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Argentina

Grain and Feed

Lockup Report

2009

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Report Highlights:

Post lowers its overall wheat production forecast to 8.4 million metric tons (MT) in 2008/09 due to dry conditions that severely impacted yields. Wheat exports are expected to fall to 3.5 million tons as a result of the lower production. Post lowers its corn production forecast to 13.8 million MT for 2008/09 due to drought conditions that severely impacted yields. Post lowers the 2008/09 export forecast to 7 million MT to compensate for lower expected production.

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 8.4 million metric tons (MT) in 2008/09 due to severe drought that impacted negatively on this year's crop, lowering both yields and area from the previous year. Previous higher estimates were based on good crop conditions in the southeastern wheat area. However, almost no rain occurred between October 2008 and the harvest in December, causing yields in that area to decline to lower than expected levels. Post maintains USDA's wheat harvested area forecast at 4.2 million hectares. Post forecasts a decrease in the overall wheat yields to 2 MT per hectare. Wheat exports are expected to fall to 3.5 million tons as a result of the lower production, while domestic consumption is forecast to remain at the same level as estimated for 2008.

Sources in the grain export sector report that the Argentina's Office of Agricultural Trade Control (ONCCA) has not been approving export licenses (ROEs) since the end of December 2008 in order to guarantee domestic supplies.

Corn

Post lowers its corn production forecast to 13.8 million MT for 2008/09 due to lower area and yields. Corn harvested area is forecast to fall to 2.3 million hectares as a result of losses due to the severe drought affecting almost 90 percent of the planted area in the province of Entre Rios and part of southern Buenos Aires. Extremely dry conditions and very hot days during the growing season have severely impacted corn fields in the rest of the corn planting area in the province of Buenos Aires and Santa Fe. As such, Post lowers its overall yield forecast to 6 MT per hectare. 2008/09 export forecast is to decrease to 7 million MT to compensate for lower expected production.

From January 15 to 19, Post officials toured the corn growing areas of Argentina located in Rojas-Salto-Pergamino in the province of Buenos Aires. Post officials also visited the province of Entre Rios (Victoria, Gualeguay and Gualeguaychu) one of the provinces most affected by the drought. Both areas had a 50 percent rainfall deficit compared with 2007. However, heavy clay soils in Entre Rios dried out faster than in Pergamino, causing more damage in that province. While in Pergamino corn is expected to reach the harvest, Entre Rios has lost up to 90 percent of its 160,000 hectares initially planted and most farmers there have utilized it as forage for their cattle.

From January 25 to 30, Post officials traveled from Buenos Aires City on highway 7 to Junin and Lincoln in northwestern Buenos Aires, Rufino and Venado Tuerto in the province of Santa Fe, to Vicuña Makena, Washington and Villa Maria in Cordoba province and returning to Buenos Aires City through Marcos Juarez in Cordoba and Rosario, in the province of Santa Fe. This area has received timely rains and most of the corn fields are considered in reasonable shape with some fields close to maturation due to hot days and scattered rains during January.

Relevant Reports

AR8052: Argentina Grain and Feed Lock-Up Report
<http://intranetapps/GainFiles/200901/146326989.pdf>

Statistical Tables

PSD Table: Argentina Wheat

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 Data	Annual Data Displayed		New Post Data	Annual Data Displayed		Jan Data	
Area Harvested	5,285	5,285	5,285	5,756	5,756	5,756	4,200	4,200	4,200	(1000 HA)
Beginning Stocks	500	500	500	305	305	305	679	679	379	(1000 MT)
Production	15,200	15,200	15,200	16,300	16,300	16,300	9,500	9,500	8,400	(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	16,609	16,609	10,184	10,184	8,784	(1000 MT)
MY Exports	10,500	10,500	10,500	10,500	10,500	10,800	4,300	4,240	3,500	(1000 MT)
TY Exports	12,210	12,210	12,210	10,218	10,218	10,218	5,800	7,500	3,500	(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	5,350	5,400	5,620	5,000	(1000 MT)
Total Consumption	4,900	4,900	4,900	5,430	5,430	5,430	5,480	5,700	5,080	(1000 MT)
Ending Stocks	305	305	305	679	679	379	404	244	204	(1000 MT)
Total Distribution	15,705	15,705	15,705	16,609	16,609	16,609	10,184	10,184	8,784	(1000 MT)
Yield	3.	3.	2.8761	3.	3.	2.8318	2.	2.	2.	(MT/HA)

PSD Table: Argentina Corn

Corn 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		Jan Data	
Area Harvested	2,800	2,800	2,800	3,260	3,260	3,260	2,500	2,500	2,300	(1000 HA)
Beginning Stocks	1,156	1,156	1,156	1,657	1,657	1,657	557	557	557	(1000 MT)
Production	22,500	22,500	22,500	20,850	20,850	20,850	16,500	16,500	13,800	(1000 MT)
MY Imports	10	10	10	50	50	50	0	0	0	(1000 MT)
TY Imports	8	8	8	51	51	51	0	0	0	(1000 MT)
TY Imp. from U.S.	0	0	0	2	2	2	0	0	0	(1000 MT)
Total Supply	23,666	23,666	23,666	22,557	22,557	22,557	17,057	17,057	14,357	(1000 MT)
MY Exports	15,309	15,309	15,309	15,000	15,000	15,000	9,000	9,000	7,000	(1000 MT)
TY Exports	15,693	15,693	15,693	15,644	15,644	15,644	9,000	9,000	7,000	(1000 MT)
Feed Consumption	4,800	4,800	4,800	5,100	5,100	5,100	5,600	5,600	5,100	(1000 MT)
FSI Consumption	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	(1000 MT)
Total Consumption	6,700	6,700	6,700	7,000	7,000	7,000	7,500	7,500	7,000	(1000 MT)
Ending Stocks	1,657	1,657	1,657	557	557	557	557	557	357	(1000 MT)
Total Distribution	23,666	23,666	23,666	22,557	22,557	22,557	17,057	17,057	14,357	(1000 MT)
Yield	8.	8.	8.0357	6.	6.	6.3957	7.	7.	6.	(MT/HA)