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## **Report Name:** Oilseeds and Products Update

**Country:** Argentina

**Post:** Buenos Aires

**Report Category:** Oilseeds and Products

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### **Report Highlights:**

Post increases marketing year (MY) 2024/2025 soybean production to reach 52 million metric tons (MMT), up 1 MMT higher than USDA official and Post's previous estimate on 17.2 million hectares (MHA) harvested as producers shift to more soy away from corn over fears of the impact of corn stunt (leafhopper/Chicharrita) in corn, continued low prices, and expected dry conditions. Soybean crush is increased to 42 MMT in MY2024/25 fueled by higher production and higher imports, primarily from Paraguay as Argentina's processing sector continues its recovery from several years of drought. Sunflower production is also poised to increase to 1.9 MHA planted resulting in a production of 4 MMT in MY2024/2025 with expansion tempered by dry conditions in the northern growing region at the ideal planting window. Post maintains previous peanut production, crush, and export forecasts in MY2024/2025 and MY2023/2024 with a production of 1.35 MMT in both years.

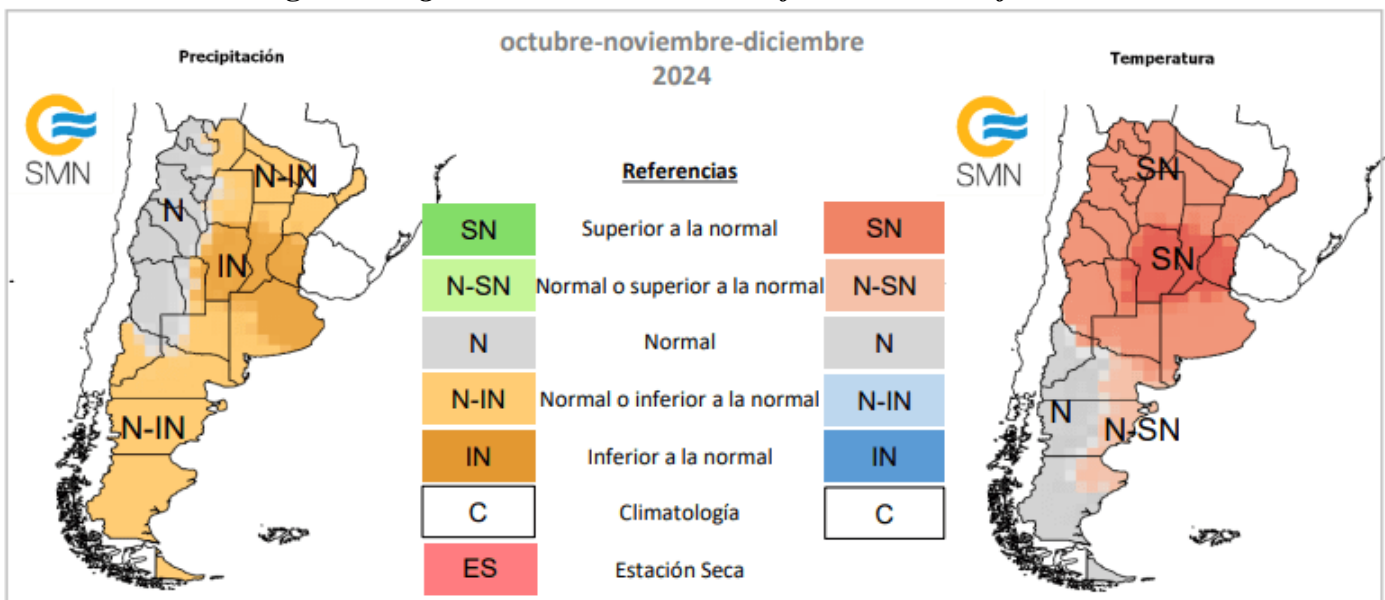
## SOYBEAN

### Production

Post increases MY2024/2025 soybean production forecast up to 52 MMT, 1 MMT higher than USDA official and Post's last update due to higher planted area forecast than USDA official. Post forecasts soybean planted area at 17.8 million hectares (MHA) with 17.2 MHA harvested driven primarily by a gain in acreage at a loss to corn.

Argentina's soybean production outlook for MY2024/2025 faces several complex challenges and opportunities shaped by weather, economic pressures, and production practices. Forecasts from the Argentine National Meteorological Service (SMN) indicate a dry and hot period across the major growing areas from October to through to the end of December, a critical window for soybean planting. An 81 percent chance of a La Niña pattern exacerbates concerns according to SMN, bringing dry conditions that will primarily impact the production area in the provinces of Córdoba, Santa Fe, and the north and east of Buenos Aires, with rainfall expected to be below normal levels. At the same time, higher than average temperatures are expected across the same area. These conditions could compromise soil moisture and reduce yields, further complicated by soil moisture deficits that delayed early planting in some regions. While rains in early October have marginally improved moisture, ongoing dry conditions remain a pressing concern and significant, sustained rains would be needed to bring soils to optimal conditions.

**Figure 1. Argentina Weather Forecasts for Remainder of 2024**



Source: Servicio Meteorológico Nacional Argentina

Producers are expected to plant less corn this year due to heightened concerns over the corn stunt disease (caused by the leafhopper insect, or *chicharrita*), which severely impacted crops last season and is predicted to be even more destructive this year. Producers would rather not risk the impact coupled with the expected dry weather. The leafhopper does not impact soybeans. The reduction in corn planting will likely benefit soybeans, as soy has a significantly lower production cost per hectare, requiring cheaper seed and less fertilizer. While some of the area previously used for corn could have shifted to

sorghum, a seed shortage limited this option, making soybeans the primary crop to gain from the reduction in corn planting.

Economic factors will also tip Argentine farmers' decisions toward soy, with production costs for soybeans significantly lower than for other crops, particularly corn, which requires roughly \$700 per ton compared to soy's \$400 per ton in production expenses in some areas. With current corn prices hovering around \$170 per ton—a level that makes profitability nearly impossible—many producers are expected to shift land from corn to soybean and sunflower cultivation, which offer more manageable margins in the current macroeconomic landscape. Moreover, the slim profit margins and rising input costs, from fertilizers to fuel, intensify the financial strain. Despite last year's relatively good financial standing and grain reserves, most farmers have resorted to external financing, with nearly 30 percent of this season's operations funded through third-party entities such as input dealers, an increase of 5 percent from previous years due to ongoing drought pressures. Unlike in the recent past, Argentine producers also increasingly favor bank and commercial financing over future exchange commitments, which carry added risks under uncertain weather patterns and volatile markets.

Given these pressures, soybean acreage is expected to increase, fueled by a switch from corn and a focus on enhanced technology and improved seed varieties. While many producers aim to use high-quality seed to boost productivity, there is recently a shortage of high-grade seed stock on the market. Much of the available seed is of medium to low quality, with germination and vigor concerns that may impact the crop's resilience, especially under challenging weather conditions. To mitigate these issues, some farmers are lowering planting densities, which allows each seed more room to germinate but likely would lower total yields. Even with additional protection measures, such as fungicides and pesticides, which add to production costs, the risk of poor plant establishment early in the crop cycle remains high. Late-emerging plants or those growing under adverse conditions are likely to be less competitive, reducing overall productivity.

Overall, the combination of environmental, economic, and technical challenges paints a complex picture for Argentina's soybean sector in MY2024/2025. While increased acreage and technological advancements may support production, the adverse weather and compromised seed quality may prevent yields from reaching their full potential, and the financial strain on producers remains significant.

In MY2023/2024 Post decreases area harvested to 16.3 MHA, in line with USDA official estimates but maintains production forecast at 49.5 MMT, still slightly higher than USDA official due to reported production by producers and the Ministry to date with higher yields than originally estimated.

#### Consumption/Crush

Post increases MY2024/25 crush to 42 MMT, up from Post's previous forecast and higher than USDA official based on conversations with industry in Argentina and Paraguay. Higher crush than USDA official is also attributed to Post's higher production forecast. Argentina began importing a record number of soybeans last year to meet its crush demand during the terrible drought. Now that this precedent has been established, industry does not expect it to decrease for the foreseeable future.

Post increases MY2023/24 crush to 41.5 MMT, up from Post's previous forecast and higher than USDA official due to crush progress to date and increased imports. Post's higher crush estimate is also driven by higher production than USDA official.

Argentina ranks as the third largest producer of soybeans globally and leads the world in soybean oil and meal exports, supported by an estimated crushing capacity of 67 million tons. With nearly 54 percent idle capacity within the processing sector last year Argentina has sourced soybeans from Paraguay, known for their generally higher protein content, to sustain crushing volumes and enhance the protein quality of soybean meal. Soybean imports, particularly from Paraguay have increased significantly in the past year first due to the drought in Argentina but has continued to bring more idle capacity back online. Traders expect this trend to continue into MY2024/2025 and beyond with more beans shipped to Argentina for crushing rather than being crushed in Paraguay. Many crushers own plants in both Paraguay and Argentina and prefer to export whole soybeans to Argentina to be crushed there in order to maintain their larger crush plants operating.

Argentina's soybean crush industry has seen a resurgence in activity this year due to increased domestic soybean production and a steady flow of imports, primarily from Paraguay. With a soybean crush forecast of 41.5 million tons for MY2023/2024, up from Post's previous estimates. This year's higher crush capacity utilization is supported by both improved production and increased imports, reaching nearly 4 million tons monthly in the first part of the year. In the latest data available, Argentina crushed 3.23 million tons in August, down from a high of 4.38 million tons in July, but still a significant increase over last year's drought-impacted figures.

With Paraguayan crushers shutting down earlier than usual this season, Paraguayan traders are expected to continue exporting substantial volumes to Argentina, potentially maintaining 5 to 6 million tons annually, double pre-drought levels. This import trend has brought Argentina's idle capacity down to a projected 36 percent in 2024, though capacity utilization fluctuated with crush activity declining to 55 percent in August after peaking at 75 percent in July. Lower crush was driven by less available soybeans in the market as farmers sold less of their crop holding out for a change in either the exchange rate, export taxes, or better prices. As none of these have come to fruition, farmers have been slowly forced to sell more of their stocks on hand to finance inputs in the lead up to the upcoming planting season. At the same time imports have begun to flow into the country to meet the crush demand.

Soybean prices in Argentina have remained low with some variability, rising by \$25 per ton to \$325 per ton in September but still well below producers' expectations. Profitability has also been slim in the crushing sector with continued disappointing soymeal and soy oil prices. Despite these recent challenges, including high production costs and lower-than-expected soybean availability due to conservative selling by farmers, the Argentine crush industry is expected to see a modest recovery yet still in MY2023/2024 and into MY2024/2024. With Paraguayan crushers closed for the season, three months earlier than normal at this stage in the year, imports are anticipated to support crush volumes in the coming months, positioning Argentina to meet export demand for soy oil and meal while maintaining its standing as a leading global exporter.

Argentina's farmers, meanwhile, are navigating a tough economic landscape. With lower domestic stocks available in recent months, many are holding back sales beyond what is needed for immediate expenses, hoping for higher prices or favorable shifts in government policy. While lower-than-expected crush levels may affect overall output, Argentina's industry continues to benefit from its scale and strategic imports, ensuring robust production levels for the rest of the season.

Farmers have been holding out selling last year's crop for a devaluation of the currency or decrease/elimination of the export taxes on soy and soy products, currently 33 percent. These hopes

were dashed however when the government's next budget was released with the export taxes were retained at current levels, meaning any cuts are unlikely through the end of 2025. Farmer selling has picked up in recent weeks versus earlier in the marketing year and is expected to be more robust until the next harvest comes online.

## Trade

Post increases MY2024/2025 imports to 5 MMT, up slightly from Post's last update but still 1 MMT below USDA official based on higher production coupled with higher domestic crush. Paraguay is expected to maintain its position as the top supplier, with Brazil in second place though providing less of the total in the previous two marketing years. Exports are also expected up at 7.3 MMT, significantly higher than USDA official based Post's on a rebound from the drought and expanded production with more soy and less corn planted in addition to Post's lower import forecast. In conversations with Post industry contacts and traders expect trade to increase in the upcoming crop year with expectations better prices overseas for Argentine soybeans than at home.

In MY2023/2024, Post decreases its export forecast to 5.3 MMT in, only slightly higher than USDA official, due to China's lack of buying in recent months, a slowdown in shipments, low water levels on the Parana River, and a lack of lineups for the remainder of the year. With only 148,000 tons of soybeans in export declarations for the remainder of the marketing year.

In early September, Argentina exported approximately 63,388 tons of soybeans, primarily to China, with Rosario handling just over half of these exports and the rest shipped out from Bahía Blanca. Despite this, soybean exports remain subdued due to reduced Chinese purchases, although other regions, including Egypt, Venezuela, and Thailand, have shown demand. Additionally, India has increased its purchases of Argentine soybean oil, contributing to 92,310 tons of oil marked for export. Export taxes remain significant, with soybeans taxed at 33% and soymeal and soy oil at 31%, impacting the competitiveness of Argentine exports.

The Parana River, Argentina's primary channel for soy and soy product exports, is experiencing historically low water levels, which are expected to drop further due to ongoing drought conditions in Brazil. This river is a vital export route not only for Argentina but also for neighboring countries like Paraguay, Uruguay, and Bolivia. Ships are currently loaded at 15-20% below full capacity to navigate the shallow waters, increasing export costs as they often stop at Bahía Blanca to "top off" before reaching international markets. This logistical challenge is likely to persist, even with eventual rainfall, due to the significant moisture deficit across the river system.

Domestically, soybean sales slowed in mid-June as producers anticipated favorable government policies and higher prices but resumed in late September as policy shifts seemed unlikely and prices remained stable. Whole soybean exports are still limited compared to soymeal and oil, which offer better returns. Argentina continues to import Paraguayan soybeans to maintain crush levels and improve the protein quality of its soymeal, with Paraguayan imports already reaching their second-highest level this year. The trend of high imports from Paraguay, preferred over Brazilian beans for quality, is expected to continue through MY2024/2025. China's demand for Argentine soybeans declined through July and August, covering almost all of its needs through November, with gaps remaining only for December and January. The global soybean meal market has also softened, largely due to increased U.S. domestic consumption and competitive pricing in South America. Despite this, Argentina's soybean oil has seen a boost in export demand due to its price competitiveness, though biodiesel demand remains limited.

Domestically, soybean prices on October 7 stood at \$310,000 pesos per ton in Rosario and \$270,000 pesos per ton in Quequén, Buenos Aires Province.

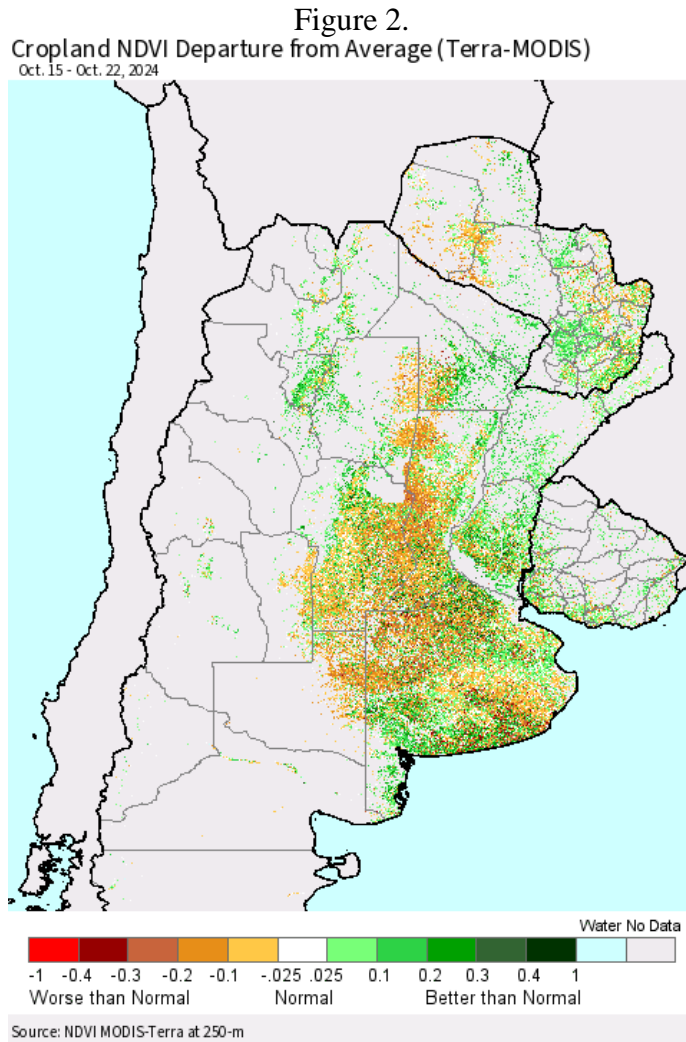
Oilseed, Soybean (Local) Market Year Begins	2022/2023		2023/2024		2024/2025	
	Apr 2023		Apr 2024		Apr 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Argentina						
Area Planted (1000 HA)	17000	17000	16500	16500	16900	17800
Area Harvested (1000 HA)	15000	15000	16300	16300	16900	17200
Beginning Stocks (1000 MT)	8458	8458	6715	6715	9465	9415
Production (1000 MT)	25000	25000	48100	49500	51000	52000
MY Imports (1000 MT)	10395	10395	5900	6000	6000	5000
Total Supply (1000 MT)	43853	43853	60715	62215	66465	66415
MY Exports (1000 MT)	1891	1891	5000	5300	5000	7300
Crush (1000 MT)	28997	28997	39000	41500	41000	42000
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	6250	6250	7250	6000	7600	6300
Total Dom. Cons. (1000 MT)	35247	35247	46250	47500	48600	48300
Ending Stocks (1000 MT)	6715	6715	9465	9415	12865	10815
Total Distribution (1000 MT)	43853	43853	60715	62215	66465	66415
Yield (MT/HA)	1.6667	1.6667	2.9509	3.0368	3.0178	3.0233
(1000 HA) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

## SUNFLOWER

### Production

Post forecast's Argentina's sunflower production in MY2024/2025 at 4 MMT, 200,000 MT above USDA official and slightly higher than last year's reduced output but well below the record levels achieved in MY2022/2023. This year's modest increase reflects limited gains in planted area and yield expectations, with the anticipated dry La Niña pattern potentially constraining production. Post increases forecasted planted sunflower acreage up 50,000 to 1.9 MHA due to corn ceding some ground to sunflower in southern Buenos Aires province.

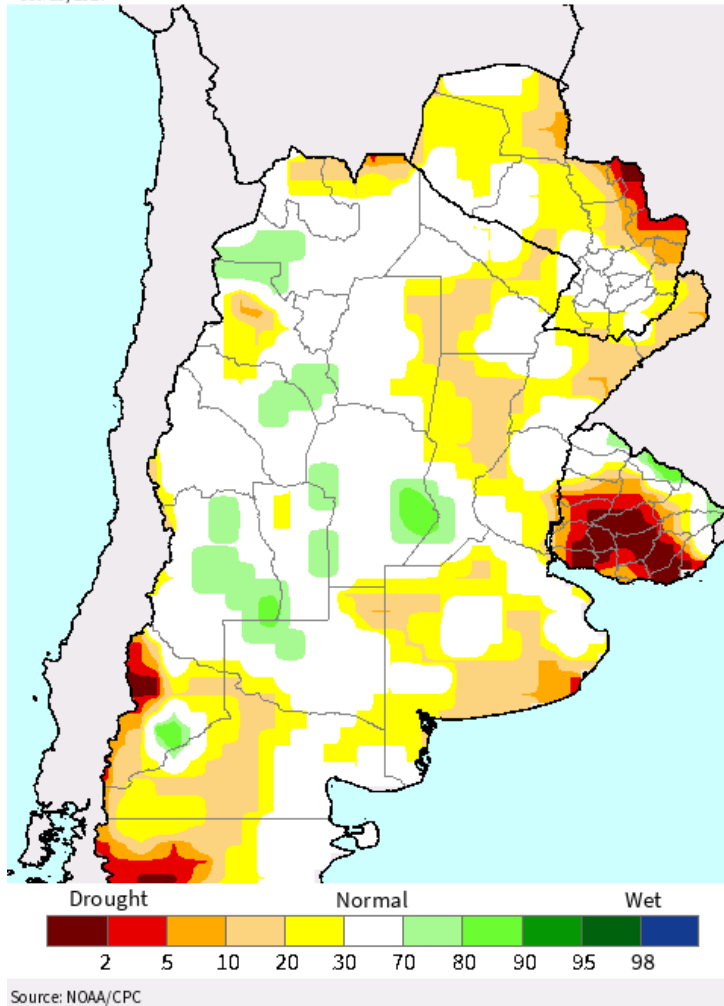
As of writing 46 percent of the sunflower crop had been planted, which is well ahead of planting progress the same time the previous year when only 4 percent of the crop was planted at this stage.



Source: USDA FAS IPAD Crop Explorer

Argentina's sunflower planting in MY2024/2025 in part will increase as farmers shift away from corn, which has higher input costs and is more vulnerable to the corn stunt disease affecting parts of the country. This expansion in sunflower acreage is concentrated in regions with favorable conditions which include northern Santa Fe province, eastern Santiago de Estero province, and a large portion of the Chaco. Ongoing drought in these regions has delayed or limited planting. Although the central region is expected to sustain decent profit margins due to resilient yields, high market prices, and the crop's drought tolerance, this has not been enough to fully offset reduced planting in northern areas like Chaco, where low soil moisture delayed progress. Sunflower acreage in MY2024/25 could have been much higher but was stunted by dry conditions during the optimal planting window of late July into late August. However, some of these decreased acres will be offset but increased sunflower planting in the center and south of Buenos Aires province to replace some corn.

Figure 3.  
CPC Soil Moisture Ranking Percentile (Leaky Bucket)  
Oct. 25, 2024



Source: Source: USDA FAS IPAD Crop Explorer

The total area dedicated to sunflower is now estimated at 1.9 million hectares (MHA), down from earlier forecasts of 2 to 2.3 MHA. Planting is progressing, with about 24% of the crop currently in the ground, which is 14% below the five-year average at this stage. While sunflower is generally fetching favorable prices, especially as it's more drought-resistant and unaffected by pests like the leafhopper, the premiums for high-oleic sunflower varieties seen in previous years are no longer available, slightly reducing incentives for some producers to expand planting further.

Despite the modest increase in seed production, sunflower oil output is projected to grow to around 1.6 MMT, supported by strong processing activity aimed at meeting both domestic and export demand. Sunflower oil exports are expected to reach 980,000 tons, representing a 3.5% year-over-year increase due to competitive pricing on the global market.

In MY2024/24 Post increases sunflower crush to 3.8 MMT, up from both Post's last update and USDA official on higher supplies with higher production. Post maintains exports at 106,000 metric tons, slightly below USDA official but still well below the five-year average of 200,000 metric tons.



In MY2023/2024, post maintains a planted area of 1.8 MHA, 400,000 HA below USDA official based on industry estimates and sales reported to date. Post forecasts this acreage producing a production of 3.6 MMT, slightly below USDA official due to lower yields estimated than USDA official. For MY2023/2024 Post maintains the previous estimate of a 3.55 MMT crush, also slightly above USDA official. Argentina's already record low total idle crush capacity would have been even lower if not for a rise in sunflower crush. While sunflower crush was up in MY2022/2023 to help fill the gap in idle crush capacity with less soybean production, soybeans crush is expected to rebound to absorb much of this excess capacity with a decrease of 12 percent in sunflower crush in MY2023/2024 versus MY2022/2023. Exports are lowered to 900,000 metric tons based on sales to date and ship line ups.

Oilseed, Sunflowerseed Market Year Begins	2022/2023		2023/2024		2024/2025	
	Mar 2023		Mar 2024		Mar 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Argentina</b>						
<b>Area Planted</b> (1000 HA)	2460	2460	2300	1800	1950	1900
<b>Area Harvested</b> (1000 HA)	2453	2453	1843	1780	1950	1880
<b>Beginning Stocks</b> (1000 MT)	711	711	1084	1084	774	839
<b>Production</b> (1000 MT)	5019	5019	3895	3600	4000	4000
<b>MY Imports</b> (1000 MT)	1	1	0	0	0	0
<b>Total Supply</b> (1000 MT)	5731	5731	4979	4684	4774	4839
<b>MY Exports</b> (1000 MT)	94	94	150	90	150	160
<b>MY Exp. to EU</b> (1000 MT)	25	25	25	0	25	0
<b>Crush</b> (1000 MT)	4003	4003	3730	3550	3500	3800
<b>Food Use Dom. Cons.</b> (1000 MT)	0	0	0	0	0	0
<b>Feed Waste Dom. Cons.</b> (1000 MT)	550	550	325	205	350	205
<b>Total Dom. Cons.</b> (1000 MT)	4553	4553	4055	3755	3850	4005
<b>Ending Stocks</b> (1000 MT)	1084	1084	774	839	774	674
<b>Total Distribution</b> (1000 MT)	5731	5731	4979	4684	4774	4839
<b>Yield</b> (MT/HA)	2.0461	2.0461	2.1134	2.0225	2.0513	2.1277

(1000 HA) ,(1000 MT) ,(MT/HA)

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

## PEANUT

Post forecasts Argentina's peanut production in MY2024/2025 at 1.35 MMT, identical to production in MY2023/2024 and USDA official. This projection follows efforts to stabilize production levels by processors. Key factors influencing this year's outlook include high land rental costs and restrictions on agricultural inputs, exacerbated by Argentina's currency and inflation issues. However, favorable weather patterns may help offset some of these challenges, supporting a return to typical production volumes in key growing regions like Córdoba, which dominates Argentina's peanut output. Production is likely to remain stable for the foreseeable future as additional production would require additional

investment in processing capacity. In addition, producers remain wary to plant peanuts due to perceived disruption to their fields and more familiarity with corn and soy production despite higher-than-average land rents offered by processors.

Post maintains previous forecasts for peanut crush and exports in both MY2024/25 and MY2023/2024 in line with USDA official estimates. Post maintains slightly lower export numbers in both marketing years due to competition from other exporters in Argentina’s major markets. The Netherlands expected to continue to be the top export markets for Argentine peanuts this year and next with over 40 percent of exports bound there. Other European countries and Australia will continue to make up the top ten markets. The Argentine Peanut Chamber has begun a concerted push to look for new markets.

These projections align with USDA and industry estimates, reflecting optimism for a productive season but with awareness of the economic pressures impacting peanut production in Argentina this year.

Oilseed, Peanut Market Year Begins	2022/2023		2023/2024		2024/2025	
	Mar 2023		Mar 2024		Mar 2025	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b> (1000 HA)	400	400	420	400	400	400
<b>Area Harvested</b> (1000 HA)	372	372	420	380	400	380
<b>Beginning Stocks</b> (1000 MT)	376	376	255	255	425	310
<b>Production</b> (1000 MT)	963	963	1500	1350	1350	1350
<b>MY Imports</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	1339	1339	1755	1605	1775	1660
<b>MY Exports</b> (1000 MT)	824	824	950	850	950	825
<b>Crush</b> (1000 MT)	130	130	250	275	250	280
<b>Food Use Dom. Cons.</b> (1000 MT)	80	80	80	85	80	85
<b>Feed Waste Dom. Cons.</b> (1000 MT)	50	50	50	85	50	85
<b>Total Dom. Cons.</b> (1000 MT)	260	260	380	445	380	450
<b>Ending Stocks</b> (1000 MT)	255	255	425	310	445	385
<b>Total Distribution</b> (1000 MT)	1339	1339	1755	1605	1775	1660
<b>Yield</b> (MT/HA)	2.5887	2.5887	3.5714	3.5526	3.375	3.5526
(1000 HA) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

### **Policy**

Monthly inflation continues to ease, with August data recording a monthly inflation rate of 3.5 percent in the month of September, still high but significantly down from previous months and the lowest month-to-month increase since 2021. However, year-over-year inflation still remains high at 209 percent, reflecting the ongoing economic challenges in the country.

The recently approved Ley Bases in Argentina introduces substantial changes with significant impacts on the agricultural sector and broader economy. Key among these changes is the Incentive Framework for Large Investments (RIGI), which offers tax exemptions and import/export benefits for projects

involving high-value sectors like agriculture, energy, and mining. This framework aims to attract large-scale investments—over \$200 million in sectors including forestry and agriculture—by offering stability for up to 30 years, facilitating imports of necessary goods, and waiving certain provincial restrictions. However, this has raised concerns about potential environmental impacts, as protections under local laws may be overridden if provinces choose to adopt RIGI guidelines.

Furthermore, the labor reforms in the Ley Bases affect agricultural operations by extending the probation period for new hires, which may impact the labor market flexibility required by smaller agricultural enterprises. Additionally, adjustments to fiscal policies, including the lowering of personal asset tax thresholds, seek to stimulate economic activity but may lead to shifts in how agricultural businesses manage assets and personnel.

There has been considerable angst in Argentina over the EU deforestation regulation which was originally due to come into force on December 30, 2024 and would affect soy and soy products. However, the implementation date has been delayed one year which was welcomed by the Argentine government and industry. However, implementation details are not provided in the coming months, there are fears it could impact Argentina's soymeal and oil exports to the EU, its top export market for both products.

**Attachments:**

No Attachments