

Chinese Buying Delegation Begins Soybean Channel Tour After Landmark Trade Pacts

May 16, 2007 - Senior managers of 14 leading Chinese soybean import companies began a tour of soybean channel locations on May 15 after signing a record-breaking \$2.07 billion in contracts at the Chicago Board of Trade.

According to USSEC project manager Brent Babb, the tour program was designed to give key soybean buyers a first-hand look at all points on the U.S. soybean-production channel. Mr. Bian Zhenhu, vice president, China Chamber of Commerce for Imports/Exports of Foodstuffs, Native Produce and Animal By-Products (CFNA), says the tour is already proving helpful in showing delegates where their soybeans are coming from and how they get to China. "It is deeply appreciated that U.S. soybean producers through ASA-IM and USSEC have made wonderful arrangements for the group," Bian said. "The visits will be very helpful for the delegation members to broaden their insights into the U.S. soybean industry."

On May 14, Chinese buyers from 14 companies signed 17 contracts with U.S. soybean exporters at the CBOT boardroom for 5.76 million metric tons at a total cost of \$2.07 billion during the 2007-2008 market year. The tour group is scheduled for another round of contract signings at the Iowa state capitol on May 17, with a press conference to follow at 12:30 PM.

Bian added that Mdm. Ma Xiuhong, People's Republic of China Vice Minister of Commerce has expressed optimism for further and extensive cooperation between our industries. "Mdm. Ma deeply appreciates the mutually beneficial contracts that were signed at the Chicago Board of Trade, which were very successful for CFNA," Bian said.

The first tour stop was a May 15 visit to the Chicago Board of Trade, where delegates heard the opening bell from the floor and then walked between pits full of frenzied traders. Delegates then toured Scoular Grain facilities in Channahon, IL., to observe how containers are loaded with Asian-bound soybeans after delivery from nearby farmers and elevators. Scoular, a USSEC member company, is one of the leading container shipping companies in the U.S., according to USSEC Marketing Director Paul Burke. The containers are used to take advantage of lower shipping rates compared to bulk. "The containerized shipping approach also delivers higher grain quality with minimal foreign matter," Burke says. "We have found several buyers by hosting these groups," according to Jennifer Lee, international marketing manager for Scoular's Asia region. "When they visit our facility, if they are interested they can make better-informed business decisions based on that."



Scoular Chicago Hub Manager Bill Hammer describes the company's containerized shipping operation.

Delegation member Mr. Wang Guojun, General Manager of Huibao Oil Company of Dalian Huanong Group examines soybeans at Scoular, which delivers containerized soybeans to Asia and other countries.



The activities of the U.S. Soybean Export Council to expand international markets for U.S. soybeans and soy products are made possible by producer checkoff dollars invested by the United Soybean Board and various State Soybean Councils, support from cooperating industry, and through the American Soybean Association's investment of cost-share funding provided by USDA's Foreign Agricultural Service.

