

In line with the foreign market, the price of wheat in Rosario is the highest since 2013 for November

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Shortly after the general threshing in the core area, wheat attracted attention in Rosario, with prices that are at their highest for crop transition since 2013. In Chicago, prices are also hitting records since 2012.

Wheat prices recovered the rising trend shown until the middle of last month, and the cereal returned to trading at values between US\$ 240 and US\$ 245 per ton in the local market. This is the highest price reached by wheat in Rosario after the beginning of November, always measured at the exchange rate at which operations in the grain trade are settled, since 2013, and it is in line with what is happening in reference external markets in the face of the drastic fall in stocks, as analysed below.

We need to remember that, in 2013, a combination of distorting export regulations that discouraged the planted area, together with a drought that strongly affected production, and moved it to one digit in millions of tons for the second crop in a row, added to the appearance of a fungus (*Fusarium*) in the crops that had made an important part of this meagre production not consumable, caused very high stress in the market.



The productive outlook is very different today, with all guns aiming at a record 2021/22 crop in terms of production. According to the latest forecast of the Agribusiness Strategy Guide by Rosario Board of Trade, our country would reach a total wheat harvest of 20.4 million tons. Although this implies a decrease of 300,000 t compared to its October forecast, as a result of a downward revision of yields in Buenos Aires and Santa Fe, the crop aims at surpassing the previous 2019/20 record by almost 1 Mt.

The wheat harvest is progressing steadily along the national territory, reaching 12% of the sown area to date, slightly ahead of the figure reached by the same time last year (+2 pp). In the province of Santa Fe, the harvest is already 11% complete, just a bit ahead of 2020, with the town of Avellaneda already reaching a threshing of over 85% of the planted lots. In several productive areas of the country, in recent weeks, days with high temperatures and with little water availability accelerated the cycle of wheat, mainly of the short ones sown early.

Along with threshing, the entry of fine grain to Rosario export node terminals speeds up. In the graph, it can be seen how the entry of trucks with wheat doubled between the second and third ten days of October, with an upward trend that accelerated in the beginning of November. In total, in the first 10 days of November, some 140,000 tons of cereal from the new harvest would have entered the ports and plants of Rosario export node, showing a 5% retraction in relation to what had entered in 2020 on the same date.





The export sector tries to ensure the fluidity in the entry of supply, considering the important external trade season coming. In total, the Export Sworn Statements now reach 9.07 million tons, slightly more than double of what was traded externally in the previous crop. In addition to this volume, which is calculated on shipments scheduled as of December, which is the formal start of the new crop, another 700 thousand tons have been declared to be shipped in November.

According to the maritime agency NABSA, the shipment schedule for November shows that shipments are already scheduled for the cargo of 308 thousand tons of cereal, 204 thousand from the ports of the Up-River. Among the terminals with the largest cargo schedule for wheat are Dreyfus and COFCO, followed by Cargill and Bunge.



The other big trade piece of news of the week was the Brazilian government's approval of the GMO HB4 wheat, developed by Argentina's Bioceres. This definition, however, does not pave the way for its massive commercialization, since the association of mills of our neighbouring country, Abitrito, rejected the measure arguing that it will bring problems for the exports of Brazilian wheat manufactures, as well as reluctance from the local consumer. In this context, greater definitions are expected in this regard and in the meantime, the exporters that offered open prices to buy wheat in Rosario during the current week continued to announce their "free of GMOs" clause.

