



November 29, 2001

## Fight for Corn Market Share in Europe Intensifies Competition in S. Korea

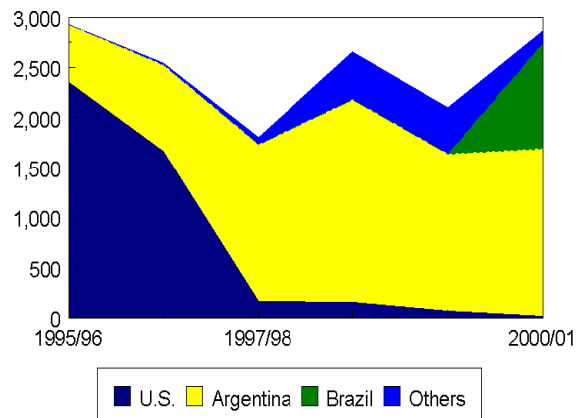
### Summary

In the battle for the European corn market, Hungary's displacement of Brazil and Argentina will mean intensified competition for the US in the Asian markets.

### Booming South America Corn Exports to the EU...

When the EU implemented a ban on non-approved GM corn in 1997/98, US exports plummeted. However since Argentina only plants approved varieties, their exports to the EU were able to skyrocket, fueled mostly by demand from Spain and Portugal (under the reduced duty agreements) and continuing strong demand from the UK. Last year Brazil made a sudden and dramatic entrance as an exporter to the EU, since they plant no GMO corn. Brazil is now shipping almost 30 percent of their corn to the EU, most of which is purchased by Spain.

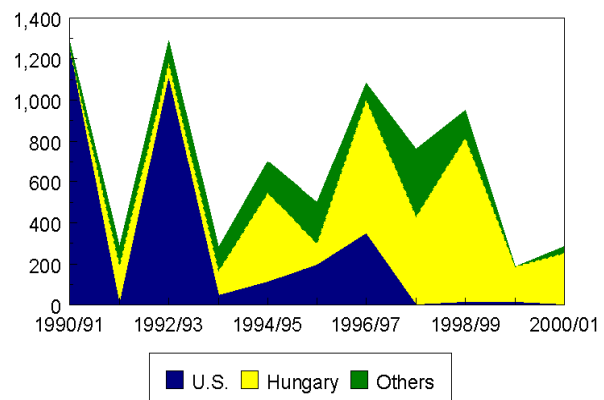
EU Corn Imports by Origin ('000 mt)



### and the Return of Hungary...

Adhering to EU biotechnology guidelines in hopes of future accession, Hungary has returned from its hiatus as a major regional supplier, filling the remainder of the EU demand. In addition, Eastern European countries have turned from the U.S. to Hungary as their origin of choice, with its booming supplies, low prices, and improving infrastructure. Presently, Hungary is expected to more than double exports due to a 2 million ton increase in production. This abundant exportable supply will allow them to maintain their presence as a major supplier to other Eastern European countries and also potentially displace Argentina and Brazil in the EU.

E. European Corn Imports by Origin ('000 mt)



**Creates a Domino Effect in the Global Corn Market**

If Hungary pushes Argentine and Brazilian corn out of Europe, Latin American corn would likely spill into South Korea and other Asian markets. Instead of the U.S. filling in the potential void left by China's falling export sales under WTO subsidy limits, Argentina and Brazil would be poised to compete strongly for those Asian markets.

**For further information, please contact Elizabeth Autry at (202) 720-6233.**