Oil | Agriculture | Metals | Carbon & Power | Dry Freight
Click on headers to go to that section

Top News - Oil

OPEC sticks to 2024 oil demand view, sees strong travel season

OPEC stuck to its forecast for relatively strong growth in global oil demand in 2024 and next year, saying on Wednesday that resilient economic growth and air travel would support fuel use in the summer months.

The Organization of the Petroleum Exporting Countries, in a monthly report, said world oil demand would rise by 2.25 million barrels per day (bpd) in 2024 and by 1.85 million bpd in 2025. Both forecasts were unchanged from last month.

"Expected strong mobility and air travel in the Northern Hemisphere during the summer driving/holiday season is anticipated to bolster demand for transportation fuels and drive growth in the United States," OPEC said in the report.

Oil forecasters are split more widely than usual on the strength of oil demand growth for this year and the medium term, partly due to differences over the pace of the world's transition to cleaner fuels. Earlier on Wednesday, BP said oil demand would peak next year.

OPEC+, which groups OPEC and allies such as Russia, has implemented a series of output cuts since late 2022 to support the market. The group agreed on June 2 to extend the latest cut of 2.2 million bpd until the end of September and gradually phase it out from October.

OPEC also raised its forecast for world economic growth this year to 2.9% from 2.8%, and said there was potential upside to that number, citing momentum outside developed countries in the Organization for Economic Cooperation and Development.

"Economic growth momentum in major economies remained resilient in the first half. This trend supports an overall positive growth trajectory in the near term," OPEC said.

Oil was steady after the OPEC report was released, with Brent crude trading below $85 a barrel. OPEC's forecasts are at the high end of what the industry expects and while it has not forecast a timeline for when demand will peak, BP expects it to do so next year in both of the two main scenarios in its annual Energy Outlook, published on Wednesday.

The International Energy Agency, which represents industrialised countries, expects much lower 2024 demand growth than OPEC, of 960,000 bpd, and is scheduled to provide an update on its view on Thursday.

OPEC's report points to an oil supply deficit in coming months and in 2025 - a larger deficit than the shortfall predicted on Tuesday by U.S. government forecaster the Energy Information Administration.

The OPEC report also projects demand for OPEC+ crude, or crude from OPEC plus the allied countries working with it, at 43.6 million bpd in the third quarter, much more than the group is currently pumping, according to the report.

Russian oil freight rates fall to lowest since 2022, sources say

Freight rates to ship Russian oil have fallen this month towards parity with those for other global exporters for the first time since 2022 as more tankers were available despite Western sanctions and exports fell, three sources said on Wednesday.

Freight rates to ship Russian oil soared to more than $20 million per voyage in 2022 after the West imposed sanctions and a $60 dollar price cap to try to limit Russian export revenues.

The sources who asked not to be named because they were not authorised to speak to the press said rates had fallen as increased Russian refinery activity in July lowered exports and curbed demand for tankers. At the same time, a "shadow fleet" has gradually built up.

The fleet, willing to take the risk of shipping Russian oil despite sanctions, comprises ageing tankers often managed by little-known companies based in Dubai and China, carrying flags of African countries.

India, which has become the largest buyer of Urals oil grade since 2022, is the main destination for tankers leaving Russian ports with oil onboard.

The cost of transporting Urals from the Black Sea's Novorossiisk port to India for Suezmax tankers, which can hold 140,000 metric tons, fell to around $4.3-4.5 million for a one-way trip, having dropped by about $1.5-$2 million since the beginning of June, the sources said.

"Freight rates for Suezmax tankers (on routes from Novorossiisk to ports in western India) have fallen dramatically over the past month. The rates are close to general market estimates for non-sanctioned crude", Viktor Katona, head of crude oil analysis in energy consultancy Kpler, told Reuters.

Suezmax tanker freight to transport Kazakhstan-produced CPC Blend oil, which is not subject to sanctions, to India in July was $4.8 million per route, one of the sources said.

CPC Blend oil is loaded from the Yuzhnaya Ozereyevka terminal in the south of Russia close to Novorossiisk.
According to the sources, the cost of transporting Russian oil to India for loading at the end of July from the Baltic ports of Primorsk and Ust-Luga has dropped to approximately $4.7-$4.9 million from $5-$5.5 million in mid-to-late June. In early June the cost of such a voyage exceeded $6 million.

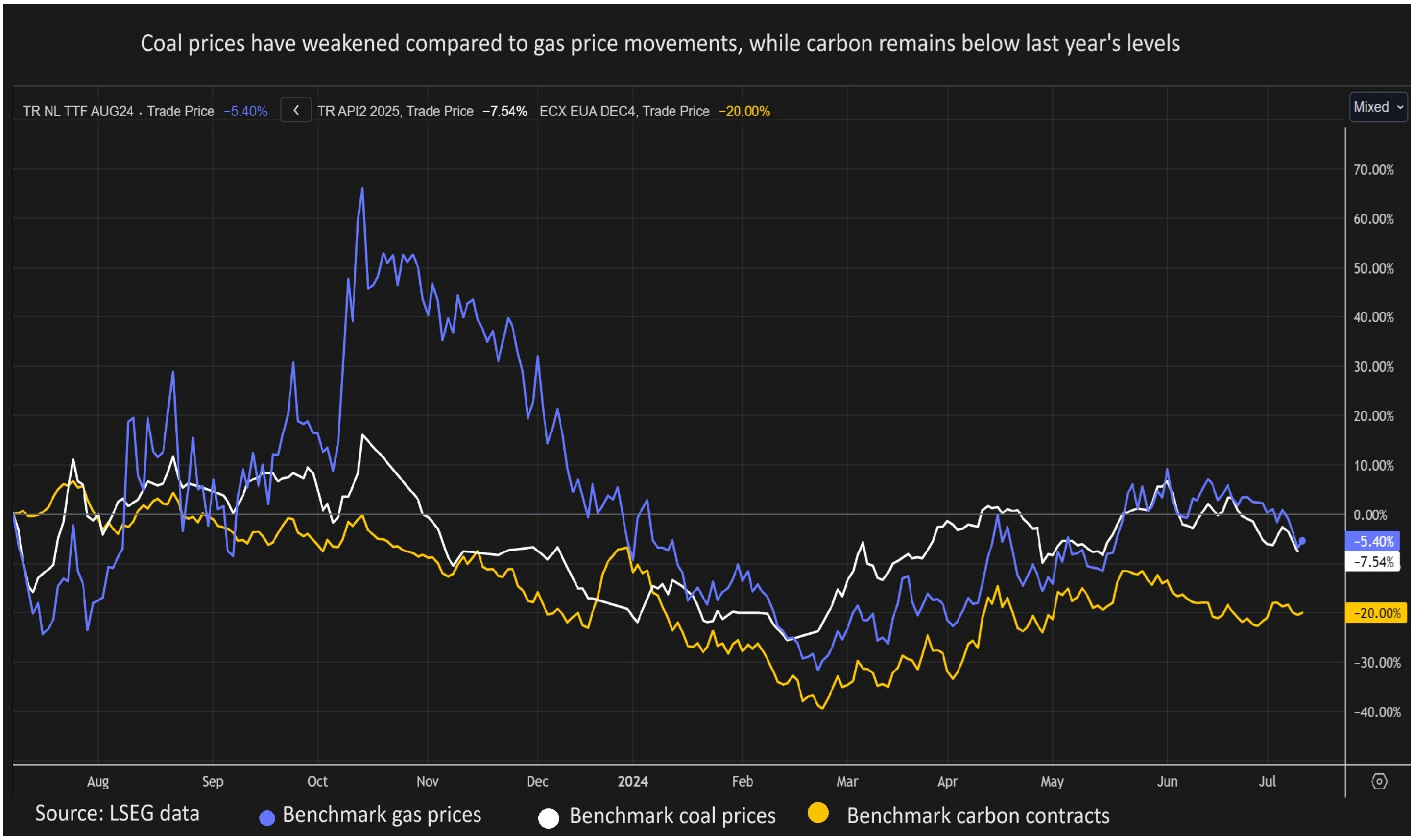
The fall in freight rates in the Russian oil transportation market supports Urals prices on a FOB basis, and has taken them further above the price cap limit of $60 per barrel, Reuters data shows.
One of the sources, who is involved in trading Urals, said Greek-managed vessels were the most expensive of those providing shipments from the Baltic to India, adding even these rates are no higher than $5.1 million.

Top News - Agriculture

EU farming group sees soft wheat crop falling to 117.5 million tons

European Union farming association Copa-Cogeca on Wednesday forecast that EU production of common wheat, or soft wheat, will fall by more than 6% this year as declines in countries like France outweigh an expected recovery in Spain.
In a harvest outlook, Copa-Cogeca projected the soft wheat crop at 117.5 million metric tons against 125.5 million last year. That would be the smallest crop since 2018.
It also forecast EU barley output will decline by over 9% this year to 43.0 million tons, which would be the lowest this century.
EU rapeseed production was forecast to drop nearly 8% to 18.2 million tons.
Grain belts in northwest Europe have been affected by repeated rain since autumn, while dryness is causing concern in some eastern parts of the EU.
"This already worrying forecast might very well worsen in the coming weeks and months, due to the complicated weather events and the impossibility of working in the fields," Copa-Cogeca said in a note.
"Sowing was thus delayed in many areas making yields very sensitive to weather conditions in the coming weeks."
Harvesting of barley, wheat and rapeseed is under way in the EU, with the well-advanced winter barley harvest in France supporting expectations of poor yields in the EU's biggest grain producer.
For maize, which is harvested in autumn, Copa-Cogeca projected the 2024 crop at 62.4 million tons, down 0.5% from last year.

Chart of the Day



INSIGHT-Bird flu response in Michigan sparks COVID-era worry on farms

Some dairy farmers are resisting Michigan's nation-leading efforts to stop the spread of bird flu for fear their incomes will suffer from added costs and hurt rural America.

The government's restrictions, which include tracking who comes and goes from farms, are rekindling unwanted memories of COVID-19 in Martin and other small towns in central Michigan.

The state has two of the four known cases in humans, all dairy workers, since federal authorities confirmed the world's first case in U.S. cattle in late March.

The state has tested more people than any of the 12 states with confirmed cases in cows, according to a Reuters survey of state health departments. Testing policies vary by state.

Public health experts fear the disease has the potential to turn into another pandemic just a few years after COVID-19. As those worries mount, the acceptance and success or failure of Michigan's proactive response is being watched by other states looking for a roadmap that goes beyond federal containment recommendations.

More than a dozen interviews with Michigan producers, state health officials, researchers and industry groups, along with preliminary data, so far show limited dairy farmer participation in efforts to stem and study the virus. In some cases, calls from local health officials go unanswered, money for dairy farm research is left unclaimed, and workers still milk cows without extra protective gear.

Brian DeMann, a dairy farmer from Martin, Michigan, said the outbreak and state's response recalls COVID-19. The 37-year-old believes Michigan's rules to contain bird flu would be more widely accepted if they came as recommendations rather than requirements for farmers.

"Nobody knows if these things that we're being told to do are going to stop it," said DeMann, who echoed an uncertain view shared by other farmers. "Just like 2020, people didn't like to be told what to do."

This spring many U.S. dairy owners did not heed federal recommendations to offer more protective equipment to employees, according to farmers and workers.

DeMann said he did not invest in new protective gear, such as masks, for his workers because it is unclear how the virus is spreading.

NO EXTRA GEAR

About 900 permitted dairy farms dot Michigan's countryside, with cows in open-air barns and piles of feed covered with protective tarps and old tires used as weights.

Tim Boring, Michigan's agriculture director, said social stigma and economic concerns around infections have discouraged farmers from testing cows for bird flu in the nation's sixth biggest milk producer.

"There's a lot of factors that go into the concerns about farms coming forward with positive operations," he said. "We know this has been a challenge in Michigan."

The state last reported an infected dairy herd on July 9, its 26th to test positive.

Five other states have also confirmed cases in the past month, and about 140 herds have been infected nationally since March, according to U.S. Department of Agriculture data.

Michigan is offering farms up to $28,000 to entice those with infected herds to participate in research. More than a dozen farms have so far expressed interest, the state said.

Separately, the federal government is offering financial assistance. Twelve of 21 herds enrolled in financial support from USDA are from Michigan, according to the agency.

To boost testing, USDA launched a voluntary program in which U.S. farmers can test tanks of milk weekly for bird flu. Six farmers in six states have enrolled one herd each, but a Michigan farmer is not among them yet.

"I really would like to see that in every single herd," said Zelmar Rodriguez, a Michigan State University dairy veterinarian studying infections.

'NEW THREAT'

Michigan's agriculture department said it has up to 200 people responding to bird flu cases in poultry and cattle, including coordinating with USDA on outbreak investigations.

Veterinarians in other states said they tracked Michigan's cases to assess the risks for transmission.

"Michigan is doing a good job with their diagnostics and trying to identify where the disease is," said Mike Martin, North Carolina's state veterinarian.

Michigan's outbreak in cows began after an infected Texas farm shipped cattle to Michigan in March before the virus was detected, according to USDA. Weeks later, a Michigan poultry farm also reported symptoms and tested positive.

Whole genome sequencing suggested the virus spilled over from the dairy farm to the poultry flock.

USDA now thinks the virus has spread indirectly through people and vehicles moving on and off infected farms.

Chickens owned by Michigan's largest egg producer, Herbruck's Poultry Ranch, were infected because the virus spread from cattle, said Nancy Barr, executive director of Michigan Allied Poultry Industries, an industry group. Reuters is first to report the link to Herbruck's from dairy cow transmission.

"It's a new threat to us," Barr said.

Herbruck's told the state in May it was laying off about 400 workers after bird flu decimated flocks in Ionia County.

The company said in a public notice it planned to rehire employees as it rebuilds its flocks, a process that can take six months.

As of late June, Ionia County poultry farmers received $73.2 million in indemnity payments from the U.S. government for bird-flu losses, the most of any county in the country that had to cull infected flocks since February 2022, according to data Reuters obtained from the USDA.

MAIN STREET

The layoffs struck fear in Ionia, a city of about 13,000 people in central Michigan with a brick-paved Main Street and mural of the Mona Lisa. Business owners said unemployed workers have less money to spend at time when local stores already struggle to compete with Walmart and Meijer.

"I just thought, 'Oh great, here goes the store,'" said

Jennifer Loudenbeck, owner of the Downtown Vintage Resale shop.
Alex Hanulcik, who owns a fresh fruit stand, said he knows a Herbruck's employee who left town to find work in the southern U.S. after being terminated.
"I really feel for the employees," Hanulcik said. "They were blindsided."
Herbruck's declined to comment.
Dairy farmers said they are constantly worrying their cows may be the next to become infected, yet they are unsure exactly how to protect them.
Doug Chapin, a dairy farmer in Remus, Michigan, said he held meetings with employees to inform them of the risks of the virus.
He is trying to make workers wear protective eye gear, though they objected in the past because glasses must be cleaned if milk sprays on them.
"You're thinking about it all the time," he said about the virus.
Michigan has plans to test dairy workers for signs of prior infections with first-in-the-nation blood testing.
The state has already monitored thousands of people for bird flu symptoms using a complex contact tracing system that texts them three times daily, said Chad Shaw, health officer for the Ionia County Health Department.
Some farmers remain reluctant to engage with local health authorities, though.
The Branch-Hillsdale-St. Joseph Community Health Agency began reaching out to farms generally to offer medical care for seasonal workers because of bird flu cases, said health officer Rebecca Burns. There has been little interest, she said.
"These guys aren't used to us calling them," Burns said.

HARD HIT

Michigan has detected the third most infected dairy herds of any state, after Idaho and Colorado, and lost 6.5 million chickens in April alone from outbreaks on poultry farms, USDA data show.
The Biden administration in late April began requiring lactating cows to test negative before being shipped over state lines.
Michigan went further and in May started requiring farms to keep logs of visitors, disinfect delivery trucks that could carry the virus, and take other safety steps. The state this month began requiring negative tests for non-lactating cows to be shown at fairs.
Colorado reported the nation's fourth human case on July 3. The U.S. government awarded $176 million to Moderna to advance development of its bird flu vaccine for humans.
Two dozen companies are working on a vaccine for cattle, U.S Agriculture Secretary Tom Vilsack said, as about 140 herds nationally have tested positive.
"Michigan's been the forefront on providing information, providing access to information that really is helpful," Vilsack told Reuters.

MARKET MONITOR as of 06:40 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$82.69 / bbl	0.72%	15.41%
NYMEX RBOB Gasoline	$2.49 / gallon	0.52%	18.02%
ICE Gas Oil	$780.00 / tonne	0.06%	3.90%
NYMEX Natural Gas	$2.33 / mmBtu	0.21%	-7.16%
Spot Gold	$2,379.22 / ounce	0.34%	15.35%
TRPC coal API 2 / Dec, 24	$110.95 / tonne	-2.25%	14.38%
Carbon ECX EUA	€68.08 / tonne	0.18%	-15.29%
Dutch gas day-ahead (Pre. close)	€30.68 / Mwh	-0.52%	-3.67%
CBOT Corn	$3.99 / bushel	0.82%	-17.56%
CBOT Wheat	$5.64 / bushel	0.45%	-99.12%
Malaysia Palm Oil (3M)	RM3,911 / tonne	-0.18%	5.11%
Index	**Last**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	340.51	-0.08%	12.98%
Rogers International	28.55	-0.23%	8.43%
U.S. Stocks - Dow	39,721.36	1.09%	5.39%
U.S. Dollar Index	104.98	-0.07%	3.60%
U.S. Bond Index (DJ)	430.71	0.12%	0.00%

Top News - Metals

FOCUS-Global lithium sector eyes Argentina's salt flats on tech test run

In a dusty plain in northern Argentina's mountains, black tubes stretching two stories high fill a massive tank with salty brine sucked from deep below ground.

The brine contains lithium, a silvery white metal essential for making electric vehicle batteries and in high demand as the world shifts to green energy. French miner Eramet is attempting to use an innovative technique, known as direct lithium extraction, or DLE, in a race for cleaner, faster and cheaper ways to produce the metal with less water.

Unlike traditional methods, there are no pools of brine spanning the size of football fields where lithium is left behind after the liquid evaporates in the sun.

DLE, which extracts the metal much more quickly, could be critical to global production given 70% of the world's lithium is found in brine, rather than rock or clay.

Eramet is being closely watched by competitors from the U.S. to Chile that are also working to commercialize DLE. It aims to pump out its first ton of lithium carbonate in November and scale up to 24,000 metric tons a year by mid-2025.

The $870 million project in the northern province of Salta puts Argentina, the world's No. 4 lithium producer, in the spotlight ahead of projects due online in the country in the coming months from mining giant Rio Tinto, South Korea's Posco and Chinese miners Zijin and Ganfeng.

Argentina's new production should about double its capacity, narrowing the gap with Chile, Latin America's top producer. Some analysts say it could overtake Chile around the end of the decade even if hurdles remain.

The exact timing for the ramp-up of Eramet's Centenario plant, co-owned with Chinese nickel and steel giant Tsingshan, remains uncertain.

"It's a complex plant," CEO Christel Bories said in an interview. "The challenge is always, will we be able to reach the nominal capacity, and when?"

For over a decade, Eramet, which produces manganese, nickel and mineral sands elsewhere, tried different technologies before opting to develop a process largely in-house.

The need to tailor the extraction method to a specific brine deposit, each with its own concentration of lithium and other metals, is part of DLE's complexity.

It will take time to see if Eramet's strategy pans out, said Joe Lowry, an industry consultant. "The proof will be sustained consistent production of battery quality product, and it is too early to say this will happen with any degree of certainty."

FASTER LITHIUM

The first batch of brine will not be ready for the direct extraction phase until August, engineers told Reuters last week, as dozens of workers in red thermal jackets inspected the plant.

Wild vicuna, similar to llamas, darted around the site at an altitude of 4,000 meters (13,100 ft) five hours' drive from the nearest city.

Eramet's DLE depends on a tailor-made material that soaks up lithium from brine like a sponge and sits inside a row of blue tanks, each big enough to fit an SUV.

Impurities like sodium chloride, or table salt, can then be largely washed away.

The material, called a sorbent, works at room temperature, unlike some forms of DLE that can require heating, and yields 90% lithium, compared to 40% or 50% in evaporation ponds. The technique allows Eramet to produce a ton of lithium carbonate in one week, versus a year with traditional methods.

Eramet plans to ultimately pump brine in a continuous cycle from 20 nearby wells that stretch 400 meters (1,312 ft) deep. Before that can happen, it must finish the critical commissioning phase.

Pipeline valves need to open properly. Computers must sync with several thousand sensors. An evaporating chamber shaped like a spaceship has to avoid temperature swings.

"You go step by step, making sure you can get to the next phase," said engineer Soledad Gamarra. "There's the option to take pauses, but we really don't want that to happen."

Eramet's process aims to recycle 60% of the water, eventually moving up to 80%, reflecting the industry's goal to offset controversy around the large volumes of water required by many types of DLE, especially in arid areas. International Battery Metals, which is close to launching DLE near Salt Lake City in the U.S. state of Utah, aims to recycle more than 98% of its water.

Some environmentalists say Eramet's project is the latest threat to previously untouched salt flats.

"They are a perfect system of equilibrium, of life," said Mara Puntano, an activist in Salta who represents indigenous communities.

Eramet will seek certification under the rigorous standards of the Initiative for Responsible Mining Assurance, and aims to cut water use and chemicals at a planned second plant, estimated to cost $800 million.

"Phase two, technology wise, will be a big step of progress," Tsingshan's South America head, John Li, said in an interview.

Tsingshan and Eramet will scout for buyers in China and elsewhere in Asia, they said. Despite a lithium supply glut that has depressed prices and forced some mining companies to pull back, Bories said Eramet had a healthy margin, with current prices more than double its cash costs per ton.

China accelerates green steel shift as EU levies loom, researchers say

China approved no new coal-based steel projects in the first half of 2024, researchers said on Thursday, accelerating its shift towards green production as it prepares for the impact of a new carbon levy on exports to Europe.

Local governments approved 7.1 million metric tons of new steelmaking capacity from January to June, but all of it was for cleaner scrap-based electric arc furnace (EAF) projects, rather than coal-intensive blast furnaces, said the Centre for Research on Energy and Clean Air (CREA).

China's efforts to cut production and recycle more scrap via EAF could reduce CO_2 emissions from the steel

industry by 200 million tonnes by 2026, equal to the entire emissions of the EU steel sector, CREA said.
China's steel industry, by far the world's biggest, is under growing pressure to decarbonise. It is expected to join China's own emissions trading scheme this year, and exports to Europe will be subject to the Carbon Border Adjustment Mechanism (CBAM) starting from next year, which could make them 11% more expensive by 2030.
"Chinese steelmakers targeting the EU market will need to take action to reduce the carbon intensity of their products in order to maintain competitiveness," said Xinyi Shen, the report's co-author.
Europe introduced CBAM in order to tackle the problem of "carbon leakage", which allows businesses to avoid carbon costs by sourcing products from countries with weaker climate compliance. Starting from 2026, importers of steel, fertiliser, cement and chemicals will pay levies based on the carbon footprint of the products they buy.
Researchers at China's Institute for Global Decarbonization Progress (iGDP) said last week that China's steel industry could face up to 5.9 billion yuan ($811.09 million) in total CBAM levies by 2030, depending on how much it cuts emissions.
Traditional blast furnace steel could face levies of around 250 yuan per ton by 2030, but scrap-based EAF would not yet face any additional charge, it said.

Top News - Carbon & Power

China coal generation share at record low in May as renewables hit new highs, analysis shows
China generated 53% of its electricity from coal in May, a record low, while a record high of 44% came from non-fossil fuel sources, indicating its carbon emissions may have peaked last year if the trend continues, according to a new analysis.
Coal's share was down from 60% in May 2023, according to the analysis by Lauri Myllyvirta, senior fellow at Asia Society Policy Institute, for specialist publication Carbon Brief.
Solar rose to 12% of power generation in May and wind to 11% as China added large amounts of new capacity. Hydropower at 15%, nuclear with 5% and biomass at 2% made up the rest of the non-fossil fuel based power.
The increased renewable generation led carbon dioxide emissions from the power sector, which make up some 40% of China's overall emissions, to fall by 3.6% in May.
"If current rapid wind and solar deployment continues, then China's CO2 output is likely to continue falling, making 2023 the peak year for the country's emissions," Myllyvirta wrote.
An analysis by Myllyvirta last year for the Helsinki-based Centre for Research on Energy and Clean Air showed China's emissions could go into a "structural decline" from 2024.
The analysis for Carbon Brief found solar power generation soared by a record 78% year-on-year in May to 94 terrawatt hours (TWh).
Data from China's National Bureau of Statistics showed a 29% increase, but that excluded rooftop solar panels and therefore missed about half of the electricity generated by solar energy.
The new analysis calculated wind and solar output using power generating capacity data and utilisation figures from the China Electricity Council, an industry association.
Wind power generation rose 5% on the year to 83 TWh as a 21% increase in capacity was offset by lower utilisation because of variations in wind conditions.
Hydropower generation rose 39% from last year, when hydropower plants were hit by a drought.
Gas-fired generation fell by 16%, despite a 9% increase in capacity.
Power generation from coal fell by 3.7%, even as total electricity demand increased 7.2% from a year earlier.

GRAPHIC-Carbon-heavy but cheaper coal to replace gas in European power mix this winter
A rise in European wholesale gas prices over the past several months could encourage more utilities to switch to coal for electricity generation this coming winter, even as countries try to push the carbon-intense fuel out of the power mix.
While many European countries, such as France, Britain and Italy, have already either phased out coal completely or have limited scope for large-scale gas-to-coal switching, it remains a key part of the power mix in Europe's number one energy consumer Germany, and much of eastern Europe.
A gas-to-coal shift would reverse a trend which began earlier this year when European gas prices fell to near a three-year low in February, incentivizing a switch in other direction. Gas prices have risen nearly 40% since their Feb. 23 low.
Plants fired by coal, which emits more than double the carbon dioxide equivalent per megawatt hour (MWh) of power produced than gas, also have to take into account the greater cost of EU carbon permits to offset their emissions.
But the price of permits also remains well below last year's record high of more than 100 euros ($108), currently at around 68 euros per metric ton.
According to LSEG, a carbon price below 80 euros per metric ton would be needed for high efficiency coal plants to replace gas plants with 50% efficiency as of the first quarter of next year.
"We can expect many low- and medium-efficiency gas plants to be replaced by high and medium efficiency coal plants this winter, starting from November," said Petter Norby, power analyst at LSEG.
Coal and carbon prices have experienced relatively strong losses this year due to weak Asian demand, cautious market sentiment and high stockpiles, said Andy Sommer, Swiss utility Axpo's head of fundamental analysis, modelling and meteorology.
By contrast, "gas markets experienced a continued uptrend due to tight LNG supply and maintenance in Norway and the UK, leading to lower-than-average stock builds," he said.
Looking ahead into July, his outlook suggested continued volatility with a focus on weather patterns.
Tight global LNG supply and multiple offline facilities in

the U.S. have contributed to the increase in European gas prices over the last month, and could continue to be bullish factors, Rystad analyst Fabian Ronningen said.
There is also some volatility caused by the potential for an early Russian pipeline cut and ongoing Norwegian gas maintenance outages during summer, he added.
Germany's electricity industry is still very dependent on coal imports, with importers lobby VDKI pegging current annual import levels at 33 million metric tons, of which 18 million are for power generation.
The import levels are down some 26.3% from 2022 when gas supplies were cut from Russia following the invasion of Ukraine, while coal for power levels are seen down near 40%, VDKI data showed.

Top News - Dry Freight

China books first purchase of U.S. 2024-25 soybeans
China has booked its first purchases of U.S. soybeans for the 2024/25 marketing year, buying 132,000 metric tons of the oilseed, the U.S. Department of Agriculture confirmed in a sales announcement on Wednesday.
The world's largest soy buyer has stepped up its purchases in recent weeks and is expected to import a record volume of soybeans in July, but traders believe that most of the deals have involved low-priced Brazilian supplies.
Sales of U.S. soybeans have lagged, particularly sales of the 2024/25 new crop that will be harvested this autumn.
A year ago at this time, China had already booked 1.72 million metric tons of U.S. new-crop soybeans, USDA data showed.
The sale came as Chicago Board of Trade soybean futures fell to their lowest since November 2020.
As of June 27, 960,000 tons of U.S. new-crop soybeans had been sold to unknown destinations, according to USDA data, which could include China. A year earlier, U.S. new-crop soybean sales to unknown destinations totaled 1.265 million tons.
Brazil has taken a larger share of the global oilseed market as its soybean production has roughly doubled in the last decade. The USDA projects that Brazil will harvest a record-high 169 million tons of soybeans in 2024/25.
"U.S. soybean exports to China will continue to face fiercer competition from a forecast higher production in Brazil and (Argentina) in MY (marketing year) 24/25," noted a report released July 5 by the USDA's Foreign Agricultural Service attache in Beijing.
Soybeans are crushed to make soymeal, a protein-rich ingredient for feeding animals, and soyoil, used in cooking.

Brazil's coffee exports soar 44% in June, says exporters group
Brazilian green coffee exports jumped 43.8% in June compared with a year ago, totaling 3.30 million 60-kg bags, industry group Cecafe said on Wednesday.
Exports of arabica coffee grew 20.3% year-on-year to 2.48 million bags, while shipments of robusta - a variety commonly used by the industry to make instant coffee - surged to nearly 818,000 bags from 230,700 a year earlier.
Brazil is the world's largest producer and exporter of coffee.
Cecafe also disclosed the results of Brazil's 2023/24 July-June coffee season. The country exported 43.67 million bags of green coffee in the period, up 37.2% from the previous cycle.
Cecafe head Marcio Ferreira said in statement that Brazil's coffee has gained share in global markets amid reduced supply from other producing countries, such as Indonesia and Vietnam, especially when it comes to robusta beans.
The positive results came as Brazil had in 2023/24 "a better crop after two cycles of lower harvest," Ferreira said, although adding that logistics bottlenecks both domestically and internationally were still a problem.
He cited ongoing geopolitical conflicts and difficulties to ship from Latin America's largest port in Santos among the issues. The United States, Germany and Belgium were the top three destinations for Brazilian coffee in 2023/24, Cecafe said.

Picture of the Day

A general view of Tsingshan's Dinson Iron and Steel Company production plant in Manhize village in Mvuma, Zimbabwe, June 20 REUTERS/Philimon Bulawayo

(Inside Commodities is compiled by Mohammed Nihaal T S in Bengaluru)

For questions or comments about this report, contact: **commodity.briefs@thomsonreuters.com**

To subscribe to Inside Commodities newsletter, **click here**.

LSEG
10 Paternoster Square, London, EC4M 7LS, United Kingdom

Please visit: **LSEG** for more information

Privacy statement