

GRAINS

2024/2025 OUTLOOK SUMMARY



APRIL/2024



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With the dollar and premiums on the rise in Brazil, the trend is upward for domestic soybean prices in the coming months. However, the scenario continues to be bearish in the long term, with an increase in planted area in the USA in 2024/2025.

Corn prices fell, with improvements in weather conditions over the second harvest of 2024. The result of the harvest will be decisive for prices throughout the second half of this year.

Wheat and rice prices resumed their upward trend. In the case of wheat, in the off-season and with a rising dollar, more expensive imports provide greater support for domestic prices. In the rice market, India continues to have exports banned, supporting global and domestic prices.

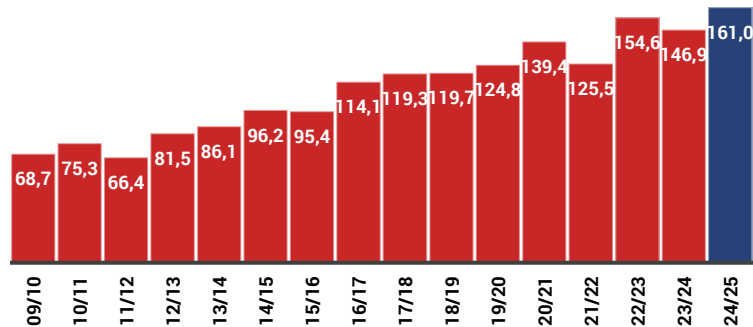
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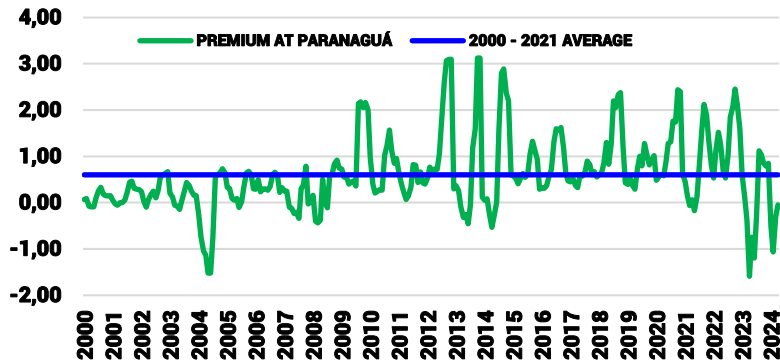
SOYBEAN: 2024/2025 MARKET OUTLOOK

- The trend is upward for soybean prices in the domestic market between April and November, with the gradual increase in premiums at Brazilian ports in the coming months and the rise in the dollar.
- Premiums are positive for shipments between May and November, quoted at US\$0.05/bushel for May/2024, US\$0.15/bushel for June/2024, US\$0.18/bushel for July/2024, US \$0.30/bushel for August/2024, \$0.35/bushel for September/2024 and \$0.40/bushel for November/2024.
- Furthermore, the dollar reached its highest in a year, accumulating an increase of 5.7% this April.
- In the long term, the trend remains downward for global prices, with an expansion of the planted area in the USA in 2024/2025 and an increase in global stocks: future prices for 2025 range between US\$ 11.45 and US\$ 11.80 per bushel.
- Furthermore, premiums are negative in Brazilian ports between January and August 2025.
- The *La Niña* phenomenon will be active from July/2024 and should cause strong volatility in future prices, which should embed a climate risk premium on prices, if adversities occur with the US harvest until October/2024 and, subsequently, with the South American harvest.
- What's on the radar: planted area in the USA in 2024/2025, premiums in Brazilian ports and impacts of *La Niña* on the next harvest in the USA and South America.

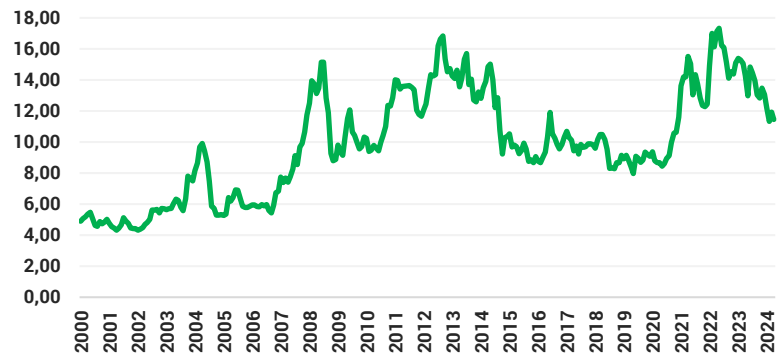
SOYBEAN: BRAZIL PRODUCTION - MMT



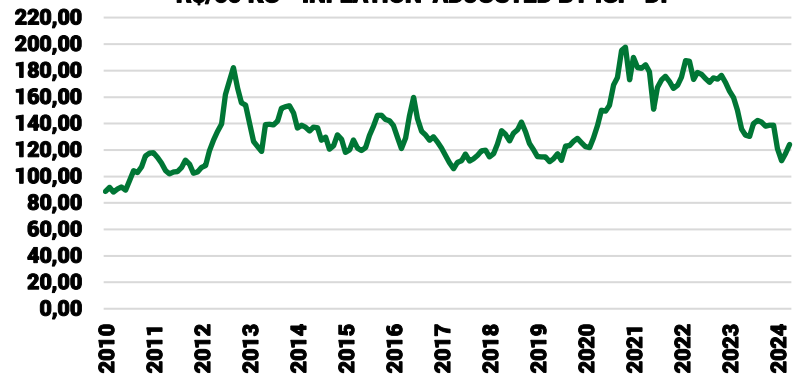
SOYBEAN: PREMIUMS AT PARANAGUÁ IN US\$/BUSHEL OVER CBOT FUTURES



SOYBEAN: CHICAGO FUTURE PRICES US\$/BUSHEL



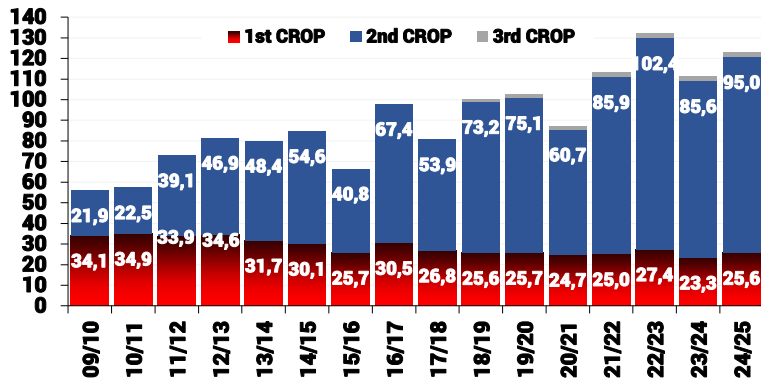
SOYBEAN: PRODUCER PRICES FOB PR R\$/60 KG - INFLATION-ADJUSTED BY IGP-DI



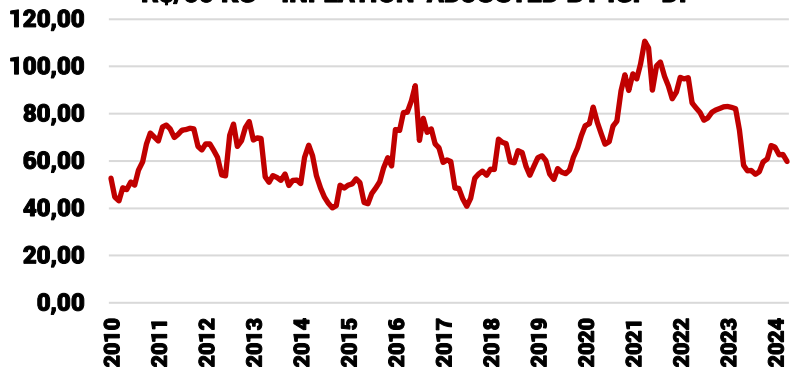
CORN: 2024/2025 MARKET OUTLOOK

- Corn prices are under pressure in the domestic market with the improvement in weather conditions for the 2nd harvest, the advance of the 1st harvest and external devaluations.
- Buyers are staying away from purchasing new lots on the national spot market and this scenario keeps prices under pressure in most regions.
- The 2023/2024 harvest is estimated at 111.2 MMT, 16% below the record harvested in the previous season and well below the potential demand of 138.6 MMT (domestic consumption of 84.1 MMT and potential export of 54.6 MMT).
- Given this, there will be disputes between domestic feed/ethanol consumers and export trading companies, which should keep domestic prices above export parity.
- Brazilian exports have already lost steam, falling 34% between January and April 2024 compared to the same period of the previous year.
- The direction of prices will depend on the result of the 2nd harvest, which has a production potential of 85.6 MMT, a volume that could increase pressure on prices during the harvest.
- What's on the radar: climate and development of the 2nd Brazilian harvest, reduction in planted area in the USA in 2024/2025, pace of Brazilian exports and global effects of *La Niña*.

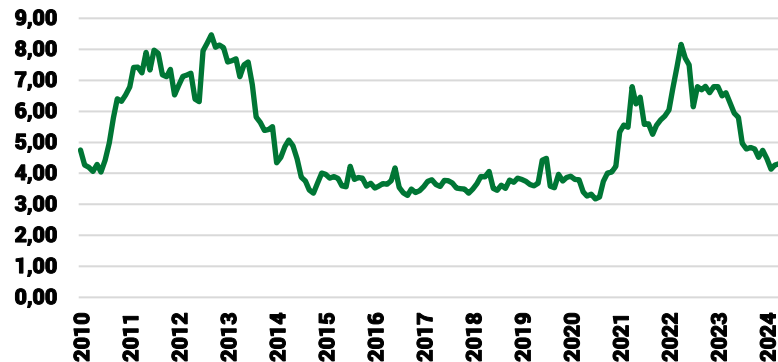
CORN: BRAZIL PRODUCTION - MMT



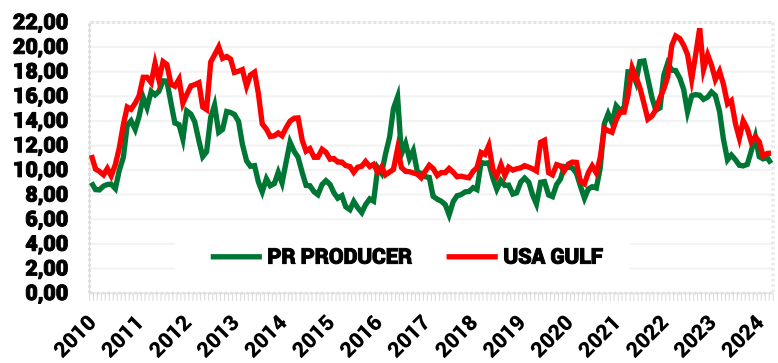
CORN: WHOLESALE PRICES CIF SÃO PAULO R\$/60 KG - INFLATION-ADJUSTED BY IGP-DI



CORN: CBOT FUTURE PRICES US\$/BUSHEL



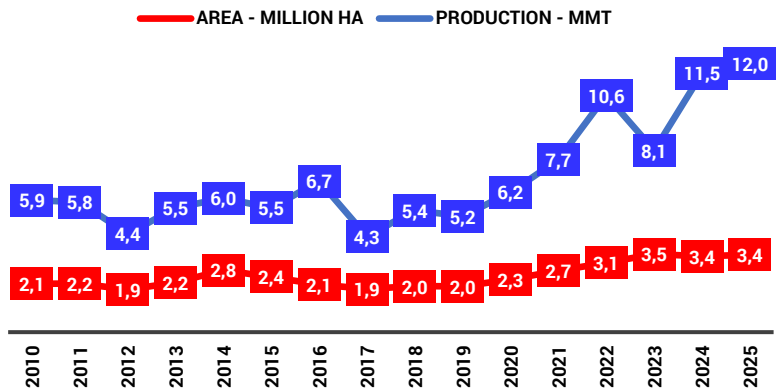
CORN: PRICE PARITY PRODUCER PARANÁ X US GULF US\$/60 KG FOB



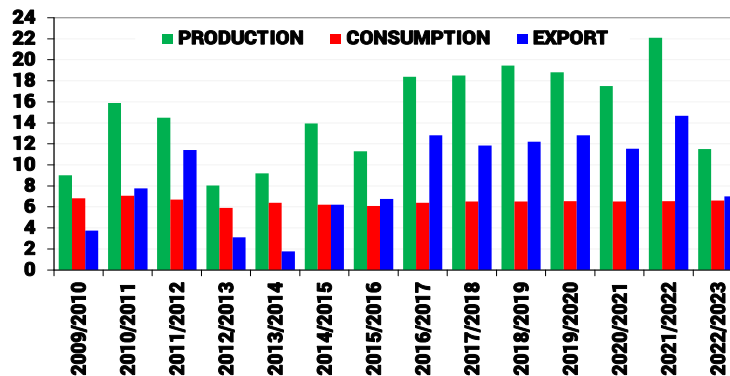
WHEAT: 2024/2025 MARKET OUTLOOK

- Wheat prices are rising in the domestic market, influenced by producers' retraction.
- Producers who still have good quality grains this off-season prefer to wait to sell them at more positive times and pay attention to movements in the external market.
- Many wheat farmers stepped away from business as the growing season approached in the South of Brazil, paying more attention to the field and the climate.
- In Paraná, the mills indicate R\$1,300 per tonne FOB, for payment in 30 days for bread-type cereals, while in Rio Grande do Sul, the quote is R\$1,200 per tonne CIF mill.
- With the recent rise in the dollar, Argentine wheat arrives at mills in the South/Southeast Regions at around R\$ 1,510 per tonne put into the mill (US\$ 287 per tonne CIF in the interior of the states).
- Our Consultancy's estimate is a harvest of 11.5 MMT in 2024, with the *La Niña* phenomenon favoring productivity in the South Region of the country: if confirmed, it would be a production 42% above last season, which suffered declines due to climatic adversities.
- What is on the radar: dollar in Brazil, need to increase imports from Argentina and third markets, shortage of good quality grains in the Brazilian market, flow of Brazilian grain exports in 2024 and favorable climate for the 2024 Brazilian harvest.

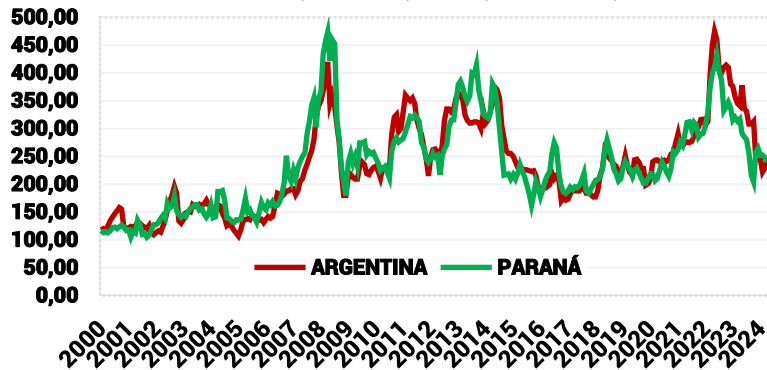
WHEAT: BRAZIL AREA AND PRODUCTION



ARGENTINA: WHEAT SUPPLY - MMT



BREAD WHEAT: FOB PRICES US\$/T ARGENTINA (ROSÁRIO) X PR (PRODUCER)



WHEAT: FOB PRODUCER PR PRICES - R\$/60 KG INFLATION-ADJUSTED BY IGP-DI

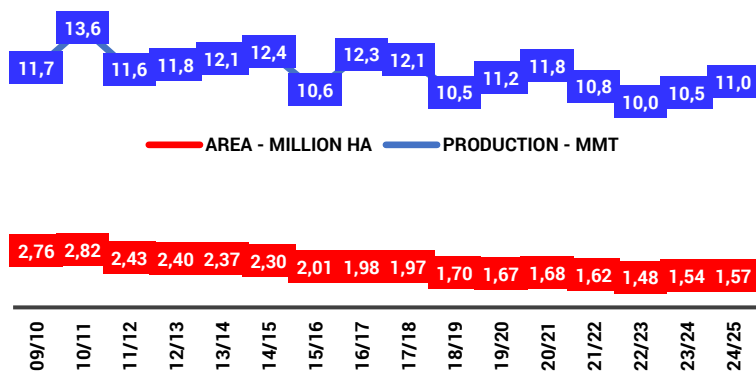


RICE: 2024/2025 MARKET OUTLOOK

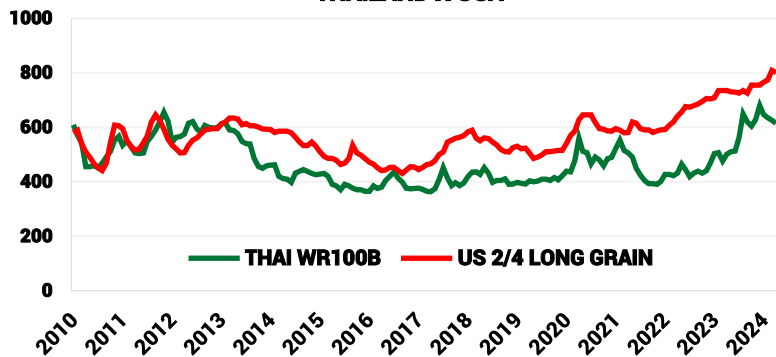
- The trend is for paddy rice prices to rise in the coming months, maintaining the scenario of sustained prices at high levels seen throughout the 2nd half of 2023.
- The 2024 Brazilian harvest is estimated by our Consulting at 10.5 MMT, in line with domestic consumption, also projected at 10.5 MMT.
- With an export potential of up to 2.0 MMT (paddy basis), potential demand will be 12.5 MMT in the current harvest, above the estimated supply of 12.3 MMT (production + ending stocks), which should generate a “dispute” between industries (beneficiaries) and trading companies, resulting in sustained prices throughout the current season.
- However, in the 1st quarter of 2024, exports fell 24% compared to the same period last year, while imports grew 24% in the same comparison.
- The limit to the increase in domestic prices will depend on India's decision to resume or not exports (banned for an indefinite period), which has kept global prices sustained at high levels: this decision should be taken between the end of April and the beginning of May .
- What's on the radar: inflow of imports from Mercosur and third markets, flow of Brazilian exports and India's return to the export market in the 2nd half of 2024.



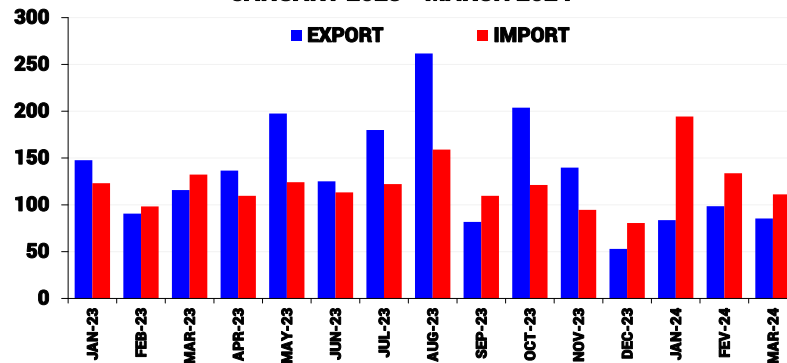
RICE – BRAZIL AREA AND PRODUCTION



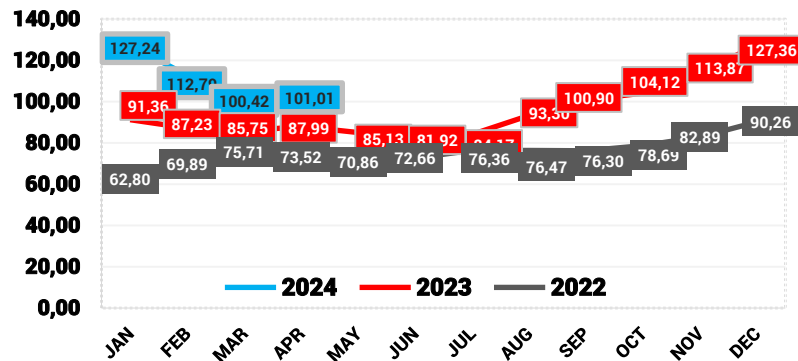
PROCESSED RICE LONG-GRAIN: FOB PRICES US\$/TONNE THAILAND X USA



RICE: BRAZIL EXPORT x IMPORT 1000 T (PADDY) JANUARY 2023 - MARCH 2024



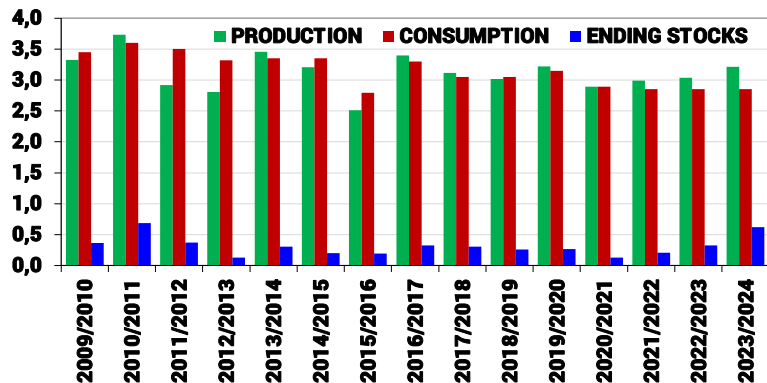
PADDY RICE: FOB PRODUCER RS PRICES 58% UNBROKEN - R\$/50 KG



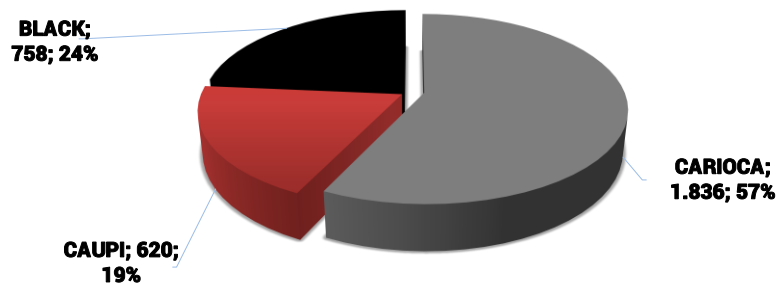
PULSES - BEANS: 2024/2025 MARKET OUTLOOK

- The market is being supplied with goods from the states of Minas Gerais, Goiás, Paraná and São Paulo and farmers are accelerating sales, fearing greater price drops, resulting from the concentration of the harvest starting this April.
- With a 10% expansion in the planted area of the 2nd harvest of 2024, production is estimated at 1.511 MMT, 18% above the result of the 2nd harvest of the previous year.
- The harvest of the 2nd crop begins this April, with greater concentration in the months of May and June, and may extend until the beginning of July.
- The climate, so far, is favoring the beginning of the harvest and also benefiting the crops that are in grain filling and maturing, generating expectations of a good harvest.
- Prices for carioca beans graded 8.5/9.5, FOB producer, are fluctuating between R\$280 and R\$320 per 60 kg in April 2024, compared to R\$320 to R\$350 in March 2024 .
- Prices for black beans-extra, FOB producer, range from R\$280 to R\$300 per 60 kg in April 2024, compared to R\$350 to R\$400 per 60 kg in March 2024.
- What's on the radar: area planted in the 3rd harvest of 2024 and impacts of the *La Niña* phenomenon on the implementation of the 1st harvest of 2024/2025.

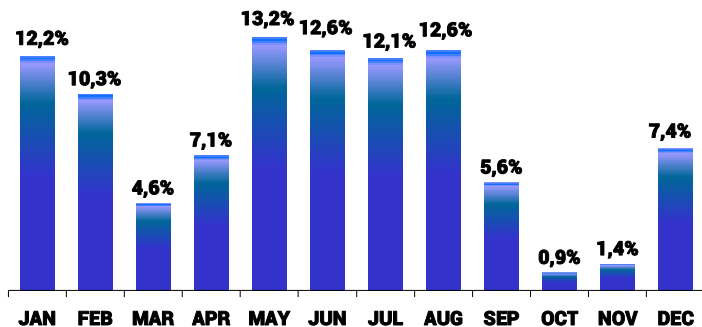
BEANS: BRAZIL SUPPLY - MMT



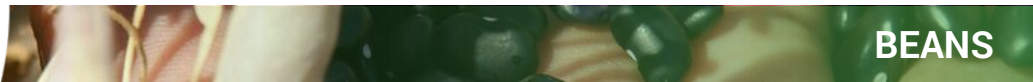
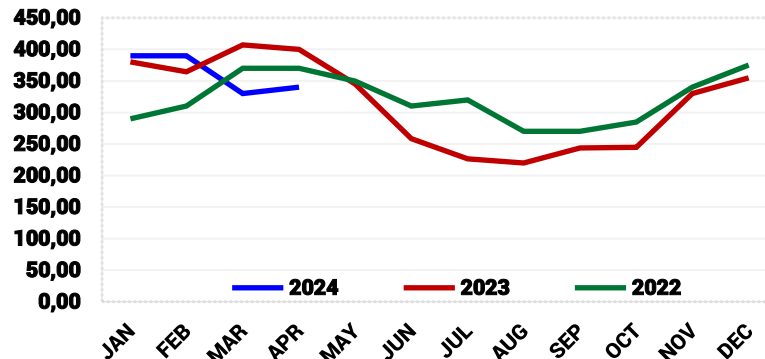
BEANS: BRAZIL 2024 PRODUCTION DISTRIBUTION BY CLASS - THOUSAND TONNES AND %



BEANS: MONTHLY CROP DISTRIBUTION 3 ANNUAL HARVESTS



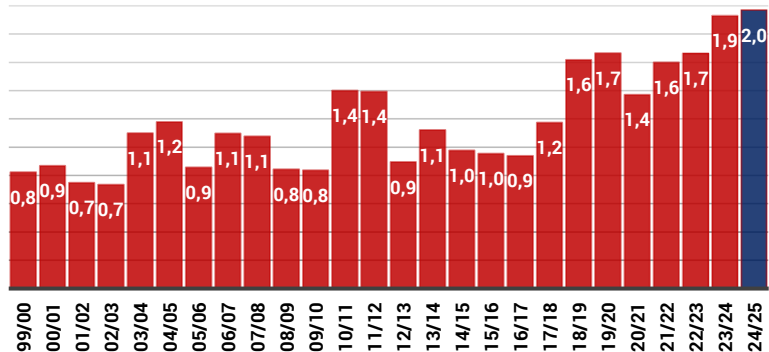
CARIOCA BEANS: FOB PRODUCER SP PRICES R\$/60KG - BATCH MARKET



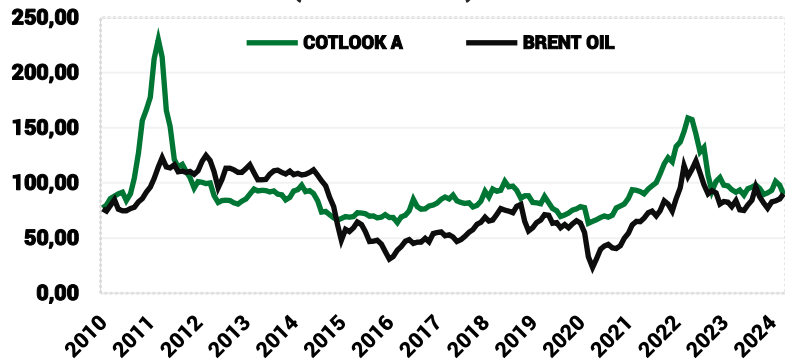
COTTON: 2024/2025 MARKET OUTLOOK

- The area planted with cotton in Brazil grew 16% in the 2023/2024 harvest and production is expected to be a record, also projecting record cotton exports in 2024, which should consolidate the country as a global exporter in 2024, surpassing the United States.
- Exports are estimated at 2.7 MMT of feather in the 2023/2024 harvest, a significant 68% above that recorded in the previous season.
- In the domestic market, prices are at the level of R\$3.96 per pound, with a drop of 6% in the last 30 days, while future prices have accumulated a drop of 11% in the same period.
- The FAS (Free Alongside Ship) export parity fell to R\$4.04 per pound (77.91 ¢ per pound) at the Port of Santos (SP), based on the Cotlook A Index, referring to feather placed in the Far East.
- Cotton growers are seeking to enter into new fixed-term contracts, whether for shipment in the coming months or involving plume from the next 2024/2025 season.
- What's on the radar: flow of Brazilian exports in the coming months, rising oil prices and prices for fibers competing with cotton (polyester and nylon), the dollar in Brazil and the intention to plant the 2024/2025 harvest in the USA.

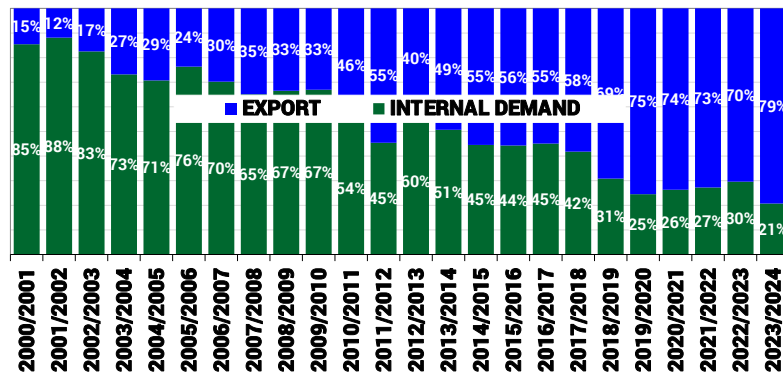
COTTON: BRAZIL AREA – MILLION HA



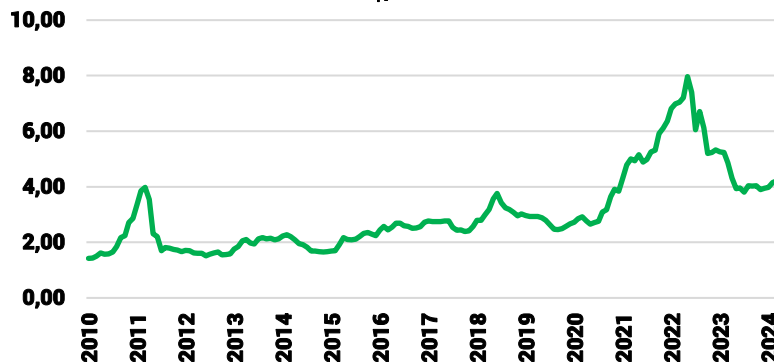
BRENT OIL (US\$/BARREL) X COTLOOK A INDEX (CENTS/POUND)



COTTON LINT: BRAZIL PRODUCTION DESTINATION



COTTON LINT: ESALQ INDICATOR MONTHLY AVERAGE R\$/POUND





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