

Peanuts from Argentina

Crop Evolution Report

April 2019

General Overview

In general terms, we report that the peanut crop in Argentina maintains good prospects regarding yield and quality, as we enter the final stretch of the season. Although the digging tasks have already made considerable progress (close to 74% in relation to the total area planted), harvesting tasks have just begun, reaching an approximate progress of 6%, which implies that it is still too early to outline general conclusions about this year's results. It should be noted that the peanuts are very close to their optimum maturity levels so, if no major inconveniences of a climatic nature, we estimate that the inverted-digging tasks would be virtually completed around mid-May.



Image: Dug peanuts in the Eastern area.

In regard to the climatic conditions in which April and the first days of May passed, significant and sustained rainfall was recorded. They varied according to different zones and localities, although the cumulative totals were much higher than the average of previous years for this month. It is key to have sunny and windy days with moderate temperature, in order to resume harvest activities as soon as possible. At the time of preparing this report, Gastaldi's agronomic team considers that 75% of the crop is in a very good to excellent condition: Below, a detail of the general results:

- Excellent: 30% (vs. 40% reported the previous month)
- Very good: 45% (vs. 38% reported the previous month)
- Good: 20% (vs. 20% reported the previous month)
- Regular: 5% (vs. 2% reported the previous month)

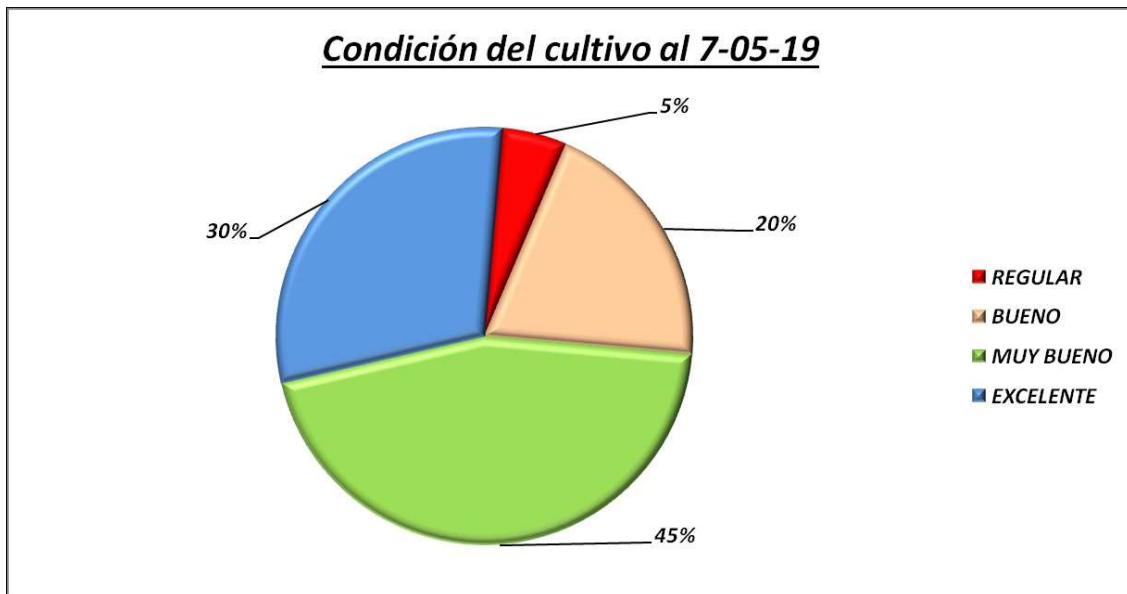


Image: Crop condition as of 07-05-2019.

Main Peanut Area Map

The main peanut area in Argentina includes the provinces of Córdoba, La Pampa, San Luis and Buenos Aires. In general terms, it can be divided as follows:

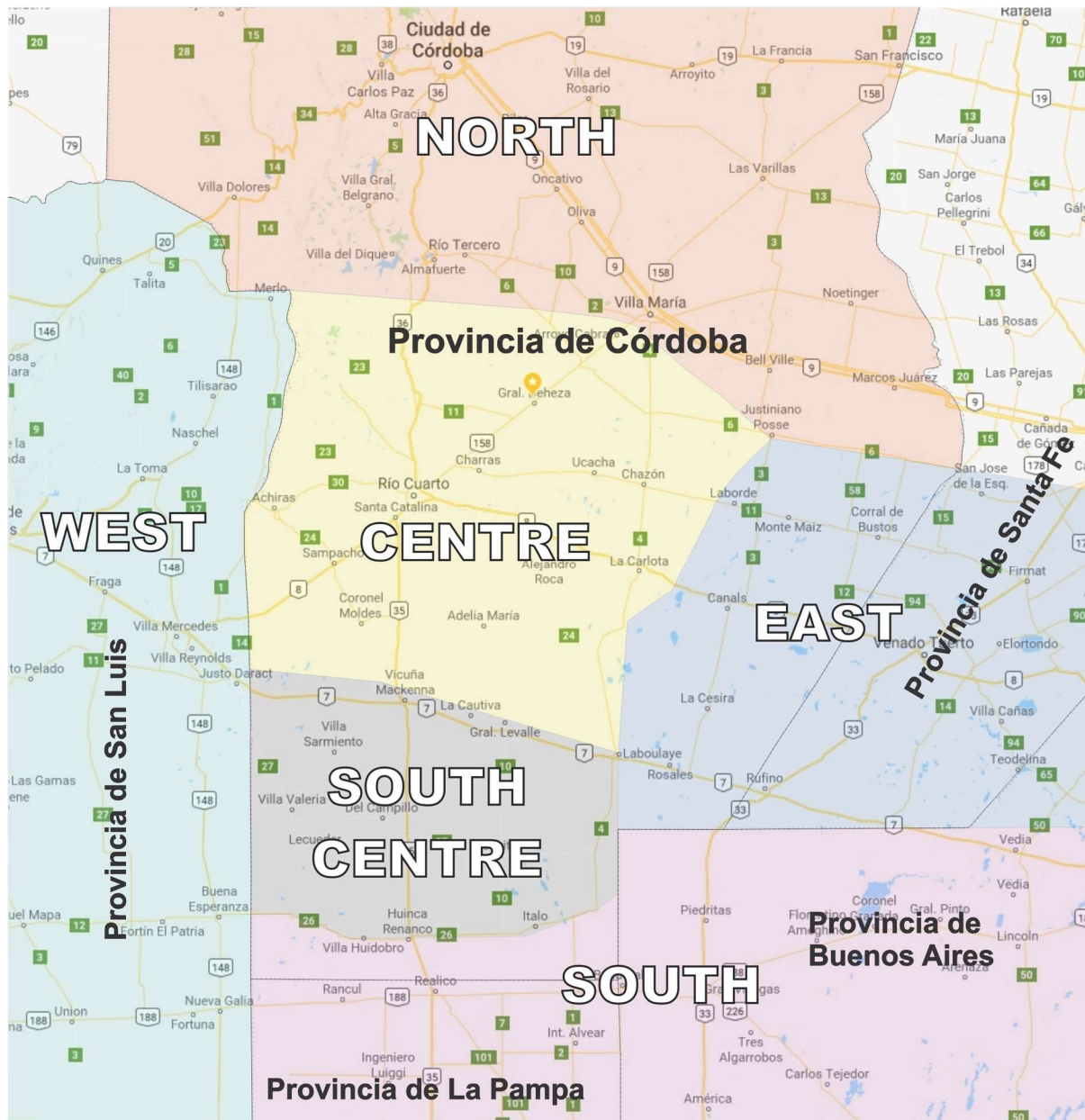


Image: Main peanut area map.

Agricultural and climatic condition

Throughout April and part of May, significant rainfall was recorded in all areas planted with peanuts in Argentina, although the effect was heterogeneous depending on the geographical location. The general figures show accumulated values higher than the historical average, which is an inconvenience at this time of the season, given that the crop is at an advanced stage of physiological maturity, with which water consumption is almost zero.

In the Central and Northern areas, the highest rainfall records were recorded. At the end of April, in places like General Deheza, rainfall records reached 90 mm in 72 hours, which is an abnormal and worrisome situation, given that such rains caused complications in the fields, so the tasks of digging and harvesting had to be interrupted for several days.

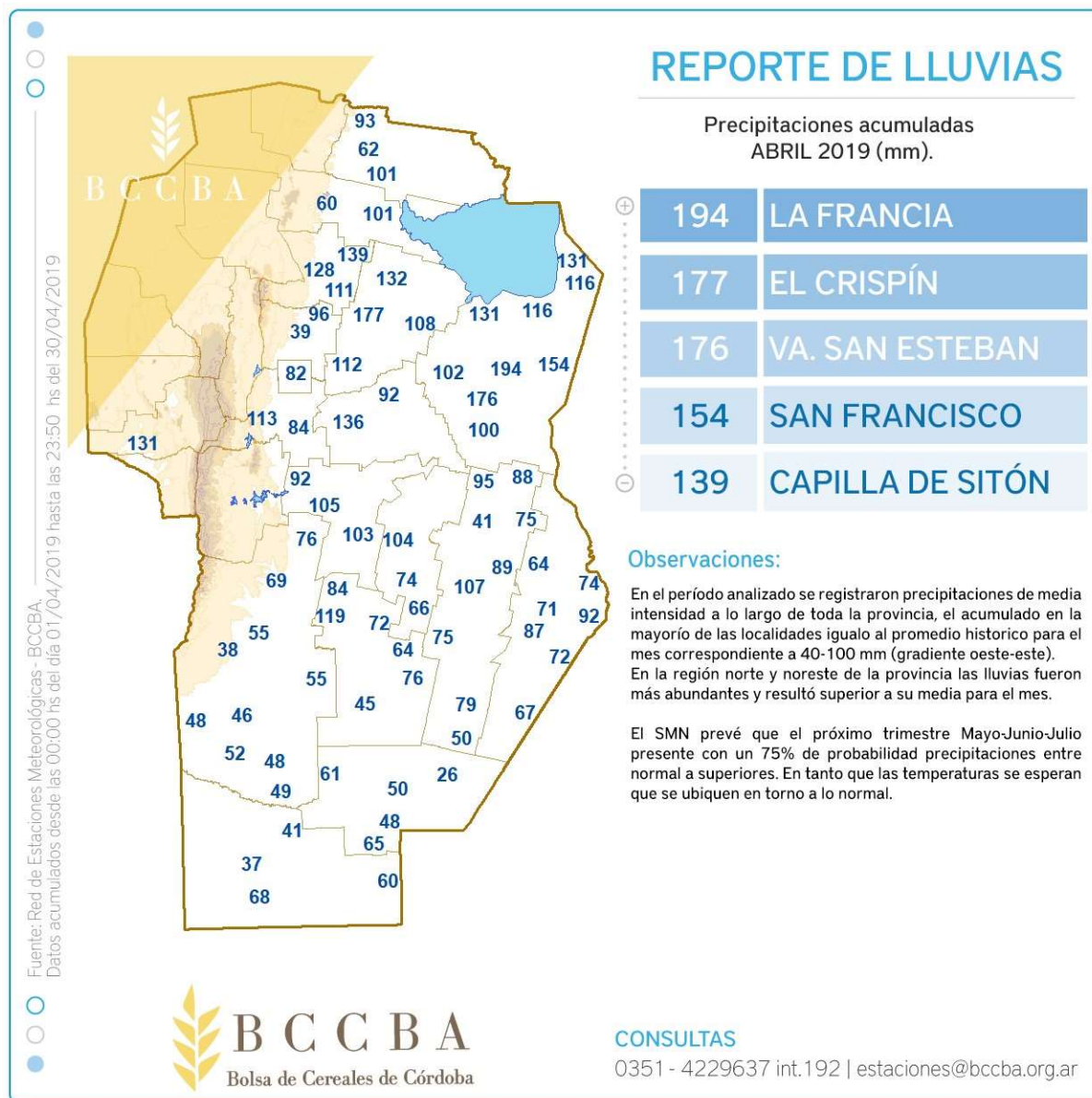


Image: Cumulative rains in the Córdoba province - April 2019.

Considering that the excess of water cannot be absorbed by the crop and that the diurnal temperatures were lower than normal for this time of the year, the evaporation and drainage of the soils was almost imperceptible. For all this, there is a certain degree of uncertainty among peanut producers in the area, which increases day by day as weather conditions do not improve.

As for the thermal records, the minimum temperatures were lower than 12 °C in those places located in the south and southwest region of the province of Córdoba, while the Southern area (La Pampa province) presented records close to 8 °C. The maximum temperature did not exceed 23 °C.

Available water content

Soil moisture may reach its maximum retention capacity or field capacity (by which plants extract water without difficulty). Between **field capacity and the permanent wilting point** stands the range that we designate **Useful Water in the Arable Layer**. The chart depicts values ranging between 70% and 80% of useful water in the soil profile towards the beginning of May in the peanut-growing area (**Field condition**).

Source:

FAUBA.

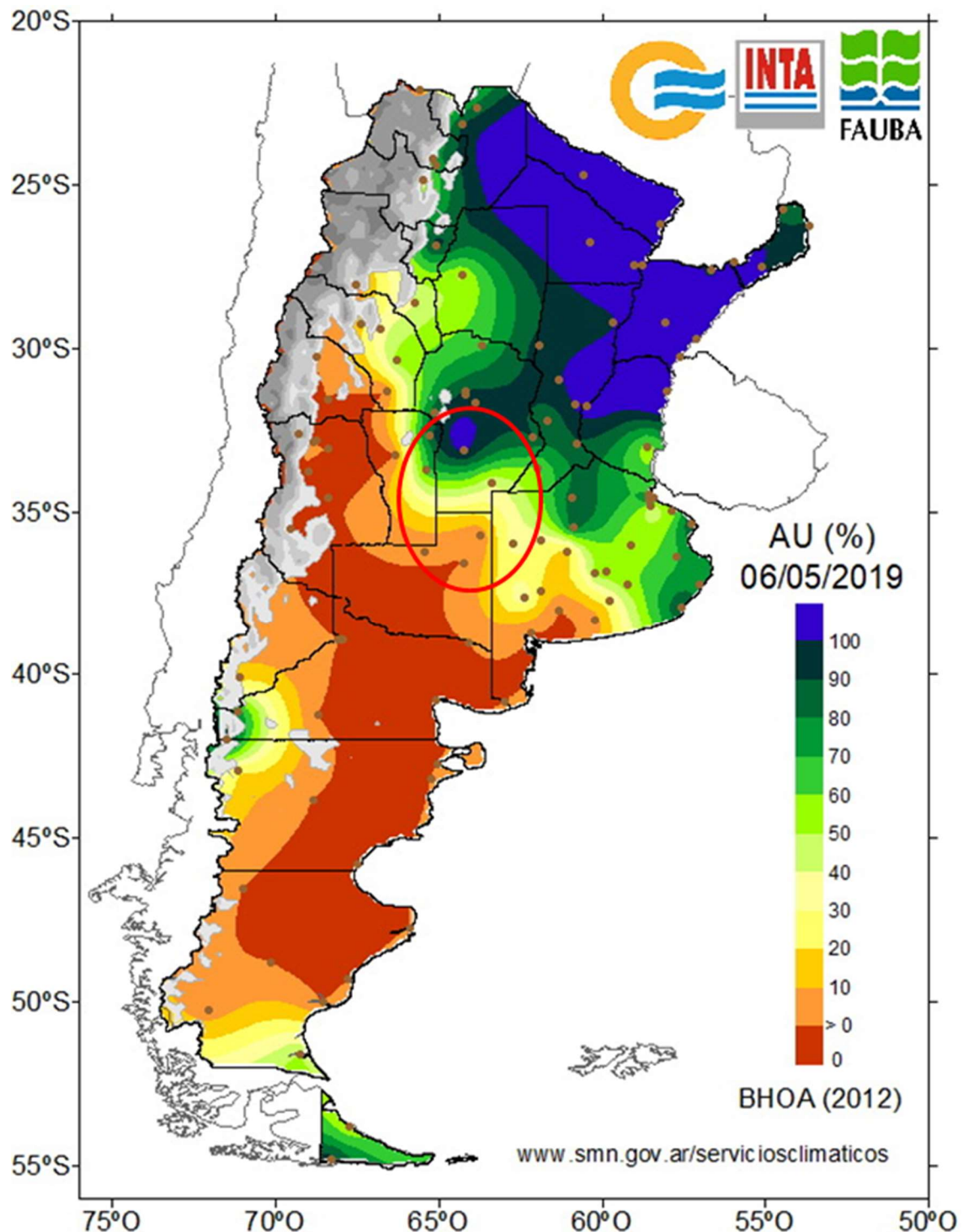


Image: Available water content in Argentina as of 06-05-2019.

Phenological development stages

In general terms, the peanut crop is in the stage of physiological maturity, so it is at an optimum time to be dug and harvested. It is of vital importance to have adequate weather conditions to prevent the optimal window from passing without the crop being harvested, which would generate problems and subsequent losses.

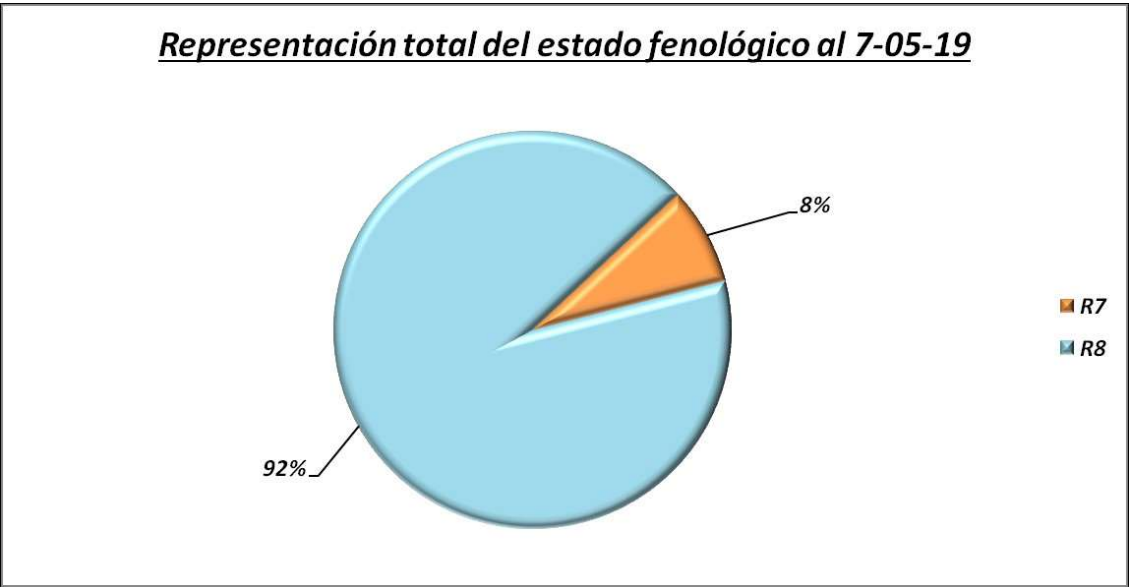


Image: General phenological crop condition as of 07-05-2019.

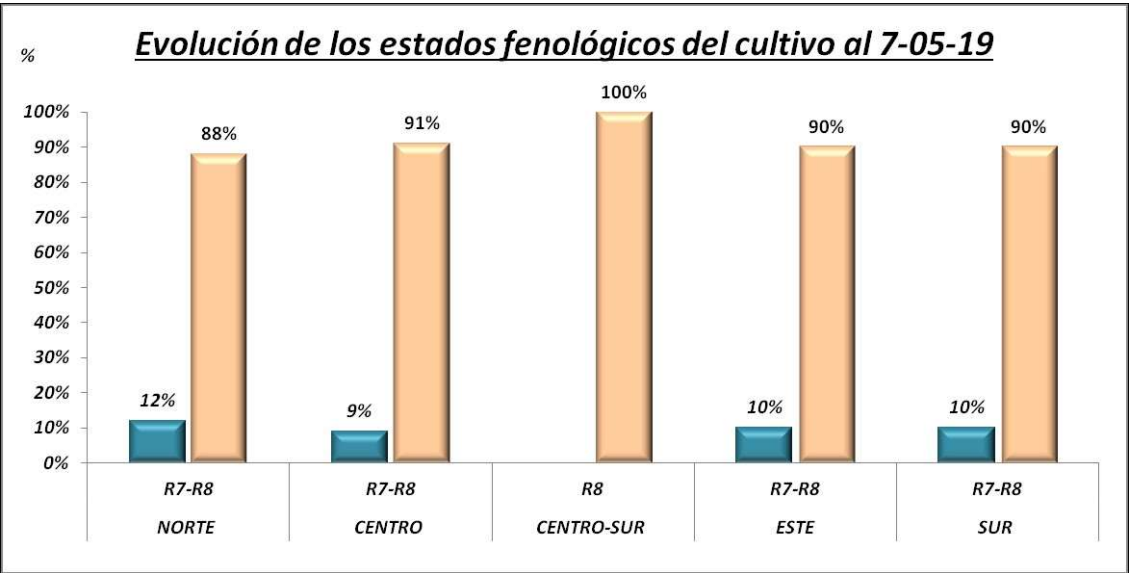


Image 8: Phenological crop condition by area as of 07-05-2019.

Peanut Development Stages

V1: first tetrafoliolate leaf
V2: second tetrafoliolate leaf
V3: third tetrafoliolate leaf
V4: fourth tetrafoliolate leaf

R3: beginning pod
R4: full pod
R5: beginning seed
R6: full seed

V – (N): one to N developed nodes on main axis

R7: beginning maturity

R1: beginning bloom

R8: harvest maturity

R2: beginning peg

Digging and harvesting progress

As mentioned above, today, the inverted-digging tasks are 74% complete in relation to the total hectares planted. In general terms, these tasks progressed quickly and without major inconveniences throughout the entire peanut area in Argentina. We estimate that in mid-May this tasks will be completed.

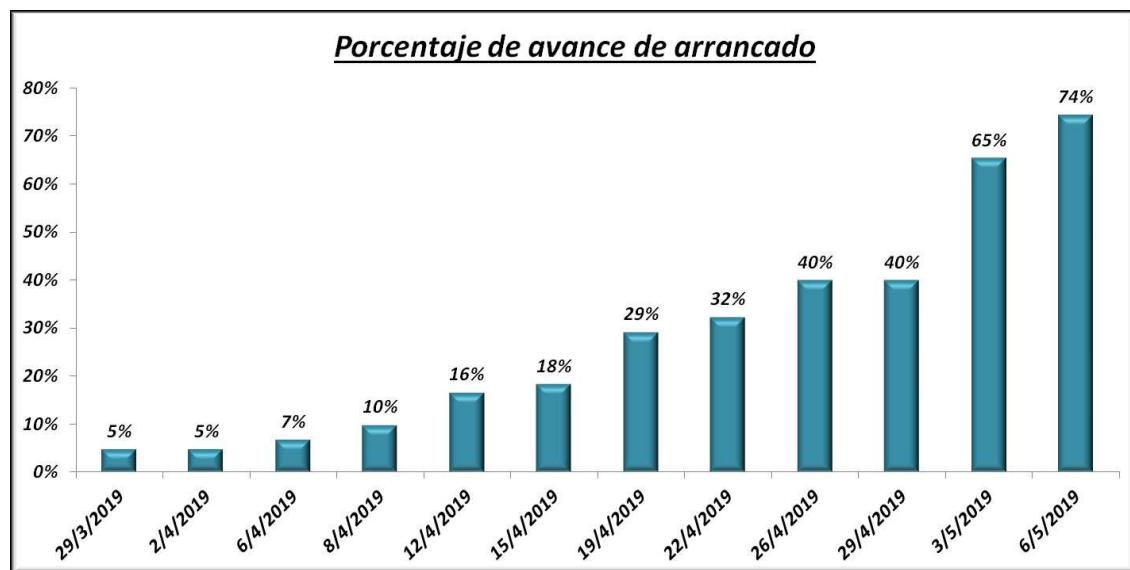


Image: Digging progress as of 06-05-2019.



Image: Inverted-digging process of peanuts in Argentina.

With regard to the progress of harvesting, it has been slow because the combines cannot separate the husk from the grains due to the high levels of plant and kernel humidity (greater than 30% in some cases). As a result of this problem, farmers from different areas decided to discontinue the harvesting tasks until the weather conditions improve. The harvested area hso far amounts to 6% of the total planted area.

Crop-related Tasks

Regarding the control of foliar diseases, 3.5 applications of herbicides were made on average in all the hectares planted. A disease that developed considerably in the peanut area this year is the *Sclerotinia Sclerotiorum*. It is key to continue with the correct monitoring to control the progress of the disease in order to be able to define the most appropriate moment to dig the peanuts. In those lots that were attacked by this disease, the yields will fall substantially. In this season we could notice that those lots in which peanuts have been planted in the last 2 or 3 seasons have a moderate incidence of smut (*thecaphora frezii*). However, in those lots in which a minimum of 4 years of rotation without peanuts was respected, the incidence falls substantially, which implies that implementing good crop rotation practices is key to achieving good results.

Final Remarks

Despite the aforementioned delays in harvesting activities due to adverse weather conditions, progress continues and expectations remain positive. It is essential to have a considerable window of good weather to be able to harvest without major problems and thus materialize the good projected yields. Although some areas received heavy rains and currently have problems of soil drainage, the outlook in general terms is not of great concern. In this way, if expectations are materialized, we would be in the presence of a bigger and better crop than last year, when the "worst drought of the last 50 years" was recorded. Although the area planted this year was significantly reduced compared to the previous year (30% reduction approx.), good yields could easily offset this reduction, obtaining a greater quantity in general terms. The Argentine Peanut Chamber (CAM) estimates that this year's crop could reach a total amount 25% higher than last year. Substantial improvements in quality are also expected. Below a table that shows the last estimate of the CAM for the Crop 2018/2019:

Commercial Year (from 01/06 to 31/05)	AREA		Yield (Kernel Basis)	SUPPLY				DEMAND					Ending Stocks
	PLANTED	HARVESTED		Initial Stock	Production	Imports	Total	Domestic Market + Blanched shrink	Oilstock	Seeds	Exports	Total	
	HECTAREAS		Tm/HA	METRIC TONS (KERNEL BASIS)				METRIC TONS (KERNEL BASIS)					Tm
2014/15 ¹	382.900	378.000	2,84	30.000	1.088.880 1.555.542	0	1.118.880	65.000	212.000	54.000	690.000	1.021.000	97.880
2015/16 ²	385.000	337.500	2,06	97.880	794.920 1.135.600	0	892.799	62.800	190.000	60.000	580.000	892.800	0
2016/17 ²	402.000	370.000	2,31	0	930.335 1.292.541	0	930.335	60.520	240.129	60.000	569.686	930.335	0
2017/18 ²	423.000	423.000	1,63	0	689.490 1.026.867	0	689.490	60.520	180.000	55.000	393.970	689.490	0
2018/19 ²	355.000	355.000	2,40	0	852.000 1.217.143	0	852.000	62.800	200.000	55.000	534.200	852.000	0
1 ESTIMATED													
2 PROJECTED													

Image: Estimation of the Argentinean Peanut Crop 2018-2019 (source: CAM)

A larger version of the table can be accessed by clicking [here](#).



Image: Digging in the Southern Area.

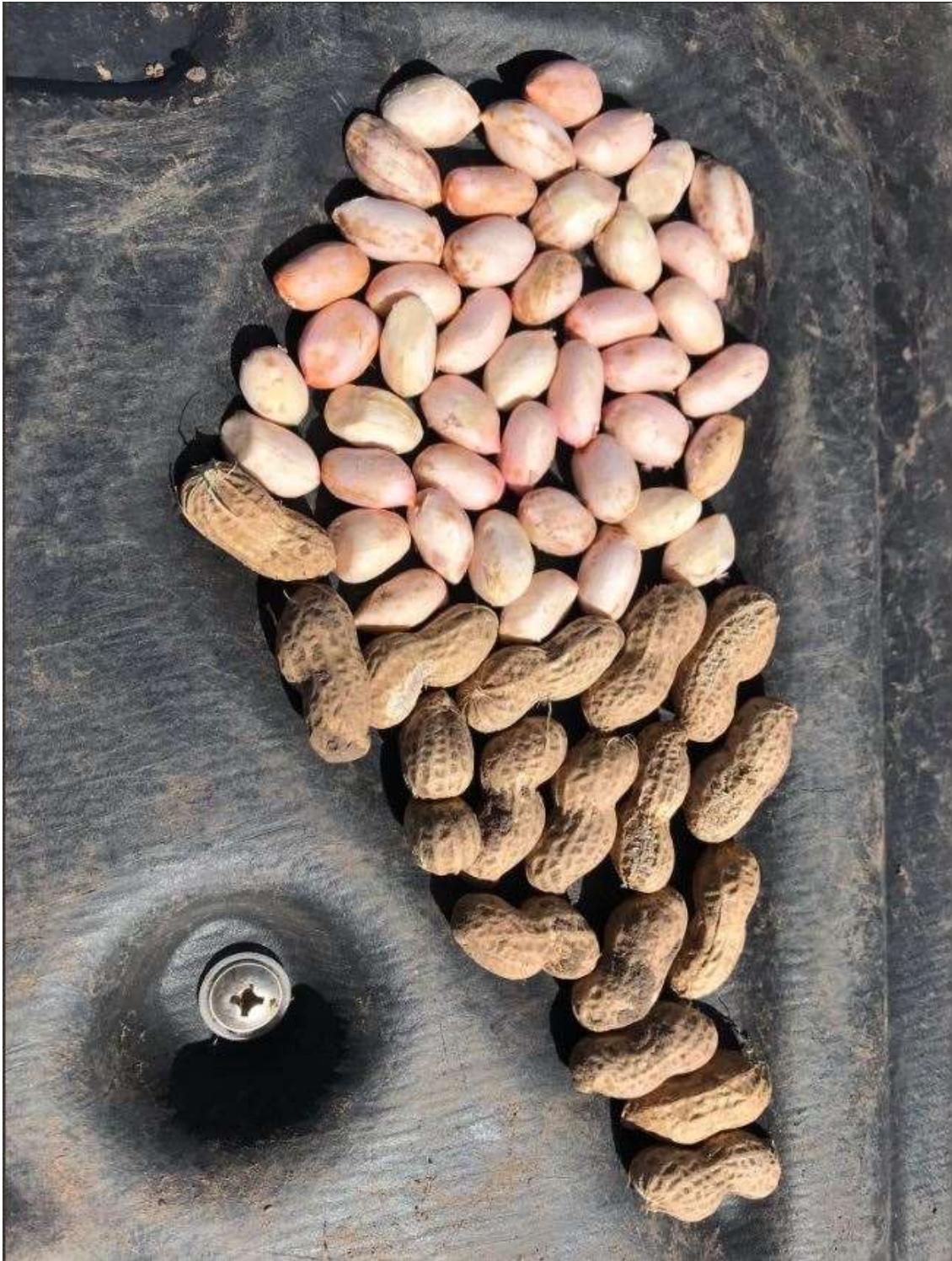


Image: Argentine Runner type peanut - Crop 2019.
