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# **Report Name:** Grain and Feed Annual

**Country:** Paraguay

**Post:** Buenos Aires

**Report Category:** Grain and Feed

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**Report Highlights:**

Paraguayan wheat production in marketing year (MY) 2024/2025 is forecast up at 1.15 million tons as a result of a significant increase in planted area and improved yields. Wheat exports would also be up at 450,000 tons. Corn production in MY 2024/2025 is projected at 5.2 million tons, up from the previous season. The harvested area is also up at 900,000 hectares. With a slightly higher domestic consumption, corn exports in MY 2024/2025 are forecast at 3.3 million, one of the largest volumes on record. Rice production in MY 2024/2025 is forecast at a record 1.28 million tons, rough production, on a record area of 203,000 hectares. Very good returns and low ending stocks in MY 2023/2024 will most likely encourage farmers to plant more. Exports are forecast at 760,000 tons, one of the highest volumes on track.

**Wheat**

Paraguayan wheat production in marketing year (MY) 2024/2025 is forecast at 1.15 million tons. This would represent a significant increase from the previous crop season thanks to an 18 percent greater area and better yields.

Planting soybeans over soybeans in the same crop year is an extended practice in Paraguay, but most agronomic advisors warn against its widespread use and recommend crop rotations with Gramineae (such as wheat, oats, etc.). The smaller soybean crop, called zafrinha, is normally planted in January and harvested in May. Most farmers then plant either wheat or a cover crop until the next summer season to maintain healthy soil and control insects, illnesses, and weeds. The area of zafrinha soybeans planted in 2024 was significantly larger than normal, triggering a projected larger planting area of wheat immediately after. A projected smaller planted area of canola, which returns are tight because of weaker world prices, could add some additional area to the planting of wheat.

Another reason for an expansion of the wheat area in MY 2024/2025 is the fact there is still a relatively large volume of low-quality wheat produced last year which had strong attacks of wheat blast disease (Pyricularia) because of a mild winter with high temperatures and humidity. Many actors will aim at producing good quality wheat to mix it with last year's wheat to obtain a better quality and thus price for it.

A third reason to encourage some greater wheat area in MY 2024/2025 is the steady demand from neighboring Brazil and Bolivia.

Paraguay is one of the very few subtropical countries in the world that cultivates wheat. Environmental conditions are not ideal, so yields and production are very erratic throughout the years. Contacts believe that roughly 250-350,000 hectares are planted yearly with good technology, focused on good yields and quality, but weather has the final say. Many farmers usually decide to plant wheat at the last minute and in many cases, wheat is planted as a winter cover crop, with low technology, especially scarce fertilization. Planting usually begins in April in the north of Alto Parana and southern Canindeyu departments, finishing in May in Itapua and Caaguazu. The current cost of production is about $400 per hectare (including harvest, does not include land rent) for a good level of technology used, with a yield expectation of 2.8 tons per hectare. Based on possible future prices (farmers practically do not sell until they harvest and know their quality), the return for such a farmer would be close to $100 per hectare.

Wheat production in MY 2023/2024 is projected at 893,000 tons, the same as USDA official numbers. However, different sources have a diverse estimation the volume, especially not knowing the harvested area and average yields as both were affected by strong fungus attacks.

The below photos show wheat fields in Paraguay in MY 2023/2024. Both are in the Obligado area in Departamento de Itapua, in July/August 2023. The one on the top is a field 100 percent affected by wheat blast disease, while the one on the bottom is a healthy wheat field.

Photos 1 and 2

Source: CCU

Wheat exports in MY 2024/2025 are forecast at 450,000 tons, a significant increase from the previous crop season because of an expected higher production with a stable domestic consumption. Most exports are wheat kernel, with only 10-20,000 tons of flour exported each year. Brazil is the main buyer of Paraguayan wheat by far supplying mills in the southern states. Bolivia is a smaller market, but important, for both wheat and flour. Wheat exports in MY 2023/2024 are projected at 250,000 tons, with exports of 170,000 tons already shipped between September 2023-February 2024. Regarding imports, contacts indicate that in 2023 there was a significant inflow of unregistered flour from Argentina, but after the strong devaluation in the neighboring country last December, this would seem to have diminished significantly.

Wheat domestic consumption in MY 2024/2025 is forecast at 750,000 tons. This is a relatively similar volume to the past few years, although consumption in MY 2023/2024 is expected at 770,000 tons because the crop had some quality problems and a somewhat greater volume than normal is expected to be used for animal feed. There are 28 wheat flour mills in Paraguay of which 22 are medium to large.

Ending stocks for MY 2024/2025 are forecast at 163,000 tons, a volume which contacts indicate it is reasonable to maintain local mills operating.

**Corn**

Production in MY 2024/2025 is projected marginally up at 5.2 million tons on 900,000 hectares. The planting season will start in more than 10 months but most farmers and input distributors perceive that the area of the main corn crop could expand marginally. The corn planted area is normally very dependable on the planting date of Paraguay's main soybean crop, called zafra, its development, and, most importantly, the time it is harvested as the main corn crop is planted immediately after. The zafrinha soybean crop which is currently in the ground and will be harvested in May with expected low yields. This, combined with weak prices, will result in thin profitability. When this happens, farmers normally reduce the planted area of the next soybean zafrinha, in favor of corn zafrinha. Some contacts suggest that there is currently a significant stock of corn seed, causing seed companies to be more aggressive in their sales and promotions to lower this volume.

| Corn Cycle | Planted Area (hectares) | Planting Date | Harvest Date | Production (Tons) | Use |
|---|---|---|---|---|---|
| **Zafra (summer)** | 30-40,000* | Sep-Oct | Jan-Feb | 100-150,000 | Silage/Commercial grain |
| **Zafrinha** | 800-900,000 | Feb | Jun-Aug | 4-5,000,000 | Commercial grain |

* Only 15-20,000 hectares are planted/harvested for commercial grain. The balance is for corn silage.
Source: Post

The total cost of production for zafrinha corn 2024 is estimated at $450 per hectare (for medium technology, does not include land rent) somewhat higher than for zafrinha soybeans, a crop which competes in land use during practically the same time of the year. At this time, with expected yields and an estimated harvest price, farmers could see a net return of $200-250 per hectare. This margin is calculated using hybrid seeds. In Paraguay, some producers utilize seed called "casera" (homemade), which is developed by a few local companies. Its price is significantly less expensive but yields lower. Corn yields in Paraguay are quite low compared with other countries in the region and most contacts believe it is because of the lack of thermal amplitude, with many nights with high temperature. The main Departamentos where corn is planted are: Alto Parana, Caaguazu, San Pedro and Canindeyu. The optimal planting window in the southern area closes on February 20 and in the northern area in mid-March. Contacts report that this year's planting was recently finished.

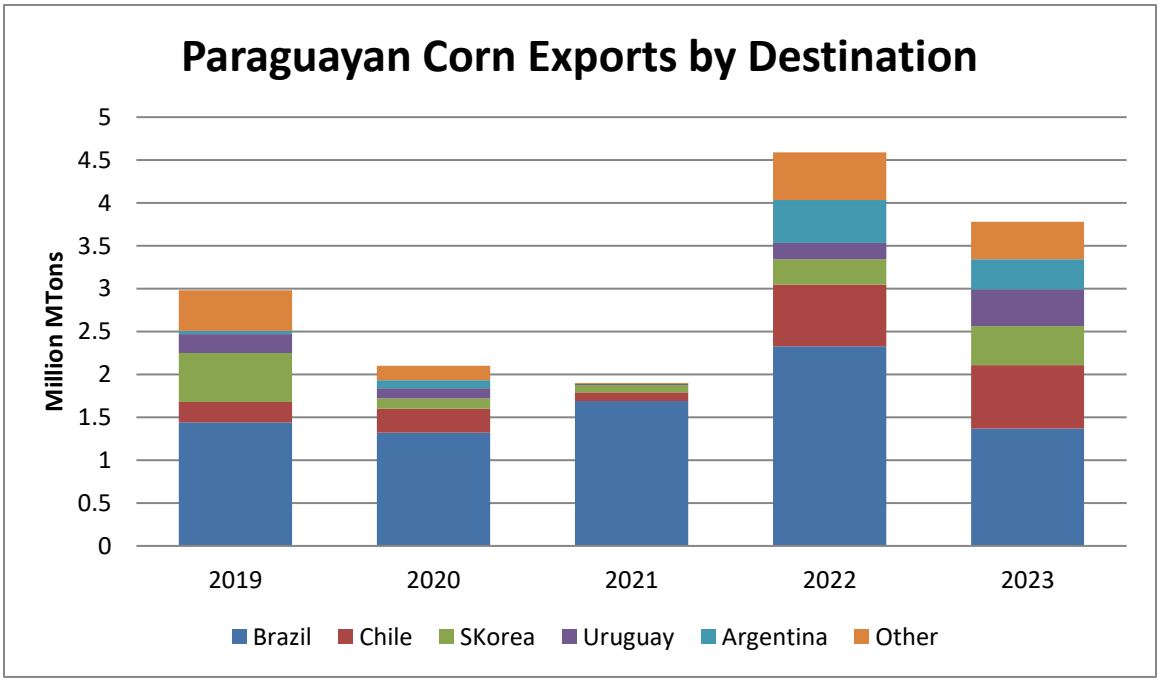
Corn production in MY 2023/2024 is expected at 3.875 million tons on 775,000 hectares. Post has recently dropped estimated production as weather in the northern production region has been hot and dry. The center-south corn area is in good condition as rains were more generous.

Corn exports in MY 2024/2025 are forecast at 3.3 million tons, one of the highest on record, as a result of a projected plentiful crop. Domestic corn use continues to grow slightly year after year, but exports continue to be a significant part of the business, normally accounting for 60-65 percent of the total production.

In MY 2024/2025 Brazil is forecast to be the main destination for local corn, as it has been in the recent past. The poultry and pork processors located in the southern states of Rio Grande, Parana and Santa Catarina are good, natural markets for Paraguayan corn, which usually are exported at a discount of approximately $20-45 per ton (depending on the freight costs). Corn is trucked to these destinations, which are normally in a radius not more than 400 kilometers from the border passes.

Chile is normally the second most important destination for Paraguayan corn. It can be trucked through Argentina, but corn is normally shipped in barges to Rosario port in Argentina and then transshipped to Chilean ports. Uruguay is also an important destination for Paraguayan corn, which is typically trucked in containers directly to feedlots or dairy operations. Argentina was a very active destination in 2022 and 2023, primarily driven by the strong drought which affected their corn production. Argentina's corn crop size in MY 2023/2024 is expected to be normal and therefore, demand from Paraguay is expected to diminish significantly. Most exports outside the region are shipped on barges by the Parana River, where the corn is mainly transshipped in Rosario (Argentina) and to a much smaller extent in the port of Nueva Palmira in Uruguay. The following chart shows Paraguay's corn exports in the past five calendar years, by main destination. Brazil stands out, accounting for 50-80 percent of the total.

Chart 1.




Source: Post based on TDM data

Corn domestic consumption in MY 2024/2025 is forecast at 2.1 million tons, marginally higher than the previous year. A new bioethanol plant, using corn and/or sugarcane as feedstock, is expected to be

running at full swing. In addition, cattle prices are holding up well, while corn prices have dropped significantly in the past few months, encouraging the use of more corn to finish cattle earlier and heavier.

The bioethanol industry, with two large plants, is the major consumer with approximately 1.2 million tons yearly. Corn consumption for livestock feed is estimated at approximately 800,000 tons with the balance used for seed and starch production. Paraguay has a strong dairy industry that supplies the domestic demand and a slightly growing export business. The same with the local pork sector which is slowly expanding, with growing shipments, especially to Taiwan which authorized imports in 2023. The poultry industry is also expanding its shipments.

Corn ending stocks in MY 2024/2025 are projected at 430,000 tons, a volume that most in the industry consider realistic as most corn not consumed domestically is exported, primarily to allow for the coming soybean crop, the main driver of the Paraguayan agricultural sector. Contacts estimate a volume representing 1-2 months use of corn.

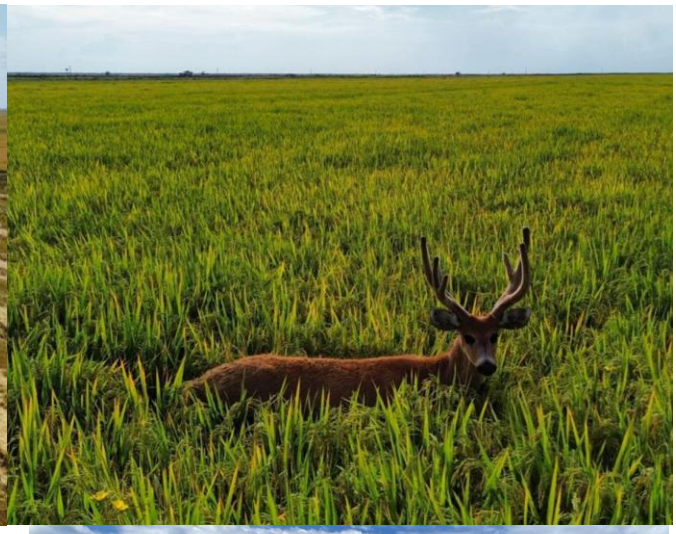
**Rice**

Production in MY 2024/2025 is forecast at a record high 1.28 million, a million tons of rough production and 860,000 tons milled base. High rice prices and excellent returns in MY 2023/2024, plus depleted stocks in the region are expected to encourage local farmers to continue expanding planted acreage. New rice plantations are expected to add 10,000 hectares of new land into production, plus the fact that many farmers who can expand some planted area, will likely do so. Therefore, total planted area in MY 2024/2025 is projected at 205,000-208,000 hectares of which 203,000 hectares could reach harvest as normally some area is lost. The projected area for MY 2024/2025 would be 13,000 hectares higher than the previous record of MY 2022/2023, area which Post sets higher than USDA. Rice yields in Paraguay normally average 6.5-6.8 tons per hectare. Local farmers, try to plant as early as possible (beginning in July) to aim at harvesting in late December and January, a period when other rice producing countries in the region hardly have new production.

Rice production in MY 2023/2024 is estimated at 1.045 million tons rough production and 700,000 tons milled base. This volume is significantly lower than USDA’s official estimate primarily due to a smaller harvested area and yields. Weather in this season (harvest beginning in late December 2023) was quite unstable, with strong rains in September and October, and November and December very cloudy. This forced the replanting of about 15,000-20,000 hectares, which was done very late and outside the optimal window as very good prices encouraged producers to take the risk. The planting season normally goes from mid-September through mid-November. In this crop season, the earliest plantings were in July and the latest finished in early January 2024. In mid-March 2024 the harvest was running at more than 60 percent and average yields are expected to be below normal due primarily to excess rains at harvest in the Departamento of Misiones. Still, farmers will enjoy good profitability as total production costs were estimated at $1400 per hectare, providing a net income of $600-800 per hectare. Private advisors report that Paraguay has the lowest production costs in the region and do not expect a significant change of production costs in MY 2024/2025.

The photos below show different moments and places in Paraguay during the rice crop of MY 2023/2024. The harvest and the vast rice field are in the Departamento of San Pedro, the deer was found in the Departamento of Neembucu, and the rice field is in the Departamento of Itapua.

Photos 3-5.

Source: Ing. Victor Sosa

Rice exports in MY 2024/2025 are forecasted up at 760,000 tons as a result of an expected increased output. Neighboring Brazil is Paraguay's major market, accounting for between 70-75 percent of the total. Brazil normally takes milled and semi-milled rice and growing volumes of brown rice. There are also some exports of broken and paddy rice. All exports to Brazil are trucked through the border. Chile is forecast to continue being the second most important destination, accounting normally for 8-12 percent of total exports. Chile also buys milled and semi-milled rice. The balance of Paraguayan rice exports goes to Central America, the EU and Africa.

Domestic consumption for MY 2024/2025 is projected at 118,000 tons, milled base, marginally up from the past few years. These volumes are practically double of USDA's volume. Only for seed, Paraguay uses approximately 13-15,000 tons (milled base) a year. The main local rice mills estimate total human consumption at 100,000/105.000 tons, milled base.

Rice stocks in the past couple of marketing years have been extremely low and forecast to remain the same in MY 2024/2025 as high international prices and low stocks in the region were a strong incentive to export all rice surplus.

## Statistical Tables

| Wheat | 2022/2023 | | 2023/2024 | | 2024/2025 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Sep 2022 | | Sep 2023 | | Sep 2024 | |
| Paraguay | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 370 | 400 | 470 | 440 | 0 | 520 |
| **Beginning Stocks** (1000 MT) | 423 | 423 | 323 | 330 | 0 | 208 |
| **Production** (1000 MT) | 851 | 870 | 893 | 893 | 0 | 1150 |
| **MY Imports** (1000 MT) | 4 | 5 | 5 | 5 | 0 | 5 |
| **TY Imports** (1000 MT) | 4 | 5 | 5 | 5 | 0 | 5 |
| **TY Imp. from U.S.** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Supply** (1000 MT) | 1278 | 1298 | 1221 | 1228 | 0 | 1363 |
| **MY Exports** (1000 MT) | 245 | 228 | 250 | 250 | 0 | 450 |
| **TY Exports** (1000 MT) | 209 | 209 | 250 | 250 | 0 | 450 |
| **Feed and Residual** (1000 MT) | 50 | 50 | 50 | 70 | 0 | 50 |
| **FSI Consumption** (1000 MT) | 660 | 690 | 650 | 700 | 0 | 700 |
| **Total Consumption** (1000 MT) | 710 | 740 | 700 | 770 | 0 | 750 |
| **Ending Stocks** (1000 MT) | 323 | 330 | 271 | 208 | 0 | 163 |
| **Total Distribution** (1000 MT) | 1278 | 1298 | 1221 | 1228 | 0 | 1363 |
| **Yield** (MT/HA) | 2.3 | 2.175 | 1.9 | 2.0295 | 0 | 2.2115 |
| | | | | | | |
| (1000 HA) ,(1000 MT) ,(MT/HA)<br>MY = Marketing Year, begins with the month listed at the top of each column<br>TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025 | | | | | | |

| Corn | 2022/2023 | | 2023/2024 | | 2024/2025 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jun 2023 | | Jun 2024 | | Jun 2025 | |
| Paraguay | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 850 | 870 | 915 | 775 | 0 | 900 |
| **Beginning Stocks** (1000 MT) | 1628 | 1628 | 1403 | 1104 | 0 | 604 |
| **Production** (1000 MT) | 5000 | 5000 | 5500 | 3875 | 0 | 5200 |
| **MY Imports** (1000 MT) | 25 | 26 | 25 | 25 | 0 | 26 |
| **TY Imports** (1000 MT) | 22 | 20 | 25 | 0 | 0 | 0 |
| **TY Imp. from U.S.** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Supply** (1000 MT) | 6653 | 6654 | 6928 | 5004 | 0 | 5830 |
| **MY Exports** (1000 MT) | 3550 | 3650 | 3500 | 2400 | 0 | 3300 |
| **TY Exports** (1000 MT) | 3968 | 3968 | 3600 | 2500 | 0 | 3300 |
| **Feed and Residual** (1000 MT) | 600 | 700 | 700 | 750 | 0 | 800 |
| **FSI Consumption** (1000 MT) | 1100 | 1200 | 1300 | 1250 | 0 | 1300 |
| **Total Consumption** (1000 MT) | 1700 | 1900 | 2000 | 2000 | 0 | 2100 |
| **Ending Stocks** (1000 MT) | 1403 | 1104 | 1428 | 604 | 0 | 430 |
| **Total Distribution** (1000 MT) | 6653 | 6654 | 6928 | 5004 | 0 | 5830 |
| **Yield** (MT/HA) | 5.8824 | 5.7471 | 6.0109 | 5.00 | 0 | 5.777 |
| | | | | | | |
| (1000 HA) ,(1000 MT) ,(MT/HA)<br>MY = Marketing Year, begins with the month listed at the top of each column<br>TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025 | | | | | | |

| Rice, Milled | 2022/2023 | | 2023/2024 | | 2024/2025 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jan 2023 | | Jan 2023 | | Jan 2024 | |
| Paraguay | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Area Harvested** (1000 HA) | 181 | 190 | 186 | 180 | 0 | 203 |
| **Beginning Stocks** (1000 MT) | 213 | 213 | 91 | 91 | 0 | 76 |
| **Milled Production** (1000 MT) | 795 | 850 | 800 | 700 | 0 | 860 |
| **Rough Production** (1000 MT) | 1187 | 1269 | 1194 | 1045 | 0 | 1284 |
| **Milling Rate (.9999)** (1000 MT) | 6700 | 6700 | 6700 | 6700 | 0 | 6700 |
| **MY Imports** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **TY Imports** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **TY Imp. from U.S.** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Supply** (1000 MT) | 1008 | 1063 | 891 | 791 | 0 | 936 |
| **MY Exports** (1000 MT) | 857 | 857 | 780 | 600 | 0 | 760 |
| **TY Exports** (1000 MT) | 857 | 857 | 780 | 600 | 0 | 760 |
| **Consumption and Residual** (1000 MT) | 60 | 115 | 55 | 115 | 0 | 118 |
| **Ending Stocks** (1000 MT) | 91 | 91 | 56 | 76 | 0 | 58 |
| **Total Distribution** (1000 MT) | 1008 | 1063 | 891 | 791 | 0 | 936 |
| **Yield (Rough)** (MT/HA) | 6.558 | 6.6789 | 6.4194 | 5.8056 | 0 | 6.3251 |
| | | | | | | |

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

## Attachments:

No Attachments