

Fact File

Turnaround Time for Agricultural Exports

by Ernest Carter

The gain was modest, but it was the direction that counted most. After three straight annual declines, fiscal 2000 signaled a welcome shift in momentum for U.S. agricultural exports.

Like a ship reversing course, export value advanced 3.5% to \$50.9 billion. Bulk export volume increased 2% to 155.4 million metric tons, the highest since 1995.

Forecasters have projected a few billion dollars in further sales growth this year—additional confirmation that a turnaround has finally come. During the recent slump, U.S. agricultural exports withered from \$60 billion in 1996 to \$49 billion in 1999.

Last year's rally was held in check by continued large global grain and oilseed supplies, which kept a lid on prices. A strong U.S. dollar compounded the problem. But the ongoing recovery in Asian markets was a big plus, as were record-setting exports of consumer-oriented agricultural products, fueled by sharp export gains to our NAFTA partners Mexico and Canada.

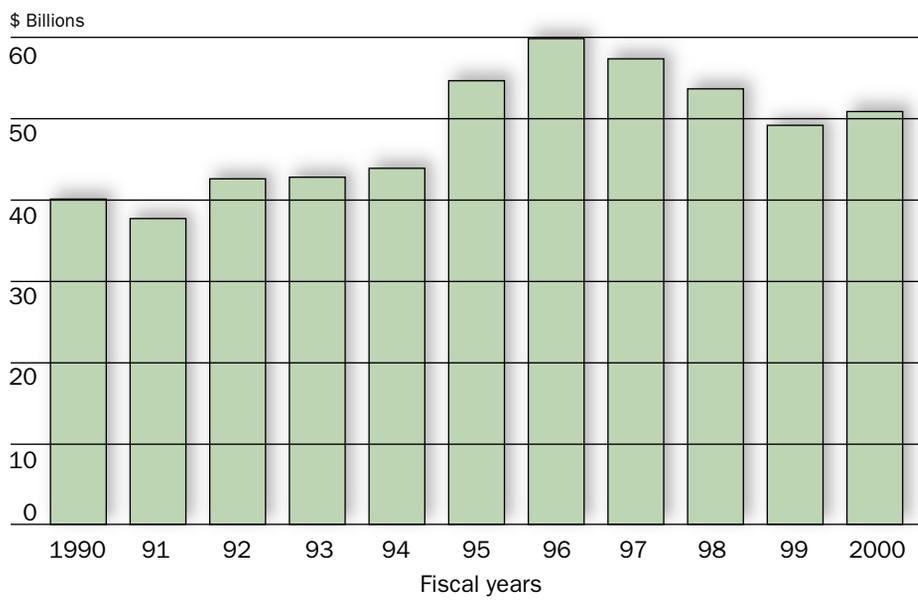
As for U.S. forestry and fishery products, exports of solid wood products rose 4% to \$6.3 billion in fiscal 2000. Fishery

product exports climbed nearly 8% to \$2.8 billion. Altogether, U.S. exports of agricultural, wood and seafood products totaled \$59.9 billion—up 4% from 1999.

On the import side, America's appetite continued to grow, boosting agricultural

imports to a record-high \$38.9 billion. But exports maintained a solid lead, generating a \$12-billion U.S. agricultural trade surplus last year. Over the last 5 years, the surplus has ranged from \$11.9 billion in 1999 to a high of \$27.4 billion in fiscal 1996.

U.S. Agricultural Exports Score a Gain in Fiscal 2000 After Three Straight Years of Declines



For Bulk Agricultural Exports, Flat Performance Despite Some Volume Gains

For bulk commodities, U.S. tonnage was up in fiscal 2000 thanks to soybeans and cotton, but prices were the spoiler. Export value remained flat at \$18.6 billion. In view of the 1997-99 declines, zero change was the best result in four years. Grains endured another year of global glut and export competition from China. U.S. corn sales to South Korea fell sharply as that country turned to China for the lion's share of its imports. U.S. wheat exports increased to Egypt, the Philippines and Taiwan, but not enough to offset slower sales to other markets. Soybeans hit a new high to China, up 123% to \$833 million, and total U.S. soybean export volume also set a record. With a larger U.S. crop and strong foreign demand, cotton exports rebounded 39% in value and 68% in volume, with big gains to Mexico and Turkey.

	FY 1999	FY 2000	Change
Commodity	—\$ million—		Percent
Coarse grains	5,607	5,281	-6
Soybeans	4,757	5,074	+7
Wheat	3,664	3,395	-7
Cotton	1,323	1,833	+39
Tobacco	1,376	1,245	-10
Rice	1,015	908	-11
Pulses	270	240	-11
Peanuts	189	238	+26
Other	379	374	-1
Total	18,579	18,587	0

Note: Fiscal years are October-September (i.e., fiscal 2000 ran Oct. 1, 1999-Sept. 30, 2000).

Exports of Intermediate Agricultural Products Up Slightly

U.S. exports of intermediate products increased about 1% overall to \$10.8 billion in fiscal 2000. Among individual product categories, gainers and losers were nearly evenly divided. Hides got a big boost from a 56% increase to South Korea and from record sales—\$172 million—to China. However, U.S. soybean oil exports to China shriveled to \$12 million, down from \$119 million in 1999 and \$296 million in 1998, as China imported more raw soybeans to keep crushing facilities on the coast busy. Live animal exports were up 20% to an all-time high of \$708 million, with strong sales to Canada. For intermediate products as a group, the U.S. export record stands at \$12.3 billion, set in 1997.

	FY 1999	FY 2000	Change
<i>Commodity</i>	—\$ million—		<i>Percent</i>
Feeds & fodder	1,552	1,715	+11
Hides & skins	1,106	1,460	+32
Soybean meal	1,066	1,226	+15
Veg. oils (excl. soy oil)	982	819	-17
Planting seeds	806	783	-3
Live animals	589	*708	+20
Sugar, sweeteners, & beverage bases	688	691	0
Animal fats	529	408	-23
Soybean oil	607	279	-54
Wheat flour	175	128	-27
Other	2,547	2,555	0
Total	10,647	10,773	+1

*Denotes a record-high export value.

Consumer Food Exports Back on Record Pace

With Asia's economic upturn and continued strong demand from our NAFTA partners, U.S. exports of consumer foods and beverages returned to their record-setting ways. Export value rose 8% to \$21.5 billion in fiscal 2000, the highest ever. Meats drove most of the gain, but there were also new records for dairy products, processed fruits and vegetables, fresh vegetables, snacks, pet foods and breakfast foods. Red meat sales sizzled to leading Asian markets, as well as to Mexico and Russia. Beef and pork export volumes rose, as did prices. Poultry benefitted from increased shipments. For consumer foods as a group, records were set to Canada, Mexico, South Korea and China, among others. For the second straight year, consumer foods topped bulk commodities in export value, accounting for 42% of total U.S. agricultural exports, up from 24% in 1990.

	FY 1999	FY 2000	Change
<i>Commodity</i>	—\$ million—		<i>Percent</i>
Meat, poultry, dairy			
Red meats	4,397	*5,329	+21
Poultry meat	1,755	1,962	+12
Dairy products	906	*995	+10
Eggs & products	184	177	-4
Fruits & vegetables			
Proc. fruit/veg.	2,086	*2,093	0
Fresh fruit	1,843	1,997	+8
Fresh vegetables	1,102	*1,221	+11
Fruit/veg. juices	*769	753	-2
Snack foods	1,345	*1,495	+11
Tree nuts	1,080	987	-9
Wine & beer	749	721	-4
Pet foods	688	*764	+11
Breakfast cereals & pancake mix	371	*371	0
Nursery products & cut flowers	*272	256	-6
Other	2,399	*2,424	+1
Total	19,945	*21,545	+8

*Denotes a record-high export value.

Major Agricultural Markets on the Mend

In a reversal of the 1999 lineup, seven of the top 10 U.S. agricultural export markets were bigger buyers in fiscal 2000. Two rang up record purchases, as exports to Canada topped \$7.5 billion and exports to Mexico climbed to \$6.3 billion. A few years ago, the 15-nation European Union (EU) was our second-largest market after Japan. Then, in fiscal 1999, Canada bumped the EU to No. 3. Last year, for the first time, Mexico edged past the EU. NAFTA markets are humming, but there was more good news in Asia. Exports to China rebounded 49% from the previous year's low, and sales to Japan were up 5%—the first increase for our No. 1 market since 1996. From 1996 to 1999, U.S. agricultural exports to Asian Pac Rim nations fell by more than \$7 billion, or nearly 30%. Last year, exports to these markets started on the recovery trail, increasing 7%.

	FY 1999	FY 2000	Change
<i>Market</i>	—\$ million—		<i>Percent</i>
Japan	8,920	9,337	+5
Canada	6,956	*7,522	+8
Mexico	5,676	*6,315	+11
European Union	6,863	6,217	-9
South Korea	2,456	2,560	+4
Taiwan	2,045	2,011	-2
China	989	1,474	+49
Hong Kong	1,263	1,254	-1
Egypt	934	1,056	+13
Philippines	732	865	+18
Rest of world	12,337	12,294	0
Total	49,171	50,905	+4

Data include bulk, intermediate and consumer-oriented agricultural exports.

*Denotes a record-high export value.

Wood Product Sales Log an Upturn

After sprouting to a record \$7.5 billion in 1997, U.S. wood product exports hit a snag for the next two years. Blame the slump in the Japanese housing market and record U.S. housing starts. Fiscal 2000 brought a partial comeback, as U.S. export value increased 4% to nearly \$6.3 billion. Sales to Canada—currently our No. 1 wood products market—set another record, topping \$1.8 billion, as demand continued to boom for U.S. hardwoods (for furniture manufacture), logs and panel products. Exports to Japan, where housing starts remain weak, dropped for the fifth straight year. But value was up 7% to the EU and 11% to Mexico. U.S. hardwood lumber, panel products and “other” value-added exports reached new highs in several major markets.

	FY 1999	FY 2000	Change
<i>Commodity</i>	—\$ million—		<i>Percent</i>
Logs & chips	1,719	1,661	-3
Lumber			
Hardwood	1,325	*1,443	+9
Softwood/treated	788	783	-1
Panel products	921	1,043	+13
Other	1,229	*1,323	+8
Total	5,983	6,252	+4

Seafood Exports Show Solid Gains

Fish and seafood products reeled in a second year of growth, as U.S. export value rose 8% to \$2.8 billion. New records were set to Canada, South Korea and China, with sales to China jumping 65% to \$124 million. Fresh and frozen (whole/eviscerated) salmon exports were off 3% in value, mainly due to an 18% decline to Japan, but canned salmon exports were up 40% to a record \$201 million, thanks to strong British and Canadian demand. Japan and the much smaller market of South Korea contributed about equally to the growth in fish egg exports, while the decline for crabs and crabmeat was primarily in Japan. The U.S. record for total seafood exports to all countries remains at \$3.3 billion, set in fiscal 1992.

	FY 1999	FY 2000	Change
<i>Commodity</i>	—\$ million—		<i>Percent</i>
Salmon			
Whole/eviscerated	355	344	-3
Canned	144	*201	+40
Roe & urchin (fish eggs)	372	424	+14
Surimi (fish paste)	287	280	-2
Crab/crabmeat	151	113	-25
Other	1,270	1,416	+12
Total	2,579	2,778	+8

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