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

Click on headers to go to that section

Top News - Oil

Iran's oil exports, on rising trend, drop in May as China buying ebbs

Iranian oil exports, which have been on a rising trend while talks make progress on reviving the 2015 nuclear deal, have dropped so far in May, according to three assessments, reflecting a lull in demand from China.

Tehran's oil exports have risen since late 2020, despite U.S. sanctions toughened under U.S. President Donald Trump. Joe Biden's administration took office in January pledging to rejoin Iran's nuclear deal with world powers, which Trump had quit.

A trade source said on May 14 that Petro-Logistics, which tracks oil flows, told its customers Iran's crude exports dropped provisionally to zero in May, from around 703,000 barrels per day (bpd) in April, citing slowing intake from Chinese independent refiners.

Geneva-based Petro-Logistics told Reuters on Tuesday the figure was being updated as more information comes to light.

"Our analysts observed a noticeable slowing of exports in the early part of May, which coincided with a build-up of floating storage in the East," its Chief Executive Daniel Gerber said.

China has been taking more of Iran's crude in recent months. A Chinese Foreign Ministry spokesperson did not comment on a slowdown in Chinese Iranian oil purchases in May, but said such bilateral energy trade was normal.

"China and Iran are carrying out normal economic and trade cooperation, including energy, within the framework of international law, and the relevant cooperation is reasonable and legitimate," the spokesperson said.

A trader who regularly deals with Chinese independent refiners said there was now a lull in demand.

"Import quotas are running out," the trader said. "And there are plentiful stocks at Qingdao (Shandong) tanks."

WIDE RANGE

There is no definitive figure for Iranian exports and estimates often fall into a wide range. Iran generally does not release figures and has said documents are forged to hide the origin of its cargoes and get around the sanctions.

Others who track the exports also see a drop in May, but a less pronounced one.

"The exports dropped to under 600,000 bpd from May 1 until now," said Sara Vakhshouri of consultant SVB International. "Exports in May could have a spike in the days to come," she said, if the nuclear deal is revived. SVB had estimated April exports at about 750,000 bpd.

Oil prices have fallen this week on speculation a deal may be close. Talks in Vienna between world powers and Iran on reviving the nuclear deal have been under way since April.

A source at a third company that monitors Iranian shipments said crude exports in May were lower than in recent months, due to slowing Chinese demand.

"Possibly Chinese teapots not buying," the source said, using an industry term for the independent refineries.

A lifting of U.S. sanctions would in theory allow Iran to boost crude exports back to 2.5 million bpd, a rate last seen in 2018 when Trump exited the nuclear deal.

Indian, European refiners get ready to buy Iranian oil

Indian refiners and at least one European refiner are re-evaluating their crude purchases to make room for Iranian oil in the second half of this year, anticipating that U.S. sanctions will be lifted, company officials and trading sources said.

Former U.S. President Trump abandoned the 2015 Iran nuclear deal and reimposed sanctions on Tehran in late 2018. Until then, Europe and Turkey had consumed close to 500,000 barrels per day (bpd) of Iranian oil. India, Iran's biggest client after China, was buying as much as 480,000 bpd in the fiscal year beginning April 2018.

At least one European refiner has held in-depth discussions with Iran's state oil firm NIOC on resuming purchases and Indian refiners say they plan to reduce spot purchases to make way for Iranian contract barrels.

India, the world's third largest oil consumer and importer, halted imports from Tehran in 2019 after a temporary waiver granted to some countries expired.

U.S. President Joe Biden's administration and Iran have engaged in indirect talks to revive the pact for Tehran to curb its nuclear activities in exchange for a lifting of sanctions.

Iran does not disclose its oil exports data, but assessments based on tanker tracking show exports fell from a peak of 2.8 million bpd to as low as 200,000 bpd in 2018. Analysts expect Iran to ramp up crude exports to 1.5 million bpd in the fourth quarter when sanctions are lifted.

Several Indian state refiners, whose refineries are suited to the crude, have committed to buying Iranian oil once sanctions are lifted. Indian refiners have raised the share of spot purchases to take advantage of cheaper barrels in a surplus market and replaced lost Iranian cargoes with U.S. oil.
State-run Bharat Petroleum Corp, which plans to tap the spot market for 45% of its overall imports, will buy Iranian oil if sanctions are lifted, a company spokesman said.
High sulphur distillate-rich Iranian crude suits BPCL's Kochi refinery and costs $2-$2.5/barrel less than similar grades, he said.
Hindustan Petroleum Corporation (HPCL) also said it would buy Iranian crude given the right price and economic suitability, its chairman M. K. Surana told Reuters.
Top refiner Indian Oil Corp expects to reduce spot purchases and can easily process about 2 million tonnes (14.6 million barrels) of Iranian oil this fiscal year, said a company source, who declined to be named.
An official at Mangalore Refinery and Petrochemicals Ltd said his company would also cut spot purchases and buy Iranian oil.
The resumption of Iranian oil supplies will help India replace lower supplies from members of the Organization of the Petroleum Exporting Countries, which have curbed output to support oil prices during the COVID-19 pandemic.

Top News - Agriculture

Bigger German wheat and rapeseed harvest expected for 2021
Germany's 2021 wheat crop of all types is expected to increase by 2.4% on the year to around 22.66 million tonnes, the country's association of farm cooperatives said in its latest harvest estimate on Wednesday.
The association forecast that Germany's 2021 winter rapeseed crop will rise 3.1% from last summer’s crop to 3.62 million tonnes.
This was up from its previous harvest forecast in April when the association forecast a wheat crop of 22.63 million tonnes and a winter rapeseed crop of 3.57 million tonnes.
The association said the slight increase in its latest forecast followed new estimates of sown areas for the 2021 harvest published by Germany’s national statistics office earlier on Wednesday.
The statistics office estimated that lower plantings of spring grains is partly because mild winter has reduced the need to re-sow frost damaged crops.
Germany’s wheat, grains and rapeseed are generally developing well but the cool start to the spring means crops are about two weeks behind normal growth and development, the association said.
Recent widespread rain in Germany is also positive for crops as subsoil water reserves have still not fully recovered from a drought in 2018, it said.
Germany is the European Union’s second largest wheat producer after France and also often the EU’s largest producer of rapeseed, Europe’s main oilseed for edible oil and biodiesel production.
Germany’s winter barley crop, mostly used for animal feed, will increase 1.5% on the year to 8.97 million tonnes, despite a reduced planted area, with yields expected to be positive, the association said.
The spring barley crop, used in beer and malt production, will fall 18.1% to 1.64 million tonnes with the planted area cut, it said.
The grain maize (corn) crop will fall 5.4% to 3.81 million tonnes with maize sowings also reduced.

FEATURE- Diesel shortages paralyze Venezuelan farms, prompting sanctions debate
Venezuelan farmer Agustin Zenere should have been planting corn by the second week of May - a crucial task in the economically devastated South American country where 7 million people are food insecure.
Instead, his 30-hectare (74-acre) plot of land in the breadbasket town of Turen was still covered with the brown, shriveled leaves of a sesame crop he could not harvest in time because the government had not given him enough diesel to run his tractors.
Diesel shortages have grown acute in the once-prosperous OPEC nation since late last year, when the United States ended an exemption to its crippling sanctions on state oil company PDVSA - aimed at ousting President Nicolas Maduro - that had allowed it to swap crude oil in exchange for imported diesel.
With farmers warning they may not have the fuel needed to plant staple corn and truckers sounding the alarm about difficulty transporting food, aid groups and some U.S. Democratic lawmakers have pressed President Joe Biden to end the ban on swaps.
Venezuela is mired in a humanitarian crisis after years of hyperinflation and recession, prompting millions to flee. Just 60% of the 36 kilograms (79.4 lbs) of food the Venezuelan diet requires on average per month was available in the country as of February, according to Edison Arciniega, executive director of non-governmental organization Citizenry in Action.

An opposition-conducted survey late last year found that 82.3% of Caracas residents said their income was insufficient to buy food for their family, and more than 5.4 million Venezuelans are now living abroad, according to the United Nations.
Critics, and many farmers, say sanctions are not the root cause of the shortages. PDVSA's 1.3 million barrel-per-day (bpd) refining network is operating at a fraction of its capacity, leaving Venezuela - home to the world's largest crude reserves by some measures - dependent on imported fuel.
Shortly after Venezuela received its last diesel cargo in November, the agriculture ministry began to ration the fuel - which is given away for free - to farmers. Soldiers now stand guard at service stations with lists of which farmers are able to fill up to 400 liters (106 gallons)- enough to run a tractor for a few days - into canisters on a given day.
"We cannot do anything if they give us one drop at a time," said Zenere, 49, who invested $10,000 in the lost sesame crop.
Fields across Turen - in the center-west plains state of Portuguesa - are overrun with weeds that farmers need diesel-powered tractors to remove.
In the lush mountains of Cubiro in the western state of Lara, many producers have stopped planting tomatoes, peppers and onions because fuel shortages make it hard to transport crops to market, said Luis Colmenares, one of the few remaining truck drivers operating in the area. Some farmers gave away uncollected broccoli and lettuce crops to neighbors.
And at Marcos Mendoza's Invernadero Tintorero greenhouses in Lara, pepper roots rot because customers do not have fuel to travel and pick them up.
Two farmers in the Turen area with relatively large plots told Reuters that they were able to obtain sufficient fuel by sending several family members to wait at different service stations.
So far, U.S. officials have said they are in no rush to lift sanctions and want to see Maduro take concrete steps toward holding free and fair elections.
Juan Gonzalez, senior director for the Western Hemisphere at the National Security Council at the White House, has suggested Venezuela is holding back diesel on purpose to manipulate public opinion against the sanctions.
"They try to paint it as a humanitarian situation, but they keep the diesel for the military and give it to Cuba, and leave the people to suffer to help their international argument," Gonzalez told television channel EVTV Miami in March.
The U.S. State Department did not respond to a request for comment. The Treasury Department, which enforces sanctions, declined to comment.
Venezuela's information, agriculture and oil ministries did not respond to requests for comment.

TWO MONTHS WAITING
The fuel shortages are the latest headache for Venezuelan farmers, who for more than a decade have struggled to import fertilizers and obtain credit due to hyperinflation and the fallout of widespread expropriations by Maduro's predecessor and mentor, Hugo Chavez.
Maduro recognized the shortages and last month called on his government to improve fuel supply to farmers within 60 days. Farmers say they have not noticed any improvement, and that the existing rationing system is plagued by a lack of transparency leaving them unsure when or where they are supposed to fill up.
"You have to guess, you have to make a pilgrimage from service station to service station asking," said Roberto Latini, 58, who last month lost 50 hectares of beans that he planted later than he wanted to because of a lack of diesel.
The shortages have raised concern among Venezuela's opposition, whose leader Juan Guaido was recognized in 2019 by Washington and dozens of other countries as Venezuela's rightful leader on the grounds that Maduro rigged his 2018 re-election.
The opposition has largely defended U.S. sanctions as necessary to prevent Maduro's government from robbing state resources and to pressure him to the negotiating table.
Guaido's representatives have proposed that the United States design a mechanism to allow diesel imports while ensuring Maduro does not use the fuel for corrupt ends, two people familiar with the matter said.
Any solution may come too late for Estanislao Wawrzyniak, 73, who received diesel last week for the first time in two months for his 60-hectare plot in Turen full of knee-high weeds.
"Two months waiting, without being able to do anything," Wawrzyniak said, as two of his grandchildren used a tube to load diesel into a rusting tank held up on stilts, from a canister in the bed of a red pickup truck blaring electronic music.
Wawrzyniak plans to use the fuel to kill the weeds, and then he must wait several days before planting corn. Asked whether he would have time to plant before the rains picked up, he replied, "Only God knows."

Top News - Metals

New digital exchange offers investors gold exposure and funding for miners
Investors looking for exposure to early stage gold mines can buy millions of dollars of the precious metal at a discount on a digital exchange in a new development which will also provide funding for miners to develop their assets.
Physically-backed products such as exchange traded funds (ETFs) are one way for investors to access gold investments, but they don't offer discounts or the capital miners need to develop their operations.
Mines in Australia and Ecuador have made available for sale around $93.50 million worth of gold at current prices, discounted to $80 million, on the Digital Metal Exchange (DMX), an online trading platform based in Australia and launching in June.
Future mine production is turned into tokens or digital assets which can be freely traded on the exchange and redeemed at maturity for either physical metal or cash, DMX Chief Executive Jeremy Samuel told Reuters.
"DMX is offering around 50,000 ounces of gold in the form of digital assets, discounted from spot price at various rates, depending on the location of the mine, time to delivery and other factors," Samuel said.
"The discount is calculated by our algorithm, and adjusts in real time as the mine progresses towards delivery."
Investors will include individuals, family offices that manage money for ultra-high net worth individuals and jewellery makers.
"Modern customers demand sourcing transparency and clear provenance in the products they buy and use, and jewellery is no different," Samuel said. "We are able to demonstrate precisely where the gold comes from."

COLUMN- Tin squeeze highlights critical minerals supply problems - Andy Home
It's typical of tin that it didn't make it onto the International Energy Agency's (IEA) list of metals needed to power the clean energy transition.
Although designated a critical mineral by both the United States and China, tin has a habit of sliding between the gaps of the decarbonisation narrative.
Around half of all tin used globally goes into soldering circuit-boards, the hidden drivers of the electronic world, meaning it is everywhere but nowhere to be seen.
The metal may not grab the headlines in the same way as cobalt or lithium, but electric vehicles aren't leaving the garage without it.
The forgotten critical mineral is also a harbinger of the pressures to come across the critical minerals spectrum.
The IEA warns that "today's supply and investment plans for many critical minerals fall well short of what is needed to support an accelerated deployment of solar panels, wind turbines and electric vehicles." ("The Role of Critical Minerals in Clean Energy Transitions," May 2021)
Right now, the tin market is struggling to supply even current demand with a ferocious squeeze gripping both the London Metal Exchange (LME) contract and the physical supply chain.
Tin demand will only increase as the decarbonisation momentum builds, which poses big questions of a supply chain that is dominated by an unlikely combination of artisanal and small-scale miners (ASM) and state-owned producers.
SUPPLY CRUNCH
London Metal Exchange (LME) three-month tin hit a 10-year high of $30,650 per tonne on Tuesday.
The cash price is around $2,000 per tonne higher, as this year's unprecedented time-spread tightness shows no signs of easing.
Inventory is super low. There are just 1,235 tonnes of tin in LME warehouses, most of it earmarked for physical load-out. The remaining 360 tonnes represent around eight hours' worth of global consumption basis 2019 refined tin demand of 359,000 tonnes.
Physical supply chains to European and North American buyers are depleted. Metal in Rotterdam is commanding a $1,000-$1,300 per tonne premium over LME cash, according to Fastmarkets. Baltimore metal is even more expensive, assessed at a premium of $1,800-2,150.
The strength of the post-pandemic demand rebound has evidently wrong-footed producers, with a struggling supply response not helped by the ongoing disruption in the freight sector, particularly in the container segment used to ship tin.
Some supply relief is now coming from China, where the high LME price has prised open an export-friendly arbitrage window, and the United States Defense Logistics Agency, which has resumed sales from its strategic stockpile after a 10-year hiatus.

DEFICIT MARKET
The current super-squeeze is not just due to a passing misalignment of supply and demand, but rather is the culmination of years of production shortfall.
The global refined tin market has registered a supply deficit in five of the last six years to the collective tune of 28,000

tonnes, according to the International Tin Association (ITA). The Association is expecting another 2,700-tonne deficit this year.
Excess stocks accumulated after the last price spike in 2010-2011 have "been finally reduced to historically below-average levels", the ITA said.
Against such a historical backdrop, any combination of supply disruption is going to have an outsize impact on price.
Yet there is no shortage of tin in the ground.
The ITA calculates there are 5.5 million tonnes of tin in known reserves, enough to last 18 years at 2019 production levels. Identified resources of 15.4 million tonnes would be enough for 50 years. ("2020 Report on Global Tin Reserves and Resources")
That is almost certainly a significant undercount given a lack of reporting by state producers and the prevalence of ASM in the tin supply chain. Small-scale mining cooperatives don't do reserve calculations.

BOOM AND BUST EXPLORATION
The ITA estimates ASM accounts for around 40% of tin's global mine production, which means it is even more significant a component of supply than it is in the cobalt market.
Indeed, artisanal miners have been behind two of the biggest tin discoveries of recent decades.
The Bom Futuro mine in Brazil, one of the world's largest, was developed by wild-cat miners in 1987 and is still operating today.
More recently, small-scale miners in the Wa region of Myanmar have transformed the country into the world's third largest producer in the space of 10 years.
In Indonesia, the world's largest tin-exporting nation, the uneasy relationship between state-owned PT Timah and small-scale miners operating on the tin-rich islands of Banka and Belitung has had a disruptive impact on the country's supply for many years.
The high ASM representation in the global supply chain poses the same social issues facing cobalt, although it's worth noting that tin has been something of a trail-blazer when it comes to monitoring and tracing mineral flows from the Congo.
It also means that exploration for new tin deposits has tended to follow a boom and bust cycle, driven by the ASM sector.
There are no multinational mining companies in the tin sector. Deposits tend to be too small to get on the radar of the likes of Rio Tinto or BHP.
The current crop of specialist tin producers are either focused on extending the lives of existing mines or, in the case of Chinese players, facing ever higher environmental hurdles to open up new mining areas.
There is, as the ITA notes, "a small but real possibility that a surge in production will occur due to the discovery of a world class tin deposit".
Given recent tin market history, the chances are that it will be artisanal workers who find it first.

BOTTLE-NECK?
Tin ticks all the boxes on the list of supply challenges higlighted by the IEA.
"High geographical concentration, the long lead times to bring new mineral production on stream, the declining resource quality in some areas and various environmental and social impacts all raise concerns around reliable and sustainable supplies of minerals to support the energy transition," it said.
The IEA concludes that only a concerted response from policymakers and suppliers will ensure that mineral supply is an enabler, rather than a bottleneck, to the clean energy transition.
The report spans the new energy metals spectrum from lithium through cobalt to rare earths.
Next time, though, it should really look at tin.
Because the current market squeeze doesn't bode well for future reliability of supply of this particular critical mineral.

Top News - Carbon & Power

U.S. waives sanctions on Nord Stream 2 as Biden seeks to mend Europe ties
The Biden administration waived sanctions on the company behind Russia's Nord Stream 2 gas pipeline to Germany and its chief executive, Secretary of State Antony Blinken said on Wednesday, a move decried by critics of the project in Congress.
A State Department report sent to Congress concluded that Nord Stream 2 AG and its CEO, Matthias Warnig, an ally of Russian President Vladimir Putin, engaged in sanctionable activity. But Blinken immediately waived those sanctions, saying that it was in the U.S. national interest.

The decision came as the Biden administration seeks to rebuild ties with Germany, after relations deteriorated under Republican former President Donald Trump. The waivers have no specific end date, but can be rescinded by the secretary of state.
The State Department imposed sanctions on four Russian ships, including the Akademik Cherskiy, which began pipe-laying for the project in Danish waters in April. It also imposed the measures on five other Russian entities, including the Russian Marine Rescue Service.
"Today's actions demonstrate the administration’s commitment to energy security in Europe, consistent with the President’s pledge to rebuild relationships with our allies and partners in Europe," Blinken said in a release, issued as he met with Russian Foreign Minister Sergei Lavrov in Iceland for an Arctic Council conference.
President Joe Biden, a Democrat, has opposed the $11 billion project that would take Russian gas from the Arctic to Germany, saying it is a bad deal for Europe. The United States is an exporter of natural gas to Europe in the form of LNG, but Russian gas is cheaper.
Washington fears Russia could use Nord Stream 2 as leverage to weaken European Union states by increasing dependency on Moscow.
STOPPING PIPELINE IS A 'LONG SHOT'
Russia's state energy company, Gazprom, and its Western partners are racing to finish the pipeline to send natural gas under the Baltic Sea. The project, now about 95% complete, would bypass Ukraine, depriving it of lucrative transit fees and potentially undermining its struggle against Russian aggression.
A U.S. official conceded that stopping the project would be difficult but that Washington would keep trying. "We inherited a pipeline that was over 90% complete and so stopping it has always been a long shot," the State Department official said.
At the rate it is being constructed, Nord Stream 2 will be finished before the end of the year, if not sooner, analysts said.
U.S. lawmakers from both parties who oppose the project said the sanctions did not go far enough, as Russia could likely continue work.
Senator Jim Risch, the senior Republican on the Senate Foreign Relations Committee, said the waivers will be "a gift to Putin that will only weaken the United States’ leverage in the lead up to the impending Biden-Putin summit."
Biden "should do everything possible to accomplish what the Trump administration failed to do for four years: stop the completion of the Nord Stream 2 pipeline for good," said Senator Bob Menendez, a Democrat and chair of the committee.
Yuriy Vitrenko, the new CEO of Ukraine's state-owned energy company, Naftogaz, said Nord Stream 2 is Russia's "most malign and dangerous geopolitical project" and that Ukraine would ask Washington to fully apply its laws and impose sanctions to stop the pipeline.
U.S. officials hope the waiver will give time for discussions with Germany on potential negative effects of the pipeline and provide some leverage to deepen cooperation on broader issues, such as the pandemic, climate change, the economic recovery and dealing with China and Russia.
The waiver also "provides space for diplomatic engagement with Germany to address the risks that a completed pipeline would pose to Ukraine and European energy security," the State Department official told reporters.
Germany has been pressing for the United States to drop its opposition to the project, arguing that the overall relationship was too important to sacrifice over what Berlin has described as a commercial project.
"We see this as a constructive step, which we are happy to further discuss with our partners in Washington," German Foreign Minister Heiko Maas told reporters.
Russian officials signaled on Wednesday that waivers could help mend Washington's fraught ties with Moscow.

Britain’s carbon market begins trading at higher prices than EU
Britain's Emissions Trading System (ETS) kicked off on Wednesday as the UK strives to eliminate net emissions by 2050, with carbon prices reaching over 50 pounds ($70.77) per tonne and making the cost of polluting in Britain higher than in the EU.
The ETS is a method of charging power plants and other industrial entities for each tonne of carbon dioxide they emit. Britain launched its own market to replace the European Union's ETS after it left the bloc.
The benchmark December 2021 UK Allowance (UKA) contract first traded at 50.23 pounds per tonne before easing to trade at 45.25 pounds ($64.08) per tonne by 1430 GMT.
The December 2021 EU Allowance (EUA) carbon contract was trading at 49.75 euros ($60.83) a tonne.
"The first trades signal confidence in the UK ETS as a system. We expect a nervous and volatile start but expect EUAs to serve as a reference point for UKAs going forward," said Refinitiv analyst Hege Fjellheim.
Until Wednesday UK companies, unable to buy UK permits, had been buying EU allowances as the only available hedge for carbon prices.
ICIS analyst Sebastian Rilling said that given the limited capacity in Britain for fuel switching, UK power producers could increase power imports from mainland Europe if UKAs trade significantly above EUAs.

EU carbon prices have fallen around 10% this week which traders said was partly due to the launch of the UK scheme. Traders said with UK permits now being released, EU carbon prices could face further pressure.
"The sole link between the UK ETS and EU ETS is the fact that UK players have kept buying EUA as the best carbon proxy hedge," a carbon trader said.
The first auction of government permits on Wednesday via ICE, saw more than 6 million UK allowances sell at 43.99 pounds per tonne.
"Our UK ETS is more ambitious than the EU system it replaces and with today just the start of regular auctions, we are one step closer in our ambition to have the world’s first net zero carbon cap and trade market," said UK energy minister Anne-Marie Trevelyan.
The government said this was the first of many auctions in the UK ETS and the market needs time to find its feet and settle.
"What we are seeing now is the initial prices on the primary and secondary markets," it added in a statement.
Companies which need to participate in both the EU and UK carbon markets hope a link will be established between the two to allow cross trading of permits but there are no signs yet of formal negotiations on linking.

Top News - Dry Freight

Argentine port workers extend strike, halting grains exports
Argentina's grains exports were paralyzed on Wednesday after port workers launched a strike over what they described as a lack of COVID-19 vaccinations among members, the head of the Port and Maritime Activities chamber told Reuters by telephone.
In a statement, the port worker unions said the strike would run until late on Friday. Earlier the labor groups said they would end the work stoppage on Thursday, but they extended the strike due to what they called government inaction over their demands.
Dock workers who prepare ships to sail were among those on strike, along with tugboat captains and sailors who guide cargo ships to and from port, according to the statement. In addition, dock-side grains inspectors represented by the powerful Urgara union said on Wednesday they were joining the work stoppage.
"All shipping is stopped," Guillermo Wade, general manager of the CAPyM chamber, said.
Argentina is the world's top exporter of soymeal livestock feed, used to fatten hogs and poultry form Europe to Southeast Asia. The South American grains powerhouse is also the world's No. 3 corn supplier and a major wheat exporter.
The strike hits during the high export season as Argentine growers are currently harvesting their main cash crops of soy and corn.
The work stoppage halted activity at the ports hub of Rosario, from which about 80% of Argentina's agricultural commodities are shipped. The Rosario exchange expects this year's soy crop at 45 million tonnes and the corn harvest at 50 million tonnes.
"At least 7 ships were loaded yesterday in Rosario and ready to sail, but the unions halted the process of letting them unmoor," Wade said. Sailing even after the strike is over will be complicated due to the falling level of the Parana River, Wade said.
"Those seven ships, moored in the ports of Timbues, San Martin and San Lorenzo are now too heavy to sail, considering the increasing shallowness of the river," Wade said.
"Another 13 ships have stopped loading in order to avoid the same situation," he added.
Port workers are "essential" to the economy, and thus entitled to be vaccinated, the union statement said, adding that four workers had died of COVID-19 over the last week. Argentina confirmed a record 745 deaths from the virus nationwide on Tuesday.
"We request immediate intervention, so that crew members are incorporated as a priority in the national vaccination plan," the statement said. Among the signatories to the statement were the United Maritime Workers Union and the Fluvial Captains Professional Association.
A spokesman for the health ministry did not respond to a request for comment on the unions' demands.
The low level of the Parana has been a concern for some time, due to lack of rain in Brazil, where the waterway starts. The shallowness is worsening and has already shaved tonnage off the cargo capacity of ships loading in Rosario.
"The forecasts are not encouraging for the next few months," said Alfredo Sese, technical secretary at the Rosario grains exchange. Larger ships currently have to load more than 9,000 tonnes less cargo due to lack of river depth at Rosario ports.
"The level continues dropping," Wade said. "It appears that by the end of June and July, there will be more than 11,000 tonnes per Panamax cargo ship that will not be able to travel."

China's April soybean imports from Brazil surge vs previous month

China's soybean imports from Brazil surged in April from the previous month, customs data showed on Thursday, boosted by the arrival of cargoes that were ordered earlier in the year but delayed after rain hit the Brazilian crop.

The world's top importer of soybeans brought in 5.08 million tonnes of the oilseed from leading supplier Brazil in April, sharply up from only 315,334 tonnes in March, data from the General Administration of Customs showed.

But the figure was still below 5.939 million tonnes in the same month last year.

Chinese crushers stepped up purchases of soybeans earlier this year in expectation of increasing demand for animal feed from the steadily recovering pig sector. Rain, however, delayed the harvest and exports from Brazil.

Buyers turned to the United States to fill the gap, with China taking 2.15 million tonnes of U.S. soybeans in April, more than three times the 665,591 tonnes shipped in same month a year ago, but well down from 7.18 million tonnes in March.

"China made purchases of U.S. soybeans when weather delayed cargoes in Brazil," said an industry source who follows the soybean market closely.

"Brazilian soybeans should be arriving in May in a concentrated manner," said the source, who declined to be named as she was not authorized to talk to the media.

China's soybean imports in April from all origins were 7.45 million tonnes, up 11% from the previous year in expectation of strong demand from the livestock sector.

However, fresh African swine fever outbreaks and a shift to using more wheat for animal feed has curbed the demand for soymeal.

Chinese authorities also issued guidelines last month recommending the reduction of corn and soymeal in pig and poultry feed, a measure that could reshape the flow of grains into the world's top corn and soybean buyer.

The Financial and Risk business of Thomson Reuters is now Refinitiv.

(Inside Commodities is compiled by Shoubhik Ghosh in Bengaluru)

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

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

Refinitiv
3 Times Square, New York, NY 10036

Please visit: **Refinitiv** for more information.

Privacy statement