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Report Name: Grain and Feed Annual

Country: Paraguay

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Report Highlights:

Paraguay's wheat exports inn marketing year (MY) 2025/26 are forecast at 550,000 metric tons (MT), edging up slightly from the previous year, supported by a modest expansion in planted area even as yields may decline marginally. Corn exports are projected to fall 12 percent to 2.9 million tons, as rising domestic demand driven by ethanol production and feed consumption use continues to tighten exportable supplies despite flat production at 5.2 million tons. Rice exports are forecast at 790,000 MT (milled basis), holding steady year-over-year. Notably, rice area is expected to reach a record high despite narrowing profit margins as larger well capitalized producers enter the market.

Wheat

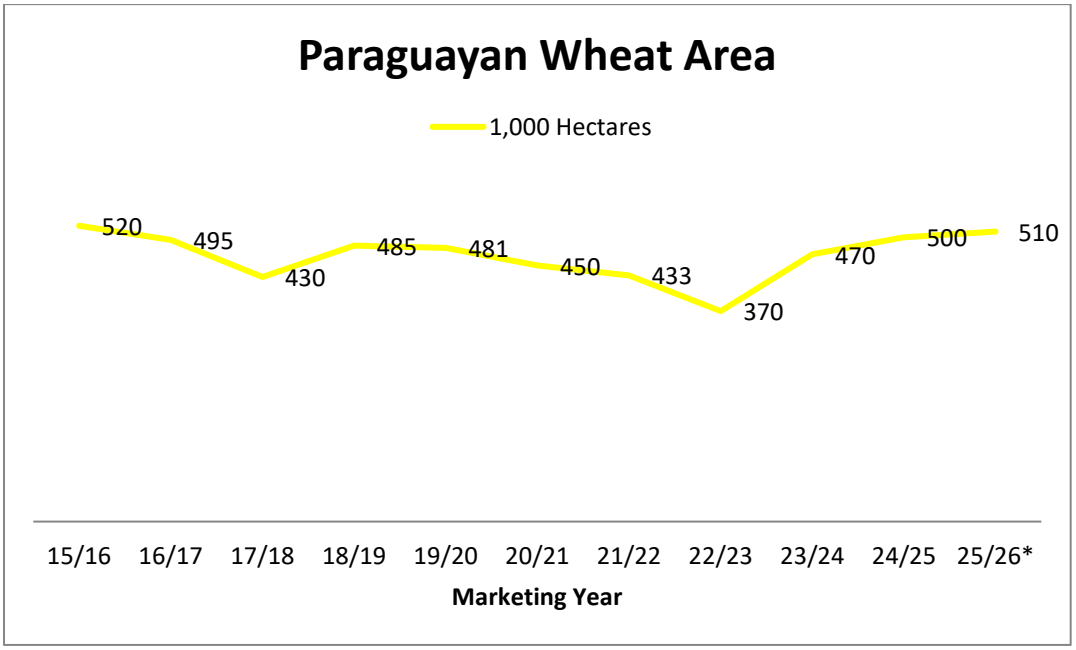
Post forecasts Paraguayan wheat production in marketing year (MY) 2025/26 at 1.275 million tons, similar to the previous season. Planted area is projected to remain steady at 510,000 hectares.

Wheat area in Paraguay has shown limited variability in recent years, reflecting a relatively stable pattern of cultivation driven by limits of the climate and crop rotation practices. The core wheat-producing region is located in the southeastern departments of Itapúa and Misiones, where a more temperate climate creates favorable conditions. This region consistently accounts for the majority of wheat production. In contrast, while the northern region which could offer some potential for area expansion, higher temperatures and lower rainfall reliability make it less favorable to wheat which has led many producers to favor more corn and sorghum. A third region centered around Caaguazú experiences warmer and drier winters, which limit yield potential and have discouraged significant wheat area increases.

Wheat in Paraguay is typically planted in April and May, immediately following the harvest of the zafriña (second) soybean or corn crop. However, delays in harvesting these preceding crops, particularly corn, can shorten the planting window for wheat, reducing sown area in affected regions. Some producers opt to forgo wheat entirely in favor of planting a first soybean crop in June or July, which is then harvested in January.

Despite these logistical challenges and the variability in crop rotations, Paraguay's wheat area has remained relatively stable over the past decade, as illustrated in the chart below. This consistency reflects both the adaptability of the crop and the development of high-quality, locally adapted wheat seed varieties suited to Paraguay's subtropical climate. Paraguayan wheat is particularly valued in Brazil, where it is blended with domestic production to improve flour quality.

Chart #1



Source: FAS Buenos Aires with USDA data * Post Projection

Average national yields are approximately 2.5 metric tons per hectare, though higher yields are possible under optimal conditions. In August 2024, for example, the photo below features a wheat field in Caaguazú yielding over 3.5 tons per hectare. Given prevailing high market prices, returns for wheat production in MY2025/26 appear favorable, potentially supporting continued farmer interest in wheat as part of a diversified crop rotation strategy.

Photo #1: Wheat in Caaguazu Department August 2024

Source: Hilagro, PY

Wheat exports in marketing year MY2025/26 are forecast at 550,000 MT, a slight increase over the previous year. Paraguay typically exports surplus wheat remaining after domestic milling demand is met, with Brazil serving as the principal and nearly exclusive destination. Key Brazilian buyers include flour mills in Paraná, Santa Catarina, São Paulo, and Mato Grosso do Sul, located approximately 50 to 600 kilometers from the Paraguayan border. Due to their geographic proximity, these mills often find Paraguayan wheat more accessible than wheat from Rio Grande do Sul. Paraguayan wheat is also used to improve the quality of domestic Brazilian wheat through blending.

Paraguayan exports are highly flexible, with shipments moved efficiently in small truckloads across border crossings. However, when Argentine wheat begins arriving at Brazil's Atlantic ports, particularly Paranaguá and Santos, demand for Paraguayan wheat tends to slow, often pressuring prices downward.

For MY 2024/25, wheat exports are projected at 530,000 MT. Between September 2024 and February 2025, Paraguay exported 344,000 MT of wheat, virtually all to Brazil. An additional 180,000 to 200,000 MT is expected to be exported in the remaining months of the marketing year. During the same period, Paraguay also exported approximately 8,000 MT (wheat equivalent) of wheat flour, primarily to Brazil and Bolivia, with smaller trial shipments to Chile. Flour exports have declined significantly over the past decade, but local millers are increasingly focused on recapturing regional market share.

Domestic wheat consumption in MY 2025/26 is projected at 750,000 MT, of which approximately 720,000 MT will be used for milling and seed. Paraguay currently operates 32 active wheat mills with a combined processing capacity of 1.3 million MT per year. However, utilization remains at roughly 50

percent of installed capacity. The primary milling hub is located in Campo 9, in the center of the Eastern Region, which alone produces over 65 percent of Paraguay's total wheat flour, almost exclusively for the domestic market, with only limited volumes exported.

Wheat flour is a dietary staple in Paraguay, consumed widely in the form of pastas, stews, and bread. Many households incorporate wheat-based foods into meals four or more days per week, supporting steady demand for flour-based products.

Ending stocks for MY 2025/26 are forecast at 180,000 MT, effectively unchanged from the previous year. When crop quality is high, mills tend to increase their stockholding to ensure a consistent supply for future processing, given that wheat quality can vary significantly from year to year in Paraguay.

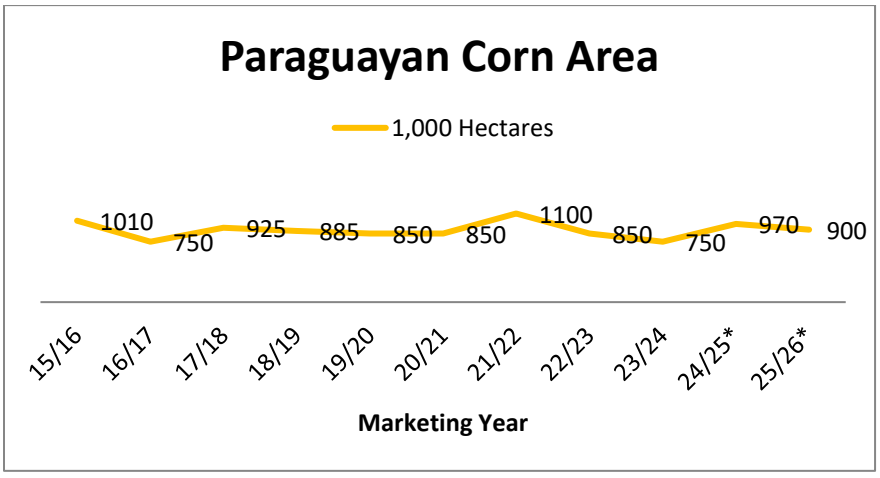
Corn

Corn production in MY 2025/26, which begins in June 2026, is forecast at 5.2 million (MT), identical from Post's and USDA official current estimates for MY 2024/25. While total planted area is projected to decline to 900,000 hectares, down approximately 70,000 hectares from the previous year, average yields are expected to improve under the assumption of normal weather conditions.

Historically, large harvests have often been followed by reduced planted area, as the domestic market struggled to absorb surplus volumes, leading to depressed farm-gate prices. This dynamic previously discouraged producers from planting corn in subsequent seasons, particularly when domestic consumption was lower and exportable surpluses relied heavily on Brazilian demand.
However, structural changes in Paraguay's corn market have mitigated these cyclical swings. The expansion of the domestic ethanol industry and rising demand from the livestock sector have bolstered local consumption. At the same time, increased demand from livestock producers in neighboring Brazilian states near the border has supported a more agile and sustained export flow. As a result, while corn area is still expected to contract in MY 2025/26, the reduction will likely be more moderate compared to previous years following large harvests.

The chart below illustrates the evolution of Paraguay's corn area over the past decade.

Chart #2



Source: FAS Buenos Aires with USDA data * Post Projection

Corn production in MY 2024/25 is estimated at 5.2 million metric tons (MT). While early-season conditions were somewhat dry and hot in southern Alto Paraná, Itapúa, San Pedro, and Caaguazú, timely and widespread rainfall across most key production zones later in the season significantly improved prospects for this year's crop. Current field expectations suggest strong yields, ranging between 6.5 and 7.0 MT per hectare which would be well above average. Many producers have expressed surprise at the robust performance of their seed varieties, especially given the less than optimal weather early in the season.

Post revises its estimated planted area for the season upward to 970,000 hectares. This increase reflects several contributing factors. First, a large volume of carryover seed from the previous season, particularly in the north, where adverse conditions prevented full planting led to higher than anticipated availability of seed. Seed companies responded with aggressive pricing strategies to reduce inventories, further incentivizing planting. Additionally, favorable weather during much of the planting window and a surge in corn prices in February and March prompted some producers to expand their corn planted area late in the season.

The harvest is scheduled to begin in June 2025. Based on current conditions and yield potential, farmer returns in MY 2024/25 are expected to be strong. The photos below show zafriña corn in Alto Paraná Department, with harvest expected to commence in approximately two months.

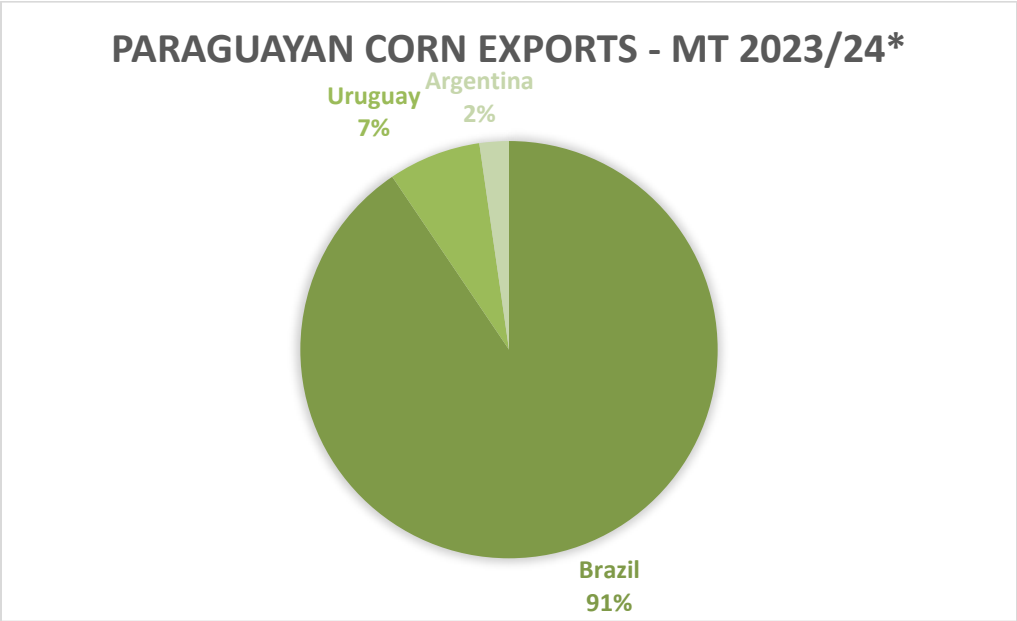
Photo #2 Corn in Alto Parana in April 2025

Source: FA,S Buenos Aires

Corn exports in MY 2025/26 are forecast at 2.9 million tons, only marginally lower than in the previous season.

The following chart shows corn exports in MY 2023/24 (June 2024-February 2025) by destination, illustrating Brazil's dominance. During this period exports totaled 1.76 million tons, with three more months to go to complete the season.

Chart #3



Source: FAS Buenos Aires with Trade Data Monitor, Inc. data * June 2024-February 2025

Brazilian demand for Paraguayan corn has grown significantly over the past three marketing years, driven primarily by the rapid expansion of Brazil's corn-based ethanol industry. While Mato Grosso remains Brazil's leading corn-producing state, much of its corn is now consumed in-state by new and existing ethanol plants operating at scale. Meanwhile, the southern states of Paraná and Santa Catarina, home to Brazil's largest concentration of poultry and pork production remain net corn importers due to limited local supply and high demand. Paraguayan corn plays a strategic role in servicing this deficit. These southern Brazilian processors are located just 150 to 400 kilometers from the Paraguayan border, offering cost and logistical advantages relative to sourcing corn from Brazil's central-west region. Some Brazilian cooperatives have even established grain collection infrastructure within Paraguay, enhancing cross-border trade fluidity. As such, Brazil is expected to remain Paraguay's top export destination in MY 2025/26.

Paraguay's domestic corn consumption in MY 2025/26 is forecast at a record 2.4 MT, underpinned by growing demand from both the ethanol and livestock sectors. Paraguay's bioethanol industry continues to expand. Two large-scale ethanol plants are currently operating at full capacity, and a third plant currently under refurbishment is expected to resume operations by mid-2025. Once fully online, the plant will consume an estimated 420,000–450,000 MT of corn annually, beginning in calendar year 2026.

In total, corn demand for ethanol production could reach 1.5 million MT in MY 2025/26. However, the sector is increasingly exploring the use of sorghum as a partial substitute. Sorghum offers greater drought resilience and requires lower production investment, though it generally yields less and commands lower prices than corn. One major ethanol processor is actively promoting sorghum cultivation in its sourcing region as a means of diversifying feedstock.

Corn use in Paraguay's livestock sector is also forecast to increase, contingent on favorable weather

conditions. Cattle feedlot operations, while still small compared to those in neighboring countries are expanding steadily as producers seek to improve beef quality, reduce production variability, and access premium export markets. Feedlots, which were once seasonal, are now shifting toward year-round operations. Industry contacts note that meat processors may soon vertically integrate into operating their own feedlots to secure more consistent supply given Paraguay's stagnant herd size.

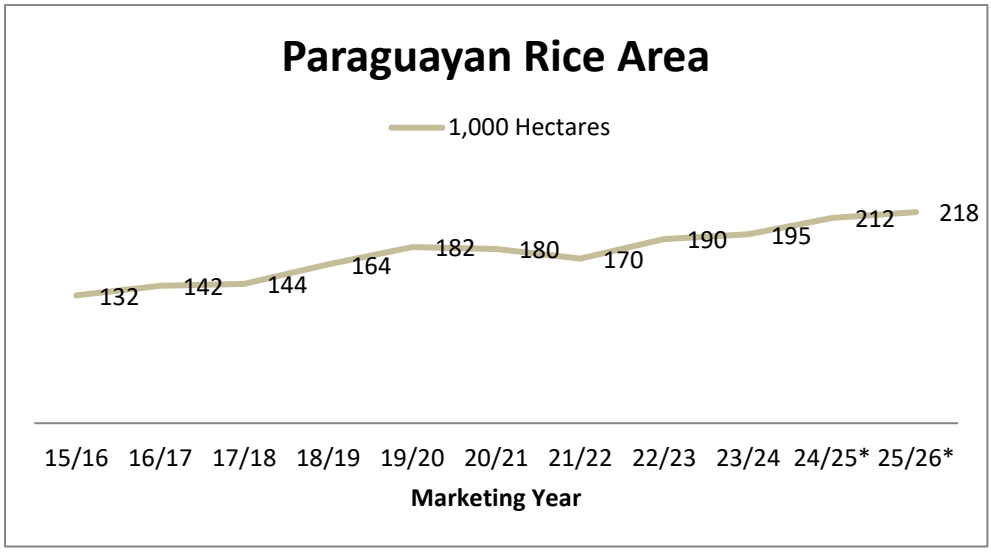
The poultry sector is also poised for moderate expansion in MY 2025/26, supported by growing domestic consumption and improving export opportunities. Pork production is projected to increase more significantly, driven by recent investments aimed at meeting both domestic and export demand. Conversely, the dairy sector has struggled with stagnant production in recent years due to persistent droughts affecting both forage and feed grain availability.

Corn stocks for MY 2025/26 are forecast at 250,000 MT, roughly equivalent to one month domestic use. In general, grain users and traders tend to draw down stocks ahead of the harvest to make room for incoming supplies. This lean inventory strategy is typical in Paraguay's corn market, where storage capacity is limited and cash flow considerations often incentivize pre-harvest sales or exports.

Rice

Paraguayan rice production in MY 2025/26 is forecast at 1.42 MT on a rough basis, equivalent to 951,000 MT on a milled basis. This would mark the second highest production level on record, supported by a record planted area of 218,000 hectares.

Chart #4



Source: FAS Buenos Aires with USDA Data * Post Projection

Despite strong production prospects, farmers' margins have tightened significantly following the sharp decline in rice prices that began in mid-2024. In MY 2024/25, average production cost including land rental ranged between $1,600 and $1,700 per hectare. Under prevailing market prices, breakeven yields were estimated at 7.0 to 7.5 MT per hectare, a threshold not all producers were able to obtain.

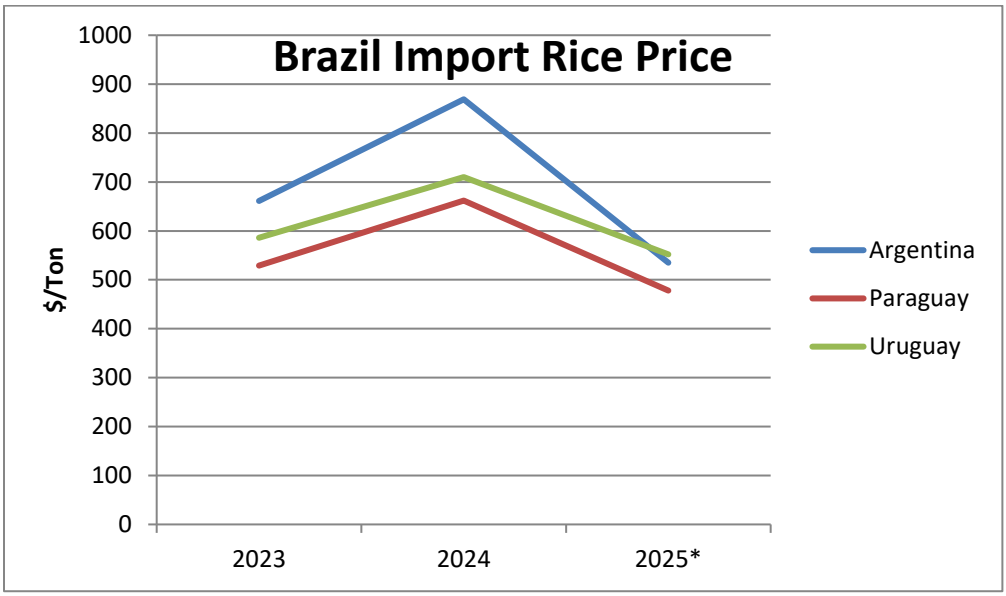
Nevertheless, planted area is projected to expand slightly in MY 2025/26. While many smaller or less efficient producers may reduce or exit rice production due to profitability concerns, larger companies with capital continue to invest in the sector. These firms are expected to add between 10,000 and 15,000 hectares, offsetting the reduction among smaller operators. As illustrated in Chart 4, Paraguay's rice area has expanded by approximately 65 percent over the past decade, reflecting broader structural investments in irrigation, milling, and export logistics.

Production for MY 2024/25 is estimated at a record 1.45 million MT rough basis (972,000 MT milled), with some industry estimates suggesting output as high as 1.55 million MT. Planting took place during the optimal window from early September through the first week of November with some farmers sowing earlier to capture premium prices via early harvests in late December. At planting, high prices and expected returns attracted not only traditional rice growers but also new speculative investors, contributing to an estimated 20,000 hectare increase in planted area.
As of mid-April, the harvest was nearly complete, with favorable yields supported by adequate water availability and strong solar radiation throughout the season. Rice quality has been reported as good overall. However, the exceptional harvest created logistical bottlenecks across the supply chain, including delays in trucking, milling intake, and export handling, underscoring the need for continued infrastructure upgrades to support future growth in the sector.

Paraguay's rice exports in marketing year (MY) 2025/26 are forecast at 790,000 metric tons (MT) on a milled basis, making it the third largest export volume on record and nearly equal to the expected volume in MY 2024/25. Brazil, Chile, and several Central American countries, led by Costa Rica, are projected to remain the primary destinations across both marketing years. Brazil typically imports both milled and brown rice; Chile sources milled and broken rice; while Central American countries purchase a mix of paddy and milled rice. In total, Paraguayan rice reaches more than 30 markets worldwide, although most of these import only small volumes.

Brazil maintains a particularly strong commercial relationship with Paraguay in the rice sector. Brazilian mills and trading firms frequently enter into forward contracts with Paraguayan producers during the planting season to secure early-season supplies. In recent years, Brazil has imported approximately 1.0 million MT of rice annually while exporting between 1.0 and 1.5 million MT. The majority of Brazilian imports, particularly milled and brown rice originate within Mercosur, with Paraguay supplying an estimated 60 to 70 percent of that volume.
Several factors underpin Paraguay's competitiveness in the Brazilian market: high product quality, proximity and lower freight costs, and relatively low production costs compared to other regional suppliers. These advantages allow Paraguayan rice to enter Brazil at favorable compared to others. As shown chart 5, Brazil's average import prices for Mercosur-origin milled rice in calendar years 2023, 2024, and early 2025 underscore Paraguay's price competitiveness.

Chart #5



Source: FAS Buenos Aires with Trade Data Monitor, Inc. Data

Domestic rice consumption in marketing year MY2025/26 is projected at 116,000 MT on a milled basis, effectively unchanged from recent years. Rice consumption in Paraguay remains relatively inelastic, with per capita consumption among the lowest in the region estimated at around 14 kilograms per person each year. Seed use is estimated at 20,000 MT, based on a seeding rate of roughly 90 kilograms per hectare.

Following several years of tight supplies, rice stocks are expected to rise in MY 2024/25 and increase further in MY 2025/26. The buildup in stocks is attributed to strong domestic production, ample availability across the broader Mercosur region, and declining international rice prices. These factors are likely to contribute to a more subdued pace of trade and a general softening in market activity during the upcoming marketing year.

Statistical Tables

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Sep 2023		Sep 2024		Sep 2025	
Paraguay	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	470	470	500	500	0	510
Beginning Stocks (1000 MT)	175	175	175	175	0	200
Production (1000 MT)	1078	1078	1300	1300	0	1275
MY Imports (1000 MT)	5	5	5	5	0	5
TY Imports (1000 MT)	5	5	5	5	0	5
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1258	1258	1480	1480	0	1480
MY Exports (1000 MT)	383	383	600	530	0	550
TY Exports (1000 MT)	348	348	600	450	0	500
Feed and Residual (1000 MT)	50	50	50	50	0	30
FSI Consumption (1000 MT)	650	650	650	700	0	720
Total Consumption (1000 MT)	700	700	700	750	0	750
Ending Stocks (1000 MT)	175	175	180	200	0	180
Total Distribution (1000 MT)	1258	1258	1480	1480	0	1480
Yield (MT/HA)	2.2936	2.2936	2.6	2.6	0	2.5

(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 Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jun 2024		Jun 2025		Jun 2026	
Paraguay	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	750	750	900	970	0	900
Beginning Stocks (1000 MT)	1175	1175	600	600	0	325
Production (1000 MT)	3200	3200	5200	5200	0	5200
MY Imports (1000 MT)	25	25	25	25	0	26
TY Imports (1000 MT)	22	22	25	25	0	26
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4400	4400	5825	5825	0	5551
MY Exports (1000 MT)	2000	1900	3300	3300	0	2900
TY Exports (1000 MT)	2864	2864	2700	2700	0	2900
Feed and Residual (1000 MT)	600	600	800	800	0	900
FSI Consumption (1000 MT)	1200	1300	1300	1400	0	1500
Total Consumption (1000 MT)	1800	1900	2100	2200	0	2400
Ending Stocks (1000 MT)	600	600	425	325	0	251
Total Distribution (1000 MT)	4400	4400	5825	5825	0	5551
Yield (MT/HA)	4.2667	4.2667	5.7778	5.3608	0	5.7778

(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 Corn begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Paraguay	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	195	195	205	212	0	218
Beginning Stocks (1000 MT)	23	23	111	25	0	103
Milled Production (1000 MT)	860	838	900	972	0	951
Rough Production (1000 MT)	1284	1250	1343	1450	0	1420
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	0	6700
MY Imports (1000 MT)	1	1	0	1	0	1
TY Imports (1000 MT)	1	1	0	1	0	1
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	884	862	1011	998	0	1055
MY Exports (1000 MT)	723	723	860	780	0	790
TY Exports (1000 MT)	723	723	860	780	0	790
Consumption and Residual (1000 MT)	50	114	55	115	0	116
Ending Stocks (1000 MT)	111	25	96	103	0	149
Total Distribution (1000 MT)	884	862	1011	998	0	1055
Yield (Rough) (MT/HA)	6.5846	6.41	6.5512	6.839	0	6.51
(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 2025/2026 = January 2026 - December 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments