



The Soy Export Weekly Update

USDA Boosts Stocks Estimate

USDA released its April 2007 update of 2006-07 world and U.S. crop supply, demand, and price estimates last week. These updates incorporated the impact of the recent March grain stocks report. However, USDA does not report on 2007-2008 crop supply and demand prospects until its May WASDE update, so the reports did not reflect any shifts in 2007 planting intentions.

Soybean stocks for 2006-07 were raised to 16.7 million tonnes from 16.2 million tonnes in March and 12.2 million tonnes last year as crush and export demand were both reduced. Oil stocks were raised to 1.27 million tonnes from 1.21 million tonnes on slower domestic off take while the reduced bean crush-lowered production. Meal domestic demand and exports were both cut from March estimates. Brazil's soybean output was raised to 58.8 million tonnes, while Argentina was placed at 45.5 million tonnes. Brazil's 2005 production was raised to 57 million tonnes as use data was reviewed. Global oilseed stocks were raised again.

FDA Supports Study That Confirms Health Benefits Of Soy Protein

A new study that claims soy protein can help keep the heart healthy has received support from U.S. and Japanese health officials. Research from two U.S. universities and Japan's National Institute of Health and Nutrition confirmed findings on the health benefits of soy from the Food and Drug Administration (FDA).

According to the FDA study, soy protein was shown to lower LDL (bad) cholesterol in the blood by up to 14%. A study from Harvard University's Dr. Walter Willett, which appeared in the March edition of the American Journal of Clinical Nutrition, backed the FDA's findings.

Findings from the Japanese researchers, as well as a second study from Dr. Alice Lichtenstein of Tufts University, appear in the April edition of the same journal and also support the FDA's claims.

Francene Steinberg, from the University of California at Davis, said: "The cholesterol-lowering effect of soy is directly related to soy protein and other soy components, and not only to its low saturated fat content." Steinberg, who also contributed to the April edition of the American Journal of Clinical Nutrition, added: "The science has not explained the exact mechanism by which soy improves cholesterol, but there is a clear benefit of including soy protein in a healthy diet."

U.S. Benefits From China's Increased Soybean Demand

China may be looking to import larger amounts of soybean as supplies of palm oil become increasingly scarce and the United States may benefit the most from the situation. Palm oil, which accounts for the majority of the China's edible oil imports, is in greater demand for biodiesel use resulting in smaller supplies being available for food consumption. The decline in stockpiles of palm oil in Malaysia, which supplies around 67% of China's palm oil imports, could also see a rise in their demand for soybean as well.

Argentina remains the biggest supplier of soybean to China. However, the U.S. is benefiting most from the rise in demand by exporting 30,337 tonnes of soybean to China from January to February 2007. This means the United States has overtaken Brazil as the second biggest supplier of soybean to China.



Argentina Soybean And Soyoil Exports Down Sharply In January

Argentina shipped 228,530 tonnes of soyoil in January, down 51% from 463,203 tonnes shipped a year earlier, according to the latest Agriculture Secretariat data. Argentina's January soybean exports totaled just 6,067 tonnes, down sharply compared to 701,550 tonnes shipped in January 2006.

Administration To Submit Specific Farm Bill Legislative Language To Congress

Seeking to increase the likelihood that Congress will accept unchanged many of its detailed farm proposals; the Bush administration is in the process of translating those proposals into specific legislative language, according to Agriculture Secretary Mike Johanns. Speaking last week at Informa Economics' annual farm policy conference, Johanns said the initial batch of legislative language would be released within the next couple of weeks and likely would cover three or four farm bill titles.

Johanns said he expects the entire process to be completed in roughly 30 to 45 days, but USDA will release it section by section as work is completed. The first release of a section, perhaps the conservation title of the proposal, should be released in a couple of weeks, he said. The rural development title is also expected to be one of the earlier sections completed, Johanns predicted. By mid-May, all sections of the bill should be available.

Farm bill analysts note that this is the first time in more than 20 years that an administration has provided Congress with specific farm bill legislative language.

Soy Complex Lower On Slow Exports, South American Competition And A Weak Corn Market

The soy complex was lower on April 12. Slow export sales news, fears of increased competition from the bumper crops in South America and weakness in corn helped drive May soybeans to the lowest level since February 2nd early in the session. Ideas that Argentina harvest will pick up steam into this week and the outlook for record high stocks in the United States at the end of the current crop season added to the bearish tone. Meanwhile, soybean oil continues to trade strong although U.S. soybean oil stocks are record large, which has heavily pressured soybean meal as soybean futures have declined. Census trade data released this morning pegged February soybean exports at 3.51 million tonnes, 245,000 tonnes more than export inspections for that month as it appears that the Census exports are catching up with shortfalls of 327,000 tonnes in January and 245,000 tonnes in December. May bean futures closed down \$3.03 finishing at \$271.26; July was \$2.76 lower, closing at \$277.96; and August lost \$2.66 ending at \$280.17. May meal was down \$4.63 closing at \$221.45; July was \$4.41 lower, finishing at \$228.07; and August lost \$4.52 to close at \$231.37. May oil closed \$2.87 lower to finish at \$719.80; July was down \$2.65, closing at \$731.93; and August lost \$3.09, ending at \$735.90.



U.S. & South America Soybean/Products Balance

	United States			Argentina			Brazil		
	Actual	Estimate	Proj.	Actual	Estimate	Proj.	Actual	Estimate	Proj.
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
Soybeans	<i>thousand tonnes</i>								
Carryin	3,059	6,960	12,229	2,434	514	579	3,400	1,440	514
Production	85,013	83,368	86,770	39,000	40,500	44,000	53,000	55,000	56,000
Imports	152	92	109	708	900	950	353	60	100
Crush	46,160	47,320	48,444	29,560	32,600	36,000	29,730	28,200	27,300
Exports	30,011	25,778	29,937	10,548	7,200	7,350	22,798	25,450	26,700
Other	5,093	5,093	4,521	1,520	1,535	1,566	2,785	2,336	2,024
Usage	81,264	78,191	82,902	41,628	41,335	44,916	55,313	55,986	56,024
Carryout	6,960	12,229	16,206	514	579	613	1,440	514	590
Soymeal	<i>thousand tonnes</i>								
Carryin	191	156	285	1,350	1,187	1,549	870	640	490
Production	36,936	37,414	38,484	23,347	25,487	28,400	22,928	21,850	21,435
Domestic use	30,446	30,097	30,754	537	575	650	9,162	9,950	10,200
Net Exports	6,525	7,188	7,743	22,973	24,550	27,600	13,996	12,050	11,400
Usage	36,971	37,285	38,497	23,510	25,125	28,250	23,158	22,000	21,600
Carryout	156	285	272	1,187	1,549	1,699	640	490	325
Soybean oil	<i>thousand tonnes</i>								
Carryin	488	771	1,370	660	542	659	293	248	450
Production	8,781	9,250	9,147	5,404	6,200	6,800	5,708	5,403	5,233
Domestic use	7,910	8,144	8,641	408	458	709	3,059	3,319	3,385
Net exports	588	507	656	5,114	5,625	6,100	2,694	1,882	2,000
Usage	8,498	8,651	9,297	5,522	6,083	6,809	5,753	5,201	5,385
Carryout	771	1,370	1,220	542	659	650	248	450	298

USDA Export Sales (tmt) - Week of 05 April 2007

Country	Commodity	New Sales	Accum. Exports
Canada	Soybeans	5.7	104.1
China	Soybeans	15.1	10131.1
Colombia	Soybeans	8.1	187.1
Denmark	Soybeans	0.4	74.1
Egypt	Soybeans	23.2	665.5
Indonesia	Soybeans	9.3	834.2
Israel	Soybeans	0.4	240.4
Japan	Soybeans	43.8	1946.5
Malaysia	Soybeans	2.3	186.4
Mexico	Soybeans	38.2	2302.3
Netherlands	Soybeans	3.2	1393.7
Taiwan	Soybeans	7.7	1262.9
Vietnam	Soybeans	1	4.6
Colombia	Soymeal	3.4	170.3
Cuba	Soymeal	19.3	54.1
Dom. Rep.	Soymeal	21.4	224.9
Ecuador	Soymeal	0.6	51.5

Country	Commodity	New Sales	Accum. Exports
Guatemala	Soymeal	38.2	175.2
Honduras	Soymeal	1.6	66.2
Indonesia	Soymeal	0.5	29.3
Jamaica	Soymeal	4	56.2
Korea, Rep.	Soymeal	0.6	115.9
Mexico	Soymeal	44	736.7
Nicaragua	Soymeal	0.7	34.3
Philippines	Soymeal	1.8	221.1
Canada	Soyoil	1	19.1
Jamaica	Soyoil	2.4	44

Export Sales Totals (tmt)			
Commodity	Outstanding Sales	Accum. Exports	New Sales
Soybeans	3,393.8	23,907.8	136.7
Soymeal	1,659.6	3,641.3	172.5
Soyoil	47.3	332.8	3.5



Thursday Spot and Futures Prices, 12 April 2007

<i>Item</i>	<i>Location</i>	<i>May</i>	<i>July</i>	<i>August</i>
Soybeans (\$/mt)	Central Ill./Chicago	271.26	277.96	280.17
	FOB Gulf (Basis)	275.67	284.58	284.58
	CIF Gulf Coast (Basis Chicago)	274.93	284.21	284.58
Board Crush Margin	\$/mt	23.10	23.47	24.42
		May	July	August
Soybean Meal 48%, HiPro (\$/mt)	Central Ill./Chicago	221.45	228.07	231.37
	FOB Gulf (Basis)	228.07	234.68	237.99
	West Coast (Basis)	258.93	265.54	268.85
Soybean Meal 44% (\$/mt)	Central Ill./Chicago	221.45	228.07	231.37
	FOB Gulf (Basis)	217.04	223.66	226.96
	West Coast (Basis)	245.70	254.52	257.83
Soybean Oil, Crude (\$/mt)	Central Ill./Chicago	719.80	731.93	735.90
	FOB Gulf (Basis)	708.78	720.90	724.87
		Beans	Meal	Oil
1 year ago prices	Chicago, \$/mt	206.86	191.14	497.36

Selected Ocean Freight Rates, Grains Basis

