GIEWS Country Brief
Brazil

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HIGHLIGHTS
- Cereal output for 2018 expected at last five-year average
- Maize exports forecast at near-record level in 2018/19 marketing year
- Prices for maize and wheat above last year's level, mainly due to weak local currency

Cereal output for 2018 expected at last five-year average level
Cereal production in 2018 is estimated at a near-average level of 99 million tonnes, about 13 percent lower than the previous year's record level.

The reduced year-on-year output is mainly due to a decline in maize production, which is estimated at 83 million tonnes, 15 percent down from the 2017 output. Harvesting of the second season maize crop, for which planting operations were delayed due to dryness, is still underway. The reduced output reflects a contraction in the area sown by both seasons, sustained by low maize prices pressured downwards by ample supplies from the good 2017 maize output as well as dry weather conditions in late April and May that negatively affected yields.

By contrast, the 2018 wheat production is anticipated to recover from the previous year's low output, increasing by 15 percent year-on-year. The crop has been planted on a larger area and is well-developing under favourable climate conditions with expected improved yields. However, the wheat output in 2018, anticipated at 4.9 million tonnes, would still be 14 percent lower than the last five-year average, sustained by good harvests in 2014 and 2016 due to the large area sown and high yields, respectively.

Harvesting of the 2018 rice crop has been completed with an estimated average output of 11.7 million tonnes. In the major producing Rio Grande do Sul State, a delay in plantings was offset by particularly good growing conditions in February and March, leading to the second highest yields on record.

Maize exports forecast at near-record level in 2018/19 marketing year
The continued deflation of the local currency is boosting strong demand of Brazilian maize by importing countries. Therefore, exports of maize during the 2018/19 marketing year...
(March/February) are forecast at a well above-average level of 31 million tonnes. Wheat imports in 2018/19 (August/July) are expected at a well above-average level of 7.5 million tonnes, mainly reflecting the expected decline in 2018 output.

### Prices for maize and wheat above last year’s level, mainly due to weak local currency

Prices of yellow maize steadily increased from the beginning of 2018 due to a weakening local currency and transportation strikes in May over soaring fuel prices. Then maize prices declined in July, sustained by improved domestic supplies of the ongoing second season harvest. However, they were still 53 percent higher than a year earlier.

Similarly, prices of wheat grain increased since February 2018, underpinned by the weaker local currency.

Prices of rice paddy strengthened in July due to a year-on-year reduction in the 2018 harvest.

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