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GAIN Report #BR0628

Brazil

Grain and Feed

Update for December Lockup

2000

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Report Highlights:

Post revised the corn and rice forecasts for 2000/2001.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Brasilia[BR1], BR

Executive Summary

CONAB released the government forecast for 2000/2001 corn and rice area and production. As a result, post increased the 2000 corn area to 13.57 million hectares and production to 38.94 million tons. Due to the larger domestic corn crop, post increased stocks and consumption, and lowered the import forecast.

Post revised Brazil’s rice area and production forecast for 2000 to 3.46 million ha and 10.97 million tons, respectively, and lowered the rice import estimate to 702,000 tons.

Commodity Outlook, Wheat

No changes have been made to the wheat outlook since our last report (BR0626).

Policy

During the October 17, 2000 meeting with Secretary Glickman, the Brazilian Minister of Agriculture, Pratini de Moraes, announced that Brazil will lift long-standing restrictions on the importation of U.S. Soft Red Winter wheat and Hard Red Spring wheat. The official notification of this decision was published on November 24, 2000 in the Diario Oficial (Brazil's Federal Register).

Wheat PS&D Table

PSD Table						
Country	Brazil					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Harvested	1425	1425	1185	1252	1350	1444
Beginning Stocks	550	774	775	935	950	960
Production	2190	2190	2500	2405	1800	1500
TOTAL Mkt. Yr. Imports	7300	7280	7200	7227	7700	8100
Jul-Jun Imports	7325	7240	7200	7227	7700	8100
Jul-Jun Import U.S.	16	11	0	150	0	600
TOTAL SUPPLY	10040	10244	10475	10567	10450	10560
TOTAL Mkt. Yr. Exports	7	5	0	0	0	0
Jul-Jun Exports	7	5	0	0	0	0
Feed Dom. Consumption	200	400	200	200	200	500
TOTAL Dom. Consumption	9258	9304	9525	9607	9650	9810
Ending Stocks	775	935	950	960	800	750
TOTAL DISTRIBUTION	10040	10244	10475	10567	10450	10560

Commodity Outlook, Corn

Production

CONAB released the first forecast for 2000/2001 corn production. The area for the main corn crop is projected to increase roughly 10 percent, while production jumps more than 20 percent. Post's forecast is slightly more conservative on the main crop projections, but we expect the safrinha (small second crop) to be much stronger, as this year's crop was damaged by the frosts. Post increased 2000 area to 13.57 million hectares and production to 38.94 million tons.

The largest increase in corn production is expected in the center-west region, where area and production are forecast to jump 30 to 40 percent. The south, southeast, and center-south are also expecting strong increases in production. The increase in area, greater technological investments, and expectations for favorable weather should significantly boost Brazilian corn production in 2000/2001.

Consumption

Post raised the 2000 consumption forecast to 37.8 million tons due to the forecast for a larger domestic corn crop, growing feed usage, and a strengthening economy.

Trade

Due to the larger domestic corn crop, post lowered corn imports to 500,000 tons.

Stocks

A strong corn crop will allow Brazil to rebuild their stocks. Therefore, post is forecasting 2000 ending stocks of 1.8 million tons.

Corn PS&D Table

PSD Table						
Country	Brazil					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		04/1999		04/2000		04/2001
Area Harvested	12250	12100	12500	12490	13000	13570
Beginning Stocks	1100	3089	1000	737	1300	156
Production	32350	31225	33000	31641	34500	38944
TOTAL Mkt. Yr. Imports	1130	906	1100	2600	500	500
Oct-Sep Imports	945	1500	1700	2000	750	600
Oct-Sep Import U.S.	121	16	0	79	0	100
TOTAL SUPPLY	34580	35220	35100	34978	36300	39600
TOTAL Mkt. Yr. Exports	8	3	50	0	0	0
Oct-Sep Exports	8	2	50	0	0	0
Feed Dom. Consumption	28200	29121	28600	29300	29700	32000
TOTAL Dom. Consumption	33572	34480	33750	34822	34400	37800
Ending Stocks	1000	737	1300	156	1900	1800
TOTAL DISTRIBUTION	34580	35220	35100	34978	36300	39600

Commodity Outlook, Rice

Production

Post revised Brazil’s rice area and production forecast for 2000 to 3.46 million ha and 10.97 million tons, respectively. A slight yield increase is expected due to the greater use of technological inputs, favorable weather, and planting of improved varieties. However, area is forecast to decline due to large rice supplies and low rice prices in the region.

Trade

Post lowered the 2000 rice import forecast to 702,000 tons, due to a larger domestic crop than was forecast in our previous report.

Rice PS&D Table

PSD Table						
Country	Brazil					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		04/1999		04/2000		04/2001
Area Harvested	3845	3700	3706	3650	3550	3550
Beginning Stocks	430	270	1061	837	1244	1077
Milled Production	7876	7880	7843	7850	7400	7062
Rough Production	11582	11588	11534	11544	10882	10385
MILLING RATE (.9999)	6800	6800	6800	6800	6800	6800
TOTAL Imports	975	919	650	700	725	1100
Jan-Dec Imports	778	978	700	700	700	1100
Jan-Dec Import U.S.	2	151	0	0	0	0
TOTAL SUPPLY	9281	9069	9554	9387	9369	9239
TOTAL Exports	40	52	50	50	50	0
Jan-Dec Exports	40	50	50	50	50	0
TOTAL Dom. Consumption	8180	8180	8260	8260	8350	8260
Ending Stocks	1061	837	1244	1077	969	979
TOTAL DISTRIBUTION	9281	9069	9554	9387	9369	9239