

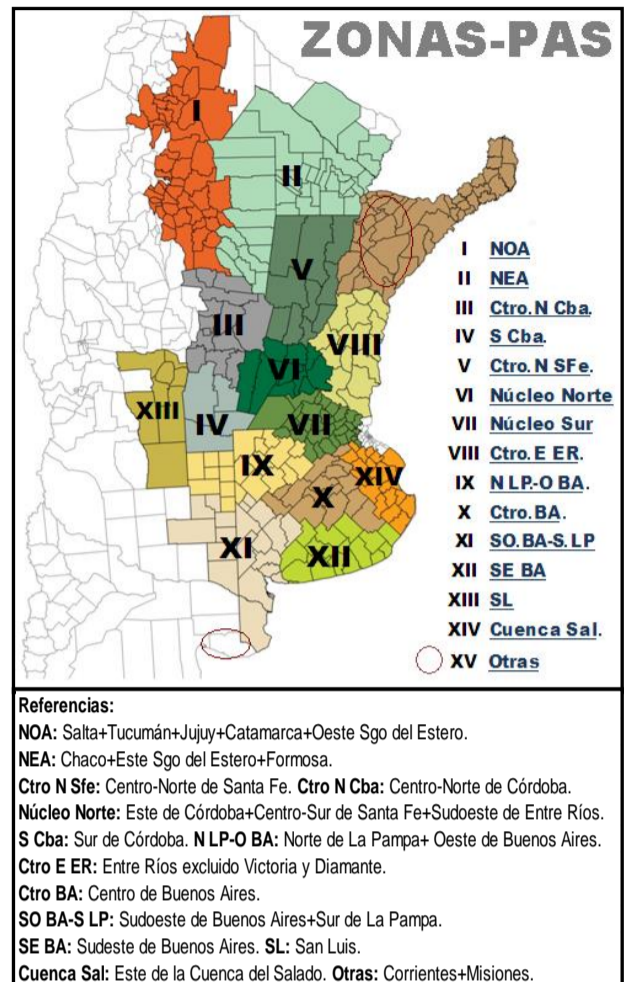


Weekly Ag Report

BUENOS AIRES GRAIN EXCHANGE

WEEK ENDED ON Sep. 11, 2014

CROP REPORT - HIGHLIGHTS
Estimations and Agricultural Projections Department
Buenos Aires Grain Exchange



WEEKLY AGRICULTURAL WEATHER OUTLOOK

BUENOS AIRES GRAINS EXCHANGE

September 11, 2014

AGRICULTURAL WEATHER OUTLOOK: SEPTEMBER 11 TO 17, 2014: TEMPERATURE RISE AND PRECIPITATIONS OVER THE NORTHEAST OF THE AGRICULTURAL AREA.

OUTLOOK SUMMARY

Early in the perspective, the passage of a cold air mass will drop temperatures over most part of the agricultural area with likelihood of frost in the West and South. Northerly winds will soon return raising temperatures and bringing abundant atmospheric humidity. There will be precipitations of warm front in the northeast and east-center of the Ag. area, with likelihood of severe storms. On the contrary, most part of the Center and West will report scarce values.

CORN

A new commercial corn year has begun, reporting a YOY fall of area of -16 % nationwide. Consequently, this 2014/15 corn year is expecting to sow **3,000,000** hectares, marking a reduction of 570,000 HA, compared to 3,570,000 HA sown in 2013/14.

The main variables affecting corn area are economy-related. Future corn prices, international quotes, supplies and field rent prices, among other, have an impact on profitability as well as on sowing intention.

Several corn tours have reported the largest area reductions, observed in the North Belt (-25 %), South Belt (-22 %), Cordoba (-20 %), and in the North of La Pampa-West of Buenos Aires. All these areas present a high percentage of rented fields, whereby the difference between producing corn in proprietary fields and rented fields is significant.

In the Mid-North of Santa Fe and Mid-East of Entre Ríos, area reduction was -12 % and -10 %, down from last season, respectively. This is due to domestic consumption (feedlots and chicken production) demanded by the crop, which buffers the fall.

This framework is subject to the conditions of the following months, going through the sowing window.

On the other hand, early sowings continue to expand towards the South of Cordoba and the North Belt, in addition to the regions referred to in previous reports (Mid-North of Santa Fe, Mid-East of Entre Ríos and Corrientes).

Finally, corn season 2013/14 is finished. Although some plots are pending in the North of the country (NW and NE Areas), as well as in the province of Buenos Aires (Center and South), the area is not significant. Consequently, year 2013/14 finishes with a production of 25,200,000 tons nationwide, -7.4 % down from last corn season 2012/13: 27 Mtn), having planted 3,570,000 Ha. National average yield was 7.48 Tn/Ha and area loss reached up to 5.5 % (197,000 Ha) of the area.

CORN HARVEST								As of: Sep. 11, 2014
2013/14 Season		Hectareage (Ha)			Percentage	Hectares	Yield	Production
	Zone	Sown	Lost	Harvestable	Harvested (%)	Harvested	(qq/Ha)	(Tn)
I	NOA	282.000	17.000	265.000	100,0	265.000	62,0	1.643.000
II	NEA	302.000	13.000	289.000	100,0	289.000	69,9	2.021.360
III	Ctro N Cba	580.000	14.000	566.000	100,0	566.000	83,6	4.734.250
IV	S Cba	410.000	25.000	385.000	100,0	385.000	76,8	2.958.500
V	Ctro N SFe	136.000	30.000	106.000	100,0	106.000	68,5	725.600
VI	Núcleo Norte	360.000	7.000	353.000	100,0	353.000	88,3	3.116.100
VII	Núcleo Sur	320.000	11.000	309.000	100,0	309.000	91,0	2.812.600
VIII	Ctro E ER	151.000	12.000	139.000	100,0	139.000	55,2	767.625
IX	N LP-OBA	424.000	30.000	394.000	100,0	394.000	74,2	2.923.600
X	Ctro BA	218.000	11.000	207.000	100,0	207.000	63,7	1.318.300
XI	SO BA-S LP	100.000	11.000	89.000	100,0	89.000	46,0	409.100
XII	SE BA	90.000	5.000	85.000	100,0	85.000	73,3	623.200
XIII	SL	130.000	4.000	126.000	100,0	126.000	64,0	806.550
XIV	Cuenca Sal	48.000	4.000	44.000	100,0	44.000	68,8	302.550
XV	Otras	19.000	3.000	16.000	100,0	16.000	52,1	83.400
	TOTAL	3.570.000	197.000	3.373.000	100,0	3.373.000	74,8	25.245.735

WHEAT

Within the last seven days it rained again over most of the Buenos Aires region, thus worsening the floodings of plots and rural roads along the East margin, though improving moisture supplies in the West, as well as in the East of La Pampa. Likewise, the same storm front provided moisture to the center of the country, where many plots were suffering water deficit. However, the storm did not contribute moisture in the North of the country, which comprises a little more than 10 % of the national sown area, estimated at 4,100,000 hectares this season.

In Central Buenos Aires, most of the sown wheat is going through tillering in water excess conditions.

In the regions of Cuenca del Salado and the SE coast of Buenos Aires, flooded plots cover a wider area, not only owing to the rains of previous months, but also because these are low regions which are close to the sea, accumulating water excesses in the West and Center of the province. It is relevant to point out that many of these regions were already saturated with water before the start of the sowing window.

Conversely, in the SW of Buenos Aires and South of La Pampa, most of the crop is tillering in very good conditions. The evolution and state of the crop was observed to be similar in the West of Buenos Aires and North of La Pampa, where the latest rains replenished the fields.

In the Center, several plots sitting along the East margin were benefitted by these precipitations. At the same time, the West received rainfalls of lower intensity, which could not revert the water deficit in the South of Cordoba.

In the Mid-North of Santa Fe, crop is elongating stems with proper conditions, in a crop condition ranging from good to excellent.

Finally, the NW and NE Areas did not recover moisture after the storm. Most of the plots in both regions are ranging from stem elongation to ear formation, with limited water supplies, which impacts on harvest yield potential.

WHEAT PLANTING				As of:	Sep 11, 2014
2014/15 Season	Hectareage (Ha)		Percentage planted (%)	Hectares planted	
Zone	2013/14	2014/15			
I	NOA	50.000	175.000	100,0	175.000
II	NEA	140.000	250.000	100,0	250.000
III	Ctro N Cba	320.000	390.000	100,0	390.000
IV	S Cba	156.000	177.000	100,0	177.000
V	Ctro N SFe	192.000	215.000	100,0	215.000
VI	Núcleo Norte	315.000	355.000	100,0	355.000
VII	Núcleo Sur	280.000	294.000	100,0	294.000
VIII	Ctro E ER	180.000	200.000	100,0	200.000
IX	N LP-OBA	300.000	330.000	100,0	330.000
X	Ctro BA	165.000	140.000	100,0	140.000
XI	SO BA-S LP	800.000	900.000	100,0	900.000
XII	SE BA	650.000	610.000	100,0	610.000
XIII	SL	4.000	5.000	100,0	5.000
XIV	Cuenca Sal	60.000	50.000	100,0	50.000
XV	Otras	8.000	9.000	100,0	9.000
	TOTAL	3.620.000	4.100.000	100,0	4.100.000

SUNFLOWER

Sunflower sowing is in slow progress nationwide. Despite heterogeneous rainfalls on early sunflower regions, lack of moisture continues to be a limiting factor. Consequently, only a week away from sowing in the NE Area, and less than 20 days before sowing in the Mid-North of Santa Fe, the estimated sowing area has been adjusted accordingly. In addition, water excess observed in most of SE Buenos Aires and in Cuenca del Salado during the last seven days is making things worse for the crop.

Therefore, sunflower area has dropped by -50,000 hectares nationwide, compared to the initial intention of (1.4 MHa.). New estimate is around **1,350,000** hectares, which is the smallest area in the last five seasons.

To date, national sowing progress is 18.1 %, accounting for an area of 245,000 hectares, with a week-on-week advance of 1.8 percentage points, and a YOY advance of +5.7 %.

In Chaco and Santiago del Estero 86 % of plots are emerged, with the most advanced ones showing 4 to 6 pairs of unfolded leaves. Lack of moisture is starting to affect development, whereby in most of the NE Area conditions are bad for the crop.

Buenos Aires, September 11, 2014

Buenos Aires Grains Exchange