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Argentina's 2020 Alubia Bean Harvest

Por: ***Lic. Juan F. Carreras***
Economist -Universidad de Buenos Aires (UBA)-

e-mail. juan@pulses.com.ar | *Office tel. + 54 9 11 4394.6631*
web. www.pulses.com.ar | *Cel. + 54 9 11 70379159*

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In this interview, we speak with Ivan Martin, Commercial Manager of Alimar (Alimentos de Argentina S.A.). Ivan oversees the company's commercial operations. He is an agronomist by training and has been with Alimar for more than six years. Few people are as qualified as Ivan to speak about Argentina's white bean market, given that Alimar exports 18,000 tons of beans per year and ships more than 750 containers in a typical campaign.

Alimar is a well-established leader in Argentina's alubia bean trade. It specializes in white bean varieties and has a 15% share of the country's while bean market, with Europe as its main export destination. The company also produces other pulse products, including dark red kidney beans, light red kidney beans, cranberry beans, black beans, chickpeas and others.

With more than 20 years of experience, Alimar has become one of the country's major bean sellers. Its operations are strategically located at the Güemes Industrial Park, near a key production area, and features on-site customs clearance and proximity to the Belgrano cargo railway line and other important logistical infrastructure. Alimar is a vertically integrated company, with ownership across the supply chain, from production to processing to exporting. This gives the company comprehensive control over the quality of the product, which is essential for clients and importers. More than 90% of Alimar's exports is comprised of the company's own production and the company name and its brand ALIMAR have become emblematic of quality.

This year's alubia bean harvest is estimated to be average to below-average. A normal harvest generates approximately 130,000 to 150,000 exportable tons.
In 2020, production is expected to be less regular annual volumes. Although the seeded area was up 10 to 15% compared to prior years, the lack of moisture and frost have impacted the crop, deteriorating yields. On average, alubia beans yield 1.2 tons per hectares; this year, unfortunately, few areas

Iván Martin, Commercial Manager of Alimar S.A.

are expected to come close to attaining average yields.

The harvest was a bit early as frost on May shortened the growing cycle and resulted in a homogenous harvest period. Consequently, new crop became available sooner. The 2020 crop is expected to have varying yields, calibers and quality across the various production areas.

Prices appear to be firm. The demand for food crops continues to be there despite a worldwide recession, with economic and social conflicts provoked by the COVID-19 pandemic.

Juan Carreras: When did the harvest begin and when do you expect it to end?.

Ivan Martin: The first beans were harvested in the southern growing areas of the NOA (northwestern Argentina), in the provinces of Salta, Tucuman, and Santiago del Estero;parts of Cordoba province, too. In the northern growing areas (Salta and Jujuy provinces), the crop is seeded a bit later and is also harvested later.

In southern NOA, the harvest window is between May and June, and in the north it is between June and July. Most of Argentina's alubia bean crop is grown in the northern NOA. This year, the harvest is expected to be a bit early due to low temperature effects during May, which cut short the growing cycle and forced an early harvest.

JC: What were the climate conditions like and how does the alubia crop look in terms of volume, quality and caliber sizes?.
IM: This year, the area seeded to beans was 15% above average, and the expectation was that we would have greater production than in previous campaigns. But this projection fell apart due to dry conditions, and the initial yields we are seeing in the area are much lower than what we normally see.

In an average year, Argentina sees yields of 1.2/1.3 tons per hectare. But estimates indicate that this year yields in many of the growing areas will be below average.

Argentina typically seeds Aprox. 130,000 hectares of alubia beans and harvests a crop of 130,000 to 150,000 exportable metric tons. Las campaign Argentina exported 200,000 metric tons, due the excellent yields, something not common at all.

The crop is presently being harvested. The good news is that product is starting to become available and the quality looks good (although caliber sizes are smaller than hoped for), but we still have 30 to 40 days of harvest to go and we could face weather issues, such as rains or frost.

JC: What areas were the most affected by the dry conditions and frost, and how was the crop impacted?.

IM: The lack of rains impacted yields significantly, and in many of the growing areas it occurred at a critical period of crop development, preventing the grain from developing optimally, and we can therefore expect that the caliber sizes will be a bit smaller than average. The frost, in addition to drastically impacting some crops, and in those areas where it wasn't lethal, shortened the growing cycle and pushed growers to harvest early.

JC: How do you see the COVID-19 pandemic impacting legume demand and prices?.

IM: In recent months we've seen a reaffirmation of legume prices in general and, at export destinations, a shortage of product on supermarket shelves and other food stores. Legumes have a long shelf-life and are ideal for situations like the one we are currently living through. For now, prices are firm and if things continue as they are because of the pandemic, we expect that prices will remain firm.