

## **-TRANSGENICS: SOYBEAN REACHES 58% IN BRAZIL**

### **-IBGE: SOYBEAN LEADS RANKING AMONG PRODUCTS**

#### **HIGHLIGHTS**

- According to a survey by SAFRAS & Mercado, planting area of transgenic varieties should reach 58% of the total 2008/09 crop area, reaching 12,375 thousand ha. This total is 3% superior to the 11,970 thousand ha cultivated from the previous crop, representing 56%. Since measuring has begun in 2003/04, where transgenic participation was of 13%, the increase in area has been 342%.

- In favor of using this technology is the ease that producers have in treating cultures and the reduction of production costs due to the lesser use of herbicides. But some factors inhibited the advance of transgenics in the country, including withdrawal of some states in participating; regional prizes for the use of conventional soybean; pressure from some important buyers; high costs of glyphosate, main herbicide used on the modified soy; official pressure against transgenics in the state of Paraná; and the bad results of some varieties in face of the lack of rain observed in 2008.

- There has been some advances in some states, such as Goiás, increasing from 48 to 57%, Minas Gerais, 65 to 68%, Mato Grosso, 38 to 40%, São Paulo, 35 to 38%, Santa Catarina, 78 to 80% and Bahia + MAPITO, 30 to 35%. In RS it has been stable at 98%. And falls in Paraná, from 48 to 46% and in Mato Grosso do Sul, from 80 to 76%.

- According to estimates from IBGE on Brazilian agricultural production from 2007 for municipalities, soy continues to be in first place on the national ranking, with Gross Production Value of R\$ 25,795 million, still 35% superior to the second place, which was sugar cane, representing 22.1% of total value. By regions, the center-west is consolidated as the leader in soy production. In 2007 this region produced 26,202 thousand tons, representing 45% of the total production in the country. Following in the south, with 40% of total production.

- Through the states, Mato Grosso continues its process of leadership in national production, representing 26% of the total of the 2007 crop. Following is Paraná, with 21% and Rio Grande do Sul, with 17%.

- In the ranking of municipal production, Sorriso, Mato Grosso, continues to appear as the national leader, with a production of 1,663 thousand tons, or 2.9% of the countries production in 2007. Following in ranking are the municipalities of Mato Grosso: Sapezal, Nova Mutum, Campo Novo dos Parecis and Diamantino.

#### **Transgenics advance less in Brazil**

In a new survey carried out throughout the country, SAFRAS & Mercado identified only a small advance in the use of genetically modified varieties (GMO) by Brazilian soy producers in the 2008/09 crop. According to a report with estimates disclosed in the last issue of 2008, from a planting area of 21,405 thousand ha, 12,375 thousand ha were planted with Round Up Ready soy, resistant to the glyphosate herbicide, principal transgenic variety cultivated in the world. In this way, we have an advancement of 58% for this GMO in the sector, against 56% from the last crop review, involving an area of 11,970 thousand ha. If we look at the evolution of this process, we can see a consistent advancement of using this technology in the country, as much as before as after the official release for commercial use of this variety in 2005, although with a loss in rhythm. Taking as example the 2003/04 crop as a reference, which was the first survey under took by S&M, the increase is already in 342% over the 2,800 thousand ha seeded with the GMO varieties, which at the time was representing 13% yet. Reminding that the beginning of cultivation occurred Rio Grande do Sul in 1997 with the smuggling of seeds from Argentina.

Although slower than desired, we finally have an advancement of biotechnology in the country, following the tendency in the world. GMO planting area in all the world has reached more than 114 million ha in 2007, experimenting new growth in 2008. With the U.S. leading, there are already 23 countries adopting diverse types of this technology, including Europe, where there are croplands in Spain, Portugal, France, Germany, Czech Republic and Slovakia. For soy, the area with the GMO variety represented close to 64% of the 91 million ha planted for the 2007/08 crop. Beside Brazil, among the principal producer we highlight the U.S., who represented almost 92% of the 2008/09 crop, and that of Argentina, representing an estimated 98% for this new crop.

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## Stimulating and non-stimulating factors

Although there's some discussion over average productivity, there are two real motives why producers around the world are increasing the use of genetically modified soy. The first one is related to the greater flexibility on part of the producer to treat crops. In other words, it's easier to manage. And the second reason has to do with cost reduction related to weeds, and, consequently, on the total cost of production, due to lesser use of herbicides. The question is to obtain approximately the same result with less work and less costs. But we can also highlight some advantages on a global context, especially in times of concerns over the environment:

- transgenic varieties contribute significantly to reducing carbon dioxide emissions during agricultural tasks. This is due to less use of machinery, and consequently, less use of fuel, because defensive applications are diminished;

- insecticide application is reduced globally;

In any case it's necessary to say that the rhythm of using GMO technology has fallen in this new season. In fact, this was

the general expectation of the seed sector that ended up registering a surplus of GMO seeds in some states, such as Paraná and Mato Grosso do Sul. The main inhibitors of advancement were:

- " Premiums from importers and consumers for conventional Brazilian soy. Although with low and insufficient values (about 5%) to compensate producers for not using the GMO technology, the dissemination of this practice has been leaving producers doubtful;

- " Pressure from some important buyers that still try to restrict the acquisition of soy to its conventional varieties;

- " Hike of glyphosate prices, which is the principal herbicide used in soy GMO cropland. Based on prices from Paraná, the price of 5 liters of Round Up increased from R\$ 66.89 in November 2007 to R\$ 101.75 in November 2008, a hike of 52%\$. In this manner the trade relation went from 1.6 bags for 5 liters of herbicide, to 2.23 bags, a 39% increase;

- " Pressure from the state government of Paraná that ends up inhibiting producers to adopt transgenic soy;

- " Bad results from some varieties used in Mato Grosso do Sul, due to irregular weather form last season;

## Positions in the states

Despite all these restraints, there has been some advancement. Let's see the position of the principal producing states:

- " The greatest advancement was observed in Goiás and the Federal District, who increased 9% in GMO participation since last year. Following behind is Bahia and the MAPITO region (Maranhão, Piauí and Tocantins) with 5% advancement, São Paulo and Minas Gerais with 3%, and Santa Catarina and Mato Grosso with 2%. It's estimated that Rio Grande do Sul will maintain its quota of participation, where almost all of the soy area is GMO. And a 4% retraction in Mato Grosso do Sul and 2% retraction in Paraná;

- " As we can follow on the map presented in this issue, states where RR soy is largely used are Rio Grande do Sul, with 98% of its total area (98% in 2007/08), Santa Catarina, with 80% (78%), Mato Grosso do Sul, with 76% (80%), Minas Gerais, with 68% (65%), and Goiás, with 57% (48%). On the other side we have the MAPITO region and Bahia with 35% (30%),

BRAZIL - GROSS PRODUCTION VALUE - 2007							
in million R\$							
Products	Planted Area	Harvested Area	Production	Average Yield	Gross Production	Total GPV	GPV
	(thousand ha)	(thousand ha)	(thousand t)	(kg/ha)	Value	GPV	2004
Soy (in bean)	20571	20565	57857	2813	25795	22,1	32628
Sugar Cane (2)	7087	7081	549707	77632	19080	16,4	12150
Corn (kernel)	14011	13767	52112	3785	15617	13,4	11596
Coffee (processed)	2280	2264	2249	993	8071	6,9	7378
Orange	822	821	18685	22752	5154	4,4	4307
Mandioca (2)	1941	1895	26541	14009	4976	4,3	4955
Rice (in husk)	2915	2891	11061	3826	4572	3,9	7750
Cotton Herbaceous (in pit)	1131	1125	4111	3653	3989	3,4	5185
Kind Kidney Bean (in bean)	3976	3788	3169	836	3881	3,3	3082
Tobacco (in leaf)	460	460	909	1977	3584	3,1	3632
Banana	519	515	7098	13773	2910	2,5	2274
Tomatoe	59	58	3431	58749	2094	1,8	1686
Potatoe	148	148	3551	24035	2036	1,7	1720
Wheat (in grain)	1855	1853	4114	2219	1936	1,7	2102
Grape	78	78	1372	17522	1708	1,5	1388
Pineapple (1)(2)	72	72	1784	24820	951	0,8	674
Papaia	35	35	1812	52087	895	0,8	830
Apple (2)	38	38	1115	29482	830	0,7	515
Onion	64	64	1360	21380	775	0,7	601
Cocoa (in bean)	685	629	202	320	710	0,6	879

Source: IBGE

(1) Amount produced in 1000 fruit and yield in fruit per acre;

(2) Planted area is the area destined for the years harvest;

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São Paulo, with 38% (35%), Mato Grosso, with 40% (38%) and Paraná, with 46% (48%);

\*                    \*                    \*

## SOYBEAN CONTINUES TO LEAD, SAYS THE IBGE

Besides being the main bean produced in Brazil, soy culture is still by far the leading agricultural activity in the country. This is one of the principal conclusions that can be extracted from the consolidated statistics report of agricultural production for 2007, recently disclosed by the Instituto Brasileiro de Geografia e Estatística/IBGE. In this second issue of the year we'd like to take advantage to highlight the four principal points of this annual survey under the perspective of soy production. Let's see them:

(1) According to the survey, the Gross Production Value/GPV was R\$ 25,795 million in 2007 with a production of 57,857 thousand tons (IBGE numbers), which represents 22.1% of the Brazilian agricultural production. This result still maintains a slack difference of 35% over the second in ranking which was sugar cane, whose GPV reached R\$ 19,080 million. Overcoming with ease the R\$ 15,617 million of corn's GPV, third in ranking. However, it is important to observe that this distance from sugar cane has been diminishing year by year, flagging a tendency that in 5 years it will possibly overcome. In 2004, for example, the difference was yet 168%;

(2) Following the third chart in this issue shows us the consolidation of the center-west region as leader in national production. With a volume of 26,202 thousand tons, participation in total production for 2007 was 45%, followed by the south region, with 40%, northeast with 7%, southeast with 6% and the north with 2%. By and large it is important to observe that due to financial difficulties from producers, over the years there's been a reduction in participation, which had represented 48% of the total crop harvested in 2004. Highlighted too is the northeast participation surpassing the southeast, due to the increase in area, known as MAPITOBA (Maranhão, Piauí, Tocantins and Bahia);

(3) In ranking by states we have Mato Grosso being consolidated as leader in Brazilian soy production. Not by chance that among the 20 principal producers of the country, 14 are located in this state, including the 5 largest. From the IBGE survey, production from Mato Grosso in 2007 reached 15,275 thousand tons, 5% more than the 14,518 thousand tons of 2004. This volume represented nothing less than 26% of the

<b>BRAZIL - SOY PRODUCTION - 2007</b>				
<b>Ranking between regions and states - thousand ton</b>				
Regions/ States	Production		Total	Osc.
	2007	2004	%	(%)
<b>BRAZIL</b>	57857	49550	100	17
<b>REGIONS</b>				
<b>Centro-Oeste</b>	26202	24027	45	9
<b>Sul</b>	22917	16405	40	40
<b>Nordeste</b>	3909	3659	7	7
<b>Sudeste</b>	3662	4515	6	-19
<b>Norte</b>	1167	947	2	23
<b>STATES</b>				
<b>Mato Grosso</b>	<b>15275</b>	<b>14518</b>	<b>26</b>	<b>5</b>
<b>Paraná</b>	11877	10219	21	16
<b>Rio Grande do Sul</b>	9929	5542	17	79
<b>Goiás</b>	5938	6092	10	-3
<b>Mato Grosso do Sul</b>	4846	3283	8	48
<b>Minas Gerais</b>	2418	2661	4	-9
<b>Bahia</b>	2298	2365	4	-3
<b>São Paulo</b>	1244	1854	2	-33
<b>Maranhão</b>	1125	904	2	24
<b>Santa Catarina</b>	1111	642	2	73
<b>Tocantins</b>	732	652	1	12
<b>Piauí</b>	485	388	1	25
<b>Rondônia</b>	259	163	0	59
<b>Pará</b>	154	99	0	56
<b>Distrito Federal</b>	143	135	0	6
<b>Roraima</b>	20	26	0	-23
<b>Amazonas</b>	2	6	0	-67
<b>Ceará</b>	1	1	0	0
<b>Source: IBGE</b>				

Brazilian crop, 29% superior to the 11,877 thousand tons produced in Paraná, which easily maintained second place. However, as the comment about the previous item, here also was a sign that advancement in the region was settling, for in 2004 the state represented 29% of national production;

(4) The fourth highlight from this annual survey carried out by the IBGE has to do with establishing the ranking for municipal soy production. The volume of the 20 principal producers of the country can be observed in the fourth chart of this issue. And, in this case, it is perfectly clear how important the central region has become for the country's production for the last couple of years. From the 20 greatest producers of the 2007 crop, 14 are from Mato Grosso, 2 are from Goiás and two are from Mato Grosso do Sul. From this region we can highlight only two municipalities in the state of Bahia. These 20 municipalities

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represent, in total, 23% of the Brazilian harvest that year. The biggest soy producer in Brazil is Sorriso/MT, producing 1,633 thousand ton in the 2007 crop, representing 2.9% of the total crop. Following is Sapezal/MT with 1,011 thousand tons and 1.7% participation, Nova Mutum/MT with 971 thousand tons and 1.7% participation, Campo Novo dos Parecis/MT with 894 thousand tons and 1.5% participation, and Diamantino/MT with 796 thousand tons and 1.4% participation. Since 2004 the highlights are Nova Mutum, rising from 4th to 3rd position, Diamantino rising from 7th to 5th, and Lucas do Rio Verde leaving 11th position and gone to 7th;

### CRUDE OIL, DEMAND AND WEATHER

These are the factors, exactly in this order, that pushed soy prices in the international market for the last couple of weeks. In first place, we had a momentary recuperation of crude oil at the end of 2008 and the beginning of 2009 due to the worsening of the Middle East crisis, with the invasion of the Gaza Strip, in Palestine, by Israel. This is a decisive and open variable for the recuperation process of soy for the next couple of months, considering that crude oil prices lower again

BRAZIL - SOY PRODUCTION BY MUNICIPALITY - 2007						
Ranking of the 20 Principal Cities						
Municipalities	Harvest	Production	Average	Country %	Production	Production %
	Area (thousand ha)	(thousand t)	Yield (kg/ha)		2004 (thousand t)	
<b>BRAZIL</b>	20565	57857	2813	100	49550	17
1-Sorriso/MT	543	1663	3062	2,9	1688	-1
2-Sapezal/MT	325	1011	3115	1,7	955	6
3-Nova Mutum/MT	310	971	3131	1,7	856	13
4-Campo Novo dos Parecis/MT	298	894	3000	1,5	880	2
5-Diamantino/MT	277	796	2877	1,4	732	9
6-São Desidério/BA	254	687	2700	1,2	739	-7
7-Lucas do Rio Verde/MT	216	624	2895	1,1	528	18
8-Primavera do Leste/MT	200	620	3101	1,1	737	-16
9-Jataí/GO	202	606	3000	1,0	670	-10
10-Rio Verde/GO	230	580	2520	1,0	609	-5
11-Nova Uiratã/MT	206	576	2804	1,0	483	19
12-Maracaju/MS	180	562	3120	1,0	346	62
13-Itiquira/MT	180	513	2852	0,9	501	2
14-Campos de Júlio/MT	152	475	3120	0,8	499	-5
15-Querência/MT	145	450	3100	0,8	221	103
16-Sa Rita do Trivelato/MT	144	436	3030	0,8	331	32
17-Dourados/MS	155	434	2800	0,8	179	142
18-Barreiras/BA	145	392	2700	0,7	408	-4
19-Ipiranga do Norte/MT	120	374	3120	0,6	nd	-
20-Campo Verde/MT	120	367	3059	0,6	429	-14

Source: IBGE

and continue to be subject to big oscillations due to political and economical instability. In second, we had support also coming from news about the resolute numbers on consumption, especially for the U.S. product, that continues to exceed initial expectations. This is an important variable also, since there isn't a sufficiently trustworthy forecast that can quantify the impact of the world financial crisis on the estimates of global consumption, and least on the agricultural sector. And, in third, the sector also found support coming from news about the complicated weather in South America, notably in the south of Brazil. This subject will be covered on our next issue with a detailed survey on the conditions of Brazilian soy croplands, as much as the stage of evolution of the crops. At this moment, information is still partial and preliminary to make a more precise evaluation of how the December/January drought will affect croplands in the important producing states, especially Paraná and Rio Grande do Sul (second and third biggest producers). However, despite some exaggerating alarm on the subject, it is necessary to observe that the recent rainfall that has fallen in a greater part of the region affected by the drought were fundamental to relieve problems relating to the lack of humidity in soy croplands. And that the greater losses, up to this moment, are restricted to corn.



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# INDICATORS

BRAZILIAN MARKET - AVERAGE PRICES - US\$						FUTURES MARKETS/BASIS				
	Jan/15 2008	Previous Week	Previous Month	Monthly Spread %	Previous Year		Jan/15 2008	Previous Week	Previous Month	
<b>SOYBEANS - 60 Kg</b>						<b>- Chicago - US\$ cents/bushel (27,2 Kg)</b>				
- RS, Passo Fundo, Fob	21,64	21,83	19,67	10,0	26,67	March/09	994,50	989,00	856,50	
- PR, Cascavel, Fob	21,22	20,95	19,03	11,5	25,82	May/09	1003,25	989,50	860,50	
- MT, Rondonópolis, Fob	18,91	19,18	17,10	10,6	23,27	July/09	1013,25	1000,00	870,00	
- SP, interior, Cif	19,75	20,51	18,81	5,0	27,24	<b>- BM&amp;F - US\$/60 Kg</b>				
- Official Price	9,58	10,06	5,99	60,1	7,94	March/09	22,40	21,85	19,00	
- Export parity Cascavel	20,91	20,45	18,40	13,7	25,77	April/09	21,90	21,40	18,30	
- Export parity P.Fundo	21,16	20,98	18,80	12,6	26,01	May/09	21,50	21,25	18,10	
- Export parity Rondon.	19,02	19,00	16,73	13,7	23,55	<b>-PremiumsFOB Pgua - US\$/cents/bu</b>				
<b>SOYMEAL - t</b>						<b>FEB</b>				
- PR, P.Grossa, Fob	395,04	374,86	316,39	24,9	385,88	<b>-PremiumsFOB R Grande - US\$/cents/bu</b>				
- SP, interior, Fob	388,74	370,45	301,42	29,0	383,04	<b>FEB</b>				
- RS, Porto Alegre, Fob	364,02	337,66	308,02	18,2	353,26	<b>-PremiumsFOB EUA - US\$/cents/bu</b>				
- Export parity P.Grossa	395,04	374,86	316,39	24,9	385,88	<b>FEB</b>				
<b>CRUDE SOYOIL - t</b>						<b>-PremiumsFOB B Aires - US\$/cents/bu</b>				
- SP, Cif, ICMS 12%	836,31	776,19	816,62	2,4	1.407,33	<b>FEB</b>				
- RS, Cif P.Alegre, ICMS 7%	798,49	837,93	803,80	-0,7	1.350,58	<b>-PremiumsFOB B Aires - US\$/cents/bu</b>				
- Export parity P.Alegre	798,49	837,93	803,80	-0,7	1.350,58	<b>FEB</b>				
<b>REFINED SOYOIL-(box/20 c</b>						<b>SOYMEAL</b>				
- SP, Cif, bleached/deod.	22,27	23,37	22,66	-1,7	30,93	<b>-Chicago - US\$/t curta (907,2 kg)</b>				
<b>WHEAT - t</b>						<b>March/09</b>				
- Official Price,Sup., ph 78	168,10	176,41	171,02	-1,7	226,99	<b>May/09</b>				
- PR, Maringá, Fob	214,33	220,51	200,95	6,7	368,86	<b>-Premiums Pell, FOB Pgua</b>				
<b>CORN - t</b>						<b>FEB</b>				
- PR interior - West	136,58	143,33	124,70	9,5	274,28	<b>-Premiums, FOB R.Grande</b>				
- SP, Cif, ICM free	164,60	172,73	146,08	12,7	288,47	<b>FEB</b>				
<b>LIVESTOCK - 15 Kg</b>						<b>-Premiums Pell, FOB ARG Up River</b>				
- feeder cattle, interior SP	35,72	38,81	35,06	1,9	42,56	<b>FEB</b>				
- poultry, interior SC/Kg	0,65	0,68	0,64	1,6	0,88	<b>SOY OIL</b>				
<b>WORLD MARKETS - SPOT PRICES - IN US\$/METRIC TON</b>						<b>-Chicago - US\$/cents/libra (0,45 kg)</b>				
<b>SOYBEANS</b>						<b>March/09</b>				
- Brazil, Fob Rio Grande	381,95	379,93	338,59	12,8	469,22	<b>May/09</b>				
- Brazil, Fob Paranagua	381,95	379,93	340,43	12,2	476,57	<b>-Premiums FOB Fob R.Grande/Pgua</b>				
- USA, Fob Gulf	386,73	388,38	338,59	14,2	469,95	<b>FEB</b>				
- Argentina, Fob Up River	365,42	363,40	314,71	16,1	469,22	<b>-Premiums ARG Fob Up River</b>				
- USA, Cif Rotterdam	408,75	408,75	360,25	13,5	535,50	<b>FEB</b>				
<b>SUNSEED</b>						<b>CORN</b>				
- Argentina, Fob B.Aires	300,00	300,00	300,00	0,0	513,86	<b>-Chicago - US\$/cents/bushel (25,4 kg)</b>				
<b>MEALS/PELLETS</b>						<b>March/09</b>				
sbean,BR 48%(HIPRO), RGr	363,76	351,63	301,81	20,5	359,24	<b>May/09</b>				
sbean,pell.,BR,46%, Pgua	352,74	339,51	286,38	23,2	364,75	<b>September/08</b>				
sbean,pell.,ARG, Up River	349,43	334,00	287,48	21,5	358,14	<b>- BM&amp;F - US\$/60 Kg</b>				
sbean,pell., BR, Cif Rott	365,00	358,00	318,00	14,8	458,00	<b>January/08</b>				
sbean,pell.,ARG,Cif Rott	353,00	350,00	288,00	22,6	447,00	<b>- Basis Fob ARG Up River - US\$/cents/bu</b>				
sunpell, ARG, Fob B.Aires	100,00	100,00	90,00	11,1	198,73	<b>FEB</b>				
sunpell, ARG, Cif Rott	154,50	145,00	139,50	10,8	315,00	<b>- Basis Fob USA (Gulf) - US\$/cents/bu</b>				
Corn Gluten Feed Cif Rott	na	na	na	-	215,00	<b>FEB</b>				
<b>VEGETABLE OILS</b>						<b>WHEAT</b>				
- sbean, crude, BR RG	707,68	716,94	634,04	11,6	1.190,70	<b>- Chicago - US\$/cents/bushel (27,2)</b>				
- sbean,crude,ARG, Up River	676,81	694,89	620,82	9,0	1195,11	<b>March/09</b>				
- sun, crude, ARG, B.Aires	695,00	700,00	612,00	13,6	1.491,32	<b>May/09</b>				
- peanut,crude, Cif Rott	2300,00	2300,00	2050,00	12,2	1.345,00	<b>- Kansas - US\$/cents/bushel (27,2 kg)</b>				
- castor,crude, Cif Rott	1700,00	1700,00	1500,00	13,3	1.450,00	<b>March/09</b>				
- rape,crude, Cif Rott	1300,00	1300,00	1100,00	18,2	1.448,74	<b>May/09</b>				
- palm,crude, Cif Rotterdam	800,00	700,00	720,00	11,1	955,00	<b>- Basis Fob USA (Gulf) - US\$/cents/bu</b>				
- sbean, crude, BR Pgua	707,68	730,16	629,63	12,4	1.199,52	<b>FEB</b>				
<b>WHEAT</b>						<b>PROFITABILITY - SOYBEAN/CORN/WHEAT</b>				
- Argentina, Fob, B.Blanca	215,00	205,00	174,00	23,6	330,00					
- ARG, Cif Santos/BRA	470,00	470,00	470,00	0,0	381,14					
<b>CORN</b>										
- Argentina, Fob Up River	150,00	170,00	130,00	15,4	215,00					
- USA, Fob Gulf	159,93	176,27	144,87	10,4	209,63					
- BR , Fob Pgua	165,00	165,00	130,00	26,9	250,00					
- ARG, Cif Brasil	162,66	183,94	141,45	15,0	232,01					
- USA, Cif Brasil	174,70	192,09	158,73	10,1	227,81					
<b>Exchange Rate</b>										
Real/U.S.Dollar	2,3795	2,2675	2,3389	1,7	1,7622					
Real/Peso Arg.	2,3900	2,3100	2,3700	0,8	1,8400					
Peso/U.S.Dollar	3,4530	3,4480	3,4060	1,4	3,1450					
Note: un = unavailable.										
<b>BRAZILIAN SOYBEAN CRUSHING MARGINS</b>										
	Jan/15 2008	Jan/15 2008(%)	Previous Week	Previous Week(%)	Previous Month(%)	Previous Year(%)				
- BR, Us\$/60Kg (1)	7,1	35,8	4,8	23,6	19,5	18,5				
- BR, exp,RGR , US\$/MT (2)	17,3	4,5	6,8	1,7	-2,1	3,4				
- USA, CBT, US\$/MT	40,9	11,7	42,5	11,7	13,1	-				
Note:(1) 100% dom. mkt ; (2) 100% foreign market.										
<b>BRAZIL-INDEXES - in %</b>										
		Dec-08	Nov-08	2008 Total						
Inflation/FIPE	0,16	0,39	6,17							
Dollar (Parallel)	2,04	10,36	25,00							
Gold (BM&F)	10,64	13,33	32,13							
C. Poupança	0,72	0,66	7,90							
TR	0,21	0,16	1,63							
CDB (pre-fixated)	0,85	0,79	9,36							

# INDICATORS

SOUTH AMERICAN SUPPLY AND DEMAND							SOYBEAN COMPLEX - BRAZILIAN EXPORTS				
CROP	SOYBEANS		CORN		WHEAT		SHIPMENTS PER EXIT PORTS - MARKETING YEAR				
	08/09	07/08	07/08	06/07	07/08	06/07	in th. tonnes				
							December	February/01 until			
							2008	2008	2007	07/08	
<b>SOUTH AMERICA</b>											
-Production	121.013	115.435	71.084	63.907	22.366	20.070					
-Imports	3.300	3.350	1.164	1.011	12.965	13.925					
-Domestic Consump	73.593	71.850	49.472	46.377	24.430	24.156					
-Exports	46.435	42.900	24.839	18.427	10.395	10.983					
<b>BRAZIL</b>											
-Production	61.483	60.435	50.084	42.907	3.880	2.250					
-Imports	100	100	1.164	1.011	7.200	8.000					
-Domestic Consump	33.500	35.200	42.372	39.427	10.200	10.200					
-Exports	26.000	25.500	10.839	4.327	600	40					
<b>ARGENTINA</b>											
-Production	51.000	47.000	21.000	21.000	15.500	15.200					
-Imports	3.000	3.000	0	0	5	5					
-Domestic Consump	37.000	34.000	7.100	6.950	5.000	6.000					
-Exports	15.000	12.000	14.000	14.100	9.500	10.500					
<b>PARAGUAY</b>											
-Production	6.930	6.900	-	-	630	600					
-Imports	0	0	-	-	10	18					
-Domestic Consump	1.450	1.450	-	-	375	375					
-Exports	5.335	5.305	-	-	375	169					
<b>BOLIVIA</b>											
-Production	1.600	1.100	-	-	117	150					
-Imports	200	250	-	-	300	332					
-Domestic Consump	1.643	1.200	-	-	417	449					
-Exports	100	95	-	-	0	0					
Source: SAFRAS & Mercado/SECEX/SAGPYA/IBCE/CAPECO											
<b>SOYBEANS - WORLD DEMAND INDICATOR</b>											
in th. tonnes											
WEEK	Jan/08	Jan/08	Since october(a)	oct/sep (estimate)							
	2009	2008	07/08	06/07	07/08	06/07					
<b>USA (b)</b>											
-Exports	632	725	14943	13490	29940	29940					
Crush (month)	3903	4218	45987	46950	46516	46882					
USA Total	4535	4942	60930	60440	76456	76822					
<b>SOUTH AMERICA</b>											
Month	Sep	Sep	Oct/Sep	Oct/Sep							
Exp.Brazil	1862	1817	25364	23485	26500	24500					
Crush BR	2670	2711	31823	31111	31511	28756					
Subtot.BR	4532	4528	57187	54596	58011	53256					
Exp.Argen.	1078	1551	13960	10262	12826	7381					
Crush Arg.	3217	3580	34612	33582	35967	32743					
Subtot.ARG	4295	5131	48573	43844	48793	40124					
Exp.Par.	na	na	na	na	4800	2380					
Exp.Bol.	na	na	na	na	100	70					
T.South America	8827	9658	105760	98439	111704	95830					
Tot.General	13362	14601	166690	158879	188160	172652					
Obs: Preliminary data.											
(a) World crop year. In South America, following monthly totals.											
(b) USA since SEP.											
Source SAFRAS & Mercado											
<b>SOYBEAN COMPLEX - 08/09 CROP- EXPORT REGIST.</b>											
in th. tonnes											
	BRAZIL		USA		ARGENTINA						
	na	na	Jan/08	Jan/01	May/12	May/06					
<b>BEANS</b>											
*Week	na	na	1361,6	529,7	0,0	0,7					
Cum./08	na	na	22243,4	20881,8	8721,1	8721,1					
Cum./07	na	na	21912,7	20947,5	6479,6	6479,6					
<b>MEAL</b>											
*Week	na	na	74,4	19,7	0,9	31,4					
Cum./08	na	na	3196,2	3121,8	9087,1	9086,2					
Cum./07	na	na	3783,4	3689,6	12439,3	11035,9					
<b>OIL</b>											
*Week	na	na	16,9	3,5	0,4	2,5					
Cum./08	na	na	227,7	210,8	2246,6	2246,2					
Cum./07	na	na	446,6	410,9	2816,1	2757,4					
Source: SECEX/USDA/SAGPYA. (* Biweekly in Brazil, 07/08 crop in Argentina)											
<b>SOYBEAN PROFITABILITY X FINANCIAL MARKET IN 2007/2008 - IN %</b>											
Month	BOVESPA	CDB	Savings	Commercial	Parallel	Gold	Soybeans	Soybeans	Soybeans	Soybeans	INFLATION(*)
		(30 dd)	Account	Dollar	Dollar	Physycals	Average	Cascavel	PFundo	Rond.	
<b>2007</b>											
OCT	8,02	0,71	0,61	-5,16	-2,38	7,95	3,55	2,13	2,88	3,08	0,08
NOV	-3,53	0,65	0,56	2,28	-2,44	5,89	4,79	7,49	5,04	6,16	0,47
DEC	1,39	0,65	0,56	-0,70	0,00	-3,78	3,46	3,49	5,16	0,15	0,82
Cumulative											
JAN/DEC	43,63	9,00	7,71	-17,14	-13,06	11,26	40,53	37,80	42,88	38,34	4,37
Real Gain											
JAN/DEC	37,61	4,43	3,20	-20,61	-16,70	6,59	34,65	32,03	36,89	32,55	-
<b>2008</b>											
OCT	-24,79	0,91	0,75	10,50	8,29	-5,38	-2,62	-3,07	-0,80	-2,62	0,50
NOV	-1,77	0,79	0,66	10,30	10,36	13,33	1,11	2,63	1,32	1,84	0,39
DEC	2,60	0,85	0,72	0,17	2,04	10,64	-2,25	-2,26	-2,37	-3,88	0,16
Cumulative											
JAN/DEC	-41,21	9,38	7,90	31,98	25,06	32,13	1,15	3,65	7,00	2,10	6,17
Real Gain											
JAN/DEC	-44,63	3,02	1,63	24,31	17,79	24,45	-4,73	-2,38	0,78	-3,83	-
Source: SAFRAS & Mercado. (*) IPC - FIPE											