

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

This summary is based on reports from exporters for the period June 10-16, 2016.

Soybeans: Net sales of 660,700 MT for 2015/2016 were down 19 percent from the previous week, but up 13 percent from the prior 4-week average. Increases were reported for unknown destinations (444,900 MT), Japan (81,500 MT, including 37,500 MT switched from unknown destinations and decreases of 1,900 MT), Thailand (41,500 MT), Turkey (21,500 MT), Taiwan (16,500 MT), and Peru (13,000 MT). Reductions were reported for China (9,700 MT) and Bangladesh (2,200 MT). For 2016/2017, net sales of 661,500 MT were reported primarily for unknown destinations (314,000 MT), China (307,000 MT), Taiwan (20,000 MT), and Indonesia (10,000 MT). Exports of 285,300 MT were up noticeably from the previous week and 96 percent from the prior 4-week average. The primary destinations were Bangladesh (107,800 MT), Mexico (83,600 MT), Japan (44,700 MT), Indonesia (14,300 MT), Taiwan (8,600 MT), Malaysia (6,000 MT), and Colombia (5,500 MT).

Optional Origin Sales: For 2015/2016, the current optional origin outstanding sales balance of 483,000 MT is for China (423,000 MT) and Pakistan (60,000 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 162,500 MT for 2015/2016 were up 93 percent from the previous week and 77 percent from the prior 4-week average. Increases were reported for the Philippines (34,000 MT), Ecuador (30,000 MT), Peru (23,500 MT), Venezuela (22,000 MT, switched from unknown destinations), Thailand (20,000 MT), and Colombia (20,000 MT, including 18,000 MT switched from unknown destinations and decreases of 1,600 MT). Reductions were reported for unknown destinations (39,800 MT). For 2016/2017, net sales of 24,000 MT reported for Nicaragua (16,000 MT), Venezuela (9,000 MT), and Honduras (300 MT), were partially offset by reductions for Canada (1,300 MT). Exports of 188,500 MT were up noticeably from the previous week, but down 5 percent from the prior 4-week average. The primary destinations were Mexico (60,900 MT), Ecuador (30,000 MT), Colombia (27,200 MT), Venezuela (22,000 MT), and Peru (16,500 MT).

Optional Origin Sales: For 2015/2016, options were exercised to export 33,000 MT from the United States to Ecuador. The current optional origin outstanding sales balance is 66,000 MT, all unknown destinations.

Soybean Oil: Net sales of 14,000 MT for 2015/2016 were up 2 percent from the previous week, but down 47 percent from the prior 4-week average. Increases were reported for Mexico (6,700 MT), the Dominican Republic (6,500 MT), and Canada (700 MT). For 2016/2017, net sales of 3,500 MT were reported for Mexico. Exports of 10,100 MT were up 46 percent from the previous week, but down 27 percent from the prior 4-week average. The primary destinations were Pakistan (7,500 MT), Mexico (1,700 MT), and Canada (600 MT).

[Argentina Reaches Agreement Over Inspection of Monsanto Soy](#)

BUENOS AIRES, June 23 (Reuters) - Argentina's government will oversee the testing of soybean crops under a deal aimed at satisfying demands by U.S. seed company Monsanto that its genetically altered technology be protected, the nation's agriculture minister said on Thursday.

Monsanto wanted export companies to inspect shipments as they do in neighboring Brazil but Argentine farmers opposed that system and clamored for government control.

"The (government's) National Seed Institute will work out agreements with public and private entities to carry out selective inspections to determine the legality of seeds," Agriculture Minister Ricardo Buryaile said at a news conference.

Monsanto threatened to stop selling new soybean technologies in Argentina over the dispute.

Monsanto indicated it would look at the details of the new inspection system before making a decision on the introduction of new genetically modified technology, which farmers say they need to keep up with their international competitors.

"Conceptually, it is very positive that the seed institute strengthens its presence in the marketplace and oversees inspections on the part of the government," Fernando Giannoni, Monsanto's Latin America director of corporate affairs, told reporters after the ministry's news conference.

"We still have not seen the resolution (outlining the new control system) and we have not seen the operating agreements," he added.

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

[Argentina Ups 2015-16 Soy Crop Forecast to 58 MMT](#)

BUENOS AIRES, June 23 (Reuters) - Argentina increased its 2015-16 soybean crop estimate to 58 million tonnes from a previous forecast of 57.6 million tonnes, citing a faster-than-expected recovery of areas thought to have been lost to floods caused by unusually hard April rains.

"Very high yields continue to be seen, despite some excessive wetness, in Buenos Aires and La Pampa provinces, as well as in the parts of Cordoba and Santa Fe that were not affected by the floods," the Agriculture Ministry said in a report.

It said 93 percent of planted area had been harvested as of last week compared with 99 percent at the same point in the previous season. The pace of harvesting sped up in the first half of this month after slowing to a crawl due to flooding in Cordoba and Santa Fe earlier in the season, the report said.

The Buenos Aires Grains Exchange said 95 percent of this season's soy crop had been collected as of Thursday, or 4.6 percentage points slower than last season's harvesting tempo.

The exchange maintained its 56 million tonnes soy crop estimate.

[Brazil 2015/16 Soy Crop Forecast Reduced to 97.3 MMT - Abiove](#)

June 23 (Reuters) -

Brazil's 2015/16 soy crop exports are seen at 53.8 million tonnes versus 54.6 million tonnes forecast in May, Abiove says

Brazil's 2015/16 soy crop harvest is seen at 97.3 million tonnes versus 97.9 million tonnes in last month's forecast, Abiove says

The forecast for the current soybean crop's crushing is forecast to remain stable with last month's estimate at 40.7 million tonnes, Abiove says.

[Senators Reach Deal on GMO Labeling](#)

WASHINGTON (AP), June 23, 2016 — Senators have a bipartisan deal to require labeling of genetically modified ingredients nationally, a week before a labeling law in Vermont goes into effect.

The deal announced Thursday by the top Republican and Democrat on the Senate Agriculture Committee would require labeling of genetically modified organisms, or GMOs, in packaged foods nationwide. But it would be more lenient than Vermont's law, allowing food companies to use a text label, a symbol or electronic label accessed by smartphone. Vermont's law would require items to be labeled "produced with genetic engineering."

The agreement couldn't become law before Vermont's law kicks in July 1, since the House is on vacation until July 5. Legislation passed by the House would make the labeling voluntary, but that measure stalled in the Senate last year.

Since then, Democratic Sen. Debbie Stabenow of Michigan and Republican Sen. Pat Roberts of Kansas have worked to find a compromise, saying a national solution is needed in the face of several separate state laws.

The food industry has lobbied to block Vermont's law, arguing that GMOs are safe and the labels could be costly for agriculture, food companies and consumers.

The industry's main lobbying group, the Grocery Manufacturers Association, said it is backing the senators' deal. The group has opposed mandatory labeling nationwide, but advocated for electronic labels in negotiations.

"This bipartisan agreement ensures consumers across the nation can get clear, consistent information about their food and beverage ingredients and prevents a patchwork of confusing and costly state labeling laws," said Pamela Bailey, president of that group.

The Agriculture Department appeared to endorse the legislation, as well, issuing a statement encouraging members of the House and Senate to move quickly on the deal.

Genetically modified seeds are engineered in laboratories to have certain traits, such as 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 also are made into popular processed food ingredients such as 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.

The Food and Drug Administration says they are safe, and there is little scientific concern about those GMOs on the market. But advocates for labeling say not enough is known about their risks. Among supporters of labeling are many organic companies that are barred by law from using modified ingredients in their foods.

Those advocates have fought state by state to enact the labeling, with the eventual goal of a national standard. They have frowned on digital labels, saying they discriminate against people who don't have smartphones, computers or the know-how to use them.

One group that has advocated labeling criticized the deal.

"This deal seems to be designed to ensure that big food processing companies and the biotechnology industry continue to profit by misleading consumers," said Wenonah Hauter, director of Food & Water Watch.

U.S. Exporters Report Sales of Soybeans to Unknown

WASHINGTON, June 24, 2016—Private exporters reported to the U.S. Department of Agriculture export sales of 411,500 metric tons of soybeans for delivery to unknown destinations. Of the total

280,500 metric tons is for delivery during the 2015/2016 marketing year and 131,000 metric tons is for delivery during the 2016/2017 marketing year.

[Brazil to Take Steps to Assuage Shortage of Beans, Corn](#)

SAO PAULO, June 22 (Reuters) - The Brazilian government will cut taxes and scrap import controls on certain key staples to mitigate the impact of slowing production, senior officials said on Wednesday.

Some of the steps include raising minimum corn prices and eliminating bean import limits from China and Mexico, Agriculture Minister Baliro Maggi said at a news conference in Brasilia. Prices for beans, one of Brazil's most consumed staples, have tripled this year in the wake of a production shortage.

[French Parliament Scraps Planned Extra Tax on Palm Oil](#)

By Sybille de La Hamaide

PARIS, June 23 (Reuters) - France's National Assembly has scrapped plans for an additional tax on palm oil, which had caused outcry among major producers, after the government put forward an alternative proposal that would include other vegetable oils used in food.

Indonesia and Malaysia, the world's two largest producers, had said the plan, which was aimed at encouraging the sector to reduce the environmental damage palm oil plantations can cause, was discriminatory and broke international trade rules.

The Malaysian Palm Oil Council representing local producers, which had also claimed the tax would put thousands of small farmers out of work, welcomed the National Assembly's decision.

"The French government should drop once and for all this unfair and unjust tax campaign against palm oil," it said.

Palm oil is one of the least taxed vegetable oils in France and the government proposed a last-minute amendment on Wednesday, which says the state will put forward a new scheme to harmonise taxes on such oils and include an exemption for those that are sustainably produced based on "objective criteria", within six months after a wider biodiversity law is enacted.

Legal uncertainty around the tax, which focused on only one type of vegetable oil and contained a tax exemption based on sustainability criteria that were not clearly identified, had prompted the change, France's Secretary of State for Biodiversity Barbara Pompili told Parliament.

"There is no question to stigmatize one or another country, we are here to find long-term rules that favor sustainable development by helping as much as we can to certify sectors from other countries," she told the National Assembly.

The proposal has been going back and forth between the French National Assembly and the Senate, but it is the National Assembly which has the final word.

France's initial proposal had been softened by the National Assembly in March by excluding sustainable palm oil and sharply reducing the amount of the levy.

But the biodiversity bill in which the tax was included did not pass through the Senate, forcing the two assemblies to find an agreement. The meeting ended in a deadlock.

This is not the first attempt by French lawmakers to impose a tax on palm oil which campaigners say contributes to deforestation and impacts biodiversity. The first one, in 2012, suggested to quadruple the tax on palm oil.

Attempts had failed mainly due to strong lobbying from producing countries.

Big Soy Crop No Help for U.S. Biofuel Makers Overrun by Imports

By Mario Parker

(Bloomberg) -- Makers of renewable fuels derived from the vast soybean fields across the American Midwest can't seem to catch a break. At a time when crops are cheap and domestic demand for biodiesel has never been better, the industry is shrinking.

Imports from places like Argentina, Singapore and South Korea ballooned to a record 538 million gallons last year from just 7 million in 2009, while the U.S. has idled half of its 3 billion gallons of production capacity, industry data show. Foreign suppliers are accelerating shipments this year and next, capitalizing on new incentives and an expanded federal mandate for usage, as well as tougher emission rules in California, the most-populous state.

Most vehicles in the U.S. run on gasoline mixed with ethanol derived from Midwest corn fields, but about 23 percent of the fuel supply is oil-based diesel used in tractor-trailers, buses and farm equipment. It's typically mixed with a cleaner-burning additive made from soybeans, palm oil or grease from deep-fat fryers. The problem for the homegrown industry is that biodiesel from overseas is either cheaper or in some cases burns more cleanly.

"We're being squeezed out by these foreign imports," said Wayne Presby, a managing principle at White Mountain Biodiesel LLC, which runs a plant in North Haverhill, New Hampshire, capable of producing 3 million gallons a year from waste cooking oil. It's operating at 71 percent of capacity. "It's really sort of a strange situation," he said. "The whole point of the Renewable Fuel Standard was to improve national security by not relying on foreign fuel sources."

Escalating Mandates

Under a 2007 energy law, known as the Renewable Fuel Standard, U.S. refiners have been required to use escalating amounts of additives intended to help ease dependence on foreign oil and to reduce greenhouse gas emissions. Unlike in gasoline, where American supplies of ethanol dominate, biodiesel supplies are increasingly coming from overseas.

Imports last year accounted for 31 percent of the 1.73 billion gallons of mandated biodiesel use, government data show. The Energy Information Administration says shipments into the U.S. will expand by about 41 percent in 2016, as the mandate increases to 1.9 billion gallons. Next year, imports will jump 15 percent further to an all-time high of 721 million gallons.

On top of the expanded federal targets for biofuels are even tougher regulations in California, which is encouraging increased demand of additives for gasoline and diesel in a state that is home to about 1 million trucks and 26 million cars.

[China's Plan to Cut Meat Consumption by 50% Cheered by Climate Campaigners](#)

[The Guardian, 20-Jun-2016](#)

The Chinese government has outlined a plan to reduce its citizens' meat consumption by 50%, in a move that climate campaigners hope will provide major heft in the effort to avoid runaway global warming.

New dietary guidelines drawn up by China's health ministry recommend that the nation's 1.3bn population should consume between 40g to 75g of meat per person each day. The measures, released once every 10 years, are designed to improve public health but could also provide a significant cut to greenhouse gas emissions.

The Chinese Communist party has found unusual allies among Hollywood celebrities, with actor Arnold Schwarzenegger and director James Cameron involved in a series of new public information adverts encouraging Chinese people to consume less animal flesh to help the environment.

Should the new guidelines be followed, carbon dioxide equivalent emissions from China's livestock industry would be reduced by 1bn tonnes by 2030, from a projected 1.8bn tonnes in that year.

Globally, 14.5% of planet-warming emissions emanate from the keeping and eating of cows, chickens, pigs and other animals – more than the emissions from the entire transport sector. Livestock emit methane, a highly potent greenhouse gas, while land clearing and fertilizers release large quantities of carbon.

"Through this kind of lifestyle change, it is expected that the livestock industry will transform and carbon emissions will be reduced," said Li Junfeng, director general of China's National Center on Climate Change Strategy and International Cooperation.

"Tackling climate change involves scientific judgement, political decisions, entrepreneurial support, but at last, it still relies on involvement of the general public to change the consumption behavior in China. Every single one of us has to believe in the low-carbon concept and slowly adapt to it."