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Report Name: Oilseeds and Products Update

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Prepared By: Chase McGrath

Approved By: Chase Mcgrath

Report Highlights:

Post maintains the previous forecast for marketing year (MY) 2024/25 for Argentina's soybean production at 52 million metric tons (MMT), consistent with the USDA's official estimate. This is driven by soy acreage gaining ground to corn and consistent favorable weather conditions with sufficient rainfall in the last several months. Post forecasts MY2024/25 soybean area planted at 17.8 million hectares (MHA) However, potential La Niña-induced dryness could still impact yields throughout the growing season. Despite these challenges, Argentina is set for a record high soybean crush, forecast at 42 MMT, driven by robust exports and a steady crush rate. Meanwhile, sunflower seed production is forecast at 4 MMT, with strong processing and export activity expected, bolstered by competitive international prices. Sunflower oil exports are anticipated to reach 900,000 metric tons, marking an increase from the previous year.

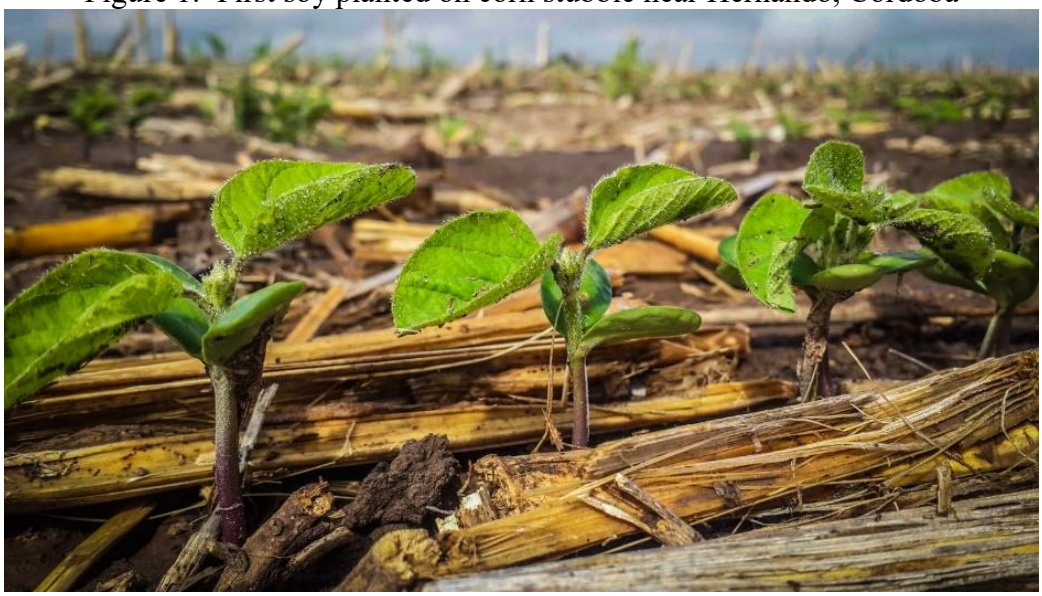
SOYBEANS

Production

Post maintains previous production forecast for MY2024/25 at 52 MMT, the same as USDA official with steady rains over the last couple months and the crop reported in good condition. Soy continues to replace corn acreage in several areas due to fears of the impact of corn stunt (leafhopper/chicharrita) in the corn crop and expected low prices for both crops in the coming year. While there are some indications soy acreage will replace less corn than originally thought to the absence of the leafhopper pest to date in the season, post maintains the previous forecast of 17.8 million hectares (MHA) planted.

As of December 31, 85 percent of the expected total soy crop has been planted, up nearly 8 percent versus the previous year at this stage according to the Buenos Aires Grain Exchange. Crop development is progressing well with 93 percent of the crop in the ground reported in good or excellent conditions.

Figure 1: First soy planted on corn stubble near Hernando, Cordoba



Source: Fernando Bazan

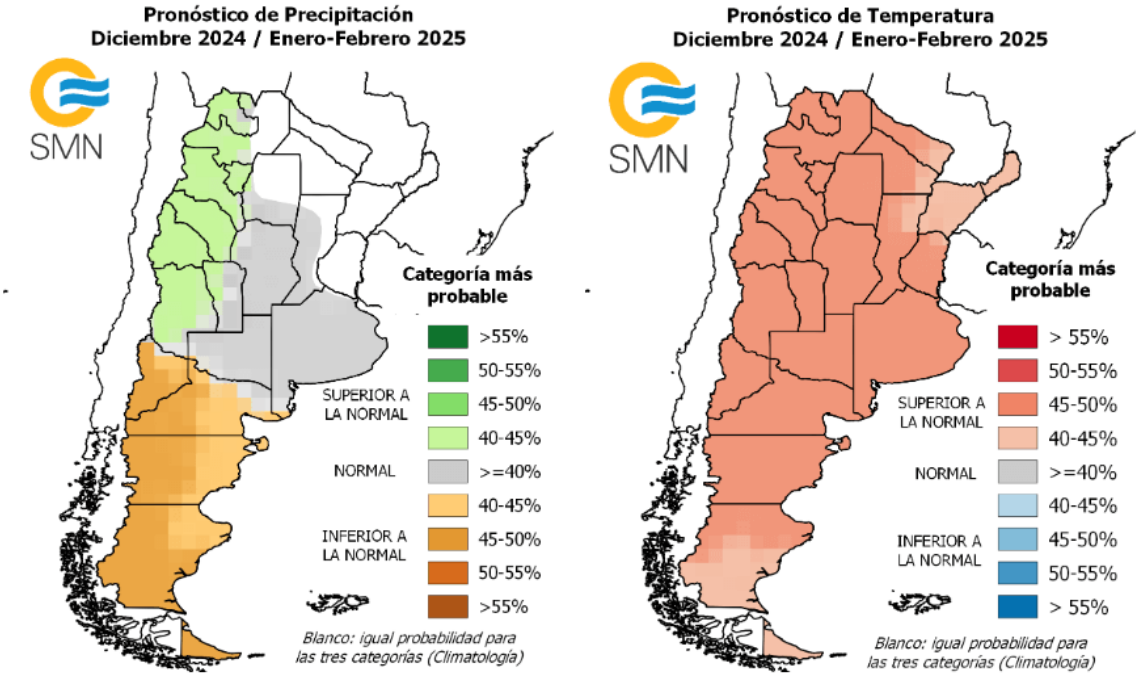
Industry sources generally expect a surge in soybean production in MY2024/25 driven by improved weather conditions over the last two years and a shift in planting preferences by producers favoring soybeans over corn. This preference is primarily attributed to several key factors. Concerns about pests, particularly the threat of a leafhopper/corn stunt that previously caused significant damage to corn crops, has driven farmers to favor soybeans. Economically, soybeans present a more viable option due to their lower production costs in the face ongoing financial pressures. Additionally, recent favorable rainfall enhanced soil moisture levels, creating better conditions for soybean planting. However, this optimism among producers is tempered by the looming possibility of La Niña, which could bring drier conditions during crucial growth periods and pose a potential challenge to production.

Despite these positive projections, challenges remain. The possibility of La Niña-induced dryness could impact yields, and concerns about seed quality and other environmental factors persist. After an overly

try September and October, steady rainfall has continued in the major growing areas in the last several months, including significant rainfall across large portions of the Pampas, Cordoba, Buenos Aires Province, and portions of Santa Fe in the last week of December. Despite previous fears of an overly dry year, producers now expect sufficient rainfall during the prime portion of the growing season this summer. The National Meteorological Service's (SMN) Quarterly Climate Forecast for December through February predicts a summer marked by above-normal temperatures across most of the country and normal or slightly above normal rainfall in key agricultural areas. Average temperatures are expected to be higher than usual throughout the country, with only the extreme northeast and south forecasted to experience conditions between normal and above normal. See figure 2. Notably, no region is expected to see temperatures at or below historical averages. These projections follow record-breaking warmth in September and October, which was the hottest in 64 years, followed by a mild November. As a result, 2024 is likely to be the second warmest year on record in Argentina, behind only 2023. Rainfall, however, shows significant regional variation. The Pampas are forecast to see normal rains after a prolonged dry spell. The west of the far northwest and much of east may receive normal to slightly above-normal rainfall, but there still is risk of drier areas due to the uncertainty surrounding La Niña's potential impact.

While there were initial concerns about seed quality and ability to germinate, these issues have been manageable to date.

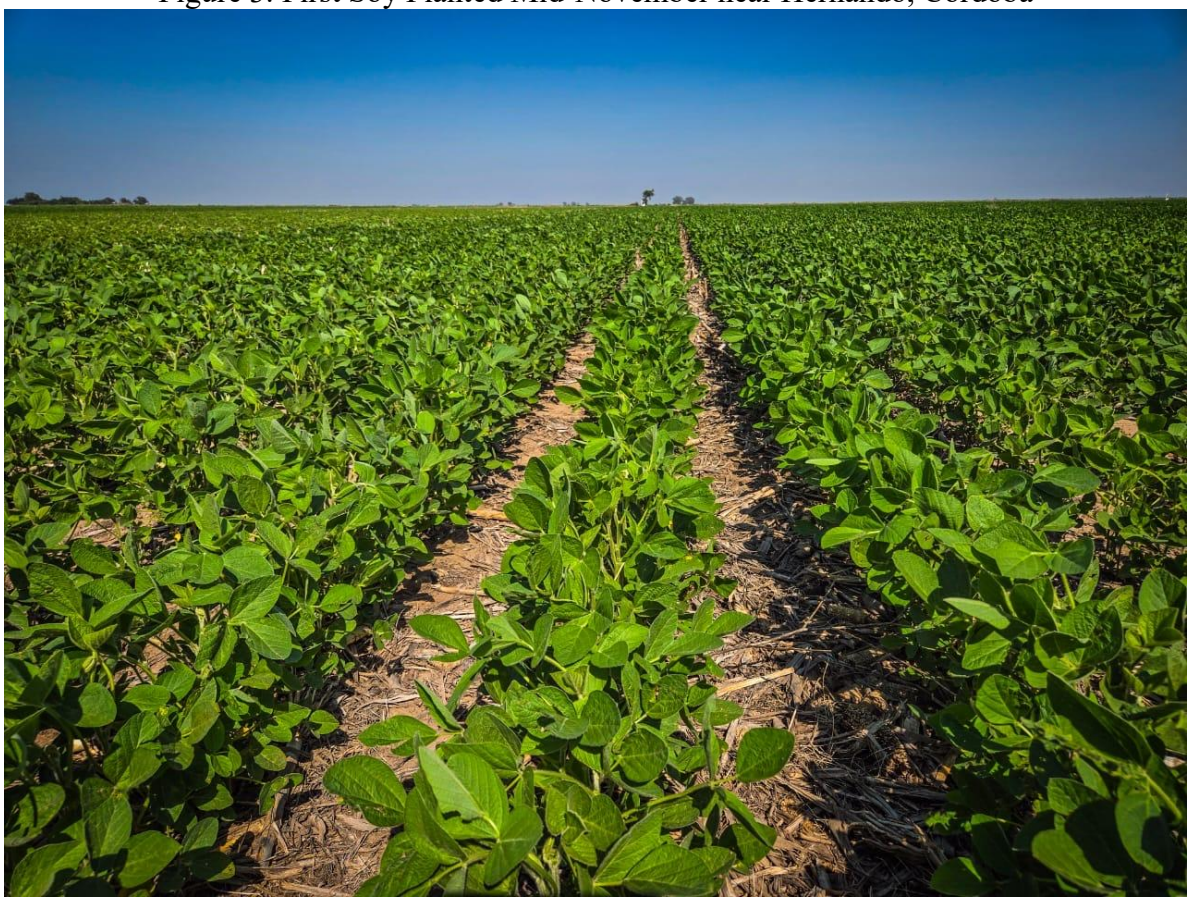
Figure 2.



Source: Argentina National Meteorological Service (SMN)

Post also maintains production forecast for MY2023/24 at 49.5 MMT, just slightly higher than USDA official due to continued reports of decent yields reported from the harvest.

Figure 3. First Soy Planted Mid-November near Hernando, Cordoba



Source: Fernando Bazan

Consumption and Trade

Post maintains the previous forecast for soybean crush at 42 MMT in MY2024/25, slightly above USDA official estimates based on higher production and exports expected available to crush the coming marketing year. Crush is expected to increase over the current marketing year by 500 MMT despite challenges expected in the coming year including falling prices, a stable dollar, and high export taxes, making production less profitable.

Crush reached over 4.1 MMT each month in both September and October, the highest October crush on record, during a period which normally sees a decline in crush volume. November also saw a robust crush during a usually slow month at 3.4 MMT crushed resulting in a year to date crush of over 31 MMT in MY2023/24. With four months left in the marketing already crush has already reached over 2 MMT more than the entire crush in the previous MY2022/23. This was in part driven by continued strong imports from Paraguay. Imported soybeans accounted for 19 percent of the crush in the last several months with nearly 6 MMT imported through October. Due to their higher protein content,

Paraguayan soybeans are often imported to crush in Argentina to blend with domestic production to raise the overall protein level of the end meal.

Exports of the soy complex (which includes soybeans, soymeal, and soy oil) are at the highest level year to date in the last five years. This is driven in part by the continued subdued soy price in the global market, driving more crush at home and resulting in higher exports of soymeal and soy oil as domestic demand is relatively static year over year.

Exports of soymeal and soy oil are both forecast up from Post's previous update. Post forecasts soymeal exports of 29.5 MMT in MY2024/25 and 29 MMT in MY2023/2024. Soy oil exports are forecast up to 5.6 MMT in both MY2024/25 and MY2023/24. These increases reflect record crush and export levels in recent months paired with higher than usual imports. Soy oil exports were in part driven by a surge in demand from India with over half of Argentina's exports destined there. Argentina's soy oil exports have remained competitive in the global market particularly to Southeast Asia where Argentine soy oil is currently substituted for other vegetable oils due its current price competitiveness. Soy oil prices remain low and have dipped even further in recent months to $1,000 USD per ton. With soymeal priced at $322 USD per ton. These exports have resulted in a significant inflow of foreign currency to the central bank, further supported by a narrower exchange rate gap between the blue dollar and official dollar rate, which incentivized producers to sell their soybeans and convert earnings into dollars. October foreign currency settlements reached an estimated $2 billion which is the second-highest figure for the month since 2021.

Industry analysts and advisors caution that this momentum may not last. Increased production in the United States and Brazil, coupled with potential soybean acreage expansion in Argentina, could result in lower global prices next year, particularly from February onward as South American harvests come into play. Despite this, 2024 has already marked a 43.9% increase in soybean milling volumes during the first nine months compared to the previous year, much of which has been supported by imports from Paraguay. While activity in November and December likely will dip to lower levels, higher output is still expected from the averages in recent years. November saw fewer exports of soymeal and soy oil than October, but this is a common trend in most years with November exports up nearly double of those in November of the previous year.

Despite the higher-than-normal crush and exports, producers continue to hold on to significant volumes of the MY2023/2024 and older crop. Over 10.9 million tons of the 2023/2024 harvest—valued at over $3.1 billion—still unsold, according to the Rosario Stock Exchange (BCR). By early December, only 68 percent of the harvest has been sold, the slowest pace since record-keeping began, and significantly below the five-year average. This lag is largely attributed to international soybean prices, which are at their lowest in four years. Since May, soybean prices have seen only modest increases, and when adjusted for inflation, they reflect a real-term loss of over 20 percent. Additionally, Argentina's financial situation, including positive real interest rates and a declining dollar relative to the peso, has influenced producer behavior. Those who sold early and reinvested in financial instruments reaped better returns than those who retained their grain later in the season.

Notably, the futures market has gained momentum, with open contracts exceeding 1.9 million tons, outpacing physical market transactions. A recent surge in trading activity set a record for April corn futures contracts, further emphasizing the growing role of futures in Argentina's agricultural markets.

Argentina continues to maintain currency controls to prevent the official value of the Argentine peso from converging with the market value of the currency and prevent a flight of dollars out of the country. There are a variety of different exchange rates, including the “blue” rate (or unofficial value of U.S. dollars in Argentina) as well as the official rates (exchange rates obtained through legal exchanges of securities set by the government) and an exchange rate available for agricultural products that is a blend of the two. However, the blue or unofficial rate is the only rate comes close to the real market value of the peso and fluctuates with demand but is generally only available for cash or informal transactions.

Since the export of soybeans, soybean meal and oil, are the largest source of foreign currency for the country, in the past Argentina implemented periods of special exchange rates for soybean and soy product exports in order to encourage farmers to sell their stored soybeans and so the government can receive foreign currency inflows from soybean exports. As the exchange rate has leveled out and international prices remain low, producers have been holding out this year for another favorable exchange rate program despite no indication from the government a new exchange rate would be rolled out. This led to several months of very low rate of sales in June to August of this year’s crop, followed by record sales in September through November which in turn fueled historic exports and crush levels during these months. Despite these peaks and valleys through the months, Post maintains previous forecasts for crush at 42 MMT in MY2024/25 and 41.5 MMT in MY2023/24, both only slightly above USDA official estimates.

Soybean Production, Supply, and Demand Statistical Tables

Oilseed, Soybean (Local)	2022/2023		2023/2024		2024/2025	
Market Year Begins	Apr 2023		Apr 2024		Apr 2025	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	17000	17000	16500	16500	16900	17800
Area Harvested (1000 HA)	15000	15000	16300	16300	17300	17300
Beginning Stocks (1000 MT)	8458	8458	6715	6715	8275	9815
Production (1000 MT)	25000	25000	48210	49500	52000	52000
MY Imports (1000 MT)	10395	10395	6300	6400	6000	5000
Total Supply (1000 MT)	43853	43853	61225	62615	66275	66815
MY Exports (1000 MT)	1891	1891	4700	5300	5000	7300
Crush (1000 MT)	28997	28997	41000	41500	41500	42000
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	6250	6250	7250	6000	7600	6300
Total Dom. Cons. (1000 MT)	35247	35247	48250	47500	49100	48300
Ending Stocks (1000 MT)	6715	6715	8275	9815	12175	11215
Total Distribution (1000 MT)	43853	43853	61225	62615	66275	66815
Yield (MT/HA)	1.6667	1.6667	2.9577	3.0368	3.0058	3.0058
(1000 HA) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Oil, Soybean (Local)	2022/2023		2023/2024		2024/2025	
Market Year Begins	Apr 2023		Apr 2024		Apr 2025	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	28997	28997	41000	41500	41500	42000
Extr. Rate, 999.9999 (PERCENT)	0.1975	0.1975	0.1975	0.1975	0.1975	0.1975
Beginning Stocks (1000 MT)	448	448	236	236	344	232
Production (1000 MT)	5726	5726	8098	8196	8196	8295
MY Imports (1000 MT)	0	0	10	0	10	0
Total Supply (1000 MT)	6174	6174	8344	8432	8550	8527
MY Exports (1000 MT)	4178	4178	5850	5600	5500	5600
Industrial Dom. Cons. (1000 MT)	1300	1300	1700	2100	2200	2100
Food Use Dom. Cons. (1000 MT)	460	460	450	500	460	500
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1760	1760	2150	2600	2660	2600
Ending Stocks (1000 MT)	236	236	344	232	390	327
Total Distribution (1000 MT)	6174	6174	8344	8432	8550	8527
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Meal, Soybean (Local)	2022/2023		2023/2024		2024/2025	
Market Year Begins	Apr 2023		Apr 2024		Apr 2025	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	28997	28997	41000	41500	41500	42000
Extr. Rate, 999.9999 (PERCENT)	0.7798	0.7666	0.78	0.78	0.78	0.78
Beginning Stocks (1000 MT)	2697	2697	2802	2420	2783	2141
Production (1000 MT)	22612	22230	31980	32370	32370	32760
MY Imports (1000 MT)	8	8	1	1	1	2
Total Supply (1000 MT)	25317	24935	34783	34791	35154	34903
MY Exports (1000 MT)	19115	19115	28500	29000	28600	29500
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)	3400	3400	3500	3650	3700	3700
Total Dom. Cons. (1000 MT)	3400	3400	3500	3650	3700	3700
Ending Stocks (1000 MT)	2802	2420	2783	2141	2854	1703
Total Distribution (1000 MT)	25317	24935	34783	34791	35154	34903
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

SUNFLOWER SEED

Production

Post maintains all previous forecasts for sunflower seed with production of 4 MMT on 1.9 MHA planted in line with USDA official. Sunflower seed production in MY2023/24 is estimated at 3.6 MMT from 1.8 MHA planted, slightly higher than USDA official due to more sunflower reported planted in the far north.

Planting was completed for this year's crop by the end of November Argentina's sunflower crop with 100 percent of the crop reported in good to excellent conditions. Despite a dry planting period and decrease in soil moisture during that window nearly all the sunflower crop is currently reported in healthy condition thanks to rains throughout November and December. Nearly 20 percent of the crop is currently reported in the flowering or later stages with overall above average yields expected assuming the rains continue as expected into the coming crucial growth months.

Sunflower planting expanded in southern Argentina, compensating for reductions in northern growth areas affected by dry conditions during the planting window. Industry indicates stable or slightly increased planting areas in MY2024/2025. Sunflowers have gained traction in regions like southern Buenos Aires province due to their favorable price-to-input cost ratio compared to other crops as some corn acreage in that region transitions to sunflower. While dry conditions were expected to limit yields and overall production, recent rains have raised expectations for a good harvest.

Many farmers opted for sunflower this year as it requires lower input costs and is more resilient to drought and pests like corn stunt disease, which has impacted corn planting in parts of the country. The expansion in sunflower acreage is primarily concentrated in northern Santa Fe, eastern Santiago del Estero, and much of the Chaco region. Dry conditions during the optimal planting window of late July through August hindered potential expansion, leaving the current estimated planting area below earlier forecasts of 2 to 2.3 MHA. Despite favorable sunflower prices, the absence of high-oleic sunflower premiums has reduced incentives for some producers.

For MY2023/2024, the planted area remains at 1.8 MHA, 400,000 hectares below USDA estimates, producing 3.6 MMT—slightly less than USDA forecasts due to lower yields. Crush is forecast at 3.55 MMT, slightly lower than USDA figures, as sunflower crush has offset reduced soybean processing capacity in recent years.

Consumption and Trade

Argentina's sunflower oil production in MY2024/25 is forecast at 1.657 MMT, supported by robust processing activity driven by strong domestic and export demand. Oil exports are expected to rise to 900,000 metric tons, up year-over-year, due to competitive pricing. Total sunflower crush is forecasted to increase to 3.8 MMT, exceeding previous projections and USDA estimates due to higher supplies. Meanwhile, exports of sunflower seeds are expected to reach 160,000 metric tons, slightly lower than USDA projections and well below the five-year average of 200,000 metric tons.

Argentine soybean oil exports have surged, achieving a 14-year record in November, driven by robust demand from India and China. From April to November 2024, total exports reached 4.4 million tons.

Argentina's sunflower oil and products exports reached historic highs during MY2023/24, driven by an increase in international prices since the start of the year. Between January and October, Argentina exported 70 percent of its sunflower oil and products production, totaling 989,000 tons of oil and 961,800 tons of byproducts. This represents the highest export level in 18 years, falling just 80,000 tons short of the record year of MY2005/06.

Despite record exports, domestic sales have lagged, with approximately 70 percent of the MY2023/24 harvest sold to date which is 11 percent below the ten-year average according to the Rosario Grain Exchange. Sunflower crush remains steady with 3.2 MMT year to date which is above the five-year average. At the same time, Argentina has successfully redirected a significant portion of its production to the international market, with favorable prices for sunflower oil reached $1,140 per ton—the highest since February 2023.

Exports are already looking robust in MY2024/25 with commitments made for sunflower Looking ahead to the 2024/25 campaign, export commitments are off to a strong start, with almost 500,000 tons of sunflower already contracted for the new marketing year, the highest volume in three years. With FOB prices averaging $1,180 per ton, international demand remains robust. While combined exports of oil and byproducts are 45 percent above the decade average, moderate domestic consumption has partially offset this growth.

Sunflowerseed Production, Supply, and Demand Statistical Tables

Oilseed, Sunflowerseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Mar 2023		Mar 2024		Mar 2025	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	2460	2460	2300	1800	1950	1900
Area Harvested (1000 HA)	2453	2453	1843	1780	1950	1880
Beginning Stocks (1000 MT)	711	711	1084	1084	775	840
Production (1000 MT)	5019	5019	3895	3600	4000	4000
MY Imports (1000 MT)	1	1	1	1	0	0
Total Supply (1000 MT)	5731	5731	4980	4685	4775	4840
MY Exports (1000 MT)	94	94	150	90	150	160
Crush (1000 MT)	4003	4003	3730	3550	3600	3800
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	550	550	325	205	350	205
Total Dom. Cons. (1000 MT)	4553	4553	4055	3755	3950	4005
Ending Stocks (1000 MT)	1084	1084	775	840	675	675
Total Distribution (1000 MT)	5731	5731	4980	4685	4775	4840
Yield (MT/HA)	2.0461	2.0461	2.1134	2.0225	2.0513	2.1277
(1000 HA) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

	2022/2023	2023/2024	2024/2025

Meal, Sunflowerseed						
Market Year Begins	Mar 2023		Mar 2024		Mar 2025	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	4003	4003	3730	3550	3600	3800
Extr. Rate, 999.9999 (PERCENT)	0.4469	0.4469	0.445	0.4451	0.4458	0.4458
Beginning Stocks (1000 MT)	231	231	292	292	252	162
Production (1000 MT)	1789	1789	1660	1580	1605	1694
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2020	2020	1952	1872	1857	1856
MY Exports (1000 MT)	1128	1128	1150	1150	1050	1050
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)	600	600	550	560	550	600
Total Dom. Cons. (1000 MT)	600	600	550	560	550	600
Ending Stocks (1000 MT)	292	292	252	162	257	206
Total Distribution (1000 MT)	2020	2020	1952	1872	1857	1856
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Oil, Sunflowerseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Mar 2023		Mar 2024		Mar 2025	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	4003	4003	3730	3550	3600	3800
Extr. Rate, 999.9999 (PERCENT)	0.4377	0.4377	0.4351	0.4355	0.4361	0.4361
Beginning Stocks (1000 MT)	344	344	329	329	330	250
Production (1000 MT)	1752	1752	1623	1546	1570	1657
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2096	2096	1952	1875	1900	1907
MY Exports (1000 MT)	1115	1115	950	950	900	900
Industrial Dom. Cons. (1000 MT)	2	2	2	0	2	0
Food Use Dom. Cons. (1000 MT)	640	640	660	675	660	675
Feed Waste Dom. Cons. (1000 MT)	10	10	10	0	10	0
Total Dom. Cons. (1000 MT)	652	652	672	675	672	675
Ending Stocks (1000 MT)	329	329	330	250	328	332
Total Distribution (1000 MT)	2096	2096	1952	1875	1900	1907
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments