

OUTLOOK for U.S. Agricultural Trade



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FISCAL 2000 U.S. AGRICULTURAL EXPORTS TO RISE TO \$50 BILLION

U.S. agricultural exports are projected at \$50 billion in fiscal year 2000. This is 2 percent above the fiscal 1999 forecast, which is unchanged at \$49 billion. At \$38 billion, expected imports increase 1 percent from the \$37.5 billion in 1999. The trade surplus rises to \$12 billion, a 4-percent gain.

Fiscal 2000 export prospects largely reflect anticipated higher global economic growth, especially in Asia, and reduced export competition for some commodities. However, in general, continued low prices limit growth in export value. Projected livestock product exports show the largest gain in value, up 5 percent to \$10.8 billion, as prices rise modestly. The largest prospective volume increase is forecast for soybeans, up 15 percent; but total oilseed and product value rises only 1 percent. Cotton export volume is up sharply, but prices remain weak. Additional wheat exports are offset by a decline in corn volume, leaving grain exports unchanged. Horticultural products rise 2 percent in value.

Import gains reflect a continuation of U.S. economic growth and attractive commodity prices. Fiscal 2000 forecasts boost imports of red meats to \$3.1 billion, horticultural products to \$15.3 billion, and coffee to \$3.0 billion.

Table 1--U.S. agricultural trade, fiscal years, 1995-2000
Year ending September 30

Item	1995	1996	1997	1998	Forecast June	1999 Aug.	Fiscal 2000 Projected
Billion dollars							
Exports	54.6	59.8	57.3	53.6	49.0	49.0	50.0
Imports	29.9	32.6	35.8	37.0	37.5	37.5	38.0
Balance	24.7	27.2	21.5	16.6	11.5	11.5	12.0

This outlook reflects commodity forecasts in the Aug. 12, 1999, World Agricultural Supply and Demand Estimates.

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Commodity Highlights

Projected at 31.8 million tons valued at \$4.2 billion, fiscal 2000 U.S. wheat and flour exports are forecast 2.4 million tons and \$400 million above fiscal 1999. Little change in export unit value is expected. Most of the increase reflects a 2.5-million-ton gain in wheat volume due to an anticipated modest increase in world wheat demand and reduced export

Table 2--U.S. agricultural exports: Value by commodity, 1998-2000

Commodity	October-June		Fiscal	Fiscal 1999		Fiscal 2000
	1998	1999	1998	Forecast June	Aug.	Projected
Billion dollars						
Grains and feeds 1/	10.841	10.805	14.109	14.4	14.4	14.4
Wheat & flour	2.910	2.781	3.887	4.0	3.8	4.2
Rice	0.921	0.843	1.134	1.0	1.0	1.0
Coarse grains 2/	3.900	4.151	4.990	5.2	5.5	5.2
Corn	3.273	3.725	4.261	4.7	5.0	4.6
Feeds and fodders	1.849	1.744	2.411	2.4	2.3	2.3
Oilseeds and products	9.680	6.826	11.090	8.1	8.2	8.3
Soybeans	5.580	3.891	6.117	4.5	4.5	4.7
Soybean meal	1.741	0.844	1.944	1.0	1.1	1.2
Soybean oil	0.711	0.522	0.881	0.6	0.6	0.4
Livestock products	5.862	5.395	7.626	7.6	7.4	7.7
Beef, pork & var. meats	3.086	3.015	4.045	4.2	4.1	4.4
Hides & skins, in. furs	1.073	0.831	1.358	1.1	1.1	1.1
Poultry & products	2.092	1.511	2.712	2.2	2.1	2.2
Poultry meat	1.809	1.272	2.347	1.8	1.7	1.8
Dairy products	0.691	0.645	0.897	0.8	0.8	0.9
Tobacco, unmanufactured	1.213	1.197	1.448	1.4	1.4	1.4
Cotton & linters	2.105	1.103	2.537	1.4	1.4	1.7
Seeds	0.716	0.674	0.838	0.8	0.8	0.9
Horticultural products	7.865	7.765	10.318	10.3	10.3	10.5
Fruits & preparations	2.368	2.401	3.202	3.3	3.3	3.5
Vegetables & prep.	2.185	2.190	2.805	2.9	2.9	2.7
Tree nuts & prep.	0.938	0.855	1.215	1.1	1.1	1.3
Sugar & tropical prod.	1.531	1.509	2.051	2.0	2.0	2.0
Major bulk products 3/	16.529	13.866	20.013	17.4	17.5	18.1
Total 4/	42.598	37.431	53.629	49.0	49.0	50.0

1/ Includes pulses and processed grain products. 2/ Includes corn, barley, sorghum, oats, and rye. 3/ Includes wheat, rice, coarse grains, soybeans, cotton, and tobacco. 4/ Total includes a small amount of miscellaneous product not elsewhere specified.

competition, particularly from Turkey and Eastern Europe. At 800,000 tons, the 2000 forecast for flour exports is down somewhat, but represents another strong sales year. The forecast for fiscal 1999 wheat and flour exports is reduced from the June estimate to 29.4 million tons valued at \$3.8 billion because of increased competition and weak demand. Wheat as grain accounts for all of the reduction. Volume of 1999 wheat flour exports is boosted 200,000 tons, but lower export unit values offset much of the gain.

Coarse grain exports are expected to decline in fiscal 2000 due to increased export competition from China's corn and record European Union (EU) barley exports. A combination of reduced corn shipments and weaker coarse grain unit values reduces expected coarse grain exports \$300 million to \$5.2 billion. Projected coarse grain shipments of 54.4 million tons decline 900,000 tons from 1999. The projected 1.5-million-ton reduction in corn export volume likely will be partially offset by increases in grain sorghum and barley shipments. The fiscal 1999 forecast for U.S. coarse grain exports is increased 3.5 million tons and \$300

Table 3--U.S. agricultural exports: Volume by commodity, 1998-2000

Commodity	October-June		Fiscal	Fiscal 1999	Fiscal 2000	
	1998	1999	1998	Forecast June Aug.	Projected	
Million metric tons						
Wheat	18.397	20.433	25.800	28.8	28.5	31.0
Wheat flour	0.328	0.652	0.459	0.7	0.9	0.8
Rice	2.687	2.543	3.315	3.2	3.2	3.3
Coarse grains 1/	33.075	41.899	43.960	51.8	55.3	54.4
Corn	27.774	37.619	37.697	46.5	50.0	48.5
Feeds & fodders	8.962	9.082	11.688	12.3	11.8	11.9
Oilseeds and products	31.773	27.008	36.018	31.7	32.3	36.7
Soybeans	21.016	18.550	23.287	21.2	21.7	24.9
Soybean meal	7.387	5.110	8.464	6.2	6.3	7.3
Soybean oil	1.130	0.896	1.396	1.1	1.1	0.9
Beef, pork & var. meats	1.175	1.175	1.559	1.7	1.6	1.7
Poultry meat	2.070	1.738	2.663	2.3	2.4	2.4
Animal fats	0.477	0.442	1.365	1.5	1.4	1.4
Tobacco, unmanufactured	0.177	0.178	0.208	0.2	0.2	0.2
Cotton & linters	1.319	0.753	1.602	0.9	0.9	1.3
Horticultural products 2/	5.743	5.635	7.414	7.5	7.4	7.6
Sugar & tropical prod. 2/	0.912	0.971	1.267	1.3	1.3	1.3
Major bulk products 3/	76.671	84.356	98.172	106.1	109.8	115.1

1/ Includes corn, barley, sorghum, oats, and rye. 2/ Excludes all exports measured in hectoliters, pieces, dozens, or numbers. 3/ Includes wheat, rice, coarse grains, soybeans, cotton, and tobacco.

million to 55.3 million tons valued at \$5.5 billion. The increase reflects a late season surge in corn sales as export competition eases.

The fiscal 2000 rice export outlook is for gains in quantity exported but unchanged value compared with fiscal 1999. At a projected 3.3 million tons, expected exports rise 100,000 tons. But lower unit values leave export value at \$1 billion. Expected price declines reflect the anticipated record U.S. supplies and rising export competition. The fiscal 1999 forecast is unchanged from the June forecast of 3.2 million tons valued at \$1 billion, as strong shipments continue to Mexico and South America, and Indonesia makes new purchases under P.L. 480.

Projected oilseeds and product exports in fiscal 2000 show the largest quantity gains, rising 4.4 million tons from 1999 to 36.7 million tons. But continued weak export unit values sharply limit gains in export value. Reduced export competition from South America, coupled with a record large U.S. soybean crop, support record U.S. soybean export volume and increased soybean meal export volume, while at the same time reducing prices. Soybean and meal exports are projected up 3.2 million and 1 million tons, respectively; but with lower prices, the value of these exports rises only \$300 million to \$5.9 billion. Faced with increased competition from palm oil and lower prices, projected 2000 U.S. soybean oil exports fall to 900,000 tons and \$400 million. Compared with the June estimate, the fiscal 1999 forecast for oilseeds and products is raised 600,000 tons and \$100 million. Most of this improvement is due to larger soybean and meal shipments resulting from improved Southeast Asian demand and increased meal usage in Europe.

Fiscal 2000 cotton exports are expected to increase 400,000 tons and \$300 million from 1999, reflecting increased U.S. production and exportable supplies, as well as greater Mexican demand. However, U.S. export recovery remains constrained due to weak global demand, large global stocks, and projected increases in exports from China. The fiscal 1999 export forecast remains unchanged from June.

Fiscal 2000 livestock, poultry, and dairy product exports are forecast at \$10.8 billion, up \$500 million from 1999. Beef and pork exports are expected to reach 1.7 million tons and rise \$300 million to \$4.4 billion on the strength of expected first-quarter beef and pork food aid to Russia and higher beef and pork prices. Asian and Baltic demand supports a modest increase in poultry meat volume, but an export recovery remains out of reach in the absence of an economic turnaround for Russia. Hides and skins exports remain flat at \$1.1 billion, but dairy product exports are projected to equal \$900 million supported by the Dairy Export Incentive Program (DEIP). The fiscal 1999 export forecast is lowered from the June estimate by \$300 million to \$10.3 billion. This downward adjustment is mainly due to low pork and poultry meat unit values and the fact that some meat shipments under the Russian Food Aid Package have been pushed into the next fiscal year.

Exports of horticultural products for fiscal 2000 are boosted \$200 million to \$10.5 billion, 2 percent over the 1999 forecast, based on continued recovery in key Asian countries and strong sales to Mexico, Canada, and the EU. Fruit and tree nut exports are projected to rise \$200 million each to \$3.5 billion and \$1.3 billion because of an expected recovery in the U.S. fresh orange crop and higher orange prices. Also contributing are anticipated continued growth in grapefruit and apple exports to Asia and an improved tree nut crop. The fiscal 2000 export outlook for vegetables calls for a \$200-million decline to \$2.7 billion due to flat demand in key overseas markets and increased export competition. The fiscal 1999 export forecast for horticultural products remains unchanged from the June estimate of \$10.3 billion. Sales to Mexico in 1999 remain very strong and sales to Japan and other key Asian markets are rising, offsetting a 50-percent decline in the value of fresh orange exports so far this year.

Economic Outlook

Year 2000 is projected to be the beginning of a return to more normal levels of growth and trade after what has been some very turbulent times in the global economy. After what has been the most serious threat to the global finance and trade system in decades, the global financial crisis appears to have ended. Recoveries are underway in almost all the crisis-affected countries. There is a concern among the leaders of the international organizations that because the crisis is over, the impetus for reform may weaken. This could set the stage for future crises.

Some of the uncertainty has been taken out of the international economy. Japan appears to have returned to growth after a long period of stagnation. The United States continues to grow in a robust fashion, with Gross Domestic Product(GDP)growing almost 4 percent for the third year in a row. Although a slowdown is predicted in U.S. economic growth in 2000 to 2.5 percent, having the two stalwarts of the global economy growing once again provides a strong base for the global economy.

There is a growing awareness that the locus of global instability has moved from variations in trade to movements of capital. The precipitating factor for the global financial crisis was the rapid shift of capital flows away from the Asian Tiger economies from highly positive in 1996 (plus \$250 billion) to significantly negative in 1997 and 1998 (minus \$50 billion). In 2000, net capital inflows likely will return to the Asian Tigers.

For the United States' economy, the impacts of the global financial crisis have been more positive than negative. Depressed world demand and efforts of the crisis-affected countries to generate more export revenues has driven world prices of raw materials and manufactured goods down. This has reduced U.S. costs and allowed the economy to grow rapidly with little or no inflation. These same factors have, however, driven the U.S.

current account significantly more negative and made it more difficult to export U.S. agricultural commodities and products. For 1999, the U.S. current account deficit could exceed \$300 billion, the largest on record. Large current account deficits should continue into 2000 although at a slightly reduced rate of around \$250 billion.

Translating these factors into quantitative terms, the less than 2 percent overall world GDP growth in 1998 is projected to increase slightly in 1999 and then climb to 2.4 percent in 2000. Foreign growth of 1.3 percent in 1998 will increase slightly in 1999, but by 2000, growth outside the United States is forecast to double to 2.9 percent as Southeast Asia, Latin America, and the Middle East rebound from recessions into modestly positive growth. The European Union, Eastern Europe, the rest of Asia, and Africa are also projected to have increased economic growth in 2000.

The EU's 2.7 percent expansion in 1998 appears to be slowing to 1.8 percent in 1999, but is projected to increase to 2.5 percent in 2000. In the developing countries, growth is expected to rise from 2.3 percent in 1998 to 3 percent in 1999, then accelerate to almost 5 percent in 2000. However, as the developing countries recover from the effects of financial crisis and capital flight, U.S. growth is expected to slow down from the current almost 4 percent growth rate to about 2.5 percent in 2000. A U.S. slowdown would be mitigated by the expected upturn in foreign economic activity, which should boost demand for U.S. exports.

The decline in the dollar's value should help agricultural trade in 2000 and begin to move it back towards the higher levels experienced in the middle 1990's. The real U.S. dollar's exchange value is projected to decline in 2000 by about 3 to 4 percent as higher inflation in the rest of the world reduces U.S. purchasing power. The dollar is forecast to be relatively stable against the currencies of the United States' largest markets, Canada and Mexico, but will appreciate modestly against the European Union. The dollar is forecast to depreciate in real terms against the Japanese yen and other Asian currencies as average nominal exchange rates (foreign currency units per dollar) fall in 2000. The dollar should decline against Latin American currencies in 2000 as recoveries and falling inflation in South America improves the attractiveness of their currencies to investors.

Regional Highlights

Fiscal year 2000 forecasts of U.S. agricultural exports by region will be made in the November 1999 issue of this report.

The unchanged fiscal 1999 U.S. agricultural export forecast reflects slightly different regional prospects than anticipated in June. Stronger expected shipments to Asia (+4%) and Africa (+5%) are offset by reductions in estimated U.S. exports to the Western Hemisphere(-1.7%),

Russia (-18.2%), and the Middle East (-4.8%). Export expectations for Western Europe, Eastern Europe, and Oceania are unchanged from June forecasts.

Table 4--U.S. agricultural exports: Value by region, 1998-99

Region	October-June		Fiscal	Fiscal 1999	
	1998	1999	1998	Forecast	Aug.
Billion dollars					
Asia (excluding Mid. East)	15.801	14.045	19.706	17.2	17.9
Japan	7.554	6.879	9.469	8.4	8.8
China	1.335	0.742	1.514	1.1	0.9
Hong Kong	1.232	0.962	1.568	1.3	1.3
Taiwan	1.628	1.562	1.975	1.6	1.9
South Korea	1.781	1.836	2.258	2.2	2.3
Southeast Asia	1.786	1.664	2.288	2.0	2.2
Indonesia	0.397	0.380	0.529	0.4	0.5
Philippines	0.562	0.532	0.751	0.7	0.7
Malaysia	0.248	0.238	0.310	0.3	0.3
Thailand	0.385	0.329	0.449	0.4	0.4
South Asia	0.479	0.391	0.626	0.6	0.5
Western Hemisphere	14.076	13.243	18.385	17.8	17.5
Canada	5.343	5.213	7.022	6.8	6.9
Mexico	4.486	4.240	5.956	6.2	5.6
Brazil	0.475	0.307	0.566	0.4	0.4
Venezuela	0.403	0.365	0.516	0.5	0.5
Other Latin America	3.368	3.117	4.325	3.9	4.1
Western Europe	7.444	5.983	8.859	7.5	7.5
European Union	7.178	5.733	8.522	7.3	7.1
Central and Eastern Europe	0.266	0.156	0.320	0.2	0.2
New Independent States 1/	1.169	0.489	1.456	1.4	1.2
Russia	0.929	0.280	1.103	1.1	0.9
Middle East	1.821	1.489	2.286	2.1	2.0
Turkey	0.503	0.370	0.658	0.6	0.5
Saudi Arabia	0.435	0.364	0.535	0.5	0.5
Africa	1.612	1.598	2.174	2.0	2.1
North Africa	1.107	1.080	1.475	1.3	1.4
Egypt	0.682	0.747	0.939	0.9	1.0
Sub-Saharan Africa	0.505	0.518	0.699	0.7	0.7
Oceania	0.408	0.375	0.545	0.5	0.5
Transshipments 2/	0.000	0.053	0.000	0.3	0.1
Total 2/	16.231	14.333	57.261	49.0	49.0

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

The economic recovery underway in Asia is already increasing U.S. exports to Japan, Taiwan, and South Korea. Exports to these destinations between March and June 1999 rose substantially compared with the pace earlier in the year. During this quarter, South Korea's imports of fruits, wheat, and corn from the United States rose substantially. In the same period, Taiwan sharply increased its imports of U.S. poultry meat, wheat, and corn. And Japan's imports of U.S. red meats and corn also increased in the last quarter. Exports to Japan are projected at \$8.8 billion, 4.8 percent greater than forecast in June. Exports to Taiwan and South Korea have been increased by 18.8 and 4.5 percent from June expectations.

Forecast exports to Africa, particularly Egypt, also are proceeding ahead of the earlier expected pace and have been increased from June. Exports to Africa are projected at \$2.1 billion, up 5 percent from June forecasts.

But export forecasts for the Western Hemisphere are reduced 1.7 percent since June due to lagging exports to Mexico. Projected exports of \$5.6 billion to Mexico in 1999 are 10 percent less than estimated in June. However, trade with Canada and other Latin America appears likely to be slightly stronger than anticipated in June and these estimates are increased 1.5 percent and 5.1 percent, partially offsetting the reduction to Mexico.

Shifting of some of the food aid shipments to Russia, particularly poultry meats, from fiscal 1999 into fiscal 2000 led to the \$200- million decrease in 1999 U.S. exports to Russia. Exports to the Middle East now appear likely to be about 5 percent greater than earlier forecast, with all of the change occurring in the smaller export destinations.

U.S. Agricultural Export Programs

Export Subsidy Programs

On June 30, 1999, USDA announced the July 1999 through June 2000 allocations for the Export Enhancement Program (EEP) and DEIP. EEP allocations were made for 20,210 metric tons of frozen poultry. By the same date, DEIP allocations were made for 76,207 metric tons of nonfat dry milk, plus a quarterly reallocation of 6,300 metric tons, 9,677 metric tons of whole milk powder, 4,327 metric tons of cheese, and 25,475 metric tons of butterfat.

As of August 20, 1999, fiscal 1999 awards under EEP total 2,446 metric tons of frozen poultry for a total bonus value of \$1.4 million. DEIP awards were made for 2,122 metric tons of cheese, 395 metric tons of butterfat, 108,286 metric tons of nonfat dry milk, and 3,292 metric tons of whole milk powder for a total bonus value of \$122.4 million.

Commodity Credit Corporation Export Credit Guarantee Programs

As of August 20, 1999, the fiscal 1999 export credit guarantee program sales (GSM-102, GSM-103 and Supplier Credit Program), based on exporter applications approved by the Commodity Credit Corporation (CCC) were \$2.54 billion, down 26 percent from fiscal 1998 sales for the same period. The year-to-year decline can largely be attributed to a reduction in credit guarantee program use in Korea, as the Korean economy has stabilized significantly over the past year. Total program use in fiscal 1998 in Korea was \$1.4 billion compared with the current (year-to-date) level of approximately \$500 million.

Importers in Mexico are the largest buyers under the fiscal 1999 export credit guarantee programs, accounting for over \$1 billion, or over 40 percent of total approved sales. In Mexico, the commodities which make up the largest share covered under the programs include feed grains, oilseeds, and cotton. Indonesia and Turkey are among other important users of the 1999 credit guarantee programs.

U.S. Food Aid Programs

Program funding for Title I and Food for Progress programs is valued at \$221.6 million for fiscal 1999. Twelve countries will receive funding under Title I, while four countries will receive funding under Food for Progress. Commodity assistance to these countries is expected to total roughly 1 million tons. As of August 17, agreements valued at \$205 million had been signed with all 16 of these countries.

In addition to this program funding, USDA has a food assistance package with Russia for fiscal 1999. This package, which falls under the PL 480 Title I and Food for Progress programs as well as section 416(b), is estimated to total about \$1.1 million and will provide more than 3 million tons of commodity assistance.

Commodity allocations for Russia under Title I long-term credit and Food for Progress include beef, corn, lentils, nonfat dry milk, planting seeds, pork, poultry, rice, salmon, soybeans, soybean meal, and vegetable oil. Wheat and wheat flour, totaling more than 1.7 million tons, are allocated under section 416(b). As of August 18, 1999, nearly all the corn, soybeans, and seeds had been exported. Nearly 80 percent of the wheat had been exported as well. While many of the remaining commodities have been purchased, they have not been shipped as of this date.

Import Highlights

U.S. agricultural imports in fiscal 2000 are projected to rise to \$38 billion from \$37.5 billion in 1999, a little more than a 1-percent gain. This increase is attributed to slightly higher imports of red meat, horticulture products, oilseeds, and coffee. The other imported product groups are expected to remain unchanged in value from fiscal 1999, while

a small decline in dairy product imports is projected U.S. agricultural imports have consistently increased in nominal value over the past years along with U.S. economic growth. A continued gradual rise is reflected in the forecasts for fiscal 2000, when moderate U.S. income growth is expected.

The dollar's high purchasing power, the U.S. economy's above-average growth since 1996, and low commodity prices have been the major drivers of recent strong U.S. import demand. These factors are forecast to ease slightly over the next year, suggesting U.S. agricultural import growth likewise should weaken. Nevertheless, the U.S. economy is expected to continue expanding, so these drivers and their lagged effects likely will keep import demand at a high level.

Table 5--U.S. agricultural imports: Value by commodity, 1998-2000

Commodity	October-June Fiscal Fiscal 1999 Fiscal 2000					
	1998	1999	1998	Forecast		Projected
				June	Aug.	
Billion dollars						
Animals & products	5.085	5.291	6.814	6.9	7.0	7.1
Live animals, ex. poultry	1.285	1.130	1.670	1.6	1.5	1.5
Red meats and products	2.013	2.265	2.718	2.9	3.0	3.1
Dairy products	0.968	1.165	1.368	1.4	1.6	1.5
Grains and feeds	2.196	2.185	2.919	3.0	2.9	3.0
Grains	0.636	0.562	0.811	0.8	0.7	0.8
Feeds and products	1.560	1.623	2.108	2.2	2.2	2.2
Horticulture products	10.772	11.886	13.850	15.0	15.2	15.3
Fruits & preps,ex. juices	3.183	3.763	4.008	4.6	4.7	4.7
Bananas	0.901	0.912	1.214	1.2	1.2	1.2
Nuts and preps.	0.474	0.495	0.643	0.7	0.7	0.7
Vegetables and preps.	3.408	3.614	4.249	4.5	4.5	4.5
Wine and malt beverages	2.574	2.933	3.502	4.0	4.0	4.0
Nursery and cut flowers	0.855	0.830	1.082	1.0	1.0	1.1
Sugar & related products	1.161	1.141	1.675	1.7	1.7	1.7
Tobacco, unmanufactured	0.591	0.596	0.822	0.7	0.8	0.8
Oilseeds and products	1.712	1.546	2.243	2.2	2.0	2.1
Coffee and products	2.902	2.334	3.587	3.0	2.9	3.0
Cocoa and products	1.311	1.196	1.701	1.6	1.6	1.6
Rubber and allied gums	0.773	0.570	1.027	0.8	0.8	0.8
Total ag. imports 1/	28.323	28.675	37.007	37.5	37.5	38.0

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

The value of fiscal 2000 animal product imports is projected to increase modestly due to higher meat prices on average next year. Beef imports are expected to rise slightly as domestic production falls. Pork imports are projected to drop somewhat in 2000. Increased domestic dairy production and lower prices will decrease demand for dairy product imports. Thus, dairy imports are expected to retreat in fiscal 2000 from 1999, but are still projected higher than in 1998.

The value of grain imports climbs to \$3 billion from \$2.9 billion in 1999 because of somewhat higher wheat prices and increased demand for barley and oats. The volume of grain imports is forecast to increase to 5.3 million from 5.2 million tons as larger purchases of barley and oats offset smaller corn imports. Corn imports in fiscal 2000 are forecast to drop to 1998 levels after the large domestic crop and accumulating stocks in 1999. Smaller feed grain imports also reflect expected lower U.S. beef and pork production in fiscal 2000. Anticipated larger rice imports are attributed to larger global and U.S. rice production, which is expected to depress prices. Domestic consumption of rice also continues to climb.

Table 6--U.S. agricultural imports: Volume by commodity, 1998-2000

Commodity	October-June		Fiscal	Fiscal	1999	Fiscal 2000
	1998	1999	1998	Forecast June Aug.	Projected	Projected
Million metric tons						
Red meats	0.900	1.039	1.230	1.3	1.3	1.3
Cheese and casein	0.190	0.222	0.263	0.3	0.3	0.3
Grains and feeds	4.777	4.881	6.431	6.3	6.3	6.4
Grains	3.719	3.985	5.101	5.2	5.2	5.3
Feeds and fodders	1.057	0.896	1.329	1.1	1.1	1.1
Fruits and preparations	5.849	6.251	7.345	7.6	7.8	7.9
Bananas and plantains	3.152	3.254	4.175	4.1	4.3	4.3
Fruit juices 1/	20.809	23.527	26.577	28.8	30.0	30.0
Nuts and preparations	0.176	0.170	0.236	0.2	0.2	0.2
Wine & malt beverages 1/	16.415	18.220	22.959	25.5	25.5	26.0
Cane and beet sugar 2/	1.498	1.274	2.170	2.2	1.8	NA
Tobacco, unmanufactured	0.169	0.169	0.241	0.2	0.2	0.2
Oilseeds and products	3.333	2.984	4.314	4.0	3.9	4.0
Coffee and products	0.887	0.998	1.155	1.3	1.3	1.3
Cocoa and products	0.676	0.658	0.875	0.8	0.9	0.9
Rubber and allied gums	0.834	0.863	1.162	1.2	1.2	1.2

1/ Liquid imports are measured in hectoliters. Other imports exclude all items measured in hectoliters, pieces, dozens, or numbers and include only items measured in metric tons. 2/ NA = not available; fiscal 2000 sugar forecast is not available because tariff-rate quota has not yet been announced.

Horticultural imports of \$15.2 billion in fiscal 1999 are projected up marginally in 2000 to \$15.3 billion. Imports of nursery products and cut flowers are forecast to bounce back to 1998's level. Among the noncompetitive imports, the outlook for coffee also is up slightly, closer to recent levels, as prices inch up.

The incremental rebound in imported oilseeds in fiscal 2000 reflects the return to average import levels, increased domestic use of meals and

Table 7--U.S. agricultural imports: Value by region, 1998-2000

Region	October - June		Fiscal 1998	Fiscal 1999	
	1998	1999		Forecast June	Aug.
Billion dollars					
Western Hemisphere	15.603	15.686	19.978	19.3	20.1
Canada	5.888	5.861	7.798	7.8	7.8
Mexico	3.852	3.996	4.669	4.8	4.8
Brazil	0.850	1.082	1.207	1.5	1.5
Colombia	1.088	0.915	1.360	1.2	1.1
Chile	0.645	0.819	0.756	1.0	1.0
Other South America	1.139	1.272	1.533	0.0	1.7
Central America	1.761	1.486	2.180	1.8	1.8
Costa Rica	0.573	0.647	0.752	0.8	0.8
Caribbean	0.380	0.255	0.474	0.0	0.3
Western Europe	5.566	5.978	7.477	8.0	8.0
European Union	5.435	5.850	7.295	7.8	7.8
Eastern Europe	0.176	0.167	0.225	0.2	0.2
New Independent States 1/	0.032	0.046	0.052	0.1	0.1
Asia, less Middle East	4.243	4.040	5.698	5.4	5.4
China	0.579	0.599	0.754	0.8	0.8
Southeast Asia	2.589	2.313	3.484	3.2	3.1
Indonesia	0.967	0.891	1.360	1.3	1.3
Thailand	0.588	0.535	0.760	0.8	0.7
South Asia	0.577	0.612	0.804	0.8	0.9
India	0.518	0.559	0.727	0.8	0.8
Oceania	1.479	1.572	2.063	2.2	2.2
Australia	0.772	0.799	1.103	1.2	1.1
New Zealand	0.678	0.721	0.909	1.0	1.0
Africa	0.798	0.733	0.969	0.8	0.9
Ivory Coast	0.362	0.282	0.393	0.4	0.3
Middle East	0.425	0.453	0.546	0.5	0.6
Turkey	0.322	0.323	0.408	0.4	0.4
Total	28.323	28.675	37.007	37.5	37.5

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

oils, and lower prices. Domestic soybean meal use is projected to increase along with high protein-consuming animal production. World oilseed production is also projected at a record level, reflecting strengthening consumption growth for protein meals and vegetable oils worldwide.

U.S. income growth is projected to slow over the next year, and the dollar is expected to depreciate in trade-weighted terms. These factors point toward easing of import demand as well. Nevertheless, imports of fruits, juices, nuts, vegetables, and malt beverages, which rose in fiscal 1999 over 1998, are likely to at least be maintained in fiscal 2000.