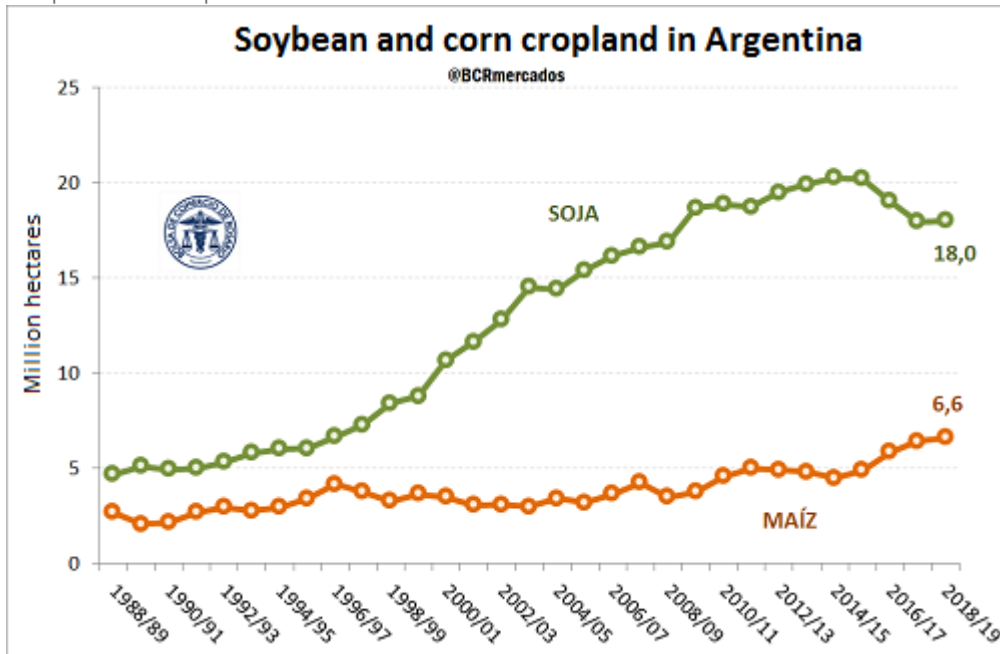


# Soybeans become more attractive than corn

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Under the recently introduced export tax scheme in Argentina, soybean local price become more attractive than corn price. Therefore, and given the higher financing costs, farmers must consider their options carefully. Corn sowing intention has fallen by 200,000 hectares compared to last months' estimations, to 6.6 million hectares. Moreover, current interest rate at around 50% reduces farmers financing options resulting on smaller technology investment that may affect yields and quality. Soybean sowing intention, on the other hand, continues to rise although it is still below its maximum cropland reached two years ago. Soybean sowed area is projected at 17.9 million hectares in 2018/19 crop, 200,000 more than in the previous crop.



In an international context of lower availability of corn and higher soybean stocks, Argentina's supply and demand balance might experience important changes during the next crop. As for corn, the prospects of an increasing meat production would drive up demand. In the case of soybean, the industry's ability to pay has fallen making export perspective more attractive. Consequently, there has been an increase in soybean purchases for export, as crushing demand falls. US record soybean crop, however, limits soybean profits.