The impact of the wheat complex in the province of Santa Fe

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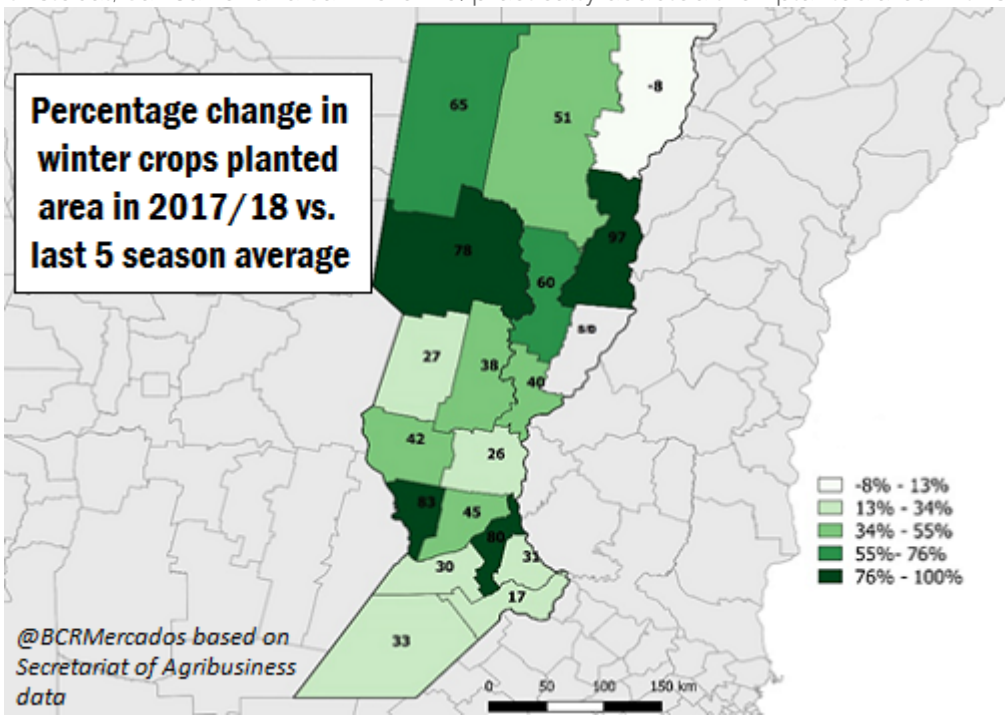
Santa Fe farmers have planted about 1.08 million hectares of wheat, which required almost US$ 313 million. Farmers have made a strong commitment to wheat in Santa Fe. They invested around US$ 290/ha in 2018/19 wheat crop, multiplied by the province's total planted area (1.08 million hectares), investment reaches US$ 313 million. This rise is part of a winter crops growth phenomenon that takes place in the province. The following map shows the increase of wheat and barley planted area in 2017/18 compared to 5-year average. The territories (departments) colored in darker green (Belgrano, San Cristóbal, San Javier and San Lorenzo) practically doubled their planted area in this period.



In 2018/19, Santa Fe would produce about 3 million tons of wheat, which implies a gross production value of about US$ 590 million. Based on an estimated yield of 43 bushels per acre, wheat production in Santa Fe province could reach 2.94 million tons in 2018/2019 cycle. At current Rosario Board of Trade reference price, Santa Fe wheat production would account for US$ 591 million. Santa Fe mills will grind about 835,000 tons of wheat, 15% of the national total. By October 2018, Santa Fe mills grinded 15% of the national total. The province's share in the national total has been growing during the last two decades as in 1998 it grinded only 11% of the total.

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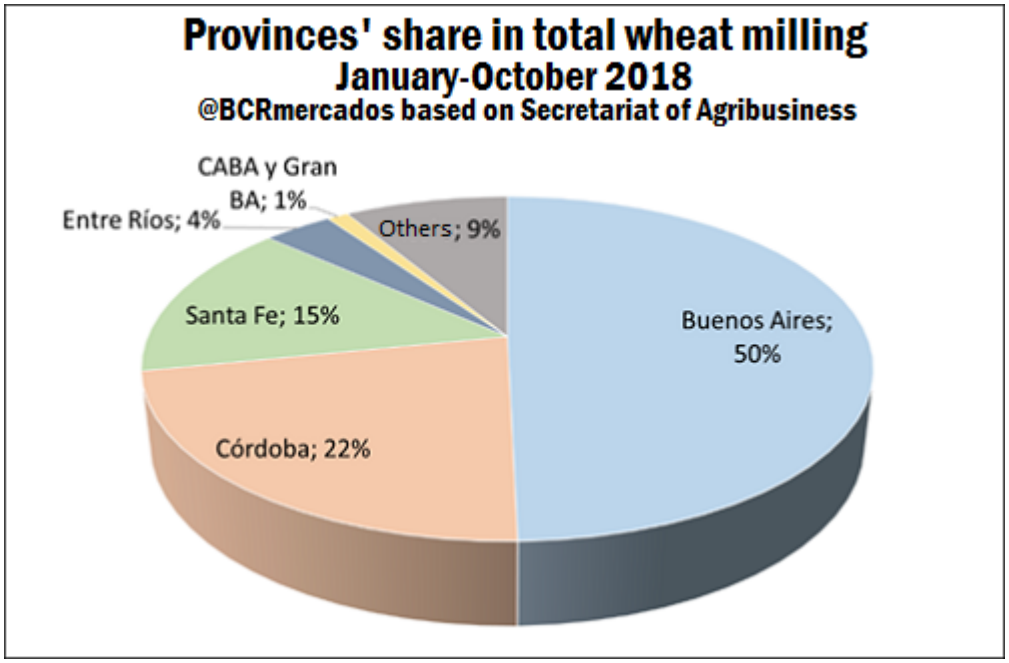

According to estimates, Santa Fe mills would grind 835,000 wheat tons, obtaining 699,000 tons of flour. At current reference price, gross production value would be US$ 250 million (VAT included). On the demand side, in Santa Fe's territory there are not only several wheat mills, but there is also the greatest port complex of the country in the Rosario Hub. Rosario Hub ports will ship 65% of Argentine wheat exports, that is, about 8 million tons of wheat that worth US$ 1,800 million. In recent years, the share of Santa Fe ports in total national exports has shown a great increase. Currently, Rosario Hub port complex originate almost 65% of Argentine wheat exports, while 10 years ago, in 2007, its share was 51% and in 1997 is barely reached 35%. Based on projected wheat exports of 12.5 million tons for 2018/2019 cycle in Argentina, about 8 million tons of wheat would be shipped from Rosario Hub port complex. This amount would account for around US$ 1,800 million, according to current export prices.

Wheat and barley exports by port, 2017
Tons

Port	Province	Wheat	Barley
Bahía Blanca	Buenos Aires	2.648.380	828.410
Quequén	Buenos Aires	1.405.788	1.550.962
Zárate	Buenos Aires	554.444	33.381
Diamante	Entre Ríos	39.567	
Villa Constitución	Santa Fe	120.300	
Rosario	Santa Fe	2.615.896	104.050
San Lorenzo / San Martín	Santa Fe	5.036.712	
National total		**12.421.088**	**2.516.803**
Up River Paraná		**7.772.909**	**104.050**
Share		*62,6%*	*4,1%*

Fuente: DIyEE - Bolsa de Comercio de Rosario en base a Secretaría de Agroindustria

The ports at the Rosario Hub will ship near 2 million tons of wheat produced in Santa Fe province; the exports would be reach US$ 435 million. Regarding exports, it is expected for Argentina to ship abroad 66% of its wheat production in

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2018/19 cycle. If the proportion stands also for Santa Fe province, it would mean that around 1.95 million tons of the provincial production would be exported. At current FOB price of US$ 223/t, wheat exports would reach US$ 435 million.

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