

During last week, Brazilian weather kept near of ideal to soybean crop in most states, with rains achieving, basically, the dry regions. Consequently, Brazil has been characterized by an accelerated planting progress of new crop in all regions, except in the Northeast. According to private research company SAFRAS & Mercado, by November 13th, 62% of expected total area has been planted, 16 points higher than previous week and compared to 55% of last year.

Soybean Crop Progress - Brazil
(% of expected area)

States	2009 13/Nov	2009 6/Nov	2008 13/Nov	Média
Rio Grande do Sul	27	13	24	31
Paraná	75	55	76	73
Mato Grosso	89	71	80	76
Mato Grosso do Sul	77	60	79	73
Goiás	78	62	54	59
São Paulo	42	26	22	42
Minas Gerais	48	38	15	21
Bahia	11	2	6	10
Santa Catarina	33	20	16	18
Oct	15	4	18	24
BRAZIL	62	46	55	52

Source: SAFRAS & Mercado

In Argentine, climate conditions are very different, marked by a drought situation. Some analysts point out that if such dry weather remains, Argentine soybean production will be impaired. Although there are these uncertainties about Argentine production, in general, a good new crop is expected both for Brazil and Argentina.

This expected increase in world supply due to expected good crops in Brazil and Argentina may not pressure prices as much, as a portion of this will replace last year's ending stocks. Additionally, the possible rise in world demand may also help to support soybean price levels in international market.

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WEEKLY REPORT
BRAZILIAN SOYBEAN MARKET
11/20/2009

On Tuesday (17), ANP (National Agency of Crude Oil, Natural Gas and Biofuels) coordinated the first biodiesel auction under B5 mandate mixture to diesel, which will begin first deliveries in January 2010. Because of such rise in mixture, 2010 biodiesel demand is estimated around 2.3 billions liters, with 1.8 billions coming from soyoil. This soyoil demand represents 9 millions tons of soybeans or 15% of the expected 2009/10 crop. Interesting to see, this tremendous growth in local demand is driving current idle crushing capacity back to business and new plants are being constructed or are in planning stages.

Brazil does not have a tradition to export soyoil and this year the estimated exports are pegged at a questionable 1.6 million tons in today's current biodiesel industry excitement. The government is already looking at the B10 and B20 metropolitan areas.

States	16 th Auction (in thousand tonnes)			Plant	Companies	
	Sold Volume	Soyoil Necessity	Soybean Necessity		Sold Volume	Average Price (R\$)
				GRANOL	80000	2.341
Mato Grosso	148.730	129.443	688.527	ADM	68760	2.28
Rio Grande do Sul	125.050	108.834	578.903	B. ECODESEL	65364	2.341
Góias	93.430	81.314	432.522	PETROBRAS	48600	2.33
São Paulo	87.046	75.758	402.968	OLEOPLAN	44300	2.33
Bahia	29.814	25.948	138.020	CARAMURU	34330	2.33
Tocantins	19.580	17.041	90.643	BIOCAPITAL	30500	2.33
Maranhão	19.000	16.536	87.958	BSBIOS	30000	2.32
Minas Gerais	18.660	16.240	86.384	FIAGRIL	25500	2.34
Ceará	15.700	13.664	72.681	BRACOL	23230	2.34
Paraná	6.930	6.031	32.082	COOPERBIO	19000	2.32
Rio de Janeiro	4.300	3.742	19.906	BIOVERDE	17640	2.33
Rondônia	3.200	2.785	14.814	BINATURAL	15000	2.33
Mato Grosso do Sul	2.160	1.880	9.999	BIOCAMP	10350	2.34
Pará	1.300	1.131	6.018	BARRALCOOL	8910	2.34
Piauí	100	87	463	FERTIBOM	8520	2.33
				CLV	7070	2.33
				BIOPAR-PR	6930	2.33
				SPBIO	4996	2.29
				AGROSOJA	4400	2.34
				CESBRA	4300	2.34
				AMAZONBIO	3200	2.32
				B-100	2160	2.32
				BIOCAR	2160	2.34
				INNOVATTI	2160	2.3
				BIOPAR-MT	1680	2.33
				BIOTINS	1580	2.3
				AGROPALMA	1300	2.33
				CAIBENSE	1080	2.29
				ARAGUASSÚ	900	2.3
				BIO ÓLEO	720	2.3
				SSIL	360	2.33

Source: BIODIESELBR's site

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