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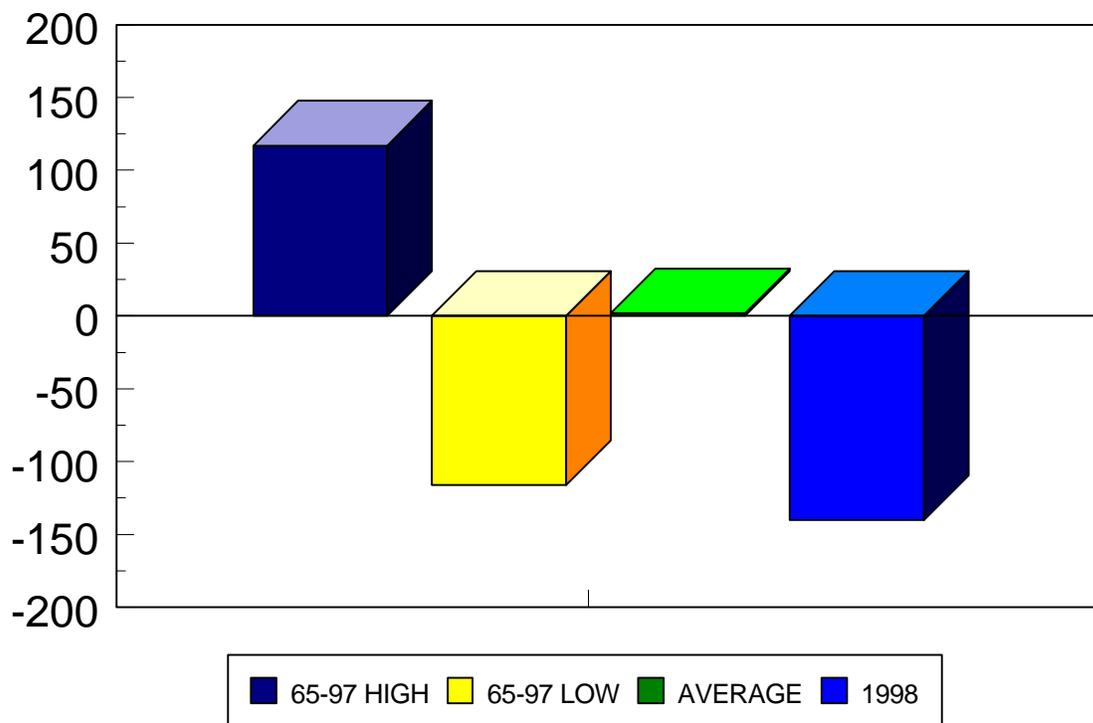
Oilseeds: World Markets and Trade

U.S. Soybean Crop Estimate Cut Overshadows Foreign Gains

U.S. SOYBEAN PRODUCTION ESTIMATES

OCTOBER LESS SEPTEMBER

MILLION BUSHELS



The October U.S. soybean production estimate was cut 140 million bushels or 3.8 million tons, reflecting above normal temperatures and below normal precipitation in August. This cut overshadowed oilseed output gains in Argentina, India, Canada and China, and trimmed the global oilseed output estimate 2.5 million tons below last month's estimate or only 1.5 million tons above 1997/98. Smaller than previously estimated supplies will: (1) curb the expected increase in U.S. and global oilseed stocks; (2) trim the expected increase in U.S. vegetable oil stocks; (3) ease the decline in U.S. prices for most oilseeds, meals and oils; but (4) will not prevent a significant decline in the value of U.S. oilseeds and product exports caused by the negative impact of weak foreign demand and increased beginning stocks in South America. (See Global Highlights article on pages 4-6).