

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Brazil**

### **Oilseeds and Products Update**

#### **Brazil Soybean Production Forecast to Reach 88 Million Metric Tons; Lower Commodity Prices Forecast to Diminish Soybean Complex Export Value**

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**Report Highlights:**

The 2013/14 soybean production forecast is maintained at 88 million metric tons (mmt), as planting continues at a steady pace, slightly faster than last year. Soybean exports are forecast at 45 mmt. Export volume is forecast up, but export value is expected to decrease based on commodity prices.

**Post:**  
Brasilia

**Commodities:**  
Soybeans

Oilseed, Soybean (Local) Brazil	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Feb 2012		Market Year Begin: Feb 2013		Market Year Begin: Feb 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	25,000	25,000	27,700	27,700	28,900	29,100
Area Harvested	25,000	25,000	27,700	27,700	28,900	29,100
Beginning Stocks	5,470	5,470	1,183	1,183	3,788	1,609
Production	66,500	66,500	82,000	81,456	88,000	88,000
MY Imports	298	298	195	270	100	300
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	72,268	72,268	83,378	82,909	91,888	89,909
MY Exports	31,905	31,905	41,000	42,500	43,000	45,000
MY Exp. to EU	5,600	5,600	5,800	5,600	6,000	5,600
Crush	36,230	36,230	35,590	35,900	37,625	38,000
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	2,950	2,950	3,000	2,900	3,175	3,200
Total Dom. Cons.	39,180	39,180	38,590	38,800	40,800	41,200
Ending Stocks	1,183	1,183	3,788	1,609	8,088	3,709
Total Distribution	72,268	72,268	83,378	82,909	91,888	89,909

1000 HA, 1000 MT

### 2013/14 Soybean Production Forecast Maintained; Planting Continues at a Pace Slightly Faster Than Last Year

Post maintains production at 88 million metric tons (mmt). The soybean planting has gotten off to a relatively normal, if not slightly delayed start as farmers awaited the first rains of the season. After the initial precipitation, the rain in the Center-West and the South has been more sparse and irregular this year than average. A break in precipitation has enabled planting to proceed more quickly this year than last year. Analysts are reporting that 25 percent of Brazil's soybeans have been planted by the end of October. Reports out of Cuiabá indicate that 55 percent of the soybeans of Mato Grosso state have been planted by the end of October.

### Helicoverpa Threat Expands, as Farmers Scramble for Ideal Management Practices

Already some of the early-maturing soybeans in Mato Grosso are reporting the presence of the pesky *Helicoverpa* caterpillars, which typically attack the plants from emergence onwards. Agronomists are unable to classify the *Helicoverpa* species as either *zea* or *armigera*, as this differentiation is only possible via lab tests. Farmers and agricultural companies alike, however, are closely monitoring the crop development and pest prevalence to tailor the proper pesticide management practices. No one seems to have concocted ideal pest management practices, which will most likely evolve throughout the season. While the 2012/13 impact of *Helicoverpa* was experienced in western Bahia, this year multiple other states—notably Mato Grosso, Mato Grosso do Sul—are preparing to manage the pest.

Forward sales continue to be relatively slow for 2013/14 soybeans. Prices have remained stable. Farmers are focusing on planting and less on selling off the remainders of their last soybean crop. Of those who

do sell, many are selling their soybeans on the domestic market, as domestic stocks are currently low and are commanding prices equivalent to FOB.

### Trade

2013/14 exports are forecast at 45 mmt, a six percent increase in volume. Export values will be subject to commodity prices. The Brazilian Vegetable Oil Association (ABIOVE) has provided estimates and forecast on soybean and soybean derivate exports. ABIOVE has noted that the 2013/2014 soybean and soybean derivatives export values are forecast to be seven percent lower than 2013 estimates, due not to lower volume but to projected lower commodity prices.

Value of Brazil's Soybean and Soybean Derivative Exports in US\$ Billion						
	2009	2010	2011	2012	2013*	2014*
<b>Soybean</b>	11,424	11,043	16,327	17,455	22,050	20,680
<b>Soybean Meal</b>	4,593	4,719	5,698	6,595	6,016	5,670
<b>Soybean Oil</b>	1,223	1,352	2,129	2,071	1,275	1,044
<b>Total</b>	17,240	17,114	24,154	26,121	29,341	27,394

Source: \* Estimate and Forecast from the Brazilian Vegetable Oil Association (ABIOVE)

### Value of Brazil's Soybean and Soybean Derivative Exports in US\$ Billion

