

FY 2011 & 2012 U.S. Agricultural Trade Forecasts

Initial FY 2012 Forecasts

Exports = \$137 billion

Imports = \$105 billion

Surplus = \$32 billion

Changes Since May in 2011 Forecast

Exports no change at \$137.0 billion

Imports  \$1.5 billion to \$94.5 billion

Surplus  \$1.5 billion to \$42.5 billion

USDA's "Outlook for U.S. Agricultural Trade"
Released on August 31, 4:00 pm EST

Slides prepared by Office of Global Analysis/FAS

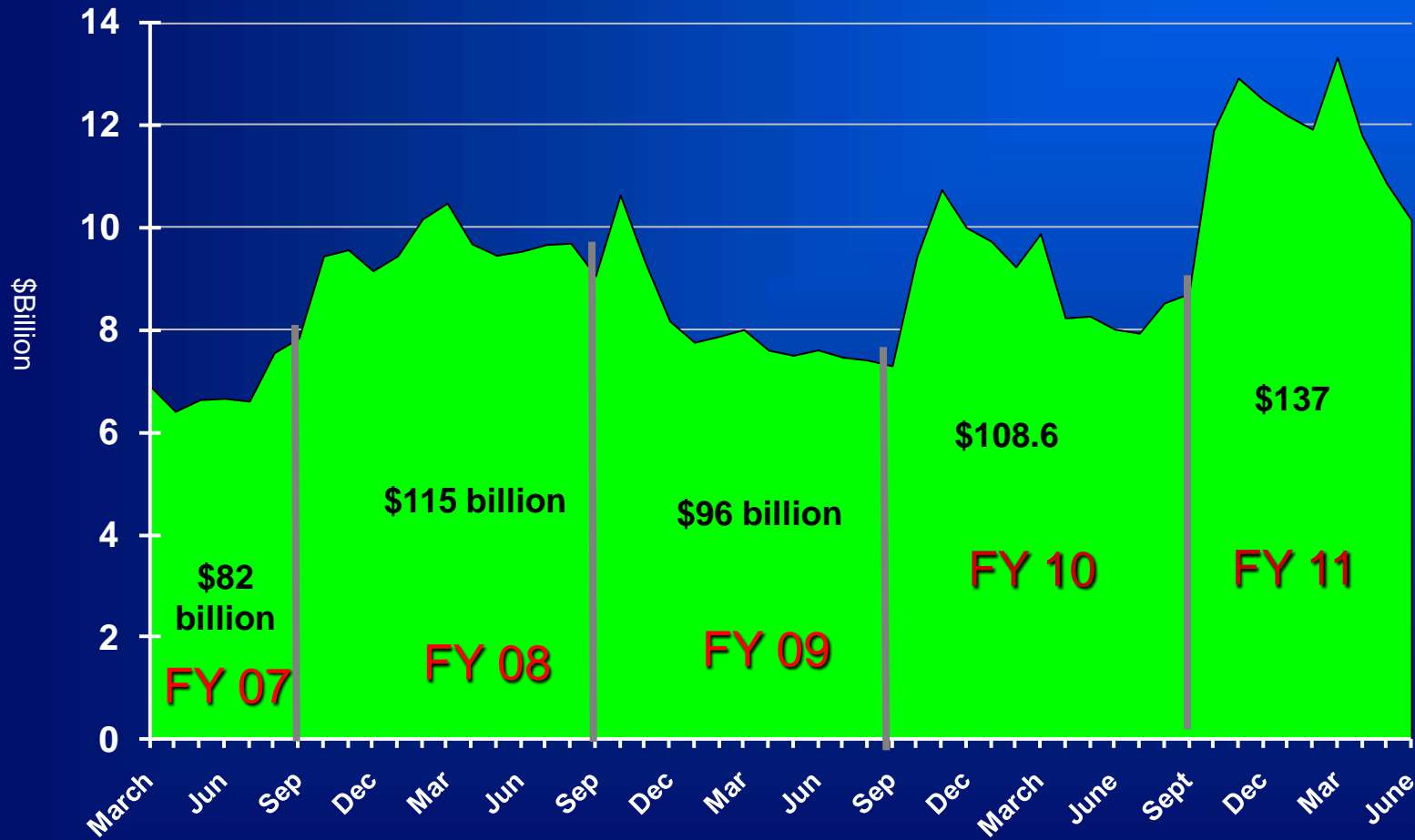
U.S. Agricultural Trade

Bulk export volume drops but prices remain firm with FY 2012 even at \$137 billion while surplus falls to \$32 billion on strong imports



U.S. Agricultural Exports by Month

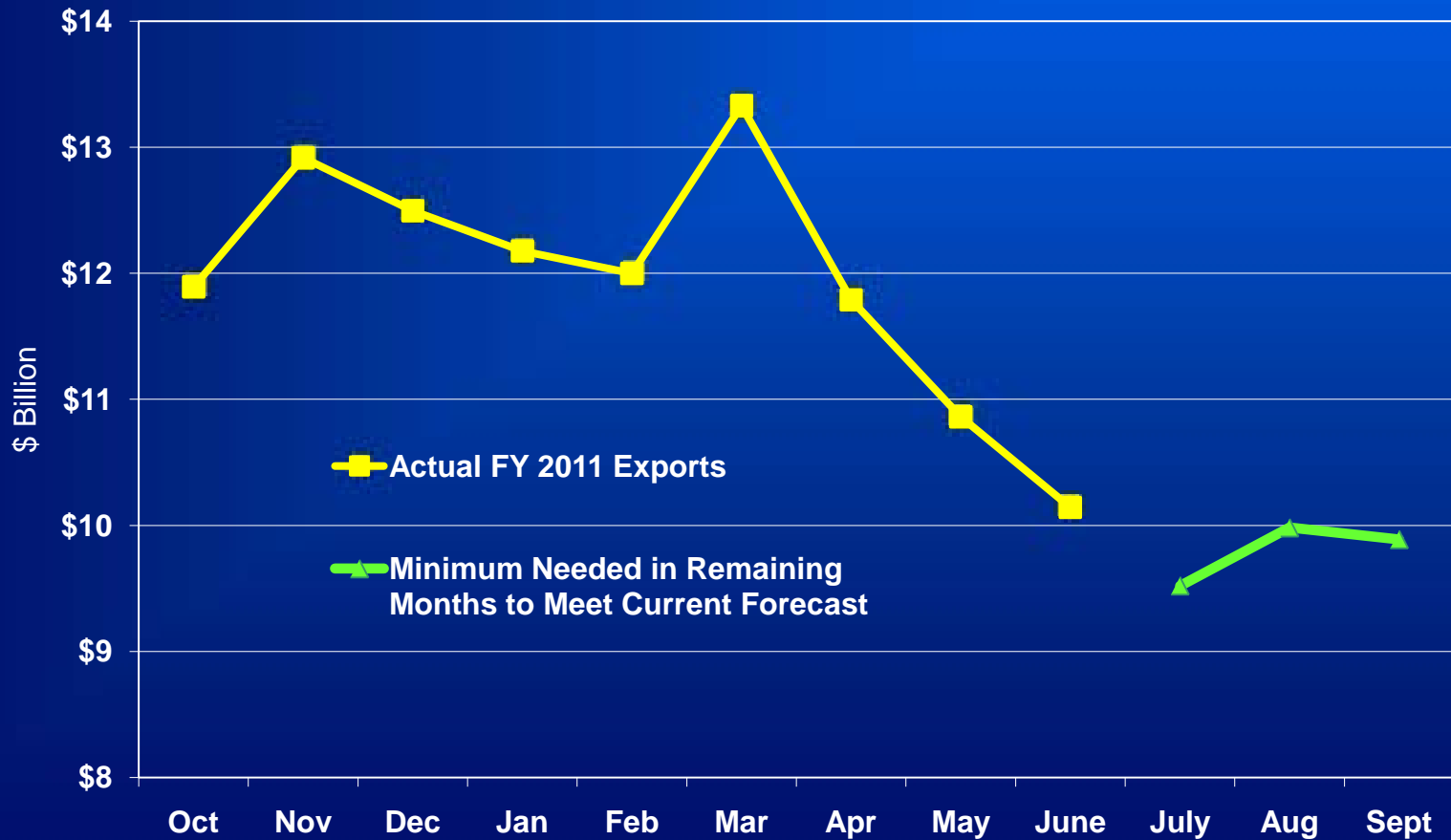
Record October-June Exports Led by Wheat and Cotton



Exports Fall Since March

Shipments decline but are still on track to meet forecast

Recorded Exports and Projected Pace To Meet \$137 Billion Forecast For 2011



FY 2012 Exports

Lower volumes of cotton, soybean, and wheat offset strong prices and greater horticultural product exports in FY 2012

Grains, Oilseeds & Cotton

↑ Wheat, Coarse Grains & Rice – higher prices for corn and feeds outweigh lower wheat volume

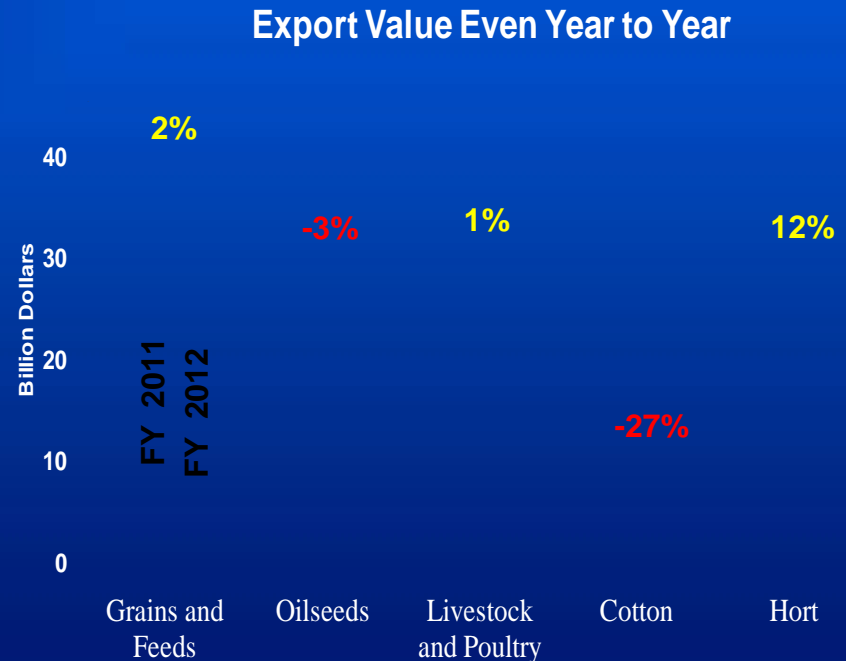
↓ Soybeans – tighter U.S. supplies and greater export competition

↓ Cotton – smaller domestic crop and increased global supplies

Livestock & Horticultural Products

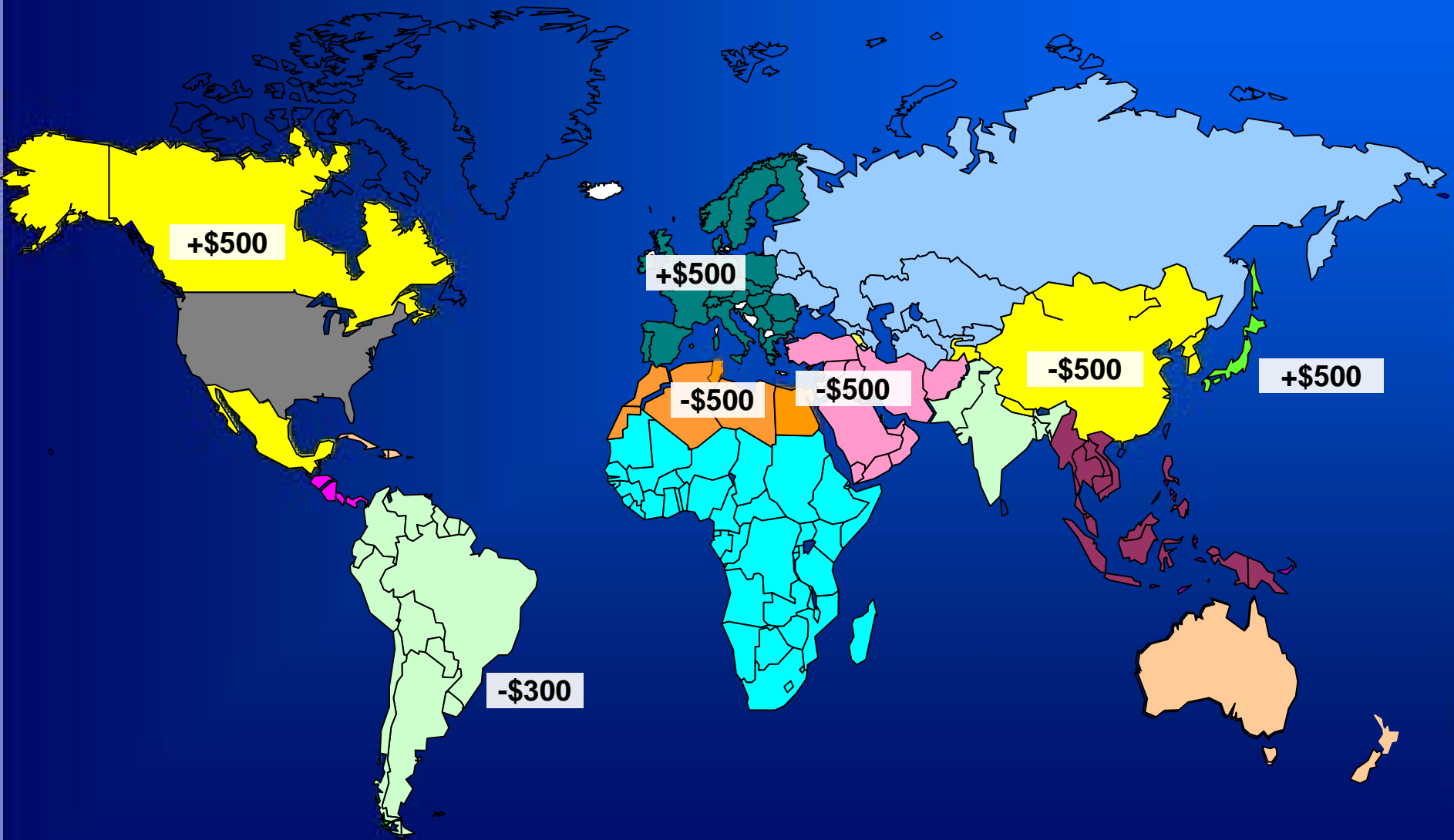
↑ Livestock & Products – Growth in pork, poultry and animal by products slightly outweighs lower dairy and beef exports

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



Exports to Middle East and N. Africa Fall in FY 2012

Total exports in FY 2012 forecast even with FY 2011



Export Outlook for Grain & Feed Products

Initial FY 2012 Forecast: \$39.0 Billion

Revised FY 2011 Forecast: \$38.4 Billion  \$400 Million

2012 Key Developments

- Wheat volume down –competition from Russia and Ukraine
- Corn value up on tight U.S. supplies
- DDGs are up on higher value

Wild Cards

- China's need for corn imports
- U.S. corn crop
- Global feed demand in the face of high prices

2011 Key Developments

- Weaker exports of corn and rice



Export Outlook for Oilseeds & Products

Initial FY 2012 Forecast: \$28.3 Billion
Revised FY 2011 Estimate: \$29.3 Billion  \$0.9 Billion

2012

Key Developments

- Soybean export volume drops as yield reductions cut production estimate.
- Rising biodiesel production and reduced crush halves soybean oil export volume.
- Reduced export volumes more than offset higher unit values.

Wild Cards

- U.S. crop prospects
- China's soybean import demand

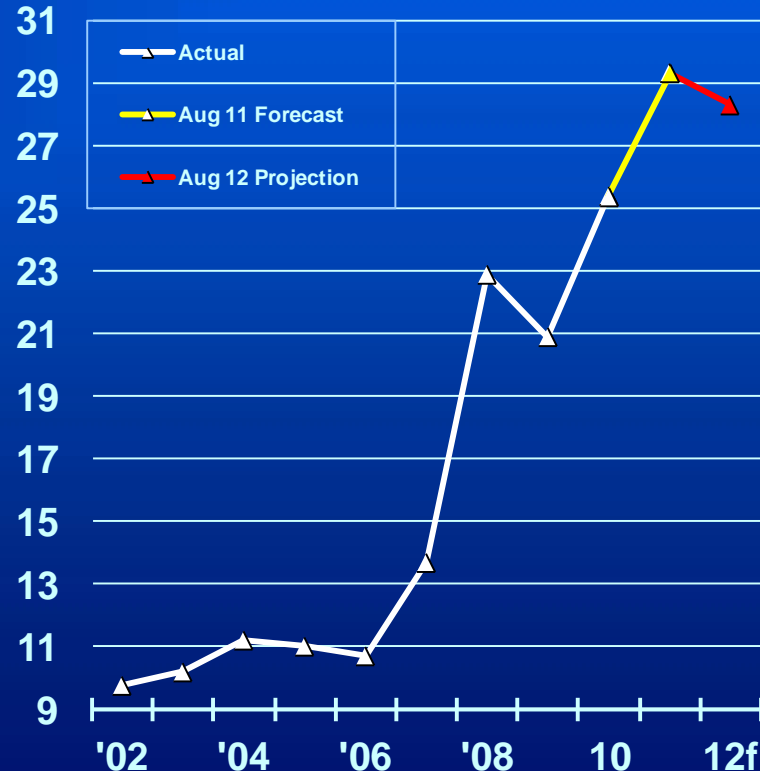
2011

Key Developments

- Slow China sales pace reduces soybean export volume.

Export Value (\$Bil)

Excludes corn gluten feed/meal



Export Outlook for Cotton

Initial FY 2012 Forecast: \$6.6 Billion

Revised FY 2011 Estimate: \$9.0 Billion Unchanged

2012

Key Developments

- Export volume down due to lower production and stronger competition
- Unit values are lower on greater global supplies

Wild Cards

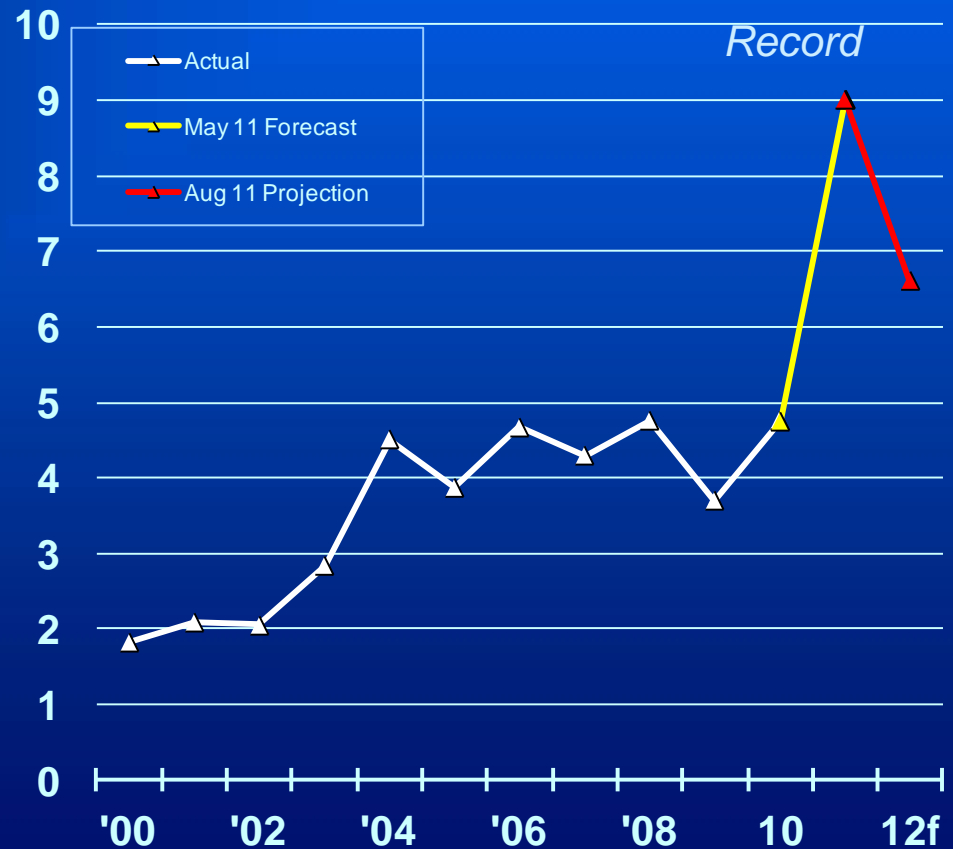
- U.S./foreign crops
- Textile demand

2011

Key Developments

- Slightly lower volume offsets higher unit values

Export Value (\$Bil)



Export Outlook for Dairy, Livestock & Poultry

Initial FY 2012 Forecast: \$27.1 Billion

Revised FY 2011 Estimate: \$26.9 Billion  \$400 Million

2012

Key Developments

- Pork higher on strong Asian demand (South Korea, China, and Japan)
- Poultry virtually unchanged as slightly higher prices offset reduced volumes
- Beef down on lower volumes due to tight supplies
- Dairy down due to lower prices

Wild Cards

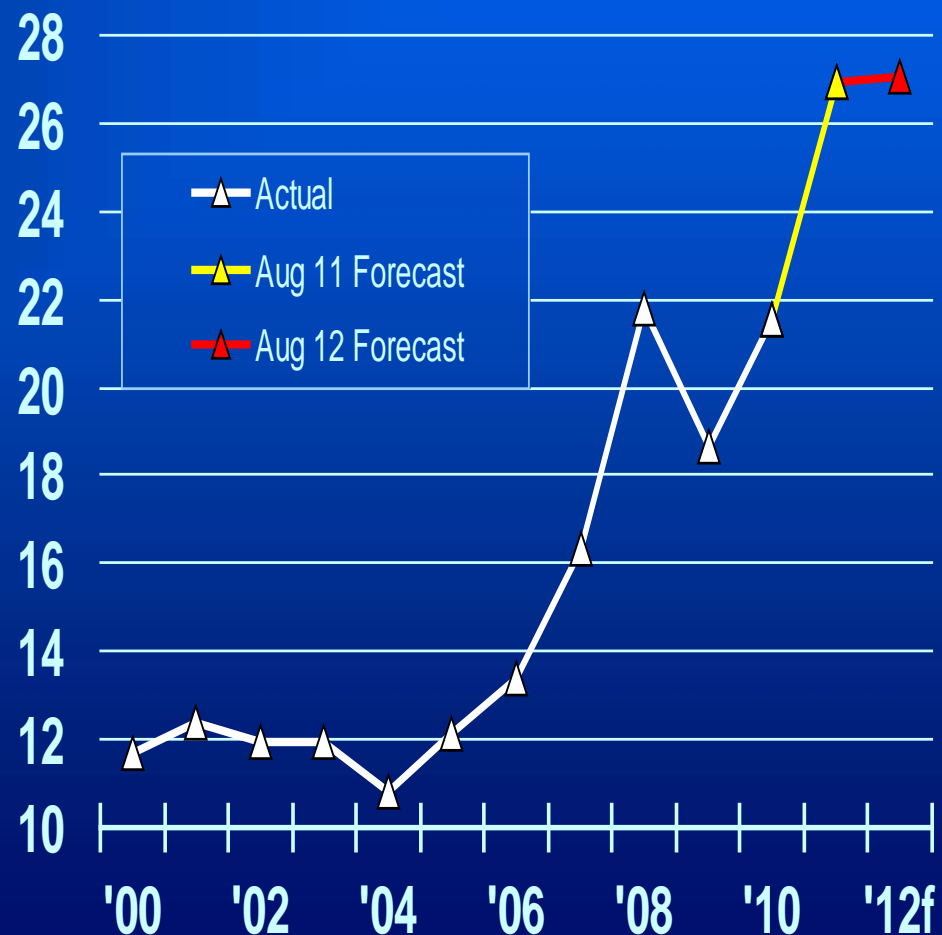
- Changes in BSE protocols
- Ongoing SPS trade issues

2011

Key Developments

- Higher volumes and values across the meat sector

Export Value (\$Bil)



Export Outlook for Horticultural Products

Initial FY 2012 Forecast: \$28.0 Billion

Revised FY 2011 Estimate: \$25.5 Billion  \$500 Million

2012

Key Developments

- Long-term growth trend continues
- Strong exports to Canada, EU, and Japan
- Tree nut exports higher due primarily to China's demand for almonds, pistachios and walnuts

Wild Cards

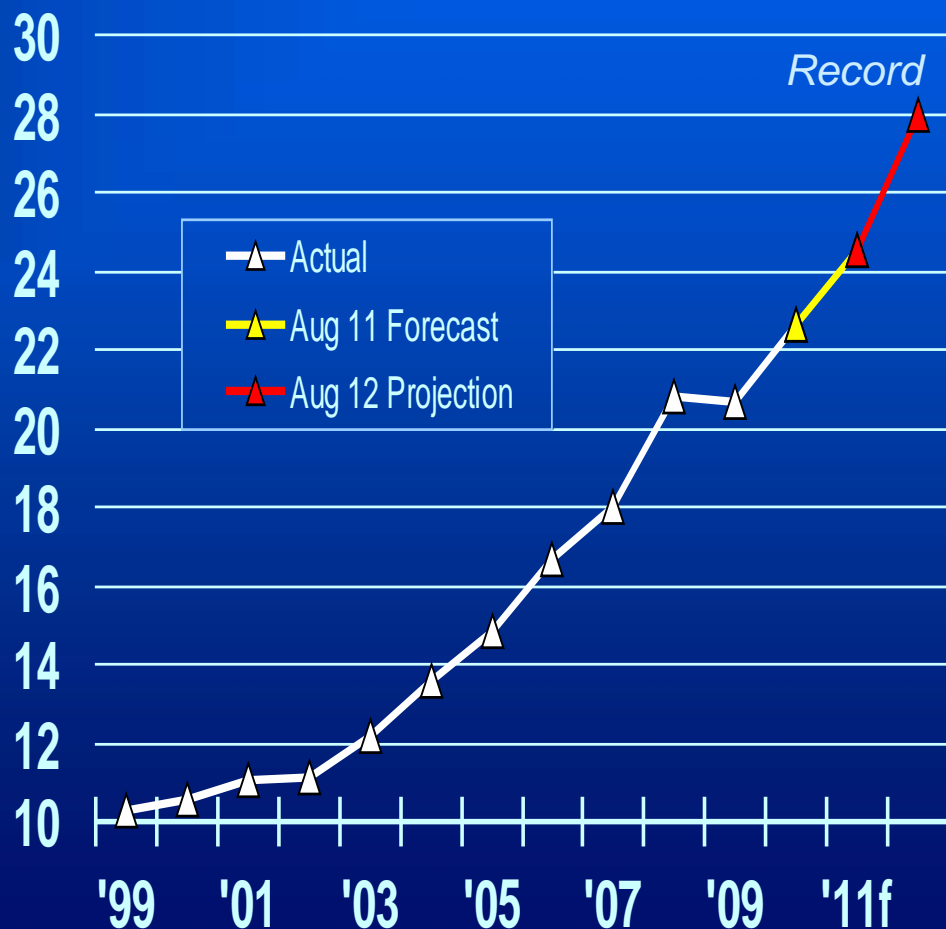
- Economic uncertainty in key markets

2011

Key Developments

- Stronger Chinese demand for tree nuts


Export Value (\$Bil)



FY 2012 Imports

Imports are forecast up 11 percent from 2011 on high prices for tropical and horticultural products and greater meat volumes

Imports  ***\$10.5 billion to a record \$105.5 billion***

Tropical Products  **\$2.7 billion** – strong prices for sugar, coffee beans, and cocoa

Horticultural Products  **\$4.5 billion** – higher processed fruit , fresh fruit, juices, and wine

Grain and Oilseeds  **\$2.1 billion** – stronger veg. oils, grain products, and feeds

Livestock, Dairy, & Poultry  **\$1.0 billion** – Greater demand due to improving economy and tight domestic suppliers