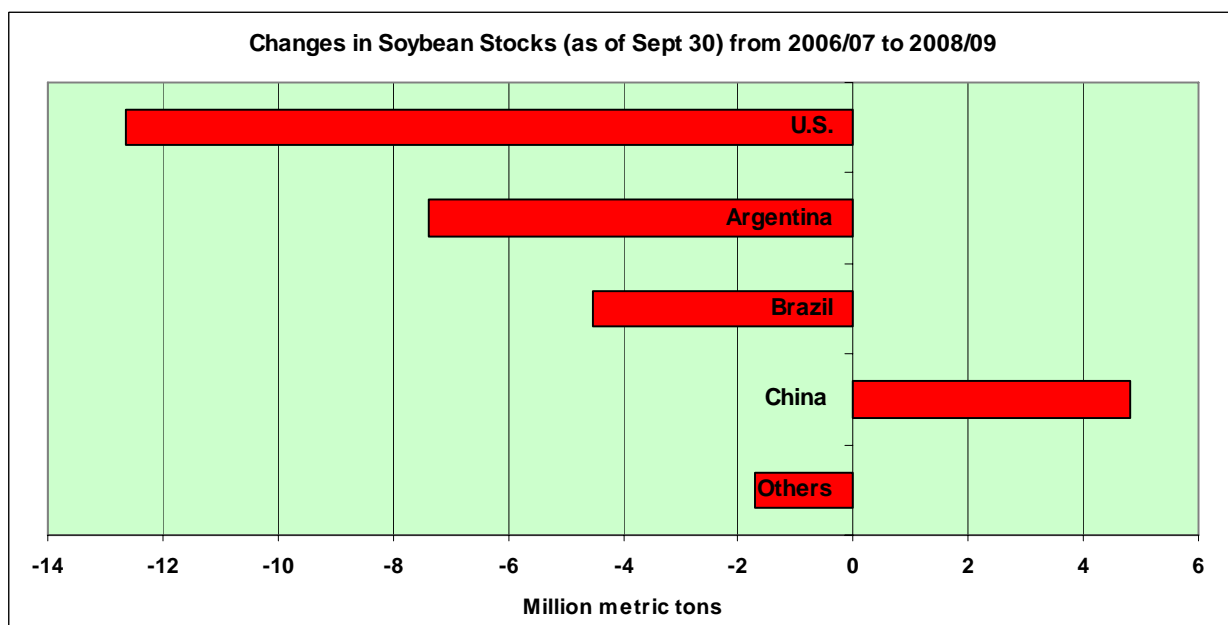




Oilseeds: World Markets and Trade

Soybean Stocks in China Surge, but Plunge in Exporting Countries



Stocks in China rapidly expanded this year, prompted by its policy to build strategic reserves by removing domestic beans from the market which necessitated additional imports. The combination of strong commercial import demand to ensure adequate market supplies and government stockbuilding has added an estimated 5 million tons in stocks over the past two years.

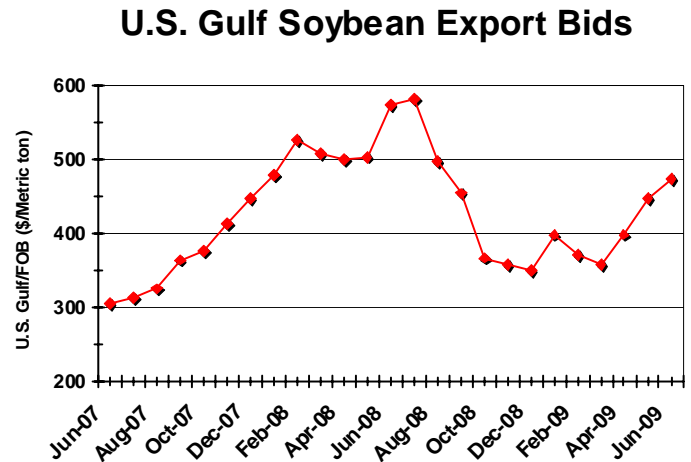
The impact on global market has been acute particularly with Argentina's much smaller crop and sharply reduced exportable supplies. Consequently, U.S. and Brazil's exports have expanded to new highs to satisfy China's rising demand, but at the expense of plummeting stocks to historic lows. Reflecting the tight supply and strong demand situation, soybean prices at Gulf ports have risen over 30 percent since March.

China's stocks held by the government are virtually unavailable to the world market and therefore are unlikely to contribute to global price stability. Although world stocks are estimated to rebound with new crops in 2009/10, world soybean prices are likely to remain elevated until the United States, Brazil, and Argentina can rebuild their stocks.

PRICES

U.S. soybean export bids, FOB Gulf, in the first week in July averaged \$473 per ton. Tight supplies of old crop and strong demand from China continue to support prices despite the bearish outlook reflected in the June 30 Acreage Report by the National Agricultural Statistics Service.

As of week-ending July 2, 2009, U.S. soybean sales commitments (outstanding sales plus accumulated exports) to China totaled 18.8 million tons, compared to 13.5 million a year ago. Total commitments to the world amounted to 34.3 million tons compared to 30.7 million the same period last year.



TRADE CHANGES IN 2008/09

- Argentina's soybean exports are raised 0.6 million tons to 5.9 million supported by larger imports from China.
- Brazil's soybean exports are boosted 0.3 million tons to 27.5 million spurred by strong demand from China.
- China's soybean imports are boosted 0.3 million tons to 39.1 million with projected strong imports in the third quarter.
- Canada's rapeseed exports are boosted 0.4 million tons to 7.2 million based on stronger export pace-to-date.
- Australia's rapeseed exports are raised 0.2 million tons to 1.2 million spurred by greater demand in Japan and the EU.

Table 01: Major Oilseeds: World Supply and Distribution (Commodity View)

Million Metric Tons

	2005/06	2006/07	2007/08	2008/09	Jun 2009/10	Jul 2009/10
Production						
Oilseed, Copra	5.60	5.27	5.72	5.88	5.88	5.88
Oilseed, Cottonseed	43.47	46.00	45.94	40.96	41.16	41.16
Oilseed, Palm Kernel	9.97	10.18	11.10	11.82	11.95	11.95
Oilseed, Peanut	33.22	30.72	32.39	34.40	33.51	33.51
Oilseed, Rapeseed	48.50	45.09	48.29	58.17	55.48	55.31
Oilseed, Soybean	220.67	237.11	221.18	210.62	241.67	243.73
Oilseed, Sunflowerseed	30.04	29.80	27.02	32.78	31.76	31.88
Total	391.45	404.18	391.63	394.62	421.41	423.42
Imports						
Oilseed, Copra	0.08	0.10	0.11	0.13	0.13	0.13
Oilseed, Cottonseed	1.10	0.84	0.75	0.44	0.63	0.63
Oilseed, Palm Kernel	0.15	0.13	0.14	0.13	0.13	0.13
Oilseed, Peanut	1.94	1.98	2.07	2.05	2.04	2.04
Oilseed, Rapeseed	6.68	7.01	7.56	11.61	10.02	9.82
Oilseed, Soybean	64.13	69.06	78.16	73.21	74.40	74.84
Oilseed, Sunflowerseed	1.39	1.75	1.24	1.80	1.56	1.55
Total	75.47	80.87	90.03	89.36	88.90	89.14
Exports						
Oilseed, Copra	0.10	0.13	0.14	0.14	0.14	0.14
Oilseed, Cottonseed	0.96	0.84	0.84	0.50	0.66	0.66
Oilseed, Palm Kernel	0.18	0.15	0.10	0.15	0.15	0.15
Oilseed, Peanut	2.25	2.43	2.39	2.34	2.40	2.40
Oilseed, Rapeseed	6.98	6.63	8.21	11.74	10.23	10.03
Oilseed, Soybean	63.80	71.31	79.61	73.77	75.35	75.86
Oilseed, Sunflowerseed	1.52	1.88	1.41	1.97	1.76	1.77
Total	75.80	83.36	92.70	90.60	90.69	91.01
Crush						
Oilseed, Copra	5.57	5.21	5.64	5.72	5.88	5.88
Oilseed, Cottonseed	32.06	33.70	34.40	32.08	32.19	32.19
Oilseed, Palm Kernel	9.90	10.04	11.01	11.56	11.90	11.90
Oilseed, Peanut	15.41	14.05	15.16	15.49	15.76	15.76
Oilseed, Rapeseed	44.62	43.62	46.52	52.13	54.35	54.24
Oilseed, Soybean	185.19	195.66	201.93	192.84	201.01	201.30
Oilseed, Sunflowerseed	26.01	26.09	23.66	28.18	28.04	28.11
Total	318.76	328.36	338.31	338.00	349.12	349.36
Ending Stocks						
Oilseed, Copra	0.06	0.07	0.11	0.23	0.20	0.20
Oilseed, Cottonseed	1.34	1.33	1.22	0.63	0.74	0.74
Oilseed, Palm Kernel	0.15	0.18	0.20	0.33	0.25	0.25
Oilseed, Peanut	1.86	1.30	1.07	1.43	1.07	1.07
Oilseed, Rapeseed	5.51	4.66	3.39	6.58	4.60	4.60
Oilseed, Soybean	53.21	62.89	52.92	41.04	51.02	51.83
Oilseed, Sunflowerseed	2.83	3.09	3.38	4.01	4.08	4.05
Total	64.95	73.51	62.27	54.26	61.95	62.73

Totals may not add due to rounding

Table 02: Major Protein Meals: World Supply and Distribution (Commodity View)

Million Metric Tons

	2005/06	2006/07	2007/08	2008/09	Jun 2009/10	Jul 2009/10
Production						
Meal, Copra	1.82	1.71	1.84	1.89	1.94	1.94
Meal, Cottonseed	14.58	15.33	15.66	14.54	14.63	14.65
Meal, Fish	4.94	5.05	5.18	5.13	5.14	5.14
Meal, Palm Kernel	5.25	5.33	5.86	6.20	6.35	6.35
Meal, Peanut	5.98	5.46	5.93	6.04	6.14	6.14
Meal, Rapeseed	26.58	25.95	27.62	30.91	32.30	32.24
Meal, Soybean	145.82	153.94	158.52	151.95	158.38	158.59
Meal, Sunflowerseed	11.52	11.50	10.34	12.39	12.34	12.37
Total	216.47	224.26	230.94	229.04	237.22	237.42
Imports						
Meal, Copra	0.65	0.64	0.75	0.69	0.74	0.74
Meal, Cottonseed	0.48	0.44	0.42	0.36	0.35	0.35
Meal, Fish	2.94	2.68	3.01	2.93	2.84	2.84
Meal, Palm Kernel	3.77	3.80	4.19	4.35	4.39	4.39
Meal, Peanut	0.20	0.15	0.14	0.09	0.15	0.13
Meal, Rapeseed	2.56	3.05	3.56	3.60	3.98	3.99
Meal, Soybean	51.16	52.60	54.32	52.76	54.50	54.51
Meal, Sunflowerseed	3.30	3.41	2.84	3.53	3.30	3.32
Total	65.07	66.77	69.21	68.30	70.25	70.28
Exports						
Meal, Copra	0.78	0.70	0.85	0.79	0.89	0.89
Meal, Cottonseed	0.45	0.41	0.42	0.38	0.33	0.36
Meal, Fish	2.73	2.59	2.83	2.75	2.78	2.78
Meal, Palm Kernel	3.60	3.89	4.37	4.44	4.53	4.53
Meal, Peanut	0.25	0.19	0.14	0.17	0.14	0.14
Meal, Rapeseed	2.69	2.88	3.59	3.62	4.14	4.15
Meal, Soybean	51.78	53.99	55.81	53.31	55.03	55.05
Meal, Sunflowerseed	3.53	3.47	3.20	3.68	3.45	3.49
Total	65.81	68.12	71.22	69.16	71.29	71.38
Domestic Consumption						
Meal, Copra	1.66	1.63	1.78	1.76	1.79	1.79
Meal, Cottonseed	14.55	15.42	15.72	14.53	14.67	14.65
Meal, Fish	5.14	4.98	5.34	5.32	5.24	5.24
Meal, Palm Kernel	5.32	5.41	5.80	6.06	6.20	6.20
Meal, Peanut	5.93	5.42	5.93	5.95	6.15	6.13
Meal, Rapeseed	26.34	26.48	27.60	30.64	32.13	32.07
Meal, Soybean	145.54	152.26	157.43	152.52	157.61	157.80
Meal, Sunflowerseed	11.20	11.47	10.06	12.08	12.24	12.25
Total	215.68	223.07	229.65	228.86	236.02	236.13
Ending Stocks						
Meal, Copra	0.18	0.20	0.16	0.18	0.18	0.18
Meal, Cottonseed	0.27	0.22	0.15	0.14	0.13	0.13
Meal, Fish	0.15	0.30	0.32	0.31	0.28	0.28
Meal, Palm Kernel	0.38	0.21	0.09	0.13	0.15	0.15
Meal, Peanut	0.01	0.01	0.01	0.01	0.01	0.01
Meal, Rapeseed	0.59	0.24	0.22	0.47	0.48	0.48
Meal, Soybean	6.23	6.52	6.11	4.99	4.96	5.23
Meal, Sunflowerseed	0.27	0.24	0.16	0.31	0.26	0.27
Total	8.09	7.93	7.21	6.53	6.44	6.72

Totals may not add due to rounding

Table 03: Major Vegetable Oils: World Supply and Distribution (Commodity View)

Million Metric Tons

	2005/06	2006/07	2007/08	2008/09	Jun 2009/10	Jul 2009/10
Production						
Oil, Coconut	3.47	3.26	3.49	3.55	3.63	3.63
Oil, Cottonseed	4.90	5.13	5.22	4.86	4.88	4.88
Oil, Olive	2.66	2.91	2.84	2.97	2.99	2.99
Oil, Palm	35.98	37.33	40.99	42.81	44.95	45.08
Oil, Palm Kernel	4.40	4.48	4.90	5.14	5.28	5.28
Oil, Peanut	4.97	4.51	4.90	5.00	5.09	5.09
Oil, Rapeseed	17.30	17.01	18.30	20.43	21.30	21.26
Oil, Soybean	34.62	36.36	37.55	35.89	37.30	37.38
Oil, Sunflowerseed	10.60	10.61	9.67	11.51	11.44	11.48
Total	118.88	121.59	127.85	132.16	136.85	137.07
Imports						
Oil, Coconut	1.99	1.88	1.88	1.61	1.89	1.89
Oil, Cottonseed	0.07	0.08	0.09	0.08	0.08	0.08
Oil, Olive	0.58	0.65	0.59	0.62	0.62	0.62
Oil, Palm	26.28	27.45	29.98	31.82	33.48	33.44
Oil, Palm Kernel	1.69	2.05	2.15	2.31	2.17	2.22
Oil, Peanut	0.16	0.18	0.15	0.15	0.16	0.16
Oil, Rapeseed	1.48	2.21	2.03	2.29	2.44	2.42
Oil, Soybean	9.07	9.89	10.48	8.96	9.67	9.54
Oil, Sunflowerseed	3.23	3.34	2.54	3.67	3.64	3.63
Total	44.55	47.74	49.88	51.50	54.14	53.99
Exports						
Oil, Coconut	2.06	1.76	1.87	1.66	1.99	1.99
Oil, Cottonseed	0.18	0.19	0.21	0.20	0.17	0.18
Oil, Olive	0.61	0.71	0.65	0.68	0.70	0.70
Oil, Palm	26.89	27.12	30.88	32.54	34.08	34.19
Oil, Palm Kernel	1.87	2.12	2.21	2.18	2.37	2.37
Oil, Peanut	0.20	0.16	0.15	0.19	0.17	0.17
Oil, Rapeseed	1.67	2.00	1.90	2.24	2.52	2.51
Oil, Soybean	9.84	10.57	10.86	9.33	9.83	9.77
Oil, Sunflowerseed	3.95	3.95	3.36	4.11	3.92	3.96
Total	47.28	48.58	52.09	53.12	55.75	55.84
Domestic Consumption						
Oil, Coconut	3.51	3.33	3.44	3.40	3.60	3.60
Oil, Cottonseed	4.84	5.01	5.09	4.81	4.80	4.80
Oil, Olive	2.72	2.88	2.92	2.95	2.96	2.96
Oil, Palm	35.21	37.57	39.72	42.29	44.58	44.51
Oil, Palm Kernel	4.20	4.53	4.77	5.15	5.19	5.24
Oil, Peanut	5.00	4.67	4.87	4.95	5.06	5.06
Oil, Rapeseed	16.93	17.45	18.42	20.25	21.33	21.30
Oil, Soybean	33.57	35.79	37.63	35.84	37.13	37.28
Oil, Sunflowerseed	9.81	10.27	8.93	10.88	11.12	11.11
Total	115.78	121.50	125.78	130.49	135.77	135.86
Ending Stocks						
Oil, Coconut	0.28	0.33	0.39	0.50	0.44	0.44
Oil, Cottonseed	0.21	0.22	0.24	0.17	0.15	0.15
Oil, Olive	1.14	1.12	0.98	0.93	0.87	0.87
Oil, Palm	3.77	3.86	4.23	4.04	3.79	3.85
Oil, Palm Kernel	0.46	0.35	0.42	0.54	0.43	0.43
Oil, Peanut	0.20	0.06	0.09	0.10	0.11	0.11
Oil, Rapeseed	0.66	0.42	0.42	0.65	0.41	0.52
Oil, Soybean	3.45	3.34	2.88	2.57	2.52	2.44
Oil, Sunflowerseed	0.81	0.54	0.46	0.67	0.70	0.71
Total	11.00	10.25	10.11	10.16	9.42	9.51

Totals may not add due to rounding

