Soybean Situation and Outlook

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Soybean Production, Ending Stocks, and Price, 1993-2006

U.S. & Foreign Soybean Oil Ending Stocks, 1997-2006

Year

Million Metric Tons

Foreign Ending Stocks
U.S. Ending Stocks

Supply Factors: U.S.

- 545 mb old crop beans – record
- 560 mb new crop beans
- Oilseeds, 2X over 2004 (old and new crops)
- Meal up 40% over 2004 (old and new crops)
- Soy Oil up 60% over 2004
- Soy Oil new crop to drop 13%
- Veg Oils up 50% over 2004
- Veg Oils new crop to drop 10%
Supply Factors: World

- 1961 mb old crop bean stocks – record?
- 1945 mb new crop bean stocks
- Oilseeds, 8% drop projected, 15% above 4 yr avg
- Meal, 9% drop projected, 9% under 4 yr avg
- Soy Oil, 18% drop projected, 12% under 4 yr avg
- Veg Oils, 12% drop projected, 1% under 4 yr avg

Demand Factors

- U.S. crush projected to be over 1.7 bb
- U.S. exports projected to be 1.09 bb
- U.S. total use projected to be 3 bb
Uncertainty Issues

- Rust
- Soy diesel
- 2006 U.S. production
- S. American production


<table>
<thead>
<tr>
<th>Soybeans</th>
<th>Low/High</th>
<th>Exp/Exp</th>
<th>High/Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Stocks(MB)</td>
<td>545</td>
<td>545</td>
<td>545</td>
</tr>
<tr>
<td>Acres (M. P. A.)</td>
<td>74.3</td>
<td>74.9</td>
<td>75.6</td>
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<tr>
<td>Yield</td>
<td>38.5</td>
<td>40.7</td>
<td>42.8</td>
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<tr>
<td>Supply(M. Bu)</td>
<td>3371</td>
<td>3559</td>
<td>3740</td>
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<tr>
<td>Use:</td>
<td></td>
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<tr>
<td>Crush</td>
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<td>1750</td>
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<td>Exports</td>
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<td>Seed, Feed</td>
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<tr>
<td>Ending Stocks</td>
<td>318</td>
<td>560</td>
<td>802</td>
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<tr>
<td>Projected Price</td>
<td>$5.50</td>
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<td>$4.50</td>
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</tbody>
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Questions?

What Could Change The Outlook?

- South America
- Plant Mix
- Non-Farm Economic Conditions in U.S., World – Oil Supplies, War
- Exchange Rates
- China
- Weather
U.S. Soybean Meal Ending Stocks vs. Soybean Price, 1990-2006

U.S. Soybean Oil Ending Stocks vs. Soybean Price, 1990-2006