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

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U.S. Soy Export Sales Highlights

This summary is based on reports from exporters for the period July 11-17, 2014.

Soybeans: Net sales of 226,700 MT for 2013/2014 were up noticeably from the previous week and from the prior 4-week average. Increases were reported for China (158,800 MT), Indonesia (103,600 MT, including 86,400 MT switched from unknown destinations), Vietnam (17,900 MT), Taiwan (12,400 MT), and Japan (10,300 MT, including 1,000 MT switched from unknown destinations). Decreases were reported for unknown destinations (87,400 MT) and Mexico (8,500 MT). Net sales of 2,451,100 MT for 2014/2015 were primarily for China (1,283,500 MT), unknown destinations (949,600 MT), and Bangladesh (112,000 MT). Exports of 162,700 MT were up 72 percent from the previous week and 59 percent from the prior 4-week average. The primary destinations were Indonesia (95,300 MT), Japan (32,000 MT), and Mexico (29,900 MT).

Optional Origin Sales: For 2013/2014, outstanding optional origin sales total 110,500 MT, all China. For 2014/2015, outstanding optional origin sales total 832,000 MT, and are for China (667,000 MT), Egypt (120,000 MT), and Mexico (45,000 MT).

Soybean Cake and Meal: Net sales of 93,900 MT for 2013/2014 were up 12 percent from the previous week and 33 percent from the prior 4-week average. Increases were reported for Mexico (26,200 MT), Honduras (12,400 MT, including 9,200 MT switched from unknown destinations), Canada (10,200 MT), the Dominican Republic (8,600 MT), unknown destinations (7,300 MT), and Japan (6,300 MT, including 3,000 MT switched from unknown destinations). Net sales of 348,900 MT for 2014/2015 were reported primarily for unknown destinations (232,600 MT), Egypt (27,000 MT), and Honduras (20,000 MT). Exports of 98,400 MT were down 42 percent from the previous week and 16 percent from the prior 4-week average. The primary destinations were Mexico (32,400 MT), Canada (17,500 MT), the Dominican Republic (15,600 MT), Honduras (10,100 MT), and Jamaica (5,000 MT).

Soybean Oil: Net sales of 2,900 MT for 2013/2014 were down 65 percent from the previous week and 72 percent from the prior 4-week average. Increases were reported for Mexico (2,100 MT), Nicaragua (600 MT), and Australia (200 MT). Exports of 41,800 MT were up noticeably from the previous week and from the prior 4-week average. The primary destinations were China (40,000 MT), Mexico (1,100 MT), and Nicaragua (600 MT).

Monsoon Revival Spurs Sowing in India

Data from the department of agriculture shows till Friday kharif crops were sown on 53.31 million hectares, 27 per cent less than the same period last year. And, 25 per cent less than what is normal, calculated as the average over the past five years.

The big turnaround has been in the area under cotton, groundnut and soybean. All these are primarily grown in Gujarat, Maharashtra and Madhya Pradesh, where the monsoon has been rather vigorous in the past 10 days.

In central India, rainfall during July 17-23 was 81 per cent above normal. In the northwest, it was six per cent above. The overall monsoon deficit (June 1-July 25) in these areas remains a concern but officials believe the improvement in weekly numbers will go a long way in helping kharif sowing and also during the next, rabi, season. The overall nationwide monsoon deficit stood at 24 per cent as of July 25, precariously close to the 2009 deficit of 22 per cent. In 2009, India suffered its last big drought.

“Yes, there is still a big question mark on the final output of foodgrain, pulses, oilseeds and cotton, as sowing was delayed by almost 45 days. The good news is that the situation is somewhat better than earlier,” said a senior agriculture ministry official.

The water levels in 84 major reservoirs across the country also showed a marked improvement and are now at 35 per cent of their full capacity. In the first week of July, the levels had dipped to almost 24 per cent.

The meteorological office predicts the intensity developed by the monsoon will continue in the coming week as well (July 25 to 31). “It is likely to continue in an active phase, especially over many parts of east and central India. Rainfall is likely to increase considerably over the plains of northwest India and adjoining foothills of the Himalayas,” said its weekly forecast.

The June to September monsoon rains entered India this year after a delay of about four days. Its progress was stalled thereafter, leading to fear of drought in several parts. However, since the second week of July, the revival in rain has erased much of those worries.

China's Booming Soymeal Exports to Drop on Higher Domestic Demand

By Naveen Thukral

SINGAPORE, July 25 (Reuters) - China's overseas sales of soymeal, which doubled in the first half of this year, are likely to take a hit as improving soybean processing margins and higher demand for animal feed at home leave less supplies available for exports.

Lower Chinese volumes will allow traditional exporters such as Argentina and Brazil to regain their market share, while also supporting global soymeal prices that have come under pressure in an amply-supplied world market.

"I think China has seen the best in terms of soymeal exports," said one Singapore-based trading manager with an international trading company that sells beans to China.

"We expect exports to start declining from next month."

In the first half of 2014, China's exports of soymeal - a protein-rich product used to fatten animals - doubled from a year ago to 1.36 million tonnes, led by a more than four-fold jump in shipments in May, according to Chinese customs data.

Japan, South Korea, Vietnam, Indonesia and Malaysia accounted for most of the purchases although some cargoes went as far as Europe.

The jump in soymeal exports was due to a combination of factors - high imports of soybeans by China at a time when domestic demand for the animal feed was weak.

China, which buys nearly 70 percent of soybeans traded in the world, has been bringing in record volumes of the oilseed in recent months. Soybean arrivals rose 24.4 percent to 34.2 million tonnes in the first half of the year.

Domestic meal demand at the time fell on slowing economic growth and lower meat consumption following an outbreak of the bird flu virus, leaving huge surplus in the hands of processors.

But these fundamentals are now changing, traders said.

Soybean processing margins have started improving with some crushers making a profit of up to $10 a tonne as compared to a loss of $80 a tonne factories suffered earlier this year.

Crushing margins are expected to pick up slightly later, in the third quarter of this year, on a seasonal pick up in demand amid extended public holidays and a recent drop in soybean prices, said analysts in China.

"We saw bulk cargoes trade into Southeast Asia when the Chinese soybean meal was one of the cheapest but now shipments from Argentina are more competitive," said a second trader in Singapore.

SOUTH AMERICAN SUPPLIES CHEAPER
Last week, a Thai feed miller bought 150,000 tonnes of soybean meal from South America for about $500 to $505 a tonne, including cost and freight (C&F), for shipment between December and February, trade sources said.)

This compares with Chinese soymeal being offered around $570 a tonne, C&F, into Southeast Asia, traders said. Indian soymeal for nearby shipment is quoted at $610 a tonne, free on board.

The benchmark Chicago soymeal has given up more than a fifth of its value over three months while oilseed prices have also dropped by about as much. Further losses are likely as an expected record U.S. soybean output adds to a bumper South American production seen earlier this year.

China's Dalian soymeal has shed just about 8 percent over the period.

Given the competitive prices, for the next two months Brazil and Argentina will dominate meal supplies to Asia - which annually imports around 18 million tonnes a year or 30 percent of the global trade - after which U.S. supplies will hit the market, traders estimated.

China, however, will continue to supply meal to Japan because of logistical advantages, they added.

"China will remain a regular exporter to Japan for logistical reasons because the Japanese like to buy small cargoes of 2,000 tonnes at a time," the second trader said.

"It has a long coastline with a lot of small ports."

Beef Pollutes More Than Pork, Poultry, Study Says
22-Jul-2014

WASHINGTON (AP) - Raising beef for the American dinner table does far more damage to the environment than producing pork, poultry, eggs or dairy, a new study says.

Compared with the other animal proteins, beef produces five times more heat-trapping gases per calorie, puts out six times as much water-polluting nitrogen, takes 11 times more water for irrigation and uses 28 times the land, according to the study published Monday in the journal Proceedings of the National Academy of Sciences.

Cows are not efficient at converting feed to protein for human consumption, said lead author Gidon Eshel, an environmental physics professor at Bard College in New York.

Eshel used U.S. government figures to calculate air and water emissions and how much water and land were used in the lifetime production of beef, pork, poultry, dairy and eggs.

While other studies have looked at the issue, this is one of the most comprehensive pieces of research quantifying and comparing the U.S. environmental costs of different meats and other animal protein.

The beef industry called the study "a gross oversimplification of the complex systems that make up the beef value chain."

Kim Stackhouse, sustainability director at the National Cattlemen's Beef Association, said that the industry has improved its environmental sustainability in recent years and that the U.S. produces beef with the lowest greenhouse gas emissions of any country.

In the study, pork, poultry, dairy and eggs all had comparable environmental footprints, so close there were no statistically significant differences among them, Eshel said. But cows were off-the-chart different. The study did not look at plants or fish raised for human consumption.

Cows burp major amounts of methane, a greenhouse gas that is dozens of times more potent than carbon dioxide. Their digestive system makes them produce considerably more methane than pigs, chickens or turkeys do, Eshel said. The manure used to grow feed for cows also releases methane, as does their own bodily waste.

Because they are bigger and take longer to put on weight for meat, cows eat more food over their lifetimes than other animals raised for protein.

Nitrogen, from fertilizer runoff, can harm rivers, lakes and bays, causing oxygen-depleted "dead zones." The use of irrigation water is a major issue out West when there are droughts, like the current one in California. So much land used for farming changes the biodiversity of a location, Eshel said.

"It really looks like beef is a lot worse environmentally than these other meats," said Ken Caldeira, an environmental scientist at the Carnegie Institution for Science. Caldeira wasn't part of this study, but has a separate study of beef's greenhouse gas footprint around the world, published this month in the journal Climatic Change.

Eshel calculates that the average American who switches from beef to pork would reduce the equivalent of 1,200 pounds of carbon dioxide a year, which is about nine days' worth of the nation's per capita greenhouse gas emissions. The EPA calculates that it is the same as the emissions from 61 gallons of gas or what comes out of the smokestack from burning 580 pounds of coal.

Caldeira said his calculations found that "eating a pound of beef causes more greenhouse warming than burning a gallon of gasoline."

Even though pigs have the reputation for being dirty, the data shows that they "come out pretty clean" when compared to cows, Eshel said.

The message from the study is "whenever possible try to replace beef with other sources of protein from animal sources," said Eshel, who said he doesn't eat meat now but used to raise cattle on a kibbutz in Israel.

Nutrition scientists Marion Nestle at New York University and Malden Nesheim at Cornell University said the study makes sense, was done carefully and is important.

Caldeira, whose study examined livestock and greenhouse gas internationally, found that livestock accounted for 9 percent of the world's total greenhouse gases, and their overall output has increased 51 percent since 1961.

He also found that the developed world - including the U.S. - decreased its carbon emissions from livestock by 23 percent, while the developing world has more than doubled its emissions in that category. So overall greenhouse gases from livestock rose by more than 50 percent.

Countries like the United States are importing beef from developing countries, potentially skewing the results, Eshel said.

Instead of Starving, Africa Could Become the World's Next Major Food Source

Washington Post. July 22, 2014

The July issue of National Geographic features "the biggest story in global agriculture: the unlikely quest to turn sub-Saharan Africa, historically one of the hungriest places on the planet, into a major new breadbasket for the world." Author Joel K. Bourne Jr. documents the land rush set off by skyrocketing prices for corn, soybeans wheat and rice, with giant agribusinesses eager to lease or buy acreage in places where land is cheap and governments are willing to make deals.

The "green revolution" - the fertilizers, irrigation and high-yield seeds that doubled global grain production between 1960 and 2000 - never really took hold in Africa, Bourne writes. But that seems to be changing dramatically. Bourne describes a Chinese corporation that is building a 50,000-acre farm in the Limpopo River delta, as well as a New York conference for agricultural investors that drew 800 financial leaders looking for places to invest nearly $3 trillion for pension funds, life insurance companies, hedge funds and so on.

The good news is that growing investment in sub-Saharan countries could provide more food - as well as jobs and infrastructure that could result a higher standard of living - for Africans. The bad news? So far, little of the bounty is trickling down to average citizens in countries such as Mozambique, where Bourne visited a soybean-growing community called Hoyo Hoyo that leased 25,000 acres to a Portuguese company, hoping to improve the local economy; instead, the company displaced farmers, reneged on promises of schools and a clinic and provided jobs for only about 40 villagers.

It's not clear how climate change or competition from other developing nations might affect Africa's farming prospects. But the big question, Bourne writes, remains: Who will do the farming in Africa's future - individual farmers or giant corporations?

Louis Dreyfus Quits Palm Oil Venture in Indonesia

PARIS, July 24 (Reuters) - Global trader Louis Dreyfus Commodities has left a joint venture operating palm oil plantations in Indonesia after an investment review, the company said on Thursday.

Its Louis Dreyfus Commodities Asia Pte unit quit the Green Eagle Plantations Pte Ltd (GEP) venture, which Louis Dreyfus formed in 2011 with Indonesian conglomerate Rajawali Corp.

Louis Dreyfus said in 2012 the venture operated in four regions of Indonesia - West Kalimantan, East Kalimantan, South Kalimantan and Papua - overseeing 50,000 planted hectares, employing over 2,000 people and with 2011 production of nearly 100,000 tonnes of palm oil.

"Louis Dreyfus Commodities reviews its portfolio of investments periodically and, as part of that exercise, has decided to exit its investment in GEP," the company said in a statement.

It did not provide further details and could not be reached immediately for further comment.

The family-controlled Louis Dreyfus group is the "D" of the so-called ABCD majors that dominate agricultural commodities, alongside Archer Daniels, Bunge and Cargill.

The group, which has said it aims to double sales by the end of 2018 compared with last year's $63.6 billion, has highlighted Asia as an investment priority.

It operates throughout the food chain from farms to port terminals and processing plants.

Malaysia Encourages Palm Oil Companies to Venture into Downstream Activities

July 14, 2014

The government is encouraging palm oil companies to venture into downstream activities to realize Malaysia's ambition of becoming an international hub for the industry.

Minister of Plantation Industries and Commodities Datuk Amar Douglas Uggah Embas said the ministry dishes more incentives and programmes to attract palm oil companies into downstream activities.

The future of the palm oil industry depends on the capacity to develop the downstream activities.

Malaysia's palm oil industry needs to expand into downstream activities as its Crude Palm Oil (CPO) production is limited for plantations.

In 2020, Malaysia's oil palm plantations are expected to reach 5.5 million hectares, producing 30 million tonnes of palm oil products, while the downstream industry has no such limitations.

Palm oil exports were biased towards the upstream and mid-stream segments, with the total contribution to the overall industry at 74%, while downstream is 17%.

There is potential in the downstream segment where production provides a lucrative per unit revenue stream at 41% higher than the output.

The ministry introduced 2 programmes, the EPP 6 (to produce high-value derivatives) and the EPP 8 (food and health) to drive more Malaysian palm oil companies into downstream activities.

RM2.27 billion in investment had been committed for both the EPP 6 and EPP 8, while RM427 million in grants have been distributed to 10 Malaysian palm oil companies involved in downstream activities.

The grants were distributed for the production of palm oil derivatives such as surfactants, agro-chemicals, bio-polyols, bio-lubricants, glycerol derivatives, tocotrienols and carotenes.

Oregon GMO Labeling Measure Certified for November Ballot

By Courtney Sherwood

PORTLAND, Ore., July 24 (Reuters) - An Oregon citizens' initiative that would require labeling of foods made with genetically modified ingredients has garnered more than enough signatures to gain a spot on the state's November ballot, a state government spokesman said on Thursday.

"It cleared easily," said Tony Green, a spokesman for the Oregon Secretary of State's Office.

Advocates collected 118,780 valid signatures, far exceeding the 87,213 needed to qualify for the ballot, according to the state certified count.

The initiative, sponsored by Oregon Right to Know, would mandate labels on raw or packaged foods that include any genetically engineered ingredients, beginning in 2016. It would not apply to food served in restaurants or to animal feed.

An opposing group called Oregonians for Food and Shelter, which advocates for the pesticide, fertilizer and biotech industries, said the initiative would be "costly and misleading."

Similar arguments - backed by millions of dollars in ad spending - have helped beat back similar labeling measures in Washington and California in recent years. Measures to label GMOs in those states appeared at first to have wide public support, but ultimately lost by narrow margins.

Oregon is only one of many states wrestling with the hotly contested issue of GMO labeling.

Advocates of labeling say consumers deserve to know if the food they eat are made with gene-altered corn, soybeans, sugar beets and other biotech crops. Currently, labeling of such foods is voluntary.

Most of the biotech crops on the market have been genetically altered to repel pests or tolerate direct spraying of herbicides. Those crops are used in a vast array of food products.

The companies that develop them say the crops are safe, and are backed by many scientific studies. But critics of GMO crops cite studies showing links to human and animal health problems, and environmental concerns.

Oregon activists last sought to label GMOs in 2002, in a measure that was defeated at the ballot box. In May, voters in two small Oregon counties approved controversial ballot measures to ban cultivation of genetically engineered crops within their boundaries.

Vermont, Maine and Connecticut have all passed GMO label laws, but none has yet gone into effect. A Colorado group is also seeking to get the issue on the ballot in that state in November.