

BRAZILIAN SOYBEAN PRODUCTION IN 2010/11 CROP IS ESTIMATED AT 66.0 MILLION TONNES

According to data from Safras, soybean production in South America, until April, was 132.5 million tonnes. Production in Brazil reached 67.9 million tons and Argentina 54 million tons. There was thus an increase of 36% compared to last season.

Soybean production in South America						
	%	09/10	08/09	08/07	07/06	06/05
South America	36	132.566	97.157	115.135	114.952	103.385
Brazil	16	67.901	58.700	60.220	58.500	56.215
Argentina	69	54.000	31.900	46.800	48.400	40.837
Paraguay	104	7.400	3.628	5.969	5.582	3.641
Bolivia	-10	1.715	1.900	1.250	1.650	2.060
Uruguay	51	1.550	1.029	896	820	632

In June, soybean harvest was consolidated in Brazil, confirming the record crop in 2009/10 for the country. This year, Brazilian soybean growers harvested about 69.0 million tons of soybeans, up from 57.2 million in 2008/09 - an increase of 20.7%.

AgraFNP crushing projection was revised from 8% to 10% for the 2009/10 cycle, reaching 33.1 million tons. Soybean final stocks in Brazil should be 6.06 million tons, or 16.9% of consumption.

Latest reports indicate that shipments in June Brazil could reach 5 million tons of soybeans. With this, estimates of exports were revised from 27.6 to 28.0 million tonnes.

For 2010/11 season, early forecasts indicate marginal decreases from 23.4 to 23.2 million hectares in planted area. This would occur especially by the expansion of cotton area in Mato Grosso and Bahia, favoring the reduction of soybean areas. Also, the sugar cane sugar must press the crop in Mato Grosso do Sul and in some places in northern Parana. With this, the Brazilian soybean production in 2010/11 crop is estimated at 66.0 million tonnes, according to AgraFNP (using an average historical yield).

Estimates of Safras, working with a potential harvest a little lower than the record 68.05 million tonnes, influenced by La Nina phenomenon.

Rio Grande do Sul this year reaped a record harvest of 24.3 million tons of grain. Main crop of the

state, soybeans this year also had an unprecedented production, around 10 million tonnes.

Closed in June the largest soybean crop in history of Mato Grosso. With record numbers of area (6.2 million hectares) and production (18.8 million tons), although productivity.

As for season 2010/11 the first figures estimate a drop in planted area of 1.7% and should be planted 6.09 million hectares. Such a drop will come less attractive for areas that due to low profitability in 2009/10 should be "abandoned."

Regarding consumption, it is possible to highlight the projected growth in foreign sales and domestic consumption, which in the current season go ahead 3% and 7% respectively.

Despite the growth in consumption, the increase in production was significantly higher, so that stocks of soybeans advanced 776%, 44% for the soy meal and down 5% for soy oil.

Safras released this week new values for the main freight routs on Wednesday (09). We observed an overall increase in prices, despite off-season, when usually there is no much demand for transport services. During the month, the sharpest drop occurred between Sorriso and Paranaguá (21,1%).

	Freight Prices Evolution				
	30-Jun	23-Jun	16-Jun	9-Jun	Monthly Variation
Cascavel/Paran	67,0	67,0	68,0	68,0	-5,6%
Londrina/Paran	67,0	64,0	62,0	59,0	11,7%
P.Grossa/ Paran	36,0	37,0	34,0	36,0	-5,3%
Rondonópolis/Paran	168,0	168,0	165,0	150,0	8,4%
Primavera/Paran	180,0	175,0	175,0	160,0	12,5%
Sorriso/Paran	224,0	222,0	218,0	195,0	21,1%
Dourados/Paran	100,0	95,0	92,0	102,0	5,3%