

South America's Crop Season Update

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South America Outline

- **Crop Prospects in Brazil**
- **Brazil's Corn Ethanol Boom**
- **Crop Projections in Argentina**
- **Crop Estimates in Paraguay**
- **Questions & Answers**



Crop Prospects in Brazil





How It's Going So Far in Soybean Season

- As of March 9th, **61% of the soybeans** were harvested in Brazil (Conab).
- Yield reductions in the **South** due to drought are offset by excellent yield levels in the **Center-West**.
- Soybean crop is forecasted to **hit a record** over 6 billion bushels, 13% increased from last year.

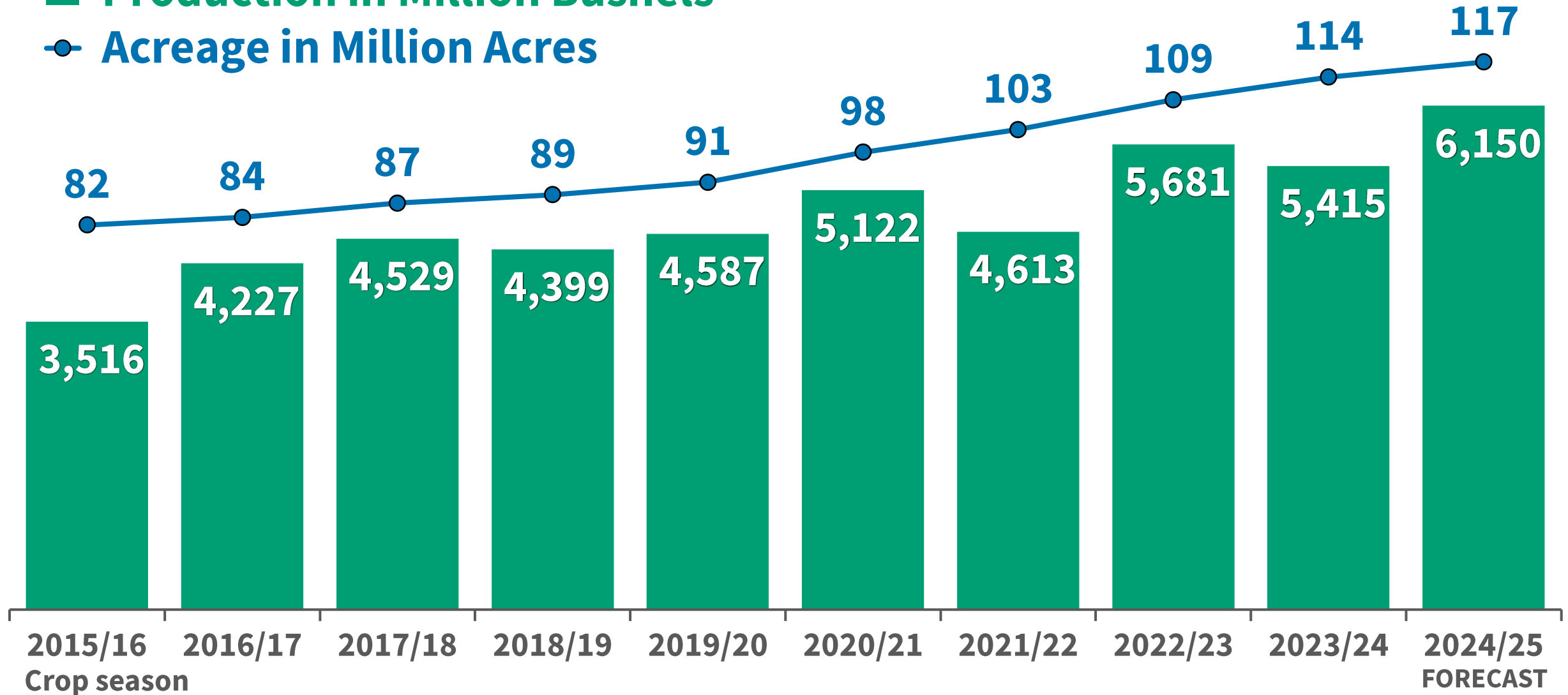


Soybean Acreage and Production in Brazil



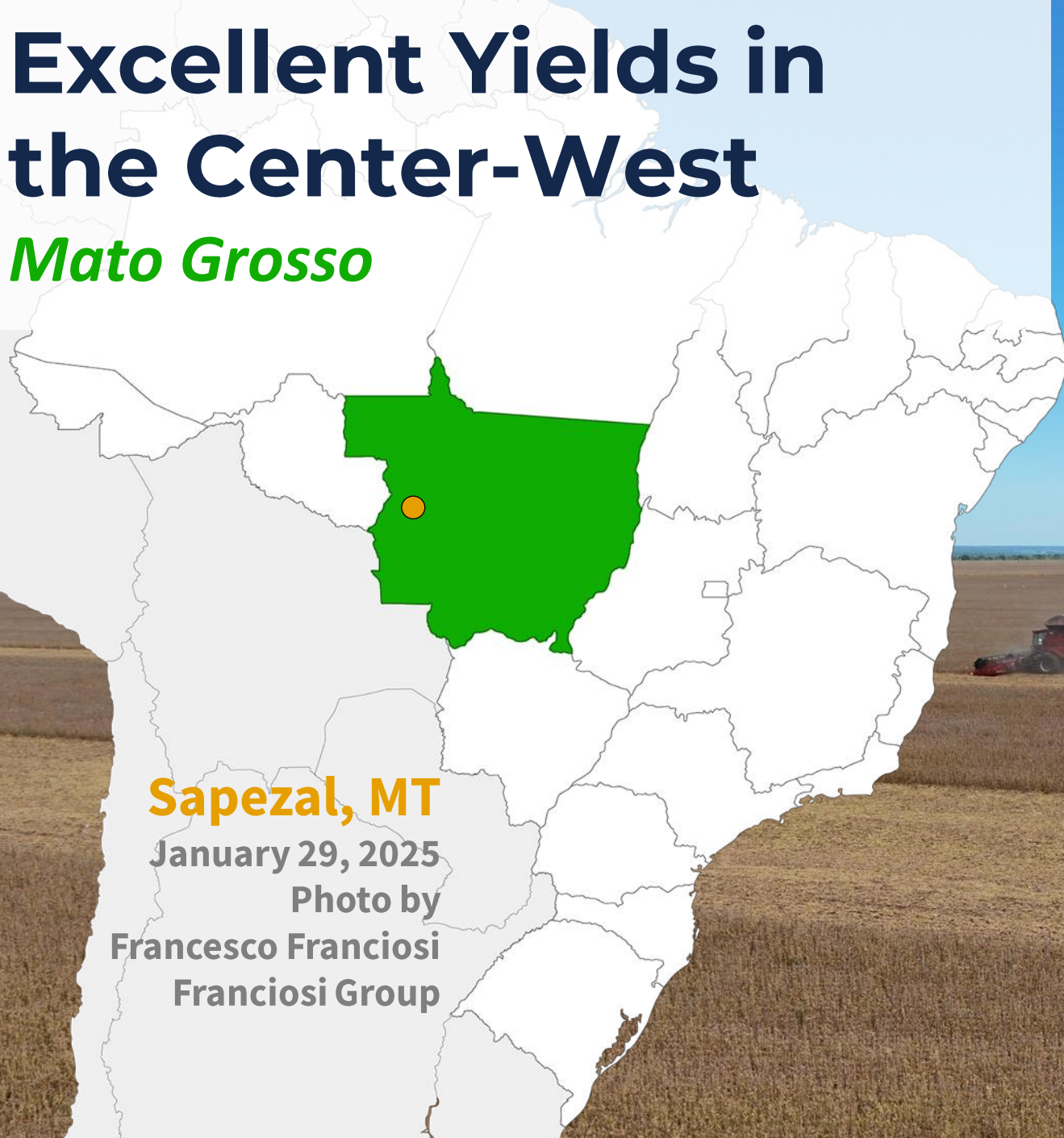
■ Production in Million Bushels

● Acreage in Million Acres



Excellent Yields in the Center-West

Mato Grosso



Sapezal, MT

January 29, 2025

Photo by

Francesco Franciosi

Franciosi Group

Droughts in Southern Brazil

Rio Grande do Sul



Ipiranga do Sul, RS

February 28, 2025

Photo by Luis Eduardo Gehrke

Agropecuária Gehrke

Crop Progress Report from Brazil



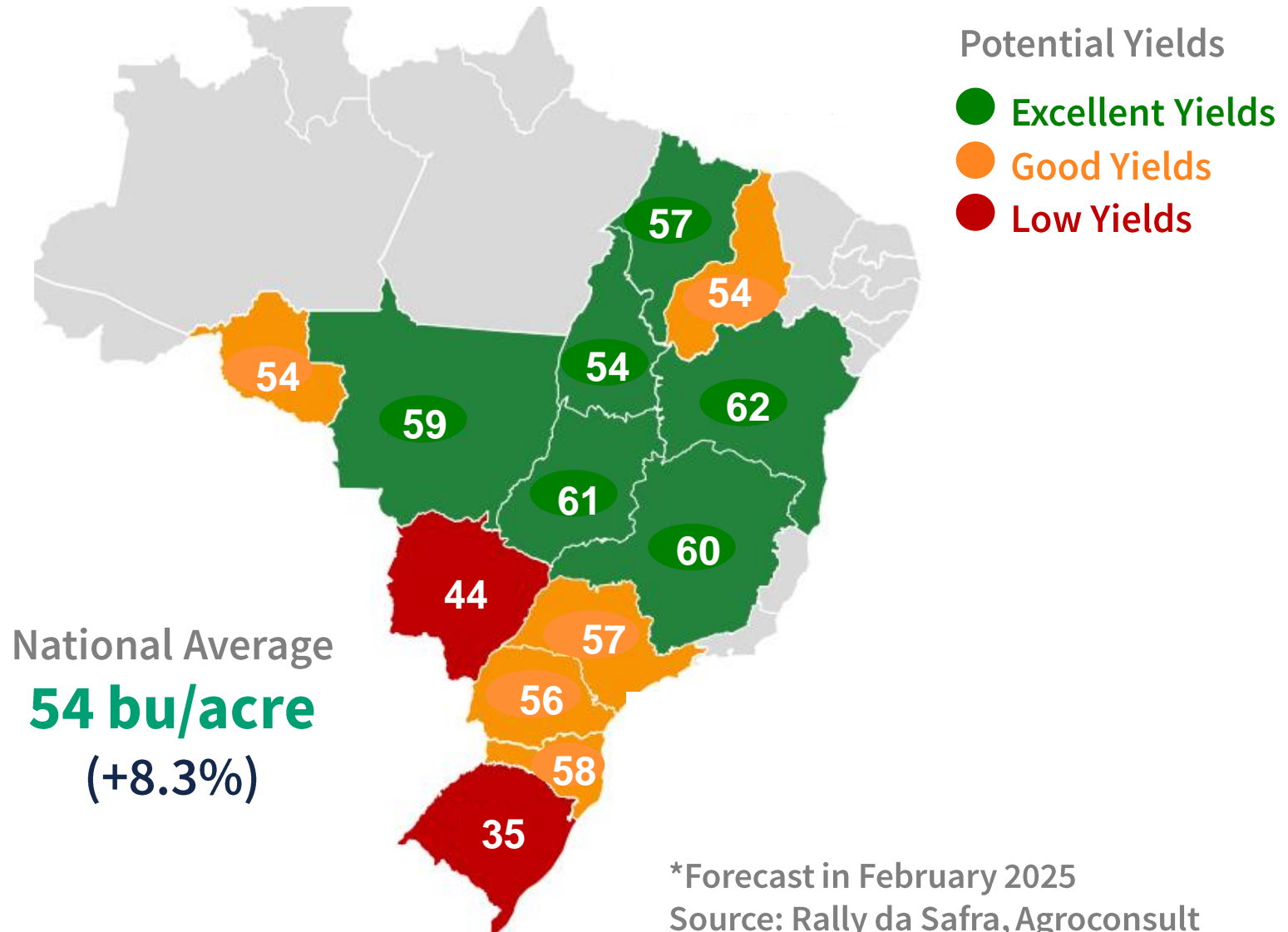
I will talk about the overall situation of soybean fields in the state of Rio Grande do Sul.

**Carlos Gustavo Gehrke, Santa Barbara do Sul,
Rio Grande do Sul**

March 9, 2025

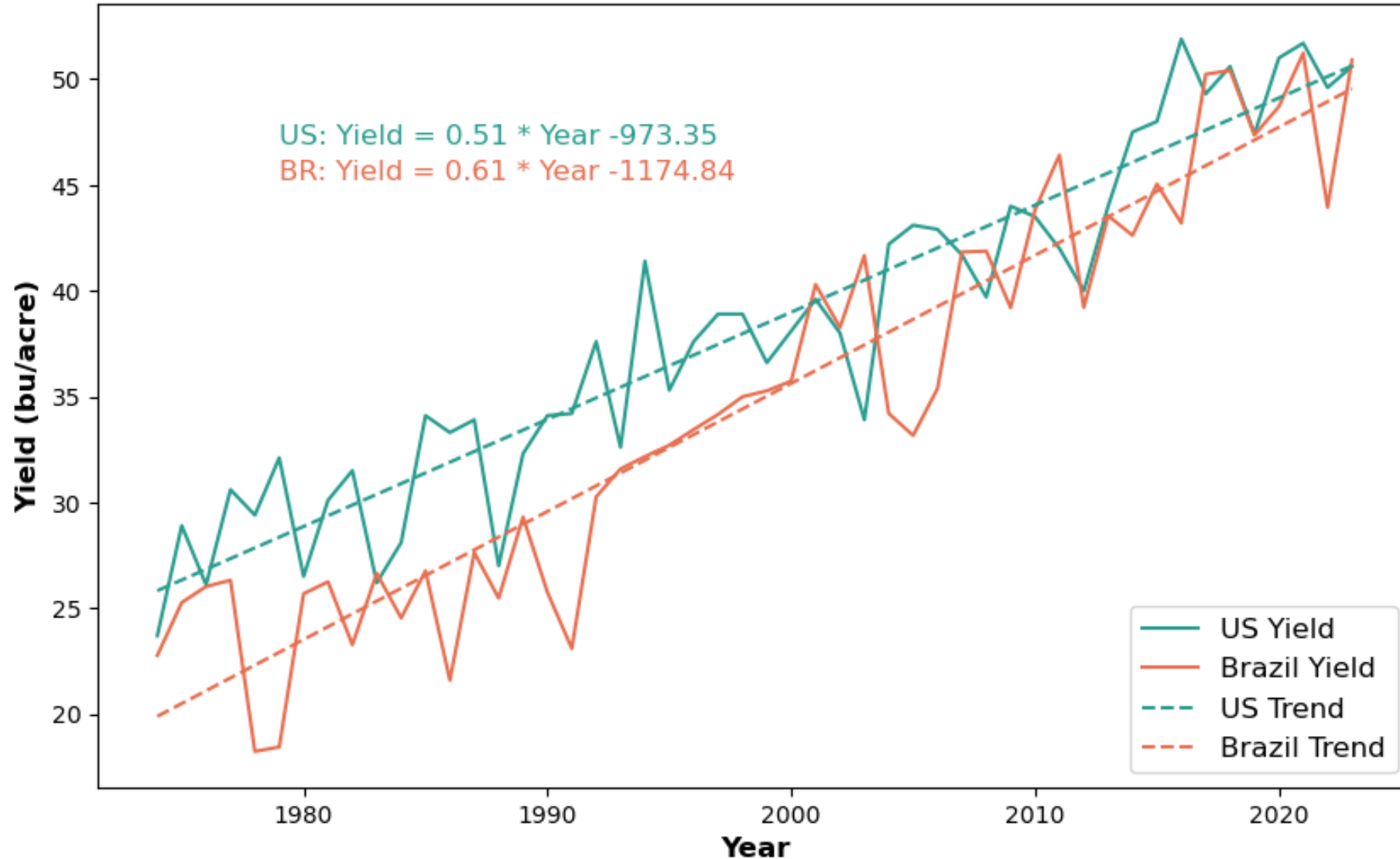
Soybean Yields by Brazilian State*

Bushels per acre, 2024/25 crop season



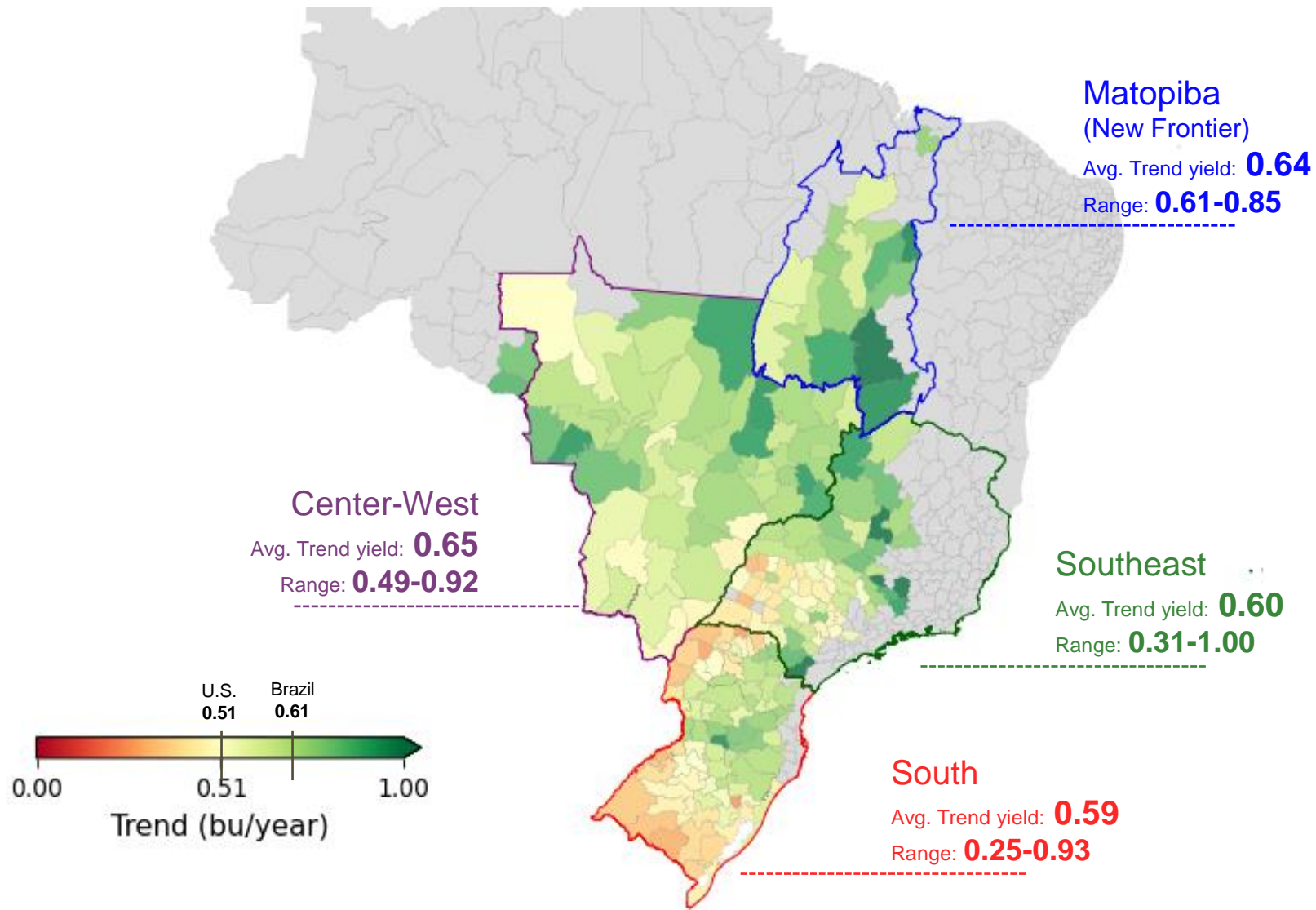
National Average Soybean Yield for the U.S. and Brazil

Linear Trend, 1974-2023

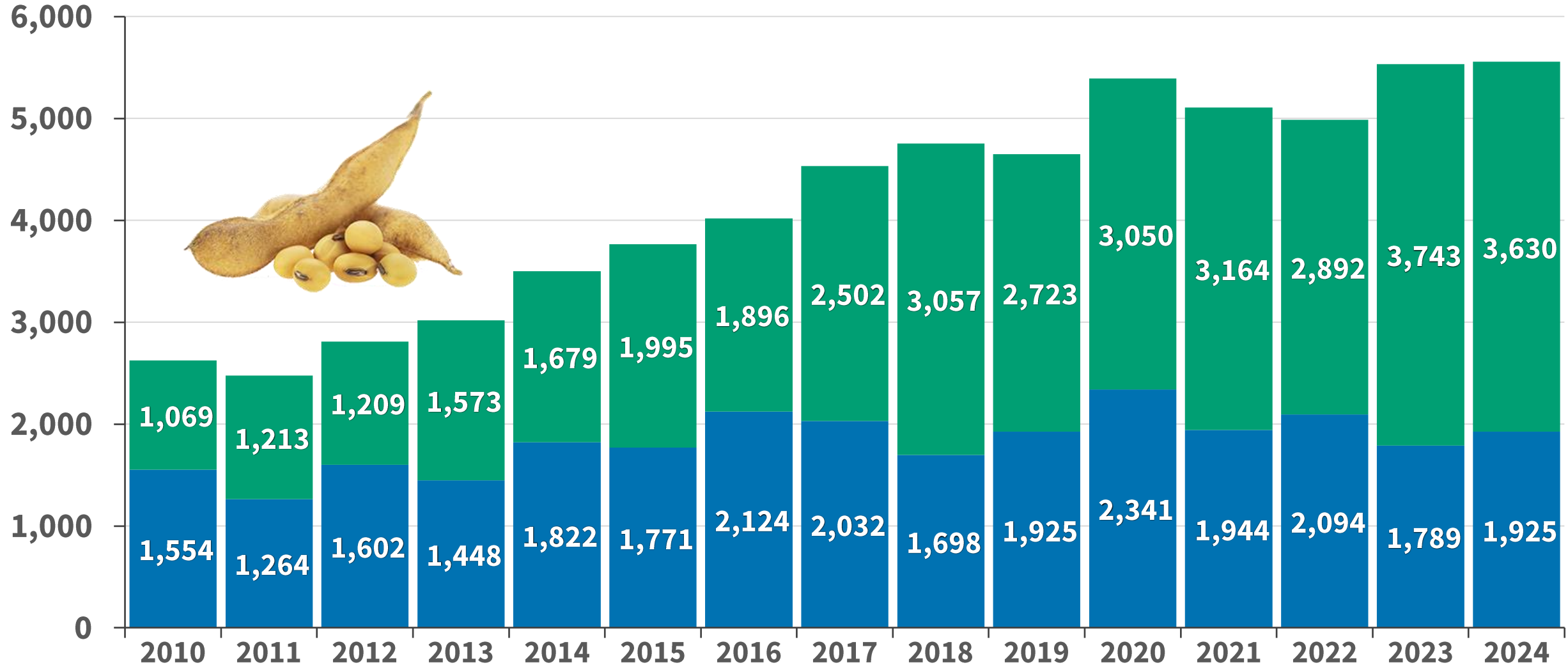


Soybean Trend Yields in Brazil by Region (bushel/year)

Linear Trend, 1974-2023



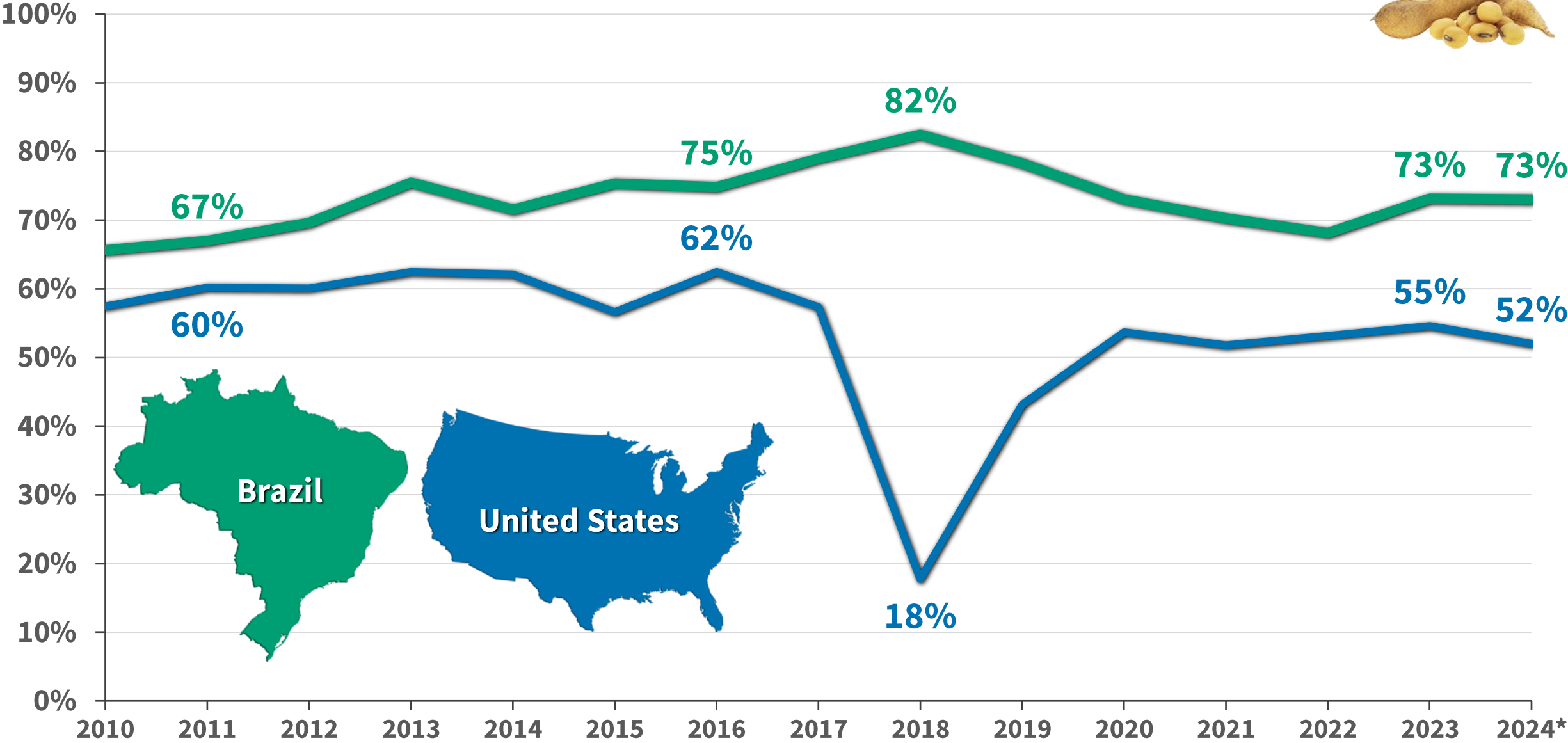
Total Soybean Exports by the United States and Brazil *in million bushels*



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

Sources: USDA and Secex/Brazil

China's Share of United States and Brazil Soybean Exports



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

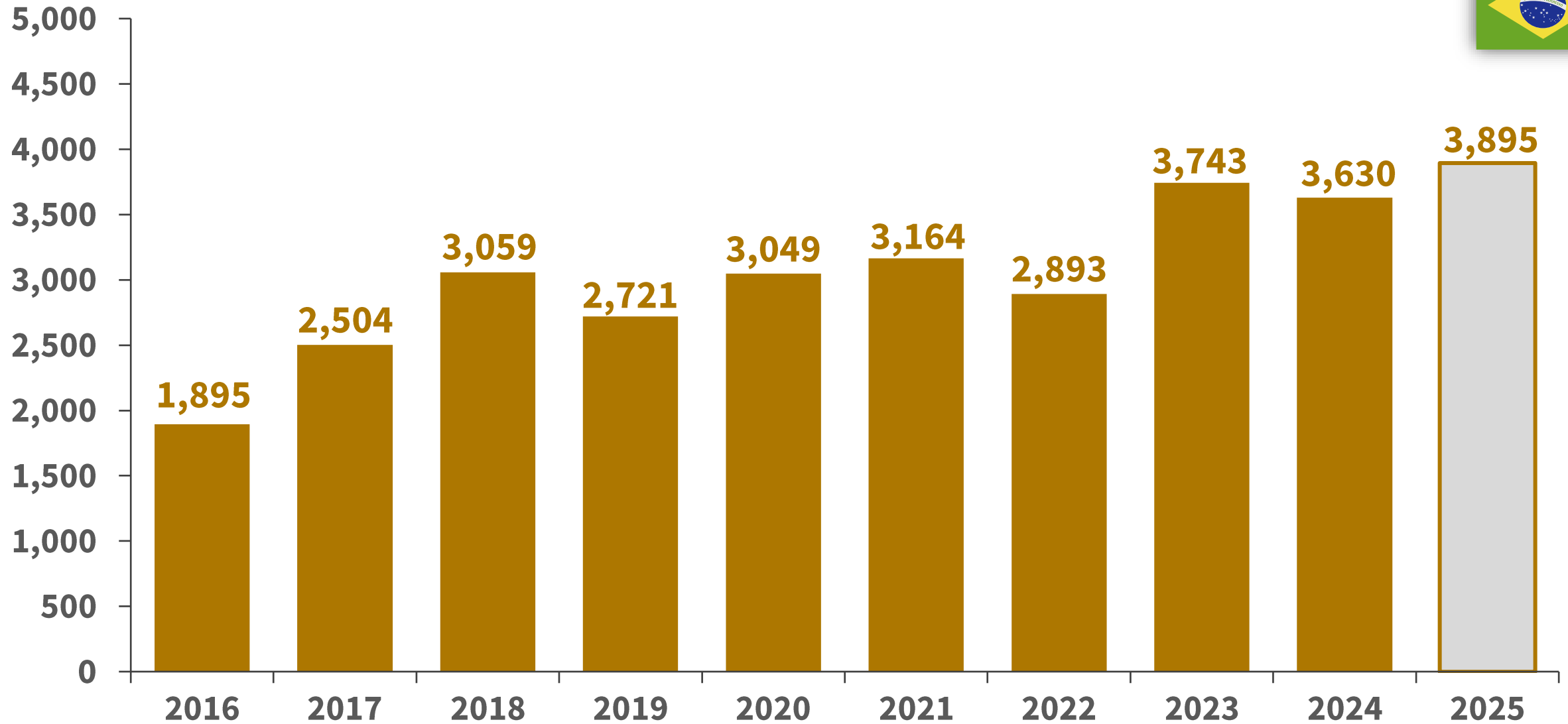
Sources: USDA and Secex/Brazil

What the U.S. Tariffs Mean for Brazilian Ag Markets

- China's tariffs on **U.S. agricultural products** took effect this week.
- Tariffs will make **U.S.-produced soybeans less competitive** with those from other countries, such as Brazil.
- Soybean export premiums in Brazilian ports reach their **highest value since 2022**.
- The **export premium** at the Paranaguá port, in the South of Brazil, is being offered at \$0.85 per bushel for March 2025 shipment.

Soybean Exports Could Reach a New Record

(in million bushels)



Crop season

*Brazilian Association of Vegetable Oil Industries (Abiove)

FORECAST*

Source: Brazilian Foreign Trade Secretariat (SECEX)

How It's Going So Far in Corn Crop Season

- As of March 9th, **83% of the second-crop corn** (safrinha) had been planted (Conab).
- The planting season is **slightly delayed** due to excessive rainfall in the Center-West.
- The weather in **March and April** will be crucial in determining the final size of the safrinha crop.

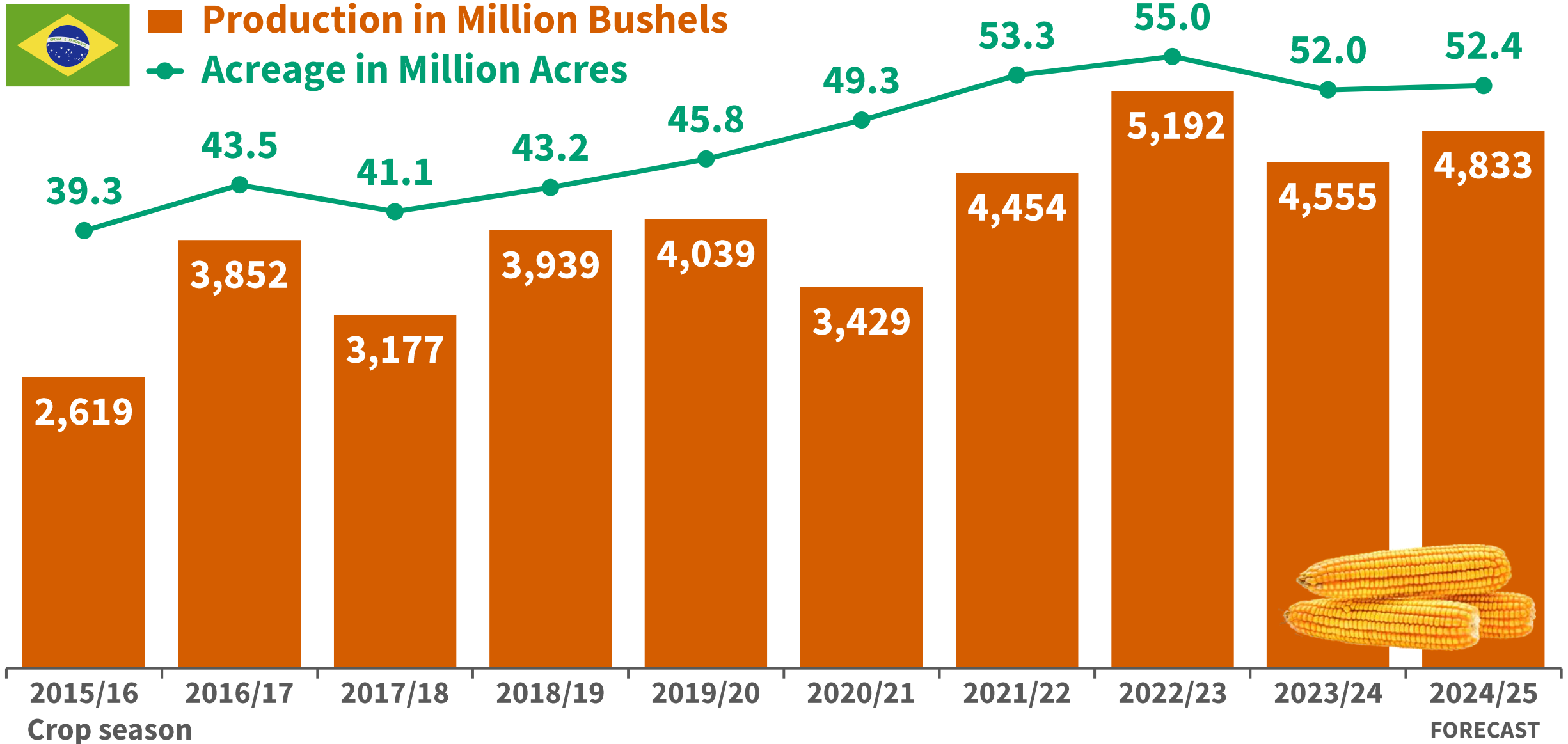


Total Corn Acreage and Production in Brazil



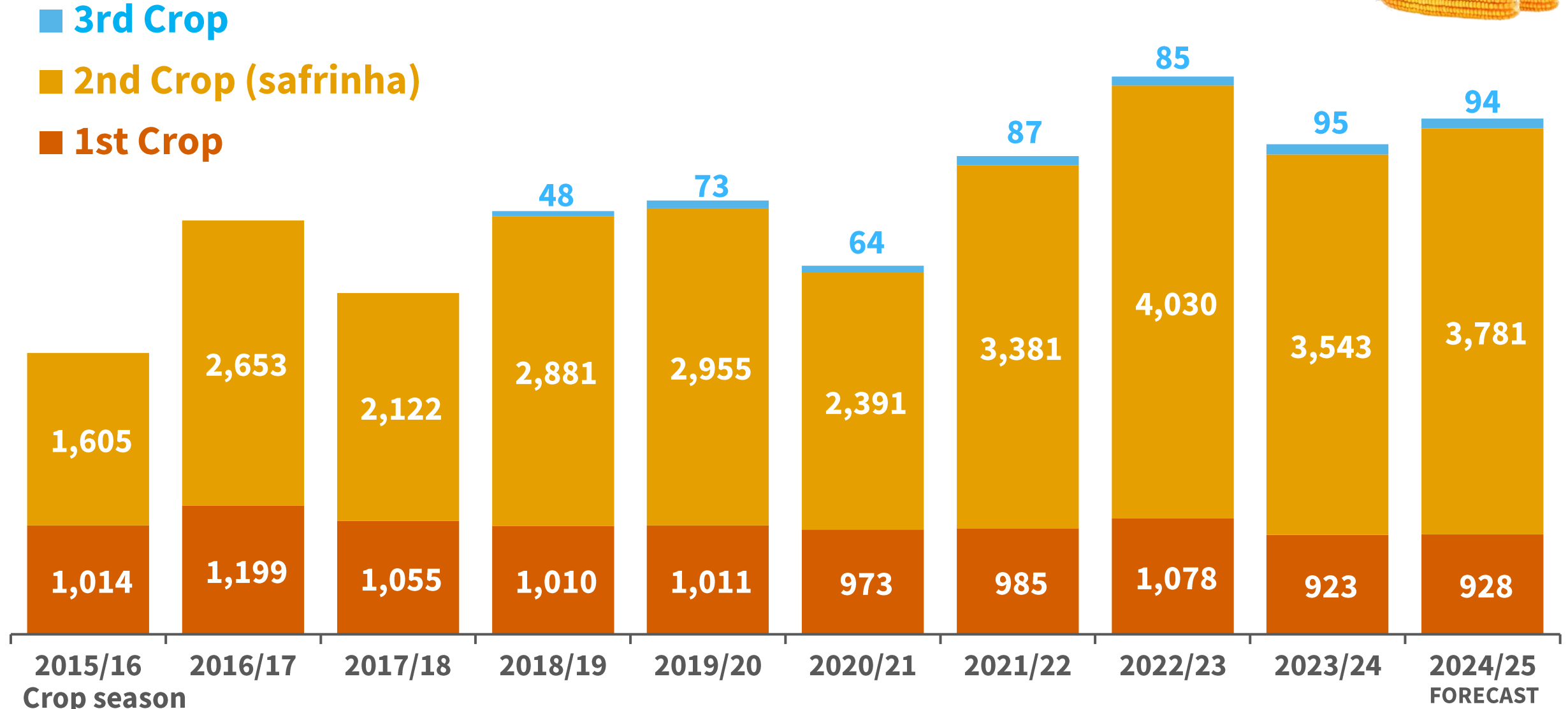
■ Production in Million Bushels

● Acreage in Million Acres



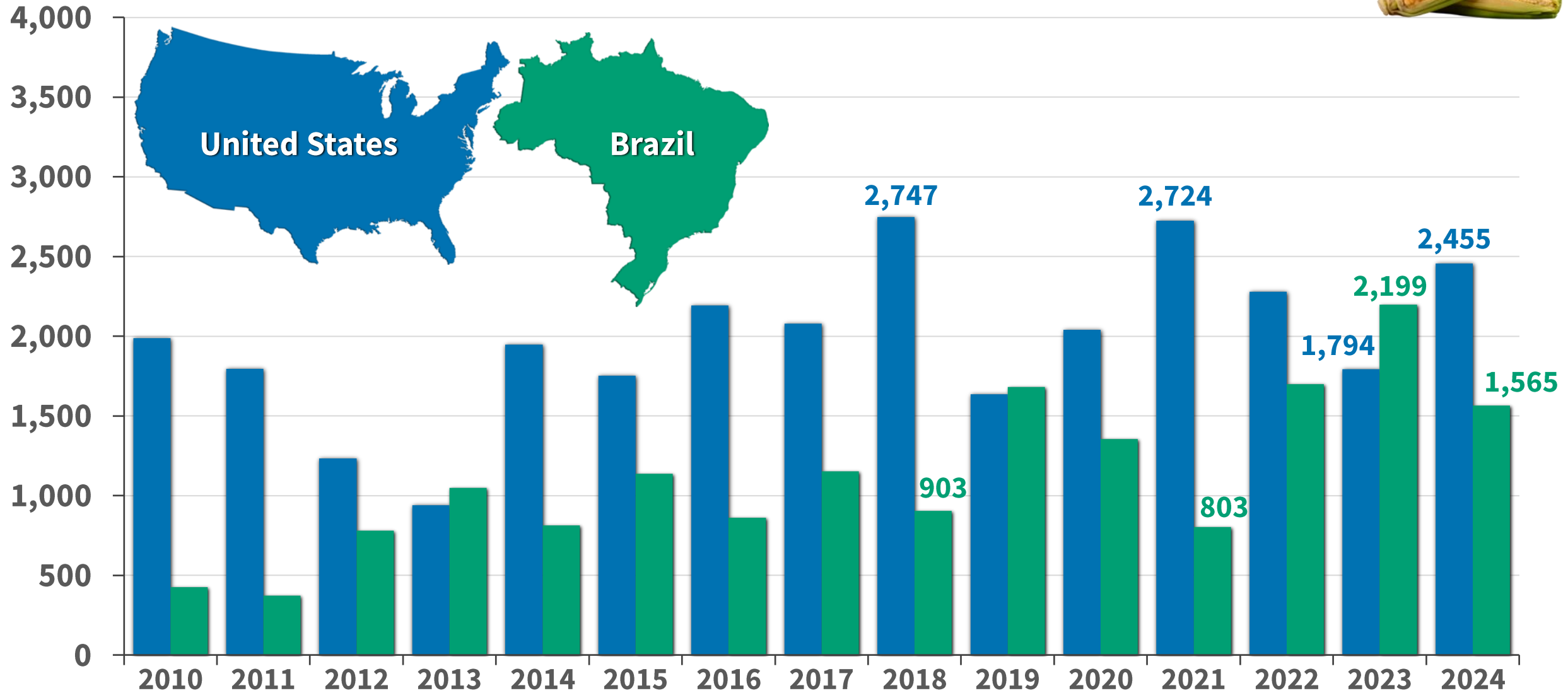
Total Corn Production in Brazil in Three Crops per Year

In million bushels



Total Corn Exports by the United States and Brazil

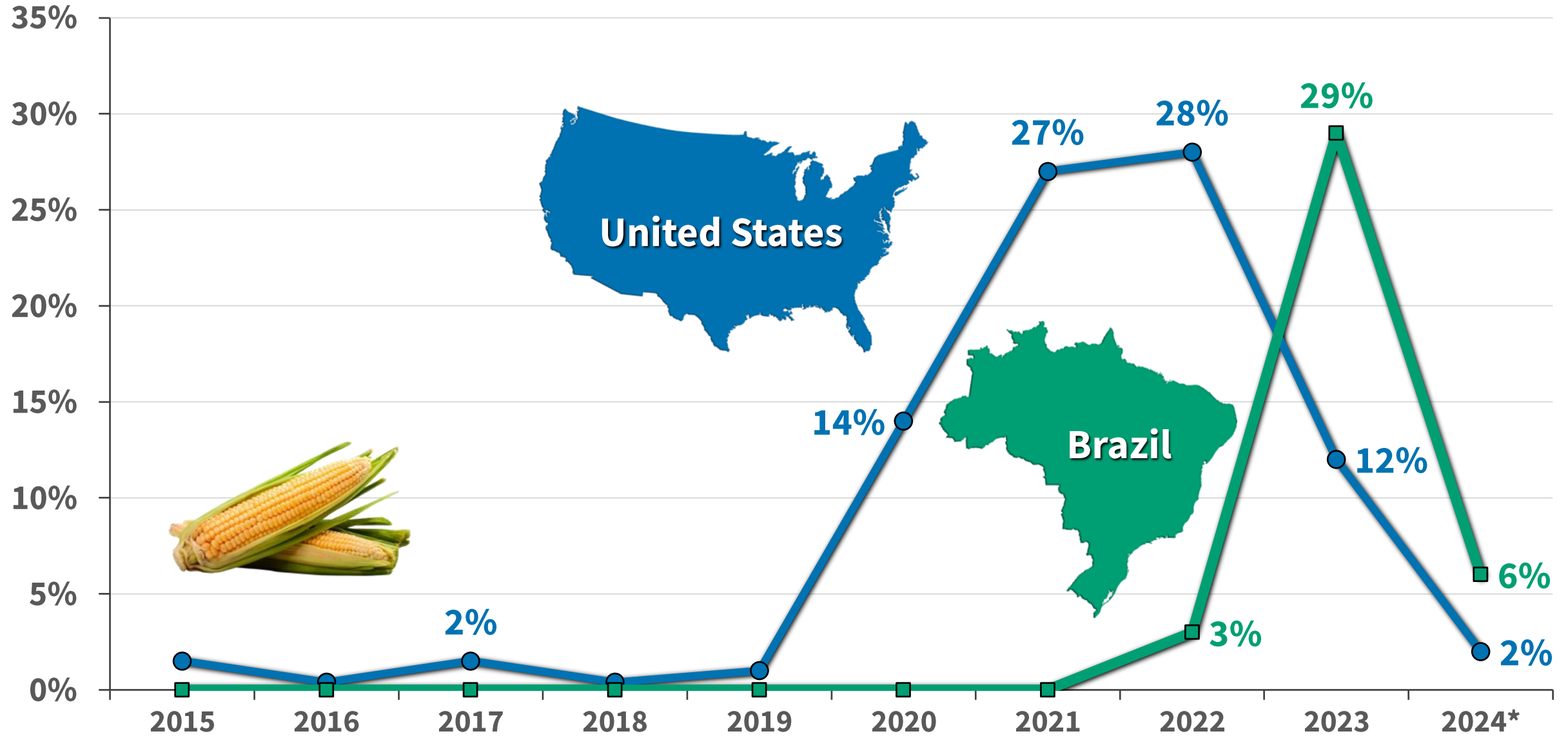
in million bushels



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

Sources: USDA and Brazil Secex

China's Share of United States and Brazil Corn Exports

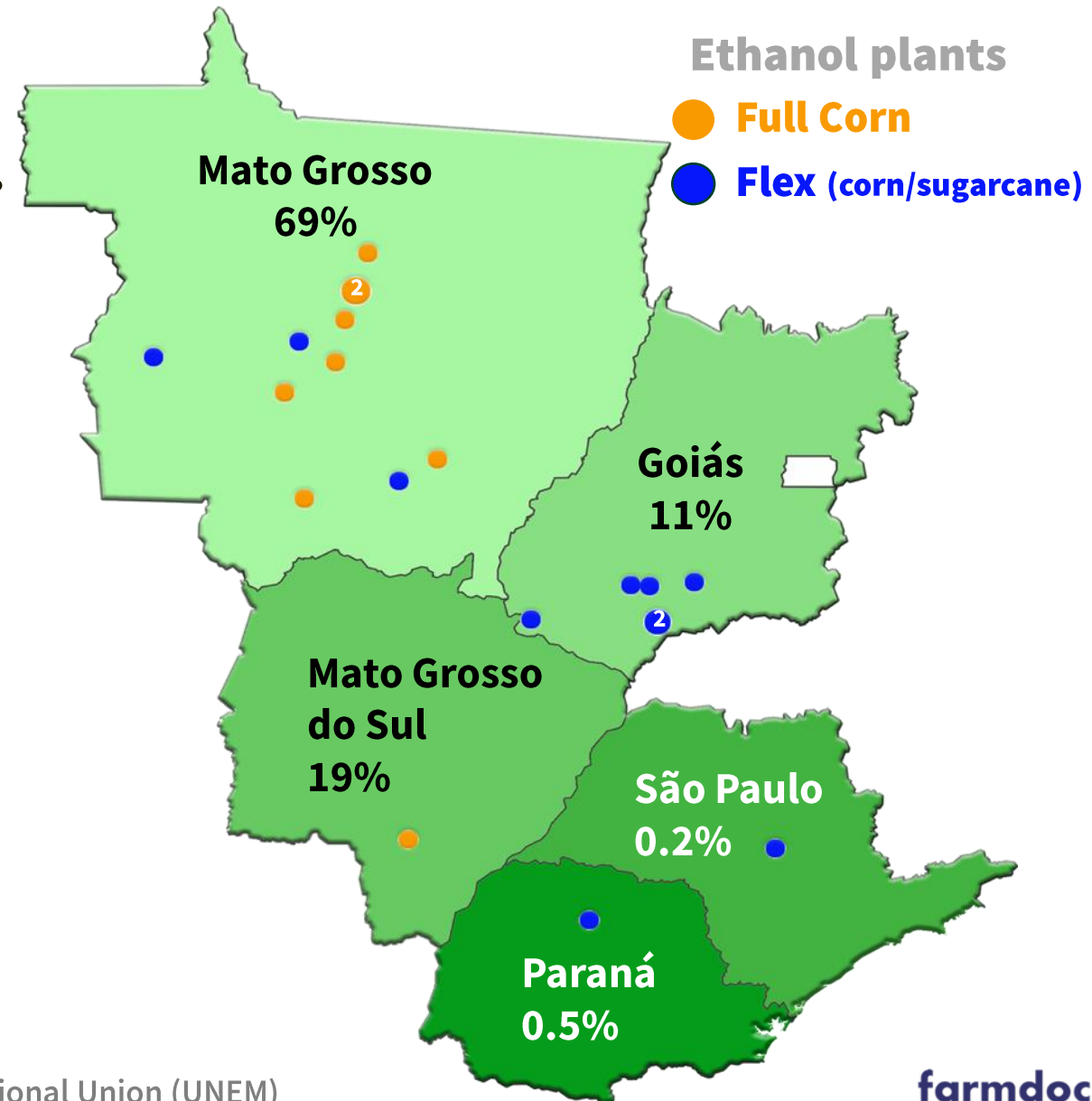


Note: Exports by calendar year since the countries have different marketing years

Sources: USDA and Secex/Brazil

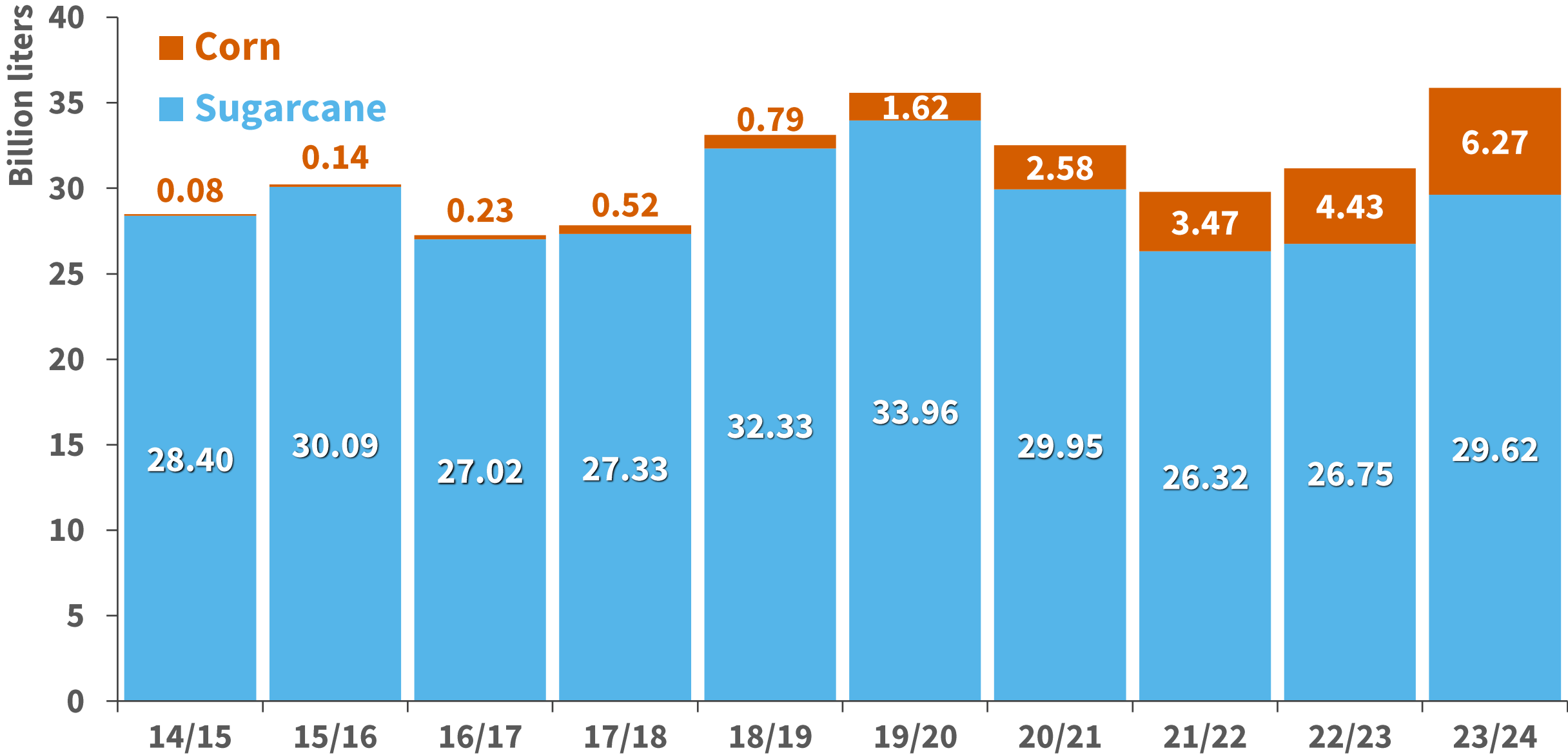
Safrinha Fuels Brazil's Ethanol Boom

- Corn ethanol plants have begun appearing in the **Center-West region**.
- There are **21 ethanol plants** in Brazil utilizing corn as the feedstock.
- New ethanol mills are capable of processing **either corn or sugarcane**, or corn only.
- The **first corn-only ethanol plant** in Brazil was built in 2017 by FS Bioenergy, with American investors.



Source: Corn Ethanol National Union (UNEM)

Corn Ethanol Production Remains Growing in Brazil



Corn Ethanol Boom is just Starting

- New projects underway are expected **to double production** capacity within 2 years.
- This expansion would generate an additional **demand of 1,063 million** bushels of corn.
- Currently, **787 million bushels** of corn are used for ethanol production in Brazil.



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Crop Prospects in Argentina



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1-Week Standardized Precipitation Index (SPI) (CHIRPS)

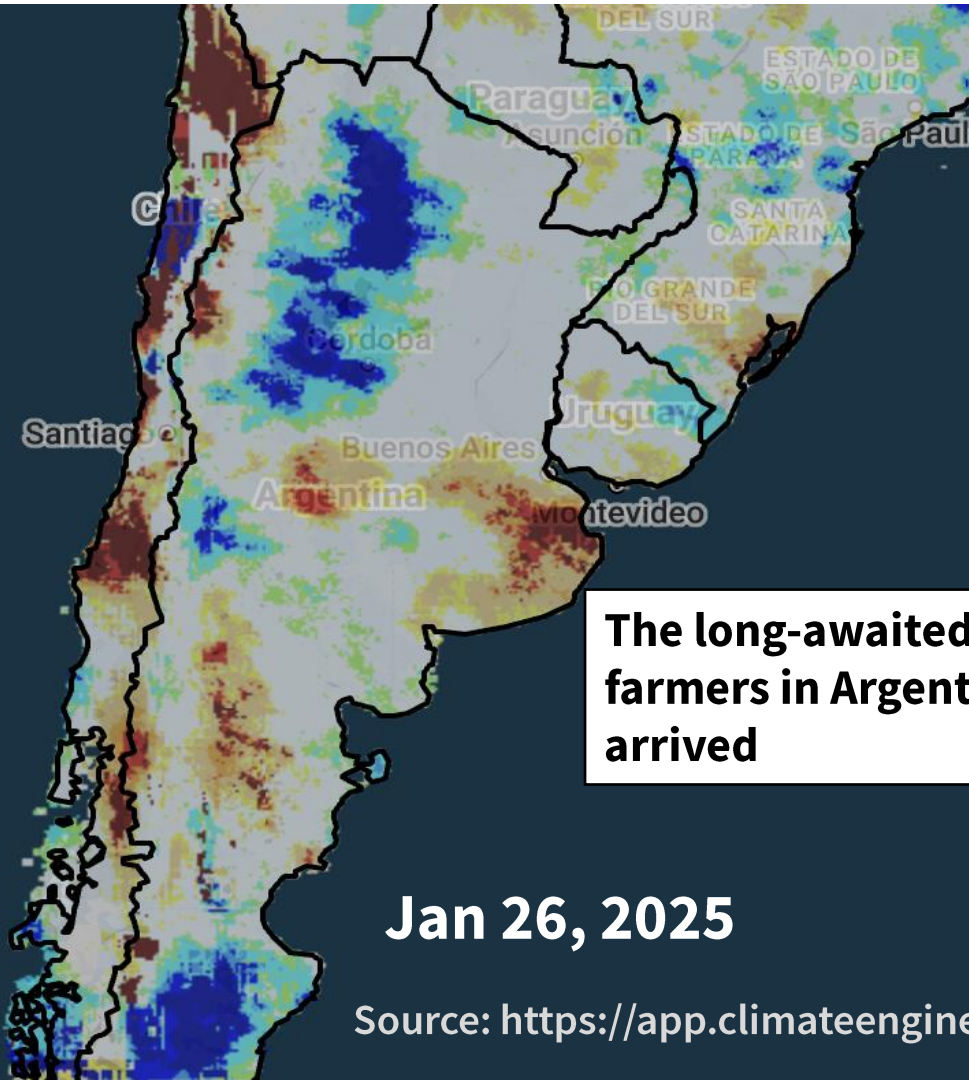
2025-02-23 to 2025-03-01, standardized from 2015 - 2020 (Non-Parametric distribution)

Exceptional Drought

Exceptional Wet



Standardized Precipitation Index (SPI)

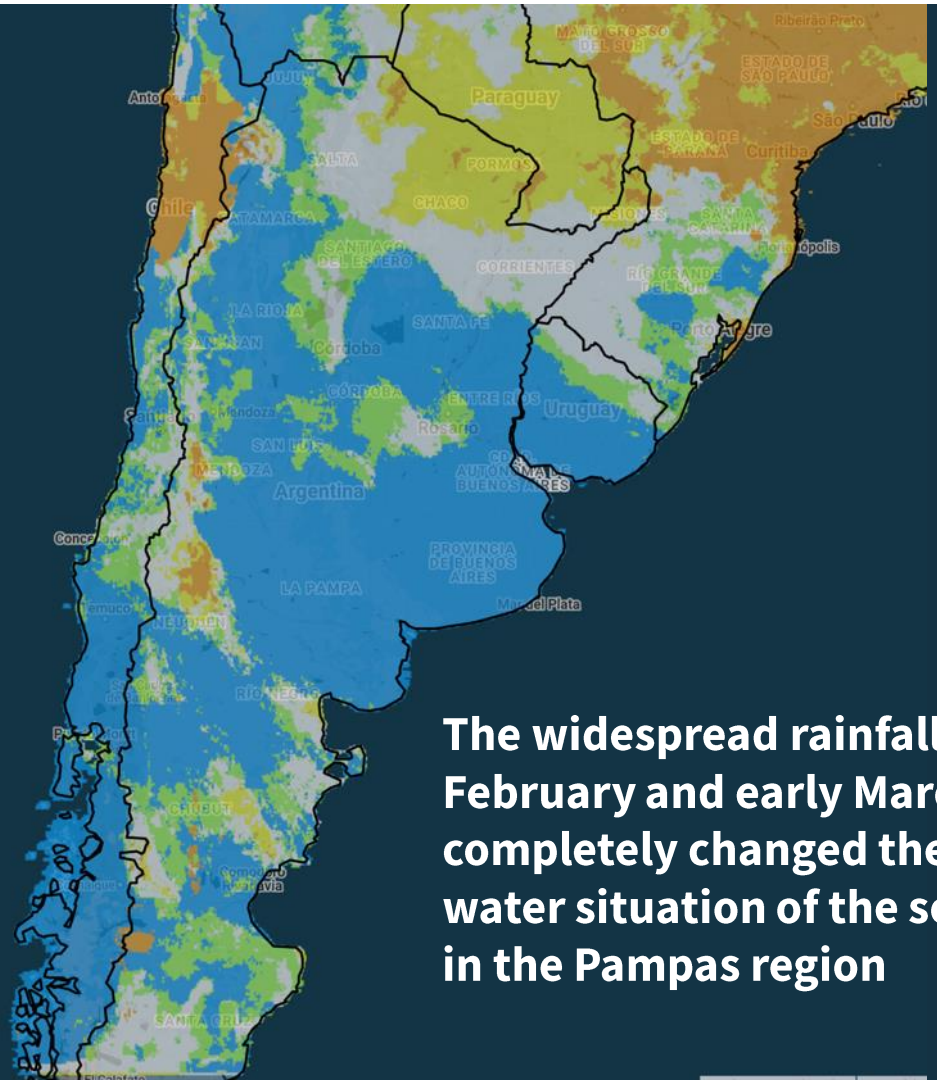


The long-awaited rains for farmers in Argentina have arrived

Jan 26, 2025

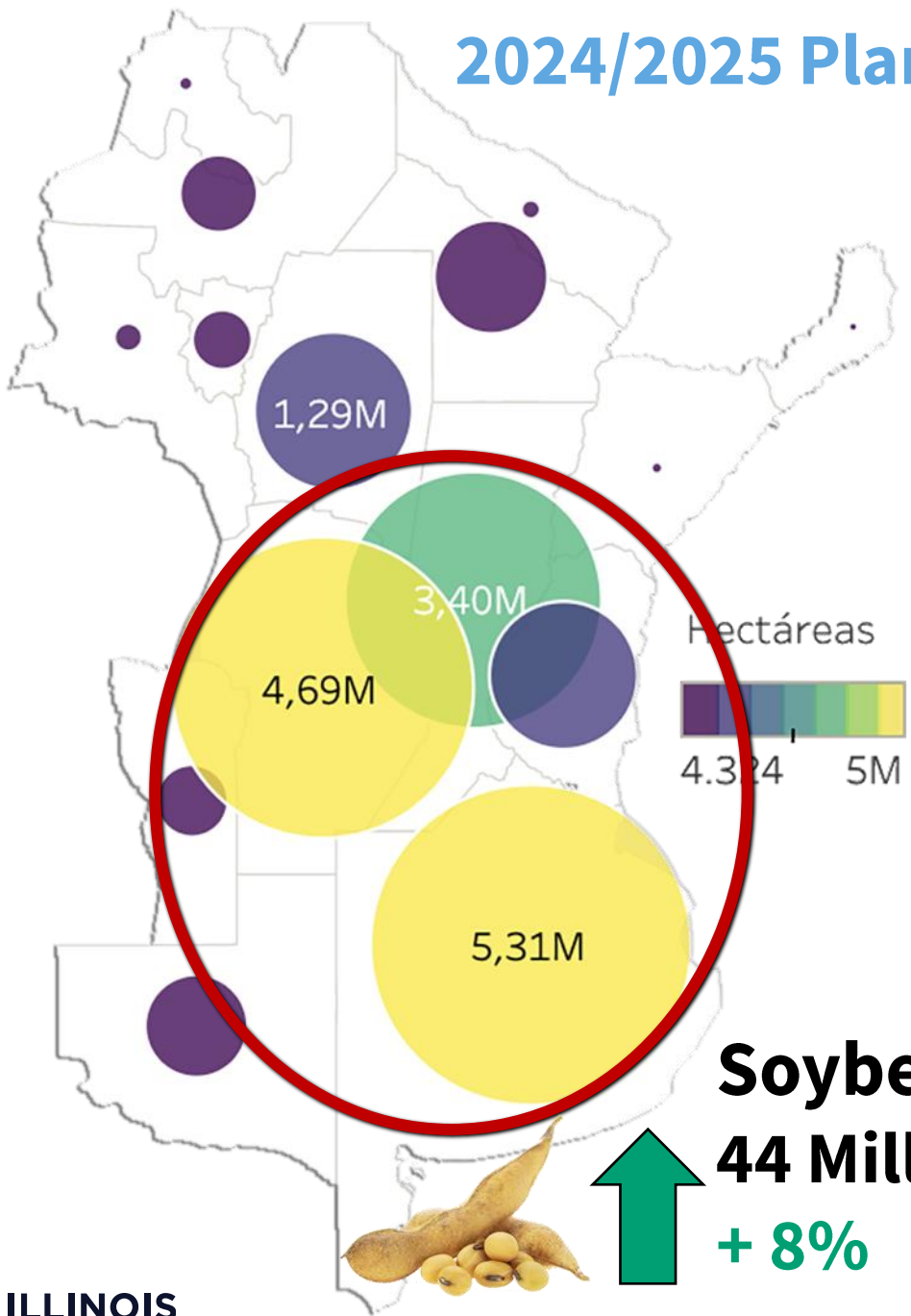
March 1, 2025

Source: <https://app.climateengine.org/climateEngine>

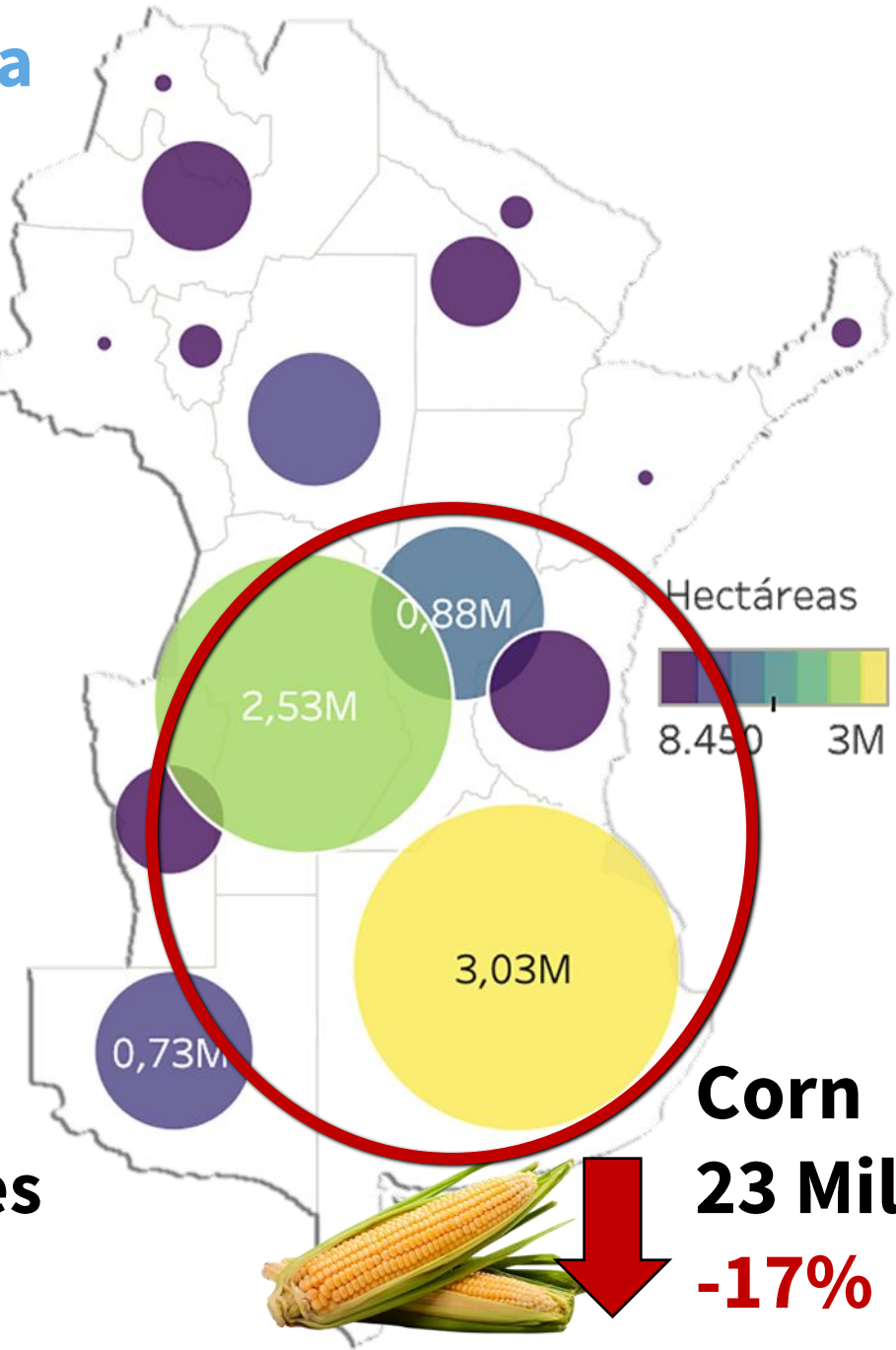


The widespread rainfall in February and early March completely changed the water situation of the soils in the Pampas region

2024/2025 Planted Area



Soybeans
44 Million Acres
+ 8%



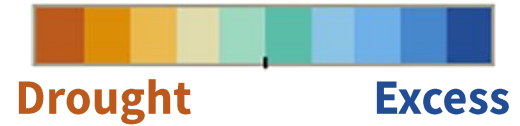
Corn
23 Million Acres
-17%



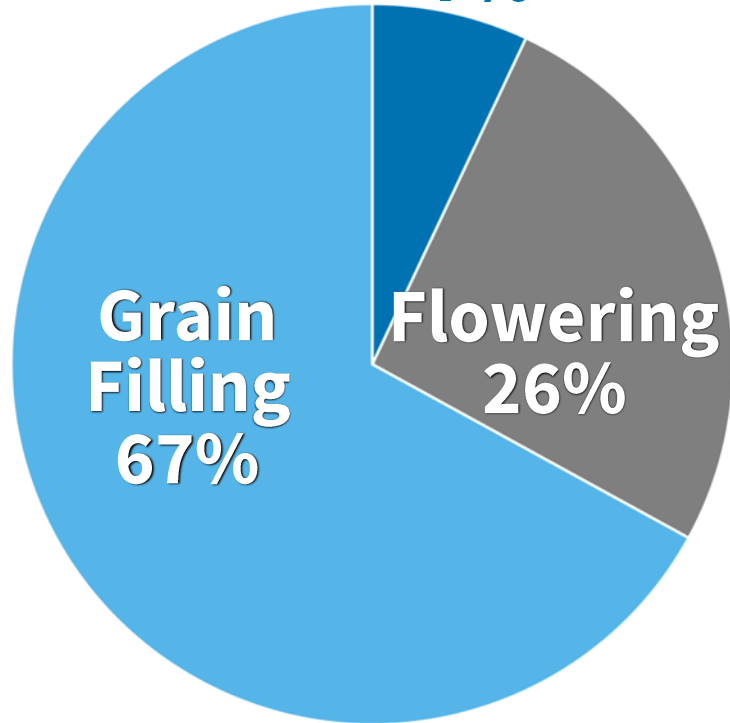


Soybeans 1st Season

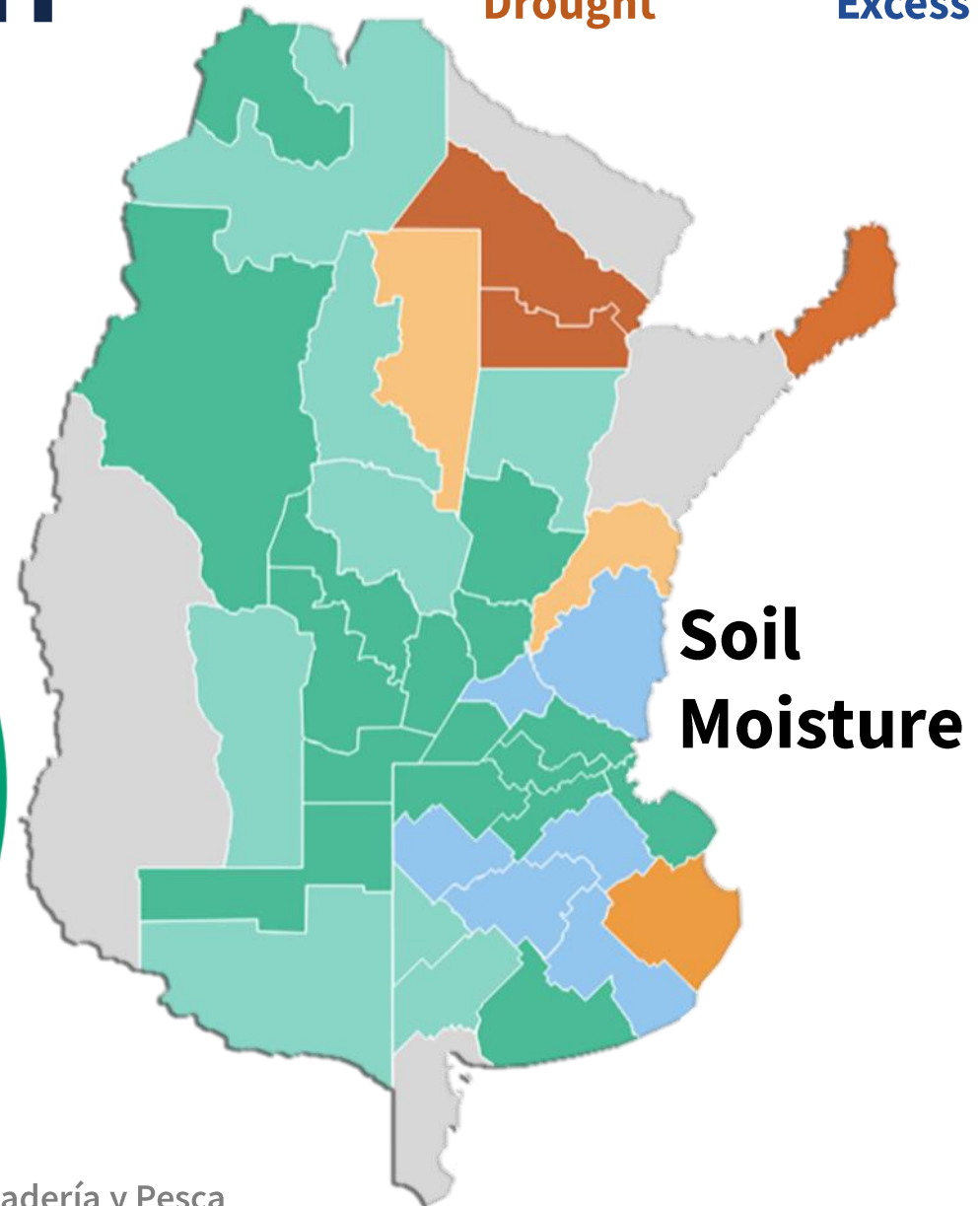
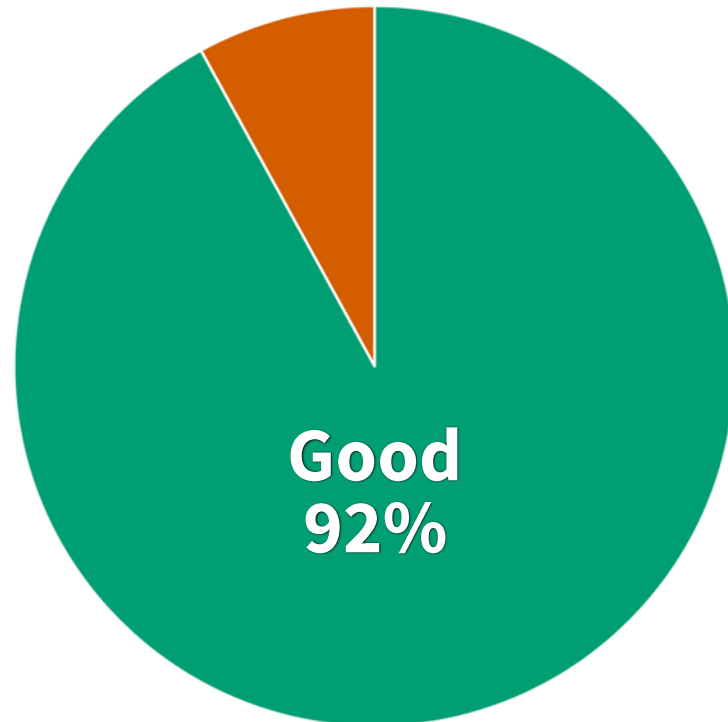
70% of production



Vegetative Growth



Regular

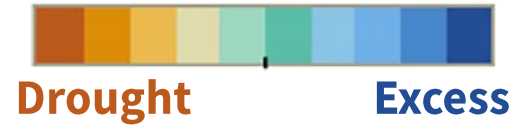


Soil Moisture



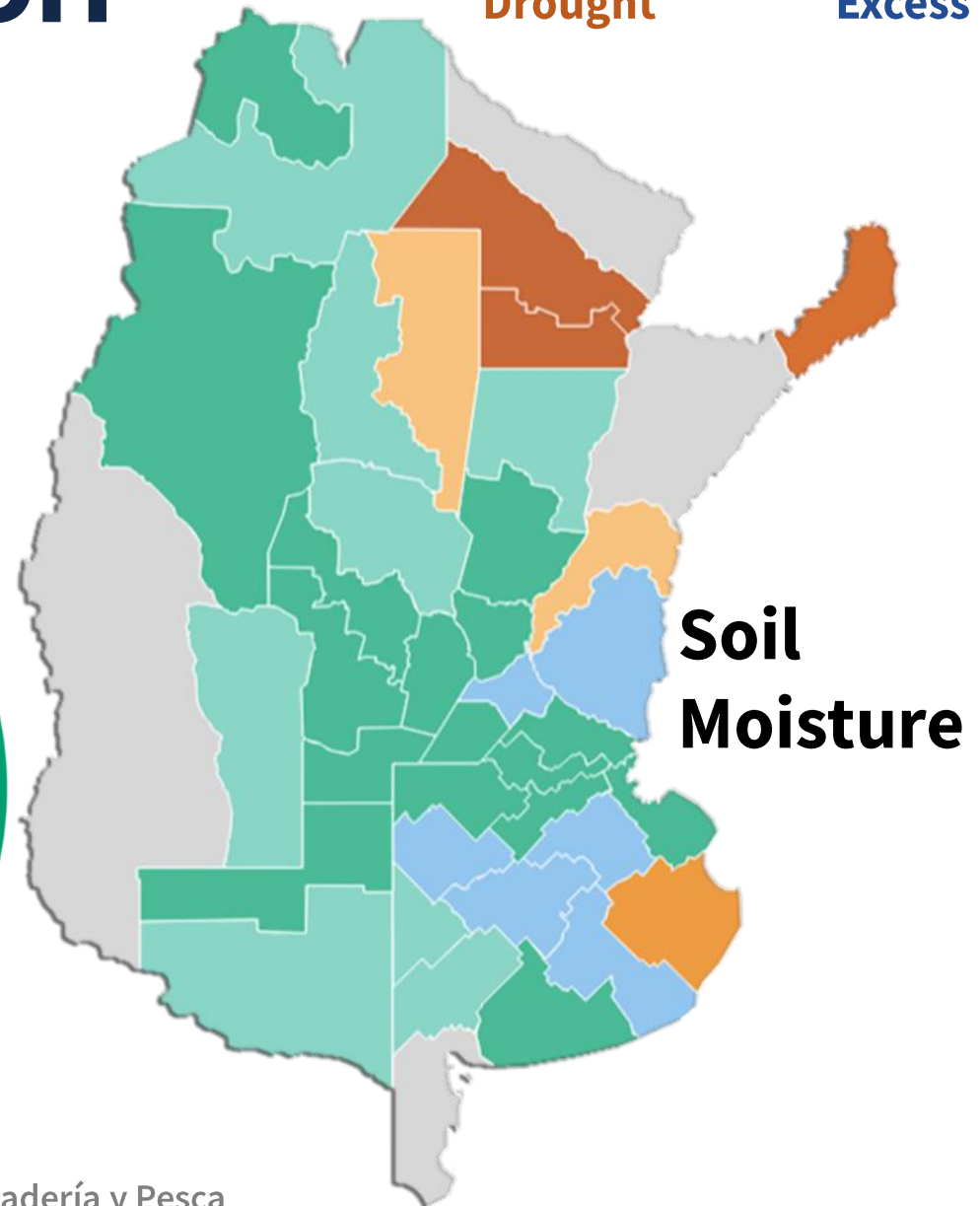
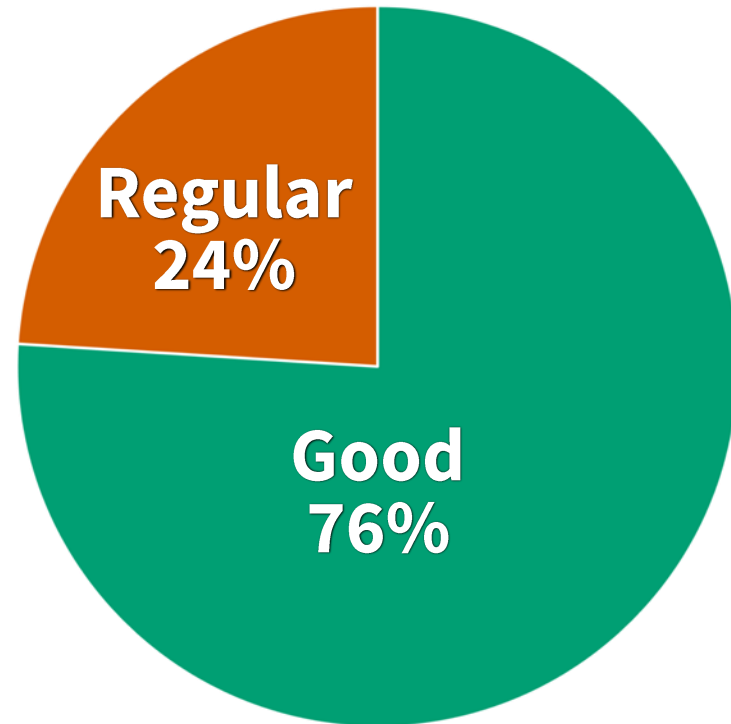
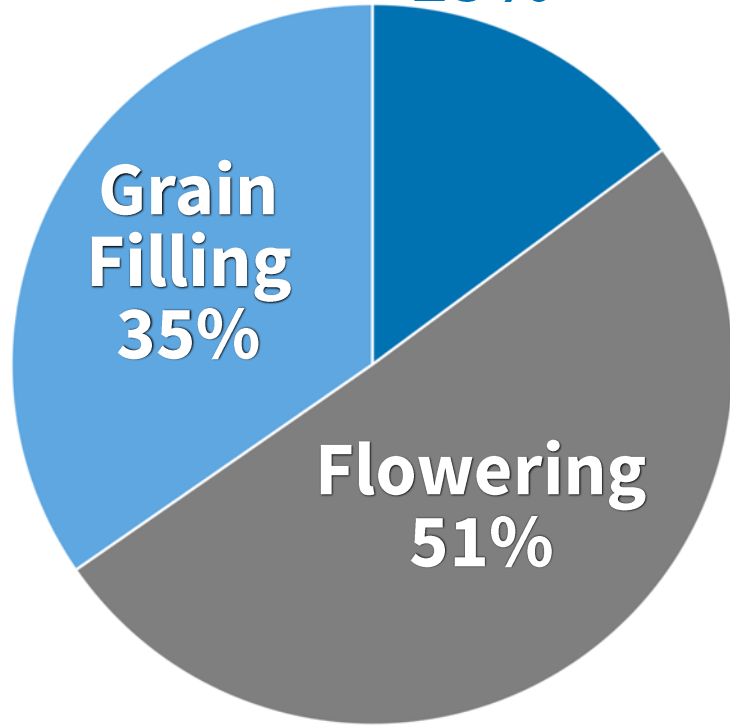
Soybeans 2nd Season

30% of production



Vegetative Growth

15%

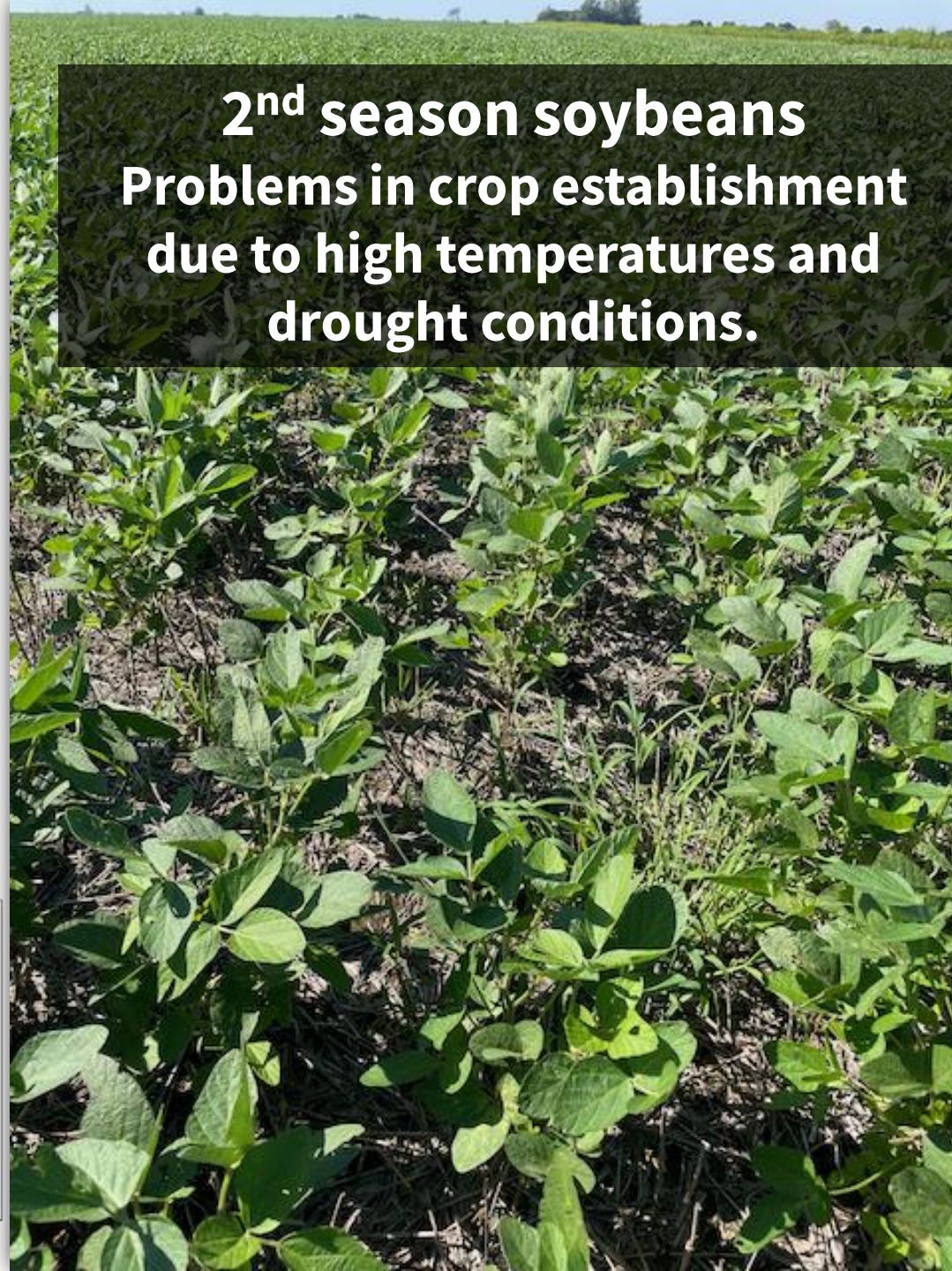


Matrch 6th 2025: Secretaria de Agricultura, Ganadería y Pesca
https://www.magyp.gob.ar/sitio/areas/estimaciones/monitor_semanal/

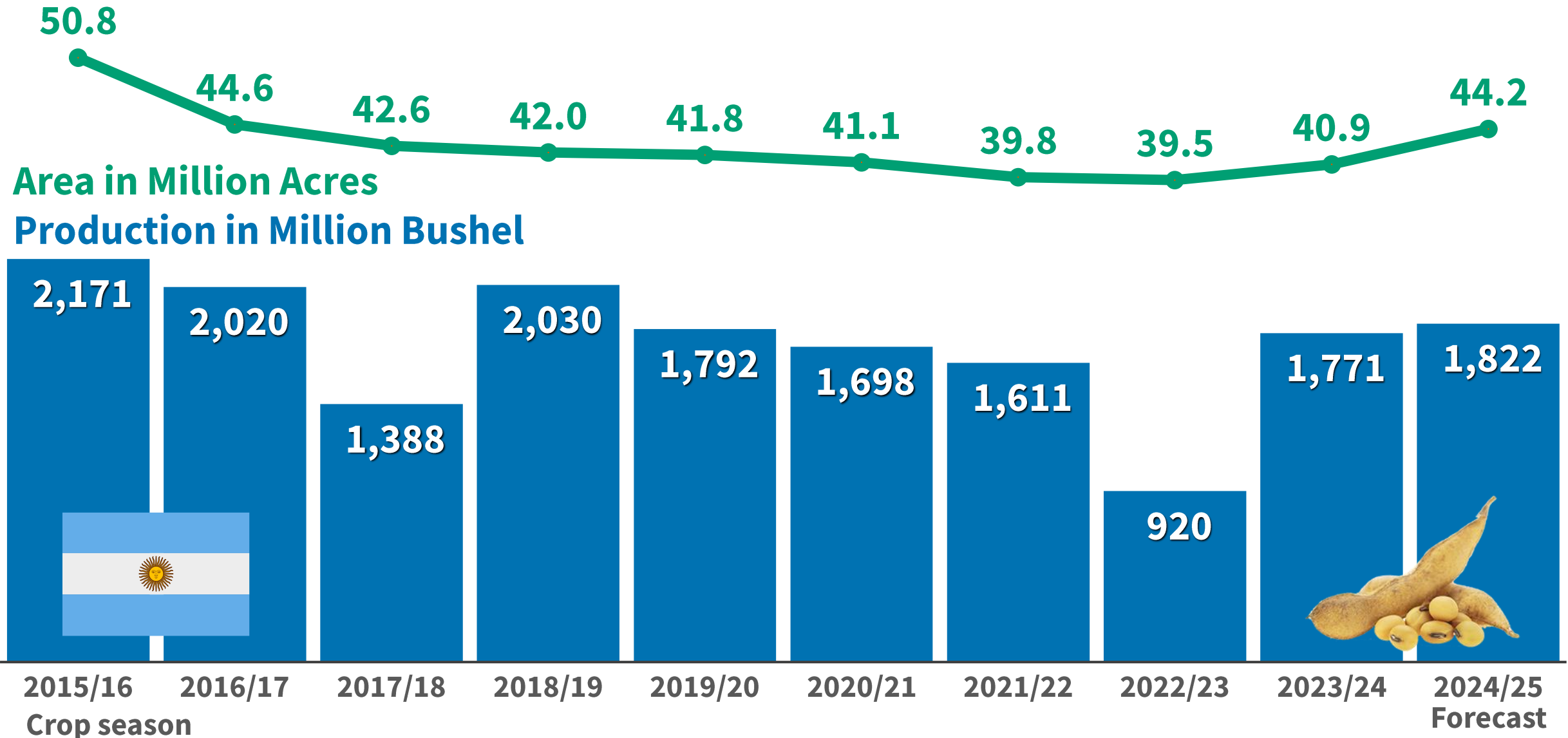
1st season soybeans
Grain filling, in excellent conditions



2nd season soybeans
Problems in crop establishment
due to high temperatures and
drought conditions.



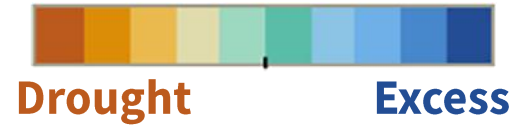
Soybean **Acreeage** and **Production** in Argentina



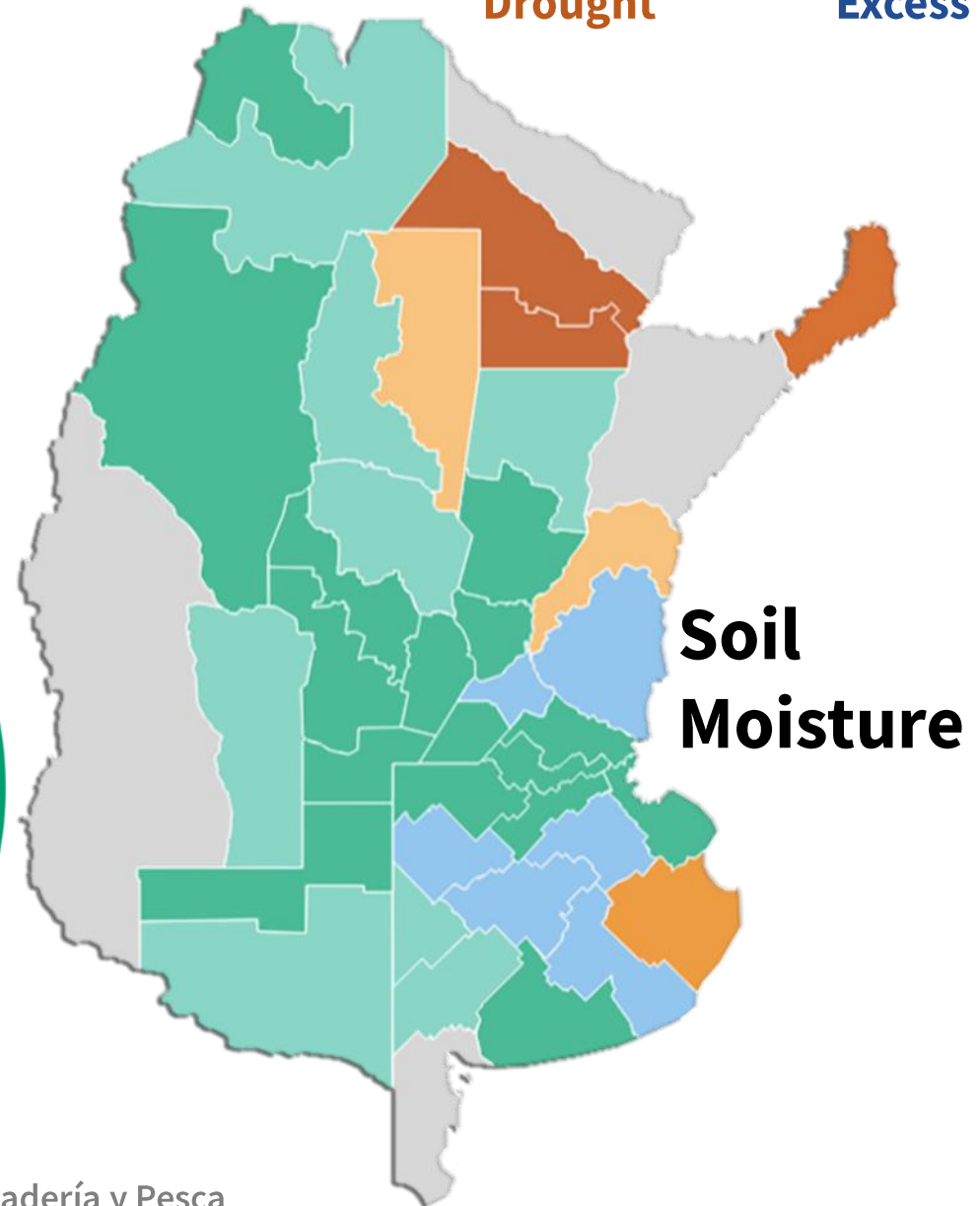
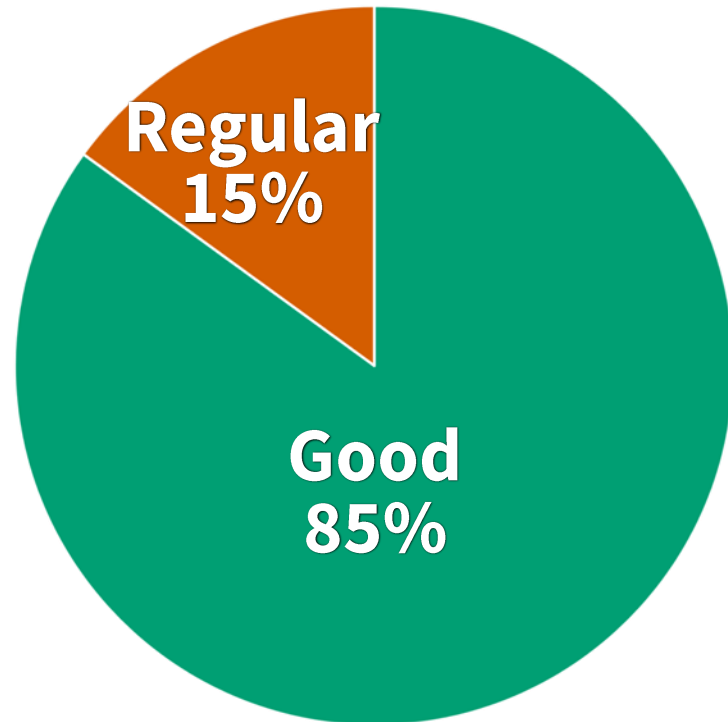
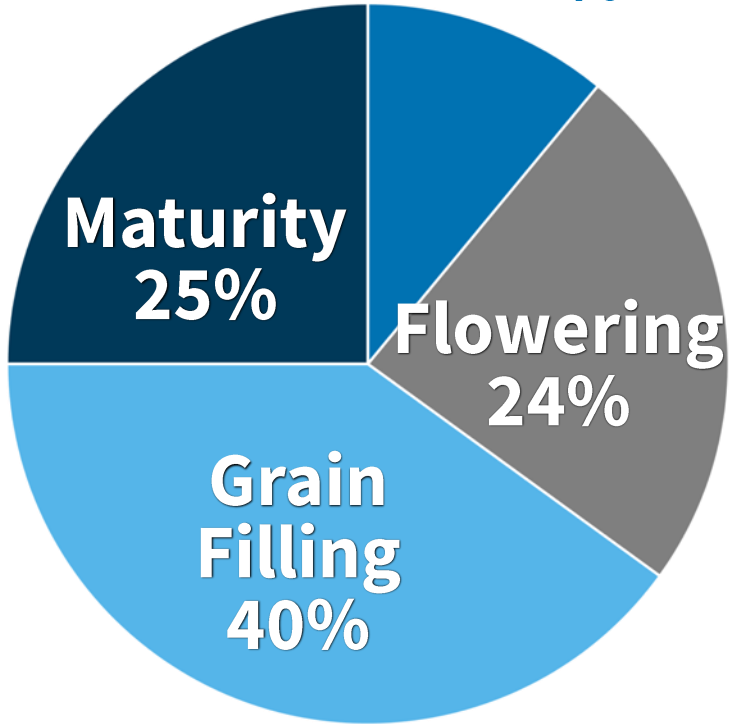


Corn

Harvest
Progress
6.7 %



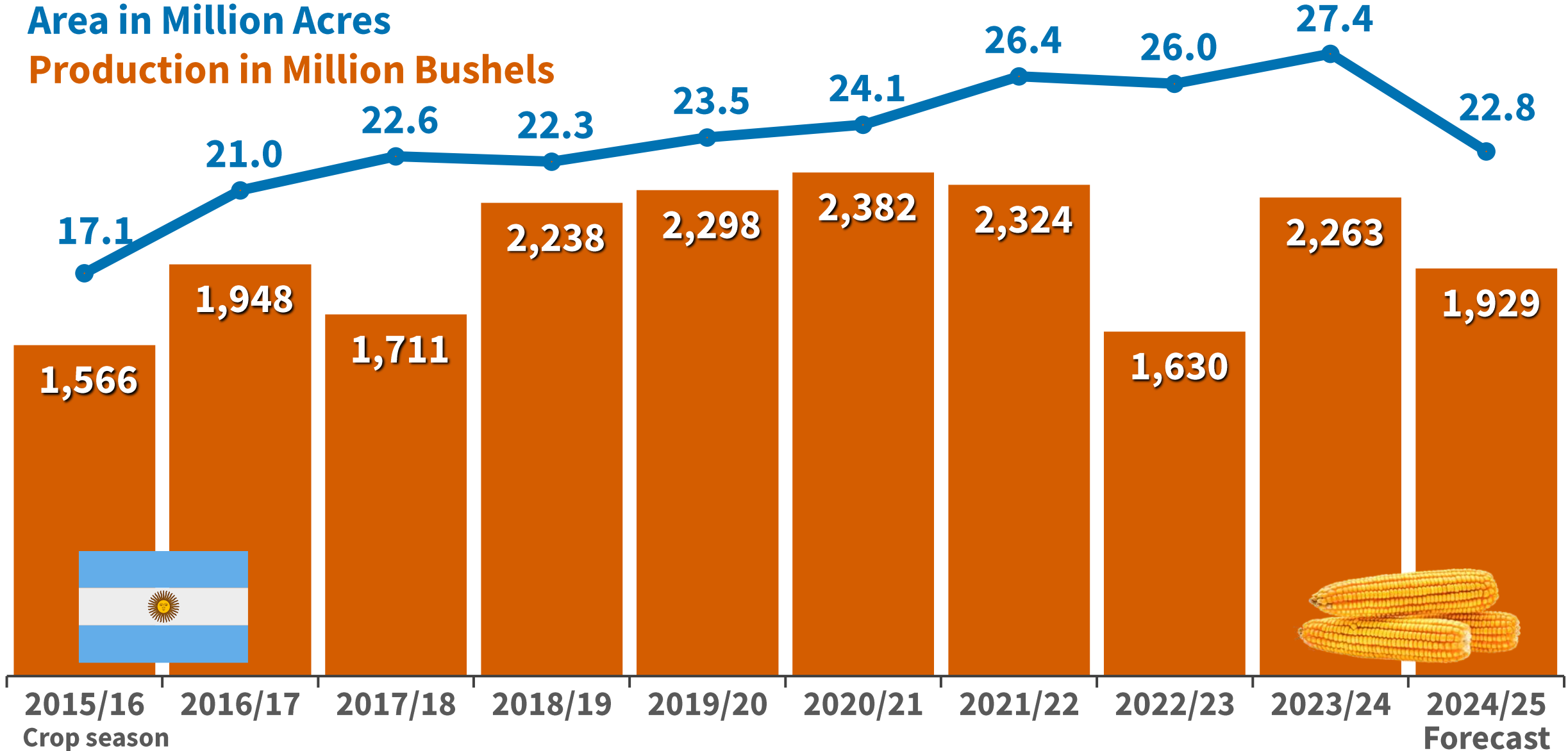
Vegetative Growth
11%



Total Corn Acreage and Production in Argentina

Area in Million Acres

Production in Million Bushels

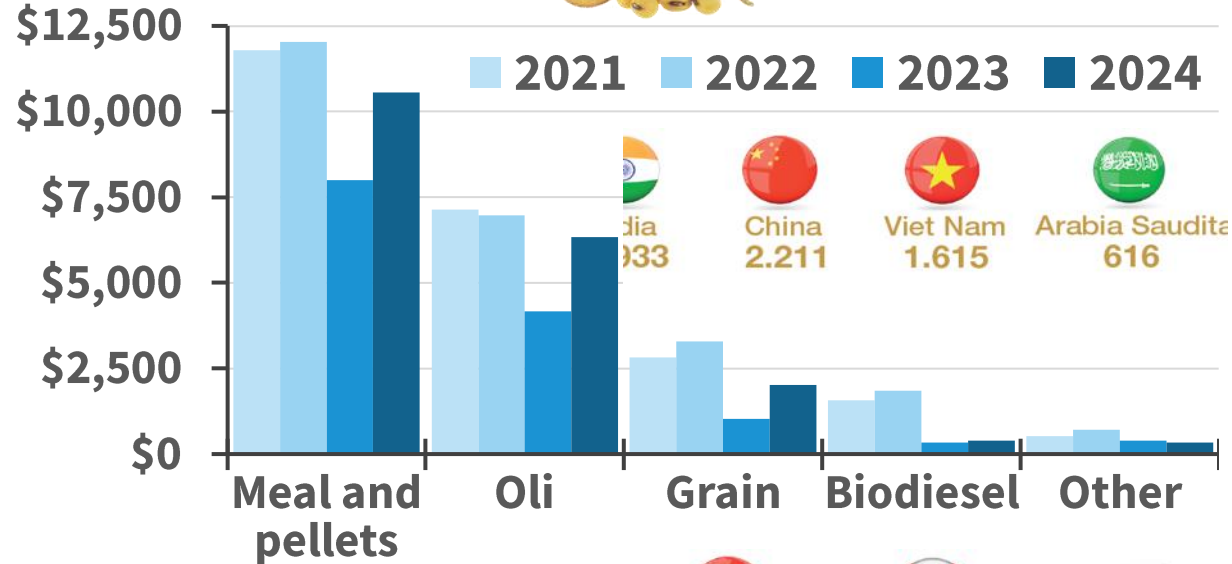




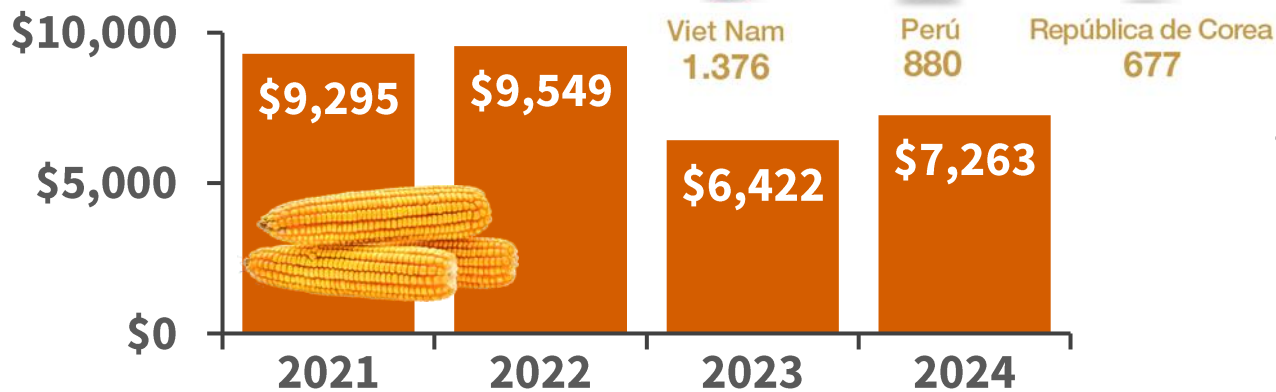
Argentina Exports and Trading Partners

in million U.S. dollars

Soybean Complex



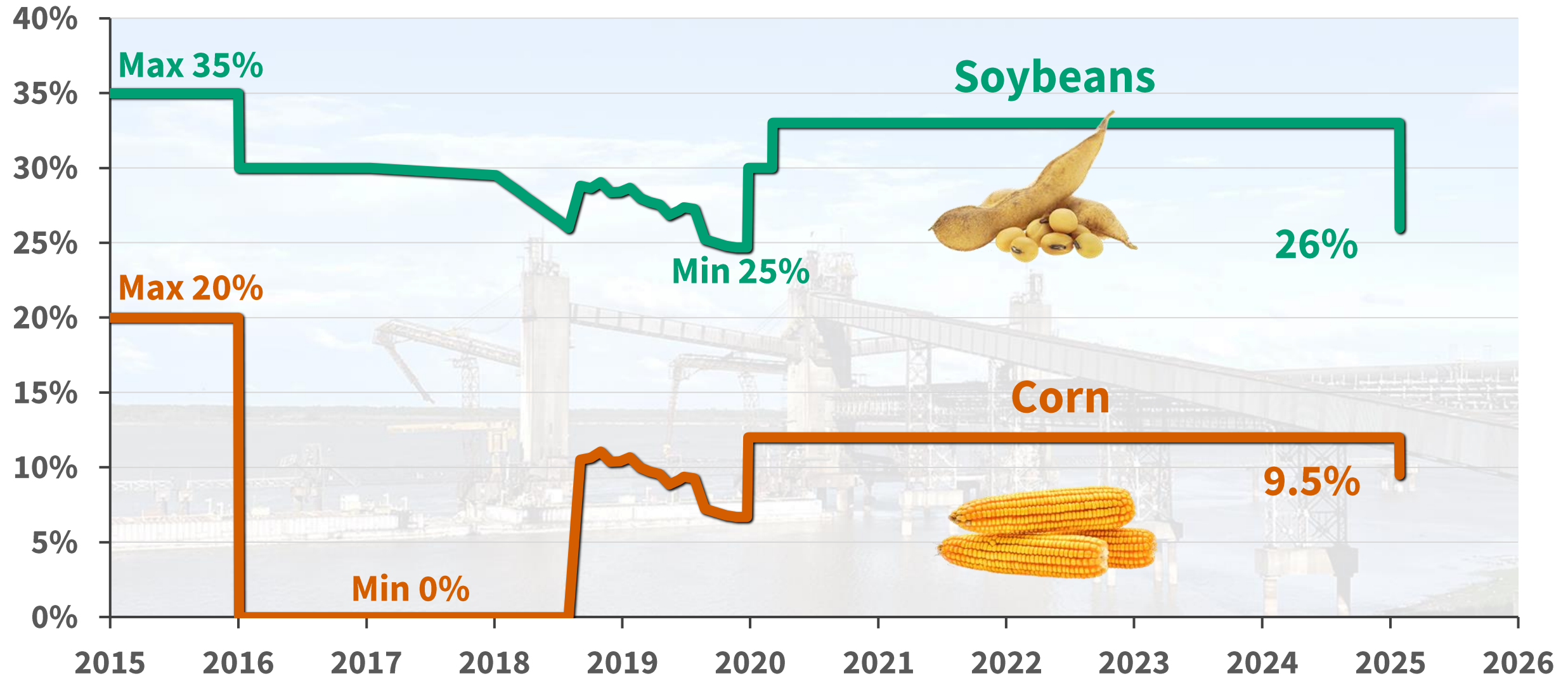
Corn Complex



- Soybean and corn exports are key to Argentina's trade balance, contributing 34% of the total export value
- The drop in export value over the last two years is due to several factors: the severe **drought in 2022/2023, declining prices,** and, more recently, delays in completing export transactions in 2024 due to **expectations of an export taxes reduction.**
- In January 2025, soybean and corn exports had an **important increase** compared to the previous year.

Good news for Argentina ag sector

Export taxes (%) - Argentina 2014 - 2025



Crop Prospects in Paraguay





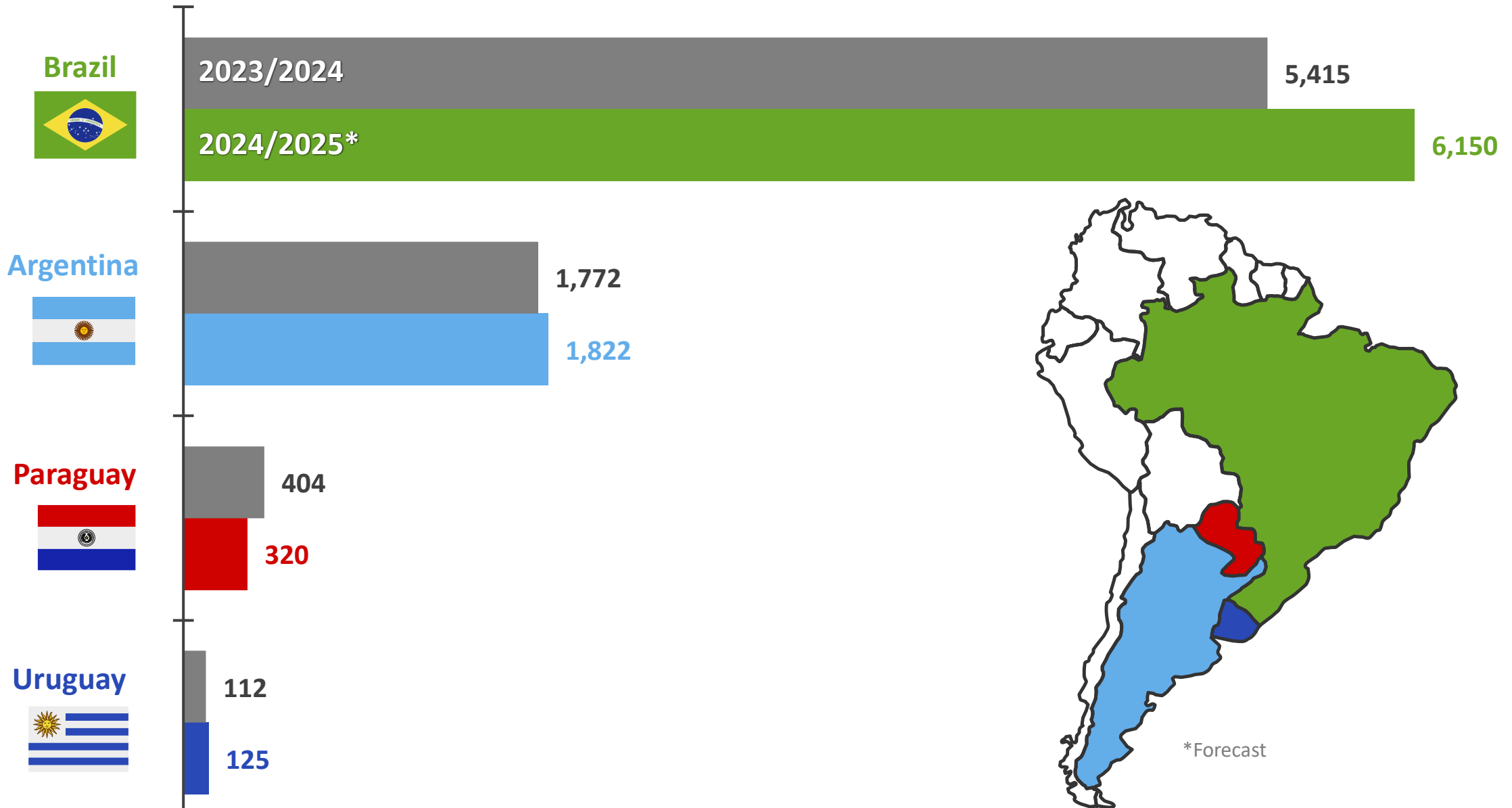
How It's Going So Far

- As of Mar 5th, **90% of the soybeans** were harvested in Paraguay.
- Yield reductions in the **North regions** due to drought and good yield levels in the **South regions**.
- The soybean crop is forecasted at 320 million tons, a **20% decrease** from last year's record harvest.



South America Soybean Production Increasing in 2024/2025

in million bushels



Closing Thoughts



- Brazil's **soybean production is expected to reach a record**, driven by a larger planted area and strong yields in most regions. Corn production is also expected to increase.
- Brazil could further **expand its share in soybean & corn exports** due to a new round of trade war, with the depreciation of the Brazilian Real also providing support.

Closing Thoughts



- Argentina's soybean production is expected to be **similar to the previous year**, with a larger planted area but lower yields. **Corn is expected to decline** mainly due to a smaller planted area.
- In the coming years, **lower export taxes and a stable economy** could boost investment, technology adoption, productivity, and ag exports in Argentina.

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