

# AGRI TRADE HIGHLIGHTS

A GLOBAL OVERVIEW ON MARKETS, COMMODITIES AND REGIONS

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## EDITORIAL

As 2014 progresses, wheat millers in the South East Asia Pacific (SEAP) region continue to follow the trend of recent years by continuing to expand their horizons, from traditional wheat origins like Australia, the US and Canada, to the Black Sea region and even India.

After a slight lull during Ramadan, import activity is on the increase, and from the autumn, the focus will move to Australia when its harvest begins.

With deep insight and extensive presence in the wheat supply chain, SGS regularly provides wheat quality data from around the world. This helps the trade to effectively align their buying patterns to meet their specific requirements.

After the monsoon season in the Indian subcontinent, SEAP's focus is mainly on the crop outlook and the first quality reports on soybeans and corn from India, as this provides a clear indication of trade flows within the region.

In this issue, we look in more detail at Argentina's agriculture industry, GMO detection, the advantages of effective grain monitoring systems, and report on a new barge monitoring system developed by SGS China.

Whatever the commodity, SGS provides services across the agricultural supply chain. Contact us for information or assistance.



**KARNIK BIPIN**

International Sales Manager  
South East Asia Pacific

## AGRICULTURAL MARKET BOOSTS ARGENTINE ECONOMY

Strong local inflation rates and a recession in the domestic economy has seen Argentina's facing difficult times in recent years. In spite of this, the country's agricultural business continues, where possible, to develop and grow. It is one of the main supports of the whole country's economy.



Argentina's main crops are soybeans and corn, followed by wheat and then other products such as sunflower, barley, sorghum and other smaller crops.

Overall, the country produces about 100 million tons of agricultural product and with a population of about 40 million, a large part of this production is destined for export.

### SOYBEANS

Year on year soybeans continue to appear as the preferred crop for farmers. It is a popular crop, as it adapts well to different geographical areas and requires less agricultural work to grow. In addition, in a difficult economy soybean also requires less initial investment per hectare for the grower.

Production has increased from about 25 million tons in 2000/01 to 53 million tons in 2013/14. Local consumption of soybeans is relatively low, meaning the majority of the crop goes for export

as grain, meal or oil. China is the main destination for grains, Europe and Asia for meal and China, India and Latin America for the oil. Increasingly, the biodiesel industry is also purchasing Argentina's soybean oil.

### CORN

Argentina's second largest crop, corn, has also seen growth in recent years. It has increased from about 17 million tons in 2000/01 to 33 million tons in 2013/14. Much of the corn is also destined for export, to Latin American countries, Asia, Africa, the Middle East and Europe. The balance is consumed locally and more recently, by the bioethanol industry.

**SGS**

**WHEAT**

One of Argentina's traditional products, wheat production is moving in the opposite direction to soybeans and corn. Production has decreased from about 15 or 16 million tons to just 9 million tons. Taking into account this big reduction in volume, most of the country's wheat is going to the domestic market for local consumption, with only a few tons left for the export markets.

**SUNFLOWER**

Mainly destined for the oil production industry, sunflowers are a declining crop in Argentina. From a high of 3-4 million

tons, production has declined to just 2 million tons. Sunflower oil is destined for both local and export markets.

**BARLEY/SORGHUM**

These non-traditional products have increased in popularity with farmers in recent years. They have replaced other crops intervened by local government regulations. Over four million tons of barley, and three million tons of sorghum are produced annually. Much of these crops are destined for the export market. Saudi Arabia and Latin America are big buyers of Argentina's barley, while Japan and Latin America buy the bulk of the country's sorghum exports.

**BULK CARGO TRANSPORTS**

Argentina's bulk cargo commodities are shipped to export markets from ports including the up river ports of Rosario, San Lorenzo and San Martin, or the southern ports of Necochea and Bahia Blanca. On average 70% of the grains, 90% of the feedstuffs and 80% of the vegetable oils are shipped from up river ports, while the balance goes out from Necochea and Bahia Blanca.

**PABLO THOMAS**

Agricultural Manager

Source: GAFTA Production Estimates Report – August 2014

## NEW TECHNOLOGY REDUCES CARGO LOSSES

SGS China launches a new real-time monitoring system and reduces cargo losses during barging.



Cargo loss during barging is a common problem, for traders, shippers and underwriters. Traditionally, the industry relies on stationing someone on board during voyages, as well as video recording. Taking advantage of new technologies, SGS China has developed a brand new solution, a real-time monitoring system.

**EASY ON-SITE INTEGRATION**

Real time monitoring is a professional safety system that monitors the chosen view on site, via a network camera. Unlike traditional cameras, network cameras work well on either a LAN (Local Area Network), or via the internet. Images can be monitored remotely via 3G cellular service and the internet, or on board if all remote users connect to the same LAN.



Real-time monitoring characteristics:

- Real-time monitoring of transport conditions staffed 24/7
- Systems equipped with sufficient storage to capture 240 hours of footage
- System warnings to alert the person on duty if an illegal operation is discovered, enabling them to turn off the system power, cover the monitor and so on
- Accurate GPS positioning and tracing functions

**REAL-TIME LOSS REDUCTIONS**

Between June and December, 2013, this system enabled our client to reduce cargo losses by 32%.

**COLLIN JIA**

Regional Business Manager

## GMO DETECTION FOR DURACADE

SGS's Brookings laboratories can test and detect the presence of GMO in samples, including Event 5307 (Duracade) in corn plant, seed and grain products.

Experienced in GMO testing, we utilise real-time quantitative polymerase chain reaction (PCR) detection technology, which enables identification and quantification of GMO presence as low as 0.1% and the detection of trace levels as low as 0.01% (equivalent to 1 in 10,000 kernels). This testing method is employed by the Chinese General Administration of Quality Supervision, Inspection, and Quarantine and is



applicable to plant material, grain, and processed products.

SGS's Brookings facility is internationally accredited for OECD testing and sampling, as well as ISTA (International Seed Testing Association) accredited for seed export services. ISO 9001 certified and ISO 17025 accredited and has also been inspected by the US EPA for adherence to GLP standards.

The SGS Brookings DNA and Protein testing laboratory has offered GMO testing for more than 10 years and our scientists are involved in the development and validation of GMO detection protocols used throughout the industry. Participation in proficiency testing for GMO events is completed annually.

SGS Agricultural Services can help you monitor your products throughout the supply chain so you can make informed decisions and mitigate risks. We also provide non-GMO rejection guarantee.

### AMANDA VERHELST

DNA-Protein Laboratory Supervisor



## GETTING TO GRIPS WITH GRAIN DATA

Agricultural producers, millers and traders, as well as their clients, rely on impartial third party data to understand exactly what is in the grains and crops that they are trading.



Grain monitoring reports deliver the fullest available snapshot of the quality of grain and whether grain products contain unwanted residues. Whether testing for mycotoxins or microbiological values, heavy metals, or pesticides, sampling and analysis carried out

by an independent third party, like SGS, provides an objective and comprehensive overview of what the grain contains.

### GRAIN DATA ANALYSIS

Producers, millers, traders and their clients, all rely on the analysis of key grain data. This is also true for customers. At SGS, we gather and analyse grains and grain products along the entire value chain, to identify and quantify the key parameters of quality and contaminants.

### SEEING THE BIGGER PICTURE

In addition to understanding specific crops from selected locations, grain monitoring is also applied to wider markets, such as geographical areas. This can mean looking beyond individual operations to get the 'bigger picture', with a wider collection of data to create the basis for assessment of a season's harvest results.

Grain monitoring delivers the data that can improve decision-making.

### ANDREAS RATH

Business Development Manager

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WHEN YOU NEED TO BE SURE

