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Argentina

Grain and Feed Update

2011

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Report Highlights:

Post increases corn production forecast for marketing year 2011/12 to 26 million tons. High corn prices are expected to encourage farmers to put additional acreage into production.

Post:
Buenos Aires

Author Defined:

Corn

Post has increased the expected planted corn acreage for marketing year 2011/12 to 3.6 million hectares, 200,000 hectares more than our previous forecast. Production is also up at a total of 26 million metric tons. The greater interest in corn production is mainly due to very good prices. At current costs and average yields, corn production remains one of the most lucrative alternatives. Additional advantages of corn are improvement in soil management by rotating with soybeans and improvements in seed genetics are allowing more stable, higher yields. Local seed and agricultural input companies confirm that growers are showing great interest in expanding acreage. The total corn production for the marketing year 2011/12 is now expected at 26 million tons. The additional 1 million ton will most likely be exported.

In late 2010, the government authorized exports of 5 million tons of the 2010/11 crop (from February 15 onwards). In February 2011 it authorized an additional 3.5 million ton. Local contacts expect that an additional 3.5 million tons will be soon announced. The remainder of export authorizations will be defined once the harvest is finished (practically 50 percent is already done).

Wheat

Post has no changes in the PSD for the 2011/12 crop or preceding years. There is interest in planting more wheat for the 2011/12 crop because of high prices and good returns. Many producers face strong difficulties to sell their 2010/11 crop, however, with exporters receiving limited export authorizations and local wheat mills facing delays in receiving the subsidy from the government to sell flour to the domestic market at significantly lower prices. Local contacts speculate that the subsidies will soon be paid and that a new export tranche of 1.5 million tons will be available. Since mid 2010, export authorizations for wheat have totaled 6 million tons and an additional one million tons of low-protein wheat. If there are widespread rains, soil moisture is quite limited in some areas, and if additional exports are authorized, we could see a further expansion in acreage. Some contacts believe that area could reach as high as 5 million hectares.

Sorghum

Post adjusts production for 2011/12 at 4 million tons, slightly lower than our original forecast due to somewhat lower average yield. This fall in output will negatively affect exports.

Production, Supply and Demand Data Statistics:

Corn Argentina	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Mar 2010		Market Year Begin: Mar 2011		Market Year Begin: Mar 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,700	2,700	3,200	3,200		3,600
Beginning Stocks	992	992	642	934		1,392
Production	22,800	23,300	22,000	21,000		26,000
MY Imports	250	7	100	8		9
TY Imports	141	7	100	8		9
TY Imp. from U.S.	1	1	0	1		1
Total Supply	24,042	24,299	22,742	21,942		27,401
MY Exports	16,500	16,465	14,500	13,250		18,200
TY Exports	16,971	16,973	13,000	12,000		18,000
Feed and Residual	5,000	5,000	5,300	5,300		5,500
FSI Consumption	1,900	1,900	2,000	2,000		2,100
Total Consumption	6,900	6,900	7,300	7,300		7,600
Ending Stocks	642	934	942	1,392		1,601
Total Distribution	24,042	24,299	22,742	21,942		27,401

Not Official USDA Data

Sorghum Argentina	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Mar 2010		Market Year Begin: Mar 2011		Market Year Begin: Mar 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	751	751	800	800		850
Beginning Stocks	194	194	173	152		152
Production	3,629	3,629	3,800	3,400		4,000
MY Imports	0	0	0	0		0
TY Imports	0	0	0	0		0
TY Imp. from U.S.	0	0	0	0		0
Total Supply	3,823	3,823	3,973	3,552		4,152
MY Exports	1,750	1,771	1,400	1,300		1,600
TY Exports	1,507	1,509	1,400	1,300		1,650
Feed and Residual	1,700	1,700	2,100	1,900		2,200
FSI Consumption	200	200	200	200		200
Total Consumption	1,900	1,900	2,300	2,100		2,400
Ending Stocks	173	152	273	152		152
Total Distribution	3,823	3,823	3,973	3,552		4,152

Not Official USDA Data