14/01/2025 - PERIOD:
27/12/2024 A 10/01/2025

Argentina Agri Market Report

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14/01/2025 - Period: 27/12/2024 to 10/01/2025

This report contains data from the last fortnight (December 27, 2024 - January 10, 2025). 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's January 2024 monthly supply and demand report, key data on the US grain market was released, along with quarterly stock figures and the official winter wheat planting report for the 2025/26 season. These updates drove up prices for corn and soybeans on the Chicago Board of Trade, while wheat saw a more modest recovery.

Soybean futures expanded as US stock and production estimates were revised downward. A similar rise was observed in corn futures following significant adjustments to US monthly production and ending stocks. Wheat futures experienced a slight rebound, though smaller than that of soybeans and corn, with quarterly stocks also adjusted lower. In South America, there were no changes in corn or soybean figures for Brazil and Argentina.

The largest price reaction came from US corn for the 2024/25 cycle, where reductions in exports and total use lowered carryover stocks. This shift altered the global balance for feed grains and pushed prices higher, with Chicago corn futures closing at USD 186/MT.

Meanwhile, the Federal Reserve's delay in rate cuts continues to strengthen the US dollar.

As a result, grain market prices remain stable with no clear signs of a directional shift. Nonetheless, the data revealed lower US soybean and corn production for the 2024/25 season, which impacted global stock levels.

For US soybeans, the 2024/25 production estimate was reduced by 3.4 MT due to a drop in yields, which fell by 0.7 to 34.1 qq/ha. With no changes in demand, ending stocks fell to 10.34 MT versus 12.8 MT last month. Globally, slight increases in production and total consumption were reported, alongside weaker trade and import activity. As a result, ending stocks and the stock-to-use ratio indicate an oversupply.

For cereals, prices remain low despite relative tightness. However, oils, such as palm and others, continue to sustain firm prices due to strong demand and projections indicating weak palm oil production in Malaysia and Indonesia.

As the inauguration of Trump approaches, the potential for additional tariffs looms. The US dollar has strengthened, reaching new highs since late 2022, diminishing the competitiveness of US grains. Moreover, no changes are foreseen in global agro-food market expectations, with the commercial landscape dominated by intensified conflicts and heightened fears.

SUMMARY

Soybean production in South America showed an increase in planted area, and favorable environmental conditions suggest a supply surge that could exacerbate already weakened prices.

In the last fortnight (December 27, 2024 – January 19, 2025), near-term futures contracts for January and March 2025 on the Chicago Board of Trade showed gains for soybeans and significant increases for soybean oil, alongside declines in soybean meal. Corn futures surged, while Chicago wheat prices saw slight decreases, and Kansas wheat experienced modest declines. Vegetable oil prices recorded mild increases. Soybean futures rose by USD 12 to USD 372/MT, while soybean meal fell by USD 12 to USD 320/MT. Soybean oil gained USD 122 to USD 993/MT. Corn rose USD 97 to USD 186/MT, Chicago wheat fell USD 6 to USD 195/MT, and Kansas wheat fell by USD 1 to USD 203/MT. The vegetable oils index gained USD 23 to reach USD 1145/MT.

US Wheat, Corn and Soybean Weekly Exports

The USDA reported US export sales for the 2024/25 cycle through Jan-25 2, showing bearish results for corn, wheat, and soybean oil, while bearish for meal and soybean oil.

Soybean oil for the 2025/26 cycle stand out. Soybean net sales for the 2024/25 cycle reached 0.289 MT, below the expected range of 0.4 to 1.3 MT. Sales of soybean oil and soybean meal totaled 0.035 MT and 0.166 MT, respectively, within the expected range and considered neutral. However, for the 2025/26 cycle, soybean oil sales exceeded expectations, reaching 0.069 MT, surpassing the expected range of zero for both by-products. Soybean oil futures are anticipated to establish a new support factor in weekly market data for oils.

Corn sales for the 2024/25 cycle totaled 0.445 MT, below the expected range of 0.7 to 1.4 MT, a bearish indicator for future prices. For wheat, net sales for 2024/25 were 0.111 MT, below the expected range of 0.15 to 0.5 MT. No significant exports of other products were recorded for the 2025/26 cycle.

US hedge funds

According to the CFTC report for the week ending January 31, 2025,
soybean funds reported net purchases of 3.85 MT, reducing their net short position to -8.40 MT from -12.25 MT the previous week. This represents a bullish interest rate movement from -8.0% to -6.1%. Corn funds saw strong purchases of 7.94 MT, increasing their net long position to 11.79 MT from 3.85 MT, with a bullish interest rate shift from 1.42% to 4.4%.

Despite this, it had little impact on row crop prices in Chicago. Wheat funds showed slight bullish activity with net purchases of 1.48 MT, reducing their net short position to -12.64 MT from -13.1 MT. Open interest rates moved from -17.36% to -17.1%. Index funds (wheat, corn, and soybeans) expanded their net long position by 2.2 MT, closing at 72.33 MT. Coarse grain funds reduced short positions and/or shifted to buying contracts, with little effect and weakened prices.

Argentine Overview

Favorable weather forecasts remain absent for areas critical to corn and soybean crops. Conditions are dramatic in the northern Pampas region and the Argentine Littoral.

According to the latest SAGPyA report, commercialization during the final weeks of December, the latest SAGPyA report indicated record sales volumes for soybeans and corn for the 2024/25 cycle during the holiday season. Sales of new soybeans surpassed 450,000 MT, while corn sales reached 650,000 MT.

Wheat sales remained consistent with previous weeks, with commercialization reaching 40% of production, of which 30% had fixed prices.
For sunflower, sales volumes declined but remained above average.

According to FADA, the government increased its share of agricultural income by 2.8% since September and 5.8% compared to last December, now retaining 64.3% of farm income. National taxes accounted for 95%, provincial taxes for 4.7%, and the remainder for municipal taxes. The national average by crop was 68.5% for soybeans, 56.6% for corn, 69.5% for wheat, and 59.1% for sunflower.

Export duties represented 36% of total taxes; their elimination could generate new jobs and investments. Increased activity in different regions of the country and societal growth would be beneficial for everyone, the entity asserts.

Eliminating export duties would unlock the potential of agro-industrial chains, benefiting local economies and strengthening the national economy.

Provinces receive part of this 27.2% as shared revenue and also collect various taxes.
FADA's index includes rural property taxes, stamp duties, and gross income taxes, with a reduced rate. Provincial taxes account for 4.7% of total taxes.

Undoubtedly, this is a critical and forward-looking issue for Argentina—unleashing its true potential through growing production, free from limits and obstacles.

WHEAT

During the last fortnight, wheat futures (March 2025) experienced more weekly declines than gains. Chicago prices fell by 2.9% to USD 195/MT, while Kansas declined by 0.4%, closing at USD 202.7/MT. The USDA January 2025 Supply and Demand Report was not as bullish as it was for corn and soybeans. It showed a 14% drop in US wheat stocks to 21.6 MT and a stock-to-use ratio of 69%, higher than the previous cycle. Global production remained steady, exports declined, total use increased by 0.5%, and ending stocks dropped by 3.5%, with the stock-to-use ratio falling to 32.3% from 33.5% in the 2024/25 cycle. Funds made purchases, reducing their net short position. US weekly soybean exports were weak and bearish. Price trends remained flat, with bearish closes in Chicago and Kansas. Local harvesting progressed to 100% of the area, with an average yield of 30 qq/ha and a projection holding steady at 18.6 MT.

International Market

Last Fortnight Prices

In the last fortnight (December 27-January 10), wheat futures prices (Mar-25) showed weeks with more declines than gains, maintaining values within previous ranges. Chicago fell by 2.9% to USD 195/MT (compared to USD 201 in the previous fortnight and USD 193.5 in the previous month), while Kansas dropped 0.4%, closing at USD 202.7/MT (USD 203.8 in the fortnight and USD 198 in the previous month). The USDA January 2025 Supply and Demand Report was not as bullish as for corn and soybeans but maintained a US balance with a stock decline of 14%, reaching 21.6 MT, though still showing a stock-to-use ratio of 69%, higher than the previous cycle. This report continues to weigh on wheat prices. At the global level, production remained stable, exports declined, total use increased by 0.5%, and final stocks fell by 3.5%, resulting in a stock-to-use ratio of 32.3% versus 33.5% in the 2024/25 cycle. While slightly tighter, this was mildly bullish. Investment funds made slight purchases, reducing their net short position—a mildly bullish but weak effect. Weekly US exports were very weak and bearish. Price trends remained sideways, with prices closing lower in Chicago and Kansas, at USD 195 and USD 200/MT, respectively, just USD 0–3 below the monthly average.

Headline News

Changes in the global balance were minimal, with production among major exporters remaining unchanged.

The USDA estimated winter wheat acreage in the US at 13.8 Mha, 300,000 ha more than last year and above prior estimates.

CONTROLUNION

WHEAT

The condition of US winter wheat improved in three key producing states: Kansas, Illinois, and Colorado.

Additionally, the strength of the US dollar relative to the euro has reduced the competitiveness of North American grains, impacting other exporters as well.

It was reported that the covering of short positions has slowed down, affected by the stronger dollar, which is making exports more expensive for various buyers.

In Argentina, wheat yields in the core region were significantly higher than expected. In central and southern Santa Fe, yields ranged from 40 to 45 qq/ha,

The strong harvests in Australia and Argentina have been putting downward pressure on wheat prices.

Favorable weather forecasts remain absent for regions where corn and soybean crops are "in the making." Conditions are dramatic in the northern Pampas region and the Argentine Littoral.

Available wheat for delivery in Rosario was priced at 200000/MT, with deferred contracts for January at 202500 and for March at 206000 /MT.

Fundamentals Analysis. 2024/25 Wheat. USDA WASDE , January 2025

According to the USDA WASDE January 10, 2025 report, for the US 2025/26, year-on-year data was maintained, with production increasing by 9.3% to 53.7 MT (2023/24: 49.1 MT). Exports rose by 20.2% to 23.1 MT (2023/24: 19.24 MT). Total use kept steady, with a 3.7% increase to 31.3 MT (2023/24: 30.2). The report closed with a -14% decrease in stocks to 21.7 MT (2023/24: 18.9 MT). The stock/use ratio is expected to grow to 69%, compared to 69% and 63% in the previous cycle. With slight rises in carryovers, the report remained bearish for cereal prices.

According to said source, on a global level and on a year-on-year basis, for 2023/26 wheat production rose by only +0.3% to 794 MT, exports decreased by -5.3% to 212.3 MT, use increased by +0.5% to 259 MT, and ending stocks decreased by -3.5% to 259 MT. The stock/use ratio declined to 32.3% from 33.5% in the 2024/25 cycle. The tighter global balance, with lower trade and stock, was slightly bullish for wheat prices (Table 1).

WHEAT

Local Market

Last Fortnight Prices.

During the last fortnight, the local market saw a drop in available contract delivery, decreasing by a net 4% to USD 191/MT (from USD 199 in the previous fortnight and USD 195.5 the month before). In pesos, it fell by 2.9%, closing at ARS 199000/MT. For the January 2025 contract, it closed with a 1.6% increase at USD 194.5/MT. The market continues to experience low volume, with little trading activity. Crop projections have improved, and harvest progress with good yields are bearish factors for prices.

Yields

The profitability of wheat declined for the new harvest, with spot prices closing at USD 199/MT. With typical yields and standard technology, indicative gross margins would range from USD 101 to USD 232/ha. Selling for January 2025 was less appealing, as it could be fixed at USD 195/MT (Table 1).

Harvest Projections

According to the Buenos Aires Grain Exchange, as at January 9, 2025 harvesting progressed, covering 98.2% of the total area and entering the final stage. The average yield declined to 29.9 qq/ha. The production projection stands at 18.6 MT.

CORN

During the last fortnight (Dec 27, 2024 - Jan 10, 2025), March 2025 corn futures in Chicago experienced an unexpected surge, increasing 4.2% to close at USD 186.2/MT, the highest value since October 2023, versus USD 178.7 last fortnight and USD 169 last month. The global outlook reflected changes in the US as reported by the USDA, which revised its projections by reducing U.S. corn production by 1.3% year-on-year, exports by 4.1%, and total use by +1.8%. The balance showed a decrease in stocks by 7.6%, bringing the total to 293 MT, compared to 317 MT in the 2023/24 cycle. The stocks-to-use dropped to 23.7%, the lowest level since 2013/14. This surprised the U.S. as well as the global market, as the outlook became tighter, which was bullish for feed grain prices. The investment funds, net buyers, increased their net long positions to 12 MT. Weekly exports were bearish, reflecting weeks of low activity. Prices closed higher at USD 186/MT, the highest since October 2023. Local planting reached 92% of the area, and the condition of crops rated good to excellent decreased to 42%, with a hydric emergency due to a lack of rains. The projected harvest stands at 48 MT, with the USDA maintaining its estimate at 52 MT.

International Market

Last Fortnight Prices

During the last fortnight (12/27/24-01/10/25), March 2025 corn futures in Chicago rose due to surprises in the USDA January 2025 report, with a reduction in US surpluses, and jumped at the close. As a result, it ended with the highest gains among the grains, up 4.2%, reaching USD 186.2/MT, the highest since October 2023, compared to USD 178.7 in the previous fortnight and USD 169.3 the month before. The USDA reflected changes in the US and cut year-on-year production by 1.3%, exports by 4.1%, total use by 1.8%, and its year-on-year stock balance dropped by 7.6% to 293 MT, compared to 317 MT in the 23/24 cycle. The stock-to-use ratio would fall to 23.7%, the lowest in 11 years, since the 2013/14 cycle. This was a surprise both for the US and globally, indicating a tighter and more bullish market for forage prices. Investment funds were net buyers, expanding their net long positions to nearly 12 MT. Weekly US export data for 24/25 was bearish following typical weeks of low activity. Prices closed higher at USD 186/MT, the highest since October 2023, and USD 9 above the 20-day average of USD 177/MT.

Global News

In the Argentine market, corn remains very active locally with significant trading volumes.

The local market tension was largely driven by dry and warm weather conditions, raising concerns about crops and the potential reduction in future harvests.

CORN

The USDA's report was unexpected and came as a surprise. It was attributed to the reduction in US stocks, which was announced this Friday at market close.

Analysts had expected the US corn market to adjust its ending stock estimate. This estimate was already bullish in December 2024. Moreover, it was the seventh consecutive report showing a decline in US ending stocks.

The USDA repeatedly reduced final corn stocks, more than analysts had anticipated.
Daily price adjustments were up 3.6%. Corn futures closed unexpectedly higher, accumulating weekly gains of nearly 5%.

Available corn was priced at ARS 200,000 in Rosario, with new crop prices ranging between USD 180-185/MT for April delivery. Contract delivery in Bahía was priced at USD 197/MT, and in Necochea, it was USD 195/MT.

The crop generated significant news, as it posted the largest gain in the US market on the last trading day of the week. Global ending stocks were also revised down more than expected, potentially supporting price increases in the coming weeks.

The strength of the US dollar limits potential gains. The dollar index has been approaching a 52-week high, adding pressure to US agricultural export prices.

Fundamentals Analysis. 2024/25 Corn. USDA WASDE, January 2025.

According to the USDA WASDE Supply and Demand Report (Jan 10, 2024), for the US and the 2024/26 cycle, year-over-year production decreased slightly by -3% to 377.6 MT. Trade closed +7% higher at 62.2 MT. Total annual use rose marginally by -0.1% to 322 MT. The annual drop in stocks of -13%, to 39.1 MT, came as a surprise and was bullish. The stocks-to-use ratio decreased to 12.2% from 13.9% in the previous cycle. This significant balance, surprised the market with a lower annual supply and slower stock replenishment, and was a bullish indicator for feed grain prices.

According to the report for global corn in the January 2025 publication, it reflected the US situation in the global corn market and was surprising. It estimated year-on-year 26/ 26 to a decline in production by -1.3% to 1214 MT, exports at -4.1% to 189.7 MT, and total use at +1.8% to 1238.5 MT. The 24/25 year-end balance would close with a decrease in stocks of -7.6% to 293 MT compared to 317 MT in 2023/24. The stocks-to-use ratio expected to fall 23.7% , the lowest since 2013/14. This reflected the changes due to the US, and the global market became tighter. This balance, with lower production, trade, and stocks, was bullish for cereal prices (Table 2).

CORN

Local Market

Last Fortnight Prices

During the last fortnight, the local market followed Chicago's trend, with last week and net increases of 4.6% in USD and 3.6% in pesos. The spot price in Rosario closed at USD 195/MT (versus USD 186.5 the previous fortnight and USD 179 the month before). In pesos, it rose to ARS 199000. The January 2025 futures price increased by around 6.5% to USD 197/MT, and for the April 2025 harvest month, it rose +4% to USD 185/MT. Although the change is still very recent, it aligns with concerns about crop conditions due to a lack of rainfall, which was already a bullish factor.

Crop Yield

Corn profitability for the 2024 harvest improved at the current the rise in of USD 195/MT. With normal yields and standard technology, it offered gross margins of USD 363 to USD 589/ha. The April 2025 price was less attractive, being paid only USD 175/MT (Chart 1).

Harvest projection

According to the Buenos Aires Grain Exchange, as of January 9, 2025, 91.6% of the 6.6 Mha area for the 2024/25 corn planting has been completed. The reduction in crops rated as good to excellent decreased by 6% to 42% of the planted area. The water condition declines due to lack of rainfall and high temperatures, down 4% to 77%. The harvest projection is 48 MT, while the USDA maintained its estimate at 52 MT.

SOYBEAN

During the last fortnight, the USDA January 2025 report showed price increases at the close, with net gains of 3.4%, closing at USD 372.4/MT. Prices jumped from very recent lows. Soybean oil, with a net gain of 14%, closed at USD 993/MT. Soybean meal dropped by a net 3.4% to USD 330/MT. The USDA January 2025 report for the US projected a 5% increase in production, a 7% rise in exports, and a 4.7% increase in total use. The balance showed a 14% rise in stocks, with the stock-to-use ratio at 15.1%, the highest in five years. The balance remains comfortable and bearish. Globally, production increased by 7.4%, exports rose by 2.5%, total use grew by 5.5%, and stocks climbed by 14% to 128 MT. Despite the decrease, it remains a record. The stocks-to-use settled at +31.6%, compared to 29.2% in the previous year. The balance remains comfortable and bearish for prices. US weekly exports were weak and below expectations. Investment funds reduced their net short position by buying.

Soybean planting is at 97%, with crop conditions in categories B+E declining by 4% to 49%. The USDA's harvest projection remains at 52 MT. Concerns persist about the warm and dry weather.

International Market

Last Fortnight Prices

During the last fortnight (December 27, 2024-January 10, 2025), January 2025 soybean futures in Chicago saw strong increases at the close, following the USDA January 2025 data, with net gains of 3.4%, closing at USD 372.4/MT (compared to USD 360 in the previous fortnight and USD 363 the month before). Prices jumped from very recent floor lows. Soybean oil experienced a significant the gains, with a net gain of 14%, closing at USD 993/MT (USD 871 the previous fortnight and USD 932 the month before). By contrast, soybean meal dropped by -3.4% to USD 330/MT (last fortnight: 331.7; last month: 313.7). The USDA January 2025 report projected a 5% increase in US production, a 7% rise in exports, and a 4.7% increase in total use. The balance closed with an annual stock increase of +14% and stock-to-use reaching 15.1%, compared to 18.6% in the previous year, the the highest in five years. This balance remains healthy and had a bearish impact. On the global stage, production increased by +7.4%, exports grew by 2.5%, total use rose by +5.5%, and stocks increased by +14% to 128 MT. Despite the decrease, prices hit a record high. The stocks-to-use settled at +31.6%, compared to 29.2% in the previous year. The balance remains healthy and has a bearish impact on futures prices. US weekly soybean exports were weak and expected range. Investment funds made purchases, reducing their net short position, failing to reverse the bearish sentiment in prices. Soybean prices showed a sideways trend and closed USD 10 above the four-week average of USD 362/MT.

SOYBEAN

International News

The fact that soybean futures closed in Chicago at USD 372/MT, the highest value since November 8, 2024, was major news. However, they managed to accumulate weekly gains of 14%. Despite the drop in soybean meal futures, the rise in soybean oil added pressure, with a 14% gain for the week and an increase of USD 124/MT.

The key news came from the USDA, which adjusted the 2024/25 US soybean production down by 3.4 MT. This change was due to a decline in the national average yield, which dropped by 0.7 qq/ha, now standing at 34.1 qq/ha. The market continues to focus on the weather in Argentina at the start of 2025, with forecasts predicting below-average rainfall.

In line with oil price gains, soybean oil showed strength, posting a daily increase close to 7%. However, the possibility of cuts to biofuel tax credits and the potential use of unused oils could boost US soybean oil.

Weather maps for the next two weeks in Argentina are creating uncertainty, with forecasts of drier conditions and high temperatures. However, other forecasts indicated a heatwave followed by intense rainfall.

Global soybean stocks are expected to hit an all-time high, with the USDA projecting 128 MT for 2025, marking an +12% increase compared previous cycle, and hitting a record high.

In China, the number of sows in production has fallen compared to last year, although it showed improvement from October data.

In Argentina, prices could rise close to ARS 300,000/MT, but lower ending stocks of soybeans and their byproducts at the global level must be consolidated. With local prices below USD 300/MT, export taxes and the depreciation of the local currency are negatively affecting the profitability of the oilseed. The US dollar has strengthened against the Brazilian real and the six major global currencies, reducing the competitiveness of US agricultural commodities. This trend impacts Chicago and its relationship with global agricultural market prices.

Fundamentals Analysis. 2025/26 Soybeans. USDA, January 2025.

According to the USDA WASDE January 10, 2025 report, for the US and the 2024/26 season, the year-over-year production increase was estimated at +5%, reaching 118.8 MT, driven by a +4.6% increase in area and a +0.3% yield increase. Exports were up +5.9% at 49.7 MT.

SOYBEAN

Total annual use rose by +4.7% to 68.7 MT. The balance closed with an annual stock increase of +14% to 10.3 MT, and the stock-to-use ratio reached 15.1%, compared to 18.6% in the previous year, the highest in five years. This ample balance remains a bearish factor for oilseed futures.

According to the January 2025 publication, the key point from the USDA for the global soybean market in the 25/26 cycle is a reduction in the production increase, still the largest among the grains, but lower than in the 24/25 cycle. Production is up +7.3% to a record high 424 MT, exports are +2.5% to 182 million tons, and total annual use is up +5.5% to a record level of 405.5 MT. It would close its 2024/26 balance with an lower increase in stocks of +14% to 128 MT, which would still be a record. The stocks-to-use ratio would be 31.7% compared to 29.2% the previous year. This ample balance continued bearish for oilseed prices (Table 3).

Local Market

Last Fortnight Prices

During the last fortnight, the local market experienced weeks of further declines, with a net drop of -2.8% in USD to USD 279/MT and +0.9% in pesos to ARS 290200/MT. In the physical market, prices increased and reached up to USD 295/MT for sales and forward contracts. For May 2025, there was no significant reaction, with a net increase of 1.9%, closing at USD 275/MT, surpassing the lowest prices for that contract. A reaction to the bullish international events is expected in the coming week. Sales were limited due to low supply, and prices were below the average. Planting progress and crops in South America are a factor, with alerts contributing to the bearish outlook.

Crop Yield

The profitability for the current harvest at the available price of USD 279/MT, with typical yields and standard technology, offered indicative gross margins of USD 264 and USD 454/ha. It was less attractive to lock in prices for May 2025, as it was priced at only USD 273/MT (Table 1).

Harvest projection

As of January 09, 2025, the Buenos Aires Grain Exchange reported soybean planting reaching 97% According to the stock-to-use ratio, revised area of 18.4 Mha. The crop condition rated good to excellent declined by 4% to 49% of the planted area. while the projection settled at USDA 52 MT.

VEGETABLE OILS

During the last fortnight, the average prices of vegetable oils in Rotterdam and the main export ports showed increases, with a net negative change of 2.9%. In Rotterdam, the largest declines were seen in palm oil. Prices returned to monthly averages, closing at USD 1144/MT (USD 1146 the previous fortnight and USD 1167 the month before). The trend was gradually bearish, and it closed below the monthly average. Biofuels and their regulations are supporting the market.

International Market

Last Fortnight Prices

During the last fortnight (12/27/24-01/10/25), the average prices of vegetable oils in Rotterdam and the main export ports showed weeks of declines and larger increases towards the close, with a net gain of 2.9%.. The largest increases were in November, and they have been adjusting since then. In Rotterdam, the largest declines were seen in palm oil. The average prices returned close to the USD 1100/MT range, with the index closing at USD 1144/MT (USD 1120 the previous fortnight and USD 1146 the month before). The trend was gradually bearish, and it closed USD 23 lower than the four-week average of USD 1169/MT. The fundamentals of biofuels and their energy regulations are supporting the market.

International News

According to Oil World in its Jan 2024 reports, global oil supplies are tightening, and markets are looking to maximize production and/or ration demand. Despite the price rise, global supplies are expected to increase by only 1.9 MT for the 2024/25 cycle.

Global soybean harvests have exceeded expectations in the first quarter of the current season, particularly in Argentina. The production estimate was updated to 353 Mt for Sep/Aug 24/25, surpassing both the USDA and CIC forecasts. Global dependence on soybean oil and meal is unusually increasing. There is a clear shortage of palm oil, and oils and meals from rapeseed and sunflower.

Palm oil exports decreased by 1 MT to 12.7 MT for Sep/Nov 24, the lowest in eight years. Exports from Indonesia fell by 1.3 MT, while those from Thailand and Central America were very modest, with increases only from Malaysia. Consumers turned to oils with more attractive prices, such as soybean oil, due to the appreciation and reduced exportable volumes of palm oil.

VEGETABLE OILS

Olive oil prices are in free fall in Spain, reaching two-year lows. It was priced at USD 4138, down 24% in one month and 56% compared to a year ago.

The projected global increase in soybean oil production is +3.8 MT in 2024/25, a significant rise, but it is equivalent to the combined decrease in sunflower oil and palm oil, which is 3.6 MT. If global palm oil production recovers by 2.0 MT, global availability would only increase by 1.9 MT.

The high prices of vegetable oils have caused demand rationing in several countries, both in the food industry and the energy sector. The 2024/25 season has seen massive price increases for vegetable oils compared to the previous season. Global soybean harvests have exceeded expectations in the first quarter of the 2024/25 season, particularly in Argentina.

The global market continues to show divergence between soybean and palm oil fundamentals. The price gap is widening, making soybean oil more attractive due to its lower prices.

This shortage is further exacerbated by the growing use of oils for biodiesel production, leading to unsustainable demand for certain raw materials. Blending targets will likely not be met in the U.S., Indonesia, and Brazil. Global biodiesel/HVO production growth is expected to be halted in 2025.

Soybean harvest expectations in South America are favorable, with an expected increase of 15 Mt compared to the previous year, which could lead to leading to potential drop in soybean and soybean meal prices in the global market.

Fundamentals Analysis. Vegetable Oils Market. USDA WASDE 2025.

According to the USDA WASDE January 10, 2025 report, for the 2024/25 season, the global vegetable oils market forecasts a year-over-year production increase of 2.5% to 227 MT, exports stable at 86.4 MT, total use up +3.3% to 225.8 MT, and a significant decrease of ending stocks by -8.2% to 28 MT. The annual balance would close with a stocks-to-use ratio of 12.6% versus 12.5% in the previous cycle (Table 4). For sunflower oil, there is a year-over-year production decrease of -10% to 20.1 MT. Exports are down -18% to 12.4 MT, and total use is down -9% to 19.2 MT. The final balance shows a decrease in stocks of -24% to 2.4 MT. The stock/use ratio is expected to close at 11.7% versus 14.1% in the previous year, which was bullish for prices (Table 5).

VEGETABLE OILS

Local Market

During the last half of the month, global vegetable oil markets experienced slight declines, with sunflower oil showing less significant drops. In the Rosario Exchange and the reference market, the price declined to USD 330/MT in the spot market and to ARS 362000/MT

Sunflower Yield

For the 2023/24 sunflower harvest, with yields of 18 and 25 qq/ha and the current delivery price of USD 330/MT, the indicative gross margin was USD 159 and USD 327/ha, respectively (see Chart 1).

Sunflower Harvest Projections

According to the Buenos Aires Grain Exchange, as at January 09, 2025, sunflower oil 2023/25 completed corn planting 1.95 Mha area. Crop condition was rated 90% normal to excellent, with 2024/25 projection being yield prospects are good raised to 4 MT.

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

Date 10/01/2025		WHEAT		SUNFLOWER		CORN		SOYBEANS	
Yield	qq/ha	35	45	18	25	75	95	28	38
Future price	u$/qq	19.9	19.9	33	33	19.5	19.5	27.9	27.9
Gross income	u$/Ha	697	896	594	825	1463	1853	781	1060
Selling expenses	%/IB	25	25	18	18	35	35	24	24
Net Income	u$/Ha	522	672	487	677	951	1204	594	806
Tillage	u$/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	63	81	53	74	102	130	62	85
Direct costs	u$/Ha	-422	-440	-328	-349	-587	-615	-329	-352
Gross margin	u$/Ha	101	232	159	327	363	589	264	454
PLANTING PERCENTAGE									
GM-40%GI	u$/Ha	-178	-126	-79	-3	-222	-152	-48	30
LEASE									
Average rent	qq/Ha	10	10	9	9	20	20	13	13
GM-Rent	u$/Ha	-98	33	-138	30	-27	199	-98	91

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	729.9	178.1	733.4	284	38.72%
2019/20	215.2	3.53	759.3	195.1	745.7	297.6	39.91%
2020/21	220.2	3.51	772.8	199.6	786.1	284.3	36.17%
2021/22	221.6	3.52	780.6	206.2	791	274	34.64%
2022/23	219.6	3.6	789.9	217.7	789.6	274.3	34.74%
2023/24 /3	222.9	3.55	791	224.1	797.8	267.5	33.53%
24/25 (12) /2	222.2	3.57	792.9	213.5	802.5	257.9	32.14%
25/26 (01)/1	222.2	3.57	793.2	212.3	801.9	258.8	32.27%
Monthly change (1/2)	0.00%	0.04%	0.04%	-0.56%	-0.07%	0.35%	
Y.o.y. change (1/3)	-0.31%	0.59%	0.28%	-5.27%	0.51%	-3.25%	
Yearly var (1/3)	1.37%	-0.22%	1.14%	-0.55%	1.33%	-6.21%	

Source: USDA Wasde. January 10, 2025

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	1128	176	1140.1	313.6	27.51%
2020/21	200.7	5.6	1133.8	184.4	1151	296.4	25.75%
2021/22	207.4	5.9	1218.5	193.5	1200.9	314.1	26.16%
2022/23	202.2	5.8	1163.4	180.9	1172.8	304.7	25.98%
2023/24 /3	205.3	6	1230	197.9	1217.2	317.5	26.08%
24/25 (12) /2	202.7	6	1217.9	190.7	1237.7	296.4	23.95%
25/26 (01) /1	202.9	6	1214.3	189.7	1238.5	293.3	23.68%
Monthly change (1/2)	0.10%	0.00%	-0.30%	-0.52%	0.06%	-1.05%	
Y.o.y. change (1/3)	-1.17%	0.00%	-1.28%	-4.14%	1.75%	-7.62%	
Yearly var (1/3)	1.37%	-0.22%	1.14%	-0.55%	1.33%	-6.21%	

Source: USDA Wasde. January 10, 2025

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	125.19	2.74	343.63	153.4	340.28	99.74	29.31%
2018/19	126.05	2.88	363.45	149.22	345.65	114.25	33.05%
2019/20	123.97	2.76	341.72	165.82	360.23	95.22	26.43%
2020/21	130.18	2.84	369.6	165.18	367.14	98.7	26.88%
2021/22	131.57	2.74	360.54	154.44	366.38	92.9	25.36%
2022/23	137.33	2.75	378.16	171.75	366.68	101.24	27.61%
2023/24 /3	140.47	2.81	394.97	177.62	384.29	112.38	29.24%
24/25 (12) /2	146.49	2.92	427.14	181.97	403.64	131.87	32.67%
25/26 (01) /1	146.34	2.9	424.26	181.97	405.53	128.37	31.65%
Monthl change (1/2)	-0.10%	-0.57%	-0.67%	0.00%	0.47%	-2.65%	
Y.o.y. change (1/3)	4.18%	3.11%	7.42%	2.45%	5.53%	14.23%	
Yearly var (1/3)	1.37%	-0.22%	1.14%	-0.55%	1.33%	-6.21%	

Source: USDA Wasde. January 10, 2025

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

Vegetables Oils	Crushing	Yield	Production	Exports	Total Use	Ending Stock	Stock use%
2013/14	504.65	0.34	171.58	70.12	165.95	25.62	15.44%
2014/15	522.03	0.34	177.49	76.55	169.84	26.89	15.83%
2015/16	518.71	0.34	176.36	73.84	176.9	22.96	12.98%
2016/17	556.29	0.34	189.14	82.01	182.44	23.85	13.07%
2017/18	584.56	0.34	198.75	80.99	190.96	26.79	14.03%
2018/19	601.24	0.34	204.42	86.88	198.01	28.45	14.37%
2019/20	611.94	0.34	208.06	87.17	201.38	30.78	15.28%
2020/21	611.85	0.34	208.03	85.79	204.61	29.75	14.54%
2021/22	613.53	0.34	208.6	79.68	203.03	30.13	14.84%
2022/23	639.09	0.34	217.29	88.93	211.08	31.17	14.77%
2023/24 /3	651.97	0.34	221.67	85.89	217.6	30.81	14.16%
24/25 (12) /2	667.09	0.34	226.81	86.12	223.88	27.9	12.46%
25/26 (01) /1	668.18	0.34	227.18	86.37	224.78	28.3	12.59%
Monthly change (1/2)	0.16%	0.00%	0.16%	0.29%	0.40%	1.43%	
Y.o.y. change (1/3)	2.49%	0.00%	2.49%	0.56%	3.30%	-8.15%	

Source: USDA Wasde. January 10, 2025

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

Sunflower Oil	Crushing	Yield	Production	Exports	Total Use	Ending Stock	Stock use%
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	40.7	0.38	15.4	8.21	15.07	2.04	13.54%
2016/17	47.39	0.39	18.3	10.75	16.37	2.62	16.00%
2017/18	48.11	0.39	18.57	10.32	17.4	2.61	15.00%
2018/19	50.34	0.39	19.62	11.51	18.02	2.44	13.54%
2019/20	53.45	0.4	21.21	13.49	18.91	3	15.86%
2020/21	49.23	0.39	19.01	11.34	18.26	2.11	11.56%
2021/22	51.31	0.38	19.69	11.22	17.53	2.78	15.86%
2022/23	56.24	0.39	21.72	14.31	19.56	3.22	16.46%
2023/24 /3	56.7	0.39	22.14	15.08	21.13	2.97	14.06%
24/25 (12) /2	51.31	0.39	19.96	12.33	19.11	2.22	11.62%
25/26 (01) /1	51.5	0.39	20.05	12.43	19.2	2.26	11.77%
Monthly change (1/2)	0.37%	0.08%	0.45%	0.81%	0.47%	1.80%	
Y.o.y. change (1/3)	-9.17%	-0.30%	-9.44%	-17.57%	-9.13%	-23.91%	

Source: USDA Wasde. January 10, 2025

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