

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

This summary is based on reports from exporters for the period January 7-13, 2014.

Soybeans: Net sales of 86,300 MT for 2013/2014--a marketing-year low--resulted as increases for the Netherlands (150,100 MT, including 140,000 MT switched from unknown destinations), Mexico (131,600 MT), Indonesia (100,200 MT), Japan (87,000 MT, including 27,000 MT switched from unknown destinations), and Vietnam (13,800 MT), were partially offset by decreases for unknown destinations (268,500 MT) and China (145,600 MT). Net sales of 749,100 MT for 2014/2015 were reported for China (476,000 MT), unknown destinations (180,000 MT), Mexico (69,100 MT), and Japan (24,000 MT). Exports of 1,339,500 MT were down 10 percent from the previous week and 17 percent from the prior 4-week average. The primary destinations were China (881,800 MT), the Netherlands (150,100 MT), Vietnam (76,600 MT), Indonesia (74,300 MT), and Mexico (53,500 MT).

Optional Origin Sales: For 2013/2014, outstanding optional origin sales total 280,000 MT, all China. For 2014/2015, new optional origin sales totaling 55,000 MT to China were reported. Outstanding optional origin sales total 110,000 MT, all China.

Export Adjustments: Accumulated exports to China were adjusted down 66,000 MT for week ending January 30th. This shipment was reported twice.

Soybean Cake and Meal: Net sales of 227,500 MT were up noticeably from the previous week and 49 percent from the prior 4-week average. Increases were reported for Canada (80,500 MT), Poland (43,600 MT, including 40,000 MT switched from unknown destinations), Ecuador (37,100 MT), Panama (31,200 MT), Spain (19,100 MT), and Mexico (16,300 MT). Decreases were reported for unknown destinations (56,400 MT) and Italy (25,000 MT). Net sales of 65,000 MT for 2014/2015 were reported for unknown destinations. Exports of 252,600 MT were down 13 percent from the previous week and 23 percent from the prior 4-week average. The primary destinations were the Philippines (45,500 MT), Poland (43,600 MT), Spain (39,100 MT), Ecuador (37,100 MT), the Dominican Republic (18,400 MT), and Canada (17,000 MT).

Soybean Oil: Net sales of 11,700 MT for 2013/2014 were down 78 percent from the previous week and 56 percent from the prior 4-week average. Increases were reported for Mexico (6,400 MT), the Dominican Republic (4,800 MT), and unknown destinations (1,000 MT). Decreases were reported for Canada (600 MT). Exports of 24,300 MT were down 1 percent from the previous week and 10 percent from the prior 4-week average. The primary destinations were Morocco (15,000 MT), Mexico (4,000 MT), Guatemala (4,000 MT), and Canada (1,100 MT).

[Brazil's AgRural Cuts Soy Crop Forecast to 87 MMT on Drought](#)

SAO PAULO, Feb 17 (Reuters) - Analysts at Brazilian consultancy AgRural shaved 1.8 million tonnes off their estimate for Brazil's 2013-14 soybean crop on Monday, saying drought in much of the country in recent weeks had reduced yields.

AgRural expects a crop of 87 million tonnes, down from 88.8 million tonnes previously, and says average yield would be 49.1 60-kilogram bags per hectare rather than 50.1 bags per hectare.

The drought had not hurt top producing state Mato Grosso, however, where the harvest is now 37 percent complete, according to AgRural's weekly report.

With rains returning to much of the country over the weekend after six weeks of dryness, AgRural said the forecast could be raised again.

"With the return of rain and the drop in temperatures we've seen at the end of the first half of the month, an increase in productivity in some areas cannot be ruled out due to the high resilience of soybeans," the report said. Another Brazil-based consulting firm, Agroconsult, said on Friday it expected 2.4 million tonnes of drought-related losses, lowering its forecast to 90.8 million tonnes.

[Bird Flu Enfeebles China's Poultry Trade](#)

GUANGZHOU, Feb 16, 2014 (Xinhua via COMTEX News Network) -- The poultry industry in the southern Chinese city of Guangzhou groaned on Friday as live poultry markets were suspended due to the resurgent bird flu epidemic.

Guangzhou, capital of Guangdong Province, announced on Friday that all live poultry markets will be closed from Feb. 15 to Feb. 28 to avoid spreading the H7N9 virus.

"Although the closure is only two weeks, it will cause me losses of more than 50,000 yuan (8,250 U.S.dollars)," said Tan Qiang, a vendor at Jiangcun market, one of the nation's biggest live-bird markets.

Tan was expecting a busy day with Lantern Festival on Friday, when people feast on chicken and duck, but, washing an empty freight car, he had a glum look on his face.

"The market is closed. We are doomed to suffer and the only thing to do is to clean up," he said.

On Friday, Guangdong reported another death and a new infection. There have been more than 120 human H7N9 cases in China this year, and at least 32 deaths. Guangdong is one of the worst-hit areas.

Trade in Jiangcun market was over 130,000 birds per day in 2012. In 2013, the figure fell to less than half that, but still nearly 60,000 birds a day were loaded on trucks pulling in and out of the market.

Now the market is empty. Only a few vendors remain, cleaning up the trash.

Jiang Yongquan, the market's general manager, said the closure, though only for two weeks, may just be the beginning of a harsh future for the poultry industry.

Lyuhuang Agriculture and Farming Development Co.,Ltd, a leading poultry company in Guangdong, suffered losses of over 30 million yuan in 2013.

Huang Weilong, CEO of the company, said there are more than 100,000 frozen chickens in storage after the company was forced to slaughter them.

The live poultry industry lost 70 billion yuan during the last bird flu outbreak in April, 2012, and Guangdong was among the worst affected, according to Chen Yingfeng, president of Guangdong Poultry Industry Association.

Over this latest period, the industry is losing more than 1 billion yuan each month, Chen added.

Beijing closed live poultry markets in 2005. The ban is believed to be effective in controlling the virus by blocking the primary source of infection: close contact between humans and poultry.

However, it is important to seek a balance between guarding citizen's safety and the interests of the poultry industry, industry insiders and experts have suggested.

[Paraguay Soybean Output to Be Less Than Last Season's - Minister](#)

ASUNCION, Feb 17 (Reuters) - Dry weather will cut Paraguay's soybean production in the 2013/2014 season to below the 9.3 million tons produced in last year's record harvest, the government said on Monday.

The agriculture ministry had estimated this year's soybean output to be similar to the bumper crop of the 2012/2013 season. But a bout of high temperatures and scarce rain in the final growing stage of soy crops changed that forecast.

"Around 3.2 million hectares at 2.7 tons per hectare, that's what we're projecting," Minister Jorge Gattini said on a local radio program.

That adds up to around 8.6 million tons - about 7.5 percent less than last year's output.

Paraguay is the world's No. 4 soybean exporter, although it lags far behind the top three global suppliers.

Paraguay's grain and soybean association, Capeco, said the government's revised estimate might still be too optimistic.

"It will not be much more than 8 million tons," said Capeco adviser Luis Cubilla. "Yields are down and we can probably talk about a 20 to 25 percent decrease in the last plantings."

The U.S. Agriculture Department has estimated Paraguay will produce 9.3 million tons this year.

[German Poultry Sector Ends Avoidance of GMO Soy in Feed](#)

HAMBURG, Feb 18 (Reuters) - German poultry producers have given up a promise to consumers to avoid feeding birds with soy containing genetically-modified organisms (GMOs) because of lower supplies of non-GMO soybeans, poultry producers association BBH said on Tuesday.

Brazil, the main bulk supplier of GMO-free soybeans, was likely to cut its supplies of GMO-free soybeans by 50 percent this year partly because of cross-pollination with conventional beans, the association said.

The danger of cross-contamination between GMO and conventional crops during transport has also risen, it said.

"Feeding for chicken and turkey production in Germany without use of genetic technology can no longer be undertaken," the association said. "Specialist feed factories for production of poultry feed requires a seamless supply chain with impeccable GMO-free soybeans, but supplies can no longer be guaranteed in the required volumes."

The association said Germany was not alone with such problems and some British and Danish poultry producers had in the past year also given up commitments not to use GMO soybeans.

Germany is one of the EU's largest poultry meat producers, in 2013 producing about 1.5 million tonnes of the total EU output of 11.7 million tonnes of poultry meat.

[Canada Farmers Seen Planting Less Wheat, More Canola](#)

WINNIPEG, Manitoba, Feb 18 (Reuters) - Canadian farmers will likely plant less wheat and more canola this year, and harvests of both will fall short of last year's record-smashing levels as yields return to normal, Canada's Agriculture and Agri-Food department said on Tuesday.

Ag Canada forecast plantings of 24.7 million acres of all-wheat in 2014/15, down 6 percent. Based on typical yields, production looks to hit 29.3 million tonnes, down 22 percent from last year's all-time high.

The department uses analysis, not a farmer survey, to form its outlooks.

Ag Canada said farmers may plant 21.6 million acres of canola, up 8 percent from a year earlier due to attractive returns. Production, however, is expected to fall 11 percent to 16 million tonnes.

Farmers plant the bulk of Canadian crops in the spring.

Huge harvests last autumn and frigid temperatures have overwhelmed Canada's railways, leaving a backlog of crops destined to move from western farm provinces to ports.

As a result, Agriculture Canada expects canola stocks at July 31, 2014 to be five times higher than a year earlier, at 3.3 million tonnes, and wheat stocks to more than double to 11.8 million tonnes.

[Soybean Export Pace Hints at Bigger Supplies](#)

STEPHENSON, VIRGINIA, U.S. — The U.S. soybean market is on the lookout for cancellations from China as the harvest season in Brazil and Argentina fast approaches, making lower-priced supplies available to the world's top importer of the oilseed.

But Paul Meyers, vice-president, commodity analysis, at Foresight Commodity Services, Inc., thinks market participants are overdoing the scenario by predicting cancellations of as much as 2 million to 3 million tonnes in the near future.

"There will be some cancellations but not as much as what the market is saying," he said. Some other market observers think cancellations will be at around 1 million tonnes, a number Meyers thinks is reasonable.

A moderating outlook for Chinese cancellations of U.S. soybeans and a dry weather outlook in growing regions of South America have been contributing factors to the brisk gains in soybean futures posted on Feb. 18 after the markets were closed on Feb. 17 for Presidents' Day.

But Meyers does think there is a key bearish factor that may be tempering potential gains for soybean futures: the likelihood that the U.S. Department of Agriculture (USDA) is understating the size of the 2013 crop, currently projected at 3.29 billion bushels, by as much as 30 million to 50 million bushels.

"Prices would be even higher than they are now if the crop size weren't larger," he said. "The current export pace isn't sustainable."

He said U.S. export commitments (shipments plus outstanding sales) so far in the 2013-14 crop year are 105.1% of USDA marketing year forecasts — as high as they have ever been at this juncture in the crop year.

"Something doesn't add up and a bigger crop would help explain the data," he said.

Meyers acknowledged that a definitive 2013 crop size will not be known until the end of September 2014, but there will be some guidance from the Grain Stocks reports due from the USDA at the end of March and the end of June.

While China might not be cancelling as many existing orders for U.S. soybeans as expected, the behemoth buyer inevitably will start switching to South American supplies as U.S. supplies dwindle later this year, Meyers said. He noted that in the current quarter ending Feb. 28, the U.S. will export to all destinations at total of 690 million bushels, up from 531 million bushels in the same quarter of 2012. In the March-May quarter, the U.S. is expected to export 145 million bushels, up from 125 million bushels in the same quarter a year ago, Meyers said. The final quarter of 2013-14 concluding at the end of August, U.S. exports may fall to only 45 million bushels of U.S. soybeans.

"There will be a dramatic drop-off in U.S. exports to China and other destinations," he said, pointing to domestic supplies that will become uncomfortably tight toward the end of the current crop year. "There is no other choice."

The USDA has characterized China's appetite for soybean oil as "insatiable" so its buying will merely switch to South America. Meyers said Brazil may be able to overcome some of the logistical problems at its ports that have slowed down shipments in the past, and they are likely to be able to export more soybeans this spring and summer when the new U.S. crop is planted.

Overall demand from China almost guarantees that the U.S. will emerge from the current crop year with the minimal carryover of 150 million bushels reported in the most recent WASDE, Meyers said, which keeps domestic soybean prices on a knife's edge of supply and demand.

[India's Poultry Feed Demand Seen Rising 9% in 2014 -Trade](#)

By Ratnajyoti Dutta and Meenakshi Sharma

NEW DELHI/MUMBAI, Feb 20 (Reuters) - India's rising appetite for poultry products will boost domestic demand for animal feeds corn and soymeal this year by about 9 percent, traders said on Thursday.

The higher local feed demand could further reduce overseas sales that are already under pressure from cheaper grains from Latin America. India, however, is still the leading seller of corn and soymeal in Southeast Asian markets.

Domestic demand for the two main feed grains are expected to rise by 9 percent to 12 million tonnes as demand for products such as eggs and chickens rises in India, the world's fifth biggest producer of broilers.

Corn will make up most of the feed demand growth because supplies are ample and prices cheaper. [Demand for soymeal may not rise as prices surged after late rains hit the soybean crop.](#)

"Consumption of feeds, mainly corn is expected to increase because demand for poultry products are likely to rise by at least 6 percent this year," said Sanjeev Chintawar, Business Manager, National Egg Coordination Committee.

Demand for corn could rise by at least 1 million tonnes to 9 million tonnes this year; demand for soymeal is seen almost flat at 3 million tonnes.

In domestic markets, corn was quoted at 12,000-13,000 rupees (\$193-\$209) per tonne, much cheaper than soymeal at 34,500 rupees (\$554) per tonne. Soymeal prices are up 18 percent from a year earlier due to the poor harvest.

"We expect about one million tonnes per month demand for corn and soymeal over the next two months," said Ricky Thaper, an official of the Poultry Federation of India.

He said the monthly demand for corn would be 750,000-800,000 tonnes, while demand for soymeal would be 200,000-250.00 tonnes.

Thaper said demand for poultry products is growing 7-8 per cent a year due to preference for cheap sources of animal protein in Asia's third largest economy.

Poultry is the leading animal protein in India as beef and pork are discarded due to religious reasons despite lower prices. Fish and lamb are available but more highly priced.

India's per capita chicken meat consumption is 3.1 per kilogram against the global average of 10.5 kg. Traders expect the consumption to nearly triple to 9.1 kg by 2030.

[USDA Looks for Bin-Busting U.S. Soybean Crop in '14/15](#)

By Ros Krasny and Julie Ingwersen

WASHINGTON Feb 21 (Reuters) - The United States is on track for record large soybean and corn crops in 2014/15, pushing ending stocks higher and prices sharply lower, the U.S. Department of Agriculture said on Friday.

Soybeans will be the real bin-buster in the coming season, based on projected record acreage and rising yields, the agency said at its annual Agricultural Outlook conference.

USDA forecast a soybean crop of 3.550 billion bushels, large enough for U.S. ending stocks to almost double in 2014/15, to 285 million bushels.

U.S. SOYBEAN BALANCE SHEET

	11/12	12/13	13/14	14/15
Area planted (mil. ac.)	75.0	77.2	76.5	79.5
Area harvested	73.8	76.2	75.9	78.5
Yield (bu./ac.)	41.9	39.8	43.3	45.2
Production (mil. bu.)	3,094	3,034	3,289	3,550
Beginning stocks	215	169	141	150
Imports	16	36	30	15
Supply	3,325	3,239	3,459	3,715
Crush	1,703	1,689	1,700	1,725
Seed	90	89	87	89
Residual	-2	1	12	16
Total domestic use	1,790	1,779	1,799	1,830
Exports	1,365	1,320	1,510	1,600
Total use	3,155	3,099	3,309	3,430
Ending stocks	169	141	150	285
Stocks/use (percent)	5.4	4.5	4.5	8.3
Avg. farm price (\$/bu.)	12.50	14.40	12.70	9.65

Not only will planting soybean acreage increase, but USDA said there would be less so-called prevented planting in the Northern Plains and the Midwest in 2014.

"With normal abandonment, harvested acreage is projected at 78.5 million acres, up 2.6 million from 2013," USDA said.

With a huge total supply of 3.7 billion bushels, it will be farewell to "beans in the teens," USDA said. The season average farm price was pegged at \$9.65 per bushel, down from \$12.70 this year.

Corn plantings are forecast to fall for a second consecutive year, but with strong projected yields would still be high enough for the U.S. to eke out a record harvest of 13.985 billion bushels, USDA said.

U.S. corn ending stocks were forecast at 2.111 billion bushels, enough to knock the season average price down to \$3.90 per bushel from \$4.50 projected in 2013/14.

Several weeks before farmers will be in the fields to plant, USDA forecast strong corn yields of 165.3 bushels per acre and soybean yields of 45.2 bushels per acre.

USDA said yields should be higher than in 2013, when crops were hurt by delayed plantings and late-summer dryness.

"These numbers were a little bit bearish with the big yields (for corn and soybeans). The market is not reacting to it so the market does not believe it," said Roy Huckabay, analyst with the Linn Group in Chicago.

USDA looked for 2014/15 wheat prices to fall sharply as well, to \$5.30 per bushel from \$6.80, even though the crop, projected at 2.16 billion bushels, will be only marginally higher than this year's harvest.

Among the wheat classes, hard red winter and durum production is expected to rise, offset by cuts in soft red winter, other spring, and winter white wheat.

Wheat ending stocks for the new year were estimated at 587 million bushels, slightly above 558 million this year, as export demand slips.

The Myth of 'Settled Science'

By Charles Krauthammer, Published: February 20

I repeat: I'm not a global warming believer. I'm not a global warming denier. I've long believed that it cannot be good for humanity to be spewing tons of carbon dioxide into the atmosphere. I also believe that those scientists who pretend to know exactly what this will cause in 20, 30 or 50 years are white-coated propagandists.

"The debate is settled," asserted propagandist in chief Barack Obama in his latest State of the Union address.

"Climate change is a fact." Really? There is nothing more anti-scientific than the very idea that science is settled, static, impervious to challenge. Take a non-climate example. It was long assumed that mammograms help reduce breast cancer deaths. This fact was so settled that Obamacare requires every insurance plan to offer mammograms (for free, no less) or be subject to termination.

Now we learn from a massive randomized study — 90,000 women followed for 25 years — that mammograms may have no effect on breast cancer deaths. Indeed, one out of five of those diagnosed by mammogram receives unnecessary radiation, chemo or surgery.

So much for settledness. And climate is less well understood than breast cancer. If climate science is settled, why do its predictions keep changing? And how is it that the great physicist Freeman Dyson, who did some climate research in the late 1970s, thinks today's climate-change Cassandras are hopelessly mistaken?

They deal with the fluid dynamics of the atmosphere and oceans, argues Dyson, ignoring the effect of biology, i.e., vegetation and topsoil. Further, their predictions rest on models they fall in love with: "You sit in front of a computer screen for 10 years and you start to think of your model as being real." Not surprisingly, these models have been "consistently and spectacularly wrong" in their predictions, write atmospheric scientists Richard McNider and John Christy — and always, amazingly, in the same direction.

Settled? Even Britain's national weather service concedes there's been no change — delicately called a "pause" — in global temperature in 15 years. If even the raw data is recalcitrant, let alone the assumptions and underlying models, how settled is the science?

But even worse than the pretense of settledness is the cynical attribution of any politically convenient natural disaster to climate change, a clever term that allows you to attribute anything — warming and cooling, drought and flood — to man's sinful carbon burning.

Accordingly, Obama ostentatiously visited drought-stricken California last Friday. Surprise! He blamed climate change. Here even the New York Times gagged, pointing out that far from being supported by the evidence, "the most recent computer projections suggest that as the world warms, California should get wetter, not drier, in the winter."

How inconvenient. But we've been here before. Hurricane Sandy was made the poster child for the alleged increased frequency and strength of "extreme weather events" like hurricanes.

Nonsense. Sandy wasn't even a hurricane when it hit the United States. Indeed, in all of 2012, only a single hurricane made U.S. landfall. And 2013 saw the fewest Atlantic hurricanes in 30 years. In fact, in the last half-century, one-third *fewer* major hurricanes have hit the United States than in the previous half-century.

Similarly tornadoes. Every time one hits, the climate-change commentary begins. Yet last year saw the fewest in a quarter-century. And the last 30 years — of presumed global warming — has seen a 30 percent *decrease* in extreme tornado activity (F3 and above) versus the previous 30 years.

None of this is dispositive. It doesn't settle the issue. But that's the point. It mocks the very notion of settled science, which is nothing but a crude attempt to silence critics and delegitimize debate. As does the term "denier" — an echo of Holocaust denial, contemptibly suggesting the malevolent rejection of an established historical truth.

Climate-change proponents have made their cause a matter of fealty and faith. For folks who pretend to be brave carriers of the scientific ethic, there's more than a tinge of religion in their jeremiads. If you whore after other

gods, the Bible tells us, “the Lord’s wrath be kindled against you, and he shut up the heaven, that there be no rain, and that the land yield not her fruit” (Deuteronomy 11).

Sounds like California. Except that today there’s a new god, the Earth Mother. And a new set of sins — burning coal and driving a fully equipped F-150.

But whoring is whoring, and the gods must be appeased. So if California burns, you send your high priest (in carbon-belching Air Force One, but never mind) to the bone-dry land to offer up, on behalf of the repentant congregation, a \$1 billion burnt offering called a “climate resilience fund.”

Ah, settled science in action.