



The Soy Export Weekly Update

Researchers Hope Lowfat Biotech Soybean Oil Finds a Market

After years of abuse in a marketplace that demands zero trans-fat oil, soybean growers and processors might have found a solution. The Associated Press reports that Pioneer Hi-Bred has engineered a soybean that will make oil with no trans-fats that could be used in fast-food kitchens and by snack makers. Researchers say the oil could start to develop a market by 2010, and could get a “full break” by 2018.

Usually, soybean oils need hydrogen injections to stay stable in high heat, such as in a fast food fryer. The injections add fat. But with the genetically-engineered soybean, researchers say they may have found a way to put soybean oil back in the fryer. That’s big news for the fast food kitchens, the growers and Iowa, the nation’s largest producer of soybeans.

USDA Announces New Marketing Assistance Loan Regulations

USDA last week said it will begin using an improved and more stable system for determining non-recourse marketing assistance loan repayment rates and loan deficiency payment rates for wheat, feed grains, pulse crops, oilseeds, wool, mohair and honey. “The new method will moderate fluctuations of the loan repayment rate,” said USDA Secretary Tom Vilsack. “This decision reduces the effects daily market volatilities have on loan repayment rates and provides more certainty for producers who have taken advantage of marketing assistance loans or loan deficiency payments.”

The 2008 Farm Bill provides Vilsack the authority to establish a loan repayment rate that may be determined as the lesser of the loan rate plus interest and a rate based on: 1) average market prices during the previous 30 days, or 2) an alternative method the secretary may develop.

Beginning April 15, 2009, for wheat, corn, grain sorghum, soybeans, barley, oats, canola, flaxseed and sunflower seed, USDA’s Commodity Credit Corporation (CCC) will determine and publish daily loan repayment rates based on the average market prices during the preceding 30 days. At the same time, CCC will begin announcing each day a repayment rate based on the preceding five days. The new method will replace the current one, which is based on the previous day’s market rates. The effective alternative repayment rate will be the lower of either the 30-day average or the 5-day average.

The 30-day method will reflect a 30-day moving average of all terminal market prices for the crop, adjusted by the difference between the applicable national loan rate and the county loan rate. The 5-day method will reflect a 5-day moving average of applicable terminal market prices adjusted by applicable county differential and terminal adjustments.

Vilsack said this new loan repayment method will minimize potential forfeitures, accumulation of CCC stocks, CCC storage costs, market impediments and discrepancies in benefits across state and county boundaries.

Currently, the loan repayment rate for a county is based on the daily posted county price for the commodity, and this rate is adjusted by any premiums and discounts made to a non-recourse marketing assistance loan at the time the loan was made.



Abiove: Soy Moratorium In Amazon Limits Plantings

The Brazilian Vegetable Oils Industry Association (Abiove) said last week that the amount of soy found in deforested areas of the Amazon Biome remains limited due to the soy moratorium. Soy was planted in around 1,396 hectares out of more than 150,000 hectares inspected in the Amazon Biome, Abiove said. The Amazon Biome covers an area of 419 million hectares, with 549 towns in nine states.

The inspections are part of the Brazilian soy moratorium in which major trading companies have agreed to not purchase beans from areas deforested after 2006. Although last year no soy was discovered, Abiove said that independent technical teams this year inspected a larger area. "I recognize its positive efforts and credit the significant reduction in deforestation to pacts such as the soy moratorium," Carlos Minc, Brazil's Environment Minister, said in a press release.

Paulo Adario, Greenpeace's Amazon campaign coordinator, said the findings show that those farmers who tried to cheat the moratorium will pay through loss of earnings and market access.

India Veg Oil Imports Increase Despite High Prices And large Stocks

India's imports of vegetable oil continue to rise in spite of higher international prices and a build up of stocks in the world's second largest buyer. India purchased 609,553 tonnes of edible oil and 31,588 tonnes of non-edible oil from the global market in March, it said. The total of 641,141 tonnes represents a 28 percent rise on the same month a year earlier. "It is surprising that import is rising month to month in spite of huge stocks at Indian ports and in pipe line, also ignoring price rise in the last three months in (the) international market," said BV Mehta, executive director of the Solvent Extractors Association of India.

This puts India's imports for the first five months 59 percent higher year-on-year at 3.592 million tonnes, compared with 2.264 million tonnes a year earlier. Edible oil purchases accounted for 3.434 million tonnes of this, a 77 percent rise from 1.934 million tonnes a year ago, whereas non-edible oil imports roughly halved to about 158,000 tonnes.

"It seems the domestic oil availability has reduced due to lesser kharif crop," said Mehta. "Also, the current rapeseed crop is not fully marketed as farmers are holding stock for better price and in the process import is rising to unprecedented level."

Soy Complex Mostly Up On Short Covering By Speculators And Fund Buying

The soy complex closed mostly higher on April 16 reflecting general short covering by speculators and fund buying. Outside markets remained mixed with traders indicating that strong export demand, dwindling old crop stocks of US soybeans and surging open interest in soybeans are the main impetus behind the ongoing rally. May bean futures were up \$8.60, finishing at \$388.89; July gained \$6.94, closing at \$385.95; and August was up \$4.74, ending at \$375.30. May meal increased \$13.34, closing at \$363.10; July was \$10.74 higher, finishing at \$355.60; and August meal closed up \$8.16, ending at \$342.04. May soyoil was \$4.41 lower, finishing at \$810.19; July was down \$4.41, closing at \$816.80; and August lost \$4.41, closing at \$820.55.



U.S. & South America Soybean/Products Balance

	United States			Argentina			Brazil		
	Actual	Estimate	Proj.	Actual	Estimate	Proj.	Actual	Estimate	Proj.
	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
Soybeans	<i>thousand tonnes</i>								
Carryin	12,229	15,617	5,580	334	1,876	4,160	2,252	3,110	4,464
Production	86,770	72,859	80,536	48,800	46,200	43,800	59,000	61,000	57,000
Imports	246	269	245	2,336	2,810	1,800	108	88	50
Crush	49,198	49,024	44,906	35,962	33,200	33,700	31,511	32,245	31,000
Exports	30,428	31,598	31,298	12,132	11,954	12,700	23,805	24,514	24,750
Other	4,002	2,543	4,447	1,500	1,572	1,600	2,934	2,975	3,025
Usage	83,628	83,165	80,651	49,594	46,726	48,000	58,250	59,734	58,775
Carryout	15,617	5,580	5,710	1,876	4,160	1,760	3,110	4,464	2,739
Soymeal	<i>thousand tonnes</i>								
Carryin	285	314	267	2,003	1,144	1,313	863	1,563	1,884
Production	39,058	38,322	35,372	27,856	26,060	26,355	24,420	25,000	24,025
Domestic use	31,184	30,078	27,896	619	634	660	11,520	12,180	12,391
Net Exports	7,845	8,291	7,471	28,096	25,257	26,058	12,200	12,499	11,995
Usage	39,029	38,369	35,367	28,715	25,891	26,718	23,720	24,679	24,386
Carryout	314	267	272	1,144	1,313	950	1,563	1,884	1,523
Soybean oil	<i>thousand tonnes</i>								
Carryin	1,365	1,399	1,126	487	310	475	300	341	535
Production	9,294	9,329	8,532	6,917	6,331	6,442	6,050	6,190	5,950
Domestic use	8,420	8,313	7,984	580	1,106	1,205	3,550	3,925	4,011
Net exports	840	1,289	657	6,514	5,060	5,445	2,459	2,071	2,150
Usage	9,260	9,602	8,641	7,094	6,166	6,650	6,009	5,996	6,161
Carryout	1,399	1,126	1,017	310	475	267	341	535	324

USDA Export Sales (tmt) - Week of 09 April 2009

Country	Commodity	New Sales	Accum. Exports	Country	Commodity	New Sales	Accum. Exports
Barbados	Soybeans	1.5	16.3	Honduras	Soymeal	7.3	69
Canada	Soybeans	6.9	128.9	Israel	Soymeal	3.5	48.2
China	Soybeans	405.7	1595.1	Japan	Soymeal	9.2	147.1
Colombia	Soybeans	12.1	107.5	Mexico	Soymeal	28.2	759
Costa Rica	Soybeans	16	97.7	Peru	Soymeal	10	71
Egypt	Soybeans	99.4	637.8	Philippines	Soymeal	5.9	260
Guatemala	Soybeans	8.6	3.4	Salvador	Soymeal	12.4	64
Indonesia	Soybeans	4.6	849.7	Turkey	Soymeal	14.2	121.1
Japan	Soybeans	0.7	1558.2	Venezuela	Soymeal	17.9	324.8
Malaysia	Soybeans	28.1	66.7	Vietnam	Soymeal	3.4	34.7
Mexico	Soybeans	22.4	1855.4	Canada	Soyoil	0.7	20.7
Syria	Soybeans	27.0	274.8	China	Soyoil	20	20.1
Taiwan	Soybeans	7.6	11243.0	Dom. Rep.	Soyoil	5	9.3
Thailand	Soybeans	2.8	155.5	India	Soyoil	30	0
Tunisia	Soybeans	2.0	41.9				
Turkey	Soybeans	19.0	333.5				
Vietnam	Soybeans	5.1	41.8				
Canada	Soymeal	3.9	553.6				
Cuba	Soymeal	20	115.1				
Dom. Rep.	Soymeal	25.4	168.8				
FW Ind	Soymeal	8.3	6.3				

Export Sales Totals (tmt)			
Commodity	Outstanding Sales	Accum. Exports	New Sales
Soybeans	4,072.8	26,265.0	808.3
Soymeal	1,116.7	3,959.4	167.2
Soyoil	219.2	310.8	14.7



Thursday Spot and Futures Prices, 16 April 2009

<i>Item</i>	<i>Location</i>	<i>May</i>	<i>July</i>	<i>Aug</i>
Soybeans (\$/mt)	Central Ill./Chicago	388.89	385.95	375.30
	FOB Gulf (Basis)	409.84	406.90	396.24
	CIF Gulf Coast (Basis Chicago)	408.37	406.90	396.24
Board Crush Margin	\$/mt	25.92	24.57	25.97
		<i>May</i>	<i>July</i>	<i>Aug</i>
Soybean Meal 48%, HiPro (\$/mt)	Central Ill./Chicago	363.10	355.60	342.04
	FOB Gulf (Basis)	398.37	390.88	383.93
	West Coast (Basis)	429.24	426.15	420.31
Soybean Meal 44% (\$/mt)	Central Ill./Chicago	363.10	355.60	342.04
	FOB Gulf (Basis)	387.35	379.85	372.91
	West Coast (Basis)	418.21	415.13	398.26
Soybean Oil, Crude (\$/mt)	Central Ill./Chicago	810.19	816.80	820.55
	FOB Gulf (Basis)	783.74	790.35	794.10
		<i>Beans</i>	<i>Meal</i>	<i>Oil</i>
1 year ago prices	Chicago, \$/mt	496.22	380.29	1341.06

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

	<i>12-Mar</i>	<i>19-Mar</i>	<i>26-Mar</i>	<i>2-Apr</i>	<i>9-Apr</i>
Nearby Soybean Futures (CBT)	324.08	345.57	346.86	358.98	370.01
Basis Central Illinois	331.42	351.27	354.94	364.86	374.78
Basis Gulf	346.86	369.09	369.64	379.19	390.95
Nearby Soybean Meal Futures (CBT)	304.79	326.61	320.55	327.82	343.04
Basis Decatur	319.12	338.74	328.26	335.54	348.55
Basis Gulf	342.26	362.99	359.13	360.89	378.31
Basis West Coast	374.23	396.06	384.48	391.76	409.17
Nearby Soybean Oil Futures (CBT)	668.66	703.05	740.75	773.81	780.87
Basis Decatur	559.53	603.84	660.28	696.65	692.69
Basis Gulf	633.38	669.98	718.70	747.36	754.41
BIFFEX Ocean Freight Rates					
US Gulf/Cont., grains basis	23.66	18.61	18.49	15.41	14.65
US Gulf/Japan, grains basis	43.21	34.72	35.00	31.92	32.47
PNW/Japan, grains basis	22.72	19.01	19.30	17.90	17.50
PNW/Japan Spread	20.49	15.71	15.70	14.02	14.97
US Corn, CBOT Nearby Futures	148.32	156.09	153.83	158.46	153.63
US Sorghum, Gulf Cash Price	155.64	160.16	157.85	162.48	155.64
Canadian Canola, Nearby Winnipeg	317.06	338.80	342.69	348.03	349.74



