

# WEEKLY NEWS ARTICLE UPDATE



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## Export Sales Highlights

This summary is based on reports from exporters for the period October 7-13, 2016.

**Soybeans:** Net sales of 2,008,500 MT for 2016/2017 were up 42 percent from the previous week and 30 percent from the prior 4-week average. Increases were reported for China (2,118,300 MT, including 867,000 MT switched from unknown destinations and decreases of 19,200 MT), the Netherlands (184,100 MT, including 171,500 MT switched from unknown destinations), Spain (115,300 MT, including 125,000 MT switched from unknown destinations and decreases of 9,700 MT), Mexico (82,200 MT), and Japan (57,900 MT, including 36,000 MT switched from unknown destinations and decreases of 1,000 MT). For 2017/2018, net sales of 300 MT reported for Japan. Exports of 2,671,400 MT--a marketing-year high--were up 71 percent from the previous week and up noticeably from the prior 4-week average. The primary destinations were China (2,100,500 MT), the Netherlands (184,100 MT), Mexico (134,600 MT), Spain (115,300 MT), and Japan (38,300 MT).

*Optional Origin Sales:* For 2016/2017, new optional origin sales of 55,000 MT were reported for China. The current outstanding balance totals 295,000 MT, all China.

*Exports for Own Account:* New exports for own account totaling 25,900 MT were reported to Canada. The current exports for own account outstanding balance totals 26,400 MT, all Canada.

**Soybean Cake and Meal:** Net sales of 398,000 metric tons were reported for 2016/2017. The primary destinations were unknown destinations (140,800 MT), the Philippines (76,500 MT), Mexico (69,000 MT), Saudi Arabia (35,000 MT), Peru (20,000 MT), and Canada (15,500

MT). Reductions were for Guatemala (900 MT) and South Korea (400 MT). Exports of 96,300 MT were reported to Mexico (37,100 MT), Guatemala (13,900 MT), the Dominican Republic (12,000 MT), Canada (10,000 MT), Honduras (7,100 MT), Nicaragua (4,300 MT), and Venezuela (3,200 MT).

**Soybean Oil:** Net sales of 300 metric tons were reported for 2016/2017. Increases reported for Mexico (3,300 MT), Canada (800 MT), the Dominican Republic (300 MT), and Trinidad (100 MT), were partially offset by reductions for Guatemala (4,300 MT). Exports of 45,700 MT were reported to China (40,000 MT), Mexico (4,700 MT), and Canada (900 MT).

### [Informa Sees U.S. Farmers Planting More Soy, Less Corn in 2017](#)

CHICAGO, Oct 20 (Reuters) - Private analytics firm Informa Economics projected a 5.7 percent increase in U.S. soybean plantings for 2017 and a 3.7 percent decline in corn plantings, trade sources said on Thursday.

Informa forecast 2017 soybean plantings at 88.487 million acres, an all-time high if realized. The firm projected U.S. corn plantings at 90.971 million acres.

U.S. farmers planted 94.5 million acres of corn and a record 83.7 million acres of soybeans in 2016, according to the U.S. Department of Agriculture.

Informa projected the 2017 corn harvest at 14.242 billion bushels, based on an average yield of 170.4 bushels per acre. For soybeans, the firm projected 2017 production at 4.150 billion bushels, based on a yield of 47.2 bushels per acre.

Informa estimated U.S. winter wheat plantings for 2017 harvest at 35.421 million acres and total U.S. 2017 wheat seedings at 48.925 million acres, the fewest since 1970, if realized.

### [US Soy Growers, Poultry Producers Seek Larger Role in Cuban Market](#)

[FeedNavigator.com](#) | 20-Oct-2016 Last updated on 20-Oct-2016 at 10:52 GMT

Members of the USA Poultry and Egg Export Council, National Chicken Council, National Turkey Federation, American Egg Board along with Iowa and Illinois Soybean Associations were involved with the fact-finding mission to Cuba earlier this autumn.

The participants wanted more information about topics including bio-security, food safety and nutrition.

The organizations have been seeking to recapture market space for several products, including soybeans and soybean meal and their efforts build off of work the association has been doing to alter regulations concerning Cuba, said Mike Levin, director of issues management analysis with the Illinois Soybean Association.

*"We will continue to engage on these issues and to open up the door and educate ourselves and others on this wonderful, wonderful market that is 90 miles away from us," he told us. "It's wonderful to be working on these issues, and working for betterment of everything concerning Cuba."*

Soybean producers consider it to be an important market, he said. *"We're talking from whole soybeans to soybean oil and soybean meal to feed their livestock and things of that nature – from our side that's what we're looking at continuing to export,"* he added.

### **Check-off fund use**

The trip marked the first time such outreach was funded through soybean checkoff funds.

*“The reason that it is historical, is it’s the first,”* said Levin. He said the soybean associations have been *“working with the administration and working with the USDA [US Department of Agriculture] on the issues of being able to allow for the use of checkoff dollars in Cuba.”*

The funds collected are intended to be used for market promotion, said Levin.

*“These checkoff funds are not treasury funds, but are dollars raised on direct assessment on our farmers so those that have paid into the checkoff for the oversight of the program should be allowed to use [them],”* he said. *“Including for the market promotion of market commodities in Cuba.”*

In total, 22 trade missions will be permitted to use checkoff funds to conduct agricultural research and exchange information with Cuba, the group reported.

### **Market research details**

The US has lost soybean and meal market share in Cuba to other countries, said Levin. *“In 2006 we had more than 75% of the soybean market – and now Brazil does,”* he added.

*“Coming from an Illinois perspective, we’d like to get back to some of the trade numbers that we had back in 2006-2008,”* he said. *“We’ve seen a sharp decline of exports into Cuba, and we’d love to see those numbers back where they were.”*

Another goal of the trade visit was to develop relationships with consumers and businesses in Cuba, he said. It also offered more information on elements of market for agricultural products.

*“It provided for information exchange, which is vitally important between representatives in the US and the Cuban poultry and egg and soybean industries, to assess Cuba’s food distribution system and further develop an understanding for a range of food safety and bio-security and nutritional issues that may drive future development,”* he said.

The mission also enabled discussions regarding country goals and agricultural industry needs, said Levin. *“We were able to be meet with the [Cuban] ministry of agriculture and really gain a good insight and information on the agricultural perspective and where the [Cuban] market is going,”* he added.

On a wider scale, the group also has been working on addressing the regulatory issues that surround trade with Cuba, including removing the trade embargo and ability for US feed crop producers, and others, to extend credit to Cuba, he said. *“We have been doing a tremendous amount of work working with membership dollars to really work on the regulatory issues that surround Cuba and the relationship that we have,”* he added.

*“We must have cash in advance for us to export things to Cuba, and they have to work with third party banks to offer cash in advance and it becomes tedious for Cuba,”* said Levin. *“Other countries do not have those restrictions.”*

Along with arranging additional trips to Cuba, the association is planning to continue efforts to address barriers to agricultural trade with Cuba, he said. There also may be the opportunity for educational outreach if it is of interest to producers in Cuba.

### **Vietnam to Suspend Distillers' Grain Imports from U.S.: Government**

By Nguyen Dieu Tu Uyen

(Bloomberg) -- Vietnam will halt imports of distillers' dried grains with solubles from the U.S this year, according to a posting on govt website, which cited Oct. 17 directive signed by deputy agriculture minister Le Quoc Doanh.

Vietnam decides to suspend imports due to contamination with the ballion variety of beetle

Directive will take effect 60 days after signing date

Vietnam authorities will tighten inspection activities of all U.S. DDGS cargoes ahead of suspension date

### **Soybean Yield Trials Confirm Huge U.S. Soybean Yields.**

USDA is forecasting a record U.S. soybean yield this year of 54 bushels per acre (3.63 MT/hectare). However, there is a lot of evidence the average yield may be even higher. Anecdotal reports from many individual farmers indicate they are not only seeing higher yields, but record yields by several bushels. In some cases the averages are far beyond what anyone could reasonably expect based on past year's yields.

Possible the best way to assess the average yields are the result of varietal trials carried out across the Midwest by Farmers' Independent Research of Seed Technologies (FIRST) an independent association of farmers and businesses. The group has carried out yield trials since 1997 and includes scores of varieties from several seed companies. Only a minority of the soybean field trials have been completed thus far. However, the results reported thus far certainly indicate yields are substantially higher as shown in the table below.

**FIRST Soybean Yield Trial Average Yield Results in 2015 and 2016 at Selected Locations  
Bushels/Acre**

<b>State</b>	<b>Region</b>	<b>Location</b>	<b>2015</b>	<b>2016</b>	<b>Difference</b>
Illinois	North	Milledgeville	76.8	85.1	8.3
		Malta	67.4	74.8	7.4
	South Central	Forsyth	61.5	63.9	2.4
Iowa	North	Algona	65.2	78.1	12.9
		Emmetsburg	61.4	72.9	11.5
	North Central	Moorland	54.9	70.9	16.0
		Northwest	Galva	62.1	71.7
Minnesota	South Central	Slater	64.6	63.2	-1.4
		Clinton	54.9	63.6	8.7
	South	Tracy	63.6	75.8	12.2
		Easton	69.1	74.4	5.3

North Dakota	Southeast	Gwinner	42.9	53.8	10.9
	East Central	Fessenden	32.0	51.3	19.3
South Dakota	Northeast	Arlington	54.4	62.7	8.3
		Bath	57.5	58.1	0.6

**Source:** Farmers' Independent Research of Seed Technologies

While the data in the above table may not be representative of what farmers across the Midwest are experiencing this year they do suggest that yields clearly are better this year. The average yield this year in the sites listed above are 8.8 bushels/acre greater than last year. That is significant considering last year's U.S. average yield was a record high.

### [China to Cut Corn Area, Raise Soybean Planting in Five-Year Plan - State Council](#)

BEIJING, Oct 20 (Reuters) - China will reduce the area planted with corn and lift soybean acreage in the next five years, said the country's cabinet on Thursday, reiterating goals outlined earlier this year to adjust the nation's crop structure to better meet demand.

China has encouraged farmers to expand corn planting and abandon soybeans in recent years by paying them inflated prices for corn. The policy, abandoned earlier this year, has left China with huge reserves of corn.

The government is now attempting to reverse that trend while also seeking ways to use up its huge stocks of grain.

The corn acreage is set to fall by 0.7 percent each year over the next five years, to reach 500 million mu (33.3 million hectares) by 2020, showed the five-year plan.

Soybean area will rise to 140 million mu by 2020, up from 98 million mu in 2015.

The government also wants to promote "deep processing" of agricultural products such as corn and accelerate consumption of the grain, cotton and oil stockpiles, it said.

It did not give details on how such goals would be achieved but the market is expecting further stockpile sales and government subsidies for processing.

Meat output is also set to grow slightly, with promotion of large-scale farming of pigs and beef cattle, while dairy production should jump from 38.7 million tonnes to 41 million tonnes by 2020.

### [Dealings for Brazil's New Soy Crop Slow as Farmers, Trade Cautious](#)

SAO PAULO, Oct 19 (Reuters) - Commercialization of Brazil's new soybean crop has been slow and should continue to be so at least until January, as lower prices keep producers away from the market, Algar Agro trading company head Murilo Braz Sant'Anna said on Wednesday.

The recent strengthening of the Brazilian real against the U.S. dollar is also making farmers reluctant to sell their crops in the forward markets, while trading companies are looking to preserve their margins after strong competition this year hurt profitability, he said.

"The sense of responsibility within the companies indicates we are not going to see the blood bath next year that we saw this year," said Sant'Anna, referring to fierce competition for the oilseed among commodities traders.

"New entrants paid any price aiming to make volume and position themselves in the market. In the end we saw very negative results," he said.

Brazil's real was trading on Wednesday at around 3.17 to the dollar, compared with 3.89 at this time last year.

Soy prices in Parana state, according to the Cepea/Esalq index, fell to 74 reais per bag (60 kg) on Tuesday from 79 reais per bag (60 kg) a year ago.

Soy forward sales are lagging last year's levels.

According to França Júnior consultancy, 24 percent of the new crop had been sold by early October compared with 40 percent last year at this time.

Sant'Anna said the real's strong depreciation last year boosted early sales, which is unlikely to happen now.

"Producers sold a lot when the currency went down to as much as 4 reais per dollar," he said.

Brazil's soy production is expected to grow 5 percent to 101.3 million tonnes in 2016/17 compared with the previous harvest year, according to soy industry group Abiove. It estimates total exports of 57 million tonnes in 2017 compared with 52.5 million tonnes this year.

#### [Dealings for Brazil's new soy crop slow as farmers, trade cautious](#)

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### [USDA Says Working to Increase Farmer Participation in Crop Surveys](#)

By Julie Ingwersen and Michael Hirtzer

CHICAGO, Oct 18 (Reuters) - The U.S. Department of Agriculture (USDA) wants to get more farmers to complete its surveys after responses fell to a record low of 66.5 percent in a Sept. 30 grain stocks report, agency officials said on Tuesday.

The government is concerned about dwindling response rates in part because crop yield data at the county level is one factor used to calculate compensation payments to farmers under the 2014 Farm Bill.

"Certainly it is something that we are aware of, we are paying attention to, and that we are spending some time trying to make sure we can get that boosted back up," Lance Honig, crops branch chief of the USDA's National Agricultural Statistics Service, said at an annual USDA meeting in Chicago.

The USDA surveys tens of thousands of U.S. farmers. Their responses about planted and harvested acres, yield and on-farm stocks help determine production estimates for dozens of crops including corn and soybeans.

Of the 66,000 farmers surveyed for the Sept. 30 report, only 66.5 percent responded, the lowest on record and down from rates of more than 79 percent seen over the past decade, USDA chief economist Robert Johansson said in a radio interview last month.

Survey responses improved slightly to 71.3 percent for an Oct. 12 crop production report, which was up from 69.9 percent from the same report released in October 2015, a USDA spokeswoman said on Tuesday.

Honig said the USDA had formed an internal committee to improve response rates, and was also working with farmer groups such as the National Corn Growers Association to encourage farmers to respond to the surveys.

Some analysts speculated that farmers were reluctant to report huge crop yields that could potentially depress prices. Chicago Board of Trade soybean futures fell last week after the USDA projected a record-large U.S. soybean yield.

"It's a lot worse in a year when they (farmers) think it's going to hurt them," said Alan Brugler, president of Brugler Marketing.

### **Scientists Accidentally Discovered How to Convert CO<sub>2</sub> Into Useful Ethanol**

[iTech Post](#) |

The rising level of carbon dioxide present in our atmosphere have been a long problem among environmental experts. Numerous research and initiatives have been conducted to lessen the greenhouse gas but the problem still persists.

Now, a new research has discovered a way of turning CO<sub>2</sub> into useful ethanol. Those involved in the breakthrough admitted that it was only through the stroke of luck that they managed to achieve the result.

#### Scientists Transformed CO<sub>2</sub> to Ethanol With Relative Ease

"We discovered somewhat by accident that this material worked," said Adam Rondinone, lead author of the team's study and scientists at the Oak Ridge National Laboratory. "We were trying to study the first step of a proposed reaction when we realized that the catalyst was doing the entire reaction on its own."

The material mentioned was a catalyst made of copper nanoparticles embedded in spikes of carbon said [Phys](#). The team then used electricity adjusted to 1.2 volts and found that it was enough to alter CO<sub>2</sub> suspended in water into ethanol, which is typically used as biofuel additive to gasoline.

The complicated chemical reaction easily reversed the combustion process with an initial conversion rate of around 60 to 70 percent depending on the sample. The researchers were quite surprised at the result given that this type of electrochemical reaction typically creates different chemicals including methane, ethylene, and carbon monoxide.

"We're taking carbon dioxide, a waste product of combustion, and we're pushing that combustion reaction backward with very high selectivity to a useful fuel," said Rondinone. "Ethanol was a surprise - it's extremely difficult to go straight from carbon dioxide to ethanol with a single catalyst."

#### Researchers Poised To Up-Scale CO<sub>2</sub> Conversion to Commercial Heights

The relative ease in which the researchers reversed the combustion process, combined with how cheap their catalyst is, has the scientists believing that this research is clearly ready to be up-scale into commercial levels. It's also applicable in alternative energy storage systems where excess electricity produced by wind turbines or solar plants could readily be transformed into liquid fuel, according to New Atlas.

"A process like this would allow you to consume extra electricity when it's available to make and store as ethanol," said Rondinone. "This could help to balance a grid supplied by intermittent renewable sources."

Currently, the researchers are improving their methods with the goal of increasing ethanol production. They're also trying to better their understanding of the full mechanism of selective chemical production of the combined copper and carbon catalyst.