



Global News Update

Year to Date Exports

Soybeans
761 million bushels

Soybean Meal
99 million bushels

Soybean Oil
187,000 metric tons

New Tool Provides Valuable Insight Into Soybean Trade

Global Opportunities staff, in conjunction with the North America Export Grain Association and the U.S. Grains Council, completed the Grain-Oilseed Market Access Indexes (GOMAI). Through a comprehensive analysis the index quantifies market access for U.S. soybean products and grains.

Market access impacts all parts of the soybean value chain as it directly affects exports and thus profitability. By quantifying market access, this tool allows USSEC to determine if trade in a market is weak due to a lack of demand or limited market access. Through this and other functions, the GOMAI provides valuable information leading to a more competitive environment for U.S. commodities and decreased market access barriers.

The GOMAI also allows users to focus on the most egregious market access barriers and measure progress in decreasing market access barriers over time in a simple, usable format.

For more information on the Grain-Oilseed Market Access Indexes, please visit http://ussec.org/goc/reports/GOMAI_report2008.pdf.

Japan Soy Sauce Association Announces Record Global Soy Sauce Sales of \$47 Million in 2008

USSEC JAPAN continues to support the Japanese soy sauce industry through collaborative efforts with the Japan Soy Sauce Association. Recently, the groups published a series of English language soy sauce promotional materials to expand global soy sauce sales.

The Japan Soy Sauce Association represents more than 1,400 soy sauce manufacturers and companies which collectively use more than 1.4 million bushels of non-GMO whole soybeans and 5.5 million bushels of soybean meal annually. A majority of the products exported are made with non-GMO soybeans and soymeal from the United States.

In 2008, Japanese soy sauce and miso exports were up some 11 percent and 7 percent respectively over 2007. The U.S. is the single largest export destination for Japanese soy sauce followed by China, Hong Kong, Korea and Australia. Total soy sauce export values reached a record high 47 million USD. This reflects a trend on the part of global consumers to view soy sauce as a basic condiment or global seasoning rather than a purely Japanese ingredient.

USSEC hosted a Japanese Soy Sauce Team to the U. S. in 2008 to promote increased awareness and expanded use of U.S. food grade soybeans. As a result, industry executives from Japan met with industry suppliers and exporters in the U. S. to reinforce the importance of price premiums in maintaining IP soybean supplies.



USSEC Supports Aquaculture in Southern Africa

USSEC is working with Project Concern International (PCI) to develop the aquaculture industry in Malawi in coordination with a USAID funded \$1.5 million project. Malawi, in southern Africa ranks among the world's most densely populated and least developed countries and is home to Lake Malawi, the world's ninth largest lake.

Soy In Aquaculture consultant Helene Echevin met with staff from Malawi's largest aquaculture companies and fish feed producers to discuss aquafeed technology and increasing inclusion of soymeal. She also discussed increasing fish stocking densities and water quality issues to create a more environmentally sustainable and economically profitable operation.

USSEC Philippines Works to Optimize Soy's Role in New Aquaculture Operation

An enterprise planning to invest in high value marine cage culture in the southern Philippines met with USSEC Philippines Country Manager Ted Cortes and Aquaculture Technical Manager Levy Manalac to discuss the project and seek advice on cage design and feed formulations. USSEC staff explained the USSEC Low Density High Volume (LDHV) technology package and how it has proven successful in countless operations in various parts of Asia. They also discussed the series of soy-based feeding demonstrations conducted by USSEC in the Philippines on several different marine species.

The company requested information on the cooperating feed mills where they can purchase soy-based floating feeds once the farm is up and running. The farm will specialize in high value species such as grouper, sea bass, snapper, pompano and cobia. This is USSEC's first opportunity in the Philippines to provide technical input and work with an aquaculture operation prior to build out. By getting in at the ground level, USSEC can help the organization adopt optimal soy-based aquaculture technologies that will set an example for the nation's industry.

Ohio Farmers Explore Chinese Market

USSEC China Country Director Phil Laney and Deputy Zhang Xiaoping spoke to a leadership group from the Ohio Soybean Council at their Beijing office. Laney and Xiaoping briefed the group on China's current market situation and the market outlook. Participants expressed interest in beginning containerized shipments of both commodity and IP beans into China. Laney outlined the work currently underway to popularize containerized shipments in China and indicated that full fat soybean meal producers readily accept this opportunity.

Laney cautioned the group to alert their peers that Chinese quarantine authorities are watching closely for fungicide coated seed-beans and care should be taken to keep these seed beans out of the export stream.



USSEC Middle East Helps Struggling Turkish Poultry Industry

A sudden 30 percent devaluation in the Turkish Lira steeply increased costs for imported raw material such as soybeans, corn and DDGs. This vastly increased input costs for the poultry, dairy and fish producers with whom the USSEC Middle East program works.

The poultry industry, the largest consumer of soybeans in the country, took a particularly hard hit. Industry capacity declined 25-30 percent since the summer of 2008 and some poultry producers shut down operations entirely. Industry experts say that Banvit, the largest poultry producer in Turkey, may be the only poultry firm to survive the slowdown without resorting to reduced production or outright closure.

In 2008, Turkey produced one million tons of chicken with consumption averaging 15.2 kilograms per person. In the U.S., chicken consumption averages 41.1 kilograms. The State Planning Organization expected production to hit 1.5 million tons by 2013. This no longer appears likely.

The Turkish poultry industry employs approximately a half million workers and supports two million people. The total annual output for the industry is valued at over \$3 billion. Processing plants have been operating at 85% average capacity, though this is expected to decrease in 2009 due to a decline in demand due to higher prices.

USSEC MEA continues to work with the industry to promote high quality feed formulations and best management practices. Poultry industry contacts state that the industry fundamentals are strong and the long-term outlook for soy utilization is still good. Through continued efforts to assist poultry producers through this time, USSEC ensures that when the economy improves Turkey will increase use of U.S. soy.

USSEC Soy Bits

- USSEC staff is currently attending the USB Board Meeting.
- USSEC will exhibit at Commodity Classic in Grapevine, Texas from February 25-27.
- USSEC will hold the FY10 Unified Export Strategy Approval Meeting March 1 and 2 in Grapevine, Texas with the USSEC Board of Directors Meeting immediately following.
- Congratulations to USSEC staff Amy Werner who gave birth to an 8 lb 11 oz boy named Carter Alan on February 7, 2009.



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.

