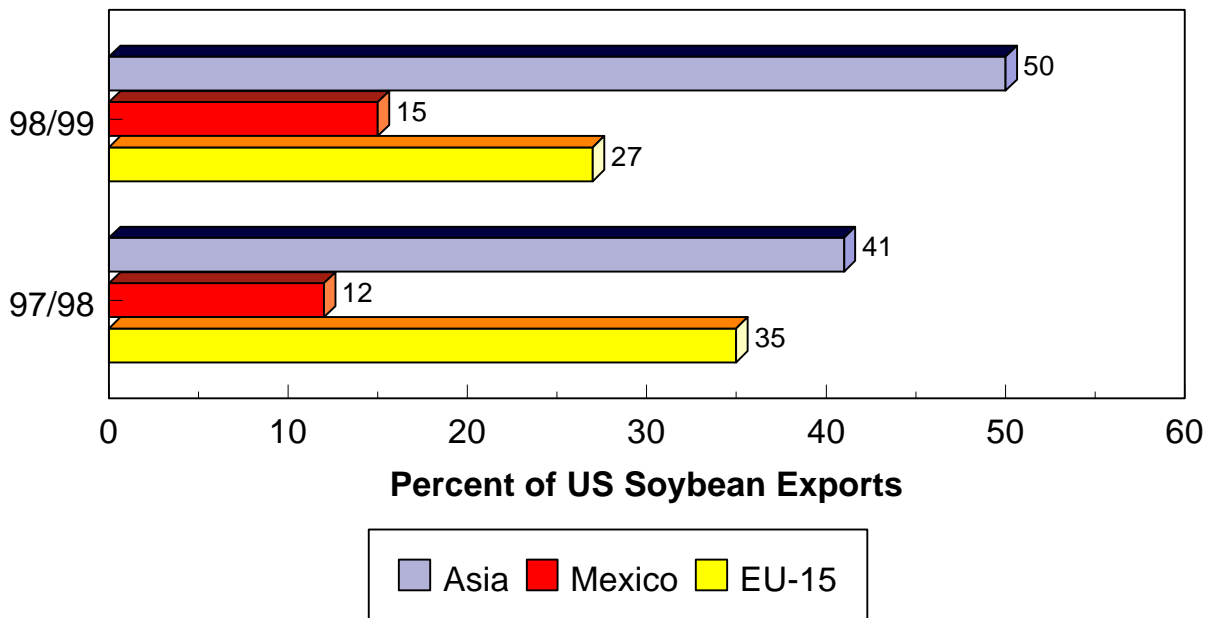




Oilseeds: World Markets and Trade

U.S. Soybean Exports by Region Show Shift

Marketing Year



U.S. soybean exports have seen a strong shift in regional demand over the last 2 years. The traditional European market has come to represent a smaller share of U.S. exports, while Asia and Mexico have been able to increase their importance to U.S. exporters. Asia has taken the lion's share of U.S. soybean exports growing from 41 percent in 97/98 to 50 percent in 98/99. Asia's share should continue to increase as soybean demand rebounds with the improving economic situation. Additionally, this year the region's shift away from meal imports, instead choosing to process soybeans, has added to the effect. In contrast, the European Union (EU), which accounted for 35 percent of U.S. soybean exports in the 97/98 marketing year, completed the 98/99 marketing year with its share at only 27 percent. While total soybean exports to the EU are projected to remain relatively flat, the share of exported U.S. soybeans entering the EU will likely continue to decline. U.S. soybean exports to the EU face competition from increased oilseed production within the EU, particularly rapeseed. This, combined with competitive prices offered by South American soybean producers and European worries over genetically modified soybeans, may dampen demand for U.S. soybeans within the region. Mexico has steadily increased its importance to U.S. soybean exporters. With its 15 percent share in 98/99, Mexico is the second largest single country U.S. soybean importer behind Japan.