

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

This summary is based on reports from exporters for the period December 19-25, 2014.

Soybeans: Net sales of 611,000 MT for 2014/2015 were up 6 percent from the previous week, but down 25 percent from the prior 4-week average. Increases were primarily for China (344,200 MT, including 113,000 MT switched from unknown destinations and decreases of 15,100 MT), South Korea (79,000 MT, including 58,000 MT switched from unknown destinations), Spain (72,800 MT, including 65,000 MT switched from unknown destinations), Bangladesh (55,000 MT), Pakistan (50,000 MT), and Indonesia (37,600 MT). Decreases were reported for unknown destinations (128,000 MT), Egypt (2,300 MT), Russia (2,000 MT), Costa Rica (1,200 MT), and Turkey (400 MT). Exports of 1,065,900 MT were down 54 percent from the previous week and 51 percent from the prior 4-week average. The primary destinations were China (655,400 MT), Spain (72,800 MT), South Korea (59,900 MT), Egypt (57,700 MT), Taiwan (30,000 MT), and Israel (30,000 MT).

Optional Origin Sales: For 2014/2015, optional origin sales totaling 60,000 MT were reported for China. Outstanding optional origin sales total 885,000 MT, and are for China (823,000 MT), and Egypt (62,000 MT).

Exports for Own Account: Exports for own account totaling 25,900 MT were reported to Canada. The current exports for own account balance is 45,100 MT, all Canada.

Export Adjustments: Accumulated exports to China were adjusted down 57,226 MT for week ending December 18th. This shipment was reported twice.

Soybean Cake and Meal: Net sales of 157,900 MT for 2014/2015 were down 24 percent from the previous week and 6 percent from the prior 4-week average. Increases were reported for Guatemala (59,600 MT, including 6,700 MT switched from unknown destinations), Mexico (25,000 MT), unknown destinations (23,900 MT), Honduras (10,400 MT), Canada (8,900 MT), and Colombia (6,100 MT, including 5,000 MT switched from unknown destinations and decreases of 100 MT). Decreases were reported for Jamaica (800 MT). Net sales of 1,400 MT for 2015/2016 were for Mexico. Exports of 186,300 MT were down 26 percent from the previous week and 30 percent from the prior 4-week average. The primary destinations were Vietnam (48,600 MT), the Philippines (43,100 MT), Cuba (22,500 MT), Mexico (20,300 MT), Colombia (16,000 MT), and Canada (10,600 MT).

Soybean Oil: Net sales of 24,700 MT for 2014/2015 were up noticeably from the previous week and 20 percent from the prior 4-week average. Increases were reported for Morocco (15,000 MT), Mexico (4,700 MT), and Peru (2,100 MT). Exports of 29,300 MT were up noticeably from the previous week, but down 17 percent from the prior 4-week average. The primary destinations were the Dominican Republic (20,100 MT), Nicaragua (4,800 MT), Mexico (3,200 MT), and Costa Rica (1,000 MT).

[Butterfly May Get Protected Status](#)

December 30, 2014, New York Times

For scientist Tierra Curry, the monarch butterfly is part of the American experience.

Native to North America, once present in every U.S. state except Alaska, the insect with the distinctive and colorful wings is known for its spectacular migration each year from Mexico to Canada and back.

But scientists like Curry have seen the monarch's numbers plummet. The population has dropped by 90% in the last two decades alone.

Now Curry, a senior scientist with the Center for Biological Diversity, sees some hope.

On Monday, the U.S. Fish and Wildlife Service announced that it would conduct a one-year status review of the butterfly species to determine whether it warranted Endangered Species Act protection.

"This will be a rallying point and hopefully a turning point for the population," Curry said. "This announcement shows how big the problem is."

The process will include a public comment period, during which the federal agency will gather new data on the health and numbers of monarchs in the United States. Eventually, officials will determine whether the insect will be proposed for protection, put on a waiting list or deemed not worthy.

"The Endangered Species Act is the most powerful tool available to save monarchs, so I'm really happy these amazing butterflies are a step closer to the protection they so desperately need," Curry said.

Monarch populations have dropped from a recorded high of approximately 1 billion butterflies in the mid-1990s to 35 million last winter, the lowest number ever recorded, statistics show.

Scientists attribute much of the decline to herbicides used with genetically engineered crops in the Midwest, where most monarchs are born. Pesticide spraying has wiped out milkweed plants in corn and soybean fields.

Since the mid-1990s, scientists estimate that the once-common iconic orange and black butterflies may have lost more than 165 million acres of habitat -- an area about the size of Texas -- including nearly a third of their summer breeding grounds.

Scientists predict that the monarch's entire winter range in Mexico and large parts of its summer range in the United States could become unsuitable because of changing temperatures and increased risk of drought, heat waves and severe storms, the Center for Biological Diversity said in a news release.

Found throughout the United States during summer months, in winter most monarchs from east of the Rockies converge in the mountains of central Mexico, where they form tight clusters on just a few acres of trees.

Most monarchs west of the Rockies migrate to trees along the California coast for the winter.

"We hope the announcement today is the beginning of a move to save these creatures," Curry said. "These are the butterflies we used to chase through our backyards as kids. Nobody wants to see them gone."

Venezuela Enters Recession; Inflation Tops 63%

CARACAS (AFP): December 31. Venezuela confirmed on Tuesday (Dec 30) that it has entered recession, while annual inflation topped 63 per cent, exacerbating the outlook for an economy already hit by crippling shortages and crashing OIL prices.

The South American OIL giant's economy shrank 2.3 per cent in the third quarter, after contracting 4.8 per cent in the first quarter and 4.9 per cent in the second, the central BANK said, the first time it has released the country's growth figures this year.

That is a new blow for leftist President Nicolas Maduro, whose approval rating is at a low of 24 per cent going into legislative elections next year that could force the followers of late socialist firebrand Hugo Chavez from power for the first time since 1999.

Analysts had said for months that Venezuela was likely in recession. But the diagnosis had not been confirmed by official statistics, which the central bank, in violation of its own rules, has released only irregularly as the economy has worsened in recent months.

The inflation rate, a figure that had not been released since August, came in at 4.7 per cent for the month of November and 63.6 per cent for the year - among the highest in the world. Maduro's government has introduced mandatory price cuts and rent controls in a bid to rein in the increases but has not MANAGED to get the inflationary spiral under control.

SEVERE SHORTAGES

The problem has been aggravated by severe shortages of basic goods.

Venezuela is estimated to have the largest oil reserves in the world but depends largely on imports for basic goods, including food and medicine. Venezuelans can buy gasoline cheaper than bottled water but currently struggle to find milk, flour, cooking oil, toilet paper, deodorant, shampoo and other products.

The shortages helped fuel violent protests against Maduro's government from February to May in which 43 people were killed.

The central bank said the protests "prevented the proper distribution of basic goods to the population and the normal production of goods and services". It blamed the demonstrations for an "economic reversal and a fall in economic activity".

Price increases were the sharpest for housing, food and alcoholic beverages, and restaurants and hotels, it said.

The central bank has not published the index that measures scarcity since March, when it found that 19 categories of key products were experiencing "serious supply problems."

Falling crude prices have taken an added toll on a country that gets 96 per cent of its foreign currency from oil.

According to Maduro, Venezuela's oil export price has plunged from US\$95 a barrel in September to US\$48 today. He accused the United States of waging an "oil war" to hurt major crude producers including Venezuela and Russia.

A boom in shale OIL in the United States has upended the world market, causing crude prices to hit a string of five-year lows in recent weeks.

Producers' cartel Organization of the Petroleum Exporting Countries (OPEC) added to the downward momentum last month by ruling out a production cut - a decision pushed through by wealthy Gulf states over Venezuela's furious opposition.

USDA Clears GMO Tall Fescue

December 3, 2014

A new GMO variety of tall fescue turfgrass that's resistant to glyphosate herbicides has been cleared for cultivation by USDA.

The USDA has cleared the way for cultivation of genetically modified tall fescue without conducting an environmental review of the new crop.

The Scotts Miracle-Gro company developed the glyphosate-resistant turfgrass variety with genes from other plants through a process known as "biolistics," in which a "gene gun" essentially shoots DNA-coated metal particles into the plant cell.

Because the method does not involve the use of a plant pest for gene transfer, the USDA has no authority to regulate the tall fescue, according to a document recently released by the agency.

Controversial biotech crops that are also resistant to glyphosate herbicides — such as "Roundup Ready" alfalfa and sugar beets — were made using a soil pathogen, which required USDA to study the plants before deregulating them.

Scotts began to re-orient its biotechnology program after a regulated variety of genetically engineered creeping bentgrass escaped a field trial in Central Oregon in 2003, which eventually resulted in a \$500,000 civil penalty from USDA.

Since then, the bentgrass cultivar has been stuck in regulatory limbo as the USDA has not approved it to be grown commercially without restrictions.

However, over the past four years the company has persuaded the USDA's Animal and Plant Health Inspection Service that several biotech varieties of Kentucky bluegrass and St. Augustinegrass did not come under its regulatory jurisdiction.

"They're able to get around APHIS' authority with their new techniques," Carol Mallory-Smith, a weed science professor at Oregon State University.

Genetically modified tall fescue, which Scotts has also altered to grow "shorter, thicker and darker green," is the latest grass crop to be cleared by USDA after Scotts notified the agency that it planned to begin field testing the variety.

Capital Press was unable to reach Scotts for comment, but some in the grass seed industry say the company's activities have sparked concerns.

Resistance to glyphosate — while potentially convenient for homeowners — can turn grasses into troublesome weeds for farmers.

Naturally occurring resistance from repeated glyphosate spraying has already caused problems for Northwest hazelnut growers and farmers in the Midwest who use annual ryegrass as a cover crop, said Bryan Ostlund, administrator of the Oregon Tall Fescue Commission.

“There is concern about resistance in general in grass seed production,” Ostlund said.

Turf-type tall fescue is typically planted on golf courses and lawns and isn’t usually considered weedy, he said.

While Ostlund isn’t sure what Scotts has planned for its glyphosate-resistant grasses, he urged the company to “proceed with caution.”

Unlike Kentucky bluegrass, which largely produces seeds asexually, tall fescue is much more likely to cross-pollinate with other grasses of its variety, according to a breeder who declined to be named. “If it’s anywhere near any other tall fescue, it will outcross.”

While the potential for cross-pollination can be mitigated during commercial seed production, it would be much harder to control the biotech crop’s gene flow if it’s released to homeowners, the breeder said.

“It’s a perennial crop. It’s not going to die out,” the breeder said.

Export markets that object to biotech crops, such as Europe, are also unlikely to differentiate between Scotts’ biolistic glyphosate-resistant cultivar and other biotech crops that were made with plant pests and previously regulated by USDA, the breeder said.

“It’s still genetically modified. It’s still transgenic,” said Mallory-Smith of OSU.

For the new tall fescue to be a viable product, its resistance to glyphosate would have to be strong, she said.

For farmers, such resistance would mean switching to other herbicides or weed control methods if they want to remove the variety, Mallory-Smith said.

[Investing in Agriculture: Barbarians at the Farm Gate](#)

Hardy investors are seeking a way to grow their money

IN THE next 40 years, humans will need to produce more food than they did in the previous 10,000 put together. But with sprawling cities gobbling up arable land, agricultural productivity gains decreasing, and demand for biofuels increasing, supply is not keeping up with demand. Clever farmers, scientists and entrepreneurs are bursting with ideas. But they need money to make this jump.

Financiers more often found buying and selling companies have cottoned on to the opportunity. Farm gates have traditionally been closed to capital markets: nine in ten farms are held by families. But demography is forcing a shift: the average age of farmers in Europe, America and New Zealand is now in the late fifties. They often have no successor, because offspring do not want to farm or cannot afford to buy out family members. In addition, adopting new technologies and farming at ever-greater scale require the sort of capital few farmers have, even after years of bumper crop prices.

Institutional investors such as pension funds see farmland as fertile ground to plough, either doing their own deals or farming them out to specialist funds. Some act as landlords by buying land and leasing it out. Others buy plots of low-value land, such as pastures, and upgrade them to higher-yielding orchards. Investors who are keen on even bigger risks and rewards flock to places such as Brazil, Ukraine and Zambia, where farming techniques are often still underdeveloped and potential productivity gains immense.

Farmland has been a great investment over the past 20 years, certainly in America, where annual returns of 12% caused some to dub it "gold with a coupon". In America and Britain, where tax incentives have distorted the market, it outperformed most major asset classes over the past decade, and with low volatility to boot. Those going against the grain warn of a land-price bubble. Believers argue that increasing demand and shrinking supply--as well as urbanisation, poor soil management and pressure on water systems that are threats to farmland--mean the investment case is on solid ground.

It is not just the asset appreciation and yields that attract outside capital, says Bruce Sherrick of the University of Illinois at Urbana-Champaign: as important is the diversification to portfolios that farmland offers. It is uncorrelated with paper assets such as stocks and bonds, has proven relatively resistant to inflation, and is less sensitive to economic shocks (people continue to eat even during downturns) and to interest-rate

hikes. Moreover, in the aftermath of the financial crisis investors are reassured by assets they can touch and sniff.

Some are already getting their boots dirty. In 2009 Hassad, part of Qatar's sovereign-wealth fund, asked Bydand Global Agriculture to buy nearly 50 farms in Australia and merge them into a single investment portfolio. Terrapin Palisades, a private-equity firm, bought a dairy company and some vineyards and tomato fields in California, and converted all to grow almonds, whose price has soared as the Chinese have gone nuts for them. Such conversions require up-front capital and the ability to survive without returns for years.

The private-equity approach can take the form of simple improvements, such as changing irrigation from antiquated dykes and canal networks to automatic spray systems: these are the equivalent of picking low-hanging fruit. Pricy robots can boost milk per cow by 10-15%. Using "big-data" analytics to plant and cultivate seeds can push crop yields up 5%. "This is an industry where the gap between the top and bottom quartile is greater than anywhere else," says Detlef Schoen of Aquila Capital, an alternative-investment firm.

And yet the 36 agriculture-focused funds, with \$15 billion under management, pale in comparison to the 144 funds focused on infrastructure (\$89 billion) and 473 targeting real estate (\$163 billion), according to Preqin, a data provider. TIAA-CREF, an American financial group, is a market leader with \$5 billion in farmland, from Australia to Brazil, and its own agricultural academic centre at the University of Illinois. Canadian pension funds and Britain's Wellcome Trust are among those bolstering their farming savvy.

Most investors are put off by the sector's peculiar risks and complexities. Weather, commodity prices, soil health, water access, dietary fads and animal health are not the forte of the average pension-fund investment officer. Political risks abound: cash-strapped governments in Europe and America may (belatedly) get around to cutting farm subsidies. In poor countries, land titles may give outsiders dubious protection--if those countries even allow foreign ownership of land in the first place.

Some liken the sector to real estate and infrastructure 20 years ago. It lacks indices, consultant reports and track records. But unlike skyscrapers or pipelines, farming offers few of the multi-billion-dollar deals that are needed to entice mega-investors.

For more money to flow in, financiers and farmers will have to learn a lot more about each other. Money managers need to get their hands dirty and find out more about crops. Only

a handful have the expertise needed; farmers gleefully share stories of Wall Street types wondering how chicks are planted. And farmers can do more to attract capital, for example by seeking out financial deals where investors' incentives are aligned with their own, such as through joint ventures.

Investors need to separate the wheat from the chaff, too. Farm investing requires patience; it is ill-suited to flipping and trading. But those willing to climb over the barriers could reap big rewards. The investment thesis is as simple as they come, as Mark Twain realised long ago: "Buy land, they're not making it any more."

[China Seeking U.S. Distillers' Grains for February-March –Trade](#)

By Michael Hirtzer

CHICAGO, Jan 2 (Reuters) - China is seeking U.S. cargoes of distillers' dried grains (DDGs) for shipment in February and March, as easing import restrictions have re-opened the most lucrative market for the protein-rich animal feed, traders said on Friday.

"My regular buyers are coming back. We're getting new inquiries as well," said a U.S. trader of DDGs, a byproduct of corn-based ethanol.

At least three U.S. exporters are asking buyers for down payments of 20 percent to as much as 35 percent for each intermodal container of DDGs heading to China, the traders said.

Down payments, required to protect against the possibility of government rejections, were rare until late in 2013, when China started turning away more than 1 million tonnes of DDGs and corn that were found to contain an unapproved genetically modified corn strain developed by Syngenta AG known as Agrisure Viptera, or MIR 162.

The fresh import inquiries this week followed purchases last month. State-owned COFCO was said to have bought as much as 900,000 tonnes of DDGs. The large sales volume was a signal Beijing was set to approve the GMO corn variety, before Syngenta made an official announcement on Dec. 22.

China had purchased more than 4 million tonnes of U.S. DDGs in each of the past two years before imports slowed to a near-halt last summer, according to the U.S. Department of Agriculture.

DDGs prices now are hovering at the highest levels since June. Top importer China and other major buyers such as Mexico, Vietnam and South Korea have buoyed values with their increased demand, even as production of the feedstuff was expected to be record-large following a bumper U.S. corn harvest and lofty returns in domestic ethanol refining.

An Agriculture Minister Invokes Ire and Applause

03-Jan-2015

RIO DE JANEIRO

Kátia Abreu, 52, is as adored in some constituencies in Brazil as she is loathed in others. One person who clearly admires her is Dilma Rousseff: The Brazilian President calls Ms. Abreu a good friend, and has made her minister of agriculture in the nation's new administration - to the horror of environmentalists and indigenous people.

Ms. Abreu was a wealthy homemaker in the Brazilian agricultural heartland in the mid-1980s when her rancher husband died in a plane crash and left her with three small children and a massive cattle and soybean farm. Everyone in the macho world of ranching advised her to sell, but she chose instead to plunge into learning how to run a farm - and emerged as the most powerful figure in the agricultural revolution that has played out here over the last 15 years.

She was elected chair of the farm lobby - the National Agricultural Confederation - whose members contribute about 20 per cent of Brazil's GDP. She pushed them to professionalize - by adopting technology, and seeking financial credit to innovate - and to tone down their guns-and-bluster conflict with squatters and indigenous people. She says Brazil's agro-industry should be recognized for taking the country from food importer to major exporter, all while improving land productivity.

But Brazil's big farming sector has come into repeated conflict with environmentalists worried about deforestation, with indigenous people, and with the rural poor who decry the level of land concentration. Ms. Abreu, who was first elected in 2002, has pushed for a series of laws that outrage the environmental movement: One would make it illegal for indigenous reserves to be declared where there are agrarian conflicts (which means the country would never see another reserve). Another allows farmers to access credit even if they have been found to be carrying out illegal deforestation and land clearance.

In 2012, her brother's farm - which prosecutors alleged, but have not been able to prove in court, was actually hers - had been found to be using slave labour. Greenpeace gave her its Golden Chainsaw Award in 2010, and the landless people's movement staged large demonstrations when word leaked that she might become agriculture minister.

She isn't bothered. "The left - above all the environmental left - insists on demonizing the rural producer," she wrote in a newspaper column in 2013. "It declares itself the only legitimate defender of people's rights, but acts innocent while it defends the hunger ... of the people."