United States Department of Agriculture

Foreign Agricultural Service
Global Market Analysis
International Production Assessment Division
Web: https://ipad.fas.usda.gov

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Commodity Intelligence Report

Argentina: Beneficial Rains Caused by El Niño Arrive Too Late to Benefit Winter Crops

Wheat Crop conditions:

Argentina's wheat farmers were anticipating increased rainfall due to El Niño for marketing year (MY) 2023/24. The beneficial rains were expected to make up the multi-year rainfall deficit. Rainfall throughout Argentina began increasing in late November, but these rains occurred too late to impact winter crop yields. The rainfall also caused winter crop harvest delays, which impacted the timing for summer crop planting. Harvest is complete for the winter crops in Argentina. Wheat is the largest winter crop grown in Argentina and is planted from May to July and harvested from late November into early January. According to the Ministry of Agriculture (MinAg), for the MY 2023/24 season, approximately 44 percent was planted in Buenos Aires, 16 percent was planted in Santa Fe, 14 percent was planted in Cordoba, and 12 percent in Entre Rios (see figure 1). Rainfall during planting was below average (see figure 2) and this below-average rainfall during planting followed an extremely dry year of 2022/23, when rainfall was significantly below average due to the third year of La Niña.

Argentina is the seventh largest wheat exporter in the world accounting for 5 percent of global exports; it is the world's 11th largest producer, about 2 percent of global production. Argentina's MY2023/24 wheat area is unchanged from last year at 5.5 million hectares (mha). Initially, planted area forecasts from MinAg were higher, but the lack of rainfall during planting and vegetative growth (see figure 3) caused abandonment to be higher-than-average at around 6 percent. The 5-year average abandonment for wheat is around 4 percent. Wheat yield is estimated at 2.82 tons per hectare (t/ha), up 24 percent from last year, but 3 percent below the 5-year average. Although rainfall during the wheat growing season was below average, crop conditions were much better than during last year's drought. Wheat production is estimated at 15.5 million metric tons (mmt), up 24 percent from last year, but 15 percent below the 5-year average. The increase year-to-year can be observed using satellite data where bright green fields in 2023/24 are much more common than in 2022/23 (see figure 4). Additionally, viewing the seasonal satellite-derived Normalized Difference Vegetation Index (NDVI) for Buenos Aires (see figure 5), which accounts for 42 percent of production, crop conditions were above the previous year, but still significantly below average. The red line for 2023/24 also reflects the periods of dryness and increases in crop vigor due to late-arriving rainfall.

Barley Crop Conditions:

Barley production is estimated at 5.0 mmt, up 8 percent from last year and up 13 percent from the 5-year average. Barley area is estimated at 1.4 mha, down 11 percent from last year, but up 14 percent from the 5-year average. Abandonment is usually higher than other crops, around 14 percent (see figure 6). Barley yield is estimated at 3.57 t/ha, up 22 percent from last year but 3 percent below the 5-year average. In 2023/24, 89 percent of barley was planted in Buenos Aires. Similar to wheat, barley conditions in Buenos Aires were better than last year, which is reflected in the year-to-year improvement in yield. However, subsoil moisture conditions during the key yield development were below average.

Wheat Technology:

Argentina farmers have recently begun planting a new variety of genetically engineered wheat called HB4, which has drought resistance technology. According to USDA FAS Buenos Aires "Under this controlled system, during MY 2022/23, Bioceres reported to the government the planting of almost 50,000 hectares of HB4 wheat in 334 sites." Current information on planting for the 2023/24 season is not available, but the objective of Bioceres (the company that produces HB4) is to reach 40 percent of the wheat area planted in Argentina in the next 3-5 years. More information can be found in the USDA FAS GAIN report from Argentina here:

https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Agricultural%20Biotechnology%20Annual_Buenos%20Aires_Argentina_AR2023-0016

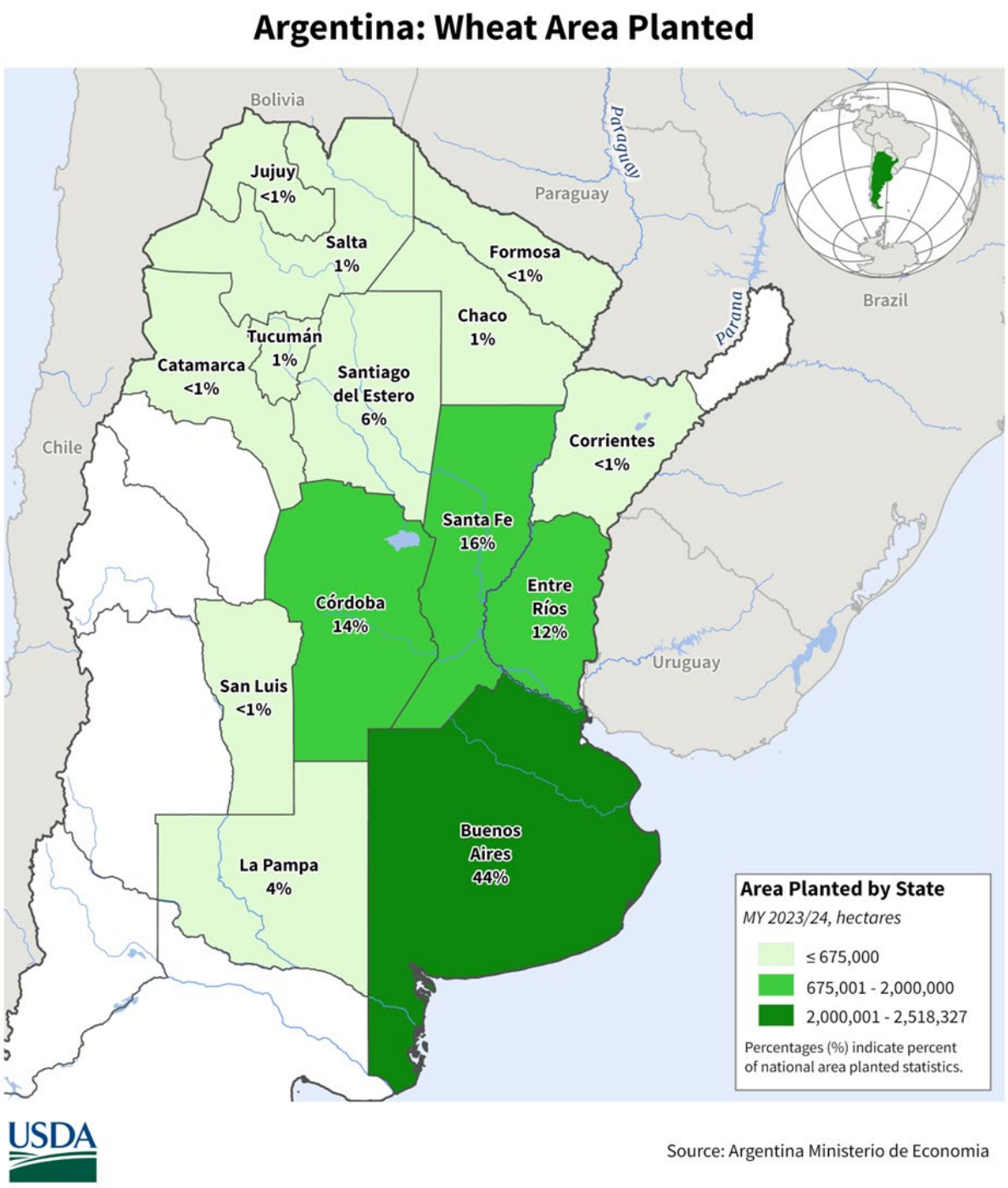

Figure 1: Wheat Planted Area for MY 2023/24

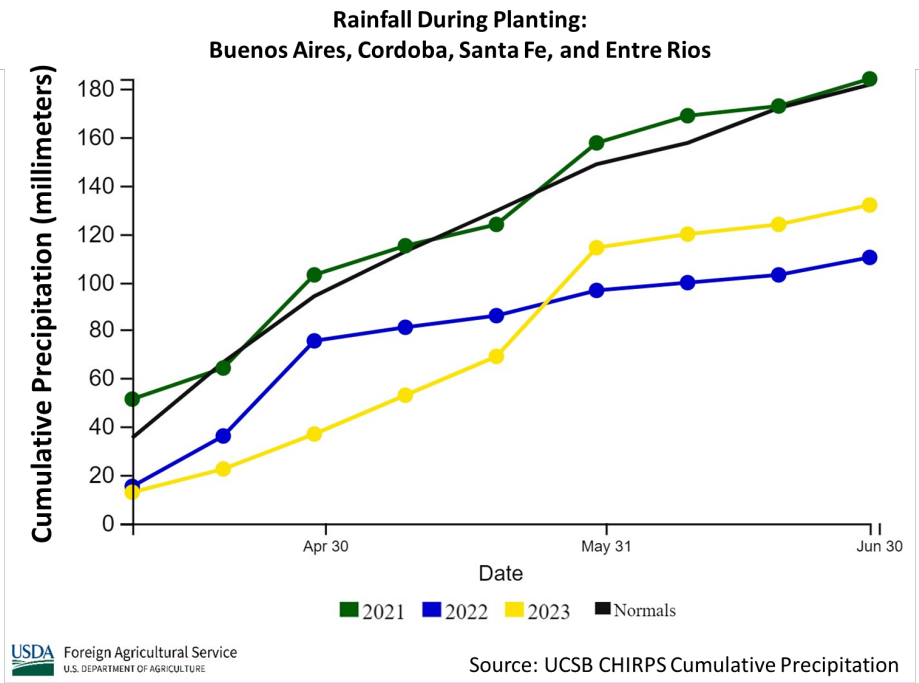

Figure 2. Rainfall During Planting

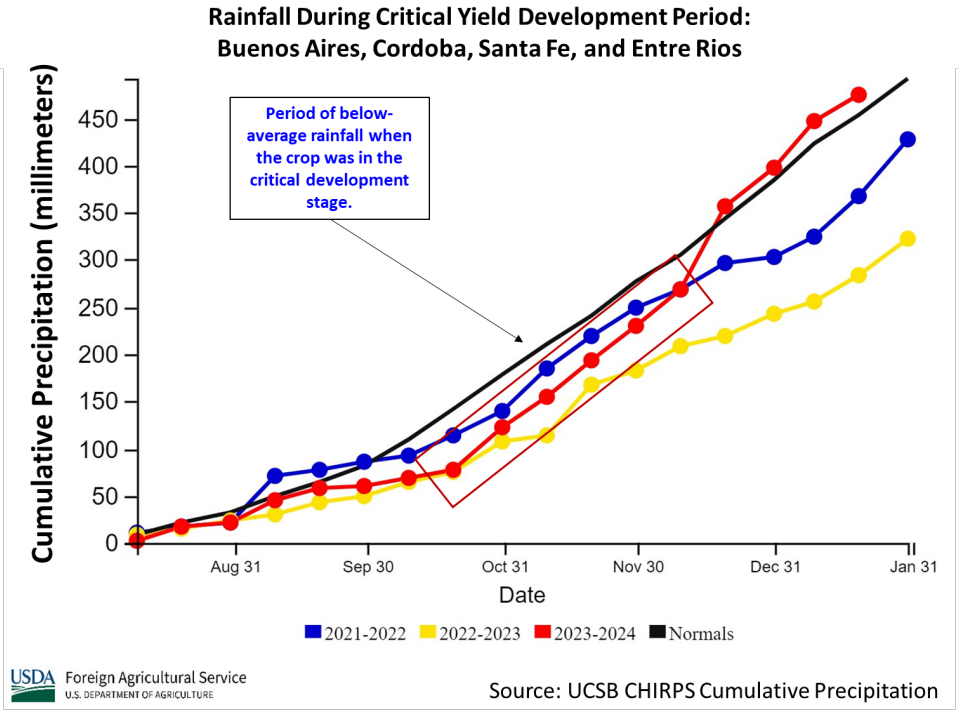

Figure 3. Rainfall During Crop Growth

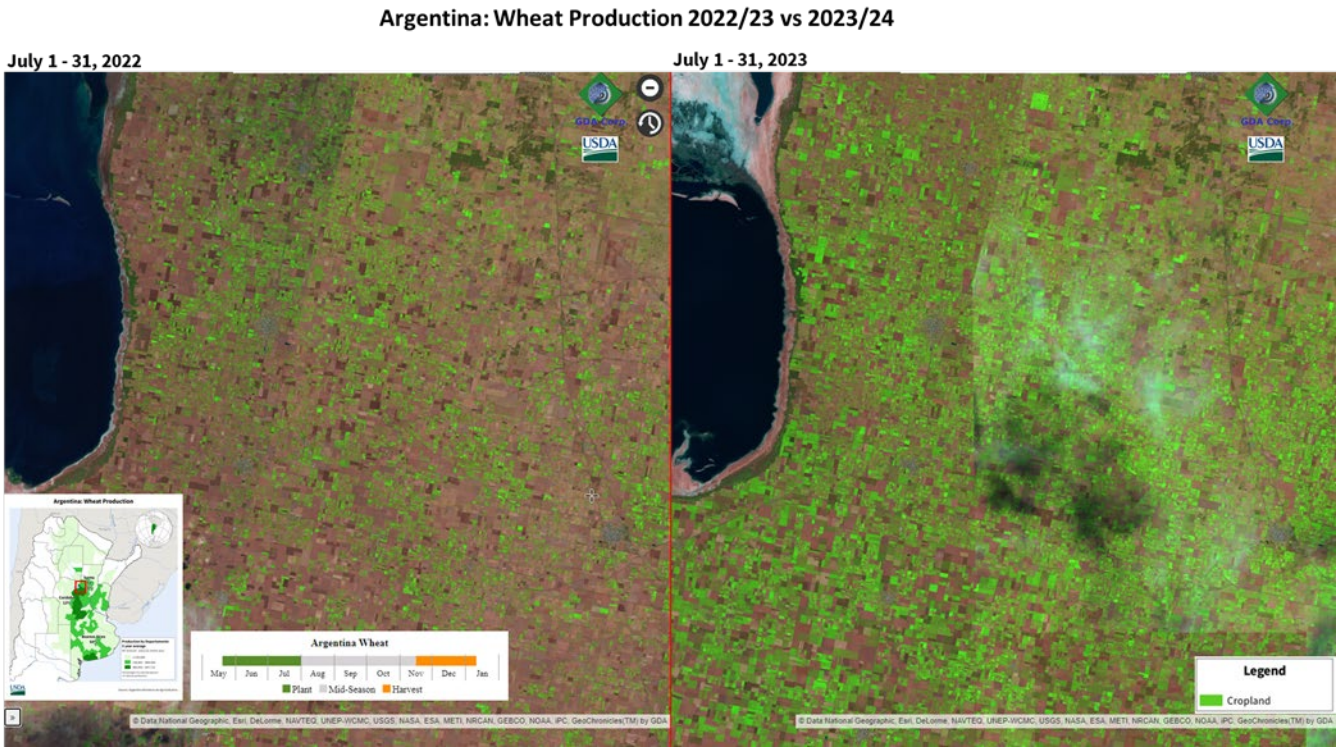

Figure 4. Crop Fields in Better Condition in Northern Santa Fe Province, Argentina in 2023/24 than in 2022/23

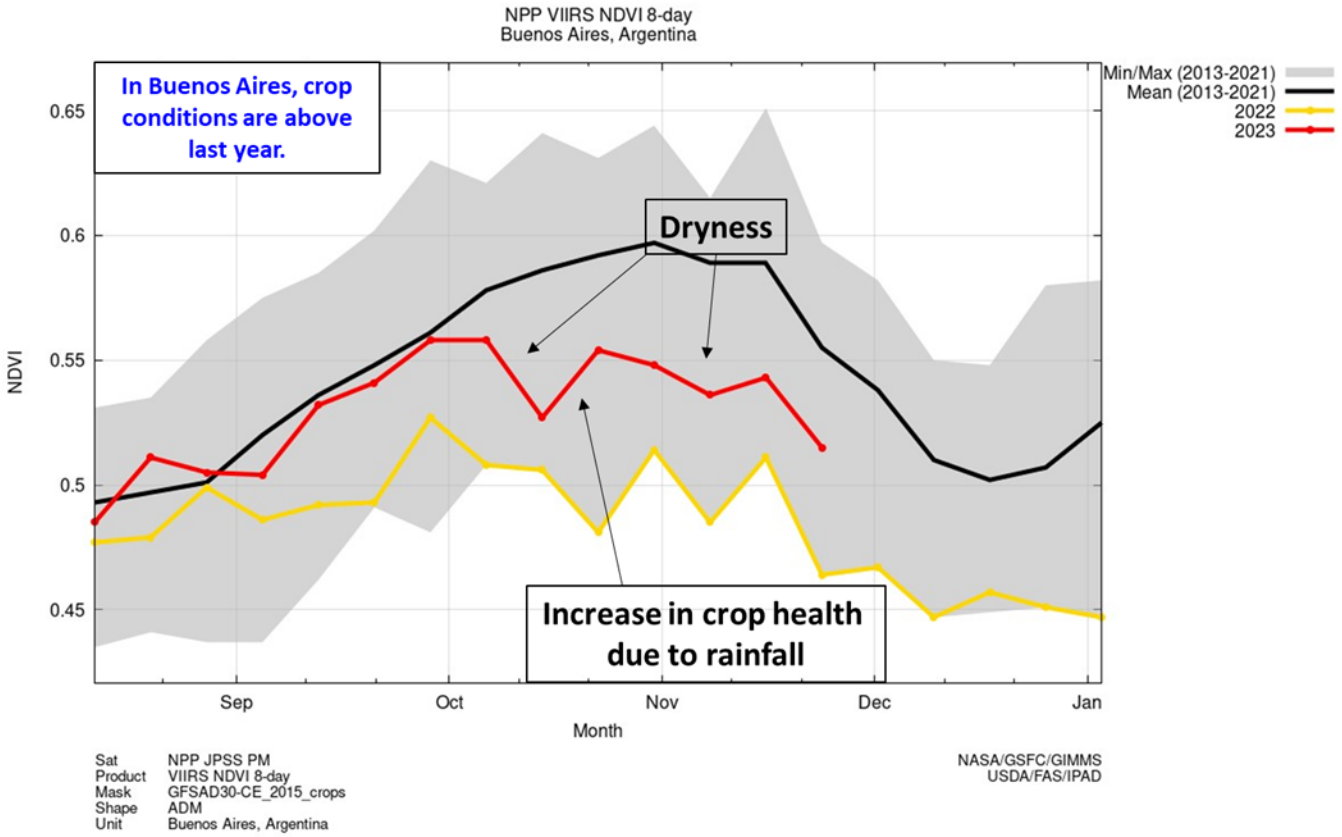

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Figure 5: NDVI crop conditions in Buenos Aires

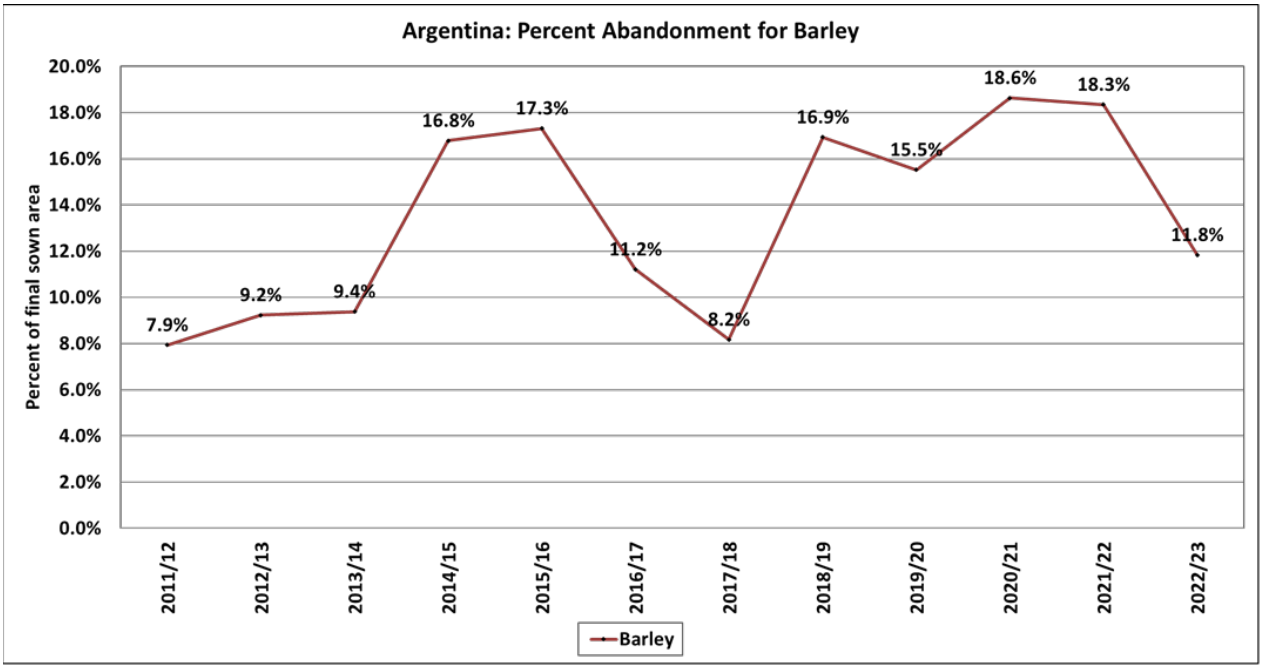

Figure 6: Barley Abandonment Series

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Current World Agricultural Production Reports
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Production, Supply and Distribution Database (PSD Online)
https://apps.fas.usda.gov/psdonline/app/index.html#/app/home

Global Agricultural Information Network (Agricultural Attaché Reports)
https://www.fas.usda.gov/databases/global-agricultural-information-network-gain

Crop Explorer
https://ipad.fas.usda.gov/cropexplorer/

Global Agricultural and Disaster Assessment System (GADAS)
https://geo.fas.usda.gov/GADAS/index.html