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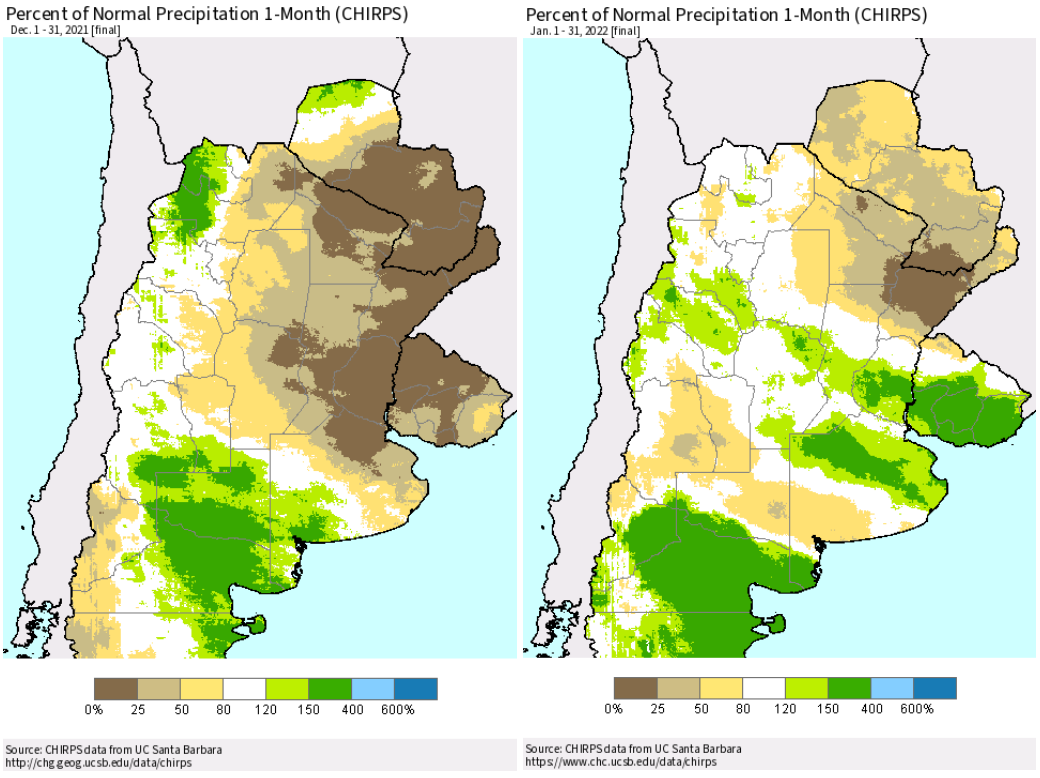
Report Highlights:

For marketing year (MY) 2022/23 Post projects a recovery in Argentine soybean planted acreage to 17 million hectares (HA) resulting in 51 million metric tons (MMT) of soybean production as farmers shift acreage out of cereal crops that require more fertilizer. MY 2022/23 sunflowerseed planted acreage is projected up at 2 million HA, with total production estimated at 4 MMT in response to high prices. MY 2022/23 peanut planted acreage and production is reduced slightly due to competition from other row crops. MY 2021/22 soybean and sunflowerseed production estimates remain unchanged at 41 MMT and 3.4 MMT respectively. Projected soybean crush is reduced to 38.9 MMT, in part due to reduced imports from Paraguay. MY 2021/22 peanut production is lowered to 1.2 MMT on drought and early frosts.

Summary

The 2021/22 crop season began in a challenging manner with hot and dry weather in December 2021 and early January 2022. However, in mid-January, regular rains returned to most major production regions in Argentina. While these rains helped to improve the condition of most second crop soybeans, first crop soybeans saw significant yield reductions, especially in northwestern Buenos Aires Province and central Santa Fe Province, important soy producing regions which normally yield above the national average. The dry weather also prevented some farmers in northern provinces like Santiago de Estero, Chaco, Tucuman, and Salta from planting in January, resulting in 10-20 percent less soybean acreage than normal in these provinces. In contrast, excellent weather has led to higher-than-average yields in western Buenos Aires Province, La Pampa, and parts of Cordoba. The sunflower harvest is practically complete, with average to above-average yields across most production regions. Dry weather in July-August 2021 once again prevented the northern production area in Chaco, Santiago de Estero, and Santa Fe from planting as much acreage as planned, but conditions were better than 2020/21. With very strong demand for Argentine sunflowerseed oil, farmers earned strong returns from sunflowerseed this year which has a relatively low cost of production. Peanut yields declined throughout the growing season, as a localized drought in parts of Cordoba, combined with early frosts, reduced the potential of the crop.

Figure 1:



Drought in December was broken in most production regions by average to above average rains in January. Rains didn't arrive in time to save the sobyean crop in Paraguay.

Water levels on the Parana River system have improved since January, with ships loading Upriver near Rosario being able to fill nearly to capacity. Barge traffic from Paraguay and Bolivia has also recovered, though a severe drought in Paraguay will drastically reduce the volume of soybeans that Argentina can import in 2021/22. High ocean freight costs are having a negative effect on the competitiveness of all Argentine commodities, though bulk freight is much less affected than more specialized products like peanuts which are shipped in containers.

Looking toward 2022/23, Argentine farmers are considering the conflicting price signals and complicated global supply and demand picture related to low global stocks and supply disruptions connected to the conflict in Ukraine. Domestic political considerations are also a factor, as the Argentine government has made it clear that it is willing to restrict exports in some commodities to combat food price inflation. General inflation in the Argentine economy is trending upward toward 60 percent. Post forecasts that high fertilizer prices and concerns about market interventions in corn and wheat will push farmers on the margin, especially smaller farmers, to plant more soybeans and sunflowerseed. In contrast, many larger producers are likely to maintain their existing rotations, both to diversify their financial risk and to reduce costs as weed control costs have risen. Crop rotation is seen as key tool to keep herbicide resistant weeds in check. Despite the higher production costs associated with cereals, many farmers will prefer to immediately reinvest their earnings from the 2021/22 harvest in inputs for the coming season as they see seeds, agrichemicals, fertilizers, and machinery as a better store of value than a bank account, due to high domestic inflation. Farmers of all crops are expected to reduce fertilizer application rates in response to high prices, which could lower yields in a country where fertilizer usage is already suboptimal. Post's estimations all assume a return to normal weather patterns, but some forecasters are concerned about the possibility of a third La Niña cycle in a row.

Soybeans

Production

MY 2022/23

For marketing year (MY) 2022/23, Post projects soybean planted acreage at 17 million hectares (MA), up 650,000 HA or 4% from Post's adjusted estimate for MY 2021/22. Total production is projected at 51 MMT, up 24 percent from MY 2021/22's drought affected crop. While this forecast assumes a return to normal weather, some analysts are predicting a possible third year of La Niña, a weather pattern which traditionally leads to drier growing conditions in Argentina. The increase in planted area will largely come at the expense of corn acreage which is expected to fall in response to high fertilizer costs and the need for crop rotation in some places. Though gross margins for corn are still projected to provide the highest expected return in many parts of the country, the advantage for corn is not as pronounced as last season. Without such a clear signal, some farmers are leery of investing so much money in a country without widespread crop insurance or other government safety net. Upfront costs for soybeans can be half as much as corn. Compared to May 2021, fertilizer prices have more than tripled. Depending on the region farmers may apply fertilizers containing phosphorus or sulfur but in most growing areas

Argentine farmers do not apply nitrogen fertilizer to plant soybeans. Seed prices are also significantly higher. It's normal for corn seed costs to be higher since hybrid corn seed must be purchased commercially annually whereas farmer-saved seed is widely available in soybeans. This year, corn seed has risen in price, due to a period of high heat during seed corn pollination that reduced seed corn yields.

On the income side of the balance sheet, there is also more political risk associated with cereals than soybeans. Though soybeans face higher export taxes than corn, wheat, or barley, (33 percent vs 12 percent) these export taxes are at their upper legislative limit. In contrast, grain taxes could be raised by decree to 15 percent and the government has implemented a new system of export quotas on corn and wheat which could be used to limit exports. Prices for wheat and corn are seen to be more politically sensitive since wheat prices are more easily translated to bread and pasta prices, and corn prices to meat prices. In contrast, most soybeans are exported in the form of soymeal and oil and the government relies upon these tax revenues to fund state programs. An expected reduction in wheat acres could lead to an increase in first crop soybeans relative to second crop soybeans in areas where double cropping is possible. In more traditional small grain areas, the reduction in wheat acreage is more likely to translate into more sunflowerseed planted area rather than increased soybean plantings.

Production costs for soybeans continue to rise as weeds and insects acquire resistance to herbicides and some BT traits. Crop rotation is now seen as crucial in areas that commonly planted soy on soy as few as five years ago. More farmers are also experimenting with a wide variety of cover crops in regions that have sufficient moisture to support the practice. In discussions with producers, the most commonly listed resistant weeds are Lolium multiflorum, Sorghum halepense, Conyza sumatrensis, and Amaranthus spp. While no-till farming is still very popular in Argentina, frustration with infestations of resistant weeds and at times the relatively low cost of diesel fuel vs herbicides has led some farmers to return to more conventional tillage for weed control.

MY 2021/22

Post continues to estimate MY 2021/22 production at 41 MMT, unchanged since February but 1.5 million tons lower than the official USDA estimate. Post reduces its estimate for planted acreage to 16.35 million hectares, which is 150,000 HA lower than the official USDA estimate. This reduction is driven by discussions with private sectors sources in northern Argentina who report that a larger than expected area did not receive sufficient moisture for the January planting window. This acreage passed into other crops, principally corn but also dry beans, sorghum, and other minor crops depending upon the specific location. Cotton acreage is also believed to have increased in the north this year.

As harvest begins in the core soybean production area, farmers in areas hard hit by drought are reporting higher than expected yields. Plots of first crop soybeans that were expected to yield 30 percent less than average are instead yielding 25 to 20 percent less. Well timed rains have also helped improve the prospects of second crop soybeans in much of the core growing area. Despite lower plant densities in fields where drought killed many seedlings, the mature plants that remain

have produced more pods. On the other hand, a series of frosts that occurred in late March and early April have put a ceiling on yields in late planted and second crop soybeans across a wide area of the Provinces of Cordoba, La Pampa, western and southwestern Buenos Aires, and parts of Santa Fe. Yields are expected to be 15-20% lower in much of northwestern Argentina due to drought and the delayed development of late planted soybeans. As of April 21, the Buenos Aires Grain Exchange estimates that the harvest is slightly behind the average pace with 30.8 percent of total soybean crop having been harvested. The most progress has been made in portions of the Provinces of Santa Fe, Cordoba, and Buenos Aires.

Figure 2:

January planted soybeans in Salta (left) and Santiago de Estero (right) April 7-8, 2022
Source: FAS Buenos Aires

Transportation and logistical problems have complicated the harvest and transportation of soybeans to ports. A trucker strike the week of April 11th, led to several days of port closures, but an agreement to raise trucking rates 20% led to the strike being lifted at midnight on Friday, April 15. There have been problems with distribution of diesel fuel for several weeks. The government has frozen retail diesel prices at a low level which has made it uneconomical for energy companies to continue selling diesel purchased at higher prices on world markets. As a consequence, available diesel has been rationed on a per customer basis, leading to long lines in some gas stations. Customers needing larger volumes, including some farmers and contract harvesters have been forced to make alternative arrangements to secure sufficient fuel for their operations, sometimes paying 35-70 percent more than official prices.

Consumption

Post projects MY 2022/23 crush at 41.5 MMT, up 6.7 percent from Post's revised MY 2021/22 forecast as a recovery in domestic production and imports of soybeans allows for a recovery in crush volume. Feed waste and domestic consumption is projected flat at 5.6 MMT, the same as prior MY, but 1.6 MMT lower than USDA official based on interviews with various private sector sources. Domestic consumption of soybean oil for biodiesel is projected to rise to 1.8 MMT as global edible oil supply constraints ease, making biodiesel more competitive. Soybean meal and oil domestic consumption is forecast flat from MY 2021/22. Stocks are projected to rise in MY 2022/23 thanks to increased supply. Argentine presidential elections are scheduled for November 2023, and producers are likely to store an increased volume of soybeans in anticipation that elections could lead to a change in export taxes or a relaxation of currency controls, which currently lead them to receive significantly less money per ton than their global competitors.

MY 2021/22 crush is lowered to 38.9 MMT, or 500,000 MT lower than USDA official due to limited supplies resulting from drought that affected production in both Argentina and Paraguay. Argentine soybeans have seen average protein levels decline steadily in recent years and crushers will find it particularly challenging in the coming year to meet protein requirements in meal due to the significant reduction in imports of higher protein soybeans from Paraguay. Paraguayan beans are also of particularly low quality this year, with extremely high levels of chlorophyl, meaning that the resulting oil will need to be carefully blended to meet end-user color specifications. Domestic soybean oil consumption for biodiesel is expected to decline to 1.6 MMT, matching the official USDA number, as generally high global demand for edible oils and expected supply constraints for sunflowerseed oil will lead to more demand for soybean oil as a substitute. Domestic soybean meal consumption is forecast up slightly relative to MY 2020/21 as demand for poultry and pork continue to be strong in the face of high beef prices.

MY 2020/21 crush is lowered slightly to 41.09 MMT, or 215,000 MT below USDA official based on lower than expected, estimated crush volumes for March to close out the MY. Domestic soy oil consumption for biodiesel is estimated at 1.9 MMT, which is 442,000 MT higher than USDA official. This increase in the industrial consumption of soy oil is higher than expected after Argentina changed its biofuels law in 2021 to reduce the volume of biodiesel required to be blended in the domestic market. However, increased demand for biodiesel, almost exclusively from the EU has led to more conversion of soybean oil to biodiesel.

Trade

Post projects MY 2022/23 exports of whole soybeans at 6.5 MMT, up 136 percent from projected MY 2021/22 levels, which are projected at 2.75 MMT in line with USDA official. Exports of soybeans and soy products are all projected to rise in response to an expected recovery in soybean production in Argentina and Paraguay after the drought reduced production in both countries the prior year. MY 2022/23 soy meal exports are projected up at 27.5 MMT,

after falling to 26 MMT in 2021/22 thanks to a smaller expected crush. MY 2022/23 soy oil exports are projected at 5.9 MMT up from revised MY 2021/22 projections of 5.7 MMT.

Figure 3:

In foreground unloading barges of soybeans from Paraguay, in background loading soybean meal for export in ocean going vessel. Timbues, Santa Fe, April 2022 – Source: FAS Buenos Aires

During the week of March 13, 2022, Argentina temporarily closed the list of new export permit registrations for soybean meal and oil. While this was reported in some media outlets as a measure intended to increase domestic supply of these products in the face of rising prices due to the conflict in Ukraine, Argentina never banned the export of these products, they just put a moratorium on new export registrations. Exports continued to flow during this period. Instead, the closure was due to Argentina's decision to raise export taxes soybean meal and oil from 31 percent to 33 percent, matching the rate paid by exporters of whole soybeans. This differential export tax (DET) between whole soybeans and products which was eliminated, has been controversial in the past. Advocates of the DET argue that it encourages the conversion of soybeans in country, providing Argentina with added value manufacturing. Detractors of the DET have argued that it provides multinational companies a subsidy at the expense of farmers. Regardless of past positions, most farm groups had a strong negative reaction to the news, decrying it as another tax increase. The government has said it intends to use some of the estimated $4 billion in additional revenue to subsidize the price of wheat for domestic millers to stabilize prices. While tight supplies of soybeans in MY 2021/22 will constrain whole soybean

exports, in MY 2022/22 the elimination of the DET will encourage more whole soybean exports, primarily to China which seeks to diversify its purchases.

Soybean meal export destinations are expected to remain consistent in the coming years, but Argentine soy oil shippers are seeing increased interest from Middle Eastern and North African countries that typically import sunflower oil from the Black Sea region. India will remain by far the most important market for Argentine soy oil, but high prices in are leading price sensitive buyers in south Asian markets to substitute more palm oil for soy oil.

Table 1: Production, Supply, and Distribution Soybean Oilseed

Oilseed, Soybean (Local)	2020/2021		2021/2022		2022/2023	
Market Year Begins	Apr 2020		Apr 2022		Apr 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	16600	16600	16500	16350	0	17000
Area Harvested (1000 HA)	16470	16470	16000	15850	0	16500
Beginning Stocks (1000 MT)	11820	11820	8446	9117	0	4867
Production (1000 MT)	46200	44500	43500	41000	0	51000
MY Imports (1000 MT)	4421	4750	2200	2000	0	5300
Total Supply (1000 MT)	62441	61070	54146	52117	0	61167
MY Exports (1000 MT)	5375	5368	2750	2750	0	6500
Crush (1000 MT)	41300	41085	39400	38900	0	41500
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	7320	5500	7200	5600	0	5600
Total Dom. Cons. (1000 MT)	48620	46585	46600	44500	0	47100
Ending Stocks (1000 MT)	8446	9117	4796	4867	0	7567
Total Distribution (1000 MT)	62441	61070	54146	52117	0	61167
Yield (MT/HA)	2.8051	2.7019	2.7188	2.5868	0	3.0909
(1000 HA), (1000 MT), (MT/HA)						

Table 2.: Production, Supply and Distribution – Soybean Meal

Meal, Soybean (Local)	2020/2021		2021/2022		2022/2023	
Market Year Begins	Apr 2020		Apr 2022		Apr 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	41300	41085	39400	38900	0	41500
Extr. Rate, 999.9999 (PERCENT)	0.7809	0.7502	0.7817	0.7584	0	0.7518
Beginning Stocks (1000 MT)	2579	2579	2926	1053	0	903
Production (1000 MT)	32250	30820	30800	29500	0	31200
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	34829	33399	33726	30553	0	32103
MY Exports (1000 MT)	28603	28796	28000	26000	0	27500
MY Exp. to EU (1000 MT)	9500	0	9800	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3300	3550	3359	3650	0	3650
Total Dom. Cons. (1000 MT)	3300	3550	3359	3650	0	3650
Ending Stocks (1000 MT)	2926	1053	2367	903	0	953
Total Distribution (1000 MT)	34829	33399	33726	30553	0	32103
(1000 MT) ,(PERCENT)						

Table 3: Production, Supply and Distribution – Soybean Oil

Oil, Soybean (Local)	2020/2021		2021/2022		2022/2023	
Market Year Begins	Apr 2020		Apr 2022		Apr 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	41300	41085	39400	38900	0	41500
Extr. Rate, 999.9999 (PERCENT)	0.1973	0.1972	0.1975	0.199	0	0.1976
Beginning Stocks (1000 MT)	177	177	837	278	0	208
Production (1000 MT)	8150	8100	7780	7740	0	8200
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	8327	8277	8617	8018	0	8408
MY Exports (1000 MT)	5446	5497	6000	5700	0	5900
Industrial Dom. Cons. (1000 MT)	1550	1992	1600	1600	0	1800
Food Use Dom. Cons. (1000 MT)	494	510	510	510	0	515
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	2044	2502	2110	2110	0	2315
Ending Stocks (1000 MT)	837	278	507	208	0	193
Total Distribution (1000 MT)	8327	8277	8617	8018	0	8408
(1000 MT) ,(PERCENT)						

Sunflowerseed

Production

MY 2022/23

Post projects planted acreage to jump to 2 million HA, up 17.6% from Post's MY 2021/22 estimated acreage. After two consecutive years of lower-than-normal planted acreage due to dry conditions in the north of Argentina, Chaco, Santiago de Estero, and northern Santa Fe Provinces, Post anticipates that a return to normal weather and high prices will result in a return to the highest planted area seen since 2007/2008. In the south sunflowerseed should gain ground from farmers who are nervous about the higher upfront costs of planting wheat as sunflowers costs are approximately 40% less than wheat.

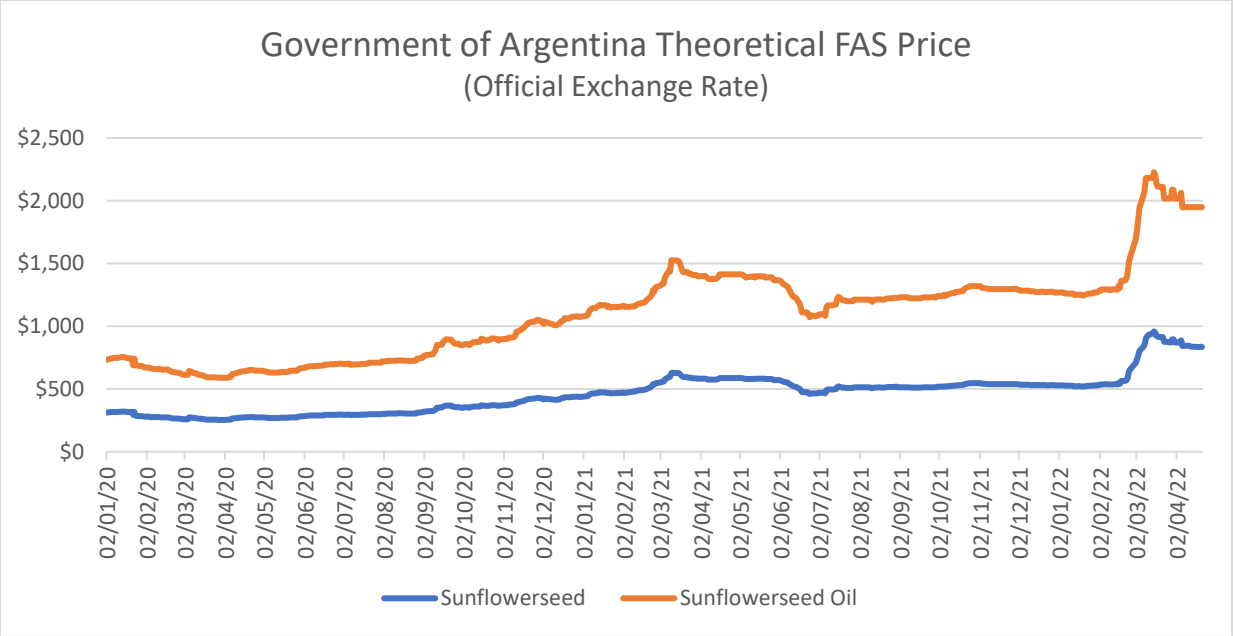
From the mid-1980s to 2000s, Argentina regularly planted more than 2 million HA of sunflowerseed and even exceeded 4 million hectares in 1997/98. However as Russia and Ukraine began to increase production throughout the 2000s, Argentina began to reduce acreage. Competition from new soybean varieties and corn hybrids pushed sunflowerseed onto more marginal land. Farmers have criticized the relative lack of investment in new genetics and the lack of competition in buyers. With the conflict in Ukraine pushing sunflower oil prices to record highs, more Argentine farmers are giving the crop a second look. The past two years have provided growers with excellent returns and improved genetics are helping make the crop more resistant to diseases and pests. A lack of supply has also encouraged processors to pay more for the available crop, which has helped allay concerns about competition.

According to industry contacts, seed sales have been brisk, with demand outstripping supply in most areas. Some dealers say that seed producers did not anticipate the high level of demand caused by the conflict in Ukraine and are reportedly seeking to import high-quality hybrid seed to make up for the shortfall. However, other industry sources estimate because of the stock of seed that remained from the prior year due to acreage that wasn't planted in the north, there should be seed available in the country to plant up to 2.1 million HA once all seed plots are harvested and processed.

MY 2021/22

Post maintains its production estimate of 3.4 MMT on a harvested area of 1.65 million HA, which is respectively 50,000 MT and 50,000 HA more than the USDA official estimate. According to the Buenos Aires Grain Exchange, as of April 21, the sunflower seed harvest was effectively complete, in line with the average pace of harvest in recent years. Disease pressure was relatively light this year thanks to relatively dry conditions during much of the growing season.

Figure 4:



Source: Argentine Ministry of Agriculture, Livestock, & Fisheries, Central Bank of Argentina

Consumption

MY 2022/23 crush is projected to rise to 3.4 MMT in response to increased production, this will be an increase of 8 percent from the prior year. MY 2021/22 crush is projected at 3.15 MMT which is up only slightly from MY 2020/21. High prices encouraged farmers and elevators to sell off most remaining stocks of sunflower seed in MY 2020/21. Low beginning stocks heading into MY 2021/22 will limit crush in the marketing year, which will again see strong demand. On January 31, 2022, the Argentine government renewed for another year (through January 2023) its special tax on edible oil producers to subsidize domestic consumption of edible oils in the face of rising prices. The government intends to collect USD $190 million from sunflower and soy oil producers to subsidize the consumption of 29 million liters per month of bottled edible oil with a minimum percentage of 80% sunflower oil. Post maintains its domestic consumption of sunflower oil at 675,000 MT, more the official USDA estimate for both MY 2020/21 and 2021/22. Argentine consumers continue to prefer sunflower oil to other edible oils for many applications and there are a number of smaller crush facilities that service the domestic market that are unlikely to reorient to exports due to logistical challenges.

Trade

Post projects MY 2022/23 exports at 800,000 MT, rising in response to a larger crush. MY 2021/22 exports are projected down at 750,000 MT, matching the official USDA estimate. Despite high international demand, a flat crush volume and the sale of most available stocks in MY 2020/21 will prevent higher export volumes. While high international prices may divert some additional volume of sunflower seed oil from the domestic market, the Argentine government is closely monitoring the availability of sunflower oil and would likely take steps to

prevent domestic consumption from falling too far, though what volume the government would find acceptable is open to speculation. Currently export taxes on sunflower seed oil are set at 7% and the government could raise this to 15% without congressional approval.

Argentine sunflower seed oil exporters are reportedly fielding unprecedented call volumes from new customers seeking to replace Black Sea sunflowerseed oil. While in the last few years, India, Chile, and Brazil have been the largest purchasers of Argentine sunflowerseed oil, trade patterns are expected to shift considerably in MY 2021/22 depending upon the best available offers. Meal exports are projected to maintain at relatively steady levels with the EU continuing to be by far the most important destination. In CY 2021 India became Argentina's second largest market for sunflower seed meal as the south Asian country has diversified its supply away from Ukraine over the last several years. Uruguay and South Africa continue to be import minor purchasers of Argentine sunflowerseed meal.

Tables 4-6: Production, Supply, and Distribution – Sunflowerseed, Meal, and Oil

Oilseed, Sunflowerseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Mar 2020		Mar 2022		Mar 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1670	1500	1600	1700	0	2000
Area Harvested (1000 HA)	1670	1450	1600	1650	0	2000
Beginning Stocks (1000 MT)	980	980	806	295	0	80
Production (1000 MT)	3430	2950	3350	3400	0	4000
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4410	3930	4156	3695	0	4080
MY Exports (1000 MT)	187	188	165	165	0	170
Crush (1000 MT)	3137	3137	3200	3150	0	3400
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	280	310	215	300	0	305
Total Dom. Cons. (1000 MT)	3417	3447	3415	3450	0	3705
Ending Stocks (1000 MT)	806	295	576	80	0	205
Total Distribution (1000 MT)	4410	3930	4156	3695	0	4080
Yield (MT/HA)	2.0539	2.0345	2.0938	2.0606	0	2
(1000 HA) ,(1000 MT) ,(MT/HA)						

Meal, Sunflowerseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Mar 2020		Mar 2022		Mar 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	3137	3137	3200	3150	0	3400
Extr. Rate, 999.9999 (PERCENT)	0.4256	0.4243	0.425	0.4238	0	0.4235
Beginning Stocks (1000 MT)	288	288	130	116	0	86
Production (1000 MT)	1335	1331	1360	1335	0	1440
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1623	1619	1490	1451	0	1526
MY Exports (1000 MT)	953	953	815	815	0	875
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	540	550	540	550	0	550
Total Dom. Cons. (1000 MT)	540	550	540	550	0	550
Ending Stocks (1000 MT)	130	116	135	86	0	101
Total Distribution (1000 MT)	1623	1619	1490	1451	0	1526
(1000 MT) ,(PERCENT)						

Oil, Sunflowerseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Mar 2020		Mar 2022		Mar 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	3137	3137	3200	3150	0	3400
Extr. Rate, 999.9999 (PERCENT)	0.4303	0.4303	0.425	0.4302	0	0.4309
Beginning Stocks (1000 MT)	291	291	231	136	0	66
Production (1000 MT)	1350	1350	1360	1355	0	1465
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1641	1641	1591	1491	0	1531
MY Exports (1000 MT)	828	828	750	750	0	800
Industrial Dom. Cons. (1000 MT)	2	2	2	0	0	0
Food Use Dom. Cons. (1000 MT)	570	675	570	675	0	675
Feed Waste Dom. Cons. (1000 MT)	10	0	10	0	0	0
Total Dom. Cons. (1000 MT)	582	677	582	675	0	675
Ending Stocks (1000 MT)	231	136	259	66	0	56
Total Distribution (1000 MT)	1641	1641	1591	1491	0	1531
(1000 MT) ,(PERCENT)						

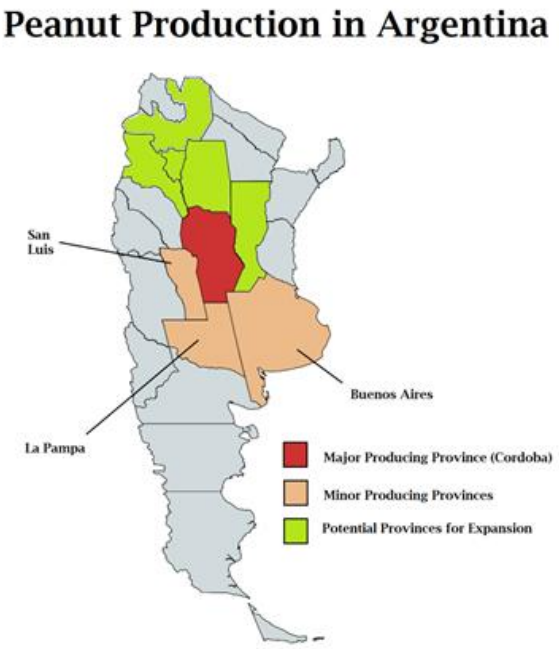
Peanuts

Production

MY 2022/23

Post projects a slight reduction in planted area of 2.5 percent or 10,000 HA for peanuts. As other commodity prices have surged, peanuts have not seen such a high rate of increase. Most peanut production in Argentina is contracted and it can be difficult to convince some farmers who are committed to no-till production to plant peanuts because of the amount of soil disruption that is necessary to produce the crop. In the past few years, peanut companies could offer relatively generous production contracts that could convince farmers to overcome their hesitation. However with high corn and soybean prices, peanut contracts will be slightly less attractive. Despite this, processors will work through the coming months to ensure adequate production to run their factories at optimal levels. Because of this need, any decline in peanut acreage will be limited. Production is projected 1.25 MMT, as yields return to trend.

Figure 5:



Source: USDA Buenos Aires

Peanut production continues to be centered in the Province of Cordoba where about 25 companies responsible for the bulk of Argentine processing have installed their capacity. Post estimates less than 10% of peanut production is attributable to independent farmers planting without an agreement with a processor. Since peanuts can only be grown on the same land every few years, the companies have expanded the production region into most of the provinces bordering Cordoba, including San Luis, La Pampa, Buenos Aires, Santa Fe, and Santiago de Estero. Some experiments have been conducted in northwestern Argentina in the provinces of

Tucuman and Salta. While the results have been positive due to a conducive climate, growth in the region is unlikely in the short term due to high transportation costs and problems with aflatoxin. However some companies are considering the region as a place to source peanut seed.

MY 2021/22

Post reduces its projected peanut production estimate to 1.2 MMT, which is 100,000 MT below the USDA official estimate. Dry weather in central and northern Cordoba had already reduced yields somewhat when early frosts affected much of the production region. While the peanuts themselves were safely underground, further growth and higher yields were forestalled as the frosts damaged plants. Harvest is off to a slow start due fuel shortages and a shortage of natural gas in Cordoba. Companies are hesitant to begin harvesting without assurance that they have sufficient natural gas to dry the newly harvested peanuts. Without rapid drying the peanuts can rot. Harvest is expected to last from April to June, with a few plots remaining until July.

Consumption

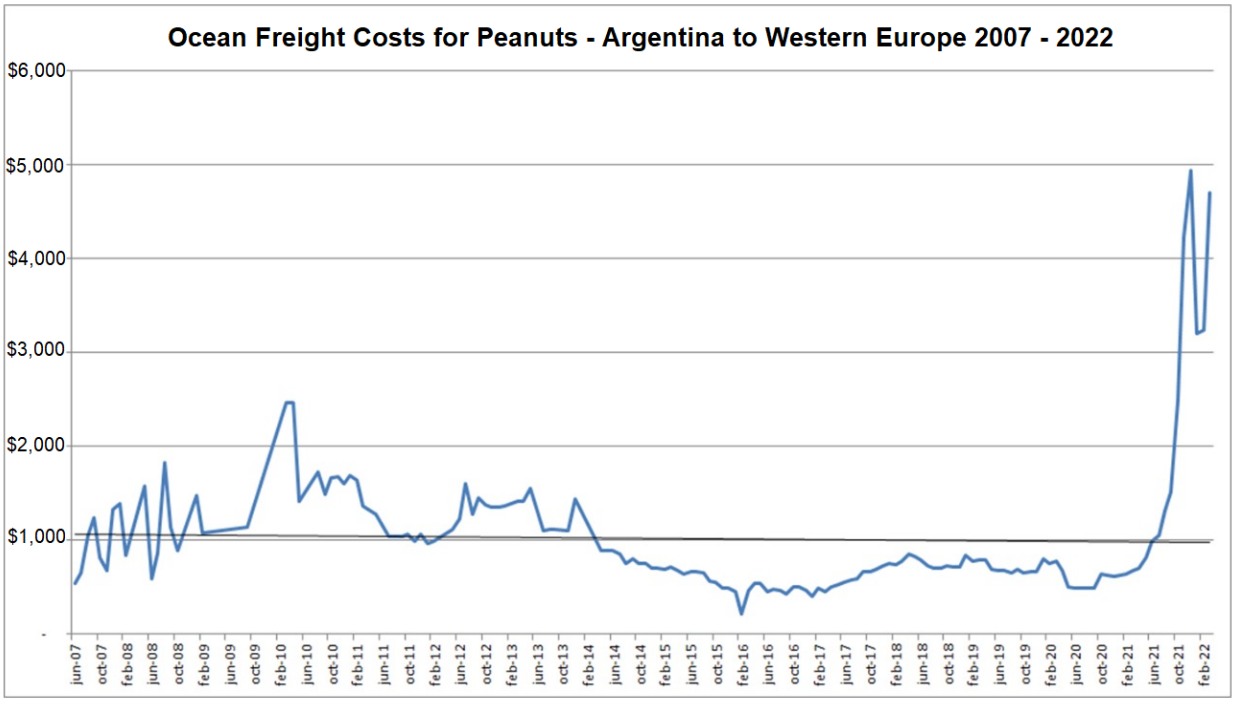
Peanut processing is expected to rise to 280,000 MT in MY 2021/22 before declining back to 250,000 MT in MY 2022/23. Due to current high international edible oil prices and relatively lower prices for confectionary peanuts, processers are expected to crush more than the average of the last two years. Peanut companies are continuing to increase the diversity of their product offerings in the domestic market, with new brands of domestically produced peanut butter appearing in health food stores, also gaining popularity are other peanut flour products intended to be mixed into protein shakes. Always a somewhat niche product, imported peanut butter has been squeezed out of the market in the past year. Peanuts are also competing for space with other nuts in trail-mix type products that are becoming popular. While high inflation and unemployment are constraining growth in domestic food use, commitment to new products and marketing efforts should lead to increased consumption in the coming years.

Trade

Europe continues to be the top destination for Argentine peanuts. Argentine peanut processors continue to make significant investments in machinery and processes to comply with stringent import requirements. However rising freight costs are making it more difficult to compete. Exports are estimated at 937,000 MT for MY 2021/22, are projected to rise to 950,000 MT in 2022/23 and then fall to 900,000 MT in MY 2022/23 as two consecutive years of lower production and higher exports reduce stocks and available supply.

Of particular concern for Argentine peanut exporters in MY 2021/22 are disruptions related to the conflict in Ukraine. Ukraine and Russia are two key destinations for Brazilian peanuts and even the temporary closure of these markets is leading Brazilian exporters to seek other outlets for the products which they are reportedly discounting in price. Though Argentine peanuts tend to be of higher quality than Brazilian peanuts, some confectionary customers who are already looking for ways to avoid raising prices at a time or rising ingredient costs may be willing to give the Brazilian peanuts a new look.

Figure 6:



Source: FAS Buenos Aires – Private sector company record

On the product side, China will continue to be the primary market for Argentine peanut oil. Peanut oil exports are projected to rise to 80,000 MT in MY 2021/22. Peanut meal exports are expected to hold steady at 25,000 MT, with Chile being the primary destination. In contrast to almost every other peanut product, most peanut meal is consumed domestically.

Tables 7-9: Production, Supply, and Distribution – Peanuts, Meal, and Oil

Oilseed, Peanut	2020/2021		2021/2022		2022/2023	
Market Year Begins	Mar 2021		Mar 2022		Mar 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	402	402	400	390	0	380
Area Harvested (1000 HA)	402	402	400	390	0	380
Beginning Stocks (1000 MT)	425	425	388	369	0	164
Production (1000 MT)	1270	1300	1300	1200	0	1250
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1695	1725	1688	1569	0	1414
MY Exports (1000 MT)	937	937	950	950	0	900
Crush (1000 MT)	245	244	280	280	0	250
Food Use Dom. Cons. (1000 MT)	76	90	78	90	0	90
Feed Waste Dom. Cons. (1000 MT)	49	85	50	85	0	85
Total Dom. Cons. (1000 MT)	370	419	408	455	0	425
Ending Stocks (1000 MT)	388	369	330	164	0	89
Total Distribution (1000 MT)	1695	1725	1688	1569	0	1414
Yield (MT/HA)	3.1592	3.2338	3.25	3.0769	0	3.2895
(1000 HA) ,(1000 MT) ,(MT/HA)						

Meal, Peanut	2020/2021		2021/2022		2022/2023	
Market Year Begins	Mar 2021		Mar 2022		Mar 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	245	244	280	280	0	250
Extr. Rate, 999.9999 (PERCENT)	0.4286	0.4262	0.4286	0.4286	0	0.424
Beginning Stocks (1000 MT)	9	9	0	0	0	0
Production (1000 MT)	105	104	120	120	0	106
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	114	113	120	120	0	106
MY Exports (1000 MT)	24	24	25	25	0	20
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	90	89	90	95	0	86
Total Dom. Cons. (1000 MT)	90	89	90	95	0	86
Ending Stocks (1000 MT)	0	0	5	0	0	0
Total Distribution (1000 MT)	114	113	120	120	0	106
(1000 MT) ,(PERCENT)						

Oil, Peanut	2020/2021		2021/2022		2022/2023	
Market Year Begins	Mar 2021		Mar 2022		Mar 2023	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	245	244	280	280	0	250
Extr. Rate, 999.9999 (PERCENT)	0.2898	0.2869	0.2929	0.2929	0	0.288
Beginning Stocks (1000 MT)	12	12	19	19	0	19
Production (1000 MT)	71	70	82	82	0	72
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	83	82	101	101	0	91
MY Exports (1000 MT)	61	61	80	80	0	75
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	3	2	3	2	0	3
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	3	2	3	2	0	3
Ending Stocks (1000 MT)	19	19	18	19	0	13
Total Distribution (1000 MT)	83	82	101	101	0	91
(1000 MT) ,(PERCENT)						

Attachments:

No Attachments