

Illinois Farm Economics Summit

Image by Diogo Zanatta

What to Expect from the South American Crop Season

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Illinois Extension



College of Agricultural,
Consumer &
Environmental Sciences

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South America Outline

- Soybean Prospects in Brazil
- Corn Estimates in Brazil
- Potential for Future Expansion
- Crop Projections in Argentina
- Questions & Answers



Crop Prospects in Brazil



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How It's Going So Far in Soybean Season

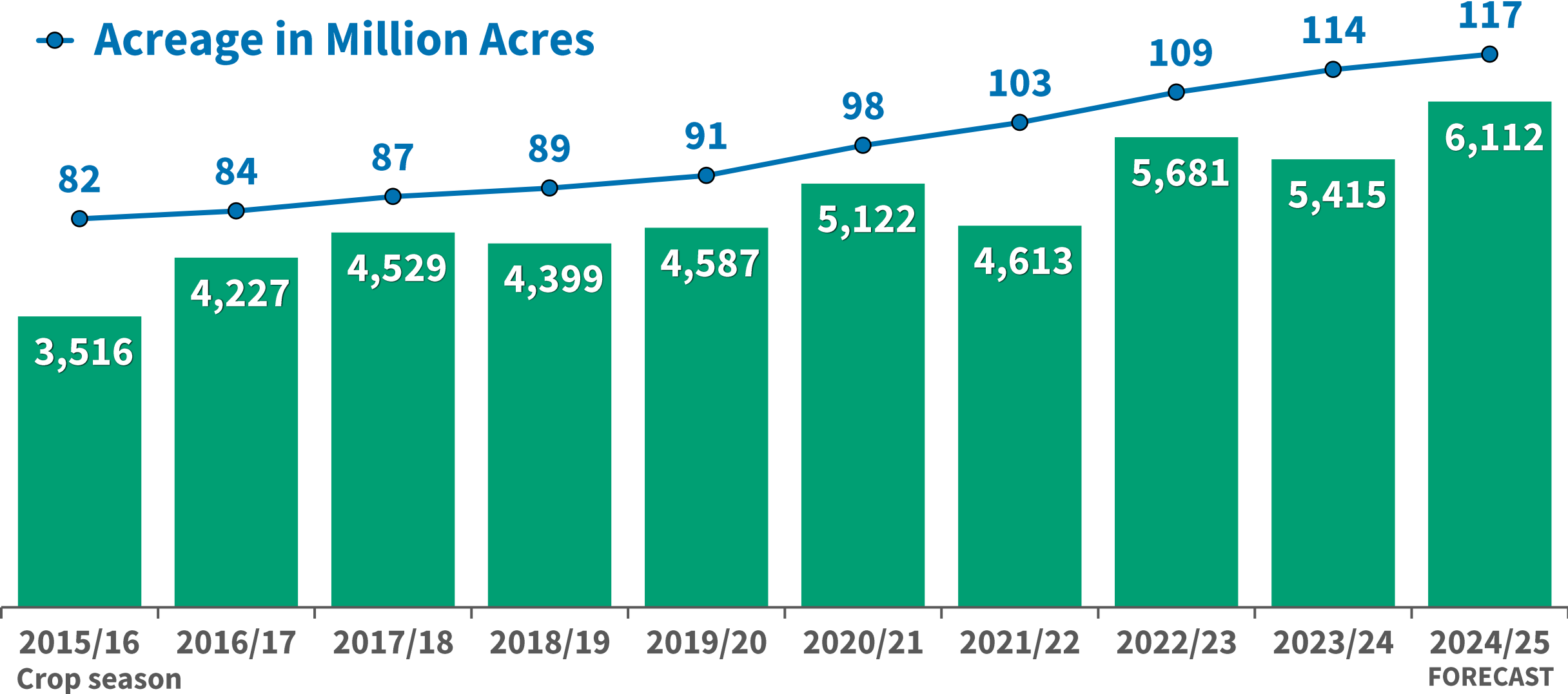
- As of Jan 19, **1% of the soybeans** were harvested in Brazil (Conab).
- Brazilian soybean acreage is projected **to grow by 2.6%**, the slowest growth in a decade.
- The soybean crop is forecasted to **hit a record** 6.1 billion bushels, 13% increased from last year.



Soybean Acreage and Production in Brazil



■ Production in Million Bushels
● Acreage in Million Acres



Private Consultancy Projections Even More Optimistic in January Reports

Consultancy	Projection (in million bushels)
Safras & Mercado	6,382
AgResource	6,322
Stone X	6,298
Agriinvest	6,283
Cogo Inteligência	6,268
Pátria Agronegócio	6,171



Favorable Conditions in the Center-West

Mato Grosso

Nova Marilândia, MT

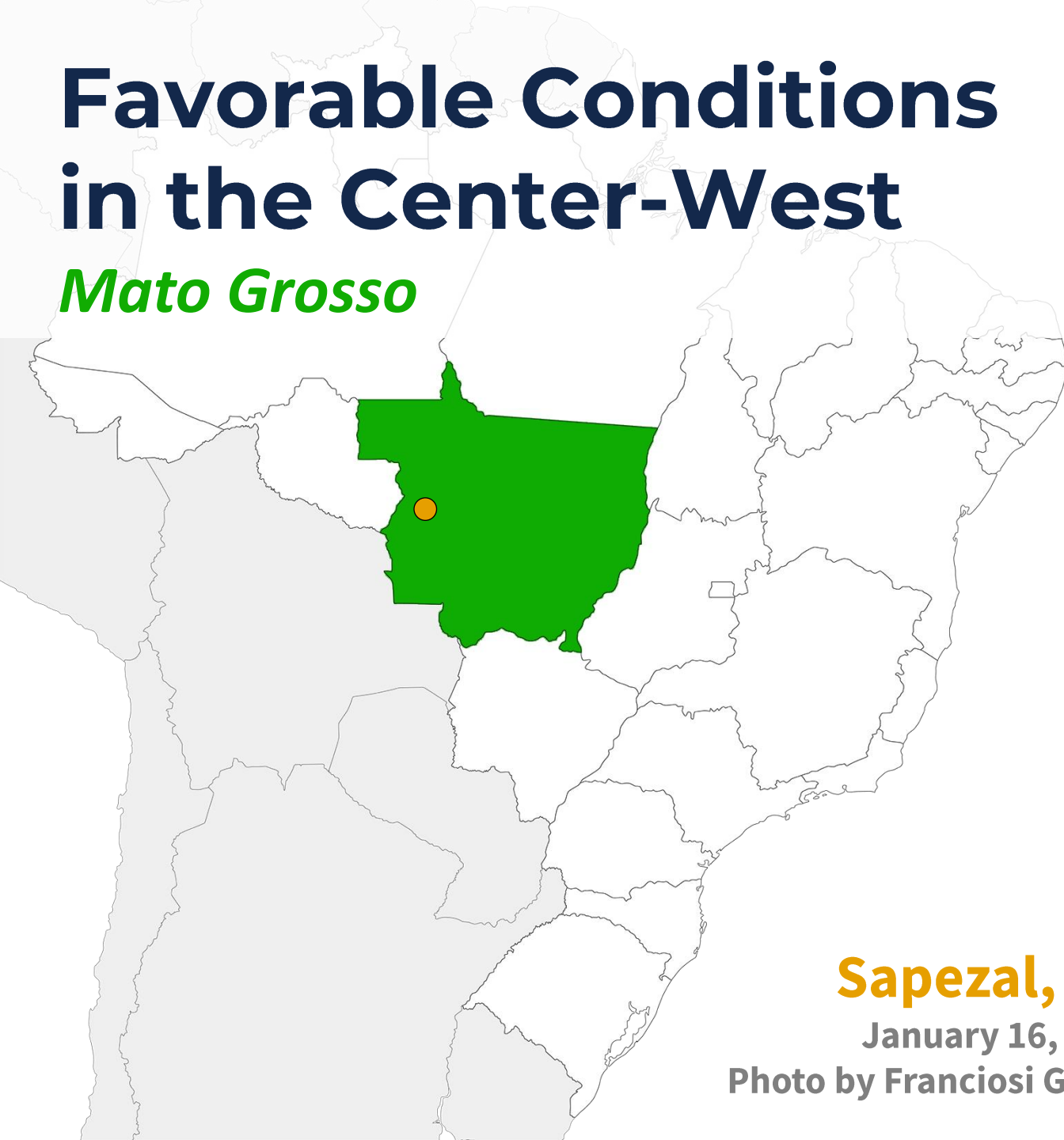
January 15, 2025

Photo by Franciosi Group



Favorable Conditions in the Center-West

Mato Grosso



Sapezal, MT

January 16, 2025

Photo by Franciosi Group



Crop Progress Report from Brazil

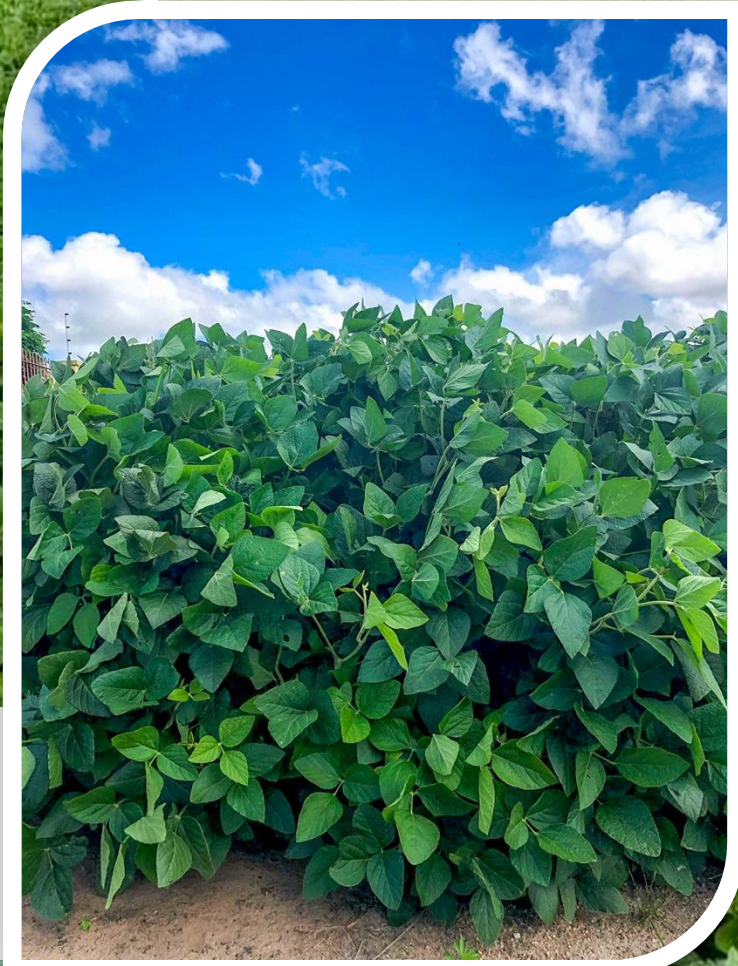


Francesco Franciosi, Tangará da Serra

January 19, 2025

Weather Concerns in Southern Brazil

Rio Grande do Sul



São Lourenço do Sul, RS

January 10, 2025

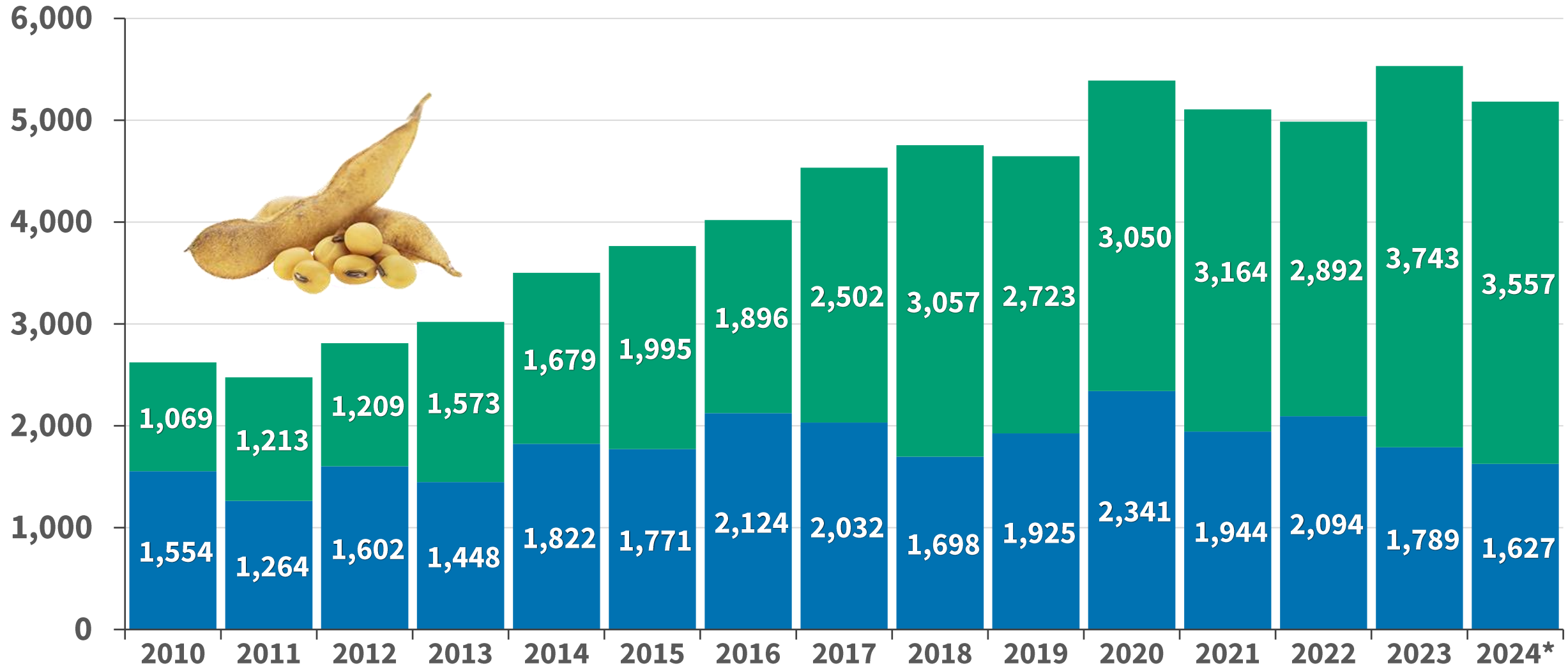
Photo by André Nicolau

Fazenda Cajarana



Total Soybean Exports by the United States and Brazil

in million bushels



Note: Exports by calendar year since the countries have different marketing years

* Data from January to November

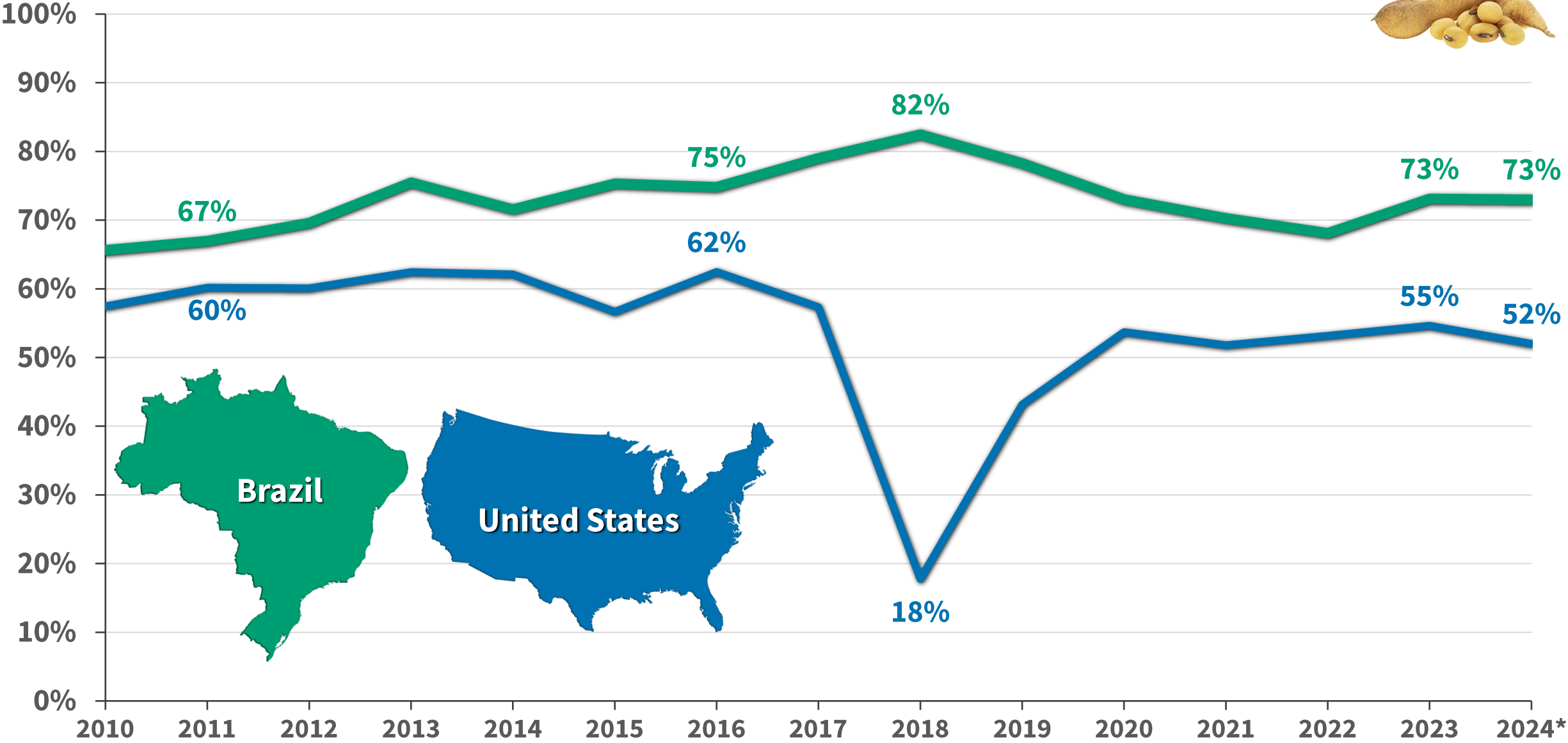
Sources: USDA and Secex/Brazil

Higher Supply and Favorable Exchange Rate

- The exports performance are based on **abundant supplies** and a highly **favorable exchange rate** for Brazilian farmers.
- Brazilian currency depreciation against the US dollar often benefits farmers by **making exports more competitive**, although it raises the cost of imported inputs.
- Market expectations indicate that the Brazilian Real will continue trading at around **R\$6 to USD \$1 in 2025**.



China's Share of United States and Brazil Soybean Exports



Note: Exports by calendar year since the countries have different marketing years

* Data from January to November

Sources: USDA and Secex/Brazil

How It's Going So Far in Corn Crop Season

- As of Jan 19, **5% of the corn first crop** was harvested (Conab).
- Brazilian corn acreage is expected **to remain stable**.
- Total corn crop is expected to reach 4.7 billion bushels, a **3% increase** compared to last year.
- If achieved, this would mark the **second-largest** harvest in history.



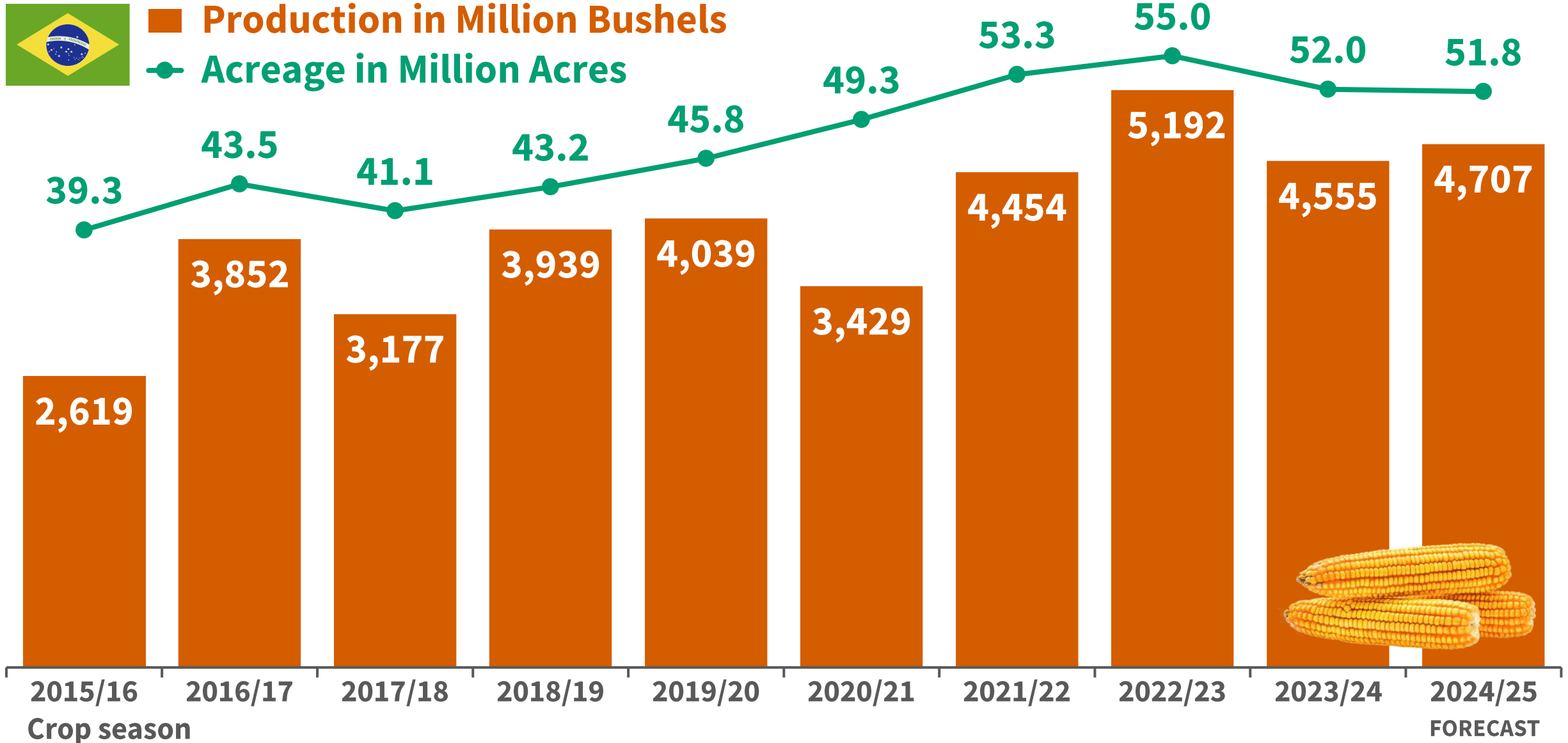
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Total Corn Acreage and Production in Brazil



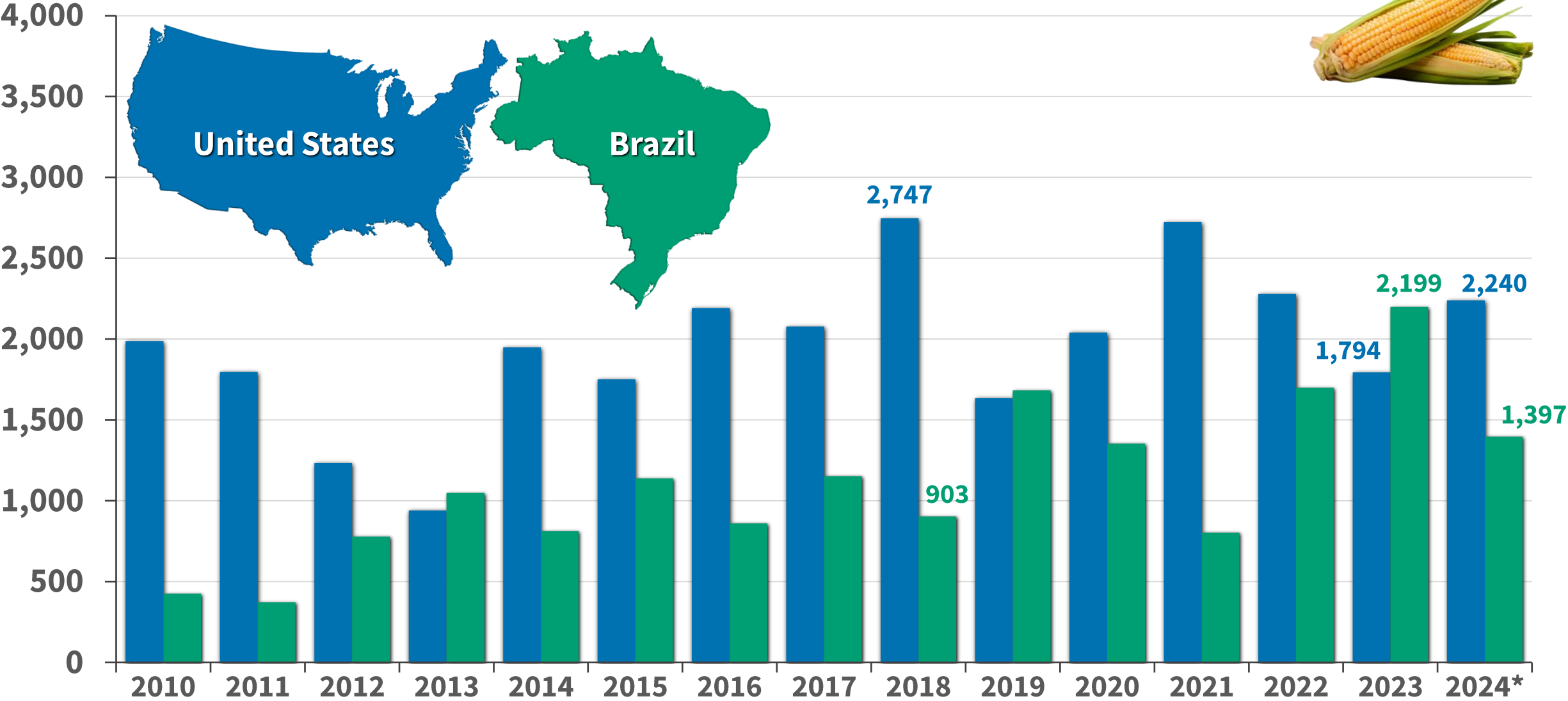
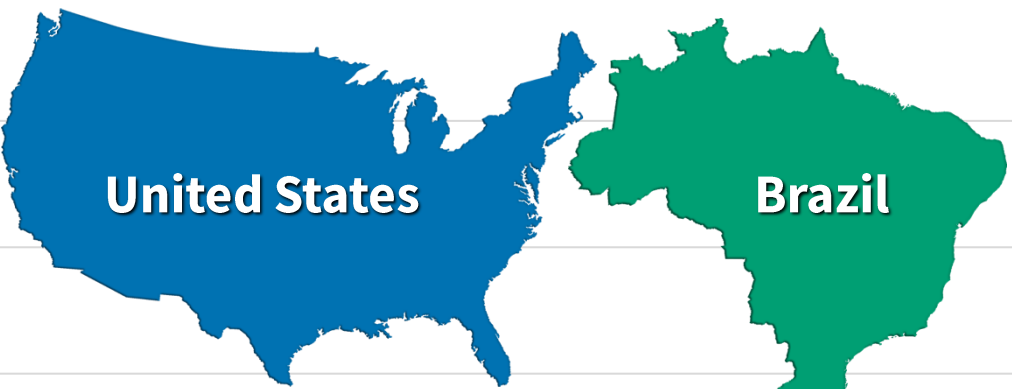
■ Production in Million Bushels

● Acreage in Million Acres



Total Corn Exports by the United States and Brazil

in million bushels



Note: Exports by calendar year since the countries have different marketing years

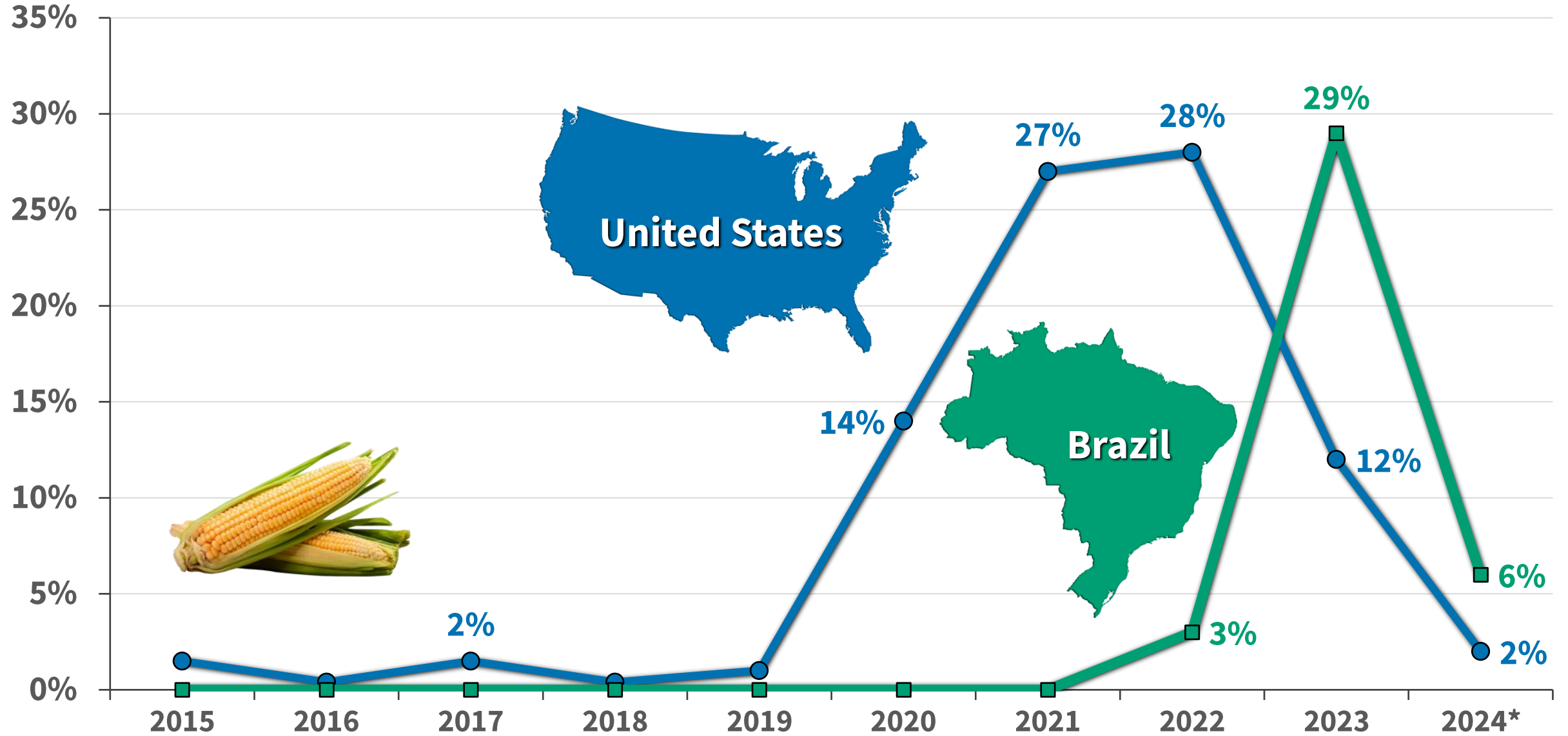
* Data from January to November

The Slowdown in Brazil's Corn Exports



- The recovery of supply in other major producing countries and the **decline in Chinese demand** have contributed to a slowdown in Brazil's corn exports.
- **Major corn producers**, such as the United States, Europe, and Argentina, have **expanded their production and exports**.
- Brazil's corn exports to China sharply declined, dropping from 630 million bushels to 91 million bushels in 2024.
China's share of Brazil's corn exports fell from 29% to 6%.

China's Share of United States and Brazil Corn Exports

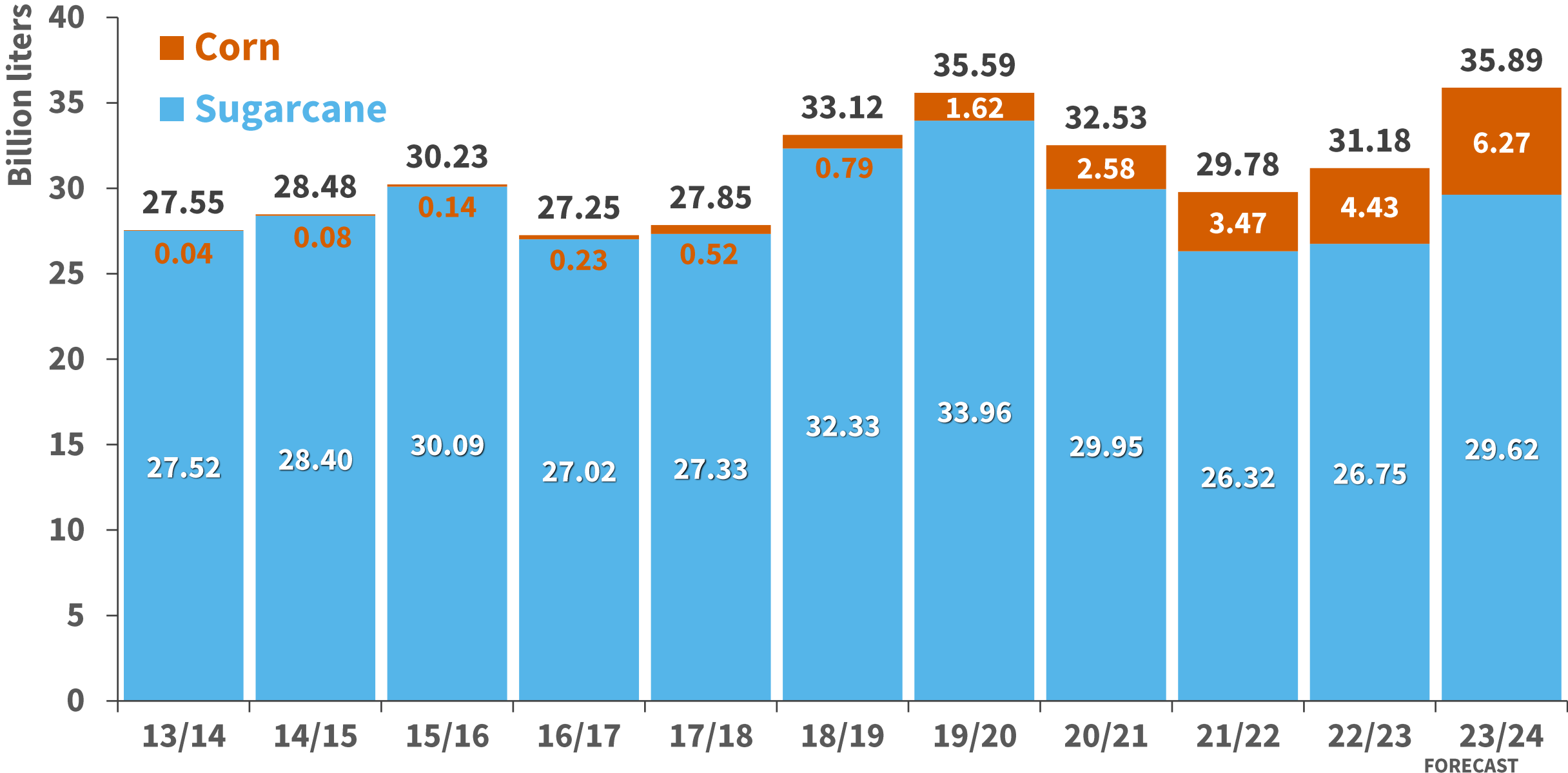


Note: Exports by calendar year since the countries have different marketing years

* Data from January to November

Sources: USDA and Secex/Brazil

Corn Ethanol Production Remains Growing in Brazil



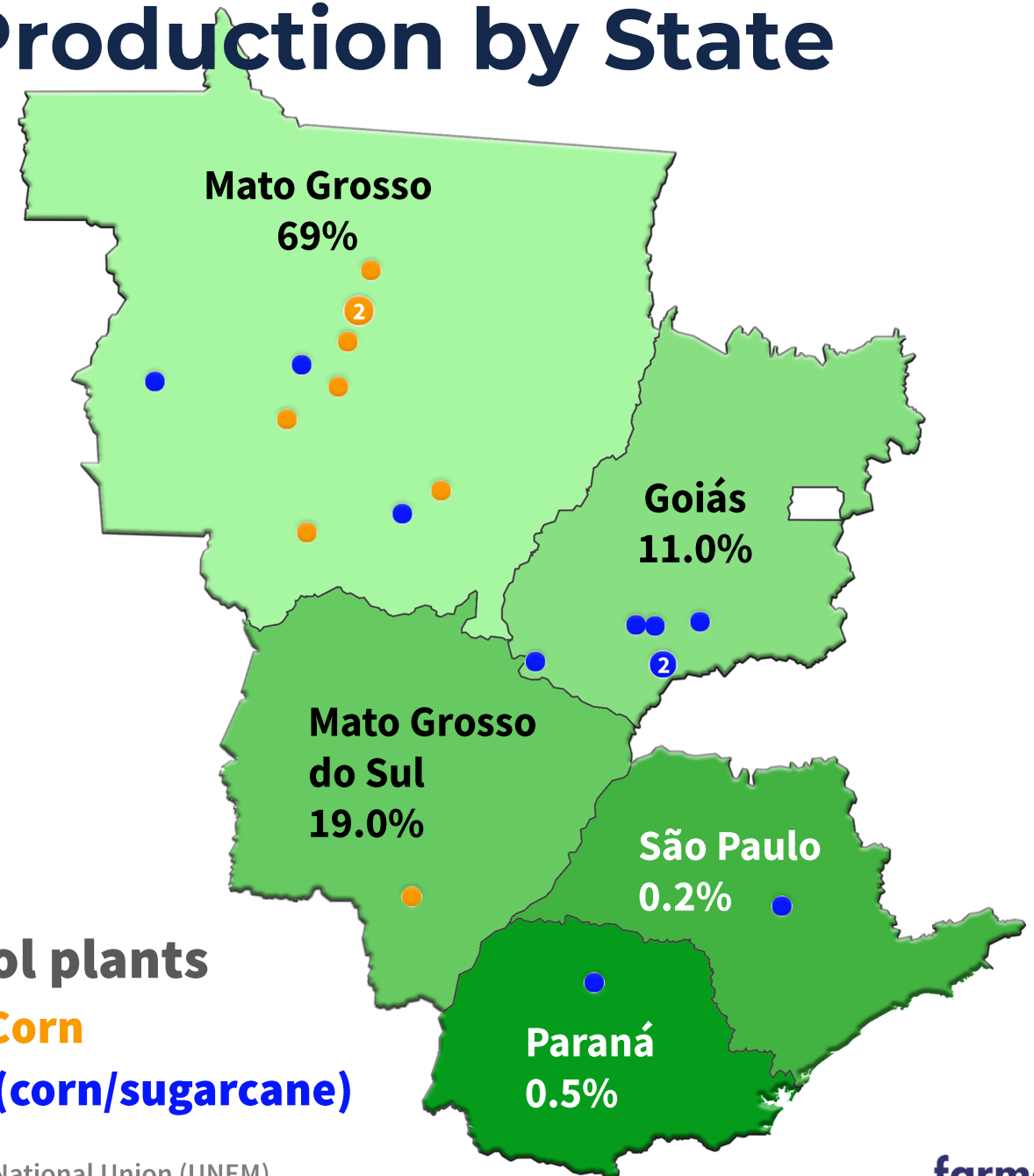
Sources: Ministry of Agriculture and Brazilian Sugarcane Industry Association (Unica)

Brazilian Corn Ethanol Production by State (2023/2024 season)

6 Billion Liters



São Paulo 0.01
Paraná 0.03



Source: Corn Ethanol National Union (UNEM)

What Does the Future Hold?



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What is the real expansion potential?

How many acres of degraded pastureland could Brazil convert into crop production – without deforestation?



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+70 million acres

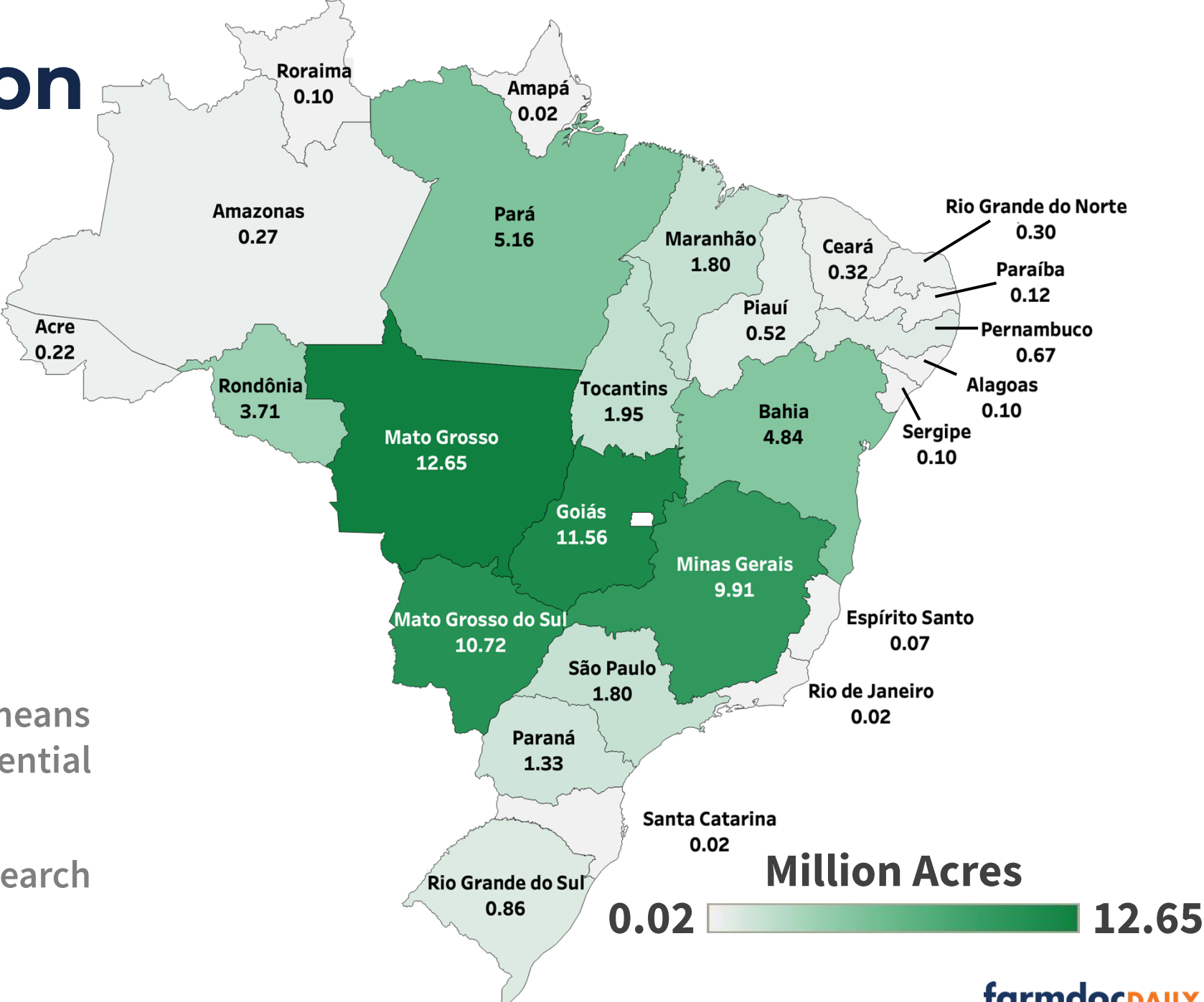
**35% increase
compared to the
2023/24 crop season**

Source: Embrapa, 2024

Crop Expansion Potential in Brazil Based on Degraded Pastureland* *in Million Acres*

* Crop expansion potential area means degraded pasturelands with potential for rainfed crop plantation

Source: Brazilian Agricultural Research Corporation (Embrapa)



What is the real expansion potential?

How many acres of double-cropping soybeans with second-crop corn could increase in Brazil?



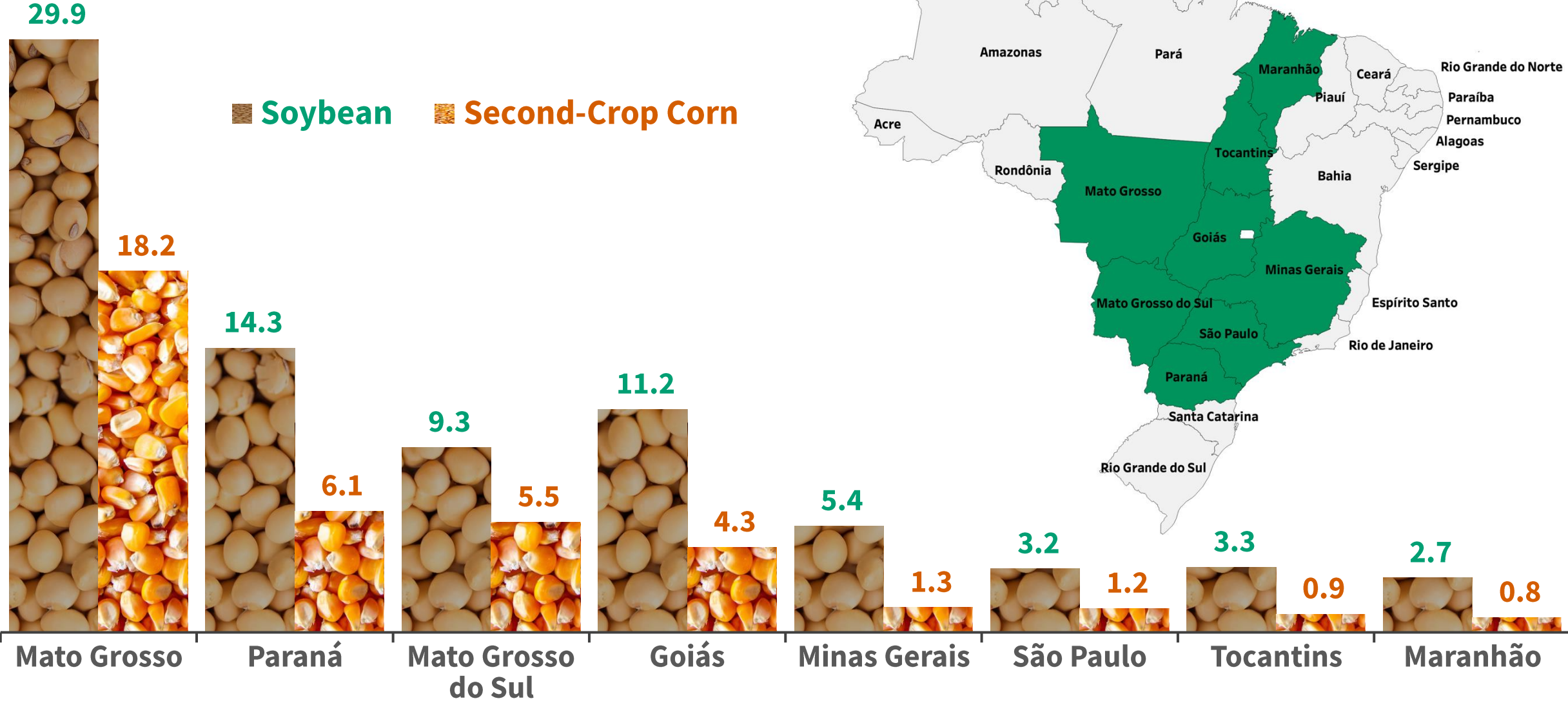
+40

million acres

**Double compared
to the current
crop season**

Source: Embrapa, 2024

Comparison of Soybean and Second-Crop Corn Planted Area 2022/2023 Crop Season, in Million Acres



What does the future hold?

Projections for the next decade



Brazil

	2023/24	2032/33	Change
Production (million bushels)			
Soybean	5,414	6,860	27%
Corn	4,561	6,292	38%
Exports (million bushels)			
Soybean	3,417	4,460	30%
Corn	1,973	2,593	31%



United States

	2023/24	2032/33	Change
Production (million bushels)			
Soybean	4,480	4,840	8%
Corn	15,265	16,180	6%
Exports (million bushels)			
Soybean	2,050	2,215	8%
Corn	2,275	2,725	20%

Wrap Up



- Soybean crop is forecasted to **hit a record**.
- Exports based on record harvest and a highly **favorable exchange rate** for Brazilian farmers.
- Good expectations for **safrinha crop season**
– maybe second-largest harvest in history.
- Reduced corn exports due to **decline in Chinese demand** and **more domestic use** (corn ethanol).

Crop Prospects in Argentina



Contrasts in Argentina Crop Season

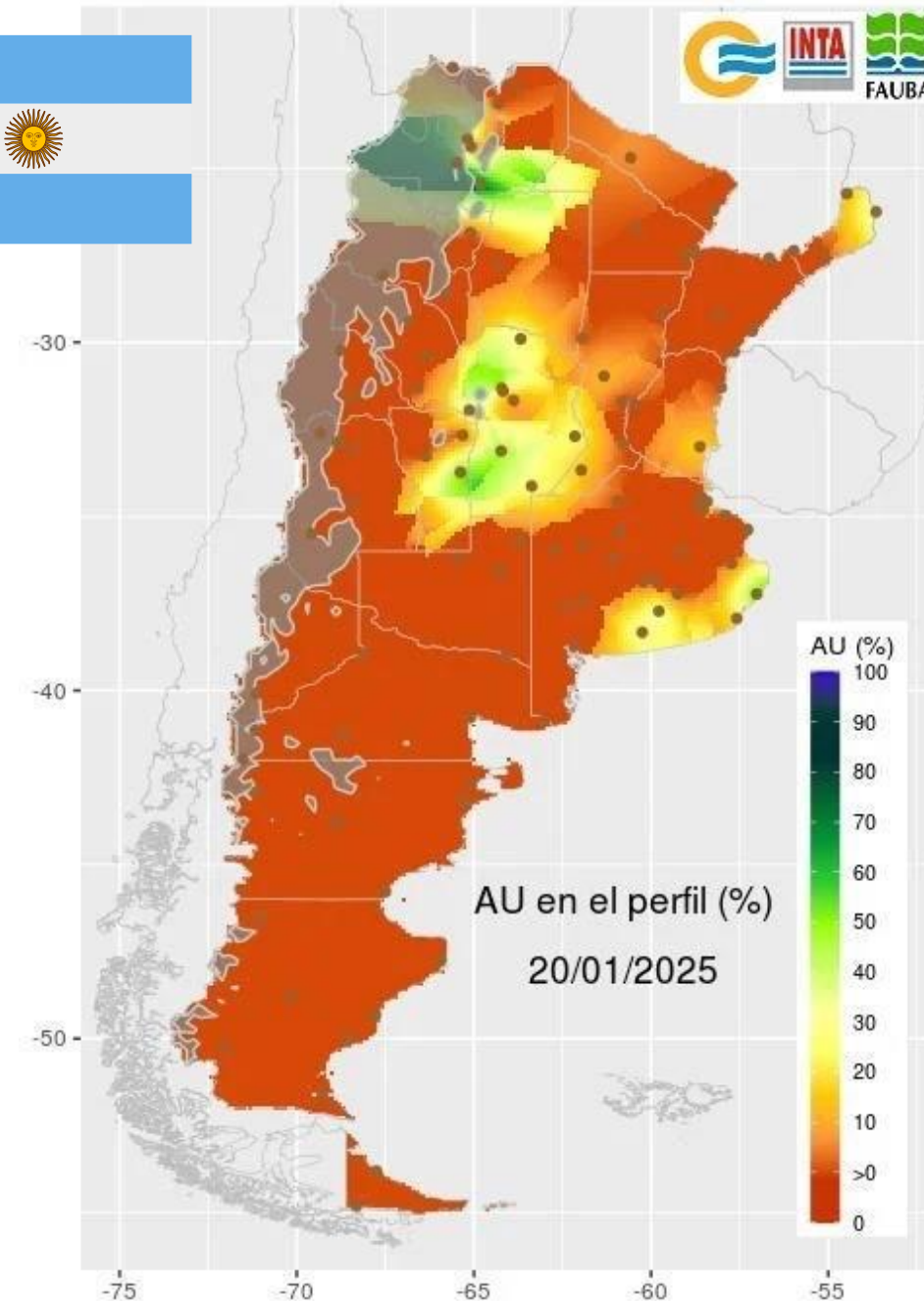
- Soybeans and corn share the same planting period in Argentina, competing for the **same growing area**.
- Last season, corn faced significant **losses due to a bacterium** spread by the leafhopper pest, which stunts crop growth.
- Many **farmers lost their entire corn crop** to the disease, making them particularly cautious this season.
- **La Niña** introduces uncertainty, as the phenomenon is typically associated with **dry conditions**.



How It's Going So Far in Soybean Season



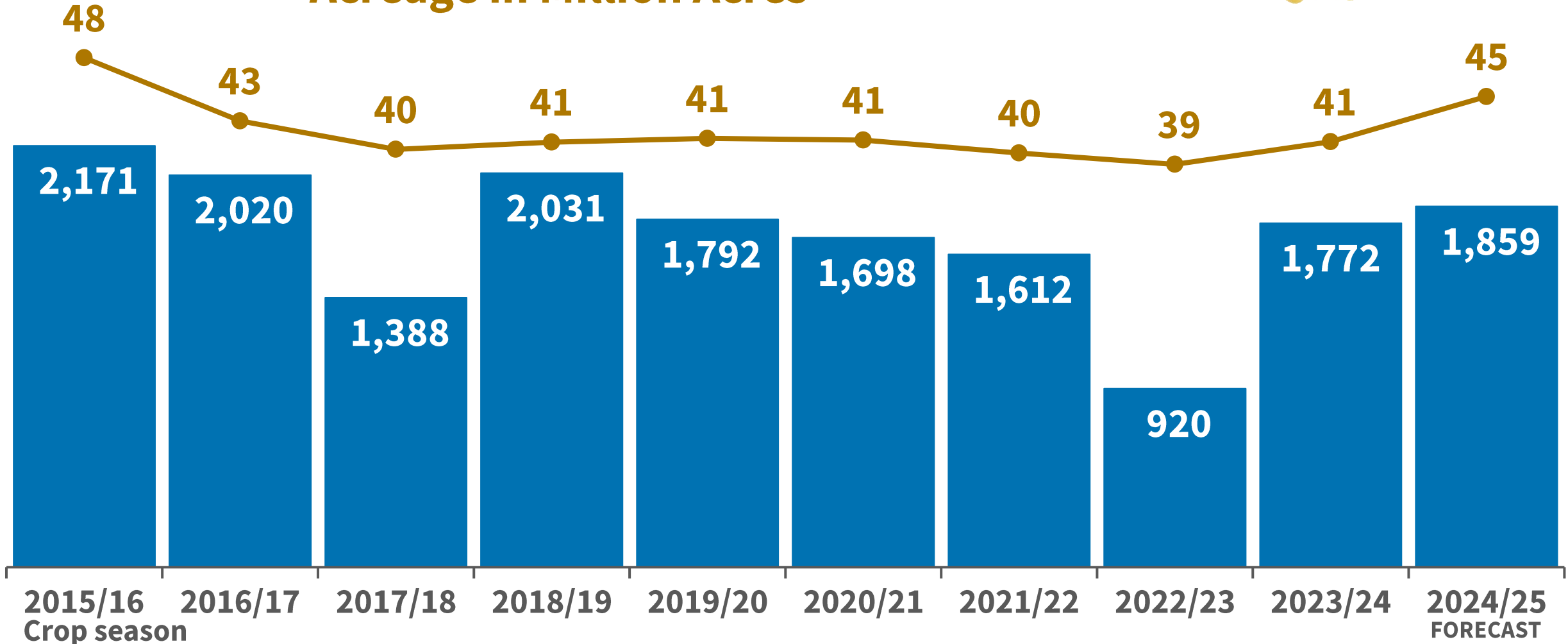
- Planted area **increased 10%** in the 2024-25 crop season to 45 million acres.
- **Largest expansion** in soybean planting since the 2015-16 season.
- Early soybeans are in good condition, but late soybeans are suffering from a **lack of water**.
- **Some rain last week**, but more water is still needed in the coming weeks.



Soybean **Acreeage** and **Production** in Argentina



■ **Production in Million Bushels**
● **Acreeage in Million Acres**



Comparing soybean fields in Argentina

Good Conditions for Early Soybean Season

Pergamino, Buenos Aires Province

January 15, 2025

Image by Silvina Cabrini, INTA



Water Stress for Late Soybean Season

Arroyo Dulce, Buenos Aires Province

January 16, 2025

Image by Silvina Cabrini, INTA



How It's Going So Far in Corn Season

- Argentina's corn planting projected to **decrease by 25%** *equivalent to 6 million acres*
- This would mark the largest relative drop in corn acreage in **17 years**.
- Corn harvest is projected **to drop 16%** compared to the previous season.
- Factors behind the decline are the **corn stunt disease** and **lack of water**.



Chillar, Buenos Aires Province

January 20, 2025

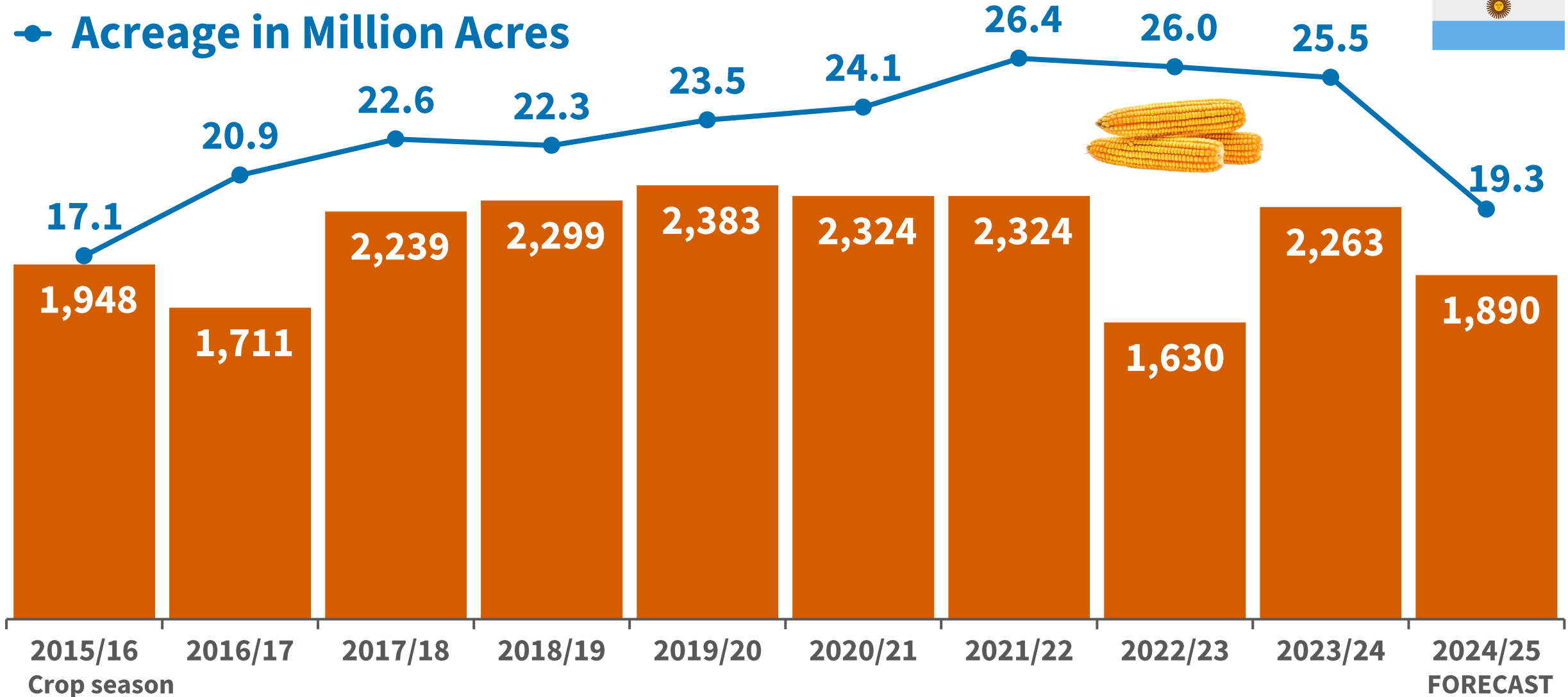
Image by Farmer Jose Villarreal



Total Corn Acreage and Production in Argentina

■ Production in Million Bushels

● Acreage in Million Acres



Source: Secretariat of Agriculture in Argentina (SAGyP) and Rosario Board of Trade (forecast)

Comparing corn fields in Argentina

Good Conditions for Early Corn Season

Pergamino, Buenos Aires Province

Image by Silvina Cabrini, INTA
January 15, 2025



Water Stress for Late Corn Season

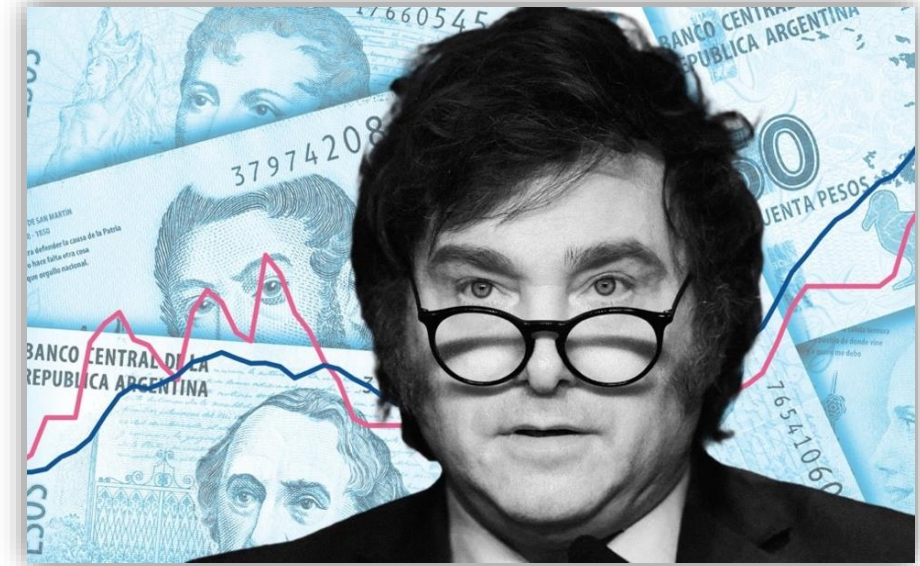
Córdoba, Córdoba Province

Image by farmer Franco Cruciani
January 21, 2025



Argentina after one year of President Milei

- A massive fiscal consolidation has led to **budget surpluses**.
- The Argentinian Central Bank is **no longer printing money**.
- The rate of **monthly inflation** has collapsed **to low single digits**.
- The country-risk spread has contracted and the economy has started to **show signs of a recovery**.



Wrap Up

- Increase in soybean planting and reduction in corn planting due to **corn stunt disease**.
- Early soybeans are in **good condition**, but late soybeans are suffering from a **lack of water**.
- Corn harvest is projected **to drop 16%**.
- Argentinian economy has started to show **signs of recovery** during President Milei's first year.



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Thank you!
Muito obrigada!



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