



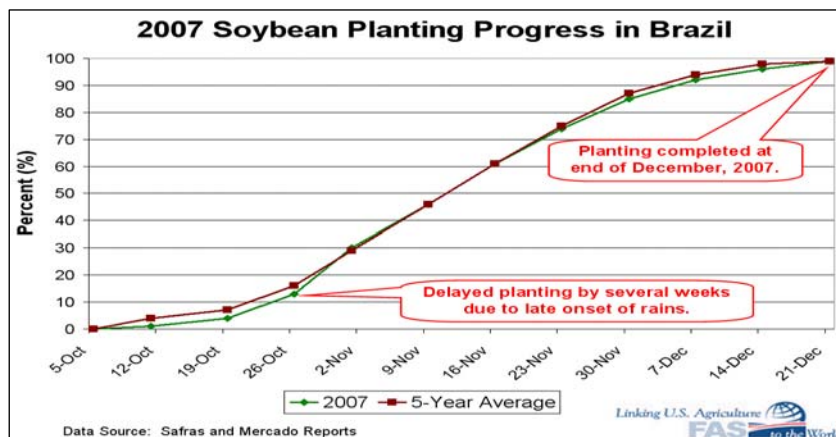
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World Agricultural Production

Brazil Soy Production Reduced Due to Less Than Expected Planted Area



The USDA estimates 2007/08 Brazil soybeans production at 60.5 million tons, down 1.5 million from last month but up 1.5 million from last year, based on a reduction in estimated 2007/08 area from 22.0 to 21.5 million hectares. Some potential soybean area also was diverted to sugarcane this year due to Brazil's fervent demand for ethanol. Soybean planting was completed at the end of December, and the first harvest of irrigated soybeans began during the first week of January 2008.

Brazil's soybean yield is forecast at 2.81 tons per hectare, unchanged from last month and nearly matching the 15-year trend yield of 2.82 tons per hectare. The number of reported soybean rust cases has decreased from last year due to later planting, relatively drier weather, and newly enacted state bans on the planting of irrigated soybeans during the winter months between June 15 and September 15. (This helps prevent rust spores from spreading from monocropping.) Recent dry weather in the eastern production zone, along the border of Goias, Bahia and Minas Gerais states, may reduce yields by 10 to 20 percent in some regions where soils have low water-holding capacities and where several weeks of dryness coincided with crops advancing through the flowering and pod filling stages. The amount of precipitation during January and February will be critical in determining final yields. (For additional information, contact Curt Reynolds at 202-690-0134.)

