

Record \$108.5 Billion Agricultural Exports Forecast For 2008

WASHINGTON, D.C.

US. Agriculture Secretary Ed Schafer announced an updated quarterly forecast for U.S. agricultural exports – expected to reach a record \$108.5 billion for fiscal year 2008. The upward revision is a \$7.5 billion increase from February's previous record forecast and \$26.5 billion above the final 2007 exports. Grains and animal products account for two-thirds of the export gains.

"America's increased export volume in bulk commodities like corn, other animal feeds and soybeans make agriculture the bright spot in the overall balance of trade," said Schafer. "U.S. producers are on track to export a record 63 million tons of corn, and set new export volume and value records for pork. Export volumes and values are also up for many horticultural products with sales growth to Canada and the European Union being exceptionally strong."

Asia continues to be an important growth market for U.S. agricultural commodities. U.S. exports to China are forecast to reach a record \$10.5 billion, up almost \$3.4 billion from 2007 levels. Canada and Mexico remain the United States' top two markets worldwide with exports forecast to reach \$30.5 billion in 2008 – some \$5 billion above 2007.

"Trade agreements have a significant impact on our ability to sell America's agricultural products in world markets," said Schafer.

"Canada and Mexico, our two North American Free Trade Agreement (NAFTA) partners, currently buy 28 percent of the value of America's agricultural exports – up from 20 percent purchased 15 years ago when trade began under NAFTA. Unfortunately, Congress has not been acting in the best interest of the American farmer and rancher by stalling approval of the signed trade agreement with Colombia, yet along with approving trade with Korea and Panama, Congress could provide three extremely important markets for expanding the trend of increased American export sales for years to come."

While agricultural imports in two-way trade with the United States will also increase – to a record \$78.5 billion forecast by USDA – the \$108.5 billion in export sales by American farmers and ranchers will net a positive agricultural trade surplus of \$30 billion for the United States.

USDA's Economic Research Service, Foreign Agricultural Service and World Agricultural Outlook Board release agricultural trade forecasts quarterly. The summary and full report of USDA's "Outlook for U.S. Agricultural Trade" may be accessed from the ERS web site at <http://www.ers.usda.gov> or the FAS web site at <http://www.fas.usda.gov>. The next quarterly report will be issued at the end of August 2008. Δ