

NEWSLETTER

Wheat

The wheat harvest has already ended throughout the country. In these last 2 months the commercial scenario has changed substantially due to prices. The export companies have declared 13 million tons purchased and the estimated production around 19 million and a reserve for seed use of 0.5 million. A very high participation that has raised domestic prices and FOB values, narrowing the gap with other origins by almost \$ 20 a ton, such as the USA and Australia; surpassing even the European and Russian origins (see pictures of Argentina: Oferta y Demanda de Trigo and Argentina: Precios de Competencia de Trigo Argentino a Brasil)

ARGENTINA: OFERTA Y DEMANDA DE TRIGO

		2019/20	2018/19	2017/18
- Stock Inicial	Mill/ton	1,5	0,9	1,0
Area Sembrada	Mill/has	6,5	6,1	5,5
Rendimientos	Kg/ha	2,733	3,021	3,192
- Produccion	Mill/ton	18,9	19,0	18,1
- Total Oferta	Mill/ton	20,4	19,9	19,1
- Consumo Interno (1)	Mill/ton	6,3	6,2	5,7
- Compras 15/1/20 (2)	Mill/ton	1,5	1,4	1,4
-Semilla	Mill/ton	0,5	0,5	0,5
- Exportacion	Mill/ton	13,0	11,7	12,0
- DJVE 15/1/20	Mill/ton	12,0	6,9	5,5
- Compras 15/1/20 (2)	Mill/ton	13,6	9,5	7,6
- % S/Exportacion	%	105%	81%	64%
- A precio	Mill/ton	11,7	8,7	6,8
- % S/Total Compras	%	86%	92%	89%
- Total Demanda	Mill/ton	19,8	18,4	18,2
-Stock Final	Mill/ton	0,6	1,5	0,9

(1) Ajustado por Fiscalizacion Molinos (2) Compras a igual fecha de cada año

Fuente : Agritrend SA (*) Proyectado

The overall quality has been acceptable to good, with protein levels in the order of 12% Dry Basis. Due to the excess relative humidity and low solar index, some regions have presented lots with excess damaged kernels by Fusarium sp. Generally, these have been mixed with grade 1 or grade 2 lots, presenting, as a consequence, shipments grade 2 or better.

December and January have been months of strong loading, both in river and sea ports.

ARGENTINA: PRECIOS DE COMPETENCIA DEL TRIGO A BRASIL

a BRAZIL	FOB Origen	+ Flete	+ Impo Tax Port	Cif Brasil			
				C/AEC	Dif C/A	S/AEC	Dif S/A
Argentina	240,0	17,0		257,0		257,0	
USA SRW	235,0	24,0	6,0	288,5	-31,5	265,0	-8,0
USA HRW	237,0	24,0	6,0	290,7	-33,7	267,0	-10,0
Francia	222,0	32,0	8,0	284,2	-27,2	262,0	-5,0
Alemania	227,0	32,0	8,0	289,7	-32,7	267,0	-10,0
Rusia	231,0	36,0	9,0	299,1	-42,1	276,0	-19,0
Australia ASW	280,0	42,0	10,5	360,5	-103,5	332,5	-75,5
Australia APW	281,0	42,0	10,5	361,6	-104,6	333,5	-76,5
Canada	292,0	29,0	7,3	357,5	-100,5	328,3	-71,3

FOB Argentina	240,0	(Fob Oficial)	Rosario	Enero	210
Fobbing	11,0		Futuros	Marzo	212
Der. Exportacion	28,8			Julio	218
Precio Fas s/Fob	200,2			Dic 20/21	169
Precio de Mercado	210,0	to: 27/1/2020			
Margen	-9,8	Source: Mercado / Agritrend en dol/ton			

Fuente: Agritrend SA / Info.de Mercado pos. Enero dol/ton - C/S AEC Considerando o no el Arancel externo comun de Mercosur

FOB Argentina: Base 11,5% proteina embarque enero - FAS base derechos exportacion 12%

Los margenes son fuertemente negativos, por fuerte suba del precio interno, en funcion a la menor demanda disponible

Corn

Sowing has already been completed throughout the country and it is expected that at the end of February the first early sowing lots will begin to be harvested in the central and northern region. The area is estimated at 6.2 million hectares and the yield of 7 to 8 ton / ha, which would mean an offer a little more than 50 million. ton, somewhat less than last cycle (2-3%). In terms of quality, it is expected to be good to very good, Argentine orange corn, harder endosperm than American yellow and has good content of carotenes and flavonoids. These physicochemical properties give it the characteristic color, better nutritional value and greater resistance to cracking and insect attack.

Countries in Southeast Asia, North Africa and Latin America continue to lead export destinations.

MAIZ: EXPORTACIONES POR DESTINO (mill tn)

	2020 (*)	2019 (*)	2018	2017
Vietnam	0,09	6,95	4,50	4,30
Argelia	0,08	3,65	3,47	3,20
Corea del Sur		3,19	0,10	1,80
Egipto		2,63	2,60	2,90
Peru	0,40	2,80	0,18	0,14
Malasia	0,21	2,19	2,28	1,97
Arabia Saudita	0,14	1,95	1,58	1,44
Chile	0,32	2,11	1,77	1,30
Marruecos	0,13	1,54	0,83	1,23
Colombia		1,20	0,05	0,01
Indonesia	0,17	0,73	0,32	0,19
Yemen	0,06	0,63	0,53	0,59
Cuba	0,09	0,32	0,40	0,53
Jordania	0,02	0,22	0,40	0,55
Otros	0,16	4,85	3,94	3,37
Total	1,87	34,96	22,94	23,52

Fuente: Min.de Agro./INDEC/Agritrend/Line Up- (*)Estimado/ Año calendario

Soybean

Like the case of corn, the sowing of this crop has already been completed, with an estimated 17.8 million ha. If normal weather conditions are maintained, it is expected that the new harvest will start at the end of February, it would represent a production of 54 million tons, somewhat lower than the 2018/19 cycle. The carry-over is estimated to be greater than the last campaign and surely the import from Paraguay and Brazil will be repeated in similar quantities, so that the supply for crushing would be compensated or increased. Therefore, the external supply 2020 of oil and flour (soybeanmeal) is expected to be greater in volume.

ARGENTINA: OFERTA Y DEMANDA DE SOJA

		2019/20 (*)		2018/19	2017/18
		Hip Max	Hip Min		
- Stock Inicial	Mill/ton	7,1	7,1	3,6	4,0
Area Sembrada	Mill/has	17,8	17,8	17,6	17,5
Rendimientos	Kg/ha	2,935	2,829	3,086	2,018
- Produccion	Mill/ton	55,0	53,0	56,0	36,4
- Importacion	Mill/ton	3,5	3,5	3,5	6,5
- Total Oferta	Mill/ton	65,6	63,6	63,1	46,9
- Molienda	Mill/ton	47,0	46,0	43,0	36,1
- Compras 15/1/20	Mill/ton	8,2	8,2	3,5	3,9
- % S/Molienda	%	13%	13%	6%	8%
- A precio	Mill/ton	4,6	4,6	1,0	1,8
- % S/Total Compras	%	56%	56%	29%	47%
-Semilla/Otros Usos	Mill/ton	3,5	3,5	3,0	3,0
- Exportacion	Mill/ton	11,0	10,0	10,0	4,2
- DJVE	Mill/ton	5,6	5,6	0,7	0,0
- Compras 15/1/20	Mill/ton	4,9	4,6	0,6	3,3
- % S/Exportacion	%	44%	46%	6%	79%
- A precio	Mill/ton	3,8	3,7	0,4	1,8
- % S/Total Compras	%	78%	80%	67%	53%
- Total Demanda	Mill/ton	61,5	59,5	56,0	43,3
-Stock Final	Mill/ton	4,1	4,1	7,1	3,6

(1) Año Comercial Abr/Dic. según info Ofic. y Line Up

Fuente : Agritrend SA (*) Proyectado

Important News

The ABC Control Laboratory, associated with CIS-Argentina SRL, incorporates new equipments for different analytical determinations, providing results in less time and with better precision.

1.- The modern Inframatic 9500, based on Near Infrared (NIR) technology of continuous scanning by transmittance, is the latest model on the market and offers the best accuracy and data handling available. It is accurate, reliable and robust, and has been built to meet the requirements of cereal and oil operators. Analyze a large number of grains and oilseeds; moisture, protein, oil and many other parameters in less than 30 seconds. The modern instrument is standardized to a wavelength according to NIST (National Institute of Standards and Technology) of the Department of Commerce of the United States of America, one of the most prestigious in the world.

2.- Falling Number 1,000, quantificates alpha-amylase activity which has great influence upon the quality of baked goods, pasta and noodles. Sprout damage is caused by alpha-amylase - a naturally occurring enzyme in grain that increases in concentration during wet harvests periods. This Falling Number instrument is the only validated instrument capable of running the World Wide Standard method for measuring alpha-amylase activity in flour and meals of certain cereals

This modern Falling Number model is the only validated instrument covered by the approved International standards:

AACCI / No. 56-81.03, ICC / No. 107/1, ISO / DIS 3093

