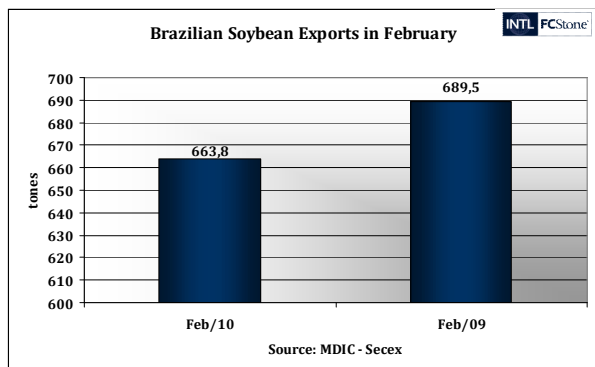


Brazilian Foreign Trade Service has announced that it has been exported 663.8 thousand tones of soybean in February. It is 3.7% less than the amount exported in February 09'. Traders expected a higher level based on the soybean flow to harbors in the month.



According to the Institute of Agricultural Economics of Mato Grosso (Imea), the currency situation combined with logistics problems, has contributed to hamper soybean commercialization. Due to early planting and harvesting, soybean and corn are competing in storage and in availability to drive it to the harbor.

Freights from MT to the harbor are 25% higher than in February 2009 due to bad conditions of roads linking producing regions to ports, and low availability of transport. Transporting costs represents almost 50% of the harvest in the state.

According to a private source, the soybean harvest has reached 33% of total planted area in February in Brazil. In Mato Grosso (MT), top Brazilian state producer, it has been harvested 60% of current crop and in Goiás (GO), 50% of all soybean planted has already been harvested.

Brazilian Soybean Harvest Progress			
% of planted area			
Region	Mar 5th	Feb 26th	5Y AVG
Mato Grosso	60	55	41
Mato Grosso do Sul	52	30	24
Goiás	50	45	31
Paraná	30	20	22
Brazil	33	27	20

In Mato Grosso do Sul (MS), the harvest has advanced this week, different from last week, when rain problems hampered field work in the south of the state.

While harvest goes well in Mato Grosso, with 60% of soybean harvested against 35,2% in February 09, yield is disappointing. Rainfalls have contributed to low quality soybean in the state.

Current crop production costs are 19.23% lower in MT than in 2008/09 season. The total expenditure in this crop is about R\$ 1,579/ha versus R\$ 1,955/ha last season. Despite this sharp reduction, the profitability of the producer has also contracted due to Brazilian currency valuation against Dollar.