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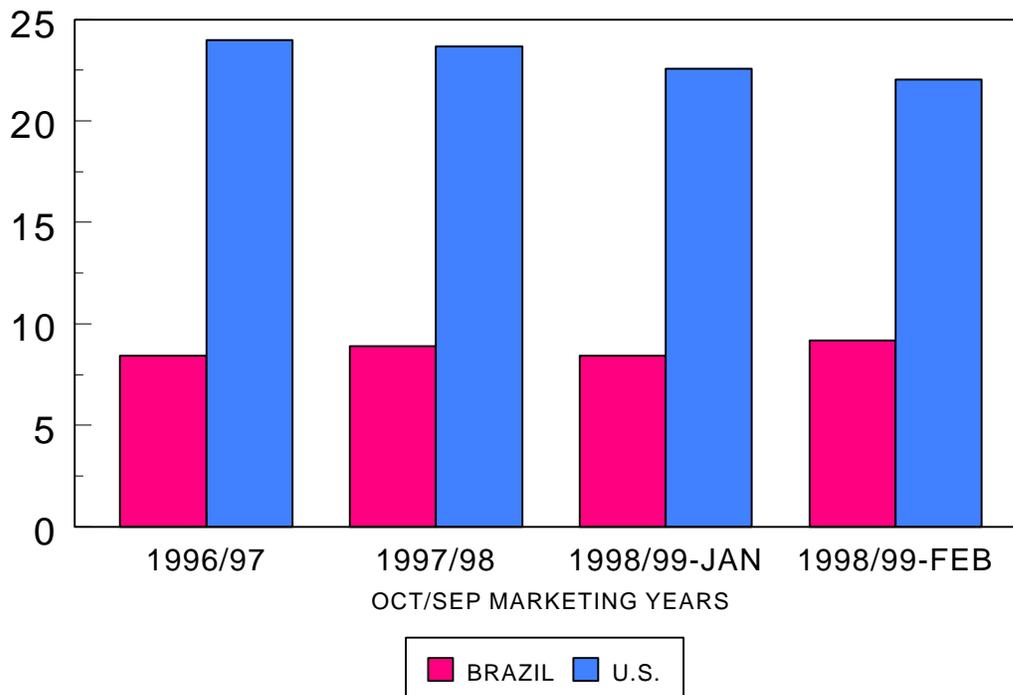
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# Oilseeds: World Markets and Trade

## GROWTH IN BRAZIL'S SOYBEAN EXPORTS EXPECTED TO RESULT IN LOWER U.S. SOYBEAN EXPORTS IN 1998/99

MILLION METRIC TONS



Upward revisions in 1998 and 1999 supplies and the recent currency devaluation helped push Brazil's soybean export forecast (Oct/Sep basis) higher for 1998/99. This is expected to negatively impact U.S. exports in the current year. Brazil's export forecast was increased to a record 9.2 million tons this month, an increase of 750,000 tons from the January forecast in response to a 1-million-ton increase this month in Brazil's 1999 production forecast and a 500,000 ton upward revision in the 1998 production estimate. Brazil's soybean exports are also expected to receive a boost in 1998/99 from the recent devaluation of the Real. Since January, the value of the Real has declined nearly 50 percent relative to the U.S. dollar enhancing the competitiveness of Brazilian soybeans vis-a-vis U.S. soybeans in international markets. Net soybean exports from Brazil are forecast to increase 1 million tons in 1998/99 compared to a year earlier. As a result, the U.S. soybean export forecast was lowered 544,000 tons this month to 22.3 million tons (FY 1998/99). This is the lowest export level since 1993/94 when only 16.4 million tons were exported following flooding in the mid-west that reduced soybean production to 50.9 million tons.