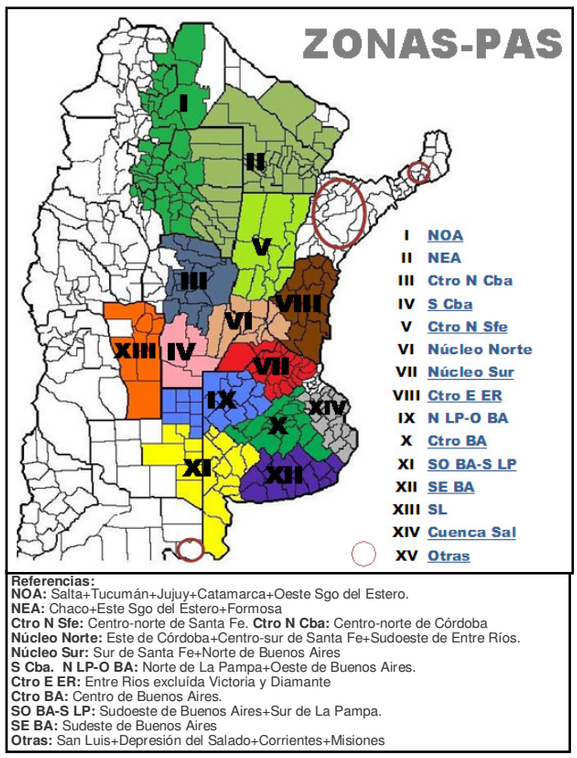
Weekly Ag Report

BUENOS AIRES GRAIN EXCHANGE



Referencias:
NOA: Salta+Tucumán+Jujuy+Catamarca+Oeste Sgo del Estero.
NEA: Chaco+Este Sgo del Estero+Formosa
Ctro N Sfe: Centro-norte de Santa Fe. **Ctro N Cba:** Centro-norte de Córdoba
Núcleo Norte: Este de Córdoba+Centro-sur de Santa Fe+Sudoeste de Entre Ríos.
Núcleo Sur: Sur de Santa Fe+Norte de Buenos Aires
S Cba. N LP-O BA: Norte de La Pampa+Oeste de Buenos Aires.
Ctro E ER: Entre Rios excluída Victoria y Diamante
Ctro BA: Centro de Buenos Aires.
SO BA-S LP: Sudoeste de Buenos Aires+Sur de La Pampa.
SE BA: Sudeste de Buenos Aires
Otras: San Luis+Depresión del Salado+Corrientes+Misiones

WEEK ENDED ON May. 24, 2012

CROP REPORT - HIGHLIGHTS

Estimations and Agricultural Projections Department
Buenos Aires Grain Exchange

WEEKLY AGRICULTURAL WEATHER OUTLOOK
BUENOS AIRES GRAINS EXCHANGE

May 24, 2012

OUTLOOK SUMMARY

NATIONAL AGRICULTURAL WEATHER OUTLOOK 24 to 31 MAY 2012: CLOUDY AND RAINY WEATHER FOLLOWED BY A TEMPERATURE DECREASE.

At the beginning of the current outlook, sea winds coming from the south will bring cool temperatures, humidity and cloudiness. The atmospheric circulation will soon rotate to the north leading to a moderate rise in temperatures. This process will be accompanied by rainy and cloudy weather. However, only the west of Cuyo, the east of NWA, the Chaco region and the north of Mesopotamia will observe moderate precipitations while most of the national agricultural area will observe scarce rainfalls. The east of Salta, most of the Chaco region, the north of Mesopotamia , the south of Buenos Aires and the west of Mendoza will observe moderate/abundant rainfall (25 to over 50 mm); Most of the national agricultural area will observe scarce precipitations (less than10 mm); The west of NWA, most of Cuyo, the southeast of Córdoba and the north of La Pampa will observe very scarce precipitations. Towards the end of the current outlook, the entrance of polar sea winds will drop temperatures. However, the presence of winds, cloudiness and high humidity will limit the occurrence of frosts.

Buenos Aires, May 24 2012

Buenos Aires Grains Exchange

SOYBEAN

Since last late November, a series of climatic factors have impacted negatively on the national soybean production. To begin with, the prolonged drought affected most of the AG region, and was interrupted in late January around the center and south of the national AG belt. The hydric deficit, which lasted nearly sixty days over both important productive belts, was also spiked with high temperature peaks that outnumbered historical values. On the other hand, the late incorporation of barley stubble or wheat plots impacted on the regional yields. The harvest of second crop plots is yielding currently fair levels, although below the initial estimations.

In the north provinces, the drought was extended indefinitely, spanning from February through part of April. For this reason, our NOA and NEA regions not only show important drops of yield potential, but also significant acreage losses.

Finally, once the harvest was well underway, the average regional yields required us to make significant adjustments to our projections. Up until the current report, the cuts due to the progressive fall of the national average yield are reinforced by the hydric excess and floods over a wide important area of the Buenos Aires province. The flooded acreage has reached significant values.

Up to date, the projected volume is 39,900,000 tons, describing a reduction of 1.1MTn (-2.7%) as compared to our previous report, and an annual fall of 9.3 MTN (-19% vs 49.2Tn, 10/11 campaign). Simultaneously, the national harvest progress has covered 89.3% of the harvestable acreage, accounting for a weekly progress of 6 percentage points. The national average yield continues to fall, and now stands at 2.21Tn/ha, describing a drop of 0.06Tn/ha during the last seven days.

SOYBEAN HARVEST

2011/12 SEASON

As of: May. 24, 2012

Zone		Hectareage (ha)			Percentage harvested	Hectares harvested	Yeld (1) (qq/ha)	Production (Tm)
		Sown	Lost	Harvestable				
I	NOA	1.260.000	25.000	1.235.000	70	861.630	15,3	1.315.115
II	NEA	1.930.000	350.000	1.580.000	75	1.186.640	8,9	1.053.053
III	Ctro N Cba	2.330.000	21.200	2.308.800	99	2.285.530	20,4	4.662.905
IV	S Cba	1.400.000	41.000	1.359.000	100	1.354.044	15,3	2.076.594
V	Ctro N SFe	1.116.000	7.500	1.108.500	92	1.019.320	21,3	2.168.328
VI	Núcleo Norte	3.410.000	1.000	3.409.000	100	3.400.478	27,8	9.443.816
VII	Núcleo Sur	2.670.000	16.000	2.654.000	97	2.577.928	25,6	6.593.734
VIII	Ctro E ER	1.140.000	2.000	1.138.000	98	1.117.285	20,9	2.333.073
IX	N LP-OBA	1.550.000	110.000	1.440.000	80	1.145.688	29,3	3.355.228
X	Ctro BA	565.000	67.000	498.000	72	360.228	28,2	1.017.039
XI	SO BA-S LP	328.000	11.000	317.000	64	201.454	20,4	411.583
XII	SE BA	740.000	1.800	738.200	55	405.932	23,0	932.470
XIII	SL	137.000	4.000	133.000	100	133.000	13,0	172.508
XIV	Cuenca Sal	222.000	1.500	220.500	68	149.477	22,7	339.609
XV	Others	52.000	1.000	51.000	82	41.610	18,1	75.423
TOTAL		18.850.000	660.000	18.190.000	89,3	16.240.241	22,1	35.950.476

CORN

As we described in the previous weather report, precipitations of varying intensity over a large portion of the national AG belt have produced hydric excess in the fields, which hamper the gathering of the crop. The most affected areas are the center and west of Buenos Aires, in addition to other specific locations in the southeast, where they expect partial and total losses since the crop has a great amount of water after finishing the ontogenetic cycle. Moreover, bearing in mind that the average yields registered in the main corn producing area (North and South belt, east center of Entre Rios and west of Buenos Aires), which is near to finishing the threshing, are down by 0.2 to 0.3 Tn/ha from the figures that we and the producers estimated, we are now forced to adjust the final volume estimation from 500 thousand tons to end at 19,300,000 Tn nationwide, for commercialiazation of the crop, thus expecting a national average yield of 5,5Tn/ha. Therefore, the percentage drop from our previous estimation is of 2.5% and -16.5% versus the previous (2010/11) campaign.

Up to date, 57.1% of the harvestable area has been collected, accounting for 2,000,000 HAS, the current accrued volume is of 9.6 Million tons, yielding an average of 4,82Tn/ha. On the other hand, the weekly progress was of 4 pecentage points, and the annual progress continues to describe a backward level of -11 percentage points. There is still over one and a half million tons to gather, and the expectations are good for late and second corn yields in the province of Cordoba, north-center of Santa Fe, east-center of Entre Rios, and north of La Pampa and west of Buenos Aires.

CORN HARVEST

2011/12 SEASON

As of: May. 24, 2012

Zone		Hectareage (ha)			Percentage harvested	Hectares harvested	Yeld (1) (qq/ha)	Production (Tm)
		Sown	Lost	Harvestable				
I	NOA	255.000	15.000	240.000	11	27.263	46,8	127.545
II	NEA	270.000	20.000	250.000	29	73.125	40,6	296.630
III	Ctro N Cba	475.000	16.000	459.000	38	174.000	49,1	854.012
IV	S Cba	500.000	67.500	432.500	58	248.915	34,7	863.958
V	Ctro N SFe	160.000	28.000	132.000	65	86.400	48,0	414.554
VI	Núcleo Norte	527.000	14.500	512.500	97	495.636	60,3	2.989.663
VII	Núcleo Sur	460.000	40.500	419.500	88	369.931	46,3	1.714.104
VIII	Ctro E ER	165.000	20.000	145.000	87	125.695	45,8	575.547
IX	N LP-OBA	535.000	69.000	466.000	47	216.848	45,1	977.680
X	Ctro BA	136.000	30.000	106.000	34	36.232	47,2	171.176
XI	SO BA-S LP	107.000	22.000	85.000	17	14.463	27,9	40.331
XII	SE BA	85.000	3.500	81.500	38	31.374	61,3	192.231
XIII	SL	115.000	15.000	100.000	47	46.538	39,6	184.254
XIV	Cuenca Sal	60.000	4.000	56.000	84	47.100	40,2	189.390
XV	Others	20.000	0	20.000	35	7.000	45,9	32.100
	TOTAL	3.870.000	365.000	3.505.000	57,1	2.000.520	48,2	9.623.176

WHEAT

The seeding process was halted last week due to the precipitations over the entire national AG region. These new hydric contributions help improve surface moisture. Therefore, it is estimated that so far, 5.5% of the projected seeding intention has been met, the initial projection being 4,000,000 HAS for the current campaign (2012/13), a -13 % lower than the previous cycle seeding (4.6 MHAS). In whole numbers, 220,000 HAS were incorporated. As compared to the same date in the previous harvest, the current seeding progress registers a delay of 5.7 percentage points, which is mainly due to the lack of surface moisture in some regions of the north, in addition to the great discouragement that exists around the growing of wheat.

59 % of the covered acreage corresponds to the NOA region, where there were moderate precipitations in the last few hours. In the NEA region, the seeding is a little more behind schedule (12%), although once the plots have dried up, the equipment is expected to move faster. On the other hand, the first plots have been incorporated in the north belt, precisely in Arequito and Cañada de Gomez, where the seeding intention is too low. In Reconquista, NE of Santa Fe, we can identify similar conditions, where producers take advantage of the adequate surface moisture they possess. Converesely, the south of Cordoba has started to seed the first plots in Villa Valeria and Vicuña Mackena, for soil coverage purposes.

GRAIN SORGHUM

The precipitations of the last few days over the entire national AG region slow down the advance of the harvest machines. Up to date, more than half of the harvestable acreage has been gathered (51.9%), with nearly 10% of that area collected in the last 15 days. With an average yield of 4.41 Tn/ha, the accrued volume amounts to 2.23 Mtn. There were intense rains in the center, west and southwest of Buenos Aires, which produced a hydric excess, and many of the plots are still flooded. The harvest will be halted in this area until the recovery of the flooded soils. Besides, several plots will be destined to pasture instead of grain harvest.

However, the above mentioned regions expect good yields: C. Tejedor 6.5 Tn/ha, Trenque Lauquen 5.0-5.5 Tn/ha, Daireaux 5.5 Tn/ha. In addition to the adverse hydric excess that causes harvest acreage cuts, we can identify yield values under the initial projections in NOA, NEA regions, north-center of Sta Fe, east-center of Entre Ríos and South of Cordoba, where the lack of summer rains impacted harder than expected. Conversely, other areas such as the north of Cordoba, north belt, north of La Pampa and Corrientes were able to offset these yield drops, since their productivity volumes were higher than expected.

Finally, after carrying out the regional analysis, we adjust our production estimation at -200,000 TN, that is to say a 4.65 % lower than the previous projection. In whole numbers, our new national average yield projection stands at 4,100,000 Tn for the 2011/12 campaign. This is 13.9% higher than the volume obtained during the last campaign (2010/11 3.6MTn).

GRAIN SORGHUM HARVEST

2011/12 SEASON

As of: May. 24, 2012

Zone		Hectareage (ha)			Percentage harvested	Hectares harvested	Yeld (1) (qq/ha)	Production (Tm)
		Sown	Lost	Harvestable				
I	NOA	22.572	2.257	20.315	35	7.110	27	19.197
II	NEA	216.281	25.954	190.327	50	95.164	30	285.491
III	Ctro N Cba	129.960	12.996	116.964	67	78.366	49	383.993
IV	S Cba	42.408	6.361	36.047	39	14.058	48	67.480
V	Ctro N SFe	195.552	25.422	170.130	75	127.598	42	535.910
VI	Núcleo Norte	51.546	4.124	47.422	92	43.629	61	266.134
VII	Núcleo Sur	24.067	722	23.345	52	12.139	58	70.408
VIII	Ctro E ER	120.059	10.500	109.559	76	83.265	50	416.324
IX	N LP-OBA	45.936	8.728	37.208	22	8.186	51	41.748
X	Ctro BA	8.894	1.067	7.827	0	0	0	0
XI	SO BA-S LP	134.992	24.299	110.693	4	4.428	32	14.169
XII	SE BA	6.435	322	6.113	0	0	0	0
XIII	SL	52.326	2.616	49.710	24	11.930	40	47.721
XIV	Cuenca Sal	28.500	570	27.930	32	8.938	47	42.007
XV	Others	20.859	417	20.442	52	10.630	37	39.330
TOTAL		1.100.387	126.354	974.033	51,9	505.440	44,1	2.229.912