



United States Department of Agriculture

FAU-88

Apr. 15, 2004



Electronic Outlook Report from the Economic Research Service

www.ers.usda.gov

U.S. Agricultural Trade Update

Carol Whitton, coordinator

October 2003-February 2004 U.S. Agricultural Export Surplus Rises Slightly Compared with October-January

Special Article

Web Sites

- [U.S. Trade Data](#)
- [FAQ & Summary Data](#)
- [Articles on U.S. Trade](#)

The next release is May 13, 2004

Approved by the World Agricultural Outlook Board.

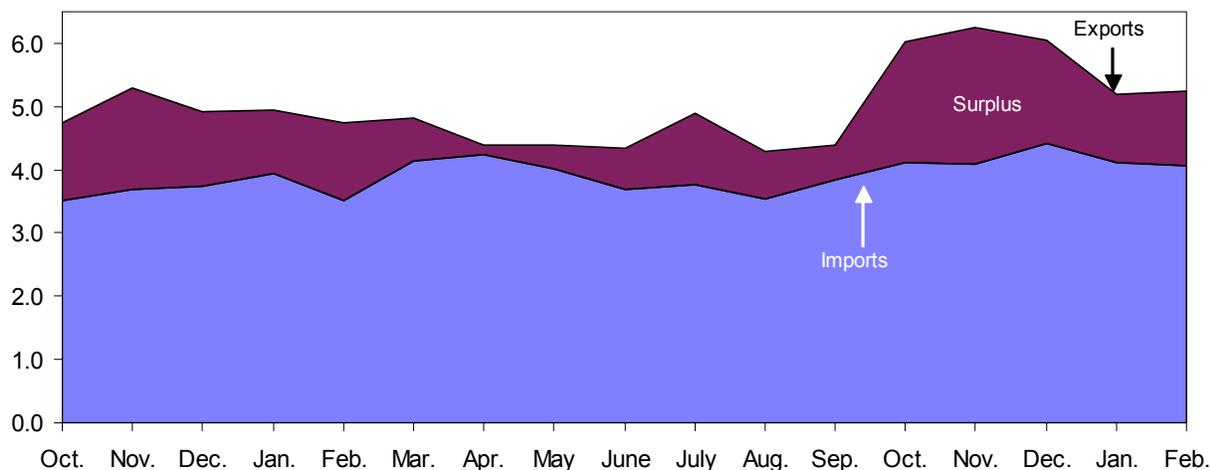
The fiscal 2004 U.S. agricultural export surplus continues to rise and has reached \$7.9 billion dollars, 28 percent more than October 2002-February 2003. Agricultural exports in February increased about 1 percent over January to equal \$5.2 billion for the month. Cumulative exports reached \$28.8 billion, 17 percent above 2003. However, October-February imports also are up, despite a slight drop in February from January's level. Imports equal \$20.8 billion so far this year. U.S. exports generally are at their largest during the harvest season from October through March and weaker from April through September, while imports vary less from month to month year-round.

Soybeans, cotton, and corn lead gains in agricultural exports so far this year, while tropical products and meats lead growth in import value.

Figure 1

Monthly U.S. agricultural trade, fiscal years 2003 and 2004

Billion dollars



Sources: Economic Research Service, USDA and Census Bureau, U.S. Dept. of Commerce.

Table 1--U.S. agricultural trade, year-to-date and current months

Item	Jan.	Feb.	Change	Oct.-Feb.		Change
	2004	2004	Feb.>Jan.	2003	2004	'04>'03
	--Million dollars--		Percent	--Million dollars--		Percent
Agricultural exports	5,192	5,235	1	24,633	28,750	17
Imports (c.i.f.)	4,458	4,382	-2	19,937	22,414	12
Imports (customs value)	4,127	4,063	-2	18,425	20,822	13
Trade balance						
Exports minus c.i.f. imports	735	853	16	4,697	6,337	35
Exports minus customs-valued imports	1,065	1,172	10	6,208	7,929	28
Exports by major commodity group						
Live animals	21	20	-3	302	305	1
Red meats & products	166	183	10	2,116	1,824	-14
Poultry meats & products	186	166	-11	783	1,022	31
Dairy products	78	92	18	418	454	9
Hides & skins	129	146	13	708	692	-2
Animal fats & other products	64	75	18	340	362	7
Wheat	474	429	-10	1,606	2,000	25
Rice	100	138	38	393	550	40
Corn	484	434	-10	1,928	2,360	22
Other feed grains	104	107	3	440	479	9
Other grain products	185	199	8	883	964	9
Animal feeds & oil meal	328	335	2	1,698	1,758	4
Soybeans	912	750	-18	4,354	5,530	27
Other oilseeds	83	98	18	337	414	23
Vegetable oils	117	120	2	717	618	-14
Fruits, nuts, & products	361	401	11	1,910	2,253	18
Vegetables & products	408	400	-2	1,883	2,123	13
Juice, wine, & beverages	149	155	4	782	822	5
Cotton & linters	385	484	26	891	1,829	105
Tobacco, unmanufactured	120	131	9	536	573	7
Sugar & tropical products	127	134	6	717	767	7
Other	249	282	13	1,065	1,224	15
Total Exports	5,192	5,235	1	24,633	28,750	17
Imports (customs value) by major commodity group						
Live animals	93	92	-1	951	647	-32
Red meats & products	480	378	-21	1,687	2,163	28
Poultry meats & products	28	23	-16	109	126	15
Dairy products	152	149	-2	720	867	20
Other animal products	72	56	-22	325	314	-3
Grains, feeds, & oil meal	336	339	1	1,707	1,813	6
Fruits, juices, & nuts	542	586	8	2,491	2,659	7
Vegetables & preparations	661	644	-3	2,694	2,962	10
Oilseeds	22	25	12	99	109	9
Vegetable oils	148	171	16	617	746	21
Wine	217	208	-4	1,246	1,345	8
Malt beverages	162	190	17	926	1,030	11
Coffee	161	155	-4	758	774	2
Cocoa	227	189	-17	936	1,104	18
Rubber, natural	120	104	-13	392	464	18
Sugar, cane & beet	21	35	68	225	202	-10
Sugar products	119	125	5	570	644	13
Tobacco, unmanufactured	60	55	-8	236	333	41
Other tropical products	266	269	1	704	1,343	91
Other competitive products	241	269	12	1,031	1,178	14
Total Imports	4,127	4,063	-2	18,425	20,822	13

Preliminary data. Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

Table 2--Top 10 U.S. export markets for wheat, corn, soybeans, and cotton, in October-February 2003 and 2004 and Feb. 2004

Wheat	Oct.-Feb. 2003	Oct.-Feb. 2004	Feb. 2004	Corn	Oct.-Feb. 2003	Oct.-Feb. 2004	Feb. 2004
	Metric tons				Metric tons		
Egypt	713,195	2,095,558	453,368	Japan	6,426,814	6,372,343	1,261,498
Japan	1,168,917	1,276,113	315,590	Mexico	2,483,062	2,762,105	117,535
Mexico	1,124,125	1,254,960	220,182	China (Taiwan)	1,800,395	1,988,958	310,678
Nigeria	602,365	696,458	88,475	Egypt	781,009	1,522,878	368,500
European Union	354,005	671,154	23,356	Canada	1,610,581	941,232	106,973
South Korea	569,463	580,974	92,824	Colombia	796,882	875,059	159,780
Romania	0	443,628	143,741	South Korea	133,131	782,240	346,631
China (Taiwan)	405,590	401,580	46,047	Israel	45,041	614,617	59,855
Philippines	609,461	389,709	69,466	Algeria	517,815	593,676	141,703
Yemen (Sana)	271,585	319,715	93,500	Dominican Rep.	408,570	337,020	22,264
World	9,146,766	12,471,277	2,571,198	World	17,028,050	20,499,093	3,420,217

Soybeans	Oct.-Feb. 2003	Oct.-Feb. 2004	Feb. 2004	Cotton	Oct.-Feb. 2003	Oct.-Feb. 2004	Feb. 2004
	Metric tons				Metric tons		
China (Mainland)	6,247,259	7,711,000	938,538	China (Mainland)	109,754	521,101	153,974
European Union	4,648,656	2,818,469	191,587	Mexico	130,364	109,063	23,664
Mexico	1,891,911	2,146,380	354,647	Turkey	106,885	84,688	29,206
Japan	1,855,149	1,757,708	280,140	Indonesia	60,081	67,903	15,558
China (Taiwan)	920,318	985,137	109,640	Pakistan	26,175	58,334	10,409
Indonesia	584,965	736,553	196,446	Brazil	30,858	46,269	16,720
South Korea	514,365	553,964	263	Thailand	40,203	36,557	9,259
Thailand	566,082	378,218	0	South Korea	29,937	34,114	7,459
Canada	299,518	271,968	34,746	Canada	26,233	28,440	4,940
Turkey	130,306	254,283	22,016	China (Taiwan)	50,011	24,512	6,417
World	19,465,392	19,038,772	2,334,458	World	811,634	1,159,898	303,926

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

Contact Information

Carol Whitton 202-694-5293 cwhitton@ers.usda.gov
 Alberto Jerardo 202-694-5266 ajerardo@ers.usda.gov

Trade Information

Monthly and year-to-date U.S. agricultural trade (FATUS and HTS) data are on the Foreign Agricultural Service's web site <http://www.fas.usda.gov/ustrade/>. Click on FATUS imports or FATUS exports.

Frequently asked questions and answers and summary FATUS data tables are at <http://www.ers.usda.gov/data/fatus>.

For articles and general information about agricultural trade see <http://www.ers.usda.gov/briefing/agtrade>.

Subscription Information

Subscribe to the ERS e-mail notification service at <http://www.ers.usda.gov/updates/> to receive timely notification of newsletter availability. Printed copies can be purchased from the USDA Order Desk by calling 1-800-999-6779 (specify the issue number or series SUB-FAU-4030).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

U.S. agricultural exports generate employment, income, and purchasing power in both the farm and nonfarm sectors. Each farm export dollar earned stimulated another \$1.61 in business activity in calendar year 2002. The \$53.1 billion of agricultural exports in 2002 produced an additional \$85.4 billion in economic activity. Agricultural exports also generated 841,000 full-time civilian jobs, which included 425,000 jobs in the nonfarm sector. Farmers' purchases of fuel, fertilizer, and other inputs to produce commodities for export spurred economic activity in the manufacturing, trade, and transportation sectors.

Production from almost a third of U.S. cropland moved into export channels in 2002. Of raw crops, the United States exported more than 50 percent of food grain production, almost 20 percent of feed grains, and more than 35 percent of oilseeds. Export-related employment peaked in 1981 when bulk and processed agricultural exports provided jobs for 1.2 million workers. In 2002, exports generated \$138.5 billion in business activity--\$53.1 billion from exports and \$85.4 billion from supporting activities. Net agricultural exports in 2002 contributed \$11.2 billion to the overall U.S. trade balance, a decrease from \$14.3 billion in 2001.

Exports Generate New Business, Add Jobs

Of the \$53.1 billion in U.S. agricultural exports in 2002, the value of exported raw products was \$19.1 billion, \$22.9 billion of processed commodities, and \$9.0 billion for transport and trade services. The \$85.4 billion in 2002 supporting activity included \$15.4 billion from the farm sector, \$5.0 billion from the food processing sector, \$19.4 billion from other manufacturing sectors, \$13.0 billion from trade and transportation, and \$32.6 billion from other services. Nonfarm sectors of the economy received about 82 percent of the additional economic activity.

Employment required to produce, transport, and service 2002's agricultural exports increased from 2001. Factors such as export commodity mix, price changes, and the volume of goods exported contributed to the rise. Of the 841,000 full-time civilian jobs related to agricultural exports in 2002, more than 416,000 were U.S. farmworkers, an increase of over 72,000 jobs in 2002 from 2001. In addition, 425,000 jobs in the nonfarm sector were involved in assembling, processing, distributing, and servicing agricultural products for export. About

56,000 of those were in food processing, 125,000 in trade and transportation, 50,000 in other manufacturing sectors, and 194,000 in other services. Bulk exports have a smaller proportional effect on the nonfarm economy than processed or high-value, exports.

Bulk exports generated an additional \$26.9 billion of business activity while non-bulk exports generated \$58.5 billion--i.e., \$1.51 additional output per dollar of bulk exports, \$1.66 for non-bulk exports, and \$1.61 for all agricultural exports. The additional business activity attributed to bulk exports was distributed across economic sectors as follows: 6 percent in farming, 29 percent in manufacturing, 51 percent in other services, and 14 percent in wholesale and retail trade and transportation. In contrast, the additional business activity for non-bulk exports was 23 percent in farming, 28 percent in manufacturing, 32 percent in other services, and 16 percent in wholesale and retail trade and transportation. Of the 841,000 jobs related to U.S. agricultural exports, 512,000 (61 percent) supported non-bulk exports.

Impacts of Agricultural Imports on U.S. Output

The domestic output effect of the \$34.9 billion of imports that compete with U.S. products (imports of agricultural products that are not produced in the United States such as coffee, bananas, and tea are considered noncompetitive and are not included in this analysis), was \$88.1 billion in 2002. Each dollar spent on competitive imports would have required another \$1.52 in supporting goods and services if those imported items had been produced domestically, indicating an output multiplier of 2.52.

U.S. agricultural trade positively affects most sectors of the economy. The farm sector's \$34.4 billion of output associated with agricultural exports more than offset the \$21.7 billion of farm output implicitly lost because of competitive agricultural imports. All manufacturing, including the food processing sectors, gained \$17.1 billion in total output, about 37,400 jobs and \$4 billion in income. The U.S. economy gained a net \$26.9 billion in output after considering the theoretical loss to competitive agricultural imports. Outside of farming and food processing, the United States accrued a net \$3.7 billion from agricultural trade. (William Edmondson, 202-694-5170, <http://wedmonds@ers.usda.gov>.)

Table 3--U.S. economic activity triggered by agricultural trade, open model, 2002

Item	2000 Total	2001 Total	2002 Total	2002 Bulk	2002 Other
Billion dollars					
Economic activity generated by agricultural exports	127.3	133.0	138.5	44.7	93.8
Agricultural exports	51.6	53.7	53.1	17.8	35.3
Agricultural imports	39.0	39.4	41.9	6.0	35.9
Complementary	7.8	6.7	7.0	0.0	7.0
Competitive	31.2	32.7	34.9	6.0	28.9
Agricultural trade balance	12.6	14.3	11.2	11.8	-0.6
Total supporting activities generated by agricultural exports	75.7	79.3	85.4	26.9	58.5
Farm	14.3	15.0	15.4	1.7	13.7
Food processing	5.5	5.8	5.0	0.2	4.8
Other manufacturing	16.7	17.2	19.4	7.7	11.7
Trade and transportation	12.8	13.5	13.0	3.8	9.2
Other services	26.4	27.7	32.6	13.6	19.0
Percent					
Nonfarm share of supporting economic activity	81.0	81.0	82.0	94.1	76.4
Export multiplier (additional business activity generated by \$1 of exports)	1.5	1.5	1.6	1.5	1.7
1,000 jobs					
Total employment generated by agricultural exports	740.0	801.0	841.0	329.0	512.0
Farm employment generated by agricultural exports	296.0	344.0	416.0	184.0	232.0
Employment per billion dollars of agricultural exports	14.3	14.9	15.8	18.5	14.5
Percent					
Share of farm workforce supported by agricultural exports	9.0	11.0	12.5	5.5	6.9
1,000 jobs					
Nonfarm employment supported by agricultural exports:					
Total	444.0	457.0	425.0	145.0	280.0
Food processing	70.0	73.0	56.0	0.0	56.0
Other manufacturing	59.0	62.0	50.0	17.0	33.0
Trade and transportation	135.0	137.0	125.0	43.0	82.0
Other services	180.0	185.0	194.0	85.0	109.0
Billion dollars					
Domestic equivalent of economic activity generated by competitive imports	75.4	76.5	88.1	15.1	73.0
Net business surplus of agricultural trade	51.9	49.8	43.4	29.6	13.8
For Nonfarm, nonfood processing sectors:					
Net direct benefit from exports	5.2	2.2	3.7	3.2	0.5
Net increased output from exports	24.6	26.2	25.4	16.6	8.8
Percent					
Farm share of total income from exports	24.0	24.0	22.1	29.4	17.7
Trade and transportation share of total income from exports	24.0	24.0	22.8	21.3	23.7