



The Soy Export Weekly Update

Biodiesel Board Disputes EPA's Analysis of Soy Fuel Emissions

The folks at the National Biodiesel Board say they've found a key flaw in EPA's Agency's greenhouse-gas analysis of their fuel. If the board is right, they could have a game-changer. By EPA's reckoning, soy-based biodiesel doesn't come close to meeting the legal requirement that the fuel reduce greenhouse gas emissions by 50 percent when compared with conventional diesel.

EPA has the authority to ease that limit to 40 percent, but the agency's analysts rated soy biodiesel at 22 percent. Biodiesel that doesn't meet the threshold won't qualify toward meeting the new annual usage mandates for the fuel.

However, the Biodiesel Board says the EPA analysis unfairly penalized soybeans as well as corn for nitrous oxide emissions that originate largely through the application of nitrogen fertilizer — on cornfields. Take away that nitrous oxide penalty and soy biodiesel suddenly loses more than 20 points on the carbon scale, according to the board. In other words, it would reduce greenhouse gas emissions by more than 40 percent in comparison to regular diesel.

Coalition Of U.S. Scientists Declare Support For Biodiesel

More than 100 scientists, including two University Deans, have gone on record in the past four months in support of biodiesel by signing the "Scientists for Biodiesel" declaration, putting science squarely on the side of this important alternative fuel.

Thomas Payne, Vice Chancellor and Dean at the University of Missouri School of Agriculture, sees biodiesel as playing "a key role in our nation's future energy and environmental security." He added, "I am proud to add my voice to the growing chorus of scientists who are singing the praises of biodiesel and advocating for an increased commitment that will ensure that biodiesel reaches its full potential as a vital U.S. energy source."

Scientists from U.C. Berkeley, Texas Tech, Penn State, the National Renewable Energy Laboratory (NREL), the Food and Drug Administration (FDA) and Sandia National Laboratories, to name just a few, recognize both the promise of sustainable biodiesel and the need for increased investment in biodiesel research and development.

Dean of the College of Agriculture and Life Sciences and director of the Experiment Station at Iowa State University, Wendy Wintersteen, stressed the importance of a strong voice from the scientific community. "Scientists believe that research and innovation will continue to enhance the sustainability and efficiency of biodiesel," she said. "With over 100 signatories, this declaration demonstrates the strength and breadth of support for biodiesel within the scientific community."

Freight Movement Drops 8.5 percent During April

The movement of goods and commodities on the Nation's highways, rails, waterways and pipelines dropped 8.5 percent year-over-year in April according the Bureau of Transportation's Freight Transportation Services Index. This was the ninth consecutive



month that freight was lower. Freight movement fell to an index of 100.2, the lowest level since April 2002. In 2002 the US economy was surging and pushing demand higher for transportation services. With the United States languishing in recession, demand for freight services continues to fall further behind. However, the economy has probably endured its most difficult period and has perhaps bottomed and that should lead to a corresponding bottom in the demand for freight.

The weekly movement of soybeans and grain by barge through the key locks on the Mississippi River System is projected to total 805 thousand tonnes through June 13. This will be slightly better than the previous week and 84 percent greater than the same week last year. Last year's barge movements were slowed because of flooding on the Upper Mississippi River that essentially closed that stretch of the river for the month of June.

Grain barge movements firm up from this time forward through mid- to late-July as farmers and elevators clean out grain inventories in preparation for the fall harvest. This year's movements are also benefiting from an ocean freight spread that provides a more favorable situation for exports out of the Center Gulf rather than through PNW elevators.

India Expects To Import 300,000 Tonnes Of Soymeal Over Next Three Months

India will export 300,000 metric tons of soybean meal over the next three months, mainly to Southeast Asian countries, despite cautious buying due to high prices, according to a senior trade official. Rajesh Agrawal, spokesman for the Soybean Processors Association of India, the swine flu outbreak has not impacted demand for Indian soybean locally or overseas. So far, the federal government has confirmed 30 cases of swine flu in the country. Soybean meal is used as hog feed and swine flu was feared to hit feedmeal demand.

Agrawal said the late arrival of monsoon rains was unlikely to impact soybean yield for the season. "Traditionally, the soybean growing regions of India receive monsoon rains in the later part of June. So, as long as the monsoon arrives June 20-25, there should not be any impact."

Soy Complex Mostly Higher On Strong Export Sales

The soy complex mostly higher on June 18 with the new-crop contracts posting losses as the market widened back out the oldcrop/new-crop inverses following stronger-than-expected weekly export sales and marketing-year high weekly soybean meal exports. Soybean oil futures were lower along with the energy markets. The crush continues to be strong amid attractive crush margins despite high soybean basis levels, which have strengthened. Unless USDA surprises the market with larger-than-expected June 1 stocks in its June 30 Grain Stocks report, the market needs to accomplish more rationing of the usage of US soybeans. The rapid depletion of South American supplies has not appreciably slowed old-crop US exports of soybeans and soybean meal and looks to boost US new-crop export prospects because of reduced competition this fall and winter. Volatility should be expected in the coming weeks and months as the market seeks a level that sufficiently will restrain the usage of old-crop US soybeans. July bean futures were up \$2.85, finishing at \$445.97; August gained \$3.22, closing at \$422.64; and September was up \$0.18, ending at \$397.75. July meal increased \$5.51, closing at \$446.87; August was \$4.74 higher, finishing at \$416.01; and September meal closed up \$1.10, ending at \$385.36. July soyoil was \$3.31 lower, finishing at \$814.60; August was down \$2.87, closing at \$818.13; and September lost \$2.65, closing at \$821.87.



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 11 June 2009

Country	Commodity	New Sales	Accum. Exports	Country	Commodity	New Sales	Accum. Exports
Canada	Soybeans	2.6	250.9	Israel	Soymeal	7.5	64.0
China	Soybeans	49.4	17288.6	Jamaica	Soymeal	1.9	76.5
Cuba	Soybeans	23.6	99.8	Mexico	Soymeal	14.7	923.6
Egypt	Soybeans	4.1	845.4	Philippines	Soymeal	10.2	390.2
Indonesia	Soybeans	6.4	1144.3	Spain	Soymeal	33.1	33.1
Japan	Soybeans	5.3	1875.8	Venezuela	Soymeal	52.4	461.3
Korea, Rep.	Soybeans	4	320.5	Canada	Soyoil	2.0	28.1
Mexico	Soybeans	51	2483.6	Nicaragua	Soyoil	0.5	16.3
Philippines	Soybeans	8.5	34.9				
Syria	Soybeans	18.0	375.2	Export Sales Totals (tmt)			
Tunisia	Soybeans	2.5	91.7	Commodity	Outstanding Sales	Accum. Exports	New Sales
Vietnam	Soybeans	1.6	70.6	Soybeans	3,877.1	29,948.8	145.6
Dom. Rep.	Soymeal	14.3	237.9	Soymeal	1,253.0	5,326.7	93.2
Guatemala	Soymeal	1.2	169.9	Soyoil	138.1	576.8	21.6
Honduras	Soymeal	1.5	94.1				



Thursday Spot and Futures Prices, 18 June 2009

<i>Item</i>	<i>Location</i>	<i>July</i>	<i>Aug</i>	<i>Sep</i>
Soybeans (\$/mt)	Central Ill./Chicago	445.97	422.64	397.75
	FOB Gulf (Basis)	473.90	450.57	433.76
	CIF Gulf Coast (Basis Chicago)	470.22	446.89	430.08
Board Crush Margin	\$/mt	31.08	32.42	35.53
		<i>July</i>	<i>Aug</i>	<i>Sep</i>
Soybean Meal 48%, HiPro (\$/mt)	Central Ill./Chicago	446.87	416.01	385.36
	FOB Gulf (Basis)	494.27	463.41	465.83
	West Coast (Basis)	521.83	490.96	490.08
Soybean Meal 44% (\$/mt)	Central Ill./Chicago	446.87	416.01	385.36
	FOB Gulf (Basis)	483.25	452.38	454.81
	West Coast (Basis)	510.81	479.94	479.06
Soybean Oil, Crude (\$/mt)	Central Ill./Chicago	814.60	818.13	821.87
	FOB Gulf (Basis)	814.60	818.13	821.87
		<i>Beans</i>	<i>Meal</i>	<i>Oil</i>
1 year ago prices	Chicago, \$/mt	567.87	462.41	1413.59

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

	<i>14-May</i>	<i>21-May</i>	<i>28-May</i>	<i>4-Jun</i>	<i>11-Jun</i>
Nearby Soybean Futures (CBT)	421.63	431.73	433.20	451.94	465.54
Basis Central Illinois	434.49	444.59	447.90	483.17	475.83
Basis Gulf	454.70	464.80	460.76	478.77	490.52
Nearby Soybean Meal Futures (CBT)	399.36	417.99	423.06	439.82	471.78
Basis Decatur	422.18	441.14	449.52	467.38	499.34
Basis Gulf	448.97	467.60	472.67	489.42	521.39
Basis West Coast	475.42	494.05	499.12	519.18	551.15
Nearby Soybean Oil Futures (CBT)	856.27	837.31	833.56	889.34	842.16
Basis Decatur	826.50	870.38	800.49	845.24	798.07
Basis Gulf	867.29	848.33	833.56	889.34	842.16
BIFFEX Ocean Freight Rates					
US Gulf/Cont., grains basis	27.29	25.20	30.52	32.98	26.85
US Gulf/Japan, grains basis	44.76	43.19	49.68	53.39	46.85
PNW/Japan, grains basis	23.07	24.19	27.22	29.40	28.79
PNW/Japan Spread	21.69	19.00	22.46	23.99	18.05
US Corn, CBOT Nearby Futures	165.94	166.92	168.79	176.56	173.61
US Sorghum, Gulf Cash Price	162.70	165.35	162.92	171.74	170.86
Canadian Canola, Nearby Winnipeg	410.25	419.75	409.09	433.27	431.51



