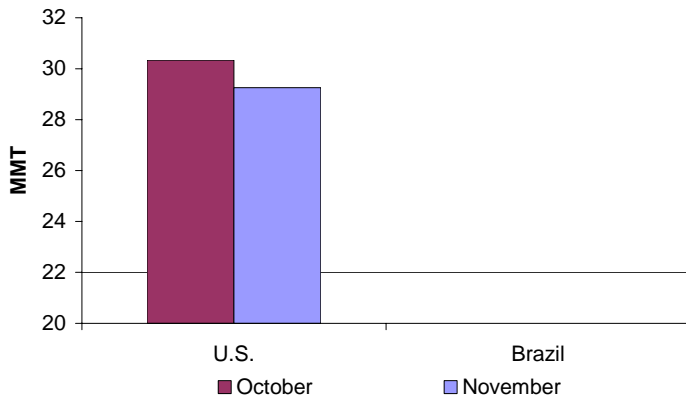




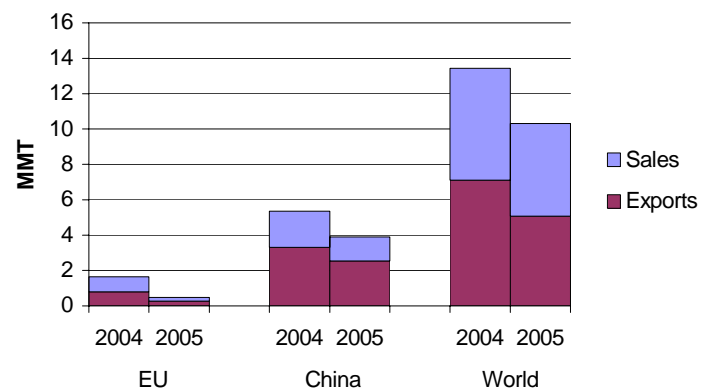
# Oilseeds: World Markets and Trade

## U.S. Soybean Export Forecast Falls As Commitments Lag Year Ago Levels

U.S. 2005/06 Exports Lowered in November,  
While Brazilian Forecast Increased



U.S. Total Commitments to  
EU, China, and World



The U.S. 2005/06 soybean export forecast was reduced 1.1 MMT to 29.2 MMT in November. The decline comes as U.S. soybean commitments are down, mainly to China and the EU.

After a slow start in China, U.S. soybean sales have strengthened and are now higher than the past few years. This combined with a 1.7 MMT increase in demand has led to a positive outlook for U.S. exports to China. The reduction in commitments to China is due to a much lower carry-in this year than in the past. Total commitments to China began the marketing year down 1.3 MMT from 2004; however, as of the November 3<sup>rd</sup> Export Sales Report this gap has narrowed significantly to 691,000 MT due to strong sales. On the other hand, U.S. commitments to the EU began down 458,000 MT and are now down more than 1 MMT compared to last year. U.S. commitments to the EU are 404,000 MT, the lowest level ever for this time of year. The EU has historically been the destination of around 4 MMT of U.S. soybeans. This level will be very difficult for the U.S. to achieve this year as Brazilian exports to the EU have been unexpectedly strong from August-October and EU demand is relatively flat year-to-year.

Despite a 1.5 MMT drop in production to 58.5 MMT, Brazil's 2005/06 soybean export forecast was increased 1.5 MMT to 24 MMT due to continued strong exports from August-October. Exports in October were reported to be a record 1.7 MMT up 800,000 MT from a year earlier. This increase comes as farmers who had held soybeans earlier in the year now must sell their beans to finance this year's crop. Along with the additional beans being marketed, Brazil's crush has been down the past few months leading to more soybeans being available for exports.