

# FY 2016 U.S. Agricultural Trade Forecasts

## Changes to FY 2016 Forecasts

Exports ↓ \$0.5 billion to \$124.5 billion

Imports ↓ \$3.7 billion to \$114.8 billion

Surplus ↑ \$3.2 billion to \$9.7 billion

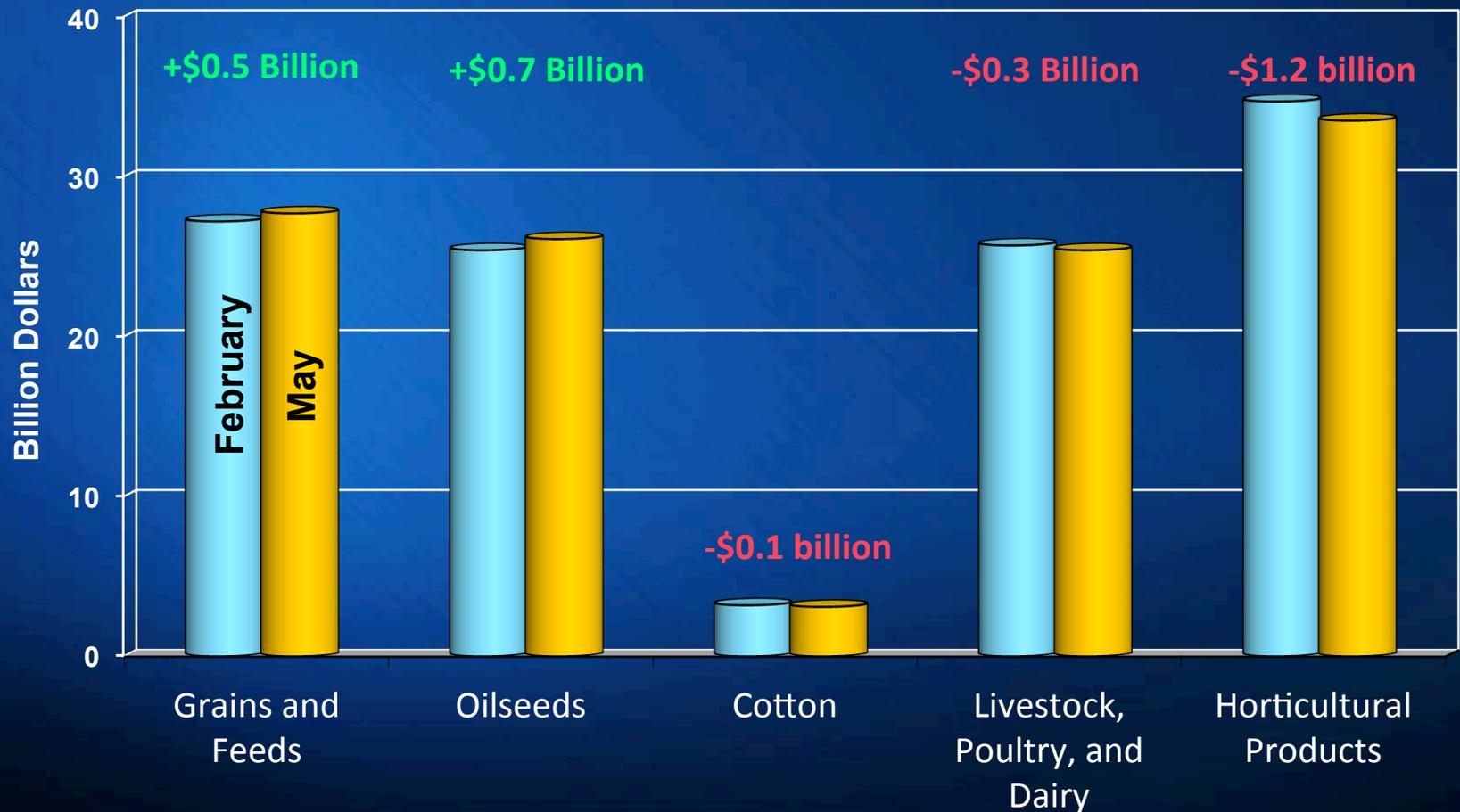
USDA's "Outlook for U.S. Agricultural Trade"  
Released on May 26, 3PM EST

Slides prepared by Office of Global Analysis/FAS

# U.S. Agricultural Trade

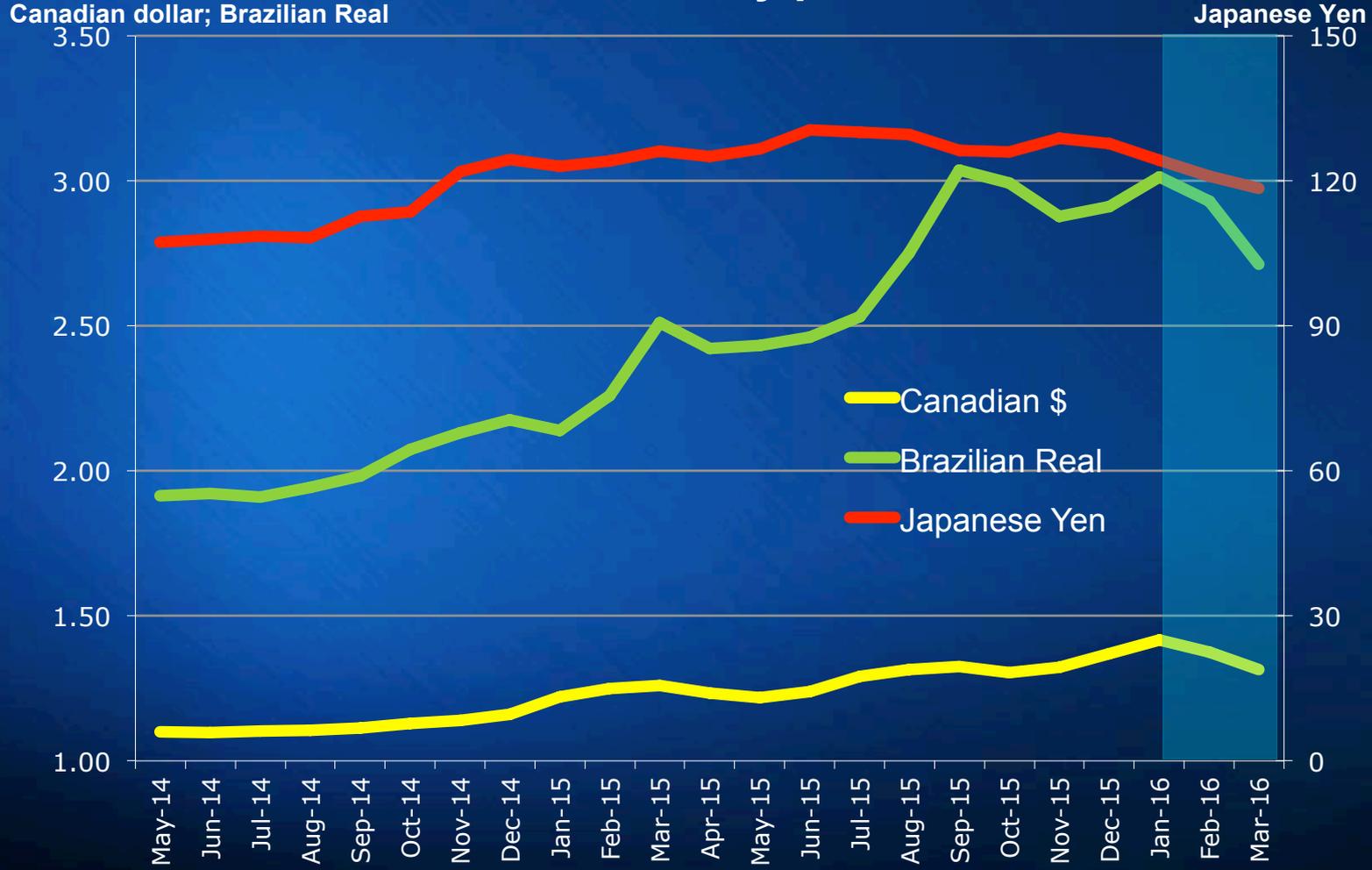


# FY 2016 Export Forecast: May vs. February



# Dollar Weakens in Recent Months, Providing Respite to Sliding Commodity Prices

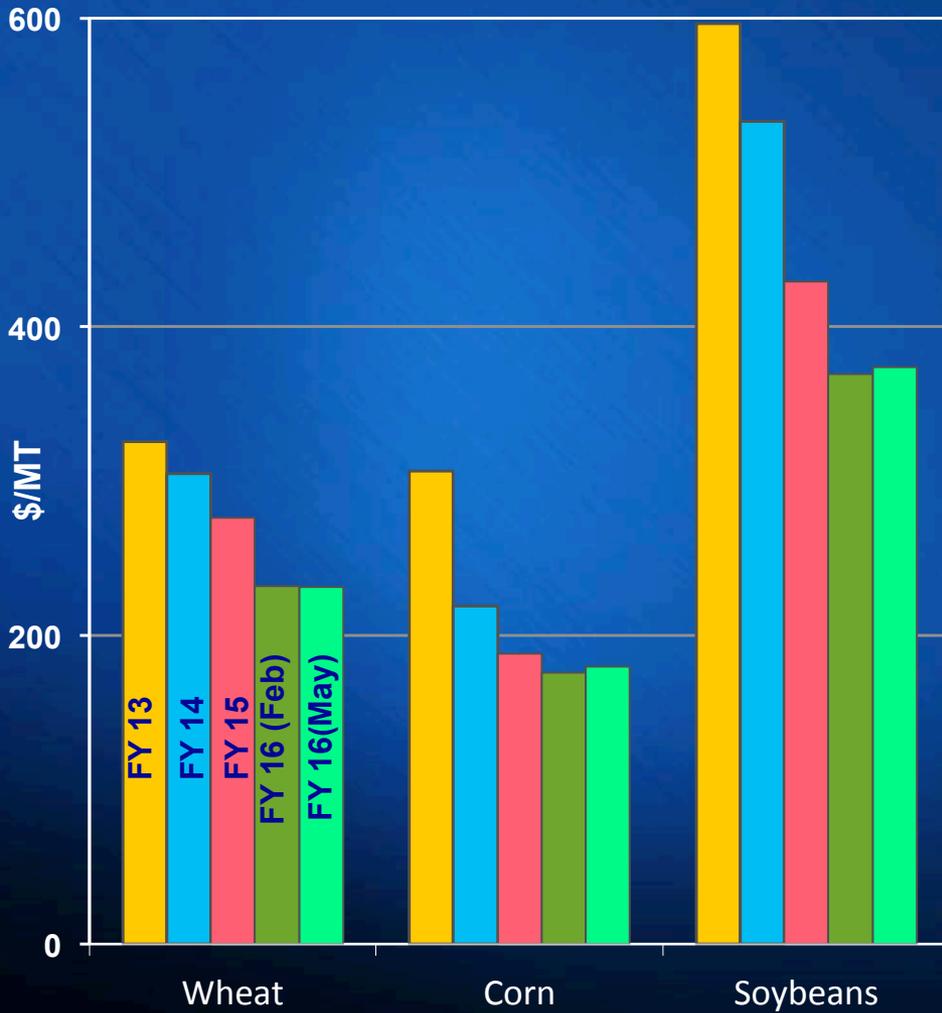
## Local Currency per \$US



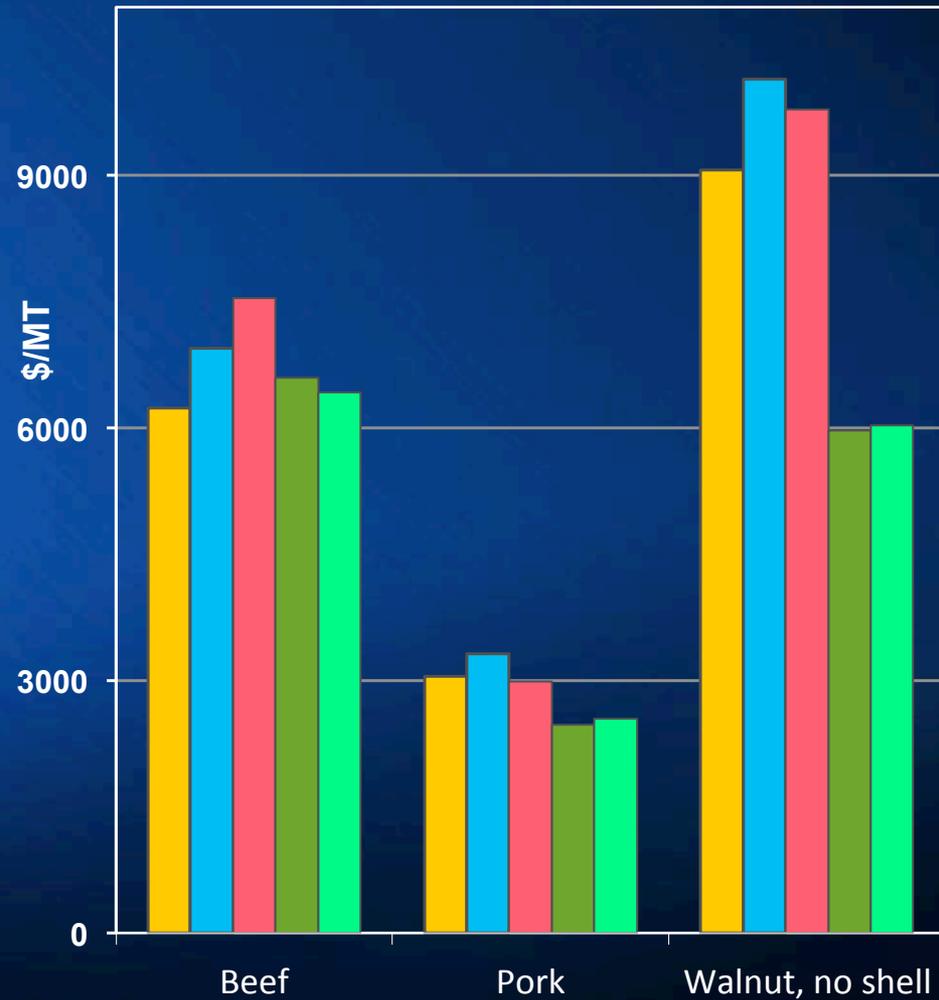
Source: USDA ERS, Agricultural Exchange Rate Dataset

# Unit Values Stabilizing for Most Commodities

## Select Bulk Commodities

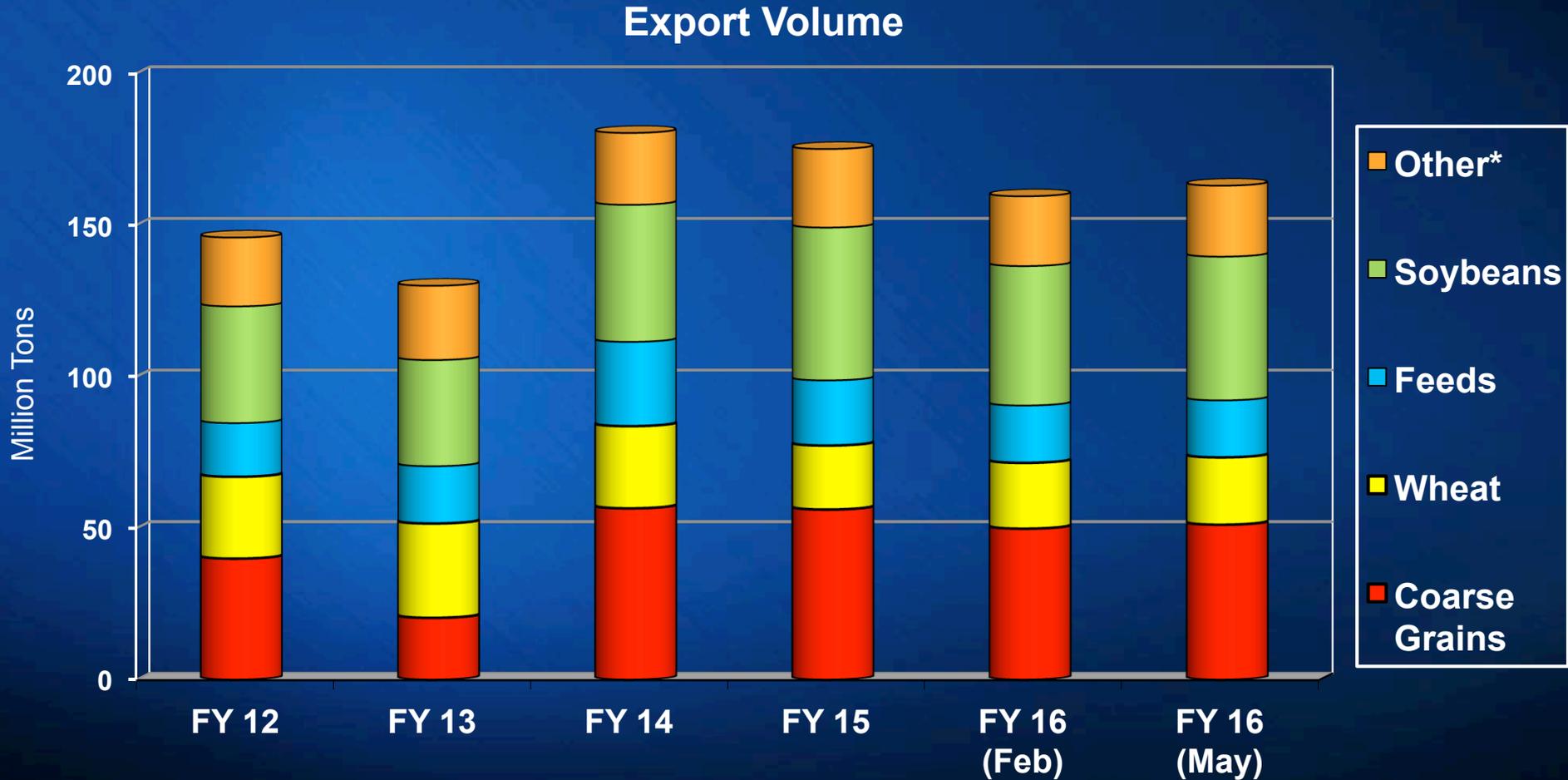


## Select High-Value Products



# Bulk Volume Up From February

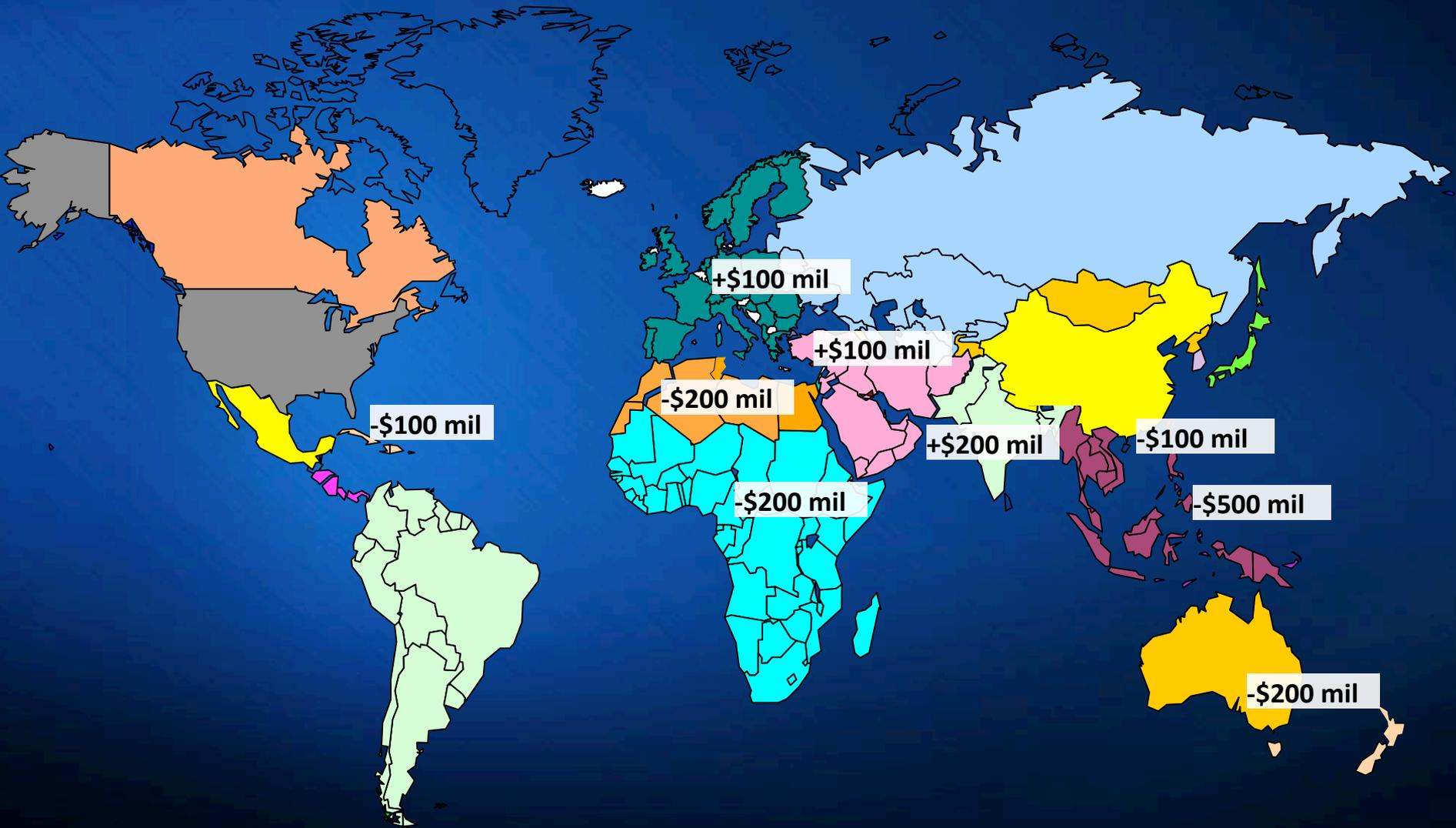
Overall volume down 7% from last year



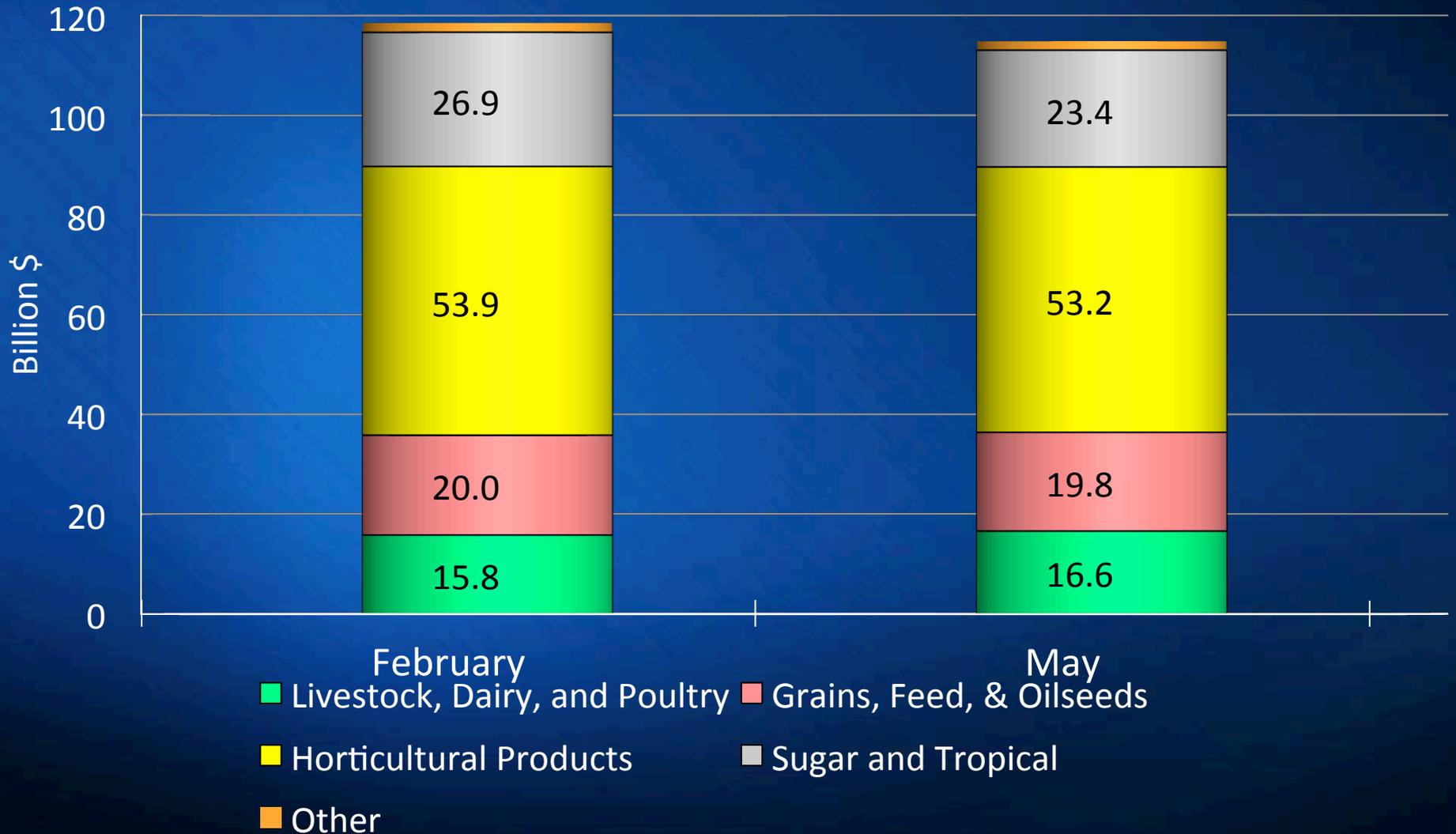
\*Includes grains, cotton, rice, soybean meal, soybean oil, beef & veal, pork, beef & pork var. meats, broiler meat, & tobacco

# FY 2016 Forecast Changes From February

Southeast Asia and Africa account for largest changes



# FY 2016 Import Forecast: May vs. February



# Export Outlook for Grain & Feed Products

Revised FY 2016 Forecast: \$27.7 Billion  \$500 Million

2016

## Key Developments

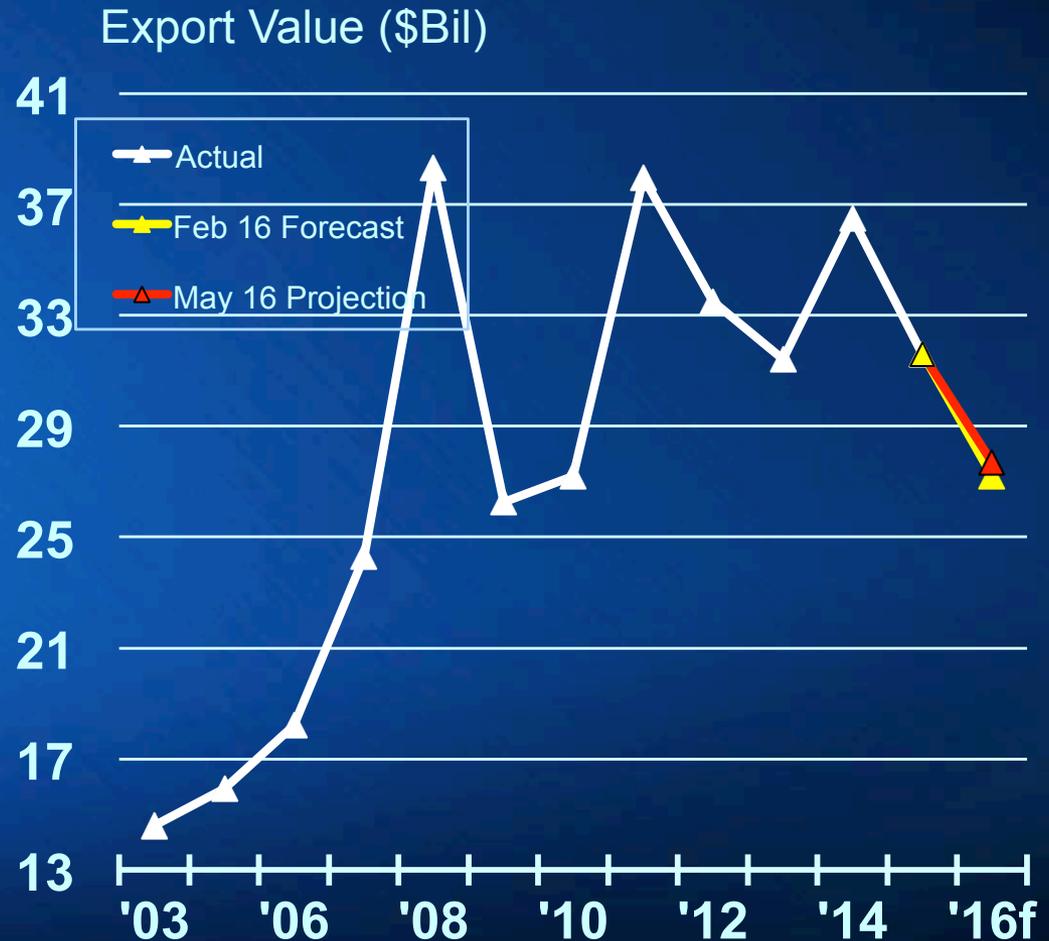
□ Corn up, mostly on higher volume, but unit values also up, as competition from Brazil slows seasonally.

□ Wheat up slightly mostly on higher volume and lower competition from Argentina and Canada over the summer months.

## Wild Cards

□ Corn supplies in Argentina and Brazil

□ China's demand for sorghum and DDGs



# Export Outlook for Oilseeds & Products

Revised FY 2016 Forecast: \$26.1 Billion  \$700 Million

## 2016

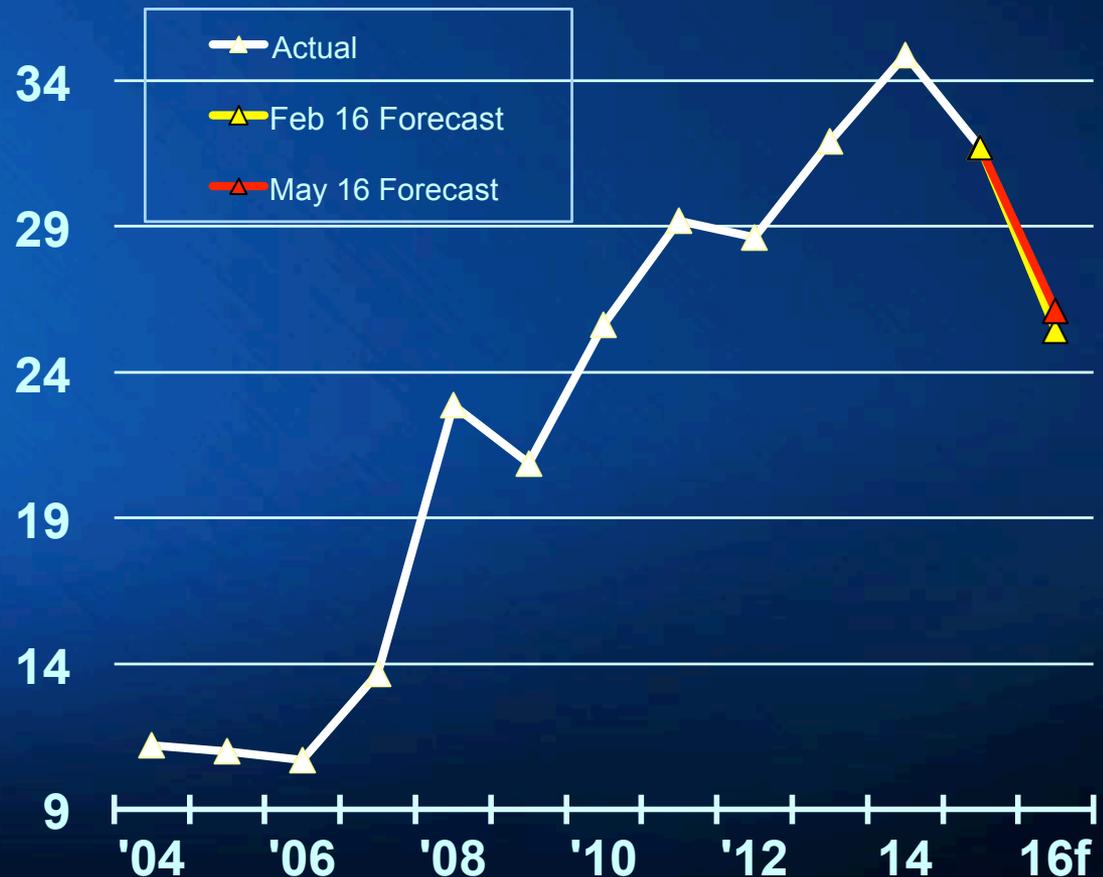
### Key Developments

- Weaker dollar improves U.S. competitiveness
- Crop losses in South America and strong China demand contribute to higher soybean unit values
- Strong Brazilian sales to China encourage other importers to seek out U.S. supplies

### Wild Cards

- China soybean demand
- Exchange rates
- Argentine crush and exports
- 2016 U.S. planting progress

Export Value (\$Bil)



# Export Outlook for Cotton

FY 2016 Projection:

\$3.1 Billion



\$100 million

2016

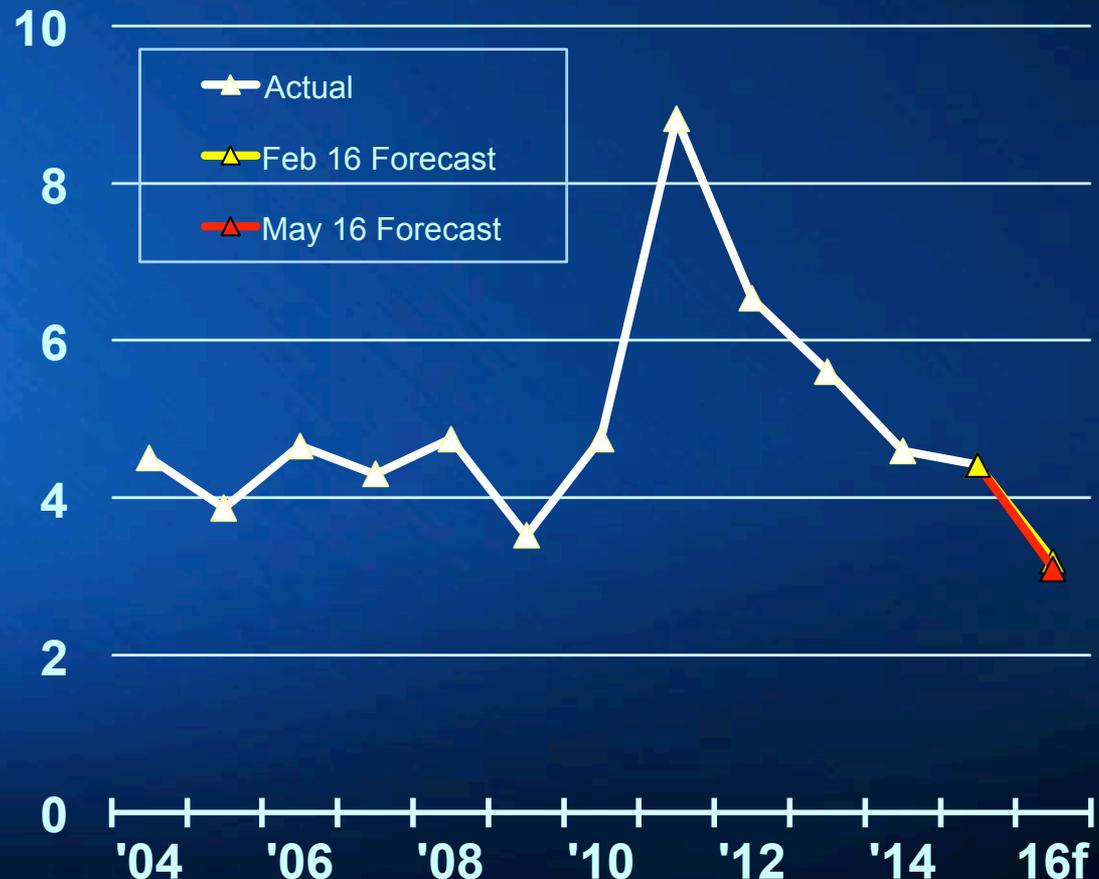
## Key Developments

- Exports to China have remained low, especially as sales by the State Reserve continue
- U.S. cotton remains higher priced than many competitors, e.g. Australia, Brazil
- Formerly strong buyers such as Vietnam have slowed down as use shifts back to China

## Wild Cards

- How long China's State Reserve can continue selling import-substituting cotton
- How mill use will respond to any price distortions caused by China's sales

Export Value (\$Bil)



# Export Outlook for Dairy, Livestock, and Poultry

Revised FY 2016 Forecast: \$25.4 Billion  \$360 Million

## 2016

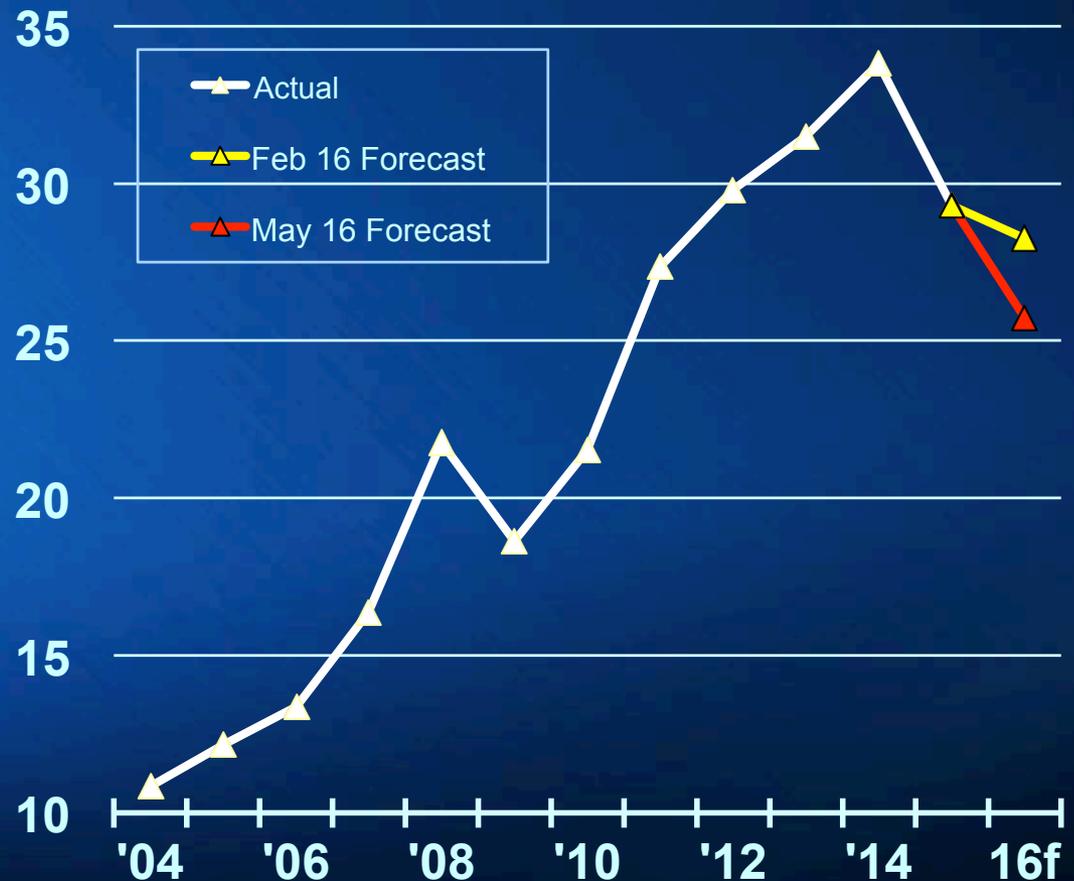
### Key Developments

- ❑ Dairy lowered on strong competition in an oversupplied market
- ❑ Beef down on weak demand which has dampened prices
- ❑ Poultry and products lowered on slower-than-expected export recovery for broiler meat, turkey meat and egg/egg products after the 2015 highly pathogenic avian influenza outbreak (HPAI)
- ❑ Pork up on higher prices

### Wild Cards

- ❑ Ongoing SPS trade issues

Export Value (\$Bil)



# Export Outlook for Horticulture Products

Revised FY 2016 Forecast: \$33.5 Billion  \$1.2 Billion

2016

## Key Developments

- ❑ Pistachio and walnut unit values drop sharply
- ❑ Almond shipments to top markets EU and China lower than anticipated

## Wild Card

- ❑ Strength of U.S. dollar

Export Value (\$Bil)

