06/03/2025 - PERIOD:
14/02/2025 A 28/02/2025

Argentina Agri Market Report

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06/03/2025 - Period: 14/02/2025 a 28/02/2025

Data in this report refers to the last fortnight (February 14- 28, 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 IGCGMR Feb. 25 report, global grain production for 2024/25 is projected to decrease by 8 MT to 2301 MT, matching the previous year's high, mainly due to a smaller corn harvest. Consumption is expected to reach a new record, driven by increased industrial use. Trade, affected by declines in wheat and corn shipments, is forecast to drop by 40 MT to 419 MT, marking the lowest level in a decade. Stocks are also projected to be the tightest in ten years, down 32 MT to 576 MT. Additionally, exporter stocks are expected to fall by 9 MT to 129 MT, an 11-year record low. For global rice in 2024/25, production is projected to increase slightly by 10 MT to 534 MT, with total consumption reaching a record 532 MT (+9 MT). Trade is expected to remain stable at 57 MT, while carryover stocks are forecast to rise by 3 MT to 176 MT. Overall, the global grain balance appears increasingly tight, with no major reversals anticipated.

With abundant harvests in the US and Brazil, the IGC forecasts global soybean production for 2024/25 to rise by 22 MT to 418 MT. Feed, food, and industrial use are expected to increase, with crushing reaching a record 410 MT (+25 MT). Stocks are projected to hit a new high of 82 MT (+8 MT). Trade is expected to see a slight uptick of 1 MT to 180 MT, including shipments to key destinations. Annual soybean exports are projected to grow by 11 MT, with sustained shipments from Brazil and Argentina. In conclusion, soybeans stand out as a clear exception the global grain market, with a more comfortable supply balance. At the USDA Outlook Forum 2025, forecasts indicate increased corn planting and reduced soybean acreage in both the US and globally.

On the global market, the Trump administration has confirmed that as of Mar-25, tariffs of 25% will take effect on imports from Mexico and Canada, along with an additional 10% on imports from China. This escalation raises the risk of retaliatory measures against US agricultural exports, strengthens the US dollar, and could drive heightened volatility and uncertainty in financial markets, including grains.

According to recent CBOT prices, soybean, wheat, and corn prices were lower. However, they remain near their minimum levels, and it is indicated that the 2024/25 harvest has been sufficient to meet both local and global demand. ensuring balance despite weak or slow-growing demand.

This trend is already evident in vegetable oils, as major palm oil-producing countries have reduced both local supply and exports, leading to constraints in vegetable oil availability.

SUMMARY

Regarding global agri-food expectations, international trade remains sluggish due to ongoing geopolitical conflicts, trade restrictions, sanctions, and a recent tariff war initiated by the new US administration.

During the last fortnight (January February 28), nearby March 2025 contracts on the Chicago Board of Trade showed strong decreases for soybean corn and WHEAT and meal in Chicago and Kansas,. Vegetable oils posted mild rises and drops. Specifically, soybean grains declined by USD 3 to USD 381/MT, while soybean meal fell by USD 7 to USD 326/MT.

Soybean oil declined USD 1 to USD 1016/MT. Corn fell USD 5 to USD 195/MT, Chicago wheat fell 14 to USD 220/MT, and Kansas gained fell 15 to USD 228/MT. In turn, vegetable oils average index increase USD 6 to USD 1139/MT.

US Wheat, Corn and Soybean Weekly Exports

The USDA reported US export sales for the 2024/25 marketing year up to Feb 20, 2025, which were bearish for corn at 0.725 MT, below the expected range of 0.9–1.65 MT, and for wheat at 0.269 MT, below the expected range of 0.3–0.6 MT. Soybean sales were neutral, with 0.411 MT within the expected range of 0.2–0.8 MT. In contrast, for the new 25/26 marketing year, sales were bullish for corn at 0.128 MT, well above the expected range of 0–0.1 MT, and neutral for wheat and soybeans. However, volumes remain very low. The market reflects uncertainty regarding future demand, especially for 25/25, amid the US tariff situation and reciprocal doubts.

US hedge funds

According to the CFTC, US investment funds reported a neutral reduced for soybeans for the week ending February 18, 2025. For soybeans, net sales amounted to 1.14 MT, increasing the net short position to -4.72 MT (previous estimate: 5.58), reflecting a downward adjustment with a net interest rate movement of -3.1% (previous week: -3.05). Corn funds saw purchases of 3.26 MT, increasing their net long position to 26.0 MT from 22.74 MT, with a bullish interest rate shift from 6.88% to 7.6%. For wheat, it was slightly bullish with net purchases of 1.65 MT, reducing the net sales balance to -9.97 MT (-11.62 the previous week). Open interest rates moved from -10.39% to -12.7%. Index funds (wheat, corn, and soybeans) expanded their net long position by 0.78 MT, closing at 98.8 MT. Investment funds held short positions in soybeans and wheat and long positions in corn after a buying wave that gradually weakened.

SUMMARY

Argentine Overview

According to Coninagro, a report on the evolution of purchasing power based on the RIPTE (Index of the Real Wage Power) compiled by the Ministry of Human Capital was released. Between March and December 2024, purchasing power showed an improvement in essential basic food products: sunflower oil, yerba mate, milk, beef, eggs, and bread. These improvements do not represent an increase in producer incomes; on the contrary, there is a decline due to the relative lag of prices. However, they benefit consumers while negatively impacting food-producing cooperatives.

According to the report, salaries saw an annual improvement of 148% between December 2023 and December 2024, surpassing inflation at 117%. This translates into a recovery of purchasing power in real terms. The turning point was in March, when salaries reached a low point and began surpassing inflation thereafter. However, the most significant improvement regarding food prices was that they rose below the average inflation, allowing wages to improve relative to basic food products in the basket.

For reference, in March, the RIPTE, in current terms, was 705,832 pesos, while in December, it had risen to ARS 1202927.

From the weekend onward, several days of varied intensity rainfall are expected, causing excess moisture over the northwest and central agricultural areas. Specifically, the northwest and central regions of Córdoba, as well as southern Santa Fe, could experience significant accumulations.

Climate projections indicate rainfall probabilities over almost 10 days for a large central strip of Argentina's agricultural region (see map), which could cause complications in fields and populations where the rain may occur repeatedly. Conversely, most of the north, northeast, and southwest regions are expected to receive no substantial rainfall.

In summary, agro-climatic projections from the Buenos Aires Grain Exchange indicate that most of the NOA, the southwest of the Chaco Region, the north and east of Cuyo, the Mesopotamia region, the majority of the Pampas region, and southern Uruguay will see rainfall ranging from abundant to very abundant (25 to 100 mm), with isolated spots of moderate values.

Meanwhile, the northwest of Salta, Jujuy, the northwest and central parts of Córdoba, and the north and center of the Pampas region are expected to face more severe weather, with storms bringing rainfall over 150 mm.

WHEAT

In the last two weeks, wheat prices have experienced losses, with several weeks of declines, closing with the largest drops among the grains. Chicago fell -11%, closing at USD 197/MT (220.5 in the previous fortnight and 206 last month), while in Kansas, it fell by -10% to USD 205/MT (228 in the fortnight and 213 last month). The USDA report for February 2025 maintained a balanced outlook for the US. Globally, the IGC forecast lower wheat availability, declines in trade and stocks, and a slightly bullish outlook. Weekly exports for the US in 2023/24 were weak and bearish, and for 2025/26, there was no volume, with minimal commercial activity.

International Market

Last Fortnight Prices

During the last fortnight (February 14-28), wheat futures (Mar-25) showed losses with weeks of declines, closing with the largest drops among the grains. Chicago fell by 2.9% to USD 197/MT (compared to USD 220.5 in the previous fortnight and USD 206 in the previous month), while Kansas dropped -10%, closing at USD 205/MT (USD 228 in the fortnight and USD 213 in the previous month). In the US, the supply and demand balance is ample and bearish. Globally the market balance is tighter decreased trade and stock levels, resulting in a slightly bullish price trend. US weekly exports were weak and bearish, 2025/26 exports had minimal volume and limited commercial activity. Price trends was bearish, with prices closing lower in Chicago and Kansas, at USD 212 and USD 219/MT, respectively, just USD 15 above the monthly average.

Headline News

After previous weeks of gains, wheat accumulated its largest losses in the past fortnight, with a 10% drop, the biggest among the grains.

Negotiations between Ukraine and the US to end the war generated uncertainty and caused market declines.

Favorable weather news for winter crops in the US and Russia further accentuated price drops.

There were few changes to the global balance as of Feb-25, with exporters' production remaining nearly unchanged.

US weekly exports were below the expected minimum, continuing the trend of the last few weeks.

WHEAT

The sharp drop in the Chicago close was news, with a 9% decline in the past week.

Better weather in the Northern Hemisphere added further bearish pressure to the markets.

The US dollar's fluctuations between strength and weakness have led to more volatile trading sessions, influenced by tariff conflicts between the US and China and other nations.

Analysts foresee a loss of competitiveness for US grains and exports.

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 Buenos Aires Grain Exchange, in turn, projected soybean harvest at 18.6 MT.

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

The available wheat at the close of the discharge in Rosario was priced at USD 213/MT and ARS 226000/MT, the highest values the first fortnight- Feb 2025.

Fundamentals Analysis. 2024/25 Wheat. USDA WASDE - February 2025.

According to the USDA WASDE Feb. 11, 2025 report, for the US 2024/25 year data was raised, with production increasing by 9.3% to 53.7 MT. Exports rose by +20.2% to 23.1 MT. Total annual use rose by 4% to 31.4 MT. Ending stocks would close +14% higher at 21.6 MT. The stocks-to-use ratio would rise to 69% versus 63% in 2023/24. The report provided a bearish signal for wheat prices.

According to CIG (GMR) report 2/20/2025, on a global wheat level and on a year-on-year basis, for 2024/25 production rose by only 2 MT to 797 MT, exports decreased by -8.4% to 197 MT, use increased by barely +0.12% to 806 MT, and ending stocks decreased by -3.3% to 264 MT. The stock-to-use ratio declined to 32.8% from 33.8% in 2023/24. The year-on-year balance was tight, with strong decreased trade and stocks, and slightly higher for cereal prices (see Table 1).

WHEAT

Local Market

Last Fortnight Prices.

During the last fortnight, the local market remained unchanged and did not show declines, compared to the Chicago reference. On the MATBA, the spot price increased by a 0.2%, closing at USD 213/MT (compared to USD 212.5 in the previous fortnight and USD 204 a month earlier). In local currency, it rose by 0.4%, reaching ARS 226000/MT, the highest level since October 2024. The Mar-25 contract closed at USD 216/MT, with exports offering to fix. For Jul-25 and beyond, there were net declines of -1%.

Yields

Wheat profitability declined for the new harvest. The spot price closed at USD 213/MT, and with typical yields and standard technology, indicative gross margins ranged between USD 133 and USD 274/ha. Selling for July 2025 was more attractive, as it could be set at USD 222/MT (Chart 1).

Harvest Projections

According to the Buenos Aires Grain Exchange, as of January 9, 2025, the harvest had covered the entire suitable area. The average yield reached 29.9 qq/ha. National production projection stood at 18.6 MT.

CORN

Last fortnight, Chicago corn futures prices (Mar 2025) saw sharp declines. It was expected that the US would further reduce its surpluses, but this did not happen. Prices dropped from a peak of USD 195/MT, with sustained declines of -8%, to USD 178.5/MT. The IGC's Feb-25 report for global corn in the 2024/25 cycle showed a 1.2% decrease in production, an 8.5% drop in exports, and a 0.9% increase in use. The balance, with a 7.4% reduction in stock, closed at 275 MT. Thus, global production was lower than expected. This balance showed a decline in stock-to-use ratio to 22% versus 24% in the previous cycle, and was slightly bullish. Investment funds remain buyers (26 MT) and are bullish. US weekly exports for 2024/25 saw limited activity, totaling 1.6 MT. Prices with declines discounted the gains of previous weeks.

International Market

Last Fortnight Prices

During the last fortnight (Feb 14-28, 2025), Chicago's future corn prices (Mar-25) showed continuous declines despite expectations of a new reduction in US surpluses, which did not materialize, leaving the market very weakened. Prices dropped from a peak of USD 195/MT, with sustained losses of -8%, closing at USD 178.5/MT (195.4 in the previous fortnight and 189.8 the month before). The IGC's Feb-25 global balance for the 2024/25 cycle surprised, with a -1.2% decrease in production, an -8.5% drop in exports, and only a +0.9% increase in use. Ending stocks dropped by -7.4%, closing at 275 MT, compared to 297 MT in the 2023/24 cycle. The stock-to-use ratio fell to 22.2%, surprising with lower-than-expected global production. It declined to 22% and was slightly bullish. Investment funds remain bullish, continuing to buy, with net long positions of 26 MT. US weekly corn exports for 2024/25 were bearish, while for 25/26 they were bullish, but with very low volumes. Prices continued to decline at the close, following a bearish trend, USD 14 below the 20-day average of USD 192/MT.

Global News

This week, the first data for the upcoming 2025/26 US campaign was released by the USDA during the Outlook Forum 2025. Corn futures closed the round and the week with losses. A +3.8% increase in US corn acreage for 25/26 was estimated, putting pressure on corn futures.

Tensions between the US and its main trading partners, especially with Mexico—the top importer of US corn—are pushing prices lower.

US corn export sales were reported below analyst estimates.

CORN

Ukraine's Ministry of Agriculture announced that, for the new campaign, the areas planted with soybeans and sunflower will decrease to make room for increased corn acreage.

One of the most notable recent developments was Argentina's reduction in corn export duties by 3% to 9%, which put pressure on the Chicago market.

For the funds, there were profit-taking actions in a context of trade tensions due to US tariffs on Mexico and Canada.

Argentina's 2024/25 corn crop was revised downward by 5 MT to 47.5 MT, according to the Rosario Board of Trade, reinforcing the fearful sentiment in the local market.

The local corn market remained highly active, with significant trading volumes. Competition was driven by concerns over a potential shortfall in the upcoming harvest.

Weather forecasts predicting improved rainfall over the next two weeks in Argentina and southern Brazil were bearish factors.

The biggest bullish development was the USDA's January 2025 report, reiterated in February, which showed larger-than-expected reductions in global corn ending stocks. Expectations for further downward revisions in the February report added support.

The February 2025 USDA data marked the eighth consecutive monthly report showing lower US ending stocks.

In addition, the global ending stocks were revised downward in greater proportion than expected, which likely contributed to further price increases.

Fundamentals Analysis. 2024/25 Corn. USDA WASDE - February 2025.

According to the USDA's Supply and Demand report (WASDE) from February 10, 2025, data for the US and the 2024/25 cycle remained unchanged from January 2025. Production decreased by -3% to 377.6 MT due to lower yields and reduced acreage. Exports rose by +6.9% to 62.2 MT while total annual use rose marginally to 321.7 MT. Ending stocks fell by 13% year-on-year to 39.1 MT, a bullish factor. The stocks-to-use ratio fell to 12.2% from 13.9% in the previous cycle. The overall balance was similar to January 2025, although expectations had been for a smaller annual supply and more significant decline in stocks. This was slightly bearish for feed wheat prices.

CORN

According to year-over-year increase in the IGC GMR as of Feb. 20, 2025, for 2024/25, world production came as a surprise and prices fell -1.2% to 1216 MT, exports fell -8.5% to 182 MT , and total use grew 3.9% to 1238 MT. This results in a balance with a stock decrease of -7.4% closing to 275 MT compared to 297 MT for 2023/24. The stock/use ratio would fall to 22.2%, down from 24.2% in 2023/24. Thus, global production was lower than expected. This balance showed a decline in stock-to-use ratio to 22% versus 24% in the previous cycle, and was slightly bullish for feed grain prices (Table 2).

Local Market

Last Fortnight Prices

During the last fortnight, the local market saw price increases at the close, still below the Chicago benchmark, with net declines of -49% in dollars and -3.7% in pesos. The available price in Rosario dropped to USD 198.5/MT (last fortnight: 206.7; last month: 208.5). In pesos, it settled at ARS 211000/MT, the lowest since mid-Jan-25. Mar/Apr 2025 futures dropped to USD 194/MT. For the April-25 harvest month, prices fell -2.5% to USD 184/MT. As we can see, there is strong variability in the short term.

Crop Yield

Corn harvest profitability improved with the current increase in the available price to USD 198/MT. With normal yields and standard technology, gross margins were estimated at USD 376 and USD 606/ha. April 2025 was less attractive, as it was paid only USD 193/MT (Chart 1).

Harvest projection

According to the Buenos Aires Grain Exchange, as of February 27, 2025, corn official reached 5.4 % (last 5-year average: +3.7) out of a 6.6 Mha area. The national average yield was 77.9 qq/ha, and partial production reached 2.77 MT. Crops were accelerated due to thermo-hydric stress during the filling stage, with concerns about yield losses. The BCR's projection fell -2 MT to 47 MT while the USDA's, -1 MT to 50 MT.

SOYBEAN

During the last fortnight, soybean futures (March 25) saw net decreases of -2.3%, closing at USD 371.7/MT (up from USD 381 a fortnight earlier and USD 383 the previous month). Soybean oil posted net declines of -5.4% and closed at USD 960/MT (compared to 1016 in the previous fortnight and 1017 in the previous month). In turn, soybean meal dropped by -1.5% to USD 321.5/MT (last fortnight: 326; last month: 332). The USDA 's February 2025 report maintained a 14% increase in US soybean stocks for the 2024/25 cycle, with a stock/use ratio of 15.1%, the highest in five years. In the global 2024/25 cycle, the IGC's Feb-25 year-on-year report shows a +5.5% increase in production, a +0.5% rise in exports, and a +6.5% growth in total annual usage, with the balance closing with an 11% increase in stock to 82 MT. The stock-to-use ratio stands at 20% compared to 19% last year. This balance remains very ample and strongly bearish. Investment funds are once again positioned as sellers of soybeans, and US exports are bearish and weak.

International Market

Last Fortnight Prices

During the last fortnight (February 14 - 28), Chicago futures for soybean (March 2025) showed sharper declines than rises, leading to a net decrease of -2.3%, closing at USD 371.7/MT (last fortnight: 381; last month: 383). Soybean oil experienced weeks of both increases and decreases, but ended with a net gain of -5.4%, closing at USD 960/MT (up from 1016 a fortnight earlier and 1017 the previous month). In turn, soybean meal dropped by -1.5% to USD 321.5/MT (last fortnight: 326; last month: 332). The USDA 's February 2025 report maintained a 14% increase in US soybean stocks for the 2024/25 cycle, with a stock/use ratio of 15.1%, the highest in five years. In the global 2024/25 cycle, the IGC's Feb-25 year-on-year report shows a +5.5% increase in production, a +0.5% rise in exports, and a +6.5% growth in total annual usage, with the balance closing with an 11% increase in stock to 82 MT. The stocks-to-use ratio settled at 20%, compared to 19% the previous year. According to the stock-to-use ratio, the balance remains fairly healthy and strongly bearish. Investment funds are once again positioned as sellers of soybeans, and US exports are bearish and weak. The price trend for soybeans was bearish, settling USD 10 below the four-week average of USD 381/MT.

International News

After a week pressured by improved weather conditions in South America and the harvest in Brazil, futures trended lower.

The USDA reported in its Outlook-25 for the new campaign a 3.5% decrease in planted area, increased demand, and a decline in stocks towards the end, which has a bullish effect.

SOYBEAN

After a week pressured by improved weather conditions in South America and the Brazilian harvest, futures moved lower.

A significant announcement was made by President Trump, with a 25% tariff on Mexico and Canada starting in March, along with an additional 10% tariff on China. These will add clear volatility to international markets.

Soybean oil showed sharp losses during the days due to the drop in oil prices. Expectations of lower palm oil prices in Indonesia and the possibility of a production recovery in Malaysia also contributed. This led to soybean oil futures entering negative territory.

A key development was the reduction in Argentina's production estimates. The Rosario Board of Trade lowered forecasts by 5 MT to 47.5 MT, below the previous season's 50 MT and the USDA's projected 49 MT.

A significant event was Argentina's reduction in soybean export duties, which led to losses in the Chicago market. However, there were subsequent recoveries.

A notable USDA update adjusted US soybean production for the 2024/25 season down by -3.4 MT, citing a decrease in the national average yield, which dropped by 0.7 to 34.1 qq/ha.
The market continues to focus on the weather in Argentina and Brazil at the beginning of 2025, expecting rainfall to range from normal to below normal, with the presence of an El Niño in the first quarter. The possibility of cuts to tax credits for biofuels, and the prospect that unused oils could boost US soybean oil, were also key news.

Global soybean stocks are expected to hit an all-time high. According to the USDA, they are projected at 128 MT for 2025, representing a +12% increase compared to the previous cycle.
Oil World reported that soybean production in South America is expected to approach 240 MT in 2025, compared to 220 MT in the previous year.

Fundamentals Analysis. 2025/26 Soybeans. USDA WASDE February , 2025.

According to the USDA WASDE February 11, 2025 report, for the US and the 2024/25 season, the year-over-year production increase was estimated at +4.9%, reaching 118 MT, driven by an increase in area and a yield increase. Exports were up +7.7% at 49.7 MT. Total use rose by +4.7% to 68.7 MT. The balance with an annual stock increase of +14% closed to 10.3 MT, and the stock-to-use ratio reached 15.1%, compared to 14.2% in the previous year. It was still the highest in five years. With ample stocks, the balance remained consistently bearish for future prices.

SOYBEAN

According to year-over-year increase in the IGC GMR as of February 20, 2025, for 2024/25, world production settled +5.5% higher at 418 MT, exports grew +0.5% to 180 MT , and total use grew 6.5% to 410 MT. Ending stocks would close the year-on-year balance with a +11% stock increase, to 82 MT (2023/24: 74). The stock-to-use ratio increased to 20% from 19% the previous year. Despite these reductions, the balance remains fairly healthy and strongly bearish for soybean prices (Table 3).

Local Market

Last Fortnight Prices

Over the past fortnight, the local market reflected a strong impact of harvest projections, leading to temporary price declines through November 2025. Soybeans fell from the highest value posted since mid-Dec-2024 to USD 310/MT.

In the physical market, both trading activity and sales and fixations declined. For May 2025, prices fell by a net -1.5%, closing at USD 292/MT, approaching contract values from May 2026 of USD 298.5/MT.

Crops have suffered from drought and high temperatures, leading to expected yield declines and a reduced harvest—factors that could drive prices higher.

Crop Yield

Based on prevailing prices of USD 305/MT for the current harvest, along with standard yields and modal technology, indicative gross margins stood at USD 314 and 521/ha. It was less attractive to lock in prices for May 2025, as it was priced at only USD 292/MT (Table 1).

Harvest projection

According to the BCBA as of February 27, 2025, soybean planting in the central region improved its water condition, both for first and second crops. In the northern zone, there were no rains and high temperatures. Crop condition and water availability both increased by +1% and +2%, respectively. 40% of the first crop soybeans are in the grain filling stage with good moisture levels. In NEA and northern Santa Fe, 30% are in the critical period, facing a water deficit. The BCBA projection settled at 47.5 MT while the USDA's estimate was of 49 MT.

VEGETABLE OILS

During the last fortnight, the average prices of vegetable oils in Rotterdam and the main export ports showed weeks of rises of 5.5%, declines of -2.5% resulting in a net balance of +3%. The largest declines would be posted by palm and soybeans oil. Prices reached highs of USD 1200/MT, declining to a closing index of USD 1172/MT (last fortnight: 1139; last month: 1133). The trend was upward, closing USD 19 above the four-week average of USD 1153/MT. The market reflected significant increases in oils, but also declines in crude oil and vegetable oil supplies.

International Market

Last Fortnight Prices

During the last fortnight, the average prices of vegetable oils in Rotterdam and the main export ports showed weeks of rises of 5.5%, declines of -2.5% resulting in a net balance of +3%. The largest declines would be posted by palm and soybeans oil. Prices continue close to the USD 1100/MT range, profitability improved with index closing at USD 1139/MT (USD 1139 the previous fortnight and USD 1133 the month before). The trend was upward, closing USD 19 above the four-week average of USD 1153/MT. The market reflected significant increases in oils, but also declines in crude oil and vegetable oil supplies.

International News

According to Oil World's February 2025 reports, global production of the top 10 seed oils is expected to decline by 1 MT from 2025, reversing the significant growth recorded from 2024. This will increase global reliance on palm oil imports. However, a further decline in biodiesel/HVO production is expected in that year, reaching its lowest level in five years. In many countries, this is due to the scarcity of raw materials.

Additionally, the demand for vegetable oils for bioenergy is expected to intensify.

According to this source, in January 2025 alerts, global oil supplies are tightening, and markets are seeking to ration demand. Despite rising prices, global supply growth was only 1.9 Mt in the 2024/25 cycle.

Importing countries' consumers opted for more competitively priced oils, such as soybean oil, the only response to rising prices and the global reduction in palm oil supply.

Demand rationing has occurred partially. The supply shortage is most evident in the sunflower oil market. Additionally, there is uncertainty surrounding biodiesel production in the US.

VEGETABLE OILS

Upward revisions in global soybean oil production contrast with losses in sunflower oil. News about the 2024/25 Argentine soybean harvest was significant in the recovery of soybean and soybean meal prices in the markets and in futures prices in Feb-25.

Palm oil exports have dropped to their lowest level in eight years, falling by 1.0 MT to 12.7 MT between September and November 2024.

Indonesian exports plunged by 1.3 MT, while Thailand and Central America also saw moderate reductions, partially offset by higher shipments from Malaysia.

Fundamentals Analysis. Vegetable Oils Market. USDA WASDE, February 2025.

According to the USDA WASDE Supply and Demand report from February 11, 2025, the global vegetable oil market for the 2024/25 cycle is expected to see a 4.5% year-over-year increase in production to 227 MT, weak exports down 2.9% to 86.4, and a 6.5% rise in usage to 225 MT. Meanwhile, carryover stocks are projected to decline sharply by 9% to 28 MT. The annual balance is expected to close with a stock-to-use ratio of 12.6%, compared to 14.8% in the previous cycle, which was bullish for prices (Table 4). For sunflower oil, there is a year-over-year production decrease of -9.4% to 20.1 MT. Exports are down -17.6% to 12.4 MT, and total use is down -9% to 19.2 MT. The final balance, which was bullish, shows a decrease in stocks of -24% to 2.3 MT. The stock-to-use ratio would close at 11.8% versus 14.1% in the previous year, which was bullish for prices.

VEGETABLE OILS

Local Market

During the last fortnight, global oil markets showed rises and declines, with more stable trend in sunflower oil. In the Rosario Exchange and the reference market, the price closed at USD 340/MT in the spot market, with declines to ARS 351000/MT.

Sunflower Yield

For the 2023/24 sunflower harvest, with yields of 18 and 25 q1/ha and at the current harvest price of USD 340/MT, indicative gross margin stood at USD 172 and USD 346/ha (Chart 1).

Sunflower Harvest Projections

According to the Buenos Aires Grain Exchange, as at February 27, harvesting progressed, covering 13.8% (27%) of the total area. In the grain filling stage, in the southern agricultural area, with expectations of yields higher than average. Harvest projection settled at 4 MT.

CHARTS

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

Date 28/02/2025		WHEAT		SUNFLOWER		CORN		SOYBEANS	
Yield	qq/ha	35	45	18	25	75	95	28	38
Future price	u$/qq	21.3	21.3	34	34	19.8	19.8	30.5	30.5
Gross income	u$/Ha	746	959	612	850	1485	1881	854	1159
Selling expenses	%/IB	25	25	18	18	35	35	24	24
Net Income	u$/Ha	559	719	502	697	965	1223	649	881
Tillage	u$/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	67	86	55	77	104	132	68	93
Direct costs	u$/Ha	-426	-445	-330	-352	-589	-617	-335	-360
Gross margin	u$/Ha	133	274	172	346	376	606	314	521
PLANTING PERCENTAGE									
GM-40%GI	u$/Ha	-165	-110	-73	6	-218	-146	-28	58
LEASE									
Average rent	qq/Ha	10	10	9	9	20	20	13	13
GM-Rent	u$/Ha	-80	61	-134	40	3	210	-83	125

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.

GMR562	21/22	22/23	23/24	24/25	
Wheat				16-ene	20-feb
Production	780	803	795	796	797
Trade	198	208	215	198	197
Consumption	784	793	807	805	806
Carryover Stocks	274	285	273	265	264
STOCK/USE %	34.9	35.9	33.8	32.9	32.8

Source: IGC GMR 562. February 20, 2025

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

GMR562	21/22	22/23	23/24	24/25	
Corn				16-ene	20-feb
Production	1222	1166	1231	1219	1216
Trade	183	181	199	182	182
Consumption	1209	1181	1227	1239	1238
Carryover Stocks	309	293	297	272	275
STOCK/USE %	25.6	24.8	24.2	22	22.2

Source: IGC GMR 562. February 20, 2025

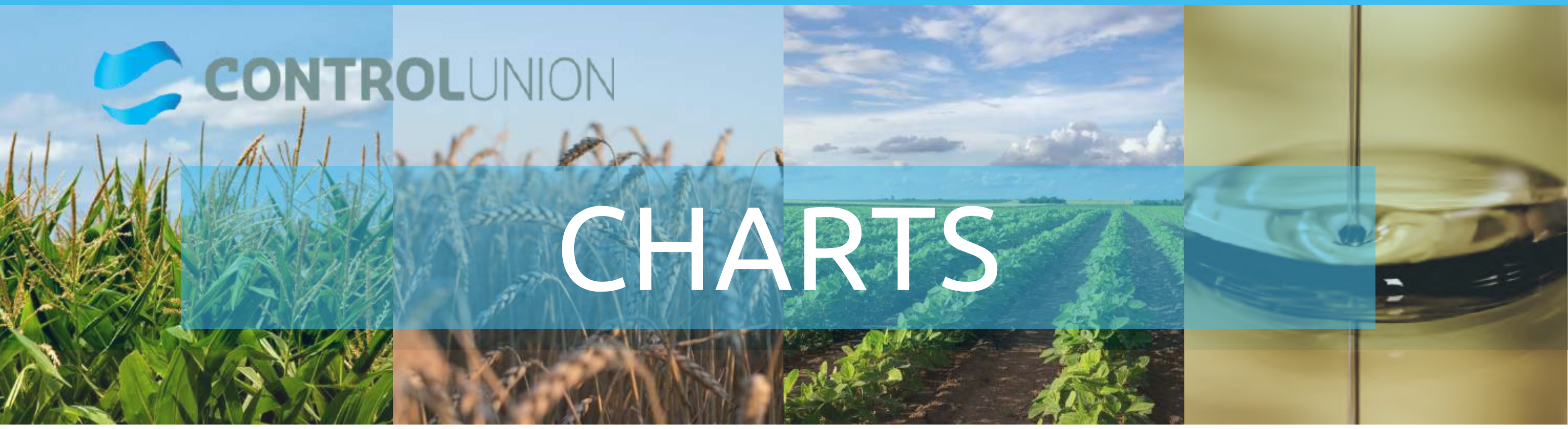

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Table 3.
Soybeans World Supply and Demand. In MMT.

GMR562	21/22	22/23	23/24	24/25	
Soybeans				16-ene	20-feb
Production	357	377	396	420	418
Trade	157	173	179	180	180
Consumption	360	369	385	408	410
Carryover Stocks	54	62	74	84	82
STOCK/USE %	15	16.8	19.2	20.6	20

Source: IGC GMR 562. February 20, 2025

Table 4.
Global Grains World Supply and Demand. In MMT.

GMR562	21/22	22/23	23/24	24/25	
Soybeans				16-ene	20-feb
Production	357	377	396	420	418
Trade	157	173	179	180	180
Consumption	360	369	385	408	410
Carryover Stocks	54	62	74	84	82
STOCK/USE %	15	16.8	19.2	20.6	20

Source: IGC GMR 562. February 20, 2025

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