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Argentina

Grain and Feed

Annual

2006

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Report Highlights:
Grain and feed production this year fell slightly compared to last year due to a variety of weather conditions throughout the crop year. Wheat planting was affected by dryness during the planting season, forcing many producers to forgo winter crops and move directly to summer crops. Corn and sorghum production was affected by late frosts in some areas and extreme heat during flowering in other areas.

Includes PSD Changes: Yes
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Annual Report
Buenos Aires [AR1]
[AR]

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Executive Summary

Grain and feed production this year fell slightly compared to last year due to the effects of a variety of weather conditions throughout the crop year. Wheat planting was affected by dryness during the planting season, forcing many producers to forgo winter crops and move directly to summer crops. Corn and sorghum production was affected by late frosts in some areas and extreme heat during flowering in other areas.

This year producers expect to see production costs increase and market prices decrease, relative to past years. However, agriculture will continue to be profitable and producers will continue to spread out their risk by planting a variety of crops.

Many former producers are making a nice salary by renting their land to larger producers and newly formed agricultural investment “pools”. Land prices have increased dramatically over the past few years. Currently a hectare of land in the main corn growing area (some of the most fertile land in Argentina) costs approximately US$7,500. Over double the price of the same land in 2002 (US$2,692), after the devaluation, and up over 90 percent from before the devaluation in 2000 (US$3,950). Rental prices vary by production area, but can range from US$84/ HA for wheat production to US$238/HA for first crop soybeans.

Overall, the Argentine producer continues to be resilient and innovative. As input and production costs continue to rise, and prices fall, producers begin to look for every possibility to eek out a few more dollars of profit per hectare. In southern Buenos Aires province, many producers are experimenting with intercropping wheat and soybeans or wheat and corn. Preliminary results are very interesting and the prospects for expanding this practice are good, especially in areas that are susceptible to early and late frosts. By planting soybeans over wheat in late November, many producers have been able to maintain their wheat yields, and obtain soybean yields similar to first crop soy. The alternative to intercropping is to plant soybeans after the wheat harvest in late December/ early January, which can be very risky in early frost areas.

Production

Wheat

Post forecasts wheat production next marketing year (MY) 2006/07 will rebound to 16 MMT on 6.1 million HAS. Even though planted area fell this past year due to dryness during the planting season, forcing producers to switch to other alternatives, such as corn, soybeans or sunflowers, producers anticipate fulfilling their planting intentions this winter.

Provisional data from SAGPyA, estimates MY2005/06 wheat area and production was 5.037 MHAS and 12 MMT, respectively. According to private sources, this year’s wheat harvest, which ended in the middle of January, totaled 12.987 MMT collected from 5.004 MHAS. The highest average yields were found in the Bragado Delegation, as defined by the SAGPyA, and reached 4.09 MT/HAS on 77,000 HAS. The major wheat producing areas, Tandil and Tres Arroyos, averaged 3.775 and 2.94 MT/HAS, respectively. Overall, total average wheat yield was 2.27 MT/HAS.

Post does not change its MY2005/06 production and harvested area estimates.

The following table, based on county elevator data, shows the variation in yields that are found in the different production areas of the country.

Delegation	Planted Area 2005/06 (1,000 HAS)	Harvested Area 2005/06 (1,000 HAS)	Average Yield (100 kg)	Production (1,000 MT)
Bahía Blanca	412	410	18	738
Bolivar	81	80	30	240
Bragado	77	77	38	293
Junín	93	91	38	346
Lincoln	97	94	37	348
Pehuajo	62	63	34	214
Pergamino	93	93	38	353
Pigue	436	430	19	817
Saliquello	105	102	18.5	189
Tandil	427	420	38	1,596
Tres Arroyos	955	950	33	3,135
25 de Mayo	68	67	36	241
Buenos Aires	**2,905**	**2,877**	**29.3**	**8,510**
Laboulaye	73	70	23	161
Marcos Juarez	209	206	23.3	479
Rio Cuarto	26	25	16.5	41
S.Francisco	154	150	16	240
Villa Maria	196	195	23	449
Cordoba	**657**	**646**	**21.2**	**1,370**
Entre Rios	**217**	**215**	**28**	**602**
La Pampa	**170**	**168**	**17**	**286**
Avellaneda	47	40	14	56
C de Gomez	148	147	29	426
Casilda	102	102	31	316
Rafaela	152	150	22	330
Venado Tuerto	115	114	38	433
Santa Fe	**564**	**553**	**28.2**	**1,562**
Other Provinces	**490**	**470**	**14**	**658**
Total	**5,004**	**4,929**	**26.3**	**12,987**

Source: AGRITREND

Wheat Quality Standards

Although Argentina does produce high quality wheat, it has been difficult to get into international markets interested in high quality wheat and wheat products due to recent increases in the use of high yielding wheat (‘Baguette’) with generally lower quality. For the past several years, Argentina tried to incorporate a national program to improve wheat quality. The objective of the program is to increase the quality by adopting a system of premiums and discounts to be paid to producers according to, among other things, protein and gluten levels. This season the program took off in earnest, with shaky results.

Producers are not fully convinced that the premiums paid for higher quality wheat would be equivalent to the income they receive from higher yielding wheat varieties. High yielding ‘Baguette’ varieties produce, approximately, 1 – 2 MT/HAS more than higher quality varieties, depending on the growing area. Producers would rather forgo the risk of producing a high-quality, low-yielding variety and choose to plant higher yielding varieties to be assured of receiving 1 – 2 MT more per hectare, which more than compensates for any premiums they would be paid for producing the higher quality varieties.

In addition to insufficient compensation to producers, there are additional infrastructure problems that may inhibit the segregation of wheat qualities, mainly in the form of silos and ports equipped to handle differentiated products. However, with the increased use of silo bags, this may not be as large of a problem as previously thought.

The new standards classify wheat into the following three groups according to the variety.

Argentine Hard Wheat 1 Superior Varieties (TDA1)	Argentine Hard Wheat 2 Special Varieties (TDA2)	Argentine Hard Wheat 3 Standard Varieties (TDA3)
ACA 302	ACA 223	BAGUETTE 10
BUCK PONCHO	ACA 303	BAGUETTE SUR 5
BUCK PRONTO	ACA 601	BAGUETTE SUR 15
BUCK PANADERO	ACA 801	BUCK GUARANI
BUCK ARRIERO	BAGUETTE PREMIUM 13	BUCK CHAMBERGO
BUCK YATASTO	BUCK CHARRUA	BUCK HALCON
BUCK FAROL	BUCK ARRAYAN	KLEIN PEGASO
BUCK GUAPO	BUCK GUATIMOZIN	KLEIN DRAGON
BUCK SUREÑO	BUCK PINGO	KLEIN CACIQUE
BUCK BRASIL	BUCK MATACO	KLEIN MARTILLO
BUCK BIGUA	COOPERACION NAHUEL	PROINTA BON. POTRILLO
CAUDILLO	COOPERACION CALQUIN	PROINTA QUINTAL
COOPERACION LIQUEN	COOPERACION HUEMUL	PROINTA OASIS
KLEIN DELFIN	GREINA	
KLEIN PROTEO	INTA B 16595	
KLEIN SAGITARIO	INTA J 97084	
PROINTA BON. ALAZAN	INIA PLUS 14	
PROINTA COLIBRI	INIA TIJERETA	
PROINTA HUENPAN	LE 2249	
PROINTA MOLINERO	KLEIN ESTRELLA	
PROINTA REAL	KLEIN VOLCAN	
PROINTA BON. HURÓN	KLEIN DON ENRIQUE	
PROINTA BON. PAYADOR	KLEIN ESCORPION	
	KLEIN ESCUDO	
	KLEIN CHAJÁ	
	KLEIN FLECHA	
	KLEIN JABALÍ	
	PROINTA PUNTAL	
	PROINTA FEDERAL	
	PROINTA IMPERIAL	
	PROINTA BON. REDOMON	
	PROINTA ELITE	
	PROINTA MILENIUM	
	PROINTA DON UMBERTO	
	PROINTA GRANAR	
	PROINTA GAUCHO	

Within each group, grains are then divided according to protein levels. Premiums and discounts are then applied over those protein level bands.

	TDA1	TDA2	TDA3
Protein Band	10 .5 % - 11 .5 %	10 .0 % - 11 .0 %	10% - 11%
	11 .6 % - 12 .5 %	11 .0 % - 12 .0 %	More than 11%
	More than 12 .5%	More than 12 .0%	
		From TDA1 with protein between 10 .0% - 10 .5%	

Corn

Due to last year's (MY2005/06) higher than average yields, many producers exceeded their on-farm silage needs and adjusted this year's corn planted area down to reflect the previous year's oversupply. Even with the reduced planted area, current crop (MY2005/06) estimates were further complicated by variable weather and precipitation over short distances in the major growing area. Major dryness during the flowering stage severely affected the development of the MY2005/06 corn crop in Argentina's major corn and surrounding production areas. Over 20 percent of planted area is rumored to have been lost to drought. Average yields of much of the surviving corn are also rumored to be 20 – 50 percent lower than last year. Additionally, in southeastern Buenos Aires province (Tandil, Balcarce) a late frost on December 8, 2005, severely damaged corn planted in the lower areas. Much of that area had to be replanted either with corn or directly to soybeans.

During field travel in late February and March, it became apparent that area dedicated to silage was increased to fulfill feed needs for dairy and livestock. On average, and during a normal year, one hectare of corn for silage will yield 65,000 MT of forage. As many producers began harvesting their corn for silage, they discovered that they were averaging significantly less forage than they had estimated (some as low as 35,000 MT). To compensate, more corn area was harvested for silage than originally planned, thereby reducing area planted for grain.

High production costs, expensive transportation, and low market prices make corn production a very expensive option for producers. With a protein-to-meat ratio of about 2:1 for poultry, converting corn to meat has become a very good business as meat prices have risen and corn prices have fallen over the past years.

Given the poor result of the current crop and the forecast of increased meat and dairy production, Post forecasts MY2006/07 harvested area up slightly to 2.3 MMT. Production is forecast at 15.5 MMT.

Estimates of MY2005/06 corn production and area vary widely. Some private sources estimate production as low as 12 MMT. Others are closer to 15 MMT. Official SAGPyA data estimates planted area at 3.047 MHAS, for grains and forage. Post revises MY2005/06 corn production to 14 MMT. Harvested area is reduced to 2.23 MHAS.

Rice

The economic crisis of 2001 severely affected the Argentine rice sector causing planted area to fall as much as 50 percent. The effects of the devaluation were acutely felt in the rice area of Entre Rios, where much of the land is well-irrigated. As the price of diesel increased, so did the cost of running the wells. Many producers were unable to keep costs down, abandoning rice and turning to soybean production.

After this shake up of the rice sector, only the best producers and highest quality areas remained. The rice sector experienced a consolidation of productive area and an increase in large producers (over 500 has.), with access to irrigation (rainfall, pond, or well). This consolidation led to increased efficiency, lower costs (by decreasing labor costs), and ultimately higher yields overall. With the current economic conditions (exchange rate), cost of production, and opportunity costs (soybeans vs. rice), analysts predict that rice area will not increase to more than 170,000 HAS.

Post forecasts MY2006/07 milled rice production stable at 725,000 MT on 160,000 HAS (harvested area).

Post estimates MY2005/06 production at 728,000 MT on 160,000 HAS.

Cost of production

	Southern Entre Rios		Northern Entre Rios	
	Rented with Well	**Owned with Well**	**Rented with Pond**	**Owned with Pond**
Net Income per hectare **	2353	2353	2333.5	2333.5
Total Direct Costs	2042.1	2042.1	1636.3	1636.3
Rent	320	0	600	0
Gross Margin	-9.1	310.9	97.2	697.2
Break Even Yield (MT/HAS)	6.318	5.517	6.003	4.503

(All data presented in Argentine Pesos, except where noted)

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Southern Entre Rios

Net Income Calculation	
Forecast Yield (kg)	6500
Price Rice w/ Hull (Argentine Pesos)	0.4
Gross Income per hectare (pesos)	**2600**
Conditioning (dry down to 6% humidity)	169
Transportation (45 kilometers to mill)	78
**Net Income per hectare	**2353**

Northern Entre Rios

Net Income Calculation	
Forecast Yield (kg)	6500
Price Rice w/ Hull (Argentine Pesos)	0.4
Gross Income per hectare (pesos)	**2600**
Conditioning (dry down to 6% humidity)	169
Transportation (100 kilometers to mill)	97.5
**Net Income per hectare	**2333.5**

Sorghum

MY2006/07 sorghum production is forecast at 2.5 MMT on 500,000 HAS. Due to the shortage of sorghum this year from adverse weather conditions that affected the crop, producers will slightly increase production next year.

Post estimates MY2005/06 sorghum harvested area down to 480,000 HAS. Total production is estimated at 2 MMT, significantly lower than expected. Similar to the damages caused to the corn crop, dryness and heat during flowering affected production in much of the production area.

According to SAGPyA, sorghum production in MY2004/05 was 2.9 MMT, 34 percent higher than the previous year. Excellent yields on a national level were the major factor contributing to the increased production. Average yield was 5.5 MT/HAS. Planted area was less than expected, but still higher than MY2003/04, which had the lowest planted area in the history of the crop in Argentina. Post estimates MY2004/05 harvested area at 550,000 HAS. Production is forecast at 2.9 MMT.

Consumption

Wheat

Domestic per capita wheat flour consumption is stable in Argentina at approximately 80 kilograms per year, mainly in the form of bread, crackers, and pastas. Increases in total domestic wheat consumption will be largely attributed to increases in population, not increases in per capita consumption. Many mills have begun to differentiate their products to gain more market share. Bread and pastry premixes, made from wheat flour and additives, are in high demand from small bakeries and large industries to offer a variety of high quality products.

There are approximately 110 flourmills operating in Argentina, over half are located in the Province of Buenos Aires. The milling industry has undergone a consolidation over the past few years; only three companies account for over 50 percent of the market. Because of the stagnant nature of domestic wheat demand, any milling and flour production increases will be sent to the export market.

Post forecasts that MY2006/07 domestic wheat consumption will be flat at 5.2 MMT.

Post maintains its MY2005/06 domestic consumption estimate of 5.2 MMT.

According to SAGPyA statistics, 5.166 million tons of wheat was milled for flour and feed in MY 2004/05 (for domestic and export markets). Durum wheat accounted for close to three percent of total wheat milled. Wheat milled for feed (durum and common) in MY 2004/05 totaled approximately 5,596 MT, up from 3,253 MT in MY 2003/04.

Corn

Feed corn grown in Argentina is destined to mostly milk and poultry production. Overall, the poultry and egg industries demand large amounts of corn; the feed rations for these industries are normally 60 – 70 percent corn. Poultry production in 2006 is forecast to increase 10 - 15 percent (assuming no effect from avian influenza).

At current prices it is excellent business to convert cheap corn into high-priced milk. Total milk production is slated to increase approximately 6 percent in 2006.

Approximately 25 percent of the Argentine cattle herd is finished on feedlots with corn (whole grain), corn sillage, or balanced feed rations, usually containing 50 percent corn. It is common practice that a large part of the remaining 75 percent of the cattle herd will receive some form of feed (grain, rations, or sillage) in the field. The Argentine beef herd is expected to increase in 2006 to 51 million head (See Attaché Livestock Report AR6006), which means an increase in feed consumption by not only large producers, but smaller ranchers, as well, especially in the finishing of the last 80 – 100 kilograms.

Additionally, as stated above, the farther corn production is from major ports, the more likely it is that producers will feed the grain to their livestock. Therefore, producers in the provinces of Salta, Chaco, Corrientes, Tucuman, San Luis, and parts of Cordoba, will opt to consume corn on the farm instead of paying high transportation costs.

Milled corn from March 2005 – December 2005 (latest data available) totaled 1.874 MMT, approximately 11 percent higher than the same period in 2004. Post forecasts domestic corn consumption for MY2006/07 at 6.1 MMT, an increase of 3 percent from the previous year.

Domestic consumption in MY2005/06 is estimated at 5.9 MMT, due to increased poultry, livestock, and dairy production.

Rice

Post forecasts domestic rice consumption for MY2006/07 up slightly from previous year to 295,000 MT due to population increases. Rice is not a staple product for the Argentine consumer and is not well incorporated into the Argentine diet. Per capita rice consumption in Argentina is very stable at approximately 7 -8 kilos (rough basis).

Sorghum

Post forecasts domestic sorghum consumption for MY2006/07 steady from the previous year at 2.2 MMT. Sustained and slightly increased dairy production will maintain this consumption level.

Current sorghum domestic consumption (MY2005/06) is estimated down slightly due to production shortfalls and increased sorghum silage production. Post estimates domestic sorghum grain consumption for MY2005/06 at 2.1 MMT.

According to official SAGPyA statistics, sorghum milling from March 2005 – December 2005 (most recent data available) was 132,461 MT, an increase of 25 percent from the same period the previous year. Milling from March 2004 – December 2004 was 105,641. Most milled sorghum is used in feed rations for the dairy sector. The percentage of sorghum used in the rations is not set in stone and varies depending on the price of sorghum compared with other grains. In addition to milling of sorghum for feed rations, it is also directly fed to livestock, mainly dairy cattle.

Trade

Export Sales Reports

Declared Sales by Export Sector (MT)			
Products	**New Registrations (on 03/14/2006)**	**Accumulated Registrations**	**Crop Year**
Wheat	4,790	5,154,095	05/06
Wheat	1,600	10,517,568	04/05
Corn	5,000	2,360,017	05/06
Corn		13,995,493	04/05
Popcorn	254	22,088	05/06
Popcorn	79	170,404	04/05
Flint Corn		396,162	04/05
Sorghum		26,250	05/06
Sorghum		345,579	04/05

Source: SAGPyA

Purchase/Sales/Exports by the Export Sector (through 03/08/2006)									
(1,000 MT)									
		Sales		Declarations of Purchases					Estimated Shipments (*)
Product	Harvest	Exportable Supply	Sales to the Exterior	Weekly	Total Purchased	Total Purchased w/o Price (**)	Total Purchased Fixed Price (***)		Accumulated Shipments (MY)
Wheat	05/06	6500.0	5149.2	124.6	5444.8	667.4	297.8		2365.7
(Dec - Nov))		(10500.0)	(7849.0)		(8051.2)	(823.4)	(618.9)		(5247.0)
	05/06	8000.0	2196.7	144.4	2769.2	1038.1	104.9		150.0
Corn		(13000.0)	(3136.0)		(4497.7)	(1528.9)	(117.8)		(515.0)
(Mar-Feb)	04/05	14000.0	13993.4	7.2	15526.4	2428.8	2311.5		13971.0
		(11200.0)	(11159.7)		(10475.1)	(1850.9)	(1776.3)		(10405.0)
	05/06	350.0	26.2	5.1	36.2	0.6	0.0		0.0
Sorghum		(700.0)	(47.5)		(73.3)	(0.5)	(0.0)		(0.0)
(Mar-Feb)	04/05	700.0	345.6	0.0	359.6	2.3	1.7		354.3
		(400.0)	(204.0)		(216.6)	(30.9)	(28.4)		(158.9)

SOURCE: SAGPyA

The above table is a detailed view of movement in the export sector. Published weekly by SAGPyA, this table lists the declared sales to the exterior by the export sector as well as in-country purchases by the export sector. Exporters are bound by law to declare to the GOA any sales they make to the exterior, as shown in the uppermost table. Without this declaration, they will not be allowed to export. Therefore, many exporters will declare more than they may expect to export to cover themselves. However, they are liable of penalties for declaring more than 10 percent more than they actually export. This means that, at a minimum, 90 percent of the declared exports will occur or they will have to pay a penalty of 15 percent of the FOB value for the shortage (Example: Exporter X declares he will export 100,000 MT of wheat but actually only exports 70,000 MT. He must pay [(.9 x 100,000) – 70,000] x FOB value in penalties.) Additionally, an exporter may not export more than 105 percent of his declared exports or he will be subject to the same type of penalty.

Another interesting observation in the lower table is the use of fixing prices at a later date. The column labeled "**Total Purchased w/o Price (**)**" shows the total number of contracts that were finalized with the option to set price at a later date, normally no more than 180 days later. The next column shows, of the contracts that were established without a price, how many have been priced. Producers may use this contract option to take advantage of price fluctuations in the market that occur around harvest.

Wheat

Given the stable domestic consumption noted above, exportable supply (including wheat products) in MY2006/07 will be approximately 10.8 MMT, assuming wheat production reaches the forecasted level of 16 MMT. Post forecasts MY2006/07 wheat exports at 10.5 MMT.

Argentine Wheat Exports (12/01/2005 - 3/14/2006) (MT)					
HS Code	Dec-05	Jan-06	Feb-06	March 2006 (through March 14)	TOTAL (MT)
1001	943,334	907,334	829,176	207,468	**2,887,312**
1101*	596	82	163	70	**911**
190120*	51,863	68,969	77,401	18,398	**216,630**
190219*	3,951	4,636	4,359	700	**13,646**
190230*	56	35	79	27	**197**
TOTAL	**999,800**	**981,056**	**911,179**	**226,662**	**3,118,697**

* Wheat Equivalents

To date, total wheat exports (including flours, pasta, etc) are 3.12 MMT. Of the 5.149 MMT declared export sales (wheat only, not products), only 2.887 MMT have shipped, with 2.262 MMT remaining to be shipped. While this number could vary slightly because exporters are only required to ship 90 percent of their declared value, without penalty, it is likely that, at a minimum, an additional 2 MMT will be shipped, plus any new sales that are made and shipped from now until the end of the marketing year. Post estimates total wheat and wheat product exports for MY2005/06 at 7 MMT.

Corn

Corn for export depends heavily on the location of producers and elevators to ports, as transportation costs are high. Normally, production for export is centered 300-400 kilometers from ports; farther distances are not as profitable.

Post forecasts MY2006/07 exports will be 9.5 MMT, based on MY2006/07 forecasted production of 15.5 MMT.

Post estimates MY2005/06 corn exports at 8 MMT, down significantly from the previous year due to reduced exportable supply attributed to decreased production, and an increase in demand for feed due to an expansion of livestock, dairy, and poultry production.

The following table shows detailed monthly exports for MY2004/05. Post revises its MY2004/05 estimate to 15.007 MMT, based on the following data and industry trade reports.

Corn Exports **

Destination	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	TOTAL
ALBANIA	0	0	0	0	24	0	0	0	24	0	0	0	**48**
ANGOLA	198	453	8,530	957	326	151	679	322	817	0	330	113	**12,877**
SAUDI ARABIA	148,189	248,602	123,619	60,726	198,896	78,304	26,903	110,204	45,289	137,593	69,239	87,001	**1,334,563**
ALGERIA	146,219	70,010	113,748	48,750	106,293	6,155	120,759	44,091	72,651	45,464	57,952	147	**832,239**
ARMENIA	24	0	0	0	0	0	0	0	0	0	0	0	**24**

BAHRAIN	0	24	25	0	0	0	25	98	25	0	0	0	**195**
BELGIIUM	390	5,300	26,586	11,830	149	76	78	80	176	2,108	133	0	**46,905**
BENIN	24	0	48	0	146	25	72	73	0	0	0	24	**412**
BOLIVIA	0	0	23	0	0	87	379	83	6	12	0	18	**607**
BRAZIL	2,179	4,812	39,023	5,014	3,159	2,594	2,571	4,094	2,508	3,903	3,173	2,798	**75,829**
BULGARIA	24	0	48	0	144	0	48	0	0	0	0	0	**264**
CAPE VERDE	0	0	0	6,717	0	3,000	3,500	0	0	0	3,550	6,000	**22,767**
CAMEROON	0	6,308	0	0	0	0	8,177	49	0	0	0	0	**14,534**
CANADA	0	24	0	11	7	11	0	0	0	0	0	0	**53**
CHILE	71,796	60,660	31,348	40,036	112,724	135,071	135,899	172,156	213,805	168,421	126,057	111,486	**1,379,458**
CHINA	0	5	0	0	0	0	0	5,850	0	0	0	0	**5,855**
CYPRUS	24	0	0	24	25	0	0	0	0	0	25	25	**122**
COLOMBIA	64,086	33,413	19,201	43,730	13,053	1,584	91,634	2,482	833	4,265	23,488	8,799	**306,569**
CONGO	0	0	24	24	49	0	1,784	49	24	49	0	49	**2,053**
N. KOREA	18,000	0	0	0	0	0	0	0	0	0	0	0	**18,000**
S. KOREA	122,360	34,007	41	0	44	41	41	61	0	0	0	0	**156,595**
IVORY COAST	49	49	0	73	123	171	6,937	294	781	318	0	3,500	**12,294**
COSTA RICA	66	0	44	0	0	45	23	42	0	0	25	22	**267**
CROATIA	0	1	0	0	0	0	0	0	0	0	0	0	**1**
CUBA	0	0	25,000	1,215	24	25,875	0	0	0	0	0	0	**52,114**
DENMARK	60	0	0	0	0	0	0	0	0	0	0	0	**60**
DOMINICAN REP.	120	0	24	0	0	126	21,652	24	172	195	244	200	**22,757**
ECUADOR	55,458	96	196	1,125	151	338	38,879	32,726	27,705	7,636	8,471	13,200	**185,981**
EGYPT	571,663	290,109	215,805	219,156	35,825	112,609	22,549	34,549	13,812	171	1,059	408	**1,517,716**
EL SALVADOR	0	0	0	0	0	0	0	0	49	25	0	0	**74**
ARAB EMIRATES	1,457	51,232	11,560	43,297	317	18,733	1,719	11,119	170	635	61,916	960	**203,113**
SLOVENIA	0	0	25	0	25	0	25	0	0	25	0	0	**98**
SPAIN	345,585	94,578	45,780	105,147	148,650	18,684	26,679	46,372	25,890	53,911	53,222	547	**965,045**
UNITED STATES	8,703	1,085	469	0	348	0	651	0	0	111	379	22,861	**34,607**
PHILIPPINES	0	82	57,750	0	24	228	0	71	3,355	16,766	248	152	**78,676**
FRANCE	223	0	20	0	0	0	49	0	0	0	3	7	**302**
GABON	0	0	25	24	0	25	0	0	0	0	0	49	**124**
GAMBIA	0	0	23	0	0	0	0	0	0	0	0	0	**23**
GEORGIA	49	97	74	25	24	49	0	0	0	0	0	0	**317**
GHANA	25	0	97	72	12,999	37,713	8,369	44	218	49	98	0	**59,683**
GREECE	96	120	144	120	0	24	49	95	24	145	48	73	**936**
GUATEMALA	49	0	25	0	25	24	25	25	25	24	0	25	**244**
GUINEA	0	0	0	0	0	0	0	0	24	0	0	0	**24**
GUYANA	0	0	0	0	24	0	0	0	0	0	0	0	**24**
HONDURAS	0	100	24	0	24	0	920	0	0	48	0	0	**1,117**
HUNGARY	0	0	0	0	0	0	0	0	0	0	23	0	**23**
INDIA	0	0	24	0	0	0	0	0	196	442	319	0	**982**
INDONESIA	187	30,000	49	187	178,452	46,478	163	49	29,839	73	147	140	**285,762**
IRAQ	0	0	22,000	2,910	0	0	30,500	7,189	0	0	0	0	**62,599**
IRELAND	25	25	49	0	0	74	25	0	49	25	0	0	**270**
ISRAEL	137,597	63,669	102,013	25,086	31,500	72,387	19,761	87,800	53,808	0	0	0	**593,620**
ITALY	388	332	145	120	90	169	281	191	306	211	44	144	**2,422**
JAMAICA	0	0	0	0	0	0	0	0	0	0	25	24	**49**
JAPAN	0	0	0	22	0	17,906	30,253	5,420	13,381	0	10,704	0	**77,686**
JORDAN	461	34,997	0	24	48	16,514	243	120	1,159	15,970	121	49	**69,705**
KENYA	0	0	25	0	25	0	25	49	0	0	25	49	**197**
KUWAIT	24	43	42,372	49	19,543	841	31,959	0	37,868	6,925	29,947	22	**169,590**

LATVIA	0	24	0	25	0	6,736	0	0	0	0	24	0	**6,809**
LEBANON	221	411	96	124	221	120	265	193	219	192	76	269	**2,408**
LIBERIA	19	24	68	0	97	141	73	147	175	124	24	24	**916**
LIBYA	32,797	0	4,500	5,365	65,795	20,100	23,579	28,880	1,439	0	16,004	0	**198,459**
LITHUANIA	0	24	0	0	0	0	0	0	48	0	24	0	**96**
MACEDONIA	0	0	0	0	23	0	0	0	0	0	0	0	**23**
MALAYSIA	210,312	120,402	228,044	154,114	149,850	200,697	149,486	140,995	264,954	114,720	60,686	73,510	**1,867,768**
MOROCCO	67,278	121,923	30,214	32,745	73,307	182,905	8,492	76,028	98,121	3,129	24,563	2,294	**720,999**
MAURITIUS ISLES	16,948	0	13,120	0	15,750	0	0	12,600	18,375	0	13,016	60	**89,869**
MEXICO	0	0	0	0	0	0	0	0	0	0	0	557	**558**
MOZAMBIQUE	0	0	0	0	0	0	0	0	0	0	0	44,340	**44,340**
NIGER	0	8,200	0	0	0	0	0	0	0	0	0	0	**8,200**
NIGERIA	749	0	0	0	0	0	0	0	0	0	0	0	**749**
NORWAY	327	0	0	0	0	0	0	70	0	0	0	0	**397**
OMAN	0	24,205	13,532	0	11,794	18,331	0	0	0	0	0	0	**67,862**
NETHERLANDS	518	10,790	7,626	4,390	9,638	11,140	6,209	14,316	8,076	12,401	219	22,461	**107,785**
PANAMA	0	0	0	0	0	0	14,080	49	0	0	0	0	**14,129**
PARAGUAY	28	0	56	2	112	112	27	56	110	0	0	158	**662**
PERU	89,690	105,472	79,192	133,863	99,359	97,656	120,492	112,479	107,488	75,465	132,469	62,747	**1,216,373**
POLAND	0	48	97	0	98	0	98	74	0	73	0	0	**487**
PORTUGAL	191,159	85,266	79,992	0	117	0	73	74	50	105,410	49	49	**462,240**
PUERTO RICO	8,900	0	0	0	0	0	0	0	0	0	0	0	**8,900**
QATAR	0	0	0	0	0	0	0	49	0	0	0	0	**49**
UNITED KINGDOM	337	313	383	285	26,535	286	310	141	169	373	36,239	265	**65,636**
CZECH REPUBLIC	0	0	25	0	0	0	0	0	0	0	0	0	**25**
GERMANY	27	61	61	22	24	40	67	69	45	25	25	122	**588**
YEMEN	14,345	24,638	35,400	8,917	68,103	29,874	17,394	38,929	79,679	0	98	21,723	**339,100**
ROMANIA	147	487	510	269	47	98	98	0	170	172	369	266	**2,633**
RUSSIA	48	48	48	48	24	51	0	73	0	75	51	24	**490**
SENEGAL	23,315	17,261	10,319	0	9,080	27,338	5,499	0	7,050	24	5,500	26,441	**131,827**
SIERRA LEONA	0	0	25	0	0	0	50	0	25	0	0	0	**99**
SINGAPORE	0	0	0	0	0	0	196	0	0	0	0	0	**196**
SYRIA	23,839	84,817	0	19,983	4,584	75	42,576	1,174	461	413	336	651	**178,909**
SRI LANKA	145	122	25	0	49	73	0	0	0	0	0	0	**413**
SOUTH AFRICA	1,387	0	25	0	0	0	25	12	111	55,930	110,420	110,714	**278,623**
THAILAND	12	24	0	0	0	0	12	97	243	25	24	0	**437**
TAIWAN	80,493	24	25	0	0	0	52	0	0	25	0	78	**80,696**
TANZANIA	0	0	0	24	0	0	0	0	24	0	0	25	**73**
TOGO	0	0	122	0	0	74	0	0	98	0	147	0	**440**
TRINIDAD TOBAGO	24	0	0	0	49	24	24	48	24	0	0	24	**217**
TUNISIA	47,873	60,812	41,453	29,750	17,397	56,122	1,969	14,392	123	312	218	123	**270,543**
TURKEY	502	561	10,120	1,228	1,022	5,375	6,178	4,524	2,976	1,360	443	561	**34,850**
UKRANIA	0	0	25	25	0	0	25	0	0	0	0	25	**98**
URUGUAY	56	10,678	10,092	5,860	6,256	4,502	7,197	10,570	15,749	15,435	26,327	20,816	**133,536**
VENEZUELA	0	0	376	288	0	476	1,223	485	314	211	216	218	**3,808**
VIETNAM	75,270	62,904	3,200	0	0	0	0	0	0	0	38,207	843	**180,424**
FRMR YUGOSLAVIA	0	24	0	0	0	24	0	0	0	0	24	0	**72**
ZAIRE	0	0	1,560	0	0	0	0	0	0	0	0	2,116	**3,676**
Total	**2,582,566**	**1,769,794**	**1,456,353**	**1,013,796**	**1,422,607**	**1,258,482**	**1,040,073**	**1,022,395**	**1,151,306**	**851,410**	**916,811**	**650,393**	**15,135,986**

Source: NOSIS

** Includes 129,136 MT of popcorn exports.

Rice

Post forecasts MY2005/06 total rice exports up from previous year to 350,000 MT due to stable demand, a slight increase in production, and increased stocks.

Post estimates MY2004/05 milled rice exports at 340,000 MT. Preliminary data from private sources show MY exports through March 20, 2006 total 340,136 MT.

Sorghum

Sorghum exports are forecast to be down in MY 2006/07 (March 2007 – March 2008) due to low exportable supply. Post forecasts MY 2006/07 exports at 250,000 MT.

Sorghum exports during MY 2005/06 (March 2006 – February 2007) are estimated down as production was severely hit by adverse weather, lowering production and exportable supply. Post estimates MY2005/06 exports at 150,000 MT.

Exports during the past marketing year (March 2005 – February 2006) totaled 357,413 MT, according to NOSIS, a private data consultant. Post estimates MY2004/05 exports at 357,000 MT.

Sorghum Exports March 2005 - February 2006													
	Mar-05	**Apr-05**	**May-05**	**Jun-05**	**Jul-05**	**Aug-05**	**Sep-05**	**Oct-05**	**Nov-05**	**Dec-05**	**Jan-06**	**Feb-06**	**TOTAL**
Brazil	0	21,708	29,001	348	24,300	750	7,700	8,695	500	2,240	1,838	0	97,080
Chile	11,071	570	1,576	15,519	8,183	6,485	8,853	11,679	143	930	10,493	566	76,068
Eritrea	0	0	0	22,500	4,792	0	0	0	0	0	0	0	27,292
Japan	0	0	0	0	0	17,020	44,462	27,000	4,916	0	16,164	0	109,562
Senegal	0	0	4,880	0	4,943	0	0	0	0	0	0	0	9,823
Sudan	0	0	0	27,500	0	0	0	0	0	0	0	0	27,500
Uruguay	0	0	0	0	0	351	480	387	71	338	5,398	1,224	8,250
Other	21	1,035	277	25	15	0	64	207	104	2	44	46	1,838
TOTAL	**11,092**	**23,313**	**35,734**	**65,892**	**42,233**	**24,607**	**61,560**	**47,968**	**5,734**	**3,509**	**33,936**	**1,836**	**357,413**

Source: NOSIS, Argentine Customs Data

Stocks

The increase in on-farm storage, mainly in silo bags, complicates calculations of grain stocks. Prior to this increase, stock calculations were made based on official surveys of storage facilities. While these official data are still available, they do not provide a realistic calculation of stocks due to the unknown factor of on-farm storage, which is not included in the survey.

As of January 31, 2006, total installed fixed capacity for all grains was just over 47 MMT (calculated on wheat basis of 80 falling weight). Total used capacity was only 32 percent, or 15 MMT.

The following chart details the amount and location of the various storage facilities throughout the country, as of January 31, 2006.

Fixed Storage Data (as of January 31,2006)		
	Commodity (MT)	**Storage Capacity - All Facilities (calculated on a wheat basis)**

Province	Wheat	Soy	Corn	Sunflower	Other	Total Used	Installed Capacity	Used Capacity	Percent Used	Number of Elevators
Buenos Aires	4,896,108	652,065	479,868	159,173	755,984	6,943,198	17,949,230	6,943,198	38.68	1,295
Santa Fe	1,912,607	1,144,533	321,005	584,287	109,229	4,071,662	15,589,526	4,071,662	26.12	703
Cordoba	1,063,062	289,450	329,468	79,339	213,956	1,975,275	8,222,796	1,975,275	24.02	555
Entre Rios	458,786	73,560	100,682	2,709	131,579	767,315	2,544,599	767,315	30.15	230
La Pampa	180,819	8,657	32,513	52,652	10,307	284,948	1,082,061	284,948	26.33	117
Chaco	21,237	8,162	15,517	80,810	2,668	128,394	786,639	707,209	89.9	49
Rest of Country	193,491	5,749	94,954	721	41,576	336,492	1,268,522	336,492	26.53	74
TOTAL	**8,726,111**	**2,182,176**	**1,374,006**	**959,692**	**1,265,298**	**14,507,283**	**47,443,373**	**15,086,099**	**31.8**	**3,023**

Source: ONCAA/SAGPyA/Ministry of Economy, Argentina

Prices

Commodity prices in Argentina are set at the different Grains Exchanges throughout the country. There are three principal exchanges that set prices: Buenos Aires, Rosario, and Bahia Blanca. Producers are paid normally paid the spot price for their production, less the export tax and transportation, regardless of the final destination of their product (local or export market).

Argentine Internal Grain Prices ($Pesos)								
	Wheat				Corn			
Year/Month	**DARSENA**	**ROSARIO**	**B.BLANCA**	**QUEQUEN**	**DARSENA**	**ROSARIO**	**B.BLANCA**	**QUEQUEN**
2005								
January	245.11	243.42	247.13	235.99	s/c	181.68	191.21	185.00
February	269.83	258.50	267.07	267.80	s/c	186.62	193.46	180.00
March	295.00	288.77	313.44	308.28	s/c	187.22	217.37	s/c
April	308.75	284.80	313.4	293.91	188.42	188.96	220.65	197.51
May	S/C	293.59	307.86	293.30	192.26	193.11	205.33	192.39
June	S/C	301.90	303.78	293.91	199.30	200.95	215.14	201.21
July	S/C	315.73	314.77	311.67	222.65	223.89	231.09	222.77
August	S/C	308.56	305.27	305.38	221.24	221.58	231.68	219.05
September	S/C	299.58	286.83	283.91	215.21	215.65	221.40	212.55
October	S/C	307.95	306.21	304.31	216.41	217.25	219.35	S/C
November	336.00	308.4	312.42	305.51	211.30	209.04	217.34	203.60
December	304.91	300.25	309.61	299.42	218.23	217.92	226.29	209.40
2006								
January	326.73	320.55	340.50	320.86	238.86	241.67	253.33	N/A
February	329.90	323.83	334.50	329.82	255.00	249.97	269.62	N/A

	Sorghum		
Year/Month	**DARSENA**	**ROSARIO**	**B.BLANCA**
2005			
January	N/A	131.25	N/A
February	N/A	137.47	N/A
March	N/A	125.69	N/A
April	N/A	117.15	N/A

May	N/A	123.98	N/A
June	N/A	151.68	N/A
July	N/A	158.50	N/A
August	N/A	145.28	N/A
September	N/A	155.67	N/A
October	N/A	160.76	N/A
November	N/A	155.00	N/A
December	N/A	160.71	N/A
2006			
January	N/A	170.00	N/A
February	N/A	194.17	N/A

Source: SAGPyA

Argentine FOB Prices (US$)

	Wheat	Corn	Sorghum
2005			
January	107	81	70
February	117	81	67
March	133	85	74
April	137	86	68
May	138	88	65
June	136	92	71
July	145	101	79
August	142	100	76
September	134	98	71
October	136	96	67
November	137	92	70
December	131	96	74
2006			
January	137	103	78
February	142	107	84

Source: SAGPyA

Policy

Export Taxes

The GOA collects export taxes on grains and their sub-products depending on their level of processing. Normal rates range from 5 – 20 percent.

Argentine Customs Code	Description	Export Tax (%)
1005.1	Seed corn	5
1005.90.10	Corn - Grain	20
1005.90.101	Popcorn	5
1005.90.109	Other Corn	20
1005.90.90	Other Corn	20
1006.10.10	Seed Paddy Rice	5
1006.10.91	Parboiled Paddy Rice	10
1006.10.92	Not Parboiled Paddy Rice	10
1006.20.10	Parboiled Husked Rice	5
1006.20.20	Husked Rice, Not Parboiled	5
1006.30.11	Polished or Glazed Rice, Parboiled	5
1006.30.19	Other Rice, Parboiled, Polished, and/or Glazed	10
1006.30.21	Polished or Glazed Rice, Not Parboiled	5
1006.30.29	Other Rice, Not Parboiled, Polished, and/or Glazed	10
1006.4	Broken rice	10
1007.00.10	Seed Sorghum	5
1007.00.90	Sorghum - Grain	20
1001.10.10	Seed Wheat	5
1001.10.90	Wheat - Grain	20
1001.90.10	Seed Wheat	5
1001.90.90	Wheat - Grain	20
1101.00.10	Wheat Flour	20
1102.20.00	Corn Flour	20
1901.2	Mixes and Pastes for bakeries	5
1902.19	Uncooked Pasta	5
1902.3	Other Pasta	5

PSD Table							
Country	**Argentina**						
Commodity	**Wheat**				(1000HA)(1000MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		12/2004		12/2005		12/2006	MM/YYYY
Area Harvested	6100	6100	4800	4800	0	6100	(1000 HA)
Beginning Stocks	1395	1395	553	553	463	463	(1000 MT)
Production	16000	16000	12100	12100	0	16000	(1000 MT)
TOTAL Mkt. Yr. Imports	2	2	10	10	0	0	(1000 MT)
Jul-Jun Imports	2	2	10	10	0	0	(1000 MT)
Jul-Jun Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	17397	17397	12663	12663	463	16463	(1000 MT)
TOTAL Mkt. Yr. Exports	11834	11834	7000	7000	0	10500	(1000 MT)
Jul-Jun Exports	13502	13502	7000	7000	0	10500	(1000 MT)
Feed Dom. Consumption	80	80	80	80	0	80	(1000 MT)
TOTAL Dom. Consumption	5010	5010	5200	5200	0	5200	(1000 MT)
Ending Stocks	553	553	463	463	0	763	(1000 MT)
TOTAL DISTRIBUTION	17397	17397	12663	12663	0	16463	(1000 MT)

PSD Table							
Country	Argentina						
Commodity	Corn				(1000 HA)(1000 MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		03/2005		03/2006		03/2007	MM/YYYY
Area Harvested	2780	2700	2300	2230	0	2300	(1000 HA)
Beginning Stocks	220	220	1030	523	930	623	(1000 MT)
Production	20500	20500	15500	14000	0	15500	(1000 MT)
TOTAL Mkt. Yr. Imports	10	10	0	0	0	0	(1000 MT)
Oct-Sep Imports	10	10	0	0	0	0	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	20730	20730	16530	14523	930	16123	(1000 MT)
TOTAL Mkt. Yr. Exports	14500	15007	10000	8000	0	9500	(1000 MT)
Oct-Sep Exports	13752	13752	11000	9000	0	9500	(1000 MT)
Feed Dom. Consumption	3500	3500	3900	3900	0	4200	(1000 MT)
TOTAL Dom. Consumption	5200	5200	5600	5900	0	6100	(1000 MT)
Ending Stocks	1030	523	930	623	0	523	(1000 MT)
TOTAL DISTRIBUTION	20730	20730	16530	14523	0	16123	(1000 MT)

PSD Table							
Country	Argentina						
Commodity	Rice, Milled				(1000 HA)(1000 MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		04/2004		04/2005		04/2006	MM/YYYY
Area Harvested	174	170	165	160	160	160	(1000 HA)
Beginning Stocks	351	351	534	534	617	662	(1000 MT)
Milled Production	742	742	683	728	660	725	(1000 MT)
Rough Production	1142	1142	1051	1120	1015	1115	(1000 MT)
MILLING RATE (.9999)	6500	6500	6500	6500	6500	6500	(1000 MT)
TOTAL Imports	10	10	10	10	0	10	(1000 MT)
Jan-Dec Imports	10	10	10	10	0	10	(1000 MT)
Jan-Dec Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	1103	1103	1227	1272	1277	1397	(1000 MT)
TOTAL Exports	294	294	325	340	350	350	(1000 MT)
Jan-Dec Exports	249	249	345	340	400	345	(1000 MT)
TOTAL Dom. Consumption	275	275	285	270	295	295	(1000 MT)
Ending Stocks	534	534	617	662	632	752	(1000 MT)
TOTAL DISTRIBUTION	1103	1103	1227	1272	1277	1397	(1000 MT)

PSD Table							
Country	Argentina						
Commodity	Sorghum				(1000 HA)(1000 MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		03/2005		03/2006		03/2007	MM/YYYY
Area Harvested	575	575	500	480	0	500	(1000 HA)
Beginning Stocks	429	429	404	372	304	122	(1000 MT)
Production	2900	2900	2500	2000	0	2500	(1000 MT)
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Imports	1	1	0	0	0	0	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	3329	3329	2904	2372	304	2622	(1000 MT)
TOTAL Mkt. Yr. Exports	325	357	300	150	0	250	(1000 MT)
Oct-Sep Exports	279	279	300	150	0	0	(1000 MT)
Feed Dom. Consumption	2400	2400	2100	2100	0	2200	(1000 MT)
TOTAL Dom. Consumption	2600	2600	2300	2100	0	2200	(1000 MT)
Ending Stocks	404	372	304	122	0	172	(1000 MT)
TOTAL DISTRIBUTION	3329	3329	2904	2372	0	2622	(1000 MT)