



DRIVERS OF BRAZILIAN CORN PRODUCTION

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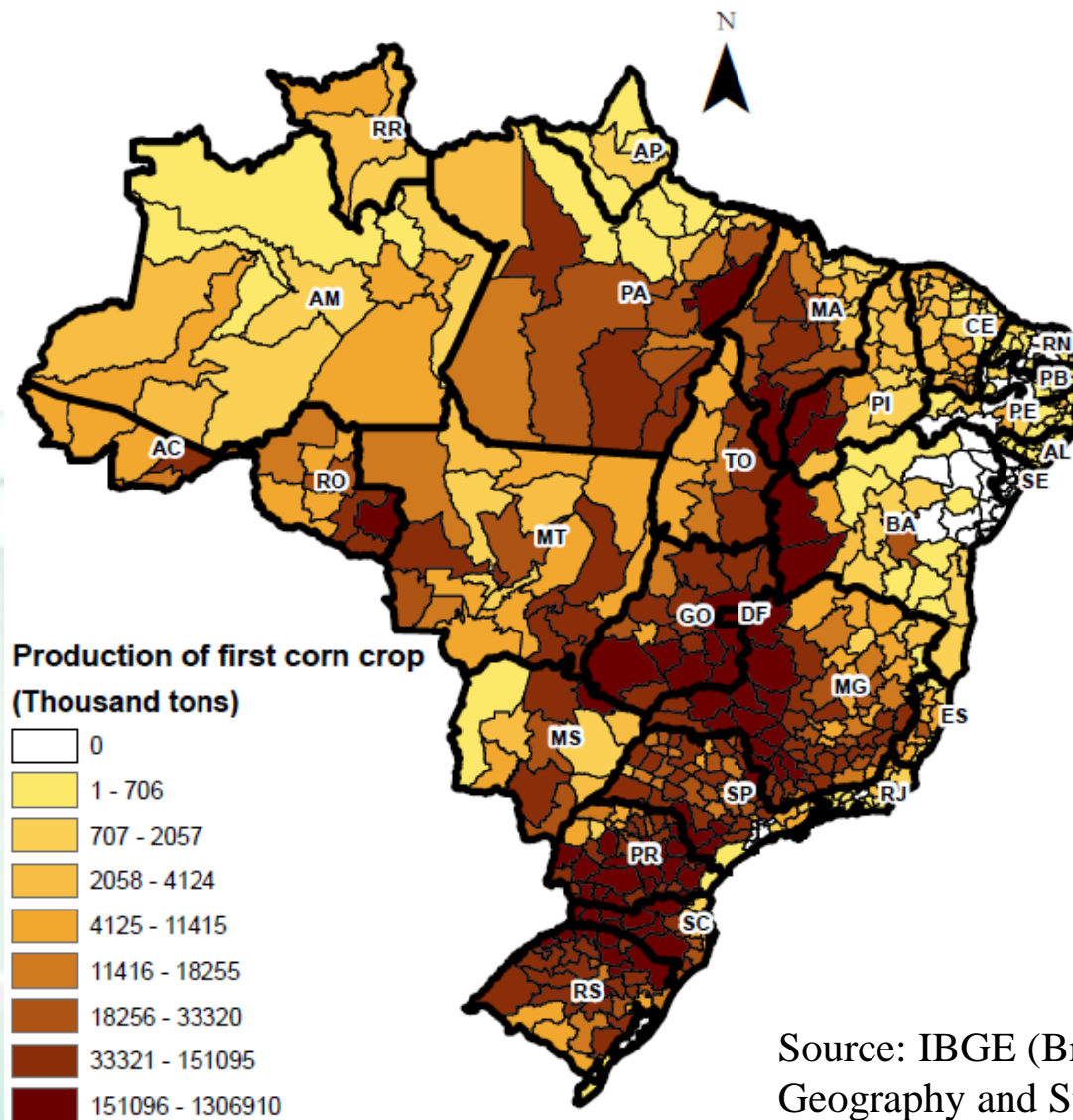
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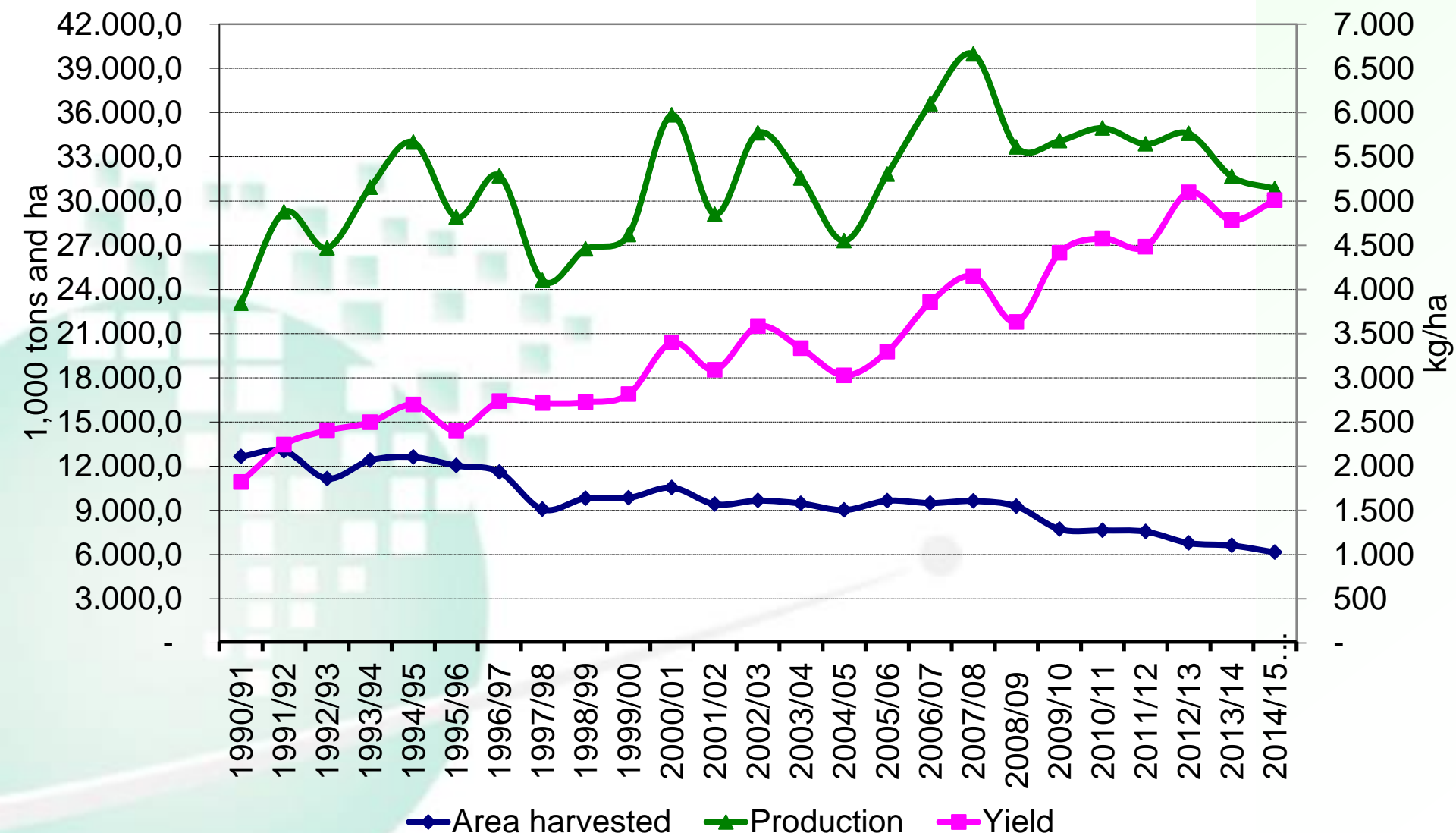
<http://www.cepea.esalq.usp.br>

Corn 1st Crop Production by Region



Source: IBGE (Brazilian Institute of Geography and Statistics)

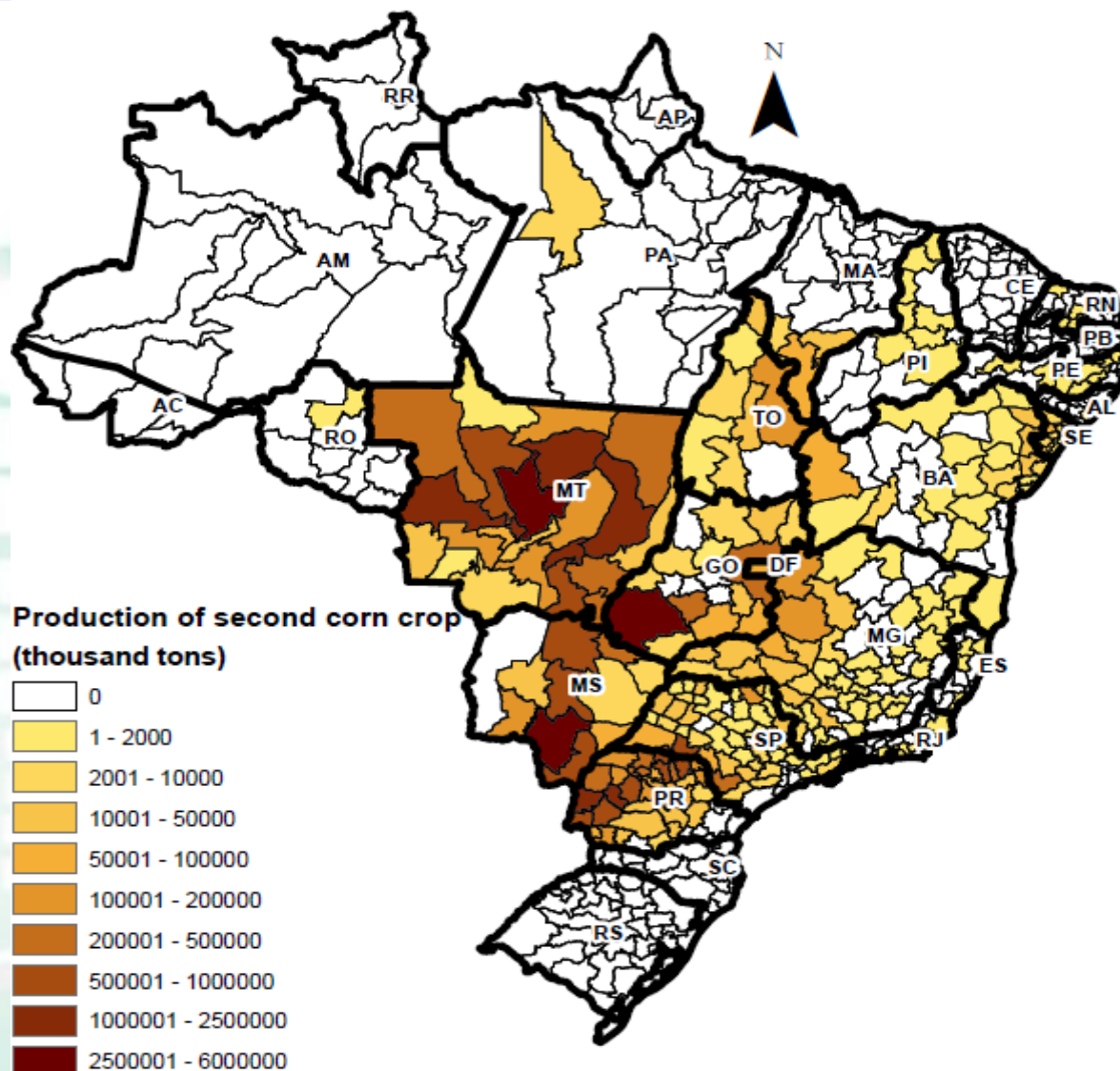
Corn 1st Crop



Source: Conab.

Lucilio Alves – July, 2015

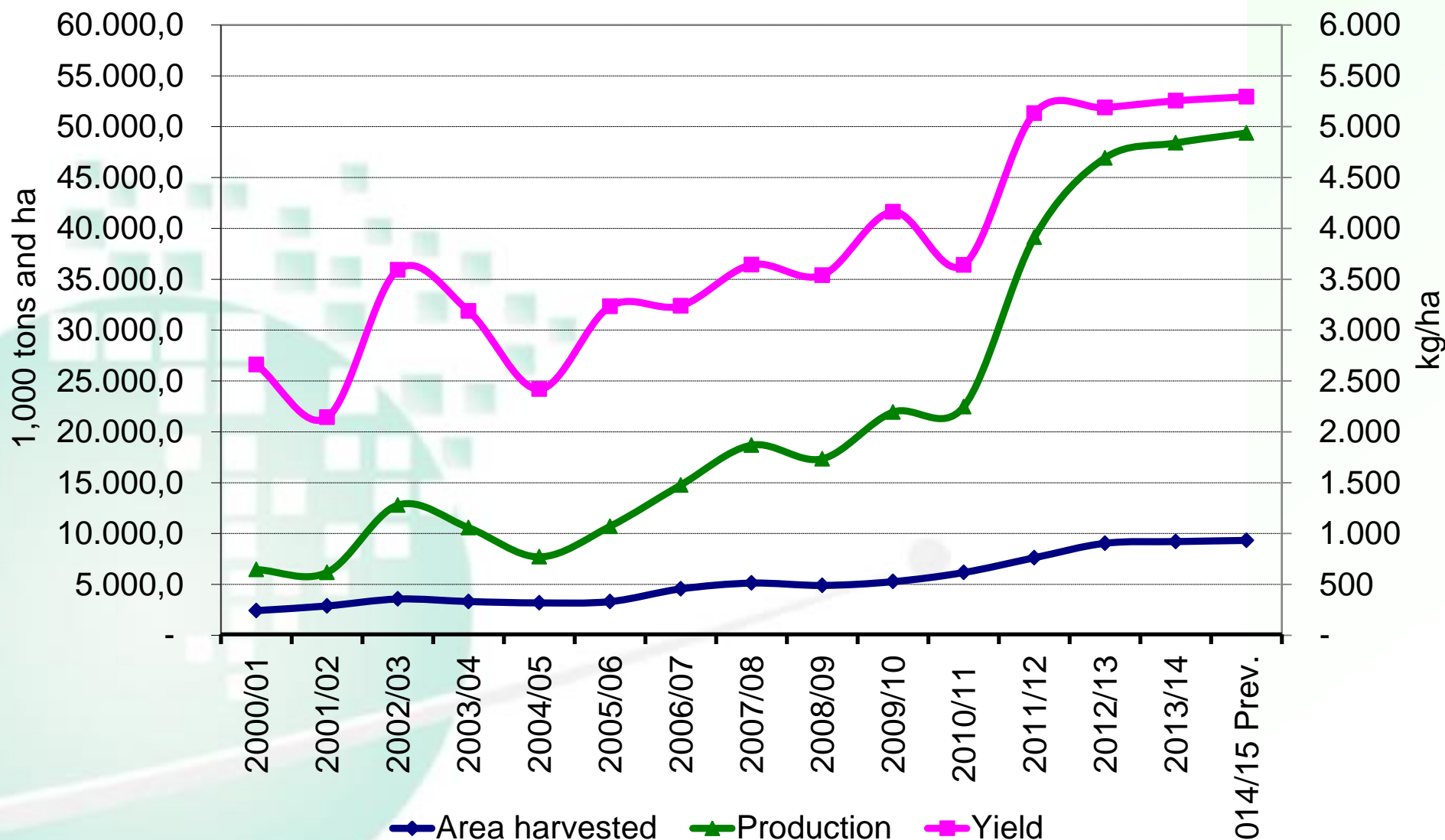
Corn 2nd Crop Production by Region



Source: IBGE.

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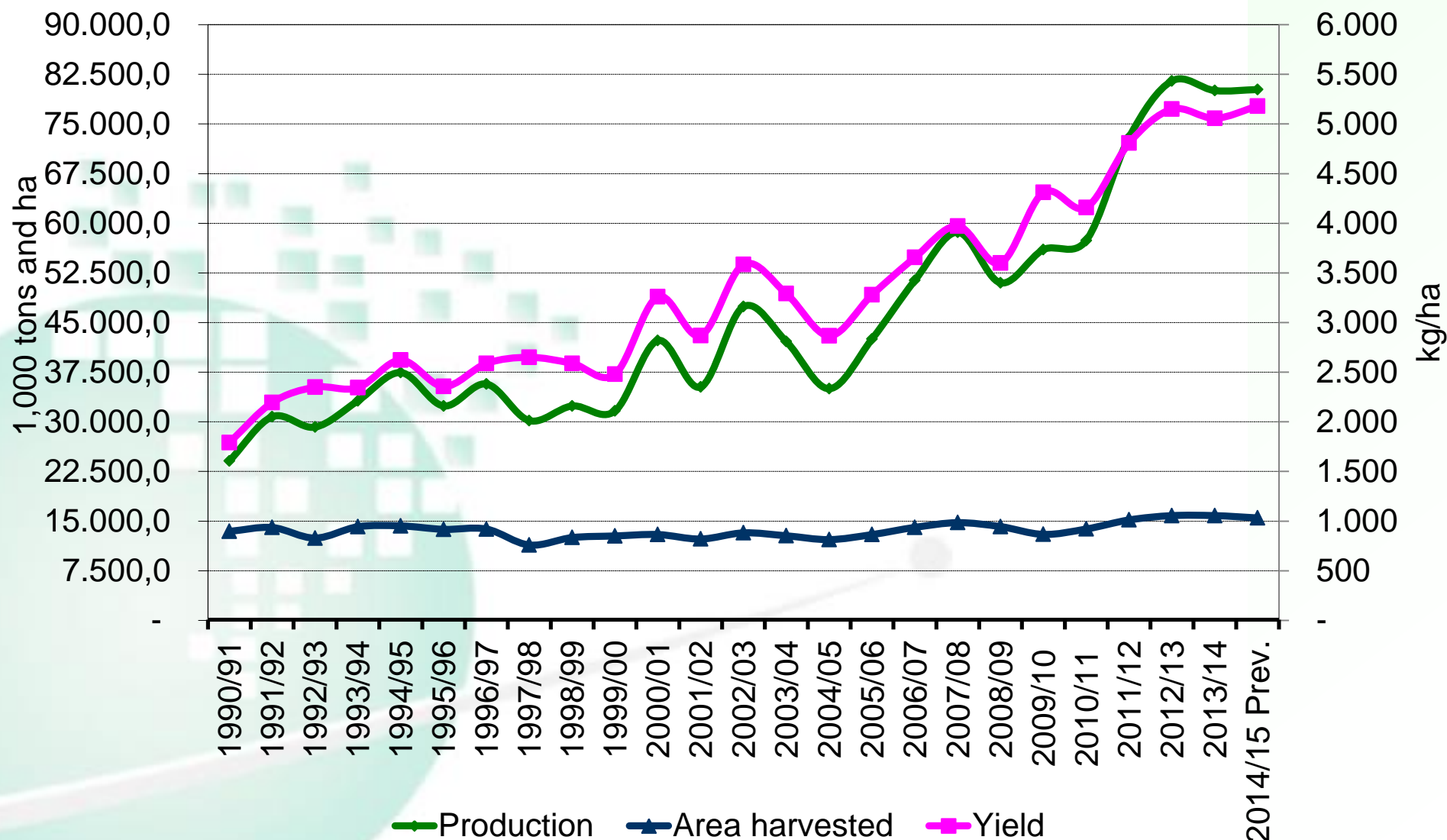
Corn 2nd Crop



Source: Conab.

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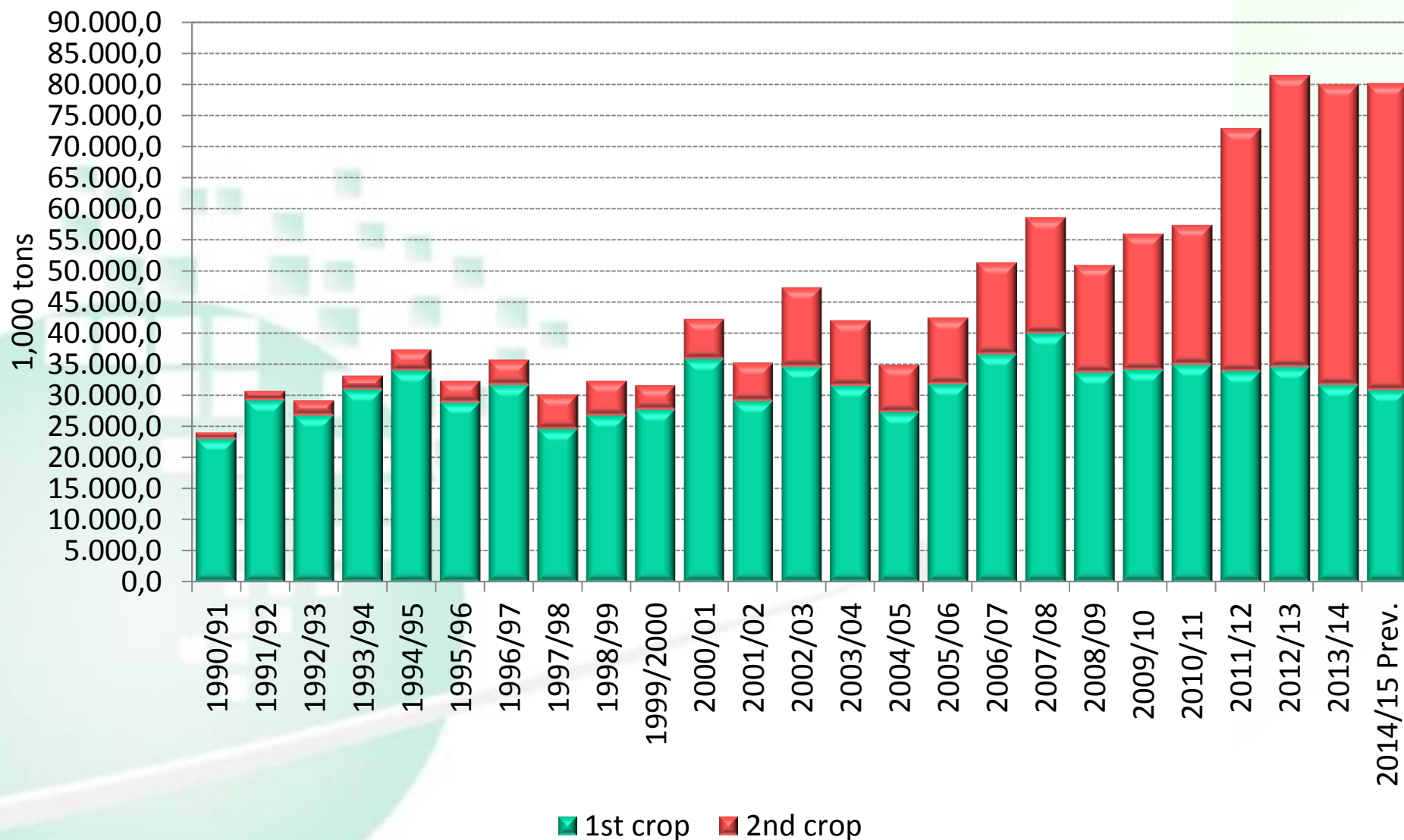
Total Corn Production



Source: Conab.

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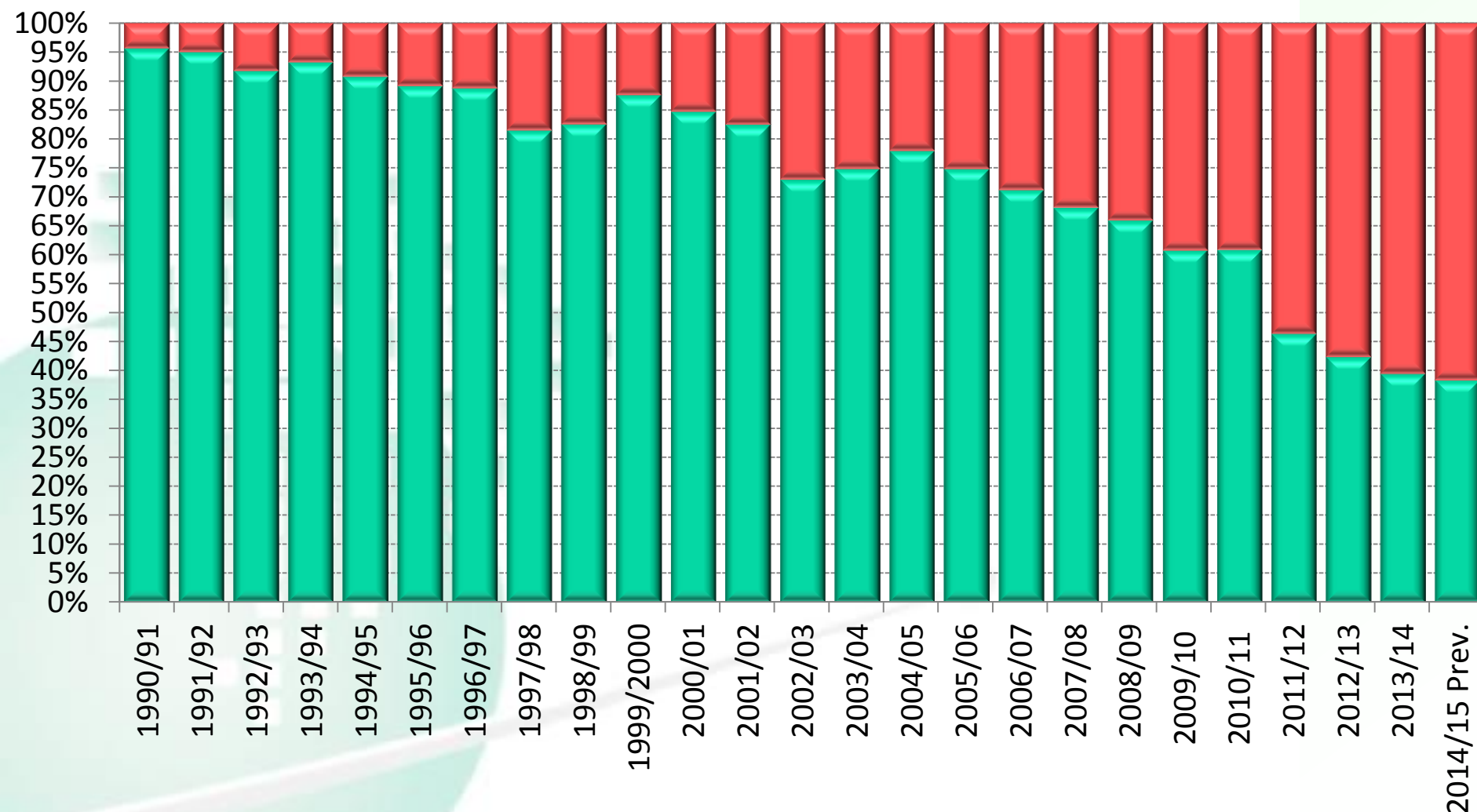
Total Corn Production



Source: Conab.

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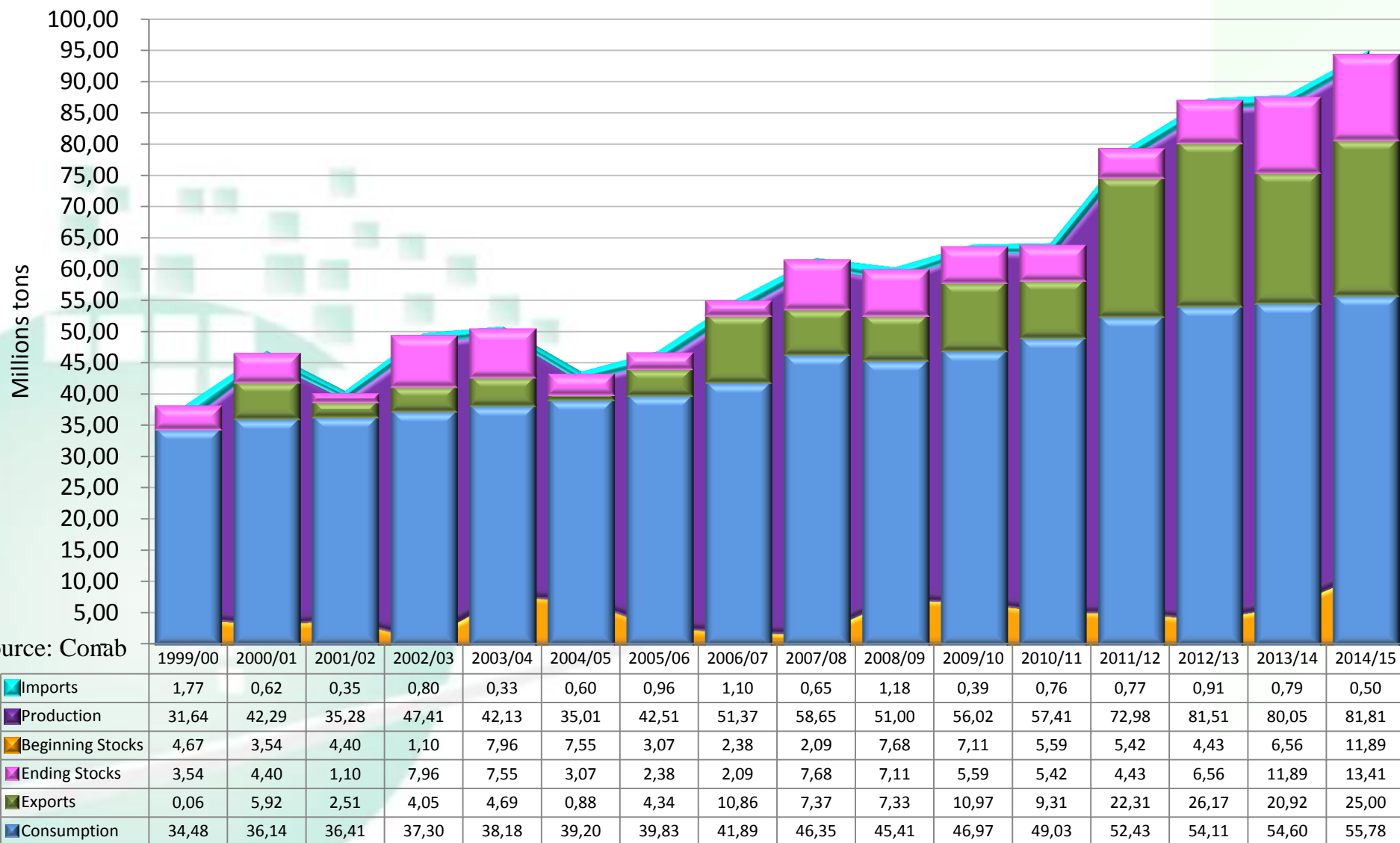
Total Corn Production



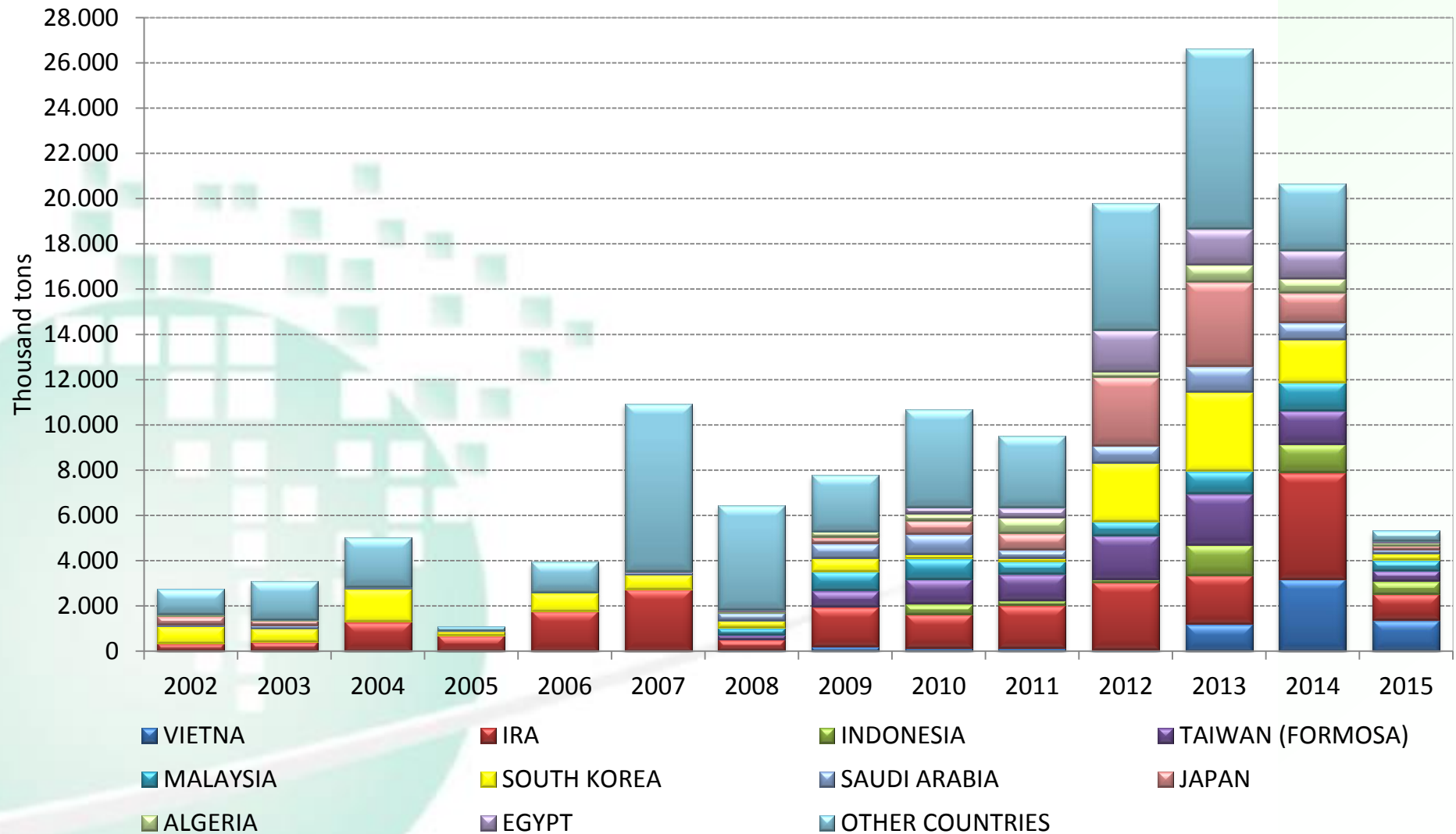
Source: Conab.

■ 1st crop ■ 2nd crop

Supply and demand in Brazil

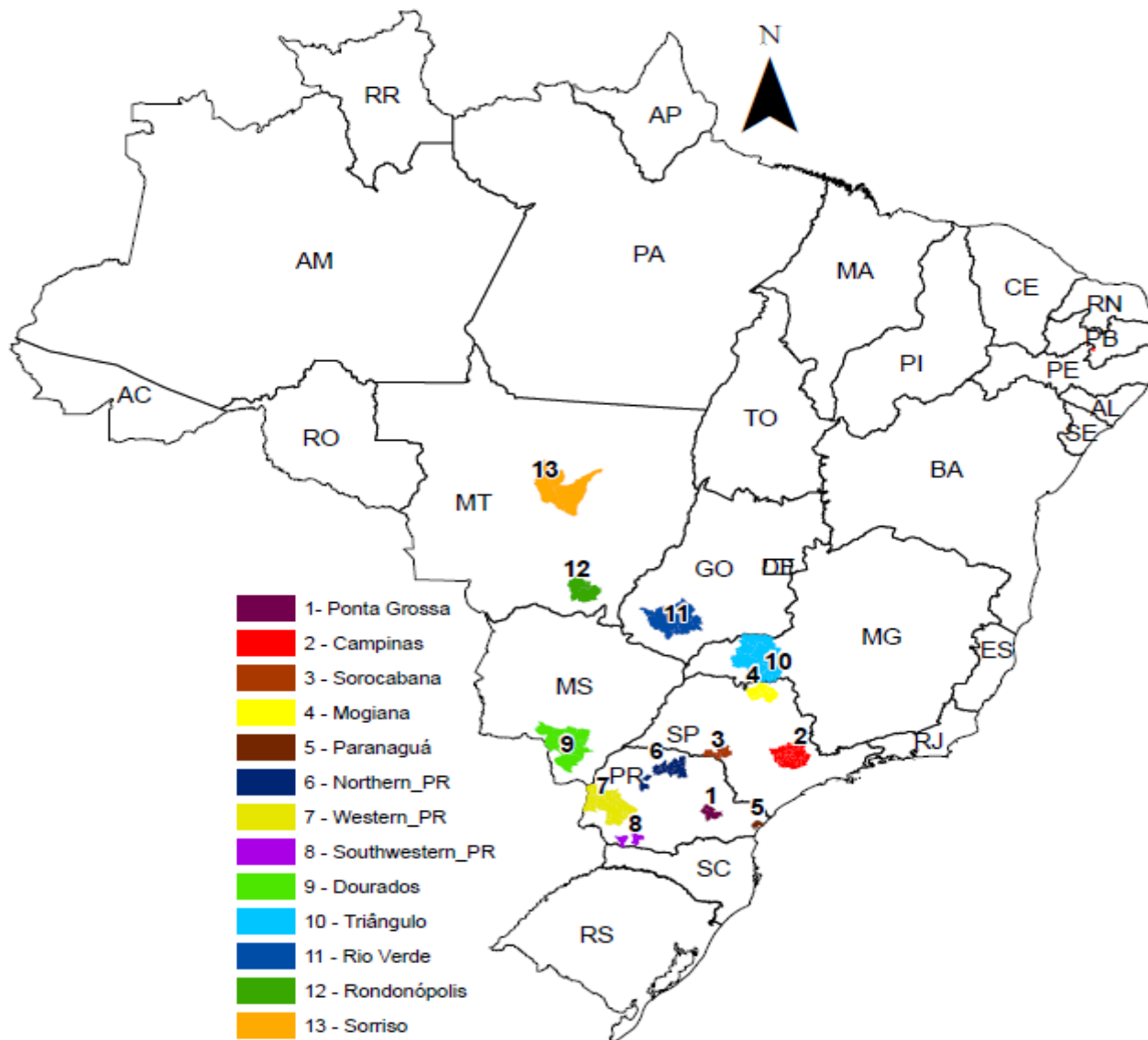


Annual corn exports by destination country



Source: Secex.

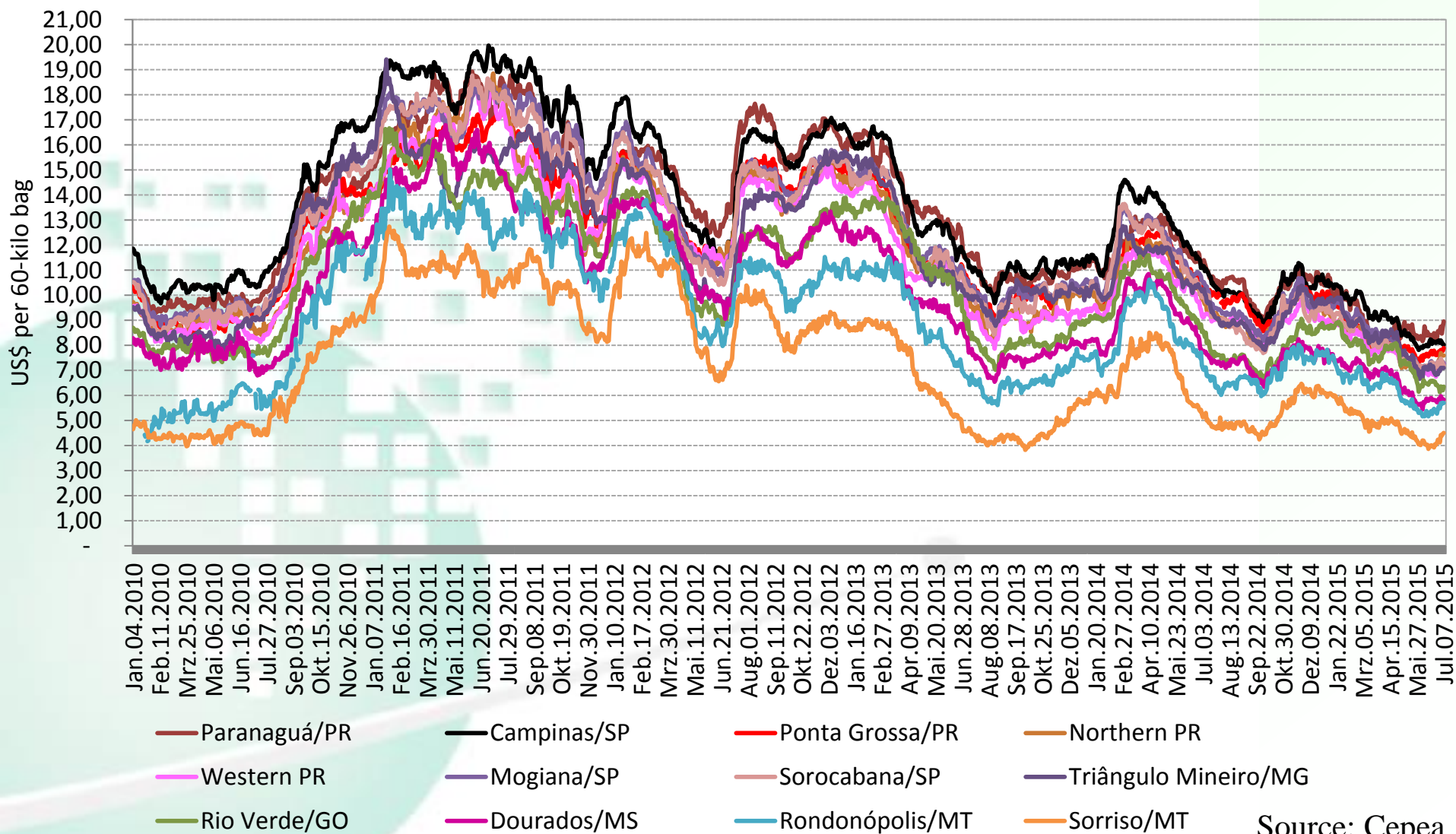
Surveyed areas



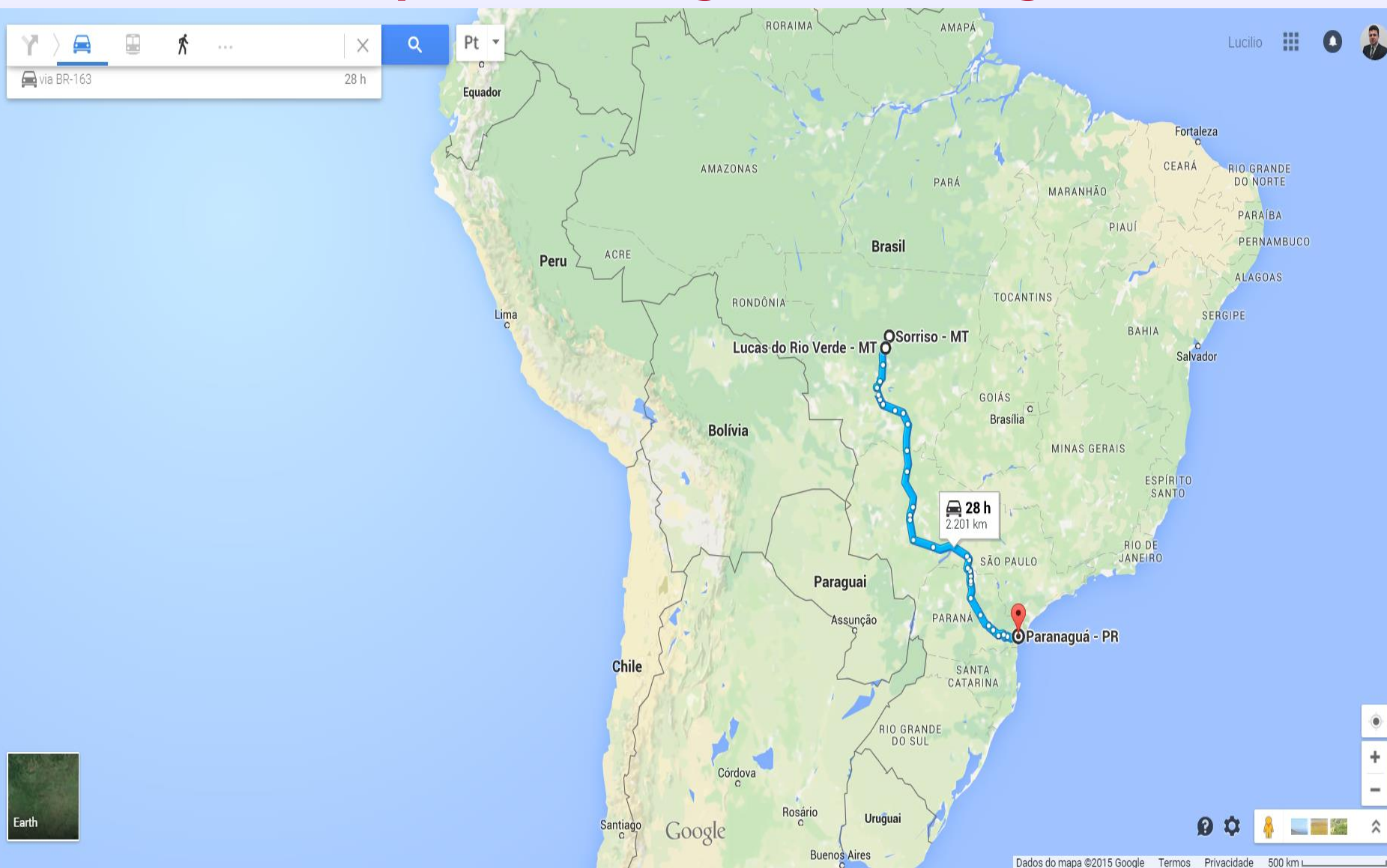
Source: Cepea.

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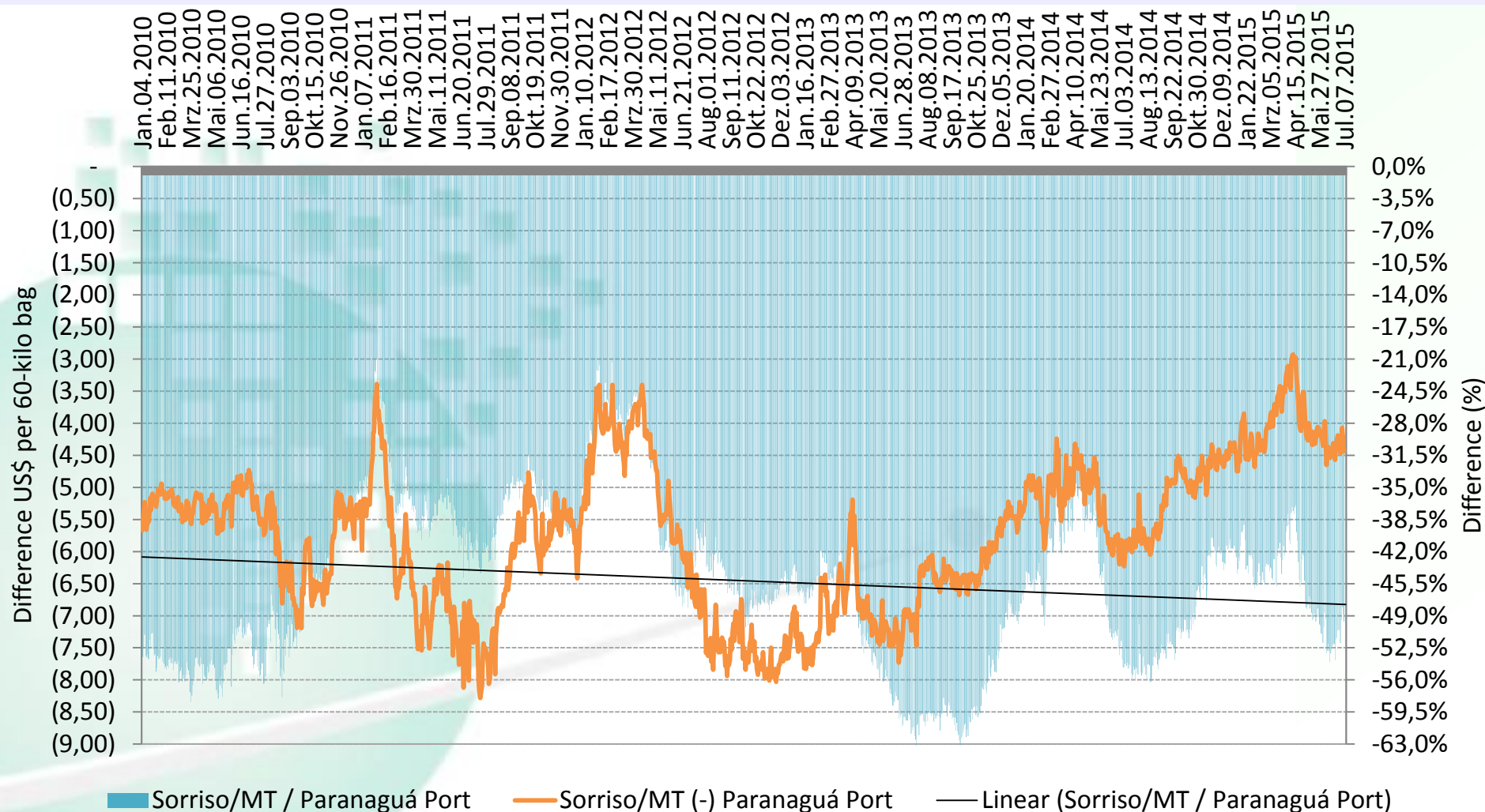
Daily corn prices in the wholesale market – Brazil



Distance production region to Paranaguá Port

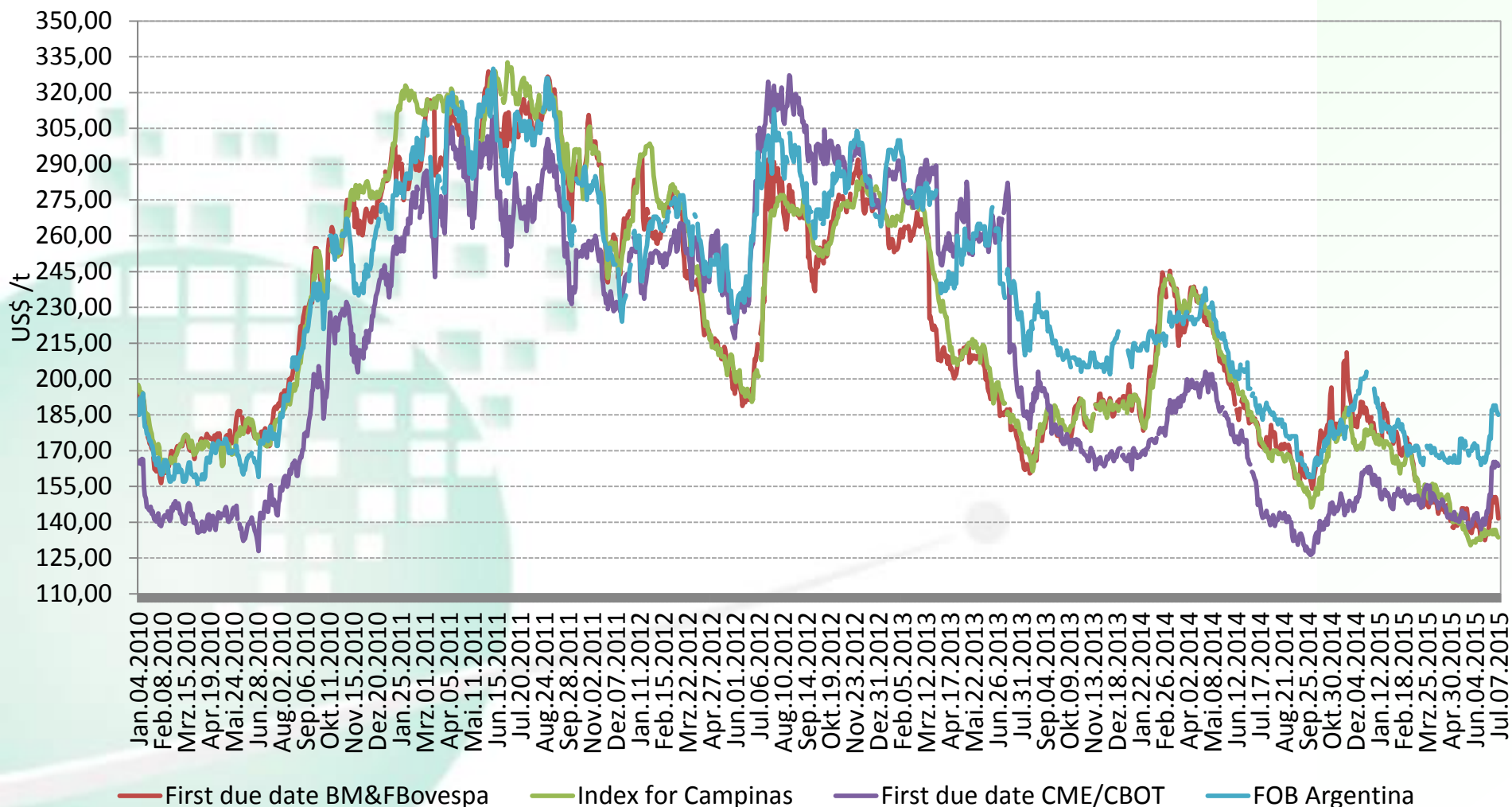


Daily difference corn prices between Sorriso/MT to Paranaguá Port



Source: Cepea

Price comparisons among Futures Market, Spot Market in Brazil and FOB Argentina



Source: CEPEA

How BR government interventions favor exports?

- Over the last years, the government made interventions in the corn market, especially when prices are below the price support (minimum to be received by farmers to pay variable costs) determined by the Brazilian government.
- The government participates with resources to pay transportation costs.

How BR government interventions favor exports?

- One mechanism is PEP (Premium for Marketing of Products). Buyers must prove the purchase from farmers and pay the price support, and the government pays the difference in relation to the market price. Purchasers who accept the lowest premium offered by the government wins the auction.
- Another mechanism is Pepro (Equalization Premium Paid to the Producer and / or Cooperative), in which sellers must prove they traded to regions in need of corn, according to the edital of the auction. Sellers who accept the lowest premium over the most determined in the announcement wins the auction.



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