

WEEKLY NEWS ARTICLE UPDATE



Prepared by John C. Baize and Associates | 7319 Brad Street | Falls Church, VA 22042
TEL: 703-698-5908 | FAX: 703-698-7109 | E-mail: jbaize@attglobal.net

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Export Sales Highlights

This summary is based on reports from exporters for the period March 18-24, 2016.

Soybeans: Net sales of 271,500 MT for 2015/2016 were down 34 percent from the previous week and 43 percent from the prior 4-week average. Increases were reported for Indonesia (78,600 MT, including 25,000 MT switched from unknown destinations and decreases of 500 MT), the Netherlands (70,000 MT, switched from unknown destinations), unknown destinations (63,000 MT), Bangladesh (59,800 MT), Japan (42,200 MT, including 40,500 MT switched from unknown destinations and decreases of 200 MT), and Mexico (23,500 MT). Reductions were reported for China (110,000 MT). For 2016/2017, net sales of 90,000 MT were reported for unknown destinations. Exports of 464,700 MT were down 18 percent from the previous week and 49 percent from the prior 4-week average. The primary destinations were China (135,500 MT), Mexico (70,600 MT), the Netherlands (66,200 MT), Bangladesh (57,800 MT), Indonesia (51,300 MT), and Japan (46,300 MT).

Optional Origin Sales: For 2015/2016, new optional origin sales totaling 120,000 MT were reported for China. The current outstanding balance totals 420,000 MT, all China.

Exports for Own Account: The current outstanding balance totals 500 MT, all Canada.

Soybean Cake and Meal: Net sales of 211,600 MT for 2015/2016 were down 55 percent from the previous week, but up 16 percent from the prior 4-week average. Increases were reported for the Philippines (153,900 MT, including 65,400 MT switched from Singapore), Venezuela (30,000 MT), the Dominican Republic (23,900 MT), Panama (18,400 MT, including 17,200 MT switched from unknown destinations), Peru

(12,000 MT), Guatemala (10,500 MT), Mexico (10,100 MT), and El Salvador (9,900 MT, including 10,800 MT switched from unknown destinations and decreases of 900 MT). Reductions were reported for Singapore (65,400 MT), unknown destinations (28,200 MT), the French West Indies (4,500 MT), and Morocco (900 MT). For 2016/2017, net sales of 200 MT were reported for Canada. Exports of 214,300 MT were up 52 percent from the previous week, but down 13 percent from the prior 4-week average. The primary destinations were the Philippines (51,200 MT), Ecuador (24,200 MT), Mexico (22,100 MT), Panama (18,400 MT), the Dominican Republic (17,200 MT), and Honduras (15,100 MT).

Optional Origin Sales: For 2015/2016, the current outstanding balance totals 99,000 MT, all unknown destinations.

Soybean Oil: Net sales of 18,200 MT for 2015/2016 were down 25 percent from the previous week and 6 percent from the prior 4-week average. Increases reported for Canada (20,900 MT) and Mexico (2,900 MT), were partially offset by decreases for the Dominican Republic (5,400 MT), Colombia (200 MT), and Peru (100 MT). Exports of 34,800 MT were up noticeably from the previous week and 59 percent from the prior 4-week average. The destinations were primarily to Peru (14,900 MT), Guatemala (11,200 MT), Mexico (3,800 MT), Colombia (3,000 MT), and Canada (1,100 MT).

[U.S. Soybean Export Premiums Hit 4-1/2-Year Low on Abundant Supply](#)

By Karl Plume

CHICAGO, March 31 (Reuters) - Cash premiums for export-bound soybeans at the U.S. Gulf Coast, the country's largest bulk grain port, slumped to their lowest in 4-1/2 years on Thursday as recent waves of farmer sales have flooded the market with beans at a time when demand is waning.

Despite the drop in prices, U.S. Gulf soybean exporters are still struggling to compete with cheaper shipments of newly harvested South American soybeans, traders and analysts said.

"Brazil and Argentina are simply cheaper and demand for U.S. beans has basically fallen out of bed," said Terry Reilly, senior commodities analyst with Futures International.

China, which buys around 60 percent of all soybeans traded globally, has shifted to buying South American shipments, which are offered at prices up to \$15 per tonne below U.S. prices, Reuters data showed.

The world's top importer canceled a net 110,000 tonnes in U.S. soybean purchases last week, China's largest cancellation of the season so far, according to U.S. Department of Agriculture data. [EXP/SOY](#)

Meanwhile, cash premiums were further pressured by abundant U.S. supplies, with the country's March 1 stockpile estimated at 1.53 billion bushels, the most for that date since 2007, according to a USDA report on Thursday.

More of that supply has entered the marketplace this month.

Many U.S. farmers this month actively sold soybeans left over from last autumn's harvest as futures prices on the Chicago Board of Trade [Sy1](#) climbed above \$9 per bushel after a nearly 6 percent rally in March, the steepest jump in 10 months.

"Active farmer sales have been the biggest issue. Once we pushed prices up over \$9, we saw a lot of these guys really clamp down hard and restrict those basis bids," said Rich Nelson, chief strategist with Allendale Inc.

Exporters on Thursday afternoon were bidding 30 cents a bushel over CBOT May SK6 futures for March-loaded soybean barges shipped to Gulf Coast elevators. The bid has dropped 10 cents in two days to the lowest point for spot shipments since October 2011.

Free-on-board export premiums were nominally quoted around 35 cents a bushel for April shipments, also a 4-1/2-year low for a spot Gulf shipment.

"We've got more than enough soybeans out there and a competitor to the south that's selling beans cheaper," said a U.S. soybean exporter who asked not to be named. "And this is all happening while the biggest consumer in the world is backpedaling."

[U.S. Farmers' Acreage Plans Not Set in Stone as Corn Price Drops](#)

By Mark Weinraub

WASHINGTON, March 31 (Reuters) - U.S. farmers could plant more soybean acres than suggested in the government's acreage forecast issued on Thursday as recent gains in the futures market tempted them to alter their corn-heavy seeding plans, growers and analysts said.

The U.S. Agriculture Department report showed farmers intend to plant 93.601 million acres of corn this spring, the third most since 1944. That forecast raised the prospect of adding more supplies to an already huge stockpile, sending corn prices into a tailspin and causing growers to question their seeding choices.

"That might make a difference," said Art Bunting, a farmer in Illinois who had planned on devoting 60 percent of his acres to corn and 40 percent to soybeans. "We might have to re-think what we are going to do. It might change some minds."

Bunting said the sell-off made him consider switching two of his 80-acre fields to soybeans from corn.

The USDA's prospective plantings report, which also forecast soybean acreage dipping 0.5 percent to 82.236 million acres, surveys farmers during the first two weeks of March. That leaves most growers with a month before they begin to put seeds in the ground.

Chicago Board of Trade November soybean futures SX6, which track the crop that farmers will plant in the weeks ahead, rose 1.9 percent during the last two weeks of March, piquing farmers' interest after they finished their acreage surveys for the government. That compares with a 4.9 percent drop in the CBOT December corn contract CZ6.

But a March soy rally has not always enticed farmers to boost their soybean acreage.

During the last 40 years, when soybean prices have posted gains that outperformed corn over the last two weeks of March, final soybean acreage has fallen an average of 615,615 acres from the USDA's prospective plantings forecast.

In the years when soybeans have posted last-half March gains greater than this year's rally, soy acreage has declined an average of 377,462 acres from the USDA's outlook.

This year might be different, as the weak price environment has farmers facing steep losses for the crops they have yet to plant. Amid the poor profit prospects, many growers have delayed fertilizing their designated corn fields in a bid to cut costs.

"Going forward, that corn number is going to change," said Brian Hoops, analyst at Midwest Market Solutions. "I just got off the phone with an Iowa farmer. He and his brother don't have any anhydrous (fertilizer applied ahead of corn planting) down and are definitely looking to switch to soybeans."

[Argentina Soy Crop Seen at 60 MMT, Up from 58 MMT -Exchange](#)

BUENOS AIRES, March 31 (Reuters) - Argentine farmers will harvest 60 million tonnes of 2015-16 soybeans, the Buenos Aires Grains Exchange said on Thursday in its weekly crop report, increasing its previous 58-million-tonne estimate.

The report cited higher-than-expected yields in the bread basket province of Buenos Aires, as well as neighboring La Pampa province and growing areas in the northern parts of the country.

Argentina is the world's top exporter of soymeal livestock feed and No. 3 supplier of raw soybeans. The agriculture ministry expects a 2015-16 soy crop of 60.9 million tonnes.

[Rise of South America Grain Trade Decreases Market Transparency](#)

The rise of Argentina and Brazil in the grain trade will make it harder to get a clear picture of supply and demand, the U.K.'s Agricultural and Horticultural Development Board warns in an assessment of how Argentina's market reforms will boost exports of wheat and other crops.

"The growing dominance of South America may well continue to bring transparency issues for global crop markets," says AHDB analyst Jack Watts.

"This is because information is much less readily available from such regions, than say the U.S., upping the risk of the market being hit by unforeseen supply and demand shocks."

[WTO Rules for Some Argentina Claims in EU Anti-Dumping Biodiesel Duty Row](#)

GENEVA, March 29 (Reuters) - The World Trade Organization ruled on Tuesday in favour of several claims by Argentina against anti-dumping duties imposed on its biodiesel imports by the European Union, but said the EU regulation at the heart of the dispute did not violate WTO rules.

The ruling by a WTO dispute panel in the case, begun in late 2013, called on the EU to bring its measures into conformity. Both sides have 60 days to appeal.

Argentina, a major exporter of biodiesel, called the EU measures protectionist. The EU argued that Argentina was "dumping" or selling biodiesel at below the cost of production and harming local producers.

Argentina's Foreign Ministry issued a statement welcoming the ruling. It said being blocked from the European Union had cost the country almost \$1.6 billion in lost biodiesel sales per year.

A separate case brought by Indonesia against EU anti-dumping duties on imports of biodiesel from Jakarta is pending at the Geneva-based trade watchdog.

The WTO panel rejected Argentina's claim that a central article of the EU regulation "as such" violated the WTO's anti-dumping agreement, but upheld other claims that the EU had acted inconsistently with the pact.

"We see this as excellent news," said Luis Zubizarreta, head of Argentina's biodiesel industry chamber, CARBIO.

"The European Union's decision regarding Argentine biodiesel was unjust," he added. "Now we'll be able to reopen a market that we had developed very well."

Zubizarreta said the decision would help fortify demand for Argentine soybeans, which are used to make biodiesel.

The EU anti-dumping duties were imposed after then-President Cristina Fernandez ordered the seizure of Argentina's top energy company, YPF from its previous parent, Spain's Repsol.

There was no immediate comment from the EU.

[Brazil President Closer to Impeachment as Coalition Partner Quits](#)

The Guardian 30-Mar-2016

Dilma Rousseff's hopes of seeing out her four-year term took a major hit when the PMDB voted to leave the governing alliance: 'This is her D-Day' says analyst

President Dilma Rousseff's hopes of seeing out her term of office have received a potentially fatal blow after the biggest party in the Brazilian congress voted to abandon her ruling coalition.

The vote by the Brazilian Democratic Movement party (or PMDB) could trigger a defection from Rousseff's coalition by other smaller parties, and greatly increase the prospect that she will lose an impeachment vote in the lower house next month and be suspended from office.

To cries of "Workers party out!" and "Onward Brazil!", PMDB leaders announced their decision to break up the coalition.

"We're going to try to change the country. The economic and social crisis is very serious," senator Romero Juca, the PMDB's first vice-president, told a party meeting in the capital Brasilia.

Rousseff now leads a fragile minority government. Senior officials in the governing Workers party insist the president can still be saved from what they say is a coup attempt against an elected leader who still has more than half of her four-year mandate to serve.

Their hopes depend on securing support from individual members of the PMDB, which is a far from united party. Three PMDB ministers have indicated they may defy orders to quit the cabinet by 12 April.

But government efforts to shore up support look increasingly desperate after the PMDB – which has 68 of the 513 seats in the lower house – decided to leave an alliance that has propped up the government for more than 13 years.

David Fleischer, political science professor at the University of Brasilia, said the defection would create a domino effect that is likely to topple Rousseff.

"This is her D-Day," he said. "[Now the PMDB has left] the possibility of her impeachment increases to 90%."

The president's opponents will now have an increased majority on the impeachment committee which could give the go-ahead for a full congressional vote, most likely on 17 April, Fleischer said.

The departure of the PMDB marks a new low in a protracted political crisis triggered by efforts to unseat Rousseff following the Operation Lava Jato (Car Wash) revelations of money laundering, price fixing and bribery at the state-run oil company, Petrobras.

Rousseff's enemies are attempting to launch impeachment proceedings on several grounds, including ongoing investigations into alleged budget irregularities and campaign finance violations.

The president has insisted there is no legal basis for impeachment, telling reporters last week that any attempt to remove her from power without legal justification would represent a "coup".

The political trench warfare has paralysed decision making in Brasília, worsening an economy that is deep in recession and heightening public anger. More than a million protesters took to the streets earlier this month in a huge anti-government demonstration.

If 342 of the 513 deputies approve, the impeachment process would move to the senate and Rousseff would be suspended for 180 days while Brazil's vice-president, Michel Temer – leader of the PMDB – would become interim head of state. A final decision on whether to formally remove her from office would then be taken sometime around October.

Senator Aécio Neves, leader of the opposition Brazilian Social Democracy Party (or PSDM), said he and the leaders of five other opposition parties were ready to back a transitional government led by Temer.

"Rousseff's government is finished. The departure of the PMDB is the last nail in the coffin of a dying government," said Neves, who narrowly lost to Rousseff in the 2014 election.

Carlos Pereira, a political scientist at the Brazilian School of Administration, concurred that the chances of the president's removal have increased considerably.

"The exit of PMDB will fatally encourage other smaller parties to abandon the coalition, bringing the Dilma government to a state of political isolation," he said, predicting the vice-president would reap the benefits ahead of the next election in 2018. "The potential Temer government would be a sort of government of national salvation in the sense that virtually all the political forces will most likely support him. It will be a transitional government and so will have a narrow margin for error."

A party of influence brokers rather than ideologues, the PMDB has steadily increased its presence in the government even as it has wavered in its support. Until Monday, it held seven ministerial posts as well as the vice-presidency.

But it has long been divided about its loyalties to the administration. Since last year, PMDB member and lower house speaker Eduardo Cunha has openly plotted against Rousseff. In December, he gave the green light to impeachment proceedings based on accusations that the government window-dressed its accounts before the last election.

The party is now pushing to secure power for itself, though it is unlikely to be any less vulnerable to corruption allegations. Cunha and other senior PMDB figures have been implicated, along with politicians of all stripes, in the Petrobras scandal.

PMDB defections from the ruling camp have increased steadily. The most recent to go was the tourism minister, Henrique Eduardo Alves, who quit on Monday. Even before Tuesday's vote, domestic newspapers carried leaks of the policy agenda, including welfare cuts, that the PMDB plans to carry out if it takes power.

The consequences and repercussions of such a move could be tumultuous. Political tensions are already high. None of the potential replacements for Rousseff have clean hands. Senior Workers party officials say the impeachment charges are trumped up by opponents who were unable to accept election defeat.

Related: Lula says 'Big Brother' bribery inquiry is turning Brazil politics into reality TV

Former president Luiz Inácio Lula da Silva said the attempt to unseat Rousseff was a coup, similar to those used in recent years against leaders in Paraguay and Honduras. He warned on Monday that Brazil's 31-year-old democracy was at risk.

"It seems to me the opposition have tried to make it impossible for her to govern Brazil," he said. "They should allow her to have her time to rule this country. Let voters be the judges at the end of her term. If she doesn't do well, we will respect the decision of electorate."

If Rousseff is removed, she would not be the first elected Brazilian president to be forced from office. Fernando Collor de Mello resigned in 1992 in the midst of an impeachment fight he appeared certain to lose.

[Indian Regulator Defers Decision on Importing Genetically Modified Animal Feed](#)

27-Mar-2016 22:51

New Delhi, March 28 -- The environment ministry has received several requests from companies seeking permission to import genetically modified (GM) feed for animals, even though the debate on whether or not to allow commercialization of GM food crops is far from settled in India.

However, the Genetic Engineering Appraisal Committee (GEAC), the central government's regulator for giving clearances for field trials of GM crops and import/export of GM seeds, has deferred a decision on these requests in the absence of an expert view on the matter.

According to the minutes of the GEAC's December 2015 meeting accessed by Mint, four such proposals were received by the committee.

For instance, Suguna Foods sought permission from the GEAC for "import of GM Soybean meal from China, Brazil, Argentina, Vietnam, Singapore, Malaysia, USA for producing of poultry and animal feed".

"The purpose of import is as an ingredient in the animal feed for self usage for producing poultry and animal feeds. The Member Secretary, GEAC informed that comments of the experts on the proposal are still awaited," said the minutes.

Another such proposal was from Godrej Agrovet Ltd, which sought "permission for import of processed food-Dried Distillers Grains with Soluble (DDGS)-corn from USA and market in India".

Most ethanol plants in the US are dry-grind facilities that use starch from corn to produce ethanol. The remainder of the corn kernel is used to produce a variety of wet and dry distillers grains co-products including DDGS, which is considered an excellent low-cost alternative feed ingredient.

But the GEAC was not convinced.

"Besides the comments from experts, comments of department of animal husbandry and FSSAI (Food Safety and Standards Authority of India) may be obtained regarding the export/import of GM feed. Comments from other experts may be followed-up. Decision on the proposal was deferred," the GM regulator noted.

Environmentalists, too, are against allowing GM food as animal feed.

"This is an issue of grave concern for us. Animals are part of our food chain and if GM feed is allowed in poultry industry, it could have adverse results. GM cotton seed that goes to animal feed has already started showing negative consequences in our cattle (like low pregnancy rates)," said Rajinder Chaudhary of the Coalition for GM-Free India, an organization of activists against GM crops.

Any ill-effects caused by GM cotton seed in animal feed are yet to be verified.

"The real question is whether there is really a need for GM products. If only there is a real need, then only GM food products should be explored," said Chaudhary, who is a retired professor of economics.

The issue of field trials of GM crops and their commercialization, especially food crops like brinjal and mustard, has been a contentious one in India.

Recently, controversy erupted when the GEAC was hearing an application for commercialization of GM mustard.

Mint reported on 6 February that after a lot of opposition from environmentalists, environment minister Prakash Javadekar assured that the government would not impose GM mustard on consumers and that a final decision will be taken only after due deliberation.

Since coming to power in May 2014, the Bharatiya Janata Party (BJP)-led government has been trying unsuccessfully to build consensus around the issue.

In its 2014 election manifesto, the BJP had said that genetically modified crops will not be allowed without proper scientific investigation.

But organizations opposing GM crops include the Swadeshi Jagran Manch, affiliated to the ideological parent of the BJP, the Rashtriya Swayamsevak Sangh.

The strong opposition to GM crops could hamper the government's push for investment and growth in biotechnology.

Indonesia's Soybean Production Forecast to Decline

3/28/2016 - by World Grain Staff

WASHINGTON, D.C., U.S. — Indonesia's 2015-16 soybean production is expected to decline to 600,000 tonnes, as Indonesian farmers recover from El Niño conditions, the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service said in a March 15 report.

Assuming a return to normal weather conditions, farmers will plant corn and rice in place of soybeans. There is potential, however, for some additional soybean plantings. The report analysis indicates a potential for increased soybean planting in June-August 2016 due to delayed planting in late 2015. Rice and corn plantings were held back by several weeks in some areas following rain delays due to the 2015 El Niño. It is possible that some regions may experience delayed harvests, limiting plantings for June-September harvest. If this occurs, some farmers may opt to plant short duration soy.

The report forecasts 2016-17 soybean production to remain stable at 600,000 tonnes. Despite Indonesia's emphasis on soybean self-sufficiency and efforts to grow production, the report has yet to observe any changes that would indicate production growth. Low yields and limited profitability from soybeans imply that Indonesian farmers will continue to plant rice or corn.

Indonesian soybean consumption is dominated by human use. U.S. soybeans are preferred in Indonesia due to their uniform size, color and suitability for tempeh and tofu manufacturing, according to the report. It is expected that tempeh and tofu will remain a preferred protein source in Indonesia, especially when considering the rising costs of substitute animal proteins. The total soybean consumption estimate therefore remains unchanged at 2.87 million tonnes 2015-16.

Looking to 2016-17, consumption patterns are not expected to change. Considering population growth, the report estimates that consumption will grow to 2.9 million tonnes. Despite rising incomes and a growing middle class, tempeh remains very cost competitive and maintains a popular place in Indonesian diets across social classes.

Indonesia imports approximately 75% of its soybean requirement, the majority originating in the U.S. Global supplies of the oilseed remain high, implying continued low prices and availability to importers.

Recent policy changes have transferred import authority for corn to the Indonesian state-owned enterprise, BULOG. Under this arrangement, BULOG maintains ownership of most imported corn in Indonesia, while private importers act as import agents for BULOG. Although there is discussion that BULOG may apply a similar policy to soybeans, it is believed that such a policy, if implemented, would have little influence on the overall quantity of imported soybean. The report notes that previous efforts to curtail soybean imports have been relatively ineffective, as demand far outweighs local production capacity. As a result, the import estimate remains at 2.2 million tonnes for 2015-16, noting that first quarter imports are on pace to achieve this level. 2016-17 imports are set at 2.35 million tonnes, reflecting the consistent demand of a growing population.

2014-15 ending stocks are revised down from 185,000 tonnes to 149,000 tonnes, based on final data. 2015-16 ending stocks are also reduced slightly, based on lower beginning stocks and low levels of reported exports. 2016-17 ending stocks are estimated at 66,000 tonnes.