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# Outlook for U.S. Agricultural Trade

## Records Forecast for Fiscal 2007 U.S. Agricultural Trade

### Contents

[Economic Outlook](#)  
[Export Products](#)  
[Regional Exports](#)  
[Import Products](#)  
[Regional Imports](#)  
[Contacts and Links](#)

### Tables

[Ag. Exports](#)  
[Regional Exports](#)  
[Ag. Imports](#)  
[Regional Imports](#)  
[Reliability Tables](#)

### Web Sites

[U.S. Trade Data](#)  
[FAQ & Summary Data](#)  
[Articles on U.S. Trade](#)

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Approved by the  
World Agricultural  
Outlook Board, the  
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Agriculture.

Fiscal 2007 agricultural exports are forecast at a record \$72 billion, up \$4 billion from the revised 2006 estimate. Gains are broad based, but horticultural products, corn and soybeans account for most of the expansion. Strong demand, a competitive dollar, and ample domestic supply set the stage for another record-breaking year for U.S. horticultural products, boosting sales \$1.7 billion to \$18.4 billion. Domestic and foreign demand for corn remain strong, raising the value \$800 million to \$6.8 billion. Reduced South American shipments and rising foreign demand led by China should increase U.S. soybean shipments, boosting export value \$800 million.

Fiscal 2007 agricultural imports are forecast at \$68.5 billion, up \$4 billion from the revised 2006 estimate. This increase reflects a slowdown in the rate of growth since 2003, the result of slower U.S. economic growth and a weaker dollar. The largest gains are forecast for horticultural products, particularly fresh fruits and vegetables and wine. Smaller gains are spread across a broad range of groups.

Fiscal 2006 exports are raised \$1 billion from May's forecast to \$68 billion. This reflects higher prices for wheat, reduced competition for corn and soybeans, increased livestock sales, and higher cotton shipments to China. Fiscal 2006 imports are lowered to \$64.5 billion as declines in livestock products, vegetable oils, and other tropical products are only partially offset by increases in essential oils and sugar.

Table 1--U.S. agricultural trade, fiscal years 2002-2007, year ending September 30

Item	2002	2003	2004	2005	Forecast		Forecast
					Fiscal 2006		Fiscal 2007
					May	Aug.	Aug.
Exports	53.3	56.0	62.4	62.5	67.0	68.0	72.0
Imports	41.0	45.7	52.7	57.7	65.0	64.5	68.5
Balance	12.3	10.3	9.7	4.8	2.0	3.5	3.5

Reflects forecasts in the August 11, 2006, *World Agricultural Supply and Demand Estimates* report.

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

## Economic Outlook

The global economy is enjoying a period of sustained growth. Growth in U.S. real gross domestic product (GDP) is expected to grow at 3.5 percent in 2006, slightly above trend, slowing modestly to 3.2 percent in 2007. World GDP growth is forecast at 3.9 percent in 2006, also declining modestly to 3.6 percent in 2007. This would make 2004-07 the strongest growth period since the late 1980s. Overall rapid world growth comes from strong economic performance in Asia, the transition economies, and the Western Hemisphere. Modest but increasing growth in Europe and Japan rounds out a picture of steady and stable growth worldwide.

Major risks to strong world growth are high crude oil and industrial commodity prices. This may induce monetary authorities to raise interest rates to keep inflation under control. Given the present conditions, there are some major uncertainties which could substantially alter these forecasts. How high will short-term interest rates have to go to forestall higher inflation? How will the world economy respond to high input prices and higher interest rates? What will happen to the dollar?

Spot West Texas intermediate crude oil has been above \$67.50 per barrel for four months, briefly exceeding \$77. Farm fuel expenses will be up in 2006, into 2007, and beyond. Demands generated from continuing fast growth in India and China have caused non-energy raw material prices to soar. With GDP growth in China predicted to continue at around 10 percent into 2007, and India's growth around 8 percent, no letup of demand is foreseen.

### *Developed Economies*

U.S. interest rates have risen in 2006 and are likely to increase further in 2007, although at a slower pace. This reflects strong world credit demand, higher short-term U.S. interest rates, and a higher inflation risk premium in long-term rates from oil and materials price inflation. With inflationary pressures, the Federal Reserve Board may continue to raise short-term interest rates even though it left rates unchanged in August 2006. In 2005, the U.S. Consumer Price Index (CPI) rose to 3.4 percent, up from 1.6 percent in 2002. Current expectations are that inflation in 2007 will decline somewhat to 3.3 percent. However, this decline is predicated on continuing strong action by the Federal Reserve. Thus, short-term interest rates in 2006 and 2007 are expected to stay high, if not increase slightly. The dollar is expected to depreciate in 2007 against a broad range of currencies, including the euro, the yen, the Canadian dollar, and the currencies of developing countries.

For Canada, GDP growth of over 3 percent is projected for 2006, 2007, and beyond. The combination of a boom in industrial commodities and energy prices and good investment prospects has boosted the Canadian dollar to levels not seen since the early 1970s. Canada will retain its large trade surplus with the United States.

Japan's GDP is expected to grow 3 percent in 2006 and continue slightly below that in 2007. The yen is expected to depreciate modestly against the dollar for 2006 as a whole and into 2007 before stabilizing. Japan's perennial high trade surplus with the United States and tighter monetary policy will continue to put pressure on the yen to appreciate.

Growth in the European Union-25 (EU-25) is expected to rise to 2.4 percent in 2006 and to stay above 2 percent in 2007. The dollar should depreciate modestly against the euro in 2006 and 2007. As U.S. interest rates increase, the gap narrows between U.S. and European long-term interest rates. The stronger euro is expected to narrow the U.S. trade deficit with Europe in 2007.

China's economic growth has been central to robust world economic growth. In 2006 it will likely grow at 10 percent, and it is likely to continue at this pace for several more years. Surging Chinese growth continues to put upward pressure on demand for raw materials, supporting prices for oil, industrial materials, and some agricultural commodities. China's strong growth in total imports in the first half of 2006 was driven by material and machinery imports, making prospects for world growth and high commodity prices likely for the remainder of 2006, 2007, and beyond. The yuan is expected to continue its modest appreciation against the dollar over the next few years.

### ***Developing Economies***

Economic growth in developing countries in 2006 is forecast at over 6.4 percent and to remain about 6 percent in 2007. Developing Asia continues to be the fastest growing region. Overall growth in Asia is likely to be around 7 percent in 2006 and remain about 7 percent in 2007. India's GDP is likely to remain about 8 percent in 2006 and to decline only modestly from that level in 2007. Growth in South Korea and Southeast Asia will be around 5.5 percent in 2006 and 2007. Most of the non-Chinese Asian currencies should continue to strengthen against the dollar.

The six major economies in Latin America—Argentina, Brazil, Mexico, Venezuela, Colombia, and Chile—are all experiencing strong growth. The region is projected to grow around 4.5 percent in 2006 and 2007. Growth in Brazil is forecast at 3.5 percent in 2006 and 4 percent in 2007. Widespread use of biofuels there has mitigated the impact of high oil prices. Growth in Argentina is likely to slow from 7 percent in 2006 to 6 percent in 2007. Depreciation of the peso will keep Argentina a strong agricultural export competitor in 2007. Mexico's GDP growth is expected to continue to grow at the near 4 percent rate over the next several years. Colombia is expected to continue GDP growth of around 4 percent into 2007. Chile, which has followed a strong export-oriented policy, is projected to continue strong GDP growth in excess of 5 percent into 2007. The major currencies of this region, except the Argentine peso, should appreciate relative to the dollar in real terms in 2007.

GDP growth rates continue to be substantial for most countries of the former Soviet Union. Overall real GDP growth there continues above 6 percent for 2006 and 2007. Africa's growth has improved markedly in recent years to an average rate now approaching 6 percent in 2006 and 2007. However, growth varies considerably among countries there, particularly where there is political turmoil such as in Zimbabwe.

## Export Products

Fiscal 2007 U.S. grain and feed exports are forecast to rise \$700 million to \$19 billion, due to higher unit values for all grains and continued strong demand for corn. Wheat export volume is lower due to tighter domestic supplies and stronger competition from Canada, but higher unit values offset reduced export volume leaving wheat export value unchanged at \$4.6 billion. Drought in the Southern Plains lowers the 2006/07 U.S. wheat crop to an estimated 1.8 million bushels, 14 percent smaller than the 2005/06 crop, and U.S. ending stocks for hard wheat are expected to fall to a 30-year low.

Domestic and foreign demand for corn remains strong, boosting unit values and raising the value of exports \$800 million to \$6.8 billion. Corn used for ethanol production continues to rise and is forecast to equal the volume of corn exports in the United States. The 2006/07 sorghum crop is sharply reduced due to the drought, and sorghum exports are expected to fall 700,000 tons to 4.3 million tons. Rice exports decline 600,000 tons due to much smaller U.S. supplies and higher unit values. Long-grain rice accounts for nearly all the decline. This analysis does not reflect market uncertainties due to the recent discovery of genetically modified rice in U.S. commercial supplies.

U.S. grain and feed exports are raised to \$18.3 billion for fiscal 2006, due to higher unit values for wheat and reduced competition for corn. Wheat exports are raised \$200 million to \$4.6 billion on higher unit values, the result of downward revisions in the 2006/07 wheat crop. Corn shipments are increased 2.5 million tons from the May forecast in light of continued strong demand and reduced competition from China and Argentina.

Forecast at \$11.1 billion in fiscal 2007, the export outlook for U.S. oilseeds and products is \$900 million higher than the revised 2006 forecast. Soybean exports are expected to rise 4.4 million tons, boosting value \$800 million to \$6.9 billion. Ample soybean stocks accumulated over the past 2 years, more than offset the estimated decline in the 2006/07 domestic crop. South American exports are forecast lower while import demand, led by China, is expected to rise nearly 5 million tons. The decline in South American exports is expected due to a leveling off in Brazil's soybean production, and an increase in Argentina's soybean meal and oil exports at the expense of soybean shipments. An increase in U.S. soybean meal exports is also forecast due to demand from Mexico and Canada. Lower export unit values for soybeans and products are expected.

The fiscal 2006 forecast for oilseeds and products is slightly higher than May's estimate. The gain is based on upward revisions in soybean and soybean meal volume. U.S. soybeans are facing reduced competition as Argentina's emphasis shifts towards meal and oil, and demand from Canada and Mexico for U.S. meal has been stronger than expected.

Fiscal 2007 U.S. cotton exports are forecast at 3.5 million tons, down 300,000 tons from the revised forecast for fiscal 2006. Higher unit values more than offset this volume decline raising the value to a record \$5.1 billion. Export volume is lower due to a smaller U.S. crop and the relatively tight domestic stock situation. China's imports are up nearly 1 million bales to 20 million bales in 2006/07, but world

import demand is expected to remain largely unchanged. Strong shipments to China during the April-June quarter boosted the fiscal 2006 forecast.

The export forecast for fiscal 2007 livestock, poultry, and dairy products is a record \$13.4 billion, up \$200 million from the revised fiscal 2006 estimate and \$1 billion above record 2001 sales. The forecast assumes that remaining BSE import bans remain in place, including Korea's. Korea was the second-largest market for U.S. beef before the ban. Beef is forecast to rise about 90,000 tons to 440,000 tons, valued at \$1.7 billion. Most of this increase is due to sales to Japan, however, shipments to Canada and Mexico are expected to rise as well. Beef variety meat exports to Japan and Egypt are also expected to rise. Pork exports continue to rise, with an expected gain of about 60,000 tons, to 1.065 million tons valued at \$2.2 billion. Gains to Mexico, Canada, Hong Kong, South Korea, and Russia are expected. Pork and beef unit values are forecast lower in 2007 due to increased domestic production. Lower prices and a weaker dollar support export growth. Broiler meat exports are expected to rise 100,000 tons to 2.5 million tons, valued at \$2.1 billion.

The improved outlook for livestock product exports in fiscal 2006, up \$400 million from the May estimate, is due to stronger volumes for beef, dairy products, and animal hides and skins. The estimate for beef was raised about 50,000 tons with higher-than-expected shipments to Mexico and Canada. Currently, Mexico is the largest customer for U.S. beef by a wide margin, with sales expected to exceed the pre-BSE ban record set in 2003. Dairy products are raised by \$100 million to \$1.7 billion to reflect stronger sales of cheeses to Mexico and whey to China and Mexico.

The export forecast for fiscal 2007 horticultural products is a record \$18.4 billion, up \$1.7 billion from the fiscal 2006 estimate and \$3.4 billion above record 2005 sales. Strong global demand, a competitive dollar, and ample domestic supply set the stage for another excellent year of growth. Fresh and processed fruit, vegetable, and tree nuts account for about 40 percent of the growth in 2007, with gains spread across many products. Fruit juice exports, the largest group in processed fruit and vegetables, are expected to reach \$1 billion in 2007 largely due to higher prices. Rising sales of processed foods, beverages, food preparations, and other products account for 60 percent of the estimated growth in the entire horticultural category. Wine and essential oils are also included in this group, but unlike recent years, only a modest sales expansion for these products is expected. The EU-25, Canada, Mexico, and East Asia (mostly Japan and Korea) continue to account for over 80 percent of U.S. horticultural exports. The fiscal 2006 forecast for horticultural products are increased due to a change in the category's definition that now includes pulses.

Table 2--U.S. agricultural exports: Value and volume by commodity, 2005-2007

Commodity	October-June		Fiscal year 2005	Forecast Fiscal 2006		Forecast Fiscal 2007 Aug.
	2005	2006		May	Aug.	
<b>VALUE</b>	Billion dollars					
Grains and feeds 1/	11.827	13.536	16.194	18.1	18.3	19.0
Wheat 2/	3.066	3.232	4.252	4.4	4.6	4.6
Rice	0.939	1.049	1.241	1.4	1.4	1.3
Coarse grains 3/	4.569	5.492	5.316	6.5	6.6	7.4
Corn	3.565	4.405	4.742	5.8	6.0	6.8
Feeds and fodders	2.020	2.303	2.718	2.9	3.0	3.1
Oilseeds and products 4/	9.513	8.570	11.001	10.1	10.2	11.1
Soybeans	6.382	5.343	6.980	5.9	6.1	6.9
Soybean meal 5/	1.169	1.192	1.475	1.4	1.5	1.5
Soybean oil	0.277	0.237	0.351	0.3	0.3	0.3
Livestock, poultry, and dairy	9.085	9.959	12.158	12.8	13.2	13.4
Livestock products	5.631	6.463	7.443	8.2	8.6	8.6
Beef and veal 6/	0.640	1.013	0.832	1.2	1.4	1.7
Pork 6/	1.701	1.817	2.239	2.3	2.4	2.2
Beef and pork variety meats 6/	0.569	0.609	0.688	0.8	0.8	0.8
Hides, skins, and furs	1.299	1.470	1.748	1.8	2.0	1.8
Poultry and products	2.170	2.202	3.029	3.0	3.0	3.2
Broiler meat 6/ 7/	1.451	1.429	2.041	2.0	1.9	2.1
Dairy products	1.284	1.294	1.686	1.6	1.7	1.7
Tobacco, unmanufactured	0.857	0.924	0.988	1.1	1.1	1.1
Cotton	2.817	3.826	3.869	4.6	4.9	5.1
Seeds	0.749	0.730	0.926	0.9	0.9	0.9
Horticultural products 8/	11.178	12.573	14.875	16.4	16.7	18.4
Fruits and vegetables, fresh	3.077	3.318	4.126	na	4.4	4.6
Fruits and vegetables, processed 8/	2.581	2.903	3.493	na	3.9	4.1
Tree nuts, whole and processed	1.891	2.349	2.429	3.1	3.1	3.4
Sugar and tropical products 9/	1.996	2.205	2.700	2.9	2.9	3.1
Major bulk products 10/	18.630	19.866	22.645	23.9	24.7	26.4
Total 11/	48.031	52.333	62.516	67.0	68.0	72.0
<b>VOLUME</b>	Million metric tons					
Wheat 2/	19.023	19.118	26.406	26.5	26.5	25.0
Rice	3.232	3.263	4.230	4.1	4.1	3.5
Coarse grains 3/	38.216	43.826	50.382	57.4	59.9	59.2
Corn	34.463	40.259	45.138	52.0	54.5	54.5
Feeds and fodders	8.159	8.813	10.934	11.4	11.6	11.8
Soybeans	27.265	22.166	29.607	24.5	25.3	29.7
Soybean meal 5/	5.419	5.351	6.709	6.3	6.7	7.0
Soybean oil	0.484	0.402	0.600	0.5	0.5	0.5
Beef and veal 6/	0.155	0.248	0.204	0.3	0.3	0.4
Pork 6/	0.669	0.763	0.882	1.0	1.0	1.1
Beef and pork variety meats 6/	0.662	0.605	0.481	0.5	0.5	0.6
Broiler meat 6/ 7/	1.834	1.792	2.427	2.4	2.4	2.5
Tobacco, unmanufactured	0.132	0.147	0.151	0.2	0.2	0.2
Cotton	2.405	3.006	3.368	3.7	3.8	3.5
Major bulk products 10/	90.273	91.526	114.213	116.4	119.8	121.1

Total may not add due to rounding. na = not available--May forecasts were for fruit and preparations and vegetables and preparations. May forecasts included pulses in grain and feed total. For August 2006 and future forecasts, pulses have been subtracted from grain and feed and added to processed vegetables. These changes have also been incorporated into historic data shown in this table. 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. 8/ Includes juices. 9/ Includes coffee and cocoa products, tea, and spices. 10/ Includes wheat, rice, coarse grains, soybeans, cotton, and unmanufactured tobacco. 11/ Includes cotton linters.

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

## Regional Exports

Fiscal 2006 exports rise by \$1 billion from the May forecast, as expansion continues in East Asia. Exports are forecast slightly higher for Southeast Asia, South America, and the Middle East; they remain largely unchanged for the rest of the world.

Canada remains the top destination with U.S. exports estimated at \$11.4 billion. U.S. exports to Mexico are estimated to rise slightly from the May forecast to \$10.5 billion. Japan and China remain the third- and fourth-largest export destinations with their forecasts rising slightly to \$8.1 billion and \$7 billion, respectively. The export forecast for the EU-25 remains at \$6.6 billion.

Fiscal 2007 exports are forecast to be \$4 billion above fiscal 2006. Nearly all the increase is in East Asia, Canada, and Mexico. China continues its rapid expansion, but gains to Canada and Mexico eclipse all others. The ranking remains the same, with Canada and Mexico occupying the top two spots, followed by Japan, China, and the EU-25.

The forecasts for Canada and Mexico for fiscal 2007 are increased dramatically on the strength of trade in horticultural products, soybeans, and corn. Beef, pork, broiler meat, and cotton values are also expected to rise. The forecast for Canada is \$12.4 billion, up \$1 billion from 2006; the forecast for Mexico is \$11.3 billion, up \$800 million, with expected continuation of strong sales of beef, feed grains, and fresh fruit.

Exports to Asia are increased \$700 million from the May forecast for fiscal 2006. This is due, in part, to higher wheat prices, higher soybean sales to Japan, and continued strong sales of cotton, soybeans, and hides and skins to China. Corn shipments have also risen sharply to South Korea although sales of cotton and soybeans have fallen there.

For fiscal 2007, exports to Asia are forecast to rise by \$1.5 billion with the value of horticultural products, soybeans, and corn up across the region. The 2007 forecast for U.S. exports to China is up \$500 million to a record \$7.5 billion. Sales of hides, tobacco leaf, poultry meat, and fresh fruit to China are expected up as well. Exports to Japan are increased \$200 million over the 2006 forecast to \$8.3 billion largely due to beef trade. Export estimates to South Korea and Taiwan were raised on increased corn exports, but pork sales are also stronger than expected.

Fiscal 2006 exports to South America are forecast up \$300 million from the May forecast. Strength of corn and cotton shipments mostly underpins this increase. Soybean meal exports to Venezuela have virtually disappeared but are being offset by rising volume and value of wheat shipments. Strength in cotton and corn exports supports the forecasts for Brazil and Colombia. Prepared vegetables remain an important export in Brazil, while soy meal remains important in Colombia. For fiscal 2007, forecasts are up \$100 million for Venezuela and Colombia while remaining unchanged for Brazil and South America as a whole.

Exports to Europe/Eurasia are down \$100 million from May to \$8.3 billion. The forecast for the EU-25 remains flat at \$6.6 billion for 2006 and 2007. Expected lower soybean sales generally offset increases for tree nuts and fruit juices.

Demand for wheat and tree nut exports is up slightly. Russia remains largely unchanged at \$1 billion.

Exports to the Middle East are up slightly from the May forecast to \$3.1 billion, mostly on the strength of grain sales. For fiscal 2007, the export forecast is \$3.2 billion, up \$200 million, as more corn and barley are shipped to Saudi Arabia.

The fiscal 2006 forecast for Africa is raised on increased coarse grain exports to Sub-Saharan Africa, increased variety meat and corn exports to Egypt, and larger variety meat and soybean shipments to North Africa. Rising grain prices and corn shipments to Egypt underpin the fiscal 2007 forecast of \$1 billion, up \$100 million from 2006.



Table 3--U.S. agricultural exports: Value by region, 2005-2007

Country and region 1/	October-June		Fiscal year 2005	Forecast Fiscal year 2006		Forecast
	2005	2006		May	Aug.	Fiscal 2007 Aug.
	Billion dollars					
Asia	17.650	19.541	22.540	24.1	24.8	26.3
East Asia	14.346	16.477	18.395	20.5	21.0	22.2
Japan	6.060	6.292	7.832	8.0	8.1	8.3
China	4.256	5.631	5.290	6.8	7.0	7.5
Hong Kong	0.682	0.694	0.882	0.9	0.9	1.0
Taiwan	1.671	1.837	2.197	2.5	2.4	2.5
South Korea	1.664	2.014	2.179	2.3	2.5	2.5
Southeast Asia	2.762	2.561	3.450	3.0	3.2	3.5
Indonesia	0.817	0.780	0.982	0.8	0.9	0.9
Philippines	0.673	0.629	0.836	0.8	0.8	0.8
Malaysia	0.291	0.323	0.382	0.4	0.4	0.5
Thailand	0.636	0.474	0.759	0.5	0.6	0.6
South Asia	0.541	0.503	0.695	0.6	0.6	0.6
Western Hemisphere	18.511	20.793	24.710	27.8	28.0	30.2
North America	14.557	16.227	19.549	21.8	21.9	23.7
Canada	7.759	8.566	10.350	11.4	11.4	12.4
Mexico	6.797	7.661	9.197	10.4	10.5	11.3
Caribbean	1.431	1.568	1.848	2.1	2.0	2.2
Central America	1.185	1.310	1.511	1.8	1.7	1.9
South America	1.338	1.688	1.802	2.1	2.4	2.4
Brazil	0.168	0.215	0.220	0.3	0.3	0.3
Colombia	0.452	0.578	0.598	0.8	0.8	0.9
Venezuela	0.258	0.343	0.351	0.4	0.5	0.6
Europe/Eurasia	6.926	6.789	8.601	8.4	8.3	8.3
European Union-25 2/	5.666	5.578	6.932	6.6	6.6	6.6
Other Europe 3/	0.344	0.381	0.468	0.6	0.6	0.6
FSU-12 4/	0.917	0.833	1.201	1.2	1.1	1.1
Russia	0.685	0.693	0.901	1.1	1.0	1.0
Middle East	2.213	2.335	2.879	2.9	3.0	3.2
Turkey	0.810	0.766	1.022	0.9	0.9	1.0
Saudi Arabia	0.261	0.311	0.345	0.4	0.4	0.5
Africa	1.969	2.182	2.668	3.0	3.1	3.2
North Africa	0.974	1.103	1.273	1.4	1.5	1.6
Egypt	0.581	0.653	0.808	0.9	0.9	1.0
Sub-Saharan Africa	0.995	1.078	1.395	1.6	1.6	1.6
Oceania	0.552	0.541	0.745	0.7	0.7	0.7
Transshipments via Canada 5/	0.179	0.118	0.242	0.1	0.1	0.1
<b>Total</b>	<b>48.000</b>	<b>52.300</b>	<b>62.516</b>	<b>67.0</b>	<b>68.0</b>	<b>72.0</b>

Total may not add due to rounding.

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

2/ The former EU-15 plus 10 new states that acceded in May 2004.

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

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

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

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

## Import Products

Higher prices for gasoline and food in the United States slowed the pace of growth in U.S. agricultural imports in the first three quarters of fiscal year 2006. The previous estimate of \$65 billion for 2006 is lowered by \$500 million to \$64.5 billion, reflecting lower projections for beef, other animal products, vegetable oils, cocoa, and coffee. Due to a change in trade data grouping and source databases, the forecasts for vegetable oils, tobacco, seeds, and other tropical products are also adjusted down for 2006. Some of these declines were offset by increased year-to-date imports of sugar, essential oils, wine, processed fruit, oilmeal, and other oilseed products.

The forecast for fiscal 2007 is \$68.5 billion. While this is up \$4 billion from 2006, it is 60 percent of the \$6.8 billion anticipated rise from 2005 to 2006. Slower import demand reflects slowing U.S. economic growth and continued inflationary pressures as energy costs, food prices, and interest rates remain relatively high through 2007.

The other factor influencing U.S. agricultural imports is the U.S. dollar's exchange value. Although the dollar appreciated during the first half of calendar 2006, it has recently depreciated (in trade-weighted terms) due to the strength of the Canadian dollar, the Mexican peso and the euro. The dollar's turnaround during the summer of 2006 will reduce U.S. purchasing power. Although U.S. demand for imported food is relatively inelastic, demand for some high-value products such as chocolate, premium coffee, cheese, beef, and olive oil may suffer due to their higher prices.

U.S. beef imports from Canada are down sharply year-to-date, but have jumped from zero in 2005 to \$844 million in 2006. Feeder calves from Mexico are down modestly from 2005 but remain close to 1.1 million head to date. U.S. meat imports are lower than last year as values of imported beef and pork fell. Beef is down in volume, while cattle shipments have risen. The forecasts for live animals and red meat in 2007 are down to \$2.3 billion and \$5.4 billion, respectively. The 2007 forecasts for cattle and swine values are both lower.

Lower beef import value is due to expected lower prices and increased domestic supply. Higher domestic cow slaughter resulted in larger supplies and lower prices for lean beef. Hot, dry conditions in the Great Plains and western U.S. reduced hay and forage production and pasture for a large portion of the country's herd. Lean beef supplies were boosted by culling earlier than usual. In addition, beef imports from Uruguay declined significantly as Uruguay shifted exports to markets formerly supplied by Brazil and Argentina. As Australia's and New Zealand's exports to Japan and South Korea continue, tighter supplies in those countries are reducing shipments to the United States.

The 2006 estimate for horticulture imports is \$29.4 billion, a \$1.1-billion increase from the May forecast. The increase was from \$300 million more of essential oils, \$100 million more each of wine and processed fruits, and \$600 million more of other horticulture products such as soft drinks, sauces, soups, and condiments. For 2007, horticulture imports are expected to rise by another \$2.1 billion to \$31.5 billion. All horticulture product groups are projected to increase by at least \$100 million each from 2006. Fresh fruits and vegetables are expected to rise by \$600 million and wine by \$300 million. Among the major agricultural import groups,

only horticulture and dairy products have consistently posted annual gains in import value since 1992. The average annual growth for horticulture products from 1992 to 2006 is 8.6 percent.

Imported wine is anticipated to reach \$4.1 billion in 2006 and \$4.4 billion in 2007. These increases are not unlike previous import growth rates, which averaged more than 13 percent since 1996. The boost in 2006 is \$400 million from 2005, reflecting strong consumer demand for French and Italian wines. Sparkling wine (including champagne) and bottled red wine from France have gained a larger market in the U.S. In volume, wine imports from Italy and Australia lead all import sources with 2 million hectoliters or more each projected for 2006. Fiscal 2006 imports of fruit juices are expected to decline by 400 million liters from 2005 when imports were boosted by frozen orange juice concentrate from Brazil. Brazilian orange juice supplemented the reduced domestic supply caused by hurricane damage to Florida's orange groves in 2005.

Beer imports are expected to reach \$3.5 billion in 2006 and \$3.6 billion in 2007. Hot and dry summer weather across the country has boosted beer consumption, especially light lagers from Mexico. Even as U.S. brewers have counteracted the slide in domestic beer sales by cutting prices, they also forged partnerships and invested in Mexican breweries to benefit from strong import demand for Mexican beer. Close to half of U.S. imported beer is shipped from Mexico. About three-quarters of the value of U.S. beer imports are from Mexico and the Netherlands.

Another important driver of U.S. food imports is confections. Since 1995, confectionery imports have grown annually by an average 12 percent. They are forecast at \$1.2 billion in 2006 and \$1.3 billion in 2007. Depreciation of the U.S. dollar is likely to slow demand for imported candy, particularly from Canada, Mexico, Europe, and China, whose currencies have recently appreciated *vis-à-vis* the dollar. Nevertheless, the \$100-million import spending for candy in 2007 will accrue to those same countries. U.S. imports of confectionery products may also slow because of larger shipments of sugar from Mexico, which will boost domestic production of candy.

The May import forecast of \$2.9 billion for vegetable oils is reduced to \$2.5 billion for 2006 due to lower shipments of palm kernel and olive oil. While the price of olive oil is expected to drop as supply conditions in Southern Europe improve, the appreciation of the euro may raise the import cost. U.S. imports of palm oil jumped by 98 percent year-to-date, as food manufacturers switched to oils which are naturally saturated and contain no trans fats.

Import volume of cocoa products is down year-to-date as shipments of cocoa beans have fallen. This is attributed to tight supply conditions as cocoa bean prices are up in 2006. The cocoa pod borer is responsible for boosting cocoa future prices as fears of supply disruption in Papua New Guinea, the Philippines, and Malaysia spread. Higher coffee bean unit values have discouraged U.S. importers as volume to date is down, but the value still rose 11 percent. The situation for rubber is similar, as prices have surged 58 percent over last year. Strong global demand is behind the price hike for rubber. Malaysian rubber prices continue to rise sharply from 25 cents per pound in 2001 to more than \$1.20 in 2006.

Table 4--U.S. agricultural imports: Value and volume by commodity, fiscal years 2005-2007

Commodity	October-June		Fiscal year 2005	Forecast Fiscal 2006		Forecast
	2005	2006		May	Aug.	Fiscal 2007 Aug.
	<b>VALUE</b>	Billion dollars				
Livestock and products	8.300	8.845	11.051	12.2	11.4	11.4
Cattle and calves	0.470	1.309	0.714	1.6	1.4	1.3
Swine	0.437	0.435	0.590	0.6	0.6	0.5
Beef and veal	2.858	2.487	3.779	3.7	3.3	3.3
Pork	1.000	0.958	1.327	1.3	1.3	1.3
Dairy products	1.916	1.960	2.508	2.7	2.6	2.7
Cheese	0.769	0.741	1.015	1.1	1.0	1.0
Grains and feed	3.193	3.566	4.326	4.9	4.8	5.2
Grain products	2.341	2.508	3.181	3.5	3.4	3.6
Oilseeds and products	2.193	2.568	2.969	3.4	3.4	3.4
Vegetable oils 1/	1.480	1.803	2.025	2.9	2.5	2.5
Horticulture products	20.670	22.462	26.879	28.3	29.4	31.5
Fruits, fresh	3.466	3.878	4.219	4.7	4.7	5.0
Fruits, processed	0.991	1.152	1.339	1.5	1.6	1.7
Fruit juices	0.758	0.768	1.005	1.1	1.0	1.1
Nuts and preparations	0.895	0.789	1.155	1.1	1.0	1.1
Vegetables, fresh	2.906	3.283	3.518	4.0	4.0	4.3
Vegetables, processed	1.976	2.042	2.621	2.7	2.7	2.8
Wine	2.745	3.020	3.720	4.0	4.1	4.4
Malt beer	2.159	2.453	2.978	3.5	3.5	3.6
Essential oils	1.785	1.866	2.435	2.3	2.6	2.7
Cut flowers & nursery stock	1.090	1.120	1.374	1.4	1.4	1.5
Sugar & tropical products	8.424	9.916	11.354	14.2	13.9	15.1
Cane and beet sugar	0.432	1.020	0.713	1.5	1.7	1.8
Confections 2/	0.842	0.844	1.161	1.2	1.2	1.3
Cocoa and chocolate 2/	1.992	1.915	2.593	2.7	2.5	2.6
Coffee beans & products	2.120	2.356	2.830	3.3	3.1	3.3
Rubber, natural	1.125	1.440	1.506	1.9	1.9	2.1
Total agricultural imports 3/	43.657	48.417	57.736	65.0	64.5	68.5
<b>VOLUME</b>	Million metric tons					
Wine 4/	0.530	0.583	0.721	0.8	0.8	0.9
Malt beer 4/	2.116	2.334	2.913	3.3	3.2	3.3
Cattle and calves 5/	1.152	1.975	1.495	2.3	2.3	2.1
Swine 5/	5.921	6.408	8.079	8.5	8.7	9.0
Beef and veal, fresh	0.922	0.789	1.219	1.1	1.1	1.1
Pork, fresh	0.327	0.335	0.438	0.5	0.5	0.5
Fruits, fresh	6.366	6.381	7.996	8.0	8.0	8.4
Fruits, processed	0.886	0.997	1.196	1.2	1.4	1.3
Vegetables, fresh	3.123	3.376	3.758	4.1	4.1	4.3
Vegetables, processed	2.102	2.060	2.765	2.7	2.7	2.8
Vegetable oils	1.428	1.845	1.977	2.8	2.5	2.5
Cocoa and chocolate	0.945	0.917	1.220	1.3	1.2	1.3
Coffee beans	0.993	0.946	1.274	1.3	1.2	1.4
Rubber, natural	0.895	0.839	1.187	1.1	1.0	0.8

1/ Definition was changed to exclude sauces, condiments, mayonnaise, salad dressing, and margarine.

2/ Confections are consumer-ready products that contain sugar; cocoa and chocolate are intermediate products.

3/ Includes tobacco, planting seeds, and cotton. 4/ Liquid products are measured in billion liters.

5/ Million head; includes bison.

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

## Regional Imports

The import forecasts for Canada and Mexico in 2006 were lowered to account for the smaller shipments of beef and pork from Canada, and calves and feeds from Mexico. However, imports from Europe were raised due to higher values for essential oils, wine, beer, coffee, and chocolate. Confections from Europe were down year-to-date as sugar imports were up sharply. Imports from Oceania in 2006 were lowered due in part to smaller shipments of beef and vegetables from Australia and New Zealand, despite larger shipments of fruit.

Canada, Mexico, and Europe will lead in food exports to the United States again in 2007 even as Asian and other Latin American countries continue to gain market share in the United States. Europe and Oceania are expected to continue losing export market share in the United States through 2007. Despite gains by the Ivory Coast and South Africa in the United States market, Africa is losing market share in the United States.

U.S. import values from Canada and Mexico in fiscal year 2007 are expected to grow at a slower rate than in 2006. The appreciation of these currencies against the U.S. dollar is partly responsible for the import slowdown. Growth in the value of imported food products from the EU-25 are also projected to ease as the euro appreciates in value. Close to 60 percent of U.S. agricultural import value is accounted for by shipments from Europe, Canada, and Mexico.

Table 5--U.S. agricultural imports: Value by region, fiscal years 2005-2007

Region and country	October-June		Fiscal year	Share of	Forecast		Forecast
	2005	2006	2005	total	Fiscal year 2006		Fiscal 2007
	Billion dollars			2005	May	Aug.	Aug.
				Percent	Billion dollars		
Western Hemisphere	22.840	25.961	29.856	51.7	35.1	34.1	37.0
Canada	8.695	9.776	11.817	20.5	13.7	13.4	14.4
Mexico	6.496	7.492	8.095	14.0	9.9	9.4	10.2
Central America	1.918	2.168	2.465	4.3	2.8	2.8	3.1
Costa Rica	0.683	0.895	0.880	1.5	1.1	1.2	1.3
Guatemala	0.685	0.702	0.895	1.5	1.0	0.9	1.0
Other Central America	0.550	0.570	0.691	1.2	0.7	0.7	0.8
Caribbean	0.266	0.322	0.359	0.6	0.5	0.4	0.4
South America	5.466	6.202	7.120	12.3	8.2	8.1	8.9
Brazil	1.320	1.604	1.839	3.2	2.3	2.2	2.5
Chile	1.343	1.526	1.531	2.7	1.7	1.7	1.9
Colombia	1.056	1.118	1.382	2.4	1.5	1.5	1.6
Other South America	1.747	1.954	2.369	4.1	2.7	2.7	2.9
Europe and Eurasia	10.204	10.863	13.701	23.7	14.2	14.6	15.0
European Union-25	9.843	10.493	13.235	22.9	13.7	14.1	14.6
Other Europe	0.326	0.329	0.420	0.7	0.4	0.4	0.4
Asia	5.945	6.896	8.030	13.9	9.3	9.3	10.1
East Asia	1.992	2.264	2.663	4.6	3.0	3.0	3.3
China	1.339	1.560	1.791	3.1	2.1	2.1	2.3
Other East Asia	0.653	0.705	0.872	1.5	0.9	0.9	1.0
Southeast Asia	3.206	3.816	4.383	7.6	5.2	5.2	5.7
Indonesia	1.160	1.470	1.606	2.8	2.0	2.0	2.3
Thailand	0.816	0.934	1.086	1.9	1.2	1.2	1.3
Other Southeast Asia	1.230	1.412	1.691	2.9	2.0	2.0	2.2
South Asia	0.746	0.816	0.984	1.7	1.1	1.1	1.2
India	0.686	0.743	0.902	1.6	1.0	1.0	1.1
Oceania	3.102	3.110	4.177	7.2	4.5	4.2	4.3
Australia	1.789	1.777	2.488	4.3	2.6	2.5	2.6
New Zealand	1.261	1.270	1.618	2.8	1.8	1.6	1.6
Africa	1.067	1.000	1.330	2.3	1.4	1.3	1.4
Sub-Sahara	0.971	0.861	1.205	2.1	1.2	1.1	1.2
Ivory Coast	0.504	0.369	0.565	1.0	0.6	0.4	0.5
Middle East	0.498	0.587	0.641	1.1	0.7	0.8	0.9
Turkey	0.288	0.368	0.361	0.6	0.4	0.5	0.6
World total 1/	43.656	48.417	57.736	100.0	65.0	64.5	68.5

1/ Totals may not add due to rounding.

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

# Reliability Tables

Table 6--Reliability of quarterly U.S. export projections, by commodity and quarter

Commodity	Average absolute forecast errors Fiscal 1996-2005					Forecast accuracy Fiscal 1996-2005					Forecast accuracy
	Aug. 1/ Nov.	Nov. Feb.	Feb. May	May Aug. 2/	Aug. 2/ Aug. 1/	Nov. Nov.	Feb. Feb.	May May	Aug. 2/ Aug. 2/		
<b>Export value</b>	Percent					"X" if error ≤ 5%					Percent
Grains and feeds	9	9	5	2	1	-	-	X	X	X	60
Wheat (and flour)	11	11	7	5	3	-	-	-	X	X	40
Rice	12	10	8	5	4	-	-	-	X	X	40
Coarse grains	21	16	8	3	1	-	-	-	X	X	40
Corn	22	17	8	2	1	-	-	-	X	X	40
Feeds and fodders	9	7	7	6	3	-	-	-	-	X	20
Oilseeds and products	7	7	3	3	2	-	-	X	X	X	60
Soybeans	8	9	5	3	2	-	-	X	X	X	60
Soybean meal	17	13	11	8	1	-	-	-	-	X	20
Soybean oil	29	32	17	8	10	-	-	-	-	-	0
Livestock products	12	9	6	3	3	-	-	-	X	X	40
Beef, pork, and variety meats	17	15	6	5	3	-	-	-	X	X	40
Hides, skins, and furs	15	15	14	4	2	-	-	-	X	X	40
Poultry and products	13	12	9	4	3	-	-	-	X	X	40
Broiler (poultry) meat	22	18	16	5	1	-	-	-	X	X	40
Dairy products	17	14	9	8	3	-	-	-	-	X	20
Tobacco, unmanufactured	10	8	9	7	4	-	-	-	-	X	20
Cotton and linters	15	13	7	5	3	-	-	-	X	X	40
Planting seeds	12	12	12	7	4	-	-	-	-	X	20
Horticultural products	5	4	2	2	2	X	X	X	X	X	100
Fruits and preparations	4	6	5	3	2	X	-	X	X	X	80
Vegetables and preparations	4	4	3	3	2	X	X	X	X	X	100
Tree nuts and preparations	16	11	7	5	5	-	-	-	X	X	40
Sugar and tropical products	9	9	8	4	2	-	-	-	X	X	40
Major bulk products	4	8	6	5	5	X	-	-	X	X	60
Total agricultural exports	5	4	2	1	1	X	X	X	X	X	100
Average error & accuracy	13	11	8	4	3	19%	12%	27%	77%	96%	46
<b>Export volume</b>											
Wheat	9	8	6	4	2	-	-	-	X	X	40
Wheat flour	50	50	44	29	10	-	-	-	-	-	0
Rice	12	11	10	6	4	-	-	-	-	X	20
Coarse grains	14	12	7	4	3	-	-	-	X	X	40
Corn	15	13	8	4	3	-	-	-	X	X	40
Feeds and fodders	6	6	6	5	2	-	-	-	X	X	40
Oilseeds and products	6	5	3	3	1	-	X	X	X	X	80
Soybeans	8	6	5	3	2	-	-	X	X	X	60
Soybean meal	18	9	8	5	2	-	-	-	X	X	40
Soybean oil	21	20	12	7	5	-	-	-	-	X	20
Beef, pork, and variety meats	10	11	8	5	2	-	-	-	X	X	40
Broiler (poultry) meat	13	10	9	3	1	-	-	-	X	X	40
Animal fats	24	23	23	9	5	-	-	-	-	X	20
Tobacco, unmanufactured	0	0	0	0	0	X	X	X	X	X	100
Cotton and linters	11	7	4	3	3	-	-	X	X	X	60
Horticultural products	4	3	3	2	1	X	X	X	X	X	100
Sugar and tropical products	8	7	4	2	1	-	-	X	X	X	60
Major bulk products	6	6	4	2	2	-	-	X	X	X	60
Average error & accuracy	13	12	9	5	3	11%	17%	39%	78%	94%	48

1/ Forecast made for following fiscal year--15 months out. 2/ Forecast made for current year with 3 months remaining in current fiscal year.

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

Country/region	Average absolute forecast errors Fiscal 1996-2005					Forecast accuracy Fiscal 1996-2005					Forecast accuracy Percent
	Aug 1/ Percent	Nov	Feb	May	Aug 2/ Percent	Aug	Nov	Feb	May	Aug	
<b>Export value</b>						"X" if error ≤ 5%					
Asia	---	6	6	3	2	---	-	-	X	X	50
East Asia	---	6	8	5	1	---	-	-	X	X	50
Japan	---	6	5	2	2	---	-	X	X	X	75
China	---	26	24	12	6	---	-	-	-	-	0
Hong Kong	---	7	6	4	1	---	-	-	X	X	50
Taiwan	---	9	9	7	4	---	-	-	-	X	25
South Korea	---	12	9	5	5	---	-	-	X	X	50
Southeast Asia	---	11	6	6	4	---	-	-	-	X	25
Indonesia	---	13	12	4	2	---	-	-	X	X	50
Philippines	---	17	14	8	4	---	-	-	-	X	25
Malaysia	---	4	4	6	3	---	X	X	-	X	75
Thailand	---	11	11	4	4	---	-	-	X	X	50
South Asia	---	26	27	21	7	---	-	-	-	-	0
Western Hemisphere	---	3	2	1	1	---	X	X	X	X	100
North America	---	9	4	3	1	---	-	X	X	X	75
Canada	---	4	3	1	1	---	X	X	X	X	100
Mexico	---	7	9	4	1	---	-	-	X	X	50
Caribbean	---	11	8	6	4	---	-	-	-	X	25
Central America	---	5	4	6	2	---	X	X	-	X	75
South America	---	7	7	5	3	---	-	-	X	X	50
Brazil	---	17	24	8	10	---	-	-	-	-	0
Colombia	---	8	9	0	0	---	-	-	X	X	50
Venezuela	---	19	14	2	3	---	-	-	X	X	50
Other Latin America	---	11	8	6	8	---	-	-	-	-	0
Europe and Eurasia	---	10	7	3	3	---	-	-	X	X	50
European Union-25	---	6	4	3	3	---	-	X	X	X	75
Other Europe	---	21	18	13	2	---	-	-	-	X	25
FSU-12	---	28	26	19	16	---	-	-	-	-	0
Russia	---	35	35	24	17	---	-	-	-	-	0
Middle East	---	11	9	7	6	---	-	-	-	-	0
Turkey	---	24	20	12	11	---	-	-	-	-	0
Saudi Arabia	---	10	14	7	7	---	-	-	-	-	0
Africa	---	8	8	8	8	---	-	-	-	-	0
North Africa	---	8	8	8	8	---	-	-	-	-	0
Egypt	---	10	8	11	14	---	-	-	-	-	0
Sub-Saharan	---	11	14	9	5	---	-	-	-	X	25
Oceania	---	16	13	8	6	---	-	-	-	-	0
Transshipments	---	11	5	29	12	---	-	X	-	-	25
Average error & accuracy	---	12	11	8	5	---	11%	21%	42%	63%	34

1/ Forecast made for following fiscal year--15 months out. 2/ Forecast made for current fiscal year with 3 months remaining in current fiscal year. --- = No forecast available.



Table 8--Reliability of quarterly U.S. import projections, by commodity and quarter

Commodity	Average absolute forecast errors					Forecast accuracy					Forecast accuracy Percent
	Fiscal 1996-2005					Fiscal 1996-2005					
	Aug 1/ Percent	Nov	Feb	May	Aug 2/ Percent	Aug	Nov	Feb	May	Aug	
<b>Import value</b>						"X" if error ≤ 5%					
Animals and products	9	7	7	5	2	-	-	-	X	X	40
Live animals, except poultry	15	14	14	10	4	-	-	-	-	X	20
Red meat and products	11	8	9	5	2	-	-	-	X	X	40
Beef and veal (WASDE)	18	9	11	11	4	-	-	-	-	X	20
Pork (WASDE)	0	4	12	4	0	X	X	-	X	X	80
Dairy products	8	9	7	7	2	-	-	-	-	X	20
Grains and feeds	5	5	4	3	1	X	X	X	X	X	100
Grain products	2	2	0	0	0	X	X	X	X	X	100
Oilseeds and products	13	13	8	6	2	-	-	-	-	X	20
Vegetable oils	29	29	4	4	4	-	-	X	X	X	60
Horticulture products	5	5	4	3	2	X	X	X	X	X	100
Fruits and preps., and juices	7	7	7	5	3	-	-	-	X	X	40
Fruits, fresh or frozen	22	19	8	5	1	-	-	-	X	X	40
Fruits, prep.or pres.,& juices	7	10	5	3	2	-	-	X	X	X	60
Nuts and preparations	14	12	13	8	7	-	-	-	-	-	0
Vegetables and preparations	7	5	5	4	3	-	X	X	X	X	80
Vegetables, fresh or frozen	2	2	7	1	1	X	X	-	X	X	80
Vegetables, prep.or pres.	2	2	3	2	0	X	X	X	X	X	100
Wine	4	6	4	3	3	X	-	X	X	X	80
Malt beverages	2	2	7	5	0	X	X	-	X	X	80
Essential oils	9	9	4	4	4	-	-	X	X	X	60
Nursery stock and cut flowers	7	6	6	3	3	-	-	-	X	X	40
Sugar and related products	7	9	10	6	3	-	-	-	-	X	20
Cocoa and products	15	12	9	2	4	-	-	-	X	X	40
Coffee and products	19	18	14	4	4	-	-	-	X	X	40
Natural rubber and gums	26	26	26	12	9	-	-	-	-	-	0
Spices, natural drugs, tea	13	10	3	10	0	-	-	X	-	X	40
Total agricultural imports	6	5	4	2	1	-	X	X	X	X	80
Average error & accuracy	10	10	8	6	3	26%	29%	31%	69%	91%	49
<b>Import volume</b>											
Wine (HL)	11	9	5	1	1	-	-	X	X	X	60
Malt beverages (HL)	2	3	6	2	1	X	X	-	X	X	80
Wine & malt beverages (HL)	4	4	4	3	5	X	X	X	X	X	100
Cattle and calves	13	10	40	20	13	-	-	-	-	-	0
Beef and veal	---	---	0	0	0	---	---	X	X	X	100
Dairy products	---	---	25	0	0	---	---	-	X	X	67
Grains and products	10	12	7	7	7	-	-	-	-	-	0
Fruits and preparations	3	3	2	3	2	X	X	X	X	X	100
Fruits, fresh or frozen	3	3	3	1	1	X	X	X	X	X	100
Nuts and preparations	5	5	8	7	4	X	X	-	-	X	60
Vegetables and preparations	15	5	3	4	4	-	X	X	X	X	80
Vegetables, fresh or frozen	4	3	3	1	1	X	X	X	X	X	100
Vegetable oils	25	26	19	19	7	-	-	-	-	-	0
Sugar and related products	0	11	18	11	11	X	-	-	-	-	20
Cocoa and products	11	12	11	7	5	-	-	-	-	X	20
Coffee and products	8	7	6	2	3	-	-	-	X	X	40
Average error & accuracy	9	9	9	6	4	35%	35%	36%	60%	80%	49

1/ Forecast made for following fiscal year--15 months out. 2/ Forecast made for current fiscal year with 3 months remaining in current fiscal year. --- = No forecast available.

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

Country/region	Average absolute forecast errors					Forecast accuracy					Forecast accuracy
	Fiscal 1996-2005					Fiscal 1996-2005					
	Aug 1/	Nov	Feb	May	Aug 2/	Aug	Nov	Feb	May	Aug	
	Percent					"X" if error ≤ 5%					Percent
<b>Import value</b>											
Western Hemisphere	---	3	2	2	1	---	X	X	X	X	100
Canada	---	6	5	3	2	---	-	X	X	X	75
Mexico	---	4	4	3	2	---	X	X	X	X	100
Central America	---	6	9	4	2	---	-	-	X	X	50
Costa Rica	---	5	5	2	0	---	X	X	X	X	100
Guatemala	---	---	---	11	0	---	---	---	-	X	50
Other Central America	---	---	---	0	0	---	---	---	X	X	100
Caribbean	---	6	10	10	8	---	-	-	-	-	0
South America	---	6	4	3	1	---	-	X	X	X	75
Brazil	---	14	14	6	5	---	-	-	-	X	25
Chile	---	7	9	10	5	---	-	-	-	X	25
Colombia	---	8	5	1	4	---	-	X	X	X	75
Other South America	---	10	5	2	3	---	-	X	X	X	75
Europe and Eurasia	---	8	6	3	1	---	-	-	X	X	50
European Union-25	---	6	5	3	2	---	-	X	X	X	75
Other Europe	---	28	23	16	14	---	-	-	-	-	0
FSU-12	---	0	0	0	6	---	X	X	X	-	75
Asia	---	9	8	3	2	---	-	-	X	X	50
East Asia	---	---	0	0	4	---	---	X	X	X	100
China	---	5	4	4	3	---	X	X	X	X	100
Other East Asia	---	6	6	3	3	---	-	-	X	X	50
Southeast Asia	---	12	10	2	2	---	-	-	X	X	50
Indonesia	---	14	14	5	4	---	-	-	X	X	50
Thailand	---	7	10	8	2	---	-	-	-	X	25
Other Southeast Asia	---	---	12	0	0	---	---	-	X	X	67
South Asia	---	9	15	10	4	---	-	-	-	X	25
India	---	9	9	8	4	---	-	-	-	X	25
Oceania	---	8	6	4	3	---	-	-	X	X	50
Australia	---	9	8	3	2	---	-	-	X	X	50
New Zealand	---	9	9	7	5	---	-	-	-	X	25
Africa	---	11	10	4	5	---	-	-	X	X	50
Sub-Saharan	---	13	17	0	0	---	-	-	X	X	50
Ivory Coast	---	23	20	13	6	---	-	-	-	-	0
Middle East	---	16	20	11	10	---	-	-	-	-	0
Turkey	---	12	13	3	0	---	-	-	X	X	50
Average error & accuracy	---	9	9	5	3	---	16%	33%	69%	86%	53

1/ Forecast made for following fiscal year--15 months out. 2/ Forecast made for current fiscal year with 3 months remaining in current fiscal year. --- = No forecast available.

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Foreign Agricultural Service homepage: <http://www.fas.usda.gov/>

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