WEEKLY NEWS ARTICLE UPDATE

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U.S. Soy Export Sales Highlights

This summary is based on reports from exporters for the period April 11-17, 2014.

Soybeans: Net sales of 800 MT for 2013/2014--a marketing-year low--were down 96 percent from the previous week and 98 percent from the prior 4-week average. Increases reported for Canada (29,800 MT), Mexico (9,900 MT), Indonesia (5,200 MT), Barbados (3,500 MT), Japan (3,400 MT), Taiwan (2,400 MT), and Vietnam (1,700 MT), were partially offset by decreases for China (55,000 MT). Net sales of 118,200 MT for 2014/2015 were primarily for unknown destinations (59,000 MT) and China (55,500 MT). Exports of 182,200 MT were down 46 percent from the previous week and 70 percent from the prior 4-week average. The primary destinations were Mexico (61,900 MT), Indonesia (42,900 MT), Japan (28,000 MT), Taiwan (17,600 MT), Colombia (17,400 MT), and Canada (7,500 MT).

Optional Origin Sales: For 2013/2014, outstanding optional origin sales total 110,500 MT, all China. For 2014/2015, outstanding optional origin sales total 450,000 MT, and are for China (330,000 MT) and Egypt (120,000 MT).

Soybean Cake and Meal: Net sales of 186,300 MT for 2013/2014 were up noticeably from the previous week and 9 percent from the prior 4-week average. Increases were reported for Mexico (61,300 MT), Denmark (49,500 MT, including 45,000 MT switched from unknown destinations), Ecuador (33,000 MT), Canada (21,800 MT), Cost Rica (10,100 MT), Guatemala (8,100 MT, switched from unknown destinations), and El Salvador (5,100 MT, including 4,000 MT switched from unknown destinations). Decreases were reported for unknown destinations (13,000 MT) and the Dominican Republic (200 MT). Net sales reductions of 9,600 MT for 2014/2015 resulted as increases for Mexico (2,900 MT), were more than offset by decreases for Cost Rica (10,100 MT) and Canada (2,400 MT). Exports of 165,600 MT were unchanged from the previous week, but down 34 percent from the prior 4-week average. The primary destinations were **Denmark (49,500 MT), Italy (25,000 MT**), Mexico (22,900 MT), Canada (21,500 MT), Honduras (11,900 MT), and Guatemala (8,100 MT).

Soybean Oil: Net sales of 5,700 MT for 2013/2014 were up 5 percent from the previous week and 21 percent from the prior 4-week average. Increases reported for Mexico (4,800 MT), the Dominican Republic (500 MT), and

Nicaragua (400 MT), were partially offset by decreases for Canada (200 MT). Exports of 8,400 MT were down 16 percent from the previous week and 59 percent from the prior 4-week average. The primary destinations were the Dominican Republic (3,500 MT), Mexico (3,400 MT), Canada (900 MT), and Nicaragua (400 MT).

Salmon Farmers, Swimming in Profits, Are Looking for Better Ways to Raise Their Fish.

Amid growing global demand for food, aquaculture companies aim to be bigger players by investing in new feeding processes and betting on elaborate new farming techniques. By 2016, for instance, SalMar — one of the world's largest salmon producers — will launch a pricey and largely untested offshore fishing platform designed by a longtime oil executive.

Aquaculture, or fish farming, has grown faster than the wild-catch industry in recent decades, and Norway's fish farmers benefited as the nation has become the second-largest exporter of farmed fish behind China. Global output of aquaculture expanded 12-fold between 1980 and 2010 to 60 million tons, while captured fish intake stabilized at 90 million tons, according to the latest data available from the United Nations Food and Agriculture Organization, which tracks fish production.

Total fish trade, including both fish farming and wild catch, grew to $217.5 billion in 2010 from $71.5 billion in 2004, the organization said.

At last count, fish farming accounted for 47% of global fish production, compared to 9% of the stock in 1980, with salmon farmers representing the fastest-growing segment of the industry as their product has grown well beyond being a luxury item.

But current farming techniques might be limiting the industry's ability to keep up with demand. Government farming quotas — largely aimed at limiting fish disease and pollution from fish farms — cap the output of companies such as SalMar and Marine Harvest, a Norwegian competitor that ranks as the biggest farmer in the world.

Supply constraints have boosted prices at a time when salmon is becoming a common source of protein world-wide. Global salmon consumption is now three times higher than it was in 1980, according to the World Wildlife Fund. That leads to big paydays for farmers, but there is concern the good times may come to an end.

Gunnar Myrebøe, SalMar's platform designer, spent much of his career overseeing development at Norwegian oil giant Statoil before turning to aquaculture after learning of the idea of a fish-farming platform. "We had to do something like this, otherwise the industry would never be able to grow," he said

Conventional fish farms essentially consist of a floating ring onto which a net is fastened. These constructions are placed in fjords or close to the ocean shore, with each net holding hundreds of thousands of fish. Water flow is more limited in these farms than in the open sea, which can lead to problems such as disease and pollution.

SalMar's farming platform is one of the few "quantum leaps" on the horizon for addressing these issues, Mr. Myrebøe said.

The offshore farm will resemble a modern-day oil platform. Weighing 5,600 metric tons and standing 220 feet tall, the farming platform would be anchored half submerged far offshore so that water can flow freshly through the community of growing fish. They would also be equipped with the same type of nets used to repel sharks.

According to SalMar, the oil-rig-inspired anchoring technology allows the net to stand almost still in waves that are up to nine meters, or about 30 feet, high, and the fish "simply can't escape."

One of the biggest environmental challenges in salmon farming is the risk of escapes. The fish that escape can potentially mate with wild species, which can lead to genetic changes and the possible extinction of certain populations.

The costly platform proposal is only in the initial phase of testing. While a platform could theoretically hold seven times as many fish as a conventional net, about 1.6 million, there is no guarantee that salmon lice — a parasite that is one of the main concerns for farmers — will be reduced.

SalMar co-founder Gustav Witzøe estimates the first platform could cost hundreds of millions of dollars, and is currently in talks with shipyards in an effort to secure a builder. One key consideration for the project, said Mr. Myrebøe, is whether the new project qualifies for so-called green concessions that Norway hands out for sustainable projects.

Norwegian officials have expressed a desire to expand the salmon farming industry, and researchers claim the country's production could be sixfold by 2050.

Marine Harvest, SalMar's bigger rival, recently announced a plan to purify all salmon feed — a practice not yet widely employed — to help boost salmon consumption in certain groups, such as pregnant women. The Bergen, Norway-based company is also working on extending the time smolt, or newborn fish, live in indoor pools, to reduce exposure to diseases.

As Norwegian companies work on new farming techniques, Denmark's Atlantic Sapphire A/S last year started selling salmon nurtured entirely indoors. Thue Holm, a biologist who co-founded the company, said indoor farming — using pools where temperature and water flow are regulated — "might do a better job than the sea."

At the same time, indoor fish are likely to be higher price and smaller in size.

Bendik Fyhn Terjesen, a researcher at the Norwegian food research institute Nofima, said the future of fish farming is "a combination of different approaches, including partly onshore farming, offshore farming, and breeding of special types of fish that eat salmon lice."

Mr. Holm agrees: "It will be like tomatoes — which are grown in [both] greenhouses and on open land."

The U.N.'s Food and Agriculture Organization has called on producers to boost output while addressing concerns about disease, pollution and escapes.

"If we do not initiate a concerted effort to increase aquaculture sector growth, and do it more sustainably than ever, the per capita fish consumption will decrease," said Arni Mathiesen, an administrator with the FAO. "This, I believe, would be disastrous as well as unacceptable."

To get governmental permits to expand, however, Norwegian fish farming has to become more environmentally sound.

During a recent trip in the Arctic, Norway's fisheries minister, Elisabeth Aspaker, said the nation — rich in oil and gas resources — needs to give more attention to an industry that will clearly outlast fossil fuels.

"The day when the oil and gas production is over, fishing is an industry that will remain for eternity."

Hawaii is Genetically Engineered Crop Flash Point

Associated Press -- WAIALUA, HI -- April 21, 2014 -- You can trace the genetic makeup of most corn grown in the U.S., and in many other places around the world, to Hawaii.

The tiny island state 2,500 miles from the nearest continent is so critical to the nation's modern corn-growing business that the industry's leading companies all have farms here, growing new varieties genetically engineered for desirable traits like insect and drought resistance.

But these same farms have become a flash point in a spreading debate over genetic engineering in agriculture.

Kauai and Hawaii counties have moved in the past several months to regulate genetically modified organisms and the pesticides the farms use. In Maui County, a group is collecting signatures for a potential ballot measure that would impose a temporary ban on the crops.

"People are very concerned, and it's my job as a council member to determine whether those concerns are valid and take steps to protect them," said Gary Hooser, a councilman in Kauai.

Hooser and the council passed a law last year, over the mayor's veto, to require large farms to create buffer zones around their crops and to disclose what pesticides they use. The law is set to take effect in August.

Seed companies with Kauai operations — Syngenta, Pioneer, BASF and Agrigentics — have sued the county to stop the law, saying they are already regulated by state and federal laws and there is no need for additional county rules.

"We don't plant anything that isn't permitted and approved through the proper regulatory agencies, be it the EPA, the FDA and UDSA," said Mark Phillipson, the head of Hawaii corporate affairs for Syngenta, referring to the Environmental Protection Agency, the Food and Drug Administration and the U.S. Department of Agriculture.

Hawaii's origins as a critical node in corn production dates to the 1960s when James Brewbaker, a recently arrived researcher at the University of Hawaii, noticed he could plant three crops a year in Hawaii's warm climate instead of one as in most places on the mainland.

Around the same time, Pioneer Hi-Bred was trying to squeeze more research into a year by using greenhouses and farms in Florida. Brewbaker suggested researchers come to Hawaii.

Seed farms grew as research expanded and more land became available as Hawaii's sugar and pineapple plantations became less competitive in the global market and shut down.

As of 2012, the most recent data available, seed crops in Hawaii were worth $217 million, up from $140 million in 2007. About 95 percent of it is corn. In all, they exceed the value of the state's next several largest crops — including sugarcane and macadamia nuts.

Developing a new seed variety takes about 10 to 12 growth cycles, said Phillipson. On the mainland, this could take 10 to 12 years. Being able to get three to four growth cycles a year in Hawaii dramatically shrinks the time it takes to bring a new product to market.

"It's getting your newest and best hybrids to market quickly," said Richard McCormack, who leads Hawaii operations for Pioneer Hi-Bred International, which is part of DuPont and has farms on Kauai and Oahu.

New genes — such as those making corn resistant to drought or floods — are inserted in a lab on the mainland.

Once federal authorities approve new varieties for planting, they're brought to Hawaii for two growth cycles or crop seasons to see how they perform in an actual field. The best ones are sent elsewhere for more growing.

Syngenta, for example, sends its best to fields in Missouri, Manitoba, Canada and Mexico to make sure the corn is able to thrive in the soil, wind conditions and temperatures of these various places, Phillipson said.

Today, about 90 percent of all corn grown in the U.S. is genetically engineered and has been developed partially in Hawaii in this way.

The discontent, however, has been simmering.

There has been little scientific evidence to prove that foods grown from engineered seeds are less safe than their conventional counterparts, but consumer concerns and fears persist — not just in the islands but around the country and rest of the world.

In Hawaii, residents have also expressed concern about pesticides used in the growing of seed crops.

Hooser said he introduced the legislation to get good information that would allow the county to determine whether the seed companies' operations were having any negative effect on the health of Kauai's people and the environment.

Hawaii County, which covers the Big Island, later adopted a law banning the cultivation of genetically modified crops.

The county created an exemption, however, for papayas already grown on the Big Island that have been genetically engineered to resist a virus that nearly wiped out the fruit in years past. No seed companies currently have farms on the island, so they're not affected by the law.

In Maui County, a group called Sustainable Hawaiian Agriculture for the Keiki and the Aina Movement is gathering signatures for a ballot measure to impose the ban until seed companies complete environmental and public health studies find their practices to be safe.

Monsanto and Dow AgroSciences, a unit of Dow Chemical, both have farms in Maui County.

State Sen. Clarence Nishihara predicted the wrangling over genetically modified crops will continue, in Hawaii and around the country.

"There's no one side that's going to say, 'OK, we had enough. We've given up on the issue,' right?" said Nishihara, who chairs the state Senate's agriculture committee. "They'll keep fighting it. Isn't that the American way?"

Argentina to Cut Taxes on Biodiesel Amid EU Anti-Dumping Dispute

By Daniel Cancel - Apr 21, 2014

Argentina will temporarily scale back taxes on biodiesel for domestic use to help the industry as the South American nation battles the European Union over anti-dumping measures.

The government will send a bill to Congress ordering the exemption of a 22 percent tax on biodiesel used in thermoelectric plants and a 19 percent tax on biodiesel for gasoline blends until the dispute with the EU is resolved, President Cristina Fernandez de Kirchner said yesterday in a speech in Buenos Aires.

The EU slapped Argentina with duties on biodiesel imports last year, saying producers have access to raw material at prices that are kept artificially low. Argentina has requested the formation of a panel at the World Trade Organization in order to resolve the dispute and said the nation is being punished for being competitive in a free market, Fernandez said.

“We’re in the middle of a true trade war,” Fernandez said during the speech. “We have to protect those who need our help.”

Argentina’s biodiesel industry has about 33 processing plants and employs 1,600 people, she said. Fernandez inaugurated a biodiesel plant in Santa Fe province yesterday run by Renova SA. Renova is a joint venture between Glencore Xstrata Plc and local producers Vicentin and Molinos Rio de la Plata SA, according to a 2011 Economy Ministry report on the industry.

Louis Dreyfus Commodities BV, Bunge Ltd and Cargill Inc also operate biodiesel plants in Argentina, according to the report.

Argentina is the world’s largest exporter of soybean oil and derivatives and the third-biggest exporter of soybeans and corn.

“Sometimes it seems these decisions are taken against the president or the government without thinking about the individuals that are affected,” Fernandez said.

Argentina 2014/15 Soy Acreage to Rise 1.5 Percent -U.S. Attaché

April 22 (Reuters) - Following are selected highlights from a report issued by a U.S. Department of Agriculture attache in Argentina:

For the 2014/15 marketing year, the post forecasts soybean area to increase to 20.6 million hectares, up 1.5 percent from the current year. Soybean production is estimated at 57.5 million tonnes. That compares to the attaché’s 2013/14 estimate of 54 million tonnes, matching USDA's official forecast.

"The crop is in excellent condition," the report said. "Rains during late January and February helped some of the heat-stressed soybeans to recover, especially late planted soybeans, or second crop soybeans. In the central growing area, some second crop soybeans are expected to yield higher than first crop soybeans.

Harvested area is reduced to 20.1 tonnes as some was lost due to drought - second crop beans that died after being planted- and flooding after the heavy rains in February.

"Contacts are reporting a resistance to glyphosate which has caused producers to find new mixes for herbicides and as a result, their costs of production have gone up."

Bunge to Launch First Soy Ship from Northern Brazil Terminal

By Gustavo Bonato

BARCARENA, Brazil, April 24 (Reuters) - Grains trader Bunge Ltd. BG.N plans to ship the first soy cargo from a new Barcarena terminal on northeastern Brazil's coast on Saturday, the terminal manager said, launching a cost-saving short cut that will make Brazilian soy more competitive.

The ship Taurus Ocean will carry 60,900 tonnes of soy from Barcarena to Spain, Terminal Manager João Felipe Folquening said during a site visit on Thursday. Bunge expects to export up to 2 million tonnes of soy through the terminal in 2014, he added. That's nearly 5 percent of Brazil's expected exports this year.

The soybeans, part of what Bunge is calling a trial run, were shipped to the Port of Barcarena from central Brazil on river barges from the company's new Itaituba terminal on the Tapajos River in the Amazon rain forest. The inland terminal started operating a month ago, loading soy that had been trucked north from Mato Grosso, Brazil's top soy-growing state.

Bunge will slash freight costs by up to a third from the cost of trucking soybeans to Brazil's main ports on the southeast coast. It has a new advantage over rival Cargill Inc, which has operated a terminal at Santarem in the Amazon for 10 years. Itaituba is 300 kilometers south of Santarem and therefore more accessible to Brazil's soy belt.

Most major grains exporters operating in Brazil are expected to apply for permits to open terminals along the same route in coming years now that the BR-163 highway running north from Mato Grosso is finally considered passable.

Brazil's Ports Minister Antonio Henrique Silveira told Reuters in February that shipments through ports like Barcarena in Para state should increase from three to four million tonnes in 2014 to 15 million tonnes by around 2020.

Canada Farmers Intend to Plant Less Wheat and Canola and More Soybeans than in 2013

April 24 (Reuters) - Canadian farmers intend to cut wheat sowings this year by 4.8 percent from 2013, a smaller decrease than expected, according to a Statistics Canada survey of farmers released on Thursday.

They may also plant less canola in 2014, defying expectations, but still leaving the canola area at its third-largest on record, Statscan said in its first report of the year on seeding intentions based on information gathered from farmers from March 24-31.

Producers expect to plant 24.8 million acres of all-wheat compared with the average estimate of 24.4 million acres in a Reuters industry poll. Canola seedings are seen 0.7 percent lower in the Statscan survey to 19.8 million acres versus industry expectations of a 6 percent increase to 21.1 million acres.

Statscan said some farmers reported being undecided about their 2014 strategy and could modify plans before planting time. Many growing areas are experiencing a longer winter than anticipated, it said.

March intentions of principal field crop areas

	2012(final)	2013(final)	March 2014(intentions)	2012-2013	2013-March 2014
	thousands of acres			% change	
Total wheat2	23,706	26,015	24,766	9.7	-4.8
Spring wheat	16,939	19,043	17,978	12.4	-5.6
Durum wheat	4,680	4,965	4,835	6.1	-2.6
Winter wheat3	2,088	2,008	1,954	-3.8	-2.7
Canola	22,021	19,936	19,801	-9.5	-0.7
Barley	**7,405**	**7,083**	**6,311**	**-4.4**	**-10.9**
Soybeans	**4,153**	**4,519**	**5,264**	**8.8**	**16.5**
Dry field peas	3,730	3,285	3,975	-11.9	21.0
Summer fallow	4,335	3,875	3,370	-10.6	-13.0
Corn for grain	3,544	3,689	3,369	4.1	-8.7
Oats	2,879	3,168	3,188	10.0	0.6
Lentils	2,515	2,393	2,860	-4.9	19.5
Flaxseed	980	1,035	1,715	5.6	65.7

Indian Met Office Sees Below-Average Monsoon in 2014

By Ratnajyoti Dutta and Mayank Bhardwaj

NEW DELHI, April 24 (Reuters) - India is likely to have below-average monsoon rainfall in 2014, raising the possibility that drought could stoke inflation and hit a sluggish economy dependent on the elements because half the country's farmland lacks irrigation.

Patchy rain could hit planting of crops such as soybeans, rice, corn and cotton, pressuring economic growth that has nearly halved to below 5 percent in the past two years. Poor crops could in turn raise food inflation now stuck at 9 percent.

Agriculture accounts for 14 percent of Asia's third-largest economy but employs more than half the workforce. To cut dependence on rains, India plans to expand irrigated farmland by at least a tenth by 2017.

The Indian Meteorological Department's (IMD) first monsoon forecast on Thursday was in line with the outlook of the World Meteorological Organisation that predicted mostly below-average rains in much of South Asia, including India.

Below-average rains in the June-September monsoon season may create a headache for the new government, expected to formed after results of the general election are announced on May 16.

Opinion polls give a strong lead to the main opposition Bharatiya Janata Party (BJP), putting its candidate Narendra Modi in pole position to become the next prime minister.

"The major challenge for the new government is inflation and any shortfall in rains will only aggravate the problem," said N.R. Bhanumurthy, an economist at National Institute of Public Finance and Policy (NIPFP), a Delhi-based think tank.

Below-average monsoons would have a negative impact on production of sugar, edible oil and pulses, potentially pushing up retail food inflation by one percentage point, he said.

Such a monsoon poses risks to the forecast of 8 percent CPI inflation by January 2015, Raghuram Rajan, governor of the Reserve Bank of India, said earlier this month.

India's CPI inflation quickened to 8.31 percent in March, driven by higher food prices.

EL NINO RETURNS

An uptick in retail inflation, coupled with concern that the El Nino weather pattern may spoil rainfalls this year, could lead the RBI to hike its policy rates, economists at HSBC said in a research note last week.

A strong El Nino, marked by a warming of the sea surface of the Pacific Ocean, can cause severe drought in Australia, Southeast Asia and India, while drenching other parts of the world such as the U.S. Midwest and Brazil with rain.

The last time India faced a drought with rainfall below the normal range was in 2009 and prior to that, in 2004 and 2002 - with El Nino hitting the Indian monsoon season on each occasion.

Having said that, rainfall was 2 percent above average in 1997, one of the strongest El Nino years.

India is already on the verge of ceding its top rice exporter tag due to stiff competition from Southeast Asian rivals which have recently slashed prices.

"We may lose our edge in rice production next year if El Nino dries the monsoon," said Tajinder Narang, a trade analyst.

Rainfall is expected to be 95 percent of the long-term average, with an error margin of 5 percent, the IMD said.

India defines average rainfall as between 96 percent and 104 percent of a 50-year average of 89 cm for the entire season.

In 2013 India saw monsoon rains of 106 percent of the long-term average, resulting in a record grain harvest at 262 million tonnes for the 2013/14 crop year.

India will update its forecast in June.

Rains usually arrive in Kerala on the south coast around June 1, and cover the whole country by mid-July. Their progress triggers planting of crops such as rice, soybean and cotton.

Half the country is usually covered in the first 15 days. The rains reach central India's soybean areas by the third week of June and western cotton-growing areas by the first week of July.

Brazilian Soybeans Sold by Marubeni to China Bound for United States

By Karl Plume

CHICAGO, April 22 (Reuters) - Two Brazilian soybean cargoes sold by Japan's Marubeni Corp that were initially sold to China have been switched to the United States, according to port and shipping data updated on Tuesday, the latest of several U.S. import shipments expected this season.

The vessels containing a total of 125,000 tonnes of the oilseed are scheduled to reach the United States next month.

Importers in China, the world's top soybean buyer, have already defaulted on at least 500,000 tonnes of U.S. and Brazilian soybean cargoes worth around $300 million amid slowing demand and tightening credit in China. At least one of the cargoes was sold by Marubeni.

Some cargoes initially purchased by Chinese importers have found new destinations in the United States and Europe.

The United States is expected to import a record 1.77 million tonnes of soybeans this year to supplement its tightest stocks in a decade, according to the U.S. Department of Agriculture. Two Brazilian soybean cargoes have already arrived this month and further shipments, including some from Canada, are expected over the next 3 to 4 months.

The latest, panamax vessel Navios Mercury, finished loading with 60,000 tonnes of soybeans at Brazil's Tubarao Port on Sunday and is scheduled to arrive at the Port of Mobile, Alabama, on May 15, Reuters shipping data showed.

"One panamax vessel of soybean from Tubarao port in the state of Santa Catarina was shifted from China to U.S.," Rich Feltes, vice president of research for brokerage RJ O'Brien, confirmed on Tuesday, citing information from a cash-connected RJO affiliate in Sao Paulo.

Another panamax, the Akaki, is already en route to the United States after being loaded with 66,000 tonnes of soybeans at Brazil's Sao Francisco do Sul port in mid-April. It is scheduled to arrive at the Port of Wilmington, North Carolina, on May 7, the port's website showed.