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Export Sales Highlights

This summary is based on reports from exporters for the period November 20-26, 2015.

Soybeans: Net sales of 878,300 MT for 2015/2016 were down 25 percent from the previous week and 29 percent from the prior 4-week average. Increases were reported for China (521,500 MT, including 439,500 MT switched from unknown destinations and decreases of 74,800 MT), Turkey (139,300 MT, including 64,000 MT switched from Canada), Egypt (104,700 MT, including 6,500 MT switched from unknown destinations), Mexico (99,900 MT), the Netherlands (75,100 MT, including 70,000 MT switched from unknown destinations), and Spain (71,200 MT, including 65,000 MT switched from unknown destinations). Reductions were reported for unknown destinations (397,700 MT), Canada (64,100 MT), and Costa Rica (7,000 MT). Exports of 2,004,100 MT were up 5 percent from the previous week, but down 9 percent from the prior 4-week average. The primary destinations were China (1,349,900 MT), Turkey (116,200 MT), Thailand (83,300 MT), Taiwan (77,100 MT), the Netherlands (75,100 MT), Spain (71,200 MT), and Vietnam (70,300 MT).

Optional Origin Sales: For 2015/2016, outstanding optional origin sales total 295,000 MT and are for China (175,000 MT), Pakistan (60,000 MT), and unknown destinations (60,000 MT).

Exports for Own Account: New exports for own account totaling 52,500 MT were reported to Canada. Decreases totaling 70,000 MT were reported to Canada. The current outstanding balance is 36,500 MT, all Canada.

Soybean Cake and Meal: Net sales of 77,500 MT for 2015/2016—a marketing-year low—were down 70 percent from the previous week and 67 percent from the prior 4-week average. Increases were reported for
Egypt (29,100 MT), Germany (20,000 MT, including 13,800 MT switched from Poland), Colombia (12,200 MT, including 10,000 MT switched from unknown destinations and decreases of 800 MT), Mexico (12,100 MT), and Honduras (11,600 MT, including 8,400 MT switched from unknown destinations). Reductions were reported for unknown destinations (40,600 MT) and Poland (13,800 MT). Exports of 275,500 MT were up 58 percent from the previous week and 49 percent from the prior 4-week average. Increases were primarily to Thailand (65,100 MT), Colombia (31,600 MT), Egypt (29,100 MT), Mexico (27,000 MT), and Poland (26,200 MT).

Optional Origin Sales: For 2015/2016, outstanding optional origin sales total 99,000 MT, all unknown destinations.

Soybean Oil: Net sales of 5,300 MT for 2015/2016—a marketing-year low—were down 59 percent from the previous week and 82 percent from the prior 4-week average. Increases were reported for Colombia (3,500 MT), Mexico (1,200 MT), Peru (300 MT), and Canada (300 MT). Exports of 28,100 MT were up noticeably from the previous week and 21 percent from the prior 4-week average. Increases were primarily to Peru (14,400 MT), Colombia (5,000 MT), Mexico (3,600 MT), and Jamaica (3,500 MT).

**Brazil's 2015/16 Soybean Crop 46 Percent Sold - Safras**

SAO PAULO, Dec 2 (Reuters) - Brazil's 2015/2016 soybean crop now being planted is already 46 percent sold by Dec. 1, up from 41 percent a month ago, local analysts Safras e Mercado said on Wednesday.

A year ago, 24 percent of the then unharvested crop had been sold for future delivery, Safras said. On average over the past five years, 35 percent of the crop has been sold by this time of year, Safras said. Safras expects Brazil's soy crop to reach a record 100.5 million tonnes this season.

**INTERVIEW-Argentine Grains Chamber Sees Tax Cuts Ahead for Soyoil, Soymeal**

By Maximiliano Rizzi

BUENOS AIRES, Dec 3 (Reuters) - Argentine President-elect Mauricio Macri’s proposed tax cuts on soybean exports will also apply to shipments of soymeal and soyoil, the head of a leading grains trade group said in an interview.

Macri, who won the Nov. 22 presidential runoff election, promises to reduce the 35 percent tax on soy by 5 percentage points each year from 2016 but had not made clear if this would be the case for soy derivatives.

Alberto Rodriguez, president of CIARA-CEC, representing leading grains exporters and crushers, told Reuters late on Wednesday that Macri’s team had discussed the tax cuts with the industry group.

"In the case of soy, the same reduction in tax due for the grain will apply for soyoil and soymeal," Rodriguez said. Exports of Argentina soyoil and soymeal are currently taxed at 32 percent.

Multinational giants like Cargill Ltd Bunge Ltd and Louis Dreyfus Commodities BV have soy crushing plants and ports in Argentina.

An aide to incoming agriculture minister, Ricardo Buryaile, would not confirm or deny Rodriguez’s comments.
Argentina is already the world's top exporter of soyoil and soymeal but crushing plants are only operating at about 70 percent capacity over the year, with periods of relative inactivity outside of harvest period.

Rodriguez expressed confidence Macri's government would lift restrictions on soybean imports from neighboring producers such as Brazil, Uruguay and Paraguay.

Mill operators want to be able to import raw beans to crush during crop-growing months in Argentina, but have been prevented from doing so by protectionist policies under outgoing President Cristina Fernandez.

"The measures needed to improve the sector's competitiveness are not that complicated," Rodriguez said. "Policies that distort the sector have piled up, and I am confident they will be modified or lifted in a relatively short time."

Rodriguez said the Macri government also needs to quicken the process of value added tax refunds and ease the red tape that has been a deterrent to investment.

Beyond the tax cut on soy shipments, Macri promises to eliminate taxes and lift quotas on wheat and corn exports.

Spot trading in Argentina's leading grains markets has slowed sharply in the past month as farmers hold onto their grains until the tax reductions take effect, and in anticipation of a widely expected devaluation after Macri takes power.

Farmers in Argentina have long hoarded their harvested grains, which they use as a hedge against the country's high inflation rate.

Farmers are holding back 16.75 million tonnes of soy, 20 million tonnes of corn and 9.5 million tonnes of wheat, worth a combined $1.35 billion, according to official data.

Rodriguez said he expected that the removal of wheat and corn export quotas, imposed by Fernandez to keep local prices suppressed, would spur exports.

"We're going to have more transparent markets, where the domestic price is more in line with the international price. Right now there's a big difference."

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**Brazil Soy Traders to Renegotiate Monsanto Royalty Deals - Abiove**

SAO PAULO, Dec 2 (Reuters) - Soybean trading firms in Brazil will have to renegotiate agreements to collect royalties for seed giant Monsanto Co on genetically modified soybeans bought from farmers, the president of industry association Abiove said on Wednesday.

Monsanto's demands that soy buyers police farmers' royalties payments on its Intacta RR2 Pro technology, and trading houses' belief they should be compensated for the service, had caused fears that traders would refuse to buy soybeans last year.

"They are going to have to go back to the table. ... The agreements in 2014 did not generate profits for the soy industry," Abiove's Carlo Lovatelli told journalists.

Soy trading houses negotiated with Monsanto for months last year. Abiove's efforts to broker a deal for all its member firms broke down and individual companies worked out their own compensation for the service.

Abiove represents global merchants Bunge, ADM Louis Dreyfus and Cargill as well as smaller Brazilian firms.
In Brazil, where genetically modified seeds have only been legal for a decade, reusing seeds is more common than in the United States and it is easier for farmers to avoid paying Monsanto's fees after buying the seeds the first season.

A Monsanto press representative did not confirm the renegotiation of the agreements, but said the system of compensating companies would continue. The representative said most farmers in Brazil pay Monsanto's royalty fee when they buy the seeds, not when they sell soy to trading houses.

Monsanto did not say what percentage of Brazil's 2015/16 soy crop would be sowed with pest-resistant Intacta RR2 Pro seeds this season. The soy crop is in its final stages of planting. Last season, about a fifth of the harvest was planted with the technology, according to consultancy Celeres.

Brazil is the world's No. 2 soy grower and top exporter. It is Monsanto's second-biggest market.

Long Mighty, "Chavismo" at Risk in Venezuela's Election
By Alexandra Ulmer and Diego Oré
CARACAS, Dec 3 (Reuters) - Polarized Venezuela heads to the polls this weekend with a punishing recession forecast to rock the ruling Socialists and propel an optimistic opposition to its first legislative majority in 16 years.

Founded by the late Hugo Chavez, the Socialists’ long mighty "Chavismo" movement is facing public ire over shortages of goods from medicines to milk and the world's worst inflation under his successor, President Nicolas Maduro.

Defeat for "Chavismo" at Sunday's vote would give the opposition a major platform to combat Maduro and deal a further blow to Latin America's left after Argentina swung to the right in last month's presidential election won by Mauricio Macri.

If the opposition coalition wins a majority in Venezuela's 167-seat National Assembly, it hopes to reduce the Socialists' hegemony and tackle what it deems mismanagement, corruption and authoritarianism during their nearly 17-year rule.

That could bring confrontation given the combative president's strong executive powers and institutions from the Supreme Court and the central bank that are pro-government.

After a heated election run-up marked by insults and gunshots, Maduro was winding up his campaign on Thursday with a street rally of red-shirted supporters while the opposition was holding a concert in affluent east Caracas.

Maduro has warned Venezuelans against betraying Chavez by voting for what he paints as a U.S.-backed elitist clique that would abolish welfare programs.

"Imagine if they dominated the National Assembly. I wouldn't allow it, I swear, I wouldn't let my hands be tied by anyone. I'd take to the street with the people," he roared this week.

The former bus driver and union leader elected in 2013 after Chavez died of cancer has been on state TV every day in rallies across Venezuela's plains, Andes, Caribbean coast and cities.

But in nearly every corner of the OPEC member country, anger is mounting, especially among the poor, the leftist government's traditional bedrock of support, now worst hit by long queues for food and inflation that annihilates incomes.
"I'm exhausted. This is a disaster," said pregnant student Dexy Mejia, 21, who has to queue overnight for scarce diapers in Chavez's sweltering savannah hometown of Sabaneta.

Yet "Chavismo" still commands devotion among many, and with Socialist candidates invoking the deceased president in speeches, songs, and dances, some, including Mejia, were on the fence about whom to support on Sunday.

WHAT KIND OF MAJORITY?
With one prominent recent poll showing that 55.6 percent of Venezuelans plan to back the opposition and 36.8 percent the government, analysts say the main issue appears to be not whether the opposition will win but how much.

With a simple majority, the opposition can pass amnesty laws to try to free incarcerated politicians, embarrass the government with investigations, and wield budget approval.

With three-fifths, it could theoretically fire ministers after a censure vote, and with two-thirds it could try to shake up Chavista-dominated courts and other institutions.

No one, though, expects "Chavismo" to roll over easily against hated opponents it has outwitted again and again since Chavez's first 1998 presidential win.

"If the result is close, the government could be tempted to sort of barricade the new National Assembly, to use the control it has over the Supreme Court, the state prosecutor, the ombudsman's office, to try to block it off," Democratic Unity coalition head Jesus Torrealba told Reuters.

Opposition hardliners want to use a potential victory to push for a recall referendum next year against Maduro, whose six-year term ends in 2019.

With many rank-and-file "Chavistas" grumbling that Maduro has destroyed his popular predecessor's leftist project, defeat could worsen fissures within the Socialist Party, once united under the charismatic and domineering Chavez.

However, electoral district geography and superior campaign resources favor the government, and officials mock the opposition for premature triumphalism.

Even if the opposition wins, it would largely be reaping the fruits of discontent, as it has yet to coalesce around a leader, articulate economic reforms or connect with poor Venezuelans.

"I belong to the revolution. I don't know the opposition, and they don't know me," said shopkeeper Nataly, 24, who is nevertheless upset at queues, inflation and crime.

"I'm still thinking about it. I'll decide when I go vote."
 Argentine Corn Planting Area Propelled Higher by Policy Optimism
By Hugh Bronstein
BUENOS AIRES, Dec 1 - Argentina’s farmers are racing to plant more corn now a new farm-friendly government is taking power, increasing the area planted by 10 percent over previous estimates, and making more exports likely from one of the world’s biggest suppliers.
Mauricio Macri will become president of Argentina, one of the world’s biggest corn and soybean suppliers, on Dec. 10 after winning last month’s election on a free-markets platform with promises to cut taxes and reduce controls on grains exports.

Farmers now have a six-week window in key growing regions to plant corn before mid-January and they are rushing to buy seeds and fertilizers. Extra output, combined with Macri’s promise of a more competitive exchange rate, will likely boost exports.

"You can already see farmers changing their planting plans. Over the last week we have seen that they might plant 300,000 to 400,000 hectares more corn than the 2.6 million hectares we previously imagined," said Alfredo Paseyro, executive director of the Argentine Seed Merchants Association (ASA).

Pablo Torello, who manages 2,500 hectares in the bread-basket province of Buenos Aires, said he upped corn plantings to 480 hectares from an originally planned 300 when Macri beat ruling party candidate Daniel Scioli on Nov. 22.

"Macri made his farm policies clear during the campaign, so when he won we were ready to invest in corn. We had the money set aside," Torello said. Corn costs about $535 per hectare to grow, 80 percent more than soy, Argentina’s main cash crop.

Torello estimates that his neighbors in the northern Buenos Aires municipality of Bragado are increasing corn planting by 10 to 15 percent due to the expected shift in government policy.

More than 90 percent of corn planted in Argentina is genetically modified and GMO seeds have seen a sales jump since the Nov. 22 election, as have related agro-chemicals and the weed killers glyphosate and atrazine sold by companies like Monsanto.

Agroservicios Pampeanos (ASP), a $300 million per year fertilizer and pesticides company, is already fielding an increase in calls from growers asking about corn-related products, said chief executive Miguel Morley.

"A 10 percent increase is a reasonable estimation, which would mean 300,000 additional hectares before the end of planting in mid-January," he said, based on the volume of calls.

This year’s planting in the country’s main corn belt of northern Buenos Aires province, south-east Cordoba and southern Santa Fe has been completed, but there are six weeks left to sow in secondary corn provinces like Santiago del Estero, Salta and northern Cordoba.

Argentina is the world’s No. 4 corn exporter, No. 3 soybean supplier, and a major source of wheat for neighboring Brazil. Macri’s policy team says overall grains output could climb 30 percent to 130 million tonnes by the end of his first term in 2019.

The Buenos Aires Grains Exchange had put Argentina’s 2015/16 corn acreage at 2.72 million hectares before Macri’s win, well under the estimated 3.4 million in the 2014/15 season.

No one interviewed by Reuters expected acreage to match last season even with the incentive of a Macri victory.

Macri has said he will eliminate the 20 per cent tax now levied on corn exports and the 23-percent tax on wheat, as well as end quotas that outgoing President Cristina Fernandez has used to curb the amount of both crops that can be shipped overseas.
David Hughes, who manages 6,500 hectares in western Buenos Aires province, said he already upped corn planting by 8 to 10 percent since Macri's strong showing in the Oct. 25 first round of voting.

"The elimination of taxes and curbs on corn exports is enough to incentivize planting," Hughes said.

Armando Allinghi, head of Argentina's CIAFA fertilizer merchants chamber, also saw Macri's Oct. 25 performance as a trigger for interest in corn-related products.

"Since the results came in on Oct. 25, we have registered an increase in inquiries about corn-related inputs, which is why we expect to see an increase in planting," Allinghi said.

But while farmers plant extra corn, it will take a more favorable exchange rate to persuade them to sell, Hughes said.

Macri has said he will allow the black market rate, at which many local transactions are made, and the official rate, currently around 55 percent stronger, to converge.

"We know the exchange rate will change," Hughes said. "That will affect us positively, if we sell the day after the devaluation, not the day before. So there's still some uncertainty there.

**Argentine Farmers Have $11.4 Billion of Soy, Corn, Wheat for Sale**

By Silvia Martinez

(Bloomberg) -- Ricardo Echegaray, head of the AFIP tax agency, speaks at press conference in Buenos Aires.

Farmers have about $6b worth of soybeans available for export, or 16.8m tons; $3.4b worth of corn, or 20.1m tons, and $2b worth of wheat, or about 9.5m tons: Echegaray "This is not an estimate, these are hard figures that we have from the declarations of each farmer" Echegaray said

NOTE: Farmers have often hoarded part of their crop in recent yrs due to an unfavorable FX rate and export tariffs to await a better time to sell

**El Nino Rains Complicate Corn Lading at Brazilian Ports**

By Gustavo Bonato

SAO PAULO, Dec 1 (Reuters) - Heavy El Nino rainfall in southern Brazil is causing problems for companies trying to load large volumes of corn from the world's No. 2 exporter, according to market operators.

The Brazilian ports of Santos, Paranagua, Tubarão and São Francisco are responsible for the bulk of shipments from the country's record 2014/15 corn crop, a harvest made more attractive to foreign customers because of the weaker Brazilian currency.

In Paranagua loading was stopped for a total of 14 days in November, more than double the halts during the same period a year earlier, according to the port. A local shipping agent said ships are waiting up to 40 days to load corn.
Rainfall typically stops loading operations at Paranagua's open, roofless terminals, but wait times this year are abnormal.

In October, traders said Asian feed millers were considering switching to Ukrainian corn if delays continued. Missed delivery dates can also result in heavy costs for exporters.

"The longer the wait time, the higher the cost," said Eduardo Vanin, of Agrinvest Commodities brokerage. "It gets to a point where the discount will have to be quite big."

Even so, Safras & Mercado analyst Paulo Molinari said Brazil's corn shipments should reach 33 million to 34 million tonnes in the February 2015 to January 2016 crop year.

The previous record was 26.2 million tonnes in 2013/14.

With the long ship lineup and record corn crop, ports may load corn until February, just as shipments of Brazil's main cash crop, soybeans, begin. Some exporters are looking at re-directing corn to less crowded ports, Molinari said.

Argentina Will Abolish Wheat, Corn Export Taxes, Incoming Minister Says

BUENOS AIRES, Nov 28 (Reuters) - Argentina's incoming government will abolish export taxes on corn and wheat the day after it assumes office and reduce the export tax on soy by 5 percent, designated Agriculture Minister Ricardo Buryaile confirmed to the daily Clarin.

President-elect Mauricio Macri won the election last Sunday on a platform of wholesale change. He has vowed to end interventionist measures like these taxes that have hobbled growth in Latin America's third largest economy.

"The wheat and corn taxes will be eliminated from the first day, in line with what we promised," Buryaile was cited as saying by Clarin.

"The tax on soy will drop by 5 percent from the start of Mauricio Macri's term," he added. "What we are examining is which methodology we will use."

For years growers in the world's No. 3 soybean exporter have been stung by a 35 percent tax on all international shipments.

The country collects a 23 percent export tax on wheat and a 20 percent levy on corn shipments. By some estimates, Argentina will have doubled wheat shipments and surpassed Russia and Brazil as a corn exporter by the end of Macri's four-year term, as the abandonment of years-long trade restraints unleashes the full potential of the country's vast Pampas farm belt.