



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 12/3/2008

GAIN Report Number: AR8050

Argentina

Grain and Feed

Lock-Up Report

2008

Approved by:

David Mergen
U.S. Embassy

Prepared by:

Francisco Pirovano

Report Highlights:

Timely rains that occurred from November 27 through December 1 have reportedly replenished soil moisture and renewed planting activities that were largely halted due to the drought situation. Post maintains its 2008/2009 wheat harvested area estimate at 4.3 million hectares but lowers production to 11 million metric tons (MT) for 2008/2009 due to expected lower yields. Post maintains the USDA corn production forecast for 2008/2009 at 18 million tons and forecasts corn harvested area to reach 2.5 million hectares

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Buenos Aires [AR1]
[AR]

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Wheat

Post lowers its overall wheat production forecast for Argentina to 11 million metric tons (MT) in 2008/2009 as climatic and export policy factors impacted negatively on this crop this year. A reduced harvested area and expected lower yields are the cause of this significant drop in production from the previous year.

Post maintains its previous month's wheat harvested area forecast at 4.3 million hectares. Earlier estimated planting intentions fell because of lack of moisture and farmers' uncertainties about domestic prices. Unfavorable climatic events including a long-lasting drought that affected nearly 75 percent of the wheat area at earlier stages of the crop, and a series of severe frosts that hit the poorly established plantations, determined that around six percent of the planted fields in a vast area will not reach harvest. In central northern and western Buenos Aires and Entre Rios provinces, it is estimated that 300,000 hectares were not harvested and went into soybeans that were planted in November 2008.

Post forecasts a decrease in the overall wheat yields to 2.56 MT per hectare. Yields in the central northern area will likely only reach 2.3 MT per hectare due to dry conditions and very hot weather in November 2008. Also, in the main wheat area, southeast of the province of Buenos Aires, where nearly one million hectares of wheat are expected to be harvested, dry and very hot days in November 2008 are expected to have had a negative impact on the potential yield. Post forecasts that average yields in this area will fall to 3.41 MT per hectare from the previous 4.0 MT per hectare forecast in previous months.

On October 8, 2008 the National Office of Agricultural Trade Control (ONCCA) published in the Federal Register Resolution 4786/08, which allowed exporters to request export licenses (ROE) for 1,763,063 MT of wheat to be exported to any market in the world. According to ONCCA, exporters only requested ROE's for slightly more than 900,000 MT in October 2008, leaving 850,000 MT to be exported in November. In November 2008, ONCCA announced an additional export surplus of 926,167 MT which added to the 850,000 MT from October gave a total export surplus of 1,782,337 MT. Based on the information available, post estimates total wheat exports for 2007/2008 at 10 million MT. 2008/2009 exports are forecast to decrease to 5.8 million MT due to lower production. Domestic consumption of wheat is estimated at 5.7 million MT for both 2007/2008 and 2008/2009.

Corn

Post maintains the USDA corn production forecast at 18 million MT for 2008/2009. Post forecasts corn harvested area to reach 2.5 million hectares.

The extremely dry conditions and very hot days in November severely impacted corn fields in most of the corn planting area. However, the timely rains that occurred from November 27 through December 1, have reportedly replenished soil moisture, mitigating further yield losses of the hybrid. Post maintains its previous forecast on average corn yields at 7.2 MT per hectare.

Post maintains the 2008/2009 export forecast at 10.5 million MT and leaves unchanged its estimate for total corn exports in 2007/2008 at 15 million MT.

Statistical Tables

Wheat Argentina	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Dec 2006			Market Year Begin: Dec 2007			Market Year Begin: Dec 2008			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Area Harvested	5,285	5,285	5,285	5,756	5,680	5,680	4,320	4,300	4,300	(1000 HA)
Beginning Stocks	500	500	500	305	305	305	679	879	609	(1000 MT)
Production	15,200	15,200	15,200	16,300	16,000	16,000	11,000	12,000	11,000	(1000 MT)
MY Imports	5	5	5	4	4	4	5	5	5	(1000 MT)
TY Imports	5	5	5	4	4	4	5	5	5	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	15,705	15,705	15,705	16,609	16,309	16,309	11,684	12,884	11,614	(1000 MT)
MY Exports	10,500	10,500	10,500	10,500	10,000	10,000	5,800	7,000	5,800	(1000 MT)
TY Exports	12,210	12,210	12,210	10,218	10,218	10,000	6,300	7,500	7,500	(1000 MT)
Feed Consumption	80	80	80	80	80	80	80	80	80	(1000 MT)
FSI Consumption	4,820	4,820	4,820	5,350	5,350	5,620	5,400	5,400	5,620	(1000 MT)
Total Consumption	4,900	4,900	4,900	5,430	5,430	5,700	5,480	5,480	5,700	(1000 MT)
Ending Stocks	305	305	305	679	879	609	404	404	114	(1000 MT)
Total Distribution	15,705	15,705	15,705	16,609	16,309	16,309	11,684	12,884	11,614	(1000 MT)
Yield	3.	3.	2.8761	3.	3.	2.8169	3.	3.	2.5581	(MT/H A)