

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

This summary is based on reports from exporters for the period January 30-February 5, 2015.

Soybeans: Net sales of 745,400 MT for 2014/2015 were up 52 percent from the previous week and 29 percent from the prior 4-week average. Increases reported for China (603,300 MT, including 172,500 MT switched from unknown destinations and decreases of 17,600 MT), Indonesia (82,100 MT, including 75,000 MT switched from unknown destinations and decreases of 2,500 MT), Germany (70,000 MT, switched from unknown destinations), Pakistan (67,000 MT), Bangladesh (55,000 MT), Mexico (39,300 MT), and Vietnam (6,000 MT), were partially offset by decreases for unknown destinations (147,300 MT) and Japan (54,500 MT). Net sales of 800 MT for 2015/2016 were for Japan. Exports of 1,603,100 MT were down 26 percent from the previous week and 8 percent from the prior 4-week average. The primary destinations were China (1,157,700 MT), Indonesia (120,200 MT), Germany (64,900 MT), Mexico (63,900 MT), Pakistan (51,000 MT), Tunisia (33,000 MT), Russia (31,100 MT), and Taiwan (19,100 MT).

Optional Origin Sales: For 2014/2015, options were exercised to export 53,000 MT to China from the United States. Outstanding optional origin sales total 763,000 MT, all China.

Exports for Own Account: The current exports for own account balance is 1,900 MT, all Canada.

Soybean Cake and Meal: Net sales of 189,400 MT for 2014/2015 were down 36 percent from the previous week and 20 percent from the prior 4-week average. Increases were reported for the Philippines (86,500 MT), Spain (71,600 MT, including 75,600 MT switched from unknown destinations and decreases of 4,000 MT), Canada (41,800 MT), Egypt (33,000 MT, including 30,000 MT switched from unknown destinations), Poland (24,900 MT, including 19,400 MT switched from unknown destinations), and Panama (16,300 MT). Decreases were reported for unknown destinations (115,900 MT), France (4,400 MT), Mexico (2,400 MT), and the French West Indies (2,300 MT). Net sales of 45,100 MT for 2015/2016 were reported for Spain (45,000 MT) and Canada (100 MT). Exports of 283,100 MT were up 96 percent from the previous week, but down 3 percent from the prior 4-week average. The primary destinations were Spain (74,600 MT), the Philippines (45,500 MT), Egypt (33,000 MT), Mexico (29,000 MT), the Dominican Republic (26,200 MT), Poland (25,000 MT), and Canada (9,700 MT).

Soybean Oil: Net sales of 16,100 MT for 2014/2015 were up 7 percent from the previous week, but down 11 percent from the prior 4-week average. Increases were reported for Peru (14,700 MT), South Korea (10,700 MT), Jamaica (3,500 MT), and Mexico (700 MT). Decreases were reported for unknown destinations (14,000 MT). Exports of 15,400 MT were down 41 percent from the previous week and 39 percent from the prior 4-week average. The primary destinations were South Korea (10,700 MT), Mexico (4,100 MT), and Canada (400 MT).

[New Tegram Grains Terminal in NE Brazil Receives First Soy Load](#)

By Gustavo Bonato

SAO PAULO, Feb 9 (Reuters) - The Tegram terminal in northeastern Brazil has received its first truckload of soybeans, two executives said on Monday, as more alternatives to the country's clogged southeastern ports open up.

U.S.-based CHS owns 25 percent of a warehouse at the Grains Terminal of Maranhão (Tegram). Glencore Plc, CGG Trading, Amaggi and Louis Dreyfus Commodities operate the three other warehouses at the terminal.

Brazil's southeastern ports have been unable to accommodate surging grains output from Brazil, which last year became the world's top soybean exporter. Ports in the north are closer to the center-west grain belt as well as to the Panama Canal, making them an attractive investment for international companies.

The first truckload of soybeans arrived at Tegram terminal on Sunday and will be exported next month, Luis Neves, director of CHS operations in Brazil, told Reuters.

Brazilian firm NovaAgri runs the other 75 percent of the warehouse where CHS, which operates as a farming cooperative in the United States but trades grains in Brazil, is located.

A second warehouse at the Tegram terminal owned by Glencore will likely receive soybeans in 15 or 20 days and Tegram should export 2 million tonnes of grains in 2015, said Luiz Claudio Ferreira dos Santos, head of a consortium that represents the companies operating Tegram.

He said all four warehouses would be operating by the end of March.

ADM said last week it would sell a 50 percent stake in its Barcarena grain exporter terminal in Para state to Glencore and together the companies plan to increase the terminal's annual capacity to 6 million tonnes.

Bunge Ltd also has a Barcarena terminal. Tegram, located in São Luís, Maranhão state, expects to receive most of its grains by rail via the North-South train but is waiting for a final stretch of track to be finished.

Neves of CHS said the company expects its first grain deliveries by rail in May.

Tegram will have an initial operating capacity of 5 million tonnes per year, Santos, of the terminal's consortium, said. A second phase would add another dock and an additional 5 million tonnes' capacity per year.

Brazil's government expects a record 49.6 million tonnes of soybeans and 20 million tonnes of corn to be exported from the current 2014/15 crop.

Brazil Crop Tour: Top Soybean Producer Getting Record Harvest

By Gerson Freitas Jr.

(Bloomberg) -- Grupo Bom Futuro getting 57 bags (3,420 kilos) soybean/hectare(50.85 bu./acre) on average in Mato Grosso state after about 40% of harvest complete, owner Erai Maggi Scheffer says by phone from Cuiaba.

* Compares with 54.8 bags per hectare in 2014

- * Drought-led losses in Mato Grosso are mostly restricted to sandy soils
- * Bom Futuro planning to expand planting 5% or 15,000 hectares in '15
- * Co.'s investments in machinery and land seen at about BRL150m in '15
- * Real depreciation helping boost farming revenues
- * Crop profit margin 'slightly below' last year's level on lower prices
- * NOTE: Bom Futuro is Brazil's top soy grower with 284,000 planted hectares in 2014-15 season; revenues
BRL2.5b in '14

E.U. Groups Urge GMO Approval

2/9/2015 - by World Grain Staff

BRUSSELS, BELGIUM — FEFAC, FEDIOL and COCERAL on Feb. 5 urged the E.U. Commission to lift immediately the present “de-facto” moratorium on genetically-modified (GM) import authorizations for food, feed and technical uses to prevent further threats to the E.U. food security as well as to the economic sustainability of the food, feed and E.U. livestock sector.

Despite these increasing threats, the E.U. authorization system for GM import is on hold since November 2013 due to merely political considerations, the groups said. There are currently 12 GM crop import authorizations awaiting a final decision by the E.U. College of Commissioners, following completion of the EFSA scientific assessment and E.U. risk management process.

The E.U. risks facing a situation of serious shortages of the much needed import of agricultural commodities for food, feed and technical uses, the groups said. The risk is increasing that entire shipments of agricultural commodities, regardless of whether GM, non-GM or organic products, will be blocked at E.U. borders because of technically unavoidable traces of the "blocked" GM products detected in imported consignments.

If decisions for import authorizations are delayed any further, E.U. business operators could bear massive extra-costs.

[Oil World Sees Weaker Oilmeal Prices in Coming Months](#)

HAMBURG, Feb 11 (Reuters) - Global oilmeal prices are likely to be weak in coming months as an increase in soybean crushings will raise the proportion of oilmeals produced from seed processing, the head of Hamburg-based oilseeds analysts Oil World said on Wednesday.

"In my price forecasts I assume oilmeals will become the weakest member in the (oilseeds) complex, while vegetable oils should be the strongest, with oilseeds trading/fluctuating somewhere in between," Oil World Executive Director Thomas Mielke said.

Worldwide supplies of sunflower seed and rapeseed will be insufficient in the next 6 to 12 months, Mielke said in a release of a presentation made at the Oilseed Congress Europe in Barcelona this week.

"But there will be a surplus in soybeans," he said. "Global dependence on soybeans will increase. However soybeans as a (high yield) meal seed cannot solve an oil supply deficit without creating a surplus in oilmeals."

"We expect the oil share of the combined product value to appreciate, while meal prices are likely to come under pressure and become weaker than vegetable oils."

Falling crude oil prices and sluggish economic growth have weakened sentiment in agricultural markets along with rising stocks of oilseeds, primarily soybeans, and other agricultural products, he said.

"Biodiesel production is declining in many countries since vegetable oils have lost their price attractiveness in the energy market since September," he said. "Although this is partly compensated by a further growth in biodiesel production in Brazil and a few other countries, it is very well possible that world production of biodiesel will decline in the calendar year 2015, the first annual decline ever registered."

Developments in Indonesia may be a swing factor after the country decided this month to increase subsidies for biodiesel which is largely produced in the country from palm oil.

"This will stimulate consumption of palm oil for biodiesel production and thus support palm oil prices," Mielke said.

[Argentina 2014-15 Soy Harvest Seen at Record 58 MMT- Exchange](#)

BUENOS AIRES, Feb 11 (Reuters) - Argentina will produce a record 58 million tonnes of soybeans in the 2014-15 season, the Rosario Grains Exchange said on Wednesday, citing recent rains as a key factor increasing its previous estimate of 54.5 million tonnes.

"Storm fronts remained active in January in the Pampas farm belt, consolidating a scenario of high production," the exchange said in its monthly crop report.

The rainy conditions lasted through the first 10 days of February, bumping nationwide soy yields up to an expected 2.9 tonnes per hectare (43.11 bushels/acre), the report said.

Earlier this month, the Buenos Aires Grains Exchange said it expected a 2014-15 soy harvest of 57 million tonnes, in its first harvest forecast for this crop year.

Corn yields in Cordoba, Santa Fe and Entre Rios provinces were also on the rise, the Rosario report said, pushing this season's crop estimate to 23.5 million tonnes nationwide versus an earlier forecast of 22.4 million.

"Santa Fe is very close to 9.8 tonnes of corn per hectare. Cordoba is at 8.2 tonnes per hectare and Entre Rios could get close to 8.1 tonnes per hectare," the report said.

Estimated corn planting area in northern areas of the country rose by 200,000 hectares, the report said, pushing estimated nationwide planting to 3.9 million hectares.

[USDA Sees Rising U.S. Government Farm Payments in 2015-17](#)

Feb 11 (Reuters) - Falling crop prices will lead to higher direct government payments to U.S. farmers in 2015 through 2017, the U.S. Department of Agriculture said in its annual long-term projections report released on Wednesday.

Most of the payments will fall under two new programs under the 2014 farm bill, the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs.

Also in the report, USDA said U.S. ethanol production would remain "relatively flat" over the next decade, reflecting declining overall consumption of gasoline, which generally contains a 10 percent ethanol blend.

Constraints on demand for a 15 percent blend and the small size of the market for an 85 percent blend will further limit ethanol output, USDA said.

Corn remains the primary ethanol feedstock in the United States, and about 35 percent of the annual U.S. corn crop will be used for ethanol production over the next decade, USDA said.

On the export front, USDA projected U.S. soybean exports for the 2015/16 marketing year beginning Sept. 1, 2015, at 1.820 billion bushels. USDA on Tuesday estimated soybean exports for 2014/15 at 1.790 billion bushels.

USDA forecast that U.S. soybean exports would rise to 1.845 billion bushels by 2024/25, but said the U.S. share of the global soy export trade would fall to about 33 percent by the end of the decade as South American production of the oilseed expands.

USDA expects soybean imports by top global buyer China to reach 76.7 million tonnes in 2015/16 and rise to 107.7 million tonnes by 2024/25.

For corn, USDA forecast U.S. 2015/16 corn exports at 1.9 billion bushels.

The report showed China importing a total of 2.9 million tonnes of corn in 2015/16, rising to 7.2 million in 2024/25.

Mexico's corn imports are projected to rise from 11.4 million tonnes in 2015/16 to 15 million in 2024/25, matching the level of projected corn imports by Japan, the current global leader, USDA said.

Argentine Financial Stress

The Argentine economy is stressed by a continued shortage of U.S. dollars, which are necessary for imports. Yet, more than a \$1 billion could flow into the country by releasing export licenses for wheat. The Argentine government, however, seemingly remains hesitant, but it must responsibly consider the financial health of the farm community. Releasing export licenses after a global price collapse is not a responsible solution.

Spot wheat prices in Argentina continue to decline and are now below \$240/MT. Corn is also trading somewhat weaker with a few export sales during the past week at approximately 68 CK. It is important that Argentine corn sales remain active through at least mid-April in order to keep the harvest flowing.

An increasing number of farmers have already told landowners that this will be the last

season they rent under current terms and conditions. There is growing interest in having a profit sharing system that has the protective floor with a minimum yield. For example, the farmer and landowner could split the gains so long as the soybean yield is a minimum of 3 MT per hectare. The key point is that future leasing contracts in Argentina are likely to become increasingly detailed as a means to deal with potential expenses such as the proliferation of weeds that are resistant to herbicides, an issue that is more common on rented lands. Argentine farmers have recently been spending more than \$100/MT to fight the unwanted plants.

[NOPA January Soy Crush Seen as Fourth-Biggest Ever](#)

By Mark Weinraub

CHICAGO, Feb 12 (Reuters) - U.S. soybean processors likely maintained a healthy crushing pace during January as they scrambled to keep up with surging domestic demand, analysts said.

Soybean crushings were expected to come in at 162.673 million bushels in the National Oilseed Processors Association's monthly report set for release on Tuesday, according to the average estimate from nine analysts in a Reuters poll.

If realized, that would represent a 1.6 percent dip from December's level, which was the second-highest ever. It also would be a record for January and the fourth-biggest monthly crush ever.

U.S. crushings typically decline in January as overseas buyers turn their attention to supplies from the early harvest in South American production countries such as Brazil and Argentina.

But U.S. livestock and poultry producers picked up the slack this year. The U.S. Agriculture Department raised its projection for domestic soymeal use during the 2014/15 crop year by 300,000 tons to 30.5 million tons in its February supply and demand report.

Analysts' crush estimates ranged from 157.500 million to 166.135 million bushels. The median was 163.500 million.

The analysts' average estimate for NOPA's January U.S. soyoil stocks figure was 1.170 billion lbs, which would be the highest since August. A month ago, soyoil stocks stood at 1.068 billion lbs, according to NOPA data. Estimates ranged from 1.014 billion lbs to 1.281 billion lbs, with a median of 1.150 billion lbs.

NOPA releases its crush data at 11 a.m. CST (1700 GMT) on the 15th of each month or the next business day.