

## Risk Management and Marketing Factors To Consider in Soybeans

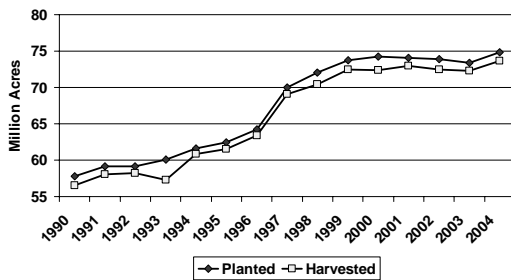
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## Overview

- General economy—robust.
- Recovery proceeding—though small increase in jobs.
- Dollar holding lower.
  - Good export situation—U.S. goods cheaper relative to foreign currencies.

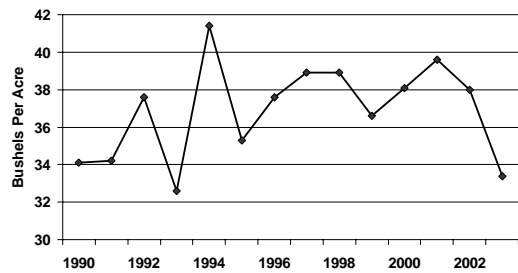
## U.S. Soybean Acres Planted and Harvested



\*2004 plantings are estimated and acres harvested are projected.

<http://www.nass.usda.gov/>

## U.S. Soybean Yield



<http://www.nass.usda.gov/>

## U.S. Soybeans – The Supply Side

Unit: Million bushels	2002/03	Estimated 2003/04	Projected 2004/05	% Change
Beginning Stocks	203	178	105	-41%
Production	2,756	2,418	2,940	21.6%
Imports	5	6	5	-16.7%
Total Supply	2,969	2,602	3,050	17.2%

<http://www.nass.usda.gov/>

## U.S. Soybeans – The Demand Side

Unit: Million Bushels	2002/03	Estimated 2003/04	Projected 2004/05	% Change
Crushings	1,615	1,500	1,645	9.7%
Exports	1,045	900	1,050	16.7%
Seed	89	91	91	0
Residual	41	5	55	*
Total Use	2,791	2,479	2,841	14.6%

\* 2003-'04 was an anomaly in residual use.

<http://www.nass.usda.gov/>

### U.S. Soybeans – Stocks to Use Ratio

Unit: Million Bushels	2002/03	2003/04	2004/05	% Change
Total Use	2,791	2,479	2,841	14.6%
End. Stocks	178	105	210	100%
S/U Ratio	6.4%	4.2%	7.4%	76.2%

<http://www.nass.usda.gov/>

### Global Soybeans – The Supply Side

Unit: MMT	2002/03	Estimated 2003/04	Projected 2004/05	% Change
Beginning Stocks	32.18	32.72	33.01	0.9%
Production	197.31	189.12	224.97	19.0%
Imports	62.87	57.60	65.85	14.3%
Total Supply	292.36	279.44	323.83	15.9%

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### Global Soybeans – The Demand Side

Unit: MMT	2002/03	Estimated 2003/04	Projected 2004/05	% Change
Crushings	164.90	168.50	181.65	7.8%
Total Use	190.57	194.78	210.77	8.2%
Exports	62.07	58.15	66.36	14.1%

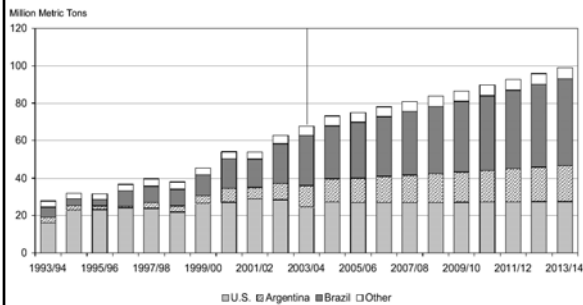
<http://www.nass.usda.gov/>

### Global Soybeans – Stocks to Use Ratio

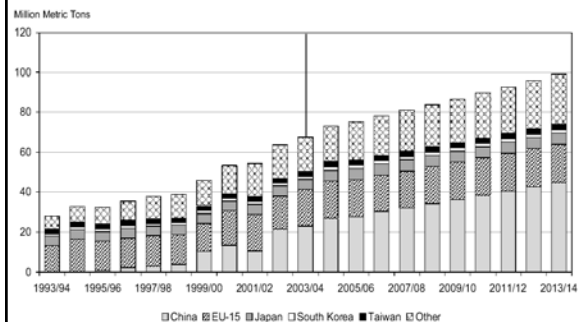
Unit: MMT	2002/03	Estimated 2003/04	Projected 2004/05	% Change
Total Use	190.57	194.78	210.77	8.2%
End. Stocks	39.72	33.50	46.69	39.4%
S/U Ratio	21%	17%	22%	29.4%

<http://www.nass.usda.gov/>

### World Soybean Exporters



### World Soybean Importers



## 2004-05 Soybean Outlook

- Largest estimated U.S. crop.
- High world prices in 2002-03.
  - Led Brazil and Argentina to increase acreage by 14.1% and 8.7% respectively in 2003-04.
  - Brazil and Argentina keeping lid on prices.
- China will be the key from demand side.
- 2004-'05 price projections:
  - USDA-ERS--\$6.20/bu.
  - FAPRI--\$5.60/bu.

Questions?