

Farmers in the north of Santa Fe province would lose US\$ 230 million due to flooding

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Following the critically heavy and persistent rainfalls that affected the northeastern area of Argentina provoking serious and extended floods, Rosario Board of Trade made an estimation of the agricultural loses of the area. The gross income loses are estimated for those farmers in Santa Fe province northern departments: Nueve de Julio, Vera, General Obligado and San Javier. The crops considered for this preliminary estimation work were 2018/19 corn, soybeans -both first and second-, sunflower, cotton and sorghum. The aspects taken into account in order to perform the estimations are the following: 1. Producer's future gross income losses due to the inability to sow certain crops. 2. Producer's future gross income losses resulting from non-harvestable area. 3. Future gross income losses due to falls in average yields resulting from excessive rains and floods. The additional costs of replanting some crops have not been considered, nor were the quality losses that will be likely to appear at the time of delivery to port and / or factory. Farmers in the departments of Nueve de Julio, Vera, General Obligado and San Javier (Province of Santa Fe) would lose around US\$ 230.7 million as a consequence of the past weeks' rains and floods.

In terms of crops only, farmers affected by flood in northern Santa Fe will lose US\$ 230 million

	US\$ million
Corn growers losses	104,4
First crop soybeans growers losses	52,3
Second crop soybeans growers losses	47,7
Sunflower growers losses	17,4
Cotton growers losses	5,9
Sorghum growers losses	3,0
TOTAL	230,7

Source: @BCRmercados - Estimations for Nueve de Julio, Vera, General Obligado and San Javier departments, Province of Santa Fe.

Corn loses in Northern Santa Fe: US\$ 104.4 million The Secretariat of Agribusiness projected a corn planted area of 218,500 ha in Avellaneda territory (that according to the Secretariat includes Nueve de Julio, Vera, General Obligado and San Javier departments). By January 10, farmers in these territories had planted only 68,000 ha while the others 150,500 ha have to be sown by the first days of February. Our estimates - After consulting with qualified opinions from local engineers - is that 70% of that area will not be planted with corn, implying an approximately US\$ 87.7 million loss. Regarding the already planted 68,000 hectares, it is estimated that about 20% of these would be lost. Assuming an average yield of 92.4 bushel/acre (58 qq/ha), it would mean a loss of US\$ 11.3 million. Moreover, 80% of the 68,000 ha planted would present an average loss in the yield of 11.1 bushel/acre (7 qq/ha) that would translate into a further US\$ 5.4 million loss for the sector. Adding up these three effects, the estimated loss of gross income for corn growers in the north of Santa Fe is about US\$ 104.4 million. First crop soybeans loses in the north of Santa Fe: US\$ 52.3 million. According to the Secretariat of Agribusiness, projected first crop soybeans planted area in the Avellaneda territory was around 148,700 ha. Before the start of December, local farmers planted 42% of the aimed area while another 44% was planted between December 6 and January 10. The average yield for those crops planted before December are estimated at 35.6 bushel/acre (24 qq/ha). These early planted soybeans have the best chances of overcoming the weather-related



negative effects. Soybeans planted between December 6 and January 10, on the other hand, might be cut up to 50% according to local engineers' opinions. The average estimated yields for the crops that meet the conditions to harvest would be around 29.7 bushel/acre (20 qq/ha). Moreover, we assumed good weather conditions from now on that would make possible to replant about 25,300 ha, with a projected average yield of 25.2 bushel/acre (17 qq/ha). Under these assumptions, northern Santa Fe first crop soybeans would amount for only 258,000 tons while projections before rainfalls were around 477,000 tons.

Estimates of first crop soybeans losses

(Avellaneda territory, Santa Fe province - Secretariat of Agribusiness)

Projected production at the beginning of the cycle	477.510 tn
Actual projected production (after floods)	258.425 tn
Estimated production losses	219.086 tn
MATba/ROFEX May 2019 Future	239,0 U\$\$/tn
First crop soybeans losses	52.361.435 U\$S

Consequently, according to our estimates, 219,000 tons of first crop soybeans would be lost, which implies a drop in farmers' gross income of US\$ 52.3 million. Second crop soybeans losses in northern Santa Fe: US\$ 52.3 million. According to Secretariat of Agribusiness data, second crop soybeans planned area in Avellaneda territory was 105,000 ha and 50% of this area was planted between December 13 and January 10. It is estimated that the excessive rains cut this area by 26,200 ha while the fields that overcoming adverse weather (other 26,200 ha) could have a yield of less than 26.7 bushel/acre (18 qq/ha). It is estimated that about 39,000 hectares might be replanted with soybeans in the coming weeks, which would moderate the losses. However, even assuming this favorable scenario (that is actually achieve), according to our projections, second crop soybeans losses would account for 200,000 tons, which implies an income loss of US\$ 47.7 million.

Estimates of second crop soybeans losses

(Avellaneda territory, Santa Fe province - Secretariat of Agribusiness)

Projected production at the beginning of the cycle	306.000 tn
Actual projected production (after floods)	106.268 tn
Estimated production losses	199.733 tn
MATba/ROFEX May 2019 Future	239,0 U\$\$/tn
Second crop soybeans losses	47.736.068 U\$S

Sunflower losses in Northern Santa Fe province: US\$ 17.4 million Unfortunately, last weeks' precipitations interrupted harvest efforts as harvest in the area takes place between mid-December and the end of January. We estimate that the planted area in the four departments was close to 139,000 hectares. According to qualified opinions, about 63,000 ha would be harvested by January 17 while some 76,000 hectares are currently under water or present excessive moisture. We estimate an average yield loss of 5 qq/ha. From the projected sunflower harvest of 234,000 tons, the area will likely pick only 155,000 tons. The 79,000 tons loss represents about US\$ 17.4 million. Cotton losses in the north of Santa Fe: US\$ 5.9 million The Secretariat of Agribusiness informed that by January 10 between 6,000 and 10,000 ha of cotton were under serious risk in the northern area of Santa Fe province. According to qualified sources, total cotton losses would reach 11,000 hectares, cutting farmers' incomes by US\$ 5.9 million.





Estimates of cotton losses

(Avellaneda territory, Santa Fe province - Secretariat of Agribusiness)

Planted area (ha) 2017/2018	53.000 ha
Harvested area (ha) 2017/2018	48.500 ha
2018/19 losses estimated after official reports and other local source:	11.000 ha
Average yield	2,0 tn/ha
Estimated production losses (after floods)	22.000 tn
Estimated cotton price ARS 10.500/t (Exchange rate: 37,35 ARS/U\$S)	267,74 U\$S/tn
Cotton losses	5.890.228 U\$S

