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Argentina

Oilseeds and Products

Lock-Up Report

2009

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Report Highlights:

Post lowers its 2008/09 soybean production forecast to 42.5 million tons as a result of smaller harvested area and an expected decline in overall yield due to the severe drought situation. Projected exports of soybeans for 2008/09 are reduced to 10 million tons due to a tighter supply. Post lowers its 2008/09 soybean crush forecast to 34 million tons due to lower domestic production and decreased imports. Post lowers its 2008/09 sunflower harvested area forecast to 1.925 million hectares due to drought conditions during the growing season. Sunflowerseed production is forecast down to 3.08 million tons with an expected average yield of 1.6 tons per hectare. Post expects sunflowerseed crush to fall to 4 million tons due to the lower production.

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

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Soybeans

Post reduces its 2008/09 soybean harvested area forecast to 17 million hectares due to extreme drought that delayed and/or halted planting across much of the soybean area, in addition to some plantings that will likely not be harvested. Although the Secretariat of Agriculture's January 21 report indicated that planted area would not likely exceed 16.5 million hectares, recent rains over the past weeks have stimulated some late planting activity, particularly in the northeast of the country, which had previously been considered lost area. Much of those late plantings will have very limited yield potential due to a shortened growing cycle and because they are largely carried out on marginal lands. Recent rains across much of the agricultural area have served to stabilize soybean plantings for the short term; however, more rains will be needed throughout February to prevent further yield losses -- particularly in southern Buenos Aires, Entre Rios, and the central-north of Santa Fe, where drought conditions are most severe. Post contacts indicate that first-crop soybeans in Entre Rios have been most affected by the lack of rains in that area, with the ultimate remaining yield potential falling well below normal, and up to 600,000 hectares of soybeans in that province will not be harvested due to yield losses.

While conditions across all of the country are difficult, the soybean plantings in much of southern Cordoba and southwest Santa Fe provinces are in decent shape due to adequate rains in those areas. Post travel through regions producing an estimated 25 percent of total planted area and field observations around Lincoln and Pergamino (Buenos Aires province), Vicuña Mikena and Marcos Juarez (Cordoba province), and Rufino and Venado Tuerto (Santa Fe province) shows OK to good soybean crops with average yields in those areas estimated at 2.8 to 3 tons per hectare. Adequate and consistent rains in February will be critical for reaching those yield potentials. While those yields are above the national average for this year's crop, historic averages in those areas are considerably higher -- around 3.5 tons per hectare.

Due to the drought situation, Post expects Argentina's average yield to reach 2.5 tons per hectare, although rainfall in February will be critical in determining the final yield. Production is expected to reach 42.5 million tons as a result of the smaller harvested area and the expected decline in overall yield.

Projected exports of soybeans for 2008/09 are reduced to 10 million tons due to a tighter supply. Post lowers its 2008/09 crush forecast to 34 million tons, also due to lower domestic production and decreased imports from Paraguay, which is also facing a shorter crop due to drought conditions.

Post maintains USDA's soybean production and trade estimates for the 2007/08 season crop.

Sunflowerseed

Post lowers its 2008/09 sunflower harvested area forecast to 1.925 million hectares due to drought conditions during the growing season. Production is forecast down to 3 million tons with an expected average yield of 1.6 tons per hectare.

Post contacts indicate that the drought situation has severely affected lots in southern Buenos Aires and northern La Pampa, where the situation is most complicated. Yields are expected to be much lower than historical averages in those areas hardest hit by the dry weather. The Buenos Aires Grains Exchange forecast that as of January 30, 11 percent of its expected 2.045 million hectares (lowered from their previous report) had been harvested, mainly from the northeast of Argentina (Corrientes province) and the central-north of Santa

Fe province. Reported yields were highly variable depending mainly on rainfall variations during the growing season. However, yields were lower overall due to the dry weather.

Post expects sunflowerseed crush to fall to 4 million tons due to lower production. The decreased crush will generate slightly lower production of sunflower meal and oil, which will create lower than initially expected exports.

Post maintains USDA's sunflowerseed production and trade estimates for the 2007/08 season crop.

Relevant Reports

AR8021: Argentina Oilseeds Annual 2008

<http://www.fas.usda.gov/gainfiles/200805/146294576.pdf>

AR9003: Argentina Grain and Feed Lock-Up Report

Weblink not yet available

PSD Table: Argentina Soybeans

Oilseed, Soybean (Local) Argentina	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Apr 2007			Market Year Begin: Apr 2008			Market Year Begin: Apr 2009			
	Annual Data Displayed	New Post	Data	Annual Data Displayed	New Post	Data	Annual Data Displayed	Feb	Data	
Area Planted	16,350	16,350	16,350	16,600	16,600	16,600	18,000	18,200	17,700	(1000 HA)
Area Harvested	16,300	16,300	16,300	16,600	16,600	16,600	18,000	18,200	17,000	(1000 HA)
Beginning Stocks	334	334	334	1,876	1,876	1,876	1,900	680	1,900	(1000 MT)
Production	48,800	48,800	48,800	46,200	46,200	46,200	49,500	50,500	42,500	(1000 MT)
MY Imports	2,336	2,336	2,336	2,950	3,375	2,950	2,460	3,400	2,000	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	51,470	51,470	51,470	51,026	51,451	51,026	53,860	54,580	46,400	(1000 MT)
MY Exports	12,132	12,132	12,132	13,150	13,800	13,150	14,480	15,200	10,000	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Crush	35,962	35,962	35,962	34,400	35,450	34,400	35,900	36,200	34,000	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom.	1,500	1,500	1,500	1,576	1,521	1,576	1,600	1,550	1,500	(1000 MT)
Total Dom. Cons.	37,462	37,462	37,462	35,976	36,971	35,976	37,500	37,750	35,500	(1000 MT)
Ending Stocks	1,876	1,876	1,876	1,900	680	1,900	1,880	1,630	900	(1000 MT)
Total Distribution	51,470	51,470	51,470	51,026	51,451	51,026	53,860	54,580	46,400	(1000 MT)
CY Imports	2,245	2,245	2,245	3,000	3,315	3,000	2,500	3,400	2,500	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	11,796	11,796	11,796	12,200	13,575	12,200	14,530	13,900	10,000	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
TS=TD			0			0			0	

PSD Table: Argentina Sunflowerseed

Oilseed, Sunflowerseed Argentina	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Mar 2007			Market Year Begin: Mar 2008			Market Year Begin: Mar 2009			
	Annual Data Displayed	New Post	Data	Annual Data Displayed	New Post	Data	Annual Data Displayed	Feb	Data	
Area Planted	2,400	2,400	2,400	2,625	2,625	2,625	2,100	2,200	2,100	(1000 HA)
Area Harvested	2,400	2,400	2,400	2,620	2,620	2,620	2,100	2,200	1,925	(1000 HA)
Beginning Stocks	1,271	1,271	1,271	1,657	1,655	1,657	1,861	1,672	1,861	(1000 MT)
Production	3,500	3,500	3,500	4,650	4,650	4,650	3,630	3,800	3,080	(1000 MT)
MY Imports	26	26	26	20	20	20	20	20	20	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	4,797	4,797	4,797	6,327	6,325	6,327	5,511	5,492	4,961	(1000 MT)
MY Exports	57	59	57	40	100	40	95	90	90	(1000 MT)
MY Exp. to EU	18	18	18	0	0	0	0	0	0	(1000 MT)
Crush	2,999	2,999	2,999	4,340	4,465	4,340	4,300	4,100	4,000	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	84	84	84	86	88	86	88	88	88	(1000 MT)
Total Dom. Cons.	3,083	3,083	3,083	4,426	4,553	4,426	4,388	4,188	4,088	(1000 MT)
Ending Stocks	1,657	1,655	1,657	1,861	1,672	1,861	1,028	1,214	783	(1000 MT)
Total Distribution	4,797	4,797	4,797	6,327	6,325	6,327	5,511	5,492	4,961	(1000 MT)
CY Imports	29	29	29	20	20	20	20	20	20	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	60	60	60	40	100	40	100	70	70	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
TS=TD			0			0			0	