

AgImport Growth Slows in FY 2009

Imports lowered \$2 billion from August to \$81 billion

Forecast remains \$1.7 billion above last year's record \$79.3 billion

- US economy contracts in 2009 (real GDP growth averaged 2.6% 2005-07)
- Negative wealth effect with lower home values and falling stock market, unemployment heads toward 8%, and consumer spending contracts
- Some relief from sharply lower oil prices; stronger dollar lowers import costs

Key observations for FY 2009

- Import growth rate slows to lowest in years as volume gains level off, but no economy-related declines are foreseen
- Lower prices for grains, oilseeds and products – combined value falls \$800 million to \$13.7 billion (\$4.5-billion increase last year with higher prices)
- Cattle and swine shipments sharply reduced, as reduced Canadian inventories and COOL implementation alter trade patterns
- Horticultural imports lowered since August on weaker volume, but remains \$1.4 billion above 2008 level as prices hold firm