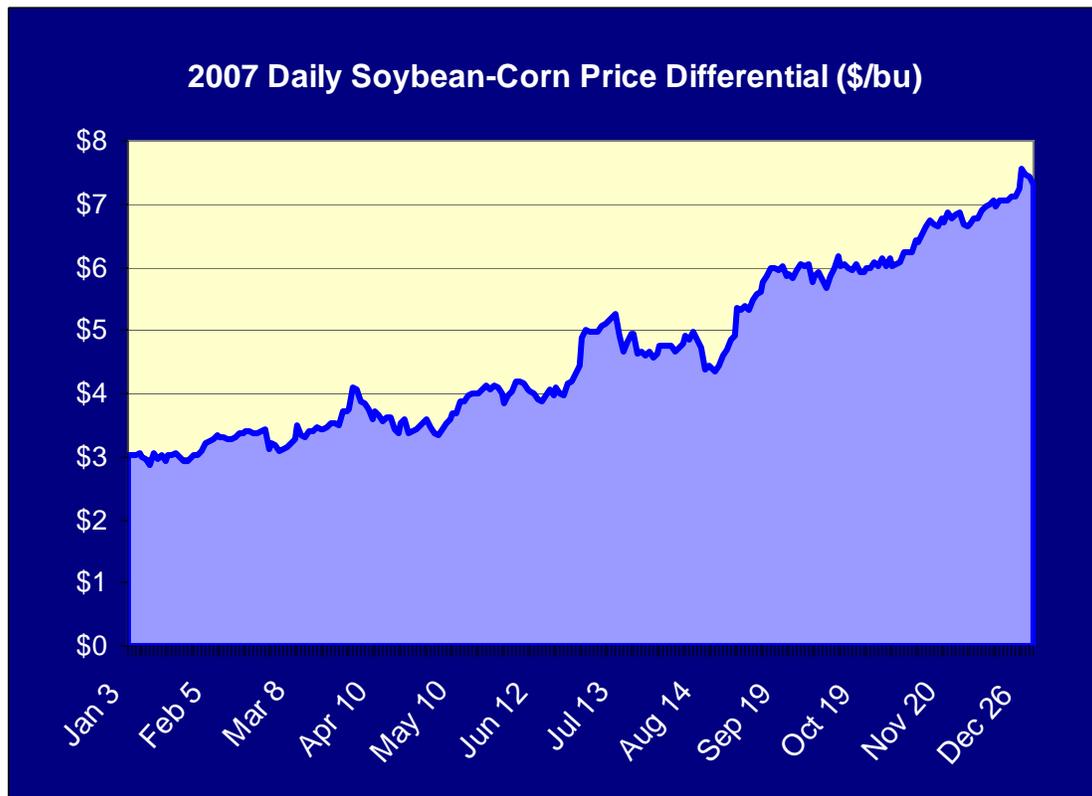


Oilseeds: World Markets and Trade

Changing Soybean-Corn Price Spread to Impact Planting Decisions



Throughout 2007, there has been a consistent appreciation in the U.S. soybean price relative to corn. On a per bushel basis, this amounts to more than a two-fold increase to \$7.50/bu over the past 12 months and is equivalent to an additional \$50/acre increase in the value of soybeans relative to corn. Relative crop values are but one factor growers consider in making planting decisions. Input costs for fertilizer, seed, pesticides and herbicides are also considered along with rotational needs and planting/harvesting logistics. In 2007, U.S. producers opted to increase corn plantings at the expense of soybeans leading to a 16 percent reduction (11.8 million acres) in soybean planted area. Given the current price levels and a significantly lower soybean stock situation, U.S. producers will face a different set of circumstances that could alter plantings from those observed in 2007.