



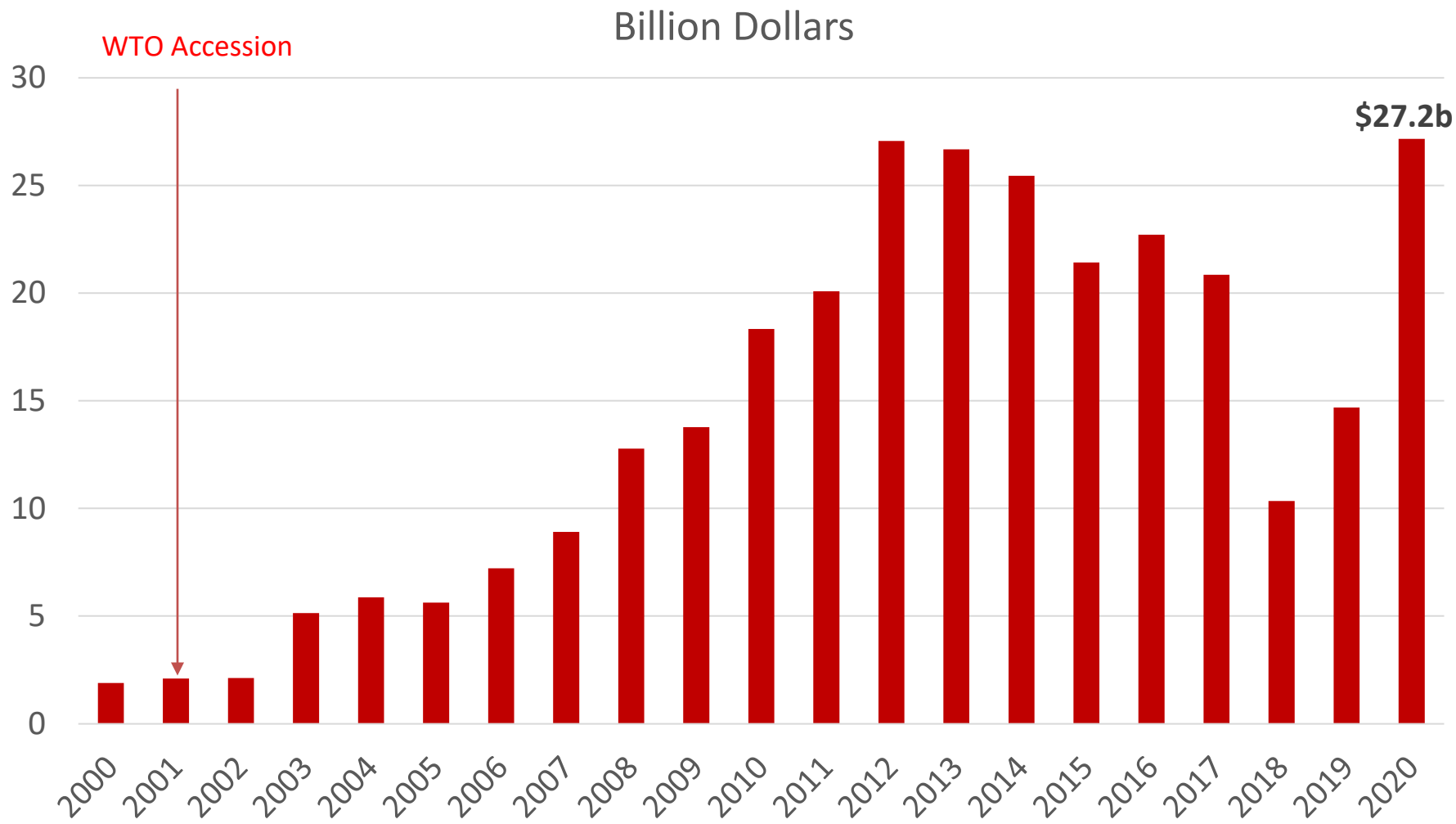
Jason Hafemeister
Acting Deputy
Under Secretary
TFAA

United States/China Trade Prospects

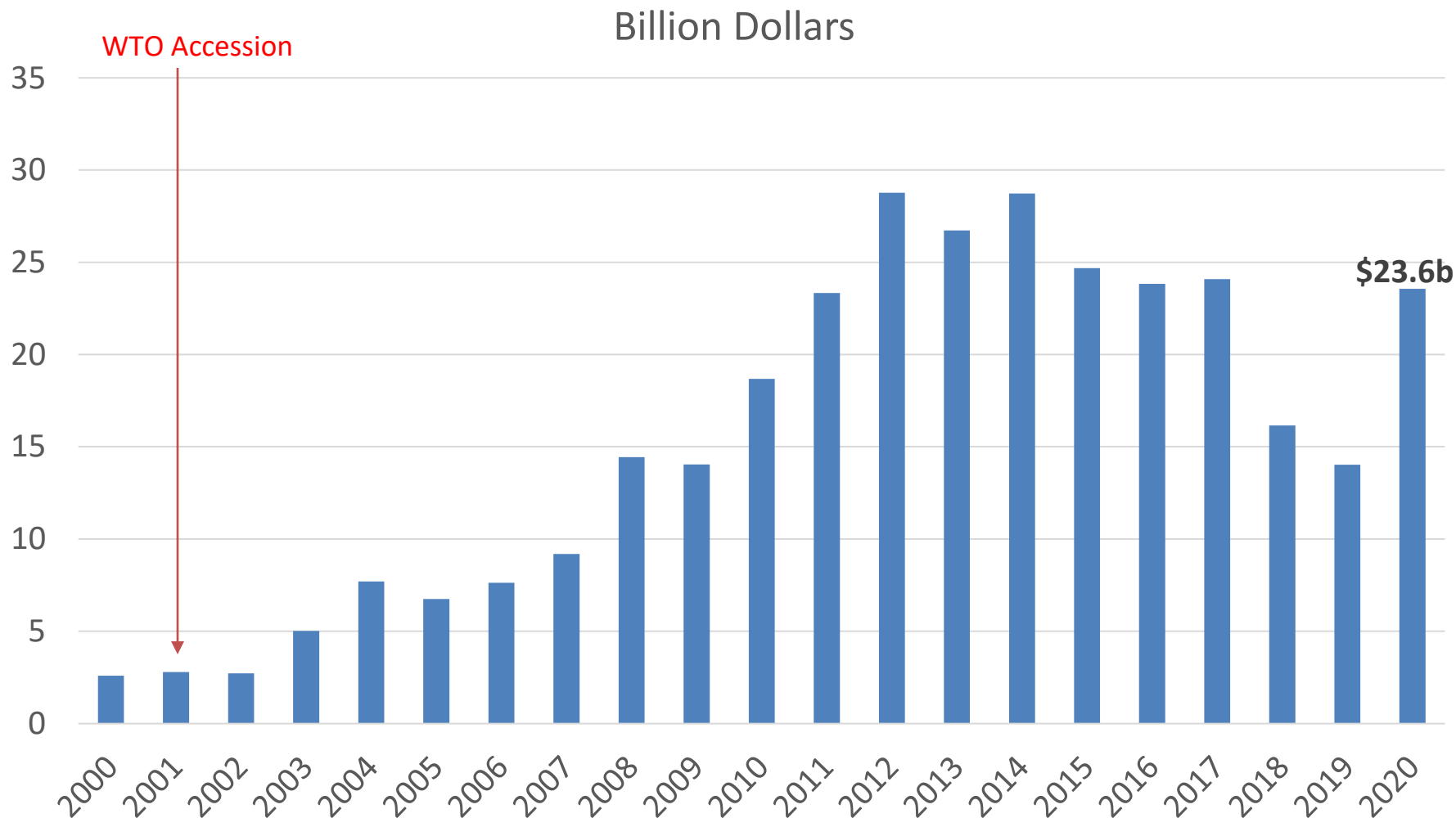
A Short Term Outlook

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)

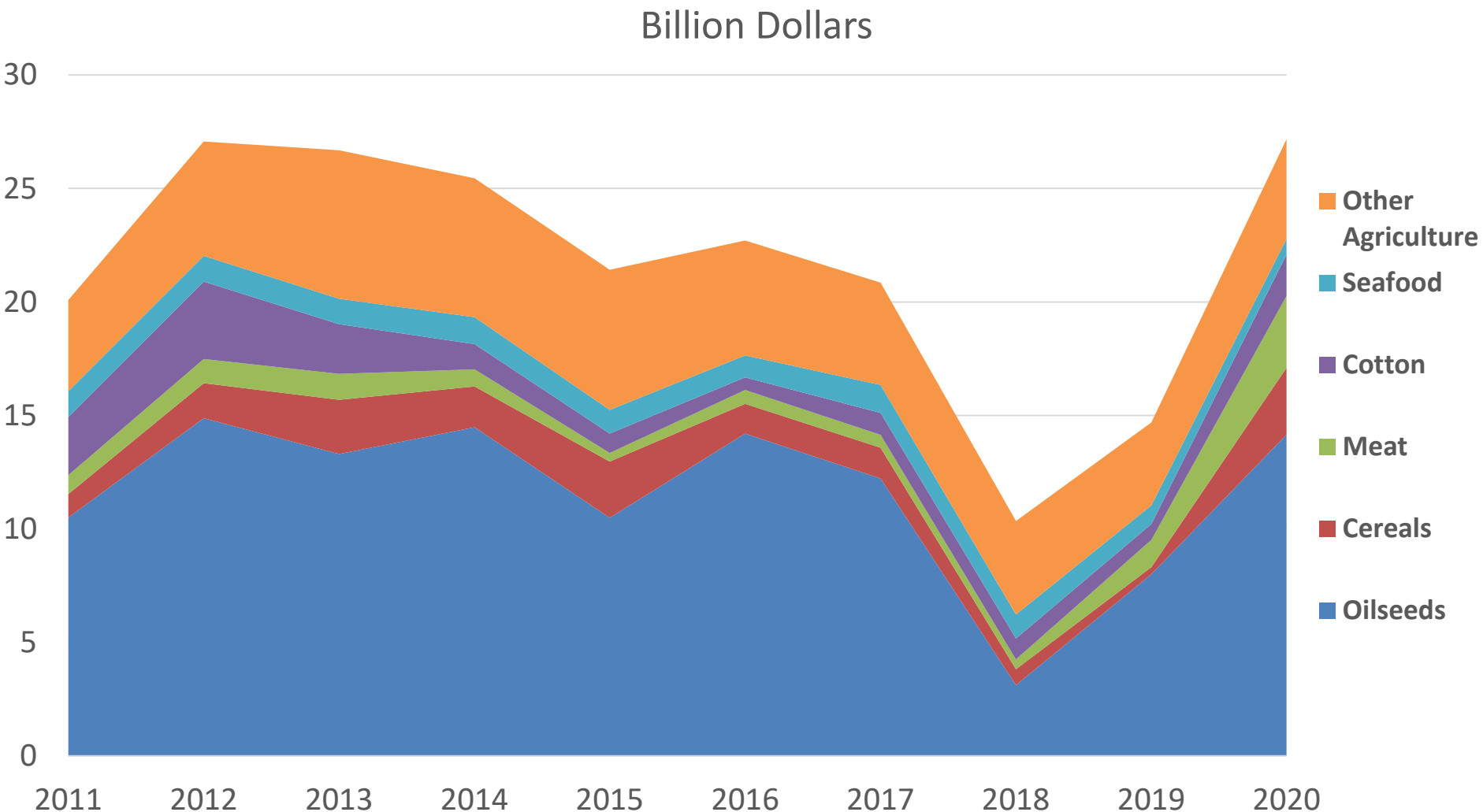
| | 2017 | 2018 | 2019 | 2020 |
|----------|--------|--------|--------|---------------|
| Oilseeds | 13.941 | 7.061 | 6.682 | 10.635 |
| Cereals | 1.534 | 0.922 | 0.285 | 2.456 |
| Meat | 1.187 | 0.537 | 0.867 | 3.131 |
| Cotton | 0.983 | 1.064 | 0.731 | 1.605 |
| Seafood | 1.320 | 1.255 | 0.915 | 0.779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

Source: China Import data

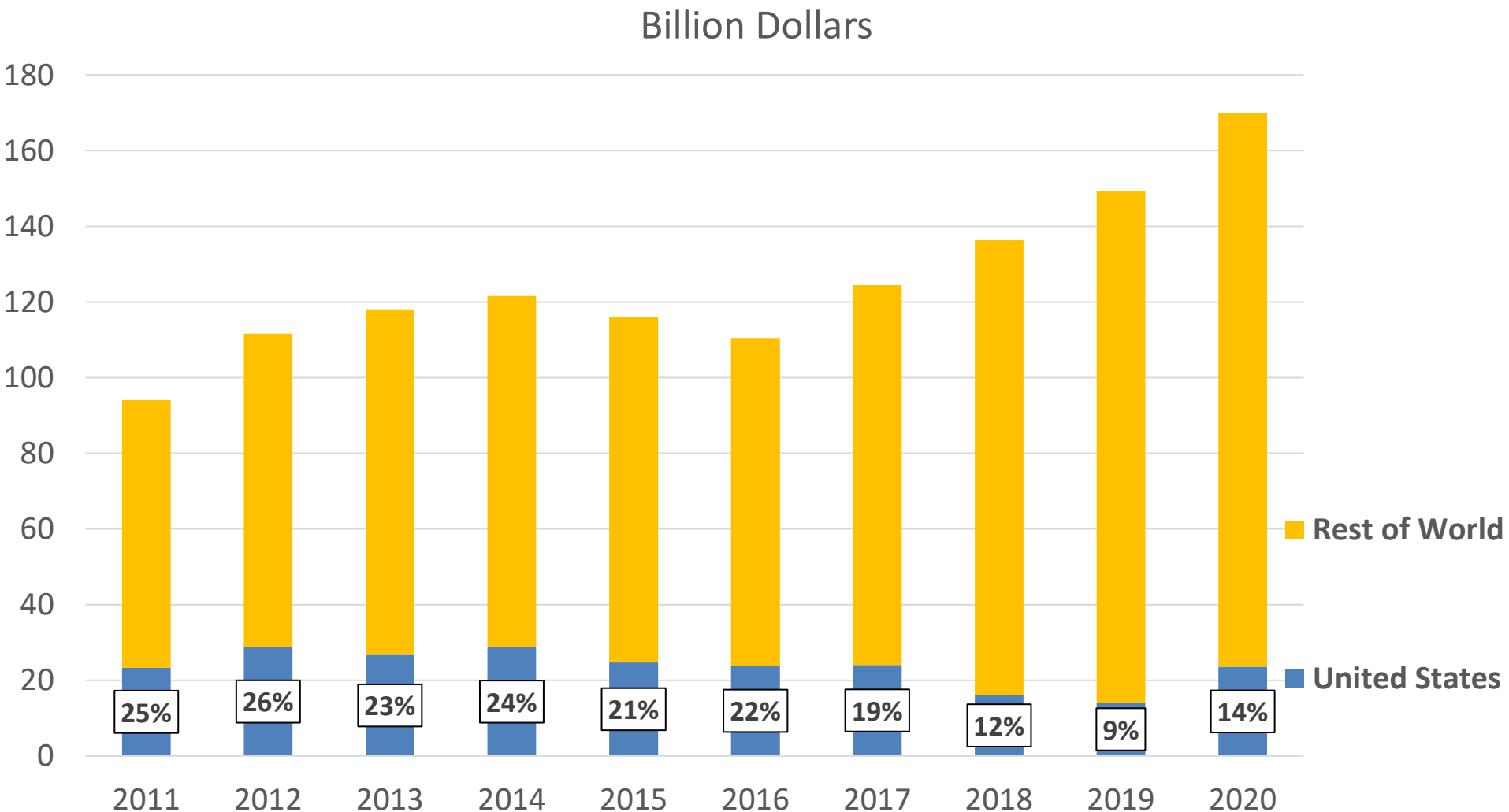
China Phase One Agreement: U.S. Ag & Seafood **Exports** to China

| 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 |

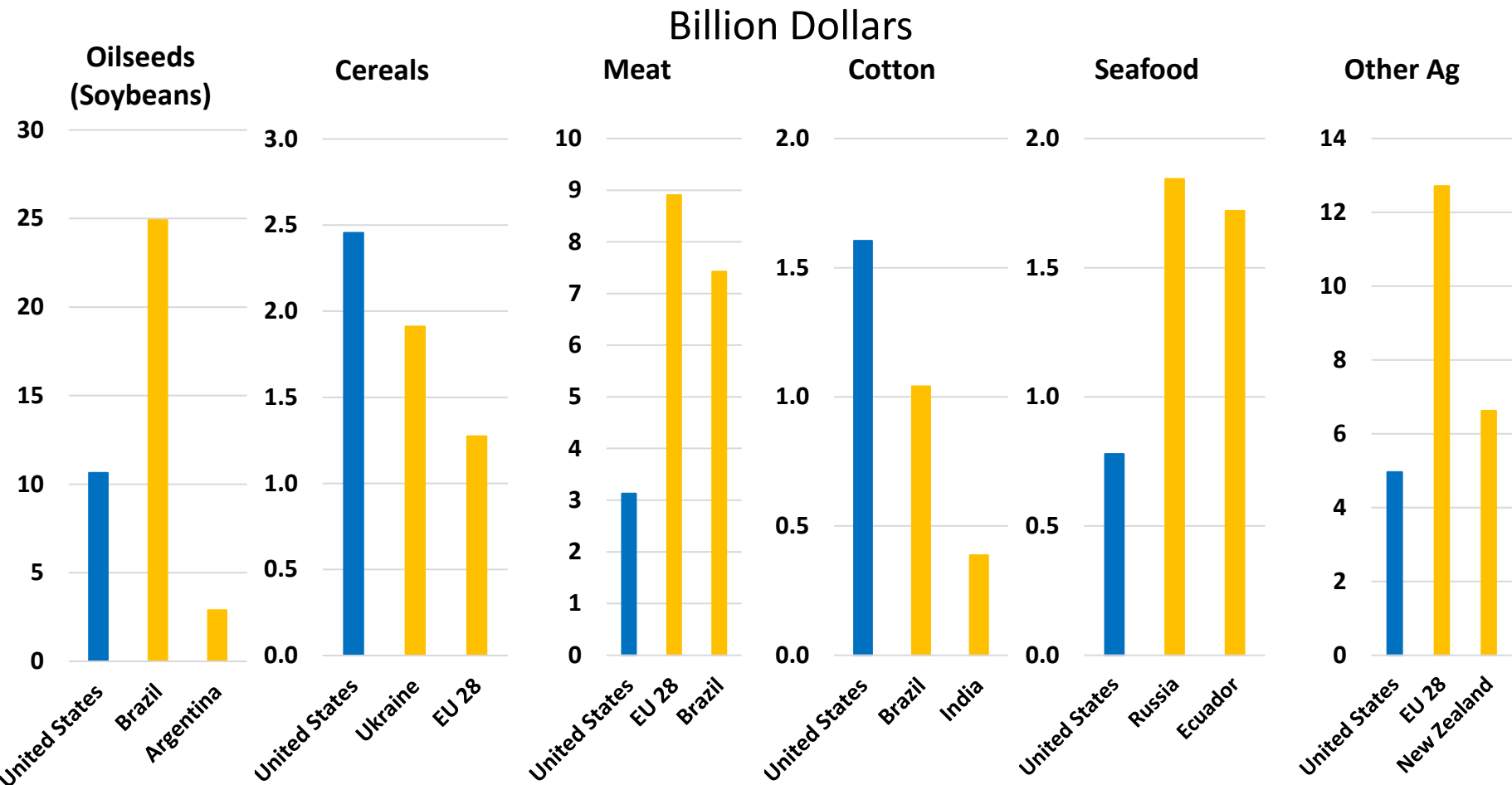
Composition of U.S. Ag Exports to China



United States Share of China Ag Imports



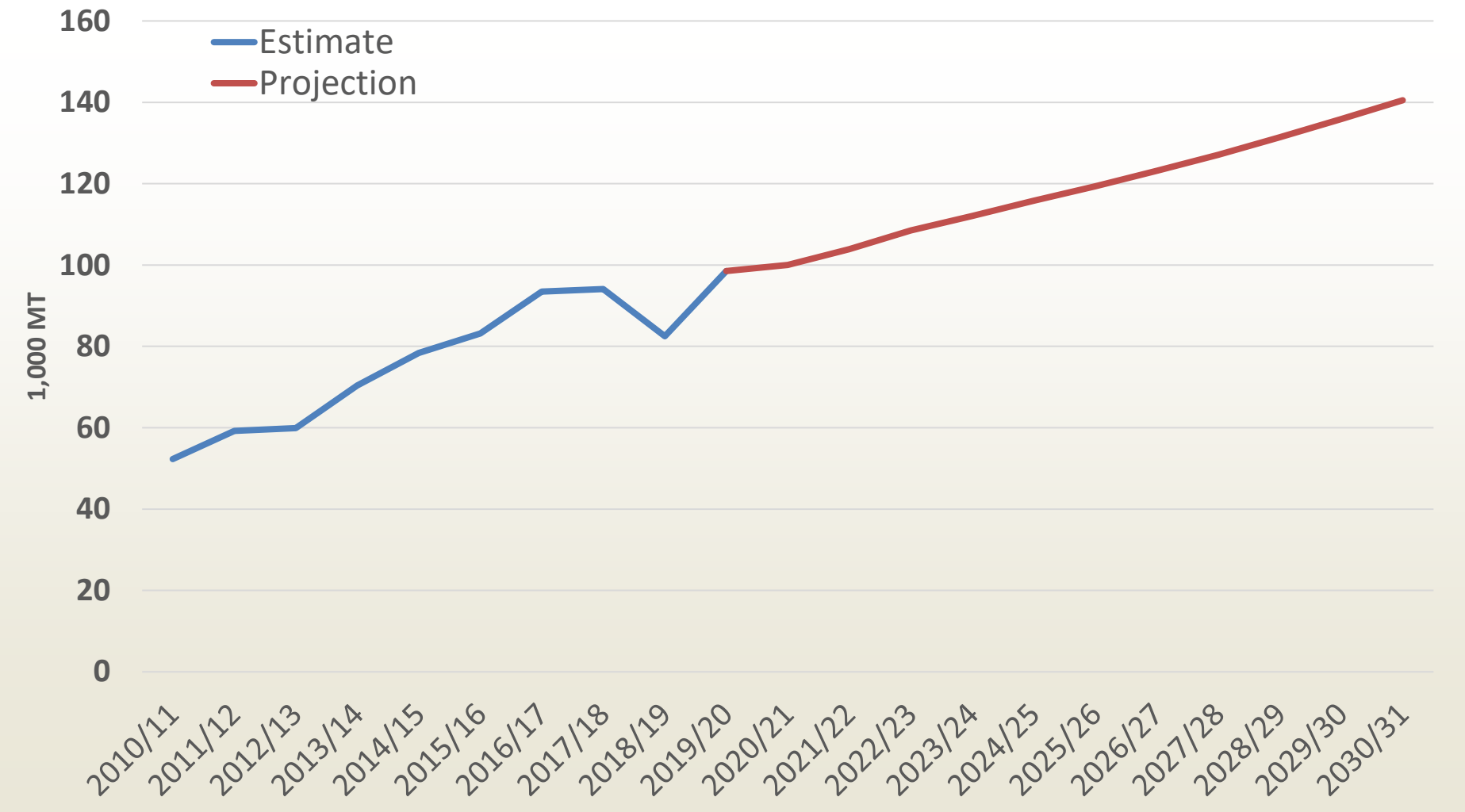
2020 China Imports from U.S. vs Top Competitors



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

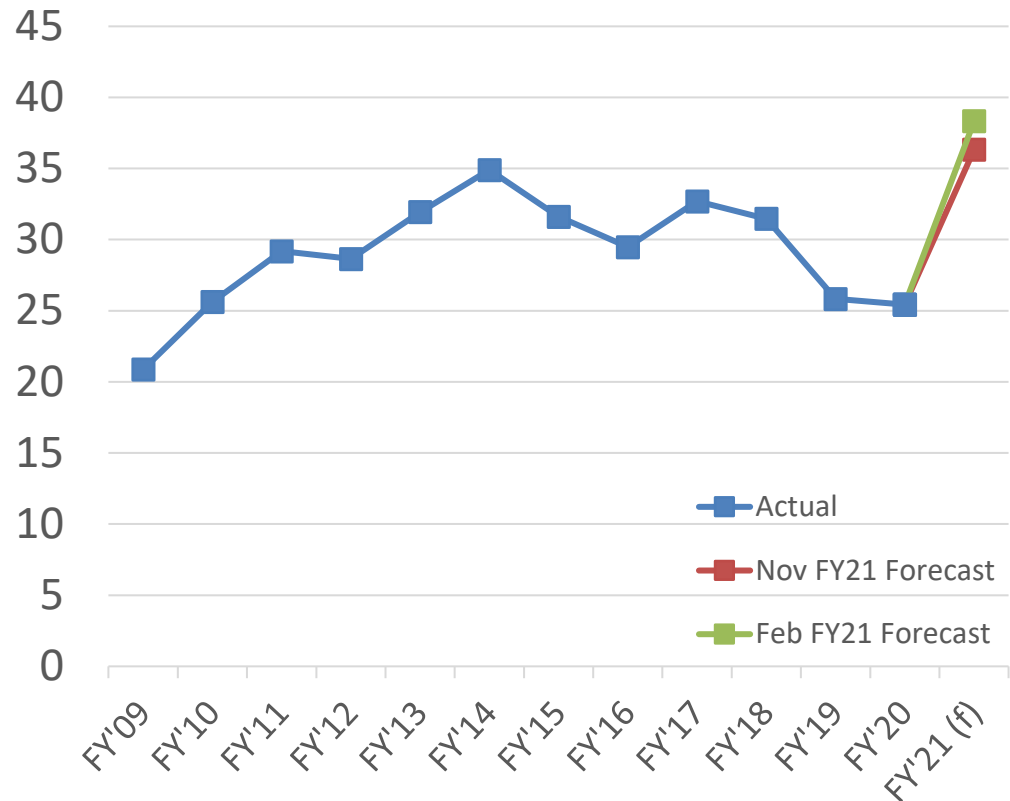
Key Developments

- 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

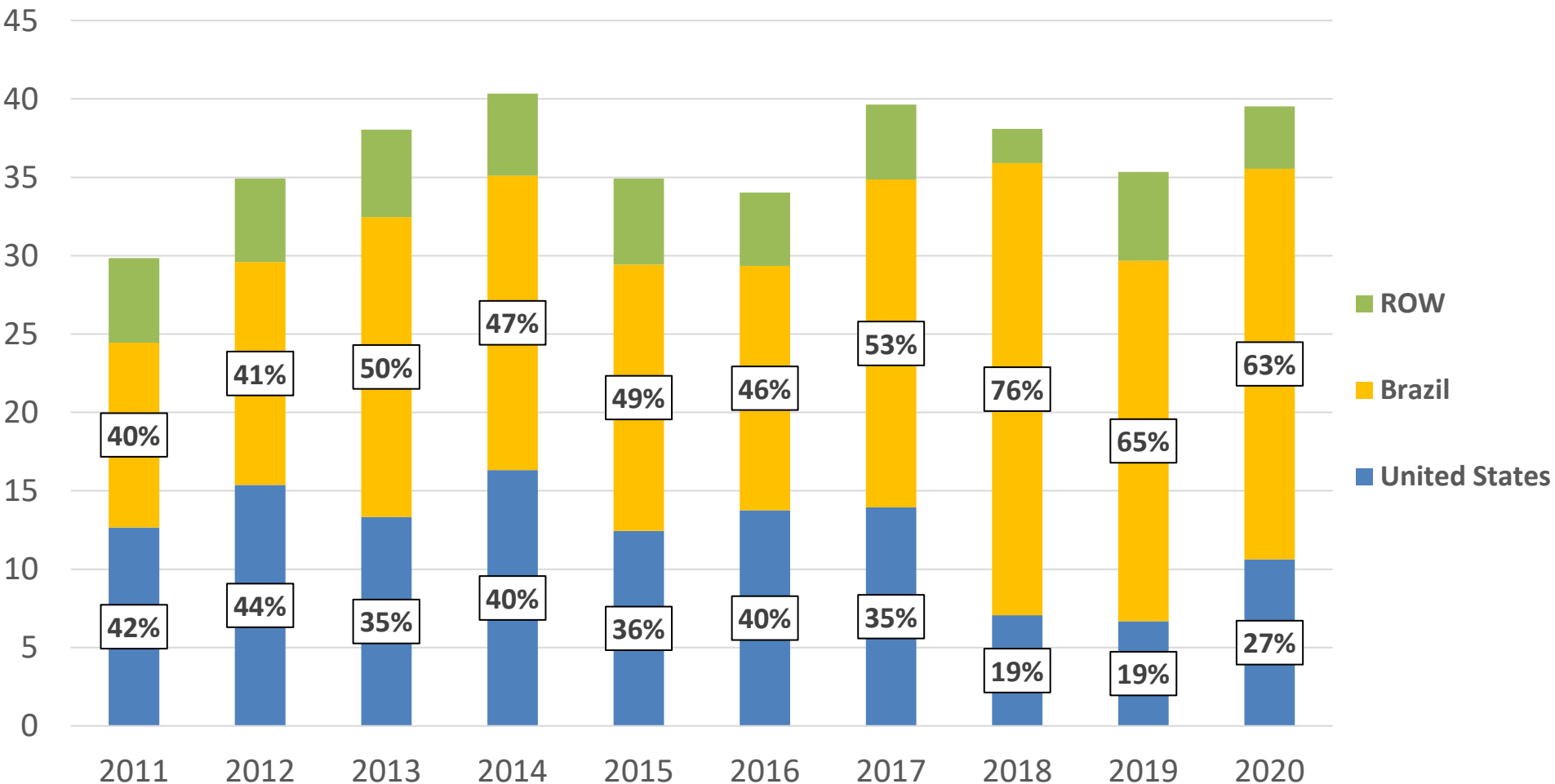
- China soybean demand
- Brazil export pace
- U.S. soybean plantings in 2021

Export Value (\$Bil)

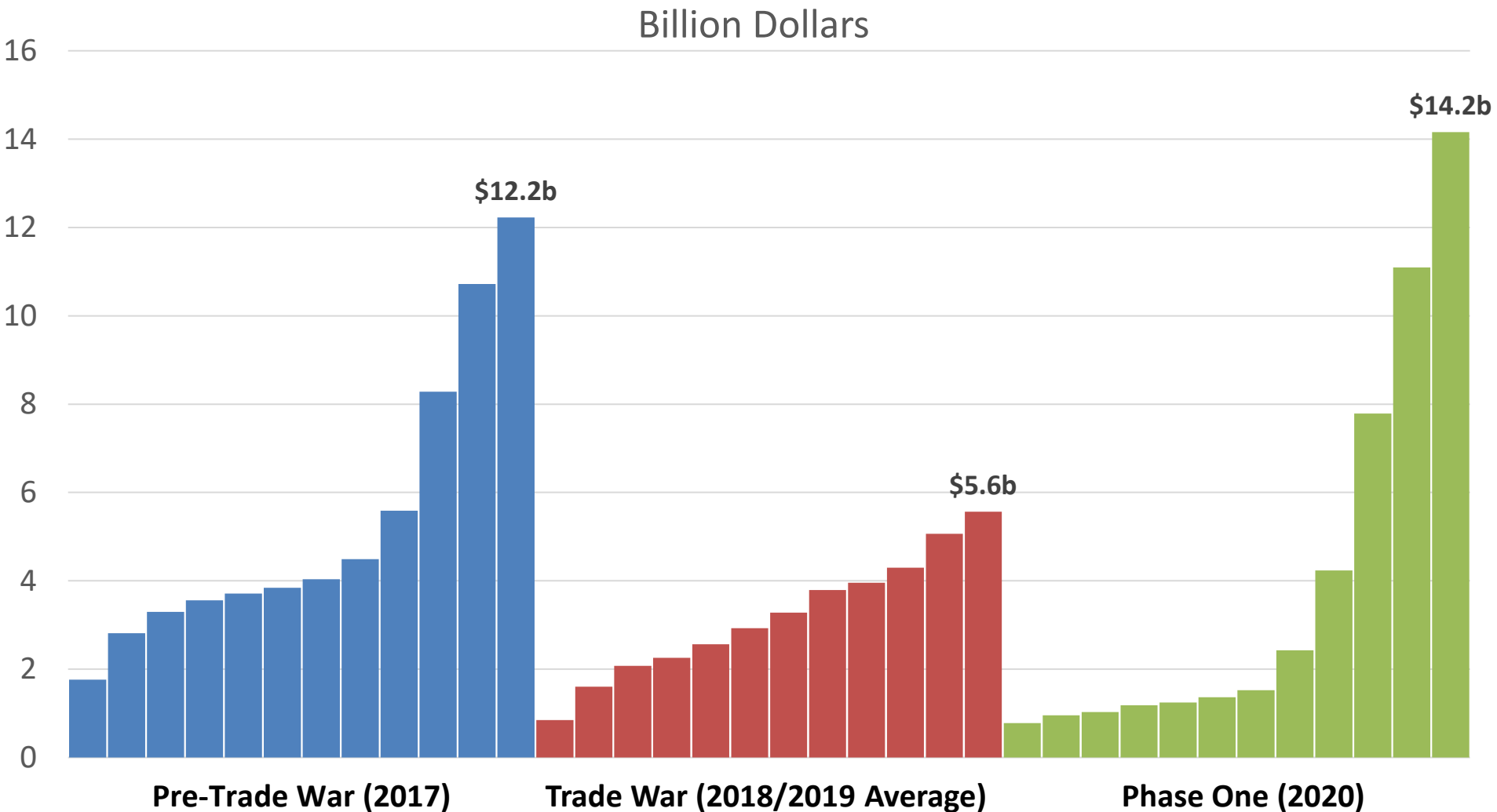


Oilseeds: China Soybean Import Shares

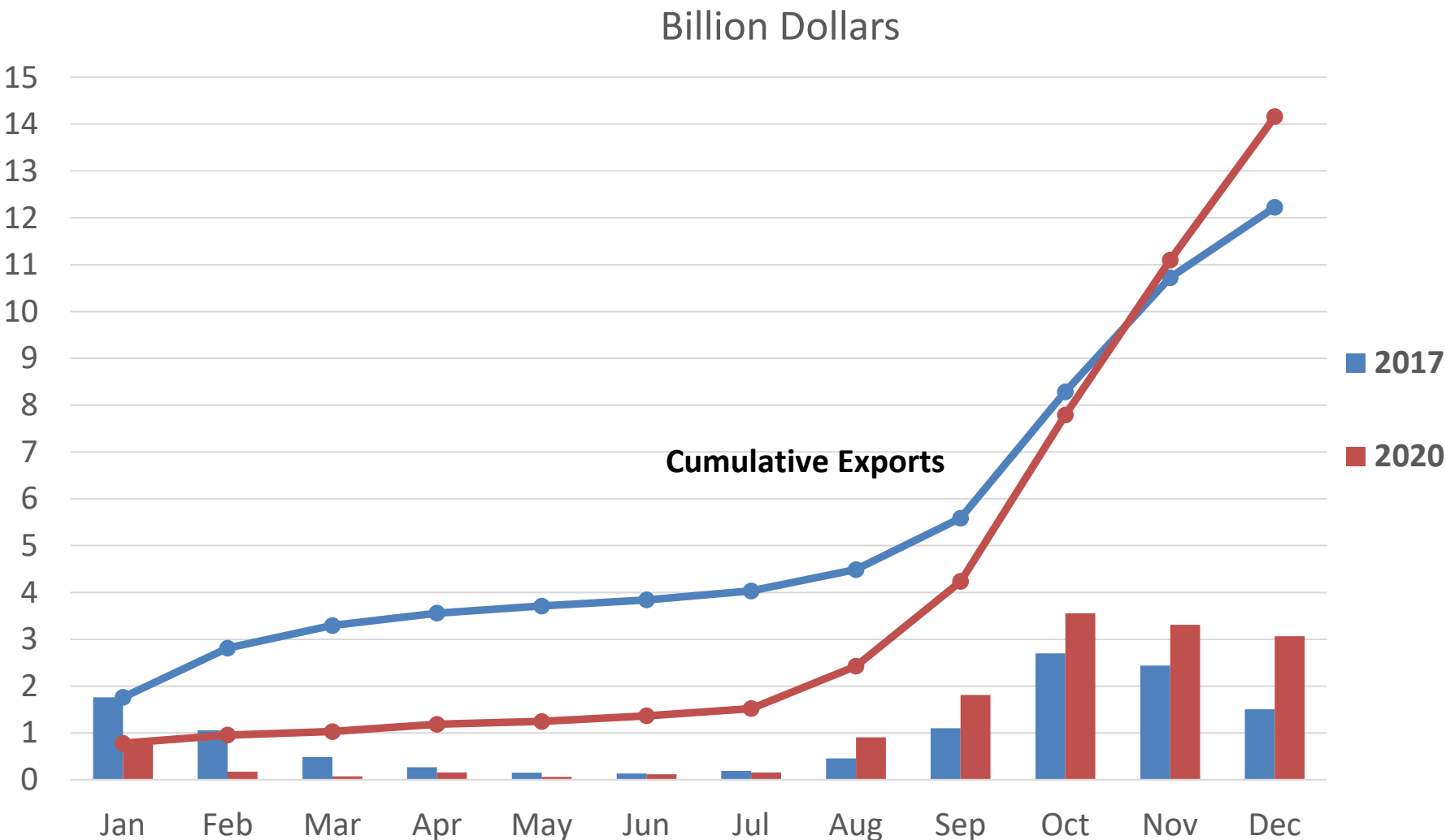
Billion Dollars



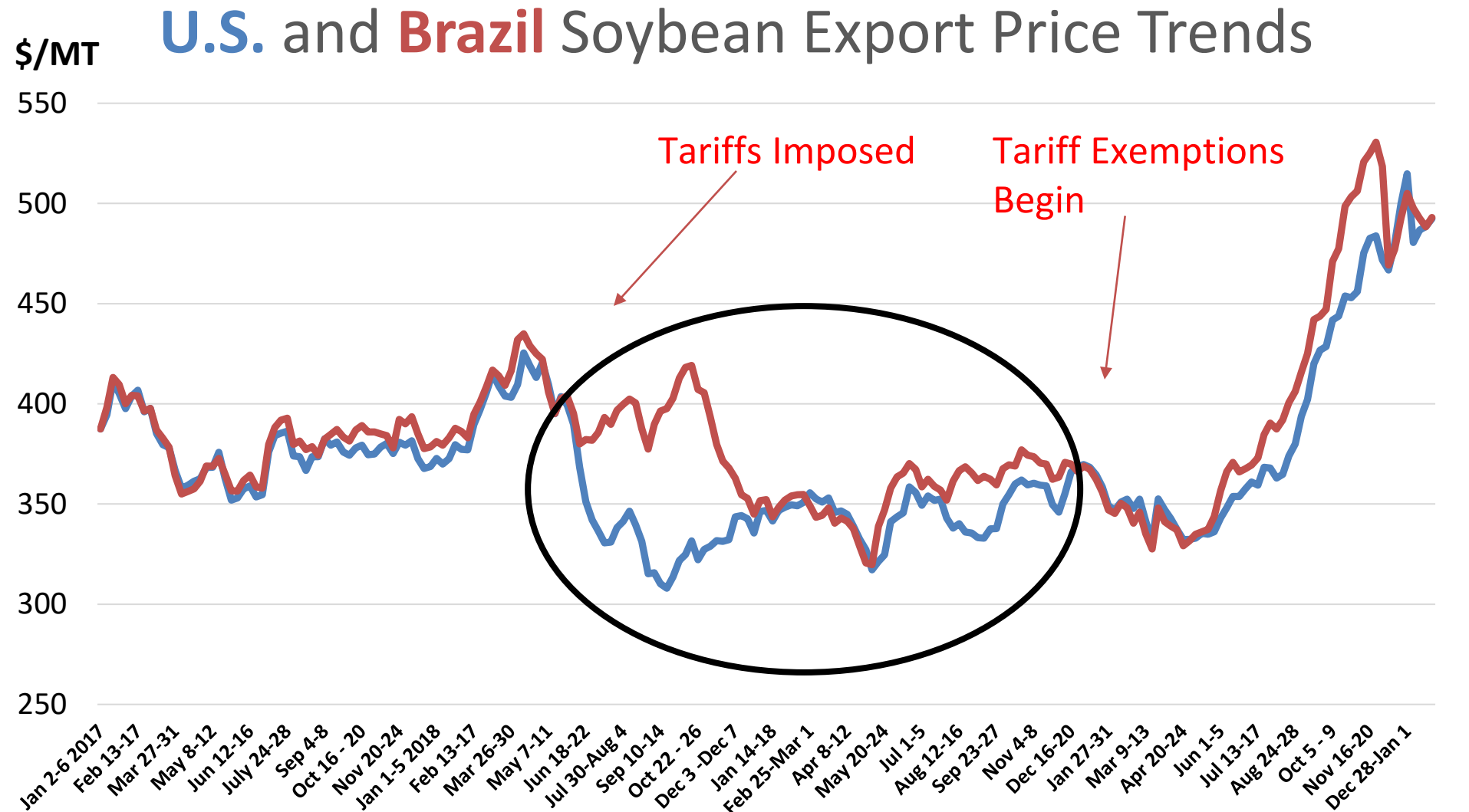
Cumulative Monthly Oilseeds Exports to China



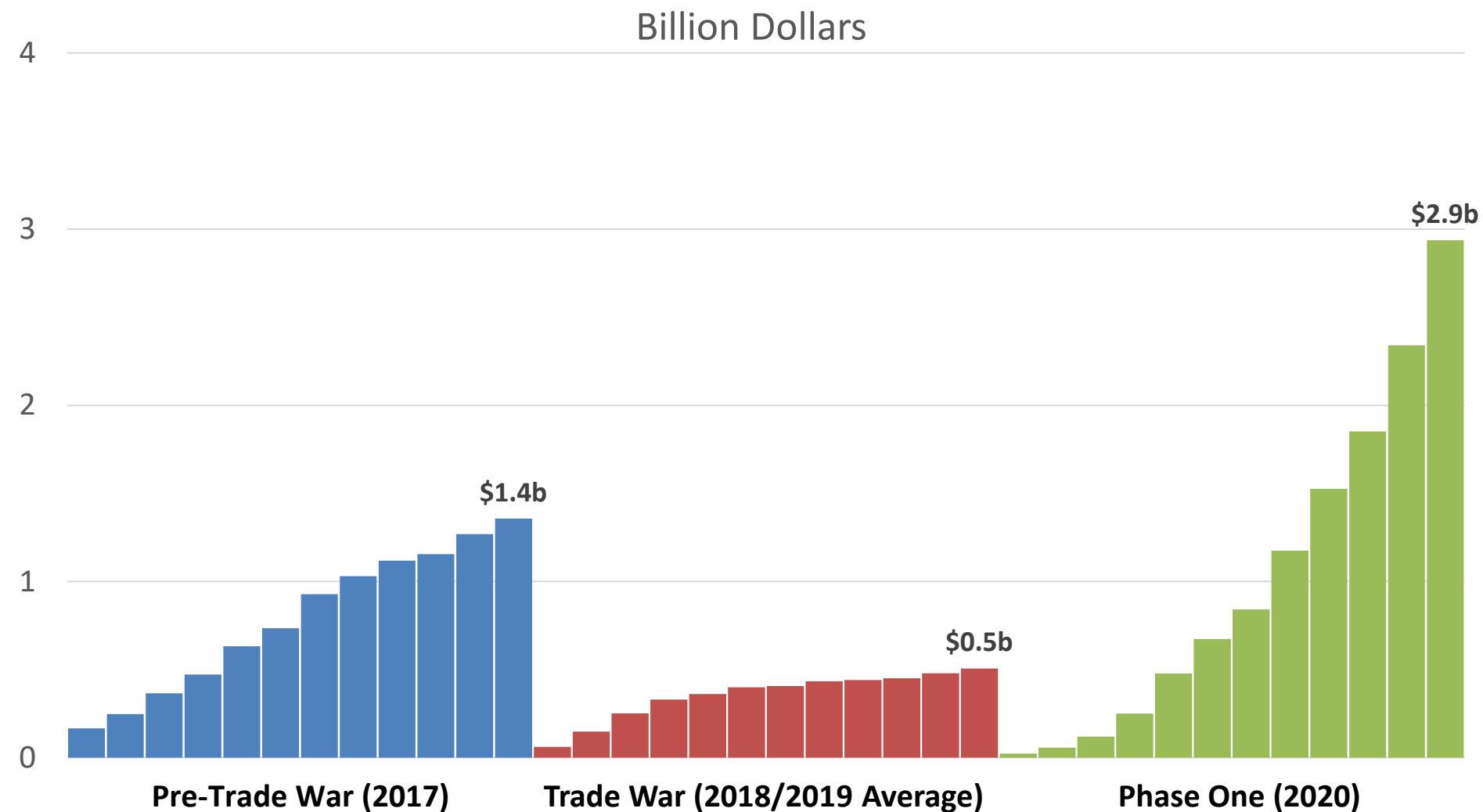
Oilseeds: Monthly U.S. Soybean Exports to China



Oilseeds: Soybean Prices



Cumulative Monthly Cereals Exports to China



Export Outlook for Grain & Feed Products

Revised FY 2021 Forecast: **\$37.8 Billion**  **\$2.2 billion**

2021

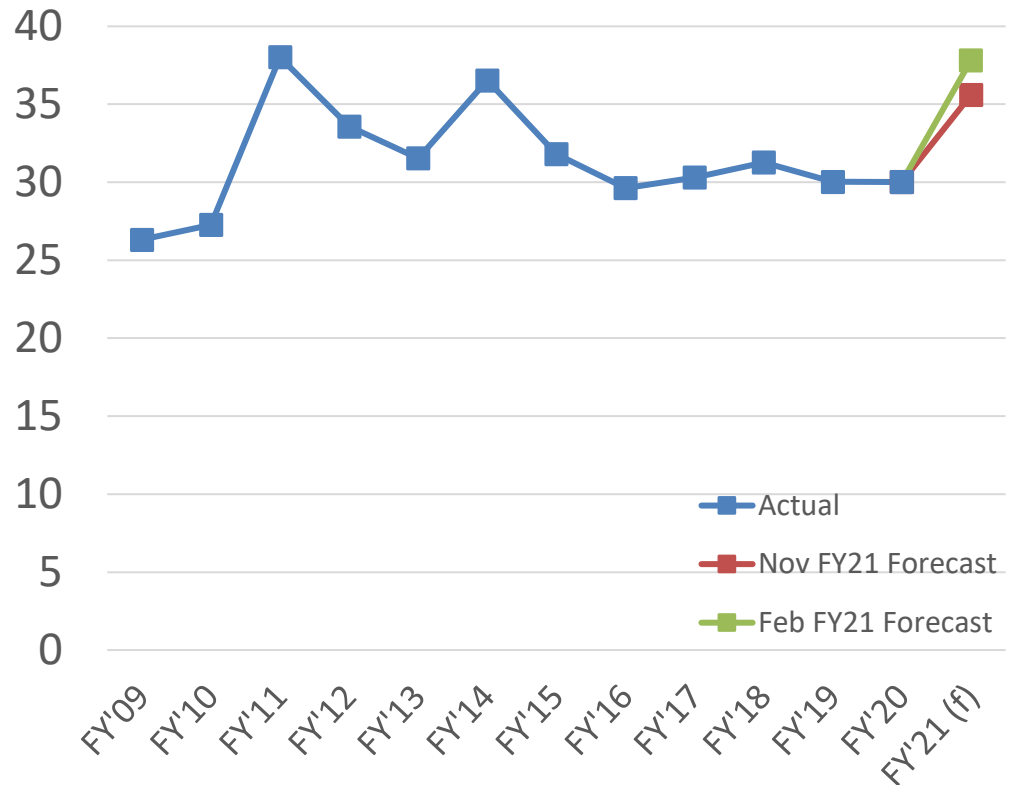
Key Developments

- 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

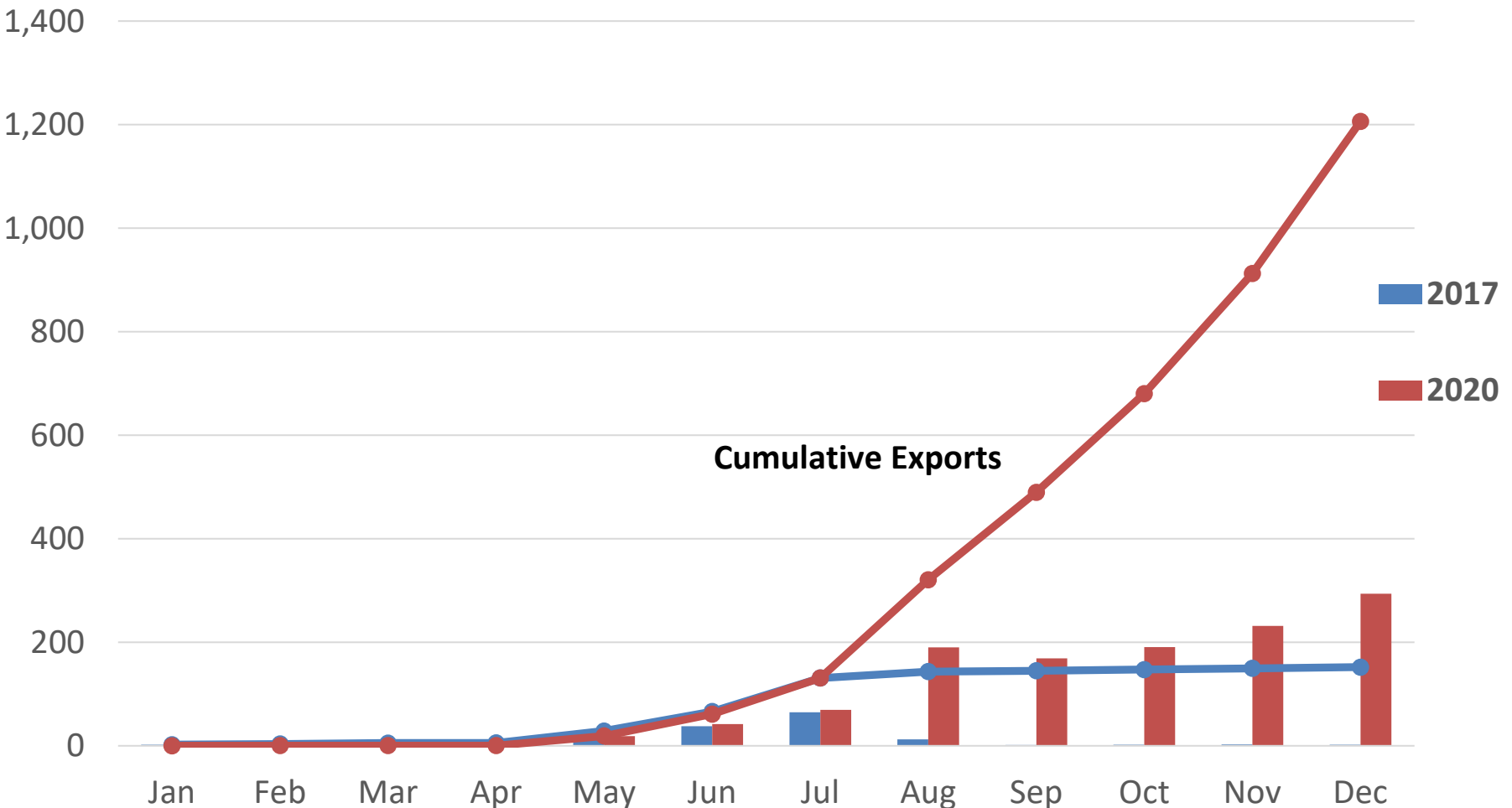
- Trade with China
- Effect of Russia export tax and quota

Export Value (\$Bil)



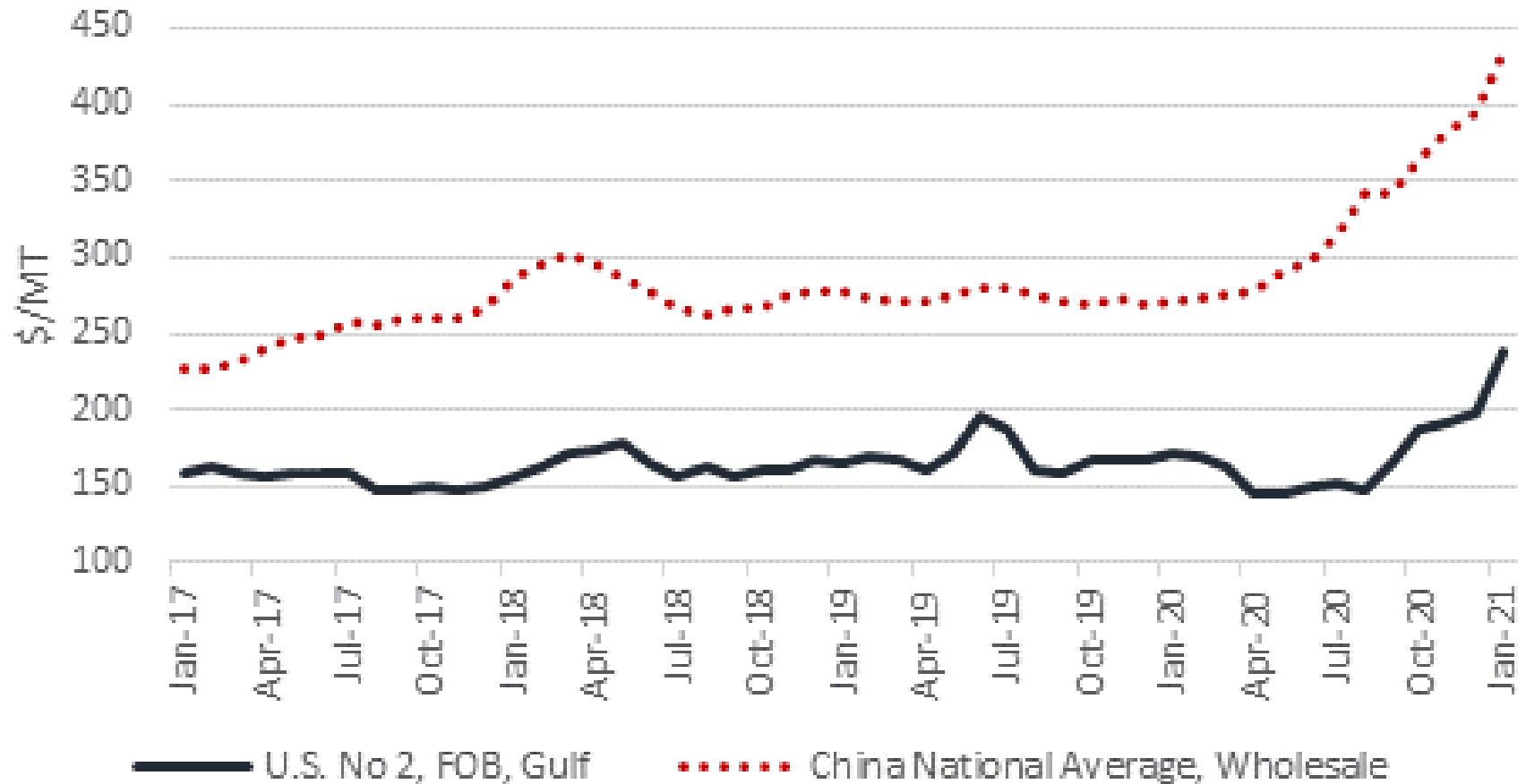
Cereals: Monthly U.S. Corn Exports to China

Million Dollars



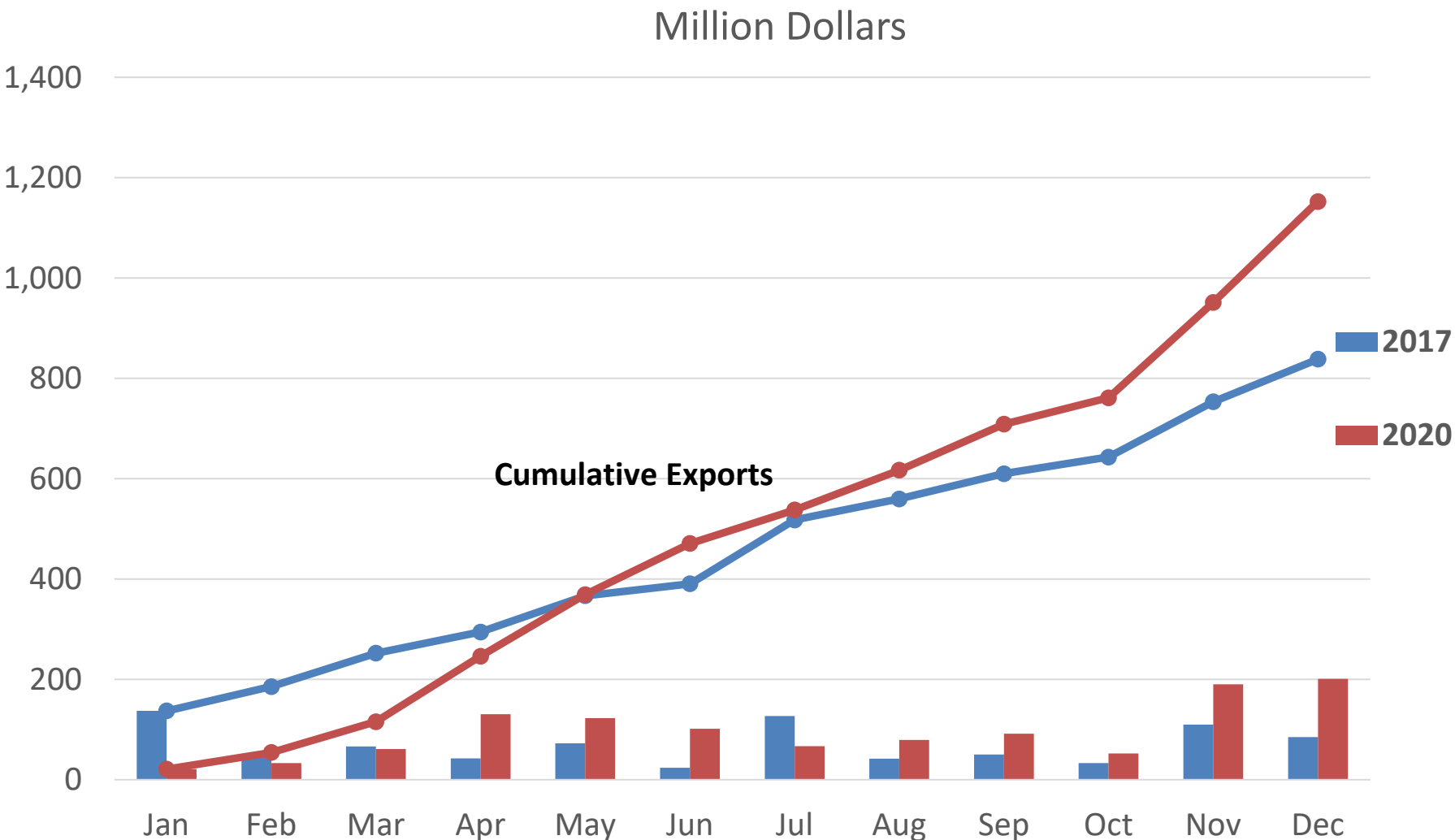
China Corn Prices

U.S. and China Corn Prices



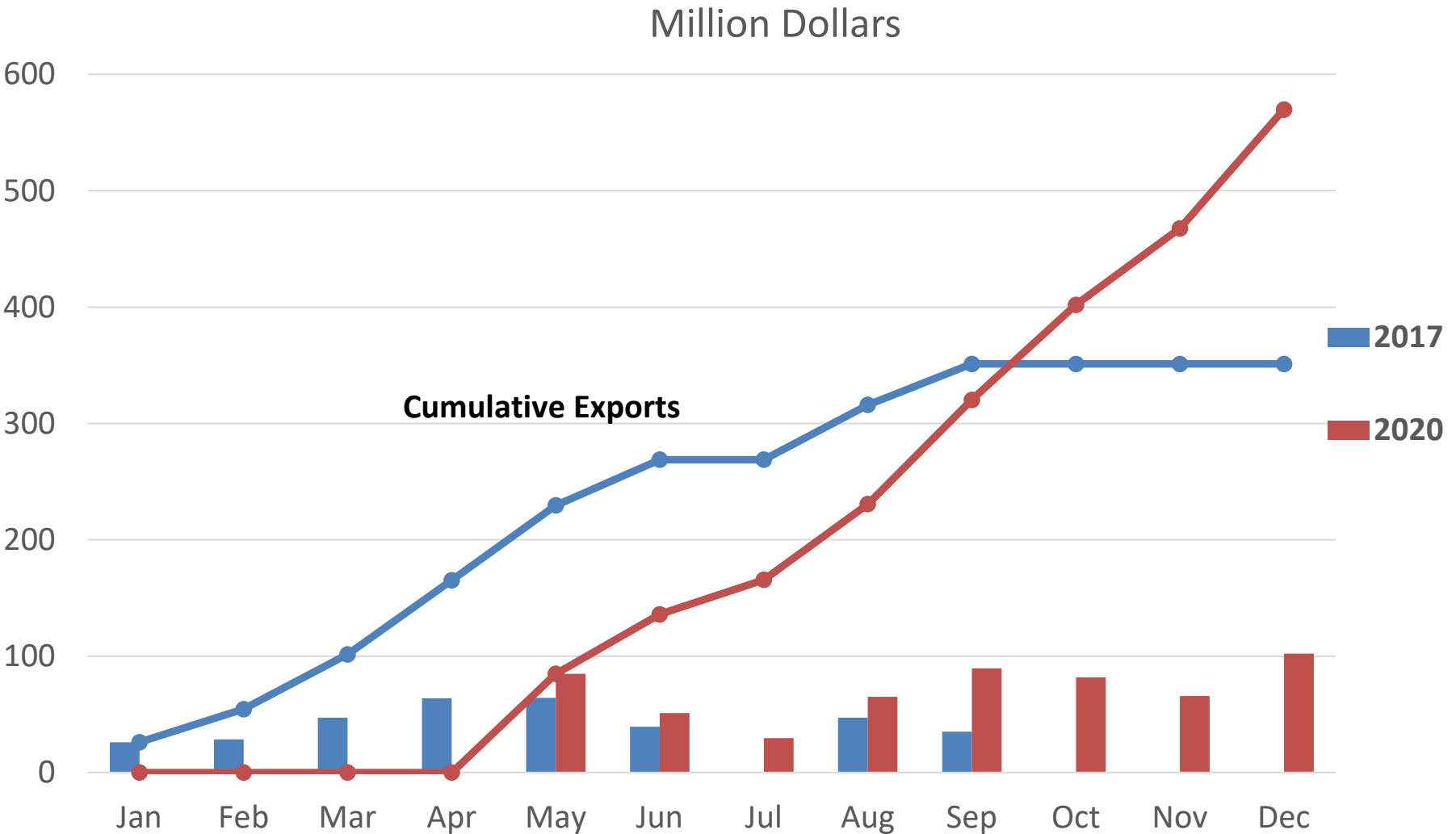
Cereals:

Monthly U.S. Sorghum Exports to China



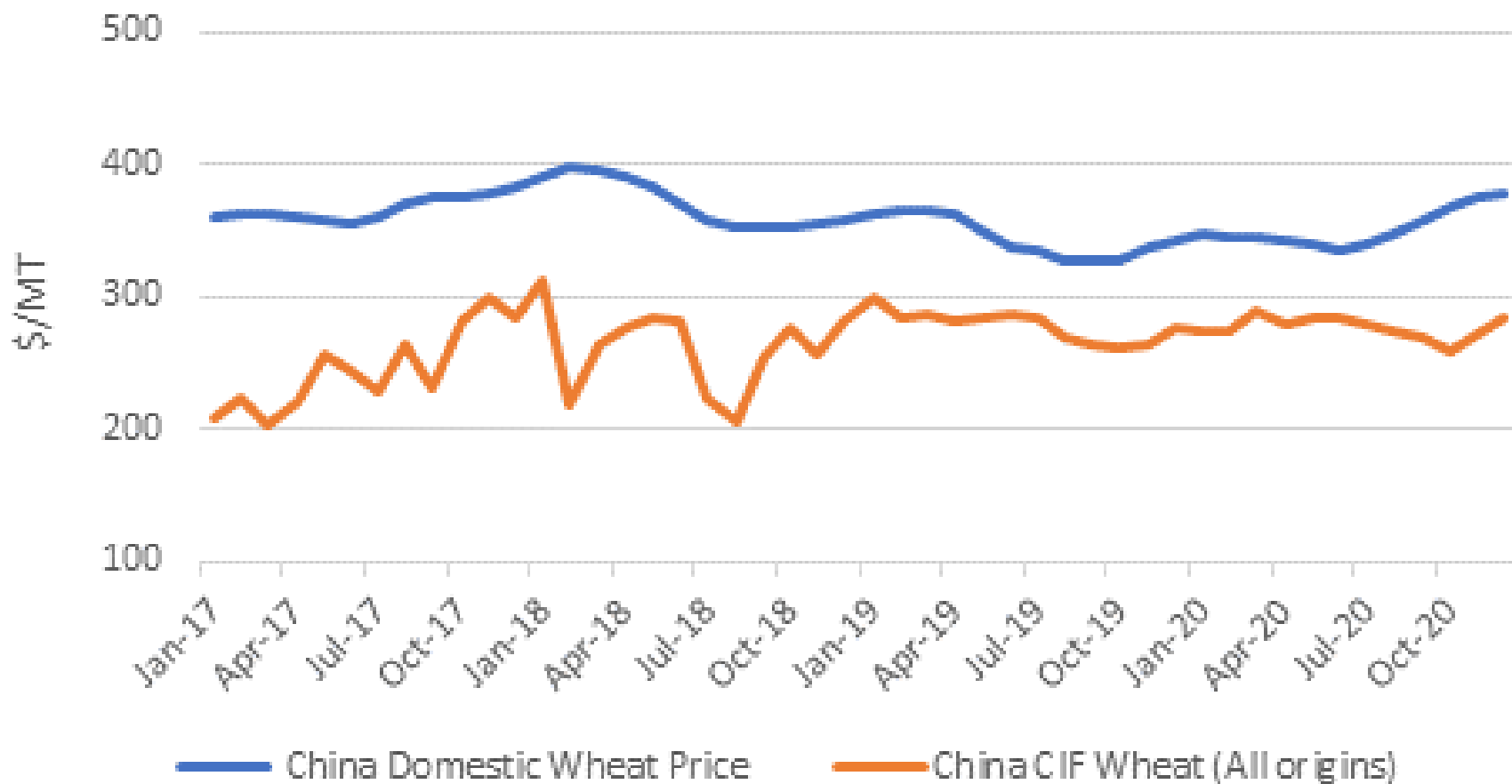
Cereals:

Monthly U.S. Wheat Exports to China



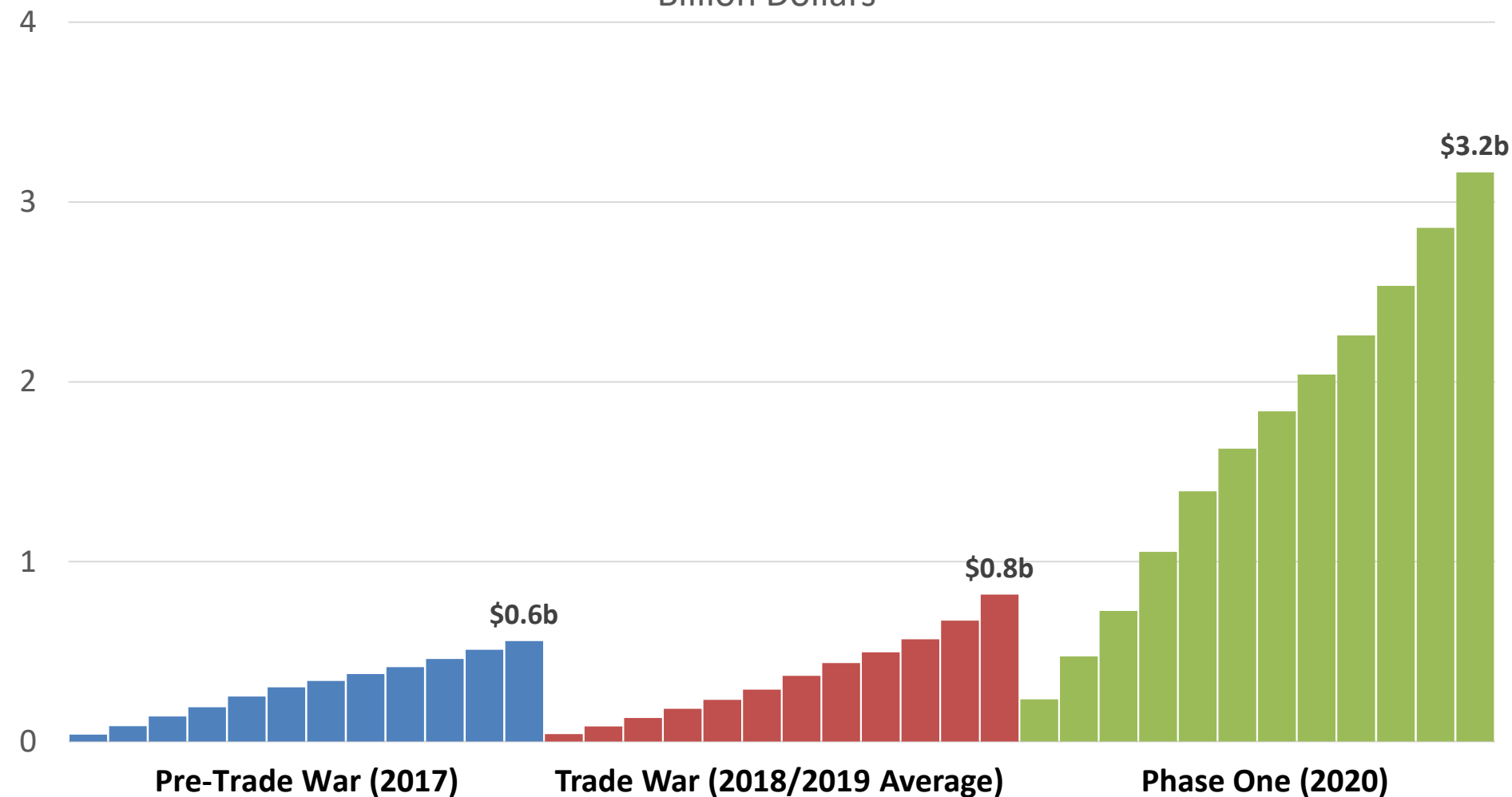
China Wheat Prices

China Domestic and Imported Wheat Prices



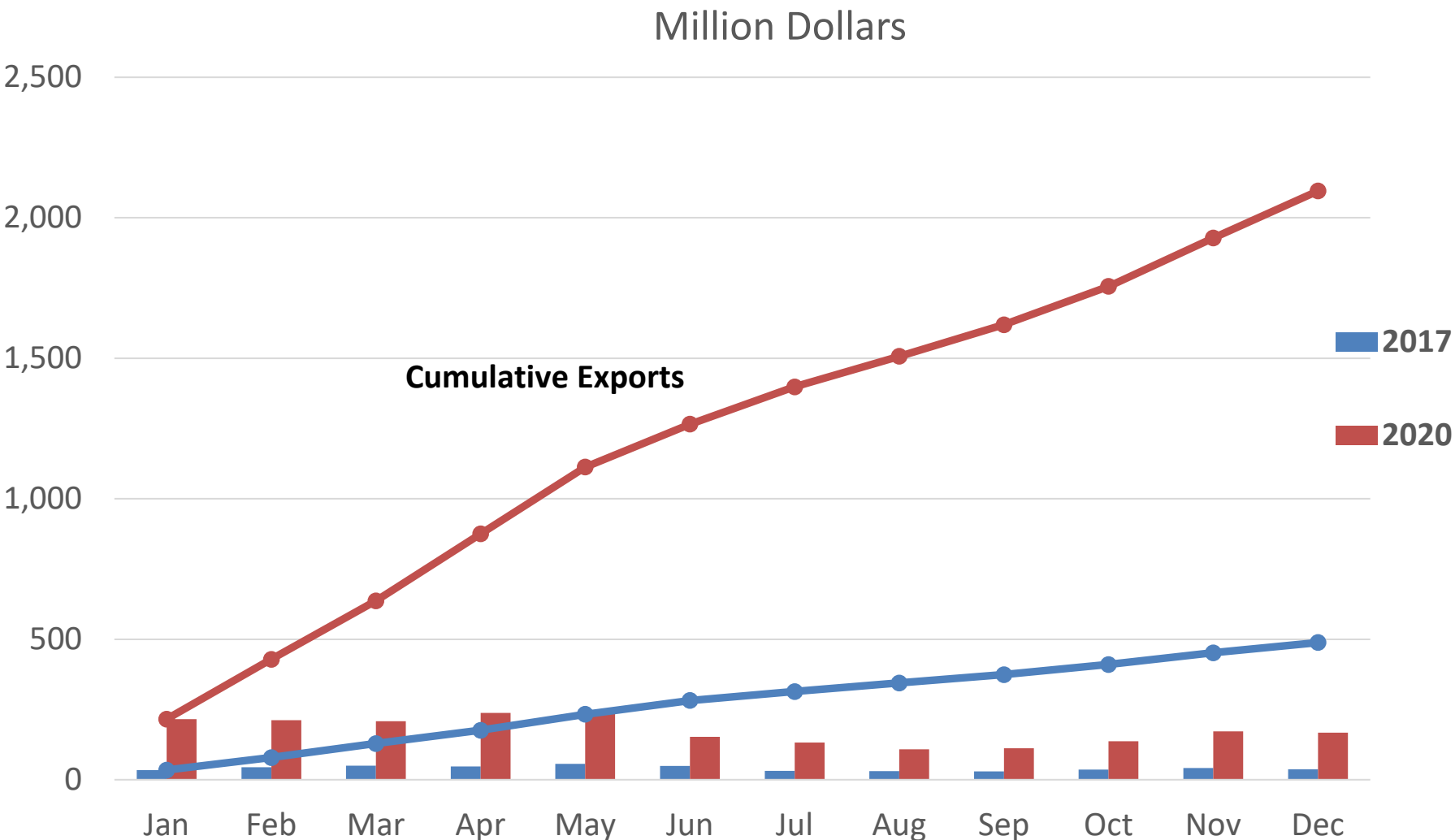
Cumulative Monthly Meat Exports to China

Billion Dollars



Meat:

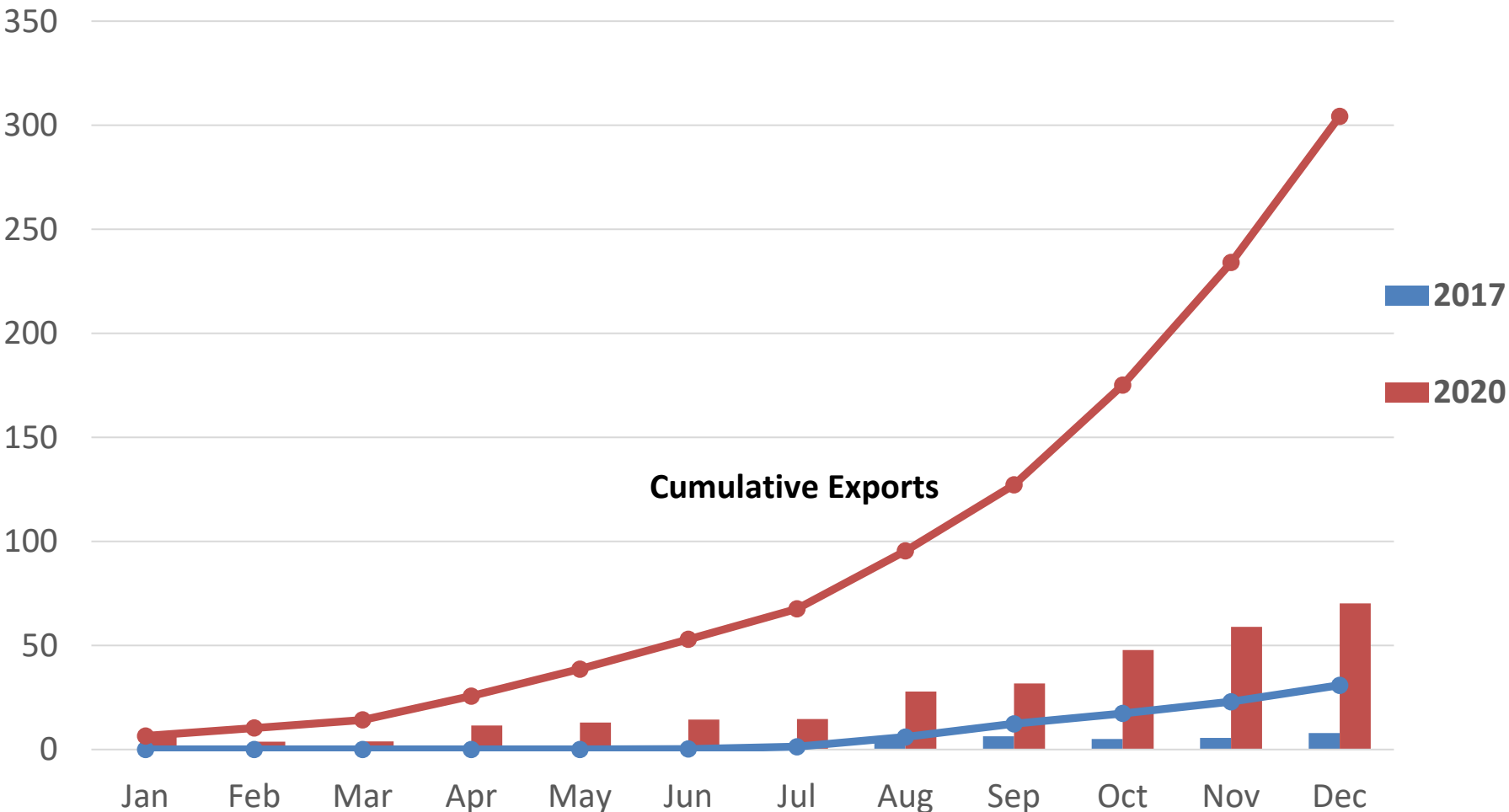
Monthly U.S. Pork Exports to China



Meat:

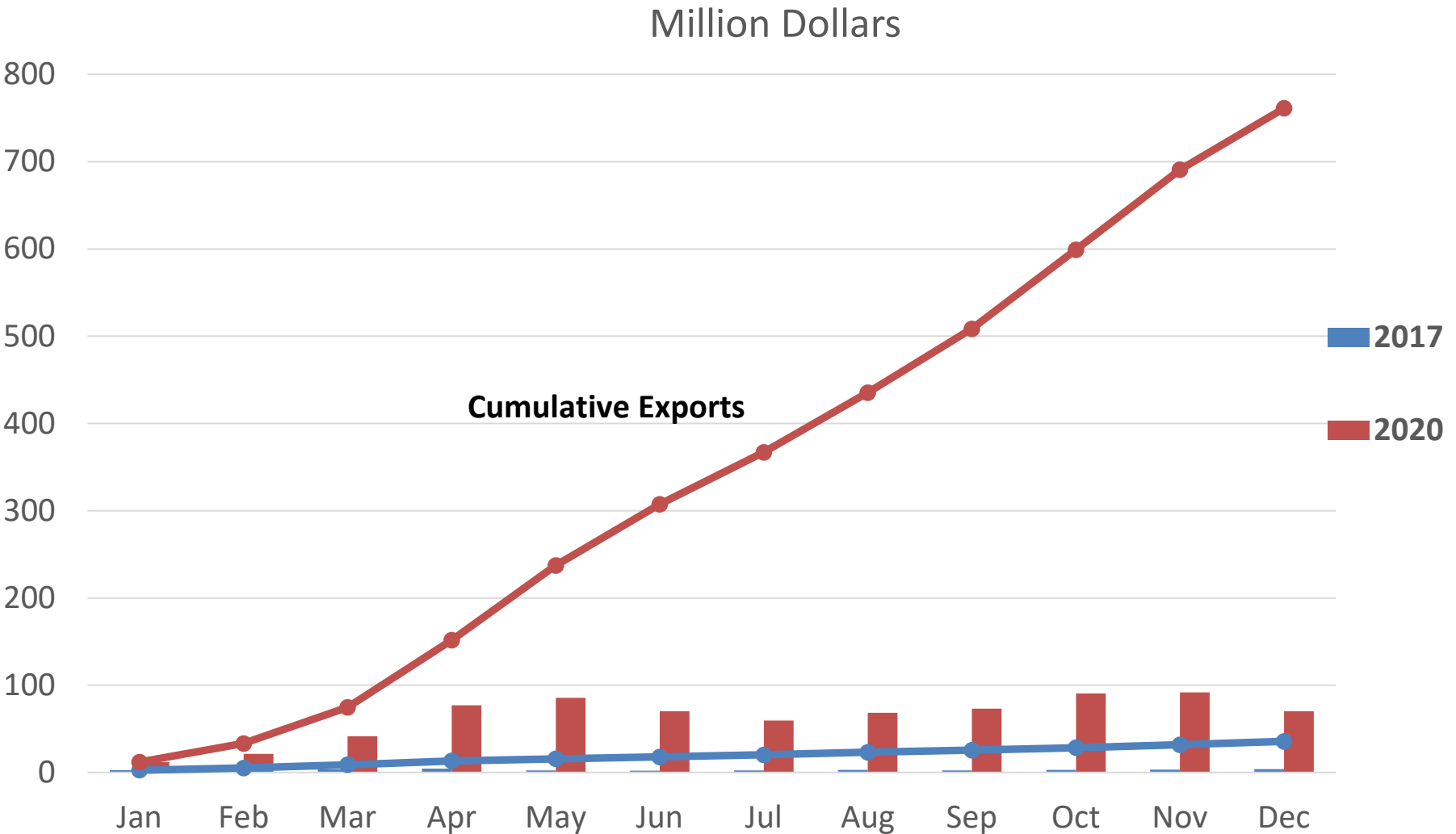
Monthly U.S. Beef Exports to China

Million Dollars

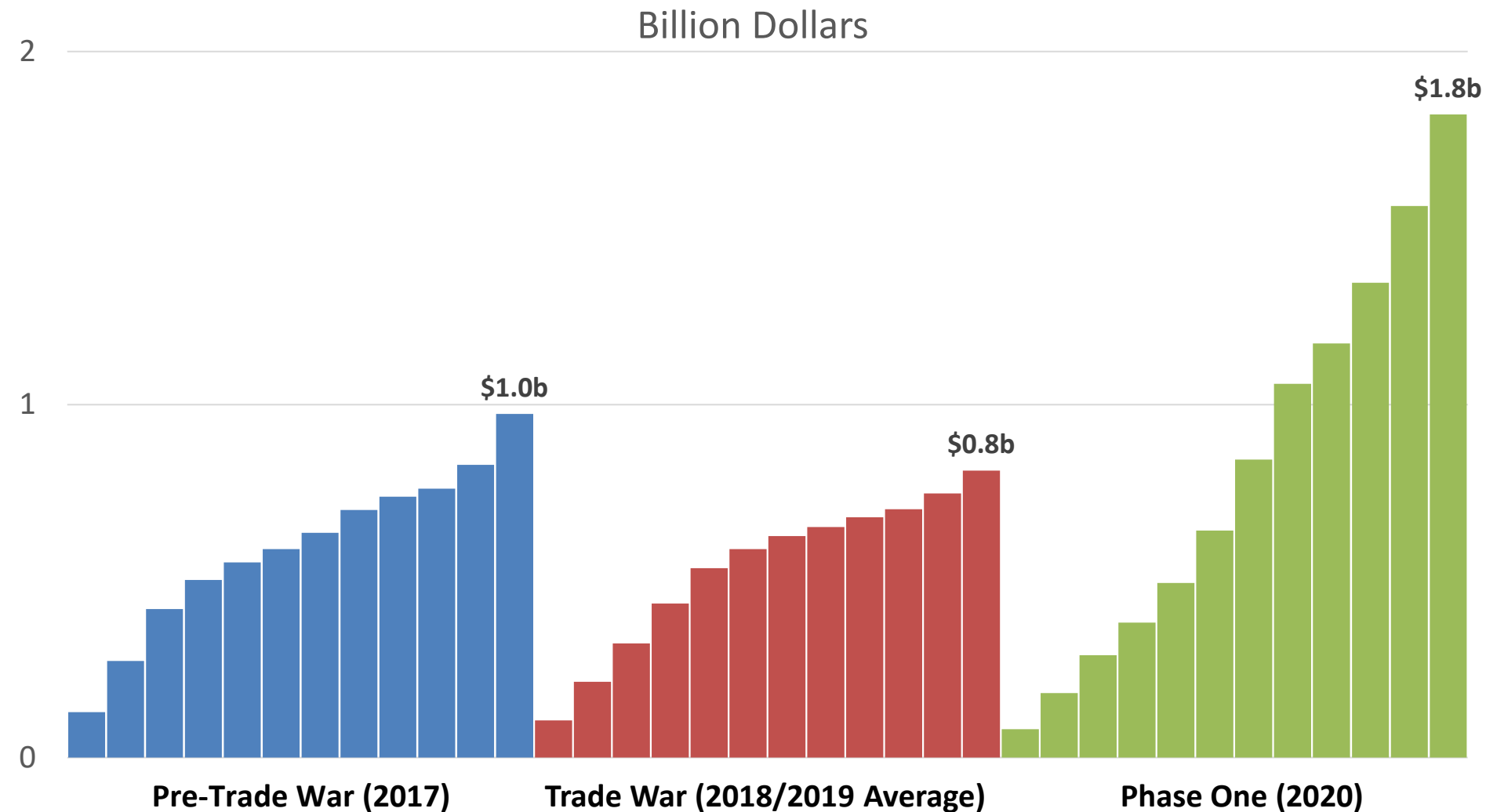


Meat:

Monthly U.S. Poultry Exports to China



Cumulative Monthly Cotton Exports to China



Cumulative Monthly Seafood Exports to China

Billion Dollars

2

1

0

\$1.2b

\$0.9b

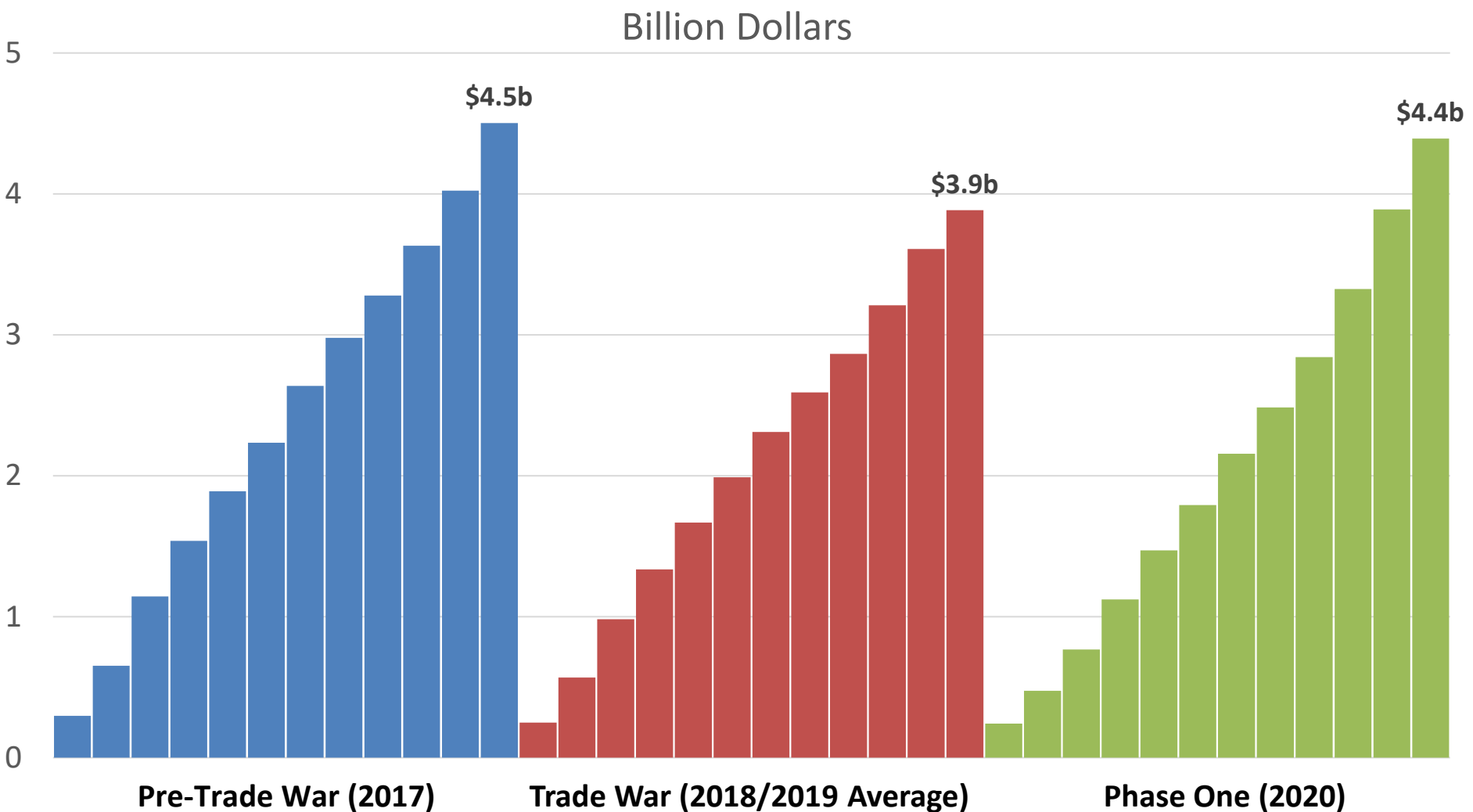
\$0.7b

Pre-Trade War (2017)

Trade War (2018/2019 Average)

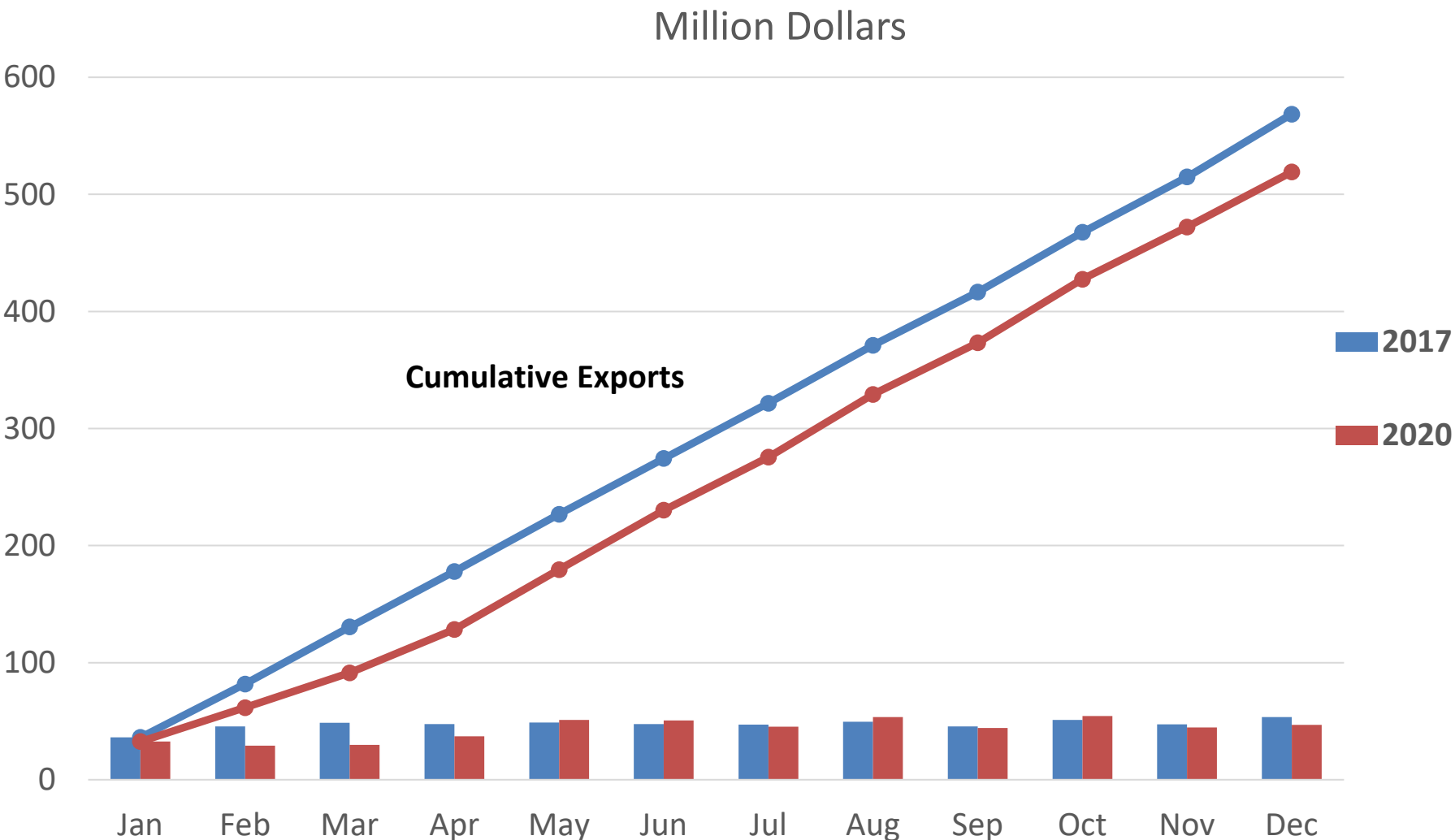
Phase One (2020)

Cumulative Monthly Other Ag Exports to China

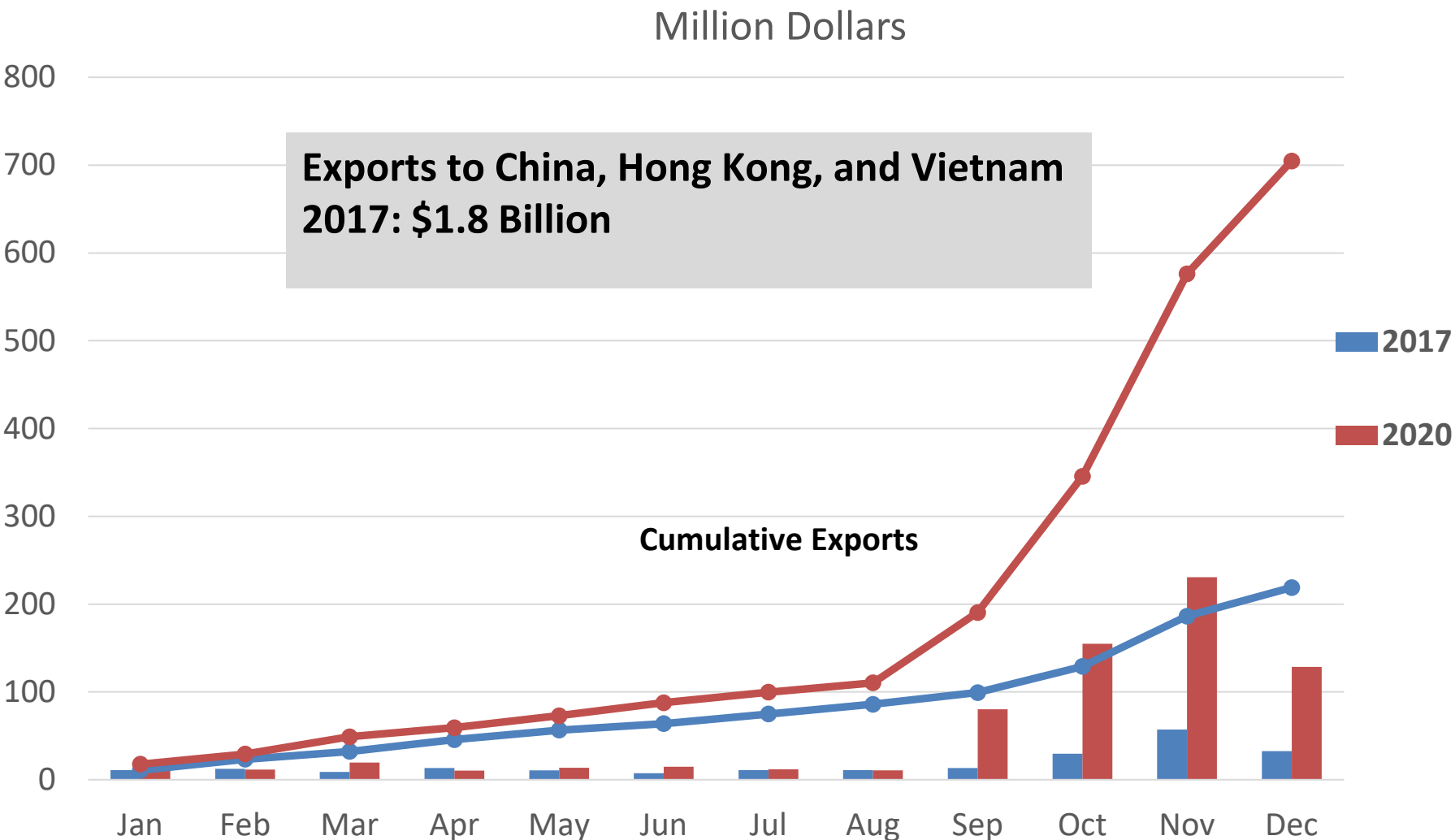


Calendar year, Phase 1 Agriculture Groups
Source: United States Census Bureau

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

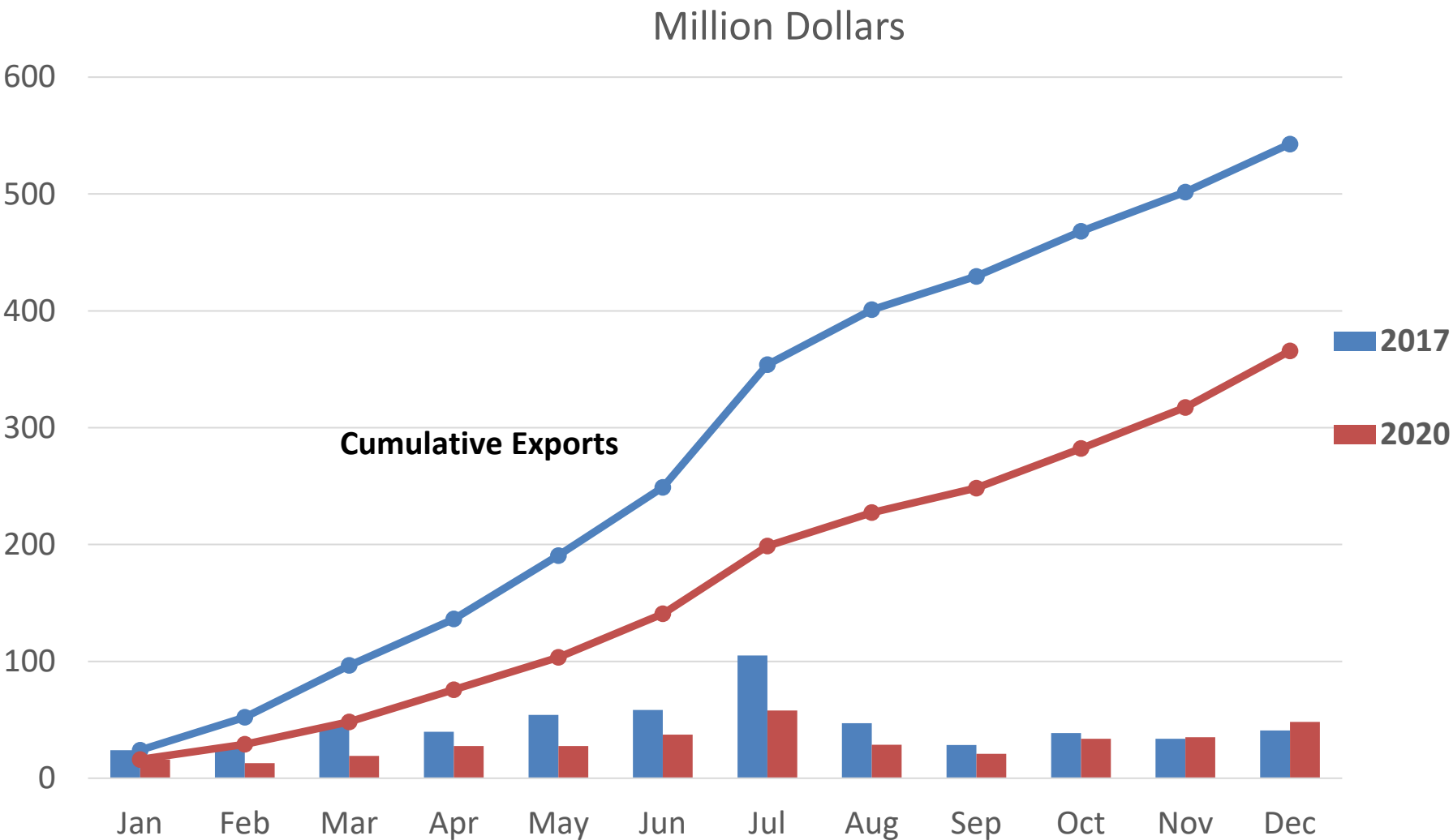


Other Ag: Monthly U.S. Tree Nut Exports to China



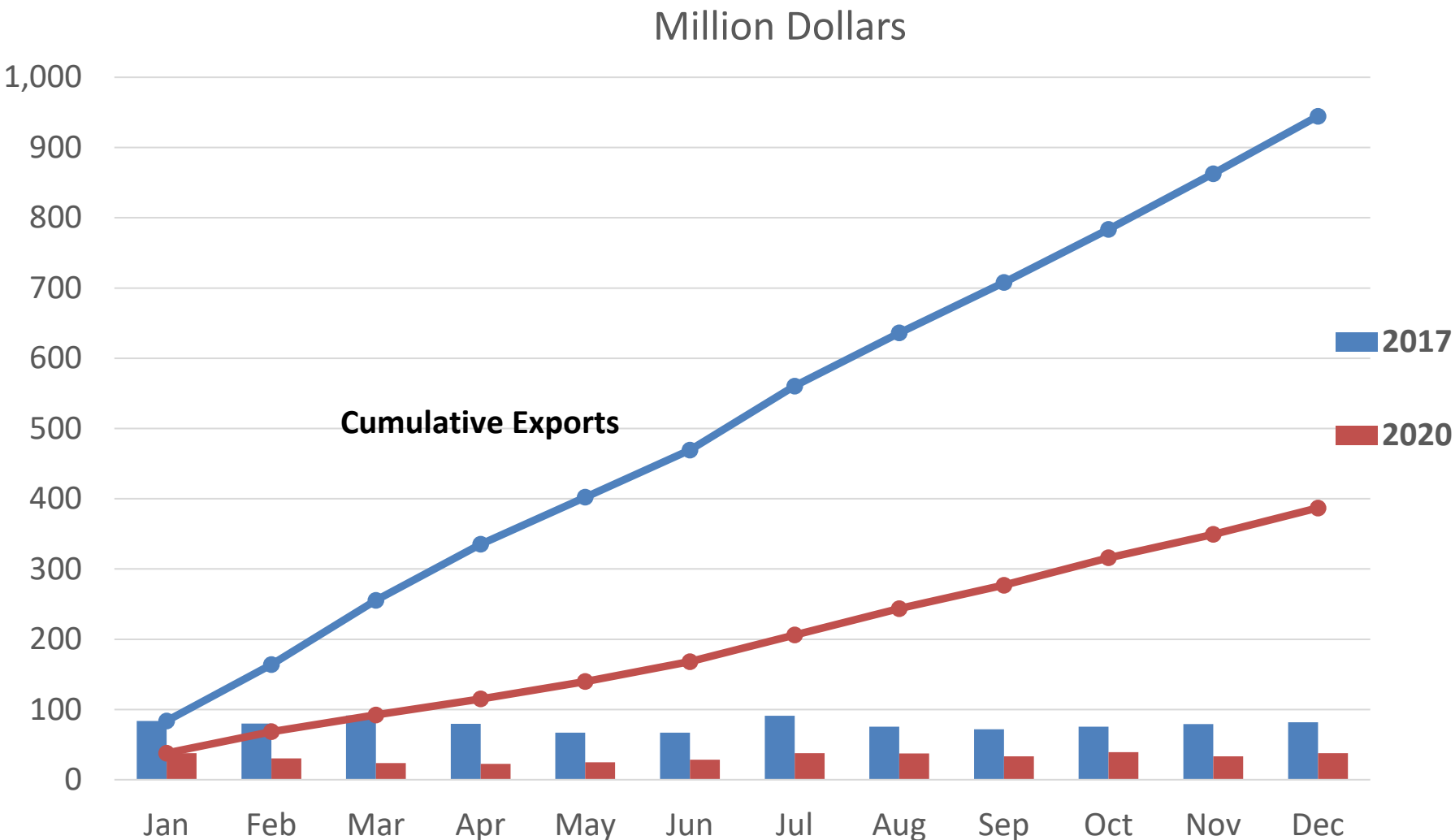
Other Ag:

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



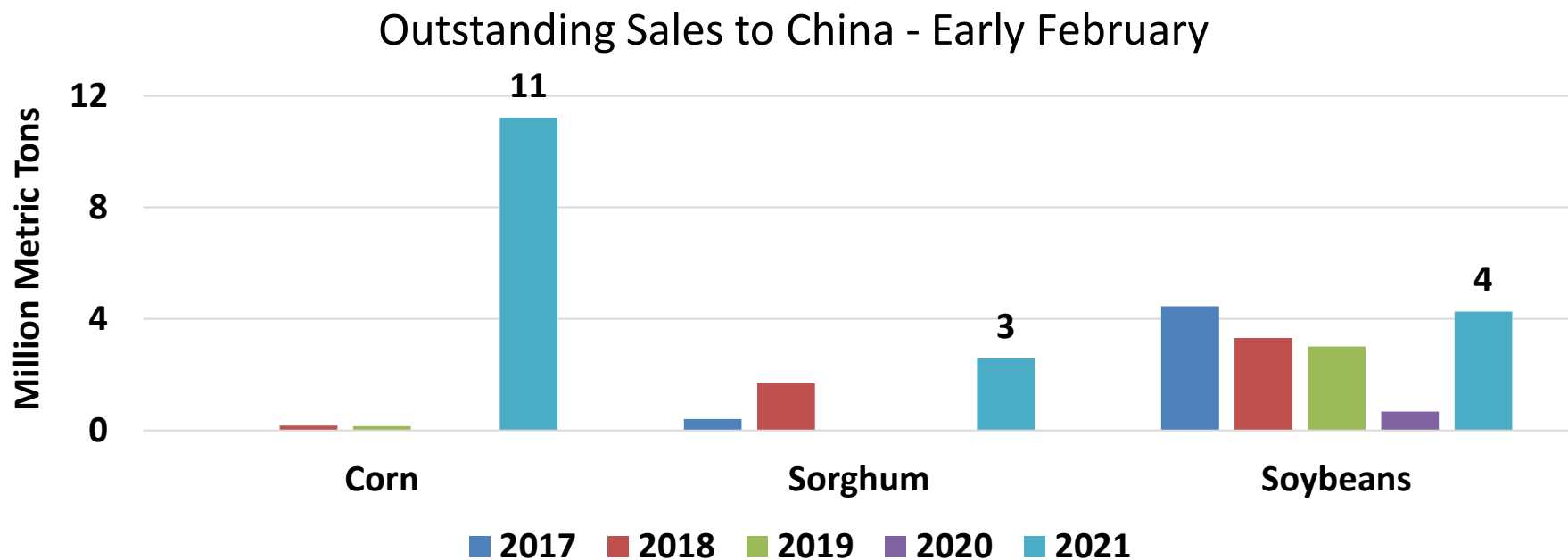
Other Ag:

Monthly U.S. Hides & Skins Exports to China



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

