United States/China Trade Prospects
A Short Term Outlook

USDA Outlook Forum
February 18, 2021
Exports of U.S. Ag & Seafood Products to China

WTO Accession

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
China Imports of U.S. Ag & Seafood Products

Calendar year, Phase 1 Agriculture Groups
Source: China Import Data via Trade Data Monitor, LLC

Billion Dollars

WTO Accession

$23.6b
### China Imports from the United States, Billion USD (Phase One Agreement Agriculture Groups)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oilseeds</strong></td>
<td>13.941</td>
<td>7.061</td>
<td>6.682</td>
<td>10.635</td>
</tr>
<tr>
<td><strong>Cereals</strong></td>
<td>1.534</td>
<td>0.922</td>
<td>0.285</td>
<td>2.456</td>
</tr>
<tr>
<td><strong>Meat</strong></td>
<td>1.187</td>
<td>0.537</td>
<td>0.867</td>
<td>3.131</td>
</tr>
<tr>
<td><strong>Cotton</strong></td>
<td>0.983</td>
<td>1.064</td>
<td>0.731</td>
<td>1.605</td>
</tr>
<tr>
<td><strong>Seafood</strong></td>
<td>1.320</td>
<td>1.255</td>
<td>0.915</td>
<td>0.779</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>5.122</td>
<td>5.316</td>
<td>4.554</td>
<td>4.961</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24.086</td>
<td>16.155</td>
<td>14.034</td>
<td>23.565</td>
</tr>
</tbody>
</table>

**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)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilseeds</td>
<td>12.225</td>
<td>3.119</td>
<td>8.005</td>
<td>14.161</td>
</tr>
<tr>
<td>Cereals</td>
<td>1.358</td>
<td>0.696</td>
<td>0.316</td>
<td>2.938</td>
</tr>
<tr>
<td>Meat</td>
<td>0.559</td>
<td>0.440</td>
<td>1.193</td>
<td>3.165</td>
</tr>
<tr>
<td>Cotton</td>
<td>0.973</td>
<td>0.921</td>
<td>0.705</td>
<td>1.822</td>
</tr>
<tr>
<td>Seafood</td>
<td>1.234</td>
<td>1.055</td>
<td>0.823</td>
<td>0.689</td>
</tr>
<tr>
<td>Other</td>
<td>4.504</td>
<td>4.119</td>
<td>3.651</td>
<td>4.394</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20.852</td>
<td>10.351</td>
<td>14.693</td>
<td>27.167</td>
</tr>
</tbody>
</table>

Calendar year, Phase 1 Agriculture Groups

Source: United States Census Bureau

United States Department of Agriculture
Foreign Agricultural Service
Composition of U.S. Ag Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
United States Share of China Ag Imports

Calendar year, Phase 1 Agriculture Groups
Source: China Import Data via Trade Data Monitor, LLC
2020 China Imports from U.S. vs Top Competitors

Calendar year, Phase 1 Agriculture Groups
Source: China Import Data via Trade Data Monitor, LLC
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

Data Source: FAS PSD Database & Oct 2020 ERS 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

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Feb 2021 Quarterly Export Forecast Global
Oilseeds: China Soybean Import Shares

Calendar year, Phase 1 Agriculture Groups
Source: China Import Data via Trade Data Monitor, LLC
Cumulative Monthly Oilseeds Exports to China

Billion Dollars

- Pre-Trade War (2017): $12.2b
- Trade War (2018/2019 Average): $5.6b
- Phase One (2020): $14.2b

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Oilseeds:
Monthly U.S. Soybean Exports to China

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

U.S. and Brazil Soybean Export Price Trends

$/MT

Tariffs Imposed
Tariff Exemptions Begin


United States Department of Agriculture
Foreign Agricultural Service
Cumulative Monthly Cereals Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Export Outlook for Grain & Feed Products

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

Feb 2021 Quarterly Export Forecast - Global
Cereals:
Monthly U.S. Corn Exports to China

Million Dollars

Cumulative Exports

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

U.S. and China Corn Prices

- U.S. No 2, FOB, Gulf
- China National Average, Wholesale

Price trends from Jan-17 to Jan-21.
Cereals:
Monthly U.S. Sorghum Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Cereals: Monthly U.S. Wheat Exports to China

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

China Domestic and Imported Wheat Prices

$/MT


China Domestic Wheat Price  China CIF Wheat (All origins)
Cumulative Monthly Meat Exports to China

- **Pre-Trade War (2017)**: $0.6b
- **Trade War (2018/2019 Average)**: $0.8b
- **Phase One (2020)**: $3.2b

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Meat: Monthly U.S. Pork Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Meat:
Monthly U.S. Beef Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Meat:
Monthly U.S. Poultry Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Cumulative Monthly Cotton Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Cumulative Monthly Seafood Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Cumulative Monthly Other Ag Exports to China

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

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Other Ag:
Monthly U.S. Tree Nut Exports to China

Million Dollars

Exports to China, Hong Kong, and Vietnam
2017: $1.8 Billion

Cumulative Exports

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Other Ag:
Monthly U.S. Horticulture (ex. Tree Nuts) Exports to China

Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau
Other Ag:
Monthly U.S. Hides & Skins Exports to China

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

Source: USDA/FAS Export Sales Reporting
Largest U.S. Ag & Seafood Markets

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