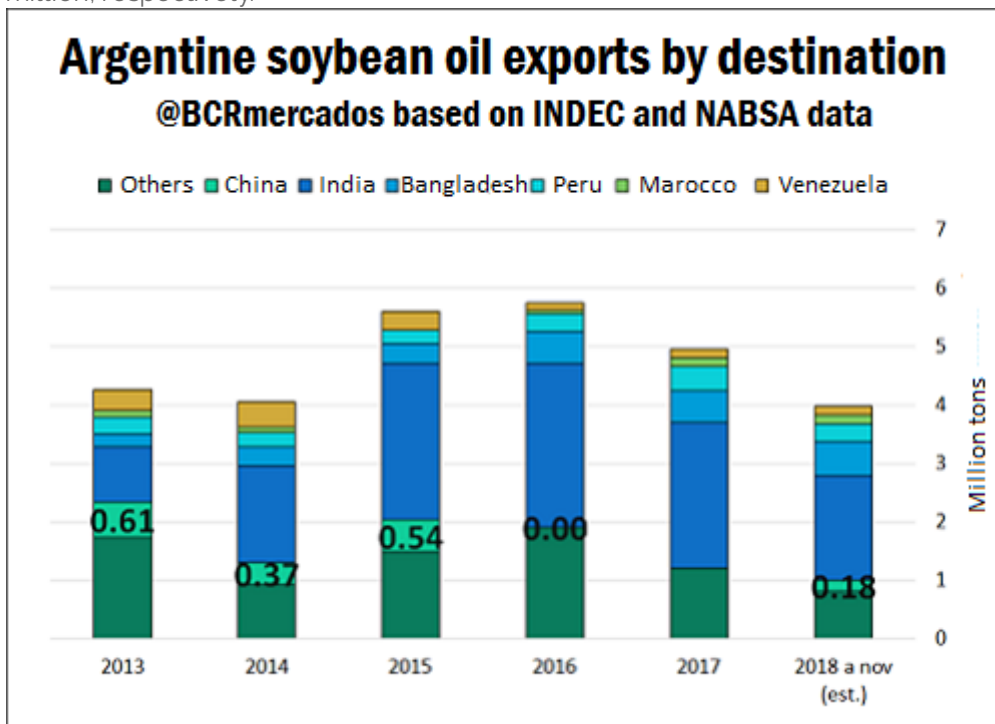


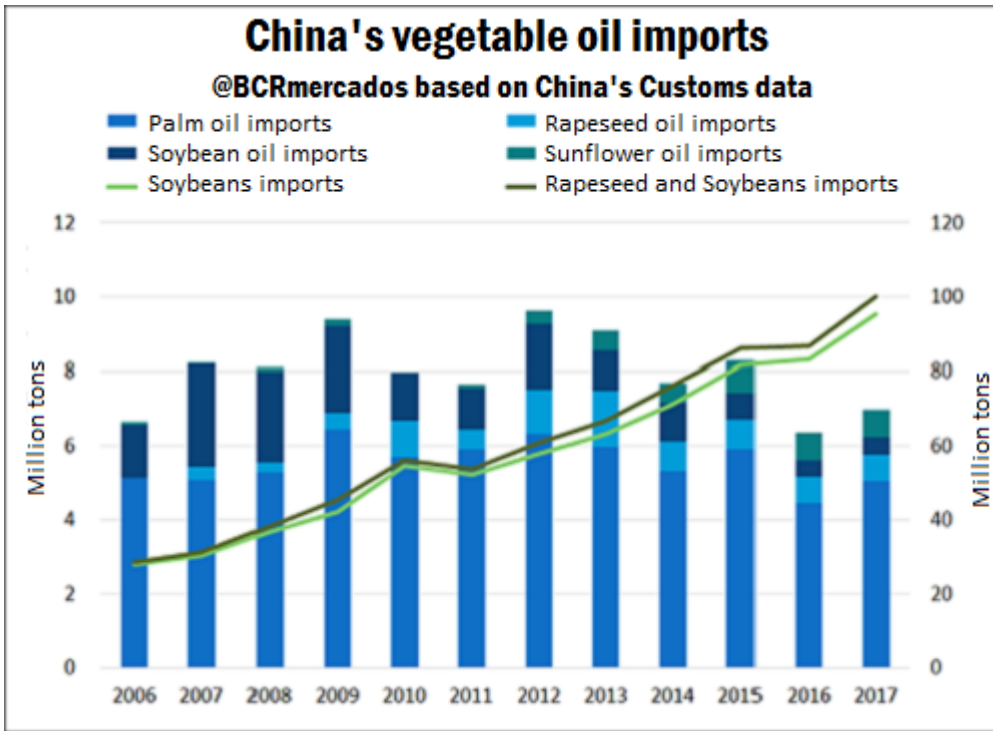
How do Argentina-China trade agreements affect local soybean complex?

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The Secretariat of Agribusiness informed that during the G20, Argentina and Chinese state company Sinograin signed a promotion agreement. Through this document, the Chinese committed agreed to buy between 300 and 400 tons of soybean oil and 2 to 3 Mt of soybeans in 18/19 cycle. These purchases would account for US\$ 217 million and US\$ 882 million, respectively.



This represents a great opportunity for Argentine oilseed oil exports, as Chinese market has been closed to this product for a long time. In August 2018, vessels carrying soybean oil started to ship from Argentine ports to China. According to line-ups estimates, soybean oil shipments to China would reach 180,000 tons in November.



As for soymeal, China is not a relevant importer as the country is able to cover its internal demand thanks its crushing capacity. Despite the soybean complex should continue to be develop as its exports make up for the country's main foreign currency source, Argentina must diversify its sales abroad. Numerous Argentine agricultural and livestock products could be placed in the People's Republic of China.