

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Brazil**

### **Oilseeds and Products Update**

#### **2012-13 Soybean Planting Update**

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**Report Highlights:**

No changes to report in Post's production, supply and demand estimates for Brazil's 2012/13 soybean crop. Brazil's 2012/13 planting is estimated at 30 percent completed around 4 percentage points ahead of the 5 year-historic average, but the pace is 13 percentage points lower than last year at this time. Excessive rains in the South region of Brazil coupled with irregular rains in the Center-West have contributed to this slower planting pace. The agreement known as the Soybean Moratorium was renewed for one more year effective until January 31, 2014.

**Production, Supply, and Demand Statistics:**

Oilseed, Soybean (Local) Brazil	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Feb 2011		Market Year Begin: Feb 2012		Market Year Begin: Feb 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	24,200	24,200	25,000	25,000	27,500	27,500
Area Harvested	24,200	24,200	25,000	24,885	27,500	27,500
Beginning Stocks	3,267	1,250	4,754	2,851	1,479	251
Production	75,500	75,300	66,500	66,500	81,000	82,000
MY Imports	40	41	300	200	50	40
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	78,807	76,591	71,554	69,551	82,529	82,291
MY Exports	33,789	33,790	31,800	31,100	38,225	38,500
MY Exp. to EU	5,581	5,581	5,300	5,300	5,300	5,700
Crush	37,264	36,850	35,275	35,200	37,700	38,500
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	3,000	3,100	3,000	3,000	3,150	3,200
Total Dom. Cons.	40,264	39,950	38,275	38,200	40,850	41,700
Ending Stocks	4,754	2,851	1,479	251	3,454	2,091
Total Distribution	78,807	76,591	71,554	69,551	82,529	82,291

1000 HA, 1000 MT

**Brazil's 2012/13 Soybean bean Crop Estimate Remains Unchanged at a Record 82 Million Metric Tons**

Post maintains last month's production, supply and demand estimates for the 2012/13 Brazilian soybean crop. Post's 2012/13 production forecast of 82 million metric tons (mmt) is within the range of those of private consulting groups Agroconsult, Safras e Mercado, and Céleres that estimate 83.7 mmt, 82.5 mmt, and 79.8 mmt, respectively. The Brazilian Ministry of Agriculture's Food Supply Company (CONAB) estimated soybean bean production in the range of 80 - 82.8 mmt in its first 2012/13 crop survey published in October.

**Brazil's 2012/13 Planting Pace Slower than last year due to Irregular Weather Patterns**

Brazil's 2012/13 planting is estimated at 30 percent completed around 4 percentage points ahead of the 5 year-historic average, but the pace is 13 percentage points lower than last year at this time. Excessive rains in the South region of Brazil coupled with irregular rains in the Center-West have contributed to this slower planting pace. According to private consulting firm Safras e Mercado's October 26<sup>th</sup> survey, the planting pace of the top three producing states is slower than last year with Mato Grosso, Parana, and Rio Grande do Sul lower by 18, 4 and 5 percentage points, respectively. However, of the top three soybean producing states, only Rio Grande do Sul is at a lower rate of planting than the five-year historic average, off only by 1 percentage point. The leading state of Mato Grosso followed by the second-ranked state of Parana remain ahead of the five-year historic average planting pace by 5 and 17

percentage points, respectively. A number of other producing states are in the same scenario with plantings lower than last year at this time, but still slightly ahead of the five-year historic average. Southern Brazil, mainly the state of Rio Grande do Sul, has experienced at times excessive rains that have slowed the pace of soybean plantings. In addition, a small percentage of earlier planted corn in the South that was lost to frost or hail will be replanted to soybeans. In the Center-West, any area not yet planted to soybeans presents increased risk for the subsequent second season corn crop as the ideal planting window is no longer achievable. Soybeans remain the favored crop in Brazil due to their liquidity and ease of crop management.

### **Brazilian Soybean Moratorium Renewed until January 31, 2014**

On October 26, 2012 the commitment known as the Soybean Moratorium was extended until January 31, 2014. Originally created on July 24, 2006 under market pressure from the European Union's food industry, a moratorium on the origination of soybeans from any newly deforested areas in the Amazon biome as of that date was declared by all major soybean traders including, but not limited to Cargill, Bunge, ADM, Dreyfus, Noble Group and the Amaggi Group. Non-governmental organizations that support the moratorium include, but are not limited to Conservation International, Greenpeace, The Nature Conservancy, and the World Wide Fund for Nature – Brazil. The Brazilian Association of Vegetable Oil Industries (ABIOVE) and the National Grain Exporters Association (ANEC) are both founding signatories to the moratorium. Since 2008, the Brazilian Ministry of Environment has been a signatory to the agreement. In 2010, the Bank of Brazil joined the agreement and made its financing available only to producers in compliance with the terms of the soybean moratorium. The Soybean Moratorium has supported anti-deforestation efforts with soybean production shown to occupy less than 0.5 percent of deforested areas in the Amazon biome since its inception.

ABIOVE indicated the decision to renew the Soybean Moratorium was based on two reasons: 1) The new Forest Code legislation that will bring legal clarity to rural property holdings still has a phase-in period for producers to come into compliance with the new regulation; 2) recent findings in increased deforestation in the states of Mato Grosso and Para to soybean plantings signal the need for the Soybean Moratorium to be extended one more year. The new Forest Code requires a Rural Environmental Registry (CAR) for each property holder that will allow the pertinent environmental authority to accompany land usage and penalize those in non-compliance.

### **Other relevant reports:**

[2012 October - Soybean Update Report](#)

[2012 Soybean Annual Report](#)