

# **Blacksea Online Conference**

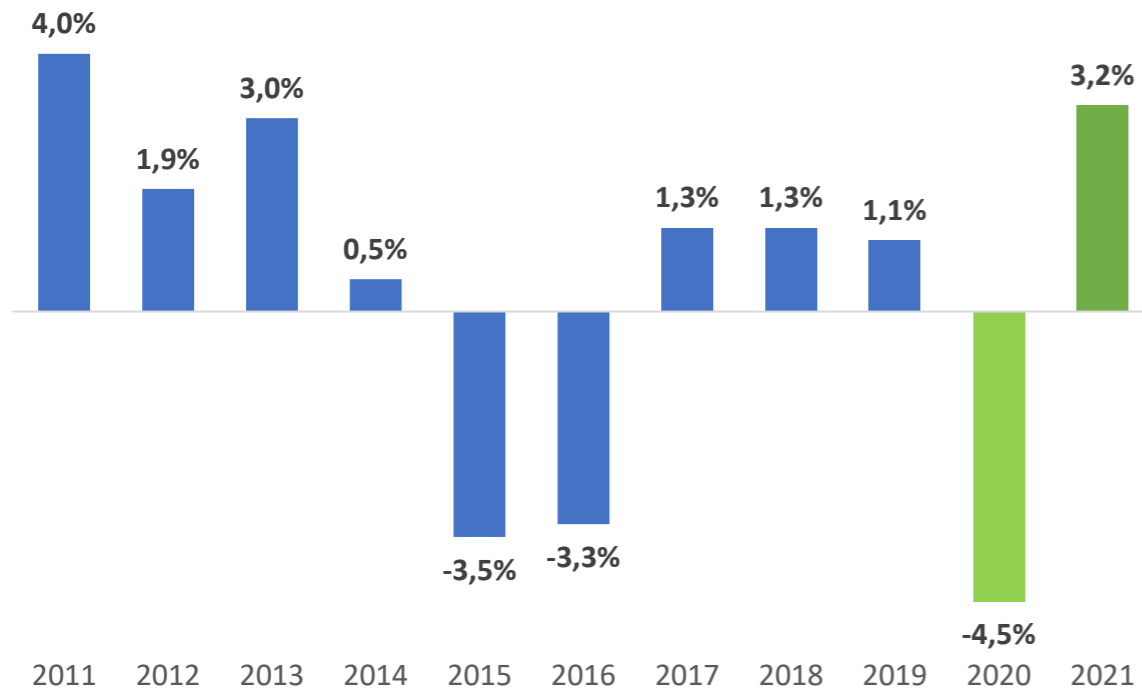
## **Crops from South America**

Fabio Meneghin  
December 8<sup>th</sup>, 2020

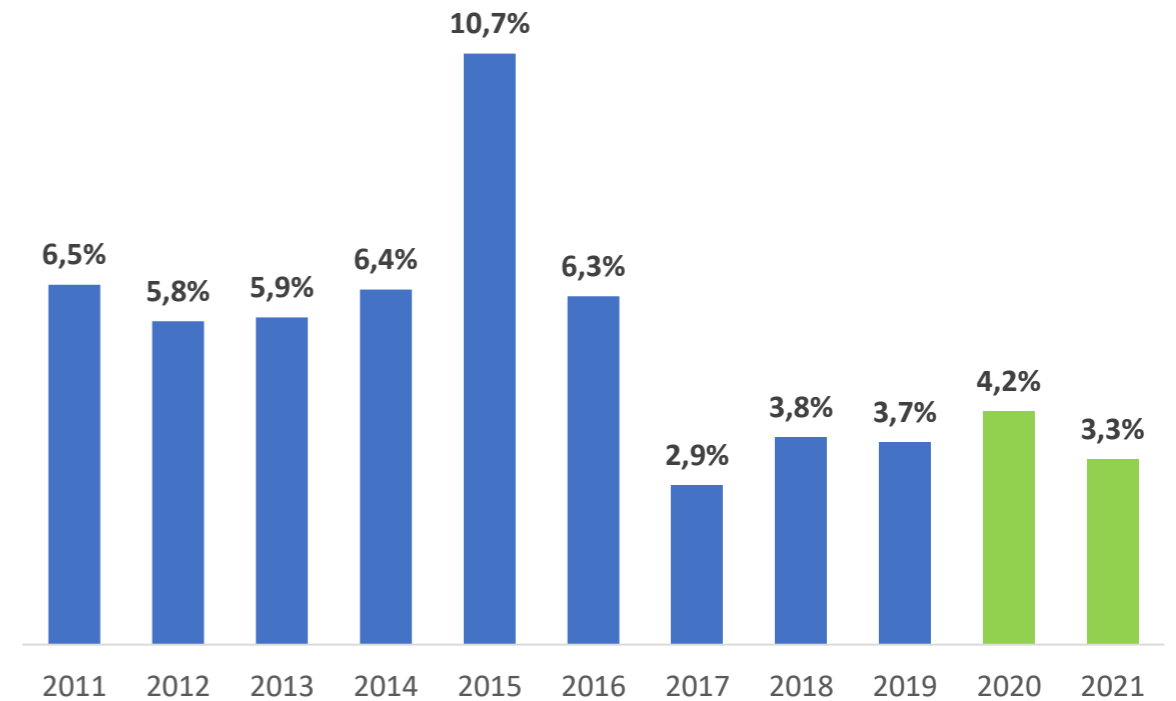
---

# Brazil | Main Economic Indicators

## GDP Evolution and Forecast (%)

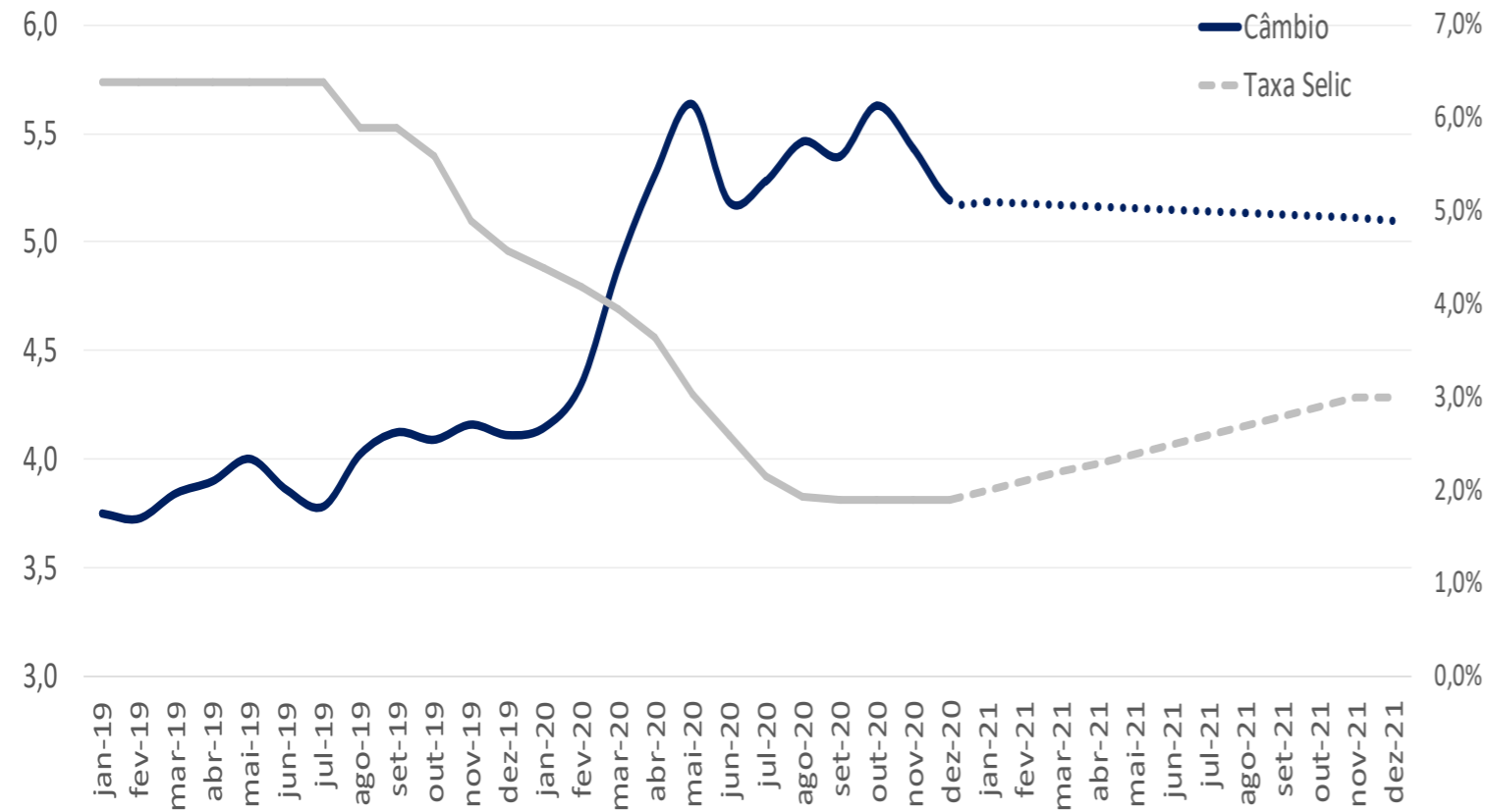


## Official Inflation Evolution and Forecast (%)

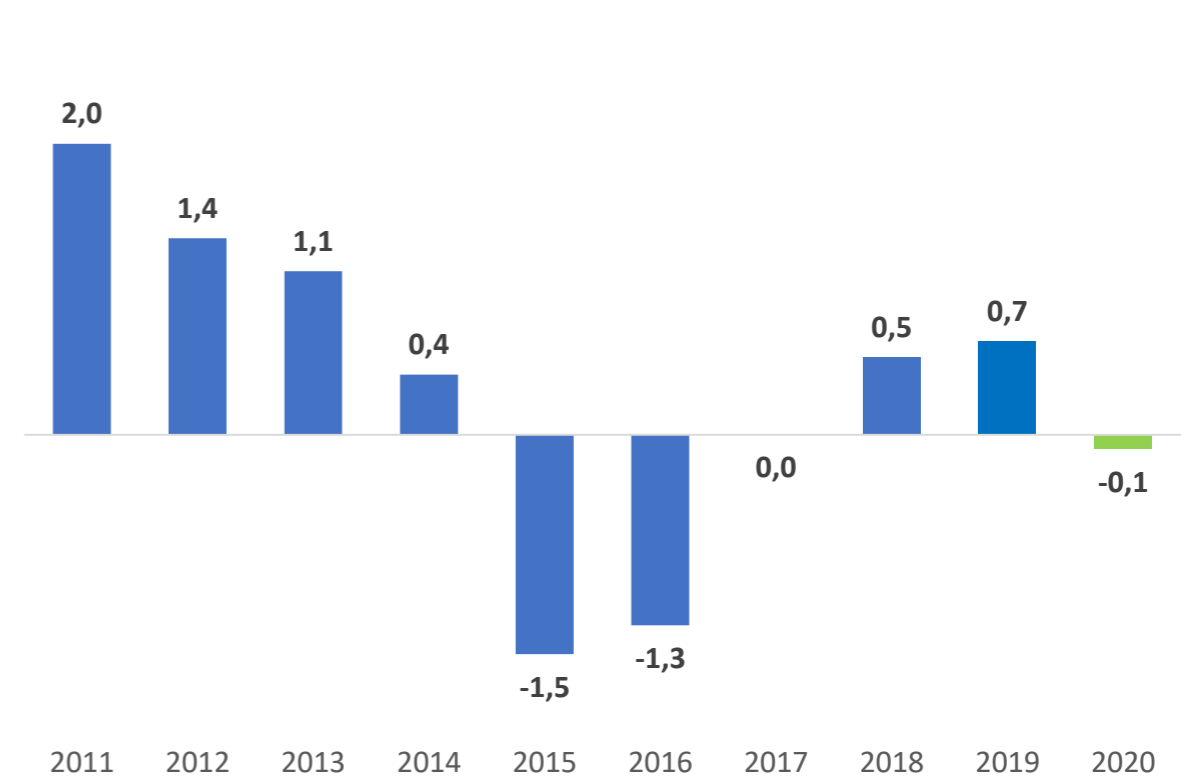


# Brazil | Main Economic Indicators

## Exchange Rate and Interest Rate – SELIC (%)



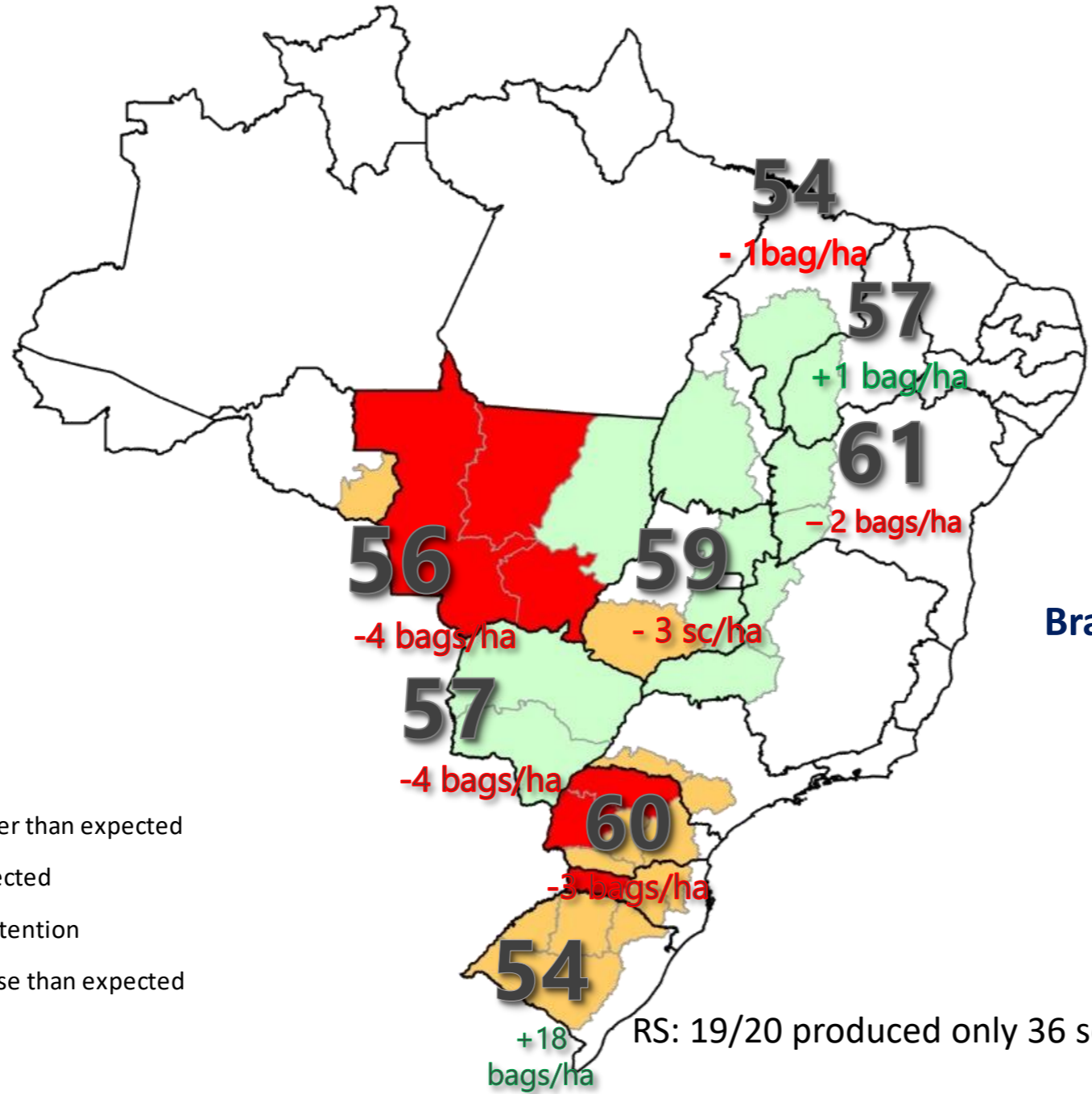
## Jobs creation and forecast (million)



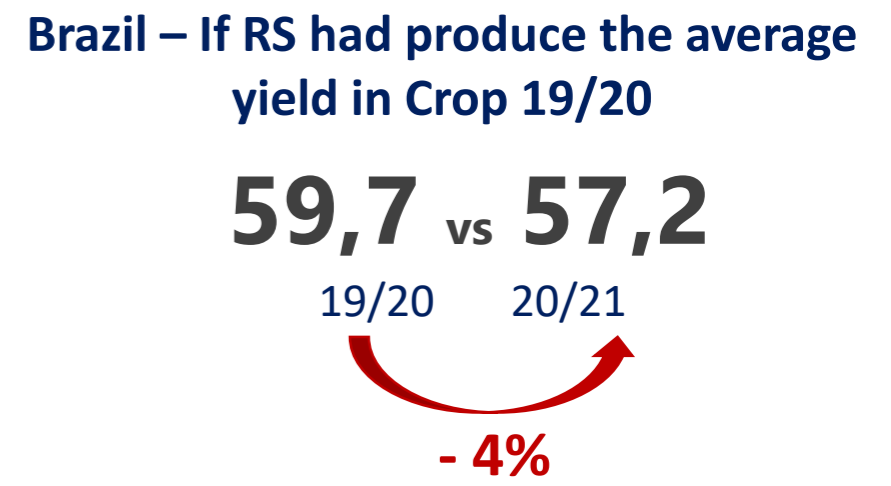
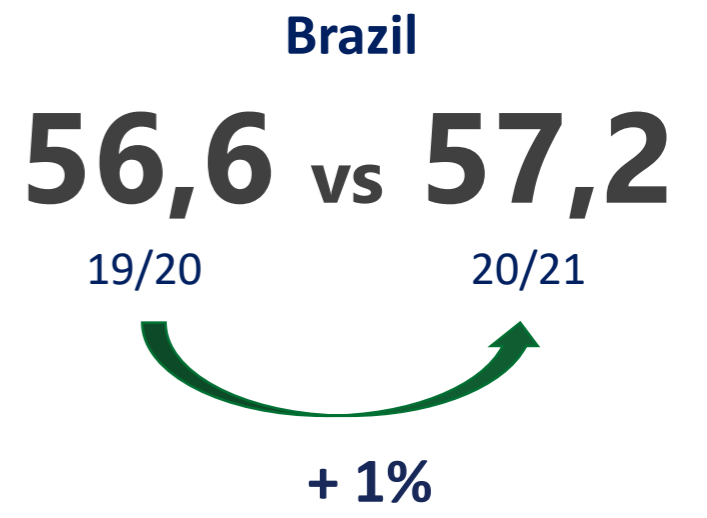
## Main Questions for 2020/21:

- Tax Reform
- Administrative reform
- Privatization Agenda
- World Economic Growth

# Soybean/Brazil | Crop 2020/21 – Expected productivity (bags/ha)



- Better than expected
- Expected
- In attention
- Worse than expected

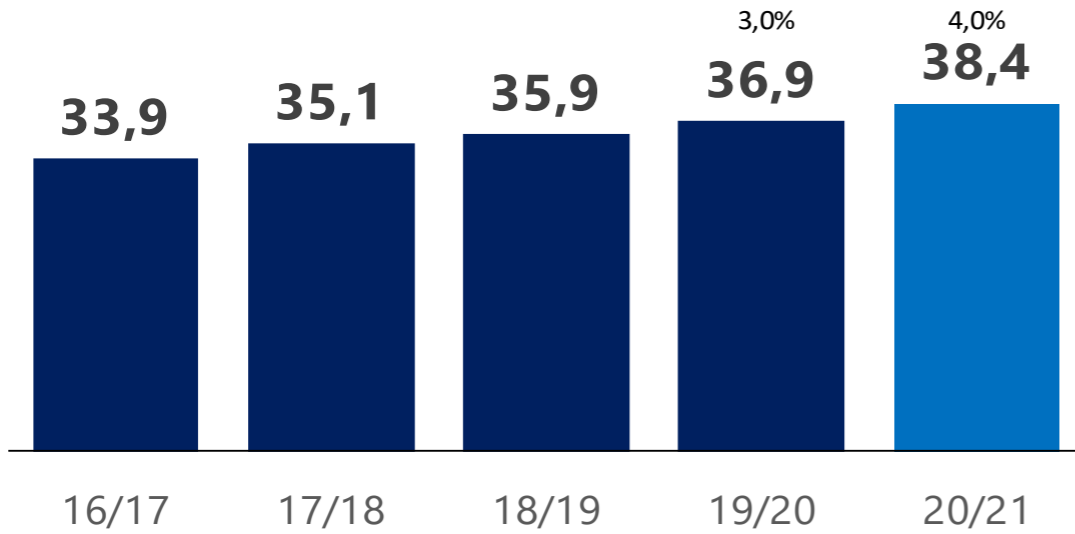


RS: 19/20 produced only 36 sc/ha

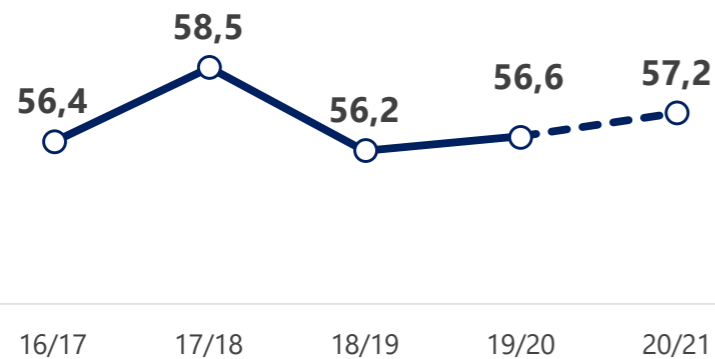
1 bag = 60 kg

# Soybean/Brazil | Crop 2020/21 – Attractive prices stimulate a high increase in planted area. Outlook for a record production.

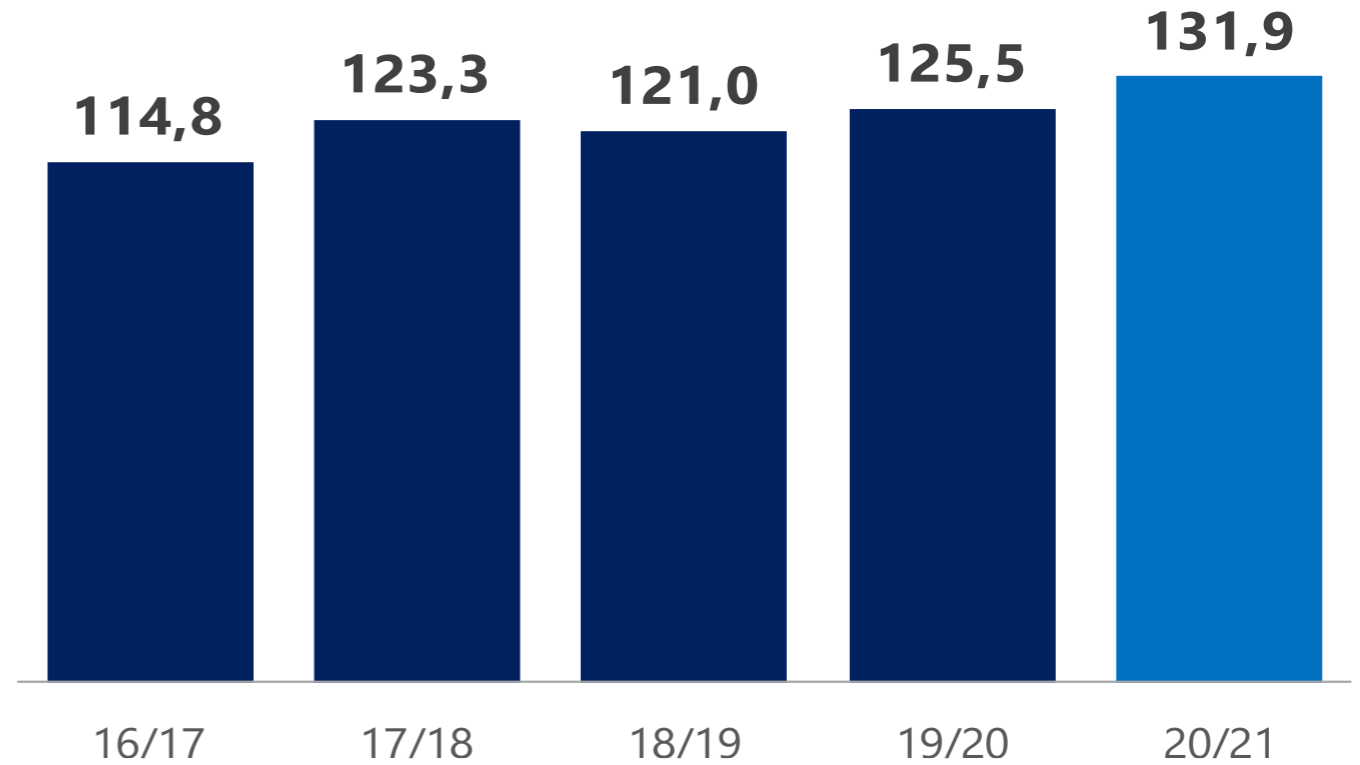
### Planted Area (mm ha)



### Yield (bags/ha)



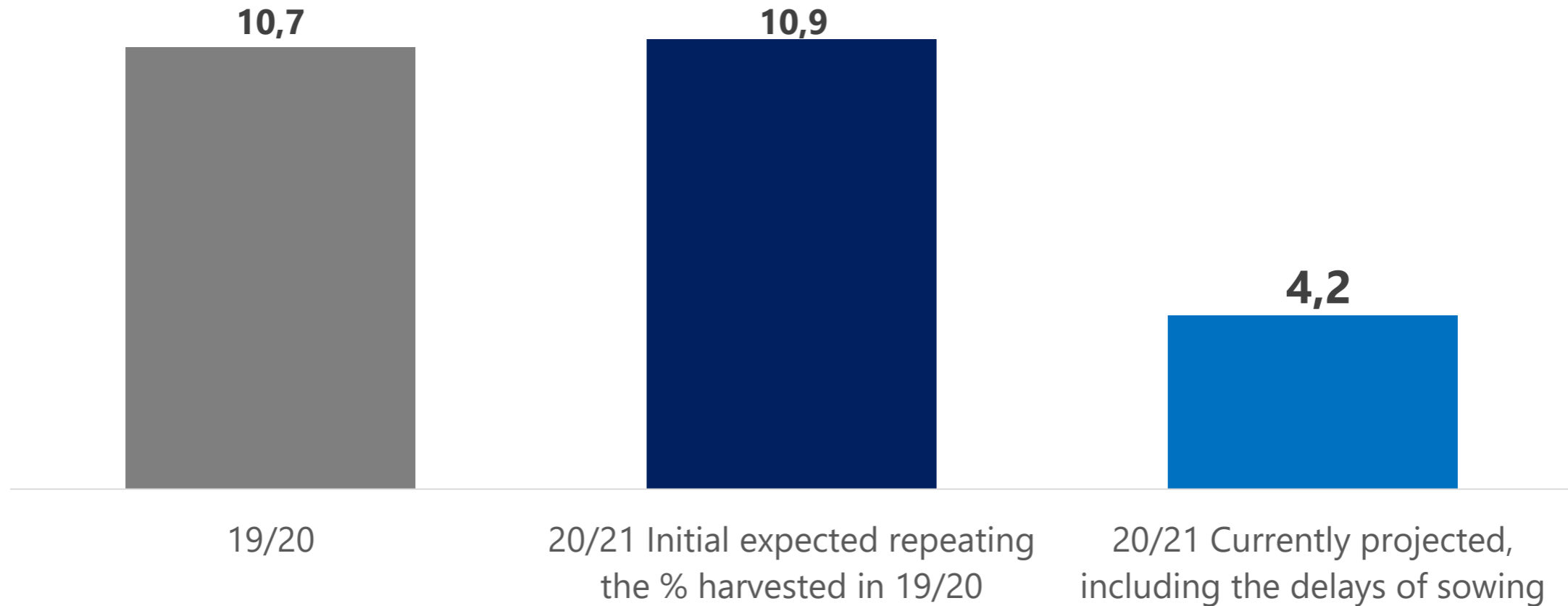
### Production (mmt)



La Niña / Impacts of dryness at Center-west region. The new-crop beginning is complicated. Forecast for low production.

# Soybean/Brazil | Crop 2020/21 – Delays for the sowing will decrease soybean supply at January.

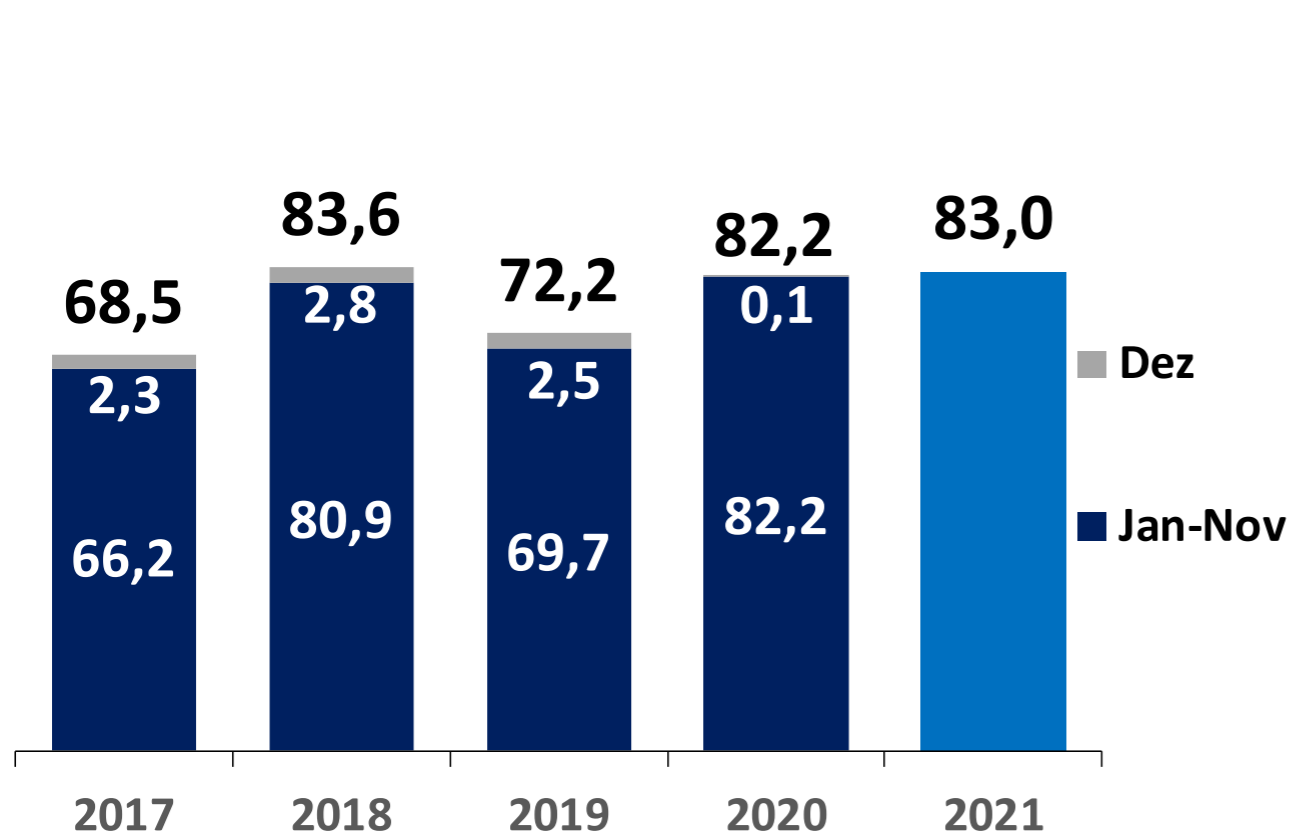
Soybean — MT | Preliminary estimate of soybean supply until January 31<sup>st</sup>, 2021



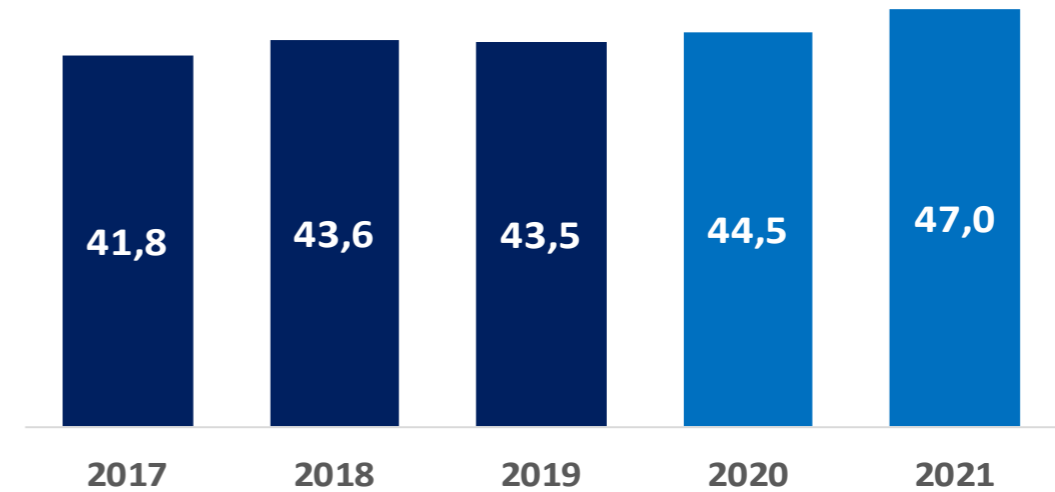
# Soybean/Brazil 2021 | Forecasting exports and crush

calendar jan/dec

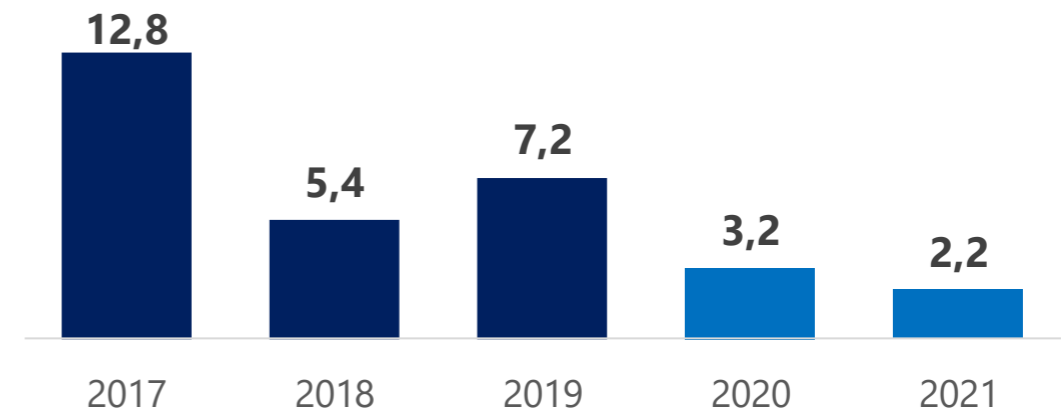
### Exports(mmt)



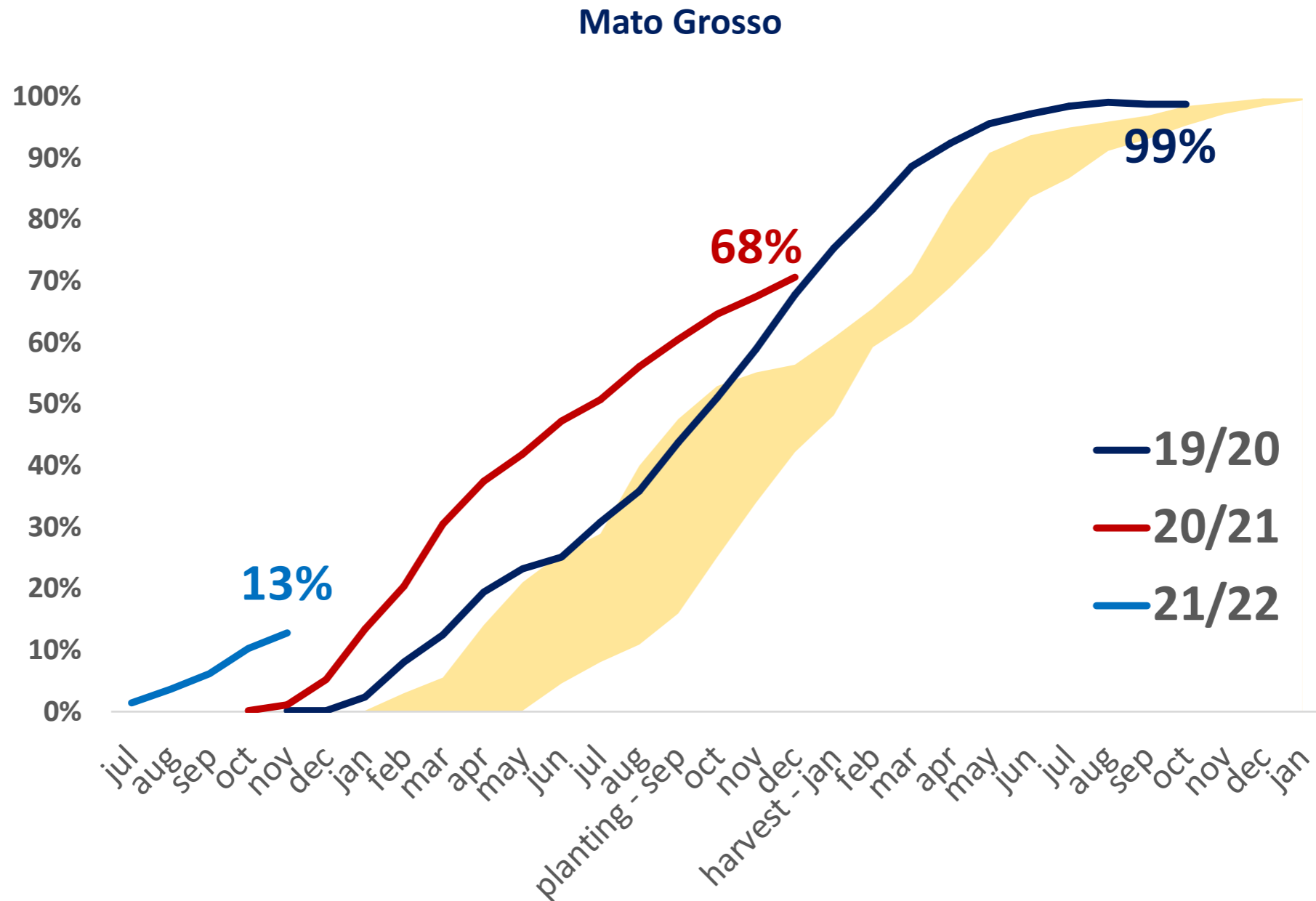
### Crushing (mmt)



### Ending stocks in December (mmt)

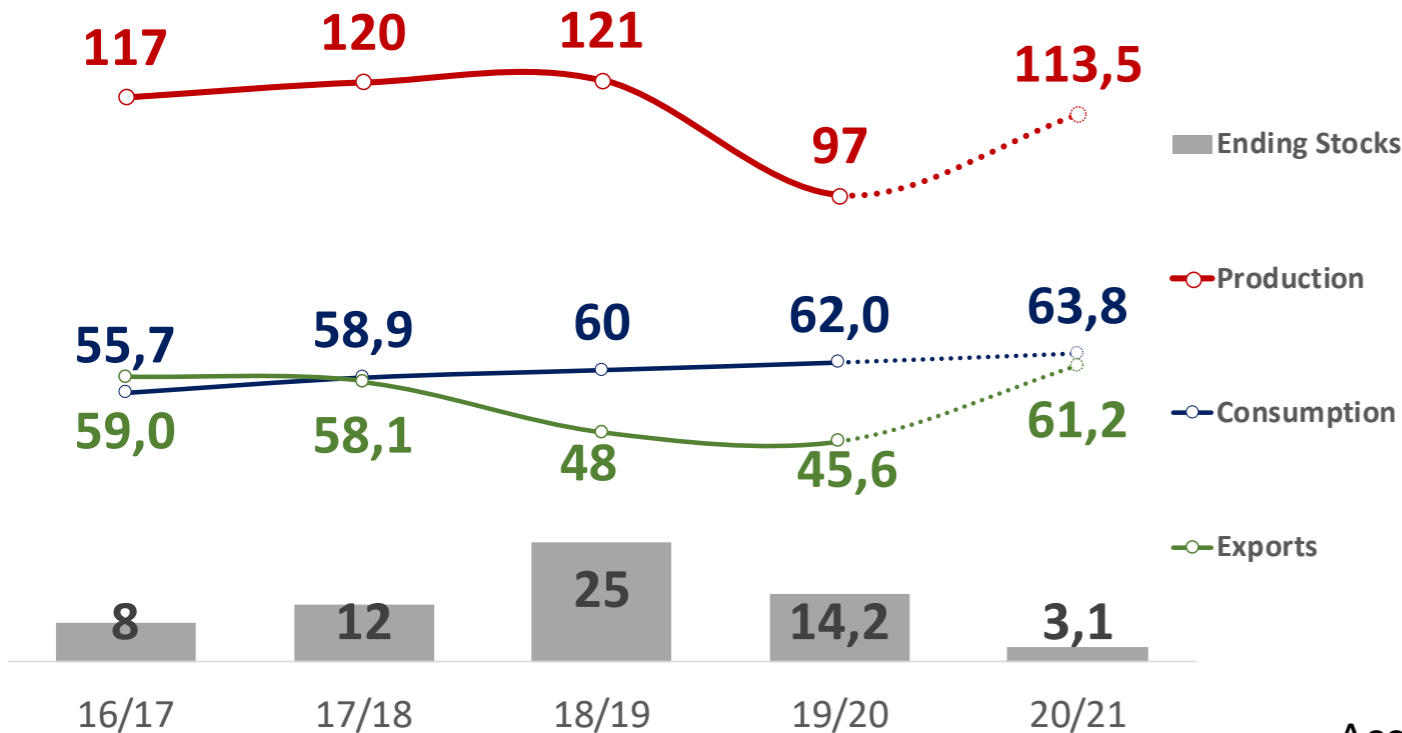


# Soybean/Brazil | Forward sales

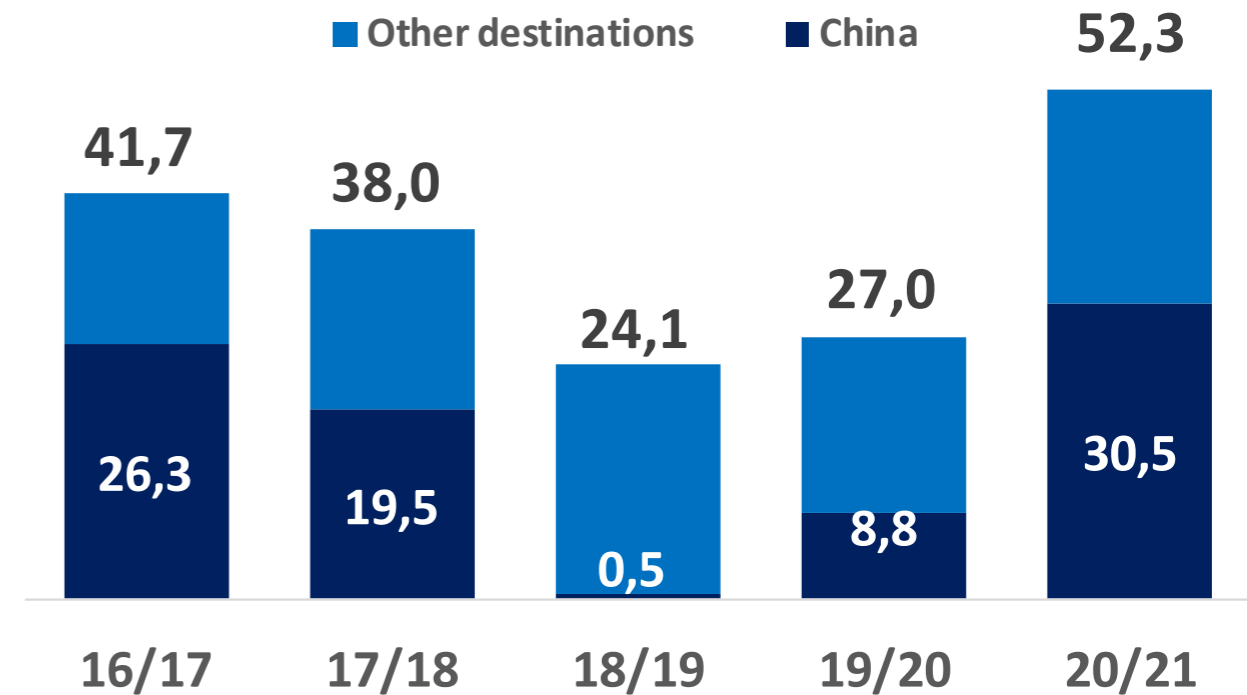


# Soybean/USA | Crop production down. Exports are increasing and stocks are tighten

USA – Supply and Demand (MM t)



EUA/Export sales until November 19<sup>th</sup> (MM t)

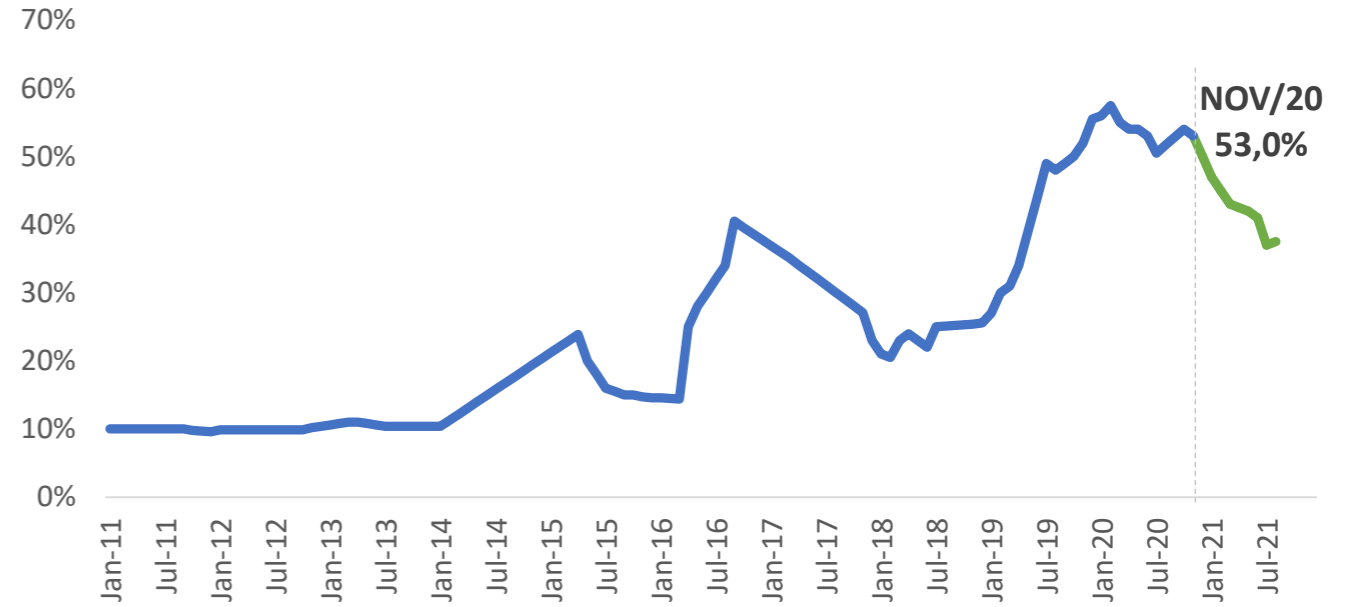
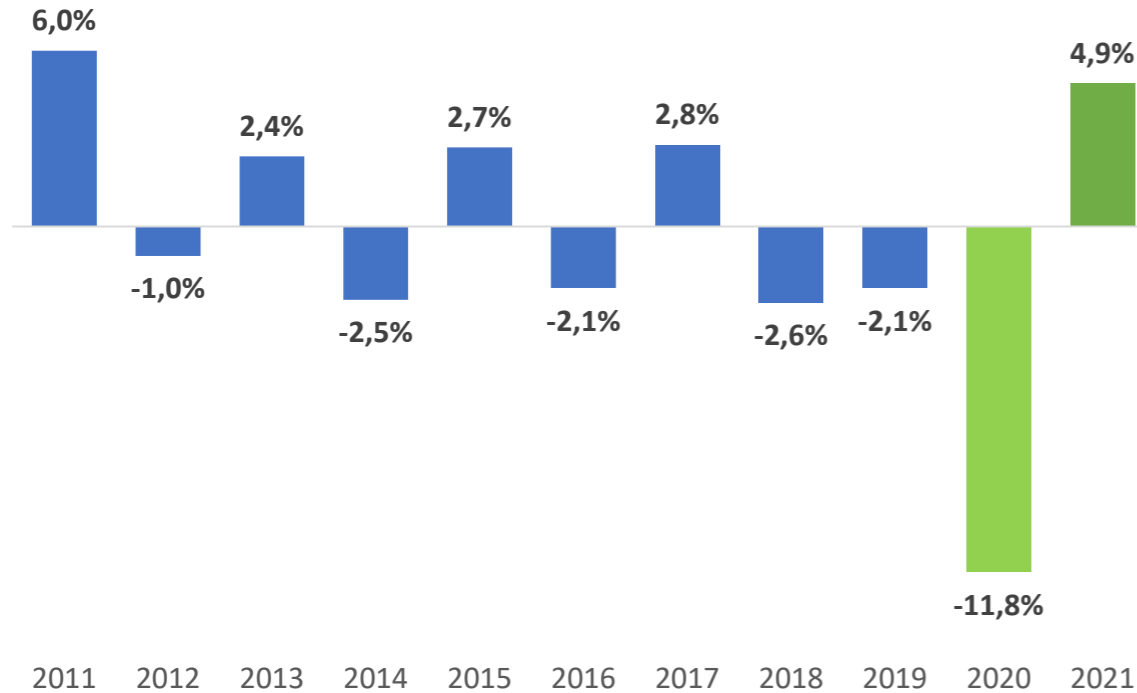


Accumulated sales represent 85% of the exportation projected so far and it is the more than the double of the same period last year. China represent 57% of the sales destination.

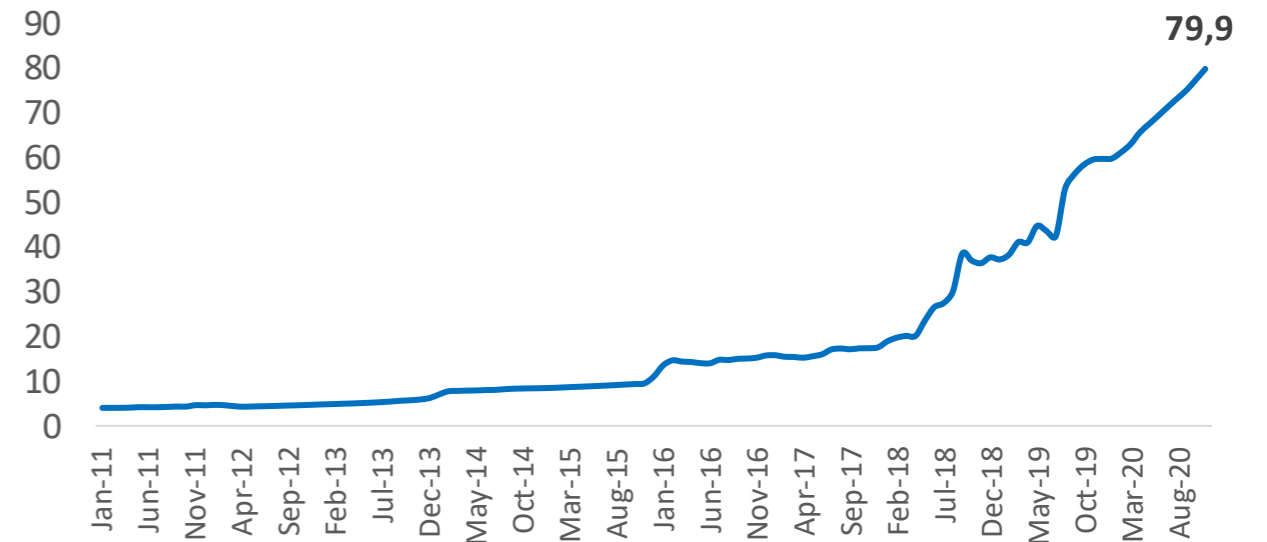
# Argentina | Main Economic Indicators

## Official Inflation Evolution and Forecast (%)

### GDP Evolution and Forecast (%)



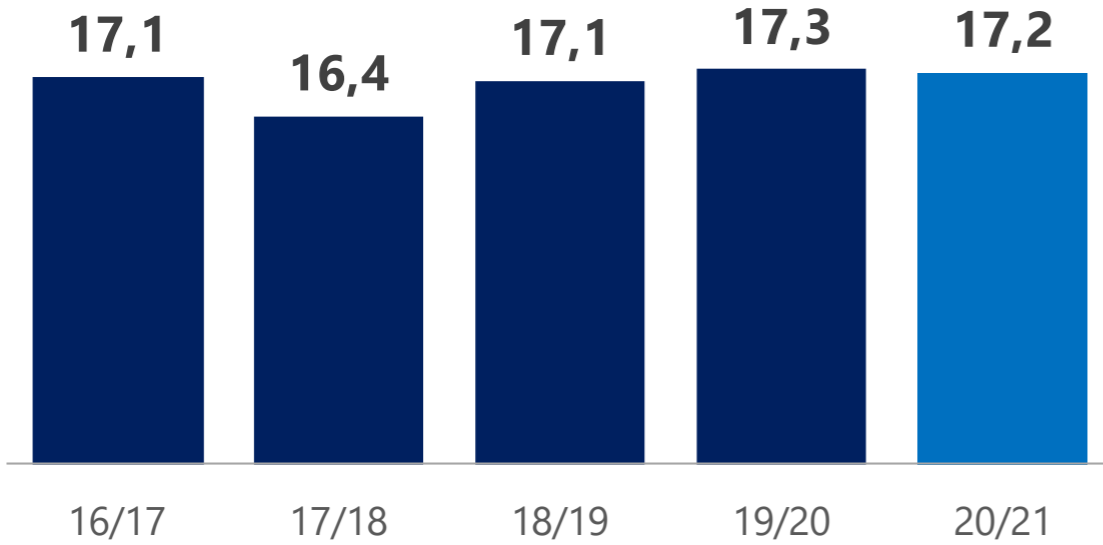
### Exchange Rate (PESO ARG/USD)



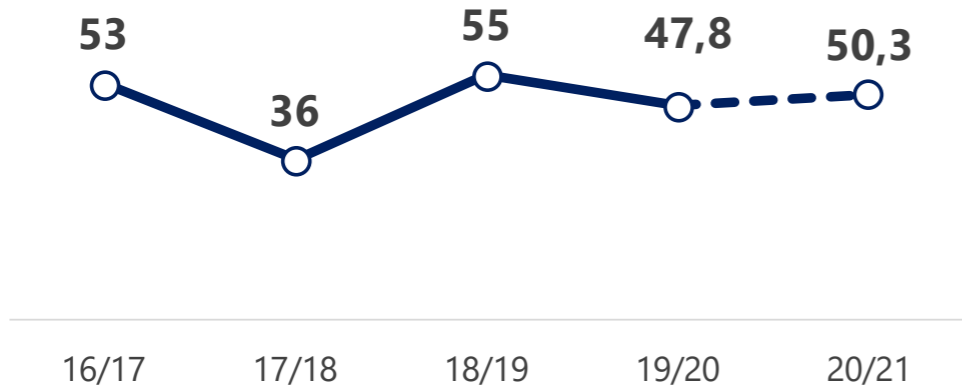
# Soybean/Argentina | Planted area, productivity and production

calendar out/set

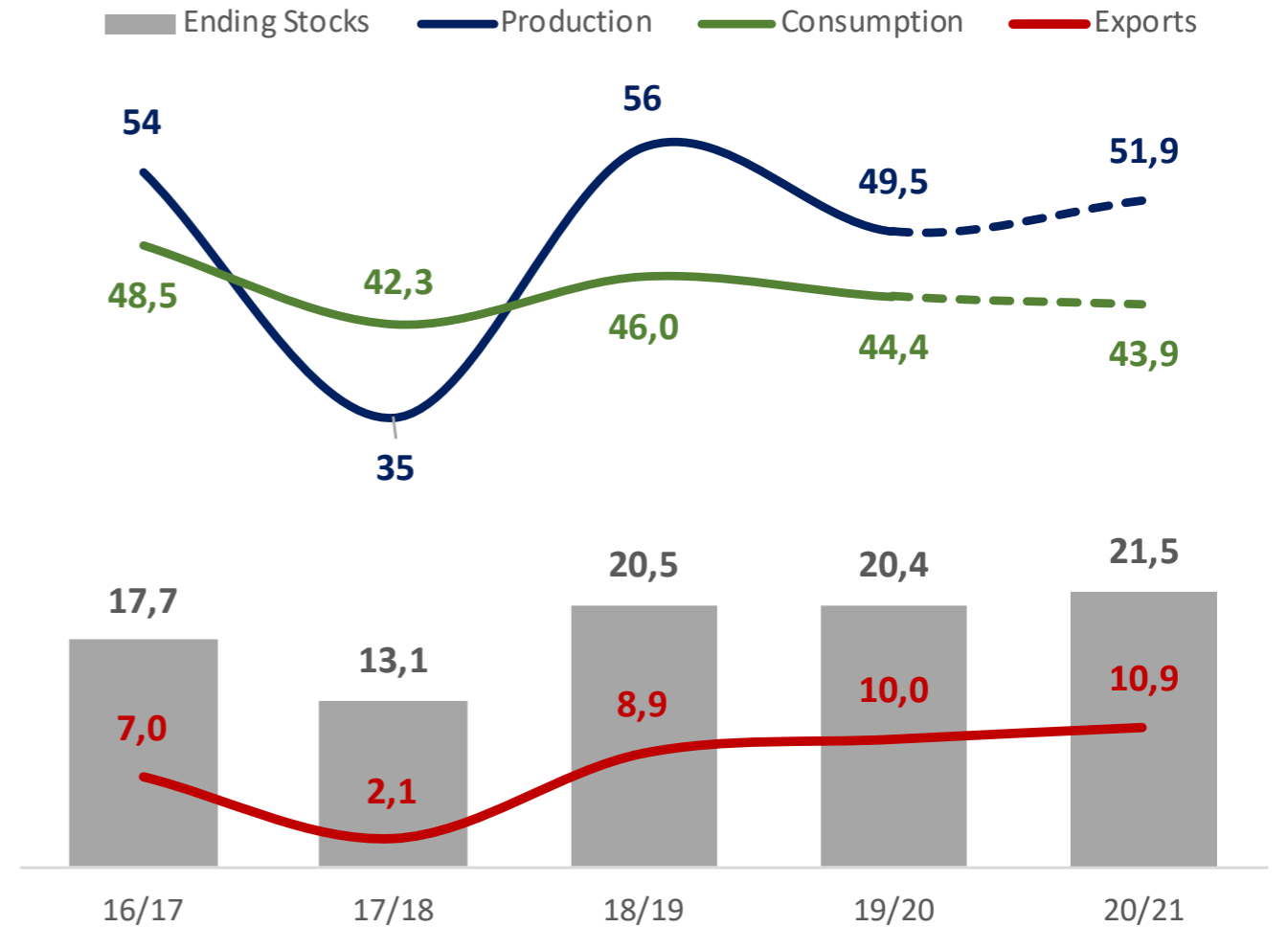
### Planted Area (mm ha)



### Yield (bags/ha)

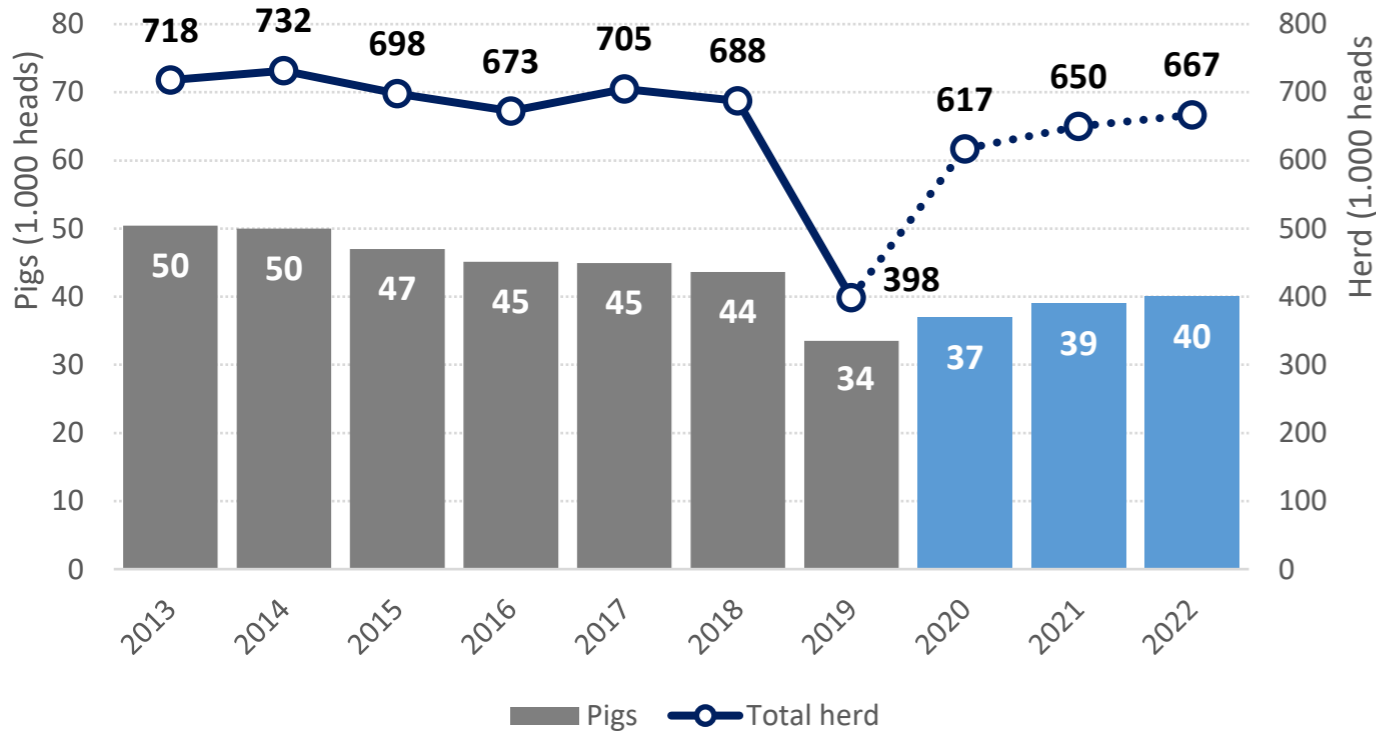


### Supply and demand balance (mmt)

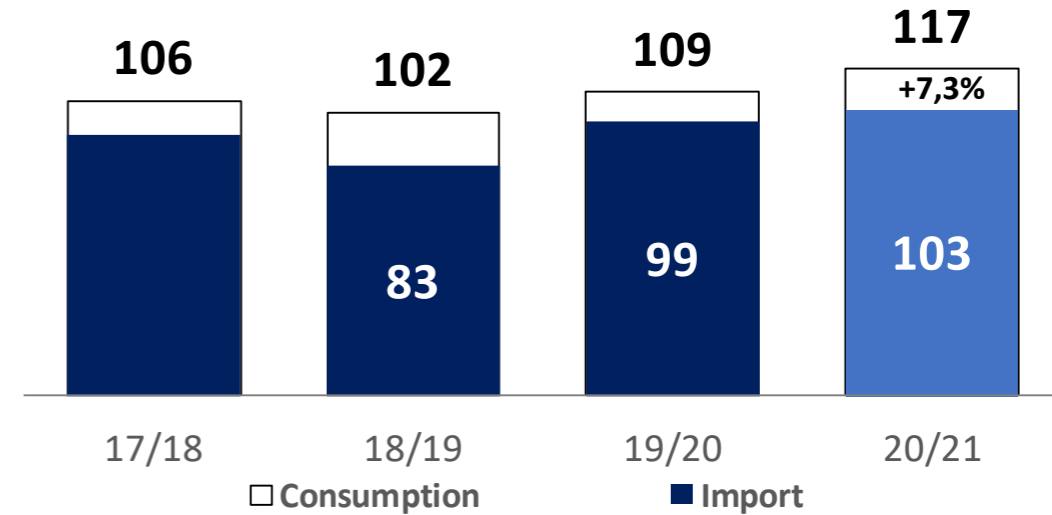


# China / Demand | Swine herd increase with raised imports and crush

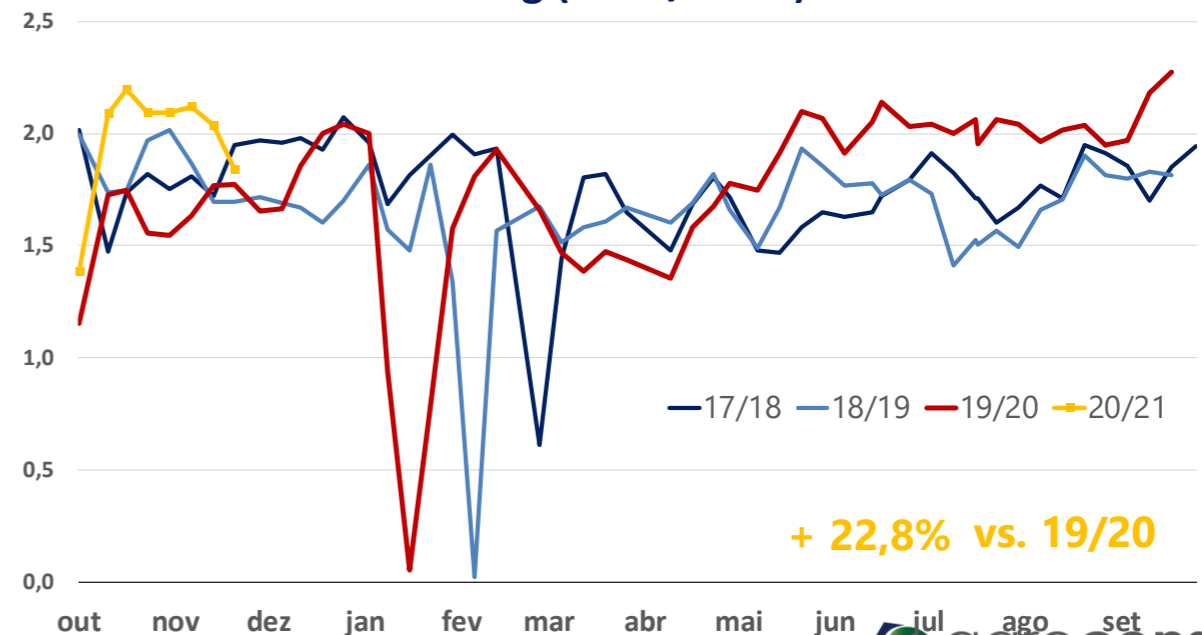
Swine herd at China (MM heads)



China – Soybean Consumption and Imports (MM t)



Crushing (MMt/week)

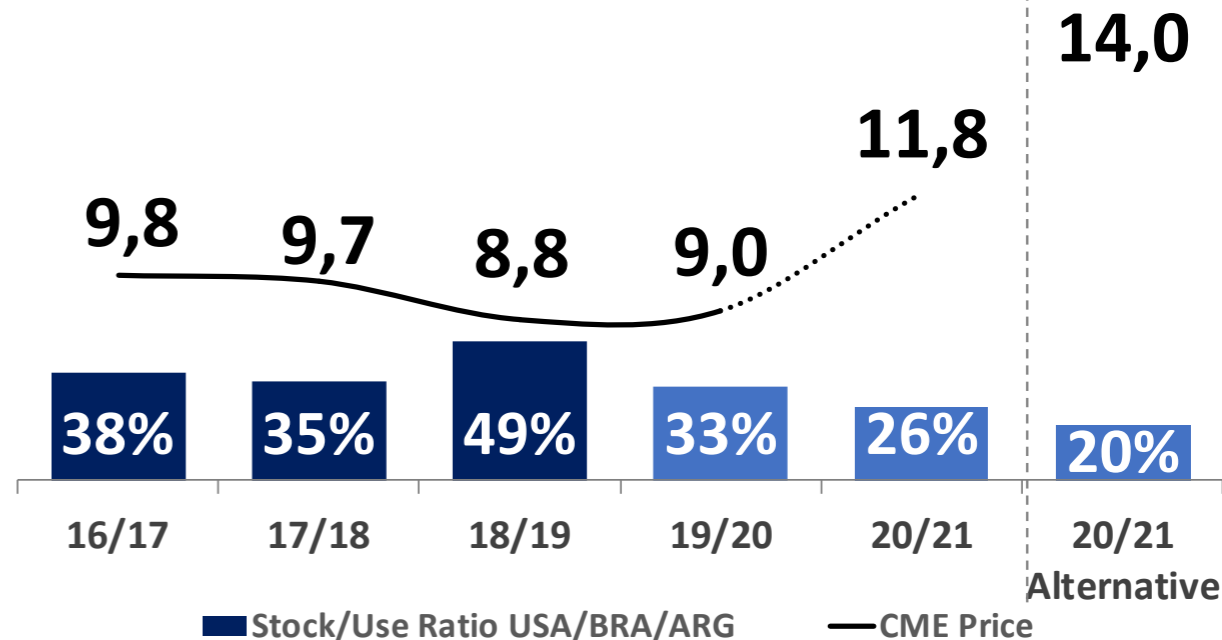
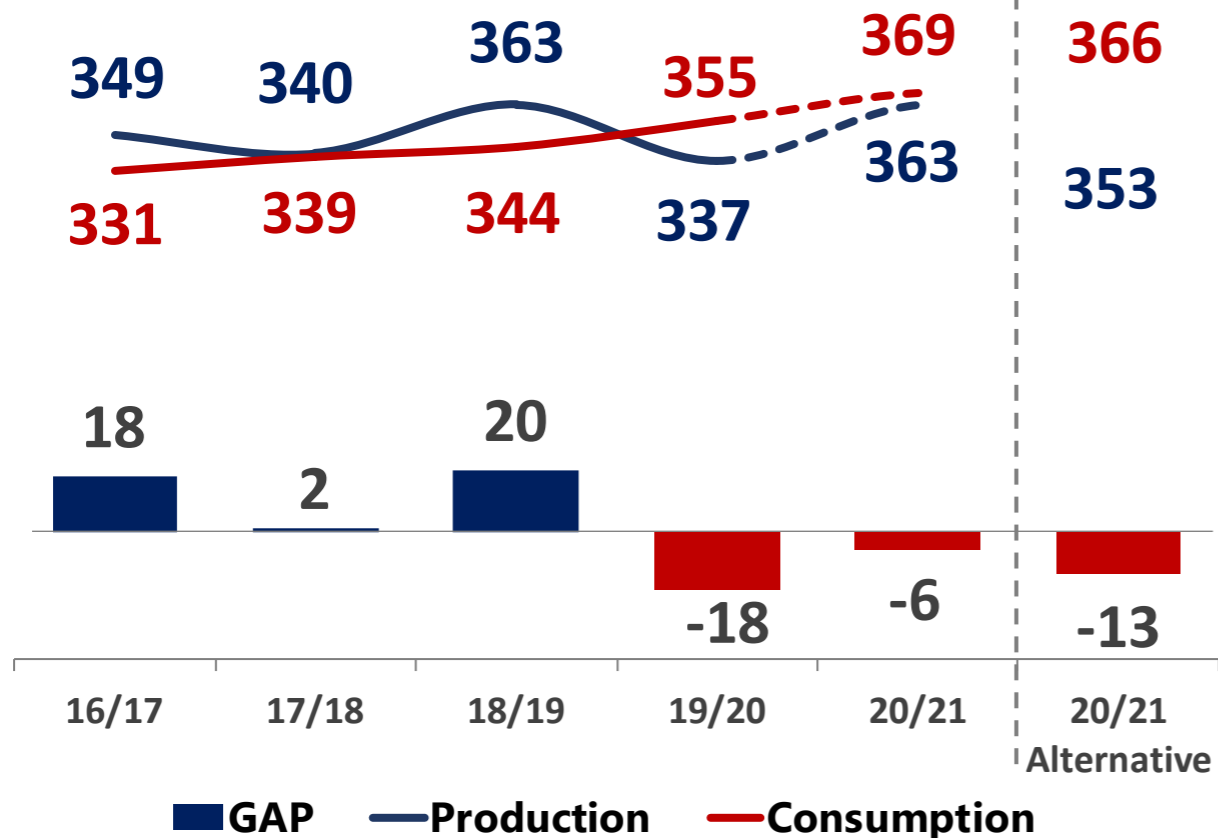


+ 22,8% vs. 19/20

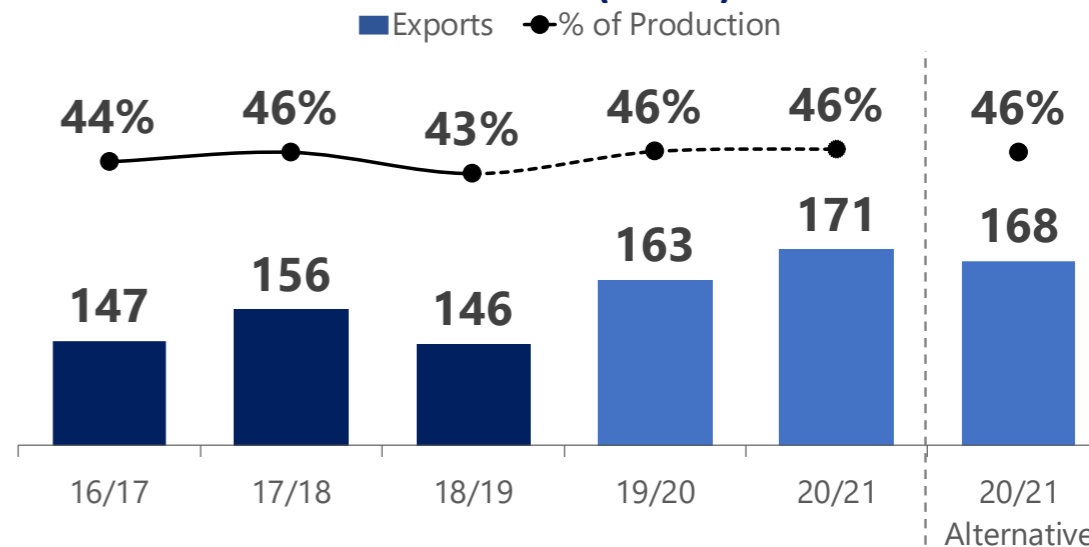
# Soybean 20/21 – Global Supply and Demand with alternative scenario

Soybean average prices – USD/bushel

World – Supply and Demand (MM t)



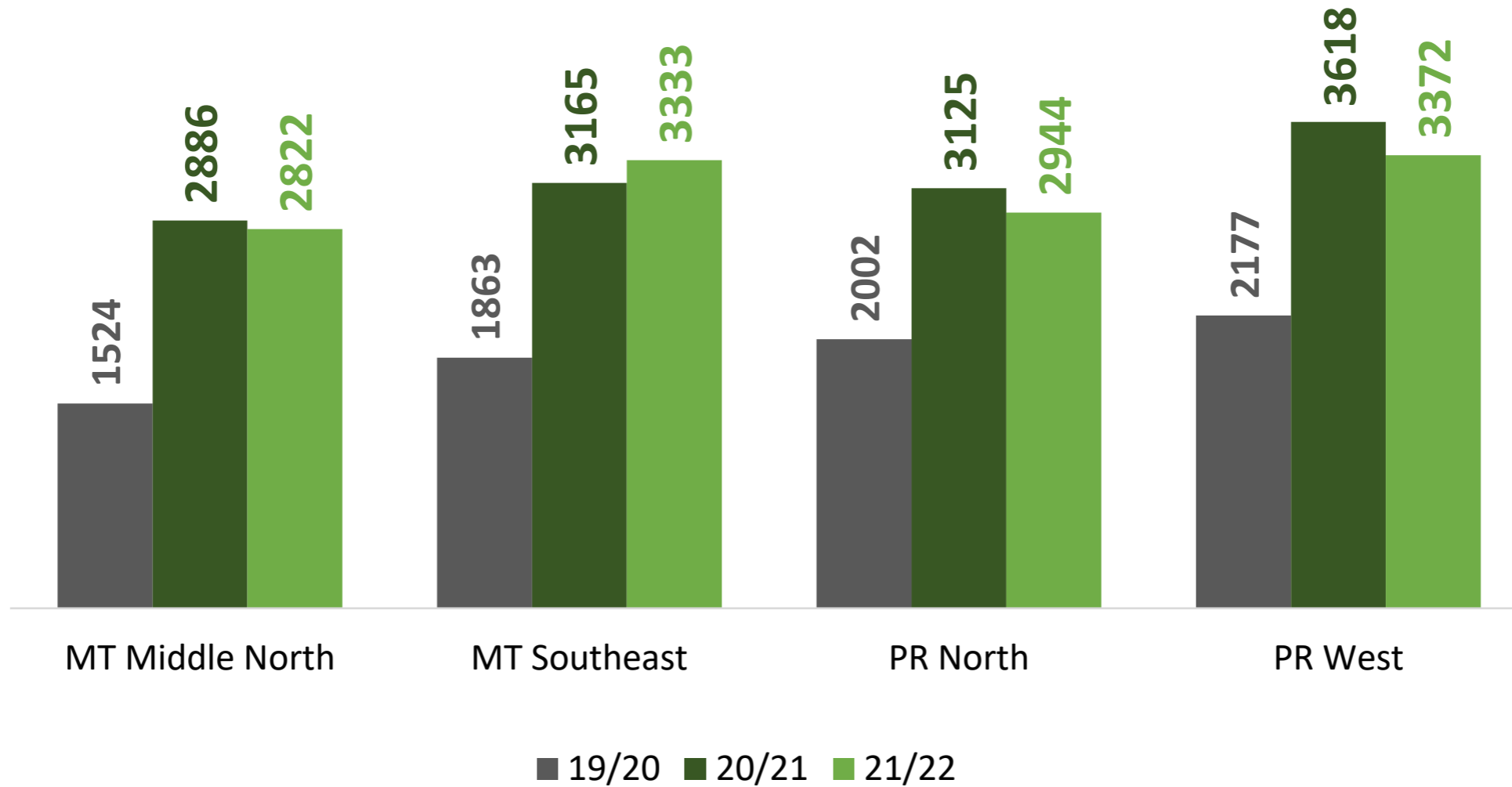
Global Trade (MM t)



**Alternative scenario:** production down 5,5 mmt in Brazil, 5,0 mmt in Argentina and 07 mmt in Paraguay. Adjust in the consumption and chinese imports decrease

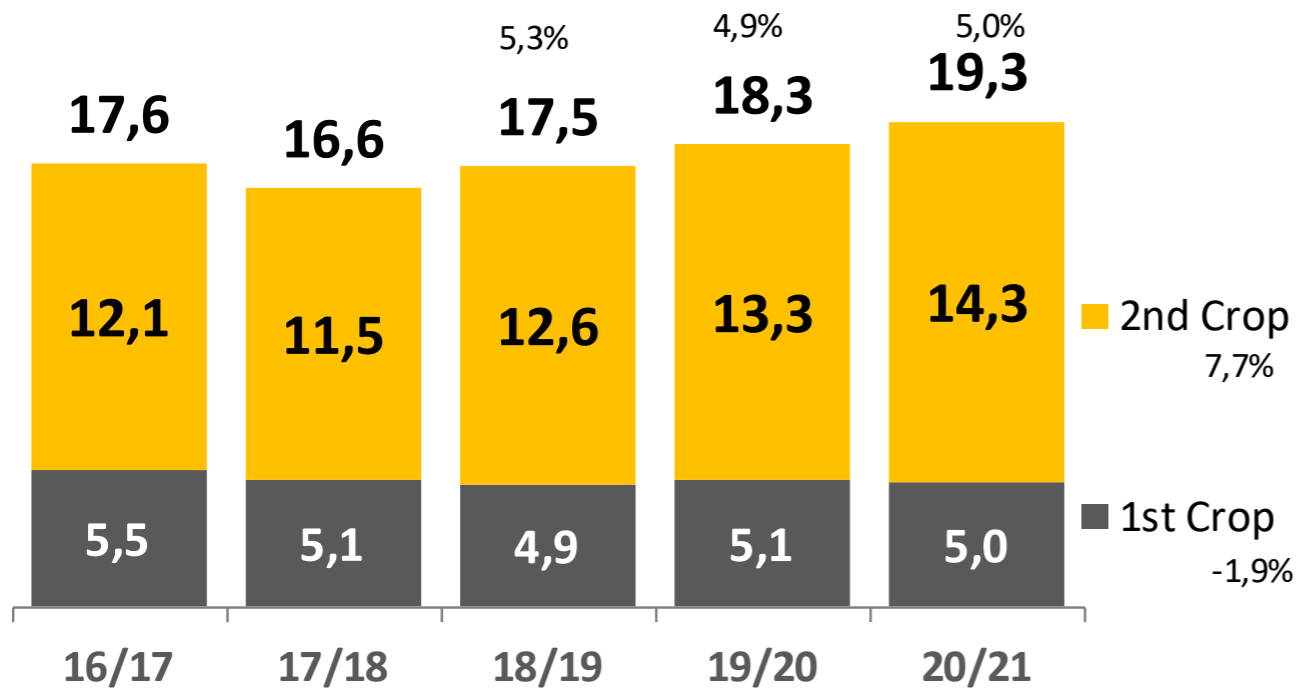
# Soybean/Brazil | Profitability estimate (R\$/ha)

Cost of outlay + depreciation

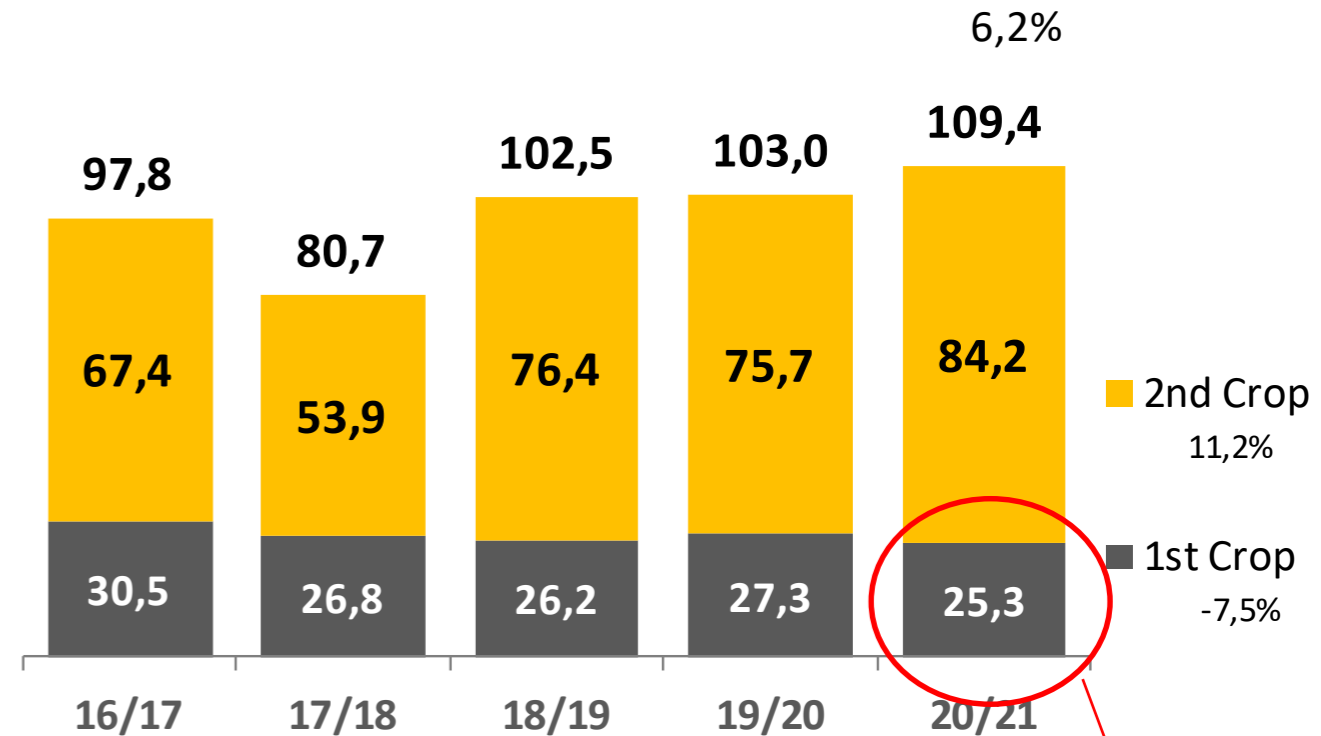


# Corn/Brazil | 1<sup>st</sup> Crop with problems and new increasing area for Corn 2<sup>nd</sup> Crop

Brazil/ Planted Area (million ha)

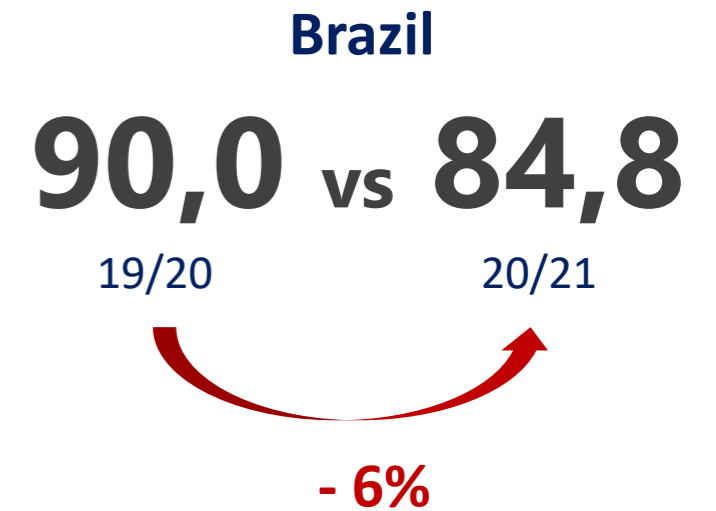
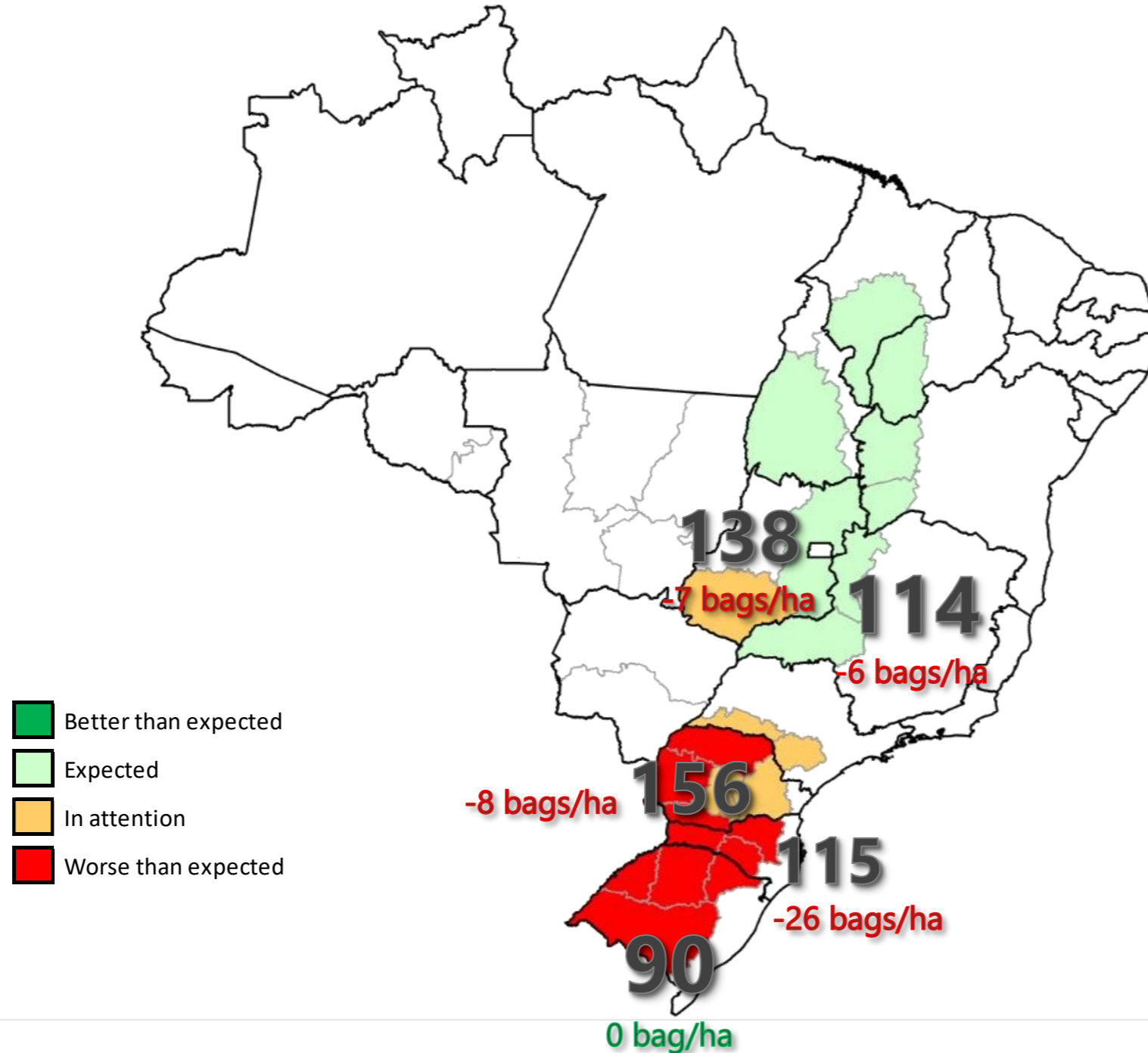


Brazil/Production (mmt)



Potential production was close to 30 mmt, but currently the forecast is low

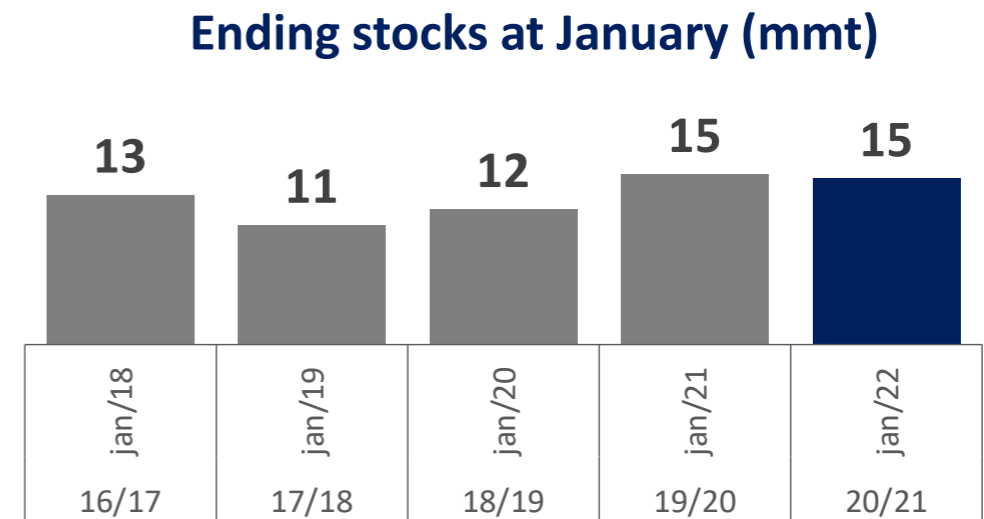
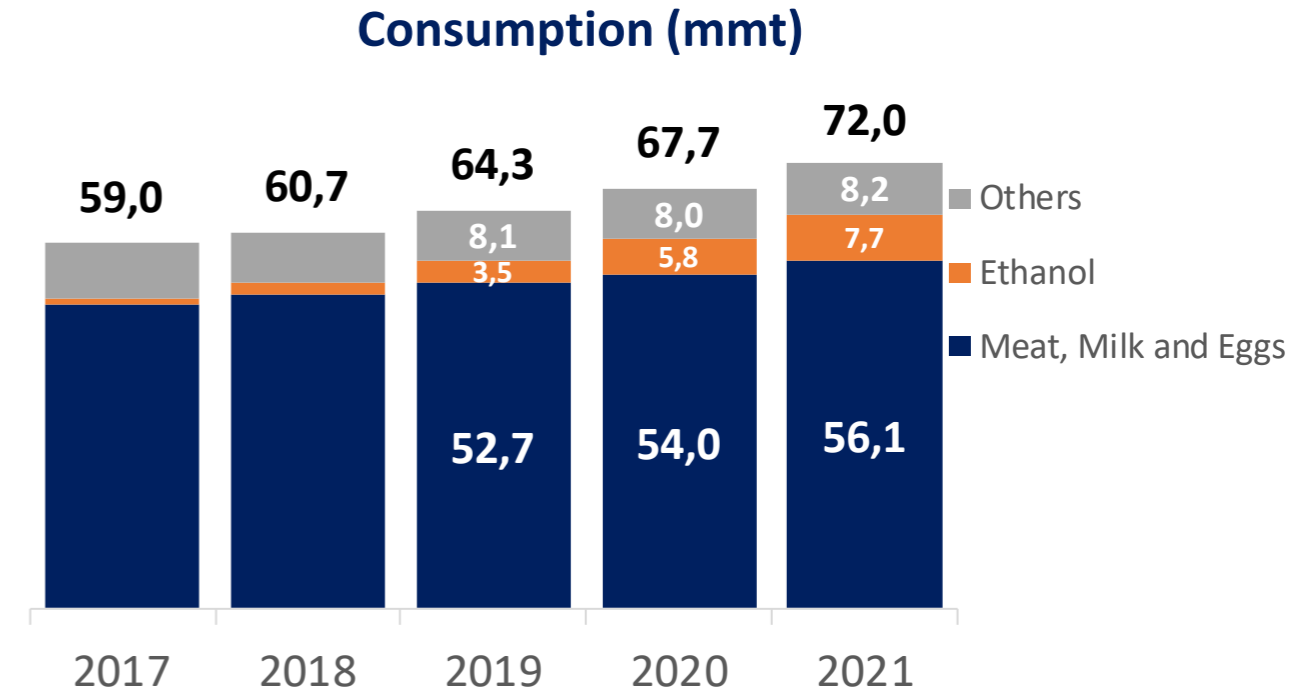
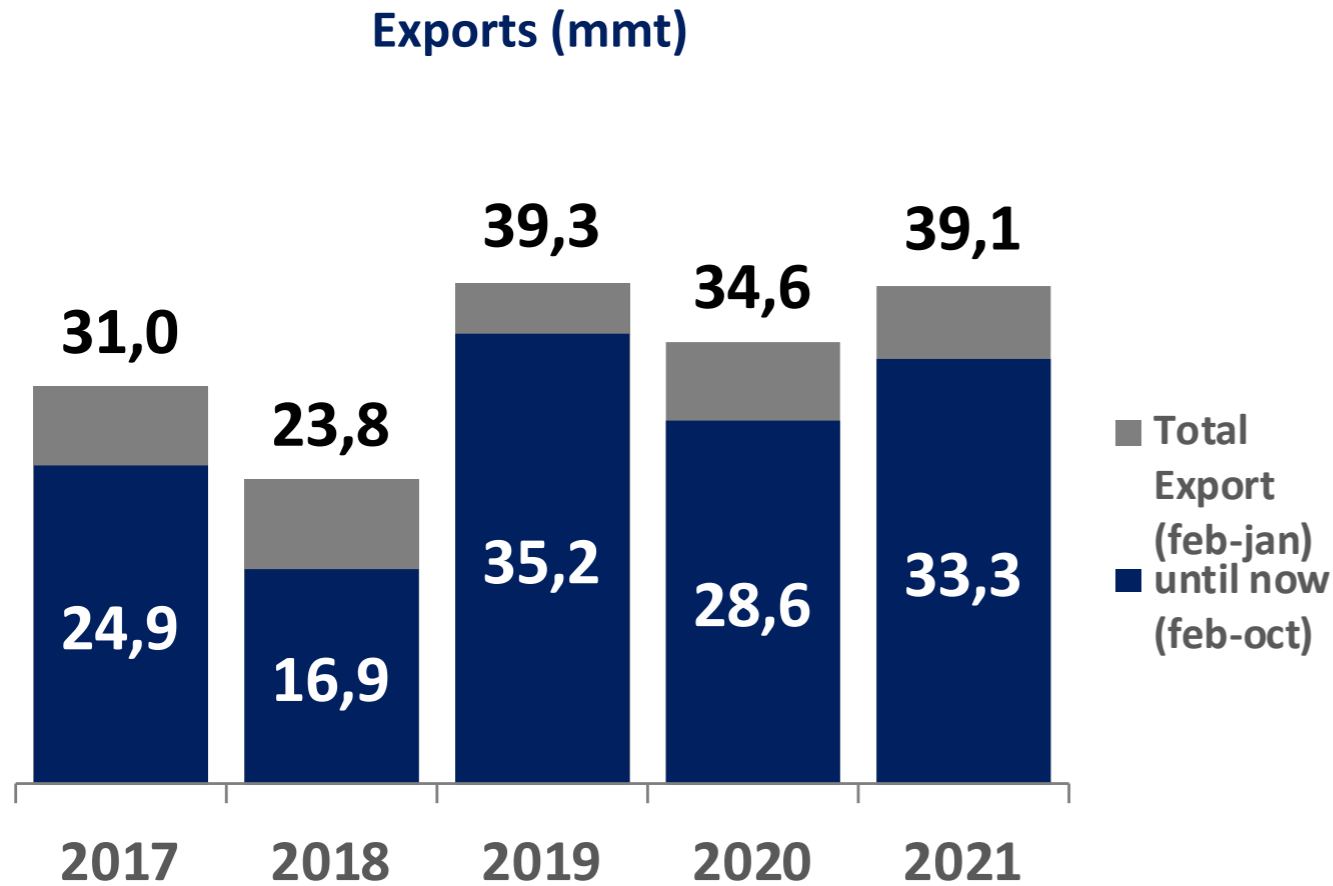
# Corn 1<sup>st</sup> Crop/Brazil | Crop 2020/21 – Expected Productivity (bags/ha)



1 bag = 60 kg

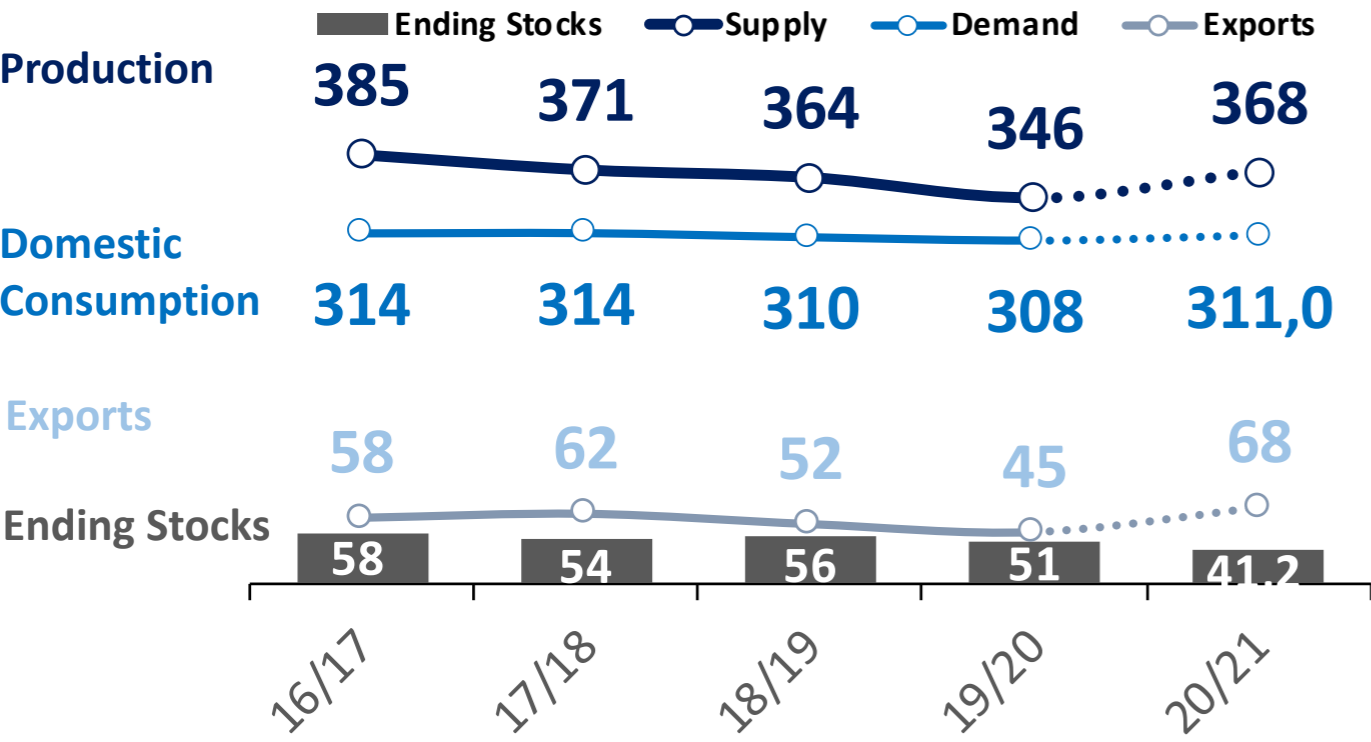
# Corn/Brazil 2021 | Forecasting exports and consumption

calendar jan/dez

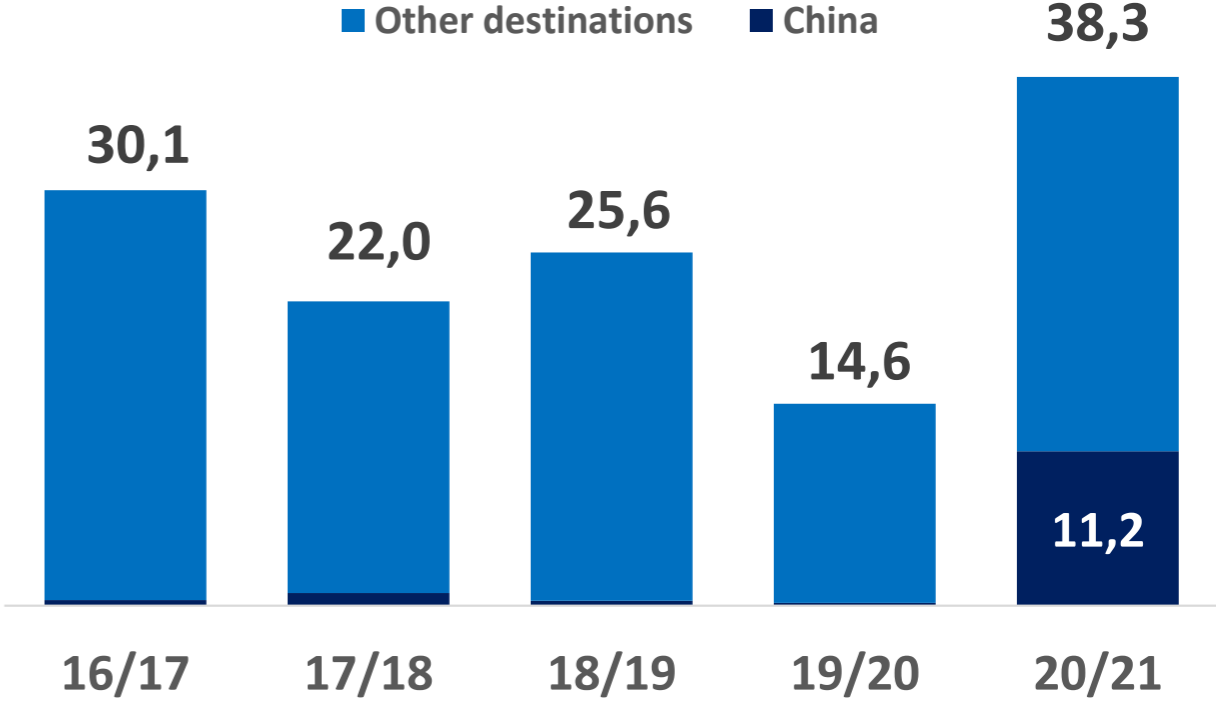


# Corn/USA | 2020/21 – Crop production down, but enough to export. Stocks tighten.

USA – Supply and Demand (mmt)



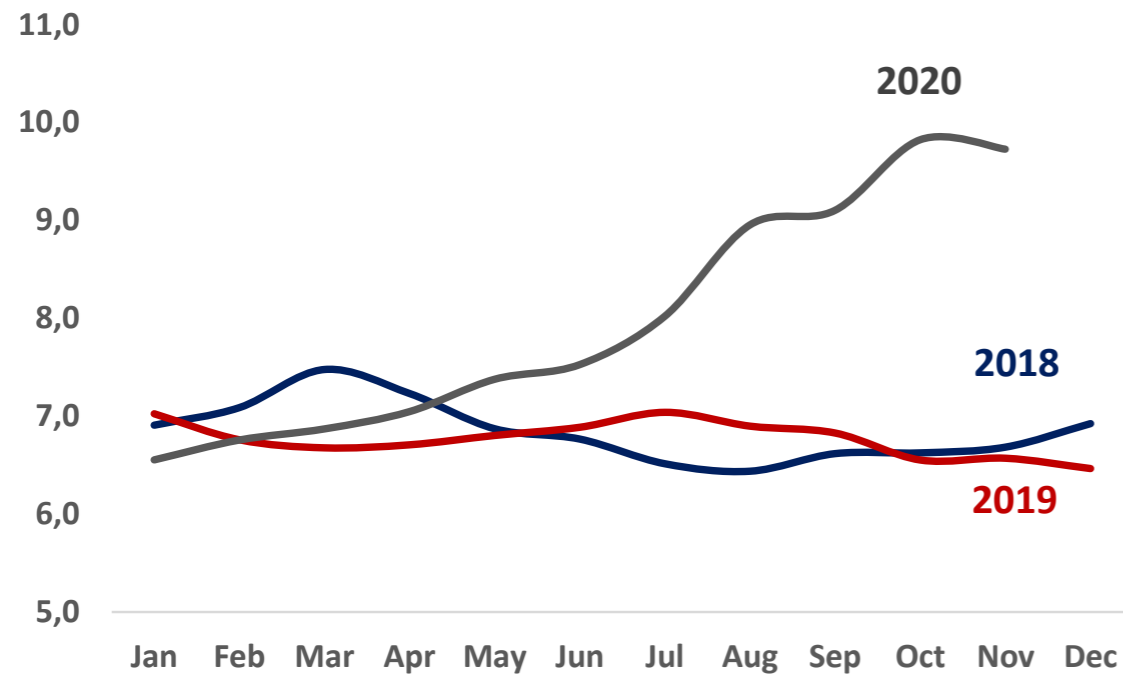
USa/Export sales until November 19<sup>th</sup> (mmt)



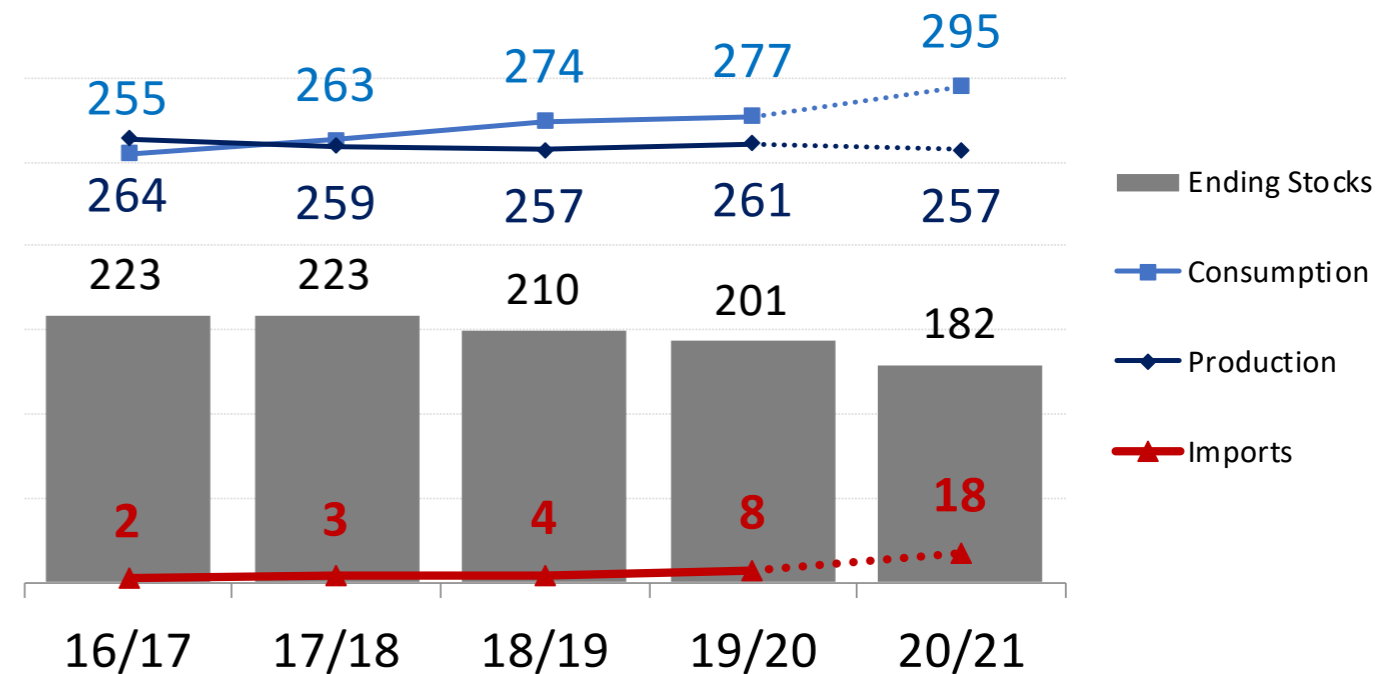
Source: USDA, Agroconsult.

# Corn/China | The gap between production and consumption keeping rise, increasing the need for imports

## China/Spot corn prices at Jilin (USD/bushel)

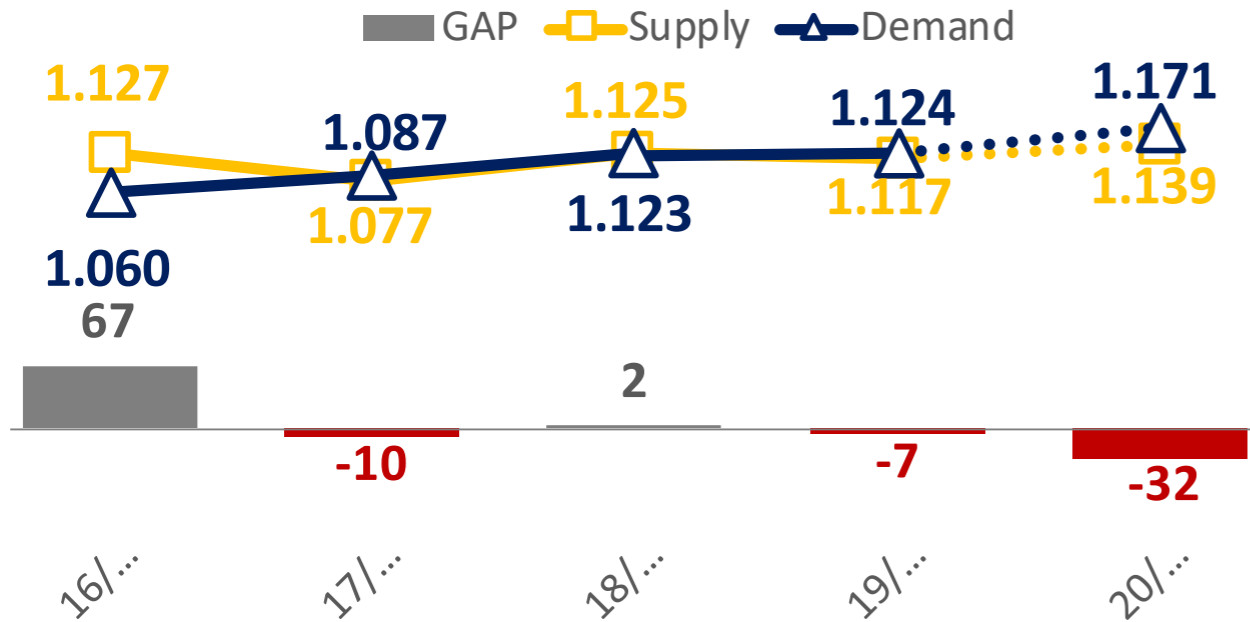


## China/Supply and Demand balance (mmt)

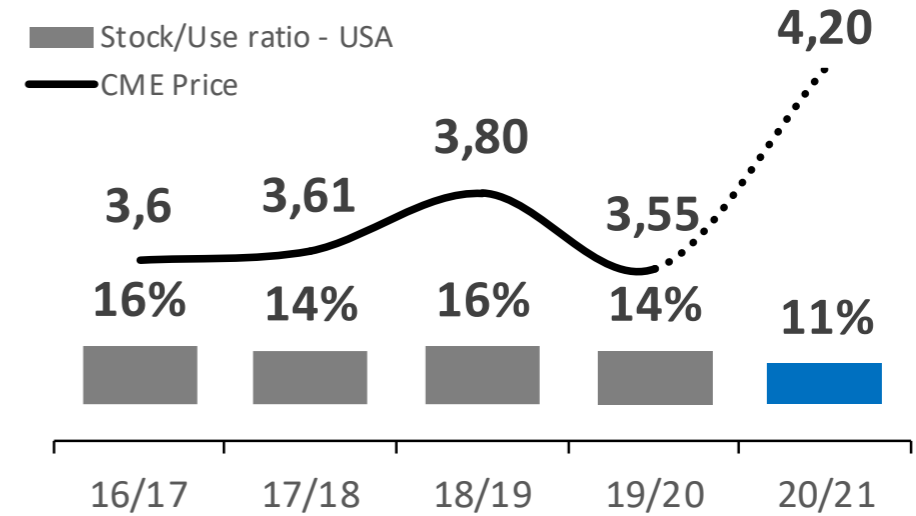


# Corn/World | Forecast for international prices and global trade

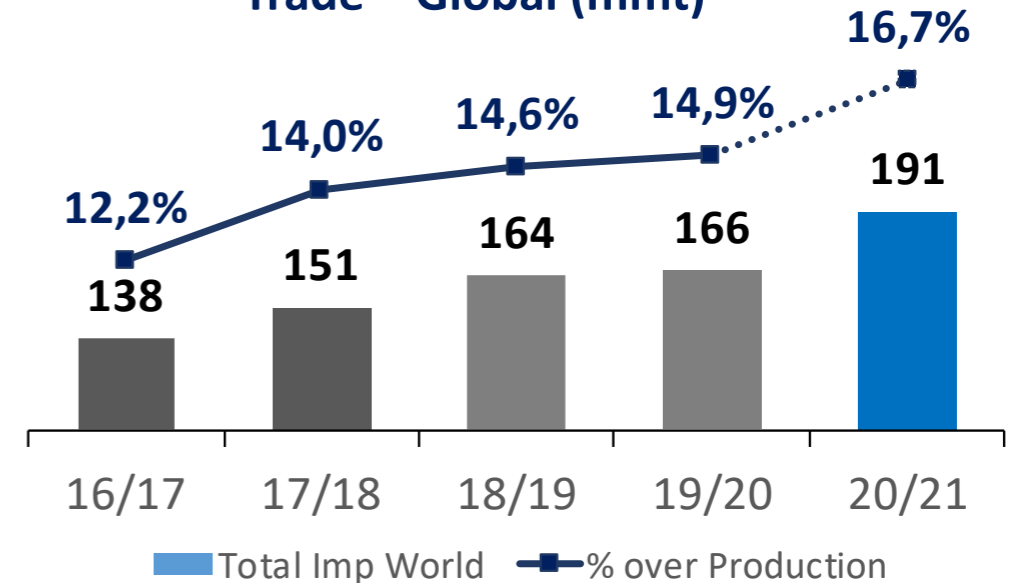
WORLD– Supply and Demand balance (mmt)



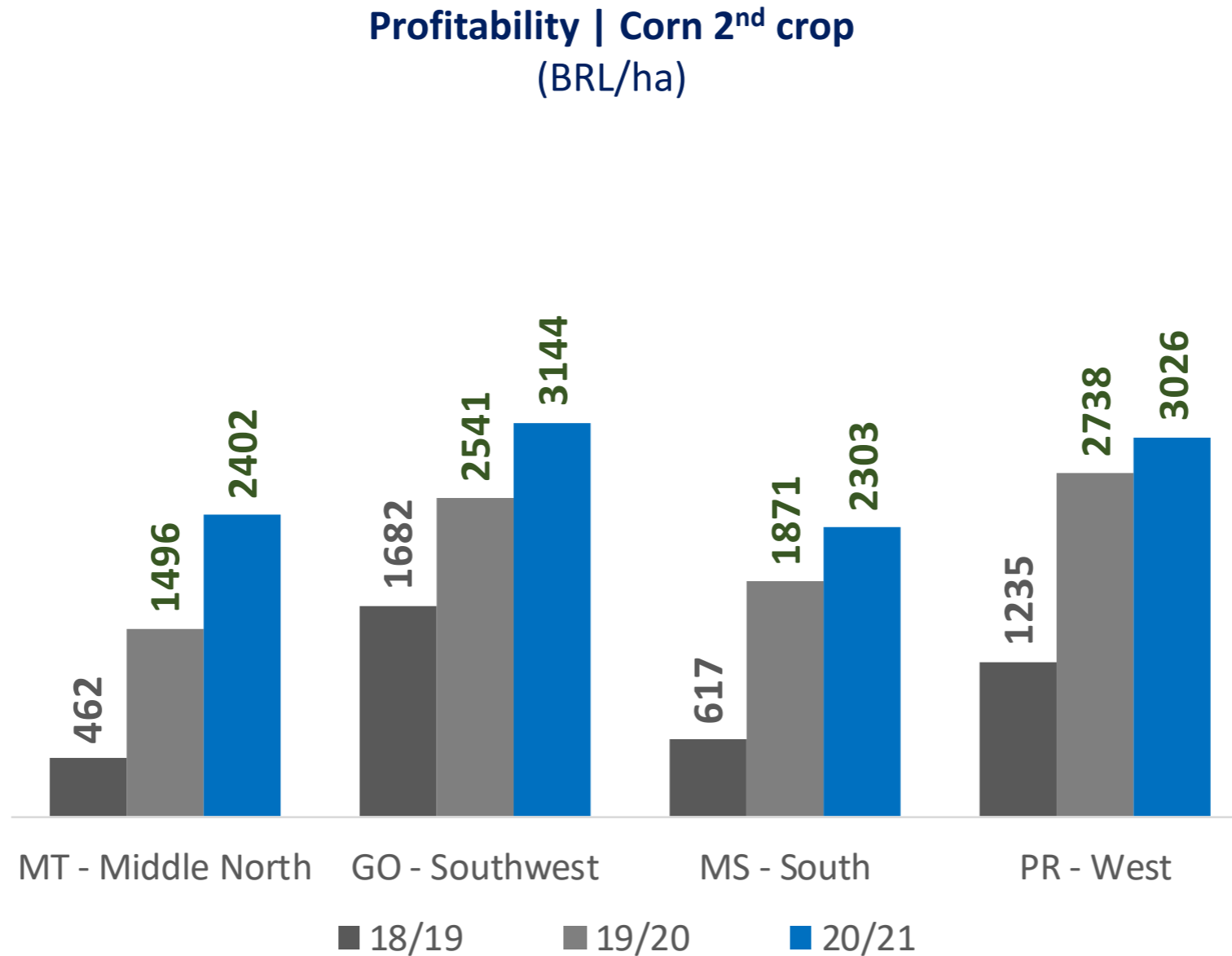
Stocks at USA and CME prices (US\$/bu)



Trade – Global (mmt)



# Corn/Brazil | Forecast for high profitability



 agroconsult.consultoria

 agroconsult\_br

 Agroconsult

 @agroconsult.br

 agroconsult@agroconsult.com.br

 www.agroconsult.com.br

 +55 48 3209-1650

