



CONTACT: Dana Johnson at U.S. Soybean Export Council, 636-449-6016. <http://www.ussec.org/>

Chinese Commit to Record-Setting U.S. Soybeans Deals During USSEC-Arranged Visits to Iowa, Los Angeles

ST. LOUIS (February 27, 2012) Agriculture leaders from China committed to purchasing 492.3 million bushels (13.4 million metric tons) of U.S. soybeans, setting a new volume record with an estimated value of \$6.7 billion, during signing ceremonies the U.S. Soybean Export Council (USSEC) co-hosted at the World Food Prize Center in Des Moines, Iowa, and Los Angeles this week.

The Chinese delegation, led by Bian Zhenhu, president of the China Chamber of Commerce for Import & Export of Foodstuffs, Native Produce and Animal By-products (CFNA), signed a total of 21 contracts with U.S. companies including ADM, AGP, Bunge, Cargill, CHS and others. Combined, these purchase pledges set a new record for U.S. soybean commitments made on a single visit to the U.S.

USSEC facilitated the event in Iowa, held in conjunction with the American Soybean Association (ASA), Iowa Soybean Association (ISA) and United Soybean Board (USB)/soy checkoff. USSEC CEO Jim Sutter was the master of ceremony for the Sino-U.S. Agricultural Trade Cooperation Conference and Soybean Contract Signing Ceremony in Des Moines which highlighted the mutually beneficial relationship between U.S. soybean farmers and soy customers in China.

“China consumes around 25 percent of the U.S. production of soybeans,” said Roy Bardole, USSEC chairman and a soybean farmer from Rippey, Iowa. “As the soy family continues to work to position U.S. soybeans as the best value in the world, my fellow farmers look forward to providing China and other global markets with a quality product. We look forward to many more years of working together.”

The Chinese buying team began its visit in Chicago earlier this week where they were hosted by the Illinois Soybean Association for a Soybean Outlook Session at the Chicago Board of Trade. The group also made stops in Decatur and Iowa City to visit ADM headquarters and Ben Schmidt’s farm to further strengthen relations with the U.S. soybean industry. In Des Moines, the delegation met with Governor Terry Brandstad and Lieutenant Governor Kim Reynolds at the Capitol and also visited Pioneer headquarters to learn more about the reliability and sustainability of the U.S. soybean industry and its ability to meet the growing need in China and elsewhere to address the issue of food security and food safety.

“The Chinese purchases definitely add value to U.S. farmers’ soybeans,” says ASA President Steve Wellman. “They also reinforce the benefits of international market development, including ASA’s investment of cost-share funds provided by the Foreign Agricultural Service, which began 30 years ago in China, and by soybean-farmer checkoff funds.”

The U.S. produces approximately 35 percent of the world’s soybeans according to the United States Department of Agriculture. Since 1991, global soybean demand has increased 151

percent. Soy is the top agriculture export with roughly 55 percent of the U.S. soybean crop going to costumers abroad.

“One of the most important things USB and the soy checkoff does is to focus on meeting our customers’ needs at home and abroad,” says Vanessa Kummer, USB Chair and soybean farmer from Colfax, N.D. “We are committed to providing our customers around the world with the highest quality soybeans. We look forward to continuing our important, productive relationships with our customers in China.”

The delegation’s visit and signing events coincided with the state visit of Chinese Vice President Xi Jinping to Iowa and Los Angeles. Highlighting the importance of Sino-U.S. trade was a major focus of the Vice President’s public events, giving even more significance of the soy deals concluded this week.

Nearly 41million metric tons of U.S. soybeans were exported in 2011. Of that, more than 24 million metric tons, or approximately 60 percent of U.S. soybean exports, went to China.

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