

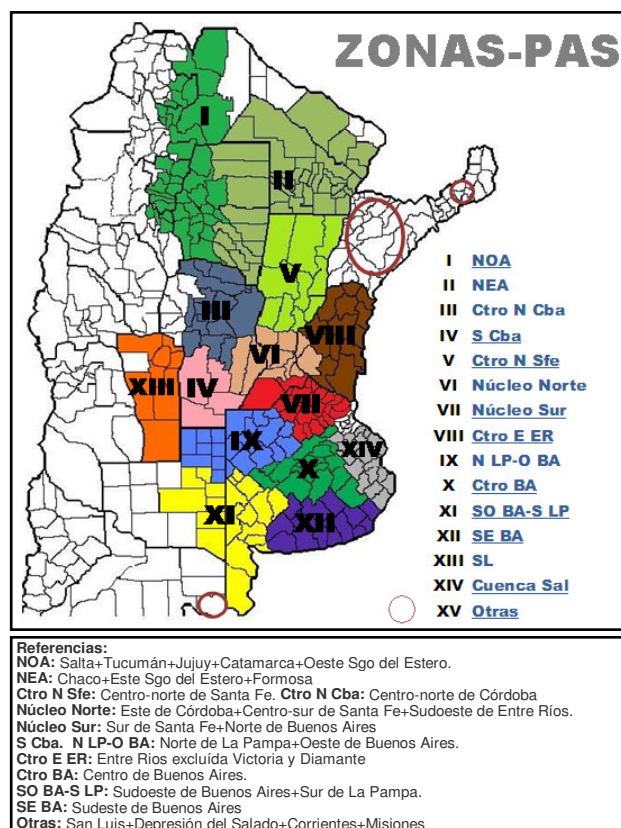


Weekly Ag Report

BUENOS AIRES GRAIN EXCHANGE

WEEK ENDED ON Sep.06, 2012

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



WEEKLY AGRICULTURAL WEATHER OUTLOOK

BUENOS AIRES GRAINS EXCHANGE

SEPTEMBER 6, 2012

OUTLOOK SUMMARY

NATIONAL AGRICULTURAL WEATHER OUTLOOK: 6 TO 13 SEPTEMBER 2012: PRECIPITATIONS AND TEMPERATURES ABOVE NORMAL OVER THE NORTH AND CENTER OF THE NATIONAL AGRICULTURAL AREA FOLLOWED BY A SHARP TEMPERATURE DECREASE.

At the beginning of the current outlook, the North and Center of the national agricultural area will report the effects of a warm front which will bring tropical air and precipitations of varied intensity. Conversely, the south of the national agricultural area will observe the entrance of Andean winds. For this reason, rainfalls will be scarce.

Due to the influence of tropical winds, the North and Center of the national agricultural will observe high maximum temperatures, while the South, because of mountainous winds, will report moderate values.

Towards the end of the perspective, the influence of Andean winds will expand into the Center of the national agricultural area leading to a sharp temperature drop and possible frosts.. The North, however, will remain under the influence of tropical winds.

The precipitations observed during August highlight the development of “El Niño” phenomenon forecasted for the season 2012/13. This process, however, will be more moderate during September. It should be noted that there is still a strong residual effect of “La Niña” phenomenon which affected the two previous campaigns. For this reason, the process will be uneven with warm and dry periods which will reduce the soil moisture reserves.

Buenos Aires, September 6, 2012

Buenos Aires Grains Exchange

WHEAT

The rainfalls occurred prior to this report continue to produce hydric excess over vast areas of Buenos Aires. The greatest impact of the floods is found in the central region of Buenos Aires, where the planted area is relatively smaller than in the rest of the province. Nevertheless, several locations in the periphery of this region as well as other sectors of the West of Buenos Aires have reported partial or total losses of low level plots, due to the saturation of the soils. The same factors produce yellowing or staining in the remaining plots, which are mostly tillering.

In the North, along the central strip of the agricultural area, there is report of delays in the development of the plots, as a consequence of low winter temperatures. However, soil moisture was recovered in time, except in the Mid-North of Cordoba, improving the conditions of the plots that are now in the stem elongation stage. In the North of Santa Fe, as well as in most of the NE area, August rainfalls were able to revert the initial hydric deficit, and thus boost the harvest perspectives.

CORN

A new commercial corn season has started, aided by several factors such as good weather forecasts, market and financial conditions, which have improved the initial scenario for the producers to begin the new harvest. On the other hand, there is a reduction of the seeding area, which is due to the drought occurred during the 2011/12 season. Such producers are now financially affected to keep up with the productivity of the previous cycle.

Although the situation of corn was worse a month ago, and the reports indicated a drop of 20% in the seeding surface compared to the 2011/12 season, the reduction has been contained, to finish at 12%, which accounts for a total of **3,400,000 hectares**.

Moreover, during the last seven days, some regions of the Mid-North of Cordoba have incorporated plots, where superficial moisture was enough to allow for the fieldworks to proceed. The rest of the areas are expecting rains that facilitate the covering work and help guarantee a good seeding of the crop. The Mid-North of Santa Fe is still incorporating plots without interruption. The North Belt presents similar conditions, where most of the seeding is on the East side of the region, precisely in the districts of Diamante and Victoria. Another area that is still incorporating corn hectares is the Mid-East of Entre Rios. In these conditions, and based on the positive weather forecasts, we are able to predict a very good commercial corn season.

SUNFLOWER

A significant hydric offer for the seeding of sunflower has fostered a strong increase of the covering work since last week. 23.2% of the area, estimated at 2,000,000 hectares, was seeded for the current season. Therefore, the weekly seeding progress was of 9 percentage points, while the YOY progress for this week is +3.7 points. The NE area estimates a seeding advance of 88%. Along the South of Buenos Aires and La Pampa, which concentrate more than 50% of the national area, the sunflower seeding expectations exceed the area planted during the last season. Although it is still over a month until the seeding, the hydric conditions for the implantation are good.

SUNFLOWER PLANTING

2012/13 Season

As Of: Sep. 06, 2012

Zone		Hectareage (he)		Percentage planted (%)	Hectares planted
		2011/12	2012/13		
II	NEA	270.000	370.000	88,0	325.600
III	Ctro N Cba	3.000	3.000	0,0	0
IV	S Cba	22.500	22.000	0,0	0
V	Ctro N SFe	175.000	195.000	71,0	138.450
VI	Núcleo Norte	7.500	7.500	0,0	0
VII	Núcleo Sur	7.000	7.000	0,0	0
VIII	Ctro E ER	10.000	11.500	0,0	0
IX	N LP-OBA	185.000	178.000	0,0	0
X	Ctro BA	46.000	49.000	0,0	0
XI	SO BA-S LP	465.000	478.000	0,0	0
XII	SE BA	550.000	557.000	0,0	0
XIII	SL	37.000	37.000	0,0	0
XIV	Cuenca Sal	78.000	81.000	0,0	0
XV	Otras	4.000	4.000	0,0	0
TOTAL		1.860.000	2.000.000	23,2	464.050

MALTING BARLEY

The rainfalls of the month of August over most of the national agricultural area have benefited the Barley crop. On the other hand, the same rains produced floods in areas of the West and Center of Buenos Aires, since the soils were losing surface (total or partial), as well as yield. In the North and South belt areas, with favorable hydric conditions, a 70% of the plots are estimated to be in the tillering stage, while the remaining 30% are elongating stems. Most of the plots were re-fertilized, in order to increase the yields and meet the quality standards required by the brewers. In the SE of Buenos Aires, 70% of the area is tillering, and the remaining 30% is differentiating leaves. The majority of the plantations are in very good conditions, thanks to the precipitations and optimal temperatures. Nevertheless, parts of the districts of Benito Juárez and Necochea are suffering the effects of hydric excess, losing yield potential in specific plots. Under the current circumstances, we maintain the estimation of seeded surface at **1,570,000 hectares** nationwide.