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Report Name: Grain and Feed Update

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Prepared By: Kenneth Joseph

Approved By: Rachel Bickford

Report Highlights:

Wheat exports for marketing year (MY) 2022-2023 are forecast at 12.35 million tons, l.15 million tons lower than USDA's official number as a result of lower production. The wheat and barley crops are suffering very dry weather. Barley exports in MY 2022-2023 are forecast at 3.7 million tons, the same as in MY 2021-2022. Corn exports in MY 2022-2023 are forecast at 38.8 million tons, 2.2 million tons lower than USDA as Post forecasts a lower production at 53 million tons. Sorghum exports for MY 2022-2023 are forecast at 1.65 million tons, 850,000 tons lower than USDA as China's demand has recently cooled down. Rice exports in MY 2022-2023 are forecast at 350,000 tons, 30,000 tons higher than USDA.

Wheat

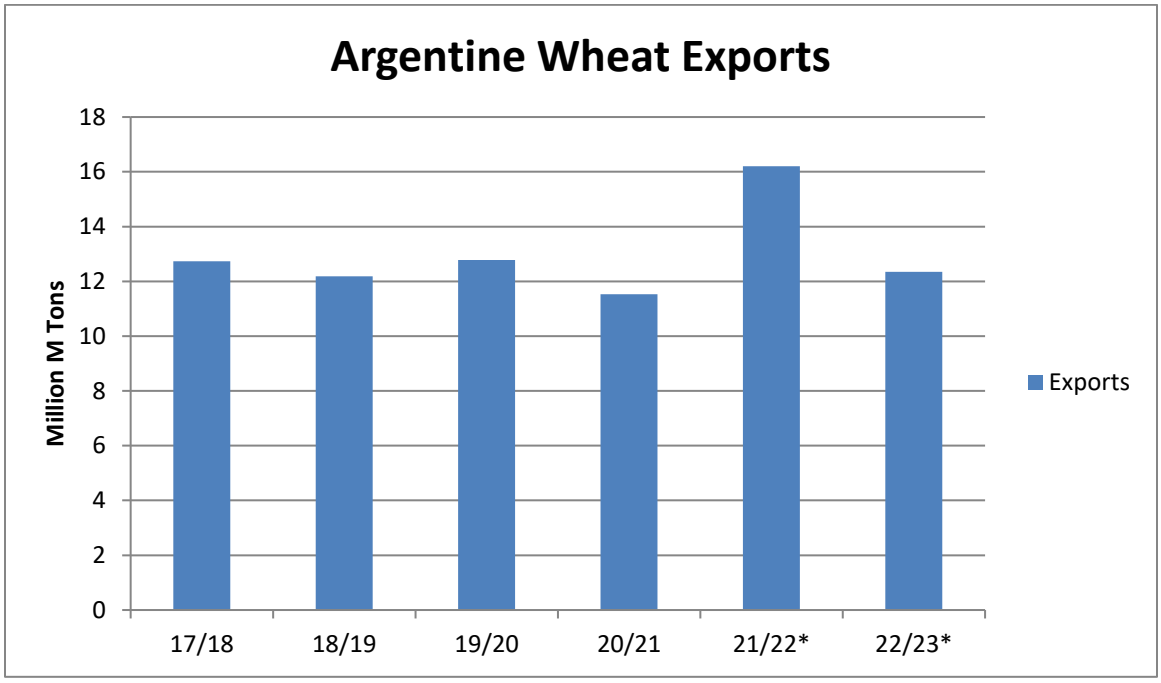
Argentine wheat production in marketing year (MY) 2022-2023 is projected at 18.5 million tons, 1 million tons lower than USDA official number, and 4 million tons lower than what post estimates for MY 2021-2022. This decrease is due to a smaller acreage planted than earlier projected estimates, as most of Argentina's crop land is suffering a significant dry cycle, with more than 70 days without rain. This is especially true in the provinces of Cordoba, La Pampa and Buenos Aires. Roughly 85 percent of the planting is in the ground, and we expect them to finish by early August. If it does not rain over the next two weeks, the acreage could drop even more than the 8-10 percent that has already been cut. Several international weather agencies forecast some rain during this period, but the last few forecasted showers did not occur in most of the wheat area.

Contacts out in the field indicate that the emerged wheat would yet not be suffering the effects of the dry and very cold winter, but lower use of fertilizer because of the dry soil and the high cost, could negatively affect potential yields. Post estimates the average yield in MY 2022-2023 at 3.08 tons per hectare, somewhat lower than USDA's official yield, and 10 percent lower than last year's near record yield.

Post increases Argentina's wheat production in MY 2021-2022 at 22.5 million tons, 350,000 tons more than USDA as final yields were surprisingly high due to very good conditions through most of the cycle and the use of good levels of fertilization.

Wheat exports in MY 2022-2023 are forecast at 12.35 million tons, including wheat flour in its wheat equivalent, 1.15 million tons lower than USDA and 3.85 million tons lower than last year. This is the result of a smaller planted area and a reduction in expected yields. The government has already issued export certificates for 8.85 million tons of a total of 10.0 million tons of set export quota (or volume of equilibrium). Wheat exports in MY 2021-2022 are estimated at 16.2 million tons, 300,000 tons lower than USDA. Traders believe exports without flour will be around 15.5 million tons. To date, the government has already granted export certificates for 14.6 million tons of wheat for MY 2021-2022 and traders believe that an additional 400-500,000 tons could be exported in November if ending stocks are plentiful and the new crop starts to get into the market.

The following chart shows Argentine wheat exports, dropping significantly in MY 2022-2023. Most analysts indicate that Argentina lost a good opportunity to expand exports at a moment in which world supply and demand are tight primarily due to the Ukraine-Russia war. The combination of local policies and harsh, dry weather has limited this possibility.



Source: Post with Trade Data monitor
* Post Projection

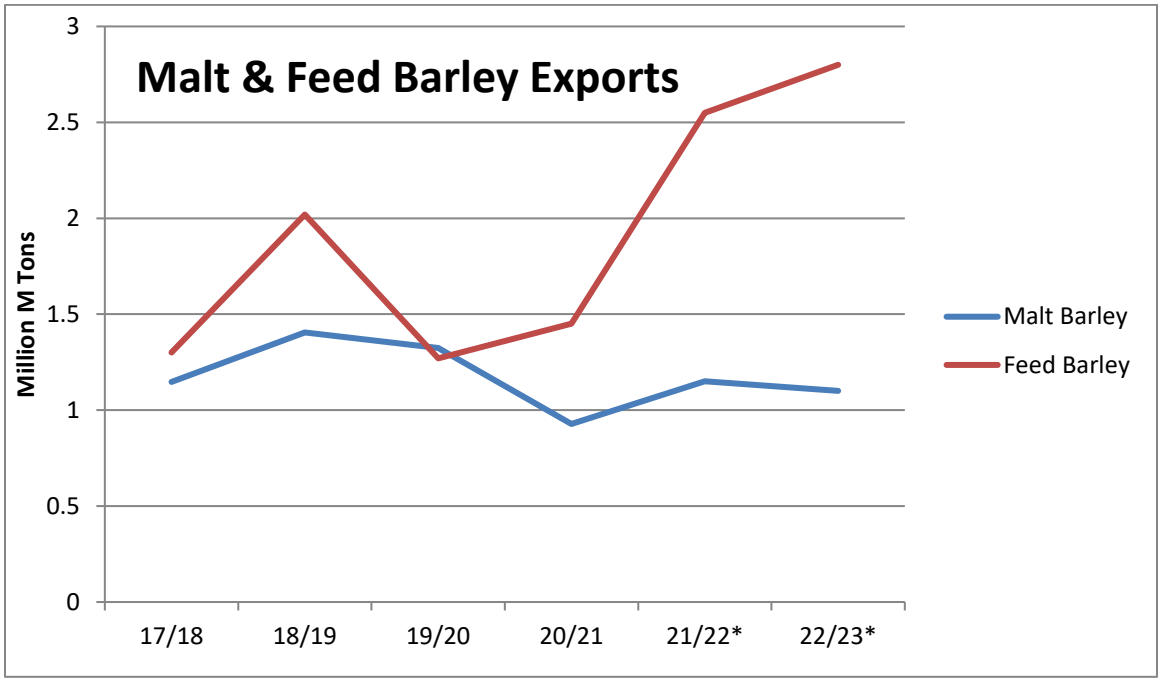
Post estimates ending stocks for MY 2022-2023 and the previous year at a larger volume than USDA as the government monitors closely the availability of wheat so wheat millers can keep the price of flour as low as possible.

Barley

Post concurs with USDA's area and production for MY 2022-2023. Barley planting is expected to be finished by late July. The crop is experiencing the same effects of a dry and cold winter as wheat, but the crop condition is somewhat better as most of it is in the province of Buenos Aires where soil moisture is somewhat better than in the central and northern areas. Contacts report that just a few thousand hectares may not be sown due to dry conditions.

Based on data provided by industry contacts in the production region, Post estimates MY 2021-2022 production to be 100,000 tons smaller than USDA's numbers on a smaller harvested acreage.

Barley exports for MY 2022-2023 are forecast at 3.7 million tons, the same as in MY 2021-2022. The government has already issued export certificates for barley for a total of 3.65million tons for MY 2021-2022. We have not seen many export certificates for MY 2022-2023 at this time. Malting barley exports are quite stable to other South American countries. Feed barley exports have lately grown significantly as China stopped buying from Australia and shifted to buying from Argentina. The following chart shows Argentine barley exports opened by malt barley and feed barley:



Source: Post with Ministry of Agriculture of Argentina, Export Certificates
* Post Projection

Corn

Argentine corn production in MY 2022-2023 is forecast at 53 million tons, 2 million tons lower than USDA, as Post projects a harvested acreage of 6.9 million hectares, 100,000 hectares lower than USDA, and a smaller average yield.

Farmers and advisors indicate that at this time it remains quite uncertain what the planted area of corn will be. Most farmers plan to plant a large area and many have purchased most inputs. However, some farmers have already decided what they will plant in 80 percent of their area and will decide at the last minute what they will plant in the balance 20 percent, depending on the price situation (corn vis-à-vis soybeans), fertilizer costs, soil moisture and government policies. If weather continues to be dry, some acreage will probably shift to soybeans and some to late corn. If weather normalizes, most producers will probably maintain their projected crop rotations and plant early corn in 0September. Since April 2022, in our previous report, the price of corn dropped 5 percent and direct costs fell 3 percent. However, freight, machinery and harvest costs increased significantly as diesel prices went up considerably due to higher world oil prices and fuel shortages in the country.

Yields are expected to be lower than the trend as this is the third year in a row which La Nina is having a significant effect on Argentina's crop area, with a dry environment and some days with very high temperature. In addition, some farmers are expected to use lower volumes of fertilizers due to their high cost. The price of nitrogen, although still high, dropped about 20 percent, while the price of phosphorous fertilizers remains very high. Also, dry weather in the past seasons has hurt the multiplication of hybrid seeds and therefore, there is currently a shortage of some higher technology hybrid seed.

Post estimates corn production for MY 2021-2022 at 52 million tons, 1 million tons lower than USDA. Most contacts' estimations range between 49.0-51.6 million tons. The harvest is currently 75 percent complete and late corn yields are somewhat higher than earlier expected due to improved weather and a lower negative effect of the very early frosts.

Exports for MY 2022-2023 are forecast at 38.8 million tons; 2.2 million tons lower than the official USDA volume due to Post estimating a smaller output and larger ending stock as the government controls exports so that the domestic market remains well supplied to avoid possible price tensions and slow inflation. Export certificates for MY 2022-2023 have so far totaled 5.9 million tons. On July 2022, the government set the export quota (or volume of equilibrium) for MY 2021-2022 at 36 million tons, of which it already issued export certificates for 32.4 million tons. Exports from July 2022 are expected at 4 million tons and the three following months exports will be closer to 3 million tons each.

Sorghum

Production for MY 2022-2023 is forecast at 3.6 million tons, 200,000 tons lower than USDA due to a smaller acreage and yield. China has lately shown less interest for Argentine sorghum. However, the price of sorghum remains quite attractive, with production costs significantly lower than those of corn. Seed companies indicate that due to the harsh summer, sorghum seed availability in MY 2022-2023 could be limited.

Sorghum exports in MY 2022-2023 are forecast at 1.65 million tons, 850,000 tons lower than USDA official number. Traders report that China has slowed down imports. To date the Government has not issued any export certificates for this marketing year. Exports in MY 2021-2022 are forecast at 1.5 million, 900,000 tons lower than USDA. To date, the government issued export certificates for a total of 1.3 million tons, with exports in August 2022 at 120,000 tons, 10,000 tons in September and none thereafter.

Lower exports in MY 2021-2022 and MY 2022-2023 will free more sorghum for the domestic market. Most consumption takes place close to where sorghum is produced.

Rice

Production in MY 2022-2023 is forecast at 813,000 tons, milled base, very similar to USDA's volume. Rice producers will aim to plant 195-200,000 hectares but the current level of water reservoirs in Corrientes is very low due to the dry environment affecting Argentina. To be able to complete the full acreage, farmers will need abundant rain in the next few months, which are normally dry. Planting will commence in September and contacts predict that Corrientes province will plant 15,000 hectares less than what they would like to. Acreage in Entre Rios province will also drop quite significantly because the price of fuel, many water pumps run on diesel, and fertilizers prices are very high. Many hectares in this province will shift to corn or sorghum production. The planted acreage in Santa Fe province could grow by several thousand hectares as a large company is investing and opening new fields.

Rice exports in MY 2022-2023 are forecast at 350,000 tons, 9 percent higher than USDA. The main markets are forecast to be Brazil and Spain, followed by Chile and the Netherlands. Exports of brown rice have lately increased, with the EU as the main destination.

Statistical Tables

Wheat	2020/2021		2021/2022		2022/2023	
Market Year Begins	Dec 2020		Dec 2021		Dec 2022	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6395	6395	6550	6550	6200	6000
Beginning Stocks (1000 MT)	2357	2357	2122	2122	1426	2026
Production (1000 MT)	17640	17640	22150	22500	19500	18500
MY Imports (1000 MT)	6	6	4	4	5	2
TY Imports (1000 MT)	6	6	4	0	5	2
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	20003	20003	24276	24626	20931	20528
MY Exports (1000 MT)	11531	11531	16500	16200	13500	12350
TY Exports (1000 MT)	9597	9597	17600	17600	14000	12850
Feed and Residual (1000 MT)	50	50	50	50	50	50
FSI Consumption (1000 MT)	6300	6300	6300	6350	6300	6350
Total Consumption (1000 MT)	6350	6350	6350	6400	6350	6400
Ending Stocks (1000 MT)	2122	2122	1426	2026	1081	1778
Total Distribution (1000 MT)	20003	20003	24276	24626	20931	20528
Yield (MT/HA)	2.7584	2.7584	3.3817	3.4351	3.1452	3.0833

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023

Barley	2020/2021		2021/2022		2022/2023	
Market Year Begins	Dec 2020		Dec 2021		Dec 2022	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1010	950	1340	1200	1350	1350
Beginning Stocks (1000 MT)	608	608	619	484	619	384
Production (1000 MT)	4035	3900	5300	5200	5300	5300
MY Imports (1000 MT)	12	12	0	0	0	0
TY Imports (1000 MT)	5	0	7	7	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4655	4520	5919	5684	5919	5684
MY Exports (1000 MT)	2336	2336	3600	3700	3700	3700
TY Exports (1000 MT)	2458	2458	3600	3700	3700	3700
Feed and Residual (1000 MT)	400	400	300	200	200	200
FSI Consumption (1000 MT)	1300	1300	1400	1400	1400	1400
Total Consumption (1000 MT)	1700	1700	1700	1600	1600	1600
Ending Stocks (1000 MT)	619	484	619	384	619	384
Total Distribution (1000 MT)	4655	4520	5919	5684	5919	5684
Yield (MT/HA)	3.995	4.1053	3.9552	4.3333	3.9259	3.9259

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Corn	2020/2021		2021/2022		2022/2023	
Market Year Begins	Mar 2021		Mar 2022		Mar 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6550	6550	7200	7000	7000	6900
Beginning Stocks (1000 MT)	3619	3619	1182	1682	1487	1987
Production (1000 MT)	52000	52500	53000	52000	55000	53000
MY Imports (1000 MT)	5	5	5	5	5	5
TY Imports (1000 MT)	5	5	5	0	5	5
TY Imp. from U.S. (1000 MT)	2	2	0	0	0	0
Total Supply (1000 MT)	55624	56124	54187	53687	56492	54992
MY Exports (1000 MT)	40942	40942	39000	38000	41000	38800
TY Exports (1000 MT)	36544	36544	41500	40000	41000	38800
Feed and Residual (1000 MT)	9500	9500	9800	9800	10000	10000
FSI Consumption (1000 MT)	4000	4000	3900	3900	4000	4000
Total Consumption (1000 MT)	13500	13500	13700	13700	14000	14000
Ending Stocks (1000 MT)	1182	1682	1487	1987	1492	2192
Total Distribution (1000 MT)	55624	56124	54187	53687	56492	54992
Yield (MT/HA)	7.9389	8.0153	7.3611	7.4286	7.8571	7.6812

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Sorghum	2020/2021		2021/2022		2022/2023	
Market Year Begins	Mar 2021		Mar 2022		Mar 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	750	750	950	900	875	850
Beginning Stocks (1000 MT)	266	266	195	195	395	395
Production (1000 MT)	3320	3320	3750	3300	3800	3600
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3586	3586	3945	3495	4195	3995
MY Exports (1000 MT)	2241	2241	2400	1500	2500	1650
TY Exports (1000 MT)	1973	1973	2500	1500	2300	1500
Feed and Residual (1000 MT)	850	850	900	1350	1100	1600
FSI Consumption (1000 MT)	300	300	250	250	250	300
Total Consumption (1000 MT)	1150	1150	1150	1600	1350	1900
Ending Stocks (1000 MT)	195	195	395	395	345	445
Total Distribution (1000 MT)	3586	3586	3945	3495	4195	3995
Yield (MT/HA)	4.4267	4.4267	3.9474	3.6667	4.3429	4.2353

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Sorghum begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Year Begins	Apr 2021		Apr 2022		Apr 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	190	185	190	177	190	178
Beginning Stocks (1000 MT)	107	107	78	113	60	98
Milled Production (1000 MT)	840	840	780	813	830	813
Rough Production (1000 MT)	1292	1292	1200	1251	1277	1251
Milling Rate (.9999) (1000 MT)	6500	6500	6500	6500	6500	6500
MY Imports (1000 MT)	2	2	7	2	5	2
TY Imports (1000 MT)	2	2	7	2	5	2
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	949	949	865	928	895	913
MY Exports (1000 MT)	381	381	320	370	320	350
TY Exports (1000 MT)	400	400	320	370	320	350
Consumption and Residual (1000 MT)	490	455	485	460	485	465
Ending Stocks (1000 MT)	78	113	60	98	90	98
Total Distribution (1000 MT)	949	949	865	928	895	913
Yield (Rough) (MT/HA)	6.8	6.9838	6.3158	7.0678	6.7211	7.0281

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2022/2023 = January 2023 - December 2023

Attachments:

No Attachments