Shippings of corn and soybean by-products drop during June

Tomás Rodríguez Zurro – Emilce Terré

Due to the shallowness the river, the importance of the ports in the South of Buenos Aires in connection to corn shippings rises.

Throughout June, the low water level situation of the Paraná River worsened week after week, and by the end of last month the water level on the banks of Rosario reached its lowest mark since the end of 1970. This impacted notably on the tonnage of corn and soybean by-products shipped from the Up-River Paraná Ports.

Although the soybean crushing to date this year was considerably above the same period in 2020 (18 Mt between January and May 2021, vs 15.5 Mt during the first five months of the previous year), during the month of June, in the Rosario city cluster of ports a total of 2.49 Mt of soybean meal/pellets was shipped, a 2% drop compared to May and a 12% compared to the same month last year. Besides, it is the lowest volume for the same month since crop season 2017/18.

As for soybean oil, the volume shipped during last month reached 553 thousand tons, a 10% and 11% fall compared to May and June 2020, respectively, same as soybean meal, and the volume is the lowest in four years. Also, it is necessary to make a caveat, since during crop season 2017/18, the severe drought that affected soybean production considerably reduced the local availability of grain, which resulted in a lower industrialization of soybean and, therefore, a lower volume of soybean by-products.

Since Rosario city cluster concentrate most of the oilseed crushing plants of the country, what happens with the Paraná River shallowness impacts strongly on the exports of these by-products, because it is not possible to complete the load in other ports.

Corn is a different matter. For this cereal, when the ships must depart from Rosario city cluster with a cargo hold lower than the total available, as it currently happens, they can complete the load in the ports on the South of Buenos Aires province.

During June, the shipped volume of the cereal from all the port terminals of the country totalized 4 Mt, 20% above May, although with an 11% fall compared to June 2020.

However, bearing in mind what was previously mentioned, it is convenient to analyse what proportion of the total was shipped on the Up-River Paraná Ports and what proportion on the South Buenos Aires Ports. As can be appreciated in the following graphic, the shippings from Rosario city cluster represented 75% of the total, the lowest share in the last four years, at the least. At the same time, the volume shipped from the ports of Bahía Blanca and Necochea/Quequén represented 22% of the total of corn exported, the highest share since 2018, at the least.

There is yet another question for the future. Late corn harvest has already started, and it is forecast to enter a high volume of grain during the next few months. In fact, according to the data by the Argentinian Ministry of Agriculture, Livestock and Fisheries (MAGyP, for its Spanish acronym), there still need to be harvested 2.7 Mha of corn all over the country, the largest area in history for this moments of the year. Also, 2.1 Mha of that total are in the area of influence of the Rosario city cluster of ports, which also sets a record. This large remnant area to be harvested is a consequence of the drought during September and October, which delayed planting.

As for quotes on the local market, the dollar-equivalent price of corn in the Cereal Arbitration Chamber of Rosario last Tuesday fell US$ 11/t, that is to say, 6%, and reached US$ 177/t, while soybean suffered a slump of US$ 12/t, equivalent to 4%.

As for FOB prices offered on the main ports of the biggest exporters of corn as well as soybean, it can be appreciated that, currently, prices in Argentina's Up River Paraná Ports are the lowest, in comparison to the rest of the selected ports. This is caused by two factors. On the one hand, we are presently in full corn harvest, while soybean harvest has ended very recently, compared to the rest of the countries that are well advanced in their crop season, and whose stocks are starting to be scarce. On the other hand, there is a price penalty for products in the Up-River due to the costs caused by the low water level of the Paraná River that is thoroughly analysed in the pertinent article of the Weekly Report present edition. However, beyond that, price behaviour has been similar in the main export hubs for both crops, since last week there was a drop in prices but, the year-on-year comparison shows a strong increase.

BOLSA DE COMERCIO DE ROSARIO

www.facebook.com/BCROficial
twitter.com/bcrprensa
es.linkedin.com/BCR
www.instagram.com/BCR
www.youtube.com/BolsadeRosario

BOLSA DE COMERCIO DE ROSARIO
Córdoba 1402 - S2000AWV
TELÉFONO
(54 341) 5258300 / 4102600
EMAIL
contacto@bcr.com.ar
WWW
bcr.com.ar