

**Required Report:** Required - Public Distribution

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## **Report Name:** Oilseeds and Products Update

**Country:** Argentina

**Post:** Buenos Aires

**Report Category:** Oilseeds and Products

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### **Report Highlights:**

Post lowers marketing year (MY) 2023/2024 production to 49.5 million metric tons (MMT), still nearly double last year's crop, based on a stretch of dry and hot weather in the major production areas despite previous ideal rains following planting. Argentina's soy crush was up 12 percent in January 2024 despite low stocks due to the disastrous crop the previous year. Sunflower production in MY2023/2024 is revised down to 3.5 MMT on lower planted area and yields.

## Soybeans

### *Production:*

While initial forecasts for this season were strong, a stretch without rain in January while the crop developed reduced this season's crop potential. Post lowers its MY2023/2024 production estimate to 49.5 million metric tons (MMT), one MMT lower than USDA official estimates due to the recent stretch of hot and dry weather throughout the growing area.

After initial rains at prime times following planting, a hot and dry spell hit the region in January and early February stressing the crop in a crucial growth stage. Rains eventually came in February in force but not enough to erase the previous lower-than-normal moisture conditions. In order to maintain the initial potential of the crop, significant rainfall is needed throughout the remainder of the growing season.

Crops in the north of Buenos Aires province still need more rain soon to reach the estimated production levels. In Pergamino (the northwestern regions of Buenos Aires Province) the crop is in a less than ideal condition at present. However, in one week in early February, major production areas of Buenos Aires and Santa Fe provinces received whole month worth of rain under normal conditions. Meanwhile, most of Cordoba province, the largest soy producing province, is still in strong need of rain as the crop there is beginning to show some drought stress. Producers still hope for more rain at crucial moments in the lead up to harvest.

Although the harvest will be much improved from the previous year, the situation remains critical at this juncture according to several Post contacts. Optimism still abounds about the production volume of this year, but producers lament low global prices will limit their returns when they expected a large rebound from last year's disastrous crop.

According to the Buenos Aires Grain Exchange, 31 percent of first crop soybeans have entered the filling stage while 17 percent of the second crop soybeans have passed into pod formation as of late February. Growth is furthest along in the south of Cordoba province and north central of Santa Fe province.



*Photo 1. Soy crop near Junín, Buenos Aires Province  
Source: Ing. Gustavo Franco*

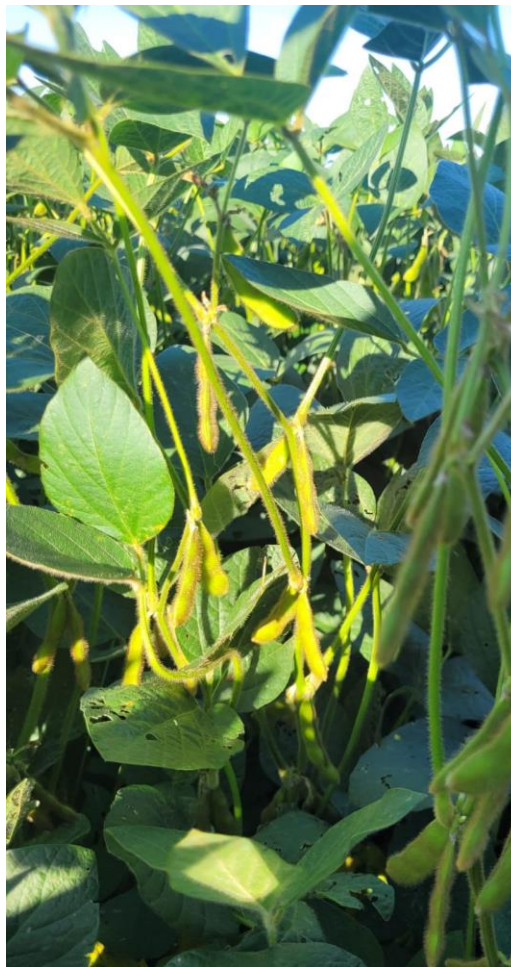
Prospects are still optimistic for the 2023-2024 soybean crop in Argentina after overcoming a previous season marked by adverse weather conditions. While this crop is expected to be substantially better than last year, nearly double, recent extreme heat and lack of rain have tempered expectations for record production levels. The projected growth for MY2023/2024 is substantial, more than double compared to MY2022/2023. This improvement is reflected in projections soybean production could reach well over 50 million tons if weather conditions improve and remain ideal through the length of the season according to some industry sources. Analysts anticipate a harvest that, while it may not reach a record year due to these recent weather conditions is still historically respectable.



*Photo 2. Fertilizing Soy in Cordoba province, February 21, 2024  
Source: Ing. Fernando Bazan*

Argentina's core production region which includes Cordoba and Santa Fe Provinces with portions of Buenos Aires Province, known for its high productivity, could see soybean production for the MY2023/2024 crop reaching 20.2 million tons, which would be five times greater than last year's production, thanks to favorable conditions brought by the El Niño climate pattern. This favorable scenario is boosted by the abundant rains that accompanied the season, although more precipitation is needed in the rest of March to support optimal development in order to maintain the yield potential.

For the upcoming two months, weather forecasts for Argentina's main agricultural regions indicate a mix of higher than normal temperatures and varying precipitation levels due to the El Niño weather pattern. The National Meteorological Service (SMN) anticipates above-normal temperatures across the northwest of Argentina through March and into April 2024, with increased likelihoods of higher than average temperatures in northern and north-central provinces. However, there's no clear connection between El Niño and temperatures in the growing region. Temperature expectations for the northern growing regions are for normal to above-normal temperatures, while the coastal zones of Buenos Aires province should experience normal temperature ranges and normal to above-normal rainfall levels.



*Photos 3 and 4. Soy crop in Hernando, Córdoba province, February 26, 2024  
Source: Ing. Fernando Bazan*

The El Niño weather pattern this year, which shifts ocean surface temperatures along the equator, is expected to bring its major impacts between February and April, increasing the frequency and intensity of weather events, including heatwaves, floods, and droughts. Specifically, increased precipitation is forecasted for the region including Entre Ríos and Santa Fe provinces, with normal to above-normal levels expected in the north of Santa Fe, and Córdoba province.

*Crush:*

Post's MY2023/2024 crush estimate is lowered 1 MMT, now in line with USDA official estimates due to lowered production expectations.

According to official data from the Secretariat of Agriculture, Livestock, and Fisheries the crush in January 2024 was up from the previous month and exceeded the same month a year prior despite expectations crush would continue to decline until the new crop is harvested. Argentina crushed 2.12 million metric tons in January, up 12 percent from December 2023 when 1.9 MMT were crushed and up 13 percent from January 2023. This is attributed to increased imports, namely from Paraguay. Crush is expected to increase into February and March as the new Paraguayan crop comes online and is imported until the harvest begins in Argentina later in March.

These imports were facilitated by a new import exchange procedure put into place by the new administration shortly after taking office in mid-December. This system streamlines the import process. In addition, it allows for temporary import of goods for further processing in Argentina at a lower tariff for products that will then be exported in order to generate foreign currency. The export duty rate of 33 percent is then applied only to the value added. For example, the cost of the soybeans originally imported for processing would be deducted and only the difference in value of the final oil or meal products exported would be taxed at the higher rate.



*Photos 5 and 6. Current soy crop condition February 28 2024 near Junín, Buenos Aires Province  
Source: Ing. Gustavo Franco*

### Trade:

Post raises its previous MY2022/2023 import estimate up by 500,000 MT due to increased imports from Paraguay the last two months to meet growth in crush demand. Post's MY2022/2023 crush estimate is also raised 500,000 MT.

In addition, MY2022/2023 exports are raised slightly to 2.0 million MT on heightened imports to China.

Oilseed, Soybean (Local)	2021/2022		2022/2023		2023/2024	
	Apr 2022		Apr 2023		April 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Argentina						
Area Planted (1000 HA)	16500	16500	17000	16000	16500	17200
Area Harvested (1000 HA)	15900	15900	15000	13000	16500	17200
Beginning Stocks (1000 MT)	8687	8687	8506	8506	6606	4406
Production (1000 MT)	43900	43900	25000	20500	50000	49500
MY Imports (1000 MT)	4571	4571	10500	9500	5100	4000
Total Supply (1000 MT)	57158	57158	44006	38506	61706	57906
MY Exports (1000 MT)	5552	5552	1900	2000	5100	6000
Crush (1000 MT)	35900	35900	27000	26500	39000	39000
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	7200	7200	8500	5600	7250	6300
Total Dom. Cons. (1000 MT)	43100	43100	35500	32100	46250	45300
Ending Stocks (1000 MT)	8506	8506	6606	4406	10356	6606
Total Distribution (1000 MT)	57158	57158	44006	38506	61706	57906
Yield (MT/HA)	2.761	2.761	1.6667	1.5769	3.0303	2.8779

(1000 HA) ,(1000 MT) ,(MT/HA)

### Sunflower:

Post lowers MY2023/2024 sunflower production by 200,000 tons on an even lower planting area than previously estimated and lower yields based on conversations with Post industry sources. The sunflower harvest has begun and as was 15 percent complete nationally of late February.

As of writing the sunflower crop is rated as good or excellent with a favorable quality harvest expected in Argentina. Weather conditions have been generally conducive, with adequate precipitation for the crop and moderate temperatures, which contributed to healthy crop development.

The sunflower crush is expected to be robust this year despite the lowered production estimate.

Post MY2022/2023 crush and production estimate are both revised up 300,000 tons based on crush reported to date and conversations with industry contacts which indicate a larger than previously estimated crop based on higher area and yields.

Oilseed, Sunflowerseed Market Year Begins Argentina	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1960	1960	2460	2150	2300	1800
Area Harvested (1000 HA)	1960	1960	2453	2100	2000	1700
Beginning Stocks (1000 MT)	671	671	715	715	1089	860
Production (1000 MT)	4050	4050	5019	4350	4100	3500
MY Imports (1000 MT)	0	0	1	0	0	0
Total Supply (1000 MT)	4721	4721	5735	5065	5189	4360
MY Exports (1000 MT)	156	156	96	100	150	200
Crush (1000 MT)	3550	3550	4000	3800	3850	3500
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	300	300	550	305	400	205
Total Dom. Cons. (1000 MT)	3850	3850	4550	4105	4250	3705
Ending Stocks (1000 MT)	715	715	1089	860	789	455
Total Distribution (1000 MT)	4721	4721	5735	5065	5189	4360
Yield (MT/HA)	2.0663	2.0663	2.0461	2.071	2.05	2.0588

(1000 HA) ,(1000 MT) ,(MT/HA)

## Peanut

Post's peanut estimates remain unchanged.

Oilseed, Peanut Market Year Begins Argentina	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	410	410	400	360	395	380
Area Harvested (1000 HA)	407	407	372	355	395	380
Beginning Stocks (1000 MT)	386	386	382	382	337	272
Production (1000 MT)	1340	1340	963	980	1375	1320
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1726	1726	1345	1362	1712	1592
MY Exports (1000 MT)	936	936	750	675	950	850
Crush (1000 MT)	280	280	150	240	250	275
Food Use Dom. Cons. (1000 MT)	78	78	73	90	80	90
Feed Waste Dom. Cons. (1000 MT)	50	50	35	85	50	85
Total Dom. Cons. (1000 MT)	408	408	258	415	380	450
Ending Stocks (1000 MT)	382	382	337	272	382	292
Total Distribution (1000 MT)	1726	1726	1345	1362	1712	1592
Yield (MT/HA)	3.2924	3.2924	2.5887	2.7606	3.481	3.4737

(1000 HA) ,(1000 MT) ,(MT/HA)

## Attachments:

No Attachments