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Commodity Intelligence Report

Argentina Crop Production Up Year-to-Year Despite Some End of Season Challenges

Argentina crop production for marketing year (MY) 2023/24 was substantially higher this year than the previous 2022/23 season, which was the third year of drought caused by La Niña (see figure 1). MY 2023/24 was an El Niño year, which is generally characterized by normal to above normal rainfall conditions for Argentina. Typically, Argentina corn yields during an El Niño year are higher than trend as shown in figure 2. This year, the unexpected leafhopper infestation reduced production potential but still allowed above trend output. The three largest crops in Argentina are soybeans, corn, and wheat. Argentina is the world's third largest soybean producer, almost 12 percent of global production; the fifth largest corn producer (4 percent); and the eleventh largest wheat producer (2 percent). Corn and soybeans are both summer crops, generally planted from October through December and harvested from April through June (see figure 3). Wheat is a winter crop, typically planted from May through July and harvested from November through January.

Argentina soybean production for MY 2023/24 is estimated at 49.0 million metric tons (mmt), almost double the production of 25.0 mmt from the previous year. Wheat in MY 2023/24 is estimated at 15.9 mmt, up 26 percent from the previous year's 12.6 mmt. The corn crop also held high potential with this year's increased rainfall due to El Niño. Instead, a corn-specific damaging insect, the leafhopper, reduced the potential for corn production. The insects did not begin to descend in large quantities until the latter portion of the season and the resulting crop damage from the insect is shown through poor kernel development on the corn cobs (see figure 4). Corn production for MY 2023/24 is estimated at 50 mmt, up 39 percent from the previous year, but down several million metric tons from initial forecasts due to the late season insect problem.

Other smaller produced crops include barley (5.1 mmt in MY 2023/24), sunflowerseed (3.9 mmt), sorghum (2.5 mmt), cotton (1.5 million 480-pound bales), and peanuts (1.50 mmt).

The El Niño phenomenon in Argentina results in normal to above normal rainfall patterns. This can be seen in the figure 5 seasonal precipitation map. Rainfall in the main summer crop producing provinces of Buenos Aires, Córdoba, and Santa Fe, are all above average. The challenges of this season were the recharge rain needed to restore the soil to normal moisture levels following the three consecutive La Niña drought years. Ultimately, Argentina received enough rain during the critical growing periods for the

summer crops. The above normal crop condition is also reflected in the satellite-derived MODIS Normalized Difference Vegetation Index (NDVI) for Córdoba, which is a major corn and soybean producing province, as seen in figure 6. Additionally, viewing the aggregate NDVI over a three-month period during the main growing season, called the Percent of Average Seasonal Greenness (PASG), crop conditions are above average across most of the croplands for the summer growing season, January to March (see figure 7).

According to industry sources, the leafhopper insect is not easy to remove from fields, so there may be further impacts on the corn crop for MY 2024/25. Planting for the MY 2024/25 corn crop will begin in September but USDA forecasts a year-to-year decline in area due to farmers shifting cultivation to other crops, since the insect does not harm soybeans or wheat (the two other major crops grown). Wheat planting is complete and USDA forecasts Argentina wheat harvested area at 6.0 million hectares, up 8 percent from MY 2023/24.

The contributions of the USDA FAS Office in Buenos Aires are gratefully acknowledged.

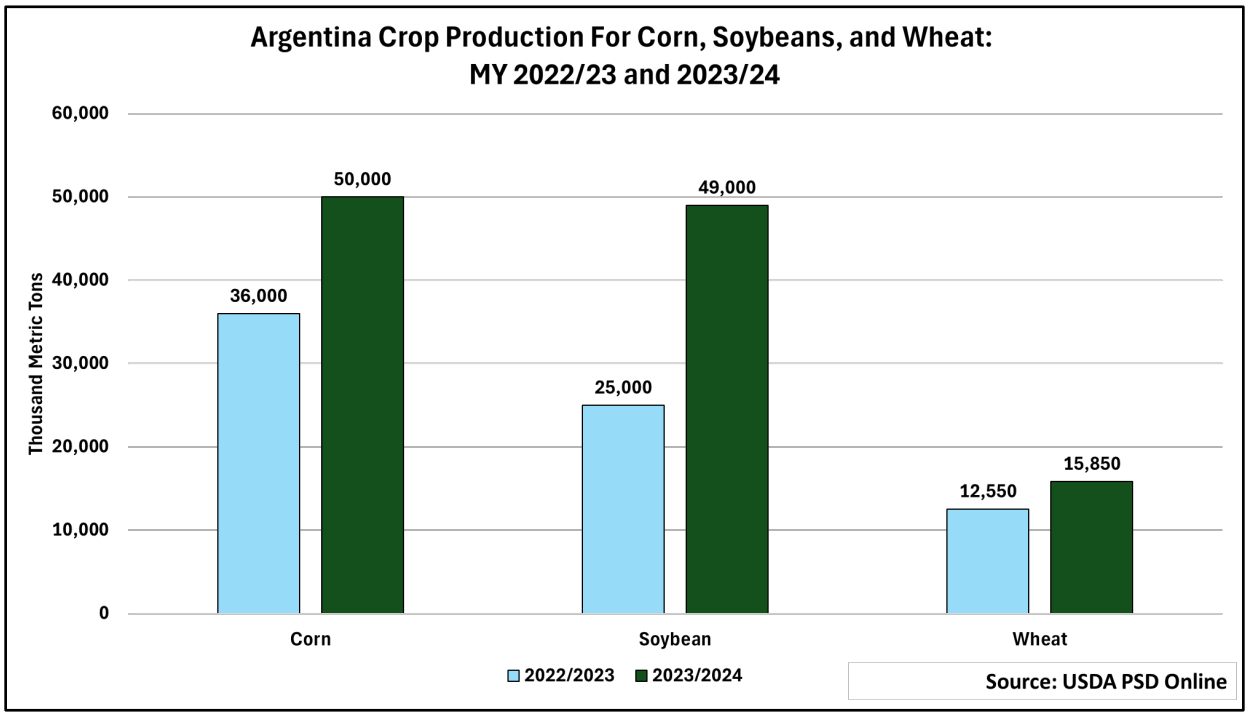

Figure 1. Argentina Crop Production for Major Crops, Source: USDA FAS Production, Supply, and Distribution Database

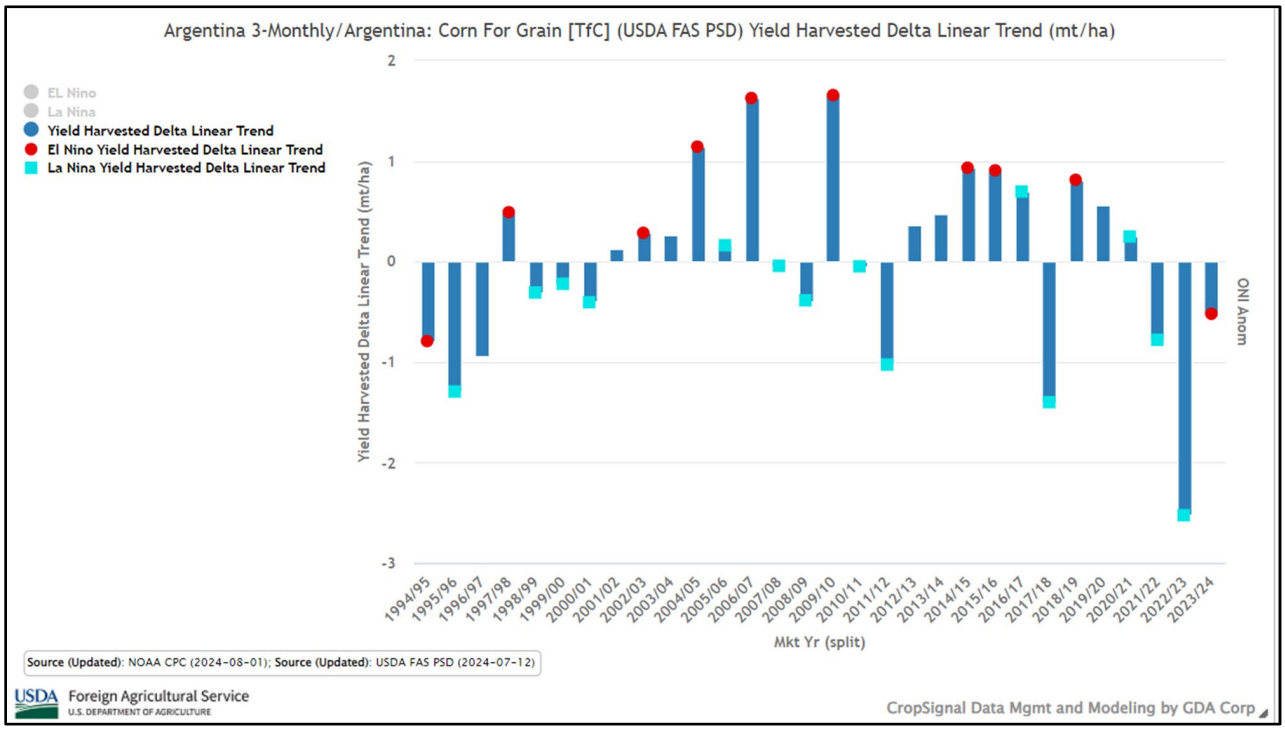

Figure 2. Argentina corn yields as compared to trend and highlighted as a La Niña, El Niño or neutral year, Source: USDA FAS Production, Supply, and Distribution Database and NOAA CPC

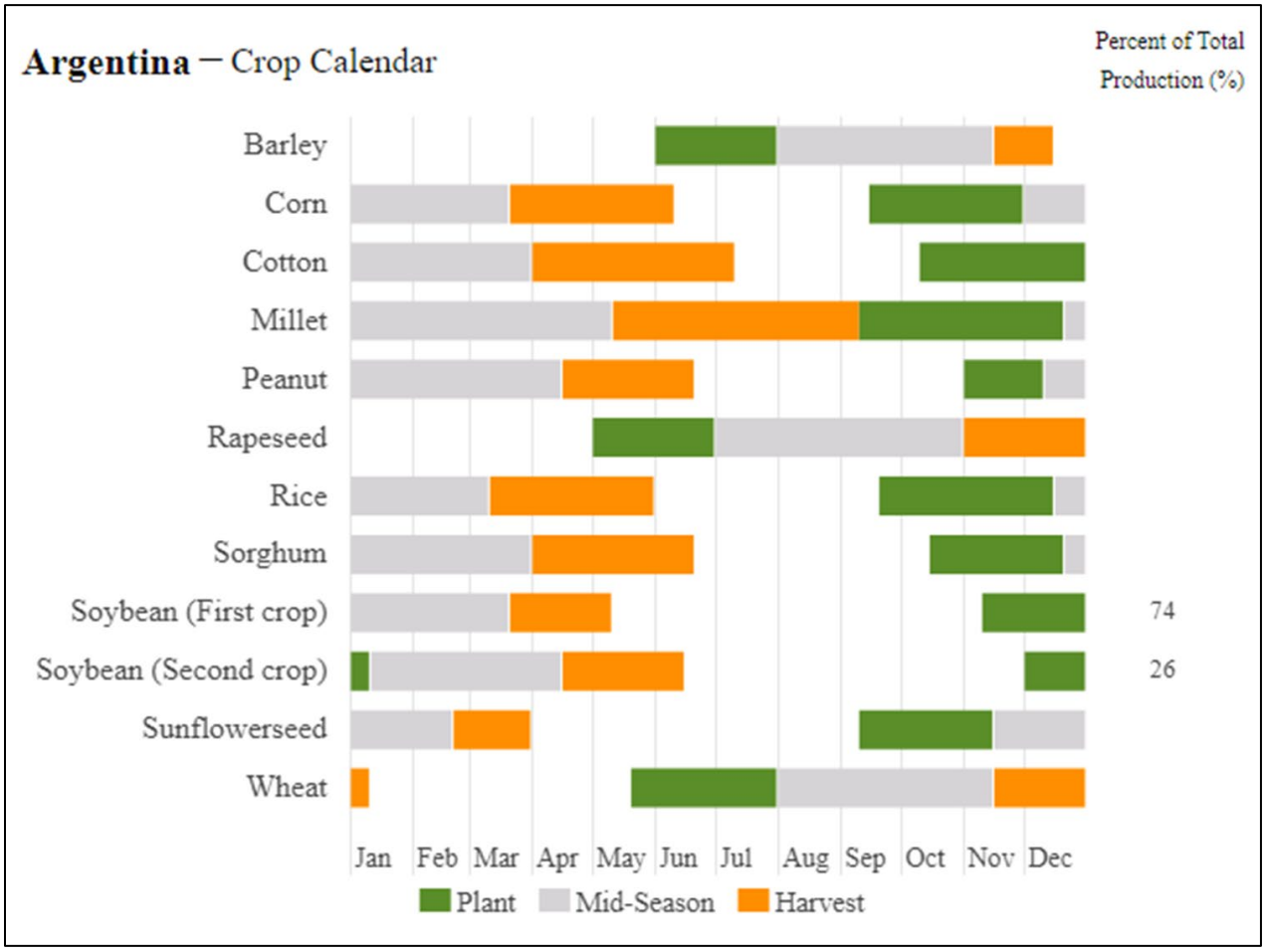

Figure 3. Argentina Crop Calendar

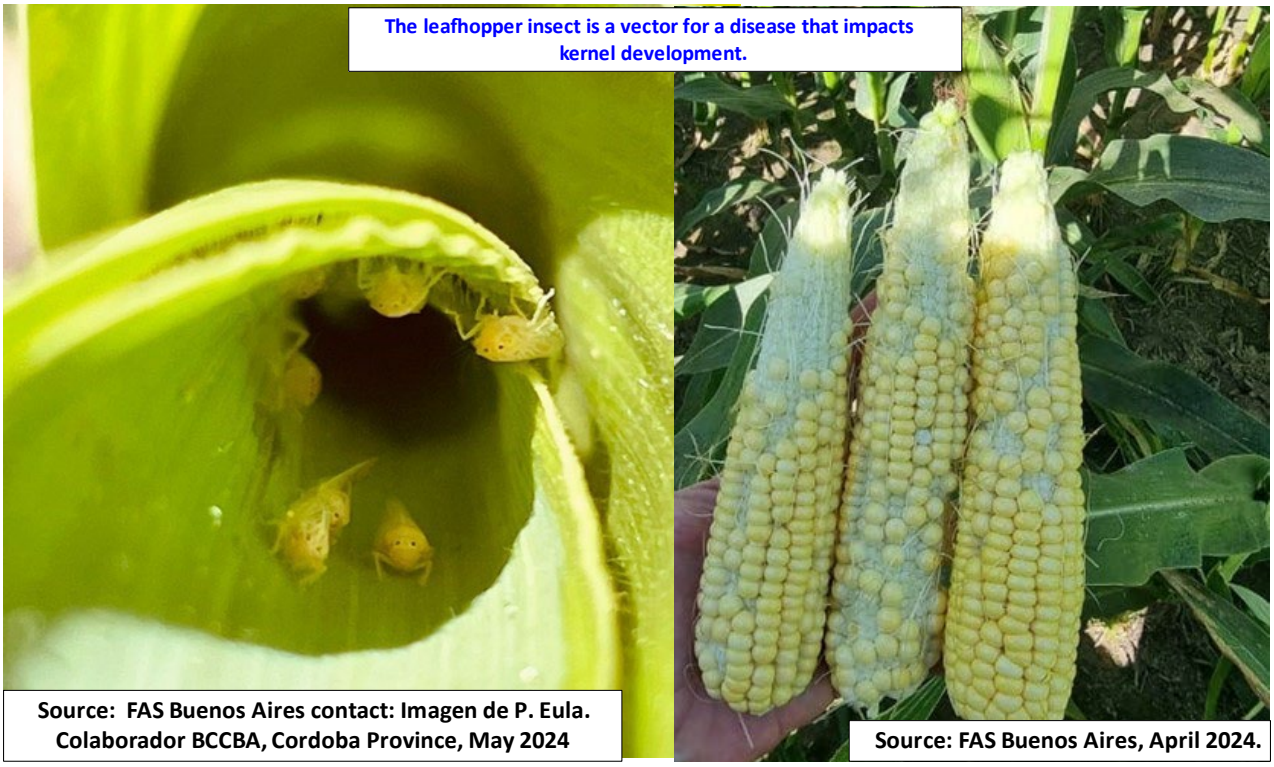

Figure 4. Leafhopper insects cause damage on development of kernels on corn cobs

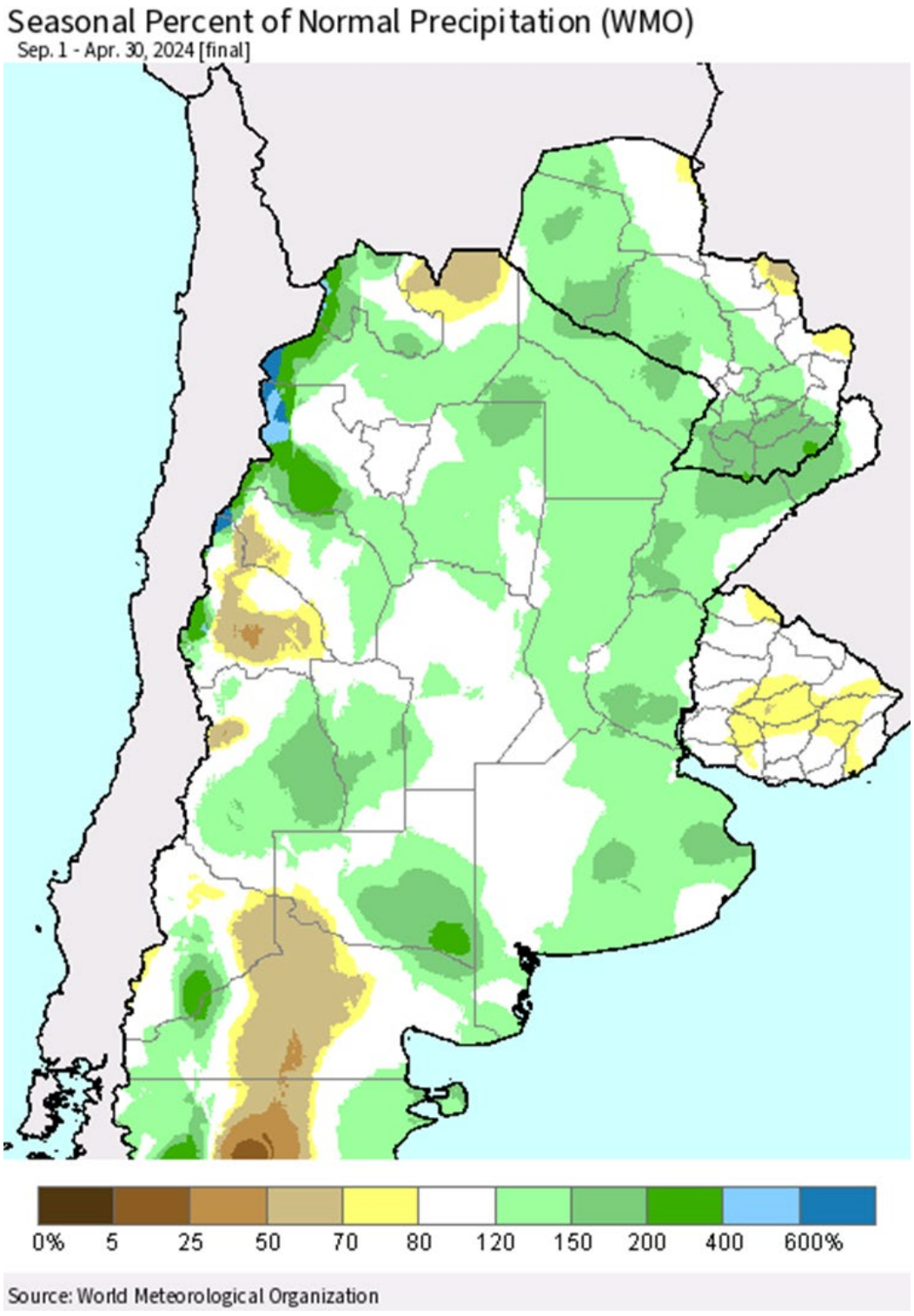

Figure 5. Seasonal Percent of Normal Precipitation during the summer crop growing season

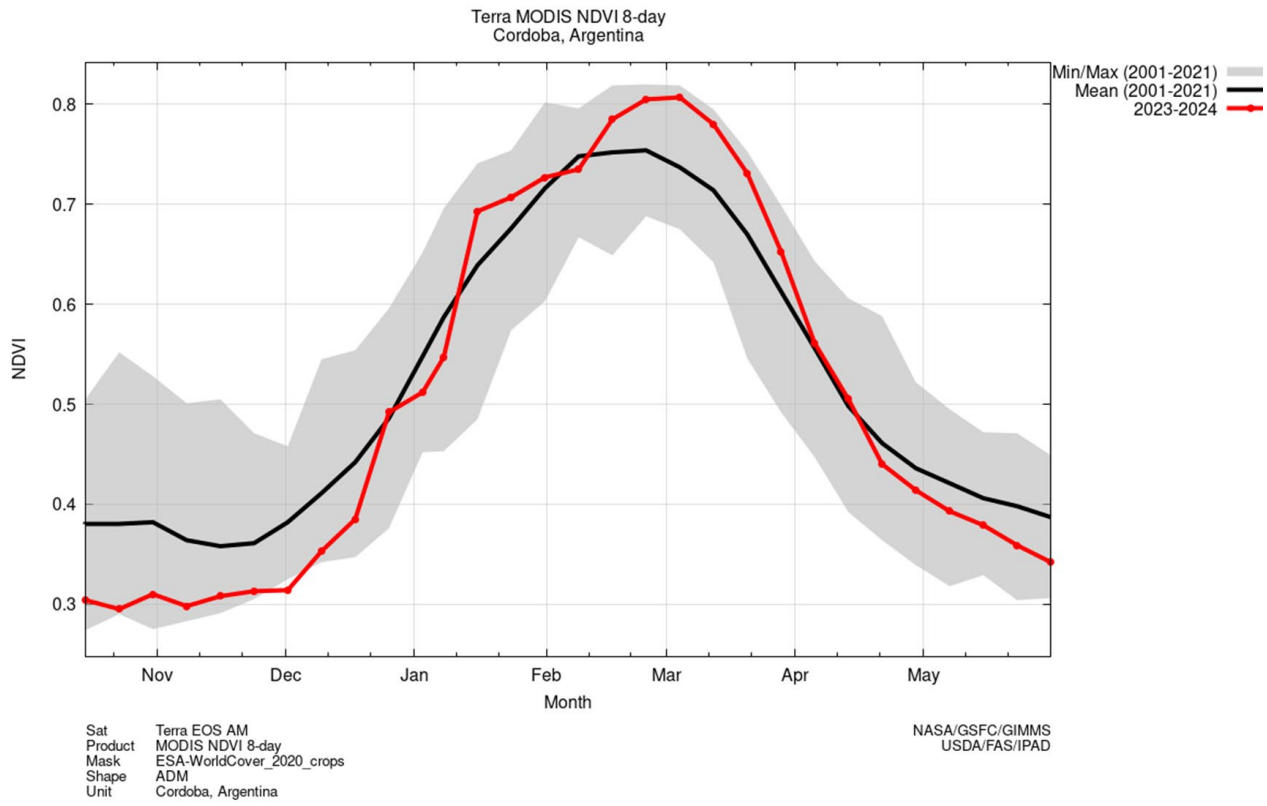

Figure 6. Above average crop conditions in Córdoba, as shown by the Normalized Difference Vegetation Index (NDVI)

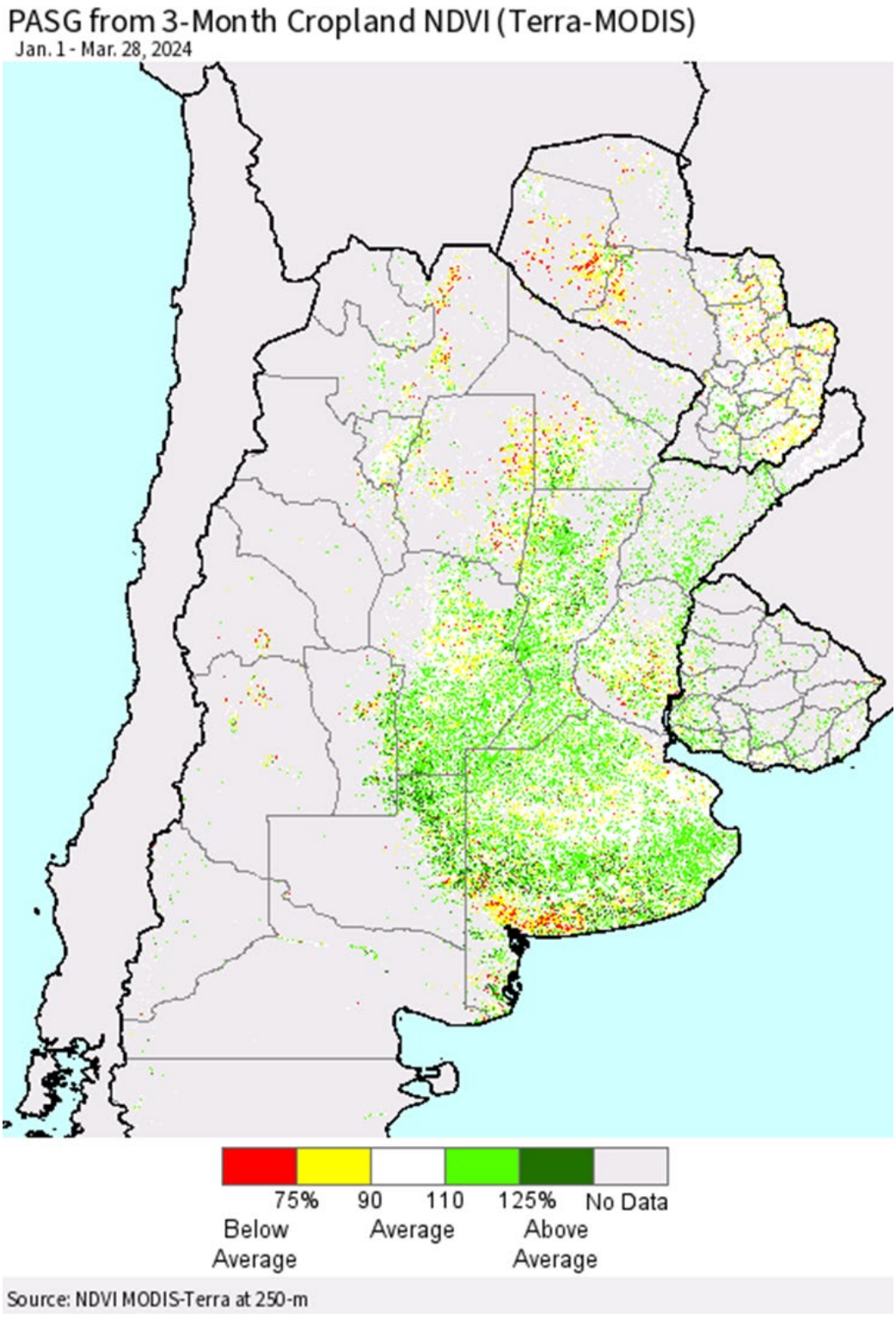

Figure 7. Above average crop conditions in the main summer growing regions, as shown by PASG

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