

U.S. Agricultural Trade Update

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U.S. Agriculture Ends Calendar Year 2006 With Record Trade: Exports at \$71 billion, Imports at \$65 billion

Special article

Websites

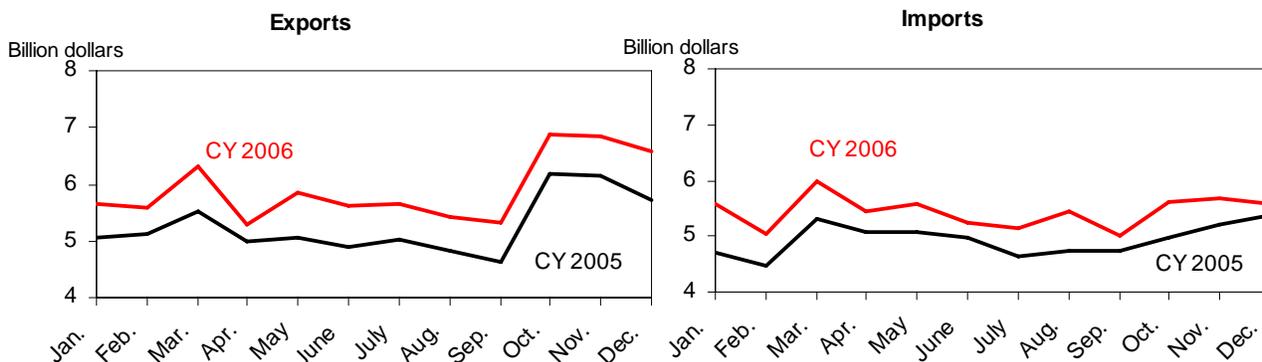
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The value of U.S. agricultural exports for calendar year 2006 is a record \$70.993 billion. This is nearly \$8 billion higher than in 2005. Grains accounted for most of the increase, notably from corn as the value of corn exports rose 47 percent over 2005. Red meat exports showed the next strongest growth over last year, at just over 20 percent. The volume of corn shipments rose 27 percent above 2005 levels, with Japan, Mexico, and South Korea continuing to account for more than half of U.S. corn shipments; more than half the December shipments went to Japan and Mexico. Bulk product exports are up 16 percent over last year while high-value products increasing about 10 percent.

The value of U.S. agricultural imports for calendar year 2006 is a record \$65.3 billion, roughly \$6 billion higher than 2005. Most of the increase comes from grains, fruits, vegetables, and sugar, although there were continued increases in imports of vegetable oil, wine, malt beverages, live animals, and rubber. Sugar shipments are up 25 percent above 2005 levels. Just under half of our fresh or frozen fruit imports come from Mexico and Chile. More than half of U.S. fresh or frozen vegetable imports come from Mexico and Canada.

Figure 1
Monthly U.S. agricultural trade, 2005 and 2006



Source: Compiled by ERS using data from Census Bureau, U.S. Dept. of Commerce.

Table 1--U.S. agricultural exports, year-to-date and current months

Item	Nov.	Dec.	Change	Jan.-Dec.	Jan.-Dec.	Change
	2006	2006	Nov.-Dec.	2005	2006	'05-'06
	<i>Million dollars</i>		<i>Percent</i>	<i>Million dollars</i>		<i>Percent</i>
Agricultural export value	6,852	6,581	-4	63,182	70,993	12
Major bulk products	2,513	2,592	3	22,204	25,744	16
High-value products	4,339	3,989	-8	55,593	60,884	10
Values						
Live animals	141	105	-26	601	679	13
Red meats & products	503	466	-7	4,299	5,196	21
Poultry meats & products	286	241	-16	3,033	2,832	-7
Dairy products	151	146	-3	1,685	1,886	12
Hides & skins	164	161	-2	1,777	2,045	15
Grains and feeds	1,767	1,860	5	16,439	19,285	17
Wheat	332	398	20	4,357	4,215	-3
Rice	73	128	76	1,272	1,283	1
Corn	772	796	3	4,789	7,034	47
Other grain products	252	234	-7	2,610	2,960	13
Animal feeds & oil meal	447	410	-8	4,378	4,872	11
Soybeans	922	821	-11	6,274	6,909	10
Other oilseeds	69	71	3	739	810	10
Vegetable oils	191	204	7	1,656	1,829	10
Fruits & products	353	305	-14	3,468	3,759	8
Fruits, fresh	275	222	-19	2,697	2,870	6
Fruits, prepared or preserved	78	83	6	772	889	15
Fruit juices	73	82	12	775	921	19
Vegetables & products	345	358	4	3,571	3,906	9
Vegetables, fresh	146	158	8	1,545	1,690	9
Vegetables, preserved or processed	199	200	0	2,026	2,216	9
Tree nuts and preparations	394	296	-25	2,917	3,072	5
Wine	70	59	-17	614	808	32
Cotton & linters	212	239	13	3,929	4,513	15
Tobacco, unmanufactured	136	148	9	990	1,141	15
Sugar & tropical products	243	217	-11	2,180	2,530	16
Volumes						
	<i>Thousand metric tons</i>		<i>Percent</i>	<i>Thousand metric tons</i>		<i>Percent</i>
Red meats & products	206	197	-4	1,909	2,214	16
Poultry meats	281	221	-21	2,711	2,739	1
Nonfat dry milk	16	17	6	287	293	2
Wheat	1,649	1,918	16	182	171	-6
Rice	211	323	53	4,388	3,845	-12
Coarse grains	5,424	5,140	-5	50,865	62,784	23
Corn	5,013	4,785	-5	45,462	57,686	27
Sorghum	324	315	-3	4,611	4,681	2
Soybeans	3,565	3,060	-14	25,508	28,102	10
Oil meal	779	733	-6	6,905	7,967	15
Vegetable oils	238	253	6	1,937	2,220	15
Fruits, fresh	254	222	-12	2,829	2,683	-5
Fruits, prepared or preserved	40	44	9	483	504	4
Fruit juices	70	81	16	1,048	1,067	2
Vegetables, fresh	170	174	3	2,077	1,981	-5
Vegetables, preserved or processed	181	169	-7	1,821	2,028	11
Nuts & preparations	111	76	-31	777	835	7
Cotton & linters	159	176	11	3,423	3,534	3
Major bulk	11,026	10,643	-3	111,378	121,762	9

Preliminary data.

Source: Compiled by ERS using data from Census Bureau, U.S. Department of Commerce.

Table 2--Top 10 U.S. export markets for wheat, corn, soybeans, and cotton, by volume

Commodity	Jan.-Dec. 2005	Jan.-Dec. 2006	Dec. 2006
<i>Metric tons</i>			
Wheat			
Japan	3,004,674	2,996,678	231,915
Nigeria	3,217,858	2,453,297	29,295
Mexico	2,705,939	2,219,366	137,882
Philippines	1,642,978	1,782,130	109,777
Iraq	1,304,604	1,607,573	401,494
Egypt	1,358,783	1,522,109	175,084
South Korea	1,180,410	1,132,102	110,329
Venezuela	943,303	928,403	26,418
China (Taiwan)	970,062	794,549	48,843
Yemen	564,015	680,116	45,105
World Total	27,040,457	23,316,472	1,918,346
Corn			
Japan	15,023,177	16,245,198	1,241,942
Mexico	5,841,835	7,834,853	1,307,421
South Korea	2,175,304	6,044,258	278,487
China (Taiwan)	4,809,912	4,289,384	377,109
Egypt	3,675,350	3,936,138	111,987
Colombia	2,274,658	3,003,644	259,972
Canada	2,109,191	1,865,438	203,578
Syria	1,066,197	1,256,162	35,535
Dominican Republic	968,637	1,210,953	72,597
Algeria	1,016,395	1,191,230	69,930
World Total	45,461,830	57,686,482	4,784,771
Soybeans			
China (Mainland)	9,434,308	10,327,562	1,279,555
Mexico	3,440,515	3,742,716	268,584
Japan	2,919,210	3,308,108	200,186
European Union-25	2,612,071	2,959,020	627,335
China (Taiwan)	1,684,153	1,855,517	229,349
Indonesia	1,162,610	1,182,987	85,848
Turkey	477,302	607,866	9,229
Thailand	346,460	475,281	73,781
South Korea	760,317	439,651	49,989
Egypt	312,493	395,858	23,618
World Total	25,508,224	28,102,167	3,060,291
Cotton			
China (Mainland)	1,238,931	1,631,387	20,509
Turkey	480,099	419,368	48,113
Mexico	329,978	326,801	22,119
Indonesia	231,060	204,686	16,444
China (Taiwan)	155,715	128,540	9,656
Thailand	160,765	111,398	9,840
Pakistan	120,132	77,913	6,090
South Korea	127,326	74,124	4,983
Colombia	46,145	56,391	3,827
Hong Kong	59,866	55,114	4,487
World Total	3,404,574	3,506,420	174,762

Sources: Compiled by ERS using data from Census Bureau, U.S. Department of Commerce.

Table 3--U.S. agricultural imports, year-to-date and current months

Item	Nov.	Dec.	Change	Jan.-Dec.	Jan.-Dec.	Change
	2006	2006	Nov.-Dec.	2005	2006	'05-'06
	<i>Million dollars</i>		<i>Percent</i>	<i>Million dollars</i>		<i>Percent</i>
Agricultural imports						
Imports (c.i.f.)	6,089	6,000	-1	63,517	69,885	10
Imports (customs value)	5,686	5,582	-2	59,317	65,333	10
Customs value						
Live animals	268	222	-17	1,960	2,461	26
Red meats & products	432	431	0	5,611	5,072	-10
Beef & veal	267	273	2	3,651	3,220	-12
Pork	102	96	-5	1,281	1,197	-7
Dairy products	255	228	-11	2,686	2,711	1
Cheese	117	101	-13	1,007	1,029	2
Grains & feeds	528	467	-11	4,527	5,324	18
Grain products	363	309	-15	3,319	3,682	11
Oilseeds & products	281	317	13	2,998	3,510	17
Vegetable oils	233	272	17	2,505	2,974	19
Fruits & preparations	496	611	23	5,842	6,516	12
Fruits, fresh or frozen	380	501	32	4,635	5,156	11
Fruits, prepared or preserved	117	110	-6	1,207	1,360	13
Fruit juices	115	104	-9	1,021	1,136	11
Vegetables & preparations	614	620	1	6,410	7,008	9
Vegetables, fresh or frozen	433	441	2	4,559	5,057	11
Vegetables, prepared or preserved	171	168	-2	1,747	1,835	5
Tree nuts & preparations	116	97	-16	1,125	1,102	-2
Cotton & linters	1	0	-81	20	15	-23
Wine	446	347	-22	3,762	4,151	10
Malt beverages	303	297	-2	3,096	3,583	16
Essential oils	158	184	16	2,331	2,232	-4
Cut flowers & nursery stock	133	105	-21	1,387	1,463	5
Sugar & related products	192	230	20	2,494	3,045	22
Confections	109	94	-15	1,174	1,186	1
Cocoa & products	209	264	26	2,751	2,659	-3
Coffee & products	271	267	-2	2,976	3,312	11
Rubber, natural	184	119	-35	1,552	2,029	31
Volume						
	<i>Thousand metric tons</i>		<i>Percent</i>	<i>Thousand metric tons</i>		<i>Percent</i>
Wine 1/	83	70	-16	726	794	9
Malt beverages 1/	289	288	0	2,995	3,436	15
Cattle & calves	271	196	-27	1,816	2,289	26
Beef & veal	78	80	3	1,172	1,003	-14
Dairy products	34	31	-10	355	329	-7
Processed grains, ex. feed	99	85	-14	1,001	1,033	3
Fruits, fresh or frozen	662	681	3	8,150	8,379	3
Fruits, prepared or preserved	99	94	-5	1,091	1,193	9
Vegetables, fresh or frozen	457	483	6	5,183	5,404	4
Vegetable oils	213	288	36	2,386	2,908	22
Sugar & related products	174	280	60	3,213	4,024	25
Cocoa & products	90	124	37	1,306	1,254	-4
Coffee & products	110	110	0	1,307	1,359	4

Preliminary data. 1/ Thousand hectoliters.

Source: Compiled by ERS using data from Census Bureau, U.S. Department of Commerce.

Table 4--Top 10 sources of U.S. imports of fruits and vegetables, by value 1/

Commodity	Jan.-Dec. 2005	Jan.-Dec. 2006	Dec. 2006
<i>Million dollars</i>			
Fruits, fresh or frozen			
Mexico	1,264	1,217	81
Chile	1,026	1,197	175
Costa Rica	510	740	47
Guatemala	375	363	41
Ecuador	296	353	34
Canada	225	274	22
Colombia	202	200	15
Honduras	163	152	11
European Union-25	121	133	39
Argentina	67	91	8
World	4,635	5,156	501
Fruits, prepared or preserved			
China, Mainland	233	274	25
Thailand	217	242	20
Mexico	136	152	13
Philippines	132	130	10
Canada	87	103	8
European Union-25	96	99	7
Chile	43	56	2
Turkey	41	48	5
Indonesia	36	35	1
Costa Rica	20	23	2
World	1,207	1,360	110
Vegetables, fresh or frozen			
Mexico	2,543	2,792	269
Canada	1,333	1,504	91
Peru	152	173	25
European Union-25	131	138	11
China, Mainland	96	132	13
Costa Rica	70	62	6
Guatemala	59	62	5
Ecuador	27	29	4
Dominican Republic	20	24	2
Chile	18	18	2
World	4,559	5,057	441
Vegetables, prepared or preserved 2/			
European Union-25	565	539	45
Mexico	295	288	15
China, Mainland	179	228	27
Canada	211	220	18
Peru	64	97	17
India	44	65	6
Turkey	50	61	9
Thailand	34	38	3
Morocco	30	35	2
Chile	21	31	3
World	1,747	1,835	168

1/ Excludes juices. 2/ Excludes pulses.

Sources: Compiled by ERS using data from Census Bureau, U.S. Department of Commerce.

U.S. Agricultural Trade Boosts Overall Economy

U.S. agricultural exports generate employment, income, and purchasing power in both the farm and nonfarm sectors¹. Each farm export dollar earned stimulated another \$1.64 in business activity in calendar year 2005. The \$62.9 billion of agricultural exports in 2005 produced an additional \$103.2 billion in economic activity. Supporting activity surpassed the \$100 billion mark for the first time in 2005. Agricultural exports also generated 806,000 full-time civilian jobs, which include 455,000 jobs in the nonfarm sector. Farmers' purchases of fuel, fertilizer, and other inputs to produce commodities for export spurred economic activity in the manufacturing, trade, and transportation sectors.

Production from almost a third of U.S. cropland moved into export channels in 2005. Of raw crops, the United States exported 49 percent of food grain production, almost 20 percent of feed grains, and more than 29 percent of oilseeds. While, as a percent of production, food grain exports held steady and feed grain exports increased, oilseed exports are down over last year. Export-related employment peaked in 1981 when bulk and processed agricultural exports provided jobs for 1.2 million workers. In 2005, exports generated \$166.1 billion in business activity—\$62.9 billion from exports and \$103.2 billion from supporting activities. Net agricultural exports in 2005 contributed \$3.6 billion to the overall U.S. trade balance—a decrease of \$5.2 billion from the \$8.8 billion contributed in 2004.

Exports Generate New Business, Add Jobs

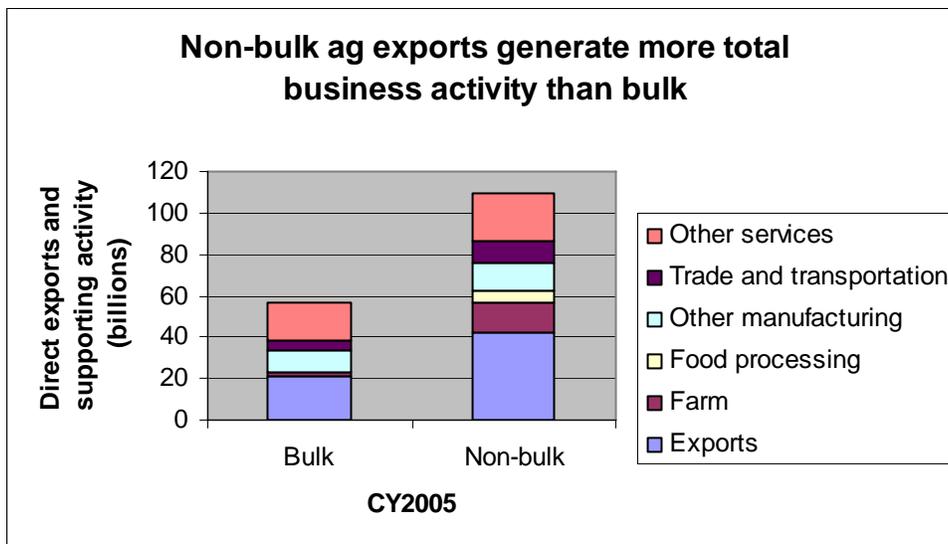
Of the \$62.9 billion in U.S. agricultural exports in 2005, the value of exported raw products was \$22.8 billion, \$27.2 billion of processed commodities, and \$13 billion for transport and trade services. The \$103.2 billion in 2005 supporting activity included \$16.8 billion from the farm sector, \$6 billion from the food processing sector, \$24.2 billion from other manufacturing sectors, \$14.3 billion from trade and transportation, and \$41.7 billion from other services. Nonfarm sectors of the economy received about 84 percent of the additional economic activity.

Less employment was required to produce, transport, and service 2005's agricultural exports than in 2004. Factors such as export commodity mix, price changes, and the volume of goods exported contributed to the decline. Of the 806,000 full-time civilian jobs related to agricultural exports in 2005, more than 351,000 were U.S. farmworkers, a decrease of 37,000 jobs from 2004-05². Almost 455,000 jobs in the nonfarm sector were involved in assembling, processing, distributing, and servicing agricultural products for export. About 62,000 of those were in food processing, 130,000 in trade and transportation, 54,000 in other manufacturing sectors, and 209,000 in other services.

In a reversal of the usual relationship, bulk exports had a larger proportional effect on the nonfarm economy than processed, or high-value, exports in 2005. Because farm prices were low in 2005, the volume of \$1 billion dollars of bulk exports was much higher than in 2004. Therefore, both the amount of labor required to handle this volume and the required associated services rose, leading to higher proportional effects or multipliers.

¹ The Economic Research Service uses agricultural trade multipliers to provide estimates of employment and output, and to reflect the amount of economic activity generated by agricultural exports. Additional detail is available at: <http://www.ers.usda.gov/data/trademultiplier>.

² The drop in farm employment estimates for 2005 has more to do with the farm productivity series used to calculate the estimates than an actual drop in farm employment. For more information on the methods and data used to calculate farm employment due to agricultural exports see: <http://www.ers.usda.gov/Data/TradeMultiplier/assumptions.aspx#labor>



Bulk exports generated an additional \$35.6 billion of business activity while nonbulk exports generated \$67.6 billion—i.e., \$1.70 additional output per dollar of bulk exports, \$1.61 for nonbulk exports, and \$1.64 for all agricultural exports. The additional business activity attributed to bulk exports was distributed across economic sectors as follows: 6 percent in farming, 30 percent in manufacturing, 52 percent in other services, and 12 percent in wholesale and retail trade and transportation. In contrast, of the additional business activity for nonbulk exports, 22 percent was in farming, 29 percent in manufacturing, 34 percent in other services, and 15 percent in wholesale and retail trade and transportation. Of the 806,000 jobs related to U.S. agricultural exports, 458,000 (57 percent) supported nonbulk exports.

Impacts of Agricultural Imports on U.S. Output

The domestic output effect of the \$59.3 billion of imports that compete with U.S. products was \$145.3 billion in 2005. Each dollar spent on competitive imports would have required another \$1.45 in supporting goods and services if those imported items had been produced domestically, indicating an output multiplier of 2.45.

U.S. agricultural trade positively affects most sectors of the economy. The farm sector's \$39.6 billion of output associated with agricultural exports more than offset the \$27.4 billion of farm output implicitly lost because of competitive agricultural imports. The nonfarm sectors, including food processing, gained \$8.5 billion in total output, about 46,500 jobs and \$4 billion in income. The U.S. economy gained a net \$20.8 billion in output after considering the theoretical loss to agricultural imports. Outside of farming and food processing, the United States theoretically lost a net \$2.6 billion from direct agricultural trade but gained \$12.7 billion in total output.

Farm Share of Income Generated by Exports

The share of total income generated by exports that accrues back to the farm sector was 23 percent in 2005. This level of income fluctuates with the type of agricultural commodities exported. Notice that the share of income that remains in the farm sector is much larger when exporting bulk products than high-value products. The transportation industry accrues almost as much income from agricultural exports as the farm sector. This farm share of total income from exports does not represent the export share of total farm income because the denominator is the income generated by exports, not all farm income.

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Table 5--U.S. economic activity triggered by agricultural trade, 2003-05

Item	All exports			Bulk 1/	High-value 1/
	2003	2004	2005	2005	2005
	Billion dollars				
Economic activity generated by ag. exports	151.6	152.2	166.1	56.5	109.6
Farm	na	39.8	39.6	18.4	21.2
Food processing	na	29.8	33.2	0.2	33.0
Other manufacturing	na	23	26.4	10.5	15.9
Trade and transportation	na	23.4	24.9	9	15.9
Other services	na	36.2	41.9	18.4	23.5
Direct exports	59.6	61.4	62.9	20.9	42
Supporting activities	92	90.8	103.2	35.6	67.6
Farm	16.8	15.9	16.8	2	14.8
Food processing	5.4	5.5	6	0.2	5.8
Other manufacturing	20	20.8	24.2	10.5	13.7
Trade and transportation	14	12.7	14.3	4.4	9.9
Other services	35.6	36.1	41.7	18.4	23.3
Agricultural imports	47.3	52.6	59.3	12.8	46.5
	Percent				
Nonfarm share of supporting economic activity	82	83	84	94	78
Export multiplier (activity generated by \$1 of exports) 2/	2.54	2.48	2.64	2.7	2.61
	1,000 jobs				
Employment generated by agricultural exports	912	825	806	348	458
Farm	451	388	351	184	167
Nonfarm	461	437	455	164	291
Food processing	65	58	62	0	62
Other manufacturing	58	54	54	19	35
Trade and transportation	130	129	130	46	84
Other services	209	196	209	98	111
Employment per billion dollars of ag. exports 2/	15.3	13.4	12.8	16.7	10.9
	Percent				
Share of farm workforce supported by agricultural exports	20	17	16	8	8
	Billion dollars				
Domestic equivalent of economic activity generated by agricultural imports 3/	90.4	127.3	145.3	31.9	113.4
Farm	na	24.9	27.4	1.1	26.3
Food processing	na	33.5	37.1	0	37.1
Other manufacturing	na	19.9	23.6	0.6	23.0
Trade and transportation	na	19.7	22.5	0.5	22.0
Other services	na	29.2	34.5	1.0	33.5
Net domestic equivalent of total output gain or loss to agricultural imports	51.3	24.9	20.8	24.6	-3.8
Farm	na	14.9	12.2	17.3	-5.1
Food processing	na	-3.7	-3.9	0.2	-4.1
Other manufacturing	na	3.1	2.8	9.9	-7.1
Trade and transportation	na	3.7	2.4	8.5	-6.1
Other services	na	7	7.4	17.4	-10
Nonfarm, nonfood processing sectors:					
Net direct benefit from exports	4.3	-0.8	-2.6	4.4	-7
Net increased output from exports	31.3	14.6	15.1	31.5	-16.4
	Percent				
Farm share of total income from exports	25	26	23	32	18
Trade and transportation share of total income from exports	22	21	21	19	22

na = not available. 1/ For commodities in these groups, see the list of ERS predefined groups in the Agricultural Trade Multipliers (ATM) data product, <http://www.ers.usda.gov/data/ATM/frmERXpredefinedgroups.aspx>. 2/ Open model, port-value multipliers.

Data are available in the ATM calculator by selecting all agricultural exports, and bulk and high-value commodities.

3/ 2003 values are for competitive imports only; 2004 and 2005 are for all imports.



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Contacts and Links

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This report will become a data product in March 2007. The tables currently in the report will continue to be updated monthly and will be posted on the FATUS data page at <http://www.ers.usda.gov/data/fatus>. Scheduled release dates are published at <http://www.ers.usda.gov/Publications/Outlook/>.

Data

Monthly and year-to-date U.S. agricultural trade (FATUS and HTS) data are on USDA's Foreign Agricultural Service website <http://www.fas.usda.gov/ustrade/>. Click on FATUS imports or FATUS exports.

Fiscal and calendar year FATUS data tables and frequently asked questions and answers are at <http://www.ers.usda.gov/data/fatus>.

Related Websites

Articles and general information about U.S. agricultural trade are at <http://www.ers.usda.gov/briefing/agtrade>.

The Foreign Agriculture Service of USDA provides additional information on U.S. agricultural trade policy (<http://www.fas.usda.gov/ustrade.asp>), import programs (<http://www.fas.usda.gov/importprograms.asp>), and exporter services (http://www.fas.usda.gov/agx/exporter_assistance.asp).

Census Bureau, U.S. Department of Commerce, <http://www.census.gov/ftp/pub/foreign-trade/www/>, provides a description of and guide to total U.S. trade, as well as the U.S. HTS export classifications (Schedule B), and much other information about U.S. trade data.

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