

WEEKLY NEWS ARTICLE UPDATE



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Note: I will be traveling in Brazil and Asia the next 2 weeks for the U.S. Soybean Export Council. Because of the hectic schedule and limited access to the internet I will not produce an update for August 24, but I intend to distribute one for August 31.

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Export Sales Highlights

This summary is based on reports from exporters for the period July 31-August 6, 2015.

Soybeans: Net sales of 96,300 MT for 2014/2015 were down noticeably from the previous week, but up noticeably from the prior 4-week average. Increases were reported for Indonesia (94,600 MT, including 93,100 MT switched from unknown destinations and decreases of 500 MT), Morocco (20,000 MT), Taiwan (10,600 MT), South Korea (9,900 MT, including 10,000 MT switched from unknown destinations and decreases of 100 MT), and Colombia (8,600 MT, including 6,300 MT switched from unknown destinations and decreases of 100 MT). Decreases were reported for unknown destinations (56,600 MT). Net sales of 660,500 MT for 2015/2016 were reported primarily for China (330,000 MT), unknown destinations (226,800 MT), Costa Rica (53,500 MT), and Mexico (35,300 MT). Exports of 178,100 MT were down 16 percent from the previous week and 14 percent from the prior 4-week average. The primary destinations were Indonesia (101,900 MT), Mexico (29,600 MT), Colombia (12,400 MT), South Korea (9,900 MT), and Costa Rica (8,900 MT).

Optional Origin Sales: For 2014/2015, outstanding optional origin sales total 475,000 MT, all China. For 2015/2016, outstanding optional origin sales total 385,000 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 57,100 MT for 2014/2015 were up 38 percent from the previous week and 8 percent from the prior 4-week average. Increases were reported for Thailand (45,000 MT, switched from unknown destinations), the Philippines (22,500 MT), Mexico (22,100 MT), Colombia (12,800 MT, including 10,000 MT switched from unknown destinations and decreases of 700 MT), Honduras (9,000 MT, including 7,900 MT switched from unknown destinations), and Guatemala (6,500 MT, including 5,600 MT switched from unknown destinations and decreases of 100 MT). Decreases were reported for unknown destinations (72,900 MT) and Ecuador (1,200 MT). Net sales of 277,000 MT for 2015/2016 were reported primarily for unknown destinations (191,000 MT) and the Philippines (80,000 MT). Decreases were reported for Canada (100 MT). Exports of 211,400 MT were up 98 percent from the previous week and 37 percent from the prior 4-week average. The primary destinations were Mexico (47,300 MT), Ecuador (31,800 MT), the Philippines (27,500 MT), Canada (13,700 MT), Panama (9,400 MT), and Colombia (9,300 MT).

Soybean Oil: Net sales reductions of 2,600 MT--a marketing-year low-- for 2014/2015 were down noticeably from the previous week and from the prior 4-week average. Increases reported for the Dominican Republic (1,100 MT) and Mexico (100 MT), were more than offset by decreases for Canada (3,800 MT). Net sales of 1,800 MT for 2015/2016 were reported for Mexico. Exports of 15,900 MT were up noticeably from the previous week and from the prior 4-week average. The primary destinations were the Dominican Republic (9,400 MT), Venezuela (3,000 MT), and Mexico (2,800 MT).

Cuban Deals; America and Cuba

8/15/2015

The Economist

Despite the embargo, America *exports* plenty of goods to its erstwhile enemy

"WE LEARNED that the steps taken by President Obama to re-engage with Cuba have launched a bit of a global race [?] to leave as little as possible for American business when the restrictions are lifted altogether." Arne Sorenson, the boss of Marriott, a hotel chain, sounded frustrated after he returned from his first trip to Cuba last month. American business is losing out, he says, because *European* and Latin American companies can cater to the millions of American tourists who are expected to travel to Cuba soon, whereas Marriott and other American companies are still barred by law from doing business there.

Before the Cuban revolution in 1959, the island's farm *exports* to America amounted to \$2.2 billion a year (at current commodity prices) while American agricultural *exports* to Cuba stood at \$600m, according to the United States Department of Agriculture. Cuba supplied its big neighbour with molasses, cane sugar, tobacco and coffee. America *shipped* rice, pork, lard and *wheat* flour across the Florida straits. The embargo ended all *imports* from Cuba but, just as the United States traded with the Soviet Union during the cold war, American farm products, some pharmaceuticals and medical equipment can be bought on the island—for a price.

America is a big supplier of food to Cuba (which *imports* 80% of what it needs). By 2008 it was *exporting* \$685m-worth of corn, soya\beans and poultry to the island. Since then, that figure has declined; last year food *exports* were only \$286m, and this year is shaping up to be especially disappointing. One reason is that Cuba is paying down its debts to Russia, Japan and Mexico and so has less money to spend. Another is Cuba's decision to stop *importing* American poultry after an outbreak of bird flu. And a third is that Cubans must pay American *exporters* in cash because they are not allowed to give them credit, which puts Americans at a disadvantage to *exporters* in

other countries. Mr Obama has helpfully redefined Cubans' obligation to pay cash in advance as "cash before transfer of title", but it remains a cumbersome process.

Despite these discouragements, several companies are venturing into the socialist paradise. As well as allowing more Americans to visit Cuba without special permits and to send more remittances to relatives on the island, Mr Obama's administration has let telecoms firms as well as banks take steps towards operating in Cuba. In February IDT, a telecoms firm in New Jersey, said it had reached an agreement with Empresa de Telecomunicaciones de Cuba, the national telecom provider, to exchange long-distance traffic. (Other telecoms firms are likely to find suspicion of the NSA an impediment to doing business.) In May banks felt easier about doing business in Cuba when the State Department took it off the list of state sponsors of terror. In July Stonegate, a Florida-based bank, signed a correspondent banking agreement with Banco Internacional de Comercio, a government-controlled Cuban bank.

For trade to return to anything like its pre-revolutionary health, though, the embargo will have to go. According to a Pew poll published on July 21st, 72% of Americans would like to end it. More surprisingly, 55% of conservative Republicans now agree, compared with just 40% in January. Among Republican presidential hopefuls, Marco Rubio, Ted Cruz and Jeb Bush (all with strong connections to Cuban exile groups in Miami) want the embargo to stay. Hillary Clinton, who has a keen sense of what voters want to hear, once backed the embargo (her husband Bill signed the Helms-Burton Act, which toughened it, in 1996, though he later regretted having done so). She now wants to scrap it.

America's farmers look forward to that day. According to Parr Rosson of Texas A&M University, agricultural *exports* to Cuba could exceed \$1 billion annually, which, he says, would create an extra 6,000 jobs in America. Yet this will only happen if Cubans become a bit more prosperous and if Raúl Castro's government, which has done little to make trade easier since the thaw in December, embraces commerce with the old enemy (see page 42). Until then American hoteliers, and most of the American business travellers they would like to profit from, will continue to fret that they are missing out.

Farmers' Protest in Argentina Likely to Cause Significant Road Cargo Disruption in the Next Week

8/13/2015

IHS Global Insight

The Argentine Agrarian Federation (Federacion Agraria *Argentina*: FAA) announced on Tuesday (11 August) a week of protests that will last until 19 August to demand government aid for the struggling sector. The FAA, which represents small and medium-sized farmers, said that recent heavy rain and flooding had exacerbated the difficulties of a sector that it claimed was facing "ruin". Orlando Marino, FAA's general secretary, announced that there would be daily demonstrations across the country, including "Tractorazos" (road blockades using tractors), for the next week. The planned demonstrations are taking place in the provinces of Chaco, Rio Negro, and Mendoza; other provinces that will take part are Salta, Formosa, and Santa Fe, where Rosario, *Argentina's* largest port and main handler of grain *exports*, is located.

Argentine farmers have been hit badly by a series of developments, including declining *grain* prices and heavy *export* taxes, as well as high production and *transportation* costs. Bans on *exports* of *wheat* and corn have exacerbated their difficulties. Farming associations have reported that many farmers are seeking to restructure debt contracted with commercial banks and fertiliser suppliers, or simply defaulting outright. The sector has seen

similar protests this year, including a three-day strike in March. In May workers at the port of Rosario went on strike for 21 days over a wage dispute. This affected port terminals and oil facilities, including those of T6 and Cargill in Puerto San Martin and Dreyfus in Timbues.

Significance: The strike by the FAA, which has hitherto accepted dialogue with the government and refrained from taking part in stoppages organised by other farmers groups, is an indicator of the seriousness of the plight of small and medium-sized producers. The FAA's stance suggests that unrest in the farming sector is likely to increase in the run-up to the October election. Cargo risks are compounded by the decision of the large farming federations, the Argentine Rural Society, the Agricultural Inter-Cooperative Confederation (CONINAGRO), and the Argentine Rural Confederations, to suspend *trading* of *grain* and cattle for five days, and by strike threats by customs workers' unions over wages.

[Brazil Braces for Protests as Referendum on Rousseff Impeachment](#)

August 13, 2015

As allegations of corruption and incompetence swamp Brazil's government, and plummeting commodity prices sap its economy, hundreds of thousands of angry citizens are expected to descend on central squares across the country on Sunday, posing a key test for President Dilma Rousseff.

This will be the year's third mass protest against Rousseff, who is facing growing calls for her impeachment. A strong showing could help support her ouster and deepen a sell-off on financial markets.

The Free Brazil Movement, one of the groups organizing the demonstrations, says rallies are confirmed in 114 cities.

Congress is watching the turnout both to judge the support for impeachment proceedings and to measure the level of discontent in their home districts.

"Representatives in the lower house are paying close attention to the protests on Sunday to see if they have a national impact," said Leonardo Picciani the leader of the Democratic Movement Party in the lower house, which remains in uneasy alliance with Rousseff's Workers' Party.

Picciani's party, known as the PMDB, has the largest representation in Congress. Speaker Eduardo Cunha declared his personal opposition to the government after he was accused of soliciting and accepting a \$5 million bribe, which he denied. While his party has not formally broken from the Workers' Party, some of its representatives say they'll vote for impeachment, an aim shared by large segments of the population.

Corruption Wave

Renan Machado, a 29-year-old lawyer from Sao Paulo said the demonstrations will be an opportunity to make that clear. "I'm going to protest to end this wave of corruption because I can't stand this incompetent government any longer," Machado said.

Since narrowly winning reelection last October, Rousseff, Brazil's first female president, has embarked on an austerity program that has cost her political capital. Her popularity has plummeted to 8 percent, a record low, and more than two-thirds of Brazilians support impeachment, according to Datafolha, a polling firm. The economy in 2015 is forecast to post its worst performance in 25 years amid ongoing corruption probes into politicians and executives.

Rousseff has reversed herself on some popular but expensive measures such as caps on electricity and gasoline prices. The middle class that doesn't qualify for subsidies has been hardest hit as power bills rose an average 23 percent, and more than 50 percent in some regions. Higher interest rates are restricting consumer credit, unemployment has hit 6.9 percent and inflation is rising, inching toward 10 percent.

Rousseff won election in 2010 following Luiz Inacio Lula da Silva, the central figure of the Workers' Party. She rode his popularity for most of her first term until demonstrations in 2013 brought millions to the streets protesting corruption and spending on the World Cup hosted by Brazil last year.

Rousseff recovered enough to win reelection but protests in March and April took aim at her.

Collor's Impeachment

The date of this week's protest is no accident -- demonstrations on Aug. 16, 1992 helped lead to impeachment proceedings against Fernando Collor de Mello.

Collor, who resurrected his political career to become a senator, is one of the more than 30 sitting lawmakers under investigation for alleged participation in a kickback scheme that funneled money from contracts with the state oil company, Petroleo Brasileiro SA, to political parties. Most of the politicians under investigation are part of Rousseff's ruling coalition, and police arrested the former treasurer and a senior official of her party. Prosecutors haven't presented evidence against Rousseff and she has repeatedly declared her innocence.

The past week has actually provided some respite for the government. The Senate showed signs it will cooperate and two events involving social movements drew supporters for Rousseff and her party. The widely-expected decision by Moody's Investors Service to downgrade Brazil's sovereign credit rating was also taken by some as a good sign, since the country was left with a stable outlook.

And O Globo, the newspaper of the country's largest media group, often accused of trying to overthrow the government, published an editorial this week criticizing Congress for feeding a political crisis that aggravates the country's economic crisis.

Public Appearances

In another development interpreted by some as positive for the government, Brazil's audit court this week granted 15 additional days to respond to new irregularities found in Rousseff's 2014 accounting. Since impeachment requires a legal infraction, not simply low popularity, the audit court's recommendation, which will be sent to Congress for a final decision, is seen as the most likely basis to begin impeachment proceedings.

Rousseff has stepped up her public appearances, defending herself and her plan to remain in office. She said she never considered resigning and asked Brazilians to reject politics that create chaos for political gain.

Miguel Rossetto, her general secretary, said on Thursday that Sunday's rallies should not be over-interpreted. "There are protests in favor of the government and those that are critical of the government," he said. "It's part of the learning process of our democracy."

[The Green Scare Problem](#)

Raising constant alarms—about fracking, pesticides, GMO food—in the name of safety is a dangerous game.

Wall Street Journal

By

Matt Ridley

Aug. 13, 2015 7:02 p.m. ET

"We've heard these same stale arguments before," said President Obama in his speech on climate change last week, referring to those who worry that the Environmental Protection Agency's carbon-reduction plan may do more harm than good. The trouble is, we've heard his stale argument before, too: that we're doomed if we don't do what the environmental pressure groups tell us, and saved if we do. And it has frequently turned out to be really bad advice.

Making dire predictions is what environmental groups do for a living, and it's a competitive market, so they exaggerate. Virtually every environmental threat of the past few decades has been greatly exaggerated at some point. Pesticides were not causing a cancer epidemic, as Rachel Carson claimed in her 1962 book "Silent Spring"; acid rain was not devastating German forests, as the Green Party in that country said in the 1980s; the ozone hole was not making rabbits and salmon blind, as Al Gore warned in the 1990s. Yet taking precautionary action against pesticides, acid rain and ozone thinning proved manageable, so maybe not much harm was done.

Climate change is different. President Obama's plan to cut U.S. carbon-dioxide emissions from electricity plants by 32% (from 2005 levels) by 2030 would cut global emissions by about 2%. By that time, according to Energy Information Administration data analyzed by Heritage Foundation statistician Kevin Dayaratna, the carbon plan could cost the U.S. up to \$1 trillion in lost GDP. The measures needed to decarbonize world energy are going to be vastly more expensive. So we had better be sure that we are not exaggerating the problem.

But it isn't just that environmental threats have a habit of turning out less bad than feared; it's that the remedies sometimes prove worse than the disease.

Genetically modified organisms (GMOs) are a case in point. After 20 years and billions of meals, there is still no evidence that they harm human health, and ample evidence of their environmental and humanitarian benefits. Vitamin-enhanced GM "golden rice" has been ready to save lives for years, but opposed at every step by Greenpeace. Bangladeshi eggplant growers spray their crops with insecticides up to 140 times in a season, risking their own health, because the insect-resistant GMO version of the plant is fiercely opposed by environmentalists. Opposition to GMOs has certainly cost lives.

Besides, what did GMOs replace? Before transgenic crop improvement was invented, the main way to breed new varieties was "mutation breeding": to scramble a plant's DNA randomly, using gamma rays or chemical mutagens, in the hope that some of the monsters thus produced would have better yields or novel characteristics. Golden Promise barley, for example, a favorite of organic brewers, was produced this way. This method still faces no

special regulation, whereas precise transfer of single well known genes, which could not possibly be less safe, does.

Environmentalists are currently opposing neonicotinoid pesticides on the grounds that they may hurt bee populations, even though the European Union notes that honeybee numbers have been rising in the 20 years since they were introduced. The effect in Europe has been to cause farmers to return to much more harmful pyrethroid insecticides, which are sprayed on crops instead of used as seed dressing, hitting innocent bystander insects. And if Europeans had been allowed to grow GMOs, then less pesticide would be necessary. Again, green precaution increases risks.

Nuclear power has been energetically opposed by the environmental lobby for decades, on the grounds of danger. Yet nuclear power causes fewer deaths per unit of energy generated than even wind and solar power. Compared with fossil fuels, nuclear power has prevented 1.84 million more deaths than it caused, according to a study by two NASA researchers. Opposition to nuclear power has cost lives.

Likewise widespread opposition to fracking for shale gas, is based almost entirely on myths and lies, as Reason magazine's science correspondent, Ronald Bailey, has reported. This opposition has substantially delayed the growth of onshore gas production in Europe and in parts of the U.S. That has meant more reliance on offshore gas, Russian gas, and coal—all of which have greater safety issues and environmental risks. Opposition to fracking has hurt the environment.

In short, the environmental movement has repeatedly denied people access to safer technologies and forced them to rely on dirtier, riskier or more harmful ones. It is adept at exploiting people's suspicion of anything new.

Many exaggerated early claims about the dangers of climate change have now been debunked. The Intergovernmental Panel on Climate Change has explicitly abandoned previous claims that malaria will likely get worse, that the Gulf Stream will stop flowing, the Greenland or West Antarctic Ice sheet will disintegrate, a sudden methane release from the Arctic is likely, the monsoon will collapse or long-term droughts will become more likely.

Meanwhile, on the other side of the ledger, in contrast to our experience with acid rain and the ozone layer, the financial, humanitarian and environmental price of decarbonizing the energy supply is proving much steeper than expected. Despite falling costs of solar panels, the system cost of solar power, including land, transmission, maintenance and nighttime backup, remains high. The environmental impact of wind power—deforestation, killing of birds of prey, mining of rare earth metals—is worse than expected. According to the BP Statistical Review of World Energy, these two sources of power provided, between them, just 1.35% of world energy in 2014, cutting emissions by even less than that.

Indoor air pollution, caused mainly by cooking over wood fires indoors, is the world's biggest cause of environmental death. It kills an estimated four million people every year, as noted by the nonprofit science news website, SciDev.Net. Getting fossil-fueled electricity and gas to them is the cheapest and quickest way to save their lives. To argue that the increasingly small risk of dangerous climate change many decades hence is something they should be more worried about is positively obscene.

Mr. Ridley is the author of "The Rational Optimist: How Prosperity Evolves" (HarperCollins, 2010) and a member of the British House of Lords. His family leases land for coal mining in northern England.

[USDA Sees Bumper U.S. Soy, Corn Crops Despite Spring Floods](#)

By Mark Weinraub

WASHINGTON, Aug 12 (Reuters) - U.S. corn and soybean harvests were pegged above expectations this year as strong yields in areas west of the Mississippi River will make up for problems caused by excessive rains in eastern production states, the government said on Wednesday.

The U.S. Agriculture Department forecast the 2015/16 soybean harvest at 3.916 billion bushels, based on an average yield of 46.9 bushels per acre. Both figures were above the government's previous forecasts and topped the high end of the range of market estimates.

Record soybean yields were forecast in eight states, including Minnesota and Nebraska. Yields were seen falling in Illinois, the biggest soybean state by plantings, and Indiana due to the rains.

Corn production was seen at a 13.686 billion bushels, with average yield projected at 168.8 bushels per acre. The corn yield outlook topped the range of market estimates. The production view was near the high end of expectations.

Harvested soybean acres were seen at a record 83.549 million acres, but down from the USDA's previous outlook. The USDA left its projection for corn-harvested acres unchanged at 81.101 million.

Crop watchers have raised concerns for months about the flooding during the spring cutting into soybean seedings and limiting harvest potential in planted areas hit by the rains.

The weather concerns sparked a rally in soybean futures during June, with corn following along, but prices retreated from their highs as the weather for crop development improved during July.

The big crops will boost the supplies left of both commodities at the end of the marketing year.

Domestic soybean ending stocks for 2015/16 were seen at 470 million bushels, up 45 million bushels from the government's July estimate and above analysts' forecasts ranging from 210 million to 402 million bushels. The USDA also cut its soybean export projection by 50 million bushels.

The outlook was the USDA's first bump to soy ending stocks since it first issued its expectations for the 2015/16 marketing year in May. It had lowered its outlook for 2015/16 soy ending stocks in the previous two monthly reports.

For corn, the USDA projected 2015/16 domestic ending stocks at 1.713 billion bushels, up from 1.599 billion in July and above the high end of trade forecasts.

It also raised its wheat ending stocks outlook to 850 million bushels from 842 million, below the average of analysts' estimates. The government cut its export forecast while also lowering its winter wheat production.

[Brazil Fertilizer Sales Expected to Fall in 2015 -Mosaic](#)

SAO PAULO, Aug 12 (Reuters) - Fertilizer sales in Brazil will likely be between 30 million and 31 million tonnes in 2015, down from 32.2 million tonnes in 2014 due to market uncertainty, the head of U.S. fertilizer company Mosaic Co in Brazil, Floris Biolders, said on Wednesday.

Biolders said farmers were not booking sales as far in advance as usual, which could result in a crunch at Brazilian ports when the imported products finally arrive, potentially resulting in delayed delivery. Farmers will start planting the 2015/16 grain crops in mid-September in Brazil, the world's No. 2 soybean producer, and analysts expect soy area to expand less than in recent years with lower margins expected.

Late or decreased application of fertilizer could result in lower yields from the upcoming crops.

"Farmers are waiting because there is a lot of volatility in prices of the grains and of the fertilizers," Bienders told Reuters at an event in Sao Paulo, adding that a weaker Brazilian currency had made the cost of imported fertilizers more expensive.

Farmers benefit from the real, which has been trading at its weakest levels in 12 years, when they sell soybeans and other crops that are priced in dollars.

[Expert Who Advised Scottish Government Slams Move to Ban GM Crops](#)

A FORMER chief scientific advisor to the Scottish Government has hit out at ministers for banning genetically modified crops.

Professor Anne Glover, who held the role between 2006 and 2011 and has also worked as chief scientific adviser to the president of the European Commission, said it was not clear what evidence the policy was based on and warned that the move could harm Scottish agriculture.

Environment Secretary Richard Lochhead has said that banning the growing of genetically modified (GM) crops would protect Scotland's "clean, green status".

But Professor Glover, currently on a sabbatical in Germany from her role as Vice-Principal External Affairs and Dean for Europe at the University of Aberdeen, said it was "not possible to equate 'clean and green' with anti-GM."

She added: "Traditional agriculture is heavily reliant on substantial chemical input to fertilise and protect from pests and disease. Judicious choice of GM varieties could reduce the need for such heavy chemical input thus reducing negative impact of agriculture on the environment.

"By banning GM crops, the Scottish Government have removed, for example, the possibility of growing blight resistant GM potato in Scotland (a major

"A smart nation like Scotland with outstanding international scientific credentials should be harnessing knowledge to deliver sustainable farming with minimal impact on the environment. Selective use of GM crops could be a valuable approach to greatly reducing the chemical input which is common in today's agriculture whilst still maintaining or improving yields.

"This seems like a missed opportunity for Scottish agriculture to use the best available (EU safety approved) technology to make Scotland a leader in world agriculture."

A Scottish Government spokeswoman responded by saying food and drink producers in other countries had seen a consumer backlash as a result of using GM crops.

She added: "There are currently no GM crops grown in Scotland and there is no evidence of significant demand for GM products from Scottish consumers.

"Scotland has a global reputation for naturally high quality food and drink which often attracts a premium price and therefore allowing GM crops to be grown in Scotland could damage our clean and green brand and our £14bn food and drink sector. That is why the Scottish Government strongly supports the continued application of the precautionary principle in relation to GM. .

"The new EU rules allow for countries to opt out of GM consents on a case-by-case basis and so the Scottish Government intends to request that Scotland is excluded from European consents for the cultivation of GM crops, specifically the variety of genetically modified maize already approved and six other GM crops that are awaiting authorisation."

[EU Seen Importing More Palm Oil and Soymeal as Rapeseed Harvest Shrinks](#)

HAMBURG, Aug 12 (Reuters) - The prospect of a sharply lower European Union rapeseed harvest this year is set to increase demand for imports of palm oil, soybean and soymeal as Europe seeks alternative supplies, industry analysts said on Wednesday.

The EU Commission has forecast the crop of rapeseed, Europe's leading oilseed for edible oil and biodiesel, will fall 14.7 percent from last year's record level to 20.73 million tonnes, after farmers reduced sowings and an early summer heatwave impacted yields.

"The expected sharp fall in the EU rapeseed harvest ... as well as the poor sunseed crop this year will raise European import requirements of palm oil, soybeans and soymeal," said Thomas Mielke, executive director of German oilseeds analysts Oil World.

Mielke estimated EU palm oil imports would rise by 0.5 million tonnes to 7.4 million in the October 2015 to September 2016 period, compared with a year before.

"Soymeal will benefit most from the likely reductions in EU rapeseed meal and sunflower meal output," Mielke said. "The EU will also require higher soybean imports to satisfy demand from the crushing industry, which is likely to shift to soybeans when multi-seed capacity is available."

Oil World estimates EU soymeal imports between October 2015 and September 2016 will rise by 0.9 million tonnes to 21.7 million tonnes, Mielke added.

Rapeseed harvesting in Germany, usually the largest producer, is close to completion and the crop is expected to fall 21.3 percent on the year to 4.9 million tonnes, Germany's farm cooperatives association has said.

In second-largest producer France, the farm ministry estimates the crop at 5.0 million tonnes, down from 5.5 million in 2014, on reduced sowings and lower yields.

And in third-largest producer Poland the crop is likely to fall 15 percent on the year to about 2.85 million tonnes, said Wojtek Sabaranski of analysts Sparks Polska.

Poland's harvest is nearing completion in all regions except for the north, Sabaranski said.

In Britain, the fourth-largest producer, about three-quarters of the crop is expected to be harvested by mid-August. The crop is expected to fall to about 2.2 million tonnes from last season's 2.46 million, analysts say.

"Some of the early reports we have been seeing on yields have been reasonably positive," said Helen Plant, senior analyst at AHDB. "But it is still early days and there is still more to cut in the eastern areas of the UK."

Traders also forecast smaller harvests in the Czech Republic, Romania and Bulgaria.