WEEKLY NEWS ARTICLE UPDATE

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Articles in This Edition

Export Sales Highlights

This summary is based on reports from exporters for the period February 6-12, 2015.

Soybeans: Net sales of 505,600 MT for 2014/2015 were down 32 percent from the previous week, but up 1 percent from the prior 4-week average. Increases were reported for China (205,100 MT, including 115,000 MT switched from unknown destinations and decreases of 60,100 MT), the Netherlands (139,200 MT, including 130,000 MT switched from unknown destinations), Indonesia (130,700 MT), Japan (77,600 MT, including 45,300 MT switched from unknown destinations), Vietnam (68,500 MT, including 65,000 MT switched from unknown destinations), Portugal (65,000 MT, switched from Spain), South Korea (56,900 MT, including 61,600 MT switched from unknown destinations and decreases of 4,700 MT), and Bangladesh (56,500 MT, including 52,000 MT switched from unknown destinations). Decreases were reported for unknown destinations (266,200 MT), Spain (65,000 MT), Egypt (6,700 MT), and Germany (5,100 MT). Net sales of 115,900 MT for 2015/2016 were for China (110,000 MT) and Japan (5,900 MT). Exports of 1,354,700 MT were down 16 percent from the previous week and 21 percent from the prior 4-week average. The primary destinations were China (690,200 MT), the Netherlands (139,200 MT), Vietnam (69,600 MT), Taiwan (65,700 MT), Portugal (65,000 MT), South Korea (57,000 MT), Bangladesh (56,500 MT), and Japan (51,300 MT).

Optional Origin Sales: For 2014/2015, decreases in optional origin sales totaling 60,000 MT were reported for China. Outstanding optional origin sales total 703,000 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 316,600 MT for 2014/2015 were up 67 percent from the previous week and 19 percent from the prior 4-week average. Increases were reported for Thailand (88,700 MT, including 45,000 MT switched from unknown destinations), Mexico 51,600 MT), Denmark (48,900 MT, including 55,000 MT switched from unknown destinations and decreases of 6,100 MT), Poland (25,800 MT, including 25,000 MT switched from unknown destinations), the Dominican Republic (20,200 MT), and Guatemala (18,000 MT, including 15,300 MT switched from unknown destinations). Decreases were reported for unknown destinations (18,100 MT), Spain (1,000 MT), and Canada (300 MT). Net sales of 35,900 MT for 2015/2016 were reported primarily for unknown destinations (23,100 MT) and Panama (9,200 MT). Exports of 384,800 MT were up 36 percent from the previous week and 53 percent from the prior 4-week average. The primary destinations were Thailand (49,400 MT), Denmark (48,900 MT), the Philippines (44,300 MT), Mexico (33,300 MT), France (31,700 MT), Egypt (28,200 MT), and Poland (25,800 MT).

Soybean Oil: Net sales of 10,900 MT for 2014/2015 were down 32 percent from the previous week and 26 percent from the prior 4-week average. Increases were reported for the Dominican Republic (4,000 MT), Mexico (3,300 MT), Peru (2,200 MT), and Costa Rica (1,000 MT). Exports of 9,800 MT were down 37 percent from the previous week and 58 percent from the prior 4-week average. The primary destinations were Mexico (4,000 MT), Jamaica (3,500 MT), Guatemala (1,000 MT), and Honduras (1,000 MT).

Modernizing China's Agriculture Key to Tackling Slower Economy - Premier
By Dominique Patton
BEIJING, Feb 16 (Reuters) - Modernizing Chinese agriculture will help in countering slower economic growth by driving investment in rural infrastructure and boosting consumption, Chinese Premier Li Keqiang said.

The Chinese economy grew at its slowest pace in 24 years in 2014 as property prices cooled, hitting demand for a range of commodities.

Investing in infrastructure in rural areas could help digest some of the excess capacity in China's steel and cement industries, as well as create new jobs, wrote Li in the latest issue of the Chinese Communist Party journal Qiushi.

Overhauling farming models and improving efficiency in distribution systems could also boost rural incomes, Li said in the article published late on Sunday.

"Farmers are the country's largest consumer group...by increasing farmers' incomes through accelerating agricultural modernization, we can activate farmers' huge potential consumption demand."

About 45 percent of China's population, or 630 million people, still make a living from agriculture, estimate analysts, but their productivity lags far behind that of developed countries.

Although the country is self-sufficient in its most important food crops, it has paid a huge price for its intensive farming practices with excessive use of fertilizers, pesticides and plastic sheeting causing serious environmental damage and threatening food safety, said Li.

Farmers need to focus on consumer demand rather than on production volumes, said the Premier, and urged them to produce safe food and specialty products including organic ones.

"Currently, the quality and safety of agricultural products is generally stable, but hidden risks linger and people still frequently break the law," Li wrote.

The agricultural sector also needs to integrate processing so that farmers get added value from their output, and more efficient distribution would help reduce farmers' costs, he said.

"There are many steps in the distribution of farm products so costs are high. There is much wastage and efficiency is low, leading to farmers having trouble selling their products while consumers pay too much. This has long been a chronic problem."

Li reiterated the need to promote new types of farming models such as larger family farms and encourage transfer of land rights to allow people who remain in the countryside to expand their farms. All Chinese farmland is owned by the state and the right to farm the land is leased to rural residents. Beijing has recently allowed rural residents to transfer farming rights to others but critics say larger farms struggle to get financing to increase their output.

Argentine Farmers Say Lawsuit Filed on Banco Nacion Loan Policy

By Daniel Cancel

(Bloomberg) -- Rural Society of Argentina and Argentine Rural Confederations comment on lawsuit in e-mailed statement.

Lawsuit filed at civil court on alleged discriminatory loan practices by state-run Banco de la Nacion Argentina

Farm groups say bank cut off financing to producers who are considered to be hoarding soybeans, other crops

Farmers also seek injunction from court

“The adopted measures are arbitrary and discriminatory”

Measures violate bank’s own charter that calls for lending to agricultural activities

Loan restrictions squeezing farmers preparing for soybean harvest

NOTE: Rural groups said last month they were shutting bank accounts at Banco Nacion in protest

U.S. Monthly Soy Crush Biggest Ever for January - NOPA
CHICAGO, Feb 17 (Reuters) - U.S. soybean processors notched their busiest January ever, fueled by ample crushing supplies from a record harvest and strong export demand, an industry trade group said on Tuesday.

The pace was in line with market expectations.

The National Oilseed Processors Association (NOPA) said that U.S. members crushed 162.675 million bushels of soybeans during January, down from 165.383 million bushels in December.

The total crushed in January was the fourth biggest monthly total on record.

A year ago, the January soybean crush was 156.943 million bushels.

Analysts had forecast a monthly crush of 162.673 million bushels, according to the average of estimates in a Reuters poll. Estimates ranged from 157.500 million to 166.135 million. Processors produced 3.850 million tons of soymeal during January.

The NOPA said soyoil stocks rose to 1.228 billion lbs from 1.068 billion lbs in December. Analysts had expected soyoil stocks at 1.170 billion lbs. Stocks were 1.794 billion a year ago.

Monthly soymeal exports came in at 1.012 million tons, up from 787,961 in January 2014. Exports totaled 1.005 million tons in December.

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

Farmers Planting More Soy as Corn Ends Run as Profit King

by Jeff Wilson
February 17, 2015

(Bloomberg) -- U.S. farmers from Louisiana to North Dakota are preparing to switch more land to soybeans as they seek to limit losses from a slumping corn market.

While corn remains the biggest domestic crop, prices have tumbled so much after two years of record harvests that the grain fetches less than it costs some farmers to produce. For the first time since the 1970s, corn planting will decline for a third straight season, while soybean acreage expands to the most ever, a Bloomberg survey of analysts showed.

Look no further than the 3,100 acres Dan Anderson farms in Illinois. From 2007 to 2013, corn generated $150 more cash per acre, Anderson said. Now, there’s no revenue difference. Even though soybean prices also have dropped, they cost about half as much to grow and are better for the soil. The 62-year-old plans to sow more of the oilseed than corn for the first time ever.

“If prices don’t improve,” planting more soybeans means “I will lose less,” Anderson said by telephone from his farm near Milford, Illinois, about 100 miles (160 kilometers) south of Chicago.

When planting season starts in April and May, Anderson says he will increase the area for soybeans by 13 percent to 1,700 acres and cut corn by 18 percent to 1,400 acres. The cost of fertilizer for soybeans is more than two-thirds less, while seed and labor will be about half, he said.

Grain Surplus

For much of the previous decade, growing more corn had been an obvious choice for most farmers. Government mandates for ethanol, a grain-based fuel, helped spur domestic demand while global economic growth increased the need for the grain to feed cattle, chickens and hogs as the world consumed more meat. Prices surged to records in 2008 and 2012.

Those rallies encouraged more output, which created a global surplus and sent prices plunging even as costs for seeds, fuel and fertilizer rose. Corn futures on the Chicago Board of Trade closed Tuesday at $3.9775 a bushel, down 53 percent from a record $8.49 in 2012, while soybeans settled at $10.1175 a bushel, a slide of 43 percent from a peak of $17.89. Corn fell 0.4 percent on Wednesday while soybeans were little changed. Net-cash income will plunge 22 percent this year, the biggest drop since 1932, the U.S. Department of Agriculture said Feb. 10.

About half of U.S. corn and soybean farmers are in the red and the rest will barely break even, said Chris Barron, who farms 7,000 acres near Rowley, Iowa, and owns the management advisory Ag View Solutions. His Midwest clients spend on average $4.62 a bushel to grow corn, including land and management returns, and $10.10 on soybeans.

More Soybeans

To limit losses, farmers probably will expand soybean planting by 2.8 percent this year to 86.028 million acres, the most ever, according to a Bloomberg survey of 23 trading firms and analysts. Corn sowing will drop 1.7 percent to 89.091 million, the lowest since 2010, the survey showed.

The USDA will make its first forecasts of 2015 planting and production at its the annual outlook forum this week, followed by a national survey of more than 80,000 growers beginning next week that will be released March 31.

The prospect of increased soybean planting in the U.S., the world's biggest producer and exporter, comes as farmers in South America begin harvesting their biggest crops ever, which will send futures in Chicago to $9 this year, Rabobank Food & Agribusiness Advisory predicted last week.

Output Drop

Even with more acres planted, the return of more normal yields after last year's record haul probably will mean a drop in U.S. soybean output of 2.8 percent to 3.856 billion bushels (97.95 million tons), analysts said in the Bloomberg survey.

Weather also may play a role. The arrival of warm, dry conditions by early April in the southern Midwest may encourage some growers to ditch their plans for more soybeans and instead sow more corn. Good growing weather can provide more of a yield boost to corn than for soybeans, which can mean a bigger revenue increase.

Even if U.S. soybean output declines, it may not matter. Producers outside the U.S. have expanded harvested acres by 33 percent since 2004 as a rising dollar increased profit potential for farmers in Brazil, Argentina, Russia and Ukraine, according to Dan Basse, the president of AgResource Co. in Chicago.

Perry Vieth, the founder of Ceres Partners LLC, which manages more than 59,000 acres in five Midwest states for investors, says farmers will plant less corn because there is less capital at risk growing soybeans. Tenant farmers are planning to sow 45 percent of their land to soybeans, up from 35 percent, while corn planting drops to 55 percent from 65 percent, he said.

"Corn and soybeans margins are thin," Vieth said from Granger, Indiana. "Farmers will continue to plant corn on the best acres, but will shift to soybeans on more marginal land."

USDA Sees Less Corn, Soy, Wheat Plantings in 2015, More Sorghum
By Julie Ingwersen
WASHINGTON, Feb 19 (Reuters) - U.S. farmers will plant fewer acres of soybeans, corn, wheat and cotton in the 2015-16 marketing year due to falling prices, but will boost

seedings of minor crops like sorghum and barley, the U.S. Department of Agriculture said on Thursday.

At its annual Agricultural Outlook conference, the USDA forecast lower prices for most major U.S. crops following bumper harvests in 2014-15.

"Consecutive record crops have trimmed prices for many crops," said USDA acting Chief Economist Robert Johansson. "Further price reductions are expected for the 2015-16 crop year, falling near Farm Bill reference prices for many crops."

In 2015, total acreage for the eight major crops: corn, soybeans, wheat, cotton, rice, sorghum, barley, and oats, was estimated at 254.6 million acres, down 3.3 million from last spring. Falling crop prices and narrowing profit margins will mean fewer seedings overall, USDA said.

USDA projected 2015-16 U.S. corn plantings at 89.0 million acres, down from 90.6 million in 2014-15. The government projected soybean plantings at 83.5 million acres, down slightly from 83.7 million in 2014-15.

Private analysts were surprised by USDA's acreage estimates, especially for soybeans. They expect farmers to plant more soybeans this spring, up between 3 million and 7 million, not less, citing lower planting costs for soy compared to corn.

"The soybean acreage estimate contrasts sharply with farmer discussions we've had," said analyst Rich Nelson with farm advisory Allendale Inc. "Cheapest to plant is the issue."

The USDA forecast 2015-16 all-wheat plantings at 55.5 million acres, down from 56.8 million in 2014-15. Seedings of winter wheat are down 1.9 million acres from a year ago, but Johansson said plantings of spring wheat should rise.

Johansson said drought persisting in the southern Plains wheat belt since 2011 has eased somewhat, improving prospects for the grain and pasture.

Seedings of cotton are expected to fall to 9.7 million acres from 11 million a year ago.

In an exception to the trend, the USDA forecast that seedings of minor feed grains would grow 9.1 percent to 14 million acres, driven by export demand for sorghum from China.

USDA will issue its first planting estimates for spring crops based on farmer surveys on March 31.

USDA projected U.S. agricultural exports at $141.5 billion for the year ending Sept. 30, down from fiscal 2014 but still the second-highest on record.

Agricultural exports to China are expected to fall by $2 billion from 2014, but the nation should remain U.S. farmers' biggest customer in 2015, for a fifth straight year.

U.S. Soybean Supply, Demand And Price - Feb 20

Data from 2015 USDA Agricultural Outlook Forum, February 20, 2015.

	2012/13	2013/14	2014/15/1	2015/16/2
Area planted (mil. ac.)	**77.2**	**76.8**	**83.7**	**83.5**
Area harvested	**76.1**	**76.3**	**83.1**	**82.6**
Yield (bu./ac.)	**40.0**	**44.0**	**47.8**	**46.0**
Production (mil. bu.)	**3,042**	**3,358**	**3,969**	**3,800**
Beginning stocks	**169**	**141**	**92**	**385**
Imports	**41**	**72**	**25**	**20**
Supply	**3,252**	**3,570**	**4,086**	**4,205**
Crush	**1,689**	**1,734**	**1,795**	**1,840**
Seed	**89**	**97**	**92**	**92**
Residual	**16**	**0**	**24**	**24**
Total domestic use	**1,794**	**1,832**	**1,911**	**1,955**
Exports	**1,317**	**1,647**	**1,790**	**1,820**
Total use	**3,111**	**3,478**	**3,701**	**3,775**
Ending stocks	**141**	**92**	**385**	**430**
Stocks/use (percent)	**4.5**	**2.6**	**10.4**	**11.4**
Season-avg. farm price ($/bu.)	**$14.40**	**$13.00**	**$10.20**	**$9.00**

Grains Truckers Resume Protest on Key Brazil Soy Road Thursday

By Gustavo Bonato

SAO PAULO, Feb 19 (Reuters) - Truckers in Brazil's main soy- and corn-producing state of Mato Grosso limited the flow of grain again on Thursday on the state's highway leading to the main ports ahead of the peak of the harvest, protesting a recent rise in fuel prices.

After lining up along the shoulder on Wednesday at two points of BR 163, the main highway that cuts north-south through the middle of Mato Grosso, protesters shut down the flow of truck traffic again starting at 8 a.m. Brasilia time, according to Rota do Oeste, the concession that operates the highway.

Protests spread from the towns of Lucas do Rio Verde and Nova Mutum on Wednesday to also include Sorriso, as farmers prepared to enter the peak of the harvest season in the state.

"There is no sign of congestion yet," said Rota do Oeste in a statement.

The highway operator said it was informed by protesters, made up of a hodge-podge of trucking companies and independent truckers, that trucks would be restricted from traveling from 8 a.m. to 11 a.m. and again from 1 p.m. to 7 p.m. The flow of other vehicles and public transport will not be affected.

Protesters also said they would stop the flow of grain trucks for an indefinite period starting on Friday if the state government did not open a dialogue over a reduction of the so-called ICMS tax on diesel.

The Finance Secretary of Mato Grosso, Brazil's biggest soybean producer, said on Wednesday it was studying the tax structure on fuels in the state but could not lower fuel prices overnight.

The center-west state of Mato Grosso accounting for more than one-quarter of the national crop that is expected to reach nearly 95 million tonnes for the 2014/15 season. It is also a major corn and cattle producer.

BR-163 is the main highway on which the agricultural commodities reach consumer markets in Brazil and abroad through the southeastern ports of Santos, Paranagua and others, as well as through the northern ports on the Amazon.

The Brazilian government raised taxes on diesel by 15 centavos a liter (20 cents/gallon) on Feb. 1. Local fuel prices were already nearly 60 percent higher than international markets.

Diesel prices in Mato Grosso in early February were just above 3 reais per liter ($4/gallon), according to the oil regulator ANP.