

WEEKLY NEWS ARTICLE UPDATE



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Export Sales Highlights

This summary is based on reports from exporters for the period March 13-19, 2015.

Soybeans: Net sales of 505,800 MT for 2014/2015 were up 48 percent from the previous week and 54 percent from the prior 4-week average. Increases were reported for Indonesia (133,200 MT, including 112,000 MT switched from unknown destinations), China (128,700 MT), Germany (102,400 MT, previously reported as the Netherlands), the Netherlands (56,800 MT, including 70,000 MT switched from unknown destinations and decreases of 13,200 MT), and Japan (48,300 MT, including 29,500 MT switched from unknown destinations). Decreases were reported for unknown destinations (22,500 MT). Net sales of 220,200 MT for 2015/2016 were for unknown destinations (128,000 MT), Mexico (90,000 MT), Japan (1,200 MT), and Taiwan (1,000 MT). Exports of 760,700 MT were up 19 percent from the previous week and 1 percent from the prior 4-week average. The primary destinations were China (189,500 MT, including 57,700 MT late reporting), Indonesia (156,200 MT, including 52,300 MT late reporting), Mexico (136,100 MT), Germany (102,400 MT, previously reported as the Netherlands), the Netherlands (63,400 MT), and Japan (36,500 MT).

Optional Origin Sales: For 2014/2015, outstanding optional origin sales total 656,000 MT, all China.

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

Export Adjustments: Accumulated exports to the Netherlands were adjusted down 69,996 MT for week ending February 19th and 32,422 MT for week ending March 5th. The correct destination for these shipments is Germany and is reported in this week's report.

Soybean Cake and Meal: Net sales of 224,300 MT for 2014/2015 were up 10 percent from the previous week and up noticeably from the prior 4-week average. Increases were reported for Mexico (39,800 MT), Ecuador (33,000 MT), Canada (31,800 MT), Venezuela (25,000 MT), Panama (22,300 MT), and Colombia (18,900 MT, including 1,200 MT switched from unknown destinations). Decreases were reported for unknown destinations (20,100 MT) and Vietnam (200 MT). Net sales of 3,900 MT for 2015/2016 were reported primarily for Mexico (1,900 MT) and Nicaragua (1,000 MT). Exports of 304,000 MT were up 38 percent from the previous week and 25 percent from the prior 4-week average. The primary destinations were Thailand (112,500 MT), the Philippines (47,200 MT), Cuba (23,100 MT), Mexico (21,800 MT), Canada (14,000 MT), Honduras (10,400 MT), and Colombia (10,300 MT).

Soybean Oil: Net sales of 22,400 MT for 2014/2015 were up noticeably from the previous week and from the prior 4-week average. Increases were reported for Morocco (18,000 MT), the Dominican Republic (1,700 MT), Canada (1,300 MT), Mexico (900 MT), and Guatemala (400 MT). Exports of 19,400 MT were up 12 percent from the previous week, but down 3 percent from the prior 4-week average. The primary destinations were Guatemala (11,000 MT), Nicaragua (4,000 MT), Mexico (2,900 MT), and Canada (1,300 MT).

Soybeans Cut Swath Through Western Canada Wheat Belt

By Rod Nickel

WINNIPEG, Manitoba, March 27 (Reuters) - Soybeans, once a novelty in Western Canadian fields, are poised to reach record-large acreage again this year, and some of the world's biggest seed companies are betting they have further room to grow in a country known for wheat and canola.

Farmers on the eastern side of the Prairies are turning to soybeans for high returns and as shorter-season varieties make them viable in Western Canada and across northern U.S. states.

Monsanto Co expects Canadian farmers to sow 5.8 million acres this year, up from 5.6 million in 2014, with Ontario the biggest grower, said Cornie Thiessen, who leads the agricultural products company's Canadian trait and licensing business.

Growth lies in Western Canada, and Monsanto expects farmers there to nearly double acreage to 3 million within five years.

"We actually expect that (expansion) to continue for quite a few years," Thiessen said.

U.S. farmers are also expected to expand 2015 soybean plantings.

Canada's soybean output is only 1/18th the size of U.S. production, limiting its effect on global trade. Canada exported 2.4 million tonnes of soybeans in 2013-14, about 44 percent of that year's crop. China, the biggest importer, bought 895,000 tonnes.

Monsanto boosted its Canadian soybean seed investment in the past two years, pushing it to a similar level as canola. Its Roundup-Ready soybeans are the dominant brand in Canada, competing with DuPont Pioneer and Syngenta.

The companies mainly invest in shorter-season varieties and adapt them for specific regions.

"We still have a lot of room to grow," said Steve Schnebly, senior research manager at DuPont, which is increasing investment in Canadian soybeans and corn.

Dwayne Couldwell, senior merchandiser of oilseeds for grain handler Paterson Grain, said soybeans offered farmers bigger gross returns than canola and cost less to plant.

They often mix into rotations with canola and wheat, which remain popular.

To be sure, acres of other crops like lentils and corn have also expanded on the Prairies, making for a crowded field of choices.

Limits on soybeans' growth include a lack of significant Western Canada processing capacity and the grain's lower protein content there than in the United States. China buys Canadian soybeans at a discount to blend with higher-protein supplies, Couldwell said.

Union Sets 1-Day Strike at Argentina's Key Grains Port March 31

BUENOS AIRES, March 27 (Reuters) - Port workers at the Argentine grains hub of Rosario will hold a 24-hour strike on Tuesday in solidarity with a general work stoppage throughout the country on the same day over tax policy.

The union representing Rosario workers issued a statement, saying it supported the general strike to be held March 31 over a demand by labor groups that the government raise the level of monthly income at which employees start paying income taxes.

Workers who earn about 15,000 pesos (\$1,700) per month and above have to pay income tax, under current policy. Argentina's main labor unions want the minimum raised to 30,000 pesos.

Due to the strike's short duration, the interruption in loading cargo ships at Rosario is not expected to substantially affect Argentine soy, meal, corn or wheat shipments.

Farmers suspended grains sales for three days earlier this month to protest President Cristina Fernandez's policies. Her government puts a 35 percent tax on soybean exports and imposes strict limits on corn and wheat shipments, which growers say wreck their profits.

Sun Expected to Put Argentina Back on Track to Record Soy Crop

By Hugh Bronstein

BUENOS AIRES, March 26 (Reuters) - Argentina's waterlogged soy lands will get much-needed sun over the 10 days ahead, firming soils and allowing growers to drive harvesting combines into fields turned to mud by heavy early-March storms, meteorologists said on Thursday.

With about 5 percent of the 2014/15 crop already in, the soy exporting powerhouse remains on track for a record high harvest of 56 to 60 million tonnes, after floods in the northern farm belt threatened a significant output cut.

A big crop from Argentina - the world's top source of soymeal livestock feed and No. 3 supplier of beans - could pressure international food prices already sagging under the weight of expected record U.S. and Brazilian grains output.

Demand from commodities-hungry China should keep the price of soy from collapsing as world production climbs to an expected record 315.1 million tonnes this season.

"Starting today or tomorrow a window of sunny weather will make soils firm enough to allow harvest machines to enter fields that had been too wet," said German Heinzenknecht, a meteorologist with local consultancy Clima Campo.

"Tomorrow (Friday) they will be harvesting in some of the areas that have been most complicated. The open window for harvesting should last until about April 3. After that we expect more rains, but not of the high intensity that caused the flooding in February and early March," he said.

Areas hardest hit by floods are in central-west Santa Fe and central-east Cordoba provinces. The Pampas farm region also includes Buenos Aires and Entre Rios provinces, which have been spared from flooding this season.

In Cordoba alone, 400,000 hectares have been lost. But areas not completely under water should recover over the days ahead, promising yields of around 4 tonnes per hectare versus 3.6 tonnes last year, according to the Rosario grains exchange.

The Buenos Aires exchange says it is seeing average yields of 4.0 to 4.5 tonnes per hectare in the central Pampas.

Meteorologist Antonio Deane, of consultancy Weather Argentina, said the Pampas is in for good weather for the rest of this month, but he expects another rain-related harvesting slowdown in April.

"In the first 25 days of April there will be nine days of bad weather in the core soybean region," Deane said. "Cloudiness and light rains will not give soy plants time to dry, causing a decline in the speed of harvesting."

USDA Says Extending Farm Bill Signup for Another Week to April 7

By Christine Stebbins

CHICAGO, March 27 (Reuters) - U.S. farmers will have another week to enroll in the government's new subsidy programs under the five-year farm bill, with the deadline extended to April 7, the U.S. Department of Agriculture said on Friday.

The final day for farmers to update their crop acreage and yield history, the first step to qualify for the new subsidies, will be extended to April 7. The farmers had already had the deadline to update their acreage data extended by one month to March 31.

Participating grain farmers must choose between one of two new programs, a price average formula called Agriculture Risk Coverage (ARC) and a fixed-price formula called Price Loss Coverage (PLC). Farmers need to commit to one or the other for the next five years.

"This is an important decision for producers because these programs help farmers and ranchers protect their operations from unexpected changes in the marketplace," USDA Secretary Tom Vilsack said in a statement. "Nearly 98 percent of owners have already updated their yield and base acres, and 90 percent of producers have enrolled in ARC or PLC," he said.

Enrollment numbers are strong and continue to rise, Vilsack said, and the additional week will give producers more time to make their final decisions.

University economists who have been teaching farmers about the complicated new programs in recent months say ARC is a big favorite among corn and soybean farmers while PLC will likely be more popular with crops like wheat, sorghum, barley, rice and peanuts.

Covered commodities include barley, canola, chickpeas, corn, crambe, flaxseed, sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, rice, safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity.

Brazil Federal Police Report Massive Tax Fraud Scheme

SAO PAULO (AP) - The federal police agency said Friday it has begun legal proceedings against companies allegedly involved in a fraud scheme that has cost Brazil's public coffers almost \$2 billion in unpaid fines and taxes.

The announcement came a day after police said they had uncovered "criminal organizations" suspected of causing a shortfall of at least 6 billion reais (\$1.9 billion) in unpaid taxes. A police statement said the shortfall could be as high as 19 billion reais (\$6 billion).

A federal police press officer said Friday that more than 50 companies in the industrial, financial and agricultural sectors are being investigated for allegedly bribing officials at the Finance Ministry's tax appeals court to reduce or annul fines on unpaid taxes. He spoke on condition of anonymity because he was not authorized to speak on the matter.

He would not identify any of the companies being investigated.

The federal police statement said the investigation that began in 2013 found that officials of the tax appeals court leaked information to consulting and law firms in Brasilia, Sao Paulo and other cities to find companies interested in having their tax-court proceedings "facilitated."

Brazilians have for several years been periodically staging huge demonstrations decrying government corruption and other complaints.