

OUTLOOK for

U.S. Agricultural Trade

Approved by the
World Agricultural Outlook Board,
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\$51.5 BILLION IN U.S. AGRICULTURAL EXPORTS FORECAST FOR 2001

Continued strong world economic growth and resulting increases in global imports will push the projected value of U.S. agricultural exports up \$1 billion to \$51.5 billion in fiscal 2001. Increases are forecast for cotton and horticultural products. Prices, particularly for bulk commodities, are expected to remain relatively low, limiting gains in export value.

Most of the gain in export value will result from anticipated larger export volume. Expected 2001 bulk export volume is up 9.5 million tons from a year earlier to 121.9 million, the largest since fiscal 1995. Corn accounts for two-thirds of the projected total gain, with a strong increase also forecast for wheat.

The projected continued increase in U.S. agricultural imports in fiscal 2001 is a modest gain to \$39.5 billion. This reflects slower projected 2001 growth of the U.S. economy and higher domestic supplies of many commodities. The strong dollar will help hold import values down. Most of the import growth is attributed to the major horticultural products--fruits, vegetables, and wine and malt beverages.

With exports expected to rise faster than imports for the first time since 1996, the agricultural trade surplus is forecast up.

Table 1--U.S. agricultural trade, fiscal years, 1996-2001
Year ending September 30

Item	1996	1997	1998	1999	Fiscal 2000 June	Fiscal 2000 Aug.	Fiscal 2001 Aug.
Billion dollars							
Exports	59.8	57.3	53.6	49.1	50.0	50.5	51.5
Imports	32.6	35.8	37.0	37.5	39.0	39.0	39.5
Balance	27.2	21.5	16.6	11.6	11.0	11.5	12.0

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

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Commodity Highlights

Wheat and flour exports are projected to reach \$3.7 billion in fiscal 2001, up only \$200 million over the revised forecast for fiscal 2000. This marginal increase is due to a 2-million-ton rise in expected wheat export volume to 29 million tons, supported by smaller crops in North Africa, Iran, and China and reduced competition from Eastern Europe, Kazakhstan, and several other small exporters. U.S. wheat stocks are projected to remain high, and the wheat export unit value is expected to remain largely unchanged. Reflecting weaker prices

Table 2--U.S. agricultural exports: Value by commodity, 1999-2001

Commodity	October-June		Fiscal	Estimate		Forecast
	1999	2000	1999	2000	June	Aug.
					Aug.	Aug.
Billion dollars						
Grains and feeds 1/	10.801	10.291	14.400	13.6	13.6	13.6
Wheat & flour	2.783	2.526	3.839	3.6	3.5	3.7
Rice	0.844	0.736	1.015	0.9	0.9	0.8
Coarse grains 2/	4.150	3.933	5.607	5.0	5.2	5.2
Corn	3.729	3.426	5.044	4.4	4.5	4.6
Feeds and fodders	1.741	1.826	2.240	2.4	2.4	2.2
Oilseeds and products	6.834	6.860	8.690	8.5	8.7	8.7
Soybeans	3.897	4.222	4.757	5.0	5.2	5.0
Soybean meal	0.844	0.963	1.066	1.2	1.2	1.2
Soybean oil	0.522	0.232	0.607	0.3	0.3	0.4
Livestock products	5.381	6.674	7.232	8.3	8.4	8.4
Beef, pork, & variety meats	3.005	3.984	4.134	4.8	5.0	5.1
Hides & skins, incl. furs	0.830	1.062	1.113	1.3	1.2	1.2
Poultry & products	1.513	1.719	2.068	2.2	2.3	2.2
Poultry meat	1.274	1.497	1.755	1.9	2.0	1.9
Dairy products	0.644	0.744	0.873	1.0	1.0	0.9
Tobacco, unmanufactured	1.197	1.045	1.376	1.3	1.3	1.3
Cotton & linters	1.103	1.468	1.323	1.8	1.8	2.6
Seeds	0.669	0.635	0.807	0.8	0.8	0.9
Horticultural products	7.756	7.831	10.278	10.4	10.4	10.7
Fruits & preparations	2.397	2.425	3.275	3.3	3.3	3.4
Vegetables & preparations	2.189	2.285	2.820	2.9	2.9	3.0
Tree nuts & preparations	0.854	0.728	1.080	1.0	0.9	0.9
Sugar & tropical products	1.508	1.608	2.043	2.1	2.2	2.2
Major bulk products 3/	13.874	13.830	17.742	17.6	17.7	18.5
Total 4/	37.408	38.878	49.091	50.0	50.5	51.5

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.

and reduced flour shipments, the forecast for fiscal 2000 wheat and flour exports was slightly reduced by 100,000 tons and \$100 million to 28 million tons valued at \$3.5 billion.

Coarse grain exports are projected to rise 6.5 million tons, to 60.2 million tons in fiscal 2001, due to the highest volume of corn shipments since 1994/95. But sharply lower prices are expected to leave coarse grain export value unchanged at \$5.2 billion. In response to rising imports in a number of countries and a substantial reduction in expected corn exports by China and Eastern Europe, fiscal 2001 U.S. corn shipments are projected to rise 6.5 million tons from the current fiscal 2000 estimate to 53.5 million tons. Despite larger exports, a record U.S. corn crop could push ending stocks to the highest level since 1987/88 and in turn depress prices further. The fiscal 2000 export forecast for corn, sorghum, and other coarse grains is increased 1.4 million tons due to the stronger pace of sales.

The fiscal 2001 export outlook for rice calls for 3.2 million tons valued at \$800 million, down 100,000 tons and \$100 million from the revised fiscal 2000 forecast. A modest reduction in shipments and

Table 3--U.S. agricultural exports: Volume by commodity, 1999-2001

Commodity	October-June		Fiscal	Estimate		Forecast
	1999	2000	1999	2000	2001	2001
				June	Aug.	Aug.
Million metric tons						
Wheat	20.455	19.653	28.817	27.0	27.0	29.0
Wheat flour	0.651	0.644	0.951	1.1	1.0	1.0
Rice	2.545	2.639	3.086	3.1	3.3	3.2
Coarse grains 1/	41.897	40.844	57.720	52.3	53.7	60.2
Corn	37.654	35.596	51.949	46.0	47.0	53.5
Feeds & fodders	9.082	10.114	11.751	12.1	12.8	11.6
Oilseeds and products	27.038	29.775	33.658	35.4	36.3	37.8
Soybeans	18.576	21.644	23.029	25.7	26.7	27.5
Soybean meal	5.110	5.257	6.461	6.2	6.4	6.7
Soybean oil	0.896	0.520	1.076	0.6	0.6	0.8
Beef, pork, & variety meats	1.176	1.492	1.607	1.7	1.9	1.8
Poultry meat	1.743	2.204	2.416	2.7	2.8	2.7
Animal fats	1.074	0.894	1.395	1.2	1.2	1.2
Tobacco, unmanufactured	0.178	0.153	0.205	0.2	0.2	0.2
Cotton & linters	0.755	1.255	0.922	1.5	1.5	1.8
Horticultural products	5.626	5.810	7.337	7.4	7.5	7.7
Sugar & tropical products	0.932	0.947	1.262	1.3	1.3	1.3
Total major bulk products 2/	83.948	86.187	113.779	109.8	112.4	121.9

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

continued price declines are the result of large exportable supplies worldwide and continued strong export competition. The fiscal 2000 forecast is raised 200,000 tons due to the strong pace of sales late in the year, but weaker prices leave the value estimate unchanged at \$900 million.

The fiscal 2001 export projection for oilseeds and products calls for a 1.5-million-ton increase from the revised 2000 forecast to a record 37.8 million tons, but weaker export unit values for soybeans and soybean meal should leave export value unchanged at \$8.7 billion. U.S. soybean and meal shipments are projected to rise 1.1 million tons above this year's level in response to strong global demand, especially China's demand for soybeans. At the same time record-large U.S. oilseed supplies are depressing soybean and meal prices. Soybean oil export volume is projected to rise as expansion of Malaysian palm oil production slows. Compared with the previous forecast, the fiscal 2000 forecast for soybeans is increased 1 million tons due to a rapid increase in sales to China, but export value gains are only \$200 million due to lower export unit values.

The fiscal 2001 outlook for cotton exports calls for an increase of 300,000 tons and \$800 million from the fiscal 2000 forecast to 1.8 million tons, valued at \$2.6 billion. This improved outlook is due to larger exportable supplies, increased global demand, and reduced export competition from Pakistan and Central Asia. The first survey-based U.S. crop estimate for 2000/01 is 19.2 million bales (4.2 million tons), 13 percent above 2000 and the highest since 1994/95. The fiscal 2000 export forecast remains unchanged.

Fiscal 2001 livestock, poultry, and dairy product exports are projected to remain unchanged at \$11.6 billion, with marginal gains for red meats offset by slight reductions for poultry and dairy products. Despite the ongoing recovery in Asian markets, U.S. beef and pork exports are expected to drop about 80,000 tons as U.S. supplies tighten and prices continue to rise. This forecast assumed no food aid to Russia. However, higher prices support a modest increase in value to \$5.1 billion. Despite strong global demand, U.S. hide and skin exports are projected to remain unchanged in fiscal 2000 because U.S. supplies will tighten and prices will rise. U.S. poultry meat shipments are projected down 100,000 tons to 2.7 million tons in 2001, but prices are expected to remain fairly firm. Lower U.S. dairy product exports are expected because products moving under Dairy Export Incentive Program (DEIP) contracts will decline. The fiscal 2000 export forecast for livestock, poultry, and dairy products is raised \$100 million to \$11.6 billion from the previous estimate due to the faster pace of beef, pork, and poultry meat sales to all major markets. Especially noteworthy, Russia's commercial poultry imports have returned to levels comparable with those prior to the 1998 economic crisis.

Exports of horticultural products are projected at \$10.7 billion in fiscal 2001, up \$300 million from the fiscal 2000 forecast. This estimate assumes continued sales expansion in the Canadian market and strong economic growth in Mexico and several Asian countries. Increased citrus exports are likely due to the expected size of the U.S. orange crop and the initial opening of China's market. Also, wine shipments to Asia are again expected to do well in the coming year. The forecast for fiscal 2000 remains unchanged at \$10.4 billion. A larger orange crop (and

resulting expansion of exports) continues to offset the impact of a smaller apple crop. Wine exports are up, but record world supplies of almonds and walnuts result in another downward revision in tree nut prices and thus total export value.

Economic Outlook

World gross domestic product (GDP) is expected to continue expanding in fiscal 2001 at 3.3 percent, a rate similar to that of 2000. U.S. growth is projected at 3.5 percent in 2001, compared with 5 percent in 2000. The European Union (EU) will expand 3.1 percent next year, compared with 3.4 percent this year. Asia (except Japan), Latin America, the Middle East, and Africa also are expected to show strong growth in 2001 after rapid expansion this year. Japan is expected to reach 2 percent economic growth in 2001, following 1.4 percent in 2000. Japan's economy is on the path to recovery, but still hampered by weak domestic consumer demand and a poorly performing financial sector.

In 2000, Latin America, Southeast Asia, South Asia, and the Middle East are growing at 4 percent or higher rates, with faster growth expected in 2001. Canada and Mexico, being closely linked to U.S. economic activity, are enjoying booms this year, but are projected to slow down in 2001.

While U.S. interest rates appear to be holding steady into 2001, interest rates in the EU and Japan are climbing. This should bolster the euro and the yen against the dollar. The dollar is forecast to depreciate against both currencies in 2001 as the U.S. economy slows down. The dollar is projected to depreciate next year, which would be the first decline since 1995. Exports from the EU and Japan are presently benefiting from favorable exchange rates and strong world demand, especially from the United States.

Western Europe

Growth in Western Europe is helping raise growth in Eastern Europe. The euro's more than 20-percent depreciation against the dollar since its inception in 1999 has lifted the EU's growth by lowering export prices. The revival of equity markets across Europe also boosted domestic investment and demand. As in the United States, the EU's expansion is driven by higher labor productivity and business investment. These, and still-high unemployment, would keep inflation low despite rising domestic demand. The euro's anticipated appreciation against the dollar, however, should raise the price competitiveness of U.S. agricultural exports in Europe and world markets.

Developing countries

In 2001, the developing countries are projected to grow near the 5.5 percent pace of 2000. Economies in Asia, notably China and Korea, once again lead growth rates, and recovery continues in Southeast Asia. Except for Mexico, Latin American countries, led by Brazil, are poised for further expansion next year from recessions in 1999. Growth rates of 4

percent or higher are anticipated in the Middle East and Africa through 2001. Russia is experiencing relatively fast growth this year and is projected to continue expanding next year. Oil export earnings should help Russia and OPEC countries like Indonesia, Venezuela, and Nigeria boost domestic demand.

A Somewhat Weaker Dollar

The dollar's exchange value in the short run depends on interest-rate differentials between the United States and the EU and Japan. With low inflation rates among these major economies, exchange rates are more responsive to expected long-term financial returns and to economic growth prospects. If U.S. equity markets remain subdued, the flow of funds likely will shift away from dollar-denominated assets. The ballooning U.S. current account deficit, currently at an historic high 4.2 percent of U.S. GDP, is an indication of the size of current capital flows into the United States. Few analysts believe this is sustainable without either a rise in interest rates or a fall in the dollar.

While the dollar is forecast to depreciate against the euro, the yen, and the Canadian dollar in 2001, it is expected to appreciate against most currencies of developing countries, including the Mexican peso. This would make exports of U.S. farm products to developed countries more attractive. The dollar's overall (trade-weighted) decline next year should increase U.S. trade competitiveness. Competitiveness will be buoyed as well by low domestic commodity prices. However, U.S. terms-of-trade is bound to suffer as import costs rise relative to export prices.

Regional Highlights

Regional forecasts for 2001 will be made in the December issue of this publication. With three-quarters of fiscal 2000 completed and a slight increase from May in total exports forecast for 2000, fiscal 2000 U.S. agricultural exports to Asia, the Western Hemisphere, and the New Independent States, have been nudged upward from last quarter's expectations. However, estimated exports to Europe, Africa, and the Middle East are reduced slightly from May estimates.

In the Western Hemisphere, estimated U.S. exports to both Canada and Mexico are increased. Exports to Mexico rise \$200 million and to Canada are boosted \$100 million over May. Larger shipments of fruits and vegetables, as well as meats, such as beef, pork, and poultry to both countries are mainly responsible for the growth in 2000 U.S.

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

Region	October-June		Fiscal	Fiscal 2000	
	1999	2000	1999	Estimate	June Aug.
Billion dollars					
Asia (excluding Mid East)	14.041	15.155	18.468	19.1	19.9
Japan	6.879	7.306	8.940	9.2	9.5
China	0.742	1.101	1.012	1.3	1.5
Hong Kong	0.962	0.949	1.264	1.2	1.2
Taiwan	1.561	1.578	2.046	2.0	2.1
South Korea	1.835	1.939	2.483	2.6	2.6
Southeast Asia	1.663	1.955	2.213	2.4	2.6
Indonesia	0.380	0.480	0.498	0.6	0.6
Philippines	0.532	0.663	0.734	0.8	0.9
Malaysia	0.238	0.219	0.332	0.3	0.3
Thailand	0.329	0.381	0.406	0.5	0.5
South Asia	0.391	0.320	0.500	0.4	0.4
Western Hemisphere	13.235	13.611	17.459	17.9	17.9
Canada	5.210	5.690	6.957	7.5	7.6
Mexico	4.237	4.635	5.675	6.0	6.2
Brazil	0.307	0.202	0.369	0.3	0.2
Venezuela	0.365	0.301	0.458	0.4	0.4
Other Latin America	3.115	2.782	4.000	3.7	3.5
Western Europe	5.989	5.409	7.531	6.7	6.4
European Union	5.739	5.168	6.960	6.2	5.9
Central and Eastern Europe	0.156	0.129	0.190	0.2	0.2
New Independent States 1/	0.489	0.834	0.816	1.0	1.4
Russia	0.279	0.623	0.468	0.6	1.0
Middle East	1.490	1.761	1.979	2.3	2.2
Turkey	0.369	0.561	0.448	0.7	0.7
Saudi Arabia	0.364	0.348	0.468	0.5	0.4
Africa	1.634	1.571	2.160	2.2	1.9
North Africa	1.113	1.066	1.468	1.5	1.3
Egypt	0.778	0.738	1.001	1.0	0.9
Sub-Saharan Africa	0.520	0.505	0.692	0.7	0.6
Oceania	0.375	0.358	0.499	0.5	0.5
Transshipments 2/	0.000	0.050	0.000	0.1	0.1
Total 2/	37.408	38.878	49.091	50.0	50.5

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.

exports. Canada also is taking more live cattle from the United States. Mexico is taking much more U.S. sorghum than usual in 2000, although correspondingly less corn is being shipped. Mexico's imports of U.S. cotton are also up sharply from the previous year.

In Asia, stronger exports than earlier forecast are expected to Japan, China, Taiwan, and the Philippines. Shipments to Japan are forecast at \$9.5 billion in fiscal 2000, up \$300 million from May estimates. Estimates to the other Asian countries mentioned have been increased over May by \$100 or \$200 million each. Stronger economic growth in 2000 and a recovery from the financial crises of the previous 3 years has led to increased demand in Asia. U.S. exports of meats, hides & skins, soybeans, cotton, and feed grains, particularly are benefiting. In addition, U.S. exporters are benefiting from reduced corn export competition from China. U.S. exports of beef and veal to Japan are up more than \$200 million in the first 9 months of 2000, while exports of pork have risen more than \$100 million. Japan also is taking more whole hides than in 1999. So far this year, China has imported an additional \$376 million of U.S. soybeans because of reduced 1999/2000 soybean production, increased processing capacity, and attractive world prices. China also is taking more hides, meats, and cotton in 2000 than in 1999. Additional U.S. exports to Taiwan in 2000 have so far included corn, cotton, hides, wheat, and beef. U.S. export gains in the Philippine market are in the form of wheat, soybean meal, soybeans, and corn.

Most of the expected increase in U.S. exports to the New Independent States in 2000 is due to increased commercial sales of poultry meat to Russia. These exports already are up more than \$133 million, mostly in frozen chickens. The estimate for 2000 U.S. exports to Russia is increased from May by \$400 million.

As exports to these regions are rising, some contraction in other regions is occurring. Likely 2000 U.S. agricultural exports to the EU are reduced to \$5.9 billion, down \$300 million from May forecasts. Slightly slower shipments of soybeans and products to this market are largely responsible. The 2000 forecast indicates the U.S. trade deficit with the EU will expand sharply to \$2.5 billion, up from \$1.5 billion in 1999.

Shipments of wheat and other grains to Egypt have not equaled earlier forecasts. Despite larger exports of wheat to other North African countries, exports to Africa are dropped \$300 million from May. And, exports to the Middle East are reduced by \$100 million, reflecting slower exports of corn and wheat flour to Saudia Arabia.

U.S. Agricultural Export Programs

Export Subsidy Programs

On June 30, 2000, USDA announced the July 2000 through June 2001 allocation for the Export Enhancement Program (EEP) and the Dairy Export Incentive Program. An EEP allocation was made for 20,210 metric tons of frozen poultry. On the same date, DEIP allocations were made for 68,201 metric tons of nonfat dry milk, 21,097 metric tons of butterfat, and 3,030 metric tons of various cheeses. These represent the maximum DEIP quantities allowable under Uruguay Round commitments.

As of August 4, 2000, fiscal year 2000 awards under EEP total 2,095 metric tons of frozen poultry for a total bonus value of \$1.4 million. DEIP awards were made for 6,012 metric tons of cheese, 5,298 metric tons of butterfat, 67,862 metric tons of nonfat dry milk, and 15,832 metric tons of whole milk powder for a total bonus value of \$77.3 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 \$5.3 billion as of August 4, 2000. Sales approvals of about \$2.6 billion were about 6 percent higher than fiscal year 1999 approvals at the same time last year. Since October 1999, credit guarantees approvals were approximately \$2.5 billion for GSM-102, \$18 million for GSM-103, \$91 million for SCGP, and \$4.8 million for FGP.

U.S. Food Aid Programs

Funding for Title I and Food for Progress programs is valued at more than \$300 million for fiscal 2000. If Title I agreements are signed with eight countries and Title I funded Food for Progress agreements are signed with six countries, commodity assistance under Title I and Food for Progress programs is expected to total nearly 1.6 million tons.

Programming levels under Section 416(b) are expected to total over \$800 million for fiscal 2000, and about 4 million tons of food. Countries receiving the largest donations under this program are Romania, Indonesia, and Ethiopia.

Appropriations for the Title II program (including commodity and transportation costs) are estimated to total \$800 million, although total funds available to the program are closer to \$1 billion. Commodity allocations are expected to be roughly 2 million tons, about half of which will go to Sub-Saharan Africa. The largest single recipient under this program is Ethiopia, followed closely by India.

Import Highlights

A \$500-million increase is projected for U.S. agricultural imports in fiscal 2001, to \$39.5 billion. Most of that growth is attributed to the major horticultural products--fruits, vegetables, and wine and malt beverages. Slight growth is also expected in animal products. The projected continued increase in U.S. farm imports in fiscal 2001 is only a modest 1.3-percent gain. This modest rise in U.S. imports

Table 5--U.S. agricultural imports: Value by commodity, 1999-2001

Commodity	October-June		Fiscal	Estimate		Forecast
	1999	2000	1999	2000	2001	
				June	Aug.	Aug.
Billion dollars						
Animals and products	5.292	6.163	7.054	7.8	8.3	8.4
Live animals, except poultry	1.130	1.404	1.439	1.6	1.8	1.9
Red meats and products	2.265	2.737	3.088	3.6	3.7	3.8
Dairy products	1.165	1.223	1.572	1.6	1.7	1.8
Grains and feeds	2.185	2.265	2.943	3.0	3.0	3.0
Grains	0.562	0.489	0.727	0.6	0.6	0.6
Feeds and products	1.623	1.776	2.216	2.4	2.4	2.4
Horticulture products	11.886	12.290	15.321	16.2	15.8	16.2
Fruits & preps. in., juices	3.763	3.639	4.683	4.9	4.5	4.6
Bananas	0.912	0.853	1.212	1.2	1.1	1.2
Nuts and preparations	0.495	0.605	0.708	0.9	0.9	0.9
Vegetables and preparations	3.614	3.686	4.527	4.6	4.6	4.7
Wine and malt beverages	2.933	3.194	3.995	4.3	4.4	4.5
Nursery and cut flowers	0.830	0.918	1.076	1.2	1.2	1.2
Sugar and related products	1.141	1.091	1.578	1.6	1.5	1.5
Tobacco, unmanufactured	0.596	0.493	0.742	0.6	0.6	0.6
Oilseeds and products	1.546	1.543	2.022	1.9	1.9	1.8
Coffee and products	2.334	2.316	2.967	2.9	2.9	3.0
Cocoa and products	1.196	1.131	1.531	1.5	1.5	1.5
Rubber and allied gums	0.570	0.668	0.739	0.8	0.9	0.9
Other products	1.932	1.996	2.552	2.7	2.6	2.7
Total agricultural imports	28.677	29.957	37.449	39.0	39.0	39.5

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

through 2001 reflects slower projected growth of the U.S. economy and higher domestic supplies of many commodities. The strong dollar will help hold import values down.

The small gain in 2001 imports is based largely on higher U.S. real per capita incomes. Over the past 5 years, as the U.S. economy averaged 4.2-percent annual growth, imports showing consistent gains included dairy products (mainly cheese), vegetables, and wine and malt beverages. In fiscal 2001, these imports are again projected to rise by an average of \$100 million each.

Fiscal 2000 agricultural imports are estimated at \$39 billion based on 9 months of import data. This forecast is the same as in May 2000, except that the estimate for horticulture products is reduced by \$400 million, while animal product imports are increased correspondingly. Import value estimates for the remaining commodities are mainly unchanged from May's estimates. But import volume is lower than previously forecast mainly because of smaller quantities of fruits and fruit juices shipped in the first 9 months than had earlier been expected.

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

Commodity	October-June		Fiscal	Estimate		Forecast
	1999	2000	1999	2000	June	Aug.
Million metric tons						
Fruit juices	23.527	24.814	31.655	35.8	33.4	34.0
Wine and malt beverages	18.220	19.634	24.831	26.6	26.8	28.0
Red meats	1.039	1.149	1.398	1.6	1.6	1.6
Cheese and casein	0.222	0.235	0.304	0.3	0.3	0.3
Grains and feeds	4.881	4.344	6.457	5.8	5.8	5.8
Grains	3.985	3.374	5.276	4.6	4.5	4.6
Feeds and fodders	0.896	0.970	1.181	1.3	1.3	1.3
Fruits and preparations	6.251	6.443	7.942	8.7	8.2	8.3
Bananas	3.254	3.299	4.418	4.7	4.5	4.6
Nuts and preparations	0.170	0.189	0.229	0.2	0.3	0.3
Cane and beet sugar	1.274	0.892	1.692	1.4	1.2	NA
Tobacco, unmanufactured	0.169	0.170	0.217	0.2	0.2	0.2
Oilseeds and products	2.984	3.108	3.899	3.7	3.9	3.8
Coffee and products	0.998	1.092	1.294	1.4	1.4	1.4
Cocoa and products	0.658	0.820	0.865	1.1	1.1	1.1
Rubber and allied gums	0.863	0.997	1.148	1.3	1.3	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. 2/ NA = not available; the 2001 sugar forecast is not available because the tariff-rate quota has not yet been announced.

In fiscal 2001, imports of animal products are projected up slightly to \$8.4 billion. Dairy products, mainly cheese, are expected to show a slight increase to \$1.8 billion from \$1.7 billion. Red meats, the largest part of animal product imports, are forecast at \$3.8 billion, up 3 percent, largely from beef. Relatively low feed costs, due to low grain prices, are not expected to significantly affect import volume next year. The increase from May in the 2000 import estimate for live animals is due to larger April-June shipments from Mexico, Australia, and the EU.

Grain and feed imports are expected to stay flat at \$3 billion through fiscal 2001 because of large supplies and reduced feed and residual use. Import forecasts of feeds and products are unchanged at \$2.4 billion. Feed and fodder import volume also is unchanged at 1.3 million tons. Wheat import volume in 2001, however, is likely to rise to 1.9 million tons from 1.8 million, while imports of feed grains, especially oats, remain unchanged. Estimated 2000 wheat import volume is up from the May forecast because of a recent sharp rise in shipments.

Record soybean production expected in the United States in 2000/2001 reduces forecasts for oilseed and product imports.

Imports of horticulture products are forecast to increase by \$400 million, to \$16.2 billion, in fiscal 2001. This rise is attributed to expected import growth for bananas, vegetables, and wine and malt beverages. This growth is due to both anticipated price rises and higher import volume. Increased U.S. consumption of orange juice is expected to lift juice imports in 2001. Fiscal 2000 imports of total horticulture products are estimated at \$15.8 billion, \$400 million below the May forecast, due to abundant domestic supplies, especially of fruit. Domestic production of oranges, grapes, and strawberries is up this year. The 2000 U.S. orange crop is forecast to rebound by 32 percent from 1999's freeze-reduced output. Also, low 2000 import prices are contributing to reduced import value, despite mostly higher import volume.

The value of tropical imports—sugar, coffee, cocoa, and rubber--will be slightly higher in 2001, as prices are expected to recover somewhat from recent lows. Sugar import forecasts are highly uncertain because 2001 U.S. import quotas for sugar have not yet been announced. Mexico desires a larger North American Free Trade Agreement share of the U.S. sugar import quota. And, the United States must alter quotas annually to meet its minimum World Trade Organization import commitments. In 2000, while sugar, coffee, and cocoa import forecasts are down from 1999, largely due to low prices, imports of rubber are up.

As for exports, 2001 country and regional import projections will be made in the December issue of this report. For 2000, U.S. farm imports from Canada are forecast above the May estimate by about \$200 million and are \$500 million over 1999. Estimated 2000 imports from Mexico also are \$200 million higher than in 1999. For the rest of the import-source countries, estimates are largely unchanged from May. The dollar's high exchange rate against most of these countries' currencies holds projected U.S. import values flat or lower despite increased import volumes.

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

Region	October-June		Fiscal	Fiscal 2000	
	1999	2000	1999	Forecast June	Aug.
	Billion dollars				
Western Hemisphere	10.165	10.602	20.182	20.7	20.9
Canada	3.866	4.131	7.898	8.2	8.4
Mexico	2.497	2.591	4.828	5.0	5.0
Brazil	0.707	0.706	1.438	1.4	1.4
Colombia	0.610	0.611	1.189	1.2	1.2
Chile	0.585	0.608	0.926	1.0	1.0
Other South America	0.837	0.804	1.667	1.6	1.6
Central America	0.916	1.029	1.887	2.0	2.0
Costa Rica	0.380	0.381	0.843	0.8	0.8
Caribbean	0.147	0.122	0.349	0.3	0.3
Western Europe	3.994	4.267	8.013	8.5	8.5
European Union	3.907	4.170	7.841	8.4	8.4
Eastern Europe	0.129	0.130	0.227	0.2	0.2
New Independent States	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	2.9	2.9
Indonesia	0.657	0.513	1.185	0.9	0.9
Thailand	0.346	0.359	0.689	0.7	0.7
South Asia	0.356	0.467	0.871	1.1	1.1
India	0.320	0.433	0.800	1.1	1.1
Oceania	0.947	1.234	2.164	2.7	2.7
Australia	0.494	0.696	1.134	1.5	1.5
New Zealand	0.413	0.509	0.949	1.2	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	0.5	0.4
Turkey	0.234	0.178	0.382	0.3	0.3
TOTAL	18.785	19.753	37.449	39.0	39.0

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