Oil | Agriculture | Metals | Carbon & Power | Dry Freight

Click on headers to go to that section

Top News - Oil

OPEC+ agrees to delay December output hike for one month

OPEC+ has agreed to delay a planned December oil output increase by one month, the group said on Sunday, as weak demand notably from China and rising supply outside the group maintain downward pressure on the oil market.

Eight members of OPEC+, which groups the Organization of the Petroleum Exporting Countries plus Russia and other allies, were due to raise output in December as part of a plan to gradually unwind the group's most recent layer of output curbs - a cut of 2.2 million barrels per day (bpd).

However, weak demand and economic data raised concern in the group about adding more supply, sources told Reuters last week ahead of the decision to postpone the hike made on Sunday after consultations between ministers.

The eight countries decided to extend the 2.2 million bpd cut for a month until the end of December, OPEC said in a statement.

They also "reiterated their collective commitment to achieve full conformity" with output targets, it said.

Oil prices closed on Friday just above $73 a barrel, supported in part by the prospect of a further delay to the OPEC+ increase. Even so, Brent crude is still not far from its lowest levels this year of below $69, reached in September. OPEC+ had already delayed the increase from October because of falling prices, weak demand and rising supplies. An easing of investor concern about conflict in the Middle East disrupting the region's oil output has also weighed on prices.

OPEC and Saudi Arabia have repeatedly said they do not target a certain price and make decisions based on market fundamentals and in the interest of balancing supply and demand.

The December hike was due to be 180,000 bpd, a small part of the total 5.86 million bpd of output OPEC+ is holding back, equal to about 5.7% of global demand. OPEC+ agreed those cuts in separate steps since 2022 to support the market.

COMPLIANCE IN FOCUS

Countries' compliance with agreed output curbs has been in focus, particularly that of Iraq and Kazakhstan, which have been pumping above targets and have promised additional cuts to compensate for the excess.

OPEC's statement said the eight countries took note of recent announcements by Iraq, and by Russia and Kazakhstan, reaffirming their commitment to the OPEC+ agreement including making the compensation cuts.

Before Sunday's one-month postponement, the eight OPEC+ members were due to gradually unwind the 2.2 million bpd cut by increasing supply in December 2024 and over the following months into next year.

The remaining OPEC+ cuts of 3.66 million bpd will stay in place until the end of 2025, as per an agreement in June 2024.

OPEC+ ministers hold a full meeting of the group to decide policy for 2025 on Dec. 1.

Exxon, Chevron top Q3 profit expectations as US oil output hits record high

U.S. oil producers Exxon Mobil and Chevron posted better-than-expected third-quarter profits on Friday, outperforming their European rivals, as record U.S. oil production cushioned the blow from a plunge in fuel margins.

The two focused on expanding oil and gas production as rivals BP and Shell spent heavily on wind, solar and renewables that have yet to pay off.

Both U.S. oil firms have meanwhile benefited from acquisitions of smaller oil producers.

Still, their surging production could soon face a challenge from uncertain demand, especially in top oil importer China, and the potential for OPEC to lift production curbs as soon as next month.

The group is expected to delay a plan to add 180,000 barrels per day amid concerns over weak demand and oversupply.

Exxon pumped a record 4.6 million barrels of oil equivalent per day (boepd) in the third-quarter, up more than 24% from a year-ago, as its $60 billion bet on Pioneer Natural Resources and purchase of Denbury paid dividends.

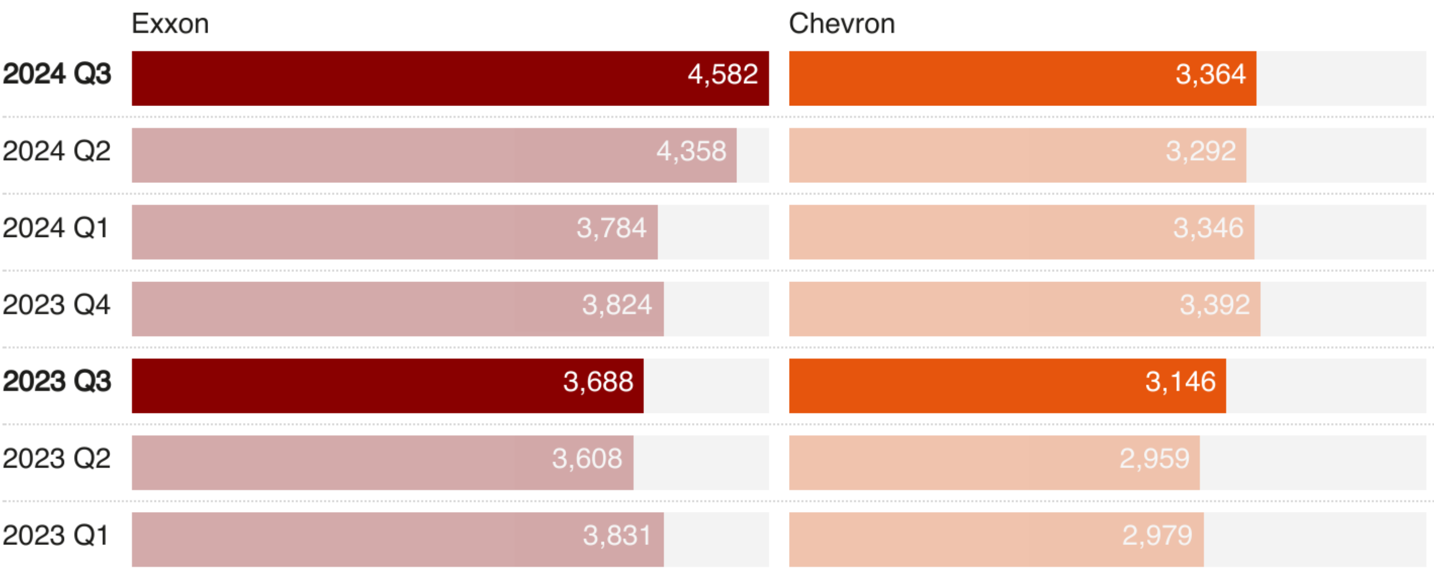
Chevron, whose $53-billion takeover of Hess has been held up, posted a 7% increase in third-quarter output to 3.36 million boepd, mostly from gains in its U.S. shale

business which pumped a record 1.61 million boepd.
It added a drilling rig in the Permian basin last quarter and will begin a production expansion in Kazakhstan next quarter.
Both companies reported lower year-over-year profits as weak global refining margins that hit BP and TotalEnergies hard and also cut their oil earnings.
Exxon's third-quarter profits were 5% lower than last year, while Chevron's fell 21%.
But their declines were smaller than Wall Street expectations and not as steep as top European rivals.
BP this week reported a 30% drop in profits from a year ago, and TotalEnergies posted a 37% decline in adjusted net income.
Exxon's $1.92 per share profit was four cents higher than Wall Street's outlook, whereas Chevron's $2.51 per share adjusted income was well ahead of analysts' average estimates of $2.42, according to LSEG data.
Chevron shares gained 3.1% to $153.41 in midday trading while Exxon was largely unchanged at $116.77.
Both pumped record amounts of oil and gas from the Permian basin, the top U.S. shale field.
Exxon's output from the basin, which spans across Texas and New Mexico, hit a record 1.4 million boepd.
Exxon is not planning to take its foot off the gas.
"We see tremendous opportunities to invest in profitable growth in both our existing and new businesses," said finance chief Kathryn Mikells.
Chevron said its output in the Permian jumped by 22% to a record 950,000 boepd, helped by last year's acquisition of PDC Energy, and is on track to reach 1 million boepd in the field next year.

Chart of the Day

Higher output helps Exxon, Chevron beat profit estimates

Top U.S. oil majors Exxon and Chevron posted higher third-quarter output compared to last year, helping cushion the blow from soft refining margins



Note: In thousand barrels of oil equivalent per day
Source: Company filings

Top News - Agriculture

Egypt resumes wheat tender after failed August buying

Egypt's state grains buyer, the General Authority for Supply Commodities (GASC), said on Sunday it was seeking an unspecified amount of wheat in an international purchasing tender for the first time since August.

The offers deadline is Nov. 4, submitted on a free on board (FOB) basis with payment using 270-day letters of credit, it said. Shipping will be from Nov. 25 to Dec. 5 and/or Dec. 6-15.

This is the first GASC tender since an unprecedented tender on Aug. 6. Following directives from President Abdel Fattah al-Sisi, the August tender sought 3.8 million metric tons of wheat to cover half of annual wheat needs with deliveries extending to April 2025.

As sellers hedged against global uncertainties and sought a premium, the tender only secured around 7% of the targeted volume.

The GASC began direct negotiations with suppliers, including an unnamed Egyptian intermediary, to try to find more favourable deals.

It subsequently contracted 430,000 tons of Russian wheat, initially scheduled for October delivery, but the shipment has been delayed. Supply Minister Sherif Farouk has said he expects it to arrive this month.

In October, Prime Minister Mostafa Madbouly said that Egypt had sufficient wheat reserves for more than 5-1/2 months, slightly less than the six-month threshold Egypt's supply minister said he aimed to maintain.

Apart from adding to nervousness about supplies, the delays to shipments have put pressure on Egypt's already strained finances as global prices have increased since the failed August tender, aggravated by the subsequent delay. Hesham Soliman, a Cairo-based grains trader, was sceptical the delayed October cargo would arrive at all. "If you have a large shipment expected already in November, why go to the market and seek more for around the same time. Where would you store it?" he said. The GASC would not comment on the attempt to tender for more. Soliman said the price of the delayed cargo would be about $265 per ton, including shipping, compared with around $241 in the August tender and $235 in the direct deal.

COLUMN-Funds assemble least bearish CBOT corn view since August 2023 -Braun

Speculators reversed course in the Chicago corn market last week, scrapping what had been relatively fresh short bets as U.S. corn export demand hits a fever pitch.

Chicago grain and oilseed futures were down across the board in the week ended Oct. 29.

That included corn, which slid fractionally during the period despite having been up as much as 2%.

However, money managers slashed their net short position in CBOT corn futures and options to 17,703 contracts as of Oct. 29, down nearly 54,000 contracts on the week.

That marked funds' least bearish corn view since the beginning of August 2023.

Short covering accounted for 75% of that move, a flip from the prior two weeks during which investors boosted gross short positions. Money managers in the latest week also added gross corn longs, which are now the most plentiful since February 2023. U.S. corn export sales hit three-and-a-half-year highs in the week ended Oct. 17, and the following week also featured well-above-average bookings. Between Monday and Friday, a total of 1.23 million metric tons of 2024-25 U.S. corn sales were confirmed via the U.S. Department of Agriculture's daily reporting system.

SOYBEANS AND PRODUCTS

While U.S. corn is an attractive option for global importers, U.S. soybean exporters still face headwinds from ample Brazilian supplies and moderate Chinese demand. Some market participants worry that the outcome of Tuesday's U.S. Presidential election could eventually threaten U.S. trade, specifically soybean exports to China. CBOT January soybeans eased 2% in the week ended Oct. 29, and money managers increased their net short to 72,226 CBOT soybean futures and options contracts versus 59,574 a week earlier.

CBOT soybean meal plunged 5% in the week ended Oct. 29. That was associated with a record weekly selloff by money managers, who cut their net long by nearly 44,000 futures and options contracts to just 12,898 contracts.

They slightly reduced their CBOT soyoil net long, which fell to 37,527 futures and options contracts on a 2% decline in most-active futures. However, CBOT soyoil surged more than 8% between Wednesday and Friday on strength in global vegoils. Malaysian palm oil futures on Friday hit their highest levels in more than two years while CBOT soyoil notched near-four-month highs.

CBOT soymeal slipped further in the last three sessions, on Friday reaching the most-active contract's lowest price since Aug. 13, 2020.

WHEAT AND BEYOND

Money managers' bearish views in CBOT wheat futures and options hit eight-week-highs in the week ended Oct. 29, and the resulting net short of 31,172 contracts was up about 2,300 on the week.

Wheat traders continue to monitor exports out of top supplier Russia, which are expected to ease this month versus last. Conditions for the newly sown 2025 U.S. winter wheat crop are the second worst on record for the time of year. Aside from Tuesday's election, market watchers will be preparing for Friday's monthly supply and demand report from the USDA, which will include updates to U.S. corn and soybean production.

Harvest paces for those crops are the fastest in more than a decade. USDA on Thursday will be releasing select tables from its annual baseline projections that will be published in February 2025. Thursday's tables will offer a first look at 2025-26 U.S. balance sheets, and planted area projections could be of most interest at this early stage.

(Karen Braun is a market analyst for Reuters. Views expressed above are her own.)

Top News - Metals

MinRes' billionaire founder Ellison to exit after board probe finds misconduct
Mineral Resources said on Monday its billionaire founder Chris Ellison would exit the Perth-based mining services firm within 18 months after an internal probe found he used company resources for his personal benefit and evaded taxes.
The board's investigation found Ellison, who led MinRes through its initial public offering in 2006 and remains its biggest shareholder, engaged in widespread misconduct including failing to properly disclose revenue from his overseas entities to the Australian Taxation Office.
The scandal has wiped about 20% from its share price since Oct. 21 and underscores the investment risk of having a company operating under the shadow of a single dominant corporate figure.
"I acknowledge that I made mistakes, some of which were driven by my wish to keep private certain events that cause me great personal embarrassment," Ellison said in a statement.
He could not be reached immediately for further comment.
MinRes shares fell as much as 10.1% on Monday as analysts criticised the lack of obvious successor to Ellison and the drawn-out timeline of his replacement.
Shares were last trading 9% lower at 0454 GMT.
"While we appreciate there's financial penalties, strengthening corporate governance and a timeline for chair and MD transition, the slow pace of change will likely weigh on the stock, in our view," Citi analysts said in a note as they downgraded the stock to "sell" from "neutral" and slashed their price target.
Ellison, who will remain as managing director until a successor is found, has been fined A$8.8 million ($5.81 million) by the firm.
He will also forfeit his salary and other incentives of up to A$9.6 million.
Chairman James McClements, who has been in the role since May 2015, will also leave in the next year as part of the firm's broader plans to restore its battered reputation.
Pension fund HESTA, a shareholder in MinRes, said "governance failures that allow inappropriate behaviour by management can pose a material financial risk to the long-term value of our members' investments."
HESTA said it had been engaging with MinRes and welcomed the board taking steps to address governance issues, including the CEO transition and imposing material financial consequences as "this will help restore investor confidence and trust."
The internal probe found the company had made payments of A$3.8 million to an offshore entity owned by Ellison for various mining equipment, with the mining boss not having declared the transactions and income after the firm's IPO.
The board also revealed the company had been paying rent for properties which belonged to the billionaire, along

MARKET MONITOR as of 07:50 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$70.91 / bbl	2.04%	-1.03%
NYMEX RBOB Gasoline	$1.99 / gallon	2.08%	-5.49%
ICE Gas Oil	$678.75 / tonne	1.00%	-9.59%
NYMEX Natural Gas	$2.60 / mmBtu	-2.52%	3.26%
Spot Gold	$2,737.64 / ounce	0.09%	32.73%
TRPC coal API 2 / Dec, 24	$118.5 / tonne	-4.05%	22.16%
Carbon ECX EUA	€64.49 / tonne	0.97%	-19.76%
Dutch gas day-ahead (Pre. close)	€38.25 / Mwh	-3.41%	20.09%
CBOT Corn	$4.31 / bushel	0.41%	-10.95%
CBOT Wheat	$5.91 / bushel	0.47%	-7.66%
Malaysia Palm Oil (3M)	RM4,859 / tonne	-0.18%	30.58%
Index	**Close 01 Nov**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	333.57	-0.14%	10.67%
Rogers International	27.47	-0.60%	4.33%
U.S. Stocks - Dow	42,052.19	0.69%	11.58%
U.S. Dollar Index	103.77	-0.49%	2.41%
U.S. Bond Index (DJ)	440.63	-0.01%	2.30%

with rent-related benefits to the founder's daughter.
He also directed company employees to work on his boat and properties and manage his personal finances.
"There can be no doubt that the actions, decisions and behaviours of Mr Ellison have been profoundly disappointing and require sanction and penalty," McClements said.

Russia's Rusal raises bar in Nornickel dispute with fresh claims against Potanin
Aluminium giant Rusal has added fresh claims to its legal dispute against Russian billionaire Vladimir Potanin, CEO and largest shareholder of metals producer Nornickel, court documents seen by Reuters showed.
The new claims allege that the creation of digital exchange platform Atomyze and launch of an employee incentive scheme by Nornickel benefitted Potanin at the expense of other shareholders like Rusal.
The development is the latest flare-up in a long-running dispute between two of Nornickel's largest shareholders.
Potanin holds a 37% stake in Nornickel through his Interros holding company, while Rusal holds 26.4% and former Chelsea Football Club owner Roman Abramovich has a 4% stake.
Nornickel, the world's largest palladium producer and a major miner of refined nickel, declined to comment as it is not a party in the lawsuit.
Rusal confirmed it had added to the claim, saying that Atomyze's development and the employee incentive scheme were done in Potanin's interest at Nornickel's expense.
Rusal estimated that Nornickel spent around $87 million on these projects.
Interros referred Reuters to a previous comment in which it said it considered Rusal's claims as unfounded.
Rusal is suing Potanin in London, claiming that he violated a shareholder agreement signed in December 2012, causing losses for shareholders including Rusal.
Abramovich and his firm Crispian Investments Ltd were subsequently added as defendants in the case.
The shareholder agreement, which had protected Nornickel's dividend payouts, expired at the end of 2022.
Disagreements over dividends and governance have been the main reason for on-and-off rows between the two companies over the years.

Top News - Carbon & Power

INSIGHT-Chinese solar firms, ever-nimble, go further afield where US tariffs don't reach
Some of the biggest Chinese-owned solar factories in Vietnam are cutting production and laying off workers, spurred on by the expansion of U.S. trade tariffs targeting it and three other Southeast Asian countries.
Meanwhile, in nearby Indonesia and Laos, a slew of new Chinese-owned solar plants are popping up, out of the reach of Washington's trade protections.
Their planned capacity is enough to supply about half the panels installed in the U.S. last year, Reuters reporting shows.
Chinese solar firms have repeatedly shrunk output in existing hubs while building new factories in other countries, allowing them to sidestep tariffs and dominate the U.S. and global markets despite successive waves of U.S. tariffs over more than a decade designed to rein them in.
While Chinese firms have been moving their solar manufacturing for years, the scope of the shift to Indonesia and Laos in this latest phase has not previously been reported.
More than a dozen people in five countries, including employees at Chinese plants, officials at non-Chinese solar companies and lawyers were interviewed for this article.
"It's a huge cat and mouse game," said William A. Reinsch, a former trade official in the Clinton administration and senior adviser at the Center for Strategic and International Studies.
"It's not that hard to move. You set up and you play the game again.
The design of the rules is such that the U.S. is usually one step behind."
China accounts for about 80% of the world's solar shipments, while its export hubs elsewhere in Asia make up much of the rest, according to SPV Market Research.
That's a sharp contrast to two decades ago when the U.S. was a global leader in the industry.
America's imports of solar supplies, meanwhile, have tripled since Washington began imposing its tariffs in 2012, hitting a record $15 billion last year, according to federal data.
While almost none came directly from China in 2023, some 80% came from Vietnam, Thailand, Malaysia and Cambodia – home to factories owned by Chinese firms.
Washington slapped tariffs on solar exports from those four Southeast Asia nations last year and expanded them in October following complaints from manufacturers in the United States.
Over the last 18 months, at least four Chinese or China-linked projects have begun operations in Indonesia and Laos, and another two have been announced.
Together, the projects total 22.9 gigawatts (GW) in solar cell or panel capacity.
Much of that production will be sold in the United States, the world's second-biggest solar market after China and one of the most lucrative.
U.S. prices have on average been 40% higher than those in China over the past four years, according to data from PVinsights.
U.S. solar producers have repeatedly stated in trade complaints lodged with the U.S. government that they can't compete with cheap Chinese products that they say are unfairly supported by subsidies from the Chinese government and the Asian countries they export from.
Chinese solar firms have countered that their mastery of the technology makes them more competitive on price.
Tariffs are a key theme in the U.S. election, with Republican former President Donald Trump proposing levies on all U.S. imports to stimulate U.S. manufacturing, including a 60% rate on any goods from China.
His rival, Democrat Vice President Kamala Harris has said Trump's plan would raise costs for U.S. consumers.

Lawmakers on both sides of the aisle, however, have shown support for tougher tariffs on China's solar shipments to nurture a domestic supply chain.
"Going forward, the American public should demand much stricter enforcement of tariffs, especially around (China's) use of third countries to break U.S. trade law," Republican Congressman John Moolenaar, Chairman of the House Select Committee on China, told Reuters.
The U.S. Department of Commerce, the White House and China's commerce ministry did not respond to Reuters requests for comment.

PAIN IN VIETNAM
The most immediate visible impact of the latest U.S. tariffs, which have brought total duties to more than 300% for some producers, has been in Vietnam's solar sector.
In August, Reuters visited industrial parks in northern Vietnam owned by Chinese-owned companies including Longi and Trina Solar, and spoke with workers.
In Bac Giang province, hundreds of workers at a large factory complex owned by Longi Green Energy Technology's Vinasolar unit lost their jobs this year, two employees with knowledge of the matter said.
The company was using just one of nine production lines in the industrial park, one of them said.
In Thai Nguyen, another province, Trina Solar has idled one of its two factories making solar cells and panels, two employees there said.
The employees at both companies declined to be identified due to the sensitivity of the issue.
Longi did not respond to Reuters requests for comment. It said in June it had suspended output at a Vietnamese solar cell plant but did not provide details.
Trina declined to comment. It said in June that some facilities in Vietnam and Thailand would be shut down for maintenance without elaborating.
While U.S. solar import data shows shipments from Vietnam up almost 74% through August, industry analysts have attributed the jump to the frontloading of exports to get ahead of this year's U.S. tariffs.
Vietnam's government did not respond to requests for comment.

NEW EXPORT BASES, US PLANTS
Chinese solar companies are flocking to Indonesia motivated by the tariffs on Vietnam, according to Indonesian industry ministry official Beny Adi Purwanto who cited Thornova Solar as an example.
Thornova says on its website its Indonesian plant has annual capacity to build 2.5 GW of solar modules and 2.5 GW of solar cells for the North American market.
A new 1 GW Trina module and cell plant will be fully operational by end 2024 and will expand capacity, according to Beny. He noted China Lesso Group's solar module plant which has 2.4 GW in production capacity.
China-linked New East Solar also announced a 3.5 GW panel and cell plant in Indonesia last year.
The Chinese companies did not respond to Reuters requests for comment.
The shift to Indonesian production has been sharp and swift, according to one manager at a U.S. solar firm who was told by their Chinese supplier in Indonesia that they're inundated with big orders from major Chinese firms looking to export to the United States.
"The scale is totally different," said the manager who declined to be identified.
Solar exports from Indonesia to the U.S. nearly doubled to $246 million through August of 2024, according to federal data.
Solar companies seeking greener pastures in Laos include Imperial Star Solar. The firm, which has Chinese roots but most of its production in Cambodia, opened a Laos wafer plant in March slated to eventually have 4 GW in capacity.
The move, it said in a statement at the time, helped it sidestep U.S. tariffs.
SolarSpace also opened a 5 GW solar cell plant in Laos in September 2023.
The primary purpose of transferring production capacity to Laos was not related to U.S. tariffs, the company said in a statement to Reuters but did not elaborate.
Solar exports from Laos to the U.S. were non-existent in the first eight months of last year but were worth some $48 million through August of 2024.
Others are going further afield.
JinkoSolar said in July it had signed an almost $1 billion deal with partners in Saudi Arabia to build a new 10 GW solar cell and module plant in the kingdom.
Construction of U.S. solar-manufacturing plants by Chinese companies is also surging as they too seek to take advantage of U.S. incentives.
Chinese companies will have at least 20 GW worth of annual solar panel production capacity on U.S. soil within the next year, enough to serve about half the U.S. market, according to a Reuters analysis.

U.S. regulators raise questions about siting data centers at power plants
Costs and reliability concerns related to the burgeoning trend of building energy-intensive data centers next to U.S. power plants were the focus of a technical conference held on Friday by the Federal Energy Regulatory Commission.
As the technology industry races to deploy data centers for technologies like generative artificial intelligence, quickly accessing the massive amounts of electricity for the centers has become a critical problem.
Connecting data centers directly to power plants, in an arrangement known as co-location, has presented a fast route to accessing large amounts of electricity, instead of toiling for years in queues to connect to the broader grid.
"I believe that the federal government, including this agency, should be doing the very best it can to nurture and foster their development," said FERC Chairman Willie Phillips, adding he considered AI centers vital to national security and the U.S. economy.
This year Amazon bought a data center powered directly by a Pennsylvania nuclear plant owned by Talen Energy. Shares of fellow major independent nuclear operators, including Constellation and Vistra, have shot up this year partially on the prospect of striking similar deals.
The possibility of a ballooning number of co-located data centers has raised questions about potentially higher power bills for everyday customers because the centers will use grid infrastructure and services paid for by the public.

Connecting data centers directly to power plants that had been supplying power to the public has also sparked reliability concerns, in part, because they can divert steady power from the grid.
FERC questioned whether the co-located centers will use the grid as backup power and what will happen if the neighboring power plant unexpectedly goes offline.
"Does the customer get to still draw power from the grid? Because if it does, that's going to have a huge impact," said Commissioner Mark Christie. The technical conference could lead to new co-located data center guidelines, including ones that determine who is responsible for transmission and distribution upgrade costs and how agreements for the centers are governed.
FERC is also currently gathering details on a regulatory battle being waged by electric utilities over the co-located Amazon data center agreement withTalen Energy.
Talen's interconnection agreement for the center is being opposed by utilities Exelon and American Electric Power, and FERC's decision on the case could set a precedent for similar deals.
The data center would take as much as 960 megawatts, or enough to power nearly 1 million American homes, of nuclear energy from the largest U.S. electrical grid.
At Friday's conference, Joseph Bowring, watchdog for PJM Interconnection market activity, said more co-located data centers at nuclear plants would exacerbate the region's supply-demand imbalance. "It is not a way to solve the problem, it is a way to actually make it worse," Bowring said, recommending that data center developers instead help bring more power online. Brian George, Google's head of global energy market development and policy, said Google's interest in co-located developments is being driven by a need to access electricity and not to avoid the associated costs. "We will pay for our fair share of those costs," George said.

Top News - Dry Freight

Vancouver port employer could shut out foremen, bulk grain will not be hit

Port of Vancouver foremen will be locked out on Monday unless they scrap a proposed strike, employers at Canada's biggest port said on Friday, but bulk grain handling would not be affected. Canada's west coast ports are major outlets for resource exports, including potash, coal, forestry products, pork and beef. A 13-day strike last year disrupted more than C$6 billion in trade at Vancouver and Port Rupert. The British Columbia Maritime Employers Association said the proposed lockout of more than 700 foremen was preventative as the unit of the International Longshore and Warehouse Union representing them had already issued a 72-hour strike notice. If the union withdraws the strike notice, Monday's lockout will not go ahead, the association said in a statement. The two sides are in protracted talks over a labor deal and have been negotiating with the help of a federal mediator. The stoppage would also affect the port of Prince Rupert. "In anticipation of escalating and unpredictable strike action, the BCMEA has made a decision to take defensive action in the form of a coastwide lockout," it said in a statement.
"It will not affect longshoring operations on grain vessels or cruise operations." The association said the lockout notice has been issued in order to "facilitate a safe and orderly wind down of operations" in anticipation of a strike. ILWU local 514 president Frank Morena said in a statement that it had only planned "limited job action" such as refusing overtime and accepting some technological changes, Canadian Press reported.
There impasse follows a long-simmering dispute over pay and working conditions, including concerns over automation. Each side has accused the other of bargaining in bad faith. On Thursday, a strike began at two terminals operated by Termont at the Port of Montreal. Grain and other exports from the west coast were hit in August by a labor dispute at Canada's two major railways, which the federal government ended by imposing binding arbitration.
The government has resisted calls to interfere in collective bargaining in other disputes, other than offering mediation.
While bulk grains like wheat and canola would not be affected, agricultural commodities shipped in containers like pulse crops and meats could be.
"The potential lockout at British Columbia container terminals beginning Nov. 4 is catastrophic for Canada's pulse sector," said Pulse Canada President Greg Cherewyk.
"This stoppage combined with the strike at two terminals at the Port of Montreal is jeopardizing the Canadian pulse industry's 1.4 million (metric) ton container export program in its peak shipping season."
José Antonio Severin, business development manager at commodities supply chain consultancy the Mercury Group, said clients and local partners expected any possible strike to be short.
U.S. meat exporters could benefit from Canada's inability to ship from the west coast.
"A lengthy work stoppage at Vancouver could open an opportunity for the U.S. to sell more chilled pork to Japan," said Joe Schuele, spokesperson for the U.S. Meat Export Federation, a trade group.

Argentina's grains export revenue jumps more than 200% in October

Argentina's farm sector brought in a total of $2.55 billion through exports in October, a 243% increase compared to the some month a year earlier, the CIARA-CEC oilseed and grains crusher chamber and exporters said on Friday.
CIARA-CEC noted in a report that revenues from the sector's companies rose nearly 3% compared to September. In the January-October period there was an 21% increase.
October's foreign exchange inflows "are the result of an improved pace of producer grain sales, as well as higher soybean crushing at one-month highs... and finally, an aggressive soymeal and soyoil shipment program," according to the report.
Argentina is one of the world's largest suppliers of processed soybeans, the as well as a top corn and wheat producer.

Picture of the Day

A view shows destroyed Albufera rice fields in an area affected by heavy rains that caused flooding near Valencia, Spain, October 31. REUTERS/Nacho Doce

(Inside Commodities is compiled by Nachiket Tekawade 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