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Export Sales Highlights

This summary is based on reports from exporters for the period September 26-October 2, 2014. **Soybeans:** Net sales of 923,400 MT for 2014/2015 were reported primarily for China (195,400 MT), Thailand (98,500 MT), Indonesia (97,700 MT), Turkey (78,000 MT), and Germany (75,900 MT). Decreases were reported for Costa Rica (2,400 MT) and Singapore (100 MT). Net sales reductions of 21,500 MT for 2015/2016 were reported for Thailand. Exports of 972,500 MT were primarily to China (530,900 MT), Mexico (76,900 MT), Germany (75,900 MT), Portugal (71,500 MT), and Saudi Arabia (68,200 MT).

Optional Origin Sales: For 2014/2015, new optional origin sales totaling 63,000 MT were reported for China. Outstanding optional origin sales total 1,624,500 MT, and are for China (1,398,500 MT), Egypt (181,000 MT), and Mexico (45,000 MT).

Export Adjustments: Accumulated exports to the Netherlands were adjusted down 75,908 MT for week ending September 18th. The correct destination for these shipments is Germany and is included in this week's report.

Soybean Cake and Meal: Net sales of 343,200 MT for the 2014/2015 marketing year (which began Oct. 1) were primarily for unknown destinations (80,200 MT), Thailand (60,000 MT), Canada (51,500 MT), and the Philippines (42,700 MT). Decreases were reported for Venezuela (7,300 MT, including 4,000 MT switched from unknown destinations) and the Leeward & Windward Islands (400 MT). Net sales of 12,600 MT for 2015/2016 were reported for Mexico. Exports for October 1-2 of 13,500 MT were primarily to Venezuela (6,000 MT), Canada (3,900 MT), and Mexico (2,100 MT). Net sales of 5,400 MT for (Sept. 26-30) resulted as increases for Venezuela (11,300 MT), Canada (300 MT), and Trinidad (200 MT), were partially offset by decreases for unknown destinations (4,000 MT), Panama (1,600 MT), and Sri Lanka (1,000 MT). A total of 364,400 MT in sales were outstanding on September 30 (the end of the 2013/2014 marketing year) and carried over to the 2014/2015 marketing year. Exports of 61,300 MT were reported for September 26-30. The primary destinations were Venezuela (30,000 MT), Mexico

(11,100 MT), Canada (9,900 MT), and Honduras (2,500 MT). Accumulated exports for the 2013/2014 marketing year were 10,116,600 MT, up 4 percent from the 9,712,300 MT reported in 2012/2013.

Soybean Oil: Net sales of 5,100 MT for the 2014/2015 marketing year (which began Oct. 1) resulted as increases for Peru (8,000 MT), Guatemala (4,000 MT), the Dominican Republic (4,000 MT), and Mexico (3,100 MT), were partially offset by decreases for unknown destinations (14,000 MT) and Nicaragua (3,000 MT). Exports for October 1-2 of 600 MT were primarily to Mexico (200 MT), Belgium (200 MT), and Canada (100 MT). Net sales of 4,400 MT for (Sept. 26-30) were reported for Canada (1,700 MT), Nicaragua (1,500 MT), and Mexico (1,200 MT). A total of 64,700 MT in sales were outstanding on September 30 (the end of the 2013/2014 marketing year) and carried over to the 2014/2015 marketing year. Accumulated exports for the 2013/2014 marketing year were 767,800 MT, down 18 percent from the 935,600 MT reported in 2012/2013.

Lawsuit Blames Syngenta GE Corn For Price Collapse, Seeks Damages

By David Schultz

Oct. 6 (BNA) -- An Arkansas corn farmer is suing the agricultural giant Syngenta, claiming its negligence in producing and selling the company's line of genetically engineered corn led China to place import restrictions on his crop, which has caused a significant decline in its price (Jesse Briggs v. Syngenta, S.D. III., 3:14-cv-01072, 10/3/14).

The farmer, Jesse Briggs, is seeking compensatory and punitive damages from the company. He filed his suit Oct. 3 in an Illinois federal district court.

The lawsuit alleges that the company is to blame for the "sudden and calamitous" drop in corn prices that occurred after Chinese agricultural authorities late last year began rejecting shipments of U.S. corn that they found to contain traces of Viptera, the line of GE corn manufactured by Syngenta.

Briggs's lawsuit argues that Syngenta should have known that Viptera would inevitably contaminate non-GE crops and, as a result, should have waited until it won approval for Viptera from the U.S.'s major trading partners before putting it on the market.

"U.S. corn farmers have long been at the mercy of corporate biotechnology giants in their battle to sell genetically modified seed," Briggs stated in his suit. Syngenta acted "in disregard of the rights of farmers and the impact its actions would have on the U.S. corn market."

Representatives from Syngenta didn't immediately respond to Bloomberg BNA requests for comment.

Sharp Drop in Exports

The corn market has been extremely volatile in recent years. Briggs said in his suit that U.S. corn exports are down roughly 85 percent this year compared with last year.

The price of corn futures on the Chicago Board of Trade has plummeted in recent years, from a high above \$8 in the middle of 2012 to a low below \$3.50 earlier this year.

Brad Hildebrand, an assistant vice president at Cargill AgHorizons said at an Oct. 2 meeting of a U.S. Surface Transportation Board advisory committee that the price of corn is below the cost of production in many areas.

"Willie Nelson is going to be back in business with Farm Aid soon," he told the advisory committee. "We've got corn coming out of our ears, no pun intended."

Hildebrand didn't specifically pin the cause of the price drop on China's imposition of trade restrictions, which began in November 2013 (234 DER A-22, 12/5/13).

But Briggs said in his lawsuit that the move has had far-reaching effects on his and his fellow corn farmers' businesses.

After China imposed its restrictions, several large grain elevators, including Bunge, Cargill and Archer Daniels Midland, announced they would refuse all shipments of corn containing any traces of Viptera. The National Grain and Feed Association and the North American Export Grain Association sent a joint letter to Syngenta earlier this year urging it to immediately stop selling Viptera until China and other major corn importing markets approved them.

Briggs stated that he has never purchased Viptera but that Syngenta damaged him nonetheless because the crop's cross-pollination of other non-GE crops has led to "contamination of the entire corn farming and production chain," from farm land and equipment all the way to storage and transportation facilities.

In Mato Grosso Farmers Plan to Invest Less in Conventional Soybeans

The main reason is the reduction in the premiums paid for the product. Prices usually rely on some sort of bonus.

The conventional soybeans will occupy less space this year, in Mato Grosso. Storage problems, high cost of production and the decline in premium paid for that kind of grain farmers have changed the strategy.

The planter is stopped at the farm of Dennis Ogliari where soybean cultivation began a week ago, but was interrupted by the lack of rain. 2400 hectares will be planted in Lucas do Rio Verde, the same area as last year, but what has changed is the profile of the plantation.

In the last six seasons the farm always reserved a part of the area for planting conventional soybeans. Last year, for example, were 400 hectares, but this time the situation is different: **100% of the land is cultivated with transgenic seeds.**

The choice is a reflection of the difficulties during storage of the last harvest. Non-GM crops should be stored in silos and there are few in the region, there was a delay in the receipt and schedule impacts on the property.

On another farm, the first soy begin to rise and are also transgenic. The group should expand by 10% soybean area this season, reaching 50 thousand hectares. Already conventional crops will not increase, as explained by the production manager Gilberto Sander.

The advantage is usually in prices, which have a kind of bonus, known as premium. He gets paid because the supply of this product is small compared to the transgenic soybean and acts as an incentive to farmers.

Last year, planting conventional soybeans was a good deal because the demand of European and Asian markets was great. The differential in price reached US\$ 3 per bag, but this time it's different.

The bet in conventional cultivars was reduced and should represent between 15% and 18% of crops in Mato Grosso, while last year, they occupied 20% of the area.

Argentine Government Says Will Make Soy Producers Sell More

BUENOS AIRES, Oct 8 (Reuters) - Argentina will use "all the tools" at its disposal to end financial speculation by grains producers and exporters, Cabinet chief Jorge Capitanich said on Wednesday, in a further sign of state intervention in Latin America's No. 3 economy.

Soy producers in Argentina, the world's No. 3 soybean exporter, have been holding onto the oilseed in view of low global prices and financial uncertainty at home, depriving the cash-strapped government of critical tax revenue from export charges.

Argentina has long warned producers that they must sell more of their product without acting on its words. The country last month passed a controversial law enabling the government to intervene more in companies' pricing and supply.

"We believe it is necessary to use all the state's tools to guarantee that all speculative maneuvers are ended," Capitanich said in his daily news briefing, although he did not specify what the government would do.

The government has already met with exporters but has not been able to reach a consensus on sales volumes, he said.

"We are working with companies on a bilateral agenda from today in order to verify the targets for liquidation of exports because we believe clearly that it is markedly insufficient."

Soybean futures on the Chicago Board of Trade fell last month to the lowest level in four-and-a-half years, pressured by the harvest of a record U.S. crop.

In addition to low prices, expectations of another sharp devaluation in the peso after a 20 percent devaluation in January are encouraging producers to hold onto stock.

The currency is under pressure as the country grapples with one of the world's highest inflation rates, a stagnant economy and the government's failure to complete a sovereign bond payment in July.

But Capitanich said the decision of the grains sector not to sell was "damaging for the country and for them too," given that prices were clearly on a downward trend. The government estimated producers had accumulated 25 million tonnes of stock.

Barred from global credit markets since its catastrophic 2002 default, Argentina is reliant on its trade surplus to obtain dollars. Foreign reserves have fallen to eight-year lows and the country faces financial stress in 2015, when debt servicing costs are set to double.

Capitanich said soy producers holding onto stock were also hurting other sectors, like grains transport workers.

The Argentine government has ramped up state intervention in the economy to try to prevent its new default in July from triggering a balance of payments crisis, but its policies are also battering business confidence.

Brazil Farm Belt Seen Dry Through Late October

SAO PAULO, Oct 8 (Reuters) - Significant rainfall will only hit Brazil's main center-west and southeastern agricultural areas after Oct. 25, a troubling forecast for soy planting and especially for coffee, a meteorologist at Somar said on Wednesday.

Rainfall is also needed in Brazil's largest city of Sao Paulo as its main reservoir is expected to dry up by late November thanks to one of the country's most prolonged droughts on record.

"Definitive rainfall will only come at the end of the month," Marco Antonio dos Santos, an agrometeorologist at Somar Meteorologia, told Reuters.

There could be isolated rainfall in some areas this weekend, but not enough to quench the country's parched soils, he said.

Dry weather in southeastern Brazil has renewed concerns over Brazil's 2015 coffee crop, which is expected to suffer some degree of damage from drought earlier this year that also curbed output of the 2014 crop.

Rains could start again after Oct. 18, Santos said, but they would likely be irregular.

"In the meantime, the drought can cause a lot of damage," he said.

Coffee cooperative Cocatrel in southern Minas Gerais told Reuters on Tuesday the maximum potential for its 2015 crop was already 30 percent below 2013 production and the outlook was worsening every day without rain.

Once flowering begins in coffee areas, continued moisture is important for successful pollination and setting of the coffee fruit for next year's harvest.

More rains had fallen in Brazil's center-west soy belt in September than in Minas Gerais but they have stopped. Farmers in top soy growing state Mato Grosso started planting soybeans around Sept. 15 but have taken a break with no sign of rain.

"Everyone has stopped planting; there's not enough water in the soil," said Emerson Zancanaro, a farmer in central Mato Grosso. He said there may be isolated cases of replanting soybeans.

Soy planting was 4.5 percent complete in the state as of Friday, according to state farm institute Imea. Brazil is expected to harvest a record soybean crop of more than 90 million tonnes early next year.

Santos said he still expected a weak El Niño climate phenomenon to reach Brazil in November, which could bring above-average rains to southern and central regions later in the year.

"Once the rains start, they won't stop so the probability of new a new drought is very small," he said.

China Battles GMO Unease From Field to Dinner Table: Commodities

By Bloomberg News

Oct. 9 (Bloomberg) -- The Chinese government is trying to convince Zhou Guangxiu that the corn in the congee she wants to feed her son is safe. That may not be easy.

Zhou, the owner of a recycling business in the northeast coastal city of Weihai, said one source of her concern was an anonymous article shared online by her friends that alleges genetically modified crops cause infertility in Asians, part of a U.S. ploy against China. She fears her 21-year-old son won't have his own family if she feeds him the corn-meal porridge.

"I definitely won't let my son eat it," Zhou said by telephone. "It's not just me. All our friends are worried. All the corn grown now is genetically modified."

China, the world's most-populous country and the biggest consumer of rice, soybeans and wheat, has begun a campaign to push genetically modified organisms as it seeks to expand food supplies. While no domestic grain

crops are bioengineered, President Xi Jinping has endorsed the technology used to boost output everywhere from the Americas to Africa. China's Ministry of Agriculture said Sept. 28 it would use media, seminars and street advertising to combat the perceived risks.

Meat consumption has surged in China as the economy expanded almost six-fold over the past decade and incomes rose.

That led to an increase in livestock herds and demand for feed.

The nation is already the biggest soybean buyer and will become the top corn importer by about 2020, the U.S. Department of Agriculture estimates. Most of its overseas supplies are produced from seed genetically engineered to grow with certain traits, like killing pests or tolerating herbicides.

'Controversial Views'

"There has been a lot of opposition against GMO in China not based on science, which, if left unchecked, can weaken government support for the development of biotechnology," Li Qiang, chairman of Shanghai JC Intelligence Co., the country's largest independent agriculture market researcher, said by telephone from Shanghai on Oct. 7. "The agriculture ministry probably feels compelled to do some education."

Because the technology is new, "it's reasonable that society should hold controversial views and doubts," Xi told the Communist Party conference on rural works last December, the Beijing Evening News reported on Sept. 28. China should ensure biotechnology is safe and should not allow foreign companies to control the market for genemodified products, he said.

'Very Big Problem'

The concern among some Chinese consumers about genetically modified grains dovetails with broader worries about food safety. Fears have been fanned by high-profile incidents, including rice found with cancer-causing heavy metals; rat, fox and mink sold as mutton; cooking oil salvaged from sewers; and baby formula laced with chemicals. About 41 percent of Chinese consumers in a 2012 Pew Research Center survey considered food safety a "very big problem," up from 12 percent in 2008.

The state-led campaign to promote GMOs comes at a time when meat has become a popular choice at meals, requiring more corn, wheat and soybeans to feed livestock. China is the world's largest pork consumer, ranks second in chicken demand, and trails only the U.S. and Brazil in beef, USDA data show.

In December, the country announced a new food-security strategy that will allow "moderate" grain imports for feed, while maintaining self-sufficiency in wheat and rice, a break from previous policies to ensure the nation grows 95 percent of the corn, wheat and rice it needs, according to an April report by the USDA's Foreign Agricultural Service.

More Meat

Per-capita demand for corn more than doubled in the past two decades, according to Bloomberg Intelligence. Beef consumption in China, which the USDA estimates already raises and eats half the world's pork, could surge by more than 70 percent from 2013 to 2030, Australia & New Zealand Banking Group Ltd. said Sept. 5.

China's demand for corn and soybeans will continue to rise in line with economic growth, according to the USDA report in April. The economy, which has the world's biggest meat industry, may expand 6.9 percent in 2016, more than twice as fast as the U.S., according to estimates compiled by Bloomberg.

The country imported 63 million metric tons of soybeans last year valued at \$38 billion, accounting for more than 60 percent of global exports, customs data show. It also shipped in 3.3 million tons of corn, according to the data. Soybean purchases will climb to 96.9 million tons by about 2020, with corn reaching 16 million tons, according to a long-term projection made by the USDA in February.

U.S. Grains

Most of the soybeans and corn China imports are grown with engineered seeds, including those with built-in resistance to Monsanto Co.'s Roundup herbicide, Zhang Xiaoping, chief representative of the U.S. Soybean Export Council, said by telephone Sept. 30.

China's biggest supplier is the U.S., where GMO crops account for 93 percent of all corn produced and 94 percent of soybeans, USDA data show. While the U.S. is the largest user, Brazil and Argentina sowed a combined 64.7 million hectares (160 million acres) of GMO corn, soybeans and cotton in 2013, with another 21.8 million hectares planted in India and Canada, according to the International Service for the Acquisition of Agri-Biotech Applications.

"China doesn't have a choice when the top suppliers all employ the technology," Zhang said.

Corn in China trades at almost three times the U.S. price.

Futures for December delivery on the Chicago Board of Trade were down 0.2 percent at \$3.425 a bushel at 12:43 p.m. Beijing time.

On the Dalian Commodity Exchange, the grain was at 2,342 yuan a ton, or about \$9.70 a bushel.

Not Unique

Concern that GMO crops are unsafe isn't unique to China.

Only 27 countries planted genetically modified crops in 2013, ISAAA data show, and at least 60 have labeling requirements, including Japan, Brazil and the entire European Union. Surveys in the EU show opposition by consumers, who worry about risks such as human resistance to antibiotics and the development of so-called superweeds that are impervious to herbicides.

China approved strains of genetically modified rice and corn in 2009, saying at the time that mass-production will be allowed only after trial planting and public acceptance. Cotton is the only bioengineered crop widely grown.

Unlike the U.S., Brazil and Argentina, China doesn't raise gene-altered food crops on a commercial scale, according to Huang Dafang, a researcher with Chinese Academy of Agricultural Sciences and former member of the agriculture ministry's biosafety committee. Instead, it only buys them, though the government has rejected some imports with unapproved traits, including an insect-repelling variety developed by Syngenta AG.

Imports must be processed, mostly into animal feed and cooking oil, he said.

Consumer Concern

Even as the top leadership has approved the safety of domestically developed genetically modified corn and rice, they haven't been cultivated outside labs, according to Huang. No one at China's agriculture ministry replied to a request for comment sent by fax.

"The main reason for China's slow adoption of biotech grain crops isn't so much that the government is swayed by public opinions," Shanghai JC Intelligence's Li said. "It's that China doesn't have leading, marketable biotechnologies and is afraid of having the market controlled by foreign companies once commercialization is granted."

Genetically modified foods currently available show no effect on human health among the populations where they've been approved and likely aren't a risk, according to the World Health Organization.

That hasn't prevented consumers from expressing concern about food safety. China Central Television reported illegal sales of unapproved GMO rice in supermarkets in central Hubei province, prompting a pledge by the government that it would crack down on illegal growing and selling.

"We don't know what GMO is and what it really does to our bodies," said Zhou, the mother in Weihai who expressed fear of feeding her son corn porridge. "Hopefully, the government can help us understand what the truth really is."

As Trains Move Oil Bonanza, Delays Mount for Other Goods and Passengers

NY Times, October 8

WASHINGTON — An energy boom that has created a sharp increase in rail freight traffic nationwide is causing major delays for Amtrak passenger trains and is holding up the transport of vital consumer and industrial goods, including chemicals, coal and hundreds of thousands of new American cars, rail officials and federal and state regulators say.

American rail lines now move more than a million barrels of oil a day, much of it from the Bakken shale oil field in North Dakota and Montana and from the oil sands of Alberta, Canada. Last year about 415,000 rail cars filled with crude oil moved through the United States, compared with 9,500 in 2008, according to the Surface Transportation Board, a bipartisan body with oversight of the nation's railroads.

In large part as a result, long-distance Amtrak passenger trains are now late 60 percent of the time, Amtrak officials said, compared with a year ago, when the trains were late 35 percent of the time.

The problems are particularly acute on long-distance passenger lines like the Empire Builder, which shares tracks with freight traffic from Chicago to Portland, Ore., and is late nearly 70 percent of the time. Trains on the 47-hour trip typically run three to five hours behind. Revenue from the line has dropped 18 percent from last year, Amtrak officials said, as word about the sluggish service spread among passengers, most of whom use the Empire Builder for shorter trips between cities on the route.

"Clearly, we're not getting the level of service that we want to give, or what our customers have been used to getting over the last decade," said Edward R. Hamberger, president and chief executive of the Association of American Railroads, an industry trade group.

Delays are not as serious for rail service along the Northeast Corridor, where Amtrak owns most of the track between Washington and Boston and has more control over passenger service. On long-distance routes, Amtrak passenger trains run on tracks owned by the major freight railroads.

On the long-distance routes, aging tracks and a shortage of train cars, locomotives and crews have also caused delays, rail officials said. In addition, an improving economy has meant more goods shipped by rail over all. Rail accounts for 40 percent of all goods moved in the country as measured in ton-miles, derived by multiplying a cargo's weight by the distance shipped. Trucks are second at 28 percent.

A proposed pipeline to move oil from Canada would alleviate some of the rail congestion but would not eliminate it, officials said.

Although North Dakota has been known within the industry for a surge in moving oil by rail, and resulting delays in grain shipments for farmers, rail officials say the congestion and late passenger trains have spread to many other states. On Wednesday, the Surface Transportation Board announced that the nation's largest railroads must file public weekly reports about their performance, which the board said would give rail customers a better sense of the magnitude of the delays.

The problems are only expected to get worse. American coal exports to countries like China, which are picking up as domestic demand falls, will also compete for space on trains, as new coal export terminals are planned at several ports in the Pacific Northwest. (Increased Asian demand for coal reached record levels in 2012 and continues to be high.) In the United States, a record harvest of corn, soybeans and wheat is expected this year, adding to the stress on the nation's rail network.

"It's like having a fire hydrant hooked up to a garden hose," said Mike Steenhoek, executive director of the Soybean Transportation Coalition in Iowa.

Railroad executives say they are working to unclog the congestion. Michael J. Trevino, a spokesman for the Burlington Northern Santa Fe line, owned by Warren Buffett, said the company had committed \$5 billion for rail expansion and track maintenance to help improve its service.

The money includes about \$300 million over the next three years to improve capacity and beef up the rail system in North Dakota, which Burlington Northern Santa Fe said would bring 300 more employees to the state and lead to smoother operations and faster deliveries. Mr. Trevino said B.N.S.F. was also making improvements to its tracks in Missouri that carry coal trains coming from Montana and Wyoming.

Thomas L. Lange, a spokesman for Union Pacific Railroad, said the company was buying about 229 new locomotives and hiring about 3,200 additional train crews to help deal with the increase in demand for service.

"We've had some delays in our system because demand for freight rail transportation for Union Pacific surged in 2014 to unexpected levels, which we have not seen since 2006," Mr. Lange said. "We're upgrading and expanding our system to make sure that at the end of the day, we get the goods delivered."

A major speed bump in the nation's rail congestion is Chicago, a transit point for six of the nation's seven biggest railroads. Nearly half of what is known as intermodal rail traffic — the big steel boxes that can be carried aboard ships, trains or trucks — travels through the city. The congestion in Chicago is also caused by track sharing among freight, Amtrak and commuter trains.

The railroads and local, state and federal officials have committed \$3.2 billion for 70 construction projects to replace rail intersections with overpasses and underpasses, in an effort to smooth the flow of traffic for the 1,300 freight and passenger trains that travel through Chicago each day. The project will also separate tracks now shared by freight and passenger trains at critical spots. Officials said about 22 of the projects had been completed.

In total, railroads will spend about \$26 billion this year to upgrade the rail network and hire new workers, said Mr. Hamberger of the Association of American Railroads.

Despite the improvements, many industries say they still suffer delays. In April, the auto industry said it had more than 200,000 new cars in storage because of a shortage of trains to move the vehicles.

"Since the summer, we are seeing progress, but automakers are entering the fall with a backlog of new cars to transport by rail," said Gloria Bergquist, vice president of communications for the Alliance of Automobile Manufacturers, the auto trade group. About 70 percent of new vehicles are moved by rail, according to the group. Industry officials say they are moving more cars by truck as a result of the rail congestion. But trucks are a more expensive method of moving the cars, a cost that may eventually be passed on to customers.

A sharp increase in rail freight traffic is causing major dislocations.

Argentina Soy Planting Seen Up a Bit from Record Previous Season

By Maximiliano Rizzi

BUENOS AIRES, Oct 9 (Reuters) - Soy planting in Argentina is expected to climb slightly from the record 20 million hectares sown with the oilseed last season, according to crop analysts, while corn area falls due to higher financing costs.

The cost of growing corn in Argentina has become prohibitive for some growers due to steeper interest rates following Argentina's bond default in July. This should open more room for soy, which requires less financing because it is cheaper to cultivate.

A bigger soybean harvest from Argentina, the world's No. 3 exporter, would put downward pressure on prices already trounced this year by a U.S. bumper crop.

"I'm betting on an increase in soy area," said Ricardo Baccarin, analyst with consultancy Panagricola. "Some corn fields will go over to soy."

The agriculture ministry says a record 20 million hectares was planted with the oilseed last season, producing 53 million tonnes. Analyst forecasts for the 2014/15 harvest range from 54 to 57 million tonnes.

Planting is from September through December in Argentina.

"The reduction in area that is expected for alternative crops like corn and sunflowers will free areas that can be used for soy," said Esteban Copati, chief analyst at the Buenos Aires Grains Exchange.

He and other experts forecast 2014/15 soy area at 19.5 to 20.5 million hectares, up a bit from the 19.5 to 20.2 million hectare range they say was planted in 2013/14.

Front-month soybean futures on the Chicago Board of Trade are down 28 percent since the start of 2014, pressured by expectations of a record-large U.S. crop. U.S. farmers planted the most acres to soybeans on record in 2014, and weather conditions have been nearly perfect.

"Soybean profit margins have fallen with market prices," Copati said. "This generates uncertainty and could reduce the expected increase in soy planting area."

Argentina's farmers are expected to reduce corn planting this year to 5.6 million hectares from 6.1 million the previous season, according to the Agriculture Ministry, which includes feed corn in its estimates.

The Buenos Aires Grains Exchange, counting only commercial-use corn, expects 3.0 million hectares to be planted with corn, down 16 percent from the recently completed 2013/14 crop year.

The interest rates on farmer bank loans have gone up since the government defaulted on its bonds in July.

Farmers are hoarding their 2013/14 soybeans as a hedge against a wobbly peso currency and inflation expected by private analysts to reach 40 percent this year. (

Despite the fall in prices and pressure to hoard rather than sell soybeans, planting of the oilseed has nowhere to go but up, according to analysts who say financial uncertainty at home will take an even bigger toll on planting everything but soy.

"We expect planting area reductions in everything with the exception of soybeans," said Gustavo Lopez, head of the consultancy Agritrend.

US Soybean Production Forecast by State

Soybeans for Beans Area Harvested, Yield, and Production - States and United States: 2013 and Forecasted October 1, 2014

Indiana: 5,190	5,490	51.5	52.0	54.0	267,285	296,460
lowa 9,250	9,890	45.5	51.0	51.0	420,875	504,390
Kansas 3,540	3,990	37.0	35.0	37.0	130,980	147,630
Kentucky 1,660	1,750	50.0	46.0	47.0	83,000	82,250
Louisiana: 1,120	1,400	48.5	51.0	53.0	54,320	74,200
:	•				•	•
Maryland: 480	505	39.5	44.0	46.0	18,960	23,230
Michigan: 1,920	2,190	44.5	45.0	46.0	85,440	100,740
Minnesota: 6,620	7,270	42.0	42.0	42.0	278,040	305,340
Mississippi: 1,990	2,190	46.0	49.0	51.0	91,540	111,690
Missouri 5,610	5,600	36.0	46.0	46.0	201,960	257,600
Nebraska: 4,770	5,350	53.5	53.0	53.0	255,195	283,550
New Jersey: 88	103	39.5	42.0	41.0	3,476	4,223
New York: 278	377	48.0	49.0	47.0	13,344	17,719
North Carolina: 1,450	0 1,720	33.5	37.0	39.0	48,57	5 67,080
North Dakota: 4,63	0 5,900	30.5	33.0	33.0	141,21	194,700
•						
Ohio 4,490	4,890	49.5	50.0	50.0	222,255	244,500
Oklahoma: 335	330	30.5	31.0	31.0	10,218	10,230
Pennsylvania: 555	600	49.0	50.0	50.0	27,195	30,000
South Carolina: 310	440	28.5	28.0	30.0	8,835	13,200
South Dakota: 4,58	0 5,110	0 40.5	5 42.0	43.0	185,49	0 219,730
Tennessee: 1,550	1,580	46.5	47.0	49.0	72,075	77,420
Texas 92	135 2	5.5 3	2.0 3	4.0 2	2,346 4,5	590
Virginia: 600	640 3	88.5 4	1.0	41.0 2	23,100 26	5,240
Wisconsin: 1,550	1,780	39.0	46.0	45.0	60,450	80,100
:						
Other States 1/ .: 52	60	43.3	42.2	45.0	2,253	2,702
:						
United States: 76,25	3 83,40	3 44.	0 46.	6 47.1	L 3,357,9	984 3,926,812

^{1/} Other States include Florida and West Virginia. Individual State level estimates will be published in the "Crop Production 2014 Summary."