Outlook for U.S. Agricultural Trade

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FY 2018 Exports Forecast Up $3.0 Billion to $142.5 Billion; Imports at $121.5 Billion

Fiscal year 2018 agricultural exports are projected at $142.5 billion, up $3.0 billion from the February forecast, primarily due to expected increases in corn and cotton exports. Corn is forecast up $1.3 billion to $10.3 billion on both larger volumes and higher unit values, as weather-reduced crop prospects in South America improve U.S. export opportunities into the summer. Overall grain and feed exports are forecast at $31.2 billion, $1.5 billion higher than the February projection. Cotton exports are forecast up $800 million to $6.2 billion due to strong foreign demand. Oilseeds and products are forecast at $31.5 billion, up $400 million from increased trade of soybean products. Livestock, dairy, and poultry exports are raised by $100 million to $30.6 billion, as higher dairy exports more than offset reductions in variety meats and hides and skins; beef, pork, and poultry forecasts remain unchanged. Horticultural product exports are unchanged at $34.5 billion.

U.S. agricultural imports in fiscal year 2018 are forecast at $121.5 billion, up $3.0 billion from the February forecast. Horticultural products and the livestock, dairy, and poultry category both have significant upward adjustments. The U.S. agricultural trade surplus is unchanged at $21.0 billion.

Table 1--U.S. agricultural trade, fiscal years 2012-18, year ending September 30

Item	2012	2013	2014	2015	2016	2017	Forecast fiscal year* 2018	
							Feb.	May
					Billion dollars			
Exports	135.9	141.1	152.3	139.8	129.6	140.5	139.5	142.5
Imports	103.4	103.9	109.3	114.2	113.0	119.1	118.5	121.5
Balance	32.5	37.3	43.1	25.5	16.6	21.3	21.0	21.0

*Reflect forecasts in the May 10, 2018, *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

Favorable external conditions propel broad-based global economic growth

Robust per capita GDP growth in 2017 is expected to continue, with 2.1 percent global growth in 2018. This represents a broad-based pickup in economic activity across developed and developing countries. Although slightly softer growth relative to 2017 is expected in some large economies, it will still be robust by post-financial-crisis standards. Correspondingly, after 2 years at less than 2 percent, brisk global trade volume growth of 6.1 percent in 2017 is expected to be followed by 5.1 percent growth in 2018. The pickup in trade in 2017 and 2018 is a major factor in maintaining strong and broad-based economic growth.

Prospects for the dollar's value in 2018 are mixed. After weakening during the first few months of the year, the dollar regained nearly all of its value during the first weeks in May, appreciating by 2.5 percent. On average, the dollar is expected to strengthen slightly during 2018. A strong U.S. economy along with the combination of tightening monetary policy and the fiscal stimulus delivered by domestic tax and spending policy creates expectations for higher interest rates, driving up demand for the dollar and thus its value. The contrast between U.S. policy and expectations of relatively looser monetary policy and neutral fiscal policy elsewhere adds additional upward pressure on the dollar. This policy divergence will slowly begin to abate as other developed countries pursue less expansive monetary policies.

In contrast to the strengthening influence of the domestic environment, external conditions support a weaker dollar. Most importantly, robust economic activity after a long period of sluggish growth has spurred demand for currencies of other large economies. The Eurozone experienced its strongest economic growth in a decade in 2017 and consumer and business sentiment suggests this strength will carry over into 2018. China's 2017 growth accelerated over the previous year for the first time since 2010 and India's per-capita GDP growth is expected to outpace China's in 2018. An external environment marked by strong trade growth and higher commodity prices is likewise supporting growth in several other countries, particularly in the Asia-Pacific region. Additionally, fewer countries appear to be pursuing the weak currency policies that contributed to the dollar's strength in recent years.

Rising U.S. interest rates and attendant expectations of a stronger dollar present significant risks for emerging markets. This was exemplified by a sell-off in emerging market currencies in early May. A run on Argentina's peso in early May that was only stemmed by an interest rate

hike to 40 percent and an appeal to the IMF reflected Argentina's particular vulnerability. Argentina faces significant economic challenges, including stubbornly high inflation, large fiscal and current account deficits and substantial government and private sector debt denominated in dollars and other foreign currencies. Higher borrowing costs implied by rising U.S. interest rates will make it difficult for Argentina to finance its large fiscal and current account deficits, and a stronger dollar will raise the cost of repaying its substantial dollar-denominated government and corporate debt. These conditions will also have implications in other emerging economies, as they have in past Fed tightening cycles. However, most emerging economies are carrying less dollar-denominated debt and have smaller deficits to finance than in previous episodes.

Oil prices are expected to rise in 2018 as global economic growth improves, global inventories fall, and concerns over potential geopolitical risks remain high. Though oil inventories are falling, supplies have remained steady as non-OPEC output, particularly in the United States, has grown, offsetting lower crude oil production in some OPEC countries. The U.S. Energy Information Administration forecasts a rise in Brent crude spot prices to an average of approximately $71 per barrel, up almost $13 since February's forecast and up from $50.79 in 2017.

U.S. per capita GDP growth is expected to increase to 2.1 percent in 2018. This reflects the combined effects of strong consumer and business sentiments, the expansion in the external environment, and fiscal stimulus. Mexico's income growth is expected to accelerate slightly to 1.2 percent in 2018, from 1.1 percent in 2017. In contrast, due to uncertainties in trade and foreign demand and a slowdown in consumer spending in 2018, Canadian per capita GDP growth is expected to moderate at 1.5 percent in 2018, compared to 2.2 percent in 2017. Sustained economic growth is expected in the Eurozone, with slightly lower 2018 per capita income growth due to a modest slowdown in consumer spending and exports. However, job creation and manufacturing activity remain strong in the Eurozone.

Per capita income growth in Asia and Oceania is expected to be steady at 3.6 percent in 2018. Income growth in China is expected to slow slightly to 5.9 percent in 2018, but strong exports and healthy domestic consumption continue to support robust growth. Slightly slower income growth of 1.4 percent in 2018 is expected to follow Japan's strong 2017 growth of 1.9 percent, as the effects of an expected increase in the consumption tax are partially offset by a healthy business investment outlook. Income growth in India is expected to rise to 6.1 percent in 2018 due to strong consumer demand and government spending.

Latin America emerged from recession in 2017, and per capita economic growth in the region is expected to increase to 1.3 percent in 2018. Despite the improvement over recent years, these are anemic growth rates for developing countries and reflect significant economic and political challenges throughout the region. Brazil's economy is expected to rebound as well, though by less than the previous forecast, as manufacturing and retail trade have underperformed. Unlike its neighbors, Venezuela remains in recession in 2018 for the fifth year. The country is not able to profit from higher oil prices as declining production, political unrest, and external debt repayment problems persist.

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

Region/Country 3/	Real exchange rate 2/		Real GDP per capita		Share of World		Share of U.S.
	2017	2018	2017	2018	GDP	Population	Ag. exports
	Percent change		Growth rate		2014-16 Average		
World	**1.7**	**0.1**	**2.0**	**2.1**	**100.0**	**100.0**	**100.0**
NAFTA	**-1.9**	**-0.5**	**1.5**	**1.9**	**26.4**	**6.7**	**28.3**
United States	--	--	1.6	2.1	22.4	4.5	--
Canada	-1.6	-1.1	2.2	1.5	2.4	0.5	16.1
Mexico	-2.3	0.2	1.1	1.2	1.6	1.7	12.2
Emerging Markets	**0.1**	**-3.7**	**4.6**	**4.6**	**21.6**	**44.9**	**20.0**
Brazil	-9.8	8.2	0.2	1.1	3.1	2.8	0.9
Russia	-14.3	2.7	1.6	1.9	2.2	2.0	0.3
India	-4.2	1.8	5.1	6.1	3.2	17.4	0.8
Indonesia	-1.1	4.3	4.2	4.3	1.3	3.6	1.7
China	2.1	-6.2	6.4	5.9	11.8	19.1	16.3
Europe & Central Asia	**-1.3**	**-5.2**	**2.2**	**2.0**	**28.4**	**11.5**	**10.7**
Euro Zone	-1.2	-6.0	2.3	1.9	17.5	4.8	6.8
Ukraine	-4.2	-1.7	2.9	3.4	0.2	0.6	0.1
Turkey	11.0	0.0	3.3	3.0	1.2	1.1	1.1
Asia & Oceania	**1.8**	**-2.8**	**3.8**	**3.6**	**31.5**	**54.9**	**45.9**
Japan	4.8	-1.4	1.9	1.4	7.6	1.8	8.5
South Korea	-2.4	-5.7	2.5	2.2	1.7	0.7	4.5
Australia	-2.8	2.2	1.2	1.5	1.8	0.3	1.1
Other SE Asia 4/	1.6	-2.0	4.4	3.9	1.5	4.1	5.2
Latin America	**-2.9**	**8.0**	**0.4**	**1.3**	**8.0**	**8.6**	**21.5**
Argentina	-8.5	20.2	1.9	1.1	0.7	0.6	0.1
Other S. America 5/	-4.9	-4.1	1.0	2.0	1.2	1.6	3.0
Middle East & N. Africa	**10.9**	**-2.7**	**2.0**	**1.6**	**5.2**	**6.9**	**5.3**
Sub-Saharan Africa	**-1.7**	**-6.5**	**0.2**	**0.6**	**2.2**	**13.1**	**1.3**

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.

3/ Regional values for Real Exchange rates are growth in GDP-weighted average of country real exchange rate 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

Fiscal 2018 grain and feed exports are forecast at $31.2 billion, up $1.5 billion from the February forecast as higher corn more than offsets reductions for other grains. Corn is forecast up $1.3 billion to $10.3 billion on both larger volumes and higher unit values. Strong exports reflect improved U.S. export opportunities into summer in light of reduced exportable supplies in Argentina and worsening prospects for the second-crop corn (*safrinha*) in Brazil. Sorghum exports are lowered, but unit values are revised higher, reflecting strong foreign demand earlier this year, supported by trade data. Feeds and fodders are up $100 million to $7.6 billion, boosted by higher unit values for distiller's dried grains with solubles (DDGS) and hay products.

Wheat is forecast at $5.8 billion, down $100 million as lower volumes more than offset higher unit values. Volumes are lowered due to increased competition from Argentina, Canada, and Russia. Unit values are up slightly as prices have strengthened in recent months on expectations that global production will be down from last year. Rice exports are unchanged at $1.9 billion. Lower volumes, particularly to the Western Hemisphere, are offset by higher prices to date.

Oilseed and product exports are forecast at $31.5 billion, up $400 million from the February forecast, mainly on increased trade of soybean products. Soybean prices have risen sharply in response to crop losses in Argentina, but export volumes are down due to slower exports to China, which will bring total soybean exports down $100 million to $21.9 billion. On the other hand, soybean meal and oil exports are up due to lower competition from Argentina. Meal is up on both higher volumes and unit prices, while soybean oil is up on higher volumes only.

Cotton exports are forecast at $6.2 billion, up $800 million. Volume is forecast up 300,000 tons to 3.5 million tons. U.S. cotton has captured most of the recent increase in global import demand, supported by stronger imports from Vietnam and Turkey, in both of which the United States is the largest supplier. Export unit values have risen, supported by strong demand.

Livestock, dairy, and poultry exports are raised by $100 million to $30.6 billion. Beef and veal is virtually unchanged at $6.7 billion on continuing robust exports to Japan, Mexico, and South Korea. Pork is unchanged at $5.5 billion. Higher shipments to South Korea, Australia, and Colombia are offsetting lower shipments to China and slightly lower demand from Japan and Mexico during the first half of the fiscal year. Variety meat exports are forecast $100 million lower on slowing shipments of pork variety meats. Hides and skins are forecast $200 million lower as weaker cattle-hide prices more than offset slightly higher volumes. Poultry and

products are unchanged. Dairy is raised $200 million due to the higher pace of shipments of milk powder, cheese, and whey products during the second quarter of the fiscal year. Import demand for U.S. dairy products is strong in Mexico, China, and other Asian markets, and U.S. prices are expected to be competitive in international markets.

Horticultural products are unchanged at $34.5 billion. Whole and processed tree nuts are unchanged at $8.5 billion; top markets include Europe and China. The forecast for fresh fruit and vegetables is also unchanged at $7.0 billion, with top markets including Canada, Europe, and Japan.

Table 3--U.S. agricultural exports: Value and volume by commodity, 2017-2018

Commodity	October -March		Fiscal year 2017	Forecast Fiscal year 2018	
	FY2017	FY2018		Feb.	May
VALUE			---Billion dollars---		
Grains and feeds 1/	15.136	13.757	30.350	29.7	31.2
Wheat 2/	2.736	2.397	6.198	5.9	5.8
Rice	0.952	0.915	1.791	1.9	1.9
Coarse grains 3/	5.711	4.776	11.031	10.2	11.4
Corn	4.928	3.937	9.659	9.0	10.3
Feeds and fodders	3.650	3.659	7.178	7.5	7.6
Oilseeds and products 4/	23.016	19.312	32.891	31.1	31.5
Soybeans	18.012	14.613	23.977	22.0	21.9
Soybean meal 5/	2.305	2.303	3.896	4.0	4.5
Soybean oil	0.567	0.407	0.954	0.7	0.9
Livestock, poultry, and dairy	14.235	15.434	28.874	30.5	30.6
Livestock products	9.246	10.018	18.651	19.9	19.8
Beef and veal 6/	2.968	3.480	6.175	6.7	6.7
Pork 6/	2.670	2.865	5.227	5.5	5.5
Beef and pork variety meats 6/	0.921	0.872	1.803	1.9	1.8
Hides, skins, and furs	0.967	0.860	1.932	2.0	1.8
Poultry and products	2.350	2.656	4.899	5.0	5.0
Broiler meat 6/ 7/	1.424	1.628	3.011	3.1	3.1
Dairy products	2.639	2.760	5.324	5.6	5.8
Tobacco, unmanufactured	0.622	0.582	1.024	1.0	1.0
Cotton	3.034	3.322	5.850	5.4	6.2
Seeds	1.112	1.244	1.741	1.8	1.8
Horticultural products 8/	17.365	18.254	33.896	34.5	34.5
Fruits and vegetables, fresh	3.267	3.490	7.195	7.0	7.0
Fruits and vegetables, processed 8/	3.716	3.552	7.417	7.5	7.5
Tree nuts, whole and processed	4.820	5.529	8.118	8.5	8.5
Sugar and tropical products 9/	2.889	2.924	5.828	5.8	5.8
Major bulk products 10/	31.067	26.607	49.871	46.3	48.2
Total	77.416	74.839	140.471	139.5	142.5
VOLUME			--- Million metric tons ---		
Wheat 2/	12.262	10.234	28.034	24.9	23.8
Rice	2.206	1.728	4.080	3.6	3.5
Coarse grains 3/	31.952	26.889	62.039	58.4	63.5
Corn	28.049	22.981	55.434	51.5	57.0
Feeds and fodders	11.111	10.446	21.716	22.8	21.8
Soybeans	44.424	38.140	60.082	57.2	56.2
Soybean meal 5/	6.084	6.280	10.524	11.1	11.5
Soybean oil	0.683	0.490	1.160	0.9	1.0
Beef and veal 6/	0.461	0.500	0.934	1.0	1.0
Pork 6/	0.981	1.032	1.880	2.0	2.0
Beef and pork variety meats 6/	0.442	0.381	0.842	0.9	0.8
Broiler meat 6/ 7/	1.557	1.585	3.045	3.2	3.2
Tobacco, unmanufactured	0.090	0.080	0.150	0.2	0.2
Cotton	1.728	1.857	3.278	3.2	3.5
Major bulk products 10/	92.661	78.927	157.664	147.5	150.7

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.

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USDA, Economic Research Service

Regional Exports

Outlook for Fiscal 2018

Agricultural exports in fiscal 2018 are forecast at $142.5 billion, $3.0 billion higher than the February forecast, augmented largely by higher corn and cotton export projections.

Asia

Compared to February, exports to Japan are forecast up $300 million to $11.8 billion on the strength of beef and corn demand. Exports to Hong Kong are forecast up $200 million to $4.3 billion, primarily as a result of greater tree nut and beef sales. The projection for South Korea is up $200 million to $6.9 billion, largely due to higher-than-expected beef and pork sales.

In Southeast Asia, exports to Thailand are forecast up $200 million to $1.9 billion, based on the shipment pace of soybeans and soybean meal. Exports to Vietnam are projected up $300 million to $3.1 billion, due to higher sales of corn and cotton; corn commitments (accumulated exports and outstanding sales) are 400 percent ahead of last year's pace.

South Asia as a region is raised $500 million, of which $300 million is due to higher-than-expected exports of cotton and soybeans to Pakistan. India rounds out the remaining $200-million increase, mainly as a result of strong tree nut sales.

Western Hemisphere

Exports to Mexico are forecast up $200 million to $19.4 billion based on higher corn sales.

The forecast for South America is down $200 million as lower-priced Argentina wheat reduces overall U.S. export prospects to Brazil from $700 million to $500 million.

Europe, Africa, and the Middle East

In Europe, exports to the EU are projected up $200 million to $12.0 billion as a result of significantly higher corn sales, especially in Spain. Exports to the Former Soviet Union (FSU) are raised $100 million due to strong planting-seed sales to Ukraine.

In the Middle East, exports to Turkey are forecast up $300 million to $1.7 billion due to robust demand for cotton.

In Africa, exports to Egypt are projected $300 million higher to $1.1 billion as a result of surging demand for soybeans and corn. Expanding local crushing capacity is fueling the country's soybean imports.

Table 4—U.S. agricultural exports: Value by region, 2017-2018

Country and region 1/	October - March		Fiscal year 2017	Share of 2017 total	Forecast Fiscal year 2018	
	FY2017	FY2018			Feb.	May
	-- $ Billion --			Percent	-- $ Billion --	
VALUE						
Asia	37.965	35.709	63.361	45.1	61.6	63.4
East Asia	29.840	27.027	48.118	34.3	47.2	47.9
Japan	5.803	5.938	11.844	8.4	11.5	11.8
China	16.196	13.032	21.951	15.6	21.6	21.6
Hong Kong	2.288	2.591	4.044	2.9	4.1	4.3
Taiwan	1.854	1.743	3.404	2.4	3.3	3.3
South Korea	3.694	3.718	6.868	4.9	6.7	6.9
Southeast Asia	6.476	6.618	11.810	8.4	11.4	12.0
Indonesia	1.568	1.439	2.966	2.1	2.9	2.9
Philippines	1.356	1.258	2.627	1.9	2.5	2.6
Malaysia	0.455	0.446	0.904	0.6	0.9	0.9
Thailand	1.049	1.198	1.780	1.3	1.7	1.9
Vietnam	1.570	1.783	2.566	1.8	2.8	3.1
South Asia	1.649	2.065	3.432	2.4	3.0	3.5
India	0.705	0.845	1.506	1.1	1.5	1.7
Western Hemisphere	26.278	26.027	52.886	37.6	53.9	54.0
North America	19.012	19.072	38.986	27.8	40.4	40.6
Canada	9.815	10.010	20.362	14.5	21.2	21.2
Mexico	9.197	9.062	18.624	13.3	19.2	19.4
Caribbean	1.825	1.782	3.517	2.5	3.5	3.5
Dominican Republic	0.676	0.608	1.233	0.9	1.2	1.2
Central America	1.955	1.952	3.813	2.7	3.8	3.8
South America	3.487	3.221	6.570	4.7	6.2	6.0
Brazil	0.426	0.260	0.726	0.5	0.7	0.5
Colombia	1.446	1.325	2.556	1.8	2.5	2.5
Peru	0.601	0.595	1.188	0.8	1.1	1.1
Venezuela	0.188	0.181	0.441	0.3	0.3	0.3
Europe/Eurasia	7.023	6.975	12.614	9.0	12.8	13.1
European Union-28 2/	6.579	6.494	11.607	8.3	11.8	12.0
Other Europe 3/	0.259	0.243	0.622	0.4	0.7	0.7
FSU-12 4/	0.186	0.238	0.386	0.3	0.3	0.4
Russia	0.101	0.097	0.188	0.1	0.2	0.2
Middle East	3.309	3.247	6.099	4.3	5.8	6.1
Turkey	0.910	0.921	1.720	1.2	1.4	1.7
Saudi Arabia	0.920	0.648	1.590	1.1	1.4	1.4
Africa	1.919	1.880	3.618	2.6	3.6	3.8
North Africa	0.975	1.142	1.719	1.2	1.8	2.1
Egypt	0.377	0.667	0.776	0.6	0.8	1.1
Sub-Saharan Africa	0.943	0.738	1.899	1.4	1.8	1.8
Nigeria	0.227	0.166	0.501	0.4	0.5	0.5
Oceania	0.157	0.163	1.892	1.3	1.9	1.9
Transshipments via Canada 5/	0.002	0.000	0.002	0.0	0.0	0.0
Total	77.416	74.839	140.471	100.0	139.5	142.5

Total may not add due to rounding.

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

2/ The former EU-25 plus Romania and Bulgaria, which acceded in January 2007, and Croatia acceded in July 2013.

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

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

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

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

Import Products

Agricultural imports in fiscal year 2018 are forecast to be $121.5 billion, $3.0 billion above the February forecast and a new record for imports in a fiscal year. The expected increases in imports of horticultural products and livestock, dairy, and poultry products are largely responsible for the upward adjustment in the forecast, but higher projected imports of grains and feed and oilseed products also contributed to the change.

Horticultural product imports are expected to increase $1.8 billion from the previous forecast in fiscal year 2018 to $58.2 billion, over $1.4 billion above the largest horticultural import total to date, set in fiscal year 2017. The forecast for fresh fruit imports has been adjusted upward by $400 million due to strong consumer demand, which has led to increasing foreign supply of goods such as avocados, berries, and citrus fruit at stable unit values. There is a similar, but less pronounced trend in processed fruit commodities, which are raised $100 million from the previous forecast. Essential-oil imports are expected to reach $3.8 billion in fiscal year 2018, a $200 million increase from the previous forecast, due to continued higher levels of shipments that more than outweigh lower unit values. Imports of wine this fiscal year are also adjusted upwards by $200 million, due to rising unit values. Fresh vegetable imports are expected to be $100 million larger in fiscal 2018 than previously expected, due to increased shipments driven by strong year-round demand. Processed vegetable imports are now expected to be worth $5.2 billion, a $100 million increase from the previous forecast, due to both slightly higher unit values and volume.

Livestock, dairy, and poultry imports are raised $700 million to $16.5 billion on increases in dairy, pork, and miscellaneous products. Dairy is raised $100 million on higher product prices, such as for cheese. Pork is raised $200 million on increased prices and volumes, particularly from the EU. U.S. pork demand is robust, with per capita disappearance at levels not seen since the early 1980s. Stronger demand for various products not specified in the forecast bolster the livestock, dairy, and poultry total.

U.S. imports of grains and feed products are forecast to grow by $300 million from the previous forecast to $11.9 billion, due to projected increases in unit values across both bulk and processed grain products. Imports of total oilseeds and products for fiscal 2018 are expected to increase to $9.4 billion, $400 million larger than February. This adjustment is mostly due to expected vegetable oil imports increasing $300 million, due to strong growth in trade of products such as palm oil as global production expands.

Fiscal year 2018 imports of sugar and tropical products are forecast to be worth $23.5 billion in fiscal year 2018, unchanged from the previous forecast but $400 million below fiscal year 2017. Cocoa products are expected to drop $200 million from the previous forecast due to lower expected volumes and unit values. However, an increase is expected in the value of imported sweeteners due to a $100 million upward adjustment in confectionary goods, as shipments from the European Union are predicted to rise.

Table 5--U.S. agricultural imports: Value and volume by commodity, fiscal years 2017-18

Commodity	October - March		Fiscal year	Forecast Fiscal year 2018	
	FY2017	FY2018	2017	Feb.	May
VALUE					
			---Billion dollars---		
Livestock, dairy, & poultry	7.875	8.500	16.133	15.8	16.5
Livestock and meats	5.798	6.385	12.134	11.9	12.4
Cattle and calves	0.828	0.848	1.488	1.6	1.6
Swine	0.154	0.176	0.325	0.3	0.3
Beef and veal	2.248	2.591	5.124	5.0	5.0
Pork	0.842	0.899	1.771	1.6	1.8
Dairy products	1.703	1.726	3.252	3.2	3.3
Cheese	0.616	0.657	1.168	1.3	1.3
Grains and feed	5.490	6.235	11.334	11.6	11.9
Grain products	3.808	4.196	7.765	7.8	7.9
Oilseeds and products	4.537	5.012	9.325	9.0	9.4
Vegetable oils	2.970	3.310	6.242	6.1	6.4
Horticulture products	28.623	31.737	56.753	56.4	58.2
Fruits, fresh	6.703	7.105	12.688	12.3	12.7
Fruits, processed	2.527	2.748	5.121	5.2	5.3
Fruit juices	0.992	1.096	1.938	1.9	2.0
Nuts, whole and processed	1.578	1.640	3.198	3.2	3.2
Vegetables, fresh	4.211	4.746	7.692	7.9	8.0
Vegetables, processed	2.560	2.674	5.048	5.1	5.2
Wine	2.968	3.183	6.070	6.0	6.2
Malt beer	2.314	2.472	4.970	5.0	5.1
Essential oils	1.750	2.060	3.559	3.6	3.8
Cut flowers & nursery stock	0.954	1.041	1.914	1.9	2.0
Sugar & tropical products	11.730	11.474	23.876	23.5	23.5
Sweeteners & products	2.254	2.304	4.666	4.7	4.8
Confections	0.876	0.909	1.770	1.7	1.8
Cocoa and products	2.803	2.346	5.152	5.0	4.8
Coffee and products	3.202	2.997	6.618	6.5	6.5
Rubber, natural	0.726	0.802	1.700	1.8	1.8
Other imports 1/	0.946	0.974	1.718	1.8	1.8
Total agricultural imports	59.201	63.932	119.140	118.5	121.5
VOLUME					
			---Million metric tons---		
Wine 2/	0.648	0.662	1.287	1.3	1.3
Malt beer 2/	1.856	1.929	3.974	4.0	4.0
Fruit juices 2/	2.368	2.695	4.629	4.7	4.9
Cattle and calves 3/	0.999	1.009	1.746	1.9	1.9
Swine 3/	2.860	2.753	5.616	5.6	5.6
Beef and veal	0.454	0.474	1.005	1.0	1.0
Pork	0.239	0.251	0.489	0.5	0.5
Fruits, fresh	6.015	6.116	12.182	12.1	12.3
Fruits, processed	0.885	0.912	1.811	1.9	1.9
Vegetables, fresh	4.143	4.466	7.360	7.5	7.7
Vegetables, processed	1.924	2.027	3.819	3.9	3.9
Vegetable oils	3.401	2.661	5.919	5.5	5.6
Cocoa and products	0.803	0.703	1.495	1.4	1.3
Coffee and products	0.840	0.788	1.692	1.6	1.6

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

U.S. imports from the Western Hemisphere are projected to increase by $1.4 billion from the previous forecast. Mexico is expected to remain the largest supplier of agricultural goods, followed by Canada. Mexico's projected sales total is now $24.7 billion, $700 million above the February forecast, due to increases in expected U.S. imports of goods such as fresh fruit and vegetables and livestock and meat products. The value of Canadian agricultural products sold to the United States is expected to increase by $400 million to $23.2 billion, due to upward adjustments to U.S. imports of processed grain and horticultural products.

Imports from South America are projected to be worth $13.5 billion, a $200 million increase from the previous forecast. Brazilian imports are expected to increase $100 million from the previous forecast due to higher expected sales of processed fruit products, particularly orange juice. Imports from Peru are also expected to be $100 million larger than the February projection because of growth in fresh fruit shipments. The United States is expected to import $5.5 billion worth of goods from Central America, an increase of $100 million from previous expectations, due, in part, to larger volumes of fresh fruit shipments originating from Costa Rica.

Fiscal year 2018 imports from the EU are projected to increase from the last projection by $600 million to $22.4 billion, with the group of member states expected to remain the third-largest supplier to the United States. The increase is due to an expected rise in horticultural products, such as wine and essential oils, as well as in processed grain and confectionary product imports.

Imports from Asia are forecast up $900 million from the previous projection to $19.9 billion. These adjusted expectations are mostly due to increases in supplies from Southeast Asia, where projections were raised $500 million, due in part to increased shipments of goods such as vegetable oils, including palm oil, from Indonesia and Malaysia. Projections for imports from India were increased by $200 million, primarily due to increased sales of miscellaneous tropical products, essential oils, and oilseed products (such as organic soybeans). There was also an upward adjustment of $100 million in imports from China, which is the largest supplier in the region, due to slight increases in a range of products, including horticultural goods.

U.S. imports from Oceania are expected to increase $100 million in fiscal year 2018 from the previous forecast, due to a rise in the projected volume of beef and other meat products from Australia. Imports from the Middle East are projected to be $100 million above February's expectations due to higher sales of tobacco products from Turkey. Imports from Africa remain

unchanged, but those from the largest supplier, the Ivory Coast, are $100 million lower than the previous projection due to reduced shipments of cocoa products.

Table 6--U.S. agricultural imports: Value by region, fiscal years 2017-18

Region and country	October - March		Fiscal year	Forecast Fiscal year 2018	
	FY2017	FY2018	2017	Feb.	May
	---Billion dollars---				
VALUE					
Western Hemisphere	33.410	35.291	65.971	66.7	68.1
Canada	10.575	11.232	21.984	22.8	23.2
Mexico	12.357	13.422	24.070	24.0	24.7
Central America	2.520	2.540	5.454	5.4	5.5
Costa Rica	0.734	0.776	1.607	1.6	1.7
Guatemala	1.013	1.027	2.097	2.1	2.1
Other Central America	0.773	0.738	1.750	1.7	1.7
Caribbean	0.274	0.302	0.588	0.6	0.6
South America	7.684	7.794	13.874	13.3	13.5
Argentina	0.703	0.733	1.362	1.3	1.3
Brazil	1.767	1.855	3.327	3.2	3.3
Chile	1.767	1.718	2.993	2.8	2.8
Colombia	1.385	1.379	2.591	2.5	2.5
Peru	1.208	1.332	1.977	1.9	2.0
Other South America	0.855	0.777	1.625	1.6	1.6
Europe and Eurasia	11.087	12.395	22.818	23.4	24.0
European Union-28	10.349	11.625	21.371	21.8	22.4
Other Europe	0.738	0.770	1.448	1.5	1.5
Asia	9.394	10.698	19.694	19.0	19.9
East Asia	3.050	3.249	6.119	6.0	6.2
China	2.237	2.373	4.465	4.4	4.5
Other East Asia	0.812	0.875	1.654	1.6	1.7
Southeast Asia	5.027	5.963	10.728	10.4	10.9
Indonesia	1.707	1.822	3.587	3.4	3.5
Malaysia	0.447	0.537	0.964	0.9	1.0
Thailand	1.137	1.259	2.387	2.4	2.5
Vietnam	1.058	1.103	2.401	2.4	2.4
Other Southeast Asia	0.679	1.243	1.390	1.3	1.5
South Asia	1.318	1.486	2.847	2.6	2.8
India	1.158	1.305	2.525	2.3	2.5
Oceania	2.692	2.887	5.812	5.8	5.9
Australia	1.440	1.602	3.103	3.2	3.3
New Zealand	1.189	1.231	2.592	2.6	2.6
Africa	1.791	1.715	3.295	2.8	2.8
Sub-Sahara	1.596	1.463	2.935	2.4	2.4
Ivory Coast	0.808	0.506	1.182	1.0	0.9
Middle East	0.731	0.842	1.366	1.4	1.5
Turkey	0.476	0.579	0.888	0.9	1.0
World total	59.201	63.932	119.140	118.5	121.5

Totals may not add due to rounding.

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

Outlook for U.S. Agricultural Trade, AES-104, May 31, 2018
USDA, Economic Research Service

Reliability Tables

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

Commodity	Average absolute forecast errors Fiscal 2013-17					Forecast accuracy Fiscal 2013-17					Forecast accuracy 1/
	Aug.	Nov.	Feb.	May	Aug.	Aug.	Nov.	Feb.	May	Aug.	
Export value			*Percent*					*"X" if error ≤ 5%*			*Percent*
Grains and feeds	12	10	8	4	1	-	-	-	X	X	40
Wheat	19	12	4	4	3	-	-	X	X	X	60
Rice	6	5	7	4	3	-	X	-	X	X	60
Coarse grains	32	29	17	7	1	-	-	-	-	X	20
Corn	32	28	17	6	2	-	-	-	-	X	20
Feeds and fodders	11	13	14	9	3	-	-	-	-	X	20
Oilseeds and products	12	9	6	4	2	-	-	-	X	X	40
Soybeans	12	11	8	6	2	-	-	-	-	X	20
Soybean meal	22	16	11	7	3	-	-	-	-	X	20
Soybean oil	19	19	12	8	5	-	-	-	-	X	20
Livestock, poultry, and dairy	11	9	5	3	1	-	-	X	X	X	60
Livestock products	9	7	4	3	1	-	-	X	X	X	60
Beef and veal	13	12	7	5	2	-	-	-	X	X	40
Pork	8	8	5	4	2	-	-	-	X	X	40
Beef and pork variety meats	7	6	7	9	3	-	-	-	-	X	20
Hides, skins, and furs	17	14	6	3	1	-	-	-	X	X	40
Poultry and products	7	8	5	4	2	-	-	X	X	X	60
Broiler meat	8	9	4	4	2	-	-	X	X	X	60
Dairy products	22	16	12	7	3	-	-	-	-	X	20
Tobacco, unmanufactured	7	7	7	6	4	-	-	-	-	X	20
Cotton	12	13	9	7	2	-	-	-	-	X	20
Planting seeds	9	9	11	7	4	-	-	-	-	X	20
Horticultural products	5	5	3	2	1	X	X	X	X	X	100
Fruits and vegetables, fresh	7	7	5	3	3	-	-	X	X	X	60
Fruits and veget., processed	5	5	4	2	2	-	-	X	X	X	60
Tree nuts	10	10	7	3	2	-	-	-	X	X	40
Sugar and tropical products	8	8	7	4	2	-	-	-	X	X	40
Major bulk products	10	12	8	4	2	-	-	-	X	X	40
Total agricultural exports	6	4	3	2	1	-	X	X	X	X	80
Average error & accuracy	12	11	8	5	2	3%	10%	31%	62%	100%	41
Export volume											
Wheat	11	7	7	4	2	-	-	-	X	X	40
Rice	6	6	8	5	4	-	-	-	X	X	40
Coarse grains	25	23	14	6	2	-	-	-	-	X	20
Corn	27	23	15	6	2	-	-	-	-	X	20
Feeds and fodders	9	14	14	11	7	-	-	-	-	-	0
Soybeans	13	9	8	6	2	-	-	-	-	X	20
Soybean meal	14	9	7	5	2	-	-	-	-	X	20
Soybean oil	21	23	7	7	5	-	-	-	-	X	20
Beef and veal	8	7	3	4	2	-	-	X	X	X	60
Pork	5	5	2	2	2	X	X	X	X	X	100
Beef and pork variety meats	7	5	9	10	4	-	-	-	-	X	20
Broiler meat	6	5	3	2	2	-	-	X	X	X	60
Tobacco, unmanufactured	25	25	22	16	25	-	-	-	-	-	0
Cotton	10	10	8	6	3	-	-	-	-	X	20
Major bulk products	10	10	7	4	2	-	-	-	X	X	40
Average error & accuracy	13	12	9	6	4	7%	7%	20%	40%	87%	32

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

Outlook for U.S. Agricultural Trade, AES-104, May 31, 2018
USDA, Economic Research Service

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

Country/region	Average absolute forecast errors Fiscal 2013-17					Forecast accuracy Fiscal 2013-17					Forecast accuracy
	Aug.	Nov.	Feb.	May	Aug.	Aug.	Nov.	Feb.	May	Aug.	
											Percent
Export value			*Percent*					*"X" if error ≤ 5%*			
Asia	7	6	4	3	2	-	-	X	X	X	60
East Asia	8	6	4	2	2	-	-	X	X	X	60
Japan	9	8	5	3	2	-	-	X	X	X	60
China	10	8	5	5	4	-	-	X	X	X	60
Hong Kong	13	12	7	7	7	-	-	-	-	-	0
Taiwan	7	7	6	4	4	-	-	-	X	X	40
South Korea	16	16	14	9	4	-	-	-	-	X	20
Southeast Asia	9	7	7	5	4	-	-	-	-	X	20
Indonesia	16	12	12	8	3	-	-	-	-	X	20
Philippines	9	9	8	5	3	-	-	-	X	X	40
Malaysia	9	9	4	6	6	-	-	X	-	-	20
Thailand	17	17	17	7	4	-	-	-	-	X	20
Vietnam	9	9	7	14	16	-	-	-	-	-	0
South Asia	18	18	17	17	8	-	-	-	-	-	0
India	11	11	10	12	10	-	-	-	-	-	0
Western Hemisphere	3	2	2	2	1	X	X	X	X	X	100
North America	3	2	2	2	1	X	X	X	X	X	100
Canada	3	3	2	2	2	X	X	X	X	X	100
Mexico	5	4	3	2	1	X	X	X	X	X	100
Caribbean	4	4	3	3	2	X	X	X	X	X	100
Dominican Republic	12	12	9	8	4	-	-	-	-	X	20
Central America	13	13	13	5	3	-	-	-	-	X	20
South America	16	14	14	9	4	-	-	-	-	X	20
Brazil	26	35	33	27	17	-	-	-	-	-	0
Colombia	26	26	18	7	3	-	-	-	-	X	20
Peru	18	16	16	20	19	-	-	-	-	-	0
Venezuela	19	19	20	16	8	-	-	-	-	-	0
Europe and Eurasia	7	6	6	3	2	-	-	-	X	X	40
European Union-27	8	8	7	4	2	-	-	-	X	X	40
Other Europe	17	17	17	20	10	-	-	-	-	-	0
FSU-12	13	13	13	9	12	-	-	-	-	-	0
Russia	23	23	23	23	4	-	-	-	-	X	20
Middle East	11	11	8	5	2	-	-	-	-	X	20
Turkey	16	15	12	12	14	-	-	-	-	-	0
Saudi Arabia	12	12	12	7	6	-	-	-	-	-	0
Africa	24	19	14	11	4	-	-	-	-	X	20
North Africa	28	24	16	15	8	-	-	-	-	-	0
Egypt	29	22	13	11	9	-	-	-	-	-	0
Sub-Saharan Africa	20	16	13	8	4	-	-	-	-	X	20
Nigeria	26	14	12	12	7	-	- -	-	-		0
Oceania	23	11	11	8	3	-	-	-	-	X	20
Average error and accuracy	14	13	11	9	6	12%	12%	24%	32%	63%	29

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

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

Commodity	Average absolute forecast errors Fiscal 2013-17					Forecast accuracy Fiscal 2013-17					Forecast accuracy
	Aug.	Nov.	Feb.	May	Aug.	Aug.	Nov.	Feb.	May	Aug.	
Import value			*Percent*					*"X" if error ≤ 5%*			*Percent*
Livestock, poultry, and dairy	8	8	5	5	2	-	-	-	X	X	40
Livestock and meats	10	9	7	6	2	-	-	-	-	X	20
Cattle and calves	25	19	5	4	3	-	-	-	X	X	40
Swine	16	15	12	7	8	-	-	-	-	-	0
Beef and veal	16	15	11	9	4	-	-	-	-	X	20
Pork	11	9	11	9	3	-	-	-	-	X	20
Dairy products	4	6	3	4	2	X	-	X	X	X	80
Cheese	8	8	10	11	5	-	-	-	-	-	0
Grains and feed	3	5	4	2	1	X	-	X	X	X	80
Grain products	3	3	3	2	2	X	X	X	X	X	100
Oilseeds and products	12	10	8	5	1	-	-	-	X	X	40
Vegetable oils	11	6	4	3	4	-	-	X	X	X	60
Horticulture products	3	3	3	4	1	X	X	X	X	X	100
Fruits, fresh	5	4	2	6	3	X	X	X	-	X	80
Fruits, preserved	6	7	7	5	1	-	-	-	-	X	20
Fruit juices	14	11	6	6	5	-	-	-	-	X	20
Nuts and preparations	16	12	9	7	5	-	-	-	-	-	0
Vegetables, fresh	6	6	8	4	2	-	-	-	X	X	40
Vegetables, processed	11	9	8	6	4	-	-	-	-	X	20
Wine	4	4	6	3	1	X	X	-	X	X	80
Malt beer	4	6	3	3	2	X	-	X	X	X	80
Essential oils	5	4	4	4	3	-	X	X	X	X	80
Cut flowers and nursery stock	4	4	4	3	2	X	X	X	X	X	100
Sugar and tropical products	20	16	13	5	2	-	-	-	-	X	20
Sweeteners and products	10	7	4	4	1	-	-	X	X	X	60
Confections	8	7	5	3	4	-	-	-	X	X	40
Cocoa and products	9	8	8	4	2	-	-	-	X	X	40
Coffee beans and products	18	15	13	8	3	-	-	-	-	X	20
Natural rubber	60	51	37	13	6	-	-	-	-	-	0
Other imports	19	22	17	9	5	-	-	-	-	-	0
Total agricultural imports	6	6	4	3	1	- -		X	X	X	60
Average error and accuracy	11	10	8	5	3	26%	19%	35%	55%	84%	44
Import volume											
Wine (HL)	11	10	6	5	2	-	-	-	X	X	40
Malt beer (HL)	3	4	2	3	2	X	X	X	X	X	100
Fruit juices (HL)	9	10	4	4	3	-	-	X	X	X	60
Cattle and calves	10	11	4	6	2	-	-	X	-	X	40
Swine	10	7	5	5	2	-	-	-	X	X	40
Beef and veal	11	13	12	8	2	-	-	-	-	X	20
Pork	11	10	6	9	3	-	-	-	-	X	20
Fruits--fresh	4	4	2	2	1	X	X	X	X	X	100
Fruits--processed	9	9	8	8	4	-	-	-	-	X	20
Vegetables--fresh	4	4	4	2	2	X	X	X	X	X	100
Vegetables--processed	15	14	12	11	10	-	-	-	-	-	0
Vegetable oils	8	7	7	7	5	-	-	-	-	X	20
Cocoa and products	10	7	4	6	2	-	-	X	-	X	40
Coffee beans and products	4	5	4	2	3	X	-	X	X	X	80
Average error and accuracy	8	8	6	5	3	29%	21%	50%	50%	93%	49

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

Outlook for U.S. Agricultural Trade, AES-104, May 31, 2018
USDA, Economic Research Service

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

Country/region	Average absolute forecast errors Fiscal 2013-17					Forecast accuracy Fiscal 2013-17					Forecast accuracy
	Aug.	Nov.	Feb.	May	Aug.	Aug.	Nov.	Feb.	May	Aug.	
Import value			*Percent*					*"X" if error ≤ 5%*			*Percent*
Western Hemisphere	5	4	4	3	1	-	X	X	X	X	80
Canada	7	5	4	2	1	-	-	X	X	X	60
Mexico	4	4	3	4	2	X	X	X	X	X	100
Central America	10	9	10	6	2	-	-	-	-	X	20
Costa Rica	7	5	6	5	2	-	-	-	-	X	20
Guatemala	12	10	9	6	3	-	-	-	-	X	20
Other Central America	16	16	17	10	6	-	-	-	-	-	0
Caribbean	20	20	16	12	8	-	-	-	-	-	0
South America	7	6	5	3	2	-	-	-	X	X	40
Argentina	14	12	9	5	4	-	-	-	-	X	20
Brazil	12	10	9	7	3	-	-	-	-	X	20
Chile	5	6	6	4	2	-	-	-	X	X	40
Colombia	9	12	11	5	4	-	-	-	-	X	20
Other South America	55	52	34	35	36	-	-	-	-	-	0
Europe and Eurasia	2	2	1	2	1	X	X	X	X	X	100
European Union-27	3	3	1	2	1	X	X	X	X	X	100
Other Europe	9	5	4	8	5	-	-	X	-	-	20
Asia	16	15	12	6	3	-	-	-	-	X	20
East Asia	7	7	5	4	2	-	-	-	X	X	40
China	8	8	6	4	2	-	-	-	X	X	40
Other East Asia	5	4	4	5	3	-	X	X	-	X	60
Southeast Asia	15	14	9	5	2	-	-	-	X	X	40
Indonesia	19	17	11	6	3	-	-	-	-	X	20
Malaysia	27	26	17	7	4	-	-	-	-	X	20
Thailand	11	11	7	5	2	-	-	-	-	X	20
Other Southeast Asia	97	95	76	58	56	-	-	-	-	-	0
South Asia	39	37	44	16	8	-	-	-	-	-	0
India	43	41	42	17	9	-	-	-	-	-	0
Oceania	23	21	25	13	7	-	-	-	-	-	0
Australia	30	26	31	15	9	-	-	-	-	-	0
New Zealand	15	14	21	12	6	-	-	-	-	-	0
Africa	10	8	10	10	3	-	-	-	-	X	20
Sub-Saharan Africa	13	12	11	9	3	-	-	-	-	X	20
Ivory Coast	19	21	29	11	4	-	-	-	-	X	20
Middle East	6	8	15	5	6	-	-	-	-	-	0
Turkey	11	17	19	7	5	-	-	-	-	-	0
Average error & accuracy	17	16	15	9	6	8%	14%	19%	28%	67%	27

1/ Percent of forecasts with errors less than or equal to 5 percent, as denoted by an X.
Source: Tables 7, 8, 9, and 10 were compiled by the author from previous *Outlook for U.S. Agricultural Trade* reports.

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