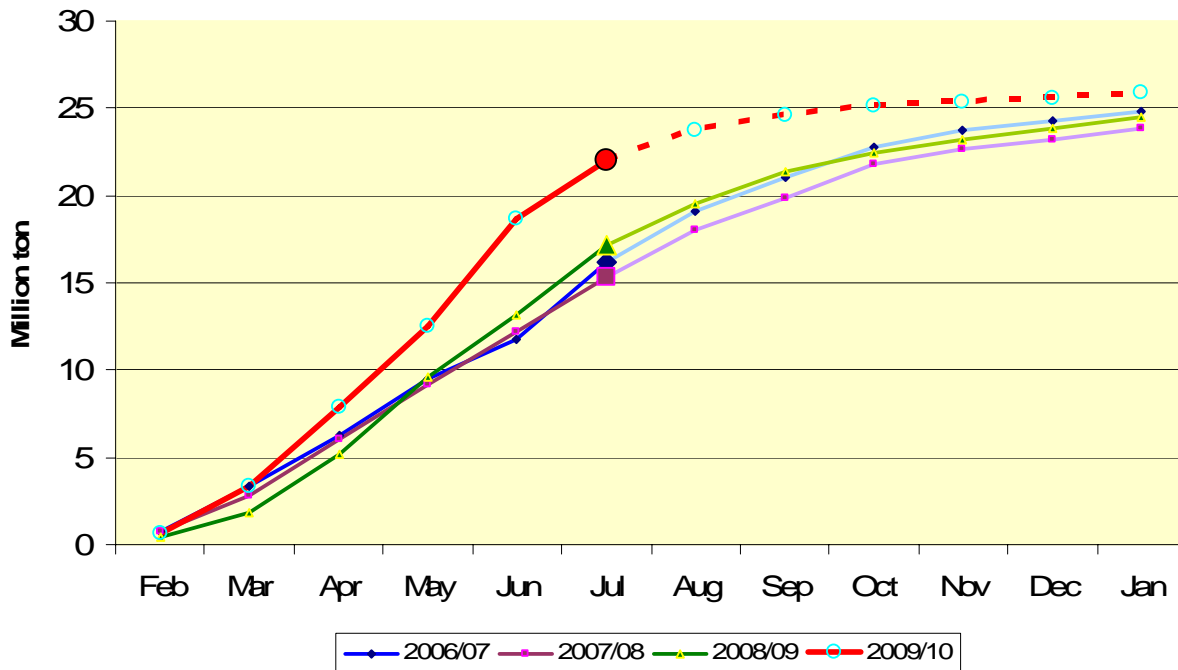




Oilseeds: World Markets and Trade

Early Surge in Brazil's Soybean Exports Cannibalizes Late Season Sales

Cumulative Brazil Soybean Exports (Feb - Jan Marketing Year)



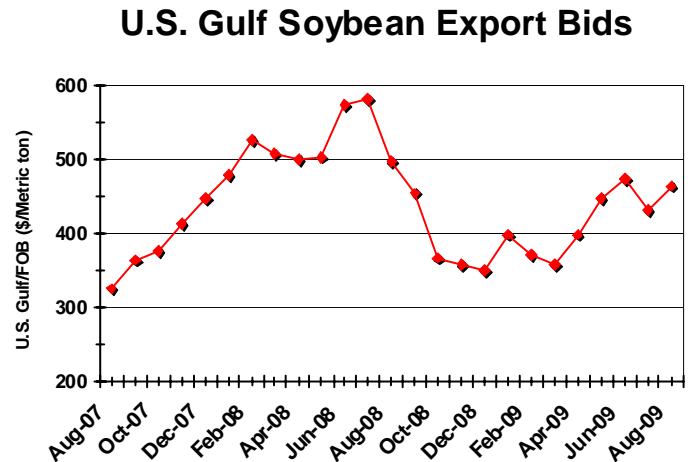
Strong demand for Brazil's soybeans during the first half of the local marketing year (Feb – Jan) is expected to constrain further sales later in the year. Through July, exports have already totaled 85 percent of forecast annual exports, compared to the 10-year average of 62 percent. Drought in Argentina and Paraguay led many buyers, particularly China, to shift purchases to Brazil where drought losses were less severe and supplies more plentiful. Buyers were also discouraged from turning to the United States as an alternative source, due the extremely tight supply situation resulting from earlier strong sales.

The upshot is that Brazil's exportable supplies will fall two to three million tons with an additional three to four million ton shortfall expected in Argentina and Paraguay during the traditional peak US export season. Consequently, sales of new-crop US soybeans are off to a flying start with reported 2009/10 sales running 3.2 million tons ahead of last year, as importers scramble to secure supplies that will be unavailable from South America.

PRICES

U.S. soybean export bids, FOB Gulf, in the first week in August averaged \$464 per ton. Tight supplies of old crop coupled with concerns over delayed progress of new crop help boost prices.

As of week-ending July 30, 2009, U.S. soybean sales commitments (outstanding sales plus accumulated exports) to China totaled 19.5 million tons, compared to 13.8 million a year ago. Total commitments to the world amounted to 35.1 million tons compared to 31.6 million the same period last year.



TRADE CHANGES IN 2009/10

- U.S. soybean exports are cut 0.3 million tons to 34.4 million. The moderate decline reflects competition from South America and weaker demand in the EU.
- Argentina's soybean exports are up 0.3 million tons to 9.7 million supported by improved competitiveness and weaker US exports.
- EU soybean imports are cut 0.5 million tons to 12.4 million. The greater availability of rapeseed is expected to displace import demand for soybeans.

TRADE CHANGES IN 2008/09

- Brazil's soybean exports are boosted 0.3 million tons to 27.8 million based on stronger export pace-to-date particularly to China.
- EU-27 rapeseed imports are raised 0.2 million tons to 3.3 million due primarily to continued strong imports from Ukraine and Australia.
- Canada's rapeseed exports are boosted 0.2 million tons to 7.4 million supported by continued large shipments to China and United Arab Emirates.

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

Million Metric Tons

	2005/06	2006/07	2007/08	2008/09	Jul 2009/10	Aug 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	40.92	41.16	40.83
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	33.39
Oilseed, Rapeseed	48.50	45.09	48.29	58.06	55.31	56.51
Oilseed, Soybean	220.67	237.11	221.18	210.62	243.73	242.07
Oilseed, Sunflowerseed	30.04	29.80	27.02	32.64	31.88	31.93
Total	391.45	404.18	391.63	394.35	423.42	422.56
Imports						
Oilseed, Copra	0.08	0.10	0.11	0.13	0.13	0.13
Oilseed, Cottonseed	1.10	0.84	0.75	0.49	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	11.73	9.82	9.80
Oilseed, Soybean	64.13	69.06	78.16	73.39	74.84	74.54
Oilseed, Sunflowerseed	1.39	1.75	1.24	1.78	1.55	1.57
Total	75.47	80.87	90.03	89.69	89.14	88.84
Exports						
Oilseed, Copra	0.10	0.13	0.14	0.14	0.14	0.14
Oilseed, Cottonseed	0.96	0.84	0.84	0.48	0.66	0.65
Oilseed, Palm Kernel	0.18	0.15	0.10	0.15	0.15	0.15
Oilseed, Peanut	2.25	2.43	2.39	2.33	2.40	2.40
Oilseed, Rapeseed	6.98	6.63	8.20	11.91	10.03	10.03
Oilseed, Soybean	63.80	71.31	79.55	74.31	75.86	75.96
Oilseed, Sunflowerseed	1.52	1.88	1.41	1.92	1.77	1.78
Total	75.80	83.36	92.63	91.22	91.01	91.11
Crush						
Oilseed, Copra	5.57	5.21	5.64	5.72	5.88	5.88
Oilseed, Cottonseed	32.06	33.70	34.40	32.06	32.19	31.86
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	15.59
Oilseed, Rapeseed	44.62	43.62	46.54	52.35	54.24	54.54
Oilseed, Soybean	185.19	195.66	201.93	192.80	201.30	200.72
Oilseed, Sunflowerseed	26.01	26.09	23.66	28.33	28.11	28.33
Total	318.76	328.36	338.33	338.31	349.36	348.82
Ending Stocks						
Oilseed, Copra	0.06	0.07	0.11	0.23	0.20	0.20
Oilseed, Cottonseed	1.34	1.33	1.22	0.72	0.74	0.75
Oilseed, Palm Kernel	0.15	0.18	0.20	0.33	0.25	0.25
Oilseed, Peanut	1.86	1.30	1.07	1.45	1.07	1.12
Oilseed, Rapeseed	5.51	4.66	3.39	6.22	4.60	5.01
Oilseed, Soybean	53.21	62.89	52.92	41.00	51.83	50.32
Oilseed, Sunflowerseed	2.83	3.09	3.38	3.78	4.05	3.68
Total	64.95	73.51	62.27	53.73	62.73	61.32

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	Jul 2009/10	Aug 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	14.52	14.65	14.50
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	6.08
Meal, Rapeseed	26.57	25.95	27.61	31.05	32.24	32.41
Meal, Soybean	145.82	153.94	158.52	151.86	158.59	158.21
Meal, Sunflowerseed	11.52	11.50	10.34	12.45	12.37	12.45
Total	216.47	224.26	230.93	229.13	237.42	237.07
Imports						
Meal, Copra	0.65	0.64	0.75	0.69	0.74	0.74
Meal, Cottonseed	0.48	0.44	0.42	0.35	0.35	0.35
Meal, Fish	2.94	2.68	3.01	2.98	2.84	2.85
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	0.13	0.13
Meal, Rapeseed	2.56	3.05	3.56	3.59	3.99	3.99
Meal, Soybean	51.16	52.60	54.32	52.36	54.51	54.57
Meal, Sunflowerseed	3.30	3.41	2.84	3.75	3.32	3.37
Total	65.07	66.77	69.21	68.14	70.28	70.40
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	0.36	0.35
Meal, Fish	2.73	2.59	2.84	2.73	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	3.61	4.15	4.16
Meal, Soybean	51.78	53.99	55.78	52.96	55.05	55.07
Meal, Sunflowerseed	3.53	3.47	3.20	3.99	3.49	3.68
Total	65.81	68.12	71.19	69.08	71.38	71.59
Domestic Consumption						
Meal, Copra	1.66	1.63	1.78	1.76	1.79	1.79
Meal, Cottonseed	14.55	15.42	15.72	14.51	14.65	14.51
Meal, Fish	5.14	4.99	5.33	5.39	5.24	5.25
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	6.13	6.07
Meal, Rapeseed	26.33	26.47	27.59	30.78	32.07	32.22
Meal, Soybean	145.54	152.26	157.46	152.27	157.80	157.81
Meal, Sunflowerseed	11.20	11.47	10.06	12.02	12.25	12.26
Total	215.67	223.07	229.67	228.74	236.13	236.10
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	0.46	0.48	0.48
Meal, Soybean	6.23	6.52	6.11	5.10	5.23	5.00
Meal, Sunflowerseed	0.27	0.24	0.16	0.34	0.27	0.22
Total	8.09	7.93	7.21	6.66	6.72	6.44

Totals may not add due to rounding

