



The Soy Export Weekly Update

New-Crop Export Sales Of Soybeans Continue To Mount

Mounting new-crop export sales are bolstering some analysts' contention that U.S. soybean exports will be record large during the first half of 2009-10. This expectation has been driven by the dearth of South American soybean supplies that are being borne out by escalating new-crop sales and anecdotal reports of export port capacity being sold out for this fall.

USDA-reported new-crop soybean export commitments were 11.0 million tonnes (405 million bushels) with 583,100 tonnes reported during week ended August 13. This following week's new-crop export sales were in excess of 1 million tonnes with USDA announcing (via its daily reporting system) the week of August 20 a total of 896,000 tonnes of 2009-10 sales to China.

In addition to mounting new-crop soybean sales tallies, old-crop sales are accumulating as well with 3.3 million tonnes outstanding as of August 13. With only 18 days left in the marketing year, the vast majority of these will be carried into the 2009-10 marketing year. This will further boost new-crop export commitments as the 2009-10 marketing year gets underway.

It is expected that 2009-10 U.S. exports will be quite front loaded due to the lack of competing South American supplies this fall and winter, which is expected to be followed by a resurgence in South American production next year because of increased area and rebound in yields to trend levels.

July Census Crush Recap

The Census Bureau reported a July soybean crush of 3.52 million tonnes that was nearly 27,200 tonnes higher than the market had anticipated, but still was down nearly 299,000 tonnes from June. Soybean meal stocks of 318,000 tonnes were in line with expectations despite the larger crush. This implies that domestic use was better than expected in July, but still was down 4 percent from last year and 6 percent below the 5-year average.

Domestic use of soybean oil was in line with expectations as stocks declined less than expected from the previous month to 1.51 million tonnes. Through the first 10 months of the marketing year, non-biodiesel use of soybean oil looks to be off near 5 percent from last year and 10 percent below the 5-year average.

Argentine Farmers Begin Protest In Response To Partial Veto Of Farm Aid Bill

Argentina's government is open to dialogue with farmers but will not back down on the partial veto of an emergency farm aid bill, which set off renewed agricultural sector protests, Cabinet Chief Anibal Fernandez said on August 26. "With all due respect, the strike makes no sense. The objective isn't clearly understandable," Anibal Fernandez said.

A soybean industry group in Argentina said the strike could hit some soybean exporters, though producers of soya oil and meal probably have enough stocks to ride out a week-long strike. Farmers launched a weeklong strike on August 27, freezing grain sales in one of the world's biggest suppliers of corn and soybeans.



The strike, aimed at protesting the government's farm policy, revives a long-running dispute that has rattled local financial markets and tested President Cristina Fernandez over the past two years.

Carlos Garetto, leader of the Coninagro farm group, told a news conference that the strike expressed "producers' unrest and the critical situation in the provinces, which is growing and worsening."

Farmers, who blocked highways and halted grains sales for months last year, have criticized a congressional vote last week that extended the president's powers to set grain export taxes, which are at the center of the conflict.

The farmers ire was raised again last week when President Fernandez vetoed part of a farming law that exempted growers and ranchers from paying the export levies in drought-hit parts of Buenos Aires province. The emergency farm law, which also contained subsidies and tax breaks for farmers hit by a severe drought, was passed unanimously in Congress, but the government said the exemption was included by mistake and was impossible to implement.

Weak Monsoon Devastates India's Soybean Crop

India's soybean output may drop as much as 19 percent in the new season following failed monsoon rains, reducing soymeal export deals to a trickle, traders and industry officials said.

The planting of soybeans, India's main summer-sown oilseed crop, was delayed this year as the June to September monsoon rains arrived late in central India, the main producing region in the world's top edible oils buyer. The delay encouraged farmers to sow late-maturing varieties across 80 percent of the area.

"We expect about 8 million to 9 million tonnes output," said Sandeep Bajoria, former head of many trade bodies including the Central Organization for Oil Industry and Trade. This compares with the USDA's estimate of 10 million tonnes earlier this month. That amounts to between a 9 and 19 percent decline from last year's 9.6 million tonnes produced.

Soy Complex Mixed As Tight Old Crop Supplies Were Offset By Good Weather

The soy complex closed mixed on August 27 as tight old-crop soybean supplies and strength in the cash market bolstered were countered by a lack of threatening temperatures in the forecast. Temperatures in the northern portion of the Corn Belt are expected to be below normal through the early portion of the week, but not cold enough to pose a threat to the crop. Nevertheless, the market likely will remain sensitive to any threat of cold temperatures until the crop is close to maturity. Record-large U.S. exports of soybeans and products during the first half of the marketing year are expected to limit the downside for prices until South American supplies become available next spring and undermine U.S. exports during the second half of 2009-10. September bean futures were up \$8.73, finishing at \$409.41; November lost \$0.18, closing at \$365.96; and January was down \$0.09, ending at \$366.51. September meal increased \$17.64, closing at \$417.77; October was \$0.11 lower, finishing at \$340.06; and December meal closed down \$2.20, ending at \$326.83. September soyoil was \$5.51 lower, finishing at \$798.29; October was down \$5.51, closing at \$802.69; and December lost \$5.73, closing at \$811.95.



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	2,984	1,876	4,890	325	3,110	4,818	1,810
Production	72,859	80,536	88,723	46,200	32,000	51,000	61,000	57,000	60,000
Imports	269	408	272	2,650	1,000	500	88	50	150
Crush	49,024	45,042	45,722	32,140	32,050	37,000	31,890	31,350	32,220
Exports	31,598	34,292	34,700	12,124	4,150	10,835	24,515	25,700	24,950
Other	2,543	4,206	4,765	1,572	1,365	1,650	2,975	3,008	3,075
Usage	83,165	83,540	85,187	45,836	37,565	49,485	59,380	60,058	60,245
Carryout	5,580	2,984	6,792	4,890	325	2,340	4,818	1,810	1,715
Soymeal	<i>thousand tonnes</i>								
Carryin	311	267	272	1,089	1,350	1,017	1,563	1,474	1,264
Production	38,358	35,757	36,228	25,230	25,075	28,934	24,710	24,300	24,970
Domestic use	30,111	27,805	28,032	632	650	684	12,300	12,525	12,864
Net Exports	8,291	7,947	8,196	24,337	24,758	27,858	12,499	11,985	11,870
Usage	38,402	35,752	36,228	24,969	25,408	28,542	24,799	24,510	24,734
Carryout	267	272	272	1,350	1,017	1,409	1,474	1,264	1,500
Soybean oil	<i>thousand tonnes</i>								
Carryin	1,399	1,127	1,399	307	380	168	266	315	299
Production	9,331	8,573	8,650	6,139	6,153	7,100	6,120	6,020	6,180
Domestic use	8,314	7,348	7,484	1,086	1,325	1,350	4,000	4,275	4,315
Net exports	1,289	953	1,440	4,980	5,040	5,700	2,071	1,761	1,864
Usage	9,603	8,301	8,924	6,066	6,365	7,050	6,071	6,036	6,179
Carryout	1,127	1,399	1,125	380	168	218	315	299	300

USDA Export Sales (tmt) - Week of 20 August 2009

Country	Commodity	New Sales	Accum. Exports	Country	Commodity	New Sales	Accum. Exports
China	Soybeans	4.2	18348.6	Jamaica	Soymeal	4.1	90.7
Cuba	Soybeans	16.3	123.9	Japan	Soymeal	2.0	255.6
Indonesia	Soybeans	2.6	1332.5	Mexico	Soymeal	12.3	1141.4
Japan	Soybeans	136.5	2394.5	Philippines	Soymeal	13.8	448.2
Mexico	Soybeans	2	3017.2	Venezuela	Soymeal	18.0	528.5
Peru	Soybeans	5	5.5	Vietnam	Soymeal	1.8	75.0
Singapore	Soybeans	2	3.4	Canada	Soyoil	0.4	35.6
Taiwan	Soybeans	8.1	1445.6	Peru	Soyoil	10.3	15.9
Turkey	Soybeans	8.5	698.5	Export Sales Totals (tmt)			
Vietnam	Soybeans	1.8	87.6				
Canada	Soymeal	10.3	930.5	Commodity	Outstanding Sales	Accum. Exports	New Sales
Guatemala	Soymeal	1.0	223.4	Soybeans	3,049.1	33,097.0	88.0
Ireland	Soymeal	14.0	44.0	Soymeal	723.7	6,481.9	68.4
Israel	Soymeal	6.0	78.9	Soyoil	154.3	738.4	-0.4



Thursday Spot and Futures Prices, 27 August 2009

<i>Item</i>	<i>Location</i>	<i>Sep</i>	<i>Nov</i>	<i>Jan</i>
Soybeans (\$/mt)	Central Ill./Chicago	409.41	365.96	366.51
	FOB Gulf (Basis)	451.67	408.22	408.77
	CIF Gulf Coast (Basis Chicago)	477.39	399.03	399.58
Board Crush Margin	\$/mt	43.31	30.57	22.02
		<i>Sep</i>	<i>Oct</i>	<i>Dec</i>
Soybean Meal 48%, HiPro (\$/mt)	Central Ill./Chicago	417.77	340.06	326.83
	FOB Gulf (Basis)	483.91	411.71	359.90
	West Coast (Basis)	519.18	448.08	392.97
Soybean Meal 44% (\$/mt)	Central Ill./Chicago	417.77	340.06	326.83
	FOB Gulf (Basis)	472.89	400.69	348.88
	West Coast (Basis)	508.16	437.06	381.95
Soybean Oil, Crude (\$/mt)	Central Ill./Chicago	798.29	802.69	811.95
	FOB Gulf (Basis)	787.26	791.67	800.93
		<i>Beans</i>	<i>Meal</i>	<i>Oil</i>
1 year ago prices	Chicago, \$/mt	489.60	406.31	1125.93

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

	<i>23-Jul</i>	<i>30-Jul</i>	<i>6-Aug</i>	<i>13-Aug</i>	<i>20-Aug</i>
Nearby Soybean Futures (CBT)	376.07	414.56	430.08	391.41	367.16
Basis Central Illinois	401.79	421.91	485.20	442.85	414.92
Basis Gulf	401.79	443.22	455.80	444.69	465.06
Nearby Soybean Meal Futures (CBT)	356.04	392.20	405.10	370.26	360.34
Basis Decatur	379.19	414.24	434.86	428.68	418.76
Basis Gulf	383.60	425.27	440.37	441.91	424.28
Basis West Coast	443.12	485.89	498.97	486.00	465.06
Nearby Soybean Oil Futures (CBT)	764.33	770.07	811.95	829.81	789.25
Basis Decatur	687.17	681.88	723.77	719.58	679.02
Basis Gulf	753.31	764.56	806.44	818.79	778.22
BIFFEX Ocean Freight Rates					
US Gulf/Cont., grains basis	35.57	32.10	26.22	22.79	22.61
US Gulf/Japan, grains basis	59.86	56.69	50.91	45.20	44.94
PNW/Japan, grains basis	28.29	28.74	26.75	24.93	24.28
PNW/Japan Spread	31.57	27.95	24.16	20.27	20.67
US Corn, CBOT Nearby Futures	128.73	130.80	130.90	127.75	125.39
US Sorghum, Gulf Cash Price	138.01	141.65	140.32	139.66	142.31
Canadian Canola, Nearby Winnipeg	383.19	381.04	398.53	403.97	388.07



