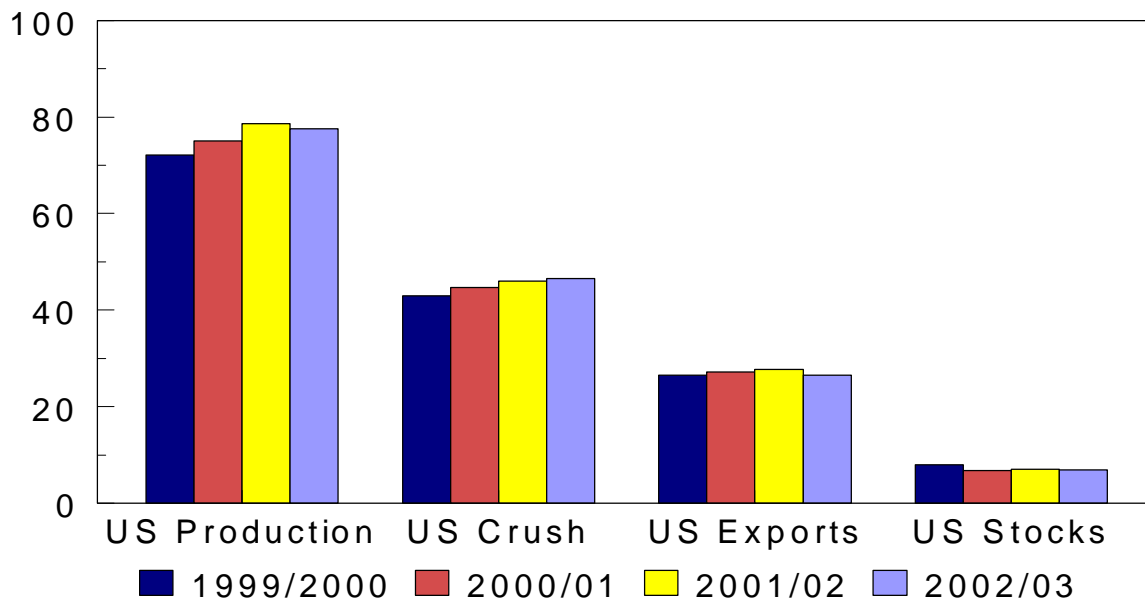




Oilseeds: World Markets and Trade

Decreased U.S. Soybean Production in MY 2002/03 is Expected to Lead to Lowest U.S. Exports in Three Years

Soybeans (Million Tons)



Following three years of record soybean production in the United States, USDA forecasts MY 2002/03 soybean production to decline 1.1 million tons to 77.6 million tons. Despite the production decrease, forecast domestic crush in 2002/03 is expected to rise one percent over the current year's crush as demand for feed in the U.S. continues to grow. U.S. soybean exports for 2002/03 are forecast to be lower, down 4 percent from the current year, at 26.5 million tons. This is due to decreased U.S. production as well as increased competition from Brazil and Argentina. Record South American soybean supplies at the beginning of the MY 2002/03 will likely extend Argentine and Brazilian exports of soybeans and soybean meal well into the new marketing year thereby reducing U.S. soybean and soybean meal export prospects during the first quarter of MY 2002/03. However, the combination of lower U.S. production and increased domestic demand for soybeans are expected to compensate for the reduced exports resulting in a slightly lower forecast for MY 2002/03 ending stocks at 7.0 million tons. The initial season average soybean price for 2002/03 is forecast at \$4.45 per bushel, 20 cents higher than the 2001/02 season average price. The forecast for soybean meal and oil are similar to those of soybeans, with 2002/03 soybean meal exports forecast at 6.9 million tons, down one percent from the current year, and 2002/03 soybean oil exports forecast at 885,000 tons, down 9 percent from the current year.