Notes and Observations in International Commodity Markets

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South American Rains Dampen Prices, Declining of Export Sales

GHA – Rain in South America and more optimistic forecasts dampened grain and oilseed prices early in the week, as well as a notice decline in export activity. Supporting values were new eight-year highs in palm oil and a declining US Dollar.

A swell of more optimistic general economic outlook in the wake of approvals of a Covid-19 vaccine contains a promise of a return to “normalcy”. However, short term actions by state and local governments are increasing concerns and meeting increasing “push-back”.

I am also finding it of significant interest, but not a surprise, that countries, including the two big ones – China and India, are placing a renewed effort into the future of food security and more local production and security of supply.

There is a lot going on in the world at the moment of major importance that is impacting commodity prices; and, a lot of it is not your basic commodity fundamentals, making it difficult to stay on top of it all.

The advice given to me as a youth was to stay alert and remember to avoid the big risks as they come your way!

- China’s Ministry of Agriculture issued a statement this week saying some of the farmland designated for grain has been switched to other crops or other purposes in recent years which threatens food security. The ministry noted permanent farmland should only be used to “grow rice, wheat, and corn” and it will be monitoring this via satellite tech. By expanding key grain areas, the gov’t said it will ensure self-sufficiency rates of over 90% for cereals and 95% for rice & wheat.

- India’s government is considering rolling back some parts of its agricultural reforms after they triggered the biggest protests by farmers in years, as tens of thousands of farmers were out on the streets around Delhi rallying against three laws that the government says are meant to overhaul antiquated procurement procedures and give growers more options to sell their produce.
IGC Revises Global Corn Output Downward

IGC London - the International Grains Council’s (IGC) latest monthly Grain Market Report released last week revised global grain production downward by 7 mmts from the October report, but is still forecast to be 33 mmts higher than the previous year at 2.219 bmts.

Global corn production in the 2020-21 marketing year was revised downward by 10 mmts. The IGC said the reduced output was mainly linked to smaller crops in the United States, European Union and Ukraine.

Global soybean output for 2020-21 also was revised lower by 5 mmts m.o.m. to 365 mmts, which would still be a record.

Likewise, the IGC trimmed its rice production forecast by 1 mmts from the previous month to 503 mmts, but it would still be 6 mmts higher than in 2019-20 and a new peak.

Wheat production was revised upward by 1 mmts m.o.m. to 765 mmts, which would be a record.

Total grains consumption is predicted to expand by 28 mmts y.o.y. to 2.221 bmts, driven by higher use of corn (up 16 mmts), wheat (up 6 mmts) and sorghum (up 3 mmts).

“New peaks for world food and feed use of grains is envisaged, while only a partial recovery from the decline of the previous season is foreseen for industrial use, largely linked to subdued demand for corn processing for ethanol,” the IGC said.

Global grain stocks are projected to be drawn down for the fourth consecutive year to a five-season low of 616 mmts, entirely because of a reduction in corn. Most of the year-on-year contraction in corn stocks is in China and the US.

World total grains trade is predicted to expand by 15 mmts y.o.y. to a record 409 mmts, including a 12th consecutive annual increase in corn shipments, record trade in wheat and a four-season peak in sorghum.

ABARES Lifts Australia’s Wheat, Barley, Canola Forecasts

ABARE - Australia’s winter crop production is forecast to increase 76% boosted by favorable growing conditions, according to an Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) December report.

Harvesting of wheat, barley and canola is now at roughly the half-way mark. Australia’s 2020-21 winter crop production is projected to total 51.5 mmts, second only to the 2016-17 record of 56.7 mmts. Australia’s December winter crop production forecast is a 7.4% jump compared to the September 2020 Australian Crop Report.

The report attributes an uptick in winter crop production to favorable seasonal conditions, particularly in the New South Wales, Victoria and South Australia regions. Crops in these states were generally in very good condition at the end of winter and favorable rainfall during September and October increased soil moisture levels during the critical grain development period. Production in the eastern states is expected to be a record high in New South Wales, the second highest on record in Victoria and well above average in South Australia. Tempering the gains is Western Australian where a difficult season has limited production for all three of Australia’s main winter crops.

For the major winter crops, wheat production is forecast to increase by 106% from last year to 31.2 mmts, the second highest on record. Barley production is forecast to increase by 33% to 12.0 mmts, the second highest on record, and canola production is forecast to rise by 59% to 3.7 mmts, the fifth highest on record."

GHA - Trade estimates for Australian wheat continue to inch higher as harvest is now well over the halfway mark, with my best contact at 33.68 mmts. Quality remains high.

Canadian Canola Harvest Smallest in 5 Years, While Wheat Crop is a Bin-Buster

Reuters - Canadian farmers produced the smallest canola crop in five years, but the wheat crop is the largest since 2013, according to Statistics Canada in its final harvest estimate of the year.
Canadian canola production looked set to reach 18.7 mmts, down 4.5% from last year and below trade expectations. It was a drop of nearly 700,000 mts from Statscan’s previous estimate in September. The government agency cited dry conditions on the Canadian Prairies late in the growing season, which reduced yields.

Canada is the biggest global producer and exporter of canola, a cousin of rapeseed used largely to produce vegetable oil.

ICE Canada January canola futures extended their gains after the report, climbing 1.4%. Canola futures have reached a seven-year highs in recent weeks, part of a global oilseed rally that reflects concerns about South American soybean crops and brisk Chinese buying.

Statscan pegged the all-wheat harvest at 35.2 mmts, the biggest crop in seven years and larger than traders and analysts expected. Production of durum, used to make pasta, was the largest in four years, while spring wheat output was down slightly from the previous estimate in September. The government agency cited dry conditions on the Canadian Prairies late in the growing season, which reduced yields.

Rains Refresh Argentina’s Hope for Corn and Soybean Planting

Reuters - Recent rain and additional showers expected later this month in Argentina's central farm belt have bolstered soy and corn plantings after being put at risk by a months-long dry spell earlier in the 2020/21 season, analysts said on Thursday.

There has been a big improvement in water supply to three of the country's key farming provinces of Cordoba, Entre Rios and Santa Fe, while moisture in the breadbasket province of Buenos Aires remains tight, said German Heinzenknecht, a meteorologist at the Applied Climatology Consultancy. "We expect the week ahead to be relatively dry. After that, toward the middle of December, we expect more frequent rains, which will be good for late-planted soy. This season will end up being a little dryer than normal but it will not be a year characterized by drought," he said.

Argentina is major international corn, soybean and wheat supplier and the world's top exporter of soymeal feed, used to fatten hogs, poultry and cattle from Europe to Southeast Asia.

Some 35% of this year's expected corn planting area has been sown so far, having advanced 3.1 percentage points during the week, the exchange said. With an advance of 8.9 points during the week, 48.2% of expected soy area had been planted.

Some northern growing areas are probably beyond repair due to the dryness that marked the start of the season, it added. In southern farm areas, new rains were expected to help boost crops in their initial stages of development.

Argentina’s Jan-Oct Corn Exports Hit 34.5 mmts Record

Argentina has exported a record 34.5 mmts of corn in the January-October period, up 10% compared with the same period of 2019, a study by the Cordoba Grain Exchange has found.

The chamber noted that the value of corn exports in the period reached $5.56 billion, up 8% year-on-year, with Vietnam the biggest customer taking 22% of corn exports in the period, followed by Egypt with 10% and Algeria with 9%.

“The average price of the cereal during the first ten months of 2020 was $162 per mt, the lowest value in the last 13 years, decreasing 2% compared to 2019 and $8 below the average of the last five years,” the chamber said. The FOB Up River complex averaged $168.42/mt between January and October.

In the soybean segment, exports in the January-October period amounted to 32 mmts, down 13% year-on-year, while the value of exports totaled $12.3 billion, a decline of 7% versus the same period of 2019. Both soybeans and soymeal showed declines. On the other hand, soybean oil exports increased 3% compared with the same period of 2019, the chamber said.

In the wheat segment, the country exported 9.5 mmts in the first ten months of the year, surging 11% compared to an 8.5% increase in the January-October period of 2019.

Brazil was the destination for 41% of total wheat exports in the period. Other key export markets were Indonesia (23%), Bangladesh (6%) and Thailand (5%).

The report also highlighted that the contribution of Brazil in the wheat export market declined from 95% in 2014, as the export markets for Argentine wheat diversified in recent years.

Part of Russia’s Winter Crop in ‘Bad Condition’

MOSCOW, RUSSIA — A portion of Russia’s winter grain sowings, about 22%, are considered to be in bad shape, Reuters reported citing a state weather forecaster.

During the sowing of winter grain some of Russia’s farmers experienced dry weather, particularly in southern regions.

Dmitry Rylko, the head of the IKAR agriculture consultancy, told Reuters, “We see that the share of winter grain sowings in bad condition is not at lowest since 2013. Maybe it is not a bad sign for the future crop.” The other share of winter grain crops, about 78%, are in good or satisfactory condition, according to the weather forecaster.

Sovecon, an agriculture consultancy in Moscow, anticipates the condition of the 2021 grain crop to improve based on rain and warm weather and projects a 9% loss of sowing after winter.

US DOLLAR & FOREIGN EXCHANGE

US Dollar Index

With an end to the global pandemic finally in sight, risk appetite has surged across the financial markets with higher-yielding currencies like the New Zealand and Australian Dollars beginning to rally against safe havens like the Japanese yen and US Dollar.
However, these moves have been driven by expectations about a future economic recovery, but the current situation for the US labor market is decidedly more dour. Accordingly, economists are expecting Friday’s closely-watched Nonfarm Payrolls report to show that the US economy created just 500k jobs in November, with average hourly earnings rising just 0.1% and unemployment ticking down 10bps to 6.8%:

- **Argentina to Enforce Sale of Grain Export Dollars to Support Peso**
  
  Reuters - Argentina announced a measure on Wednesday to support the local peso currency by strengthening its rule that grains exporters sell the foreign currency they get from sales of soybeans, soy byproducts, wheat, corn and other agricultural commodities.

  Exporters have only 15 days to convert export dollars into pesos. To enforce that rule, the government says it will be enforced by temporarily banning companies that do not comply with it from being allowed to continue to export.

  "Companies must liquidate foreign currency resulting from their shipments within the term stipulated by the state," the government said in a decree published in its official gazette. The government is trying to encourage businesses and average Argentines to save in the local currency rather than seeking safe-haven dollars as they contend with a recession that has been further complicated by the coronavirus pandemic, high inflation and foreign exchange uncertainty.

  The head of Argentina’s grain exporters and processors chamber CIARA-CEC, Gustavo Idígoras, told Reuters that he was satisfied with the new enforcement measure. "We welcome all the measures that give more guarantees to the government in order for it to have a full control of the enforcement of current regulations," he told Reuters.

  In 2019, agro-export companies in Argentina shipped soybean oil and meal for a total of $12.25 billion dollars, according to government data. Argentina is a major soybean, corn and wheat exporter as well as the world’s top supplier of soymeal used to feed hogs and poultry from Europe to Southeast Asia.

- **Argentine Peso vs US Dollar – (5 year spot)**

  The peso has weakened 26.47% this year to 81.47 per dollar.

- **Devaluation Fears Plug Argentina’s Flow of Trade Dollars**

  Reuters - In Monserrat Casanovas’ small grocery store in downtown Buenos Aires, a hand-written sign reads “sale of imported drinks suspended,” highlighting the devaluation fears that are jamming up trade in the South American country.

  It is a road Argentina, no stranger to currency woes, has been down many times before. But it poses one of the biggest challenges yet to the year-old government of center-left President Alberto Fernandez.

  Argentina desperately needs to rev up trade flows. But they have been gummed up by tough capital controls keeping the peso artificially strong, sparking fierce demand for black market dollars and prompting widespread angst about devaluation.
Traders and producers alike, especially the country’s important grains farmers, have been holding off on selling produce, anticipating a new official exchange rate that would make the dollar value of their exports worth more in pesos.

“If you are an importer, you import at the official exchange rate but you don’t know the rate you will get to replace the merchandise,” said Guido Lorenzo, an economist at consultancy LCG, adding this could stoke inflation or hit availability.

“The exporter does the same, evaluates whether it is convenient for him to sell or hoard the product.”

That hoarding has seen exports dip since a peak in May, with Argentina's trade surplus dropping sharply in September and October to around $600 million, from above $1.4 billion before.

The country needs dollars from exports to bulk up depleted reserves and ensure it can make future payments after restructuring over $100 billion in foreign currency debt. It is now facing crunch talks with the International Monetary Fund over $44 billion it cannot repay.

Exports to China particularly tumbled in recent months, with a large drop in sales of soybeans, indicating farmers in Argentina’s fertile Pampas grasslands are sitting on their crops. That has also hit crushing volumes at the huge processing plants along the country’s Parana river.

Behind the fear of devaluation is a wide gap between the official peso-dollar spot rate and informal currency trades, where greenbacks have cost more than twice the price. Argentina’s peso was trading at 81.49 per dollar on Wednesday, compared to 154 in the black market and 148 per dollar in the legal but unofficial ‘blue-chip swap’ market. Net reserves meanwhile have dipped near to zero.

Argentina, caught in recession since 2018, defaulted on its debt for the ninth time earlier this year. It needs to revive the economy and bolster reserves to reassure markets and investors it will not simply slide into default again.

Casanovas, the shopkeeper, said uncertainty over prices meant some “some suppliers had suspended sales. I set my prices in pesos, but when I have to replace it, then yes it’s in dollars,” she said, explaining why she had pulled imported drinks off the shelves at the neighborhood store. “I cannot be setting a different sale price every day.”

Glass company owner Rodrigo Gomez said the COVID-19 pandemic and currency gap had both affected business. “The pandemic caused a serious problem, which is that many factories are at 50% of available personnel," he said. "The other problem is not the exchange rate but the gap between one and the other. There were weeks without sales, when the black-market dollar began to climb," he added.

Some analysts and investors said the central bank will have to choose between further tightening already strict capital controls or allowing the peso to devalue more quickly.

In the key grains sector, farmers and industry officials say many growers are waiting to make sales, hoping for a weaker peso with their products priced in dollars. That is stalling exports and hitting the inflow of foreign currency. The government is also pushing exporters to convert their dollars into local currency, with the threat of an export ban for those who do not comply.

“Farmers trust in grain. Not in pesos,” said Santiago del Solar, a corn and soy farmer in the bread-basket province of Buenos Aires. “They won’t sell grain just to get pesos and keep them in the bank.”

**Wheat & Grains Complex**

- **CME Wheat Futures**

Another sluggish close to the week for the wheat trade as futures closed near session lows. Fresh fundamental news was sparse which left traders to re-read the same headlines. Global markets were also slow as buyers and sellers are at a standstill.

The new lead CBOT March 2021 Wheat Futures had a down week dropping to two month lows, settling on Friday at $5.76¾/bu, off 7¾ cents on the day, and down 29¼ cents for the week.

Welcome rain and snow fell across a bulk of the HRW belt though far western edge totals were a little disappointing. KC wheat/corn spreads still flirting with bringing wheat back into feed rations this summer, especially if areas tributary to the feedlots catch some spring moisture. As is the case each year, corn will need to let wheat feed with the next problem sourcing enough wheat to feed for an extended period. Global supplies seem to be more comfortable and Russia isn’t shying away from exports which would suggest limited bullish bias from here, but market will remain very sensitive to any of these fresh demand stories whether it be new feeding or China/Brazil export business. KC July/Sept and Sept/Dec not offering a great return on space, but if needing some logistical flexibility, it isn’t a bad production hedge.
Kansas March 2021 HRW Wheat Futures settled on Friday at $5.42¼/bu, down 7½ cents on the day, and losing 23 cents for the week.

MGE March 2021 HRS Wheat Futures settled at $5.52¾/bu on Friday, off a penny on the day, and down 17¼ cents for the week.

Statscan pegged the all-wheat harvest at 35.2 mmts, the biggest crop in seven years and larger than traders and analysts expected. Production of durum, used to make pasta, was the largest in four years, while spring wheat output was down slightly from 2019, but still the second biggest harvest in seven years.

Even with the big crop out of Australia, offers have been surprisingly light with firming values lacking any urgency to move supplies.

Ukrainian wheat exports have finally slowed exporting just 193K mt last week bringing the year to date total to 12 mmts, which is now down over 10% vs last year. This would leave just 5.5 mmts to meet the soft limit on annual exports before June 30th.

Russia though was very active with a 1.2 mmts export week on big loadings to Egypt and Turkey. For the marketing year, totals are now 22.5 mmts which is almost 20% higher than last year.

CBOT Corn March 2021

It was mostly a down week for corn as we entered the delivery period for December CME Futures. The new lead CME Corn March21 contract settled Friday at $4.20¼/bu, closing down 5¾ cents cent on the day, and down 13 cents on the week.

Rumored Chinese business failed to materialize and weather forecasts improved for Brazil. The USDA showed “flash” sale of 182 kmt to Mexico.

This afternoon’s COT report showed funds reducing their short by 17k contracts to 271k contracts. Commercial ownership was down 19k but still a whopping 628k. Basis was fairly steady in rail markets today and across end users.

The river basis had a firmer tone with values 4 to 9 cents over DVE for March, May and July on the Upper IL river. The market is sending a very clear signal it wants corn and the H/K spread at 2 ¾ cents isn’t covering the costs of carry.
GHA - The weekly EIA ethanol production data suggests corn/milo crush is running about 75 mbu behind last year through the first twelve weeks of 2020/21. At the current pace, use for the year would fall approximately 350 mbu below USDA.

**Oilseeds Complex**

- **CBOT Soybeans January 2021**
  
  The lead CME January 2021 Soybean Futures contract reached $11.99/bu on Monday, but fell through the week before settling on Friday at $11.61½/bu, off 6¼ cents on the day, and loosing gaining 30 cents for the week.

  Soybeans have been trading lower after the lead January and March contracts touched $12.00/bu the week of Thanksgiving. This week soybean futures continued to fall, briefly rallying from a two-week low was set on Wednesday on some renewed bargain buying after with the absent of new Chinese buying and rain in South America dampened prices. Although China was again the leading “net” buyer of soybeans at 476.4 kmts this week, the included a confirmed 132.9 kmts cancelled. Uncertainty and drier forecasts for South American crop prospects, along with spillover strength from soybean oil futures are lending some support. Soyoil competes in the global vegetable oil market with palm and canola oil.

  The F/H spread finished the week at 2 cents carry, after touching 2½ cents. Last Friday’s close had the F/H at 1 cent, so we are a penny wider on the week.

  Statistics Canada reported that Canadian farmers produced the smallest canola crop in five years, at 18.7 mmts, down 4.5% from last year and below trade expectations.

- **Brazil’s Arc Mercosul Cuts Soybean Output Forecast to 128.34 mmts**
  
  Reuters – Brazil 2020/21 soybean production is forecast to reach 128.34 mmts vs 129.15 mmts in a previous estimate, says agribusiness consultant Arc Mercosul.

  Brazil’s 2020/21 soybean planted area is estimated at 38.25 million hectares vs 38.43 million hectares in its previous forecast.

  The planted area for corn had been held steady at 18.44 million hectares for this season. Brazil’s total corn production for 2020/21 is forecast to reach 106.5 mmts vs 107 mmts in Arc Mercosul’s previous estimate.

- **Accumulated Soybean Exports Reach 5-year High**
  
  U.S. soybean exports declined in November. As of 26th of November, the U.S. shipped 8.9 mmts of soybeans. Total soybean shipments in November will likely be less than 10 mmts, compared to 11.2 mmts for October. But the export pace is still at high levels and will remain relatively strong in December.

  Accumulated soybean exports during September-November total 26.7 mmts, the highest volume during this time over the past five years. To reach USDA’s latest projection (in November) of 2020/21 soybean exports 59.87 mmts, the U.S. needs to deliver another 30.7 mmts of soybeans during the remaining December-August period, compared to 31.3 mmts for the 5-year average.

  So far U.S. exports to China totaled 19.4 mmts, compared to 6.8 mmts for last year’s same period. According to USDA’s export sales data, outstanding sales to China were 11.5 mmts as of the 19th November. As such, exports to China will likely remain strong at least in December. With the consideration of recent shrinking sales to China and high prices, exports may return to normal after December.

  Soybean prices have increased by more than 40% to a 6-year high over the past six months. On the other hand, expectations for a record high soybean harvest in Brazil during late January/February indicate possible relief of current high prices. Uncertainty relies on mounting dryness concerns in the core soybean production areas in Brazil.

  Should dry conditions result in substantial yield and production losses in Brazil, soybean prices may increase further amid tightening global supplies.

In contrast, soybean exports in South America were negligible in November. Brazil shipped only 0.8 mmts of soybeans in November and the weak exports will likely continue until new crop soybeans become available in February. Moreover, 30.5 kmts...
of U.S. soybeans were shipped to Brazil in early November. Less than 0.2 mmts of soybean shipments were tracked in Argentina.

**Vessel of U.S. Soybeans Arrives at Port of Paranagua in Brazil**

A vessel with 30,500 tons of soybeans from the United States arrived at the Port of Paranagua in southern Brazil last Friday. It was the first vessel of imported soybeans to arrive at the port in more than a decade. It is expected to dock between December 7th and 15th.

The soybeans were imported by Louis Dreyfus and they will be unloaded at a rate of 6,000 mts/day. That unloading rate is quite slow because the port is configured to load vessels with soybeans, not to unload bulk soybeans. While this is only a small amount of soybeans, it is the largest amount of soybeans imported from the United States since 1997.

Due to very tight domestic supplies of grain, Brazil temporarily suspended import tariffs on soybeans, corn, and rice from non-Mercosul countries on October 16th. Importing soybeans represents a shift in Brazil, which is the world’s largest producer and exporter of soybeans.

Earlier in 2020, Brazil exported a large amount of soybeans due to the devaluation of the Brazilian currency and the trade dispute between China and the United States. The devaluation of the Brazilian currency made Brazil’s soybeans very competitive in the world market allowing exporters to outbid domestic crushers for available soybeans. Domestic supplies of soybeans will remain very tight until farmers start harvesting their 2020/21 crop in late January and early February.

The Brazilian Association of Vegetable Oil Industries (Abiove) expects Brazil to import 1 mmts of soybeans in 2020, which would be the most since 2008. From January through October of 2020, Brazil has imported 625,000 mts of soybeans with 589,000 mts from Paraguay and 36,300 mts from Uruguay. In 2019, Brazil imported 125,000 mts of soybeans.

**Palm Oil Demand Will Be Limited As Prices Continue to Rise**

Reuters - Palm oil demand is expected to be constrained next year, as supply shortages triggered by unfavorable weather in Malaysia and Indonesia, infrastructure issues, and the COVID-19 pandemic have pushed prices to record highs; analysts told a virtual palm oil conference on Thursday.

Higher prices may lead consumers to look for cheaper alternatives. Volatility and prices in 2021 is going to be higher or as high as the volatility in 2020.

Palm prices have been increasing this year due to poor weather, low fertiliser use, and a shortage of manpower triggered by social distancing measures imposed by countries during the pandemic. In addition, a lack of replanting of plantations a few years ago has contributed to a drop in production.

World output for palm oil fell 4.5 mmts last season. For next season it is expected for production to rebound, but the rebound is expected to be considerably slower than a similar situation 5 years ago.

Malaysian benchmark prices have already reached eight-year highs. Also propping up prices is speculation Malaysia may keep duty free palm exports for January-March next year. If it does, benchmark palm oil prices are likely to jump to as high as 4,000 ringgit/mt in January, Mistry said.

In Indonesia, higher export levies announced earlier on Thursday may make palm oil further lose its market competitiveness. The country will impose additional higher levies starting December 10th, a move that could impact demand next year as it seeks to generate funds for a palm-based biodiesel program. "This export levy will have a 200% effect on price volatility," the Mistry said.

**CME Crude Palm Oil January 2021**

Palm oil continues to lend support to the oilseed complex as CME January 2021 Crude Palm Oil Futures set new highs on Friday at US$808.75/mtt, up $13.75/mt for the week.

**CME Soybean Oil January 2021**

Soybean oil values were the one bright light in the oilseed complex as CME January 2021 Soybean Oil Futures settling on Friday at $38.43/cwt, up 70 cents on the day, and unchanged for the week.
Soybean oil values remained relatively strong this week as palm oil traded to new 8-year highs. Soybean oil competes in the global vegetable oil market with palm and canola oil.

CME January 2021 Soybean Meal Futures traded lower this week. The January contract settled on Friday at $384.90/short ton, down up $5.10 cents on the day, and off $11.40 for the week.

**South Korea Buys 185,000 mts of Soymeal**

Reuters - South Korean importers the Major Feedmill Group (MFG) and Korea Feed Association (KFA) purchased about 185,000 mts of soybean meal in private deals expected to be sourced from South America; European traders said on Friday.

The soymeal was bought in three consignments and was in addition to the purchase by South Korean animal feed maker Nonghyup Feed Inc. (NOFI) of about 71,000 mts of soybean meal in an international tender.

MFG purchased 60,000 mts from trading house COFCO for arrival in South Korea around the 25th of June 2021 at an estimated US$458.99/mt C&F, traders said. MFG purchased another 65,000 mts from Cargill for arrival around the 23rd of July 2021 at an estimated US$457.46/mt C&F.

KFA reportedly purchased 60,000 mts from COFCO for arrival around the 25th of July 2021 at some US$457.46/mt C&F.

Asian soymeal demand has been brisk this week with a group in Vietnam also buying an estimated 68,000 mts.

**In need of non-GM product, US Turns Biggest Buyer of Indian Soymeal**

Subramani Mancombu - The US, the world’s second-largest soybean grower, has become the biggest importer of the Indian soymeal as nearly 95% of its crop is genetically modified (GM) and the Indian product meets Washington’s need for special applications.

“Indian soymeal is given priority in the US since it needs non-GM soybean. Hardly 5% of the soybean crop in the US is non-GM and those who want non-GM soy products there have to pay a premium. That way, the Indian soymeal is competitive.” said BV Mehta, Executive Director of Solvent Extractors Association of India (SEA).

According to Agricultural Market Information System of the Food and Agriculture Organisation, an arm of the UN, soybean production in the US during the current season (July 2020-June 2021) is estimated to be 116.2 mmts, the second-largest after Brazil’s projected 132 mmts.

India’s soybean is estimated at 12.4 mmts but The Soybean Processors Association of India, also known as SOPA, and SEA have pegged it lower than initial estimates of 10.45 mmts in view of damage to the crop due to rain and virus attack.

According to SEA data, soymeal exports to the US increased 19.5% in the first half of the current fiscal to 131,000 mts against 110,000 mts during the year-ago period. Soybean meal exports to the US recorded the highest growth among all importing nations. Among other nations, Taiwan and Vietnam registered 15.17% and 14.26% increase, respectively, of Indian soybean meal imports during the period.
France Seeks to Expand Protein-Rich Crops to Cut Soy Import Reliance

Reuters - France aims to raise the area sown with protein-rich crops by 40% from 2022 as it seeks to cut the country’s heavy reliance on soybean imports from South America, Agriculture Minister Julien Denormandie said on Tuesday.

France and other European Union countries import millions of tonnes of soybean and soymeal each year, mainly from Brazil and Argentina, to feed livestock, making them dependent on world prices, trade relations and environmental practices overseas.

"We have one objective: regain some of our food sovereignty," Denormandie told Reuters in an interview. "Our target today is clearly soybean imports coming from the American continent," he said, adding that South American countries were the main origin for soy-based proteins in the EU.

A 40% rise in protein crops would amount to an extra 400,000 hectares of land to be harvested by 2023, the farm ministry said.

Between July 1st and November 25th, France imported 950,000 mts of soymeal and 200,000 mts of soybeans; EU data showed on Monday.

Longer-term, France aims to double the total area within 10 years to 2 million hectares, which would reduce its reliance on protein imports by 10%.

France, the EU’s largest crop grower, will invest a total of 100 million euros (US$119.8 million) in aid over two years to encourage farmers to devote more land to protein crops and boost research, he said. Protein-rich crops that will be encouraged include soybeans, peas, lentils, chickpeas as well as beans.

Only about 50% of France’s protein crop needs are covered by French production, Denormandie said. “The second problem is that when you import Latin American soybean, you contribute to deforestation and thus in addition to a problem of sovereignty you have an environmental problem.”

Data on Monday showed deforestation in Brazil’s Amazon rainforest had surged to a 12-year high in 2020.

To improve competitiveness against cheaper imports, French farmers will also benefit from additional subsidies approved under a proposed reform of the EU’s Common Agricultural Policy. The plan does not aim to support plant-based proteins for use in processed food such as alternative meat, a ministry official said.

Related News

US Soybean Groups to Establish Soy Excellence Centers in Nigeria

By Hamid Ayodeji - The U.S. Soybean Export Council (USSEC), the American Soybean Association’s World Initiative for Soy in Human Health (ASA/WISHH) and the U.S. Grains Council (USGC) have jointly expressed their dedication to support and enhance the sustainable development and growth of the African feed industry and its long term commercial trade development.

They said their commitment is on the back of the realization that the African feed industry is generating solutions to enhance the continent’s soybean value chain, adding that they plan to establish Soy Excellence Centers (SECs), starting with one in Egypt, and that a future site planned for Nigeria is already in the works. They plan to invest in emerging markets, identify factors like growing populations, improving economic conditions to address protein deficiency among populations.

Kevin Roekpe, USSEC’s regional director for South Asia and sub-Saharan Africa, in an interview with Business A.M. disclosed that the centers are designed to provide training, resources and education to all members of the soy value chain, including farmers, animal protein integrators, feed millers, animal nutritionists and local academic resources.

He said this would help to build awareness of the benefits of soy in animal feed, aquaculture and human consumption through teaching and highlighting best practices, which includes demonstration equipment used to show the production of soy, thereby enabling the organizations expose participants to all the available options in the production of high-quality soymeal and soy.

According to USSEC, depending on credit availability and many other factors, Nigeria could become a 2 to 4 mmts market for U.S. soybean in the medium to long-term.

The regional director indicated that currently, the country crushes about 1 mmts yearly, and he also estimated an immediate need for 50,000 to 100,000 mts to fill the current demand gap within the country; adding that because of its growing population and low consumption of soy, Nigeria has been identified as a market that represents a growth opportunity for U.S. soy as it could emerge as U.S. soy’s top three growth markets by 2030.

Roekpe, whilst answering a question concerning the sort of policies and regulations that can be generated and enforced by African governments in order to upscale the continent’s agriculture value chain, told of the lack of credit and underutilization of GSM credit guarantees, which have been long-standing constraints on sales of U.S. soy products to Africa. As part of its initiative to develop the multimillion-tonne market for U.S. soy in Africa, USSEC brought together key stakeholders this past September to address the credit issue head-on.

"On September 30, Nigerian banks, leading Nigerian supply chain executives, and Foreign Agricultural Service (FAS) administrators came together with U.S. soy industry representatives from USSEC and the American Soybean Association’s (ASA) World Initiative for Soy in Human Health (WISHH), during a virtual roundtable to discuss barriers to the use of U.S. Department of Agriculture (USDA) credit guarantee programs in Nigeria and other emerging African markets. USDA export credit guarantee programs can help make commercial financing available for imports of U.S. soy and other food and agricultural products on deferred payment terms.

"The work of the U.S. soy industry, coupled with the plans to train and educate the soy value chain through the Soy Excellence Centre (SEC), and USSEC’s ongoing relationship management efforts bodes well in the long run for the import of U.S. soy as demand continues to out-stripped supply. The Protein Pull work and the training
coming via the SECs are working hand-in-hand to help Nigerians realise their protein needs,” he added.

According to him, the agriculture value chain and farmers have weathered some of the world’s most difficult seasons and obstacles but survived and overcame. The last few years have been some of the most challenging on record, but farmers maintain their commitment to doing everything they can to provide soy for food, fibre, fuel and other products.

Kurt Shultz, senior director of global strategies, U.S. Grains Council said, providing technical, economic and logistical assistance is at the heart of the U.S. Grains Council’s long-term strategy in Africa, where the United Nations estimates demand for meat, milk and eggs will quadruple by 2050; so, events like the African Trade Exchange are also an important part of our plan to solidify and build relationships in the region.

Also speaking during the virtual conference, Liz Hare, executive director of WISHH said, “WISHH has 20 years of proven experience working with African entrepreneurs who join us in recognizing the importance of protein for Africa’s food security, as well as the economic opportunities it provides for businesses. This conference was testament to U.S. soybean farmer commitment to supplying high-quality protein to the African continent.”

Clay Hamilton, associate administrator and general sales manager for the Foreign Agricultural Service on his part said: “We have remained dedicated, ourselves, to the African continent. This is a tremendous region. It continues to grow and there is so much opportunity here. For us, there are three areas we are focused on: trade policy, technical support, and market development. There is a lot going on with Africa, and this venue is a great opportunity to learn about that and how we can make trading productive.”

TRANSPORTATION & LOGISTICS

➢ Export Sales: For the week ending November 19th, unshipped balances of wheat, corn, and soybeans totaled 61.0 mmts. This was 1% lower than last week, but still represented a significant increase in outstanding sales from the same time last year.

Net corn export sales were 1.666 mmts, up 53% from the past week. Net soybean export sales were 0.768 mmts, down 42% from the previous week. Net wheat export sales were 0.796 mmts, up significantly from the previous week.

Rail: U.S. Class I railroads originated 25,187 grain carloads during the week ending November 21st. This was a 14% decrease from the previous week, 13% more than last year, and 18% more than the 3-year average.

Average December shuttle secondary railcar bids/offers (per car) were $55 above tariff for the week ending November 26th. This was $49 more than last week and $434 more than this week last year. There were no non-shuttle bids/offers this week.

➢ Barge: For the week ending November 28th, barge grain movements totaled 1,117,565 tons. This was 13% less than the previous week and 9% more than the same period last year.

For the week ending November 28th, 707 grain barges moved down river, 88 barges fewer than the previous week. There were 979 grain barges unloaded in New Orleans, 1% lower than the previous week.

Ocean: For the week ending November 26th, 39 oceangoing grain vessels were loaded in the Gulf, 8% more than the same period last year. Within the next 10 days starting November 27th, 62 vessels were expected to be loaded, 38% more than the same period last year.

For the week ending November 30th, the U.S. average diesel fuel price increased 4.0 cents from the previous week to $2.502 per gallon, 56.8 cents below the same week last year.

➢ Federal Maritime Commission To Investigate Container Shortages

DTN - The Federal Maritime Commission (FMC) will expand its Fact Finding 29 effort, the International Ocean Transportation Supply Chain Engagement, to now include practices that have arisen relative to the return of empty containers and other questionable practices.

The expanded effort comes in the wake of several industries, including the U.S. agriculture industry, complaining that foreign carriers are rejecting exports of ag products in favor of sending empty containers back to China to be used to send Chinese goods back to the U.S. The situation arose, according to reports, after Chinese transportation officials met with major carriers and called on them to cut rates and reinstate some sailings that had been cancelled.

Indications are the rejection of agriculture shipments is linked to costs and time associated with such shipments to China — they are cheaper to move and take longer to unload. By sending the empty containers back to China to be filled with Chinese goods, carriers can then charge higher shipping rates. The original Fact Finding 29 investigation was launched to “identify operational solutions to cargo delivery system challenges related to recent global events.”

The expanded investigation is looking at “practices and regulations that are having an unprecedented negative impact on congestion and amplifying bottlenecks at these ports and other points in the Nation’s supply chain,” FMC said. The expanded check is focusing on “alliance carriers who call on the Port of New York and New Jersey or who call on the Port of Long Beach and the Port of Los Angeles are employing practices or regulations” that are restricting U.S. exports via “practices and regulations related to demurrage and detention, empty container return” and “practices related to the carriage of U.S. exports.”

It is not clear what results of the expanded effort will be, but actions involving agriculture shipments which have increased demurrage charges and other costs due to shipment rejections have caught the attention of U.S. shipping regulators.
Argentine Export Industry Workers Launch Strike Tuesday

“Tuesday, December 1st at 6 AM (0900 GMT) we will begin a national strike,” the FTCIODyARA oilseed workers union and the URGARA grains inspectors said in a joint statement.

The wage strikes have intensified in recent months as the coronavirus pandemic complicated talks between the two sides.

The CIARA-CEC chamber of agro-export companies said in a statement that the talks had stalled because of “excessive demands” for an “outlandish” payment, which were impossible to meet. It said the strike action was having widespread impact.

Both unions involved had taken strike measures previously in September, when government intermediation failed to defuse the conflict. The oilseed federation involved in the strike does not include key plants in the grain hub to the north of Rosario.

Argentine Grains Strike to End After Briefly Shutting Some Ports

Reuters - Two major unions in Argentina's agro-export industry said on Monday that they would launch an indefinite strike starting Tuesday morning, ramping up a standoff that has been simmering for months.

Oilseed workers and grains inspectors are demanding a wage increase amid high inflation that has roiled Argentina for years. Argentina is the main global exporter of soybean oil and meal, which is the country's top cash crop.

The wage strike by grains inspectors and oilseed workers that had halted activity at some Argentine grains ports was scheduled to end early on Wednesday morning after what will have been 24 hours, a spokesman for the striking unions said on Tuesday.

The Urgara group representing grain inspectors and an oilseed workers union started an open-ended strike on Tuesday morning, after weeks of talks failed to yield a contract. The work stoppage affected a few ports in the ports hub of Rosario, from which most Argentine farm exports are shipped. In addition to Rosario, ships were stalled in Quequen and Bahia Blanca, further south in the province of Buenos Aires, with activity in both ports stopped.

A spokesman for the Argentine Federation of Oilseed workers, which had joined the strike, said participation by workers was “practically total” in many Argentine oilseed crushing plants.

The CIARA-CEC chamber of export companies said that it was trying to resume contract talks with the unions despite wage hike demands it described as "excessive."

On Tuesday night the United Maritime Workers Union (SOMU), announced in a statement that its members would now go on a strike of unspecified length after the failure of wage negotiations. A strike by SOMU last year lasted 72 hours and stopped shipments in three of Rosario's terminals.

Argentina is the world's top exporter of soymeal and a major international soybean, wheat and corn supplier. With fewer grains workers available to check cargos coming into port, 1,306 trucks carrying grains entered terminals in the Rosario area from midnight to 7 a.m. on Tuesday. That marked a 45% drop compared with the same period on the same day a week earlier, according to Rosario grains exchange data.

Government

Grain Standards Reauthorization Headed to President's Desk

The US House on Wednesday passed by voice vote a five-year extension of the law that authorizes inspections of grain and oilseeds, facilitating a major amount of U.S. agriculture exports.

The bill, which now goes to President Donald Trump for his signature, includes some minor changes to the existing law, including requiring state inspection agencies to notify users at least 72 hours in advance of suspending services.

Another provision is intended to ensure user fees paid to USDA’s Federal Grain Inspection Service are used solely for inspection and weighing services.

The bill was approved by the Senate Agriculture Committee in June but didn’t pass the full Senate until November. It was set to expire on December 11th.

CFTC Ag Advisory Subcommittee; Open Meeting Next Tuesday

Commodity Futures Trading Commission (CFTC) Chairman Heath P. Tarbert announced the members of the Agricultural Advisory Committee's (AAC) new Agricultural Futures Contracts with Open Interest Subcommittee (Ag-OI Subcommittee). The 22-member subcommittee will be chaired by Dr. Joseph Janzen, Assistant Professor in the Department of Agricultural and Consumer Economics at the University of Illinois.

The subcommittee was established to provide recommendations to the AAC for Commission policy related to the implementation of amendments to futures contracts based on enumerated agricultural commodities when those amendments would apply to contract months with open interest.

“I look forward to the members’ input regarding how we can better fulfill our statutory duty in approving amendments to futures contracts based on enumerated agricultural commodities when those changes will apply to contract months with open interest. Ultimately, more clarity in this space could help exchanges minimize risk to market participants and themselves,” said Chairman Tarbert in a press release.

End of U.S. Pork, Beef Tariffs in Taiwan Sparks Nationwide Protests

POLITICO - Morning Trade reported this week that Taiwan’s decision to open its market to American meat imports sparked a messy brawl on the floor of parliament over the weekend, with members from the opposition Nationalist party throwing pig guts and punches at members of the majority Democratic Progressive Party.
The Nationalists lawmakers were protesting a recent agreement between President Tsai Ing-wen and the U.S. to import American pork and beef, which contains the growth hormone ractopamine, banned in the European Union, China and elsewhere. Many in Taiwan view the products as an affront to their culinary and agricultural traditions, and tens of thousands took to the streets this month to protest the change. But U.S. negotiators have been adamant that accepting American meat products is a bare minimum for free trade discussions with the U.S., and Taiwan’s decision was widely viewed as a confidence building exercise to smooth the way for such a deal with Washington.

**China Drafts New Laws for Grains Reserves - Food Security Concerns**

Reuters - China published a new draft law on management of its grain reserves on Thursday to include oversight of stocks in regions and provinces as it seeks to bolster its food security.

Previous rules governing grain reserves only applied to its central state stockpiles, but Beijing has this year heightened its focus on risks to food supply.

The law was drawn up as "new situations and questions have risen regarding grains reserves security administration, posing severe challenges to China's grains stockpile security," the National Development and Reform Commission said in a statement on its website.

China said in May that it would draft and carry out both nearby and long term plans on ensuring food security amid the global coronavirus pandemic.

The pandemic has disrupted agriculture supply chains worldwide, threatening to trigger a potential food crisis and as the virus continues to spread across the world.

Local governments should build up reserves of processed grains and oils of an appropriate scale in central areas of medium-large cities and regions with markets that are prone to volatility, the state planner said. "The state's need to secure grains output and its capability to control domestic supplies has become more urgent," said Meng Jinhui, senior analyst with Shengda Futures.

The new law stipulates how the reserve volumes should be set and the products to be included, as well as when the grains can be released. Reserves should only be used in cases of obvious grains shortage, significant price moves, major natural disasters or other emergencies. The document also encourages urban and rural residents to stockpile grains in a reasonable way.

**India Considers Changing New Farm Laws After Mass Protests**

Reuters - India's government is considering rolling back some parts of its agricultural reforms after they triggered the biggest protests by farmers in years, officials said on Friday, as tens of thousands of farmers were out on the streets around Delhi rallying against three laws that the government says are meant to overhaul antiquated procurement procedures and give growers more options to sell their produce.

Farmers fear the legislation, passed in September, will eventually dismantle India's regulated markets and stop the government from buying wheat and rice at guaranteed prices, leaving them at the mercy of private buyers.

"The government is open to look into various amendments," a government official told Reuters, declining to be named ahead of a meeting between farmers and ministers scheduled for Saturday. "The government is open to the idea of imposing taxes on the new wholesale markets to keep a level playing field." In case of a dispute between sellers and buyers, the government could also let farmers appeal to a higher court than is currently allowed under the new legislation, he added.

Two other officials said the government was considering making the same concessions, but the government spokesman was not immediately available for comment.

Farmer leaders have demanded the government repeal the laws and retain mandatory government purchases, and said that buyers at private markets should pay the same tax as at state-run markets. Under the Farmers’ Produce Trade and Commerce (Promotion and Facilitation) Act, one of the new laws, private players are allowed to set up wholesale markets where transactions will not attract any kind of tax.

The protests, led by influential farming groups from the grain-producing states of Haryana and Punjab, pose a crucial test for Modi’s ability to reform India's vast agriculture sector, which makes up nearly 15% of the country's $2.9 trillion economy and employs around half of its 1.3 billion people.

**U.S. Will Impose Tariffs on Phosphate Fertilizer Imports**

The U.S. will begin imposing countervailing duties on phosphate fertilizer from Morocco and Russia after an investigation showed the countries were subsidizing exports.

The decision comes despite pressure from eight GOP farm state senators, who pleaded with Commerce not to impose the tariffs out of concern they will increase input costs for American farmers.

"U.S. farmers depend on affordable phosphate fertilizers to produce a variety of crops, including corn, soybeans, cotton, wheat, sorghum, sugar beets, and fruits and vegetables," Kansas Sen. Jerry Moran and other Republicans told the Commerce Department and U.S. International Trade Commission in an Aug. 3 letter.

The U.S. imported about $730 million worth of phosphate fertilizer from Morocco and $300 million from Russia in 2019, according to Commerce.

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International Crop & Weather Highlights

- **La Nina Impact to Continue**
  DTN - A closely watched climate analysis and forecast agency, the International Climate and Research Institute (IRI), headquartered in New York City, released its updated forecasts for the next three- and six-month periods Monday. The forecast keeps the chances high for continued dryness and drought potential in the US Southern Plains and in the South America crop regions of southern Brazil and Argentina. The IRI forecast description features these details: The SST (sea surface temperature) forecast is for moderate to strong La Nina conditions to continue through winter, likely weakening during the spring but persisting as a weak La Nina. Warm SSTs in the North and South Pacific, southeast Indian Ocean, and the North and South Atlantic are forecast to persist through the spring while the tropical Atlantic Ocean remains near normal.

Precipitation forecasts for the coming season are consistent with typical La Nina teleconnections. In December to February, strongly enhanced probabilities of below-normal precipitation are forecast for Mexico and the Southern U.S., southeast South America, with moderately enhanced probabilities of below-normal precipitation in Southwest Asia. Enhanced probabilities of below-normal precipitation persist in the Southwestern U.S. through March-to-May, but relax towards climatology elsewhere by Jan-March.

The southeast South America region described in the IRI summary is an area including the state of Rio Grande do Sul southern Brazil, the entire country of Uruguay, and northern through central Argentina. These are primary row crop producing areas. Rio Grande do Sul is the third-largest soybean production state in Brazil; and in Argentina, the coverage of dry conditions in the IRI forecast includes the states of Santa Fe, Cordoba and Buenos Aires, the top three corn and soybean producing states in Argentina.

Farther north, the central Brazil state of Mato Grosso is not in a high chance category for dry conditions; however, indications are that precipitation will be near to below normal. Central Brazil is already in a drier pattern; thus, the message is that of a higher chance for reduced crop size in South America than previous estimates.

In the U.S., dry conditions remain prominent in the IRI forecast for the Central and Southern Plains, and from the southern California coast east to the Carolina coast. Below-average precipitation in the Southern Plains forecast leads to more concern about lower winter wheat output from this region in 2021. Above-average moisture has a high probability in the Northwest, with near- to above-average precipitation indicated for the Midwest during the winter season.

- **USDA/WAOB Joint Agricultural Weather Facility – 1st December 2020**
  - EUROPE – Highlight: Dry And Colder, But Showers On Continent’s Perimeter
    Dry, colder weather eased winter crops toward or into dormancy from France into eastern Europe.

- MIDDLE EAST – Highlight: Heavy Rain In Iran, But Dry In Central Turkey
  Heavy rain in western and northern Iran as well as central Iraq boosted moisture reserves for winter wheat and barley but likely caused localized flooding. Rain again bypassed central Turkey, leaving soils too dry for winter grains on the Anatolian Plateau.

- NORTHWESTERNAFRICA – Highlight: Much-Needed Rain In Morocco
  Much-needed rain in Morocco and western Algeria eased severe long-term drought and improved soil moisture for winter wheat and barley planting. Additional moderate to heavy rain in eastern Algeria and northern Tunisia maintained good moisture supplies for winter grain planting and establishment.

- SOUTH ASIA – Highlight: Tropical Cyclone Nivar
  Tropical Cyclone Nivar made landfall in southeastern India, producing heavy showers and localized flooding, but no widespread crop impacts were expected.

- EAST ASIA – Highlight: Good Moisture For Rapeseed; Dormancy For Wheat
  In eastern China, showery weather maintained favorable soil moisture for rapeseed, while colder-than normal weather ushered wheat into dormancy.

- SOUTHEAST ASIA – Highlight: Wet Weather
  A wave of tropical moisture produced a deluge in the northern Philippines, exacerbating excessively wet conditions for some winter crops.

- AUSTRALIA – Highlight: Showers In The Southeast, Hot And Dry Elsewhere
  Rain in southern New South Wales and eastern Victoria slowed winter crop dry down and harvesting.

- SOUTH AMERICA – Rain Returned To Argentina’s Southern Farming Areas
  Widespread showers increased moisture for summer grain and oilseed establishment in high-yielding production areas of central Argentina and maintained favorable prospects of winter grains in southern Buenos Aires.

- SOUTH AFRICA – Highlight: Conditions Remained Overall Favorable For Corn
  Mild, showery weather increased moisture for development of rain-fed summer crops in central sections of the corn belt, as sunny weather promoted crop development farther east.

Locally heavy showers on the continent’s perimeter boosted moisture supplies for winter grains in Spain but hampered late-season fieldwork in northern England, Scandinavia, and the Baltic States.

EUROPE – Highlight: Dry And Colder, But Showers On Continent’s Perimeter
Dry, colder weather eased winter crops toward or into dormancy from France into eastern Europe.
In the West, critical fire weather conditions persist in coastal southern California. The Bond Fire, burning in Orange County’s Silverado Canyon east of Santa Ana, was ignited late December 2 and has consumed more than 7,000 acres of vegetation, with negligible containment. Dry weather also covers the remainder of the region, although air stagnation and foggy conditions are plaguing parts of the Northwest.

On the Plains, mild, dry weather prevails. Today’s high temperatures should reach or exceed 60°F as far north as western South Dakota. On December 1, drought was affecting 39% of the U.S. winter wheat production area, according to the U.S. Drought Monitor, leaving nearly one-fifth (18%) of the crop rated in very poor to poor condition.

In the Corn Belt, mild, mostly dry weather has replaced previously chilly conditions. Snow cover in the eastern Corn Belt, primarily across Ohio, has begun to melt. Except where fields are wet or blanketed by snow, Midwestern conditions favor off-season fieldwork, including farm maintenance activities.

In the South, rain is falling in several areas east of the Mississippi River. Early today, some of the heaviest rain is spreading into the southern Appalachians. This Southeastern rain event is another setback for producers attempting to complete harvest activities for crops such as cotton and soybeans. In Virginia, 62% of the cotton and 85% of the soybeans had been harvested by November 29. On the same date, one-fifth to one-third of the soybeans remained in the field in North Carolina (77% harvested) and South Carolina (70% harvested).

Outlook: A storm system crossing the Southeast will intensify during the weekend along the middle and northern Atlantic Coast. Storm-total rainfall could reach 1 to 2 inches or more in the Atlantic Coast States from the Carolinas to Maine. Interior New England may receive significant weekend snow.

By early next week, tranquil weather will return (or continue) across most of the country, although unusual warmth across the Plains will contrast with chilly conditions in the Midwest and East. Dry weather will prevail during the next 5 days across large sections of the Plains, Midwest, and West.

Periods of light precipitation will occur, however, in the Pacific Northwest. In southern California, a prolonged “Santa Ana” wind event will maintain the threat of rapidly spreading and difficult-to-contain wildfires.

The NWS 6- to 10-day outlook for December 9 – 13 calls for the likelihood of near- or above-normal temperatures nationwide, except for cooler-than-normal conditions across Florida’s peninsula. Meanwhile, below-normal precipitation in the East and West should contrast with wetter-than-normal weather across the central one-third of the country, including the Plains, mid-South, and central and southern Rockies.

Web Site: https://www.usda.gov/sites/default/files/documents/TODAYSWX.pdf
Source: USDA https://www.usda.gov/oe/weather-drought-monitor/publications

- END -
December Crop Calendar

**United States**  
Winter Wheat & Rapeseed: Dormant

**Europe**  
Winter Wheat & Rapeseed: Dormant

**China & East Asia**  
Winter Wheat & Rapeseed: Dormant

**NW Africa & Egypt**  
Wheat: Planting

**FSU**  
Winter Wheat & Rapeseed: Dormant

**Turkey, Middle East & Afghanistan**  
Wheat (Highlands): Dormant

**Mexico**  
*Sinaloa: Winter Corn (Irrigated): Silking*  
Sorghum, Rice & Soybeans: Harvesting  
Wheat: Planting

**West Africa**  
*Saheb: Cotton: Harvesting*

**East Africa**  
*Kenya: Corn (Minor): Silking*  
South Africa  
Wheat (Free State & Western Cape): Harvesting  
Corn, Cotton, Rice, Sunflower, Soybeans & Millet: Vegetative

**Southern Africa**  
Corn, Sorghum, Rice, Millet, Groundnuts & Sunflower: Harvesting  
Winter Wheat & Rapeseed: Vegetative

**Brazil**  
*Center West: Soybeans: Flowering*  
*South: Corn & Soybeans: Flowering*  
Groundnuts, Sorghum, Cotton, Sunflower, Rice & Millet: Vegetative

**Argentina**  
*Late Corn & Cotton: Flowering*  
Early Corn: Filling  
1st Soybeans, Sunflower, Rice, Sorghum & Millet: Vegetative  
Wheat: Harvesting

**Australia:**  
Wheat & Rapeseed: Harvesting  
Cotton, Corn, Groundnuts, Sunflower, Sorghum & Millet: Vegetative

*Crop stage sensitive to moisture and temperature stresses.*

https://ipad.fas.usda.gov/ogamaps/images/dec_calendar.gif

U.S. Department of Agriculture (USDA)  
Foreign Agricultural Service (FAS)  
Office of Global Analysis (OGA)  
International Production Assessment Division (IPAD)