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# Outlook for U.S. Agricultural Trade

## FY 2008 Exports Revised Upward to Record \$91 Billion; Imports Increased Slightly to \$75.5 Billion

Fiscal 2008 agricultural exports are forecast at a record \$91 billion, up \$7.5 billion from August and \$9.1 billion above 2007. This outlook is largely supported by continued strong demand, tight markets and sharply higher prices for grains and oilseeds, and a weaker dollar. While high-value product exports are rising, bulk commodities account for three-quarters of the year-to-year increase in agricultural export value, with about one-quarter of that increase from volume gains.

Revisions for wheat, coarse grains, soybeans, and a broad set of animal products drive most of the export increase since August. The outlook for wheat improves on higher volume and unit value with strong global demand and less competition. Coarse grain exports benefit from ample domestic supply and increased global demand for feed grains. Strong demand from China and the EU and tighter supplies boost unit values for oilseeds and products. Dairy products reach a new record, higher prices boost broiler and beef export value, and pork volume rises.

Fiscal 2008 agricultural imports are forecast at a record \$75.5 billion, up \$500 million from August and \$5.5 billion above 2007. Import volume growth slows slightly in 2008, with a weaker dollar, but higher prices keep value growing near the pace seen in the past 5 years. Cattle and vegetable oils account for the largest increases since August.

Table 1--U.S. agricultural trade, fiscal years 2003-2008, year ending September 30

Item	2003	2004	2005	2006	2007	Forecast	
						Fiscal 2008	
						Aug.	Nov.
						\$ billion	
Exports	56.0	62.4	62.5	68.6	81.9	83.5	91.0
Imports	45.7	52.7	57.7	64.0	70.0	75.0	75.5
Balance	10.3	9.7	4.8	4.6	11.9	8.5	15.5

Reflects forecasts in the November 9, 2007, *World Agricultural Supply and Demand Estimates* report.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

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The next release is  
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Approved by the  
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Outlook Board.

## Economic Outlook

The world economy remains favorable to growth in U.S. agricultural exports even as crude oil prices move up and the U.S. and world equities markets retreat sharply from record levels. Mild growth slowdowns in North America, Europe, and Japan will keep world economic growth at 3.5 percent in 2008, up modestly from 2007's 3.4 percent, essentially the same as the prior forecast. Growth in Asia, particularly China, and the transition economies is expected to be unchanged from 2007. Crude oil prices in 2008 are expected to rise over 10 percent from 2007, and farm gasoline, diesel, and heating oil prices may rise 6, 11, and 12 percents respectively. Farm fertilizer prices will be up 5 to 7 percent in 2008, as wholesale natural gas prices rise in 2008. The macroeconomic picture is about the same as in May except that U.S. and Japan's growth in 2008 is slower than previously expected. Strong growth in China should limit the slowdown in Japanese growth, which would be expected from a US growth slowdown, as the Japanese economy has become increasingly tied to China.

U.S. growth slowed in 2007 due to a sharp decline in housing construction and services associated with falling home real estate sales, and financial market disturbances due to difficulties in sub-prime mortgages. Adjustments to the financial and housing situation are expected to continue into 2008. Rising farm and non-farm exports will be growth areas in 2008. China's GDP is expected to grow over 10 percent in 2008, bringing growth in East Asia to near 5 percent. The rest of Asia is slated to grow over 6 percent, with India growing more rapidly, slightly below prior expectations. Surging international goods trade continues to support robust world growth, and robust growth supports surging trade, continuing a cycle beginning in 2003. This strong trade growth will likely overcome the drag of higher energy product prices and greater financing difficulties.

The dollar exchange rate is an important determinant of agricultural trade. Relative to 2007, the dollar, adjusted for relative inflation rates, is expected to depreciate 5 percent against the euro, 6 percent against the Chinese yuan, and 3 percent against the Brazilian real in 2008. The dollar is forecast to be up 2 percent versus the yen, unchanged against the Canadian dollar, down 0.5 percent against the Mexican peso, and down 8 percent against the Argentinean peso.

Compared with the August forecast, the economic environment is now perceived as more favorable to U.S. agricultural exports as the rest of the world's growth is stronger and the U.S. dollar is weaker in several major markets. The oil market appears to have had only modest economic effects on most major U.S. trading partners, with Canada (as a major energy exporter) better off than expected given the large amount of trade with the United States.

### ***Downside Risk***

Recent financial market volatility and continued high energy and commodity input prices may trigger a slowdown in world and U.S. growth beyond what is expected. However, the likelihood of such an unfavorable scenario is modest.

## Export Products

The fiscal 2008 forecast for grain and feed exports is raised to a record \$27.5 billion, up \$3.2 billion from the August estimate. The revision is due mainly to higher export volume for coarse grains and wheat and higher wheat unit value. Wheat exports are raised to 28.7 million tons valued at \$7.5 billion. Export volume is raised to a level equal to fiscal 2007 due to tighter stocks in major exporting countries, in part reflecting poor weather in Australia, the EU, Ukraine, and Canada. Average U.S. export unit value for wheat is estimated at \$260 per ton or 17 percent higher than fiscal 2007.

The export forecast for coarse grains jumps 8 million tons to 68 million, due to upward revisions for both corn and sorghum. While U.S. supplies are ample, exportable feed grain supplies from competitors are limited, so competition is muted. The record 2007/08 U.S. corn crop supports both the expansion of exports and domestic ethanol production. U.S. corn exports are benefiting indirectly from sharply higher EU feed grain imports, and larger U.S. sorghum exports are expected due to strong EU demand for non-GMO feed. Since August, expected corn and sorghum shipments are raised 5.5 million tons and 2 million tons respectively. Unit values for corn and sorghum are forecast slightly higher than in fiscal 2007.

Rice exports are forecast 100,000 tons higher, to 3.8 million tons, based primarily on larger shipments to the Middle East and Oceania. Vietnam and India invoked export bans in September, which lowered global supplies, thereby raising unit values.

The fiscal 2008 forecast for oilseeds and products is raised to a record \$16.3 billion, up \$2.6 billion from both the August forecast and the previous year. Soybeans account for over half this increase with export value raised \$1.7 billion to a record \$10.4 billion. This outlook is due to higher unit values for all oilseeds and products in response to strong global demand and tighter supplies. Export unit value for soybeans is estimated at \$393 per ton or 40 percent higher than fiscal 2007. Soybean meal and oil unit values are up 22 and 31 percent, respectively. China's demand for soybeans remains very strong with record imports from all countries forecast, while Europe's biodiesel market increases demand for soybeans and soybean oil. Soybean export volume is lowered 1.3 million tons from the August forecast and 3.8 million tons lower than fiscal 2007. Smaller carryover reflects increased domestic crush, resulting in higher biodiesel exports.

The fiscal 2008 cotton export forecast is raised to a record \$5.8 billion, but volume remains unchanged at 3.6 million tons. An increasing share of higher grade cotton exports, coupled with shipments later in the season, raise export unit value. This outlook is supported by the largest U.S. carryover stocks since 1967/68, record exportable surplus and strong foreign demand, especially from China, while global production growth remains limited. World stocks are forecast to decline, while trade should increase, driven primarily by China's import demand.

The forecast for fiscal 2008 exports of livestock, poultry, and dairy products is increased to a record \$17.1 billion, up \$1.5 billion from August. Beef exports are increased about \$140 million to nearly \$2.4 billion, mainly due to higher unit value as volume is largely unchanged. Beef export volume holds steady near 545,000 tons, with combined sales to Japan, Canada, and Mexico offsetting any declines for Korea resulting from the current suspension of sales. Record-large hog slaughter, a

weaker U.S. dollar, and lower hog prices in the U.S. support an upward revision in pork shipments to a record 1.085 million tons valued at \$2.7 billion.

The fiscal 2008 export forecast for broiler meat is increased about \$200 million to \$2.4 billion mostly on higher unit values and stronger demand from China. The outlook for animal fat exports is improved with the tighter market and higher prices for vegetable oil. The dairy export forecast is raised about \$250 million to a record \$2.6 billion due to a weaker U.S. dollar and competitive pricing, strong world dairy prices, and robust demand. Export volumes for such key dairy products as nonfat dry milk, cheese, and whey are expected to grow modestly.

The fiscal 2008 export forecast for horticultural products remains unchanged from August at a record \$18.6 billion, up \$700 million from the previous year. Three-fourths of U.S. horticultural exports are shipped to Canada, Japan, Mexico and the EU. The first three markets should account for most of the gain, while exports to the EU should remain relatively flat. A competitive dollar, strong foreign demand, and high prices for many products support this outlook. About half of the expected gain is due to increased sales of fruits, vegetables, and tree nuts. The remainder is due to increased sales of other horticultural products, a category dominated by products classified as other "food preparations." After years of rapid increase, horticultural export growth is slowing due to reduced almond exports to Europe.

Fresh fruits and vegetable exports are forecast at a record \$4.9 billion in fiscal 2008. Citrus is up slightly from last year to \$690 million. An improved outlook for oranges is largely offset by reduced prospects for grapefruit and lemons. California's orange crop is projected to increase 29 percent over last year's crop, to 2 million tons. Grapefruit production is expected to fall 5 percent, and fruit sizes should be smaller due to lack of rain. Continued strong demand for apples is expected to hold values high and more than offset any downward pressure on grape prices stemming from a larger harvest. Processed fruit and vegetables are forecast at a record \$4.5 billion. Fruit juices are forecast at \$1 billion, or equal to last year; Florida's orange crop should recover (up 30 percent in 2007/08), but unit values should decline with increased supply. Strong dried fruit exports to Europe are expected, and frozen vegetable sales should rise to major markets. Tree nuts are forecast at a record \$3 billion. A record large almond crop is expected, while the walnut crop should be smaller. Record almond crops in 2006 and 2007 pressured prices lower. In 2007 export value fell despite an increase in volume. A moderate increase is expected in 2008.

Sugar and tropical products are forecast at \$3.7 billion, up \$250 million from last year. Exports of sugar and high fructose corn syrup (HFCS) were \$1.5 billion in 2007. Record-high prices for HFCS last year were due to demand for ethanol and high corn prices. This year, prices should moderate but shipments are expected to increase, particularly to Mexico.

Table 2--U.S. agricultural exports: Value and volume by commodity, 2004-2008

Commodity	2004	2005	2006	2007	Forecast	
					Fiscal 2008	
					Aug.	Nov.
<b>VALUE</b>	---Billion dollars---					
Grains and feeds 1/	17.848	15.989	18.281	24.175	24.3	27.5
Wheat 2/	5.095	4.252	4.289	6.365	6.0	7.5
Rice	1.203	1.240	1.296	1.279	1.5	1.6
Coarse grains 3/	6.611	5.316	6.808	9.794	10.3	11.7
Corn	5.984	4.742	6.187	8.922	9.3	10.2
Feeds and fodders	2.678	2.718	3.090	3.489	3.5	3.9
Oilseeds and products 4/	11.194	11.001	10.643	13.669	13.7	16.3
Soybeans	7.463	6.980	6.334	8.483	8.7	10.4
Soybean meal 5/	1.308	1.475	1.599	1.933	1.8	2.2
Soybean oil	0.288	0.351	0.311	0.611	0.5	0.7
Livestock, poultry, and dairy	10.838	12.158	13.370	16.342	15.6	17.1
Livestock products	7.043	7.443	8.637	10.106	9.9	10.8
Beef and veal 6/	1.129	0.832	1.399	1.894	2.2	2.4
Pork 6/	1.700	2.239	2.405	2.625	2.6	2.7
Beef and pork variety meats 6/	0.579	0.688	0.761	0.830	0.8	0.8
Hides, skins, and furs	1.763	1.748	1.978	2.159	2.2	2.3
Poultry and products	2.519	3.029	2.967	3.777	3.4	3.7
Broiler meat 6/ 7/	1.692	2.041	1.911	2.477	2.2	2.4
Dairy products	1.276	1.686	1.766	2.459	2.3	2.6
Tobacco, unmanufactured	1.050	0.988	1.058	1.144	1.1	1.1
Cotton	4.508	3.869	4.666	4.294	5.5	5.8
Seeds	0.875	0.926	0.880	0.946	0.9	1.0
Horticultural products 8/	13.580	14.875	16.675	17.911	18.6	18.6
Fruits and vegetables, fresh	3.697	4.126	4.471	4.776	4.8	4.9
Fruits and vegetables, processed 8/	3.310	3.493	3.924	4.402	4.4	4.5
Tree nuts, whole and processed	1.887	2.429	2.926	2.938	2.9	3.0
Sugar and tropical products 9/	2.490	2.700	3.008	3.455	3.7	3.7
Major bulk products 10/	25.929	22.644	24.452	31.359	33.1	38.0
Total 11/	62.409	62.516	68.593	81.947	83.5	91.0
<b>VOLUME</b>	---Million metric tons---					
Wheat 2/	31.179	26.505	25.005	28.718	27.3	28.7
Rice	3.699	4.258	4.024	3.317	3.7	3.8
Coarse grains 3/	53.770	50.538	61.363	59.104	60.0	68.0
Corn	48.724	45.262	56.038	54.095	54.5	60.0
Feeds and fodders	11.647	11.008	11.727	11.655	11.1	12.1
Soybeans	24.487	29.504	26.418	30.319	27.8	26.5
Soybean meal 5/	4.690	6.659	7.301	7.971	7.5	7.5
Soybean oil	0.425	0.600	0.523	0.857	0.6	0.7
Beef and veal 6/	0.293	0.204	0.345	0.442	0.5	0.5
Pork 6/	0.689	0.883	0.986	1.004	1.0	1.1
Beef and pork variety meats 6/	0.432	0.481	0.489	0.506	0.5	0.5
Broiler meat 6/ 7/	2.121	2.439	2.321	2.525	2.5	2.5
Tobacco, unmanufactured	0.163	0.152	0.169	0.180	0.2	0.2
Cotton	2.965	3.349	3.679	3.104	3.6	3.6
Major bulk products 10/	116.263	114.306	120.658	124.743	122.6	130.8

Total may not add due to rounding.

1/ Includes corn gluten feed and meal, and processed grain products. 2/ Excludes wheat flour. 3/ Includes corn, barley, sorghum, oats, and rye. 4/ Excludes corn gluten feed and meal. 5/ Includes soy flours made from protein meals. 6/ Includes chilled, frozen, and processed meats. 7/ Includes only federally inspected product. 8/ Includes juices. 9/ Includes coffee and cocoa products, tea, and spices. 10/ Includes wheat, rice, coarse grains, soybeans, cotton, and unmanufactured tobacco. 11/ Includes cotton lintens.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

## Regional Exports

The \$7.5 billion upward revision in the fiscal 2008 export forecast is broad-based, affecting all regional markets. The 2008 forecast has been increased to Asia (up \$1.6 billion), North America (up \$1.5 billion), Latin America (up \$1.3 billion), EU-27 (up \$900 million), Middle East (up \$800 million), and Africa (up \$700 million). Likewise, among major country markets, the forecasts have been increased across the board—with one notable exception. In 2008, exports to China are expected to reach \$7.8 billion. Nonetheless, this is up almost \$800 million from the 2007 record. Markets in Asia and the Western Hemisphere continue to dominate U.S. exports, collectively accounting for three quarters of U.S. shipments worldwide.

### *Western Hemisphere*

U.S. agricultural exports to Western Hemisphere markets in fiscal 2008 are forecast at a record \$37.1 billion, up \$2.7 billion from the previous forecast and up \$4 billion from 2007. Like Asia, the upward revisions since August are broad-based with all major markets being revised up—Canada (up \$1.1 billion), Mexico (up \$500 million), Caribbean (up \$400 million), Central America (up \$200 million), and South America (up \$700 million). For 2008, exports to Western Hemisphere markets are expected to account for roughly 41 percent of total U.S. agricultural exports, unchanged from its share in 2007.

Canada and Mexico will continue to be the top two destination markets for U.S. agricultural exports in 2008. Exports to both are forecast to continue the impressive growth shown over the past 15 years. Fiscal 2008 exports are forecast to reach a combined \$28.4 billion—up \$1.5 billion from the previous forecast and up almost \$3 billion from 2007. Exports to Canada are projected to reach a record \$14.7 billion, up from \$13.2 billion in 2007. Shipments are overwhelmingly dominated by high-value products such as fresh horticultural products, processed food, and beverages. Exports of these products are expected to benefit from a strong Canadian economy, and the continued strength of the Canadian dollar against the U.S. dollar. Exports to Mexico are forecast to reach \$13.7 billion in 2008, up from \$12 billion in 2007. U.S. gains are expected across a wide variety of products, benefiting from higher export unit values, stronger import demand for corn and cotton, and continued rapid growth of Mexico's middle class which is boosting import demand for a wide range of high-value products.

Fiscal 2008 exports to South America are forecast to reach \$3.4 billion, up \$700 million from August, and up \$400 million from 2007 levels. The export forecasts to the three major markets have been revised higher—Columbia (up \$100 million), Venezuela (up \$200 million), and Brazil (up \$100 million). These markets are all experiencing strong economic growth, which is boosting import demand. This, combined with a competitively valued U.S. dollar, is supporting stronger sales of U.S. agricultural products to the region.

### *Asia*

U.S. agricultural exports to Asia in fiscal 2008 are forecast at a record \$32.2 billion, up \$1.6 billion from August and \$2.9 billion higher than 2007. Much of the upward revision is due to stronger expected exports to Japan (up \$700 million), Taiwan (up \$500 million), and Southeast Asia (up \$400 million). For 2008, Asia is expected to

account for over 35 percent of total U.S. agricultural exports, roughly unchanged from its share in 2007.

While the 2008 forecast to China has been reduced from the preliminary forecast in August, the country will continue to be a major engine of growth for U.S. agricultural exports. U.S. exports are forecast at a record \$7.8 billion, up \$700 million from 2007 levels. The forecast was initially pegged at \$8.4 billion on the expectation that exports would increase from 2007 levels and USDA projected 2007 exports would total \$7.6 billion. However, with final 2007 exports totaling only \$7 billion (versus the forecast \$7.6 billion), the 2008 forecast turned out to be overly ambitious so it has been adjusted accordingly.

Cotton and soybeans continue to be the largest U.S. agricultural exports to China, accounting for 63 percent of total sales, and both are poised to expand further in 2008. With China's cotton imports from all suppliers forecast to increase almost 50 percent from the previous year, and the U.S. being China's leading cotton supplier, U.S. exports are set to increase in 2008. Likewise, China is the world's largest soybean importer and those imports are expected to increase 16 percent from the previous year which should boost U.S. soybean exports in 2008. Exports of U.S. consumer-oriented high-value products to China have been growing rapidly in recent years. In 2007, these exports reached a record of almost \$1 billion, up 44 percent from the previous year. With China's economy expected to be among the fastest growing in the world in 2008, the growing ranks of the country's middle class should boost U.S. high-value exports even higher.

U.S. exports to Japan are forecast to reach \$10.4 billion in 2008, up \$700 million from the previous forecast, and the highest since the Asian financial crisis in 1997. Much of this increase is expected to result from higher commodity prices in 2008, which should boost the value of commodity exports (such as soybeans, corn, wheat, and animal feed). In addition, continued growth in the Japanese economy and a stronger yen is boosting consumer confidence and the competitiveness of U.S. high-value exports such as red meats, horticultural products, processed foods, and beverages. U.S. exports to Taiwan are projected to reach \$3.3 billion, up \$500 million from the August forecast and up \$400 million from 2007 levels. If realized, 2008 exports to Taiwan would be a record, exceeding the previous record of 1996. Wheat, corn, soybeans, and animal feeds are expected to account for much of the increase from 2007 levels due to strong prices and increased demand.

Fiscal 2008 exports to Southeast Asia are forecast to reach \$4.8 billion, up \$400 million from the prior forecast and up \$500 million from 2007 levels. Within the region, three of the countries are expected to reach billion dollar market status in 2008—Indonesia (\$1.5 billion), the Philippines (\$1.1 billion), and Thailand (\$1 billion). Wheat, soybeans, cotton, feeds and fodders, and a wide variety of consumer-oriented high-value products (particularly dairy products) dominate U.S. agricultural exports to the region. For 2008, U.S. exports of most of these products are expected to benefit from continued strong growth in consumer incomes and a growing middle class, plus local currencies have appreciated significantly against the U.S. dollar over the past two years (as much as 30 percent). Stronger local currencies increase their purchasing power and improve U.S. competitiveness.

Table 3--U.S. agricultural exports: Value by region, 2004-2008

Country and region 1/	2004	2005	2006	2007	Forecast	
					Fiscal 2008	
					Aug.	Nov.
---Billion dollars---						
Asia	24.356	22.521	24.937	29.321	30.6	32.2
East Asia	20.570	18.385	20.827	23.952	25.3	26.3
Japan	8.532	7.847	8.155	9.693	9.7	10.4
China	6.096	5.254	6.613	7.051	8.4	7.8
Hong Kong	0.992	0.885	0.912	1.082	1.1	1.3
Taiwan	2.142	2.198	2.416	2.932	2.8	3.3
South Korea	2.778	2.187	2.719	3.178	3.3	3.5
Southeast Asia	3.123	3.439	3.433	4.338	4.4	4.8
Indonesia	0.978	0.983	1.047	1.375	1.5	1.5
Philippines	0.685	0.836	0.828	0.950	1.0	1.1
Malaysia	0.377	0.382	0.426	0.508	0.5	0.6
Thailand	0.679	0.762	0.640	0.786	0.9	1.0
South Asia	0.663	0.697	0.676	1.031	0.9	1.1
Western Hemisphere	23.274	24.833	28.082	33.145	34.4	37.1
North America	18.030	19.641	22.006	25.516	26.9	28.4
Canada	9.608	10.386	11.609	13.206	13.6	14.7
Mexico	8.422	9.253	10.397	12.311	13.2	13.7
Caribbean	1.844	1.861	2.038	2.399	2.5	2.9
Central America	1.397	1.519	1.744	2.187	2.2	2.4
South America	2.003	1.812	2.294	3.042	2.7	3.4
Brazil	0.326	0.222	0.281	0.375	0.3	0.4
Colombia	0.601	0.601	0.802	1.115	1.3	1.4
Venezuela	0.391	0.351	0.442	0.518	0.4	0.6
Europe/Eurasia	8.235	8.649	8.597	9.824	9.6	11.0
European Union-27 2/	6.969	7.152	7.181	8.053	8.0	8.9
Other Europe 3/	0.262	0.278	0.326	0.331	0.4	0.4
FSU-12 4/	1.004	1.218	1.090	1.440	1.2	1.7
Russia	0.736	0.918	0.906	1.122	1.1	1.3
Middle East	2.744	2.866	3.060	4.224	3.9	4.7
Turkey	0.916	1.011	1.009	1.363	1.4	1.5
Saudi Arabia	0.351	0.342	0.435	0.537	0.6	0.6
Africa	2.993	2.672	3.052	4.246	4.0	4.7
North Africa	1.634	1.281	1.616	2.628	2.5	2.9
Egypt	0.977	0.809	0.955	1.645	1.7	1.8
Sub-Saharan Africa	1.360	1.391	1.436	1.619	1.6	1.8
Oceania	0.585	0.734	0.734	0.899	0.9	1.0
Transshipments via Canada 5/	0.222	0.242	0.131	0.288	0.2	0.3
<b>Total</b>	<b>62.409</b>	<b>62.516</b>	<b>68.593</b>	<b>81.947</b>	<b>83.5</b>	<b>91.0</b>

Total may not add due to rounding.

1/ Projections are based primarily on trend or recent average growth analysis.

2/ The former EU-25 plus Romania and Bulgaria who acceded in January 2007.

3/ Major countries include Switzerland, Norway, Iceland, and former Yugoslav states.

4/ The former 15 Republics of the Soviet Union minus the three Baltic Republics.

5/ Transshipments through Canada have not been allocated to final destination but are included in the total.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.



## Import Products

The forecast for U.S. agricultural imports in fiscal year 2008 is raised to \$75.5 billion—up by \$500 million from the August forecast of \$75 billion. This represents an 8-percent climb from fiscal 2007's \$70 billion import bill, but is slower than 2007's pace of more than 9 percent from 2006. While some imports are expected to have lower values than the previous forecasts, vegetable oils are anticipated to rise by \$500 million from the August projection. Higher import values for livestock and dairy products are projected to offset lower values for horticulture and sugar and tropical products.

Slowing domestic economic activity, higher petroleum prices, and the depreciation of the dollar will dampen import demand, but not by a significant amount. Food imports have fairly inelastic demand, especially fresh fruit and vegetables that are shipped in during the winter months. The upward trend of U.S. agricultural import value continues, albeit at a slower pace. In 2007, the total volume of U.S. imports, measured in metric tons, was up 5 percent, but down from 2006's pace of 8 percent. Growth in import volume in 2008 will likely be close to 5 percent, but with food and energy price inflation of around 3 percent, the import value is projected to grow at 8 percent. The depreciation of the dollar exerts upward pressure on foreign suppliers to boost prices. The full effect of the dollar decline in 2007—expected at about 3 percent in inflation-adjusted terms—will be realized in 2008.

As the increased demand for corn, soybeans, and other crops as feedstock for ethanol and biofuel production continues in 2008, imports and prices of these crops and of other substitute crops will rise as well. World demand for biofuel crops is also on the rise, pushing up their international prices and those of competing commodities. Higher prices for wheat, wheat flour and other products, oats, rye, barley, and coarse grain products are expected to add \$600 million to the U.S. import bill in 2008. About half of these additional imports are processed grain products, and the other half are bulk grains, feeds, and fodders.

Sharp price escalation of oilseed products and vegetable oils is projected to boost their import values in 2008 by an estimated \$800 million or almost 20 percent higher than in 2007. At least 60 percent of this boost is accounted for by the \$500-million anticipated increase in vegetable oil imports. U.S. demand for imported vegetable oils, including tropical oils, and higher vegetable oil prices are driven to a large extent by domestic and international demand for transfat-free oils and for biodiesel from soybean oil. In Asia, the use of palm oil to produce biodiesel helped raise tropical oil prices. The second wave of switching to transfat-free oils by the U.S. food service industry, following in the heels of food manufacturers who spearheaded the first wave, has tightened supplies of healthy oils such as corn, sunflowerseed, and canola.

Imports of cattle and calves are raised \$300 million, which pushes up the forecast value of livestock and meat imports from \$8.9 to \$9.2 billion in 2008. The number of imported cattle is 450,000 higher than the last forecast and the number of swine imports is 225,000 larger. These live imports reflect higher feed prices, which are encouraging Canadian producers to send animals to the United States for feeding. Beef and veal imports are also expected higher by \$200 million from 2007. Total value of livestock, dairy, and poultry imports in 2008 is estimated at \$12.3 billion, \$300 million or 3.2 percent more than in 2007. In addition, weakness in the

Canadian packing sector, and implementation of the Minimal-Risk Regions rule for cattle in November, will support higher live animal imports from Canada.

A \$200-million lower forecast for horticulture products is due largely to slower demand for imported beer. The volume of beer imports is expected to taper off to a 200-billion-liter pace, down from 300-billion-liter gains in 2006 and 2007, even as prices remain steady. Strong demand continues for fresh and processed fruits, which include a \$400-million gain for imported fruit juices from 2007. U.S. consumption of fruit juices is projected to remain around 110 pounds per capita (in fresh weight terms), led by apple and orange juices. A more abundant crop of juice oranges in Florida will reduce orange juice imports in 2008. Imported wine is expected up by about \$300 million as volume demand maintains a strong pace of close to 10 percent.

Similarly, the estimated import value for sugar and tropical products in 2008 is adjusted downward by \$200 million as higher unit values for sugar, cocoa, coffee, spices, and rubber dampen U.S. import demand for these commodities. The reduced purchasing power of the dollar is partly behind these subdued expectations. Lower U.S. volume imports of sugar and other sweeteners, cocoa, and rubber in 2007 likewise play a role in the forecast revisions. Imported coffee beans and coffee are estimated to reach 1.5 million metric tons in 2008, up from 1.4 million in 2007, and will be worth a record \$3.8 billion.

Table 4--U.S. agricultural imports: Value and volume by commodity, fiscal years 2004-2008

Commodity	2004	2005	2006	2007	Forecast Fiscal 2008	
					Aug.	Nov.
<b>VALUE</b>						
<i>Billion dollars</i>						
Livestock, dairy, & poultry	10.350	11.051	11.527	12.021	11.9	12.3
Livestock and meats	7.664	8.165	8.510	8.906	8.9	9.2
Cattle and calves	0.582	0.714	1.602	1.698	1.5	1.8
Swine	0.496	0.590	0.580	0.646	0.6	0.6
Beef and veal	3.511	3.779	3.254	3.386	3.5	3.6
Pork	1.355	1.327	1.263	1.211	1.2	1.2
Dairy products	2.281	2.508	2.609	2.653	2.6	2.7
Cheese	0.971	1.015	0.993	1.077	1.1	1.1
Grains and feed	4.077	4.326	4.926	5.993	6.6	6.6
Grain products	2.915	3.173	3.434	3.917	4.2	4.2
Oilseeds and products	2.918	2.979	3.472	4.018	4.3	4.8
Vegetable oils	1.951	2.034	2.444	2.774	3.0	3.5
Horticulture products	23.897	26.842	29.142	32.391	35.4	35.2
Fruits, fresh	3.750	4.219	4.687	5.406	5.9	6.0
Fruits, processed	1.969	2.343	2.601	3.418	4.1	4.0
Fruit juices	0.785	1.005	1.056	1.618	2.1	2.0
Nuts and preparations	0.917	1.155	1.071	1.079	1.2	1.2
Vegetables, fresh	3.118	3.518	3.979	4.165	4.4	4.4
Vegetables, processed	2.451	2.621	2.754	3.149	3.5	3.4
Wine	3.345	3.720	4.043	4.544	4.8	4.8
Malt beer	2.789	2.978	3.376	3.686	4.2	4.0
Essential oils	1.908	2.435	2.469	2.427	2.5	2.5
Cut flowers & nursery stock	1.360	1.374	1.424	1.531	1.6	1.6
Sugar & tropical products	10.198	11.381	13.593	14.141	15.2	15.0
Cane and beet sugar	0.568	0.713	1.405	0.814	0.9	0.9
Confections 1/	1.150	1.161	1.170	1.221	1.4	1.3
Cocoa and chocolate 1/	2.552	2.593	2.631	2.593	2.8	2.7
Coffee beans & products	2.163	2.830	3.206	3.654	3.8	3.8
Rubber, natural	1.331	1.506	1.950	2.087	2.2	2.2
Other imports 2/	1.217	1.157	1.367	1.472	1.6	1.6
Total agricultural imports	52.656	57.736	64.026	70.037	75.0	75.5
<b>VOLUME</b>						
<i>Million metric tons</i>						
Wine 3/	0.647	0.721	0.783	0.869	1.0	1.0
Malt beer 3/	2.820	2.913	3.223	3.535	4.2	3.7
Fruit juices 3/	3.343	4.216	3.804	4.794	- - -	4.5
Cattle and calves 4/	1.473	1.495	2.397	2.320	2.1	2.6
Swine 4/	8.589	8.079	8.613	9.474	9.5	9.7
Beef and veal, fresh	1.165	1.219	1.027	1.026	1.1	1.1
Pork, fresh	0.489	0.438	0.437	0.424	0.4	0.4
Fruits, fresh	7.533	7.996	8.003	8.791	9.3	9.3
Fruits, processed 5/	1.076	1.196	1.327	1.442	1.5	1.5
Vegetables, fresh	3.559	3.758	4.076	4.384	4.6	4.6
Vegetables, processed 5/	2.705	2.765	2.763	2.954	3.2	3.2
Vegetable oils	2.027	1.982	2.500	2.637	2.8	2.8
Cocoa and chocolate	1.192	1.220	1.263	1.140	1.4	1.4
Coffee beans	1.263	1.274	1.296	1.370	1.5	1.5
Rubber, natural	1.093	1.187	1.069	1.005	1.0	1.0

- - - Not forecast

1/ Confections are consumer-ready products that contain sugar. Cocoa and chocolate are intermediate products.

2/ Tobacco, planting seeds, and cotton. 3/ Liquid volume is in billion liters. 4/ Million head; includes bison. 5/ Excludes juices.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

## Regional Imports

Agricultural imports from Canada are projected to rise slightly slower than in fiscal 2007—up by \$1 billion in 2008, down from last year's \$1.5 billion gain. The Canadian dollar's parity with the U.S. dollar in 2007 effectively raised import prices from Canada. Imports from Mexico are forecast to increase by \$400 million as shipments of fresh fruit and vegetables north of the border continue at a high rate. In addition, imports of live cattle and beef from Canada and Mexico contribute to these gains. Swine and pork imports from Canada are also significant contributors.

Imports from Malaysia, Philippines, and Indonesia are all up due in part to high prices for tropical oils—palm, palm kernel, and coconut oils. These oils are somewhat cheaper substitutes for olive, sunflower, and corn oils. Inexpensive apple juice imports from China helped push apple juice volume above orange juice volume a decade ago. Other major agricultural imports from China include mandarin oranges, fresh vegetables and garlic, dried and canned mushrooms, tree nuts, herbs and spices, snack foods, and candy.

Table 5--U.S. agricultural imports: Value by region, fiscal years 2004-2008

Country and region	2004	2005	2006	2007	Forecast Fiscal 2008		Share of total Percent
					Aug.	Nov.	
	<i>Billion dollars</i>						
Western Hemisphere	26.845	29.856	33.756	37.073	38.9	39.5	52.3
Canada	11.275	11.817	13.203	14.701	15.1	15.7	20.8
Mexico	7.023	8.095	9.316	9.916	10.0	10.3	13.6
Central America	2.247	2.465	2.846	3.112	3.4	3.4	4.5
Costa Rica	0.899	0.880	1.157	1.214	1.4	1.3	1.7
Guatemala	0.779	0.895	0.933	1.028	1.1	1.1	1.5
Other Central America	0.569	0.691	0.756	0.869	0.9	1.0	1.3
Caribbean	0.363	0.359	0.443	0.451	0.6	0.5	0.7
South America	5.936	7.120	7.948	8.893	9.8	9.6	12.7
Brazil	1.637	1.839	2.208	2.525	2.7	2.7	3.6
Chile	1.314	1.531	1.714	1.922	2.3	2.2	2.9
Colombia	1.133	1.382	1.451	1.519	1.7	1.6	2.1
Other South America	1.853	2.369	2.574	2.928	3.1	3.1	4.1
Europe and Eurasia	12.499	13.701	14.492	15.544	16.7	16.4	21.7
European Union-27 1/	12.124	13.313	14.111	14.987	16.0	15.7	20.8
Other Europe	0.316	0.342	0.330	0.490	0.6	0.6	0.8
Asia	7.336	8.030	9.432	10.813	12.4	12.6	16.7
East Asia	2.475	2.663	3.030	3.766	4.5	4.5	6.0
China	1.571	1.791	2.107	2.800	3.4	3.4	4.5
Other East Asia	0.904	0.872	0.923	0.965	1.1	1.1	1.5
Southeast Asia	3.977	4.383	5.287	5.834	6.5	6.7	8.9
Indonesia	1.445	1.606	2.049	1.939	2.2	2.3	3.0
Thailand	1.025	1.086	1.272	1.498	1.6	1.6	2.1
Other Southeast Asia	1.507	1.691	1.967	2.398	2.7	2.8	3.7
South Asia	0.884	0.984	1.114	1.213	1.4	1.4	1.9
India	0.810	0.902	1.012	1.094	1.2	1.2	1.6
Oceania	4.035	4.177	4.232	4.399	4.4	4.5	6.0
Australia	2.387	2.488	2.434	2.608	2.7	2.7	3.6
New Zealand	1.573	1.618	1.705	1.700	1.6	1.7	2.3
Africa	1.348	1.330	1.407	1.392	1.7	1.6	2.1
Sub-Saharan	1.196	1.205	1.209	1.178	1.5	1.4	1.9
Ivory Coast	0.497	0.565	0.460	0.482	0.7	0.6	0.8
Middle East	0.593	0.641	0.708	0.816	0.9	0.9	1.2
Turkey	0.352	0.361	0.427	0.478	0.6	0.6	0.8
<b>Total</b>	<b>52.656</b>	<b>57.736</b>	<b>64.026</b>	<b>70.037</b>	<b>75.0</b>	<b>75.5</b>	<b>100.0</b>

Totals may not add due to rounding.

1/ The former EU-25 plus Romania and Bulgaria who acceded in January 2007.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

## Large U.S. Wheat Exports Despite High Prices

U.S. and world wheat prices have increased sharply during the last 12 months. At the same time, wheat exports have continued to exceed expectations. Even though the U.S. 2007 wheat harvest was nearly equal to the average for the last 5 years, the projected 2007/08 season-average wheat farm price of \$5.90-\$6.30 per bushel (as of November 2007) exceeds the previous U.S. record of \$4.55 per bushel. The initial impetus for rising prices was a 30-year low in global stocks following 7 of 8 years in which global consumption exceeded production.

Throughout the past year, adverse weather events have reduced the expected sizes of crops in wheat-producing and -exporting countries. Forecasts of Australia's wheat production and exports were reduced because of severe drought in 2006. Late-spring freeze damage in the U.S. and heavy rains at harvest in the U.S. and Western Europe reduced the output and quality of wheat. Dry weather hurt crops in Eastern Europe, and some countries of the former Soviet Union. Drought in Southeastern Europe reduced that area's wheat and corn crops, forcing livestock producers in the European Union (EU) to import wheat and feed grains for feed rations. Heat and dryness also reduced wheat production in Canada and Ukraine.

Production shortfalls curtailed exports from most traditional wheat exporters. In the spring of 2007, both Ukraine and Argentina initiated export restrictions in efforts to control food price inflation. Ukraine imposed a ban on wheat exports and Argentina stopped issuing export registrations which significantly slowed export sales during the rest of the year. Only the United States, Russia, and Kazakhstan had large volumes of wheat available for export this summer and fall.

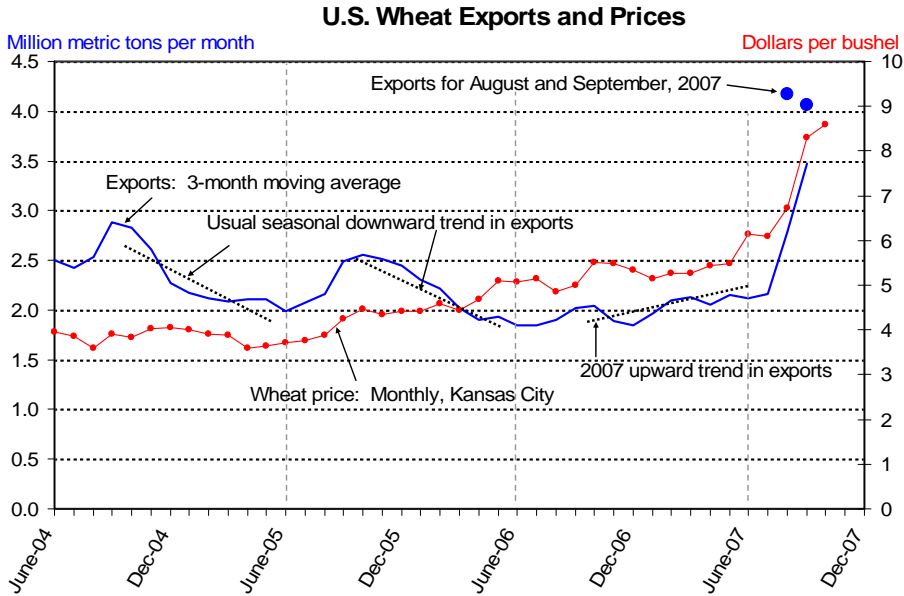
U.S. wheat export sales were very strong in recent months despite higher prices and record-high ocean freight rates. Projected tight U.S. supplies, combined with reduced export competition, caused importers to buy U.S. wheat at a pace not seen since the 1970s.

Imports by high-income countries, which are not very price sensitive, followed normal seasonal purchase patterns. But, purchases by a number of low and middle income countries, generally expected to be more sensitive to price changes, continued to purchase wheat even while prices were rising. Some importers even bought larger amounts at record high prices, apparently out of fear that less wheat would be available in the future, and prices would be even higher. For example, India issued a tender for wheat and ended up buying more than it had tendered for late in the summer, even though prices set a new world record.

Many of the late summer, early fall purchases by foreign importers seemed to be motivated by fear that as the 2007/08 marketing season progressed, wheat available in world markets would be further reduced.

In most years, U.S. wheat export shipments decline seasonally during the winter, spring and summer months. But in 2007, shipments generally rose during this period, significantly exceeding expectations almost every month. In August and September, U.S. wheat export volume spiked, rising from monthly averages of less than 2.5 million metric tons to more than 4 million tons. As this occurred, wheat prices climbed to record highs.

In early November, new export sales plummeted. Record high outstanding export sales suggest that many importers have already purchased their future needs far in advance of normal purchasing patterns. Given the large volume of outstanding sales, large monthly U.S. wheat shipments are expected to continue strong for some months to come, regardless of future price movements.



Source: Census Bureau, U.S. Dept. Commerce, publicly available at: <http://www.fas.usda.gov/ustrade>.

For more information on recent high wheat prices, see: Global Production Shortfalls Bring Record Wheat Prices, Amber Waves, USDA/ERS, November 2007, p. 3; available at: <http://www.ers.usda.gov/AmberWaves/November07/Findings/Global.htm>

# Reliability Tables

Table 6--Reliability of quarterly U.S. export projections, by commodity and quarter

Commodity	Absolute forecast errors					Forecast accuracy					Forecast accuracy
	Fiscal 2007					Fiscal 2007					
	Aug 2006 1/	Nov 2006	Feb 2007	May 2007	Aug 2007 2/	Aug 2006 1/	Nov 2006	Feb 2007	May 2007	Aug 2007 2/	
<b>Export value</b>	Percent					"X" if error < 5%					Percent
Grains and feeds	21	9	6	7	5	-	-	-	-	X	20
Wheat	28	23	23	17	9	-	-	-	-	-	0
Rice	0	0	8	0	0	X	X	-	X	X	80
Coarse grains	24	2	2	2	3	-	X	X	X	X	80
Corn	24	0	3	0	2	-	X	X	X	X	80
Feeds and fodders	11	11	3	6	3	-	-	X	-	X	40
Oilseeds and products	19	9	7	8	4	-	-	-	-	X	20
Soybeans	19	8	8	8	5	-	-	-	-	X	20
Soybean meal	21	11	0	5	5	-	-	X	-	-	20
Soybean oil	50	33	17	17	17	-	-	-	-	-	0
Livestock, poultry, and dairy	18	13	10	9	6	-	-	-	-	-	0
Livestock products	15	8	6	6	6	-	-	-	-	-	0
Beef and veal	11	0	0	11	5	-	X	X	-	-	40
Pork	15	4	0	4	0	-	X	X	X	X	80
Beef and pork variety meats	0	0	0	0	0	X	X	X	X	X	100
Hides, skins, and furs	18	9	9	0	0	-	-	-	X	X	40
Poultry and products	16	18	16	11	8	-	-	-	-	-	0
Broiler meat	16	20	16	12	8	-	-	-	-	-	0
Dairy products	32	28	24	24	8	-	-	-	-	-	0
Tobacco, unmanufactured	0	0	9	9	0	X	X	-	-	X	60
Cotton	19	16	5	9	0	-	-	X	-	X	40
Planting seeds	0	0	0	0	0	X	X	X	X	X	100
Horticultural products	3	3	1	1	1	X	X	X	X	X	100
Fruits and vegetables, fresh	4	2	4	4	0	X	X	X	X	X	100
Fruits & veget., processed	7	7	7	7	5	-	-	-	-	X	20
Tree nuts	17	14	3	3	0	-	-	X	X	X	60
Sugar and tropical products	11	9	6	3	0	-	-	-	X	X	40
Major bulk products	10	2	2	0	3	-	X	X	X	X	80
Total agricultural exports	12	6	5	5	4	-	-	X	-	X	40
Average error and accuracy	15	9	7	6	4	21%	38%	48%	41%	69%	43
<b>Export volume</b>											
Wheat	13	9	13	8	7	-	-	-	-	-	0
Rice	6	12	9	3	3	-	-	-	X	X	40
Coarse grains	0	2	2	0	3	X	X	X	X	X	100
Corn	1	3	4	2	2	X	X	X	X	X	100
Feeds and fodders	1	0	1	7	4	X	X	X	-	X	80
Soybeans	2	3	1	3	1	X	X	X	X	X	100
Soybean meal	13	4	1	5	3	-	X	X	X	X	80
Soybean oil	44	33	22	22	22	-	-	-	-	-	0
Beef and veal	0	25	25	0	0	X	-	-	X	X	60
Pork	10	0	10	10	0	-	X	-	-	X	40
Beef and pork variety meats	20	0	0	0	0	-	X	X	X	X	80
Broiler meat	0	0	0	4	4	X	X	X	X	X	100
Tobacco, unmanufactured	0	0	0	0	0	X	X	X	X	X	100
Cotton	13	13	6	3	3	-	-	-	X	X	40
Major bulk products	3	0	2	2	3	X	X	X	X	X	100
Average error and accuracy	8	7	6	5	4	53%	67%	60%	73%	87%	68

1/ Forecast made for following fiscal year, with 15 months out. 2/ Forecast made for current fiscal year, with 3 months remaining in current fiscal year.



Table 7--Reliability of quarterly U.S. export projections, by country and quarter

Country/region	Absolute forecast errors					Forecast accuracy					Forecast accuracy
	Fiscal 2007					Fiscal 2007					
	Aug 2006 1/	Nov 2006	Feb 2007	May 2007	Aug 2007 2/	Aug 2006 1/	Nov 2006	Feb 2007	May 2007	Aug 2007 2/	
<b>Export value</b>	Percent					"X" if error < 5%					Percent
Asia	10	3	2	5	2	-	X	X	X	X	80
East Asia	8	3	3	1	1	-	X	X	X	X	80
Japan	14	6	4	4	4	-	-	X	X	X	60
China	6	20	17	7	7	-	-	-	-	-	0
Hong Kong	9	9	9	9	9	-	-	-	-	-	0
Taiwan	14	7	7	7	7	-	-	-	-	-	0
South Korea	22	6	6	0	0	-	-	-	X	X	40
Southeast Asia	19	33	23	21	5	-	-	-	-	X	20
Indonesia	36	21	14	7	7	-	-	-	-	-	0
Philippines	20	20	10	10	10	-	-	-	-	-	0
Malaysia	0	0	0	0	0	X	X	X	X	X	100
Thailand	25	38	13	13	0	-	-	-	-	X	20
South Asia	40	30	30	30	20	-	-	-	-	-	0
Western Hemisphere	9	3	2	2	2	-	X	X	X	X	80
North America	7	2	0	0	1	-	X	X	X	X	80
Canada	6	0	2	2	1	-	X	X	X	X	80
Mexico	8	3	2	2	2	-	X	X	X	X	80
Caribbean	8	4	4	4	4	-	X	X	X	X	80
Central America	14	5	5	5	5	-	X	X	X	X	80
South America	20	10	17	13	17	-	-	-	-	-	0
Brazil	25	0	25	25	25	-	X	-	-	-	20
Colombia	18	0	0	0	9	-	X	X	X	-	60
Venezuela	20	20	0	0	20	-	-	X	X	-	40
Europe and Eurasia	15	11	8	8	7	-	-	-	-	-	0
European Union-27	19	11	9	7	5	-	-	-	-	X	20
Other Europe	100	67	67	33	33	-	-	-	-	-	0
FSU-12	21	29	21	21	29	-	-	-	-	-	0
Russia	9	18	18	18	9	-	-	-	-	-	0
Middle East	24	21	21	17	10	-	-	-	-	-	0
Turkey	29	29	29	14	14	-	-	-	-	-	0
Saudi Arabia	0	20	0	0	0	X	-	X	X	X	80
Africa	24	14	14	14	7	-	-	-	-	-	0
North Africa	38	23	19	19	8	-	-	-	-	-	0
Egypt	38	25	25	25	0	-	-	-	-	X	20
Sub-Sahara	0	6	6	6	6	X	-	-	-	-	20
Oceania	22	11	11	11	11	-	-	-	-	-	0
Transshipments	67	67	67	67	67	-	-	-	-	-	0
World	12	6	5	5	4	-	-	X	-	X	40
Average error and accuracy	20	16	14	11	10	8%	29%	37%	37%	45%	31

1/ Forecast made for following fiscal year, with 15 months out. 2/ Forecast made for current fiscal year, with 3 months remaining in current fiscal year.

Table 8--Reliability of quarterly U.S. import projections, by commodity and quarter

Commodity	Absolute forecast errors					Forecast accuracy					Forecast accuracy
	Fiscal 2007					Fiscal 2007					
	Aug 2006 1/	Nov 2006	Feb 2007	May 2007	Aug 2007 2/	Aug 2006 1/	Nov 2006	Feb 2007	May 2007	Aug 2007 2/	
<b>Import value</b>	Percent					"X" if error < 5%					
Livestock, dairy, and poultry	5	0	3	3	1	X	X	X	X	X	100
Livestock and meats	1	1	3	3	0	X	X	X	X	X	100
Cattle and calves	24	6	18	12	6	-	-	-	-	-	0
Swine	17	17	0	0	0	-	-	X	X	X	60
Beef and veal	3	6	3	0	0	X	-	X	X	X	80
Pork	8	8	0	8	0	-	-	X	-	X	40
Dairy products	0	4	4	4	4	X	X	X	X	X	100
Cheese	9	9	0	0	0	-	-	X	X	X	60
Grains and feed	13	13	5	0	0	-	-	X	X	X	60
Grain products	8	8	5	0	0	-	-	-	X	X	40
Oilseeds and products	15	13	3	0	3	-	-	X	X	X	60
Vegetable oils	11	7	0	4	0	-	-	X	X	X	60
Horticulture products	3	4	0	1	1	X	X	X	X	X	100
Fruits--fresh	7	7	4	2	0	-	-	X	X	X	60
Fruits--processed	50	18	6	0	3	-	-	-	X	X	40
Fruit juices	31	31	13	0	6	-	-	-	X	-	20
Nuts and preparations	0	0	0	0	0	X	X	X	X	X	100
Vegetables--fresh	2	2	2	2	0	X	X	X	X	X	100
Vegetables--prep.or pres.	10	6	0	3	3	-	-	X	X	X	60
Wine	2	2	0	2	0	X	X	X	X	X	100
Malt beverages	3	5	3	5	5	X	-	X	-	-	40
Essence oils	13	4	4	4	0	-	X	X	X	X	80
Cut flowers & nursery stock	0	0	0	0	0	X	X	X	X	X	100
Sugar and tropical products	7	9	6	4	2	-	-	-	X	X	40
Cane and beet sugar	125	125	75	13	13	-	-	-	-	-	0
Confections	8	8	0	8	8	-	-	X	-	-	20
Cocoa and chocolate	0	4	4	4	4	X	X	X	X	X	100
Coffee beans and products	11	8	3	0	3	-	-	X	X	X	60
Rubber--natural	0	10	10	5	0	X	-	-	X	X	60
Other imports	7	7	0	0	0	-	-	X	X	X	60
Total agricultural imports	2	1	0	1	1	X	X	X	X	X	100
Average error and accuracy	13	11	6	3	2	42%	35%	77%	84%	84%	65
<b>Import volume</b>											
Wine (HL)	0	0	0	0	0	X	X	X	X	X	100
Malt beverages (HL)	6	3	3	9	9	-	X	X	-	-	40
Cattle and calves	9	4	4	4	0	-	X	X	X	X	80
Swine	5	6	5	1	1	-	-	-	X	X	40
Beef and veal--fresh	10	10	10	0	0	-	-	-	X	X	40
Pork--fresh	25	25	25	25	0	-	-	-	-	X	20
Fruits--fresh	5	6	3	8	0	X	-	X	-	X	60
Fruits--processed	7	0	0	0	0	-	X	X	X	X	80
Vegetables--fresh	2	2	2	9	0	X	X	X	-	X	80
Vegetables--prep.or pres.	7	7	0	3	0	-	-	X	X	X	60
Vegetable oils	4	0	8	8	0	X	X	-	-	X	60
Cocoa and chocolate	18	18	18	18	18	-	-	-	-	-	0
Coffee beans	0	7	0	0	0	X	-	X	X	X	80
Rubber--natural	20	10	10	0	0	-	-	-	X	X	40
Average error and accuracy	8	7	6	6	2	36%	43%	57%	57%	86%	56

1/ Forecast made for following fiscal year, with 15 months out. 2/ Forecast made for current fiscal year, with 3 months remaining in current fiscal year.

Table 9--Reliability of quarterly U.S. import projections, by country and quarter

Country/region	Absolute forecast errors					Forecast accuracy					Forecast accuracy
	Fiscal 2007					Fiscal 2007					
	Aug 2006 1/	Nov 2006	Feb 2007	May 2007	Aug 2007 2/	Aug 2006 1/	Nov 2006	Feb 2007	May 2007	Aug 2007 2/	
<b>Import value</b>	Percent					"X" if error < 5%					
Western Hemisphere	0	1	1	1	1	X	X	X	X	X	100
Canada	2	1	4	2	2	X	X	X	X	X	100
Mexico	3	4	1	2	2	X	X	X	X	X	100
Central America	0	3	3	0	0	X	X	X	X	X	100
Costa Rica	8	17	17	8	8	-	-	-	-	-	0
Guatemala	0	0	0	0	0	X	X	X	X	X	100
Other Central America	11	11	11	11	11	-	-	-	-	-	0
Caribbean	20	0	0	0	0	-	X	X	X	X	80
South America	0	1	1	2	2	X	X	X	X	X	100
Brazil	0	0	4	0	0	X	X	X	X	X	100
Chile	0	0	11	11	11	X	X	-	-	-	40
Colombia	7	7	7	7	7	-	-	-	-	-	0
Other South America	0	3	0	0	0	X	X	X	X	X	100
Europe and Eurasia	3	3	1	3	3	X	X	X	X	X	100
European Union-25	3	3	0	2	2	X	X	X	X	X	100
Other Europe	20	20	0	0	0	-	-	X	X	X	60
Asia	6	6	1	4	4	-	-	X	X	X	60
East Asia	13	13	5	3	3	-	-	-	X	X	40
China	18	18	7	4	4	-	-	-	X	X	40
Other East Asia	0	0	0	0	0	X	X	X	X	X	100
Southeast Asia	2	2	3	3	3	X	X	X	X	X	100
Indonesia	21	21	16	11	11	-	-	-	-	-	0
Thailand	13	13	0	0	0	-	-	X	X	X	60
Other Southeast Asia	8	8	4	0	0	-	-	X	X	X	60
South Asia	0	0	8	8	8	X	X	-	-	-	40
India	0	0	9	0	0	X	X	-	X	X	80
Oceania	2	2	0	2	2	X	X	X	X	X	100
Australia	0	4	0	0	0	X	X	X	X	X	100
New Zealand	6	6	6	6	6	-	-	-	-	-	0
Africa	0	7	14	14	14	X	-	-	-	-	20
Sub-Sahara	0	0	8	17	17	X	X	-	-	-	40
Ivory Coast	0	0	0	20	20	X	X	X	-	-	60
Middle East	13	0	0	0	0	-	X	X	X	X	80
Turkey	20	0	0	0	0	-	X	X	X	X	80
Average error and accuracy	6	5	4	4	4	59%	65%	65%	71%	71%	66

1/ Forecast made for following fiscal year, with 15 months out. 2/ Forecast made for current fiscal year, with 3 months remaining in current fiscal year.



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# **Energizing Rural America in the Global Marketplace**

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