricultural exports to China are increased to \$1.3 billion from \$1 billion last year and \$900 million last quarter.

U.S. exports to Southeast Asia of the major bulk commodities, wheat, rice, feed grains, soybeans, and cotton, all show major gains so far in fiscal 2000, as do exports of soybean meal. Exports to this region are projected at \$2.4 billion compared with the \$2.2 billion in 1999 and the \$2.1 billion forecast in February. Indonesia

Table 4--U.S. agricultural exports: Value by region, 1999-2000

Region	October-March		Fiscal	Fiscal 2000	
	1999	2000	1999	Forecast Feb.	June
Billion dollars					
Asia (excluding Mid East)	9.703	10.188	18.468	18.2	19.1
Japan	4.665	4.835	8.940	9.0	9.2
China	0.615	0.780	1.012	0.9	1.3
Hong Kong	0.685	0.637	1.264	1.2	1.2
Taiwan	1.029	1.024	2.046	1.9	2.0
South Korea	1.233	1.305	2.483	2.6	2.6
Southeast Asia	1.152	1.378	2.213	2.1	2.4
Indonesia	0.247	0.347	0.498	0.5	0.6
Philippines	0.339	0.437	0.734	0.7	0.8
Malaysia	0.173	0.142	0.332	0.3	0.3
Thailand	0.265	0.315	0.406	0.4	0.5
South Asia	0.318	0.221	0.500	0.5	0.4
Western Hemisphere	9.145	9.195	17.459	17.8	17.9
Canada	3.400	3.733	6.957	7.1	7.5
Mexico	3.002	3.184	5.675	5.9	6.0
Brazil	0.261	0.141	0.369	0.4	0.3
Venezuela	0.271	0.204	0.458	0.4	0.4
Other Latin America	2.211	1.934	4.000	4.0	3.7
Western Europe	4.520	4.050	7.531	7.4	6.7
European Union	4.361	3.900	6.960	6.9	6.2
Central and Eastern Europe	0.112	0.089	0.190	0.2	0.2
New Independent States 1/	0.247	0.648	0.816	0.9	1.0
Russia	0.134	0.472	0.468	0.5	0.6
Middle East	1.056	1.226	1.979	2.2	2.3
Turkey	0.249	0.380	0.448	0.6	0.7
Saudi Arabia	0.257	0.241	0.468	0.5	0.5
Africa	1.116	1.119	2.160	2.2	2.2
North Africa	0.766	0.779	1.468	1.5	1.5
Egypt	0.526	0.551	1.001	1.0	1.0
Sub-Saharan Africa	0.350	0.340	0.692	0.7	0.7
Oceania	0.252	0.250	0.499	0.5	0.5
Transshipments 2/	0.000	0.000	0.000	0.1	0.1
Total 2/	26.150	26.766	49.004	49.5	50.0

Total may not add due to rounding.

1/ New Independent States (NIS) are the former Soviet Union, including the Baltic Republics. 2/ Transshipments through Canada are distributed by country in 1998 and 1999, but are included in the total only for 2000.

and Thailand are expected to be among the fastest growing economies in Asia this year, boosting demand for both basic foodstuffs and feeds for increased livestock production.

Mexico's forecast 4.5 percent GDP growth should also favorably impact U.S. exports. At \$6 billion, exports to Mexico are projected 6 percent above 1999 and have been raised \$100 million from February estimates. Growth to date of U.S. exports to Mexico is strong in red meats and poultry meat, wheat, rice, sorghum, fresh fruits, soybeans, and soybean meal.

The \$7.5 billion export forecast to Canada is raised \$400 million from February and is nearly 8 percent above 1999, primarily reflecting expectations for a stronger Canadian dollar and GDP growth. Among the large U.S. exports to Canada, those already showing strong growth in 2000 include: live cattle, red meats, feed grains, fresh fruits and vegetables, wine, soybeans, soybean meal, and soybean oil.

In the rest of the Americas, while exports to Brazil are expected to be buoyed by gains in cotton, the pace of exports to date has been slower than earlier anticipated and the forecast is reduced. Prospective total trade with Latin America is reduced slightly from February estimates as shipments of rice, corn, soybeans, and other oilseeds and vegetable oils lag to countries other than Brazil and Mexico.

Exports to the Middle East are projected higher than 1999 by \$300 million, much of which will be additional cotton exports to Turkey. In addition to cotton, for the first 6 months of 2000, shipments of soybean meal and corn to the whole Middle East also are stronger than previously anticipated.

Forecast exports to Western Europe have been reduced further since February as the pace of shipments slowed, reflecting a substantial appreciation of the dollar over the euro. This, coupled with the market access limits imposed by the Common Agricultural Policy, is expected to result in an agricultural trade deficit of more than \$2 billion with the EU.

U.S. Agricultural Export Programs

Export Subsidy Programs

As of May 19, 2000, approximately 120,100 metric tons were committed for export under the Dairy Export Incentive Program, with a total bonus value of \$114 million. The products committed to date are whole milk powder \$14.46 million, nonfat dry milk \$90.37 million, cheese \$3.1 million, anhydrous milkfat \$4.7 million, and butter \$1.4 million.

As of the same date, under the Export Enhancement Program there are approximately 2,500 metric tons of poultry committed, with a total bonus value of nearly \$1.6 million.

CCC Export Credit Guarantee Programs

Country allocations under the fiscal year 2000 export credit guarantee programs (GSM-102, GSM-103, the Supplier Credit Guarantee Program [SCGP] and the Facility Guarantee Program [FGP]) totaled about \$5.1 billion as of May 19, 2000. Sales approvals of about \$2.0 billion were about 6 percent higher than fiscal year 1999 approvals at the same time last year. Since October 1999, credit guarantee approvals are approximately \$1.9 billion for GSM-102, \$15 million for GSM-103, \$70 million for SCGP, and \$4.8 million for FGP.

U.S. Food Aid Programs

Program funding for Title I and Food for Progress programs was revised upward in March and is now valued at \$226 million for fiscal 2000, up from the previous total of \$189 million. Eight countries will be eligible to receive the funding under Title I (\$90 million) and USDA may use \$10 million for agreements with private entities. Six countries will be eligible for Title I funded Food for Progress programs (\$126 million). Commodity assistance to these countries is expected to total more than 700,000 tons.

In addition to these funding levels, USDA has made a commitment to Ethiopia in response to that country's food crisis. Under Section 416(b), over 375,000 tons (roughly \$50 million) of commodity donations--principally wheat--have been made for World Food Program activities in the country. Also under Section 416(b), 90,000 tons of wheat have been donated to replenish Ethiopia's wheat reserve.

Appropriations for the Title II program are estimated to total \$800 million, with commodity allocations expected to reach nearly 1.7 million tons. Roughly 40 percent of this total is expected to go to Sub-Saharan Africa. The largest single recipient (in dollar terms) under this program is India, followed closely by Ethiopia.

Import Highlights

Strong U.S. demand for agricultural imports from January to March 2000 pushed the import outlook up to \$39 billion for fiscal 2000. This is up from \$38 billion projected in February. Driving up the current forecast quarter-to-quarter is higher import value for red meats, live animals, grains and feeds, and coffee. The estimate for nuts and preparations also has been raised. The import outlook for horticulture products, however, remains at \$16.2 billion. And the forecast for vegetable imports is somewhat lower than in February.

This import projection is \$1.5 billion higher than in 1999. Almost \$1 billion of this increase is attributed to horticulture imports and

the rest to animals and products, largely red meats. Imports of fruits and juices, nuts and preparations, and wine and malt beverages also are expected to grow significantly over 1999 levels. These high-value imports are fairly responsive to the higher income levels and the increased purchasing power of U.S. consumers.

Total U.S. demand for imported animals and products is projected to jump by about \$800 million this fiscal year, \$500 million more than February's estimate. Most of the gain will be in meats. Greater U.S. demand for imported meat reflects plentiful supplies from Canada, New Zealand, and Latin America and reduced U.S. production of beef and pork. The volume of red meat imports also is forecast higher this year than last, but is unchanged from February. In addition, the value of cattle and swine imports from Mexico and Canada is expected to grow year-to-year by about \$200 million.

Table 5--U.S. agricultural imports: Value by commodity, 1999-2000

Commodity	October-March		Fiscal	Fiscal 2000	
	1999	2000	1999	Projected Feb.	June
Billion dollars					
Animals and products	3.494	4.058	7.054	7.3	7.8
Live animals, except poultry	0.789	0.978	1.439	1.5	1.6
Red meats and products	1.422	1.743	3.088	3.3	3.6
Dairy products	0.785	0.819	1.572	1.5	1.6
Grains and feeds	1.468	1.543	2.943	2.8	3.0
Grains	0.377	0.332	0.727	0.6	0.6
Feeds and products	1.092	1.211	2.216	2.2	2.4
Horticulture products	7.646	8.080	15.321	16.2	16.2
Fruits & preps., incl. juices	2.260	2.364	4.683	4.9	4.9
Bananas	0.566	0.539	1.212	1.2	1.2
Nuts and preparations	0.332	0.409	0.708	0.7	0.9
Vegetables and preparations	2.457	2.494	4.527	4.9	4.6
Wine and malt beverages	1.880	2.045	3.995	4.3	4.3
Nursery and cut flowers	0.549	0.597	1.076	1.1	1.2
Sugar and related products	0.700	0.720	1.578	1.6	1.6
Tobacco, unmanufactured	0.387	0.313	0.742	0.6	0.6
Oilseeds and products	1.039	0.980	2.022	1.9	1.9
Coffee and products	1.594	1.545	2.967	2.7	2.9
Cocoa and products	0.858	0.819	1.531	1.5	1.5
Rubber and allied gums	0.401	0.418	0.739	0.7	0.8
Other products	1.199	1.278	2.552	2.7	2.7
Total agricultural imports 1/	18.785	19.753	37.449	38.0	39.0

1/ Total includes a small amount of miscellaneous products not elsewhere specified.

Imports of grains and feeds are projected up year-to-year and higher than in February. But, even though strong U.S. economic activity is raising imports of feeds, fodders, and grain products, import value and volume for wheat and corn is projected below last year. Also, grain import value is unchanged from February, but the volume forecast is reduced by 400,000 tons. Nevertheless, imports of rice, barley, and oats are expected to exceed those of 1999.

Despite projected lower U.S. production this year, a 13-percent decline in wheat imports is expected; volume as well as value will drop. A reduced Canadian harvest of high-quality wheat will contribute. And, Canadian corn shipments to the Middle East and North Africa are expected to be larger, reducing shipments to the United States.

U.S. rice production and ending stocks are anticipated to be higher than in 1999 and use lower, so, rice imports should decline. Instead, rice imports are up marginally in 2000.

Projections for U.S. sugar imports in 2000 are unchanged from February. But sugar volume is 5 percent lower than 1999's volume, in part because the GATT limit has been reached, reducing tariff-rate quota (TRQ) imports. In addition, record U.S. sugar production in

Table 6--U.S. agricultural imports: Volume by commodity, 1999-2000

Commodity	October-March		Fiscal	Fiscal 2000	
	1999	2000	1999	Projected Feb.	June
Million metric tons					
Fruit juices 1/	14.718	16.626	31.655	33.0	35.8
Wine and malt beverages 1/	11.170	11.949	24.831	26.5	26.6
Red meats	0.655	0.741	1.398	1.6	1.6
Cheese and casein	0.152	0.160	0.304	0.3	0.3
Grains and feeds	3.217	2.909	6.457	6.0	5.8
Grains	2.629	2.276	5.276	5.0	4.6
Feeds and fodders	0.588	0.633	1.181	1.0	1.3
Fruits and preparations	3.813	4.159	7.942	8.0	8.7
Bananas	2.041	2.161	4.418	4.3	4.7
Nuts and preparations	0.117	0.120	0.229	0.2	0.2
Cane and beet sugar	0.818	0.550	1.692	1.4	1.4
Tobacco, unmanufactured	0.098	0.108	0.217	0.2	0.2
Oilseeds and products	2.005	1.915	3.899	3.6	3.7
Coffee and products	0.675	0.722	1.294	1.4	1.4
Cocoa and products	0.454	0.591	0.865	0.8	1.1
Rubber and allied gums	0.591	0.646	1.148	1.2	1.3

1/ Liquid imports are measured in hectoliters. All other imports exclude items measured in hectoliters, pieces, dozens, or numbers and include only items measured in metric tons.

fiscal 2000 is limiting the need for both TRQ imports and high-tier tariff imports from Mexico. The 8-percent gain in U.S. sugar production is expected to largely satisfy higher domestic consumption demand.

The volume of coffee, cocoa, and rubber is expected to rise from last year because of low world prices. Volume of banana imports is likewise up as prices remain low. These increases, however, are mitigated by import declines in oilseeds, tobacco, and grains.

The value of U.S. farm imports from the Western Hemisphere is projected to rise by at least \$500 million from fiscal 1999 as the import pace from Canada, Mexico, and Central America is already up in

Table 7--U.S. agricultural imports: Value by region, 1999-2000

Region	October-March		Fiscal	Fiscal 2000	
	1999	2000	1999	Forecast Feb.	June
Billion dollars					
Western Hemisphere	10.165	10.602	20.182	20.2	20.7
Canada	3.866	4.131	7.898	7.9	8.2
Mexico	2.497	2.591	4.828	4.9	5.0
Brazil	0.707	0.706	1.438	1.5	1.4
Colombia	0.610	0.611	1.189	1.1	1.2
Chile	0.585	0.608	0.926	1.0	1.0
Other South America	0.837	0.804	1.667	1.7	1.6
Central America	0.916	1.029	1.887	1.8	2.0
Costa Rica	0.380	0.381	0.843	0.9	0.8
Caribbean	0.147	0.122	0.349	0.3	0.3
Western Europe	3.994	4.267	8.013	8.2	8.5
European Union	3.907	4.170	7.841	8.1	8.4
Eastern Europe	0.129	0.130	0.227	0.3	0.2
New Independent States 1/	0.037	0.040	0.062	0.1	0.1
Asia, less Middle East	2.680	2.748	5.373	5.5	5.5
China	0.389	0.400	0.761	0.8	0.8
Southeast Asia	1.600	1.506	3.063	3.2	2.9
Indonesia	0.657	0.513	1.185	1.3	0.9
Thailand	0.346	0.359	0.689	0.8	0.7
South Asia	0.356	0.467	0.871	0.9	1.1
India	0.320	0.433	0.800	0.8	1.1
Oceania	0.947	1.234	2.164	2.3	2.7
Australia	0.494	0.696	1.134	1.2	1.5
New Zealand	0.413	0.509	0.949	1.0	1.2
Africa	0.500	0.464	0.863	0.8	0.8
Ivory Coast	0.212	0.209	0.295	0.3	0.3
Middle East	0.333	0.268	0.564	0.6	0.5
Turkey	0.234	0.178	0.382	0.4	0.3
TOTAL	18.785	19.753	37.449	38.0	39.0

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

the first 6 months. Imports from the European Union are projected to increase by more than \$500 million as well due to a surge in the first 6 months in imports of wine and malt beverages, vegetables, meat, and dairy products. Another \$400-million gain is expected in imports from Australia, mainly meat.