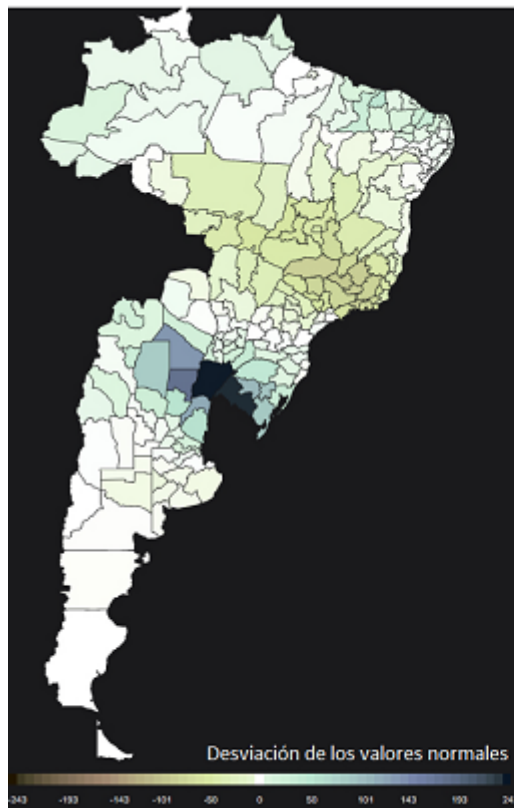


# Good prospects for Argentine corn

JULIO CALZADA - BLAS ROZADILLA - DESIRÉ SIGAUDO

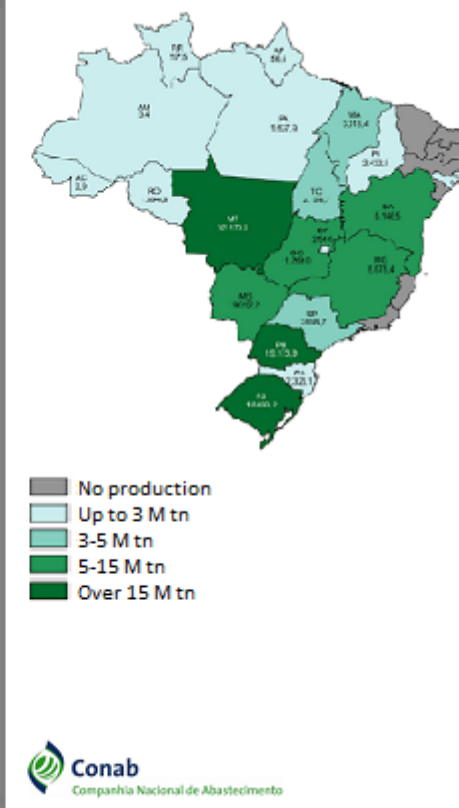
Last week, Rosario's spot market was very dynamic, mainly in corn purchases. Corn with delivery in February rose to US \$ 145 / t. In addition, buyers offered AR\$ 5,500 / t for spot corn. Soybean is slower on negotiations, and its spot price receded to AR\$ 9,050/t, AR\$ 150/t less than on previous week. 86% of corn was planted by January 3, 9 p.p. ahead of previous year. With an estimated national yield of 78.8 qq / ha (almost 5 qq above the average) a harvest of 44 million tons would be expected. This volume would be 37% higher than the previous harvest, but its realization will depend on the climatic conditions during the coming months, key for both the development of the crops already implanted and for the sowing and development of late corn. In the case of soybeans, heavy rains over the last weeks damaged some crops, and 200 thousand hectares would be lost, thus, national planted area would amount to 17.7 million hectares in 2018/19.

Precipitations in Argentina, Paraguay and Brazil. 9-18 Jan



Fuente: Thomson Reuters

2018/19 soybean estimated production in Brazil by state



Fuente: Companhia Nacional de Abastecimento (Conab)

On the other hand, Brazil is suffering a drought. A general water deficit is estimated within the range of 25-50 mm, although local deficits of up to 75 mm are observed. The lack of precipitation compromised the development of first planting soybeans and the filling of second planting soybeans, in a crop year in which Brazilian producers reached the record of 36 million hectares planted with this oilseed. The most affected territories were the states of Mato Grosso and Paraná. In the latter, producers calculate losses of around 30% in some areas, according to Aprosoja PR. Meanwhile, the AgRural consultancy cut its estimate of soybean production from 121.4 million tons to 116.9 Mt.