Fiscal 2003 AgExport Projected at $57.5 Billion, up $4 Billion from 2002

(FY 2002 Export Forecast Unchanged at $53.5 Bil)

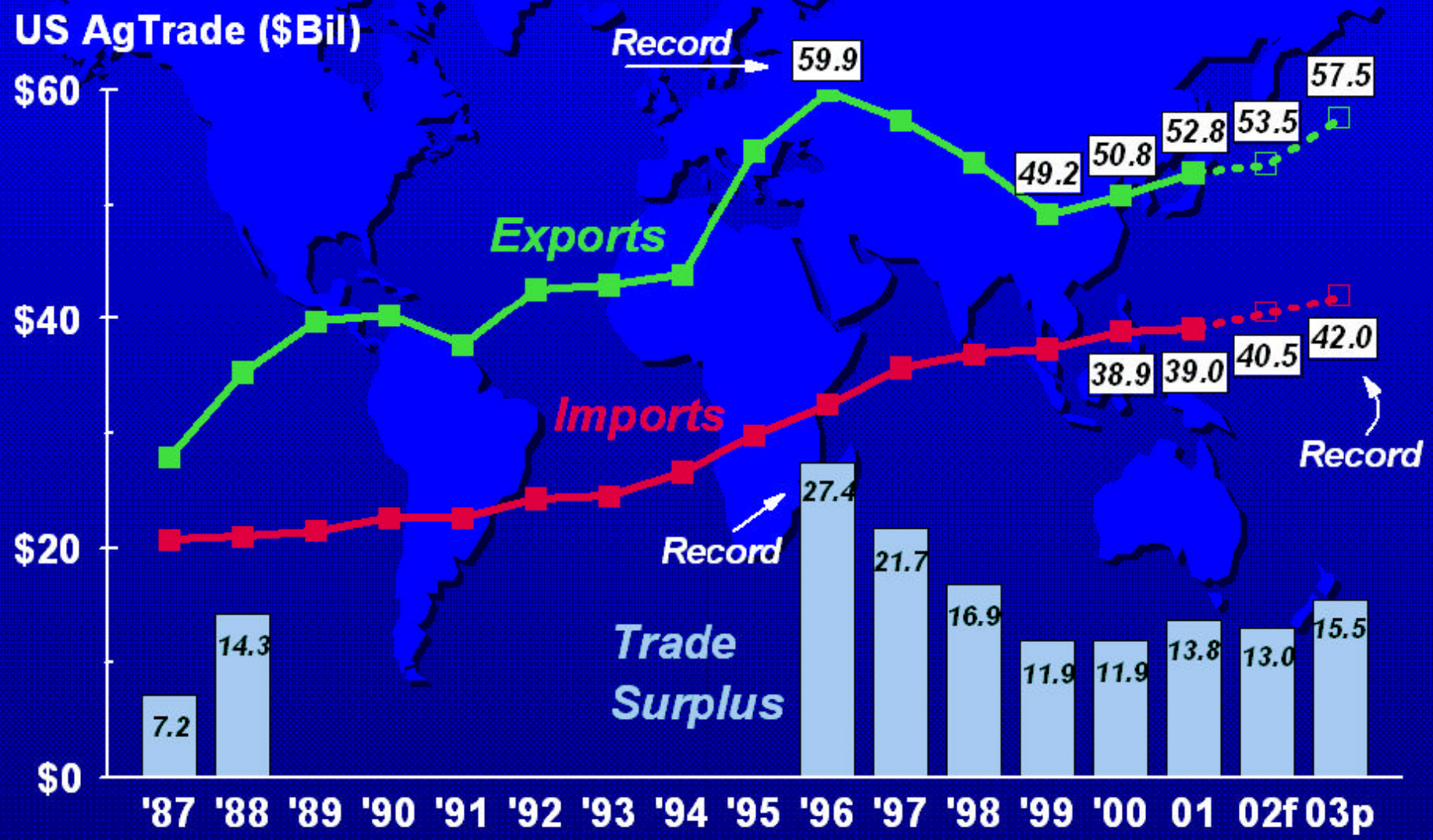
Quarterly Export Forecasts for Agricultural, Fishery & Forest Products

USDA's "Outlook for US Agricultural Trade" was released to the public on August 29, 2002

CMP/FAS/USDA

U.S. Agricultural Trade

Fiscal 2003 exports projected to reach $57.5 billion; surplus at $15.5 billion. Export gains from 2002 to 2003 mostly due to stronger grain & oilseed prices and modest volume gains for meats and horticultural products.



Summary of Major Changes
Fiscal 2002 to 2003

Unit =$ Bils	Aug FY '02 Forecast	Aug FY '03 Forecast	Chg	Main Reason
Wheat/Flour	**3.5**	**4.0**	**0.5**	(+) price – smallest US crop in 30 yrs
Rice	0.7	0.7	0.0	
Corn	**4.7**	**6.2**	**1.5**	(+) vol & price – competition (Arg) & ample supply
Feeds	**2.6**	**2.9**	**0.3**	(+) price – prices of other proteins rise
Soybeans	5.4	5.4	0.0	higher price offsets lower volume
Soymeal	1.3	1.3	0.0	
Soybean Oil	0.4	0.6	0.2	
Beef & Pork	4.8	4.9	0.1	
Hides & Skins	1.8	1.8	0.0	
Broiler Meat	**1.5**	**1.7**	**0.2**	(+) volume – Russia and other key markets
Dairy Prods	1.0	1.1	0.1	
Cotton	**2.3**	**2.7**	**0.4**	(+) vol & price
Hort Prods	**11.2**	**11.5**	**0.3**	(+) vol/some prices – global demand/exchg rate
Fishery Prods	3.0	3.1	0.1	
Wood Prods	4.8	4.7	-0.1	

Export Outlook for Grain & Feed

Revised Forecast for FY 2002: ↑ $100 Million to $14.1 Billion
Initial Projection for FY 2003: $16.5 Billion

Initial FY 2003 Projections

Key Upside Developments

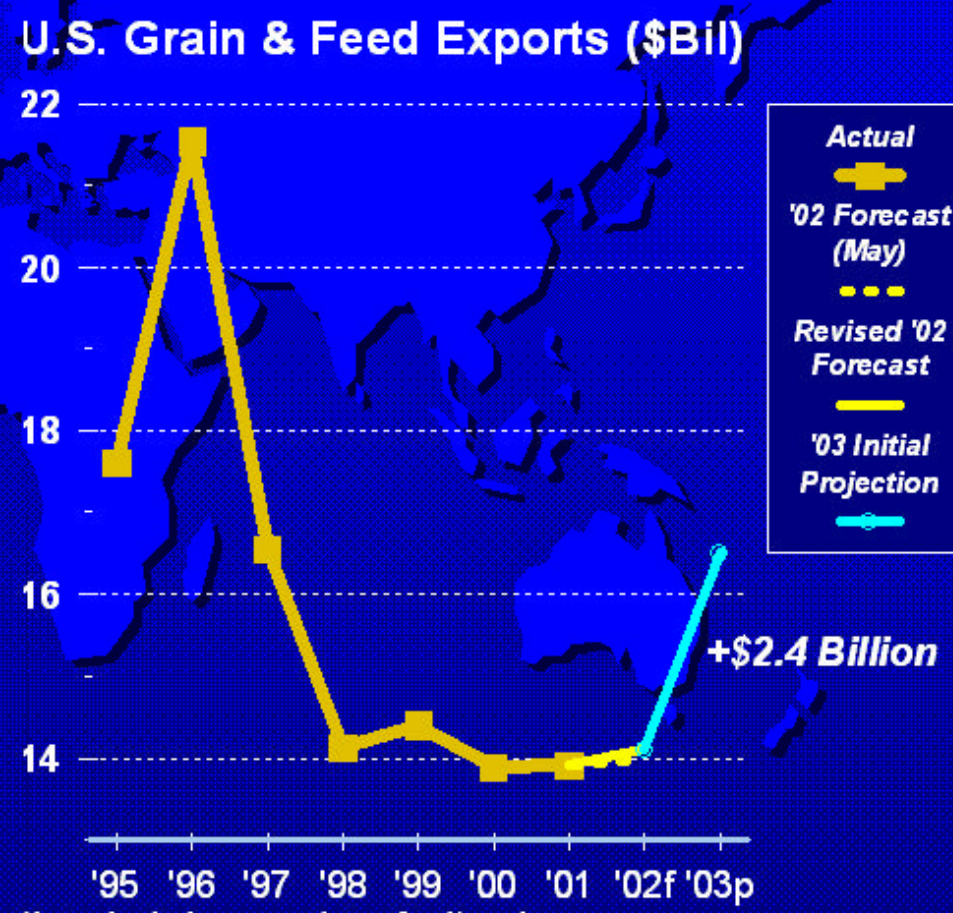
- Smallest US wheat crop in 30 yrs and smaller wheat crops in Canada & Australia boost price
- US corn export volume up due to reduced competition w/ Argentina

Key Downside Developments

- Strong wheat exports from EU and Black Sea region

Wild Cards

- High grain prices could dampen demand; large feed wheat supply overhanging market may slow price gains
- China's grain trade; EU export aggressiveness
- Argentina's troubles



Note: Includes corn gluten feed/meal

Export Outlook for Oilseeds & Products

Revised Forecast for FY 2002: ↑ 400 Million to $9.6 Billion

Initial Projection for FY 2003: $9.8 Billion

Revised FY 2002 Forecast

Key Developments

- Record US soybean exports
- Slow SAmerican exports raise carry-out

Initial FY 2003 Projections

Key Upside Developments

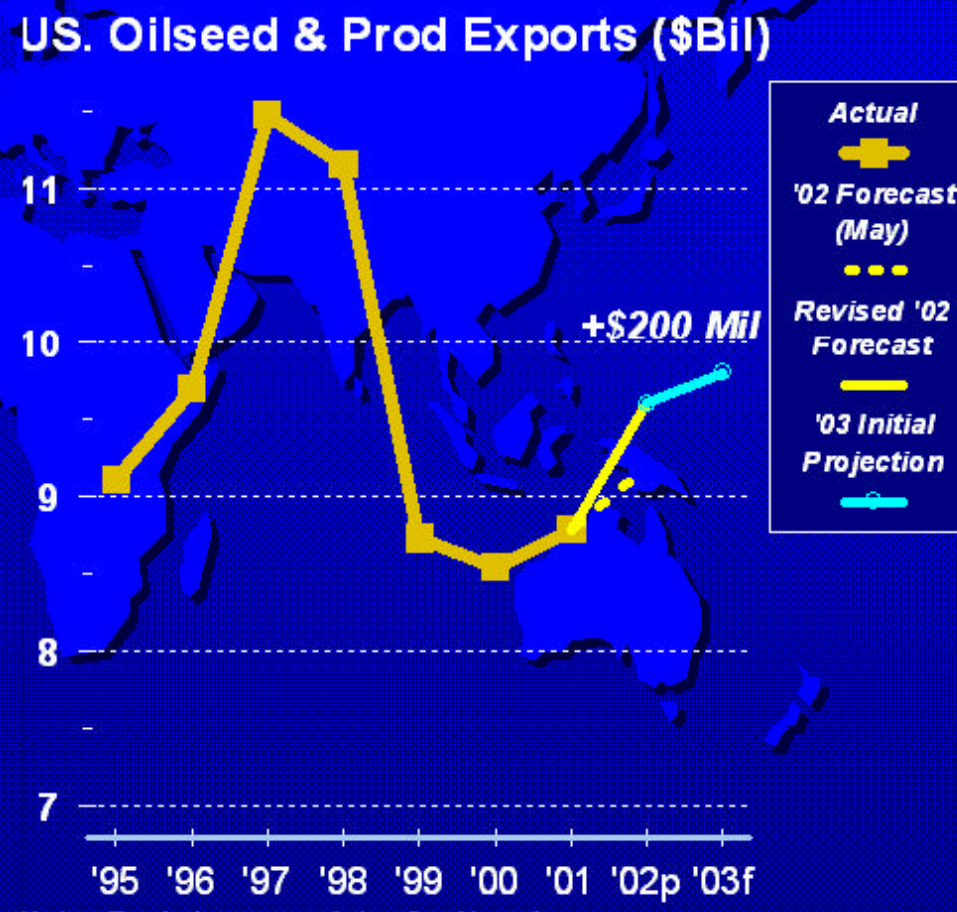
- Low US supply boosts soybean prices to 5-year high
- Soyoil exports reach 5-yr high

Key Downside Developments

- Larger SAmerican carry-in should curb US soybean exports
- Higher prices to boost output

Wild Cards

- Chinese & Indian imports
- SAmerican crop size



Note: Excludes corn gluten feed/meal

Export Outlook for Cotton & Linters

Revised Forecast for FY 2002: Steady at $2.3 Billion
Initial Projection for FY 2003: $2.7 Billion

Initial FY 2003 Projections

Key Upside Developments

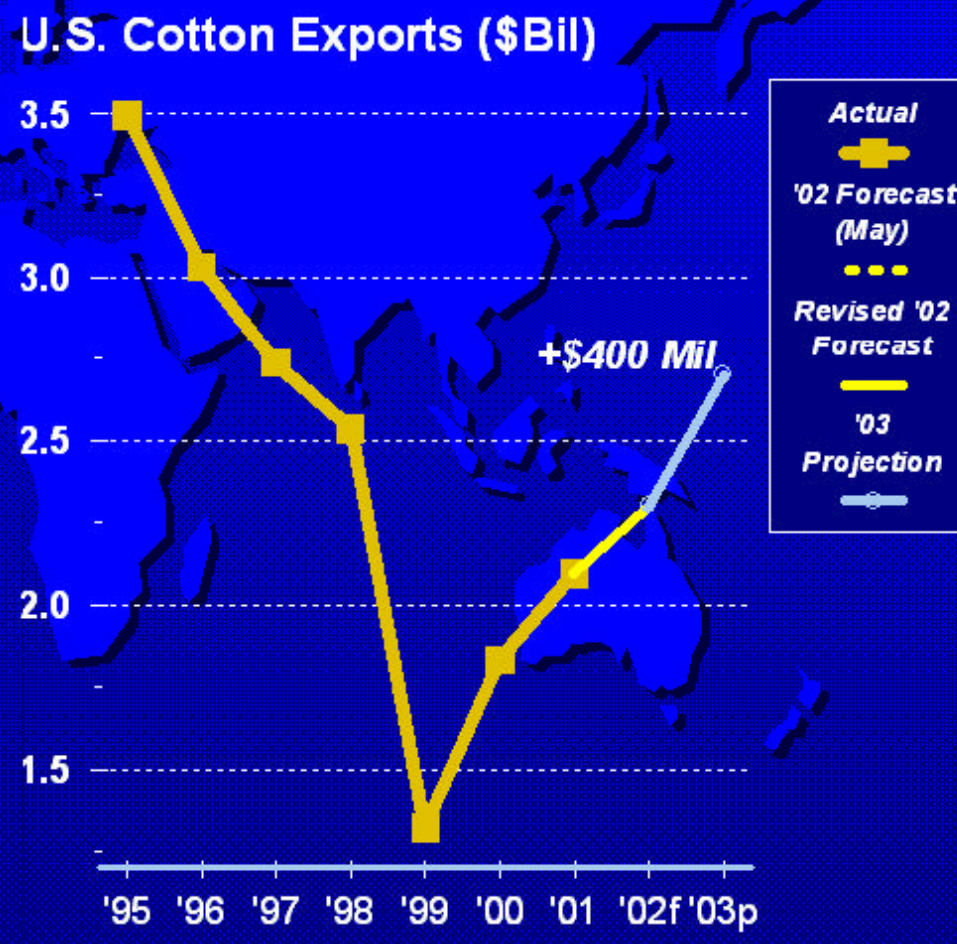
- Large US crop in 2002/03
- Smaller crops in other exporting countries
- Prices strengthen somewhat

Key Downside Developments

- None

Wild Cards

- China WTO implementation
- SHemisphere price response



Export Outlook for DL&P Products

Revised Forecast for FY 2002: ↓ $200 Million to $12.1 Billion

Initial Projection for FY 2003: $12.6 Billion

Revised FY 2002 Forecast

Key Downward Developments

- Reduced poultry exports to Russia; lower unit values for hides & skins

Initial FY 2003 Projections

Key Upside Developments

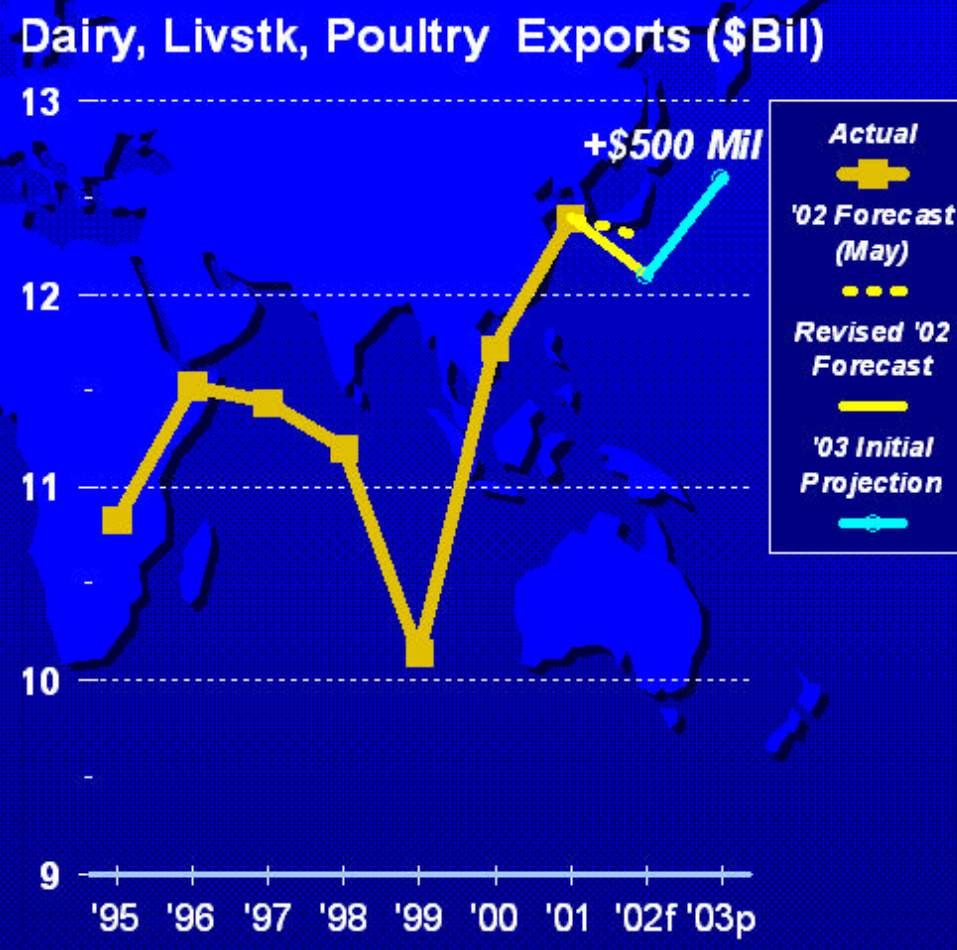
- Recovery in Russian poultry market
- Higher vol for beef exports; higher prices for beef & pork

Key Downside Developments

- Continued weakness in Japanese beef market

Wild Cards

- EU & Brazil beef exports post FMD crisis



Export Outlook for Horticultural Products

Revised Forecast for FY 2002: Unchanged at $11.2 Billion
Initial Projection for FY 2003: $11.5 Billion

Initial FY 2003 Projections

Key Upside Developments

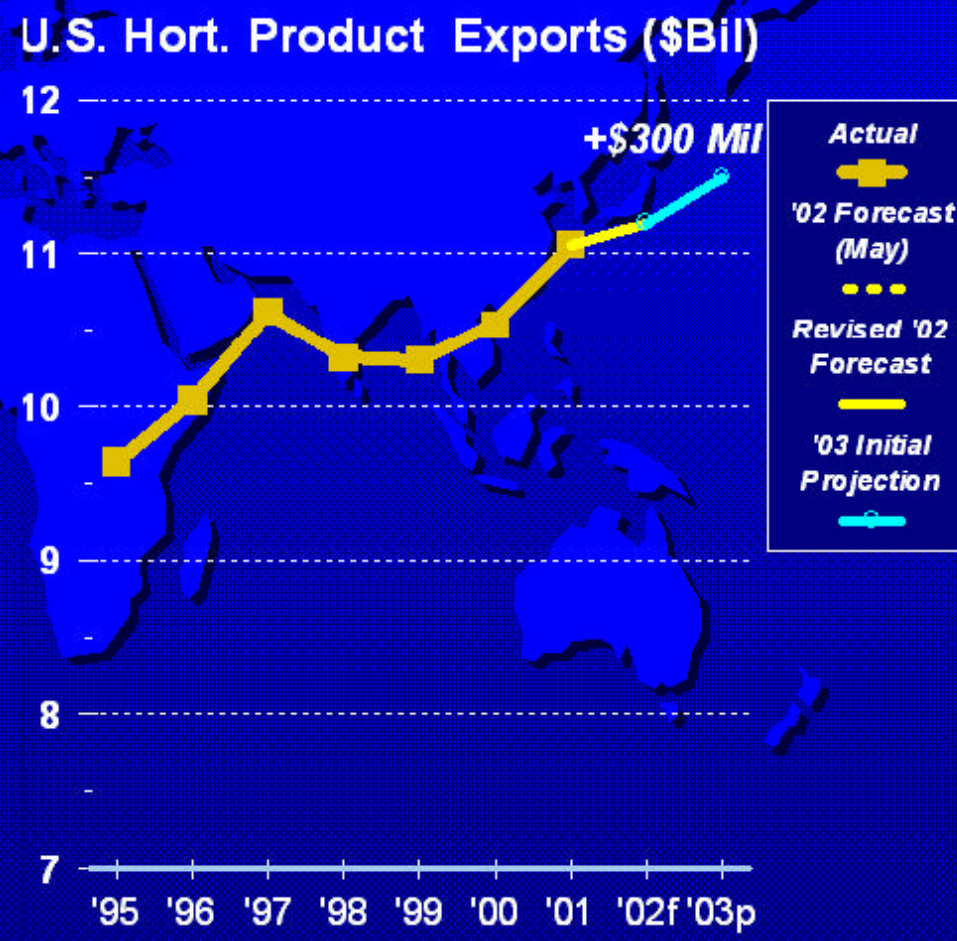
- Tree nut exports forecast at $1.4 billion due to large crop and stable demand
- Stronger global demand and a weaker dollar should boost overall sales

Key Downside Developments

- Smaller Florida orange crop may lower orange juice exports

Wild Cards

- Apple exports to Mexico may drop following the imposition of anti-dumping duties; potential for Mexico to take other trade-limiting actions
- Global economy/exchg rates



Export Outlook for Fishery Products

Unofficial Estimate

Revised Forecast for FY 2002: ↓ $100 Million to $3.0 Billion

Initial Projection for FY 2003: $3.1 Billion

Revised FY 2002 Forecast

Key Developments

- Reduced pollock roe prices
- Poor sockeye salmon harvest
- Growing gap between EU demand and EU fish harvests

Initial FY 2003 Projections

Key Upside Developments

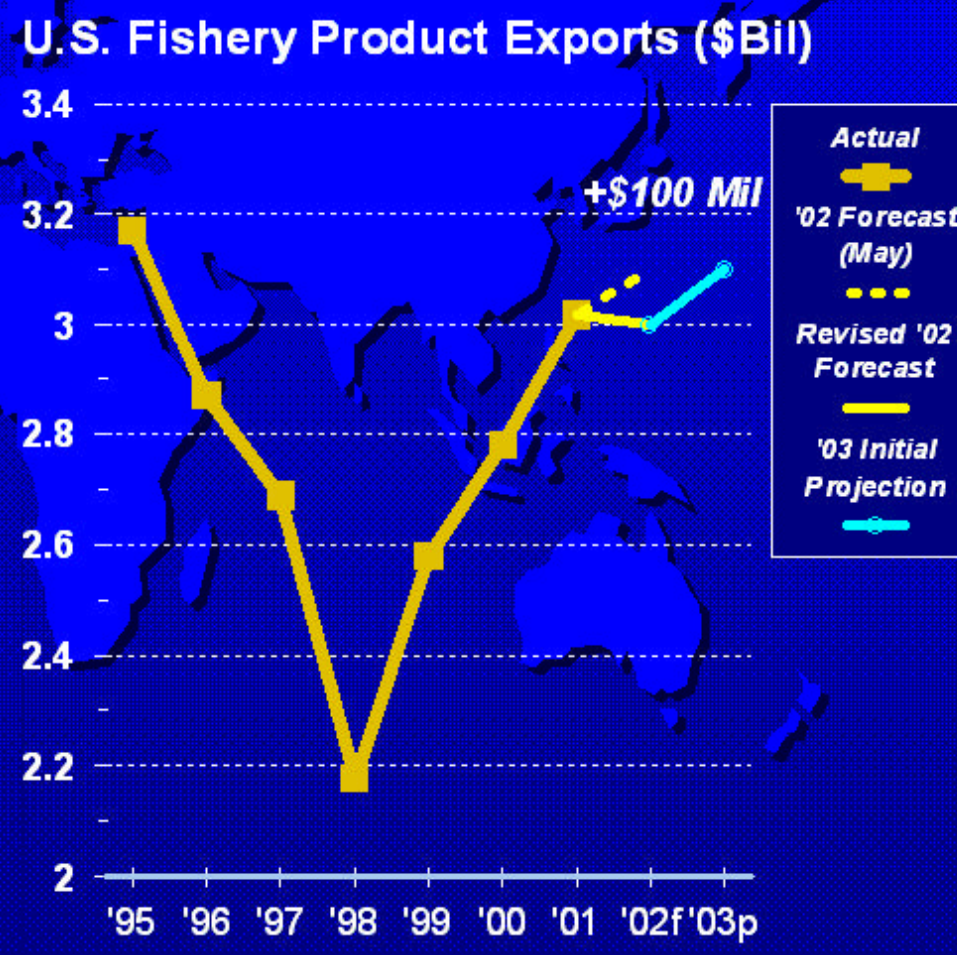
- Slowdown of Chilean salmon production should help improve salmon prices

Key Downside Developments

- Low pollock roe prices

Wild Cards

- Size of US harvests for pollock, salmon & other species



Export Outlook for Solid Wood Products

Unofficial Estimate

Revised Forecast for FY 2002: Unchanged at $4.8 Billion

Initial Projection for FY 2003: $4.7 Billion

Revised FY 2002 Forecast

Key Developments

- Less hardwood lumber to EU offset by increased logs to China

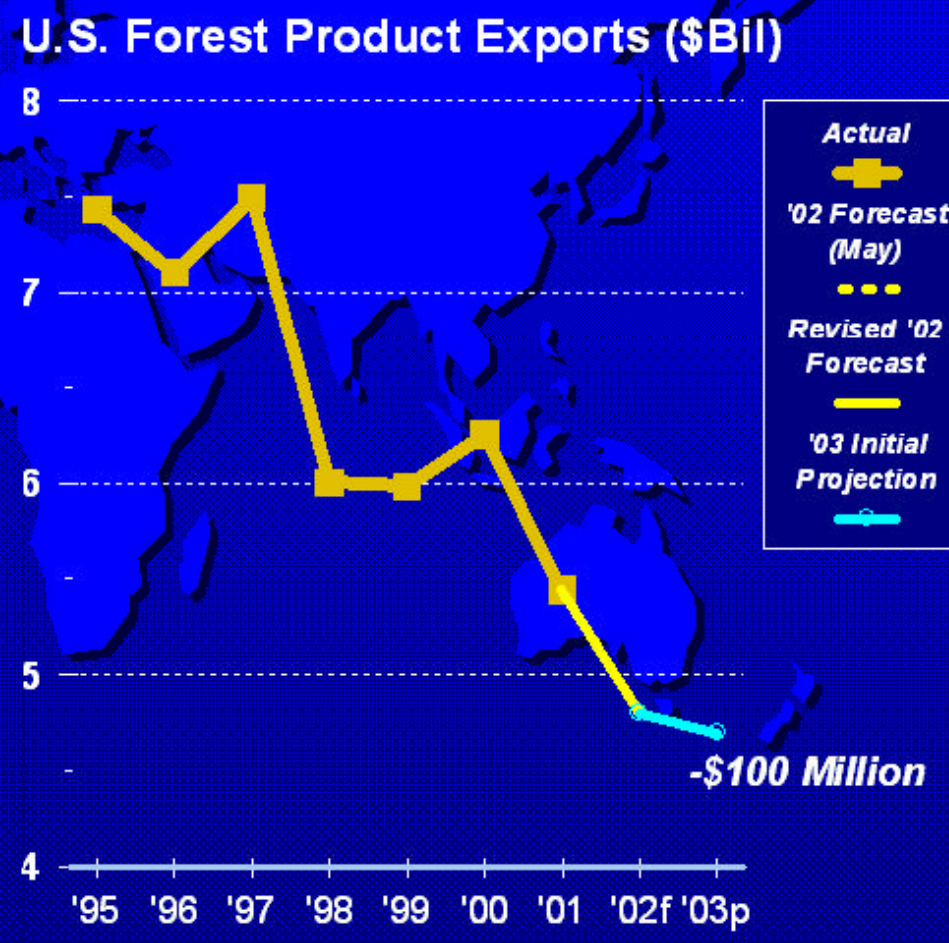
Initial FY 2003 Projections

Key Upside Developments

- Increased hardwood and softwood lumber to EU on strengthening interiors market

Key Downside Developments

- Japan's regulations favor kiln-dried lumber, causing continued decline in logs
- Hardwoods to Mexico down

Wild Cards

- US AD/CVD to increase Canada's competitiveness in softwood lumber