

Argentina wheat crop estimates for 2022/23 lowered, given fears of dry climate

Because of forecasted dry weather the Rosario Grains Exchange anticipates a lesser wheat crop in Argentina for the 2022/23 season. The Exchange projects Argentine wheat production to decline to 19 million tons, down from a record the 22.1 million tons in 2021-22, as a La Niña weather pattern is expected to reduce rainfall in the coming months.

Argentina is among the world's top wheat exporters and is estimated to have exported a record 14.5 million tons in 2021-22, which would rank her seventh globally, according to the Foreign Agricultural Service of the US Department of Agriculture.

The global wheat supply is declining due to the war between Russia and Ukraine, which account for nearly one-third of global wheat exports, as well as lower output anticipated, also because of adverse climate conditions in United States and India.

The USDA estimates that global wheat ending stocks will fall to 278 million tons in 2021-22, the lowest level since 2016-17.

A total of 6.35 million hectares of wheat are expected to be planted in 2022-23 in Argentina, about 550,000 hectares less than the previous season, the Rosario Grains Exchange said.

In related news FAO released a new Cereal Supply and Demand Brief with updated forecasts pointing to a likely 1.2% decline in world trade in cereals in the 2021/22 marketing year compared to the previous year.

The decline is associated with maize and other coarse grains, while trade volumes for rice are predicted to grow by 3.8%.

With almost all crops harvested for the 2020/21 cycle, FAO pegs the world cereal production at 2 799 million tons, an 0.8% increase from the 2019/20 outturn. World cereal utilization for the 2021/22 period is projected to increase by 0.9%

from the previous year to 2 785 million tons.

FAO's new estimate for world cereal stocks by the close of seasons in 2022 now stands at 856 million tons, 2.8% above opening levels, led by a build-up in maize inventories partly due to suspended exports from Ukraine. If confirmed, the global cereal stocks-to-use ratio would end the period unchanged at a "relatively comfortable supply level" of 29.9%, according to FAO.

FAO still predicts global wheat production to grow in 2022, to 782 million tons. That forecast incorporates an expected 20% decline in harvested area in Ukraine. As to coarse grains FAO indicates that Brazil is on course to harvest a record maize crop of 116 million tons in 2022, while weather conditions are likely to dent maize output in Argentina and South Africa. Initial planting surveys indicate that maize acreage in the United States of America is likely to decline by 4%, amid concerns over the high costs of fertilizers and other inputs.

Source:

<https://en.mercopress.com/2022/05/14/argentina-wheat-crop-estimates-for-2022-23-lowered-given-fears-of-dry-climate>

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