

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 June 17-23, 2016.

Soybeans: Net sales of 730,000 MT for 2015/2016 were up 11 percent from the previous week and 15 percent from the prior 4-week average. Increases were reported for unknown destinations (462,000 MT), Indonesia (91,000 MT, including 65,000 MT switched from unknown destinations and decreases of 400 MT), Pakistan (60,000 MT), Mexico (46,600 MT), Taiwan (28,400 MT), and Malaysia (17,800 MT). Reductions were reported for China (20,900 MT) and South Korea (500 MT). For 2016/2017, net sales of 798,000 MT were reported primarily for China (372,000 MT), unknown destinations (285,000 MT), Turkey (60,000 MT), and Costa Rica (39,000 MT). Exports of 388,100 MT were up 19 percent from the previous week and 81 percent from the prior 4-week average. The primary destinations were Mexico (95,300 MT), Indonesia (91,400 MT), China (68,900 MT), Japan (35,500 MT), and the Philippines (10,400 MT).

Optional Origin Sales: For 2015/2016, options were exercised to export 60,000 MT from the United States to Pakistan. The current outstanding sales balance of 423,000 MT, all China. 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 115,500 MT for 2015/2016 were down 29 percent from the previous week, but up 28 percent from the prior 4-week average. Increases were reported for Mexico (35,100 MT), Venezuela (25,000 MT), Peru (20,000 MT), Canada (16,500 MT), Colombia (15,900 MT), and Thailand (5,000 MT). Reductions were reported for the Dominican Republic (9,700 MT) and Nicaragua (1,200 MT). For 2016/2017, net sales of 44,100 MT were reported for the Philippines (40,000 MT) and Canada (4,100 MT). Exports of 129,600 MT were down 31 percent from the previous week and 30 percent from the prior 4-week average. The primary destinations were Thailand (49,500 MT), Mexico (24,900 MT), the Dominican Republic (17,100 MT), Canada (14,000 MT), and El Salvador (7,300 MT).

Optional Origin Sales: For 2015/2016, the current optional origin outstanding sales balance is 66,000 MT, all unknown destinations.

Soybean Oil: Net sales of 62,400 MT for 2015/2016 were up noticeably from the previous week and from the prior 4-week average. Increases were reported for China (40,000 MT), Venezuela (15,000 MT), Mexico (6,100 MT), Colombia (700 MT), and Canada (500 MT). Exports of 5,900 MT were down 41 percent from the previous week and 54 percent from the prior 4-week average. The primary destinations were Mexico (5,200 MT) and Canada (600 MT).

[U.S. May Soybean Crush Rises to 4.83 Million Tons - USDA](#)

CHICAGO, July 1 (Reuters) - The U.S. Department of Agriculture said on Friday that U.S. processors crushed 4.83 million tons of soybeans during May, up from 4.75 million during April.

A year ago, the crush was 4.68 million tons. Analysts had been expecting the May crush to come in at 4.874 million tons.

The USDA also reported that soybean stocks at the end of the month stood at 343,411 tons, down from 365,653 tons in April.

Crude soybean stocks totaled 2.063 billion pounds at the end of May. Refined soybean stocks came in at 451.6 million pounds.

[U.S. Farmers Surprisingly Boost Corn Plantings; Soy Acreage at Record-USDA](#)

By Mark Weinraub

WASHINGTON, June 30 (Reuters) - U.S. farmers seeded more corn and soybeans than they had initially planned to during the spring, taking advantage of a rallying futures market and good weather to plant as much acreage as possible, government data showed on Thursday.

The robust plantings will likely add to an ample supply base of both commodities that the U.S. Agriculture Department said was bigger than traders expected. The government's quarterly stocks report showed that corn stocks as of June 1 were the biggest since 1988 while soybean stocks for that period were the third-biggest ever.

The acreage report showed that soybean plantings came in at a record 83.688 million acres, up from the government's March forecast of 82.236 million acres. Analysts, on average, had been expecting soybean plantings of 83.834 million acres.

Corn plantings were 94.148 million acres, topping the high end of estimates from analysts who on average expected corn acreage to fall from the government's March forecast of 93.601 million.

Soybean stocks as of June 1 were 870 million bushels. Analysts polled by Reuters had predicted soy stocks would come in at 829 million bushels. A year earlier, soybean stocks stood at 627 million bushels.

Corn stocks came in at 4.722 billion bushels, up from 4.453 billion a year ago. Analysts, on average had been expecting corn stocks of 4.528 billion bushels.

Both the corn and soybean stocks figures topped the high end of analysts' forecasts.

Wheat acreage also was bigger than expected, with the government reporting increases in both winter wheat and spring wheat plantings compared to its March estimates.

USDA said all-wheat plantings in the United States totaled 50.816 million acres, compared to forecasts for 49.869 million. In March, USDA had pegged wheat seeding at 49.559 million acres.

Wheat stocks as of June 1 stood at 981 million bushels, up from 752 million bushels a year earlier. Analysts, on average, had been expecting wheat stocks of 982 million bushels.

The complete acreage and stocks report can be found at: <https://www.nass.usda.gov/>

[107 Nobel Laureates Sign Letter Blasting Greenpeace Over GMOs](#)

By Joel Achenbach

[Washington Post](#) |

More than 100 Nobel laureates have signed a letter urging Greenpeace to end its opposition to genetically modified organisms (GMOs). The letter asks Greenpeace to cease its efforts to block introduction of a genetically engineered strain of rice that supporters say could reduce Vitamin-A deficiencies causing blindness and death in children in the developing world.

"We urge Greenpeace and its supporters to re-examine the experience of farmers and consumers worldwide with crops and foods improved through biotechnology, recognize the findings of authoritative scientific bodies and regulatory agencies, and abandon their campaign against 'GMOs' in general and Golden Rice in particular," the letter states.

The letter campaign was organized by Richard Roberts, chief scientific officer of New England Biolabs and, with Phillip Sharp, the winner of the 1993 Nobel Prize in physiology or medicine for the discovery of genetic sequences known as introns. The campaign has a website, , that includes a running list of the signatories, and the group plans to hold a news conference Thursday morning at the National Press Club in Washington.

"We're scientists. We understand the logic of science. It's easy to see what Greenpeace is doing is damaging and is anti-science," Roberts told The Washington Post. "Greenpeace initially, and then some of their allies, deliberately went out of their way to scare people. It was a way for them to raise money for their cause."

Roberts said he endorses many other activities of Greenpeace, and said he hopes the group, after reading the letter, would "admit that this is an issue that they got wrong and focus on the stuff that they do well."

Greenpeace has not yet responded to requests for comment on the letter. [*Update: Greenpeace responded early Thursday -- see statement below.*] It is hardly the only group that opposes GMOs, but it has a robust global presence, and the laureates in their letter contend that Greenpeace has led the effort to block Golden Rice.

The list of signatories had risen to 107 names by Wednesday morning. Roberts said that, by his count, there are 296 living laureates.

Nobel laureate Randy Schekman, a cell biologist at the University of California at Berkeley, told The Post, "I find it surprising that groups that are very supportive of science when it comes to global climate change, or even, for the most part, in the appreciation of the value of vaccination in preventing human disease, yet can be so dismissive of the general views of scientists when it comes to something as important as the world's agricultural future."

The letter states:

Scientific and regulatory agencies around the world have repeatedly and consistently found crops and foods improved through biotechnology to be as safe as, if not safer than those derived from any other method of production. There has never been a single confirmed case of a negative health outcome for humans or animals from their consumption. Their environmental impacts have been shown repeatedly to be less damaging to the environment, and a boon to global biodiversity.

Greenpeace has spearheaded opposition to Golden Rice, which has the potential to reduce or eliminate much of the death and disease caused by a vitamin A deficiency (VAD), which has the greatest impact on the poorest people in Africa and Southeast Asia.

The World Health Organization estimates that 250 million people, suffer from VAD, including 40 percent of the children under five in the developing world. Based on UNICEF statistics, a total of one to two million preventable deaths occur annually as a result of VAD, because it compromises the immune system, putting babies and children at great risk. VAD itself is the leading cause of childhood blindness globally affecting 250,000 - 500,000 children each year. Half die within 12 months of losing their eyesight.

Genetic engineering enables scientists to create plants, animals and micro-organisms by manipulating genes in a way that does not occur naturally.

These genetically modified organisms (GMOs) can spread through nature and interbreed with natural organisms, thereby contaminating non 'GE' environments and future generations in an unforeseeable and uncontrollable way.

“Accusations that anyone is blocking genetically engineered ‘Golden’ rice are false. ‘Golden’ rice has failed as a solution and isn’t currently available for sale, even after more than 20 years of research. As admitted by the International Rice Research Institute, it has not been proven to actually address Vitamin A Deficiency. So to be clear, we are talking about something that doesn’t even exist.

“Corporations are overhyping ‘Golden’ Rice to pave the way for global approval of other more profitable genetically engineered crops. This costly experiment has failed to produce results for the last 20 years and diverted attention from methods that already work. Rather than invest in this overpriced public relations exercise, we need to address malnutrition through a more diverse diet, equitable access to food and eco-agriculture.”

On alternative solutions:

“The only guaranteed solution to fix malnutrition is a diverse healthy diet. Providing people with real food based on ecological agriculture not only addresses malnutrition, but is also a scaleable solution to adapt to climate change. We’ve documented communities across the Philippines that continue to express concerns about using GE golden rice as a solution. It is irresponsible to impose GE golden rice as a quick remedy to people on the front lines and who do not welcome it, particularly when there are safe and effective options already available.

“Greenpeace Philippines is already working with NGO partners and farmers in the Philippines to boost climate resiliency (4). There’s a real chance here for governments and the philanthropic community to support these endeavours by investing in climate-resilient ecological agriculture and empowering farmers to access a balanced and nutritious diet, rather than pouring money down the drain for GE ‘Golden’ rice.”

[EU Commission Prolongs Glyphosate License by 18 Months](#)

29-Jun-2016

The European Commission has decided to extend the license for glyphosate by 18 months, despite the absence of a qualified majority in the Council. NGOs have accused the executive of bowing to lobbyist pressure. EurActiv France reports. Following a meeting of agricultural and fisheries ministers in Luxembourg yesterday (28 June), the Commission decided to grant a licence extension of 18 months, despite opposition from some member states and civil society.

"We know very well that we have a deadline of June 30. We will adopt an extension for glyphosate of 18 months," announced Commissioner for Health and Food Safety, Vytenis Andriukaitis.

After numerous meetings and non-conclusive votes on the controversial herbicide, the executive plumped for its last proposal: an 18 month extension. This new time-frame will allow the European Chemicals Agency (ECHA) to complete its evaluation on the dangers of the substance, which is an active ingredient of the most widely sold herbicide in the world, Monsanto's RoundUp.

Initially, the Commission had proposed renewing its licence for 15 years. But faced with opposition from certain member states, the executive backtracked in order to wait for the conclusions of the ECHA. If a decision had not been taken before the deadline, then all products containing glyphosate would have been removed from the market. This would have been extremely difficult from a commercial point of view, as well as giving farmers little time to find a practical replacement.

Citizens and NGOs have long campaigned against the license being renewed, given widely-reported concerns about the possible consequences it could have on human health and the environment. Glyphosate is in fact an omnipresent force in Europe, as a German study showed that traces of it have been found in 99.6% of the country's population.

[Argentine Farmers Have 'Corn Fever' as 2016/17 Season Approaches](#)

By Maximilian Heath

BUENOS AIRES, June 28 (Reuters) - "Gold is not the only thing that shines. There is also corn," according to a seed company ad in Argentina, touting the hashtag #LaFiebreDelMaiz (Corn Fever).

It illustrates the excitement in the world's No. 4 maize exporter for the start of 2016/2017 planting in September, which will be the first full season under the free-market policies of President Mauricio Macri.

Macri, who took office in December, got rid of the export taxes and quotas for corn and wheat that had existed under former president Cristina Fernandez.

"Corn has flown. It's impressive. In Don Mario today there aren't any bags of corn," said Obdulio San Martin, the general manager for southern cone operations of Don Mario, the second-largest seed dealer in Argentina.

Agricultural distributors have already sold between 60 and 70 percent of their corn seed inventories, San Martin said, compared with sales of around 10 percent documented around the same time last year.

A farmer from the north of the province of Buenos Aires, Juan Minvielle, said he is replacing hectares of soybeans, the country's main cash crop, with corn.

"I'm betting big on the crop," Minvielle said, adding that he is expanding his maize fields from 80 hectares (198 acres) to between 150 and 160 hectares (371-395 acres).

Martin Fraguio, executive director of the industry group Maizar, said the country's area planted with corn is expected to expand by 30 percent during the 2016/2017 cycle.

The agriculture minister said earlier this month it could grow by 20 percent.

The Buenos Aires Grain Exchange estimates that there are 3.6 million hectares of corn (close to 9 million acres) planted during the 2015/2016 season.

The 20 percent export tax that Fernandez slapped on corn exports was passed down to growers. Now that the tax is gone, along with a 23 percent levy that had been put on wheat shipments, producers benefit from higher prices.

The local price of corn has risen 220 percent to 2.870 pesos per tonne on the Rosario grain exchange in the past year, while there has been a 30 percent devaluation in the peso currency.

[Soy Boom Goes Bust as Bankrupt Brazil Farmers Cut Back Expansion](#)

[Gerson Freitas Jr](#)

[Fabiana Batista](#)

June 28, 2016

Like many of Brazil's soybean farmers, Nelson Vigolo is enduring the pain of a commodity boom gone bust.

Over the past two decades, growers in the country's agricultural heartland borrowed billions of dollars to turn vast savannas known as Cerrado into farmland, part of Brazil's transformation into a crop-exporting juggernaut. As prices rose, its shipments of soybeans for animal feed and cooking oil became the largest in the world. In just a few years, Vigolo's farm in Mato Grosso state had increased 15-fold to 150,000 hectares (370,000 acres), or almost twice the area of New York City.

Now, the industry is saddled with a mountain of debt, a global soybean surplus and Brazil's longest recession in a century. Some growers don't have enough cash to plant or are ditching plans to expand. Vigolo's company, Grupo Bom Jesus, filed for bankruptcy last month and said it owed about 2 billion reais (\$590 million) it can't pay. At least 10 major producers defaulted or sought to restructure debt in the past year, and more may falter.

"During the commodity boom years, there was this euphoria surrounding rising demand for food -- we needed to produce more to feed the world," said Vigolo, 53, who paid for half his company's expansion with borrowed cash. "It felt like it would last."

Farmers fell into the same trap as other industries in Latin America's largest economy, from airlines to phone carriers. They tapped credit lines in dollars to get the lowest interest rates. But that borrowing increased currency risk. When the Brazilian real plunged 33 percent last year, the cost of repaying those dollar loans ballooned.

The credit crunch may do more to slow Brazil's soybean expansion than even the drop in prices. Production next season, which begins with planting in October, may increase by the smallest amount in eight years, with farmers adding just 500,000 hectares, according to Florianopolis, Brazil-based crop consultant Agroconsult. That's less than half the 1.1 million hectares added a year earlier, when there were 33.3 million hectares sown, according to the U.S. Department of Agriculture.

Missed Opportunity

A slowdown will be a missed opportunity for Brazilian growers, with prices and demand increasing. The USDA estimates global consumption will exceed production for a second straight year, after three years of a glut. Soybean farmers in the U.S., the top grower and No. 2 exporter, are increasing acreage in 2016.

Prices on the Chicago Board of Trade are up 32 percent since touching a six-year low in late November, and in Brazil, domestic prices are the highest ever. The rally was sparked partly by crop damage from a drought in Brazil and excess rain in Argentina. Money managers who were bearish on the outlook for soybeans as recently as March now hold bullish bets that are near their highest since 2014, U.S. Commodity Futures Trading Commission data show.

“The slowdown in planting expansion could be bullish for soybean prices, especially if there are any problems with this year’s harvest in the U.S.,” said Natalia Orlovicin, an analyst at INTL FCStone in Campinas, Brazil.

Bom Jesus is among those cutting back. Vigolo said he may plant 10 percent less this season. Another big producer, Vanguarda Agro, is reducing by the same amount, scrapping less-productive areas in Bahia state as it seeks to restructure 842 million reais in loans from banks. Two other groups, Grupo J. Pupin and Grupo Pinesso, defaulted on 900 million reais and 600 million reais in debt, respectively, in the past year.

“As the cost of money rises, margins on expansion projects need to be very high,” said Aurelio Pavinato, chief executive officer of SLC Agricola SA, Brazil’s top publicly traded farming company, which halted its expansion after interest rates climbed. “Brazil’s soybean area won’t grow this year.”

Gone are the days when growers would regularly get unsolicited loan offers from bankers. Today, the biggest default risk is for the big Brazilian growers -- those with more than 10,000 acres -- who were more likely to have borrowed in dollars, according to farmers, executives and traders who attended a conference in Sao Paulo on June 16.

Some relief has been coming from trading companies as well as makers of chemicals and fertilizers who rely on growers for their business. They are offering to partner with banks and take a bigger share of financing risk, according to three executives with direct knowledge of the matter who asked not to be identified because the loan agreements are private. One executive said the industry’s share of funding may rise to 40 percent this year, up from 25 percent last year.

For Vigolo, the owner of Grupo Bom Jesus, such assistance comes too late. In the months leading up to its May 31 bankruptcy filing, creditors regularly showed up with court officers to seize grain inventories, he said.

“It was very sad to see that some of the doors that used to be always open for us are now closed,” Vigolo said. “Everyone in the market wanted to do business with us, and now we have to go after them.”