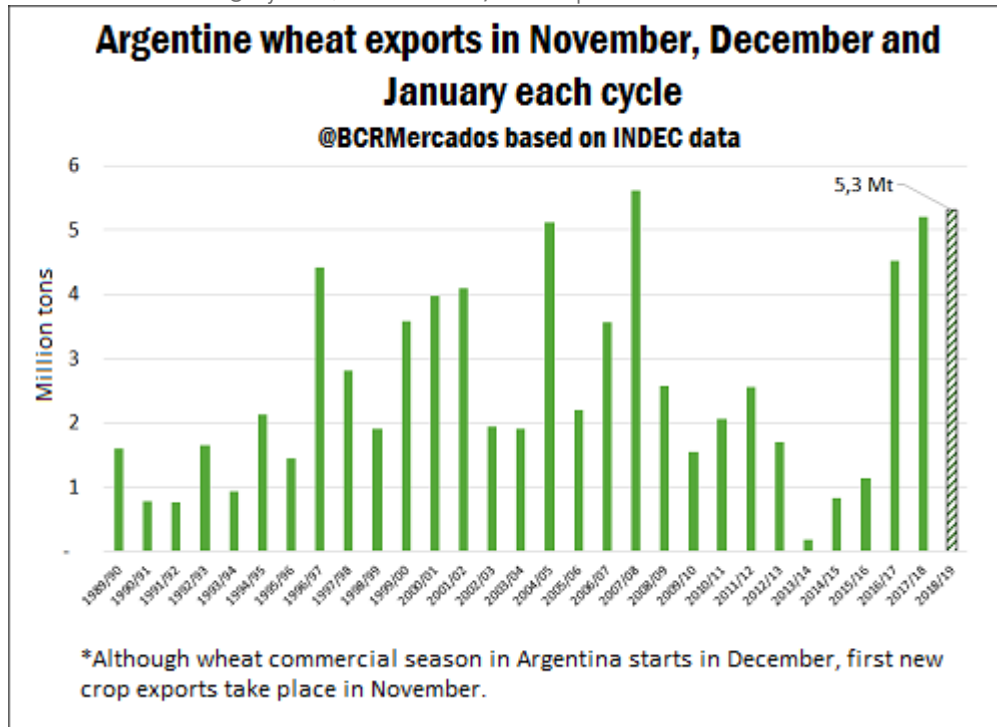


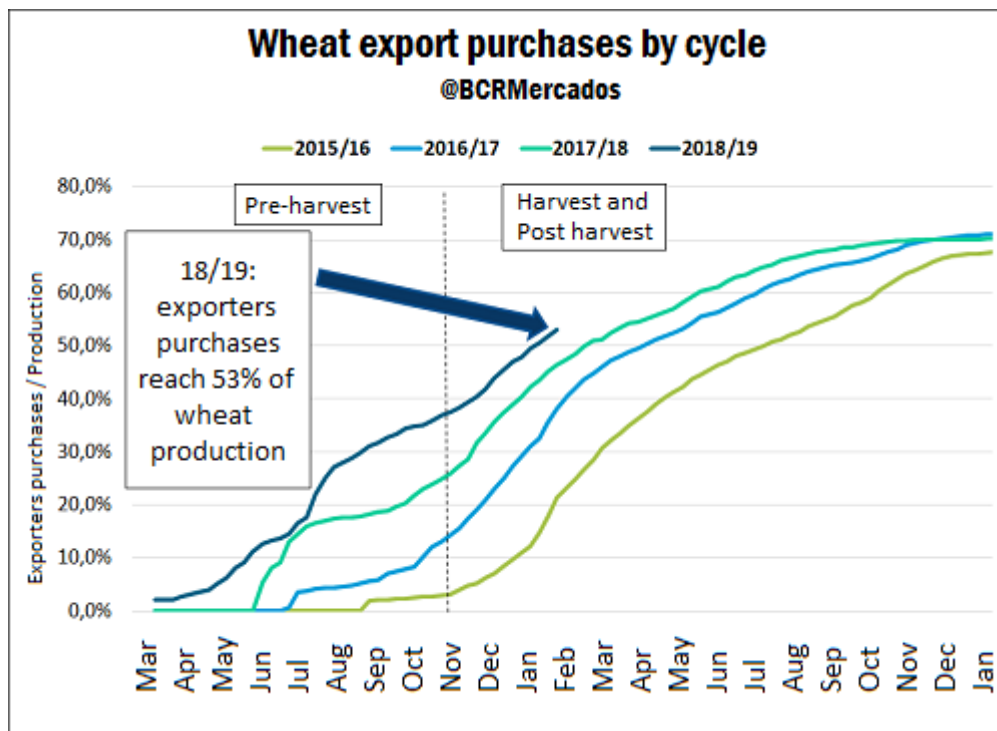
Argentine wheat prices fall on weaker export demand

JULIO CALZADA - FEDERICO DI YENNO

The exports in November (0.7 million tons), December (2.1 Mt) and January (2.5 Mt) totaled 5.3 Mt, the second highest volume in the last 30 years, behind 2007/08 exports.



The bulky shipment schedule in the months of December and January boosted exporters demand. Moreover, the stocks were low in the start of 2018/19 campaign after the strong increase in wheat exports last year. The combination of these effects with a cut in wheat production projections after the frost and hail that affected certain areas, underpinned wheat price in the domestic market (FAS) that increased more than wheat FOB price. Argentine wheat price in the domestic market fell from the beginning of February -after the busiest shipment period-, while FOB prices rise from the end of January increasing exporters' gross margin as a result.



According to the Secretariat of Agribusiness, by January 30 the export sector has already acquired almost 10 Mt of 2018/19 wheat, 53% of the 18.7 Mt estimated production. This business path is very fast compared to other cycles' dynamic. Adding up the industrial sector (mills) purchases, this figure reach 11,5 Mt, or 62% of the total. At the same time, wheat export sales -DJVE- totalize 7.3 Mt. by January 30th. This volume is well above last year's 6.4 Mt. and it is partly due to the grater harvest compared to the previous one.



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