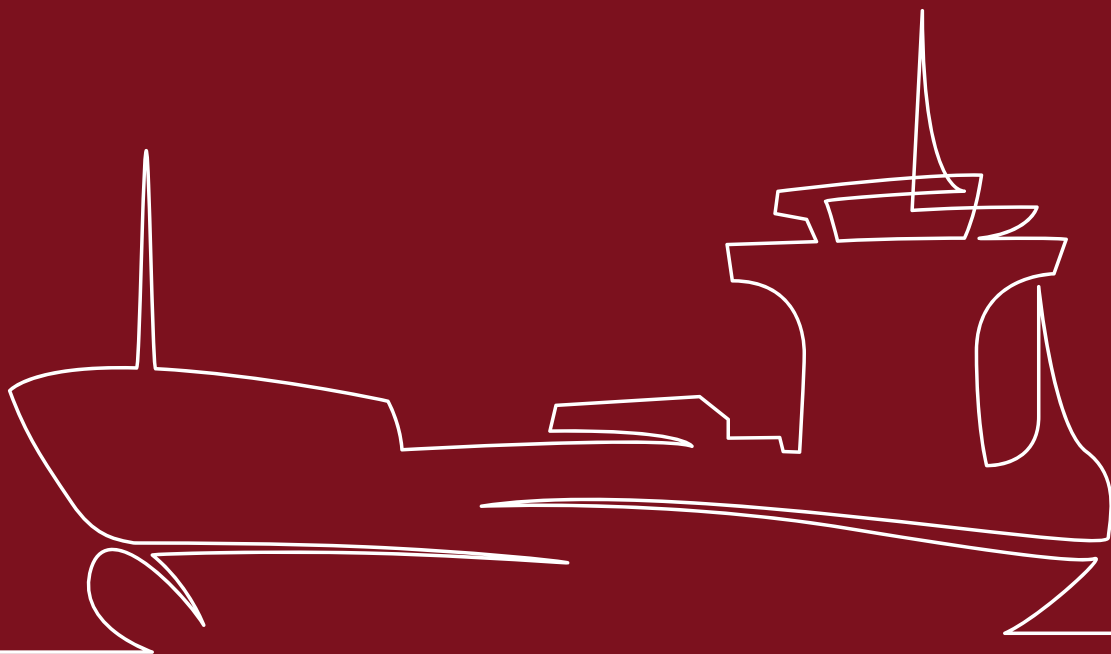


# 2019

## **United States Agricultural Export Yearbook**

USDA - Foreign Agricultural Service



# INTRODUCTION

The 2019 U.S. Agricultural Export Yearbook provides a statistical summary of U.S. agricultural commodity exports to the world and the United States' primary trading partners. The Yearbook is produced by USDA's Foreign Agricultural Service (FAS). All U.S. export data found within the Yearbook was collected and published by the U.S. Census Bureau of the U.S. Department of Commerce. Foreign country export data was sourced from the reporting countries' national statistical agencies as reported through Trade Data Monitor (TDM).

The 2019 U.S. Agricultural Export Yearbook consists of two sections: 1) Commodity exports, and 2) Country destination exports. The Yearbook utilizes FAS Product Groups that can be found at FAS' Global Agricultural Trade System (GATS) located at <https://apps.fas.usda.gov/gats/>. The product groups are defined using the Harmonized Tariff Schedule (HTS) at the ten-digit level and aggregated into classifications that include the primary commodity and its derivatives. FAS has titled these product groups as "BICO (HS-10)." BICO is an FAS designation that stands for Bulk, Intermediate & Consumer Oriented goods. The bulk commodity groups, such as corn, wheat and rice are aggregations of very few HTS codes. For example, the soybeans product group includes only two HTS codes; and cotton includes only five codes; while the Beef and Beef Product category incorporates 26 HTS lines; Dairy Products includes 46 HTS lines; and Fresh Vegetables includes 70 HTS codes.

The 14 product groups or commodity aggregations, displayed in the Yearbook, are based on the United States' largest export categories. Ethanol is not considered an agricultural product according to the USDA definition of agriculture, and its export value is not included in the total value of U.S. agricultural exports (\$136.7 billion). However, a Yearbook page on ethanol has been included in this publication because of the large value of its exports and its importance to the agricultural community and rural America. The top 13 export product groups (not including ethanol) accounts for nearly 65 percent of total U.S. agricultural products exported in 2019.

The country Yearbook pages include the United States' top fifteen export destinations as well as a page for the United Kingdom (UK). The European Union (EU-28), a customs union comprised of 28 member states, is included as a single trading partner. The only exception is that the UK has its own Yearbook page given the importance of their withdrawal from the EU-28 and ongoing negotiations toward a U.S. – UK free trade agreement. The top fourteen export markets represent 78 percent of total U.S. agricultural exports in 2019.

Questions or comments about The 2019 U.S. Agricultural Export Yearbook can be directed to USDA's Foreign Agricultural Service ([paul.trupo@usda.gov](mailto:paul.trupo@usda.gov)) (202-720-1335).

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# EXPORT OVERVIEW

## Top U.S. Agricultural Exports\* (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Soybeans	133,057	134,678	138,160	139,597	136,658	-2%	136,430
Tree Nuts	18,862	22,839	21,456	17,063	18,660	9%	19,776
Beef & Beef Products	8,441	7,902	8,479	8,514	9,075	7%	8,482
Corn	6,311	6,360	7,263	8,360	8,090	-3%	7,277
Pork & Pork Products	8,271	9,879	9,112	12,467	7,617	-39%	9,469
Prepared Food	5,567	5,936	6,485	6,403	6,952	9%	6,269
Wheat	5,849	6,118	5,938	6,245	6,682	7%	6,166
Cotton	5,628	5,346	6,058	5,389	6,214	15%	5,727
Dairy Products	3,902	3,967	5,845	6,557	6,153	-6%	5,285
Soybean Meal	5,240	4,698	5,377	5,498	5,931	8%	5,349
Fresh Fruit	4,781	4,073	3,881	5,079	4,405	-13%	4,444
Poultry Meat & Products	4,565	4,564	4,749	4,673	4,387	-6%	4,587
Snack Foods	4,043	3,879	4,267	4,272	4,245	-1%	4,141
Processed Vegetables	2,687	2,642	2,634	2,708	2,703	0%	2,675
Fresh Vegetables	2,687	2,695	2,690	2,613	2,700	3%	2,677
All Others	2,395	2,446	2,513	2,577	2,670	4%	2,520
Total Exported	43,829	41,332	41,413	41,178	40,175	-2%	41,586

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Ethanol is not counted as an agricultural good in the USDA definition of agriculture

## Overview

Total U.S. agricultural exports in 2019 were nearly \$137 billion, down 2.1 percent from 2018. Major factors affecting U.S. exports were the on-going trade dispute with China and a dramatic drop in corn exports.

Soybeans continued to be the number one agricultural export, increasing 9.4 percent to \$18.7 billion in 2019. Increased exports to China offset declining exports to other major markets. China bought nearly \$5 billion in additional soybeans over what they imported the year before while other major purchasers such as EU, Egypt, Indonesia, and Taiwan were down 37%, 14%, 14%, and 21% respectively.

Tree nut exports to the world surged 6.6 percent reaching a record \$9 billion in 2019. Increased exports to EU-28, India, China and UAE offset decreased shipments to Hong Kong, Japan and Mexico. Almonds accounted for 54 percent of tree nut exports followed by pistachios (22%) and walnuts (14%).

Corn was the leading contributor to the two percent decline in total agricultural exports. Exports of U.S. corn were down nearly \$5 billion from 2018, a 39 percent decrease and at its lowest level since 2013. The competitiveness of U.S. corn was impacted by planting delays and reduced yields while major export competitors Argentina, Brazil and Ukraine had record production.

Exports of consumer-oriented goods such as meats, horticulture, processed foods and dairy were responsible for nearly half of all U.S. agriculture exports while exports of bulk goods such as soybean, corn and wheat contributed an all-time low 32 percent of all U.S. agricultural exports.

## **Outlook**

2020 is an extremely difficult year to forecast in terms of agricultural trade. An outbreak of COVID-19 has dampened demand for many agricultural goods as citizens around the world have stopped going to work, eating out or taking vacations. On the other hand, as part of the U.S.- China Phase One Trade Agreement, China has committed to remove a number of trade barriers and agreed to increase purchases of U.S. products. If implemented, these will boost U.S. exports this year. The United States expects an increase in exports from recently signed and upgraded trade agreements with Canada, Mexico, Japan, and Korea. The U.S. has also begun discussions about entering into negotiations with other trading partners such as the European Union, Brazil, Ecuador and Kenya.

# BEEF & BEEF PRODUCTS

## Top 10 Export Markets for U.S. Beef (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Japan	1,284	1,510	1,889	2,102	1,950	-7%	1,747
South Korea	811	1,071	1,220	1,746	1,842	5%	1,338
Mexico	1,093	977	979	1,058	1,107	5%	1,043
Hong Kong	801	684	884	966	744	-23%	816
Canada	900	758	791	746	654	-12%	770
Taiwan	319	363	409	552	567	3%	442
European Union	306	247	252	231	193	-16%	246
Philippines	64	55	62	87	88	1%	71
China	0	0	31	61	86	42%	36
Indonesia	12	39	54	62	85	37%	51
All Others	722	656	692	748	774	3%	719
Total Exported	6,311	6,360	7,263	8,360	8,090	-3%	7,277

Source: U.S. Census Bureau Trade Data - BICO HS-10

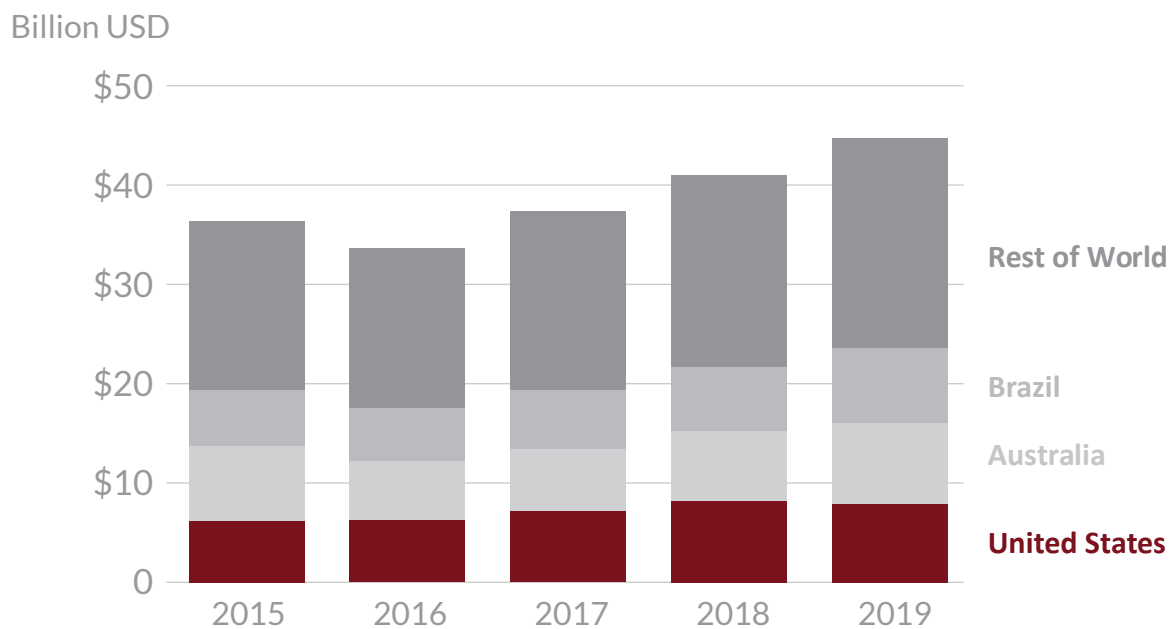
## Highlights

In 2019, the value of U.S. beef and beef product exports to the world shrank by 3 percent from the prior year record to \$8.1 billion, the second highest level ever. The top three markets, accounting for 61 percent of sales, were Japan, South Korea, and Mexico, at \$2 billion, \$1.8 billion, and \$1.1 billion, respectively. Lower year-over-year exports were driven by a decline in shipments to Japan, Hong Kong and Canada. With the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) going into effect in late-2018, the United States began facing a competitive disadvantage in Japan, its top export market, and lost market share to Canada, New Zealand, and Mexico. Furthermore, tariff and non-tariff barriers in the Chinese market prevented the United States from capitalizing on increased Chinese demand. Despite a year-over-year increase in shipments to China, U.S. market share in China is less than 1 percent. Overall, exports accounted for 11 percent of U.S. domestic production. The United States was the world's largest beef producer, second-largest importer, and fourth-largest exporter by volume in 2019.

## Drivers

- For much of 2019, U.S. beef was at a competitive disadvantage in its top export market due to free trade agreements that favored U.S. competitors.
- The United States continues to be the top supplier to South Korea due to rising consumer confidence in U.S. beef and competitive pricing.
- The U.S. beef industry continues to benefit from complimentary trade with Mexico in which each country can import its preferred cuts while exporting less popular ones.
- African swine fever (ASF) outbreaks have caused a persisting protein deficit in China, significantly increasing Chinese demand for all meats – beef included.

## Global Beef Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Prior to the COVID-19 outbreaks, beef exports were forecast to rise significantly by volume in 2020 as improved market access for U.S. beef and strong global demand spur trade. Australia, one of the top U.S. competitors in Asia, will begin rebuilding a herd that is at its lowest level in 2 decades. This will lead to lower exportable supplies and likely benefit the United States. Additionally, improved market access due to the Japan and China agreements will support U.S. exports to two important markets. The U.S.-China Phase One Agreement has the potential to improve access for U.S. beef by addressing some non-tariff barriers and lowering existing tariffs. The continuing global protein deficit caused by ASF will support demand for U.S. beef. With the projected growth in exports, the U.S. share of global beef exports is forecast to increase slightly. Beginning January 1, 2020, a portion of the European Union's High-Quality Beef (HQB) quota will be reserved for U.S. product. The portion of the HQB quota reserved for U.S. beef will steadily increase over the next 7 years. The United States is projected to be the world's largest beef producer, second-largest beef importer, and third-largest beef exporter, overtaking Australia but behind Brazil and India.

# CORN

## Top 10 Export Markets for U.S. Corn (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Mexico	2,302	2,550	2,646	3,061	2,719	-11%	2,655
Japan	2,022	2,091	2,145	2,813	1,977	-30%	2,210
Colombia	770	771	785	927	683	-26%	787
South Korea	648	865	705	1,356	358	-74%	786
Canada	212	147	131	309	349	13%	229
Taiwan	344	460	395	593	227	-62%	404
Peru	303	452	515	507	178	-65%	391
Guatemala	149	174	145	196	177	-10%	168
Costa Rica	115	115	138	143	148	4%	132
Honduras	78	106	86	107	123	15%	100
All Others	1,329	2,149	1,423	2,456	677	-72%	1,607
Total Exported	8,271	9,879	9,113	12,467	7,617	-39%	9,469

Source: U.S. Census Bureau Trade Data - BICO HS-10

## Highlights

U.S. corn exports at \$7.6 billion were down 39 percent or nearly \$5 billion in 2019, from the 2018 record. This is the lowest level of corn exports since 2013. The sharp decline was attributed to higher U.S. prices impacted by unprecedented planting delays, reduced yield, relatively strong domestic use in the United States, and abundant competitor supplies. Top destinations were Mexico, Japan, Colombia, and South Korea, accounting for three-quarters of total U.S. corn exports.

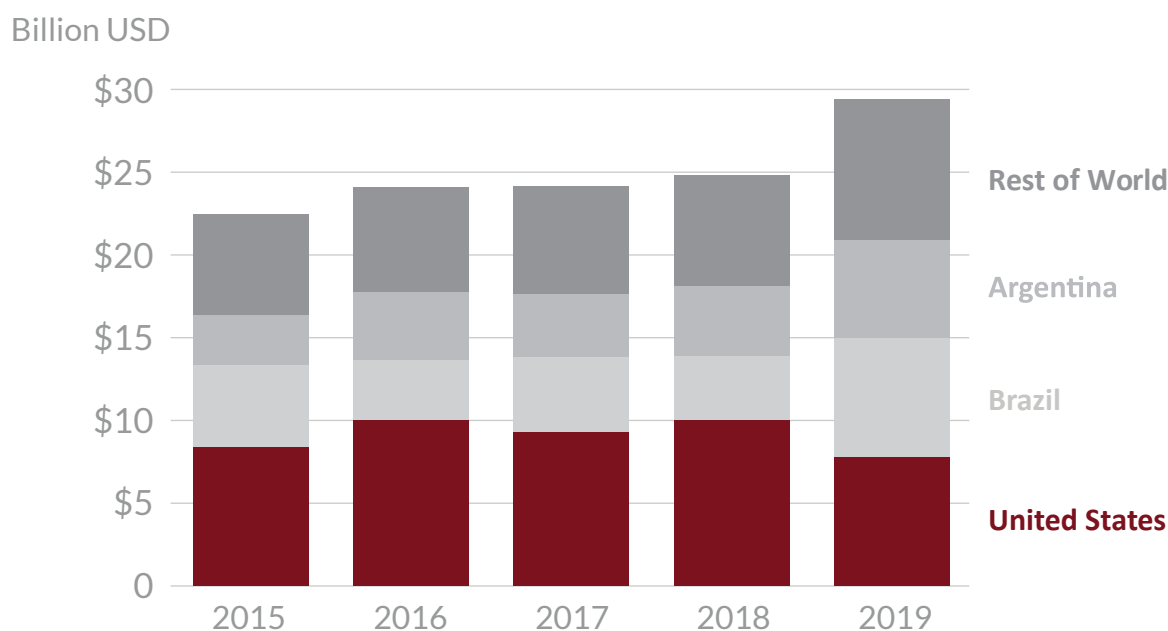
## Drivers

- U.S. corn prices were higher than other major exporters for most of the year due to planting delays and reduced crop yields.
- Demand in the U.S. domestic market was strong. Corn for domestic feed and ethanol use was strong and consumed large volumes.



- Other major exporters - Argentina, Brazil, and Ukraine - had record production. The depreciation of their respective currencies against the U.S. dollar contributed to a loss in U.S. competitiveness and further stimulated foreign sales to the global market.

## Global Corn Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Prior to the COVID-19 outbreak, global import demand remained solid. Corn is the primary feed grain and is typically less expensive compared to other feed grains due to relative abundance. Many countries seek competitively priced feedstuffs to satisfy rising needs in the livestock and poultry sectors.

At the end of 2019, U.S. corn became competitive against other origins, and is expected to sustain competitiveness through 2020. Exports to countries in the Western Hemisphere are expected to remain strong, supported by preferential agreements and transportation advantages. Exports to other destinations have yet to improve. Key importing countries in Asia have voiced concerns over the quality of U.S. corn, which endured a series of adverse weather events throughout the season.

In December 2019, Argentina changed its export tax structure, effectively raising the tax on corn exports. The impact on corn trade will be seen in coming years. For Brazil, massive exports in 2019 have drawn down stocks to the smallest in nearly 10 years, constraining further sales for several months. The size of South American crop will foretell potential export levels.

Competition from Ukraine is expected to intensify. The country has expanded its production and exports benefit from preferential access to China and the European Union. Continued expansion in port capacity, proximity to markets in the Middle East and North Africa, a biotech-free reputation (despite evidence that some Ukrainian farmers grow biotech crops), and declining domestic use have all contributed to growth in Ukrainian exports.

# COTTON

## Top 10 Export Markets for U.S. Cotton (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Vietnam	623	788	1,056	1,312	1,426	9%	1,041
China	859	554	978	924	708	-23%	805
Turkey	463	495	730	681	649	-5%	604
Pakistan	124	202	297	612	618	1%	371
India	115	251	435	333	600	80%	347
Indonesia	295	346	498	600	419	-30%	432
Bangladesh	69	95	284	387	390	1%	245
Mexico	332	340	404	372	288	-23%	347
Thailand	173	164	214	273	214	-22%	208
South Korea	241	165	248	231	167	-28%	210
All Others	608	569	702	832	675	-19%	677
Total Exported	3,902	3,967	5,845	6,557	6,153	-6%	5,285

Source: U.S. Census Bureau Trade Data - BICO HS-10

## Highlights

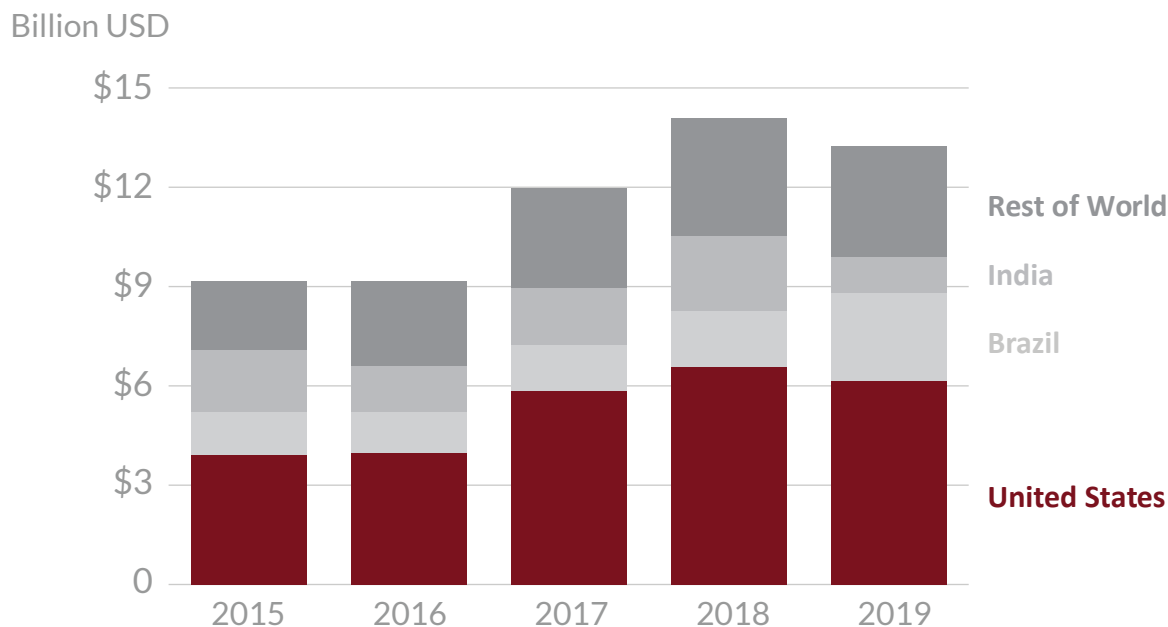
U.S. export value was down six percent (\$400 million) in 2019 but remained the fourth-highest export value on record. Record exports were realized to Vietnam, Pakistan, India, and Bangladesh; however, exports to Mexico were down sharply on higher domestic production and stagnant demand. The U.S.-China trade dispute limited U.S. exports to the country despite surging import demand. Global consumption in 2019 continued to weaken amid sluggish economic growth in major markets and lower relative prices for competing fibers such as polyester. World and U.S. prices trended lower in 2019, dampening spinners' margins and, ultimately, cotton demand.

## Drivers

- Slowing global economic growth contributed to the decrease in demand for cotton/textiles.
- India's support price program inhibited domestic exports by inflating domestic prices. High domestic prices drove mills and merchants to import cotton.

- Increased competition from Brazil dampened U.S. exports as Brazil expanded export capacity and shipped record volumes year-round, including during months of the season when they typically don't export.
- U.S.-China trade actions spurred Vietnam demand for U.S. cotton.

## Global Cotton Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

U.S. cotton exports are forecast to remain steady at 16.5 million bales for the marketing year ending July of 2021. Global trade volume is expected to increase, largely due to an uptick from China, the largest importer, where import demand is projected to grow for the foreseeable future.

The Phase One U.S. – China Agreement offers the potential to significantly increase exports to China, albeit China must remove retaliatory tariffs or make an effective system of waivers to allow U.S. cotton to enter without additional duties.

Continued strong competition from key competitors such as Brazil is expected to dampen U.S. exports globally. Brazil's projected crop in the coming months is only down slightly from last year's third consecutive record crop. The COVID-19 pandemic is expected to have an immediate impact on demand as global GDP growth slows, but cotton exports are expected to recover quickly as economies recover.

# DAIRY PRODUCTS

## Top 10 Export Markets for U.S. Dairy (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Mexico	1,280	1,218	1,312	1,398	1,546	11%	1,351
Canada	554	630	637	641	666	4%	626
China	451	386	576	499	374	-25%	457
South Korea	306	231	279	291	332	14%	288
Japan	273	206	291	270	283	5%	265
Philippines	251	227	243	247	273	11%	248
Indonesia	183	158	132	166	240	45%	176
Vietnam	168	120	112	145	171	18%	143
Australia	137	109	185	154	149	-3%	147
Colombia	55	88	65	73	145	100%	85
All Others	1,581	1,326	1,545	1,616	1,753	9%	1,564
Total Exported	5,240	4,698	5,377	5,498	5,931	8%	5,349

Source: U.S. Census Bureau Trade Data - BICO HS-10

## Highlights

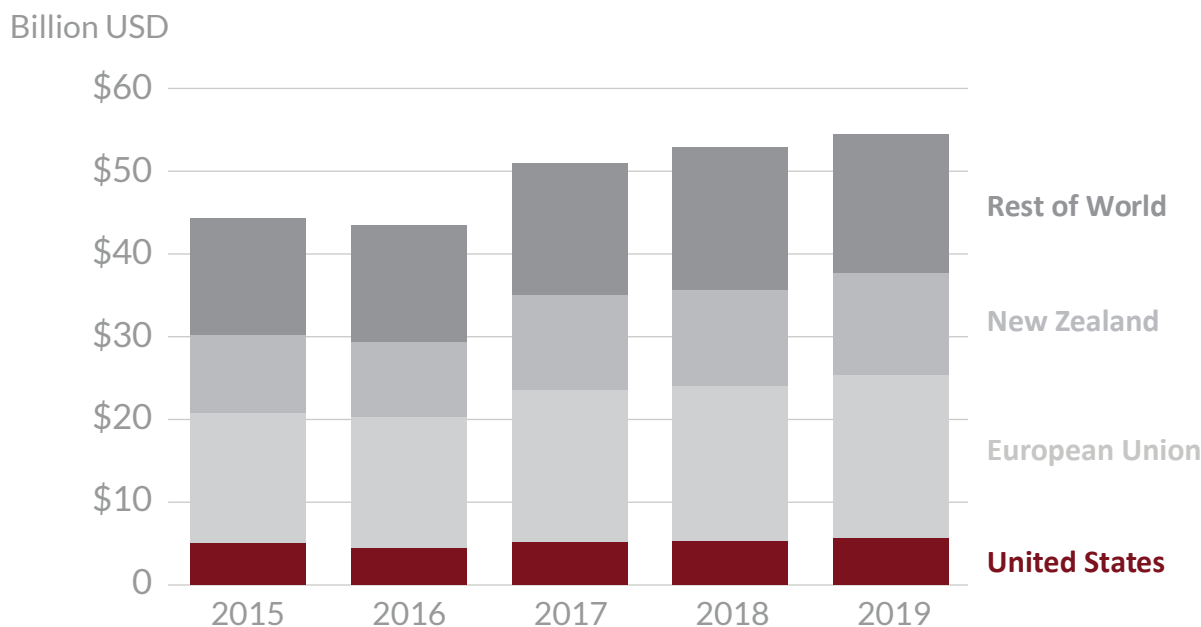
U.S. dairy product exports grew by 8 percent to reach \$5.9 billion in 2019 despite a turbulent year marked by trade policy issues and the impact of ASF which reduced export demand for U.S. shipments of whey products and lactose. This was the third year in a row that the value of U.S. dairy product exports expanded, registering an average annual growth rate of 8 percent. Mexico, Canada, and China are the top three markets, accounting for about 44 percent of sales. Southeast Asia remains a critical region for growth, with the value of dairy shipments up an impressive 22 percent over 2018. Exports to South America also grew at an impressive pace with exports to this region rising by 34 percent.

## Drivers

- Higher global prices contributed to the increase in the value of Skim Milk Powder (SMP) and cheese exports which grew by 23 percent and 6 percent respectively, despite a decline in volumes exported.
- Shipments of dairy products to China fell by 44 percent relative to 2018 due to the imposition of retaliatory tariffs and the impact of ASF. The losses were particularly acute for exports of SMP and whey products which fell by over 50 percent.

- Nearly 60 percent of U.S. dairy products were exported to Free Trade Agreement partner countries. The value of shipments to these countries grew by 11 percent, although volumes contracted slightly.
- Among FTA partners, the value of exports to the top three markets – Mexico, Canada, and South Korea – grew by 9 percent. Exports to Colombia doubled to \$145 million, while volumes grew by 72 percent.

## Global Dairy Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Despite ongoing trade policy challenges, particularly with respect to China and the uncertainties brought on by the emergence of the coronavirus, the outlook for 2020 is positive. In the trade policy arena, the Phase One agreement with China will create more opportunities for U.S. exports. Further, the United States-Mexico-Canada Agreement is expected to be implemented thus providing additional access to the Canadian market, while the U.S.-Japan Trade Agreement signed in September 2019 will mean that U.S. dairy exports will be on a competitive level playing field with other dairy exporting countries such as Australia, New Zealand and Canada. Looking at the fundamental supply and demand situation, U.S. dairy product exports are poised to post substantial gains in 2020. Import demand for dairy products remains strong in developing economies driven by higher per capita incomes and an expanding middle class.

China is expected to start rebuilding its swine herd which will likely lead to higher imports of whey products and lactose. On the supply side, the global outlook points to more limited supplies as evidenced by rising prices of SMP, cheese, and whey products. Milk production in Australia is forecast to contract, while the pace of milk production growth in New Zealand and the EU is expected to slow. This leaves the United States as the leading exporter capable of filling any supply gaps. For 2020, U.S. exports on a milk fat equivalent basis are forecast to grow by 2 percent while shipments on a skimmed milk equivalent basis are expected to expand by 5 percent.

# ETHANOL

## Top 10 Export Markets for U.S. Ethanol (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Canada	616	593	621	590	573	-3%	599
Brazil	238	458	736	774	541	-30%	550
India	73	176	281	265	328	24%	225
EU28	72	22	101	169	178	5%	108
South Korea	125	71	92	134	174	30%	119
Colombia	4	10	56	76	114	49%	52
Philippines	136	103	101	128	99	-23%	113
Peru	57	76	72	69	85	23%	72
Oman	55	22	33	42	64	54%	43
Mexico	67	58	56	51	51	2%	57
All Others	300	454	263	389	217	-44%	325
Total Exported	1,743	2,042	2,412	2,687	2,424	-10%	2,262

Source: U.S. Census Bureau Trade Data - BICO HS-10

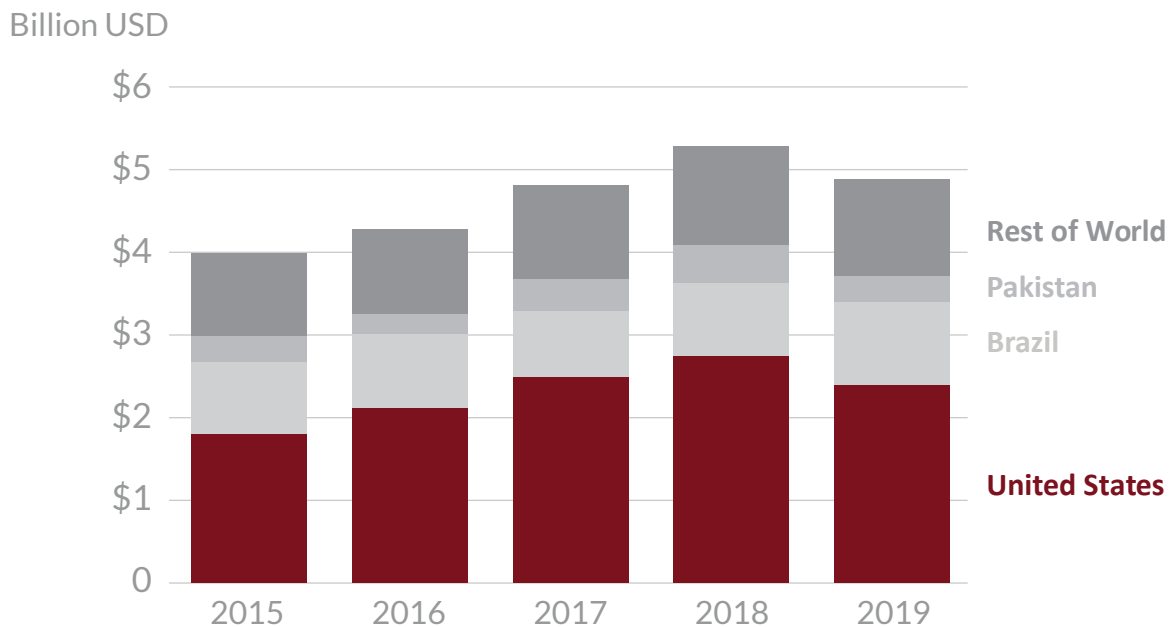
## Highlights

The United States exported 1.5 billion gallons of ethanol valued at \$2.4 billion in 2019. This was a 13 percent decline from the record 1.7 billion gallons set in 2018, and the first annual volume decline since 2013. Export value dropped a similar percentage with little change in prices. With no change in exportable supply in 2019, weaker Brazilian demand and higher China tariffs accounted for most of the 2019 export decline. Low sugar prices and gasoline tax policy boosted Brazil's demand for domestically produced hydrous ethanol, raising Brazilian production to record levels. As a response to Brazil's increased production, demand for anhydrous ethanol (supplied by the United States) dropped. U.S. anhydrous ethanol remained price competitive with Brazilian product lessening the impact from an above-quota 20 percent tariff that Brazil has maintained since September 2017 on ethanol imports under a tariff rate quota. China's fuel ethanol imports, both direct and indirect, were negligible in 2019. The last significant sales to China ended in April 2018 when the duty was raised to 45 percent. Shipments for use as other industrial chemicals to India, South Korea, and Mexico remained strong.

## Drivers

- Regulations, limited infrastructure and competition with petroleum producers limit U.S. growth of ethanol blends above 10 percent. Limited blending growth and a mostly static ethanol-gasoline fuel demand limit U.S. domestic market expansion, raising the importance of export growth.
- For most of 2019, U.S. ethanol prices were 20-45 percent below the prices of foreign competitors and ethanol importers. The price of U.S. ethanol relative to the global cost of reformulated gasoline with other fuel additives continues to favor ethanol blending in transport fuel. Policy changes will be needed to open these markets.
- Japan first imported ETBE containing U.S. corn ethanol in July 2019, following a 2018 change in policy which earlier only permitted the use of Brazilian ethanol derived from sugarcane. The estimated annual market value is \$170 million at 2019 prices.
- Countries blend biofuels into their fuel supply to lower carbon emissions and air toxins when striving to meet environmental and human health goals. But few countries have biofuel programs if they do not have domestic feedstock to support it, and when they do, typically establish barriers against imports.
- The United States has free trade agreements with four of the top ten ethanol export destinations, which help reduce barriers to U.S. ethanol.

## Global Ethanol Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

The COVID-19 outbreak has devastated global demand for liquid transport fuel and is expected to drive ethanol exports to levels not seen since 2007. When the world comes out of the pandemic and economic activity returns to pre-COVID-19 levels, ethanol exports will return to a pattern of growth. The United States supplies half of global ethanol trade (value basis) and will remain the dominant ethanol exporter over the coming decade due

to large corn stocks and the world's most price-competitive ethanol. Demand for mobility grows as population and incomes grow, but ethanol blending is only one of several means to meeting increased demand for mobility that is greener and lowers human health risks. Increased mass transport, improved fuel efficiency, telework, and alternative drive trains like electricity are all options in play and ethanol must compete for market share among these factors. Japan's new ETBE policy, the EU's removal of anti-dumping duties, and an improved share of Japan and South Korea's imports of ethanol used as industrial chemicals help sustain U.S. exports. Arbitrary anti-dumping cases, burdensome licensing regulations, Brazil's tariff rate quota, high China duties, and import bans imposed by Argentina, India, and Thailand, all limit (or threaten to limit) the United States' ability to export ethanol.



# FRESH FRUITS & VEGETABLES

## Top 10 Export Markets for U.S. Fresh Fruits and Vegetables

(Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Canada	3,520	3,441	3,487	3,417	3,463	1%	3,465
Mexico	683	602	705	760	803	6%	711
South Korea	386	401	505	510	419	-18%	444
Japan	392	481	413	426	402	-6%	423
Taiwan	264	318	292	278	326	17%	296
European Union	187	234	246	247	217	-12%	226
Hong Kong	299	292	302	248	205	-17%	269
Vietnam	59	67	72	103	140	36%	88
China	140	189	226	177	119	-33%	170
Australia	117	117	118	118	112	-5%	116
All Others	912	869	896	966	851	-12%	899
Total Exported	6,960	7,010	7,262	7,250	7,057	-3%	7,108

Source: U.S. Census Bureau Trade Data - BICO HS-10

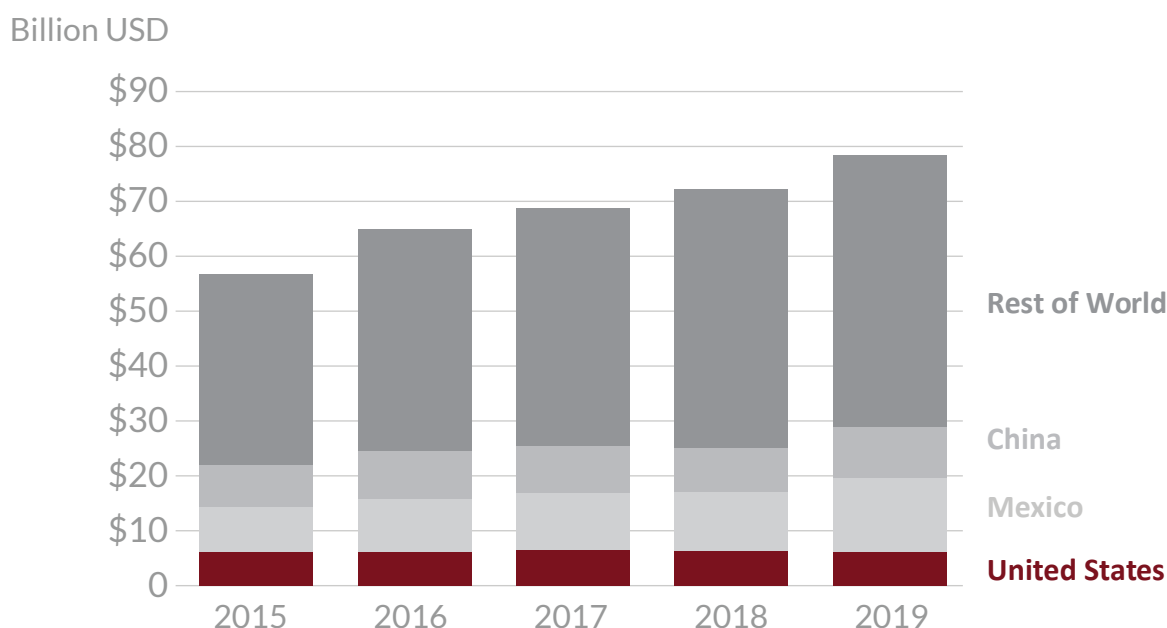
## Highlights

In 2019, the value of U.S. fresh fruit and vegetable exports to the world reached \$7.1 billion, a three percent decline from the prior year. Due to geographic proximity and climate, Canada remained the top U.S. market, accounting for 49 percent of exports, or \$3.5 billion. Mexico came in as a distant second with 11 percent of U.S. exports while no other markets had more than 6 percent share of exports. U.S. orange exports experienced the greatest drop, down \$100 million from 2018 and accounting for 34 percent of the overall decline, with the largest losses in South Korea, Canada, and China. U.S. orange production is still recovering from the poor harvest of 2018/19 and declining production due to citrus greening. Trade tensions contributed to a second year of decline in fruit and vegetable exports to China and Hong Kong. However, Taiwan and Vietnam saw significant gains of 17 and 36 percent, respectively, valued at \$47 million and \$37 million. Apples, pears, peaches, citrus, table grapes, and cherries continue to make up half of total U.S. fresh fruit and vegetable exports.

## Drivers

- Top fresh vegetable export commodities included lettuce, potatoes, sweet potatoes, onions, and cauliflower, which accounted for a combined \$1.0 billion, with top markets including Canada, Mexico, Japan, and Taiwan.
- Top fresh fruit export commodities included apples, grapes, oranges, and cherries, which accounted for a combined \$2.2 billion, with top markets including Canada, Mexico, South Korea, Japan, and Taiwan.
- Fruit and vegetable export products faced retaliatory tariffs from China ranging from 15 to 50 percent on fruits and 5 to 35 percent on vegetables. India imposed an additional 20 percent tariff on U.S. apples in June 2019, bringing the total tariff rate to 70 percent.
- Excessively stringent pesticide maximum residue levels (MRLs) on U.S. fruits and vegetables continued to challenge exporters selling to the EU and South Korea. The United States continues to advocate for compliance with science-based CODEX guidelines.

## Global Fresh Fruit and Vegetable Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Prior to the COVID-19 outbreak, U.S. apple production was expected to rise on improved output in Washington state. Exports are also forecast up on higher shipments to top market Mexico, boosted by the removal of the 20-percent retaliatory tariff in May 2019. U.S. table grape production is forecast to remain steady based on good growing conditions so far this season. Despite good quality supplies, lower demand from Mexico is expected to reduce exports in 2020. Cherry exports are projected to decline for the second straight year unless China's retaliatory tariffs are lowered or removed. New growth markets for fresh fruit and vegetables include Brazil, Ecuador, and Indonesia. Over the last 10 years, the growth rate for fresh vegetables has been steady on the strength of shipments to Mexico and Canada, while fresh fruit exports continue to decline from their 2013 peak,

primarily due to lower table grape, apple, and orange shipments. In 2020, South Korea implemented a positive list system for pesticide MRLs, after providing several years for interested producers and exporters to submit pesticide approval applications. If permanent standards are not established before transition-period temporary MRLs expire in December 2021, the U.S. horticultural industry could face a major trade barrier to South Korea. Taiwan and China also present challenges with MRLs. USDA continues to advocate with its foreign counterparts for a predictable, transparent, and science-based process for setting MRLs and import tolerances.

# PORK & PORK PRODUCTS

## Top 10 Export Markets for U.S. Pork (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Japan	1,565	1,553	1,626	1,631	1,523	-7%	1,580
China	427	713	662	571	1,300	128%	735
Mexico	1,268	1,360	1,514	1,311	1,278	-2%	1,346
Canada	778	798	793	765	802	5%	787
South Korea	472	364	475	670	593	-12%	515
Australia	173	178	208	227	302	33%	218
Colombia	102	105	163	215	222	3%	161
Hong Kong	282	360	415	282	154	-45%	299
Chile	41	54	85	91	123	35%	79
Philippines	80	79	98	116	93	-20%	93
All Others	379	373	446	524	562	7%	457
Total Exported	5,567	5,936	6,485	6,403	6,952	9%	6,269

Source: U.S. Census Bureau Trade Data - BICO HS-10

## Highlights

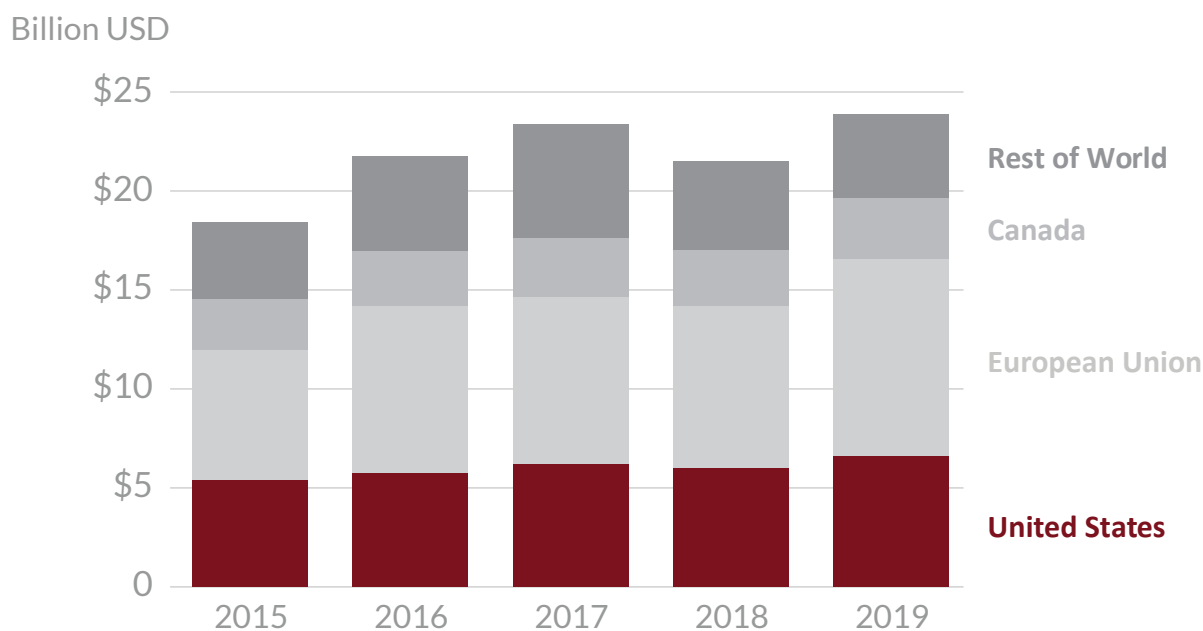
In 2019, the value of U.S. pork and pork product exports to the world reached a record \$7.0 billion, up 9 percent from the prior year. The top three markets, accounting for 59 percent of exports, were Japan, China, and Mexico at \$1.5 billion, \$1.3 billion, and \$1.3 billion, respectively. Exports to China more than doubled as production impacts from ASF buoyed demand for imported pork. Japan remained the top market by value, but higher competition from other suppliers led to a 7-percent decline from last year. Exports to Mexico also fell, as retaliatory tariffs stifled trade during the first half of the year. Despite the repeal of retaliatory tariffs in May 2019, a weak economy and strong gains in domestic production hampered demand for U.S. pork.

## Drivers

- China emerged as the second-largest market for U.S. pork in 2019, generating an additional \$700 million in exports over the previous year, due to decreased Chinese production resulting from an African Swine Fever outbreak.

- Australia was a bright spot for U.S. pork with the U.S. export value rising by one-third to \$300 million. Competitive prices and strong demand for processing boosted shipments.
- Exports to top market Japan declined \$100 million as U.S. pork faced strong competition from EU and Canadian pork.
- Rising consumer demand propelled exports to Central America, including double-digit growth to Costa Rica, Guatemala, Honduras, Nicaragua, and Panama.

## Global Pork Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

2020 exports of pork are forecast higher by volume on strong global demand. Robust growth in U.S. pork production will boost exportable supplies and exports will climb to a record 26 percent of domestic production. ASF will continue to be a major driver, with production shortfalls in China, the Philippines, and Vietnam propelling growth in pork trade. Despite retaliatory tariffs, U.S. pork is expected to make major gains to China, buoyed by implementation of the Phase One Agreement although impacts from coronavirus remain a risk factor. Exports to Japan are also expected to rise due to tariff reductions included in the U.S.- Japan Trade Agreement: beginning January 1, 2020, tariffs on U.S. pork are lowered to the same levels as those for Canada and the European Union. The COVID-19 outbreak injects uncertainty into the equation as closures of meat packing plants may affect the value and volume of pork supplies available for export.

# POULTRY MEAT & PRODUCTS

## Top 10 Export Markets for U.S. Poultry Products\* (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Mexico	1,029	932	933	956	1,077	13%	985
Hong Kong	408	426	469	431	354	-18%	418
Canada	594	510	459	405	353	-13%	464
Cuba	78	105	165	155	191	23%	139
Taiwan	163	127	152	189	187	-1%	164
Angola	110	86	156	184	151	-18%	137
Vietnam	84	79	76	110	140	28%	98
Guatemala	104	104	118	123	132	7%	116
Colombia	44	66	70	82	114	39%	75
Philippines	68	77	92	111	102	-7%	90
All Others	1,363	1,367	1,576	1,527	1,445	-5%	1,456
Total Exported	4,043	3,879	4,267	4,272	4,245	-1%	4,141

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excluding eggs

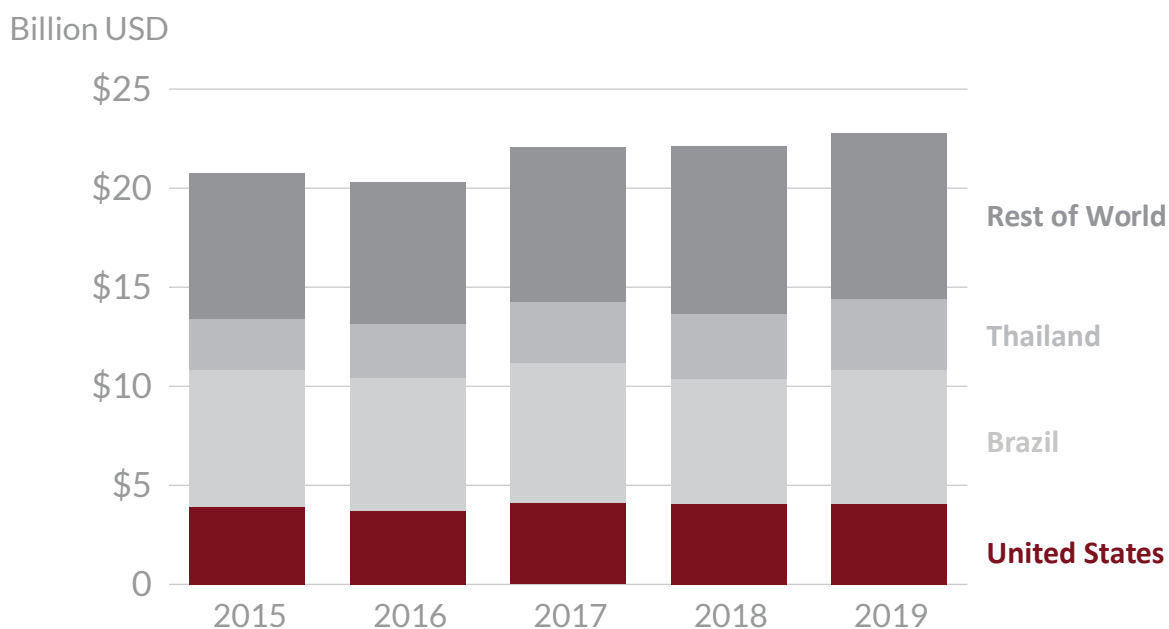
## Highlights

In 2019, the value of U.S. poultry and poultry product exports to the world reached \$4.25 billion, down 1 percent from the prior year and still failing to recover to the pre-2015 Highly Pathogenic Avian Influenza (HPAI) outbreak levels. The top three markets, accounting for 42 percent of sales, were Mexico, Hong Kong, and Canada at \$1.1 billion, \$354 million, and \$353 million, respectively. The continuation of generally positive trade conditions, including ample and affordable feed supplies, the absence of highly pathogenic avian influenza in the United States, and modest growth in global demand, supported sales in 2019. Positive developments in 2019 included increased exports to Mexico, Cuba, Vietnam, and Columbia all up from 13 to 39 percent. U.S. exports of poultry and poultry products are primarily of broiler meat (about 76 percent) to mostly developing markets. By volume, Mexico accounts for 21 percent of broiler meat shipments and no other market accounts for more than 10 percent of trade. Consequently, continuing economic growth and rising incomes in low- and middle-income countries bodes well for growing exports.

## Drivers

- While 2019 export values grew in some key markets like Mexico, Cuba, Vietnam and Colombia, values fell in other major markets such as Hong Kong, Canada and Angola pushing overall sales down.
- The United States continued to face market access issues in South South Korea Africa, Indonesia, Saudi Arabia, and India due to non-tariff and sanitary issues.
- Strong competition from Brazilian exports have elevated the competitive environment for poultry exports and taken some of the U.S. export market share.
- The United States continues to emphasize to the global trading community that using risk-based analysis and sound science are the best way to approach long-standing concerns such as HPAI regionalization and antibiotic detections.

## Global Poultry Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Prior to the COVID-19 outbreak, the volume of U.S. broiler and turkey meat exports for 2020 were forecast 4 and 3 percent higher, respectively. U.S. broiler meat exports for 2020 were forecast to eclipse the prior record set in 2013. Large domestic supplies and robust international demand will support stronger shipments with growth concentrated in developing markets like Mexico and the Philippines. While the Chinese market has reopened to U.S. poultry meat, tariffs will constrain price competitiveness unless China grants retaliatory tariff exemptions to U.S. imports. The USDA Long-term Projections reflect a positive outlook and forecast poultry meat exports to grow over the next 10 years. The United States is expected to maintain its position as the second-largest exporter of poultry meat, behind Brazil. Growing population and rising incomes, particularly in low- and middle-income countries will spur increased meat consumption, fostering demand for competitively priced chicken meat. Once fully implemented, USMCA will allow for improved U.S. chicken and turkey exports to Canada. However, the COVID-19 outbreak injects uncertainty into the equation as closures of packing plants may affect the value and volume of poultry supplies and decreased global economic growth may dampen demand behind Brazil and India.

# PREPARED FOODS

## Top 10 Export Markets for U.S. Prepared Foods\* (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Canada	1,910	1,890	1,908	1,930	2,020	5%	1,931
Mexico	705	710	679	743	777	5%	723
EU28	498	579	567	555	551	-1%	550
South Korea	316	365	324	356	490	38%	371
China	91	126	139	183	240	31%	156
Japan	232	233	275	265	233	-12%	248
Hong Kong	137	232	169	228	191	-16%	191
Taiwan	161	162	149	154	149	-3%	155
Thailand	107	126	131	133	137	3%	127
Australia	151	146	136	151	130	-14%	143
All Others	1,543	1,551	1,462	1,546	1,765	14%	1,573
Total Exported	5,849	6,118	5,938	6,245	6,682	7%	6,166

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Prepared foods are primarily shelf-ready foods shipped directly to distributors and retailers for sale directly to consumers. These include pastries, soups, broths, pastas, dough mixes, peanut butter, pizzas, and gelatins.

## Highlights

In 2019, the value of U.S. exports to the world reached \$6.7 billion, up 7 percent from the prior year. The United States' geographic neighbors, Canada and Mexico, remain the top two markets, accounting for nearly 42 percent of total exports to the world. The largest year to year increase was to "all other" countries who purchased \$218 million over the previous year including \$40 million increase to CAFTA-DR trade partners. Other countries with large increases over 2018 values were South Korea and China, up \$134 million and \$57 million respectively. U.S. exports of prepared foods to U.S. Free Trade Agreement partner countries account for 60 percent of total exports.

## Drivers

- In 2019, Canada and Mexico both increased imports by five percent driven in part from the end of trade tensions and retaliatory duties imposed the previous year.



- Shared tastes and preferences in North America allow the relatively uninhibited, cross-border transit of packaged foods. Increased demand for pastries, soups, doughs, and canned food preparations contributed to most of the growth to Canada.
- The largest increases in 2019 were of soup broths, canned food preparations, and frozen prepared food preparations, up \$62 million, \$47 million, and 36 million, respectively.

## Looking Ahead

Global demand for prepared foods is expected to remain strong into the near and long term. The global trade of prepared foods has nearly doubled over the last decade with the largest increases of imports coming from China, EU, South Korea, Canada, and Australia. Income growth and urbanization, most notably in Asia, has stimulated demand for shelf-ready, packaged foods. These macroeconomic trends are expected to continue. Higher incomes put more expensive imported shelf-ready products within reach of more consumers. As a larger percentage of the global population moves into the middle class the demand for convenience foods is expected to grow faster than that of other types of foods.

The U.S.-Mexico-Canada Agreement (USMCA) entered into force on July 1, 2020 and will ensure the smooth cross-border trade of food goods and lock in existing duty-free trade of these products, keeping the market strong for American exporters. Continued implementation of the KORUS Agreement with South Korea and tariff cuts under the Phase One trade deal with Japan will also provide lower duty access for many U.S. prepared foods. As Western Hemisphere economies grow, they provide excellent opportunities for expanding their imports of U.S. prepared foods, especially the free trade partners of Colombia, Peru, and CAFTA-DR countries.

Barriers to increasing exports of prepared foods exist as trading partners, especially in developing countries, expand their domestic food processing industries and impose SPS and non-tariff measures on imported packaged goods. Different regulations for front of package labelling- or sustainability certification, along with restrictions on genetically engineered products, and non-science-based restrictions on food additives, threaten exports and often raise prices. USDA will continue to work through international fora such as CODEX to address these barriers to increasing exports.

While the COVID-19 pandemic is expected to have an economic impact on global consumers, the demand for prepared foods, acquired from supermarket retail outlets and prepared at home, is expected to be much less affected than meats, seafood, and other goods that are consumed at higher levels in restaurants and away from home.

# RICE

## Top 10 Export Markets for U.S. Rice (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Japan	278	234	190	232	275	19%	242
Mexico	284	267	292	268	275	3%	277
Haiti	189	190	237	206	207	0%	206
Canada	160	148	148	175	194	11%	165
South Korea	133	105	86	89	135	52%	110
Saudi Arabia	87	93	88	73	97	32%	88
Jordan	82	73	90	66	76	16%	77
Iraq	53	43	19	89	72	-19%	55
Colombia	140	58	52	54	49	-10%	71
Honduras	60	71	45	61	47	-23%	57
All Others	525	502	463	365	436	19%	458
Total Exported	1,990	1,784	1,709	1,678	1,862	11%	1,805

Source: U.S. Census Bureau Trade Data - BICO HS-10

## Highlights

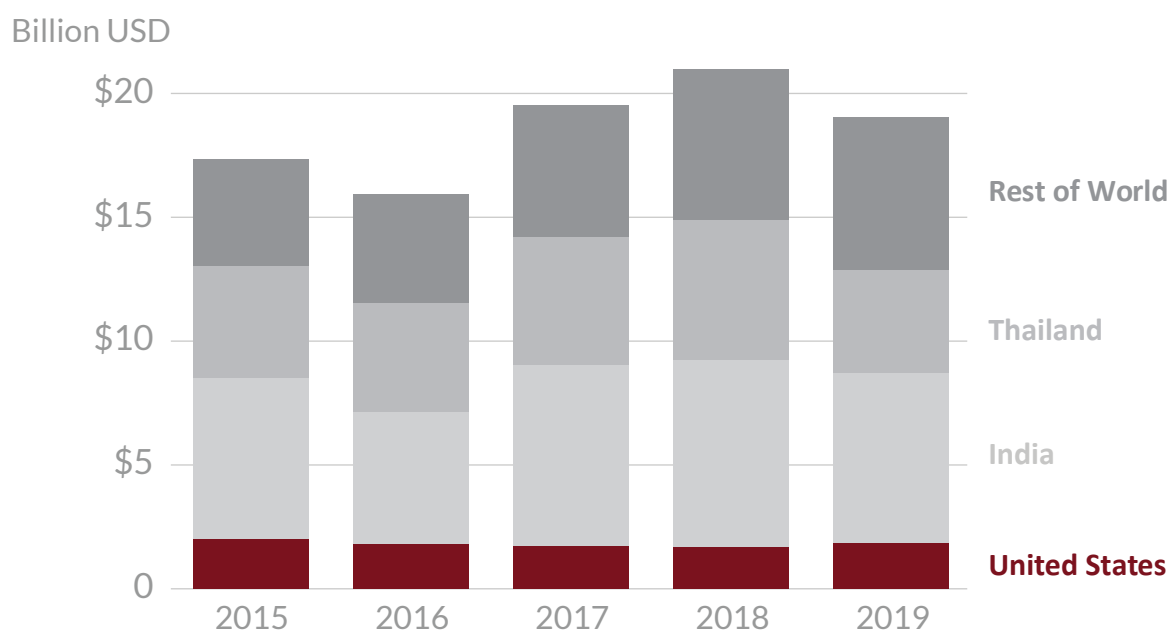
In 2019, the value of U.S. rice exports to the world reached \$1.9 billion, up 11 percent from the prior year. The top three markets, accounting for 41 percent of exports, were Japan, Mexico, and Haiti at \$275 million, \$275 million, and \$207 million, respectively. Mexico accounted for 23 percent by volume, primarily a paddy (rough) rice market. Free trade agreement regions remained significant markets, particularly in the Western Hemisphere.

## Drivers

- 2019 saw strong growth in exports to countries where the United States has free trade agreements, including Mexico, Canada, the CAFTA-DR countries, and Panama.
- Mexico continued as the top market and exports there expanded in 2019, particularly for paddy rice, with less competition from South American suppliers.
- Among CAFTA-DR countries, Honduras and Guatemala remained strong buyers and shipments to Nicaragua rebounded to levels not seen in a decade.

- Commercial export volumes to Haiti expanded amid more favorable prices.
- Medium-grain exports to Japan, South Korea, Taiwan, Saudi Arabia, and Jordan expanded both in terms of volume as well as value, with reduced competition from Australia amid its severe drought.

## Global Rice Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Prior to the COVID-19 outbreak, 2020 exports of rice were forecast 4 percent higher and are expected to account for around half of domestic production. More rice planted area is expected in the United States in 2020/21, resulting in larger expected exportable supplies. Demand for U.S. rice is expected to remain strong among core markets such as Mexico and Haiti. The outlook is favorable for maintaining a strong market presence in countries with Free Trade Agreements such as Colombia, Central America, and the Dominican Republic. However, competition from South American suppliers is expected to remain fierce for Western Hemisphere markets and Iraq. U.S. prices remain high relative to Asian prices, making it challenging to compete in price-sensitive markets such as Africa and Southeast Asia. While Thai prices are rising amid tighter supplies, Chinese export prices remain particularly low, and India and Vietnam remain formidable competitors. The COVID-19 outbreak will likely interject uncertainty into U.S. rice forecasts by affecting global demand as well as potential export restrictions by competitor producer and exporter nations.

# SOYBEANS

## Top 10 Export Markets for U.S. Soybeans (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
China	10,489	14,203	12,224	3,119	7,989	156%	9,605
European Union	1,898	1,899	1,637	3,078	1,953	-37%	2,093
Mexico	1,432	1,462	1,574	1,822	1,867	2%	1,632
Egypt	162	100	365	1,164	995	-14%	557
Japan	1,048	1,001	974	927	965	4%	983
Indonesia	773	988	921	999	862	-14%	909
Taiwan	578	579	586	854	677	-21%	655
Thailand	229	362	467	593	525	-12%	435
South Korea	223	227	295	327	396	21%	294
Bangladesh	301	228	391	434	388	-11%	348
All Others	1,730	1,791	2,023	3,746	2,045	-45%	2,267
Total Exported	18,862	22,840	21,456	17,063	18,660	9%	19,776

Source: U.S. Census Bureau Trade Data - BICO HS-10

## Highlights

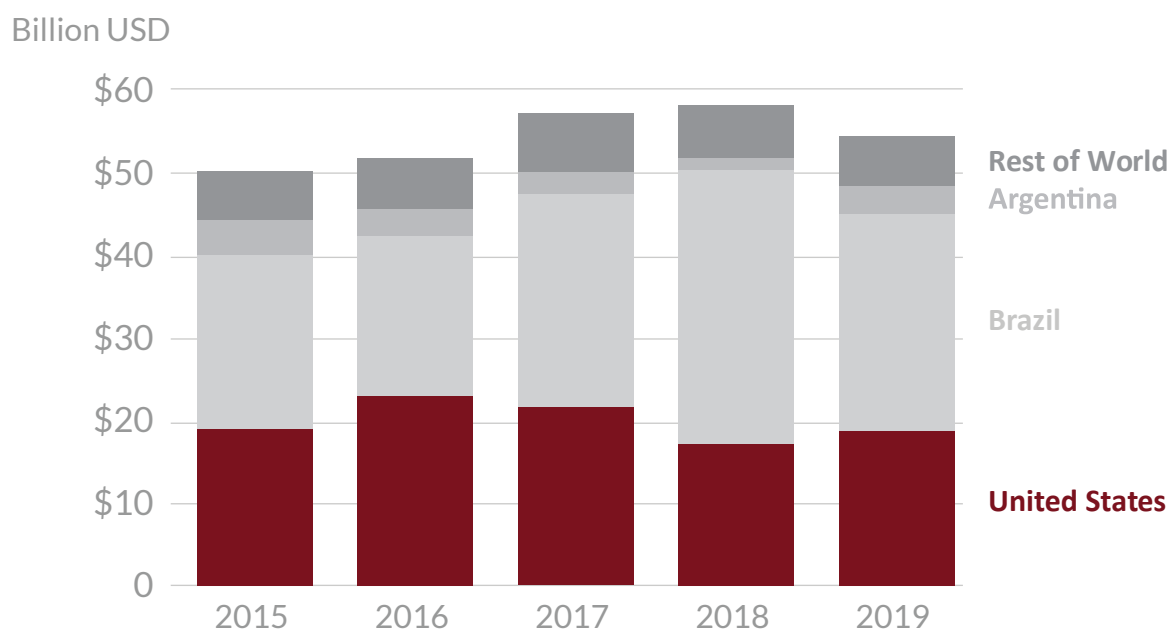
In 2019, the value of U.S. soybean exports to the world reached \$18.7 billion, up 9 percent in value from the prior year and up 13 percent in volume. A substantial increase in exports to China offset declining exports to other major markets. However, U.S. exports to China were still 3 million metric tons below 2017 levels. Despite year-on-year export growth in 2019, the total value of U.S. soybean exports was 14 percent below the 5-year average of 2013-2017.

## Drivers

- Abundant U.S. soybean supplies, partly due to lower export volumes and increased stocks in 2018, pressured prices lower in 2019.
- Lower demand for swine feed in China due to African Swine Fever reduced global demand for soybeans. However, China's imports of U.S. soybeans increased substantially at the end of 2019 with easing trade tensions and in line with historical season patterns.

- Exports to the EU fell 35 percent by volume as Brazil's price premium against the United States fell.
- Exports to traditional trading partners Mexico, Japan and South Korea continued to grow rising 2, 4, and 21 percent, respectively.

## Global Soybean Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

U.S. soybean exports are forecast up for the marketing year ending in September 2020 (MY 2019/20). U.S. exporters will likely see increased demand from China, where total imports are forecast 6 percent higher by volume over this period. However, Chinese demand will depend on expansion in China's livestock and poultry production with the swine sector still hampered by recovery from African Swine Fever. U.S. sales to China will depend on the availability of exemptions from Chinese tariffs and its compliance with the Phase One trade agreement. The United States will see increased competition from Brazil which is forecast to produce a record quantity of soybeans in MY 2019/20. Mexican imports are forecast to remain high in MY2019/20, providing an opportunity for U.S. exports. EU imports are forecast to increase in MY2019/20. However, U.S. performance in the EU market will depend on its price competitiveness with Brazil which is benefitting from depreciation of its currency. The COVID-19 pandemic may affect the global demand for food and feed as people stay home and eat out less.

# TREE NUTS

## Top 10 Export Markets for U.S. Tree Nuts (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
European Union	2,977	2,585	2,707	2,769	3,114	12%	2,831
India	606	521	738	663	823	24%	670
Canada	686	598	643	696	696	0%	664
Hong Kong	846	1,156	1,251	1,052	692	-34%	999
China	208	182	243	328	606	85%	314
United Arab Emirates	430	310	301	304	439	44%	357
Japan	480	374	398	433	416	-4%	420
Mexico	269	253	256	371	344	-7%	299
Turkey	300	365	308	279	341	22%	319
South Korea	354	296	305	290	290	0%	307
All Others	1,285	1,261	1,329	1,331	1,314	-1%	1,304
Total Exported	8,441	7,902	8,479	8,514	9,075	7%	8,482

Source: U.S. Census Bureau Trade Data - BICO HS-10

## Highlights

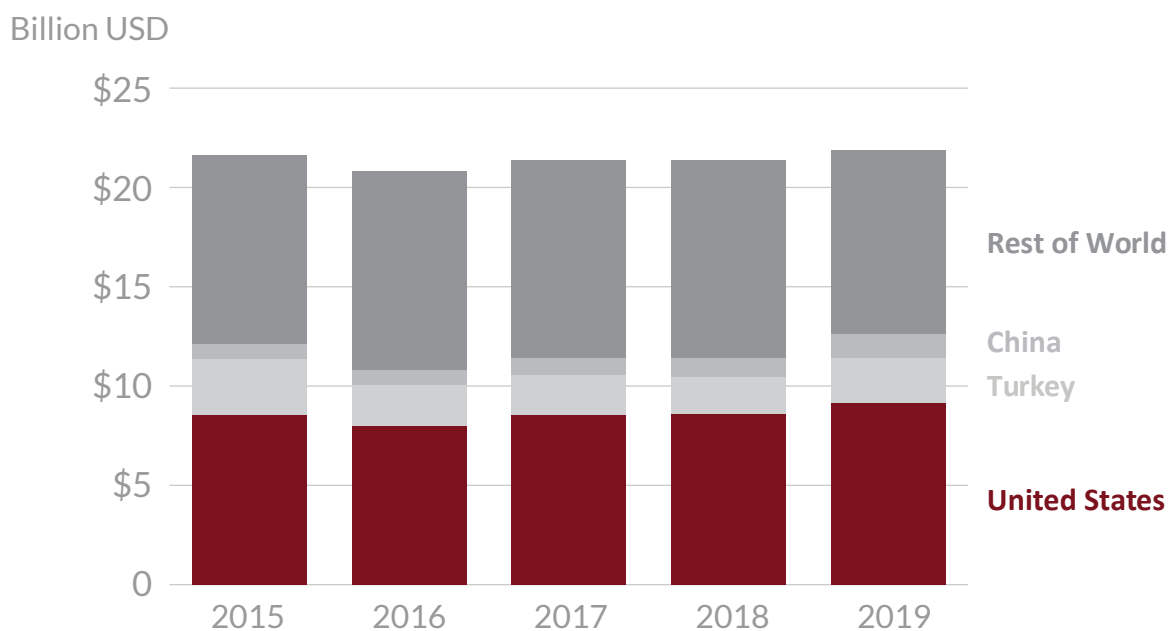
In 2019, the value of U.S. tree nut exports to the world was \$9.1 billion, a 7 percent increase over 2018. The top three markets, accounting for 51 percent of sales, were the EU, India, and Canada, at \$3.1 billion, \$823 million, and \$696 million, respectively. While tree nut exports to Hong Kong, Japan, and Mexico declined by 34 percent, 4 percent, and 7 percent, respectively in 2019, this was more than offset by increases in sales to the EU, India, and China. Although almonds, pistachios, and walnuts all saw reduced output due to lower yields in 2019, almond and pistachio exports gained over the previous year. U.S. exports continue to dominate the global almond, pistachio, and walnut markets despite disruptions due to tariffs and restrictive phytosanitary requirements. The breakout of 2019 tree nut exports were 54 percent almonds (\$4.9 billion), 22 percent pistachios (\$2.0 billion), 14 percent walnuts (\$1.3 billion), 5 percent pecans (\$475 million), 4 percent 'mixed & other nuts' (\$350 million), and 1 percent hazelnuts (\$90 million).

## Drivers

- Exports to Hong Kong and Vietnam fell due to China's tightening of import controls on the re-sale of U.S. tree nuts.

- Strong demand drove exports to China up \$278 million in 2019, despite retaliatory tariffs of 40 percent.
- Exports to India rebounded 24 percent, or \$160 million in 2019 (record year), despite implementation of retaliatory tariffs for almonds and walnuts.
- Tree nut exports to EU increased 12 percent in part due to pre-departure inspection programs put into place.

## Global Tree Nut Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Moving forward, the United States is likely to maintain its near 80 percent share of world almond production and trade, with limited competition from Australia. The U.S. walnut industry commands over half of world trade, with modest competition from Ukraine, where limited expansion is foreseen. Although China produces over 40 percent of the world's walnuts, their exports account for less than 5 percent of world trade due to variety preferences and strong domestic demand. The U.S. pistachio industry will likely remain in close competition with Iran to be the world's leading producer and exporter, often trading places depending on conditions affecting yield. New market opportunities for U.S. tree nut exports include countries in Central and South America. The United States has competitive advantages in tree nut production and exports, with 10-year growth averaging 7 percent annually and is well-positioned to maintain its global dominance. Some issues affecting future sales include compliance with pesticide maximum residue levels (MRLs) which has increasingly presented exporters with challenges selling to the EU. The United States continues to advocate systems that comply with science-based WTO guidelines. U.S. tree nut producers also face concern over Japan's stringent enforcement and testing protocol for aflatoxins which lead to 100 percent monitoring on U.S. shipments. The COVID-19 pandemic may affect the global demand for tree nuts as global spending slows, people stay home and eat out less.

# WHEAT

## Top 10 Export Markets for U.S. Wheat (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Mexico	651	612	852	662	812	23%	718
Philippines	516	592	555	643	700	9%	601
Japan	747	604	714	717	608	-15%	678
Nigeria	524	265	372	193	472	144%	365
Taiwan	283	257	295	267	324	21%	285
South Korea	309	248	329	363	296	-18%	309
Indonesia	105	192	298	177	283	60%	211
European Union	287	165	154	210	200	-5%	203
Egypt	101	20	34	25	185	656%	73
Yemen	96	92	84	103	168	64%	108
All Others	2,008	2,299	2,373	2,030	2,164	7%	2,175
Total Exported	5,628	5,346	6,058	5,389	6,214	15%	5,727

Source: U.S. Census Bureau Trade Data - BICO HS-10

## Highlights

In 2019, the value of U.S. wheat exports to the world reached \$6.2 billion, up 15 percent from the prior year as a result of reduced competition from Australia, Canada, and Russia. The top three markets, accounting for 34 percent of exports, were Mexico, Philippines, and Japan at \$812 million, \$700 million, and \$608 million, respectively. U.S. wheat exports continue to be spread out across a wide variety of markets. Due to China's retaliatory tariffs of 25 percent imposed on U.S. wheat, exports to China were down 84 percent from 2017 values. On the positive side, exports to Nigeria recovered from 2018 and exports to Egypt increased by more than 600 percent.

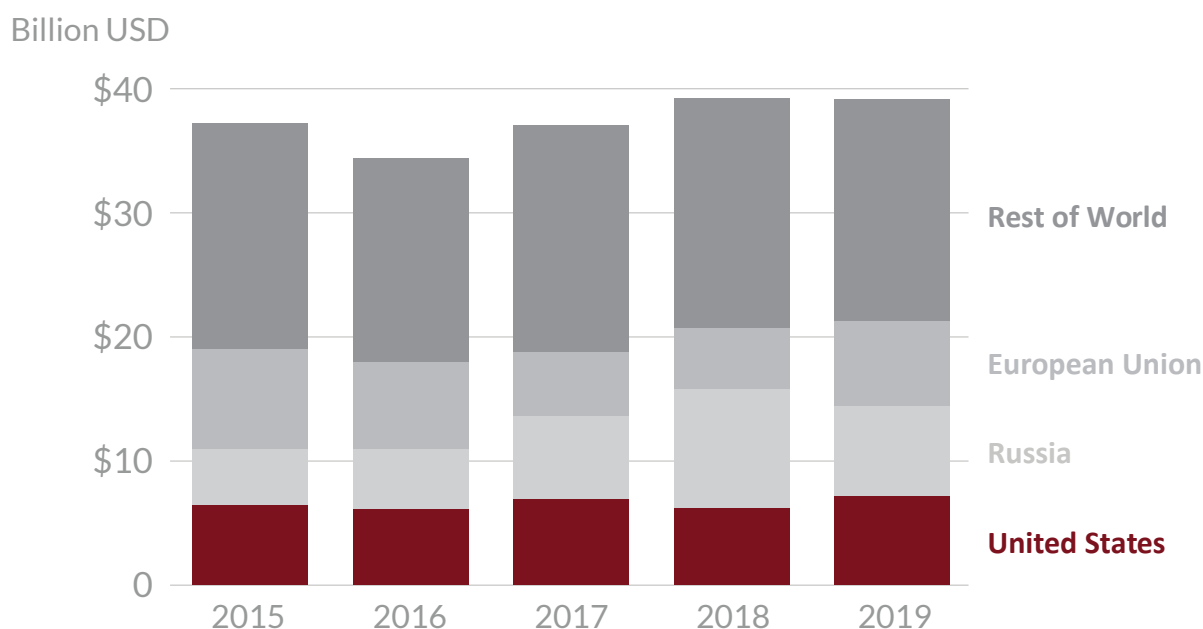
## Drivers

- Nigeria and Egypt were the largest growth markets for U.S. wheat in 2019. Nigeria imported \$472 million of U.S. wheat, up 144 percent from the previous year. Egypt imported \$185 million worth, up from just \$24 million in 2018. U.S. wheat benefitted from a period of price competitiveness early in 2019 that allowed for a resurgence in exports to price-sensitive markets.



- Tighter supplies in Australia, Russia, and Canada allowed U.S. wheat to gain global market share.
- Major challenges for U.S. wheat exporters include proper implementation of tariff rate quotas in Brazil and China and domestic support for wheat in China and India.

## Global Wheat Exports



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Global trade in wheat is expected to grow in years to come, but the United States will need to maintain its place among major competitors like Russia, Ukraine, and the EU. The United States is likely to continue as a major supplier of wheat to much of Latin America and East/Southeast Asia. U.S. competitiveness in core markets during 2020 is likely to remain strong based on relatively tight supplies from key competitors Australia and Canada. Mexico is likely to remain a strong U.S. market, despite continued competition from Russia. Outside of core markets, U.S. wheat will likely struggle as both EU and Russia continue to have abundant supplies. Considering this intense competition, exports to Africa and the Middle East are likely to be inconsistent. U.S. wheat is not competitive in China with retaliatory tariffs of 25 percent. However, exports to China could be sizable, particularly if China administers its 9.6 million-ton TRQ in compliance with its WTO obligations. The signing of the U.S.-Japan Trade Agreement is expected to help the United States maintain its competitiveness in this key market and prevent loss of market share to Australia and Canada. Brazil recently opened a global TRQ of 750,000 tons which could offer a chance for expanded U.S. exports. The COVID-19 pandemic may affect the global demand for wheat and flour as global spending slows, people stay home and eat out less.

# COUNTRY OVERVIEW

## Top U.S. Agricultural Export Markets (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Canada	20,988	20,307	20,608	20,871	20,751	-1%	20,705
Mexico	17,695	17,827	18,598	19,096	19,156	0%	18,474
China	20,230	21,394	19,476	9,147	13,849	51%	16,819
European Union	12,133	11,523	11,438	13,510	11,744	-13%	12,069
Japan	11,135	11,030	11,897	12,930	11,721	-9%	11,742
South Korea	6,028	6,183	6,868	8,312	7,519	-10%	6,982
Taiwan	3,150	3,226	3,317	3,949	3,560	-10%	3,441
Vietnam	2,244	2,656	2,532	3,991	3,507	-12%	2,986
Hong Kong	3,582	3,832	4,213	3,961	2,991	-24%	3,716
Philippines	2,310	2,573	2,581	2,956	2,892	-2%	2,662
Indonesia	2,190	2,678	2,892	3,097	2,860	-8%	2,743
Colombia	2,410	2,383	2,528	2,904	2,684	-8%	2,582
India	1,186	1,270	1,618	1,501	1,842	23%	1,484
Thailand	1,699	1,594	1,839	2,122	1,825	-14%	1,816
United Kingdom*	1,779	1,906	1,702	1,824	1,635	-10%	1,769
All Others	26,076	26,202	27,754	31,250	29,757	-5%	28,208
World Total	133,057	134,678	138,160	139,597	136,658	-2%	136,430

Source: U.S. Census Bureau Trade Data

\*UK is counted in the European Union. If UK were reported as a unique country it would rank as the United States' 15th largest export market.

## Highlights

Total U.S. agricultural exports to the world in 2019 were nearly \$137 billion, down two percent from 2018. The top two trading partners remained our NAFTA neighbors, Canada and Mexico, which were relatively flat in terms of the value of exports sent to them. Some lingering trade tensions related to retaliatory tariffs imposed on U.S. agriculture, slowed U.S. exports the first half of the year. The most noticeable development in 2019 global exports was the resurgence of China who climbed from fifth to the third largest export destination, increasing their imports of U.S. goods by \$4.7 billion (+51%) over the previous year. However, exports to China are still \$6.5 billion lower than the 2015-2017 average, prior to the U.S.-China trade dispute.

As China purchased more U.S. goods, exports to other trading partners, which had taken advantage of low U.S. prices in 2018, declined significantly in 2019. U.S. exports to the remainder of our top 10 export markets all declined. Exports to the EU, Japan, South Korea, Taiwan, Vietnam, Hong Kong, Indonesia and Colombia were all down around 10 percent, or a combined \$6 billion, more than offsetting the increased exports to China. The COVID-19 pandemic will likely slow economic growth and reduce the global demand for food as people spend less, stay home and eat out less.

One noteworthy export expansion in 2019 was an increase of 23 percent in exports to India, driven primarily by larger shipments of tree nuts and cotton.

# CANADA

## Top 10 U.S. Agricultural Exports to Canada (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Prepared Food	1,910	1,890	1,908	1,930	2,020	5%	1,931
Fresh Vegetables	1,871	1,807	1,878	1,884	1,981	5%	1,884
Fresh Fruit	1,649	1,633	1,608	1,533	1,482	-3%	1,581
Snack Foods	1,332	1,315	1,355	1,408	1,364	-3%	1,355
Non-Alcoholic Beverages*	1,192	1,156	1,087	1,070	1,041	-3%	1,109
Pork & Pork Products	778	798	793	765	802	5%	787
Dog & Cat Food	602	597	640	650	752	16%	648
Chocolate & Cocoa Products	725	749	748	713	711	0%	729
Tree Nuts	686	598	643	696	696	0%	664
Dairy Products	554	630	637	641	666	4%	626
All Other	9,689	9,135	9,311	9,581	9,236	-4%	9,391
Total Exported	20,988	20,307	20,608	20,871	20,751	-1%	20,705

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes juices

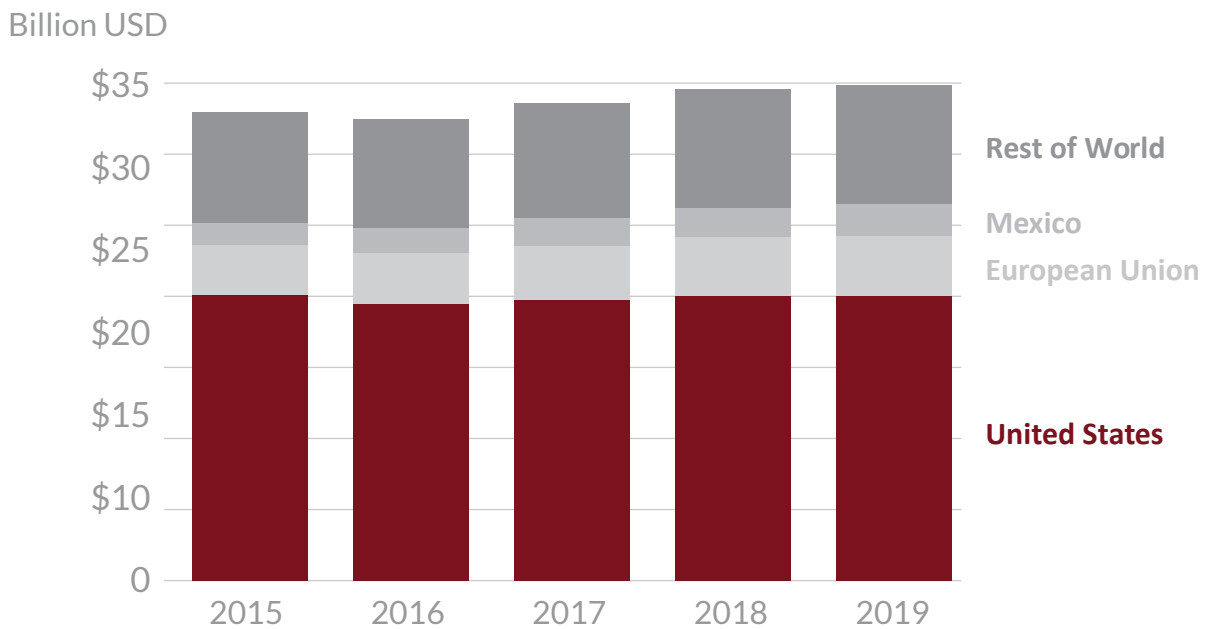
## Highlights

In 2019, Canada continued to be the top destination for U.S. agricultural exports, which amounted to \$20.8 billion, down slightly from the 2018 value. Canada represented 15 percent of total U.S. agricultural exports. The United States was Canada's largest trading partner for agricultural goods, capturing 58 percent of Canada's import market, followed by the EU-28, with a 12 percent share. Although Canada had imposed 10 percent retaliatory tariffs until May 2019 on a number of agricultural products and the U.S. dollar remained strong, U.S. agricultural exports to Canada were resilient. Sales to Canada were driven by robust business relationships between Canadian buyers and their commitment to their U.S. suppliers. The largest export growth was seen in dog & cat food and fresh vegetables, up \$101 million and \$97 million, respectively, and increases in exports of prepared food, live animals, and pulses were up \$89 million, \$50 million, and \$43 million, respectively. Exports of beef & beef products were down by more than \$91 million. Exports of soybeans, poultry & meat (excluding eggs), and fresh fruit were down \$88 million, \$52 million, and \$51 million, respectively. Despite these decreases, Canada in 2019 was the top market for U.S. prepared foods, fresh fruit, snack foods, processed vegetables, fresh vegetables, feeds & fodders, wine & beer, non-alcoholic beverages (not including juices), condiments & sauces, chocolate and cocoa products, dog & cat food, processed fruits, vegetable oils (excluding soybeans), live animals, fruits & vegetable juices, breakfast cereals, and other oilseeds including rapeseed and flaxseed.

## Drivers

- Processed foods such as prepared goods, snack foods, and beverages as well as fresh fruits and vegetables continue to be the top exports to Canada. Climatic conditions and geographic proximity provide the United States with a strong competitive advantage in supplying fresh goods to Canada while highly integrated supply chains and logistical advantages ensure the timely delivery of processed foods and retail-ready goods.
- U.S. exports of beef and beef products fell by \$91 million to its lowest value since 2009. Overall Canadian demand for beef imports from the world declined 13 percent by volume while the United States maintained its 63 percent market share. In terms of value, the U.S. maintained its nearly 70 percent market share while overall beef imports from the world declined by 27 percent.
- U.S. exports of soybeans were down \$88 million from the record value in 2018. In 2018, Canada took advantage of low prices to import a record volume of soybeans, thus dampening the need to import large volumes in 2019. The U.S. maintained a greater than 80 percent market share while overall imports by Canada were down.
- For all dairy products, U.S. exports increased four percent, but outcomes within the sector were mixed. Milk-based drinks were up 33 percent to \$82.6 million, and whey protein was up 20 percent to \$70.5 million. Such increases more than offset decreases in exports of butter (33 percent) and other products.

## Canada's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

The United States and Canada strengthened their long-standing free trade relationship through the negotiation and signing of the United States-Mexico-Canada Agreement (USMCA). USMCA implemented in July 2020, and ensures duty free access for nearly all agricultural commodities. Some of the achievements of the USMCA that should benefit the U.S. agricultural sector include expanded dairy and poultry access as well as the outcomes that address wheat grading policy and wine access. Over the next decade, Canada is projected to be one of the world's largest importers of U.S. biofuels and remain a top market for U.S. ethanol.

Canada's global poultry imports under NAFTA are constrained by a tariff-rate quota (TRQ) calculated as a function of Canadian chicken meat production in the preceding calendar year. USMCA provides a country specific TRQ for the United States, which should help preserve trade as the Canadian market evolves and becomes more competitive and open to new free trade agreement partners.

Canada remains active in expanding free trade agreements with other trading partners. TRQ access for third-country competitors will continue to grow in the coming years under two other free trade agreements. Canada recently implemented: the eleven-nation Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Comprehensive Economic and Trade Agreement (CETA) with the European Union. Given that Canada is a mature market with modest economic growth and a low population growth, further expansion of U.S. exports will be challenging. Additionally, there remains significant potential in greater penetration of francophone Canada, particularly Quebec.

The COVID-19 pandemic interjects considerable uncertainty into the global trade of food and agricultural goods. Slowing economic growth, high unemployment, reduced spending, and potential impacts on the food supply chain may dampen the demand for imported foods and agricultural goods.

# CHINA

## Top 10 U.S. Agricultural Exports to China (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Soybeans	10,489	14,203	12,224	3,119	7,989	156%	9,605
Pork & Products	427	713	662	571	1,300	128%	735
Cotton	859	554	978	924	708	-23%	805
Tree Nuts	208	182	243	328	606	85%	314
Hides & Skins	1,268	948	945	607	412	-32%	836
Dairy Products	451	386	576	499	374	-25%	457
Hay	331	355	340	272	296	9%	319
Prepared Food	91	126	139	183	240	31%	156
Coarse Grains*	2,115	1,030	838	521	191	-63%	939
Feeds & Fodders	377	379	267	233	176	-24%	286
All Other	3,615	2,519	2,264	1,889	1,557	-18%	2,369
Total Exported	20,230	21,395	19,476	9,147	13,849	51%	16,819

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes corn

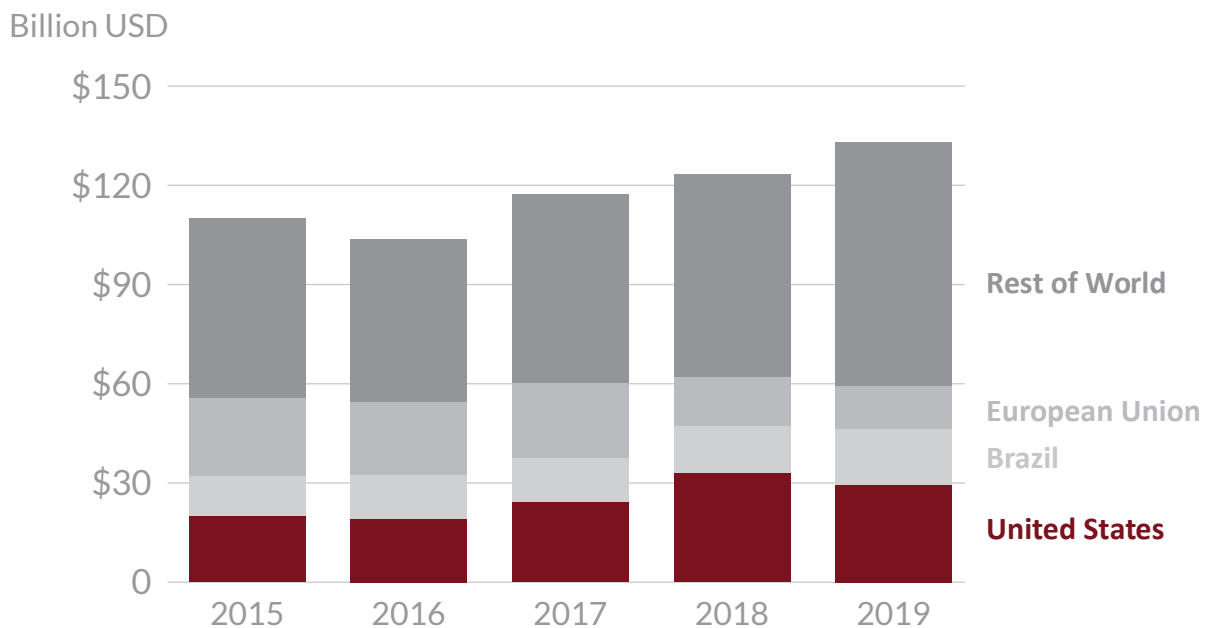
## Highlights

In 2019, U.S. agricultural exports to China totaled \$13.8 billion, up from \$9.1 billion in 2018. China was the third largest market for U.S. agricultural exports. In 2018, U.S. exports to China decreased due a trade dispute resulting in retaliatory tariffs and slowing economic growth. During 2019, the largest export increases were seen in soybeans and pork and pork products, up \$4.9 billion and \$729 million, respectively. In addition, increases in U.S. exports of tree nuts, prepared foods, and beef and beef products were up \$278 million, \$57 million, and \$25 million, respectively. China's retaliatory tariffs continued to suppress exports of U.S. agricultural products. Sorghum exports were down more than \$330 million. Exports of U.S. cotton, hides and skins, and tobacco were also down \$216 million, \$195 million, and \$156 million, respectively. Despite a challenging trade environment, China in 2019 was the top market for U.S soybeans, hides and skins, and sorghum. Brazil (22 percent market share) and the European Union (13 percent) were the top suppliers of agricultural goods to China, followed by the United States with 10 percent.

## Drivers

- Throughout the U.S.-China trade dispute, China targeted agriculture with retaliatory tariffs limiting opportunities for U.S. exporters. U.S. food and agricultural exports increased during periods of warming bilateral relations, only to plummet when trade tensions ran high.
- Soybean exports rebounded from 2018 lows as China imported more beans during periods of favorable trade negotiations and taking advantage of low U.S. soybean prices.
- Tree nut exports were up 85 percent as China imported more pistachios and almonds directly while transshipments through Hong Kong decreased in half.
- African Swine Fever inflicted significant losses in China's swine herd, tightening the pork supply, and leading to a spike in market prices. To offset lower domestic production, China imported record volumes of animal and aquatic protein in 2019. Among U.S. products, pork and beef benefited the most from these developments – hitting record values in 2019.

## China's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

On January 15, 2020, the United States and China signed the Phase One trade agreement that includes China's commitment to purchase additional U.S. agricultural goods over the next two years. On February 14, 2020, the Phase One Trade Agreement officially entered into force. China is expected to meet certain market access goals according to the timeline established in the Agreement. China's expedience and efficacy in removing structural barriers to U.S. agricultural products and its willingness to lower or waive import tariffs will drive China's progress towards meeting its food and agricultural purchase commitments, valued at roughly \$80 billion over the next two years.



At the same time, various human, animal, and plant diseases and pests will each impact Chinese demand for food and agricultural products and thereby affect U.S. agricultural export prospects in 2020. The outbreak of COVID-19 and subsequent disease mitigation measures creates substantial uncertainty for the Chinese and global economies. Disruptions to the free movement of people and goods limit Chinese port and internal logistics capacity and hamper the ability of U.S. producers to market their products in China.

China's on-going battle against African Swine Fever is expected to keep China's pork prices at record highs and drive demand for imports. Similarly, in early 2020, China reported several outbreaks of highly pathogenic avian influenza. These diseases continue to add uncertainty and to impact China's meat and poultry prices and demand unevenly, while also affecting the livestock industry's demand for U.S. animal feed ingredients, such as soybeans. At the same time, China faces a fast-spreading plant pest problem as fall armyworm, predominantly a corn pest, reaches farms across the country. China's response to this plant pest will impact grain supply, demand, and trade.

# COLOMBIA

## Top 10 U.S. Agricultural Exports to Colombia (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Corn	770	771	785	927	683	-26%	787
Soybean Meal	311	259	340	481	425	-12%	363
Soybeans	199	195	212	256	222	-13%	217
Pork & Products	102	105	163	215	222	3%	161
Dairy Products	55	88	65	73	145	100%	85
Wheat	166	181	173	88	137	55%	149
Poultry Meat & Products*	44	66	70	82	114	39%	75
Feeds & Fodders NESOI	79	76	80	98	80	-18%	83
Prepared Food	101	97	53	65	76	17%	79
Soybean Oil	25	62	73	100	57	-43%	63
All Other	557	483	514	520	523	1%	520
Total Exported	2,410	2,383	2,528	2,904	2,684	-8%	2,582

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes eggs

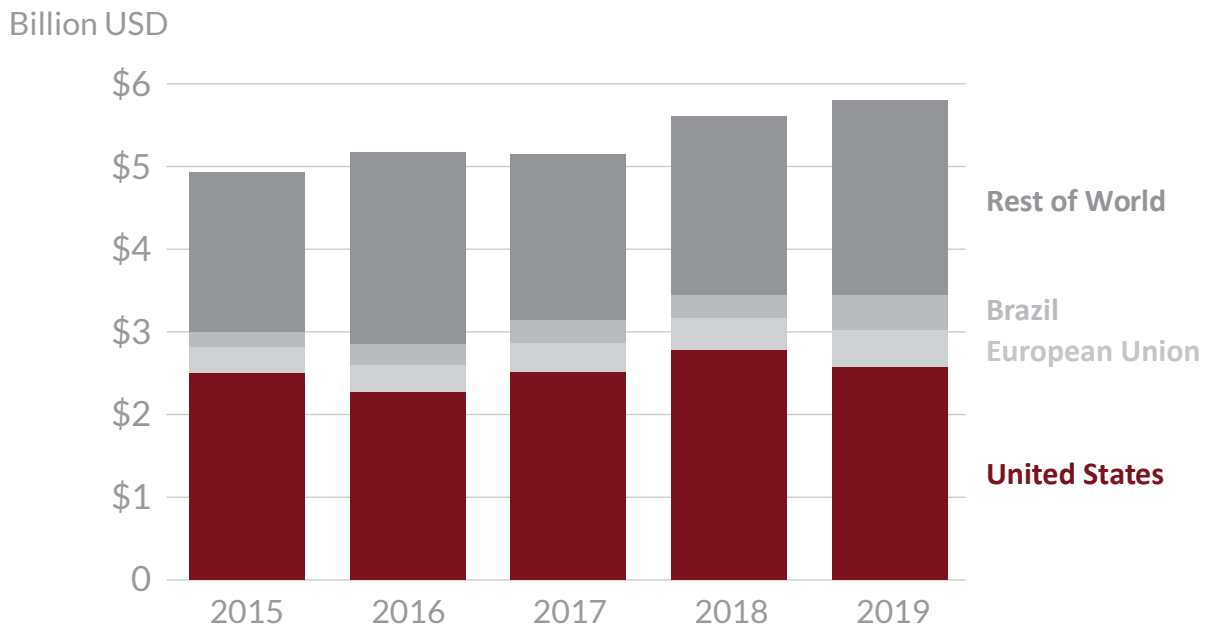
## Highlights

In 2019, Colombia was the 12th largest destination for U.S. agricultural exports, which totaled \$2.7 billion, an 8 percent decrease from 2018. The United States is Colombia's top supplier of agricultural goods with 44 percent market share, ahead of the European Union with 7 percent. The U.S.-Colombia Trade Promotion Agreement (CTPA) has expanded export opportunities for many agricultural products. The largest year-to-year export increases were seen in dairy products and wheat, up \$73 million and \$49 million, respectively. Additionally, increases in exports of poultry meat & products (excluding eggs) and prepared foods were up \$32 million and \$11 million, respectively. Exports of corn were down by more than \$244 million. Exports of soybean meal, soybean oil, and soybeans were down \$56 million, \$43 million, and \$34 million, respectively. In 2019, Colombia was the world's 4th largest market for U.S. corn exports, 7th largest market for U.S. pork, 9th largest market for U.S. poultry, and 10th largest market for U.S. dairy products.

## Drivers

- In 2019, U.S. consumer-oriented agricultural product exports to Colombia, including dairy, poultry, meat products, and prepared foods, were up 21 percent to nearly \$800 million. Continued strong economic growth of 3.3 percent in 2019 drove the demand for imported goods.
- In 2019, competitive prices helped U.S. wheat exporters increase its market share in Colombia to 33 percent from 25 percent in 2018.
- U.S. bulk commodity exports such as corn and soybeans were hurt by the strong U.S. dollar and increased competition from Brazil and Argentina.
- Mercosur countries, Brazil and Argentina, benefited from competitive prices under the Andean Community Price Band System, which grants them preferential duty treatments. U.S. corn market share in Colombia decreased from 97 percent in 2018 to 68 percent in 2019 as the U.S. experienced higher prices compared to South American competitors.
- In 2019, Colombia imported larger quantities of soybean meal and soybeans compared to the previous year as a result of increased demand by Colombia's feed industry. In 2019, the United States market share for soybean and soybean meal was 100 percent and 80 percent, respectively, making Colombia the third largest market for U.S. soybean meal globally.

## Colombia's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Colombia is the leading destination for U.S. agricultural exports to South America, and the United States continues to be the main supplier for most Colombian agricultural imports due to CTPA trade preferences. In 2019, 44 percent of all food and agricultural products imported to Colombia came from the United States.

In 2020, the United States may continue facing increased competition from South American exporters because of the Colombia-Mercosur Economic Complementation Agreement, which removes or lowers duties on many agricultural products imported from Brazil, Argentina, Paraguay and Uruguay.

Income and population growth in Colombia are projected to continue driving increases in demand for most imported agricultural products. Most importantly, corn, soybean meal and soybean oil imports are expected to grow over the next ten years and the United States is in a favorable position to meet Colombia's needs. Although the COVID-19 pandemic will temporarily slow economic growth and demand for imports, Colombia is expected to make a fast economic recovery. U.S. consumer-oriented food exports, such as pork, poultry and dairy, are expected to continue rapid growth in Colombia as economic growth and middle-class expansion return.

Competition from Canadian wheat exporters continue to be the most significant challenge for U.S. exporters. The Colombia-Canada Free Trade Agreement was signed a year before the CTPA, which resulted in a "head-start" advantage to Canadian exporters that strengthened their trade relations with Colombian millers.

# EGYPT

## Top 10 U.S. Agricultural Exports to Egypt (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Soybeans	162	100	365	1,164	995	-14%	557
Wheat	101	20	34	25	185	656%	73
Feeds & Fodders	153	79	70	84	78	-8%	93
Beef & Beef Products	154	99	72	66	76	16%	94
Dairy Products	44	29	36	31	45	49%	37
Tree Nuts	29	32	10	24	32	37%	25
Cotton	40	34	36	55	31	-43%	39
Vegetable Oils*	44	51	48	34	30	-13%	41
Live Animals	6	6	4	4	9	128%	6
Planting Seeds	7	10	9	4	8	105%	8
All Other	312	282	87	424	71	-83%	235
Total Exported	1,052	741	770	1,914	1,561	-18%	1,208

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes soybeans

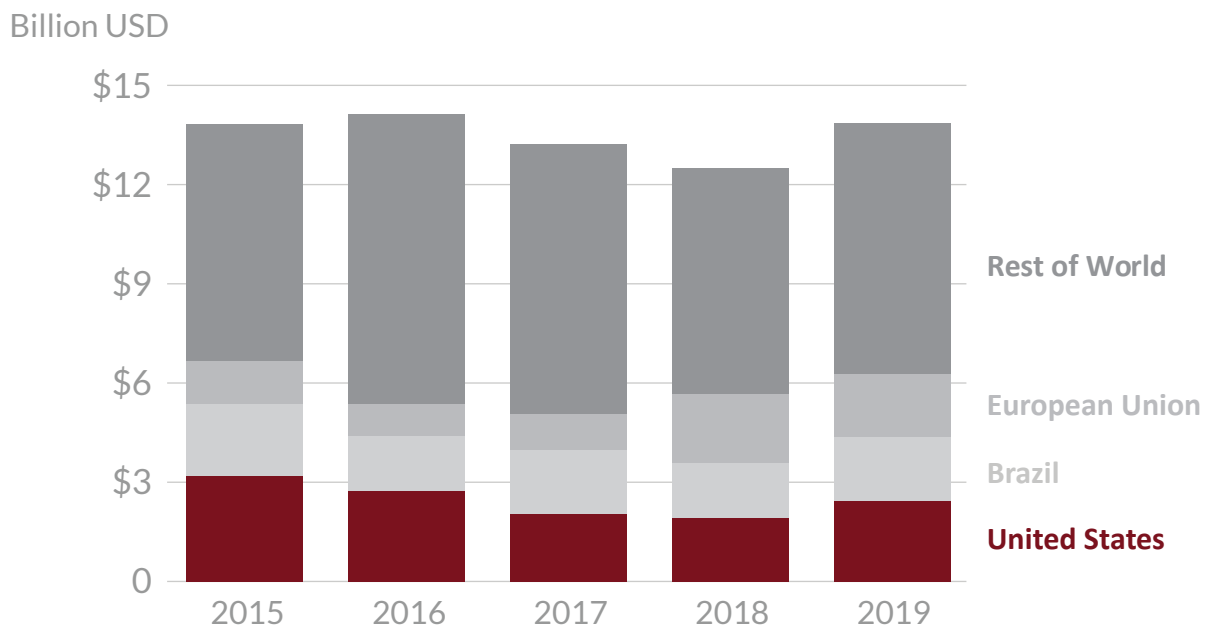
## Highlights

In 2019, Egypt was the 15th largest destination for U.S. agricultural exports, which totaled \$1.6 billion, an 18 percent decrease from 2018. The United States is expected to be the fourth largest agricultural supplier to Egypt with 11 percent market share, just behind the European Union (EU) with 16 percent and Brazil with 13 percent. Exporters from the United States face competition from the EU member states which have a geographical advantage, lower shipping rates and a free trade agreement which provides preferential tariffs to EU-origin products. The largest export growth for the United States was seen in wheat and dairy products, up \$161 million and \$15 million, respectively. Additionally, increases in exports of beef & beef products, tree nuts, and live animals were up \$10 million, \$9 million, and \$5 million, respectively. Exports of corn were down by more than \$320 million. Exports of soybeans, cotton, and tobacco were down \$168 million, \$24 million, and \$16 million, respectively.

## Drivers

- Wheat exports were up \$160 million to its highest level since 2013. U.S. wheat benefitted from a period of price competitiveness early in 2019 that allowed for a resurgence in exports to price-sensitive markets such as Egypt.
- Soybean exports to Egypt remained strong in spite of coming off the 2018 record export value, thanks to an early first quarter surge which accounted for much of the year's exports.
- Egypt imported no corn from the U.S. in 2019 after imports of \$320 million the year before. Higher U.S. prices compared to competitors in South America and Black Sea were responsible for the dramatic drop in U.S. corn exports.
- Strong economic growth and lower unemployment continued to spur imports of consumer-oriented goods such as beef, dairy and tree nuts.

## Egypt's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Prior to the COVID-19 outbreak, strong economic growth and an expanding middle class were expected to continue to make Egypt a growing market for U.S. agricultural goods. Once the pandemic is resolved, tourism is expected to continue to improve and drive an increase in imports of higher value consumer goods such as beef and beef products and dairy products. The HRI sector was forecast to grow by 15-20 percent by 2021 as tourism continued to rebound. With a high population growth, Egypt continues to rely on imports for over 50 percent of its food and agricultural product needs.

Approximately 71 million of Egypt's population are beneficiaries of the country's bread subsidy program. In 2019, the United States witnessed the largest exports of wheat to Egypt since 2013 based on a period of improved price competitiveness with Russia and the EU. Egypt's overall demand for imported wheat is forecast higher in 2020 based on population growth and the inclusion of pasta in the food subsidy program.

Challenges facing U.S. exporters of agricultural products to Egypt include a de facto ban on poultry parts, with imports restricted to whole, frozen birds. In addition, Egypt only recognizes one U.S.-based halal certifier, which limits access and increases the cost for halal-certified products. Although Egypt remains the largest market for U.S. frozen beef livers, Egypt currently follows EU-based standards for maximum residue levels for ractopamine in beef products and mandatory testing which restricts trade. Egypt continues to block market access for U.S. seed potatoes, and several U.S. agricultural products – including retail packaged products, pet foods, apples and pears - face higher tariffs than comparable products from the EU. Egypt signed an Association Agreement with the EU, which entered into force in 2004, and which grants duty-free access for most EU-origin agricultural products.

The devaluation of the Egyptian pound and inflationary pressure on food prices have driven consumers to lower-priced, locally produced consumer-oriented products. This has led to an expansion of the Egyptian food-processing sector, and increased imports of food and beverage ingredients and additives to support the growing sector.

# EUROPEAN UNION

## Top 10 U.S. Agricultural Exports to European Union

(Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Tree Nuts	2,977	2,585	2,707	2,769	3,114	12%	2831
Soybeans	1,898	1,899	1,637	3,078	1,953	-37%	2093
Prepared Food	498	579	567	555	551	-1%	550
Wine & Beer	686	756	635	560	500	-11%	627
Planting Seeds	421	412	450	470	473	1%	445
Feeds & Fodders	298	325	331	383	252	-34%	318
Processed Fruit	329	301	293	261	252	-3%	287
Vegetable Oils*	352	363	347	260	233	-10%	311
Soybean Meal	392	73	97	345	217	-37%	225
Wheat	287	165	154	210	200	-5%	203
All Other	3,996	4,065	4,220	4,620	3,999	-13%	4180
Total Exported	12,133	11,523	11,438	13,510	11,744	-13%	12069

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes soybeans

## Highlights

In 2019, the European Union was the fourth largest destination for U.S. agricultural exports, which totaled \$11.7 billion, a 13 percent decrease from 2018. High import tariffs, retaliatory tariffs, and discriminatory import regulations continue to challenge U.S. agricultural exports. The United States is the second largest supplier of agricultural goods with 10 percent market share, just behind Brazil. The largest export increases in 2019 were seen in tree nuts and non-alcoholic beverages, up \$345 million and \$20 million, respectively.

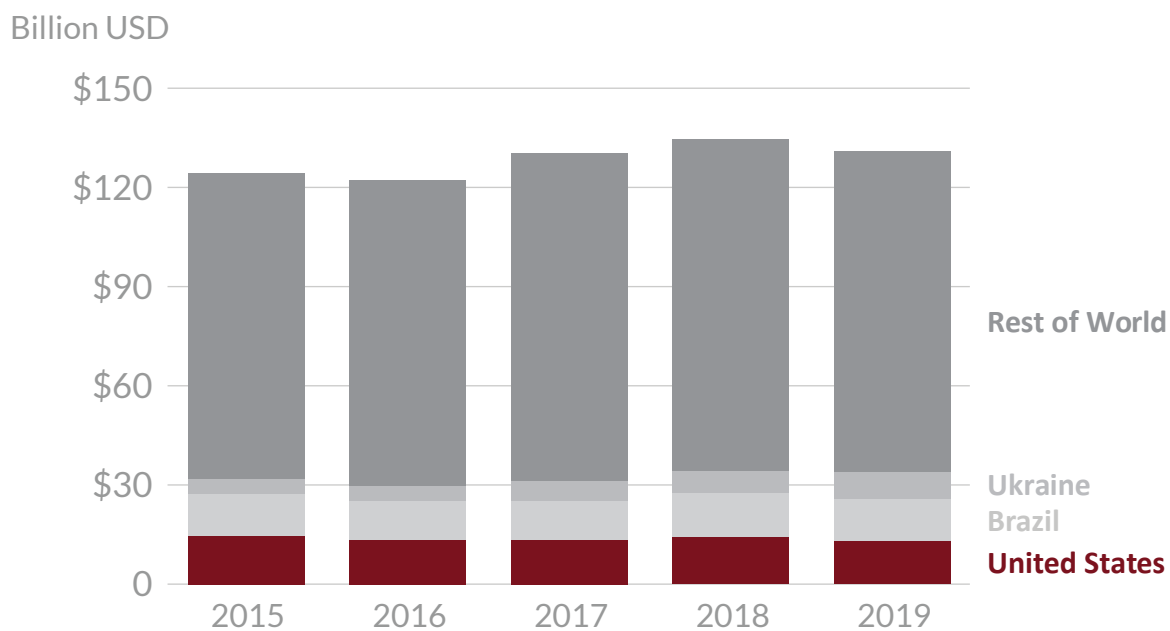
Additionally, increases in exports of coarse grains (excluding corn), egg products, and cat & dog food were up \$17 million, \$17 million, and \$9 million, respectively. Exports of soybeans were down by more than \$1.1 billion. Exports of corn were down \$319 million, feeds & fodders down \$131 million, and soybean meal down \$128 million. Despite these decreases, the European Union in 2019 was the top market for U.S. tree nuts, planting seeds, and pulses. At 1 percent, the 2019 increase in U.S. exports of planting seeds to the EU was not large, but it stands in contrast to the negative percentages that mark the change in U.S. exports to the EU for 8 of the top 10 U.S. export commodities.



## Drivers

- In 2019, the main driver of the decline in U.S. exports to the EU was a return to a more typical volume of U.S. soybean and soybean meal exports following a surge in 2018. In 2018, the EU took advantage of low U.S. soybean prices while Brazil shipped large volumes to China in response to the U.S.-China trade dispute. Although exports of these products weakened substantially in comparison to 2018, 2019 exports were up from other recent years.
- Corn exports to the EU plunged due to record exportable supplies from Argentina, Brazil, and Ukraine, while U.S. prices hit 5-year highs on unprecedented planting delays.
- The EU imposition of 25 percent tariffs in retaliation for U.S. duties on steel and aluminum has contributed to a decline in U.S. exports to the EU for several processed goods.

## European Union's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

In spite of the withdrawal of the UK from the European Union, the EU is expected to remain a key market for exports of U.S. agricultural goods. Exports from the United States are expected to remain flat unless a number of non-tariff barriers are removed, or a future free trade agreement leads to lower tariffs and improved access. As the world's largest importer of agricultural goods, the EU remains a high potential market given the United States modest 10 percent market share.

The United States and the EU are both competitors and robust trading partners in agricultural products. Nevertheless, there is much work to be done on several policy issues that restrict trade. Pressing issues include tariffs, the EU's policies on maximum residue limits for pesticides, the regulation of genome edited products, regulatory timelines for approving genetically engineered plants, farm subsidies in the EU Common Agricultural Policy, potential veterinary drug restrictions, and geographical indications. A trade agreement could create openings to address some of these challenges. Although U.S. exports to the EU declined in most commodity areas from 2018 to 2019, American tree nuts remain popular in the EU market. They are one of two major agricultural commodities whose exports to the EU increased during the last calendar year.

While the COVID-19 pandemic has greatly impacted economic growth, tourism, eating out and demand for food, it is expected that the EU will return quickly as a major importer of agricultural following the resolution of the outbreak.

# HONG KONG

## Top 10 U.S. Agricultural Exports to Hong Kong (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Beef & Beef Products	801	684	884	966	744	-23%	816
Tree Nuts	846	1,156	1,251	1,052	692	-34%	999
Poultry Meat & Products*	408	426	469	431	354	-18%	418
Fresh Fruit	288	281	291	237	195	-18%	258
Prepared Food	137	232	169	228	191	-16%	191
Pork & Pork Products	282	360	415	282	154	-45%	299
Wine & Beer	99	101	120	131	114	-13%	113
Dog & Cat Food	36	40	50	62	57	-8%	49
Processed Vegetables	51	54	49	53	54	2%	52
Eggs & Products	33	39	38	46	46	0%	41
All Other	604	458	477	475	390	-18%	481
Total Exported	3,582	3,832	4,213	3,961	2,991	-24%	3,716

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes eggs

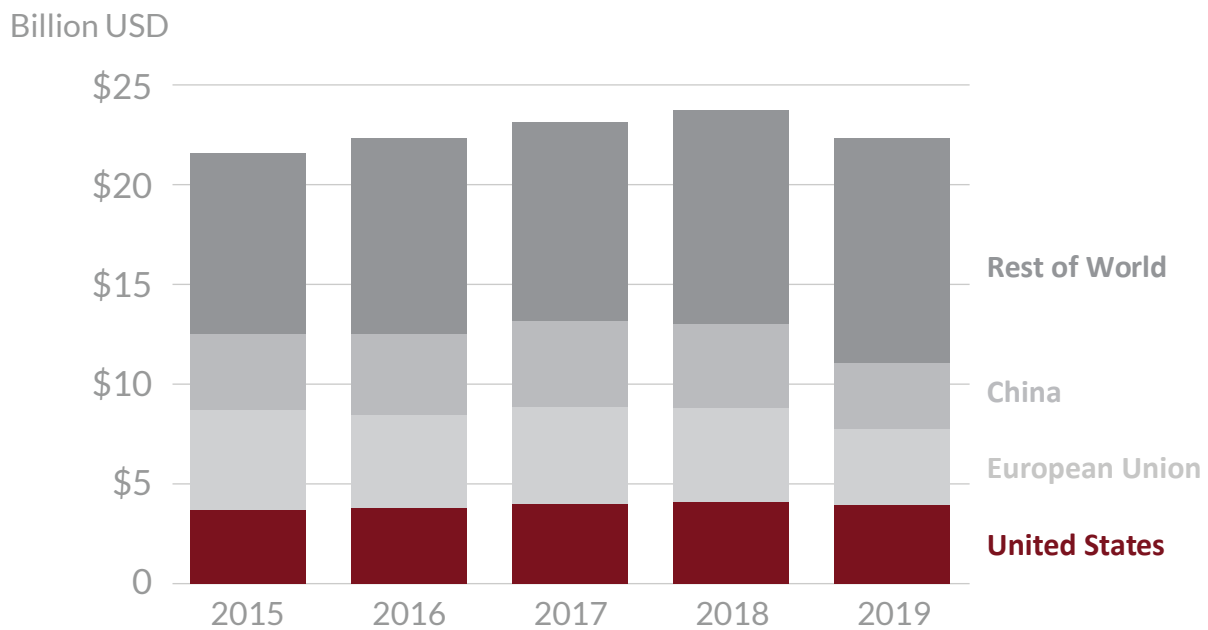
## Highlights

In 2019, Hong Kong was the ninth-largest destination for U.S. food and agricultural exports, which totaled \$3.0 billion, a 24 percent decrease from 2018. The United States was the second-largest supplier of agricultural goods with 15 percent market share behind Mainland China at 20 percent. This downward import trend was due to uncertainties from the 2019 trade dispute between the U.S. and China and slowing domestic consumption due to an aging population and slowing economic growth. Among the few products that saw export growth in 2019 include meat products (guts, bladders, stomachs) and cotton, up \$7 million and \$4 million, respectively. Additionally, increases in exports of U.S. rice, processed vegetables, and snack foods were up \$2 million, \$1 million, and \$1 million, respectively. Exports of tree nuts were down by more than \$359 million. Exports of beef and beef products, pork and pork products, and poultry meat and products (excluding eggs) were down \$222 million, \$127 million, and \$78 million, respectively.

## Drivers

- Beginning in June 2019, Hong Kong experienced historic social unrest which led to an economic recession that was particularly severe in the food and hospitality sector.
- Hong Kong is a major metropolis of 7.4 million people with one of the highest incomes per capita in Asia and is visited by millions of tourists and business travelers every year. With limited land resources, Hong Kong imports 95 percent of its food supply. As a result, Hong Kong maintains a food import regulatory system with zero import duties on all food and agricultural products except spirits and tobacco.
- The U.S.-China trade dispute impacted Hong Kong imports given that it acts as a port of entry for some products being transshipped to China and as a processing and distribution center for other products heading to China. Much of this trade through Hong Kong was stopped as China restricted imports from the United States.

## Hong Kong's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

With the United States and China signing the Phase One Trade Agreement, the transshipment of goods through Hong Kong and destined for China should resume. Another year of significant uncertainty for Hong Kong is expected in 2020 if social unrest continues and fears of the COVID-19 outbreak restrict economic activity. The outbreak of COVID-19 centered in Wuhan, China poses a substantial economic challenge to markets across East Asia and the world. In response, Hong Kong's government has announced unprecedented economic stimulus measures to soften the blow, and ideally, restart the city's economy. Hong Kong residents will receive government assistance and record-setting amounts of resources will be allocated to entice trade show visitors, travelers, and residents alike to generate economic activity and rebuild Hong Kong's economy and reputation.

# INDONESIA

## Top 10 U.S. Agricultural Exports to Indonesia (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Soybeans	773	988	921	999	862	-14%	909
Cotton	295	346	498	600	419	-30%	432
Wheat	105	192	298	177	283	60%	211
Dairy Products	183	158	132	166	240	45%	176
Feeds & Fodders	220	264	251	162	149	-8%	209
Prepared Food	66	60	75	70	89	28%	72
Beef & Beef Products	12	39	54	62	85	37%	51
Fresh Fruit	64	82	64	52	59	13%	64
Processed Vegetables	38	40	43	45	52	16%	43
Tobacco	61	85	55	71	42	-41%	63
All Other	374	424	501	693	580	-16%	515
Total Exported	2,190	2,678	2,892	3,097	2,860	-8%	2,743

Source: U.S. Census Bureau Trade Data - BICO HS-10

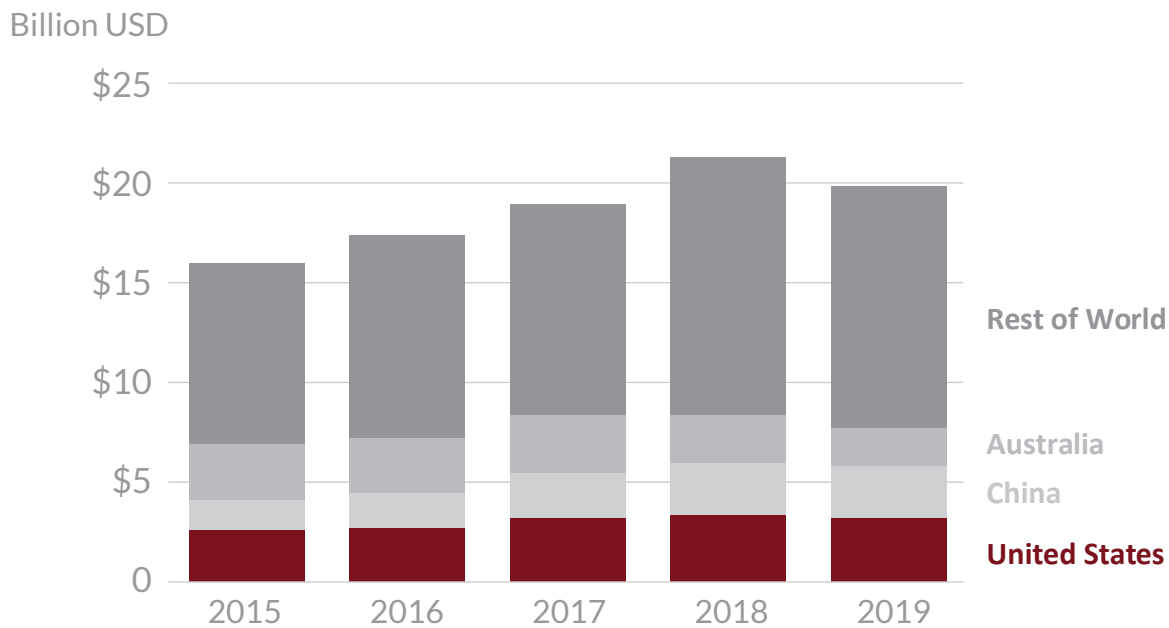
## Highlights

In 2019, Indonesia was the eleventh largest destination for U.S. agricultural exports, which totaled \$2.9 billion, an 8 percent decrease from 2018. The United States is estimated to be Indonesia's top supplier of agricultural goods with 16 percent market share, followed by China and Australia with 13 percent. Indonesia is the largest economy in Southeast Asia, with a rapidly growing middle class. The largest increases in imports from the United States were seen in wheat and dairy products, up \$106 million and \$74 million, respectively. Additionally, increases in exports of beef and beef products, prepared foods, and distillers' grains were up \$23 million, \$20 million, and \$9 million, respectively. Exports of cotton were down by more than \$182 million. Exports of soybeans, soybean meal, and tobacco were down \$137 million, \$108 million, and \$30 million, respectively.

## Drivers

- Dairy exports to Indonesia were up 45 percent in 2019 largely due to increased demand resulting from a growing economy, expanding middle class and preferences for consumer-ready foods.
- Wheat exports jumped 60 percent in 2019 as a result of reduced competition from Australia, Canada, and Russia.
- Indonesia's soybean imports declined in 2019 as price volatility reduced overall demand. The United States continues to supply over 95 percent of Indonesia's soybean imports.
- Cotton imports declined due to larger carryover stocks from record imports in 2018, lower local and foreign demand for cotton yarn, and competition from record Brazil exports.
- Imports of beef, prepared foods, fresh fruits and vegetables all increased significantly as economic growth is spurring the demand for more protein and high value imported goods.

## Indonesia's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Indonesia is expected to remain a top ten market for U.S. soybeans, cotton, wheat, dairy, and distillers' grains with increasing demand for U.S. beef, prepared foods, and various feed ingredients. However, Indonesia is also likely to remain a highly challenging market for U.S. products as the Government of Indonesia looks to reduce imports to improve their current account deficit. Indonesia continues to seek "self-sufficiency" in key agricultural commodities and, despite a U.S. victory at the World Trade Organization, maintains an import licensing system that routinely limits market access, especially for horticultural products. In October 2019, Indonesia began a five-year phased-in implementation of new halal requirements for food and beverages, which is likely to pose significant challenges for U.S. exporters in years to come.

# JAPAN

## Top 10 U.S. Agricultural Exports to Japan (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Corn	2,022	2,091	2,145	2,813	1,977	-30%	2,210
Beef & Beef Products	1,284	1,510	1,889	2,102	1,950	-7%	1,747
Pork & Pork Products	1,565	1,553	1,626	1,631	1,523	-7%	1,580
Soybeans	1,048	1,001	974	927	965	4%	983
Wheat	747	604	714	717	608	-15%	678
Processed Vegetables	459	477	510	502	500	0%	489
Tree Nuts	480	374	398	433	416	-4%	420
Hay	424	374	415	426	490	15%	426
Fresh Fruit	299	344	316	318	324	2%	320
Dairy Products	273	206	291	270	283	5%	265
All Other	2,533	2,496	2,620	2,791	2,685	-4%	2,625
Total Exported	11,135	11,030	11,897	12,930	11,721	-9%	11,742

Source: U.S. Census Bureau Trade Data - BICO HS-10

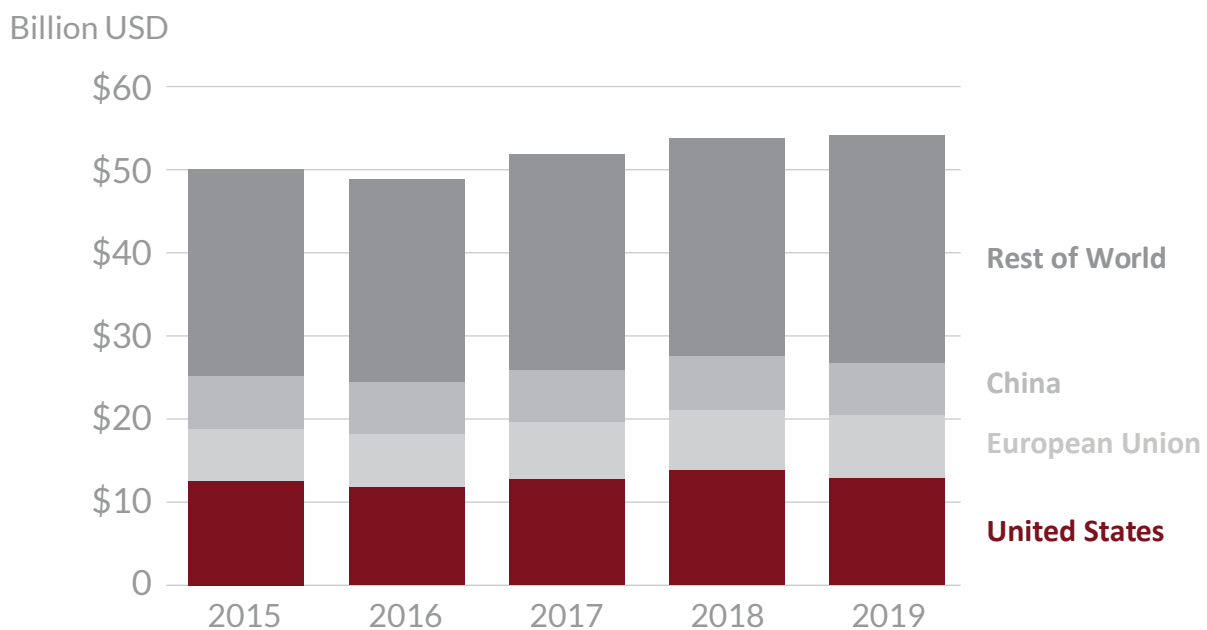
## Highlights

In 2019, Japan was the fifth largest destination for U.S. agricultural exports, which totaled \$11.7 billion, a 9 percent decrease from 2018. The United States continued to be Japan's top supplier of agricultural goods with 24 percent market share, followed by the European Union with 14 percent. The quality, reliability and reputation of U.S. products have been competitive in Japan for many decades. The largest export growth in 2019 was seen in hay and rice, up \$64 million and \$43 million, respectively. Additionally, increases in exports of soybeans, wine and beer, and live animals were up \$37 million, \$20 million, and \$15 million, respectively. The most notable impact in 2019 was that exports of corn were down by more than \$836 million. Exports of beef & beef products, wheat, and pork & pork products were down \$152 million, \$109 million, and \$107 million, respectively. Despite these decreases, Japan in 2019 was the top market for U.S. beef and beef products, pork and pork products, rice, and hay.

## Drivers

- A 30 percent decrease in exports of corn were due to US corn prices hitting 5-year highs as a result of unprecedented planting delays, while other exporters – Argentina, Brazil, and Ukraine- had record exportable supplies
- Overall U.S. agricultural exports to Japan declined 9.4 percent in 2019 as the United States faced tariff disadvantages compared to other major suppliers including the European Union and members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- In May 2019, Japan formally removed the requirement that U.S. beef be derived from cattle less than 30 months of age, allowing beef from cattle of any age to be exported to Japan for the first time since 2003.
- Japan relies heavily on imported feed and is an important, stable market for U.S. corn, soybeans and hay for feed exports. The United States was Japan’s largest supplier of corn, soybeans and hay for feed in 2019.
- U.S. wheat exports to Japan fell by 15 percent from 2018 levels and Japan dropped out of the top two export markets for U.S. wheat for the first time this decade.

## Japan’s Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Exports of key U.S. agricultural products are expected to increase following implementation of the U.S.-Japan Trade Agreement on January 1, 2020. Tariff parity with major beef, pork, and wheat competitors eliminated disadvantages U.S. producers previously faced in the Japanese market. However, despite the successes achieved in the stage one portion of the agreement, multiple trade barriers exist. In the upcoming year, efforts will continue achieving a fair and reciprocal trading relationship with Japan, including increased access for U.S. agricultural products.



# MEXICO

## Top 10 U.S. Agricultural Exports to Mexico (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Corn	2,302	2,550	2,646	3,061	2,719	-11%	2,655
Soybeans	1,432	1,462	1,574	1,822	1,867	2%	1,632
Dairy Products	1,280	1,218	1,312	1,398	1,546	11%	1,351
Pork & Pork Products	1,268	1,360	1,514	1,311	1,278	-2%	1,346
Beef & Beef Products	1,093	977	979	1,058	1,107	5%	1,043
Poultry Meat & Products*	1,029	932	933	956	1,077	13%	985
Wheat	651	612	852	662	812	23%	718
Prepared Food	705	710	679	743	777	5%	723
Soybean Meal	800	801	579	665	642	-3%	697
Fresh Fruit	560	501	570	619	610	-1%	572
All Other	6,575	6,706	6,961	6,801	6,721	-1%	6,753
Total Exported	17,695	17,827	18,598	19,096	19,156	0%	18,474

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes eggs

## Highlights

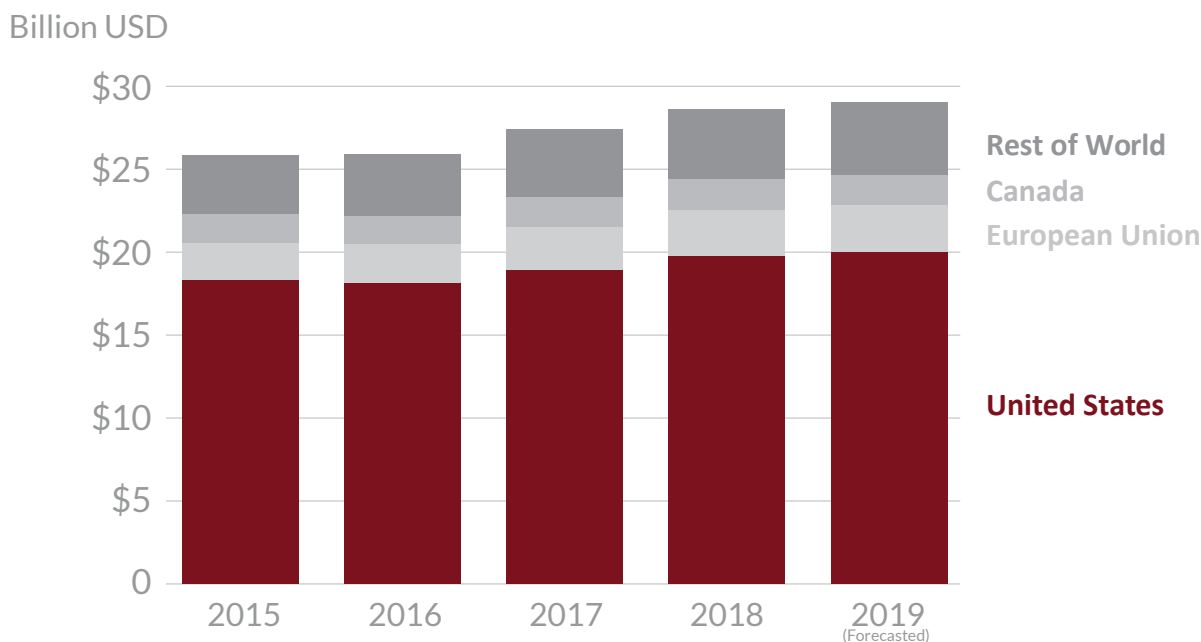
In 2019, Mexico was the second largest destination for U.S. agricultural exports, which totaled \$19.2 billion, a less than one percent increase from 2018. The United States is the largest supplier of agricultural goods to Mexico, holding a 69 percent market share. The largest export growth was seen in wheat and dairy products, up \$150 million and \$148 million, respectively. Additionally, exports of poultry meat & products (excluding eggs), coarse grains (excluding corn), and fresh vegetables were up \$121 million, \$93 million, and \$61 million, respectively. Exports of corn were down by \$342 million. Exports of wine & beer, cotton, and sugar & sweeteners were down \$101 million, \$84 million, and \$48 million, respectively. For 2019, Mexico was the top market for U.S. corn, wheat, dairy products, poultry meat & products, distiller grains, rice, sweeteners, animal fats, and eggs & products.

## Drivers

- Mexico's growing population and expanding economy fuels a growing demand for milk and milk products which is outpacing domestic production. The United States is the main supplier of dairy products to Mexico.

- Mexico relies heavily on imports of U.S. pork products to satisfy increasing demand for lower-cost protein. In 2019, retaliatory tariffs on U.S. pork during the first half of the year and higher domestic pork production reduced demand for imports.
- Mexican poultry consumption is growing as a result of increasing demand for lower-cost protein. Increased competition from Brazil has cut into the U.S. market share.

## Mexico's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

The outlook for U.S. agricultural exports to Mexico in 2020 remains positive and producers of products affected by the previous retaliatory tariffs are hopeful that market stability will continue. U.S. exporters already enjoy tariff-free access to Mexico, but implementation of the United States-Mexico-Canada Agreement (USMCA) solidifies stability to U.S.-Mexico trade and ensures continued access to goods and products for both countries. The USMCA contains new and enforceable rules to ensure that SPS measures are science-based, developed, and implemented in a transparent and non-discriminatory manner; have provisions to prevent technical barriers to trade in wine and distilled spirits; and have requirements regarding protection of the confidentiality of information relating to companies' proprietary formulas. Further, Mexico committed not to restrict market access of U.S. cheese products by listing individual cheese names.

USDA will continue working to expand market access for U.S. potatoes, which are currently blocked by Mexican potato industry lawsuits that are before the Mexican Supreme Court, and advocate for science-based policies on biotechnology approvals and pesticides, and increased allowances for ethanol blending.

# PHILIPPINES

## Top 10 U.S. Agricultural Exports to Philippines (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Soybean Meal	635	729	747	884	788	-11%	757
Wheat	516	592	555	643	700	9%	601
Dairy Products	251	227	243	247	273	11%	248
Prepared Food	85	89	92	105	111	6%	96
Processed Vegetables	73	72	79	83	110	33%	83
Poultry Meat & Products*	68	77	92	111	102	-7%	90
Pork & Pork Products	80	79	98	116	93	-20%	93
Beef & Beef Products	64	55	62	87	88	1%	71
Snack Foods	48	63	54	59	60	2%	57
Feeds & Fodders	35	41	48	64	54	-15%	48
All Other	457	550	512	558	512	-8%	518
Total Exported	2,310	2,573	2,581	2,956	2,892	-2%	2,662

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes eggs

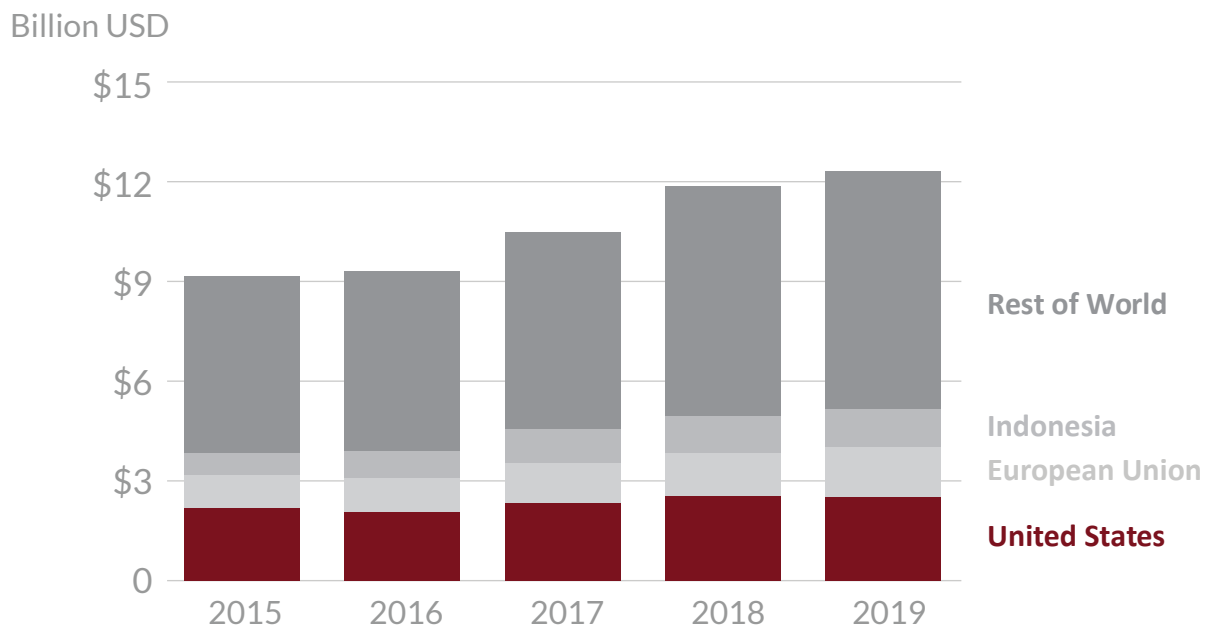
## Highlights

In 2019, Philippines was the tenth largest destination for U.S. agricultural exports, which totaled \$2.9 billion, a 2 percent decrease from 2018. The United States is expected to be Philippines's top supplier of agricultural goods with 21 percent market share, followed by the European Union with 11 percent. The Philippine applied MFN tariffs are among the lowest in the region and often close to the preferential rates offered to U.S. competitors. The largest export increases were seen in wheat and processed vegetables, up \$58 million and \$28 million, respectively. Additionally, increases in exports of dairy products, distillers' grains, and prepared foods were up \$26 million, \$14 million, and \$6 million, respectively. Exports of soybean meal were down by more than \$96 million. Exports of pork & pork products, corn, and soybeans were down \$23 million, \$15 million, and \$14 million, respectively.

## Drivers

- Soybean meal exports declined by 11 percent over their 2018 values as U.S. prices increased in response to China's renewed purchases of soybeans from the U.S. and South American competitors improved their competitiveness on the world market.
- Wheat exports were up 9 percent over the previous year and reached a near record in part due to shorter supplies and decreased competition from Australia, Russia and Canada.
- Dairy product exports were up 9 percent and at their highest level since 2014 as exports to China were down and more product was available for other Southeast Asian markets.
- Higher global prices for skim milk powder and cheese also propped up U.S. exports to the region.
- Exports of pork and pork products were down 20 percent as the ASF outbreak in China raised prices and redirected U.S. product to China to meet drastic shortages.

## Philippines' Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

The Philippines has a young, fast-growing, and highly urbanized population with strong preference for U.S. food and beverage products. The demographics and rising income levels of the Philippines signify a promising market for U.S. consumer-oriented goods such as dairy, tree nuts, prepared foods, beverages and horticultural goods. Certain agricultural products, such as corn, chipping potatoes, pork, and poultry products, face both in-quota and out-of-quota tariffs under the Philippines' tariff rate quota program known as the Minimum Access Volume system which can present a challenge for U.S. food and agriculture exports.

# SOUTH KOREA

## Top 10 U.S. Agricultural Exports to South Korea (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Beef & Beef Products	811	1,071	1,220	1,746	1,842	5%	1,338
Pork & Pork Products	472	364	475	670	593	-12%	515
Prepared Food	316	365	324	356	490	38%	370
Fresh Fruit	374	389	490	491	405	-17%	430
Soybeans	223	227	295	327	396	21%	294
Corn	648	865	705	1,356	358	-74%	786
Dairy Products	306	231	279	291	332	14%	288
Wheat	309	248	329	363	296	-18%	309
Tree Nuts	354	296	305	290	290	0%	307
Soybean Oil	37	67	207	209	255	22%	155
All Other	2,178	2,060	2,240	2,212	2,262	2%	2,190
Total Exported	6,028	6,183	6,868	8,312	7,519	-10%	6,982

Source: U.S. Census Bureau Trade Data - BICO HS-10

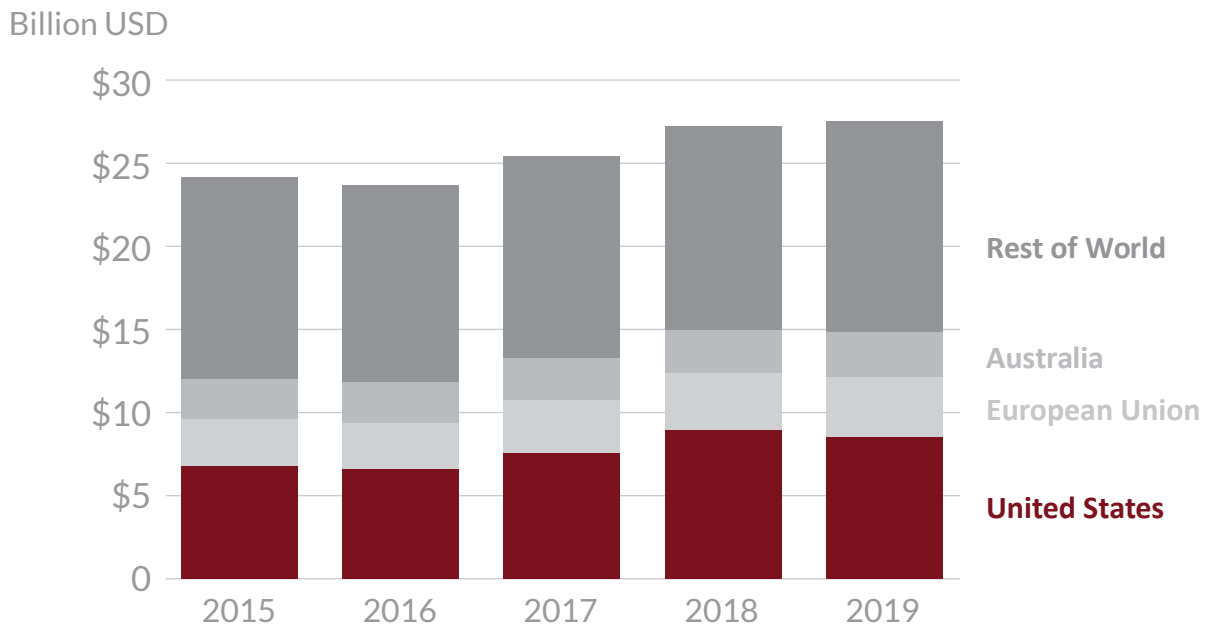
## Highlights

In 2019, South Korea was the sixth largest destination for U.S. agricultural exports, which totaled \$7.5 billion, a 10 percent decrease from 2018. Most of this decline was due to a 74 percent drop in corn exports, which were lower by nearly a billion dollars. The United States was South Korea's top supplier of agricultural goods with 31 percent market share, followed by the European Union with 13 percent. The implementation of the United States-Korea Free Trade Agreement (KORUS) generated new opportunities for U.S. suppliers by reducing tariff and non-tariff barriers. Last year, the largest export growth was seen in prepared foods and beef and beef products, up \$134 million and \$95 million, respectively. Additionally, U.S. exports of soybeans, rice, and feed and fodders grew by \$69 million, \$46 million, and \$46 million, respectively. Exports of fresh fruits, pork and pork products, and wheat were also down \$86 million, \$77 million, and \$67 million, respectively. In 2019 South Korea was the top market for U.S. soybean oil, fresh oranges, and fresh cheese.

## Drivers

- South Korea is the second largest market for U.S. beef exports. Compared to Korean domestic beef, U.S. product is more competitively priced and closely aligned with local preferences for high marbling. Domestic production does not sufficiently cover demand driven by per capita consumption that has risen quickly in recent years.
- South Korea relies upon imports to fulfill its food needs and over the past few years South Korea has continuously increased imports of U.S. high-value consumer-oriented products. Much of this trade has benefited from price advantages resulting from KORUS.
- Record exportable supplies of corn from South America, along with a reduced U.S. crop in 2019, created sufficient price differentials that allowed competitors to capture U.S. market share in Korea.
- In 2018, South Korea imported record amounts of pork and pork products from the United States due to relatively low prices. High volumes of stored supplies and higher prices driven by China's ASF outbreak, dampened South Korea's demand in 2019.

## South Korea's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

South Korea remains one of the largest destinations for U.S. agricultural exports. The outlook for increasing trade values remains positive, given rising incomes and a growing economy, despite the economic headwinds of 2019. U.S. producers continue to realize the benefits of reduced tariffs by way of the KORUS Agreement. In December 2019, the United States and South Korea, along with four other WTO member countries, signed a plurilateral agreement regarding market access levels under South Korea's WTO tariff-rate quota for rice. The agreement gives the United States record volumes of guaranteed rice market access in South Korea with an annual value of approximately \$110 million. Negotiations regarding SPS issues continue to be held within established venues, including the KORUS SPS Committee, and are expected to further deliver progress in 2020.

# TAIWAN

## Top 10 U.S. Agricultural Exports to Taiwan (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Soybeans	578	579	586	854	677	-21%	655
Beef & Beef Products	319	363	409	552	567	3%	442
Wheat	283	257	295	267	324	21%	285
Fresh Fruit	196	220	218	199	255	28%	218
Corn	344	460	395	593	227	-62%	404
Poultry Meat & Products*	163	127	152	189	187	-1%	164
Prepared Food	161	162	149	154	149	-3%	155
Cotton	114	119	136	173	130	-25%	135
Dairy Products	72	72	83	93	109	17%	86
Tree Nuts	117	82	111	85	90	5%	97
All Other	804	784	784	789	845	7%	801
Total Exported	3,150	3,226	3,317	3,949	3,560	-10%	3,441

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes eggs

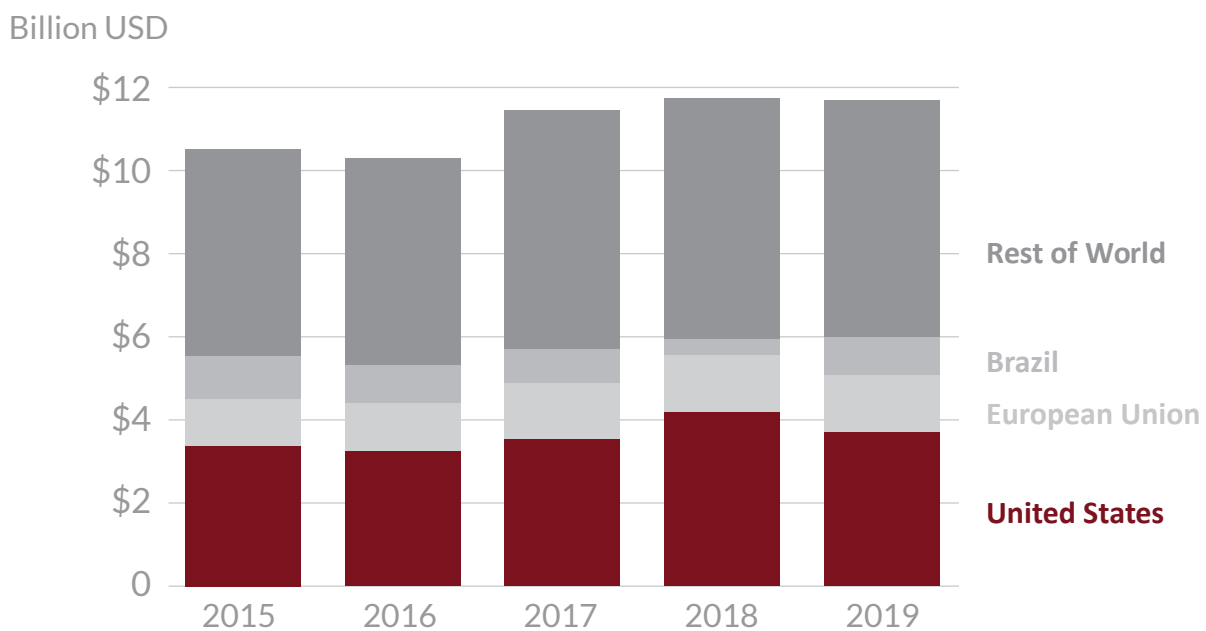
## Highlights

In 2019, Taiwan was the seventh largest destination for U.S. agricultural exports, which totaled \$3.6 billion, a 10 percent decrease from 2018. The United States is Taiwan's top supplier of agricultural goods with 32 percent market share, followed by the European Union with 11 percent. The largest export growth for U.S. product was seen in wheat and fresh fruit, up \$57 million and \$56 million, respectively. In addition, increases in exports of U.S. live animals, dairy products, and beef and beef products were up \$18 million, \$16 million, and \$15 million, respectively. Exports of U.S. corn decreased by more than \$366 million due to higher prices and increased competition from South America and Black Sea regions. Exports of soybeans, cotton, and hides and skins were down \$177 million, \$44 million, and \$9 million, respectively. While Taiwan is one of the largest per capita consumers of U.S. agricultural goods, U.S. food products are facing increased competition from third country competitors with preferential trade agreements.

## Drivers

- As China increased its purchases of U.S. soybeans in 2019, driving up prices, exports to Taiwan retreated from their elevated 2018 levels.
- U.S. exports of corn were down \$365 million from the previous year due to higher prices and increased competition from Brazil, Argentina and Ukraine.
- Cotton imports were down as China resumed purchases from the U.S. and increased competition from Brazil.
- Taiwan's economy remains robust. Its relatively high per capita income drives consumption of high value food products. Taiwan's economic strength supports its position as an important consumer of U.S. food and agricultural products.

## Taiwan's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

The onset of COVID-19 disrupted trade and travel throughout East Asia, but Taiwan authorities marshalled a robust response, including economic stimulus measures. However, compounding logistical issues and depressed consumption during the first quarter of 2020 may linger and negatively impact U.S. agricultural exports to Taiwan for the remainder of the year.

Following the January 2020 reelection of President Tsai Ying-wen, Taiwan has expressed interest in enhanced economic cooperation with the United States. Closer integration of these two economies could propel U.S. agricultural exports to Taiwan in 2020 and beyond. Taiwan's significant retail food sector, dominated by convenience stores, is experiencing rapid growth in fast casual and coffee and tea establishments. This sector drives many of Taiwan's fastest growing imports based on changes to consumption patterns. Changing consumer preferences and eating habits provide continued opportunity to U.S. exporters in higher value agricultural commodities and consumer-oriented food products.



# THAILAND

## Top 10 U.S. Agricultural Exports to Thailand (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Soybeans	229	362	467	593	525	-12%	435
Cotton	173	164	214	273	214	-22%	208
Wheat	204	147	175	180	162	-10%	173
Prepared Food	107	126	131	133	137	3%	127
Feeds & Fodders	103	82	84	85	86	2%	88
Soybean Meal	339	155	142	130	59	-55%	165
Hides & Skins	47	60	129	120	59	-51%	83
Dairy Products	58	35	50	35	56	62%	47
Fresh Fruit	45	40	37	40	45	15%	41
Tree Nuts	38	31	22	32	42	29%	33
All Other	357	393	389	502	441	-12%	417
Total Exported	1,699	1,594	1,839	2,122	1,825	-14%	1,816

Source: U.S. Census Bureau Trade Data - BICO HS-10

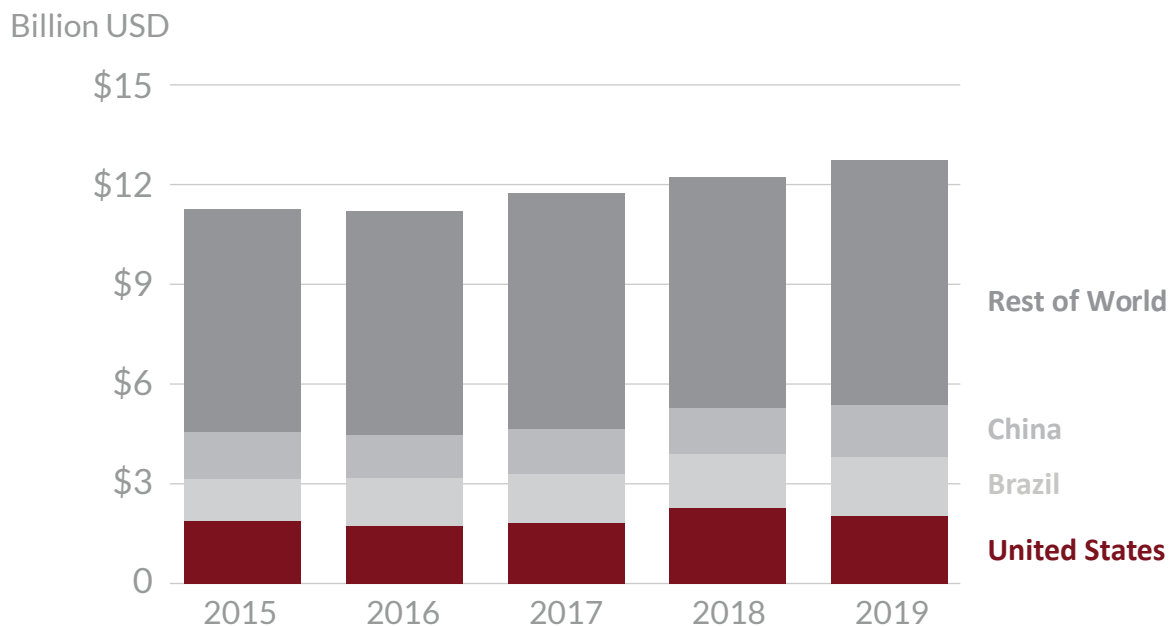
## Highlights

In 2019, Thailand was the 14th largest destination for U.S. agricultural exports, which totaled \$1.8 billion, a 14 percent decrease from 2018. The United States was Thailand's top supplier of agricultural goods with 16 percent market share, followed by China with 14 percent. Thailand's free trade agreements with China, Australia, New Zealand, Chile, Japan, Korea, Peru, and India have made U.S. products less competitive especially for high value consumer products such as meats, processed meat, wine, spirits, cherries, peaches, plums, pears, frozen potatoes, and cheeses. The largest export growth was seen in dairy products and tree nuts, up \$22 million and \$9 million, respectively. Additionally, increases in exports of fresh fruits, chocolate & cocoa products, and prepared food were up \$6 million, \$5 million, and \$4 million, respectively. Exports of distillers' grains were down by \$85 million. Exports of soybean meal, soybeans, and hides & skins were down \$71 million, \$69 million, and \$61 million, respectively.

## Drivers

- Thai imports from the U.S. were down from 2018 highs as China purchased more U.S. goods driving up prices of U.S. bulk goods.
- Thailand's urban consumers (54 percent of overall population) are increasingly spending more on imported food items and accepting more western style foods and dining options.
- According to Euromonitor, food and beverage revenue generated from food delivery is expected to reach U.S. \$1.6 billion by 2022, up from \$1 billion in 2018.
- Thailand's dynamic young population (29 percent of the total population is between the ages of 15 and 35) is very receptive to trends fitting their modernized lifestyles including the demand for convenience foods.

## Thailand's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Thailand is Southeast Asia's second largest economy and remains a strong agricultural competitor as the world's leading exporter of natural rubber, frozen shrimp, canned tuna, canned pineapples, cooked poultry, and cassava. It is also a major exporter of sugar and rice. With rapidly growing sectors of retail foods, food service, and food processing, Thailand presents many market opportunities for U.S. suppliers of ingredients and raw materials.

Thailand has preferential trade arrangements with the Association of Southeast Asian Nation countries (ASEAN), Australia-New Zealand, China, India, Japan, Peru, South Korea, and Chile. Thailand has been in negotiation for bilateral free trade arrangements with the European Union, Pakistan, Sri Lanka, Turkey, and the Regional Comprehensive Economic Partnership (RCEP). These agreements put U.S. agricultural exports at a clear disadvantage due to import tariff differentials, with many of these agreements eliminating tariffs on agricultural imports. The United States has no trade agreements with ASEAN nor Thailand.

The United States will continue to work to address the Thai government's resistance to establishing MRLs for ractopamine (restricting pork access) and food colorings and preservatives (restricting processed foods and wine). Additionally, the United States will encourage Thailand to work with its own industry and adopt less trade disruptive approaches for new/novel food product registration by utilizing a science-based process. The Thai population has become increasingly health conscious and focuses more on healthy eating and living with an increased demand for quality foods. Consumers are looking more and more at the quality of their food, seeking healthy food ingredients, better sources of protein and more complete nutrients. This increased demand for healthy foods offers opportunities for U.S. exporters of tree nuts, fresh and processed fruits and vegetables and other prepared foods.

# UNITED KINGDOM

## Top 10 U.S. Agricultural Exports to United Kingdom

(Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Wine & Beer	306	363	263	258	249	-3%	288
Tree Nuts	207	200	212	197	211	7%	205
Prepared Food	158	191	157	167	151	-10%	165
Soybeans	77	90	-	109	100	-8%	75
Fresh Vegetables	67	85	84	86	77	-10%	80
Feeds & Fodders	64	58	42	68	54	-21%	57
Snack Foods	75	66	58	49	49	0%	59
Chocolate & Cocoa Products	34	34	39	42	41	-3%	38
Vegetable Oils*	29	22	28	40	39	-3%	32
Live Animals	73	82	87	90	37	-59%	74
All Other	-37	-449	-200	808	554	-31%	135
Total Exported	1,052	741	770	1,914	1,561	-18%	1,208

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes soybeans

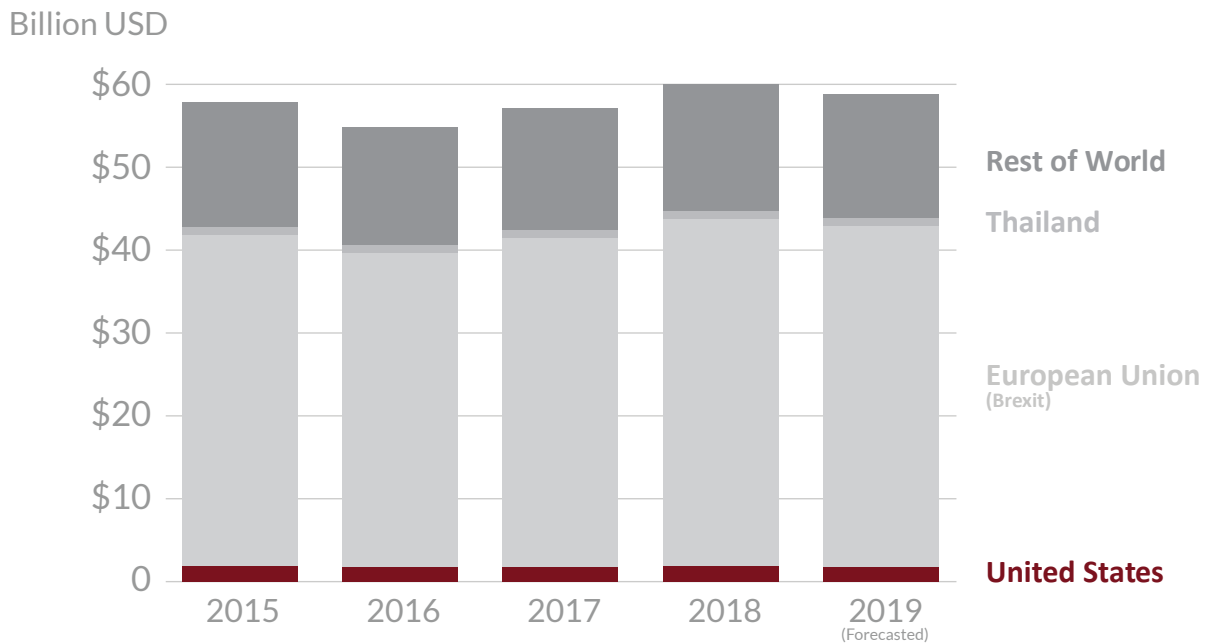
## Highlights

In 2019, the United Kingdom (UK) was the sixteenth largest destination for U.S. agricultural exports, which totaled \$1.6 billion, an 18 percent decrease from the record 2018 value. As trade disputes with China and other countries improved in 2019, higher prices and less product was diverted to the UK in 2019. The United States continues to be the second largest supplier of agricultural goods, behind the combined member states of the European Union. Demand for U.S. consumer-oriented food products continues to differentiate the UK from many of its European neighbors. The UK was the 11th largest market in the world for U.S. consumer-oriented products such as wine and prepared foods. The largest export growth in 2019 was seen in tree nuts and eggs & egg products, up \$14 million and \$6 million, respectively. Exports of live animals were down by more than \$53 million. Exports of distillers' grains, wheat, and prepared food were down \$34 million, \$20 million, and \$16 million, respectively.

## Drivers

- Exports to the UK were down primarily due to the record year in 2018, when the UK benefited from low commodity prices caused by the U.S.-China trade dispute.
- Ongoing trade disputes between the United States and the European Union (EU) - which, until January 2020, included the UK - continued to result in high tariffs on some U.S. agricultural products and non-tariff measures on others.

## United Kingdom's Agricultural Suppliers



## Looking Ahead

Although the UK formally left the EU in January 2020, it remains within the EU customs union through December 2020. Until then, EU tariffs, trade policies and nontariff barriers will continue to apply for U.S. exports to the EU and UK. The United States and the UK launched trade negotiations in May 2020. A U.S.-UK trade deal has the potential to lower import duties, expand access, and remove trade barriers thus increasing bilateral trade. Given a reduction in tariffs, other factors being equal, there is potential for an increase in exports of processed foods such as snack foods, prepared goods, and wine in 2020 and beyond.

# VIETNAM

## Top 10 U.S. Agricultural Exports to Vietnam (Values in millions of dollars)

Country	2015	2016	2017	2018	2019	2018-2019 % Change	2015-2019 Average
Cotton	623	788	1,056	1,312	1,426	9%	1,041
Soybeans	265	341	288	470	293	-38%	331
Soybean Meal	139	74	75	305	195	-36%	158
Dairy Products	168	120	112	145	171	18%	143
Poultry Meat & Products*	84	79	76	110	140	28%	98
Fresh Fruit	59	67	72	102	139	36%	88
Tree Nuts	272	331	308	287	122	-58%	264
Prepared Food	37	46	44	51	117	131%	59
Beef & Beef Products	32	40	61	82	76	-7%	58
Non-Alcoholic Beverages**	43	47	48	58	76	29%	54
All Other	522	723	391	1070	753	-30%	692
Total Exported	2,244	2,656	2,532	3,991	3,507	-12%	2,986

Source: U.S. Census Bureau Trade Data - BICO HS-10

\*Excludes eggs

\*\*Excludes juices

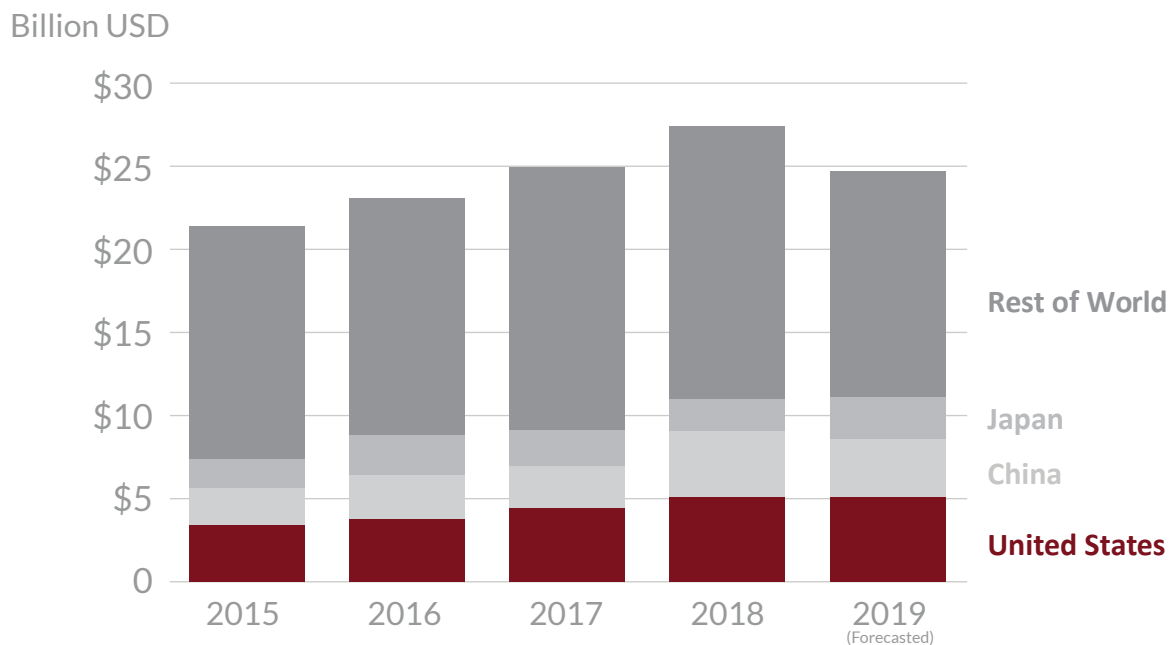
## Highlights

In 2019, Vietnam was the eighth largest destination for U.S. agricultural exports, which totaled \$3.5 billion, a 12 percent decrease from 2018. The United States is expected to be Vietnam's second largest supplier of agricultural goods, following China. Vietnam's continued economic integration and its FTA negotiations have allowed more openings for foreign products in general. The largest export growths were seen in cotton and prepared foods, up \$114 million and \$66 million, respectively. Additionally, increases in exports of fresh fruits, poultry meat & products (excluding eggs), and dairy products were up \$37 million, \$30 million, and \$26 million, respectively. Exports of corn were down by more than \$340 million. Exports of soybeans, tree nuts, and soybean meal were down \$176 million, \$165 million, and \$110 million, respectively. Vietnam in 2019 was the top market for U.S. cotton for the fourth consecutive year.

## Drivers

- Vietnam has Southeast Asia's fastest-growing middle class, which is expected to reach 33 million people in 2020, up from 12 million in 2014.
- Vietnam's demand for high-value consumer-oriented and seafood products has steadily increased over the past 5 years and is expected to continue.
- Growing food safety concerns also boost demand for imported U.S. food products as Vietnamese consumers view those products as high quality and safe.
- The COVID-19 crisis is having a significant and negative impact on Vietnam's economy, with the tourism and agro-industrial sectors among the hardest hit.

## Vietnam's Agricultural Suppliers



Source: Trade Data Monitor, LLC - BICO HS-6

## Looking Ahead

Prior to the COVID-19 pandemic Vietnam's gross domestic product was expected to slightly decelerate to around 6.5 percent and possibly lower in 2020 from a 7 percent in 2018 due to global economic uncertainties. Despite this decrease, the country's economic growth is still far beyond the average for other members of Association of Southeast Asian Nations (ASEAN). An African swine fever outbreak also adds uncertainty into the agricultural sector, diminishing the need for animal feed while increasing the demand for pork imports.

Despite these challenges, long-term sustainable growth is driven by robust inflows of foreign direct investment following a series of free trade agreements that Vietnam has signed with diverse trading partners. The biggest challenge facing U.S. agriculture is the tariff disadvantage of U.S. products against competing origins that have

regional or bilateral trade agreements. These include ASEAN, CPTPP and the European-Vietnam Free Trade Agreement. Recently, Vietnam has made improvements to its approval process for meat and poultry facility registration and has resumed approvals of new biotechnology events. Steady growth in modern food retail, HRI, and food processing sectors will open more opportunities for imported food products from the United States.

USDA hopes to conclude new market access for grain sorghum, grapefruit, lemons, and mandarin orange in 2020 after achieving market access for blueberries and oranges in 2019. With rising population, strong and stable economic growth, higher disposable income, and rapid development of within its food service and modern retail food sector, Vietnam has many factors to support expanded market demand for U.S. agricultural products, especially consumer-oriented and edible fish products.