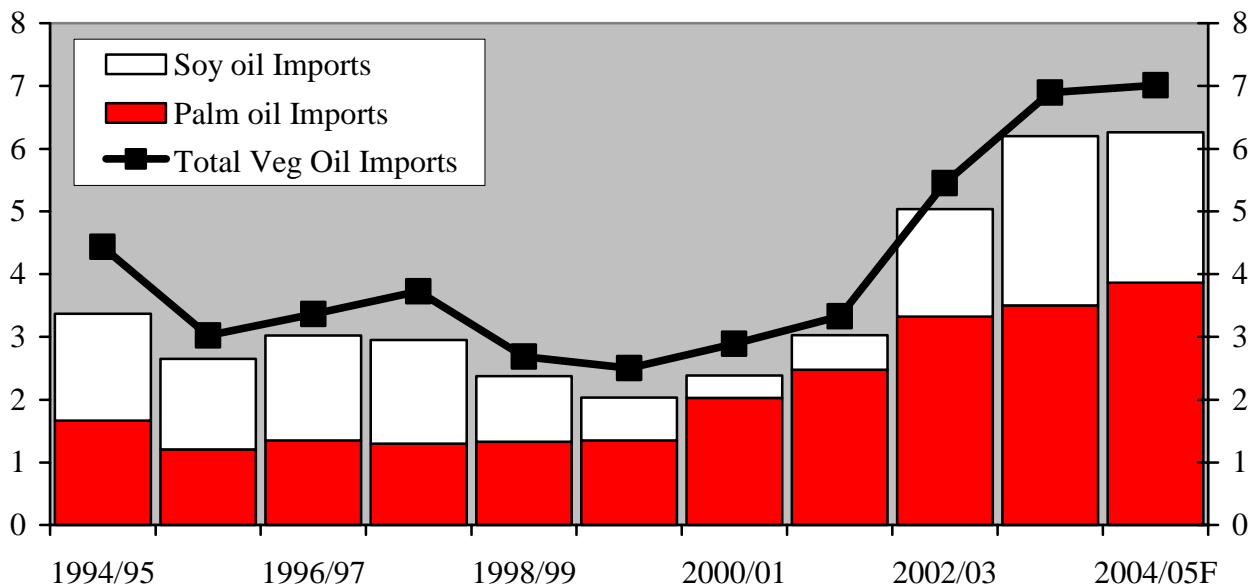




Oilseeds: World Markets and Trade

China's Vegetable Oil Imports Forecast to Reach a Record in 2004/05

Million Tons



For 2004/05, China's total vegetable oil imports are forecast at 7.0 million tons, a slight increase from last year. Although oil consumption should continue to rise supported by income growth, vegetable oil import growth is expected to slow due partly to larger production in the country. Vegetable oil production is forecast at 13 million tons, up 11 percent from the previous year, due mainly to larger forecast production of soybean oil, cottonseed oil, and rapeseed oil. Imports are expected to account for nearly 35 percent of total vegetable oil consumption. China is estimated to account for 19 percent of global oil consumption in 2004/05.

China's vegetable oil imports in 2003/04 are estimated to reach 6.8 million tons, up nearly 27 percent from the previous year. The sharp increase in imports is primarily attributed to high soybean prices in the spring that made oil crushing unprofitable and encouraged imports of oil. Anticipation of the implementation of new standards for crude soybean oil has also accelerated imports before the new standards go into effect on October 1, 2004. Vegetable oil imports are mainly from Argentina (soy) and Malaysia (palm).