

FY 2015 & 2016 U.S. Agricultural Trade Forecasts

Initial FY 2016 Forecasts

Exports = \$138.5 billion

Imports = \$122.5 billion

Surplus = \$16.0 billion

Changes Since May in 2015 Forecast

Exports ↓ \$1.0 billion to \$139.5 billion

Imports ↓ \$1.5 billion to \$115.5 billion

Surplus ↑ \$0.5 billion to \$24 billion

U.S. Agricultural Trade

Lower Bulk Export Prices and Strong Dollar Impact Exports



FY 2015 Exports Revisions (Aug. vs. May)

Exports forecast down \$1 billion to \$139.5 billion

Grains, Oilseeds & Cotton

Grain and Feed ↑ \$800 million - higher feed exports, especially distiller's dried grains to China

Oilseeds ↑ \$100 million - strong exports of soybeans

Cotton ↑ \$400 million - strong end-of-season shipments due to reduced competition

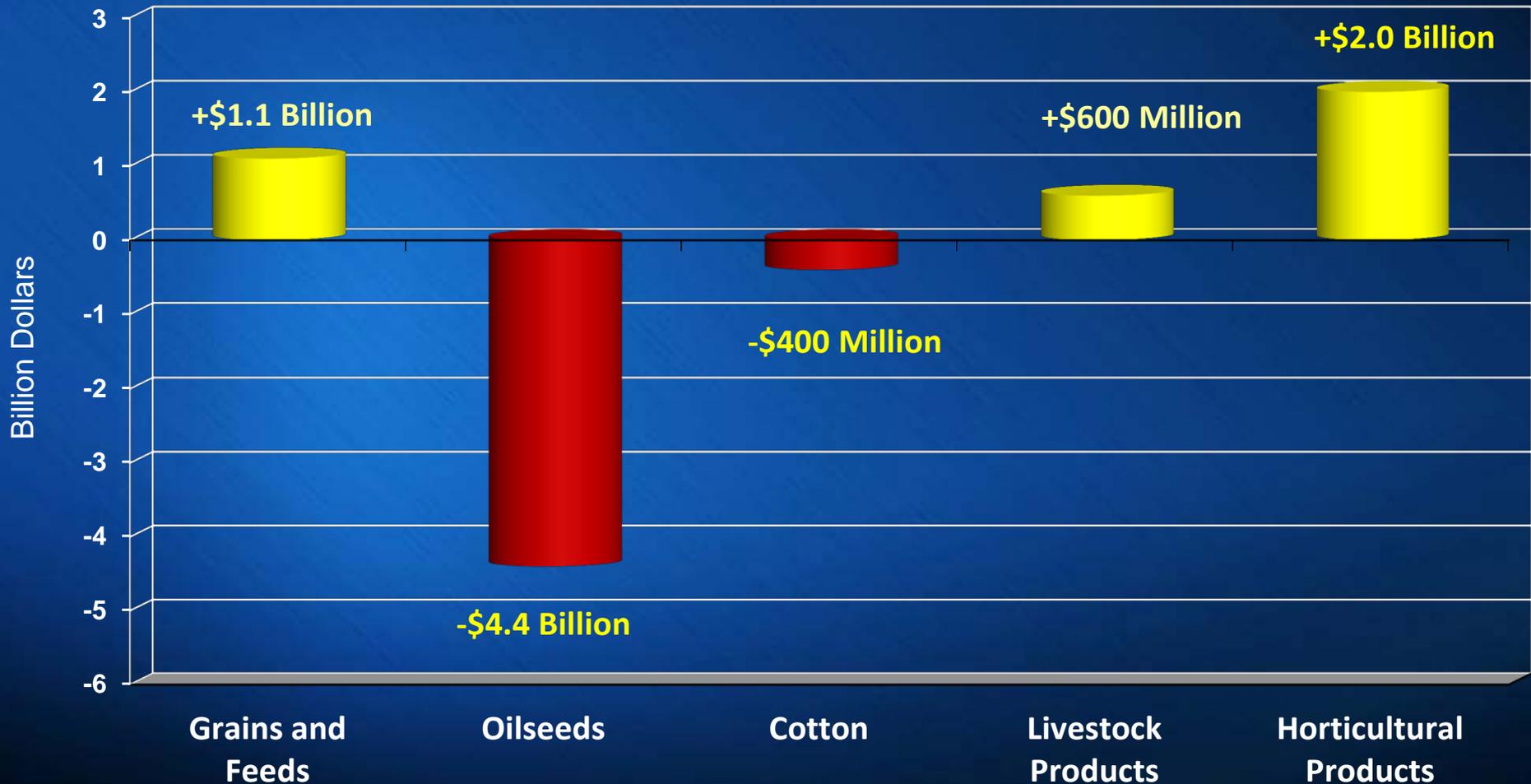
Livestock & Horticultural Products

Livestock & Products ↓ \$1.5 billion - lower broiler prices, weak beef demand and lower U.S. dairy exports and prices

Horticultural Products ↓ \$500 million – weaker fresh fruit and vegetable exports to certain markets

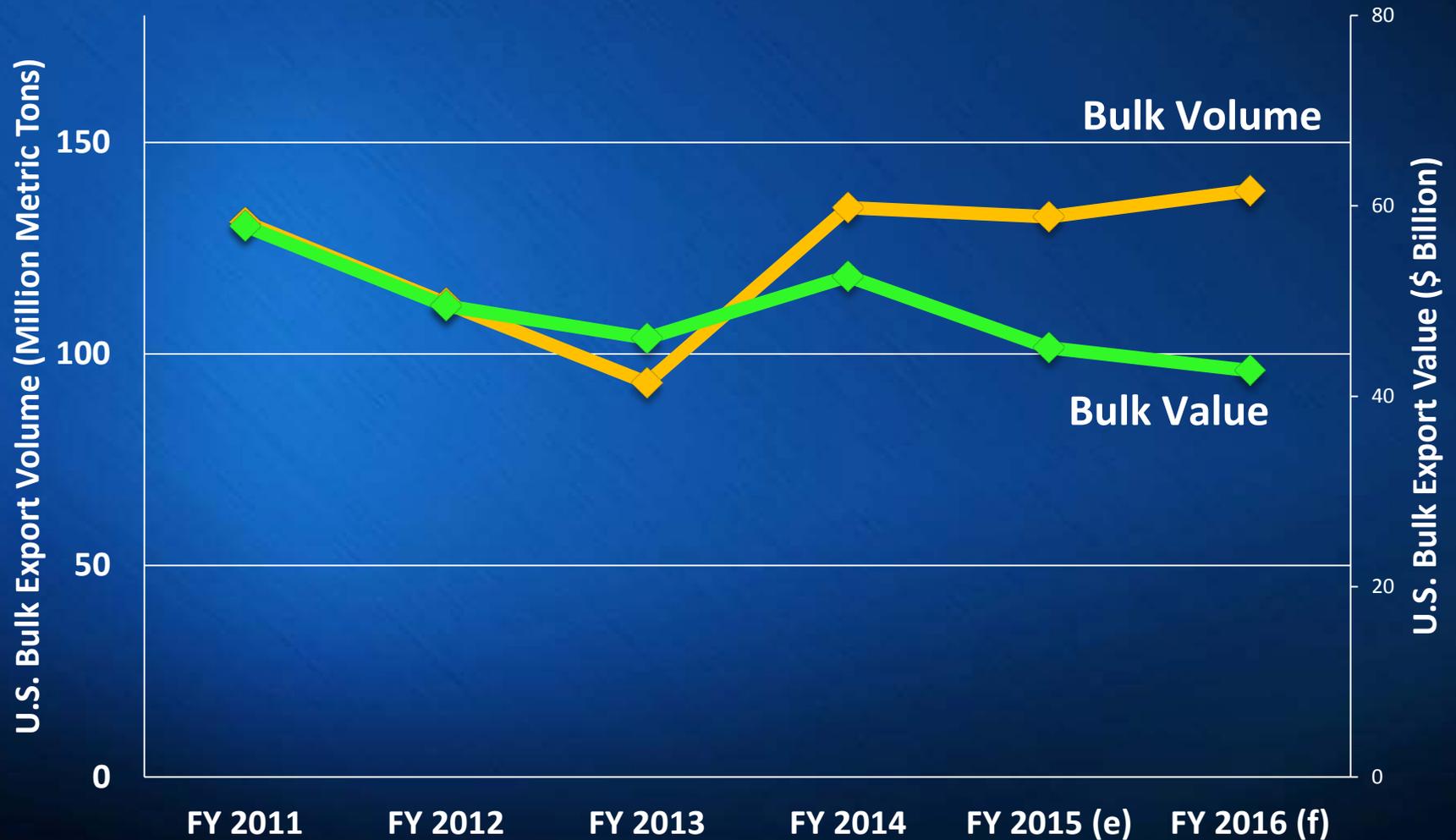
FY 2016 Forecasts

Initial FY 2016 Forecast vs. Revised FY 2015



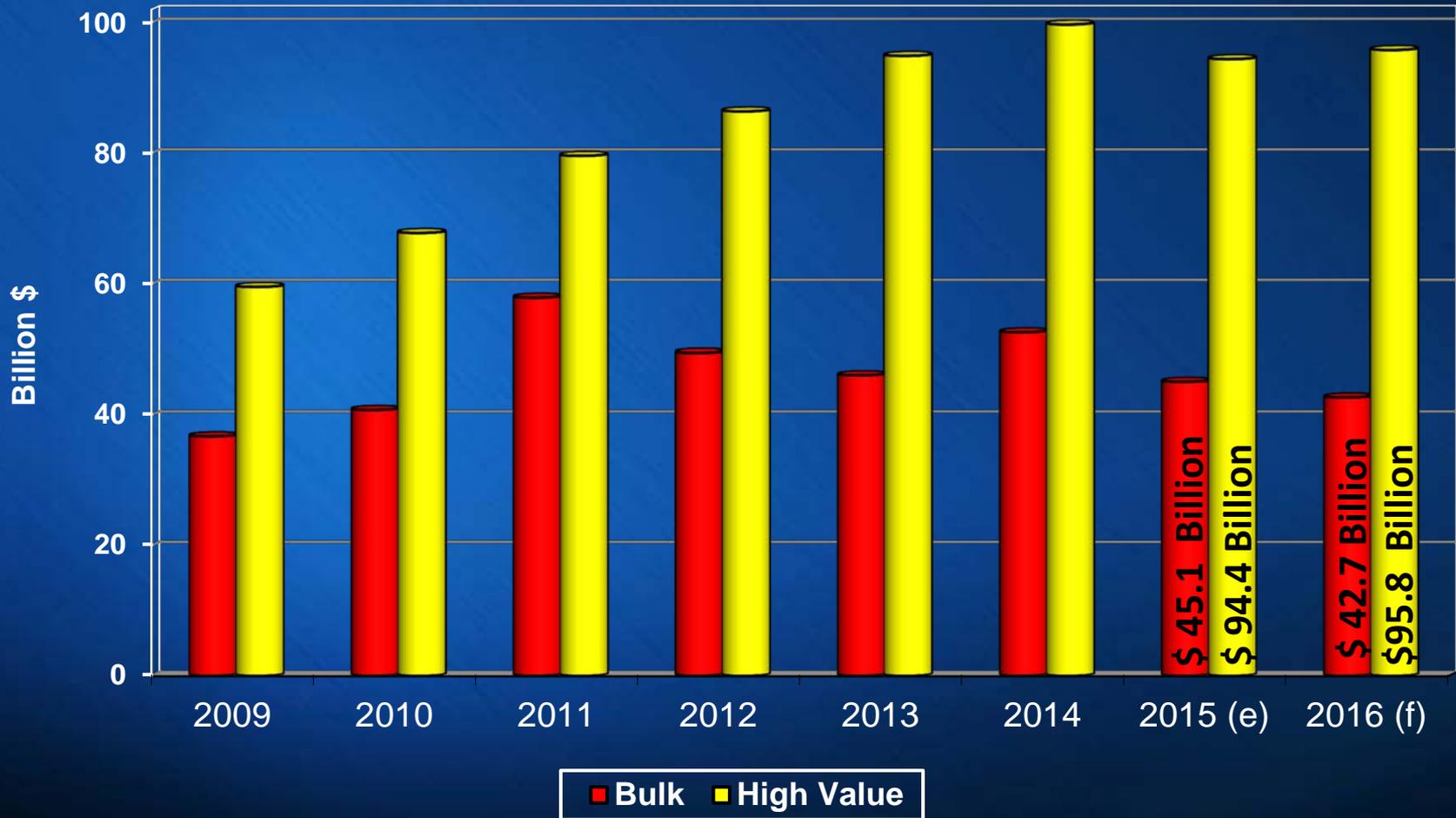
U.S. Major Bulk Export Volume Forecast to Expand Again But Value Falls on Lower Prices

U.S. Major Bulk Export Volume and Value

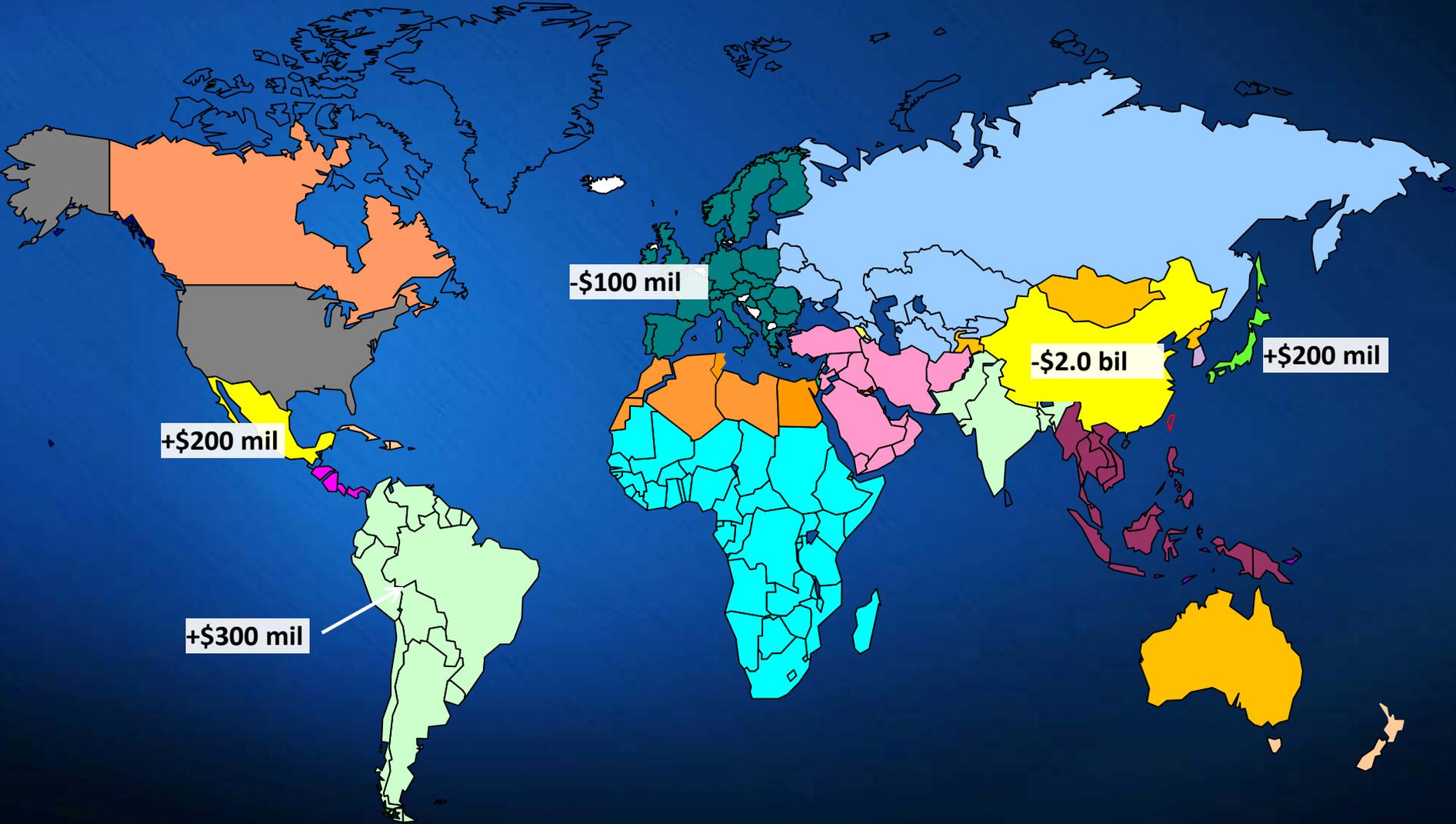


High Value Exports to Rise while Bulk Falls

Overall Forecast down \$1.0 Billion from FY 2015

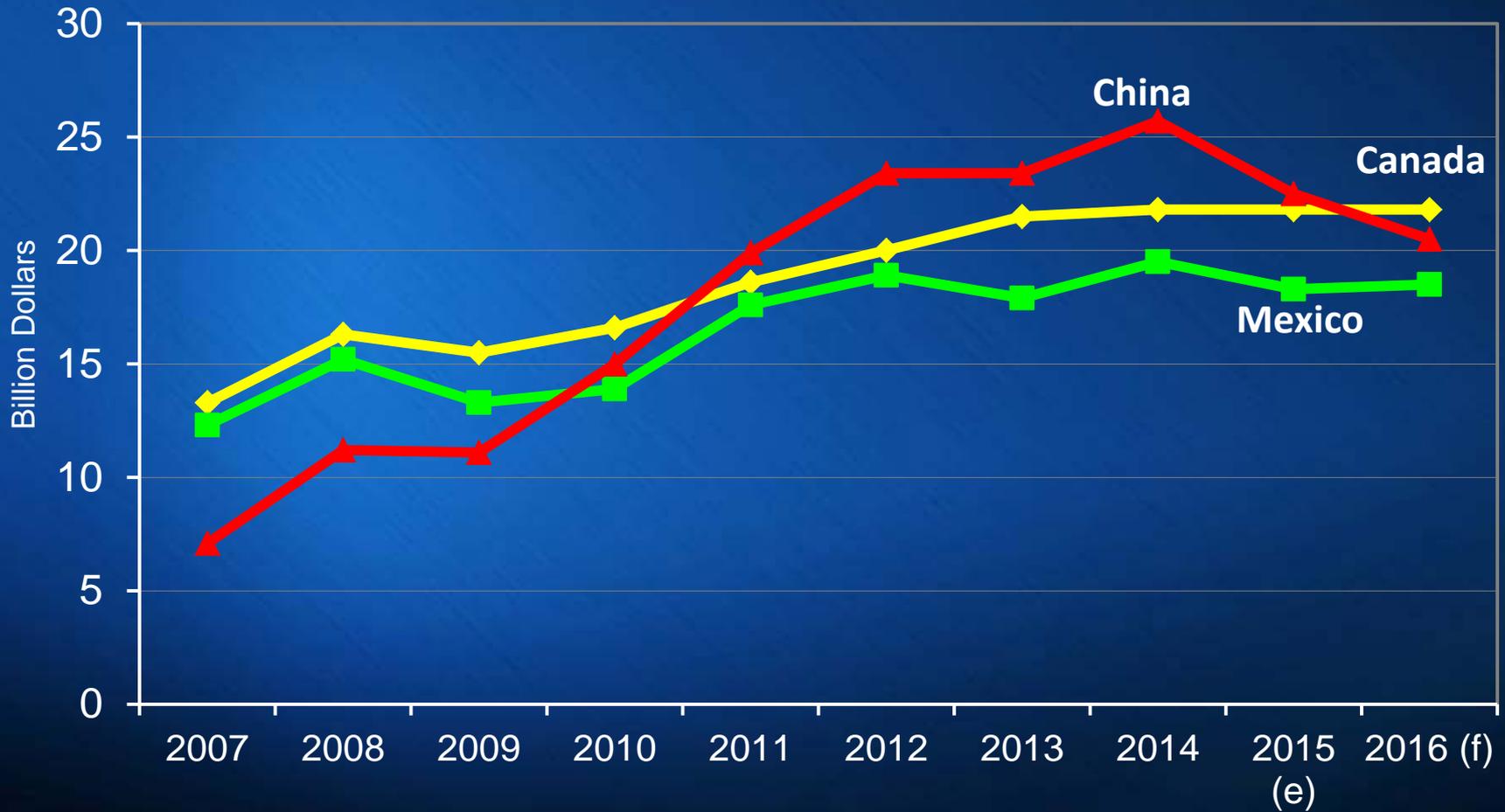


FY 2016 Export Changes by Market

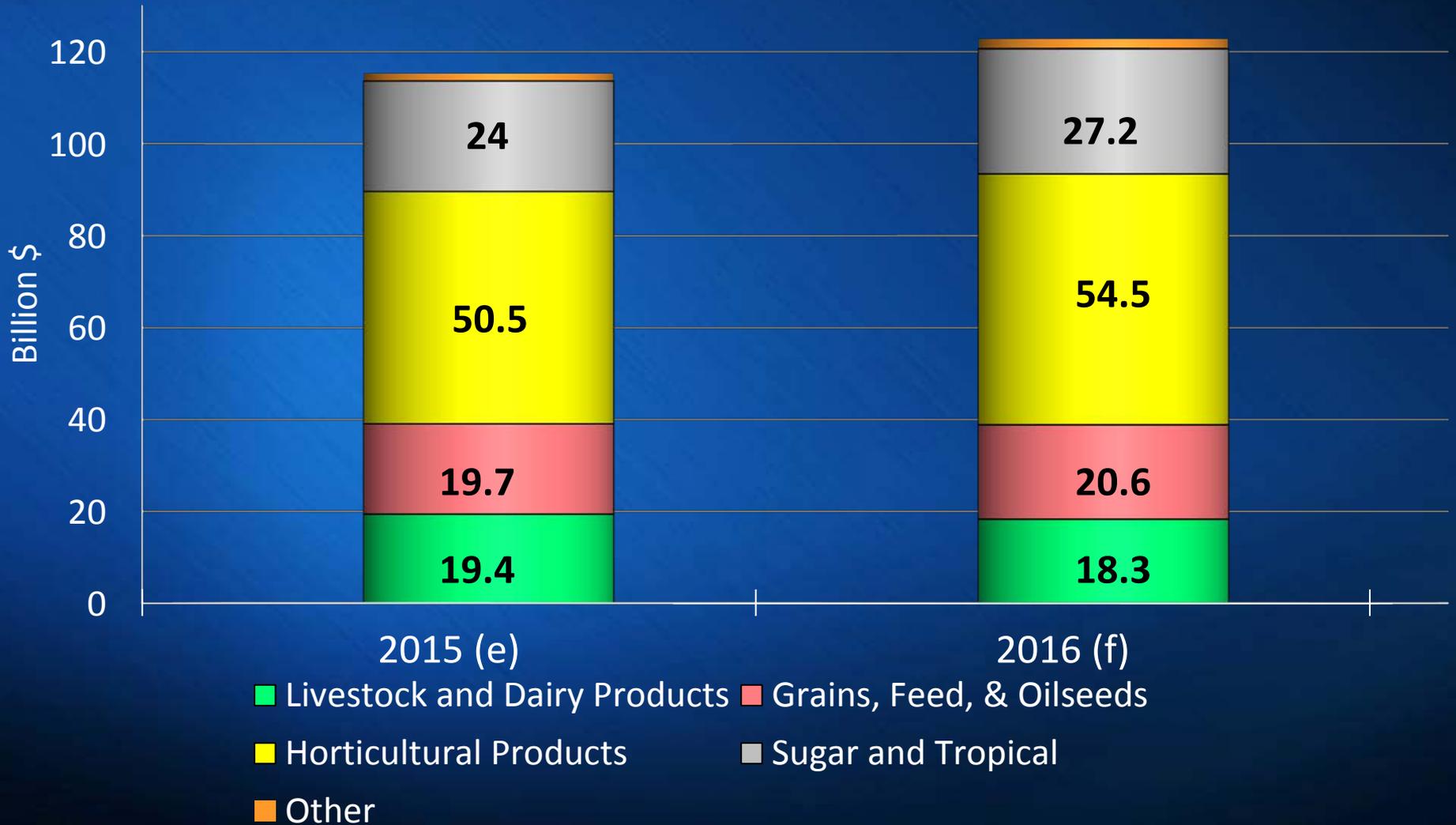


U.S. Exports to China Forecast to Fall and for 1st Time Since 2010, Canada to Return as Largest Export Market

U.S. Agricultural Exports to Canada, China, & Mexico



Imports Forecast at a Record \$122.5 Billion



Export Outlook for Grain & Feed Products

Initial FY 2016 Projection: \$32.4 Billion

Revised FY 2015 Forecast: \$31.3 Billion  \$800 Million

2016

Key Developments

- Wheat is primary driver of higher forecast-volume up, more than offsetting lower unit values.
- Corn up slightly despite lower unit values
- Sorghum, Feeds & Fodders mostly unchanged, despite higher Chinese purchases

Wild Cards

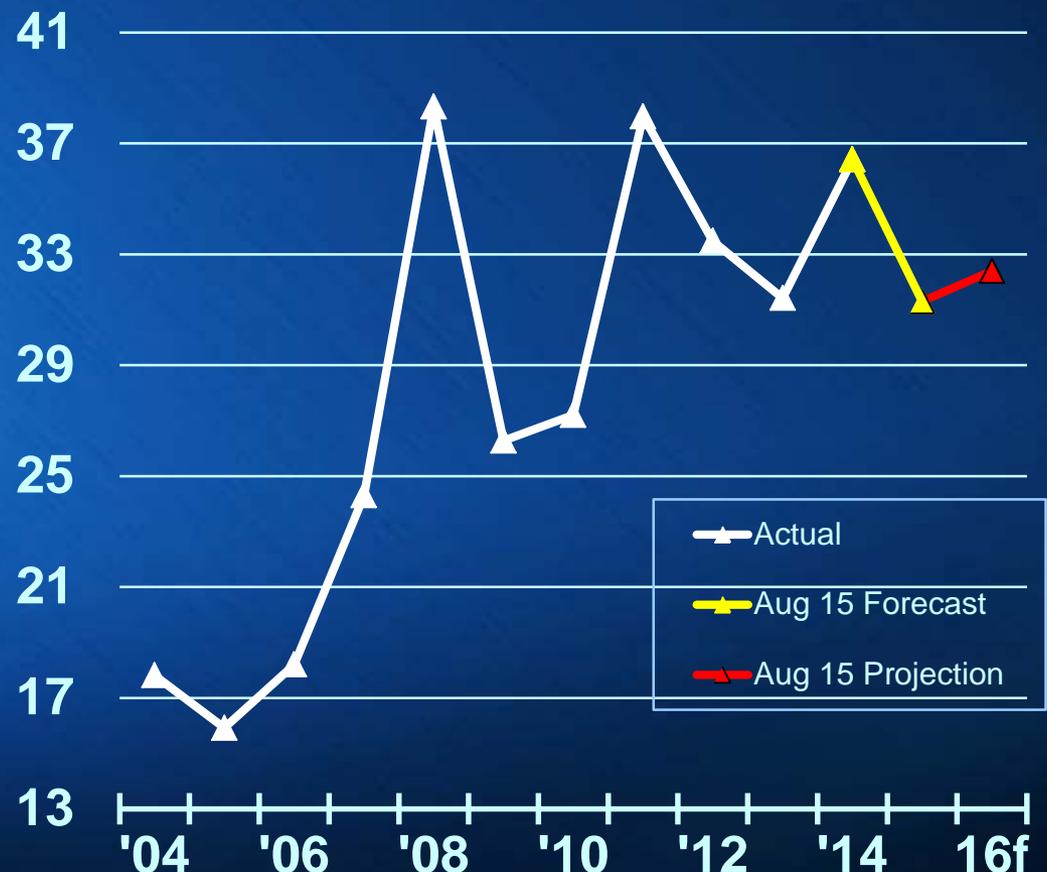
- China's policy uncertainty and potential impact on coarse grains trade

2015

Key Developments

- Feeds & Fodders sharply higher on Chinese purchases (DDGS)

Export Value (\$Bil)



Export Outlook for Oilseeds & Products

Initial FY 2016 Projection \$26.7 Billion

Revised FY 2015 Forecast: \$31.1 Billion  \$100 Million

2016

Key Developments

- ❑ Soybean and soybean meal volumes decline significantly.
- ❑ Soybean value declines on lower unit prices and smaller volume.
- ❑ Soybean product values fall with lower bean prices and reduced trade volume.

Wild Cards

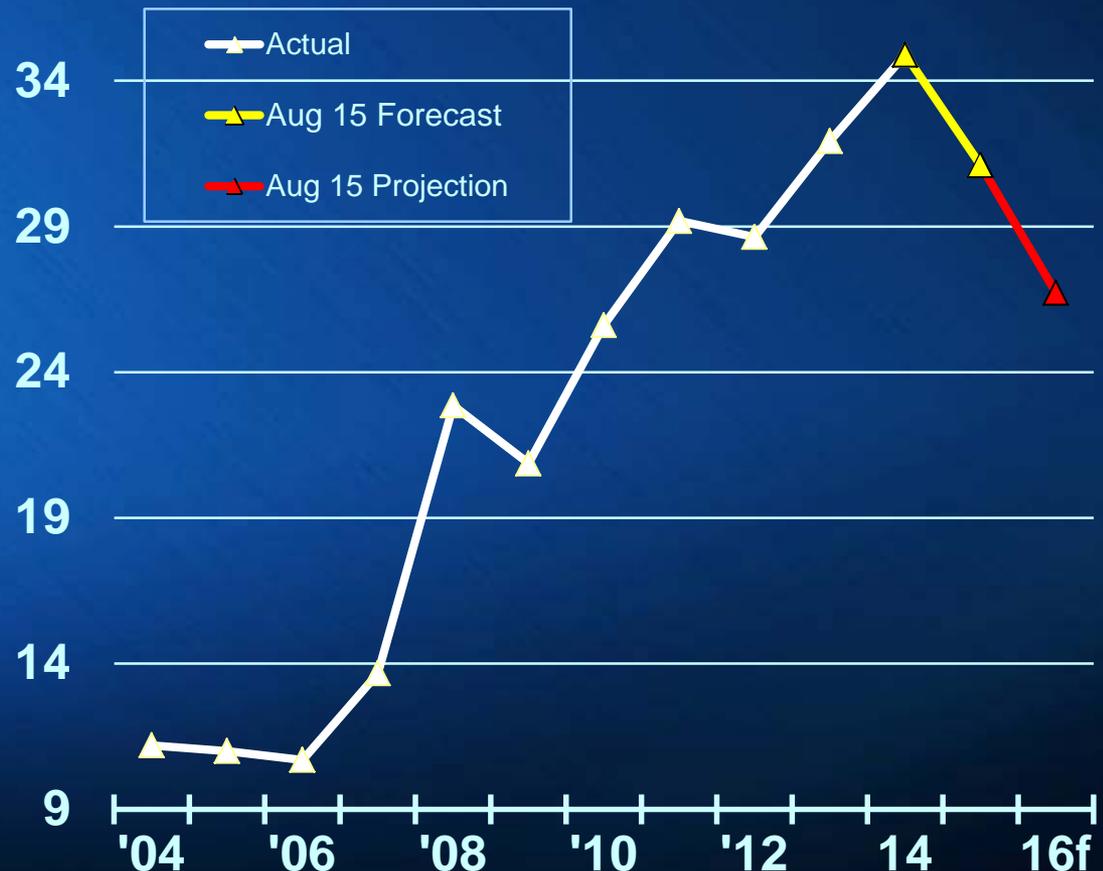
- ❑ China soybean demand
- ❑ Exchange rates
- ❑ Argentine policy
- ❑ U.S. production prospects

2015

Key Developments

- ❑ Soybean volume raised

Export Value (\$Bil)



Export Outlook for Cotton

Initial FY 2016 Projection: \$3.7 Billion

Revised FY 2015 Forecast: \$4.1 Billion  \$400 Million

2016

Key Developments

- Sharply lower U.S. production
- Tightening U.S. stocks support unit value

Wild Cards

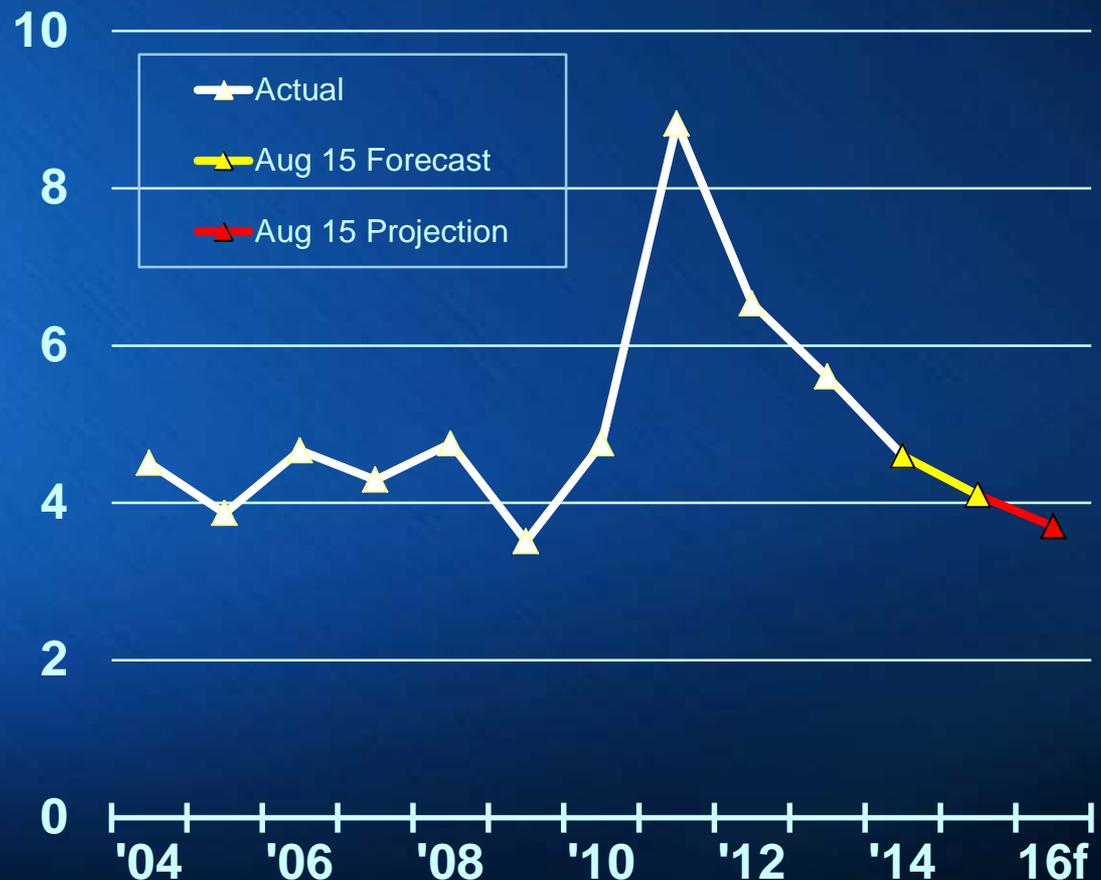
- India support program
- Cotton yarn demand in China
- Sales from China State Reserve

2015

Key Developments

- Weak sales from government held stocks support world prices.
- Southern Hemisphere 2015 crops slower to market than expected

Export Value (\$Bil)



Export Outlook for Dairy, Livestock, and Poultry

Initial FY 2016 Projection: \$30.4 Billion

Revised FY 2015 Forecast: \$29.8 Billion  \$1.5 Billion

2016

Key Developments

- Pork up as higher volumes more than offset lower unit values
- Beef unchanged as slightly higher volumes offset lower unit values
- Poultry down as lower unit values more than offset higher volumes for some products

Wild Cards

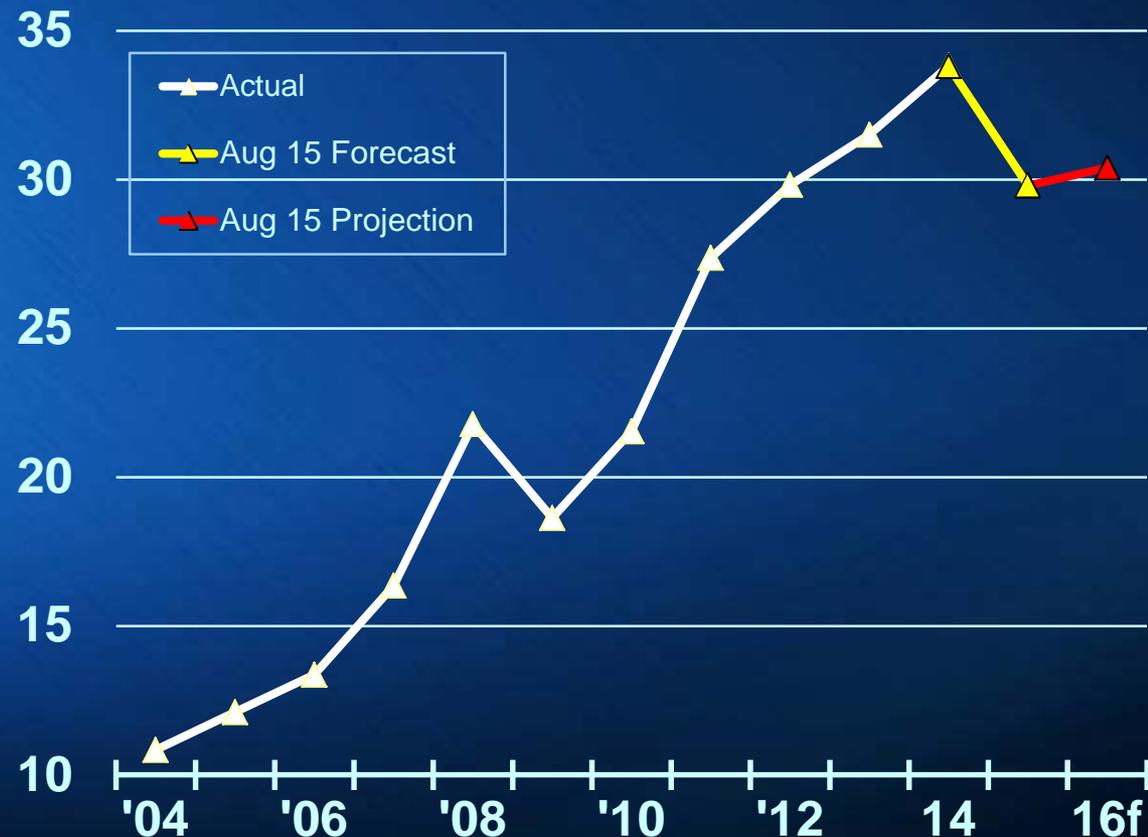
- Ongoing SPS trade issues

2015

Key Developments

- Beef lowered on declining volumes, pork revised higher on increased volumes
- Poultry reduced on lower broiler meat prices; tighter turkey and egg supplies

Export Value (\$Bil)



Export Outlook for Horticulture Products

Initial FY 2016 Projection: \$36.5 Billion

Revised FY 2015 Forecast: \$34.5 Billion  \$500 Million

2016

Key Developments

- Strong exports to Canada, Europe and China
- Tree nut exports higher due to strong demand in China and Europe for almonds, pistachios and walnuts

Wild Card

- China's continued growth, particularly for tree nuts, fresh fruit and wine

2015

Key Developments

- Weak fresh fruit and vegetable exports to Canada and Japan
- Reduced processed fruit and vegetable exports to Japan and Europe

Export Value (\$Bil)

