

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

This summary is based on reports from exporters for the period April 15-21, 2016.

Soybeans: Net sales of 226,000 MT for 2015/2016 were down 45 percent from the previous week and 36 percent from the prior 4-week average. Increases were reported for Mexico (78,600 MT), Bangladesh (55,000 MT), Indonesia (37,300 MT, including 25,000 MT switched from unknown destinations and decreases of 100 MT), Colombia (21,700 MT, including 11,000 MT switched from unknown destinations), Taiwan (9,500 MT), and Japan (7,200 MT). Reductions were reported for unknown destinations (5,900 MT). For 2016/2017, net sales of 720,400 MT were reported for Mexico (375,500 MT), China (180,000 MT), unknown destinations (149,100 MT), and Indonesia (9,000 MT). Exports of 278,700 MT were down 18 percent from the previous week and 20 percent from the prior 4-week average. The primary destinations were Japan (78,800 MT), Indonesia (57,800 MT), Mexico (45,700 MT), Tunisia (33,000 MT), Colombia (17,500 MT), and the Philippines (11,600 MT).

Optional Origin Sales: For 2015/2016, new optional origin sales totaling 60,000 MT were reported for China. The current outstanding sales balance totals 480,000 MT, all China.

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

Soybean Cake and Meal: Net sales of 209,600 MT for 2015/2016 were up 59 percent from the previous week and 49 percent from the prior 4-week average. Increases were reported for unknown destinations (73,400 MT), Mexico (42,500 MT), Guatemala (15,500 MT), Colombia (15,200 MT), the Philippines (12,300 MT), Canada (11,900 MT), Peru (11,000 MT), and Lebanon (8,800 MT, including 4,900 MT switched from Egypt). Reductions of 600 MT were reported for the French West Indies. For 2016/2017, net sales of 63,800 MT were reported for unknown destinations (55,600 MT), Ecuador (8,000 MT), and Canada (200 MT). Exports of 248,400 MT were up 14 percent from the previous week and 27 percent from the prior 4-week average. The primary destinations were the Philippines (50,000 MT), Egypt (38,400 MT), Mexico (30,800 MT), Venezuela (30,000 MT), Honduras (14,000 MT), Colombia (12,000 MT), and Peru (11,000 MT).

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

Soybean Oil: Net sales of 9,600 MT for 2015/2016 were down 10 percent from the previous week, but up 65 percent from the prior 4-week average. Increases were reported for Mexico (4,000 MT), Colombia (2,000 MT), Belgium (1,100 MT), Canada (700 MT), Singapore (400 MT), and South Korea (300 MT). Exports of 15,200 MT were down 14 percent from the previous week and from the prior 4-week average. The destinations were primarily to Venezuela (10,000 MT), Mexico (4,700 MT), and Canada (500 MT).

[A 3rd of Argentine Soy Farms Waterlogged; 5 MMT Feared Lost](#)

By Hugh Bronstein

BUENOS AIRES, April 27 (Reuters) - A third of Argentina's soy farms remain swamped after early April storms, with crop loss estimates at 5 million tonnes as harvesting starts in areas dry enough to support the 30-tonne combines used to bring in the beans, experts said on Wednesday.

Flooding on the Pampas grain belt could end up benefiting U.S. farmers. The weather is improving, but big importers like China are already looking to the Midwest to make up for a likely drop in supply from the South American soybean powerhouse.

"In the first 20 days of the month, 700 millimeters (27.6 inches) of rain fell in the worst-hit areas," said Rosario grain exchange agronomist Cristian Russo, who estimated flood-related soybean losses at 5 million tonnes or more.

"We've never seen so much rain in such a short period in the middle of harvesting season," he said.

The exchange estimates this year's crop at 59 million tonnes, a forecast that is likely to fall in the weeks ahead as the sun comes out and farmers measure flood-related losses.

Last week the Buenos Aires Grains Exchange chopped its harvest forecast to 56 million tonnes from 60 million.

"Of Argentina's 21 million hectares of soy land, 7 million are fine; 7 million are wet but not swamped; and in the remaining 7 million, growers have to wait for flooding to recede before they can start trying to harvest," said Eduardo Sierra, the exchange's weather adviser.

"All the fields that are not waterlogged are now being harvested," Sierra said. "Those that are still waterlogged will be partially lost."

The areas hardest hit by the storms were in Cordoba, Buenos Aires, Entre Rios, Santa Fe and Chaco provinces.

The first cold front of the Southern Hemisphere autumn hit Argentina on Sunday, ending the rains. Mostly fair weather is expected in May, which should allow harvesting machines to get to farms left isolated when floods washed out the poorly maintained roads that crisscross the Pampas.

President Mauricio Macri was elected in November on promises of increasing investment in the farm sector. He has slashed grain export taxes and a deal he recently negotiated to get the country out of default is expected to open credit lines needed for farming provinces to improve transportation routes.

[Argentine Rains Cause Damage, Disease to Soy Crop](#)

By Maximiliano Rizzi

BUENOS AIRES, April 29 (Reuters) - Unusually heavy El Nino rains in Argentina this month have left large parts of the country's soy crop affected by fungi and disease, forcing producers to sell at a discount, industry experts told Reuters.

Heavy downpours in the first three weeks of April left more than half of Argentina's agricultural region under water at the peak of the harvest season, leading global soy prices up and potentially benefiting U.S. farmers.

Argentina is the world's top exporter of soymeal livestock feed and it is the No. 3 supplier of raw soybeans.

As the waters recede in the Pampas, many farmers have been left trying to sell damaged crops.

"In general, trucks are leaving the affected zone with between 20 and 30 percent damaged soy, which translates to a price discount of 15 to 25 percent," said Guillermo Moulia, a grains trader in Rosario, the country's leading export port.

When a soy load for export has more than 5 percent damaged grains, a 1 percent price discount is applied for each percentage point of additional damage. If the damage is too high over 40 percent - the seller runs the risk that the port or warehouse could reject the load.

Buyers are seeing damage of between 10 and 40 percent, said Rosario trader Natalia Colombo.

Some producers who began harvesting before the rains started are mixing loads to improve the overall quality and keep the price discount down.

But in the worse affected areas around the central province of Santa Fe, damages to the crop are as high as 80 percent, the Rosario Grains Exchange estimated.

"The harvest outlook is the most difficult it has been in the region's history," it said.

Crops had been left under water for three weeks right at the end of the growing cycle, said agricultural health expert Antonio Ivancovich.

"There will be a lot of deterioration in the seeds due to *Alternaria* and *Fusarium* fungi, which are delayed harvest fungi. After ten days of delay in the rain, the damage is serious," he said.

Last week, the Buenos Aires Grains Exchange chopped this year's harvest forecast to 56 million tonnes from 60 million, although experts say that will likely fall further once the extent of the damage is clearer.

[Argentine Corn Exports Double in Q1 as Macri Reforms Hit Home](#)

By Hugh Bronstein

BUENOS AIRES, April 29 (Reuters) - Argentine corn exports doubled in the first quarter and further increases are expected as new government policies unleash a wave of supply onto the global market, stiffening competition for U.S. growers already hurt this season by a strong dollar.

President Mauricio Macri eliminated corn export curbs in December after being elected on a market-friendly platform, prompting farmers to sell stockpiles that had accumulated under former leader Cristina Fernandez, who tightly controlled trade.

Shipments from the world's No. 4 corn supplier surged to 7.6 million tonnes in the January-March period, from 3.8 million in the same period last year, according to customs data, eroding U.S. market share early in the year when the United States is usually the dominant exporter.

Argentina's usual corn export window will be prolonged by two months into August due to unusually high late-season planting. That could restrain U.S. corn prices [Cc1](#), which have jumped 10.9 percent since the start of the year.

Shipments from Argentina will also battle for business against Brazil's sizable safrinha crop in the months ahead.

The U.S. Department of Agriculture says corn planting in Argentina is expected to shoot to 4.2 million hectares in the 2016/17 season, compared to 3.2 million hectares in the 2015/16 crop year. Planting for the 2016/17 season starts in September.

The USDA's office in Argentina forecasts 2016/17 corn production at 31.5 million tonnes, which would be the highest level ever for the country, and estimates production from the 2015/16 crop now being harvested at 28 million tonnes.

Argentina's peso currency has weakened by more than 31 percent since December, improving margins for exporters.

In December, Macri ditched the 20 percent tax that Fernandez put on corn exports while reducing the soybean tax to 30 percent from 35 percent, which raised the profitability of producing corn versus soy, Argentina's main cash crop.

Over-planting of soy over the last 20 years has hurt soil quality on the famously fertile Pampas grains belt.

"For the first time in years, corn is more profitable than soy in Argentina," said Pedro Vigneau, a farmer in the town of Bolivar, located in central Buenos Aires province. "We will be planting more and that's going to be great for crop rotation."

[Brazil's Corn Crop Forecast Slashed by 7.6 MMT -Franca Junior](#)

SAO PAULO, April 29 (Reuters) - Brazilian grains analyst firm Franca Junior on Friday lowered its 2015/2016 corn crop forecast for Brazil to 79.5 million tonnes, 7.6 million tonnes below its March estimate, citing adverse weather in the main growing areas

Brazil has been importing upward of 500,000 tonnes of corn from Argentina and Paraguay in recent weeks due to record domestic prices stemming from a shortfall in local market supplies.

[Denmark Ethics Council Calls for Tax on Red Meat to Fight 'Ethical Problem' of Climate Change](#)

With cattle contributing a tenth of global emissions, people are 'ethically obliged' to change their eating habits, an influential government think tank says

Denmark is considering proposals to introduce a tax on red meat, after a government think tank came to the conclusion that "climate change is an ethical problem".

The Danish Council of Ethics recommended an initial tax on beef, with a view to extending the regulation to all red meats in future. It said that in the long term, the tax should apply to all foods at varying levels depending on climate impact.

The council voted in favour of the measures by an overwhelming majority, and the proposal will now be put forward for consideration by the government.

[Grain Trade Alarmed by USDA Biotech Plans](#) agri-pulse.com |

WASHINGTON, April 27, 2016 - The Agriculture Department's plan for a "radical" overhaul of the way it regulates biotech crops risks disrupting exports of U.S. farm commodities unless the changes are coordinated with importing countries, agribusiness groups say.

The organizations also are rejecting a proposed broad definition of biotechnology that would include gene editing, going well beyond the traditional technique of inserting genes from one species into another.

In , trade groups that represent companies such as Archer Daniels Midland Co. and Cargill Inc. that export grain, oilseeds and other products said that the proposal was "premature and potentially harmful to U.S. agriculture" because of the possible impact on trade.

The USDA plan, outlined in a 14-page document published in February, is intended to accelerate the development of new crop traits that USDA believes pose little risk to the environment, with the side benefit of making it easier for public researchers and small companies to get their ideas to market. The new system USDA envisions would end or at least curtail what scientists consider unnecessary, redundant reviews of essentially the same traits.

The document, prepared by USDA's Biotechnology Regulatory Services, a unit of the Animal and Plant Health Inspection Service (APHIS), lays out in broad terms a new two-step process for analyzing new crop traits and deciding which ones would be subject to regulation. Although the definition of biotechnology is broad, the expectation is that some techniques would be exempted from regulation.

The grain and oilseed traders have been pushing the administration for months to ensure that any changes in regulation are coordinated with other countries, citing the impact of China's rejection of imports after discovering a Syngenta corn variety that hadn't been approved there.

In the joint comments, the Corn Refiners Association, National Grain and Feed Association, Corn Refiners Association, National Oilseed Processors Association, North American Export Grain Association and the North American Millers Association said going forward with the overhaul now could harm U.S. agriculture.

"To create a truly workable biotech regulatory framework for the future, APHIS necessarily must take the necessary time and make the necessary effort to address the challenge of achieving regulatory coherence and compatibility in the global market," the groups said.

With the China experience in mind, the grain and oilseed traders also asked APHIS to create a new approach for safeguarding exports through creation of a "conditional deregulation" category for products that don't present a plant pest or noxious weed risk but lack necessary approvals in export markets. The category also would cover novel crop traits that could result in disruptions to domestic or export markets.

Biotech companies that receive such conditional approvals would have to implement "stewardship plans" to manage the products and take responsibility for them if the plans "fail to protect the value of U.S. crops."

In other comments, the National Council of Farmer Cooperatives pushed USDA to exempt gene editing techniques from the definition of biotechnology, saying they offered "significant opportunities" for crops that have not benefited from genetic engineering before.

"New gene editing tools offer a precise alternative to mutagenic techniques, which have been safely used by plant breeders for almost a century, to create novel alleles (alternative forms) of native genes," NCFC said.

The Biotechnology Industry Organization, which represents Monsanto Co. as well as many smaller companies, said in its comments that the definition was "very broad" and had "no articulated connection to actual risk."

The agency has no legal authority to regulate biotech products unless they are considered plant pests, noxious weeds or could lead to the introduction of a plant pest or noxious weed, BIO said.

The group said the broad overhaul being proposed was unnecessary. APHIS should instead make “surgical” changes “focused on addressing specific issues, rather than by proposing or undertaking a radical departure from the current system,” BIO said.

The American Seed Trade Association echoed many of BIO's concerns. The biotechnology definition “would require pre-market regulatory review of many modifications that could be achieved through conventional breeding,” the group said.

Critics of biotechnology don't think the department's proposal goes far enough. Some comments pressed the agency to take into account the impact of biotech crops on organic producers. Friends of the Earth, for example, said biotech companies should be held liable for “contamination” of non-GMO crops. The group also called for mandatory safety testing of all genetically engineered organisms.

The Center for Food Safety, which has frequently challenged USDA biotech approvals in court, applauded the broad definition of biotechnology, but the group said APHIS failed to use the definition as a regulatory trigger.

CPS says that all genetically engineered organisms should be regulated as plant pests or noxious weed risks. The group also said the agency should pay special attention to herbicide-resistant (HR) crops. “Based on the continuing large number of field trials and recent deregulations of HR crops with resistance to multiple herbicides, this class of GE crops will also dominate the future of agricultural biotechnology.”

Food and Water Watch submitted a petition that also emphasized the concerns about herbicide usage and the impact on organic farming.

The USDA document lays out four alternatives for future regulation, the second of which is the plan APHIS outlined to interest groups last fall. The other alternatives are essentially throwaway plans. One would leave the current system unchanged, another would replace it with a much more stringent system, and the third would essentially deregulate biotechnology.

[Brazil Removes Import Tax on Maize Following Urge from Poultry, Pork and Dairy Producers](#)

27-Apr-2016

The Brazilian Ministry of Development, Industry and Foreign Trade has announced that the import tax on bulk maize has been reduced from 8% to zero.

The move, which was approved by Brazil's Foreign Trade Chamber (Camex), will be effective for six months, and applies to a maximum quota of 1 million tons.

The ministry said the interim tax exemption was approved at the request of the Ministry of Agriculture, Livestock and Supply and aims to "rebalance the domestic market, preventing meat production costs from rising significantly."

The ministry's agricultural Policy secretary Andre Nassar said the poultry, pork and dairy producers, which urged for a tax break on maize, had complained about high costs.

Nassar, said, "Imports of the grain, which serves as the basis for animal feed, will impact positively on domestic maize prices."

Record-Setting Wheat Yield Announced

By Jonathan Knutson, Agweek on Apr 7, 2016

A United Kingdom wheat farmer had set a new yield-per-acre world record, says a company involved with his farm.

Rod Smith harvested a whopping 249.6 bushels per acre (the equivalent of 16.52 tons per hectare), topping the previous record of 15.64 tons per hectare held by a New Zealand farmer, according to a news release from Verdesian Life Sciences.

Smith's Beal Farm is located in Northumberland near the Scottish border.