

GRAINS

2024/2025 OUTLOOK SUMMARY



JUL/2024



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The downward pressure on future soybean prices increases, with the good weather conditions for the 2024/2025 harvest in the USA and the scenario of a new increase in global ending stocks.

Corn prices are under pressure due to the supply of the 2nd harvest in Brazil, external devaluations and the scenario of a good harvest in the USA.

In the wheat market, despite a smaller planted area in 2024, the scenario of a larger harvest stabilizes prices and inhibits business.

The rice market returns to normal, with the government withdrawing from holding an auction to purchase imported products, while in the cotton market prices rise with good domestic demand and the strong pace of exports.

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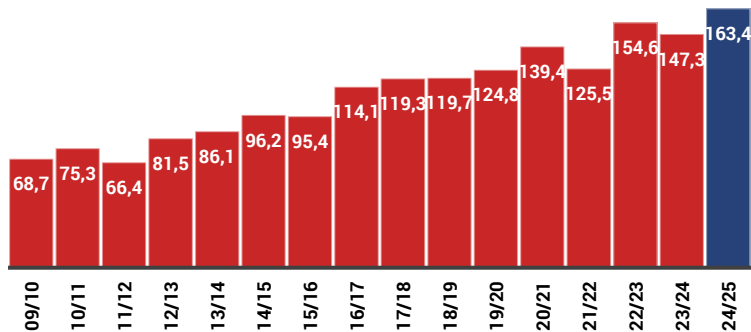


SOYBEAN: 2024/2025 MARKET OUTLOOK

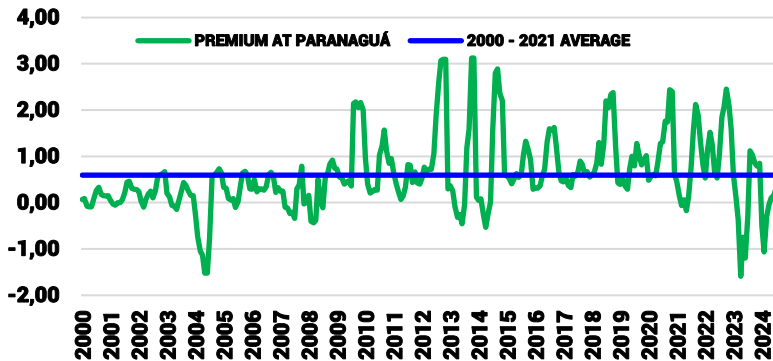
- The trend is upward for soybean prices in the domestic market until the end of the 2nd half of this year, with the rise of the dollar in Brazil and the gradual increase in premiums in Brazilian ports.
- For the 2024/2025 season, the trend is downward for global prices, with good weather conditions in the 2024/2025 US harvest and the expectation of an increase in global stocks.
- Final stocks for the 2024/2025 season are estimated at 127.8 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\$ 10.40 and US\$ 11.00 per bushel and 2025 maturities operate between US\$ 10.60 and US\$ 10.90 per bushel.
- In addition to the low futures scenario, negative premiums in Brazilian ports between January and July next year should generate downward pressure in the domestic market during this period.
- The *La Niña* phenomenon will be active from July-August 2024 and could impose volatility on futures, which should embed a climate risk premium on prices if adverse events occur with South American harvests from September 2024 onwards.
- What's on the radar: volume to be harvested in the USA, weather market and effects of *La Niña* on the 2024/25 harvest in South American countries, premiums in Brazilian ports and the dollar rate.



SOYBEAN: BRAZIL PRODUCTION - MMT



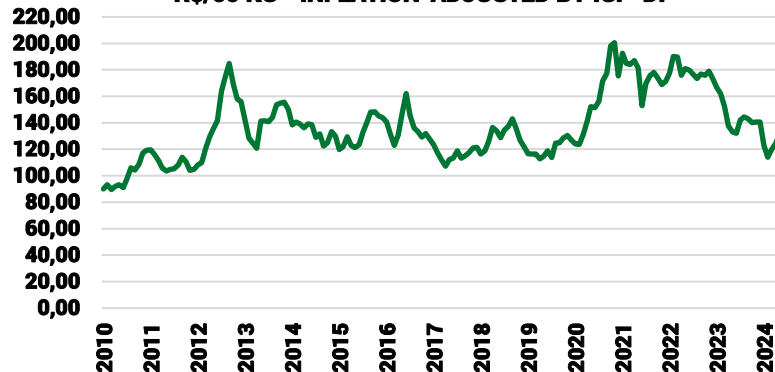
SOYBEAN: PREMIUMS AT PARANAGUÁ IN US\$/BUSHEL OVER CBOT FUTURES



SOYBEAN: CHICAGO FUTURE PRICES US\$/BUSHEL



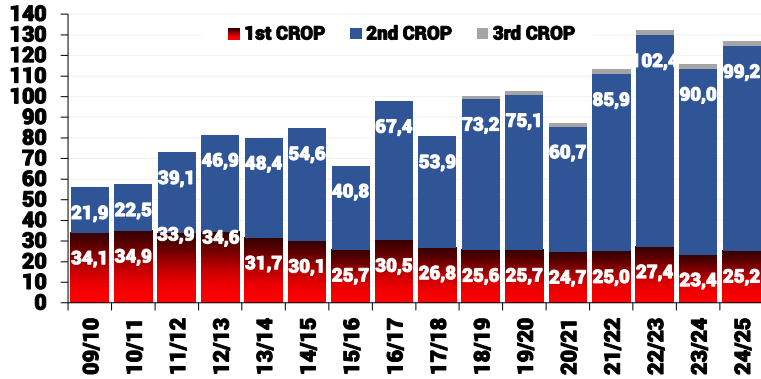
SOYBEAN: PRODUCER PRICES FOB PR R\$/60 KG - INFLATION-ADJUSTED BY IGP-DI



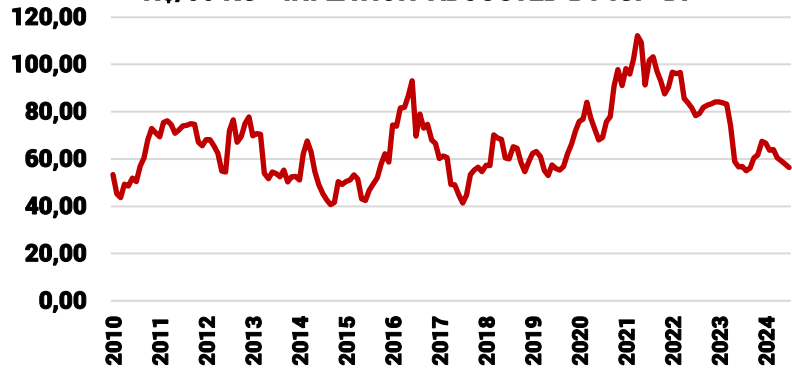
CORN: 2024/2025 MARKET OUTLOOK

- External devaluations and the supply of the 2nd harvest, estimated at 90 MMT, maintain downward pressure on prices in the domestic market.
- In Chicago, corn futures expiring in the second half of 2024 operate between US\$3.95 and US\$4.12 per bushel and contracts for 2025 range between US\$4.20 and US\$4.50 per bushel.
- The downward pressure on future prices arises from favorable weather conditions for the 2024/2025 US harvest, which is estimated at 383.6 MMT, the 3rd largest in history.
- In Brazil, the 2023/2024 harvest is estimated at 115.8 MMT, 12% below the previous one.
- With the lower domestic supply, Brazilian exports are estimated at 34.0 MMT, 38% below the record of 54.6 MMT shipped in 2023.
- Domestic consumption is projected at 84.2 MMT, resulting in an estimated ending stock of 7.2 MMT, equivalent to 31 days of domestic demand.
- The *La Niña* phenomenon could increase the risk of drought for the 2024/2025 first harvest in Brazil and Mercosur countries, especially Argentina and Paraguay.
- What's on the radar: volume to be harvested in the USA, effects of *La Niña* on the 2024/2025 harvest in South American countries, flow of Brazilian exports and the dollar in Brazil.

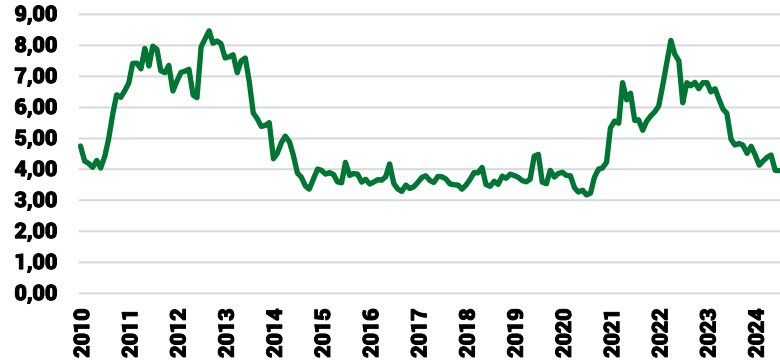
CORN: BRAZIL PRODUCTION - MMT



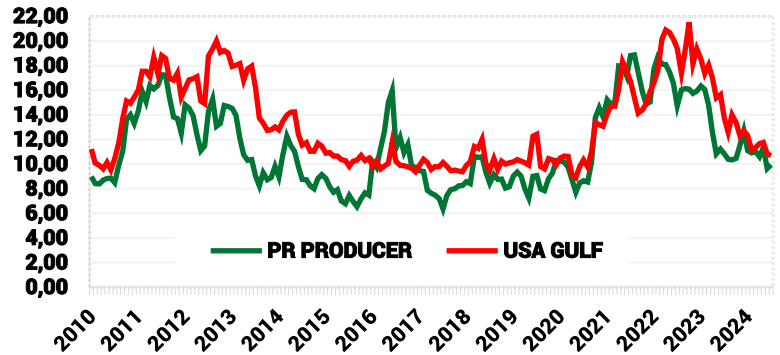
CORN: WHOLESALE PRICES CIF SÃO PAULO R\$/60 KG - INFLATION-ADJUSTED BY IGP-DI



CORN: CBOT FUTURE PRICES US\$/BUSHEL



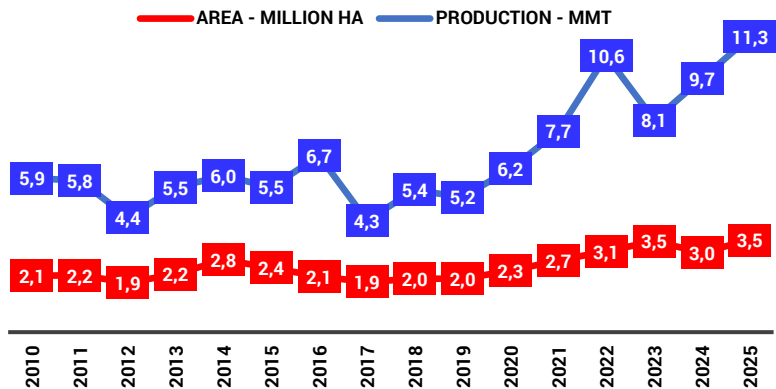
CORN: PRICE PARITY PRODUCER PARANÁ X US GULF US\$/60 KG FOB



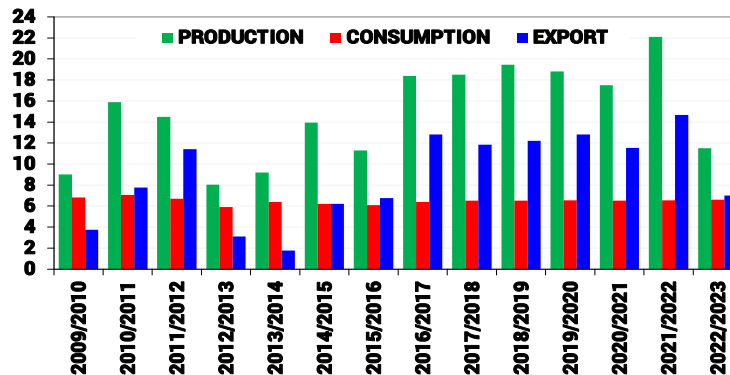
WHEAT: 2024/2025 MARKET OUTLOOK

- **Wheat prices are stable in the domestic market and should remain sustained until the start of the 2024 harvest, scheduled for September.**
- **With the arrival of the new harvest approaching, which tends to depress prices, the industry, generally supplied, postpones business, keeping an eye on the field.**
- **SRW futures prices are under pressure on the Chicago Stock Exchange, due to the expectation of an increase in US production in the 2024/2025 harvest and an increase in global stocks.**
- **Global ending stocks forecast for 2024/2025 are still the lowest since 2015/2016.**
- **In Argentina, the planted area grew 15% in the 2024/2025 harvest, reaching 6.3 million hectares, with production estimated at 20.0 MMT, 38% above the previous season.**
- **In Brazil, prices for bread cereal FOB producers rose to ranges between R\$ 1,550 and R\$ 1,650 per tonne in PR and between R\$ 1,400 and R\$ 1,450 per tonne in RS.**
- **Our Consultancy's estimate for the 2024 harvest is a 12% reduction in the planted area in the country, with a harvest of 9.7 MMT, 20% above the production of the previous harvest.**
- **What's on the radar: global prices on stock exchanges, volume to be harvested in the 2024/2025 harvest in the USA, evolution of the 2024 harvest in Brazil and Argentina and the dollar in Brazil.**

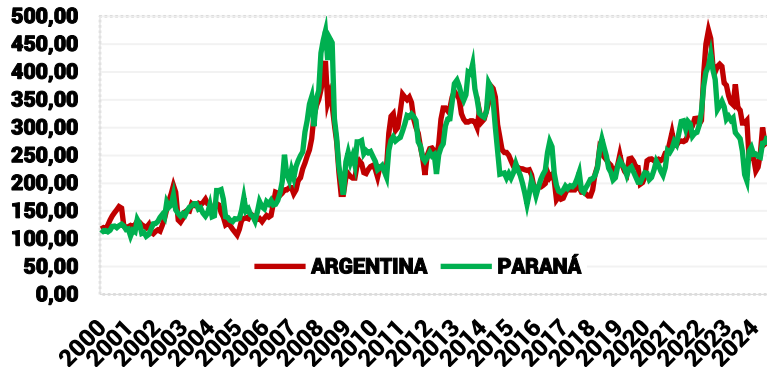
WHEAT: BRAZIL AREA AND PRODUCTION



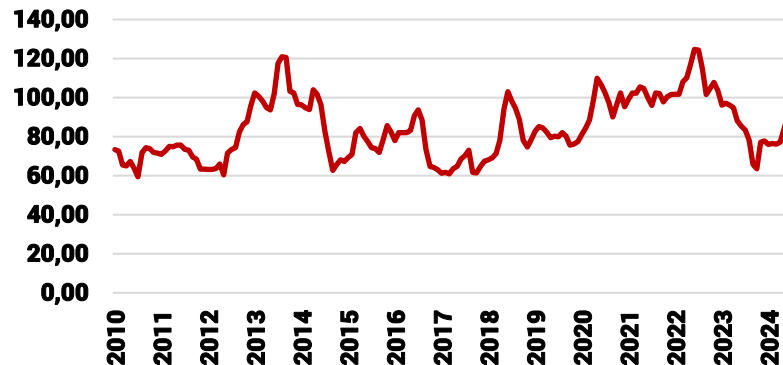
ARGENTINA: WHEAT SUPPLY - MMT



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



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

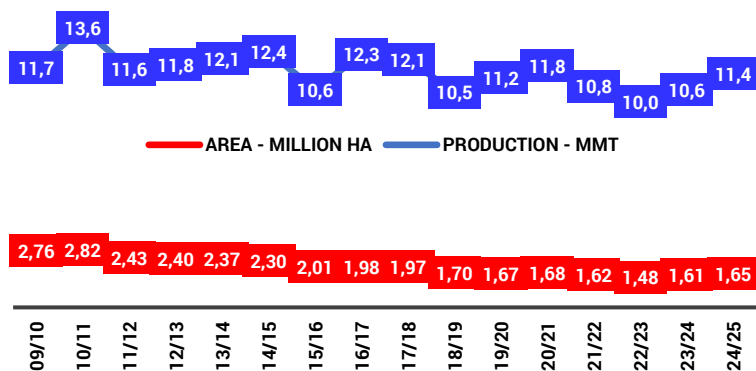


RICE: 2024/2025 MARKET OUTLOOK

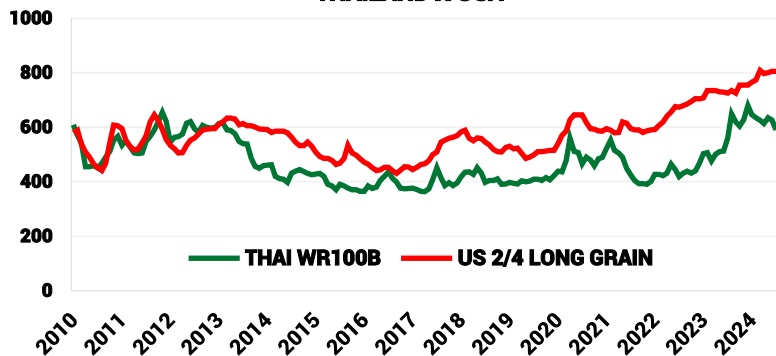
- The trend is for prices to be sustained in the domestic market, with an upward trend in the coming months.
- Price support comes from firm demand, with interest from domestic and foreign buyers.
- Sellers are staying away from negotiating new lots, paying attention to funding payments for the 2023/2024 season and the availability of credit for the cultivation of the 2024/2025 harvest.
- The paddy rice market is returning to normal, with fewer news impacts regarding government interference in production chain transactions.
- Brazilian production is estimated by our Consultancy at 10.6 MMT, compared to domestic consumption projected at 11.0 MMT.
- From January to June, Brazilian exports fell 32% compared to the same period last year, while imports grew 12%: the projection is for a drop in exports and an increase in imports in 2024, which should keep domestic supplies regularized this year .
- Exports are expected to fall to 1.2 MMT in 2024 and imports are expected to grow to 1.6 MMT.
- What's on the radar: flow of Brazilian exports and imports in the coming months, planting intentions in the 2024/2025 harvest in Brazil and the dollar in Brazil.



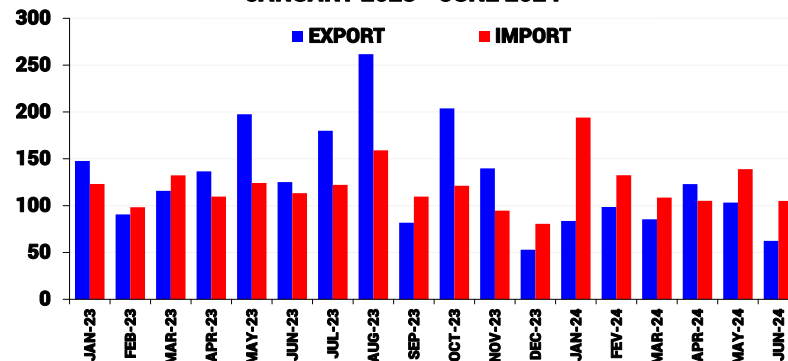
RICE – BRAZIL AREA AND PRODUCTION



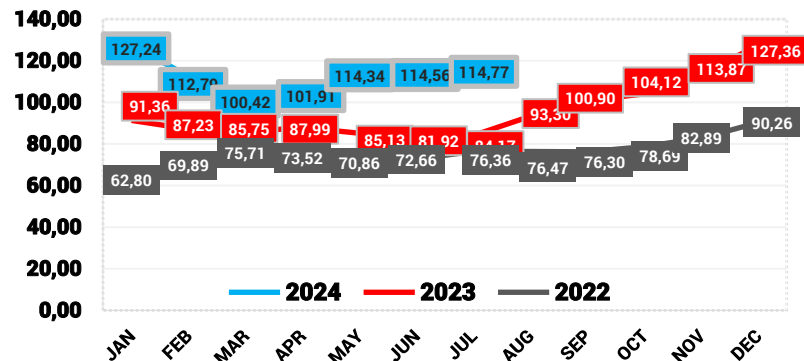
PROCESSED RICE LONG-GRAIN: FOB PRICES US\$/TONNE THAILAND X USA



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



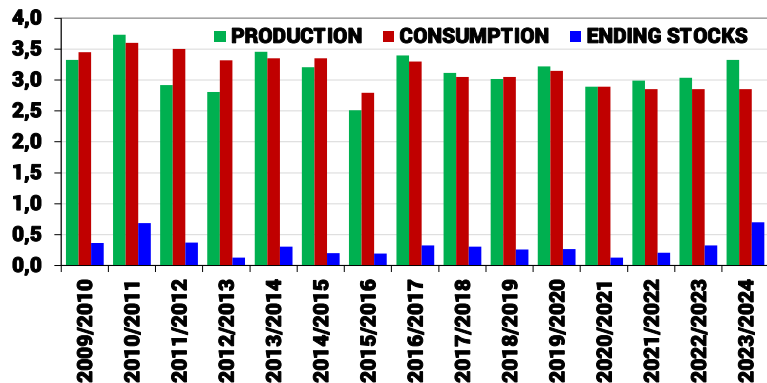
PADDY RICE: FOB PRODUCER RS PRICES 58% UNBROKEN - R\$/50 KG



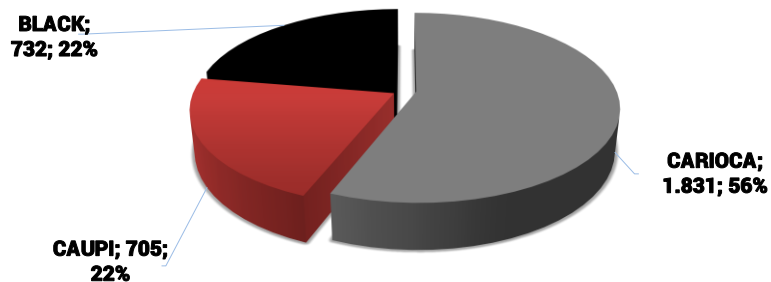
PULSES - BEANS: 2024/2025 MARKET OUTLOOK

- The trend is for prices to be under pressure for carioca beans, with the market operating with excess supplies throughout this year.
- The irrigated winter crop began harvesting at the end of June in some locations in Goiás and Minas Gerais and, from this month of July, the harvest progresses, sending part of the surplus to the São Paulo market, and should intensify in August, when the rainfed crop from the Northeast region begins to be harvested.
- Prices for carioca beans graded 8.5/9.5, FOB producer, are fluctuating between R\$200 and R\$220 per 60 kg in July 2024, compared to R\$220 and R\$240 last June.
- The prices for black beans-extra, FOB producer, are ranging between R\$280 and R\$300 per 60 kg in July 2024, compared to R\$220 to R\$250 per 60 kg last June.
- Total bean production (all classes) in Brazil is estimated at 3.27 MMT, well above projected consumption of 2.85 MMT, with surpluses putting pressure on producer, wholesale and retail prices.
- What's on the radar: advance of the harvest of the 3rd irrigated crop and impacts of the *La Niña* phenomenon on the implementation of the 1st crop 2024/2025.

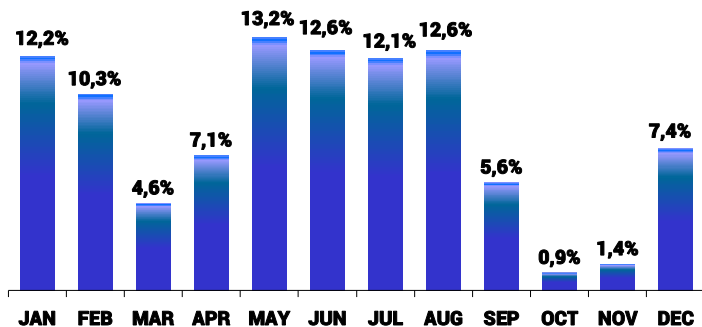
BEANS: BRAZIL SUPPLY - MMT



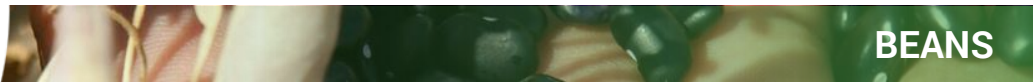
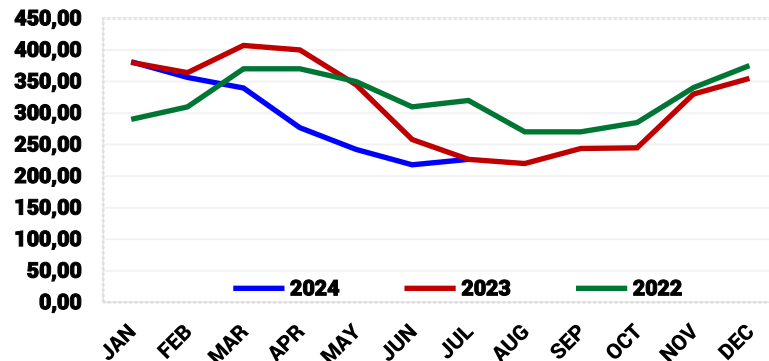
BEANS: BRAZIL 2024 PRODUCTION DISTRIBUTION BY CLASS - THOUSAND TONNES AND %



BEANS: MONTHLY CROP DISTRIBUTION 3 ANNUAL HARVESTS



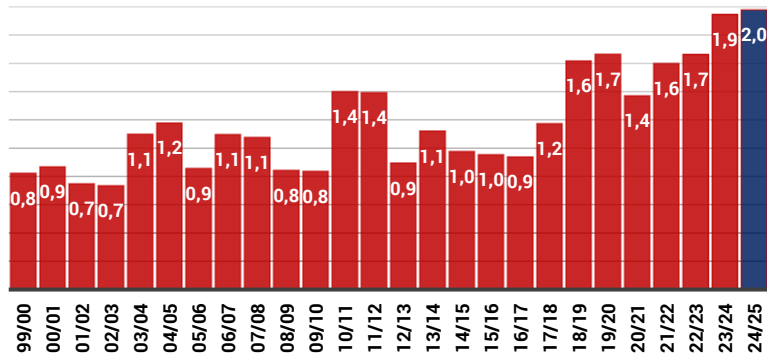
CARIOCA BEANS: FOB PRODUCER SP PRICES R\$/60KG - BATCH MARKET



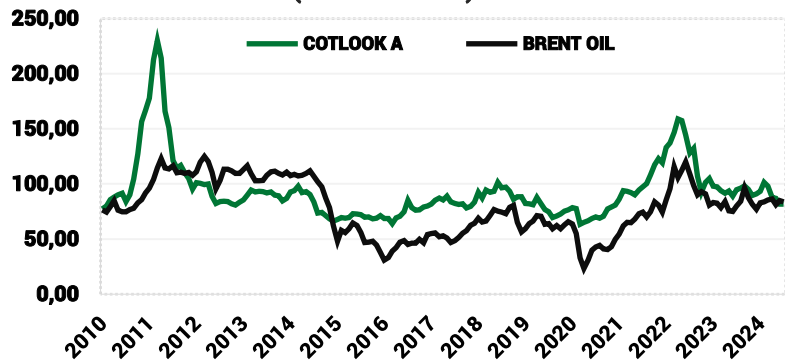
COTTON: 2024/2025 MARKET OUTLOOK

- Cotton lint prices are sustained at the level of R\$4.10 to R\$4.12 per pound, accumulating an increase of 5.2% in the last 30 days.
- The boost comes from the still restricted supply in the national spot market and the greater demand from buyers, who even offer higher prices in an attempt to attract sellers.
- Despite the estimated record cotton production in the 2023/2024 season, sellers remain firm in their offers and choose to fulfill fixed-term contracts at this first stage.
- The increase in domestic prices is limited by external devaluation and lower export parity.
- On the New York Stock Exchange, futures contracts fell, influenced by the estimate of greater cultivated area in the USA in 2024/2025 and the possibility of big global supply.
- However, the price of feathers on the domestic market is above export parity, which makes the domestic market more attractive than the foreign market.
- The FAS (Free Alongside Ship) export parity is R\$ 3.85 per pound (70.80 ¢ 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) and the dollar in Brazil.

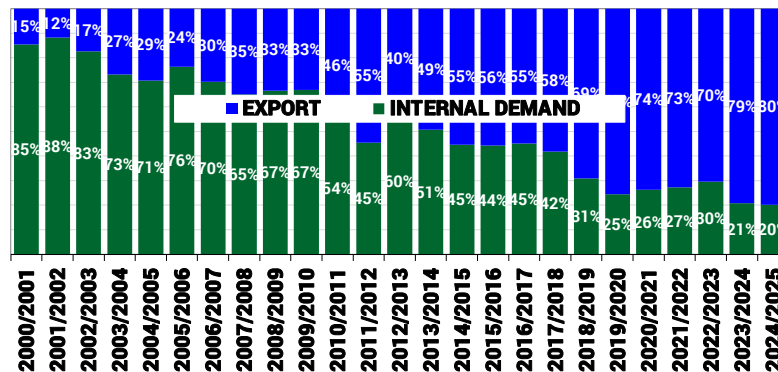
COTTON: BRAZIL AREA – MILLION HA



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



COTTON LINT: BRAZIL PRODUCTION DESTINATION



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





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