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Report Highlights:

Wheat production in marketing year (MY) 2021-2022 is forecast at a record 20 million tons, and exports are projected at 13.5 million tons (including flour in its wheat equivalent), both unchanged from USDA's official numbers. Barley production and exports in MY 2021-2022 also remain unchanged from USDA, at 4.8 million tons and 3.5 million tons respectively. Corn production for MY 2021-2022 is forecast at a record 54.5 million tons, 1.5 million tons higher than USDA, taking potential exports at 40 million tons, 2 million tons higher than USDA. Sorghum production in MY 2021-2022 is forecast at 3.5 million tons, 250,000 tons lower than USDA. Rice planted area, production and exports in MY 2021-2022 are all up compared to USDA projections.

Wheat

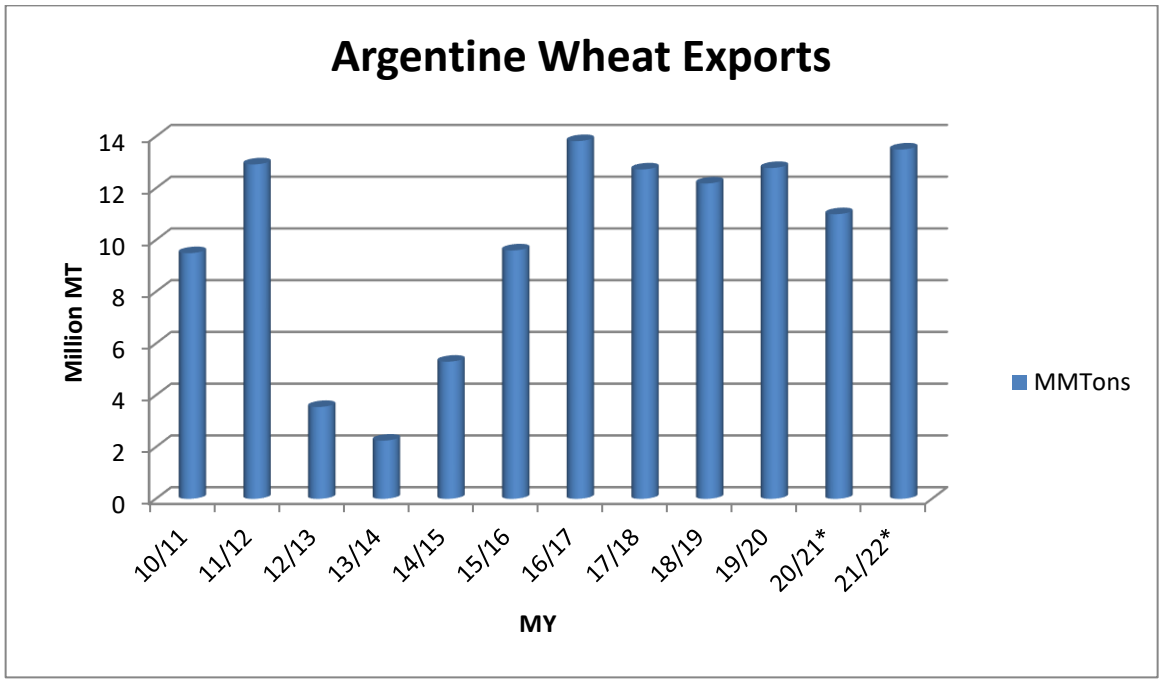
Production for marketing year (MY) 2021-2022 remains at a record 20 million tons, the same as USDA's official number. However, Post projects an area of 6.6 million hectares, 100,000 hectares greater than USDA. There are a few lots in the northern part of the country, where the harvest recently started, that could be abandoned due to expected low yields because of dry weather. To date, the condition of most of the wheat, especially in the two main production belts, is very good. The center and south of the province of Buenos Aires has had good to somewhat excess humidity, while wheat plantations in the center of the country, primarily in Cordoba and Santa Fe, suffered fairly dry conditions. Beneficial and on-time rains in early October helped crops improve their condition. Farmers are optimistic about overall yields, which would be on par with the average of the past five seasons. We are still waiting for data on the impact of some late frosts. High world wheat prices since the beginning of the planting season, back in May-June, promised high returns and therefore farmers invested in good technology and on their crops, despite significantly higher input costs. Production estimates of most analysts range between 19.5-20.5 million tons.

In 2020, the Argentine government approved the genetically engineered (GE) HB4 wheat, which is drought tolerant. This product was developed by a local company. The Argentine government has approved its use pending approval by Brazil, Argentina's largest market. At this time, Brazilian wheat and wheat flour buyers indicated that they will not buy it. The Brazilian wheat chain, which normally buys 50 percent of Argentina's wheat exports, has recently stated that if Argentina decides to approve HB4 wheat for export, they will source wheat from other suppliers. Argentine grain elevators and exporters are concerned and have requested the government to explain how the new production will be segregated and confined until foreign buyers confirm and approve its use. There are currently 55,000 hectares sown with HB4 for seed production distributed in different parts of the country which will be harvested in the coming months, with an estimated production of 180,000 tons. The Argentine government will soon pass a resolution detailing the measures that the National Seed Institute will implement to avoid cross-contamination. The seed company will have to provide the volume in stock and geo-reference positions of the places where the seed will be kept, as well as detailed information of the security measures taken to protect it.

Projected exports for MY 2021-2022 continue at 13.5 million tons, including roughly 700-800,000 tons of wheat flour (in its wheat equivalent). This would be the second highest volume on record. The core of the harvest is normally concentrated in November-December and to date, practically 9 million tons of the crop was already purchased by exporters and have export declarations. This is about double of the volume purchased by exporters at this time a year ago.

Local market analysts indicate that the government, in an attempt to control retail food prices, continues to impose various unofficial controls to limit exports in order to keep a well-supplied domestic market. Exporters are aware of this situation and prefer to keep sufficient stocks in country to supply local flour mills and keep government intervention to a minimum. Most players believe that ending stocks of 2-3 million tons is sufficient to keep pressure off the market. The total volume shipped in MY 2021-2022 will depend primarily on the final output, but most industry experts currently estimate an export volume of 12.0-12.5 million tons plus wheat flour. Brazil is expected to buy approximately 5.8-6.0 million tons of wheat followed by purchases from African countries and other Latin American countries such as Chile and Peru. Exports to Southeast Asia are expected to

be significantly smaller in MY 2021-2022 than the past two seasons because Australia is projected to recover its production and thus exports to this region. Argentina is expected to ship in December 2021-March 2022 approximately 9.0 million tons of wheat, and 3.0-4.0 million tons more in the remainder of the crop season (almost exclusively to Brazil). The following graph shows Argentine wheat exports (including wheat flour) in the past 11 marketing years and the projection for MY 2021-2022:



Source: FAS
* Projection

Ending stocks for MY 2021-2022 are forecast at 2.7 million tons, practically unchanged from MY 2020-2021 level. Current stocks are reported to be mostly in the hands of farmers in southeast Buenos Aires province, followed by the Bahia Blanca area and the port of Rosario.

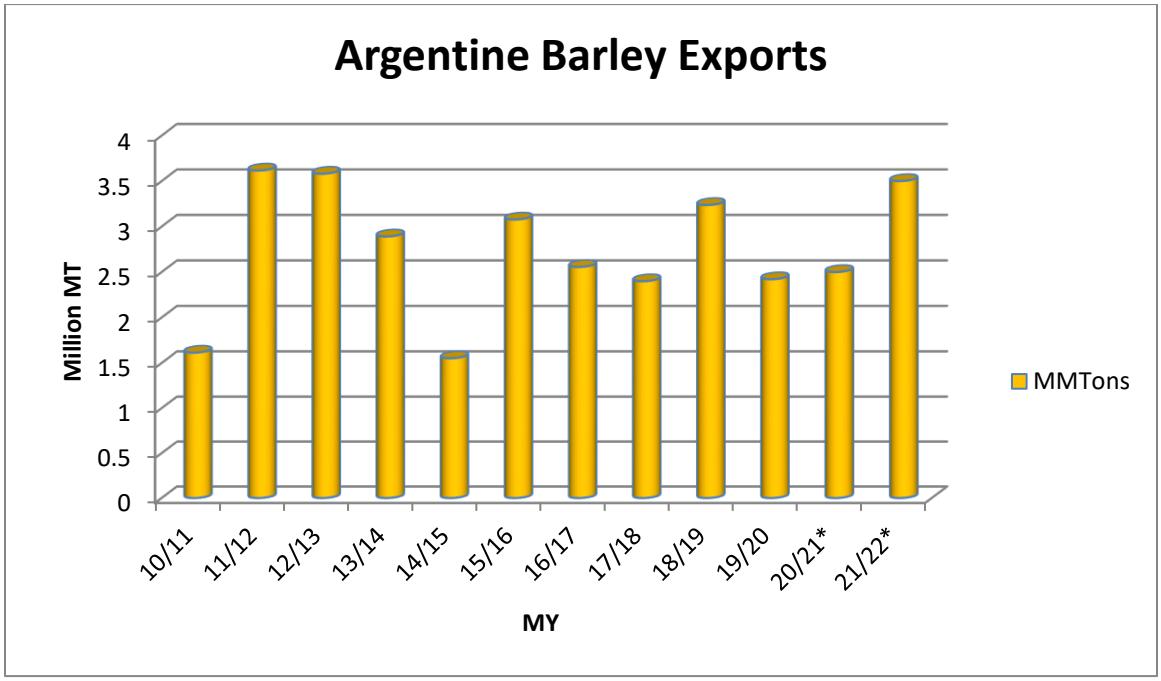
Barley

Post projects production for MY 2021-2022 at 4.8 million tons, the same as USDA, but with a marginally lower harvested area. Roughly 90 percent of the area is in the province of Buenos Aires, primarily in the South-Center, where rainfall has been plentiful. The balance is located in the central part of the country, where rain was scarcer. Late frosts in the beginning of October are expected to result in some small yield damage, but it is still too early to evaluate its impact.

Production for MY 2020-2021 is estimated at 4.1 million tons, 400,000 tons lower than USDA on 950,000 hectares. This is roughly 10 percent lower than USDA. Exporters and malting companies believe that stocks are currently quite tight as, despite offering high prices, they are finding it difficult to source barley in the domestic market. Most local analysts believe that production was between 3.85-4.1 million tons.

Exports for MY 2021-2022 continue to be forecast at 3.5 million tons, the third highest volume on record. To date, exporters have already purchased 1.4 million tons of the coming crop, which will be harvested primarily in

November and December. This volume is about four times the volume that was purchased the same period a year ago. Roughly 1.2 million tons is feed barley for China and the balance is malting barley primarily for South American countries and China. Of the total exports for the marketing year, brokers forecast that 2.3 million tons of feed barley (including FAQ – Fair Average Quality barley) will be shipped, practically all to China. Malting barley exports could total 1.2 million tons with roughly 1 million tons shipped to South American countries (primarily Brazil) and 200,000 tons to China. Production problems in Canada and the US are creating additional opportunities for Argentine malting barley, especially in China. The following graph shows barley exports in the last 11 marketing years and a projection for MY 2021-2022:



Source: FAS
* Post Projection

Exports in MY 2020-2021 are expected at 2.5 million tons, 300,000 tons lower than USDA. Exports from December 2020 through September 2021 were 2.3 million tons. Exports in October are forecast to be practically zero. Through early October 2021 exporters purchased 2.58 million tons of barley in MY 2020-2021.

Domestic consumption in MY 2021-2022 is projected at 1.55 million tons, 150,000 tons higher than USDA. Malting companies are seeing a stronger demand from the domestic market and other regional markets, as many countries return to a more normal pace after the vast vaccination campaigns have come a long way to normalizing life. Although there are no new malting plants, the few operating continue to invest and adjust to make them more efficient and expand marginally their capacity which contacts currently estimate at 1.15 million tons. Also, the strong foreign demand and good prices have increased the use of seed to cover a larger planted area.

Corn

Production for MY 2021-2022 is forecast at 54.5 million tons, 1.5 million tons higher than USDA. Post projects an area of 6.8 million hectares, 300,000 hectares higher than USDA, but with a slightly lower average yield. Most analysts' projections range between 54-56 million tons on 6.7-7.1 million hectares.

To date, approximately 25 percent of the new corn crop has been planted, taking advantage of good soil humidity. Despite higher production costs (primarily fertilizers), corn has been showing since the early planning stages of the MY 2021-2022 crop season to be the best and most profitable alternative in most agricultural areas of Argentina. Although production costs of corn are way higher than soybeans, many farmers were able to purchase some inputs in advance at lower prices. Local farmers are also in a good financial situation after a profitable MY 2020-2021 which resulted in good production levels at high commodity prices. Following is a comparison of gross margins (overhead costs are not included) between early corn and early soybeans in the Argentine corn belt at the beginning of October 2021 and October 2020:

	Corn Oct. 2020	Corn Oct. 2021	Soy Oct. 2020	Soy Oct. 2021
Yield Tons/hect.	11	11	4.2	4.2
$/Ton at harvest	160	192	260	318
Net Income $/hect.	1,321	1,614	900	1,117
Total Costs $/hect.	596	765	372	473
Gross Margin $/hect.	725	849	528	644

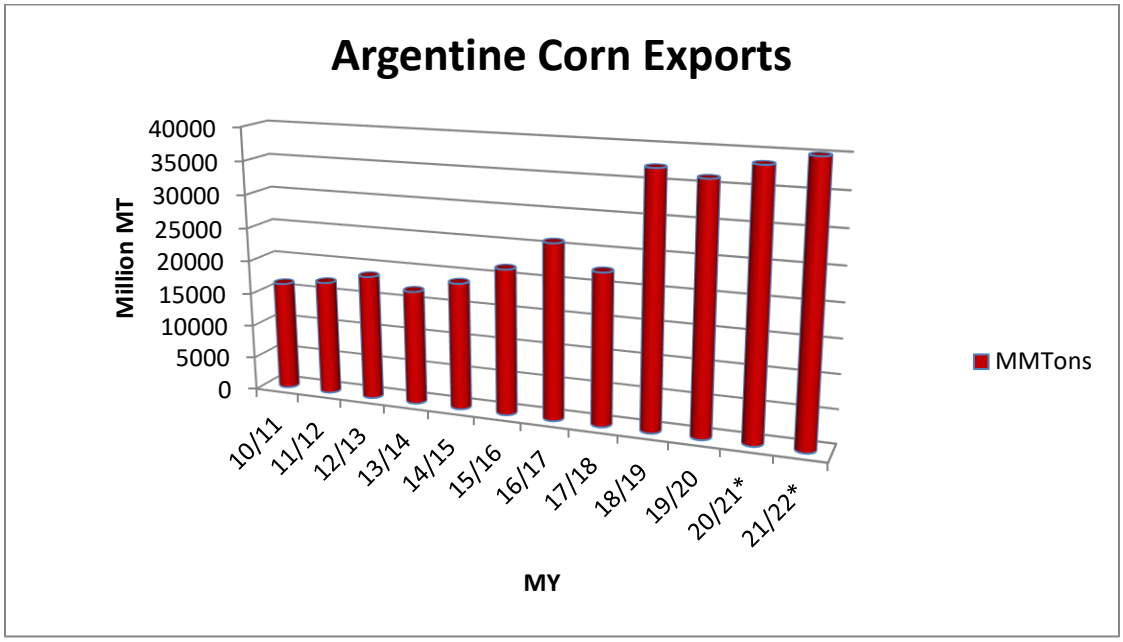
Source: Post based on Margenes Agropecuarios data

The above table reflects local farmer future prices, taking into account the different export tax levels. In the case of corn is 12 percent and 33 percent for soybeans.

Post projects corn yields for MY 2021-2022 at 8.0 tons per hectare, the average of the past two crop seasons, 2 percent lower than USDA. Most weather forecasts predict a La Nina pattern, which in most of Argentina means a dry environment. Therefore, many farmers will prefer to plant more late corn to avoid the flowering in late December-early January when it is normally very hot. Late corn usually flowers in February when more rains generally occur, resulting in more stable yields but lower than those of early corn.

Corn production in MY 2020-2021 is raised at 50.4 million tons, 400,000 tons higher than USDA. Local brokers' balance sheets indicate that at projected exports and consumption, the recent harvest should have been somewhat higher. They believe the market does not feel there will be less than 2 million tons of carryover by February 2022 as USDA numbers would show if exports were raised.

Corn exports for MY 2021-2022 are forecast at a record 40 million tons, 2 million tons higher than USDA due to the combination of a projected higher production and lower domestic consumption. Destinations are projected to be similar to those in MY 2020-2021, except for exports to Brazil which are expected to be significantly lower with the production of their new crop. Exports in MY 2020-2021, are forecast at 38.5 million tons, 1 million tons higher than USDA. Contacts indicate that the government has unofficially indicated that it does not want exports to surpass this level in order to keep pressure off local corn prices and keep domestic food prices low going into national elections. In early October, the Ministry of Agriculture passed a resolution changing the system to register corn exports for MY 2020-2021. Sworn export declarations will now be granted for 30 days (before it was 365 days), and exporters need to have the corn purchased and shipment confirmed. While the government says that the registry is still open, many in the private sector see this as a limitation or at least a delay in the speed of new corn exports through February 2022 when the marketing year ends. This change in export authorizations will not affect shipments of corn of the MY 2021-2022. Exports during March-October 2021 will total roughly 32 million tons. Shipments in November are forecast at 2.3 million tons, and an average of 1.5 million tons in the last three months of the marketing year. The following graph shows corn exports in the past ten marketing years and projections for MY 2020-2021 and MY 2021-2022:



Data: Post with FAS data
* Post Projection

Domestic consumption of corn in MY 2021-2022 is forecast at 14.0 million tons, 500,000 tons lower than USDA. Consumption is expected to increase as the different livestock sectors are forecast to continue to recover production as the country slowly comes back from the significant economic downfall of 2020. Domestic consumption in 2020-2021 is expected at 13.6 million tons, 400,000 tons lower than USDA. The use of corn by the different livestock sectors is currently quite erratic. While poultry, eggs and the feedlot sectors are showing a drop in production, dairy, and pork show increases.

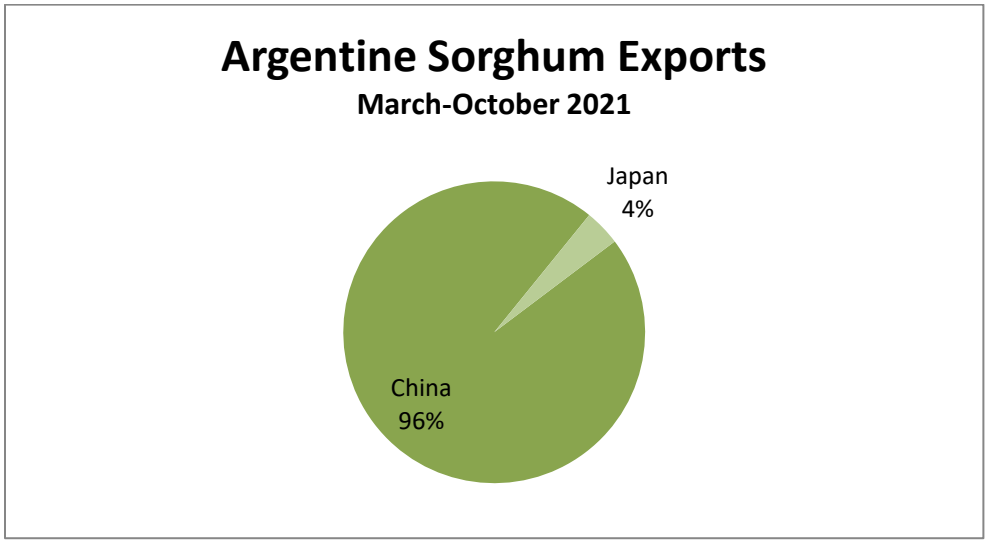
Sorghum

Production in MY 2021-2022 is forecast at 3.5 million tons, 250,000 tons lower than USDA. Seed companies, which have a tight count of seed bags sold in the market as practically all is certified hybrid seed, report that early expectations indicated that 1.1 million hectares could be sown for commercial grain sorghum. However, dry conditions in MY 2020-2021 affected sorghum seed production, which uses little or no irrigation, and the final area will be closer to 850,000 hectares. In fact, there is at least one seed company that will bring additional sorghum seed produced in Bolivia just in time for the planting season in November. By April, all sorghum seed had been sold out. There continues to be a lot of interests in sorghum as exports to China are expected to continue to be large. As a result of this new demand, farmers now have the possibility of selling in the future's market and secure prices in advance. Contacts indicate that this has been detrimental for its area expansion and large producers are now returning to plant sorghum. Sorghum projected gross returns for MY 2021-2022 are currently very good, being quite similar to that of early soybeans, but lower than corn's. Many farmers, expecting a dry summer, have plans of either incorporate sorghum to their crop rotation scheme or expand area if they planted it in the past.

Roughly 70 percent of the country's sorghum is sown in December-January in the central/north area in provinces such as Chaco, north of Santa Fe, and Santiago del Estero. Average sorghum yields in this area are close to 3.5 tons per hectare. The other 30 percent of the area is planted in the richer region of south Santa Fe/north Buenos Aires and Entre Rios and La Pampa provinces. Planting in this area occurs in November and average yields normally range between 5.6-6.0 tons per hectare. In the past couple of years sorghum fields began to appear scattered around in high producing localities, something unseen in the past decade. One of the leading seed companies launched a few years ago a non-GMO sorghum hybrid seed that is herbicide-tolerant and allows farmers to control weeds such as grasses primarily in post-emergence. This is key to control Johnson Grass which is the main weed that China is mostly concerned about when importing sorghum from Argentina. This used to be a serious disadvantage of sorghum vis-à-vis other summer crops which contained superior technology.

Approximately 90 percent of the grain sorghum produced in Argentina is high tannin as it is less susceptible to bird attacks, a significant problem in Argentina. China and Japan, the main markets for Argentina's sorghum, buy it without a problem. The other 10 percent of the area is planted with low tannin sorghum which is primarily consumed domestically by poultry and pork producers. There are approximately 120,000 hectares sown with forage sorghum every year, and it is primarily chopped for silage and bagged. It is typically used by feedlots and in a smaller scale, dairies.

Sorghum exports in MY 2021-2022 are projected at 2.2 million tons, 100,000 tons lower than USDA. To date, exporters have purchased 365,000 tons of MY 2021-2022 sorghum, practically 600,000 tons lower than the volume purchased the same date a year ago. Sorghum exports have a strong dependence of the Chinese demand, which is projected to continue to expand its imports in MY 2021-2022. Exports in MY 2020-2021 are expected at 2.3 million tons, 200,000 tons higher than USDA. Based on official export data through August, and vessels sailed and lineup for September and October, exports in March-October 2021 will total 2.19 million tons. The following graph shows how China dominates Argentine sorghum purchases:



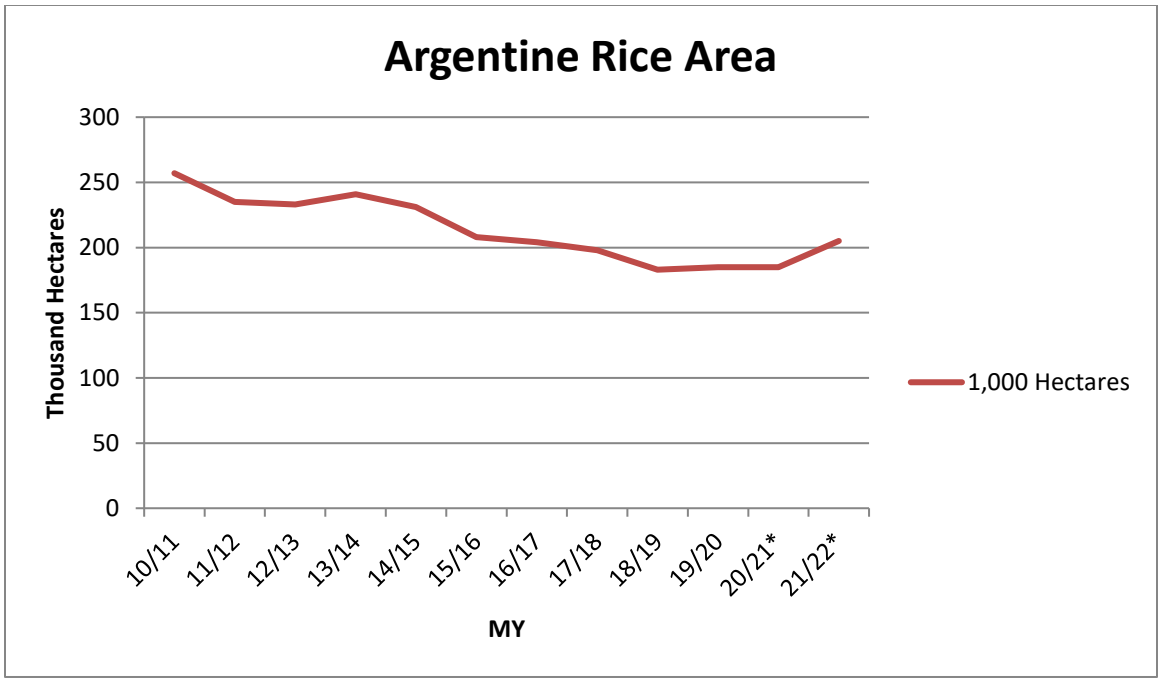
Source: Post with TDM and Nabsa data

Domestic consumption of sorghum in MY 2021-2022 is forecast at 1.25 million tons, 150,000 tons lower than USDA as Post projects a smaller crop size. Domestic consumption in MY 2020-2021 is expected at 1.1 million tons, 200,000 tons lower than USDA as exports are projected to be higher than what USDA expects. Sorghum

consumption is difficult to track accurately as there is a lot of self-consumption and trade among close-by livestock operations.

Rice

Production in MY 2021-2022 is forecast at 1.43 million tons rough base and 933,000 tons milled base, 11 percent higher than USDA. Post increases area at 205,000 hectares, 15,000 hectares higher than USDA's projection. Rice producers had very good returns in MY 2020-2021 as a result of high productivity and strong prices. Good rainfall in the past months have replenished water reservoirs and provided good soil moisture for planting in most areas. There remain some doubts about what the harvested area will be next year in the basin of the River San Javier in Santa Fe province which is suffering the low tide of the Parana River due to a very dry environment in southern Brazil. Many producers who source the water from rivers which connect with the Parana have had to make infrastructure investment to adapt its irrigation systems to a low-level river. Planted area in Corrientes is expected to grow 15,000 hectares from last season where some 12,000 hectares were not sown due to the lack of sufficient water availability. An additional 3,000 hectares are expected to be a natural growth in this province this year, the same that is expected in Entre Rios, where rice will replace some soybean area. Contacts report that over 50 percent of the country's rice area was already planted. The following graph shows Argentina's rice area in the past 11 years and Post's projection for MY 2021-2022:



Source: FAS
* Post Projection

Argentine rice production for MY 2020-2021 is estimated by Post at 1.38 million tons rough base, 88,000 tons higher than USDA. Post sets average yield at a record 7.46 tons per hectare, almost 10 percent higher than USDA. As in Brazil and Uruguay, the dry climate, coupled with moderate temperature and good radiation, proved to be very productive for rice. Post estimates harvested area at 185,000 hectares, 5,000 hectares lower than USDA.

Rice exports in MY 2021-2022 are forecast at 460,000 tons milled base, 110,000 tons higher than USDA as a result of an expected larger output. The main destinations are forecast to be Cuba, Chile, Brazil, and Spain. Rice exporters are strongly concerned about the incredibly high cost of transportation, making trade much slower as importers have to face additional high costs. Exports in MY 2020-2021 are now projected up at 380,000 tons milled base also as a result of additional supplies. Destinations are practically the same as those expected in next year's marketing season plus the Netherlands.

Contacts in the trade indicate that ending stocks in March 2022 will be higher, with volumes close to 50-70,000 tons milled base as exports are currently slow. These same sources indicate that ending stocks in March 2021 were minimum, ranging between 12-15,000 tons of milled base, mostly in the hands of milling plants.

Statistical Tables

Wheat	2019/2020		2020/2021		2021/2022	
Market Year Begins	Dec 2019		Dec 2020		Dec 2021	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6730	6730	6395	6395	6500	6600
Beginning Stocks (1000 MT)	1737	1737	2387	2387	2688	2688
Production (1000 MT)	19780	19780	17645	17645	20000	20000
MY Imports (1000 MT)	5	5	6	6	4	4
TY Imports (1000 MT)	5	5	6	6	4	4
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	21522	21522	20038	20038	22692	22692
MY Exports (1000 MT)	12785	12785	11000	11000	13500	13500
TY Exports (1000 MT)	13608	13608	9597	9597	13000	13000
Feed and Residual (1000 MT)	50	50	50	50	50	50
FSI Consumption (1000 MT)	6300	6300	6300	6300	6400	6400
Total Consumption (1000 MT)	6350	6350	6350	6350	6450	6450
Ending Stocks (1000 MT)	2387	2387	2688	2688	2742	2742
Total Distribution (1000 MT)	21522	21522	20038	20038	22692	22692
Yield (MT/HA)	2.94	2.94	2.76	2.76	3.08	3.03
(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 2021/2022 = July 2021 - June 2022						

Barley	2019/2020		2020/2021		2021/2022	
Market Year Begins	Dec 2019		Dec 2020		Dec 2021	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1120	1000	1090	950	1250	1200
Beginning Stocks (1000 MT)	723	723	718	518	818	598
Production (1000 MT)	3800	3800	4500	4100	4800	4800
MY Imports (1000 MT)	16	16	0	0	0	0
TY Imports (1000 MT)	16	16	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4539	4539	5218	4618	5618	5398
MY Exports (1000 MT)	2421	2421	2800	2500	3500	3500
TY Exports (1000 MT)	2598	2598	2500	2400	3500	3500
Feed and Residual (1000 MT)	200	400	300	200	200	200
FSI Consumption (1000 MT)	1200	1200	1300	1320	1200	1350
Total Consumption (1000 MT)	1400	1600	1600	1520	1400	1550
Ending Stocks (1000 MT)	718	518	818	598	718	348

Total Distribution (1000 MT)	4539	4539	5218	4618	5618	5398
Yield (MT/HA)	3.39	3.8	4.13	4.31	3.84	4.0

(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 2021/2022 = October 2021 - September 2022

Corn	2019/2020		2020/2021		2021/2022	
Market Year Begins	Mar 2020		Mar 2021		Mar 2022	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6300	6300	6400	6400	6500	6800
Beginning Stocks (1000 MT)	2367	2367	3619	3819	2124	2124
Production (1000 MT)	51000	51000	50000	50400	53000	54500
MY Imports (1000 MT)	4	4	5	5	5	5
TY Imports (1000 MT)	3	3	5	5	5	5
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	53371	53371	53624	54224	55129	56629
MY Exports (1000 MT)	36252	36252	37500	38500	38000	40000
TY Exports (1000 MT)	39917	39917	36000	36500	39500	41000
Feed and Residual (1000 MT)	9500	9300	10000	9600	10500	9900
FSI Consumption (1000 MT)	4000	4000	4000	4000	4000	4100
Total Consumption (1000 MT)	13500	13300	14000	13600	14500	14000
Ending Stocks (1000 MT)	3619	3819	2124	2124	2629	2629
Total Distribution (1000 MT)	53371	53371	53624	54224	55129	566290
Yield (MT/HA)	8.1	8.1	7.8	7.9	8.2	8.0

(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 2021/2022 = October 2021 - September 2022

Sorghum	2019/2020		2020/2021		2021/2022	
Market Year Begins	Mar 2020		Mar 2021		Mar 2022	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	575	650	750	750	850	850
Beginning Stocks (1000 MT)	454	454	266	266	186	166
Production (1000 MT)	2500	2500	3320	3300	3750	3500
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)	2954	2954	3586	3566	3936	3666
MY Exports (1000 MT)	638	638	2100	2300	2300	2200
TY Exports (1000 MT)	426	426	2000	2100	2600	2500
Feed and Residual (1000 MT)	1750	1750	1000	800	1100	950
FSI Consumption (1000 MT)	300	300	300	300	300	300
Total Consumption (1000 MT)	2050	2050	1300	1100	1400	1250
Ending Stocks (1000 MT)	266	266	186	166	236	216
Total Distribution (1000 MT)	2954	2954	3586	3466	3936	3666
Yield (MT/HA)	4.35	3.85	4.4	4.4	4.41	4.12

(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 2021/2022 = October 2021 - September 2022

Rice, Milled	2019/2020		2020/2021		2021/2022	
Market Year Begins	Apr 2020		Apr 2021		Apr 2022	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	185	185	190	185	190	205
Beginning Stocks (1000 MT)	182	182	107	167	109	231
Milled Production (1000 MT)	795	795	840	897	840	933
Rough Production (1000 MT)	1223	1223	1292	1380	1292	1435
Milling Rate (.9999) (1000 MT)	6500	6500	6500	6500	6500	6500
MY Imports (1000 MT)	6	6	7	2	7	3
TY Imports (1000 MT)	9	9	7	2	7	3
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	983	983	954	1066	956	1167
MY Exports (1000 MT)	361	361	350	380	350	460
TY Exports (1000 MT)	335	335	360	400	350	460
Consumption and Residual (1000 MT)	515	455	495	455	495	460
Ending Stocks (1000 MT)	107	167	109	231	111	247
Total Distribution (1000 MT)	983	983	954	1066	956	1167
Yield (Rough) (MT/HA)	6.6	6.6	6.8	7.46	6.8	7.0

(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 2021/2022 = January 2022 - December 2022

Attachments:

No Attachments