USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Required Report - public distribution

Date: 3/13/2014
GAIN Report Number: BR0931

Brazil

Oilseeds and Products Annual

2014/15 Soybean Production Forecast at Record 97 Million Metric Tons (MMT); Exports Forecast at Record 50 MMT

Approved By:
Robert K. Hoff, Agricultural Counselor

Prepared By:
Caleb O'Kray, Agricultural Attaché

Report Highlights:
2014/15 soybean production is forecast to increase by eight percent, reaching a record 97 million metric tons (mmt), based on steady increases in planted area and yields. Brazil will continue to vie with the United States as the largest soybean producer in the world. With 2014/15 exports forecast at 50 mmt, Brazil is poised to continue as the world's largest soybean exporter, based on augmented available supplies and strengthened export capacity. 2013/14 production estimate is lowered to 88 mmt, and exports are estimated at 45 mmt.

OILSEEDS PRODUCTION

2013/14 Drought Reduces Soybean Production Estimate to 88 million metric tons (mmt), Still Record Production

The 2013/14 soybean production is lowered to 88 mmt, with a record productivity average across the country at 2.98 mt/hectare, and production area is maintained at 29.5 million hectares. Depending on the region, various states throughout Brazil experienced dry spells that ranged from late December to late February. Drought-reduced yields brought down the national productivity and production levels from achieving their full potential. With early season yields above what was expected, Mato Grosso's increased production slightly offset lowered yields in drought-afflicted regions. However, excessive rains later in the Mato Grosso harvest diminished the expected bump in productivity that had initially been poised to offset entirely the losses from the drought. Despite the drought, 2013/14 production is poised to be seven percent higher than 2012/13. The growth in production is predicated almost exclusively on additional 2013/14 planted area, as the drought significantly reduced the yield increases initially forecast.

Depending on the region, dry spells ranged from late December to late February across the country. While soybeans are traditionally more resilient than corn during such periods of dryness, as the droughts extended beyond fifteen days, the plants began to suffer yield losses. Most of the dry periods extended for fifteen days or more. It is difficult to ascertain exact yield losses, since in some states favorable weather can help the crops recover at least partially. The most significant drought-related productivity losses were in the states of Rio Grande do Sul, Mato Grosso do Sul, Goiás, Sao Paulo, and Paraná. Rio Grande do Sul may yet recover from these losses. Since this southern-most state does not immediately plant a second corn crop—like Mato Grosso, Paraná, Goiás and Mato Grosso do Sul—many local producers planted indeterminate soybean varieties, which allow the plants to better weather the dry periods. Essentially, the plant stops its vegetative maturation when the rains turn off. The plant is able to resume growth when the rains resume. Typically the yields can be lower than some determinate varieties. However, the indeterminate varieties, especially in the south, are proving to be a useful insurance against the 2013/14 dry spells Brazil experienced, resulting in overall higher yields.

In general, producers were very pleased with the new seed genetics available on the market. China's approval of new varieties developed through agricultural biotechnology opened the possibility for several new varieties to be planted. Unfortunately, there was not sufficient time for seed multipliers to produce enough of these new varieties to meet market demands. Nevertheless, producers used the opportunity to experiment with these new varieties. Across the board, farmers noted the additional pest control—especially protection against the helicoverpa caterpillar—and yield increase. Based on farmers' desires for seeds, these new varieties could see their use double in the next harvest.

As Post has reported over the past months, the Helicoverpa corn earworm effectively ate away more at producer profits—increased production costs from added pesticide applications—than at productivity. Farmers throughout the country identified the caterpillars in the fields through strict crop monitoring. Many of the farmers were geo-tagging exact locations of caterpillar discovery, and pesticides were applied accordingly.

"Safrina" soybeans are being planted in the state of Mato Grosso. Post estimates that this second crop soybean has been planted to 300,000 hectares in the state. At one point, the market swirled with rumors of planted area for second crop soybeans reaching as high as one to two million hectares. At the end of the day, however, uncertainty and basic agronomic principles significantly lessened the area. Average productivity for "safrinha" soybeans is estimated at 35 sacks/hectare, or 2.1 mt/hectare, significantly lower than the regular season. Nevertheless, given current soybean prices, farmers would be very satisfied with 35 sack/hectare yields.

Farm managers and crop sales staff tend to have opposing views on "safrinha" soybeans. From a farm management perspective, agronomists in the fields are wary of pest pressures and soil composition qualities in the context of planting second crop soybeans immediately after first crop soybeans. White fly pressure has been intense in "safrinha" soybean areas and is expected to pull down yields, as the flies destroy leaf area, reducing the plant's ability to photosynthesize. Some farmers found the white fly pressure so intense that they disked and planted second crop corn into the ground directly, effectively switching crops. Despite the pest pressure, many farmers are still proceeding with the second crop soybeans and hope to eke out modest yields. Farm managers recognize that the second crop soybeans must be harvested by June 15, when the soybean no-plant window ("vazio sanitário") begins. Many agronomists will spray plant cover-crops in mid-season so that there will be some cover—typically brachiaria or crotalaria (long grasses)—to improve and protect soils over the Brazilian winter (June-August). Cognizant of the grave agronomic pressures, farmers have developed multi-year planting strategies to rotate second crop soybean fields throughout their areas. While the agronomists are concerned about the production per se of second crop soybean, crop sales staff are keen on this second soybean crop due to the profit margins they can drive, particularly in the context of weaker corn prices.

Soybean yields for western Bahia state are expected to be reduced, in line with yields from the past two years. Despite excellent soil and sunlight, the lack of precipitation in January and February—for a third year in a row—has lowered soybean productivity. Instead of a productivity of 55 sacks/hectare, producers are anticipating a 20-30 percent loss, or roughly 40-45 sacks/hectare. There is still some hope for yield recovery as rains returned to the region at the end of February. Nevertheless, some yield losses are irrevocable. Groundwater resources and water reserves from local rivers have prompted a number of farmers and farm groups to invest in irrigation projects over the past few years. Irrigated production is anticipated to have excellent yields.

2014/2015 Outlook: Soybean Production Forecast at 97 mmt, Based on a Five Percent Increase in Planted Area and a Marginal Growth in Yields

Post forecasts that Brazil's 2014/15 soybean production will reach a record 97 mmt, an eight percent increase from 2013/14 production estimates. 2014/15 planted area is forecast at a record 30.96 million hectares. Thanks to new soybean seed genetics, yields should also marginally increase at the national level. The forecast models factor only modest yield increases because of the built-in assumption that some states and regions of Brazil will likely experience dryness that will pull down average yields.

Most analysts and farm groups believe that land expansion for 2014/15 soybean planting is a certainty. The easiest land to convert over for soybean planting is pasture area, either degraded or active. The Center-West particularly has extensive degraded pasturelands that can be treated and prepared for

conversion into soybean planting. Ranchers can also reduce the land dedicated to pasture feeding their cattle and intensify operations. Converting pasture land to row-crop production through the application of lime, gypsum and field preparation is estimated to cost US$800-$1,000 per acre. After pasture conversion, there is also native South American savannah ("cerrado") that can be converted, also found particularly in the Center-West. Conversion of the cerrado to cropland is even more costly, estimated at US$1,100-$2,000 per acre. In addition to being more costly, cerrado conversion is typically a more-protracted process, as farmers need to clear and disk the land extensively before field preparation. Highlights of land expansion for soybeans include:

- Northeastern Mato Grosso: This section of Mato Grosso has been a frontier region for the past few years and will continue to see area expansion. Eventual connection to the North-South Railway will make it an essential export corridor.
- Piauí and Tocantins: Both states have space for expansion. However, the areas are limited and non-contiguous, as the geography typically isolates farm areas. State-wide trends in agricultural production can be difficult to interpret as the diverse regions have distinct precipitation and climactic patterns.
- Southeastern Pará: The area is not classified as part of the legal Amazon forest (see section below on the Forest Code and significance) and contains swaths of pasture and "cerrado" that can be converted to soybean productions. The possibility of exporting soybeans via connections to the North-South Railway and by road to the ports in Belém may boost land expansion in this region.
- Southwestern Bahia: While western-Bahia is a well-established agricultural production region, the area immediately south, bordering Goiás, boasts land for expansion. Water resources make irrigated agriculture a possibility as well.
- Goiás: Several sections of the state still have pasture and "cerrado" regions suitable for row-crop expansion.
- Amapá: Straddling the Equator, the state is north of the Amazon and has "cerrado" and pasture regions that can be converted to soybean production. Amapá has a distinct advantage thanks to its proximity to the port of Santana, outside the capital city Macapá. Port expansions are underway, and the port is extremely well-suited for oilseed and grain exports to Asia.

Biotechnology: While it is estimated that 92 percent of 2013/14 soybeans were derived from agricultural biotechnology, Post is forecasting that the 2014/15 adoption rate will slightly retract to 89 percent due to perceived market opportunities for conventional soybeans and genetic characteristics. Many farmers in the Center-West noted with enthusiasm the premium—ranging from R$8-12/sack (a 12 to 20 percent premium)—the market would offer them for selling conventional soybeans instead of biotech soybeans. Many producers (small, medium and large in size) declared their intentions of increasing area to conventional soybeans in 2013/14 to take advantage of the market premiums. Despite this trend in producer interest for conventional soybeans, several traders view the conventional premiums declining over the past five years. The traders opined that at a certain price point within the upcoming years producers would no longer see the premium as worth the additional production costs. Premiums aside, some producers are looking to conventional soybeans for agronomic purposes. These producers view some of the conventional soybean varieties on the market as more robust and hearty in withstanding pest pressure. These conventional soybean varieties are lower yielding in theory, but especially in frontier regions producers view these conventional soybeans favorably and are poised to

increase their use in 2014/15. Nevertheless, producers are satisfied with the 2013/14 new-to-market biotech varieties and will increase the use of these seeds in their overall 2014/15 planting portfolio.

Farm Management Practices: As Brazilian agricultural producers have improved farm management practices over the years, to the extent that some producers believe that yields have exhausted the seed genetics' potential, farmers are increasingly looking to soils as the next frontier for raising productivity. Brazilian soils tend to be characterized by a high clay concentration—which can frequently lead to soil compaction—and low levels of organic matter (1.5 to 2 percent). Practices that increase soil fertility have been identified as increasing cover crops, biotech crops, and crop rotation, which includes seasons planted to cover crops.

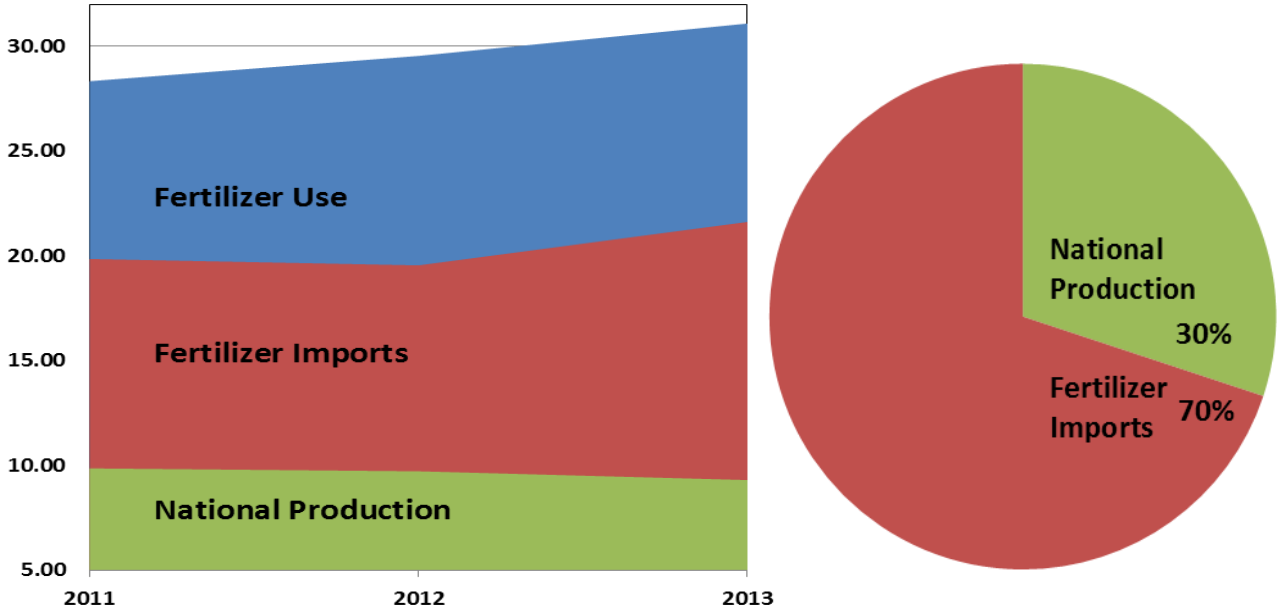
- *Cover crops*: The most popular types of cover crops are brachiara, crotalaria, and other types of long grasses. Of these grasses, some include foraging varieties for use after the second crop is harvested. Producers may let their cattle graze among the second crop corn stubble and cover crop. Such a practice makes economic sense but leads to greater soil compaction. Two approaches to cover crop planting are: (1) planting the cover crop at the same time as the second crop—be it corn, cotton, or soybeans, and wheat in the south—and (2) spray planting halfway through second crop growth cycle. In the first approach, some farmers have outfitted the planters to plant the cover crops in the same rows as, for example, the second crop corn. In the second approach, farmers are planting the seeds by air. The advantage of the second approach is that the cover crop only begins to emerge and detract water and nutrients from the second crop corn after the corn has reached a certain maturation phase. Regardless of the planting approach, after the harvest of the second crop, the cover crop remains in the soils over the South American winter months. In August/September, the farmers will apply a defoliant to the cover crops, and then in September plant the new soybean crop directly into the stubble of the second crop and the cover crop. This has helped augment the levels of organic matter in the soils, in turn elevating yields. Some cover crops, like crotalaria, offer the additional benefits of nitrogen fixation, expansive root systems that increase the soil's nutrient cycles, and, importantly, nematode control.
- *Biotechnology*: Farmers also noted that with some of the new biotech soybean varieties, they did not have to make as many insecticide applications. In contrast, those same farmers had to spray insecticides five times in neighboring fields with inferior seed genetics. These farmers noted not only the cost savings but also the reduced soil compaction.
- *Crop Rotation*: Farmers are still working to understand the relationship between crop rotation cycles. Most farm managers have developed 5-7 year rotation plans to best manage soils.
- *Fallow Lands*: Finally, the practice of leaving land essentially fallow is controversial and counterintuitive to the Brazilian producer, who typically lives by the mantra of "plant, plant, plant." If farm cooperatives and production groups are able to demonstrate that fallow seasons lead to sufficient profits from increased yields, this practice will likely be more readily adapted at a large-scale, commercial level.

Land Use: By law, farmers must set up legal land reserves on their properties, in proportion to the property's biome. For the cerrado ecosystem 65 percent of the native land can be converted to row-crop production with the remaining 35 percent left in native preserve. Land holdings designated in the Amazon biome can only have 20 percent converted to row-crop production, which makes the cerrado a more attractive investment. Obtaining environmental licenses for conversion of land usage is a long and expensive undertaking. Transactional costs faced by producers in new frontier areas are high due to

extremely deficient service and supply providers, infrastructure, etc. In addition, obtaining land titles is the limiting factor to further expansion generally in many states where straight-forward bureaucratic procedures are not yet in place.

Inputs: Brazil continues to be deficit in fertilizer production. Studies show that Brazil's dependence on imports reaches 65, 50, and 90 percent for nitrogen, phosphorus, and potassium, respectively. According to the National Fertilizer Association (ANDA), fertilizer deliveries totaled a record 31.1 mmt in 2013, up over five percent from 2012. Total annual imports of fertilizer in 2013 equaled 21.6 mmt, up nearly ten percent from 2012. National fertilizer production in 2013 equaled 9.3 mmt, down four percent from the 2012 national production. For 2014, fertilizer usage is forecast to expand to 33 mmt, a six percent growth from 2013, based on an increase in agricultural production and augmented fertilizer use.

Graph 1: Brazil's 2011-2013 Fertilizer Use, Domestic Production and Imports; Pie-Chart for 2013 (in million metric tons)



Source: The National Fertilizer Association (ANDA)

Irrigation: Possessing 20 percent of the planet's fresh water, Brazil has tremendous potential to expand planted area via irrigation projects that make possible second and third crops rotated over a yearly growing season. Currently, about 8.3 percent of all cropland is under irrigation, which represents 4.5 million hectares. The vast majority of soybeans under irrigation are for seed production. Recent historically high crop prices have greatly improved the timeframe for return on investment with the main constraints being water use licenses and capital investment requirements. Large irrigation project investments are increasing soybean planted area and are made possible through rotating row crop production – wheat, edible bean, cotton – based on the market's current highest returns. More recent supplemental irrigation schemes are bringing significant new areas into second or third crop rotation and improving yields and quality.

Technology Investment: Brazilian farmers are continuing to invest in much of the latest farming technology, as the industry has reported that farm machinery sales were up 15 percent in 2013. Farmers view the machinery as essential in their efforts to double crop. Because of the "no-plant period" and precipitation patterns, farmers look to the most efficient farm technologies to meet these various deadlines for planting and for harvesting. In addition, as prices make land purchases prohibitive for farmers to expand their farms, many farmers opt to invest their farm profits in new technologies.

Intellectual Property Rights: Over the past couple of years, farmers have been divided on intellectual property rights surrounding plant biotechnology. As reflected by the biotechnology adoption rates in Brazil, the vast majority of farmers view biotechnology in agricultural production as extremely important. Farmers recognize that both multinational firms and domestic research organizations will only have incentives and obtain the necessary funding for research with a guarantee of protection for intellectual property rights. However, a case on the patent validity for first generation Round-Up Ready technology (RR1) brought this issue to the fore. The case was initiated by Mato Grosso growers and coordinated by the state soybean and corn growers' association, Aprosoja. Growers claimed that the RR1 patent, held by Monsanto, expired in Brazil as of September 1, 2010. The National Institute of Intellectual Property (INPI) rejected a patent extension based on the Industrial Property Law that allows for a 20-year patent validity from the time of the first registration made anywhere in the world. RR1 was registered in 1990 in the United States. However, Monsanto has argued that 1996, the first year of commercial usage, should be the valid patent initiation date. The case appears settled as of 2013. Monsanto stopped requiring technology royalty fees for RR1 technology. At the same time, for new Monsanto varieties, particularly the RR2 Intacta Pro, Monsanto gave producers the opportunity to settle all past legal claims. Per a special contract, growers can choose to drop their option to legal claims from past purchases in exchange for a discounted technology fee (i.e. royalty) for the next four years. Overall, producers seemed hesitant to release their legal option, though some farmers have embraced the discount and signed the agreement.

Deficient Infrastructure Continues as a Drag on Brazil's Competitiveness in 2014, though "Better" Scenario than 2013

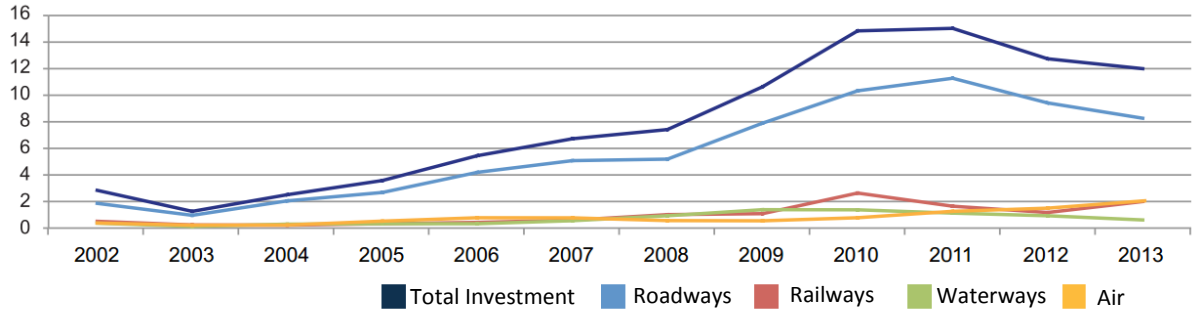
Lack of investment in strategic infrastructure planning continues to significantly impact the profitability of producers and traders. Increased transportation costs have been passed back to the producer and will dampen potential growth in coming years. The challenges in Brazilian infrastructure for bringing the crop to market span the entire logistics chain of truck, rail, barge and ports. Trade sources indicate that producers and exporters are experiencing a significant comparative loss vis-à-vis the United States due to transportation costs (an estimated loss of $70/mt from the Center-West region), port inefficiencies (an estimated loss of $18/mt), and ship demurrage costs (an estimated loss of $10/mt). Most players in the supply chained have factored infrastructural inefficiencies into their models. The present infrastructure constraints are the reflection of an overall lack of investment in infrastructure over three decades. In other words, the inefficiencies were not a surprise. Nevertheless, it is the reality that everyone in the supply chain faces.

Trucks: Every soybean in Brazil will sit in a truck at some point after harvest and in transit to its final destination. Trucks are used to ship soybeans to intermediate points, such as local elevators, dry ports or river ports (for barging) sometimes a thousand miles away. An estimated 50 percent of soybeans are destined to be exclusively trucked for to ports for export. In 2013, the new trucking laws, which limit driving time, increased trucking rates between 25 to 50 percent compared to the previous year. Highways are inadequately supplied with sufficient trucker resting areas for the required 30 minute breaks after every four hours of driving as well as for the required overnight stops. Artery roads in the top producing state of Mato Grosso are not being maintained adequately and transit is aggravated by the congestion of trucks that the new trucker law has caused by limiting hours and forcing truckers to opt for the same driving schedule. Lines of trucks waiting to unload at inland terminals and ports have compounded the challenge and increased costs. The national truck fleet is estimated to have grown ten percent over the last year to meet the increase in demand, artificially inflated by the new trucking law. Some ports, such as Paranaguá, set up stop-gap measures to reduce the queues of trucks leading up to the ports. The ports have built truck patios where the trucks can idle until their turn arrives to unload. The solution appears to be a mere short-term fix: while in the past the trucks spent three days waiting on the highway to unload, with the new measure the trucks will spend three days waiting on the patio to unload. In addition, to reduce wait times and increase efficiencies, a new scheduling system was introduced at Paranaguá. The new system gives priority to traders who already have 18,000 tons ready to load. Such economies of scale should facilitate greater efficiency in grain loading.

Railways: Railways account for an estimated 37 percent of soybeans transported for export. An Open Rail policy to allow multiple rail operators access to railways is expected to take effect in 2015. However, depending on the railway, very little excess capacity exists and current monopolistic pricing schemes will simply shift to oligopolistic pricing as more operators utilize the same rail matrix having little impact reducing rail freight prices. Until significant improvements in the railways are made, such as building double tracks, lengthening passing lanes, and improving rail speed; increased exports via railway will be limited. It is estimated that the railway between the city of Rondonopolis, in southeast Mato Grosso, and the port of Santos, Sao Paulo, will reach its maximum annual grain hauling capacity of 15 mmt (7 mmt of soybeans and 8 mmt of corn) in 2014 unless further improvements are made.

Waterways: Waterways account for an estimated 13 percent of soybeans destined for export in Brazil. By far the most cost efficient means of transporting bulk commodities, waterway projects underway in Brazil are very limited. The Teles-Pires and Tapajos waterway project began operations for soybeans via barge shipments in 2014. The barges are loaded at the port of Miritituba/Itaituba, and the soybeans are then reloaded onto larger vessels at ports in northern Pará or in the state of Amapá. One company is already operational at this port. Port volume is estimated at 1.7 mmt in 2014, and forecast at 3 mmt in 2015, and 4.5 mmt in 2016. The port of Miritituba/Itaituba is on BR-163, a major north-south artery highway. There are some 300 kilometers of road left to pave along the road trajectory that stretches from the capital of Mato Grosso, Cuiabá, to Miritituba/Itaituba. The Araguaia and Tocantins river system is not expected to become operational for many years. There are also plans to expand the export barge capacity along the Rio Madeira between Porto Velho, Rondonia and the various northern ports downstream.

Graph 2: Brazil's Public Investment in Infrastructural Development 2002-2013 (in R$ billions)



Source: The National Transportation Confederation (CNT)

This market season, port deficiencies continue to receive intense scrutiny by the Brazilian press, on the coattails of the extreme logistical difficulties experienced throughout the country last year. 80 percent of soybeans destined for export leave through Brazil's southern ports when over 50 percent of the crop is produced in the northern half of the country. The burden of export through a limited number of ports has resulted in queues at the port of Paranaguá, Paraná, the third ranked port for soybean exports (the Port of Rio Grande became the second ranked port for soybean exports in 2013), and at Santos, Sao Paulo, Brazil's number one soybean exporting port. There are reports that these ports are filling ships in early March that have been waiting since late 2013. Wait times for ship loading are not uncommon during the peak harvest season, but the exports this year began with higher volumes earlier on—soybean exports in 2014 were the highest on record for the month of February, close to 3 mmt. The early soybean export season picked up rapidly with at least a half dozen ships leaving port in January. Good weather allowed for an efficient early, harvest. Soybean varieties that are bred for short maturation cycles are also contributing to the early harvest and subsequent early exports. The early-maturing cycles are as short as 85 days. If a Mato Grosso farmer was to abide by the stipulated planting window ("vazio sanitario") and begin his soybean planting on September 15, that farmer could begin harvest by mid-December. This trend of seeing increased soybean exports in February and even January should continue for the foreseeable future.

Political challenges in the Ministry of Transportation, coupled with slower economic growth, and administrative capacity, have resulted in continued delays in infrastructure projects and deadlines frequently not met. The Brazilian government continues to underfund the projected cost of the maintenance and repair of federal transportation projects, such that the full potential benefit, in terms of transit time and longevity of the transport fleet, is not wholly received in the logistics chain. More cost-effective railroad and waterway systems of significant scale are still projected to take 10-15 years.

Limited progress is being made on transportation projects aimed at shifting a portion of soybean exports from southern ports to the northern ports of Brazil. Only 17 percent of current national production is destined for export from the northern arc of ports. Updates to some of these projects are highlighted below. Improvements are estimated to increase exports of soybeans out of the northern arc of ports by 2 mmt on average per year in coming years:

- The Interstate Highway BR-163 is now estimated to be completed by 2016, following 30 years of construction. BR-163 will link the Center-North of Mato Grosso, including Brazil's highest concentrated soybean producing region of Sorriso to the port of Santarem in the State of Pará and result in an estimated transportation cost savings of over US$30 per ton. Despite the fact that large swaths of the highway are unpaved, trucks have still been making the trip up BR-163 to Miritituba/Itaituba and all the way Santarem.

- The port of Santarem is expected to increase export capacity by the end of 2015. Soybean exports will increase to approximately 2 mmt from current levels of 1.3 mmt exported. The improvements will allow export capacity flows to double from 1,500 mt/hour to 3,000 mt/hr. The port is considering the installation of a ship loading cover that would allow for continued loading during the rain.

- The barge port in Miritituba/Itaituba, Pará, is being supplied by trucks traveling on BR-163. One company began operations in 2014 and several other companies have their terminals currently under construction. These traders will transport soybeans and corn to the northern port of Santana in Amapá as well as to the ports in Belém: Outeiro, Vila do Conde, and Baracena. An estimated US$1 billion is being invested in the berths and barges. They will be reloaded onto ocean-going vessels, including larger vessels that will be passable through the widened Panama Canal currently scheduled to be completed in 2016. Port soybean export volume is estimated at 1.7 mmt in 2014, 3 mmt in 2015, and 4.5 mmt in 2016.

- The North-South Railway portion operated by Vale Logistics (VLi) company is completed and extends from Porto Nacional, Tocantins (TO) to the port of Itaqui, Sao Luis, MA. The completion of the BR-158 roadway through the fast-expanding soybean production area in the northeast Araguaia region of Mato Grosso will allow for soybeans to be trucked to the North-South Railway grain terminal in Colinas do Tocantins, TO, in route to the port of Itaquí. The North-South railway continues southward from Porto Nacional, TO, to Anápolis, GO, and is operated by a state-run enterprise VALEC. The stretch between Uruacu, GO, and Anápolis, GO, is still under construction. In a few years, a future North-South Railway grain terminal in Peixe, TO, will receive soybean deliveries from Mato Grosso's northeast region and the northern portion state of Goiás for export through the Port of Itaquí. The North-South Railway is in the process of being widened to two tracks, to allow for lines to be exclusively dedicated to each

direction. Sidings will continue to be used in the interim until the project is completed. This railway is reported to have the world's longest trains, with 330 railcars powered by four locomotives.

- The port of Itaquí, Sao Luis, MA, has concluded the private tender auction and has awarded concessions to four groups to build the Grains Terminal of Maranhão (TEGRAM). The public port of Itaquí, to be operated by the grain trader consortium, TEGRAM, composed of multinational companies and Brazilian companies, in conjunction with the neighboring private port, Ponta de Madeira, owned by Vale, should have a long-term exporting capacity of 15 mmt. By itself, the new grain terminal TEGRAM will have a planned export capacity of 10 mmt. The construction of phase one is slated to conclude in April 2014 and will support the exportation of 5 mmt per year. The second phase, which will allow the port to export an additional 5 mmt should be finished in 2018. Central to this initiative, the consortium is building four warehouses, each with a 120,000 mt capacity. The warehouses will each have their own distinct systems for receiving truck loads but they will share a single system for receiving train loads. The port will be able to load ships at a rate of 2,500 mt/hour. The North-South Railroad ends at nearby Ponta de Madeira. One problem yet to be resolved is who will pay for the short stretch of tracks to connect the rail line to Itaquí. At this point it appears that the federal government will be footing the cost and construction will be completed by 2015. Even when the tracks reach the port, the grain trader consortium recognizes that Vale, as the operator of its private rail line, will keep a cap (currently 2.5 mmt/year) on how much rail it devotes to grain, as Vale's prime interest is mineral extraction, and movement and logistics (for grains and other products) are not its primary focus. Truck shipments will complement the incoming rail cargo.

- The West-East Railroad (FIOL) project operated by VALEC commenced construction and will extend 1,500 km from Figueiropolis, TO, to Porto Sul, to be built in Ilheus, BA. The stage extending from the port to western Bahia's production area is estimated to be completed in the next five years. Future plans will intersect the line with the North-South Railroad at Figueiropolis, TO, and extend the line west to Lucas do Rio Verde, MT, where a large train yard and loading terminal is planned. The master plan will extend the railroad into Peru to connect to ports on the Pacific.

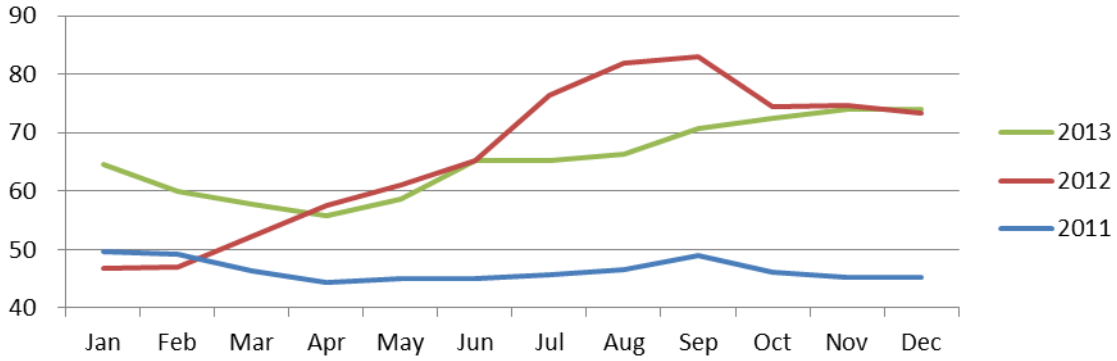
- In the Northeast, the Trans-Northeastern Railway extends over 500 km from the Port of Suape, Pernambuco. This railway will also extend into Piauí and to the port of Pecém in the state of Ceará. This railroad will help in the development of the newer agricultural frontier of the adjoining border area between the states of Piauí and Maranhão. This railway, however, has been plagued by cost overruns, bureaucratic obstacles, and legal action. While initially slated for conclusion in 2014, the project is behind schedule and work has been stalled indefinitely.

- A waterway project is underway that that will allow for soybean exports to travel northward along the Araguaia and Tocantins River system to the port of Vila do Conde in the state of Pará. A system of locks around the hydroelectric dam of Tucurui, PA, is completed and the river navigation system is under development. The navigation pathway requires the blasting of river bedrock which has yet to receive environmental approval and as such, this project is many years away from completion.

PRICES

The 2013/14 soybean crop is currently contracted at an estimated 60 percent. The sales are relatively on target when taken on a five year average, but at least 10 percentage points behind 2012/13 sales. Exchange rate volatility has been a factor behind the decision of many farmers to hold instead of selling. Nevertheless, farmers are selling at a fairly rapid pace. Traders are not concerned by the pace of sales, as they know that the domestic supply is available to meet their export needs. 2013 domestic prices peaked precisely at the end of the year at R$74 (US$31) per sack, well below the record August 2012 prices at R$82 (US$41), following the drought-reduced crop in Brazil and United States. 2013/14 production costs are estimated to have risen 35 percent from 2012/13. Overall, however, producers are pleased with soybean prices, profits and especially liquidity. The Brazilian Real - U.S. Dollar exchange rate has been hovering between R$2.30 and R$2.40 to US$1.00. This undoubtedly will help the competitiveness of Brazilian exports.

Graph 3: Monthly Soybean Prices in R$ per 60 kg Sack



Source: CEPEA

Soybean Prices
(Prices* in R$ per 60 kg)

Year	2011	2012	2013	2012/13 % Change
Jan	49.63	46.80	64.62	28%
Feb	49.28	47.06	59.93	21%
Mar	46.32	52.23	57.83	10%
Apr	44.37	57.57	55.76	-3%
May	44.94	61.11	58.71	-4%
Jun	45.13	65.22	65.29	0%
Jul	45.77	76.32	65.26	-17%
Aug	46.50	82.01	66.22	-24%
Sep	49.05	82.92	70.81	-17%
Oct	46.21	74.41	72.43	-3%
Nov	45.35	74.60	74.05	-1%
Dec	45.25	73.25	74.05	1%

Source: CEPEA
*Average monthly price in the state of Paraná - wholesale level; export type, cash prices, no ICMS included (interstate commerce tax); pay term discount based on NPR rate

2013/14 Basic Minimum Prices for Soy

Region	Unit	Price (R$/unit)	Price (US$/mt)
All Brazil	60 kg	25.11	174.38

Source: MAPA/SPA/DEAGRO
Exchange rate: US$ 1.00 = R$ 2.40

STOCKS

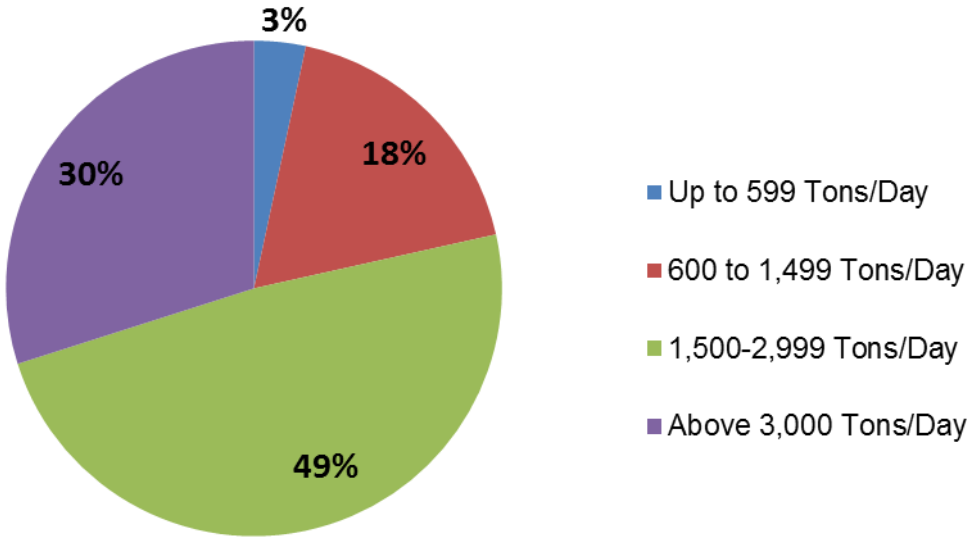
2013/14 stocks are estimated at 2.97 mmt. As Brazil struggles to handle the immense harvests, with each year essentially establishing a new record, storage capacity continues to be short. The Brazilian government has made concerted efforts over the past year to provide incentives for the construction of new storage. Provisional Measure (MP) 619, integrated into Law 12873 (2013), offers political support and resources for the modernization and construction of storage units dedicated to agricultural commodities purchased through the commodity programs that are contingent on the minimum price. Since 2008, the National Development Bank of Brazil (BNDES) has operated the Storage Incentive Program for National Grain Companies, known as *BNDES Cerealistas*, to encourage the expansion of crop storage. In mid-2013 BNDES lowered the interest rate from 5 percent to 3.5 percent, and extended the repayment period from 12 years to 15 years. The program was allocated R$1.5 billion (US$625 million) in 2013. Through the construction of new storage units, CONAB increased its capacity by over

40 percent, reaching a total of 2.81 mmt. The record harvest has demonstrated the deficiency in Brazil's grain storage capacity and resulted in increased costs for storage and handling. CONAB estimates total grain storage capacity at 145 mmt. Some trade sources estimate actual capacity only reaches 120 mmt. Storage distribution among government, cooperative, and private is estimated by CONAB at 4, 20 and 75 percent, respectively. Trade sources report only 14 percent of Brazil's total grain storage capacity is located on-farm compared to 42 percent in the United States. Anecdotes from various members in the soybean supply chain indicate that the primary beneficiaries of the funding for new storage are the grain middle-men, who are aggregating and storing grains. Secondary beneficiaries are the traders. On-farm storage units, however, have seen the smallest growth.

OILSEEDS CONSUMPTION

Soybeans remain the primary oilseed produced in Brazil with 38 mmt, or approximately 40 percent of the estimated 2013/14 production, destined for processing. Post forecasts a record 39 mmt of soybeans destined for processing in 2014/15. Brazil maintains ample processing capacity estimated at approximately 59 mmt per year, or 177,000 mt/day. Thirty percent of plants possess a processing capacity over 3,000 mt/day and around 49 percent of plants operate with 1,500-3,000 mt/day capacity.

Graph 4: Brazil Soybean Processing Capacity: Profile of Industry Factories in 2013



Source: ABIOVE

While processing capacity increased three percent in 2013, and Post forecasts a modest two percent growth for 2014, Brazil's tax laws discourage the economies of scale that offer the ideal margins desired by the crushing industry. Companies must pay the 12 percent state-level Tax on the Circulation of Goods and Services (ICMS tax) for shipping soybeans from the state of production to a different state to be processed. The ICMS tax encourages companies to process the state's local agricultural production. However, it makes it difficult for plants to source sufficiently large quantities of soybeans necessary to operate at desired levels. Industry sources speculate that it is cheaper to import Argentine soybeans for

crushing in southern Brazilian states than to crush soybeans from the neighboring states. The Brazilian industry views the ICMS tax as a disadvantage in comparison to the Argentine crushing industry.

MEAL SECTION

According to the Brazil Feed Industry Association (Sindirações), total feed demand in Brazil decreased an estimated one percent in 2013 due to higher feed costs. In general, corn accounts for 60 percent of total animal feed, while soybean meal accounts for 20 percent. In 2014, soybean meal demand for feed rations is expected to stabilize at 13 mmt, based on historic trends and an industry at a standstill. Poultry feed rations utilize the highest ratio of soybean meal at 25 percent followed by swine at 16 percent, dairy cattle at 12 percent, and feeder cattle at six percent. Poultry feed is estimated to have dropped 1.3 percent in 2013, due to a dearth in housing for chicks. After a decrease in herd size in 2012, swine stocks are rebuilding in 2013/14 and demand for swine feed is subsequently trending upwards. While many analysts believe that the domestic poultry market is saturated, they also believe that there is room for pork consumption growth. Based on this market space and a growing middle class, pork consumption should grow marginally over the upcoming five years. Swine feed demand growth will offset the marginal diminution in demand for poultry feed.

Cottonseed meal utilized in dairy and beef cattle feed rations is expected to increase given the growth in both sectors. Cottonseed meal usage is forecast at over 1 mmt in 2014 across all feed sectors.

OILS SECTION

According to the Brazilian Association of Vegetable Oil Industries (ABIOVE), Brazil's soybean processing, refining, and bottling capacity continues to grow. Total domestic soybean oil consumption in 2012/13 reached 5.57 mmt with approximately 2 mmt destined for the growing biodiesel industry.

Capacity (tons/day)	2008	2009	2011	2012	2013
Processing Capacity	165,299	176,834	169,136	173,441	177,980
Refining Capacity	22,860	22,990	23,353	24,463	24,310
Bottling Capacity	16,169	16,381	16,242	17,350	17,875

Source: ABIOVE

Biodiesel

The Brazilian biodiesel sector is currently represented by three different entities: the Vegetable Oil Industry Association (ABIOVE), Brazilian Biodiesel Union (UBRABIO), and Association of Biodiesel Producers (APROBIO). In addition, there is a Brazilian Congressional Coalition that supports biofuels. All these groups advocate for policies to increase domestic consumption of biofuels and favor an increase in the blend mandate of biodiesel. They advocate increasing the blend mandate to 7 percent (B7), from its current 5 percent (B5). They called for this blend mandate in 2013 and continue to make

the case in 2014. They also advocate for further increases in the blend rate, with some supporting up to 20 percent, but vary in their recommended approaches with respect to the timing and scale of future increases to the blend rate. They also advocate for B20 to be adopted quickly for use in city bus fleets to help reduce greenhouse gas emissions. There exists the possibility that Government of Brazil will institute a blending range policy for biodiesel, similar to the policy for ethanol. The policy for ethanol operates by adjusting the ethanol blend in range between 18-25 percent, which would allow the government flexibility in adjusting the blend rate between these levels, depending on supply and demand conditions of feed stocks in the sector. There is the potential that interested parties and the government could arrive at an agreed upon biodiesel blend range policy of B5-B15 or B5-B20. The Ministry of Mines and Energy estimates annual domestic diesel fuel usage to reach 77 billion liters by 2020, a 37.5 percent increase over the 2012 estimated usage of 56 billion liters. Given high and increasing domestic demand, the rate at which the blending percentage for biodiesel can be increased is predicated upon increased soybean production to supply adequate oil to both the industrial and food sectors. Maintaining sufficient soybean oil supplies for the food sector is essential in order to keep in check inflationary pressures on a fundamental staple food item in the Brazilian diet. With elections scheduled for October 2014, the current political environment in Brazil suggests that any alteration to the biodiesel blend rate would occur no earlier than 2015.

Domestic demand for soybean oil is projected to increase by 350,000 mt in 2014. Should Brazil increase the biodiesel blend mandate to 7 percent from 5 percent, additional demand for soybean oil may increase by 800,000 mt.

Significant investments in palm oil plantations in the north of Brazil have been made over the last few years. It is estimated that in five years, domestically produced palm oil will begin to substitute refined soybean oil used in the food industry and thus free up additional soybean oil for biodiesel. Trade sources estimate that nearly 100,000 hectares of oil palm are currently in production. Total planned planted area among the large players is still estimated at over 300,000 hectares: Vale 100,000 ha, Agropalma 40,000 ha, Petrobras 60,000 ha, ADM 12,000 ha, etc. However at present, Vale and Petrobras have reduced their projected plantings by 20,000 ha each compared to last year's planned planted areas of 120,000 and 80,000, respectively. The majority oil palm production expansion is occurring in the state of Pará and has faced numerous challenges that have slowed the projected growth pace. Challenges include the following: acquiring land titles and registering land in the environmental registry (CAR), identifying well-capitalized business partners, and educating small-producers on federal financing programs. Moreover, new foreign entrants to the sector have halted due to a 2010 interpretation of a law that significantly limits the acquisition of land by foreigners. Bunge has also announced investments to be made in the oil palm sector of an unknown size. Vale inaugurated the first biodiesel production facility based off of palm oil in January 2012 and plans to run some of its fleet of locomotives on B30. Petrobras also has plans to build a palm oil based biodiesel plant in the near future.

POLICY

The commitment known as the Soy Moratorium was extended until December 31, 2014. Originally created in 2006 under market pressure from the European food industry, a moratorium on purchasing soybeans from any newly deforested areas in the Amazon ecosystem was declared by all major soybean traders including Cargill, Bunge, ADM, Dreyfus and the Maggi Group. The Vegetable Oil Industry Association (ABIOVE) and the National Grain Exporters Association (ANEC) both signed the

moratorium. Since 2008, the Brazilian Ministry of Environment has been a signatory to the agreement. In 2010, the Bank of Brazil joined the agreement and made its financing available only to producers who are in compliance with the terms of the soy moratorium. The Soy Moratorium is scheduled to phase out at the end of 2014 and to be replaced with a new sustainability agenda, per the January 31, 2014 decision of Brazil's Soybean Working Group (GTS). While this new agenda has not been formally spelled out, the emphasis will be on bringing soybean producers into compliance with Brazil's new Forest Code, and in this way reconcile food production with environmental conservation. There will also be an incentive for producers to comply fully with the Rural Environmental Register (CAR). The CAR has become an important tool to register properties, determine proper land titling, designate legal reserves and areas of permanent preservation, all the while leading to more effective monitoring and control.

In November 2010, Brazil's Agriculture Research Corporation (Embrapa), Brazilian Association for Non-GE Producers (ABRANGE), and Mato Grosso Soybean Producer's Association (Aprosoja) launched "Free Soy" ("Soja Livre") to pursue development of commercially competitive non-GE varieties to aid Brazil's continuing role as the main supplier of European and Asian markets of these products. Brazil is the largest non-GE soybean producer and exporter in the world. Over the past several years, there has been a decrease in non-GE soybean seed offerings to Brazilian producers, a result of seed patent laws indirectly favoring investment in GE technologies where potential returns are better protected. Brazil remains a predominant GE soybean producer with the 2013/14 adoption rate at 92 percent. However, some soybean producers in the western portion of the Center-West claim regional non-GE varieties possess higher potential productivity than GE varieties under similar production costs scenarios. In 2008, non-GE producers created ABRANGE to promote continued research and marketing for their products. ABRANGE seeks to make Brazil the first country to establish technical rules/standards for non-GE production. In addition, it has asked MAPA to assign a specific export code to non-GE soybeans.

In April 2010, the soybean sector launched "Soy Plus," a voluntary social, economic and environmental management program. This program commenced in the largest producing state of Mato Grosso and seeks to assist producers in adhering to Brazilian social and environmental laws, increase economic opportunities, and aid in Brazil's international image as a sustainable soybean producer. Since its launch in 2010, producers in various states accounting for 12 mmt of the national soy production have participated in courses and workshops. In 2012, the program contracted the services of forest engineers and agronomists to provide technical assistance to farmers at field day workshops and to 450 individual farms. In addition, 3,810 farm managers and workers participated in programs focused on adherence to environmental sustainable practices and social norms addressing quality of life and working conditions. In 2013, the program will continue to employ contracted technical assistance to farms and offer 1,200 producers training on proper grain storage and handling techniques. The program is focused on increasing the sector's capacity in the following five areas: quality of life, good agricultural practices, product quality, social responsibility, and economic and financial feasibility. Participating entities include Embrapa, ABIOVE, ANEC, Aprosoja, and the Institute for Responsible Agribusiness (ARES).

Since its launch in 2005, the Brazilian soybean sector has been an active participant in the Round Table of Responsible Soy (RTRS). The RTRS is comprised of producers, exporters, industry, financial institutions and social and environmental non-government organizations. The objective of RTRS is to develop and promote soy production that is economically sound, environmentally correct and socially

just. The RTRS also acts as an international forum for discussion on sustainable soybean production practices.

TRADE

Soybean exports in marketing year 2013/14 are estimated at a record 46 mmt, up seven percent from 2012/13 soybean exports. Trade sources estimated Brazil's monthly export capacity for grains, soybeans, and sugar at 10-11 mmt. Monthly soybean exports have traditionally focused on the months of February to June, but over the past two years, a gradual trend is developing of starting the soybean export season early in January and extending the season until July. Export logistics and port capacities are already strained and this situation will be exacerbated in the second half of 2014 as soybeans compete with sugar, corn, and other export crops. Post forecasts record soybean exports of 50 mmt in 2014/15, based on sustained prices and continued strong global demand. The prolongation of the soybean export season and the gradual projected expansion in export infrastructure are forecast to enable the record 2014/15 exports.

The crushing industry continues to see itself as disadvantaged due to the aforementioned ICMS tax and the ongoing impact of the 2012 Provisional Measure # 609. This measure entered into force on March 12, 2012, and zeroed out federal taxes (PIS/PASEP/COFINS - currently at 9.25 percent total) for a wide range of food products, including refined soybean oil and margarines. The zeroing out of taxes also applies to soybean oil brute used to make biodiesel. As a result, trade sources estimate the oilseed crushing and processing sector became $15-$20/ton less competitive overnight. The provisional measure no longer authorizes the oilseed processor to pay a lower tax rate under "presumed tax credit rate" nor the application of tax credits upon the sale of the finished products. The accumulation of excess tax credits has been problematic to the processing sector and has acted as an extra cost since requests for cash reimbursement by the government take years to process and when received are not adjusted for inflation.

Soybean oil exports are forecast to hold at 1.5 mmt in 2014/15, in line with estimated 2013/14 exports. While 2013/14 exports grew an estimated six percent from 2012/13 exports, thanks to public policies favoring the export of soybean derivative products, 2014/15 derivative exports are forecast to stabilize in the face of a limited surplus for export. Increased domestic consumption, mainly due to biodiesel production, is expected to offset any significant increases in exports. In addition, Argentina's price competitiveness continues to reduce Brazil's export market share in soybean oil.

Soybean Trade Tables

Brazil Soybean Exports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Feb 2011	Market Year Begin: Feb 2012	Market Year Begin: Feb 2013
World	33,789	31,905	42,826
China	22,717	22,274	32,266

EU	5,715	5,133	5,142
Russian Federation	246	120	13
Thailand	1,143	1,090	1,065
Japan	536	548	611
Malaysia	2	13	93
Norway	368	298	315
Mexico	0	0	281
Korea South	478	315	350
Taiwan	974	1,075	980
Saudi Arabia	328	245	398
Turkey	336	9	134
United States	0	0	325
Venezuela	5	41	21
Vietnam	507	576	571
Iran	174	20	131
Israel	109	10	15
Bangladesh	52	50	41
Cuba	23	17	0

Brazil Soybean Imports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Feb 2011	Market Year Begin: Feb 2012	Market Year Begin: Feb 2013
World	40	298	269
Paraguay	40	195	226
Bolivia	0	27	43
United States	0	0	0

Soybean Meal Trade Tables

Brazil Soybean Meal Exports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Feb 2011	Market Year Begin: Feb 2012	Market Year Begin: Feb 2013
World	14,452	13,854	13,619
EU	7,263	7,317	9,291
Thailand	1,405	1,312	950
Iran	349	736	534
Indonesia	285	299	602
Vietnam	292	310	427
United Arab Emirates	0	77	175
Japan	296	215	188
China	21	16	26
Colombia	138	70	26
Cuba	243	175	62
Dominican Republic	13	0	0
Ecuador	54	76	64
Egypt	0	0	17
Korea South	708	687	1,132
Georgia	23	22	0
Turkey	19	15	45
United States	0	0	0
Saudi Arabia	79	16	0
Norway	88	42	14

Brazil Soybean Meal Imports (1000 Metric Tons)

Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Feb 2011	Market Year Begin: Feb 2012	Market Year Begin: Feb 2013
World	21	2	3
Denmark	0	0	1
Paraguay	21	1	2
United States	0	0	0

Soybean Oil Trade Tables

Brazil Soybean Oil Exports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Feb 2011	Market Year Begin: Feb 2012	Market Year Begin: Feb 2013
World	1,758	1,688	1,406
India	167	280	284
Egypt	120	0	66
Cuba	90	69	74
Bangladesh	124	78	67
China	628	794	521
Malaysia	61	23	0
France	86	35	6
Iran	62	117	84
Algeria	127	99	113
Tunisia	26	0	17
United States	0	0	0
Venezuela	24	17	16
Hong Kong	22	28	4

Brazil Soybean Oil Imports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Feb 2011	Market Year Begin: Feb 2012	Market Year Begin: Feb 2013
World	0.13	2.03	4.04
Netherlands	0	0	0
Argentina	0	0	4.02
Germany	0.02	0.01	0.01
Sweden	0	0.02	0.01
United States	0	0	0

Cottonseed Trade Tables

Brazil Cottonseed Exports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012	Market Year Begin: Jan 2013
World	39.18	4.15	0.09
Venezuela	0.45	0.00	0.09
Saudi Arabia	9.43	1.96	0.00
Spain	9.64	0.00	0.00
Italy	18.67	2.02	0.00
Japan	0.30	0.18	0.00
World	39.18	4.15	0.09

Brazil Cottonseed Imports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012	Market Year Begin: Jan 2013
World	0.401	0	0
South Africa	0.401	0	0
United States	0	0	0

Cottonseed Meal Trade Tables

Brazil Cottonseed Meal Exports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012	Market Year Begin: Jan 2013
World	0.001	0.073	0.024
Japan	0	0.072	0.024
Equatorial Guinea	0.001	0.001	0

Brazil Cottonseed Meal Imports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012	Market Year Begin: Jan 2013
World	0.259	0.202	0.282
United States	0.259	0.202	0.282

Cottonseed Oil Trade Tables

Brazil Cottonseed Oil Exports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012	Market Year Begin: Jan 2013
World	3.52	1.00	0
EU	3.01	0	0
Colombia	0	1.00	0
Singapore	0.51	0	0

Brazil Cottonseed Oil Imports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012	Market Year Begin: Jan 2013
World	6.576	0.035	0.025
United States	0.026	0.034	0.025
Argentina	0	0	0

Peanut Trade Tables

Brazil Peanut Exports (1000 Metric Tons)			
Country	2010	2011	2012
	2010/2011	2011/2012	2012/2013
	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012	Market Year Begin: Jan 2013
World	58	62	81
EU	29	34	44
Russian Federation	9	8	10
Algeria	3	8	19
Australia	2	1	1
Ukraine	2	1	2
United Arab Emirates	0	1	0
Latvia	0	1	1
United States	2	1	0
South Africa	2	1	0
Mexico	5	4	0
Vietnam	0	1	1

Brazil Peanut Imports (1000 Metric Tons)			
Country	2009	2010	2011
	2009/2010	2010/2011	2011/2012
	Market Year Begin: Jan 2010	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012
World	0.29	0.20	0.17
Argentina	0.29	0.18	0.05
China	0	0	0.02
Paraguay	0	0.03	0.1
United States	0	0	0

STATISTICS

Production, Supply, and Demand

Oilseed, Soybean (Local) Brazil	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Feb 2013		Market Year Begin: Feb 2014		Market Year Begin: Feb 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	27,700	27,700	29,500	29,500		31,860
Area Harvested	27,700	27,700	29,500	29,500		31,860
Beginning Stocks	1,183	1,183	1,997	1,997		2,972
Production	82,000	82,000	88,500	88,000		97,000
MY Imports	240	240	150	150		100
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	83,423	83,423	90,647	90,147		100,072
MY Exports	42,826	42,826	45,225	46,000		50,000
MY Exp. to EU	5,800	5,800	6,000	6,000		6,500
Crush	35,600	35,600	37,625	38,000		39,000
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	3,000	3,000	3,173	3,175		3,175
Total Dom. Cons.	38,600	38,600	40,798	41,175		42,175
Ending Stocks	1,997	1,997	4,624	2,972		7,897
Total Distribution	83,423	83,423	90,647	90,147		100,072
1000 HA, 1000 MT						

Meal, Soybean (Local) Brazil	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Feb 2013		Market Year Begin: Feb 2014		Market Year Begin: Feb 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	35,600	35,600	37,625	38,000		39,000
Extr. Rate, 999.9999	1	1	1	1		1
Beginning Stocks	2,285	2,285	2,100	2,073		2,735
Production	27,600	27,600	29,160	29,160		30,226
MY Imports	30	3	25	2		2
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	1	0	0		0
Total Supply	29,915	29,888	31,285	31,235		32,963
MY Exports	13,619	13,619	14,000	14,000		16,000
MY Exp. to EU	9,800	9,800	10,200	10,200		10,500
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	14,196	14,196	14,500	14,500		15,000
Total Dom. Cons.	14,196	14,196	14,500	14,500		15,000
Ending Stocks	2,100	2,073	2,785	2,735		1,963
Total Distribution	29,915	29,888	31,285	31,235		32,963
1000 MT, PERCENT						

Oil, Soybean (Local) Brazil	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Feb 2013		Market Year Begin: Feb 2014		Market Year Begin: Feb 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	35,600	35,600	37,625	38,000		39,000
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	430	430	266	285		159
Production	6,830	6,830	7,220	7,292		7,484
MY Imports	4	4	0	2		2
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	7,264	7,264	7,486	7,579		7,645
MY Exports	1,425	1,406	1,450	1,500		1,500
MY Exp. to EU	50	50	0	0		50
Industrial Dom. Cons.	2,170	2,170	2,320	2,320		2,350
Food Use Dom. Cons.	3,403	3,403	3,500	3,600		3,650
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	5,573	5,573	5,820	5,920		6,000
Ending Stocks	266	285	216	159		145
Total Distribution	7,264	7,264	7,486	7,579		7,645
1000 MT, PERCENT						

Oilseed, Cottonseed Brazil	2012/2013		2013/2014		2014/2015	
	Market Year Begin: May 2012		Market Year Begin: May 2013		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (Cotton)	900	900	1,075	1,075		1,200
Area Harvested (Cotton)	900	900	1,100	1,100		1,200
Seed to Lint Ratio	0	0	0	0		0
Beginning Stocks	191	191	31	31		180
Production	2,000	2,000	2,500	2,520		2,750
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	2,191	2,191	2,531	2,551		2,930
MY Exports	0	0	40	40		30
MY Exp. to EU	5	5	10	10		10
Crush	2,100	2,100	2,300	2,300		2,600
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	60	60	31	31		70
Total Dom. Cons.	2,160	2,160	2,331	2,331		2,670
Ending Stocks	31	31	160	180		230
Total Distribution	2,191	2,191	2,531	2,551		2,930
1000 HA, RATIO, 1000 MT						

Meal, Cottonseed Brazil	2011/2012		2012/2013		2013/2014	
	Market Year Begin: January 2012		Market Year Begin: January 2013		Market Year Begin: January 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,750	2,750	2,210	2,020		2,100
Extr. Rate	0.491	0.491	0.491	0.491		0.491
Beginning Stocks	12	12	12	12		7
Production	1,350	1,350	1,085	995		1,030
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	1,362	1,362	1,097	1,007		1,037
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	1,350	1,350	1,090	1,000		1,025
Total Dom. Cons.	1,350	1,350	1,090	1,000		1,025
Ending Stocks	12	12	7	7		12
Total Distribution	1,362	1,362	1,097	1,007		1,037
1000 MT, PERCENT						

Oil, Cottonseed Brazil	2012/2013		2013/2014		2014/2015	
	Market Year Begin: May 2012		Market Year Begin: May 2013		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,100	2,100	2,300	2,300		2,600
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	70	70	44	44		28
Production	347	347	380	380		429
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	417	417	424	424		457
MY Exports	0	0	0	0		0
MY Exp. to EU	2	2	2	2		0
Industrial Dom. Cons.	173	173	200	200		200
Food Use Dom. Cons.	200	200	196	196		230
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	373	373	396	396		430
Ending Stocks	44	44	28	28		27
Total Distribution	417	417	424	424		457
1000 MT, PERCENT						

Oilseed, Peanut Brazil	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	100	100	100	100		100
Area Harvested	100	100	100	100		100
Beginning Stocks	2	38	8	43		58
Production	295	295	260	320		300
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	297	333	268	363		358
MY Exports	90	88	70	90		95
MY Exp. to EU	40	48	40	50		50
Crush	95	95	90	100		105
Food Use Dom. Cons.	80	83	80	90		90
Feed Waste Dom. Cons.	24	24	24	25		25
Total Dom. Cons.	199	202	194	215		220
Ending Stocks	8	43	4	58		43
Total Distribution	297	333	268	363		358
1000 HA, 1000 MT						

Other relevant reports:

January 2014 Soybean Update Report
2013 Oilseeds Annual Report
2013 Biofuels Annual
North and Northeast Brazil Port Infrastructure Report