

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

This summary is based on reports from exporters for the period May 27-June 2, 2016.

Soybeans: Net sales of 758,500 MT for 2015/2016 were up noticeably from the previous week and 98 percent from the prior 4-week average. Increases were reported for unknown destinations (573,900 MT), **Iran (120,000 MT)**, Mexico (61,300 MT), Indonesia (47,600 MT, including 44,000 MT switched from unknown destinations), and Japan (12,100 MT, including 9,000 MT switched from unknown destinations and decreases of 300 MT). Reductions were reported for China (54,000 MT), Malaysia (15,000 MT), and Colombia (100 MT). For 2016/2017, net sales of 475,500 MT were reported primarily for unknown destinations (280,000 MT), China (152,000 MT), Cuba (16,000 MT), and Malaysia (15,000 MT). Exports of 125,600 MT were down 41 percent from the previous week and 35 percent from the prior 4-week average. The primary destinations were Indonesia (58,000 MT), Mexico (29,400 MT), Japan (14,500 MT), Vietnam (6,700 MT), and Taiwan (5,800 MT).

Optional Origin Sales: For 2015/2016, new optional origin sales totaling 3,000 MT were reported for Pakistan. The current outstanding sales balance of 659,000 MT is for China (603,000 MT) and Pakistan (56,000 MT). For 2016/2017, the current outstanding balance is 63,000 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 44,300 MT for 2015/2016 were down 36 percent from the previous week and 59 percent from the prior 4-week average. Increases were reported for Egypt (18,000 MT), Guatemala (14,100 MT, including 12,600 MT switched from unknown destinations), Mexico (9,800 MT), El Salvador (6,700 MT, including 7,400 MT switched from unknown destinations and decreases of 1,200 MT), Panama (6,700 MT, including 7,600 MT switched from unknown destinations and decreases of 900 MT), and Canada (3,300 MT). Reductions were reported for unknown destinations (17,900 MT), Colombia (2,500 MT), and the French West Indies (2,500 MT). For 2016/2017, net sales of 136,700 MT were reported for unknown destinations (78,700 MT) and Mexico (58,000 MT). Exports of 285,500 MT were up 57 percent from the previous week and 43 percent from the prior 4-week average. The primary destinations were the Philippines (75,300 MT), Mexico (57,100 MT), Ecuador (31,400 MT), Colombia (27,000 MT), the Dominican Republic (24,000 MT), Canada (14,300 MT), and El Salvador (14,100 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 14,500 MT for 2015/2016 were down 68 percent from the previous week and from the prior 4-week average. Increases were reported for Cuba (7,600 MT), Mexico (3,200 MT), Guatemala (1,800 MT), and the Dominican Republic (1,700 MT). For 2016/2017, net sales of 7,600 MT were reported for Cuba. Exports of 22,800 MT were up noticeably from the previous week and from the prior 4-week average. The destinations were primarily to Colombia (10,000 MT), the Dominican Republic (4,700 MT), Mexico (3,800 MT), Guatemala (2,000 MT), and Panama (2,000 MT).

June WASDE Highlights for Soy

The following are some of the key soy highlights from USDA's June 10 WASDE report

2015/16

U.S. soy crush estimate increased by 10 million bushels to 1.89 billion bushels

U.S. soybean export forecast increased by 20 million bushels to 1.76 billion bushels

U.S. soybean exports increased by 180,000 MT to 10.61 MMT

U.S. soybean export forecast increased by 50,000 MT to 1 MMT

U.S. soybean ending stocks reduced by 30 million bushels to 370 million bushel

U.S. season-average soybean price increased by 20 cents/bushel to \$9.05/bushel

U.S. season average soybean price increased by \$25/short ton to \$335

Brazil's soybean crop reduced by 2 MMT to 97 MMT based on dry weather.

Argentina soybean crop maintained at 56.5 MMT.

Forecast for India's soybean imports increased by 300,000 MT to 4 MMT

2016/17

U.S. soybean exports increased by 15 million bushels to 1.9 billion bushels

U.S. soybean ending stocks reduced from 3-5 million bushels to 260 million bushels.

U.S. season-average soybean price increased by 40 cents/bushel to a midpoint of \$9.50/bushel

U.S. season-average soybean price increased by 20/short ton to midpoint of \$340

Brazil soy crop maintained at 103 MMT

[USDA Slashes Corn, Soy Supply View on South American Crop Troubles](#)

By Mark Weinraub

WASHINGTON, June 10 (Reuters) - Domestic supplies of corn and soybeans will be tighter than expected in the United States as problems with crops in Brazil and Argentina have raised demand for U.S. supplies from overseas buyers, the U.S. Agriculture Department said on Friday.

In its monthly supply and demand report, the government cut its new-crop and old-crop ending stocks outlooks for both corn and soybeans by more than analysts had forecast.

Corn and soybean futures surged shortly after the report was released, with the most-active soy contract peaking at \$12.08-1/2 a bushel, its highest since June 30, 2014, before retreating to pre-report levels. Investors quickly dialed in increases to U.S. soy plantings in the coming months, expecting farmers to cash in on the price rally.

"I do not think anybody is assuming there are not any more acres coming," said Jim Gerlach, president of A/C Trading in Indian. "I think that's why you saw it jump and then settle back down again. People don't want to jump in with both feet."

For corn, USDA said U.S. ending stocks for 2015/16 would be 1.708 billion bushels, down from its May outlook for 1.803 billion bushels. It lowered its 2016/17 corn end stocks view to 2.008 billion bushels from 2.153 billion bushels.

Old-crop soybean stocks were cut to 370 million bushels from 400 million bushels. New-crop soy stocks were lowered to 260 million bushels from 305 million bushels.

USDA trimmed its 2015/16 Brazil corn harvest outlook by 3.5 million tonnes to 77.50 million tonnes and its Brazil soy harvest outlook by 2 million tonnes to 97 million tonnes, reflecting dryness in key growing areas. The cuts outstripped forecasts.

It left its estimate of Argentine 2015/16 crops unchanged, at 27 million tonnes for corn and 56.5 million tonnes for soybeans, but said that harvest delays there have helped boost U.S. exports.

Wheat supplies are expected to rise to a 29-year high even as the corn and soybean balance sheet tightens.

USDA pegged 2016/17 U.S. wheat ending stocks at 1.050 billion, up from its May outlook of 1.029 billion bushels, due to a record winter wheat yield of 50.5 bushels per acre. The government raised its winter wheat production forecast to 1.507 billion bushels, with bigger harvests expected in states such as Kansas, Oklahoma and Texas.

[Soy Growers Push for E.U. Approval of Soy Traits](#)

by World Grain Staff

WASHINGTON, D.C., U.S. — The American Soybean Association (ASA) reiterated its need for approval of three outstanding soybean traits by the E.U., saying that the tools are a critical part of the industry's ongoing quest to meet sustainability and consumer demand goals, and that continued delays pose serious issues both for farmers and industry.

In a letter to European Commissioner Vytenis Andriukaitis on June 7, ASA expressed deep concern with the E.U.'s delayed authorization of three new soybean traits: Monsanto's dicamba-tolerant RR2Xtend and Vistive Gold high oleic traits, as well as Bayer CropScience's isoxaflutole-resistant Balance Bean trait. All three traits received positive opinions from the European Food Safety Authority in May and June of last year, and have awaited approval for five months following an Appeals Committee ruling in January.

"The Commission's lack of action in providing final authorization for these soy events has already caused unnecessary uncertainty, disruption and cost in the agricultural supply chain," the letter stated. "Immediate authorization by the European Commission is needed to avoid substantial additional unnecessary costs and possible disruption to the essential supply of feedstocks needed by the EU's livestock, poultry and feed industries, which are more than 70 percent dependent on imports of vegetable protein."

ASA also cited repeated assurances over the course of several months from E.U. officials that approval of the three traits was imminent as providing a false sense of security for farmers looking to utilize the traits to meet sustainability goals and comply with the food industry's ongoing move away from trans fats in the American marketplace.

"As the threat of resistant weeds continues to move across soybean country, and the specter of increased input costs coupled with a down farm economy looms over so many soybean farmers, we need more options in the marketplace," said Richard Wilkins, ASA president. "We are not benefited by new products that are stuck in a malfunctioning approvals pipeline. Add to that the ability of high-oleic soy to help answer the growing market for cooking oils free of trans fats, and you see the real value in these three traits."

"The European Commission must abide by the timelines set out in its own regulations, as well as its obligations under the World Trade Organization, and give these traits the approvals that it has said are forthcoming," Wilkins said.

[Fish Farming: Catch of the Day](#)

The Economist, 09-Jun-2016

Farming marine fish inland will relieve pressure on the oceans

IN THE basement of a building on a wharf in Baltimore's inner harbour, a group of aquaculturists at the Institute of Marine and Environmental Technology is trying to create an artificial ecosystem. Yonathan Zohar and his colleagues hope to liberate the raising of ocean fish from the ocean itself so that fish farms can be built inland. Fresh fish, served the day it comes out of the brine (even if the brine in question is a judicious mixture of tap water and salts), would thus become accessible to millions of landlubbers who must now have their fish shipped in from afar, deep-frozen. Equally important, marine-fish farmers would no longer have to find suitable coastal sites for penning stock while it grows to marketable size, exposing the crowded animals to disease and polluting the marine environment.

People have raised freshwater fish in ponds since time immemorial, but farming species such as salmon that live mainly in saltwater dates back only a few decades, as does the parallel transformation of freshwater aquaculture to operate on an industrial scale. Now fish farming is

booming. As the chart on the next page shows, human consumption of farmed fish has overtaken that of beef. Indeed, one way of supplying mankind with enough animal protein in future may be through aquaculture. To keep the boom going, though, technologists like Dr Zohar must become ever more inventive.

His ecosystem, which is about to undergo commercial trials, constantly recycles the same supply of brine, purified by three sets of bacteria. One set turns ammonia excreted by the fish into nitrate ions. A second converts these ions into nitrogen (a harmless gas that makes up 78% of the air) and water. A third, working on the solid waste filtered from the water, transforms it into methane, which--via a special generator--provides part of the power that keeps the whole operation running. The upshot is a closed system that can be set up anywhere, generates no pollution and can be kept disease-free. It is also escape-proof. That means old-world species such as sea bream and sea bass, which cannot now be grown in America because they might get out and breed in the wild, could be delivered fresh to the table anywhere.

Besides transforming the design of fish farms, Dr Zohar is also working on extending the range of species that they can grow. He has spent decades studying the hormone system that triggers spawning and can now stimulate it on demand. He has also examined the needs of hatchling fry, often completely different from those of adult fish, that must be met if they are to thrive. At the moment he is trying to do this for one of the most desirable species of all, the bluefin tuna. If he succeeds, and thus provides an alternative to the plummeting wild populations of this animal, sushi lovers around the world will be forever in his debt.

Gone fishin'

Fish farmers used to dream of fitting their charges with transgenes to make them grow more quickly. Indeed, over the past couple of decades researchers have treated more than 35 fish species in this way. They have often been spectacularly successful. Only one firm, though, has persisted to the point of regulatory approval. AquaBounty's transgenic Atlantic salmon, now cleared in both America and Canada, has the desirable property of rapid growth. Its transgene, taken from a chinook salmon, causes it to put on weight all year round, not just in spring and summer. That halves the time the fish will take to reach marketable size. Whether people will be willing to eat the result, though, is an experiment in its own right--one that all those other researchers, only too aware of widespread public rejection of transgenic crops, have been unwilling to conduct.

That may be wise. There is so much natural variation in wild fish that conventional selective breeding can make a big difference without any high-tech intervention. Back in 2007 a report by researchers at Akvaforsk, now part of the Norwegian Institute of Food, Fisheries and Aquaculture Research (NOFIMA), showed that three decades of selective breeding by the country's salmon farmers had resulted in fish which grew twice as fast as their wild progenitors. Admittedly starting from a lower base, those farmers had done what AquaBounty has achieved, but without the aid of a transgene.

If conventional selection can yield such improvements, it is tempting not to bother with anything more complicated. Tempting, but wrong. For, as understanding of piscine DNA improves, the sort of genomic selection being applied to crops can also be applied to fish.

Researchers at SalmoBreed of Bergen, in Norway, have employed it not to create bigger, faster-growing fish but to attack two of fish farming's banes--infestation and infection. By tracking SNPs (single-nucleotide polymorphisms, a variation of a single genetic letter in a genome used as a marker) they have produced varieties of salmon resistant to sea lice and also to pancreas disease, a viral illness. They are now looking into a third problem, amoebic gill disease. In Japan, similar work has led to the development of flounders resistant to viral lymphocystis, trout immune to "cold-water" disease, a bacterial infection, and amberjack that evade the attentions of a group of parasitic worms called the monogenea.

Altering nature, then, is crucial to the success of fish farming. But nurture can also give a helping hand, for example by optimising what is fed to the animals. As with any product, one key to success is to get costs down. And here, environmental and commercial considerations coincide.

A common complaint by green types is that fish farming does not relieve as much pressure on the oceans as it appears to, because a lot of the feed it uses is made of fish meal. That simply transfers fishing pressure from species eaten by people directly to those that get turned into such meal. But fish meal is expensive, so researchers are trying to reduce the amount being used by substituting plant matter, such as soya. In this they have been successful. According to a paper published last year by researchers at NOFIMA, 90% of salmon feed used in Norway in 1990 was fish meal. In 2013 the comparable figure was 30%. Indeed, a report published in 2014 by the European Parliament found that fish-meal consumption in aquaculture peaked in 2005.

It's a gas

Feeding carnivores like salmon on plants is one way to reduce both costs and environmental harm. Another, which at first sight seems exotic, is to make fish food out of natural gas. This is the proposed business of Calysta, a Californian firm. Calysta feeds the gas--or, rather, its principal component, methane--to bacteria called methanotrophs. These metabolise the methane, extract energy from it and use the atoms thus liberated, along with oxygen from water and nitrogen from the air, to build their bodies. Calysta then turns these bodies into protein pellets that are sold as fish food, a process that puts no strain at all on either sea or field.

Even conventional fish foods, though, are low-strain compared with feed for farm animals. Because fish are cold-blooded, they do not have to eat to stay warm. They thus convert more of their food into body mass. For conservationists, and for those who worry whether there will be enough food in future to feed the growing human population, that makes fish a particularly attractive form of animal protein.

Nevertheless, demand for the legged and winged sort is growing too. Novel technologies are therefore being applied to animal husbandry as well. And some imaginative researchers are even

trying to grow meat and other animal products in factories, cutting the animals out of the loop altogether.

Altering nature is crucial to the success of fish farming.

[Brazil May Increase Spending on Transport Infrastructure -Minister](#)

SAO JOSE DA BARRA, Brazil, June 7 (Reuters) - Brazil's federal government could increase the amount it spends on new transportation infrastructure in 2016 to 5 billion reais (US\$1.45 billion) from about 1 billion reais, Transportation Minister Maurício Quintella said on Tuesday.

Quintella, speaking at the opening of an oil transshipment terminal at the port of Acu, said investment priorities for this year were the BR163 soy highway that connects the Amazon with Brazil's south and the BR101 highway, which runs along the country's Atlantic coastline.

[Monsanto Develops Plan for GMO U.S. Soy Lacking EU Import Approval](#)

By Tom Polansek and Michael Hirtzer

Reuters |

Monsanto Co is developing plans to prevent a new variety of biotech U.S. soybeans from entering European markets where they are not approved, leaders of two agricultural trade groups said, in a sign of the growing impact of regulatory delays on the world's largest seed maker.

The company is working with representatives of the U.S. farm sector on a strategy to keep Xtend soybeans separate from varieties approved in all major export markets, said Jim Sutter, chief executive officer for the U.S. Soybean Export Council. The plan could be used if Europe does not clear imports before harvesting starts in August.

Monsanto had no immediate comment on Tuesday.

The company launched Xtend soybean seeds, engineered to resist the herbicides glyphosate and dicamba, before obtaining clearance for crop shipments to Europe because executives were expecting approval early this year.

The product is designed to replace hugely popular Roundup Ready soybeans planted nationwide and its release could represent Monsanto's biggest technology launch ever, according to the company.

But European import approval still has not come, prompting the world's top grain handlers to declare they will reject Xtend soybean deliveries to avoid trade disruptions.

"They'll obviously have to channel it so it doesn't go to the European market," Sutter said of Monsanto. He declined to offer more details.

Richard Wilkins, president of the American Soybean Association, also said Monsanto was working on a plan for Xtend soybeans if Europe's approval comes too late. The association, which represents farmers, has asked Monsanto to present the plan next month, he said.

"We are particularly interested in preventing anything from disrupting international trade," Wilkins said.

Last month, Monsanto told agricultural organizations in a letter that it hoped for European approval before summer and was not "yet in a place where harvest contingency plans are needed."

Rivals, including Syngenta AG and Dow AgroSciences, in recent years have launched programs that specify where farmers must deliver biotech crops lacking approval in key markets or how they can use the harvests domestically.

The United States is the biggest producer of GMO crops and has long been at the forefront of technology aiming to protect crops against insects or allow them to resist herbicides.

That innovation is now seen as a risk to trade because it is hard to segregate crops containing traits lacking import approvals from the billions of identical-looking bushels exported every year.

China roiled global grain trading two years ago after it rejected boatloads of U.S. corn containing a biotech Syngenta trait that had not been approved for import.

Since then, the Swiss-based seed company has partnered with grain handler Gavilon, owned by Marubeni Corp, to oversee U.S. harvests of Duracade corn, another biotech variety that lacks China's approval.

Gavilon declined to comment on Xtend soybeans.

Associations representing grain handlers and processors, in a letter to Monsanto on May 7, asked the company's plans for Xtend soybeans if Europe does not approve imports before harvests.

Delays in the review come as soybean and soymeal prices have surged amid crop woes in Argentina, which are expected to increase demand for U.S. soy shipped to Europe.

One grain group, the National Grain and Feed Association, has told members of reports linking the timing of Europe's decision on Xtend soybean imports to the relicensing of glyphosate, sold by Monsanto and other companies.

On Monday, European nations refused to back a limited extension for the use of glyphosate.

[Exporters sell U.S. soybeans to unknown destinations -USDA](#)

June 10 (Reuters) - The U.S. Department of Agriculture confirmed the following recent sales of grains and oilseeds for exports through its daily reporting system:

Date reported	Value (tonnes)	Commodity	Destination	Year	Volume
10-June	203,000	Soybeans	Unknown	2015/16	
10-June	60,000	Soybeans	Unknown	2016/17	
9-June	240,000	Soybeans	China	2016/17	
9-June	116,360	Corn	Unknown	2015/16	

8-June	132,000	Soybeans	China	2015/16
7-June	180,000	Soybeans	China	2016/17
6-June	125,000	Soybeans	Unknown	2016/17