



GIEWS Country Brief Brazil

Reference Date: 31-March-2021

HIGHLIGHTS

- **Maize production in 2021 officially forecast at record level**
- **Cereal output in 2020 estimated well above average**
- **Exports of cereals in 2021/22 marketing year anticipated to remain high**
- **Prices of cereals increased in early 2021, standing well above year-earlier levels**
- **Social assistance programmes extended in 2021 to support vulnerable households**

Maize production in 2021 officially forecast at record level

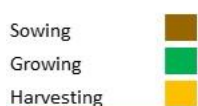
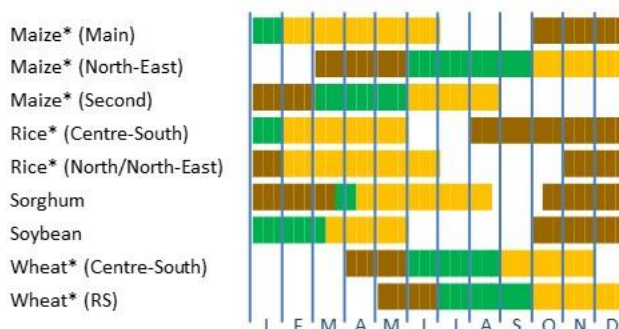
Planting of the 2021 (main) second season maize crop started in early February with some delay due to the slow harvest of soybeans, which precedes the main maize season. Although the planting window usually ends in early March, planting operations are still ongoing as remunerative prices have prompted farmers to expand sowings. Reflecting the expected increase of the planted area, production is officially forecast at a record level. However, there are concerns regarding the impact on yields, as below-average rainfall amounts and high temperatures are forecast for the April-June period in the key producing southwestern region. Harvesting of the (minor) first season maize crop, which accounts for about 30 percent of the annual output, is ongoing. Production is expected at a below-average level due to reduced plantings, which have been decreasing in the last ten years in favour of soybeans. Yields are also anticipated at below-average levels, as unfavourable weather conditions between November 2020 and January 2021 in the southern producing areas affected crops at seedling and flowering stages. The 2021 aggregate maize production is officially forecast at an all-time high of 108 million tonnes, exceeding by 5 percent the previous record level registered in 2020.

Harvesting of the 2021 paddy crop is ongoing in key producing central and southern regions and production is officially forecast at 11 million tonnes, slightly below the five-year average. This is mainly the result of above-average yields compensating the low level of plantings, which have been steadily declining over the past 30 years as farmers have shifted to more remunerative maize and soybean crops.

Brazil

Crop Calendar

(*major foodcrop)



Source: FAO/GIEWS.

Brazil

Cereal Production

	2016-2020 average	2020	2021 forecast	change 2021/2020
	000 tonnes			percent
Maize	88 893	102 519	108 069	5.4
Rice (paddy)	11 332	11 183	10 968	-1.9
Wheat	5 583	6 235	6 437	3.2
Others	3 196	3 770	3 986	5.7
Total	109 004	123 707	129 460	4.7

Note: percentage change calculated from unrounded data.

Source: FAO/GIEWS Country Cereal Balance Sheet.

Cereal output in 2020 estimated well above average

The 2020 aggregate cereal production is officially estimated at a bumper level of 123.7 million tonnes, with the maize harvest accounting for more than 80 percent. The 2020 maize and wheat outputs are estimated at above-average levels reflecting increased plantings and high yields. Production of paddy crop is estimated at slightly a below-average level of 11.2 million tonnes, owing to the reduced planted area, partially offset by good yields.

Exports of cereals in 2021/22 marketing year anticipated to remain high

Exports of maize, the country's major exportable cereal, are forecast at 35 million tonnes in the 2021/22 marketing year (March/February), about 20 percent above the five-year average. Exports of rice in 2021 (January/December) are anticipated at 1 million tonnes, unchanged from the high levels recorded in 2020. The expected high volume of aggregate cereal exports reflects the strong demand by importing countries, as the weak local currency increased the competitiveness of domestic cereals in the international markets. The Brazilian Real depreciated since early 2018 and, as of February 2021, it lost about 25 percent of its value compared to the same month in 2020.

Prices of cereals increased in early 2021, standing well above year-earlier levels

In the first two months of 2021, prices of cereals increased and were higher year on year. Wholesale prices of yellow maize increased due to concerns on the slow progress of sowings of the main season crop. The low yields of the minor season crop, currently being harvested, exerted additional upward pressure. Similarly, prices of wheat and wheat flour strengthened in this period, reflecting reduced imports between September 2020 and February 2021 compared to the same period a year before. Prices of rice also increase in the main producing state of Rio Grande do Sul, pressured by the strong export demand. Elsewhere, prices of rice declined following improved supplies from the ongoing harvest.

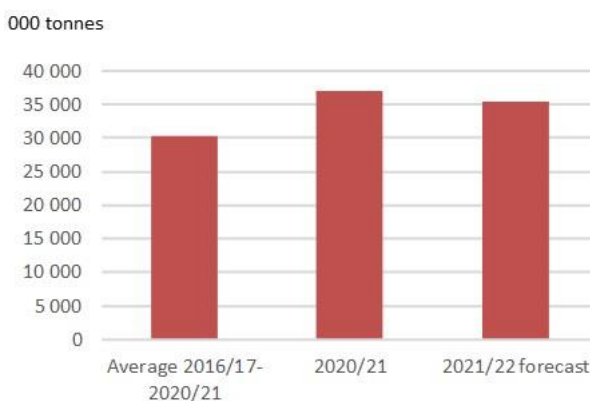
Social assistance programmes extended in 2021 to support vulnerable households

The Economic Commission for Latin America and the Caribbean (ECLAC) of the United Nations estimates a negative Gross Domestic Product growth of 5.3 percent in 2020, reflecting the adverse effects of the COVID-19 pandemic on the economy. The economic downturn is likely to have a negative impact on the access to food of the most vulnerable households.

To mitigate the adverse impact, the Government has announced the extension of social assistance programmes in 2021, which were scaled up in 2020. Following the onset of the COVID-19 pandemic in 2020, the cash transfer programme, *Bolsa Familia*, expanded the coverage, including an additional 1 million beneficiaries. This programme disburses a monthly grant of average BRL 190 (about USD 35) to 14 million families. The *Auxílio emergencial* programme, which targeted about 67.8 million people in 2020, will deliver a monthly grant of average BRL 250 (about USD 45) to vulnerable households for a period of four months, starting in April 2021.

Brazil

Cereals Exports

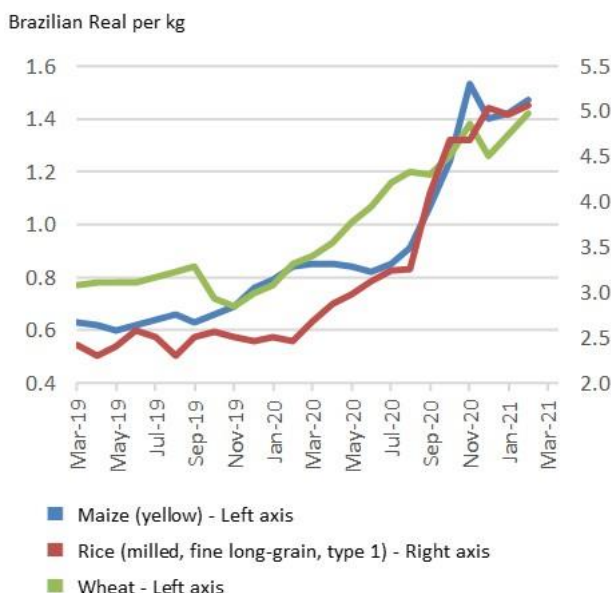


Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Source: FAO/GIEWS Country Cereal Balance Sheets.

Brazil

Wholesale prices in Rio Grande do Sul



Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.

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