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## *The Soy Export Weekly Update*

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### **USDA Planting Intentions Report**

On March 30 USDA released its important first survey look at U.S. producer planting intentions for 2007. Survey results reflect producer views as of early March, so that subsequent price movement and weather may shift actual seedings. USDA also released its U.S. grain stocks estimates as of March 1 as a useful guide to determining ongoing grain usage rates. USDA did not revise its supply, demand and carryover estimates today, with that update coming in its April WASDE report.

USDA's estimates confirm the expected dramatic shift in U.S. planted acreage toward corn and away from soybeans and cotton. Expected corn plantings at 36.6 million hectares are near the upper end of the trade pre-release estimate, while soybean acres at 27.2 million hectares are well below the mean trade estimate.

According to USDA, soybean stocks for 2007 could be record large (48.6 million tonnes compared with 45.4 million tonnes in 2006). And, despite reduced 2007 acres, USDA expects U.S. soybean farmers to produce a crop adequate to maintain above-average stocks levels.

USDA's stocks figure implies an unusually large December/February residual use relative to Census exports. Residual use during the first half of the marketing year suggests that USDA may have overstated the 2006 soybean crop by about 544,000 tonnes. USDA's planting intentions data for soybeans tightens the new crop soybean balance sheet considerably with the 2007-08 carryout now seen just above 8.16 million tonnes. This is a carryout that could be added to in the coming weeks, depending on how good the South American crops end up being.

### **Cargill's Amazon Port Closed By Brazil's Government**

Brazilian authorities have closed down a major Cargill soy export port on the Amazonian, saying the agribusiness firm failed to provide an environmental impact statement required by law. Cargill, said it would appeal as it had provided an environmental impact statement to the state authorities of the state of Parana, where the plant is located.

The plant was opened in Santarem, Parana three years ago since when it has been opposed by residents, environmentalists and federal prosecutors because of threats to the Amazon River. Paulo Adario, Greenpeace Amazon campaign coordinator in Brazil, said: "A big step forward has been taken in enforcing the responsible use of natural resources and bringing greater governance in the Amazon."

Cargill spokeswoman Lori Johnson said: "We find ourselves caught in a jurisdictional dispute between the state and federal government about which regulations have precedence. When we built the facility, the permits were issued by the state."

However, Cargill said its next soy shipment scheduled to leave the Santarem Port was for April 4, but declined to say if that shipment would be redirected. No nearby shipments were scheduled. Cargill said the company was providing no other details about the shipments until it gets a response on the court appeal



### **APHIS Publishes Clarification Of Regulations For Handling Genetically Engineered Crops**

USDA's Animal and Plant Health Inspection Service (APHIS) issued a statement last week clarifying the existing approach for handling situations in which regulated genetically engineered (GE) plant material becomes mixed at low levels with commercial seeds and grain. APHIS said the policy "is not new, but rather a description of how APHIS currently evaluates and responds to these incidents."

In light of continuing international discussions regarding low-level presence (LLP), APHIS formally stated its approach. APHIS said that developers of GE crops must comply with all APHIS regulations and permit conditions to prevent the release of regulated GE material. However, when LLP incidents occur, the agency's policy is to respond with actions appropriate to the level of risk, determined by a scientific assessment and warranted by the facts in each case.

APHIS will initiate an inquiry whenever regulated material is mixed with commercial seeds or grain to evaluate any risk, to determine the circumstances surrounding the release and to determine whether remedial and/or enforcement actions may be appropriate. If APHIS determines that an incident involving regulated GE plant material could pose a risk to plant health or the environment, APHIS will take appropriate remedial steps using its authority under the Plant Protection Act. In cases in which APHIS determines that remedial action is not necessary to mitigate LLP of regulated GE plant material to protect plant health and the environment, APHIS is not precluded from taking enforcement action against a company or individual for violations of APHIS regulations.

A 2002 U.S. Office of Science and Technology Policy Federal Register notice outlined proposed actions to be taken by the three agencies that provide regulatory oversight of the development of GE organisms — APHIS, the Food and Drug Administration (FDA) and the Environmental Protection Agency (EPA) — aimed at strengthening the controls to prevent low levels of regulated materials from GE plants from occurring in commercial seeds and grain until appropriate safety standards have been met.

In 2006, FDA published a Federal Register notice and guidance document for early food safety assessments and EPA published a Federal Register notice clarifying its guidance for field-testing of plant-incorporated protectants (pesticides intended to be produced and used in a living plant). This clarification is consistent with those documents.

### **Soy Complex Up Ahead Of USDA Report**

The soy complex was up on March 29 (a day ahead of last week's USDA reports) with soybean oil futures hitting new contract highs amid strength in the petroleum markets. The recent gains that soybeans have made on corn now appear to be justified given the big switch from soybeans to corn that USDA has reported. Soybeans probably can further gain on corn, as support for corn prices will be undermined by larger-than-expected acreage and March 1 stocks. The oil product share may come under pressure as soybean and soybean meal prices catch up with recent gains in soybean oil prices. May bean futures closed up \$2.76 finishing at \$285.95; July was \$2.48 higher, closing at \$291.47; and August gained \$2.20 ending at \$293.58. May meal was up \$0.33 closing at \$240.96; July was \$0.11 higher, finishing at \$246.25; and August increased \$0.77 to finish at \$249.67. May oil closed \$12.35 higher to finish at \$726.86; July was up \$11.68, closing at \$736.56; and August gained \$11.46, ending at \$740.75.



### U.S. & South America Soybean/Products Balance

	United States			Argentina			Brazil		
	Actual	Estimate	Proj.	Actual	Estimate	Proj.	Actual	Estimate	Proj.
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
<b>Soybeans</b>	<i>thousand tonnes</i>								
Carryin	3,059	6,960	12,229	2,434	514	579	3,400	1,440	514
Production	85,013	83,368	86,770	39,000	40,500	44,000	53,000	55,000	56,000
Imports	152	92	109	708	900	950	353	60	100
Crush	46,160	47,320	48,444	29,560	32,600	36,000	29,730	28,200	27,300
Exports	30,011	25,778	29,937	10,548	7,200	7,350	22,798	25,450	26,700
Other	5,093	5,093	4,521	1,520	1,535	1,566	2,785	2,336	2,024
Usage	81,264	78,191	82,902	41,628	41,335	44,916	55,313	55,986	56,024
Carryout	6,960	12,229	16,206	514	579	613	1,440	514	590
<b>Soymeal</b>	<i>thousand tonnes</i>								
Carryin	191	156	285	1,350	1,187	1,549	870	640	490
Production	36,936	37,414	38,484	23,347	25,487	28,400	22,928	21,850	21,435
Domestic use	30,446	30,097	30,754	537	575	650	9,162	9,950	10,200
Net Exports	6,525	7,188	7,743	22,973	24,550	27,600	13,996	12,050	11,400
Usage	36,971	37,285	38,497	23,510	25,125	28,250	23,158	22,000	21,600
Carryout	156	285	272	1,187	1,549	1,699	640	490	325
<b>Soybean oil</b>	<i>thousand tonnes</i>								
Carryin	488	771	1,370	660	542	659	293	248	450
Production	8,781	9,250	9,147	5,404	6,200	6,800	5,708	5,403	5,233
Domestic use	7,910	8,144	8,641	408	458	709	3,059	3,319	3,385
Net exports	588	507	656	5,114	5,625	6,100	2,694	1,882	2,000
Usage	8,498	8,651	9,297	5,522	6,083	6,809	5,753	5,201	5,385
Carryout	771	1,370	1,220	542	659	650	248	450	298

### USDA Export Sales (tmt) - Week of 22 March 2007

Country	Commodity	New Sales	Accum. Exports
Canada	Soybeans	3.4	101
China	Soybeans	76.1	9579.8
Costa Rica	Soybeans	0.5	157.2
Denmark	Soybeans	6.1	49
Egypt	Soybeans	2.6	608.3
Indonesia	Soybeans	79.1	820.3
Japan	Soybeans	6	1832.3
Korea, Rep.	Soybeans	2.6	440
Mexico	Soybeans	44.3	2124.2
Netherlands	Soybeans	2.6	1255.4
Syria	Soybeans	18	182.9
Vietnam	Soybeans	1.2	3.6
Belize	Soymeal	1.1	2.5
Bulgaria	Soymeal	6	0
Canada	Soymeal	13.7	616.3
Chile	Soymeal	23.4	126.1

Country	Commodity	New Sales	Accum. Exports
Colombia	Soymeal	3	156.7
Cuba	Soymeal	19.9	46.4
Guatemala	Soymeal	17.4	157.1
Hungary	Soymeal	0.5	1.4
Panama	Soymeal	0.4	61.3
Philippines	Soymeal	1.9	192
Saudi Arabia	Soymeal	3.1	56.6
Canada	Soyoil	0.4	16.7
Guatemala	Soyoil	0.3	15.3

#### Export Sales Totals (tmt)

Commodity	Outstanding Sales	Accum. Exports	New Sales
Soybeans	4,315.8	22,589.8	270.2
Soymeal	1,709.8	3,297.0	105.3
Soyoil	39.0	323.8	-7.9



**Thursday Spot and Futures Prices, 29 March 2007**

<i>Item</i>	<i>Location</i>	<i>May</i>	<i>July</i>	<i>August</i>
Soybeans (\$/mt)	Central Ill./Chicago	285.95	291.47	293.58
	FOB Gulf (Basis)	289.63	295.51	299.09
	CIF Gulf Coast (Basis Chicago)	289.63	295.51	298.72
Board Crush Margin	\$/mt	24.01	24.16	25.32
		<b>May</b>	<b>July</b>	<b>August</b>
Soybean Meal 48%, HiPro (\$/mt)	Central Ill./Chicago	240.96	246.25	249.67
	FOB Gulf (Basis)	248.68	253.97	257.39
	West Coast (Basis)	281.75	287.04	290.46
Soybean Meal 44% (\$/mt)	Central Ill./Chicago	240.96	246.25	249.67
	FOB Gulf (Basis)	237.66	242.95	246.36
	West Coast (Basis)	270.72	276.02	279.43
Soybean Oil, Crude (\$/mt)	Central Ill./Chicago	726.86	736.56	740.75
	FOB Gulf (Basis)	715.83	725.53	729.72
		<b>Beans</b>	<b>Meal</b>	<b>Oil</b>
1 year ago prices	Chicago, \$/mt	215.87	197.75	522.71

**Selected Ocean Freight Rates, Grains Basis**

