

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Required Report - public distribution

**Date:** 11/21/2013

**GAIN Report Number:**

## Argentina

### Oilseeds and Products Update

#### December Lock-up

**Approved By:**

Melinda Sallyards

**Prepared By:**

Brooke Markley

**Report Highlights:**

FAS Buenos Aires maintains its estimates for soybean area and production for marketing year 2013/14 at 20.5 million hectares and 57.5 million metric tons, respectively. Sunflowerseed area is adjusted downward by 200,000 hectares to 1.45 million hectares, the lowest area estimate for the crop in the past three decades.

**Post:**  
Buenos Aires

**Commodities:**  
Oilseed, Soybean (Local)

Oilseed, Sunflowerseed

Oilseed, Peanut

**Author Defined:**

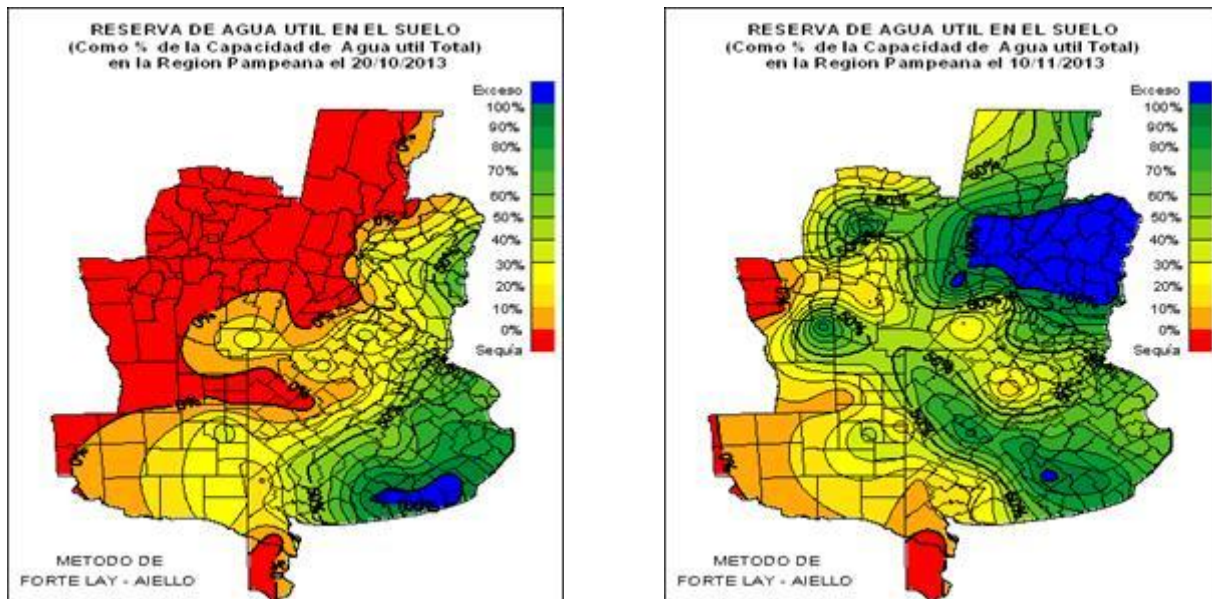
**Soybeans:**

Rainfall over the past three to four weeks has replenished reserves in soil throughout the main growing area of the provinces of Buenos Aires, Santa Fe and Cordoba. Soybean planting has picked up and according to the Ministry of Agriculture, almost one-third of the crop is in the ground. FAS Buenos Aires maintains its area estimate for marketing year (MY) 2013/14 at 20.5 million hectares. The Ministry of Agriculture estimates soybean area for MY2013/14 at 20.65 million hectares and the Buenos Aires Grain Exchange estimates production at 20.2 million hectares. There is unanimous consent among the industry that area will be above 20 million hectares, some contacts even maintain forecasts above 21 million hectares. Additional soybean area will come from area that is not planted to corn. Historically, producers in Argentina wait closer to planting time to decide what to produce based on current prices, input costs, margins, weather, policies, etc. This year during the dry spell in October, many producers who had intended to plant early corn missed their window because there was not enough soil moisture. Those same producers will either plant late season corn, which yields less, or plant soybeans. Some producers have already decided to plant soybeans. The issue this season is the fact that corn prices are dropping at a faster rate than soybean prices are dropping. This, along with higher costs of production for corn, makes corn a less profitable, more risky crop and it is likely many will switch to soybeans which have low input costs in comparison. Planting generally extends through December and January, so time will help to adjust the area estimate to more closely reflect reality. Production is forecast at 57.5 million metric tons based on average historic yields. If this is achieved, it will be a record soybean crop for Argentina.

Planting Progress, November 14, 2013						
<b>Soybeans</b>						
Province	Local Marketing Year				Area Planted From:	
	12/13	13/14	12/13	13/14	11/7/13	11/14/13
	Percentage		Hectares		Percentage	
Buenos Aires	25	30	1,694,597	2,319,450	19	30
Córdoba	37	36	1,983,142	1,899,210	26	36
Entre Ríos	44	21	617,921	312,920	6	21
La Pampa	17	0	76,843	1,500	0	0
Santa Fe	47	29	1,499,929	950,730	10	29
Other	6	7	173,591	205,570	3	7
<b>Total</b>	<b>30%</b>	<b>28%</b>	<b>6,046,023</b>	<b>5,689,380</b>	<b>16%</b>	<b>28%</b>

Source: MAGyP, Weekly Report, 11/14/2013

Below is a graphic showing the recovery of soil humidity in the growing area from last month on October 20, 2013 to this month as of November 10, 2013.



Source: Servicio Meteorológico Nacional

### Sunflowerseed:

Sunflowerseed area for MY2013/14 is dropped by 200,000 hectares to 1.45 million hectares, 200,000 hectares, the lowest area estimated in the last three decades. The contraction is due to several reasons. First off, Argentina's major sunflowerseed competitors, Russia and the Ukraine, produced nearly 20 percent larger crops than during the previous year. The extra production contributed to a depression in international prices for sunflowerseed oil. Secondly, input costs are high, including both land rentals and crushing costs. With higher costs of production and lower prices, the margins are squeezed to a minimum, sometimes dipping in the red, leaving producers with negative returns. In addition, there are still issues with parrots and pigeons that attack the crop year-after-year both at emergence and towards the harvest. This has been difficult to control and sunflowerseed production in the heaviest hit provinces of San Luis and Entre Rios, has nearly disappeared. The Ministry of Agriculture maintains its area estimate at 1.36 million hectares and the Buenos Aires Grain Exchange recently lowered its estimate from 1.63 million hectares to 1.48 million hectares. Production is adjusted accordingly based on average yields to 2.7 million metric tons.

Planting Progress, November 14, 2013

**Sunflowerseed**

Province	Local Marketing Year				Area Planted From:	
	12/13	13/14	12/13	13/14	11/7/13	11/14/13
	Percentage		Hectares		Percentage	
Buenos Aires	59	70	408,740	581,450	57	70
Córdoba	64	85	26,027	23,540	72	85
Entre Ríos	100	100	8,000	6,000	100	100
La Pampa	29	17	83,114	156,030	16	17
Santa Fe	99	99	181,225	156,920	99	99
Other	96	100	428,534	185,000	100	100
<b>Total</b>	<b>68%</b>	<b>81%</b>	<b>1,135,641</b>	<b>1,108,940</b>	<b>61%</b>	<b>81%</b>

Source: MAGyP, Weekly Report, 11/14/2013 with sunflowerseed area estimated at 1.36 million hectares

**Peanuts:**

There are no changes for peanut production. The Ministry of Agriculture estimates that planting progress for peanuts is approximately 59 percent complete with 239,381 hectares planted out of the total 418,000 hectares estimated for MY2013/14. Many contacts in the industry estimate that peanut area will be between 300,000 and 350,000 hectares.

Oilseed, Soybean (Local) Argentina	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Apr 2012		Market Year Begin: Apr 2013		Market Year Begin: Apr 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	18,600	18,600	19,400	19,400	19,700	20,500
Area Harvested	17,577	17,577	19,400	19,400	19,700	20,500
Beginning Stocks	4,010	4,010	5,717	5,717	7,175	7,175
Production	40,100	40,100	49,300	49,300	53,500	57,500
MY Imports	2	2	2	2	2	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	44,112	44,112	55,019	55,019	60,677	64,675
MY Exports	6,098	6,098	8,525	8,525	9,560	10,000
MY Exp. to EU	35	35	50	50	0	50
Crush	30,669	30,669	37,650	37,650	38,800	42,000
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,628	1,628	1,669	1,669	1,702	1,700
Total Dom. Cons.	32,297	32,297	39,319	39,319	40,502	43,700
Ending Stocks	5,717	5,717	7,175	7,175	10,615	10,975
Total Distribution	44,112	44,112	55,019	55,019	60,677	64,675
1000 HA, 1000 MT						

Oilseed, Sunflowerseed Argentina	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Mar 2012		Market Year Begin: Mar 2013		Market Year Begin: Mar 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	1,875	1,875	1,623	1,623	1,650	1,450
Area Harvested	1,823	1,823	1,623	1,623	1,650	1,450
Beginning Stocks	886	886	369	369	369	369
Production	3,341	3,341	3,100	3,100	3,040	2,700
MY Imports	7	7	10	10	8	8
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4,234	4,234	3,479	3,479	3,417	3,077
MY Exports	80	80	80	80	75	75
MY Exp. to EU	21	21	20	20	20	20
Crush	3,755	3,755	3,000	3,000	3,000	2,800
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	30	30	30	30	30	30
Total Dom. Cons.	3,785	3,785	3,030	3,030	3,030	2,830
Ending Stocks	369	369	369	369	312	172
Total Distribution	4,234	4,234	3,479	3,479	3,417	3,077
1000 HA, 1000 MT						