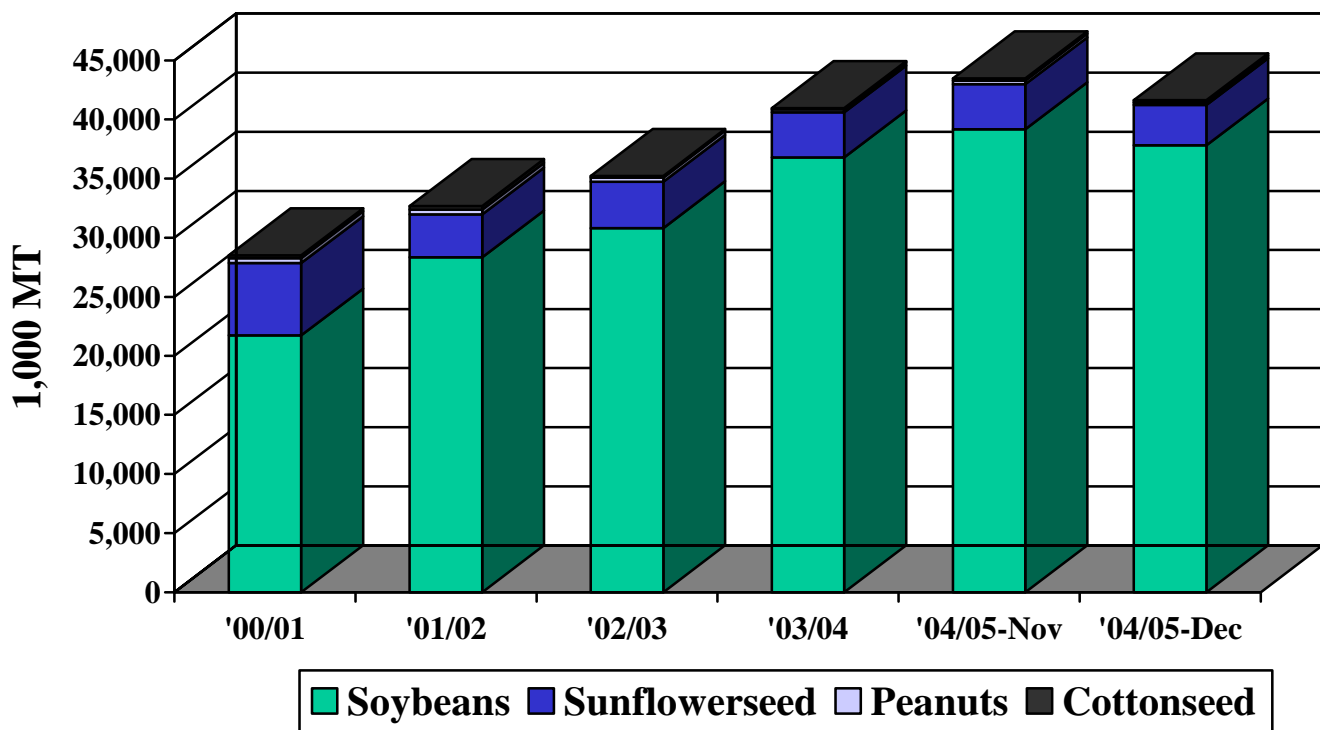




Oilseeds: World Markets and Trade

Argentina's Oilseed Supplies Tighten (Argentine Marketing Years)



Argentina's oilseed supply forecast for their local marketing year 2004/05 (which compares to the U.S. 2003/04 marketing year) was reduced in December from last month as drought conditions prompt a cut in the production forecast for soybeans, sunflower seeds and peanuts. Argentina's oilseed supply for 2004/05 is currently forecast to reach 41.6 million tons, up slightly from last year's 41.0 million tons, but down nearly 4 percent from November. Although soybean output is still forecast to increase in the upcoming year, the currently forecast 3 percent growth in production is far below growth levels seen in past years. This year's soybean crop is forecast to reach 36.5 million tons, up from 35.5 million produced last year, but down from the 38 million tons forecast in November. Dry conditions are also having a significant impact on the country's second leading oilseed crop, with sunflowerseed supplies down nearly 10 percent from last year on lower production levels. Peanut supplies are forecast to fall 14 percent on a smaller crop. Cottonseed production is forecast to expand by 85,000 tons. As a result of the tightening of oilseed supplies, the Argentine oilseed export forecast for 2004/05 was reduced in December to 11.5 million tons, down from 12.1 million tons forecast the month prior. Soybean exports are forecast at 11.2 million tons, down from November's 11.6 million tons, but up from 9.6 million tons last year.