

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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GAIN Report Number:

Argentina

Oilseeds and Products Update

Lock-up Report

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Report Highlights:

FAS Buenos Aires makes no changes to the official USDA area and production estimates for soybeans and sunflowerseed for the marketing year 2012/13. Soybean area and production is expected to reach 19.7 million hectares and 55 million metric tons, respectively. Sunflower area and production is estimated at 2 million hectares and 4 million metric tons, respectively. Peanut area is estimated at 325,000 hectares with production reaching 1.2 MMT, slightly lower than the official USDA estimates.

Post:

Buenos Aires

Commodities:

Oilseed, Soybean (Local)

Oil, Soybean (Local)

Meal, Soybean (Local)

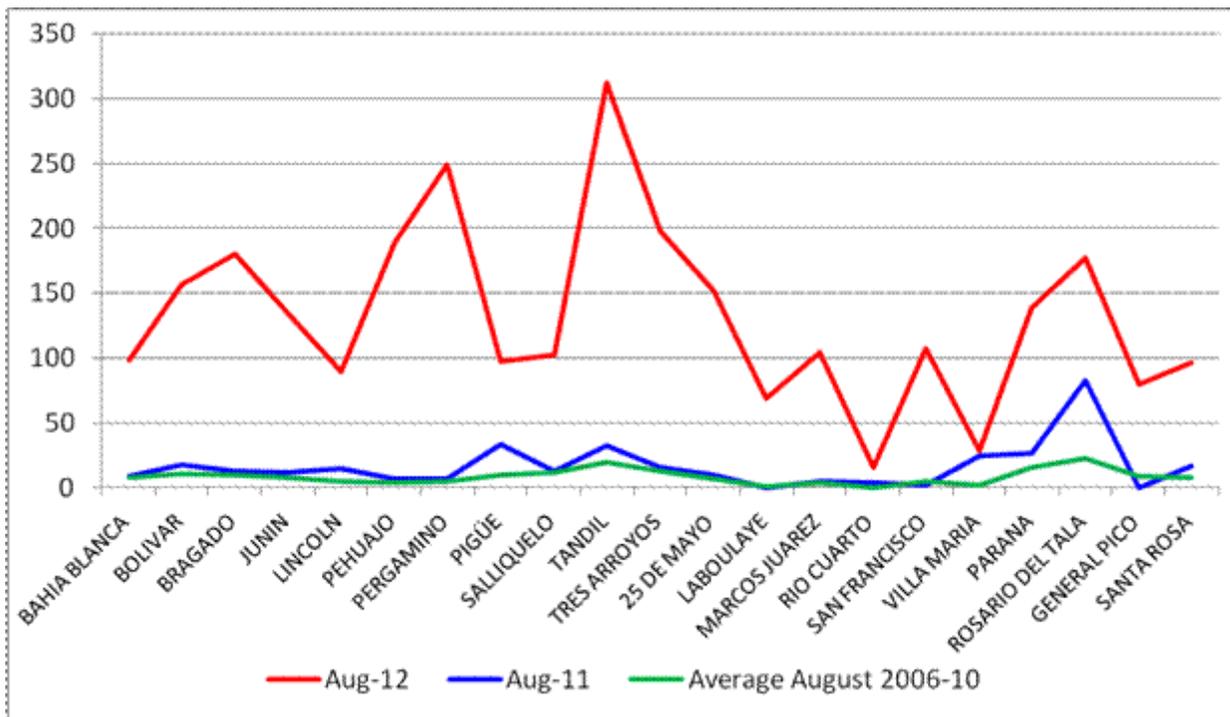
Oilseed, Sunflowerseed

Oilseed, Peanut

Author Defined:

Soybeans:

Marketing year (MY)2012/13 is expected to be a record year for soybean production. After two hard years with dry weather and big losses, production is expected to reach 55 million metric tons (MMT). Early weather predictions of an “el niño” year with cooler weather and more rain are already proving to be true. August showers for 2012 soared above historical rainfall during the same month. The chart below shows rainfall in millimeters registered for August by delegation.



Source: Ministry of Agriculture weekly report, September 6, 2012

Excessive rains have caused flooding in many areas of central, southern and western Buenos Aires province. It is estimated that more than 10,000 hectares are under water but more than two-thirds of this is in the cattle producing region, not on crop land. It's still too early to tell whether or not the crop land

that is affected by the flooding will cause delays in planting. So far, it has been a welcomed change and has left the majority of the country with adequate soil moisture for crops. Several sources indicated that soybean planted area may increase as the season goes on. Many producers wait until the last minute to decide which crop to plant based on land rental prices and commodity prices. Instead of corn or peanuts, they may opt for more soybeans. There are still several weeks before soybean planting is fully underway, so it will be something to keep an eye on this season.

For MY2012/2013, post estimates exports to be lower than the USDA official estimate, 11 MMT compared to 13.825 MMT. Since there have been policy changes from the government with the goal to provide incentive to the crushing industry and promote crushing at full capacity, it is likely that more soybeans will be crushed in the coming year. Post maintains its crush estimate at 42 MMT (3.2 MMT above the USDA official number). Soybean oil and meal production are also up, based on the increased crush estimate.

Sunflowerseed:

Sunflowerseed planting for MY2012/13 has begun in the northern provinces of Santa Fe, Entre Rios, Chaco and San with nearly a quarter of the total intended area planted. The rains have helped, leaving good soil moisture for planting. FAS Buenos Aires estimates total area to be planted at 2,000,000 hectares, an increase of about 8 percent from the previous year. Most of the expansion is seen in the north, especially Chaco, where the Ministry of Agriculture estimates a total of 350,000 ha will be planted, nearly 50 percent more than during the previous year. With average yields production is forecast at 4 MMT.

Peanuts:

Post estimates that 325,000 ha of peanuts will be planted, the same as the previous year. As previously mentioned, many producers wait until the last minute to decide what to plant. High soybean prices will influence many to plant soybeans instead of peanuts. Based on historic average yields, production is forecast at 1.2 million metric tons.

Policy:

On August 10, 2012, the Government of Argentina announced an increase in biodiesel export taxes from 20 percent to 32 percent. This, combined with the export block of Argentine biodiesel to Spain after the YPF nationalization, led many analysts to lower their estimates of the amount of soybean oil used by the biodiesel industry, some by even 1 MMT. This announcement was not well received by the industry, especially since many producers had invested millions of dollars in biodiesel plants over the past several years. Apparently, their concerns were heard and on September 19, 2012, the government announced a new policy that lowers the biodiesel tax to a variable rate of 17 percent and 24 percent, based on soybean prices. The sliding tax will be reviewed every 15 days and includes a producer guarantee of a 4 percent fixed margin. This softens the blow from the August announcement but still leaves producers with uncertainty regarding what tax rate they will end up paying.

In the August 10 resolution a temporary regime to allow imports of soybeans for crushing in-country was also announced. In order to be able to import, crushers must register with the “Authorized Soybean Operators Registry” and prove they have purchased 5 MMT of domestic soybeans for every 1 MMT of imported soybeans. It is reasonable to estimate that a potential 1 to 3 MMT tons could be imported for crushing however, according to local sources, there are still no clear rules on how to register or how to measure the domestic purchase so it is unclear whether or not soybeans will actually be imported this season.

For more information, please see the biodiesel reports in the GAIN system.

[Biodiesel Tax Increase and Temporary Soybean Import Policy](#)

Production, Supply and Demand Data Statistics:

Oilseed, Soybean (Local) Argentina	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Apr 2011		Market Year Begin: Apr 2012		Market Year Begin: Apr 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	18,300	18,300	18,600	18,600	19,700	19,700
Area Harvested	18,300	18,300	17,500	17,500	19,700	19,700
Beginning Stocks	4,507	4,507	4,022	4,010	2,022	2,010
Production	49,000	49,000	41,000	41,000	55,000	55,000
MY Imports	13	13	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	53,520	53,520	45,022	45,010	57,022	57,010
MY Exports	10,389	10,389	6,500	6,500	13,825	11,000
MY Exp. to EU	35	35	35	35	50	100
Crush	37,509	37,521	35,000	35,000	38,800	42,000
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,600	1,600	1,500	1,500	1,650	1,650
Total Dom. Cons.	39,109	39,121	36,500	36,500	40,450	43,650
Ending Stocks	4,022	4,010	2,022	2,010	2,747	2,360
Total Distribution	53,520	53,520	45,022	45,010	57,022	57,010

1000 HA, 1000 MT

Oil, Soybean (Local) Argentina	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Apr 2011		Market Year Begin: Apr 2012		Market Year Begin: May 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	37,509	37,521	35,000	35,000	38,800	42,000
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	225	225	391	238	251	78
Production	7,148	7,148	6,670	6,670	7,405	8,000
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	7,373	7,373	7,061	6,908	7,656	8,078
MY Exports	4,227	4,300	3,790	3,790	4,010	4,500
MY Exp. to EU	275	425	300	300	350	435
Industrial Dom. Cons.	2,385	2,450	2,650	2,650	3,000	3,000
Food Use Dom. Cons.	370	385	370	390	371	400
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	2,755	2,835	3,020	3,040	3,371	3,400
Ending Stocks	391	238	251	78	275	178
Total Distribution	7,373	7,373	7,061	6,908	7,656	8,078

1000 MT, PERCENT

Meal, Soybean (Local) Argentina	2010/2011	2011/2012	2012/2013
	Market Year Begin: Apr 2011	Market Year Begin: Apr 2012	Market Year Begin: Apr 2012

	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	37,509	37,521	35,000	35,000	38,800	42,000
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	2,532	2,891	3,501	3,862	3,031	3,392
Production	29,181	29,183	27,290	27,290	30,265	32,750
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	31,713	32,074	30,791	31,152	33,296	36,142
MY Exports	27,485	27,485	27,000	27,000	30,120	32,500
MY Exp. to EU	12,658	12,658	12,700	12,700	13,200	15,000
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	727	727	760	760	770	770
Total Dom. Cons.	727	727	760	760	770	770
Ending Stocks	3,501	3,862	3,031	3,392	2,406	2,872
Total Distribution	31,713	32,074	30,791	31,152	33,296	36,142
1000 MT, PERCENT						