agroconsult

# Brazil, Argentina, Mercosul Markets: Grain and Oilseeds Production and Trade Forecasts

**ADRIANO AUDE LO TURCO**

February 14th, 2025

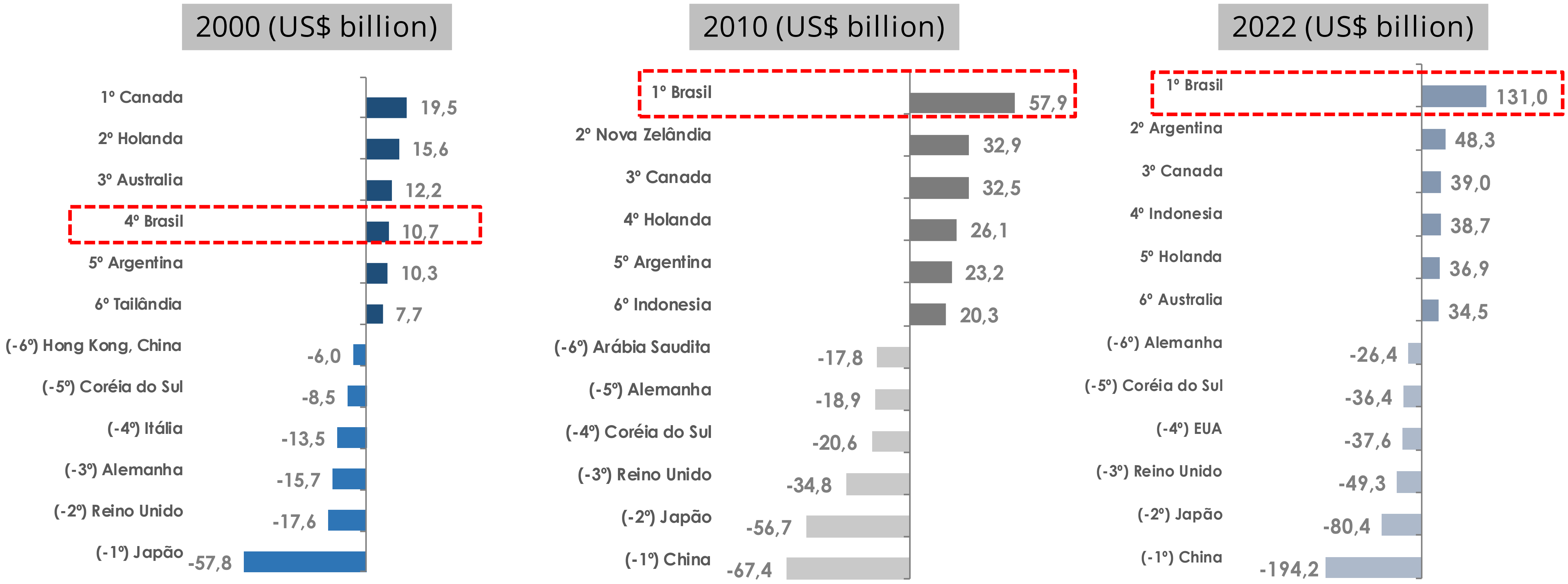
# Brazil's Relevance in Global Agribusiness | The Main Products Produced and Exported

- Brazil has a prominent position in the export and global production of several agricultural commodities.

| | Soybeans | Corn | Coffee | Sugar | Cotton | Beef | Chicken | Swine | Orange Juice |
|---|---|---|---|---|---|---|---|---|---|
| **Exports** | | | | | | | | | |
| | 1º | 2º | 1º | 1º | 1º | 1º | 1º | 4º | 1º |
| | 55% | 22% | 25% | 54% | 22% | 28% | 36% | 14% | 73% |
| **Production** | | | | | | | | | |
| | 1º | 3º | 1º | 1º | 3º | 2º | 2º | 4º | 1º |
| | 37% | 9% | 39% | 25% | 13% | 19% | 14% | 4% | 72% |

# Brazil's Relevance in Global Agribusiness | World Agricultural Trade Balance

- Brazil has the largest net balance between exports and imports of agricultural products in the world, and has been moving further and further away from 2nd place.




Source: WTO 2022. Último dado disponível.

# Main trading partners in agribusiness exports

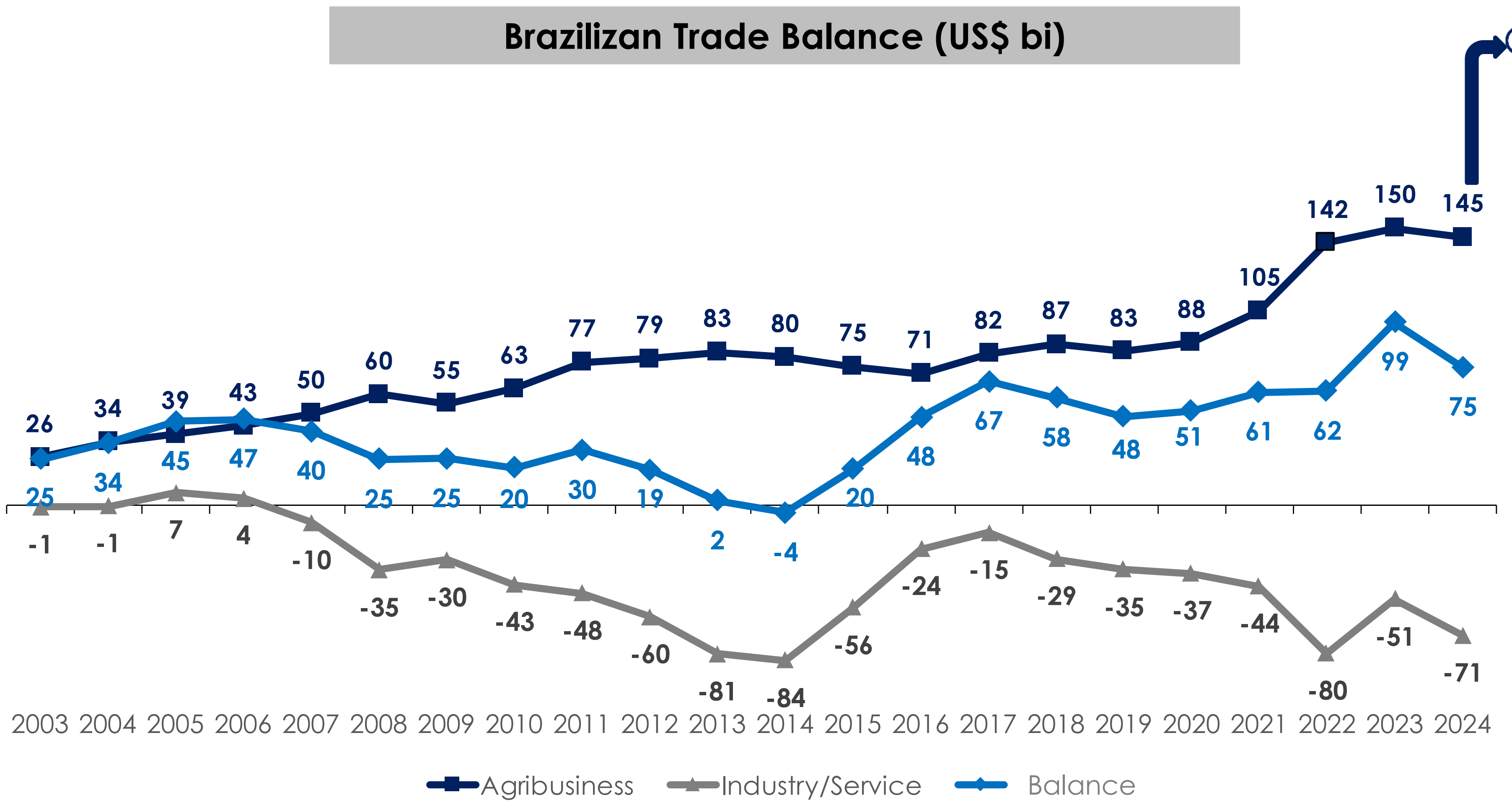
| 2000<br>157 partners | |
|---|---|
|  | 36,4% |
|  | 18,5% |
|  | 5,3% |
|  | 4,8% |
|  | 4,6% |

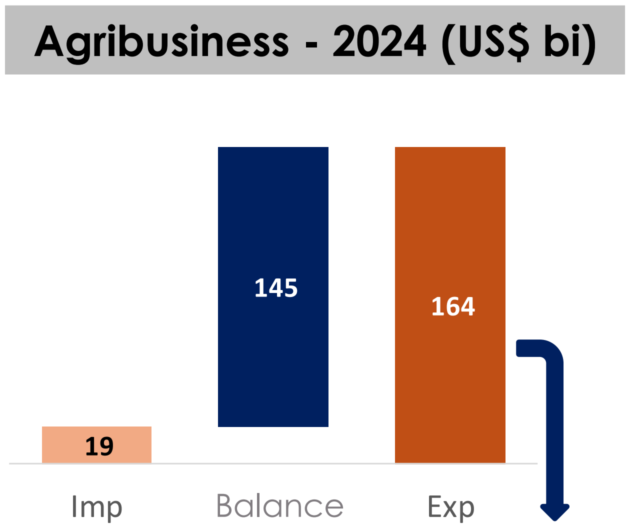
| 2023<br>204 partners | |
|---|---|
|  | 36,2% |
|  | 12,9% |
|  | 5,9% |
|  | 2,5% |
|  | 2,2% |

- The growth in agribusiness exports also generated an increase in the number of partners as well as diversification.
- China became Brazil's largest trading partner, surpassing UE, given by the gains in scale of the soybean complex.
- Argentina and the United Kingdom are no longer one of the top 5 largest trading partners in Brazilian agribusiness.

Fonte: MAPA - AGROSTAT. Share calculado sobre o Valor das Exportações em US$.

# The Importance of Agribusiness for Brazil | Agribusiness in the Brazilian Trade Balance



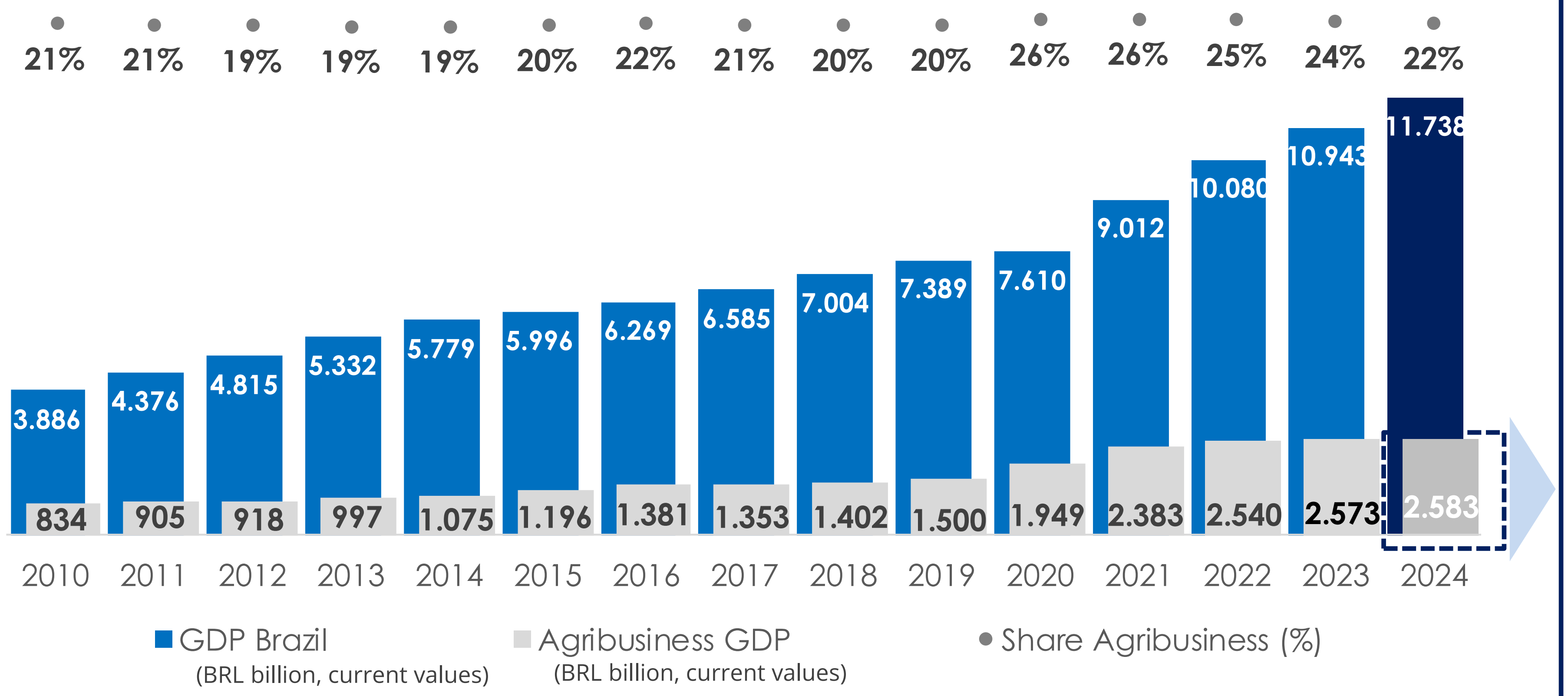



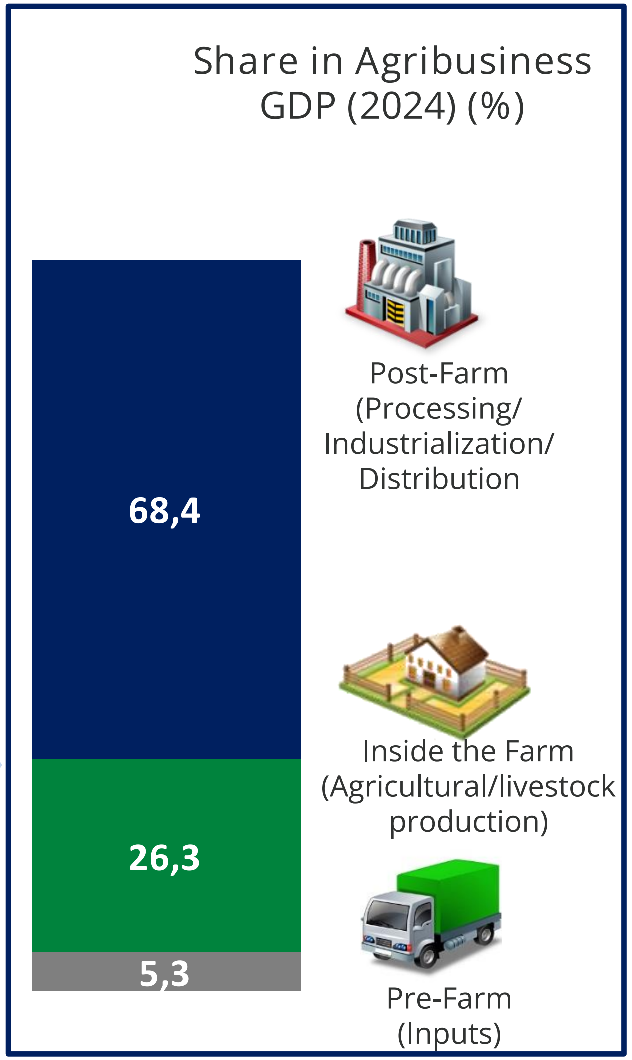

| Exports of Sector Agribusiness (%) | |
|---|---|
| Soy Complex | 34,0% |
| Meat | 15,9% |
| Sugar-energy complex | 12,0% |
| Coffee | 17,2% |
| Others | 20,8% |

Fonte: MDIC - COMEX/ MAPA.

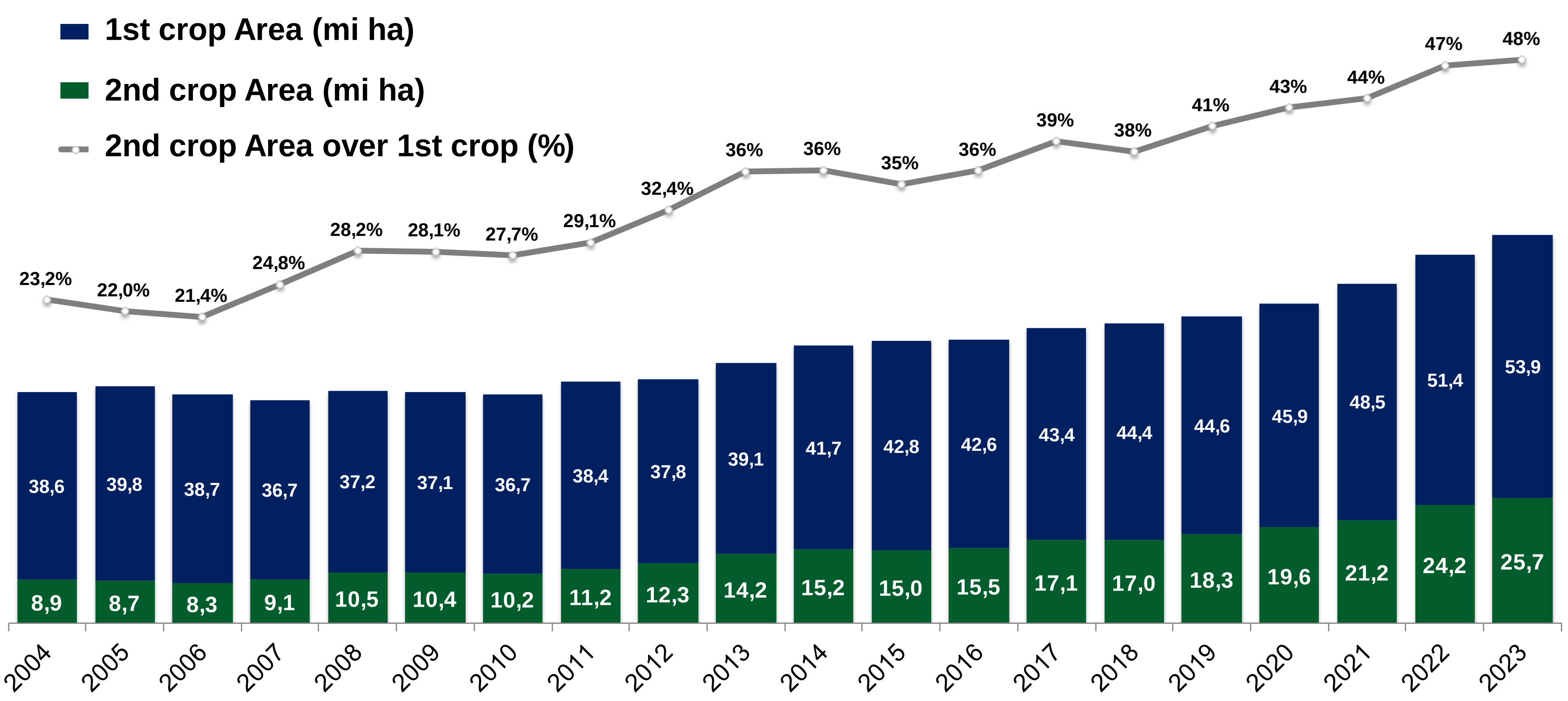
# The Importance of Agribusiness for Brazil |

## Agribusiness' Share in Brazil's Total GDP



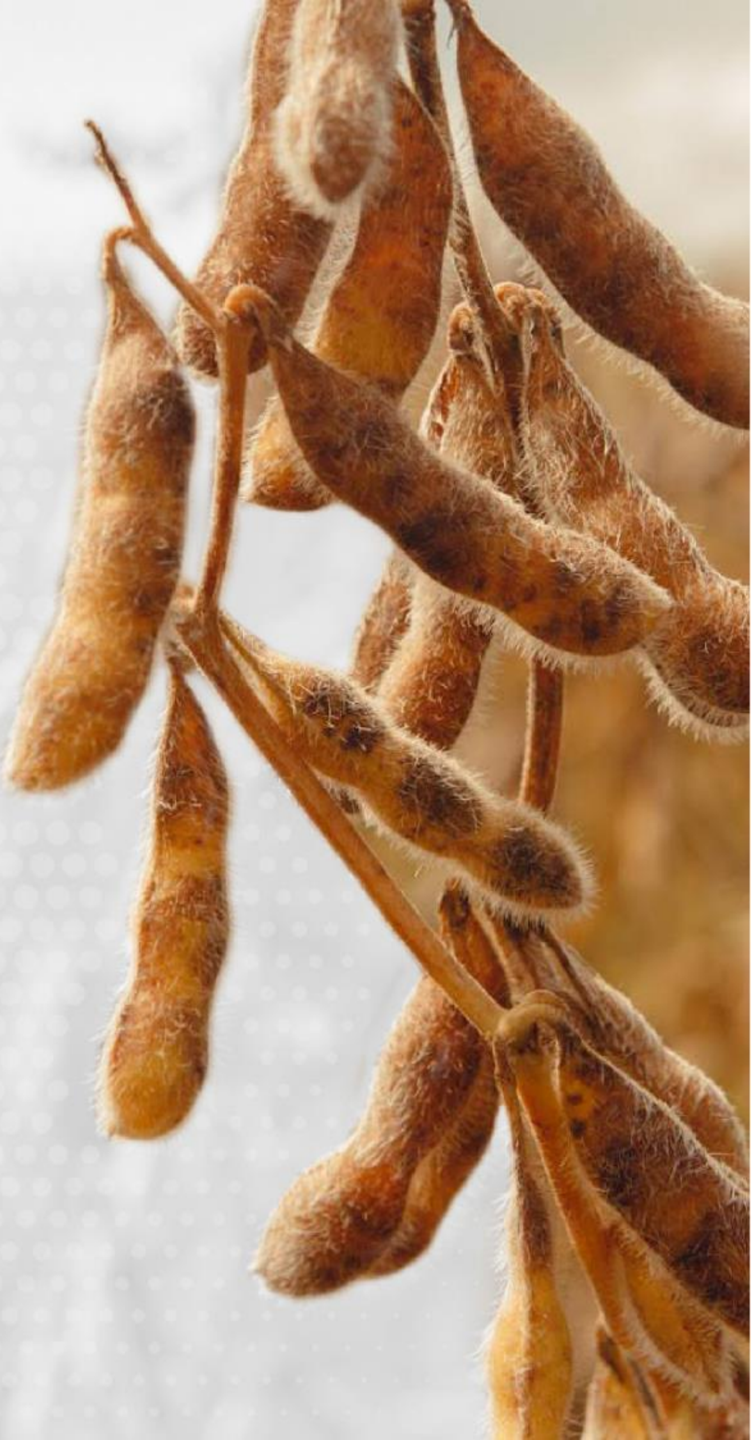
# Brazilian Agriculture | Possibility of Second Crop



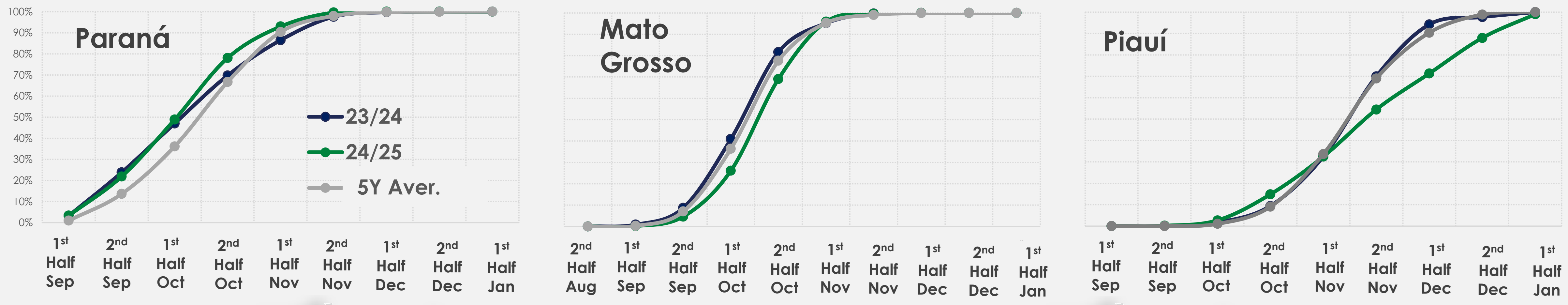

- In Brazil, it is possible to grow 2 or more crops on 1 hectare. Over the last 20 years, the planted area with 1st harvest crops has increased by 1.9% per year, and in the same period, 2nd and 3rd crops have grown by 5.5% per year. This increased penetration from 23% to the current 48%.

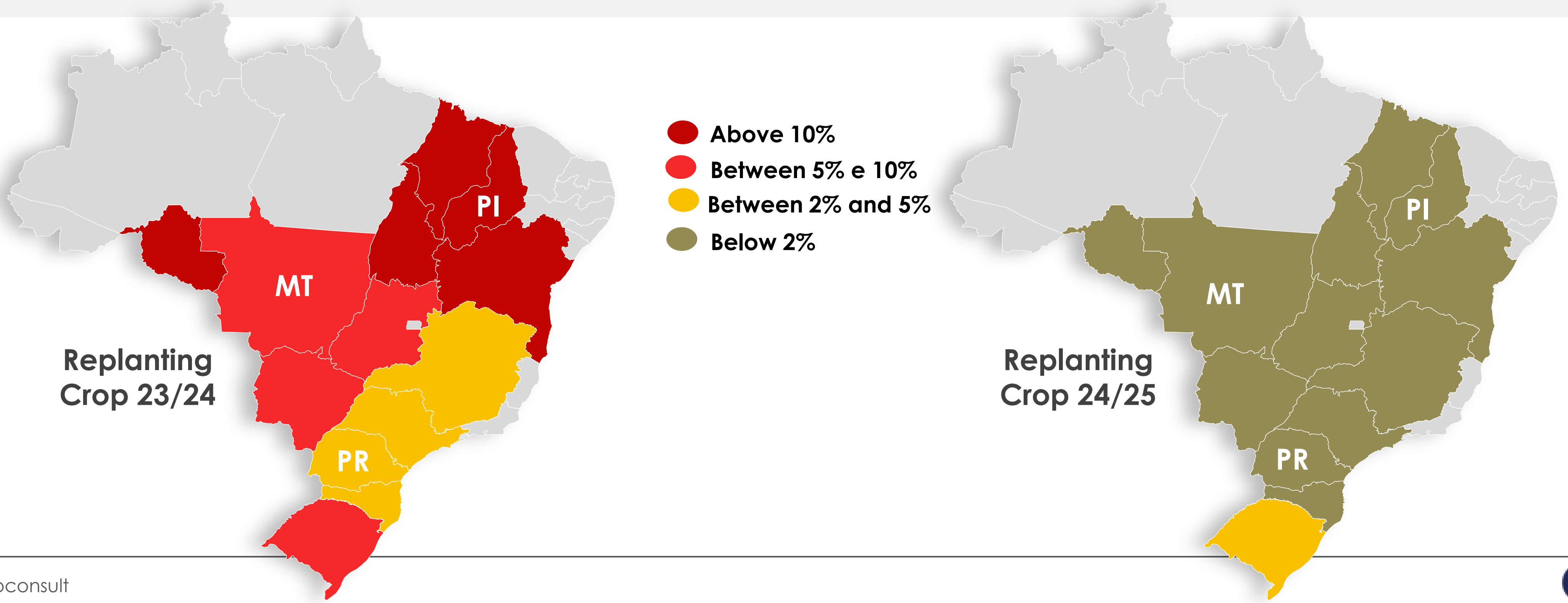
Source: Conab e Agroconsult. 1ª Safra: Soja, Milho 1ª Safra, Arroz Feijão 1ª Safra, Algodão 1ª Safra, Amendoim 1ª Safra e Mamona.
2ª Safra: Milho 2ª Safra, Feijão 2ª Safra, Feijão 3ª Safra, Trigo, Centeio, Cevada, Triticale, Sorgo, Aveia, Canola, Amendoim 2ª Safra, Girassol, Algodão 2ª Safra

# Soybeans



# Good planting conditions and few replanting

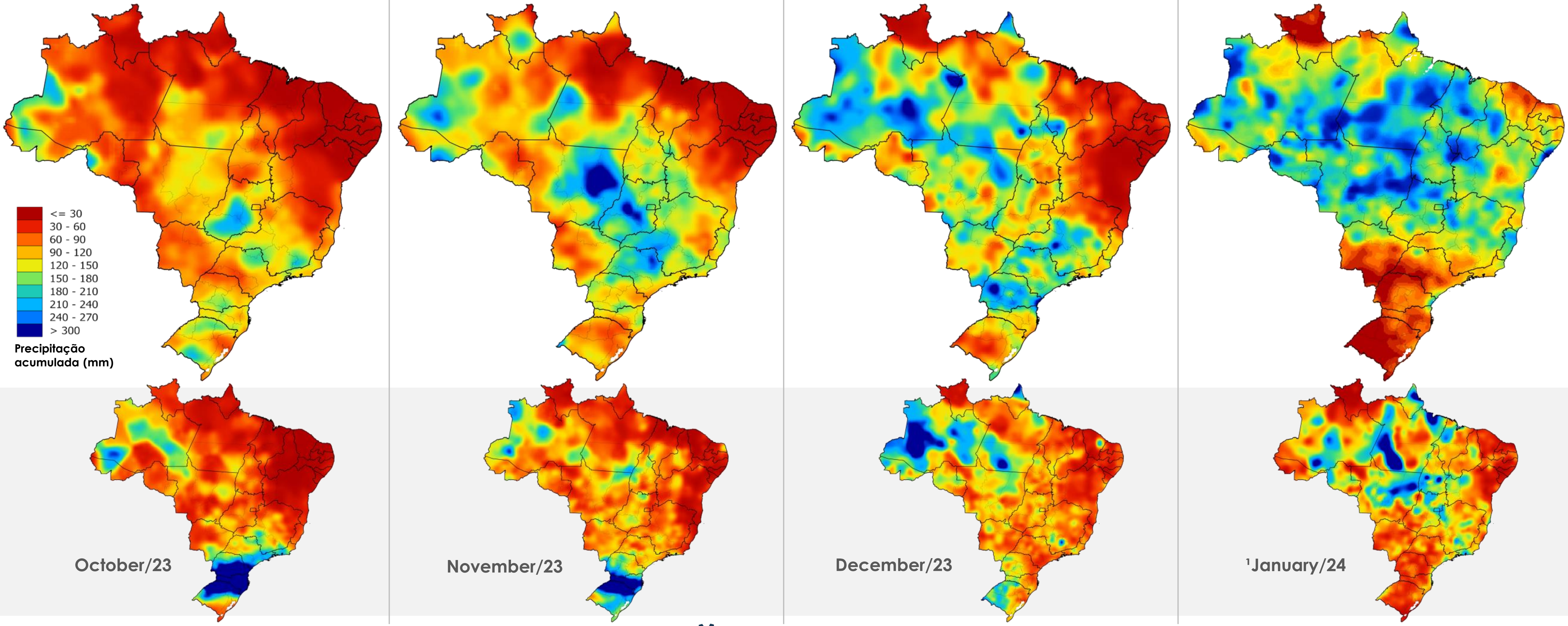


# Good weather conditions at the start of development period

## ACCUMULATED PRECIPITATION

October/24 | November/24 | December/24 | [1]January/25



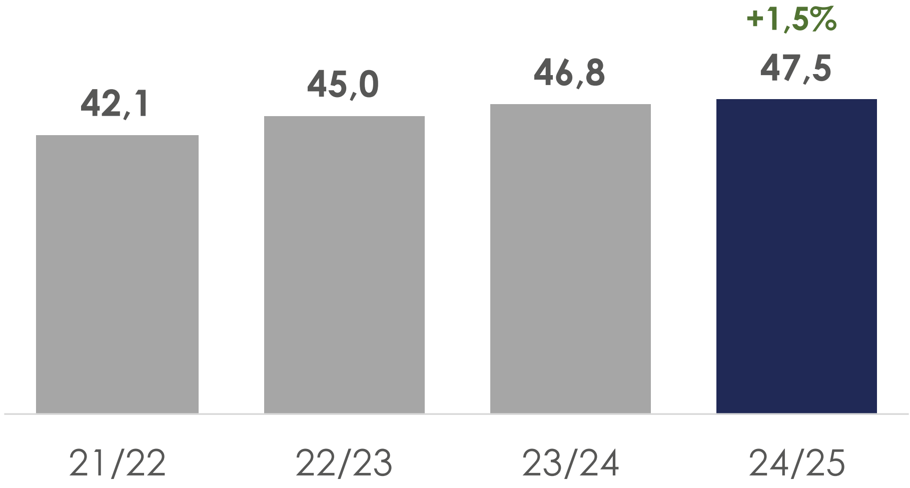

CropData

Source: CROPDATA. [1]First half of January.

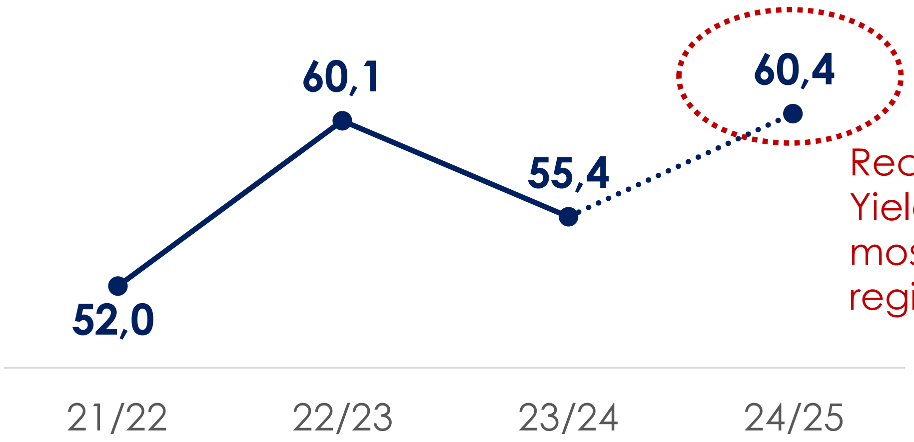
agroconsult

# Soybeans Brazil 24/25 | Planted Area and Expected Yields

## Planted Area (Mha)

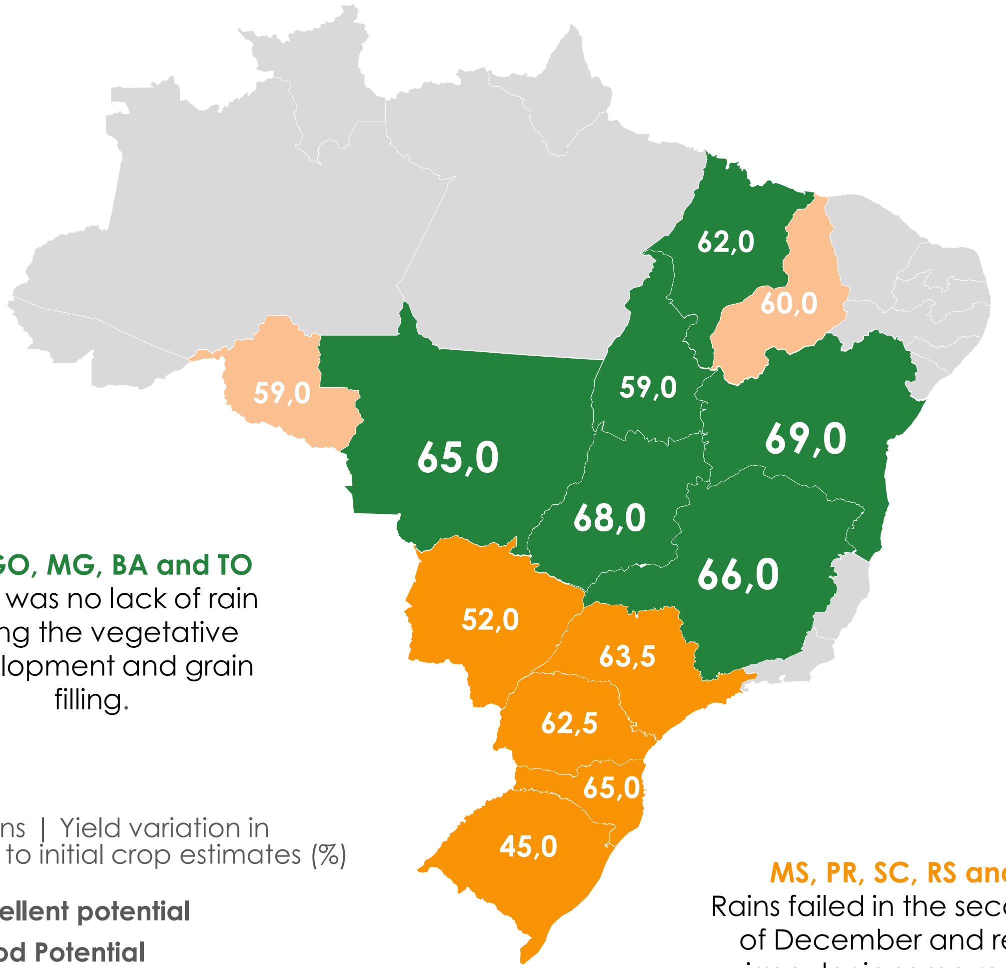



## Yields (bags/ha)




Record Yields in most of the regions

## Yield per State (bags/ha)



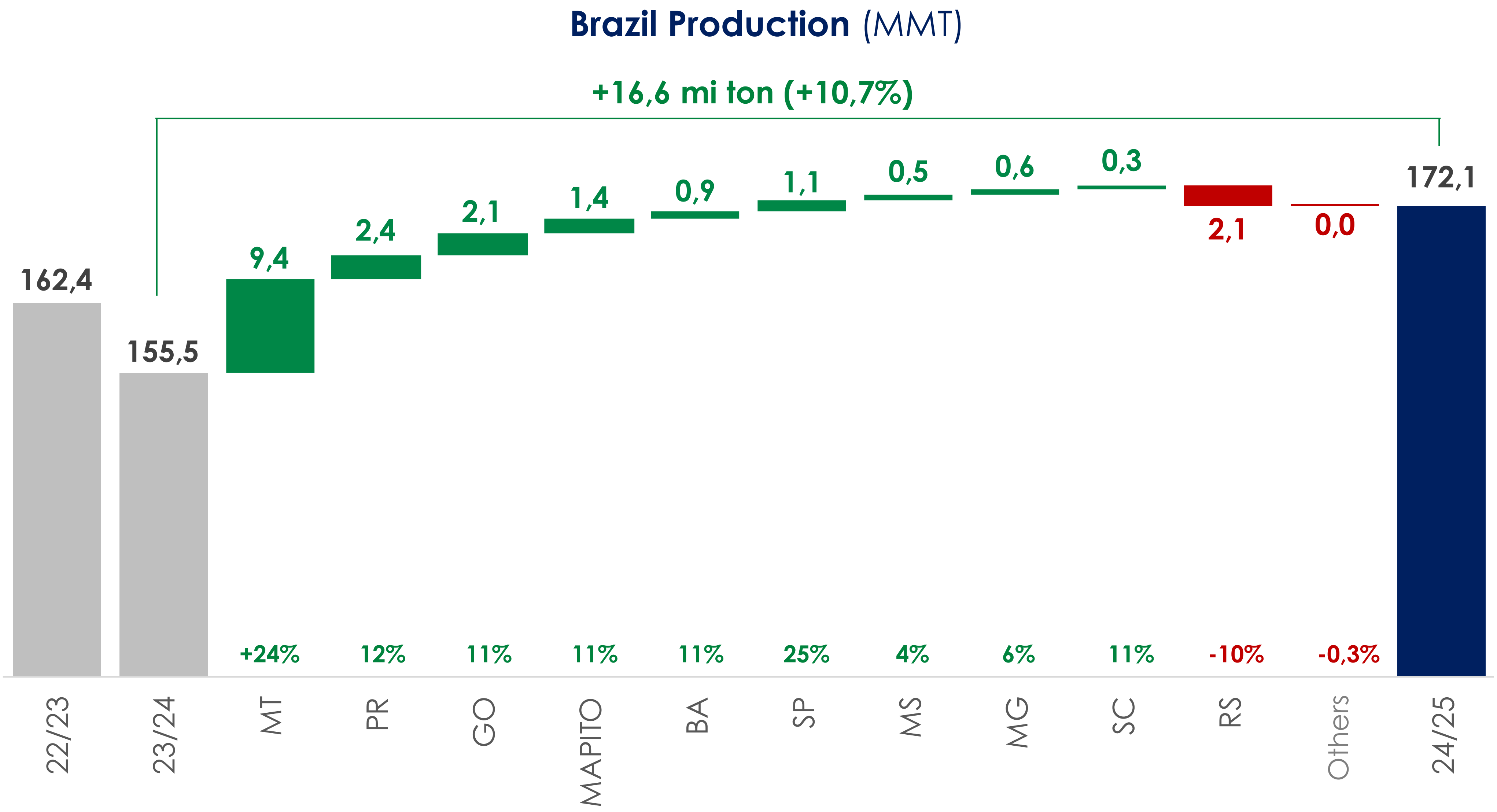

**MT, GO, MG, BA and TO**
There was no lack of rain during the vegetative development and grain filling.

Soybeans | Yield variation in relation to initial crop estimates (%)

- **Excellent potential**
- **Good Potential**
- **In attention**

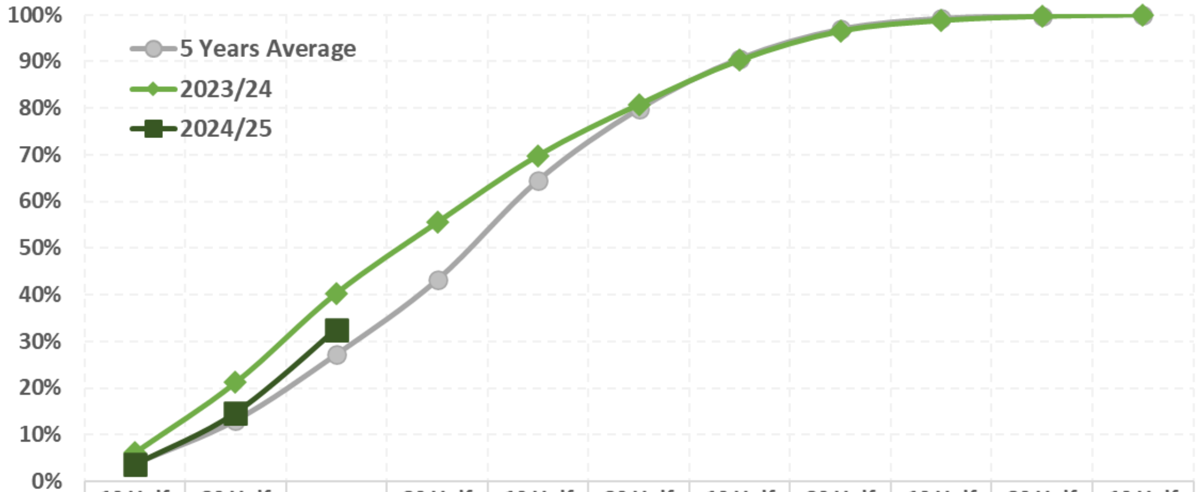
**MS, PR, SC, RS and SP**
Rains failed in the second half of December and remain irregular in some regions.

# Soybeans Brazil 24/25 | Prodution increase per state



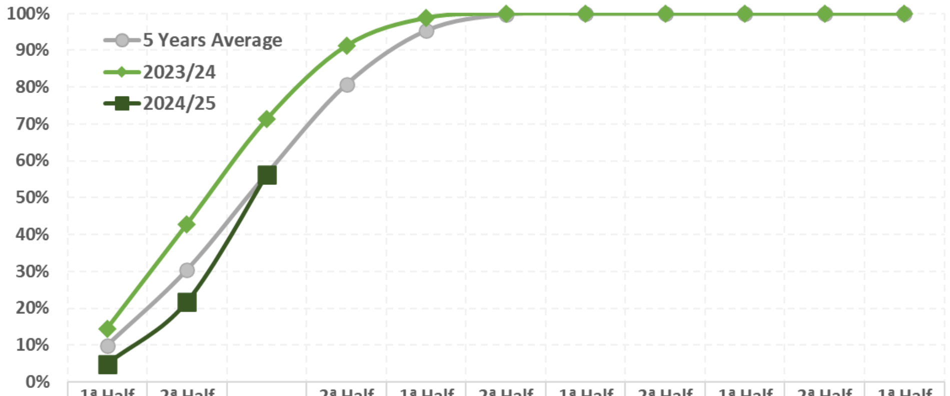
# Brazil Soybean 24/25 | Harvest Pace

## Brazil Harvest Pace (%)



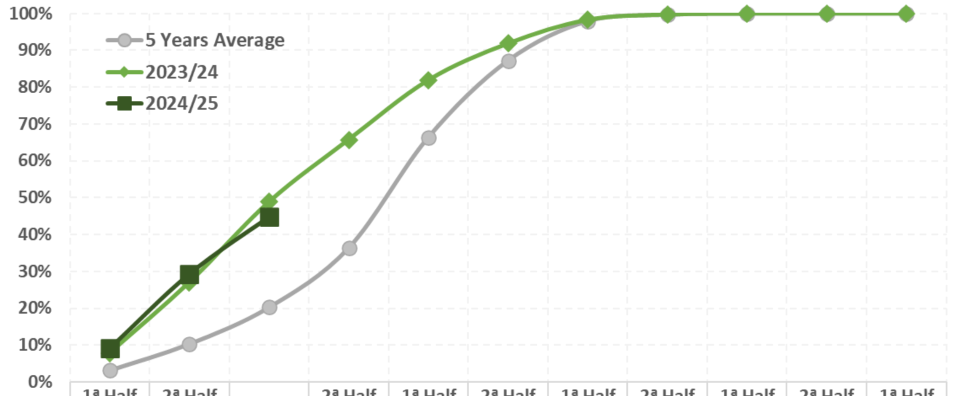

| | 1ª Half Jan | 2ª Half Jan | Feb/13 | 2ª Half Feb | 1ª Half Mar | 2ª Half Mar | 1ª Half Apr | 2ª Half Apr | 1ª Half May | 2ª Half May | 1ª Half Jun |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 Years Average | 4% | 13% | 27% | 43% | 65% | 80% | 91% | 97% | 99% | 100% | 100% |
| 2023/24 | 6% | 21% | 40% | 56% | 70% | 81% | 90% | 96% | 99% | 100% | 100% |
| 2024/25 | 4% | 15% | 33% | | | | | | | | |

## Mato Grosso (%)




| | 1ª Half Jan | 2ª Half Jan | Feb/13 | 2ª Half Feb | 1ª Half Mar | 2ª Half Mar | 1ª Half Apr | 2ª Half Apr | 1ª Half May | 2ª Half May | 1ª Half Jun |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 Years Average | 10% | 30% | 56% | 81% | 95% | 100% | 100% | 100% | 100% | 100% | 100% |
| 2023/24 | 15% | 43% | 71% | 91% | 99% | 100% | 100% | 100% | 100% | 100% | 100% |
| 2024/25 | 5% | 22% | 56% | | | | | | | | |

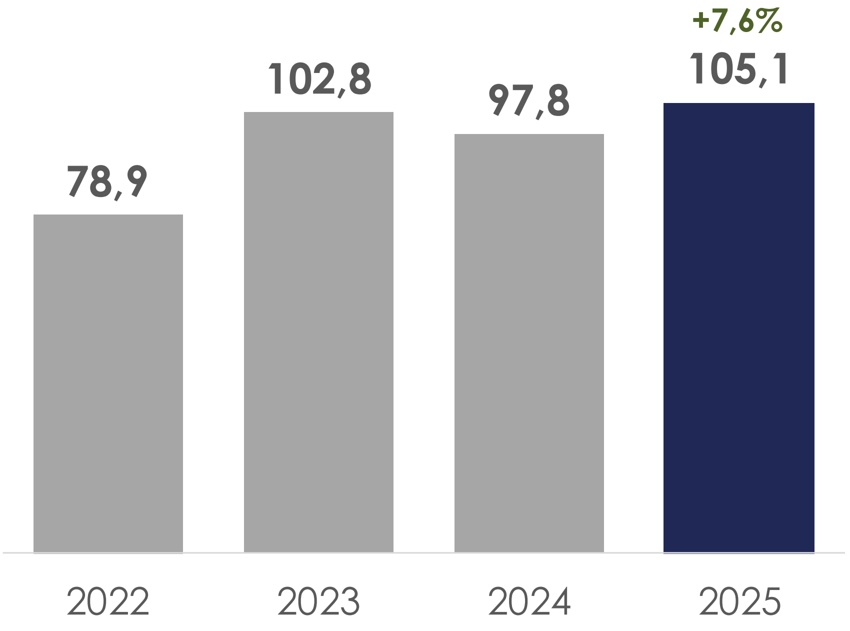
## Paraná (%)



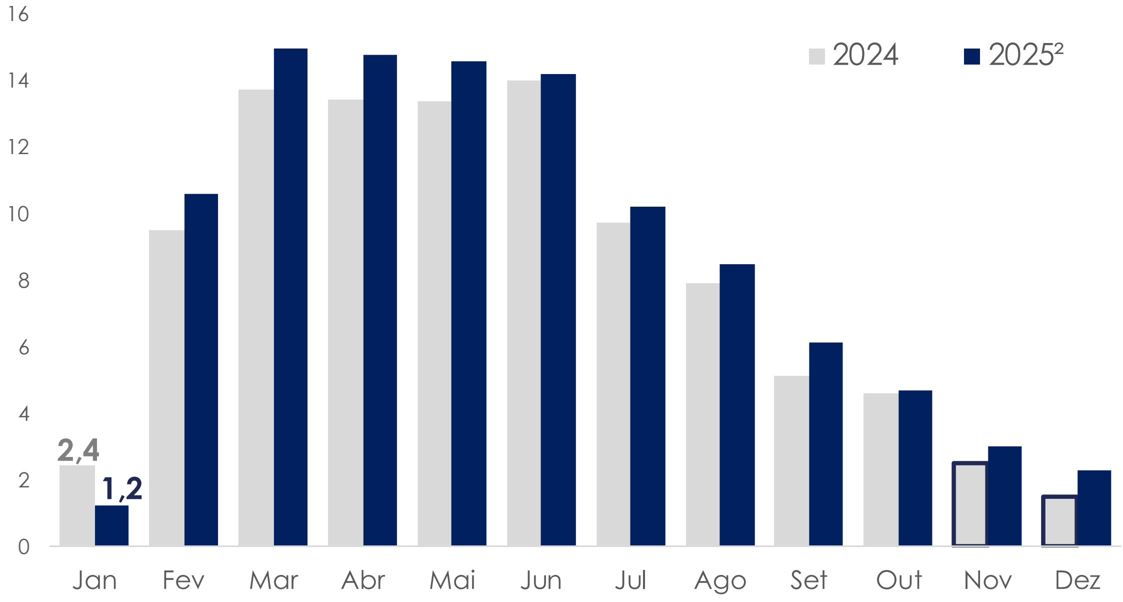

| | 1ª Half Jan | 2ª Half Jan | Feb/13 | 2ª Half Feb | 1ª Half Mar | 2ª Half Mar | 1ª Half Apr | 2ª Half Apr | 1ª Half May | 2ª Half May | 1ª Half Jun |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 Years Average | 3% | 10% | 20% | 36% | 66% | 87% | 98% | 100% | 100% | 100% | 100% |
| 2023/24 | 8% | 27% | 49% | 66% | 82% | 92% | 98% | 100% | 100% | 100% | 100% |
| 2024/25 | 9% | 29% | 45% | | | | | | | | |

# Soybeans Brazil 24/25 | Exports and Crushing

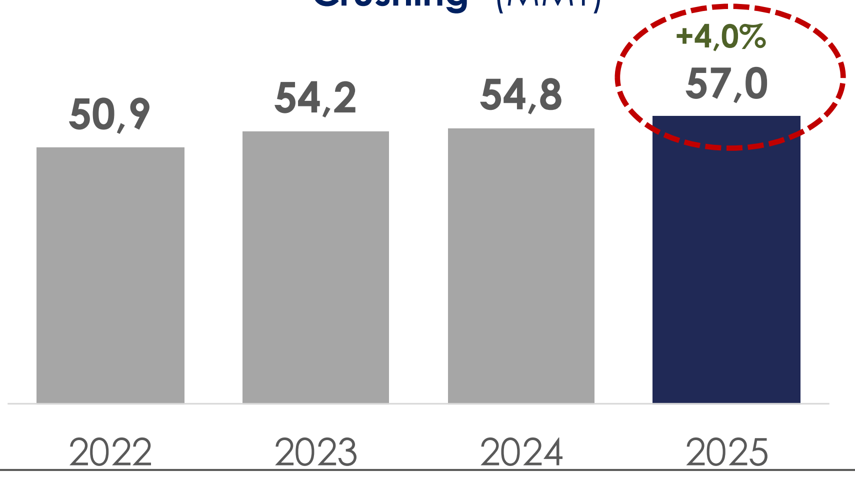
**Exports[1]** (MMT)




**Monthly Exports** (MMT)

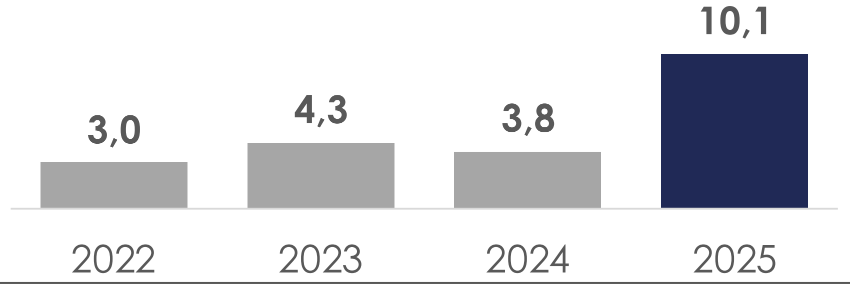



**Crushing[2]** (MMT)




Importance of Biodiesel – 14% blend on diesel – YoY 1% increase

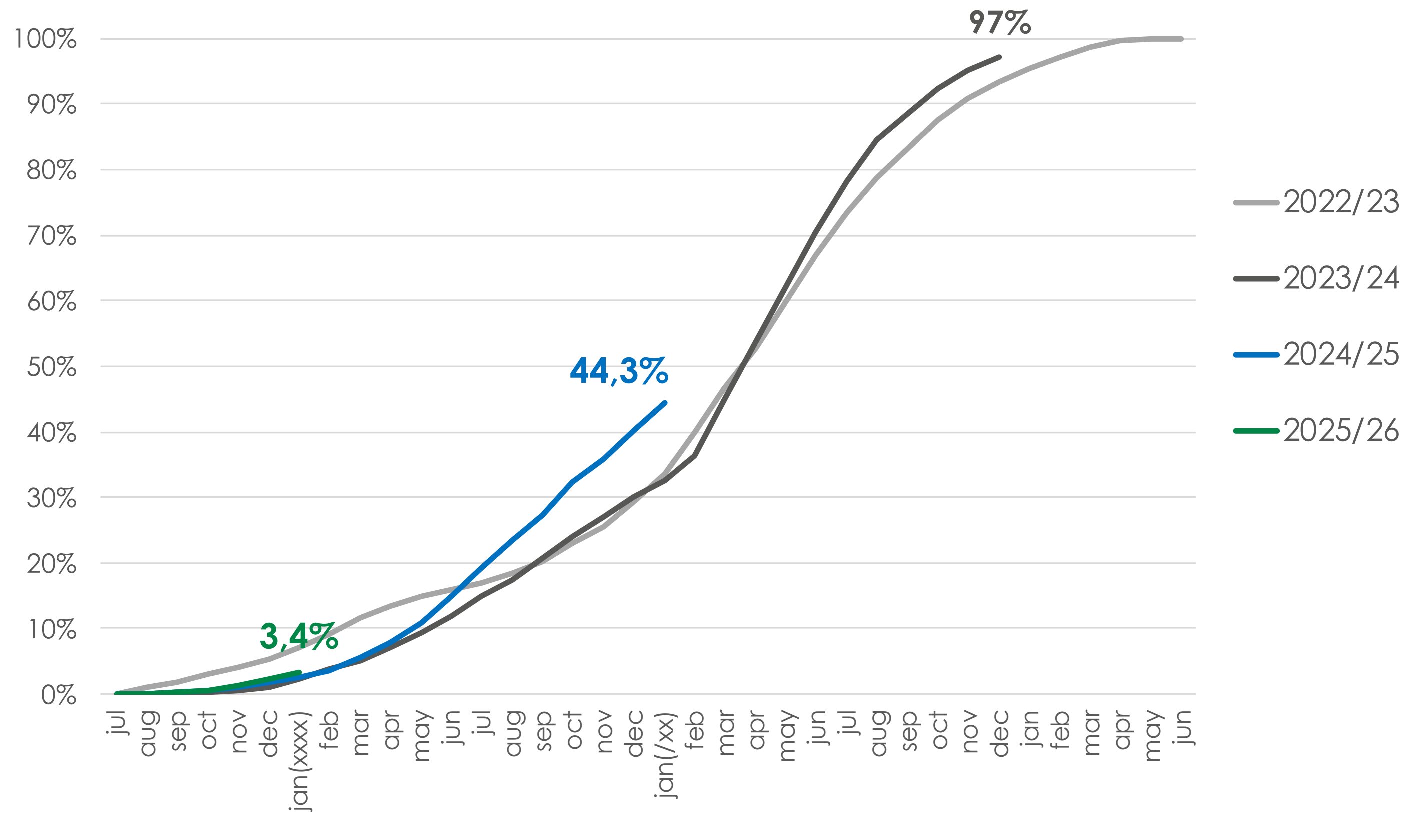
**Ending Stocks** (MMT)



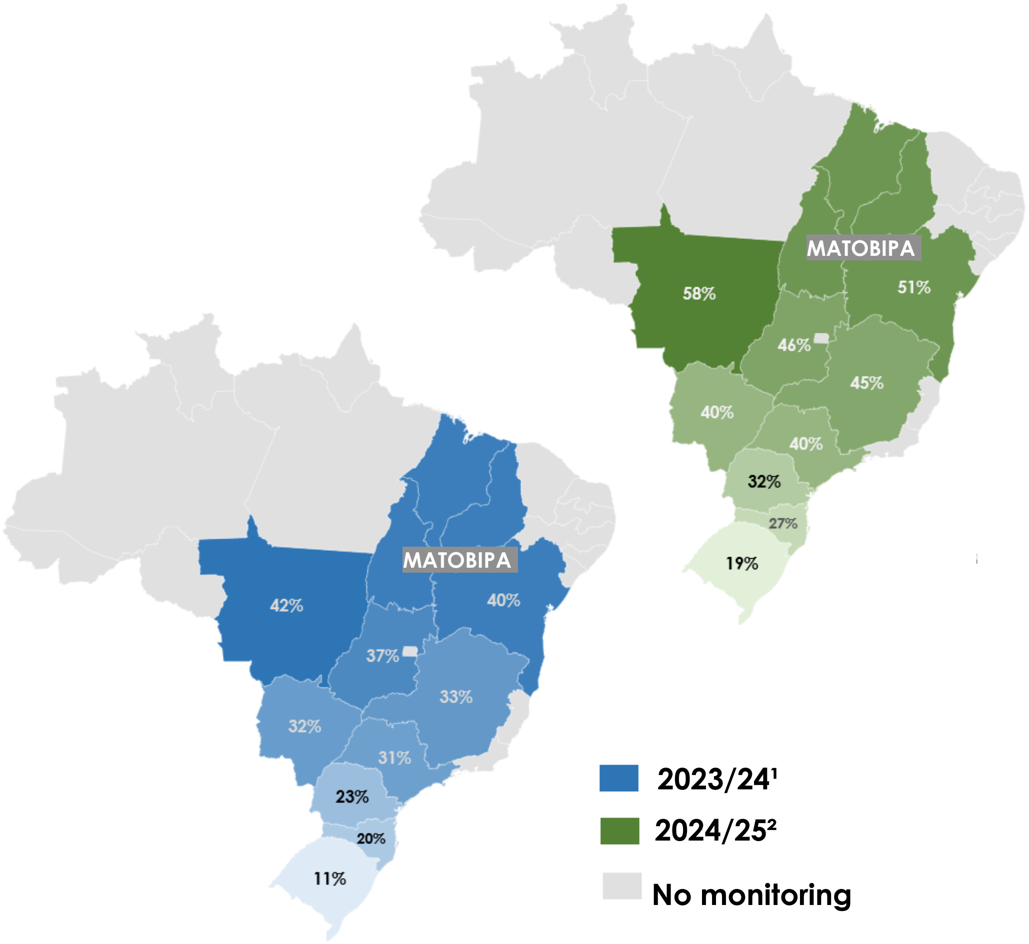

Sources: Alphamar, Abiove, Agroconsult. [1] [2]Calendar jan-dec

# Brazil Soybeans | Pace of Farm Selling

## Soybeans - Brazil | Pace of Farm Selling (%)




## Soybeans | Farm Selling per State (%)




[1]considers sales up to Dec/23
[2]considers sales up to Dec/24

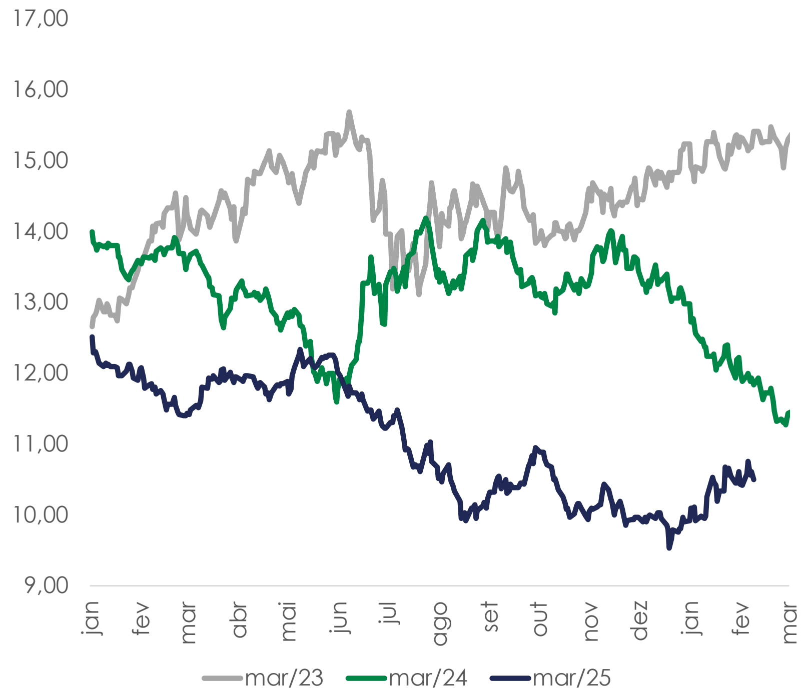


Note: The format (XXXX/) represents the first year displayed in the legend, while (/XX) indicates the second year. For example, 2021/22 means that (XXXX/) corresponds to 2021 and (/XX) to 2022.

# 24/25 Brazil Soybeans | Future CME Prices, Premiums and FX

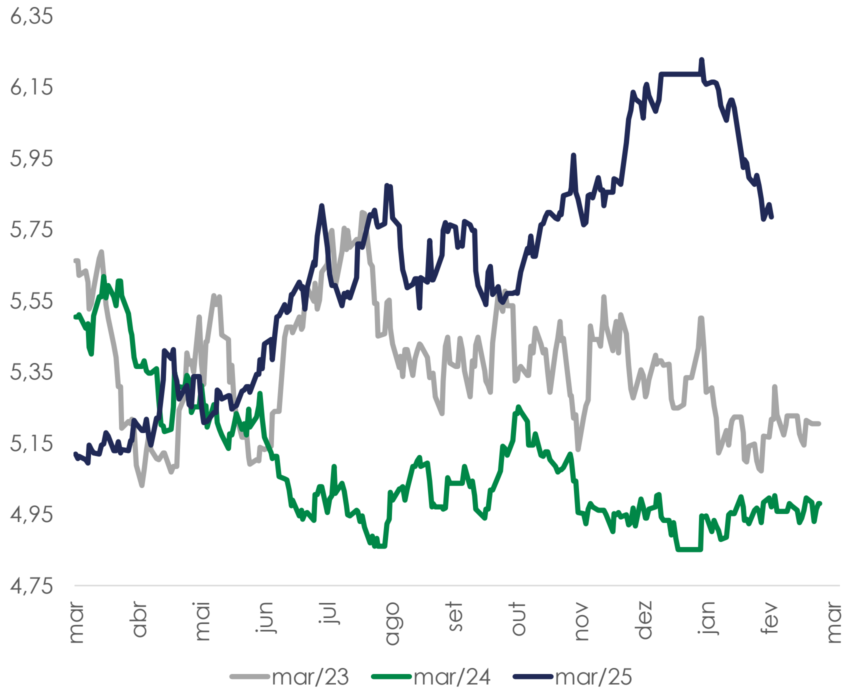
All figures refers to march position (mar/23, mar/24 and mar/25)

**CME Prices** (USD/bu)

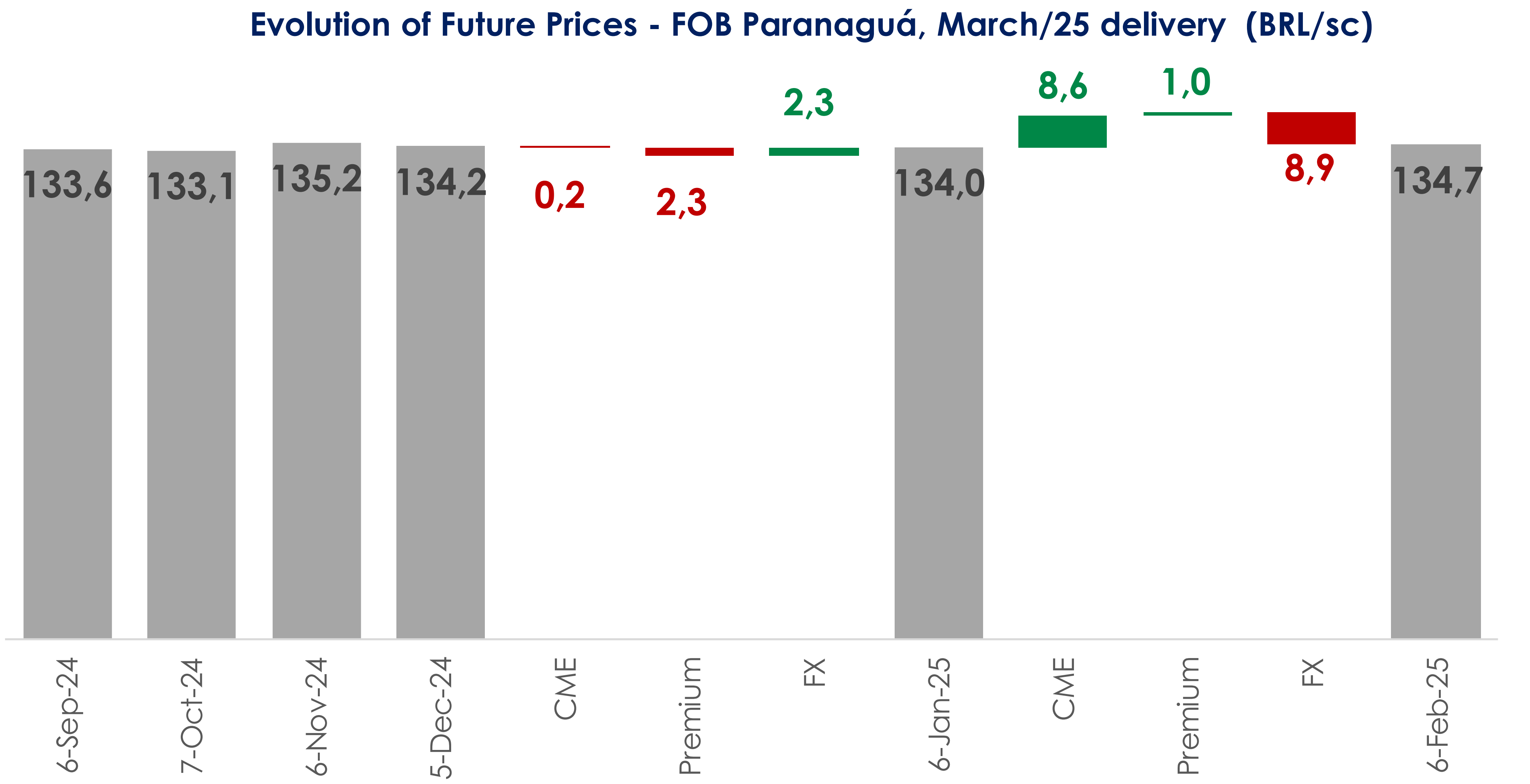



**Export premiums¹** (USD¢/bu)


**Foreign Exchange** (USD/BRL)

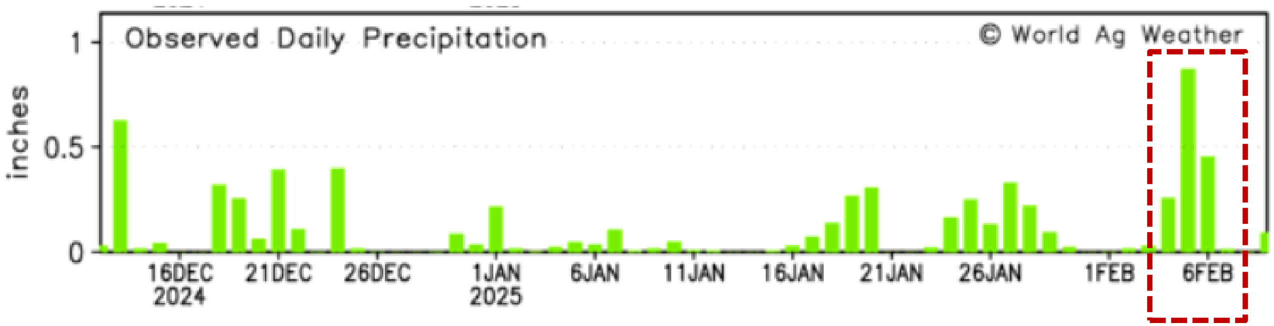


# 24/25 Brazil Soybeans | Future Prices

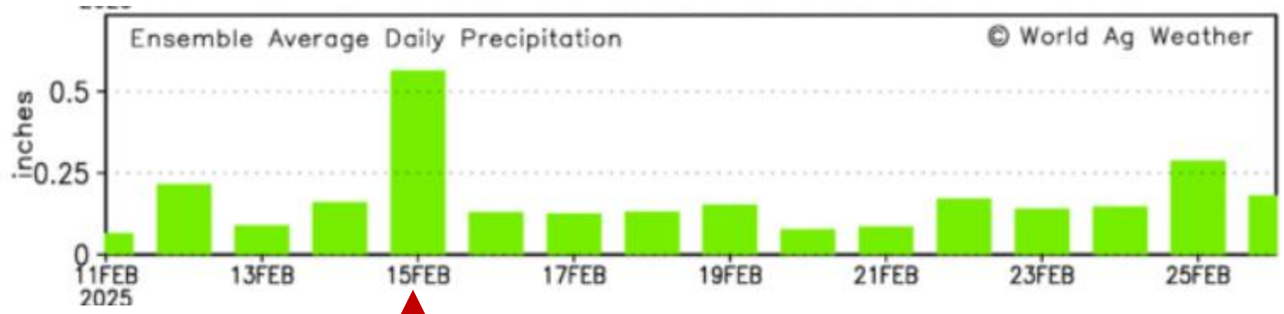


# 24/25 Argentina Soybeans | Weather Forecast and Crop Conditions

## Daily Precipitation – Past 60 days

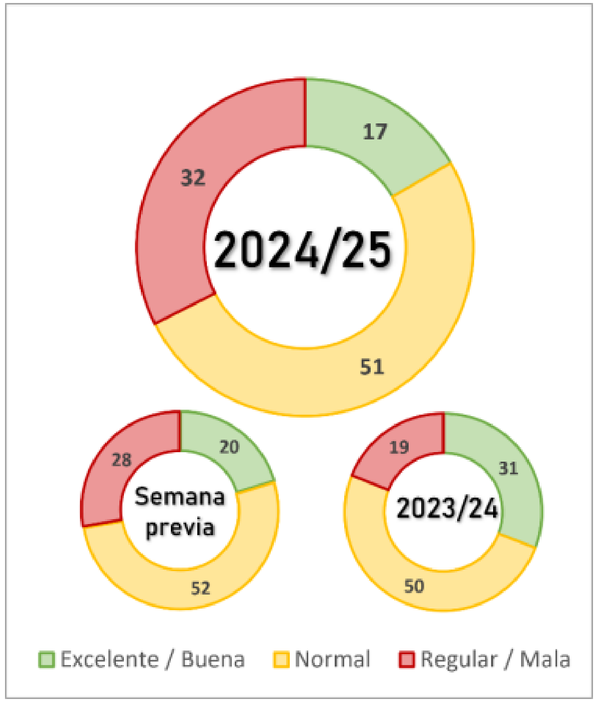



## Daily Precipitation Forecast – Next 15 days

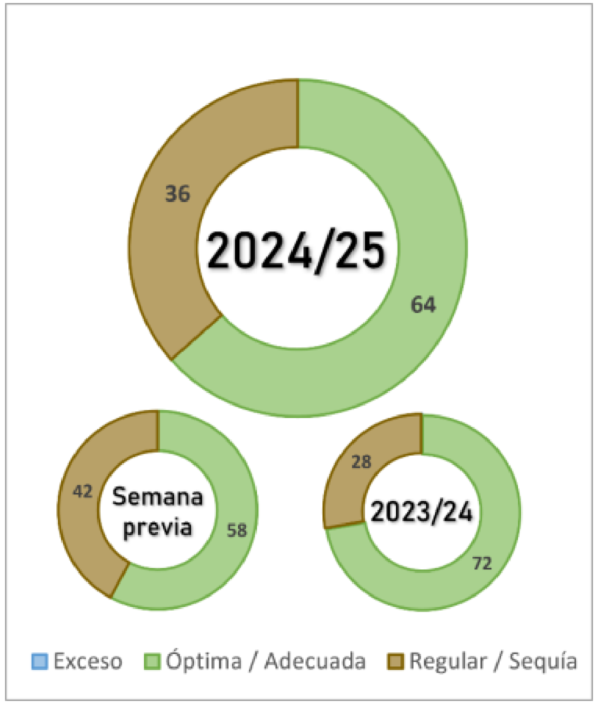



**These rains MUST happen**

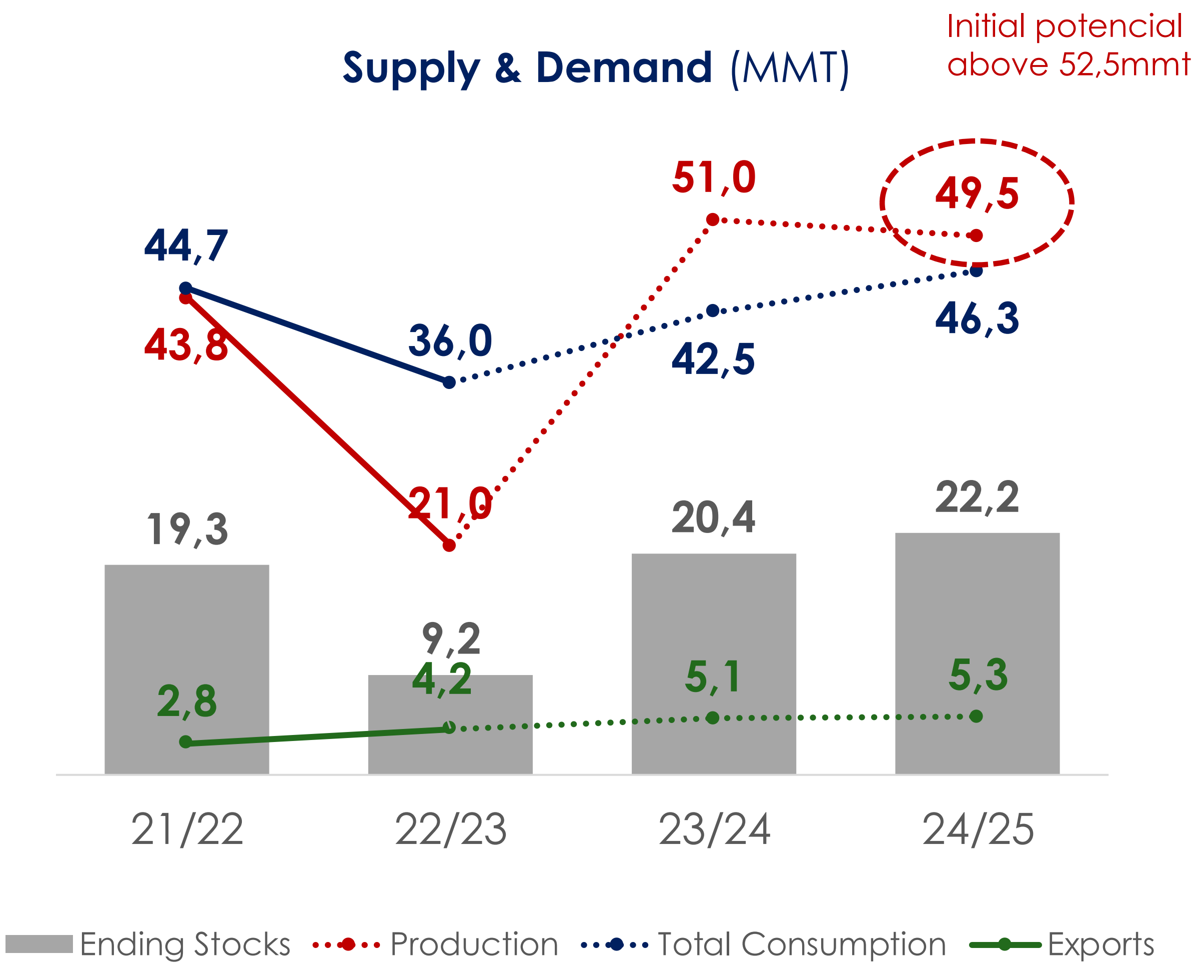
## Crop Condition (%)[1]

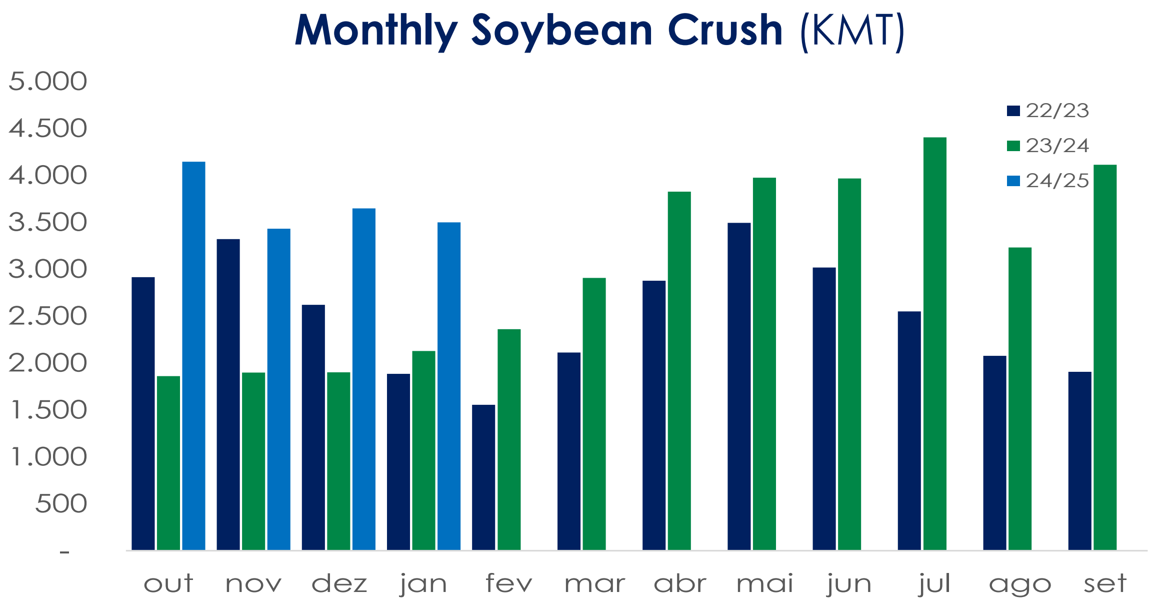


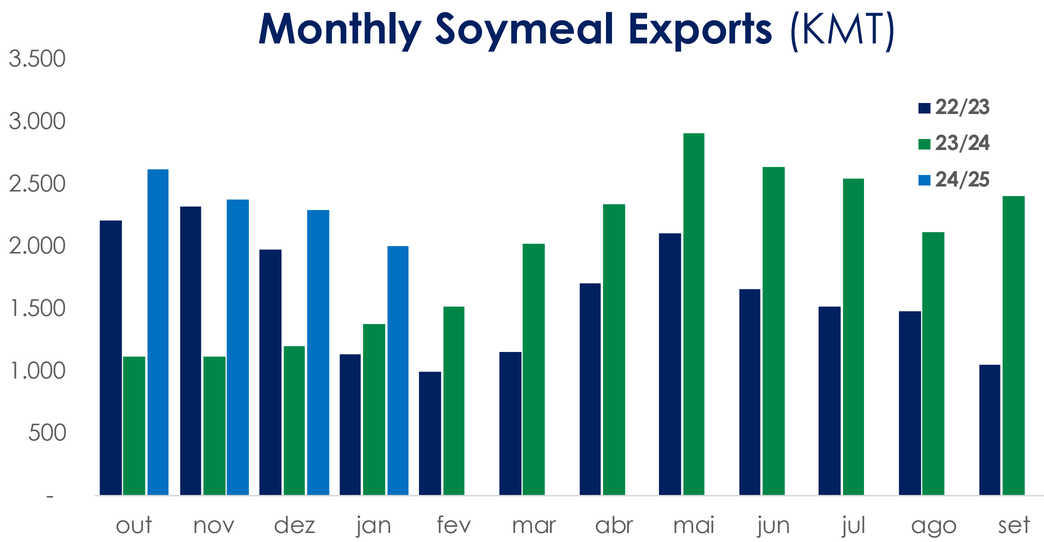

## Soil Condition (%)[1]



# 24/25 Argentina Soybeans | Supply & Demand



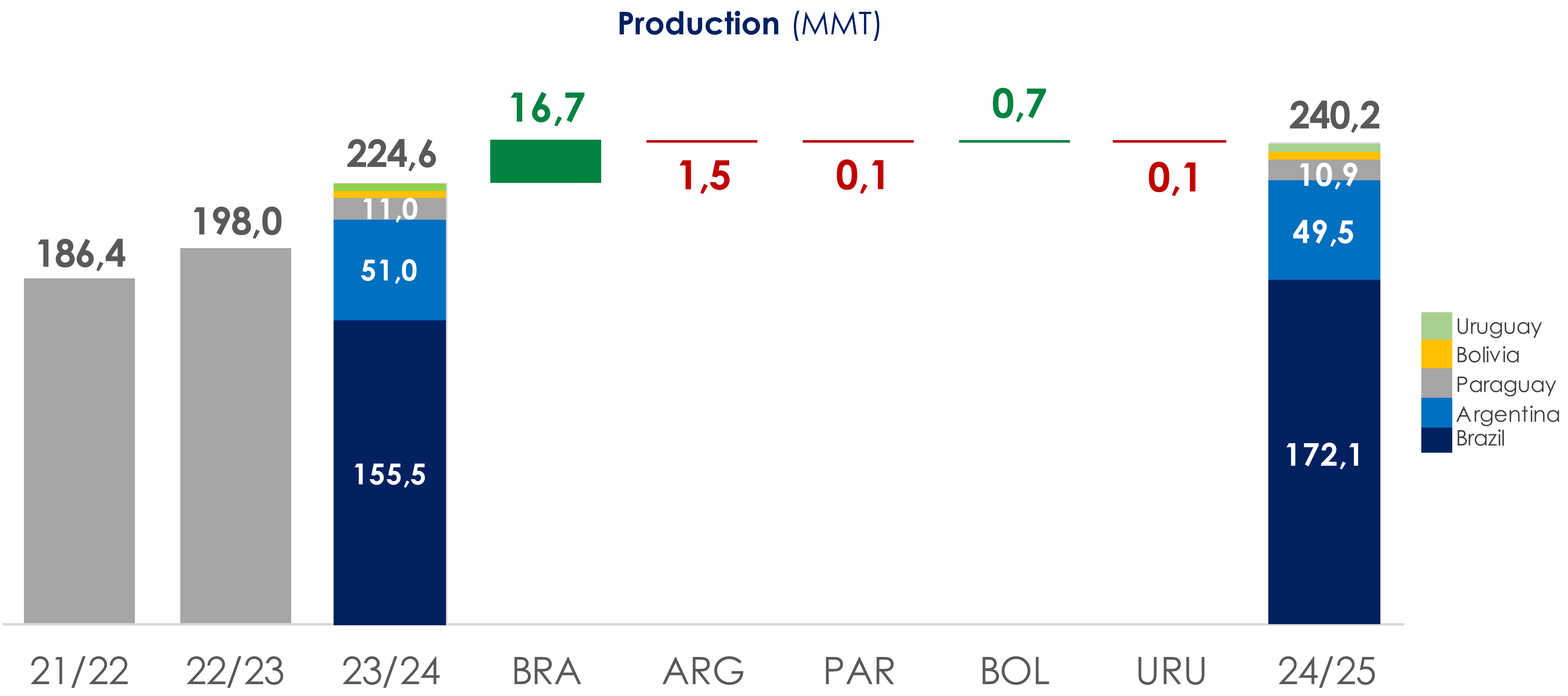




* SBM export +93,4% YoY
* SB crush +89% YoY

Sources: USDA, MAGyP and Agroconsult

# 24/25 South America Soybean | Production Estimates

Brazil + Argentina + Paraguay + Uruguay + Bolivia

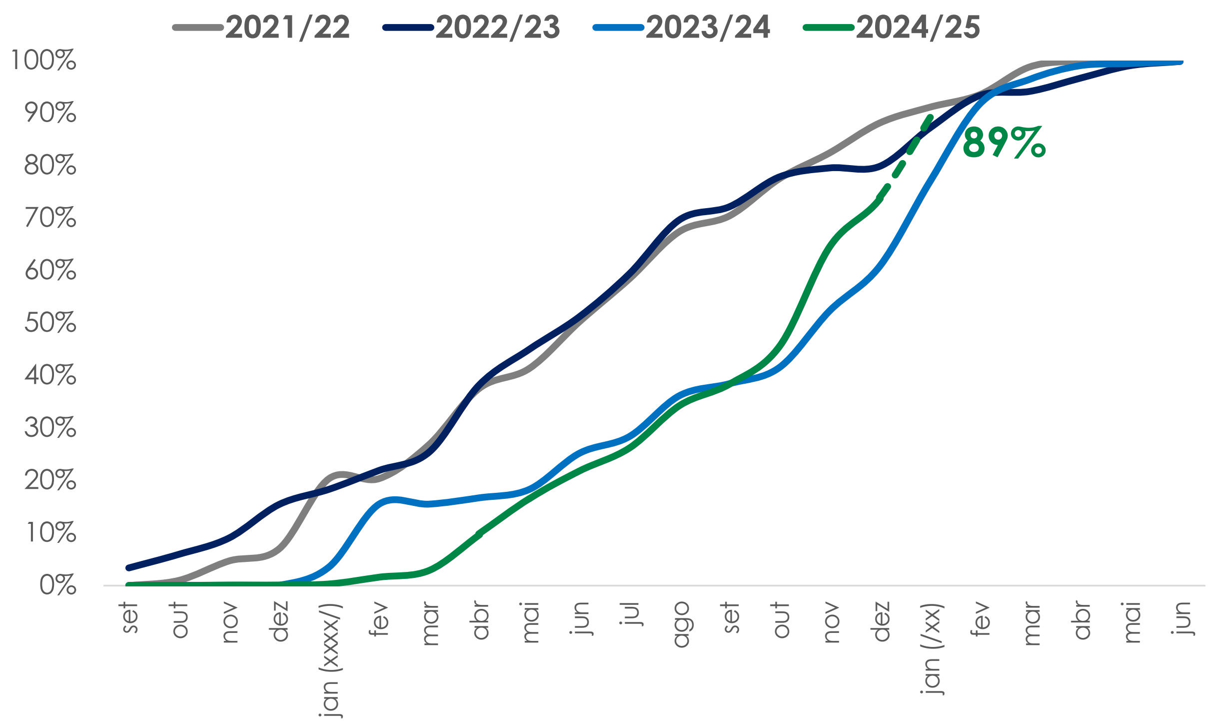



Sources: USDA, Agroconsult.

# Corn

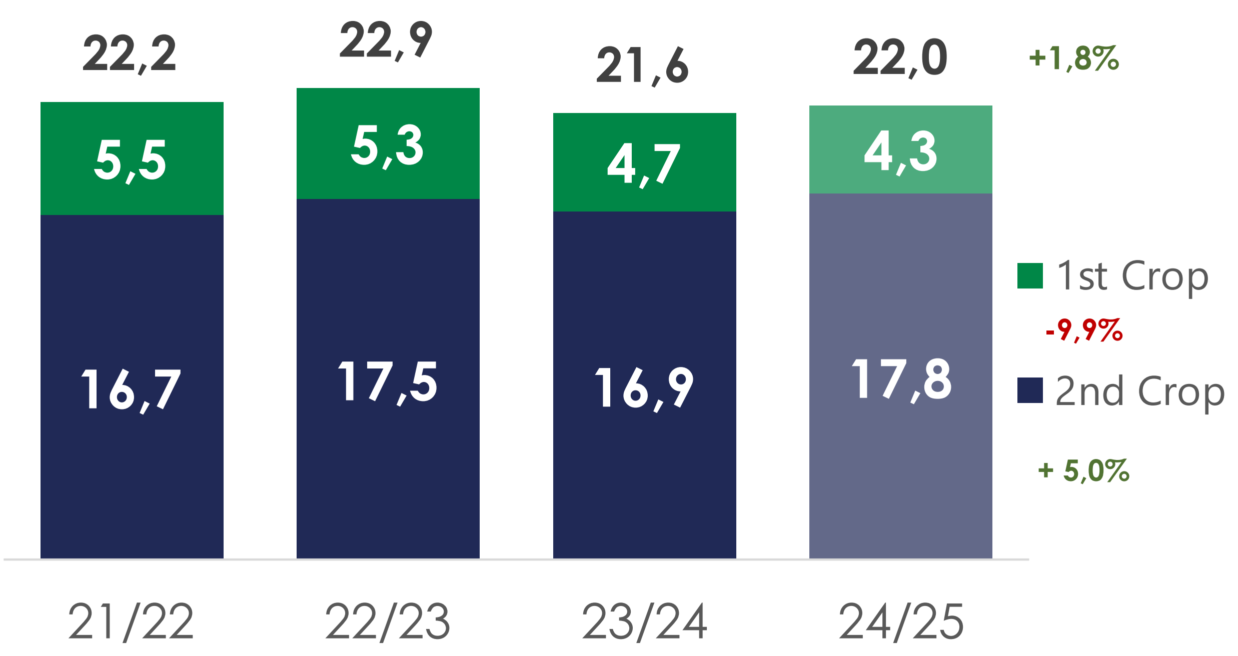
# 24/25 Brazil Corn | Estimated Planted Area

**Inputs - Brazil | Pace of Purchase**[1] (%)
Fertilizer+Agrochemicals+Seeds



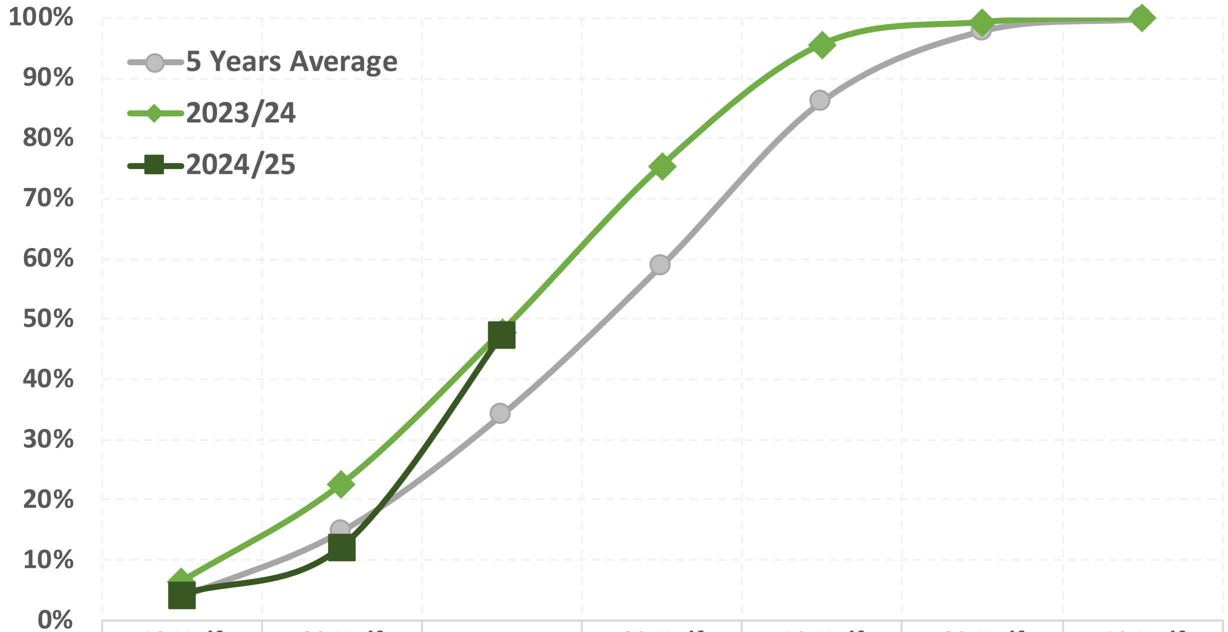

**Brazil**
Fertilizer: **96,1%** vs. 88,1% 23/24
Agrochemical: **77%** vs. 59,2% 23/24
Seeds: **95,1%** vs. 83,5% 23/24

**Planted Area** (Mha)



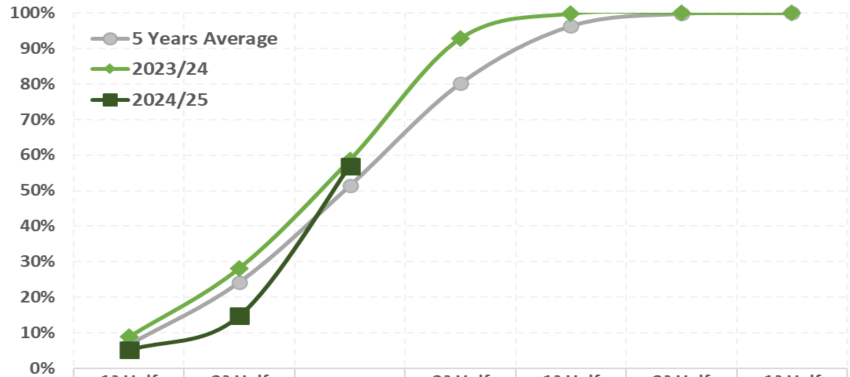
# 24/25 Brazil Corn | Planting Pace

## 2nd Crop Corn | Brazil Planting Pace (%)



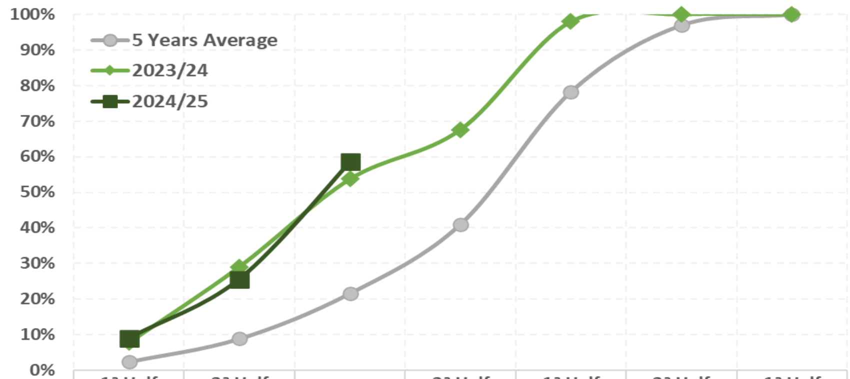

| | 1ª Half Jan | 2ª Half Jan | Feb/13 | 2ª Half Feb | 1ª Half Mar | 2ª Half Mar | 1ª Half Apr |
|---|---|---|---|---|---|---|---|
| 5 Years Average | 4% | 15% | 34% | 59% | 86% | 98% | 100% |
| 2023/24 | 6% | 23% | 48% | 75% | 96% | 99% | 100% |
| 2024/25 | 4% | 12% | 48% | | | | |

## Mato Grosso (%)




| | 1ª Half Jan | 2ª Half Jan | Feb/13 | 2ª Half Feb | 1ª Half Mar | 2ª Half Mar | 1ª Half Apr |
|---|---|---|---|---|---|---|---|
| 5 Years Average | 7% | 24% | 51% | 80% | 96% | 100% | 100% |
| 2023/24 | 9% | 28% | 59% | 93% | 100% | 100% | 100% |
| 2024/25 | 5% | 15% | 57% | | | | |

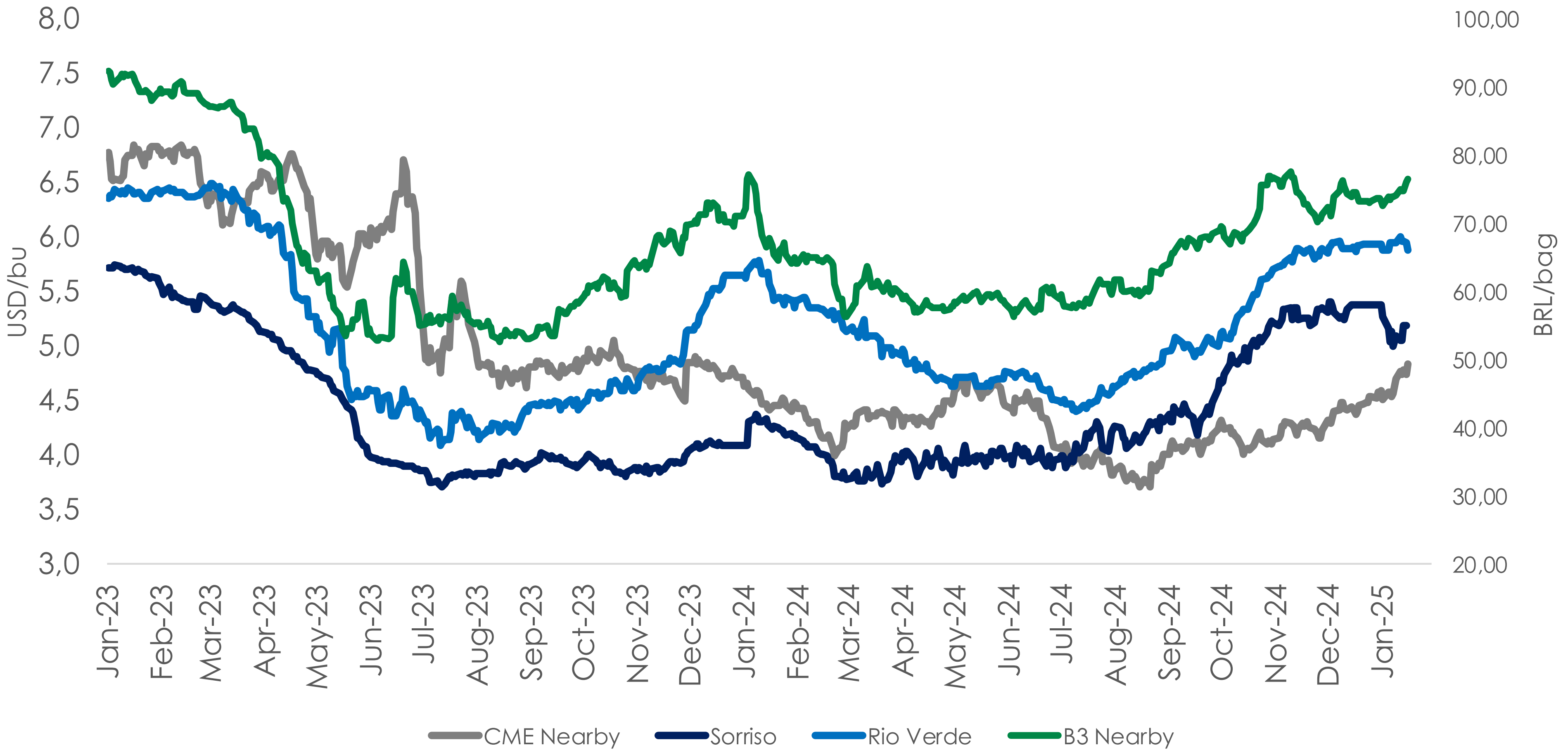
## Paraná (%)



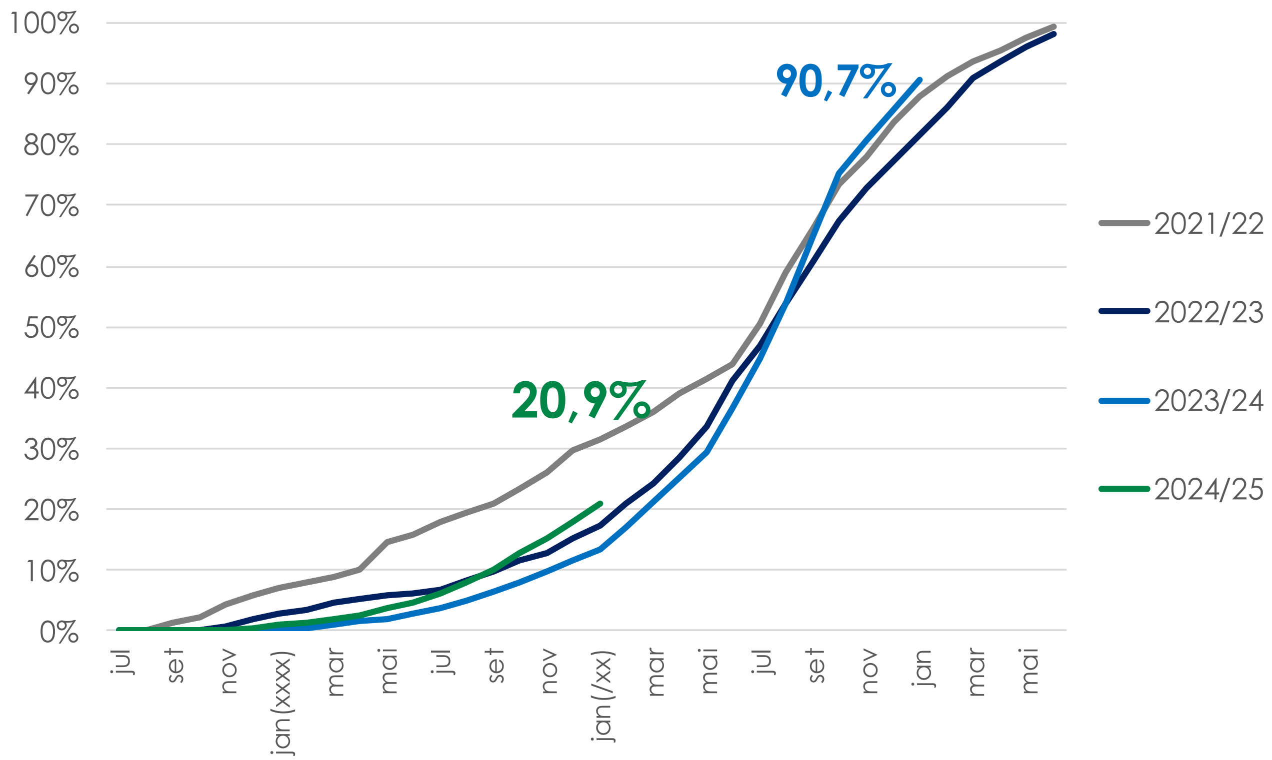

| | 1ª Half Jan | 2ª Half Jan | Feb/13 | 2ª Half Feb | 1ª Half Mar | 2ª Half Mar | 1ª Half Apr |
|---|---|---|---|---|---|---|---|
| 5 Years Average | 2% | 9% | 22% | 41% | 78% | 97% | 100% |
| 2023/24 | 8% | 29% | 54% | 68% | 98% | 100% | 100% |
| 2024/25 | 9% | 26% | 59% | | | | |

# Brazil Corn | Prices

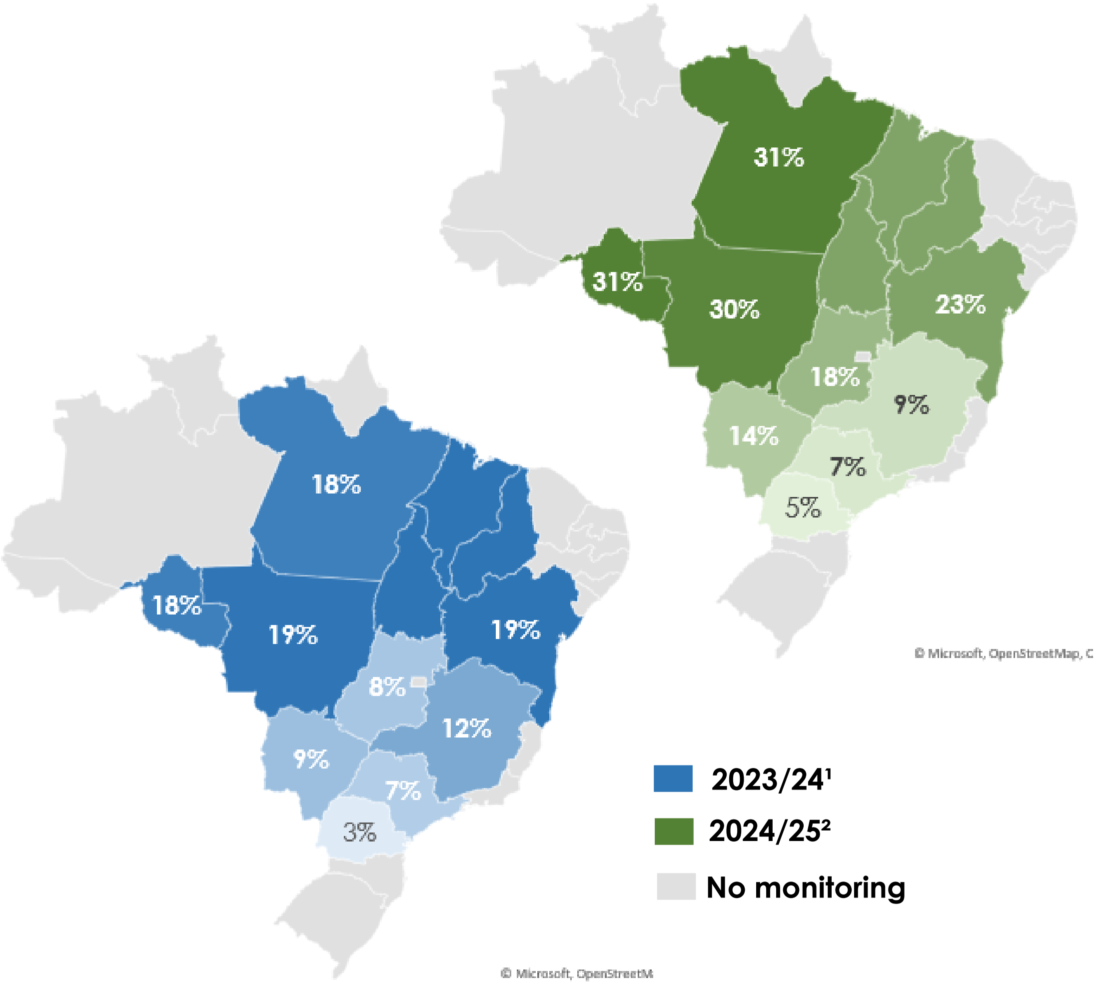
**Prices | CME Nearby** (USD/bu), **B3 Nearby** (BRL/bag) **and *Spot* Domestic Prices** (BRL/bag)



# 24/25 Brazil Corn | Pace of Farm Selling



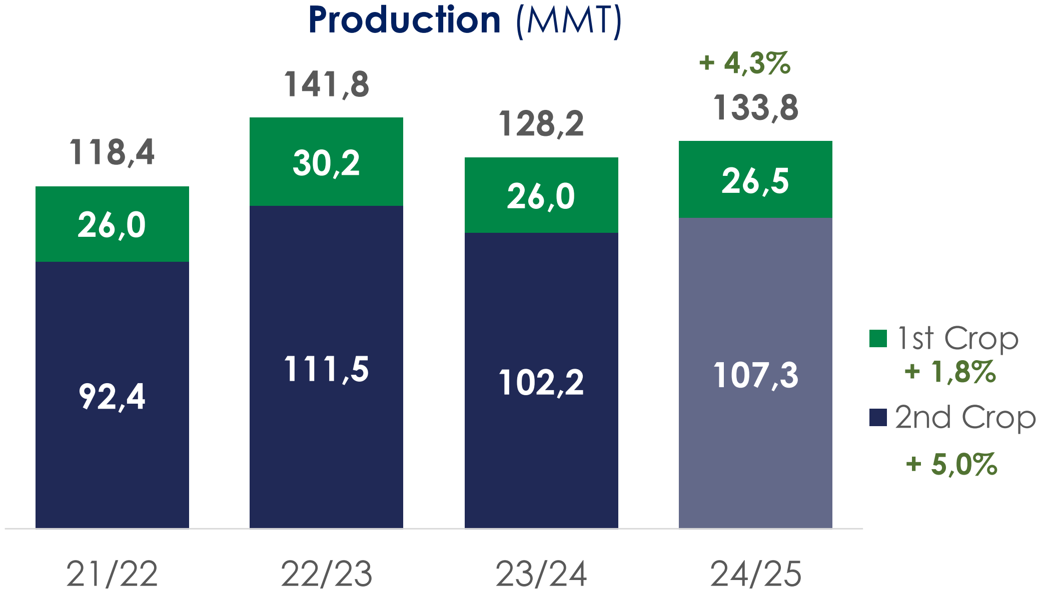

## Farm Selling per State (%)

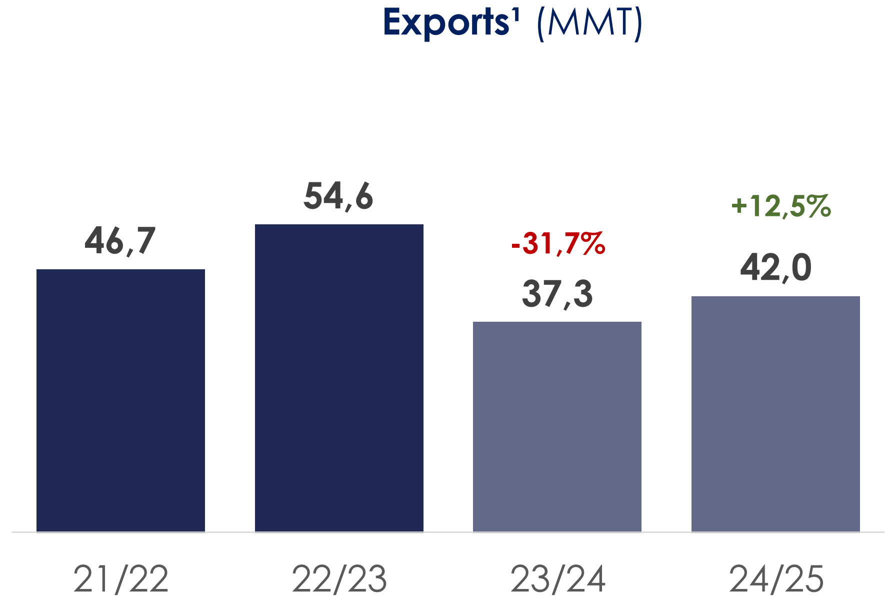


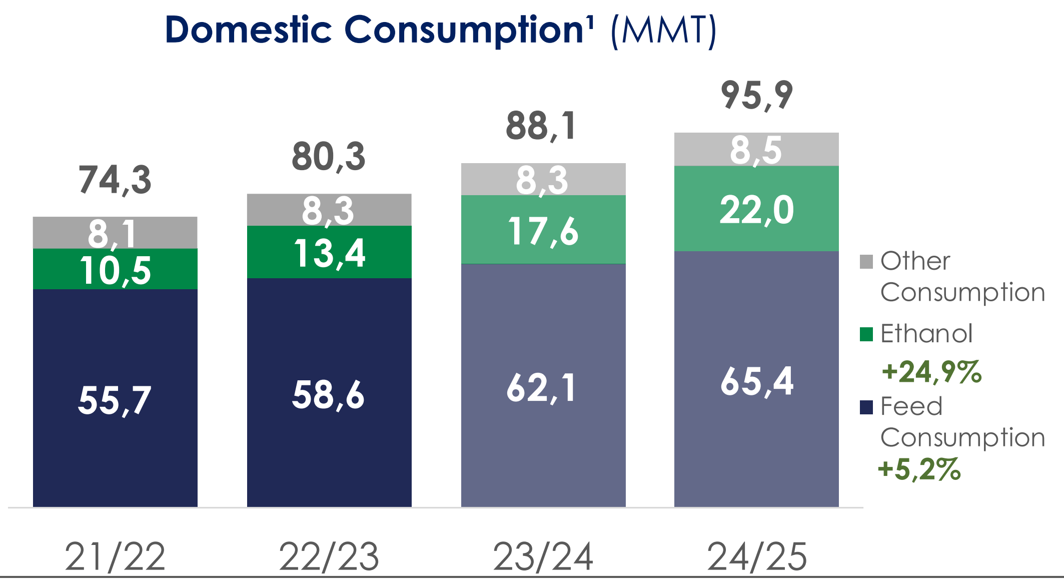

Note: The format (XXXX/) represents the first year displayed in the legend, while (/XX) indicates the second year. For example, 2021/22 means that (XXXX/) corresponds to 2021 and (/XX) to 2022.

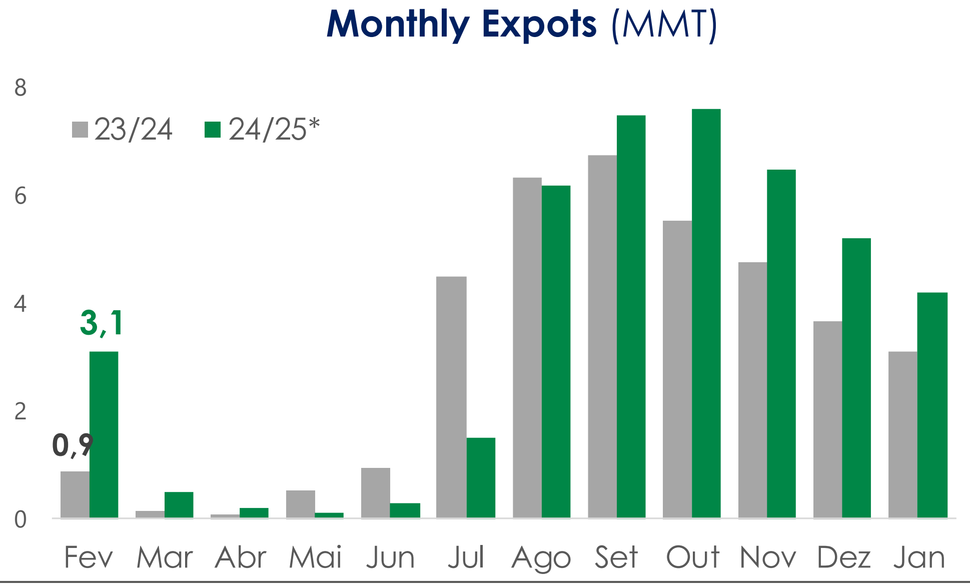
[1]considers sales up to Jan/24
[2]considers sales up to Jan/25

# 24/25 Brazil Corn | Production, Consumption and Exports



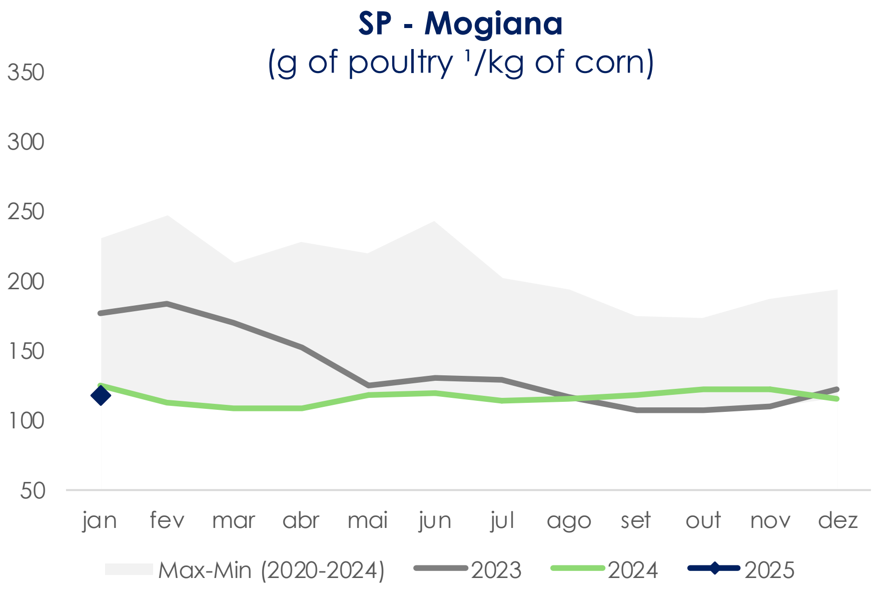



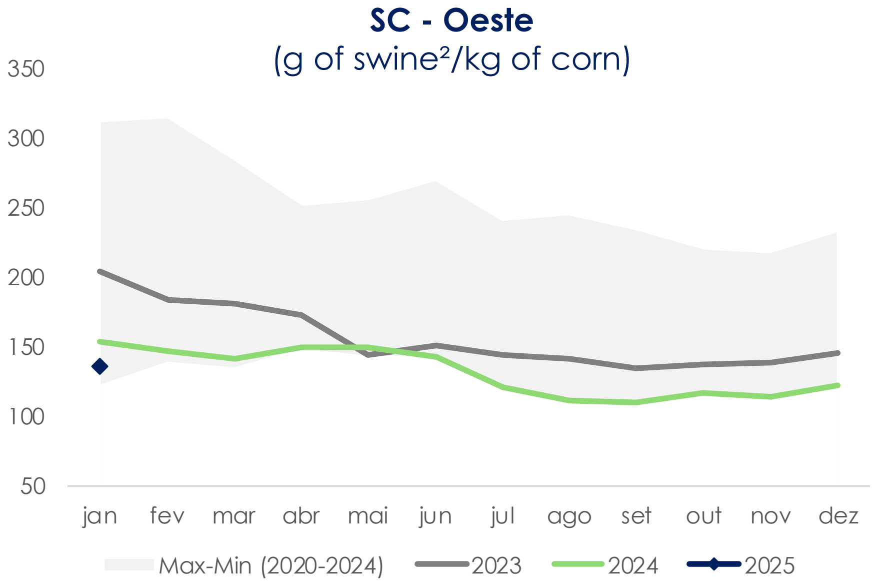



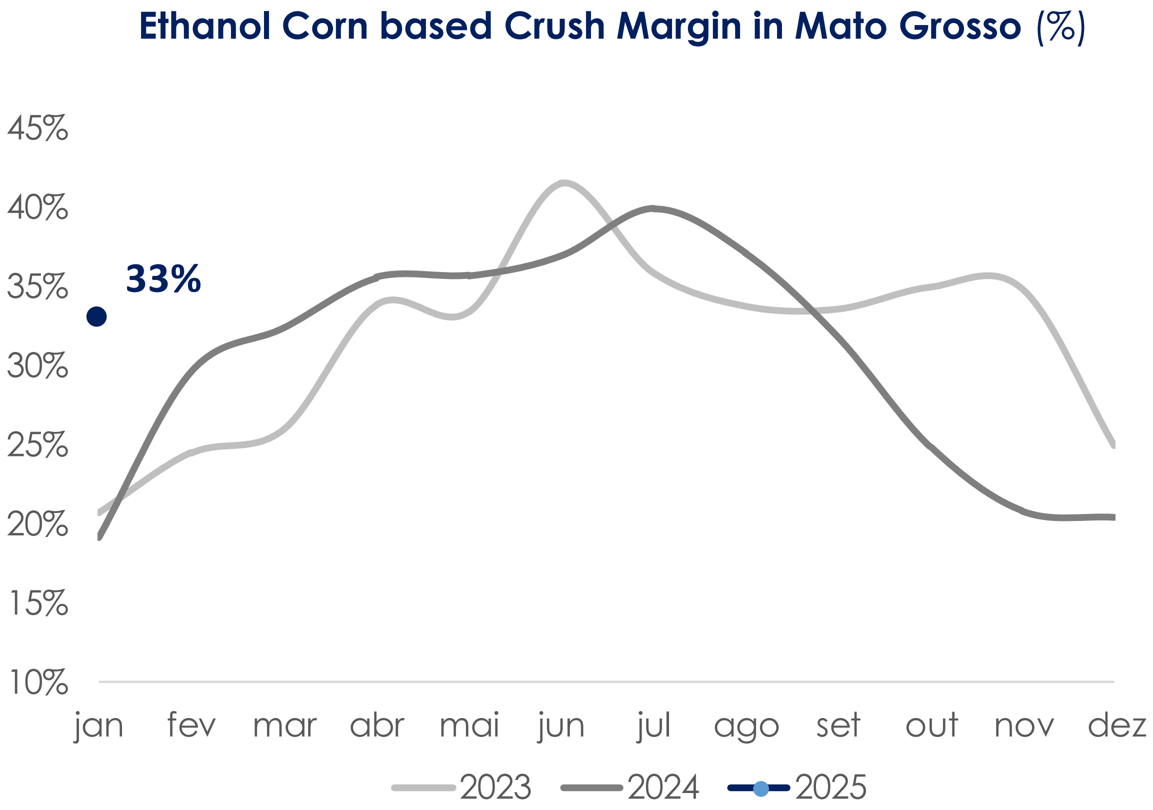




Souces: Alphamar, Unica, Agroconsult   ¹calendar feb-jan   *Projection

# Corn Brazil | Ethanol Corn Based and Meat Production



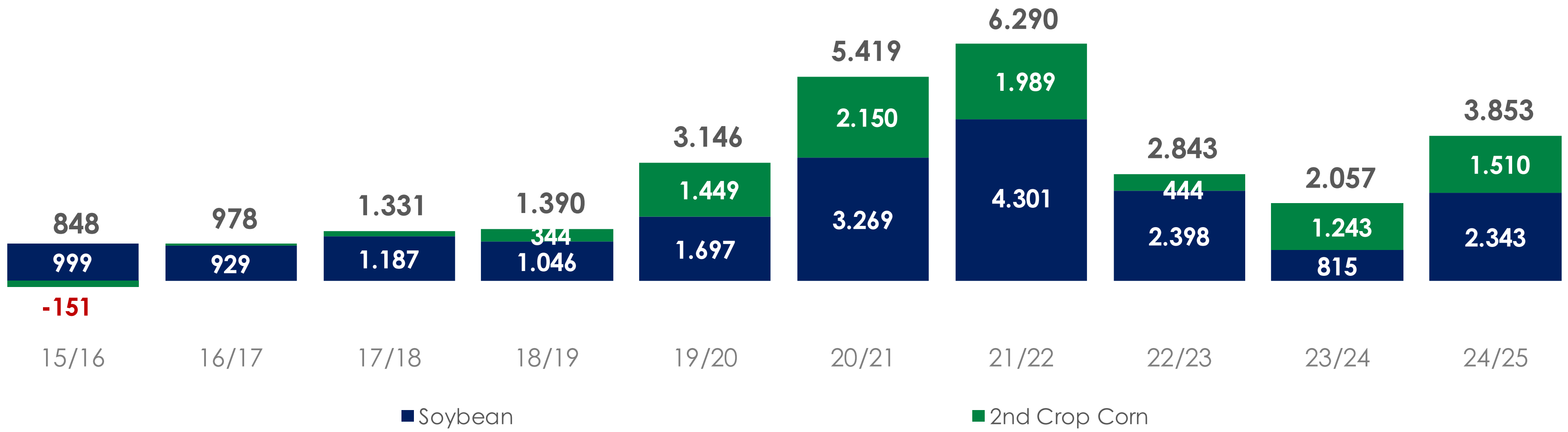



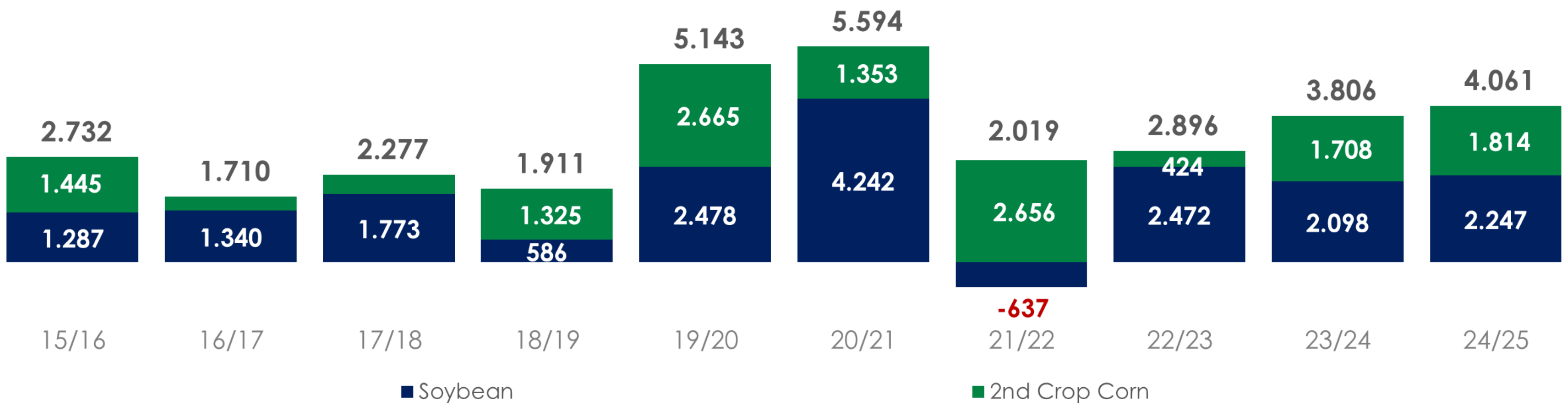
# Brazil Soybean + Corn | Combined Profitability

In BRL per hectare

## Mato Grosso | Center-North



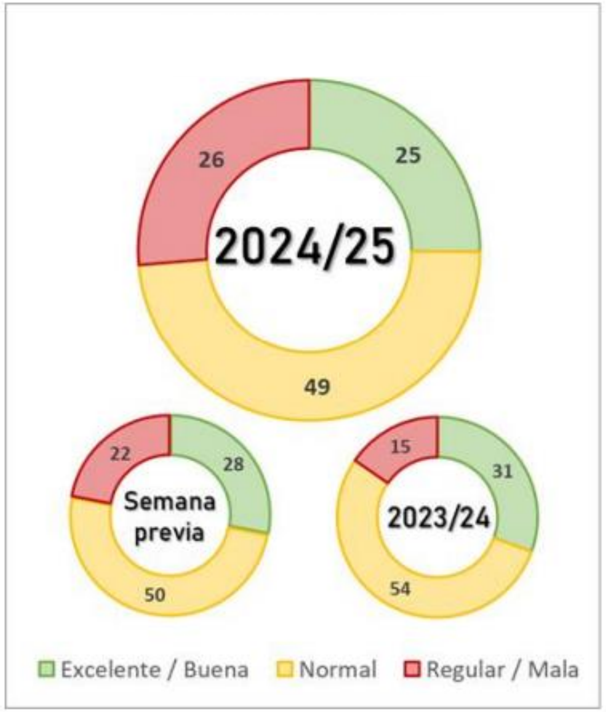

## Paraná | West



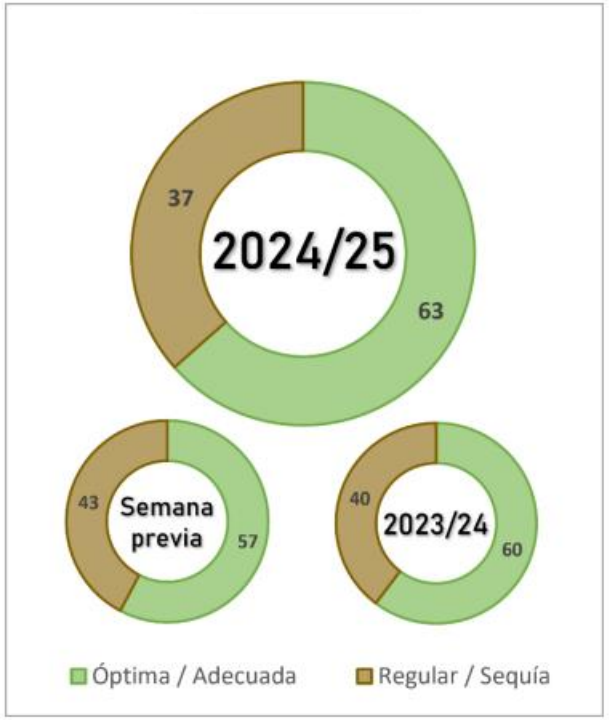

Source: Agroconsult.

# 24/25 Argentina Corn | Crop Conditions

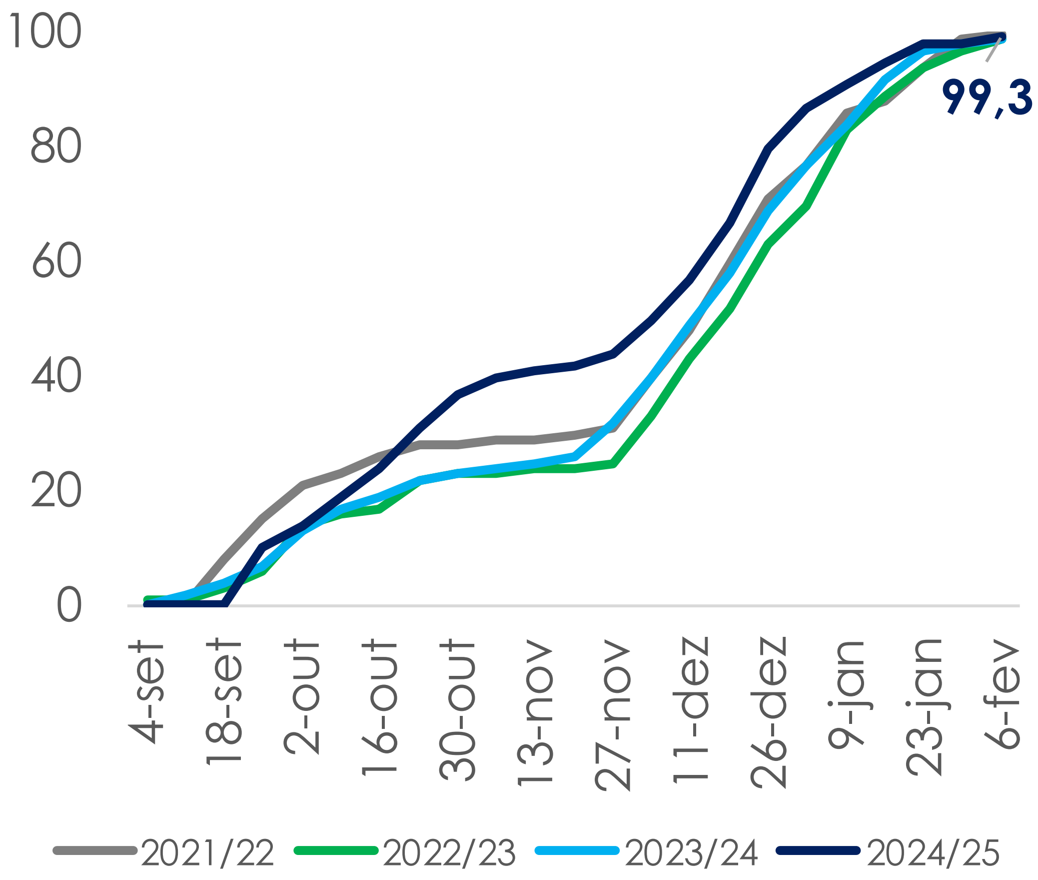
**Crop Condition** (%)[1]




**Soil Condition** (%)[1]

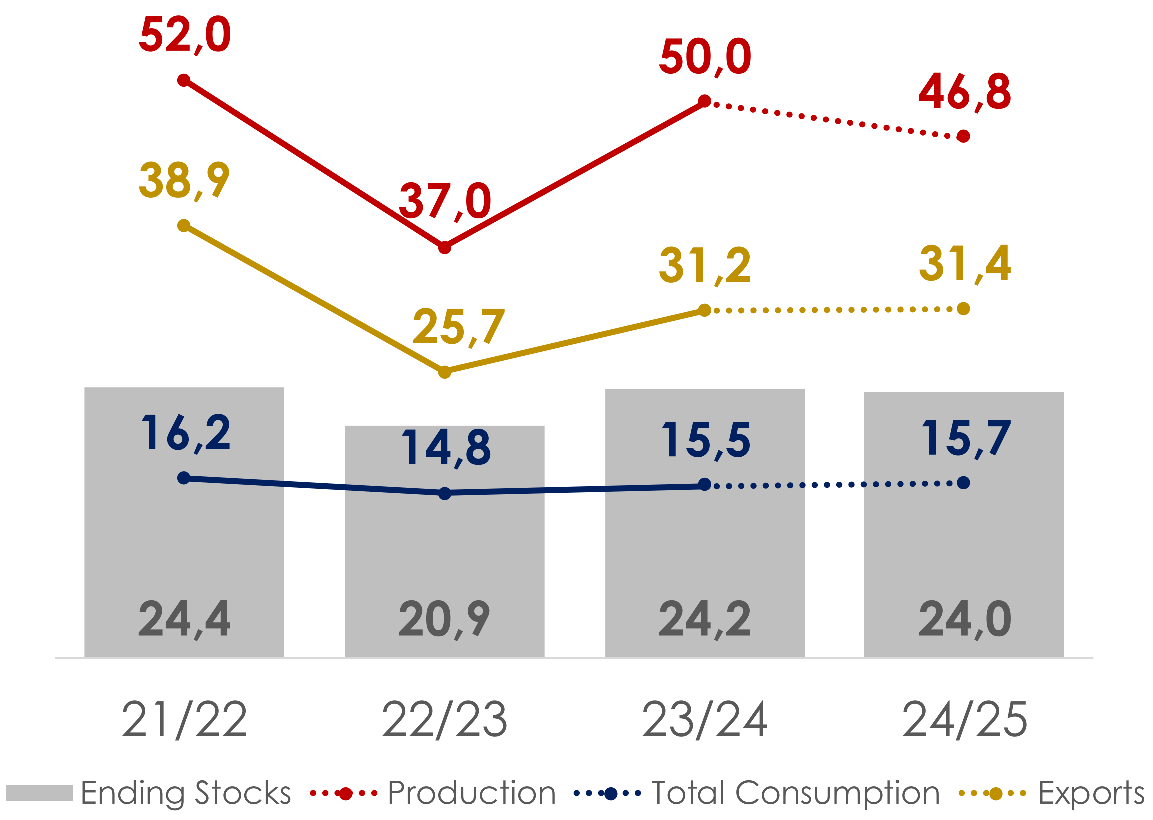



**Planting Progress** (%)

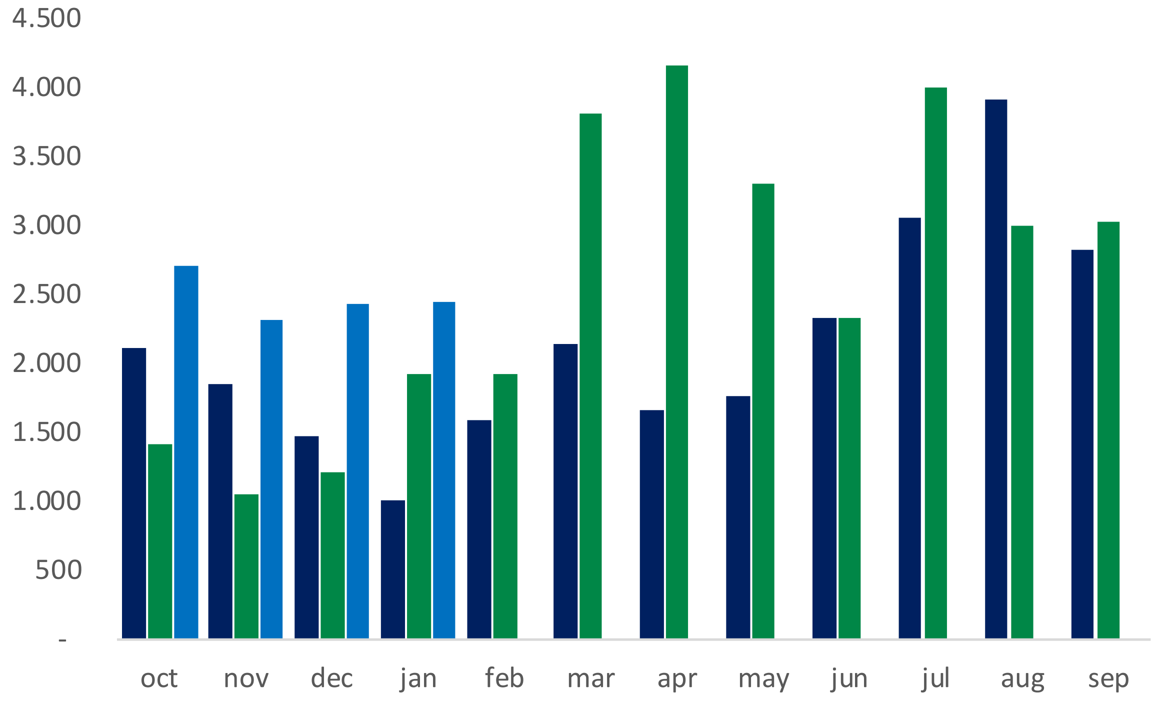


# 24/25 Argentina Corn | Supply & Demand

## Supply & Demand (MMT)



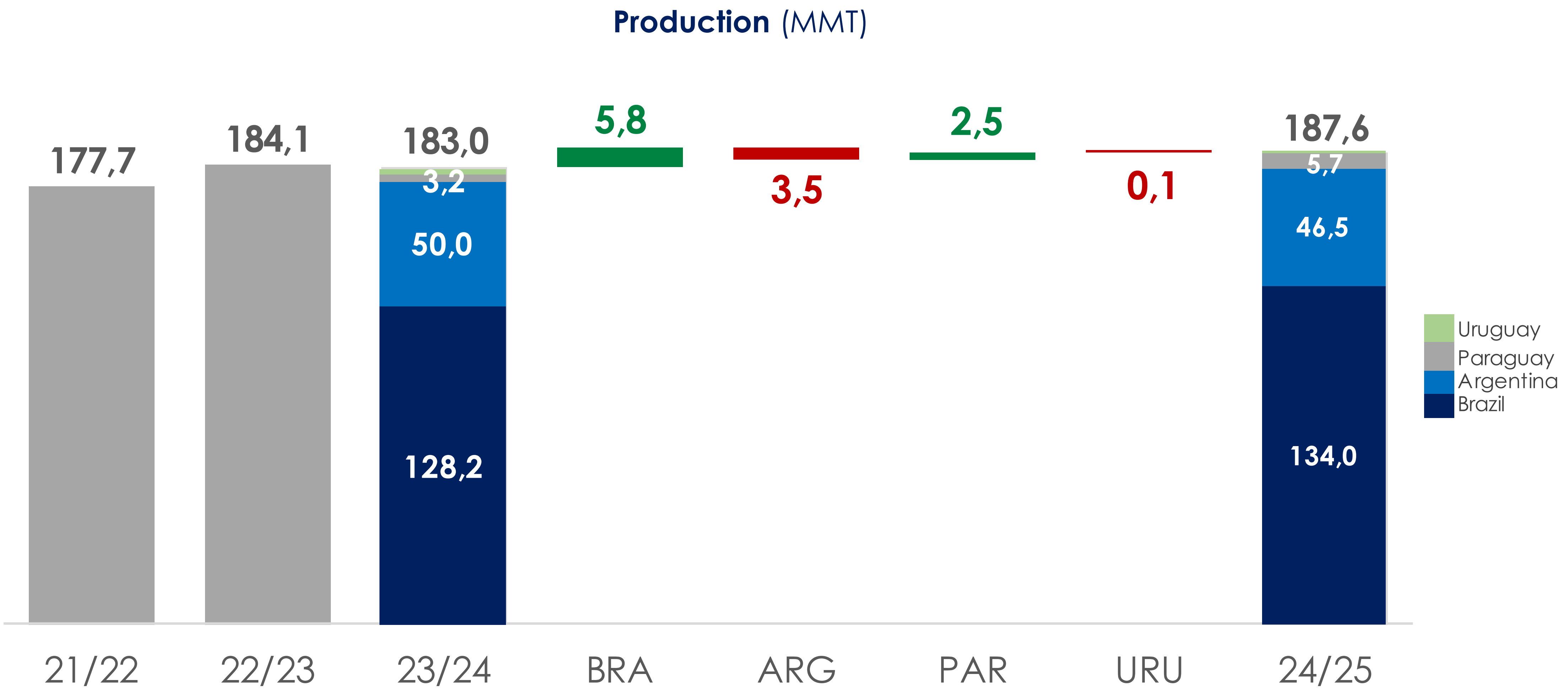

## Monthly Corn Exports (KMT)




* Exports +76,8% YoY

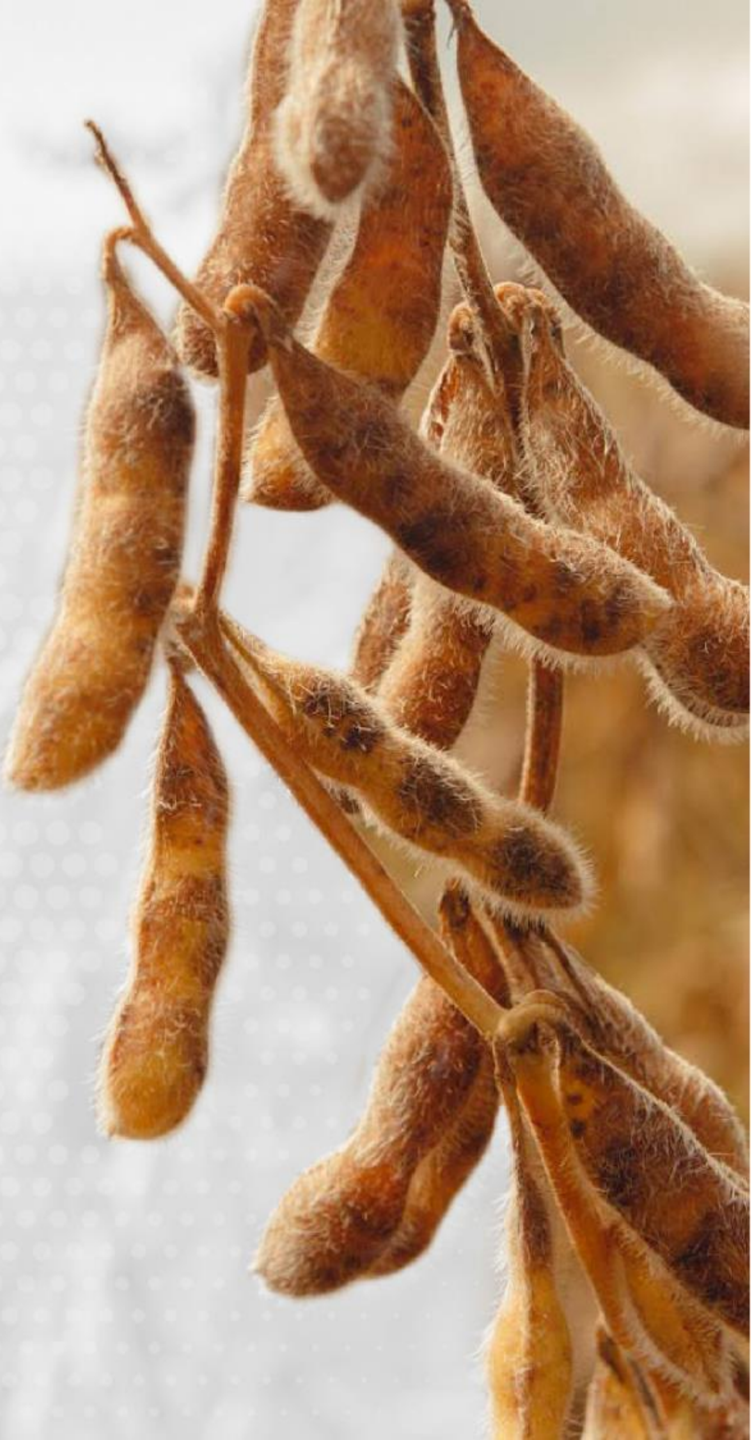
# 24/25 South America Corn | Production Estimates

Brazil + Argentina + Paraguay + Uruguay



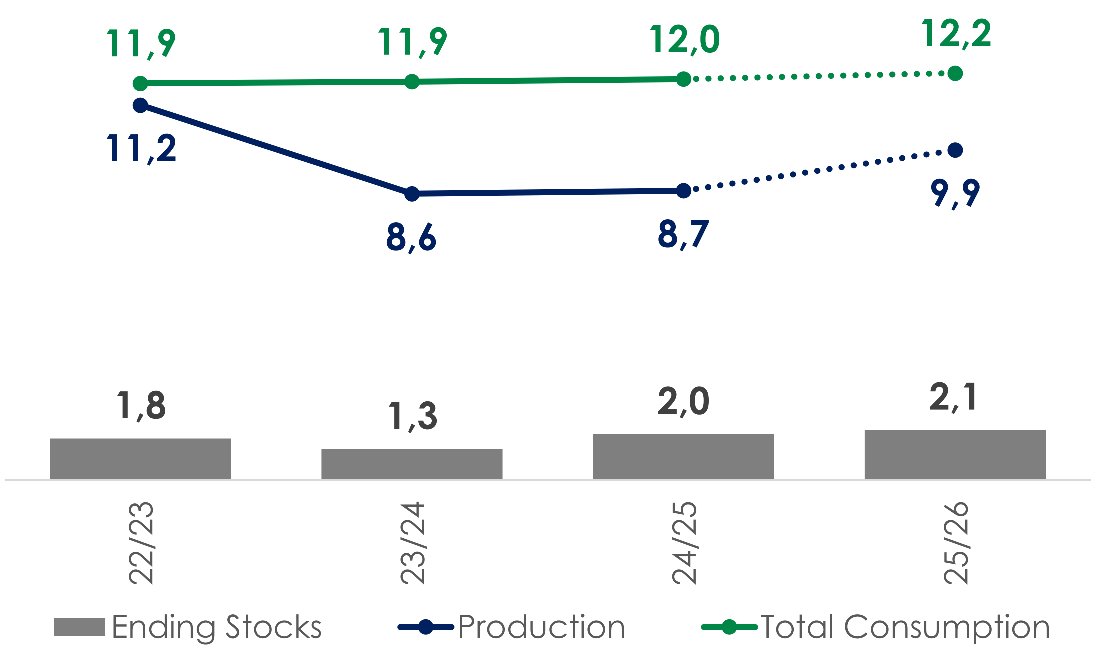

Sources: USDA, Agroconsult.

# Wheat

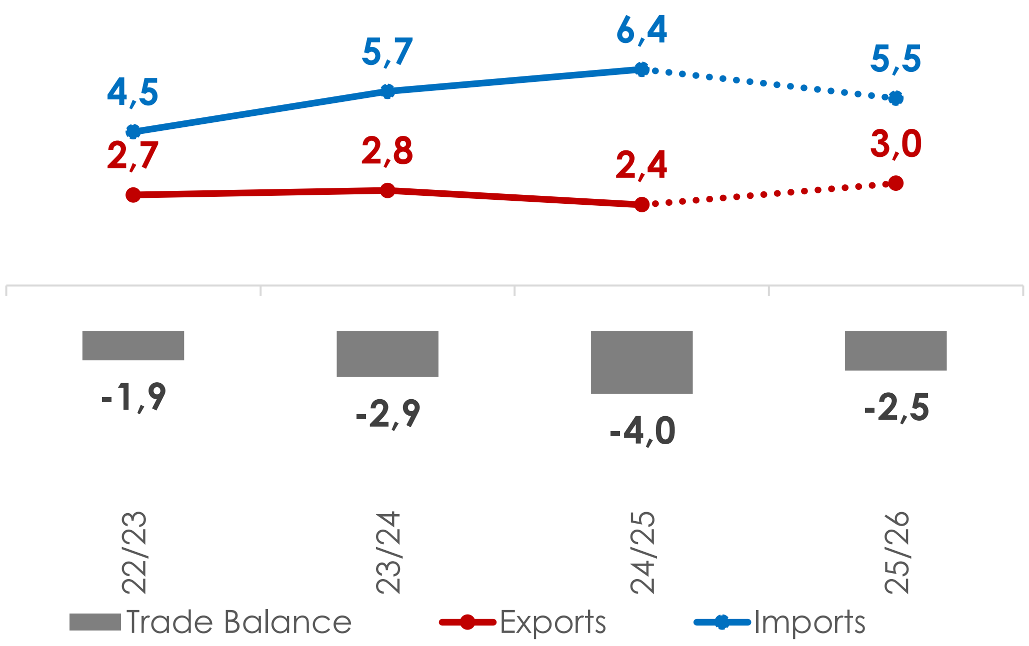


# Wheat Brazil | Supply and Demand

## Production, Domestic Consumption and Ending Stocks (MMT)



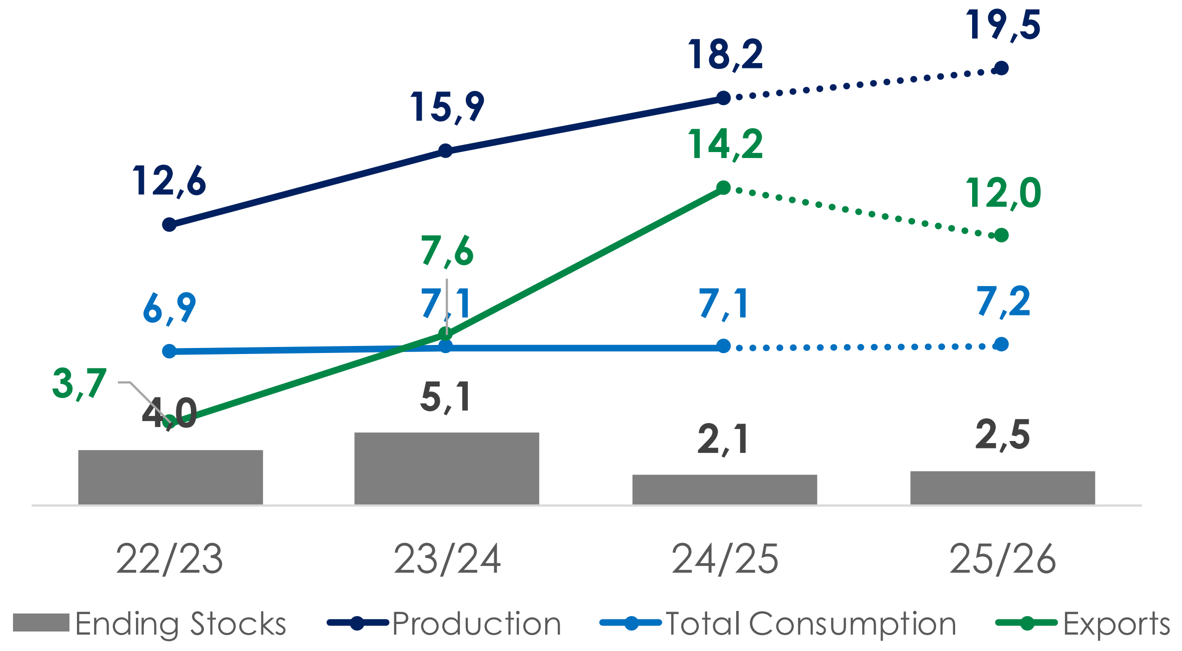

## Exports, Imports and Trade Balance (MMT)



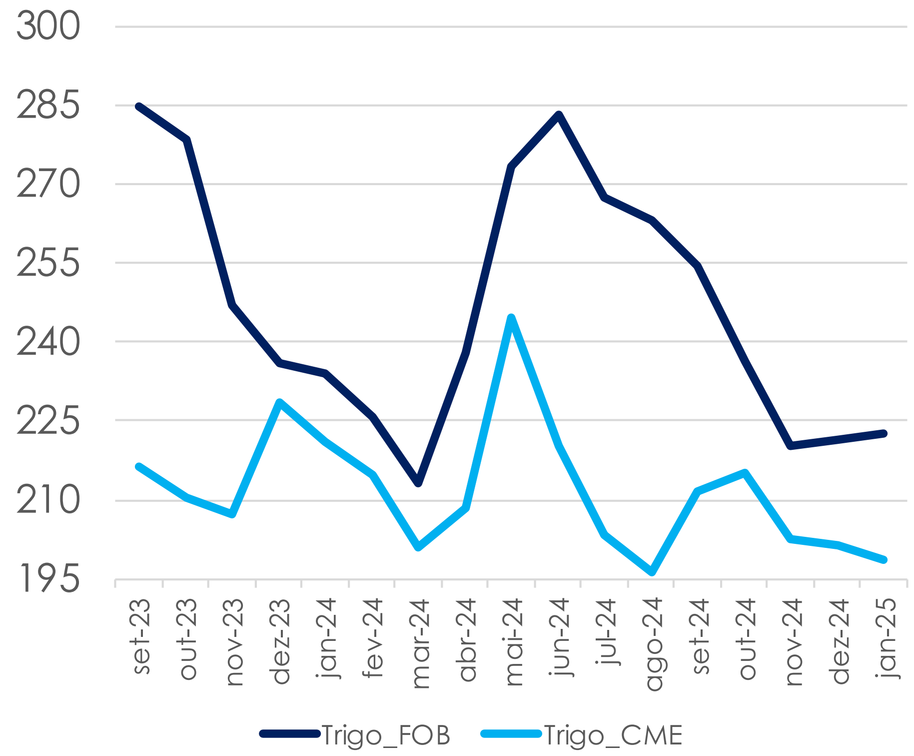

- Wheat in Brazil is mainly planted in the Southern region, but with recente R&D in new vareities is expanding to Cerrado.
- Brazil is net importer, mainly from Argentina (70-80%), but some low quality wheat (feed grade) is exported from Rio Grande.
- For this crop is not defined if acreage will increase. Low income in RS, major producing state, due to poor result in summer crops might discourage wheat planting. Canola might gain area over wheat.

# Wheat Argentina | Supply and Demand

## Supply & Demand (MMT)




## Rosário FOB Prices vs. CME (USD/t)




- Area in ARG for next crop is expected to grow +4,8%, to 6,3 mi há, leading to thrid biggest crop.
- Recent reduction on retenciones could increase planting intentions for next crop (planted from May onwards).
- Between 40 and 70% of Arg exports are to Brazil due to logistics and taxation (Mercosul agreement), but with Brazil reducing its imports ARG can/need to explore other markets (Southeast Asia and North Africa).

# EU/Mercosul Agreement

# **EU/Mercosul Agreement –** General sentiment from Mercosul side

- ✓ The agreement was **well received by the agricultural sector in Mercosur;** however, there is still a significant **level of distrust** due to the remaining pending approvals that need to take place in the European Parliament.

- ✓ Initially viewed as very promising, **the agreement has lost momentum following Mr. Trump's assumption of office in the USA.** The increasing likelihood of **trade wars**, not only with China but also with other countries, **has shifted attention away from the EU-Mercosur agreement** in Brazil and Argentina.

- ✓ In general, **grain** is expected to have a **direct positive impact** under the agreement once exports are already big. Another **significant impact** is projected to be in the **meat sector, particularly for beef and poultry, with the new quotas.** Meat export increases could drive higher domestic grain consumption, leading to a reduced export surplus, especially for corn.

- ✓ Another major opportunity lies in the potential **expansion of biofuel exports**, particularly biodiesel and ethanol (derived from sugarcane and corn). However, the full implementation of these is expected to take between 5 and 11 years.

- ✓ For coffee, dairy products, sugar and orange juice is also expected to be positive impacts.

- ✓ **Subsidies for European farmers and stringent environmental regulations**, such as the EUDR regulation, **pose substantial challenges to the successful** development of this agreement.

- ✓ Additionally, recent incidents involving Brazilian products, such as the ban on Brazilian meat by some French supermarkets, have made the agricultural sector skeptical about whether the agreement will yield positive trade effects between the two blocs.

Source: Agroconsult.

agroconsult



Point your cell phone camera at the QR Code and follow Agroconsult on LinkedIn

[55 48] 3209 1650
www.agroconsult.com.br
agroconsult@agroconsult.com.br
@agroconsult
@agroconsult_br
@agroconsult.consultoria