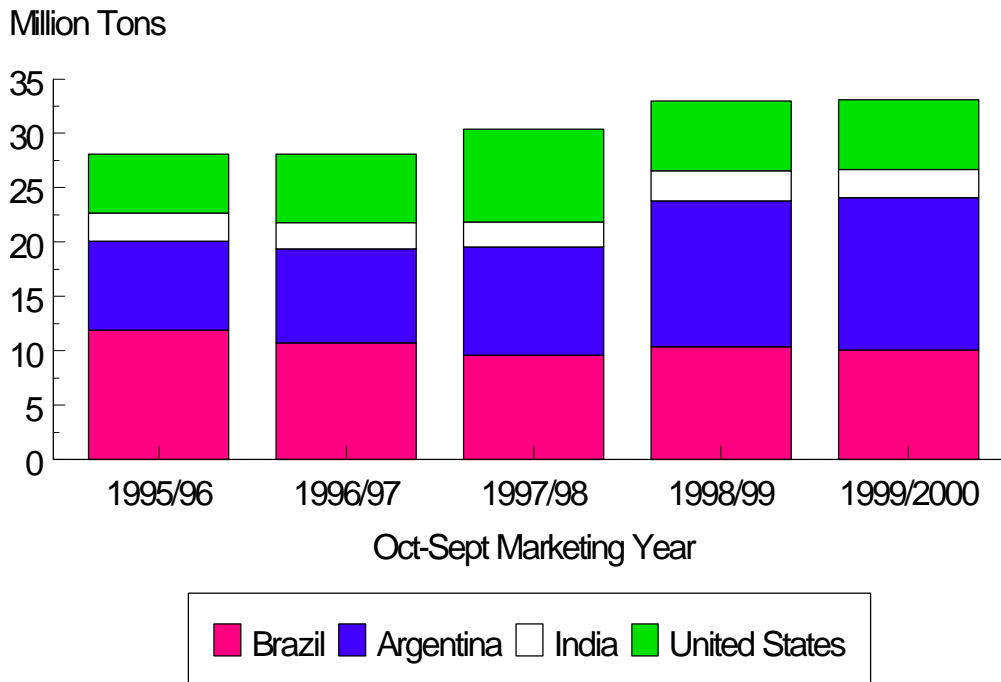




Oilseeds: World Markets and Trade

Argentina Dominates Growth in World Soybean Meal Trade



Supported by a 0.5 million ton increase in forecast soybean production this month, Argentina's soybean meal export forecast was raised 145,000 tons to 14.1 million tons. This season continues the trend of larger Argentine soybean meal exports though the rate of growth is smaller than the double digit percentage increases experienced in the last two seasons. During the last five years nearly all of the growth in soybean meal trade has been captured by Argentina. This success in meal exports is attributed to rapid expansion in production, modernization and expansion of the crushing industry, limited domestic consumption, and the export tax rebate system. Argentina's success in the soybean meal market has come at the expense of Brazil whose market share over this period declined about 25 percent as its exports shifted to whole soybeans following elimination of its differential export tax. The U.S. market share, at about 16 percent, has been stable except for 1997/98 when U.S. exports were record large due to a surge in import demand in China. Continuing infrastructure improvements to further reduce marketing costs and the rapid adoption of technological advancements to boost productivity are expected to preserve Argentina's status as the major soybean meal supplier for the foreseeable future.