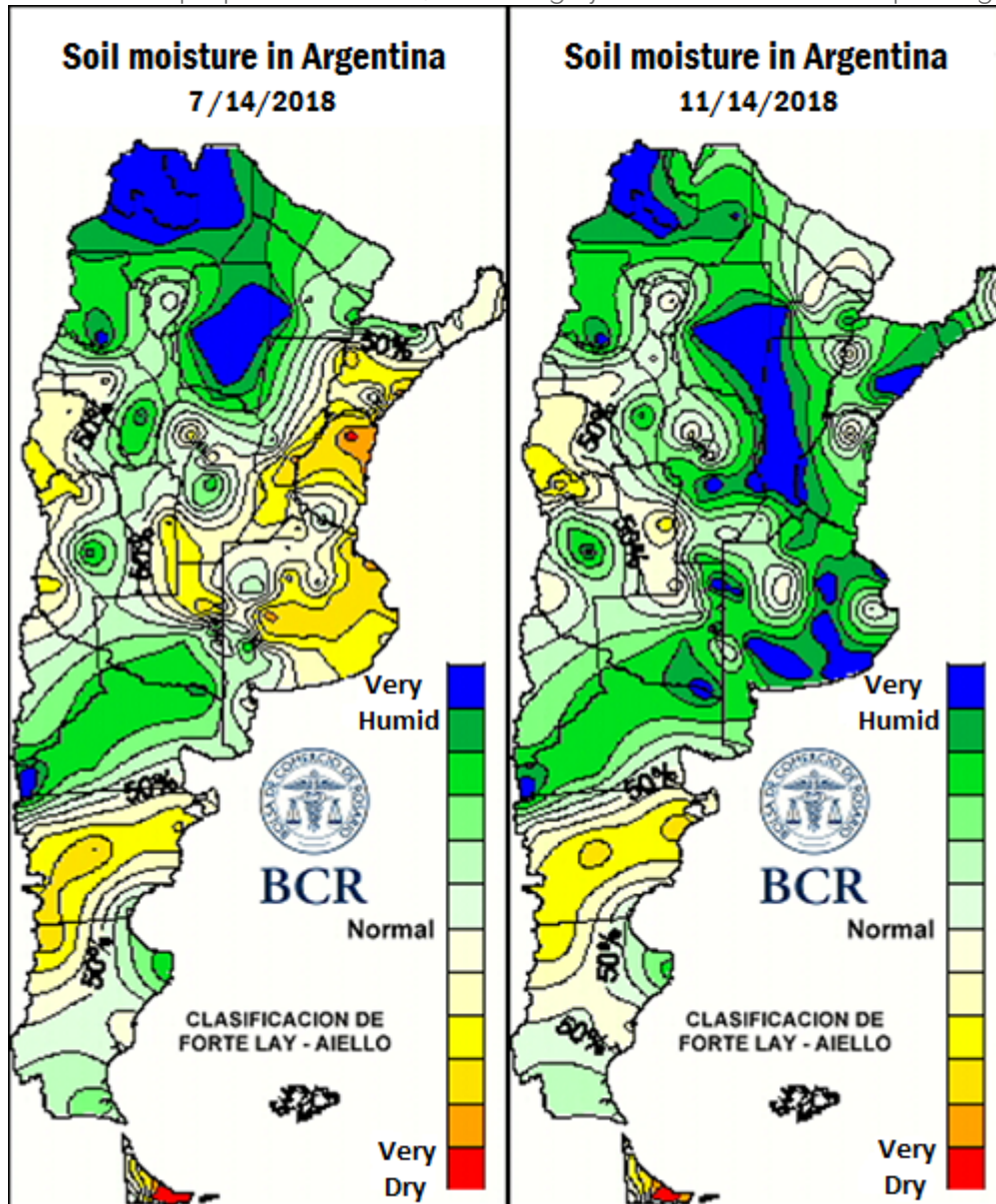


# Coarse grains: heavy rains would lead to replanting.

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By November 8, Argentine farmers had already planted 55% of the intended planted area. Early soybean sowing showed a distinctive rapid pace this season, exceeding by far the last five seasons planting pace average of 38%.





However, the intense rainfall that affected wide productive areas in Argentina from November 10 might force farmers to replant some fields. The replanting of soybeans in the core region –considering seeds, inoculants and planting efforts costs- would take around US\$ 78/t. Moreover, Argentine producers currently face a high interest rate scenario. Therefore, it will certainly be a great difficulty for farmers affected by the floods to obtain financial support at reasonable rates. Furthermore, local floods also cause delays in sowing activities in those areas where soybeans were not yet planted. Soybean market has been more active this week compared to the previous one in Rosario Board of Trade. Soybean reference price showed a weekly increase of 2.1%. Meanwhile, the volume traded in the corn market remained very similar to previous week's volume. Corn price had a weekly increase of 0.8%. According to Secretariat of Agribusiness data, purchases of 2018/19 soybean crop show a slower pace this year. However, they are in line with the average of the last five cycles. By November 7, industries and exporters had purchased 3 million tons of new soybeans in the domestic market, well below the 5.6 Mt new soybean crop acquired by this date last year. If production meets the estimated volume of 50.5 Mt this cycle, about 94% of the crops would still be available for commercialization. However, uncertainty prevails in soybean market, as heavy rainfalls condition domestic supply and China-US trade war affect prices worldwide. On the other hand, 2018/19 corn purchases already reach 4.6 Mt, slightly above last cycle's purchases and almost doubling last five years average. Rosario Board of Trade estimates a 43 Mt production that would leave about 34.5 Mt of corn for commercialization. The critical period in which yields are defined has not yet passed, so it is not possible to know the volume of harvest with certainty yet.

### 2018/19 soybean and corn purchases -by November 7, each year-

@BCRmercados based on Secretariat of Agrobusiness data

