



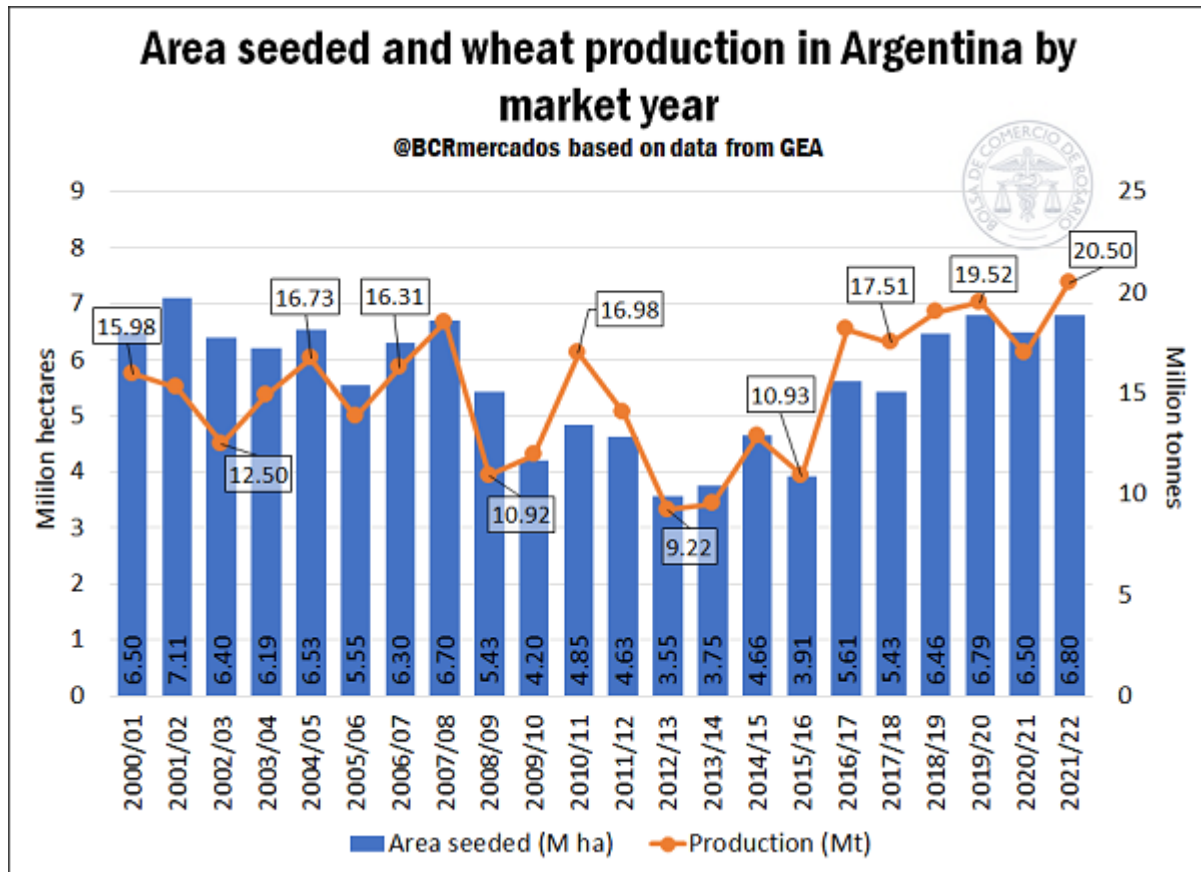
Argentina pursues wheat production record with the biggest planted area in 20 years

Bruno Ferrari – Alberto Lugones

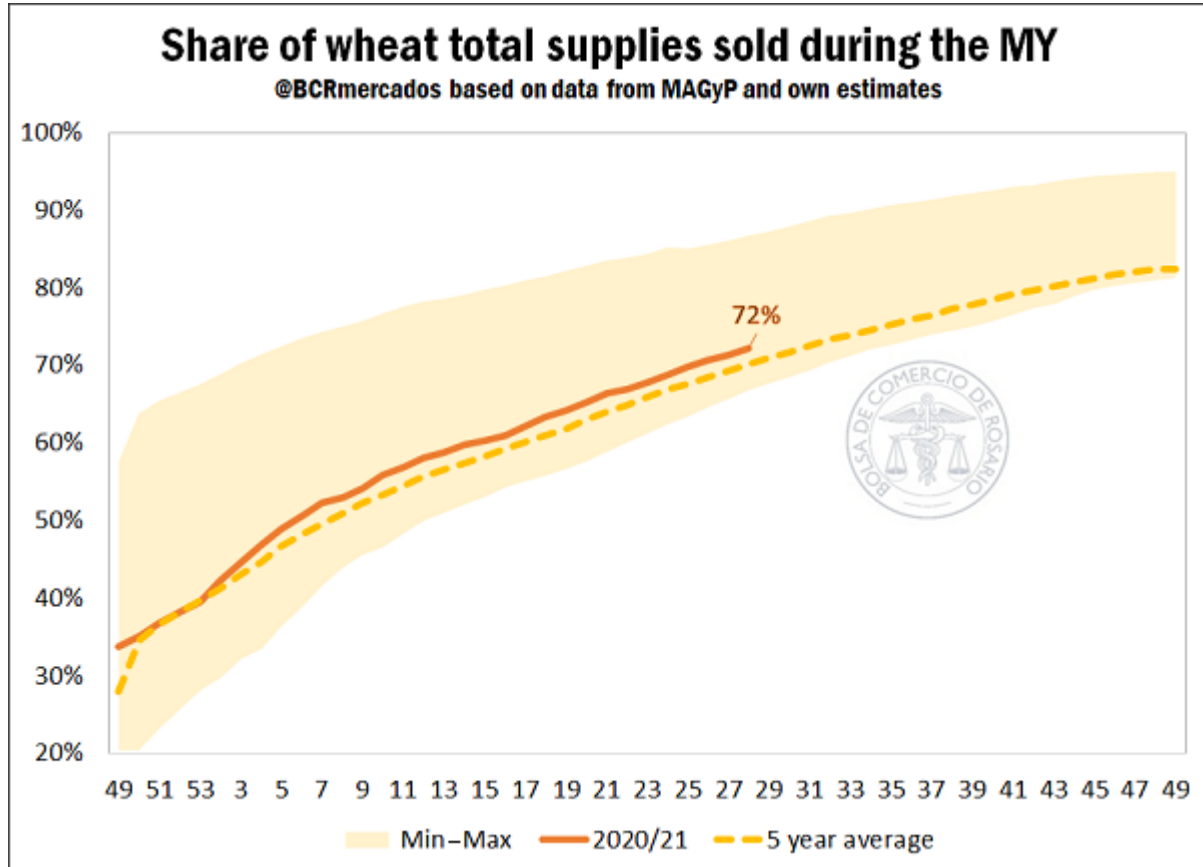
An increase in the forecast of the area destined to wheat would allow to rise the national production, reaching a record of 20.5 Mt during crop season 2021/22. On the external sector, productive and stock forecasts for the next crop have been cut.

Only 4 months away from the formal start of wheat crop season 2021/22, there has already been planted more than 90% of the area destined to that cereal. On the [report published on](#) Wednesday, July 14, the Agribusiness Strategy Guide (GEA, for its Spanish acronym) by the Rosario Board of Trade increased its forecast planted area from 6.7 M ha to 6.8 M ha, suggesting the planted area will cover the largest extent of land since crop season 2001/02, when 7.1 M ha were planted. At the same time, this would imply a **production of 20.5 Mt**, surpassing the records of crop season 2019/20 by almost 1 Mt and setting a historical record for the bread wheat production on a national level. It must be noted that these forecasts are subject to favourable conditions for the crop remaining stable until harvest.



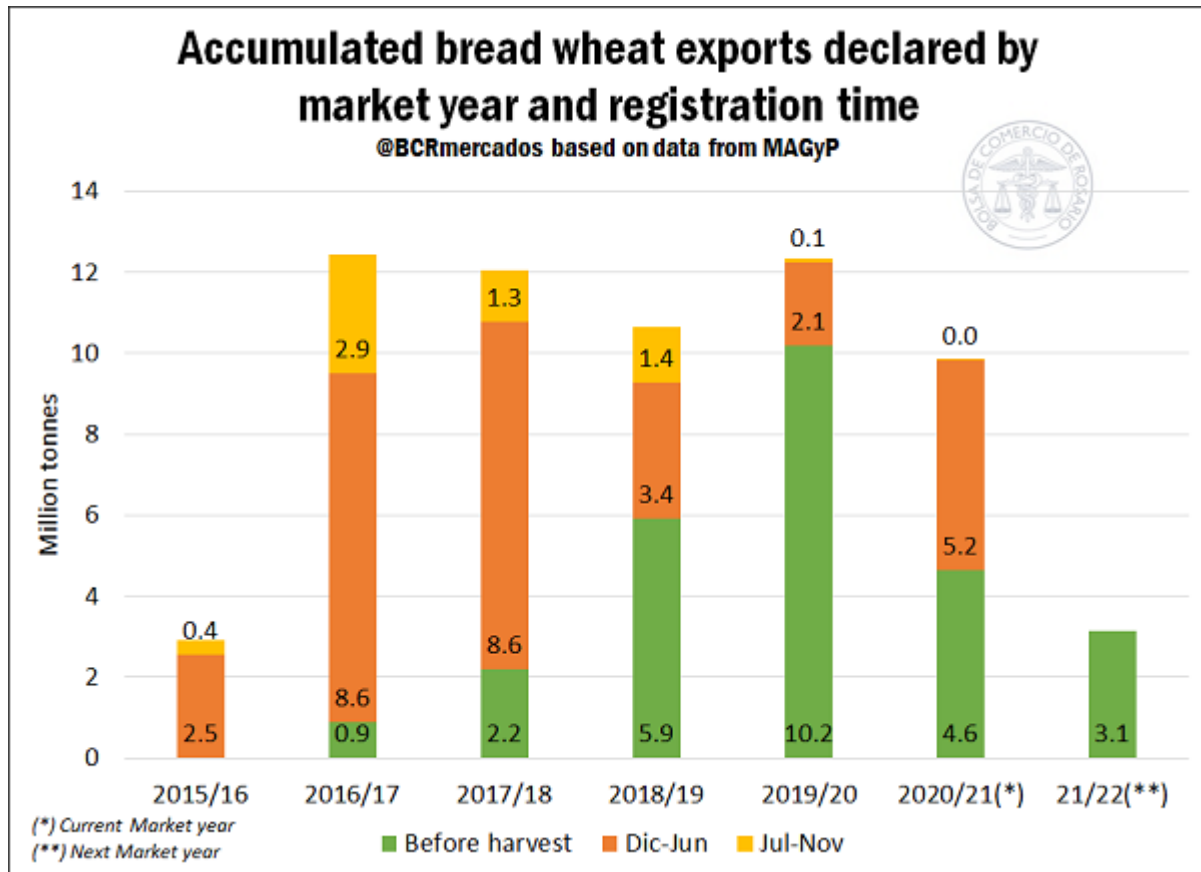


Although the focus is to a large extent placed on the next wheat crop season, there are still few months remaining until the harvest of the grain. Also, market year 2020/21 is still in force, with a domestic trade (industry plus export sector) of 14.1 Mt, according to data by the Argentinian Ministry of Agriculture, Livestock and Fisheries (MAGyP, for its Spanish acronym), which represents 72.2 % of the total supply of grain in this crop season. This level of committed grain is behind the volume traded during last crop season by this time of the year, both in absolute as in relative terms. In that sense, in 2020 18.6 Mt of wheat had already been traded, therefore engaging 86.5% of the total supply, which shows a relative trading delay. However, the current trading percentage exceeds the average record of the last 5 crop seasons by this time of the year (70.1%), so we could claim that the present trading dynamics is closely related to the history of the last years, except for what happened during crop season 2019/20.



Regarding Export Sworn Statements (DJVE, for its Spanish acronym), during the last crop seasons we could glimpse a change in the moments external sales were registered, with a tendency to export important volumes of wheat before the start of the crop season. Among last seasons, crop 2019/20 is especially remarkable, where external sales were declared for 10.2 Mt (88% of the exportable balance) before the actual start of the fine grain crop season. This situation is due to the uncertainty generated by presidential elections in 2019, which caused a general anticipation in the foreign trade of grains.

As for current crop season 2020/21, although 4.6 Mt were anticipatedly declared, it is well below last year's record. As can be observed in the chart, the register since July was virtually null during the previous crop season, so something similar is expected to happen during the current crop, since a fair amount of the total crop season forecast export volumes have already been recorded. At the same time, there have already been registered foreign trade operations for crop season 2021/22 for 3.1 Mt so far.



As for prices, during last week grain quotes in Rosario have kept an upward trend, going from US\$ 202.2/t on July 7 to US\$ 208.4/t on Thursday 15, resulting in a 3% increase week-on-week.