

COMMERCIALIZATION ADVANCES IN BRAZIL

Brazilian soybean crop harvest is virtually complete at 99% of planted area. In the states of Parana, Mato Grosso, Mato Grosso do Sul, Goias and Sao Paulo harvest is finished. In the remaining states harvest should end next week. 2009/10 harvest is 3% higher than past 5-year average and last year.

Soybean Harvest Evolution - BRAZIL				
% of Planted Area				
State	2010	2010	2009	5Y AVG
	7/mai	30/abr	7/mai	
RS	98	94	96	92
PR	100	99	99	99
MT	100	100	100	100
MS	100	100	100	100
GO	99	99	98	97
SP	100	100	100	100
MG	96	90	92	87
BA	95	89	70	87
SC	94	88	92	82
Others	95	88	80	85
Brazil	99	97	96	96

Brazilian crop commercialization advanced to 55% of the estimated soybean production. However, in the same period last year, sales have already accounted for 64% of total volume.

The fast pace of commercialization over last weeks is mainly due to international prices recovery, that triggered farmers' sales.

Evolution of Soybean Comercialization - 2009/10 Brazilian Crop			
% of expected production			
State	2009/10	2008/09	5Y AVG
	7-mai	7-mai	
RS	28	37	33
PR	44	54	44
MT	73	77	73
MS	58	68	60
GO	67	69	62
SP	35	53	47
MG	65	74	60
BA	62	70	67
SC	30	35	35
Others	60	60	56
BRASIL	55	64	57

According to Conab (National Supply Company), Brazilian soybean production is expected to be 67.864 million tons in 2009/10, 18.7% higher than previous harvest of 57.165 million tons. The Company

shows a 6.9% increase in planted area and a yield of 2,920 kilos per hectare, an 11.1% improvement.

Also, according to IBGE (Brazilian Institute of Geography and Statistics), production is expected to attain 67.9 million tons in 2010.

In Mato Grosso do Sul, the pace of negotiations remains sluggish, with still about 2 million tons of soybeans to sell, or almost 42% of state production. Then, despite the lower prices, producer may need to start selling due to some debt expiration this month.

Brazilian soybean exports in April totaled 4.91 million tons, according to the Foreign Trade Secretariat (Secex), 400 thousand tons higher than last year.

The soybean crop for next year is expected to be between 67.4 and 68 million tones. The good yield this year and the good weather in most producing regions must be hard to repeat, according to analysts. Besides the fact that a good crop is hard to come after another.

Soybean crop harvest in Argentina is 74% done of the cultivated area, which has 18.8 million hectares, according to the Stock Exchange of Buenos Aires Cereals.

Additionally, Argentine soybean oil exports and its derivatives were able to recover from the trade embargo implemented by China. Argentine's industries repositioned their product's exportations mainly to India (40,2%), Latin America (18%) and north of Africa (12,8%).