Argentina 2021 Dry Bean Crop Monitoring Report
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Agro-economic environment

Since December 30, 2020; the Argentinian Government eliminated the export duties for some agricultural products of regional economies including dry edible beans. Soybeans, which are the most common option for farmers in the dry bean region, pay a 33% export duty.

In years with good prices expectation for dry beans and more favorable export duties, many farmers that don´t grow beans every year tend to plant dry beans, especially black beans. However, the good international prices of commodities, combined with the favorable weather in January, when corn and soybean are planted in Northern Argentina, prevented the planting intentions for dry beans to increase significantly.

Besides the good international prices for commodities, another factor that contributed to the increment in the corn and soybean planted area in Northern Argentina was the shortage of those grains in Bolivia and Paraguay. The border with those countries is within 400 miles from farms in the dry bean growing area and, similarly to what happened with Brazilian black bean buyers during 2020, Bolivian and Paraguayan buyers bought corn and soybean paying in cash, taking advantage of the difference between the official exchange rate and the black market.

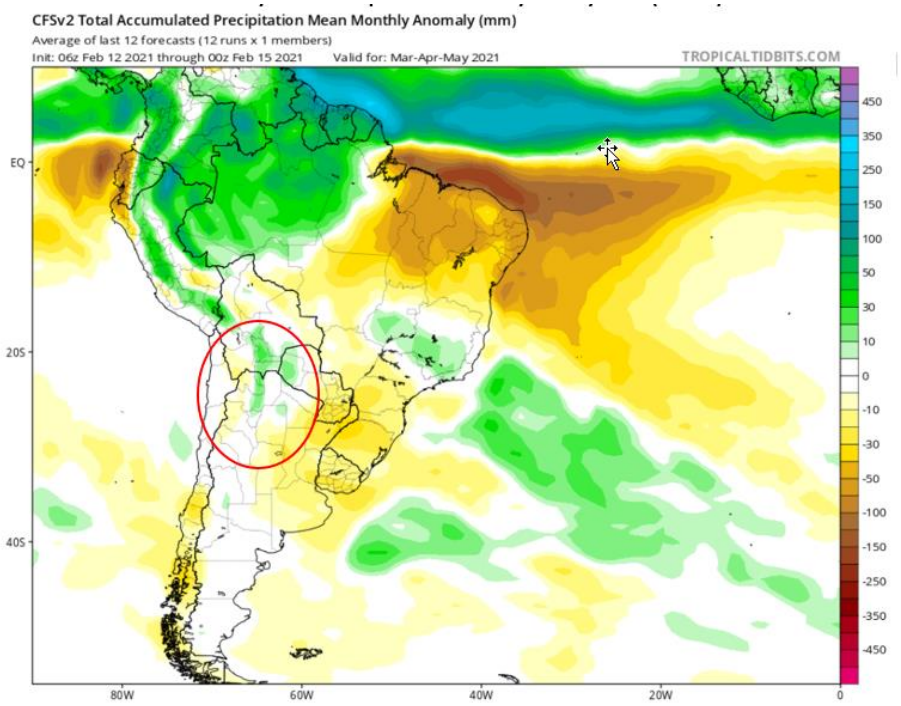
Weather

During the first weeks of 2021, climate expectations were discouraging for argentine farmers since forecasts indicated that the La Niña effect would maintain drought conditions in the area. La Niña is still in force and is forecasted to last through the Northern Hemisphere winter 2020-21 (~95% chance during January-March), with a potential transition during the spring 2021 (~50% chance of Neutral during April-June). Nevertheless, other climate drivers brought precipitation to northern Argentina, putting an end to the drought that harmed agricultural production during 2020. Quarterly weather forecasts indicate that in the dry bean growing region, precipitation will be above average. This contrasts with the forecasts for Argentina´s agricultural heartland, the Pampas region where a dry summer and fall are expected.

During the second week of February, it rained in Northern Argentina improving the moisture content of the soil, which allowed farmers to rapidly increase the planted area.

Note in the chart below (circled in red) precipitation is forecasted to be above average in the dry bean growing region, despite La Niña.

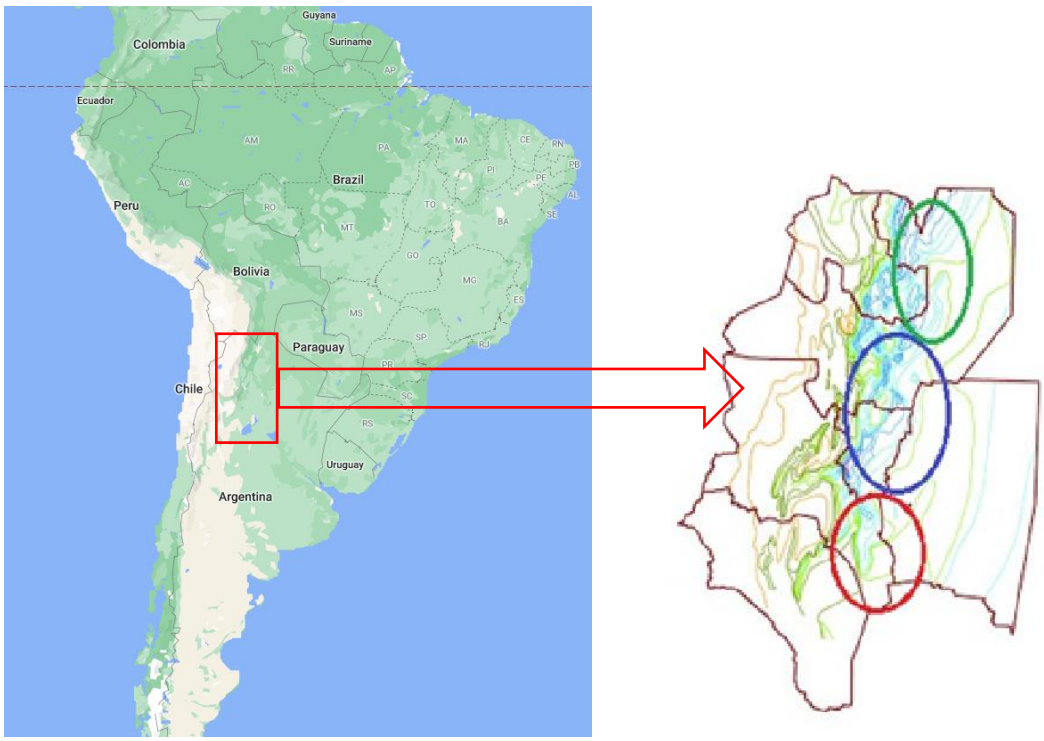
3-monthly Total Precipitation Anomaly to May 2021 (Inches)



Source: tropicaltidbits.com

Planting Progress

To facilitate the development of the 2021 dry bean crop, the growing region was divided into three sub-regions, South (circled in red), Central (circled in blue), and North (circled in green) as shown in the map below:



- **Southern region** (Northern Cordoba, Eastern Catamarca, Southwest Santiago del Estero, and Southeast Tucumán):
    - Planting window: January 5 to February 20

- Varieties: Mainly black beans, followed by DRKB, LRKB, and mung beans.
- **Planting progress: 95%**

- **Central region** (Center and South of Tucumán, and south of Salta):
  - Planting window: January 15 to February 25
  - Varieties: Mainly black beans, followed by DRKB, and LRKB.
  - **Planting progress: 95%**

- **Northern region** (From Metán City to the south up to the Bolivian border to the North):
  - Planting window: February 10 to March 20
  - Varieties: Mainly alubias, followed by cranberries, mung beans, LRKB, DRKB.
  - **Planting progress: Alubia 15%; other bean types, 25%.** The alubias that have already been planted correspond to early plantings. Some farmers choose to plant up to ten days before the planting window to reduce the risk of early frosts.

Black bean lot in Southern Tucumán planted on February 4. The picture was taken on February 10.

2019-2020 production figures, and 2021 planted area intention.

2019-2020 production figures are shown in the chart below. 2021 planting estimate is a preliminary estimation based on planting intentions and may vary in the following reports.

2019-2021 USDBC Argentina Crop Production Estimates (Feb 16)

Bean Class	Planted Area				Yield (MT/Ha)			
	2019	2020	2021	20/21 % change	2019	2020	2021	20/21 % change
Black	147,000	147,000	161,700	10%	1.30	1.16		NA
Alubia	170,000	175,000	175,000	0%	1.29	1.10		NA
Cranberry	25,500	18,000	19,800	10%	1.30	1.10		NA
DRK	21,000	22,000	24,200	10%	1.10	1.20		NA

LRK	11,000	7,500	11,300	10%	1.10	1.25		NA
Mung	NA	40,000	40,000	0%	NA	NA		NA
Total	**374,500**	**374,000**	**393,900**	**5%**	**1.22**	**1.17**		NA

Bean Class	Gross Production (MT)				Exportable Supply (MT)			
	2019	2020	2021	20/21 % change	2019	2020	2021	20/21 % change
Black	191,100	170,520		NA	173,901	143,237		NA
Alubia	220,000	192,500		NA	193,600	155,925		NA
Cranberry	33,150	19,800		NA	29,835	16,434		NA
DRK	23,100	26,400		NA	20,328	21,384		NA
LRK	12,100	9,600		NA	10,648	7,776		NA
Mung	NA	43,000		NA	NA	37,900		NA
Total	**479,450**	**424,820**		**-100%**	**428,312**	**349,616**		**-100%**

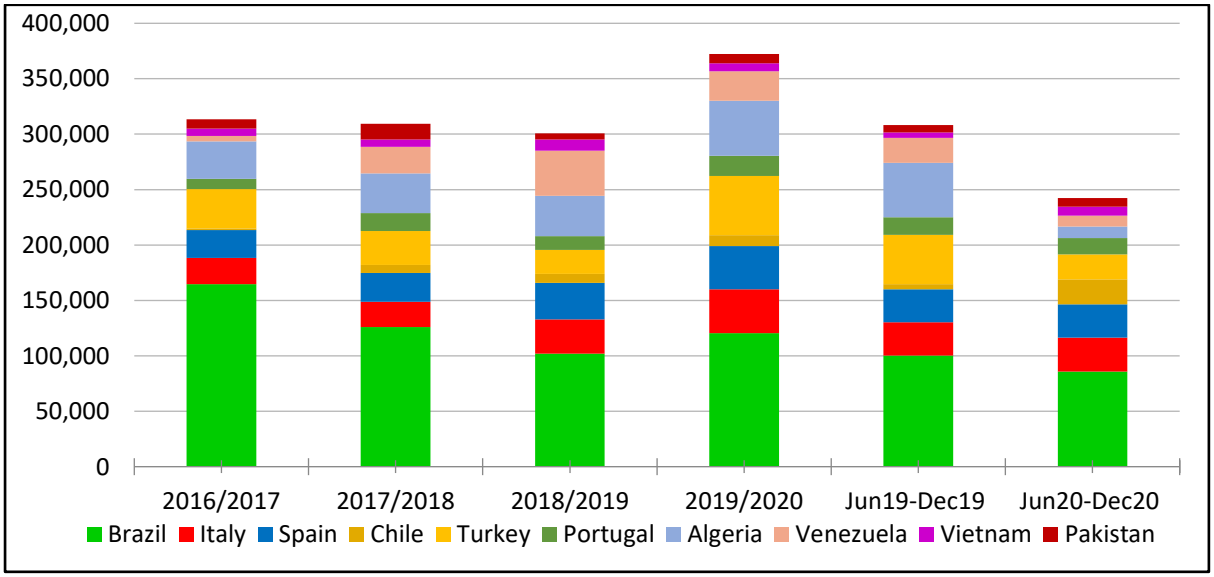
In the chart above, exportable supply is calculated as follows: Production minus beans held by the farmer for next year's seeding (9% for black beans; 12% for alubias, LRK, and DRK; 10% for cranberries), processing loss (7%), and carryover from previous crop year. Estimated remaining stocks were calculated as Exportable Supply minus Jun-Aug exports.

Up to date, the only bean class with available stocks is alubia with 20,000 MT left, of which between 10,000 and 15,000 MT are already contracted and the rest is in the farmer´s hands. The rest of the bean classes are virtually sold out. Argentina is expected to reach 2021 harvest with no carry-in.

Exports

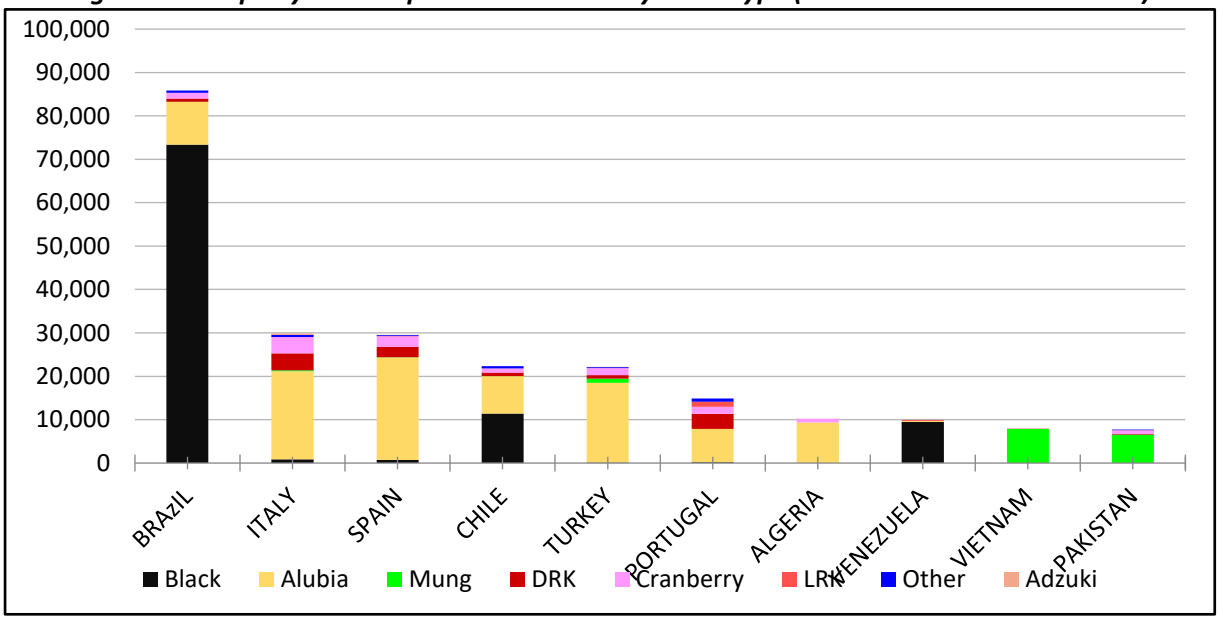
From June through December 2020, Argentina exported 311,653 MT of dry edible beans, down 13% over the same period of the previous MY (357,119 MT). The main export destination was Brazil (85,874 MT), followed by Italy (30,527 MT), Spain (29,953 MT), Chile (22,751 MT), Turkey (22,327 MT), Portugal (14,893 MT), and Algeria (10,232 MT).

Argentina's Top Dry Bean Export Destinations (Marketing Year June-May, MT)



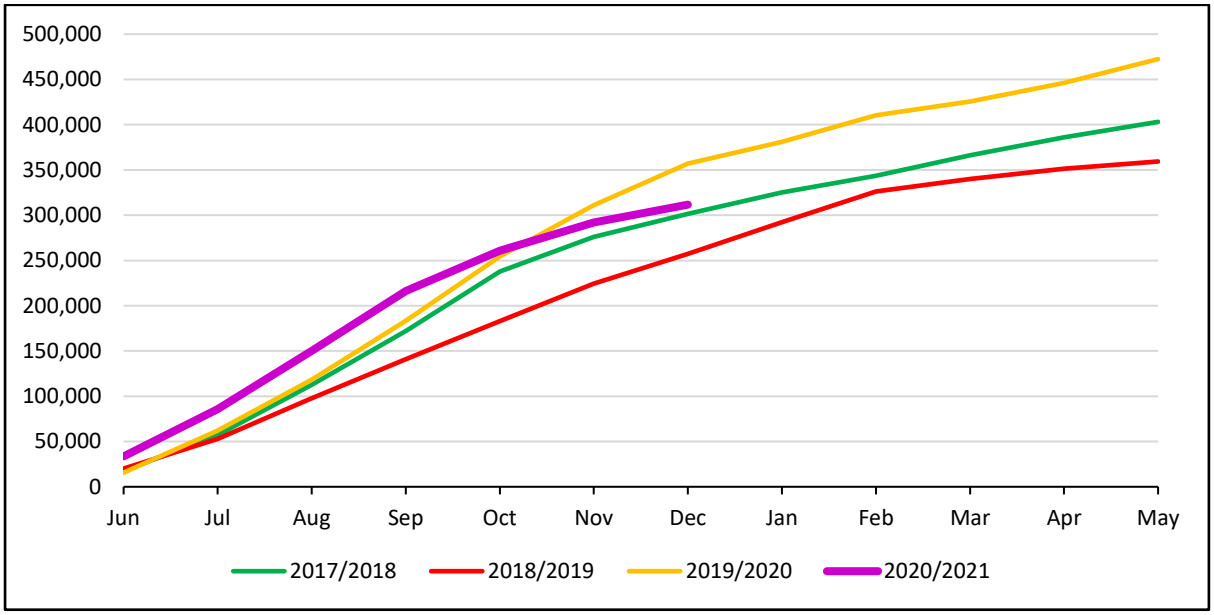
Source: Trade Data Monitor & Softrade

Argentina's Top Dry Bean Export Destinations by Bean Type (June 2020 – December 2020)



Source: Softrade

Pace of Argentine Dry Bean Exports, June-May Marketing Year (MT)



Source: Trade Data Monitor and Softrade

Dry Bean Prices in Argentina, last week of each month (USD/MT)

Bean Type	Oct	Nov	Dec	Jan
Alubia FOB (230 size)	$1,340	$1,200	$1,200	$1,200
Alubia FOB (210 size)	$1,380	$1,260	$1,200	$1,200
Alubia FOB (200 size)	$1,450	$1,270	$1,270	$1,270

Black FOB Buenos Aires	$820	$900	$1,100	Sold out
Black (border w/Brazil)*	$800-$820	$800-$820*	$800-$820*	Sold out
Cranberry FOB			Sold out	Sold out
DRKB FOB			$1,325	Sold out
LRKB FOB			$1,400	Sold out

Source: Industry members

Alubia prices trended downward because Egypt has reportedly entered the market with its winter crop, increasing the available supply of that bean kind, and then stabilized at the above-reported prices.

Contracts for 2021 crop are already being made. Average prices for July-August shipment are shown in the chart below.

Dry Bean Prices in Argentina, last week of each month (USD/MT

Bean Type	July Shipment
Alubia FOB (220 size)	$1,200
Cranberry FOB	$1,280
DRKB FOB	$1,240
LRKB FOB	$1,310

Source: Industry members