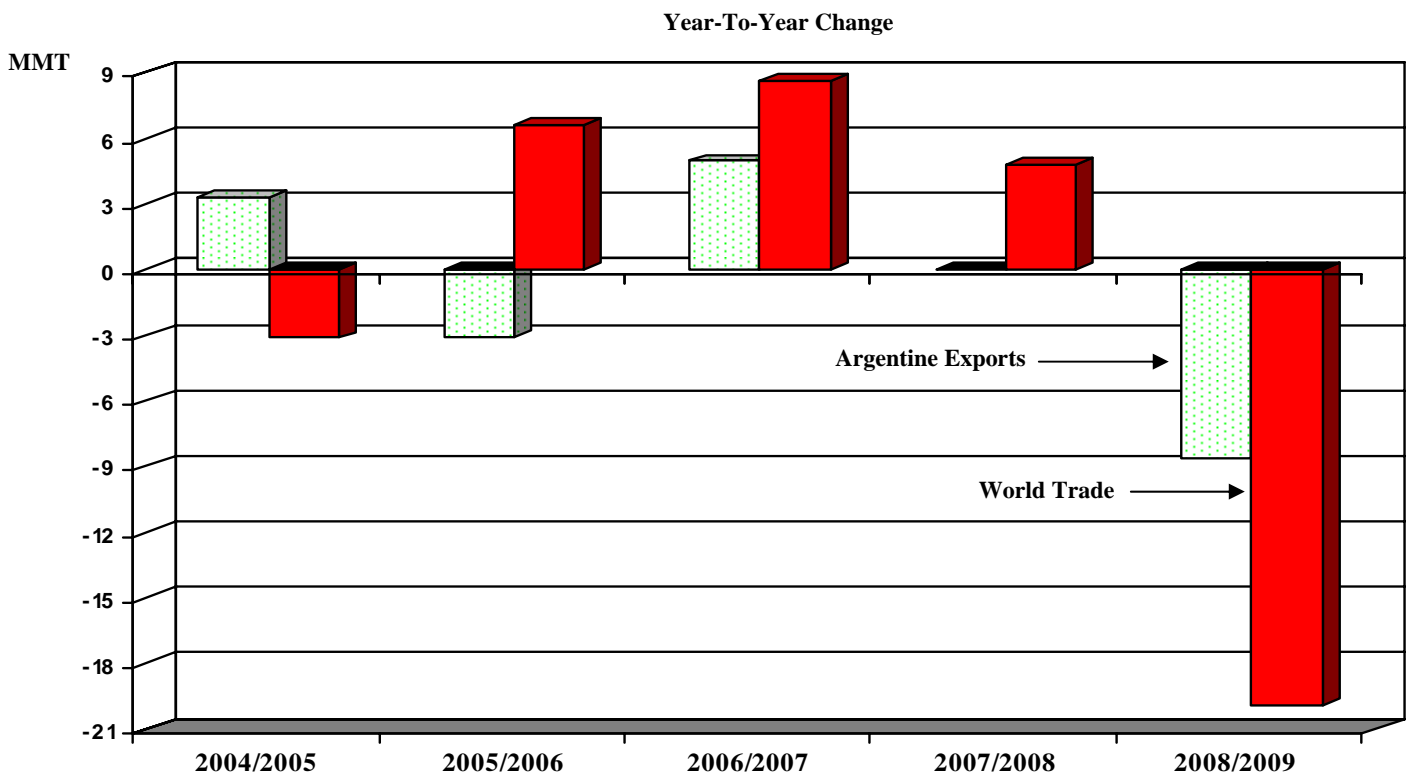




Grain: World Markets and Trade

Shrinking Corn Supplies in Argentina Further Slow World Exports



At the same time as Argentina's exportable supplies of corn have shrunk due to drought, world import demand is down sharply as a result of economic turmoil, and feed demand has shifted to other competitively priced substitutes including feed-quality wheat, cassava, and Distillers Dried Grains (DDGS).

Argentina's government has yet to open export registrations. However, once those registrations are opened, we would expect the tight new-crop supplies to be sold only to traditional and nearby markets. We would also expect Argentina's North African and Mediterranean markets to be aggressively sought-after by Brazil, Ukraine, and the EU.

The United States may be poised to meet some of Argentina's shortfall, as evidenced by recent strong corn export sales.

