

USDA expects ag exports to decline in 2023

Despite excellent export totals in 2022, the U.S. Department of Agriculture (USDA) is expecting a drop in U.S. agricultural exports in 2023.

The decrease in corn, wheat, beef and poultry exports led USDA to reduce its latest 2023 U.S. agricultural exports forecast to \$181 billion, down \$3.5 billion from expectations in the February forecast.

“We’re looking at a trade gap of about \$17 billion in terms of imports over exports,” said USDA Chief Economist Seth Meyer.

USDA said \$99 billion of that is in fresh vegetable and fruit products in the winter when they may not be produced in the U.S.

USDA expects corn exports to drop \$2.1 billion to \$14.5 billion.

Grain and feed exports are forecast at \$40.5 billion, down \$3.3 billion from the February forecast. The oilseed and products exports forecast increased \$100 million to \$43.5 billion.

The report shows soybean exports are projected to be up \$300 million to \$32.3 billion. The value is up due to a slightly improved trade volume outlook.

The outlook for livestock, poultry and dairy exports was lowered by \$1.2 billion to \$39.3 billion. Beef exports had the largest decline, down \$700 million to \$9.3 billion. USDA left the pork exports forecast unchanged at \$6.3 billion.

Poultry and products were lowered \$300 million to \$6.7 billion largely on a weaker outlook for chicken paw shipments to China, USDA said. Dairy exports are up \$100 million to \$8.9 billion.

Dairy exports are up \$100 million to \$8.9 billion on higher-than-expected volumes of non-fat dry milk, cheese, lactose and whey.

Horticultural products are unchanged from the February forecast at \$39 billion. Whole and processed tree nuts also are unchanged at \$9 billion, with most shipments destined for the European Union and Asia.

Processed fruits and vegetables are unchanged at \$7.3 billion on steady shipments to Canada. Fresh fruit and vegetables are unchanged at \$7.1 billion on stable shipments to top markets Canada and Mexico.

The U.S. is facing a significant trade imbalance based on the recent trade outlook provided by USDA.

“Relative to last year, USDA is now projecting that U.S. ag exports will be down \$15 billion while imports are projected up \$4 billion,” Veronica Nigh, senior economist with American Farm Bureau Federation, said. “That means the trade balance is estimated to be at a deficit of \$17 billion. When we think about that on a volume versus value basis, exports are expected down 19% by volume

and 16% by value relative to last year.”

She noted global monetary conditions are impacting U.S. ag trade and exports. These

challenges impact each commodity differently.

“World real GDP is projected to increase by only 2.8% in 2023. That’s down from 3.4%

last year,” Nigh said. “It’s not all bad news. Beans are expected down on volume by 7% but only down by 3% on value. And then, when we move to the meat

case, beef exports are expected down 14%, but pork exports are expected up, as are broiler meat exports. So certainly, a mixed bag.”

Water Weekly

For the week of 06/19/23

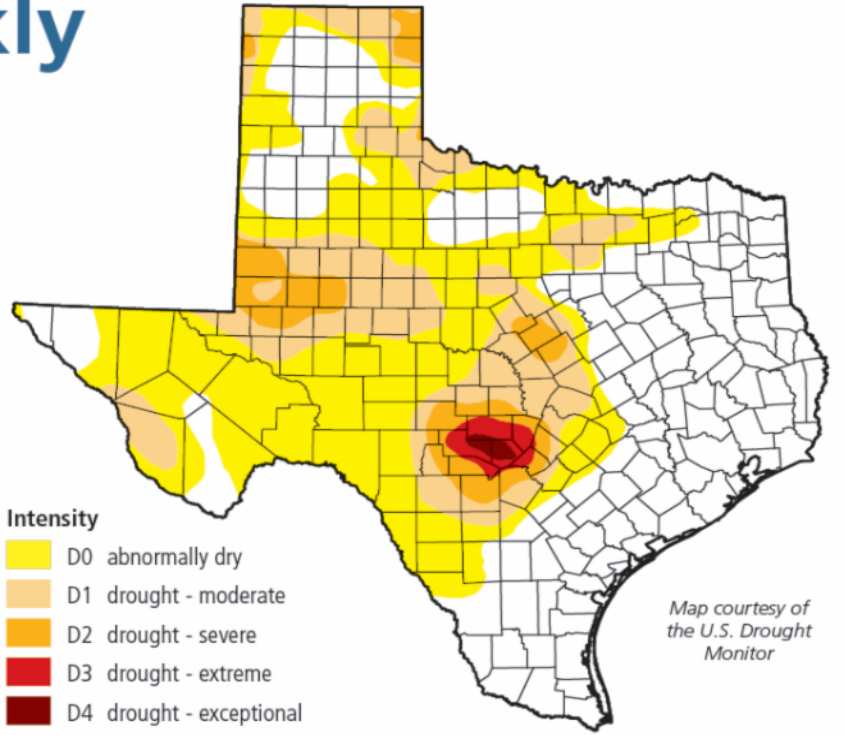
Water conditions

In the past week, drought conditions improved in most of the Panhandle but degraded in smaller areas of Central and North Central Texas. The latest drought map, for conditions as of June 13, shows another weekly decrease in the total area of the state impacted by drought.

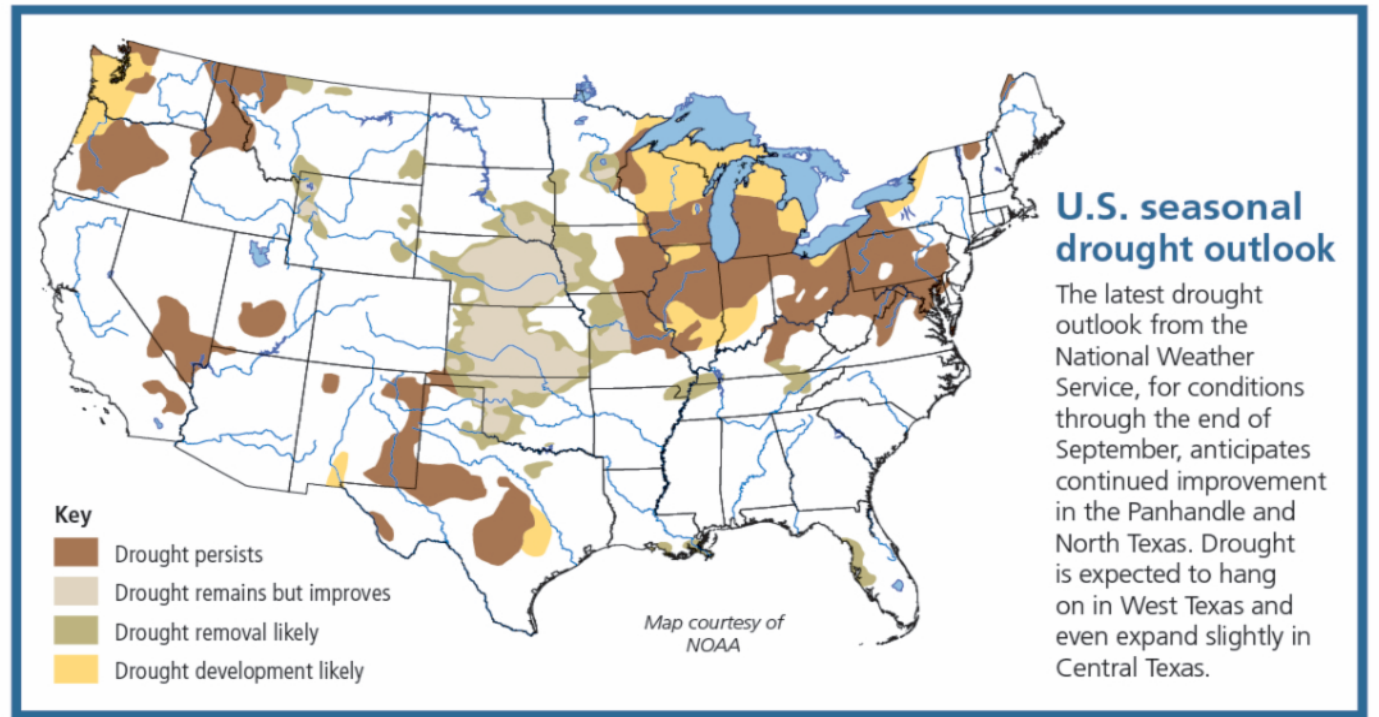
Drought conditions

- ◆ 23% now
- ◆ 28% a week ago
- ◆ 65% three months ago
- ◆ 80% a year ago

- Intensity**
- ◆ D0 abnormally dry
 - ◆ D1 drought - moderate
 - ◆ D2 drought - severe
 - ◆ D3 drought - extreme
 - ◆ D4 drought - exceptional



Map courtesy of the U.S. Drought Monitor



Written by Dr. Mark Wentzel — Dr. Mark Wentzel is a hydrologist in the TWDB’s Office of Water Science and Conservation.

Bryan McMath, Governmental Relations | bryan.mcmath@twdb.texas.gov | 512-463-7850
Media Relations | MediaRelations@twdb.texas.gov | 512-463-5129

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