



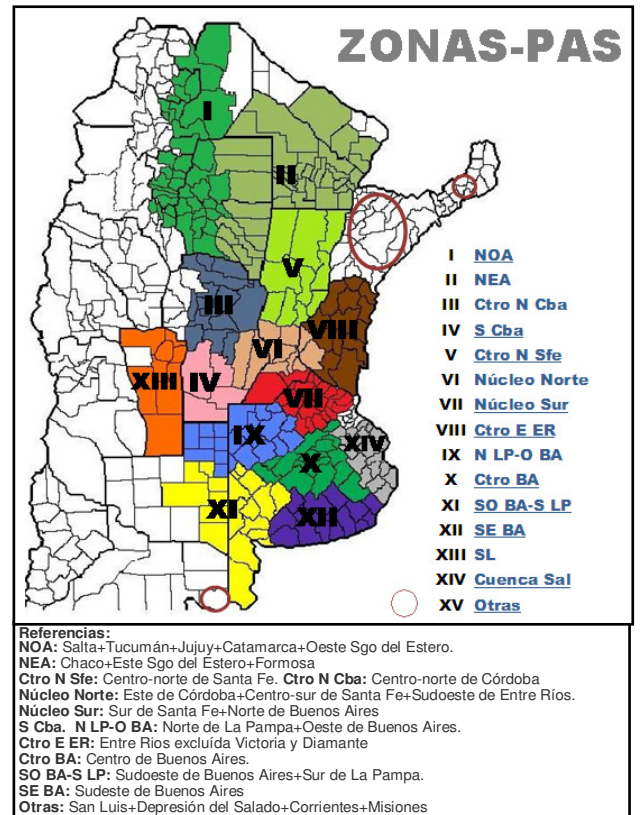
Weekly Ag Report

BUENOS AIRES GRAIN EXCHANGE

WEEK ENDED ON May. 31, 2012

CROP REPORT - HIGHLIGHTS

Estimations and Agricultural Projections Department
Buenos Aires Grain Exchange



WEEKLY AGRICULTURAL WEATHER OUTLOOK

Buenos Aires Grains Exchange

A. OUTLOOK SUMMARY

NATIONAL AGRICULTURAL WEATHER OUTLOOK 31 May to 7 June 2012: COLD WEATHER AND SCARCE PRECIPITATIONS

At the beginning of the current outlook, the intensification of the southerly winds that started in the preceding days will lead to a significant drop in temperatures and to the likelihood of frosts across most of the national agricultural area. Due to the limited supply of moisture carried by these winds, most of the national agricultural area will observe scarce precipitations with the exception of the northern-end area and the south and center of the Andes range which will receive significant rainfalls. The predominance of southerly winds will maintain maximum temperatures below normal. NEA however will observe mild weather. The mild and humid conditions present during most of the current season will be soon replaced by cold and dry air coming from the south/southwest, reducing precipitations and leading to clear weather. Winds coming from the west will foster the dryness of fields, thus reactivating harvest in areas affected by excess moisture. Although this seasonal transition usually takes place at the beginning of May, this year it occurred almost a month late. This condition may be attributed to the large amount of energy released by the abrupt dissipation of La Niña.

Buenos Aires, May 31 2012

Buenos Aires Grains Exchange

WHEAT

Planting of this winter crop continues in the northern provinces, covering a 10% of the projected acreage for this new campaign-- **4.000.000 HA**, 13 % short of the volume harvested in the previous cycle (4.6 Mhas). Nevertheless, the seeding is extending toward the central area of the national AG belt, and now surface moisture is optimal and allows producers to plant long cycle materials, thus ensuring good crop emergence. All the areas of the AG belt present good moisture, and some specific plots delivered a surplus. The next few days expect cold and dry weather conditions, which will help these plots drain. The west and center of Buenos Aires present a similar situation, where excessive precipitations caused floods. For this reason the forecasted weather will be favorable for these regions as well.

SOYBEAN

The harvest has covered a 92.8% of the harvestable acreage. In the central region remains only a small surface to close the campaign, and toward the south, the advance of the harvest machines is delayed due to the floods and the lack of ground on plots that could not drain properly after seven days straight of wet and cloudy weather. So far the partial volume accrued amounts to 37.2 MTN, while the national average yield has dipped by -0.2qq/ha in comparison to our previous report, and is now at 2,21Tn/ha. Within this context the projection at the close of campaign remains at **39,900,000 tons**, showing a drop of -19% as opposed to the previous cycle (49.2MTn- 2010/11 cycle) as well as an adjustment of only 6.3 million tons as compared to the first projection published in our report for the current campaign (46.2MTn in January). It is important to point out that the adjustment responds to the acreage and yield losses caused by the initial drought, the low temperatures, hydric excesses and results below the expectations on late seedings.

Finally, as per our weather report, the mass of warm and humid air coming in from the north, which predominated during the fall, will be replaced by a cold and dry mass of air from the south/southwest, thus reducing precipitations and setting off a period of clear weather. Winds from the west will ease the draining of the fields and the flooding, reactivating the harvest in the areas affected by the hydric excess.

SOYBEAN HARVEST

2011/12 SEASON

As of: May. 31, 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 | 87,4 | 1.079.440 | 15,2 | 1.636.862 |
| II NEA | 1.930.000 | 350.000 | 1.580.000 | 83,2 | 1.314.400 | 9,1 | 1.190.917 |
| III Ctro N Cba | 2.330.000 | 21.200 | 2.308.800 | 99,6 | 2.299.492 | 20,4 | 4.690.829 |
| IV S Cba | 1.400.000 | 41.000 | 1.359.000 | 99,6 | 1.354.044 | 15,3 | 2.076.594 |
| V Ctro N SFe | 1.116.000 | 7.500 | 1.108.500 | 94,4 | 1.046.074 | 21,2 | 2.221.836 |
| VI Núcleo Norte | 3.410.000 | 1.000 | 3.409.000 | 99,9 | 3.404.739 | 28,1 | 9.564.861 |
| VII Núcleo Sur | 2.670.000 | 16.000 | 2.654.000 | 97,1 | 2.577.928 | 25,8 | 6.660.617 |
| VIII Ctro E ER | 1.140.000 | 2.000 | 1.138.000 | 99,7 | 1.134.813 | 21,2 | 2.408.433 |
| IX N LP-OBA | 1.550.000 | 110.000 | 1.440.000 | 85,0 | 1.224.075 | 29,0 | 3.547.942 |
| X Ctro BA | 565.000 | 67.000 | 498.000 | 76,5 | 380.854 | 27,8 | 1.060.205 |
| XI SO BA-S LP | 328.000 | 11.000 | 317.000 | 84,5 | 268.020 | 20,0 | 537.067 |
| XII SE BA | 740.000 | 1.800 | 738.200 | 60,8 | 448.935 | 22,7 | 1.019.131 |
| XIII SL | 137.000 | 4.000 | 133.000 | 100,0 | 133.000 | 13,0 | 172.508 |
| XIV Cuenca Sal | 222.000 | 1.500 | 220.500 | 72,1 | 158.930 | 22,4 | 356.327 |
| XV Others | 52.000 | 1.000 | 51.000 | 95,5 | 48.720 | 18,7 | 91.075 |
| TOTAL | 18.850.000 | 660.000 | 18.190.000 | 92,8 | 16.873.463 | 22,1 | 37.235.202 |

CORN

The corn harvest progresses toward grain commercialization, aided by the lack of precipitations in the last seven days, as well as because producers in most of the AG regions have finished the threshing of soybean or are close to finishing. Up to date, the progress has covered 61.7% of the harvestable acreage. In whole numbers, a good 2.16 Million HAS have been gathered, yielding a volume of 10.4MTn, for a national average production of 4,84Tn/ha. On the other hand, the threshing in the northern provinces is advancing, where the average yields barely exceed 4,0Tn/ha. In these regions the lack of good volume rains during the months of January, February and March has caused great potential and even total losses in corn plots. Now producers in the north-center of Cordoba are moving on with the gathering of late crops, which are meeting the the expectations from the months of February and March, in the vegetative stages. Conversely, the belt region is finishing the gathering of these materials. Although these crops yield very good volumes, the bulk of the planted acreage in this campaign were the early seedings, which yielded very low individual productivities. Therefore, as long as there are no more losses in the flooded areas, we maintain our harvest projection at **19.3 Million Tons**.

CORN HARVEST

2011/12 SEASON

As of: May. 31, 2012

| Zone | | Hectareage (ha) | | | Percentage harvested | Hectares harvested | Yield (1) (qq/ha) | Production (Tm) |
|--------------|--------------|------------------|----------------|------------------|----------------------|--------------------|-------------------|-------------------|
| | | Sown | Lost | Harvestable | | | | |
| I | NOA | 255.000 | 15.000 | 240.000 | 29 | 69.808 | 43,6 | 304.145 |
| II | NEA | 270.000 | 20.000 | 250.000 | 37 | 92.375 | 41,0 | 378.443 |
| III | Ctro N Cba | 475.000 | 16.000 | 459.000 | 46 | 209.625 | 52,0 | 1.089.137 |
| IV | S Cba | 500.000 | 67.500 | 432.500 | 61 | 264.300 | 35,9 | 949.248 |
| 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 | 499.009 | 60,4 | 3.014.015 |
| VII | Núcleo Sur | 460.000 | 40.500 | 419.500 | 91 | 380.750 | 46,9 | 1.784.373 |
| VIII | Ctro E ER | 165.000 | 20.000 | 145.000 | 88 | 127.180 | 46,1 | 585.756 |
| IX | N LP-OBA | 535.000 | 69.000 | 466.000 | 48 | 224.120 | 45,5 | 1.018.804 |
| X | Ctro BA | 136.000 | 30.000 | 106.000 | 36 | 38.240 | 47,4 | 181.214 |
| XI | SO BA-S LP | 107.000 | 22.000 | 85.000 | 28 | 23.995 | 34,4 | 82.560 |
| XII | SE BA | 85.000 | 3.500 | 81.500 | 41 | 33.615 | 61,9 | 208.198 |
| XIII | SL | 115.000 | 15.000 | 100.000 | 56 | 56.363 | 40,4 | 227.436 |
| XIV | Cuenca Sal | 60.000 | 4.000 | 56.000 | 86 | 48.400 | 40,5 | 195.890 |
| XV | Others | 20.000 | 0 | 20.000 | 39 | 7.800 | 45,8 | 35.700 |
| TOTAL | | 3.870.000 | 365.000 | 3.505.000 | 61,7 | 2.161.979 | 48,4 | 10.469.472 |

MALTING BARLEY

The planting of malting barley has started to spread to other regions. Therefore, the covering has reached plots in the north-center and south of Cordoba, the north belt, and east-center of Entre Rios. The precipitations registered during the previous week create good conditions for the seeding. So far, a little over 1% of the projected area has been seeded, the total projection being of **1,500,000 HAS**, a 27% in excess of the implanted acreage in the campaign 2011/12 (1.18 MHAS). In whole numbers the total area covered is over 15,000 HAS. In all the regions of the national AG belt the malting barley crop will increase the acreage, mainly because it offers an alternative to wheat, and it has the advantage of selling in different markets. The biggest area increase would be in the southwest of BA, since the grain serves a three-fold purpose, as forage for export, malting, and cattle feeding.