



United States  
Department  
of Agriculture

AES-34

May 31, 2002



Electronic Outlook Report from the Economic Research Service, [www.ers.usda.gov](http://www.ers.usda.gov)  
and Foreign Agricultural Service, [www.fas.usda.gov](http://www.fas.usda.gov)

# Outlook for U.S. Agricultural Trade

**Carol Whitton**, ERS coordinator  
**Ernest Carter**, FAS coordinator

## U.S. Agricultural Export Surplus Forecast at \$13.5 Billion in Fiscal 2002; Below both February's Estimate and 2001

Since February, weaker prospects for U.S. agricultural exports and unchanged imports lead to a \$1-billion decline in the prospective fiscal 2002 export surplus. Forecast at \$13.5 billion, this surplus also falls below that of fiscal 2001.

Forecast U.S. exports are reduced \$1 billion to \$53.5 billion, but remain above fiscal 2001. Stronger export competition and lower prices for wheat, corn, and rice, as well as reduced prospects for hides and for broiler meat, account for the drop in value. The forecast volume of bulk exports also falls, by 1.7 million tons from the February estimate. Interrupted sales to Russia are expected to lower broiler meat exports.

Forecast import value remains at \$40 billion, the same as in February, but \$1 billion above 2001. Gains in import value for beer and wine since February are offset by reduced import prospects for oilseeds and coffee.

Table 1--U.S. agricultural trade, fiscal years 1997-2002, year ending September 30

Item	1997	1998	1999	2000	2001	Forecast	
						Fiscal 2002	
						Feb.	May
Billion dollars							
Exports	57.3	53.6	49.1	50.7	52.7	54.5	53.5
Imports	35.7	36.8	37.3	38.9	39.0	40.0	40.0
Balance	21.6	16.8	11.8	11.9	13.7	14.5	13.5

Reflects forecasts in the May 10, 2002, *World Agricultural Supply and Demand Estimates* report.

Source: 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](#)  
[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  
Aug. 29, 2002  
-----

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

## Economic Outlook

The United States and world economies are growing again in 2002, far exceeding previous expectations. Growth in U.S. Gross Domestic Product (GDP) in 2002 is likely to be almost 3 percent. World growth is likely to approach 2.5 percent. There are, however, still a few problem countries around the world, such as Japan and Argentina.

### *Developed Economies*

The U.S. economy is the world's engine of growth. Underpinning U.S. growth this year are exceedingly high productivity growth rates, estimated at 5.8 percent in the fourth quarter of 2001 and 8.8 percent in the first quarter of 2002. Beginning in the mid-1990s, productivity growth in the United States rose to very high rates by historical standards. Continued growth in productivity through the recent economic downturn supports the idea that a "new economy" is responsible. Consumer spending also has been a positive factor keeping the U.S. recession short.

The recession turned out to be very mild for the United States. The usual definition of a recession is two consecutive quarters of negative GDP growth. In this recession, only growth in the third quarter of 2001 was negative. Compared with previous

recessions in the 1970s, 1980s, and 1990s, this was modest indeed. On an annualized basis, growth exceeded 1 percent in 2001 compared with negative 1 percent in 1991, negative 2.3 percent in 1982, and 2 years of negative growth in 1974-75 (figure 1).

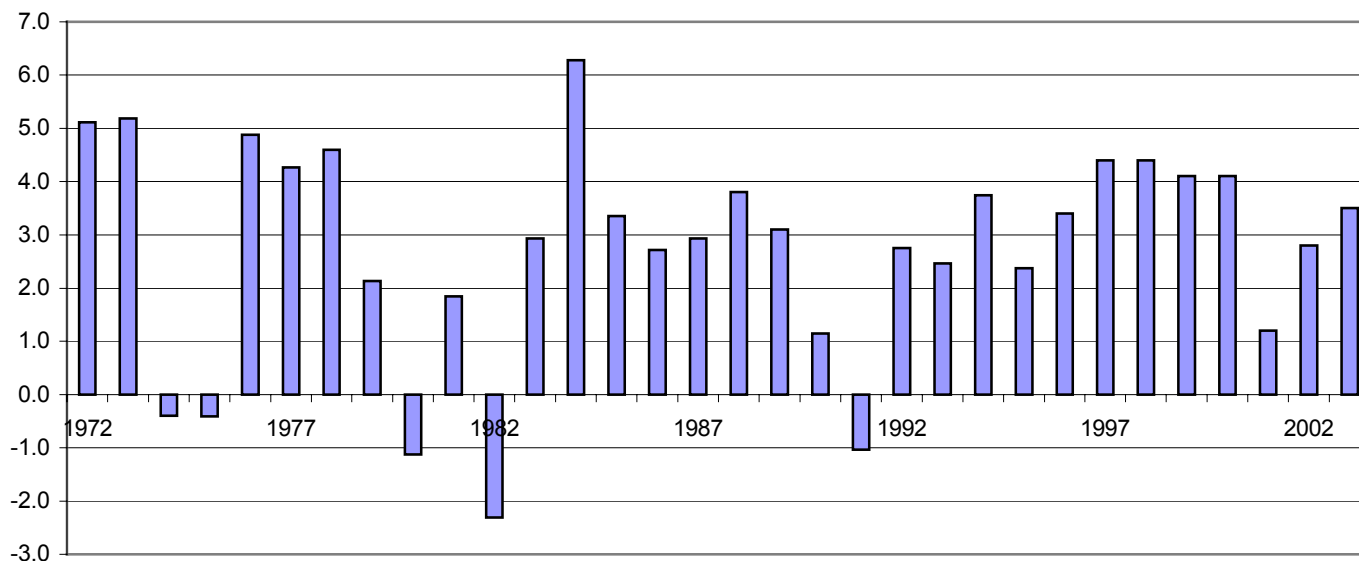
Equity markets in the United States declined substantially in 2000 and 2001 and probably reached bottom in September of 2001. And business investment continues to run at a slow pace. Particularly pronounced is the decline in computer-related investment. No rapid return to the bull market is anticipated.

GDP growth in the European Union (EU) is likely to stay below 2 percent through 2002. Despite recent appreciation, the euro continues to be weak against the dollar, raising import costs, but allowing the EU to be more price competitive in global markets.

Economic growth in Canada is anticipated to at least approach 3 percent in 2002. The competitiveness of the Canadian dollar will boost its agricultural exports and help drive economic growth.

Japan's economy has returned to recession as its export pace slackens and domestic demand remains

Figure 1  
**U.S. Annual Real GDP Growth Rate**  
Percent



Source: Economic Research Service, USDA, long-term macro data set.

weak. Despite the more than 20 percent depreciation of the yen over the past year, Japan's export growth has been insufficient to bring the economy out of its malaise.

### ***Developing Economies***

The developing countries, particularly those dependent on the U.S. for export markets, experienced a significant slowdown in 2001. Economic growth in the developing countries is expected to recover in 2002 to more than 3 percent. Return to robust growth will be driven by the renewed growth in the United States, which is the primary market for their exports.

Overall growth in the Asian developing countries is projected to be around 5 percent in 2002. China and India continue to grow rapidly, with only minor evidence of slowing. Growth rates for China and India are projected at 7.2 and 4.8 percent, respectively, in 2002. Significant slowdowns have occurred in South Korea, Taiwan, Malaysia, the Philippines, and Thailand; but growth is expected to increase as 2002 progresses.

In Latin American, Argentina and Mexico are the most serious problem countries. Argentina, which finally moved to a freely-floating exchange rate has seen almost a 75-percent depreciation of its currency against the dollar. Current estimates suggest Argentina's GDP is likely to contract by more than 10 percent this year, still a long way from recovering from what can only be described as a depression.

Significant adjustments are still needed before rapid growth will resume. Mexico, which felt the impact of lower exports to a less exuberant U.S. market in 2001, is recovering in response to the renewed growth of its major trading partner. But, GDP growth in Mexico is only expected to reach about 1.5 percent this year.

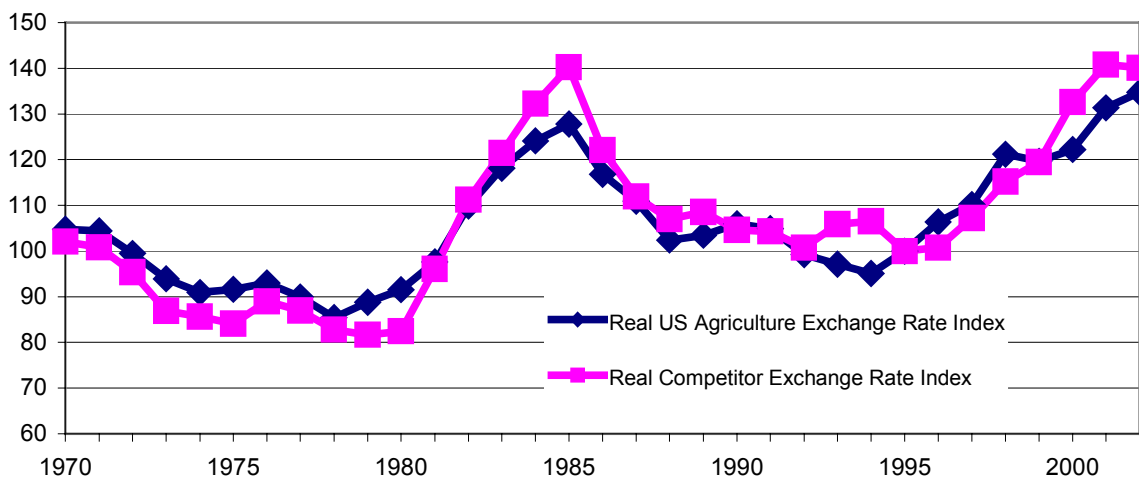
### ***Transition Economies and Africa***

Although there was some evidence of slowing in the transition economies and Africa in 2001, in 2002 these economies are expected to experience significant positive growth after years of faltering and negative growth. Hungary and Poland, as well as Russia, can look forward to continuing integration into the global market. For Africa, an important risk is the longer term impact of AIDS on growth. Population projections are already showing declines in some of the most impacted countries.

### ***Exchange Rates***

The dollar continues to remain strong and by some measures is at a record-high real level early in 2002. Some weakening of the dollar is anticipated in 2002, particularly against the euro. The high dollar encourages strong U.S. import growth, continues high and growing current account deficits, and makes U.S. exports less competitive. Based on agricultural trade-weighted exchange rates, the dollar is at its all-time high and has appreciated almost 40 percent from its 1994 level (figure 2). The current high dollar is even higher relative to our agricultural competitors.

Figure 2  
**U.S. Agriculture and Competitor Trade Weighted Exchange Rates**  
1995 = 100



Source: Economic Research Service, USDA, agriculture exchange rate data set.

## Export Products

The forecast for fiscal 2002 U.S. wheat and flour exports is lowered by 600,000 tons from February to 26 million tons due to stronger competition from the Black Sea region. The smaller volume and a downward adjustment in average unit value lowers the export value for U.S. wheat and flour by \$200 million to \$3.4 billion.

U.S. coarse grain exports are forecast at 56 million tons valued at \$5.4 billion, down 1.3 million tons and \$200 million from the February estimate. U.S. corn shipments are reduced 1 million tons to 49 million tons largely due to greater than expected competition from China. The forecast for China's corn exports for the current marketing year rose to 6 million tons, double the amount estimated during the last quarter, but the impact of increased competition was partly offset by stronger foreign demand, especially from South Korea. Reduced U.S. corn shipments and lower average unit values decrease the value of U.S. corn exports by \$300 million to \$4.6 billion. The forecast for sorghum exports is also lowered 200,000 tons to 6.4 million tons largely because Japan's demand for imported feed grains is weakening. However, strengthening export unit values are expected to offset volume declines, leaving the value of U.S. sorghum exports slightly higher. Despite the decrease in U.S. corn exports, the outlook for U.S. coarse grain exports continues to show some improvement over the previous year.

The 2002 forecast for U.S. rice exports is raised 100,000 tons over February's estimate to 3.3 million tons, however a further reduction in export unit values leaves total value unchanged at roughly \$700 million. Lower prices are expected to boost U.S. exports. The improved outlook for volume is supported by commercial sales to Central America and Cuba, as well as expected food aid to Southeast and Central Asia.

The export forecast for U.S. oilseeds and products is reduced by 600,000 tons from the February estimate, but slightly higher soybean and meal unit values leaves total value unchanged at \$9.2 billion. This revision is due to minor reductions in expected soybean, soybean meal, and soybean oil shipments. Nevertheless, U.S. soybeans remain on track to reach record exports of 27.8 million tons. The major underlying factors are a record U.S. soybean crop and

a strong expansion in global demand for soybeans and meal used by overseas livestock and poultry industries. Especially noticeable is increased demand from the European Union, Southeast Asia, Korea, and North America. Export unit values for soybeans and soybean meal have been kept in check by large South American supplies and continued low prices for corn. Falling global vegetable oil stocks and rising unit values for oil exports benefit the United States with its large stocks of vegetable oils.

The forecast for fiscal 2002 U.S. cotton exports is raised by 200,000 tons and \$100 million to 2.4 million tons valued at \$2.3 billion. Total import demand from major importers is raised slightly from February. Compared with the previous year, lower export unit values continue to offset volume gains.

The forecast for U.S. exports of livestock, poultry, and dairy products is lowered \$300 million from the February estimate to \$12.3 billion. This change is largely due to revised estimates for hides and skins and broiler meat. Beef and pork exports are unchanged at 1.9 million tons valued at \$4.8 billion. Some increase in beef shipments is offset by reduced prices. Pork exports to Japan are expected to remain strong as the safeguard tariff is removed. The hides and skins forecast is reduced about \$200 million to \$1.9 billion. While some year-over-year increase in whole bovine hide volume is still expected, given the strong demand from China and South Korea, lower average prices force value down. Broiler meat exports are revised down to 2.4 million tons valued at \$1.6 billion. This is the result of slower sales to Asia and extended interruption in shipments to Russia. Forecasts for animal fats and dairy products remain unchanged.

The forecast for U.S. horticultural exports is reduced slightly from February to \$11.2 billion. In part due to poor economic conditions, sales of U.S. horticultural products to Japan continue to lag, but sales to Canada and Mexico are running ahead of last year's pace. Overall, small reductions in the value of U.S. fruit and vegetable exports worldwide more than offset some increase for tree nuts. Apple exports are expected lower, in part due to trade problems with Mexico; table grape and stone fruit exports are down; and orange sales are hampered by a smaller California crop and higher prices. Strong sales of

dried and dehydrated vegetables are more than offset by weaker sales of frozen vegetables and fresh tomatoes and onions. Record U.S. almond and walnut crops are resulting in sizeable export volumes and lower prices, as earlier expected. However, the overall impact on export value was underestimated

and required revision. Additionally, the value of wine exports is expected to fall, while sales of essential oils and some highly processed products are up.

Table 2--U.S. agricultural exports: value and volume by commodity, 2001-2002

Commodity	October-March		Fiscal	Forecast	
	2001	2002	2001	Fiscal 2002	
				Feb.	May
Billion dollars					
<b>VALUE</b>					
Grains and feeds 1/	7.004	7.116	13.905	14.4	14.0
Wheat and flour	1.713	1.868	3.360	3.6	3.4
Rice	0.473	0.372	0.782	0.7	0.7
Coarse grains 2/	2.566	2.599	5.230	5.6	5.4
Corn	2.150	2.193	4.507	4.9	4.6
Feeds and fodders	1.385	1.313	2.754	2.6	2.6
Oilseeds and products	5.867	6.460	8.790	9.2	9.2
Soybeans	3.834	3.998	5.106	5.1	5.1
Soybean meal	0.804	0.789	1.378	1.3	1.3
Soybean oil	0.143	0.257	0.240	0.4	0.4
Livestock products	4.478	4.530	8.850	8.9	8.8
Beef, pork, and variety meats	2.387	2.394	4.836	4.8	4.8
Hides and skins, incl. furs	0.915	0.885	1.943	2.1	1.9
Poultry and products	1.180	1.268	2.541	2.6	2.4
Broiler meat 3/	0.780	0.865	1.713	--	1.6
Dairy products	0.511	0.513	1.054	1.1	1.1
Tobacco, unmanufactured	0.645	0.750	1.181	1.4	1.3
Cotton and linters	0.978	1.126	2.094	2.2	2.3
Seeds	0.446	0.491	0.738	0.7	0.8
Horticultural products	5.559	5.555	11.060	11.3	11.2
Fruits and preparations	1.683	1.631	3.493	3.6	3.5
Vegetables and preparations	1.547	1.499	3.035	3.1	3.0
Tree nuts and preparations	0.665	0.733	1.130	1.2	1.3
Sugar and tropical products	1.234	1.156	2.568	2.6	2.5
Major bulk product value 4/	10.009	10.513	17.653	18.5	18.1
Total value 5/	27.941	28.967	52.734	54.5	53.5
Million metric tons					
<b>VOLUME</b>					
Wheat	12.961	13.268	25.268	26.0	25.5
Wheat flour	0.294	0.288	0.500	0.6	0.5
Rice	1.906	1.671	3.077	3.2	3.3
Coarse grains 2/	26.685	26.896	55.214	57.3	56.0
Corn	22.656	23.040	48.180	50.0	49.0
Feeds and fodders	6.403	6.594	12.680	12.5	12.7
Oilseeds and products	25.966	28.531	37.016	39.5	38.9
Soybeans	20.094	21.869	26.659	28.0	27.8
Soybean meal	3.918	4.154	6.951	7.2	7.0
Soybean oil	0.402	0.666	0.638	1.1	1.0
Beef, pork, and variety meats	0.954	0.966	1.942	1.9	1.9
Broiler meat 3/	1.221	1.182	2.485	--	2.4
Animal fats	0.554	0.657	1.051	1.0	1.2
Tobacco, unmanufactured	0.100	0.108	0.176	0.2	0.2
Cotton and linters	0.726	1.202	1.693	2.2	2.4
Horticultural products	4.197	4.026	8.137	8.2	7.9
Sugar and tropical products	0.650	0.584	1.365	1.4	1.3
Total major bulk product volume 4/	62.472	65.014	112.087	116.9	115.2

1/ Includes pulses and processed grain products. 2/ Includes corn, barley, sorghum, oats, and rye. 3/ Includes only Federally inspected product. Estimate not available in February. 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*

For the marketing year July 2001 through June 2002, activated allocations under the Dairy Export Incentive Program (DEIP) totaled 3,030 metric tons of cheese and 68,201 metric tons of nonfat dry milk. As of May 17, 2002, marketing year awards under DEIP totaled 3,030 metric tons of cheese with a bonus value of \$1.8 million and 68,201 metric tons of nonfat dry milk with a bonus value of \$43.4 million.

### *Export Credit Guarantee Programs*

Country allocations under the fiscal year 2002 export credit guarantee programs (GSM-102, GSM-103, the Supplier Credit Guarantee Program (SCGP), and the Facility Guarantee Program (FGP)) totaled \$5.6 billion as of May 17, 2002. Sales approvals of \$2.1 billion were 15 percent higher than fiscal year 2001 approvals during the same period last year. Since October 2001, GSM-102 credit guarantees approvals were \$1.86 billion, up \$170 million from the same period last fiscal year. As for SCGP, approvals were about \$245 million or \$123 million higher than the same period last fiscal year. No sales have been approved for GSM-103 or for FGP this fiscal year.

### *U.S. Food Aid Programs*

Programming for fiscal 2002 under PL 480 Title I and Title I-funded Food for Progress is valued at \$151 million. This includes allocations for nine countries under the Title I concessional sales program and four countries under the Title I-funded Food for Progress,

with total commodity assistance estimated at 793,000 tons of food.

For the Commodity Credit Corporation (CCC)-funded Food for Progress, the fiscal 2002 programming level is \$114 million for the cost of about 327,000 tons of commodity, transportation, and administrative expenses. Programs are planned for 27 countries.

Section 416(b) programming for fiscal 2002 is expected to total about \$799 million and 1.8 million metric tons. Programs will include 7 government donations, 15 donations to World Food Program emergency programs, the extension of 30 programs under the Global Food for Education Initiative, 10 donations of CCC-owned nonfat dry milk, and approximately 38 donations carried over from fiscal 2001.

Appropriations for the Title II program are estimated at \$945 million for fiscal 2002, up 13 percent from the previous year. There is almost an even split in allocations for the development and emergency components of the program. As of May 7, about 85 percent of the funding was allocated, with commodity allocations under approved programs totaling about 2.2 million tons. A third of these allocations will go to Sub-Saharan Africa, but the largest single recipient at this point is India with nearly 200,000 tons of development assistance. Ethiopia and Indonesia are also large recipients, with commodity allocations estimated at 134,000 tons for each country. Wheat and wheat products account for more than half of the total approved program allocations.

## Regional Exports

The \$1 billion reduction in the U.S. agricultural export forecast translates to large changes in the major U.S. markets—Japan, China, Mexico, and Russia. Exports to Asia are reduced \$1.5 billion to \$19.5 billion. Forecasts for the New Independent States are \$400 million lower. But, despite a reduction in the forecast to Mexico, the forecast for the Western Hemisphere is raised slightly.

Japan and China account for most of the drop in Asia. Exports to Japan and China are reduced \$800 and \$600 million, to \$8.2 and \$1.7 billion, respectively. These two countries represent the extremes in Asia. For Japan, the decline reflects the economic recession, coupled with somewhat lower beef and grain prices than earlier expected.

China, on the other hand, continues to enjoy strong economic growth. But, this season China imposed import restrictions on soybeans and raised inspection issues on poultry products. Additionally, cattle hide prices have fallen, reducing overall export value.

Prospects for U.S. agricultural exports to the rest of Asia are reduced from February's forecast mainly due to the \$300 million reduction in exports to Hong Kong. However, South Korea, Malaysia, and Indonesia are reduced as well. Exports of hides and skins, broiler meat, vegetables, and cotton to Hong Kong are down significantly halfway through the year. South Korea has expanded imports of all types of U.S. meats this year. But, South Korea also is expected to take more corn from China and less from the United States. And, South Korea's imports of U.S. hides and skins have declined in both volume and value.

Partially countering declines to East Asia, however, exports to South Asia are up \$400 million. In part, these exports are boosted by renewed shipments of wheat flour, pulses, and vegetable oils to Afghanistan, as well as cotton to both India and Pakistan and wheat to Pakistan, Bangladesh, and Sri Lanka.

Prospective exports to the New Independent States are reduced \$400 million, with all the decline in exports to Russia. Although Russia's import restrictions on U.S. poultry have been lifted, U.S. exports are recovering at a very slow pace. Several other countries in the Black Sea region produced large wheat crops this year and are responsible for most of the increase in competition with U.S. wheat exports since February.

A \$100-million decrease from the earlier forecast is made for exports to the European Union. But exports to Western Europe as a whole are forecast above February's estimate, with declines offset by gains to other western European countries. The weak euro continues to hamper U.S. exports to the region.

At \$20.2 billion, potential exports to the Western Hemisphere remain largely unchanged from February's forecast. Reduced exports to Mexico are offset by upward revisions in exports to Central America, the Caribbean, and South America. Now projected at \$7.1 billion, \$500 million less than in February, exports to Mexico are expected to slow from the pace of the first 6 months and fall slightly below those of 2001. Mexico's imports of U.S. cotton and a wide range of packaged foods are down. Exports to Canada remain unchanged at \$8.5 billion. The Caribbean is taking more U.S. broiler meat, wheat, feed grains, fruit, and soybean meal this year. Exports of rice and feed grains to Central America also have strengthened. As for South America, feeds and fodders, soybean meal, and soybeans show strong growth.

Exports to the Middle East and Africa are raised \$500 million and \$200 million, respectively, boosted by continued good prospects for economic growth. Africa is taking more corn, soybeans, and vegetable oils from the U.S. this year. As for the Middle East, exports of live animals, wheat, corn, soybeans, vegetable oils, and cotton are up.



Table 3--U.S. agricultural exports: value by region, 2001-2002

Region	October-March		Fiscal	Forecast	
	2001	2002	2001	Fiscal 2002	
				Feb.	May
Billion dollars					
Asia (excluding Middle East)	10.858	10.603	20.127	21.0	19.5
Japan	4.680	4.323	8.953	9.0	8.2
China	1.388	1.191	1.884	2.3	1.7
Hong Kong	0.660	0.603	1.253	1.3	1.0
Taiwan	0.992	1.004	1.985	2.0	2.0
South Korea	1.287	1.404	2.552	2.8	2.7
Southeast Asia	1.627	1.613	2.923	2.9	2.8
Indonesia	0.449	0.400	0.879	0.9	0.8
Philippines	0.491	0.442	0.836	0.8	0.8
Malaysia	0.180	0.177	0.367	0.4	0.3
Thailand	0.356	0.424	0.535	0.5	0.6
South Asia	0.219	0.465	0.571	0.7	1.1
Western Hemisphere	9.692	10.059	19.583	20.1	20.2
Canada	3.949	4.179	8.011	8.5	8.5
Mexico	3.631	3.639	7.289	7.6	7.1
Caribbean	0.723	0.758	1.399	1.3	1.5
Central America	0.579	0.637	1.185	1.1	1.3
South America	0.809	0.847	1.698	1.6	1.8
Brazil	0.110	0.130	0.219	0.2	0.3
Colombia	0.203	0.245	0.442	0.4	0.5
Venezuela	0.180	0.160	0.416	0.4	0.3
Western Europe	4.066	4.540	6.779	7.0	7.1
European Union	3.785	4.022	6.267	6.6	6.5
Central and Eastern Europe	0.108	0.130	0.191	0.2	0.2
New Independent States 1/	0.438	0.597	1.029	1.3	0.9
Russia	0.335	0.488	0.823	1.1	0.7
Middle East	1.172	1.383	2.194	2.1	2.6
Turkey	0.283	0.398	0.569	0.6	0.8
Saudi Arabia	0.243	0.188	0.470	0.5	0.4
Africa	1.177	1.240	2.125	2.1	2.3
North Africa	0.841	0.884	1.467	1.5	1.6
Egypt	0.547	0.565	1.008	1.1	1.1
Sub-Saharan Africa	0.337	0.356	0.659	0.6	0.7
Oceania	0.247	0.251	0.473	0.5	0.5
Transshipments 2/	0.183	0.164	0.282	0.2	0.2
Total 2/	27.942	28.967	52.734	54.5	53.5

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 have not been allocated to their final destinations for 1999 through 2002, but are included in the total.

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

## Import Products

The forecast value of total agricultural imports for fiscal 2002 is unchanged at \$40 billion, reflecting the strong U.S. dollar. This projection represents a \$1-billion gain over the \$39 billion of fiscal 2001, when the U.S. economy experienced a short recession. Since last quarter, import declines in some major products are offset by gains in others. Weaker U.S. import demand for oilseeds and oilseed products and greater demand for beer and wine are notable, each changing by \$300 million. But, if the U.S. dollar continues to depreciate as it has recently, the income effect on imports from higher GDP growth may be partly offset by the price effect of reduced purchasing power.

Among other major import products that are projected to rise from previous forecasts are grain products, such as flour and dough, biscuits and wafers, pasta and noodles, and grain meals and starch. Imports of these processed goods have continued rising over the past decade, especially as the dollar's exchange rate climbed. Together with feeds, these imports are expected to increase to \$2.8 billion from February's \$2.6 billion forecast and from \$2.5 billion in fiscal 2001. Wheat and rice imports are also projected up in volume. But because rice prices are expected to be much lower as world stocks soar, only wheat import value should increase. Feed grain prices, on the other hand, are expected up. Thus, import value of feed grains is anticipated to be higher.

Imports of red meats and products are \$200 million lower than previously projected, although still \$100 million more than the \$4.1 billion for 2001. While beef and pork import volumes are projected up fractionally, the import value of pork is expected down due to much lower prices in 2002. Higher beef prices, on the other hand, are pushing beef import value up despite smaller import volume. Dairy product imports are anticipated to be unchanged as early increases in imports are offset by decreases later in the year.

Import forecasts for horticulture products are \$200 million higher than the February 2002 estimates, and about \$600 million higher than in 2001. Although

imports of fruits and vegetables are largely unchanged from previous projections, together they still represent a \$300-million gain from 2001. Another \$400-million addition to horticulture imports over 2001 is from strong demand for beer and wine. The still relatively high exchange rate of the dollar is a factor. Another factor is the upward import growth trend of these alcoholic beverages.

Import volume of fruits and vegetables is projected to be higher than in 2001. Again, this is in part a result of the dollar's strength and trend growth. The North American Free Trade Association's impact on U.S. vegetable imports is especially noteworthy since 40 percent now originate from Mexico. About \$200 million more in vegetable imports are expected in 2002 from 2001, and \$100 million more in fresh and processed fruits.

Imports of oilseeds and products in fiscal 2002 are smaller in value and volume than in the first 6 months of 2001, in part due to higher U.S. production of soybeans and soy meal and soy oil. Vegetable oil import volume is running at about the same pace as last year, but the import volume of oilseeds and oil meal is sharply down. World supply of oilseeds is abundant, so lower oilseeds prices pull import values down. And since prices of oilseeds and vegetable oils are lower, the U.S. import value of these products is also expected to decline.

Tobacco imports are trending higher than in 2001 due to a small U.S. crop and large world supply. U.S. cigarette manufacturers are using more foreign leaf to take advantage of greater stocks from Brazil and other producers as well as generally lower prices.

The continued weakness in coffee prices is again projected to reduce coffee import value despite flat import volume. Cocoa imports, however, are projected up in volume and value from last year. Cocoa prices are sharply higher in Ghana, a major exporter of cocoa beans. Rubber imports are forecast lower as prices remain low and import volume is slowing.

Table 4--U.S. agricultural imports: value and volume by commodity, 2001-2002

Commodity	October-March		Fiscal 2001	Forecast Fiscal 2002	
	2001	2002		Feb.	May
Billion dollars					
<b>VALUE</b>					
Animals and products	4.439	4.579	9.029	9.4	9.3
Live animals, except poultry	1.203	1.175	2.198	2.3	2.2
Red meats and products	1.910	1.973	4.091	4.4	4.2
Dairy products	0.815	0.910	1.727	1.7	1.7
Grains and feeds	1.609	1.801	3.187	3.5	3.8
Grains	0.348	0.406	0.685	0.9	1.0
Grain products and feeds	1.261	1.395	2.503	2.6	2.8
Horticulture products 1/	8.387	8.774	16.430	16.8	17.0
Fruits and preps., and juices	2.370	2.532	4.609	4.7	4.7
Bananas	0.551	0.580	1.156	1.2	1.2
Nuts and preparations	0.360	0.325	0.655	0.7	0.6
Vegetables and preparations	2.754	2.854	5.182	5.4	5.4
Wine and malt beverages	2.151	2.310	4.521	4.6	4.9
Nursery and cut flowers	0.596	0.586	1.156	1.2	1.1
Sugar and related products	0.774	0.761	1.622	1.6	1.6
Tobacco, unmanufactured	0.327	0.380	0.649	0.8	0.8
Oilseeds and products	0.829	0.742	1.676	1.8	1.5
Coffee and products	0.903	0.720	1.761	1.6	1.4
Cocoa and products	0.711	0.862	1.390	1.5	1.7
Rubber and gums	0.358	0.268	0.668	0.6	0.5
Other noncompetitive imports 2/	0.687	0.635	1.334	1.2	1.2
Other competitive imports 3/	0.571	0.603	1.276	1.3	1.3
Total agricultural imports	19.595	20.126	39.022	40.0	40.0
Million metric tons					
<b>VOLUME</b>					
Fruit juices 4/	14.000	13.884	29.284	28.0	29.0
Wine and malt beverages 4/	13.386	14.596	29.682	31.0	32.0
Red meats and products	0.764	0.763	1.600	1.7	1.6
Cheese and casein	0.146	0.155	0.301	0.3	0.3
Grains and feeds	3.114	3.323	6.118	6.1	6.2
Grains	2.475	2.699	4.908	4.9	5.0
Feeds and fodders	0.639	0.625	1.210	1.2	1.2
Fruits and preparations	4.028	4.193	7.861	8.0	8.2
Bananas	2.028	2.031	4.093	4.1	4.1
Nuts and preparations	0.135	0.141	0.262	0.3	0.3
Vegetables, fresh or frozen	2.326	2.461	4.022	4.2	4.3
Cane and beet sugar	0.676	0.633	1.382	1.4	1.3
Tobacco, unmanufactured	0.104	0.145	0.211	0.3	0.3
Oilseeds and products	1.952	1.626	4.068	3.9	3.4
Vegetable oils	0.974	0.939	1.930	1.6	1.9
Coffee and products	0.599	0.573	1.213	1.2	1.2
Cocoa and products	0.486	0.531	0.898	1.0	1.0
Rubber and gums	0.545	0.489	1.059	1.0	1.0

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

Canada continues to supply an ever larger portion of U.S. farm imports: more than \$10 billion in shipments are expected to cross the border in 2002, compared with \$9.5 billion in 2001 and only \$5 billion in 1994. A favorable exchange rate with the U.S. dollar is enjoyed by Canadian exporters. In addition, due to weak demand in Japan, a major Canadian market, some goods are diverted toward the United States. The NAFTA advantage of free trade is reinforced by a competitive currency in Canada's case. The Mexican peso, on the other hand, has

appreciated against the U.S. dollar in price-adjusted terms. This is partly the reason U.S. imports are reduced from February estimates and from 2002.

The value of U.S. imports from Southeast Asia is also expected to be smaller than estimated in February, as some tropical products continue to fetch low prices. Also, imports of dairy products and fruits from New Zealand are slowing. Nevertheless, offsetting these declines are greater purchases of horses, cheese, oats, grain products, and fruits from the European Union.

Table 5--U.S. agricultural imports: value by region, 2001-2002

Region	October-March		Fiscal 2001	Forecast Fiscal 2002	
	2001	2002		Feb.	May
Billion dollars					
Western Hemisphere	10.747	11.206	21.481	21.9	22.4
Canada	4.453	4.983	9.518	9.8	10.6
Mexico	2.792	2.725	5.311	5.5	5.2
South America	2.404	2.440	4.378	4.4	4.4
Brazil	0.488	0.514	0.985	1.0	1.0
Colombia	0.526	0.465	0.962	1.0	0.9
Chile	0.657	0.748	1.025	1.0	1.2
Other South America	0.733	0.713	1.406	1.4	1.4
Central America	0.963	0.918	1.933	1.9	1.8
Costa Rica	0.400	0.380	0.817	0.8	0.8
Caribbean	0.135	0.141	0.341	0.3	0.4
Western Europe	4.145	4.206	8.112	8.2	8.2
European Union	4.036	4.116	7.911	8.0	8.1
Eastern Europe	0.141	0.161	0.249	0.3	0.3
New Independent States 1/	0.046	0.040	0.081	0.1	0.1
Asia (excluding Middle East)	2.404	2.302	4.786	4.8	4.6
China	0.381	0.455	0.787	0.9	0.9
Southeast Asia	1.284	1.114	2.512	2.4	2.2
Indonesia	0.434	0.383	0.858	0.8	0.8
Thailand	0.362	0.313	0.726	0.7	0.6
South Asia	0.368	0.353	0.746	0.8	0.7
India	0.340	0.322	0.688	0.7	0.7
Oceania	1.419	1.405	3.071	3.3	3.0
Australia	0.839	0.859	1.798	1.9	1.8
New Zealand	0.558	0.515	1.228	1.3	1.1
Africa	0.425	0.515	0.757	0.8	0.9
Ivory Coast	0.144	0.199	0.163	0.3	0.2
Middle East	0.268	0.290	0.484	0.6	0.5
Turkey	0.155	0.182	0.294	0.4	0.3
<b>TOTAL</b>	<b>19.595</b>	<b>20.126</b>	<b>39.022</b>	<b>40.0</b>	<b>40.0</b>

Totals may not add due to rounding.

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

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

## Contacts and Links

### Coordinators

Carol Whitton ([Cwhitton@ers.usda.gov](mailto:Cwhitton@ers.usda.gov)) 694-5287  
Ernest Carter ([ECarter@fas.usda.gov](mailto: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 (NCHILD) 694-5292  
Wheat/Feed Grains Ed Allen (EWALLEN) 694-5288

### Regional projections

Asia & Western Hemisphere  
Jim Stout (JSTOUT) 694-5237  
Europe, Africa, & Middle East  
Anita Regmi (AREGMI) 694-5161

### Regional information

Canada and Mexico  
John Wainio (JWAINIO) 694-5211  
China Francis Tuan (FTUAN) 694-5238  
East Europe  
Nancy Cochrane (COCHRANE) 694-5143  
European Union  
Susan Leetmaa (SLEETMAA) 694-5153  
Japan & Other Asia John Dyck (JDYCK) 694-5221  
New Independent States (Russia)  
Bill Liefert (WLIEFERT) 694-5156  
South America  
Mary Burfisher (BURFISHR) 694-5235  
Taiwan Francis Tuan (FTUAN) 694-5238

All telephones are area code 202.  
All ERS Emails are [@ers.usda.gov](mailto:@ers.usda.gov).  
All FAS Emails are [@fas.usda.gov](mailto:@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 (OMEARA) 720-4933  
Horticultural & Tropical Products  
Nancy Hirschhorn (HIRSCHHORN) 720-2974  
Oilseeds Alan Holz (HOLZ) 720-0143  
Seeds Anne Player (PLAYER) 720-7037  
Tobacco Pete Burr (BURR) 720-9493

### Web Sites

**U.S. Ag. Trade:** ERS's 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's U.S. trade data and answers to questions about U.S. trade data:  
<http://www.ers.usda.gov/data/fatus/>.

**FAS U.S. Trade:** Foreign Agricultural Service's (FAS) new, more timely, interactive database of monthly U.S. trade 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.