

Foreign Agricultural Service

Global Market Analysis

International Production Assessment Division

Web: <https://ipad.fas.usda.gov>

July 19, 2022

**Commodity
Intelligence
Report****Argentina Barley: Improved Management and Anticipated Exports Support Production for MY 2021/22**

The marketing year (MY) 2021/22 Argentina barley harvested crop area is estimated higher than the previous season due to an expansion of fields for barley grain and malting use. Harvested area is estimated at 1.34 million hectares, up 33 percent from last year (Figure 1). More area than expected went into barley production in winter grain regions, especially in the province of Buenos Aires. Barley production is estimated at 5.30 million metric tons (mmt), up 31 percent from last year. Yield is estimated at 3.96 tons per hectare (t/ha), down 1 percent from last season. The yield is lower than last season's 4.00 t/ha, but higher than the yield seen in 2006 of 3.75 t/ha (Figure 2).

Early barley planting and drying soils in the first half of the season constrained crop development (Figure 3). Timely rains, however, helped bolster the barley crop in the province of Buenos Aires. This boost in production potential through yield can be seen in the improved vegetative reflectance properties of the crop later in the season. The Argentina Ministry of Agriculture predicted an increase in planted area for this season to be only around eight percent at the end of last year. However, after an excellent seasonal harvest and export boost in MY 2020/21, Argentina farmers pushed planted area even further in MY 2021/22 and hope to export even more barley this year.

The pricing incentive to plant more barley strengthened throughout 2021 and into 2022, and the anticipation of good yields and potential production for exports soared. This encouraged even more late-planted ground to go into barley and, consequently, increased early contract commitments from Argentina.

Wanting to fulfill the anticipated contracts, producers in Argentina increased their seeded ground to barley while also improving their management practices. Dry spells from La Niña weather conditions were initially a cause for concern, but timely rains helped advance the crop to maturity. In particular, rainfall at the end of August, in mid-September, and in late October 2021 made the record crop possible, despite the persistent La Niña season (Figures 4 and 5). This encouraged farmers to continue their efforts to maintain weed, disease, and insect control late into the season.

Due to the current pricing and demand, the reward of more exported barley has provided most Argentina barley farmers a gross profit. Profit from winter crops this season will likely offset concerns with summer crops where La Niña conditions continue to intensify and negatively impact yields. Furthermore, summer crops in comparison to

winter grains also have higher export taxes, lessening the potential for positive gross margins.

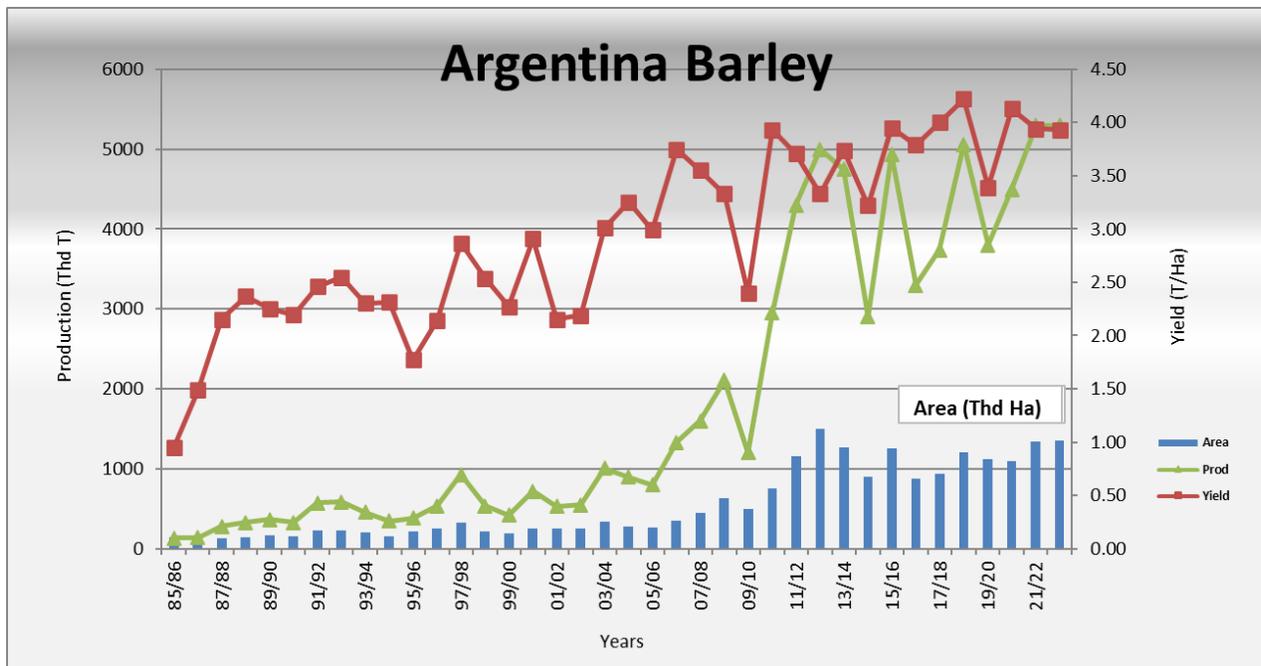


Figure 1. MY 2021/22 barley production was supported by timely, although limited, rains which maintained yields slightly below last season. Area held steady throughout the season. Source: USDA PSD

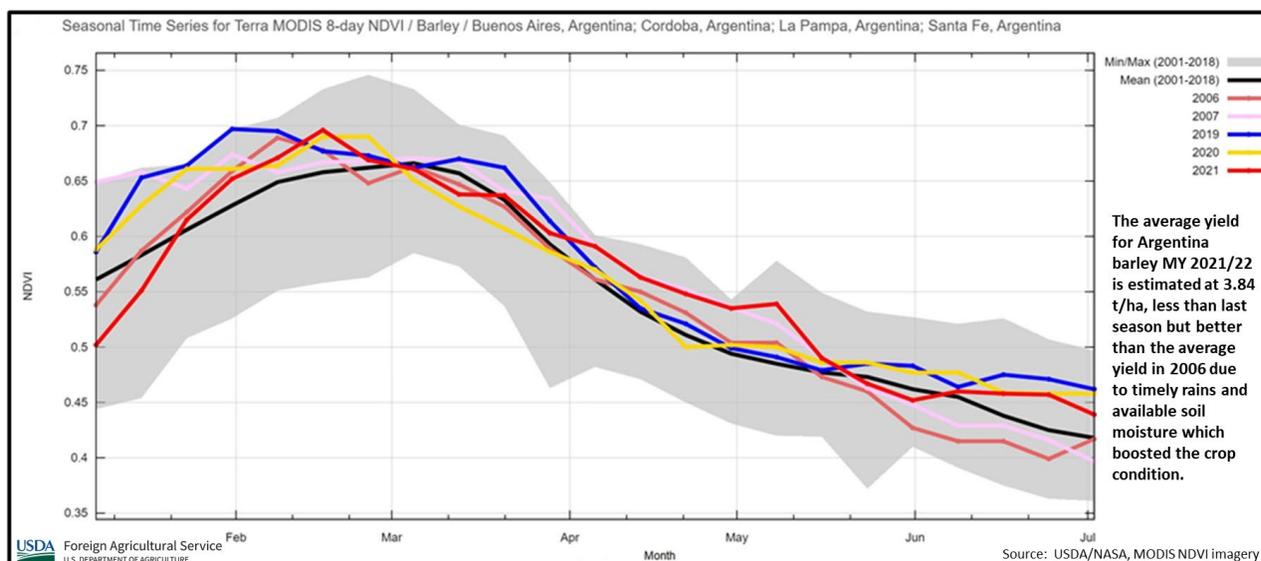


Figure 2. This 8-day MODIS-NDVI graph of 2021 shows that average yields were lower this season than last, but better than those in 2006 due to crop conditions over the main barley regions. Source: USDA/NASA GLAM, MODIS 8-day NDVI

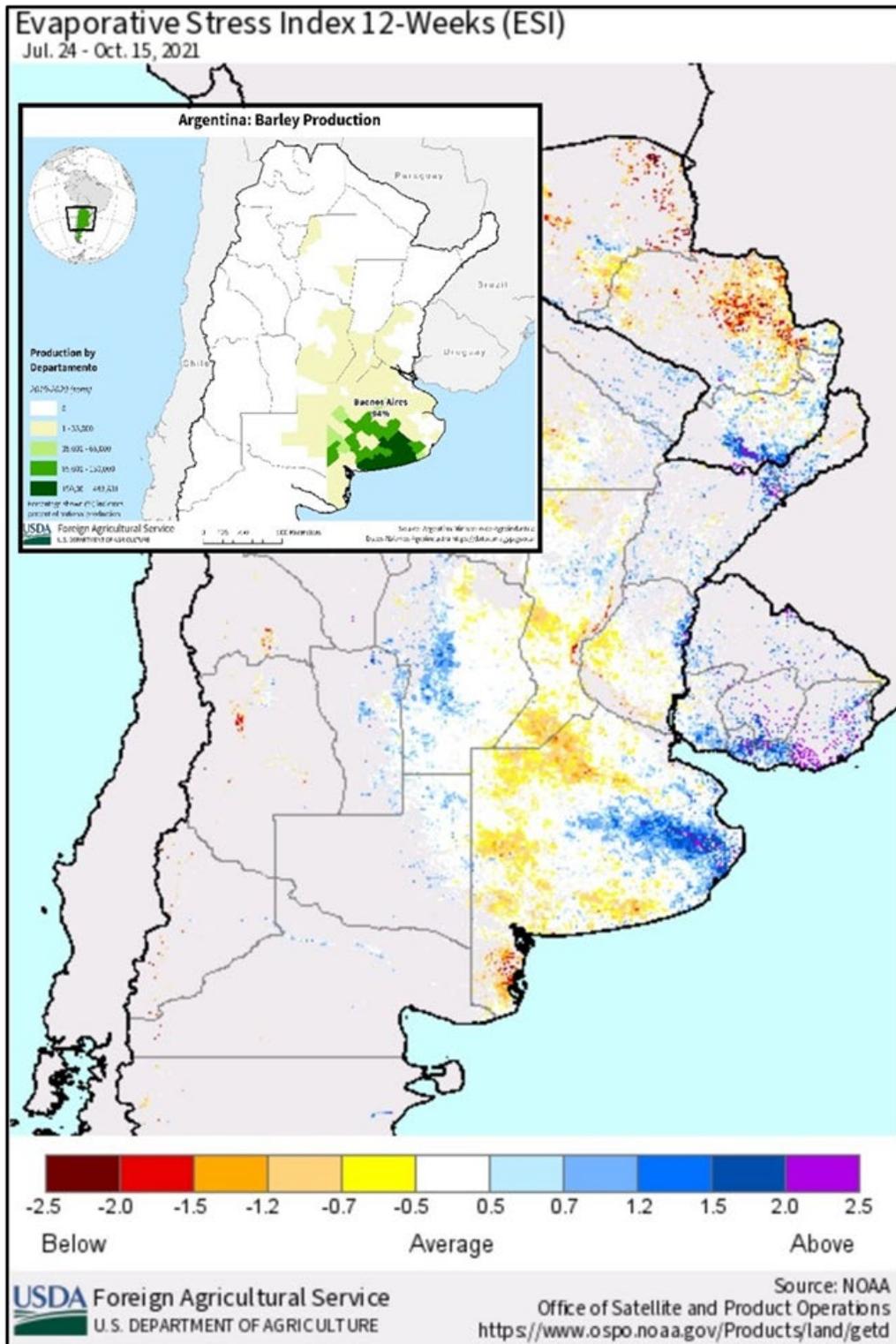


Figure 3. The Evaporative Stress Index (ESI), as viewed in Argentina from July 24 to October 15, 2021. Due to limited availability of soil moisture, yields were lower in some fields. ESI is a product of NASA/USDA-ARS, MODIS land surface temperature (LST).

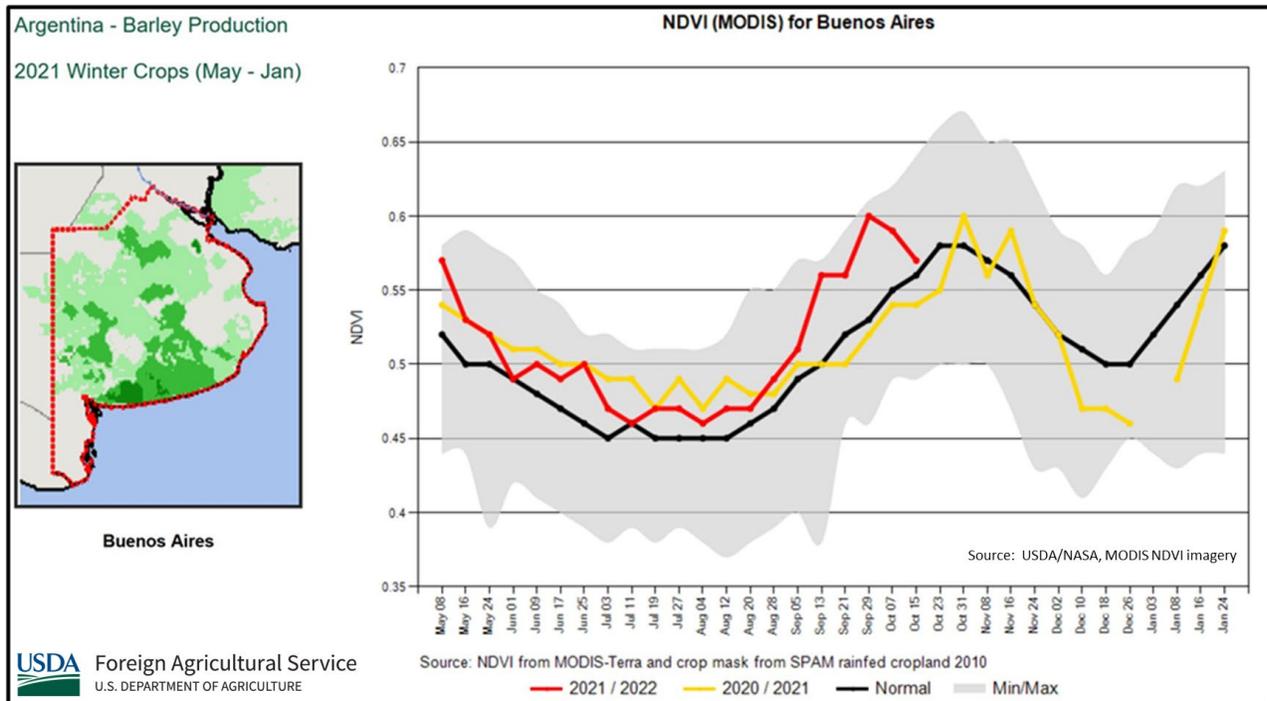


Figure 4. Due to timely rains, crop conditions improved during grain fill through maturation, as evidenced by the USDA/NASA GLAM, MODIS 8-day NDVI chart.

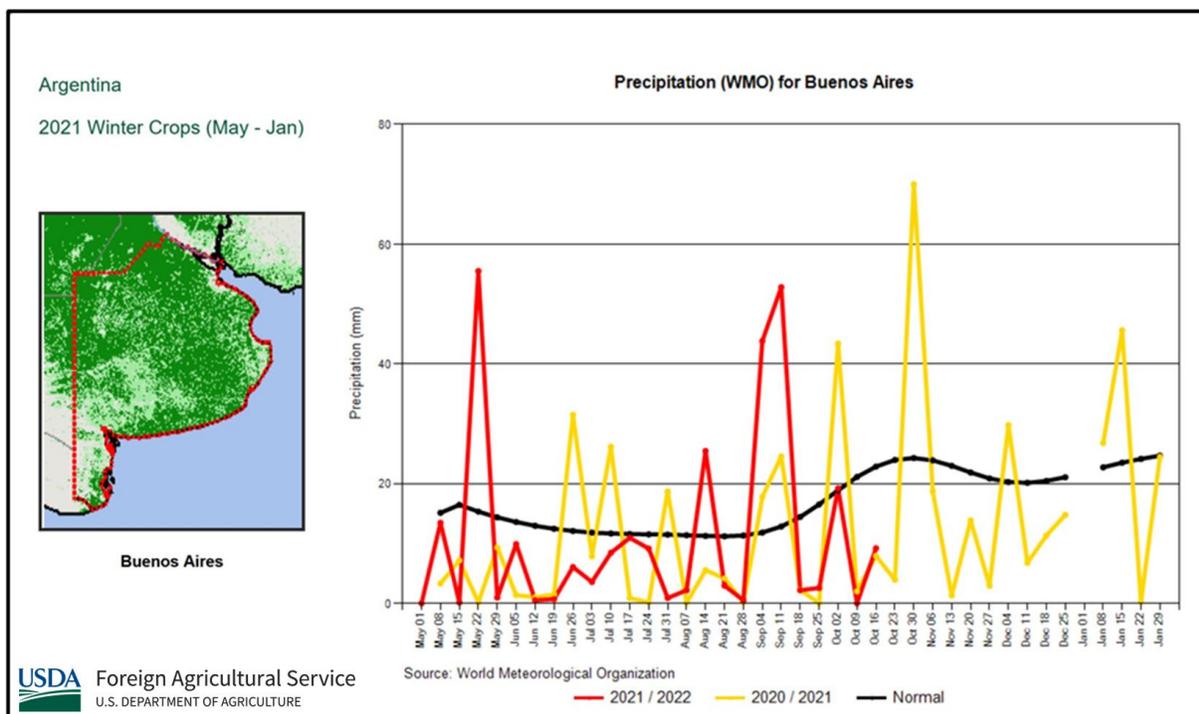


Figure 5. The World Meteorological Organization (WMO) data graph for rainfall in the province of Buenos Aires. Timely precipitation with late season rains helped the barley crop along, especially in Buenos Aires.

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