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## **Report Name:** Oilseeds and Products Update

**Country:** Brazil

**Post:** Brasilia

**Report Category:** Oilseeds and Products

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### **Report Highlights:**

Post increased the 2024/25 forecast for soybean planted area expansion in Brazil to 47 million hectares (HA) and soybean production to 165 million metric tons (MMT). This season sowing began optimistically, with most soybeans planted on time compared to last year. Post revised up its soybean export estimate for 2024/25 to 105 MMT, a new record. Post maintains the 2022/23 harvested area estimate at 45.8 million ha and the production estimate at 152 MMT. Post revised up the 2024/25 crush forecast to 56 MMT based on available supplies and increased demand for soybean products.

## **SOYBEAN PRODUCTION**

### ***Record Production Expected in 2024/25 Soybean Season***

Post increased its forecast for soybean planted area expansion to 47 million hectares (ha) for 2024/25, up from the previous estimate of 46.3 million ha. This is a 2.3 percent increase from the previous season, in line with the 5-year average. In terms of the expansion pace, Post forecasts fast growth to continue in the Northeast region of MATOPIBA – comprised of the states, Maranhão, Tocantins, Piauí, and Bahia. Producers in Bahia grow just one crop per year – typically either cotton or soybeans, and with soybean prices better than substitutable commodities, Post expects conversion of fields to soybeans. Santa Catarina also expanded area in the 2024/25 season, increasing planted area to 810 thousand HA. This includes a 2.5 percent increase from the previous season.

Post also increased the forecast for the 2024/25 soybean production to 165 million metric tons (MMT), based on a yield of 3.51 mt per ha. This is an increase from 161 MMT due to a higher-than-expected planted area and better than average early rainfall. Most of the major soybean producing areas received favorable rain in November which encouraged the development and implementation of the crop. A small number of regions including Piaui, Tocantins and Mato Grosso do Sul experienced short periods of a lack of rain.

Increases to yields have been observed around the country due to ideal weather conditions. Santa Catarina is expected to increase production by 5.8 percent from the previous season, increasing from 2.9 MMT to 3.2 MMT. According to the Parana State Department of Agriculture (Deral), production will increase by 20 percent in the 2024/25 harvest compared to the previous harvest, due to an increase of yields from 3,200 kilos HA to 3,858 kilos HA.

The Post yield forecast assumes average weather for the remainder of the growing season and optimal input use (seeds, fertilizers, chemicals). Post believes that key reasons for yield gains in Brazil are growers' adoption and investment in technology, such as genetically engineered (GE) seeds specifically formulated to be drought-resistant, for example. At the same time, the Post forecast accounts for lower yields on land that will be converted into production for the first time, as it takes several years to reach optimal productivity.

Mato Grosso is the single largest producer of soybeans in Brazil, accounting for about 28 percent of the country's production. The Mato Grosso Institute of Agricultural Economics (IMEA) forecasts that growers will harvest 44.1 MMT of soybeans in the state during the 2024/25 season, with an estimated 1.5 percent increase in planted area from the previous year. The start of the soybean season was delayed by rain in September, but conditions improved in late October and are expected to remain stable. Yields are expected to increase by 11 percent from the previous season.

### ***Final 2023/24 Soybean Estimate Remains Unchanged***

Post maintains the 2023/24 harvested area estimate at 45.8 million ha and the production estimate at 152 MMT. The El Nino experienced in most of the soybean planted areas significantly cut yields which resulted in a decreased average yield of 3.31 mt/ha.

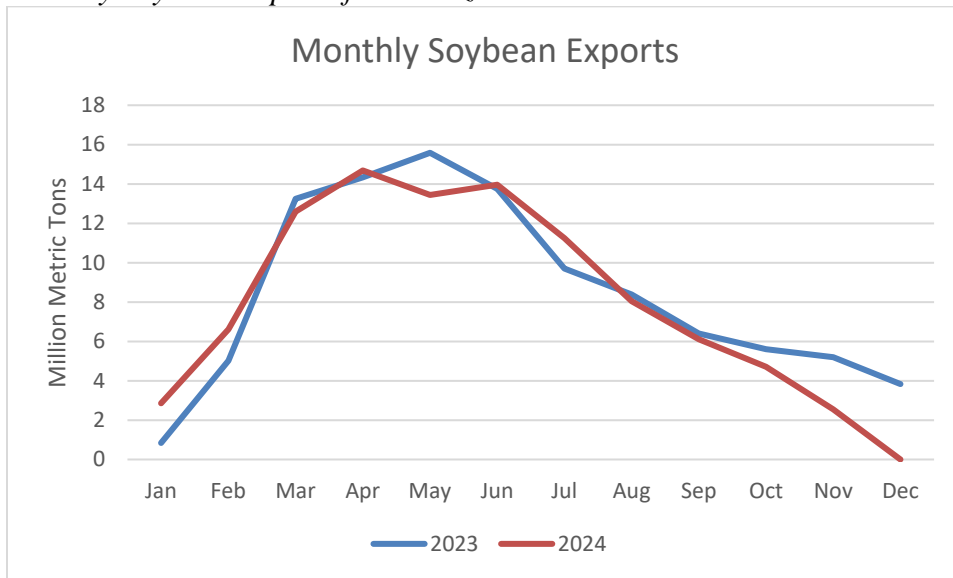
## SOYBEAN TRADE

### *Record Soybean Exports Forecast in 2024/25*

As outlined in the production section of the report, the 2024/25 soybean planting started at an average pace. Due to these favorable weather conditions, Post increased the production estimate and increased the soybean export forecast for 2024/25 at 105 MMT, easily topping the previous record set in the 2022/23 MY when Brazil exported 101.8 MMT. The forecast is based on expectations of available supplies and an extremely favorable exchange rate. The market expectation is that the Brazilian real will continue to trade at just above R\$ 6 to the USD in 2025.

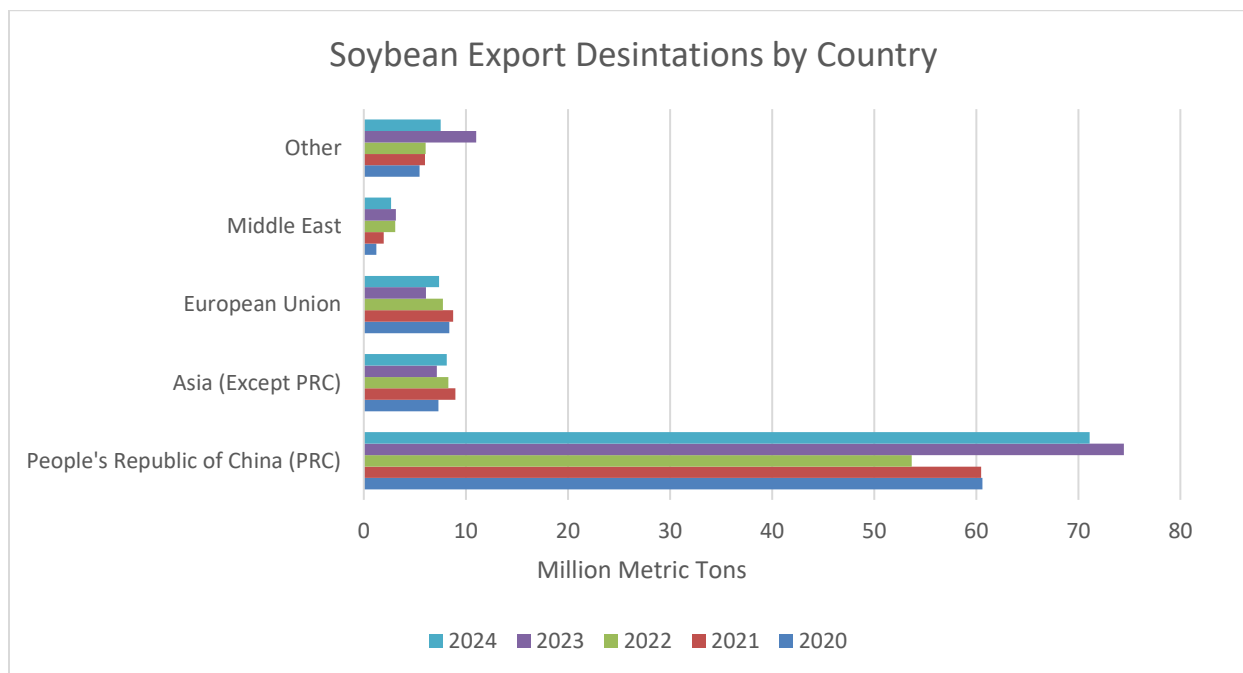
**Figure 1**

*Monthly Soybean Exports from Brazil*



Source: Abiove trade data, OAA Brasilia chart

**Figure 2**  
*Brazil Soybean Exports by Country*



Source: Abiove trade data, OAA Brasilia chart. The 2024 season does not include export data from December 2024.

***Imports to Remain Consistent***

Post maintains its imports forecast for the 2024/25 season at 250,000 MT. The forecast is based on the tightness of supplies from neighboring Argentina and record production expected in Brazil. Estimated imports are lower than the last season. In 2023/24 Brazil imported 925,000 MT of soybeans.

**DOMESTIC CONSUMPTION & PROCESSED PRODUCTS**

***Soybean Crush Forecast Increased for 2024/25***

For 2024/25 MY, Post increased its soybean processing forecast to 56 MMT, higher than the original forecast of 55.5 MMT. The forecast is based on available supplies, as well as an increase in demand for soybean products.

Post adjusted the forecast for 2042/25 soybean meal production slightly to 43.1 MMT. A majority of Brazil’s soybean meal is consumed domestically, and domestic soybean meal consumption is forecast to increase to 21.3 MMT. The livestock and poultry industry are set for a strong performance in 2025. Post forecasts poultry, beef, and pork production in 2025 to increase by over two percent, reflecting continued strong exports to China and improved domestic demand.

For 2024/25, Post forecasts soy oil production at 12 MMT. Domestic oil consumption is expected to rise to 10.2 MMT. The forecast is based on the biodiesel mandate. According to Brazil's National Agency of Petroleum, Natural Gas and Biofuels (ANP), each percentage increase in the blend rate represents approximately 650 million liters of additional biodiesel production annually. On December 19<sup>th</sup> 2023, Brazil's National Energy Policy Council (CNPE, in Portuguese) voted to increase the biofuel blending rate currently set at B12. The biofuel blending rate increased to B14 in March 2024, and will reach B15 in 2025.

### ***2023/24 Oil and Meal Production Determined by Domestic Oil Demand***

For 2023/24, Post estimates oil output at 11.1 MMT and meal production at 42.4 MMT. The crush estimate is driven mostly by domestic industrial demand for soy oil. In Brazil, soy oil is the main ingredient used in the production of biodiesel. In recent years, biodiesel output surged to meet government-mandated annual biodiesel blend rate hikes. As a result, Post slightly adjusted up the extraction rate for oil and slightly downgraded the rate for soybean meal. Post estimates that slightly more than half of domestic soy oil consumption, or 5.9 MMT, will be utilized in the biodiesel industry in 2023/24.

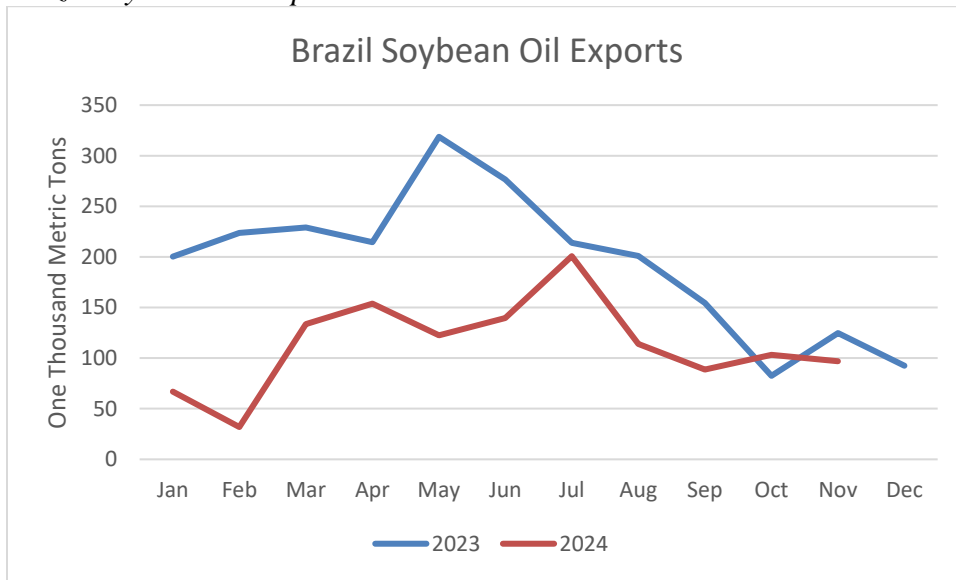
### **PRODUCT TRADE**

For the 2024/25 MY, Post forecasts soybean meal exports to increase to 21.8 MMT. Post maintains the exports of soy oil at 1.2 MMT, an increase from 1.1 MMT in 2023/24. Post anticipates that exports of both soybean meal and oil will be supported by the relatively weak domestic currency. However, competition from the domestic crush industry will restrict potential export volumes.

Post increases its soybean meal export estimate to 21.8 MMT for 2024/25 MY. Overall, meal exports have not surged in line with raw soybean exports—despite benefiting from the same currency devaluation phenomena. This can be attributed to the fact that global soybean meal demand has not experienced the same uptick as raw soybean demand. China is a major importer of raw soybeans, but not of soybean products. In addition, the global soybean meal market is far more diversified with greater competition than the soybean market.

**Figure 3**

*Brazil Soybean Oil Exports*



Source: Abiove data, OAA Brasilia chart. The 2024 season does not include export data from December 2024.

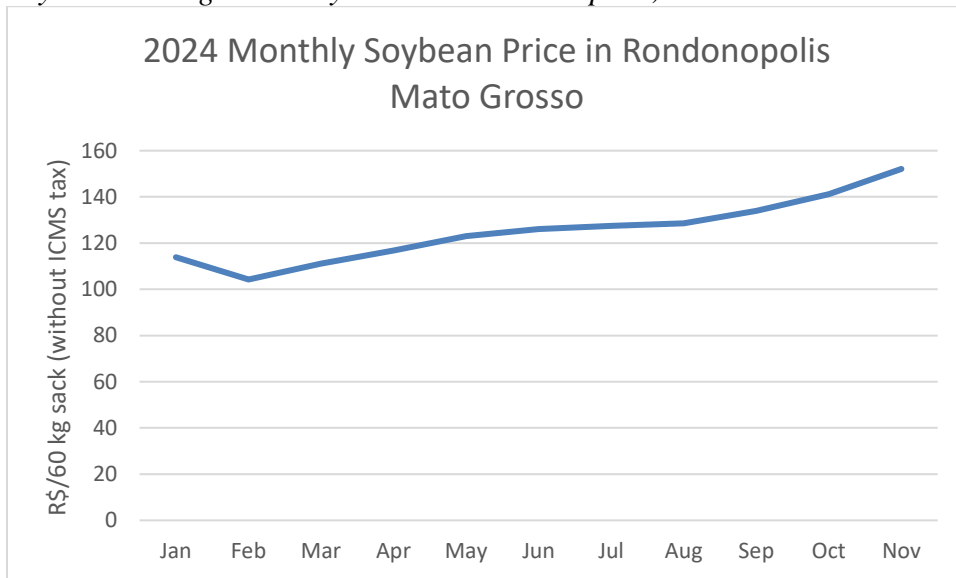
## **PRICES**

### *Producers Ramp up Sales Amidst Unprecedented Prices*

The chart below highlights the continued rise in domestic soybean prices in 2024. The 2024 price inflation is driven by a combination of factors. The primary reason is the sharp devaluation of the Brazilian currency, the real (BRL). The BRL remained devalued against the USD this year, with the exchange rate currently at 6.1 Brazilian reals to one U.S. dollar. As a result, Brazilian farmers have sharply accelerated sales, which further stoked Brazilian soybean prices when traders and the domestic crush industry rushed to secure supply.

**Figure 4**

*Soybean Average Monthly Prices in Rondonopolis, Mato Grosso*



Source: ABIOVE data, OAA Brasilia Chart

It remains uncertain what the situation will be for soybean prices in 2025. Some experts project that soybean futures prices will begin to fall due to a record harvest expected for Brazil and stagnant global demand. As mentioned earlier in this report, the administration's policy regarding the biofuel mandate will have a large impact on prices.

## **STOCKS**

With strong demand for Brazilian soybeans out of China, Brazilian stocks will remain at low levels, hovering around 3.5 percent of domestic supply for MY 2024/25.

**Chart 1***Soybean Production, Supply, Distribution*

| <b>Oilseed, Soybean (Local)</b><br><b>Market Year Begins</b> | <b>2022/2023</b>         |                 | <b>2023/2024</b>         |                 | <b>2024/2025</b>         |                 |
|--|--------------------------|-----------------|--------------------------|-----------------|--------------------------|-----------------|
|  | <b>Jan 2023</b>          |                 | <b>Jan 2024</b>          |                 | <b>Jan 2025</b>          |                 |
| <b>Brazil</b>  | <b>USDA<br/>Official</b> | <b>New Post</b> | <b>USDA<br/>Official</b> | <b>New Post</b> | <b>USDA<br/>Official</b> | <b>New Post</b> |
| <b>Area Planted</b> (1000 HA)                                | 44600                    | 44600           | 45900                    | 45800           | 47300                    | 47000           |
| <b>Area Harvested</b> (1000 HA)                              | 44600                    | 44600           | 46100                    | 45800           | 47300                    | 47000           |
| <b>Beginning Stocks</b> (1000 MT)                            | 5625                     | 5625            | 7971                     | 7971            | 5646                     | 5646            |
| <b>Production</b> (1000 MT)                                  | 162000                   | 162000          | 153000                   | 152000          | 169000                   | 165000          |
| <b>MY Imports</b> (1000 MT)                                  | 181                      | 181             | 925                      | 925             | 150                      | 250             |
| <b>Total Supply</b> (1000 MT)                                | 167806                   | 167806          | 161896                   | 160896          | 174796                   | 170896          |
| <b>MY Exports</b> (1000 MT)                                  | 101870                   | 101870          | 98000                    | 97000           | 109000                   | 105000          |
| <b>MY Exp. to EU</b> (1000 MT)                               | 3500                     | 0               | 3500                     | 0               | 3500                     | 0               |
| <b>Crush</b> (1000 MT)                                       | 54165                    | 54165           | 54500                    | 54500           | 54500                    | 56000           |
| <b>Food Use Dom. Cons.</b> (1000 MT)                         | 0                        | 0               | 0                        | 0               | 0                        | 0               |
| <b>Feed Waste Dom. Cons.</b> (1000 MT)                       | 3800                     | 3800            | 3750                     | 3750            | 4000                     | 3796            |
| <b>Total Dom. Cons.</b> (1000 MT)                            | 57965                    | 57965           | 58250                    | 58250           | 58500                    | 59796           |
| <b>Ending Stocks</b> (1000 MT)                               | 7971                     | 7971            | 5646                     | 5646            | 7296                     | 6100            |
| <b>Total Distribution</b> (1000 MT)                          | 167806                   | 167806          | 161896                   | 160896          | 174796                   | 170896          |
| <b>Yield</b> (MT/HA)   | 3.6323                   | 3.6323          | 3.3189                   | 3.3188          | 3.5729                   | 3.5106          |
|  |                          |                 |                          |                 |                          |                 |

**Chart 2**

*Soybean Oil Production, Supply, Distribution*

| <b>Oil, Soybean (Local)<br/>Market Year Begins</b> | <b>2022/2023</b>         |                 | <b>2023/2024</b>         |                 | <b>2024/2025</b>         |                 |
|--|--------------------------|-----------------|--------------------------|-----------------|--------------------------|-----------------|
|  | <b>Jan 2023</b>          |                 | <b>Jan 2024</b>          |                 | <b>Jan 2025</b>          |                 |
| <b>Brazil</b>                                      | <b>USDA<br/>Official</b> | <b>New Post</b> | <b>USDA<br/>Official</b> | <b>New Post</b> | <b>USDA<br/>Official</b> | <b>New Post</b> |
| <b>Crush</b> (1000 MT)                             | 54165                    | 54165           | 54500                    | 54500           | 54500                    | 56000           |
| <b>Extr. Rate,<br/>999.9999</b> (PERCENT)          | 0.2                      | 0.2016          | 0.2                      | 0.2022          | 0.2                      | 0.2018          |
| <b>Beginning Stocks</b> (1000 MT)                  | 357                      | 357             | 503                      | 412             | 533                      | 782             |
| <b>Production</b> (1000 MT)                        | 10833                    | 10918           | 10900                    | 11020           | 10900                    | 11300           |
| <b>MY Imports</b> (1000 MT)                        | 21                       | 21              | 80                       | 100             | 25                       | 40              |
| <b>Total Supply</b> (1000 MT)                      | 11211                    | 11296           | 11483                    | 11532           | 11458                    | 12122           |
| <b>MY Exports</b> (1000 MT)                        | 2333                     | 2199            | 1500                     | 1100            | 1550                     | 1200            |
| <b>Industrial Dom. Cons.</b> (1000<br>MT)          | 4300                     | 4710            | 5300                     | 5900            | 5300                     | 6500            |
| <b>Food Use Dom. Cons.</b> (1000<br>MT)            | 4075                     | 3975            | 4150                     | 3750            | 4225                     | 3900            |
| <b>Feed Waste Dom. Cons.</b> (1000<br>MT)          | 0                        | 0               | 0                        | 0               | 0                        | 0               |
| <b>Total Dom. Cons.</b> (1000 MT)                  | 8375                     | 8685            | 9450                     | 9650            | 9525                     | 10400           |
| <b>Ending Stocks</b> (1000 MT)                     | 503                      | 412             | 533                      | 782             | 383                      | 522             |
| <b>Total Distribution</b> (1000 MT)                | 11211                    | 11296           | 11483                    | 11532           | 11458                    | 12122           |
|  |                          |                 |                          |                 |                          |                 |
| (1000 MT) ,(PERCENT)                               |                          |                 |                          |                 |                          |                 |

**Chart 3**

*Soybean Meal Production, Supply, Distribution*

| <b>Meal, Soybean (Local)<br/>Market Year Begins</b> | <b>2022/2023</b>         |                     | <b>2023/2024</b>         |                 | <b>2024/2025</b>         |                     |
|---|--------------------------|---------------------|--------------------------|-----------------|--------------------------|---------------------|
|   | <b>Jan 2023</b>          |                     | <b>Jan 2024</b>          |                 | <b>Jan 2025</b>          |                     |
| <b>Brazil</b>                                       | <b>USDA<br/>Official</b> | <b>New<br/>Post</b> | <b>USDA<br/>Official</b> | <b>New Post</b> | <b>USDA<br/>Official</b> | <b>New<br/>Post</b> |
| <b>Crush</b> (1000 MT)                              | 54165                    | 54165               | 54500                    | 54500           | 54500                    | 56000               |
| <b>Extr. Rate, 999.9999</b> (PERCENT)               | 0.77                     | 0.776               | 0.77                     | 0.7785          | 0.77                     | 0.77                |
| <b>Beginning Stocks</b> (1000 MT)                   | 3534                     | 3534                | 2475                     | 2460            | 2160                     | 2412                |
| <b>Production</b> (1000 MT)                         | 41707                    | 42034               | 41965                    | 42427           | 41965                    | 43120               |
| <b>MY Imports</b> (1000 MT)                         | 8                        | 9                   | 20                       | 25              | 10                       | 5                   |
| <b>Total Supply</b> (1000 MT)                       | 45249                    | 45577               | 44460                    | 44912           | 44135                    | 45537               |
| <b>MY Exports</b> (1000 MT)                         | 22474                    | 22917               | 22300                    | 21500           | 20500                    | 21800               |
| <b>MY Exp. to EU</b> (1000 MT)                      | 10163                    | 0                   | 8167                     | 0               | 8830                     | 0                   |
| <b>Industrial Dom. Cons.</b> (1000 MT)              | 0                        | 0                   | 0                        | 0               | 0                        | 0                   |
| <b>Food Use Dom. Cons.</b> (1000 MT)                | 0                        | 0                   | 0                        | 0               | 0                        | 0                   |
| <b>Feed Waste Dom. Cons.</b> (1000 MT)              | 20300                    | 20200               | 20000                    | 21000           | 21000                    | 21337               |
| <b>Total Dom. Cons.</b> (1000 MT)                   | 20300                    | 20200               | 20000                    | 21000           | 21000                    | 21337               |
| <b>Ending Stocks</b> (1000 MT)                      | 2475                     | 2460                | 2160                     | 2412            | 2635                     | 2400                |
| <b>Total Distribution</b> (1000 MT)                 | 45249                    | 45577               | 44460                    | 44912           | 44135                    | 45537               |
|   |                          |                     |                          |                 |                          |                     |
| (1000 MT) ,(PERCENT)                                |                          |                     |                          |                 |                          |                     |

**Attachments:**

No Attachments