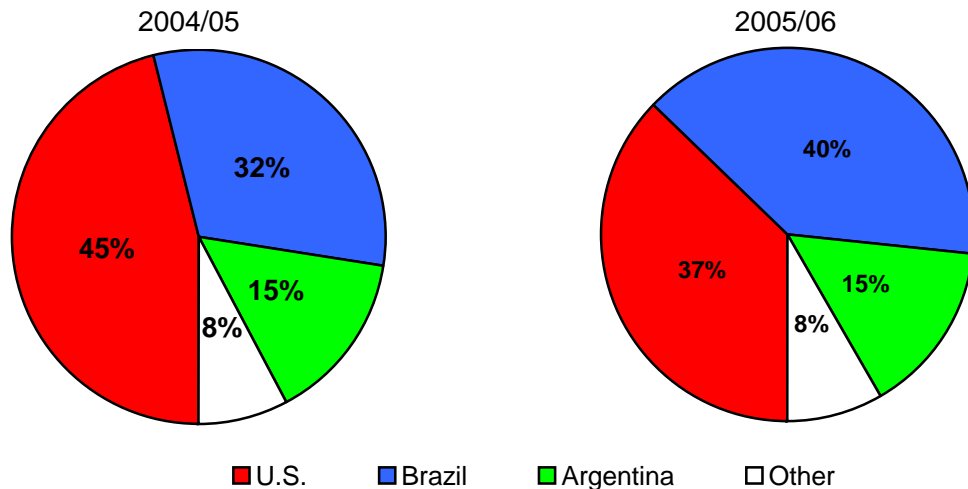




# Oilseeds: World Markets and Trade

## Brazil Replaces the U.S. as the Top Soybean Exporter in 2005/06



In February, the USDA lowered the U.S. soybean export forecast by 1.1 MMT to 24.8 MMT, down 5.2 MMT from 2004/05. The decline in U.S. exports combined with an increase in Brazilian soybean exports to 26.1 MMT causes the U.S. not to be the top exporter of soybeans for the first time in history.

Despite a forecasted 1.6 MMT increase in global soybean imports, U.S. soybean exports through the end of January are down 4.9 MMT compared to the same period in 2004/05. U.S. soybean exports have been handicapped by a lack of competitiveness in early 2005/06 particularly in China and the EU. From October 2005 – January 2006, U.S. soybean FOB prices have remained higher than Brazilian FOB prices by an average of \$3.60 per ton.

Record exports each month from October 2005 through January 2006 have caused Brazil's soybean exports through January to reach a record 4.8 MMT, up 2.3 MMT from the same period last year. The record pace from the first quarter is forecast to continue throughout the remainder of 2005/06 as Brazilian soybean exports are forecast to increase a total of 5.5 MMT from 2004/05 to 26.1 MMT.