



AHDB cereal exports competitor report

Argentina

Harvest

Grain production in Argentina is centred mostly in Córdoba, Santa Fe and Buenos Aires. These three provinces are the source of about 80 per cent of the nation's crop production. All of them are close to the ports in Gran Rosario or the southern port of Bahía Blanca. Hence, the trucking distance to port for much of Argentina's wheat production is not far, often less than 250 km.

Argentina is re-emerging as an important Southern hemisphere producer and exporter of cereals, with wheat production growing and remaining a key feature of Argentinian grain production.*

*<https://millermagazine.com/blog/argentina-world-powerhouse-of-grain-export-3713>

Barley is favoured as the grain of greatest yield and resistance to disease; types for feed and beer are grown in the Pampas regions, where the soil and climate are unsuitable for wheat production. The Buenos Aires Grain Exchange has projected that Argentina's wheat output in marketing year 2021/22 (December-November) will be a record 21.8 million tonnes, exceeding Argentina's previous all-time high harvest of 19 million tonnes in the 2018/19 crop year. This is due to rains that, while scarce, were distributed evenly and came in time to boost yields.* USDA projects wheat production 1.3 million tonnes lower at 20.5 million tonnes.

*<https://www.agriculture.com/markets/newswire/argentina-ends-wheat-harvest-at-a-record-218-mln-tonnes-exchange>

USDA pegs barley production in marketing year 2021/22 at 4.8 million tonnes.

Exports

In a bid to control domestic food prices the government of Argentina has imposed various export controls for marketing year 2021/22 to increase domestic supplies.

Argentina's agricultural ministry has capped wheat exports for marketing year 2021/22 at 12.5 million tonnes. The USDA has pegged Argentina's wheat exports in marketing year 2021/22 at 14 million tonnes.

The South American country is a key wheat supplier, primarily to neighbouring Brazil. However, with global supplies drying up from Russia, the US and Canada, consuming countries in the Middle East are also looking at Argentina to meet their requirements.*

*<https://www.spglobal.com/platts/en/market-insights/latest-news/agriculture/011922-argentina-ends-2021-22-wheat-harvest-at-record-218-mil-mt-on-robust-yields>

Wheat exports in the first four to five months of the new marketing year will most likely be directed primarily to Southeast Asia and African countries. Monthly exports to Brazil are relatively stable throughout the year, with a projected total volume of 5.8–6.0 million tonnes (excluding flour) in marketing year 2021/22.

Barley exports are forecast by USDA at 3.5 million tonnes in marketing year 2021/22.

There are not expected to be further feed barley sales to China for the rest of the marketing year, as France is currently more competitively priced than Argentina. In the first months of marketing year 2020-21, China purchased more than 90 percent of the feed barley (mostly graded FAQ – fair average quality barley) as well as three vessel-loads of malting barley totalling 180,000 tonnes. Chinese demand for Argentine barley began because of a commercial dispute with Australia, its historical main supplier.

Main ports in Argentina

Argentina's key cereal production regions are not far from high-throughput export port terminals in the Gran Rosario region. The Gran Rosario ports account for the majority of grain exports. Almost three-quarters of the nation's crop production is exported.

River infrastructure upgrades in coming years and further investment in barges will facilitate access to grain in nearby countries and boost exports from Gran Rosario port terminals.

Standards for Argentinian wheat – grades 1-3

The wheat quality receival standard in Argentina applies bonuses and discounts to wheat based on its protein, with any bonuses for protein only applying if the test weight is at or above 75 kg per hectolitre (hl).

Grades	Specific weight (kg/hl)	Foreign material (% max)	Burned/heat-damaged (% max)	Total damaged (% max)	Shrunken/broken kernels (% max)	Moisture (%)
1	79	0.2	0.5	1.0	0.5	14
2	76	0.8	1	2.0	1.2	14
3	73	1.5	1.5	3.0	2.0	14

Source: AEGIC Argentina report, 2018

Argentinian wheat and barley exports

Wheat

Units = tonnes	2020		2019
Brazil	4,423,903	Brazil	5,294,924
Indonesia	2,336,201	Indonesia	1,981,803
Bangladesh	541,989	Kenya	354,064
Kenya	488,194	Chile	341,575
Thailand	448,147	Peru	188,691
Chile	248,908	Nigeria	177,633
Vietnam	204,932	Uganda	138,970
Ethiopia	199,403	Thailand	130,997
Nigeria	158,521	Vietnam	111,443
Philippines	106,391	Morocco	92,350
Peru	96,901		

Source: IHS Maritime & Trade – Global Trade Atlas® – INDEC – National Institute of Statistics & Census

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Barley

Units = tonnes	2020		2019
Brazil	475,964	Saudi Arabia	586,130
Saudi Arabia	463,526	Brazil	419,998
Kuwait	86,152	Jordan	126,000
UAE	73,443	Kuwait	79,550
Oman	20,760	Tunisia	55,000
		UAE	29,000

Source: IHS Maritime & Trade: Global Trade Atlas® – INDEC – National Institute of Statistics & Census

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Supply and demand

As at Feb 2022 Units = thousand tonnes	2020/21 Wheat	2020/21 Barley	2021/22 Wheat (forecast)	2021/22 Barley (forecast)
Beginning stocks	2,357	608	2,122	619
Production	17,640	4,035	20,500	4,800
Imports	6	12	4	0
Total supply	20,003	4,655	22,626	5,419
Exports	11,531	2,336	14,000	3,500
Feed domestic consumption	50	400	50	200
FSI consumption	6,300	1,300	6,500	1,200
Domestic consumption	6,350	1,700	6,550	1,400
Ending stocks	2,122	619	2,076	519

Source: USDA