

# WEEKLY NEWS ARTICLE UPDATE



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## Export Sales Highlights

This summary is based on reports from exporters for the period February 5-11, 2016.

**Soybeans:** Net sales of 567,000 MT for 2015/2016 were down 15 percent from the previous week, but up 4 percent from the prior 4-week average. Increases were reported for China (346,000 MT, including 187,000 MT switched from unknown destinations and decreases of 9,400 MT), Mexico (170,200 MT), the Netherlands (139,100 MT, including 140,000 MT switched from unknown destinations and decreases of 900 MT), Germany (73,300 MT, previously reported as the Netherlands), Taiwan (71,500 MT, including 55,000 MT switched from unknown destinations and decreases of 400 MT), Vietnam (66,200 MT, including 65,000 MT switched from unknown destinations and decreases of 1,300 MT), and Iran (60,600 MT, including 60,000 MT switched from unknown destinations). Reductions were reported for unknown destinations (623,900 MT). For 2016/2017, net sales of 28,700 MT were reported for Japan. Exports of 1,780,300 MT were up 35 percent from the previous week and from the prior 4-week average. The primary destinations were China (1,049,600 MT), the Netherlands (139,100 MT), Taiwan (74,500 MT), Germany (73,300 MT, previously reported as the Netherlands), Vietnam (67,500 MT), Japan (61,600 MT), and Iran (60,600 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 exports for own account outstanding balance is 500 MT, all Canada.

*Export Adjustments:* Accumulated exports to the Netherlands were adjusted down 73,295 MT for week ending January 28, 2016. The correct destination is Germany and is included in this week's report. Accumulated exports to Egypt were adjusted down 21,002 MT for week ending November 19, 2015.

**Soybean Cake and Meal:** Net sales of 111,400 MT for 2015/2016 were down 41 percent from the previous week and 48 percent from the prior 4-week average. Increases were reported for Mexico (54,900 MT), Venezuela (45,000 MT, including 30,000 MT switched from Panama), Thailand (30,600 MT, including 28,000 MT switched from unknown destinations), the Philippines (26,000 MT), Morocco (16,500 MT, including 15,000 MT switched from unknown destinations), and Brazil (15,000 MT). Reductions were reported for unknown destinations (45,800 MT), Spain (31,800 MT), Panama (30,000 MT), and Canada (5,900 MT). For 2016/2017, net sales of 400 MT were reported for Canada (200 MT) and Mexico (200 MT). Exports of 214,100 MT were up 8 percent from the previous week and 4 percent from the prior 4-week average. The primary destinations were Mexico (50,300 MT), Thailand (30,600 MT), Venezuela (30,000 MT), Morocco (16,500 MT), Peru (12,800 MT), and Canada (12,600 MT).

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

**Soybean Oil:** Net sales of 12,700 MT for 2015/2016 were up noticeably from the previous week and 13 percent from the prior 4-week average. Increases were reported for the Dominican Republic (4,800 MT), Mexico (3,100 MT), Colombia (3,000 MT), and Nicaragua (1,500 MT). Exports of 3,500 MT were down 87 percent from the previous week and 85 percent from the prior 4-week average. The destinations were primarily Mexico (3,200 MT) and Canada (200 MT).

### [Senate Bill Would Block Mandatory Labeling of GMOs](#)

19-Feb-2016

WASHINGTON (AP) — A Senate committee is moving forward on legislation that would prevent states from requiring labels on genetically modified foods.

Vermont is set to require such labels this summer. Senate Agriculture Chairman Pat Roberts of Kansas released draft legislation late Friday that would block that law and create new voluntary labels for companies that want to use them on food packages that contain genetically modified ingredients. The Senate panel is scheduled to vote on the bill Thursday.

The bill is similar to legislation the House passed last year. The food industry has argued that GMOs, or genetically modified organisms, are safe and a patchwork of state laws isn't practical. Labeling advocates have been fighting state-by-state to enact the labeling, with the eventual goal of a national standard.

Senators have said they want to find a compromise on the labeling issue before Vermont's law kicks in. But negotiations broke down between the food industry and labeling advocates.

Roberts said in a statement after releasing the draft that "negotiations will continue in an effort to reach committee agreement."

But he said the committee needs to act quickly. The Vermont law kicks in July

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"We are out of time," Roberts said. "The time to act is now."

The committee's top Democrat, Michigan Sen. Debbie Stabenow, said she would continue to work with Roberts on the bill.

Food industry groups swiftly praised the draft. "Congress must pass a national food labeling solution that offers farmers, families and food producers the certainty and access to the affordable and sustainable food supply they deserve," said Pamela Bailey, head of the Grocery Manufacturers Association.

Scott Faber, head of the national Just Label It Campaign, called it "outrageous" and said Roberts is proposing to deny American consumers the right to know what is in their food.

Genetically modified seeds are engineered in laboratories to have certain traits, like resistance to herbicides. The majority of the country's corn and soybean crop is now genetically modified, with much of that going to animal feed. Corn and soybeans are also made into popular processed food ingredients like high-fructose corn syrup, corn starch and soybean oil.

The food industry says about 75 percent to 80 percent of foods contain genetically modified ingredients.

While the FDA says they are safe and there is little scientific concern about the safety of those GMOs on the market, advocates for labeling say not enough is known about their risks.

So far, Vermont is the only state set to require labeling. Maine and Connecticut have passed similar laws, but those measures don't take effect unless neighboring states follow suit. Several other states could consider labeling bills this year.

#### [Deere Posts Lower Quarterly Earnings, Cuts Full-Year Outlook](#)

Feb 19 (Reuters) - Deere & Co cut its fiscal-year sales and profit outlook and reported lower quarterly earnings on Friday as farmers' declining income weakened demand for agricultural equipment, and its shares fell more than 4 percent.

The maker of John Deere tractors said it now expected farming and construction equipment sales to fall 10 percent in the year ending in October, compared with an earlier forecast of a 7 percent decline. It lowered its earnings outlook to \$1.3 billion from \$1.4 billion.

On a conference call following the results, the company said its new contract with the United Auto Workers increased the option for factory downtime to 16 weeks from 10. The increase gives the company additional factory flexibility as demand for new equipment wanes during the U.S. farm economy's third year of decline.

Sales of Deere's agricultural equipment, the company's larger segment, have fallen as lower prices for commodities such as corn and soybeans have slashed farmers' income.

The company said it expected North American sales of agricultural equipment to decline 15 percent to 20 percent industrywide in 2016.

Farm income has also fallen in Europe, while Brazil, the world's top exporter of soybeans, has slid further into a recession.

Equipment sales fell 23 percent in the construction and forestry segment. Deere attributed the decline to lower shipment volumes and unfavorable currency exchange rates.

For the current quarter, Deere expects total equipment sales to fall 8 percent from a year earlier.

"A key issue will be Deere's ability to maintain good cost control with revenue declines in both its business units," Jefferies analyst Stephen Volkmann said in a note.

Shares of Deere were down 4.3 percent at \$76.91 in afternoon trading.

Net income attributable to Deere fell 34 percent to \$254.4 million, or 80 cents per share, in the first quarter ended on Jan. 31 from \$387 million, or \$1.12 per share, a year earlier.

Analysts on average expected a profit of 70 cents per share, according to Thomson Reuters I/B/E/S.

At the John Deere Capital Corp financial unit, net income fell to \$99.9 million from \$133.6 million. Deere attributed the drop to declines in leased equipment value, unfavorable financing spreads and higher provision for credit losses.

The used farm and construction equipment market has grown in recent years. In particular, there were large volumes of agricultural equipment trade-ins three or four years ago, when farm income was significantly higher.

"Most of the lease returns that are coming back today would have been written" at that time, Tony Huegel, Deere's investor relations director, said on a conference call. "So recoveries aren't as high as what they would have been historically."

### [Argentina Declares Flood Emergency in Six Key Farm Provinces](#)

By Hugh Bronstein

BUENOS AIRES, Feb 19 (Reuters) - Six of Argentina's main farm provinces were declared flood emergency areas by the government on Friday, making special credit lines and tax breaks available to affected growers in the soy and corn exporting powerhouse.

The resolution, announced in the government's morning gazette, covers the provinces of Cordoba, Santa Fe, Entre Rios, Chaco, La Rioja and Corrientes. Argentina's top grains producing province of Buenos Aires was not included in the emergency, but floods were reported there as well.

This year's El Niño weather pattern, which causes global climate extremes, has worsened floods in some parts of South America, including Argentina. In other areas, such as Colombia, it has brought drought.

Argentina is the world's top supplier of soymeal livestock feed, third biggest supplier of raw soybeans and No. 4 corn exporter. Fruit growers and cattle ranchers were also covered by the emergency resolution.

Meteorologist Anthony Deane of consultancy Weather Wise Argentina said key grains production areas in southeast Cordoba, southern Santa Fe and northwest Buenos Aires are suffering from too much ground moisture to outright flooding.

"The question is how much rain is going to keep falling," Deane said. "I expect 100 to 130 millimeters (3.94 inches to 5.12 inches) to fall over the next ten days in these three areas, which is more than what has been the normal rate over the last five years. So the situation is going to get worse before it gets better."

#### [France's Avril to Develop Protein-Rich Rapeseed with Dow Unit](#)

PARIS, Feb 17 (Reuters) - French oilseed producer Avril announced a partnership with Dow Chemical Co. unit Dow AgroSciences on Wednesday to develop protein-rich rapeseed.

The deal will be based on non-genetically modified (GMO) seed technology developed by Dow AgroSciences in Canada, which boosts protein content by 20 percent, Avril's Deputy Director General Michel Boucly told reporters.

"Dow has developed a canola with the same level of oil but enriched with protein and they are launching it on the Canadian market in 2016. We are not pleased at all because they are our competitors so we negotiated (...) an exclusive license deal to develop this technology for French producers," he said.

Dow's canola, a type of rapeseed which is grown in the spring, will be adapted to be cultivated in the winter as virtually all other rapeseed in France. It will then be made available for seed makers. The new seeds will not be available until 2025.

Boucly noted the protein would be non-GMO as opposed to imported soybean. GMOs are controversial in Europe, notably in France.

Avril, which is owned by oilseed crop growers, declined to give financial details of the partnership, but said it would contribute to Dow's research through its financial arm Sofiproteol.

"The idea is that there be more protein from France and less imported," Avril Director General Jean-Philippe Puig said.

Avril produces biodiesel, vegetable oil, oleochemical solutions, animal feed and other food products such as eggs.

It sees the protein market as the one with the most potential with a deficit estimated at 58 million tonnes in 2030.

"By 2030, vegetable protein demand will be 15 percent higher than offer," Boucly said, pointing to people in emerging economies eating more meat as well as higher demand in developed countries.

Avril had sales of 6.1 billion euros (\$6.8 bln) in 2015, down 5 percent from 2014 due mainly to a slump in crude oil prices which affected its biofuels activities, lower feed demand from a declining livestock sector and difficulties in passing on higher vegetable oil prices to supermarkets.

Dow is in the process of merging with chemical maker DuPont to form a chemical and seed producer. The deal, announced in December, will face intense regulatory scrutiny, analysts said, especially over combining their agricultural businesses, which sell seeds and crop protection chemicals.

## [Asia Watches as GMO Legal Challenge Threatens Philippines Food Supply](#)

By Manolo Serapio Jr and Enrico Dela Cruz

MANILA, Feb 16 (Reuters) - A legal challenge to the Philippines' rules on genetically modified organisms is threatening to spark a food crisis in the country and could cloud the outlook for GM technology around Asia.

Government agencies are scrambling to set new regulations on GMOs by Feb. 23 after the Southeast Asian nation's top court late last year demanded an overhaul of existing rules, halting GM planting and issuance of new GM import permits until that was done.

The Supreme Court was acting on a petition by environmental activists led by Greenpeace, with the move likely to be closely watched by governments elsewhere as the Philippines is seen as a trailblazer for GMO.

The country was the first in the region to allow planting and commercialisation of GM corn, which it did in 2002, and has permitted GM crop imports for more than a decade.

"Our framework has served as a model for GMO regulatory policy to other countries like Vietnam, Indonesia and even some Latin American countries," said Merle Palacpac, chief of the plant quarantine service at the Bureau of Plant Industry (BPI).

"We have the first functioning regulatory framework in Asia. So I am sure whatever happens here, they are closely watching."

With some current import permits starting to expire from March and corn farmers set to begin sowing in May, five government agencies are pushing to sign new rules by next Tuesday to avoid disrupting food supply in a year when voters will choose the country's next leader.

"We need (new rules) to be in place as soon as possible. Otherwise there will be chaos," Palacpac added.

Global agribusiness giants Monsanto Co and Syngenta AG are major suppliers of transgenic seeds to the Philippines. They did not immediately respond to requests for comment.

### ANTI-NATIONALISTIC?

The government said the new rules are expected to tighten environmental scrutiny before biosafety permits are issued, addressing one of the loopholes the Supreme Court cited when it voided the old rules, in place since 2002.

They will also require more documentation from suppliers of GM products, according to an importer who participated in past public hearings on the issue.

GMO's critics argue the technology poses risks to public health, while advocates say such fears have not been scientifically proven and that high-yielding genetically altered crops would help ensure food security as the world's population grows.

Around 70 percent of the Philippines' corn output, which stood at 7.5 million tonnes last year, is GM. The country's top GM import is soybean meal. Both are mainly used as animal feed and any supply disruption could spell disaster for the livestock sector.

The Supreme Court's December ruling is "anti-nationalistic when you look at it from the perspective of the country's food security", said Roger Navarro, president of Philippine Maize Federation.

Corn farmers are worried they might not be able to plant in May.

"The livelihood of almost 1 million farmers nationwide will be threatened," said Romualdo Elvira Jr., a farmer from the northern province of Bicol.

Using non-GM seeds, a hectare yields around 3 tonnes of corn, said Oliver Aldovino, part of a farmer cooperative on the southern island of Mindanao. Aldovino, who switched to GM seven years ago, said output doubled with GM corn.

But environmental activists say that after years of allowing GMO cultivation and imports, it is time the country took a step back.

"Since the Philippines began cultivating and commercialising GM corn, there hasn't been a single review by the government in terms of the effect on the environment and farmers," said Greenpeace campaigner Leonora Lava. "Our call now is for an impact assessment."

Lava, who also opposes GMO imports, questioned the speedy way in which the new rules are being drafted. The government launched public consultations on the regulations on Jan. 22, with another public hearing scheduled for Wednesday.

"The concern here is a regulation of national significance. Why the haste?" she said.

Greenpeace is yet to decide whether it will launch a fresh legal battle when the new GMO rules are introduced, said Lava.

#### [FDA Finally Agrees To Test Food For Monsanto's Glyphosate Weedkiller](#)

Feb 19, 2016

The Food and Drug Administration will begin testing corn, soybeans and other foods for the presence of glyphosate, the world's most widely used herbicide, according to the blog Civil Eats .

The decision comes almost a year after the World Health Organization declared that the chemical, the active ingredient in the popular weedkiller Roundup, likely causes cancer in humans .

Civil Eats, in an article published Wednesday, quoted FDA spokeswoman Lauren Sucher as saying the agency is "considering assignments" for the current fiscal year to "measure glyphosate in soybeans, corn, milk, and eggs, among other potential foods."

By testing for residues of the chemical, the FDA may answer longstanding concerns about whether it ends up in the food supply. If detected in large amounts, the industry would likely see an increased demand for stricter regulations.

Glyphosate is widely used in farming, in conjunction with genetically engineered seeds that can withstand its toxic properties, and has been linked to various health and environmental concerns . Monsanto, which patented the herbicide in the 1970s, maintains it is effective and safe .

The FDA and other regulatory agencies already test for pesticides , but glyphosate -- one of the most ubiquitous herbicides -- has never been on the FDA's list .

Among the groups that welcomed the FDA announcement was the Center for Biological Diversity, which noted in a statement that glyphosate has been named as a leading cause of massive declines in monarch butterflies.

Nathan Donley, a scientist with the group, said it was "shocking" it took the FDA so long to agree to testing. He added that he's "glad it's finally going to happen."

" More and more scientists are raising concerns about the effects of glyphosate on human health and the environment," said Donley, adding that FDA data is "badly needed to facilitate long-overdue conversations about how much of this chemical we should tolerate in our food."

Gary Ruskin, co-director of U.S. Right to Know , agreed testing is a " good first step ," but said it must be thorough and widespread. He encouraged the U.S. Department of Agriculture to join the effort.

The FDA said a main reason it did not test for the herbicide in the past was because the available methods were "very cost- and labor-intensive to implement in FDA field labs," according to a statement to Agri-Pulse. New "streamlined methods" have made testing for glyphosate cheaper , the FDA said.

Monsanto said it hadn't received confirmation of the FDA plans for residue testing . The company said glyphosate's 40-year history has demonstrated its safety to the Environmental Protection Agency and other regulators.

"If FDA does move forward with additional testing in a scientifically rigorous manner, we are confident it will reaffirm the long-standing safety profile of this vital tool used safely and effectively by farmers, landowners and homeowners around the world," Monsanto said in a statement.

Monsanto's patent on the herbicide expired in 2000, but the St. Louis-based company continues to reap about \$5 billion annually in sales from glyphosate, Civil Eats reported.

Last month, Monsanto filed a lawsuit that seeks to prevent California's Office of Environmental Health Hazard Assessment from adding glyphosate to the state's list of known carcinogens .