Agribusiness product shipments dropped during the first six months of the year

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The drop is mainly due to a lower shipped tonnage of grains, caused by the lower production during the current crop season. Oil shipments, however, show a strong increase. Asia remains the main destination for the shipments.

During the first semester of the year, Argentina shipped a total of 48.4 Mt of grains, by-products and oils, 6.2% lower than the same period in 2020. This drop is mainly explained by the lower shipment of grains: between January and June, 27.9 Mt were shipped, 19% less than the volume reached during the first six months of the previous year. By-products and vegetable oils show a different situation, as they registered an increase during the first six months of 2021 in regards to the same period of 2020.

Shipments of agro-industrial products from Argentinian ports.
-Metric tons-

	2018	2019	2020	2021	Var % 2021 - 2020	Var % 3-year avg.
Grains total	22.908.389	29.024.124	34.386.014	27.868.490	-19,0%	-3,1%
Argentinian grains	*22.271.932*	*28.593.732*	*34.336.345*	*27.538.605*	*-19,8%*	*-3,0%*
By-products total	14.344.961	15.903.679	14.315.100	16.524.246	15,4%	11,2%
Argentinian by-products	*13.197.950*	*14.752.160*	*12.994.061*	*15.164.928*	*16,7%*	*11,1%*
Vegoils total	2.409.289	3.260.070	2.958.939	4.056.006	37,1%	41,0%
Argentinian vegoils	*2.039.828*	*2.947.883*	*2.753.807*	*3.695.802*	*34,2%*	*43,2%*
Shipments total	**39.662.639**	**48.187.873**	**51.660.053**	**48.448.742**	**-6,2%**	**4,2%**

Note: totals include products from Bolivia and Paraguay.
Source: @BCRmercados based on data from Ministry of Agriculture, Livestock and Fisheries (MAGyP, for its Spanish acronym)

By-product shipments from Argentinian ports between January and June of 2021 experienced an increase of 15,4% regarding the same period of 2020. But the main highlight is what happend with vegetable oils. The international demand of these by-products has kept considerably high since the end of last year, and in the period under analysis 4 Mt have been shipped from Argentinian port terminals, exceeding by 37.1% the record of 2020 (3 Mt).

If we further analyse each of the categories of Argentinian grains, it can be noticed that the fall of grain shipments is mainly due to the decrease in shipments of the three major grains exported by our country: wheat, corn and soybean.

Grains shipments by port and by type during the first half of 2021
-Metric tons-

	Sunflower	Wheat	Corn	Soybean	Barley	Sorghum	Foreign Grains	Total	Var.% 2020	Var.% 3-year avg.
Bahía Blanca	-	1,657,210	2,669,369	447,559	762,124	-	-	5,536,262	-2%	15%
Necochea	104,029	1,009,530	501,155	327,402	1,209,044	-	-	3,151,160	-2%	7%
Ramallo	-	114,375	436,094	143,712	-	10,458	-	704,639	107%	
Rosario	-	1,336,814	4,017,815	65,926	-	439,905	1	5,860,461	-31%	-23%
San Lorenzo	-	1,829,988	8,597,765	296,227	-	107,005	308,105	11,139,090	-24%	-6%
Villa Constitución	-	-	86,777	-	9,264	80,046	-	176,087	4%	33%
Zárate	-	288,261	410,665	464,927	24,813	90,346	21,779	1,300,791	-20%	7%
Total	**104,029**	**6,236,178**	**16,719,640**	**1,745,753**	**2,005,245**	**727,760**	**329,885**	**27,868,490**	-19%	-3%
Var.% 2020	-26%	-24%	-15%	-60%	18%	132%	564%	-19%		
Var.% 3-year avg	-9%	-16%	5%	-38%	3%	205%	-12%	-3%		

Source: @BCRmercados based on data from MAGyP

In the first place, wheat shipments from Argentinian port terminals during the first six months of the year totalized 6.2 Mt, a 24% drop from 2020, and a 16% drop with regards to the average of the last three years. This can be explained by the lower cereal production obtained during the last crop, a consequence of the severe draught that affected the national production, particularly in the centre and North region, thus reducing the exportable balances.

On the second place, corn shipments this year to date reach 16.7 Mt, indicating a 15% drop with regards to the same period last year, although with a 5% increase with regards to the average of the last three years. Although corn production during the current crop was almost identical to the one obtained last year, this fall in the shipments is due to another phenomenon. The draught previously mentioned that affected wheat national production also caused a considerable delay in corn planting, which in turn caused a lower planted area of early corn and a higher planted area of late corn. This led up to a lower availability of grain during the first six months of the crop season that started in March and, therefore, to a lower tonnage of shipped cereal. However, due to the late corn area increase, a considerable volume of commodity can be expected to enter between July and August, and therefore the shipped tonnage could show an upturn and close the gap during the next few months.

On the third place, soybean shipments reach 1.7 Mt in the first semester of the year, registering a 60% drop from 2020 and 38% drop from the average of the last three years. Just as the case of wheat, the lower soybean production obtained during the new crop season due to February's drought reduced the exportable balance of the oilseed. Another factor needs to be added, though: the strong international demand of soybean by-products, particularly oil, has caused a sharp increase in prices and improved the industry's margins. In this way, it is forecast that a higher tonnage of the oilseed is processed locally so that its by-products can later be exported, instead of directly shipping the unindustrialised grains.

A special mention hast to be made to what happened to barley and sorghum shipments. These grains have presented a remarkable increase in shipments during the first six months of the year: barley grew 18% with regards to 2020, while sorghum over doubled the shipments made during the first semester last year. In both cases, this is due to the strong Chinese demand for both crops, particularly to be used as forage.

Last, an interesting analysis emerges by observing shipments by port. As can be appreciated, the ports located by the Paraná River, particularly the ones in Rosario city cluster of ports, are the ones whose shipments have been more reduced. Rosario and San Lorenzo ports show a drop of 31 and 24%, respectively, and shipments from Villa Constitución increased by 4%, although it should be noted that, in absolute terms, the tonnage is irrelevant. Meanwhile, the ports in the South of

Buenos Aires province only show a 2% drop. This can be explained, on the one hand, by the severe low water level that affects the Paraná River, the worst in over 50 years and, on the other hand, by the fact that the wheat and barley production in the area of influence of Buenos Aires sea ports has not been affected, unlike what we mentioned in the North and centre area of the country, so that the shipments of these grains from Bahía Blanca and Necochea did not suffer a reduction that was suffered indeed by the rest of the port terminals.

Vegetable oils shipments by port and by type during the first half of 2021

-Metric tons-

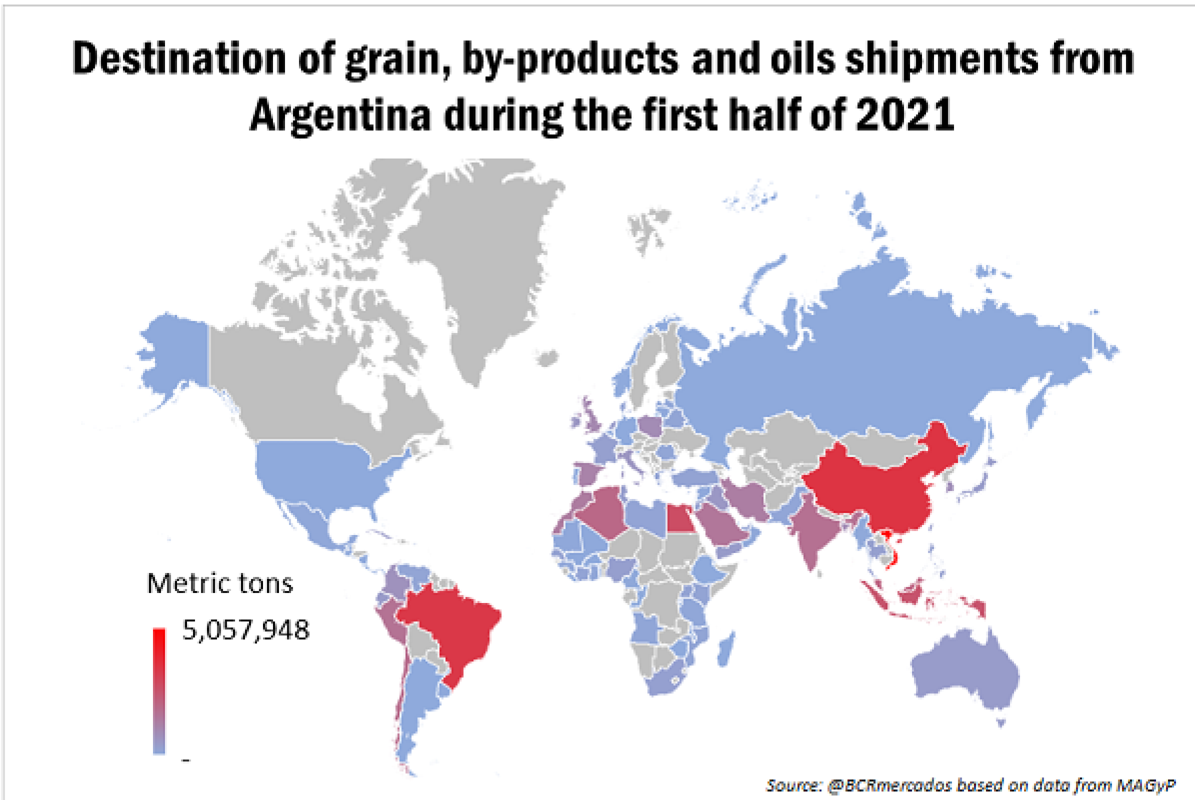
	Sunflower	Soybean	Cotton	Safflower	Corn	Foreign Oils	Total	Var.% 2020	Var.% 3-year avg.
Bahía Blanca	60,000	21,746	-	-	-	-	81,746	276%	22%
Necochea	112,924	11,006	-	-	-	-	123,930	32%	77%
Ramallo	-	14,458	-	-	-	-	14,458		55%
Rosario	-	313,288	-	-	-	27,388	340,676	8%	24%
San Lorenzo	138,342	2,996,501	9,000	1,160	-	336,309	3,481,312	38%	42%
Zárate	-	9,896	-	-	3,989	-	13,885	8%	57%
Total	**311,266**	**3,366,895**	**9,000**	**1,160**	**3,989**	**363,696**	**4,056,006**	**37%**	**41%**
Var.% 2020	**22%**	**35%**	**350%**	**-66%**		**77%**	**37%**		
Var.% 3-year avg.	**8%**	**48%**	**327%**	**-79%**		**18%**	**41%**		

Source: @BCRmercados based on data from MAGyP

Moving into oil shipments, in the chart above it can be noted that, with the exception of safflower oil, all vegetable oils have had a considerable increase in shipments during the first six months of 2021, which is in line with the already discussed global appetite for oils in general. In relative terms, cotton oil is the one with the highest increase, increasing more than fourfold the tonnage shipped during the previous year. However, in absolute terms, soybean oil takes all the credit: between January and June, 3.7 Mt were shipped, 874 thousand tons over the first six months of 2020. Besides, all the ports of the country increased their oil shipments this year to date, both in the year-on-year comparison as in relation with the average of the last three years.

Finally, another interesting aspect to analyse are the destinations of grain, by-products and oil shipments from Argentinian port terminals, and how they evolved during the first six months of the year.

By performing a preliminary analysis, it can be noticed that 49% of the shipments are destined to Asia. Then, in decreasing order of importance, are America (19%), Africa (18%), Europe (13%), and last, Oceania (1%).



By disaggregating information per country, Vietnam emerges as the main destination of all the shipments made: between January and June, 5.1 Mt grains, by-products and oils were shipped to that country, below the volume shipped during the first six months of the 2020 (6.8 Mt). Another remarkable piece of data is that the difference with China, the second major destination, is considerable, since 3.5 Mt were shipped to the Asian giant. Besides, the shipments to that Asian country were slightly reduced from the 3.8 Mt reached during the first six months of 2020. The third place in the podium is for Brazil, with 3.4 Mt, also below the figure from last year (3.6 Mt).

Main destinations of grains, by-products and oils shipments from Argentinian ports during the first half of each year.
-Metric tons-

	Grains			By-products			Oils			Total		
	2021	2020	3-year avg.	2021	2020	3-year avg.	2021	2020	3-year avg.	2021	2020	3-year avg.
Vietnam	3,117,345	4,416,421	3,385,364	1,897,229	2,372,170	1,976,331	43,374	13,976	4,665	5,057,948	6,802,567	5,366,361
China	3,209,322	3,818,558	2,519,098	-	-	47,251	308,111	9,929	11,001	3,517,433	3,828,487	2,577,350
Brazil	3,122,345	3,434,038	3,242,736	210,158	169,151	169,313	72,637	48	9,812	3,405,140	3,603,237	3,421,861
Egypt	2,423,296	2,997,818	2,319,386	87,420	154,829	292,985	249,900	254,986	146,961	2,760,616	3,407,633	2,759,333
Indonesia	803,479	2,461,039	1,662,649	1,743,034	968,009	1,123,004	-	-	-	2,546,513	3,429,048	2,785,653
Malaysia	1,316,311	1,689,066	1,437,457	752,489	756,439	621,665	29,000	35,076	36,856	2,097,800	2,480,581	2,095,978
Algeria	1,665,261	1,816,868	2,015,144	266,907	587,438	684,289	27,800	91,459	48,958	1,959,968	2,495,765	2,748,391
Chile	1,278,726	1,518,668	1,170,845	527,384	376,492	350,751	-	-	-	1,806,110	1,895,160	1,521,596
India	-	63	48,416	37,290	26,931	76,867	1,657,954	1,555,629	1,314,138	1,695,244	1,582,623	1,439,420
Peru	1,306,608	1,815,963	691,975	160,651	116,654	127,082	182,185	1,121	120,939	1,649,444	1,933,738	939,995

Source: @BCRmercados based on data from MAGyP

Last, if we analyse each of the categories, it can be observed that the main part of the grain shipments in 2021 to date had China as destination (3.2 Mt), equivalent to 12% of all grains shipped, while Vietnam was the main destination of by-

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products shipped on Argentinian ports (1.9 Mt, that is, 11% of the total). As for oils, India establishes itself as the main client for Argentina, and this year to date 1.7 Mt have been shipped, 41% of the total vegetable oils shipped from Argentinian port terminals.

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