

The weather threatens the productive record of the new crop

Guido D'Angelo – Emilce Terré

Disappointing rains combined with high temperatures put the early or first varieties of soybean and corn in check, while the late varieties have been better resisting the onslaught.

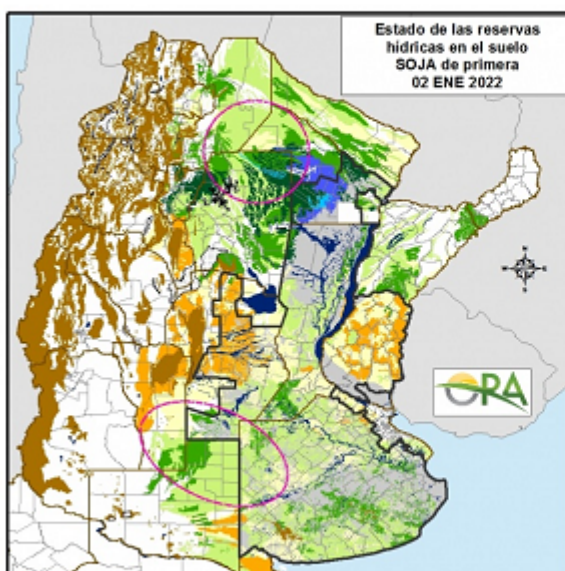
The sustained climatic uncertainty casts doubts on the development of coarse grains. As the last report of the Agribusiness Strategy Guide (GEA, for its Spanish acronym) highlighted, the rains of the first hours of 2022 were not enough to sustain the yields of soybean and corn in the core zone. The climatic variability and the lack of rainfall in the coming days do not foretell optimistic productive results.

The lack of water reserves is seen with more emphasis in early corn and first crop soybean, both in the process of reaching their critical stage for phenological development. However, good moisture profiles are maintained in second-crop soybean and late corn, which allows not to lose optimism on these varieties for the time being. We should not forget that a vast majority of the hectares sown with yellow grain consists of late corn, as has been highlighted in previous editions of the Weekly Report.

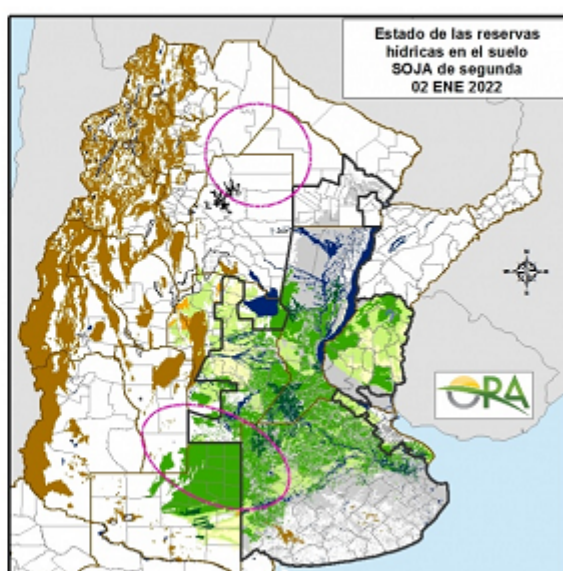
Soil water reserves per crop

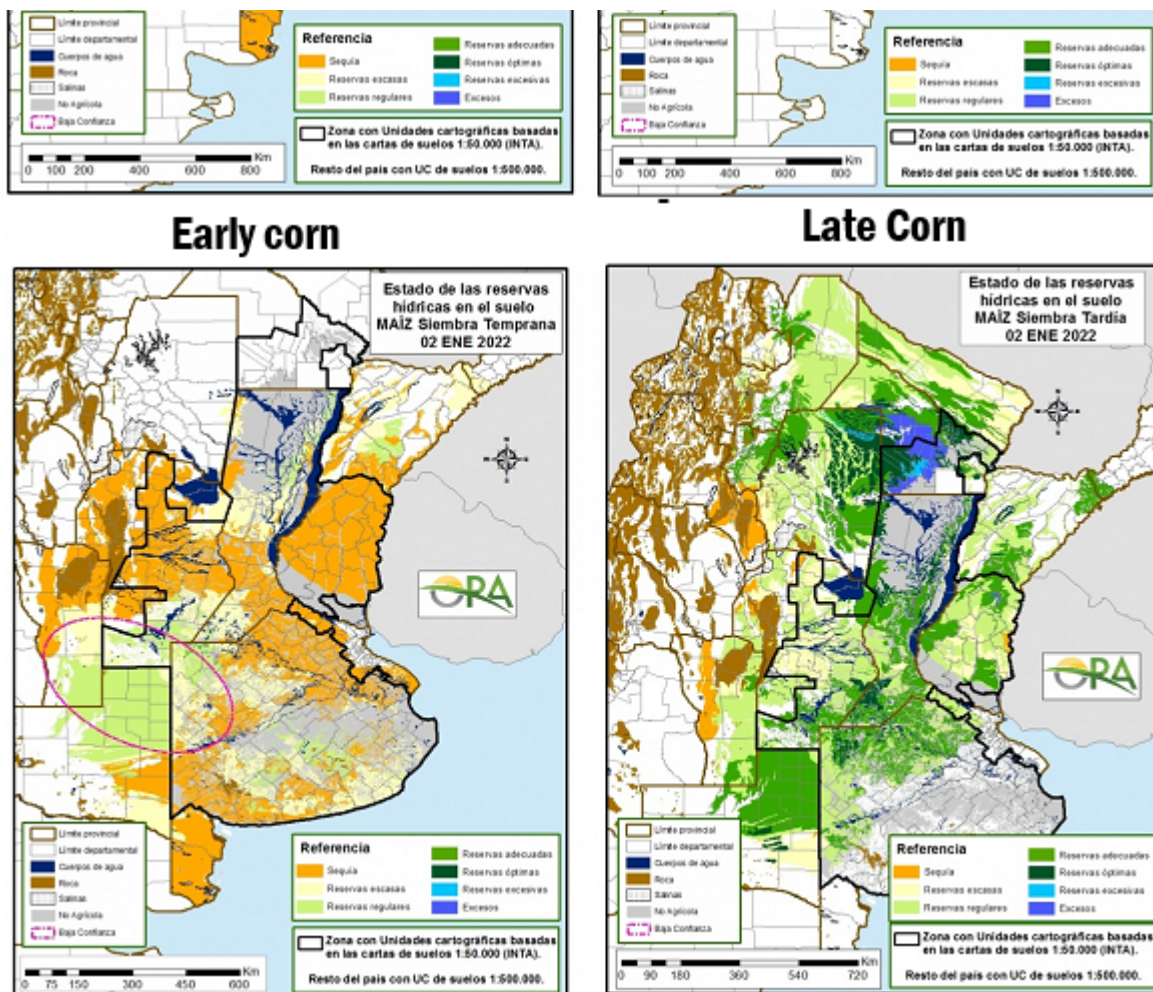
Extracted from ORA

First crop soybeans



Second crop soybeans





The lack of rains and the doubts about the production of first-crop soybean are affecting the evolution of external sales of beans and their by-products, considering that about two-thirds of the hectares planted are second-crop soybean. The Soy Export Complex accumulates external sales for 0.4 Mt for the coming season, to start in three months. This level of sales differs drastically from the almost 0.9 Mt that had been declared by this time of the year in the previous crop. As a matter of fact, just this week the first Export Sworn Statements (DJVE, for its Spanish acronym) of soybean meal were observed, added to the fact that there are still no sales recorded for soybean oil 2021/22.

Corn, on the other hand, with external sales for almost 10 million tons, closed December with a robust level of business, especially in the new crop segment. Thus, the next corn season had 9.4 Mt declared in December, which adds to the 0.4 Mt declared for the current season. This record was only surpassed in January 2016, as soon as the restrictions to negotiate abroad were eliminated.

As a result, business anticipated for the 2021/22 crop season last month exceeded the previous record for 2019/20. With these data, corn exports might have already reached 90% of the "balance volume" of exports defined in the Memorandum N° 06 by the Undersecretariat of Agricultural Markets of December 17th, 2021. The remaining percentage should be



operated under the DJVE-30 regime, at least while the defined volume is revised.

