

GRAINS

2024/2025 OUTLOOK SUMMARY



JUN/2024



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The trend is upward for domestic soybean prices in the coming months, with the dollar rising and premiums rising at ports. In the long term, the bias is bearish, with global stocks projected at record levels in 2024/2025.

Corn prices are stable, with the harvest of the second crop advancing, but are expected to rise again throughout the second half of the year.

Wheat prices are on the rise, with the off-season and the rise in the dollar making imports more expensive. The area to be planted in the 2024 harvest is expected to be less than initially estimated.

In the rice market, the cancellation of the government importing auction creates uncertainty and slows down business.

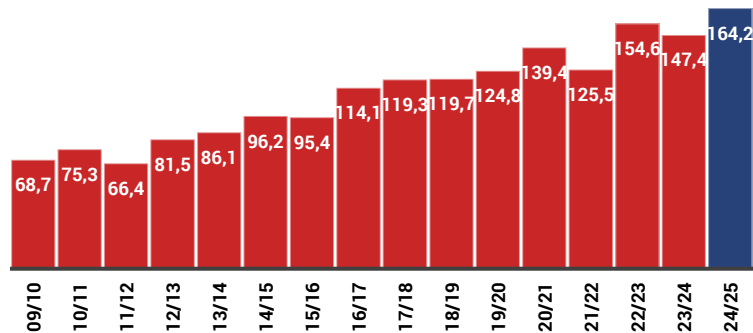
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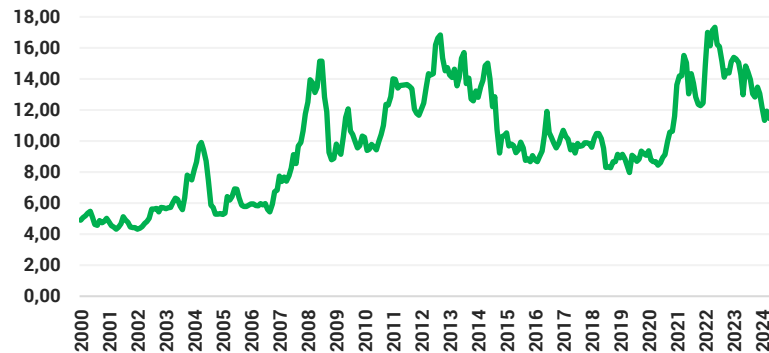
SOYBEAN: 2024/2025 MARKET OUTLOOK

- The trend is upward for soybean prices in the domestic market until the end of the 2nd half of this year, with the rise of the dollar in Brazil and the gradual increase in premiums in Brazilian ports.
- However, in the long term, the trend is downward for global prices, with an expansion of the planted area in the USA in 2024/2025 and an expectation of an increase in global stocks.
- Ending stocks for the 2024/2025 season are estimated at 127.9 MMT, which is equivalent to 31.8% of demand and is the 2nd highest level in history, behind 33.3% in 2018/2019.
- Futures prices in Chicago for the 2nd half of 2024 range between US\$11.20 and US\$11.80 per bushel and 2025 maturities operate between US\$11.20 and US\$11.60 per bushel.
- In addition to the low futures scenario, negative premiums in Brazilian ports between January and July 2025 should generate strong downward pressure in the domestic market during this period.
- The *La Niña* phenomenon will be active from July/2024 and could impose volatility on futures, which should embed a climate risk premium on prices if adversities occur with the US harvest until October/2024.
- What's on the radar: weather market and effects of *La Niña* on the current US harvest and the next harvest in South America, premiums in Brazilian ports and the dollar in Brazil.

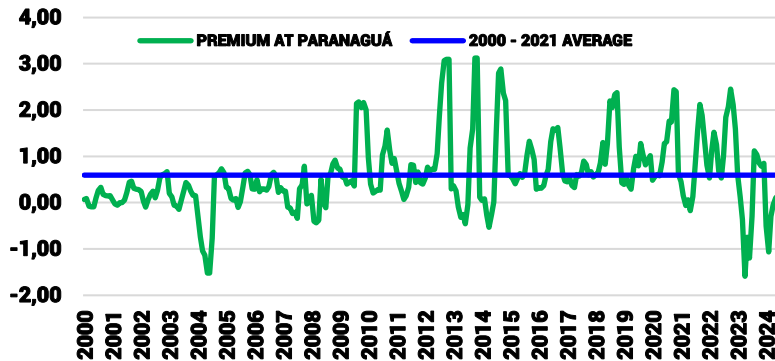
SOYBEAN: BRAZIL PRODUCTION - MMT



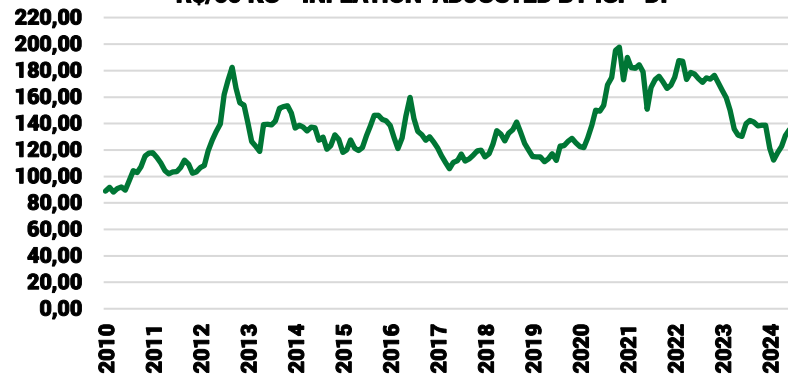
SOYBEAN: CHICAGO FUTURE PRICES US\$/BUSHEL



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



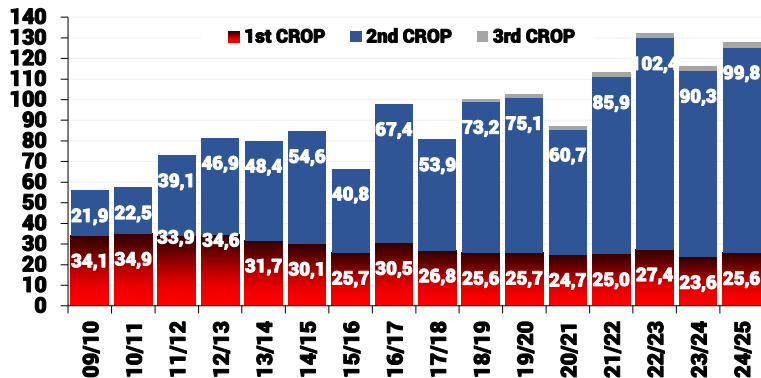
SOYBEAN: PRODUCER PRICES FOB PR R\$/60 KG - INFLATION-ADJUSTED BY IGP-DI



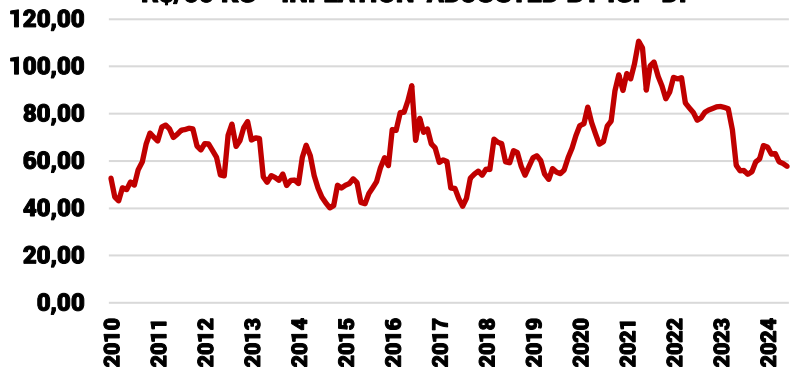
CORN: 2024/2025 MARKET OUTLOOK

- Prices are relatively stable in the domestic market, with the harvest of the 2nd crop advancing.
- In the futures market, the trend is upward for prices maturing in 2025, with the drop in planted area in the USA in the current 2024/2025 harvest and the rise in wheat prices.
- In Chicago, corn futures expiring in the second half of 2024 operate between US\$4.40 and US\$4.70 per bushel and contracts for 2025 range between US\$4.70 and US\$4.80 per bushel.
- In Brazil, the 2023/2024 harvest is estimated at 116.3 MMT, well below the potential demand of 138.7 MMT (domestic consumption of 84.1 MMT and export potential of 54.6 MMT).
- With the lower domestic supply, Brazilian exports are estimated at 34.0 MMT, 38% below the record of 54.6 MMT shipped in 2023.
- The trend is for prices to rise in the domestic market after the harvest of the 2nd crop, with the lowest supply available in 2024, the rise in the dollar and the upward bias in future prices on the Chicago Stock Exchange.
- What's on the radar: climate market in the 2024/2025 season in the USA, the pace of Brazilian exports in the coming months, rising wheat prices – which have a strong correlation with corn prices on the international market and the dollar in Brazil.

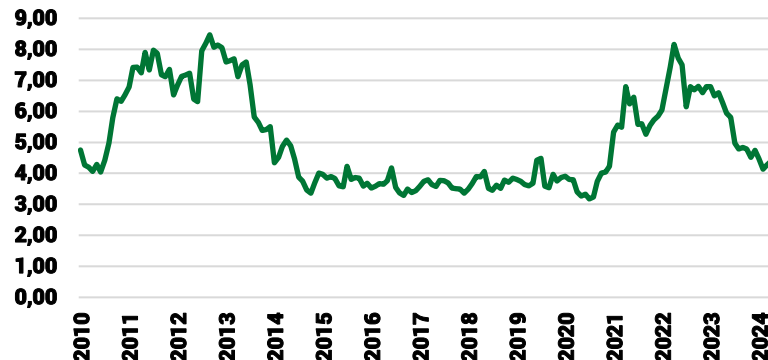
CORN: BRAZIL PRODUCTION - MMT



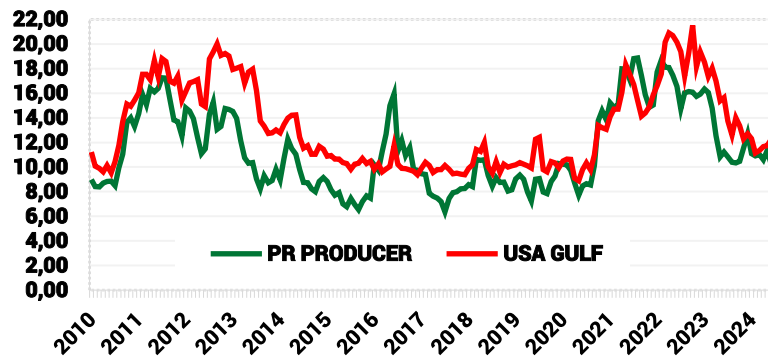
CORN: WHOLESALE PRICES CIF SÃO PAULO R\$/60 KG - INFLATION-ADJUSTED BY IGP-DI



CORN: CBOT FUTURE PRICES US\$/BUSHEL



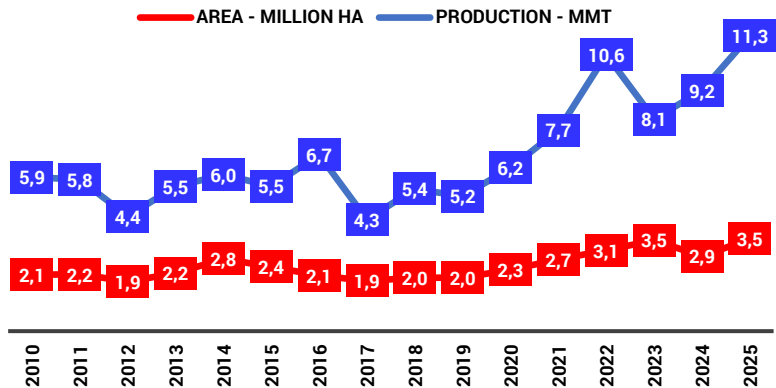
CORN: PRICE PARITY PRODUCER PARANÁ X US GULF US\$/60 KG FOB



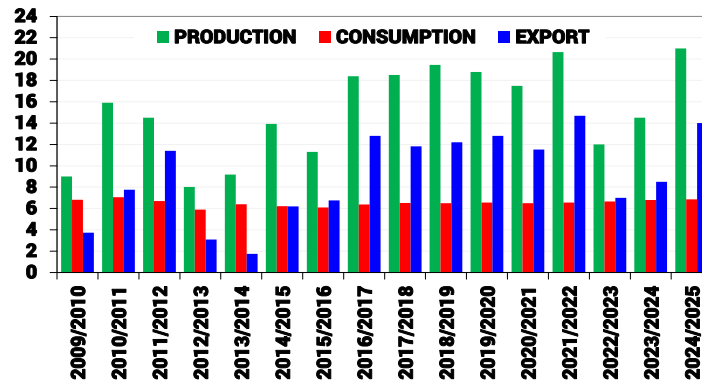
WHEAT: 2024/2025 MARKET OUTLOOK

- **Wheat prices are on the rise in the domestic market, with the rise in the dollar and the off-season, and should remain sustained until the start of the 2024 harvest, scheduled for September.**
- **The mills, in general, are stocked, avoiding the formation of large stocks before harvest.**
- **Global wheat prices are expected to remain supported by cuts in production estimates in Russia, Ukraine, France and Australia, which together account for 20% of global production.**
- **In Brazil, prices for bread cereal FOB producer rose to ranges between R\$ 1,500 and R\$ 1,600 per tonne in PR and between R\$ 1,400 and R\$ 1,450 per tonne in RS.**
- **Whitening wheat is traded at levels between R\$1,800 and R\$2,000 per tonne FOB producer.**
- **Our Consultancy's estimate for the 2024 harvest is an 18% reduction in the planted area in the country, with a harvest of 9.2 MMT, compared to the initial forecast of 11.5 MMT.**
- **For the future harvest, the buyers' proposal is between R\$1,250 and R\$1,300 per tonne CIF in Paraná, with shipment in October and payment in November.**
- **What's on the radar: rising dollar, sustaining global prices on international stock exchanges and the climate for crops in Russia, Europe and the USA, the need to increase imports from Argentina and the impact of floods on the area to be planted in RS in 2024.**

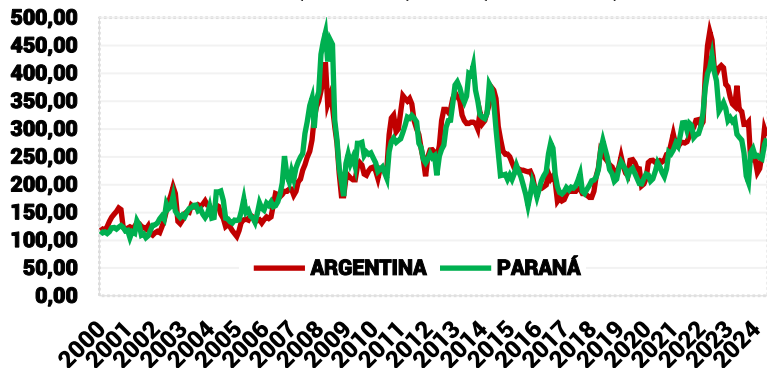
WHEAT: BRAZIL AREA AND PRODUCTION



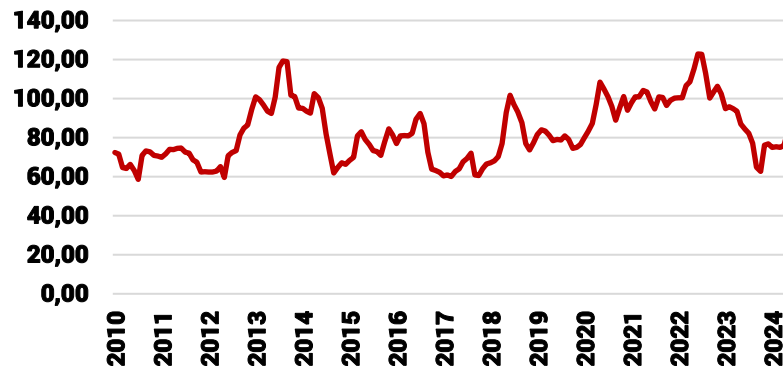
ARGENTINA: WHEAT SUPPLY - MMT



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



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

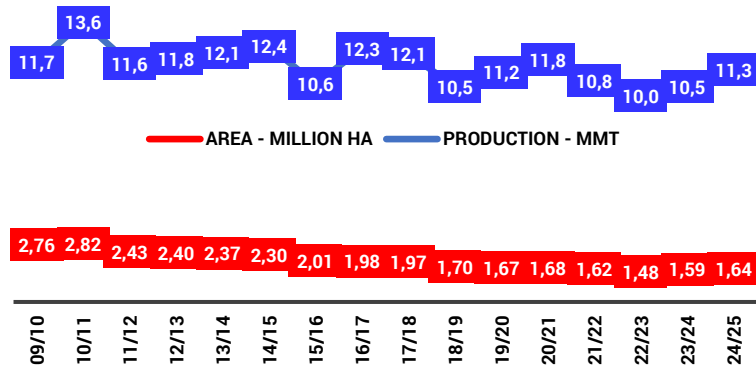


RICE: 2024/2025 MARKET OUTLOOK

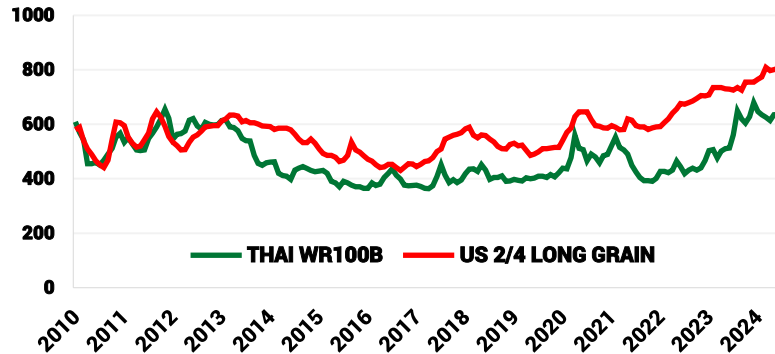
- The trend is for rice prices to be sustained in the domestic market, after the government annulled the result of the auction for the purchase of imported rice, due to suspected irregularities.
- The government is preparing a new notice for the purchase of imported rice, with no set date yet, which has generated uncertainty in the market, reducing business volume and falling prices.
- The RS harvest is estimated at 7.162 MMT, below the 7.7 MMT estimated before the floods in the State.
- Brazilian production is estimated by our Consultancy at 10.3 MMT, compared to the initial projection of 10.5 MMT, compared to domestic consumption of 11.0 MMT.
- From January to May, Brazilian exports fell 28% compared to the same period last year, while imports grew 16%: the projection is for a drop in exports and an increase in imports in 2024, which should help normalize domestic supply in this year.
- India should resume exports and this return, combined with the arrival of the main Asian crops on the market from September, should generate a downward bias in global prices.
- What's on the radar: holding a new government auction to purchase imported rice, India's return to the global export market, the dollar in Brazil and the flow of imports.



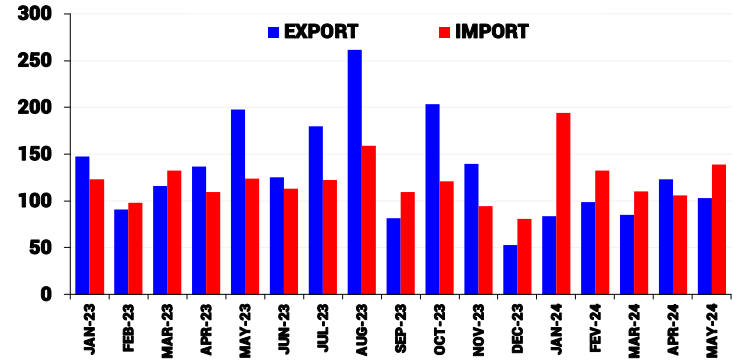
RICE – BRAZIL AREA AND PRODUCTION



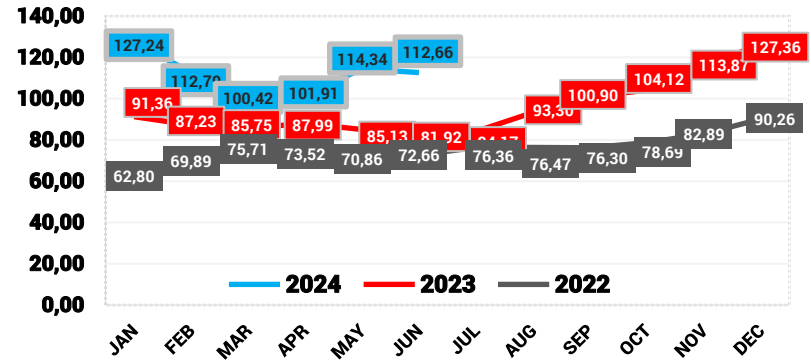
PROCESSED RICE LONG-GRAIN: FOB PRICES US\$/TONNE THAILAND X USA



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



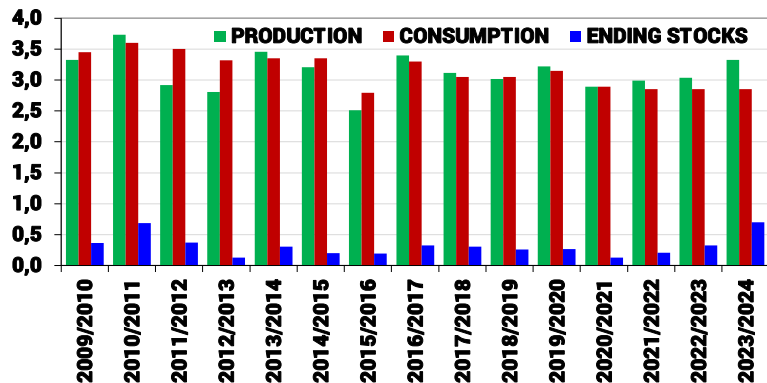
PADDY RICE: FOB PRODUCER RS PRICES 58% UNBROKEN - R\$/50 KG



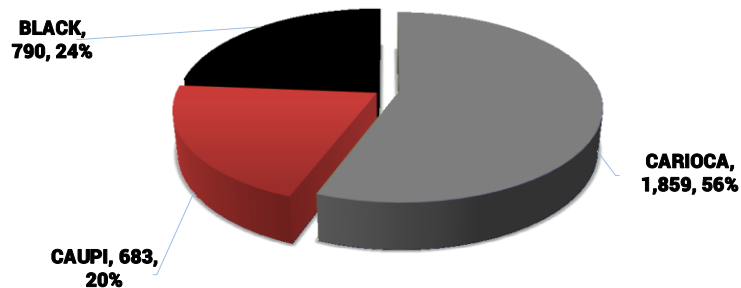
PULSES - BEANS: 2024/2025 MARKET OUTLOOK

- The trend is downward for bean prices, with excess supply on the market.
- Supply remains well above purchasing interest and industries operate practically without stocks, acquiring just enough to honor their commitments.
- Prices for carioca beans graded 8.5/9.5, FOB producer, are fluctuating between R\$220 and R\$240 per 60 kg in June 2024, compared to R\$245 to R\$280 last May.
- The prices for black beans-extra, FOB producer, are ranging between R\$220 and R\$250 per 60 kg in June 2024, compared to R\$240 to R\$260 per 60 kg last May.
- With a 12% expansion in the planted area of the 2nd harvest of 2024, production is estimated at 1.611 MMT, a significant 26% above the result of the 2nd harvest of the previous year.
- Total bean production (all classes) in Brazil is estimated at 3.33 MMT, well above projected consumption of 2.85 MMT, with surpluses putting pressure on producer, wholesale and retail prices.
- What's on the radar: flow of surpluses generated in the 2nd harvest, area to be planted in the 3rd harvest of 2024, harvest of irrigated areas from the 3rd harvest from July and impacts of the *La Niña* phenomenon on the implementation of the 1st harvest 2024/2025 .

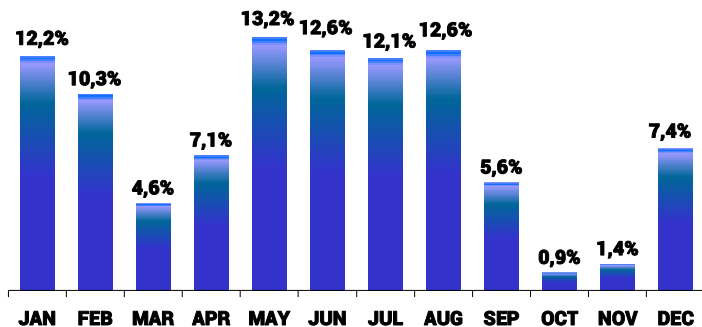
BEANS: BRAZIL SUPPLY - MMT



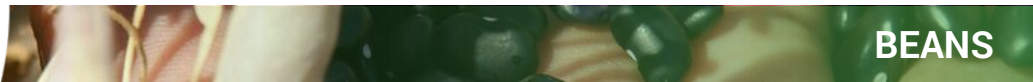
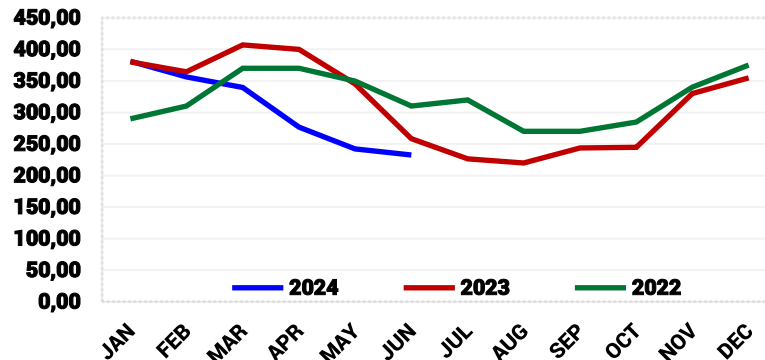
BEANS: BRAZIL 2024 PRODUCTION DISTRIBUTION BY CLASS - THOUSAND TONNES AND %



BEANS: MONTHLY CROP DISTRIBUTION 3 ANNUAL HARVESTS



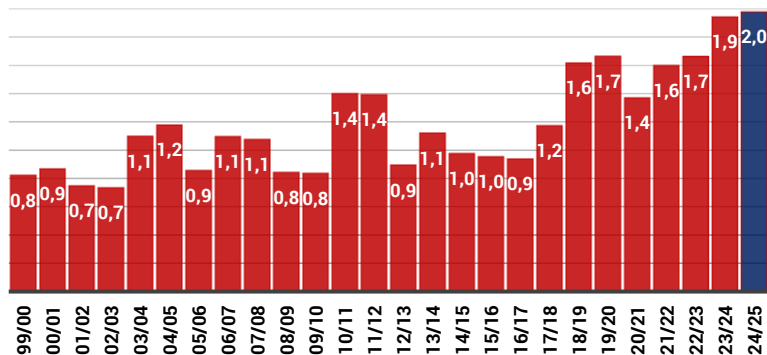
CARIOCA BEANS: FOB PRODUCER SP PRICES R\$/60KG - BATCH MARKET



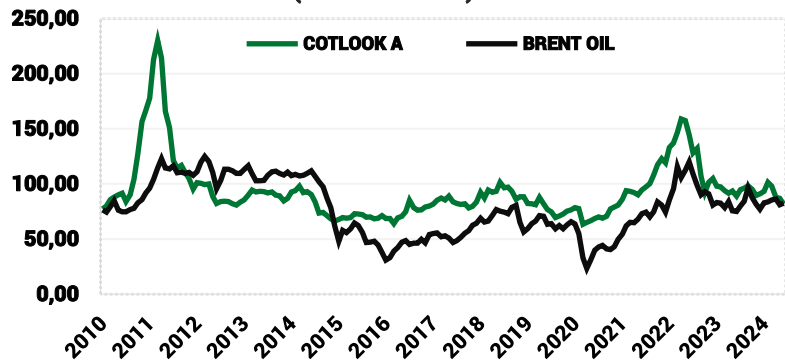
COTTON: 2024/2025 MARKET OUTLOOK

- Cotton lint prices are sustained at R\$3.90 per pound, anchored by the strong pace of Brazilian exports.
- In the medium term, the trend is for downward pressure on prices, with the start of the MT harvest, which should be full, from the end of July, in addition to the decline in external fiber prices.
- On the New York Stock Exchange, futures are falling, pressured by the decline in oil and the advance of the dollar in the international market, accumulating a drop of 7% in the last 30 days.
- In the 2022/2023 partial harvest (August/2023 until the June/2024 partial), Brazil exported 2.4 MMT, 66% above what was shipped in the total of the 2021/2022 season.
- The average value of exported feather is 85.80 ¢ per pound in this June partial, 16.2% higher than the average price practiced in the domestic market.
- The FAS (Free Alongside Ship) export parity is R\$ 3.93 per pound (73.57 ¢ per pound) at the Port of Santos/SP, based on the Cotlook A Index, CIF Far East .
- What's on the radar: flow of Brazilian exports in the coming months, oil prices and prices for fibers competing with cotton (polyester and nylon), the dollar in Brazil and the climate market regarding the 2024/2025 harvest in the USA.

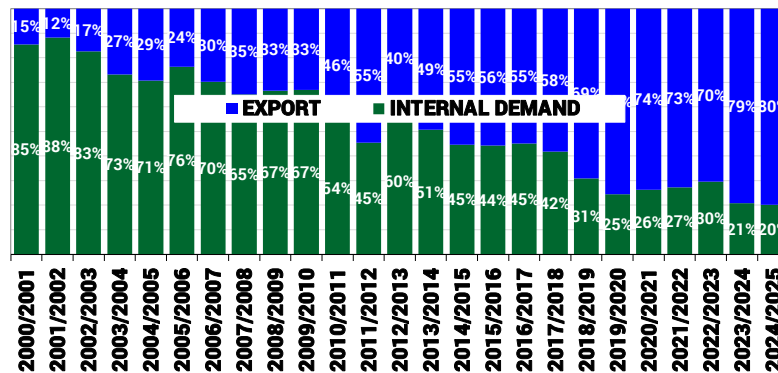
COTTON: BRAZIL AREA – MILLION HA



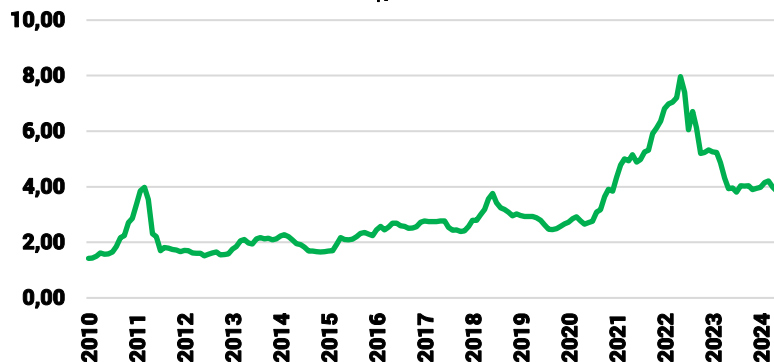
BRENT OIL (US\$/BARREL) X COTLOOK A INDEX (CENTS/POUND)



COTTON LINT: BRAZIL PRODUCTION DESTINATION



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





+55 51 32481117

+55 51 999867666



www.carloscogo.com.br/en



consultoria@carloscogo.com.br



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