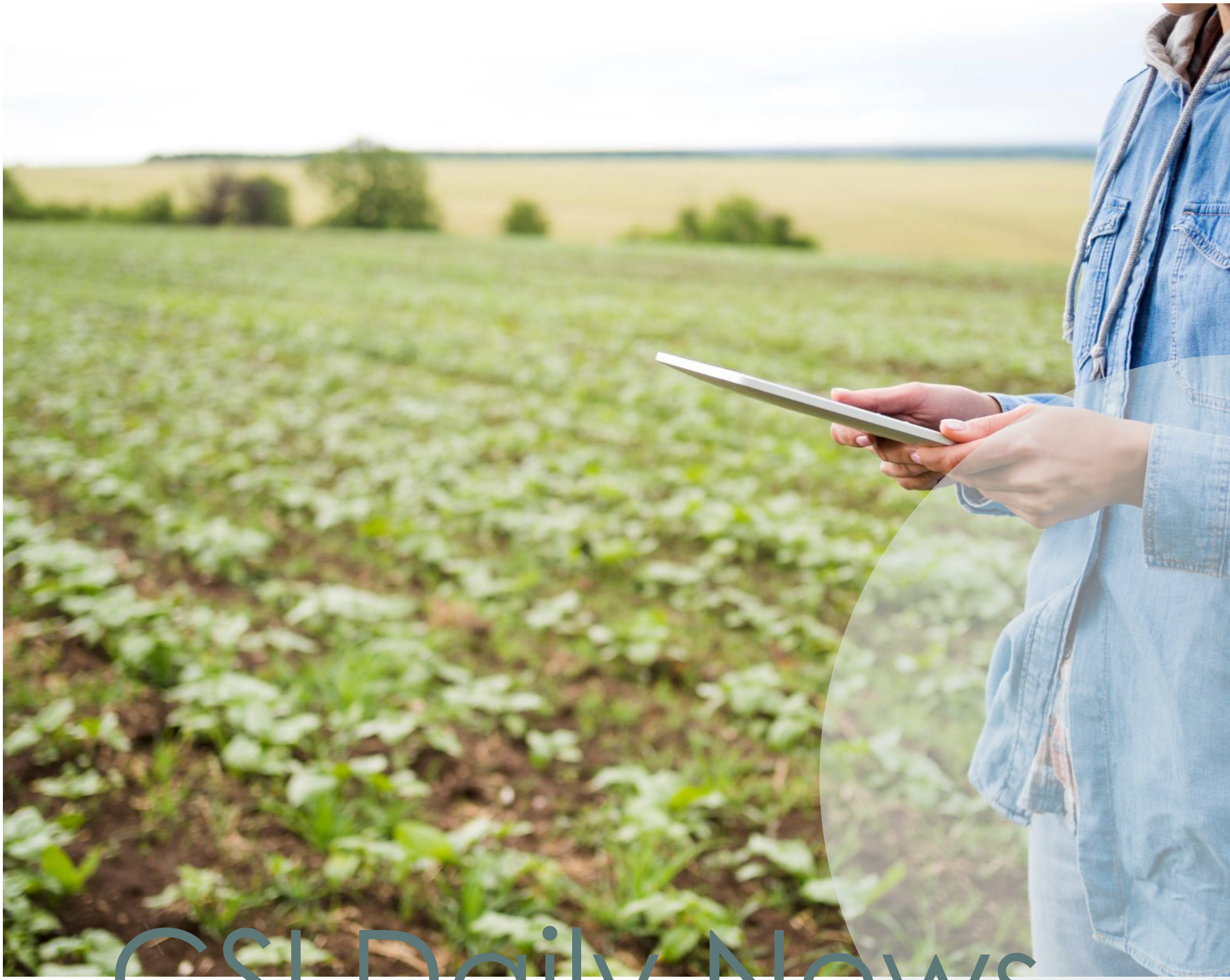

CSI Daily News 8.04.2025

CHINA PLEDGES RESPONSE TO TRUMP'S NEW TARIFF THREAT

Singapore, 8 April (Argus) — The Chinese government today pledged to respond to any new increase in tariffs from the US, after president Donald Trump threatened to impose an additional 50pc duty on its imports.

China will take countermeasures against any new tariffs, the commerce ministry (MoC) said early on 8 April, in a direct response to Trump's latest comments.

The US is already due to raise tariffs on Chinese imports by 34pc to 54pc on 9 April, under measures announced last week. China then said it will apply a retaliatory 34pc tariff on US imports a day later.

But Trump escalated his tariff threats further on 7 April.

"If China does not withdraw its 34pc increase above their already long-term trading abuses by tomorrow, April 8th, 2025, the United States will impose ADDITIONAL Tariffs on China of 50pc, effective April 9th," Trump said via his social media platform.

With no other details provided by the White House, Trump's post could mean that the broad US tariffs on China would be as high as 104pc from 9 April.

China has noted the threat of a further 50pc tariff, MoC said. It called again for dialogue but warned that if the US proceeds, "China will accompany it to the end."

The comments appear to remove any chance that China will back down ahead of Trump's 9 April deadline.

Beijing has responded to previous rounds of tariffs by introducing its own equivalent duties on some or all US imports.

If China follows the same path and imposes a blanket 50pc tariff, the total duties on US imports announced in recent days could rise to 84pc. That would increase to around 100pc for some commodities that were caught up in earlier rounds of tariffs announced in February and March, including crude, coal, LNG and some agricultural products.

The US' 34pc tariff on China, along with what Trump has described as "reciprocal" tariffs on around 60 other nations, are due to take effect at 12:01am ET (12:01pm in Beijing) on 9 April.

The White House has yet to issue an executive order implementing the 50pc tariff threat.

CHINA SOYBEANS: LIQUIDITY PICKS UP

Beijing, 8 April (Argus) — Chinese buyers resumed purchases of Brazilian soybeans, thanks to lower cfr premiums and a crush margin recovery.

China booked some 4-5 cargoes of May-June loading beans overnight at premiums of 180-185¢/bu and 190-195¢/bu cfr, respectively, over the May and July Chicago Board of Trade (CBOT) contract, according to market sources.

China has booked some 9.5mn-10mn t of soybeans for May-loading so far, which means less than 2mn t demand left for the period. Some crushers are likely to cut their purchases for near-curve shipments to avoid losses given elevated soybean prices.

Premiums to the CBOT slid by 5-5.5¢/bu for May-July shipments, because exporters reduced offer indications after market digested the tariff boosts. Soybean premiums for far-month loadings remained steady from the previous trading day, with limited offers and bids available in the market.

China's soybean (SBM) meal futures continued the uptrend. The escalated US-China tariff tension raised concerns on less soybean supply and higher import costs in the long term. The primary May Dalian-listed SBM contract rose to 2,973 yuan/t ($406/t) on 8 April as a result, up by Yn112/t on the day and Yn169/t on the week.

China's soybean crushing margins rose benefitting from strengthening SBM futures, up by Yn67/t on the day, bringing the crush margins for front-month shipment back to the positive territory on 8 April, based on *Argus* assessment.

MATO GROSSO UPS CORN AND SOYBEAN PRODUCTION OUTLOOK

Sao Paulo, 8 April (Argus) — Brazil's central-western Mato Grosso state raised the production outlook for its 2024-25 corn and soybean crops this month, based on expansion of the expected planted area and higher yields.

The state now expects to produce 47.1mn metric tonnes (t) of corn this season, according to Mato Grosso's agricultural economics institute Imea. That is almost 103,000t above March's outlook, but 0.3pc behind the 2023-24 output.

Corn yields remain forecast at 111.7 bags of 60kg/hectares (ha), as weather conditions for the rest of the season remain uncertain. The 2023-24 cycle yielded 115.6 bags/ha.

The expected cultivated area rose by approximately 15,000ha to over 7.02mn ha from 7mn ha a month earlier. That is nearly 3pc above the prior season.

Soybeans

Mato Grosso's 2024-25 soybean crop is set to total a record 50.3mn t, up by 1.5pc from a month prior based on higher outlook for average yields.

Rainfall boosted projected yields to an all-time high of 66.3 bags/ha from 65.3 bags/ha last month, based on a recent Imea crop tour across the state. Planted area remains expected at almost 12.7mn ha.

The 2023-24 crop produced 39.1mn t with average yields of 52.2 bags/ha and 12.5mn ha sowed.

Cotton

Imea decreased the outlook for 2024-25 cotton lint production by 1.2pc to 2.7mn t. But that is 0.4pc above last season's production.

The cultivated area is estimated at 1.5mn ha, a 1.2pc decrease compared to the previous outlook but 3pc ahead of the area cultivated in the 2023-24 season.

The yield estimate remained at 284.3 15kg bags/ha, based on a three-year average, since there are unknown factors that could influence results this early in the cycle, Imea said. That is 2.6pc behind the yield in the 2023-24 cycle.

Producers finished planting in late February, and revisions on area and yields estimates are set to come as harvesting advances.

The 2023-24 cotton lint crop produced approximately 2.76mn t in 1.46mn ha sowed.

BRAZIL'S MATO GROSSO DECREASES CORN EX OUTLOOK

Sao Paulo, 8 April (Argus) — Brazil's central-western Mato Grosso state is on pace to export 26.1 metric tonnes of corn from the 2024-25 crop, down by 430,000t from a previous estimate, according to the state's institute of agricultural economy Imea.

That would also be down by 1.2pc from the 2023-24 season.

Imea estimates interstate demand at 4.8mn t, in line with its previous outlook and behind last season's 5.9mn t.

Mato Grosso is set to consume 16.5mn t of corn this season, also stable from the previous month, but 640,000t above the 2023-24 cycle. Imea expects more grain crushing from the ethanol industry this crop year.

Imea forecasts 2024-25 beginning stocks at 450,000t, down from 980,000t predicted in March and off from around 1.4mn t in the 2023-24 cycle. The outlook for ending stocks remained at 170,000t, which is down from the nearly 450,000t in the prior season.

Soybeans

Imea maintained its outlook for Mato Grosso's soybean exports from previous estimate at a record volume of almost 30.9mn t in the 2024-25 crop. This represents an increase of 25pc compared with the 24.7mn t exported in the 2023-24 season.

Domestic demand within Mato Grosso is projected at almost 12.9mn t, in line with Imea's previous estimate and 1.3pc ahead of 12.7mn t in the 2023-24 season.

Imea's forecast for interstate demand rose to nearly 5.6mn t, compared with 5mn t in the previous estimate. That is more than double last year's 2.4mn t.

The 2024-25 cycle's expected beginning stocks remained at 100,000t from previous estimates, which is down from 900,000t in the 2023-24 season. The outlook for ending stocks rose by almost 70,000t to 1.1mn t from the March estimate. This is above the 100,000t for the previous cycle.

Cotton

Imea maintained its outlook for Mato Grosso's 2024-25 cotton crop demand this month.

The agency still expects 2mn t of exports, while domestic and interstate demand continue projected at about 33,600t and 617,500t, respectively. That compares with 1.8mn t exported in the 2023-24 crop. Interstate demand and domestic consumption in the previous crop year totaled 583,800t and 27,000, respectively.

Beginning stocks are estimated at 665,400t, down from about 683,400t in March, but ahead of the 432,100t for the 2023-24 crop. The outlook for ending stocks decreased to about 686,100t, from about 736,800t in the previous month. This is above the 665,400t in the 2023-24 season.

EU WEIGHS 25PC TARIFFS ON US CORN, SOYBEANS

London, 8 April (Argus) — The EU is considering imposing 25pc tariffs on US corn and soybeans, among a long list of other products, in response to US president Donald Trump's move to place levies on imports from the bloc.

The EU previously was expected to implement tariffs from mid-April. Market participants mentioned expectations of corn tariffs to apply from sometime in May that were not yet confirmed by the time of writing. The timeline for the tariff on soybeans imports was unclear.

US soybean prices have fallen significantly in recent weeks because of the tariff threats, increasing the attractiveness of the origin if there is a lag in the implementation of the soybeans tariff.

The EU has been consulting on the possibility of placing tariffs on US corn and soybeans, among other products, from this month.

The EU needs at least another 7mn t of soybeans before the end of the marketing year. The bloc has been crushing less rapeseed and sunflower seed this season as a result of lower EU production.

European Commission president Ursula von der Leyen on 7 April said the EU is "ready to negotiate with the US". "But we are also prepared to respond with countermeasures," she said.

JORDAN'S MIT BOOKS 60,000T OF WHEAT IN TENDER

London, 8 April (Argus) — Jordan's state buyer, MIT, today bought a 60,000t cargo of wheat in a tender, for shipment in the first half of August.

MIT accepted an offer from trading firm Cargill at $264/t cfr Aqaba. The price was little changed from Jordan's previous wheat tender two weeks ago.

The buyer initially issued a tender to buy up to 120,000t of at least 11pc protein content milling wheat for July-August shipment.

Jordan so far has booked 110,000t of 2025-26 shipment wheat, broadly in line with the booking pace for the 2024-25 crop a year earlier, according to Argus-aggregated data. The country's wheat imports are forecast to decline slightly on the year in 2025-26 to 1.15mn t, compared with 1.2mn t that was projected for 2024-25, according to the US Department of Agriculture's Foreign Agricultural Service.

Grains, oilseeds and veg oils tenders								
Buyer	**Issued**	**Closes**	**Status**	**Cargo**	**Shipment/ delivery**	**Price**	**Seller**	**Notes**
Japan's MAFF	8-Apr	10-Apr	Open	123,641t milling wheat	Jun-Jul			
Jordan's MIT	27-Mar	9-Apr	Open	100,000-120,000t barley	16 Jul-15 Sep			
Algeria's OAIC	6-Apr	8-Apr	Closed	50,000t durum wheat	May-Jun			
Jordan's MIT	26-Mar	8-Apr	Closed	60,000t milling wheat	1H Aug	$264/t	Cargill	cfr Aqaba
Japan's MAFF	1-Apr	3-Apr	Closed	123,818t milling wheat	Jun-Jul			US, Can, Aus
Jordan's MIT	20-Mar	26-Mar	Closed	60,000t barley	1H Jul	$235.50/t	Cargill	cfr Aqaba
Jordan's MIT	19-Mar	25-Mar	Closed	50,000t milling wheat	15-31 Aug	$265/t	Buildcom	cfr Aqaba
Turkey TMO	14-Mar	20-Mar	Closed	18,000t SFO	2-21 Apr	$1,195/t, $1,208.90/t, $1,209/t	Aves, Yayla	cfr, Mersin and/or Iskenderun, Tekirdag

FEED GRAINS: US CORN IN FOCUS FOR MED MARKET

London, 8 April (Argus) — Large-scale sales of US corn to Spain weighed on cif Spanish Mediterranean ports corn prices on Tuesday, but this pressure could be short-lived, at least partly because market participants discussed a rumoured instatement of tariffs for US corn to the EU.

US corn exporters have sold 240,000t of corn for shipment to Spain, the US Department of Agriculture (USDA) reported on Tuesday. US crop made its return to the EU's import market on the backdrop of market participants discussing rumours that 25pc tariffs would be imposed on US corn from mid-May, leaving exporters a little over a month to load and ship. This short window has tempered market expectations for further sales. Corn cargoes typically take about a month to sail from the US Gulf coast to Spain's Mediterranean ports, vessel tracking data from trade analytics firm Kpler show.

The US' return to competitiveness pushed the Argus-assessed corn cif Spanish Mediterranean ports prices $11/t lower on the day, because US fob Gulf coast prices — over $20/t lower than Ukrainian corn fob Pivdennyi/Odesa/Chornomorsk (POC) at Monday's close — were low enough to more than offset higher freight rates from the US.

Buyers in Spain have also turned to intra-EU corn purchasing, with around 70,000t of French corn set to ship from ports in April, latest available port line-up data show. While French corn to Spain is not unusual – with France historically being the third-largest corn supplier to Spain, customs data show – exports are normally conducted over-land. As little as 10,000t of corn was shipped from France to Spain in the 2023-24 (October-September) marketing year, ship-tracking data show, compared with a 1.4mn t export programme across the season.

French sellers also sought to attract international barley demand on Tuesday, offering Handysize cargoes at $230/t for April-May shipments fob Rouen, according to market participants. This represents a $2-3/t discount to April-loading levels offered two weeks ago.

WHEAT: AUSTRALIAN PRICES UNDER PRESSURE IN SE ASIA

London, 8 April (Argus) — Sellers lowered their offers of Australian Standard White wheat with at least 9pc protein content (ASW9) for shipment to southeast Asia in June, at least partly on higher supplies from accelerated farmer selling and a weaker Australian dollar against the US dollar.

And buyers could be likely to book volumes in the low-$260s/t cfr Java ports, market participants said.

Australia's lower-protein milling wheat prices have remained under pressure this season (October-September), largely because of significantly lower demand for China-bound shipments of lower-protein wheat than in previous seasons.

As for China's 2025-26 crop, prospects have remained above historical averages, according to Argus projections. This is likely to weigh down China's wheat import demand, in turn pressuring Australian wheat prices.

Further out in southeast Asia's wheat import market, buyers also showed more interest in July-shipment volumes of new-crop Black Sea 11.5pc milling wheat — but their price ideas were still at least $5/t lower than offers. And lower offers for June Australian cargoes could keep demand focused away from Black Sea new crop for now.

On a fob basis, market participants discussed new-crop volumes of July-August loading Ukrainian 11.5pc wheat on either side of $230/t fob Pivdennyi/Odesa/Chornomorsk (POC) on Tuesday, broadly in line with Monday's levels.

Elsewhere, Jordan booked 60,000t of milling wheat at $264/t cfr Aqaba for shipment in the first half of August from trading firm Cargill. This was only $1/t higher than the price MIT agreed in its previous tender two weeks ago.

And Japan's Maff came back to the global wheat market, looking to book 123,641t of wheat for June-July shipment in a tender closing on Thursday. Maff is seeking 29,400t of ASW, 60,164t of Canadian Western Red Spring (CWRS) 13.5pc wheat, 18,125t of US Western White and 15,952t of US Dark Northern Spring 14pc wheat.

In the spot old-crop market, Ukraine's 11.5pc wheat prices turned to gains on Tuesday, up by $3.50/t fob POC.

GLOBAL VEGOILS: SFO AND PALM OLEIN PRICES DOWN

Kyiv, 8 April (Argus) — Sunflower oil (SFO) prices trading on a fob six ports basis decreased along the curve in the seven days to 8 April on weaker demand, while the wider vegetable oil complex saw increased volatility.

The SFO market has been caught in the global tariff turmoil, which pressured buyers' confidence, in addition to negative crush margins and a lack of farmer selling in Ukraine and Russia. Overall activity in the global vegetable oil market has stalled, with market participants assessing potential impact of new tariffs and avoiding taking positions.

The spot SFO contract closed $32.50/t lower on Tuesday than on 1 April. The July-August-September (JAS) strip decreased by $22.50/t on the week, while the October-November-December (OND) strip remained nearly unchanged, compared with a week earlier. SFO traded on a fob six ports basis saw limited demand in the reporting week. Both the AMJ and JAS strips changed hands on Wednesday at $1,235/t and $1,225/t fob six ports, respectively. And on Friday, the AMJ strip traded $20/t lower than in Wednesday.

Ukrainian cpt SFO prices moved lower on the week, with offers at around $1,130/t on Tuesday, and bids at $1,120/t, down by $15/t on the week. At the same time, SFO fob prices in Ukraine remained almost unchanged on the week, with sellers offering at $1,155/t, compared with bids at $1,145/t fob POC.

As for destination markets, SFO prices edged lower in the past seven days in India and Turkey. Trading activity was limited, with no deals heard on a cif India basis, and offers of Argentinian SFO also absent on the basis last week. On a cif Mersin basis, one cargo traded at $1,190/t on Monday.

Meanwhile, Russia's sunflower seed (SFS) crushing pace has decreased over the past two months, as a stronger rouble against the US dollar further squeezed already weak crushing margins, while lower export duties for SFO only partially offset higher SFS prices. This may pressure offers of Russian SFO cargoes to India and Turkey in the coming weeks.

In China, the tariff tensions resulted in sharp losses in the crude market, bringing palm oil prices down in the futures and spot markets. Higher production in producing regions in southeast Asia also contributed to palm olein cfr price falls. China's palm olein cfr prices decreased to $1,058/t on 8 April from $1,105/t a week ago for May shipment. Falling palm olein prices resulted in import cost falls. This, combined with higher domestic basis prices, offered by importers to downstream users, added gains to import margins. But China's palm oil consumption and purchases were still muted because of elevated prices. Most buyers stayed away from the palm olein market, with no new sale reported last week.

BRAZIL'S PARANA FINISHES WINTER CORN PLANTING

Sao Paulo, 8 April (Argus) — The 2024-25 second corn crop is now fully planted in the southern Brazilian Parana state, while the crop's conditions continue to deteriorate following a prolonged period of dry weather last month.

Works advanced by one percentage point to 100pc of expected area for the state in the week ended 7 April, according to the department of rural economics Deral.

The 2023-24 crop was already fully sowed by the same time a year prior, but activities had concluded by late March.

Winter corn conditions worsened for the fifth consecutive week. Areas rated in good quality fell to 65pc from 66pc, while those in medium condition rose to 23pc from 22pc. Crops considered in bad quality continue to account for 12pc of the total.

Summer corn

Parana's 2024-25 first corn harvest reached 96pc of the total sowed in the state as of 7 April, up by one percentage point from a week ago. This is ahead of the 95pc harvested a year prior for the 2023-24 season.

Crop conditions remained stable over the past seven days. Areas rated in good and medium quality account for 96pc and 4pc of the total still in fields, respectively.

Soybeans

The 2024-25 soybean harvest advanced to 97pc from 95pc of Parana's sowed area between 31 March-7 April, according to Deral. That is in line with 2023-24 progress at this time of 2024.

Soybean crop conditions were also stable this week. Areas considered in good quality continue to account for 91pc of the total still in fields, with the remaining 9pc rated in medium conditions.

US SOY EXPORTS LIKELY TO SHIFT ON TARIFF RESPONSE

St Louis, 8 April (Argus) — Last week's market reaction to US president Trump's tariff plan demonstrated concern that escalating trade tension between the US and China will further erode the US share of China's oilseed demand.

As of the close of 4 April, the Chicago Board of Trade (CBOT) soybean contract for May delivery fell by 5.5pc from the start of the week. The market's reaction was likely biased towards a concern for US soybean demand as the May delivery CBOT corn contract fell by less than 0.5pc.

At the same time, Brazil, the US' top competitor, has seen its own dramatic price response resulting from the US-China tariff war, with the Argus-assessed May delivered CBOT differential for Paranagua Brazil's soybean paper market ending the week 65pc above the start of the week.

While the atmosphere of tariffs and counter-tariffs that has emerged with Trump's announcement could be detrimental for longer-term US soybean demand, the market's reaction may well have over emphasized the risk to near-term demand, and could unintentionally result in increased US soybean exports in the coming months.

China shops elsewhere

China has long held the top position for US soybean export demand, receiving more than 50pc of US soybean exports nearly every year since 2009, with the exception of 2018 and 2019, during Trump's first trade war.

Given China's prominence, the current round of escalating tariff rhetoric has raised concern of declining US soybean demand should China again be turning away.

However, the near-term risk for US soybean markets from China curbing its demand appears to be marginal.

Historically, 8pc of China's US soybean purchases have occurred over the last five months of the marketing year, accounting for a little more than 3pc of total US soybean export demand. Through 27 March, US soybean export sales had reached 46mn t, or 93pc of total projected export sales for the marketing year according to USDA data.

If China were to repeat this historical purchasing pattern, the country would purchase another 1.2mn t of soybeans from the US for delivery ahead of 1 September, or 2.4pc of total projected US soybean export sales. But it is likely that China would be prepared to purchase even less than this from the US, given the record soybean harvest anticipated in Brazil, the US' top competitor for Chinese soybean demand.

US beans for sale

Should China walk away from US soybean markets over the remainder of 2024-25, the US would have to find other buyers for 3.5mn t of the crop to make USDA projections for the marketing year.

This may prove easy to do. Due to advantageous freight and commodity prices, Mexico has remained the second largest purchaser of US soybeans since 2005, according to USDA data, purchasing at least 80pc of its imports from the US over the past five. Through 27 March, Mexico had purchased 4.2mn t of US soybeans, according to USDA, leaving another 2.2mn t of demand to meet the 6.7mn t of imports currently projected for the country by the USDA. With markets discounting US-sourced soybeans following Chinese counter-tariffs, it seems likely Mexico will rely more heavily on US supply than before to fill the country's import needs.

The EU, another target of Trump's tariffs, has begun to craft retaliatory measures that could include US grains and US oilseeds. These measures do include a proposed 25pc tariff on US soybeans — and should its implementation be delayed to much later in the year, it would leave ample room for the EU to take advantage of discounted soybean prices.

As of early March, the EU had about 7mn t of unmet soybean demand for the remainder of the 2024-25 marketing year, according to Argus estimates. While some of this is likely to be filled by other countries, advantageous pricing could secure the US a sizable portion.

In addition to the 9.2mn t of unfilled demand from Mexico and the EU, Japan, Indonesia, Taiwan and other parts of Asia could seek to fulfill any unmet demand from discounted US soybeans as well.

All told, while a loss of Chinese export demand could substantially add to a long US soybean balance sheet in 2025-26, timing could cause the new tariff war to unexpectedly boost demand ahead of September 2025.

BRAZIL SOYBEAN HARVEST ADVANCES QUICKLY

Sao Paulo, 8 April (Argus) — Brazil's 2024-25 soybean harvest advanced in the week ended 5 April, despite rainy weather in some states, with progress above last year's pace and the five-year average, according to national supply company Conab.

- Work advanced by 3.9 percentage points to 85.3pc of the area planted, ahead of the 76.4pc pace last year and of the 82.4pc average for the past five years.
- The pace of work slowed from the 5 percentage-point advance in the week through 29 March.
- Harvesting in the states of Mato Grosso, Minas Gerais and Sao Paulo is nearly finished.
- Work in Goias, Tocantins, Maranhao is ahead of the last year and the five-year average, despite rainy weather.
- Precipitation in Bahia continued to slow harvesting, but work advanced by 7 percentage points in the week.

Summer corn

- Farmers picked up the pace of harvesting in the week, advancing by 5.9 percentage points to 59.2pc finished.
- That is ahead of the 52.9pc pace last year and the five-year average of 54.8pc.
- Rain in Rio Grande do Sul brought harvesting in the state to a standstill, with work flat on the week at 86pc.
- A lack of rain hit some areas in Bahia, with some losses from leafhoppers and other pest infestations. Harvesting activities advanced by 8 percentage points in the week.

Winter corn

- Planting is nearly finished, reaching 99.1pc of the area planted, from 97.9pc a week earlier.
- That is behind the 99.5pc pace a year earlier and the 99.4pc five-year average.
- Work has finished in Minas Gerais state as of 5 April.
- Parana crops are in good condition despite scarce rain and high temperatures, with harvesting 99pc concluded.
- Crops in Mato Grosso, Tocantins and Minas Gerais are benefiting from a good volume of rain.

- Parts of Goias are suffering from a lack of rain and from high temperatures.

Price and Data

Description	Unit	Price	Date
Corn Ukraine cpt POC spot	USD/t	228↑	8.04.2025
Wheat 11.5pc Ukraine fob POC spot	USD/t	241,50↑	8.04.2025
Wheat 12.5pc Russia fob Novorossiysk spot	USD/t	251,50↓	8.04.2025
Soybean oil Argentina waterborne fob upriver USD/t month 1 - Houston close	USD/t	1.008,395↑	8.04.2025
Rapeseed oil fob Dutch Mill RSO - London close	USD/t	1.180,449↑	8.04.2025
Sunflower oil fob northwest Europe 6 ports spot - London close	USD/t	1.210↑	8.04.2025

↓ Price dropped in comparison to last report.

↑Price raised in comparison to last report.

-Price has not changed.

References:

www.direct.argusmedia.com