

ARGENTINA: SOYBEAN MARKET

As harvesting comes to an end, the 2019/20 campaign is defined and producers begin to focus on 2020/21. Many companies are making purchases for the new campaign, but the unattractive price scenario does not allow for closing sales.

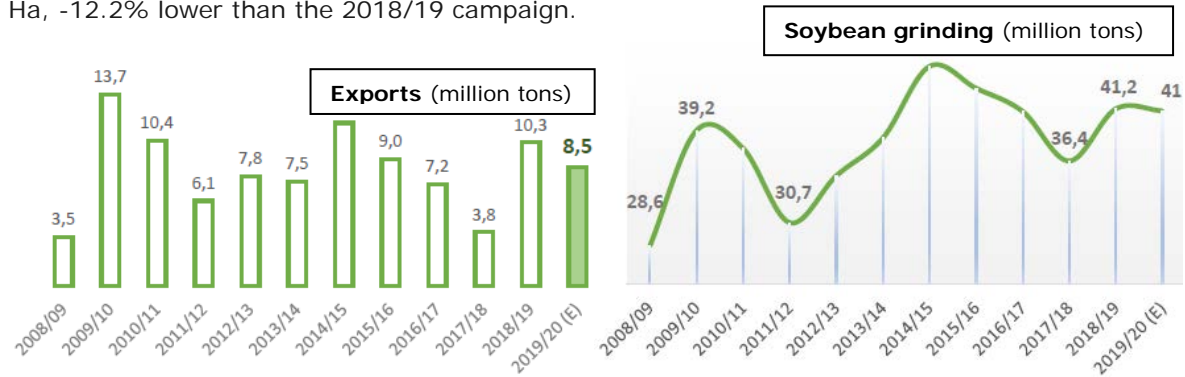
However, certain indicators reflect a slow commercial recovery. The grain market is closely monitoring the price of oil, which is slowly recovering. In this context, the main crop production areas conclude the planting work of the summer crops and estimate a record production volume.

SOYBEAN

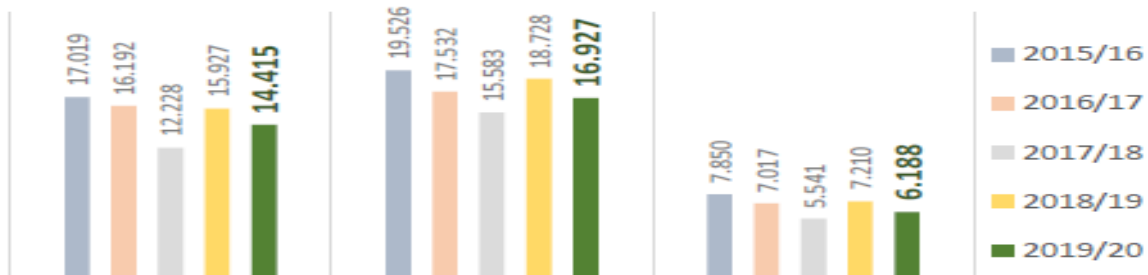
The soy scenario presents some opportunities. International prices improve hand in hand with the commercial recovery. Brazil abandons the months with the highest volume of supply and China keeps demand active. Weekly US sales are also above averages. These two factors support short-term international values.

In Argentina, the harvest concluded with an estimated volume of 50 million tons. There is still 50% of production to market. The reluctance to part with soy can sustain prices in the local market. For the new campaign, the values of \$ 218 / t. as of May 2021 are still below expectations.

During the 2019/20 cycle, 17.4 million ha were allocated to soybean sowing in Argentina, registering a similar planted area compared to the previous season and even -7% below the average of the last five years. Production reached 49.6 MTn, marking a year-on-year drop of -10% compared to the previous cycle and reaching even -5.3% compared to the average of the last five years. The national average yield collected during the current campaign was 29.4 qq / Ha, -12.2% lower than the 2018/19 campaign.



Regarding the contribution to the economy, the soybean chain would contribute nearly 14,5 billion dollars to the Argentine GDP as a whole during 2020.



GDP participation

Exports (USD millions)

Tax collection