

+-----+
-----+
Soybeans Advance as Decline Attracts Importers, Investors
2011-01-04 06:58:08.774 GMT

By Luzi Ann Javier

Jan. 4 (Bloomberg) -- Soybeans advanced in Chicago on speculation yesterday's decline will lure importers and investors amid concerns supply will tighten as dry weather hurt crops in Brazil and Argentina.

March delivery soybeans gained 0.4 percent to \$13.85 a bushel on the Chicago Board of Trade at 2:29 p.m. Singapore time, after losing 1.7 percent yesterday.

Dry weather in the southern Brazilian states of Rio Grande do Sul and Mato Grosso do Sul may pare output, Marco Antonio dos Santos, a meteorologist at Sao Paulo-based Somar Meteorologia, said yesterday.

"We're seeing bargain-hunting," Ker Chung Yang, an analyst at Phillip Futures Pte., said by phone from Singapore today. "Weather forecasting in South America affects the market because we're now over the U.S. harvesting period and there's concern demand will outpace supply."

Farmers in Brazil have sold 37 percent of the crop they'll start harvesting this month, more than the 23 percent sold a year earlier, after prices rose and demand increased, crop forecaster Celeres said yesterday.

That compares with 30 percent of the crop sold on average for the same period in the past years five years, Celeres said in a statement.

Brazil, the world's second-largest soybean grower and exporter, was forecast to produce 67.5 million metric tons of the oilseed this season, down from 69 million tons a year earlier, according to the U.S. Department of Agriculture.

Drought Continues

Argentina's soybean crop, the world's third-biggest, may face another month of drought caused by La Nina weather conditions, forecaster British Weather Services said Dec. 30.

Korea Agro-Fisheries Trade Corp., a South Korean state-owned food importer, purchased 3,000 tons of non-genetically modified soybeans for sprouting, according to a notice on the company's website yesterday.

Corn for March delivery was unchanged at \$6.205 a bushel in Chicago, after swinging between gains and losses. March-delivery wheat slipped 0.4 percent to \$8.02 a bushel.

Wheat deliveries by rail to ports in Australia's Queensland state may be halted for up to two weeks because of flooding, David Ginns, spokesman at GrainCorp Ltd., the largest grain handler in the country's east, said by phone from Sydney today.

A total of 141,900 tons of wheat is scheduled to be shipped from Fisherman Islands in Queensland's south in January, according to GrainCorp's website. Further north, 82,000 tons of wheat is listed for export from Gladstone and from Mackay 50,000 tons of sorghum and 25,000 tons of wheat, the site shows.

Disruptions to Australia's wheat exports may push prices of the grain higher, Ker said.

--With assistance from Sungwoo Park in Seoul, Wendy Pugh in Melbourne and Katia Cortes in Brasilia. Editors: Richard Dobson, Jarrett Banks.

For Related News and Information:

Crop Calendars: CCAL <GO>

Agricultural Supply & Demand: AGSD <GO>

Top Commodity Stories: CTOP <GO>

Top Agriculture Stories: YTOP <GO>

To contact the reporter on this story:

Luzi Ann Javier in Singapore at +65-6212-1304 or ljavier@bloomberg.net

To contact the editor responsible for this story:

Richard Dobson at +86-21-6104-3030

or rdobson4@bloomberg.net