



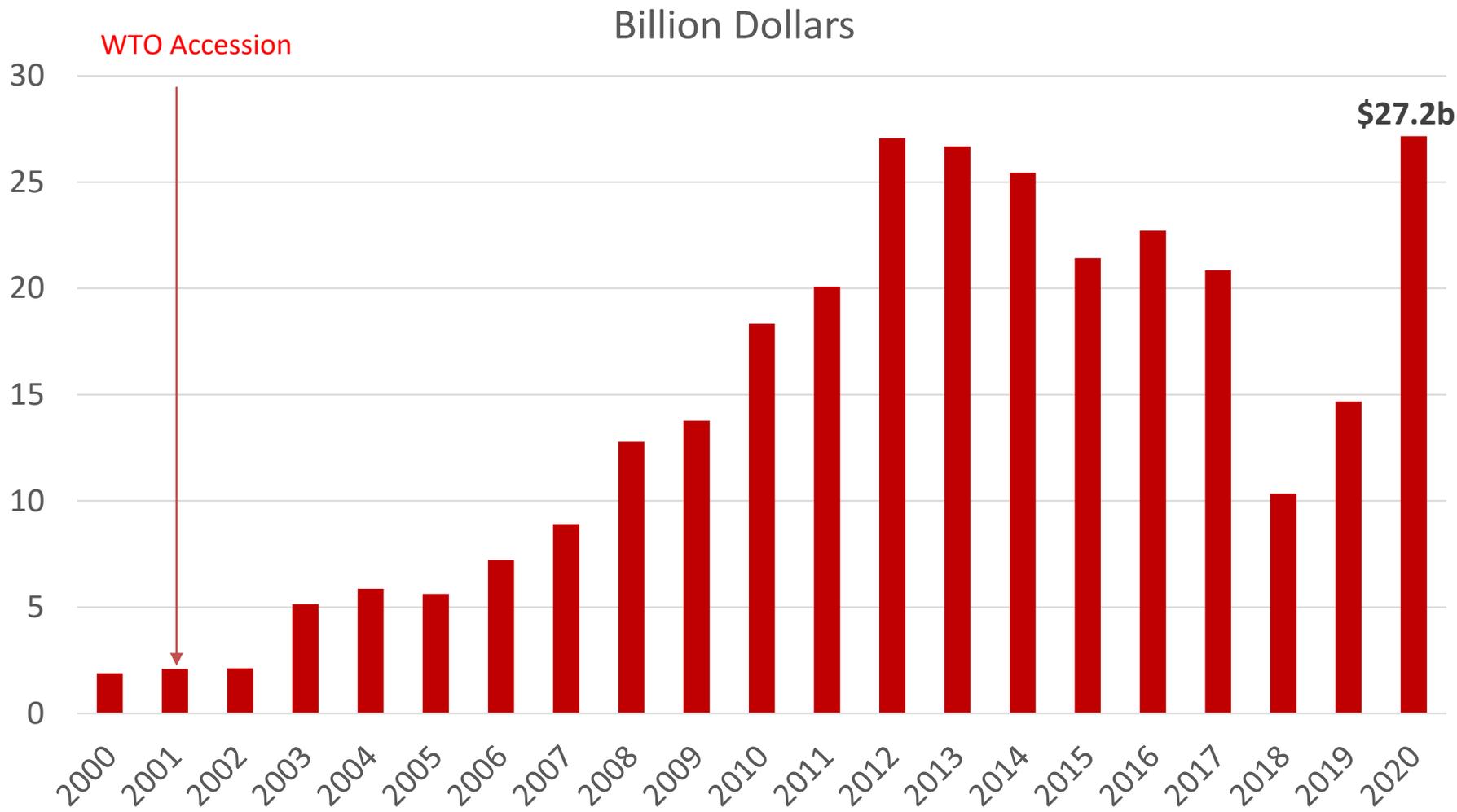
Jason Hafemeister
Acting Deputy
Under Secretary
TFAA

United States/China Trade Prospects

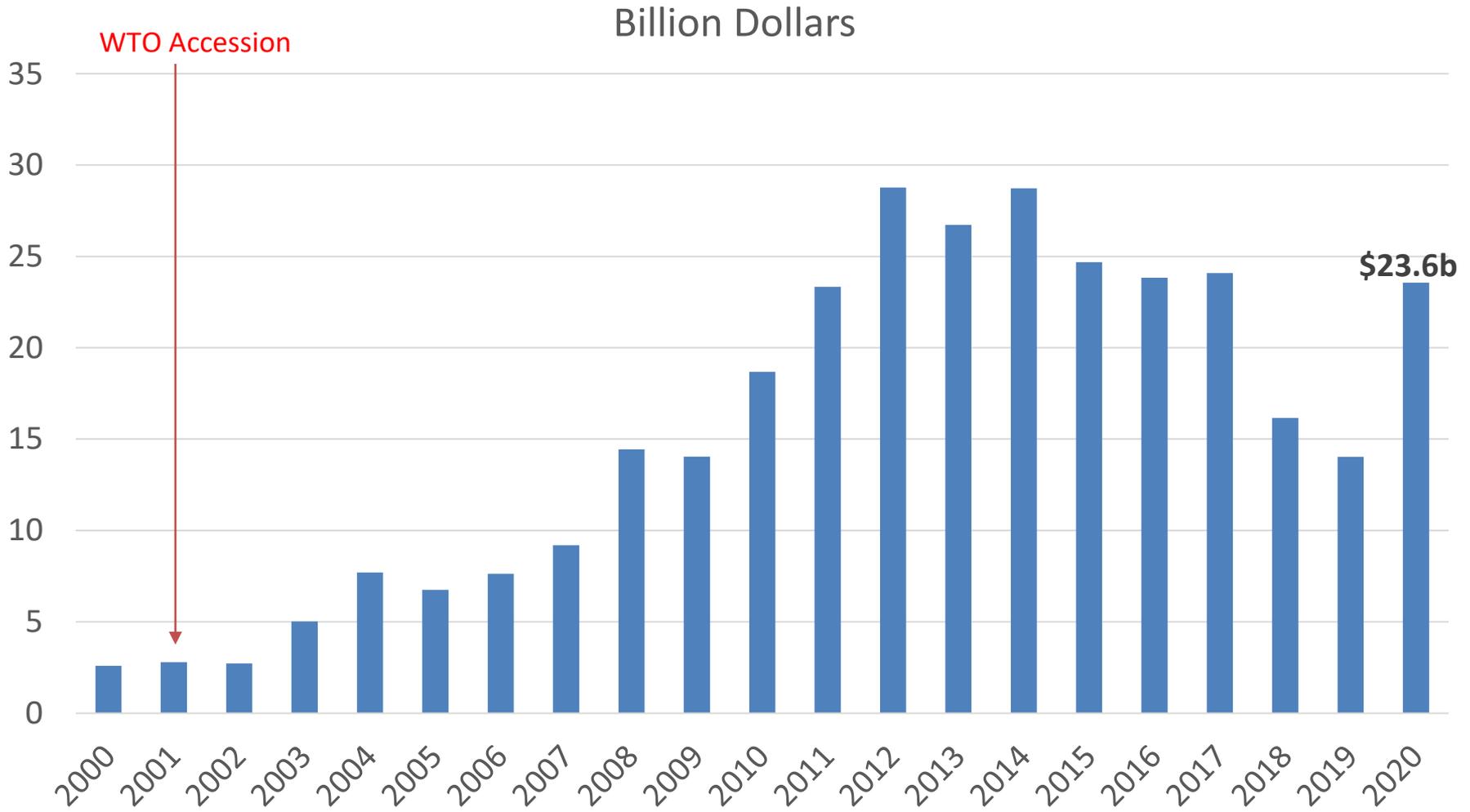
A Short Term Outlook

USDA Outlook Forum
February 18, 2021

Exports of U.S. Ag & Seafood Products to China



China Imports of U.S. Ag & Seafood Products



China Phase One Agreement: China's **Imports** of U.S. Ag & Seafood

China Imports from the United States, Billion USD (Phase One Agreement Agriculture Groups)

	2017	2018	2019	2020
Oilseeds	13.941	7.061	6.682	10.635
Cereals	1.534	0.922	0.285	2.456
Meat	1.187	0.537	0.867	3.131
Cotton	0.983	1.064	0.731	1.605
Seafood	1.320	1.255	0.915	0.779
Other	5.122	5.316	4.554	4.961
Total	24.086	16.155	14.034	23.565

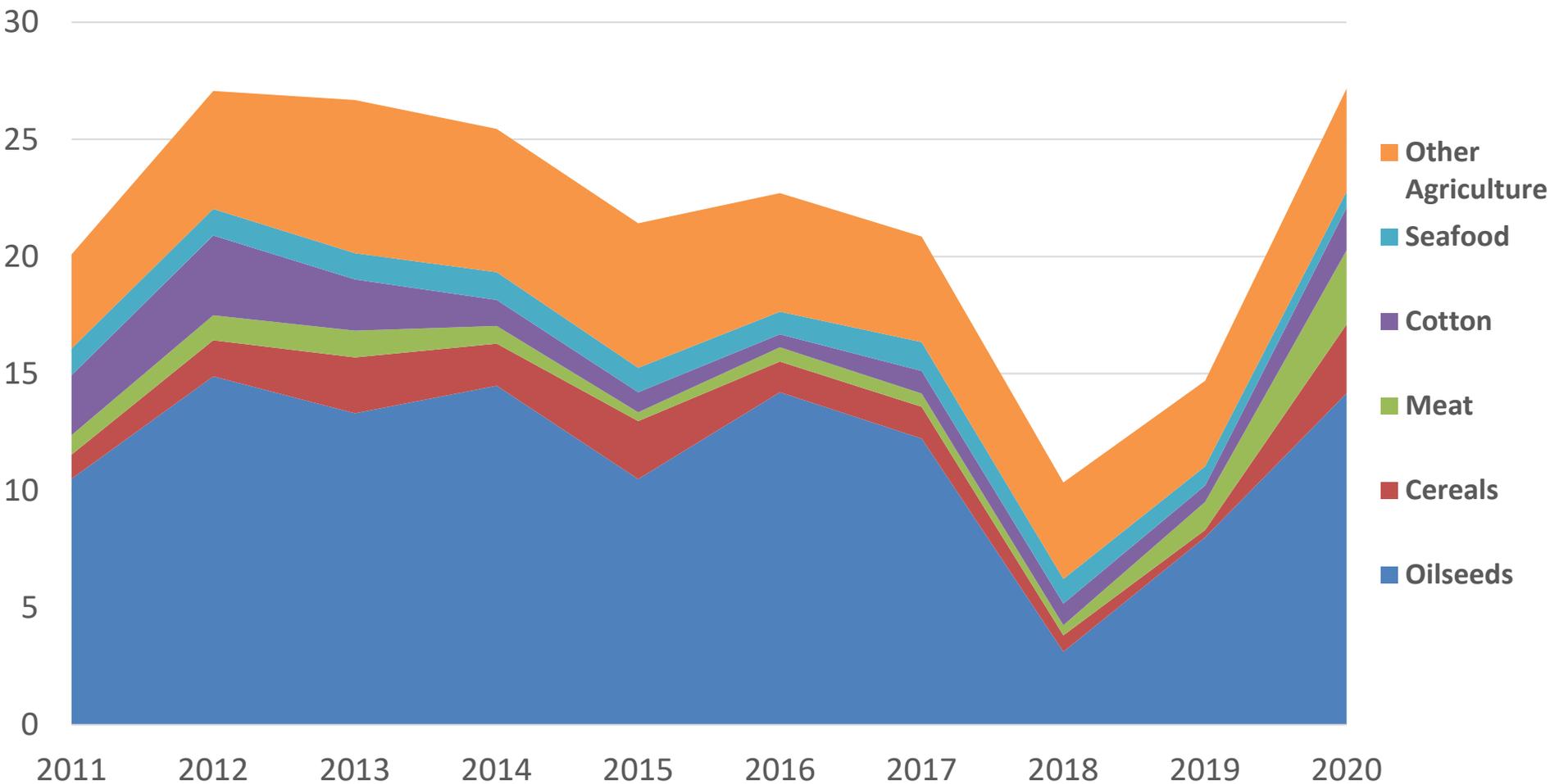
Source: China Import data

China Phase One Agreement: U.S. Ag & Seafood **Exports** to China

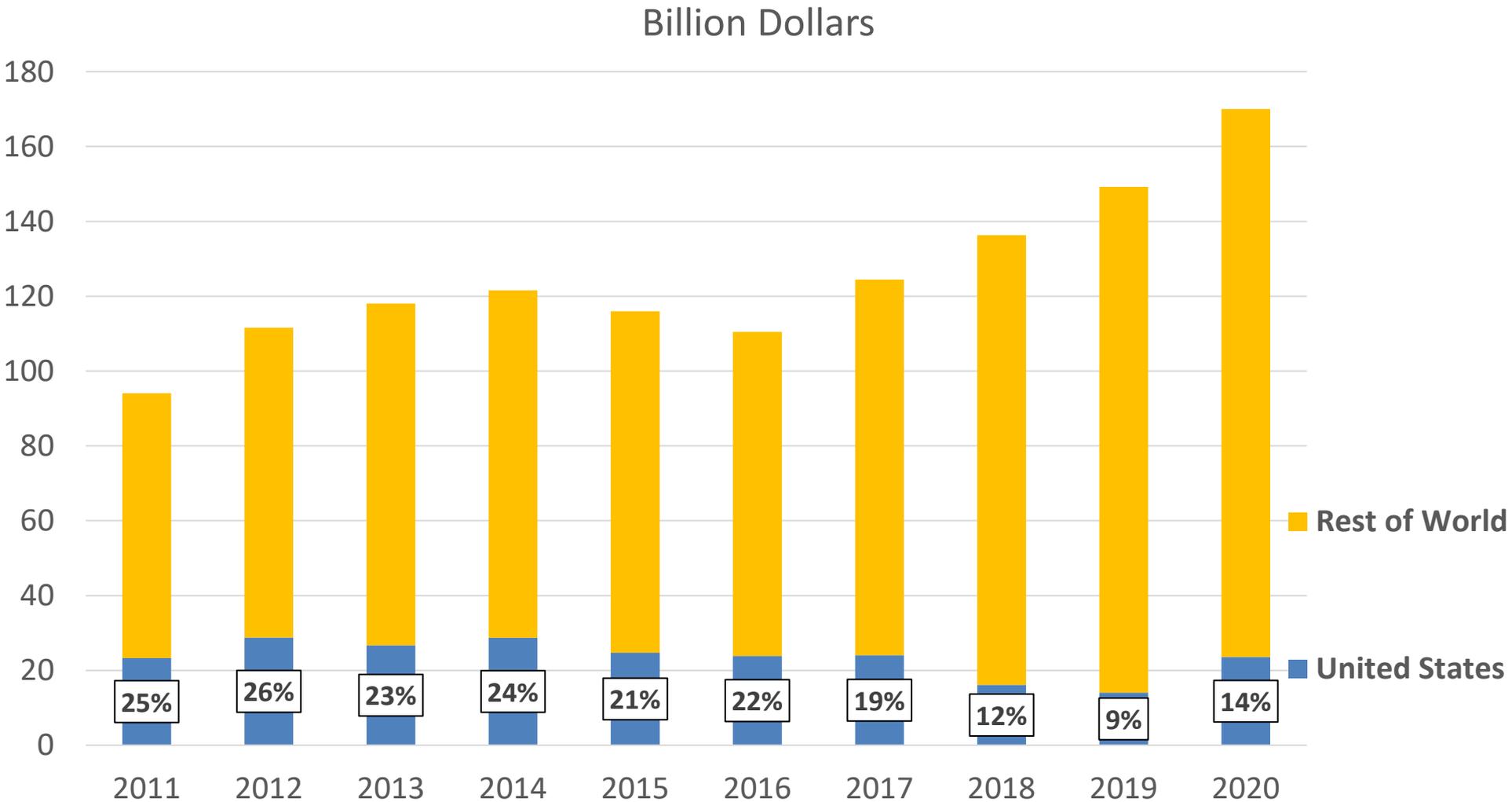
United States Exports to China, Billion USD (Phase One Agreement Agriculture Groups)				
	2017	2018	2019	2020
Oilseeds	12.225	3.119	8.005	14.161
Cereals	1.358	0.696	0.316	2.938
Meat	0.559	0.440	1.193	3.165
Cotton	0.973	0.921	0.705	1.822
Seafood	1.234	1.055	0.823	0.689
Other	4.504	4.119	3.651	4.394
Total	20.852	10.351	14.693	27.167

Composition of U.S. Ag Exports to China

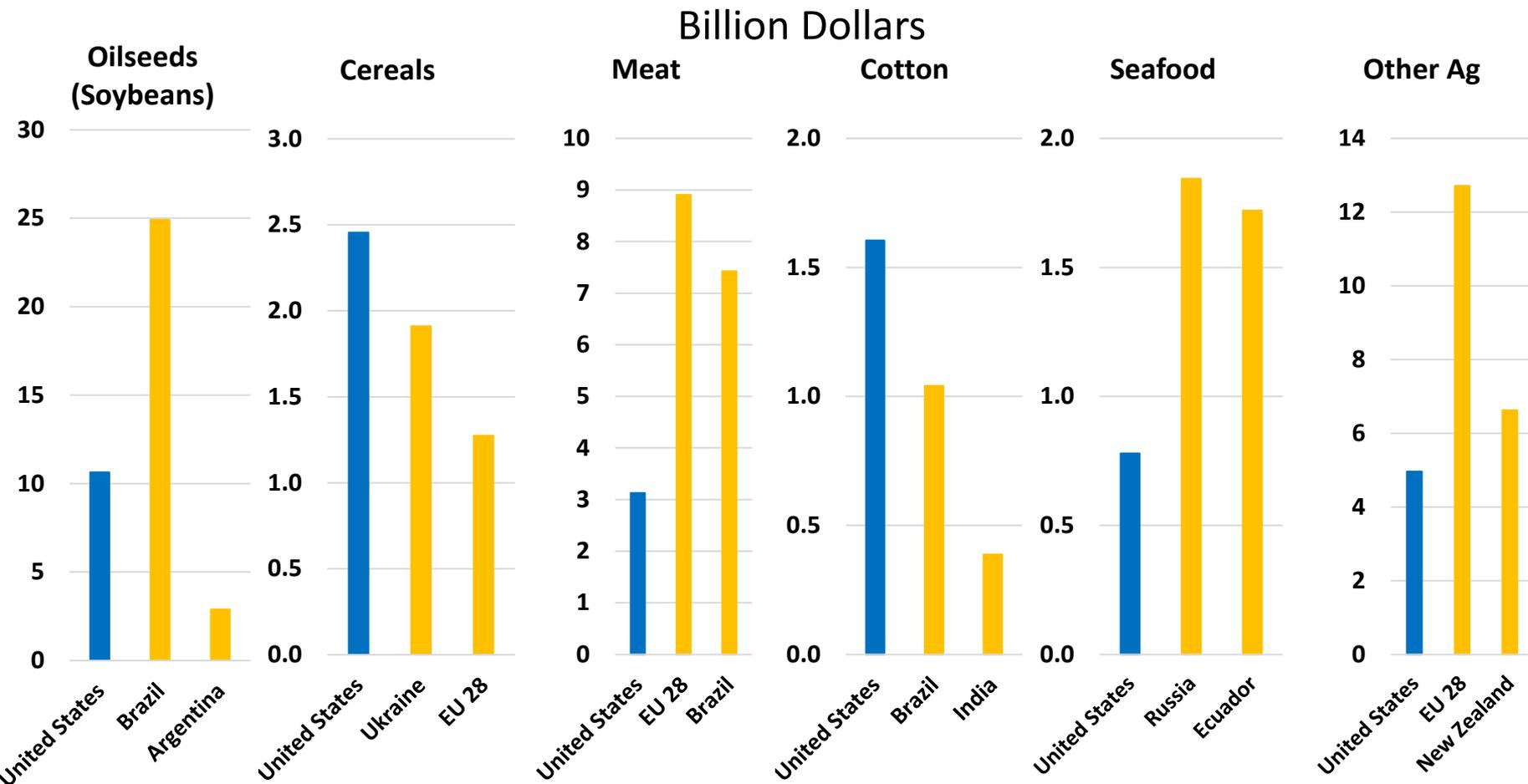
Billion Dollars



United States Share of China Ag Imports



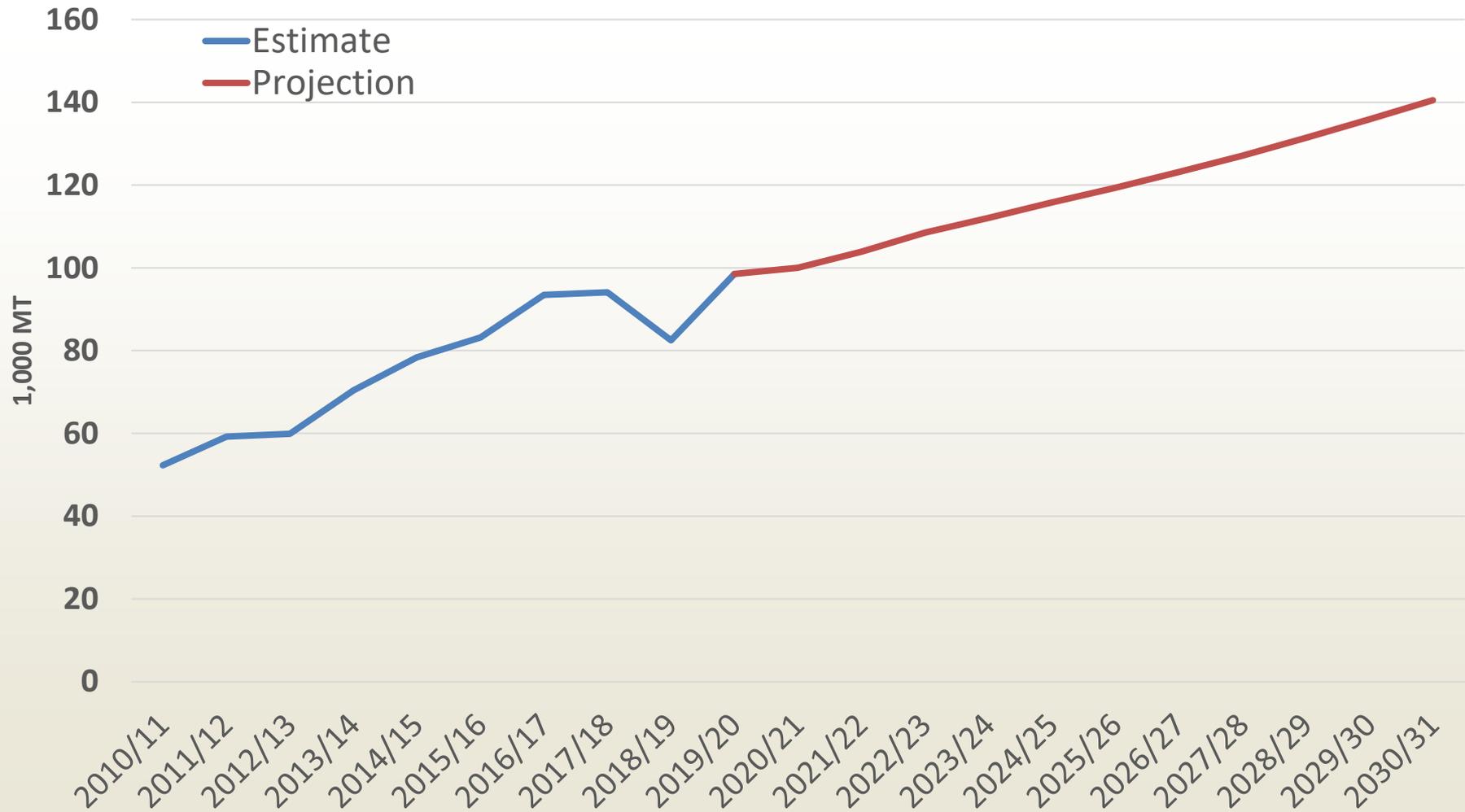
2020 China Imports from U.S. vs Top Competitors



China Phase One Agreement: Key Technical Measures

- Poultry meat: ban lifted and regionalization protocol signed
- Beef: MRLs established for synthetic hormones, 30-month age limit removed
- Pet Food: restrictions on poultry and beef content lifted
- Rice: import protocol finalized
- Meat, dairy and feed ingredient: facility and product registration expedited
- Phytosanitary restrictions lifted: nectarines, blueberries, avocados, barley, hay, almond meal, and chipping potatoes
- Expanded species list of seafood eligible to export to China
- Biotech
- WTO litigation on grains (TRQs and subsidies)

China Soybean Import Estimates and Projections



Export Outlook for Oilseeds & Products

Revised FY 2021 Forecast:

\$38.3 Billion  \$2.0 Billion

2021

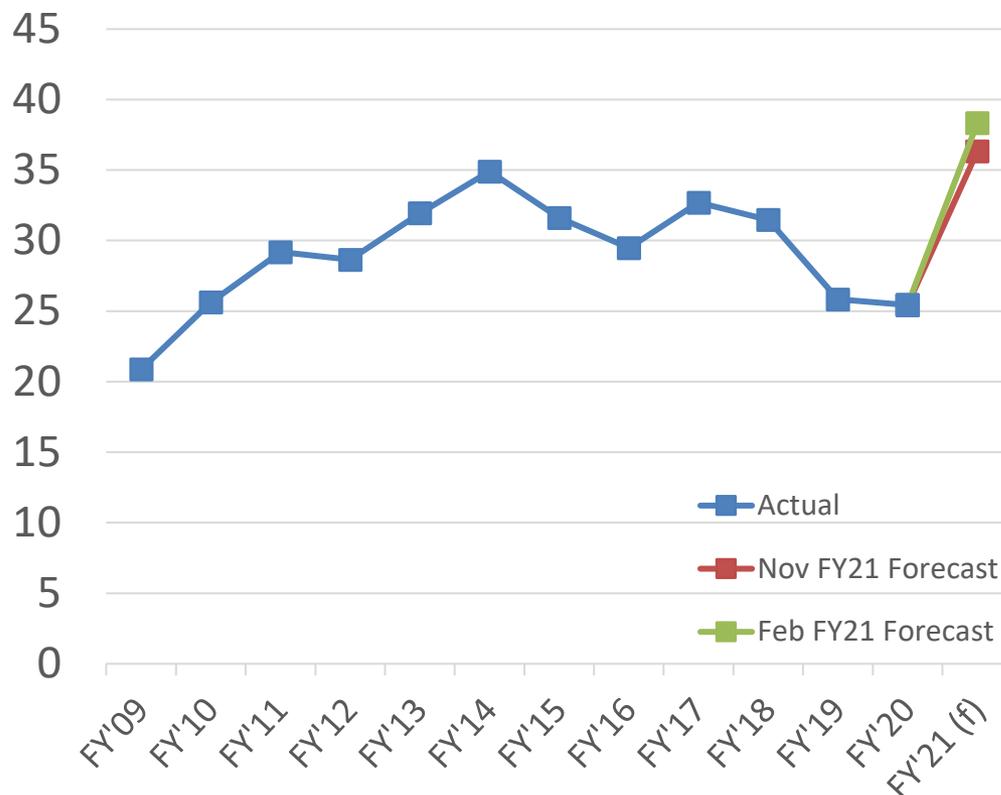
Key Developments

- Record forecast for oilseeds and products
- Record U.S. soybean export volumes and values
- Strong China demand and reduced U.S. stocks significantly strengthened prices
- Tight global supplies for all major oilseeds are boosting prices

Wild Cards

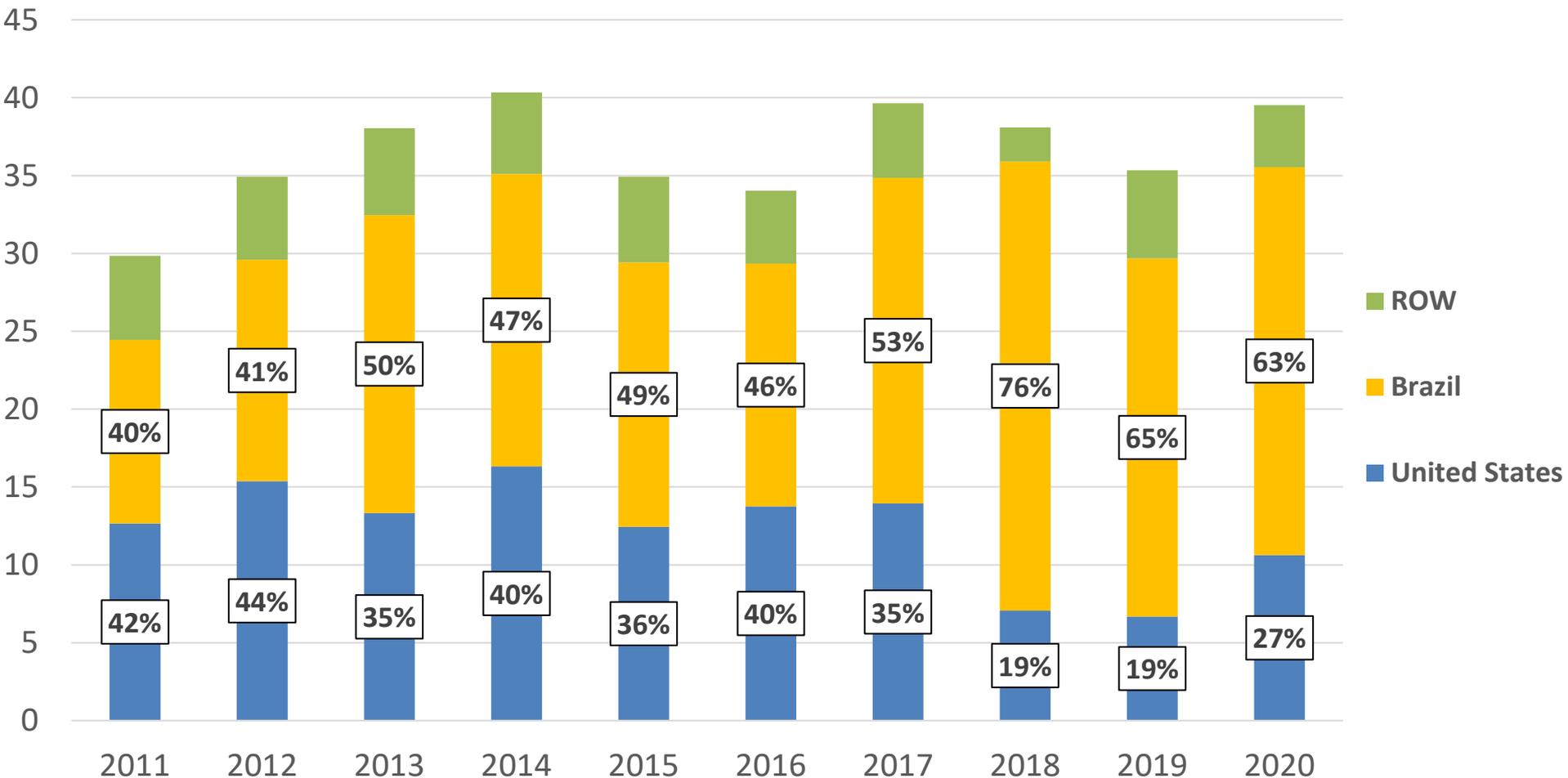
- China soybean demand
- Brazil export pace
- U.S. soybean plantings in 2021

Export Value (\$Bil)



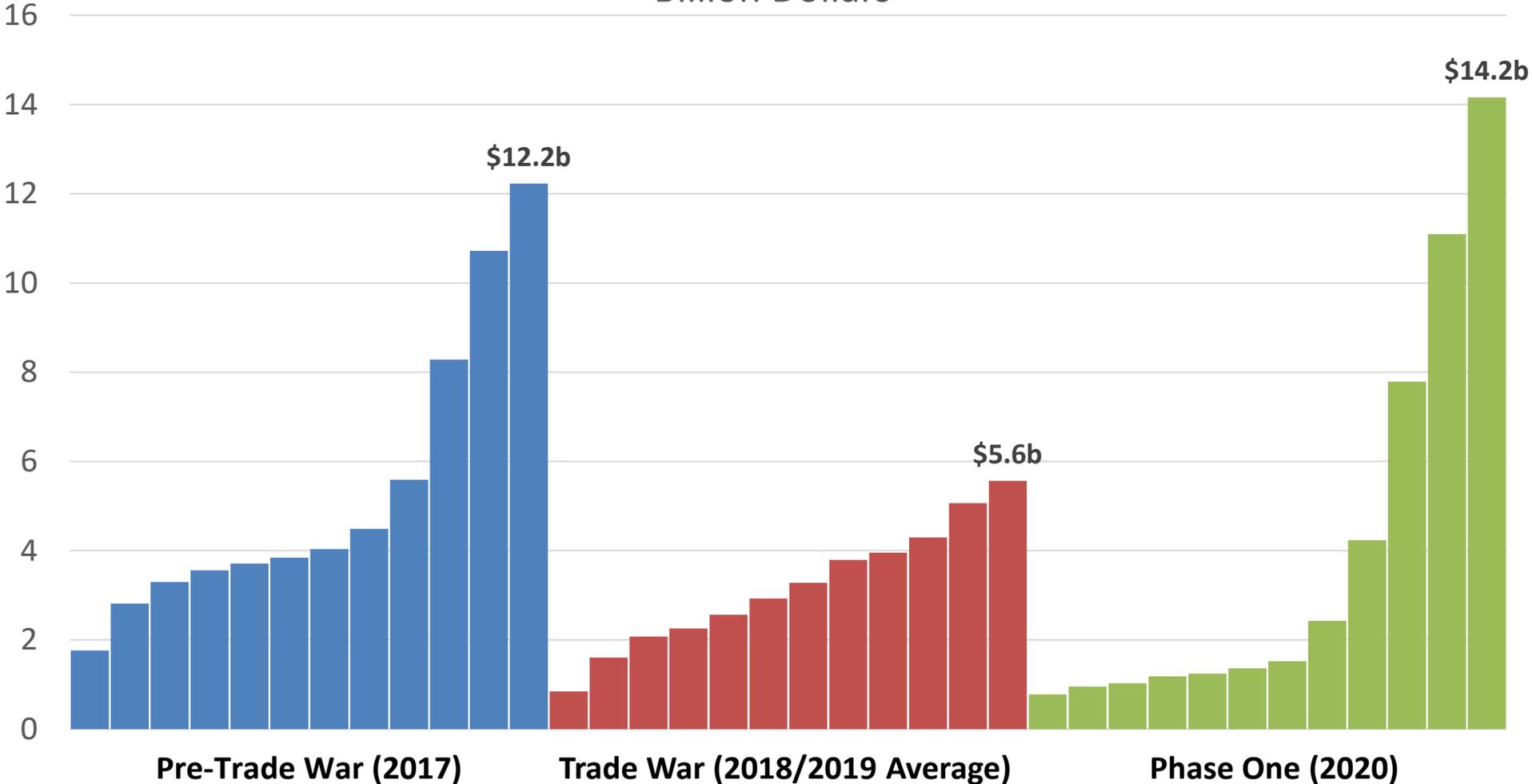
Oilseeds: China Soybean Import Shares

Billion Dollars



Cumulative Monthly Oilseeds Exports to China

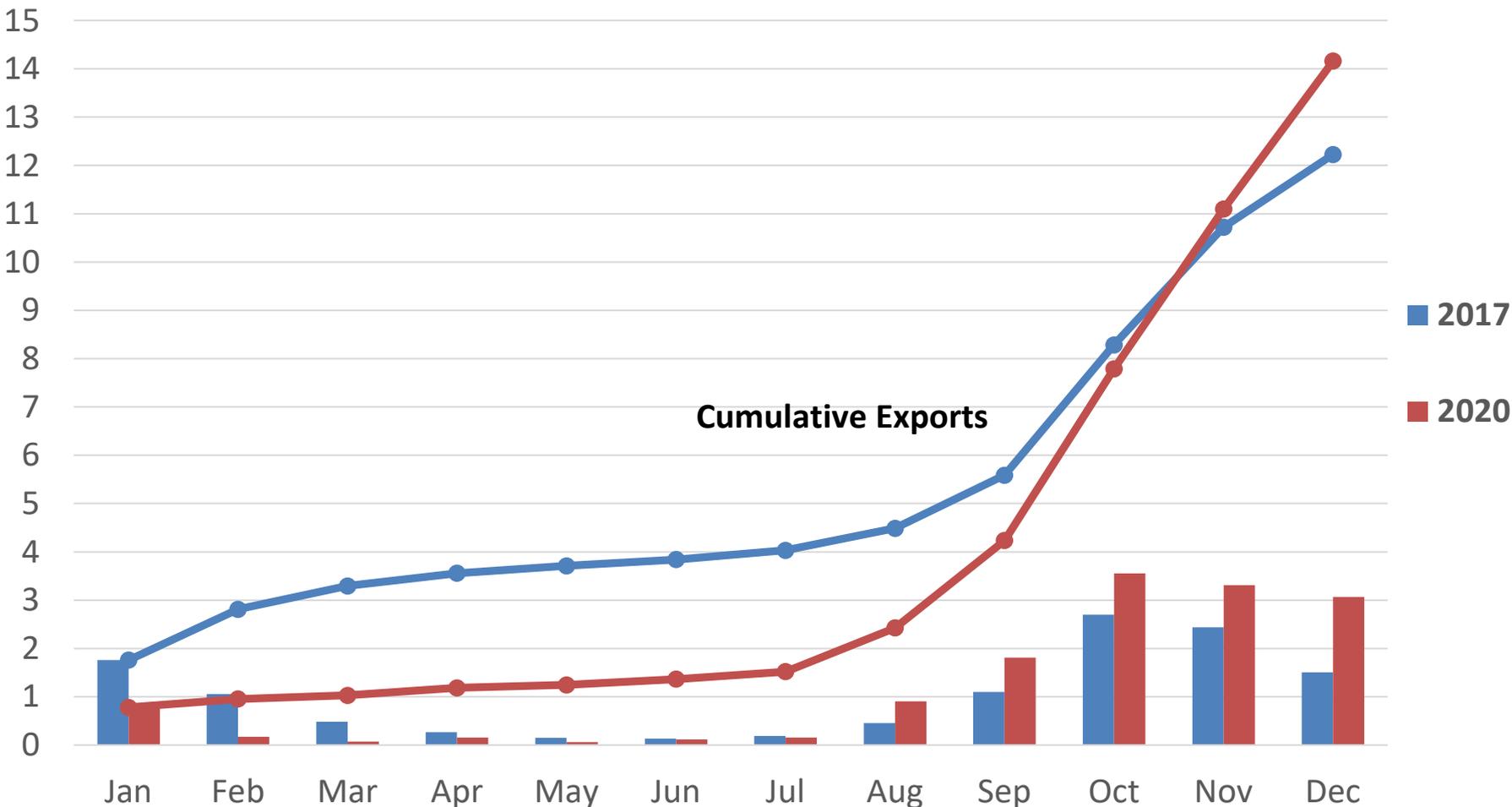
Billion Dollars



Calendar year, Phase 1 Agriculture Groups
 Source: United States Census Bureau

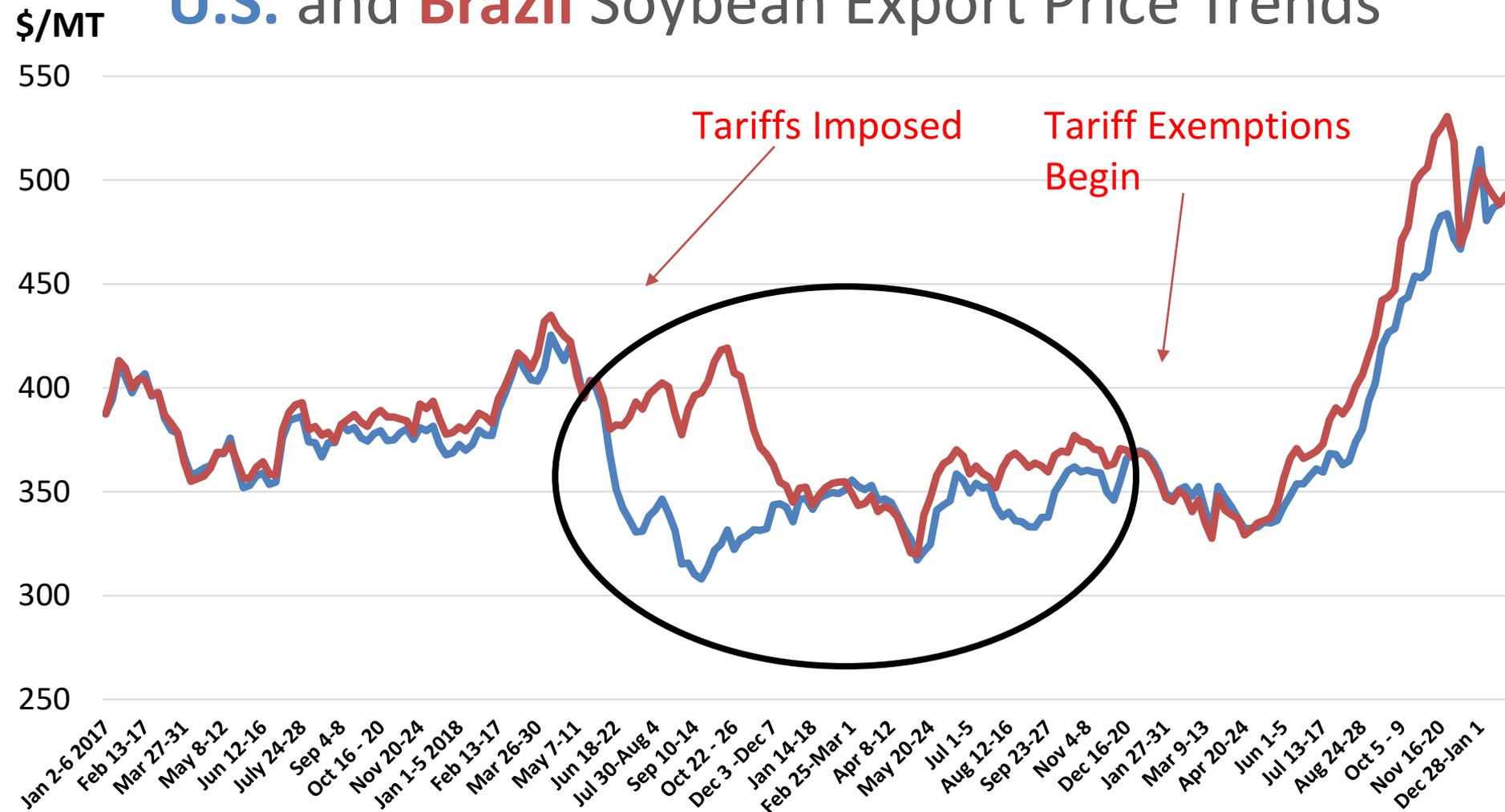
Oilseeds: Monthly U.S. Soybean Exports to China

Billion Dollars



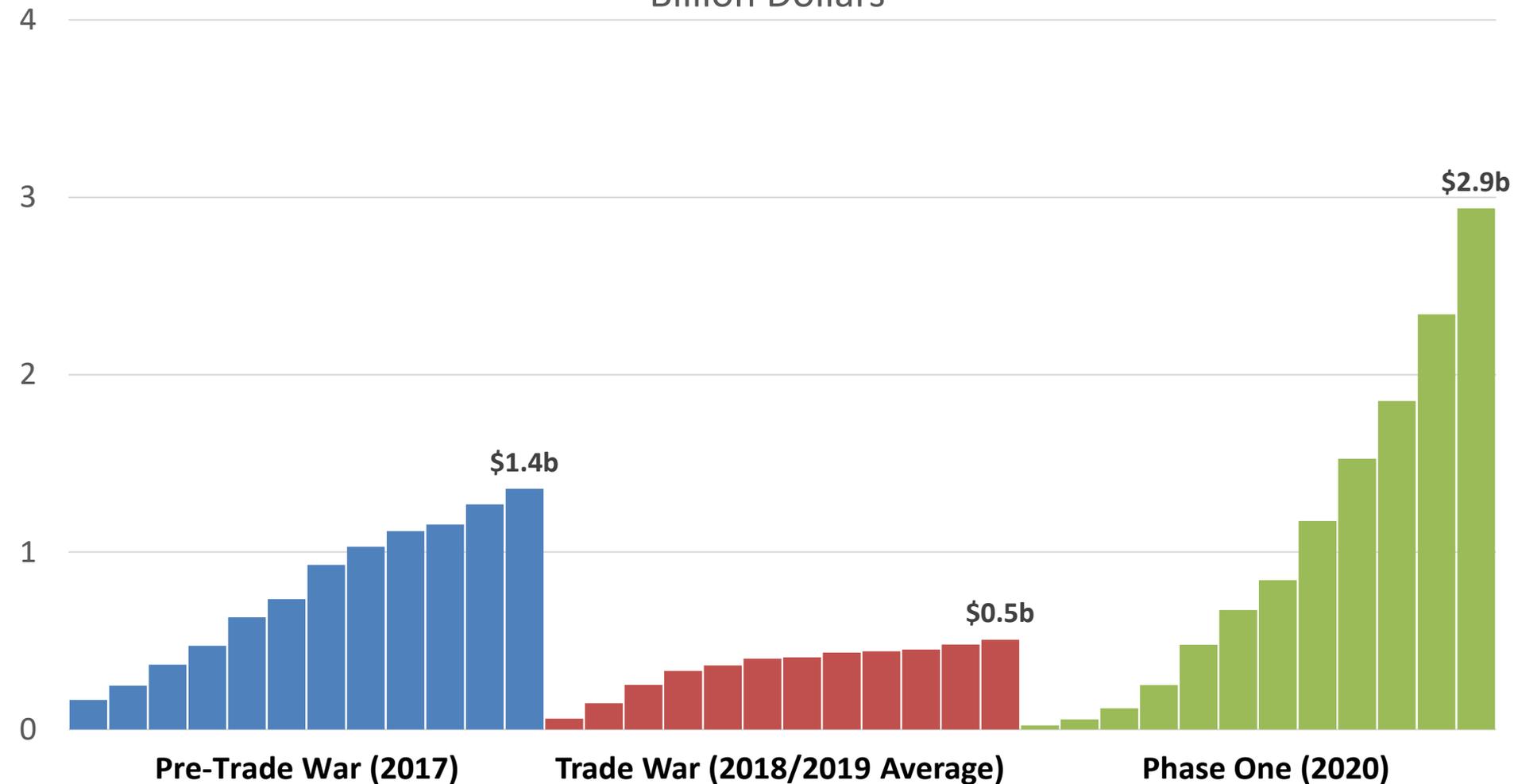
Oilseeds: Soybean Prices

U.S. and Brazil Soybean Export Price Trends



Cumulative Monthly Cereals Exports to China

Billion Dollars



Export Outlook for Grain & Feed Products

Revised FY 2021 Forecast:

\$37.8 Billion



\$2.2 billion

2021

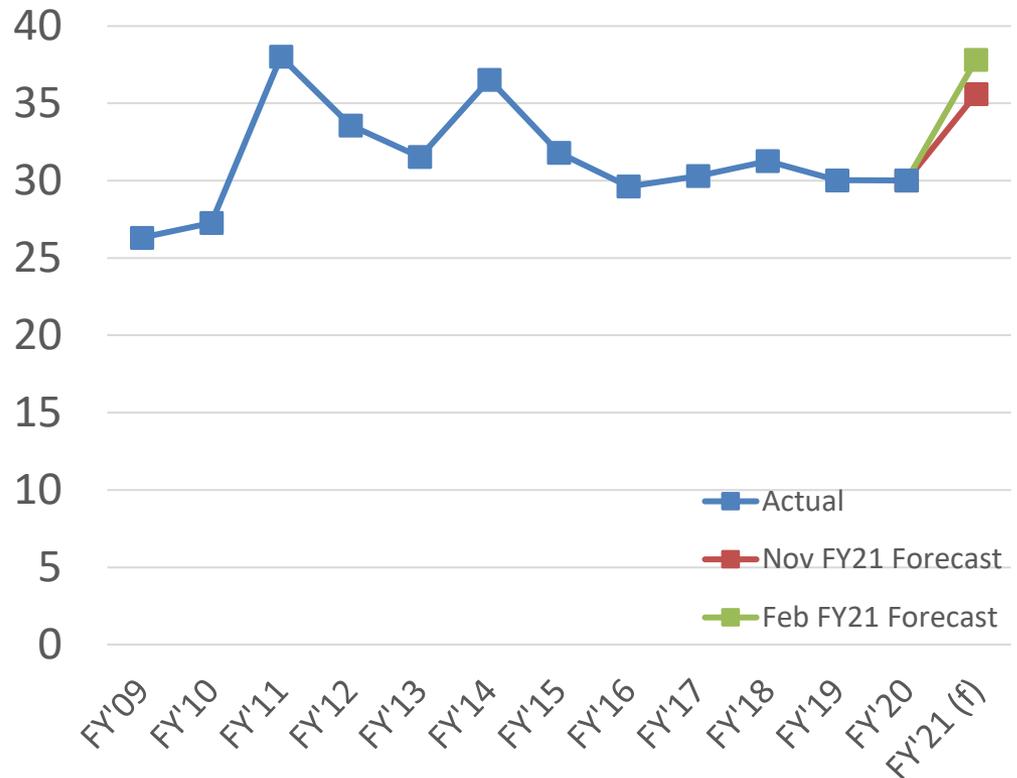
Key Developments

- Corn up on higher unit values offsetting slightly lower volumes
- Sorghum up on stronger demand from China
- Global demand drives wheat unit values higher
- Rice up on higher unit values due to strong domestic demand

Wild Cards

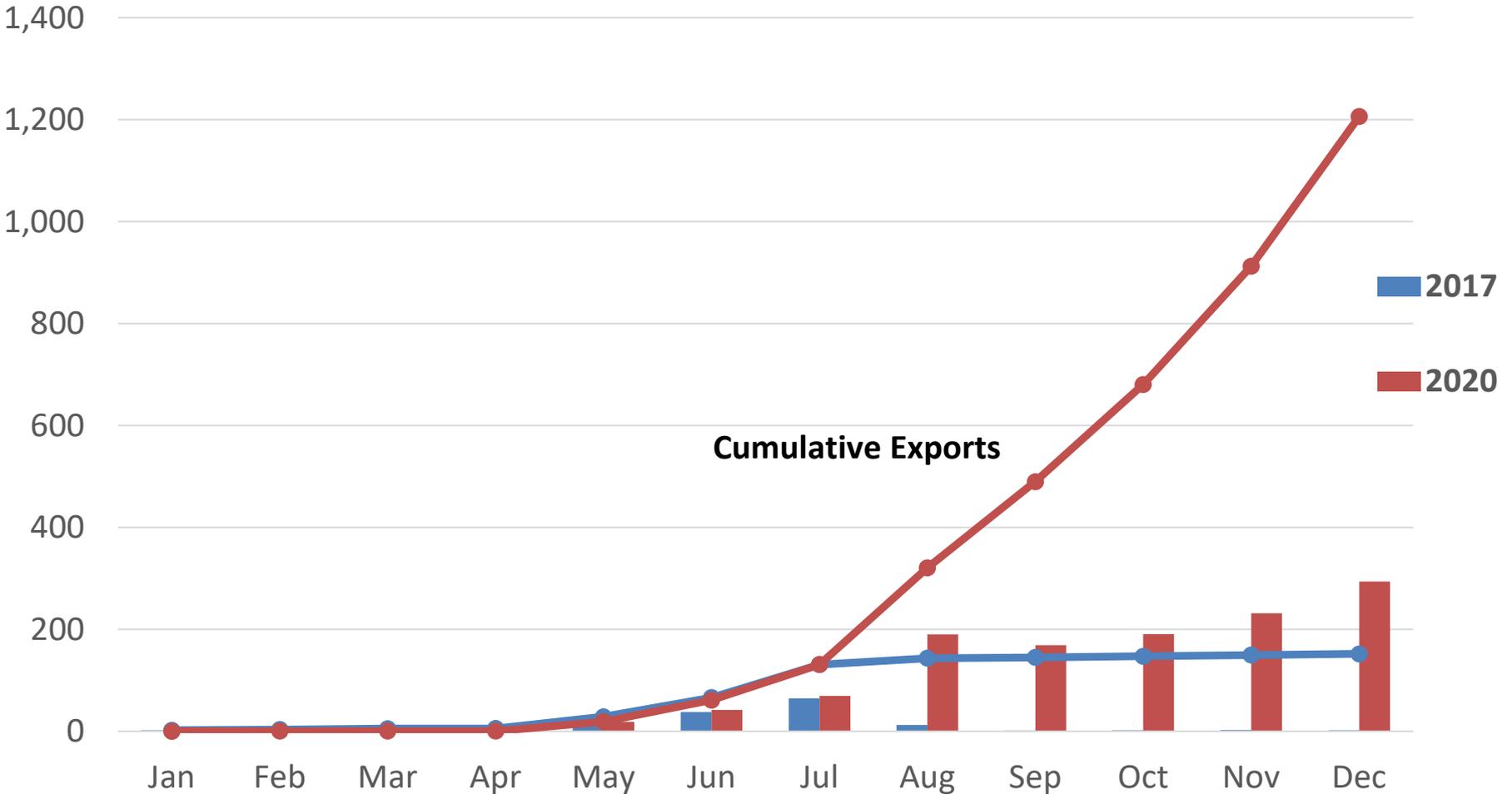
- Trade with China
- Effect of Russia export tax and quota

Export Value (\$Bil)



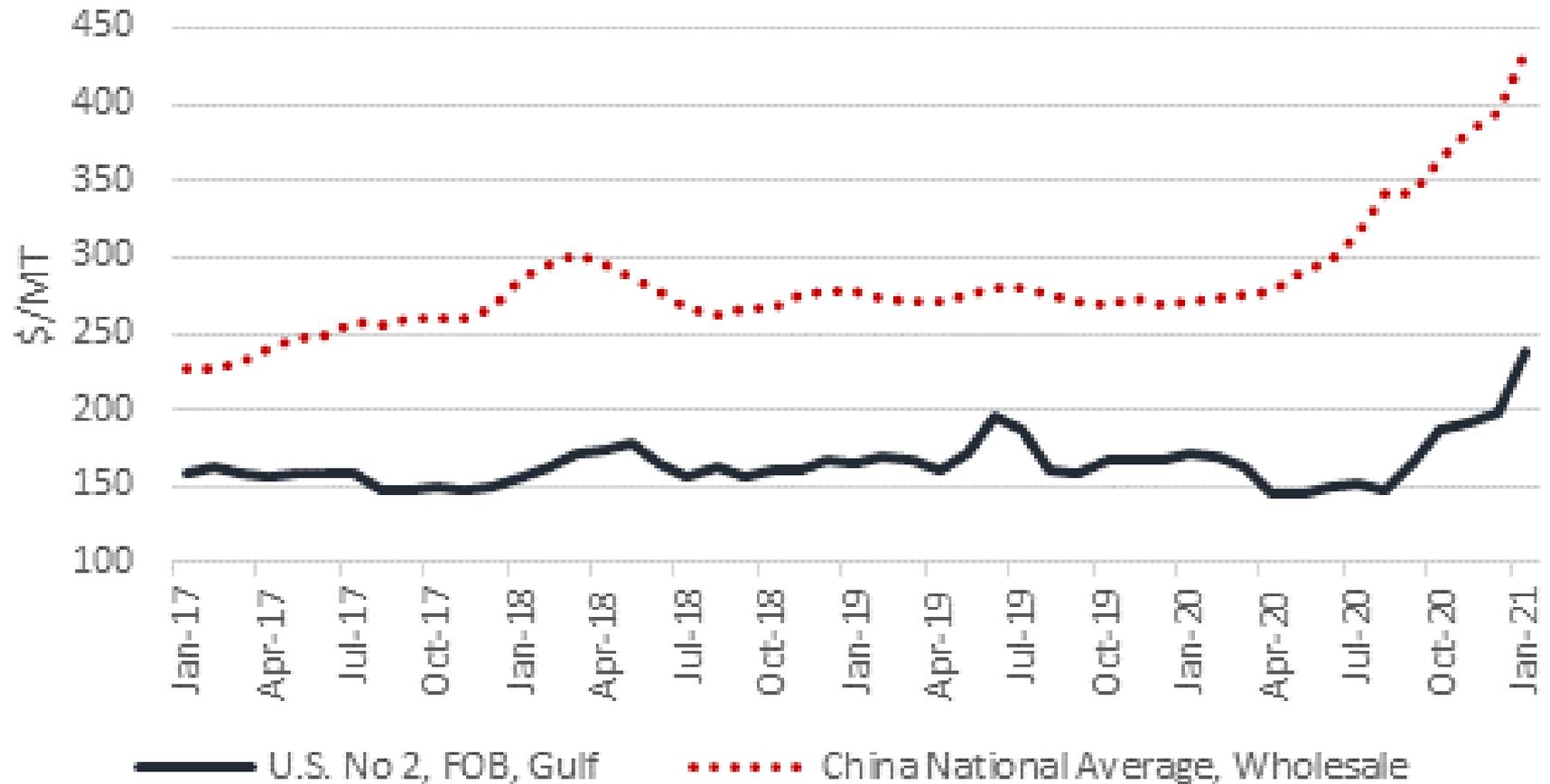
Cereals: Monthly U.S. Corn Exports to China

Million Dollars



China Corn Prices

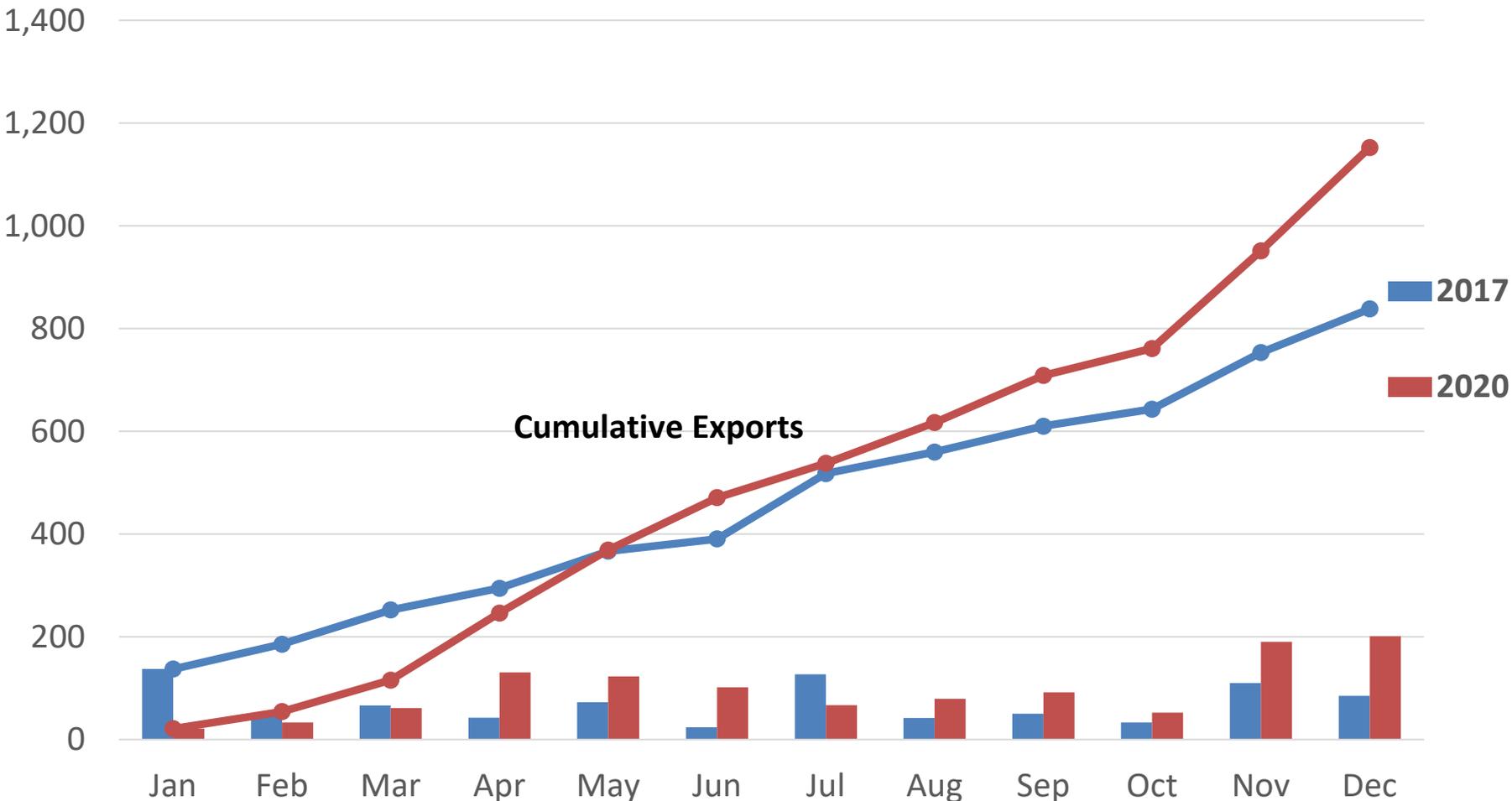
U.S. and China Corn Prices



Cereals:

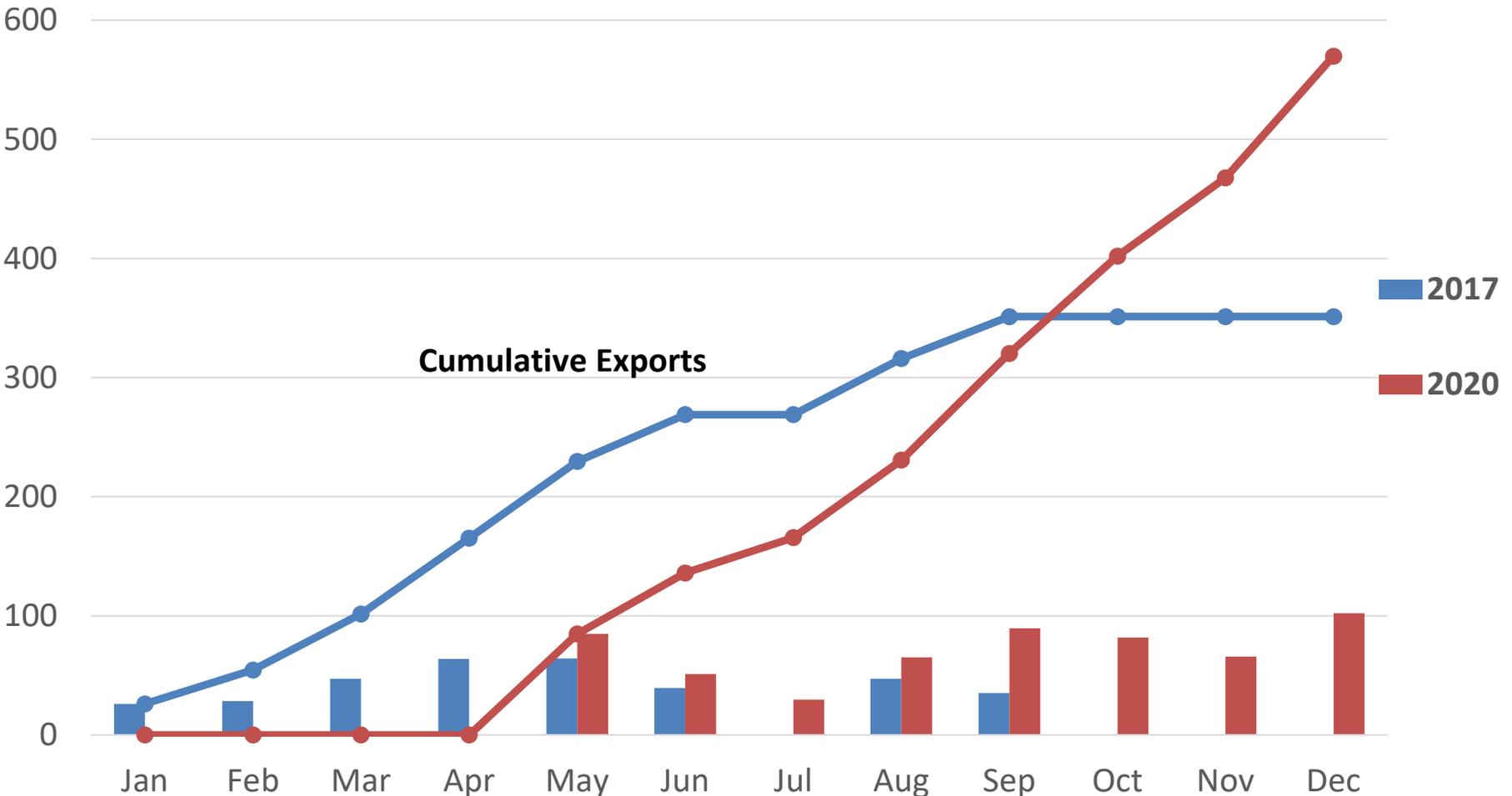
Monthly U.S. Sorghum Exports to China

Million Dollars



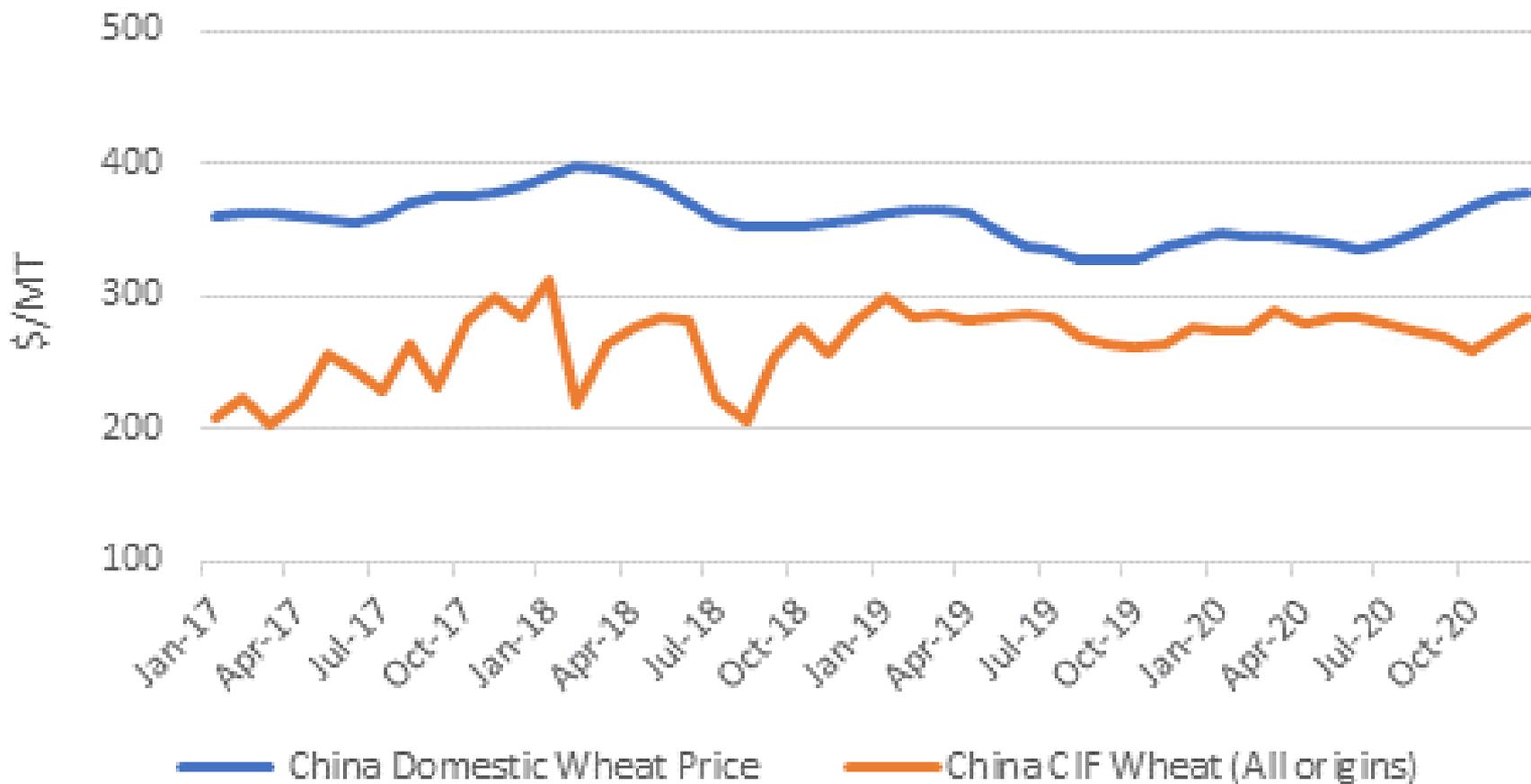
Cereals: Monthly U.S. Wheat Exports to China

Million Dollars



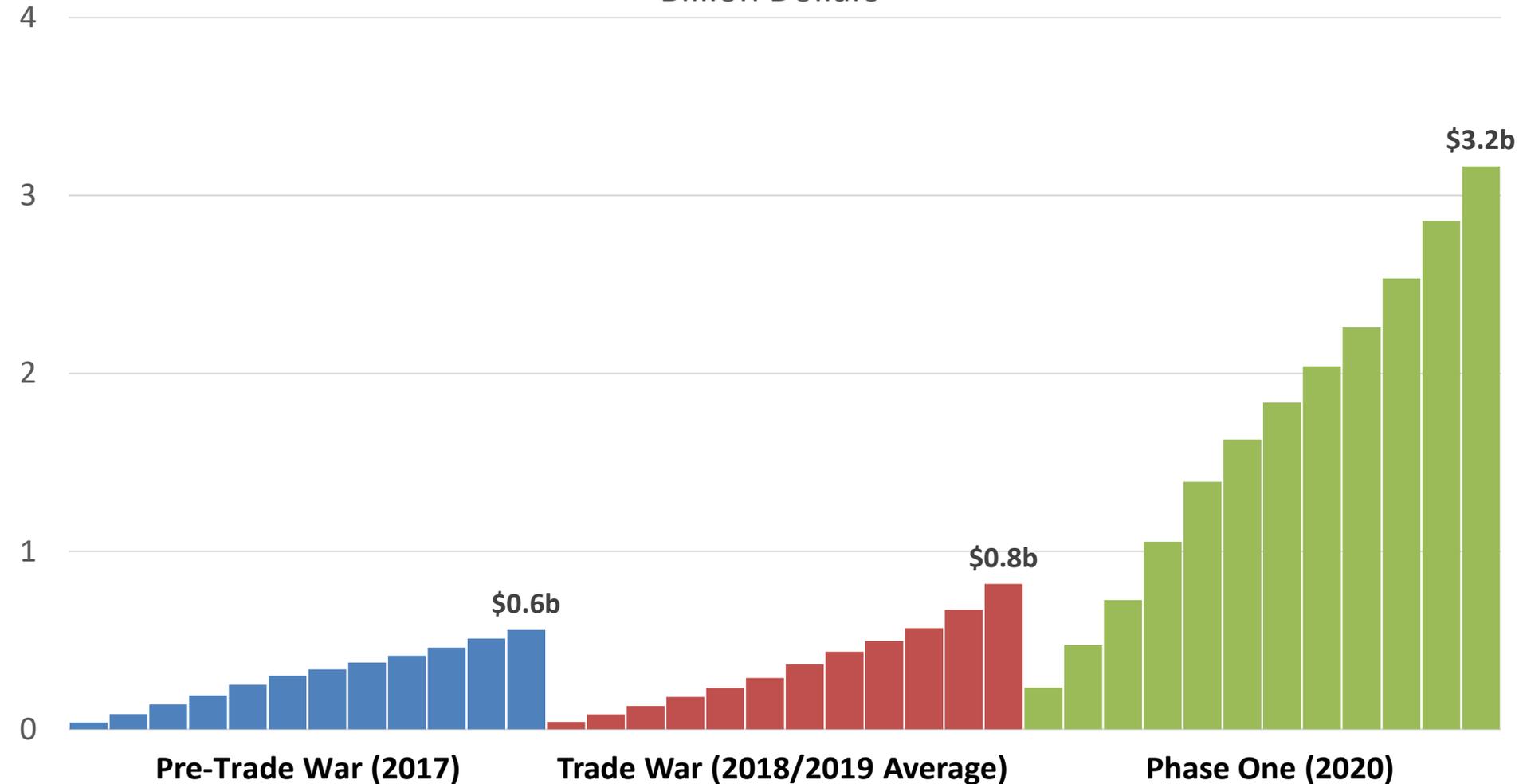
China Wheat Prices

China Domestic and Imported Wheat Prices



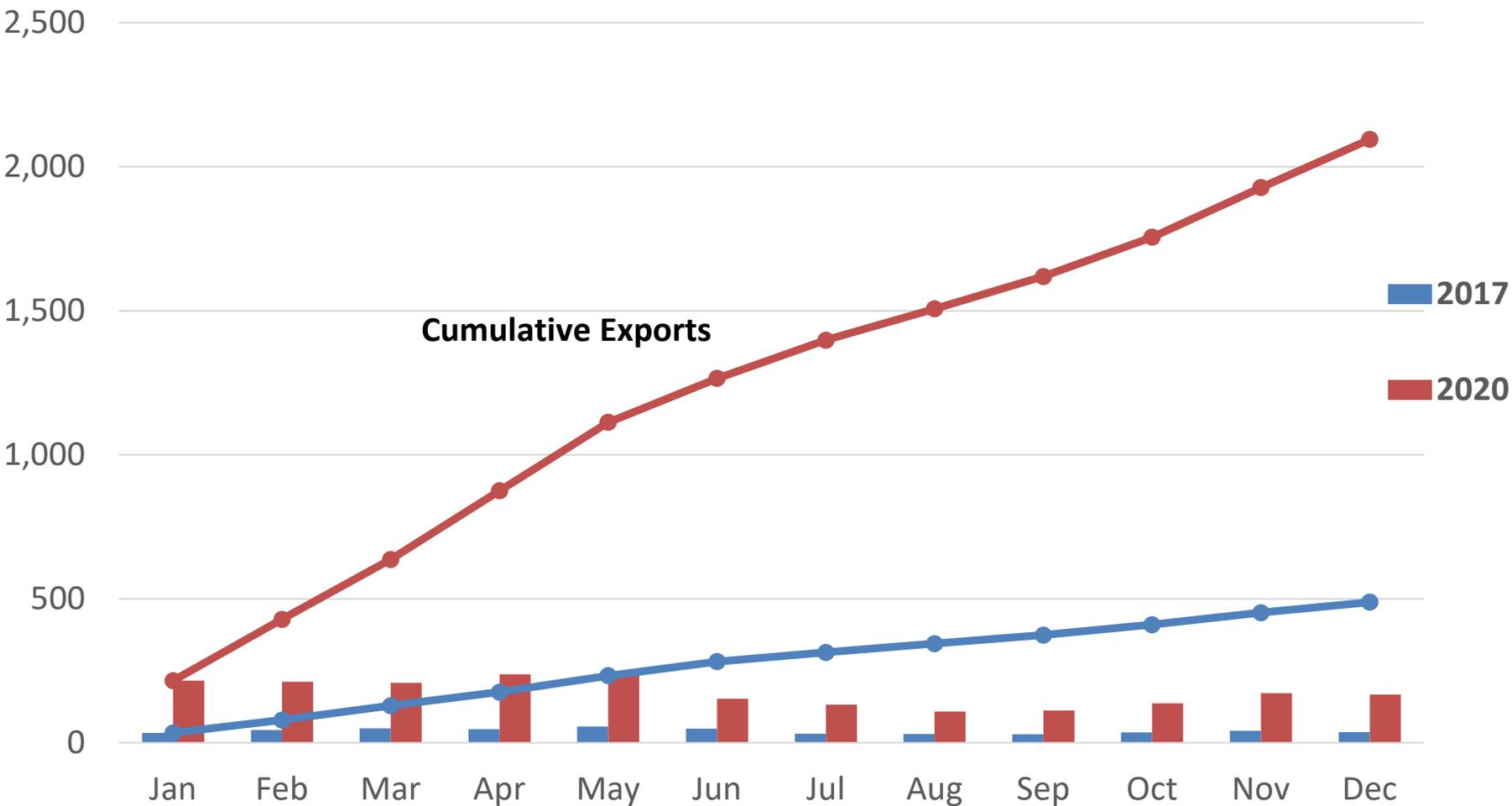
Cumulative Monthly Meat Exports to China

Billion Dollars



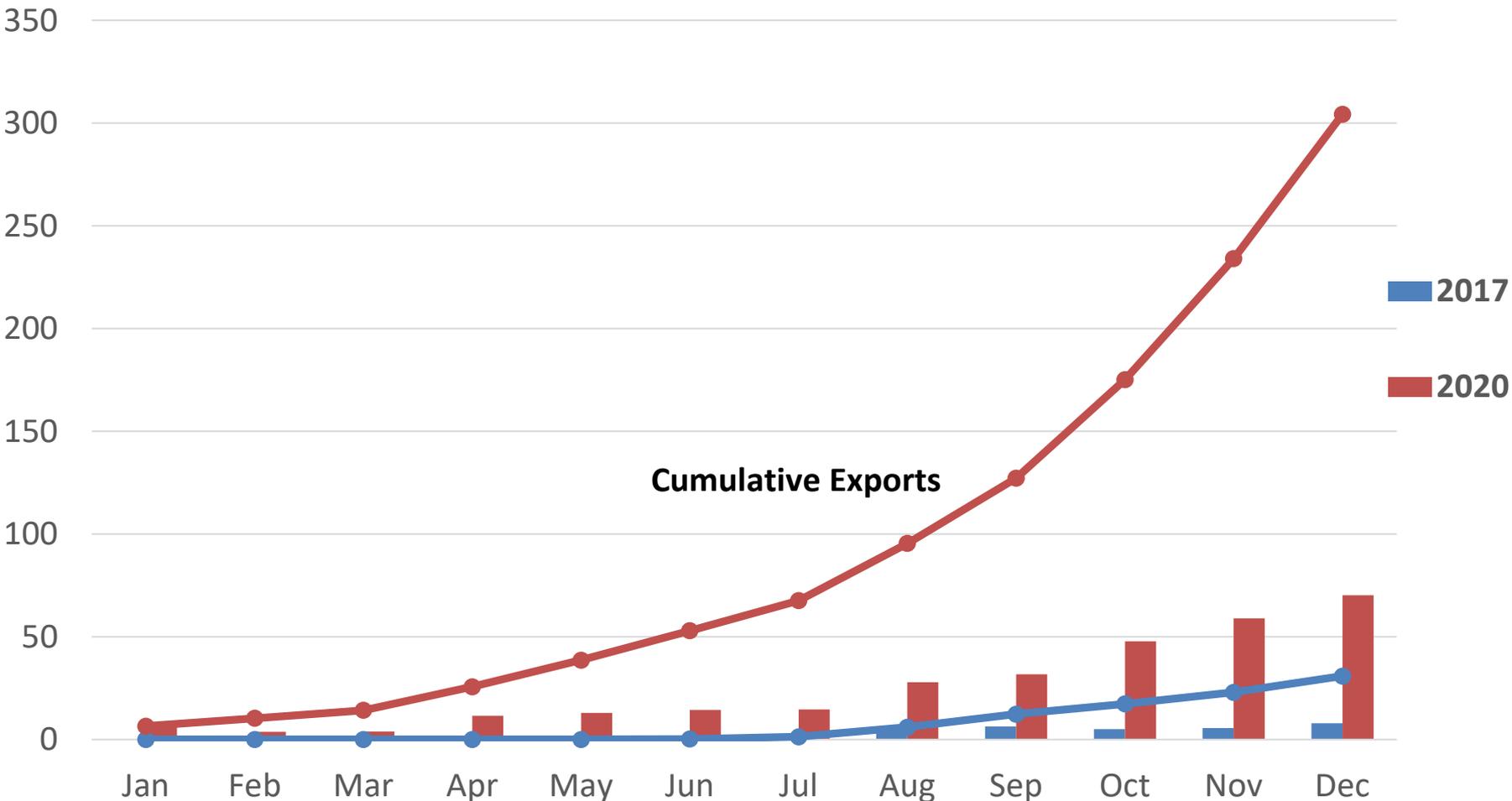
Meat: Monthly U.S. Pork Exports to China

Million Dollars



Meat: Monthly U.S. Beef Exports to China

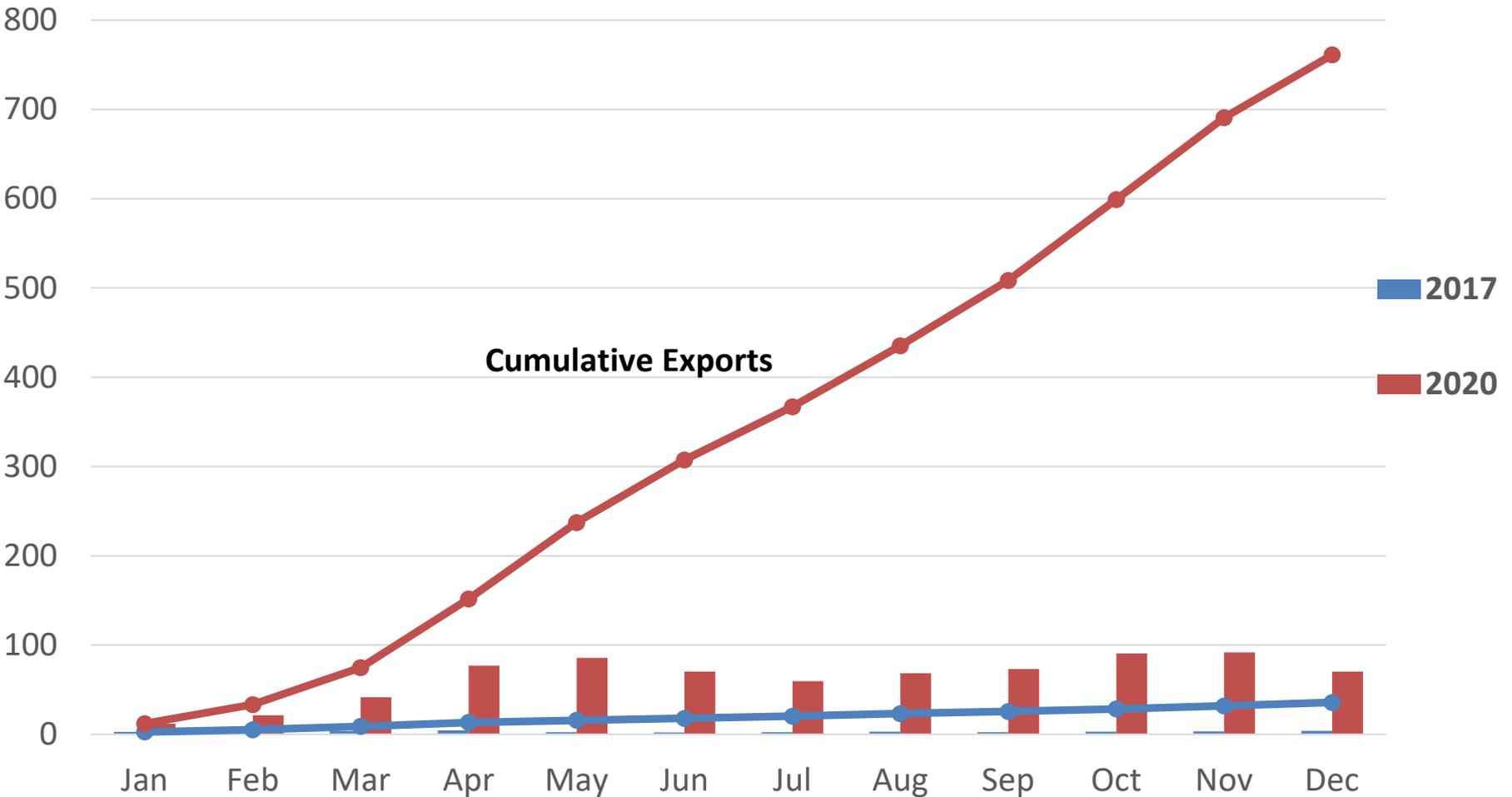
Million Dollars



Meat:

Monthly U.S. Poultry Exports to China

Million Dollars



Cumulative Monthly Cotton Exports to China

Billion Dollars

2

1

0

\$1.8b

\$1.0b

\$0.8b

Pre-Trade War (2017)

Trade War (2018/2019 Average)

Phase One (2020)

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau

Cumulative Monthly Seafood Exports to China

Billion Dollars

2

1

0

\$1.2b

\$0.9b

\$0.7b

Pre-Trade War (2017)

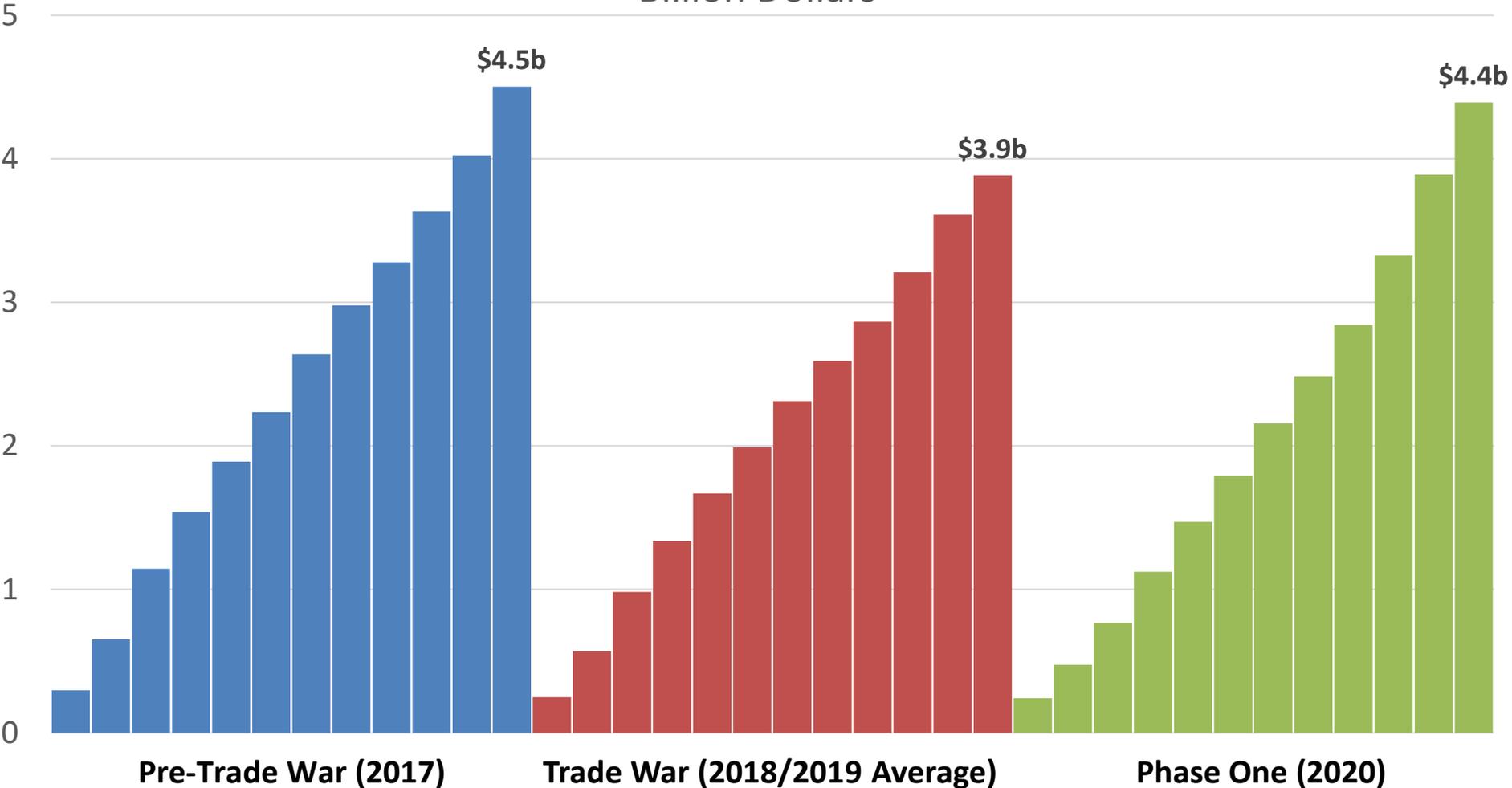
Trade War (2018/2019 Average)

Phase One (2020)

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau

Cumulative Monthly Other Ag Exports to China

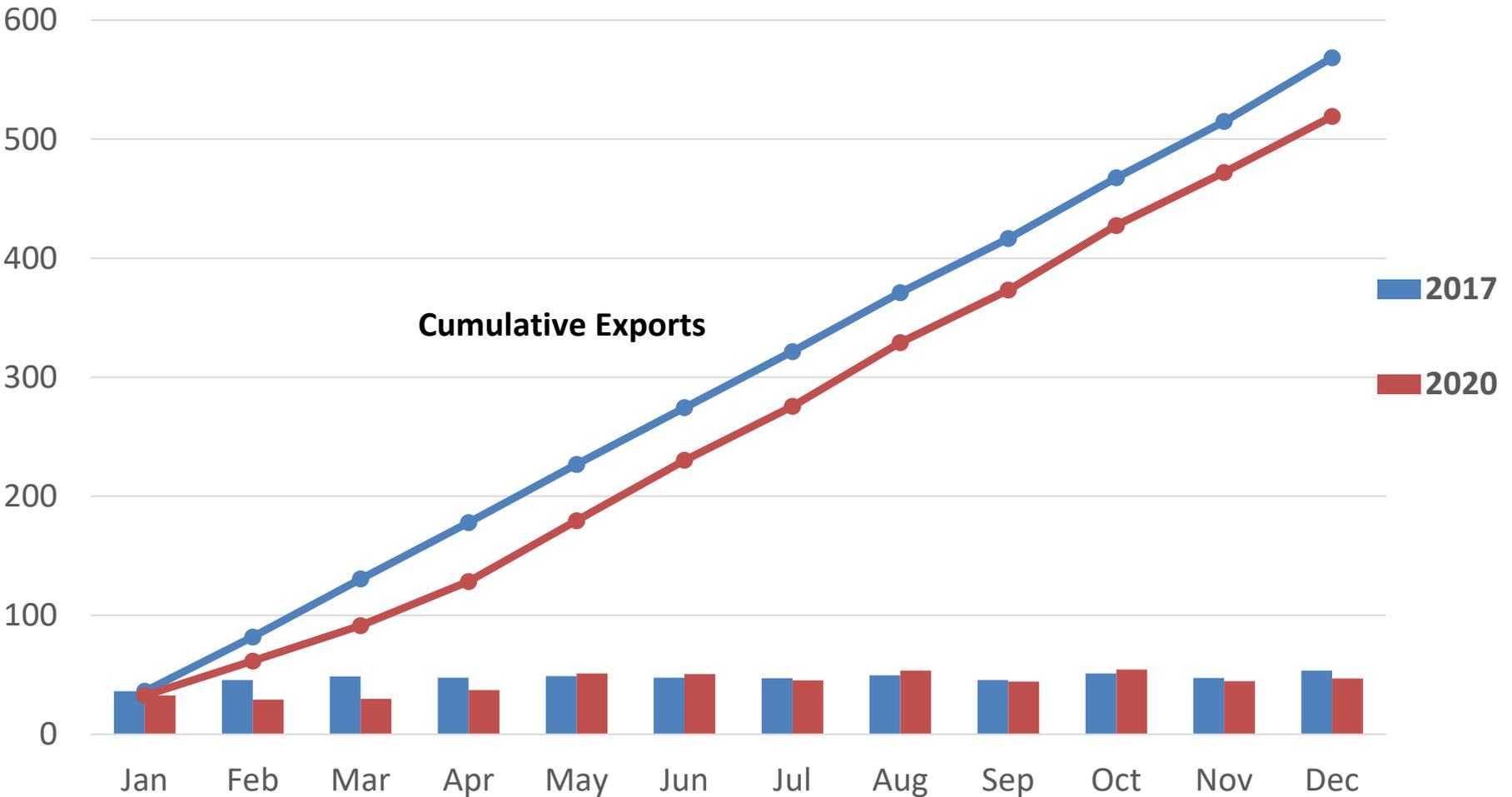
Billion Dollars



Calendar year, Phase 1 Agriculture Groups
 Source: United States Census Bureau

Other Ag: Monthly U.S. Dairy Exports to China

Million Dollars



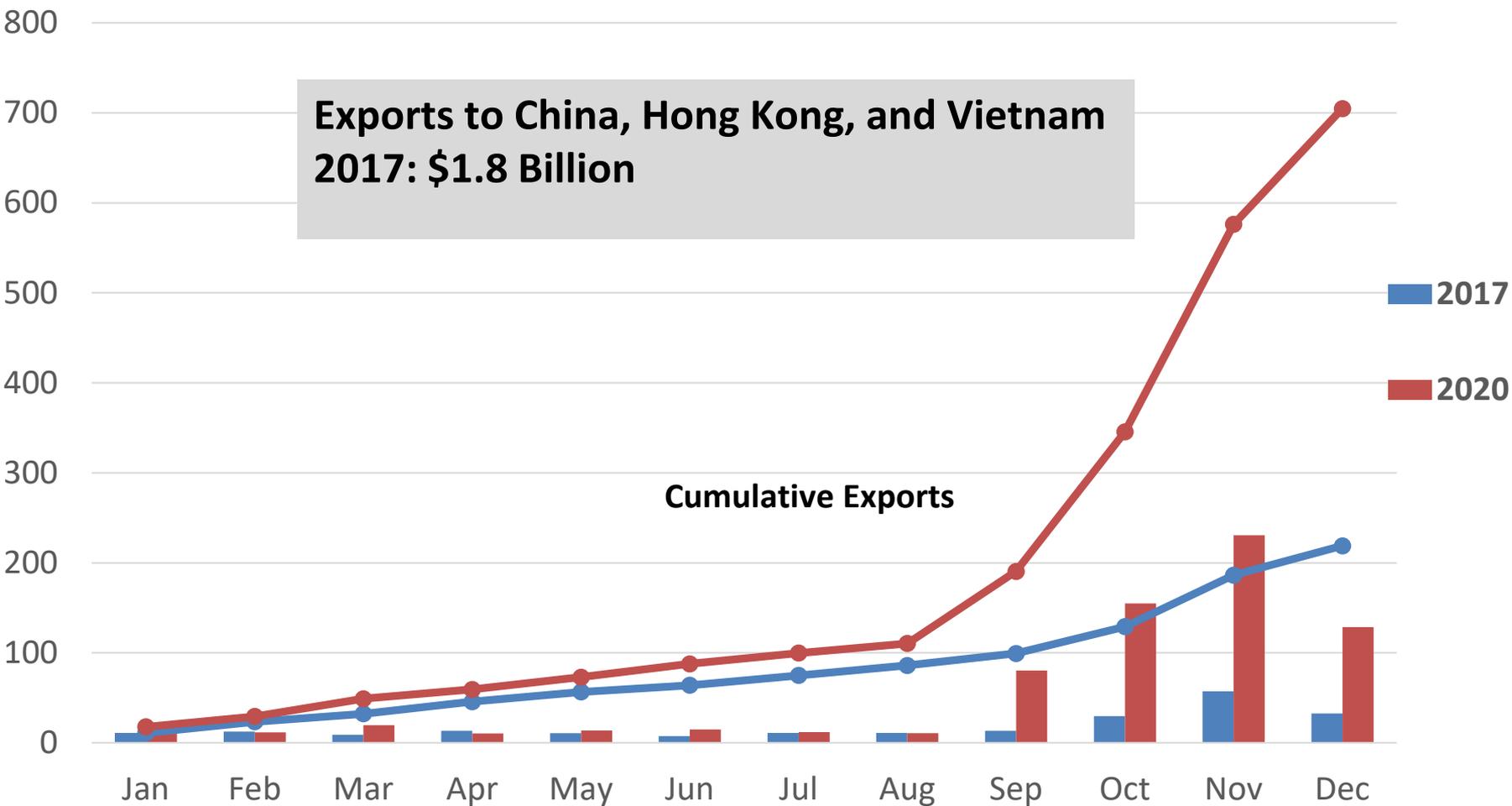
Cumulative Exports

2017

2020

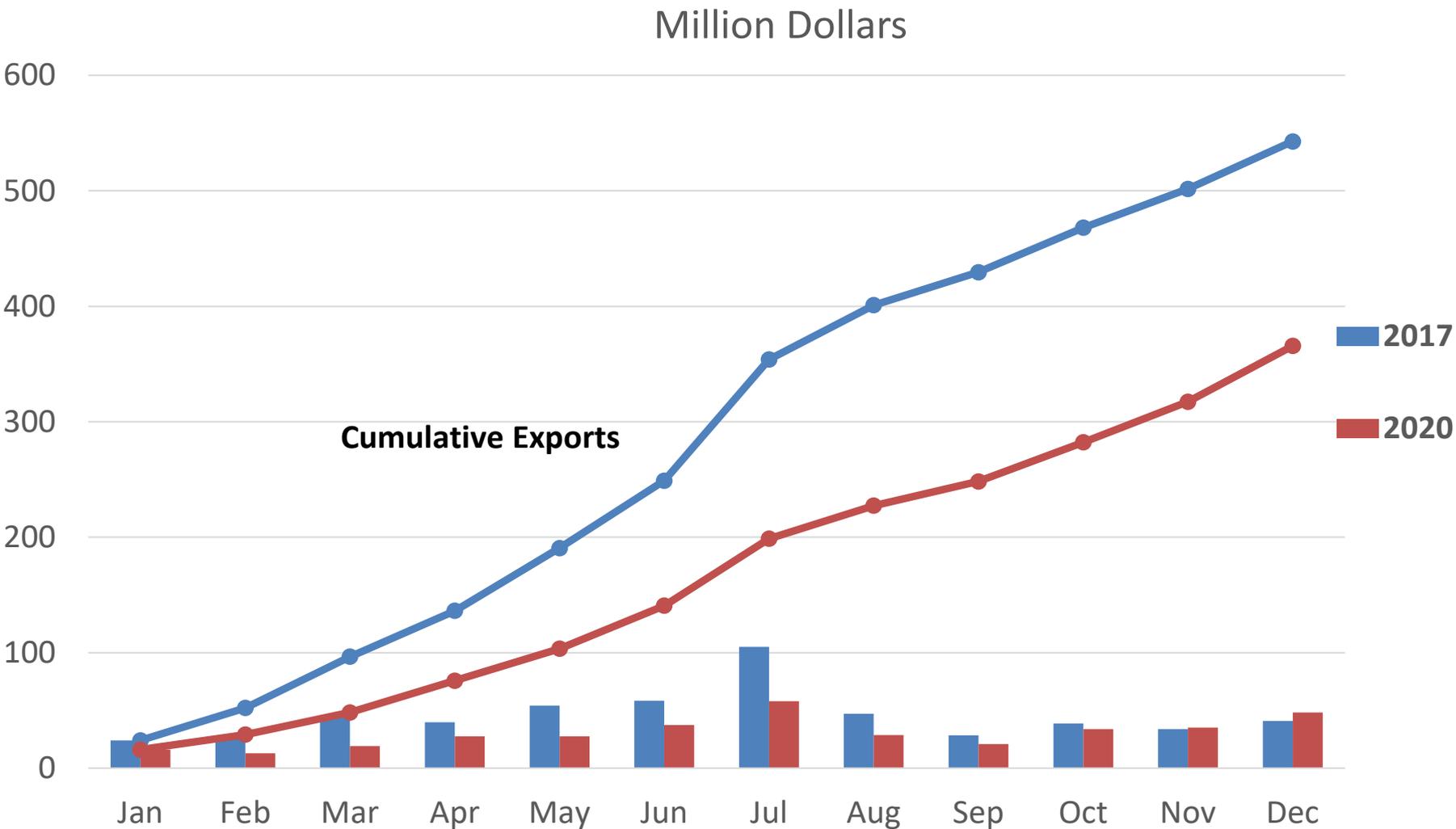
Other Ag: Monthly U.S. Tree Nut Exports to China

Million Dollars



Other Ag:

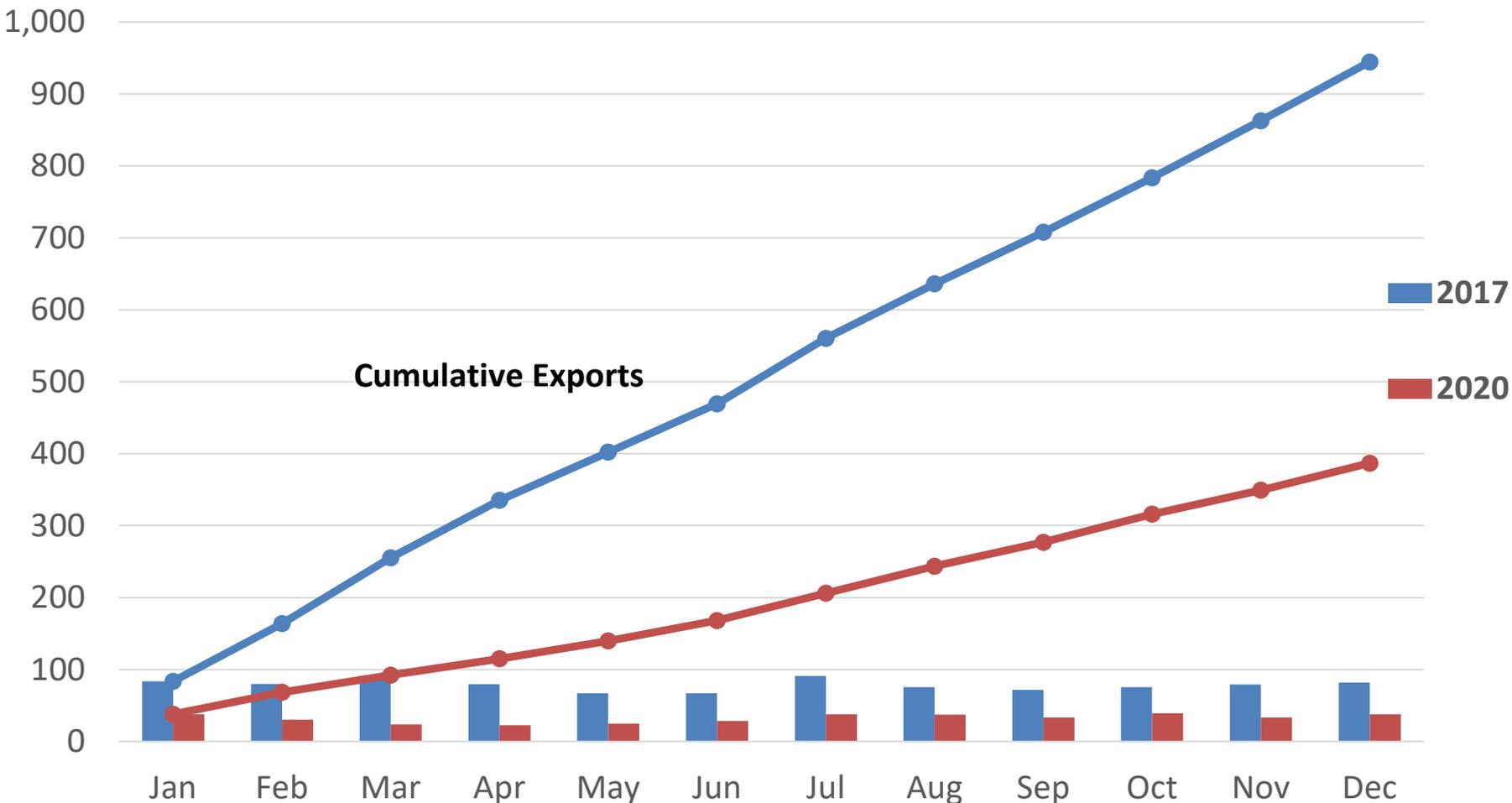
Monthly U.S. Horticulture (ex. Tree Nuts) Exports to China



Other Ag:

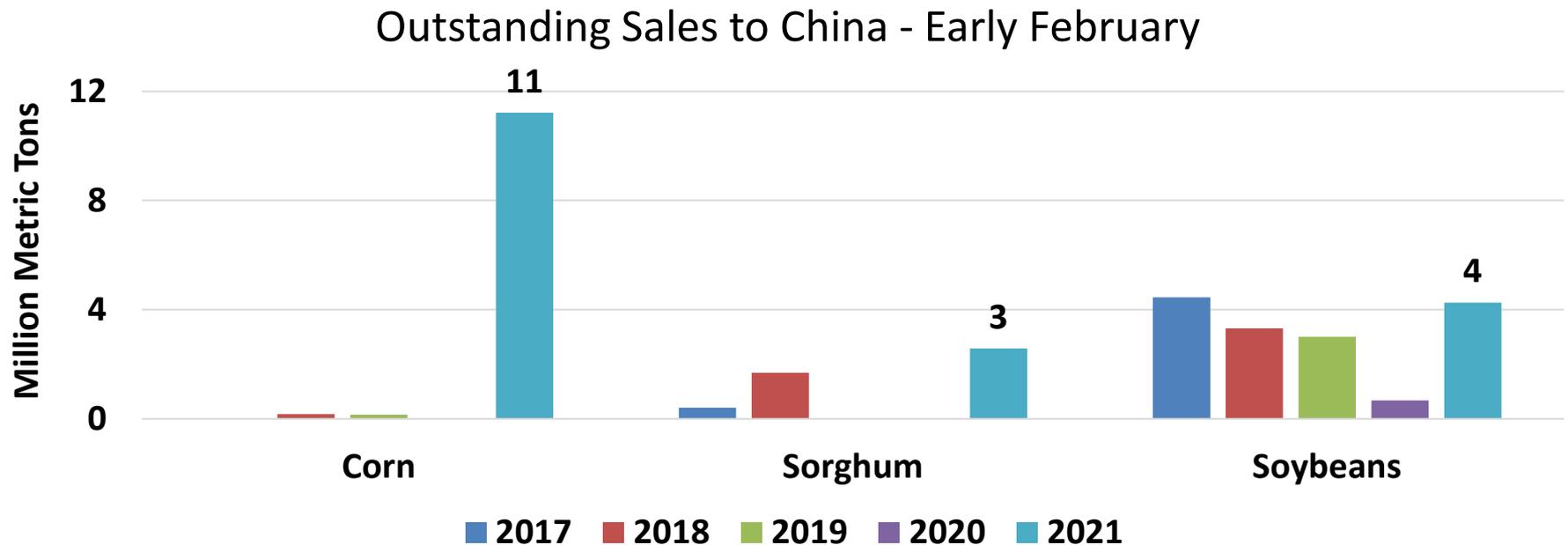
Monthly U.S. Hides & Skins Exports to China

Million Dollars



China Phase One Agreement: Looking Forward

- China Export Forecast for Fiscal Year 2021: \$31.5 Billion
- Outstanding Sales for Marketing Year 2020/21 & 2021/22 as of February 4:
 - Corn: 11.2 MMT
 - Soybeans: 4.3 MMT
 - Sorghum: 2.6 MMT



Largest U.S. Ag & Seafood Markets

