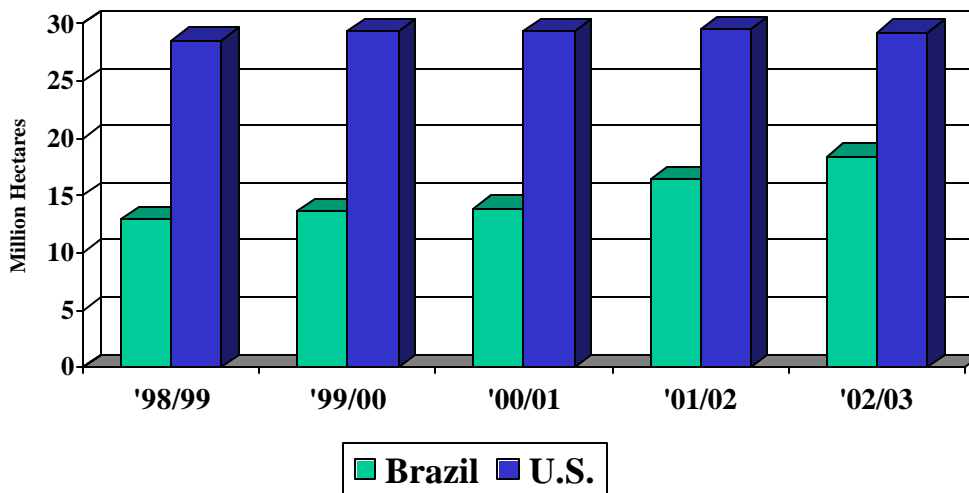




# Oilseeds: World Markets and Trade

## Brazil's Record Harvest in 2002/03 Narrows Gap with U.S. Soybeans



A dramatic increase in Brazil's soybean acreage over the past 5 years has reduced the gap between U.S. and Brazilian soybean production. Since 1998/99, Brazil's harvested acreage has grown from 12.9 million hectares to 18.4 million hectares; an increase of 43 percent over five years. This in turn has increased Brazil's soybean area relative to the U.S. from just under half in 1998/99 to nearly two-thirds of U.S. harvested acreage in 2002/03. As a result, South American production has taken on a greater role in setting world soybean prices by reducing the impact U.S. production has in determining world soybean availability. Increased soybean production in Brazil has also contributed to a decline in the U.S. share of world exports, dropping from 57 percent to 43 percent since 1998/99. Attractive returns relative to competing crops is helping to spur expansion in soybean plantings in Brazil. Additional investment in infrastructure along with technology advances should help keep production costs low in future years leading to continued expansion.