

GRAINS

2024/2025 OUTLOOK SUMMARY



AUGUST/2024



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Bearish pressure is increasing on future soybean prices, with estimates of a record harvest in the US and a strong increase in the relationship between ending stocks and global demand.

Corn prices are under pressure due to expectations of a good harvest in the US, which should record the third largest volume in history.

In the wheat market, despite the smaller planted area, expectations of a larger harvest in 2024 and the approaching harvest are putting pressure on prices.

In the rice market, prices are rising due to the off-season, while in the cotton market, the record harvest in Brazil and the drop in export parity are putting pressure on domestic cotton prices.

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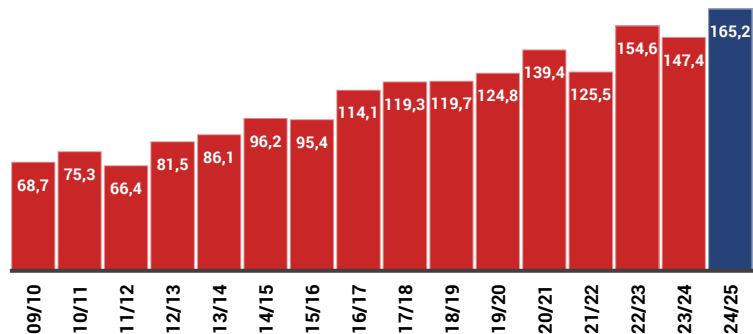


SOYBEAN: 2024/2025 MARKET OUTLOOK

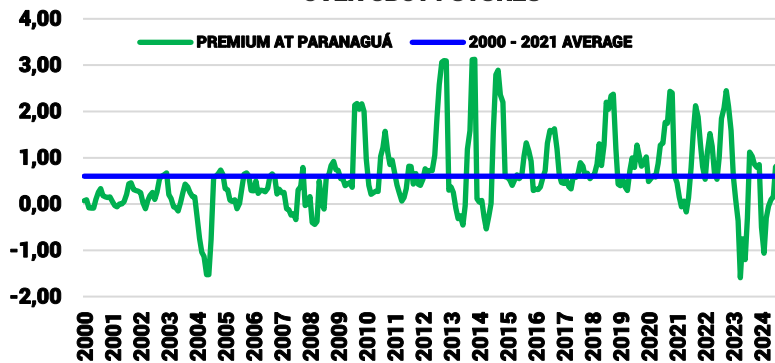
- The trend is bearish for global prices, with expectations of record harvests in the US and Brazil, record global ending stocks and an increase in the global stocks/consumption ratio.
- The 2024/2025 US harvest is estimated at a record 124.9 MMT, with good weather conditions generating record productivity of 3.58 tonnes per hectare.
- Ending stocks for the 2024/2025 season are estimated at a record 134.3 MMT, which is equivalent to 33.3% of demand, the highest level in history.
- Futures prices in Chicago for the 1st half of 2025 range between US\$ 9.75 and 10.20 per bushel and contracts for the 2nd half of 2025 operate between US\$ 10.15 and 10.30 per bushel.
- In Brazilian ports, with the sharp decline in futures contracts, premiums between January and July of next year are in positive territory, cushioning the downward pressure from abroad.
- The *La Niña* phenomenon will be active from September 2024 and may generate volatility in future prices, which may include a climate risk premium in prices, should there be adversities in the implementation of harvests in South American countries.
- What's on the radar: downward pressure with the entry of the US harvest into the market, *La Niña* effects on the 2024/2025 harvest in South American countries and the exchange rate in Brazil.



SOYBEAN: BRAZIL PRODUCTION - MMT



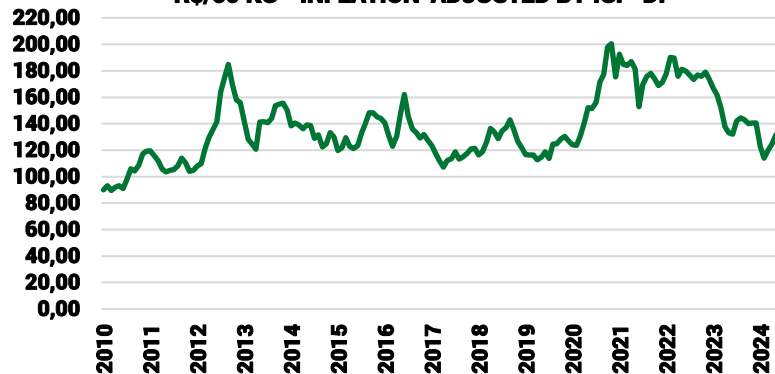
SOYBEAN: PREMIUMS AT PARANAGUÁ IN US\$/BUSHEL OVER CBOT FUTURES



SOYBEAN: CHICAGO FUTURE PRICES US\$/BUSHEL



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

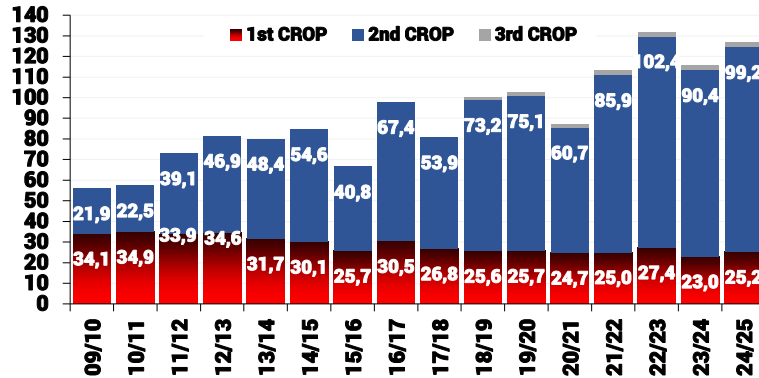


CORN: 2024/2025 MARKET OUTLOOK

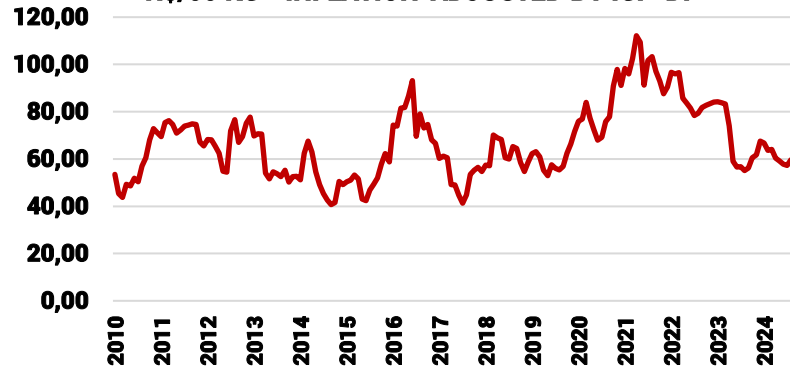
- There is downward pressure on future prices, given the good weather conditions for the 2024/2025 US harvest, which is estimated at 384.7 MMT, the 3rd largest in history.
- In Chicago, corn futures maturing in the 1st half of 2025 are trading between US\$4.10 and US\$4.25 per bushel and for the 2nd half of 2025 they are trading between US\$4.30 and US\$4.40 per bushel.
- The ratio between ending stocks and global consumption in the 2024/2025 harvest is projected at 25.5%, a comfortable level that prevents more significant increases in future prices.
- In the domestic market, prices are more sustained, with the completion of the 2nd harvest.
- However, weaker exports in the current harvest keep domestic supply high and the pace of business slow, with buyers and sellers holding back.
- The Brazilian harvest for 2024/2025 is estimated by our Consulting firm at 126.8 MMT, 9.6% above the volume harvested in the 2023/2024 harvest.
- The *La Niña* phenomenon could increase the risk of drought in the summer harvest (1st harvest 2024/2025) in Brazil and in Mercosur countries, especially in Argentina and Paraguay.
- What's on the radar: effects of *La Niña* on the 2024/2025 harvest in Brazil and other South American countries, flow of Brazilian exports in the coming months and exchange rate in Brazil.



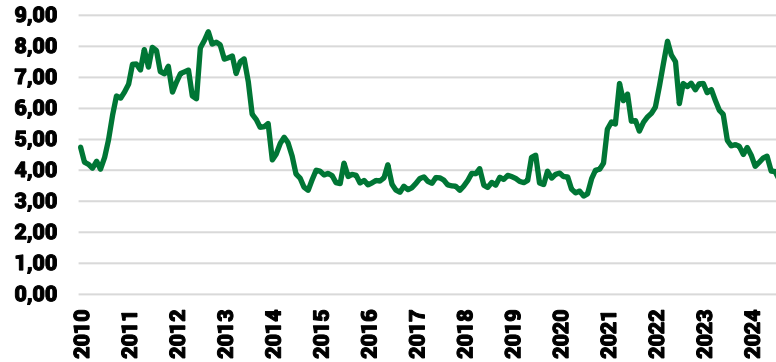
CORN: BRAZIL PRODUCTION - MMT



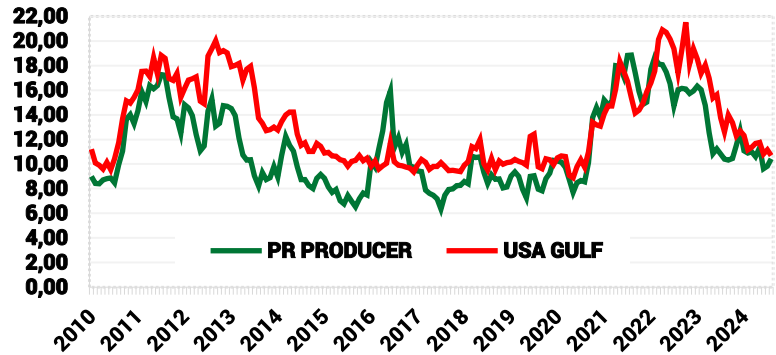
CORN: WHOLESALE PRICES CIF SÃO PAULO R\$/60 KG - INFLATION-ADJUSTED BY IGP-DI



CORN: CBOT FUTURE PRICES US\$/BUSHEL



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

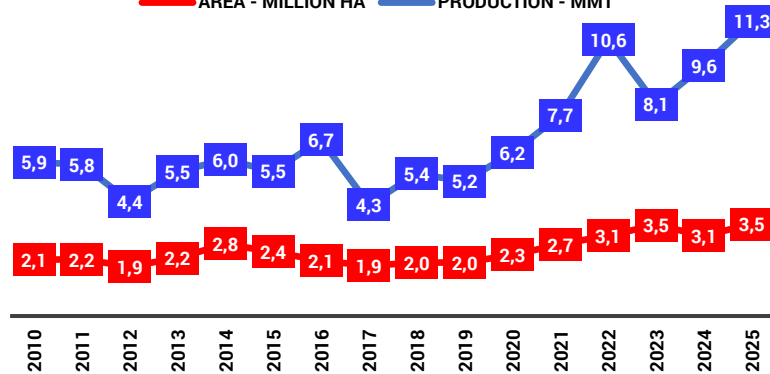


WHEAT: 2024/2025 MARKET OUTLOOK

- Wheat sales are slow on the spot market, due to the shortage of good quality cereal remaining from the past harvest and the approaching arrival of the new harvest on the market.
- The mills are stocked, including with imported grain, and are able to await the new harvest, whose sowing, stimulated by the rains, has already finished in Rio Grande do Sul.
- The rains that accelerated wheat planting in Rio Grande do Sul also caused prices, which had been rising during the month of July, to begin to ease.
- Even so, prices are still firm, since the strong rise in the dollar makes imports more expensive.
- 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 cereals FOB producer fell to between R\$1,500 and R\$1,550 per tonne in Paraná and between R\$1,350 and R\$1,400 per tonne in RS.
- Our Consulting firm's estimate for the 2024 harvest is a 12% reduction in the planted area in the country, with a harvest of 9.6 MMT, 18% above the production of the previous harvest.
- What's on the radar: start of the harvest of the 2024 Brazilian crop, evolution of the 2024/2025 harvest in Argentina and exchange rate in Brazil.

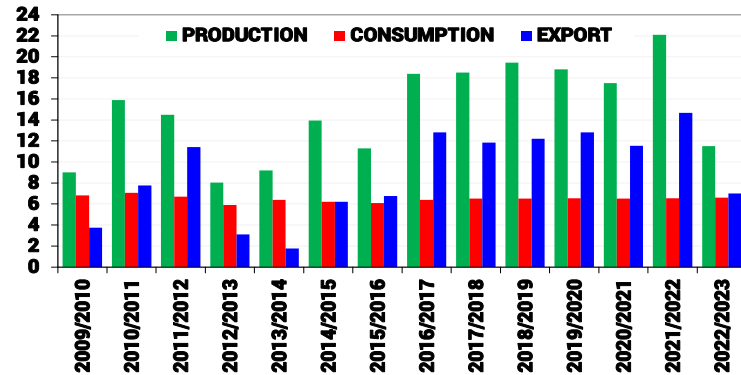
WHEAT: BRAZIL AREA AND PRODUCTION

— AREA - MILLION HA — PRODUCTION - MMT

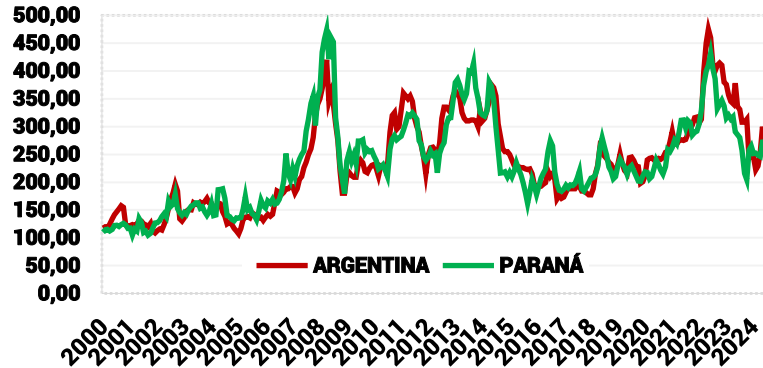


ARGENTINA: WHEAT SUPPLY - MMT

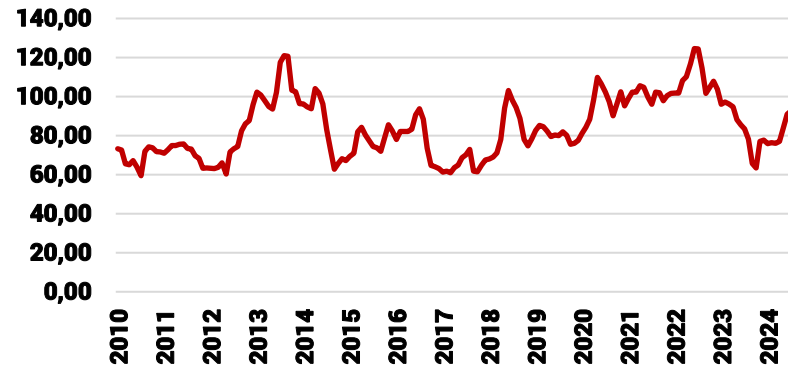
■ PRODUCTION ■ CONSUMPTION ■ EXPORT



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



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

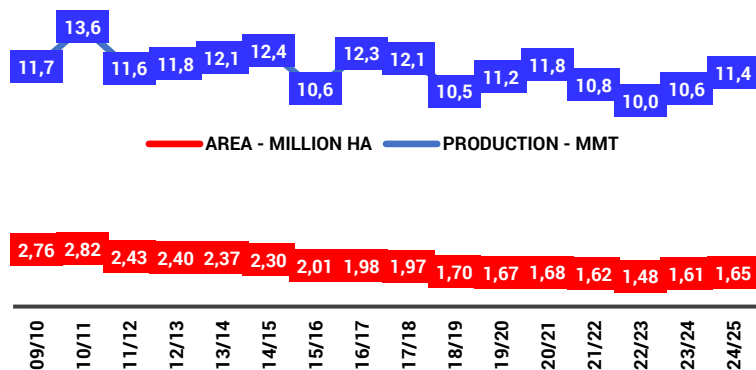


RICE: 2024/2025 MARKET OUTLOOK

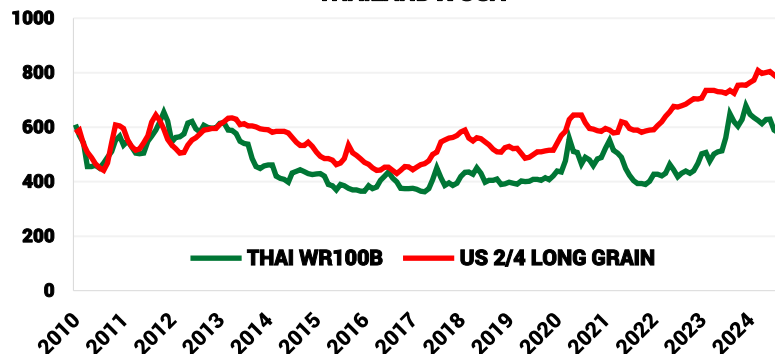
- Prices are stable in the domestic market, with an upward trend in the coming months.
- Negotiations involving paddy rice are slow, due to the dispute between buyers and sellers.
- Current paddy rice prices are putting pressure on the profit margins of processing units and making it difficult to transmit prices throughout the chain.
- Sellers continue to restrict their offers, providing further support for domestic prices.
- International prices for milled rice have been gradually falling, although India has not yet lifted export restrictions.
- This decline in global prices is expected to continue in the coming months and could reduce the export parity of Brazilian rice in the medium and long term.
- YTD, Brazilian exports fell 26% compared to the same period last year, while imports grew 20%.
- Exports are expected to fall to 1.3 MMT (paddy basis) in 2024 and imports (paddy basis) 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, resumption of exports from India and exchange rate in Brazil.



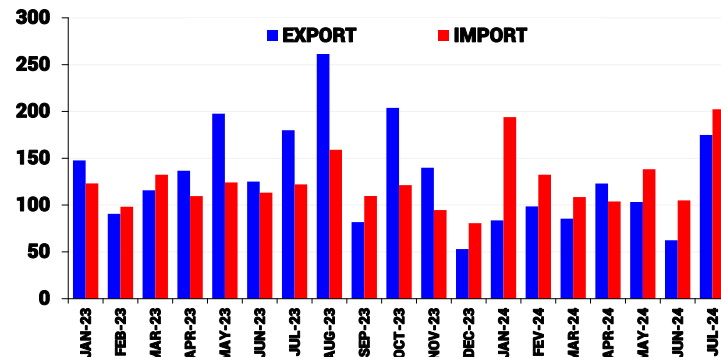
RICE – BRAZIL AREA AND PRODUCTION



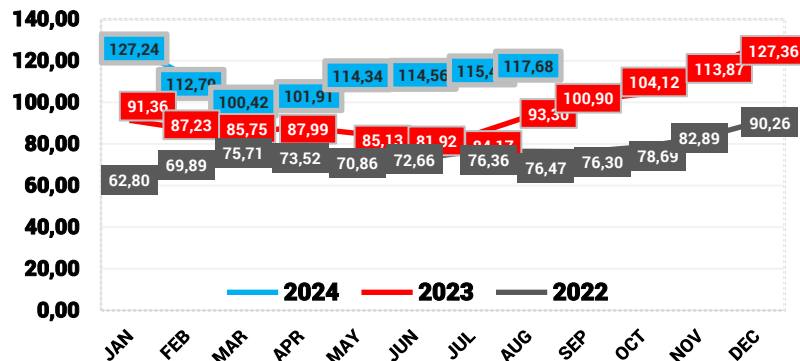
PROCESSED RICE LONG-GRAIN: FOB PRICES US\$/TONNE THAILAND X USA



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

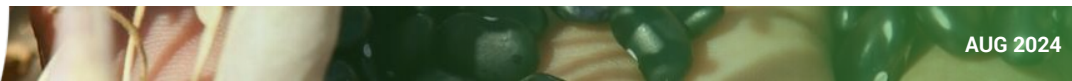


PADDY RICE: FOB PRODUCER RS PRICES 58% UNBROKEN - R\$/50 KG

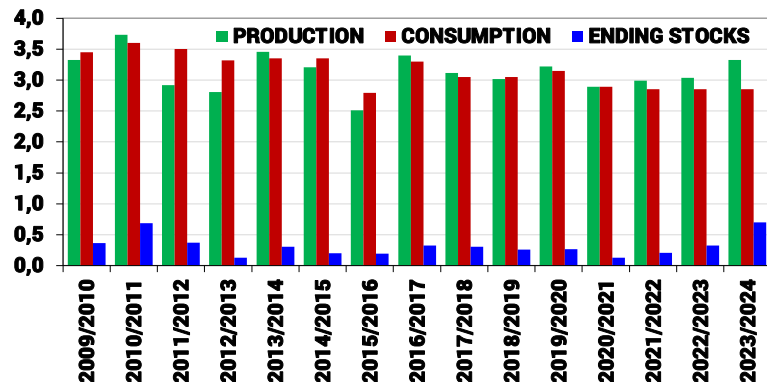


PULSES - BEANS: 2024/2025 MARKET OUTLOOK

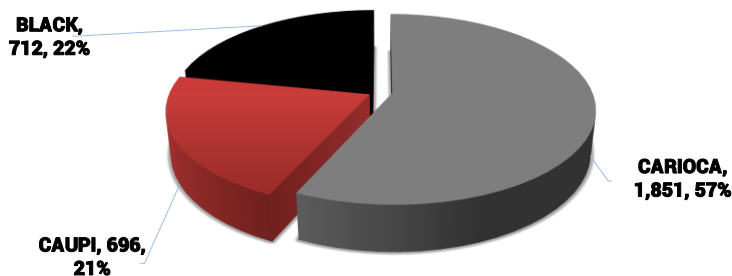
- The market supply is coming from the harvests of Minas Gerais, Goiás, São Paulo and Paraná, and the lots from the latter state are leftovers from the 2nd harvest.
- The availability of grain remains firm, favored by the offers from the Central-West and Southeast regions of the country, which are at the peak of harvesting/sales.
- The offer continues to be well above the purchasing interest, resulting in surpluses of goods.
- The entry of production from the irrigated winter harvest is being more than enough to supply the market, in view of the very low demand.
- The trend is for prices to decline with the advance of the irrigated harvest, which should intensify in August when the dryland harvest in the Northeast region begins to be harvested.
- Prices for carioca beans with grades 8.5/9.5, FOB producer, are fluctuating between R\$230 and R\$250 per 60 kg in August 2024, compared to R\$200 to R\$220 last July.
- Prices for extra black beans, FOB producer, are fluctuating between R\$280 and R\$300 per 60 kg in August 2024, same range as last July.
- What's on the radar: progress of the harvest of the 3rd irrigated crop and impacts of the *La Niña* phenomenon on the implementation of the 1st crop 2024/2025.



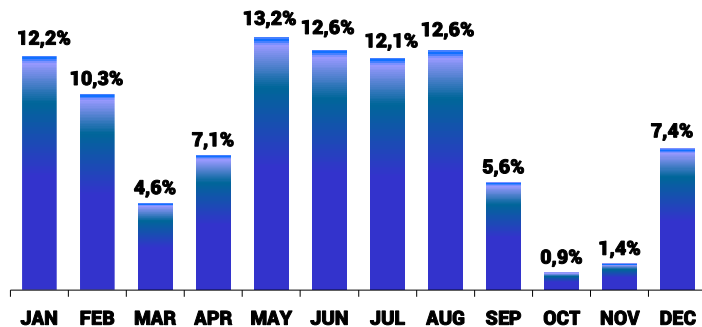
BEANS: BRAZIL SUPPLY - MMT



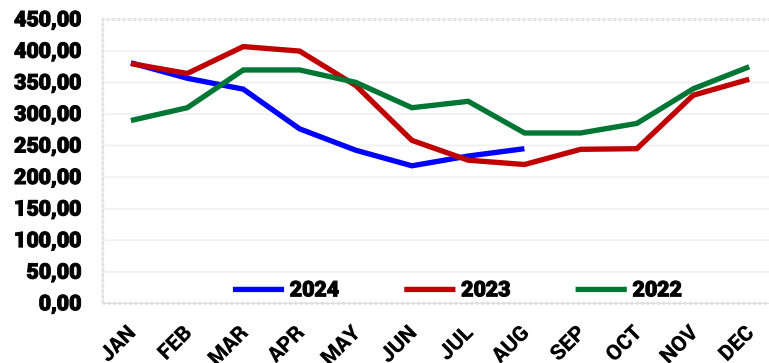
BEANS: BRAZIL 2024 PRODUCTION DISTRIBUTION BY CLASS - THOUSAND TONNES AND %



BEANS: MONTHLY CROP DISTRIBUTION 3 ANNUAL HARVESTS



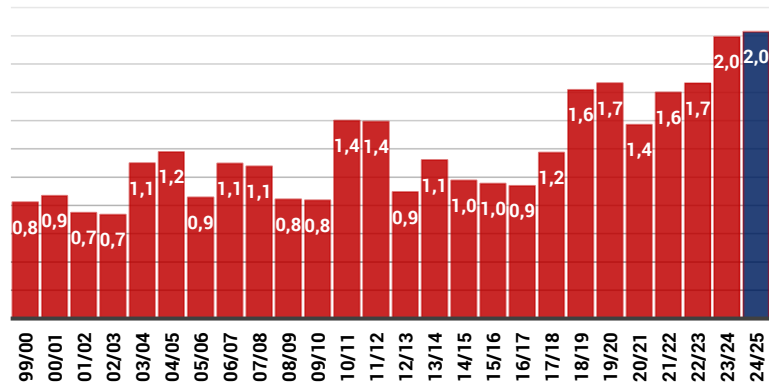
CARIOCA BEANS: FOB PRODUCER SP PRICES R\$/60KG - BATCH MARKET



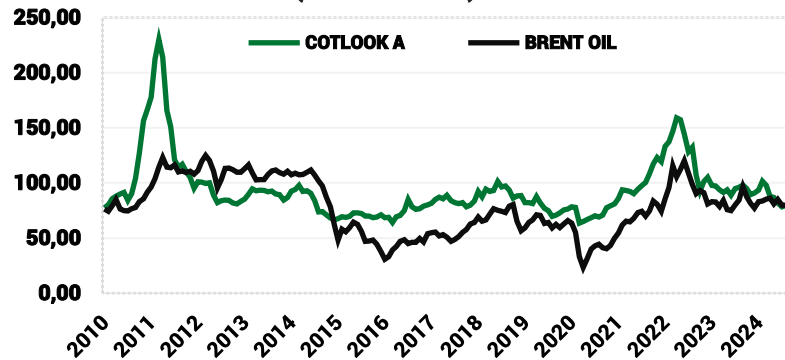
COTTON: 2024/2025 MARKET OUTLOOK

- Cotton lint prices are fluctuating at around R\$4.00 per pound.
- With the progress of cotton lint harvesting and processing, market agents have begun to pay greater attention to fulfilling forward contracts, signed at more attractive prices than those currently practiced on the spot market.
- In general, the disparity in prices and quality of lots continues to limit domestic market sales.
- There are barely any lots from the 2022/2023 harvest and the market is awaiting the start of the current 23/2024 harvest, with industries buying only with orders already made, without building up stocks.
- Prices continue to fluctuate within a narrow range, but negative pressure factors predominate, such as the decline in export parity and the expectation of good supply in the 2023/2024 harvest.
- The average price in the domestic market is still above export parity.
- The FAS (Free Alongside Ship) export parity fell to R\$3.76/pound (68.33 ¢ 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 of competing fibers to cotton (polyester and nylon) and exchange rate in Brazil.

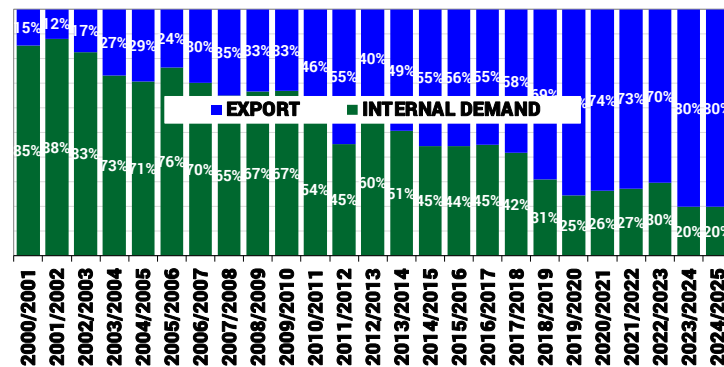
COTTON: BRAZIL AREA – MILLION HA



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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