



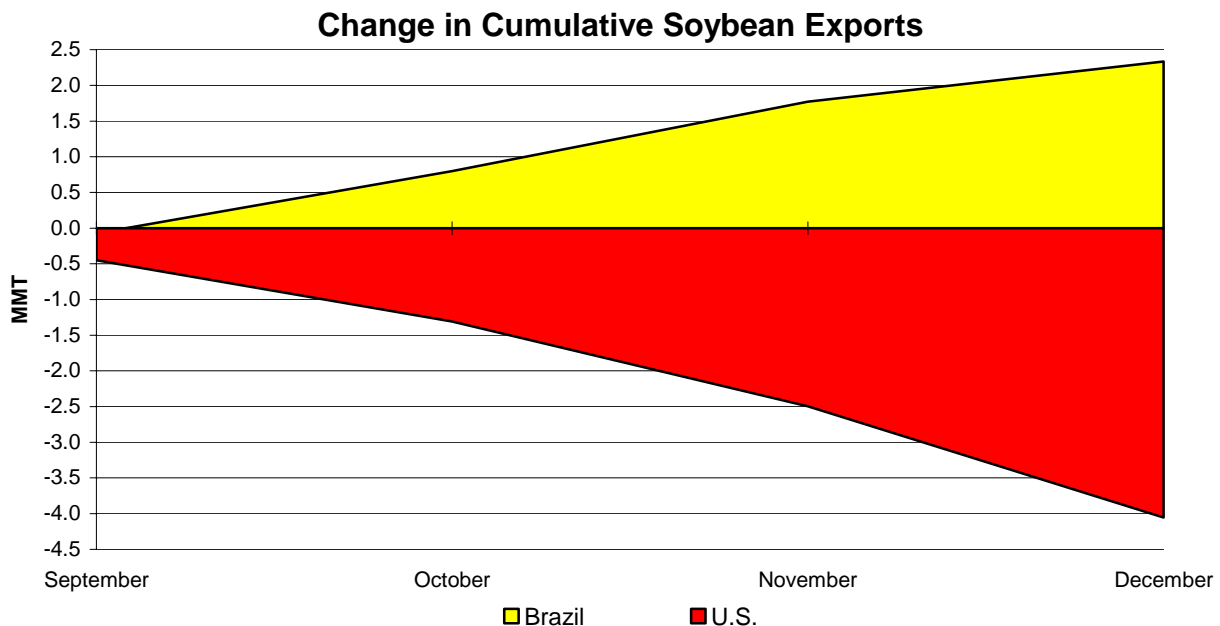
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U.S. Soybean Exports for 2005/06 Decline 4.1 MMT to 25.9 MMT Brazilian Exports Soar to 25.5 MMT



According to USDA's January report, the U.S. soybean export forecast was decreased by 1.9 MMT for the second straight month to 25.9 MMT down 4.1 MMT from last year. This decline in U.S. exports is the result of record exports this fall from South America, primarily Brazil. Brazilian soybean exports from Sept – Dec 2005 are up 2.3 MMT, this includes a 1 MMT increase to China and 785,000 MT to the EU. Strong exports from Brazil to China and the EU have adversely affected U.S. exports, causing the U.S. market share to decline significantly in these markets.

Historically, U.S. market share has averaged 44 percent in China, the world's fastest growing export market. However, the slow start to U.S. exports will likely cause that share to fall to less than 40 percent. While the U.S. share will likely fall, Brazil's share will likely strengthen to more than 25 percent. USDA forecasts Brazilian soybean exports to reach a record 25.5 MMT in marketing year 2005/06.

Much like in China, U.S. exports to the EU are down significantly. From Sept – Dec 2005 U.S. exports to the EU are down 1.8 MMT (66 percent), while Brazilian exports are up 785,000 MT (35 percent). Available soybean supplies in Brazil have allowed European importers to continue to import soybeans from South America when they would normally shift to the U.S. U.S. soybean prices continue to be around \$5/ton higher than South American prices.