

Bird flu curbs China's soya bean purchases

4

Chinese soya bean importers have cancelled 600 000t of South American soya bean cargoes, on the back of an avian flu outbreak in China, and negative crush margins, two trade sources told Reuters.

US soya bean futures slid to their lowest level since 24 February on worries about waning demand from China.

Buyers were negotiating with suppliers to delay or cancel more shipments, sources said.

"There is a glut of soya beans in China right now," said one Singapore-based trader. "They've washed out 10 panamax cargoes and want to cancel 30 more."

Chicago soya bean futures have lost almost 5% with near-record production in Brazil and Argentina adding to bearish sentiment. China has also rejected almost a million tons of US maize, following the discovery of Syngenta AG's MIR-162 GMO strain, which China has not yet approved.

The outbreak of avian flu in January forced chicken farms to scale back on restocking, following huge losses last year after culling millions of birds. The agriculture ministry has said that avian flu has caused losses of 20 billion yuan (R35,3 billion) so far this year. – *Staff reporter*