

Abstract

This report provides baseline projections for international supply, demand, and trade for major agricultural commodities to 2005. It is a companion report to *Agricultural Baseline Projections to 2005, Reflecting the 1996 Farm Act* (WAOB-97-1), providing the foreign country detail supporting those projections. Projections of strong global economic growth, particularly in developing countries, combined with more open foreign markets and the emergence of China as a major bulk commodity importer, support strong projected gains in U.S. farm exports. The value of total U.S. agricultural exports is projected to rise from a record \$59.8 billion in FY 1996 to nearly \$80 billion in 2005. The projections are a conditional scenario, assuming the continuation of 1996 U.S. farm legislation through 2005, no shocks, average weather, and specific macroeconomic and foreign country policy assumptions. The projections were completed based on information available as of January 1997, and reflect a composite of model results and analyst judgment.

Keywords: Agriculture, commodities, international, projections, supply, use, trade

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A Note to Users of USDA International Baseline Projections

Long-term international projections presented in this report are consistent with the USDA consensus longrun scenario for U.S. agriculture and trade published in *Agricultural Baseline Projections to 2005, Reflecting the 1996 Farm Act* (WAOB-97-1) released in February 1997.

This report is the third ERS release of detailed, international baseline projections. The report includes a review of international macroeconomic, population, and policy assumptions, as well as tables and analysis of supply, demand, and trade projections for major foreign countries. Commodities covered are: wheat, rice, corn, sorghum, barley, total coarse grains, total oilseeds, total oilseed meal, total edible oil, soybeans, soybean meal, soybean oil, cotton, beef, pork, and poultry. The international projections are made in conjunction with the detailed U.S. sector analysis and the President's Budget analysis.

The scenario presented in this report is not a USDA forecast of the future. Instead, it is a conditional, longrun scenario about what would be expected to happen under the 1996 Farm Act, extended through 2005, and specific assumptions about external conditions. Critical assumptions include:

- U.S. and international macroeconomic conditions;
- U.S. agricultural and trade policies;
- Funding for U.S. agricultural export programs;
- Foreign economic, agricultural, and trade policies, and;
- Normal (average) weather.

Changes in any of the assumptions can significantly affect the projections, and actual conditions that emerge will alter the outcomes.

The baseline projections analysis was conducted by interagency committees in USDA and reflects a composite of model results and judgmental analysis. The projections and this report were reviewed and cleared by the Interagency Agricultural Projections Committee, chaired by the World Agricultural Outlook Board (WAOB). The major USDA participants in the trade analysis and review include the WAOB, the Economic Research Service, the Farm Service Agency, and the Foreign Agricultural Service.

Historical data through 1996/97 used in this report are current as of February 1997. All projections for 1998/99-2005/06 were completed in February 1997, based on January 1997 USDA data.

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