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World Agricultural Production

Argentina: Dry Weather Hampers Sowing Campaign for Wheat

The USDA forecasts Argentina wheat production for 2008/09 at 13.5 million tons, down 1.0 million from last month and down 2.5 million from last year. Area is estimated at 4.7 million hectares, down 0.4 million from last month and down 1.0 million from last year. Yield is forecast at 2.87 tons per hectare, up slightly from last year's 2.82 tons per hectare. Dry planting conditions have caused sowing delays for winter wheat throughout much of Cordoba, Santa Fe, Chaco, Entre Rios and northern Buenos Aires, and will likely result in reduced area for 2008/09. The optimum planting windows for winter wheat typically extends from May through mid-July. Similarly dry conditions is limiting planting and may reduce yields in the spring wheat region farther north. High export taxes in effect during the first half of 2008 is discouraging the planting of wheat and encouraging farmers to plant oilseeds instead. The recent dissolution of the controversial Resolution 125 moving-scale grain tax has lowered wheat export tariffs to 20 percent, but the reprieve may have occurred too late to have a significant effect on wheat area. *(For more information, contact Denise McWilliams at 202-720-0107.)*

