

# WEEKLY NEWS ARTICLE UPDATE



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## Articles in This Edition

- [Export Sales Highlights](#)
- [Argentine Producers Finish Record Soy Planting](#)
- [Argentine Grain Exporters Promise to Add \\$2 Billion to Reserves](#)
- [India's January Soymeal Exports Drop, High Prices Curb Demand](#)
- [Aquaculture Is Expected to Produce Nearly Two-Thirds of Global Consumption](#)
- [Informa Economics Lowers Corn Forecasts for Brazil, Argentina](#)
- [Canada Canola Stocks Jump 55.3 Percent to All-Time High at End of 2013](#)
- [Argentine Government Threatens Actions Against Farmers that Don't Sell Crops](#)

## Export Sales Highlights

This summary is based on reports from exporters for the period January 24-30, 2014.

**Soybeans:** Net sales of 577,000 MT for 2013/2014 were up 59 percent from the previous week and 25 percent from the prior 4-week average. Increases were reported for China (436,400 MT, including 180,000 MT switched from unknown destinations and decreases of 4,900 MT), Indonesia (200,400 MT, including 25,100 MT switched from unknown destinations), the Netherlands (75,700 MT, including 70,000 MT switched from unknown destinations), Japan (74,500 MT, including 47,200 MT switched from unknown destinations), and Germany (67,200 MT). Decreases were reported for unknown destinations (530,500 MT) and Canada (6,500 MT). Net sales of 219,500 MT for 2014/2015 were reported for unknown destinations (118,000 MT), China (60,000 MT), the Netherlands (38,100 MT), and Japan (3,400 MT). Exports of 1,508,100 MT were down 24 percent from the previous week and 10 percent from the prior 4-week average. The primary destinations were China (922,300 MT), Mexico (82,900 MT), Taiwan (77,400 MT), and the Netherlands (75,700 MT).

**Optional Origin Sales:** For 2013/2014, outstanding optional origin sales total 280,000 MT, all China.

**Export Adjustments:** Accumulated exports to the Netherlands were adjusted down 67,151 MT for week ending January 23, 2014. Germany is the new destination for these shipments and is included in this week's report. Accumulated exports to China were adjusted down 65,165 MT for week ending January 23, 2014. This shipment was reported twice.

**Soybean Cake and Meal:** Net sales of 283,700 MT for 2013/2014 were up noticeably from the previous week and 87 percent from the prior 4-week average. Increases were reported for the Philippines (90,500 MT), Canada (54,800 MT), Italy (38,400 MT, including 40,000 MT switched from unknown destinations and decreases of 1,600 MT), Ecuador (27,900 MT), Mexico (20,900 MT), and Ireland (16,000 MT). Decreases were reported for unknown destinations (54,900 MT). Net sales of 125,000 MT for 2014/2015 were reported for unknown destinations. Exports of 264,100 MT were down 25 percent from the previous week and 17 percent from the prior 4-week average. The primary destinations were Venezuela (56,000 MT), the Philippines (54,500 MT), Italy (38,400 MT), Morocco (34,300 MT), Ecuador (30,900 MT), and Mexico (12,900 MT).

**Soybean Oil:** Net sales of 26,000 MT for 2013/2014 were up noticeably from the previous week and 34 percent from the prior 4-week average. Increases were reported for Morocco (15,000 MT), Mexico (3,700 MT), Jamaica (3,500 MT), and Peru (1,900 MT). Exports of 10,300 MT were down 85 percent from the previous week and 55 percent from the prior 4-week average. The primary destinations were Mexico (3,700 MT), Nicaragua (2,500 MT), Panama (2,000 MT), and El Salvador (1,200 MT).

### **Argentine Producers Finish Record Soy Planting**

BUENOS AIRES, Feb 6 (Reuters) - Argentine farmers finished planting the year's soy crop over the last week in what has been a record sowing season, the Buenos Aires Grains Exchange said on Thursday.

Around 20.35 million hectares of soy have been sown in the South American country, the world's No. 3 soybean exporter and top supplier of soymeal.

The exchange kept its harvest forecast of 53 million tons for the season, although it said some areas, including the key agricultural province of Buenos Aires, continued to be affected by dry soils following a severe drought in December.

"Only one part of the southeast of Buenos Aires province maintains good growing conditions. Although the west, center and southeast of the province and La Pampa province have had rains in recent weeks, they have not been sufficient to reverse the water deficit," the exchange said in its weekly crop report.

In the previous season, Argentina produced 48.5 million tons of soybean.

Yields of corn, a more fragile plant than soy, were expected to be affected by the drought. However, the recent rains have brought some late relief, and some farmers have already begun to harvest, the exchange said.

More heavy rain is forecast in the coming days, which will increase the threat of localized flooding or fungal disease, it added.

The exchange estimates that 3.3 million hectares of corn will be planted in 2013/2014, with just 1.4 percent remaining to be sown in northern parts of the country.

## Argentine Grain Exporters Promise to Add \$2 Billion to Reserves

Feb. 6 (Bloomberg) -- Argentine grain exporters and farmers agreed to deliver \$2 billion to central bank reserves this month, Cabinet Chief Jorge Capitanich and a Grain Exporters Association official said today.

Exporters agreed to sell stockpiled soybean before harvest, the Grain Exporting official, who attended meetings with the government, said in a telephone interview from Buenos Aires. He asked not to be named to comply with internal policy. The soy harvest is scheduled to begin in late March.

The agreement was reached after meetings between the parties yesterday and today as the government led by President Cristina Fernandez de Kirchner was seeking to persuade farmers to sell their harvest to help replenish reserves. Argentina's central bank funds plunged 35 percent in the past year to a seven-year low of \$27.9 billion yesterday, according to preliminary central bank data.

"Grain exporting companies have committed to bring in \$2 billion during February based on the stability of the exchange rate and their estimates of export flows," Capitanich said in his Twitter account today.

Farmers were holding on to about \$4 billion of soy, Economy Minister Axel Kicillof said in a Jan. 24 radio interview. Since devaluing the Argentine peso by 15 percent in the week ending Jan. 24, the currency has remained at about 8 pesos to one U.S. dollar.

### Record Crop

Argentina, which depends on agriculture for about one-third of its export revenue, is hoping to get a record crop this year that will add as much as \$29 billion to the reserves, up from \$23 billion last year, according to estimates from the grain exporters' association CIARA-CEC.

Locked out of international markets since its \$95 billion default in 2001, Argentina depends on central bank funds to pay debt and finance government spending.

The grain exporters association is comprised of international distributors such as Cargill Inc., Bunge Ltd. and Louis Dreyfus Commodities BV as well as local producers including Cresud SACIF y A and El Tejar SA.

Soybean futures for March delivery rose 0.7 percent to close at \$13.2575 a bushel on the Chicago Board of Trade, after earlier touching \$13.345, the highest since Dec. 23.

### [India's January Soymeal Exports Drop, High Prices Curb Demand](#)

By Ratnajyoti Dutta

NEW DELHI, Feb 7 (Reuters) - India's soymeal exports dropped more than 19 percent in January, down for a second straight month as high prices and tight supplies curbed demand, a leading trade body said on Friday.

Overseas sales by Asia's top supplier of the animal feed may drop again in February as traditional buyers in Southeast Asia look for cheaper alternatives, traders said.

India exported 364,443 tonnes of soymeal in January, the Mumbai-based Solvent Extractors' Association (SEA) said in a statement, down 19.3 percent from 451,314 tonnes in December and 44 percent below year-ago levels.

"Low supply of soybean for crushing resulted in lower availability of soymeal for overseas sales," said B.V. Mehta, SEA's executive director.

The average soymeal export price was at \$548 per tonne, free on board, in January against \$517 a year ago, the data showed.

Traders said domestic prices are higher due to poor supply of soybeans as growers held back good quality stocks expecting a further rise in local prices. Soybeans are crushed to produce edible oil and the animal feed.

India is now offering soymeal at around \$565 per tonne, but supplies from Brazil and Argentina are available for around \$480 per tonne, they added.

South American soymeal is cheaper as soybean processing costs are lower there, while prices of Indian supplies have been driven up as rains at the start of the harvest season in October damaged the oilseed crop. ([Full Story](#))

Iran, South Korea and Thailand were the top three buyers of Indian soymeal in January.

Over the 10 months to January, India exported 2.4 million tonnes of soymeal, down 7 percent from a year ago, as sales to traditional destinations such as Vietnam, Japan and Indonesia dropped. Iran imported nearly half of the soymeal quantity at 1.1 million tonnes over the period, the data showed.

In January, Iran imported 161,175 tonnes of soymeal from India as against 134,748 tonnes in December.

But India's near-monopoly in soymeal exports to Iran is set to end following Tehran's nuclear deal with the West which is expected to pave the way for rival suppliers to boost their trading with the Islamic Republic.

Total oilmeal exports by India fell to 425,650 tonnes in January, down 47 percent from a year ago.

### [Aquaculture Is Expected to Produce Nearly Two-Thirds of Global Consumption](#)

Feb. 5 — Fish farms will provide 62 percent of global fish consumption by 2030, with the fastest growing supply coming from tilapia, carp, and catfish, the World Bank forecast Feb. 5 in a study with two other agencies.

The study said that demand from an emerging middle class, particularly in China, combined with the leveling off of fish from wild catches, will fuel the growth in aquaculture production.

The World Bank, the United Nations Food and Agriculture Organization and the International Food Policy Research Institute collaborated on the report, "Fish to 2030: Prospects for Fisheries and Aquaculture."

Asia will make up 70 percent of global fish consumption by 2030, with China alone accounting for 38 percent, according to the study, which also looks at implications for trade in seafood.

### [Informa Economics Lowers Corn Forecasts for Brazil, Argentina](#)

CHICAGO, Feb 4 (Reuters) - Private analytics firm Informa Economics lowered its forecast for Argentina's 2013/14 corn harvest to 22.6 million tonnes from 25 million, citing erratic rains and warm temperatures, the firm said in a note to clients on Tuesday.

Informa also lowered its forecast for 2013/14 corn production in Brazil to 66.55 million tonnes, down 1 million from its previous forecast.

For soybeans, the firm cut its forecast for Argentina's 2013/14 harvest to 57 million tonnes, down 500,000 from its previous figure, but said recent rains were timely for the crop.

Informa raised its view of Brazil's 2013/14 soybean harvest to 89.7 million tonnes, 1 million above its previous forecast.

The firm pegged Argentina's 2013/14 wheat crop at 10 million tonnes, up 200,000 tonnes from its previous figure.

### [Canada Canola Stocks Jump 55.3 Percent to All-Time High at End of 2013](#)

Feb 4 (Reuters) - Canadian stockpiles of canola reached a record 12.6 million tonnes as of Dec. 31, up 55.3 percent from a year earlier, a Statistics Canada survey showed on Tuesday, as an unprecedented crop and logistics problems left more of the oilseed on farms and elevators.

Traders and analysts in a Reuters poll had forecast canola stocks of 12.3 million tonnes. The previous record high was 10.1 million tonnes in 2009.

Statscan, which surveyed farmers from Jan 3-12, said overall stocks of principal field crops were up nearly 30 percent from 2012 due to increased crop production.

### **Argentine Government Threatens Actions Against Farmers that Don't Sell Crops**

The Argentine government does not rule out fining agricultural producers who refuse to complete liquidation of their grains as they await a better dollar price.

In a press conference today, Cabinet Chief Jorge Capitanich stressed the government has got the power to implement fines "in order to generate the conditions to preserve the interests of Argentines."

"The main problem of the development of the Argentine economy is that those who amass foreign currency are not assigning it to the productive market," he said. "The small and medium producer does not speculate, because he liquidates as soon as he produces to go on working," he explained, adding that, on the other hand, big businesses "are able to keep the harvest."

The chief of staff indicated the government "cooperates for the agricultural sector's profitability" through several benefits, and asked "all those who have the responsibility of liquidating exports to do so with solidarity towards the Argentine people."

Capitanich along with several government officials is scheduled to meet later today with representatives from grain companies to "coordinate expectations and establish mechanisms of currency liquidation."

To conclude, Capitanich confirmed "meat business leaders are committed to take back prices to last week's values."

### Gulf "Nearby" Soybean Basis for February Highest Ever

