

# WHEAT

Two aspects stand out in the second half of October: The approval of the first GMO wheat in Argentina HB4 with resistance to stress and the impacts of low humidity during the vegetative cycle and subsequent late rains. The decrease in supply globally is a trigger for better prices.

a) HB4: The Ministry of Agriculture approved the biotechnological event, conditioning its commercialization on the approval of Brazil and the registration of the new seeds in the National Seed Institute. This opens up a new scenario, mainly for exports, since there is currently a diversity of destinations; Although led by Brazil, which buys 40% of the volume, the other 60% is diversified between Southeast Asia, North Africa and South America (2020). There is uncertainty about the acceptance by mills and consumers of this approval, the impact on labeling regulations in certain destinations and the reactions to a bold launch in commercial matters.

b) Climate impact: The lack of rains in the July-October period will most likely condition the harvested area and the yields in a large area, a decrease in production of close to 20% is estimated. On the other hand, the rains of last week and the forecast of precipitations for November and December; as well as, periods of medium to high relative humidity and low insolation could predict the development of some end-of-cycle fungi. This possibly has its correlate in the quality of the grains.

Lower global supply: USA, Canada, European Union, Brazil, Argentina and Ukraine present forecasts of lower harvests and this has been a factor driving prices. Globally, 20 million tons less production is expected than the 19/20 harvest. The Argentine wheat export supply is estimated at 1.8 million tons less.

<b>ARGENTINA: OFERTA Y DEMANDA DE TRIGO</b>				
		<b>2020/21 (*)</b>	<b>2019/20</b>	<b>2018/19</b>
- Stock Inicial	Mill/ton	1,1	1,1	0,8
Area Sembrada	Mill/has	6,3	6,5	6,1
Rendimientos	Kg/ha	2,537	2,820	3,021
- Produccion	Mill/ton	17,0	19,5	19,0
- Total Oferta	Mill/ton	18,1	20,6	19,8
- Consumo Interno (1)	Mill/ton	6,6	6,5	6,3
- Compras 7/10/20 (2)	Mill/ton	0,1	4,6	4,5
-Semilla	Mill/ton	0,7	0,7	0,7
- Exportacion	Mill/ton	10,5	12,3	11,7
- DJVE 7/10/2020	Mill/ton	4,1	12,1	10,3
- Compras 7/10/20 (2)	Mill/ton	5,2	15,5	13,2
- % S/Exportacion	%	50 %	126 %	113 %
- A precio	Mill/ton	4,2	14,9	12,8
- % S/Total Compras	%	82 %	96 %	97 %
- Total Demanda	Mill/ton	17,8	19,5	18,7
-Stock Final	Mill/ton	0,3	1,1	1,1

(1) Ajustado por Fiscalizacion Molinos (2) Compras a igual fecha de cada año

Fuente : (\*) Agritrend Proyectado - Minagri

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## TRIGO: EXPORTACIONES POR DESTINO (mill tn)

Países	2020 (*)	2019	2018	2017
Brasil	4,08	5,20	5,91	5,23
Indonesia	2,22	2,00	1,01	0,19
Bangladesh	0,63	0,12	0,25	0,70
Tailandia	0,52	0,27	0,38	0,60
Kenia	0,35	0,47	0,26	0,42
Vietnam	0,23	0,28	0,18	0,69
Etiopia	0,21			
Nigeria	0,20		0,19	0,15
Chile	0,18	0,37	0,59	0,86
Peru	0,17	0,26	0,34	0,24
Ecuador	0,04	0,05	0,14	0,26
Argelia	0,03	0,12	1,25	1,81
Marruecos	0,03	0,10	0,16	0,18
Egipto		0,10	0,10	0,13
OTROS	0,66	1,86	1,31	1,64
<b>TOTAL</b>	<b>9,54</b>	<b>11,19</b>	<b>12,07</b>	<b>13,09</b>

Fuente: Min.de Agro./INDEC/Agritrend/Line Up Octubre 2020- (\*)Estimado/ Año calendario

## ARGENTINA: PRECIOS DE COMPETENCIA DEL TRIGO A BRASIL

a BRAZIL	FOB Origen	+ Flete	+ Impto Tax Port	Cif Brasil			
				C/AEC	Dif C/A	S/AEC	Dif S/A
Argentina	245,0	17,0		262,0		262,0	
USA SRW	269,0	24,0	6,0	325,9	-63,9	299,0	-37,0
USA HRW	266,0	24,0	6,0	322,6	-60,6	296,0	-34,0
Francia	244,0	32,0	8,0	308,4	-46,4	284,0	-22,0
Alemania	240,0	32,0	8,0	304,0	-42,0	280,0	-18,0
Rusia	245,0	36,0	9,0	314,5	-52,5	290,0	-28,0
Australia ASW	258,0	42,0	10,5	336,3	-74,3	310,5	-48,5
Australia APW	264,0	42,0	10,5	342,9	-80,9	316,5	-54,5
Canada	275,0	29,0	7,3	338,8	-76,8	311,3	-49,3

Rosario BsAs

FOB Argentina	253,0	(Official Fob Price)	Spot	225	215
Fobbing	11,0		Ene 20/21	210	208
Der. Exportacion	30,4				
Precio Fas s/Fob	203,6				
Precio de Mercado (*)	210,0	al: 14/10/2020			
<b>Margen</b>	<b>-6,4</b>	Source: Mercado / Agritrend en dol/ton			

Fuente: Agritrend SA / Info.de Mercado pos. Enero dol/ton - C/S AEC Considerando o no el Arancel externo comun de Mercosur

FOB Argentina: Base 11,5% proteina embarque enero - FAS base derechos exportacion 12% (\*) Precio medio Rosario/BsAs.

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## TRIGO: DJVE 2019/20 al 1/10/2020

Exportador	TONS	PARTICIP.
CARGILL S.A.C.I.	2.150.000	17,7 %
COFCO INTERNATIONAL ARGENTINA	2.066.000	17,0 %
ADM AGRO S.R.L.	1.842.000	15,2 %
BUNGE ARGENTINA SA	1.527.755	12,6 %
LDC ARGENTINA S.A.	1.290.000	10,6 %
ASOCIACIÓN DE COOPERATIVAS ARGENTINAS	805.800	6,6 %
MOLINOS AGRO SA	463.000	3,8 %
ACEITERA GENERAL DEHEZA S.A.	388.000	3,2 %
OLEAGINOSA MORENO HNOS S A C I F I A	386.000	3,2 %
CHS DE ARGENTINA SA	344.000	2,8 %
VICENTIN SAIC	179.328	1,5 %
AMAGGI ARGENTINA SA	166.800	1,4 %
YPF S.A.	69.070	0,6 %
MIRGOR SA C I F I A	68.000	0,6 %
GEAR SAAICFEI	63.500	0,5 %
AGRICULTORES FEDERADOS ARGENTINOS SCL	60.000	0,5 %
OTROS	270.401	2,2 %
<b>TOTAL</b>	<b>12.139.654</b>	<b>100 %</b>

Fuente: Minagri/ Agritrend SA

## TRIGO: DJVE 2020/21 al 1/10/2020

Exportador	TONS	PARTICIP.
COFCO INTERNATIONAL ARGENTINA	990.000	25,6 %
ADM AGRO S.R.L.	650.000	16,8 %
CARGILL S.A.C.I.	620.000	16,0 %
BUNGE ARGENTINA SA	540.000	14,0 %
LDC ARGENTINA S.A.	450.000	11,6 %
OLEAGINOSA MORENO HNOS S A C I F I A	235.000	6,1 %
ASOCIACIÓN DE COOPERATIVAS ARGENTINAS - COOP. - LTDA.	150.000	3,9 %
MOLINOS AGRO SA	95.000	2,5 %
ACEITERA GENERAL DEHEZA S.A.	51.000	1,3 %
CHS DE ARGENTINA SA	40.000	1,0 %
YPF S.A.	36.940	1,0 %
ALEA Y CIA S.A.	10.000	0,3 %
<b>TOTAL</b>	<b>3.867.940</b>	<b>100 %</b>

Fuente: Minagri/ Agritrend SA

# SORGHUM

China appears as the main destination displacing Japan and everything indicates that a large part of the export of the next harvest would already be committed in these two destinations. The good 2020 prices of China, the permanence of Japan as a buyer and a somewhat better future for 2021, augur a good campaign. Spring and summer rains could consolidate the development for the near future of this cereal. New uses in the main Asian country and more competitive genetics will help this.

ARGENTINA: OFERTA Y DEMANDA DE SORGO				
		2020/21 (*)	2019/20 (*)	2018/19
- Stock Iniciales	Mill/ton	0,11	0,23	0,21
Area Sembrada	Mill/has	0,85	0,75	0,77
Rendimientos	Kg/ha	3,501	3,840	3,865
- Producción	Mill/ton	3,10	3,00	3,10
- Oferta Total	Mill/ton	3,21	3,23	3,31
- Consumo Interno Aparente	Mill/ton	2,05	2,42	2,60
- Exportación	Mill/ton	1,10	0,70	0,48
- <i>DIVE 7/10/2020</i>	Mill/ton	0,76	0,62	0,40
- Compras 7/10/20 (1)	Mill/ton	0,98	0,68	0,47
- % S/Exportacion	%	89 %	97 %	97 %
- A precio	Mill/ton	0,98	0,68	0,46
- % S/Total Compras	%	100 %	99 %	98 %
- Total Demanda	Mill/ton	3,15	3,12	3,08
- Stocks Finales	Mill/ton	0,06	0,11	0,23

(1) Compras a igual fecha de cada año

Fuente : Agritrend SA (\*) Proyectado - Agritrend

SORGO EXPORTACIONES POR DESTINO (mil tn)				
	2020 (*)	2019	2018	2017
China	295,00	170,20	15,10	
Japon	127,00	247,30	81,85	291,22
Egipto	30,00			
Chile		21,10	15,77	30,12
USA			49,21	92,09
Pakistan				47,08
Otros	5,00	2,19	18,99	2,17
Total	457,00	440,79	180,92	462,68

Fuente: Min.de Agro./INDEC/Agritrend/Line Up Octubre 2020- (\*)Estimado/ Año calendario

# CLIMATE IN ARGENTINA

Impressive drought that shows the map in satellite photography until the month of October. Corresponds to accumulation of moisture in the soil. However, the rains in the second half of October, and the forecasts for November, December and January suggest a good implantation and development of summer crops such as corn, soybeans, sorghum and sunflower in the humid pampas.

