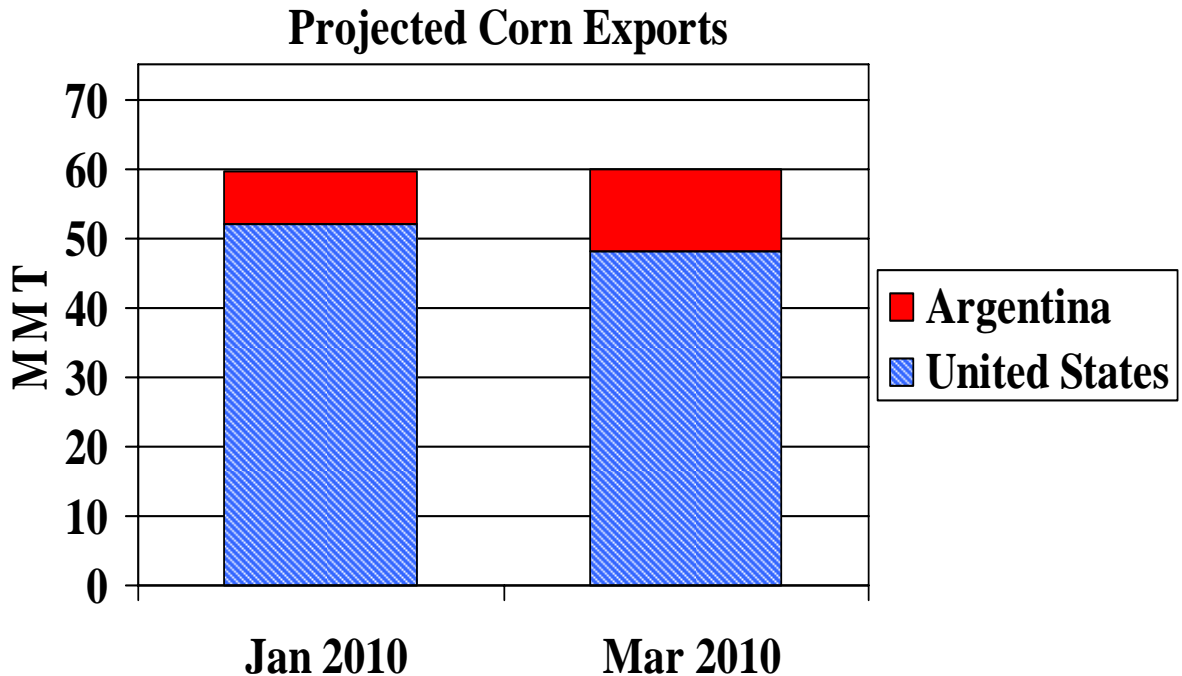




Grain: World Markets and Trade

U.S. Corn Exports Lose Ground To Argentina



Over the past 2 months, Argentine corn exports have been boosted by 4.5 million tons to 12.0 million while the U.S. export estimate was cut 4.0 million tons in the face of virtually unchanged world import demand.

Although Argentina is coming off a drought-affected crop in 2008, recent months have seen significant sales and shipments. In fact, this month, USDA raised combined old and new crop production over 6 million tons. Additionally, Argentine export prices continue to slide in the face of harvest activity, but U.S. prices actually rose slightly in February. U.S. corn also seems to be dogged by reports of quality concerns such as low test weight.

While the United States will continue to dominate global corn trade, Argentina has shown once again that it is a formidable competitor, given adequate supplies and export licenses.

Key buyers Japan and Korea have reportedly already bought over 1 million tons of corn from Argentina.

