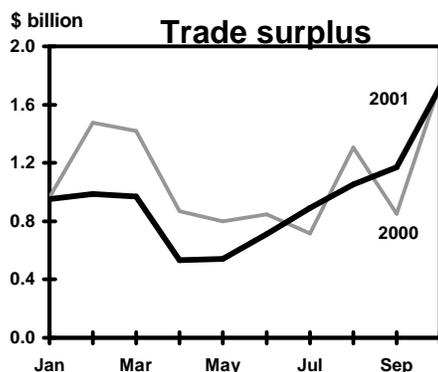


U.S. Agricultural Trade Update

Economic Research Service
U.S. Department of Agriculture

December 27, 2001
FAU-60



Summary—U.S. agricultural exports from January to October 2001 increased by \$1.8 billion over the same period in 2000 as high-value sales gained by \$1.7 billion. Since imports were up only \$338 million from last year, the U.S. farm trade surplus through October was up by a cumulative \$1.5 billion.

Exports in October 2001 climbed by \$639 million from the previous month as shipments of soybeans, horses, cattle, and tree nuts jumped by significant amounts. These were, however, mostly seasonal in nature. Imports in October were up \$476 million, largely from purchases of horses and wine.

Exports—U.S. bulk commodity exports were up only \$86 million year-to-date as large gains in cotton sales were offset by declines in soybeans, rice, and wheat. In volume, all bulk exports except tobacco and cotton were down from the same period last year.

Wheat exports in the first 10 months of 2001 were down \$39 million from 2000 as shipments declined by 2 million tons. Cumulative sales of \$2.7 billion from 20.7 million tons shipped compare with \$2.7 billion and 22.7 million tons in 2000. Although wheat prices in 2001 were higher than in the previous year, weak world markets have kept per unit values from rising. U.S. wheat shipments through October were down significantly to Egypt, Russia, Israel, South Korea, and the Philippines. These declines were partly offset by gains in Mexico, the European Union (EU), and Indonesia.

Exports of *corn* so far in 2001 were up only \$24 million from 2000. Average corn prices were slightly higher than in 2000, and roughly on par with 1999 prices. Except for increased shipments to Canada, Mexico, and South Korea, corn shipped to the rest of the world is down sharply, especially to the Middle East.

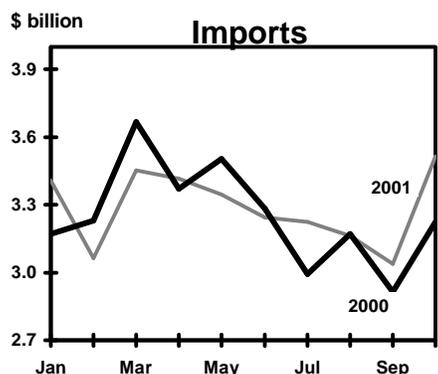
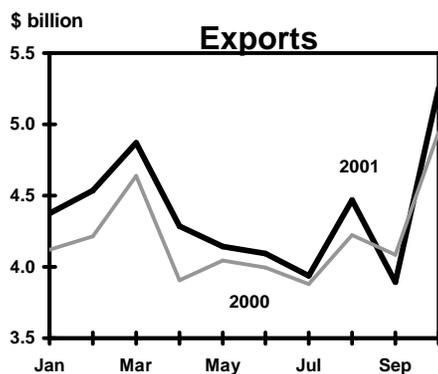
Although the volume of *soybean* exports is unchanged from last year, export value fell \$102 million as prices have dropped from 2000. Abundant world supply and weak import demand are largely responsible for lower soybean prices. Compared with \$4.1 billion and 20.7 million tons in 2000, sales in 2001 amounted to \$4 billion and 20.8 million tons. Sales in 2001 made the largest gains in Mexico, Indonesia, and the former Soviet states, except Russia. The jump in October shipments is partly seasonal and partly due to stalled

shipments to China and weak sales to Europe in September.

In contrast to other bulk commodities, *cotton* exports to date of \$1.8 billion and 1.5 million tons were up almost \$230 million and 205,000 tons from 2000. Although cotton prices are much lower than last year, world demand has been favorable, especially from India, Pakistan, and Bangladesh.

U.S. exports of *high-value products* (HVP) were close to \$30 billion in January-October 2001, up \$1.7 billion from 2000. The major contributors to the export gain were hides and skins (up \$401 million), poultry (up \$303 million), sugar and tropical products (up \$229 million), feeds and fodders (up \$210 million), and dairy products (up \$118 million). The major HVP markets are Canada, Japan, Mexico, and the EU. The October jump in cattle exports is due to a special arrangement with Canada since 1997, called the "Restricted Cattle Project" that liberalized feeder cattle sales.

Imports—U.S. agricultural imports rose by a cumulative \$338 million to \$32.9 billion from 2000. This gain was largely due to imports of vegetables, red meats, horses, and wine. Although the U.S. economy experienced a recession in 2001, the strong dollar combined with lagged effects of previous income gains have kept imports of high-value products up. The major sources of these imports are Canada, Australia, Mexico, and New Zealand. [Andy Jerardo, 202-694-5323, ajerardo@ers.usda.gov]



Prospects for U.S. agricultural exports in 2002 depend significantly on two offsetting factors: the dollar's exchange rate and foreign income growth. As shown in tables 5 and 6, the exchange-rate index of the dollar rises slightly in 2002, indicating further strengthening of the dollar. This also effectively raises U.S. export prices. However, foreign economic growth shows signs of improving in 2002, which should encourage demand for U.S. exports. The net effect on sales of U.S. farm products in foreign markets depends on which macroeconomic factor proves to be more dominant.

Next update: January 22, 2002

Table 1--U.S. agricultural exports: Quantity and value by commodity

Quantity and unit	January-October				October			
	Thousand units		Thousand dollars		Thousand units		Thousand dollars	
	2000	2001	2000	2001	2000	2001	2000	2001
Total agricultural exports (NA)	0	0	42,054,195	43,849,505	0	0	4,944,897	5,252,648
Animals & animal prods (NA)	0	0	9,642,507	10,337,063	0	0	1,187,404	1,281,136
Animals live - ex poultry (NA)	0	0	576,661	551,564	0	0	253,007	228,099
Cattle & calves - live (NO)	388	606	223,574	227,220	130	122	79,736	83,529
Horses, mules, burros-live (NO)	52	52	324,905	300,544	5	12	169,969	141,410
Swine - live (NO)	66	31	10,745	7,114	4	8	1,271	943
Sheep, live (NO)	321	303	14,951	14,926	34	40	1,629	1,864
Other live animals (NA)	0	0	2,487	1,760	0	0	402	353
Meats & meat prods (MT)	1,982	2,103	4,420,675	4,414,929	190	237	402,800	474,125
Beef & veal (MT)	703	643	2,529,573	2,209,699	63	73	217,023	237,945
Beef & veal - fr or froz (MT)	685	624	2,466,464	2,141,177	61	71	210,159	229,748
Beef - prep or pres (MT)	18	19	63,109	68,522	2	2	6,864	8,197
Horsemeat-fr, chill, froz (MT)	8	10	24,620	35,607	1	1	1,940	2,775
Lamb,mutton or goat-fr,ch,frz(MT)	2	2	4,267	5,318	0	0	153	689
Pork (MT)	355	434	999,065	1,136,435	36	42	94,896	115,836
Pork - fr or froz (MT)	318	392	903,541	1,024,982	32	38	84,459	105,280
Pork - prep or pres (MT)	37	43	95,524	111,453	4	4	10,437	10,556
Variety meats, edible offals (MT)	495	578	625,908	801,555	54	59	66,495	88,676
Other meats - fr or prep (MT)	418	434	237,243	226,314	36	61	22,293	28,205
Poultry & poultry prods (NA)	0	0	1,848,990	2,152,159	0	0	225,435	241,823
Poultry - live (NA)	44,794	49,434	83,149	86,347	5,739	5,013	9,953	10,279
Baby chicks (NO)	35,824	43,098	71,879	77,055	5,203	4,336	9,113	9,244
Other live poultry (NA)	8,969	6,335	11,270	9,292	536	677	840	1,035
Poultry meats (MT)	2,312	2,602	1,607,267	1,898,395	286	257	198,082	211,228
Chickens - fr or froz (MT)	2,087	2,310	1,269,365	1,484,280	257	230	154,438	168,249
Turkeys - fr or froz (MT)	154	167	159,155	179,850	18	15	20,743	17,903
Other poultry - fr or froz (MT)	4	5	7,343	8,298	0	0	490	839
Poultry meats-prep or pres(MT)	67	121	171,404	225,966	10	12	22,411	24,238
Feathers & downs, crude (MT)	4	3	16,678	15,033	0	0	2,254	1,221
Eggs (NA)	0	0	141,896	152,384	0	0	15,146	19,095
Dairy prods (NA)	0	0	819,716	937,336	0	0	96,128	113,597
Evap & condensed milk (MT)	5	8	3,664	7,763	0	2	206	2,626
Nonfat dry milk (MT)	87	89	137,076	175,227	12	18	22,502	33,218
Butter & anhyd milkfat (MT)	1	2	2,588	3,214	0	0	134	227
Cheese (MT)	39	43	114,906	133,413	4	5	12,138	14,657
Whey, fluid or dried (NA)	0	0	133,410	122,731	0	0	17,144	12,807
Other dairy prods (NA)	0	0	428,073	494,989	0	0	44,005	50,062
Fats, oils, & greases (MT)	1,013	848	329,081	271,553	112	104	30,173	36,197
Lard (MT)	85	52	36,947	25,879	5	6	2,311	2,939
Tallow - inedible (MT)	672	505	194,602	148,770	68	59	17,053	19,612
Other animal fats & oils (MT)	256	291	97,531	96,905	38	38	10,809	13,646
Hides & skins, incl furs (NA)	0	0	1,280,123	1,681,007	0	0	136,423	156,321
Bovine hides - whole (NO)	17,899	19,678	981,364	1,257,070	1,629	2,168	98,839	121,301
Other cattle hides - pieces (NA)	0	0	30,922	40,389	0	0	2,554	2,924
Calf skins, whole (PC)	1,153	1,413	40,666	37,913	159	118	7,993	2,586
Horse hides, whole (PC)	1,031	3,410	34,658	120,250	441	332	13,745	12,981
Sheep and lamb skins (PC)	0	0	16,966	21,058	0	0	1,557	2,288
Other hides & skins,ex furs(NA)	6,167	6,158	44,104	58,019	310	720	4,325	7,708
Furskins (NA)	0	0	131,443	146,307	0	0	7,409	6,533
Mink pelts (NO)	4,206	4,009	107,685	112,953	166	135	5,647	4,532
Other furskins (NA)	0	0	23,759	33,355	0	0	1,762	2,001
Wool & mohair (MT)	4	3	15,887	8,982	0	0	1,078	776
Sausage casings (MT)	21	20	54,588	50,907	2	2	5,464	5,095
Bull semen (NA)	0	0	47,751	50,714	0	0	5,530	5,427
Misc animal prods - other (NA)	0	0	249,037	217,910	0	0	31,367	19,674
Grains & feeds (MT)	84,936	81,743	11,336,617	11,552,661	8,519	8,208	1,133,098	1,206,642
Wheat, unmilled (MT)	22,722	20,692	2,745,986	2,706,586	2,215	2,566	263,975	340,557
Wheat flour (MT)	639	386	112,487	85,880	70	59	13,534	13,998
Bulqur wheat (MT)	4	43	1,081	7,120	0	6	9	1,313
Other wheat prods (MT)	84	83	74,083	72,453	8	10	6,374	8,177
Rice-paddy, milled, parb. (MT)	2,524	2,426	680,352	587,272	228	212	62,358	46,176
Feed grains & prods (MT)	46,914	46,660	4,522,850	4,616,792	4,685	4,241	428,003	433,650
Feed grains (MT)	46,353	46,024	4,353,544	4,409,252	4,601	4,139	404,662	399,916
Barley (MT)	823	735	94,275	98,562	161	83	18,237	12,690
Corn (MT)	40,476	40,402	3,792,540	3,816,771	3,986	3,527	347,121	333,896
Grain sorghums (MT)	5,024	4,852	463,451	489,653	450	525	38,814	52,742
Oats (MT)	19	30	2,370	3,798	3	4	305	582
Rye (MT)	10	5	909	468	2	0	185	6
Feed grain prods (MT)	562	635	169,306	207,540	83	102	23,341	33,734
Popcorn (MT)	90	87	54,408	54,612	9	10	5,655	6,354
Blended food prods (MT)	249	197	61,932	53,787	15	34	3,079	11,148
Other grain prods (MT)	815	820	972,976	1,047,721	86	87	111,252	115,512
Feeds & fodders, ex oilcake (MT)	10,893	10,349	2,110,461	2,320,439	1,203	983	238,858	229,757
Corn by-products (MT)	4,883	4,376	496,112	497,517	609	426	56,142	47,733
Alfalfa meal & cubes (MT)	183	118	29,151	18,675	17	10	2,639	1,542
Beet pulp (MT)	486	528	61,544	69,035	43	39	5,377	4,646
Citrus pulp pellets (MT)	725	474	51,457	24,643	3	0	519	0
Other feeds & fodders (MT)	4,616	4,854	1,472,198	1,710,569	530	507	174,181	175,837
Fruits & prep, ex juice (MT)	2,674	2,798	2,264,658	2,343,654	263	260	244,926	245,372
Fruits - fr (MT)	2,294	2,403	1,722,838	1,808,393	213	213	171,850	178,517
Fruits - fr - citrus (MT)	894	902	503,883	506,634	45	45	25,357	25,459
Grapefruit - fresh (MT)	313	315	168,584	161,041	23	27	12,716	13,727
Lemons & limes - fresh (MT)	88	92	60,943	59,093	8	8	5,523	6,117
Oranges & tangerines-fresh(MT)	492	494	273,288	285,308	14	10	6,957	5,564

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Other citrus - fresh (MT)	1	1	1,068	1,193	0	0	162	52
Fruits - fr - noncitrus (MT)	1,399	1,501	1,218,955	1,301,759	168	168	146,493	153,058
Apples - fresh (MT)	475	571	279,683	322,478	57	50	32,893	29,791
Berries - fresh (MT)	90	85	150,657	149,941	5	6	11,892	13,301
Cherries - fresh (MT)	42	42	168,079	158,742	0	0	325	81
Grapes - fresh (MT)	209	220	248,089	284,814	57	55	67,216	73,585
Melons - fresh (MT)	238	221	85,100	88,164	13	14	6,631	5,642
Peaches - fresh (MT)	114	130	103,795	119,591	7	9	5,328	7,044
Pears - fresh (MT)	122	118	67,157	67,720	20	23	11,155	12,510
Plums - fresh (MT)	61	64	57,007	55,782	4	5	3,541	4,381
Other noncitrus - fresh (MT)	48	49	59,387	54,526	5	6	7,512	6,722
Fruits - dried (MT)	155	180	272,574	287,598	26	25	41,162	38,999
Raisins - dried (MT)	72	90	116,956	122,303	13	13	19,244	18,213
Prunes - dried (MT)	56	68	109,469	123,247	8	8	14,283	15,119
Other dried fruits (MT)	27	23	46,149	42,048	4	4	7,635	5,667
Fruits - canned ex juice (MT)	121	118	121,081	114,945	14	13	15,426	11,900
Fruits - froz ex juice (MT)	37	33	54,148	46,604	3	2	5,268	3,190
Other fruits - prep or pres (MT)	68	64	94,017	86,115	7	8	11,221	12,766
Fruit juices incl froz (HL)	10,112	9,109	610,014	572,627	927	757	58,680	48,858
Apple juice (HL)	255	230	31,182	27,950	22	28	2,893	3,342
Grape juice (HL)	692	687	56,709	55,528	78	69	6,296	5,659
Grapefruit juice (HL)	1,222	1,280	69,863	63,474	172	115	8,535	5,434
Orange juice (HL)	4,688	3,841	246,930	203,445	372	270	22,179	14,837
Other fruit juices (HL)	3,256	3,071	205,330	222,228	282	275	18,777	19,586
Wine (HL)	2,295	2,471	441,093	439,803	329	249	58,715	44,174
Nuts & prep (MT)	533	457	1,049,506	1,003,488	109	112	233,050	229,276
Almonds (shelled basis) (MT)	192	215	521,261	540,867	43	48	119,245	111,475
Filberts (MT)	10	11	17,544	17,228	3	6	4,428	7,396
Peanuts, shelled or prep (MT)	204	116	193,323	120,028	22	18	20,219	17,448
Pistachios (MT)	15	25	66,469	81,076	3	6	12,591	18,975
Walnuts, shelled/unshelled (MT)	56	54	126,481	134,663	30	30	58,448	59,674
Pecans, shelled or unshelled (MT)	10	9	50,181	46,874	1	1	5,930	5,053
Other nuts, shelled or prep (MT)	45	28	74,248	62,752	7	4	12,189	9,256
Vegetables & prep (NA)	0	0	3,655,795	3,707,511	0	0	388,557	383,556
Vegetables - fresh (MT)	1,694	1,678	995,181	992,863	163	167	93,766	90,069
Asparagus - fresh (MT)	17	14	50,167	38,545	0	0	611	622
Broccoli - fresh (MT)	160	138	110,147	89,017	10	12	7,213	7,611
Carrots - fresh (MT)	108	121	58,805	68,996	7	7	4,263	4,534
Cabbage - fresh (MT)	33	33	14,940	15,112	1	1	680	675
Celery - fresh (MT)	96	90	45,899	41,454	7	7	2,611	2,261
Cauliflower - fresh (MT)	60	67	41,463	44,733	5	7	3,383	4,291
Corn, sweet - fresh (MT)	42	47	17,265	22,486	1	2	557	801
Cucumbers - fresh (MT)	20	22	11,717	12,588	2	3	1,380	1,371
Garlic - fresh (MT)	6	5	8,469	7,424	1	1	1,313	1,682
Lettuce - fresh (MT)	270	287	149,843	160,435	31	33	16,433	16,081
Mushrooms - fresh (MT)	5	4	13,727	10,557	1	1	4,989	3,876
Onions and shallots-fresh (MT)	226	228	66,013	75,575	44	37	10,822	9,287
Peppers - fresh (MT)	59	59	54,622	61,249	6	7	5,569	4,772
Potatoes - fresh (MT)	275	263	78,614	80,174	15	15	4,527	4,979
Tomatoes - fresh (MT)	159	149	133,447	120,632	15	17	15,137	13,676
Other fresh vegetables (MT)	157	151	140,042	143,886	15	15	14,276	13,551
Vegetables - froz (MT)	574	581	442,372	446,477	57	55	42,910	41,154
Corn, sweet, frozen (MT)	55	57	45,885	47,942	6	7	4,714	5,277
Potatoes - frozen (MT)	422	430	306,497	309,739	41	39	29,280	27,473
Other frozen vegetables (MT)	97	94	89,989	88,796	10	9	8,916	8,403
Vegetables - canned (MT)	333	327	276,490	273,579	38	37	30,075	32,311
Pulses (MT)	385	407	180,149	184,671	64	39	31,390	17,188
Dried beans (MT)	245	262	125,961	137,891	41	22	21,641	11,417
Dried peas (MT)	86	84	31,351	24,735	17	11	7,656	3,506
Dried lentils (MT)	54	61	22,837	22,045	6	6	2,093	2,265
Hops, incl hop ext (MT)	8	10	66,619	95,274	1	1	6,321	6,257
Other veg - prep or pres (NA)	0	0	1,694,983	1,714,647	0	0	184,096	196,577
Oilseeds & prods (MT)	28,511	29,674	6,761,417	6,943,014	4,661	5,253	1,034,443	1,094,679
Oilcake & meal (MT)	5,351	6,170	997,367	1,210,102	580	675	113,729	133,521
Bran, hulls, legum. veg. (MT)	317	190	22,669	14,937	56	19	4,123	1,457
Corn oilcake & meal (MT)	38	16	3,672	1,498	0	2	44	228
Soybean meal (MT)	4,867	5,755	948,300	1,155,679	511	621	107,236	125,166
Other oilcake & meal (MT)	128	209	22,727	37,990	12	32	2,326	6,670
Oilseeds (MT)	21,551	21,757	4,741,489	4,747,049	3,950	4,334	837,481	830,766
Rapeseed (MT)	124	198	29,047	45,786	23	34	5,051	7,671
Safflower seeds (MT)	37	17	11,312	4,788	16	0	3,092	44
Soybeans (MT)	20,738	20,759	4,065,468	3,963,111	3,848	4,196	711,932	762,041
Sunflowerseeds (MT)	92	121	65,792	76,030	11	13	7,324	8,063
Peanuts, incl oilstock (MT)	32	11	25,671	9,265	5	4	3,738	3,142
Other oilseeds (MT)	417	529	104,118	127,254	36	73	10,249	16,001
Protein substances (MT)	112	122	440,081	520,814	12	13	96,096	33,804
Vegetable oils (MT)	1,609	1,747	1,022,562	985,863	131	245	83,234	130,391
Soybean oil (MT)	424	554	192,255	208,307	20	107	9,905	39,135
Cottonseed oil (MT)	49	53	27,720	23,653	6	9	2,902	3,619
Sunflower oil (MT)	189	204	100,947	90,366	14	12	6,468	3,991
Corn oil (MT)	366	351	204,735	168,592	36	26	18,378	13,700
Peanut oil (MT)	5	6	4,081	4,292	0	0	296	210
Rapeseed oil (MT)	103	72	42,854	29,219	6	13	2,219	5,424
Safflower oil (MT)	16	15	17,035	16,213	0	3	344	3,016

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Other veg oils & waxes (MT)	456	492	432,934	445,221	48	74	42,723	61,296
Tobacco - unmfq (MT)	146	151	975,502	1,011,760	9	17	68,277	127,657
Tobacco - light air-cured (MT)	35	40	293,831	338,658	1	2	10,174	15,363
Tobacco - flue cured (MT)	64	64	474,485	473,693	4	12	27,631	88,727
Other tobacco - unmfq (MT)	46	46	207,186	199,410	4	3	30,472	23,567
Cotton, ex linters (MT)	1,277	1,507	1,581,882	1,816,926	82	141	111,314	138,865
Cotton linters (MT)	45	21	16,387	9,796	3	1	1,328	519
Essential oils (MT)	47	46	502,730	581,837	4	5	48,998	52,476
Seeds - field & garden (MT)	597	587	608,127	589,860	58	55	66,161	70,783
Sugar & tropical prods (NA)	0	0	1,331,145	1,560,362	0	0	166,562	183,954
Sugar & related prods (NA)	0	0	529,381	534,830	0	0	58,617	57,152
Sugar - cane or beet (MT)	83	87	29,870	33,286	6	7	2,591	2,787
Related sugar prods (NA)	0	0	499,511	501,544	0	0	56,025	54,365
Coffee (MT)	50	53	210,888	220,079	6	6	23,589	25,242
Cocoa (MT)	36	48	74,385	96,927	5	7	10,115	14,739
Chocolate & prep (MT)	115	167	330,646	495,745	18	21	56,003	64,360
Tea & mate (MT)	22	30	84,232	116,862	3	4	9,799	14,054
Spices (MT)	28	31	65,731	63,368	3	3	6,159	5,642
Rubber - crude natural (MT)	21	18	33,958	29,276	2	2	2,089	2,425
Fibers ex cotton (MT)	2	6	1,923	3,276	0	0	193	340
Other misc veg prods (MT)	0	0	383,634	408,751	0	0	52,856	51,828
Nursery & greenhouse prods (NA)	0	0	223,366	219,207	0	0	27,208	20,815
Beverages ex juices (NA)	0	0	669,815	751,186	0	0	63,318	72,058
Selected non-ag exports (NA)	0	0	11,683,963	10,809,363	0	0	1,125,838	962,892
Fertilizers (MT)	18	16	1,861,858	1,742,882	5	2	137,227	180,502
Nitrogen (MT)	15	12	1,855,460	1,732,104	4	1	136,732	178,340
Phosphate (MT)	3	5	6,398	10,778	0	1	495	2,162
Fish & shellfish (MT)	0	0	2,491,360	2,731,356	0	0	311,202	311,528
Fish - fr or prep (MT)	0	0	1,400,485	1,575,578	0	0	187,451	195,362
Shellfish (MT)	0	0	642,412	581,570	0	0	89,798	85,180
Other fish prods (MT)	201	257	448,463	574,208	43	35	33,953	30,986
Ag chemicals (MT)	282	355	1,385,599	1,449,232	25	14	102,516	106,156
Fungicides (MT)	26	25	129,971	125,226	2	1	10,518	4,701
Herbicides (MT)	123	123	710,306	776,179	4	8	27,308	62,032
Insecticides (MT)	98	174	326,563	306,678	14	2	30,570	18,917
Other pesticides (MT)	36	34	218,758	241,149	4	2	34,121	20,506
Farm machinery (NA)	0	0	2,651,096	2,498,469	0	0	224,038	215,000
Tractors & self-prop mach (NO)	35	31	997,844	880,417	3	2	72,977	66,821
Other ag machinery & parts (NA)	0	0	1,653,252	1,618,052	0	0	151,060	148,179
Tobacco - mfg (NA)	0	0	3,294,050	2,387,424	0	0	350,854	149,707

Table contains preliminary data. NA = Not available. Zeros in quantity columns indicate none or less than 500 units.

Table 2--Top 10 U.S. export markets in fiscal years 2000 and 2001 (metric tons)

Wheat	Jan-Oct	Jan-Oct	Oct 2001	Corn	Jan-Oct	Jan-Oct	Oct 2001
	2,000	2,001			2,000	2,001	
Japan	2,513,166	2,375,520	230,043	Japan	12,441,703	11,805,207	1,099,709
Egypt	3,801,993	2,349,655	133,065	Mexico	4,337,947	5,183,748	421,167
Mexico	1,391,245	1,693,090	141,881	China (Taiwan)	4,016,836	4,035,708	375,653
Philippines	1,741,819	1,552,173	197,272	Egypt	3,590,024	3,669,094	410,250
Nigeria	1,031,837	1,429,763	94,067	South Korea	2,003,685	2,728,495	0
European Union	1,102,676	1,386,460	110,673	Canada	1,023,373	2,428,053	307,742
South Korea	1,312,385	1,115,167	86,030	Colombia	1,409,914	1,335,866	121,462
China (Taiwan)	873,376	898,632	132,851	Algeria	941,256	967,789	142,631
Peru	203,981	540,487	53,681	Venezuela	1,052,013	944,411	20,000
Indonesia	376,746	535,427	2,565,945	Dominican Republic	866,539	846,720	81,985
World	22,721,714	20,691,656	2,565,945	World	40,476,314	40,401,571	3,526,624

Soybeans	Jan-Oct	Jan-Oct	Oct 2001	Cotton	Jan-Oct	Jan-Oct	Oct 2001
	2,000	2,001			2,000	2,001	
China (Mainland)	4,208,465	4,173,954	774,396	Mexico	315,313	328,262	19,217
European Union	3,954,217	3,731,296	918,370	India	21,083	150,669	28,373
Mexico	2,876,882	3,280,529	596,666	Turkey	158,884	146,515	26,284
Japan	2,942,523	2,845,946	344,780	Indonesia	105,061	134,252	10,110
China (Taiwan)	1,570,330	1,539,639	231,506	South Korea	56,321	101,023	6,977
Indonesia	770,511	1,039,290	198,497	China (Taiwan)	80,329	93,013	6,047
South Korea	1,101,761	987,119	148,243	Hong Kong	64,283	68,558	3,998
Israel	369,804	423,651	115,767	Japan	80,845	64,550	2,691
Thailand	421,824	331,942	115,307	Thailand	49,216	63,640	7,472
Canada	264,059	313,866	72,533	Canada	53,891	57,464	4,911
World	20,737,700	20,759,341	4,195,835	World	1,276,780	1,506,618	141,145

Table 3--U.S. agricultural imports: Quantity and value by commodity

Quantity and unit	January-October				October			
	Thousand units		Thousand dollars		Thousand units		Thousand dollars	
	2000	2001	2000	2001	2000	2001	2000	2001
Total agricultural imports (NA)	0	0	32,531,062	32,869,218	0	0	3,224,769	3,514,738
Noncompetitive ag imports (NA)	0	0	6,679,813	5,506,186	0	0	591,480	562,029
Bananas & plantains (MT)	3,644	3,422	957,884	981,416	370	343	99,735	97,740
Coffee, incl prods (MT)	1,186	1,023	2,401,073	1,430,699	95	90	150,653	119,958
Cocoa & prods (MT)	870	780	1,196,621	1,209,555	76	87	121,272	148,691
Tea (MT)	146	147	212,390	228,996	11	14	18,367	23,378
Spices (MT)	138	137	430,588	402,055	16	19	51,179	40,142
Rubber & allied gums-crude(MT)	1,046	867	722,765	538,623	100	94	65,397	54,414
Silk - raw (MT)	0	0	127	159	0	0	28	11
Wool, unmfq - carpet (MT)	9	10	21,525	20,641	1	1	2,169	1,620
Fibers, excl cotton (MT)	68	62	32,341	26,073	8	7	3,404	2,649
Essential oils (NA)	0	0	269,702	258,145	0	0	30,008	31,647
Druas - crude natural (MT)	59	60	434,797	409,823	8	5	49,267	41,780
Competitive ag imports (NA)	0	0	25,851,249	27,363,032	0	0	2,633,289	2,952,709
Animals & prods (NA)	0	0	6,794,891	7,660,086	0	0	731,535	898,142
Animals-live, ex poultry (NO)	0	0	1,370,551	1,761,733	0	0	204,806	239,190
Cattle and calves (NO)	1,688	1,977	908,957	1,217,332	225	220	120,590	137,177
Horses, mules, burros (NO)	228	34	206,557	239,103	3	2	55,326	68,931
Swine (NO)	3,612	4,387	244,638	294,533	412	505	28,048	32,395
Sheep, live (NO)	41	72	4,411	7,204	3	5	267	398
Other live animals (NO)	0	0	5,989	3,561	0	0	575	288
Meats & prods, ex poultry (MT)	0	0	3,167,818	3,578,883	0	0	296,789	391,214
Beef & veal (MT)	868	926	2,031,089	2,350,428	74	95	174,926	248,742
Beef & veal - fr or froz (MT)	806	867	1,868,044	2,188,152	68	88	157,829	228,824
Beef & veal - prep or pres (MT)	62	60	163,045	162,277	6	8	17,097	19,918
Pork (MT)	340	337	827,766	887,960	36	44	87,370	106,456
Pork - fr or froz (MT)	265	272	578,356	662,066	28	35	61,274	77,724
Pork - prep or pres (MT)	75	64	249,410	225,894	7	8	26,096	28,731
Mutton, goat & lamb (MT)	49	55	176,803	196,524	5	5	19,216	19,533
Horsemeat - fr or froz (MT)	0	0	29	109	0	0	17	0
Variety meats - fr or froz (MT)	47	53	84,351	91,595	5	6	8,591	10,035
Other meats - fr or froz (MT)	3	3	15,744	16,677	0	0	2,976	2,074
Other meats & prods (MT)	9	11	32,037	35,589	1	1	3,693	4,374
Poultry and prods (NA)	0	0	252,817	226,984	0	0	23,986	26,478
Poultry - live (NA)	10,207	12,275	19,610	22,988	918	1,474	2,037	3,045
Poultry meat (MT)	14	20	41,226	60,017	2	2	4,800	6,815
Eggs (NA)	0	0	15,324	16,001	0	0	1,216	1,469
Feathers & down - crude (MT)	24	21	176,658	127,977	2	3	15,934	15,150
Dairy products (NA)	0	0	1,367,929	1,453,340	0	0	146,829	176,146
Milk & cream, fr or dried (MT)	0	0	28,611	35,685	0	0	1,568	2,547
Butter & butterfat mixtures (MT)	17	45	26,285	76,323	1	3	2,127	6,457
Cheese (MT)	152	158	552,067	585,850	17	21	66,399	81,950
Casein & mixtures (MT)	99	89	400,899	435,151	9	9	39,068	46,349
Other dairy prods (NA)	0	0	360,068	320,332	0	0	37,666	38,844
Fats, oils, & greases (MT)	80	95	53,988	54,479	7	11	4,793	5,551
Hides & skins (NA)	0	0	137,058	134,068	0	0	10,192	8,065
Sheep & lamb skins (MT)	1	1	3,516	4,363	0	0	581	417
Other hides & skins (NA)	0	0	85,024	79,983	0	0	8,091	6,658
Furskins (NA)	5,244	3,245	48,518	49,722	335	62	1,521	990
Wool-unmfq, apparel grade(MT)	12	8	35,427	24,144	1	1	2,321	2,593
Sausage casings (MT)	11	12	50,517	50,636	1	2	5,082	6,509
Bull semen (NA)	0	0	15,103	12,417	0	0	1,419	1,411
Misc animal prods (NA)	0	0	343,682	363,403	0	0	35,318	40,983
Grains & feeds (MT)	0	0	2,513,214	2,685,204	0	0	305,125	365,608
Wheat, ex seed (MT)	1,495	1,604	182,119	214,935	195	192	23,185	27,192
Corn, unmilled (MT)	174	119	18,927	14,374	10	30	1,356	3,145
Oats, unmilled (MT)	1,435	1,623	117,599	149,137	220	279	16,887	29,133
Barley, unmilled (MT)	444	528	59,777	68,498	31	36	3,687	4,832
Rice (MT)	241	306	142,890	133,412	24	48	15,507	16,169
Biscuits & wafers (MT)	347	389	770,329	845,068	49	58	116,525	143,474
Pasta & noodles (MT)	233	235	227,525	206,241	23	25	21,521	21,937
Other grains & preps (NA)	0	0	590,872	648,278	0	0	62,272	76,893
Feeds & fodders, ex oilcake(MT)	1,027	1,013	403,176	405,260	108	108	44,186	42,832
Fruits & preps (MT)	3,194	3,187	2,226,409	2,341,907	195	221	144,210	170,859
Fruits - fr or froz (MT)	2,561	2,561	1,665,656	1,776,166	131	141	86,932	100,436
Apples, fresh (MT)	154	146	86,775	88,546	6	5	2,757	2,794
Avocados (MT)	43	41	62,496	47,909	12	16	17,269	17,800
Berries, excl strawberries (MT)	72	84	116,276	126,790	24	25	19,442	20,149
Citrus, fresh (MT)	260	305	135,049	159,713	21	34	9,119	19,622
Grapes, fresh (MT)	432	379	477,582	506,841	3	1	1,318	1,458
Kiwi fruit, fresh (MT)	47	49	33,817	29,589	0	2	369	1,387
Mangoes (MT)	222	223	133,292	149,714	6	10	4,865	7,771
Melons (MT)	742	721	215,617	239,994	14	8	4,616	2,651
Peaches (MT)	37	47	31,279	37,898	0	0	44	70
Pears (MT)	87	79	71,591	71,884	2	2	3,228	3,782
Pineapples, fresh/frozen (MT)	262	267	108,688	127,649	31	22	14,493	12,402
Plums (MT)	21	31	20,684	26,167	0	0	10	17
Strawberries, fresh or froz (MT)	67	61	76,788	66,892	1	2	877	1,603
Other fruits, fresh or froz (MT)	115	128	95,721	96,580	11	13	8,524	8,931
Fruits - prep or pres (MT)	633	626	560,753	565,741	64	80	57,277	70,423
Pineapples - can. or prep.(MT)	270	244	160,652	137,911	24	34	14,318	19,645
Other fruits - prep or pres (MT)	363	382	400,101	427,830	40	46	42,960	50,779
Fruit juices (HL)	26,868	24,656	661,155	541,663	2,676	2,335	62,575	50,191
Apple juice (HL)	9,881	10,621	242,630	190,000	988	978	22,629	17,528
Grape juice (HL)	1,404	1,252	56,762	36,847	143	106	5,636	3,192
Grapefruit juice (HL)	139	23	3,868	908	10	0	299	21
Lemon juice (HL)	761	553	15,516	12,491	95	43	1,722	1,171
Lime juice (HL)	211	113	4,607	3,782	39	8	556	287

Table 3--U.S. agricultural imports: Quantity and value by commodity

Quantity and unit	January-October				October			
	Thousand units		Thousand dollars		Thousand units		Thousand dollars	
	2000	2001	2000	2001	2000	2001	2000	2001
Orange juice (HL)	10,496	7,820	199,476	150,434	1,080	771	20,310	12,212
Pineapple juice (HL)	2,167	2,233	49,642	63,665	206	230	4,902	6,322
Other fruit juice (HL)	1,809	2,040	88,654	83,537	116	197	6,520	9,458
Nuts & preps (MT)	206	207	623,708	504,265	23	25	66,545	63,753
Brazil nuts (MT)	13	10	24,329	15,624	1	1	2,857	1,918
Cashew nuts (MT)	72	72	393,623	304,455	7	9	35,212	36,218
Chestnuts (MT)	2	2	4,480	5,263	1	1	2,986	3,534
Coconut meat (MT)	67	67	58,502	47,982	6	7	5,087	4,960
Filberts (MT)	4	5	12,800	16,794	1	1	1,953	3,629
Macadamia nuts (MT)	5	4	28,867	24,090	1	1	5,881	4,737
Pecans (MT)	12	6	38,725	17,425	2	1	5,388	2,028
Pistachio nuts (MT)	0	1	1,041	2,299	0	0	37	182
Other nuts (MT)	33	41	61,342	70,333	3	3	7,144	6,547
Vegetables & preps (NA)	0	0	3,889,993	4,375,450	0	0	372,400	416,523
Vegetables - fr or froz (MT)	3,097	3,372	2,262,936	2,609,332	274	290	191,609	211,842
Tomatoes (MT)	621	744	527,236	635,429	51	36	45,339	38,727
Asparagus, fresh or frozen (MT)	58	59	92,728	101,718	8	9	11,016	12,027
Beans, fresh or frozen (MT)	30	31	31,901	37,672	1	2	1,480	1,833
Cabbage (MT)	29	47	7,525	13,088	5	5	1,229	1,143
Carrots, fresh or frozen (MT)	60	76	17,517	24,616	9	10	2,030	2,775
Cauliflower & broccoli, fr/fz (MT)	194	193	128,512	132,411	28	23	18,822	16,604
Celery, fresh (MT)	28	33	9,485	11,704	1	2	415	655
Cucumbers (MT)	269	291	143,190	164,813	22	16	11,955	10,325
Eggplant (MT)	30	31	17,867	23,197	1	1	349	643
Endive, fresh (MT)	2	2	3,407	4,178	0	0	305	469
Garlic (MT)	25	33	23,778	35,625	1	2	1,030	1,926
Lettuce (MT)	27	33	17,533	19,261	1	1	679	585
Okra, fresh or frozen (MT)	22	22	10,624	10,718	1	1	332	548
Onions (MT)	170	231	103,039	135,449	17	27	11,759	12,418
Peas, incl chickpeas (MT)	33	33	31,068	29,640	3	4	3,221	3,603
Peppers (MT)	300	302	386,737	444,943	20	22	16,504	22,420
Potatoes, fresh or frozen (MT)	751	718	366,053	363,043	69	83	36,708	43,514
Radishes, fresh (MT)	11	11	9,661	7,333	1	1	589	569
Squash (MT)	112	132	86,672	121,871	8	12	5,547	11,726
Other vegs - fr or froz (MT)	324	350	248,404	292,624	28	34	22,299	29,333
Vegetables-prep/pres (NA)	0	0	1,627,057	1,766,118	0	0	180,790	204,681
Bamboo shoots, presvd. (MT)	21	26	13,139	14,562	4	4	2,035	2,195
Bean cake, miso (MT)	6	6	12,376	12,114	1	1	1,429	1,339
Cucumbers, preserved (MT)	41	34	23,548	22,931	4	3	2,669	2,625
Garlic, dried (MT)	17	17	9,203	8,594	1	2	794	846
Olives - prep or pres (MT)	77	90	149,067	165,976	9	9	18,012	19,001
Mushrooms, canned (MT)	57	49	108,587	91,030	6	6	10,758	10,112
Mushrooms, dried (MT)	3	2	19,381	11,903	0	0	1,213	1,038
Onions, preserved (MT)	2	3	3,414	3,994	0	0	458	555
Hops, incl extract (MT)	4	3	22,690	16,273	0	0	339	224
Artichokes - prep (MT)	32	33	57,007	46,762	3	4	5,673	5,487
Asparagus - prep (MT)	1	1	2,277	1,569	0	0	257	160
Tomatoes, in. paste/sauce (MT)	43	90	55,496	76,553	5	11	6,428	8,648
Waterchestnuts (MT)	34	31	18,502	16,291	2	1	1,247	971
Beans & peas, dried (MT)	62	86	35,297	50,178	7	15	3,854	7,800
Mustard (MT)	15	19	13,601	14,836	2	2	1,548	1,473
Peppers & pimentos, prep (MT)	22	24	24,793	26,185	3	3	2,515	3,467
Soy sauce (MT)	34	38	36,155	37,365	4	4	4,075	3,363
Starches, ex. wheat & corn (MT)	152	126	77,097	62,178	23	16	10,283	7,496
Soups & sauces (MT)	179	187	256,280	276,247	23	25	34,421	35,788
Vinegar (HL)	312	338	37,274	41,939	33	38	4,964	6,426
Yeasts (MT)	48	63	54,123	69,242	5	7	6,600	7,520
Oth. vegetables-prep/pres (NA)	0	0	597,750	699,397	0	0	61,219	78,148
Sugar & related prods (NA)	0	0	1,298,429	1,362,306	0	0	144,682	141,257
Sugar - cane & beet (MT)	1,255	1,145	428,079	436,232	140	122	47,041	39,584
Molasses (HL)	7,594	9,688	53,921	91,239	1,040	1,429	6,913	9,746
Confectionery prods (MT)	277	303	624,817	644,575	33	34	72,456	73,404
Oth. sugar & related prods (MT)	412	362	191,612	190,260	40	28	18,271	18,523
Spices (MT)	41	47	56,235	59,161	3	4	4,994	5,641
Tobacco - unmfgr (MT)	186	192	537,792	579,053	14	24	32,859	53,978
Tobacco - filler (MT)	150	165	497,598	538,601	9	17	29,928	49,068
Tobacco - scrap (MT)	34	26	13,850	12,705	4	7	1,523	2,638
Other tobacco (MT)	1	1	26,345	27,747	0	0	1,409	2,271
Beverages, ex fruit juices (HL)	0	0	3,982,925	4,262,660	0	0	453,820	507,251
Wine (HL)	3,720	3,975	1,785,701	1,827,370	467	531	244,877	268,477
Malt beverages (HL)	20,195	21,817	1,875,570	2,006,980	1,916	2,094	179,208	193,501
Other beverages (HL)	0	0	321,653	428,309	0	0	29,735	45,274
Oilseeds & prods (MT)	3,567	3,397	1,592,638	1,396,172	366	287	162,510	134,798
Oilseeds & oilnuts (MT)	999	904	271,341	250,976	55	30	14,880	12,195
Flaxseed (MT)	119	47	24,296	11,929	2	2	653	834
Mustard seeds (MT)	44	42	13,189	11,591	3	4	990	1,164
Rapeseed (MT)	235	233	50,024	51,182	1	1	142	153
Sesameseed (MT)	42	41	46,882	40,955	3	4	3,150	4,278
Soybeans (MT)	97	78	22,102	20,821	14	11	3,259	2,182
Sunflower seeds (MT)	36	52	9,819	12,413	6	5	1,612	1,295
Other oilseeds & oilnuts (MT)	427	411	105,029	102,086	26	3	5,073	2,288
Oils & waxes-vegetable (MT)	1,545	1,592	1,191,285	1,025,237	207	170	134,485	110,415
Castor oil (MT)	38	42	34,272	28,920	4	1	2,991	701
Coconut oil (MT)	389	389	215,913	130,674	60	41	26,823	12,967
Cottonseed oil (MT)	4	0	1,786	52	0	0	0	0
Olive oil (MT)	167	178	354,700	319,671	17	20	33,246	36,206
Palm oil (MT)	139	153	43,422	45,520	19	24	6,437	5,857
Palm kernel oil (MT)	146	127	92,176	53,755	25	9	13,051	3,595

Table 3--U.S. agricultural imports: Quantity and value by commodity

Quantity and unit	January-October				October			
	Thousand units		Thousand dollars		Thousand units		Thousand dollars	
	2000	2001	2000	2001	2000	2001	2000	2001
Peanut oil (MT)	15	27	10,862	19,206	7	4	4,934	2,661
Rapeseed oil (MT)	443	452	195,073	179,669	55	50	21,591	21,262
Soybean oil (MT)	31	27	14,588	11,237	3	2	1,377	996
Sesame oil (MT)	7	7	20,646	20,316	1	1	2,299	2,223
Other vegetable oils (MT)	169	189	207,846	216,217	17	19	21,736	23,947
Oilcake & meal (MT)	1,023	901	130,013	119,958	105	87	13,145	12,189
Cotton, excl linters (MT)	10	2	20,096	3,451	1	0	2,064	271
Cotton linters (MT)	25	42	6,029	16,358	5	3	1,332	1,250
Seeds - field & garden (MT)	370	274	441,812	374,860	21	23	33,363	25,479
Cut flowers (NA)	0	0	524,605	489,345	0	0	44,303	42,086
Nursery stock, bulbs, etc. (NA)	0	0	443,178	475,429	0	0	45,597	48,881
Other vegetable prods (MT)	0	0	238,139	235,662	0	0	25,376	26,742
Selected non-ag imports (NA)	0	0	14,890,220	15,227,535	0	0	1,615,494	1,580,555
Fertilizers (MT)	21,372	24,845	2,485,907	2,969,181	2,467	2,191	281,188	229,311
Potassium (MT)	7,916	7,456	642,816	593,230	990	732	79,496	61,666
Nitrogen (MT)	8,200	12,009	1,157,895	1,686,882	913	1,033	124,411	115,351
Phosphate (MT)	5,244	5,371	678,154	681,522	564	425	76,784	52,115
Fish (MT)	0	0	8,191,056	8,081,920	0	0	1,024,799	1,040,387
Fish fresh or prep (MT)	0	0	3,248,228	3,167,400	0	0	343,916	336,788
Shellfish (MT)	511	562	4,884,530	4,851,405	63	77	672,759	697,087
Fish prods, other (MT)	43	48	58,298	63,115	4	4	8,124	6,513
Aq chemicals (MT)	111	117	812,465	978,787	5	5	33,775	43,419
Fungicides (MT)	33	27	152,088	161,086	1	1	3,731	5,744
Herbicides (MT)	23	42	254,275	357,670	1	1	9,070	12,537
Insecticides (MT)	18	15	130,220	185,023	1	0	7,672	3,538
Other pesticides (MT)	36	33	275,882	275,009	2	2	13,302	21,601
Farm machinery (NA)	0	0	3,003,275	2,825,008	0	0	228,505	219,539
Tractors & self-prop mach (NO)	6,741	5,520	1,479,691	1,330,061	550	280	99,610	106,402
Other aq mach & parts (NA)	0	0	1,523,584	1,494,947	0	0	128,895	113,137
Tobacco - mfg (NA)	15	16	397,517	372,639	2	2	47,228	47,898

Table contains preliminary data. NA = Not available. Zeros in quantity columns indicate none or less than 500 units.

Table 4--Summary of U.S. agricultural trade (million \$)

Item	Sep.	Oct.	Year-to-date	% Change
Exports	3,891	5,253	43,850	4
Imports (c.i.f.)	3,393	3,780	35,523	0
Imports (customs value)	3,039	3,515	32,869	1
Trade Balance:				
Exports less c.i.f. imports	498	1,473	8,327	23
Exports less customs-val. imports	852	1,738	10,980	15
Exports by major commodity group				
Live animals	26	238	638	-3
Meat & poultry	624	685	6,313	5
Dairy prod & eggs	99	133	1,090	13
Hides & skins	143	156	1,681	31
Wheat	302	341	2,707	-1
Rice	59	46	587	-14
Corn	404	334	3,817	1
Other feed grains	50	66	592	6
Animal feeds	319	363	3,531	14
Soybeans	167	762	3,963	-3
Vegetable oils	93	130	986	-4
Fruits & nuts	407	524	3,920	0
Vegetables	330	384	3,708	1
Cotton & linters	154	139	1,827	14
Tobacco, unmfq.	41	128	1,012	4
Seeds & nursery	64	92	809	-3
Imports customs value by major commodity group				
Live animals	170	242	1,785	28
Meat & poultry	350	398	3,639	13
Dairy prod. & eggs	143	178	1,469	6
Grains & feeds	313	378	2,805	6
Fruits & nuts	342	383	4,369	-2
Vegetables	388	417	4,375	12
Vegetable oils	92	110	1,025	-14
Wine	167	268	1,827	2
Malt beverages	176	194	2,007	7
Coffee	114	120	1,431	-40
Cocoa	146	149	1,210	1
Rubber, natural	41	54	539	-25
Cane & beet sugar	80	40	436	2
Tobacco, unmfq.	55	54	579	8
Seeds & flowers	109	116	1,340	-5
Preliminary data.				

World Demand for U.S. Agricultural Exports Remains Weak

From 1996 to 2001, the U.S. dollar's inflation-adjusted value strengthened by 16 percent against the currencies of our major agricultural markets. The dollar was pushed up initially by exceptional U.S. economic growth, averaging 3.9 percent between 1996 and 2000. Relatively high U.S. long-term interest rates and weaker foreign economies have continued to attract capital flows into the United States in recent years, boosting the dollar further. While the dollar's increased purchasing power encouraged Americans to demand more imports, higher prices of U.S. exports in foreign currency terms discouraged foreign import demand. This contributed to the decline in value of U.S. agricultural exports from 1997 through 1999.

U.S. agricultural exports reached a peak of close to \$60 billion in fiscal year 1996 before falling to \$57 billion in 1997, \$54 billion in 1998, and \$49 billion in 1999. Depreciated foreign currencies, weak economies in Europe, and recessions or slow growth in Japan, Asia, and Latin America from 1997 to 1999 resulted in declining import demand. Additionally, world food prices continued to decline as global supplies of farm commodities remained abundant. These factors—the strong dollar, weak foreign demand, and bloated world supply—subdued export prospects for U.S. agricultural products.

World demand for U.S. products depends on U.S. export price competitiveness and foreign income growth. Without any change in supply conditions, price competitiveness is directly related to the real exchange value of the dollar, which measures the import price effect of changes in the dollar's price-adjusted value in foreign markets. On the other hand, foreign income growth, which reflects markets' capacity to import, largely depends on real GDP growth. These two measures are used in this report to explain and gauge export demand for U.S. agricultural products.

Real Exchange-Rate and Income Indexes

The principal determinants of demand for U.S. agricultural exports are the dollar's real exchange rate and income growth in major foreign markets. However, competition for foreign markets is determined largely by exchange-rate competitiveness when export prices (including transport costs) do not differ significantly and because foreign income growth offers equal opportunities to all exporters. That is, competition in a foreign market depends principally on domestic import prices after conversion into local currency. Thus, export-price competitiveness hinges heavily on the exchange rate between the currencies of the importer and the exporter.

The real exchange rate is a widely used measure of an exporter's competitiveness in world markets. It is used in translating export prices into corresponding foreign import prices. For an exporter, the ideal market situation is when foreign purchasing power rises as a result of a depreciation of the exporter's currency with respect to that of the importer, as well as income rise in the importing country. The exchange rates of U.S. competitors with respect to the dollar are not measured in this report. It is further assumed that there is some transmission of exchange rates into domestic prices of importing countries. At the very least, any exchange controls are applied uniformly to all exporters.

Table 5 provides a real exchange rate index for U.S. agricultural exports in foreign markets. The index is computed by multiplying the dollar's nominal exchange rate against the currency of each of 45 major markets by the ratio of the U.S. consumer price index (CPI) and each market's CPI.¹ After transformation into an index with fiscal 1995 as the base year, the index for a commodity is weighted by its fiscal-year export share in each of the 45 countries.²

¹ The nominal exchange rate is expressed in foreign currency units per dollar. Thus an increase indicates an appreciation of the dollar's market value.

² The 45 major markets purchased 93 percent of U.S. agricultural exports in fiscal 1999. A commodity's export share in a market is the average for fiscal years 1999 to 2001.

The index for real GDP of U.S. export markets in Table 6 is constructed in the same way as Table 5. Together with the exchange rate index, the income index estimates the real purchasing power of import markets. In these tables, a decline in the exchange rate index (i.e., a dollar depreciation) and a rise in the income index in foreign markets suggest an increase in foreign import demand for the U.S. product. Conversely, a rise in the dollar's exchange rate index and a decline in foreign income index point to lower U.S. exports. However, if the dollar index and foreign GDP both fall, or if both rise, the result depends on the relative strength of the two opposing effects on foreign purchasing power.

The Dollar and Foreign Income Indexes Are Both Up

The dollar's sharp appreciation that started in 1997 reversed the growth of U.S. agricultural exports in 1997 and the next two years. Since income growth in U.S. export markets was rising during this period, it is clear that the dollar's strength was partly responsible for the decline in U.S. exports. (Foreign competition is also partly to blame.) However, U.S. farm exports were up in the 2000 and 2001 fiscal years despite the continued appreciation of the dollar. This suggests that income growth in U.S. export markets, which rose 4.3 percent in 2000, more than offset the negative effects of the dollar's strength on U.S. exports, notwithstanding continued fierce foreign competition. However, the difference between the performance of bulk and high-value exports is also illuminating.

From fiscal 1996 to 2001, the value of U.S. bulk commodity exports slipped from \$28 to \$17.6 billion, while high-value products rose from \$31.9 to \$35.3 billion. The contrast between the export patterns of bulk commodities and high-value products, which account for 67 percent of U.S. agricultural export value, is attributed largely to depressed bulk commodity prices since bulk volume shipped has not fallen. Given that Japan, the European Union, and Mexico accounted for 44 percent of U.S. bulk sales in fiscal 2001, these countries' subdued growth forecast in 2002 bodes poorly for bulk export prospects in the short-term. Continued strong foreign sales of high-value products, especially vegetables, despite the dollar's appreciation, also depend on income growth in key export markets —Canada, Japan, the European Union, and Mexico, which together purchased 64 percent of U.S. high-value exports in fiscal 2001. Nevertheless, the gravity factor in U.S. export patterns that favor closer markets due to lower transport costs has given an advantage to high-value products shipped to Canada and Mexico.

Given that exports respond after a lag to exchange-rate and foreign income changes, current and forecast values of the dollar and foreign GDP indexes are expected to affect future U.S. export prospects. The exchange-rate index for total agriculture in Table 5 is projected to rise modestly from 125.6 in 2001 to 126.9 in 2002, indicating higher effective prices for U.S. farm exports. At the same time, however, the income index of foreign markets is forecast also slightly higher. Through 2002, the dollar's export-weighted exchange rate index is projected to appreciate to a greater extent with respect to bulk commodities than to high-value products. This pattern has been evident since 1997, giving ample reason for the continued fall in bulk commodity export value. Projected higher bulk prices might not compensate for the adverse exchange-rate effect.

Among high-value exports, the income index for markets of hides and skins appear highly favorable through 2002. This attests to the impressive performance of hides and skins exports in the past two years despite a 10-percent rise of the dollar against these markets' currencies. Based on the projected income growth index, it appears that export prospects are promising as well for dairy products, soybeans, and wheat. These prospects are tempered somewhat by the still-strong dollar through 2002. Of course, if commodity prices recover, U.S. export value should receive a sharper boost.

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Table 5

The dollar's export-weighted exchange-rate index in U.S. export markets 1/

	1996	1997	1998	1999	2000	2001	2002
	FY 1995=100						
Total agriculture	102.7	105.9	118.1	116.0	116.5	125.6	126.9
Bulk commodities 2/	102.5	106.1	121.4	117.8	119.3	129.5	131.0
Soybeans	102.1	105.9	122.5	116.7	118.9	129.4	129.4
Corn	105.4	109.6	122.8	117.7	114.6	124.9	129.4
Wheat	99.5	102.2	115.8	119.7	125.3	134.3	136.0
Rice	102.7	106.0	119.7	118.3	120.0	131.3	133.9
Cotton	101.6	101.2	122.7	113.8	113.1	123.0	123.1
Tobacco	101.5	110.2	123.8	123.8	131.6	142.7	140.3
High-value products 3/	102.8	105.8	116.5	115.1	115.1	123.7	124.9
Red meats	108.0	114.3	129.0	121.2	115.7	127.1	130.9
Poultry	95.3	95.4	100.9	110.4	111.7	114.2	114.3
Dairy products	101.3	101.1	112.4	111.7	110.5	117.0	118.1
Hides and skins	100.5	104.0	126.1	120.5	118.4	128.0	129.9
Feeds and fodders	104.7	110.0	121.7	118.4	120.4	131.5	132.7
Fruits and juices	102.9	106.5	117.5	115.9	115.7	125.1	126.5
Tree nuts	102.3	107.8	114.9	115.4	123.0	133.4	132.1
Vegetables	103.3	105.9	116.0	115.2	114.2	122.5	124.0
Soybean meal	99.2	101.0	122.1	117.6	120.9	130.9	129.3
Sugar	101.4	101.2	109.3	110.2	109.3	115.5	116.2
Seeds	101.3	103.1	108.5	110.2	114.5	121.7	121.6

1/ Based on foreign currency units per dollar, averaged over the fiscal year.

2/ Includes other coarse grains.

3/ Market weights are the difference between total agriculture and bulk commodities export values.

Data sources: ERS; Oxford Economic Forecasting.

Table 6

Real income index in U.S. export markets 1/

	1996	1997	1998	1999	2000	2001	2002
	FY 1995=100						
Total agriculture	103.7	108.3	110.1	113.0	117.9	120.2	121.3
Bulk commodities	104.4	109.3	111.2	114.0	119.1	121.5	123.1
Soybeans	104.7	109.9	112.3	115.8	121.2	124.4	126.5
Corn	104.4	109.2	110.7	113.3	118.0	119.9	120.8
Wheat	104.4	109.1	110.9	113.9	119.0	122.0	124.4
Rice	103.1	107.1	108.8	110.4	114.2	116.3	117.2
Cotton	104.6	110.3	111.8	114.2	119.6	121.5	122.7
Tobacco	103.6	107.4	109.2	111.7	116.1	118.2	119.1
High-value products	103.3	107.8	109.6	112.5	117.4	119.6	120.3
Red meats	104.0	108.2	108.2	110.2	114.4	115.9	115.8
Poultry	102.5	106.9	107.3	109.8	116.7	119.6	120.7
Dairy products	103.6	108.7	111.1	114.4	119.5	122.0	123.0
Hides and skins	105.7	112.0	112.6	117.9	126.3	129.7	132.1
Feeds and fodders	103.3	107.1	108.7	111.1	114.9	116.8	117.3
Fruits and juices	102.5	106.7	108.5	111.4	116.2	118.2	118.4
Tree nuts	102.7	106.2	108.6	111.5	115.7	118.1	119.1
Vegetables	103.1	107.4	109.6	112.8	117.5	119.7	120.2
Soybean meal	104.0	108.5	110.0	112.0	116.8	119.8	122.0
Sugar	102.7	107.5	110.5	114.3	119.2	121.6	122.4
Seeds	102.7	107.0	110.2	113.1	117.0	119.4	120.5

1/ Income is computed from GDP in 1995 U.S. dollars; weighted by corresponding U.S. export value.
Data sources: ERS; Oxford Economic Forecasting.