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U.S. Team Engages Japan Market During Annual Soy Food Alliance Summit



Akemi Ito, Alex Stemme, Seth Naeve, LaVerne Brabant, Roy Bardole, Andy Welden, Mit Goblirsh, Miguel Escobar, and Masi Tateishi in Kyoto, Japan.

Japan Expresses Continued Interest In U.S. Soybeans

USSEC and several of its industry members participated in the 2nd US-Japan Soy Food Alliance Summit in Tokyo. The series of meetings provided a forum for U.S. and Japanese representatives to exchange information on market conditions, soybean variety development and the prosperity of the Japanese food soy market. USSEC members engaged during the meetings were Knewton Soy Products, Ceres Commodities, The DeLong Company, The Scoular Company, SunOpta and Shillinger Seed. During the discussions, the Japanese soy food industry expressed a commitment toward continuing to seek ways to work with U.S. soybean growers and exporters in sustaining market-appropriate soybean and soy product supplies. Specifically, Japan wants to continue a dialogue with the U. S. soybean industry through a regular series of individualized association meetings.

USSEC Chair Offers 'Farmer's Perspective' during Japan Conference

USSEC Chairman Roy Bardole provided a "Farmer's Perspective" presentation on U.S. non-GMO soybeans at the 2010 U.S. Food Soybean Conference, held during the Soy Food Alliance Summit in Japan. The conference seminars were held in Tokyo and Kyoto. Bardole's effort was followed by a presentation on the "U.S. non-GMO Soybean Pipeline" by Dr. Seth Naeve of the University of Minnesota. Bardole and Naeve were part of a U. S. Grower Team in Japan that also visited with the Japan Oilseed Processors' Association, Japan Federation of Miso Manufacturers Cooperative, Federation of Japan Natto Manufacturers Cooperatives, Japan Tofu Association, Asahi Foods Processing, Kyoto Yuba Plant and Fuji Oil soy protein operations in Osaka.

Taiwan Swine Producers Continue To Benefit From USSEC's Animal Utilization Training Seminars

USSEC conducted a series of technical exercises in Taiwan, including a three-day training program for veterinarians servicing the swine market, and two technical seminars for 600 swine producers. Teaming with the Swine Association of the Republic of China and the Animal Technology Institute of Taiwan, USSEC hosted Dr. Darin Madson, a veterinary pathologist at Iowa State University, as the major trainer for a systemic introduction of the newest swine diseases and medication suggestions for controlling these diseases. The two technical seminars were designed to spread new swine management technologies for improving productivity. Dr. Madson had provided on-site consultations on four major swine farms in central and southern Taiwan back in April. Meanwhile, USB Director Bill Wiley and USSEC staff visited Chang Y.C., chairman of China's Federation of Swine Cooperative (FSC) to review the results of the USSEC's Animal Utilization projects and to discuss maintaining USSEC's relationship with Taiwan's swine industry. FSC has long been a supporter of soy meals processed from imported U.S. soybeans. Last year, Taiwan imported 58 million bushels of U.S. soybeans. With a history of successfully assisting the local animal industry and maintaining relations, USSEC is now working with China's FSC to plan a two-day farm management training camp in August and a Poultry Disease Seminar with National Pingtung University of Science and Technology, also set for August.



USSEC continues to work with swine producers in Taiwan, a major importer of U.S. soybeans

Crushing Seminar in Turkey Brings Together Industry, Animal Utilization Experts

USSEC hosted a Regional Crushing Seminar in Izmir, Turkey that featured 68 participants discussing technical issues with regional consultants from Turkey, Egypt, Syria, Lebanon and Jordan. Following an introduction by Regional Director Tim Burleigh, Dr. Nelson Ruiz, USSEC's Director for Animal Utilization, and USSEC crushing industry consultants Robert Carlson, Franz Carree and Najeh Asad each presented. Industry representatives Lisa Callal (CME Group), Elias El Cheikh (Buhler) and Nigel Lindley (Wenger) also gave presentations.

Preceding the seminar, Ruiz, Carlson, Carree and Asad made technical visits to Abalioglu, a major crushing plant in Izmir. Last year, Turkey imported 27 million bushels of U.S. soybeans.



Dr. Nelson Ruiz, Banu Zunbul (Abalioglu Crushing Plant), Frans Carree (USSEC crushing consultant) and Alper Akman (Abalioglu Crushing Plant) tour a crushing plant in Izmir

Southeast Asian Importers Learn Grain Market Risk Management Skills in Singapore

USSEC teamed with the CME Group, the U.S. Grains Council and Thomson Reuters to conduct a week-long risk management program in Singapore as part of the U.S. Ag Commodities Risk Management Workshop Series. The Southeast Asia region is considered a growth market and is the 5th largest U.S. soybean importer and 3rd largest U.S. soy meal importer. The Risk Management program, covering the fundamentals of commodity markets and the use of price risk management tools, attracted more than 50 participants. Workshop options included an Introductory Grains Course or Intermediate Hedging Course. The format of each workshop was highly interactive and practical, with tutorials being reinforced with the trading simulation computer software developed by USSEC using the sophisticated computer terminals sponsored by



USSEC's Timothy Loh demonstrating the market hedging software to staff members at Thomson Reuters

Thomson Reuters. In between courses, an industry seminar was added to provide participants with critical market information and explore practical approaches for managing their business risks. The seminar highlighted the various risks within the agri-business and commodities industry that must be considered, such as freight risks and contract risks. It also provided lessons learned from the U.S. industry and the approach of managing risk from a local end-user. Speakers included Mr. Jay O'Neil (Kansas State University), Timothy Loh (USSEC Singapore), Chanachai Nilgianskul (CLA Intertrade Co. Ltd), Tanna Tan (Touton Far East), Nelson Low (CME Group Singapore) and Oscar Tjakra (RaboBank). As a direct result from this program, Thomson Reuters and Bunge Agribusiness have approached USSEC for further use of the simulation hedging software and develop a customized in-house risk management program for their companies and customers.

Companies Helped By Workshop in Philippines

USSEC kicked off its series of risk management workshops in the Southeast Asia region with one in the Philippines. The CME Group provided supplement course materials while USSEC consultant Sue Goll facilitated the Introductory Grains Course and Option Strategies courses. These courses were attended by a wide spectrum of companies, including representatives from the largest integrator, San Miguel Pure Foods, Inc., to niche-market aqua feed company Hoc Po Feeds.

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USSEC Member Companies Help Promote U.S. Soy in Taiwan During 2010 Food Taipei

USSEC hosted a booth at 2010 Food Taipei in Taiwan to service U.S. soybean customers, promote soy made from U.S. soybeans and act as a moderator to connect U.S. food grade soybean suppliers and potential importers. For the first time, two USSEC members – the DeLong Company and Ceres Commodity – were invited to work at the USSEC booth and introduce the high quality food grade soybeans to importers that are interested in buying IP soybeans for various food uses. Over the four-day event, the show attracted more than 60,000 visitors, including consumers and importers, both local and international. In addition to the exhibition of soybean oil and soy foods that are made from U.S. soybeans, USSEC also arranged a taste panel on soy milk and a renowned nutritionist to provide visitors health-related knowledge about the health benefits of adding soy in daily diets. The event was successful and a full-page description of soy and health was reported in a popular local newspaper in its Sunday issue. USSEC Soy Food Marketing Manager Julian Lin reported that there were more than 20 meetings and those contacts revealed that customers and potential customers would like to collect further information on the varieties introduced at the event.



USSEC members DeLong and Ceres held trade meetings with food grade soybean importer Central Union Company

Relationships With China Crushing Companies Enhanced During 'Great American BBQ'

Zhang Xiaoping, USSEC Deputy Director in China, used the occasion of a South China Great American BBQ Evening to enhance relations between USSEC and soybean customers in South China. USSEC invited six key soybean crushers and importers in the Pearl River Delta Region to the event, coordinated with the celebration of the 25th anniversary of the ATO by the U.S. Agricultural Trade Office in Guangzhou. USSEC's guests represented two state-owned crushing groups, Sinograin and Chinatex; two privately owned groups, Dongling and Haid; and two multi-national grain processing/trading groups, Cargill Yangjiang and Noble Grain Guangxi. The soybean group in the activity discussed current soy market situations and solutions to deal with local livestock industry issues, soy meal stocks and crushing margins. Representatives from the companies were all very much pleased to have the opportunity to attend the event, and they were looking forward to USSEC's marketing activities, including the July risk management seminar in and crop tours to the U.S. in September. Among the 250 persons in attendance were Brain Goldbeck, U.S. Consul General in Guangzhou, and Idaho Governor "Butch" Otter.

Interest Grows as USSEC Restarts Aquaculture Demonstration Projects in Indonesia

USSEC's Soy in Aquaculture team started the first demonstration project in Indonesia since 2006 with tilapia stocked in Kedungombo Reservoir in Central Java. The plan is to spark renewed interest in aquaculture in the region by featuring a Central Java farm that wants to change its current production systems and lower quality feeds to the USSEC's Low Volume, High Density (LVHD) cage culture techniques. A successful demonstration at this location will convince other farmers to use high quality, soy-optimized feeds and smaller cages to yield higher profitability, more efficient production and lower environmental harm. As part of the demonstration, more than 11,000 tilapia fingerlings were stocked on the Agus Susanto Cage Farm and were fed a nutritionally complete, soy-optimized aquafeed produced by Sinta Prima Feedmill using U.S. soy meal. When these fish reach appropriate size, they will be shifted to 8 cubic meter cages and managed according to LVHD. The cage staff has been trained using the 90% satiation feeding methodology and commented that this was easier than expected to learn and much easier to manage than their current feeding approaches. By working with the cooperating feedmill, the benefits of using soy as a primary protein source and higher quality formulations will lead to better profitability for the feedmill. The recent rise in the cost of fishmeal also allowed USSEC's Soy in Aquaculture program to convince the feedmill on the benefits of the use of soy protein concentrate (SPC) as an ingredient that makes sense in a formulation matrix.



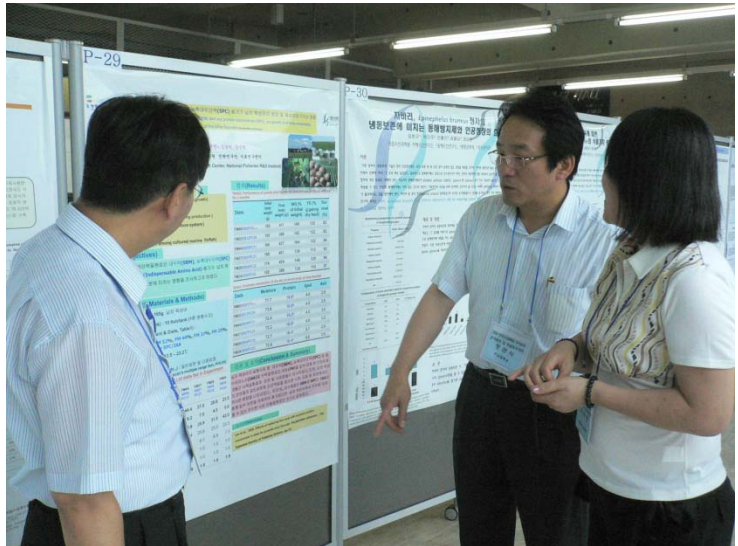
A fish farmer in Central Java demonstrates feeding techniques as USSEC restarts aquaculture projects at Agus Susanto Cage Farm

Aquaculture Program Holds Tilapia Cage Demonstration in The Philippines

The Soy in Aquaculture Program recently teamed with San Miguel Foods to start a Low Volume High Density (LVHD) Tilapia cage demonstration in Calauan, Laguna, Philippines. The objective was to show the correct application of the USSEC-developed satiation feeding technique, the proper use of feed enclosures in the cages to prevent floating feed from exiting the cages and proper cage positioning for better water exchange in the cages. This cage aquaculture production technology was developed by USSEC in China with the aims of maximizing farmer profit, improving productivity, reducing feed conversion ratios (FCRs) and limiting environmental degradation.

Results of USB-Funded Feeding Trial Presented at Korean Fisheries Meeting

USSEC participated in the annual meeting organized by Korean Society of Fisheries and Aquatic Science (KSFAS) to present results of 2009 USB-funded feeding trial on olive flounder. Dr. Hae Young Lee, Researcher of National Fisheries Research Development Institute (NFRDI), who conducted the trial under contract with USB, made the presentation. USSEC joined the presentation to share information about the economic values and optimum inclusion levels of U.S. hipro dehulled meal and soy protein concentrate in aquafeeds. Also, USSEC donated to KSFAS the Korean-translated books titled "Engineering Manual: US Soybean Industry OCAT Offshore Ocean Fish Cage." All together, 200 copies of the book were disseminated to participants and key members of KSFAS. This meeting is organized twice a year to exchange information on the recent trends in aquaculture researches among university faculties, government-run institute researchers, fish growers, experts, feed millers and professionals.



At a fisheries meeting in Korea, USSEC staff and Dr. Hae Young Lee discuss results of the USB-funded olive flounder feeding trial

European Suppliers Choosing U.S. Hipro Soy Meal After Quality Demonstrations

Through close contacts between USSEC European Union Regional Director Mark Andersen and Consultant Gonzalo Mateos, a leading Spanish provider of specialty feed ingredients to Iberian ESASA is currently ordering U.S. hipro soy meal. This objective was attained by performing and comparing analyses of meals of different origins, including locally crushed meal. The U.S. meal consistently demonstrated high protein content, high energy content and solubility. U.S. soy meal's better amino acid digestibility proved to be key to this customer's decision to go with U.S. hipro meal. Subsequently, USSEC Regional Consultants Jose Luis Pinheiro and Teresa Anliker established regular contact with U.S. hipro soy meal suppliers who provided containerized U.S. soy meal to two EU processors through international carriers. In June 2010, ESASA ordered 236,000 bushels of U.S. soy meal. In addition, another 20 containers were ordered for September. In addition to ESASA, two traders in Barcelona and Lisbon requested USSEC Consultants to find the same meal both in containers and vessels.

Soybits

- Soy in Aquaculture Feedmill and Nutrition Expert Mark Newman visited one of largest aqua feed producers in the Philippines to give technical advice on proper extruder feed milling techniques and nutritional considerations in increasing soy inclusion in freshwater fish feed formulations. Newman was accompanied by Philippines Country Manager Teodoro Cortes Jr. and Technical Director Levy Loreto Manalac.
- Many representatives of Portugal's feed industry attended a USSEC-organized workshop on the values of soy meal by origin held in Fatima, Portugal. Feed millers followed up by asking where such meal could be purchased. Efforts are underway to locate and meet independent carriers to provide bulk transportation at competitive freights from FOB Charleston and Norfolk to EU Ports, especially in Southern Europe.

USSEC Events Calendar

Jul 6-9	USB Board Meeting	Colorado
Jul 12	ASA Board Meeting	Washington
Jul 13-14	FAS Meetings at USAEDC	Washington
Jul 17-24	CFNA Summit	China
Jul 20-21	GOC Annual Tactical Planning Meeting	Washington
Jul 24-31	Soy in Baking/NCI	North Dakota
Jul 27-28	USB-IM and ASA-TPIA Committee Meets	St. Louis
Aug 22-27	Japan Partnership Team	Japan



The activities of the U.S. Soybean Export Council to expand international markets for U.S. soybeans and soy products are made possible by producer checkoff dollars invested by the United Soybean Board and various State Soybean Councils, support from cooperating industry, and through the USDA's Foreign Agricultural Service investments provided through the American Soybean Association.

