



Argentina heading towards planting record in 2021/22 MY

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The agricultural area forecast for crop 2021/22 reaches 38.7 million hectares, 500 thousand ha over the previous crop season. If fulfilled, it would be the largest area in history, driven by the increase in international prices.

During crop season 2020/21, meteorological conditions were mainly unfavourable for the development of winter crops, while a deficit in moisture combined with high temperatures in February and March of the present year subtracted tons from soybean, forcing to adjust downwards the harvest forecast. This way, total grain production of crop season 2020/21 was 6% below last crop, totalizing 127.7 Mt. The area dedicated to grain and oilseed production in Argentina was of 38.2 million hectares (M Ha), according to the last adjustments made to the crop season.

Crop season 2020/21 ended with a corn planting record of 7.4 M ha. For crop season 2021/22, this cereal intention reaches again an absolute record of 7.7 M ha. According to the Agribusiness Strategy Guide (GEA, for its Spanish acronym), the expected growth of the planted area varies per province, although there is an important and generalized choice of the crop by producers. It is very likely that the technological package used for crop season 2021/22 improves greatly. According to surveys, there is a tendency to add more parcels with state-of-the-art technological management, which could keep improving average yields, as long as the climate favours the crop. This way, it is forecast a 4.6% year-on-year growth of the planted area. With an average yield of 8.04 t/ha, the forecast productive outlook is of 54 Mt, that is to say, 5 % more volume than the productive record achieved in 2018/19 and 2019/20 (both crop seasons got a harvest of 51.5 Mt).



Prospective plantings: Principal crops area. Argentina 2021/22 MY

Crops	Area planted (M ha)	Percent change from previous year (%)	Area harvested (M ha)	Yield (qq/ha)	Production (M tn)	Percent change from previous year (%)
Soybean	16,7	-1,5%	15,9	30,9	49,0	9,1%
Corn	7,7	4,6%	6,7	80,6	54,0	5,9%
Wheat	6,7	3,3%	6,5	31,0	20,2	18,9%
Sunflower	1,7	16,4%	1,7	20,8	3,4	28,3%
Sorghum	1,0	5,3%	0,8	44,3	3,3	4,2%
Barley	1,3	5,1%	1,2	42,5	4,9	9,8%
Other (*)	3,7	-3,2%	1,9		4,9	-1,5%
TOTAL	38,7	1%	34,5		139,9	9%

(**) Birdseed, rice, oats, rye, millet, wheat durum, safflower, rapeseed, groundnut, cotton and beans.

Fuente: Dir. Información y Estudios Económicos, GEA - Bolsa de Comercio de Rosario y MAGyP

The trend observed during the last few years regarding crop share is here to stay. Year after year, corn grows, and the queen of Argentinian fields, soybean, loses presence in the total of planted hectares. In this sense, it is expected a 250 thousand ha reduction in the soybean planted hectares, totalizing 16.65 M ha, which is forecast as the lowest value in the last 15 years. This value can keep adjusting downwards during the next few months. This tendency is strengthened on the main productive areas of the Pampa region, especially on the areas where the lack of water has had a severe negative effect on soybean yields and, in contrast, showed a better-than-expected behaviour in corn. By comparing production margins for different crops, early corn in the core region is the one with the best margin, according to GEA data. Double crop wheat/soybean holds the second place, while early soybean remains in the last place in terms of net margin. The growth in the corn yields and the better relation price/input of the cereal favour its production, subtracting planted areas to the oilseed. Of 20 M Ha that used to be planted with soybean seven years ago, the crop has lost area year after year, until crossing the barrier of 17 M ha during the current crop season 2020/21.

For crop season 2021/22, the wheat planted area is forecast to increase by 3%. The water conditions and the price scenario this year are much better than last year's by the same date. The last rains strengthened the planting intention in a large area of the Pampa region. With 27% planted, wheat is heading towards the target planted area of 6.7 M ha. In this context, Argentina is aiming to reach a wheat production of 20 Mt, which would set a new historical record for the cereal in winter. This figure arises from taking into account area losses around 200,000 ha and the average national yield of the last 5 years: 3.1 t/ha. Córdoba would use the advantage of having more water on its profiles, especially on the East and South of the province, recovering the area that could not plant last year, with over 14% of area dedicated to wheat. However, rain scarcity continues to be an important challenge for some areas, and planting is paralysed in the centre and North of the province. The planted area in Buenos Aires would fall by almost 10% in the benefit of barley, although we need to highlight the recovery of edaphic humidity in the North of the province, which could add to wheat intention. In Santa Fe, a 5% growth of the planted area is forecast, although it might be higher, after last rains. This year, Santa Fe would reach the highest wheat planting level of all its history, exceeding its previous record set last year, with 1.19 M ha planted.



Continuing with the margin analysis, for next crop season a substantial increase in the sunflower planted area is forecast. Crop season 2020/21 left poor results for the oilseed in terms of yield in several areas of the country. As a consequence, the lowest production of the last 5 years was obtained. Looking into crop season 2021/22, gross margins of the producer are far above other years. Although the productive problems that rose during the last few crops, the more attractive prices that were observed since the end of year 2020 are expected to boost sunflower planting this year.

On the other hand, it is also expected a growth in the area dedicated to sorghum, forecast in 5% year-on-year, reaching 1 M ha in 2021/22. At the same time, a substantial growth of the planted area of barley around 5% year-on-year, reaching 1.3 M ha during crop season 2021/22, according to data by MAGyP.

Therefore, it is forecast that Argentinian seed drillers cover a total of 38.7 million hectares during crop season 2021/22, half a million hectares or 1% more than during the previous crop. Should this come true, this planted area would be the largest in history, exceeding by almost 250,000 hectares the highest mark set during crop season 2019/20. The improvement of international prices during the first semester of the year, which pushed reference quotes to maximum values in about a decade, has had a key role in improving the profitability of marginal parcels and promoted its planting.

Assuming trend yields, the national production might reach a historical record of 140 million tons, mainly anchored in the recovery of wheat and sunflower production, and the new impulse of corn.

Finally, it is forecast the monthly entry into Rosario hub terminals of trucks loaded with grain. The following chart forecasts the arrival of trucks to industries and ports of Rosario city cluster during period between July 21 and May 22, already considering the entry of a great part of harvests 2021/22. The presented forecasts are based on the real expected entry of trucks to Rosario city cluster terminals. There should be taken into account, however, that grain delivery companies register the entry of goods until 06:00 am, so the number on their records could be considerably lower. The indicator is corrected for the discrepancy in each crop season, assuming that this difference between demand and supply of trucks is the same during all months of the year.



Up River Ports. Projected grain cargo received by truck/train

Tons per month

Month/Year	Soybeans	Corn	Wheat	Barley	Sorghum
jul-21	2.712.222	3.486.829	70.428	70.138	39.275
ago-21	2.849.009	2.675.846	47.866	75.183	55.145
sep-21	2.611.370	1.919.391	39.431	56.428	39.848
oct-21	2.532.512	1.626.493	54.956	77.242	30.703
nov-21	2.416.224	1.494.486	782.284	71.421	37.133
dic-21	1.373.440	1.278.210	1.229.017	89.221	34.694
ene-22	1.311.298	1.451.358	895.213	88.845	24.455
feb-22	1.147.665	1.750.855	508.377	194.155	15.226
mar-22	1.420.860	3.588.300	152.170	184.551	31.821
abr-22	4.568.069	3.054.833	92.300	164.603	17.341
may-22	4.058.590	2.781.937	140.875	136.977	35.828
jun-22	2.937.271	3.018.362	99.680	91.236	26.385

Source: Dir. Información y Estudios Económicos - Rosario Board of Trade