



GIEWS Country Brief Argentina

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FOOD SECURITY SNAPSHOT

- Plantings of 2021 wheat and barley crops forecast at above average levels
- Exports of maize forecast at high levels in 2021/22 marketing year
- Prices of food items well above year earlier levels
- Cash transfer programme scaled up amidst increasing poverty rate

Plantings of 2021 wheat and barley crops forecast at above average levels

Planting of the 2021 wheat and barley crops is ongoing. The planted area with the wheat crop is officially forecast at a record of 6.95 million hectares, as high prices have prompted farmers to expand sowings. Sowings of barley are anticipated at an above-average level of 1.3 million tonnes. Precipitation amounts in the July-September period is forecast at below-average levels, with potentially negative consequences on crop yields.

The harvest of the 2021 maize crop was completed in May and official estimates place the 2021 production at an all-time high of 59 million tonnes. The bumper output is due to above-average yields and the record planted area, reflecting remunerative prices and strong demand for exports. Production of the 2021 sorghum, harvested in the second quarter of the year, is officially estimated at 3.2 million tonnes, about 50 percent higher than the previous five year-average, on account of the sharp expansion in plantings. This reflects the elevated prices at planting period, together with the strong export demand from China (mainland).

Exports of maize forecast at high levels in 2021/22 marketing year

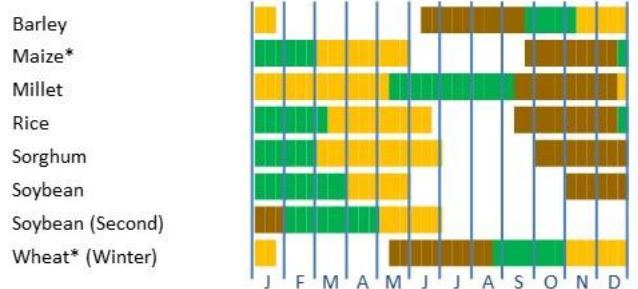
Exports of maize, the country's major exportable cereal, are forecast at a well above-average level of 35 million tonnes in the 2021/22 marketing year (March/February). The high level of exports reflects the large supplies from the 2021 record harvest and strong international demand. In addition, the weak national currency boosted the competitiveness of domestic maize on the international markets. The Argentine Peso started to depreciate in mid-2018 and, as of June 2021, had lost more than 35 percent of its value over the previous 12 months.

Exports of wheat are anticipated at 11 million tonnes in the 2020/21 marketing year (December/November), about 10 percent

Argentina

Crop Calendar

(*major foodcrop)



Sowing
Growing
Harvesting

Source: FAO/GIEWS.

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Cereal Production

	2016-2020 average	2020	2021 forecast	change 2021/2020
	000 tonnes			percent
Maize	49 652	58 500	59 000	0.9
Wheat	18 742	17 600	19 200	9.1
Barley	4 080	4 500	4 800	6.7
Others	4 167	3 740	5 375	43.7
Total	76 641	84 340	88 375	4.8

Note: percentage change calculated from unrounded data.

Source: FAO/GIEWS Country Cereal Balance Sheet.

lower than the five-year average. This reflects the reduced harvest in 2020, which was affected by dry weather conditions.

Prices of food items well above year-earlier levels

After having increased during the last few months, wholesale prices of yellow maize and wheat decreased in June in line with trends in the international market. Additional downward pressure was exerted by favourable prospects for the ongoing wheat planting and the recently completed maize harvest. Prices remained higher year on year after sustained increases since mid-2020 due to the strong demand for exports, together with upward international quotations.

Retail prices of food and non-alcoholic beverages increased between January and May, with the cumulative annual inflation rate for the first five months of 2021 being 20.6 percent. Food prices increased despite the implementation of a price ceiling programme (*Precios Máximos*), amid a difficult macro-economic situation. The programme was first introduced in March 2020 to curb rising prices at the onset of the first wave of the COVID-19 pandemic, and its maximum prices were revised upwards twice in view of the increasing inflation. By mid-June 2021, it has been substituted by a similar programme (*Súper Cerca*) that fixes prices of staple food items until December 2021.

Cash transfer programme scaled up amidst increasing poverty rate

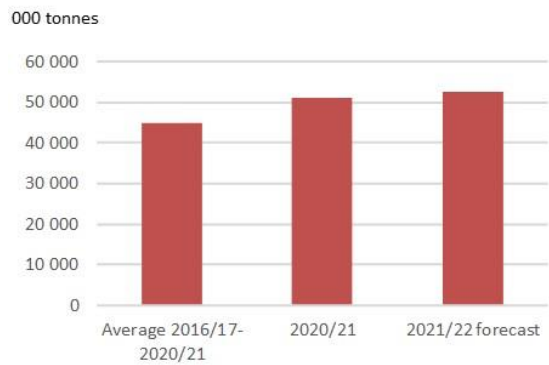
The Gross domestic product (GDP) is estimated [to have contracted by about 10 percent in 2020](#) due to the negative effects of the COVID-19 pandemic. According to official estimates by the Statistics Institute (INDEC), the poverty rate increased by 5.7 percentage points year on year in 2020. The GDP is forecast [to increase by 4.9 percent in 2021](#) reflecting a gradual recovery of economic activities.

Amid increasing prices of food items and poverty rate, the government scaled up the cash transfer programme (*Tarjeta Alimentar*, only usable for food purchase) in May 2021, expanding the coverage from 1.5 to [1.9 million households](#) and raising the amount per family.

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Cereals Exports

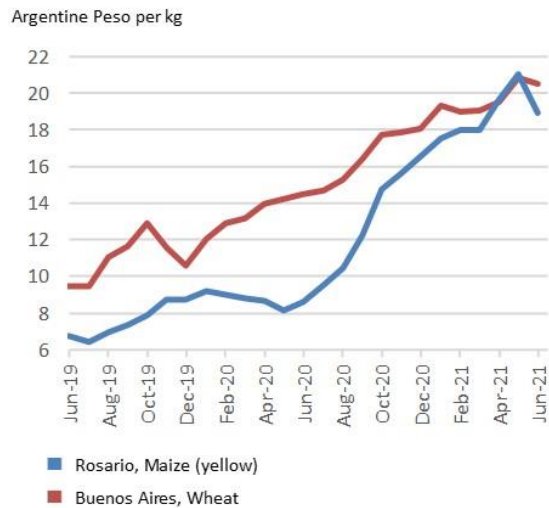


Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Source: FAO/GIEWS Country Cereal Balance Sheets.

Argentina

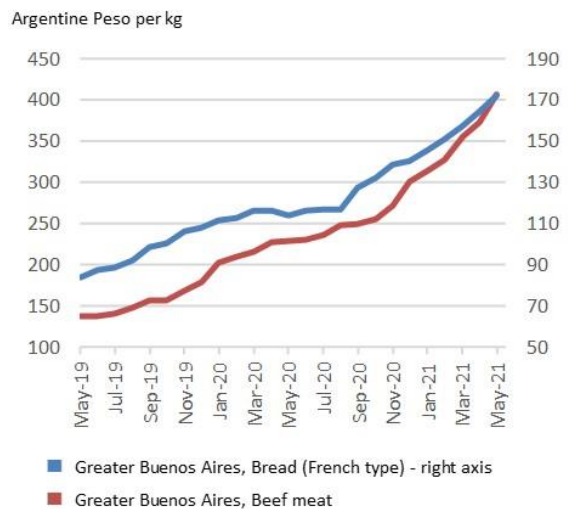
Wholesale prices of yellow maize and wheat



Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.

Argentina

Retail prices of bread and beef meat



Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.