

ACCORDING TO SAFRAS, BRAZILIAN PRODUCTION IN 2010 IS EXPECTED TO BE 68.59 MILLION TONS, UP 16%

This week, Safras released its latest estimate for planted area and supply and demand for the harvest in Brazil. Planted area increased 7% from 2009 to 2010, reaching 23.33 million ha of which 100% has been harvested. Yield also rose, by 8%, reaching 2921 kg / ha.

Soybean - Brazil (1000 tons)					
Harvest	Var (%)	2010 (a)	2009 (b)	2008	2007
Planted Area (1000ha)	7	23.332	21.819	21370	20758
Harvest Area (1000ha)	7	23.322	21.796	21363	20758
Yield (kg/ha)	8	2.918	2.693	2.819	2818

With the increase in planted area and increase in the yield, production rose by 16% from 2009 to 2010. Beginning stocks declined 86% due to crop shortfall in 2009. The total supply reached 68.59 million tons, 11% more than last year. Exports in 2010 will reach 29 million tons, up 3%.

Soybean - Supply and Demand (1000 tones)					
	%a/b	2010(a)	2009(b)	2008	2007
Initial Stocks (Feb/01)	-86	437	3.183	1.990	1.298
Production	16	68.054	58.700	60.220	58.500
Imports	-19	100	124	83	108
Total Supply	11	68.591	62.007	62.293	59.906
Crushing	7	33.000	30.779	31.895	31.511
Exports	3	29.000	28.041	24.515	23.805
Seed/ other	0	2.750	2.750	2.700	2.600
Total Demand	5	64.750	61.570	59.110	57.916
Final Stocks (Jan/31)	779	3.841	437	3.183	1.990

With slower pace in shipments of soybeans, the average daily revenue of the complex kicked 25% over the initial week of June, remaining at \$ 100.2 million. The drop in performance of the sector affected the aggregate of the month, resulting in an average revenue of \$ 112.9 million, which corresponds to a decrease of 10.7% and 27.2% of, respectively, in May 2010 and June 2009.

Moreover, even if the current prices in grain, meal and oil in the season are well below the levels achieved last season, the revenue of the soy complex obtained in this first five months of the year totaled \$ 7.37 billion against \$ 6.79 billion over the same period last year.

The higher income is tied to the pace of foreign sales in the sector during 2010, which reached record volumes, due to the pace of meal shipment, mainly by the strong performance of China after the country's eastern veto the negotiations with oil crude soybean in Argentina.

With a week of tranquility in the largest financial market, the inflow of foreign capital in the country was high, causing the real to appreciate against the dollar. With real valued, domestic prices were pressured and consequently, most sellers remained retracted.

In Argentina, with the harvest nearly over, soybean producers celebrates a result greater than the most optimistic forecasts.

Initial estimates of around 48 million tons, the production end of the 2009/10 harvest is expected to reach 55 million tons, a record number, said the Stock Exchange of Buenos Aires Cereals. Already been harvested 98.6% of 19 million hectares planted. There was a loss of only 350 000 hectares.