

Argentine wheat exports aim to reach a 30-year record

BLAS ROZADILLA - DESIRÉ SIGAUDDO - EMILCE TERRÉ

According to INDEC data, wheat total exports during 2017/18 marketing year reached 12.6 million tons. Wheat grain exports are 94% of the total while the rest corresponds to wheat by-products (mainly meal). Wheat chain exports amounted US\$ 2,591 million, the highest value in more than five years.

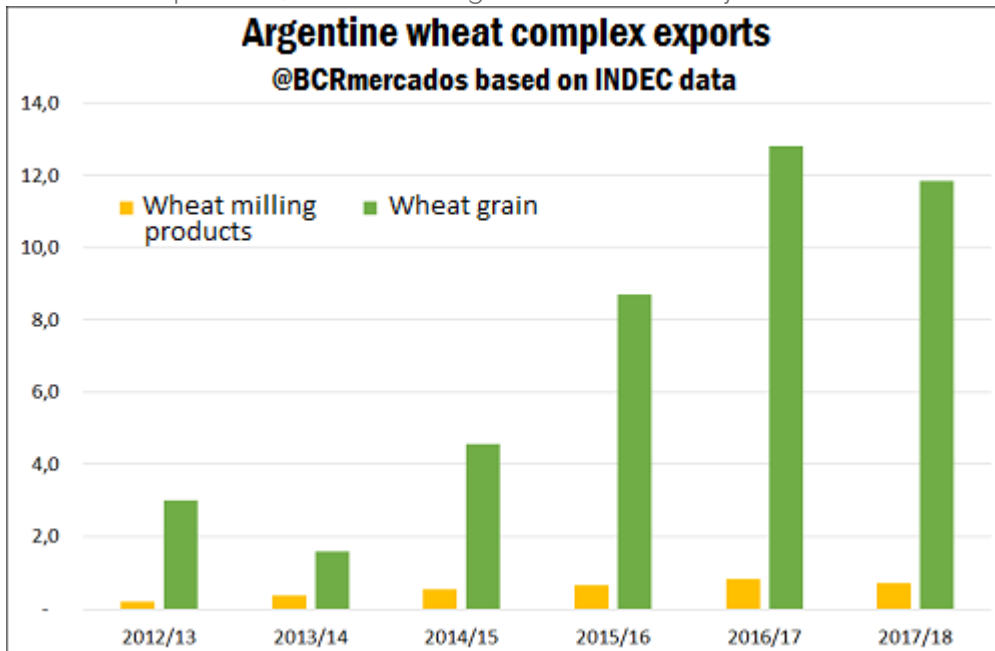
Wheat complex exports

US\$ mln

	Wheat milling products	Wheat grain	Total Exports
2012/13	85,87	811,02	896,89
2013/14	152,92	528,28	681,21
2014/15	165,99	1.106,13	1.272,12
2015/16	196,73	1.596,17	1.792,90
2016/17	221,51	2.309,59	2.531,10
2017/18	213,12	2.378,09	2.591,21

@BCRMercados based on INDEC data

Wheat export sales from December 2016 to November 2017 were 11.85 Mt (grain), and 722,000 tons of wheat industrialized products, the second largest volume in history.





Initial export projections for the next campaign look equally positive. By December 19, export sales reached 6.4 million tons, which is not only a historical record but it also doubles the previous maximum. Meanwhile, wheat meal export sales exceed 50,000 tons, twice as much last cycle's sales only 20 days after the start of the season.

Wheat 2018/19: industrial and export sector highlights

12-dic	2018/19	3-year avg	2017/18
Total supply	19,4	19,2	19,0
Total purchases	9,2	4,5	7,3
	47%	23%	38%
Deferred pricing contracts	1,2	0,8	1,2
	13%	18%	17%
Priced contracts	8,0	3,7	6,0
	87%	82%	83%
Carryover	9,4	14,0	10,9
Pending-price	10,6	14,8	12,3

The export sector has already purchased 8.2 Mt of wheat, as the industrial sector acquired 975,000 tons. The total 9.2 million tons purchases are almost half the country's wheat supply until next November. In addition to the tight available volume, persistent rains that involved hailstorms and late frosts added pressure to local wheat market. In this context, wheat prices went up at the beginning of the week, although they cut profits then closing the week below December 13 price. MATba January future achieved a maximum of US\$ 212/t on Monday 17, closing at US\$ 207/t on Thursday 20; below US\$ 210.4/t the previous week. Wheat price at Rosario Board of Trade spot market went from US\$ 204.4/t on Dec 13 to US\$ 203/t on Dec 20.

