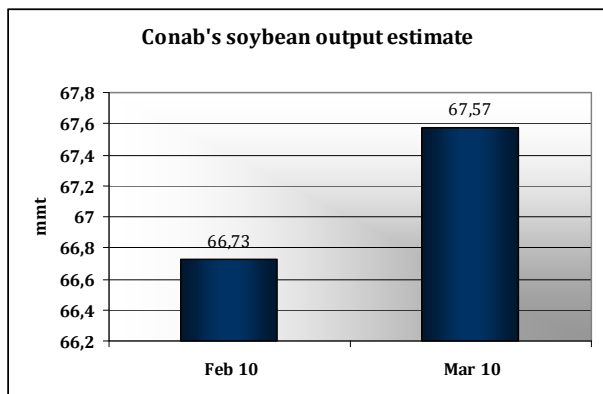


Last tuesday, the National Supply Company (Conab) has announced its forecast to the 2009/10 crop in Brazil. The estimate soybean output is currently at 67.57 MMT, 0.84 MMT above last Conab's report.



The output is said to be over-estimated. If it is confirmed, it will be the top harvest ever in Brazil, 18.2% over the currently record of 60.01 MMT in 2007/08 crop.

Conab also alerts about weather conditions in southern region, where rain forecasts for next three months is over the average to the period. This may affect the maturation and harvest in the region. At the moment, in Rio Grande do Sul (RS) 2% of planted area has been harvested, 18% is in flourishing period, 70% in grain development, and 10% germinating.

For coming weeks it is necessary that the rains are interspersed with periods of sun in the southern region, Conab estimates soybean crop in this state reaches 9.782 MMT in current crop. It is almost 2 MMT more than last crop. Emater, a department of the Secretary of Agriculture of Rio Grande do Sul projects the state output at 8,4 MMT, 7% higher than 2008/09, and well below Conab's.

Output Estimates for Rio Grande do Sul (in mmt)

Conab	9.782
Emater	8.740

Rainfalls have already affected soybean quality in Mato Grosso (MT). According to the chairman of Mato Grosso Association of Corn and Soybean Producers (Aprosoja), the output estimate in the state is supposed to be reduced due to weather problems and the

incidence of *Phakopsora sp.* a fungus which is reducing soybean productivity in MT.

In Paraná state. after a reduction in 2008/09 crop due to dry weather condition, in 2009/10 the projected output is 13.877 MMT, 45.9% above last year. But it is still less than the 18.962 MMT expected output for Mato Grosso.