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China excludes US agricultural crops from tariffs

Beijing, 5 February (Argus) — China has excluded US grains and oilseeds its list of retaliatory tariffs, which will take effect on 10 February, with lingering market concerns that the tariffs may be applied in future.

But this will likely have limited impact on US-China trade flows as Chinese demand has shifted to South American and local products.

China announced it would impose tariffs on imports of certain US products, including agricultural equipment, shortly after US president Donald Trump imposed a 10pc tariff on all imports from China on 4 February. Agricultural products, including grains and soybeans, are excluded from the list at this stage, with concerns that they will be added in future.

The US announced tariffs on China, Mexico and Canada over the weekend, but delayed plans for Mexico and Canada for at least one month after separate agreements with the countries. A similar deal to prevent further escalation of trade tension is expected between China and the US, but no confirmed negotiation was reported at the time of writing.

Chinese demand for US grain and oilseed exports has been declining in recent years. China may have secured corn and soybeans from the US, some market participants said. But China-bound crushers are showing less interest in US oilseeds as Brazil's export season approaches. South American countries, particularly Brazil, have outcompeted the US in the soybean market since Trump's first term. China booked 20.2mn t of soybeans from the US in the week to 23 January for the 2024-25 season, marking the lowest level for the same period since 2020, according to the US Department of Agriculture (USDA).

China's record corn output and stricter import quotas have also shifted grain demand from global corn to local products. China only secured 32,325t of US corn in the week to 23 January, the lowest level since 2018 over the same period, according to the USDA.

Brazil corn: Mixed trends on cargo market

Sao Paulo, 4 February (Argus) — Offers and bids followed different directions in the Brazilian Santos/Tubarao and Barcarena/Itaqui cargo markets, as the number of participants available for negotiations continues to vary each day.

It is usual for the Brazilian market to face a period of sluggishness at this time of year, when the winter corn crop is still at its early sowing phase. That reduces the interest from sellers and

buyers in negotiating the grain. Sellers would rather focus on soybean sales, while global demand focuses on the US and Ukraine corn supply.

That leaves Brazilian cargo markets with scarce offers and bids, while sudden withdrawals or returns from each participant may cause a sharp variation in the final range for the day.

Sellers and buyers are set participate more actively by the middle of the year. That is when farmers start harvesting winter corn and increasingly more volumes become available for transportation to ports. The Brazilian corn export season starts around July and usually peaks in August-September.

Brazil's Mato Grosso expects record soy exports

Sao Paulo, 4 February (Argus) — Brazil's central-western Mato Grosso state expects to export a record 29.5mn metric tonnes (t) of soybeans in the 2024-25 crop, based on a higher projected output and forecasts of stronger international demand.

That is a 19pc — or 4.8mn t — rise from the 2023-24 season, according to the state's institute of agricultural economy Imea. The estimate is also a 2.6mn t increase from the December report.

Domestic demand for Mato Grosso's 2024-25 soybeans remains forecast at 12.8mn t, almost 1pc above the 2023-24 crop. Interstate demand for 2024-25 is also stable at 4.3mn t, still up by nearly 75pc from the prior season amid higher consumption by the biofuels industry.

The 2024-25 cycle's expected ending stocks rose to 710,000t from 240,000t.

Exports of the 2023-24 crop are still estimated at almost 25mn t. The forecasts for interstate and Mato Grosso's consumption are almost stable at 2.4mn t and 12.7mn t, respectively.

Corn

Imea projects the state to consume 16.5mn t of corn in the 2024-25 season, a 530,000t rise from the prior estimate and 800,000t above the 2023-24 cycle.

That follows higher outlooks of grain crushing from the domestic ethanol industry this year.

Forecasts for interstate demand and exports remain stable at 4.4mn t and 25.8mn t, respectively. Demand for Mato Grosso's 2023-24 crop reached 15.7mn t, while interstate demand stood at 5mn t, also unchanged from the previous report.

But the prior season's exports were revised downwards to 26.9mn t from 27.2mn t, as Brazil exported less than expected in December 2024.

Cotton

Expected demand for Mato Grosso's 2024-25 cotton crop remained stable this month, according to Imea.

Exports are still set to total 2mn t, while domestic and interstate demand continue projected at 33,620t and 617,545t, respectively.

Figures for the 2023-24 crop were also unchanged. Exports, interstate demand and domestic consumption are forecast at almost 1.8mn t, 583,800t and 27,130t, respectively.

Brazil's 2024-25 soybean harvest accelerates

Sao Paulo, 4 February (Argus) — Brazil's 2024-25 soybean harvest accelerated in the past week, but is still significantly delayed compared with the 2023-24 crop, according to national supply company Conab

- Work advanced by 4.8 percentage points to 8pc of the sowed areas by the week ended 2 February.
- The 2023-24 soybean crop was 14pc harvested at this time a year ago. Excessive rainfall is the main cause of the delays.
- Maranhao, Piaui and Rio Grande do Sul state are yet to start activities.
- Planting advanced to 99.4pc from 99.2pc since 26 January.
- That compares with 99.6pc sowed at this time a year ago.
- Maranhao, Piaui, Goias, Santa Catarina and Rio Grande do Sul states are yet to wrap works.

Summer corn

- The 2024-25 first corn crop harvest advanced by 4.2 percentage points to 10.5pc of the sowed area on 26 January-2 February.
- That is behind the 13.8pc harvested a year earlier for the 2023-24 crop.
- Sao Paulo, Parana, Santa Catarina and Rio Grande do Sul are the only states where harvesting started.
- Planting advanced by 1.9 percentage points to 9pc of the national expected area on the week.
- The 2023-24 crop was 95.3pc sowed at this time a year before.
- Maranhao, Piaui and Rio Grande do Sul are yet to complete planting.

Winter corn

- The 2024-25 second corn crop is 5.3pc sowed as of 2 February.
- Works advanced by 3.9 percentage points on the week.
- That compares with 19.8pc planted for the 2023-24 crop a year ago.
- Piaui, Sao Paulo and Maranhao are the only states that are yet to begin activities.

Cotton

- Planting of the 2024-25 cotton crop advanced by 9.8 percentage points to 56.1pc of the nationally expected area between 26 January and 2 February.
- That is 32.6 percentage points behind the 88.7pc sowed at this time in the previous cycle.
- Mato Grosso do Sul and Piaui are the only states that finished activities.

Planting progress			
State	**2024**	**2025**	
	3 Feb	**26 Jan**	**2 Feb**
2024-25 summer corn crop			
Maranhao	81%	65%	68%
Piaui	72%	75%	86%
Bahia	100%	98%	100%
Goias	100%	100%	100%
Minas Gerais	100%	100%	100%
Sao Paulo	100%	100%	100%
Parana	100%	100%	100%
Santa Catarina	100%	100%	100%
Rio Grande do Sul	99%	96%	97%
Total	95.3%	93.1%	95%
2024-25 winter corn crop			
Goias	9%	0%	0.5%
Piaui	0%	0%	0%
Tocantins	10%	0%	1%
Sao Paulo	0%	0%	0%
Minas Gerais	0.5%	0%	0.7%
Maranhao	1%	0%	0%

Mato Grosso do Sul	6%	2%	5%
Mato Grosso	30.2%	1.2%	6.2%
Parana	22%	3%	9%
Total	19.8%	1.4%	5.3%
2024-25 soybean crop			
Tocantins	100%	100%	100%
Maranhao	93%	80%	87%
Piaui	99%	99%	99%
Bahia	100%	100%	100%
Mato Grosso	100%	100%	100%
Mato Grosso do Sul	100%	100%	100%
Goias	99.8%	100%	100%
Minas Gerais	100%	100%	100%
Sao Paulo	100%	100%	100%
Parana	100%	100%	100%
Santa Catarina	99.1%	99%	100%
Rio Grande do Sul	99%	99%	99%
Total	99.6%	99.2%	99.4%
2024-25 cotton crop			
Maranhao	90%	78%	78%
Piaui	100%	100%	100%
Bahia	81.3%	77%	80%
Mato Grosso	90.3%	33.5%	45.9%
Mato Grosso do Sul	100%	100%	100%
Goias	85%	88%	90%

Minas Gerais	90%	91%	93%
Total	88.7%	46.3%	56.1%

— *Conab*

Harvesting progress

State	**2024**	**2025**	
	3 Feb	**26 Jan**	**2 Feb**
2024-25 summer corn crop			
Maranhao	0%	0%	0%
Piaui	0%	0%	0%
Bahia	0%	0%	0%
Goias	0%	0%	0%
Minas Gerais	0%	0%	0%
Sao Paulo	10%	2%	3%
Parana	19%	2%	5%
Santa Catarina	20%	4%	4.2%
Rio Grande do Sul	40%	25%	43%
Total	13.8%	6.3%	10.5%
2024-25 soybean crop			
Tocantins	3%	0%	1%
Maranhao	2%	0%	0%
Piaui	0%	0%	0%
Bahia	1.5%	3%	3.2%
Mato Grosso	30.8%	3.6%	14.7%
Mato Grosso do Sul	8%	4%	7%
Goias	10%	0.3%	2%

Minas Gerais	8%	5%	6%
Sao Paulo	10%	2%	4%
Parana	19%	10%	18%
Santa Catarina	0.5%	0.5%	0.5%
Rio Grande do Sul	0%	0%	0%
Total	14%	3.2%	8%

Feed grains: US drives corn market

Paris, 4 February (Argus) — Corn markets remained liquid on Tuesday as importers acted on growing concerns over the new season for South American crops, leaving the latest twists and turns in US trade relations to play out in the background.

South Korea, which typically sources the bulk of its corn imports from Brazil and Argentina, has booked 132,000t of US corn, the US Department of Agriculture (USDA) reported on Tuesday. This adds to the 2.16mn t already sold to South Korea as of 23 January, more than double the 870,000t sold at the same point last year.

Data coming from the Brazilian state of Mato Grosso in two weeks' time could prove a turning point for the corn market, with planting progress for the Safrinha crop as of mid-February historically showing strong correlation with final yields. Late planting could leave some 10mn t of Brazilian corn production exposed to seasonally hot and dry weather in April-May, Argus projects.

And a shrinking exportable supply in the Black Sea — particularly as the northern hemisphere enters the second half of its October-September marketing year — leaves US corn as the obvious choice for the world's buyers. For the US domestic market, this means that the drive to sell corn for export could be the one to win out over demand from the country's ethanol sector. US corn use for fuel ethanol fell below year-ago levels in December, the first time since June 2022, according to US Department of Agriculture (USDA) data.

In the EU and Black Sea, markets held firm but stable on Tuesday. Sellers offered March cargoes of corn on a cif basis to Mediterranean ports at at least a $3/t premium to those for February loading.

And while there remained limited activity for Ukrainian corn at Danube River ports, certain traders continued to use this export route. The Romanian port of Constanta handled a 50,000t cargo of Ukrainian corn in late January, port line-up data show, with a smaller, Handysize vessel set to follow. Prices for corn at Constanta-Varna-Burgas (CVB) ports remained neck-and-neck with Ukrainian prices fob Pivdennyi/Odesa/Chornomorsk (POC) for shipments through from the spot period into April.

Wheat: Waning demand pressures 11.5pc fob CVB

London, 4 February (Argus) — Offers of 11.5pc protein content milling wheat shipping from Romania and Bulgaria on Tuesday erased gains made in the previous trading session, with sellers offering cargoes loading in late February and early March at a €1/t premium to underlying Euronext March futures on a fob Constanta/Varna/Burgas (CVB) basis.

Some pressure on ex-CVB offers could come from a lapse in demand so far this week, with buyers adopting a wait-and-see approach amid volatility in global wheat markets.

But volumes shipping further forward, through the rest of March, commanded a premium, with cargoes offered at an equivalent €5/t premium to the March contract as sellers begin to eye the April futures market.

Elsewhere, Bangladesh's state grains buyer, the Directorate General of Food (DGF), issued a tender on Tuesday for 50,000t of 11.5pc milling wheat, returning to the market for the first time since November. The DGF is offering payment through letter of credit, for shipment on a cif liner out basis within 40 days of opening. The tender is set to close on 19 February.

State demand also came from Japan, whose Ministry of Agriculture, Forestry and Fisheries (Maff) issued a fresh tender for 96,725t of US and Canadian-origin milling wheat, for shipment between March and April. The tender will close on Thursday.

Maff's purchase later this week could offer some direction to the Canadian Western Red Spring (CWRS) wheat market, which has seen volatility on the back of tariff moves between Canada and the US. Price ideas for 13.5pc CWRS lacked consensus across the board, market participants said, with *Argus*-assessed bids and offers remaining at a 15 ¢/bushel (¢/bu) spread on Tuesday – its widest differential since late-November.

That said, a pause on mutual US-Canadian 25pc trade tariffs for "at least 30 days", as announced by Canadian prime minister Justin Trudeau late on Monday, could ease some of the volatility in the Canadian market in the shorter-term. The US was the fourth-largest importer of Canadian wheat across the five previous marketing years, customs data show.

Tariffs boost US farmer trade uncertainty

St Louis, 4 February (Argus) — The US agricultural sector is waiting to see if potential tariffs and counter tariffs will cause long-term market disruptions that would squeeze US farmers.

US president Donald Trump over the weekend issued executive orders for a 25pc tariff on all imports from Mexico, a 25pc tariff on non-energy imports from Canada, and a 10pc tariff on all imports from China, all to be effective on 4 February. But Trump yesterday agreed to pause tariffs on Mexico and Canada until at least 4 March.

The tariffs could include agricultural products such as canola, avocados, and timber as well as key agricultural inputs such as potash, live cattle, and machine parts critical for US agricultural equipment.

In 2018, Trump used tariffs as leverage to renegotiate the North American Free Trade Agreement (Nafta). The long-term aim of the tariffs is unclear this time around and Trump has advocated the creation of new government agencies, such as the "External Revenue Service", to imbed tariffs in long-term US policy.

Any tariffs and counter tariffs are likely to translate into increased input costs for US agricultural production, while commodity prices may fall.

Ahead of the announced tariffs, the balance sheet for US agriculture was already challenged. University of Illinois research projected farmer net returns for Illinois corn production would be between minus $56 and minus $62 per acre, and between minus $46 and minus $74 per acre for soybeans. A November report from the University of Nebraska projected Nebraska farm revenues from crop production would decline by $222mn in 2025.

Offsets and macroeconomics

One unknown is how much the Trump administration would be willing to use government offsets to shield US agricultural producers from tariff impacts.

The administration is working to reduce the size of the US government and its spending. But US agricultural producers are an important voting bloc.

Tariffs are de facto inflationary, and likely to lead to a stronger US dollar. Inflation has been countered by higher interest rates from the US Federal Reserve, which would also increase US farm production costs.

A strengthening of the US dollar would reduce the foreign competitiveness of US agriculture exports, and further weaken US commodity prices.

Question of China

The length and severity of the tariff dispute between the US and China could accelerate China's turn towards Latin American supplies.

In 2018, during Trump's first presidential term, tariffs placed on China resulted in counter-tariffs on US agricultural exports and a substantial reduction in trade. That year, US exports of corn and soybeans to China dropped by 74pc from the prior year, according to US Department of Agriculture (USDA) data. Over the same period, Chinese imports of corn and soybeans from Brazil and Argentina increased by 17pc according to Global Trade Tracker data.

In the years since China has invested heavily in Latin American port infrastructure along both the east and west coasts of the continent, as well as along the Panama Canal. Following these investments, Chinese purchases from Brazil and Argentina have increased another 26pc to reach 85.2mn t over 2024, while Chinese corn and soybean imports from the US reached 28.3mn t, or 13pc below pre-2018 tariff levels.

If the tariff dispute results in China increasing tariffs and tightening existing tariff rate quotas on US agriculture products, the result could be China increasing its reliance on those Latin

American investments, and ultimately sourcing fewer agricultural products from the US into the future.

Global vegoils: European SFO prices trend lower

Kyiv, 4 February (Argus) — European sunflower oil (SFO) prices trading on a fob six ports basis moved down for the second week in a row, and prices at destination markets also headed lower, while the wider vegetable oil complex saw increased volatility.

The spot SFO contract closed $22.50/t lower on Tuesday than on 28 January. The April-May-June (AMJ) strip decreased by $22.50/t on the week, while the July-August-September (JAS) strip was down by $35/t, compared with a week earlier

Buying activity in the European market was high last Wednesday, with the spot February contract heard changing hands at $1,195/t and $1,197.50/t fob six ports, while the AMJ and JAS strips traded at $1,200/t and $1,210/t fob six ports, respectively. On Thursday, the AMJ strip was traded lower at $1,190/t and $1,195/t fob six ports.

And both the AMJ and JAS strips were heard changing hands on Tuesday at $1,185/t fob six ports, while earlier in the day JAS was traded at $1,190/t fob six ports.

Overall activity in the global vegetable oil market has stalled in response to the US introducing new import tariffs and then suspending some of them, with market participants assessing potential impact and avoiding taking positions.

In contrast to SFO, European rapeseed oil (RSO) prices increased slightly over the last week, after declining in the previous seven days.

In addition, poor biodiesel margins and the roll-back of clean fuel incentives resulted in lower demand for crop-based biofuels and rival oilseeds.

At destination markets, SFO prices edged lower in the past seven days in India and Turkey. Trading activity was limited last week, with no deals heard on a cif Mersin basis. On a cif India basis, Russian sellers dominated the market in the reporting week, with some SFO cargoes heard traded at $1,117-1,125/t cif India, while offers of Ukrainian product stood at around $1,175/t cif India. That said, Ukrainian SFO volumes are almost absent from the Indian market, market participants said. This could be a result of lower crushing activity in Ukraine in January, following poor sunflower seed (SFS) coverage at the processing plants, with traders being unable to load vessel-size volumes to India from Ukraine. Those Ukrainian crushing plants that have the ability to switch between oilseeds were processing soybeans last month.

Ukrainian SFO prices also decline on the week, with offers on a cpt Pivdennyi-Odesa-Chornomorsk (POC) basis stood at around $1,100/t on Tuesday, with bids at $1,090/t, down by $25/t on the week.

Export quota, margins support Russian wheat

London, 4 February (Argus) — Support for Russian wheat prices from the country's impending wheat export quota for 15 February-30 June is beginning to offset pressure from scarce spot demand and a firmer Russian rouble against the US dollar.

Pressure on exporters to sell wheat stocks ahead of Russia's 10.6mn t export quota, which will take effect on 15 February for the remainder of the marketing season (July-June), has seen stocks in Russia's southern producing regions deplete to below-average levels, boosting fob wheat prices for shipment from the second half of February.

Russian wheat stocks last month were 29pc below a year earlier at 15.42mn t, according to statistics service Rosstat. Some pressure came from a smaller harvest in the key southern producing region — which accounts for 31pc of the country's wheat output on average, US Department of Agriculture data show — while inventories have taken a further hit from a sharp acceleration in sales ahead of the export cap, market participants said.

A weaker dollar — depreciating by about 13pc against the rouble this year — has pressured exporters' margins on the international market, prompting sellers to lift offers for wheat cargoes shipped after 15 February, when the pressure to offload stocks is set to ease.

Offers of Russia's flagship 12.5pc protein content wheat shipping from the second half of February were made at a premium of around $10/t to pre-quota positions at the start of last week, putting levels in the high $240s/t to low $250s/t fob Russian Black Sea ports.

And buyers that waited for the sell-side to show its hand were willing to pay up for under-quota over pre-quota consignments, crystallising price ideas at $242/t on Monday — about $5.50/t above Argus-assessed spot-loading prices at the start of January.

Price clarity from the demand side was able to put a little pressure on offers, as sellers sought to cash in on renewed interest, spurring selling activity at the start of the week.

Exporters seek alternative buyers

Thinner Russian lineups for February could keep some pressure on exporters, even after quotas kick in mid-month. Just 1.24mn t of wheat is scheduled to leave Russian ports in February, preliminary data show, compared with 3.8mn t in December and 4.2mn t in February last year, according to Argus-aggregated data.

About 30pc of Russia's February milling wheat exports are bound for Egypt, preliminary data show. But inconsistent demand from the importer — owing in part to uncertainties surrounding Egypt's new state buying entity, Mostakbal Misr Agency for Sustainable Development — has prevented large amounts from being pushed into the market.

At the same time, the near-absence of Turkey from international wheat markets has left Russian exporters having to seek out alternative outlets, given Turkey's historic status as Russia's largest wheat importer, accounting for 20pc of shipments across the five previous marketing years (July 2019-June 2024), customs data show.

And Russia's lack of competitiveness in southeast Asia, where Argentina and Australia dominate the lower-protein milling wheat market at present, could leave Russian sellers looking

to target west Africa. Pressure to compete could offset some support from tighter margins further out, but at present, exporters have begun to accumulate stocks at ports in anticipation of further price support, market participants said.

Tariffs not only US threat to Canada canola oil

New York, 4 February (Argus) — Canadian canola farmers have reason to celebrate a last-minute deal to at least delay US tariffs. Changing US biofuel policies, however, could dim their excitement.

The two countries agreed Monday to pause for a month 25pc tariffs on most Canadian imports, including agricultural products like canola oil.

While best known for its use in food, canola oil has become an increasingly important ingredient in US biofuel production. Canada exported 800,000 lbs of crude canola oil to the US in 2021, before US regulators allowed more canola-based fuels to qualify for a biofuel mandate, but more than three times that total over just 11 months in 2024 according to customs data. Canola oil from all origins made up around 12pc of the US biomass-based diesel feedstock mix last year.

The challenge for Canada is that policies in the US that helped cement canola oil's role in biofuel production are increasingly encouraging producers to use other feedstocks. The mere threat of tariffs could speed that trend along.

A long-running US tax credit for blenders of biomass-based diesel expired last year and was replaced by the Inflation Reduction Act's "45Z" credit, which requires fuels to meet an initial carbon intensity threshold and then ups the subsidy as emissions fall. This shift was always expected to benefit waste feedstocks over crops, which incur a carbon penalty for land changes and fertilizer use. The clear message to refiners — both from the US government and from California regulators that run the state's influential low-carbon fuel standard — has been to diversify beyond vegetable oils.

But an updated emissions model released by the Department of Energy last month surprised some in the industry by assessing the default carbon intensity of canola-based fuels as too high to automatically qualify for 45Z. Although fuels from soybean oil generally earn some credit, diesels made from canola oil could go from earning $1/USG last year to nothing this year. Before even factoring in potential tariffs, Canadian canola oil appears less attractive for refiners than even competing crops.

Guidance on 45Z is preliminary, meaning canola crushers can push for final rules that are less restrictive. But energy lobbyists say privately that they do not expect the new administration to act with urgency to implement an incentive created by Democratic lawmakers and oriented around climate change. And many Republicans' concern with the credit is not that it is too harsh on canola — but that it is too permissive of foreign feedstocks they see as hurting US crop demand.

The introduction of 45Z could simultaneously leave Canadian biofuel producers less able to backfill canola oil demand if US buyers look elsewhere. The credit can only be claimed by US

producers, cutting off subsidies for imported fuels. At the same time, 45Z does not require fuel to be consumed stateside — meaning that US biorefineries can send subsidized fuel abroad to chase additional incentives Canada offers for biofuel usage.

"The on-again off-again status of US tariffs and Canada's counter-tariff response do not alter the bare economics of biofuel production between jurisdictions when one has an exportable tax credit and the other does not," said Fred Ghatala, president of Advanced Biofuels Canada.

The future of renewable diesel production in Canada, previously expected to grow significantly to the benefit of farmers, is in doubt. ExxonMobil's Canadian subsidiary is on track to open a 20,000 b/d renewable diesel plant this year, but other companies collectively representing more production capacity are wavering. Plans for an integrated canola crush and 15,000 b/d renewable diesel facility in Saskatchewan were paused last month. And it is unclear if Braya Renewable Fuels' 18,000 b/d biorefinery in Newfoundland is running now or if Tidewater Renewables' 3,000 b/d British Columbia plant will run after March.

If demand from Canadian biorefineries remains limited, some traders expect that Trump's tariff threats could divert more canola oil previously bound for the US to Europe. But there is no perfect alternative to the US market, which accounted for 91pc of all Canadian canola oil exports in 2023 according to the US Department of Agriculture.

"There is logistics capacity to sell canola oil, seed, or meal abroad. That's certainly an option," said Chris Vervaet, executive director of the Canadian Oilseed Processors Association. "The best option though is to continue to maintain and grow our trade relationship with our most important trade partner, which is the United States."

US organic industry faces government funding risks

Minneapolis, 4 February (Argus) — Ongoing policy volatility in the US, including the rescinded freeze on federal grants and loans and lack of a new farm bill, have caused concern for members of the organic industry that utilize federal funds.

"Abrupt funding changes — even if partially reversed — can disrupt crucial research projects, cost-share programs, and farmer services," the Organic Farming Research Foundation said.

President Donald Trump's order to freeze federal funding and loans, which was issued on 27 January and withdrawn two days later, is an example of abrupt funding changes from the federal government. While the order was withdrawn, it could be reinstated later pending ongoing litigation.

A lot of organic farmers hold farm loans with the Farm Service Agency (FSA), said Kate Mendenhall, executive director of the Organic Farmers Association. Her state's FSA office did not receive guidance prior to the withdrawal of the order, so they do not know if these loans could be affected by a future reinstatement of the order.

Farmers use FSA loans to cover both operating expenses such as seed and livestock and long-term expenses such as constructing new buildings. The future of these loans is unclear, which could delay the purchase of needed inputs or facilities.

In addition to the losses of loans, organic farmers could lose access to grants that are "integral to sustaining and growing the organic sector in the US," said Jessy Parr, chief program officer of the California Certified Organic Farmers Foundation.

The grants that could be affected include the Organic Dairy Marketing Assistance Program (ODMAP), which provides financial assistance for producers to market organic milk. "Rollbacks would harm small and medium-sized American dairies," Parr said.

Another grant that could be affected is Organic Market Development Grants (OMDG) from the Agricultural Marketing Service (AMS). Grants from this program cover various projects to help organic farmers market their products, such as farmers building a facility to clean grain or a co-op building a new grain elevator to connect farmers to railroads, according to AMS.

Many grants, including OMDG, are reimbursable, where recipients pay for the project and receive reimbursement from the government later. Farmers may hesitate to use these grants until there is more certainty on the future of these programs.

Organic producers already lost some government support when organic cost-share was not included in the farm bill extension last December, which extends the farm bill through September. Organic cost-share covers up to $750 for each certification scope that an organic operation holds to reduce the cost of becoming certified. Organic certification scopes are crops, livestock, wild crops, and processing/handling.

This loss of funding "will make it harder for smaller operations to afford certification," said Milo Petruziello, policy director at organic certifier Ohio Ecological Food and Farm Association. Many small organic operations are already struggling with low prices, so the loss of this government funding could further worsen their financial situation and lead to some operations not renewing their certification.

SD Guthrie expands in Europe with Dutch Marvesa stake

Amsterdam, 4 February (Argus) — Singapore-based palm oil producer SD Guthrie International has acquired a 48pc stake in Dutch oils and fats supplier Marvesa Supply Chain Services for €54mn ($55mn).

The stake was purchased from Dutch private equity firm Parcom. Marvesa's management will keep the remaining 52pc.

This deal expands SD Guthrie's presence in Europe, where it has the Zwijndrecht refinery in the Netherlands. This produces 300,000 t/yr including lecithin, vegetable oils, and fats. The company also operates a certified sustainable palm oil refinery in Liverpool, northwest England.

Marvesa sources, blends and distributes vegetable oils, used cooking oil, and acid oils for animal feed and biofuels. The company manages 450,000 t/yr of oils and fats and operates more than 80,000m³ of tank capacity in the Netherlands, Spain, Argentina, and Indonesia.

Bangladesh issues tender to buy wheat

Paris, 4 February (Argus) — Bangladeshi state grains buyer the Directorate General of Food (DGF) has issued a tender to buy wheat, set to close on 19 February.

DGF is seeking a nominal 50,000t of 11.5pc milling wheat and is offering payment by letter of credit.

Offers must be made on a cif liner out (ciflo) basis, for shipment within 40 days of opening the letter of credit.

Of the total awarded volume, DGF plans to book 60pc for shipment to the port of Chattogram and the rest to Mongla.

DGF last held tenders in October and November last year.

Grains, oilseeds and veg oils tenders

Buyer	Issued	Closes	Status	Cargo	Shipment /delivery	Price	Seller	Notes
Bangladesh's DGF	4-Feb	19-Feb	Open	50,000t milling wheat	Within 40 days of LC			ciflo Chattogram/ Mongla
Jordan's MIT	30-Jan	5-Feb	Open	100,000-120,000t feed barley	Apr - 1h May			cfr Aqaba
Jordan's MIT	29-Jan	4-Feb	Closed	100,000-120,000t milling wheat	2H Apr - 1H Jun			cfr Aqaba
Japan's MAFF	28-Jan	30-Jan	Closed	89,134t milling wheat	21 Feb - 20 Mar			US, Can
Tunisia's ODC	28-Jan	29-Jan	Closed	100,000t milling wheat	5 Mar - 10 Apr	$260.77 - 263.55/t	Buildcom and Cargill	cfr optional origin
Tunisia's ODC	28-Jan	29-Jan	Closed	100,000t durum wheat	5 Mar - 10 Apr	$340.28 - 349.89/t	Amber, Casillo and Viterra	cfr optional origin
Jordan's MIT	23-Jan	29-Jan	Cancelled	100,000-120,000t feed barley	Apr - 1h May			cfr Aqaba

Jordan's MIT	22-Jan	28-Jan	Closed	50,000t milling wheat	1h Jun	$265.25/t	Buildcom	cfr Aqaba
Japan's MAFF	21-Jan	23-Jan	Closed	126,893t milling wheat	21 Feb - 30 Apr			US, Can, Aus

Price and Data

Description	Unit	Price	Date
Corn Ukraine cpt POC spot	USD/t	214-	4.02.2025
Wheat 11.5pc Ukraine fob POC spot	USD/t	235,50-	4.02.2025
Wheat 12.5pc Russia fob Novorossiysk spot	USD/t	242-	4.02.2025
Soybean oil Argentina waterborne fob upriver USD/t month 1 - Houston close	USD/t	985,690↑	4.02.2025
Rapeseed oil fob Dutch Mill RSO - London close	USD/t	1.103,963↑	4.02.2025
Sunflower oil fob northwest Europe 6 ports spot - London close	USD/t	1.182,50↓	4.02.2025

↓ Price dropped in comparison to last report.

↑Price raised in comparison to last report.

*This item did not exist in previous report.

-Price has not changed.

References:

www.direct.argusmedia.com