



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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Argentina

Grain and Feed

Lock-up report

2006

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Report Highlights:

Post forecasts wheat area and production at 5.2 million hectares (MHAS) and 13.5 million metric tons (MMT), respectively. Corn planting is over 40 percent complete.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Quarterly Report
Buenos Aires [AR1]
[AR]

Corn

FAS/Buenos Aires forecasts MY2006/07 corn production at 15.3 MMT, based on yields similar to last year. Post forecasts exports at 8.7 MMT, slightly higher than last year based on higher production. Additionally, post forecasts MY2006/07 corn consumption up slightly to 5MMT due to increased poultry production and increased demand from the biofuels (ethanol) sector.

As of October 20, corn planting was approximately 42 percent complete. Total planted area for grain is estimated at 2.52 million hectares. Analysts set production between 15 – 15.7 million metric tons. This production number can be broken down into exportable supply (8.5 – 8.7 MMT) and domestic consumption (6.5 – 6.7 MMT).

To date, export sales commitments total 5.6 MMT, significantly higher than last year's export sales commitments on the same date, which totaled only 585,000 MT. The reason for the extraordinary increase in commitments can be attributed to exporters fear of Argentine Government (GOA) actions that could slow down exports and in order to maintain stable domestic prices. Similar actions were taken in the wheat market in May 2006 when the GOA stopped export registrations for several days. To ensure exports will not be disrupted in such a fashion this year, many exporters are pre-registering exports of corn that has yet to be planted.

Wheat

FAS/Buenos Aires forecasts production at 13.5 MMT. FAS/Buenos Aires forecasts MY2006/07 wheat and wheat product exports at 8.5 MMT. Domestic consumption is forecast at 4.82 MMT.

Wheat planting ended in the middle of September and planted area was finalized at approximately 5.2 MHAS, slightly above last year's planted area. Rains in the middle of October improved the soil moisture throughout major areas of the agricultural production area. Even though much of the agricultural area benefited from the rainfall, the precipitation may not have been sufficient to reverse any damages from dryness already present from the beginning of the planting season. Production forecasts from private and GOA sources range from 13.5 to over 14 MMT. Many private contacts feel the effects of the drought at the beginning of the planting season were exaggerated.

To date export sales commitments total 7.85 MMT, significantly higher than last year's export sales commitments on the same date which totaled only 642,500 MT. As stated above, the reason for this increase can be attributed to exporters acting on the fear of further government interventions that could disrupt or stop exports in order to maintain stable domestic prices.

PSD Table

Country Commodity	Argentina									UOM
	Wheat									
	2004			2005			2006			
	Revised	Post Estimate	Post Estimate	Estimate	Post Estimate	Post Estimate	Forecast	Forecast	Forecast	
Market Year Begin	USDA Official	Post Estimate	Post Estimate	USDA Official	Post Estimate	Post Estimate	USDA Official	Post Estimate	Post Estimate	
	12/2004	12/2004	12/2004	12/2005	12/2005	12/2005	12/2006	12/2006	12/2006	MM/YYYY
Area Harvested	6100	6100	6100	5000	4800	5000	5200	6100	5200	(1000 HA)
Beginning Stocks	1395	1395	1395	553	553	553	363	463	363	(1000 MT)
Production	16000	16000	16000	13000	12100	13000	13250	16000	13500	(1000 MT)
MY Imports	2	2	2	10	10	10	5	0	5	(1000 MT)
TY Imports	2	2	2	2	10	2	5	0	5	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	17397	17397	17397	13563	12663	13563	13618	16463	13868	(1000 MT)
MY Exports	11834	11834	11834	8200	7000	8200	8500	10500	8500	(1000 MT)
TY Exports	13502	13502	13502	8301	7000	8301	9000	10500	9000	(1000 MT)
Feed Consumption	80	80	80	80	80	80	80	80	80	(1000 MT)
FSI Consumption	4930	4930	4930	4920	5120	4920	4820	5120	4820	(1000 MT)
Total Consumption	5010	5010	5010	5000	5200	5000	4900	5200	4900	(1000 MT)
Ending Stocks	553	553	553	363	463	363	218	763	468	(1000 MT)
Total Distribution	17397	17397	17397	13563	12663	13563	13618	16463	13868	(1000 MT)
Yield	2.622951	2.622951	2.622951	2.6	2.520833	2.6	2.548077	2.622951	2.596154	(MT/HA)

PSD Table

Country Commodity	Argentina									UOM
	Corn									
	2004			2005			2006			
	Revised	Post Estimate	Post Estimate	Estimate	Post Estimate	Post Estimate	Forecast	Forecast	Forecast	
Market Year Begin	USDA Official	Post Estimate	Post Estimate	USDA Official	Post Estimate	Post Estimate	USDA Official	Post Estimate	Post Estimate	
	03/2005	03/2005	03/2005	03/2006	03/2006	03/2006	03/2007	03/2007	03/2007	MM/YYYY
Area Harvested	2780	2700	2780	2400	2230	2400	2500	2300	2500	(1000 HA)
Beginning Stocks	220	220	220	956	523	956	1056	623	1056	(1000 MT)
Production	20500	20500	20500	14500	14000	14500	17500	15500	15300	(1000 MT)
MY Imports	10	10	10	0	0	0	0	0	0	(1000 MT)
TY Imports	10	10	10	0	0	0	0	0	0	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	20730	20730	20730	15456	14523	15456	18556	16123	16356	(1000 MT)
MY Exports	14574	15007	14574	8500	8000	8500	11500	9500	8700	(1000 MT)
TY Exports	13752	13752	13752	10000	9000	10000	11000	9500	9500	(1000 MT)
Feed Consumption	3500	3500	3500	4200	3900	4200	4300	4200	5000	(1000 MT)
FSI Consumption	1700	1700	1700	1700	2000	1700	1800	1900	1700	(1000 MT)
Total Consumption	5200	5200	5200	5900	5900	5900	6100	6100	6700	(1000 MT)
Ending Stocks	956	523	956	1056	623	1056	956	523	956	(1000 MT)
Total Distribution	20730	20730	20730	15456	14523	15456	18556	16123	16356	(1000 MT)
Yield	7.374101	7.592593	7.374101	6.041667	6.278027	6.041667	7	6.73913	6.12	(MT/HA)