

Dry weather conditions are affecting agriculture and livestock sectors in Argentina

A prolonged drought is severely affecting the agriculture and livestock sectors in Argentina. Precipitation has been scarce since late July in north and north-western provinces (Santiago del Estero, Chaco, north Santa Fe, Salta, and Catamarca) and since the beginning of August in south-east and south-west Buenos Aires, La Pampa and centre-south Córdoba provinces. Light rains in the second decade of September in most parts of the country, were insufficient to reverse the drought situation.

In the north-western provinces of Catamarca, San Juan and La Rioja it has been reported that about 40 000 head of cattle have been lost due to poor pasture conditions, while many others are being sold or moved into other provinces with better pasture availability in order to avoid further losses. In the main cereal growing central provinces, where planting of the 2006 wheat crop was still underway in August, the dry weather conditions have prevented farmers from achieving the planned acreage of 5.9 million hectares, in particular in the south-west of Buenos Aires province and in the centre-west of La Pampa province.

The area planted to wheat is officially estimated at about 5.4 million hectares, only some 3 percent more than the record low of the previous year. By late September, about 30 percent of the wheat crop was suffering from water stress and high temperatures, while just over half is reported to be in good or very good condition.

The crop is due to be harvested from November and if substantial rains are not received soon, yields are likely to be reduced in several areas, mainly in the provinces of Córdoba, Santa Fe, Entre Ríos, Santiago del Estero, Chaco and north-west Buenos Aires. Based on the current condition of crops, wheat output in 2006 is tentatively forecast to reach at best 13 million tonnes, similar to last year's reduced crop and well below the good 2004 crop of 16 million tonnes and the average. However, should conditions worsen, the harvest could fall even lower.

The area that has not been planted to wheat is expected to be planted to 2007 summer crops, such as maize, sorghum and sunflower. However, the pace of planting, which normally starts in mid-September is very slow because of the exceptionally dry soils, and if precipitation does not resume in the next few weeks, the area planted to the 2007 coarse grains may substantially decrease. Weather concerns are also delaying planting of the 2007 paddy crop in the main growing provinces of Corrientes and Entre Ríos.

This situation will probably determine a shift in land use, where areas earmarked for summer coarse grain crops are turned over to soybean, which is planted somewhat later from November to January. In this case, the country's capacity to export cereals and meat products in the 2006/07 (July/June) marketing year would be reduced, while output of 2007 soybean could rise even further above the record output of 40.5 million tonnes obtained this year.

