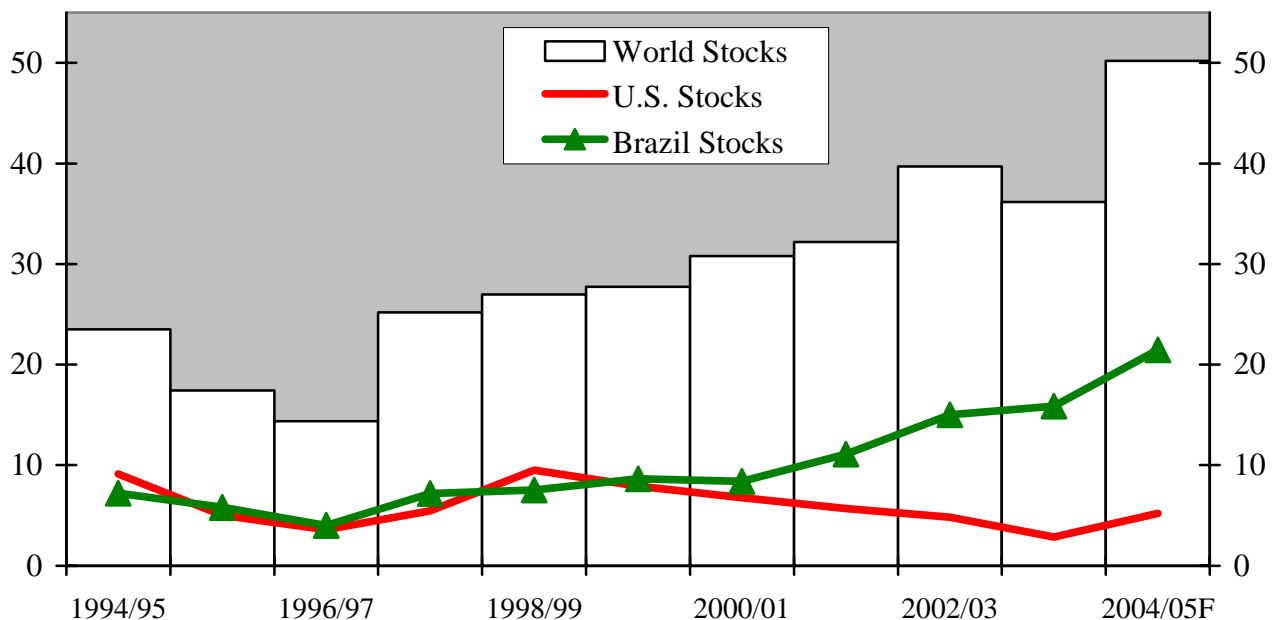




# Oilseeds: World Markets and Trade

## World Soybean Stocks Rise Sharply

Million Tons



World soybean stocks are forecast to reach 50.2 million tons in 2004/05, up sharply from 36.2 million tons in 2003/04. The increase in stocks is primarily attributed to a projected rebound in yields in the United States and Brazil after last year's drought reduced crops. U.S. soybean yields are expected at a near record 2.63 metric tons per hectare compared to the previous year's 2.25 metric tons. Brazil's soybean yields are projected at 2.81 metric tons per hectare compared to 2.47 metric tons in 2003/04. Large stocks in Brazil are expected to extend their soybean shipping season from April-October currently and pose stiffer competition for U.S. exports when the U.S. shipping season starts in September. Over 85 percent of U.S. soybean exports are shipped during the October-March period.

U.S. soybean exports to the world for 2004/05 are forecast at 28.0 million tons, up 16 percent from the previous year, while Brazilian exports are forecast to reach a record 23.1 million tons. Given the larger global and U.S. soybean stocks forecast, the U.S. season average price for 2004/05 is projected to be \$217 per metric ton (\$5.90 per bushel), compared to \$272 per metric ton (\$7.40 per bushel) for 2003/04 crops. U.S. soybean prices for the past 10 years (1993/94-2002/03) averaged \$207 per metric ton (\$5.64 per bushel).