

# 2024 Illinois Farm Economics Summit

## What to Expect from the South American Crop Season



College of Agricultural,  
Consumer &  
Environmental Sciences

UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN

**farmdoc**

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# South America Outline

- Soybean Prospects in Brazil
- Corn Estimates in Brazil
- Crop Projections in Argentina
- Potential for Future Expansion
- Questions & Answers



# A Little Bit of History

- The **American pastor Albert Lehenbauer** introduced soybeans to the German immigrant community of Santa Rosa, in the state of Rio Grande do Sul, in the 1920s.
- The Lutheran Church Missouri Synod sent missionaries **to assist immigrants** who arrived in Brazil during the First World War.
- Lehenbauer believed that soybeans could help the **community fight hunger**.
- Soybeans were **used to feed hogs** that gained weight at rates never seen before.



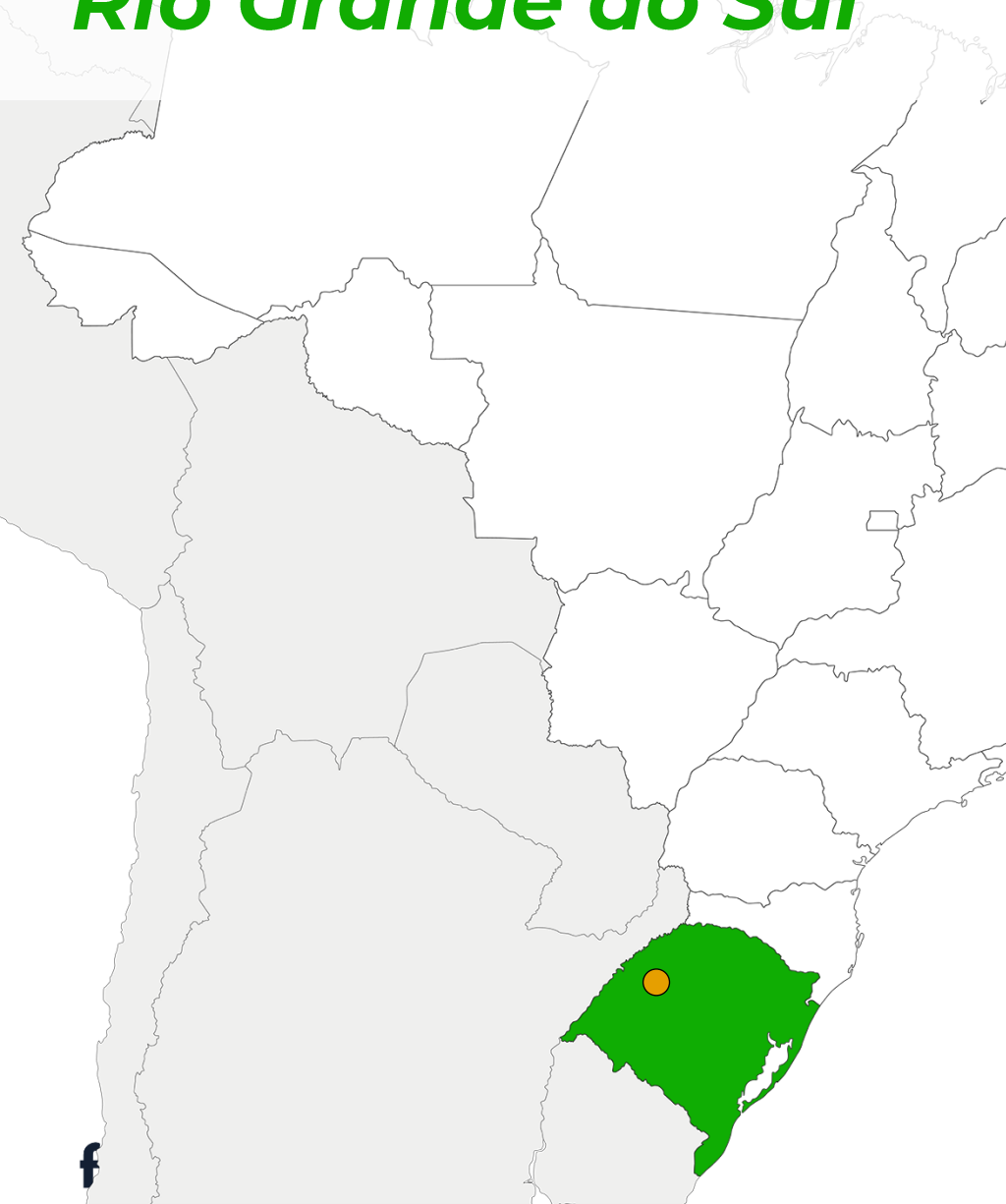
Lutheran pastor Albert Lehenbauer



# 100 Years of Soybean in Brazil in 2024

## Rio Grande do Sul

©Fenasoja Brasil



**Santa Rosa, RS**  
December 1st, 2024

### Brasil e Estados Unidos: Unidos pela Soja!



O primeiro grão de soja plantado no Brasil teve sua localidade, no dia 11 de novembro de 1922, pelo Pastor Albert Lohmeier, Pastor do Sínodo de Missoes, da Igreja Luterana, em São Paulo, nos Estados Unidos, e trazido aqui na localidade de Santa Rosa, no Rio Grande do Sul.

Em 1923, após um período de paciência para tratar da saúde, Lohmeier trouxe consigo alguns grãos de soja, sementes crioulas dentro de uma garrafa de vidro, que foram plantadas e colhidas pela sua família no Fazenda Lohmeier. Na experiência de recriação a variedade teve o nome de 'Soja de Lohmeier' e foi distribuída para outras famílias pioneiras missionárias da região: Bruno Schwarz, Bruno e Rosemarie, Gustav, Ernest e Johan Müller. De plantio, moagem e exportação, a soja passou a ser produzida e comercializada em grãos de colheita comunitária, sempre sob o nome de Lohmeier. É assim que nasceu a planta ancestral da soja no Brasil.

Com o passar dos anos, as sementes foram sendo compartilhadas entre os produtores, mas passaram de soja luterana por todos os cantos do nosso país, e neste ano de 2024, ao que celebramos os 100 anos dos primeiros grãos de soja colhidos no Brasil, nossa paciência e maior produção e exportação de soja do mundo.

No 1º ano de comemoração da soja, o Conselho da Fina Nacional de Soja (FNCS) a propriedade da Família Lohmeier nos Estados Unidos, para comemorar a origem de todo o cultivo de soja no Brasil, homenageia o primeiro grão de soja luterana trazido para o Brasil por Albert A. H. Lohmeier e apresenta em sua homenagem o primeiro grão de soja luterana, aqui no Mato do Rio Grande do Sul.

1º de dezembro de 2024





# Celebration of 100 Years of Soybean in Brazil

## Rio Grande do Sul

©Fenasoja Brasil



**Santa Rosa, RS**  
December 1st, 2024



# Crop Prospects in Brazil



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# How It's Going So Far in Soybean Season



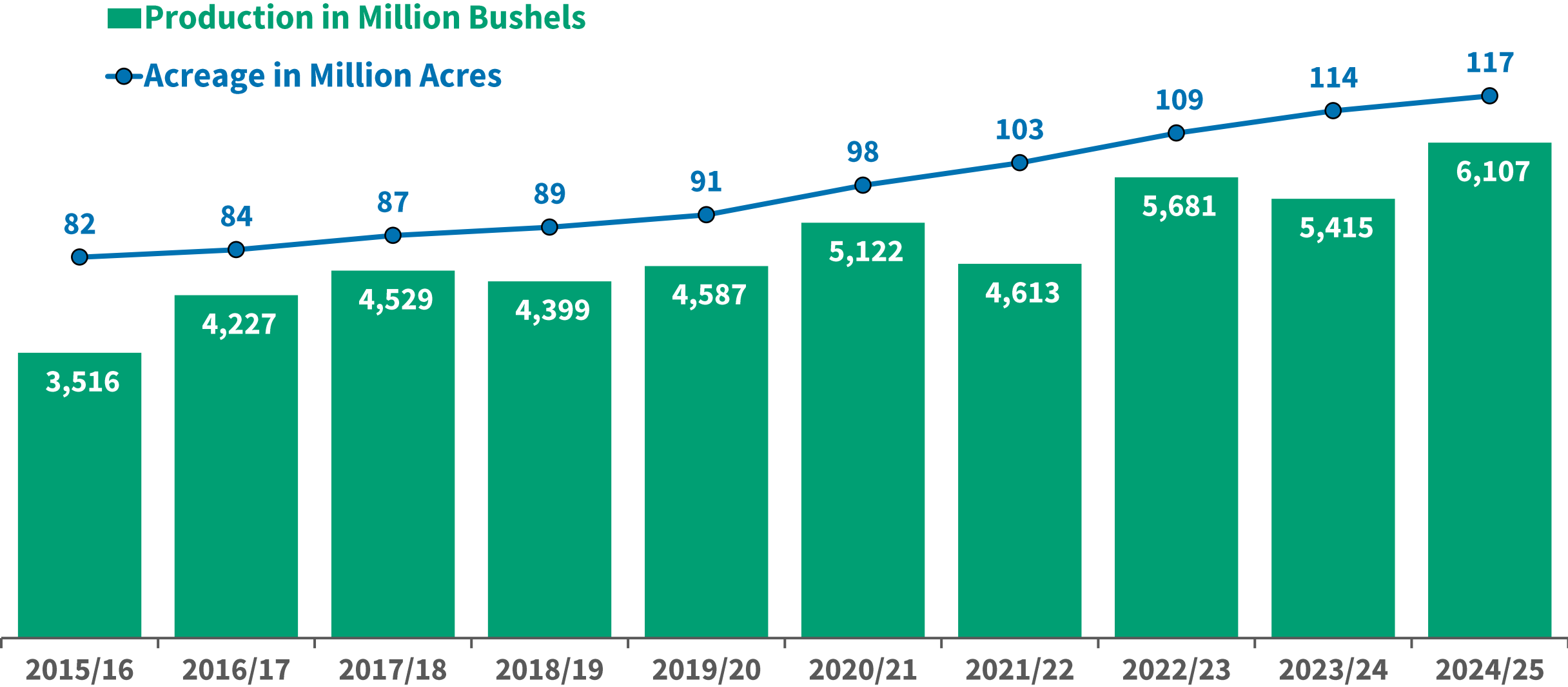
- As of Dec 8, **94% of the soybeans** were planted in Brazil (Conab).
- Brazilian soybean acreage is projected **to grow by 2.6%**.
- This marks the **slowest growth** in a decade, driven by lower profit margins for farmers.
- Despite this, the 2024-2025 the soybean crop is forecasted to **hit a record** 6.1 billion bushels.



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# Soybean Acreage and Production in Brazil

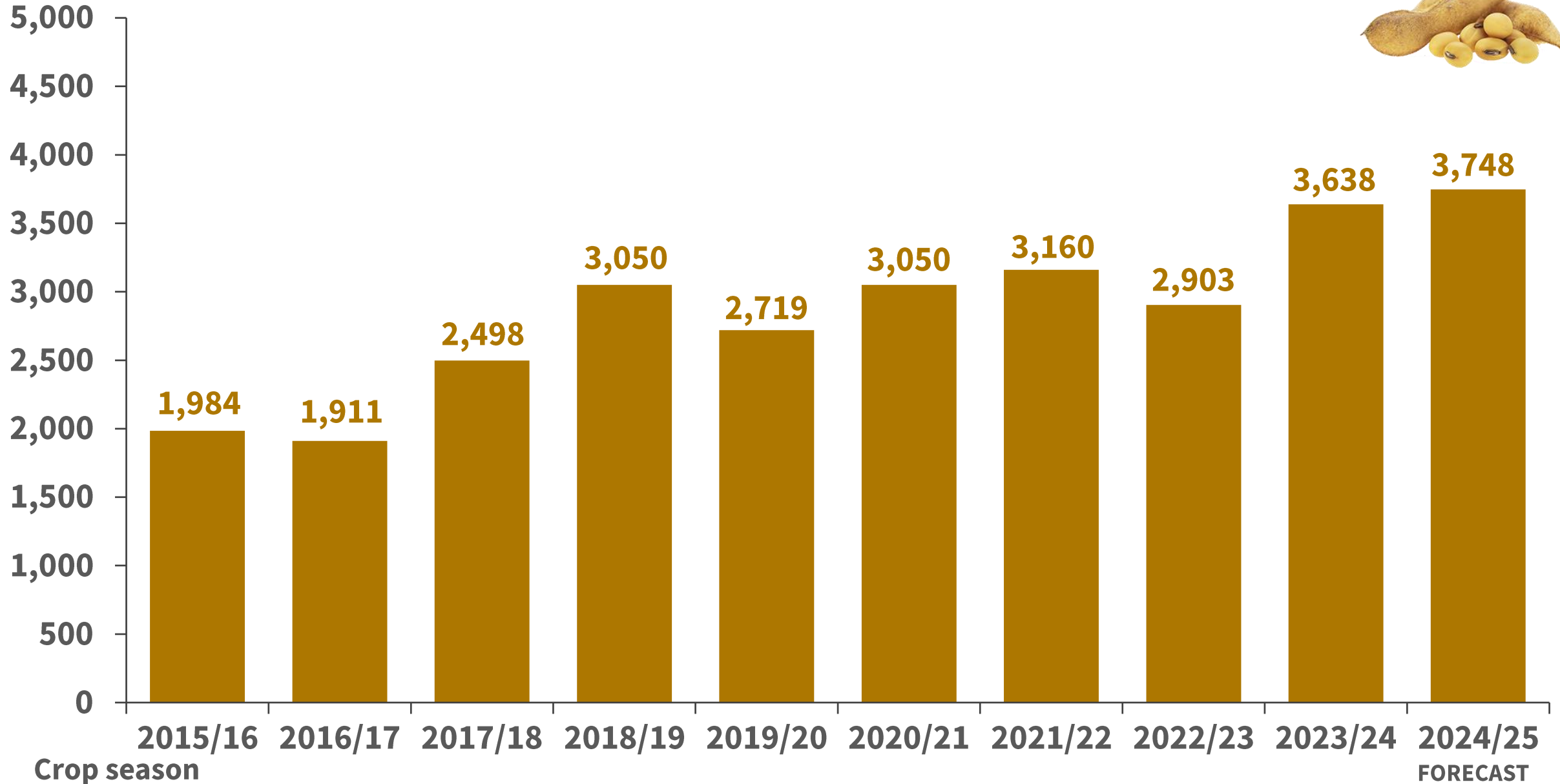


Crop season

FORECAST



# Brazil Has Broken Soybean Export Record (in million bushels)



Source: Brazilian Foreign Trade Secretariat (SECEX)

FORECAST



# Higher Supply and Favorable Exchange Rate



- The projected record exports are based on **abundant supplies** and a highly **favorable exchange rate** for Brazilian farmers.
- Brazilian currency depreciation against the US dollar often benefits farmers by **making exports more competitive**, although it raises the cost of imported inputs.
- Market expectations indicate that the Brazilian real will continue trading at around **R\$6 to USD \$1 in 2025**.



# How It's Going So Far in Corn Crop Season



- As of Dec 8, **72% of the corn first crop** was planted (Conab).
- Brazilian corn acreage is expected **to remain stable**.
- Total corn crop is expected to reach 4.7 billion bushels, a **3% increase** compared to last year.
- If achieved, this would mark the **second-largest** harvest in history.



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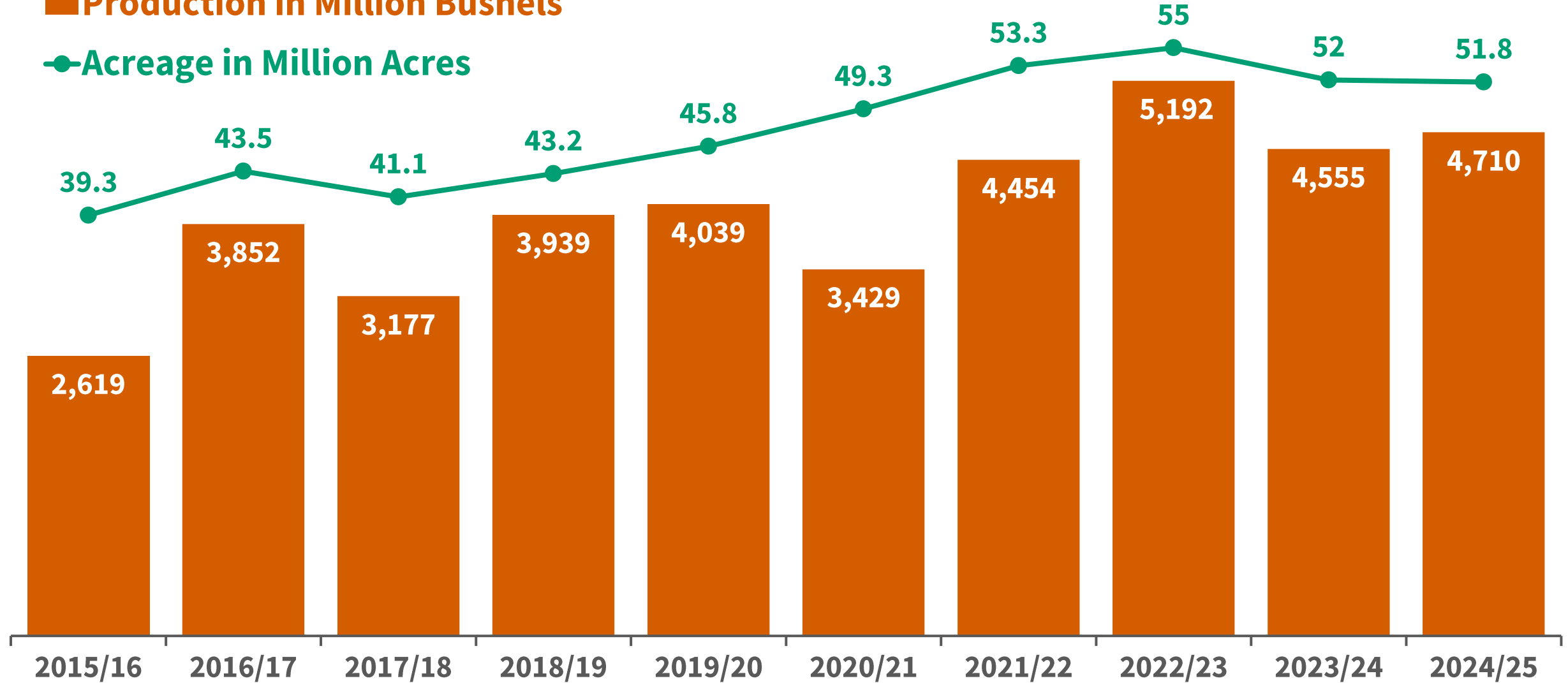


# Total Corn Acreage and Production in Brazil



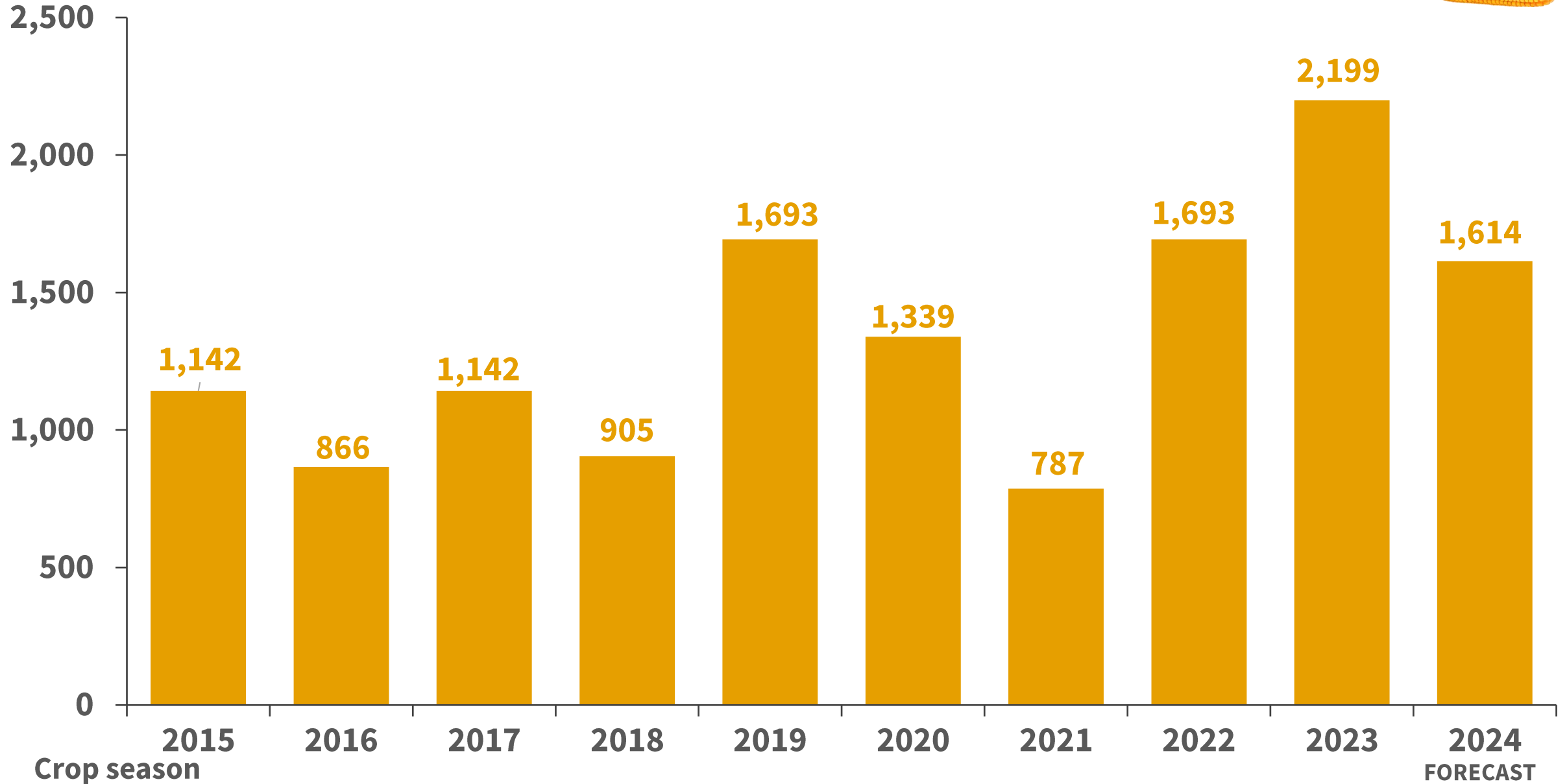
■ Production in Million Bushels

● Acreage in Million Acres





# Brazil Has Reduced Its Shipments in 2024 (in million bushels)



Source: Brazilian Foreign Trade Secretariat (SECEX)

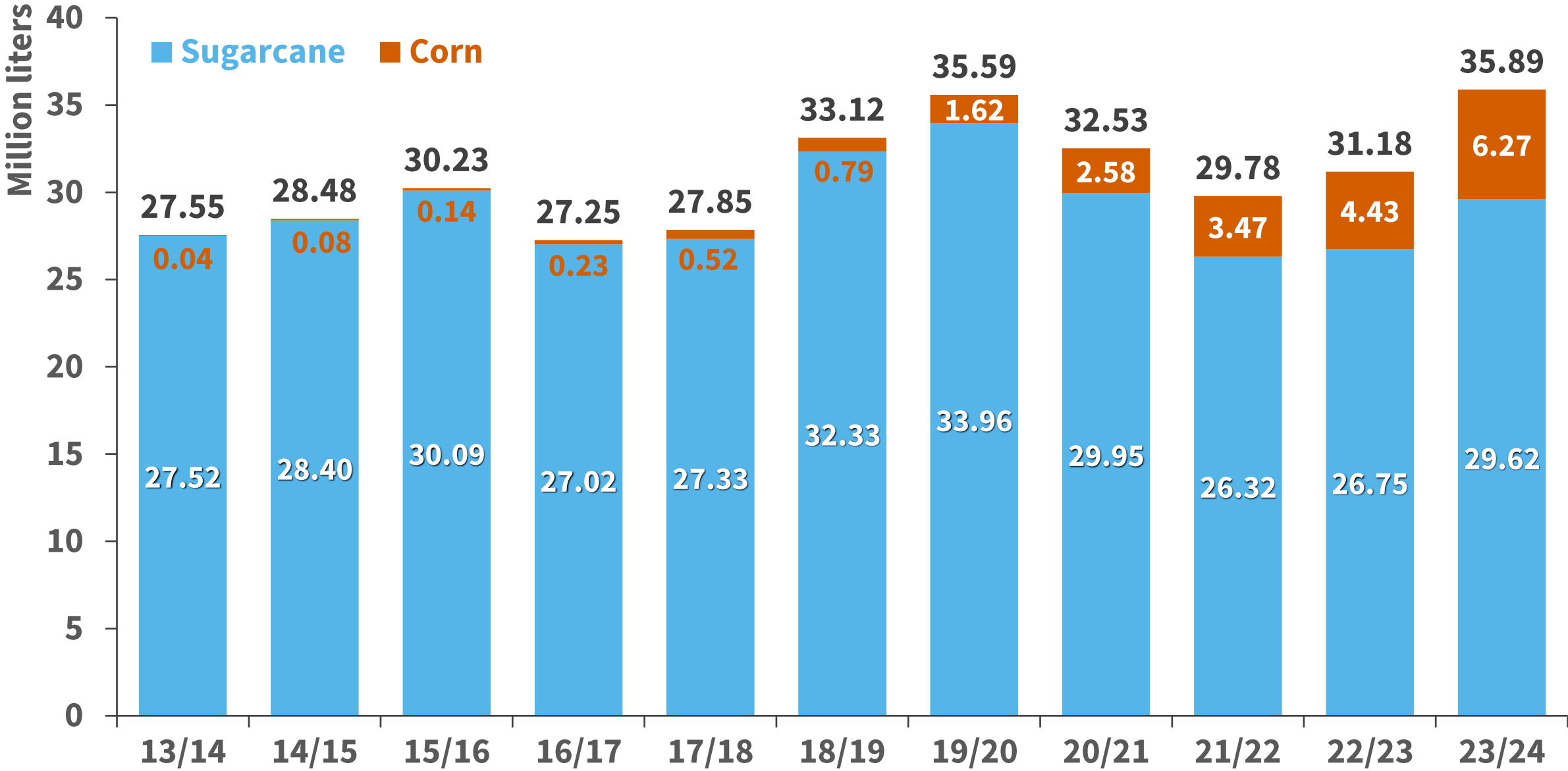


# The Slowdown in Brazil's Corn Exports



- The recovery of supply in other major producing countries and the **decline in Chinese demand** have contributed to a slowdown in Brazil's corn exports.
- **Major corn producers**, such as the United States, Europe, and Argentina, have **expanded their production and exports**.
- Fall is typically the period when Brazil's corn exports peak, but that trend is not happening. Meanwhile, **U.S. corn export sales have been strong** in the past few weeks.

# Corn Ethanol Production Remains Growing in Brazil



FORECAST



# Crop Prospects in Argentina

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# Contrasts in Argentina Crop Season



- Unlike in Brazil, soybeans and corn share the same planting period in Argentina, competing for the **same growing area**.
- Last season, corn faced significant **losses due to a bacterium** spread by the leafhopper pest, which stunts crop growth.
- Many **farmers lost their entire corn** crop to the disease, making them particularly cautious this season.
- **La Niña** introduces uncertainty, as the phenomenon is typically associated with **dry conditions**. So far, it seems to be mild.



# How It's Going So Far in Soybean Season



- As of Dec. 12, **66% of the soybeans** were planted in Argentina (SAGyP).
- Soybean planted area is expected **to grow by 7%** in the 2024-25 crop season to 44 million acres.
- **Largest expansion** in soybean planting since the 2015-16 season.
- Production is projected to reach 1.9 billion bushels, **a 6% increase**.



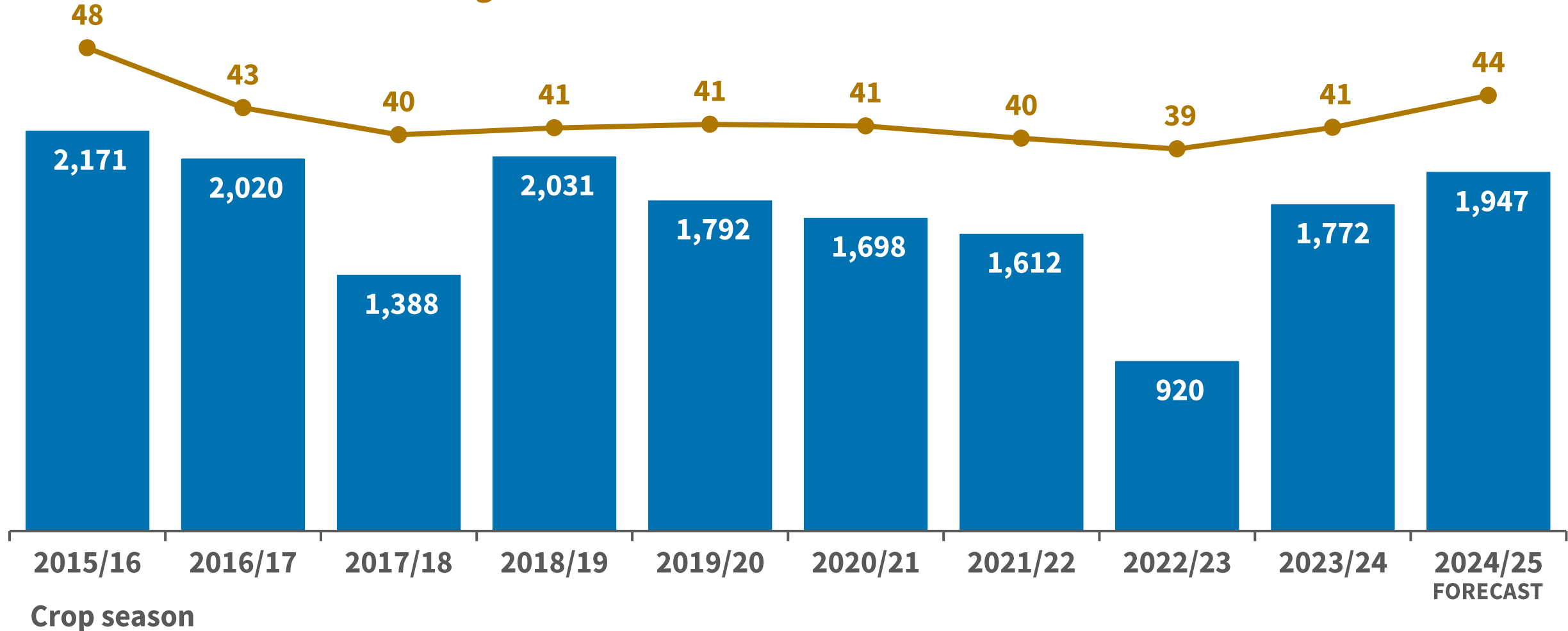
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# Soybean **Acreage** and **Production** in Argentina



■ Production in Million Bushels

● Acreage in Million Acres



Source: Secretariat of Agriculture in Argentina (SAGyP) and Rosario Board of Trade (forecast)



# How It's Going So Far in Corn Season



- Argentina's corn planted area is projected to **decrease by 24%** (equivalent to 6 million acres).
- This would mark the largest relative drop in corn acreage in **17 years**.
- Corn harvest is projected to be 2 billion bushels, a **10% decline** compared to the previous season.
- The primary factor behind the decline is the impact of **corn stunt disease**.



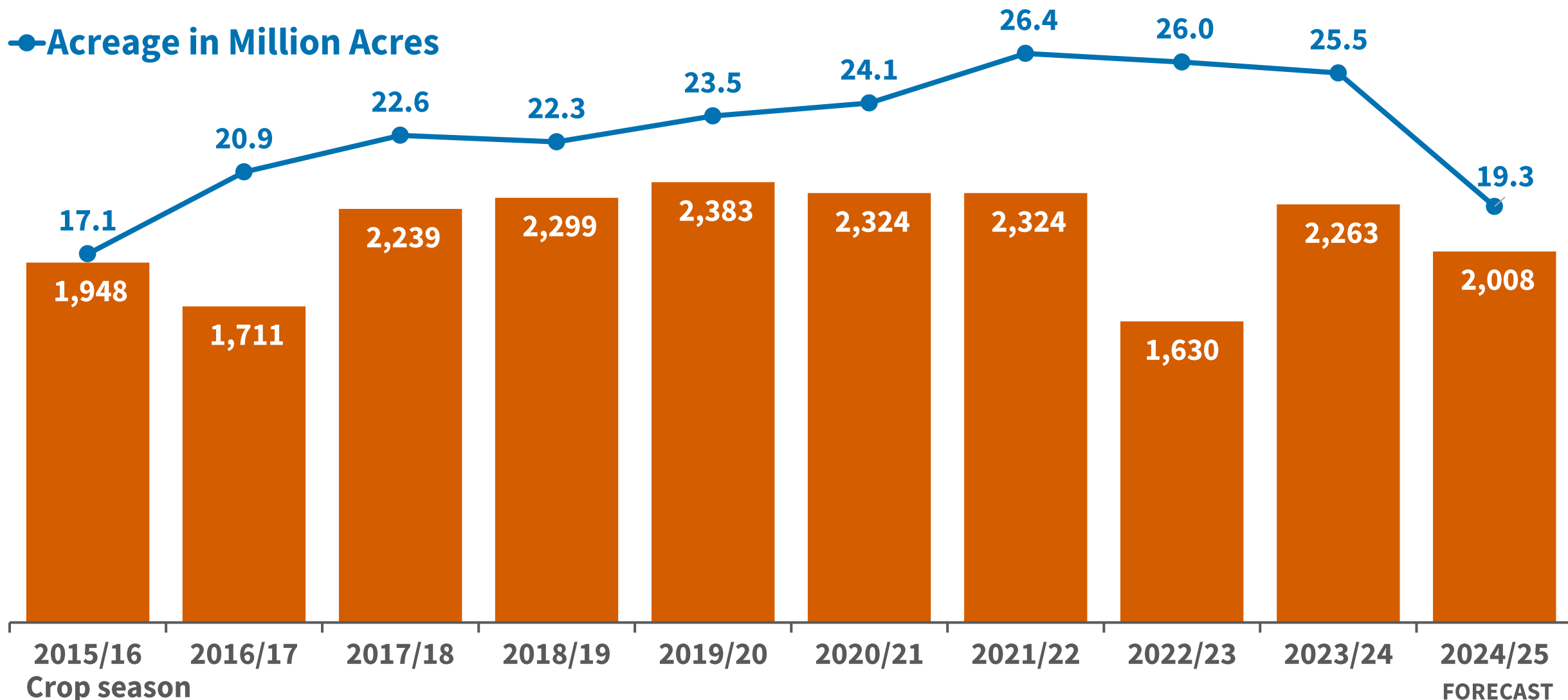
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# Total Corn Acreage and Production in Argentina



■ Production in Million Bushels

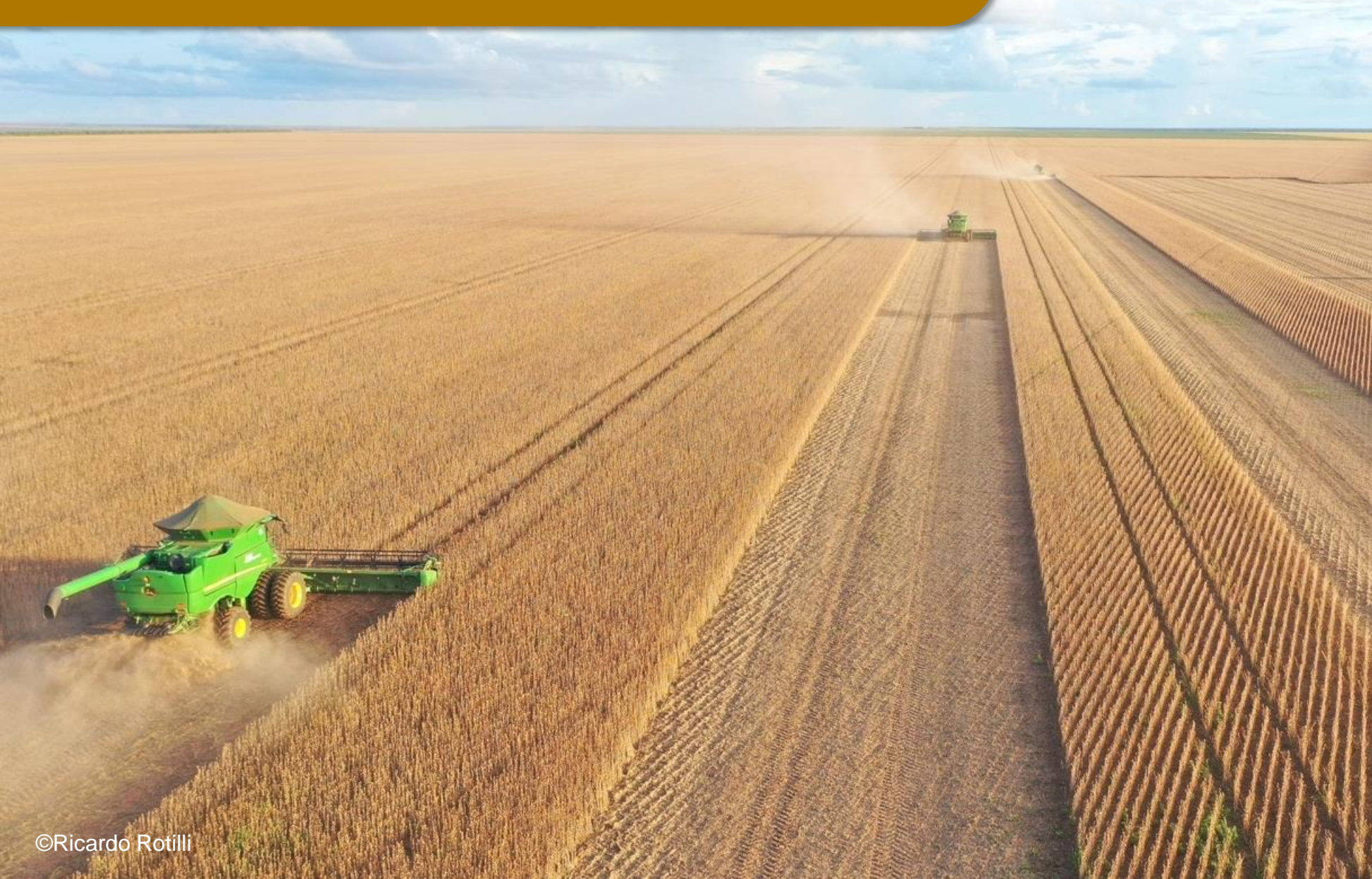
● Acreage in Million Acres



Source: Secretariat of Agriculture in Argentina (SAGyP) and Rosario Board of Trade (forecast)



# What Does the Future Hold?



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# What is the real expansion potential?

- How many acres of degraded pastureland could Brazil convert into crop production – without deforestation?



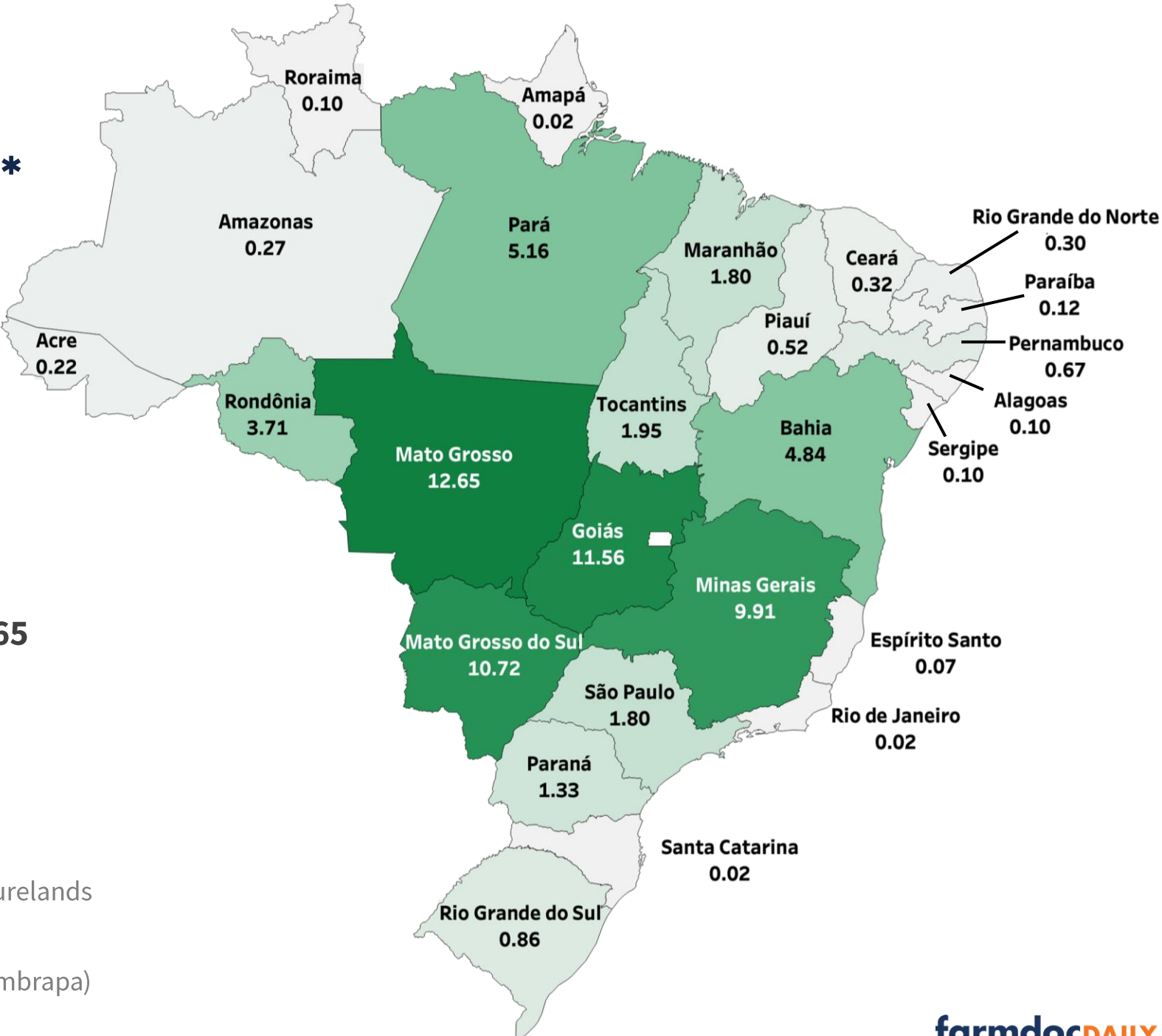
**+70 million acres**

**35% increase  
compared to the  
current crop season**

Source: Embrapa, 2024



# Figure 1: Crop Expansion Potential in Brazil Based on Degraded Pastureland\* (in Million Acres)



\* Crop expansion potential area means degraded pasturelands with a high potential for rainfed crop plantation

Source: Brazilian Agricultural Research Corporation (Embrapa)

# What is the real expansion potential?

- How many acres of double-cropping soybeans with second-crop corn could increase in Brazil?



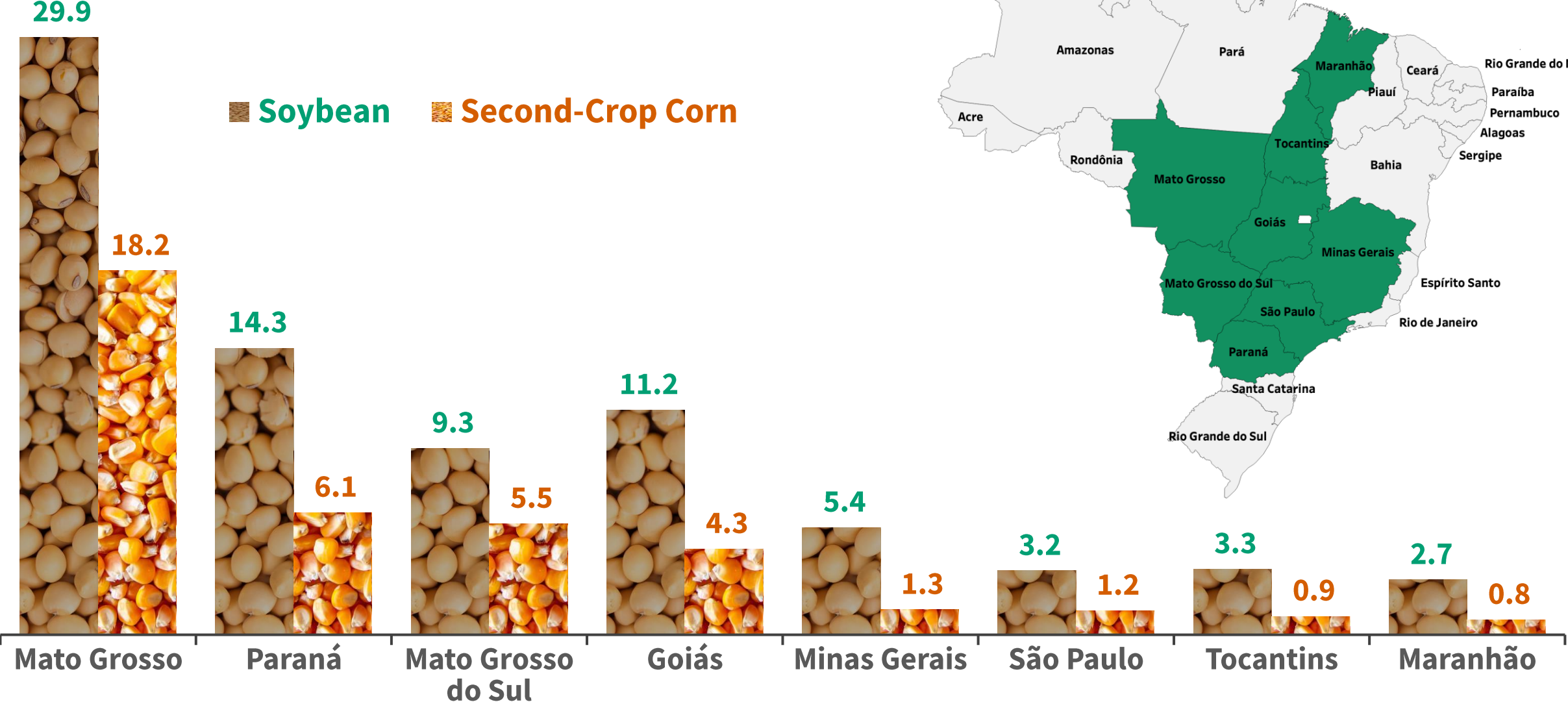
**+40 million acres**

**Double compared to  
the current crop season**

Source: Embrapa, 2024



# Figure 2: Comparison of Soybean and Second-Crop Corn Planted Area (2022/2023 Crop Season, in Million Acres)



# What does the future hold?

## Projections for the next decade

Production (million bushels)	Brazil		
	2023/24	2032/33	Change
Soybean	5,414	6,860	27%
Corn	4,561	6,292	38%

Production (million bushels)	United States		
	2023/24	2032/33	Change
Soybean	4,480	4,840	8%
Corn	15,265	16,180	6%

Exports (million bushels)	Brazil		
	2023/24	2032/33	Change
Soybean	3,417	4,460	30%
Corn	1,973	2,593	31%

Exports (million bushels)	United States		
	2023/24	2032/33	Change
Soybean	2,050	2,215	8%
Corn	2,275	2,725	20%



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