



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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Brazil

Oilseeds and Products

Oilseeds Update - October 2008

2008

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Report Highlights:

Despite tight rural credit supplies and global uncertainty, 2008/09 harvested soybean area is expected to increase 2 percent over last year, resulting in production of 61 million tons.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Trade Report
Brasilia [BR1]
[BR]

Producers have begun planting soybeans throughout Brazil. As reported last month, the current financial crisis continues to restrict an already difficult rural credit situation. In the south of Brazil, where 38 percent of the soybean area is located, the outlook is relatively stable, as the smaller farm sizes make producers eligible for federal subsidized loans. In addition, input costs are lower than other parts of Brazil, primarily due to the proximity to major ports. Mato Grosso remains the biggest area of concern. Producers are generally too large, or too indebted, to access federal loans, and multinational companies are not willing to greatly increase their financial exposure. Even in situations where a company is spending more money in the region, the amount of inputs being supplied to the producers is lower than last year due to the increased cost of inputs. While these credit limitations, combined with the recent drop in commodity prices, should lead to a slightly smaller increase in area than previously expected, a 2 percent increase in area is still anticipated. Most producers procured the necessary inputs for this crop prior to the financial crisis. The weakening Brazilian Real (vis-à-vis the U.S. dollar) may help offset some of the decrease in price, and soybeans have the most liquidity of any of the grains or oilseeds. In addition, there is hope that the lower cost of petroleum will eventually lead to lower input and transportation costs.

Post has reduced its 2008/09 harvested area forecast to 21.8 million hectares, leading to a lower production estimate of 61 million metric tons (mmt).

Soybean production for 2007/08 closed out the year at just over 60 mmt.

Other Relevant Reports

[BR8629](#) [Tightening Credit Restricts Soybean Outlook](#)

[BR8628](#) [Oilseeds Update – August 2008](#)

[BR8623](#) [Oilseeds Update – July 2008](#)

[BR8612](#) [Annual Soybean Report](#)

PSD Table
Country: Brazil
Oilseed, Soybean (Local)
(1000 HA)(1000 MT)

| | 2006 | | | 2007 | | | 2008 | | | |
|----------------------|--------------------------------|------------------|---------------------|--------------------------------|------------------|---------------------|--------------------------------|------------------|---------------------|--------|
| | 2006/2007 | | | 2007/2008 | | | 2008/2009 | | | |
| | Market Year Begin: Feb 2007 | | | Market Year Begin: Feb 2008 | | | Market Year Begin: Feb 2009 | | | |
| | USDA Official | Post Estimate | New Post Data | USDA Official | Post Estimate | New Post Data | USDA Official | Post Estimate | New Post Data | |
| Area Planted | 21100 | 21100 | 21100 | 21700 | 21700 | 21700 | 22800 | 22400 | 22100 | '000ha |
| Area Harvested | 20700 | 20700 | 20700 | 21300 | 21300 | 21313 | 22000 | 22000 | 21800 | '000ha |
| Beginning Stocks | 2252 | 2252 | 2252 | 3110 | 3171 | 3171 | 3510 | 2871 | 2688 | '000mt |
| Production | 59000 | 58850 | 58850 | 61000 | 60200 | 60017 | 62500 | 62000 | 61000 | '000mt |
| MY Imports | 108 | 108 | 108 | 150 | 150 | 150 | 150 | 150 | 150 | '000mt |
| Total Supply | 61360 | 61210 | 61210 | 64260 | 63521 | 63338 | 66160 | 65021 | 63838 | '000mt |
| MY Exports | 23805 | 23805 | 23805 | 25525 | 25000 | 25000 | 27500 | 26500 | 26000 | '000mt |
| MY EX to EU | 11000 | 9772 | 9772 | 10700 | 8500 | 8500 | 11500 | 9000 | 9000 | '000mt |
| Crush | 31511 | 31300 | 31300 | 32250 | 32500 | 32500 | 32500 | 34000 | 33500 | '000mt |
| Food Use Dom. Cons. | 0 | 100 | 100 | 0 | 150 | 150 | 0 | 200 | 200 | '000mt |
| Feed Waste Dom Cons. | 2934 | 2834 | 2834 | 2975 | 3000 | 3000 | 3025 | 3100 | 3100 | '000mt |
| Total Dom. Cons. | 34445 | 34234 | 34234 | 35225 | 35650 | 35650 | 35525 | 37300 | 36800 | '000mt |
| Ending Stocks | 3110 | 3171 | 3171 | 3510 | 2871 | 2688 | 3135 | 1221 | 1038 | '000mt |
| Total Distribution | 61360 | 61210 | 61210 | 64260 | 63521 | 63338 | 66160 | 65021 | 63838 | '000mt |
| CY Imports | 98 | 98 | 98 | 150 | 150 | 150 | 150 | 150 | 150 | '000mt |
| CY Exports | 23734 | 23734 | 23734 | 25475 | 25200 | 25200 | 27500 | 26500 | 26500 | '000mt |