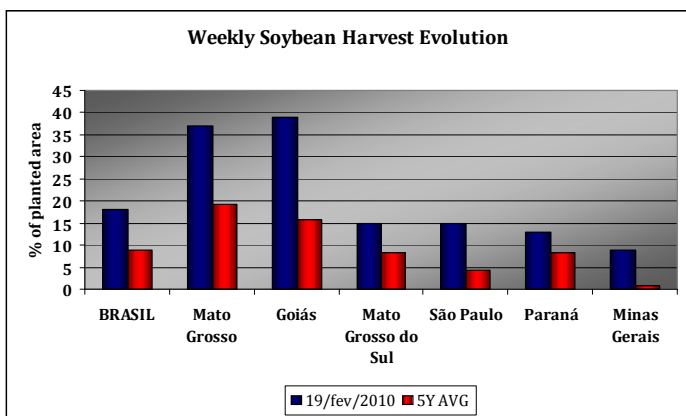
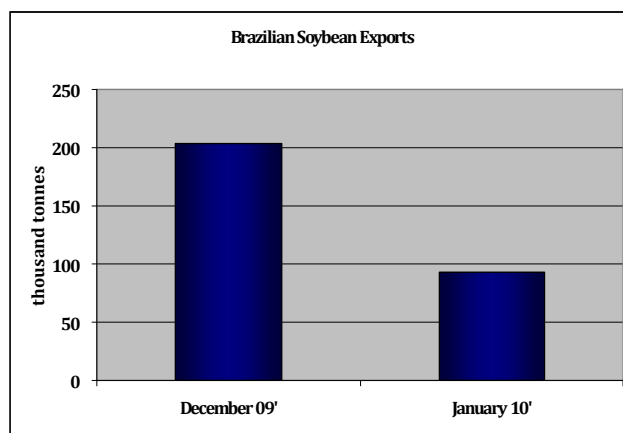
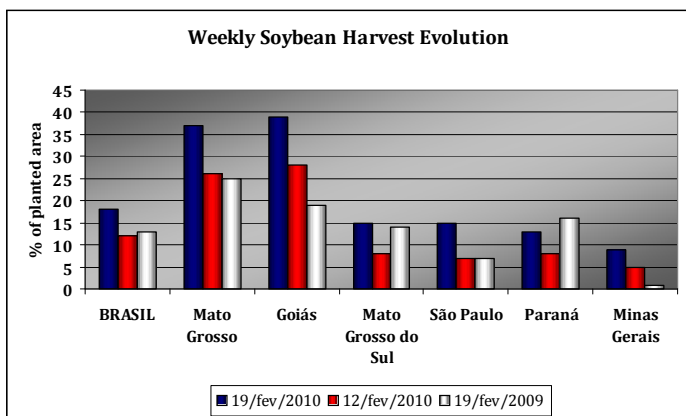


In Rio Grande do Sul (RS) crops are growing well, only waiting some rain for the production to be ready. Despite of that, farmers are worried about the prices. Today, soybean is being priced at R\$ 34 (US\$18,84) for a 60kg bag of soybean. This is 28% less than it was priced in the same date last year.

Soybean prices in Brazil is decreasing because of pressure in basis. Even with a steady CBOT price, an expected huge soybean harvest is giving consumers some bargain to buy.

The harvest in 2009/10 crop is early, with an estimated harvested area of 18%. In the same period of 2009, it was harvest only 13%. In Mato Grosso (MT), the main producer state in Brazil, it has been harvested 37% as of February 19th according to a private consulting. Both values are higher than the 5 year average, 9% (Brazil) and 19% (MT) respectively.

In January, Brazil exported 93,04 thousand tones of soybean, a 84,86% drop compared to January 2009. Comparing to December 2009, the drop was more than 50%. According to Marcelo Duarte, administrative director of Soybean and Corn Producer Association (Aprosoja), the drop was due to the high demand in domestic market. The soybean did not go to the export market, but to the domestic market. The end-users and crushing plants were willing soybeans since they had a hard time since late last year, with short soybean supply.



Farmer selling pace is slow though. Only 26% of Brazil's expected output is already committed and the prices are under pressure due to the large South American harvest. This is due to the recent drop in CBOT prices, which fell 15% only in January.