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REPORT CONFIRMS REDUCTION IN BRAZIL'S SOYBEAN CROP IN 2009

HIGHLIGHTS

- The new report by SAFRAS & Mercado pointed to reduction in the estimate to the Brazilian soybean output of 2008/09 relative to the previous report, dropping from 59,715 thousand tons to 56,648 thousand tons, now 6% below the record of 60,435 thousand tons set in 2007/08.
- While seeded area was kept at 21,405 thousand hectares, up 0.5% from 21,308 thousand hectares in 2007/08, yield was lowered from 2,790 to 2,646 kg/hectares, meaning a 7% decline from previous 2,837 kg.
- In spite of the rains that hit a good part of the growing region, the harvest progress well in the week ended on February 20, especially in the final part of the period. Now 13% are reaped, against 9% in 2008 and 8% of the 5-year average.
- The cut in production drove to adjustments in the picture of supply & demand of the soybean complex, all in the sense of a probable cut of stocks. In soybeans, reduction in crushings and especially in exportable surpluses, with stocks falling to 473 thousand tons, now 84% lower than the 2,925 thousand tons of the carry-in.
- In the case of soymeal, consumption remained unchanged, while stocks were cut from 862 thousand tons to 262 thousand tons, that would be 70% lower than the 862 thousand tons of the early position.
- In soyoil, domestic consumption has been sustained since December, but with cut in exportable surpluses, reducing the stocks to 131 thousand tons, now 19% below the 161 thousand tons of beginning stocks.
- Week marked by a 7.4% decline in soybeans of the CBOT, 7.1% in soymeal and 7.8% in soyoil. The main motivation of the decline stemmed from weakness in the financial market. In the domestic market, with the dollar rising 2.1%, the decline ranged from 3 to 6% all over the country.

Weather and fewer investments hampered

In the last two weeks SAFRAS & Mercado carried out a broad report on the general conditions of soybean groves in the new Brazilian crop, the first of the year and now already with the harvest underway. And our main conclusion is that, according to the expectation already shown in this space, production will actually stay below early projections and also below the record set last year. In spite of recent rains having normalized the croplands conditions practically all over the growing region, the combination of fewer investments in technology with severe problems caused by the shortage of rains in important growing states drove to a strong restraint in the expectation of yield to the country. Highlight on the week performance signaled by the states of Paraná, Mato Grosso do Sul, São Paulo and Rio Grande do Sul.

In a year without the presence of the La Nina phenomenon and with the occurrence of El Nino, although with weak intensity, this was exactly the main negative surprise of the season, that is, the drought that hit the states of the South and the southern/western sections of São Paulo and southern/eastern Mato Grosso do Sul in November, December and early January. And to complicate the situation we had a season in which rains were good in October and made a higher amount of growers bet on the planting of premature varieties. And exactly these croplands were the ones that most suffered with the drought and whose losses were sharper, with absolute highlight on the states of Paraná, Mato Grosso do Sul and even São Paulo.

The lowest yield since 2006

In case of late croplands in such states, regular rains since the second week of January have kept a good expectation on performance, only with losses of potential production. This is also the case of Santa Catarina and Rio Grande do Sul, that usually plant later and where the losses will be much lower proportionally, staying more evident only in belts where the normalization of moisture took a longer time to happen. By the way, this is another mark of this season, that is, a big irregularity in coverage and in volume of precipitations occurred in the period of development of croplands.

In the other states, and in the north of Mato Grosso do Sul and of São Paulo, the picture of moisture was much more favorable, and drought-induced losses were isolated and soft. This is the case of Goiás and Mato Grosso, whose expectation of result remains positive. Only here, as well as in Minas Gerais and Bahia, where rains have been considered practically perfect, we still estimates yields below the ideal owing to the restraint observed in the use of inputs this crop, notably fertilizers.

SOYBEAN PRODUCTION - BRAZIL - 2008/09 CROP
- Area in thousand ha, Production in thousand tons and yield in kg/ha -

States	% A/B %	C/D %	2008/09 (*) Planted Area (A)	Area to be reaped	Production (C)	Yield	2007/08 (**) Planted Area (B)	Reaped Area	Production (D)	Yield
SOUTH	**2**	**-8**	**8385**	**8385**	**19373**	**2310**	**8220**	**8220**	**20980**	**2552**
Paraná	2	-17	4050	4050	10000	2469	3970	3970	12100	3048
Rio Grande do Sul	2	5	3950	3950	8295	2100	3880	3880	7900	2036
Santa Catarina	4	10	385	385	1078	2800	370	370	980	2649
MIDWEST	**-1**	**-6**	**9496**	**9496**	**27413**	**2887**	**9613**	**9613**	**29270**	**3045**
Mato Grosso	-1	-6	5570	5570	16710	3000	5600	5600	17760	3171
Goiás	-2	-6	2150	2150	6235	2900	2190	2190	6650	3037
Mato Grosso do Sul	-3	-9	1720	1720	4300	2500	1770	1770	4700	2655
Federal District	6	5	56	56	168	3000	53	53	160	3019
SOUTHEAST	**3**	**-1**	**1420**	**1420**	**3953**	**2784**	**1380**	**1375**	**4000**	**2909**
Minas Gerais	2	1	870	870	2523	2900	850	845	2500	2959
São Paulo	4	-5	550	550	1430	2600	530	530	1500	2830
NORTHEAST	**1**	**-4**	**1595**	**1595**	**4500**	**2821**	**1575**	**1575**	**4700**	**2984**
Bahia	2	-2	930	930	2650	2849	910	910	2700	2967
Maranhão	-4	-10	400	400	1100	2750	415	415	1220	2940
Piauí	6	-4	265	265	750	2830	250	250	780	3120
NORTH	**-2**	**-5**	**509**	**509**	**1409**	**2768**	**520**	**519**	**1485**	**2861**
Tocantins	-2	-4	320	320	864	2700	325	325	900	2769
Rondônia	-7	-13	91	91	264	2901	98	97	305	3144
Roraima	6	4	18	18	52	2889	17	17	50	2941
Pará	0	0	70	70	200	2857	70	70	200	2857
Amazonas	0	-3	10	10	29	2900	10	10	30	3000
BRAZIL	**0**	**-6**	**21405**	**21405**	**56648**	**2646**	**21308**	**21302**	**60435**	**2837**

Note: (*)Projection, SAFRAS. (**) Forecast, SAFRAS. Subject to review.
Source: SAFRAS e Mercado
Dec/2008

As a result of all these factors, and considering a normal weather in the next four weeks, the average yield of the 2008/09 crop started to be assessed at 2,646 kg/hectare, down 5.2% from 2,790 kg in the estimate of December and now with a 6.7% cut from the record of 2,837 kg/hectare last crop. Taking into account the maintenance of the figures of seeded area at 21,405 thousand hectares, we arrive at a new estimate of production of 56,648 thousand tons, down 5.1% from 59.715 thousand tons in the previous report and with a decline of 6.3% from the 60,435 thousand tons of the record broken in last year's crop.

Rust cases fall

A combination of factors is making that this year's crop observes decrease in the incidence of Asian rust outbreaks. Namely: the drought in the start of the crop that hit states with a strong presence of the rust fungus; adoption of sanitary emptiness in all the main growing states, that eliminated the green bridge that led the bottom of the summer crop into the winter crop and then back to the summer crop; and preventive usage of fungicides, especially in the flowering spell, allowing thus far the effective control of the disease all over the growing region. Yet, it is necessary that growers continue careful to avoid last-minute surprises, as rising moisture levels in the last few weeks brought the increase of the figure of outbreaks in February. Considering also that the incidence of the disease is increasingly happening in advanced cycles of development of plants, which signals the possibility of lower impact on the ending yield, we must confirm again the restraint in the losses of growers with the disease.

According to the control made by the Alert System of the Brazilian Company of Agribusiness Research - Embrapa, thus far 1,381 rust cases were registered in 11 growing states, almost 9% less than the 1,510 cases in the same moment of 2008 (that had occurred in 12 states). As seen in the last two years, the state with more disease outbreak figures is Paraná, with 548 cases, followed by Goiás, with 199 cases, Mato Grosso do Sul, with 172 cases, Bahia, with 145 cases, Mato Grosso, with 131 cases, Rio Grande do Sul, with 119 cases, Minas Gerais, with 28 cases, Rondônia and São Paulo, with 9 cases and Maranhão, with just a single case. Positive highlight on the decrease in cases in Mato Grosso do Sul, whose cases in 2008 lay at 535, and in Paraná, with 648 cases. And negative highlight on the increase of cases in Bahia, that only had 2 cases last year, Mato Grosso, with 36, Goiás, with 159, and Rio Grande do Sul, with 100 cases.

Harvest remains above the average

In spite of the good volume of rains occurred in the last period, the advance of the harvest of the new Brazilian crop

Soybean is a weekly newsletter by Editora SAFRAS Ltda.
Editor: Dylan Della Pasqua. Analyst: Flávio F. Junior.
Address: Av. Independencia, 1299 4th floor ! CEP 90035-077 ! Porto Alegre ! Brazil.
Phone 55-51-3224.7039 ! Curitiba 55-41-3323.2155 - Fax 55-51-3224.9170
Internet Address ! safras@safras.com.br.

may be considered satisfactory in the week ended on February 20. Because, in spite of a rising moisture, sunny periods were also seen throughout the growing region, especially in the last part of the week. Moreover, good and practically general precipitations served to normalize at once the picture of drought-induced losses, bringing the indication of good results of yield to the croplands planted later. According to the S&M report, till this period we reached at 13% from total intentions, against 8% in the week earlier, 9% in the same moment last year, and 8% of the 5-year average. Till this week the harvest had not started yet amid the main growers, in the states of Rio Grande do Sul, Santa Catarina and Bahia, and whose forecast of start is March 20. In Minas Gerais only irrigated croplands of Unaí were reaped. In Mato Grosso, the harvest advanced from 16 to 25%. In Goiás, from 10 to 19%. In Mato Grosso do Sul, from 9 to 14%. And in Paraná, from 8 to 16%.

Stocks are likely to fall

All this alteration registered in the expectation of the new crop considerably changed the supply & demand picture to the beginning 2009/10 marketing year, especially in the sense of a probable restraint in the ending stocks of the complex. Let's see the highlights:

* The figures of the 2007/08 crop have not been changed, staying in wait for the ending figures on exports and on industrial activity. According to the estimate by S&M, ending stocks would have stayed at 2,925 thousand tons for soybeans, 862 thousand for soymeal, and 161 thousand tons for soyoil;

* To the 2008/09 crop, the main effect with the reduction in the expectation of production was the restraint in exportable surpluses. From 25,500 thousand tons of the previous forecast, now we are with the indication of 24,000 thousand tons, with decline of 3% from last year's 24,700 thousand tons. Crushings were cut from 33,200 thousand tons to 32,500 thousand tons, still up 1% from 32,200 thousand tons last year. As result we have now stocks estimated at only 473 thousand tons, down 65% from 1,340 thousand tons in the prior estimate, and 84% lower than the carry-in stocks;

* On meal, with production falling since December from 25,600 thousand tons to 25,000 thousand tons, we consider the possibility of sustaining the projections of domestic consumption at 12,400 thousand tons, and of exports at 13,300 thousand tons, resulting in lower stocks, from 862 thousand tons to 262 thousand tons, with a 70% decline from carry-in stocks;

* On oil, a smaller production, that dropped since the last report from 6,310 thousand tons to 6,180 thousand tons, must also result in lower exportable surpluses, falling from 2,000 thousand tons to 1,900 thousand tons. And domestic consumption kept at 4,350 thousand tons since December. So stocks would also fall from 161 thousand tons to 131 thousand tons, meaning now a 19% decline from beginning stocks.

SOYBEAN HARVEST PROGRESS - BRAZIL
- IN % FROM EXPECTED AREA -

States	2009 Feb 20	2009 Feb 13	2008 Feb 20	Normal Average(x)
RS	0	0	0	0
PR	16	8	8	7
MT	25	16	19	17
MS	14	9	8	7
GO	19	10	14	15
SP	7	3	5	4
MG	1	1	3	1
BA	0	0	0	0
SC	0	0	0	0
Other	0	0	0	0
BRAZIL(*)	13	8	9	8

Note: (x) Historic 5-year average
(*) Weighed average
Source: SAFRAS & Mercado

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WEEK HAS SHARP DECLINE ON THE CBOT

The quotes of the soybean complex registered a sharp devaluation on the Chicago Board of Trade (CBOT) in the week ended on February 20, shorter owing to the Monday holiday in the United States. Concern over the global economy, that was reflected in the bad performance of stock markets in the week start, directly affected the market of ag commodities. This pessimism, that keeps being the decisive bearish factor of the moment, was evident in the weakness observed in the crude oil market, with direct impact on the quotes of soybeans and corn. Thus, the main nature of the weakness of last week was had a financial/speculative origin. But also on the fundamental side there was some pressure. To the soybean complex, specifically, another pressuring additional factor was the normalization of the weather in South America, especially in Argentina, that took away part of the weather premium added in the last few sessions to the soybean quotes. And also the sentiment that the next US crop, that starts being planted in April, may show a new increase in the area of soybeans. With this combination of factors, the market lost short-run support, and new lows are not discarded until there is reversal of direction in at least one of the side of the formation of prices (fundamental or financial).

The quote for March/09 of soybeans on the CBOT dropped from US$ 955.50 cents/bushel on Friday 13 to US$ 884.50 on Thursday 19 (decline of 7.4%). For soymeal, the devaluation hit 7,1%, with the March/09 contract moving from US$ 297.70/short ton to US$ 276.50 on Thursday. In soyoil, March/09 dropped 7.8%, from US$ 33.00 cents/pound on Friday to US$ 30.42 on Thursday.

SOY COMPLEX - BRAZIL - SUPPLY AND DEMAND
- in thousand tons -

Crop (harvest)	%a/b	2009(a)	2008(b)	2007(c)	2006	%b/c
Area to be planted (100	0	21405	21308	20758	22202	3
Area to be reaped (100(	0	21405	21302	20758	22161	3
Yield (kg/ha)	-7	2646	2837	2818	2537	1
Marketing year (Feb/Jan	-	09/10	08/09	07/08	06/07	-
1.SOYBEANS						
Beg. stocks(Feb/1)	47	2925	1990	1298	970	53
Production	-6	56648	60435	58500	56215	3
Imports	0	100	100	108	40	-7
-Total Supply	-5	59673	62525	59906	57225	4
Crushings	1	32500	32200	31511	28756	2
Exports	-3	24000	24700	23805	24771	4
Seeds/others(x)	0	2700	2700	2600	2400	4
-Total Demand	-1	59200	59600	57916	55927	3
End.Stocks(Jan/31)	-84	473	2925	1990	1298	47
2.SOYMEAL						
Beg. stocks(Feb/1)	0	862	862	864	818	0
Production	1	25000	24800	23646	21956	5
Imports	0	100	100	98	165	2
-Total Supply	1	25962	25762	24608	22939	5
Domestic Consum.	4	12400	11900	11400	9800	4
Exports	2	13300	13000	12346	12275	5
-Total Demand	3	25700	24900	23746	22075	5
End.Stocks(Jan/31)	-70	262	862	862	864	0
3.SOYOIL						
Beg. stocks(Feb/1)	-45	161	291	311	272	-6
Production	1	6180	6120	6047	5534	1
Imports	-20	40	50	62	25	-19
-Total Supply	-1	6381	6461	6420	5831	1
Domestic Consump.	6	4350	4100	3608	3203	14
Exports	-14	1900	2200	2521	2317	-13
-Total Demand	-1	6250	6300	6129	5520	3
End.Stocks(Jan/31)	-19	131	161	291	311	-45

Note: (a) Projections, SAFRAS. (b) Revised forecasts, SAFRAS.
(x) Includes human consumption and losses.
Source: SAFRAS e Mercado
Dec/2008

Falling prices in the domestic market

In the domestic market, the quotes could not help following the sharp devaluation of Chicago. But they also suffered the pressure that starts being felt with a more effective advance of the harvest. In spite of the high observed in the dollar rate in the same period. On Friday 13, the PTAX commercial dollar was bidded at R$ 2.2672; on last Thursday, the dollar ended the session at R$ 2.3141 - 2.1% higher. Also here it is hard to imagine that prices may not fall a little more in the short run. In Passo Fundo/RS, bids dropped from R$ 51.50 a 60-kg PTAX on Friday13 to R$ 49.50 on Thursday 19 (down 3.9%). In the region of Cascavel/PR, bids moved from R$ 47.00 in the week earlier to R$ 44.00 (decline of 6.4%). In Rondonópolis/MT, bids dropped from R$ 40.00 to R$ 38.50 in the same period (3.8% lower).

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GOOD PROFITABILITY IN JANUARY

On the page of indicators of this week it is possible to see the picture of profitability of soybeans (cumulative month-by-month oscillation of prices, and discounting inflation), in comparison with other important financial assets. And it is possible to realize that the profitability of soybeans registered gains in January, even outdoing all the other indices used in the study. The highs followed the good valuation occurred in Chicago in the period, combined with the maintenance of high dollar rates. In some moments, the prices even got very close to the peaks observed between June and July last year. Average soybean profitability in Brazil rose 8.62% in January, ahead of the 4.66% registered by the Bovespa Index, of 0.82% of preset CDB, of 0.69% of savings account, and of the devaluation of 0.89% of the commercial dollar. Soybeans also surpassed the stability of the parallel dollar and the high of 5.55% of gold in the spot market of the BM&F. In Cascavel, the valuation of the profitability of soybeans hit 9.28%, above the one of Rondonópolis, with 6.22% and below Passo Fundo's 11.32%.

INDICATORS

BRAZILIAN MARKET - AVERAGE PRICES - US$

	Feb/19 2009	Previous Week	Previous Month	Monthly Spread %	Previous Year
SOYBEANS - 60 Kg					
- RS, Passo Fundo, FOB	21.39	22.92	23.40	-8.6	29.83
- PR, Cascavel, FOB	19.01	20.74	21.04	-9.6	26.91
- MT, Rondonópolis, FOB	16.64	18.21	18.89	-11.9	24.57
- SP, Interior, CIF	19.88	20.52	20.18	-1.5	28.08
- Official Price	9.85	9.96	9.79	0.6	8.19
- Export parity - Cascavel	18.23	20.65	21.48	-15.2	26.83
- Export parity - P.Fundo	19.01	21.44	21.74	-12.6	28.79
- Export parity - Rond.	15.89	18.30	19.55	-18.7	23.32
SOYMEAL - t					
- PR, P. Grossa, FOB	375.96	401.73	399.30	-5.8	400.68
- SP, Interior, FOB	384.60	406.10	390.71	-1.6	388.98
- RS, Porto Alegre, FOB	360.17	376.07	393.16	-8.4	367.40
- Export parity - P. Grossa	375.96	401.73	399.30	-5.8	400.68
CRUDE SOYOIL - t					
- SP, CIF, ICMS 12%	773.52	790.36	850.11	-9.0	1,614.41
- RS, CIF, P. Alegre, ICMS 7%	777.84	785.99	837.23	-7.1	1,520.82
- Export parity - P. Alegre	777.84	785.99	837.23	-7.1	1,520.82
REF. SOYOIL - (box / 20 can					
- SP, CIF, bleached / deod.	19.23	19.43	22.76	-15.5	33.93
WHEAT - t					
- Official Price , Sup., PH 78	207.42	209.60	171.74	20.8	233.97
- PR, Maringá, FOB	246.32	248.90	231.85	6.2	409.45
CORN - t					
- PR, Interior (West)	136.84	134.64	139.54	-1.9	243.72
- SP, CIF, ICMS-Free	151.25	156.47	170.31	-11.2	272.97
LIVESTOCK - 15 kg					
- Feeder cattle, SP, Interior	35.43	35.81	36.49	-2.9	43.58
- Poultry, SC Interior (1 kg)	0.76	0.76	0.77	-2.1	0.82

WORLD MARKETS - SPOT PRICES - IN US$ / METRIC TON

SOYBEANS					
- Brazil, FOB Rio Grande	337.86	378.64	392.06	-13.8	516.52
- Brazil, FOB Paranaguá	337.86	378.64	392.06	-13.8	495.58
- USA, FOB Gulf	349.98	378.64	397.57	-12.0	527.55
- Argentina, FOB Up River	325.00	355.86	371.85	-12.6	516.52
- USA, CIF Rotterdam	378.00	402.00	421.00	-10.2	580.00
SUNSEED					
- Argentina, FOB B. Aires	300.00	300.00	300.00	0.0	568.57
MEALS / PELLETS					
sbean, BR 48% (HIPRO), RG	343.37	385.47	383.82	-10.5	379.52
sbean pell., BR, 46%, Pguá	315.81	364.53	365.08	-13.5	357.48
sbean pell., ARG, Up River	342.26	379.96	370.59	-7.6	376.21
sbean pell., BR, CIF Rott.	376.00	414.00	402.00	-6.5	465.00
sbean pell., ARG, CIF Rott.	372.00	405.00	395.00	-5.8	457.00
sunpell, ARG, FOB B. Aires	130.00	125.00	100.00	30.0	225.00
sunpell, ARG, CIF Rott.	191.00	203.00	130.00	46.9	335.00
Corn Gluten Feed CIF Rott.	na	na	na	-	215.00
VEGETABLE OILS					
- sbean, crude, BR RG	635.37	684.09	681.88	-6.8	1227.02
- sbean, crude, ARG, Up River	619.93	682.99	666.45	-7.0	1233.03
- sun, crude, ARG, B. Aires	700.00	725.00	666.00	5.1	1645.50
- peanut, crude, CIF Rott.	nd	na	2300.00	-	1850.00
- castor, crude, CIF Rott.	1425.00	1425.00	1600.00	-10.9	1450.00
- rape, crude, CIF Rott .	786.94	820.61	900.00	-12.6	1470.00
- palm, crude, CIF Rott.	585.00	570.00	545.00	7.3	1790.00
- sbean, crude, BR Pguá	628.75	690.70	688.50	-8.7	1237.04
WHEAT					
- Argentina, FOB, B. Blanca	225.00	223.00	215.00	4.7	400.00
- ARG, CIF Santos / BRA	470.00	470.00	470.00	0.0	456.37
CORN					
- Argentina, FOB Up River	150.00	165.00	158.00	-5.1	225.00
- USA, FOB Gulf	159.54	165.44	168.69	-5.4	224.99
- BR , FOB Pguá	158.00	165.00	175.00	-9.7	245.00
- ARG, CIF Brasil	162.68	178.62	171.17	-5.0	242.66
- USA, CIF Brasil	174.31	180.59	184.02	-5.3	244.15
EXCHANGE RATE					
Real / U.S. Dollar	2.3141	2.2901	2.3291	-0.6	1.7096
Real / Peso (ARG)	2.3600	2.3400	2.3400	0.9	1.8100
Peso / U.S. Dollar	3.5300	3.4900	3.4720	1.7	3.1490

na = not available

BRAZILIAN SOYBEAN CRUSHING MARGINS

	Feb/19 2009	Feb/19 2009(%)	Previous Week	Previous Week(%)	Previous Month(%)	Previous Year(%)
- BR, US$ / 60kg (1)	6.1	30.7	6.7	32.4	34.0	23.4
- BR, exp, RG, US$/t (2)	-7.0	-1.8	6.0	1.5	-1.0	-3.5
- USA, CBOT, US$/t	40.2	12.3	43.6	12.3	11.3	-

Note: (1) 100% domestic market; (2) 100% foreign market.

FUTURES MARKETS / BASIS

	Feb/19 2009	Previous Week	Previous Month
- Chicago - US$ cents/bushel (27,2kg)			
March/09	884.50	968.50	1012.00
May/09	886.00	971.50	1019.50
July/09	891.50	976.00	1027.50
- BM&F - US$/60kg			
March/09	21.90	21.90	22.90
April/09	20.20	22.60	22.70
May/09	19.60	21.80	22.08
- Premium FOB Pguá - US$ cents/bu			
FEB	35.00	62.00	55.00
- Premium FOB R. Grande - US$ cents/bu			
FEB	35.00	62.00	55.00
- Premium FOB USA - US$ cents/bu			
FEB	68.00	62.00	70.00
- Premium FOB B. Aires - US$ cents/bu			
FEB	60.00	60.00	70.00
SOYMEAL			
- Chicago - US$/short ton (907,2kg)			
March/09	276.50	304.70	318.20
May/09	273.90	301.60	318.20
- Premium FOB Pguá			
FEB	10.00	26.00	13.00
- Premium FOB R.Grande			
FEB	15.00	25.00	8.00
- Premium FOB ARG Up River			
FEB	34.00	40.00	18.00
SOY OIL			
- Chicago - US$ cents/lb (0,45kg)			
March/09	30.42	32.83	33.53
May/09	30.75	33.15	33.90
- Premium FOB Pguá			
FEB	-1.90	-1.50	-2.30
- Premium ARG FOB Up River			
FEB	-2.30	-1.85	-3.30
CORN			
- Chicago - US$ cents/bu (25,4kg)			
March/09	353.25	366.25	387.50
May/09	362.00	376.00	398.50
July/09	371.50	385.50	409.00
- BM&F - US$/60kg			
March/09	9.23	9.93	10.04
- Basis FOB ARG Up River - US$ cents/bu			
FEB	40.82	44.91	43.00
- Basis FOB USA (Gulf) - US$ cents/bu			
FEB	393.25	405.25	429.50
WHEAT			
- Chicago - US$ cents/bu (27,2kg)			
March/09	519.50	538.75	566.75
May/09	531.00	551.50	579.50
- Kansas - US$ cents/bu (27,2kg)			
March/09	558.25	575.00	598.00
May/09	567.00	584.75	608.75
	-		-
- Basis FOB USA (Gulf) - US$ cents/bu			
FEB	65.00	70.00	55.00

PROFITABILITY - SOYBEAN/CORN/WHEAT

	Soybean	Corn	Wheat
1 - Variable cost/ha	1,279.89	814.82	449.20
2 - Fixed cost/ha	816.86	591.22	318.68
3 - Total cost/ha	2096.75	1406.04	767.88
4 - Cost /60 Kg	41.94	12.98	17.06
5 - Market price	44.50	17.50	11.60
6 - Profitability (%)	5.76	25.81	-23.96

Yields: soybean 3,000; corn; 6,500; wheat 2,742 (kg/ha)

Source: Deral/PR

BRAZIL - INDEXES - IN %

	jan-09	dez-08	2008 Total
Inflation/FIPE	0.46	0.16	6.17
Dollar (Parallel)	0.00	2.04	25.00
Gold (BM&F)	5.55	10.64	32.13
Savings Account	0.69	0.72	7.90
TR	0.18	0.21	1.63
CDB (pre-fixated)	0.82	0.85	9.36

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INDICATORS

SOUTH AMERICAN SUPPLY AND DEMAND

CROP	SOYBEANS 08/09	SOYBEANS 07/08	CORN 07/08	CORN 06/07	WHEAT 07/08	WHEAT 06/07
SOUTH AMERICA						
-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
BRAZIL						
-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
ARGENTINA						0
-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
PARAGUAY						0
-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
BOLIVIA						0
-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

SOYBEAN COMPLEX - BRAZILIAN EXPORTS

SHIPMENTS PER EXIT PORTS - MARKETING YEAR
in th. tonnes

	January 2009	February/01 untill January 2009	February/01 untill January 2008	08/09
BEANS				
Paranaguá	139.2	4235.9	4519.2	4519.2
Santos	51.8	7106.8	4602.0	4602.0
Rio Grande	0.0	3283.6	5240.7	5240.7
Vitória(*)	134.1	2485.9	2532.5	2532.5
São Francisco	31.2	2260.2	2437.8	2437.8
São Luis(**)	0.0	1743.1	1399.7	1399.7
Ilhéus	0.0	53.0	91.0	91.0
Itacoatiara(x)	154.0	1522.7	1472.8	1472.8
Cáceres/Crba(y	5.9	59.8	192.9	192.9
Others	98.3	1763.5	1316.2	1316.2
TOTAL	614.5	24514.5	23804.8	23804.8
MEAL				
Paranaguá	245.7	4745.7	5499.0	5499.0
Rio Grande	156.3	2011.7	1973.2	1973.2
São Francisco	16.7	407.7	146.3	146.3
Vitória	72.0	916.8	968.3	968.3
Santos	263.3	3100.0	2482.3	2482.3
Ilhéus	0.0	48.9	530.9	530.9
Others	183.0	1323.5	743.3	743.3
TOTAL	937.0	12554.3	12343.3	12343.3
OIL				
Paranaguá	53.3	1242.3	1348.1	1348.1
Rio Grande	22.5	520.3	640.7	640.7
São Francisco	1.0	114.5	219.4	219.4
Santos	14.5	143.8	224.7	224.7
Others	24.6	176.9	87.8	87.8
TOTAL	115.9	2197.8	2520.7	2520.7
SUM TOTAL	1667.4	39266.6	38668.8	38668.8

(*) Tubarão port;
(**) Itaqui and Ponta da Madeira ports; Araguaia waterway;
(x) Madeira-Amazonas waterway;
(y) Cáceres/MT and Corumbá/MS. Paraguai-Paraná waterway;
Source: SECEX/SAFRAS

SOYBEANS - WORLD DEMAND INDICATOR

in th. tonnes

WEEK	Feb/12 2009	Feb/12 2008	Since october(a) 07/08	Since october(a) 06/07	oct/sep (estimate) 07/08	oct/sep (estimate) 06/07
USA (b)						
-Exports	1297	948	20779	18162	31300	29940
Crush (month)	3903	4218	45987	46950	46516	46882
USA Total	5199	5166	66766	65112	77816	76822
SOUTH AMERICA						
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	14026	14824	172526	163551	189520	172652

Obs: Preliminary data.
(a) World crop year. In South America, following monthly totals.
(b) USA since SEP.

Source SAFRAS & Mercado

SOYBEAN COMPLEX - 08/09 CROP- EXPORT REGIST.

in th. tonnes	BRAZIL na	BRAZIL na	USA Feb/12	USA Feb/5	ARGENTINA na	ARGENTINA na
BEANS						
*Week	na	na	1094.3	1068.7	na	na
Cum./09	na	na	26593.9	25499.6	na	na
Cum./08	na	na	25059.9	24429.2	na	na
MEAL						
*Week	na	na	142.7	196.6	na	na
Cum./09	na	na	4132.0	3989.3	na	na
Cum./08	na	na	4692.7	4644.1	na	na
OIL						
*Week	na	na	46.1	45.9	na	na
Cum./09	na	na	358.8	312.7	na	na
Cum./08	na	na	694.8	667.9	na	na

Source: SECEX/USDA/SAGPyA. (* Biweekly in Brazil, 07/08 crop in Argentina)

SOYBEAN PROFITABILITY X FINANCIAL MARKET IN 2008/2009- IN %

Month	BOVESPA	CDB (30 dd)	Savings Account	Commercial Dollar	Parallel Dollar	Gold Physycals	Soybeans Average	Soybeans Cascavel	Soybeans PFundo	Soybeans Rond.	INFLATION(*)
2008											
JAN	-6.88	0.71	0.60	-0.62	0.00	7.02	4.25	5.13	8.52	4.10	0.52
FEB	6.72	0.62	0.52	-4.37	-2.50	1.93	4.17	2.19	7.54	3.62	0.19
MAR	-3.97	0.65	0.54	3.91	-2.56	-2.46	-5.60	-5.92	-8.71	-5.32	0.31
Cumulative											
JAN/JAN	-6.88	0.71	0.60	-0.62	0.00	7.02	4.25	5.13	8.52	4.10	0.52
Real Gain											
JAN/JAN	-7.36	0.19	0.08	-1.13	-0.52	6.47	3.71	4.59	7.96	3.56	-
2009											
JAN	4.66	0.82	0.69	-0.89	0.00	5.55	8.62	9.28	11.32	6.22	0.46
FEB											
MAR											
Cumulative											
JAN/JAN	4.66	0.82	0.69	-0.89	0.00	5.55	8.62	9.28	11.32	6.22	0.46
Real Gain											
JAN/JAN	4.18	0.36	0.23	-1.34	-0.46	5.07	8.12	8.78	10.81	5.73	-

Source: SAFRAS & Mercado. (*) IPC - FIPE