

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

August 8, 2016

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Export Sales Highlights

This summary is based on reports from exporters for the period July 22-28, 2016.

Soybeans: Net sales of 542,200 MT for 2015/2016 were up noticeably from the previous week and 77 percent from the prior 4-week average. Increases were reported for China (335,500 MT, including 196,000 MT switched from unknown destinations and decreases of 2,000 MT), Germany (99,500 MT), the Netherlands (75,700 MT, including 66,000 MT switched from unknown destinations), Canada (72,700 MT), and Bangladesh (56,000 MT). Reductions were reported for unknown destinations (195,500 MT), Thailand (17,500 MT), and Japan (15,000 MT). For 2016/2017, net sales of 1,128,200 MT were reported primarily for unknown destinations (727,900 MT), China (322,000 MT), Japan (29,400 MT), Mexico (21,900 MT), and Taiwan (11,000 MT). Exports of 718,800 MT were up 16 percent from the previous week and 81 percent from the prior 4-week average. The primary destinations were China (211,100 MT), Germany (99,500 MT), the Netherlands (75,700 MT), Pakistan (66,000 MT), and Mexico (46,300 MT).

Optional Origin Sales: For 2015/2016, the current optional origin outstanding sales balance is 423,000 MT, all China. For 2016/2017, the current outstanding balance is 63,000 MT, all China.

Exports for Own Account: The current exports for own account outstanding balance totals 500 MT, all Canada.

Export Adjustments: Accumulated exports to the Netherlands were adjusted down 76,998 MT for week ending July 21st and 22,547 MT for week ending July 14th. The correct destination is Germany and is included in this week's report.

Soybean Cake and Meal: Net sales of 75,400 MT for 2015/2016 were down 5 percent from the previous week and 32 percent from the prior 4-week average. Increases were reported for Venezuela (20,000 MT, switched from unknown destinations), Colombia (15,300 MT), Panama (14,700 MT, including 9,500 MT switched unknown destinations and decreases of 800 MT), Peru (14,000 MT), and Chile (8,000 MT). Reductions were reported for unknown destinations (30,800 MT). For 2016/2017, net sales of 140,500 MT were reported primarily for unknown destinations (69,700 MT), the Philippines (40,000 MT), and Mexico (26,000 MT). Exports of 205,800 MT were down 10 percent from the previous week, but up 6 percent from the prior 4-week average. The primary destinations were Mexico (55,000 MT), Venezuela (50,000 MT), the Philippines (47,800 MT), Panama (16,200 MT), and Canada (9,900 MT).

Optional Origin Sales: For 2015/2016, the current optional origin outstanding sales balance is 36,000 MT, all unknown destinations.

Soybean Oil: Net sales of 17,500 MT for 2015/2016 were up noticeably from the previous week, but down 22 percent from the prior 4-week average. Increases were reported for South Korea (22,000 MT, including 20,000 MT switched from unknown destinations), Mexico (10,000 MT), Senegal (4,000 MT), and Jamaica (3,500 MT). Reductions were reported for unknown destinations (20,000 MT), Guatemala (2,600 MT), and Algeria (300 MT). For 2016/2017, net sales of 19,000 MT were reported for unknown destinations (10,000 MT), the Dominican Republic (6,500 MT), and Mexico (2,500 MT). Exports of 42,800 MT were up noticeably from the previous week and 68 percent from the prior 4-week average. The primary destinations were South Korea (22,000 MT), Mexico (7,800 MT), Cuba (7,600 MT), and Jamaica (3,000 MT).

[Tax Meat Until It's Too Expensive to Eat, New UN Report Suggests](#) [Ice Age Now](#) | August 2, 2016

Meat should be taxed at the wholesale level to raise the price and deter consumption, says a new report from the UN's International Research Panel (IRP). This will (supposedly) save the environment and prevent global warming.

"I think it is extremely urgent," said Professor Maarten Hajer of Utrecht University in the Netherlands, lead author of the report. "All of the harmful effects on the environment and on health needs to be priced into food products."

Hajer and other members of the IRP assert that livestock creates 14.5 percent of the greenhouse gas emissions that contribute to climate change.

Sneak the tax up on people

Rather than taxing the meat at the retail level (in supermarkets and shops), Hajer recommended taxing it at the wholesale level. "We think it's better to price meats earlier in the chain, it's easier," said Hajer.

"The evidence is accumulating that meat, particularly red meat, is just a disaster for the environment," agrees Rachel Premack, a columnist for *The Washington Post's* Wongblog.

"Agriculture today accounts for for one-third of global greenhouse gas emissions that promote global warming," says Premack, "and half of those agriculture emissions come from livestock."

"Agriculture consumes 80 percent of water in the US – most of that being for meat, says Premack. "... For a kilogram of red meat, you need considerably more water than for plant products."

"Meanwhile, Denmark is considering a recommendation from its ethics council that all red meats should be taxed," Premack continues. "The council argued in May that Danes were "ethically obliged" to reduce their consumption to curb greenhouse gas emissions."

[The IRP report, which was released in May](#), "deserves serious consideration in the United States," said Premack.

[Linn & Associates Projects U.S. 2016 Corn Crop at 14.775 Billion Bushels](#)

CHICAGO, Aug 3 (Reuters) - Commodity brokerage Linn & Associates on Wednesday projected U.S. 2016 corn production at 14.775 billion bushels, a record high if realized, with an average yield of 171.4 bushels per acre.

The firm forecast this year's U.S. soybean harvest at 4.073 billion bushels, also a potential record, with an average yield of 48.6 bushels per acre.

Linn & Associates said it adopted the U.S. Department of Agriculture's U.S. corn acreage estimates but used a higher figure than USDA's for harvested soybean area.

[INTL FCStone Sees U.S. 2016 Corn crop at 15.146 Billion Bushels, Soy at 4.054 Billion Bushels](#)

CHICAGO, Aug 1 (Reuters) - Commodity brokerage INTL FCStone [INTL.O](#) on Monday projected U.S. 2016 corn production at 15.146 billion bushels, a record high if realized, with an average yield of 175.0 bushels per acre.

The company forecast this year's U.S. soybean harvest at 4.054 billion bushels, also a potential record, with an average yield of 48.8 bpa.

The estimates, based on customer surveys and other factors, are what the company predicts will be final production, not what they expect the U.S. Department of Agriculture to say in a monthly supply and demand report due next week.

The USDA in July estimated the U.S. corn crop at 14.540 billion bushels, with a yield of 168.0 bpa, and the soybean harvest at 3.880 billion bushels and a yield of 46.7 bpa.

[Brazil Grain Exports to Fall by Half in August](#)

By Gustavo Bonato

SAO PAULO, Aug 1 (Reuters) - Brazilian soybean, meal and corn exports are expected to fall to half the level seen last year in August, according to shipping line-ups at the ports, as merchants focus on selling corn on the local market and soy loses its competitive edge abroad.

August exports of soy, meal and corn from Brazilian ports in August are forecast at 4.87 million tonnes, down sharply from the 9.37 million tonnes shipped in the same month of 2015, according to Williams data compiled by Reuters.

Soybeans and corn account for the bulk of the export volume. At this time of year, corn exports are normally in ascendance with the soy crop long finished. But losses in the winter corn areas due to irregular rains in the center-west took the wind out of exports of the grain.

"It's very likely that Brazil won't get close to the level the government crop supply agency Conab projected" in corn exports, grains analyst Andrea de Sousa Cordeiro at brokerage house Labhoro said.

Conab forecast exports of 22 million tonnes, still well down from the record 30.2 million tonnes exported in the previous year. Brazil exported 7.6 million tonnes of corn from January through June, according to private-sector data.

But prices on the domestic market, which have been stubbornly at more than twice levels seen last year at this time, have many trading companies redirecting cargoes once destined for export to local pork and poultry industries.

Cordeiro said part of what had been sold by grain merchants for export out of Brazil was now being supplied to buyers in Asia from other origins such as the United States.

Analyst Luciano Marques at brokerage Gama said corn shipped from Santos in August or September is quoted at 35 to 36 reais (\$10.70-\$11.00) a 60-kg bag, while corn was still changing hands in local exchanges at 42 to 45 reais a bag on the spot market.

"Several multinational merchants were shifting their export positions and selling corn on the internal market," Marques said.

The weakening of the dollar against the real by 20 percent since the start of 2016, combined with September Chicago corn futures' losing 25 percent since mid-June, has made exports of corn from Brazil far less appealing.

Soy exports in August are also expected to fall from a year ago by 47 percent, according to shipping data. Last year, the country harvested and exported a record amount of soy.

International prices for soybeans have also suffered considerable pressure from expectations of a bumper harvest in the United States.

"Some tradings have cut back their export program," one export manager at an international grains merchant said, adding that "producers were not inclined to sell at current prices."

Record shipments of soybeans in March, April and May also helped take pressure off the port movement later in the year, and drought trimmed back the harvest, though less so than corn.

But most important, Brazilian soy was losing its price edge on the international market due to the weakening of the dollar.

[U.S. June Soybean Crush Falls to 4.624 Million Tons - USDA](#)

CHICAGO, Aug 1 (Reuters) - The U.S. Department of Agriculture said on Monday that U.S. processors crushed 4.624 million tons of soybeans during June, down from 4.826 million tons during May.

Analysts, on average, had been expecting the June crush to come in at 4.626 million tons. A year ago, the crush totaled 4.549 million tons.

The USDA also reported that soymeal stocks at the end of the month stood at 281,038 tons, down from 343,411 tons in May. Crude soyoil stocks totaled 2.049 billion pounds at the end of June. Refined soyoil stocks came in at 381.4 million pounds.

[Brazil Working to Allow Import of U.S. GMO Corn](#)

SAO PAULO, Aug 2 (Reuters) - Brazil's government is working to adjust its regulations regarding imports of genetically-modified organisms (GMO) in order to allow entry of more transgenic varieties from the United States, the Agriculture Ministry said on Tuesday.

The imported GMO corn would be restricted to use in animal feed, the ministry said.

[United States: Producer Sentiment Jumps Despite Decline in Crop Prices](#)

04-Aug-2016

Agricultural producers are feeling more optimistic about the health of the agricultural economy despite declines in key commodity markets in June and early July, according to the latest survey results from the Purdue/CME Group Ag Economy Barometer.

The July Producer Sentiment Index jumped to 112, an eight-point increase over June's 104 reading. The index is based on a monthly survey of 400 U.S. agricultural producers. It includes measures of sentiment surrounding both current conditions and future expectations.

The increase comes on the heels of falling crop prices and was primarily driven by optimism about the future, said Jim Mintert, the barometer's principal investigator and director of Purdue's Center for Commercial Agriculture.

"The improvement in producer sentiment occurred despite the fact that grain and oilseed prices declined sharply in late June and early July," said Mintert, who also is a professor of agricultural economics.

The Index of Future Expectations increased to 121 in July, which is well above June's 107 and is the highest reading of the index since data collection began in the fall of 2015.

But while producers were optimistic about future conditions in the agricultural sector, their feelings about current conditions declined. The July Index of Current Conditions came in at 93, a five-point drop since June.

"Although the uptick in crop prices this spring was short-lived and prices retreated in late-June and July, it appears that the price rally boosted producers' expectations about future economic conditions," Mintert said. "In other words, the spring rally didn't substantially improve producers' perspectives regarding near-term economic conditions, but it did affect how they viewed the future."

On the July survey, producers were asked about their expectations for commodity prices. Twenty-three percent of respondents said they expected higher corn prices a year from now, 20 percent said soybean prices would be higher, and 25 percent said they thought wheat prices would be higher.

In addition to their optimism about grain prices, 23 percent of producers also indicated they expect higher farmland values in a year. That's the highest percentage recorded since data collection began.

[Bunge to Acquire Two Oilseed Facilities from Cargill](#)

by Holly Demaree

world-grain.com |

MINNEAPOLIS, MINNESOTA, U.S. — Cargill and Bunge Limited announced on Aug. 5 their intention to enter into an agreement under which Bunge will acquire from Cargill two oilseed processing plants and businesses in The Netherlands and France.

In The Netherlands, the transaction includes Cargill's soybean and rapeseed crush and soybean oil refining facility in the Port of Amsterdam as well as part of the bulk port terminal assets dedicated to supporting discharge and storage of raw materials for the crush plant.

In France, Bunge will acquire Cargill's soybean and rapeseed crush facility located in the Port of Brest. The aggregate annual processing capacity at the two locations is approximately two million tonnes. Employees associated with the business (120 in The Netherlands and 51 in France) will transfer to Bunge.

Bunge said the assets are complementary to its existing soy processing operations in Europe, and will allow the company to further expand its global oilseed processing footprint into key Northern European destinations, grow its presence in Europe's protein market, and further optimize global flows and logistics to serve customers. Industrial operations and business activities will be integrated within Bunge's Europe, Middle East and Africa (EMEA) regional operations and global soy crush platform, the company said.

Cargill said it will retain its two other soybean processing facilities in Western Europe, in the ports of Barcelona in Spain and Liverpool in the U.K. The company has a network of plants processing and refining other oilseeds and tropical oils across Europe and it continues to focus on serving its customers and growing its longer term business in this region.

The deal with Cargill is the latest in a series of transactions for Bunge, which has been partnering with companies across the world as it seeks to grow its business. In June, Bunge announced a joint venture with Wilmar, a [crush operation](#) in Vietnam, to further expand into Asia.

In July, Bunge announced a [joint venture](#) expansion with Amaggi in São Paulo, Brazil, to operate on the route known as the Northern Corridor via the Tapajós waterway. Also in Brazil, Bunge acquired [Moinho Pacifico](#), a Brazilian wheat flour miller, in August 2015.

The transaction is subject to customary closing conditions, including competition clearance and employee consultation.

[Exporters Sell U.S. Soybeans to China - USDA](#)

The U.S. Department of Agriculture confirmed the following recent sales of grains and oilseeds for exports through its daily reporting system:

Date reported	Value (tonnes)	Commodity	Destination reported previously unknown	Year previously reported	Volume
5-Aug.	498,000	Soybeans	China	2016/17	
4-Aug.	252,000	Soybeans	China	2016/17	
4-Aug.	129,000	Corn	Unknown	2016/17	
3-Aug.	290,000	Corn	Unknown	2016/17	
3-Aug.	66,000	Soybeans	Unknown	2015/16	
3-Aug.	190,200	Soybeans	Unknown	2016/17	
3-Aug.	441,000	Soybeans	China	2016/17	
2-Aug.	252,000	Soybeans	China	2016/17	
1-Aug.	391,000	Soybeans	Unknown	2016/17	
29-July	66,000	Soybeans	Unknown	2015/16	
29-July	63,000	Soybeans	Unknown	2016/17	
28-July	66,000	Soybeans	China	2015/16	
28-July	63,000	Soybeans	China	2016/17	
28-July	65,000	Soybeans	Unknown	2015/16	
28-July	263,000	Soybeans	Unknown	2016/17	
27-July	65,000	Soybeans	China	2015/16	
27-July	66,000	Soybeans	China	2016/17	
27-July	74,064	Corn	Unknown	2015/16	
27-July	173,848	Corn	Unknown	2016/17	
15-July	320,000	Soybeans	Unknown	2016/17	
8-July	35,000	Soybean oil	China	2015/16	
7-July	120,000	Soybeans	China	2016/17	
7-July	15,240	Corn	Mexico	2015/16	
7-July	91,440	Corn	Mexico	2016/17	

7-July	30,480	Corn	Mexico	2017/18
1-July	40,000	Soybean oil	China	2016/17