

WEEKLY NEWS ARTICLE UPDATE



Prepared by John C. Baize and Associates | 7319 Brad Street | Falls Church, VA 22042
TEL: 703-698-5908 | FAX: 703-698-7109 | E-mail: jbaize@attglobal.net

March 24, 2014

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Note: This is an abbreviated weekly update as I am still on vacation in South America.

Export Sales Highlights

This summary is based on reports from exporters for the period March 7-13, 2014.

Soybeans: Net sales of 202,200 MT for 2013/2014 were up noticeably from the previous week, but down 31 percent from the prior 4-week average. Increases reported for Indonesia (149,000 MT, including 25,000 MT switched from unknown destinations and decreases of 26,200 MT), Portugal (67,100 MT, including 65,000 MT switched from unknown destinations), Egypt (49,600 MT), Mexico (35,200 MT), and Colombia (18,300 MT, including 8,000 MT switched from unknown destinations), were partially offset by decreases for unknown destinations (79,800 MT) and China (75,900 MT). Net sales of 437,500 MT for 2014/2015 were reported primarily for China (243,000 MT), unknown destinations (146,500 MT), and Indonesia (30,000 MT). Exports of 1,119,100 MT were up 38 percent from the previous week, but down 11 percent from the prior 4-week average. The primary destinations were China (662,800 MT), Mexico (102,300 MT), Indonesia (94,000 MT), Taiwan (83,600 MT), and Portugal (67,100 MT).

Optional Origin Sales: For 2013/2014, outstanding optional origin sales total 337,000 MT, all China. For 2014/2015, outstanding optional origin sales total 450,000 MT, and are for China (330,000 MT) and Egypt (120,000 MT).

Export Adjustments: Accumulated exports to China were adjusted down 49,564 MT for week ending March 6, 2014. The correct destination is Egypt and is included in this week's report.

Soybean Cake and Meal: Net sales of 242,900 MT for 2013/2014 were up 52 percent from the previous week and 32 percent from the prior 4-week average. Increases were reported for Thailand (45,000 MT, switched from unknown destinations), Venezuela (44,000 MT, including 25,000 MT switched from Panama and 2,000 MT switched from unknown destinations), Mexico (36,700 MT), Japan (23,000 MT, including 20,100 MT switched from unknown destinations), and Cuba (22,000 MT). Decreases were reported for Panama (17,300 MT), unknown destinations (5,600 MT), and South Korea (800 MT). Net sales of 244,000 MT for 2014/2015 were reported for unknown destinations (195,000 MT), Indonesia (29,000 MT), and Ireland (20,000 MT). Exports of 240,700 MT were down 5 percent from the previous week and 14 percent from the prior 4-week average. The primary destinations were the Philippines (50,700 MT), Venezuela (29,000 MT), Mexico (27,300 MT), Cuba (22,000 MT), Japan (22,000 MT), and Canada (17,600 MT).

Soybean Oil: Net sales of 2,000 MT for 2013/2014 were down 71 percent from the previous week and 78 percent from the prior 4-week average. Increases were reported for Mexico (1,200 MT), Nicaragua (1,000 MT), Costa Rica (1,000 MT, switched from unknown destinations), and Australia (100 MT). Decreases were reported for Canada (800 MT) and unknown destinations (800 MT). Exports of 7,700 MT were up noticeably from the previous week, but down 72 percent from the prior 4-week average. The primary destinations were Mexico (2,700 MT), El Salvador (2,000 MT), Nicaragua (1,000 MT), Costa Rica (1,000 MT), and Canada (700 MT).

[Grounded Ship Blocks 90 Vessels in Main Argentine Port Rosario](#)

BUENOS AIRES, March 20 (Reuters) - The grounding of a ship in Argentina's main port of Rosario has now held up about 90 grains cargo vessels, but the manager of the local port chamber said on Thursday the ship could be freed within hours.

"We hope it will be pulled free later today," said Guillermo Wade.

The vessel ran aground on March 8. Workers used barges to unload some of the 45,000 tonnes of Paraguayan soybeans on the stranded vessel to lighten its load enough to allow it to regain navigability.

"They are using tugboats to try and pull the ship out now," Wade said. "While this is happening, all traffic has been stopped along the main channel for reasons of security."

About 90 grains cargo ships were forced to anchor along the Parana River near Rosario. Wade said 80 ships were waiting downstream from the Rosario grains hub and that about 10 more have anchored upstream, having already been loaded but waiting for the grounded ship to be on its way.

The Rosario grains exchange expects Argentina's upcoming soy harvest at a record high 54.7 million tonnes versus 48.3 million in 2013. With high harvesting season set to start next month, the South American country is the world's No. 3 soybean exporter and its top supplier of soyoil and soymeal.

[China 2013/14 Soy Imports Seen Up 13% at Record-Sinograin](#)

BEIJING, March 21 (Reuters) - China's soybean imports are expected to reach a record 66-67 million tonnes over the 2013/14 marketing year, up 13 percent year on year, a senior executive with the country's state-owned grain reserve company said on Friday.

Chen Xuecong, vice-president of Sinograin Oils Corporation, also told a conference he was not expecting a large number of cargo cancellations this year, despite fears that bird flu outbreaks in China would reduce demand.

"The crushing capacity has expanded over the past two years, which will bring more imports for processing," Chen told the conference organized by an industry portal.

"There is some washout of cargoes because of sluggish down-stream demand... but the volume is not very big, particularly from the United States," said Chen.

He said more buyers are trying to postpone shipment from South America by one or two months until the third quarter of the year when domestic demand from livestock breeding may pick up.

Chen said his import forecasts had already taken into consideration the possible cancellation of cargoes as well as possible weaknesses in domestic demand for soy meal, which was likely to push up soy inventories until the end of the second quarter of the year.

Chen's estimate is lower than a projection of 69 million tonnes of imports by China for the year 2013/14 ending August as estimated by the U.S. Department of Agriculture.

China's demand for soy meal, used in poultry feed and the main product of soybeans, has been hit by outbreaks of bird flu as well as falling pork prices, cutting appetite by as much as 20 to 30 percent in the February-March period compared with normal months, analysts said.

A leading Chinese soy buyer said the company is trying to resell cargoes which are set to be exported from South America to the United States market, where stocks have been tight due to earlier brisk purchases by China.

China's soy imports in the first two months of the year rose 40 percent on year to 10.7 million tonnes, according to Customs data.

[US Soybean Crush Falls to 141.612 Million Bushels in February- NOPA](#)

CHICAGO, March 17 (Reuters) - The National Oilseed Processors Association (NOPA) issued the following monthly soybean crushings and processing data:

CRUSHINGS (1,000 bu) Feb '14 Jan '14 Feb '13

Illinois	17,535	19,836	17,629
Ind, Ky, Ohio, Mich	31,054	33,222	29,828

Southeast	20,106	22,024	18,949
Southwest	28,429	31,807	25,842
Iowa	32,169	35,708	31,618
Minn, N/SDak., Mont	12,319	14,346	12,457

Total U.S.	141,612	156,943	136,322
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SOYBEAN MEAL	Feb '14	Jan '14	Feb '13
Exports (short tons)	714,231	787,961	765,659
Production (short tons)	3,348,180	3,708,703	3,234,589

Yield/Bu (lbs)	47.29	47.26	47.46
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SOYBEAN OIL	Feb '14	Jan '14	Feb '13
Production (mln lbs)	1,646.1	1,813.7	1,599.9
Yield/Bu (lbs)	11.62	11.56	11.74

SOYBEAN OIL STOCKS

(1,000 lbs):	Feb '14	Jan '14	Feb '13
Illinois	435,156	380,707	487,119
Ind, Ky, Ohio, Mich	379,623	344,343	589,768

Southeast	99,712	147,328	170,321
Southwest	330,656	352,142	535,170
Iowa	573,937	505,246	879,496
Minn, N/SDak., Mont	73,860	64,344	128,178

Total U.S.	1,892,943	1,794,110	2,790,051
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[US Farmers to Increase Soy Plantings to Record 83.6 Million Acres-Doane](#)

CHICAGO, March 19 (Reuters) - U.S. farmers are preparing to plant a record 83.6 million acres to soybeans and 90.9 million to corn, the smallest area since 2010, according to a farmer survey released on Wednesday by Doane Advisory Services.

Doane's soybean acreage forecast is up 9.3 percent from the 76.5 million acres seeded last spring and the U.S. Department of Agriculture's initial soy planting forecast of 79.5 million released last month. The all-time high for soybean seedings was 77.451 million in 2009.

Doane's corn seedings estimate is below the 95.4 million corn acres U.S. farmers planted in 2013 and USDA's current 2014 outlook of 92.0 million.

Doane's survey, based on more than 1,100 responses from growers in 44 states, comes ahead of USDA's planting intentions report to be issued on March 31. Other private analysts are also expecting U.S. farmers to increase their soybean plantings at the expense of fewer corn acres, given the strength in soybean prices this winter.

St. Louis-based Doane also projected all U.S. wheat plantings at 57.3 million acres, with 13.5 million seeded to other spring and 2.0 million to durum. USDA is forecasting all-wheat sowings at 55.5 million.

Cotton seedings were forecast to rise 11 percent from a year ago to 11.5 million acres, matching USDA's current outlook.

[Major China Soy Buyer Trying to Resell Brazil Cargoes to U.S.](#)

By Niu Shuping and Dominique Patton

BEIJING, March 20 (Reuters) - A leading Chinese soy buyer is trying to resell cargoes set to be exported from South America in April and May as bird flu outbreaks reduce demand, hoping that the United States will take the shipments, said an executive at the firm.

The company is in talks to resell five or six cargoes from Brazil, equivalent to about 360,000 tonnes of soybeans, to the U.S. market, where stocks have been tight due to a savage winter and earlier brisk purchases by China, said the source, speaking on condition his firm would not be identified.

"We are still negotiating prices. I think all of the cargoes can be sold to the U.S. market - it is just a matter of price," said the executive, adding that the company had already resold four South American cargoes for late-March shipment to the United States. Cargoes typically contain 55,000-60,000 tonnes.

Extra supply in the United States could take the edge off Chicago Board of Trade May soybean prices [SK4](#) that have climbed around 3 percent in the last two days.

Buyers in China, the world's top soy importer, have previously cancelled up to 600,000 tonnes of South American soy cargoes for shipment between March and May because of negative crushing margins amid weak demand, traders said last week. ([Full Story](#))

The executive said that by selling to the U.S. market, it would curb losses to below 100 yuan (\$16.14) per tonne, compared to about 600-700 yuan when selling at current prices in the domestic market.

The United States and Brazil are the world's top two suppliers of soybeans, with China purchasing about 60 percent of total globally traded volumes.

China normally turns to South America for its soybean supplies from February, but due to worries over congested ports and a delayed harvest in Brazil, China overbooked cargoes from the U.S. for the month and March.

OUTBREAK

Chinese demand for soymeal, used in poultry feed and the main product made from soybeans, has been hit by outbreaks of bird flu, cutting appetite by as much as 20 to 30 percent in the February-March period compared with normal months, analysts said.

An outbreak of bird flu in southern Guangdong province in January forced chicken farms to scale back on restocking, following huge losses last year after the culling of millions of birds.

China's soy imports in the first quarter of the year are forecast to hit a record quarterly figure at nearly 16 million tonnes due to large imports from the United States, according to the China National Grain and Oils Information Centre (CNGOIC).

"We cannot cancel U.S. cargoes which are already floating on the sea," said the executive.

He added that Chinese buyers had been trying to delay delivery of as many as 30 South American cargoes by a month from March onwards.

The U.S. Department of Agriculture earlier in the month cut its estimate of U.S. ending stocks of soybeans after U.S. supplies dominated the export market for longer than usual this year due to delays in the South American harvest.

[Argentina Increases Domestic Biodiesel Price as Inflation Soars](#)

BUENOS AIRES, March 14 (Reuters) - Argentina increased the domestic price of biodiesel by 17.4 percent on Friday, after producers complained that high inflation made it unprofitable to manufacture the fuel.

Major companies in Argentina will pay 5,319.84 pesos (\$674) per tonne of biodiesel, up from the previous price of 4,533.04 pesos per tonne. The government had not increased the set price of biodiesel since November, allowing it to lag as consumer prices surged.

The amount of biodiesel in Argentine diesel fuel is less than half the mandatory 10 percent, due to previous low pricing that made the fuel unprofitable for producers, according to Argentina's Biofuels Chamber (Carbio).

Analysts say Argentine inflation is running at about 30 percent per year, one of the world's highest rates.

The Argentine government regulates prices of biodiesel as it does those of other fuels and many basic foods.

Until late last year, Argentina's main biodiesel market had been Europe. In December, Argentina filed a complaint with the World Trade Organization over the European Union's decision to put anti-dumping duties on the South American country's biodiesel.

In November, the EU set biodiesel duties at an average of 24.6 percent for Argentina and imposed similar tariffs on Indonesian biodiesel.

Argentina is the world's No. 3 exporter of soybeans, from which biodiesel is made. The country is the No. 1 supplier of soyoil and soymeal livestock feed, as well as a major exporter of processed biodiesel.