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China soybeans: Premiums rise

Beijing, 7 March (Argus) — Chinese soybean premiums continued rising for Brazil-origin products, but most sellers and buyers stepped back from the market and muted activity was observed.

Soybean premiums on the Chicago Board of Trade (CBOT) futures rose by 4-8¢/bu for April-June shipments, in line with higher fob prices in Brazil. But most exporters remained absent from the market given the lack of positions for forward deliveries, as well as falling export margins.

Chinese buyers were also hesitant to book soybeans considering declining crush margins. Stronger CBOT futures — which rose by 11.25-15.50¢/bu across the board — and higher cfr premiums lifted China's import costs, eroding domestic crush margins. For front-month shipments, China's soybean crush margin fell to -17 yuan/t (-\$2.40/t) on 7 March, down from Yn50/t on 6 March.

Higher CBOT futures also encouraged Brazilian farmers to ramp up sales, with some 800,000-1.3mn t sold overnight, taking overall selling pace in Brazil to 42-43pc of total output in 2024-25, according to market sources.

In China's domestic market, a total of 1.36mn t of soybeans was imported in January-February, up from the 1.3mn t received over the same period in 2024, according to the Chinese general administration of customs.

Total soybean receipts amounted to 36.79mn t in the 2024-25 marketing year, higher than the 35.93mn t received in October 2023-February 2024.

Brazil's corn may benefit from ideal sowing window

Sao Paulo, 7 March (Argus) — Brazilian central-western Mato Grosso state's 2024-25 winter corn crop may rank as the third-largest ever as 85pc of the crop was sowed during its ideal planting window.

The current grain cycle is now predicted to produce a little over 46.9mn metric tonnes (t), according to the state's institute of agricultural economics Imea. This would be third largest-winter corn crop, behind only the 47.2mn t and 52.5mn t from the two prior seasons.

This forecast is mostly based on the expansion of planted areas. Imea expects the 2024-25 winter corn crop to be sowed in around 7mn hectares (ha), a nearly 3pc increase on the year and 2.4pc above the prior monthly projection.

Producers are encouraged to invest in the crop amid outlooks of rising corn prices across the globe, with the 2024-25 season on track to face a grain undersupply. The US Department of Agriculture (USDA) estimates that global corn demand will surpass output by over 30mn t this cycle, strengthening competition among the world's main importers for the available stocks.

Domestic industries — especially the growing animal feed and corn ethanol sectors — are also strong competitors for production. Despite expecting lower volumes than in the 2023-24 season, Imea projects the current crop's corn consumption to rise by 800,000t to 16.5mn t in Mato Grosso, driven by the state's corn ethanol units.

The national union of corn ethanol forecasts that Brazil will produce 8bn liters (138,740 b/d) of the grain-based biofuel this year, up from approximately 6.3bn l in 2024. More than half of the 24 operating corn ethanol units are in Mato Grosso.

The encouragement from higher prices more than offset concerns from the delayed sowing pace earlier in the cycle, as field works struggled to progress during most of January.

Relief after uncertainty

Sowing activities for the 2024-25 winter corn crop had yet to reach 1pc of the expected acreage by 17 January, the worst start for the grain in the state since the 2020-21 season, according to Imea.

That happened because excessive rainfall in most of Mato Grosso's producing regions increased soil moisture levels and reduced sunlight windows that prolonged the 2024-25 soybean crop's cycle, while also hindering the progress of harvest machinery over fields. The oilseed is sowed in the same areas as the grain, which is sowed immediately after soybeans are harvested.

A delayed planting pace for corn means that later-sown areas could post below-average results, as they would develop under drier weather conditions. Corn's reproductive stages are very susceptible to stress from hydric stress — such as withering leaves and plants of reduced height — and need more humid weather to develop properly.

The Brazilian winter is especially dry in the center-west. Months that precede the season are also marked by the lack of significant precipitation.

Market participants worried that the 2024-25 crop would repeat the same fate from the 2020-21 season, as works barely progressed throughout January. The 2021-22 winter corn crop produced 32.6mn t, a drop of 3mn t from the prior season despite an acreage expansion of over 400,000ha. The decrease was based on the second worst average yields of the Imea historical series, at 92.7 bags/ha. The cycle ended February with less than 60pc sowed, with areas sowed as of 15 March suffering from the scarce rainfall reported around May.

But more regions started receiving less rainfall by the end of January, allowing farmers to seize the longer windows of sunlight to rapidly progress field works.

Producers were able to sow around 5.5mn ha in February, as the crop ended its ideal planting window with 85pc planted, or nearly 6mn ha. That means just a little over 1mn ha will be sown outside of the window, risking below-average yields.

That is less than the remaining acreage of the 2022-23 crop, when 1.5mn t were sowed outside of the ideal planting window. But the season was marked by an unusually humid autumn, which rose average yields to a record 116.8 kg/ha.

Farmers hope that these conditions may repeat this year if the state continues to post above-average rainfall throughout the next months.

Imea continues to forecast yields for the 2024-25 season at 111.72 bags/ha, based on an average of the last three crops in the state since important factor are still uncertain. Weather conditions over the next months will be crucial to determine the cycle results.

Brazil's soybean exports to rise in March

Sao Paulo, 7 March (Argus) — Brazil's national association of cereal exporters Anec expects soybean shipments to total 14.8mn metric tonnes (t) in March, based on shipment schedule data.

That is 1.2mn t above the total exported in the same month in 2024, as the 2024-25 soybean crop is on track to reach a record and harvesting activities accelerated in the past month.

Expected volumes will also increase by 5.2mn t from February, with field works progressing quickly after a delayed start and Brazil entering its peak export season for the oilseed.

Anec projects soybean exports to reach 4.1mn t in the week ended 8 March, up from the almost 3.4mn t shipped between 23 February and 1 March.

Corn

Brazil's corn shipments should total 337,635t this month, more than doubling the 140,560t exported in March 2024, when there were less volumes available for shipment at this time.

But volumes are set to tumble from the 1.3mn t from February, as less volumes from the prior season are available for shipment and the 2024-25 winter corn planting is still underway.

Anec estimates that Brazil will ship around 175,500t of corn in 2-8 March, down from around 222,290t in the previous week.

Brazil slashes import taxes on key food, ag goods

Sao Paulo, 7 March (Argus) — The Brazilian government slashed tariffs to zero on imported goods considered essential, such as coffee and corn, aiming to lower food prices.

Taxes on the products affected by the decision are currently fixed at:

- Corn: 7.2pc
- Coffee: 9pc
- Meats: up to 10.8pc

- Olive oil: 9pc
- Sunflower oil: up to 9pc
- Sardine: 32pc
- Biscuits: 16.2p
- Pasta: 14.4pc

The federal government announced other measures to lower food prices, such as raising the palm oil import quota to 150,000 metric tonnes (t) from 60,000t, stimulating production of items from the basic-needs food package — as part of Brazil's farm credit program, also known as Plano Safra — and investing in building regulatory stocks, which is regulated by national supply company Conab.

State governments are also being oriented to slash to zero the VAT-like tax on products from the basic-needs food package.

Lowering food prices is one of the flagship campaign promises of President Luiz Inacio Lula da Silva, whose popularity has tumbled to a historic low in recent weeks.

Kazakhstan 2025-26 wheat output to fall: USDA FAS

London, 7 March (Argus) — Kazakhstan's 2025-26 (September-August) wheat output is projected to decrease by 1.5mn t on the year to 14mn t because of reduced snowfall in winter posing risks to the new crop, according to the US Department of Agriculture's Foreign Agricultural Service (USDA FAS).

An abnormally mild winter with thinner snow cover in the three northern grain-producing regions in Kazakhstan in February than a year ago could lead to a lack of soil moisture and affect crop production in the future, according to the USDA FAS.

Meanwhile, FAS revised up the country's 2024-25 wheat production estimate by 700,000t from the prior forecast in October to 16.5mn t, on favourable weather during the summer vegetative period and excessive rainfall in August-September.

Wheat output in 2024-25 is pegged 36pc higher on the year and above the five-year average, with higher yields than last year offsetting lower harvested areas, according to the FAS. Yields rose to 1.32 t/hectares (ha) from 0.92 t/ha a year earlier.

Despite higher estimated volumes, wheat has seen a downgrade in quality because of rains and cold weather during the harvest in September, FAS said.

Meanwhile, larger than average crop and lower prices boosted Kazakhstan's wheat exports, allowing it to recover its market share from Russia around the Caspian Sea and in central Asia, according to the FAS. Kazakhstan's wheat exports are projected to rise by 2.2mn t on the year to 10mn t in the 2024-25 marketing year.

As for barley, FAS also revised its output estimate for the 2024-25 marketing year (July-June) up by 400,000t from the prior report to 3.8mn t, which is also 47pc higher on the year.

Transit restarts along the mid-Mississippi River

Houston, 7 March (Argus) — Locks reopened earlier this week along the mid-Mississippi River, allowing for barge transit to resume for this spring season.

All locks along the mid-Mississippi River — from Louisiana, Missouri, to Dubuque, Iowa — were fully reopened on 3 March by the US Army Corp of Engineers (Corps). Locks 16, 18, 19 and 20 were the final locks to reopen after undergoing repairs since 30 December.

Barges have already been traveling through the locks, with most northbound barges going as far as Lock 15, around Davenport, Iowa.

The upper Mississippi River is anticipated to reopen around the historical average of the third week of March, said the Corps. Last spring the first towboat reached St Paul on 17 March.

Wheat: Buyers out for opportunities

Paris, 7 March (Argus) — Demand from South Korea kept the North American export market lively on Friday, while in the Black Sea there was firm demand for Ukrainian 11.5pc milling wheat as competitors in Romania and Bulgaria finally raised their basis to falling Euronext wheat futures.

A miller in South Korea bought close to 50,000t of Canadian Western Red Spring (CWRS) 13.5pc wheat at 107¢/bu (bushel) over the Minneapolis-listed July contract. Cargoes of US wheat also changed hands, traders said.

This follows a daily rise in traders' basis to Minneapolis-listed futures since the start of the week as the May futures contract dipped below the 600¢/bu mark.

In the Black Sea, there were multiple bids for Ukrainian 11.5pc wheat for loading from Pivdennyi-Odesa-Chornomorsk (POC) ports in the high-\$230s/t fob on Friday. Demand was less present at Constanta-Varna-Burgas (CVB) ports, where sellers raised basis by some €1-2/t on the day. Sellers had previously kept levels flat most of the week, under pressure from a stronger euro and therefore braced for drops in underlying futures.

Meanwhile, French wheat continued to trade little by little to Morocco in the past 2-3 days with a handful of Handysize cargoes now lined up for March loading, market participants said. But a much-anticipated wave of buying — Moroccan millers are under pressure to secure cargoes from the international market given a dire outlook for the local harvest beginning in May — was yet to begin. Importers who can afford to wait until Euronext futures find a floor — the Paris-listed contract fell for the fifth day in a row on Friday — still have time to benefit from the double advantage of falling spot prices and a state rebate for March-loaded cargoes which was already fixed at 14.77 dirhams/100kg (\$15.19/t) at the start of the month.

The longer importers wait, the higher the chance that the bulk of the demand will fall to French wheat, buyers said, due to a slight geographical advantage reducing shipping times.

Australian Standard White (ASW) 9pc milling wheat for delivery to Indonesia continued to trade in the mid-high-\$260s/t cfr into the end of the week, traders said. Fob prices at Australian

ports started to find a floor. Liquidity in Australia's local market has been particularly slow in the east of the country, where market participants estimated around 60pc of wheat still available held by farmers, rather than traders, compared with just 20pc in Western Australia. Forecasts of rain in eastern Australia for April could encourage farmers back to the market, participants said.

Feed grains: US corn sees import market demand

London, 7 March (Argus) — Corn-importing markets eyed US product on Friday, as a tumultuous week for US trade policy pressured US corn prices well below competing Ukrainian corn on a delivered basis.

Buyers in North Africa and the Mediterranean could benefit from US price pressure, with the origin significantly undercutting competing Ukrainian offers on a cif destination basis. *Argus*-assessed prices of corn cif Spanish Mediterranean ports shed some \$4.50/t on the day, with US corn discussed in the mid-\$230s to low-\$240s/t cif, and the lowest cif-basis offers coming in on parity with some Ukrainian offers on a fob deepwater ports basis. US crop was particularly competitive ex-Great Lakes, market participants said, with traders heard targeting shipments to both Spain and Tunisia. The lowest offer in Tunisian state buyer ONF's corn purchase tender was likely to have been executed from the Great Lakes, market participants suggested. ONF received offers from six trading firms in a range of \$254.27-282/t cfr for spot-loading cargoes, with the lowest coming from trading firm Raya. But no purchases were heard made by the time of writing.

Elsewhere, farmer selling in Brazil waned on lower underlying futures prices, according to market participants. But producers may be forced to let go of stocks, given the progression of the country's summer corn crop harvest, which advanced by 4.4 percentage points (pp) in the week to 2 March, to 25.3pc of total areas, according to national supply company Conab. And Brazil's winter corn planting progressed at pace. In Mato Grosso – which accounts for nearly half of Brazil's second-crop corn production, according to the US Department of Agriculture (USDA) - some 85pc of the crop was planted during its ideal window, boosting production forecasts for the state to their third-highest on record, at 46.9mn t, according to the state's institute of agricultural economics Imea.

While Brazil's corn export market remained muted for near positions, demand could return in the domestic market, as Brazilian ethanol producers have begun to discuss corn volumes, traders said. But with thin remaining 2023-24 crop stocks, any additional demand could give a boost to prices, according to market participants.

Argentina corn, soy outlook unchanged by rain

Sao Paulo, 7 March (Argus) — Abundant rain in main agricultural regions boosted moisture conditions for much of Argentina's soybean and corn crops, but did not improve the country's production outlook.

Forecasts for corn and soybean production were unchanged for the week ending 6 March due to drought in some regions, and rain-delayed harvest in others, according to the Buenos Aires Grain Exchange's (Bage) latest report.

Most of central and southern Argentina received more than 25mm of rain in the week through March 1, while Southern Santa Fe, southwestern Entre Rios and much of the north of Buenos Aires reported more than 100mm of rain in the period, according to the USDA.

The heavy rains resulted in optimal moisture conditions for a large portion of first-crop soybeans entering the grain-filling stage of development, but also resulted in reports of waterlogged that could reduce production, Bage said.

More than half of second-crop soybeans were reported in optimal moisture conditions, despite some earlier plant stand losses, according to the Exchange.

Despite this, reduce precipitation and high temperatures impacted soybean development in the north of Santa Fe and in the neighboring northeast Argentina region.

As a result, Argentina's soybean harvest remained projected to reach 49.6mn t

Increased precipitation improved the quality of Argentina's corn crop, but slowed harvesting in many areas. The harvest advanced only 1.3 percentage points in the week to 6.7pc complete, which was still 4.7 percentage points ahead of last year's pace.

Argentina's corn production is projected to reach 49mn t because of existing drought damage and the slow harvest pace.

China to impose tariffs on Canadian rapeseed oil

Singapore, 8 March (Argus) — China plans to impose a 100pc tariff on imports of rapeseed oil (RSO) from Canada, the country's state council said on Saturday.

The tariff will take effect on 20 March. China will also impose tariffs of 100pc on rapeseed oil cake and peas and levy 25pc tariffs on imports of pork and seafood products from Canada.

The tariffs are in response to Canada's decision in October last year to implement 100pc tariffs on electric vehicles and 25pc tariffs on steel and aluminium imports from China, the state council said.

China sits on ample stocks of RSO, with coastal inventories at nearly double year-earlier levels.

Canada is a major supplier of rapeseed to China, but flows were disrupted after Beijing announced an anti-dumping probe into Canadian imports in September 2024, raising the prospect that imports from Australia could fill the gap.

China's tariff decision will add to the disruption of global commodity trade flows sparked by US president Donald Trump's decision to impose, and then partially delay, tariffs on Canadian and Mexican imports earlier this week. Canada is a large exporter of RSO to the US.

Trump on 4 March doubled tariffs on all imports from China to 20pc, prompting Beijing to impose retaliatory tariffs on soybeans and other products.

Price and Data

Description	Unit	Price	Date
Corn Ukraine cpt POC spot	USD/t	221↑	7.03.2025
Wheat 11.5pc Ukraine fob POC spot	USD/t	239↑	7.03.2025
Wheat 12.5pc Russia fob Novorossiysk spot	USD/t	247,50-	7.03.2025
Soybean oil Argentina waterborne fob upriver USD/t month 1 - Houston close	USD/t	996,93↑	7.03.2025
Rapeseed oil fob Dutch Mill RSO - London close	USD/t	1.139,818↑	7.03.2025
Sunflower oil fob northwest Europe 6 ports spot - London close	USD/t	1.220↑	7.03.2025

↓ Price dropped in comparison to last report.

↑Price raised in comparison to last report.

-Price has not changed.

References:

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