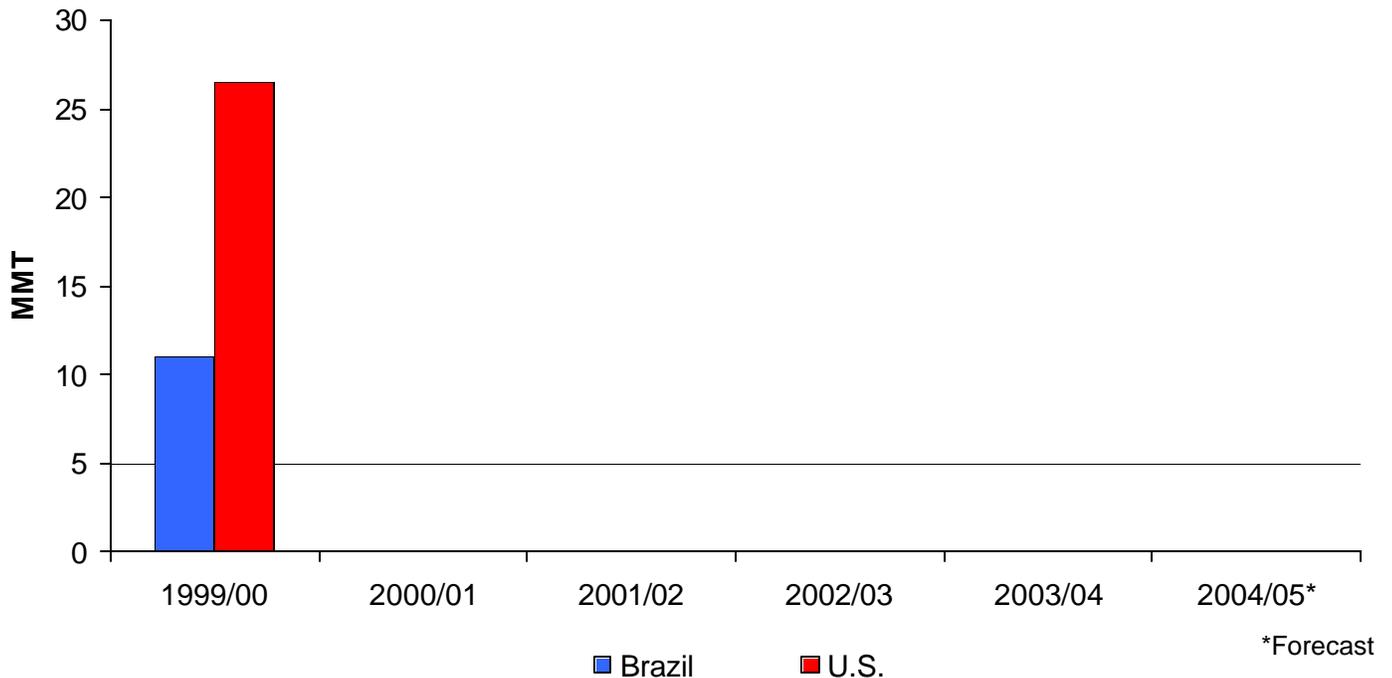




Oilseeds: World Markets and Trade

Brazilian Soybean Exports Revised Higher in 2003/04, Gain in U.S. Dominated Markets

Brazil's 2003/04 soybean exports increased 602,000 MT from the November estimate to a record 20.4



MMT this month. The record exports did not come from increased trade to their top two markets, the EU and China, where exports fell. Instead, the increase came from non-traditional Brazilian markets like Taiwan, Mexico, and Iran where exports increased 560,000 MT, 400,000 MT and 360,000 MT, respectively. In Taiwan and Mexico, Brazil's exports increased nearly 1 MMT, U.S. exports fell by 715,000 MT.

Tight U.S. soybean supplies in 2003/04 caused U.S. soybean exports to fall by more than 4.3 MMT from 2002/03. U.S. exports to many of its key markets fell (except China where exports increased) allowing Brazil and other South American competitors easier entry to many U.S. dominated soybean markets.

For 2004/05, a combination of increased supply and lower prices is forecast to cause U.S. exports to rebound to 27.5 MMT. The increase in U.S. exports in 2004/05 should allow the U.S. to recapture some, but not all, of the trade lost in 2003/04, because South American exports are forecast to continue to expand.