

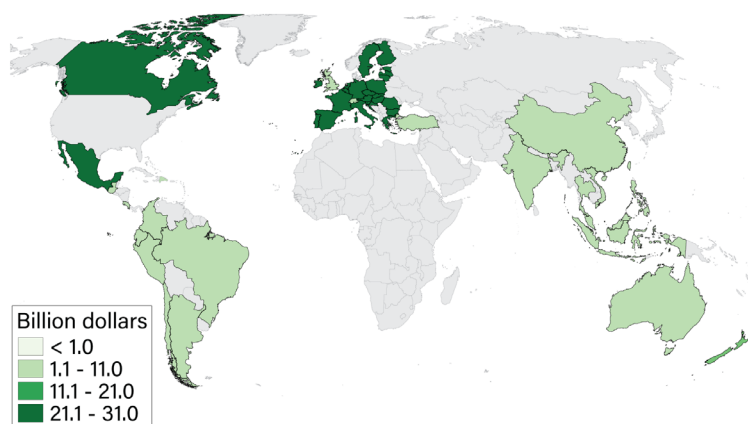
Economic & Market Watch Intelligence Brief

Briefing

- In most years, at least half the value of U.S. agricultural imports has been in horticultural products (agricultural products produced on a small-scale). Tariff- and quota-free import access under the North American Free Trade Agreement (NAFTA) and later the United States-Mexico-Canada Agreement (USMCA) have contributed to lower U.S. consumer prices. The value of U.S. agricultural imports has risen an average of almost 7% per year since 2001, or almost 4.3% annually after adjusting for inflation (Figure 1).
- The U.S. tends to import higher-value agricultural products. For example, 45% of the sweeteners Americans consume are imported, but less than 5% of the feed grains we consume are imported. This is partly driven by the seasonal nature of higher-value products. Around 45% of the fruits, nuts and vegetables Americans consume are imported from Central and South America because their growing seasons continue or begin as the U.S. growing season ends (Figure 2).
- Sixty-four percent of U.S. agricultural exports go (in order) to China, Mexico, Canada, Japan and the European Union (Figure 3). Tariffs on U.S. imports make imports more expensive, and American consumers react by importing less. But that means that foreigners earn less money with which to buy U.S. exports.

Chart of the Week

Top 25 US Agricultural Import Sources (2017-2021 average)



Source: US Department of Agriculture

Commentary

Until the last decade, the U.S. typically exported more agricultural goods than it imported. Since 2013, U.S. agricultural exports have grown at an average 2.1% per year while imports have grown at 5.8%. Strong import growth is largely driven by a combination of the strong U.S. dollar and Americans' preference for year-round produce selections. Top U.S. agricultural exports include food grains (corn, soybeans, wheat), grain and oilseed milling products (products made from grinding and pressing grains and seed), oilseeds (cottonseed, sunflower seeds, canola, flaxseed), fruit and tree nuts (almonds, apples, grapes, oranges, pistachios) and meat products (beef, pork, poultry).

Mexico, Canada and the EU are America's three largest suppliers of agricultural products (Chart of the Week). Thirty-one percent of horticultural products (small-scale crop production) imported into the U.S. come from Mexico. If we counted South America (mostly Brazil, Chile, Colombia and Argentina) as a single country, it would rank equal to the EU as a source for U.S. agricultural imports. Imports from South America consist largely of sugar and tropical products in which the region has a comparative or, being in the southern hemisphere, a seasonal advantage.

Snapshots

Figure 1. US Agricultural Imports (2001-2023)

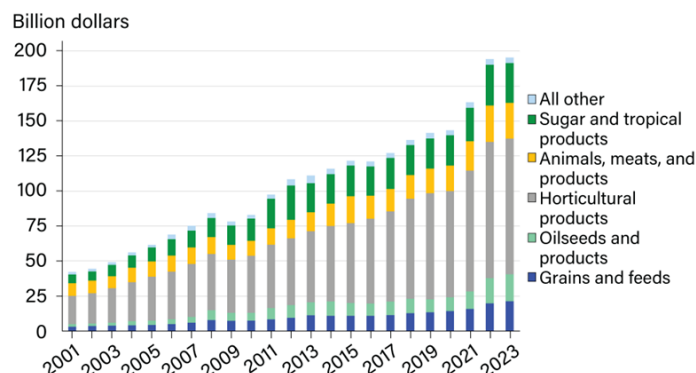


Figure 2. Import Share of US Food Consumption (2011-2021)

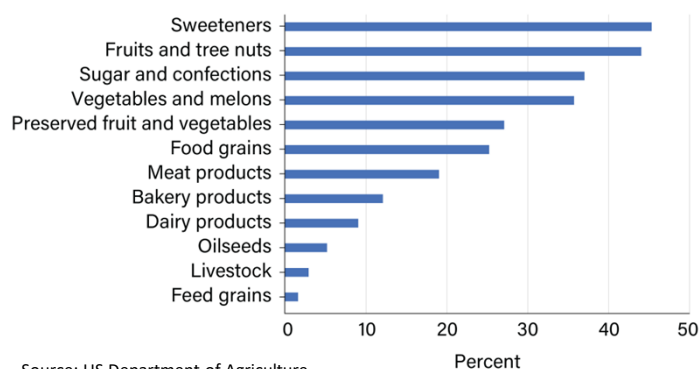
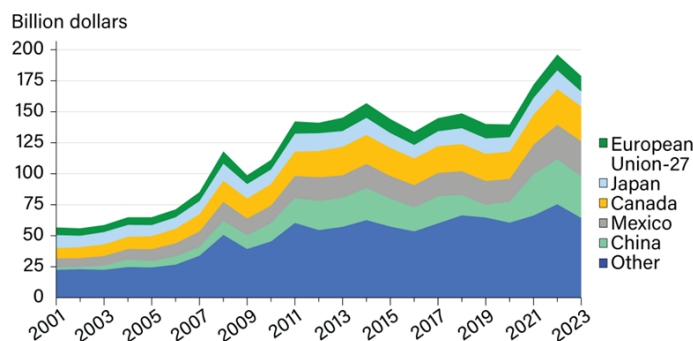


Figure 3. Top Five Markets for US Agricultural Exports (2001-2023)



The Economic & Financial Research Team



John Suter, VP



Antony Davies, Director



Sam Kem, Sr. Analyst

Email: EconomicResearch@nrucfc.coop

Economic & Market Watch Dashboard

Key Indicators

INTEREST RATES¹

		2025					2026
	Current	Q1	Q2	Q3	Q4	Q1	
Fed Funds Target ² (%)	4.50	4.50	4.50	4.25	4.25	4.25	
SOFR (%)	4.33	4.20	4.00	3.90	3.80	3.75	
2Y UST (%)	4.27	4.15	3.95	3.90	3.90	3.75	
5Y UST (%)	4.36	4.25	4.15	4.10	4.05	4.00	
10Y UST (%)	4.51	4.45	4.40	4.40	4.35	4.25	
30Y UST (%)	4.73	4.70	4.70	4.70	4.65	4.55	

ECONOMY

		2025					2026
	Current	Q1	Q2	Q3	Q4	Q1	
PCE Inflation (%)	2.6	2.4	2.5	2.4	2.5	2.5	
CPI Inflation (%)	3.0	2.8	2.7	2.6	2.6	2.8	
Real GDP (%)	2.3	2.1	1.9	1.9	1.9	2.0	
Unemployment (%)	4.0	4.3	4.3	4.3	4.3	4.3	
Consumer Spending (%)	4.2	2.2	2.1	2.1	1.9	2.0	
Industrial Production (%)	2.0	0.7	0.7	1.0	1.6	1.5	

Equities & Currency

	Current	Year ago
DJIA	44,397	38,628
Nasdaq	20,022	15,776
S&P 500	6,118	5,006
US Dollar Index	\$1,289.36	\$1,244.08

Commodities

	Current	Year ago
Crude Oil (Per Barrel)	\$71.45	\$79.19
Natural Gas (Per MMBtu)	\$3.72	\$1.61
Coal (Per Short Ton)	\$14.20	\$13.95
Gold (Per Ounce)	\$2,922.90	\$2,011.50
Corn (Per Bushel)	\$500.00	\$416.50
Soybean (Per Bushel)	\$1,039.00	\$1,172.25

Industry

	Current	Year ago
Natural Gas Storage (Billion Cubic Feet)	2,297	2,470
U.S. Daily Power Consumption (MWh)	12,054,983	10,982,801
World Container Index (Per 40ft)	\$3,095	\$3,733

¹ Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters

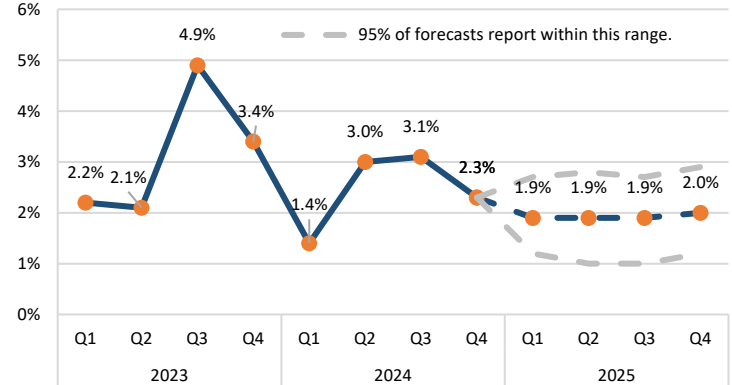
² Target rate forecast is based on futures market contracts

Source: Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Trading Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.

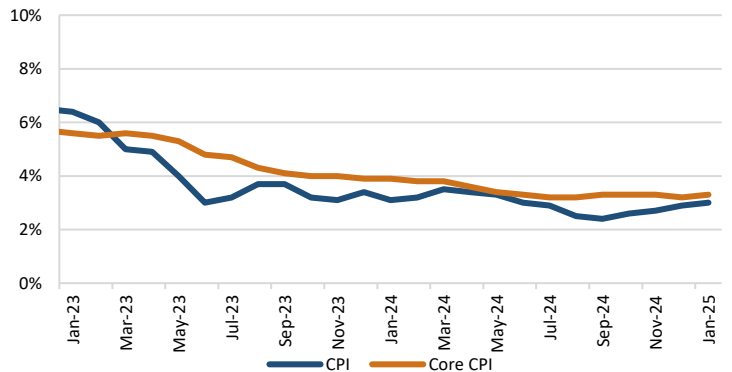
Disclaimer: These materials are being provided to you as a service to our members for informational purposes only, and are not advice or recommendations of any kind. By receiving these materials, you agree not to share the materials outside of you cooperative, that CFC is not providing any representation or warranty regarding the information in these materials, and that CFC is not responsible for the consequences of any decisions made or actions taken in reliance on these materials. SOFR and EFFR are subject to the Terms of Use posted at [newyorkfed.org](https://www.newyorkfed.org). The New York Fed is not responsible for publication of SOFR or EFFR by CFC, does not sanction or endorse any particular republication, and has no liability for your use.

Forecasts

Real GDP Growth Trend



Headline vs. Core Inflation



10-Year U.S. Treasury vs. Fed Funds Trend

