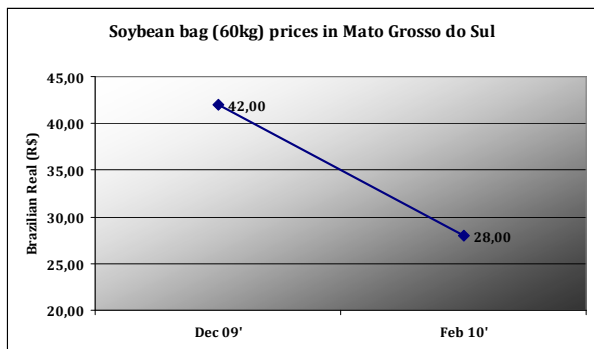


Since December, soybean prices for a 60kg bag in Mato Grosso do Sul (MS) dropped 31%. In late 2009, prices were R\$42.00 (USD 23) and current prices are R\$28 (approx. USD 15).



A private source announced its indicators for Brazilian current crop. According to them, it has been planted over 23 million acre of soybean in the country and the estimate output is 67.03 mln tones. It is higher than the official government crop estimate, carried out by Conab, the National Supply Company, which is 66.73 mln tones.

Output Estimates (in thousand kg)		
	09/10	08/09
Safras e Mercado	67.034	58.200
Conab	66.733	57.161

Financial negotiations were hampered due to devaluation of Brazilian Real against US Dollar (8% of devaluation in January). Plus, the accelerated harvest in Brazil might pressure prices even more. According to the Institute of Agricultural Economy of Mato Grosso (Imea), it is expected that the prices keep dropping as the harvest advances.

Freights from Mato Grosso (MT) and Mato Grosso do Sul (MS) main producing regions to Paranaguá, the main exporter harbor, are still raising from last week and 4 weeks ago. The only exception is for Dourados freights, which have dropped this week, but are higher than 4 weeks ago.

Freights to Paranaguá (in Brazilian Real per tonne)

	Feb 24th	Feb 17th	4 weeks ago
Rondonópolis (MT)	180,00	159,50	145,00
Primavera (MT)	192,00	170,00	155,00
Sorriso (MT)	218,00	205,00	190,00
Dourados (MS)*	143,00	146,25	118,75

*including 12% of taxes

Due to the early harvest, producers started to plant corn in the Center West of Brazil. The high quantity of corn planted now will become in harvested corn while the soybean harvest gets close to its end. So, corn and soybean must compete either in freights and storage in coming months. There were already 6 mmt of corn stocked in the transition from 08/09 to 09/10 crop.

Producers have started planting corn following the soybean harvest due to government incentives to it.