



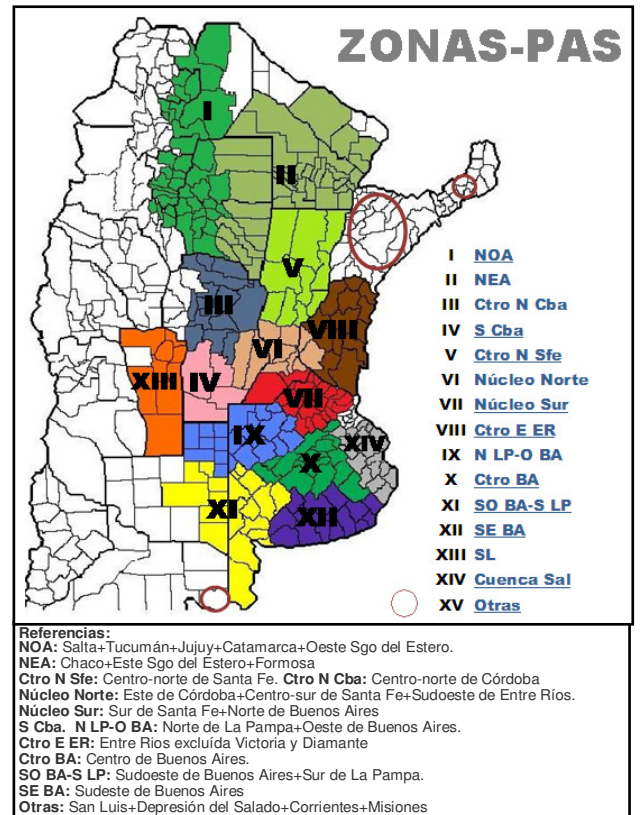
# Weekly Ag Report

BUENOS AIRES GRAIN EXCHANGE

**WEEK ENDED ON May. 24, 2012**

## CROP REPORT - HIGHLIGHTS

Estimations and Agricultural Projections Department  
Buenos Aires Grain Exchange



## WEEKLY AGRICULTURAL WEATHER OUTLOOK BUENOS AIRES GRAINS EXCHANGE

May 24, 2012

### OUTLOOK SUMMARY

#### NATIONAL AGRICULTURAL WEATHER OUTLOOK 24 to 31 MAY 2012: CLOUDY AND RAINY WEATHER FOLLOWED BY A TEMPERATURE DECREASE.

At the beginning of the current outlook, sea winds coming from the south will bring cool temperatures, humidity and cloudiness. The atmospheric circulation will soon rotate to the north leading to a moderate rise in temperatures. This process will be accompanied by rainy and cloudy weather. However, only the west of Cuyo, the east of NWA, the Chaco region and the north of Mesopotamia will observe moderate precipitations while most of the national agricultural area will observe scarce rainfalls. The east of Salta, most of the Chaco region, the north of Mesopotamia, the south of Buenos Aires and the west of Mendoza will observe moderate/abundant rainfall (25 to over 50 mm); Most of the national agricultural area will observe scarce precipitations (less than 10 mm); The west of NWA, most of Cuyo, the southeast of Córdoba and the north of La Pampa will observe very scarce precipitations. Towards the end of the current outlook, the entrance of polar sea winds will drop temperatures. However, the presence of winds, cloudiness and high humidity will limit the occurrence of frosts.

Buenos Aires, May 24 2012

Buenos Aires Grains Exchange

## SOYBEAN

Since last late November, a series of climatic factors have impacted negatively on the national soybean production. To begin with, the prolonged drought affected most of the AG region, and was interrupted in late January around the center and south of the national AG belt. The hydric deficit, which lasted nearly sixty days over both important productive belts, was also spiked with high temperature peaks that outnumbered historical values. On the other hand, the late incorporation of barley stubble or wheat plots impacted on the regional yields. The harvest of second crop plots is yielding currently fair levels, although below the initial estimations.

In the north provinces, the drought was extended indefinitely, spanning from February through part of April. For this reason, our NOA and NEA regions not only show important drops of yield potential, but also significant acreage losses.

Finally, once the harvest was well underway, the average regional yields required us to make significant adjustments to our projections. Up until the current report, the cuts due to the progressive fall of the national average yield are reinforced by the hydric excess and floods over a wide important area of the Buenos Aires province. The flooded acreage has reached significant values.

Up to date, the projected volume is **39,900,000 tons**, describing a reduction of 1.1MTn (-2.7%) as compared to our previous report, and an annual fall of 9.3 MTN (-19% vs 49.2Tn, 10/11 campaign). Simultaneously, the national harvest progress has covered 89.3% of the harvestable acreage, accounting for a weekly progress of 6 percentage points. The national average yield continues to fall, and now stands at 2.21Tn/ha, describing a drop of 0.06Tn/ha during the last seven days.

## SOYBEAN HARVEST

2011/12 SEASON

As of: May. 24, 2012

| Zone         |              | Hectareage (ha)   |                |                   | Percentage harvested | Hectares harvested | Yeld (1) (qq/ha) | Production (Tm)   |
|--------------|--------------|-------------------|----------------|-------------------|----------------------|--------------------|------------------|-------------------|
|              |              | Sown              | Lost           | Harvestable       |                      |                    |                  |                   |
| I            | NOA          | 1.260.000         | 25.000         | 1.235.000         | 70                   | 861.630            | 15,3             | 1.315.115         |
| II           | NEA          | 1.930.000         | 350.000        | 1.580.000         | 75                   | 1.186.640          | 8,9              | 1.053.053         |
| III          | Ctro N Cba   | 2.330.000         | 21.200         | 2.308.800         | 99                   | 2.285.530          | 20,4             | 4.662.905         |
| IV           | S Cba        | 1.400.000         | 41.000         | 1.359.000         | 100                  | 1.354.044          | 15,3             | 2.076.594         |
| V            | Ctro N SFe   | 1.116.000         | 7.500          | 1.108.500         | 92                   | 1.019.320          | 21,3             | 2.168.328         |
| VI           | Núcleo Norte | 3.410.000         | 1.000          | 3.409.000         | 100                  | 3.400.478          | 27,8             | 9.443.816         |
| VII          | Núcleo Sur   | 2.670.000         | 16.000         | 2.654.000         | 97                   | 2.577.928          | 25,6             | 6.593.734         |
| VIII         | Ctro E ER    | 1.140.000         | 2.000          | 1.138.000         | 98                   | 1.117.285          | 20,9             | 2.333.073         |
| IX           | N LP-OBA     | 1.550.000         | 110.000        | 1.440.000         | 80                   | 1.145.688          | 29,3             | 3.355.228         |
| X            | Ctro BA      | 565.000           | 67.000         | 498.000           | 72                   | 360.228            | 28,2             | 1.017.039         |
| XI           | SO BA-S LP   | 328.000           | 11.000         | 317.000           | 64                   | 201.454            | 20,4             | 411.583           |
| XII          | SE BA        | 740.000           | 1.800          | 738.200           | 55                   | 405.932            | 23,0             | 932.470           |
| XIII         | SL           | 137.000           | 4.000          | 133.000           | 100                  | 133.000            | 13,0             | 172.508           |
| XIV          | Cuenca Sal   | 222.000           | 1.500          | 220.500           | 68                   | 149.477            | 22,7             | 339.609           |
| XV           | Others       | 52.000            | 1.000          | 51.000            | 82                   | 41.610             | 18,1             | 75.423            |
| <b>TOTAL</b> |              | <b>18.850.000</b> | <b>660.000</b> | <b>18.190.000</b> | <b>89,3</b>          | <b>16.240.241</b>  | <b>22,1</b>      | <b>35.950.476</b> |

## CORN

As we described in the previous weather report, precipitations of varying intensity over a large portion of the national AG belt have produced hydric excess in the fields, which hamper the gathering of the crop. The most affected areas are the center and west of Buenos Aires, in addition to other specific locations in the southeast, where they expect partial and total losses since the crop has a great amount of water after finishing the ontogenetic cycle. Moreover, bearing in mind that the average yields registered in the main corn producing area (North and South belt, east center of Entre Rios and west of Buenos Aires), which is near to finishing the threshing, are down by 0.2 to 0.3 Tn/ha from the figures that we and the producers estimated, we are now forced to adjust the final volume estimation from 500 thousand tons to end at **19,300,000 Tn** nationwide, for commercialization of the crop, thus expecting a national average yield of 5,5Tn/ha. Therefore, the percentage drop from our previous estimation is of 2.5% and -16.5% versus the previous (2010/11) campaign.

Up to date, 57.1% of the harvestable area has been collected, accounting for 2,000,000 HAS, the current accrued volume is of 9.6 Million tons, yielding an average of 4,82Tn/ha. On the other hand, the weekly progress was of 4 percentage points, and the annual progress continues to describe a backward level of -11 percentage points. There is still over one and a half million tons to gather, and the expectations are good for late and second corn yields in the province of Cordoba, north-center of Santa Fe, east-center of Entre Rios, and north of La Pampa and west of Buenos Aires.

# CORN HARVEST

2011/12 SEASON

As of: May. 24, 2012

| Zone         |              | Hectareage (ha)  |                |                  | Percentage harvested | Hectares harvested | Yeld (1) (qq/ha) | Production (Tm)  |
|--------------|--------------|------------------|----------------|------------------|----------------------|--------------------|------------------|------------------|
|              |              | Sown             | Lost           | Harvestable      |                      |                    |                  |                  |
| I            | NOA          | 255.000          | 15.000         | 240.000          | 11                   | 27.263             | 46,8             | 127.545          |
| II           | NEA          | 270.000          | 20.000         | 250.000          | 29                   | 73.125             | 40,6             | 296.630          |
| III          | Ctro N Cba   | 475.000          | 16.000         | 459.000          | 38                   | 174.000            | 49,1             | 854.012          |
| IV           | S Cba        | 500.000          | 67.500         | 432.500          | 58                   | 248.915            | 34,7             | 863.958          |
| V            | Ctro N SFe   | 160.000          | 28.000         | 132.000          | 65                   | 86.400             | 48,0             | 414.554          |
| VI           | Núcleo Norte | 527.000          | 14.500         | 512.500          | 97                   | 495.636            | 60,3             | 2.989.663        |
| VII          | Núcleo Sur   | 460.000          | 40.500         | 419.500          | 88                   | 369.931            | 46,3             | 1.714.104        |
| VIII         | Ctro E ER    | 165.000          | 20.000         | 145.000          | 87                   | 125.695            | 45,8             | 575.547          |
| IX           | N LP-OBA     | 535.000          | 69.000         | 466.000          | 47                   | 216.848            | 45,1             | 977.680          |
| X            | Ctro BA      | 136.000          | 30.000         | 106.000          | 34                   | 36.232             | 47,2             | 171.176          |
| XI           | SO BA-S LP   | 107.000          | 22.000         | 85.000           | 17                   | 14.463             | 27,9             | 40.331           |
| XII          | SE BA        | 85.000           | 3.500          | 81.500           | 38                   | 31.374             | 61,3             | 192.231          |
| XIII         | SL           | 115.000          | 15.000         | 100.000          | 47                   | 46.538             | 39,6             | 184.254          |
| XIV          | Cuenca Sal   | 60.000           | 4.000          | 56.000           | 84                   | 47.100             | 40,2             | 189.390          |
| XV           | Others       | 20.000           | 0              | 20.000           | 35                   | 7.000              | 45,9             | 32.100           |
| <b>TOTAL</b> |              | <b>3.870.000</b> | <b>365.000</b> | <b>3.505.000</b> | <b>57,1</b>          | <b>2.000.520</b>   | <b>48,2</b>      | <b>9.623.176</b> |

## WHEAT

The seeding process was halted last week due to the precipitations over the entire national AG region. These new hydric contributions help improve surface moisture. Therefore, it is estimated that so far, 5.5% of the projected seeding intention has been met, the initial projection being 4,000,000 HAS for the current campaign (2012/13), a -13 % lower than the previous cycle seeding (4.6 MHAS). In whole numbers, 220,000 HAS were incorporated. As compared to the same date in the previous harvest, the current seeding progress registers a delay of 5.7 percentage points, which is mainly due to the lack of surface moisture in some regions of the north, in addition to the great discouragement that exists around the growing of wheat.

59 % of the covered acreage corresponds to the NOA region, where there were moderate precipitations in the last few hours. In the NEA region, the seeding is a little more behind schedule (12%), although once the plots have dried up, the equipment is expected to move faster. On the other hand, the first plots have been incorporated in the north belt, precisely in Arequito and Cañada de Gomez, where the seeding intention is too low. In Reconquista, NE of Santa Fe, we can identify similar conditions, where producers take advantage of the adequate surface moisture they possess. Conversely, the south of Cordoba has started to seed the first plots in Villa Valeria and Vicuña Mackena, for soil coverage purposes.

## GRAIN SORGHUM

The precipitations of the last few days over the entire national AG region slow down the advance of the harvest machines. Up to date, more than half of the harvestable acreage has been gathered (51.9%), with nearly 10% of that area collected in the last 15 days. With an average yield of 4.41 Tn/ha, the accrued volume amounts to 2.23 Mtn. There were intense rains in the center, west and southwest of Buenos Aires, which produced a hydric excess, and many of the plots are still flooded. The harvest will be halted in this area until the recovery of the flooded soils. Besides, several plots will be destined to pasture instead of grain harvest.

However, the above mentioned regions expect good yields: C. Tejedor 6.5 Tn/ha, Trenque Lauquen 5.0-5.5 Tn/ha, Daireaux 5.5 Tn/ha. In addition to the adverse hydric excess that causes harvest acreage cuts, we can identify yield values under the initial projections in NOA, NEA regions, north-center of Sta Fe, east-center of Entre Ríos and South of Cordoba, where the lack of summer rains impacted harder than expected. Conversely, other areas such as the north of Cordoba, north belt, north of La Pampa and Corrientes were able to offset these yield drops, since their productivity volumes were higher than expected.

Finally, after carrying out the regional analysis, we adjust our production estimation at -200,000 TN, that is to say a 4.65 % lower than the previous projection. In whole numbers, our new national average yield projection stands at 4,100,000 Tn for the 2011/12 campaign. This is 13.9% higher than the volume obtained during the last campaign (2010/11 3.6MTn).

# GRAIN SORGHUM HARVEST

2011/12 SEASON

As of: May. 24, 2012

| Zone         | Hectareage (ha) |                  |                | Percentage<br>harvested | Hectares<br>harvested | Yeld (1)<br>(qq/ha) | Production<br>(Tm) |                  |
|--------------|-----------------|------------------|----------------|-------------------------|-----------------------|---------------------|--------------------|------------------|
|              | Sown            | Lost             | Harvestable    |                         |                       |                     |                    |                  |
| I            | NOA             | 22.572           | 2.257          | 20.315                  | 35                    | 7.110               | 27                 | 19.197           |
| II           | NEA             | 216.281          | 25.954         | 190.327                 | 50                    | 95.164              | 30                 | 285.491          |
| III          | Ctro N Cba      | 129.960          | 12.996         | 116.964                 | 67                    | 78.366              | 49                 | 383.993          |
| IV           | S Cba           | 42.408           | 6.361          | 36.047                  | 39                    | 14.058              | 48                 | 67.480           |
| V            | Ctro N SFe      | 195.552          | 25.422         | 170.130                 | 75                    | 127.598             | 42                 | 535.910          |
| VI           | Núcleo Norte    | 51.546           | 4.124          | 47.422                  | 92                    | 43.629              | 61                 | 266.134          |
| VII          | Núcleo Sur      | 24.067           | 722            | 23.345                  | 52                    | 12.139              | 58                 | 70.408           |
| VIII         | Ctro E ER       | 120.059          | 10.500         | 109.559                 | 76                    | 83.265              | 50                 | 416.324          |
| IX           | N LP-OBA        | 45.936           | 8.728          | 37.208                  | 22                    | 8.186               | 51                 | 41.748           |
| X            | Ctro BA         | 8.894            | 1.067          | 7.827                   | 0                     | 0                   | 0                  | 0                |
| XI           | SO BA-S LP      | 134.992          | 24.299         | 110.693                 | 4                     | 4.428               | 32                 | 14.169           |
| XII          | SE BA           | 6.435            | 322            | 6.113                   | 0                     | 0                   | 0                  | 0                |
| XIII         | SL              | 52.326           | 2.616          | 49.710                  | 24                    | 11.930              | 40                 | 47.721           |
| XIV          | Cuenca Sal      | 28.500           | 570            | 27.930                  | 32                    | 8.938               | 47                 | 42.007           |
| XV           | Others          | 20.859           | 417            | 20.442                  | 52                    | 10.630              | 37                 | 39.330           |
| <b>TOTAL</b> |                 | <b>1.100.387</b> | <b>126.354</b> | <b>974.033</b>          | <b>51,9</b>           | <b>505.440</b>      | <b>44,1</b>        | <b>2.229.912</b> |