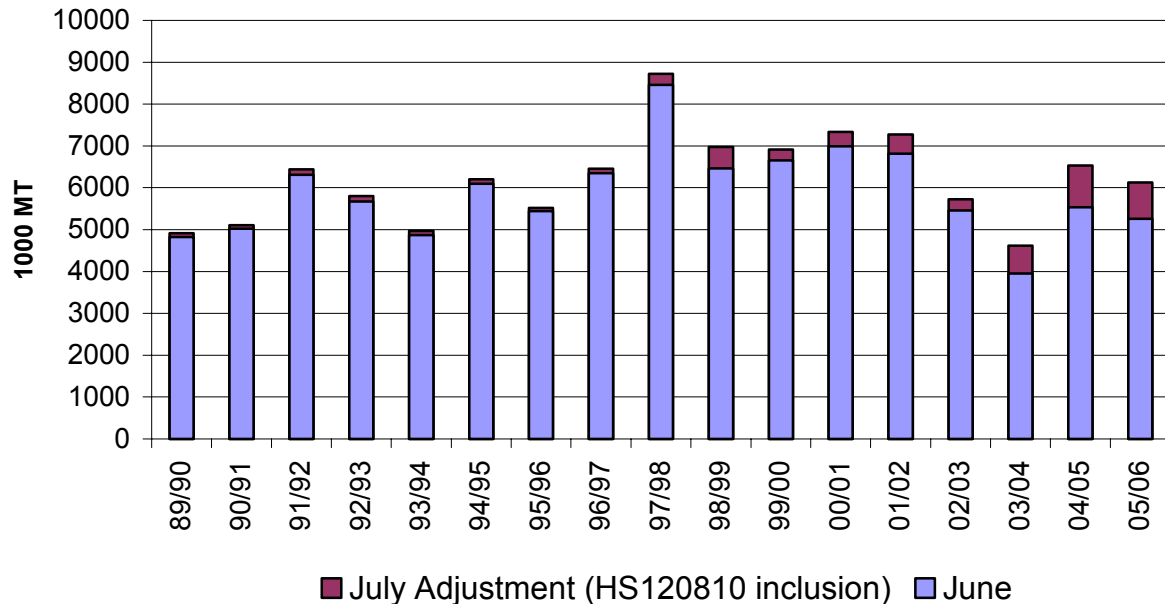




Oilseeds: World Markets and Trade

U.S. Soybean Meal Exports Adjusted Higher in July



In July, USDA adjusted its U.S. soymeal export forecast higher due to the inclusion of soybean flours and meals (HS 120810). This change was made to account for growing exports under this code and the belief that much of this could be classified as soybean meal (HS 230400). Exports of HS 120810 have totaled nearly 700,000 tons during the first 7 months of 2004/05 which already exceeds the quantity exported for all of 2003/04. The fact that annual soy flour production in the U.S. totals about 500,000 tons and that only a fraction of this amount is likely exported suggests the growing inclusion of soybean meal in the HS 120810 code. Previously, it was believed that the small quantity of soy flour exports included in domestic soybean meal consumption did not materially impact supply and demand figures. However, as evidence pointed to a greater share of soybean meal being exported under HS 120810, it became necessary to include these exports to better reflect the U.S. soybean meal situation.

U.S. soymeal exports in MY 05/06 are forecast to reach 6.124 MMT down from 6.532 MMT exported this year. U.S. soymeal exports jumped significantly in 04/05 due to a larger U.S. crop, but will decline in 05/06 because of slightly lower soymeal production and greater domestic consumption. The top markets for U.S. soymeal exports are Canada and Mexico by far, followed by the Philippines and Australia. Global soymeal exports are forecast to reach 47.3 million tons in 05/06, up from 46.2 million exported in 04/05. Nearly 42 percent of global trade comes from Argentina, followed by Brazil. The U.S. accounts for 13 percent of global soymeal exports.