FY 2016 U.S. Agricultural Trade Forecasts

Changes to FY 2016 Forecasts

- Exports: $6.5 billion to $125 billion
- Imports: $3.5 billion to $118.5 billion
- Surplus: $3.0 billion to $6.5 billion

USDA’s “Outlook for U.S. Agricultural Trade”
Released on February 25, 9AM EST

Slides prepared by Office of Global Analysis/FAS
U.S. Agricultural Trade

Strong Dollar and Lower Prices Press Down Export Values

Billion $

Exports

Imports

Trade Surplus

Records

'94 '96 '98 '00 '02 '04 '06 '08 '10 12 14 16(f)
FY 2016 February vs. November Forecast

- Grains and Feeds: -$1.4 Billion
- Oilseeds: -$0.9 Billion
- Cotton: Unchanged
- Livestock, Poultry, and Dairy: -$2.5 Billion
- Horticultural Products: -$1.8 billion
Unit Values Continue Sliding for Most Commodities

Abundant supplies and weak demand put downward pressure on prices

Select Bulk Comm. Unit Values

Select Animal Product Unit Values

Abundant supplies and weak demand put downward pressure on prices.
Overall Volume Down 9% From FY 2015

Export Volume

*Includes grains, cotton, rice, soybean meal, soybean oil, beef & veal, pork, beef & pork var. meats, broiler meat, & tobacco
Strong Dollar Contributes to Lower Export Value
FY 2016 Forecast Changes From November

East Asia (S. Korea, Japan, China, Hong Kong) and North America account for largest declines.
China Ties With Mexico for 2nd Largest U.S. Ag Market

U.S. agricultural exports to the top 5 markets

- China
- Canada
- Mexico
- Japan
- EU

Billion Dollars

Imports Forecast at a Record $118.5 Billion

*Includes Wheat, Corn, Sorghum, & Barley

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<thead>
<tr>
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<th>2015</th>
<th>2016 (f)</th>
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<tbody>
<tr>
<td>Livestock, Dairy, and Poultry</td>
<td>19.5</td>
<td>15.8</td>
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<tr>
<td>Grains, Feed, &amp; Oilseeds</td>
<td>23.5</td>
<td>26.9</td>
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<tr>
<td>Horticultural Products</td>
<td>49.7</td>
<td>53.9</td>
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<td>Sugar and Tropical</td>
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<tr>
<td>Other</td>
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</tbody>
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2015: $23.5 Billion, 2016 (f): $26.9 Billion

Livestock, Dairy, and Poultry: $19.5 Billion, 2016 (f): $15.8 Billion
Grains, Feed, & Oilseeds: $23.5 Billion, 2016 (f): $26.9 Billion
Horticultural Products: $49.7 Billion, 2016 (f): $53.9 Billion
Sugar and Tropical: $0 Billion, 2016 (f): $0 Billion
Other: $0 Billion, 2016 (f): $0 Billion
Export Outlook for Grain & Feed Products

Revised FY 2016 Forecast: $27.2 Billion ↓ $1.4 Billion

2016

Key Developments
- Corn down, mostly on lower volume, due to competition from South America.
- Wheat down on intense competition, particularly from Canada, and abundant global exporter supplies.

Wild Cards
- Corn supplies in Argentina and Brazil
- 2016/17 Northern Hemisphere winter wheat crop development.
- 2016/17 Argentine wheat crop, given the export policy change
Export Outlook for Oilseeds & Products

Revised FY 2016 Forecast: $25.4 Billion ↓ $900 Million

2016

**Key Developments**

- Strong dollar hinders competitiveness leading to reduced soybean and meal export volume
- Large stocks and weak competitor currencies continue to pressure soybean and meal prices lower
- Reduced palm oil supplies from El Nino dryness supports stronger soy oil values

**Wild Cards**

- China soybean demand
- Exchange rates
- Argentine crush and exports
- 2016 production weather
**2016**

**Key Developments**
- Lower U.S. production
- Export unit values have risen relative to domestic and global prices
- Sales of U.S. cotton have proceeded slowly as mill demand is sluggish and forward contracting is very low

**Wild Cards**
- India’s support program
- Cotton yarn demand in China
- Sales from China’s State Reserve

**Export Outlook for Cotton**

**FY 2016 Projection:** $3.2 Billion **Unchanged**

![Graph showing export value ($) over years from 2004 to 2016 with actual, Nov 15 forecast, and Feb 16 forecast trends.](image-url)
Export Outlook for Dairy, Livestock, and Poultry

Revised FY 2016 Forecast: $25.7 Billion $2.5 Billion

2016

Key Developments
- Beef down on weak demand which has dampened prices
- Pork lower on weak demand and lower prices
- Poultry and products down on weak demand and lower broiler meat prices
- Dairy reduced on higher global competition
- Hides and Skins lower on depressed prices

Wild Cards
- Ongoing SPS trade issues
2016

Key Developments

- Weaker fresh fruit exports to Canada and Mexico, as well as lower fresh vegetable exports to Mexico
- Lower tree nut demand from Europe and China, as well as reduced unit values for pistachios

Wild Card

- Strength of U.S. dollar