

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

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

Soybeans: Net sales of 1,399,000 MT for 2016/2017 were down 26 percent from the previous week and 17 percent from the prior 4-week average. Increases were reported for China (1,079,900 MT, including 507,000 MT switched from unknown destinations and decreases of 25,700 MT), the Netherlands (85,000 MT, including 80,000 MT switched from unknown destinations and decreases of 2,000 MT), Mexico (79,400 MT, including decreases of 100 MT), Spain (73,100 MT, including 131,300 MT switched from unknown destinations and decreases of 64,500 MT), and Egypt (60,000 MT). Reductions were reported for unknown destinations (253,700 MT) and Malaysia (5,000 MT). For 2017/2018, net sales of 66,000 MT were reported for unknown destinations. Exports of 2,383,600 MT were down 15 percent from the previous week and 17 percent from the prior 4-week average. The primary destinations were China (1,876,800 MT), the Netherlands (85,000 MT), Spain (73,100 MT), Portugal (57,800 MT), and South Korea (57,300 MT).

Optional Origin Sales: For 2016/2017, the current optional origin sales outstanding balance of 180,000 MT is for China.

Exports for Own Account: New exports for own account totaling 77,600 MT were reported to Canada. Exports totaling 64,700 MT to Canada were applied to new or outstanding sales. The current outstanding balance of 20,300 MT is for Canada.

Soybean Cake and Meal: Net sales of 150,400 MT for 2016/2017 were down 33 percent from the previous week and 46 percent from the prior 4-week average. Increases were reported for Mexico (77,600 MT, including decreases of 2,100 MT), Honduras (27,600 MT, including 5,600 MT switched from unknown destinations), Nicaragua (12,800 MT, including 200 MT switched from Guatemala), Canada (11,700 MT), and Panama (8,700 MT, including 9,000 MT switched from unknown destinations and decreases of 300 MT). Reductions were for Taiwan (1,300 MT), the Dominican Republic (1,000 MT), and Guatemala (1,000 MT). Exports of 144,100 MT were down 39 percent from the previous week and 27 percent from the prior 4-week average. The primary destinations were Mexico (32,700 MT), the Philippines (25,900 MT), Honduras (17,200 MT), Colombia (14,800 MT), and Algeria (10,800 MT).

Soybean Oil: Net sales of 54,500 MT for 2016/2017--a marketing-year high--were up noticeably from the previous week and from the prior 4-week average. Increases were reported for China (30,000 MT), South Korea (10,000 MT), the Dominican Republic (5,800 MT), Mexico (4,700 MT), and Colombia (2,000 MT). Exports of 5,500 MT were down 91 percent from the previous week and 76 percent from the prior 4-week average. The primary destinations were Mexico (3,200 MT), Canada (2,100 MT), and Belgium (100 MT).

[U.S. Farm Income Seen Down 17.2 Percent in 2016 at 7-Year Low -USDA](#)

By Karl Plume

Nov 30 (Reuters) - U.S. net farm income is expected to drop for a third consecutive year in 2016, sinking 17.2 percent to \$66.9 billion due largely to weak returns for livestock, dairy and poultry farms, the U.S. Department of Agriculture said on Wednesday.

The updated forecast from the agency's Economic Research Service (ERS) was down from its August forecast of \$71.5 billion and down 46 percent from record profits for the sector of \$123.7 billion in 2013.

If realized, the income would be the lowest since 2009, according to the ERS, signaling pressure for the slumping farm sector.

The weakening farm economy has triggered cost cutting and job reductions at major farm input providers like seed and chemicals company Monsanto and equipment maker Deere both of which reported lower revenues in fiscal 2016.

Meat processor Tyson Foods this month reported a steep drop in sales and forecast further headwinds into 2017.

Cash receipts for producers of animals and animal products - including dairy, beef, pork, poultry and eggs - are projected to fall 12.3 percent to \$166.4 billion this year, the lowest since 2011, ERS data showed.

Chicago Mercantile Exchange lean hog futures plunged by nearly 41 percent in the third quarter, the steepest quarterly decline on record, as cheap feed grains encouraged a much-expanded hog herd. CME live cattle fell 18 percent in the quarter, also the largest drop on record, as beef faced stiff competition from abundant supplies of cheaper pork and poultry meat.

Row crop farming cash receipts were seen unchanged at \$186.5 billion as stronger returns for soybean and cotton producers were offset by declines for corn and vegetable farmers.

Chicago Board of Trade corn and soybeans have each notched new seven-year lows in 2016 as a record-large U.S. harvest swelled global supplies.

[Argentina Soy Weather Favorable with 46 Percent of Crop Sown -Exchange](#)

BUENOS AIRES, Dec 1 (Reuters) - Argentine growers have planted 46 percent of the 19.6 million hectares (48.4 million acres) expected to be sown with soybeans in the 2016-17 season with the country's central farm belt enjoying good growing conditions, the Buenos Aires Grains Exchange said on Thursday.

Soybean planting advanced 12.3 percentage points over the previous seven days, the exchange said in its weekly crop report. Despite the quick advance in recent days, sowing was 8.4 percentage points behind the previous season's pace.

"The beans that have already been sown in wide parts of the central agricultural region are in good condition," it said.

"Rains that have fallen over the last week have recharged ground moisture levels in the south-west, central and northern farm belt, while south-eastern Buenos Aires province has not been able to reverse its moisture deficit," the report said.

In absolute numbers, 9 million hectares of 2016-17 soy has been planted so far, it said, adding that 43.3 percent of the 4.9 million hectares expected to be sown with 2016-17 corn have been planted so far.

The exchange expects Argentina to produce 12.5 million tonnes of wheat this season. So far, farmers have harvested 28.9 percent of the 2016-17 wheat crop, the report said, warning that the dryness in southeast Buenos Aires could hurt production.

[POLL-Brazil 2016-17 Soybean Crop Seen at Record 103.1 MMT](#)

SAO PAULO, Dec 1 (Reuters) - Isolated cases of dry weather in recent weeks over Brazil's main grain belt were not enough to spoil the market's optimism about the current 2016-17 crop that will begin harvesting an expected record crop in the coming weeks, a survey showed on Thursday.

A Reuters survey of 18 forecasts yielded an average estimate of Brazil's soybean crop at a record 103.1 million tonnes, up slightly from the 102.8 million forecast by a similar poll in late October and surpassing last season's harvest by 7.6 million tonnes.

Brazil's Soy Export in November

Soybeans = 0.32 MMT. Exports in November 2015 = 1.44 MMT

Soymeal = 0.87 MMT. Exports in November 2015 = 1.13 MMT

Soyoil = 56,968 MT. Exports in November 2015 = 111,720 MT

[Biofuel Producers Blast EU for Slashing Crop-Based Fuel Use](#)

PARIS, Nov 30 (Reuters) - European biofuel producers said a proposal by Brussels to nearly halve the level of crop-based biofuel used in the European Union by 2030 was a U-turn in policy that would threaten jobs and boost animal feed and crude oil imports.

The European Commission proposed in a draft law reforming the EU energy market to cap crop-based or so-called first generation biofuels' share of fuels used in transport to 3.8 percent in 2030 from 7 percent in 2021.

"The biofuel sector feels betrayed by the Commission because of its complete disregard for the investments made in good faith on the basis of EU policy," Robert Wright, Secretary-General of European ethanol producers group ePURE, said in a statement.

ePure estimate 16 billion euros (\$17 billion) has been invested in European biofuel production facilities since 2003 when the EU established its biofuels support policy.

The EU's policy was primarily aimed at cutting CO2 emissions in the transport sector and reliance on fossil fuels. However, criticism has risen since that biofuels caused indirect changes in land use as they are made from products such as sugar or grains that could otherwise be used for human consumption.

Producers of biodiesel, made mainly from rapeseed, said the EU proposal would cut production of rapeseed meal, a byproduct used as protein in animal feed, and worsen the EU's large protein deficit.

The exclusion of first generation biofuels would also likely mean a rise in fossil fuels in transport due to lack of availability of advanced biofuels, Raffaello Garofalo, Secretary General of the European Biodiesel Board said in a statement.

French biodiesel producers gathered in Esterifrance group called the proposal a "death sentence". The level of biofuel blending has been at 7 percent in France since 2013.

Environmentalists said the Commission's plan did not go far enough. "This proposal means our cars and trucks will be burning almost as much palm oil and other food-based biodiesel in 2030 as they do today," Jelena Simjanovic from Transport & Environment (T&E), said.

Overall biofuels accounted for 4.9 percent of market share in 2014, T&E said.

In its proposal, which still needs to be approved by member states and the European Parliament, the Commission does not distinguish between ethanol and biodiesel but says member states can make such a distinction themselves when implementing the rules. (\$1 = 0.9436 euros)

[U.S. Cash Soymeal-Export Values Sag Amidst South American Competition](#)

CHICAGO, Dec 2 (Reuters) - Cash basis offers for soymeal held steady in the U.S. Midwest on Friday while export values at New Orleans on the Gulf Coast continued to slide, pressured by cheaper South American supplies, dealers said.

U.S. FOB export premiums fell by \$1 to \$10 per ton above Chicago Board of Trade soymeal futures, the lowest since January 2012.

Offers in the Midwest interior found underlying support from livestock producers and feed producers seeking to cover their soymeal needs through the Christmas and New Year's Day holidays.

Most merchandisers have rolled their basis offers to post against the CBOT January futures contract because the December contract is approaching its Dec. 14 expiration.

[Cargill Developing New Omega-3-Rich Canola to Increase Availability of Nutritious Fish Feed](#)
MINNEAPOLIS and LONDON, Nov. 28, 2016 /PRNewswire/ -- A new groundbreaking type of canola in development by Cargill could give aquaculture farmers a more sustainable way to raise fish rich in EPA/DHA omega-3 fatty acids.

The plant-based source of the nutrients, developed in collaboration with BASF, could provide an alternative to using fish oil in aquaculture feed and could ease harvest pressure on wild fish populations that currently supply much of that oil. In feeding trials it conducted with salmon in Chile, Cargill was able to completely replace fish oil in feed rations with oil from EPA/DHA canola.

"As a fish feed producer, we need to reduce our dependency on marine resources," Einar Wathne, president of Cargill Aqua Nutrition. "This new canola can create tremendous opportunities across the global food and feed markets, and we believe it is critical for the growth of aquaculture."

Right now, raising fish rich in omega-3s means supplementing their feed with fish oil. This new canola, which is genetically engineered to make long chain omega-3 fatty acids, will offer a more sustainable alternative as it eases pressure on finite marine resources. Testing and regulatory approval for both the canola and the EPA/DHA enhanced canola oil is underway. The EPA/DHA enhanced canola oil is expected to reach the market sometime after 2020.

"Cargill's EPA/DHA omega-3 plant based product is the only one we know of with a clear path to commercialization in the industry," said Mark Christiansen, managing director for Global Edible Oil Solutions-Specialties at Cargill.

This innovation may also broaden access to EPA and DHA omega-3s in consumer diets and make important nutrients more available and more affordable to people around the world. Groups such as the American Heart Association, Mayo Clinic and Harvard School of Public Health cite the heart health benefits and role in brain formation of EPA and DHA, but studies show most people are not

consuming recommended levels of these omega-3s. As public awareness of the health benefits increases for omega-3s, demand for these nutrients is expected to rise significantly.

[U.S. Says Biofuels Program Not Expected to Meet Targeted Emissions Cuts](#)

NEW YORK, Nov 28 (Reuters) - The U.S. biofuels program, designed to boost demand for renewables in gasoline and diesel, is unlikely to meet its targets for cutting greenhouse gas emissions, the government said in two reports on Monday.

The Renewable Fuel Standard (RFS), the more than decade-old biofuels policy, is unlikely to meet targeted cuts to emissions by 2022 as production of second-generation renewable fuels lags, the Government Accountability Office (GAO) said in a report on Monday. This is likely to fuel criticism from opponents of the program that range from Big Oil companies to environmentalists.

That is largely thanks to sluggish development of the advanced fuels - including cellulosic ethanol which is produced from plant waste - that were meant to represent an increasing share of annual requirements, the GAO said. The Environmental Protection Agency (EPA) each year sets targets for the volumes of ethanol and biodiesel required to be blended with petroleum-based fuels.

The RFS program was signed into law in 2005 in a bid to reduce dependence on foreign oil, cut greenhouse gas emissions and promote rural economies. It has been stymied by regulatory delays and an earlier-than-expected drop in transportation fuel demand.

The reviews were requested by Republican Senator James Lankford of Oklahoma, a long-time opponent of the program, in 2015, a GAO spokesman said. Their publication comes the week after the EPA set biofuels targets for 2017 and biodiesel targets for 2018 that met or exceeded the congressional targets for most fuel categories.

Investment in the advanced fuel sector slowed as a result. That sector is unlikely to grow quickly enough to meet the annual production targets in the near-term, the GAO said in a second report published on Monday.

Slow development of advanced fuels with fewer emissions has become one of the key criticisms of the program from environmentalists, who question the benefits of ethanol, a renewable made from corn that represents the bulk of U.S. biofuels production.

The EPA in letters to the GAO agreed the program is unlikely to meet its targets.

The "slower-than-anticipated pace of progress (of the advanced fuel sector) means that Congress's original goals for the program will not be met on the statutory timeline," Janet McCabe, Acting Assistant Administrator for the Office of Air and Radiation at the EPA, said in a Nov. 16 letter published with the reports.

Still, McCabe defended the progress the agency has made and the development of other advanced fuels like biodiesel. A spokeswoman for the agency declined to comment further.

[Experts: LatAm Palm Growers Enjoy Competitive Advantage over Asian Rivals](#)

Barranquilla, Colombia, Dec 2 (EFE).- Latin American palm oil producers, particularly those in Colombia, currently have a big competitive advantage over their counterparts in Asia, industry experts said here at the Palmex Latinoamerica 2016 trade fair.

Some 1,500 specialists from companies at all levels took part in the conference, held Wednesday and Thursday at this northern city's Puerta de Oro Caribbean Events Center, showcasing the latest developments in the palm oil industry.

Held for the first time in Latin America, the event highlighted a new growth model in the region that is based on extracting vitamins and phytonutrients from palm oil in addition to harvesting that tropical crop for food and palm-oil-based biofuels, bio-lubricants and surfactants.

"While in Asian countries production is associated with deforestation, in Latin America this difficulty hasn't arisen," the director of the Association of Palm Oil Producers in Honduras, Hector Castro, said.

"There's a big competitive advantage vis-a-vis Asia, which is that of having a sustainable environmental model," he added.

Castro, who also heads the company Bio-combustible y Salud (Biosa), said there was great potential for exporting to the United States due to that country's trans-fat ban and palm oil's potential as a health food.

A unit of Corporacion Industrial de Sula, Biosa grows palm trees, produces palm oil, refines it and also processes its fatty acids to extract highly concentrated phytonutrients and biodiesel.

Honduras has become the first Latin American country to develop a comprehensive growth model for fully unlocking palm oil's potential.

For his part, Raul Eduardo Garcia of the Santa Marta, Colombia-based palm oil trading company Comercializadora Internacional Biocosta said palm oil production in that Andean nation creates 200,000 direct jobs, 60 percent of which are formal positions.

"It's very important to keep in mind that those jobs are being created in areas of Colombia where there was (armed) conflict. In other words, we're contributing to peace in the country," he said.

Latin America currently accounts for around 6 percent of global palm oil production, while Indonesia and Malaysia are responsible for between 85 percent and 90 percent.

Colombia ranks fourth among palm oil producing nations with output of 1.28 million metric tons annually.