

The data in this report refers to the last fortnight from March 28 through April 12, 2024. The grains market is analyzed on the basis of reports released by the US CBOT market and other entities, including the USDA, FAO, IGC, Oil World, and private sources.

Contents

SUMMARY	2
WHEAT	6
International Market	6
Local Market	8
CORN	9
International Market	9
Local Market	11
SOYBEANS	12
International Market	12
Local Market	14
VEGETABLE OILS	15
International Market	15
Local Market	17
Chart 1.....	18

SUMMARY

In the Chicago market, commodities experienced broad upticks fueled by geopolitical tensions in the Middle East, particularly Iran's assertiveness and concerns over potential escalation. Similarly, there were increases in the local market for all products due to the emergence of rains delaying the soybean and corn harvest.

Following the release of the April 24th WASDE Supply and Demand Report, prices initially dipped, only to rally back on the week's final trading day. Wheat futures closed with gains due to the escalation of conflicts. As for corn, contracts closed higher, amidst uncertainty surrounding global production projections for the closing 2023/24 campaign and the enormous questions looming over 2024/25. The market confirmed a rebound in soybeans at the close, following a one-month low. Reports of soybean sales, increased milling, and growing use of oil as biodiesel supported prices.

According to the USDA in its April 11, 2024 report, the last report for the 23/24 cycle was published for the US and the global level. In both cases, the closing of this cycle was published in the Forum-24, providing a preview of the 24/25 cycle.

Southern Hemisphere corn prospects have deteriorated, with reduced consumption, partly due to a global decrease in animal feed rations and adjustments in other non-food/feed/industrial uses. For international sources tracking and estimating the global agricultural calendar, notable shifts are absent, mirroring a prudent approach in light of worldwide trade disruptions affecting inter-country and inter-regional commerce. The pricing indicator, predominantly denominated in dollars and other currencies, shows weakness for essential food commodities, extending to other goods such as minerals, metals, and even energy resources like crude oil.

The production landscape witnessed abundant supplies from South America, driven by a record North American corn harvest and abundant, inexpensive Russian wheat. As a result, speculators have accumulated huge short positions driving prices down.

Based on year-over-year data advancements, the USDA's May-24 release anticipates an uptick in total grain supply for the 2024/25 period, with a downturn expected for wheat. Trade level is weakened, but there has been a gradual recovery for wheat, corn and soybeans, with moderate levels of consumption or use. Thus, there is a decrease in global grain demand for both human and animal consumption, encompassing rations, feed grains, cereals, and protein meals.

During the last fortnight (March 28- April 12), nearby May-24 contract prices in the Chicago market exhibited significant volatility and slight declines. Soybean prices fell by 7 USD to USD 431/ton, soybean oil dropped by 28 USD to USD 1024/ton, and soybean meal declined by 5 USD to USD 369/ton. Corn closed USD 2.5 higher at USD 172/ton. Chicago wheat rose by USD 2 to USD 204/ton while Kansas wheat settled USD 2 lower at USD 217/ton. In turn, vegetable oils -on average- gained USD 23, closing at USD 1006/ton.

Wheat, Corn and Soybean Crop Condition in the US.

According to the USDA as of April 8, 2024, crop progress in the US for the 2024/25 cycle, starting in May 2024, was disclosed. Corn and spring wheat plantings in the US progressed to 3% of the projected area. Corn plantings were slightly below expectations (4%), but wheat plantings were in line with expectations at 3%.

Winter wheat condition was rated 56% good to excellent (above last year's 27% and above the average of 37%). Wheat is currently 6% heading.

US Wheat, Corn and Soybean Weekly Exports

According to the USDA, soybean weekly exports as of April 4 2024 for both marketing years settled at 0.305 MMT, poor, though at the lowest expected range (0.2-0.8), which was neutral to bearish for prices. Weekly corn exports for 23/24 stood at 0.325 MMT with a marginal contribution of 0.010 MMT from 24/25, significantly below the expected range of 0.75-1.4 MMT, exerting a bearish pressure on the feed grain market. Harvest output from Argentina and Brazil dominates market expectations, yet regional moisture is delaying the harvest.

Weekly wheat sales for the 2023/24 cycle amounted to only 0.081 MMT, within the expected range of -0.01-0.25 MMT, while those for 24/25 reached 0.274 MMT, falling within the anticipated range of 0.01-0.3 MMT. Overall, both cycles totaled 0.278 MMT, aligning with expectations and exerting a neutral influence on cereal prices.

US hedge funds

According to the Commodity Futures Trading Commission (CFTC) report as of April 9, 2024, hedge funds short soybean grain totaled 0.37 MMT, increasing their net short position to -21.64 MMT), which is a bullish movement equivalent to a -14.9% net interest (last week: -14.8). Corn purchases totaled 0.32 MMT and there was a marginal decrease in their net long position to -34.24, indicating a bullish movement equivalent to a rate of -13.5% (previous week: -13.7%). Wheat net purchases totaled 1.0 MMT, and their net short position moved to -14.86 MMT, i.e. a bullish movement equivalent to a rate of -23.9% (versus -23.0% the previous week).

Net positions remained fairly short, with high net balances, reflecting a prolonged bearish dominance in the market. Finally, index funds (wheat, corn and soybeans) reduced their net long position by -1.14 closing at 71.45 MMT.

Argentine Overview

Domestic marketing continues under the official dollar rate, with transactions indicating a decrease in accessible funds, dipping below Rosario's listed operations. The narrowing gap with the official dollar complicates business transactions and deals in pesos or dollars.

This complexity in decision-making further delays the marketing of the diminished 2023/2024 harvest.

Regarding the fertilizer market, with a 4% decline, it appears to have found its bottom and the conditions to meet demand. Argentina seems to have stabilized its investment in agricultural fertilizers, which has not decreased from the 4 MMT applied to crops over 6 years.

In terms of pricing, immediate corn offers hovered around ARS 145,000/ton, while the open price for immediate wheat unloading stood at ARS 185,000/ton. Soybean trades saw no active buyers, with contracts registered in SIO-Granos averaging around ARS 250,000/ton. Sunflower was offered at ARS 240,000/ton for immediate delivery.

Regarding weather conditions, despite moisture replenishment, ongoing rainfall has deteriorated the situation, particularly impacting the coarse crop harvest. The Cereal Exchange has revised downward national harvest projections, estimating soybeans at 50 MMT, corn at 49.5 MMT, and sunflower at 3.5 MMT.

Prospects for initial wheat and barley planting for the 2024/25 cycle appear bleak, with benchmark prices ranging from USD 208/ton for available contracts to USD 209-212/ton for Dec-24 and Jan-25 contracts. While improvements are possible, the initial scenario does not promise attractive profitability to incentivize increased planting. Therefore, absent any exchange rate interventions, the most plausible scenario would entail a planting area similar to the previous cycle.

16-04-2024Period: 28/03/2024 to
12/04/2024**WHEAT****International Market**

The biweekly soybean prices experienced net increases, with CBOT rising by 0.5% and closing at USD 203.4 per ton. KCBT prices also saw a 0.5% rise, closing at USD 216.7/ton. The USDA estimated the annual global stocks balance for 23/24 at 258 million tons, lower than expected, +5% compared to the previous year, and the lowest since 2015/16. Speculative funds positions remain fairly short. Wheat harvest concluded with average yields of 28.4 qq/ha, and production was estimated at 15.9 MMT.

Last Fortnight Prices

During the last fortnight (March 28 – April 12, 2024), futures prices for wheat in Chicago (May 2024) exhibited weekly fluctuations, resulting in slight net declines for Chicago wheat, down by 0.5% to USD 204.3/ton. KCBT prices closed 0.5% higher at USD 216.7/ton. Kansas hard red wheat affirmed its premium. The market continues to monitor supply and exports from the Black Sea as the main bearish factor, but there were increases due to the conflict in the Middle East, now involving Iran. Planting reports and prospects are focused on the 24/25 cycle, with estimated declines in wheat in Europe and also in Russia and Ukraine. USDA forecasts for this cycle begin in May. The USDA estimated the annual global stocks balance for 23/24 at 258 MMT, lower than expected, +5% compared to the previous year, and at the lowest level since 2015/16. Speculative funds continue to maintain predominantly short positions, while US exports remain in line with expectations. Price trends have stabilized, closing USD 4 below the 20-day average of USD 204 and USD 217/ton for both the Chicago and Kansas markets, respectively.

Headline News

Adverse weather in Europe was news, as well as concerns about military conflicts in the Middle East such as Iran's attacks. Additionally, Russian attacks on Ukrainian energy infrastructure pressured prices. Ukraine's consistent export of sizable quantities at deeply discounted rates akin to "fire sales" is a key factor contributing to the bearish trend in prices. There were conflicts between Russian authorities and major private grain exporters, with the Russian FOB continuing to rise to USD 208/ton, deterioration of French wheat, and speculative funds making hedge purchases that provided some support to prices.

Estimates for the US for the 24/25 cycle indicated an increase to 51.7 MMT, against maximum harvests of 49 MMT in recent campaigns.

World ending stocks for 2023/24 fell by -0.5 MMT to 258.3 MMT, below the previous estimate. World ending stocks are up +5% year-on-year, but would be the lowest since 2015/16.

Nevertheless, in Russia and Ukraine, amidst full-scale warfare, production risks are sidelined, with little consideration for price fluctuations. Both countries are attempting to export their entire 2023/2024 harvest in a few months, causing wheat prices in that region to continue falling.

World wheat prices have already reached their lowest values since late 2020 in Feb/Mar-24. Projections for 2024/2025 suggest an enormous supply of hard red wheat in Europe, Russia, and Ukraine.

In May, meetings of entities on wheat for Argentina new 2024/2025 harvest begin, discussing inputs and products relevant to the use of herbicides and fertilizers. Currently, the harvest figures do not appear attractive for increases in area and the adoption of technology.

Fundamentals Analysis. 2023/24 Wheat. WASDE USDA, April 2024.

According to the USDA WASDE report as of April 11, US 2023/24 production settled +9.8% higher at 49.3 MMT (2022/23: 44.9). Exports declined by -6.4% to 19.3 MMT (2022/23: 20.7). Total use rose +0.3% to 30.3 MMT (2022/23: 30.4). The annual balance on lower exports closed +22% higher at 18.9 MMT (2022/23: 15.5). The stocks-to-use ratio would rise to 62.6% versus 50.9% in the preceding marketing year. The balance closed with strongly higher carryover stocks, which was bearish for cereal prices.

According to the report, global 23/24 production declined -0.2% to 787 MMT (2022/23: 789). Exports are expected to decrease by 0.3% to 217 MMT (2022/23: 216). Total use rose by barely 1.2% to 800 MMT (2022/23: 791). Ending stocks would close the 2023/24 marketing year -4.7% lower at 258 MMT(2022/23: 271), an 8-year low. The stocks-to-use ratio would fall to 32% (2022/23: 34). The year-on-year balance would be narrower, coupled with declines in trade and stocks, and with futures prices being neutral to bullish (Table 1).

Local Market

Last Fortnight Prices.

During the last fortnight, the local market witnessed fluctuations, with increases prevailing, resulting in gains over the weeks. Local prices continue to be undermined by the agricultural dollar, closely tracking the official rate, which provides little incentive for immediate sales or future pricing arrangements. Financing costs have decreased, and the wheat-to-inputs ratio has improved according to data from March 2024. There were increases in the price of available wheat in dollars in Rosario, up by 3% to close at USD 208/ton (compared to USD 202 in the previous fortnight and USD 205 in the previous month). In pesos, there was a 3.9% increase, prices closing at ARS 180,100/ton. The harvest position for July and December 2024 increased by over 6% to USD 222 and USD 209/ton, respectively. Finally, the January 2025 position opened and closed at USD 212/ton.

Yields

Available wheat yield for the current harvest concluded at USD 205 per ton, incorporating standard yields and modal technology, translating into provisional gross margins ranging between USD 121 and 250 per ha. The July 2024 contract appeared more enticing, guaranteeing prices at USD 210 per ton (see Chart 1).

Harvest Projections

According to the Buenos Aires Grain Exchange, as of January 25, 2022/24 corn harvest ended with 6.2 Mha, average yields of 28.4 qq/ha and an achieved output of 15.1 MMT. Barley harvest, in turn, settled at 5 MMT.

CORN**International Market**

Biweekly corn prices in Chicago reversed with weekly gains. They increased by 1.4% closing at USD 171.5/ton (last fortnight: 169; last month: 172). The USDA's April 24th balance was more relaxed for both the US and global markets, exerting bearish pressure on future prices. US weekly exports were fairly poor. Excessively short or long funds continue to be bearish. In Argentina, corn harvesting reached 15% of the area with an average yield of 88.4 quintals/ha. The estimate was revised down by -2.5 to 49.5 MMT due to (spiroplasma) and heat stress. Delays in harvesting could increase losses.

Last Fortnight Prices

Last fortnight (March 28 - April 12), Chicago corn futures prices (May 2024) kept posting weekly gains. These net gains were of 1.4%, prices closing at USD 171.5/ton (last fortnight: 169.2; last month: 171.9). According to the USDA's April 24th report, US indicators kept unchanged, with a year-on-year increase in stocks of +56% to 53.9 MMT, the highest level since 2018/19. Supply confirmed a substantial stock strengthening, and had a bearish effect on feed grain prices. For the global level 2023/24 (end of the current cycle), it estimated year-on-year production at +6% to 1,229 MMT, exports at +8.4% to 196 MMT, and total use at +3.9% to 1,212 MMT. Ending stocks would close +5.3% higher at 318 MMT, the highest level since 2018/19. Thus, the year-over-year balance would be more comfortable, with trade on the rise and a recovery in stock, resulting in a bearish outlook for future prices. The escalation of conflicts in the Middle East, Iran's attack, which caused increases in both cereal and oil prices, had a significant impact.

Weekly exports from the US for 2023/24 amounted to only 350 TMT, falling below expectations and exerting downward pressure on prices. The departure of the harvest in Argentina and Brazil may be delayed due to rainfall in the region, potentially bullish for prices. Price trends remained sideways, closing USD 5 below the twenty-day average of USD 176 per ton.

Global News

The USDA report for both the US and global markets, featuring significant supply, trade, usage, and carryover adjustments, made headlines as it signaled a bearish trend for grain prices. After these April 24th estimates, the market's attention is on the 2024/25 cycle, with planting and production forecasts in the Northern Hemisphere indicating greater slack, equally bearish for prices.

These reports have not altered the supply of feed grain so far in 2024, with record production and a strong rebuilding of inventories. However, for the global level, the most recent data bet on bullish fundamental balances for prices. Among the most bearish factors is Ukraine, which continues to export large batches of corn at bargain prices. Planting was reported with expectations of a -4.5% decrease in area compared to 2023. Rumors of new cancellations of Chinese purchases from Europe were also heard. Thus, China is restricting its corn imports to support prices, which have fallen in the domestic market.

News about potential failures in late South American corn production, due to climatic or biological factors, did not weigh on price formation.

Weekly exports from the US were sluggish, falling below the expected range and exerting bearish pressure on prices. In Argentina, the BCBA reduced its corn projection by 2.5 MMT to 49.5 MMT (from 34 MMT in the previous season). While these developments were bullish, they aligned with the USDA's April 2024 report.

The most significant information continues to revolve around offered supplies and global demand. Currently, the data is neutral to bearish for feed grain prices.

Fundamentals Analysis. 2023/24 Corn. WASDE USDA, April 2024.

According to the USDA WASDE report as of April 11, for US 2023/24 marketing year, there were little changes. Production was confirmed +12.4% higher at 389.7 MMT. Exports will grow by +26% to 53.3 MMT. Total use increased +3.8% to 317.6 MMT The balance closed +56% higher at 53.9 MMT, the highest level since 2018/19. The stocks-to-use ratio would rise to 17% versus 11.3% in the preceding cycle. This balance strengthened supply, with a substantial stock strengthening, and had a bearish effect on feed grain prices.

According to April 2024 report, global 23/24 production rose +6% to 1229 MMT (2022/23: 1158). Exports rose 8.4% to 196 MMT (2022/23: 180). Total use rose by barely 3.9% to 1212 MMT (2022/23: 1166). Ending stocks would close 2023/24 with a year-on-year +5.3% rise at 318 MMT (2022/23: 302), the highest since 2018/19. The stocks-to-use ratio closed higher at 26.3% (2022/23: 25.9). The year-over-year balance would be more comfortable, with trade on the rise and stock recovering, resulting in a bearish outlook for future prices of feed grain (refer to Table 2).

Local Market

Last Fortnight Prices

During the last fortnight, the local market experienced adjustments and led increases both in dollars and in pesos. The market heated up due to rains delaying the harvest, thus favoring short-term deliveries and immediate payment. Available wheat in Rosario saw weekly increases totaling 7.9%, closing at USD 179 per ton (compared to USD 166 in the previous fortnight and USD 172 in the previous month). In pesos, the increases were 8.9%, closing at ARS 155,000 per ton. Prices in Necochea and Bahía Blanca hovered around ARS 168,000 per ton. Local futures in dollars saw growth, with April-24 harvest futures up by 6.5% to USD 179.5 per ton and September-24 up by 5.5% to USD 178.5 per ton. The April 2025 position started and traded at USD 186.5/ton. Harvest projections decreased due to spiroplasma and bacteriosis, to 49.5 MMT.

Crop Yield

The profitability of corn for the current harvest at the available price of USD 179 per ton, with typical yields and modal technology, offered indicative gross margins of USD 294 and USD 501 per ha. The July 2024 contract appeared unattractive, paying USD 175 per ton (see Table 1).

Harvest projection

According to the Buenos Aires Grain Exchange, as of April 11, 2024, the maize harvest area of 17.2 Mha progressed to 15.3%, slowed down by rainfall. The average yield is 88.4 quintals per ha. The estimate was reduced by 2.5 MMT to 49.5 MMT (down by 6.5 million tons from the initial forecast) due to spiroplasma and summer stress. Sorghum production was at 20.7% of 0.95 Mha, projected at 3.5 MMT.

SOYBEANS**International Market**

Biweekly soybean prices showed declines until hitting a minimum on the day of the USDA report, but recovered and closed at USD 431/ton. Soybean oil fell by 2.6% and closed at USD 10245/ton. On the other hand, soybean meal decreased by -1.4% and closed at USD 369/ton. The global and US Supply and Demand Balance showed a more comfortable situation, marked by record production and stock recovery. Speculative funds maintained their net sold positions, a short and bearish position for the market. The local harvest projection by the Buenos Aires Grain Exchange declined by 2.5 MMT to 50 MMT.

Last Fortnight Prices

During the last fortnight (March 28 - April 12, 2024), nearby futures prices (May-24) for soybeans in the US exhibited weekly declines, touching USD 426 per ton on the day before the USDA report's release. However, there were widespread increases at the close due to conflicts with Iran in the Middle East. There were also rebounds for all products due to rains in South America delaying the soybean and maize harvests in Brazil and Argentina. Thus, there were fortnightly declines of only -1.4%, closing at USD 431.4 per ton (compared to USD 437.8 in the previous fortnight and USD 440 in the previous month). Soybean oil showed net declines of -2.6% and closed at USD 1024 per ton (compared to USD 1053 in the previous fortnight and USD 1089 in the previous month). Meanwhile, soybean meal fell by -1.4% and closed at USD 369 per ton (compared to USD 374 in the previous fortnight and USD 369 in the previous month). The Supply and Demand Balance for both the global and US markets in April 2024 resulted in a more comfortable situation, marked by record production and stock recovery. Speculative funds maintained their net sold positions, holding a short and bearish stance in the market. The price trend for soybeans was bearish, closing USD 10 below the four-week average of USD 451 per ton.

International News

It was news that soybean prices fell on the CBOT on the day of the USDA's bearish report on April 24th, reaching USD 425/ton (the lowest value in five weeks), and recovered the next day to USD 431/ton due to the conflict in the Middle East with attacks from Iran. Nevertheless, they are still far from the mid-February 2024 lows.

A record soybean crushing in the US in March 2024 at 5.4 MMT, up 6.2% from the same month of the previous year, was reported. It should be noted that the demand in this country favored the use for biofuels, resorting to soybean imports. Overall, commodities showed increases, driven by the exacerbated conflict in the Middle East.

Chinese soybean imports in March 2024 were 5.54 MMT, down 20% from the same month last year and the lowest in four years for that month. China continues to stay away from the market, reflected in the low volume of sales to this destination from North American soybean exports.

The Outlook Forum for the 2024/25 campaign estimated US production at 122.6 MMT vs. 113.4 in the 2023/24 campaign.

Rainfall in Mar-24 in productive areas of Argentina improved soil profiles, particularly in the northern regions. However, this persistence has led to decreases in projection and delays in the harvest. Also, the production of soybeans in Brazil was reduced by 3 MMT with expected cuts by the market.

In Argentina, rains improved yield prospects and supported forecasts and projections. However, due to the same reason and the delay in harvest, these projections declined, with the most recent now at 50 MMT.

Production progresses in Brazil and Argentina continue to impact market prices. Uncertainty about weather and rainfall dominates the scenario and becomes a significant bullish or bearish argument.

Fundamentals Analysis. 2023/24 Soybeans. WASDE USDA, April 2024.

According to the USDA WASDE report as of April 11, US 2023/24 production indicators were slightly changed. A production decline of -2.5% to 113.3 MMT was projected (2022/23: 116.2).

Exports declined sharply by almost -15% to 46.3 MMT (2022/23: 54.2). Total use rose +4.3% to 65.7 (2022/23: 62.9). Ending stocks would close +29% higher at 9.3 MMT versus 7.2 in 2021/23.

Despite decreases in production and exports, coupled with increases in use, soybean reserves grew, exerting downward pressure on soybean prices.

According to the aforementioned report for the global level and the 23/24 cycle, it estimated a year-over-year increase in production of +4.9% to 397 MMT (compared to 378 MMT in the 22/23 cycle). Exports rose 0.5% to 173 MMT (2022/23: 172). Total use rose 4.2% to 381 MMT (2022/23: 366). Thus, the balance for the 23/24 cycle would close with a significant increase in stock, up by 13% to 114 MMT (compared to 101 MMT in the 22/23 cycle), among the highest levels since 2018/19. The stock-to-use ratio would grow to 30% (compared to 27.7% in the 22/23 cycle). With a more comfortable year-over-year balance since 2017/18, featuring similar increases in production and total usage, along with a strong rise in stock, this scenario was bearish for future soybean prices (refer to Table 3).

Local Market

Last Fortnight Prices

Over the last fortnight, the local market displayed strong net rises of 0.4% in dollars and 1.4% ones in pesos. The need for purchases by factories and rains delaying the harvest toned up the values, reaching ARS 255,000. For contractual delivery and fixings, ARS 252,000/ton was paid, while delivery in May with immediate payment was negotiated at USD 250,000/ton. The available Rosario price at the Matba closed at USD 294 per ton in dollars and ARS 255,000 per ton in pesos.

For the May-24 harvest, there were improvements in the term spread of +0.4%, closing at USD 292.5 per ton (compared to USD 291.5 in the previous fortnight and USD 290.1 in the previous month). There were enhanced sales for fixing prices and/or negotiations for months of the harvest or beyond. According to SAGPyA, the 23/24 campaign continues with marketing well below average.

Crop Yield

Corn profitability for the current harvest at the available price of USD 294 per ton, with typical yields and modal technology, offered indicative gross margins of USD 294 and USD 493 per ha. The July 2024 contract appeared unattractive, paying USD 297 per ton, while the September 2024 contract paid USD 301 per ton (see Table 1).

Harvest projection

According to the Buenos Aires Grain Exchange, as of April 11, 2024, the soybean harvest progressed to 10.6% of the area, covering 17.3 Mha. Low yields are expected in the NEA and other regions. The projection underwent a downward revision of 1.5 MMT to reach 51 MMT (down from the previous estimate of 52.5 MMT), with the USDA offering a slightly lower estimate at 50 MMT.

VEGETABLE OILS**International Market**

In the realm of vegetable oils market dynamics, biweekly price assessments in Rotterdam and major port facilities demonstrated a net decline of -0.7%. This decline was predominantly led by palm oil. Despite this, mean prices have stabilized around the USD 1000 threshold, closing at USD 1047 per ton (USD 1014 in the preceding biweekly period and USD 966 in the preceding month). The sunflower harvest effectively encompassed 99% of the 1.85 million-hectare cultivation area, yielding an average of 20.2 quintals per ha. Notably, the projection for sunflower production remained unchanged at 3.6 MMT.

Last fortnight prices

During the last fortnight (March 28 - April 12, 2024), average prices of vegetable oils in Rotterdam and major exporting ports showed slight decreases outweighing weekly increases, resulting in a net decline of -0.7%. In Rotterdam, decreases were led by olein and palm oil, while sunflower oil saw increases. Average prices remained just above the USD 1000 mark for the fifth consecutive week, with the closing average index at USD 1006 per ton (USD 1015 in the previous fortnight and USD 1069 in the previous month). The trend was mildly bearish, closing USD 45 below the four-week average of USD 1052 per ton.

International News

Worldwide HVO/biodiesel production is projected to reach a record 62.5 MMT, driven by support from key oilseed and vegetable oil-producing countries such as the US, Brazil, Argentina, and Indonesia.

Biofuels have been responsible for the growth in demand in the oils and fats market over the past four seasons, surpassing the slow growth in demand for the agri-food sector. Production deficits are expected between April and September 2024, before the Northern Hemisphere harvest.

In the current season, the abundant supply of sunflower oil in 23/24 has compensated for the shortage of palm and soybean oil. Repressed demand has developed in major importing countries.

Throughout the 2023/24 season, the increase in production of the 17 main oils and fats is expected to decline to less than half of the increase recorded in the previous cycle. This is reflected in the slower growth in palm oil production in Indonesia, soybean oil in Brazil, and sunflower oil in Russia.

Oilseed crushing will accelerate worldwide in 2024.

World crushing of the 10 oilseeds reached 127.3 MMT in Jan-Mar/24, up 6.0% from the depressed level of the previous year.

Crushing expectations have been exceeded in soybean (US, Argentina, Brazil, and China), as well as in sunflower between Russia, Ukraine, and Argentina.

World crushing of the 10 oilseeds reached 127.3 MMT in Jan-Mar/24, up 6.0% from the depressed level of the previous year.

Soybean demand resulted in 2023 being higher than expected, given the decrease in palm oil and derivatives.

It has been reported that vegetable oil stocks are decreasing in China. The high prices of palm oil on the Dalian Commodity Exchange are demanding a premium for soybean oil, indicating a shortage of supplies in China.

Palm oil imports plummeted by 28% year-on-year to 662 TMT in the first two months of 2024, insufficient to meet demand.

In the US, soybean crushing exceeded expectations, driven by domestic demand for biodiesel/HVO. The total soybean oil stocks recovered by 1.0 MMT by late February 2024 but still remained 4% below the previous year's level.

According to Oil World April reports, the global soybean oil supply and demand prospects will change in 2024. A recovery is anticipated in Argentina, with Brazil's recovery expected to be less significant due to its higher use.

2023/24 Vegetable Oils Market. WASDE USDA, April 2024.

According to the USDA's April 11th WASDE report for the 23/24 cycle, the global market for vegetable oils anticipates a year-over-year increase in production of 2.3% to 223 MMT, with exports rising by 0.4% to 89 MMT. Furthermore, there's an expected record employment of 3.5% to 218 MMT and a slight decrease in reserves of -0.8% to 31 MMT. The annual balance would conclude with a stock-to-use ratio of 14.3%, compared to 14.9% in 2022/23 (Table 4). Sunflower oil production, in turn, increased by 0.6% to 21.8 MMT year-over-year (2022/23: 21.7). Exports are expected to increase 1.3% to 14.5 MMT (2022/23: 14.3), while total use increases by +5.2% to 20.6 MMT (2022/23: 19.6), resulting in a stock of -19.6% 2.4 MMT (2022/23: 2.9). The stock-to-use ratio would remain in 11.5% compared to 15.1% in the 2022/23 cycle and it was bullish for prices (Table 5).

Local Market

During the last fortnight, global markets for oils remained stable to bearish, with sunflower oil showing the most significant gains. In the Rosario Chamber and indicative market, prices remained unchanged at USD 290 per ton, while the spot market closed at ARS 243,000 per ton.

Sunflower Yield

Crop profitability sunflower price 2022/23 harvest, considering yields of 18 and 25 qq/ha, and with the price of the current harvest stockpiling paid USD 290/ton, yielded an indicative gross margin of USD 106-254/ha (Chart 1).

Sunflower Harvest Projections

According to the Buenos Aires Grain Exchange, as at April 11, 2023/24 sunflower harvest amounted to 99% of an estimated area of 1.85 Mha and a 20.2 qq/ha yield. The projection was reduced due stress and harvest delay to 3.6 MMT.

16-04-2024

Period: 28/03/2024 to
12/04/2024

Chart 1.

Crop Gross Margins. Northern Buenos Aires. Argentina. In USD/ha

Date 12/04/24		WHEAT		SUNFLOWE R		CORN		SOYBEANS		
Yield	qq/ha	35	45	18	25	75	95	28	38	
Future price	u\$/qq	20.8	20.8	29.0	29.0	17.9	17.9	29.4	29.4	
Gross income	u\$/Ha	728	936	522	725	1343	1701	823	1117	
Selling expenses	%/IB	25	25	18	18	35	35	24	24	
Net Income	u\$/Ha	546	702	428	595	873	1105	626	849	
Tillage	u\$/Ha	70	70	66	66	65	65	85	85	
Seed	u\$/Ha	66	66	69	69	168	168	54	54	
Urea, FDA	u\$/Ha	174	174	88	88	154	154	70	70	
Agrochemicals	u\$/Ha	49	49	52	52	98	98	58	58	
Harvest	u\$/Ha	66	84	47	65	94	119	66	89	
Direct costs	u\$/Ha	-425	-443	-322	-340	-579	-604	-333	-356	
Gross margin	u\$/Ha	121	259	106	254	294	501	293	493	
PLANTING PERCENTAGE		230				197		339		
GM-40%GI	u\$/Ha	-170	-116	-103	-36	-243	-179	-37	46	
LEASE										
Average rent	qq/Ha	10	10	9	9	20	20	13	13	
GM-Rent	u\$/Ha	-87	51	-155	-7	-64	143	-89	110	

Note: Prices without VAT, short-distance freight 20 KM, long-distance freight 200 km. Source: report data.

16-04-2024

Period: 28/03/2024 to
12/04/2024

Table 1.
Wheat Supply and Demand. In MMT.

WHEAT	Area	Yield	Production	Exports	Total Use	Ending Stock	Stock/use %
2012/13	216.10	3.06	660.80	145.60	680.30	180.60	26.55%
2013/14	219.80	3.27	718.10	162.50	697.90	200.80	28.77%
2014/15	221.40	3.31	732.10	162.00	707.10	225.80	31.93%
2015/16	223.40	3.31	739.00	172.20	716.80	248.00	34.60%
2016/17	222.50	3.40	757.30	185.70	737.30	268.00	36.35%
2017/18	218.00	3.49	760.30	187.00	740.70	287.60	38.83%
2018/19	214.70	3.40	729.80	178.10	733.40	284.00	38.72%
2019/20	215.20	3.53	759.30	195.10	745.80	297.50	39.89%
2020/21	220.20	3.51	772.80	199.60	786.60	283.70	36.07%
2021/22	221.70	3.52	780.40	205.20	791.30	272.70	34.46%
22/23 /3	219.60	3.59	789.30	216.10	791.00	271.00	34.26%
23/24 (03) /2	222.70	3.53	786.70	215.40	799.00	258.80	32.39%
23/24 (04) /1	222.70	3.54	787.40	216.70	800.10	258.30	32.28%
Monthly var (1/2)	0.00%	0.09%	0.09%	0.60%	0.14%	-0.19%	
Yearly var (1/3)	1.41%	-1.63%	-0.24%	0.28%	1.15%	-4.69%	

Source: USDA Wasde. April 11, 2024

16-04-2024

Period: 28/03/2024 to
12/04/2024

Table 2.
Corn Supply and Demand. In MMT.

CORN	Area	Yield	Production	Exports	Total Use	Ending Stock	Stock/use %
2012/13	183.70	4.90	898.80	100.70	877.40	144.70	16.49%
2013/14	188.00	5.50	1027.30	130.90	957.50	214.60	22.41%
2014/15	188.80	5.60	1058.20	128.80	993.10	279.70	28.16%
2015/16	188.30	5.40	1015.90	145.80	983.90	311.70	31.68%
2016/17	196.80	5.70	1128.20	143.60	1088.10	352.00	32.35%
2017/18	193.10	5.60	1081.60	154.10	1092.00	341.60	31.28%
2018/19	192.50	5.90	1128.00	173.60	1146.60	323.10	28.18%
2019/20	193.60	5.80	1122.00	175.90	1135.60	309.50	27.25%
2020/21	198.30	5.70	1128.80	184.10	1145.40	292.90	25.57%
2021/22	206.20	5.90	1216.10	193.50	1198.30	310.80	25.94%
22/23 /3	200.40	5.80	1157.70	180.70	1166.30	302.20	25.91%
23/24 (03) /2	202.90	6.10	1230.20	197.50	1212.20	319.60	26.37%
23/24 (04) /1	202.90	6.10	1227.90	195.90	1211.80	318.30	26.27%
Monthly var (1/2)	0.00%	0.00%	-0.19%	-0.81%	-0.03%	-0.41%	
Yearly var (1/3)	1.25%	5.17%	6.06%	8.41%	3.90%	5.33%	

Source: USDA Wasde, April 11, 2024

16-04-2024

Period: 28/03/2024 to
12/04/2024

Table 3.
Soybean Supply and Demand. In MMT.

SOYBEANS	Area	Yield	Produc- tion	Exports	Total Use	Ending Stock	Stock/ use %
2012/13	110.39	2.44	268.97	100.41	265.43	58.33	21.98%
2013/14	113.22	2.50	283.38	112.80	278.33	63.86	22.94%
2014/15	119.20	2.70	321.51	126.44	303.98	79.31	26.09%
2015/16	120.91	2.61	316.14	132.84	316.96	79.69	25.14%
2016/17	120.59	2.91	350.88	147.74	332.23	95.63	28.78%
2017/18	125.27	2.74	343.82	153.40	340.39	99.83	29.33%
2018/19	126.08	2.88	363.51	149.22	345.78	114.27	33.05%
2019/20	123.57	2.76	341.43	165.82	359.92	95.25	26.46%
2020/21	129.73	2.85	369.22	165.18	366.86	98.64	26.89%
2021/22	131.46	2.74	360.45	154.43	366.03	93.09	25.43%
22/23 /3	136.86	2.76	378.20	172.09	365.76	101.31	27.70%
23/24 (03) /2	139.47	2.85	396.85	173.61	381.90	114.27	29.92%
23/24 (04) /1	139.47	2.84	396.73	173.06	381.08	114.22	29.97%
Monthly var (1/2)	0.00%	-0.03%	-0.03%	-0.32%	-0.21%	-0.04%	
Yearly var (1/3)	1.91%	2.94%	4.90%	0.56%	4.19%	12.74%	

Source: USDA Wasde. April 11, 2024

16-04-2024

Period: 28/03/2024 to
12/04/2024

Table 4.
Oils Supply and Demand. In MMT.

OILS	Crushing	Yield	Produc- tion	Exports	Total Use	Ending Stock	Stock/ use %
2012/13	474.26	0.34	161.25	68.27	157.68	23.53	14.92%
2013/14	504.68	0.34	171.59	70.12	165.93	25.71	15.49%
2014/15	522.09	0.34	177.51	76.55	169.81	27.03	15.92%
2015/16	518.76	0.34	176.38	73.84	176.96	23.03	13.01%
2016/17	556.35	0.34	189.16	82.01	182.43	23.94	13.12%
2017/18	584.62	0.34	198.77	80.99	190.95	26.89	14.08%
2018/19	600.24	0.34	204.08	86.88	197.66	28.53	14.43%
2019/20	610.68	0.34	207.63	87.17	201.32	30.46	15.13%
2020/21	610.56	0.34	207.59	85.79	204.32	29.14	14.26%
2021/22	612.15	0.34	208.13	79.56	202.60	29.34	14.48%
22/23 /3	640.82	0.34	217.88	88.77	210.74	31.34	14.87%
23/24 (03) /2	655.44	0.34	222.85	88.99	218.15	30.85	14.14%
23/24 (04) /1	656.38	0.34	223.17	89.09	218.15	31.08	14.25%
Monthly var (1/2)	0.14%	0.00%	0.14%	0.11%	0.00%	0.75%	
Yearly var (1/3)	2.43%	0.00%	2.43%	0.36%	3.52%	-0.83%	

Fuente: USDA, Wasde Abril 11, 2024

16-04-2024

Period: 28/03/2024 to
12/04/2024

Table 5.
Sunflower Oil World Supply and Demand. In MMT.

Sunflower Oil	Crushing	Yield	Production	Exports	Total Use	Ending Stock	Stock/use %
2012/13	34.59	0.37	12.85	5.55	13.20	2.24	16.97%
2013/14	40.76	0.38	15.65	7.78	14.22	2.94	20.68%
2014/15	39.55	0.38	14.97	7.41	14.24	2.59	18.19%
2015/16	40.70	0.38	15.40	8.21	15.07	2.04	13.54%
2016/17	47.39	0.39	18.30	10.75	16.37	2.62	16.00%
2017/18	48.11	0.39	18.57	10.32	17.40	2.61	15.00%
2018/19	50.33	0.39	19.59	11.51	18.00	2.42	13.44%
2019/20	53.44	0.40	21.17	13.49	18.89	2.96	15.67%
2020/21	49.23	0.39	19.00	11.34	18.30	2.00	10.93%
2021/22	51.31	0.38	19.65	11.22	17.53	2.58	14.72%
22/23 /3	56.22	0.39	21.66	14.27	19.63	2.96	15.08%
23/24 (03) /2	55.93	0.39	21.66	14.02	20.28	2.52	12.43%
23/24 (04) /1	56.13	0.39	21.80	14.46	20.65	2.38	11.53%
Monthly var (1/2)	0.36%	0.70%	0.65%	3.14%	1.82%	-5.56%	
Yearly var (1/3)	-0.16%	1.23%	0.65%	1.33%	5.20%	-19.59%	

Source: USDA Wasde. April 11, 2024

**Report issued by Reinaldo R. Muñoz for Control Union Argentina S.A*