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Argentina

Oilseeds and Products

Lock-Up Report

2007

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Report Highlights:

Post forecasts a 5-percent increase in area planted to soybeans and a 10-percent increase in area planted to sunflower for the 2007/08 crop year due to favorable price incentives.

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

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Soybeans

Soybean planting has not yet started for the 2007/08 campaign, but early indications are that planted area will increase by more than 5 percent over the previous year's crop. Post forecasts that planted area will reach 17 million hectares for the 2007/08 crop year.

Assuming that yields will be closer to the long-term average than last year's crop, Post estimates that production for the 2007/08 campaign will reach 47 MMT -- less than a 0.5 percent decrease from last year. Yields for the 2006/07 campaign were very high due to exceptional weather during the growing period.

Although there were earlier concerns about Argentina's energy shortage negatively affecting the country's crush capacity (some estimates indicate that total crush was down by around 10-15 percent in July), normal levels were recuperated in August. It is unlikely that total crush for the 2006/07 marketing year will be negatively affected by more than 1 percent overall due to the energy crisis.

Sunflowerseed

Sunflower planting is currently underway and has reached 10 percent of the Ministry of Agriculture's projected 2.75 million hectares for 2007/08. Post forecasts, however that 2007/08 planted area will surpass that of the previous campaign by 10 percent, reaching 4.5 million hectares, mainly due to high world demand for vegetable oils and favorable prices for sunflowerseed oil -- combined with relatively low costs of production for the crop -- which have given incentives for farmers to increase production. Post forecasts total production to reach 4.5 MMT in 2007/08, an increase of 25 percent over the Ministry of Agriculture's estimated 3.6 MMT for the 2006/07 campaign.

The increase in planted area is being facilitated by increases in southwest Buenos Aires and La Pampa, as well as some recovery of lands previously used for sunflower production in the "humid Pampas" provinces. Part of the increase will also come from marginal lands not currently utilized for agricultural production. The largest percentage increases in planted area are expected in Entre Rios, Santa Fe, and Buenos Aires province.

Humidity levels are also a highly significant variable in Argentine farmers' planting decisions for sunflowerseed. As such, recent rains in parts of Santa Fe, Entre Rios, and Santiago del Estero have also had added to the strong expectations of increased planted area in 2007/08, as well as a preliminary indication for strong yields. Although there was a lack of moisture in the Chaco region during the normal planting window, farmers reportedly did not significantly reduce plantings; and there are indications that, due to price incentives, farmers continued to plant beyond the optimal planting period in that region.

Sunflower yields have been somewhat stagnant in the recent past due, in part, to shifting of sunflowerseed production onto more marginal lands, favoring soybeans on lands typically utilized for sunflowers. There is some indication, however, that improved genetics and increased utilization of moisture and nitrogen analyses, as well as increased use of fungicides that lengthen life of the plant -- thereby increasing yield and oil content -- have helped offset losses from planting on less productive lands. Due to expected high prices for the next few years, there will likely be some recovery of lands traditionally used for sunflower production, which should push yields upward.

PSD Table

Country Commodity	Argentina Oilseed, Sunflowerseed									
							(1000 HA)(1000 MT)			
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		03/2006	03/2006		03/2007	03/2007		03/2008	03/2008	MM/YYYY
Area Planted	2200	0	2200	2400	0	2450	2400	0	2700	(1000 HA)
Area Harvested	2200	0	2200	2400	0	2450	2600	0	2700	(1000 HA)
Beginning Stocks	1301	0	1301	1209	0	1230	925	0	1000	(1000 MT)
Production	3800	0	3800	3500	0	3600	4400	0	4500	(1000 MT)
MY Imports	2	0	2	10	0	10	10	0	10	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	5103	0	5103	4719	0	4840	5335	0	5510	(1000 MT)
MY Exports	107	0	107	45	0	45	73	0	73	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Crush	3725	0	3704	3704	0	3750	4165	0	4500	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	62	0	62	45	0	45	75	0	75	(1000 MT)
Total Dom. Cons.	3787	0	3766	3749	0	3795	4240	0	4575	(1000 MT)
Ending Stocks	1209	0	1230	925	0	1000	1022	0	862	(1000 MT)
Total Distribution	5103	0	5103	4719	0	4840	5335	0	5510	(1000 MT)
CY Imports	20	0	20	10	0	10	10	0	10	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	40	0	40	75	0	75	105	0	105	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

PSD Table

Country Commodity	Argentina Meal, Sunflowerseed									
							(1000 MT)(PERCENT)			UOM
	2005	Revised		2006	Estimate		2007	Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		03/2006	03/2006		03/2007	03/2007		03/2008	03/2008	MM/YYYY
Crush	3725	0	3704	3704	0	3750	4165	0	4500	(1000 MT)
Extr. Rate, 999.9999	0.321611	0	0.37797	0.429536	0	0.4	0.42377	0	0.4	(PERCENT)
Beginning Stocks	545	0	545	142	0	344	254	0	365	(1000 MT)
Production	1198	0	1400	1591	0	1500	1765	0	1800	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	1743	0	1945	1733	0	1844	2019	0	2165	(1000 MT)
MY Exports	1106	0	1106	979	0	979	1260	0	1260	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	495	0	495	500	0	500	530	0	530	(1000 MT)
Total Dom. Cons.	495	0	495	500	0	500	530	0	530	(1000 MT)
Ending Stocks	142	0	344	254	0	365	229	0	375	(1000 MT)
Total Distribution	1743	0	1945	1733	0	1844	2019	0	2165	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	1050	0	1050	1070	0	1070	1180	0	1180	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
SME	467.379	0	467.379	472.1	0	472.1	500.426	0	500.426	(1000 MT)

PSD Table

Country Commodity	Argentina Oil, Sunflowerseed									UOM	
	(1000 MT)						(PERCENT)				
	2005	Revised		2006	Estimate		2007	Forecast			
			Post			Post					Post
	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate			Estimate New
Market Year Begin		03/2006	03/2006		03/2007	03/2007		03/2008	03/2008	MM/YYYY	
Crush	3725	0	3704	3704	0	3768	4165	0	4400	(1000 MT)	
Extr. Rate, 999.9999	0.32349	0	0.418737	0.429806	0	0.350849	0.422809	0	0.400227	(PERCENT)	
Beginning Stocks	582	0	582	188	0	534	100	0	176	(1000 MT)	
Production	1205	0	1551	1592	0	1322	1761	0	1761	(1000 MT)	
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)	
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)	
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)	
Total Supply	1787	0	2133	1780	0	1856	1861	0	1937	(1000 MT)	
MY Exports	1176	0	1176	1220	0	1220	1320	0	1320	(1000 MT)	
MY Exp. to EU	400	0	400	400	0	400	480	0	480	(1000 MT)	
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)	
Food Use Dom. Cons.	403	0	403	440	0	440	480	0	480	(1000 MT)	
Feed Waste Dom. Cons.	20	0	20	20	0	20	25	0	25	(1000 MT)	
Total Dom. Cons.	423	0	423	460	0	460	505	0	505	(1000 MT)	
Ending Stocks	188	0	534	100	0	176	36	0	112	(1000 MT)	
Total Distribution	1787	0	2133	1780	0	1856	1861	0	1937	(1000 MT)	
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)	
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)	
CY Exports	1233	0	1233	1125	0	1125	1250	0	1250	(1000 MT)	
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)	