

# WEEKLY NEWS ARTICLE UPDATE



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## Export Sales Highlights

This summary is based on reports from exporters for the period April 17-23, 2015.

**Soybeans:** Net sales of 433,400 MT for 2014/2015 were up noticeably from the previous week and from the prior 4-week average. Increases were reported for China (199,300 MT), unknown destinations (80,400 MT), Pakistan (65,900 MT), Japan (36,000 MT, including 21,300 MT switched from unknown destinations), and Taiwan (28,000 MT). Decreases were reported for Malaysia (20,000 MT). Net sales reductions of 118,500 MT for 2015/2016 resulted as increases for Malaysia (15,000 MT) and Japan (500 MT), were more than offset by decreases for China (134,000 MT). Exports of 264,200 MT were up 70 percent from the previous week, but down 45 percent from the prior 4-week average. The primary destinations were Mexico (94,800 MT), Pakistan (65,900 MT), Japan (29,700 MT), Indonesia (26,800 MT), and Canada (10,500 MT).

*Optional Origin Sales:* For 2014/2015, decreases in optional origin sales totaling 150,700 MT were reported for China. Outstanding optional origin sales total 505,400 MT, all China. For 2015/2016, new optional origin sales totaling 55,000 MT were reported for China. Outstanding optional origin sales total 55,000 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 134,700 MT for 2014/2015 were up 25 percent from the previous week and 8 percent from the prior 4-week average. Increases were reported for unknown destinations (32,900 MT), the Dominican Republic (24,200 MT, including 9,500 MT switched from unknown destinations and decreases of 1,000 MT), Colombia (11,600 MT), Panama (8,900 MT, switched from unknown destinations), Japan (8,300 MT, including 6,100 MT switched from unknown destinations and decreases of 100 MT), and Guatemala (8,100 MT). Decreases were reported for Ecuador (1,600 MT) and Bangladesh (100 MT). Net sales of 2,500 MT for 2015/2016 were reported for the Dominican Republic (1,800 MT) and Canada (700 MT). Exports of 295,700 MT were up 73 percent from the previous week and 18 percent from the prior 4-week average. The primary destinations were Thailand (49,500 MT), Venezuela (41,000 MT), Mexico (39,900 MT), Ecuador (31,400 MT), the Dominican Republic (29,000 MT) and Peru (19,700 MT).

**Soybean Oil:** Net sales of 7,300 MT for 2014/2015 were up 65 percent from the previous week, but down 30 percent from the prior 4-week average. Increases were reported for Mexico (6,600 MT) and Canada (500 MT). Net sales of 24,500 MT for 2015/2016 were reported for Mexico. Exports of 6,000 MT were down 51 percent from the previous week and 67 percent from the prior 4-week average. The primary destinations were Mexico (5,400 MT) and Canada (500 MT).

#### [ADM to Add Soy Crushing at North Dakota, Ontario Plants](#)

April 27 (Reuters) - Grain-handling and food-processing giant Archer Daniels Midland Co said on Monday that it will add soybean crushing flexibility at its plants at Enderlin, North Dakota, and Windsor, Ontario.

ADM will add the ability to crush soybeans at Enderlin in addition to canola and sunflower seeds, capitalizing on growing acreage of soybeans in North Dakota, said John McGowan, president of North American oilseeds for Illinois-based ADM, in a statement.

Farmers on the eastern side of the Canadian 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. The crop is processed for its oil and its protein-rich meal.

ADM will convert a canola-processing line in Windsor to a flexible line that can also process soybeans.

The company plans to begin processing soybeans at its Enderlin plant in June and finish work at the Windsor facility in the fourth quarter, spokeswoman Jackie Anderson said.

#### [Argentina Said to Be Planning Ban on Monsanto Soybean Royalties](#)

By Pablo Gonzalez and Jack Kaskey

(Bloomberg) -- The Argentine government is stepping into a battle between farmers and Monsanto Co. over royalties the U.S. company wants to collect for genetically modified soybeans.

Argentina, the world's third-largest soybean producer, plans to bar grain handlers from collecting royalties after the harvest on behalf of seed developers such as Monsanto, according to an agriculture ministry official who asked not to be named because of ministry policy.

The government's planned decree comes as farmers conclude their first growing season using Monsanto's Intacta soy, developed for the South American market to combat insects and withstand Roundup weedkiller.

Monsanto said it's not aware of any government order regarding royalties. The St. Louis-based company has signed agreements with "a significant number" of grain handlers and ports in northern Argentina to collect Intacta royalties, said Victoria Manny, a Buenos Aires-based spokeswoman for the company. More than 70 percent of the growers paid the royalty in advance when they bought their seed, she said in an e-mail.

"We believe that the technology and licensing system provides enormous benefits to farmers in Argentina and is fully compliant with all local laws," Manny said in the e-mail. "We continue to receive great feedback from growers on the technology."

The company had been betting that Intacta would allow it to collect soybean royalties in Argentina for the first time in more than a decade.

Argentina lets farmers use Monsanto's older technology, Roundup Ready soybeans, without paying an annual royalty to the company, making pirated varieties cheap and ubiquitous.

### [China's Soybean Subsidy Seen Reducing Acreage by 20 Percent - Think Tank](#)

By Dominique Patton

BEIJING, April 29 (Reuters) - China will subsidise soybean growers in key growing regions with a relatively low payment of 54 yuan (\$9) per mu (0.067 hectare) [~~~\$134/hectare~~] according to an official think tank, a level it said could trigger a 20 percent decline in those planting areas this year.

The world's top buyer of soybeans began a trial last year offering a direct subsidy to soy farmers in three northeastern provinces and Inner Mongolia.

That replaced a controversial stockpiling programme that supported farmers through state purchases of their crops but pushed domestic prices higher than the global market, driving up imports.

Under the new system, farmers are paid the difference between the market price and a government-set target price.

Subsidies for the 2014 crop in Jilin province will be issued to farmers by the end of May, the China National Grains and Oilseeds Information Centre said on Wednesday.

The amount of 54 yuan per mu is at the lower end of what farmers received from 2006 to 2013 and could lead to a 20 percent decline in planting in the provinces that receive the subsidy, it said.

China has set a soybean target price of 4,800 yuan per tonne for 2015, the same as last year.

The total planted area in China will fall by 10 percent to 6.13 million hectares, the think tank forecast.

Analysts have forecast a 15 percent decline in soybean acreage this year.

China is expected to roll out its subsidy scheme to other products such as corn and sugar after it has ironed out problems in soybean and cotton trials.

That could take another two years, a government official said on Wednesday.

"Generally speaking, the period for trialling the target price system for farm products is three years," said Wang Shengmin, director of the pricing department under state planner National Development and Reform Commission.

"After the trial period is finished, when the soybean and cotton target price policy is perfected, we will launch the target price for other products," he added, according to the transcript of a conference speech he gave on sugar website.

Wang said the new policy had been "relatively successful", with the market now dictating prices of the crops covered. But the policy was hard to manage on China's small, scattered farms, he said, without elaborating.

### [Argentine Port Strike May Cut Soy Flow, Raise World Food Prices](#)

By Hugh Bronstein

BUENOS AIRES, April 29 (Reuters) - Argentina's main grains port of Rosario was paralyzed at midday on Wednesday by an open-ended wage strike by boat captains needed to help dock incoming cargo ships, the country's port management chamber said.

At a busy time of the year for exporters, smack in the middle of Southern Hemisphere soy and corn harvest season, the country's dock workers also threatened a work stoppage if their own pay demands are not met.

The strikes threaten to slow supply from grains powerhouse Argentina, putting upward pressure on world food prices. The country is the world's top exporter of soymeal livestock feed, its No. 3 supplier of raw soybeans and a major producer of corn and wheat.

The captains of small vessels that take river pilots out to meet incoming grains ships are demanding higher wages, Guillermo Wade, president of the Port and Maritime Activities Chamber, told Reuters.

The pilots must board cargo ships in order to guide them to their berths in Rosario ports such as San Lorenzo.

"There is no way to replace the service of the boats that take the pilots to the incoming cargo ships," Wade said.

The union representing the boat captains says the strike will continue until its wage demands are met. Tough pay negotiations are common in Argentina, as workers negotiate wages in line with the country's double-digit inflation rate.

Meanwhile, ships entering Rosario's port area are dropping anchor along the Parana River to wait out the work stoppage, Wade said.

On top of the captains' strike, the powerful CGT labor federation announced that its dock and soy crushing workers would begin a 24-hour strike at midnight Wednesday, also over pay.

"And if we do not reach a deal we will start another strike at midnight on Monday, for an indefinite period of time," Edgardo Quiroga, spokesman for the CGT told Reuters.

The union is negotiating a pay package with CIARA-CEC, Argentina's chamber of grains exporting and soy crushing companies.

The government said Argentina's inflation rate was 1.3 percent on the month in March. Many private analysts question the credibility of government data and estimate inflation in Latin America's No. 3 economy about 29 percent annually.

### [Bunge Profit Beats Estimates on Strong Oilseed Margins](#)

April 30 (Reuters) - Bunge Ltd, one of the world's largest agricultural trading houses, reported a better-than-expected quarterly profit, helped by strong margins from soybean crushing and oilseed exports.

The company also said oilseed processing margins improved in Brazil and Argentina in the first quarter and should remain good through September.

Oilseed processing is part of Bunge's agribusiness, which brought in 73 percent of sales in the quarter ended March 31.

Chief Executive Soren Schroder said soybean harvests in South America were historically large and farmers in Northern Hemisphere were expected to plant large crops, which should drive high asset utilization later in the year.

Large harvests have provided good opportunities for agricultural traders to make money out of their bread-and-butter business of transporting, storing and selling grain.

Last month, Goldman Sachs raised its rating on Bunge to "buy", citing the best macro environment for the company in years.

Bunge reported net profit available to shareholders of \$249 million, or \$1.67 a share, for the first quarter, compared with a loss of \$27 million, or 18 cents, a year earlier.

Excluding items, it earned \$1.58 per share, above analysts' average estimate of \$1.14, according to Thomson Reuters I/B/E/S.

Net sales dropped 19.7 percent to \$10.81 billion, missing the average analyst estimate of \$13.16 billion.

## **Chipotle's GMO Gimmick is Hard to Swallow**

By Editorial Board April 29 at 6:48 PM

Washington Post

CHIPOTLE RESTAURANTS have earned billions of dollars by making indulgence wholesome, or seem so. As marketing materials endlessly repeat, your Chipotle meal consists of "real, whole foods" and are prepared "using classic cooking techniques." If its centerpiece can be a foil-wrapped obesity bomb — a barbacoa burrito on a flour tortilla with rice, sour cream and guacamole contains 995 calories and 53 grams of fat, according to the company's Web site — well, that's the customer's choice. The pork comes from free-range pigs!

In this respect, Chipotle isn't much different from other successful restaurant chains past and present. Its latest marketing campaign, however, takes righteous chowing-down to a troubling new level. On Monday, the chain announced that its entire menu is GMO-free — meaning it contains no ingredients derived from genetically modified plants or animals. Thus has a leading food company added its imprimatur to a global propaganda campaign that is not only contrary to the best scientific knowledge but also potentially harmful to vulnerable populations around the world.

Men and women have been cross-breeding — genetically modifying — plants and animals since the dawn of agriculture. Modern molecular biology, however, enables them to do it with unprecedented

precision and effectiveness; a single gene inserted into a naturally occurring sequence can render, say, a variety of eggplant impervious to pests. The promise of GMOs, already widely used in the United States, is that farmers in the developing world can use them, too, and thus feed their hungry populations at far lower cost than ever before.

The peril, according to critics, Chipotle now included, is — well, disaster scenarios vary. Chipotle, in a news release, asserts that it's holding out for "a consensus on the long-term implications of widespread GMO cultivation and consumption." No matter that GMO-derived foods have been widely consumed for years and that a 2014 report by the World Resources Institute, while calling for continuing safety research, concluded, "There is no evidence that GM crops have actually harmed human health." A related concern, according to the company, is that herbicide-resistant GMOs encourage overuse of herbicides. Wouldn't the right response to that esoteric concern be to avoid products grown with herbicides?

In nevertheless validating the panic that has led to limits or bans on GMOs in developing nations, Chipotle says "we decided to remove the few GMOs in our food so that our customers who choose to avoid them can enjoy eating at Chipotle." In other words, the anti-GMO lobby has scared people, and burritos can be sold by pandering to these fears. Alas, the company's marketing instinct, in this respect, is unerring: According to [a survey](#) by the Pew Research Center, conducted in association with the American Association for the Advancement of Science, 88 percent of scientists believe genetically modified foods are safe, compared with only 37 percent of the public.

Chipotle is by no means an outlier; other American corporations have also joined the no-GMO bandwagon. Our point is that no one should confuse any of these companies' behavior with real corporate responsibility. That would require companies to push back against the orchestrated fear of GMOs instead of validating it.

### [Bird Flu Infection "Probable" in Iowa Chicken Broiler Breeding Farm](#)

By P.J. Huffstutter

CHICAGO, April 30 (Reuters) - An Iowa-based chicken broiler breeding farm has initially tested positive for the highly pathogenic H5 bird flu, the Iowa Department of Agriculture and Land Stewardship confirmed on Thursday.

The facility in Kossuth County, Iowa, houses an estimated 19,000 birds, state officials said. Birds were dying in greater than normal numbers at the breeding farm, which is a typical sign of influenza infection in a flock.

This is thought to be first time the avian influenza virus has affected a broiler breeding farm in this outbreak. Such breeding farms are traditionally known for having extremely tight biosecurity systems.

Though the operation is small compared to some of the other poultry farm sites in the Midwest that have been affected by the current outbreak, the probable breach of a chicken broiler breeder's biosecurity underscores the potential for the country's poultry meat industry supply chain to be affected.

Typically, such facilities' chickens lay fertile eggs, which are sent to a hatchery to produce chicks that are later raised and slaughtered for meat.

Additional testing to confirm the finding is underway at the federal Agriculture Department of Animal and Plant Health Inspection Services' (APHIS) National Veterinary Services Laboratories in Ames, Iowa.

Two bird flu strains have been found in the United States this year. The H5N2 strain has been reported in Arkansas, Idaho, Iowa, Kansas, Kentucky, Minnesota, Missouri, Montana, North Dakota, Oregon, South Dakota, Washington and Wisconsin. It has also been identified on farms in Ontario, Canada.

#### [Feature: Agricultural Microbiology Draws Chinese Researchers to Argentina](#)

BUENOS AIRES, April 29 (Xinhua) -- Microbiology applied to agricultural products is connecting China with Argentina, two emerging markets with complementary economies and strategic partners looking to increase bilateral exchanges.

Among the many links between Beijing and Buenos Aires, Argentine firm Rizobacter stands out. The company, which uses microbiology to boost soy output while cutting production costs, has been in business for 38 years and reports an annual turnover of 100 million U.S. dollars, 20 percent from exports.

In December, a delegation of the Academy of Sciences from China's Heilongjiang province visited the firm in Pergamino, a city located 180 km northeast of the capital Buenos Aires.

The delegation came to explore the possibility of signing an agreement for joint research and development of microbiological technologies, to improve Chinese soil and output.

"We are here to visit and get to know the Rizobacter plant," said Wang Gang, vice president of the academy.

"We are very interested in getting to know the technology being developed by this company and all of the efforts on the production of soybean, mainly related to soybeans and rhizobia," Wang added.

The Argentine company "sends products to countries like Brazil, Uruguay, Paraguay, Bolivia, the U.S., Canada, Germany, Turkey, Ukraine, Russia and China, and has 400 employees. It is a very

technological and professional company," Rizobacter CEO Ricardo Yapur said in an interview with Xinhua.

Rizobacter produces microbial, or soil, inoculants that are used to boost soybean production. The inoculants are applied to the seeds so when they germinate, and they can better absorb the highly nutrient nitrogen in the air.

The method is not only highly sustainable, because unlike chemical fertilizers, it doesn't pollute the air, water or soil, and it's also cost effective, said Yapur.

The microbe costs between 5 dollars and 10 dollars per hectare, in contrast to urea fertilizer, which needs high pressure and temperatures to function, requiring burning petroleum, and costs 150 dollars per hectare, said Yapur.

"This technology has been fully adopted in Argentina, where 90 percent of producers use inoculants, because the technology and the data shows it binds enough nitrogen to produce good results," he said, adding "it increases output by about 150 kg of soy."

At its plant, the company has the ability to carry out tests, quality control, and strain selection, and to experiment with different factors, such as temperature and light. Enditem