

FY 2010 & 2011 U.S. Agricultural Trade Forecasts

Initial FY 2011 Forecasts

Exports = \$113 billion

Imports = \$81.5 billion

Surplus = \$31.5 billion

Changes Since May in 2010 Forecast

Exports ↑ \$3.0 billion to \$107.5 billion

Imports ↑ \$0.5 billion to \$77.0 billion

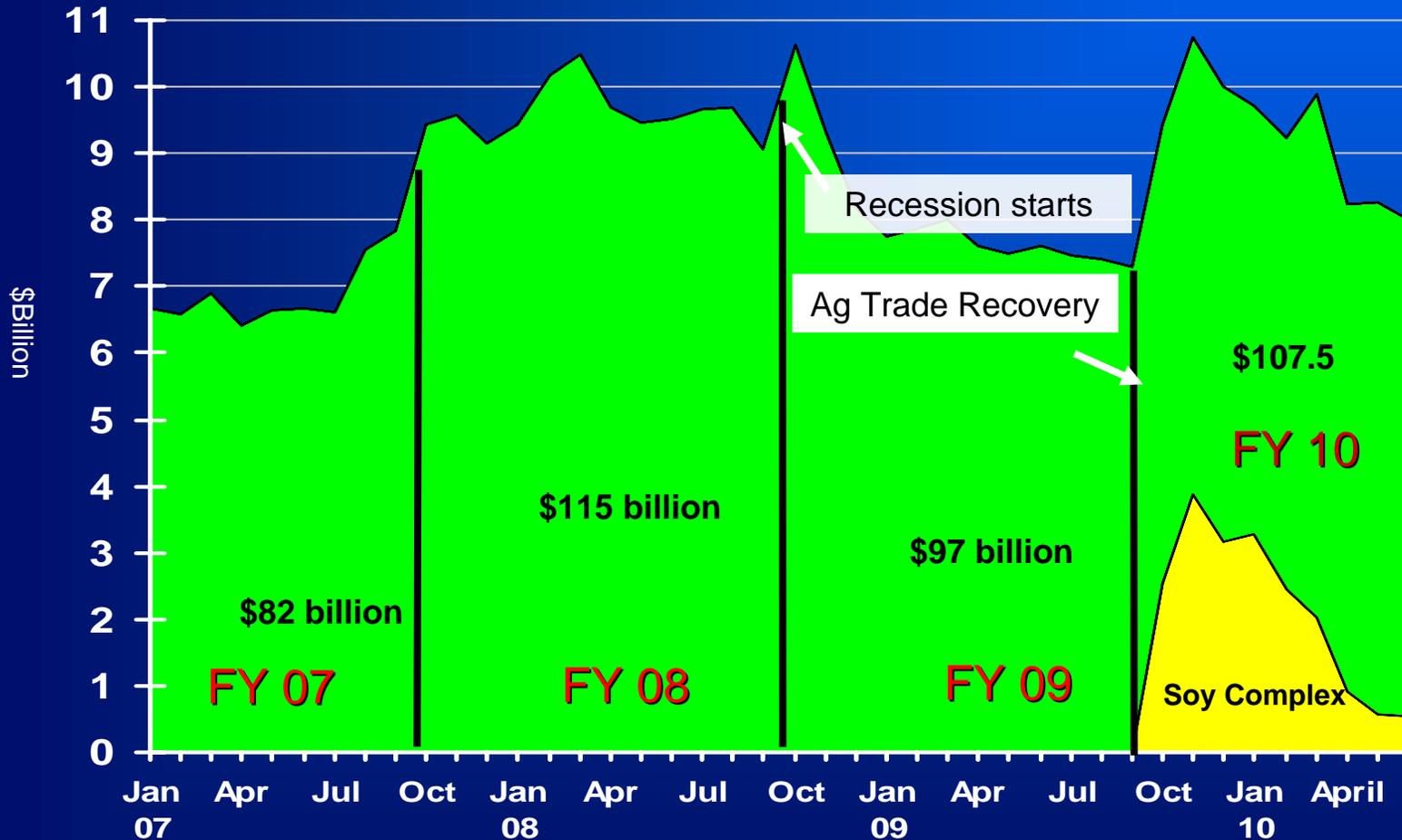
Surplus ↑ \$2.5 billion to \$30.5 billion

USDA's "Outlook for U.S. Agricultural Trade"
Released on August 31, 11:00 am EST

Slides prepared by Office of Global Analysis/FAS

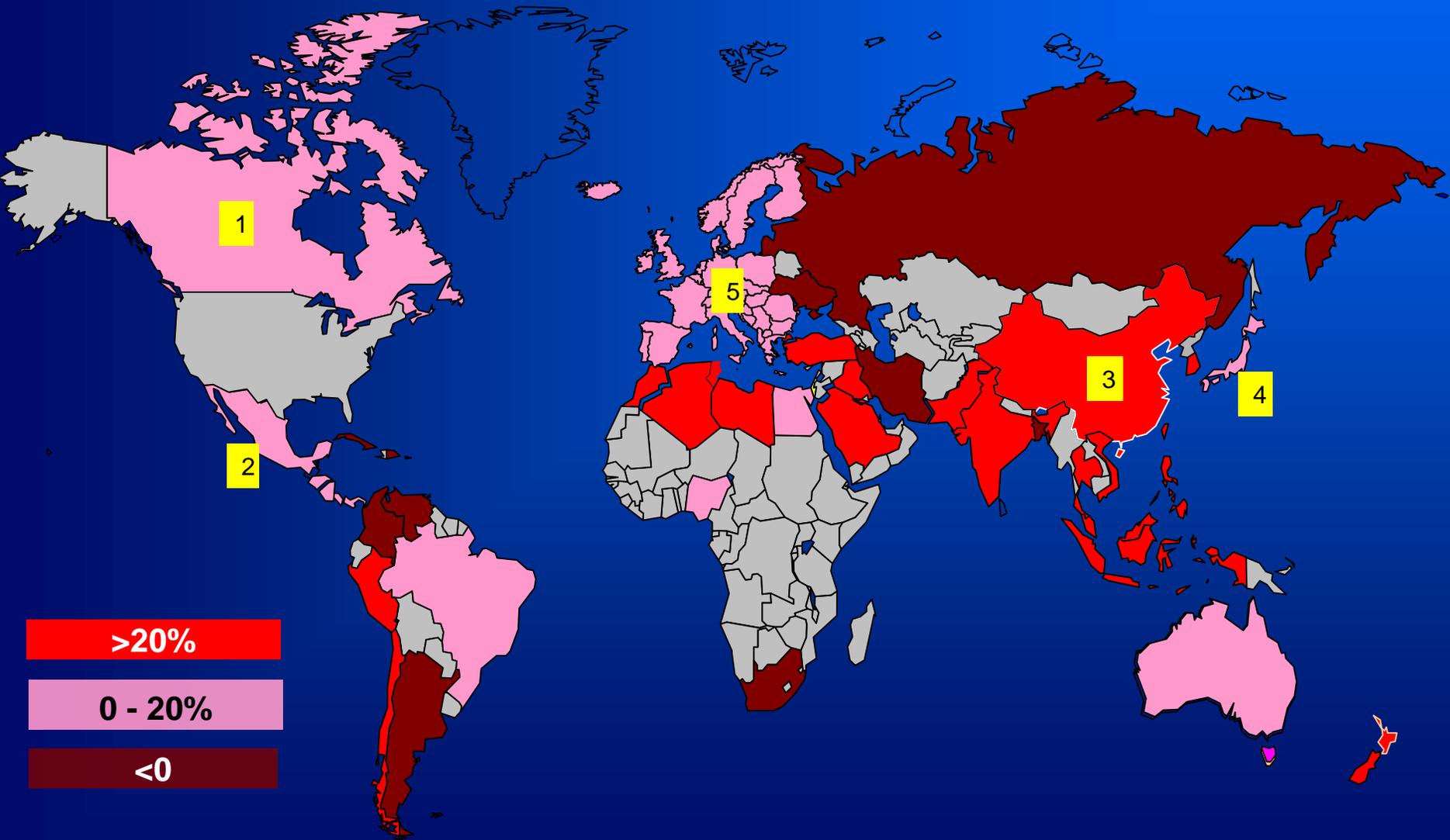
U.S. Agricultural Exports by Month

Exports Fall in Third Quarter with Soybeans but Remains Strong



Exports Strong to China and S.E. Asia

Change (Oct-June) FY 09 – FY 10



U.S. Agricultural Trade

Reduced competition and strong grain prices lead exports higher to \$113 billion while surplus expands to \$31.5 billion



FY 2011 Exports

Increased demand for grains, horticultural products and cotton will lead to higher exports in FY 2011

Exports  \$5.5 billion to 113 billion – second highest ever

Grains, Oilseeds & Cotton

 Wheat, Coarse Grains & Rice – higher prices and reduced competition

 Soybeans – lower prices and increased competition

 Cotton – large domestic crop and tighter competitor supplies

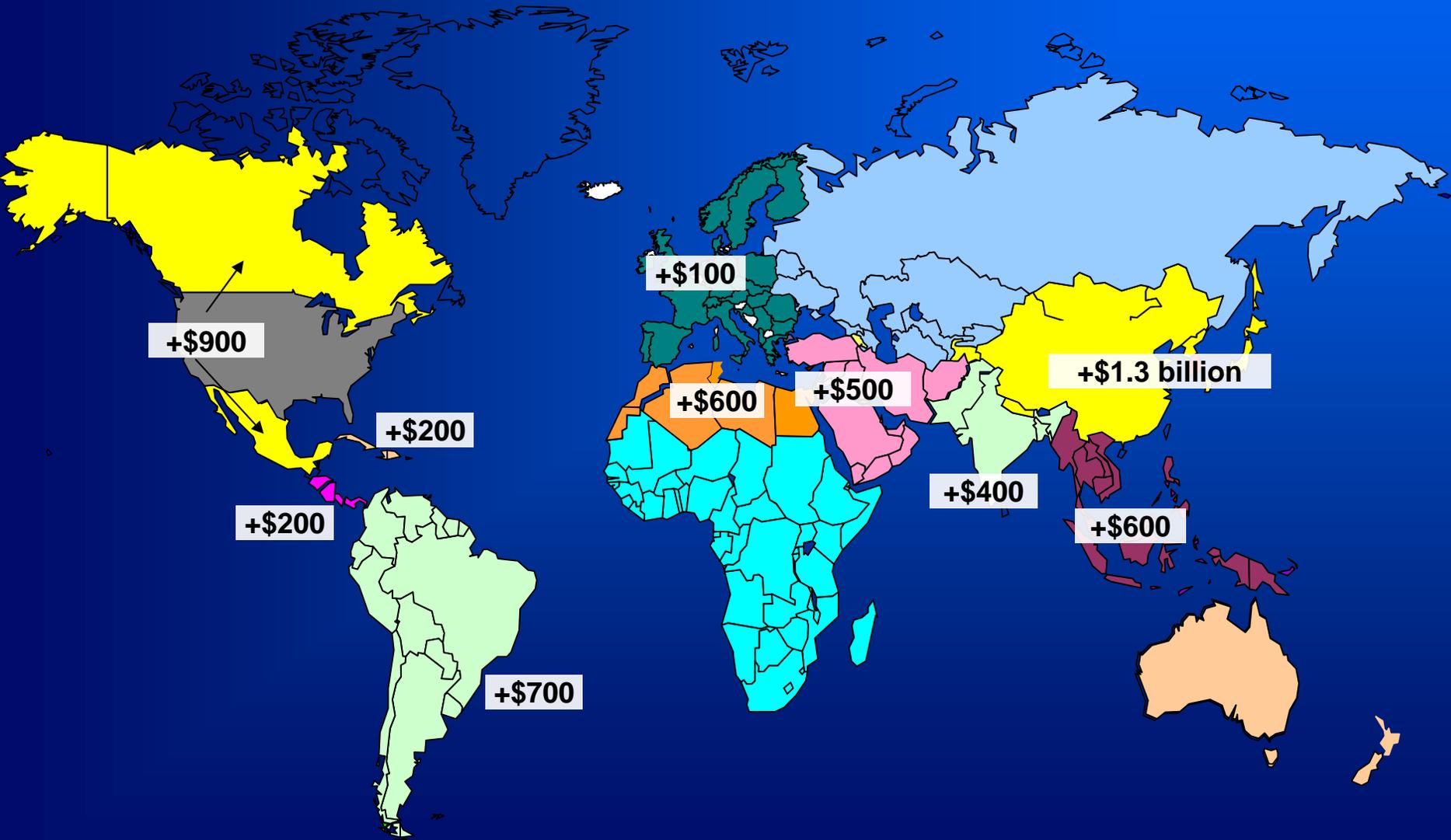
Livestock & Horticultural Products

 Livestock & Products – up as greater meat, livestock, and poultry outweigh lower dairy exports

 Horticultural Products – up on greater demand from Canada, Japan, and EU

Exports Up to North America in FY 2011

Total exports in FY 2011 forecast up \$5.5 billion over FY 2010



Export Outlook for Grain & Feed Products

Initial FY 2011 Forecast: \$31.5 Billion
Revised FY 2010 Forecast: \$27.2 Billion  \$1.2 Billion

2011 Key Developments

- Wheat exports and value up due to shrinking exportable supplies in Russia, Ukraine, Kazakhstan, and Canada
- Corn exports and value up on tighter global supplies of feed-quality wheat and coarse grains elsewhere

Wild Cards

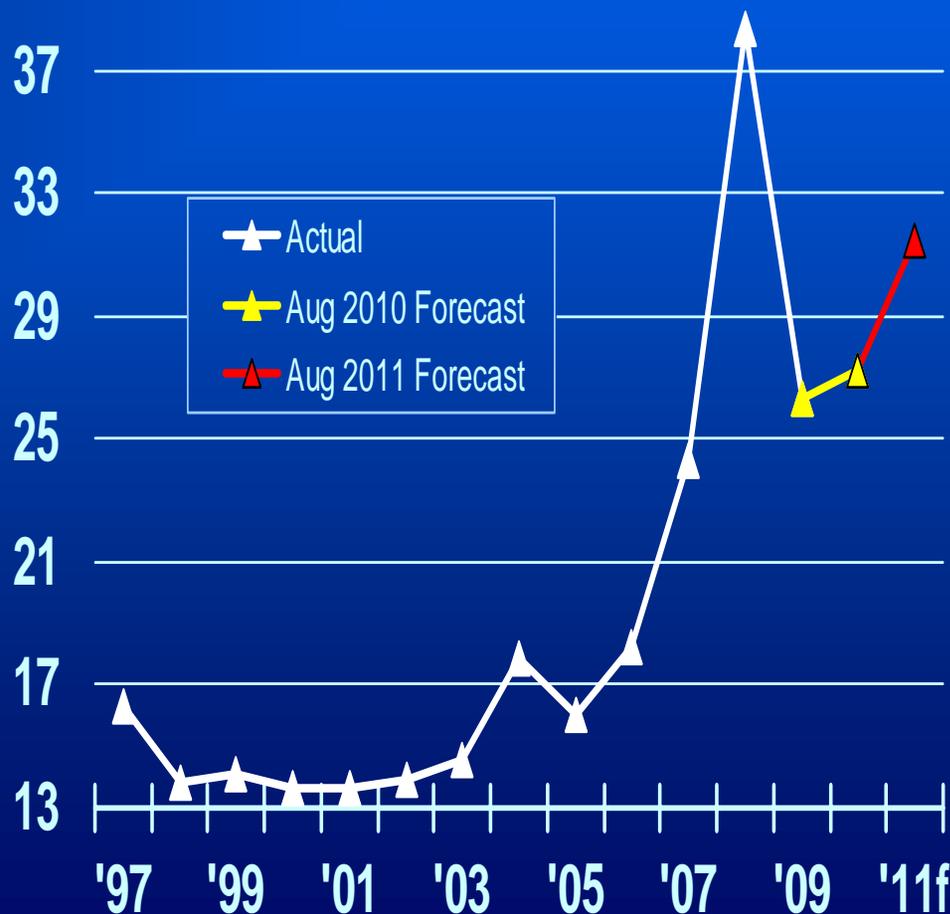
- Crops in Russia, Kazakhstan, Argentina, and Australia
- Government interference

2010 Key Developments

- Stronger exports of wheat, corn, and distillers dried grains

Export Value (\$Bil)

Includes corn gluten feed/meal



Export Outlook for Oilseeds & Products

Initial FY 2011 Forecast: \$21.8 Billion
Revised FY 2010 Estimate: \$24.6 Billion  \$200 million

2011

Key Developments

- Soybean export value down due to record global production and increased competition from South America.
- Soybean meal export value falls due to larger supplies from South America.
- Soybean oil prices stronger as other vegetable oil supplies tighten.

Wild Cards

- South American crop prospects
- China demand

2010

Key Developments

- Stronger late season soybean sales to China push soybean exports higher.



Export Outlook for Cotton

Initial FY 2011 Forecast: \$6.0 Billion

Revised FY 2010 Estimate: \$4.8 Billion  \$200 Million

2011

Key Developments

- Export volume up sharply due to higher production and weaker competition from major exporters
- Unit values are up slightly on stronger global demand and tighter world stocks

Wild Cards

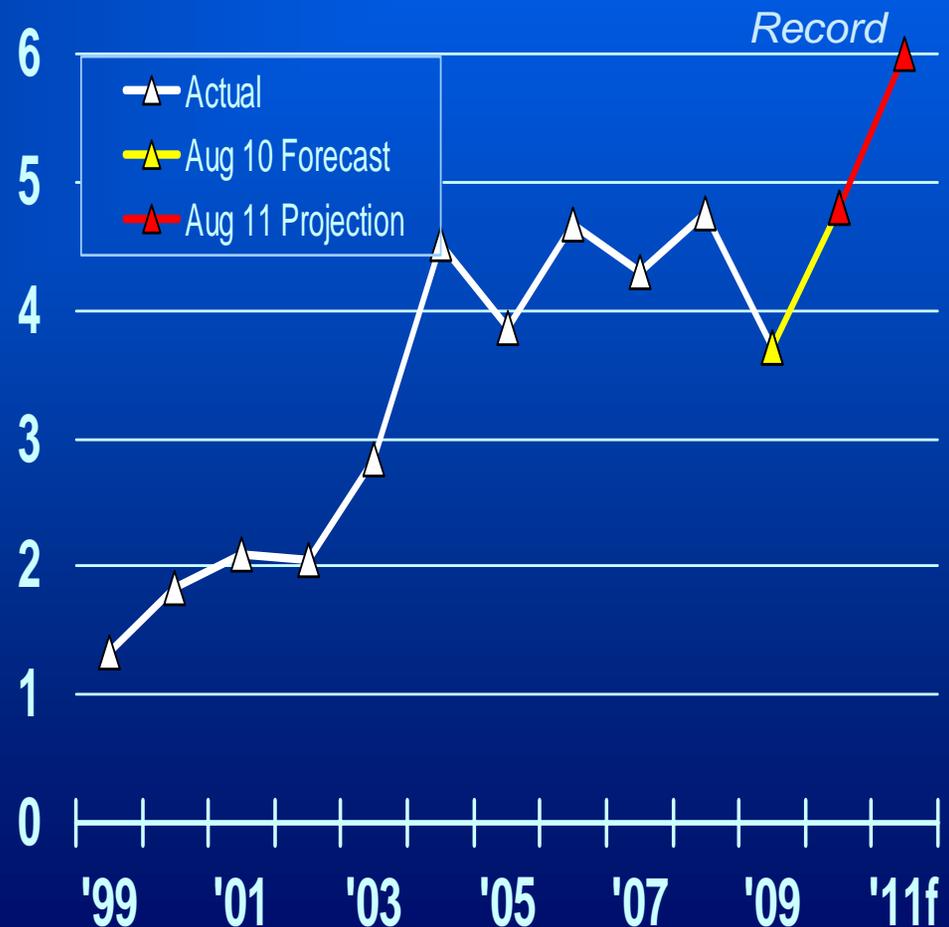
- U.S./foreign crops
- Global economic recovery

2010

Key Developments

- Unit volume and values up slightly

Export Value (\$Bil)



Export Outlook for Dairy, Livestock & Poultry

Initial FY 2011 Forecast: \$21.8 Billion

Revised FY 2010 Estimate: \$21.2 Billion  \$900 Million

2011

Key Developments

- Pork higher on robust demand from Asian and North American markets
- Beef up slightly on higher prices despite lower volumes
- Poultry up slightly on improved global economic outlook
- Dairy down due to increased competition from Oceania

Wild Cards

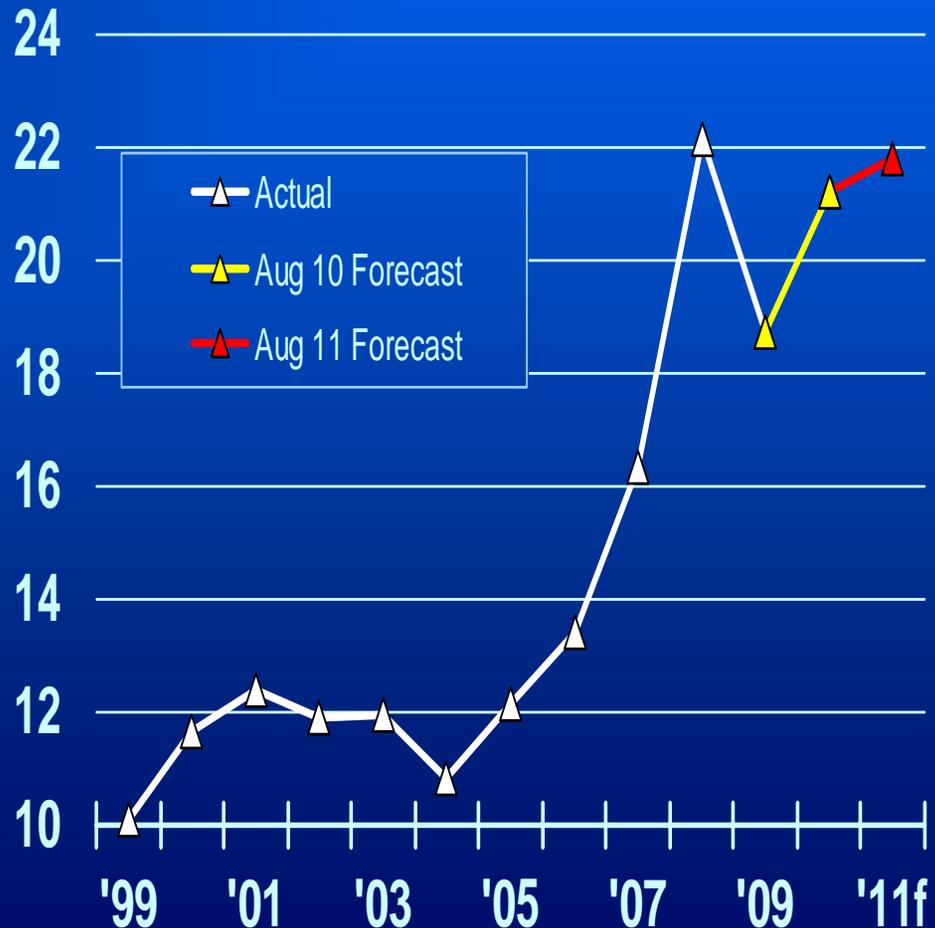
- Changes in BSE protocols
- Ongoing SPS trade irritants

2010

Key Developments

- Poultry raised on higher demand from secondary markets
- Beef and pork raised slightly on continued economic recovery

Export Value (\$Bil)



Export Outlook for Horticultural Products

Initial FY 2011 Forecast: \$24.5 Billion

Revised FY 2010 Estimate: \$22.8 Billion  \$300 Million

2011

Key Developments

- Long-term growth trend resumes
- Strong exports to Canada, EU, and Japan
- Expanding Asian demand for tree nuts

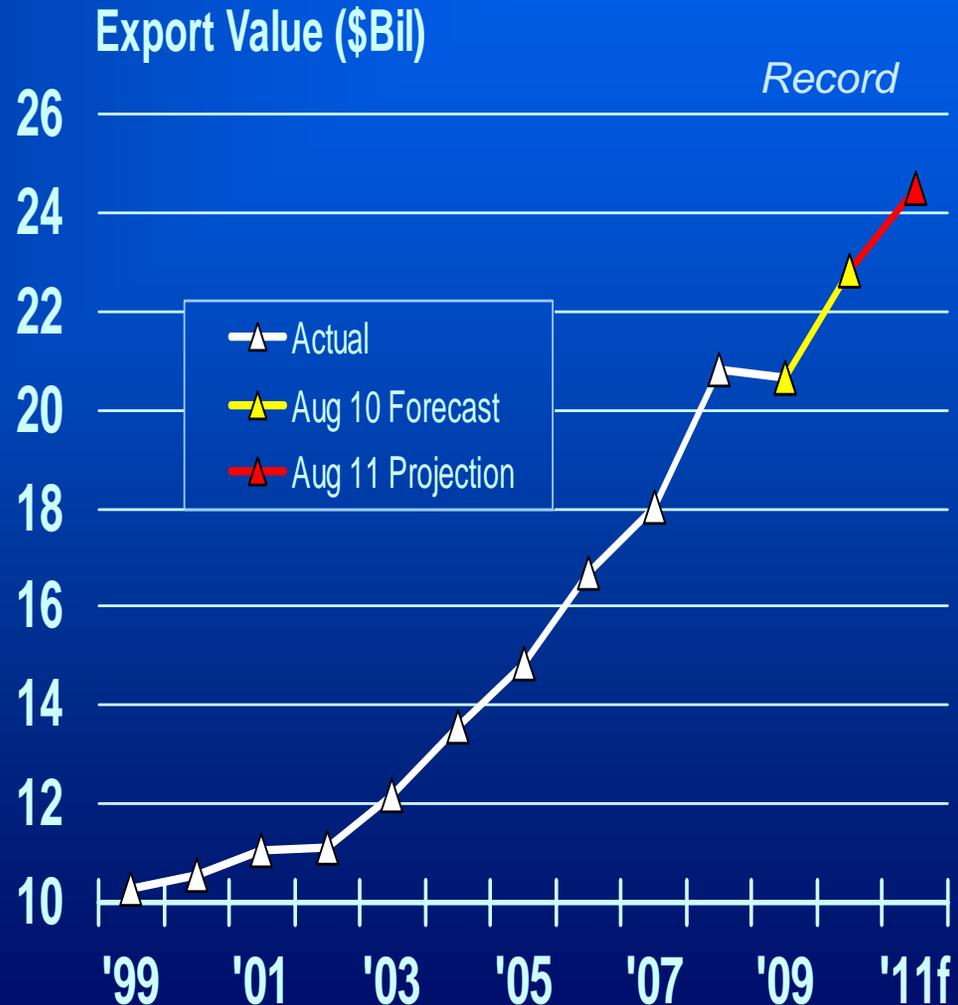
Wild Cards

- Exports to Mexico to remain flat?

2010

Key Developments

- Stronger demand from Canada and EU



FY 2011 Imports

Imports are forecast up 6 percent from 2010 on improving demand and high prices for tropical and horticultural products

Imports ↑ \$4.5 billion to a record 81.5 billion

Tropical Products ↑ \$1.0 billion – coffee beans, coconut oil, & rubber prices forecast up

Horticultural Products ↑ \$2.1 billion – higher fresh fruit, vegetable, and beer imports

Grain and Oilseeds ↑ \$800 million – stronger veg. oils and grain products

Livestock, Dairy, & Poultry ↑ \$500 million – Recovering demand for several products