

WEEKLY NEWS ARTICLE UPDATE



Prepared by John C. Baize and Associates | 7319 Brad Street | Falls Church, VA 22042
TEL: 703-698-5908 | FAX: 703-698-7109 | E-mail: jbaize@attglobal.net

January 19, 2015

Articles in This Edition

- [Export Sales Highlights](#)
- [Dry Weather Worries Brazil's Center-West Soy Farmers](#)
- [US December Soy Crush Second Biggest Ever - NOPA](#)
- [USDA Approves Monsanto's New GMO Soybeans, Cotton](#)
- [China December Soybean Imports Up 41.45% to 8.53 MMT](#)
- [Exporters Cancel Chinese Soybean Sales - USDA](#)
- [As U.S. Soybean Export Season Winds Down, Demand Questions Remain](#)
- [INTERVIEW-Argentina's 'Soy King' Abdicates in Favor of Biotech](#)
- [Final 2014 Soybean Planted and Harvested Area, Yields and Production](#)

Export Sales Highlights

This summary is based on reports from exporters for the period January 2-8, 2015.

Soybeans: Net sales of 1,133,200 MT for 2014/2015 were up 24 percent from the previous week and 66 percent from the prior 4-week average. Increases were primarily for China (793,500 MT, including 60,000 MT switched from unknown destinations and decreases of 77,100 MT), Mexico (149,000 MT), the Netherlands (143,100 MT, including 140,000 MT switched from unknown destinations and decreases of 2,800 MT), Vietnam (69,000 MT, including 60,000 MT switched from unknown destinations and decreases 100 MT), the United Kingdom (66,900 MT, including 60,000 MT switched from unknown destinations), Pakistan (66,000 MT), and Spain (60,100 MT, including 60,000 MT switched from unknown destinations). Decreases were reported for unknown destinations (554,500 MT) and Morocco (13,500 MT). Net sales of 305,000 MT for 2015/2016 were for China (235,000 MT), unknown destinations (65,000 MT), and Japan (5,000 MT). Exports of 1,748,700 MT were up 4 percent from the previous week and 1 percent from the prior 4-week average. The primary destinations were China (851,300 MT), the Netherlands (143,100 MT), Vietnam (71,700 MT), Japan (67,000 MT), Indonesia (67,000 MT), and the United Kingdom (66,900 MT).

Optional Origin Sales: For 2014/2015, optional origin sales totaling 53,000 MT were reported for China. Outstanding optional origin sales total 876,000 MT, all China.

Exports for Own Account: The current exports for own account balance is 1,900 MT, all Canada.

Soybean Cake and Meal: Net sales of 72,100 MT for 2014/2015 were up 94 percent from the previous week, but down 47 percent from the prior 4-week average. Increases were reported for Denmark (40,000 MT, switched from unknown destinations), Italy (29,000 MT, including 31,200 MT switched from unknown destinations and decreases of 2,200 MT), Colombia (27,700 MT, including 5,000 MT switched from unknown destinations and 5,000 MT switched from Panama), Mexico (18,800 MT), the Dominican Republic (14,000 MT), and Greece (8,800 MT, switched from unknown destinations). Decreases were reported for unknown destinations (86,100 MT), Egypt (5,400 MT), and Panama (5,000 MT). Exports of 440,200 MT--a marketing-year high--were up noticeably from the previous week and 85 percent from the prior 4-week average. The primary destinations were the Philippines (100,200 MT), Italy (74,000 MT), Pakistan (44,000 MT), Colombia (41,100 MT), Denmark (40,000 MT), and Mexico (30,900 MT).

Soybean Oil: Net sales of 29,400 MT for 2014/2015 were down 3 percent from the previous week, but up 20 percent from the prior 4-week average. Increases were reported for Peru (12,400 MT), Mexico (8,000 MT), Nicaragua (5,300 MT), and Morocco (3,000 MT). Exports of 22,200 MT were up 62 percent from the previous week and 20 percent from the prior 4-week average. The primary destinations were Guatemala (10,000 MT), Peru (7,000 MT), Mexico (4,700 MT), and Canada (400 MT).

[Dry Weather Worries Brazil's Center-West Soy Farmers](#)

By Gustavo Bonato

SAO PAULO, Jan 15 (Reuters) - A long stretch of little-to-no rain since the beginning of the year in center-west Brazil is starting to worry soybean farmers, who fear productivity losses from the expected record crop.

Meteorologists say an atmospheric block is stopping cold air from advancing from the south, preventing widespread rain in the top producing region of the world's No. 2 soy grower.

"All areas are showing a hydric deficit; it's only raining in micro-regions," Somar's agro meteorologist Marco Antonio dos Santos said of conditions in the center-west.

In Goias state, responsible for 10 percent of the national crop, some areas have not seen any rain since Christmas, said Cristiano Palavro, technical consultant from Senar Goias.

Where rains have occurred they have been less than needed, he said, explaining that soy plants can go up to 15 days without rain before productivity losses are seen.

Somar says the blockage could break up for the end of the month, bringing needed rain. The soy crop is in the early stages of harvesting in some areas.

Rainfall in general has been better in the center-west grain belt than in the southeast coffee and cane areas, but southern Mato Grosso state is on track for below-average rain in January, Somar said.

Some 94 millimeters (3.7 inches) have fallen there so far compared with the 256 millimeter average for the month.

Planting in the center-west was delayed this season due to a dry period in September and October, meaning most of the crop was planted around the same time.

"The lack of scaling exacerbates the problem, most of the crop is at the same stage," said Senar's Palavro.

Nery Ribas, technical director of farmer's association Aprosoja in Mato Grosso, said January would be a critical month.

"Rains are essential for development, this defines the productivity of the crop and could compromise the initial estimates," he said in an Aprosoja statement.

Analysts said it is too early to estimate potential losses. Government and private forecasts expect a record crop of at least 94 million tonnes.

In southern growing areas, where more rain has fallen, conditions are quite favorable. In the second-largest growing state Parana, 89 percent of the crop is in "good condition," the state's agricultural department said. In No. 3 soybean-growing state Rio Grande do Sul "climate conditions are favorable" for strong yields, the state's agricultural entity Emater said

[US December Soy Crush Second Biggest Ever - NOPA](#)

CHICAGO, Jan 15 (Reuters) - U.S. soy processors' monthly crush rate rose to the second highest ever during December but fell below trade forecasts despite a record soybean harvest providing ample supplies for the plants, a trade industry group said on Thursday.

The National Oilseed Processors Association said that U.S. members crushed 165.383 million bushels of soybeans during December, up 2.6 percent from the 161.211 million bushels crushed in November.

A year ago, the December soybean crush was 165.384 million bushels, the largest on record.

Analysts had forecast a monthly crush of 166.900 million bushels, according the average of estimates in a Reuters poll. Estimates ranged from 164.263 million to 171.135 million.

Processors produced a record 3.906 million tons of soymeal during December.

NOPA said that soyoil stocks rose to 1.068 billion lbs from 1.005 billion in November. Analysts had expected soyoil stocks to be 1.122 billion lbs. Stocks were 1.681 billion a year ago.

Monthly soymeal exports came in at 1.005 million tons, in line with December 2013. Exports totaled 834,987 tonnes in November.

NOPA is the largest U.S. trade group for oilseed crushers.

[USDA Approves Monsanto's New GMO Soybeans, Cotton](#)

By Carey Gillam

Jan 15 (Reuters) - Monsanto Co. received final U.S. approval on Thursday for herbicide-tolerant crops to be used with a new herbicide the company says will fight problematic weed resistance on farm fields, but critics say will only worsen the problems.

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) said the genetically modified cotton and soybean plants are granted "non-regulated" status. Monsanto is still waiting for final approval from the Environmental Protection Agency for the herbicide it designed to be used with the crops.

The company also is still awaiting approval from Chinese regulators to allow imports of the new soybeans. China is a key buyer of U.S. soybeans, but the country has shown reluctance to approve imports of new GMO crops recently.

Last week, Monsanto Chief Technology Officer Robb Fraley told analysts the company expects to have Chinese approval in time for a commercial launch in 2016.

Monsanto developed the new soybeans and cotton to resist a new herbicide that combines dicamba and glyphosate and which Monsanto is branding as components of the "Roundup Ready Xtend crop system." The new products are aimed at combating the millions of acres of weeds that have grown resistant to Monsanto's glyphosate-based Roundup, which has been used extensively on the company's biotech corn, soybeans and cotton.

Monsanto's Xtend system drew intense opposition from many consumer, environmental and farmer groups who say using more herbicides on weeds will only increase weed resistance over the long term. Increased herbicide use also brings increased risks of health problems and environmental pollution, they say.

"The pesticide treadmill spins on, and that's great news for Monsanto," said Gary Ruskin, executive director of U.S. Right to Know, a food issue research group. "This is just the latest in a endless string of favors from our federal government to Monsanto."

Projections made both by the USDA and Monsanto, indicate that the new Xtend system will lead to an increase in dicamba use in cotton by 14 times current levels. Use in soybeans is expected to surge by up to 500 times current levels, a factor that will increase pesticide exposure risk to farm families, the Pesticide Action Network said in a statement Thursday.

As well, fruit, nut and vegetable growers who argued against approval say dicamba drifts easily and will damage their farm fields.

Monsanto has said it is teaching growers about proper herbicide use to reduce drift.

[China December Soybean Imports Up 41.45% to 8.53 MMT](#)

BEIJING, Jan 13, 2015

China imported 8.53 million metric tons (tonnes) of soybeans in December of last year, a jump of 41.45 percent from the previous month, according to the latest data provided by the General Administration of Customs (GAC).

In 2014, the country's soybean imports totaled 71.4 million tonnes, up 12.65 percent year on year.

[Exporters Cancel Chinese Soybean Sales - USDA](#)

CHICAGO, Jan 16 (Reuters) - Private exporters reported the cancellation of the sale of 285,000 tonnes of soybeans to China that had been scheduled for delivery in the 2014/15 marketing year, the U.S. Agriculture Department said on Friday.

Exporters also said they sold 101,600 tonnes of corn to unknown destinations for 2014/15 delivery.

By law, exporters must report promptly the sale of 100,000 tonnes or more of a commodity made in one day, or quantities totaling 200,000 tonnes or more in any reporting period. Sales of smaller amounts are reported on a weekly basis.

[As U.S. Soybean Export Season Winds Down, Demand Questions Remain](#)

By Karl Plume

CHICAGO, Jan 16 (Reuters) - The first large U.S. soybean export sale cancellation of the season by China, coming a month earlier than last year, has sparked market concern that the recent record pace of U.S. exports was fast drawing to a close despite still-ample supplies of the oilseed.

Cancellations occur every year as buyers scrap excess purchases or sellers switch the origin of their sales, but they usually do not occur until February or later.

The grain market's focus is increasingly turning from supplies to demand after the U.S. Department of Agriculture's January final crop production summary, with exports seen as a wild card crucial to determining the size of the U.S. soy stockpile.

Chicago Board of Trade soybean futures ended mixed on Friday despite the USDA announcement of the 285,000-tonne cancellation. The market still registered its steepest weekly drop since September.

"The cancellations last year weren't until much later in the season - so to get them this early, it could be the start of the Chinese bean program moving down to the Southern Hemisphere," said Terry Linn, an analyst with The Linn Group in Chicago.

As shipments to China increasingly flow from South America in the coming months, exporters in the United States will be tapping other markets to offload more of the record U.S. crop, helped by relatively low prices and the cheapest ocean freight in six years.

The United States may also be able to meet needs for smaller shipments that Brazil is unwilling to load at the height of its export season.

"You could see the U.S. price the 30,000-tonne cargoes because Brazil only does (60,000-tonne) Panamax. They might do boats to Europe and maybe some of Japan's boats, but they're usually U.S. buyers anyway," said one soybean exporter who asked not to be named.

Otherwise, competition from Brazil and Argentina will be fierce as both are expecting record crops with prices for shipments from late February and beyond at least \$10 per tonne below U.S. supplies on a free-on-board (FOB) basis.

A strengthening U.S. dollar compared with local currencies is currently encouraging South American exporters to turn soybeans purchased from farmers with reals or pesos into greenbacks on the global market, traders said.

"From March onward, South America will be the dominant exporter, which isn't to say U.S. exports will be zero. They'll probably be better than they've been in the last few years when U.S. exports were constrained by extremely tight stocks," said Anne Frick, an oilseeds analyst at Jefferies Bache.

Traders are hoping that hefty sales to European buyers like Spain and the Netherlands this year mean more demand from those countries in the future. But other deals such as Pakistan's first U.S. soybean buys in over a decade are viewed as one-off economic plays, and not the seeds of new and lasting markets.

INTERVIEW-Argentina's 'Soy King' Abdicates in Favor of Biotech

By Hugh Bronstein

BUENOS AIRES, Jan 16 (Reuters) - The company that led the breakneck expansion of Argentine soy cultivation over the last two decades has quietly reduced the area it farms by more than half as inflation, trade restrictions and high taxes drain growers' profits.

Los Grobo, once known as the South American country's "King of Soy" has abdicated that throne in favor of what company President Gustavo Grobocopatel deems the future: biotechnology.

"Farming in Argentina is barely profitable, or unprofitable, because costs have gone up, grain prices have gone down and the tax burden is exorbitant," he said. "It's become subsistence farming."

Among Argentine farmers' problems are double-digit inflation, heavy foreign currency and import controls; a strict quota system for exporting corn and wheat; and a 35 percent tax on soybean exports.

Los Grobo has slashed its farm area under management to 50,000 hectares (123,553 acres) from 120,000 hectares three years ago.

"Farming has become a smaller part of our business while the services and industrial part has increased," Grobocopatel said. "Growers need logistics, financing, risk management and transfer of technology and know-how. We want to be the one-stop shop."

Hope is high among growers that October's presidential election will usher in farm policy changes. Whether or not that happens, privately held Los Grobo reckons farmers who stay in the game will need more and better advice than ever.

"We are investing a lot in research and development," Grobocopatel said. "Advances in farm technology over the last 20 years will be small compared with what's coming over the next 10 years."

Argentina remains the world's No. 3 soybean exporter and No. 1 supplier of soybean meal livestock feed.

"Through biotechnology, today you can design plants the way you design objects," Grobocopatel said.

That includes precision planting, which identifies what crops need on a square meter-by-meter basis. "What the microscope did for medicine, this will do for farming," Grobocopatel said.

The three candidates mostly likely to win the presidency in October - Buenos Aires Mayor Mauricio Macri, provincial Governor Daniel Scioli and Congressman Sergio Massa - all promise farm-friendly reforms.

Incumbent Cristina Fernandez, who has fought for years with farmers over her policies, is barred from running for a third consecutive term.

Grobocopatel said simple tax and trade policy shifts could help Argentina increase yearly grain production from 100 million tonnes currently to 160 million over three or four years.

Final 2014 Soybean Planted and Harvested Area, Yields and Production

Soybeans for Beans Area Planted and Harvested, Yield, and Production - States and

United States: 2012-2014

	Area planted			Area harvested		
State	2012	2013	2014	2012	2013	2014
	1,000 acres					
Alabama	340	440	485	335	430	475
Arkansas	3,200	3,270	3,240	3,150	3,240	3,210
Delaware	170	165	185	168	163	183
Florida	21	32	39	20	30	37
Georgia	220	235	300	215	230	290
Illinois	9,050	9,500	9,800	8,930	9,480	9,780
Indiana	5,150	5,200	5,500	5,120	5,190	5,490
Iowa	9,350	9,300	9,900	9,310	9,250	9,820
Kansas	4,000	3,600	4,000	3,820	3,540	3,960
Kentucky	1,480	1,670	1,760	1,470	1,660	1,750
Louisiana	1,130	1,130	1,420	1,115	1,120	1,405
Maryland	480	485	510	475	480	505
Michigan	2,000	1,930	2,150	1,990	1,920	2,140
Minnesota	7,050	6,700	7,350	7,000	6,620	7,270
Mississippi	1,970	2,010	2,220	1,950	1,990	2,200
Missouri	5,400	5,650	5,650	5,270	5,610	5,600
Nebraska	5,050	4,800	5,400	4,990	4,770	5,350
New Jersey	96	90	105	94	88	103
New York	315	280	330	312	278	327
North Carolina	1,590	1,480	1,750	1,580	1,450	1,730
North Dakota	4,750	4,650	5,900	4,730	4,630	5,870
Ohio	4,600	4,500	4,850	4,590	4,490	4,840

Oklahoma	420	345	365	260	335	355
Pennsylvania ..	530	560	610	520	555	605
South Carolina :	380	320	450	370	310	440
South Dakota ..	4,750	4,600	5,150	4,720	4,580	5,110
Tennessee	1,260	1,580	1,640	1,230	1,550	1,610
Texas	125	105	155	110	92	140
Virginia	590	610	660	580	600	650
West Virginia ..	21	23	27	20	22	26
Wisconsin	1,710	1,580	1,800	1,700	1,550	1,790
:						
United States ..	77,198	76,840	83,701	76,144	76,253	83,061

Soybeans for Beans Area Planted and Harvested, Yield, and Production - States and

United States: 2012-2014 (continued)

State	Yield per acre			Production		
	2012	2013	2014	2012	2013	2014
	bushels			1,000 bushels		
Alabama	45.0	43.5	40.0	15,075	18,705	19,000
Arkansas	43.5	43.5	50.0	137,025	140,940	160,500
Delaware	42.5	40.5	48.0	7,140	6,602	8,784
Florida	39.0	41.0	43.0	780	1,230	1,591
Georgia	37.5	40.5	40.0	8,063	9,315	11,600
Illinois	43.0	50.0	56.0	383,990	474,000	547,680
Indiana	44.0	51.5	56.0	225,280	267,285	307,440
Iowa	45.0	45.5	51.5	418,950	420,875	505,730
Kansas	23.0	37.0	36.0	87,860	130,980	142,560
Kentucky	40.0	50.0	48.0	58,800	83,000	84,000
Louisiana	46.5	48.5	57.0	51,848	54,320	80,085
Maryland	47.0	39.5	46.0	22,325	18,960	23,230
Michigan	43.0	44.5	43.0	85,570	85,440	92,020
Minnesota	43.5	42.0	42.0	304,500	278,040	305,340
Mississippi	45.0	46.0	52.0	87,750	91,540	114,400
Missouri	30.0	36.0	46.5	158,100	201,960	260,400
Nebraska	41.5	53.5	54.0	207,085	255,195	288,900
New Jersey	39.0	39.5	44.0	3,666	3,476	4,532
New York	46.0	48.0	45.0	14,352	13,344	14,715
North Carolina	39.5	33.5	40.0	62,410	48,575	69,200

North Dakota ..:	34.5	30.5	34.5	163,185	141,215	202,515
Ohio	45.0	49.5	52.5	206,550	222,255	254,100
Oklahoma	15.0	30.5	29.0	3,900	10,218	10,295
Pennsylvania ..:	48.0	49.0	49.0	24,960	27,195	29,645
South Carolina :	34.0	28.5	35.0	12,580	8,835	15,400
South Dakota ..:	30.5	40.5	45.0	143,960	185,490	229,950
Tennessee	38.0	46.5	46.0	46,740	72,075	74,060
Texas	26.0	25.5	38.5	2,860	2,346	5,390
Virginia	42.0	38.5	39.5	24,360	23,100	25,675
West Virginia ..:	49.0	46.5	51.0	980	1,023	1,326
Wisconsin	42.0	39.0	44.0	71,400	60,450	78,760
:						
United States ..:	40.0	44.0	47.8	3,042,044	3,357,984	3,968,823
