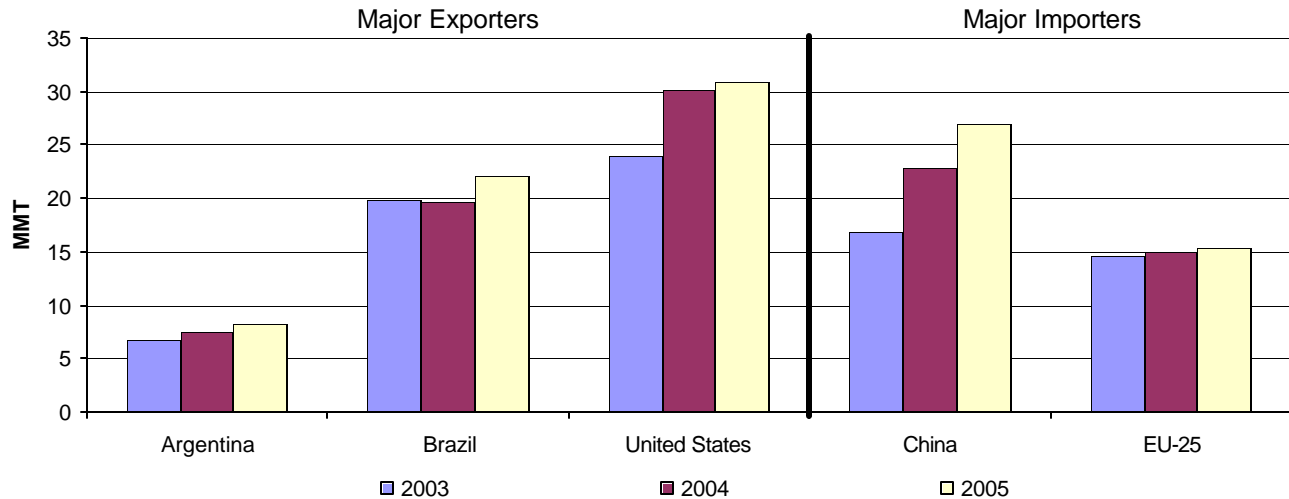




Oilseeds: World Markets and Trade

Soybean Exports Top 66 MMT in 2005/06



In 2005/06, global soybean exports are forecast to reach 66.45 MMT, up 4.5 MMT from the 2004/05 record of 61.9 MMT. Much of the 2005/06 increase is due to China's robust import demand as strong economic growth continues to generate food and feed use. China's soybean imports in 2005/06 are forecast to reach a record 27 MMT, up 18 percent from 2004/05. This strong growth in China's import demand allows both the U.S. and South America to expand soybean exports.

Increased exports in 2005/06 are forecast despite a decline in U.S. production and flat Argentine production due to large carryover stocks in 2004/05, which increases total supply to near year's record. In 2005/06, U.S. exports are forecast to increase 681,000 MT over the 2004/05 record to 30.9 MMT. Argentina's exports are forecast to increase 9 percent to 8.3 MMT. While increases in Argentina and the U.S. account for 30 percent of the 2005/06 export growth, nearly 52 percent of the growth is by Brazil whose exports are forecast to increase 12.2 percent to a record 22 MMT. This strong export growth is supported by a forecast 9-MMT increase in production over 2004/05. After 2 years of drought reduced crops, Brazil's production is forecast to reach a record 62 MMT in 2005/06 up from 53 MMT in 2004/05 and 50.5 MMT in 2003/04. Brazil's exports will be increasingly destined to China as imports by the EU-25, its largest market, are forecast relatively flat year-to-year.

Along with strong export growth, Brazil and Argentina are forecast to experience strong growth in soybean crush, 7.2 and 5.1 percent, respectively. Increased meal output will fuel growth in exports and domestic consumption. In both countries an expanding poultry industry is continuing to demand more protein meals, causing domestic consumption of soybean meal to rise. Along with an increase in meal production, soybean oil production is forecast at record levels in South America. With only marginal growth in oil consumption forecast in South America, much of this oil will be exported to China and India where consumption and imports are forecast at record levels in 2005/06.