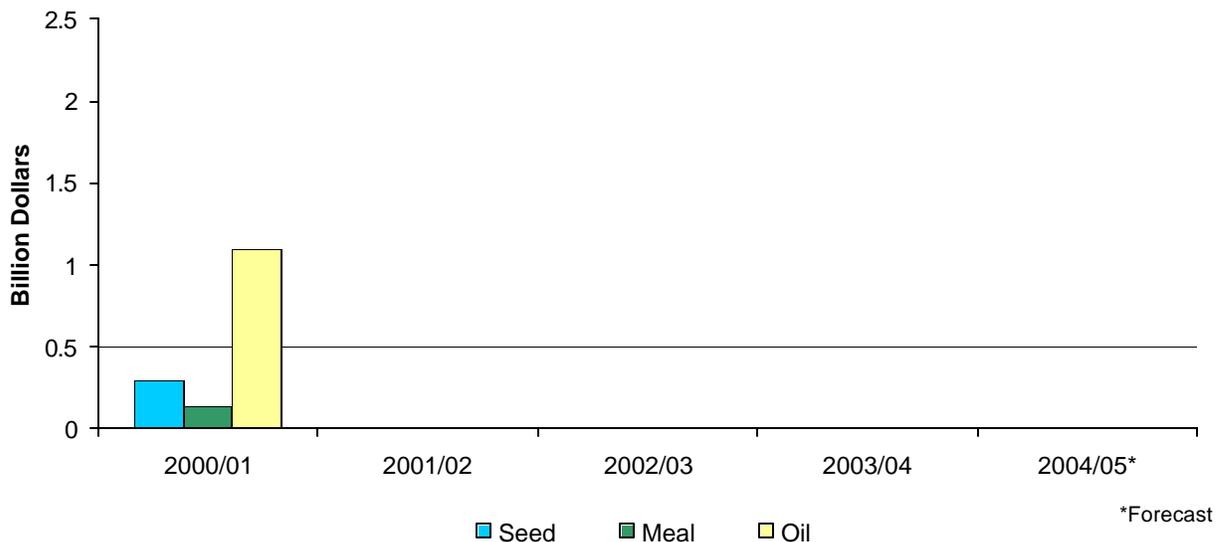




# Oilseeds: World Markets and Trade

## U.S. Oilseeds and Products Imports Rise Significantly in FY 2004



The value of U.S. oilseed and product imports reached \$3.0 billion during FY 2004. This was an increase of \$885 million or 41 percent over the level reached in FY 2003. The growth in imports was in response to both higher unit values and increased quantity imported. Import quantity rose 31 percent from FY 2003 reaching nearly 5.0 million tons. The rise in imports is attributed in part to the short soybean crop in 2003 for both the U.S. and South America. This reduced the supply of soybean meal and oil in the U.S. and led to higher protein meal and vegetable oil prices worldwide. Drought conditions in Europe also contributed to higher prices as lower rapeseed oil supplies in Europe increased world demand for other vegetable oils. With meal and oil supplies limited, U.S. buyers turned to foreign markets to meet domestic needs. The most pronounced increases in import quantity were with tropical oils, soybean oil, rapeseed meal, and rapeseed oil. Adding to the increase in import value was the decline in the U.S. dollar in foreign exchange markets. This was especially significant for olive oil imports from the EU and rapeseed meal and oil imports from Canada.

The outlook for FY 2005 is for lower import volumes. A rebound in U.S. soybean production will reduce the need for imports and help bring world prices for meal and oil lower. Imports of palm oil and olive oil should remain strong due to a growing interest in lower trans-fats and continued popularity of Mediterranean style cooking. However, lower unit values should lead to a decline in the value of all imported oilseeds, protein meals, and vegetable oil in FY 2005.