

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Brazil

Grain and Feed Annual

Exchange Rate and Inflation Impact Producers

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Report Highlights:

The weak Brazilian currency and high inflation, fuelled by an uncertain political atmosphere, will have a large impact on all producers in Brazil. Farmers are getting higher prices to export corn, which is increasing the price of domestic corn. Because the exchange rate is making corn exports more lucrative, 2016/2017 wheat area is forecast to decrease slightly to 2.2 million hectares (mHA) as a result of some producers switching to more second crop “safrinha” corn in the south of Brazil. 2016/2017 corn production is forecast at 86 million metric tons (mmt), which – if realized – would be a record. Rice producers have been hit by higher production costs including electricity, transport, and taxes, which is impacting their profit margins.

Wheat

| Wheat Market Begin Year Brazil | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|--------------------------------------|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2014 | | Oct 2015 | | Oct 2016 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 2730 | 2730 | 2450 | 2450 | 0 | 2200 |
| Beginning Stocks | 1887 | 1887 | 870 | 870 | 0 | 870 |
| Production | 6000 | 6000 | 5540 | 5600 | 0 | 6000 |
| MY Imports | 5374 | 5374 | 6500 | 6000 | 0 | 5300 |
| TY Imports | 5869 | 5869 | 6300 | 5800 | 0 | 5300 |
| TY Imp. from U.S. | 1296 | 1296 | 0 | 500 | 0 | 0 |
| Total Supply | 13261 | 13261 | 12910 | 12470 | 0 | 12170 |
| MY Exports | 1691 | 1691 | 1300 | 1400 | 0 | 900 |
| TY Exports | 1688 | 1688 | 1300 | 1400 | 0 | 900 |
| Feed and Residual | 300 | 300 | 600 | 300 | 0 | 300 |
| FSI Consumption | 10400 | 10400 | 10000 | 9900 | 0 | 9700 |
| Total Consumption | 10700 | 10700 | 10600 | 10200 | 0 | 10000 |
| Ending Stocks | 870 | 870 | 1010 | 870 | 0 | 1270 |
| Total Distribution | 13261 | 13261 | 12910 | 12470 | 0 | 12170 |
| | | | | | | |

(1000 HA) ,(1000 MT)

2016/2017 Wheat Supplies: 2016/2017 area is forecast to decrease slightly to 2.2 million hectares (mHA) as a result of some producers switching to more second crop “safrinha” corn in the south of Brazil, as corn exports are more profitable right now. 2016/2017 production is forecast to increase 7 percent from the previous based on a return to normal weather. 2015/2016 was lower due to severe rains in the state of Rio Grande do Sul. Production costs have soared due to a strong dollar and higher energy costs in 2015.

The Brazilian currency depreciated over 40 percent in 2015 against the dollar, which has caused inputs that are imported to be more expensive. In addition, inflation is over ten percent, which is hitting consumers and producers alike in the pocketbook for everyday goods and services. Lastly, while the cost of oil is the lowest it has been in a decade globally, the price for gas and diesel has continued to increase in Brazil – the approximate cost of gasoline in Brasilia is US\$4/gallon. All these factors are having an influence of producers planting decisions.

2016/2017 Wheat Trade: 2016/2017 imports are expected to decline eleven percent from the previous year to 5.3 mmt due to increased logistic costs and decreased consumption. Despite large shipments in 2014, the United States lost its commanding market share in 2015 as Argentina re-entered the market. It’s likely that Argentina will continue to dominate Brazilian wheat imports, as the new Argentine President eliminated wheat export restrictions, making Argentine wheat even more competitive in Brazil. Additionally, Mercosul wheat does not face the same 10 percent Common External Tariff (TEC) that North American wheat does. 2015/2016 Exports are estimated at 6 mmt, lower than USDA official numbers, based on pace and decreasing consumption.

2016/2017 Wheat Consumption: 2016/2017 wheat consumption is expected to decrease from the previous year to 10 mmt due to an increasingly difficult economic situation for Brazilian consumers. It’s expected that consumers will reduce the amount of higher value wheat-based products from their diets, due to increased prices from higher costs of production. 2015/2016 wheat consumption is also lower than USDA official numbers based on this trend. The Brazilian Central Bank’s outlook for the

exchange rate in 2016 and 2017 is R\$3.99 and R\$4.17 to one U.S. Dollar, respectively. Based on this, it seems likely that a downward trend of consumption will continue, due to higher import and input costs.

2015 Wheat Imports to Brazil

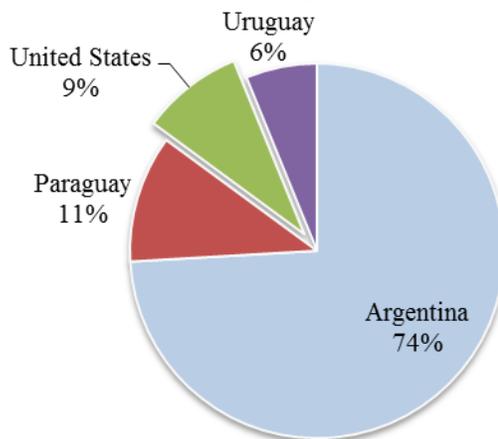


Table 1.1: Brazil Wheat Imports

| Brazil Wheat Imports HTS 100110 and 100190 Wheat, Group 60 (2012) | | | |
|--|-------------------------------------|---------------|---------------|
| Partner Country | Quantity (Unit: metric tons) | | |
| | CY2013 | CY2014 | CY2015 |
| World | 7,273,279 | 5,783,030 | 5,170,437 |
| Argentina | 2,539,712 | 1,569,461 | 3,819,536 |
| Paraguay | 522,087 | 172,797 | 566,734 |
| United States | 3,475,270 | 2,639,554 | 451,784 |
| Uruguay | 408,031 | 1,079,236 | 317,913 |
| Switzerland | - | - | 14,425 |
| Lebanon | 52 | 33 | 44 |
| China | - | - | 1 |
| Italy | - | - | - |
| Taiwan | - | - | - |
| Canada | 328,127 | 321,948 | - |
| | | | |

Source : Secretaria de Comércio Exterior

Table 1.2: Brazil Wheat Flour Imports

| Brazil Wheat Flour Imports HTS 1101 Wheat Flour, Group 44 (2012) | | | |
|---|--------------------------------------|---------------|---------------|
| Wheat Equivalent (conversion 1.368) | | | |
| Partner Country | Quantity (Units: metric tons) | | |
| | CY2013 | CY2014 | CY2015 |
| World | 189,290 | 246,730 | 305,909 |
| Argentina | 100,708 | 197,247 | 273,595 |
| Paraguay | 47,886 | 8,728 | 15,980 |
| Uruguay | 36,673 | 27,989 | 12,744 |
| Italy | 745 | 942 | 1,765 |
| Belgium | 36 | 16 | 576 |
| France | 331 | 187 | 336 |
| China | - | 112 | 199 |
| Suriname | - | 388 | 194 |
| United States | 139 | 162 | 178 |
| Turkey | 1,186 | 7,798 | 96 |
| Peru | - | 1,247 | 88 |
| Canada | 1,293 | 923 | 37 |
| United Kingdom | 58 | 44 | 29 |
| Portugal | 8 | 45 | 26 |
| Greece | - | 23 | 23 |
| Netherlands | 225 | 821 | 20 |
| Lebanon | - | 11 | 19 |
| Israel | - | - | 3 |
| Germany | - | 2 | 1 |
| Austria | - | - | - |
| Australia | 1 | - | - |
| India | - | 46 | - |

Source : Secretaria de Comércio Exterior

Table 1.3: U.S. Wheat Exports to Brazil

| U.S. Wheat Exports to Brazil (tons) | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| 494,008 | 104,248 | 54,508 | 3,475,270 | 2,639,554 | 451,784 |

Source : Secretaria de Comércio Exterior

Table 1.4: Brazil Wheat Flour Imports

| Brazil Wheat Flour Imports HTS 1101 | | | |
|--|--------------------------------------|---------------|---------------|
| Wheat Flour, Group 44 (2012) | | | |
| Wheat Equivalent (conversion 1.368) | | | |
| Partner Country | Quantity (Units: metric tons) | | |
| | CY2013 | CY2014 | CY2015 |
| World | 189,290 | 246,730 | 305,909 |
| Argentina | 100,708 | 197,247 | 273,595 |
| Paraguay | 47,886 | 8,728 | 15,980 |
| Uruguay | 36,673 | 27,989 | 12,744 |
| Italy | 745 | 942 | 1,765 |
| Belgium | 36 | 16 | 576 |
| France | 331 | 187 | 336 |
| China | - | 112 | 199 |
| Suriname | - | 388 | 194 |
| United States | 139 | 162 | 178 |
| Turkey | 1,186 | 7,798 | 96 |
| Peru | - | 1,247 | 88 |
| Canada | 1,293 | 923 | 37 |
| United Kingdom | 58 | 44 | 29 |
| Portugal | 8 | 45 | 26 |
| Greece | - | 23 | 23 |
| Netherlands | 225 | 821 | 20 |
| Lebanon | - | 11 | 19 |

Source : Secretaria de Comércio Exterior

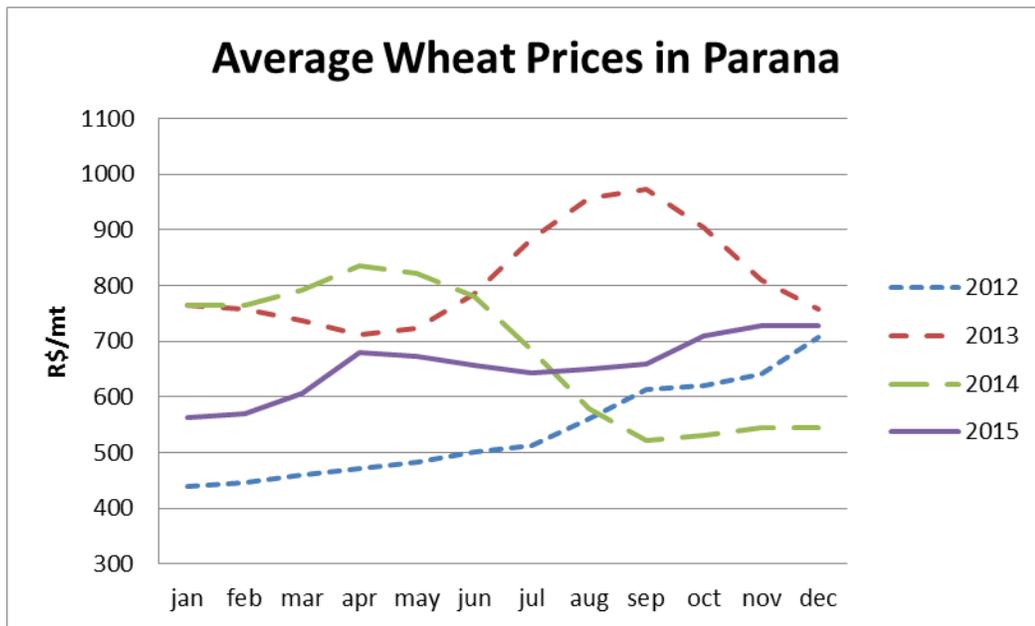
Wheat Prices:

Table 1.5: Brazil Wheat Prices

| Monthly Average Wheat Prices in Paraná | | | | |
|---|-------------|-------------|-------------|-------------|
| Prices in R\$ per Metric Ton (discounted by the NPR tax) | | | | |
| CY | 2012 | 2013 | 2014 | 2015 |
| Jan | 440.54 | 765.24 | 764.48 | 564.07 |
| Feb | 447.64 | 755.78 | 764.49 | 569.38 |
| Mar | 460.69 | 736.77 | 795.35 | 607.45 |
| Apr | 472.41 | 712.25 | 836.27 | 679.51 |
| May | 486.87 | 726.00 | 821.07 | 672.48 |
| Jun | 503.05 | 793.94 | 779.23 | 656.06 |
| Jul | 515.99 | 884.48 | 690.33 | 643.42 |
| Aug | 568.48 | 957.18 | 587.71 | 649.98 |
| Sep | 617.24 | 971.96 | 523.78 | 659.34 |
| Oct | 622.26 | 898.63 | 530.97 | 710.92 |
| Nov | 648.13 | 797.53 | 545.57 | 727.48 |
| Dec | 714.78 | 757.39 | 545.27 | 727.08 |

Source: CEPEA

Graph 1: Wheat Prices



**Commodities:
CORN**

| Corn Market Begin Year | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|---------------------------|---------------|----------|---------------|----------|---------------|----------|
| | Mar 2015 | | Mar 2016 | | Mar 2017 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Brazil | | | | | | |
| Area Harvested | 15750 | 15750 | 16200 | 16200 | 0 | 16500 |
| Beginning Stocks | 13972 | 13972 | 7922 | 7922 | 0 | 7522 |
| Production | 85000 | 85000 | 84000 | 85000 | 0 | 86000 |
| MY Imports | 400 | 400 | 600 | 600 | 0 | 600 |
| TY Imports | 534 | 534 | 500 | 600 | 0 | 600 |
| TY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply | 99372 | 99372 | 92522 | 93522 | 0 | 94122 |
| MY Exports | 34450 | 34450 | 28000 | 28000 | 0 | 28000 |
| TY Exports | 21909 | 21909 | 37500 | 35000 | 0 | 30000 |
| Feed and Residual | 48000 | 48000 | 49000 | 49000 | 0 | 50000 |
| FSI Consumption | 9000 | 9000 | 9000 | 9000 | 0 | 9000 |
| Total Consumption | 57000 | 57000 | 58000 | 58000 | 0 | 59000 |
| Ending Stocks | 7922 | 7922 | 6522 | 7522 | 0 | 7122 |
| Total Distribution | 99372 | 99372 | 92522 | 93522 | 0 | 94122 |
| | | | | | | |
| | | | | | | |

(1000 HA),(1000 MT)

2016/2017 Corn Supplies: 2016/2017 planted area is expected to increase slightly to 16.5 mHa due to higher domestic corn prices. The exchange rate is driving production, as the strong dollar translates into more Brazilian currency for producers. 2016/2017 production is forecast at 86 mmt, which – if realized – would be a record. In recent years the second “safrinha” crop has been growing and it now represents over 65 percent of the total crop. While the exchange is good for exports, if the Brazilian currency continues its devaluation it will squeeze producers’ profit margins as imported inputs become more expensive. Public stocks are estimated at about 1 mmt.

2016/2017 Corn Consumption: 2016/2017 corn consumption is estimated at 58 mmt, a one percent increase from the previous year based on the growing poultry and pork sectors. According to the Brazilian Feed Industry (Sindirações), the feed industry is only expected to grow about two percent in 2016, due to a more competitive export market for corn and soybeans. Because exports have been so lucrative due to the exchange rate, domestic corn prices for feed have increased over 50% in the last year. Pork and poultry producers have warned consumers that this will mean higher prices for chicken and pork. The federal government intervened by releasing some public stocks and some state governments have temporarily waived the inter-state (ICMS) tax to reduce the pressure on livestock producers.

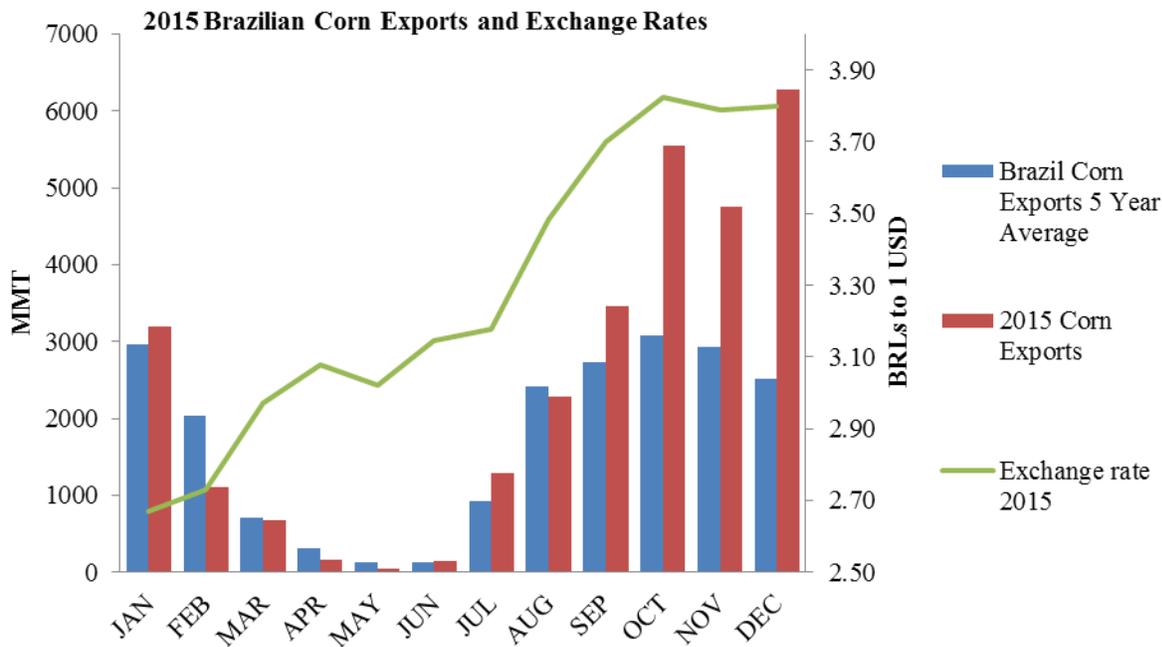
Representing less than one percent of ethanol production in Brazil, corn ethanol plants continue to come online. There are currently four corn ethanol plants in Brazil with three new plants planned for 2016.

2016/2017 Corn Trade: 2015/2016 exports are expected to continue their strong pace from the previous year’s record exports. This is largely a function of the exchange rate as opposed to higher commodity prices. Farmers are getting more Brazilian currency for their corn, which is incentivizing exports, but also driving up the prices of domestic corn. The government intervened and release some government owned stocks to temporarily bring domestic prices back down. The pork and poultry sectors have been the hardest hit by the high domestic prices. Recently, GTFoods Group, the largest

poultry producers in the state of Parana imported 90,000 mt of corn from Argentina supply their farms until the second “safrinha” crop is harvest in June/July.

It’s expected that the exchange rate will stabilize as Brazil starts the difficult process of addressing their simultaneous economic and political crises, with the Brazilian Central Bank’s outlook for the exchange rate in 2016 and 2017 at R\$3.99 and R\$4.17 to one U.S. Dollar, respectively. Because of that, Post forecasts 2016/2017 exports continue to be steady at 28 mmt.

The federal government is currently considering levying a 2.8% export tax on corn and soybeans as a way to bolster revenue. The tax is widely seen as regressive and would be met with a lot of resistance from the agricultural industry. Three states (Goias, Mato Grosso, and Mato Grosso do Sul) have attempted to impose a de facto export tax on grains by revoking the interstate tax exception for agricultural exports. The initiatives were effectively killed when the Governor of Goias overturned the tax once it became evident that traders were going to other states to buy, which harms the state producers.



Source: GTIS

2015 Brazil Corn Export Destinations

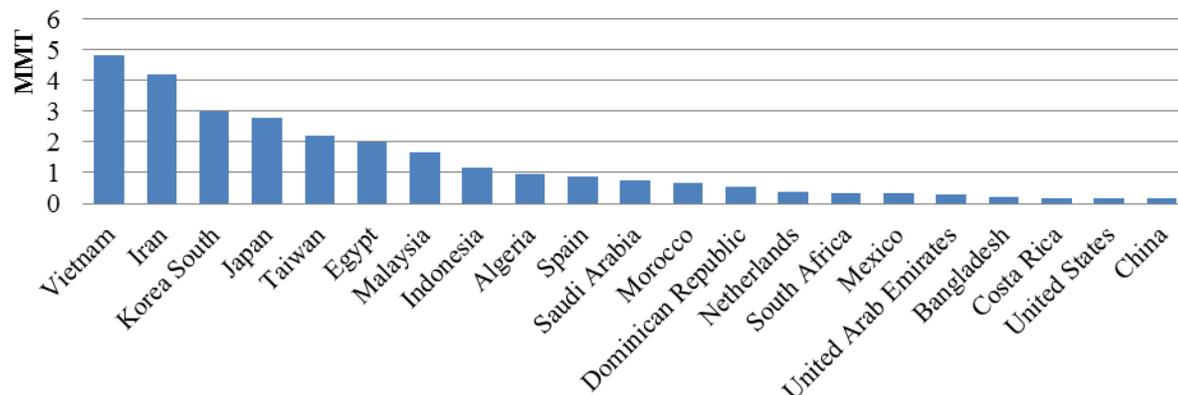


Table 2.1: Brazil Corn Imports

| Brazil Import Statistics Commodity: 1005, Corn (Maize) | | | |
|---|---------------------------|--------|--------|
| Partner Country | Quantity (Units: 1000 mt) | | |
| | CY2013 | CY2014 | CY2015 |
| World | 911.39 | 773.04 | 369.99 |
| Paraguay | 911.39 | 773.04 | 369.99 |
| Argentina | 827.30 | 768.14 | 367.32 |
| United States | 56.03 | 3.64 | 2.04 |
| Bolivia | 0.51 | 0.76 | 0.50 |
| Spain | 0.04 | 0.09 | 0.13 |
| Lebanon | 0.02 | 0.02 | 0.01 |

Source : Secretaria de Comércio Exterior

Table 2.2: Brazil Corn Exports

| Brazil Export Statistics | | | |
|--------------------------------------|-----------------------------------|---------------|---------------|
| Commodity: 1005, Corn (Maize) | | | |
| Partner Country | Quantity (Units: 1,000 mt) | | |
| | CY2013 | CY2014 | CY2015 |
| World | 26,624.89 | 20,654.64 | 28,923.95 |
| Vietnam | 1,193.54 | 3,185.38 | 4,841.36 |
| Iran | 2,168.57 | 4,698.58 | 4,207.98 |
| Korea South | 3,484.88 | 1,900.08 | 3,004.04 |
| Japan | 3,737.26 | 1,311.81 | 2,776.86 |
| Taiwan | 2,250.72 | 1,484.87 | 2,212.40 |
| Egypt | 1,592.99 | 1,246.23 | 2,008.86 |
| Malaysia | 1,002.29 | 1,260.23 | 1,682.30 |
| Indonesia | 1,346.01 | 1,261.38 | 1,154.84 |
| Algeria | 766.44 | 647.12 | 962.66 |
| Spain | 784.35 | 218.16 | 880.52 |
| Saudi Arabia | 1,132.38 | 726.27 | 744.80 |
| Morocco | 982.04 | 683.84 | 672.35 |
| Dominican Republic | 549.41 | 328.45 | 543.28 |
| Netherlands | 739.85 | 293.19 | 390.11 |
| South Africa | 0.77 | - | 321.68 |
| Mexico | 67.73 | 0.00 | 315.20 |
| United Arab Emirates | 175.84 | 86.02 | 298.81 |
| Bangladesh | - | - | 190.19 |
| Costa Rica | 90.49 | 7.55 | 171.48 |
| United States | 1,039.16 | 3.40 | 156.20 |
| China | 48.18 | 24.40 | 146.92 |
| Jordan | 100.39 | 109.12 | 129.64 |
| Tunisia | 288.21 | 199.53 | 124.94 |
| Guatemala | 112.53 | - | 95.07 |
| Panama | 85.67 | 0.02 | 92.96 |
| Venezuela | 97.14 | 139.74 | 89.34 |
| Kuwait | 109.67 | 30.22 | 85.84 |
| Philippines | 10.64 | 0.11 | 67.11 |
| Israel | 195.33 | 140.36 | 66.00 |
| El Salvador | 37.51 | 0.29 | 63.21 |
| Austria | - | - | 61.36 |

| | | | |
|--------------------|--------|--------|-------|
| Nicaragua | 38.28 | 11.33 | 58.85 |
| Cuba | 152.70 | 177.16 | 57.85 |
| Puerto Rico (U.S.) | 77.56 | 8.00 | 56.13 |
| Honduras | 29.43 | 0.26 | 38.95 |
| Angola | 12.55 | 16.71 | 37.12 |
| Ecuador | 31.03 | 69.26 | 34.54 |
| Peru | 128.38 | 5.55 | 33.41 |
| Oman | 36.00 | 37.50 | 11.48 |
| Paraguay | 6.44 | 5.15 | 6.63 |
| Turkey | 1.84 | 9.37 | 5.94 |
| India | 2.11 | 0.33 | 5.26 |
| Myanmar | - | - | 3.51 |
| Pakistan | 3.00 | - | 2.49 |
| Bolivia | 2.83 | 3.38 | 2.03 |
| Colombia | 825.29 | 0.88 | 1.64 |
| Guyana | 0.87 | 1.26 | 1.57 |
| Singapore | - | 2.81 | 1.07 |
| Argentina | 1.22 | 1.28 | 0.93 |

Source : Secretaria de Comércio Exterior

Corn Prices:

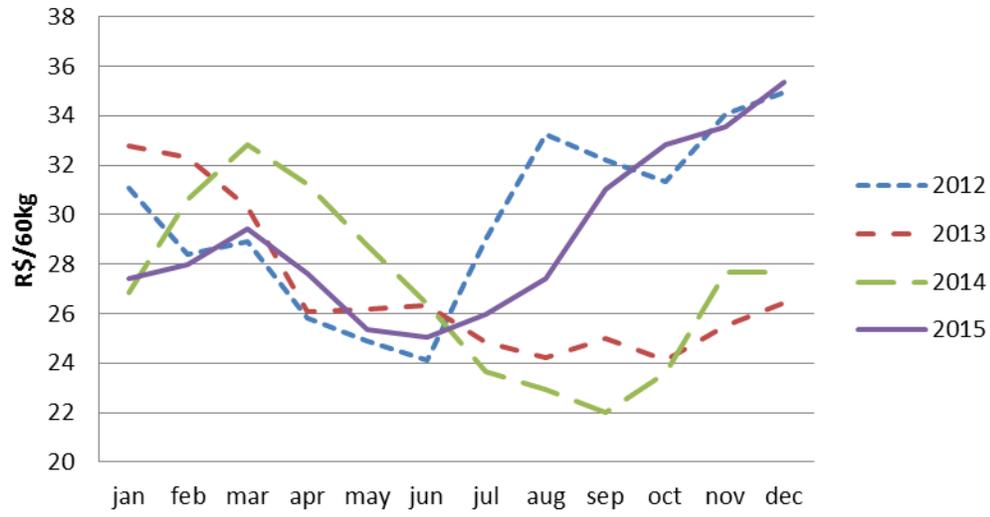
Table 2.3: Brazilian Corn Prices

| Monthly Average Corn Prices from the Campinas Region of Sao Paulo | | | | | |
|--|-------------|-------------|-------------|-------------|--|
| Prices in R\$ per 60 kg bag (discounted by the CDI/CETIP taxes) | | | | | |
| CY | 2012 | 2013 | 2014 | 2015 | |
| Jan | 31.08 | 32.75 | 26.83 | 27.41 | |
| Feb | 28.40 | 32.34 | 30.62 | 27.99 | |
| Mar | 28.89 | 30.71 | 32.84 | 29.44 | |
| Apr | 25.83 | 26.41 | 31.18 | 27.61 | |
| May | 24.91 | 26.02 | 28.75 | 25.34 | |
| Jun | 24.13 | 26.45 | 26.38 | 25.03 | |
| Jul | 29.21 | 25.00 | 23.70 | 25.99 | |
| Aug | 33.23 | 24.04 | 22.92 | 27.40 | |
| Sep | 32.12 | 25.07 | 22.05 | 31.04 | |
| Oct | 31.44 | 24.12 | 23.44 | 32.83 | |
| Nov | 34.23 | 25.59 | 27.59 | 33.57 | |
| Dec | 34.91 | 26.45 | 27.61 | 35.33 | |

Source: CEPEA

Graph 2: Corn Prices

Average Corn Prices



**Commodities:
RICE, MILLED**

| Rice, Milled Market Begin Year Brazil | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Apr 2015 | | Apr 2016 | | Apr 2017 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 2295 | 2295 | 2150 | 2100 | 0 | 2300 |
| Beginning Stocks | 639 | 639 | 694 | 694 | 0 | 544 |
| Milled Production | 8465 | 8465 | 7905 | 7800 | 0 | 8500 |
| Rough Production | 12449 | 12449 | 11625 | 11471 | 0 | 12500 |
| Milling Rate (.9999) | 6800 | 6800 | 6800 | 6800 | 0 | 6800 |
| MY Imports | 450 | 450 | 700 | 800 | 0 | 600 |
| TY Imports | 365 | 365 | 700 | 700 | 0 | 600 |
| TY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply | 9554 | 9554 | 9299 | 9294 | 0 | 9644 |
| MY Exports | 930 | 930 | 830 | 800 | 0 | 800 |
| TY Exports | 895 | 895 | 800 | 800 | 0 | 800 |
| Consumption and Residual | 7930 | 7930 | 7940 | 7950 | 0 | 8000 |
| Ending Stocks | 694 | 694 | 529 | 544 | 0 | 844 |
| Total Distribution | 9554 | 9554 | 9299 | 9294 | 0 | 9644 |
| | | | | | | |
| (1000 HA) ,(1000 MT) | | | | | | |

2016/2017 Rice Supplies: 2016/2017 rice area is estimated at 2.5 mHA, up marginally from the previous year. Production is also expected to increase to 8.5 mmt (milled). While domestic prices in 2015 have improved, farmers have been hit by higher production costs including electricity, transport, and taxes. Stocks continue to be low, which also keeps the price higher. The National Food Supply Company (CONAB) is calling on industries, cooperatives and associations to provide their annual assessment of private rice stocks. Last year's survey showed 116,530 mt of milled rice held in private stocks. CONAB holds 95,365 mt of public stocks.

2016/2017 Rice Consumption: 2016/2017 rice consumption is expected to be slightly higher to 8 mmt based on population growth. Consumption is unlikely to decrease, as the average Brazilian consumes 42kg of rice per year and it is generally served for both lunch and dinner.

2016/2017 Rice Trade: 2016/2017 rice exports are expected to decrease to 800,000 metric tons due to potential competition from the United States in Cuba as trade restrictions between the two countries are eased. U.S. rice producers see a real market in Cuba and Secretary Vilsack's recent visits there could signal the opening of a strong market. In 2015, Cuba was the largest market for Brazilian rice, overtaking Venezuela from 2014. Interestingly, Brazil exported 23,000 mt of broken rice to the United States in February, as Brazilian prices were competitive with Southeast Asian exporters.

Imports for 2016/2017 are expected to drop slightly from the previous year to 600,000 metric tons, based on fewer exports. Brazil's main rice suppliers are other Mercosul countries, Paraguay, Uruguay and Argentina.

Top Brazilian Rice Export Destinations

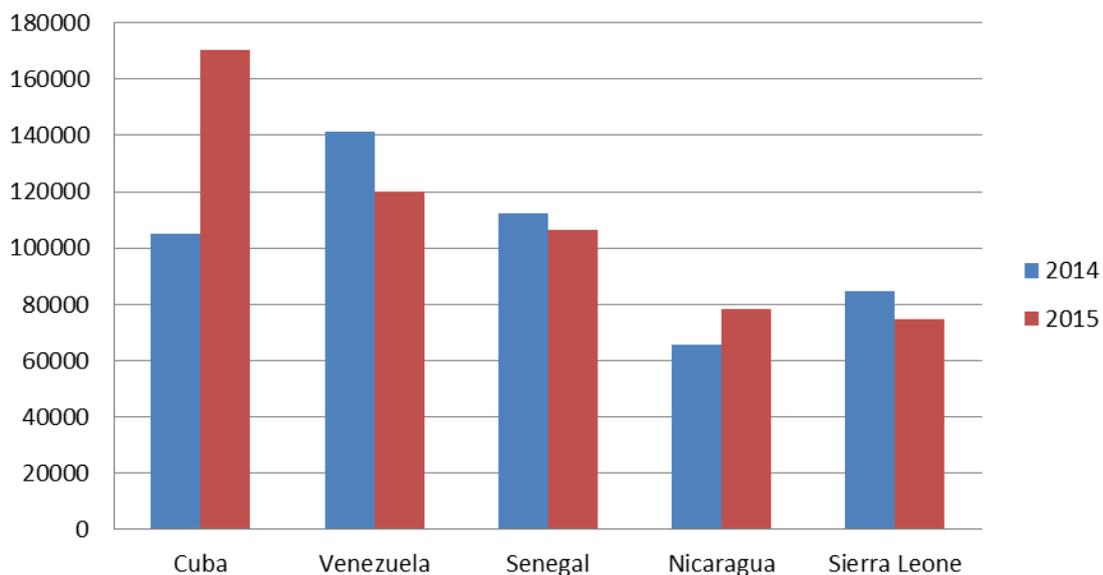


Table 3.1: Brazil Rice Imports

| Brazil Import Statistics | | | |
|----------------------------------|----------------------------|--------|--------|
| Commodity: Rice, Group 58 (2012) | | | |
| Partner Country | Quantity (Units: 1,000 mt) | | |
| | CY2013 | CY2014 | CY2015 |
| World | 757.18 | 624.40 | 376.99 |
| Paraguay | 309.94 | 326.53 | 269.11 |
| Argentina | 239.54 | 96.15 | 48.75 |
| Uruguay | 179.83 | 126.90 | 31.72 |
| Guyana | 0.04 | 6.56 | 19.41 |
| Italy | 3.66 | 2.21 | 3.05 |
| Chile | 0.00 | 4.46 | 2.87 |
| Vietnam | 19.94 | 0.17 | 0.74 |
| United States | 0.59 | 0.14 | 0.72 |
| Thailand | 0.38 | 60.88 | 0.49 |
| France | 0.05 | 0.05 | 0.04 |
| India | 0.06 | 0.03 | 0.04 |
| Pakistan | 0.00 | 0.31 | 0.03 |
| Portugal | 0.00 | 0.01 | 0.01 |
| Spain | 0.01 | 0.02 | 0.01 |

Source : Secretaria de Comércio Exterior

Table 3.2: Brazil Rice Exports

| Brazil Export Statistics | | | |
|---|-----------------------------------|---------------|---------------|
| Commodity: Rice, Group 58 (2012) | | | |
| Partner Country | Quantity (Units: 1,000 mt) | | |
| | CY2013 | CY2014 | CY2015 |
| World | 918.05 | 929.92 | 961.54 |
| Cuba | 107.47 | 105.02 | 170.29 |
| Venezuela | 148.07 | 141.52 | 119.98 |
| Senegal | 95.18 | 112.24 | 106.47 |
| Nicaragua | 105.43 | 65.74 | 78.18 |
| Sierra Leone | 74.84 | 84.59 | 74.53 |
| Peru | 14.81 | 32.46 | 66.06 |
| Gambia | 70.28 | 78.23 | 42.51 |
| Iraq | 0.00 | 30.00 | 42.00 |
| Switzerland | 20.30 | 31.53 | 41.11 |
| Bolivia | 25.79 | 50.68 | 33.49 |
| Costa Rica | 20.00 | 24.33 | 25.09 |
| United States | 8.41 | 14.60 | 18.61 |
| Mali | 0.00 | 0.00 | 16.74 |
| Netherlands | 56.39 | 22.32 | 13.07 |
| South Africa | 5.37 | 0.23 | 11.10 |
| Nigeria | 0.00 | 0.05 | 11.07 |
| Cape Verde | 3.25 | 6.45 | 11.07 |
| Saudi Arabia | 3.91 | 8.73 | 9.90 |
| Benin | 73.98 | 31.41 | 9.53 |
| Angola | 16.93 | 21.12 | 9.10 |
| Trinidad & Tobago | 9.49 | 9.01 | 8.95 |
| Puerto Rico (U.S.) | 1.54 | 1.18 | 8.24 |
| Chile | 0.50 | 4.91 | 7.93 |
| Panama | 27.86 | 7.81 | 3.61 |
| Belgium | 2.00 | 1.16 | 3.45 |
| Honduras | 0.00 | 0.00 | 2.60 |
| Canada | 0.29 | 0.33 | 1.64 |
| Libya | 1.20 | 1.43 | 1.45 |
| St. Vincent & the Grenadines | 2.93 | 0.00 | 1.35 |
| Netherlands Antilles | 0.89 | 1.80 | 1.24 |
| United Kingdom | 3.12 | 1.04 | 1.22 |
| Barbados | 1.45 | 1.52 | 1.03 |
| Argentina | 0.98 | 0.76 | 0.99 |

| | | | |
|----------------------|------|------|------|
| Namibia | 1.00 | 0.93 | 0.95 |
| Lebanon | 0.14 | 0.20 | 0.77 |
| Bahamas | 0.48 | 0.78 | 0.70 |
| Jordan | 0.00 | 0.00 | 0.70 |
| Paraguay | 0.62 | 0.65 | 0.57 |
| Equatorial Guinea | 0.65 | 0.71 | 0.49 |
| Uruguay | 2.12 | 0.28 | 0.45 |
| Antigua & Barbuda | 0.18 | 0.20 | 0.43 |
| United Arab Emirates | 0.00 | 0.00 | 0.41 |
| Italy | 0.22 | 0.02 | 0.41 |
| Guinea-Bissau | 0.00 | 0.03 | 0.38 |
| Israel | 0.33 | 0.17 | 0.38 |
| Aruba | 0.08 | 0.03 | 0.23 |
| Algeria | 0.43 | 0.65 | 0.23 |
| Spain | 1.12 | 0.00 | 0.21 |
| Portugal | 0.09 | 0.08 | 0.17 |
| Lithuania | 0.17 | 0.10 | 0.17 |
| Guatemala | 7.20 | 0.10 | 0.15 |
| Cyprus | 0.00 | 0.00 | 0.05 |
| New Zealand | 0.05 | 0.05 | 0.05 |
| Mexico | 0.00 | 0.05 | 0.05 |

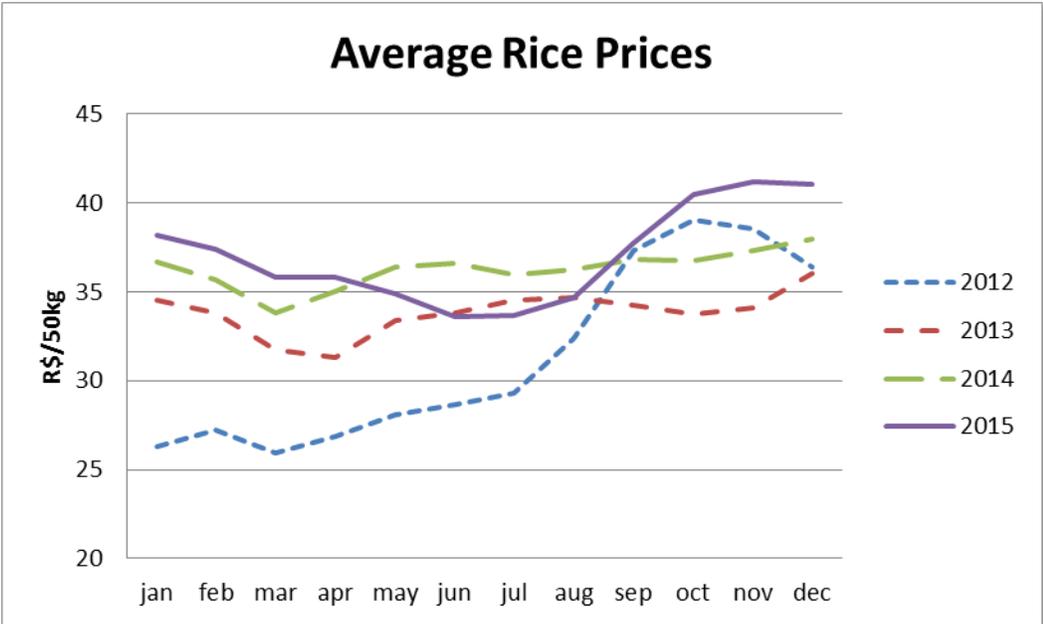
Source : Secretaria de Comércio Exterior

Table 3.3: Brazil Rice Prices

| Monthly Rice Prices in Rio Grande do Sul | | | | |
|--|-------------|-------------|-------------|-------------|
| Prices in R\$ per 50 kg bag (type 1, Rio Grande do Sul) discounted by the CDI/CETIP tax | | | | |
| CY | 2012 | 2013 | 2014 | 2015 |
| Jan | 26.31 | 34.50 | 36.61 | 38.16 |
| Feb | 27.17 | 33.79 | 35.65 | 37.41 |
| Mar | 25.91 | 31.71 | 33.83 | 35.80 |
| Apr | 27.02 | 31.30 | 35.02 | 35.78 |
| May | 28.15 | 33.39 | 36.37 | 34.91 |
| Jun | 28.70 | 33.84 | 36.61 | 33.58 |
| Jul | 29.44 | 34.46 | 35.96 | 33.69 |
| Aug | 33.05 | 34.64 | 36.22 | 34.67 |
| Sep | 37.93 | 34.21 | 36.80 | 37.72 |
| Oct | 38.95 | 33.73 | 36.74 | 40.49 |
| Nov | 38.32 | 34.11 | 37.30 | 41.18 |
| Dec | 36.35 | 36.01 | 37.99 | 41.01 |

Source: CEPEA

Graph 3: Rice Prices



Government Support for Commercialization and Export:

Total government support across all commodities was dramatically reduced to just 27,000 metric tons in 2015, which is the lowest since 2008. This can be attributed to higher commodity prices as a result of the strong dollar making Brazilian exports more profitable. PEPRO was the only commercialization support program used in 2015 for 27,000 mt of rubber.

The government has the opportunity to update the minimum price once a year, and the price varies by commodity and classification, and by region of the country. This typically takes place in May/June.

Table 1: 2016 Rice Minimum Prices

| Product/Class | Covered States and Regions | 2016 Minimum Prices (with US\$1=R\$4.028) | | | | Eligibility Period |
|-------------------|--------------------------------------|---|--------|------------|--------|--------------------|
| | | 60kg Sack | | Metric Ton | cwt | |
| | | BRL | USD | USD | USD | |
| Long Rice (Paddy) | All of Brazil | R\$24.45 | \$6.07 | \$101.17 | \$4.58 | Feb-Jan |
| Long Rice (Paddy) | Rio Grande do Sul and Santa Catarina | R\$18.90 (50KG) | \$4.69 | \$93.80 | \$4.25 | Feb-Jan |

Table 2: 2016 Wheat Minimum Prices

| Product/Class | Covered States and Regions | 2016 Minimum Prices (with US\$1=R\$4.028) | | | Eligibility Period |
|---------------|---|---|----------|--------|--------------------|
| | | Metric ton | | Bushel | |
| | | BRL | USD | USD | |
| Wheat | All of Brazil | R\$641.50 | \$159.26 | \$4.33 | Jan-May |
| Wheat | Parana, Rio Grande do Sul, and Santa Catarina | R\$583.00 | \$144.74 | \$3.94 | Jan-Jun |

Table 3: 2016 Corn Minimum Prices

| Product/Class | Covered States and Regions | 2016 Minimum Prices (with US\$1=R\$4.028) | | | | Eligibility Period |
|---------------|----------------------------|---|--------|------------|--------|--------------------|
| | | 60kg Sack | | Metric Ton | Bushel | |
| | | BRL | USD | USD | USD | |
| Corn | Mato Grosso | R\$13.56 | \$3.37 | \$56.11 | \$1.43 | Jan 1-Dec 31 |

Table 4.1: Government Support for Corn (Quantity Unit: 1,000 mt)

| Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------|--------|--------|--------|--------|--------|--------|
| Acquisition (AGF) | 324 | 1 | 0 | 364 | 16 | 0 |
| PEP | 11,229 | 0 | 0 | 0 | 0 | 0 |
| PROP | 0 | 0 | 0 | 0 | 0 | 0 |
| PEPRO | 875 | 0 | 0 | 8,862 | 5,803 | 0 |
| Total | 12,428 | 1 | 0 | 9,226 | 5,819 | 0 |
| Production | 56,100 | 57,514 | 73,000 | 81,500 | 80,000 | 85,000 |
| Participation % | 22% | 0 | 0 | 11% | 7% | 0 |

Source: Brazilian Ministry of Agriculture/SPA/DEAGRO and CONAB

Table 4.2: Government Support for Rice (Quantity Unit: 1,000 mt)

| Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------|--------|--------|--------|--------|--------|--------|
| Acquisition (AGF) | 0 | 396 | 0.03 | 0 | 0 | 0 |
| PEP | 1,538 | 0 | 0 | 0 | 0 | 0 |
| PROP | 0 | 0 | 0 | 0 | 0 | 0 |
| PEPRO | 64 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,602 | 0 | 0.03 | 0 | 0 | 0 |
| Production (rough) | 13,613 | 11,600 | 11,819 | 12,206 | 12,353 | 11,765 |
| Participation % | 12% | 0% | 0% | 0% | 0% | 0% |

Source: Brazilian Ministry of Agriculture/SPA/DEAGRO and CONAB

Table 4.3: Government Support for Wheat (Quantity Unit: 1,000 mt)

| Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------|-------|-------|----------|-------|-------|-------|
| Acquisition (AGF) | 0 | 1 | 446 | 0 | 15 | 0 |
| PEP | 2,668 | 849 | 1,594 | 0 | 0 | 0 |
| PEPRO | 0 | 53 | 87 | 0 | 795 | 0 |
| Total | 2,668 | 903 | 2,126.45 | 0 | 810 | 0 |
| Production | 5,026 | 5,882 | 5,800 | 4,380 | 5,300 | 6,000 |
| Participation % | 53% | 15% | 36.7% | 0 | 15% | 0 |

Source: Brazilian Ministry of Agriculture/SPA/DEAGRO and CONAB

References:

[2015 Brazil Grain and Feed Annual – BR0964](#)