



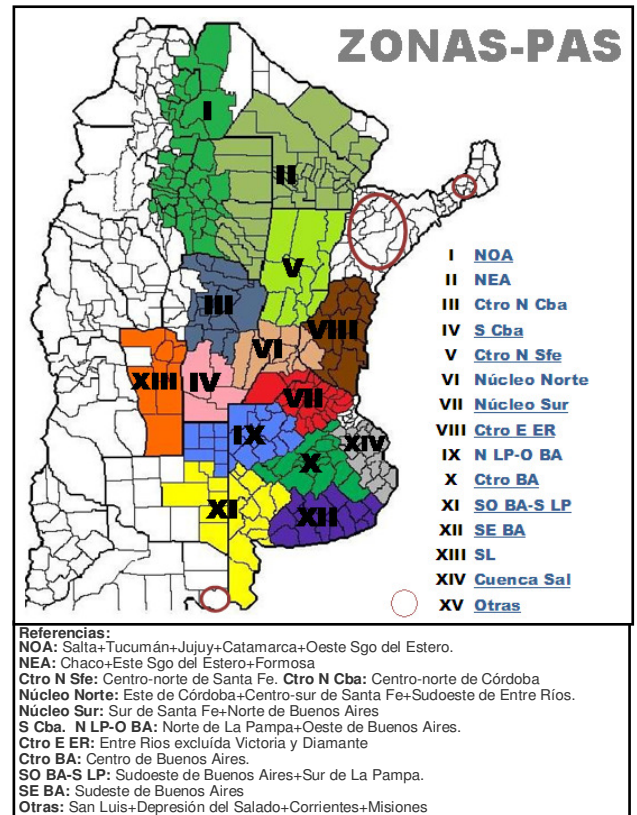
Weekly Ag Report

BUENOS AIRES GRAIN EXCHANGE

WEEK ENDED ON May. 17, 2012

CROP REPORT - HIGHLIGHTS

Estimations and Agricultural Projections Department
Buenos Aires Grain Exchange



WEEKLY AGRICULTURAL WEATHER OUTLOOK BUENOS AIRES GRAINS EXCHANGE

May 17, 2012

A. OUTLOOK SUMMARY

NATIONAL AGRICULTURAL WEATHER OUTLOOK MAY 17 TO 24 2012: MILD WEATHER AND PRECIPITATIONS OF DIFFERENT INTENSITY FOLLOWED BY A SIGNIFICANT DROP IN TEMPERATURE

At the beginning of the current outlook, northerly winds will raise temperatures above the average level. At the same time, a storm front will bring precipitations of different intensity to most of the national agricultural area: the west of NWA, most of the Chaco region, most of Mesopotamia, most of Córdoba, most of Santa Fe, the northwest, center and the east of Buenos Aires will observe precipitations ranging from moderate to abundant (25 to over 75 mm) with chances of localized storms; The west of NWA, most of Cuyo, the western end of Córdoba, most of La Pampa and southwest Buenos Aires will observe scarce precipitations (less than 10 mm). In its path, the front will bring southerly winds which will drop temperatures below normal in most of the national agricultural area with chances of localized frosts in the west, south and center of the national agricultural area.

Buenos Aires, May 17 2012

Buenos Aires Grains Exchange

WHEAT

The covering work advances over the north of the national AG area, in spite of a lean hydric influx. Up to date, only 2.5% of the acreage has been implanted. Precisely in the NOA region there is continuous movement of machinery, which concentrates on the districts of Oran, Metan and Anta (Salta), as well as Tucuman (District of Burruyacu). This region registers a progress of 20% of the acreage ready to implant the crop. In the neighboring NEA region only a few plots were incorporated, because the majority of producers are awaiting new hydric pulses that offset the scarce surface moisture and allow for an adequate implantation.

There was also progress circumscribed in the districts of Rio Primero and Rio Segundo, where similarly to the above cases, producers expect hydric recovery. Toward the north belt area, more precisely in Cruz Alta, specific plots were implanted with long cycle materials, where surface moisture allowed for efficient covering labors.

Although the soil moisture over most of the Buenos Aires province is good, the discouragement of producers over this campaign is great. For this reason, they are looking for alternatives in winter crops to replace wheat in the rotation. Therefore, we maintain our national seeding projection at **4,000,000 hectares**, a -13% less than the acreage seeded during the previous harvest campaign.

SOYBEAN

The soybean campaign is reaching the finish line with an average yield that continues to fall as the harvest progresses. So far, an 83.3% of the harvestable acreage has been gathered, yielding an average of 2.27 Tn/ha, describing a drop of -0,05Tn/ha as compared to our previous issue. The volume partially accumulated is 37.7 MTN, and our campaign closing projection stands at **41,000,000 tons**. Nevertheless, if the average yield trend continues to be negative, we will be forced to adjust our projection once again during the last stage of the harvest.

On the other hand, the harvest is about to finish in the North belt region. After finishing the gathering of first crop plots, the final average yield was 2.9Tn/ha. In the meantime, the harvest of second plots moves on in the same region, where after picking 97% of the acreage, the average production finished at 2.4Tn/ha. Likewise, the east-center of Entre Rios has finished the harvest of first plots, reaching an average production of 2.17Tn/ha, while second plots are rendering a partial average of 2.1Tn/ha, after 88% of their acreage has been threshed. The west of Buenos Aires and north of La Pampa are some of the regions that surprise us with very good results. The drought hit hard on this area during the months of December and part of January, especially over a large portion of the plots sitting north of Route N°5. In spite of all this and the subsequent hydric excesses of April and May, the regional average yield in first plots reaches 2.9Tn/ha with 89% of the acreage gathered.

SOYBEAN HARVEST

2011/12 SEASON

As of: May. 17, 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	55	674.915	15	1.025.939
II NEA	1.930.000	350.000	1.580.000	50	791.500	9	724.643
III Ctro N Cba	2.330.000	21.200	2.308.800	96	2.215.720	20	4.530.266
IV S Cba	1.400.000	41.000	1.359.000	96	1.307.721	15	1.993.213
V Ctro N SFe	1.116.000	7.500	1.108.500	86	950.643	21	2.017.059
VI Núcleo Norte	3.410.000	1.000	3.409.000	99	3.383.433	28	9.403.760
VII Núcleo Sur	2.670.000	16.000	2.654.000	92	2.438.933	26	6.345.284
VIII Ctro E ER	1.140.000	2.000	1.138.000	97	1.101.668	22	2.372.623
IX N LP-OBA	1.550.000	12.000	1.538.000	78	1.200.520	29	3.505.076
X Ctro BA	565.000	5.000	560.000	65	364.414	28	1.025.553
XI SO BA-S LP	328.000	11.000	317.000	56	176.098	20	354.269
XII SE BA	740.000	1.800	738.200	52	382.154	23	871.644
XIII SL	137.000	4.000	133.000	91	121.464	13	155.619
XIV Cuenca Sal	222.000	1.500	220.500	68	149.477	23	339.609
XV Others	52.000	1.000	51.000	67	33.960	18	60.189
TOTAL	18.850.000	500.000	18.350.000	83,3	15.292.618	22,7	34.724.747

CORN

The threshing of corn is moving slowly in our AG region, since producers decide to gather soybean plots first. In addition, the rainfalls on the center and west areas of Buenos Aires have produced a hydric excess in most of the plots where the crop is implanted, blocking the advance of the machines.

On the other hand, the corn belts (north and south) are near to finishing the threshing tasks, still pending late or second plots, which are showing productivities above those of first corn plots. Up to date, the harvest progress has reached a 53.1% of the harvestable surface for commercialization; thus yielding a week-to-week increase of 3.9 percentage points, and an annual fall of -10 points, with more than 1.8 million hectares collected, yielding a volume in the vicinity of 9 million tons, and a national average yield of 48.1qq/ha.

Just as we anticipated during the progress of the corn productive cycle, the late and second plots are showing very good yields, in excess of the historical averages for these crops. Against this backdrop, we maintain our national final projection at **19,800,000 Tons**.

CORN HARVEST

2011/12 SEASON

As of: May. 17, 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	7	17.442	48,1	83.940
II	NEA	270.000	20.000	250.000	22	53.828	45,5	245.127
III	Ctro N Cba	475.000	16.000	459.000	31	142.500	47,0	670.360
IV	S Cba	500.000	67.500	432.500	54	234.700	33,7	790.438
V	Ctro N SFe	160.000	28.000	132.000	61	80.800	48,5	392.102
VI	Núcleo Norte	527.000	14.500	512.500	96	493.904	60,3	2.977.592
VII	Núcleo Sur	460.000	40.500	419.500	86	360.942	45,7	1.648.017
VIII	Ctro E ER	165.000	20.000	145.000	84	122.430	45,5	557.305
IX	N LP-OBA	535.000	62.500	472.500	41	192.172	43,4	851.396
X	Ctro BA	136.000	13.000	123.000	31	37.837	47,4	183.297
XI	SO BA-S LP	107.000	22.000	85.000	15	13.161	26,4	34.778
XII	SE BA	85.000	3.500	81.500	38	31.280	60,5	189.391
XIII	SL	115.000	15.000	100.000	34	33.853	40,8	138.099
XIV	Cuenca Sal	60.000	4.000	56.000	91	50.700	40,2	203.838
XV	Others	20.000	0	20.000	35	7.000	45,9	32.100
TOTAL		3.870.000	341.500	3.528.500	53,1	1.872.549	48,1	8.997.779

MALTING BARLEY

The 2012/13 seeding has begun

New assessments and analyses of the region allow us to increase the growing acreage from the 2011/12 AG campaign, which now stands at 1,180,000 hectares. Such increments were identified in Buenos Aires and La Pampa. Therefore, the national production has reached a final volume of 4.4 million tons, a 20.5 % higher than the initial estimation. In comparison with the 2010/11 harvest, the variation of the implanted area was over 80 percentage points, which is undoubtedly a consequence of the difficulties of commercializing wheat.

Producers are looking for new alternatives in this new campaign, one of which is Barley, and to a lesser extent Rape, Oat, Chickpeas, Lentil or Peas, depending on the area. Some specific plots were incorporated in the last few days in the south of Cordoba, kick-starting the 2012/13 campaign, which brings great expectations for this crop.

During the pre-campaign phase, the seeding intention dwindled. At the beginning of April, Barley was thought to bear a higher annual increase of acreage than it did; however, the growth of seeded surface is projecting to other regions. The greatest increments are seen in the south-center of the province of Buenos Aires, although it is worth mentioning that Barley will not occupy the whole of the acreage left by wheat.

Under these circumstances, bearing in mind that some regions still need to be refilled to make an adequate implantation, we estimate that during the current campaign the acreage will increase by 27.1 %, accounting for 320 thousand hectares more than the previous cycle. In conclusion, we estimate a projection of national implanted area in 1,500,000 hectares.