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Situation and Outlook Report

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Outlook

Outlook for U.S. Agricultural Trade

Bart Kenner, coordinator

Hui Jiang, coordinator

FY 2020 U.S. Exports Forecast Up \$500 Million to \$139.5 Billion; Imports at \$132.5 Billion

U.S. agricultural exports in Fiscal Year (FY) 2020 are projected at \$139.5 billion, up \$500 million from the November forecast, as higher soybean, wheat, and poultry export forecasts more than offset reductions in corn and soybean meal. Soybean and wheat exports are projected up \$400 million each on higher volumes. Corn exports are forecast down \$500 million due to strong competition from Brazil, Argentina, and Ukraine. Overall grain and feed exports are forecast at \$29.7 billion, \$200 million higher than the November forecast. Soybean meal exports are projected \$300 million lower, while total oilseed and product exports are unchanged. Livestock, poultry, and dairy exports are raised by \$500 million to \$32.4 billion, led by higher poultry and poultry product exports, which are \$400 million higher on stronger volumes and values for broiler and turkey meat. Cotton exports are forecast up \$100 million on higher unit values. Horticultural product exports are unchanged at \$35.5 billion.

Exports for China are raised \$3.0 billion from the November forecast to \$14.0 billion, based partly on higher projected volumes for soybeans. The current outlook for exports to China is tempered by significant uncertainties surrounding the Covid-19 outbreak, which may affect the timing of China's purchases under the Phase One Agreement during the calendar year. For more information about the agricultural provisions of the Phase One Agreement and USDA trade forecasts, see

<https://www.usda.gov/oce/commodity/reports/USDATradeForecastsAndUSChinaAgreement.pdf>

U.S. agricultural imports in fiscal year 2020 are forecast at \$132.5 billion, up \$500 million from the November forecast. This is a product of \$300 million, \$200 million, and \$100 million

increases in the forecast of horticultural products, grains and feed products, and oilseeds and oilseed products, respectively. These increases more than offset the reduced forecast of livestock products.

The forecasts in this report are based on policies in effect at the time of the February 11 WASDE release.

Table 1--U.S. agricultural trade, fiscal years 2014-20, year ending September 30

Item	2014	2015	2016	2017	2018	2019	Forecast fiscal year*	
							2020	
							Nov.	Feb.
<i>Billion dollars</i>								
Exports	152.3	139.8	129.6	140.2	143.4	135.5	139.0	139.5
Imports	109.3	114.2	113.0	119.1	127.5	130.9	132.0	132.5
Balance	43.1	25.5	16.6	21.1	15.9	4.6	7.0	7.0

*Reflect forecasts in the February 11, 2020, *World Agricultural Supply and Demand Estimates* report.

Source: Compiled by USDA using data from U.S. Census Bureau, U.S. Department of Commerce.

Economic Outlook

Growth Steady with Slight Effect from Covid-19

The per capita world gross domestic product (GDP) growth forecast is unchanged from November at 1.5 percent in 2019 and 2020. U.S. per capita GDP growth is consistent with the prior forecast for 2019 at 1.6 percent but is lowered 0.2 percentage points (ppt) to 1.1 percent for 2020 due to diminished business prospects. A slowdown across the Eurozone, declining growth rates in China and the recent damaging global impact of the Covid-19 outbreak is expected to dampen growth prospects worldwide.

In the United States, many macroeconomic indicators remain favorable but mixed. Consumer and producer sentiment has remained resilient or shown improvement over the past few months. The unemployment rate has remained below 4.0 percent over the past twelve months, but wages only grew 3.1 percent over the same time period. Low wage growth and core inflation growth year-over-year in January at just 2.4 percent indicates slack remains in the economy and the labor market. Adverse impacts from the Covid-19 are expected mostly in the first quarter in the tourism and energy sectors. Inputs for domestically produced commodities closely tied to macroeconomic conditions could also face disruptions if the epidemic continues.

The U.S. dollar decreased in value versus foreign currencies by 5.2 percent in 2019 and is forecast to do so by 2.9 percent in 2020. The relative value of the dollar was high in the first half of 2019 due to trade uncertainty and steady interest rates from the Federal Reserve. The second half of the year, however, saw improved global economic conditions and interest rate cuts by the Federal Reserve, causing the U.S. dollar to depreciate to close out the year. Recent impacts from the Covid-19 outbreak have caused the U.S. dollar to appreciate significantly, as investors see the U.S. currency as a safe-haven during turbulent times. With inflation at or below the Fed's target, it appears unlikely further interest rates cuts will occur in the short term. However, comments by Chairman Jerome Powell indicate they are ready to cut rates if the epidemic begins to slow markets.

Before the outbreak of the Covid-19, reduced expectations of demand led the U.S. Energy Information Administration (EIA) to forecast Brent crude spot prices to have averaged approximately \$64 a barrel in 2019 and \$61 barrel in 2020. Since the outbreak, the EIA has updated their projections for global demand, reducing consumption by 310,000 barrels per day for the entirety of 2020. Nearby futures contracts for Brent were down 12 percent through all of January on concerns of the impact of Covid-19 on worldwide demand.

The lowered uncertainty over the United States-Mexico- Canada Agreement (USMCA), the U.S.-Japan Trade Agreement and the recent Phase One agreement with China, has been a positive factor for future growth prospects. However, the revised 2020 projection for U.S. growth is likely to reduce the prospects for both Canada and Mexico. Mexico had a technical recession in 2019, as the economy started 2020 smaller than when 2019 began. Canada had a stronger than expected end to the year as per capita GDP increased 0.1 ppt from the prior forecast to 0.2 percent for 2019 and lowered 0.2 ppt to 0.2 percent in 2020.

Per capita GDP growth in Latin America was expected at -0.3 percent in 2019, though this is 0.1 ppt higher than the prior estimate. Latin American per capita GDP is expected to grow just 0.2 percent in 2020. The Brazilian per capita GDP is expected to grow by 0.3 and 1.0 percent in 2019 and 2020, respectively. Both growth rates are improvements from the prior projection, as growth-friendly tax, administrative, and pension reform and rapid growth in consumption and investment will likely cause the Brazilian economy to grow. Argentina continues to struggle with rapid inflation, which will keep per capita GDP growth at -3.4 percent in 2019 and -2.5 percent in 2020. Aside from the commodity-dependent features of these economies, Latin America expects relatively negligible exposure to the Covid-19 impacts relative to the United States.

Short term prospects for per capita GDP growth in Asia and Oceania are affected by the Covid-19 outbreak. Still, the impacts are projected to subside quickly if the epidemic does not overly expand. Per capita GDP growth for 2019 is expected to increase 0.1 ppt from the prior forecast to 3.5 percent and to remain at 3.3 percent in 2020. China is anticipated to have a brief interruption to consumption, investment, and business activity but not see significant impacts beyond the first quarter of 2020. GDP per capita growth prospects for China are unchanged for 2019 at 5.7 percent, while 2020 per capita GDP growth has been downgraded 0.2 ppt from the prior forecast to an annualized rate of 5.2 percent. Continued lowered demand domestically and the Covid-19 has reduced prospects for India by roughly 1.0 ppt from the prior forecast for both 2019 and 2020 to 3.9 and 4.6 percent, respectively.

Industrial output has continued to struggle in the European Union's two largest economies, Germany and France. The German economy was flat across the fourth quarter of 2019, before the outbreak of the novel Covid-19. The outbreak is expected to further diminish growth prospects across the EU, as many supply chains are closely linked to Chinese manufacturers. Per capita GDP growth is anticipated at 1.0 percent in 2019 and 0.8 percent in 2020.

Table 2--Macroeconomic variables affecting U.S. agricultural exports 1/

Region/Country 3/	Real exchange rate 2/		Real GDP per capita growth rate				Share of World		Share of U.S.
	2019	2020	2019	2020	2019	2020	GDP	Population	Ag. exports
	Percent change				Previous forecast		2016-18 Average		
World	5.2	2.9	1.5	1.5	1.5	1.5	100.0	100.0	100.0
NAFTA	1.5	-0.1	1.4	0.7	0.8	0.9	27.7	6.5	28.4
United States	--	--	1.6	1.1	1.6	1.3	24.1	4.3	--
Canada	2.4	0.3	0.2	0.2	0.1	0.4	2.0	0.5	15.0
Mexico	0.3	-0.7	-1.0	-0.3	-0.8	0.0	1.6	1.7	13.5
Emerging Markets	4.3	0.9	4.6	4.4	4.7	4.9	24.1	45.0	16.0
Brazil	7.9	6.1	0.3	1.0	0.0	0.8	2.2	2.8	0.5
Russia	3.2	-1.4	1.1	1.6	1.2	1.7	1.8	1.9	0.2
India	3.0	1.9	3.9	4.6	4.9	5.5	3.2	17.8	1.1
Indonesia	-0.6	-1.7	3.9	4.0	3.9	4.0	1.2	3.5	2.1
China	4.5	0.4	5.7	5.2	5.7	5.4	15.8	18.9	12.1
Europe & Central Asia	0.1	0.1	1.8	1.5	0.9	0.8	24.9	9.3	10.4
Euro Zone	-4.1	-2.0	1.0	0.8	1.0	0.9	15.4	4.5	7.0
Ukraine	-5.0	-7.7	4.1	4.0	3.6	3.5	0.1	0.6	0.1
Turkey	17.7	12.4	-1.1	1.5	-2.0	1.0	1.2	1.1	1.1
Asia & Oceania	3.1	1.2	3.5	3.3	3.4	3.3	34.0	55.2	44.4
Japan	-1.2	-1.0	1.2	0.7	1.2	0.5	5.7	1.7	8.7
South Korea	5.8	0.2	1.7	1.6	1.6	1.8	2.0	0.7	5.2
Australia	7.5	1.5	0.5	0.7	0.5	1.1	1.6	0.3	1.0
Other SE Asia 4/	-0.7	-0.5	3.6	3.7	4.3	4.4	1.7	4.0	6.2
Latin America	18.2	15.8	-0.3	0.2	-0.4	0.7	4.6	5.8	23.9
Argentina	72.0	70.0	-3.4	-2.5	-3.4	-2.3	0.8	0.6	0.3
Other S. America 5/	8.2	4.8	0.9	1.4	0.8	1.7	1.1	1.8	3.6
Middle East & N. Africa	6.4	-0.3	-1.0	0.0	-0.8	-0.1	4.2	6.5	5.9
Sub-Saharan Africa	7.4	5.5	0.1	0.4	0.1	0.7	2.0	13.3	1.2

1/ Real values have a 2010 base year.

2/ Local currency per U.S. dollar. A negative growth rate indicates a depreciation of the dollar. World real exchange rate is a U.S. agricultural exports-weighted index.

index.

4/ Includes Malaysia, Philippines, Thailand, and Vietnam.

5/ Includes Chile, Colombia, Peru, Bolivia, Paraguay, and Uruguay.

Source: Calculations and compilation by U.S. Dept. of Agriculture, Economic Research Service using data and forecasts from Global Insight the International Monetary Fund, and Oxford Economics.

Export Products

FY 2020 U.S. grain and feed exports are forecast at \$29.7 billion, up \$200 million from the November forecast, as higher wheat and rice exports more than offset a decline in corn. Corn exports are forecast at \$8.5 billion, down \$500 million on lower volumes, as U.S. exports continue to face strong competition from Brazil, Argentina, and Ukraine. Sorghum exports are forecast at \$500 million, unchanged. Feeds and fodders are forecast up \$100 million to \$7.8 billion on higher unit values. Wheat exports are forecast at \$6.4 billion, up \$400 million on stronger volumes, which more than offset slightly lower unit values. Higher-than-anticipated global demand and reduced exports from key competitors (Argentina, Australia, and Canada) are expected to strengthen U.S. shipments. Rice is forecast at \$2.0 billion, up \$100 million from the November forecast on higher unit values to date and stronger shipments to the Western Hemisphere and the Middle East.

The oilseed and product export forecast remains unchanged at \$27.1 billion. Higher soybean export values reflect larger volumes and offset lower soybean meal sales. Soybean exports are forecast up \$400 million from the November forecast, reaching \$18.4 billion. Forecast unit values are lowered due to a variety of factors that include a weak Brazilian real and forecast record soybean production in Brazil. A more pronounced decline in soybean meal unit values, coupled with lower volumes, leads to a \$300-million decline to \$4.3 billion for soybean meal exports. Soybean oil and other oilseed and product exports remain mostly unchanged. Soybean oil is up marginally on higher volumes, but this is largely offset by weaker-than-expected prices early in the season.

Cotton exports are forecast at \$6.2 billion, up \$100 million from the November projection on higher unit values. Current unit values are stronger than expected, but export volume is unchanged.

Livestock, poultry, and dairy exports are forecast up \$500 million from the November projection to \$32.4 billion as stronger demand for poultry and products, dairy, and variety meats more than offsets declines for beef. Poultry and poultry products are forecast \$400 million higher to \$5.6 billion on stronger volumes and values for broiler and turkey meat. Dairy exports are raised \$200 million to \$6.0 billion as slower growth in global milk production is expected to result in stronger prices and higher export volumes particularly for nonfat dry milk. Beef is down \$100 million to \$7.5 billion as a minor reduction in volumes is not offset by slightly higher prices. Pork is roughly unchanged at \$6.7 billion.

Horticultural product exports are projected at \$35.5 billion, unchanged from the November forecast. Whole and processed tree nuts are unchanged at \$9.1 billion, with most shipments destined for Europe and Asia. Fresh fruit and vegetables are unchanged at \$7.1 billion on stable shipments to top markets Canada and Mexico. Processed fruits and vegetables are unchanged at \$7.0 billion on steady shipments to Canada.

Table 3--U.S. agricultural exports: Value and volume by commodity, 2019 - 2020

Commodity	October -December		Fiscal year 2019	Forecast Fiscal year 2020	
	FY2019	FY2020		Nov.	Feb.
VALUE					
---Billion dollars---					
Grains and feeds 1/	7.848	6.547	30.007	29.5	29.7
Wheat 2/	1.423	1.392	6.244	6.0	6.4
Rice	0.462	0.484	1.855	1.9	2.0
Coarse grains 3/	2.795	1.511	9.470	9.5	9.0
Corn	2.699	1.339	8.977	9.0	8.5
Feeds and fodders	1.980	1.965	7.787	7.7	7.8
Oilseeds and products 4/	7.231	9.051	25.828	27.1	27.1
Soybeans	4.969	6.680	16.949	18.0	18.4
Soybean meal 5/	1.153	1.120	4.464	4.6	4.3
Soybean oil	0.180	0.237	0.677	0.7	0.7
Livestock, poultry, and dairy	7.619	8.188	30.183	31.9	32.4
Livestock products	5.041	5.322	19.366	20.9	20.8
Beef and veal 6/	1.900	1.734	7.282	7.6	7.5
Pork 6/	1.358	1.787	5.518	6.7	6.7
Beef and pork variety meats 6/	0.383	0.435	1.562	1.7	1.7
Hides, skins, and furs	0.291	0.231	1.108	0.9	0.9
Poultry and products	1.268	1.301	5.142	5.2	5.6
Broiler meat 6/ 7/	0.759	0.811	3.179	3.3	3.7
Dairy products	1.309	1.565	5.675	5.8	6.0
Tobacco, unmanufactured	0.168	0.146	0.754	0.8	0.8
Cotton	0.932	1.009	6.070	6.1	6.2
Seeds	0.694	0.543	1.899	2.0	2.0
Horticultural products 8/	9.479	9.627	34.964	35.5	35.5
Fruits and vegetables, fresh	1.764	1.767	7.066	7.1	7.1
Fruits and vegetables, processed 8/	1.711	1.751	6.859	7.0	7.0
Tree nuts, whole and processed	3.051	3.120	8.997	9.1	9.1
Sugar and tropical products 9/	1.505	1.479	5.833	5.9	5.9
Major bulk products 10/	9.427	9.909	35.464	42.3	42.8
Total	35.480	36.593	135.544	139.0	139.5
VOLUME					
--- Million metric tons ---					
Wheat 2/	5.856	6.101	26.626	25.2	27.5
Rice	0.939	0.954	3.621	3.7	3.8
Coarse grains 3/	15.562	8.181	51.642	52.9	50.1
Corn	15.057	7.286	49.076	50.0	47.0
Feeds and fodders	5.548	5.088	21.578	22.0	21.8
Soybeans	14.351	18.520	48.118	48.3	49.7
Soybean meal 5/	3.092	3.169	12.296	12.1	12.0
Soybean oil	0.235	0.310	0.881	0.8	0.9
Beef and veal 6/	0.264	0.247	1.014	1.1	1.1
Pork 6/	0.518	0.638	2.057	2.4	2.4
Beef and pork variety meats 6/	0.170	0.192	0.728	0.8	0.8
Broiler meat 6/ 7/	0.849	0.853	3.221	3.3	3.3
Tobacco, unmanufactured	0.022	0.018	0.105	0.2	0.2
Cotton	0.490	0.630	3.423	3.6	3.6
Major bulk products 10/	37.220	34.403	133.536	133.9	134.9

Total may not add due to rounding.

1/ Includes corn gluten feed and meal and processed grain products. 2/ Excludes wheat flour. 3/ Includes corn, barley, sorghum, oats, and rye. 4/ Excludes corn gluten feed and meal. 5/ Includes soy flours made from protein meals. 6/ Includes chilled, frozen, and processed meats. 7/ Includes only federally inspected product. 8/ Includes juices. 9/ Includes coffee and cocoa products, tea, and spices. 10/ Includes wheat, rice, coarse grains, soybeans, cotton, and unmanufactured tobacco.

Source: Compiled by U.S. Dept. of Agriculture using data from U.S. Census Bureau, U.S. Department of Commerce.

Regional Exports

Outlook for Fiscal Year 2020

Agricultural exports in fiscal 2020 are forecast at \$139.5 billion, \$500 million higher than the November projection, led by increased exports to China.

Asia

The forecast for U.S. exports to China is raised \$3.0 billion from November to \$14.0 billion, in part based on higher projected volumes for soybeans. The current outlook for exports to China is tempered by significant uncertainties surrounding the Covid-19 outbreak, which may affect the timing of China's purchases under the Phase One Agreement during the calendar year.

Forecast exports to Hong Kong are reduced by \$600 million to \$3.0 billion due to lower-than-expected shipments of consumer-oriented products, especially tree nuts, beef, and prepared food. Exports to Japan are lowered \$500 million to \$12.0 billion from the previous forecast on reduced prospects for corn. October-December 2019 U.S. corn sales to Japan lagged well behind the previous year, while Brazil ramped up its corn exports to Japan. Similarly, forecast exports for South Korea and Taiwan are down \$300 million and \$100 million, respectively, as U.S. corn market share decline due to higher Brazilian and Argentine supplies.

Forecast exports to Thailand are down \$100 million to \$1.8 billion based on the shipment pace of soybeans and distiller dried grains in the first quarter. The forecast for India is raised \$300 million to \$1.8 billion on strong tree nut sales. Exports to South Asia overall are forecast \$400 million higher, with the remaining \$100 million due to strong soybean and cotton sales in Pakistan.

Western Hemisphere

The export forecast for Peru is reduced by \$300 million to \$800 million on weak corn sales and strong competition from Argentina.

Europe, Africa, the Middle East, and Oceania

U.S. Exports to the EU are forecast at \$12.3 billion, which is \$1.0 billion lower than the November projection due to reduced demand for soybean, soybean meal, and feeds and fodders.

Exports to Russia are forecast down \$100 million on lower demand for planting seeds.

The export forecast for Africa is up \$100 million to \$4.4 billion, due to higher wheat sales to Nigeria.

The export forecast for the Middle East is unchanged, as higher exports to Turkey are offset by reductions in Saudi Arabia. Exports to Turkey are raised \$100 million on higher tree nut and cotton sales. Exports to Saudi Arabia are cut by the same amount on weak demand for bulk products (corn, soybeans, wheat).

Table 4--U.S. agricultural exports: Value by region, 2019-2020

Country and region 1/	October - December		Fiscal year 2019	Share of 2019 total	Forecast	
	FY 2019	FY 2020			Fiscal year 2020	
	-- \$ Billion --			Percent	-- \$ Billion --	
VALUE						
Asia	13.401	16.007	54.746	40.4	56.8	58.6
East Asia	8.780	11.259	37.169	27.4	39.1	40.6
Japan	3.038	2.622	12.136	9.0	12.5	12.0
China	1.269	5.029	10.089	7.4	11.0	14.0
Hong Kong	1.409	0.887	3.513	2.6	3.6	3.0
Taiwan	1.019	0.972	3.608	2.7	3.7	3.6
South Korea	2.041	1.747	7.812	5.8	8.3	8.0
Southeast Asia	3.560	3.453	13.566	10.0	13.7	13.6
Indonesia	0.670	0.637	2.892	2.1	2.9	2.9
Philippines	0.735	0.749	2.879	2.1	3.0	3.0
Malaysia	0.287	0.289	1.146	0.8	1.3	1.3
Thailand	0.615	0.554	1.885	1.4	1.9	1.8
Vietnam	0.965	0.879	3.593	2.7	3.7	3.7
South Asia	1.061	1.295	4.011	3.0	4.0	4.4
India	0.367	0.414	1.795	1.3	1.5	1.8
Western Hemisphere	14.550	13.890	55.021	40.6	55.3	55.0
North America	10.224	10.236	39.895	29.4	41.3	41.3
Canada	5.303	5.155	20.899	15.4	21.5	21.5
Mexico	4.921	5.081	18.996	14.0	19.8	19.8
Caribbean	0.930	0.875	3.677	2.7	3.6	3.6
Dominican Republic	0.365	0.333	1.297	1.0	1.3	1.3
Central America	1.151	1.158	4.384	3.2	4.0	4.0
South America	2.245	1.621	7.064	5.2	6.4	6.1
Brazil	0.161	0.167	0.583	0.4	0.6	0.6
Colombia	0.757	0.763	2.251	1.7	2.7	2.7
Peru	0.257	0.179	1.033	0.8	1.1	0.8
Venezuela	0.072	0.072	0.174	0.1	0.2	0.2
Europe/Eurasia	4.493	3.520	13.787	10.2	14.5	13.4
European Union-28	4.131	3.271	12.603	9.3	13.3	12.3
Other Europe 2/	0.133	0.118	0.572	0.4	0.6	0.6
FSU-12 3/	0.229	0.131	0.611	0.5	0.6	0.5
Russia	0.073	0.046	0.219	0.2	0.3	0.2
Middle East	1.556	1.521	5.773	4.3	5.9	5.9
Turkey	0.193	0.289	1.182	0.9	1.4	1.5
Saudi Arabia	0.389	0.351	1.316	1.0	1.4	1.3
Africa	0.950	1.131	4.080	3.0	4.3	4.4
North Africa	0.543	0.648	2.124	1.6	2.4	2.4
Egypt	0.368	0.453	1.477	1.1	1.5	1.5
Sub-Saharan Africa	0.408	0.483	1.956	1.4	1.9	2.0
Nigeria	0.069	0.112	0.552	0.4	0.6	0.7
Oceania	0.530	0.524	2.138	1.6	2.1	2.1
Transshipments via Canada 4/	0.000	0.000	0.000	0.0	0.0	0.0
Total	35.480	36.593	135.544	100.0	139.0	139.5

Total may not add due to rounding.

1/ Projections are based primarily on trend or recent average growth analysis.

2/ Major countries include Switzerland, Norway, Iceland, and former Yugoslav states.

3/ The former 15 Republics of the Soviet Union minus the 3 Baltic Republics.

4/ Transshipments through Canada have not been allocated to final destination, but are included in the total.

New countries added this quarter include Vietnam, India, Dominican Republic, Peru, and Nigeria

Source: Compiled by U.S. Dept. of Agriculture using data from Census Bureau, U.S. Department of Commerce.

Import Products

U.S. agricultural imports in fiscal year 2020 are forecast to be \$132.5 billion, \$500 million above the November forecast and \$1.6 billion above the total value of imports in fiscal year 2019. The expected increases in imports of horticultural products and grains and feed products are expected to more than offset the reduced forecast of animal products.

Horticultural product imports are expected to increase \$300 million from the previous forecast in fiscal year 2020 to \$66.3 billion, which is about \$100 million above the fiscal year 2019 total. Fresh fruit imports are expected to be \$300 million larger in fiscal 2020 than previously expected. Fresh vegetables are adjusted upward by \$100 million while the forecast for nuts and processed fruits imports is adjusted downward by \$100 million each.

Livestock, poultry and dairy import forecast is reduced \$100 million from \$17.7 billion to \$17.6 billion due to a continued trend of reduced imports of pork. All other livestock and meats and dairy products remain unchanged from the November forecast for fiscal year 2020.

U.S. imports of sugar and tropical products are unchanged in total from the November FY 2020 forecast, remaining at \$23.4 billion, a \$300 million increase over fiscal year 2019. The sweeteners and sweetener product forecast is increased by \$100 million due to strong imports reported in the first quarter of FY 2020, but that increase is countered by the \$100 million downward adjustment in coffee imports.

Imports of grains and feed products are forecast to grow by \$200 million from the previous forecast to \$13.9 billion, due to projected increases in U.S. demand for processed grain products. Total oilseeds and products imports for fiscal 2020 are expected to increase to \$9.5 billion, a \$100 million increase from November, due to higher volumes of vegetable oil shipments.

Table 5--U.S. agricultural imports: Value and volume by commodity, 2019-2020

Commodity	October - December		Fiscal year FY2019	Forecast Fiscal year 2020	
	FY2019	FY2020		Nov.	Feb.
VALUE					
---Billion dollars---					
Livestock, dairy, & poultry	4.303	4.522	17.789	17.7	17.6
Livestock and meats	3.170	3.416	13.281	13.3	13.2
Cattle and calves	0.448	0.498	1.750	1.8	1.8
Swine	0.074	0.074	0.312	0.3	0.3
Beef and veal	1.264	1.471	5.798	5.8	5.8
Pork	0.407	0.382	1.561	1.6	1.5
Dairy products	0.917	0.923	3.695	3.6	3.6
Cheese	0.374	0.335	1.348	1.3	1.3
Grains and feed	3.513	3.612	13.375	13.7	13.9
Grain products	2.476	2.531	9.378	9.5	9.7
Oilseeds and products	2.221	2.177	8.796	9.4	9.5
Vegetable oils	1.414	1.367	5.546	6.3	6.4
Horticulture products	15.802	15.729	66.192	66.0	66.3
Fruits, fresh	2.944	3.205	13.957	15.0	15.3
Fruits, processed	1.448	1.313	5.749	6.0	5.9
Fruit juices	0.578	0.491	2.193	2.2	2.1
Nuts, whole and processed	0.916	0.822	3.141	3.4	3.3
Vegetables, fresh	2.215	2.345	8.932	8.4	8.5
Vegetables, processed	1.406	1.401	5.429	5.5	5.5
Wine	1.668	1.606	6.591	6.5	6.5
Malt beer	1.181	1.270	5.507	5.6	5.8
Essential oils	1.115	1.018	4.199	4.2	4.1
Cutflowers & nursery stock	0.497	0.528	2.175	2.0	2.1
Sugar & tropical products	5.548	5.536	23.092	23.4	23.4
Sweeteners & products	1.093	1.207	4.539	4.7	4.8
Confections	0.485	0.504	1.924	1.8	1.8
Cocoa and products	1.148	1.178	4.808	4.9	4.9
Coffee and products	1.468	1.404	6.162	6.2	6.1
Rubber, natural	0.351	0.361	1.513	1.5	1.5
Other imports 1/	0.494	0.403	1.744	1.8	1.7
Total agricultural imports	31.882	31.978	130.943	132.0	132.5
VOLUME					
---Million metric tons---					
Wine 2/	0.319	0.351	1.325	1.4	1.4
Malt beer 2/	0.925	0.948	4.215	4.3	4.3
Fruit juices 2/	1.306	1.116	4.833	5.1	5.3
Cattle and calves 3/	0.571	0.583	2.031	2.1	2.1
Swine 3/	1.286	1.305	5.081	5.0	5.0
Beef and veal	0.226	0.241	1.020	1.0	1.0
Pork	0.109	0.098	0.421	0.4	0.4
Fruits, fresh	2.785	2.764	12.519	13.0	13.0
Fruits, processed	0.478	0.442	1.897	2.0	2.0
Vegetables, fresh	1.988	2.066	8.025	8.1	8.1
Vegetables, processed	1.057	1.025	4.124	4.2	4.2
Vegetable oils	1.194	1.318	4.901	5.3	5.4
Cocoa and products	0.310	0.300	1.381	1.4	1.4
Coffee and products	0.417	0.382	1.787	1.7	1.7

Totals may not add due to rounding.

1/ Largely tobacco and planting seeds. 2/ Billion liters. 3/ Million head.

Sources: U.S. Dept. of Agriculture and U.S. Census Bureau, U.S. Department of Commerce.

Regional Imports

Outlook for Fiscal 2020

U.S. agricultural imports in fiscal 2020 are forecast to increase \$500 million to \$132.5 billion from the November forecast due to growth in demand for horticultural products from the Americas.

Western Hemisphere

The forecast for U.S. imports from the Western Hemisphere is projected to increase \$500 million from the previous forecast, to \$72.5 billion. The increase in the projection is primarily due to a forecast increase of \$300 million in imports from Mexico to \$28.3 billion and a forecast increase of \$100 million in imports from Canada to \$23.2 billion. South America has a forecast increase of \$100 million to \$14.7 billion which is attributed to Peruvian imports of fresh fruits.

Asia, Oceania, Africa, and the Middle East

The forecasts of U.S. imports from Asia, Oceania, Africa, and the Middle East are unchanged.

Table 6--U.S. agricultural imports: Value by region, fiscal years 2019-20

Region and country	October - December		Fiscal year FY2019	Forecast	
	FY2019	FY2020		Fiscal year 2020	
				Nov.	Feb.
<i>--Billion dollars--</i>					
VALUE					
Western Hemisphere	17.141	17.898	71.796	72.0	72.5
Canada	5.877	6.093	23.412	23.1	23.2
Mexico	6.278	6.712	27.899	28.0	28.3
Central America	1.106	1.221	5.431	5.6	5.6
Costa Rica	0.323	0.352	1.515	1.6	1.6
Guatemala	0.492	0.492	2.131	2.2	2.2
Other Central America	0.291	0.377	1.785	1.8	1.8
Caribbean	0.134	0.122	0.662	0.7	0.7
South America	3.746	3.750	14.393	14.6	14.7
Argentina	0.405	0.403	1.357	1.4	1.4
Brazil	0.930	0.931	3.327	3.4	3.4
Chile	0.502	0.424	2.874	3.0	3.0
Colombia	0.713	0.674	2.704	2.7	2.7
Peru	0.745	0.884	2.439	2.4	2.5
Other South America	0.451	0.434	1.691	1.7	1.7
Europe and Eurasia	6.729	6.592	26.550	26.7	26.7
European Union-28	6.255	6.103	24.695	24.9	24.9
Other Europe	0.473	0.489	1.855	1.8	1.8
Asia	5.531	5.069	22.088	22.7	22.7
East Asia	1.808	1.399	6.053	6.2	6.2
China	1.306	0.860	4.072	4.4	4.4
Other East Asia	0.502	0.539	1.982	1.8	1.8
Southeast Asia	2.976	2.969	12.994	13.5	13.5
Indonesia	0.759	0.824	2.980	3.3	3.3
Malaysia	0.235	0.229	1.031	1.0	1.0
Thailand	0.666	0.715	2.827	2.8	2.8
Vietnam	0.516	0.491	2.031	2.4	2.4
Other Southeast Asia	0.800	0.710	4.125	4.0	4.0
South Asia	0.747	0.702	3.040	3.0	3.0
India	0.653	0.619	2.682	2.7	2.7
Oceania	1.328	1.397	5.902	6.0	6.0
Australia	0.806	0.897	3.425	3.4	3.4
New Zealand	0.481	0.467	2.368	2.6	2.6
Africa	0.722	0.663	3.124	3.0	3.0
Sub-Saharan	0.614	0.559	2.638	2.7	2.7
Ivory Coast	0.129	0.148	0.752	0.9	0.9
Middle East	0.431	0.359	1.484	1.6	1.6
Turkey	0.314	0.240	0.975	1.0	1.0
World total	31.882	31.978	130.943	132.0	132.5

Totals may not add due to rounding.

Sources: U.S. Dept. of Agriculture, U.S. Census Bureau, U.S. Department of Commerce.

Reliability Tables

Table 7--Reliability of quarterly U.S. export projections, by commodity and quarter

Commodity	Average absolute forecast errors Fiscal 2019					Forecast accuracy Fiscal 2019					Forecast accuracy 1/
	Aug.	Nov.	Feb.	May	Aug.	Aug.	Nov.	Feb.	May	Aug.	
Export value	<i>Percent</i>					<i>"X" if error ≤ 5%</i>					<i>Percent</i>
Grains and feeds	13	15	15	5	2	-	-	-	-	X	20
Wheat	14	20	20	1	1	-	-	-	X	X	40
Rice	3	8	8	7	3	X	-	-	-	X	40
Coarse grains	27	31	30	14	2	-	-	-	-	X	20
Corn	25	31	31	16	2	-	-	-	-	X	20
Feeds and fodders	1	1	1	1	1	X	X	X	X	X	100
Oilseeds and products	17	8	8	2	2	-	-	-	X	X	40
Soybeans	24	10	9	0	4	-	-	-	X	X	40
Soybean meal	1	1	3	2	0	X	X	X	X	X	100
Soybean oil	18	18	18	8	7	-	-	-	-	-	0
Livestock, poultry, and dairy	0	0	1	1	1	X	X	X	X	X	100
Livestock products	0	1	1	2	1	X	X	X	X	X	100
Beef and veal	3	4	6	2	3	X	X	-	X	X	80
Pork	8	6	2	4	1	-	-	X	X	X	60
Beef and pork variety meats	4	4	4	6	1	X	X	X	-	X	80
Hides, skins, and furs	44	35	8	12	15	-	-	-	-	-	0
Poultry and products	3	1	3	4	2	X	X	X	X	X	100
Broiler meat	4	1	4	2	2	X	X	X	X	X	100
Dairy products	1	7	5	1	1	X	-	X	X	X	80
Tobacco, unmanufactured	33	33	33	33	6	-	-	-	-	-	0
Cotton	14	3	3	6	6	-	X	X	-	-	40
Planting seeds	5	5	5	5	5	-	-	-	-	-	0
Horticultural products	1	1	1	1	0	X	X	X	X	X	100
Fruits and vegetables, fresh	5	5	5	5	0	X	X	X	X	X	100
Fruits and veget., processed	5	5	5	5	1	X	X	X	X	X	100
Tree nuts	1	1	1	1	1	X	X	X	X	X	100
Sugar and tropical products	1	1	1	1	1	X	X	X	X	X	100
Major bulk products	41	33	32	20	14	-	-	-	-	-	0
Total agricultural exports	7	4	4	1	1	-	X	X	X	X	80
Root mean square error	17	15	14	9	5	52%	52%	55%	62%	79%	60
Export volume											
Wheat	5	15	12	2	1	X	-	-	X	X	60
Rice	1	6	6	6	3	X	-	-	-	X	40
Coarse grains	23	26	26	17	3	-	-	-	-	X	20
Corn	20	26	26	18	4	-	-	-	-	X	20
Feeds and fodders	2	2	2	2	2	X	X	X	X	X	100
Soybeans	17	7	6	0	3	-	-	-	X	X	40
Soybean meal	2	2	2	2	0	X	X	X	X	X	100
Soybean oil	14	14	14	14	2	-	-	-	-	X	20
Beef and veal	9	9	9	4	2	-	-	-	X	X	40
Pork	2	2	2	2	0	X	X	X	X	X	100
Beef and pork variety meats	4	4	4	9	3	X	X	X	-	X	80
Broiler meat	1	1	2	1	1	X	X	X	X	X	100
Tobacco, unmanufactured	91	91	91	91	4	-	-	-	-	X	20
Cotton	2	4	4	7	7	X	X	X	-	-	60
Major bulk products	16	15	14	6	0	-	-	-	-	X	20
Root mean square error	26	27	26	25	3	53%	40%	40%	47%	93%	55

1/ Percent of forecasts with errors less than or equal to 5 percent, as denoted by an X.

Compiled by Economic Research Service and Foreign Agricultural Service.

Table 8--Reliability of quarterly U.S. export projections, by country and quarter

Country/region	Average absolute forecast errors					Forecast accuracy					Forecast accuracy 1/ Percent
	Fiscal 2019					Fiscal 2019					
	Aug.	Nov.	Feb.	May	Aug.	Aug.	Nov.	Feb.	May	Aug.	
Export value	<i>Percent</i>					<i>"X" if error ≤ 5%</i>					
Asia	10	6	6	2	4	-	-	-	X	X	40
East Asia	9	3	3	6	4	-	X	X	-	X	60
Japan	2	4	4	4	4	X	X	X	X	X	100
China	19	11	11	36	28	-	-	-	-	-	0
Hong Kong	31	31	31	8	2	-	-	-	-	X	20
Taiwan	3	5	5	5	5	X	-	-	-	-	20
South Korea	1	5	8	8	5	X	X	-	-	X	60
Southeast Asia	12	12	11	7	1	-	-	-	-	X	20
Indonesia	21	21	21	14	0	-	-	-	-	X	20
Philippines	4	4	4	4	4	X	X	X	X	X	100
Malaysia	13	13	13	13	13	-	-	-	-	-	0
Thailand	38	38	27	11	1	-	-	-	-	X	20
Vietnam	17	17	17	17	3	-	-	-	-	X	20
South Asia	10	10	10	5	3	-	-	-	X	X	40
India	5	5	5	16	16	-	-	-	-	-	0
Western Hemisphere	1	1	1	1	0	X	X	X	X	X	100
North America	3	3	3	3	1	X	X	X	X	X	100
Canada	3	3	3	3	1	X	X	X	X	X	100
Mexico	4	4	4	4	2	X	X	X	X	X	100
Caribbean	5	5	2	2	2	X	X	X	X	X	100
Dominican Republic	7	7	0	0	0	-	-	X	X	X	60
Central America	9	9	9	9	9	-	-	-	-	-	0
South America	4	4	4	5	1	X	X	X	-	X	80
Brazil	3	3	3	3	3	X	X	X	X	X	100
Colombia	12	12	12	12	5	-	-	-	-	X	20
Peru	26	26	26	26	7	-	-	-	-	-	0
Venezuela	73	73	73	15	15	-	-	-	-	-	0
Europe and Eurasia	6	6	6	7	6	-	-	-	-	-	0
European Union-28	6	6	6	6	6	-	-	-	-	-	0
Other Europe	22	22	22	22	5	-	-	-	-	X	20
FSU-12	18	18	18	2	2	-	-	-	X	X	40
Russia	8	8	8	37	37	-	-	-	-	-	0
Middle East	4	4	4	4	2	X	X	X	X	X	100
Turkey	27	27	27	27	18	-	-	-	-	-	0
Saudi Arabia	6	6	6	6	6	-	-	-	-	-	0
Africa	32	32	32	23	10	-	-	-	-	-	0
North Africa	69	69	69	51	22	-	-	-	-	-	0
Egypt	56	56	56	56	15	-	-	-	-	-	0
Sub-Saharan Africa	8	8	8	8	3	-	-	-	-	X	20
Nigeria	9	9	9	9	9	-	-	-	-	-	0
Oceania	2	2	2	2	2	X	X	X	X	X	100
Root mean square error	23	23	22	18	11	32%	32%	32%	34%	61%	38

1/ Percent of forecasts with errors less than or equal to 5 percent, as denoted by an X.

Compiled by Economic Research Service and Foreign Agricultural Service.

Table 9--Reliability of quarterly U.S. import projections, by commodity and quarter

Commodity	Average absolute forecast errors Fiscal 2019					Forecast accuracy Fiscal 2019					Forecast accuracy 1/
	Aug.	Nov.	Feb.	May	Aug.	Aug.	Nov.	Feb.	May	Aug.	
Import value	<i>Percent</i>					<i>"X" if error ≤ 5%</i>					<i>Percent</i>
Livestock, poultry, and dairy	3	4	4	3	0	X	X	X	X	X	100
Livestock and meats	1	4	3	2	0	X	X	X	X	X	100
Cattle and calves	9	9	3	3	3	-	-	X	X	X	60
Swine	4	4	4	4	4	X	X	X	X	X	100
Beef and veal	2	7	7	3	2	X	-	-	X	X	60
Pork	9	3	9	3	3	-	X	-	X	X	60
Dairy products	11	8	8	8	3	-	-	-	-	X	20
Cheese	4	4	4	11	4	X	X	X	-	X	80
Grains and feed	7	7	4	4	1	-	-	X	X	X	60
Grain products	9	9	6	6	4	-	-	-	-	X	20
Oilseeds and products	11	10	9	7	2	-	-	-	-	X	20
Vegetable oils	21	19	15	14	6	-	-	-	-	-	0
Horticulture products	7	6	5	3	2	-	-	X	X	X	60
Fruits, fresh	5	6	2	1	1	-	-	X	X	X	60
Fruits, preserved	4	3	1	1	1	X	X	X	X	X	100
Fruit juices	4	0	0	0	0	X	X	X	X	X	100
Nuts and preparations	8	8	11	11	11	-	-	-	-	-	0
Vegetables, fresh	7	7	6	5	5	-	-	-	X	X	40
Vegetables, processed	1	1	1	1	1	X	X	X	X	X	100
Wine	0	0	1	1	1	X	X	X	X	X	100
Malt beer	0	2	2	2	2	X	X	X	X	X	100
Essential oils	2	0	0	0	0	X	X	X	X	X	100
Cut flowers and nursery stock	8	8	8	8	8	-	-	-	-	-	0
Sugar and tropical products	2	3	2	1	0	X	X	X	X	X	100
Sweeteners and products	6	8	8	6	1	-	-	-	-	X	20
Confections	6	1	1	1	1	-	X	X	X	X	80
Cocoa and products	0	0	2	2	0	X	X	X	X	X	100
Coffee beans and products	7	7	5	5	1	-	-	-	-	X	20
Natural rubber	12	12	12	6	6	-	-	-	-	-	0
Other imports	3	3	3	3	3	X	X	X	X	X	100
Total agricultural imports	3	3	2	2	1	X	X	X	X	X	100
Root mean square error	7	7	6	5	4	48%	52%	61%	68%	87%	63
Import volume											
Wine (HL)	6	6	6	6	2	-	-	-	-	X	20
Malt beer (HL)	3	0	0	0	0	X	X	X	X	X	100
Fruit juices (HL)	6	8	8	8	6	-	-	-	-	-	0
Cattle and calves	2	2	2	2	3	X	X	X	X	X	100
Swine	6	4	2	4	0	-	X	X	X	X	80
Beef and veal	2	2	2	2	2	X	X	X	X	X	100
Pork	19	19	19	5	5	-	-	-	-	-	0
Fruits--fresh	1	1	1	1	0	X	X	X	X	X	100
Fruits--processed	5	0	0	0	0	-	X	X	X	X	80
Vegetables--fresh	2	2	2	0	0	X	X	X	X	X	100
Vegetables--processed	1	1	1	2	2	X	X	X	X	X	100
Vegetable oils	16	12	12	10	2	-	-	-	-	X	20
Cocoa and products	6	6	6	6	6	-	-	-	-	-	0
Coffee beans and products	16	16	16	16	10	-	-	-	-	-	0
Root mean square error	9	8	8	6	4	43%	57%	57%	57%	71%	57

1/ Percent of forecasts with errors less than or equal to 5 percent, as denoted by an X.

Compiled by Economic Research Service and Foreign Agricultural Service.

Table 10--Reliability of quarterly U.S. import projections, by country and quarter

Country/region	Average absolute forecast errors Fiscal 2019					Forecast accuracy Fiscal 2019					Forecast accuracy 1/
	Aug.	Nov.	Feb.	May	Aug.	Aug.	Nov.	Feb.	May	Aug.	
Import value	<i>Percent</i>					<i>"X" if error ≤ 5%</i>					<i>Percent</i>
Western Hemisphere	3	2	1	1	1	X	X	X	X	X	100
Canada	0	1	1	1	1	X	X	X	X	X	100
Mexico	9	8	7	6	3	-	-	-	-	X	20
Central America	1	1	3	3	1	X	X	X	X	X	100
Costa Rica	12	12	12	12	6	-	-	-	-	-	0
Guatemala	1	1	3	3	3	X	X	X	X	X	100
Other Central America	5	5	5	5	1	X	X	X	X	X	100
Caribbean	9	6	6	21	21	-	-	-	-	-	0
South America	1	1	1	0	0	X	X	X	X	X	100
Argentina	3	3	3	4	4	-	X	X	X	X	80
Brazil	5	5	5	5	2	-	-	-	-	X	20
Chile	4	4	8	8	4	X	X	-	-	X	60
Colombia	4	4	4	5	5	X	X	X	X	X	100
Peru	10	14	14	11	6	-	-	-	-	-	0
Other South America	5	5	5	1	1	-	-	-	X	X	40
Europe and Eurasia	5	5	4	4	4	X	X	X	X	X	100
European Union-27	4	4	3	3	2	X	X	X	X	X	100
Other Europe	19	19	19	17	17	-	-	-	-	-	0
Asia	3	4	4	1	1	X	X	X	X	X	100
East Asia	6	6	7	7	2	-	-	-	-	X	20
China	13	15	15	13	6	-	-	-	-	-	0
Other East Asia	9	9	9	4	4	-	-	-	X	X	40
Southeast Asia	7	8	8	1	0	-	-	-	X	X	40
Indonesia	21	21	21	17	4	-	-	-	-	X	20
Malaysia	3	3	3	3	3	-	X	X	X	X	80
Thailand	12	12	12	7	5	-	-	-	-	X	20
Vietnam	23	23	23	17	8	-	-	-	-	-	0
Other Southeast Asia	44	49	49	20	3	-	-	-	-	X	20
South Asia	5	5	5	1	1	X	X	X	X	X	100
India	3	3	3	1	1	X	X	X	X	X	100
Oceania	3	3	3	1	1	X	X	X	X	X	100
Australia	1	1	1	1	2	X	X	X	X	X	100
New Zealand	14	14	14	6	6	-	-	-	-	-	0
Africa	4	7	7	7	4	X	-	-	-	X	40
Sub-Saharan Africa	1	5	5	5	5	X	-	-	-	-	20
Ivory Coast	46	33	33	13	6	-	-	-	-	-	0
Middle East	1	1	1	0	0	X	X	X	X	X	100
Turkey	3	3	3	1	1	X	X	X	X	X	100
Root mean square error	13	13	13	9	6	50%	50%	47%	55%	76%	56

1/ Percent of forecasts with errors less than or equal to 5 percent, as denoted by an X.
Compiled by Economic Research Service and Foreign Agricultural Service.

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