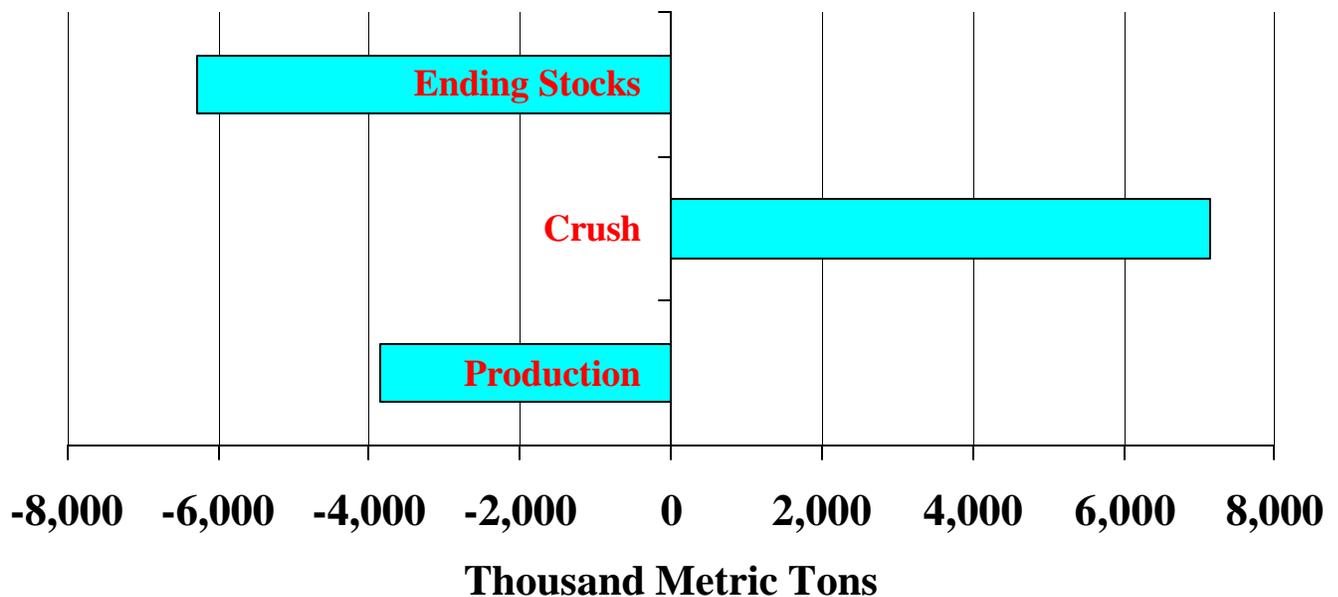




Oilseeds: World Markets and Trade

Global Soybean Stocks Fall with High Use Rises

2003/04 Change from 2002/03



Global soybean crush is projected to increase by 7.2 million tons in 2003/04 despite lower soybean production. Through the first half of the marketing year the U.S. has continued to crush and export soybeans at near last year's level, even with its drought-reduced crop. U.S. exports and crush will fall dramatically during the second half of the marketing year as soybean supplies are exhausted and U.S. ending stocks are reduced to the lowest level since 1977. While South American soybean production is still at record levels, recent weather and disease problems have reduced projected end of September stocks. In addition, the lack of competition from the U.S. will draw South American soybean and meal supplies into the market more rapidly than normal this summer, further reducing South America's end of September stock levels. As a result, South American exports and crush in the October – March 2004/05 period are projected to be lower than they were this year. The reduced availability of South American soybeans and products will force greater reliance on U.S. supplies this fall. This is illustrated by the fact that U.S. soybean export sales for delivery after September 1st are nearly six times the level they were at this point two years ago.