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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Articles in This Edition

Export Sales Highlights

This summary is based on reports from exporters for the period December 9-15, 2016.

Soybeans: Net sales of 1,812,700 MT for 2016/2017 were down 10 percent from the previous week, but up 9 percent from the prior 4-week average. Increases were reported for China (1,249,500 MT, including 433,000 MT switched from unknown destinations and decreases of 204,300 MT), Thailand (85,300 MT, including 66,000 MT switched from unknown destinations and decreases of 100 MT), Japan (66,600 MT, including 27,500 MT switched from unknown destinations and decreases of 16,100 MT), Taiwan (66,400 MT, including 60,000 MT switched from unknown destinations and decreases of 1,800 MT), and France (66,000 MT, including 60,000 MT switched from unknown destinations). For 2017/2018, net sales of 6,700 MT were reported for Japan. Exports of 1,801,900 MT were down 5 percent from the previous week and 18 percent from the prior 4-week average. The primary destinations were China (1,253,700 MT), Taiwan (101,100 MT), Thailand (82,100 MT), France (66,000 MT), and Spain (66,000 MT).

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

Exports for Own Account: Exports totaling 41,400 MT to Canada were applied to new or outstanding sales. The current exports for own account outstanding balance of 64,500 MT is for Canada.

Soybean Cake and Meal: Net sales of 139,200 MT for 2016/2017 were down 30 percent from the previous week and from the prior 4-week average. Increases were reported for Mexico (48,000 MT), Canada (26,800 MT), unknown destinations (26,800 MT), Colombia (15,500 MT, including decreases of 100 MT), and the Philippines (5,700 MT). Reductions were for Jamaica (800 MT) and Bangladesh (100 MT). For 2017/2018, net sales of 500 MT were reported for Canada. Exports of 282,200 MT--a marketing-year high--were up 46 percent from the previous week and from the prior 4-week average. The primary destinations were Mexico (60,800 MT), the Philippines (49,400 MT), Vietnam (49,400 MT), Poland (27,500 MT), and Cuba (25,000 MT).

Soybean Oil: Net sales of 15,100 MT for 2016/2017 were down 63 percent from the previous week and 55 percent from the prior 4-week average. Increases were reported for the Dominican Republic (11,000 MT, including decreases of 1,500 MT), Mexico (2,900 MT), Colombia (2,800 MT), Canada (2,200 MT), and Panama (500 MT). Reductions were reported for unknown destinations (4,500 MT). Exports of 12,400 MT were down 42 percent from the previous week and 58 percent from the prior 4-week average. The primary destinations were Mexico (4,700 MT), Jamaica (3,500 MT), the Dominican Republic (3,000 MT), and Canada (1,000 MT).

Brazil Kicks Off Early Harvest of Soybean Crop

By Gustavo Bonato

SÃO PAULO, Dec 22 (Reuters) - The soybean harvest, which kicked off this week in Brazil's leading production area, is expected to accelerate after Christmas, which may help drive the world's largest soybean exporter to supply the market well ahead of previous seasons, farming groups said.

The harvest in Mato Grosso state normally starts in mid-January, but favorable weather prompted some farmers to plant soybeans earlier than usual.

"Some farmers started to harvest this week. They are those who risked an early planting in September and were lucky to get sufficient rain," said Marcos da Rosa, head of Brazil's soybean producers association Aprosoja.

Mato Grosso's production is closely watched by global markets. It harvests about as much as Iowa and Illinois combined.

"Next week, harvest will start at a larger scale. Christmas and New Year's period will be very busy here," said Nery Ribas, technical director at Mato Grosso's farmers association.

Both officials received reports that small areas are already being harvested in northeastern Mato Grosso, including the municipalities of Vila Rica and Confresa.

"So far, crop ratings are excellent," Ribas said.

By the end of January, the state will have 25 percent of its soybean area harvested, dumping more than 7 million tonnes of the oilseed in the market, according to private consultant AgRural.

Customarily, the percentage of soybeans collected by end-January in Mato Grosso is 10 percent to 15 percent, though the figure was 16 percent for the 2009/2010 season.

Mato Grosso is usually the first state in Brazil to begin the soybean harvest.

Paraná, Brazil's second largest soybean producer, will start harvesting in mid-January, local institute Deral said.

Elsewhere in Brazil, the harvest generally begins in early February.

The U.S. Department of Agriculture forecasts Brazil will post a record soybean crop of 102 million tonnes in the 2016/17 season, second only to the United States.

RAIN RISK
One imponderable, however, is the amount of rain that will fall in coming weeks in Mato Grosso.

Heavier-than-normal rainfall could a major setback for soybeans.

When the soil is too wet, tractors and combines may not enter the fields because they risk getting stuck in the mud and damaging the crop.

Too much rain can also boost soybean rust fungus cases. When the disease is not well controlled, it can inflict severe losses on the crop.

However, according to local forecaster Somar Meteorologia, there will be accumulated precipitation up to 50 milliliters in the next three days across most of Mato Grosso, which is considered moderate.

Cumulative rainfall through Dec. 31 will be just above normal, according to weather forecasts from U.S. government agencies.

Cuba Could Begin Planting GMO Soy, Corn by Spring of 2017

December 20, 2016 | Agence France-Presse

Following the successful completion of all tests required by the Cuban regulatory bodies, we could start planting transgenic corn and soybeans on more land in spring of 2017, " said Mario Estrada, director of the Center for Agricultural Research Of Genetic Engineering and Biotechnology (CIGB).

Cuba hopes to find a "safe and controlled" way to decrease imports of these two cereals**,** which totaled more than $500 million in 2014, Estada told the official daily Granma. The island invests each year about 2 billion dollars in importing about 75% of what Cubans eat, because their production is insufficient to feed 11.2 million people and nearly 4 million tourists.

"We are currently working on obtaining new transgenic maize lines, which on a small experimental plot scale show potential yields of nine tonnes / ha, well close to the levels reached by the world's leading countries in this production," he said. Cuba also experimented "with a transgenic soy resistant to herbicides, which in trials by the company Cubasoy showed a yield of up to 2.8 tons / ha, much higher than the usual ones reached there," [Estada] explained.

Meat from Animals Critical for Good Health and Development

Dec 21, 2016

By Blair Fannin
AgriLife Today

A 14 percent decline in United States consumer meat consumption over the past decade has caused alarm with one Texas A&M AgriLife scientist who warns the effects could be dire for overall human health and child development.

Dr. Guoyao Wu, distinguished professor in the department of animal science at Texas A&M University, said U.S. consumers have been overwhelmed with misinformation about protein and fats in meats, which in turn has led to many consuming less meat or no meat at all.

"Obesity rates have gone up the last 20 years, while consumption of meat has declined," Wu said. "So I don't believe that we can blame obesity on eating meat. Rather I think excessive portion sizes and lack of exercise are more likely the causes of obesity."

Wu said animal meat has lots of beneficial antioxidants, such as taurine and carnosine, "which are extremely important to protect the gut, skin, heart, eyes and other organs. Plants do not provide these antioxidants." Wu co-authored a paper that appeared in the American Society of Animal Science, http://bit.ly/2edWZv8, which examines the composition of amino acids in certain cuts of beef. According to the paper, meat consumption helps build muscle protein and ameliorates muscle loss in the elderly.

"People on a vegan diet tend to forget how important high-quality protein is to human growth and health," Wu said. "If you look at the population of some Asian countries, most males are short and the children are stunted. Twenty years ago, one-third of the children were stunted. Now, less than 10 percent are stunted because of increased consumption of animal-source protein in their diets."

In the journal article, Wu stresses that antioxidants found in meat are "essential for children and conditionally essential for adults to maintain retinal and cardiac functions."

In adult humans, there is a degenerative loss of skeletal muscle mass at the rate of 0.5 to 1 percent per year after the age of 50 years. The vegan diet results in a greater loss of skeletal muscle than the diet containing both plant-and animal-source proteins in an appropriate ratio, Wu said.

"In the U.S., there is ample supply of meat and protein," he said. "Without including any meat from animals or any animal-source protein in your diet, it definitely leads to skeletal muscle loss. We must do something to stop this trend."

The 2015 U.S. Department of Agriculture Dietary Guidelines Committee report concluded that the U.S. diet is low in vegetables, fruit and whole grains and too high in calories, saturated fat, sodium, refined grains and added sugars. More than two-thirds of adults and nearly one-third of children and youth are obese or overweight.

Wu said part of the issue is due to parents who do not cook meats or serve insufficient meats at home, and prepare meals that have little or no animal protein. Adequate protein nutrition is required to reduce obesity and maintain good health in humans.

“Children especially need meat to build skeletal muscle,” Wu said. “They are at a critical stage in their lives as their bodies continue to develop and mature. Without sufficient sources of protein, their muscle, bones and other organs will not develop properly, which will lead to health problems later in life.”

USDA Dietary Guidelines predict further declines in animal protein intake.

“Animal protein is generally more balanced in amino acid composition than plant protein, especially for children. If you look at some countries, children are stunted. They have primarily a corn-based diet. Corn contains so little amino acids compared with meat. When I see stunted children or adults in the U.S. due to limited or no consumption of animal protein, I feel very sad.

“Our country has the greatest abundance of protein, but some choose to live such an unhealthy lifestyle,” he said

Argentina Soy Farmers, Seed Sellers See Progress in Royalty Talks

By Maximiliano Rizzi

BUENOS AIRES, Dec 20 (Reuters) - Argentine soy farmers and the companies that sell them genetically modified seeds could be close to a breakthrough in negotiations after a months-long deadlock that prompted Monsanto to stop selling new GMO technology in the country.

The negotiator representing seed companies in talks with farmers over a bill pending in Congress said on Tuesday that both sides are ready to move toward a deal that would extend the period of time that growers would have to pay royalties on genetically modified seeds.

The government-backed bill says farmers will pay royalties for three seasons after the initial purchase of GMO seeds. But the companies want royalties to be paid for a longer period, according to Alfredo Paseyro, the negotiator for ASA, the group representing seed companies including Monsanto Co MON.N.

"The three years proposed by the government is not adequate because it takes longer to develop new seed varieties," Paseyro told Reuters on Tuesday.

"The time during which royalties have to be paid will have to be negotiated in a way that works for both the seed industry and the farmers. The good news is that now both parties are willing to negotiate," Paseyro said.

The results of the negotiations will be incorporated into the bill that will be debated and voted on by Congress.

Soybeans can themselves be used as seeds. Seed companies say that planting second-generation genetically modified beans without paying royalties is an intellectual property violation.

Monsanto has said it is not selling new technology in Argentina until a royalties deal is reached. This threatens to put Argentine farmers at a disadvantage against their Brazilian and U.S. competitors.

"We are willing to negotiate an extension of the time frame," Daniel Pelegrina, vice president of the Argentine Rural Society, recently told Reuters. The group represents some of Argentina's biggest producers of farm products.

"Seven seasons. Five seasons ... we'll see what the right number is to motivate companies to come up with new varieties, new genetics, and sell that seed technology to us," he said.

The new flexibility signals a possible solution that would help Argentina increase soybean production, expected at 52.5 million tonnes this season.

The country is the world's No. 1 exporter of soymeal, a livestock feed, and the third biggest exporter of raw soybeans.

Almost all the soy grown in Argentina is genetically modified. Most of the seeds are bought on the black market or GMO beans used as seeds without paying royalties.

COLUMN-Argentina Soybeans Vulnerable Amid So-So Rain Forecast -Braun
By Karen Braun
Dec 21 (Reuters) - As the global soybean market continues to balance on knife's edge amid strong demand and likely strong supply, all eyes are on South America's growing season and Argentina in particular, where the weather has not exactly been perfect.

Argentina is the world's No. 3 producer of soybeans, but it is best known for its soy product exports. The country supplies roughly half of the world's traded soybean oil and soybean meal.

This past spring, Chicago soybean futures along with soybean meal were jolted as flooding rains threatened Argentina's soybean harvest. Many core growing areas continued to be wet into the start of this year's summer crop planting campaign, slowing the pace.

But some areas of the country have struggled with planting because rainfall has been relatively scarce. With the long-term forecast suggesting dryness could be a theme this season, people are starting to take notice.

Nationally, soybean planting pace lagged normal levels as of early December, but widespread rain showers allowed most Argentine farmers to make significant progress by mid-month.

In the week ending Dec. 15, soybeans were 67 percent planted, a 9 percent increase on the week prior according to the Buenos Aires Grain Exchange. This figure now stands closer to average pace.

Although the situation appears to have temporarily stabilized, Argentina is not out of the woods yet as soils remain dry in some areas and the rainfall forecast is iffy.

Unless the weather convincingly improves soon, these crops could be at high risk for the rest of the season, which could lend support to soybean prices.

WHERE IS CONCERN NEEDED?

Two-thirds of Argentina's soybeans are grown in the provinces of Buenos Aires and Córdoba, and although the latter has been dry over the past week, parts of Buenos Aires have been dry for months (http://reut.rs/2hRWZCW).

Despite the planting-friendly rains over the last week in Argentina's most populous province, departments in the east and south of Buenos Aires have been noticeably drier than other areas of the country. The southeast's two main soybean-producing departments, Tandil and Tres Arroyos, account for 7 percent of national soybean production (http://reut.rs/2hohTWD).

Satellite-derived vegetation density – a measure of the overall greenness of the landscape – was near the 15-year low in Buenos Aires through mid-December. The vegetation index in several departments within the province mimicked those of the 2008/09 season, which was one of Argentina's worst-ever soybean harvests.

And in many areas, the current vegetation index is worse than it was at the same point during the 2011/12 season, another troubling harvest for the South American country.

Elsewhere around Argentina, the vegetation index is nothing impressive. However, it is not wise to place too much stock in imagery readings at this point since the soybean crop is still in the very early stages and favorable rainfall could reverse Argentina's luck heading into the new year.

Rainfall arrived at the wrong time in 2011/12 and hardly at all in 2008/09. Pending how the weather shapes up, rainfall patterns could potentially be what set 2016/17 far apart from these previous disaster crops.

FORECAST SAYS...
The precipitation forecast for the next two weeks is mixed across the key production areas – not ideal but not terrible either (http://reut.rs/2hS1Nbq).

At present, the rain showers are expected to be confined in Argentina's eastern belt, including some of the dry spots in Buenos Aires. But if the weather system materializes a bit further east or north, many of these areas could miss out.

The best rainfall chances over the next week in Buenos Aires are scheduled to arrive on Christmas Day, and some departments may receive up to an inch (25.4 mm).

Moving forward into 2017, Argentina will need more consistent moisture in order to curb further worries for its soybean crop. Since forecasting precipitation months in advance is often very difficult, we will have to keep a constant eye on the daily weather models throughout the next few months.

Many well-known seasonal forecast models appear to be baking in the La Niña scenario for Argentina's summer, as the cool phase of the equatorial Pacific Ocean is known to suppress rainfall across the country's key growing regions.

Argentina's state weather agency, Servicio Meteorológico Nacional, tends to agree with this assessment as its outlook for the December through February period shows good chances for precipitation to range from normal to slightly below normal (http://reut.rs/2hoeKWS).

However, the dry outlook is somewhat marginal and is far from a slam dunk, especially since La Niña is in a relatively weak state.

And although dryness during planting and emergence is harmful to the plants' health, lack of rainfall during February and March – when most of Argentina's soybean plants are setting and filling pods – would be more than enough evidence to raise red flags on the harvest.

Brazil Winter Corn Crop Seen at Record 59.9 MMT -Analyst

SAO PAULO, Dec 19 (Reuters) - Brazil's 2016/17 winter corn crop is estimated at a record 59.9 million tonnes, up from 40.7 million tonnes in the previous season, private consultant AgRural said on Monday.

The country's total corn crop is projected at 88.3 million tonnes, an increase of 33 percent compared with 2015/16, when yields were hurt by below-average rain in important growing regions.

"Corn prices are relatively firm, after the drought in 2016, stimulating producers to increase the planted area," said AgRural in its first report for the new winter crop.

In Brazil, the winter corn crop is planted right after the main summer soybean crop is harvested.

"The fast pace and good development of the soybean crop reinforces our expectation of a rapid soybean harvest, allowing a good weather window for winter corn planting. However, the final planted area will depend on the appropriate weather during the sowing period, between January and March," said AgRural.

Brazil is the world's third-largest corn producer and should be the second-largest exporter in 2016/17.