

Last week local reports released a record pace in planting soybeans in Brazil. According to SAFRAS (Brazilian private commodities agency) never planted the soybean crop in Brazil so fast. In our last report it was already reported this rate above the historical average, but this week has reached an impressive record pace 13% of total area expected in 2009/10.

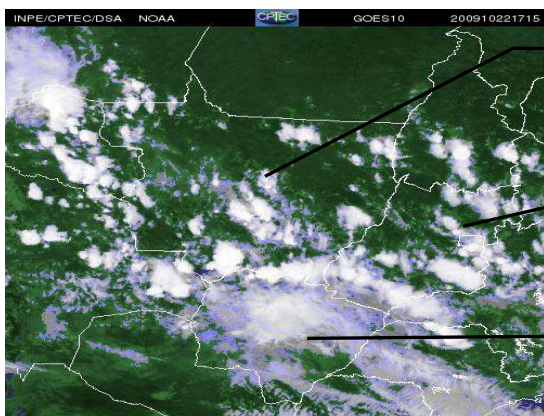
This pace overcomes 2008's record in planting soybeans, which was 8%. Parana, Goiás and Mato Grosso do Sul (second, forth and fifth largest soybean producers in Brazil respectively) are in this firm planting pace.

In other hand, Rio Grande do Sul (third largest soybean producers) still sowing in this past couple weeks. That's why some traders believe in a Brazilian record pace in planting soybeans in 2009/10 crop.

SOY - BRAZIL - PLANTING FOLLOW-UP - CROP 2009/ 10				
- % OF ESTIMATE PLANTING				
States	10/09 16/Oct	10/09 9/Oct	2008 16/Oct	5 YAVE
RS	0,00%	0,00%	-	0,00%
PR	14,00%	6,00%	3,00	8,00%
MT	29,00%	10,00%	3,00	11,00%
MS	14,00%	1,00%	1,00	5,00%
GO	15,00%	4,00%	2,00	5,00%
SP	1,00%	0,00%	-	2,00%
MG	5,00%	0,00%	-	0,00%
BA	0,00%	0,00%	-	0,00%
OUT	0,00%	0,00%	-	0,00%
BRAZIL	13,00%	5,00%	2,00	5,00%

Source: SAFRAS & Mercado

Weather forecast indicates regular rains for 2009/10 crop at this planting stage in Mato Grosso, which brings optimistic among producers.



Mato Grosso

Goiás

Mato Grosso do Sul

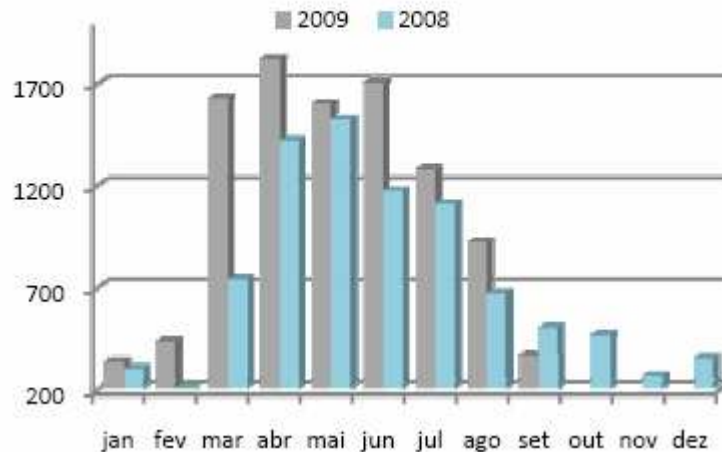
According to our last report, credit conditions are improving in Brazil for agricultural sector. In this way, the beginning of the week Banco do Brasil (Bank of

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Brazil) and Mato Grosso assign a U\$1,3 billion credit line to agribusiness in this state for 2009/10 crop.

Related to fundamental analysis, data released from SECEX (Brazilian Department of Foreign Trade) had shown a record of soybeans shipments in 2009: 10.1 million tons. However, after 8 consecutive months of strong exports, September numbers are less than 2008 in almost 50% in Mato Grosso, what confirm a slowdown in world demand from Brazil.

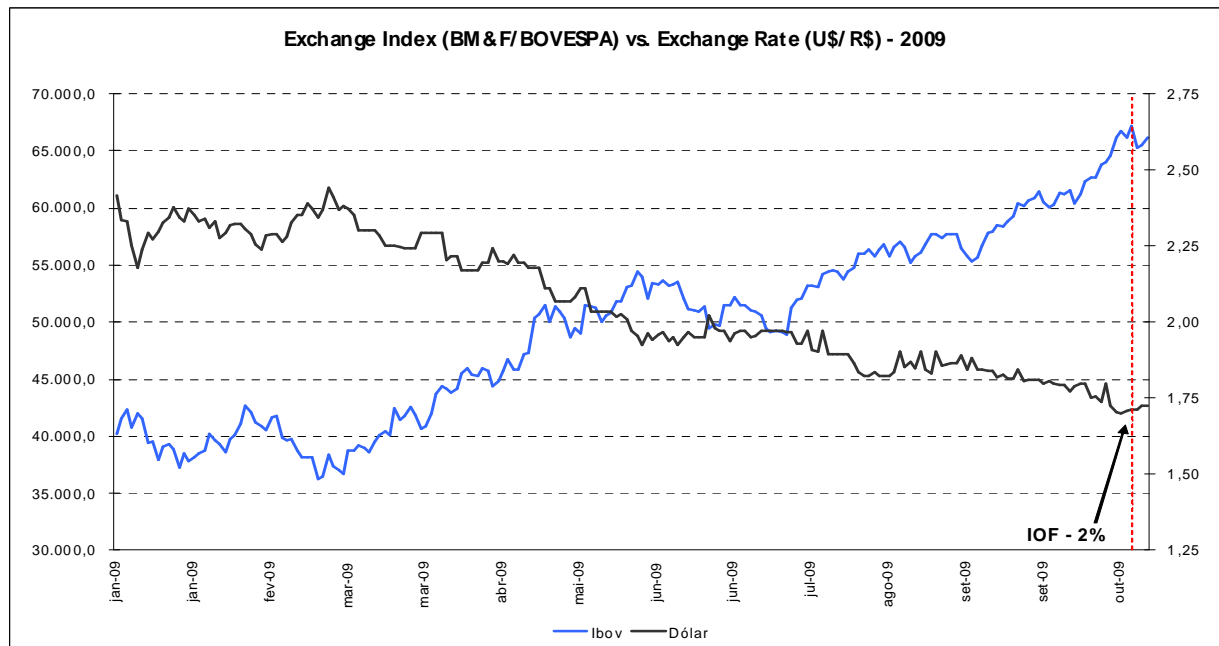
**Soybeans Exports in Mato Grosso (million tons)**



Source: SECEX

In the Brazilian financial market, government has implemented a tax from this Tuesday of 2% of all foreign capital directed to Exchange – BM&F/BOVESPA - and other financial investments. This tax will name IOF (Tax of Financial Operations). According to Brazilian Economic Ministry, this tax will contain exchange rate valorization due to a lower financial capital to Brazil economy.

Since the beginning of the year, Brazilian exchange rate valued 27% more, while Brazilian Exchange valued 70% more than December 2008.



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