



Commodity Intelligence Report

August 1, 2018

Argentina Wheat Planting Increased for 2018/19

With markets opening up for Argentina, farmers have essentially finished planting wheat for the 2018/19 season. USDA estimates 2018/19 wheat area at 6.0 million hectares and forecasts yield at 3.25 tons per hectare for a record production of 19.5 million metric tons. This is a 7 percent increase in area from last season, with an 8 percent increase in expected production, assuming normal weather conditions until the end of the season. (See figure 1 and figure 2). According to a mid-July report from Bolsa Cereales de Rosario, a commercial marketing organization, planting in the core region is estimated to be the highest seen in the last 16 years. Brazil, Argentina's most important market according to the Bolsa, is planning on purchasing 10 percent more wheat than usual from the next harvest.

Argentina's wheat planting begins in May and is usually complete by July. This season's wheat planting was accelerated by ideal weather conditions to include very light rains. (See figure 3 and 4). To date, soil moisture conditions and varied rainfall have left wheat in good condition with very little disease, insects, or weed pressure. Ample rains in May boosted soil moisture levels for excellent seed germination conditions. (See figure 5). With 27 percent of the wheat crop already emerged across the nation and much in multiple-leaf stages, the crop looks to be healthy and substantial. In southern Santa Fe wheat is tillering, far ahead for this time of year; however, this is a small production region.

The major wheat growing areas in Argentina are the provinces of Buenos Aires, Cordoba, and Santa Fe. In 2006/07 Buenos Aires accounted for 62 percent of production, but that percentage has now decreased to 41 percent as more wheat is planted in Cordoba and Santa Fe as well as the northern provinces of Santiago del Estero and Jujuy and southwestern province of San Luis and La Pampa. (See figure 6 and 7).

Argentina: Wheat Production

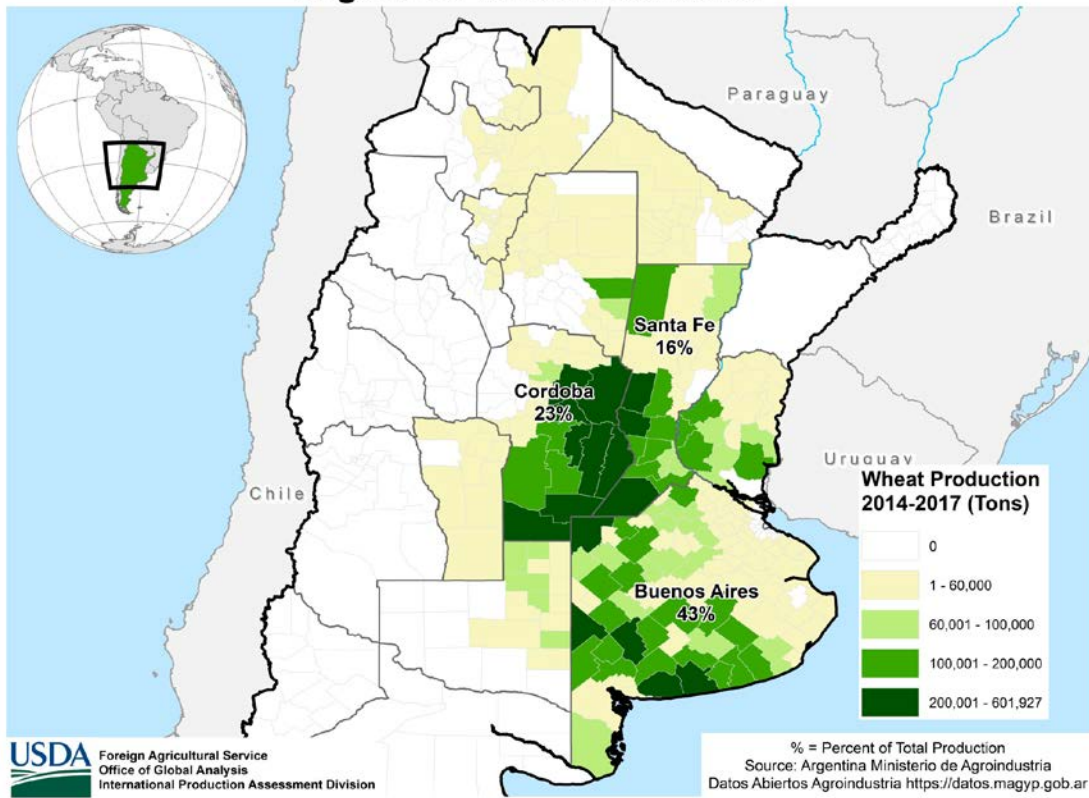


Figure 1: Argentina wheat production from 2014 to 2017. Buenos Aires, Cordoba, and Santa Fe are the main producing areas; however, wheat has expanded to the North and Southwest.

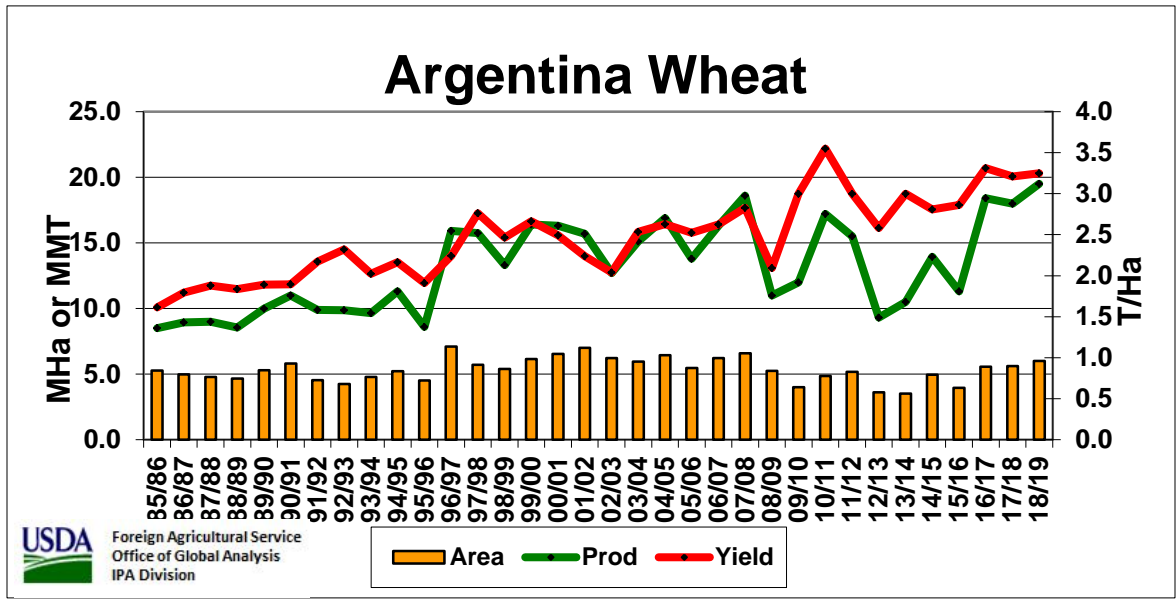


Figure 2: Record production of 19.5 million metric tons is forecast for 2018/19. Both weather and export taxes have limited wheat in previous years.

Southern South America: Percent Normal Cumulative Precipitation

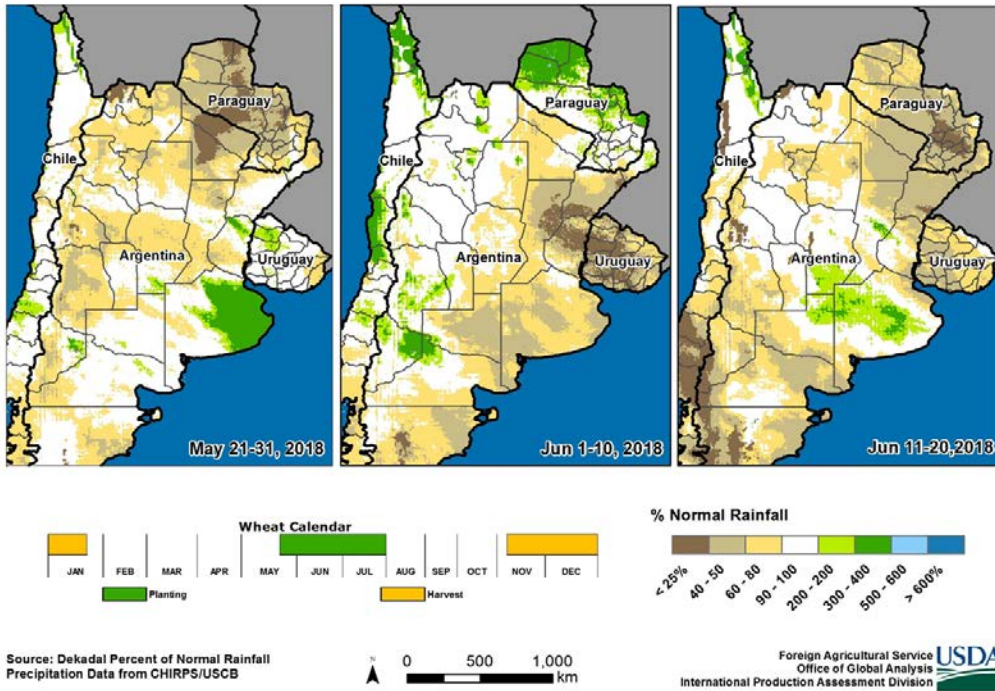
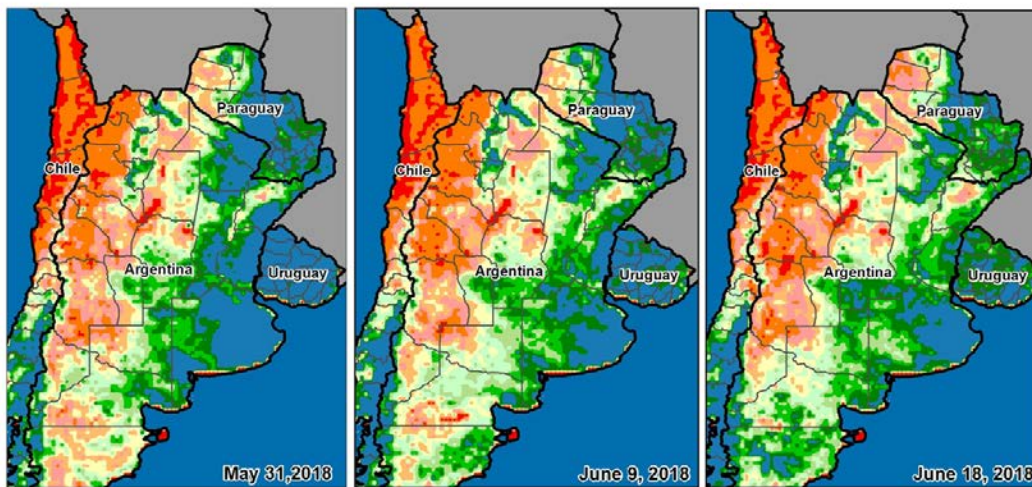


Figure 3: Rains in May and June helped replenish soil moisture for planting of wheat in Argentina and have helped ensure good emergence and growth.

Southern South America: Percent Soil Moisture



Source: 2-Layer Palmer Soil Moisture Model
(Corrected with SMOS Imagery)
NASA/GSFC/HSB; USAF 557th WW



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Figure 4: Soil moisture has been beneficial and supplemented by occasional rains.

Argentina: Percent of Normal Cumulative Precipitation May 2018

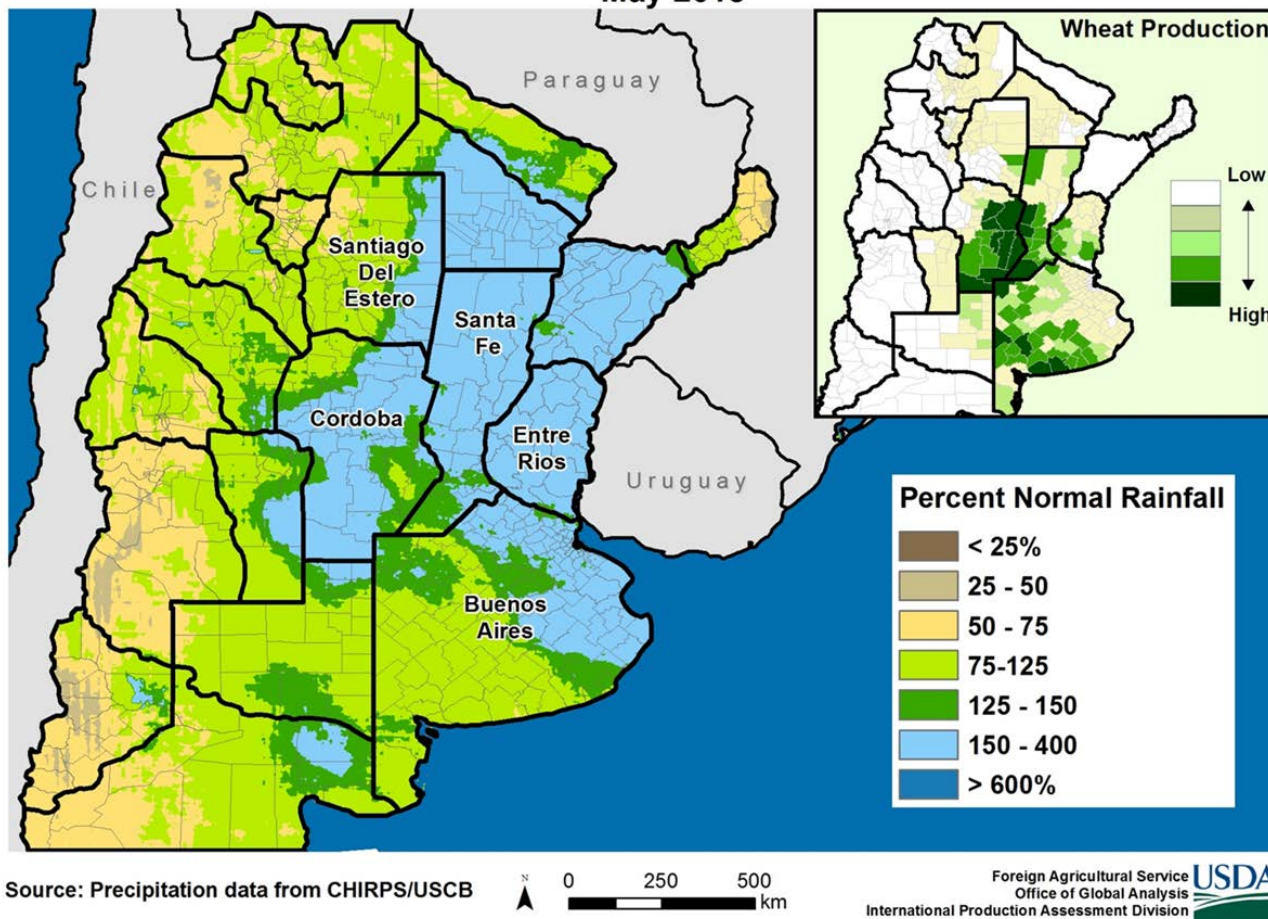
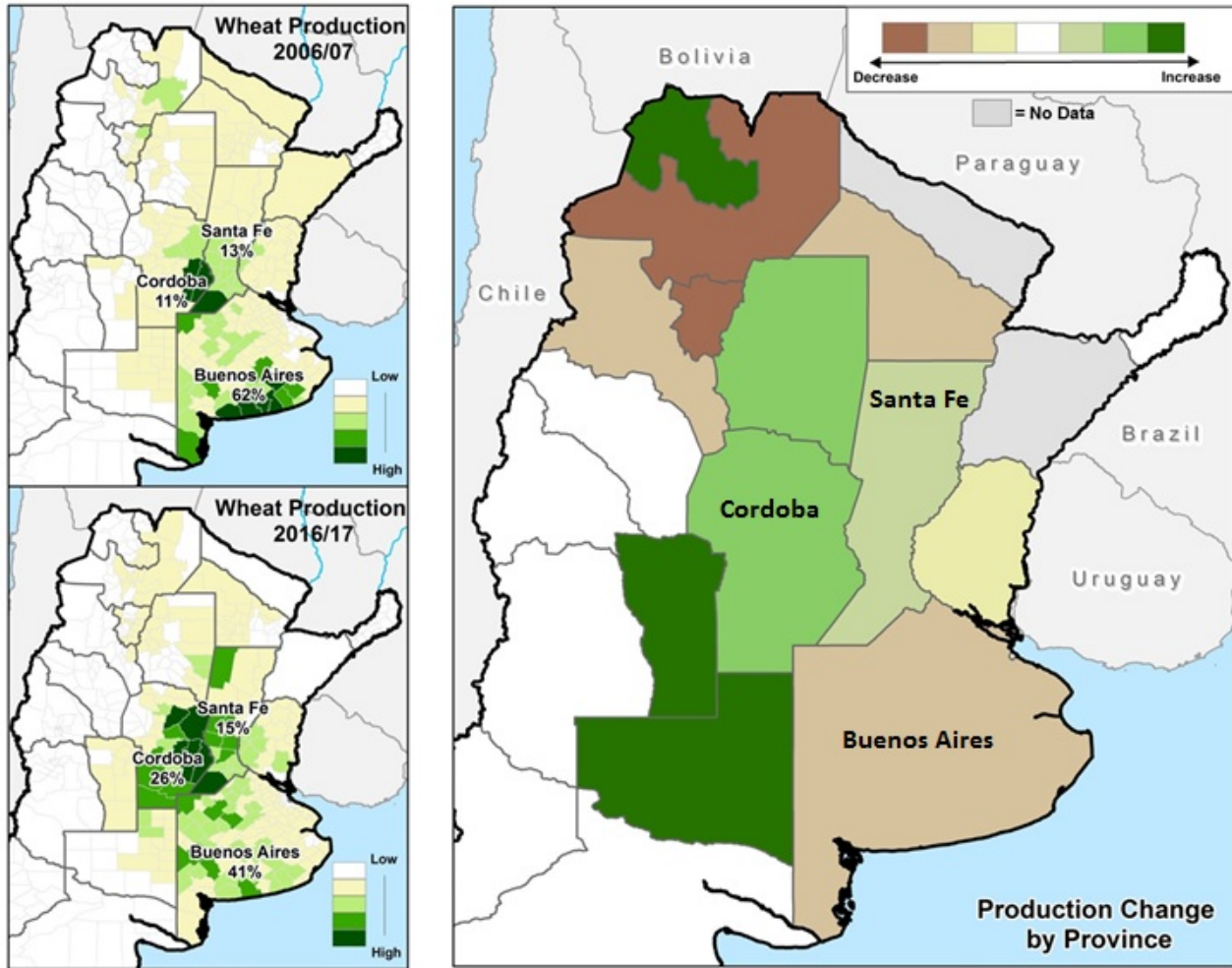


Figure 5: May rains especially helped the current wheat crop for emergence and early growth. The May rains were in stark contrast to the earlier drought from January through April.

Argentina: Change in Wheat Production

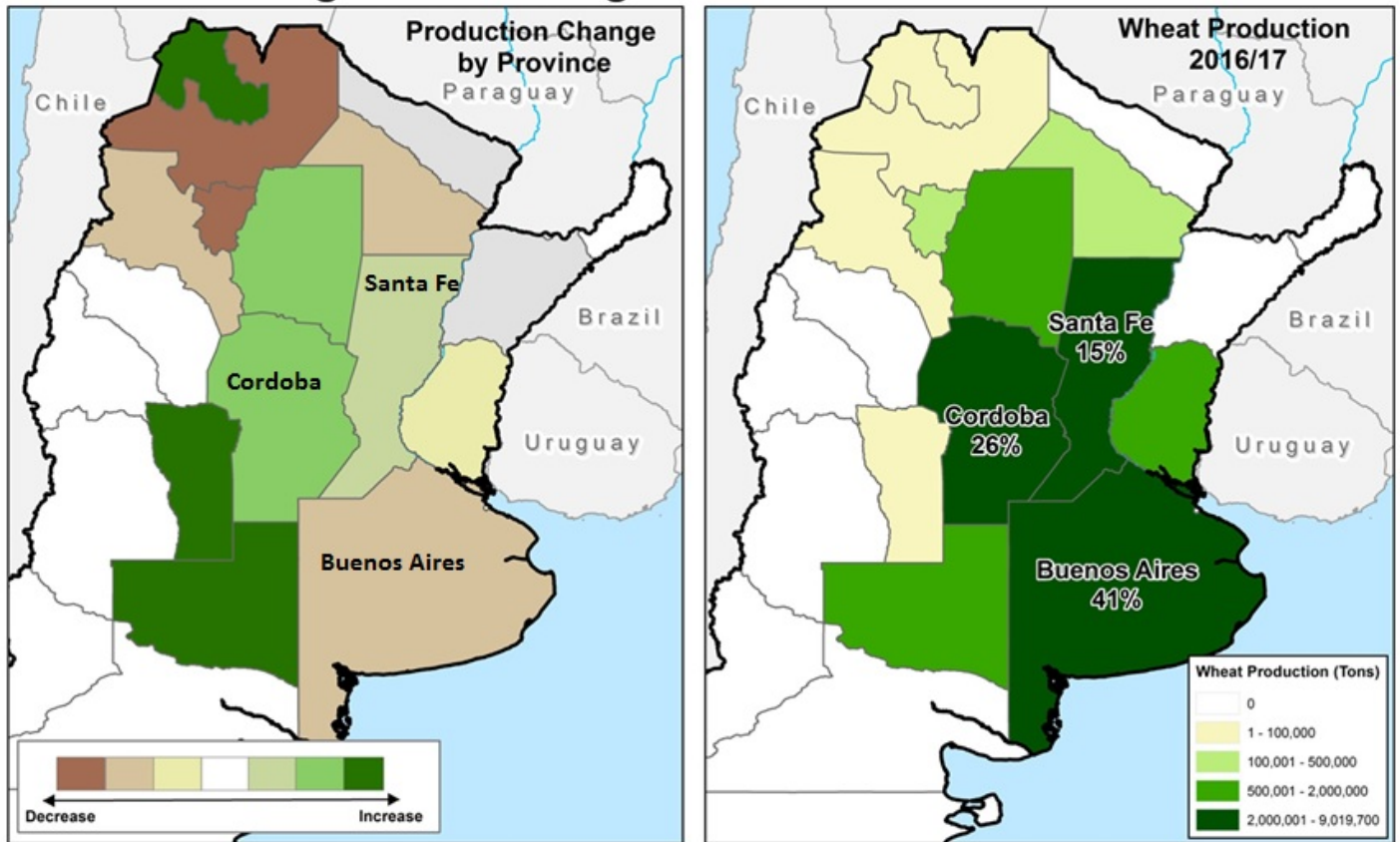


% = Percent of Total Production
Source: Argentina Ministerio de Agroindustria
Datos Abiertos Agroindustria <https://datos.magyp.gob.ar>

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Figure 6: Expansion of the wheat areas to the North and Southwest has occurred over the last several years.

Argentina: Change in Wheat Production



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% = Percent of Total Production
Source: Argentina Ministerio de Agroindustria
Datos Abiertos Agroindustria <https://datos.magyp.gov.ar>

Figure 7: Production of wheat in the North and Southwest increased over the last few years on a percentage change basis; however, the core provinces of Buenos Aires, Cordoba, and Santa Fe continue to dominate as shown in 2016, the image on the right.

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Current area and production estimates for grains and other agricultural commodities are available on IPAD's Agricultural Production page:

[Crop Explorer https://ipad.fas.usda.gov/cropeplorer/](https://ipad.fas.usda.gov/cropeplorer/) or

Production, Supply and Distribution Database (PSD Online):

<http://apps.fas.usda.gov/psdonline/psdHome.aspx>

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