

OUTLOOK for

U.S. Agricultural Trade



Approved by the
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Economic Research Service,
and Foreign Agricultural Service,
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FISCAL 1999 AGRICULTURAL EXPORTS FORECAST TO FALL BELOW \$50 BILLION

U.S. agricultural exports in fiscal 1999 are forecast at \$49 billion, down \$1.5 billion from the November estimate and \$4.6 billion below fiscal 1998. Weak world demand and large world supplies largely account for the decline. Excluding Mexico, year-to-year declines are forecast in all major markets. Soybean and soybean product exports are forecast down almost \$3.5 billion from last year, as both volume and prices have fallen. The severe decline in U.S. production and weak world prices have sharply reduced U.S. cotton exports. The decline in exports of poultry meat from 1998 largely reflects reduced Russian imports and lower prices. Other major export commodities are forecast to record minor changes in value from 1998 as declining prices are offset by increasing volume. For example, the volume of corn exports is forecast up 17 percent, to 44 million tons, while the value is virtually unchanged at \$4.3 billion.

U.S. agricultural imports are forecast to be \$38 billion in fiscal 1999, up \$1 billion from 1998. Most of the increase is accounted for by horticultural products. The agricultural trade surplus, forecast at \$11 billion, is the lowest since 1987.

As of this issue, this publication is renamed Outlook for U.S. Agricultural Trade from Outlook for U.S. Agricultural Exports, reflecting the increased emphasis on imports.

Table 1--U.S. agricultural trade, fiscal years, 1994-1999
-- Year ending September 30 --

Item	1994	1995	1996	1997	1998	1999 Projected Nov.	Feb.
--Billion dollars--							
Exports	43.9	54.6	59.8	57.3	53.6	50.5	49.0
Imports	26.6	29.9	32.6	35.8	37.0	38.5	38.0
Balance	17.3	24.7	27.2	21.5	16.6	12.0	11.0
--Million metric tons --							
Ex. volume	127.5	169.7	158.4	147.3	142.0	149.8	146.7

This outlook reflects commodity forecasts in the Feb. 10, 1999, World Agricultural Supply and Demand Estimates.

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The Outlook for U.S. Agricultural Trade is published in February, May/June, August, and November/December. **The next summary will be released June 2, 1999.** The summary and the full report may be accessed electronically at <http://www.econ.ag.gov> or call (202)694-5050.

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Commodity Highlights

The forecast for fiscal 1999 exports of U.S. wheat and flour is lowered \$300 million from November to \$3.9 billion. Swamping an upward adjustment in wheat flour export volume, the forecast for wheat shipments is reduced 3 million tons to 28.5 million tons. The average export price for all wheat remains unchanged at \$130/ton. This outlook still reflects a year-over-year increase in wheat export volume although not as large as envisioned in November. Since then, world import demand was reduced and Argentina is now expected to export more.

Table 2--U.S. agricultural exports: Value by commodity, 1997-1999

Commodity	October-December 1997	October-December 1998	Fiscal 1998	Fiscal 1999 Projected Nov.	1999 Feb.

--Billion dollars--					
Grains and feeds 1/	3.851	3.910	14.109	13.9	13.8
Wheat & flour	1.096	1.045	3.887	4.2	3.9
Rice	0.276	0.353	1.134	1.0	1.1
Coarse grains 2/	1.399	1.402	4.990	4.7	4.8
Corn	1.159	1.279	4.261	4.2	4.3
Feeds and fodders	0.650	0.621	2.411	2.3	2.3
Oilseeds and products	4.683	3.151	11.090	9.3	8.6
Soybeans	3.226	1.945	6.117	5.1	4.7
Soybean meal	0.637	0.328	1.944	1.4	1.2
Soybean oil	0.231	0.258	0.881	0.8	0.7
Livestock products	2.095	1.901	7.626	8.1	7.9
Beef, pork & variety meats	1.080	0.974	4.045	4.5	4.2
Hides & skins, incl. furs	0.354	0.255	1.358	1.5	1.4
Poultry & products	0.727	0.549	2.712	2.3	2.3
Poultry meat	0.632	0.461	2.347	1.8	1.9
Dairy products	0.236	0.224	0.897	0.9	0.9
Tobacco, unmanufactured	0.373	0.384	1.448	1.4	1.4
Cotton & linters	0.656	0.681	2.537	1.6	1.4
Seeds	0.253	0.254	0.838	0.9	0.9
Horticultural products	2.820	2.763	10.318	10.1	10.0
Fruits & preparations	0.842	0.823	3.202	3.0	2.9
Vegetables & preparations	0.714	0.740	2.805	2.8	2.8
Tree nuts & preparations	0.458	0.414	1.215	1.3	1.3
Sugar, tropical, and other	0.537	0.516	2.054	2.0	1.9
Total 3/	16.231	14.333	53.629	50.5	49.0

1/ Includes pulses and corn products. 2/ Includes corn, barley, sorghum, oats, and rye. 3/ Totals might not add due to rounding.

U.S. coarse grain exports are raised 1.2 million tons and \$100 million to 49.4 million tons valued at \$4.8 billion. The export forecast for corn is increased 1.5 million tons to 44 million tons and, with the export price of \$98/ton unchanged, export value is raised \$100 million to \$4.3 billion. Partially offsetting corn volume gains, sorghum exports are reduced 200,000 tons since Japan is expected to shift to corn. The outlook for U.S. corn exports has improved since November with upward revisions in demand from Japan, Korea, and Malaysia and reduced competition from Argentina.

Fiscal 1999 rice exports are forecast to reach 3.2 million tons valued at \$1.1 billion. This represents a 200,000-ton increase from the November estimate. Export value is restrained due to somewhat lower prices, the result of a larger proportion of rough rice shipments and generally reduced world rice prices. U.S. export volume is increased due to larger shipments to Brazil.

Reflecting downward adjustments to both export volume and prices, fiscal 1999 U.S. oilseed and products exports are lowered 1.3 million tons and nearly \$800 million to 33.8 million tons valued at \$8.6 billion. Soybean exports are reduced 800,000 tons and \$400 million to 22.3 million tons valued at \$4.7 billion. This reflects an average export price of \$212/ton for soybeans, 4.5 percent lower than the November

Table 3--U.S. agricultural exports: Volume by commodity, 1997-99

Commodity	October-December		Fiscal 1998	Fiscal 1999	
	1997	1998		Projected Nov.	Feb.
-----Million metric tons-----					
Wheat	6.729	7.827	25.800	31.5	28.5
Wheat flour	0.141	0.246	0.459	0.5	0.6
Rice	0.734	1.147	3.315	3.0	3.2
Coarse grains 1/	11.597	14.252	43.960	48.2	49.4
Corn	9.596	13.015	37.697	42.5	44.0
Feeds & fodders	3.058	3.129	11.688	11.9	11.9
Oilseeds and products	15.564	12.362	36.018	35.1	33.8
Soybeans	12.063	9.052	23.287	23.1	22.3
Soybean meal	2.359	1.924	8.464	7.8	7.2
Soybean oil	0.381	0.413	1.396	1.2	1.2
Beef, pork & variety meats	0.398	0.390	1.559	1.7	1.7
Poultry meat	0.688	0.562	2.663	2.3	2.3
Animal fats	0.232	0.187	1.365	1.3	1.3
Cotton & linters	0.401	0.462	1.602	1.0	0.9
Horticultural products	1.956	1.971	7.414	7.3	7.1
Other	1.641	1.876	6.169	6.0	6.0
Total agriculture	43.139	44.411	142.012	149.8	146.7
Major bulk products 2/	31.524	32.740	97.964	106.8	104.3

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

estimate. Also due to lower shipments and export prices, soybean meal and oil exports are reduced to \$1.2 billion and \$7.2 billion, respectively. Large upward revisions in 1998 and 1999 Brazilian and Argentine soybean crops forced increases in South American oilseed ending stocks and exports. Rising global supplies, increased foreign competition, and weak global demand have weakened the export outlook for U.S. soybeans and meal. Improved rainfall in Southeast Asia will lead to some palm oil output recovery, which is expected to lower U.S. soybean oil shipments and export prices.

The forecast for fiscal 1999 U.S. cotton exports is lowered to more than 900,000 tons valued at \$1.4 billion. This revision largely reflects continued weakness in foreign demand for cotton. A case in point is Turkey. Faced with increased competition from Asian textiles and a slowing economy, Turkey's import demand for cotton is reduced nearly 1 million 480-lb bales since November.

The fiscal 1999 forecast for U.S. exports of livestock, poultry, and dairy products is lowered \$200 million from November to \$11.1 billion. The forecast for beef and pork shipments remains unchanged at 1.7 million tons, but downward revisions in export prices reduce export value \$300 million to \$4.2 billion. Large domestic pork supplies continue to pressure U.S. beef and pork prices. At the same time, higher than earlier anticipated cattle inventories and beef production are placing downward pressure on beef prices. Poultry meat shipments remain unchanged at 2.3 million tons, but somewhat stronger prices support a \$60-million increase to \$1.9 billion. There is little change in the export outlook to Russia, but turkey and poultry exports to Mexico were stronger than expected during the first quarter of fiscal 1999. Dairy products remain unchanged at \$900 million.

The fiscal 1999 forecast for U.S. horticultural exports is lowered \$100 million from the November forecast to \$10 billion. This revision is due to an expected reduction in fresh orange exports since a freeze sharply reduced the size of the California orange crop. U.S. fresh orange exports are forecast more than a third lower than last season's record shipments of 645,000 tons. Accordingly, the forecast for fruits and preparations is lowered \$100 million to \$2.9 billion. Forecasts for vegetables and tree nuts remain unchanged at \$2.8 billion and \$1.3 billion, respectively. The outlook for total U.S. horticultural exports assumes continued strong sales to Mexico, and a slowdown in the rapid growth of sales to Canada from the previous year's pace. Japan's economic recession and continued weakness in other Asian economies continue to hamper exports to the Asian region.

Economic Outlook

World economic growth in 1999 will remain low at 2 percent, the same pace as in 1998. The United States and Europe are expected to slow down, but North America will still out-grow most major regions of the world in 1999. Japan's high savings rate and continuing financial problems will keep growth in Japanese consumption and investment spending negative. Conditions in Southeast Asia are slowly improving,

but further contraction is projected in 1999, while improvements occur in 2000. In Latin America, because of Brazil's deep recession resulting from currency devaluation and tighter fiscal and monetary policies, economic growth will be almost zero. Russia's financial collapse dashed previous expectations of recovery in the former Soviet republics.

Japan Remains in Recession in 1999

Despite another fiscal stimulus package late in 1998 of more than \$200 billion, Japanese domestic demand has not budged. Private consumption continues to contract. Business fixed investment is expected to fall again as machinery orders and construction starts continue their decline. Contributing to this decline are higher long-term interest rates as government bond prices have fallen. Since higher rates have boosted the yen's exchange value, the export sector has lost some competitiveness.

Given that fiscal policy has so far failed to revive the Japanese economy, the United States is pushing Japan to loosen its monetary policy. More liquidity will drive down interest rates and weaken the yen, setting the stage for economic recovery in 2000. But a more competitive yen will almost surely increase the U.S. trade deficit with Japan and weaken Japanese demand for U.S. agricultural exports. Furthermore, more competitive Japanese exports will crowd out other Asian exporters and cost them export income, which could be spent on U.S. products.

Brazil's Impact on U.S. Exports

The devaluation of the Brazilian real and the expected worsening recession in Brazil in 1999 will lower most economic growth in South America, particularly with its Mercosur trade partners. The United States exported \$5.4 billion of agricultural products to Latin America (minus Mexico) in fiscal 1998, or 10 percent of total U.S. agricultural exports. Together, Brazil and Argentina imported less than \$1 billion in farm products from the United States last year. Slower growth in other Latin American countries will dampen U.S. farm sales to the region.

Since Brazil is a major exporter of farm commodities, its more competitive currency will generate export gains at the expense of competing U.S. commodities in world markets, further driving down prices. The contagion effect of fewer investment funds heading to Latin American emerging markets also will raise interest rates in those countries, further dampening their domestic and import demand.

Exchange Rates

The dollar appreciated 7.5 percent in inflation-adjusted, trade-weighted terms vis-a-vis foreign currencies in 1998. Since 1996, the dollar has strengthened by 15 percent in overall real exchange value. As economic growth in foreign markets slowed, the U.S. total trade deficit increased markedly and the U.S. agricultural trade surplus diminished sharply.

Given that the dollar appreciated by 28 percent against the developing Pacific-Asian countries since 1997 and this is combined with 2 years of Asian recession, the United States should expect continued weak demand from this prime market for U.S. agricultural exports. Against Latin American currencies, the inflation-adjusted dollar actually depreciated slightly over the past 2 years because of managed exchange rates and in 1998 overvaluation of currencies like the Brazilian real. Nevertheless, the real's devaluation and weaker economies in neighboring countries offset the dollar's competitiveness gained since 1997.

U.S. exporters also should not expect much help from major markets in Europe, Japan, and Canada. The dollar appreciated 14 percent against the European currencies and 40 percent against the Japanese yen since 1996, and 35 percent against the Canadian dollar since 1992. But, the dollar gained only 1 percent in real terms against the Mexican peso in 1998 despite almost a 16-percent nominal appreciation because Mexico's inflation rate kept pace with the peso's nominal depreciation.

Forecasts call for a gradual depreciation of the dollar in 1999 and 2000 as foreign markets slowly recover, as investment funds trickle back to emerging markets, and as expected returns on U.S. equities and other assets shrink. The dollar is expected to stabilize against major Asian currencies, depreciate marginally against the euro, depreciate against the Canadian dollar, and appreciate against the Mexican peso and most Latin American currencies. Any increase in U.S. export price competitiveness, especially for agricultural products, would be incremental since world commodity supplies and production capacity are in surplus and competition for export sales is intense.

Regional Highlights

The largest changes in February projections of U.S. agricultural exports are to Mexico, the European Union (EU), and Japan. Exports to Mexico have been increased, but they have been more than offset by decreases to the EU, Japan, and other destinations.

Fiscal 1999 exports to Mexico are now projected at \$6.7 billion, up sharply from both 1998 and the November projection. Although only a few months of actual shipment data for fiscal 1999 are so far available, total U.S. exports to Mexico already show substantial gains. Some of the gain is in products like cotton, exports of which are likely to decline later in the year because of a very short U.S. crop. However, a wide range of other U.S. exports to Mexico, which have shown early gains, may be expected to continue strong throughout the year.

The decrease in projected exports to the EU reflects the general lowering of total U.S. export projections in February compared with November. The EU is now expected to take \$7.3 billion in U.S. exports, down from \$8.3 billion in November and \$8.5 billion in 1998. Lower projected soybean and soybean meal prices and greater exporter competition are primarily responsible.

Japan's continued recession, lower meat prices, lower prices and stronger export competition for soybeans and meal, and increased wheat export competition are combining to reduce the outlook for 1999 U.S. exports to Japan. At \$8 billion, U.S. agricultural exports to Japan are projected 15 percent below 1998 and 9 percent less than the November estimate.

Table 4--U.S. agricultural exports: Value by region, 1997-99

Region	October-December		Fiscal 1998	Fiscal 1999 Forecast	
	1997	1998		Nov.	Feb.
--Billion dollars--					
Asia	6.135	5.135	19.668	18.0	16.8
Japan	2.641	2.273	9.459	8.8	8.0
China	0.616	0.439	1.514	1.4	1.3
Hong Kong	0.482	0.407	1.568	1.5	1.3
Taiwan	0.763	0.591	1.971	1.6	1.6
South Korea	0.631	0.613	2.245	2.0	2.0
Southeast Asia	0.781	0.593	2.282	2.1	2.0
Indonesia	0.216	0.141	0.529	0.5	0.4
Philippines	0.196	0.166	0.744	0.6	0.6
Malaysia	0.125	0.096	0.310	0.3	0.3
Thailand	0.162	0.126	0.449	0.4	0.4
South Asia	0.219	0.215	0.623	0.6	0.6
Western Hemisphere	4.986	5.021	18.370	17.5	18.1
Canada	1.781	1.775	7.022	6.7	6.7
Mexico	1.519	1.726	5.956	5.6	6.7
Brazil	0.287	0.210	0.566	0.5	0.4
Venezuela	0.143	0.139	0.516	0.5	0.5
Other Latin America	1.255	1.171	4.310	4.2	3.8
Western Europe	3.129	2.458	8.844	8.5	7.5
European Union	3.010	2.369	8.508	8.3	7.3
Central and Eastern Europe	0.112	0.064	0.320	0.3	0.3
New Independent States 1/	0.419	0.117	1.456	1.5	1.4
Russia	0.328	0.060	1.103	1.2	1.1
Middle East	0.671	0.591	2.285	2.1	2.1
Turkey	0.146	0.152	0.658	0.6	0.6
Saudi Arabia	0.185	0.154	0.535	0.5	0.5
Africa	0.632	0.555	2.167	2.1	1.9
North Africa	0.476	0.365	1.475	1.5	1.3
Egypt	0.288	0.252	0.939	0.9	0.9
Sub-Saharan Africa	0.156	0.190	0.692	0.6	0.6
Oceania	0.147	0.144	0.545	0.5	0.5
Total 2/	16.231	14.333	53.629	50.5	49.0

1/ New Independent States (NIS) are the former Soviet Union (FSU), including the Baltic Republics. 2/ Transshipments through Canada are included in the total only for fiscal 1998 and 1999; but are distributed by country in fiscal 1997.

Factors reducing U.S. exports to China and Hong Kong in 1999 include surplus feed grain and meal stocks and prospects for increased taxes on imports. These factors are shifting China's agricultural imports from grains and meals to high-oil-content rapeseed from countries other than the United States. Reduced export earnings because of increased Asian competition also contribute to lower import demand. Exports to China and Hong Kong are decreased to \$1.3 billion each, down from the November forecasts of \$1.4 billion and \$1.5 billion, respectively, and below last year.

Stronger wheat production estimates for North Africa lead to lower expected U.S. grain exports to this region in fiscal 1999. Exports to the region are reduced to \$1.3 billion, off 13 percent from November's forecast and down 12 percent year-to-year.

Exports to Latin American countries other than Mexico also are reduced in this forecast from November, reflecting the expected economic contraction in South America resulting from Brazil's recession. Projected exports to Brazil are lowered to \$400 million, 29 percent less than 1998. Exports to other Latin American countries (excluding Mexico, Brazil, and Venezuela) drop to \$3.8 billion, 12 percent below 1998.

Stagnant economic conditions and the slow pace of recovery are constraining expected U.S. agricultural exports to Indonesia in 1999. Exports to Indonesia are projected at \$400 million, \$100 million less than in 1998 and below the November estimate.

Expected exports to the Russian Federation are forecast at \$1.1 billion, the same as last year, largely reflecting lower prices for U.S. donations and concessional sales.

U.S. Agricultural Export Programs

Export Subsidy Programs

Dairy Export Incentive Program (DEIP) sales are beginning to pick up in fiscal 1999. As of February 12, 1,700 tons of cheese, 2,156 tons of whole milk powder, and 50,245 tons of nonfat dry milk were sold to countries in Africa, Asia, the Caribbean, Central America, and the Middle East in fiscal 1999. DEIP bonuses totaled \$52 million for the same period. There continue to be no sales under the Export Enhancement Program in fiscal 1999.

CCC Export Credit Guarantee Programs

Country allocations under the fiscal 1999 export credit guarantee programs (GSM-102, GSM-103 and the Supplier Credit Guarantee Program) of \$4.2 billion as of January 8, 1999, were 7 percent higher than year-ago allocations, but sale approvals of \$765 million were 15 percent lower than fiscal 1998 approvals. Since November 1998, GSM-102 credit guarantees of \$10 million and \$60 million were announced for importers of agricultural products in Lebanon and Pakistan, respectively, and an

additional GSM-102 allocation of \$10 million was announced for Tunisia to assist vegetable oil sales.

Food Aid Programs

The United States Department of Agriculture (USDA) announced the allocations for Title I for fiscal year 1999. The total program funding level is valued at \$216 million, nearly 8 percent below the 1998 level. Thirteen countries will be eligible to receive funding under Title I, while five countries will be eligible under Food for Progress funds. This program is expected to provide nearly 1 million tons of commodity assistance.

In July 1998, the President announced a Food Aid Initiative under which the government would purchase more than 5 million tons of wheat and wheat products from the domestic market. The wheat will be purchased by the Commodity Credit Corporation and donated under the authority of Section 416(b) to those countries determined to have food needs. As of late January, 4.8 million tons of wheat had been allocated, roughly 70 percent of which will be made available to 19 countries in government-to-government donations. One million tons will go to the United Nation's World Food Program, while the remainder has been made available to private voluntary organizations for projects in the New Independent States, Bosnia, Central America, the Caribbean, Indonesia, and Kenya.

Roughly 1.5 million tons of wheat and wheat products from this initiative are being provided to Russia as part of a larger food assistance package. Commodity allocations for Russia under Title I long-term credit and Title I-funded Food for Progress include beef, corn, lentils, nonfat dry milk, planting seeds, pork, poultry, rice, salmon, soybeans, soybean meal, vegetable oil, and wheat. Allocations to Russia under Title I, Title I-funded Food for Progress, and Section 416(b) total nearly 3.4 million tons.

Import Highlights

Fiscal 1999 imports continue to increase but at a slower pace than fiscal 1998. Imports are projected to reach \$38 billion, revised down by \$500 million from the November 1998 projection. Lower than anticipated prices of tropical commodities largely account for the downward revision. Horticultural products remain strong compared with other imported commodities.

The dollar's appreciation against most world currencies in 1999, and especially against the Southeast Asian currencies, is lowering import prices from those countries in dollar terms. Brazil's recent currency devaluation also will cause dollar prices of imports from that country to fall. Weak domestic demand in countries that suffered financial crises and competition for foreign markets normally result in lower prices of exports from those countries, pushing U.S. imports up.

Imports of horticultural products for fiscal 1999 are forecast at \$14.6 billion, up \$100 million from November and \$750 million above 1998. Rising imports of fruits, preparations, and juices are causing this upward revision. Imports of fruits, preparations, and juices are increased to \$4.2 billion, compared with \$4 billion in 1998 and \$4.1 billion in November. Although projected vegetable imports remain unchanged from November at \$4.5 billion, they are \$250 million above 1998. And, wine and malt beverage imports for 1999 are expected to reach \$3.8 billion, \$300 million more than in 1998, even though slower growth in U.S. household income in 1999 should weaken spending on foreign beverages and the import pace of wine and malt beverages slowed during the past year.

The forecast for grains and feeds, at \$3 billion, remains unchanged from the November projection, but also is up \$100 million from 1998. Imported grains are expected to reach 5.1 million tons, the same as in 1998. Oats are expected to make up the largest share of imported grains in 1999. Feed imports also remain flat at 1.4 million tons.

Table 5--U.S. agricultural imports: Value by commodity, 1997-1999

Commodity	October-December 1997	October-December 1998	Fiscal 1998	Fiscal 1999 Projected Nov.	Fiscal 1999 Projected Feb.
-----Billion dollars-----					
Animals and products	1.720	1.863	6.814	6.8	6.8
Live animals, excl. poultry	0.451	0.438	1.670	1.4	1.4
Red meats and products	0.632	0.729	2.718	2.8	2.8
Dairy products	0.350	0.447	1.368	1.4	1.4
Horticulture products	3.342	3.575	13.850	14.5	14.6
Fruits, preps., and juices	0.887	0.932	4.008	4.1	4.2
Bananas and plantains	0.285	0.273	1.214	1.3	1.3
Vegetables and preps.	0.963	1.088	4.249	4.5	4.5
Nuts and preps.	0.197	0.184	0.643	0.8	0.8
Wine and malt beverages	0.939	1.025	3.502	3.8	3.8
Nursery and cut flowers	0.264	0.262	1.082	1.1	1.1
Grains and feeds	0.828	0.787	2.919	3.0	3.0
Grains	0.250	0.190	0.811	0.8	0.8
Feeds and products	0.578	0.597	2.108	2.2	2.2
Sugar and related products	0.351	0.358	1.675	1.8	1.8
Oilseeds and products	0.559	0.527	2.243	2.4	2.3
Tobacco, unmanufactured	0.228	0.177	0.822	0.9	0.8
Coffee, incl. Products	0.879	0.723	3.587	3.9	3.8
Cocoa and products	0.434	0.399	1.701	1.9	1.8
Rubber and allied gums	0.268	0.218	1.027	1.3	1.1
Other products	0.548	0.597	2.370	2.1	2.0
Total agricultural imports	9.157	9.223	37.007	38.5	38.0

Oilseeds and tropical products, including coffee and cocoa, are revised downward from the November forecast. Lower than anticipated import prices largely account for the decreased value of these commodities.

Oilseed products are expected to reach \$2.3 billion, down \$100 million from November, but still \$100 million more than a year ago. Oilseeds and products imports are projected at 4.3 million tons, unchanged from the November forecast. Imports of Canadian rapeseed will be partially supplanted by competing oilseeds.

The fiscal 1999 projections for coffee and cocoa also remain unchanged in quantity since November at 1.2 million and 1 million tons, respectively. Value for each, however, is reduced by \$100 million from November to \$3.8 billion and \$1.8 billion, respectively, reflecting the lower prices.

Tobacco import value also is reduced from November, as demand from manufacturers fell in the past year. Imported tobacco is expected to reach \$800 million in fiscal 1999, down \$100 million from the November projection and about the same as in 1998.

Only imports of animals and products, at \$6.8 billion, are expected to remain steady for fiscal 1999 compared with a year ago. Frozen beef from Australia and New Zealand continues to be competitively priced. Imports of live animals are expected to reach \$1.4 billion in fiscal 1999, unchanged from November. Red meats also remain the same as projected in November, \$2.8 billion.

Table 6--U.S. agricultural imports: Volume by commodity, 1997-99

Commodity	October-December		Fiscal 1998	Fiscal 1999	
	1997	1998		Projected Nov.	Feb.

	--Million metric tons--				
Red meats	0.269	0.332	1.230	1.2	1.2
Cheese and casein	0.072	0.088	0.263	0.3	0.3
Fruits and preparations	1.003	0.980	7.345	7.8	7.8
Bananas & plantains	1.002	1.002	4.175	4.1	4.1
Nuts and preparations	0.068	0.070	0.236	0.2	0.2
Wine and malt beverages	5.323	5.674	22.959	23.5	23.5
Fruit juices	6.732	7.134	26.577	26.6	27.0
Grains and feeds	1.850	1.628	6.431	6.5	6.5
Grains	1.473	1.336	5.101	5.1	5.1
Feeds and fodders	0.376	0.292	1.329	1.4	1.4
Cane and beet sugar	0.475	0.352	2.170	2.1	2.1
Oilseeds and products	1.102	0.986	4.314	4.3	4.3
Tobacco, unmanufactured	0.059	0.042	0.241	0.2	0.2
Coffee, incl. products	0.256	0.306	1.155	1.2	1.2
Cocoa and products	0.206	0.193	0.875	1.0	1.0
Rubber and allied gums	0.268	0.307	1.162	1.2	1.2

Table 7--U.S. agricultural imports: Value by region, 1997-99

Region	October-December		Fiscal 1998	Fiscal 1999 Forecast	
	1997	1998		Nov.	Feb.
--Billion dollars--					
Western Hemisphere	5.902	5.692	19.978	20.9	20.9
Canada	2.004	2.004	7.798	8.1	8.1
Mexico	0.966	0.988	4.669	4.9	4.8
Brazil	0.313	0.331	1.207	1.3	1.4
Colombia	0.373	0.312	1.360	1.4	1.3
Chile	0.142	0.174	0.756	0.8	0.8
Central America	0.474	0.365	2.180	2.3	2.3
Costa Rica	0.165	0.186	0.752	0.8	0.8
Other Latin America	0.476	0.482	2.006	2.1	2.1
Western Europe	2.101	2.225	7.477	7.7	7.7
European Union	2.051	2.180	7.295	7.6	7.6
Central and Eastern Europe	0.059	0.071	0.225	0.2	0.2
New Independent States	0.014	0.023	0.052	0.1	0.1
Asia less Middle East	1.446	1.383	5.698	5.8	5.4
China	0.202	0.190	0.754	0.8	0.8
Southeast Asia	0.886	0.848	3.484	3.6	3.4
Thailand	0.180	0.169	0.760	0.8	0.8
Indonesia	0.376	0.373	1.360	1.4	1.3
South Asia	0.172	0.174	0.804	0.8	0.7
India	0.153	0.157	0.727	0.8	0.7
Oceania	0.408	0.506	2.063	2.2	2.2
Australia	0.239	0.273	1.103	1.2	1.2
New Zealand	0.157	0.206	0.909	1.0	1.0
Africa	0.235	0.180	0.969	1.0	0.9
Ivory Coast	0.067	0.060	0.393	0.4	0.4
Middle East	0.146	0.180	0.546	0.6	0.6
Turkey	0.116	0.137	0.408	0.4	0.4
Total	9.157	9.223	37.007	38.5	38.0

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