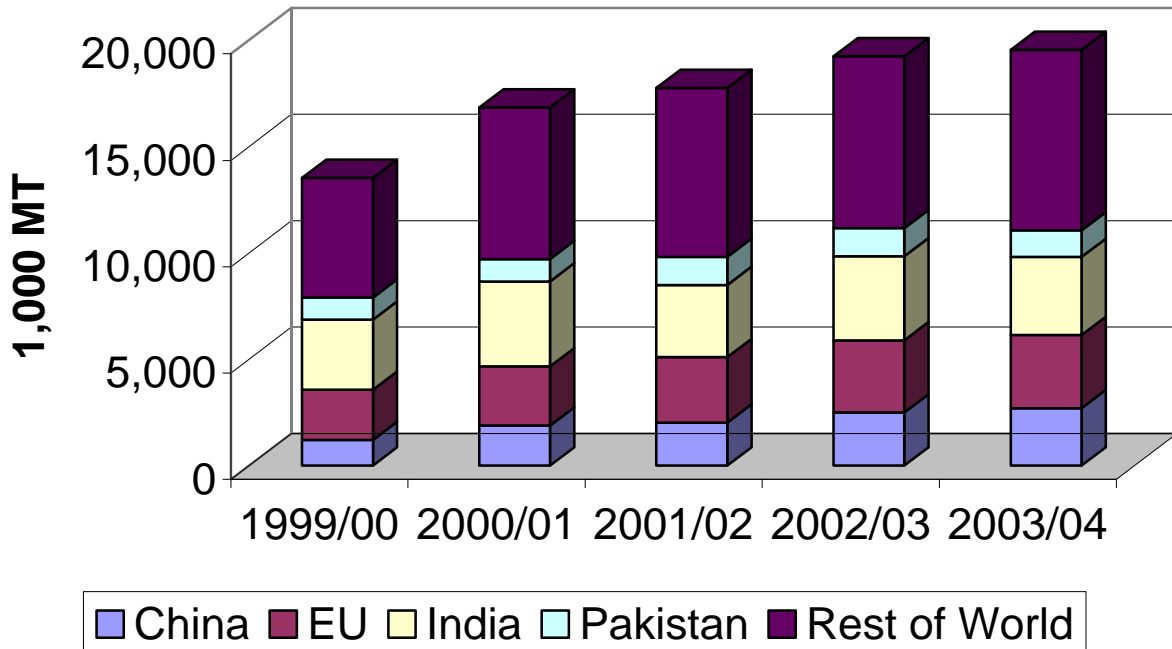




Oilseeds: World Markets and Trade

World Palm Oil Imports



Total world palm oil imports for 2003/04 are forecast to rise 2 percent to 19.54 million tons. India is expected to remain the dominant world importer of palm oil, importing a forecast 3.68 million tons in 2003/04, followed by the EU, China and Pakistan. China's imports of palm oil have grown sizably and may already be nearly 100,000 tons over their tariff rate quota (TRQ) of 2.60 million tons for calendar year 2003. As of the end of September, Chinese imports totaled 2.51 million tons with Malaysia reporting additional shipments of 200,000 tons. China's in-quota tariff rate for palm oil is 9 percent compared to a 60 percent out-of-quota rate. Palm oil imports are favored in China due to its relatively low price, as shipping costs of palm oil from Southeast Asia are much less than soybean oil shipping rates from South America and the U.S. However, the 60 percent tariff may shift China's buying to soybean oil for the remainder of the quota year, November and December. The tariff for soybean oil is 9 percent for the first 2.82 million tons and 52.4 percent above this level. China has only imported 1.75 million tons of soybean oil this year, which allows for another 1.07 million tons to be imported under the 9 percent tariff rate. U.S. exports of soybean oil to China in 2000/01 totaled 5,596 tons, down from about 29,500 tons in 1999/00 and 217,000 tons in 1998/99.