

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

This summary is based on reports from exporters for the period January 22-28, 2016.

Soybeans: Net sales reductions of 43,600 MT for 2015/2016--a marketing-year low--were down noticeably from the previous week and from the prior 4-week average. Increases were reported for Spain (102,400 MT, including 101,000 MT switched from unknown destinations), the Netherlands (73,300 MT, including 70,000 MT switched from unknown destinations), Japan (57,900 MT, including 9,200 MT switched from unknown destinations and decreases of 200 MT), Mexico (46,200 MT), and Taiwan (34,000 MT, including 2,000 MT switched from Indonesia). Reductions were reported for unknown destinations (374,900 MT), China (55,200 MT), and Tunisia (2,700 MT). Net sales of 65,700 MT for 2016/2017 were reported for unknown destinations (65,000 MT) and Japan (700 MT). Exports of 1,141,500 MT were down 14 percent from the previous week and 23 percent from the prior 4-week average. The primary destinations were China (811,100 MT), Spain (102,400 MT), the Netherlands (73,300 MT), Japan (39,900 MT), and Mexico (28,700 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 186,300 MT for 2015/2016 were down 7 percent from the previous week, but up 26 percent from the prior 4-week average. Increases were reported for Mexico (92,000 MT), the Philippines (43,200 MT, including 30,000 MT switched from unknown destinations), Jamaica (20,200 MT), Guatemala (10,200 MT, including 9,300 MT switched from unknown destinations), Canada (7,500 MT), and Honduras (7,000 MT, including 5,900 MT switched from unknown destinations). Reductions were reported for unknown destinations (11,500 MT), the Dominican Republic (9,900 MT), and Ecuador (2,500 MT). Net sales of 1,200 MT for 2016/2017 were reported for Mexico. Exports of 220,900 MT were up 74 percent from the previous week and 8 percent from the prior 4-week average. The primary destinations were the Philippines (84,400 MT), Mexico (39,900 MT), the Dominican Republic (28,500 MT), Colombia (15,500 MT), and Guatemala (10,200 MT).

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

Soybean Oil: Net sales of 12,800 MT for 2015/2016 were up 40 percent from the previous week, but down 30 percent from the prior 4-week average. Increases were reported for South Korea (10,000 MT, including 800 MT switched from unknown destinations), the Dominican Republic (5,200 MT), Mexico (4,400 MT), Guatemala (3,500 MT), and Colombia (2,700 MT). Reductions were reported for Peru (12,600 MT) and unknown destinations (800 MT). Exports of 22,200 MT were up noticeably from the previous week, but down 33 percent from the prior 4-week average. The destinations were primarily Peru (11,800 MT), Mexico (7,100 MT), Colombia (2,700 MT), and Canada (500 MT).

[Brazil's Conab Lowers Soy, Raises Corn Forecast](#)

SAO PAULO, Feb 4 (Reuters) - Brazilian government crop supply agency Conab cut its forecast for a still-record 2015/16 national soybean harvest by 1.2 million tonnes on Thursday to 100.9 million tonnes because of lower yield estimates in top-growing state Mato Grosso.

Conab, which last month had forecast a crop of 102.1 million tonnes, lowered its estimate primarily due to irregular rainfall in Mato Grosso. Average yields there will probably be 4.2 percent lower than last year, the agency said.

Brazil is expected to export 56.8 million tonnes of the soy crop, which is now being harvested, according to Conab. Its forecast is now more in line with those of private analysts as well as the local growers' group.

"We are expecting a crop of 100 million tonnes," Almir Dalpasquale, president of national soy growers' association Aprosoja Brazil, told Reuters on Wednesday. "There are some local problems, but overall it's a good crop."

Conab's overall corn forecast rose to 83.3 million tonnes from 82.3 million tonnes in January, including a first crop of 28.35 million tonnes and a second planting of 54.99 million tonnes.

The agency said Brazil would probably export 29 million tonnes of the corn crop. Demand for Brazil's corn has been high as a weakening local currency makes it more competitive abroad.

The 10.5 million tonnes in last year's carry-over stocks are thought to be already sold, it said. Local poultry and meat companies that use corn to feed animals have warned of potential shortages in some areas. The government is auctioning some public stocks as a result.

[Monsanto wins Chinese Import Approval for GMO Soybeans](#)

CHICAGO, Feb 3 (Reuters) - U.S. seed and agrochemicals company Monsanto Co said Wednesday that it has received import approval for its Roundup Ready 2 Xtend soybeans from China, the world's top soybean buyer.

The next-generation genetically modified soybeans are engineered to tolerate applications of glyphosate and dicamba herbicides amid a growing problem of glyphosate-resistant weeds in North America.

[New Grain Terminal in Brazil's Amazon to Start Exports in July](#)

SAO PAULO, Feb 3 (Reuters) - Logistics firm Hidrovias do Brasil plans to start exporting from a new grain terminal in the Brazilian Amazon in July, serving international merchants, CEO Bruno Serapião said.

Commodities traders Noble Agri and Holland's Nidera, both controlled by Chinese food giant COFCO as well as Multigrain, a Brazilian subsidiary of Japan's Mitsui, signed long-term contracts to use the terminal on the Tapajos river in Para state, Serapião said in an interview.

The 1.5 billion reais (\$384 million) terminal in Miritituba will start receiving grains in February or March, and within five years will have the capacity to move up to 6.5 million tonnes, taking pressure off crowded southern ports, he said.

The terminal will receive soybeans trucked up from top growing state Mato Grosso on the BR-163 highway to the banks of the Tapajos river, where they will be loaded onto barges sailed along the Amazon River to the coastal port of Barcarena.

Even though BR-163 is a rough and not entirely paved road, the voyage costs less and is faster than trucking 2,000 kilometers (1,243 miles) from Mato Grosso to Brazil's main ports of Santos and Paranagua in the southeast, Serapião added.

"Transport by waterway is more competitive," he said, adding that all work on the BR-163 was expected to be complete by the end of the year.

Hidrovias do Brasil follows Bunge in installing a terminal in Miritituba for exports through Barcarena. Bunge has the capacity to export 4 million tonnes per year through the route.

Hidrovias do Brasil is controlled by Patria Investimentos' fund P2 Brasil, with participation from Canada's Alberto Investment Management Corporation (Aimco) and Singapore's Temasek Holdings.

Vilsack Denies Cotton Growers' Aid Request, says Congress Must Act

By [Philip Brasher](#), AgriPulse

WASHINGTON, Feb. 3, 2016 - Agriculture Secretary Tom Vilsack has notified lawmakers he lacks the legal authority to provide subsidies for cottonseed, a blow to growers reeling from a plunge in global cotton prices.

The industry had asked Vilsack to make cottonseed an eligible commodity under the new Price Loss Coverage and Agriculture Risk Coverage programs that were created by the 2014 farm bill.

Vilsack told reporters Wednesday that Congress would not only have to authorize coverage of cottonseed but also find a way to pay the estimated cost of the subsidies, about \$1 billion a year.

Vilsack said there were other options for helping the industry, including lifting restrictions on USDA's use of the Commodity Credit Corp. to provide emergency assistance or to provide aid to cotton ginners. Since fiscal 2012, Congress has prohibited USDA from using CCC funds to provide emergency disaster assistance to farmers.

"We want to help. We understand the challenge, but right now we're a bit stymied by the barriers," Vilsack said on the sidelines of the National Association of State Departments of Agriculture annual winter meeting.

"The question is whether or not there is any desire on the part of Congress to remove the barrier within the farm bill or to remove the barrier within CCC."

House Agriculture Chairman Mike Conaway, whom Vilsack had informed of his decision earlier, continues to insist that USDA has adequate authority to help cotton growers either through the farm programs or through CCC. Conaway told Agri-Pulse he was enlisting the help of some Democrats to help persuade Vilsack to reconsider.

Congressional action along the lines Vilsack suggested would amount to reopening the farm bill, Conaway said.

"He sees the hurt the cotton guys are going through. We just keep working and trying to make our case," Conaway said.

Conaway noted that Vilsack is currently using CCC to fund the installation of ethanol blender pumps.

Vilsack's comments Wednesday were not a surprise. He outlined his thinking to reporters nearly a month ago when he first publicly raised the issue of his legal authority. Vilsack noted at the time that Congress cottonseeds were excluded from coverage under the new Stacked Income Protection Plan (STAX), a revenue insurance policy that the farm bill authorized as a replacement for direct payments.

Conaway argues that the Congress left the door open to include cottonseed as an eligible oilseed under PLC and ARC programs. Under the 2014 farm bill, USDA oilseeds not specified in the law receive a PLC price guarantee, or "reference price," of \$20.15 per hundredweight, which is well above recent market prices.

Cotton growers say China's manipulation of cotton supplies drove cotton prices to levels that are unsustainable for U.S. producers.

A representative of the National Cotton Council told Conaway's committee in December that U.S. cotton acreage is at its lowest point in 30 years, exports their lowest in 15 years, and prices are seeing lows not witnessed since the 2009 recession. Another witness said cotton production would leave the United States if the industry's request was not approved.

Idle Argentine Soy-Crushers Ramp Up as Macri Ending Crop Logjam

By Pablo Gonzalez

(Bloomberg) -- For much of the past decade, soybean processors in Argentina couldn't get enough of the crop to crush, as farmers clashed with the government over agricultural policies.

Now, with newly elected President Mauricio Macri cutting taxes and ending an import ban, processors are ready to expand Argentina's global dominance in exports of soy-based animal feed and cooking oil. The boost couldn't come at a better time -- farmers in the world's third-largest soybean-growing country are eager to sell \$10 billion of crops they hoarded in their battle with the prior administration. And exports stand to gain from a government devaluation of the local currency against the dollar.

"New policies are sending farmers and exporters to a perfect world," said Ramiro Farias, an economist at the Cordoba Grains Exchange in Argentina who predicts domestic soybean processors

-- who left more than a third of their capacity idle last year -- will increase output to all-time highs over the next two years.

Argentina has long sought to be more of a processor of soybeans than just a grower, trying to exploit rising world

demand for soy-based products that fetch higher prices than the raw material. The industry spent \$3 billion expanding facilities to chase that goal, then saw its facilities underused as President Christina Fernandez de Kirchner increased export taxes and halted imports to force domestic farmers to sell.

Record January

As of mid-December, when Macri took office, total overseas shipments of oilseeds and grain for 2015 totaled \$17.6 billion, the lowest for that period since 2009, according to CIARA-CEC, a Buenos Aires-based consortium of Argentine exporters. In January, export sales more than tripled from the same month a year earlier to a record \$2.7 billion.

While the country crushed a record 38.6 million metric tons last year, that was well below total capacity of 62 million tons, industry data show. Most of the idle facilities were at plants expanded by Bunge, Cargill and Louis Dreyfus Commodities BV, which account for 26 million tons. Spokesmen for the companies declined to comment for this story.

With the new government policies in place, processing may jump 8 percent to 42 million tons this year and expand 10 percent further in 2017, according to Farias, the Cordoba exchange economist.

Over-Expanding

Crushing soybeans extracts vegetable oil used mostly for cooking and biofuel, while the leftover meal is fed to

livestock. Since 2003, the industry invested in new plants alongside the Parana river, with easy access to farms and

coastal export terminals.

But the processors over-expanded, and the business was hurt by 30 percent inflation, currency controls and changing agriculture policies under Kirchner -- including increased export taxes. Farmers protested in sometimes violent clashes with the government and began holding larger soybean inventories rather than sell them for reduced income. In 2008, Kirchner banned soybean imports in a bid to force domestic farmers to sell. Before the ban that year, Argentina imported 2.9 million tons from neighboring growers including Paraguay and Brazil.

In mid-December, Macri cut export taxes on soybeans and devalued the peso in one day by 30 percent, the most since 2002. On Jan. 18, he said processors can import soybeans tax free if the products are sold overseas. Agriculture Minister Ricardo Buryaile estimates that change would lead to at least 2 million tons imported from Paraguay alone.

“In the short term, local farmers will complain for the competition, but in the long term, when the industry achieves better profits and is able to pay more to local farmers, they will benefit,” said Carlos Blossom, the general manager at Cresud Sacifya, a Buenos Aires-based soybean grower with more than 230,000 hectares (568,000 acres) of land in Argentina, Brazil, Bolivia and Paraguay.

[Belgium : MEPs Object to Three GM Soybean Authorisations](#)

05-Feb-2016

The EU Commission should not authorize the use of glyphosate-tolerant GM soybeans in food and feed, said Parliament on Wednesday. MEPs note that glyphosate, a herbicide, is classified as “probably carcinogenic” by the World Health Organisation (WHO), and that GMOs are being authorized in the EU without the support of member states.

The three genetically modified soybeans to be authorized by the European Commission for use in food and feed are FG72, MON 87708 x MON 89788 and MON 87705 x MON 89788. MEPs approved three separate objections, all tabled by MEPs Bart Staes (Greens/EFA, BE), Sirpa Pietikinen (EPP, FI), Guillaume Balas (SandD, FR), Lynn Boylan (GUE/NGL, IE) and Eleonora Evi (EFDD, IT).

Concerns over glyphosate

MEPs point out that the herbicide glyphosate, which the three GM soybeans tolerate (along with other herbicides in the case of FG72 and MON 87708 x MON 89788), was classified as “probably carcinogenic” to humans on 20 March 2015 by the World Health Organization’s cancer agency.

Flawed process

MEPs also point out that the European Commission itself deplored that since the current GM authorisation process came into force, every GM authorisation decision has been taken by the

Commission without the support of a qualified majority of member states. In effect, this turns what should be the exception into the norm.

[GM Crops a Failure, Says Greenpeace](#)

Bangkok Post

Genetically modified (GM) crops have failed to create global food security as figures show that only 3% of global agricultural land is devoted to these crops, says a Greenpeace report.

Greenpeace Southeast Asia (GSA) on Wednesday released a report titled "20 years of failure -- why GM crops have failed to deliver on their promises", citing negative health effects, environmental concerns and poor living standards of farmers whose lives depended on GM crops.

Watcharapol Daengsubha, its food and ecological agriculture campaigner, said some studies have found GM crops do not increase yields as claimed. These crops were created to resist certain pests and diseases. Yet they fail to survive weather changes brought on by climate change, a key factor in securing food for the world's population.

He cited a case study in China where the yield of a local variety of rice increased to 89% while the incidence of disease in another variety declined by 94%, saying GM crops did not show the same improvements.

He also mentioned a project to plant GM golden rice in the Philippines alleged to contain high amounts of vitamin A. This is despite the fact that rice isn't a main source of vitamin A, unlike fruit and vegetables.

"We have seen many failures of GM crops. They could not do as promised by their producers. Farmers spend more money on pesticides and more money on GM seeds. There is no study that GM food is good for health; no report of GM crops that can deal with hunger. The world can't eat only corn and soybean [produced by GM companies]. We want to eat more on our plate," Mr Watcharapol said.

The report also claimed the use of pesticides in cotton fields in China increased to 18.2% in 2004, from 6.6% in 1999 and the cost of GM maize in the US has increased over 200% since 2000.

Witoon Lianchamroon, director of the BIOTHAI Foundation, said his network would push for a bill to protect biodiversity by preventing patents being granted for living animals and plants.

[India May Decide on GM Food as China Makes Big Leap with Syngenta Buy](#)

By Krishna N. Das and Mayank Bhardwaj

NEW DELHI, Feb 4 (Reuters) - Officials may decide on Friday whether to allow what could be India's first genetically modified (GM) food crop, mustard, spurred by food security concerns and as China makes a big bet on the technology with a \$43 billion bid for seed firm Syngenta.

Permitting GM food crops is a big call for a country that spends tens of billions of dollars importing edible oils and other food items every year.

Farmers are stuck with old technology, yields are at a fraction of global levels, cultivable land is shrinking and weather patterns have become less predictable.

Two straight droughts for the first time in three decades have made India a net importer of some food products for the first time in years.

If a commercial launch of GM mustard is allowed, it could pave the way for other food crops such as corn varieties developed by Monsanto in one of the world's biggest farm markets.

"I see this as a test case and I am hopeful," said Deepak Pental, the lead scientist who used government grants to conduct tests on the oilseed crop over the past decade.

"How can we keep on running so scared when there is so much need for improving agricultural production?"

But even winning the panel's approval is no guarantee that the GM crop would be introduced.

Political and public opposition to lab-altered food remains strong amid fears they could compromise food safety and biodiversity. There is also suspicion among farmers that their introduction would give foreign seed suppliers too much control.

"Why is the government imposing its decision on farmers on an unsafe and unproven technology, despite the availability of good varieties of mustard in our country?" Manish Sisodia, Delhi's deputy chief minister, told Prime Minister Narendra Modi in a letter this week.

"We pray to you not to compromise our agriculture, citizens' health and the environment under pressure from a handful of foreign companies."

PRESSURE BUILDING?

Friday's meeting, the third held to evaluate field trial data on GM mustard, is an indication of how serious Modi's government is about pushing technology to lift food production after an impasse under the previous government halted research on transgenic crops.

A member of the GM approval committee comprising government and independent experts said they had already discussed the mustard in the past two meetings this year, and the next gathering would be crucial to deciding its future.

He declined to be named and did not give more details.

Ashok Gulati, a farm economist who advised the last government, said that China's takeover of Swiss GM seed developer Syngenta should push the government into taking quick action.

"It should come as ... a wakeup call for India, which has to feed more than a billion mouths," said Gulati. "India now doesn't have the luxury to sit on the issue of GM. It just needs to take this bold and decisive step."

India placed a moratorium on GM aubergine in 2010, fearing the effect on food safety and biodiversity. Field trials of other GM crops were not formally halted, but the regulatory system was brought to a deadlock after that.

However, Modi, who was instrumental in making Gujarat state the leading user of GM cotton in India when he was chief minister, cleared several field trials soon after taking office in New Delhi in 2014.

Some grassroots groups associated with Modi's nationalist Bharatiya Janata Party have opposed GM crops because of the reliance on seeds patented by multinationals like Monsanto, DuPont, Dow Chemical and Syngenta.

But New Delhi-based Pental said the mustard variety was developed by Indian scientists, and local firms could easily supply farmers with cheap seeds.

TESTS REVEAL NO PROBLEMS

The government's chief scientific adviser, R. Chidambaram, has also asked Modi for a quick decision on the issue.

A senior environment ministry official, who is a member of the GM approval committee, had said earlier that studies found no ill effects from GM foods.

Pental's mustard makes use of three genes already incorporated in rapeseed hybrids in Canada, the United States and Australia and extensive biosafety tests have revealed no cause for concern, according to a copy of the field trial report submitted to the government and seen by Reuters.

Additionally, oil derived from its seeds does not contain proteins linked to the three genes used, Pental said.

The mustard's yield is up to 38 percent higher than normal varieties, which would help Modi slash an annual bill for vegetable oil imports of more than \$10 billion.

A farm ministry official said they were keen to roll out any innovation that can help farmers produce more, as long as concerns of human and soil health are addressed.