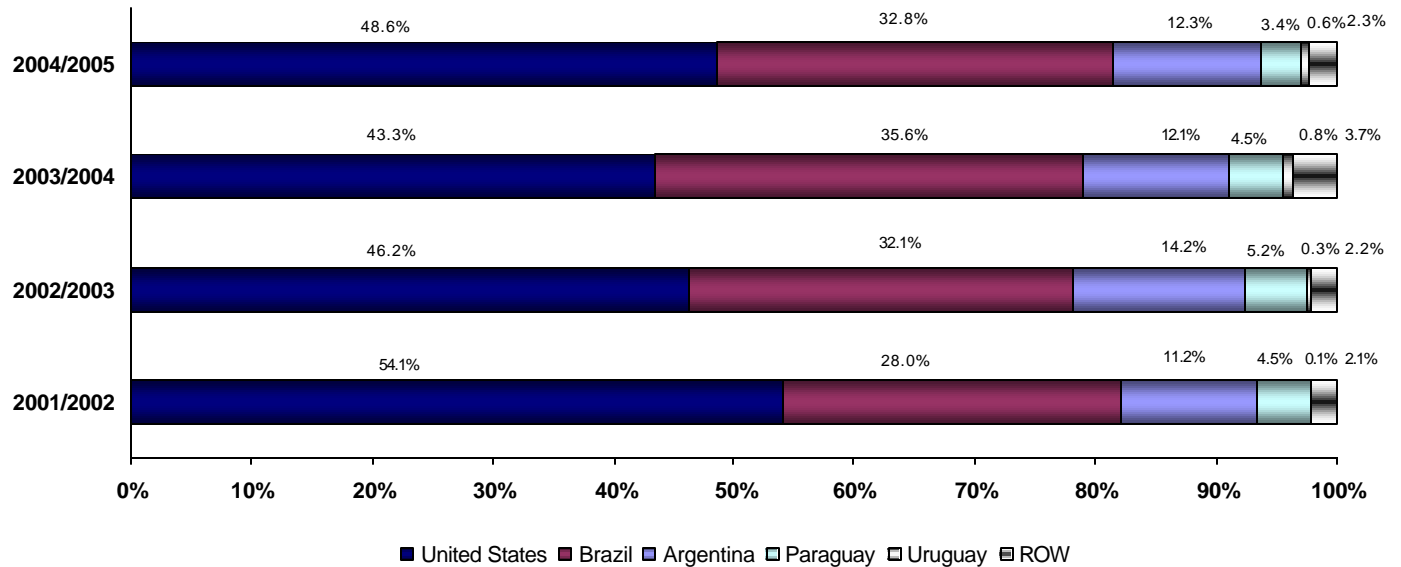




Oilseeds: World Markets and Trade

U.S. Share of Global Soybean Exports Increases for the First Time Since 2001/02



The forecast for U.S. soybean exports in MY 2004/05 increased 544,000 MT in May to a new record of 29.9 MMT. This increase combined with a 400,000 MT decrease in the forecast for South American soybean exports, pushed the projected U.S. share of global soybean exports higher for the first time since 2001/02. Over the last three years the U.S. share of global soybean exports has declined while the South American share has increased. In 2003/04 the U.S. share fell to a record low of 43 percent, while South America's share reached a record 53 percent.

The 5.5-percent increase in U.S. market share projected for 2004/05 can be attributed to a record soybean harvest last fall. While U.S. supplies were at record levels in 2004/05, the South American competition was experiencing low supplies due to drought conditions in 2003/04. As drought conditions developed once again in Brazil in 2004/05, U.S. exporters were able to extend the shipping season beyond February due to a narrower than expected price gap between U.S. and Brazilian soybeans.

In 2005/06 U.S. soybean exports are forecast to surpass the 2004/05 record and reach 30.6 MMT. Despite preliminary projections of 78.8 MMT crop in 2005/06 (6.7 MMT less than 2004/05) U.S. soybean supplies will be almost equal to those of 2004/05 due to large carryover stocks. These large stocks are forecast to help keep U.S. soybeans competitive in the global market that is forecast to have record foreign soybean production in 2005/06 and record carryover stocks on October 1st.