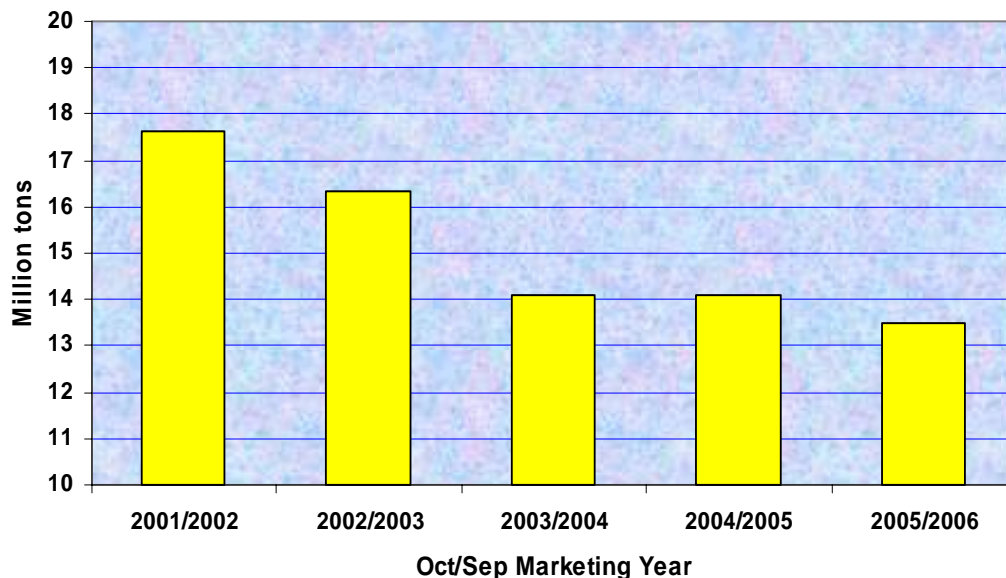




# Oilseeds: World Markets and Trade

## EU-25 Soybean Crush Forecast to Decline in 2005/06

### *EU-25 Soybean Crush*



Expanding EU-25 rapeseed crush is forecast to result in a significant decline in the quantity of soybeans crushed in 2005/06. Reported soybean crush for the 12 months ending in September 2005 shows total EU crush at 14.1 million tons, 600,000 tons below the February estimate and 100,000 tons below 2003/04. A further erosion of soybean crush volume is expected in 2005/06 with total soybean crush declining to 13.5 million tons. If reached, this would be the lowest soybean crush volume in the EU-25 since 1993/94.

The decline in soybean crush is in sharp contrast to the rise in rapeseed crush which is expected to grow to 14.3 million tons in 2005/06 and exceed the volume of soybean crush for the first time. Expanded crush capacity encouraged by the tremendous growth in bio-diesel demand and subsequent increase in EU rapeseed production is expected to divert some soybean processing capacity to rapeseed where crush margins are higher. The increase in rapeseed crush is expected to boost rapeseed meal supplies 35 percent in 2005/06 compared to 2003/04. This additional rapeseed meal, though not perfectly substitutable for soybean meal, will compete with soybean meal in the feed ingredient market and help soften demand for soybean meal.