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Export Sales Highlights

This summary is based on reports from exporters for the period December 25-31, 2015.

**Soybeans:** Net sales of 638,700 MT for 2015/2016 were up 33 percent from the previous week, but down 46 percent from the prior 4-week average. Increases were reported for China (929,400 MT, including 311,800 MT switched from unknown destinations and decreases of 61,600 MT), the Netherlands (236,300 MT, including 217,000 MT switched from unknown destinations), Spain (66,700 MT, including 65,000 MT switched from unknown destinations), Indonesia (57,100 MT, including 25,200 MT switched from unknown destinations and decreases of 500 MT), and Egypt (55,100 MT, including 52,500 MT switched from unknown destinations). Reductions were reported for unknown destinations (762,700 MT), Russia (35,900 MT), and Turkey (10,000 MT). Net sales of 100 MT for 2016/2017 were reported for Japan. Exports of 1,817,100 MT were up 33 percent from the previous week and 21 percent from the prior 4-week average. The primary destinations were China (1,181,600 MT), the Netherlands (236,300 MT), Spain (66,700 MT), Indonesia (66,700 MT), and Mexico (61,600 MT).

Optional Origin Sales: For 2015/2016, the current outstanding balance totaling 235,000 MT is for China (175,000 MT) and unknown destinations (60,000 MT).
Exports for Own Account: The current outstanding balance is 500 MT, all Canada.

Soybean Cake and Meal: Net sales of 46,500 MT for 2015/2016--a marketing-year low--were down 41 percent from the previous week and 72 percent from the prior 4-week average. Increases were reported for Colombia (11,000 MT), the Philippines (9,300 MT), the Dominican Republic (6,000 MT), Mexico (4,900 MT), and Canada (3,100 MT). Reductions were reported for Jamaica (700 MT). Exports of 182,700 MT were down 4 percent from the previous week and 12 percent from the prior 4-week average. The primary destinations were the Philippines (99,600 MT), Mexico (40,600 MT), Canada (11,000 MT), Jamaica (9,900 MT), and Panama (9,200 MT).

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

Soybean Oil: Net sales of 3,600 MT for 2015/2016 resulted as increases for Tunisia (12,500 MT, switched from unknown destinations), Mexico (8,900 MT), Algeria (6,000 MT, switched from unknown destinations), Egypt (3,000 MT, switched from unknown destinations), and the Dominican Republic (1,100 MT), were partially offset by reductions for unknown destinations (28,500 MT). Exports of 32,900 MT were down 36 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily Tunisia (12,500 MT), Algeria (6,000 MT), Mexico (3,800 MT), Saudi Arabia (3,400 MT), and Egypt (3,000 MT).

Africa Takes Fresh Look at GMO Crops as Drought Blights Continent
By MacDonald Dzirutwe

Reuters India |

A scorching drought in Southern Africa that led to widespread crop failure could nudge African nations to finally embrace genetically modified (GM) crops to improve harvests and reduce grain imports.

The drought, which extends to South Africa, the continent’s biggest maize producer, has been exacerbated by an El Nino weather pattern and follows dry spells last year that affected countries from Zimbabwe to Malawi.

Aid agency Oxfam has said 10 million people, mostly in Africa, face hunger because of droughts and poor rains.

That has brought GM crops to the fore, especially maize, a staple crop grown and consumed in most sub-Saharan countries.

Many African countries have banned GM crops, arguing that they will cross contaminate other plants, pollute the environment and could have long-term health effects for humans.

Zimbabwe, for instance, says although GM crops may initially be resistant to pests, the resistance could breakdown over time.
GMO advocates, however, say the fears are not scientifically proven, adding that poor African farmers are likely to benefit most from reduced use of pesticides, lower production costs, higher yields and high prices for crops.

The African drought's impact is particularly serious for Zimbabwe, where the economy has struggled for five years to recover from a catastrophic recession marked by billion percent hyperinflation and widespread food shortages.

Zimbabwe does not accept GM maize imports, and when it has accepted emergency GM maize aid, it has been milled under security watch.

"GM crops are one of the alternative solutions for reducing hunger on the continent among many others which include good agronomic practices," Jonathan Mufandaedza, chief executive at National Biotechnology Authority of Zimbabwe, a government agency, told Reuters.

The United States, Brazil and India are the world's largest growers of GM crops while in Africa, South Africa is the only country producing GM maize on a commercial scale.

Sixteen percent of Zimbabwe's population require food aid this year. The government plans to import up to 700,000 tonnes of maize and with its usual sources of maize like Zambia and Tanzania facing lower harvests this year, Zimbabwe could end up receiving GM maize after all.

This year, South Africa, which produces more than 40 percent of Southern African maize may need to import up to 5 million tonnes of maize due to drought, the country's largest producer group, Grain SA said this week.

Perceptions are shifting, with Burkina Faso in West Africa, and lately Sudan having started to grow GM cotton commercially, Getachew Belay, an African expert on GM crops told Reuters.

"Historically, Africa has been a laggard to accept new agricultural technologies. For GM crops, much of the problem lies in the perception, exaggerated fear and conflicting messages sent to policy making," said Belay.

GM POLICY FLIP-FLOPS
In 2002, Zambia experienced a severe drought that left millions in need of food aid but it rejected GM maize offered by donors, citing inadequate scientific information.

But last month, Zambia's Higher Education Minister Michael Kaingu told parliament his country was embracing GM crops.

"We recognize that modern biotechnology has advanced worldwide and, as a nation, we cannot afford to ignore the benefits of this technology. We are alert and prepared to deal with possible adverse risks," said Kaingu.

It is a growing trend on the continent and Belay said Ethiopia had amended its biosafety laws to allow tests on GM cotton, thanks to pressure from the textile industry that is advocating for the production of cheaper cotton in that country.
Kenya, Uganda, Malawi, Swaziland, Nigeria and Ghana have all been carrying out trials on different GM crops, he said.

Agrichemicals groups such as Monsanto, the world’s largest seed company, and Syngenta are well placed to benefit from increased use of GMOs in Africa. Monsanto conducted trials of GM maize and cotton in some African countries, including Zimbabwe between 2001 and 2005.

But the transition from tests to commercial growing has been slow, a reminder of the diehard attitudes towards GM crops.

Belay said a major factor that could influence Africa to start growing GM maize was whether China would grow GM rice, which it has developed but not released for production.

"The real issue seems to me is lack of capacity, both physical and human, to enforce regulation, thus attitude is changing from 'rejection' to a kind of 'wait until we have capacity to regulate!',' said Belay.

(Additional reporting by Chris Mfula in Lusaka and Nqobile Dludla and Ed Stoddard in Johannesburg; Editing by James Macharia and Toby Chopra)

China Pigs Addicted to Foreign Feed as Crop Imports Surge: Chart

Alan Bjerga AlanBjerga
Bloomberg.com | 2016-01-06

China, the world’s largest pork-consuming country, has largely abandoned a goal of self-sufficiency when it comes to feeding the pigs, cattle and poultry needed to satisfy growing domestic demand for meat.

Last year, China’s negative trade balance in feed-related commodities for livestock rose to a record 88.4 million metric tons, according to United Nations data. Imports and exports were mostly balanced until a decade ago, when economic growth and demand for protein surged. China alone will account for 64 percent of the world’s soybean imports in the year that began in September, U.S. Department of Agriculture data show.
“China can do anything it sets its mind to, but it can’t do everything,” said Gary Blumenthal, chief executive officer of World Perspectives Inc., a global agriculture consultant in Washington. “It doesn’t have the arable land to produce everything it needs, so feed is an area where they’ve accepted dependence on imports.”

Brazil Soy Farmers Ask Government to File WTO Complaint Against U.S.
By Caroline Stauffer
SAO PAULO, Jan 8 (Reuters) - Brazilian soybean farmers have asked their country to file a complaint against the United States at the World Trade Organization alleging that U.S. farm subsidies give an unfair advantage to the world’s top soybean producer.

Brasilia-based farm group Aprosoja says those subsidies might be costing Brazilian farmers $1 billion a year in lost business, according to Endrigo Dalcin, president of the association’s local branch in Mato Grosso, the nation’s top soy-growing state.

"Data is being analyzed to see if it is viable for us to question this American protectionism," Dalcin said. Aprosoja has hired lawyers from Chicago-based law firm Sidley Austin LLC in Geneva, where the WTO is based, he added.

A spokesman at Brazil’s foreign ministry confirmed the farmers had made the request but warned the proposal needed review by several ministries and that the government would take at least a month to make a decision.

If opened, a WTO dispute could strain relations between the Western Hemisphere’s two largest countries after they grew closer last year.

Relations hit a low point in 2013 when Brazilian President Dilma Rousseff canceled a U.S. visit over an National Security Agency eavesdropping incident. But she traveled to Washington last June, and the two agricultural superpowers reached a deal for Brazil to export fresh beef to the United States.
Soy farmers are following Brazilian cotton producers, who won $300 million in compensation from the United States in 2014 to settle a decade-old trade dispute over subsidies.

Brazil will probably overtake the United States as the world's top soybean producer in coming years as it increases planting of the crop each season. It is already the world's top exporter.

Brazilian officials told Reuters in April that the South American country had been gathering evidence that U.S. subsidies were pushing down already low prices for soy and corn.

A weakening currency against the dollar has since made Brazilian soybeans more competitive for export.

This season, Brazil is expected to harvest a record 100 million tonnes of soybeans, compared with 108.3 million tonnes from the United States, according to the U.S. Department of Agriculture.

The soy harvest has gotten off to a late start in Mato Grosso. Only 0.3 percent of the state's soy acreage has been harvested, compared with 1.9 percent a year earlier, after dry weather earlier in the season, farm institute IMEA said on Friday.

**Argentine Crop Exports Soar $2 Billion in Three Weeks**

By Pablo Gonzalez

(Bloomberg) -- Argentina's crop exports surged $2 billion in the last three weeks of the year after restrictions were scrapped by the new president, according to exporter group Ciara-Cec.

Farmers sold $752 million worth of grains and oil-seeds in the last three days of 2015 for an annual total of $20 billion, down 17 percent from a year earlier. Sales in the last few days of the year were almost double the amount of grains and oilseed shipped abroad in the entire month of November.

The export of grains has become more profitable for farmers after newly elected President Mauricio Macri eliminated most crop taxes and lifted four years of currency controls, leading to the biggest one-day devaluation in the last 14 years on Dec. 17. Export restrictions were implemented in the past decade under former president Nestor Kirchner and his wife Cristina Fernandez de Kirchner in a bid to boost government revenue and ensure domestic supplies.

Crop hoarding helped drain the country's central bank reserves, which slid to a nine-year low in November. Argentina gets about one-third of its export revenue from grains and oilseeds. Farmers had been holding onto about $11.4 billion of soybeans, former tax agency chief Ricardo Echegaray said in a Dec. 1 statement.
Argentina, the world’s largest soybean oil and derivatives exporter, harvested a record soybean crop of 61.4 million metric tons last year, according to data compiled by the Agriculture Ministry. Output of corn, the country's second-biggest crop export, was 33.8 million tons last year.

The country's crop exports tumbled to a six-year low in 2015. Argentina's annual record for crop exports was $25.1 billion in 2011.

Ciara-Cec is comprised of international grain distributors such as Cargill Inc., Bunge Ltd. and Louis Dreyfus Commodities BV as well as local producers including Cresud SACIF & A and Molinos Rio de La Plata SA.

**Greenfield Grain Terminal Project in Argentina Secures $32.5M in Financing**

January 4, 2016

Dutch development bank, FMO, and Crédit Agricole CIB (CACIB) have agreed to provide a combined $32.5 million in funding toward the construction of a $65 million greenfield grain terminal in Quequén, Argentina.

The project is a joint venture between CHS Incorporated, Noble Agri, and the Argentinian grain companies, E-Grain, Alea, A&J Nari, and Lartirigoyen, which is expected to increase export volumes and add efficiency to the supply chain. The terminal will handle soybeans, wheat, soy meal, and barley, and will have a handling capacity of 2 million tons of grain per year.

The project is being funded 50/50 through equity and debt. Under the debt funding side of the deal, FMO has agreed to front a $16.25 million eight-year A-loan, and CACIB has agreed to provide a $16.25 million five-year B-loan. The equity funding will be provided through the partnering companies.

Significant work has been completed toward the finishing of the project, and the terminal is expected to be operating within the first quarter of 2016.

**Putin Sparks Russia Pork Boom as Import Ban Expands Hog Breeding**

Anatoly Medetsky

Bloomberg.com | 2016-01-04
Hog farmers in Russia are producing so much pork that they are selling it overseas just three years after the country was importing more of the meat than any other buyer except Japan.

Domestic output has increased 26 percent in four years to the highest yet, and imports have plunged by more than 80 percent from a peak in 2012, U.S. Department of Agriculture data show. The industry’s resurgence, which led to slumping hog prices from the U.S. to Germany, got some help from a Russian government increasingly uneasy about relying on foreign food supplies and its strained relationship with neighbors.

“It was, to be honest, economically shameful for our business and country to import that much,” Yury Kovalev, head of the National Pig Farmers Union, said at a conference in Moscow. “The situation has now drastically changed.”

The government increased support to agriculture after President Vladimir Putin banned some food imports from the U.S., the European Union and several other countries. The restrictions were a response to economic sanctions imposed on Russia over its involvement in the Ukraine conflict. Putin said that Russia has the potential to be a world leader in food and should be self-sufficient in agriculture by 2020.

Russia’s increasing self-reliance is contributing to a slump in global prices, according to the USDA. Hog futures traded in Chicago have fallen 26 percent since the start of 2015 to 59.8 cents a pound, while pig prices in Germany slumped in November to the lowest level since January 2011, according to industry group ISN. Cheaper pork may boost international trading in the meat in 2016, the USDA said.

Export Forecasts
As production climbs 5.7 percent in 2016 to a record 2.78 million metric tons, Russia probably will drop to ninth on the list of the world’s top pork importers from seventh in 2015, the USDA predicts. Purchases from overseas will total 200,000 tons this year, down from 300,000 tons in 2015 and 1.08 million in 2012, the USDA said.

While Russia isn’t much of an exporter now, by 2020 shipments may reach 10,000 tons, an increase of 2,400 percent from 2014, according to Daniil Khotko, an analyst at the Moscow-based Institute for Agricultural Market Studies, or Ikar. Overseas sales of pork byproducts may more than double to 30,000 tons, he said.

Supplies of hog parts, which are popular in Asian cuisine, went to Hong Kong, Vietnam and Thailand and totaled 13,000 tons in 2014, Khotko said, citing government data. Global pork exports were 6.9 million tons that year, including 2.2 million from the U.S., data show.

Less Demand
Reduced domestic demand also has eased the burden on imports. Consumption that reached 3.24 million tons in 2012 fell to 2.93 million this year amid an economic slump, USDA data show. Consumption may improve next year.

Russia will produce enough pork within the next two years to meet domestic demand, said Vladimir Labinov, chief of the Agriculture Ministry’s livestock department. Exports are “the right thing for us
to do,” Labinov told a conference of hog farmers on Nov. 25. Government support, mainly through subsidies that cover a portion of interest payments on loans, helped boost farmers’ profit, he said.

Russia still faces some hurdles, Ikar’s Khotko said. Importers will need to be convinced producers have eliminated the threat of diseases like African swine fever, which led to some culls last year, and there will be “severe” competition from the U.S. and Brazil.

Cheaper Exports
Affordable supplies of feed wheat and the devaluation of the ruble make exports competitive, according to Maxim Basov, director-general of Ros Agro Plc, a local producer. It costs the company 50 rubles (70 cents) to produce 1 kilogram (2.2 pounds) of pork, he said. In the U.S., the cost of raising one pig for slaughter was about $1 a kilogram as of last month, according to an Iowa State University study.

Russia’s agriculture regulator, Rosselkhoznadzor, is hosting delegations from China that are evaluating the safety of future meat imports. Officials from China’s General Administration of Quality Supervision, Inspection and Quarantine in October visited OOO Agro-Belogorye Group of Companies, which according to the National Union of Hog Farmers is Russia’s fourth-largest pork producer.

The company may get permission next year to supply other countries, according to Olesya Dmitrova, director-general of its trading unit.

“It’s a sin to not to export, especially when we are near the world’s largest pork importers,” which include China, Japan and South Korea, said Ros Agro’s Basov. The company plans to start building a pork unit near the Chinese border next year that will produce meat by 2019, he said.

**Chinese Farmers are Illegally Growing GMO Corn: Greenpeace**
By Dominique Patton

Farmers are illegally growing genetically modified corn in China’s northeast, said environmental non-profit Greenpeace on Wednesday, in a report that may generate further distrust of the government’s ability to ensure a safe food supply.

Beijing has spent billions of dollars to develop GMO crops that it hopes will ensure food supplies for its 1.4 billion people but has not yet approved commercial cultivation amid deep-seated anti-GMO sentiment.

The Greenpeace report seems to confirm concerns that Beijing will be unable to supervise the planting of GMO crops once commercial cultivation is permitted, leading to widespread contamination of the food chain with GM varieties.

In its report, Greenpeace said 93 percent of samples taken last year from corn fields in five counties in Liaoning province, part of China’s breadbasket, tested positive for GMO contamination.
Furthermore, almost all of the seed samples taken from grain markets and samples of corn-based foods at supermarkets in the area also tested positive.

"It is very likely that much of the illegal GE corn has already entered grain storage warehouses, wholesale and retail markets across the country, ultimately ending up in citizens' food," said Greenpeace in a report.

While Greenpeace said it was not clear how the GMO corn seeds got into the marketplace, it has long been alleged that GMO plants being tested in field trials have been illegally sold to farmers for commercial use.

Such reports have intensified public opposition to the technology, with some anti-GMO campaigners going as far as suing the government over the failure to disclose information about its approvals for imported GMO crops and plans to allow domestic cultivation.

Among the six corn seed strains that tested positive in the Liaoning seed market, three have not been certified by China's agriculture ministry, while three others were certified as conventional seeds and therefore had been contaminated by GMO varieties, said the organization.

The agriculture ministry did not immediately reply to a request for comment on the Greenpeace report. The ministry said last year it was changing regulations to increase supervision of biotech products under development.

The GMO corn strains identified in the survey belong to international companies Monsanto, Syngenta and Du Pont Pioneer, said Greenpeace.

DuPont Pioneer said it does not sell any biotech seed in China in accordance with the law and could not speculate on the source of any unauthorized biotech crops.

"Intellectual property right is a concern for us in any market because it's important for assuring farmers that they are getting what they purchase and for companies to recoup our investment so we can continue investing in new technologies," said a company spokeswoman.

Neither Monsanto nor Syngenta responded to emailed requests for comment.

Greenpeace blamed an "extremely lax and disorganized" seed market management system for the production and sale of illegal seed varieties.

It recommended the government investigate all corn breeding companies and destroy illegal GMO seeds. It called for annual inspections of crops in north China during the sowing season, and tougher supervision of GMO crop research and cultivation. It said farmers should be compensated for their losses if GMO crops are destroyed.

(Reporting By Dominique Patton; Editing by Christian Schmollinger and Michael Perry)

Exporters Sell U.S. Soybeans to China - USDA
Jan 7 (Reuters) - Private exporters reported sales of 246,000 metric tons of U.S. soybeans for delivery to China during the 2015/2016 marketing year, the U.S. Department of Agriculture said on Thursday.

The marketing year for soybeans began Sept. 1.

By law, exporters must promptly report the sale of 100,000 tonnes or more of a commodity, or 20,000 or more tonnes of soybean oil, made in one day. Sales of smaller amounts are reported on a weekly basis.

Brazil Starts Soy Harvest with Concerns Over Dry Soil in Mato Grosso
SAO PAULO, Jan 6 (Reuters) - Soy harvesting has started in Brazil's top two growing states Mato Grosso and Parana, with farmers concerned over irregular rains causing damage in the center-west soy belt.

Harvesting is probably less than 1 percent complete in top growing state Mato Grosso, behind this time last year, said Endrigo Dalcin, president of state growers' association Aprosoja.

"The soy was not planted early... we will have more harvesting towards late January or early February," he said in a phone interview.

Later soy harvesting doesn't necessarily result in a smaller crop, but it will likely result in a smaller area planted with second crop corn that is sowed after soybeans are harvested.

The private Mato Grosso state farm institute IMEA said last month 43 percent of the state’s crop was in bad or terrible conditions because of lack of rain.

Rains have since returned to the state, but Dalcin warned they may have been too late for soybeans in northern Mato Grosso, the most heavily planted part of the state.

"Drought during the reproductive stage is irreversible," he said.

Eastern Mato Grosso is still finishing planting and could benefit from rain, he said. Some farmers were forced to replant soybeans when not enough rain came.

Somar meteorologists said in a Wednesday weather bulletin rain would focus on eastern Mato Grosso and some northeastern states in coming days, and then concentrate on Brazil's center-west and southeast regions between Jan. 11 and 15.

Harvesting has also started in the Pato Branco region of the southern state of Parana, according to a Tuesday report from the state’s agriculture department.

Parana, unlike Mato Grosso, has received heavy rains attributed to the El Nino climate phenomenon this season. While flooding has not damaged the crop, farmers are concerned about higher incidents of crop pests.
Deral expects Parana to harvest a record 18.1 million tonnes of soybeans, while IMEA forecast 28 million tonnes from Mato Grosso. Overall, Brazil, the world’s No. 2 grower and top exporter, is expected to harvest a record crop of more than 100 million tonnes.