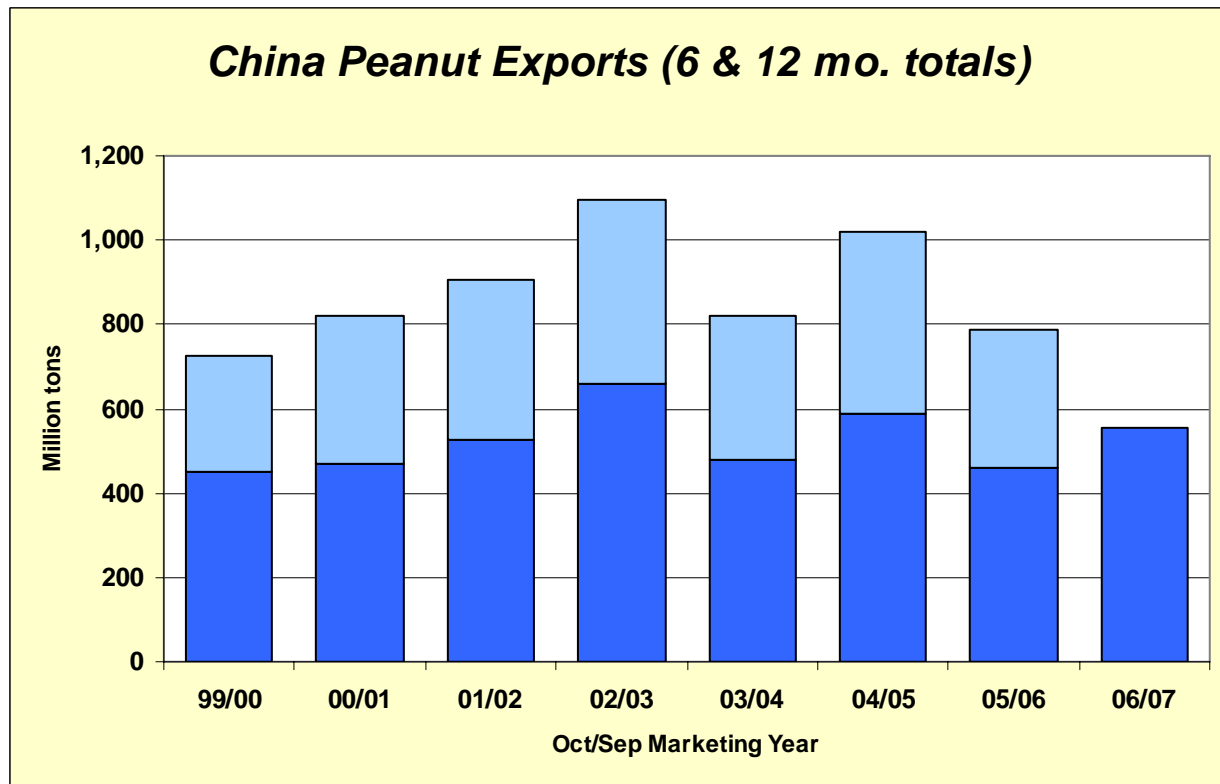




Oilseeds: World Markets and Trade

Improved Quality of China's Peanuts Leads to a Rebound in Exports for 2006/07



For the 6 months ending in March, the pace of China's peanut exports is running 20 percent ahead of last year. Quality problems associated with the 2005 crop were not repeated in 2006 leading to the increase in exports. Current export pace will likely push total exports this year to near 1 million tons and similar to the level reached in 2004/05. The improved quality of China's peanuts and corresponding export growth will help intensify competition in export markets.

The largest gains in China's exports so far this year have been to the Middle East and North Africa where exports are up 50,000 tons or 80 percent from a year ago. Exports to the EU27 have also been strong in recent months, up 36,000 tons or 40 percent from last year. Similar export growth can be found in North America, Australia, and New Zealand. Contrasting these gains, trade with the FSU and other Europe is down 25 percent from last year's depressed levels. Much of this is focused in Russia where exports are 30 percent below the first 6 months of 2005/06 and half the level of two years ago.

