



The Soy Export Weekly Update

New-Crop Sales Point To Huge 2009-10 U.S. Soybean Exports

Recent Export Sales reports indicated that new-crop sales to China of 3.29 million tonnes now are even larger than in years when ceremonial purchases of U.S. soybeans by a Chinese delegation visiting the United States have accounted for a large share of early new-crop sales. Those ceremonial sales have not necessarily been a good predictor of China's actual imports of U.S. soybeans, but this year's steady buying is presumed to indicate that U.S. exports to China will be quite large in 2009-10. Total U.S. soybean export commitments for 2009-10 delivery also are record large at 6.17 million tonnes and include 2.29 million tonnes to unknown destinations, a portion of which likely is to China. USDA is forecasting 2009-10 soybean exports at 34.7 million tonnes, based on a lack of South American supplies that will leave the United States as the world's dominant supplier of soybeans this fall and winter.

Oil World Predicts Surge In U.S. Soybean Exports

U.S. soybean exports are likely to rise strongly in coming months largely because of low stocks in rival South American suppliers, Hamburg-based oilseeds analysts Oil World forecast this week. "U.S. exports of soybeans will increase very sharply from end-September 2009 onwards," it said. "This is due first of all to the shortfall in South America which will increasingly swing world import demand to U.S. origin." Unusually low soybean stocks in Argentina and Brazil following recent heavy export sales will cut the countries' soybean exports in July and August, it said. "It is possible that in October and November 2009, world import requirements of U.S. soybeans and products (will) exceed what the U.S. can physically export," says Oil World.

Soybean Growers Show Little Interest in Checkoff Referendum

Federal law requires USDA to poll soybean farmers every five years to determine whether they want the department to conduct a full-fledged referendum on the soybean checkoff program. Farmers evidently are satisfied with the program because only 759 of the nation's 589,180 soybean growers recently told USDA they thought a referendum would be a good thing. For the department to go ahead with a checkoff referendum, 10 percent of the eligible farmers would have had to petition for the action. Under the program, farmers pay one-half of 1 percent of the price per bushel they receive into the checkoff system. That money is then used for research, education and promotion of soybeans and soybean products.

United States And Canada Condemn Delays In EU GMO Approval Procedures

The United States and Canada both criticized the EU last week for continued delays in the approval and marketing of biotech products in Europe. The Bureau of National Affairs reports that despite reaching an agreement July 15 ending their WTO dispute over the EU delays, Canada told a meeting of the WTO's Dispute Settlement Body (DSB) that it "continues to be concerned" about EU member state restrictions on the cultivation and marketing of biotech products.

U.S. officials told the DSB meeting that the backlog of pending applications for approval of biotech products has grown from around 25 products in 2003 — when the United States initiated its own WTO dispute case against the EU restrictions — to approximately 50 today.



EPA Plans to Review Glyphosate Registration

EPA will review the registration of glyphosate, a widely used agricultural and residential herbicide, and invited public comment on the health and environmental issues it will address during the review process. Glyphosate is a broad-spectrum systemic herbicide used for residential and agriculture applications on plants including grasses, sedges, broad-leaved weeds, and woody plants. It is an active ingredient in products such as Pondmaster, Rodeo and Roundup. According to the Bureau of National Affairs, EPA periodically reviews pesticide registrations to ensure that each chemical can perform its intended function without unreasonable adverse effects on human health or the environment.

In a Federal Register notice, EPA said that glyphosate “is of low toxicity following oral, dermal and inhalation exposure,” and also is ranked as a Group E chemical, meaning that it exhibits “evidence of non-carcinogenicity for humans,” based on animal studies. However, the EPA human health document said that a new residential exposure risk assessment is needed “due to the registration of a new residential-use product” that is applied at a higher rate than previously assessed.

Congressional Panel Warns Of Possible Tightening Of Credit For Farm Sector

The agricultural sector is doing better than the rest of the economy but warned that farms might face tightening credit, according to a report by the Congressional Oversight Panel. Saying it did not get enough data to reach conclusions about commercial farm credit markets and the use of loan restructuring in lieu of foreclosure by financial institutions receiving government assistance, the panel report says “the stresses of the rest of the economy may be catching up to the farm sector,” with credit availability tightening and farm loan delinquencies and charge-offs rising. If the negative trends in the farm economy continue, one option would be to make modifications on farm loans mandatory for banks receiving Targeted Asset Relief Program (TARP) funds, the panel said. But commercial banks hold only 45.4 percent of overall farm debt, and TARP recipient banks hold only 27.5 percent of the commercial bank portion of total farm real estate bank loans and 10 percent of all farm debt. The panel called on Congress to create a farm-loan performance reporting requirement.

The Congressional Oversight Panel was created by Congress in October 2008 when it also provided the U.S. Treasury with the authority to spend \$700 million to stabilize the U.S. economy. The mission of the COP is to “review the current state of financial markets and the regulatory system,” and to hold hearings, review official data, and write reports on actions taken by Treasury and financial institutions and their effect on the economy.

Soy Complex Higher On Strong Exports And Chinese Reserve Soybean Auction Failure

The soy complex closed lower on July 23 reflecting strong export sales and news that China was not able to auction any reserve soybeans in the domestic market. Soybean and meal futures likely will remain volatile over the next couple of months as the market wrestles between a tight old-crop carryout and prospects for a large 2009 crop if the weather remains favorable. August bean futures were up \$1.84, finishing at \$376.07; September gained \$6.06, closing at \$353.29; and November was up \$8.82, ending at \$342.45. August meal increased \$2.20, closing at \$356.04; September was \$6.61 higher, finishing at \$331.79; and October meal closed up \$10.58, ending at \$316.69. August soyoil was \$3.31 higher, finishing at \$764.33; September was up \$3.09, closing at \$767.86; and October gained \$3.53, closing at \$771.83.



U.S. & South America Soybean/Products Balance

	United States			Argentina			Brazil		
	Actual	Estimate	Proj.	Actual	Estimate	Proj.	Actual	Estimate	Proj.
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Soybeans	<i>thousand tonnes</i>								
Carryin	15,617	5,580	3,531	1,876	4,460	325	3,110	4,818	2,210
Production	72,859	80,536	86,954	46,200	34,000	51,000	61,000	57,000	60,000
Imports	269	327	327	2,650	250	0	88	50	150
Crush	49,024	44,634	45,586	32,570	31,250	37,000	31,890	31,550	32,220
Exports	31,598	33,743	34,292	12,124	5,750	10,835	24,515	25,100	24,950
Other	2,543	4,535	4,672	1,572	1,385	1,650	2,975	3,008	3,075
Usage	83,165	82,912	84,550	46,266	38,385	49,485	59,380	59,658	60,245
Carryout	5,580	3,531	6,262	4,460	325	1,840	4,818	2,210	2,115
Soymeal	<i>thousand tonnes</i>								
Carryin	314	267	542	1,144	1,193	908	1,563	1,694	1,584
Production	38,322	35,528	36,137	25,480	24,438	28,934	24,880	24,490	24,970
Domestic use	30,078	27,578	27,941	634	650	684	12,250	12,525	12,875
Net Exports	8,291	7,675	8,196	24,797	24,073	27,858	12,499	12,075	11,790
Usage	38,369	35,253	36,137	25,431	24,723	28,542	24,749	24,600	24,665
Carryout	267	542	542	1,193	908	1,300	1,694	1,584	1,889
Soybean oil	<i>thousand tonnes</i>								
Carryin	1,399	1,126	1,226	310	363	400	341	505	375
Production	9,329	8,457	8,639	6,189	5,975	7,074	6,160	6,050	6,180
Domestic use	8,313	7,484	7,575	1,026	1,083	1,140	3,925	3,990	4,035
Net exports	1,289	873	1,209	5,110	4,855	5,950	2,071	2,190	2,130
Usage	9,602	8,357	8,784	6,136	5,938	7,090	5,996	6,180	6,165
Carryout	1,126	1,226	1,081	363	400	384	505	375	390

USDA Export Sales (tmt) - Week of 16 July 2009

Country	Commodity	New Sales	Accum. Exports	Country	Commodity	New Sales	Accum. Exports
Canada	Soybeans	5.6	281.4	Panama	Soymeal	3.9	120.3
China	Soybeans	157.6	17990.9	Philippines	Soymeal	8.9	401.3
Colombia	Soybeans	8.4	183.4	Salvador	Soymeal	7.0	101.5
Costa Rica	Soybeans	4.8	153.2	Malaysia	Soyoil	5.5	5.5
Indonesia	Soybeans	13.9	1187.4	Mexico	Soyoil	6.2	94.2
Japan	Soybeans	21.8	2129.6	Nicaragua	Soyoil	0.5	20.2
Mexico	Soybeans	115.3	2782.1	Taiwan	Soyoil	10.3	6.4
Taiwan	Soybeans	19.2	1372.8				
Canada	Soymeal	55	826	Export Sales Totals (tmt)			
Ireland	Soymeal	16.0	44.0	Commodity	Outstanding Sales	Accum. Exports	New Sales
Jamaica	Soymeal	1.8	84.1	Soybeans	2,983.9	31,799.7	319.9
Japan	Soymeal	9.4	1021.2	Soymeal	808.7	6,066.4	157.7
Mexico	Soymeal	42.3	1071.0	Soyoil	165.4	631.2	17.5
Nicaragua	Soymeal	2.2	47.2				



Thursday Spot and Futures Prices, 23 July 2009

<i>Item</i>	<i>Location</i>	<i>Aug</i>	<i>Sep</i>	<i>Nov</i>
Soybeans (\$/mt)	Central Ill./Chicago	376.07	353.29	342.45
	FOB Gulf (Basis)	401.79	379.01	382.87
	CIF Gulf Coast (Basis Chicago)	401.05	378.27	379.19
Board Crush Margin	\$/mt	25.16	30.80	31.29
		<i>Aug</i>	<i>Sep</i>	<i>Oct</i>
Soybean Meal 48%, HiPro (\$/mt)	Central Ill./Chicago	356.04	331.79	316.69
	FOB Gulf (Basis)	383.60	370.37	381.73
	West Coast (Basis)	443.12	423.28	426.92
Soybean Meal 44% (\$/mt)	Central Ill./Chicago	356.04	331.79	316.69
	FOB Gulf (Basis)	372.58	359.35	370.70
	West Coast (Basis)	432.10	412.26	415.90
Soybean Oil, Crude (\$/mt)	Central Ill./Chicago	764.33	767.86	771.83
	FOB Gulf (Basis)	753.31	756.84	760.81
		<i>Beans</i>	<i>Meal</i>	<i>Oil</i>
1 year ago prices	Chicago, \$/mt	508.90	412.04	1299.17

Weekly Statistics, Past Five Weeks (\$/mt)

	<i>18-Jun</i>	<i>25-Jun</i>	<i>2-Jul</i>	<i>9-Jul</i>	<i>16-Jul</i>
Nearby Soybean Futures (CBT)	445.97	439.54	424.02	384.89	358.61
Basis Central Illinois	451.12	474.36	458.92	456.54	422.92
Basis Gulf	473.90	470.68	472.89	417.96	395.36
Nearby Soybean Meal Futures (CBT)	446.87	437.94	453.27	382.50	340.61
Basis Decatur	470.68	504.08	485.01	426.59	363.76
Basis Gulf	494.27	485.34	498.46	437.61	379.19
Basis West Coast	521.83	512.90	537.04	477.30	427.69
Nearby Soybean Oil Futures (CBT)	814.60	805.56	779.11	721.57	745.15
Basis Decatur	770.51	761.47	723.99	644.40	667.99
Basis Gulf	814.60	805.56	779.11	710.54	734.13
BIFFEX Ocean Freight Rates					
US Gulf/Cont., grains basis	31.14	29.20	31.09	31.40	34.19
US Gulf/Japan, grains basis	51.97	49.52	52.38	52.97	57.56
PNW/Japan, grains basis	29.34	26.97	27.79	25.93	27.79
PNW/Japan Spread	22.63	22.55	24.59	27.04	29.77
US Corn, CBOT Nearby Futures	158.75	150.58	136.11	135.23	124.70
US Sorghum, Gulf Cash Price	155.75	147.60	130.40	129.85	133.05
Canadian Canola, Nearby Winnipeg	405.88	401.71	397.56	365.40	379.63



