

13-11-2024 - PERIOD:  
25/10/2024 A 08/11/2024

# Argentina Agri Market Report

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# Argentina Agri Market Report

13-11-2024 - Period: 25/10/2024 to 08/11/2024

This information covers the latest two-week period (October 25 - November 8, 2024). The grain market is characterized by reports from the Chicago Board of Trade (US), as well as institutions such as the USDA, FAO, IGC, Oil World, and other private sources.

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# SUMMARY

## International Overview

According to the USDA report in its WASDE estimates for November 7, 2024, unexpected results were observed, as the US harvest for the 24/25 cycle is nearly complete, with yield adjustments showing declines for corn and soybeans. Although the data did not alter the domestic balance significantly, it did reduce carryover levels and, in turn, impacted the global balance for these grains, generating price volatility. In the final week, the US presidential election of Trump added fears and uncertainty regarding his protectionist policies. Additionally, the Federal Reserve lowered the benchmark Treasury bond rate by 0.25%, strengthening the dollar further. All in all, these significant events contributed to price volatility in the grain markets.

On the international front, global production still needs to determine the 24/25 world soybean output, with contributions from the Southern Hemisphere, a leading producer and exporter of soybeans—essential for Argentina's position. The disclosed data did not result in significant changes to global balances. Production remains steady with slight increases, as does total consumption, amidst weakened trade, sluggish import demand, and ending stocks and stock-to-use ratios pointing to a delicate equilibrium. Nevertheless, there were no sharp price increases, as prices remain below levels typical of relative scarcity. However, oils like palm oil and other products with sluggish supply are driving prices up, in line with demand pressures and forecasts published by Oil World. Furthermore, no changes in global agri-food expectations are foreseen, given a trade environment dominated by military conflicts and attacks that impact maritime trade and oil sources. There is also no immediate expectation of nuclear escalation, which would further exacerbate the global situation.

Soybeans were the only grain to show growth in the 24/25 cycle, reflecting a strong year-over-year increase, the largest among grains. Production is up by 7.8% to a record high, with exports expected to grow by 2.6%, total annual usage by 4.7% also to a record level, and the 24/25 balance shows a record-high stock increase of 17%. This ample balance remains a bearish factor for oilseed prices.

The global grain market's sluggishness reveals weak demand. Prices should ideally rise, but the stock-to-use ratios do not seem to support price increases or to drive rises in production or global trade.

Against this backdrop, soybeans and their by-products are expanding into areas previously occupied by other crops due to agricultural technical reasons and lower production costs, leading to a boom in cultivation. South America's soybean production appears set to follow a similar planting trajectory, with potential for an oversupply of the complex if environmental conditions are favorable.



# SUMMARY

In the last fortnight (October 25 - November 8) prices for near-term November 2024 contracts in the Chicago market revealed increases in corn and soybeans, mild wheat decreases and sharp oil price rises. Soybean futures rose by USD 11 to USD 374/ton, while soybean meal fell by USD 11 to USD 326/ton. Soybean oil gained USD 98 to USD 1075/ton. Corn rose USD 6 to USD 169.7/ton, Chicago wheat gained USD 1 to USD 210.4/ton, and Kansas wheat fell by USD 1 to USD 206/ton. In turn, oils gained USD 88, settling at USD 1231/ton.

# SUMMARY

## **Wheat, Corn and Soybean Crop Condition in the US.**

As of November 4, 2024, according to the USDA, US crop conditions for the 2024/25 cycle are approaching the final stages of harvest. The soybean harvest reached 94%, surpassing both last year's figure and the averages of 89% and 85%, respectively. The corn harvest reached 91%, ahead of last year's level and the averages of 78% and 75%, respectively. The spring wheat has already been harvested, while the winter wheat has been planted and has emerged 87% and 66%, in line with the averages of 89% and 71% for this date, respectively. Winter wheat, impacted by drought, is rated 41% good to excellent, down from 50% and 45% last year and the average, respectively.

However, the 2024/25 US harvest surprised with unexpected yield cuts, resulting in production declines for both corn and soybeans, as indicated in the USDA's November 8 supply and demand report, which boosted prices.

## **US Wheat, Corn and Soybean Weekly Exports**

The USDA reported US export sales through October 31. Net soybean sales reached 2.04 million tons, within analysts' expectations, with the primary destination being China (0.7 MMT). Notably, soybean oil shipments totaled 114 TMT, exceeding the expected range (0 to 50 TMT) for this byproduct. Corn sales were 2.77 MMT, above the expected range (1.7-2.5 MMT), supporting higher futures prices. Wheat net sales were 0.375 MMT, lower than recent weeks but within the expected range (0.25-0.55 MMT). For the new 2025/26 cycle, only 66 TMT of wheat exports were recorded.

## **US hedge funds**

According to the CFTC, US investment fund data for the week ending November 5, 2024, revealed minor net soybean purchases of 0.24 Mt, reducing the net short position to -10.46 Mt (previous estimate: -10.22), with a slight upward trend in net interest at -7.1% (last week: -7.33). For corn, there were significant purchases totaling 2.26 MMT, reducing the net short position to -3.01 MMT (previous estimate: -5.27), an upward movement equivalent to a rate of -1.1% (last week: -0.26). Wheat also saw marginal purchases of 0.27 MMT, reducing the net short position to -9.03 MMT (previous estimate: -8.77), reflecting a slight upward movement equivalent to -1.1% (previous week: -0.26). Index funds (wheat, corn, and soybeans) increased their net long position by 1.26 MMT, closing at 65.91 MMT, reducing short positions amid previous buying activity. Despite this, there are no significant changes and prices remain weak overall.

A collage of agricultural images including corn, soybeans, and a field under a blue sky, with a water droplet on the right side.

# SUMMARY

## **Argentine Overview**

FAO data highlights Argentina as the third-largest net food exporter globally, following Brazil and the U.S. in total tonnage exported. FAO data cover all annual global imports and exports of food and agricultural products.

Over the past 20 years, Argentina has maintained a significant position among top net food exporters, though its growth pace in global food markets has been more moderate than other countries. Its export growth is mainly driven by products such as corn, soybean meal, and wheat, which are essential to Argentina's export basket.

Brazil, on the other hand, has shown remarkable growth over the past two decades, tripling its export volume and surpassing the US.

In 2022, Argentina ranked second among net food exporters in terms of value, with USD 45.7 billion in net exports, trailing only Brazil with USD 123.1 billion.

However, Argentina's food export value has shown relative stagnation compared to other countries, growing from around USD 10.6 billion at the start of the millennium to over four times that amount by 2022.

In comparison, Brazil's net food exports increased nearly tenfold from USD 13 billion in 2000.

# WHEAT

*During the past two weeks, US wheat futures prices showed fluctuations, ending nearly unchanged. Chicago wheat rose 0.6% to USD 210/ton (last fortnight: 209; last month: 220), while Kansas wheat fell 1.3%, closing at USD 207/ton (last fortnight: 210; last month: 222). Funds purchased wheat contracts, reducing net short positions and having a bullish impact on prices. Globally, year-over-year production increased by 0.5%, exports decreased by 3.7%, total usage rose by 0.6%, and ending stocks declined by 3.2%. The annual stock-to-use ratio fell to 32.1% from 33.4% in the previous cycle. With a tighter global balance and lower trade and stocks, prices saw a slight bullish trend. The US wheat crop progress was at 12.1%, with yields averaging 12.9 qq/ha. Improved soil moisture conditions resulted in a good-to-excellent rating of 75%, with projections still at 18 MMT.*

## International Market

### Last Fortnight Prices

During the last two weeks (October 25 - November 8, 2024), December 2024 wheat futures prices fluctuated with slight ups and downs and sustaining minimal changes. Chicago saw a net increase of 0.6% to USD 210.4/ton (last fortnight: 209.1; last month: 220.2), while Kansas fell by 1.3%, closing at USD 207/ton (last fortnight: 210; last month: 222). The USDA's November 2024 supply and demand report showed that year-over-year, US wheat production increased by 9.3%, exports by 16.7%, and total use by 3.6%, ending with a 17% increase in stock and a stock-to-use ratio of 71% (up from 63% in the previous cycle), indicating ample supply and a bearish outlook for prices. Worldwide, year-over-year production grew by 0.5%, exports fell by 3.7%, and total usage increased by 0.6%, ending with a 3.2% decline in ending stocks. The annual stock-to-use ratio fell to 32.1% from 33.4% in the previous cycle. A tighter global balance, trade declines, and reduced stocks led to a bullish trend for prices. Chicago wheat prices maintained a slightly bearish trend, closing USD 1 to USD 5 lower, below the 20-day average for both Chicago and Kansas at USD 211 and USD 212/ton, respectively.

### Headline News

In Western Europe, heavy rains delayed planting, raising concerns about poor wheat conditions from last year.

The WASDE report reflected lower production estimates in Argentina and Brazil, each down by 500 TMT. Despite this, global ending stock estimates rose slightly from 256.8 to 257.6 MMT.

# WHEAT

The market showed renewed dynamism, with Rosario wheat offered at \$190,000 per ton, with most exports priced at \$185,000/ton.

The MAT closed on a negative note, with December positions breaking below the USD 200 support and settling at USD 199.6.

Wheat futures showed losses in Chicago and Kansas, leading declines over the weeks following periods of gains.

Russia indicated a potential decrease in its minimum prices, resulting in lower supply values from that region between USD 2 to 3/ton. After severe drought, recent rains have put pressure on cereal values.

The USDA's Nov 2024 report highlighted a projected US wheat production of 54 MMT, the highest in nine years, contributing to a bearish sentiment in that market.

The Rosario Grain Exchange estimated that Argentina's exports would reach 13.3 MMT in 2024/25, marking the second-largest total on record.

Additionally, there were warnings from the Buenos Aires Grain Cereal Exchange regarding 30% to 40% of wheat crops being in regular to poor condition. The projection remained steady at 18 MMT. For Argentina, the USDA's 2024/25 wheat projections settled at 18 MMT.

## **Fundamentals Analysis. 2024/25 Wheat. USDA WASDE, November 2024.**

According to the USDA WASDE report dated November 8, for the US and the 2024/25 crop year, estimated on-year production increased by +9.3% to 53.7 MMT (2023/24: 49.1), produced from an area of 15.6 Mha with a yield of 3.45 ton/ha. Annual exports are projected to rise sharply by +16.7% to 22.5 MMT (compared to 19.24 MMT in 2023/24). Total annual use would increase by 3.6% to 31.2 MMT (2023/24: 30.2). The balance closed +17% higher at 22.2 MMT y.o.y. (2023/24: 18.9). The stocks-to-use ratio would rise to 71% versus 63% in the preceding marketing year. With higher increases and carryovers, it was a bearish report for cereal prices.



# WHEAT

According to the report for the global 24/25 cycle, on a year-over-year basis, production increased by only 0.5%, reaching 794.1 MMT, compared to 790.4 MMT in the 23/24 cycle. Exports decreased -3.7% to 215.8 MMT year-on-year (2023/24: 224.1). Total annual use is projected to grow by 0.6% to 802.5 MMT (2023/24: 797.8). Ending stocks are anticipated to fall by 3.2% to 257.7 MMT year-on-year (2023/24: 266.3). The stocks-to-use ratio would fall to 32.1% (2023/24: 33.4). The year-on-year balance was tight, with decreased trade and stocks, and was bullish for cereal prices (Table 1).

## Local Market

### Last Fortnight Prices.

In the past two weeks, the local market declined more sharply than Chicago. For the available product with contractual delivery, prices adjusted sharply down by -3.9% to USD 198.5/ton (last fortnight: 206.5; last month: 230), with prices in pesos closing -3% lower at ARS 198000/ton. The local grain market fell for December 2024 by -2.9%, while the January 2025 position declined by -2.3% to USD 203/ton. The market remains constrained in volume. The crop projections increased prices for the new harvest, with few contracts being secured in the spot and/or futures markets.

## Yields

The profitability of wheat declined for the new harvest, with available price rising to USD 198/ton. With usual yields and standard technology, this would yield indicative gross margins of USD 98 and USD 229/ha. Selling for Jan-25 was more attractive, as it could be set at USD 203/ton (Chart 1).

## Harvest Projections

According to the Buenos Aires Cereal Exchange as of November 6, 2024, harvest has progressed to 12.1%, with yields at 12.9 qq/ha. Improved soil moisture resulted in a 75% good-to-excellent crop condition. The projection remains at 18 MMT.

# CORN

*During the last fortnight, corn prices in Chicago saw modest net rises, closing at USD 169.7/ton (compared to USD 163.5 in the previous fortnight and USD 163.7 the previous month). The USDA's Nov 2024 report estimated a US balance year-on-year decrease of -3.2%. A tighter year-on-year balance and decreased trade were slightly bullish for prices. Investment funds with significant purchases adjusted their net short positions, showing a slightly bullish trend. Weekly exports were strong at 2.77 MMT, exceeding expectations. The Buenos Aires Grain Exchange (BCBA) estimated Argentina's 24/25 planting area at 6.3 Mha, following delays due to lack of moisture, with crop conditions improving after recent rains.*

## International Market

### Last Fortnight Prices

During the last two weeks (October 25 - November 8, 2024), December 2024 corn futures prices in Chicago experienced weekly fluctuations of approximately 4% resulting to around 3.8% lower and closing at USD 169.7/ton (last two weeks: 163.5; last month: 163.7). In its November 2024 report, the USDA estimated US annual production down -1.3%, with a surprising decrease in yield to 11.49 t/ha. Trade was up +1.4%, total usage declined -0.1%, and ending stocks increased by +10.1%. The stocks-to-use ratio would rise to 15.3% versus 13.9% in the preceding cycle. This balance estimated reduced supply and slight rebuilding of stocks, which was neutral to bearish. Globally, production dropped -0.8%, exports are expected to decline by -4.9%, total use increased by +0.8%, and ending stocks closed the year down -3.2%. A tighter year-on-year balance and decreased trade were slightly bullish for prices. Investment funds showed minimal changes in their net short positions. US weekly exports for the 24/25 cycle were strong at 2.77 MMT, surpassing expectations. However, price trends remain flat, though they closed USD 6 above the 20-day average of USD 163/ton.

### Global News

Similar to the situation with soy, the US reduced its production estimate by nearly 2 MMT to 685 MMT.

In the local market, corn was a strong performer with robust exports, while wheat lost its USD 200/ton support level.

CBOT grain futures recorded weekly gains, marking the third consecutive week of increases. The USDA reported flash sales for the cereal, exceeding expectations, In a single day, sales exceeded 2 MMT, ranking among the weeks with high sales volumes.

# CORN

The Buenos Aires Grain Exchange noted that planting projections for 2024/25 indicated 6.3 Mha, with only 27% planted so far; however, this delay could be mitigated by recent rains.

Concerns remain regarding costs and prices, alongside a downward trend for the crop. In the central region, without late corn planting, the area could shrink to 50% of the initially projected size.

The USDA's November 2024 report showed US production for the 2024/25 year lower than the previous month, despite soy gaining acreage.

With stock rebuilding and a relaxed balance, this was bearish for prices. The fluctuating corn prices in recent weeks on the Chicago market made headlines.

In the 2024/25 cycle, Argentina's planting and production will be noteworthy, particularly with a shift in area between corn and soybeans. A similar situation occurred in the US during this cycle, but production was unaffected due to good yields in the country. Questions remain about timing, planting windows, and rainfall—a mix that creates uncertainty.

## **Fundamentals Analysis. 2024/25 Corn. USDA WASDE, November 2024.**

According to the USDA's November 8, 2024, WASDE Supply and Demand Report, U.S. production for the 24/25 cycle was estimated at a year-over-year decrease of 1.3%, reaching 384.6 MMT, compared to 386.2 MMT in October 2024 and 389.7 MMT in the 23/24 cycle. The area shifted to soy reached 33.5 Mha (down from 35 Mha in the 2023/24 cycle), with a surprising yield drop at the end of harvest to 11.49 t/ha (from 11.45 in Oct-24 and 11.1 in the 2023/24 cycle). Trade closed +1.4% higher at 59.1 MMT (2023/24: 58.2). Total annual use showed a very marginal decrease of -0.1%, reaching 321.7 MMT, compared to 322 MMT in the 23/24 cycle. Ending stocks would increase by 10.1% year-over-year, reaching 49.2 MMT (compared to 50.8 MMT in October 2024 and 44.7 MMT in the 23/24 cycle). The stocks-to-use ratio would rise to 15.3% versus 13.9% in the preceding cycle. This balance, with a smaller annual supply and a slight recovery in stocks, was neutral for forage prices.

# CORN

According to the report, for the global 24/25 cycle, it estimated a year-over-year production decline of -0.8%, reaching 1219 MMT, compared to 1229 MMT in the 23/24 cycle. Exports declined by -4.9% to 190 MMT (2023/24: 198). Total to grow use is projected to marginally by 0.8% to 1230 MMT (2023/24: 1220). The year-on-year balance for 2024/25 would close with a -3.2% decline in stocks to 304 MMT (last month: 306; 2023/24: 314). The stock/use ratio would remain similar at 24.7% versus 25.8% in 2023/24. The adjusted year-on-year balance, along with a decline in trade, was slightly bullish for feed grain prices (Table 2).

## Local Market

### Last Fortnight Prices

Over the past two weeks, the market underperformed Chicago, showing weekly fluctuations around 2%, resulting in marginally flat net returns in dollars and a 1.1% increase in pesos. In Rosario, the spot price closed at USD 187.5/ton (last fortnight: 187.5; last month: 189). In pesos, it closed at ARS 187000/ton. Local futures for December 2024 were priced 1% higher at USD 189/ton, while April 2025 harvest was paid USD 182.5/ton. Planting projections for 2024/25 indicated 6.3 Mha, of which 37% has been sown, with the central region nearly complete at 89%, rated good to excellent, with expected late-season progress.

### Crop Yield

The profitability of corn for the current harvest at the cash price of USD 188/ton, using typical yields and standard technology, offered indicative gross margins of USD 333 and USD 551/ha. In contrast, April 2025 was less attractive, with a price of USD 183/ton (Chart 1).

### Harvest projection

According to the Buenos Aires Grain Exchange, as of November 6, 2024, corn planting reached 37.2% of the 6.3 Mha area. Rains have improved crop conditions, with 89% rated as good to excellent, and fertilization tasks are ongoing. The projection for corn losses in Entre Ríos has been revised to 46.5 MMT, while the USDA maintains its estimate at 51 MMT.

# SOYBEAN

*Biweekly prices showed net gains in nearby futures (Nov-24). Soybeans saw weeks with both declines and significant increases, with a net rise of +3.2%, closing at USD 373.6/ton (last fortnight: 362; last month: 359.5). Prices remain among the lowest since 2010. Soybean oil experienced strong weekly net gains, increasing by 10.2%, closing at USD 1075/ton (last fortnight: 973; last month: 958). Meanwhile, soybean meal a net -3.1% to USD 326.5/ton (last fortnight: 337; last month: 349). The USDA surprised with lower yield and production in the US, reducing stocks to 12% and stock-to-use ratio to 18.6%, the highest in six years. Globally, the stock-to-use ratio declined to 16%. US weekly exports were strong, totaling around 2 MMT. Investment funds slightly reduced their net short positions. Local planting for the 24/25 season was revised down to 18.6 Mha, according to the Buenos Aires Grain Exchange.*

## International Market

### Last Fortnight Prices

During the last two weeks (October 25 - November 8, 2024), nearby futures (Nov-24) for US soybeans showed weeks with slight declines and greater increases, resulting in a net gain of +3.2%, closing at USD 373.6/ton (last fortnight: 362; last month: 359.5). Prices remain among the lowest since 2010. Soybean oil saw strong weekly net gains, rising by 10.2%, closing at USD 1075/ton (last fortnight: 973; last month: 958). On the other hand, soybean meal declined by a net -3.1%, closing at USD 326.5/ton (last fortnight: 337; last month: 349). The USDA's November 2024 monthly report surprised the market with end-of-harvest reductions in US yields and production, resulting in only a +7.2% increase, with final stocks reduced to 12% and stock-to-use declining to 18.6%, the highest in six years. On the global level, final stock-to-use also declined to 16%. Despite lower-than-expected carryover, stocks remain ample and are likely to keep future prices subdued. Weekly exports from the U.S. were around 2 MMT, in line with expectations. Investment funds slightly reduced their net short positions but remain somewhat bearish for prices. The price trend for soybeans increased following higher closes, ending USD 11 above the 4-week average of USD 362/ton.

### International News

The WASDE report from November 2024 brought bullish news for local soy prices, reaching a high of ARS 310,000/ton for the day. Aggressive offers started at ARS 315,000/ton. Soy futures on CBOT also rose to one-month highs.

# SOYBEAN

WASDE reported a 3 MMT cut in US production for 2024/25 due to lower yields, down from 35.7 to 34.8 qq/ha. Soy oil led last week's price gains in the last week, and China is expected to continue importing US soybeans at a steady rate until Trump's inauguration in January 2025.

Oil World indicated that global soybean acreage would expand more than usual in 2024/25, while sunflower and rapeseed areas remain unchanged.

Vegetable oil shortages will impact biodiesel and food markets. The use of eight types of oils in the top three biodiesel-producing countries (US, Brazil, and Indonesia) will rise by 2 MMT in October/September 2024/25, compared to 3.9 MMT in the same period of 2023/24.

Weather conditions in Brazil were favorable, with rains allowing for good planting progress, which has put downward pressure on future soybean prices.

Global economic news improved this week due to positive data from the US, supporting energy demand and crude oil prices. This had a ripple effect on oils, which are essential raw materials for biodiesel.

The market has not emphasized the news about the low prices that soybeans have already reached, which were last seen in September 2010 below USD 350/ton, or below USD 400/ton since November 2014. This means prices are still below where they were a decade ago.

The strong impact of the WASDE report on global estimates and aligned to a clear oversupply was noteworthy news.

Projections indicate record soybean planting for 2024/25 in Argentina, expected to be 8% to 11% higher than the previous cycle, according to the Rosario Stock Exchange and the Buenos Aires Grain Exchange, respectively.

## **Fundamentals Analysis. 2024/25 Soybeans. WASDE USDA , November 2024.**

According to the USDA's WASDE November report for the US in the 2024/25 cycle, annual production estimated to increase by +7.2% to 121.4 MMT (last month: 124.7; 2023/24: 113.3). The end of the harvest season revealed a drop in yields, with an area of 34.9 million hectares (compared to 33.3 Mha in the 2023/24 cycle) and a yield of 3.48 ton/ha (3.57 in October 2024 and 3.4 in the 2023/24 cycle). Exports are expected to grow annually by +7.7% to 49.7 MMT (2023/24: 46.1). Total annual use is projected to grow by +4.7% to 68.7 MMT, compared to 65.6 MMT in the 23/24 cycle. The balance ended with a decrease in annual stocks of +14%, reaching 12.8 MMT (last month: 14.9; 2023/24: 9.3).

# SOYBEAN

The stock-to-use ratio fell to 18.6%, compared to 21.7% the previous month and 14.2% the previous year, still the highest in six years. With lower-than-expected remaining stocks, the market remains ample and bearish for soybean futures.

According to the report, for soybeans on a global level in the 24/25 cycle, a significant year-over-year production increase was reiterated, marking the largest rise among major grains. Production is expected to increase by +7.8%, reaching a record 425.4 MMT, compared to 428.9 MMT in October 2024 and 395 MMT in the 23/24 cycle. Exports rose 2.6% to 182 MMT (2023/24: 178). Total annual use is projected to grow by 4.7% to a record of 402.3 MMT (2023/24: 384.1). The 24/25 balance would close with a +17% increase in stocks, reaching 131.7 MMT, compared to 134.6 MMT in October 2024 and 112.4 MMT in the 23/24 cycle. Despite the decline in the US, this would still be a record. The stock-to-use ratio would grow to 32.8%, up from 29.3% the previous year, also a record. This ample balance remains bearish for oilseed prices (Table 3).

## Local Market

### Last Fortnight Prices

During the last two weeks, the local market, despite the bullish external reference, showed fluctuations around 2%, resulting in a net decrease of -0.3% in dollars to USD 311/ton and a +0.7% increase in pesos to ARS 310,000/ton. In the physical market, prices also declined, with sales and fixes reaching up to USD 310/ton. For May-25, prices fell by a net -1% to USD 286/ton. Sales were very slow and below the average.

### Crop Yield

The profitability for the current harvest at the spot price of USD 311/ton, assuming typical yields and modern farming technology, provided indicative gross margins of USD 325 and 537/ha. It was less enticing to lock in prices for May 2025 contract, which paid only USD 286/ton (Chart 1).

### Harvest projection

As of November 6, 2024, the Buenos Aires Grain Exchange reported soybean planting reaching 3.3% of a revised area of 18.6 Mha. Local exchanges project a total of 51 MMT, though specific details are still pending.

# VEGETABLE OILS

*Last fortnight, vegetable oil prices evidenced 7.6% net rises at the Port of Rotterdam and at the main export ports. Gains have now extended to four consecutive weeks, Palm, olein and sunflower oils led the increases, with prices nearing USD 1400/ton. The recent rise in crude oil prices was significant for biodiesel, which has a growing demand for vegetable oil. 2024/25 sunflower local planting was adjusted to 71.9% over an area of 2 Mha. Crop condition was rated 75% good to excellent, with 2024/25 projection being raised to 4.1 MMT.*

## **International Market**

### **Last Fortnight Prices**

During the last two weeks (October 25 - November 8), average vegetable oil prices in Rotterdam and the main export ports experienced weeks of significant increases and decreases, resulting in a net gain of +7.6%. These gains have now extended for four consecutive weeks. Prices closed, on average, above USD 1100 to USD 1200/ton. Palm, olein and sunflower oils led the increases in Rotterdam. Average prices approached the USD 1400/ton ceiling, with the closing index averaging USD 1390/ton (up from last two weeks' USD 1215 and last month's USD 1160). The trend was upward, closing USD 154 above the four-week average of USD 1246/ton. The ongoing conflict in the Middle East is driving crude oil prices higher, influencing biodiesel prices due to their reliance on vegetable oils. Global economic news signals increasing energy demand.

### **International News**

According to Oil World's October and November 2024 reports, global soybean crushing has been impacted by low export sales of soybean meal.

The shortage in vegetable oil supplies is expected to affect both biofuel and food markets. The use of 8 key oils in the top three biodiesel-producing countries (US, Brazil, and Indonesia) is projected to increase only by 2 MMT for the 2024/25 period, compared to 3.9 MMT in the previous year.

Global soybean acreage is expected to expand more than usual in the 2024/25 cycle, while sunflower and canola areas have not increased.

Significant soybean oil imports from Argentina have also been noted in the global market.

Soybean sales are projected to see a strong boost in July and September 2024 compared to the previous year due to limited canola and sunflower supplies.



# VEGETABLE OILS

Rising US soybean oil prices are attributed to substantial price discounts against South American soybean oil and palm oil.

The 2024/25 season has opened with significant price hikes in vegetable oils. Increased soybean oil supplies have offered relief to consumers amid a substantial drop in global palm oil exports, may limit the ability of soybean oil to offset the shortage of other vegetable oils in the coming months, sparking renewed rationing concerns.

Demand rationing is likely to begin in 2024/25, with significant price increases for vegetable oils compared to the previous season. While abundant soybean supplies have alleviated pressures on consumers in recent months, the massive decline in global palm oil exports

## **Fundamentals Analysis. Vegetable Oils Market. USDA November 2024.**

According to the USDA WASDE report dated November 8, the world vegetable oil market forecast a 1.9% production rise to 227 MMT (2023/24: 222.8). Exports settled stable at 86.7 MMT (2023/24: 86.1). Use featured a rise of +2.7% settling at 223.9 MMT (2023/24: 217.9) and stocks declined by -5.9% to 28.3 MMT (last month: 28.8; 2023/24: 30.1). The annual balance is expected to close with a stock-to-use ratio of 12.7%, compared to 13.8% last month and 13.8% in the previous cycle (Table 4). For sunflower oil, a significant year-on-year production decline of 10% is anticipated, bringing production down to 19.92 MMT (2023/24: 22.1). Exports are projected to decline by -20% to 12 MMT (2023/24: 15), and total use is forecast to drop by -9.6% to 19.0 MMT (2023/24: 21). This results in a closing balance with a stock decrease of -24% to 2.1 MMT compared to 2.8 MMT for 2023/24. The stock/use ratio is expected to close at 10.9% versus 13.1% in the previous year, which was bullish for prices (Table 5).

# VEGETABLE OILS

## Local Market

During the last fortnight, global oil markets showed increases, with the notable the higher gains being reported for sunflower oil. In the Rosario Exchange and the reference market, the price increased at USD 350/ton for the spot market, with declines in pesos to ARS 385000/ton.

## Sunflower Yield

For the 2023/24 sunflower harvest, with yields of 18 and 25 q1/ha and at the current harvest price of USD 350/ton, indicative gross margin stood at USD 185 and USD 364/ha (see Table 1).

## Sunflower Harvest Projections

For the 2023/24 sunflower harvest, with yields of 18 and 25 q1/ha and at the current harvest price of USD 350/ton, indicative gross margin stood at USD 185 and USD 364/ha (see Table 1).

# CHARTS

**Chart 1.**  
**Crop Gross Margins. Northern Buenos. Aires. Argentina. In USD/ha.**

Date 08/11/24		WHEAT		SUNFLOWER		CORN		SOYBEANS	
Yield	qq/ha	35	45	18	25	75	95	28	38
Future price	u\$/qq	19.8	19.8	35	35	18.8	18.8	31.1	31.1
Gross income	u\$/Ha	693	891	630	875	1410	1786	871	1182
Selling expenses	%/IB	25	25	18	18	35	35	24	24
Net Income	u\$/Ha	520	668	517	718	917	1161	662	898
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	62	80	57	79	99	125	70	95
Direct costs	u\$/Ha	-421	-439	-332	-354	-584	-610	-337	-362
Gross margin	u\$/Ha	98	229	185	364	333	551	325	537
<b>PLANTING PERCENTAGE</b>									
GM-40%GI	u\$/Ha	-179	-127	-67	14	-231	-164	-23	64
<b>LEASE</b>									
Average rent	qq/Ha	10	10	9	9	20	20	13	13
GM-Rent	u\$/Ha	-100	31	-130	49	-43	175	-79	132

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

# CHARTS

**Table 1.  
Wheat World Supply and Demand. In MMT..**

Global Wheat	Area	Yield	Production	Exports	Total Use	Ending Stock	Stock use%
2014/15	221.4	3.31	732.1	162	707.2	225.7	31.91%
2015/16	223.4	3.31	739	172.2	716.8	247.9	34.58%
2016/17	222.5	3.4	757.3	185.7	737.3	267.9	36.34%
2017/18	217.9	3.49	760.3	187	740.7	287.5	38.81%
2018/19	214.7	3.4	729.8	178.1	733.4	283.9	38.71%
2019/20	215.2	3.53	759.3	195.1	745.8	297.4	39.88%
2020/21	220.2	3.51	772.7	199.6	786.1	284	36.13%
2021/22	221.6	3.52	780.5	206.2	791	273.5	34.58%
2022/23	219.6	3.6	789.6	217.7	789.5	273.6	34.65%
2023/24 /3	222.7	3.55	790.4	224.1	797.8	266.3	33.38%
24/25 (10) /2	222.2	3.58	794.7	214.2	803.4	257.6	32.06%
24/25 (11) /1	222.3	3.57	794.1	215.8	802.5	257.7	32.11%
Month-on-month change (1/2)	0.05%	-0.12%	-0.08%	0.75%	-0.11%	0.04%	
Year-on-year change (1/3)	-0.18%	0.65%	0.47%	-3.70%	0.59%	-3.23%	
Yearly var (1/3)	1.37%	-0.22%	1.14%	-0.55%	1.33%	-6.21%	

Source: USDA Wasde, November 8, 2024



# CHARTS

**Table 2.**  
**Corn World Supply and Demand. In MMT**

Global Corn	Area	Yield	Production	Exports	Total Use	Ending Stock	Stock use%
2014/15	189.4	5.6	1060.9	128.8	997.3	280.3	28.11%
2015/16	188.7	5.4	1020.9	145.8	988.3	312.9	31.66%
2016/17	197.2	5.7	1129.2	143.6	1091.7	350.6	32.12%
2017/18	194.6	5.6	1087.1	154.1	1095.6	342.1	31.22%
2018/19	193	5.9	1132.8	173.7	1149.1	325.8	28.35%
2019/20	195.2	5.8	1127.9	176	1140.1	313.6	27.51%
2020/21	200.7	5.6	1133.7	184.4	1150.9	296.4	25.75%
2021/22	207.4	5.9	1218.3	193.5	1200.7	314	26.15%
2022/23	202.1	5.8	1163	180.9	1172.4	304.6	25.98%
2023/24 /3	205.2	6	1229.1	198	1219.5	314.2	25.76%
24/25 (10) /2	201.5	6	1217.2	190.7	1223.3	306.5	25.06%
24/25 (11) /1	203.1	6	1219.4	190.3	1229.5	304.1	24.73%
Month-on-month change (1/2)	0.79%	0.00%	0.18%	-0.21%	0.51%	-0.78%	
Year-on-year change (1/3)	-1.02%	0.00%	-0.79%	-3.89%	0.82%	-3.21%	
Yearly var (1/3)	1.37%	-0.22%	1.14%	-0.55%	1.33%	-6.21%	

Source: USDA Wasde, November 8, 2024



# CHARTS

**Table 3.**  
**Soybeans World Supply and Demand. In MMT.**

Global Soybeans	Area	Yield	Production	Exports	Total Use	Ending Stock	Stock use%
2014/15	119.16	2.7	321.44	126.44	303.89	79.31	26.10%
2015/16	120.88	2.61	316.07	132.84	316.89	79.69	25.15%
2016/17	120.55	2.91	350.81	147.74	332.16	95.63	28.79%
2017/18	125.24	2.74	343.76	153.4	340.38	99.77	29.31%
2018/19	126.05	2.88	363.45	149.22	345.66	114.26	33.06%
2019/20	123.53	2.76	341.35	165.82	359.97	95.12	26.42%
2020/21	129.85	2.84	369.27	165.18	367.07	98.35	26.79%
2021/22	131.35	2.74	360.38	154.44	366.13	92.64	25.30%
2022/23	137.11	2.76	378.6	171.75	366.36	101.01	27.57%
2023/24 /3	139.85	2.82	394.73	177.04	384.18	112.42	29.26%
24/25 (10) /2	145.81	2.94	428.92	181.53	402.72	134.65	33.44%
24/25 (11) /1	145.83	2.92	425.4	181.71	402.28	131.74	32.75%
Month-on-month change (1/2)	0.01%	-0.83%	-0.82%	0.10%	-0.11%	-2.16%	
Year-on-year change (1/3)	4.28%	3.35%	7.77%	2.64%	4.71%	17.19%	
Yearly var (1/3)	1.37%	-0.22%	1.14%	-0.55%	1.33%	-6.21%	

Source: USDA Wasde, November 8, 2024

# CHARTS

**Table 4.**  
**Vegetable Oils World Supply and Demand. In MMT.**

Vegetables Oils	Crushing	Yield	Production	Exports	Total Use	Ending Stock	Stock use%
2014/15	522.03	0.34	177.49	76.55	169.84	26.95	15.87%
2015/16	518.71	0.34	176.36	73.84	176.88	23.02	13.01%
2016/17	556.29	0.34	189.14	82.01	182.43	23.91	13.11%
2017/18	584.62	0.34	198.77	80.99	190.95	26.87	14.07%
2018/19	601.24	0.34	204.42	86.88	197.98	28.53	14.41%
2019/20	611.79	0.34	208.01	87.17	201.33	30.83	15.31%
2020/21	611.85	0.34	208.03	85.79	204.55	29.71	14.52%
2021/22	613.47	0.34	208.58	79.69	202.74	30.09	14.84%
2022/23	637.59	0.34	216.78	88.86	210.96	30.62	14.51%
2023/24 /3	655.18	0.34	222.76	86.08	217.92	30.1	13.81%
24/25 (09) /2	668	0.34	227.12	86.55	223.47	28.8	12.89%
24/25 (10) /1	667.71	0.34	227.02	86.67	223.86	28.33	12.66%
Month-on-month change (1/2)	-0.04%	0.00%	-0.04%	0.14%	0.17%	-1.63%	
Year-on-year change (1/3)	1.91%	0.00%	1.91%	0.69%	2.73%	-5.88%	
Yearly var (1/3)	-1.21%	-4.93%	-0.35%	6.77%	2.61%	-2.33%	

Source: USDA Wasde, November 8, 2024

# CHARTS

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

Sunflower Oil	Crushing	Yield	Production	Exports	Total Use	Ending Stock	Stock use%
2014/15	522.03	0.34	177.49	76.55	169.84	26.95	15.87%
2015/16	518.71	0.34	176.36	73.84	176.88	23.02	13.01%
2016/17	556.29	0.34	189.14	82.01	182.43	23.91	13.11%
2017/18	584.62	0.34	198.77	80.99	190.95	26.87	14.07%
2018/19	601.24	0.34	204.42	86.88	197.98	28.53	14.41%
2019/20	611.79	0.34	208.01	87.17	201.33	30.83	15.31%
2020/21	611.85	0.34	208.03	85.79	204.55	29.71	14.52%
2021/22	613.47	0.34	208.58	79.69	202.74	30.09	14.84%
2022/23	637.59	0.34	216.78	88.86	210.96	30.62	14.51%
2023/24 /3	655.18	0.34	222.76	86.08	217.92	30.1	13.81%
24/25 (09) /2	668	0.34	227.12	86.55	223.47	28.8	12.89%
24/25 (10) /1	667.71	0.34	227.02	86.67	223.86	28.33	12.66%
Month-on-month change (1/2)	-0.04%	0.00%	-0.04%	0.14%	0.17%	-1.63%	
Year-on-year change (1/3)	1.91%	0.00%	1.91%	0.69%	2.73%	-5.88%	
Yearly var (1/3)	-1.21%	-4.93%	-0.35%	6.77%	2.61%	-2.33%	

Source: USDA Wasde, November 8, 2024

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