



# Hectares destined to late corn reach new record

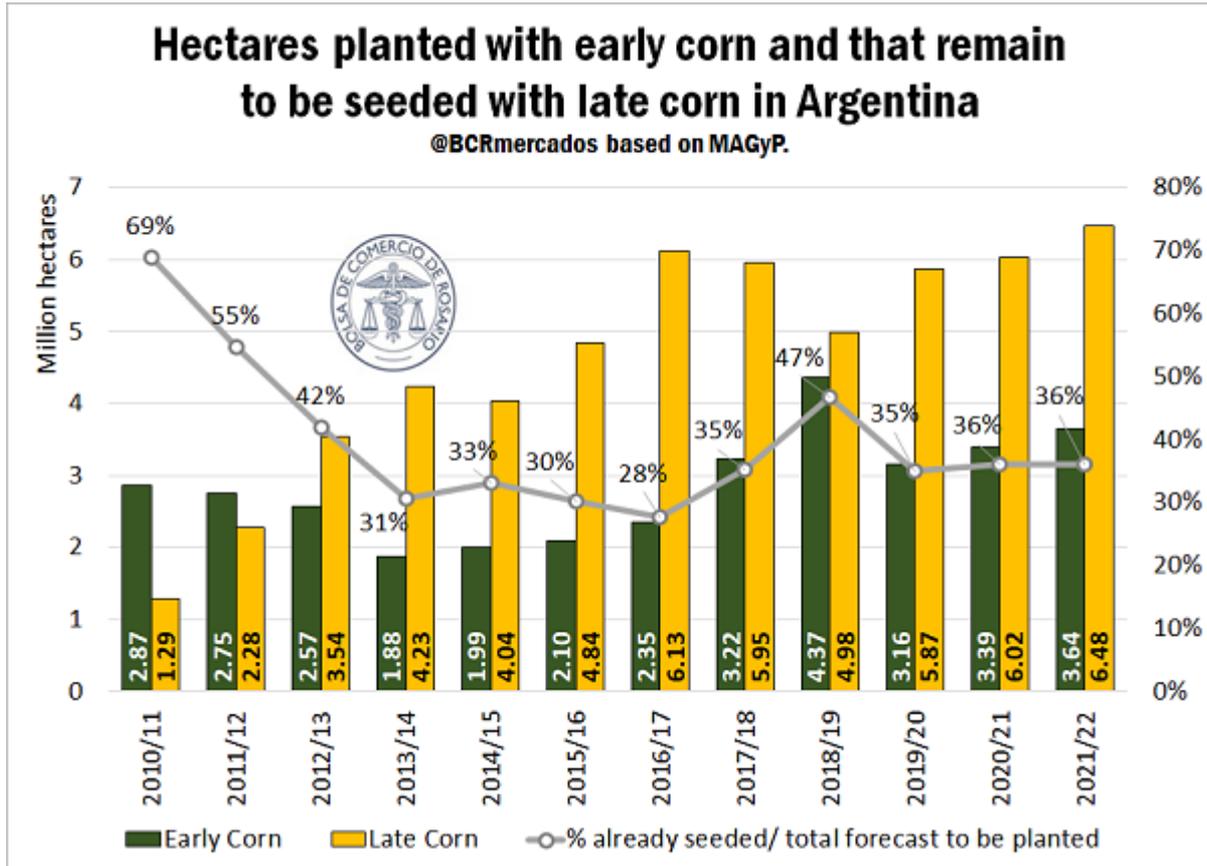
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According to MAGyP, of the 10 Mha destined to corn in the new crop season, 3.6 Mha were covered with early varieties and 6.5 Mha will be sown with the late segment.

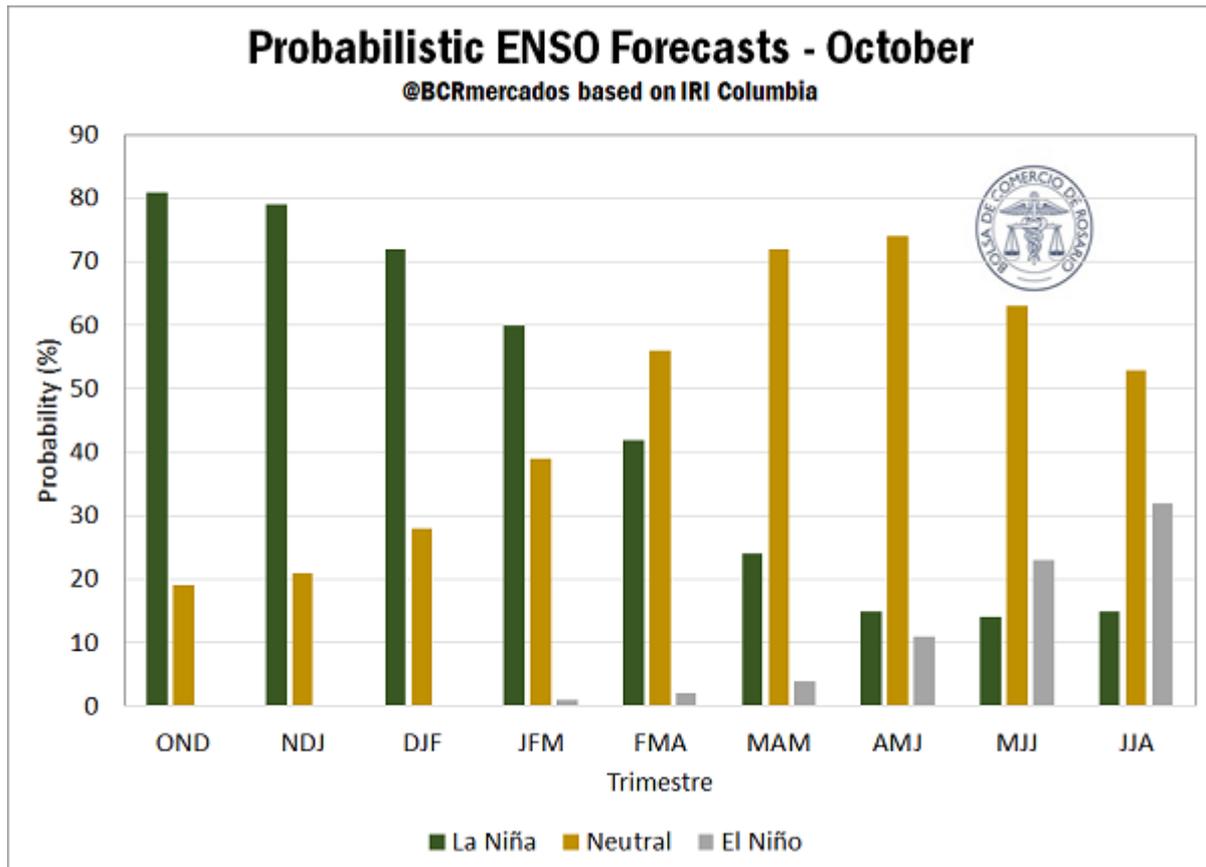
Corn stands out as the big star of the 2021/22 crop. The good economic results enjoyed by farmers in the current crop season, added to the good performance of the crops despite the lack of water last summer (particularly compared to soybeans), have pushed many producers to opt for this cereal for the new crop season. In fact, according to data by the Argentinian Ministry of Agriculture, Livestock and Fisheries (MAGyP, for its Spanish acronym), an area increase of 7.6% is forecast for the new crop, reaching a total of 10.1 Mha (including the grain destined for silage), an all-time record for corn.

Having already completed the second month from the beginning of plantings, the coverage to date on a national level reaches 36% of the total forecast area to be planted, equivalent to 3.64 Mha. Although in percentage terms this number is identical both to that registered a year ago and to the average of the last five crops, given this growth in the area destined to cultivation, in absolute terms the figure is above the area sown in previous years around these dates. As a matter of fact, the area of early corn for the new crop is the second highest in history, only behind the 2018/19 crop season, when more than 4.3 Mha had already been planted by the last week of October. For the purposes of this analysis, all those carried out until October 28th are considered early, and the remnants for sowing as from that date are considered late.





However, like the previous crop, the climatic conditions have generated some uncertainty in the farmers due to the absence of precipitations in large productive areas, particularly in the North of the country. In addition, according to what has been published by the International Research Institute of Columbia, the probability of a Niña event occurring in the trimesters Oct-Nov-Dec and Dec-Nov-Jan is 81% and 79% respectively, decreasing as months go by and then returning to a neutral situation.



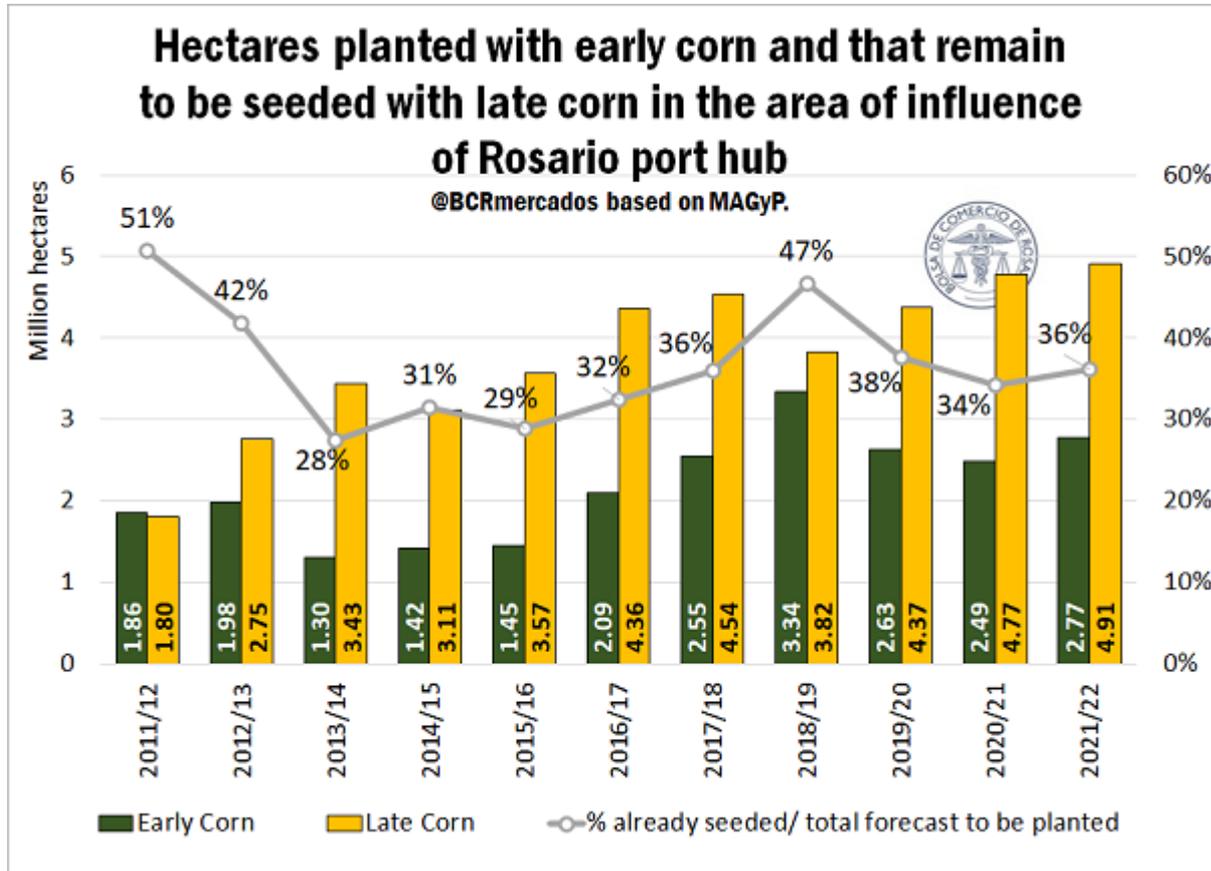
Given this scenario (which is very similar to the one that occurred a year ago) and taking into account that in crop season 2020/21 late corn achieved more consistent yields than early corn as they received a greater amount of water in critical periods, many of the farmers have postponed plantings. This has resulted in a larger area planted with late corn segment. In fact, on a national level, the area to be sown with this segment reaches an historical record with 6.48 Mha, exceeding the previous record of 2016/17, when 6.12 Mha were destined to this segment.

This has a strong impact on the moment in which most of the grain enters the market, since while early corn is harvested between March and May, late and second crop corn are mostly harvested between July and August.

The moment the largest volume of grains enters the markets is extremely relevant, since between the months of March and May, Argentinian grains have less competition from other exporters, such as Brazil. However, in the months of July and August, Argentinian late corn coincides with Brazilian safrinha, increasing international competition, which normally translates into lower export prices.

In addition, there is an additional element for next year regarding the relevance of when the bulk of the grains is harvested, and it has to do with the shallowness of the Paraná river. 2021 was the second consecutive year in which the river's flow was considerably below normal, even worse than the situation in 2020. And although we are entering the wet season in Southern Brazil, which can help to seasonally rebuild the flow of the Paraná, this high probability of a new Niña event with below-normal rainfall in South America could generate problems for next winter, when we enter the dry season again.

In this sense, if we turn the attention to the corn plantings in the area of influence of Rosario city hub ports, that is, to the area that, due to its geographical proximity, finds its export route in the Up-River ports, the outlook presented is virtually identical to the national situation. The number of hectares already planted reaches 2.77 Mha, the second highest record in history, only behind crop 2018/19. Also, this represents 36% of the total hectares destined to this crop in the region, above the 34% registered a year ago, but slightly below the average of the last five crops (37%). The hectares destined to the late segment, in the meantime, amount to 4.91 Mha, setting a historical record.



Finally, an element that deserves mention is that, once again, the province of Córdoba stands as the jurisdiction that allocates the most area to corn, with more than 3.08 Mha. It is followed by the province of Buenos Aires, with 2.76 Mha and the podium is closed by Santa Fe with 1.19 Mha. The three main districts thus cover 70% of the total area nationwide.

The evolution of crops in the three jurisdictions is uneven in comparison to previous years. In Santa Fe, planting progress to date reaches 68% of the intended area, below the 76% recorded a year ago. Buenos Aires, on its part, has implanted 47% of the total area destined to the cereal, also below the record of a year ago (54%).

As for Córdoba, which last year had planted the smallest area with early corn as a result of the lack of water, this year has planted 26% of the total area, equivalent to 800,000 ha. In any case, the progress of the planting labour in this jurisdiction is considerably below the average of the last five years (35%).