



# Global News Update

Final Marketing  
Year- End Exports

Soybeans  
1.24 billion bushels

Soybean Meal  
318 million bushels

Soybean Oil  
886,000 metric tons

## **U.S. Farmers Benefit from Record U.S. Soy Exports of 1.56 Billion Bushels**

U.S. soy exports set a record for the third year in a row with exports of 1.56 billion bushels for the last marketing year. Whole soybean exports totaled 1.24 billion bushels and soymeal exports equaled 318 million bushels. USDA estimates that exports equaled 55 percent of the soybean crop harvested in fall 2008.

The top soybean export markets were China: 686 million bushels, Mexico: 113 million bushels, and Japan: 88 million bushels. The largest soymeal export markets included Mexico: 56 million bushels, Canada: 47 million bushels, and Venezuela: 25 million bushels. The largest soybean oil export market was India with 172,600 metric tons. The most important export market for U.S. farmers continued to be China, as the country imported nearly one-fourth of the soybeans grown in the U.S. last year with total imports of over 23 percent of the total crop. China's import demands are driven by the feed industry which doubled in the last fifteen years, and more importantly increased its use of soybean meal by over 600 percent.

With support from the soybean checkoff and Foreign Agricultural Service, USSEC hosted several international buying teams to the U.S. this fall to observe the harvest and meet with U.S. soy exporters. Commitments from overseas buyers helped drive year-to-date demand for this year's U.S. soybean harvest to record levels, with over 750 million bushels of U.S. soybeans in committed purchases and exports as of October 1.

## **USSEC Global Animal Nutrition Technical Director Visits China and Korea**

USSEC Global Animal Nutrition Technical Director Dr. Nelson Ruiz spent the month of September visiting several international offices to confer with technical directors to evaluate global soymeal utilization programs. Dr. Ruiz's visit to China included visits to customers including swine breeding, feed milling and poultry production.

Dr. Ruiz traveled with Drs. M.Y. Huang (Livestock TD) and Sam Shi (Swine TD) to Shandong province to attend a two-day seminar co-sponsored by ASA-IM and the Shandong Provincial Animal Husbandry Association. Drs. Huang and Shi presented lectures on swine production to the audience of 230 representatives of the commercial swine production industry. The group also visited a new swine breeding farm near Dalian.



*Dr. Nelson Ruiz and Drs. M.Y. Huang and Jack Cheng inspect U.S. soybean samples at Hai-Tian Feed Mill in Dalian*

Dr. Jack Cheng, TD-Feed Technology, arranged for a visit to the nearby Hai-Tian Feedmill, where an estimated 45,000 metric tons of full-fat soybean meal is produced annually, exclusively using U.S. soybeans.

Drs. Ruiz and Huang also visited the nearby Han-Wei Layer Farm, one of China's largest layer farms, with more than 3 million birds. Although originally planned as an observational visit, Dr. Ruiz answered a number of questions from their technical staff about probiotics, mycotoxins, feed formulation issues, and the correct acid-base balance in poultry feeds. The visit became a short version of the in-plant consultations that China staff conducts regularly to assist key buyers and promote higher soybean meal inclusion rates in Chinese swine, poultry and fish feeds.

Dr. Nelson Ruiz, USSEC International Animal Utilization Technical Director, also visited Korea to discuss the market situation and current programs for soybean meal in that country. The key topic focused on programs in Korea to differentiate U.S. hipo dehulled meal from the competing meals of South America and India. In Korea, Ruiz visited Farmsco, a large swine integrator and a strong supporter of U.S. soybean meal for their feed production for piglets, starter pigs and broilers.

### **India Feed Industry Debates Lack of Quality Soybean Meal**

70 participants including soybean crushers, soy traders, feed millers, farmers, media and other key trade related personnel attended a Soy Debate Forum discussing the lack of consistent quality soybean meal available in India. The debate allowed everyone in attendance the opportunity to express solutions and recommendations to their common concerns, as no formal presentations were allowed. The Compound Livestock Feed Manufacturers Association of India actively participated in the debate.

Mr. G. Chandrasekhar, Associate Editor of Agri-Commodities and Business newspapers, moderated the lively 8-hour discussion. He summed up the session by suggesting that the feed millers can "call the shots" in India by forming an effective soy use entity, knowing they are valued clients for domestic utilization of meal. A key discussion topic included the need to develop a plan to secure quality soy meal to support future growth and higher inclusions of soy meal in feeds. Participating millers requested crushers honor purchase orders and step up their quality requirements, and to focus on animal performance. Videotapes of the conference are available throughout the industry to generate favorable support for soy utilization.



*Mr. Chandrasekhar moderating at the "Soy Debate Forum" in India*

## Aquaculture Activities Promote Use of Soy Meal



Consultant In Soo Shin with R&D Manager at Jeil Feed, shown with extruded soy meal

Korean Consultant In Soo Shin visited the Jeil Feed Company in Haman, ranked as one of the top five aquafeed companies in feed production. Shin discussed solutions to issues of palatability and amino acids shortage partially related to high inclusion of soy meal in feeds for marine fishes.

The Korean office is conducting activities for feed mills specializing in aqua feeds to promote the use of soy meal in extruded feeds for marine fishes and target local marine fish growers to convert their trash fish-based pellet feeding practices to soybean meal-based extruded feeds.

## Southeast Asia Soy Importers Learn Risk Management Skills

Due to the overwhelming response of a July program, Southeast Asia staff organized a second round of introductory and intermediate courses on risk management for 55 importers of grains and oilseeds. These buyers and traders from Southeast Asia and the Asia Subcontinent met in Singapore to participate in the week long US Ag Commodities Risk Management Workshop series covering the fundamentals of the commodity markets and the use of price risk management tools. This program is part of the continuing education program of ASA-IM's Risk Management Workshop Series. The 2-day introductory and 2-day intermediate course on the mechanics of hedging was co-organized with the U.S. Grains Council and CME Group. The format of each workshop is highly interactive and practical, with tutorials reinforced with the trading simulation computer software developed by ASA-IM. With soybean meal imports reaching 390 million bushels and soybeans at 140 million bushels last year, the uncertain current economic environment and its impact on the grain trade give reason for the feed and animal industry in Southeast Asia to worry. Importers recognize the urgency of returning to the fundamentals of risk management and being able to apply the tools to reduce their exposure in the volatile market. Southeast Asia is the U.S.'s fifth largest soybean and third largest soybean meal regional export customer worldwide.



Participants learn risk management tools from consultant Sue Goll, a trainer for the Chicago Board of Trade



*Putting theory into practice, participants make pricing decisions using the trading simulation program developed by Southeast Asia staff*

### **Taiwan Buyers See U.S. Soy Harvest**

Escorted by Taiwan's Country Director Anthony Thang, a team of personnel from nine Taiwanese soybean crushers visited the U.S., representing over 90 percent of soybean imports to that country. Comprised of executives, sales representatives and purchasing staff of major crushers, the team members are decision-makers in the soybean purchasing process for their companies.

The team visited Minnesota, Iowa, Illinois and Missouri to study the quality and supplies of U.S. soybeans for 2010 and to witness the start of the soybean harvest season. While visiting farms and elevators in the U.S.'s top soybean producing states, they learned that production will be large and quality should be well above average.



*Team members with Dan Beenken's Family in Iowa*

Programs at CME/CBOT, the National Soybean Research Center and a round-table discussion with ADM economists educated the visitors on hedging, new applications of soy, and price trends for the next six months. Highlights of their trip to St. Louis were visits to the USSEC headquarters and Monsanto, where they learned of the investment of both checkoff dollars and USDA funds that support programs to U.S. soybean importers and new products that will help further improve yields of nutritional compositions of U.S. soybeans.

Team leader Mr. Sunny Tai reported that the programs were valuable and confirmed his commitment to support his company's policy of choosing U.S. soy as their first choice of soybean supplies for 2010.

## Southeast Asia Hosts Food-Feed Safety Seminars

From Dioxin-tainted Belgian feed a decade ago to recent alarm regarding Chinese food exports, there are rising calls from consumers, industries and governments seeking improvements in monitoring the farm-to-supermarket supply chain. In conjunction with Singapore's World Poultry Science Association, the Southeast Asia staff conducted a seminar to address the challenges of regulating food-feed additives in today's global market.

Jon Ratcliff, of Food and Agriculture Services-UK, addressed the food industry's need to create a safe and trusted supply chain. He explained that Asia now faces the same feed quality problems as Europe did a decade ago. Mr. Ratcliff told the group that Asia can learn a great deal from studying Europe's approach to solving similar problems, which included implementation of feed and food safety measures and the establishment of food safety institutes. Ratcliff emphasized that industry stakeholders need not wait for government authorities to drive the standards; private industry can play a major role in setting and enforcing universal standards.

Seminar participants included representatives from audit and certification suppliers to livestock industry associations. A highlight of the seminar was a lively panel discussion on raising Asia's meat-to-feed safety standards.



*Jon Ratcliff speaking to key representatives in the animal feed industry in Southeast Asia*

## USSEC Events Calendar

Oct 27-30	Global Aquaculture Alliance	Seattle
Nov 2-5	Soya Summit/Global Soy Transport	New Orleans
Nov 12	Nat'l. Farm Broadcasters Trade Talk	Kansas City
Nov 15-21	MEA Team to Extrusion Course	MO, KS
Nov 17-20	USAEDC (FAS Cooperators) Conf.	Baltimore
Nov 15-23	U.S. Soy Quality Conferences	China, Korea
Nov 17-25	U.S. Soy Quality Conferences	Japan, Taiwan
Dec 3-4	USB Annual Board Meeting	St. Louis
Dec 1-3	ASA Board Meeting	St. Louis
Dec 5	USSEC Board Meeting	St. Louis



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

