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Report Highlights:

The 2025/26 corn production is expected to decline by 2 percent from the previous harvest, based on the expectation of lower yields. With the strong harvest of 2024/25, carryover stocks remained high, enabling an increase in exports in 2025/26. Rice production in 2025/26 is forecast to decrease, as farmers are faced with high production costs, narrow profit margins, and increased interest rates. These factors led to a 9 percent drop in planted area in relation to the 2024/25 harvest. A similar scenario is forecast for the 2025/26 wheat production, with an estimated 18 percent reduction in planted area year-on-year. However, an anticipated increase in yield will likely offset much of the loss, bring production close to the output 2024/25 cycle.

CORN
Production, Supply, and Distribution

Table 1
Production, Supply, and Distribution of Corn

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Mar 2024		Mar 2025		Mar 2026	
Brazil	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	21,650	21,650	22,300	22,300	22,600	22,600
Beginning Stocks (1000 MT)	9,877	9,877	8,334	8,334	10,434	10,434
Production (1000 MT)	119,000	119,000	136,000	136,000	131,000	133,000
MY Imports (1000 MT)	1,717	1,717	1,600	1,600	1,600	1,600
TY Imports (1000 MT)	1,449	1,449	1,971	1,971	1,600	1,600
TY Imp. from U.S. (1000 MT)	1	1	0	-	-	-
Total Supply (1000 MT)	130,594	130,594	145,934	145,934	143,034	145,034
MY Exports (1000 MT)	38,260	38,260	41,000	41,000	43,000	43,000
TY Exports (1000 MT)	46,416	46,416	38,853	38,853	41,000	41,000
Feed and Residual (1000 MT)	62,500	62,500	66,500	66,500	66,000	66,500
FSI Consumption (1000 MT)	21,500	21,500	28,000	28,000	30,500	30,000
Total Consumption (1000 MT)	84,000	84,000	94,500	94,500	96,500	96,500
Ending Stocks (1000 MT)	8,334	8,334	10,434	10,434	3,534	5,534
Total Distribution (1000 MT)	130,594	130,594	145,934	145,934	143,034	145,034
Yield (MT/HA)	5.4965	5.4965	6.0987	6.0987	5.7965	5.885
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Corn begins in October. TY 2025/2026 = October 2025 - September 2026 Source: Post Brasilia						

Corn Production

The 2024/25 corn harvest in Brazil was characterized by strong production, thanks to the expansion of planted area and favorable weather conditions. Notably, the rains in April 2025 played a crucial role in the successful performance of the second-season corn crop.

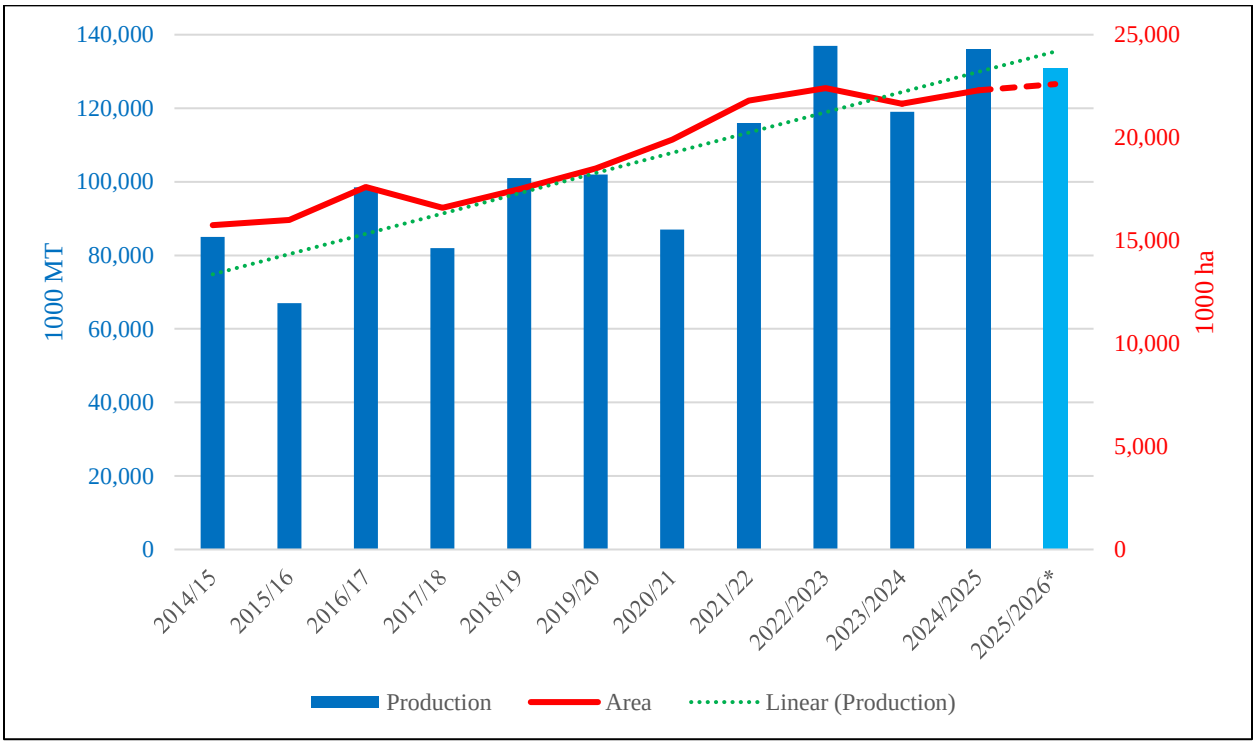
However, for the 2025/26 season, yields are expected to decline primarily due to the effects of the La Niña weather phenomenon. In addition, producers should expect 2026 to be marked by high production costs, narrow profit margins, and elevated interest rates in Brazil, all of which are likely to impact the corn market.

2025/26 Production Expected to Decrease Following a Record Crop in 2024/25

Post maintained its forecast for corn planted area for MY 2025/26 (March 2026 – February 2027) at 22.6 million hectares (ha). Despite rising production costs, it can be sown year-round and aligned with enhanced planting and management opportunities can improve profitability.

Post revised its corn production forecast for MY 2025/26 to 133 million metric tons (MMT), down 2 percent from the production estimate for MY 2024/25 (March 2025 – February 2026), set at 136 MMT. In 2025, Brazil experienced very favorable weather conditions for corn cultivation across its main states, leading to a significant increase in production. However, for 2026, a decrease is anticipated due to the influence of the La Niña weather phenomenon, which tends to bring heavier rainfall to the Central-West region while causing drier conditions in the South. These climatic forecasts could negatively impact crop yields.

Figure 1
Evolution of Corn Harvested Area and Production in Brazil



Data source: *Foreign Agricultural Service, Official USDA Estimates, with 2025/26 as estimates; Graph Post Brasilia*

Harvest Outlook

As of late November, more than 70 percent of the first-season corn crop in Brazil was planted. This pace is consistent with the average planting rates of previous years, despite challenges posed by rain, strong winds, and hail during the month.

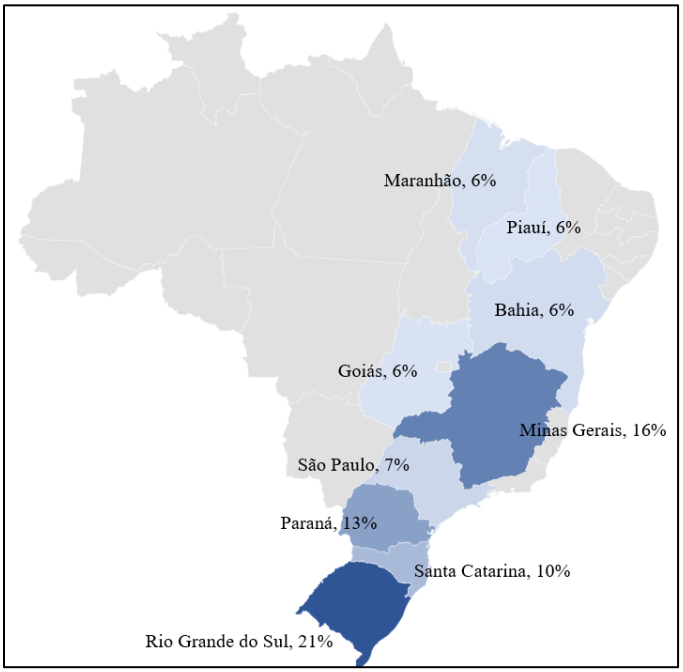
However, the prospects for high production in 2025/26 may be affected by delays in soybean planting. Second-season corn, which represents the largest harvest, is typically planted after the soybean harvest. Consequently, any delay in soybean sowing can push the corn harvest outside the optimal timeframe for achieving the best yields. In central Brazil, the ideal planting window for second-season corn generally closes around the third week of February. As a result, producers might consider reducing the area planted with corn.

First-Season Corn

First-season corn, also known as "summer corn," is usually planted between August and December, with harvesting occurring between January and June. According to data from the National Supply Agency (CONAB), for the 2025/26 cycle, it represents 19 percent of the country's total corn production.

Planting of the first-season corn crop for 2025/26 is nearing completion in the southern states, while sowing has begun in the northern regions and will continue until February 2026. Planted area for 2025/26 of first-season corn is expected to increase, as producers are shifting from less profitable crops, such as rice and beans, to corn.

Figure 2
First-season Corn: Main Producing States, 2025/26



Data source: *National Supply Agency (CONAB); Graph Post Brasilia*

- **Rio Grande do Sul:** By the end of November, the Association of Technical and Rural Extension Enterprises of Rio Grande do Sul (EMATER/RS) estimated that 86 percent of corn was planted in the state, maintaining the same pace as the previous year. Of this total, 52 percent of the crops are in the vegetative phase, and 30 percent are flowering. Overall, the crops are developing well, particularly in irrigated fields, although some dryland areas are experiencing concerns due to water deficits. Despite some incidences of leafhoppers, EMATER/RS estimates an average productivity of 7.37 metric tons per hectare (MT/ha) across 785,030 hectares.

- **Minas Gerais:** According to CONAB, sowing in the state reached 74 percent by the end of November. However, warmer weather has led to an increase in leafhopper infestations in crops. Despite this, yields are not expected to be negatively impacted, with production estimated at 4.1 MMT, nearly 9 percent higher than in the 2024/25 season. CONAB also forecasts a 5 percent year-on-year increase in the planted area for the 2025/26 season, reaching a total of 650,600 hectares.

- **Santa Catarina:** Data from the Agricultural Research and Rural Extension Company of Santa Catarina (EPAGRI/SC) indicates total corn production in the state for the 2024/25 harvest reached 2.5 MMT, led by an average yield of 9.85 MT/ha, the highest ever recorded in the state. However, due to the expectation of La Niña conditions impacting crops in 2026, yields are anticipated to drop by 11 percent, resulting in a projected production of 2.2 MMT for the first-season corn in the 2025/26 harvest.

- **Paraná:** According to the Department of Rural Economy (DERAL/PR), the first-season corn crop for 2025/26 was fully planted, covering an area of 339,800 hectares. This represents an increase of nearly 21 percent compared to the previous cycle. Of this area, 93 percent is reported to be in good condition, 6 percent in average condition, and only 1 percent in poor condition.

- **São Paulo:** CONAB estimates that by the end of November, 75 percent of the first-season corn sowing for 2025/26 was completed, reflecting a 5 percent increase in planted area compared to the previous harvest. With expectations for higher yields, production is projected to reach 1.8 MMT, which is 13 percent higher than the 1.6 MMT produced in the 2024/25 cycle.

- **Goiás:** The State Secretariat of Agriculture, Livestock, and Supply (SEAPA) reported that the planting of the first-season corn crop started later than usual, with over 55 percent completed by the end of November. Although there are no forecasts for an increase in the planted area for 2025/26, SEAPA notes a growing demand for corn ethanol, which has influenced the grain's allocation in the state. In the 2018/19 crop year, corn accounted for 4 percent of the state's ethanol production. For the 2025/26 crop year, this percentage is expected to rise to 14 percent, supported by seven ethanol plants in the state, with prospects for further expansion.

- **Maranhão:** Corn production is primarily concentrated in the municipalities located in the southern part of the state. Planting for the first-season corn crop typically takes place from November to February, coinciding with the start of the rainy season in the region. For the 2025/26 harvest, an increase in planted area is anticipated due to the operation of a new corn ethanol plant. CONAB estimates production for 2025/26 at 1.5 MMT, which is nearly a 3 percent increase compared to the previous cycle.

- **Piauí:** The planting of first-season corn is primarily influenced by the region's rainfall cycle, which typically peaks in December. Producers are optimistic that the La Niña weather phenomenon will bring above-average rainfall, benefiting the harvest and ensuring adequate water storage.

- **Bahia:** The Association of Farmers and Irrigators of Bahia (AIBA) reports that the planted area with first-season corn for the 2025/26 crop is progressing well, due to the return of rainfall and favorable field management conditions. Production is estimated at 1.3 MMT. AIBA anticipates an increase in the planted area for the 2025/26 cycle compared to the previous year, reflecting the optimism of producers regarding corn trading in the region.

Second-Season Corn

Second-season corn, commonly referred to as '*safrinha*' corn or "little harvest," is planted between January and March, typically following the soybean harvest. It represents the largest share of corn production in Brazil, accounting for 79 percent of the total corn produced during the 2025/26 harvest.

Post contacts expressed optimism regarding the second-season corn crop for MY 2025/26, as high corn prices are encouraging an increase in planted area. However, irregular rainfall raised concerns about the planning for the upcoming harvest. In some regions, delays in soybean planting are already occurring, which will reduce the ideal planting window for corn. As a result, the second-corn crop may be planted during periods of greater water scarcity.

Figure 3
Second-season Corn: Main Producing States, 2025/26

Data source: *National Supply Agency (CONAB); Graph Post Brasilia*

Choosing the right planting window for second-season corn sowing is crucial for the crop's success. Planting too early or too late can expose the crop to significant climatic risks, such as water shortages, excessive rainfall, or frost. The ideal planting window varies from one producing region to another due to the unique climatic conditions of each location.

- South (Rio Grande do Sul, Santa Catarina): Early January to mid-February
- South (Paraná): Late January to late February
- Southeast (São Paulo, Minas Gerais): Late January to late February
- Central-West: Mid-January to mid-February
- Other regions: December to late February (depending on the specific region)

By adhering to these regional guidelines, farmers can better position their crops for optimal growth and yield.

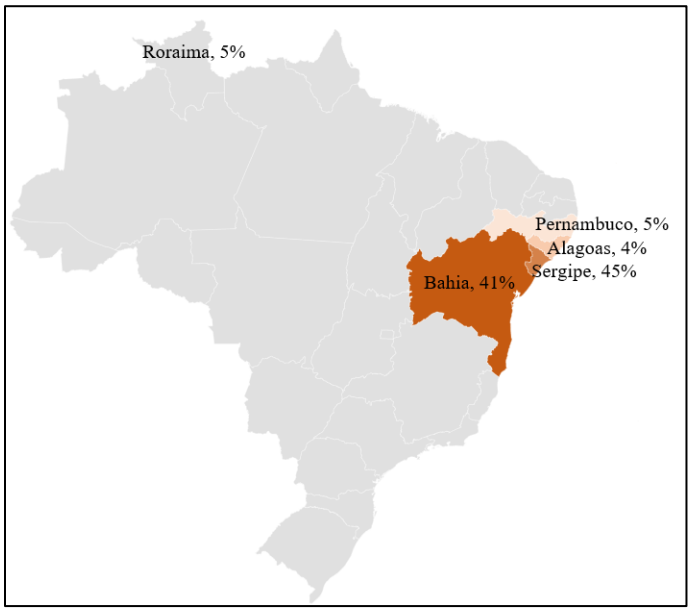
The Brazilian Institute of Geography and Statistics (IBGE) indicates that municipalities in Mato Grosso (MT) are the largest corn producers in the country. Among the top 20 producers, 15 are located in this state. In 2024, Sorriso (MT) topped the list with a significant margin, producing 3.66 million tons, followed by Nova Ubiratã (MT) with 2.41 million tons. Other key production centers include Nova Mutum with 2.12 million tons, Jataí with 1.90 million tons, and Querência with 1.65 million tons.

According to data from the Mato Grosso Institute of Agricultural Economics (IMEA) for the 2025/26 season, the planted area is expected to reach 7.39 million hectares, marking an increase of nearly 2 percent compared to the previous season. This growth is driven by higher domestic demand for corn. However, production for 2025/26 is projected at 51.7 million metric tons (MMT), which represents a decrease of almost 7 percent from the previous cycle. This decline is attributed to a reduction in yield, as the previous season saw record-high yields, while the upcoming season is expected to return to levels closer to the historical average.

Third-Season Corn

The third-season corn crop, grown exclusively in the northern and northeastern states, follows a crop cycle similar to the United States. Planting takes place in May, with harvesting occurring in October. This corn cycle accounts for approximately 2 percent of corn production and presents lower yield rates. Many analysts credit the lower productivity to the lesser use of technology in the region as producers traditionally designate their harvest for livestock feed.

Figure 4
Third-season Corn: Producing States, 2025/26



Data source: *National Supply Agency (CONAB); Graph Post Brasilia*

- **Bahia:** The largest producer of third-season corn experienced a decline in planted area for the 2024/25 season compared to the previous harvest, primarily due to high production costs at the time of planting. However, the crops developed well throughout the season, resulting in an estimated production of 1.3 MMT by the end of the harvest. For the 2025/26 season, CONAB predicts further decreased the lanted area, which is expected to reduce production to 1 MMT.

- **Sergipe:** CONAB estimated the production for the 2024/25 harvest at 1.1 MMT, maintaining steady output due to good yields and a consistent planted area year-on-year. However, continuous rainfall delayed harvesting, which could potentially impact the quality of the kernels.

- **Alagoas:** The state enjoyed optimal weather conditions throughout the 2024/25 harvest, leading to high yields. CONAB estimated production at 177,900 tons, with yields reaching 5.70 MT/ha.

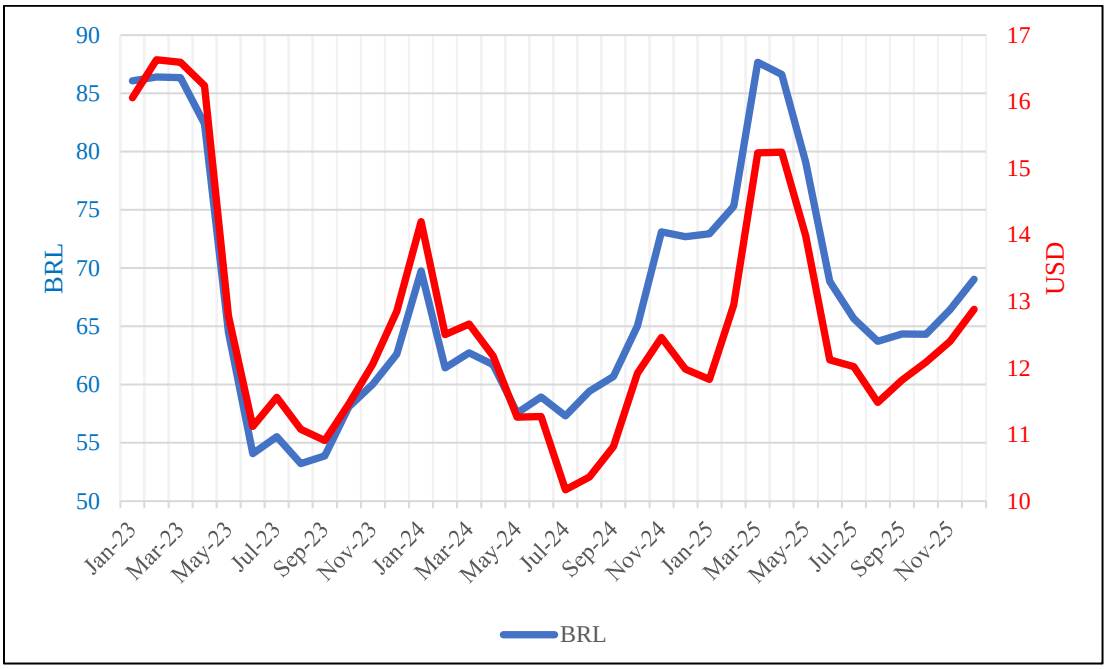
- **Pernambuco:** The state has maintained a consistent planted area for corn with minimal fluctuations in production over the past few years. For both the 2024/25 and 2025/26 seasons, CONAB estimates an output of 122,200 tons of corn.

Corn Prices

Corn prices in Brazil experienced significant fluctuations throughout the year. According to the University of São Paulo's Center for Advanced Studies in Applied Economics (CEPEA), the market peaked in March, with the average price rising to BRL 89.12 (USD 15.52) per bag, driven by strong domestic demand amid limited supply. However, by July, the average price dropped to BRL 62.73 (USD 11.23) per bag, marking a 30 percent decline.

As domestic demand for corn began to rise again, prices increased in late November. In November 2025, corn was traded at an average price of BRL 67.54 (USD 12.65), and it opened December at BRL 69.04 (USD 12.88). Buyers returned to the spot market to replenish their stocks and schedule deliveries for the end of 2025, before many freight companies temporarily suspended their services for the holiday season.

Figure 5
Corn Prices in Brazil's ESALQ/BM&FBOVESPA



***Data Source**: University of Sao Paulo Center for Advanced Studies in Applied Economics (CEPEA); Graph Post Brasilia*

According to data from the Mato Grosso Institute of Agricultural Economics (IMEA), the average price of corn in the state declined for the first time in November in over two months, now standing at BRL 46.88 per bag. Compared to the same period in 2024, this represents a nearly 16 percent decrease in price. IMEA attributes this drop primarily to a significant 17 percent increase in production during the 2024/25 harvest, which led to greater domestic availability and contributed to the decline in prices. The price reduction has not been more severe because the growing demand for corn for ethanol production has provided some support in the local market.

Table 2
Production Cost of Corn in Mato Grosso (BRL/ha)

Harvest	2020/21	2022/23	2024/25	2025/26	2025/26	2025/26
Year	2020	2022	2024	2025	2025	2025
Month	Consolidated	Consolidated	Consolidated	January	May	October
a) Seeds	445.42	670.53	762.92	708.55	751.16	772.27
b) Fertilizers	735.63	1,816.57	1,342.32	1,396.97	1,324.68	1,413.58
c) Defensives (Fungicide, Herbicide, Insecticide, etc.)	398.17	585.83	735.94	678.04	720.74	736.15
d) Mechanized Operations (Planting, Fertilizing, Applications with Machines, Harvesting...)	84.05	161.99	169.91	172.35	161.05	170.89
e) Third Party Services	2.09	3.00	22.25	15.72	16.12	17.66
f) Labor	72.99	83.05	203.29	193.49	194.56	194.59
g) Maintenance	106.13	109.97	234.88	240.00	239.91	239.61
h) Taxes and Fees	90.59	118.33	142.95	150.80	151.97	151.20
i) Financing and Insurance	160.18	276.71	293.33	282.39	282.91	289.97
j) Post-Production (Classification and Processing, Storage, Production Transport)	286.26	288.55	381.81	441.18	441.04	444.72
k) Other Costs (Technical Assistance, Utilities, Fuel, General Expenses)	69.46	97.43	111.19	123.40	122.43	125.76
l) Lease	132.30	208.66	210.55	242.54	254.13	234.63
Effective Operating Cost - EOC (a + ... + l)	2583.26	4,420.62	4,611.35	4,645.44	4,660.69	4,791.03
Depreciation (of Equipment, Utilities, and Improvements)	196.96	202.72	424.85	456.52	456.82	456.37
Family Labor	59.83	61.64	110.96	130.73	139.72	131.70
Opportunity Cost (Working Capital, Improvements, etc.)	538.00	925.79	947.02	1,279.16	1,387.15	1,327.82
TOTAL	3,378.06	5,610.78	6,094.19	6,511.85	6,644.40	6,706.92

***Data Source**: Mato Grosso Institute of Agricultural Economics (IMEA), costs in BRL/ha, * with 2025/26 as estimates; Chart Post Brasilia*

In September, CONAB acquired a total of 26,000 tons of bulk corn through virtual auctions, with an investment of approximately BRL 36.7 million. This purchase aims to build public corn stocks for the Over-the-Counter Sales Program (ProVB), which supports small-scale farmers of poultry, swine, cattle, goats, and sheep by providing animal feed. By utilizing these auctions, CONAB aims to manage public resources more effectively and help farmers obtain grains at more favorable prices. To date, CONAB has purchased a total of 50,000 tons of bulk corn grain from the 2024/2025 harvest.

Production Costs Remain High

Fertilizers continue a significant contributor to rising production costs, with Brazil remaining heavily reliant on imports. In August 2025, Brazil set a record by importing 5.2 million tons of fertilizers, according to data from the Ministry of Industry and Foreign Trade (MDIC). This figure marks a 9 percent increase compared to the previous month, which already experienced a record import of 4.79 million tons. From January to October 2025, Brazil imported a total of 38.3 million tons of fertilizers. Of this total, 34 percent were nitrogenous fertilizers (HS 3102) such as urea, ammonium sulfate, and calcium ammonium nitrate (CAN), 32 percent were potassium fertilizers (HS 3104), 20 percent were multi-nutrient fertilizers (HS 3105), and 14 percent were phosphate fertilizers (HS 3103) like MAP, DAP, SSP, TSP, and NP.

However, national logistics remains a concern. Major ports are facing long queues of ships carrying fertilizers, with average waiting times exceeding 30 days, leading to high demurrage costs. Additionally, high road freight costs are affecting the domestic transportation of fertilizers and commodities, which in turn is increasing production costs.

Between January and October 2025, China emerged as the primary supplier of fertilizers to Brazil, shipping 9.76 million tons, which accounts for 25.5 percent of the total imports. Russia, historically the largest exporter to Brazil, followed closely behind with 9.72 million tons in the same period. Canada ranked third with 4.64 million tons, representing 12 percent of the total, followed by Morocco, with 2 million tons (5%) and Egypt, with 1.6 million tons (4%).

The international scenario, characterized by geopolitical tensions and larger tariffs on various products, prompted many producers to expedite their purchases, leading to increased demand and sustained high prices.

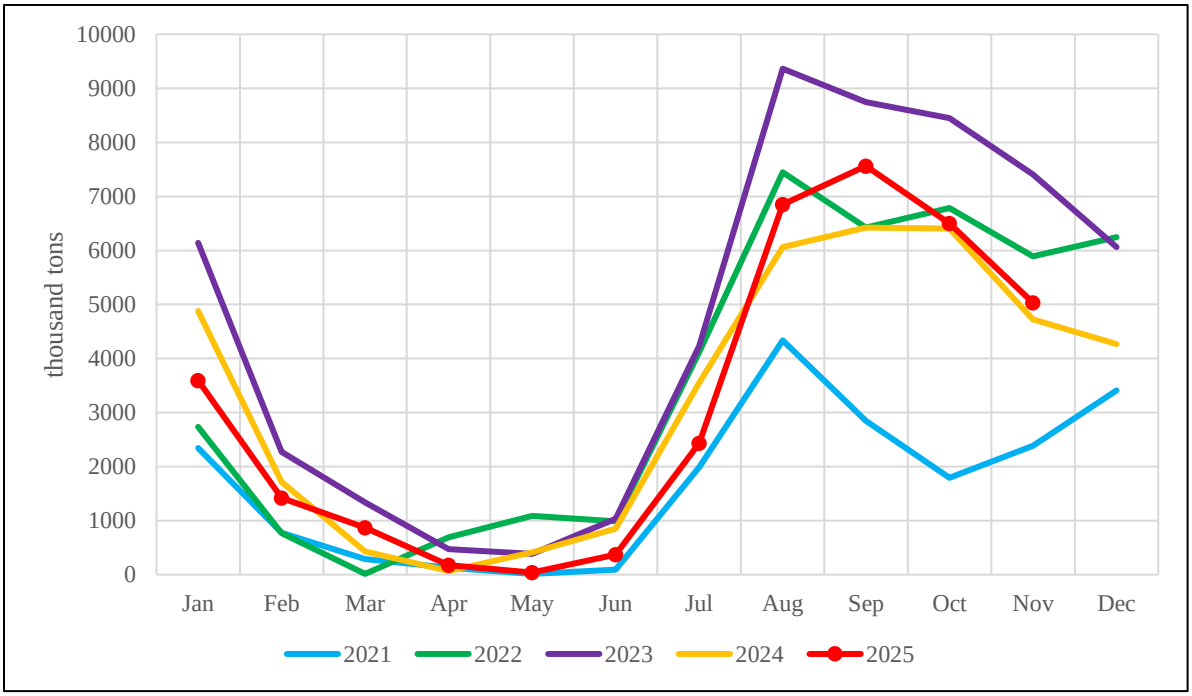
Corn Trade

Post maintained its forecast for corn exports for MY 2025/26 (March 2026 – February 2027) at 43 MMT, a 5 percent increase from the estimate for exports in MY 2024/25 (March 2025 – February 2026) set at 41 MMT. With the strong harvest of 2024/25, carryover stocks remained high, enabling an increase in exports in 2025/26.

Nevertheless, exports may be condition to the internal demand this season, as Brazil is experiencing a shift in corn consumption, with an increase in the domestic demand for corn, especially for the corn ethanol industry. This increased internal usage has led to lower export figures for the 2024/25 period, which may also indicate a reduced surplus available for international sales in the 2025/26 season.

According to Brazil's Secretariat of Foreign Trade (SECEX) under the Ministry of Development, Industry, Foreign Trade, and Services (MDIC), Brazilian corn exports in November 2025 amounted to 5 MMT, marking a 6.5 percent increase compared to November 2024, when exports totaled 4.7 MMT. From January to November 2025, Brazil exported 34.8 MMT of corn, representing a 2 percent decline compared to the same period in 2024.

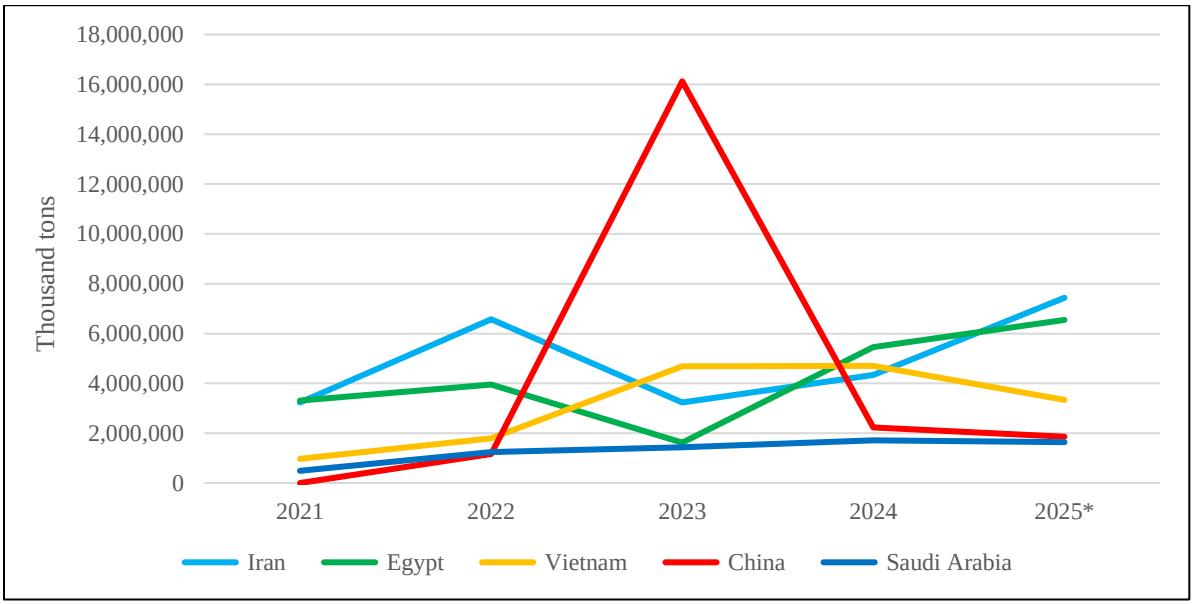
Figure 6
Brazilian Corn Exports by Month (2022 – 2025)



***Data Source**: Ministry of Development, Industry, Foreign Trade and Services (MDIC); Graph Post Brasilia*

Iran remained the primary destination for Brazilian corn from January until November 2025, having imported over 7.4 MMT, which accounted for 21 percent of all Brazilian corn exports. Egypt was the second-largest destination, importing 6.5 MMT (19%), followed by Vietnam, with 3.3 MMT (10%), China, with 1.9 MMT (5.3%), and Saudi Arabia, with 1.6 MMT (4.7%).

Figure 7
Top Destinations of Brazilian Corn Exports



***Data Source**: Ministry of Development, Industry, Foreign Trade and Services (MDIC), with 2025 until November; Graph Post Brasilia*

Post maintained its forecast for corn imports for MY 2025/26 (March 2026 – February 2027) at 1.6 MMT, the same estimate for MY 2024/25 (March 2025 – February 2026). Brazil's imports of corn are relatively small compared to its production, consumption, and exports, with imports usually used to close on-the-spot market demands. While it is unlikely that imports will increase dramatically, Brazil's growing consumption is expected to lead to slow but progressive import levels to meet this rising demand.

From January to November 2025, Paraguay was the largest exporter of corn to Brazil, supplying 99 percent of all corn imported during that period. Other exporters included Argentina, Chile, and the United States.

Table 3
Main Origin of Corn Imports (in Kg)

	2025*	2024
Paraguay	1,703,516,690	1,599,013,620
Argentina	991,167	33,912,353
Chile	385,023	1,045,623
United States	231,154	874,129
South Africa	150,000	50,000

***Data Source**: Ministry of Development, Industry, Foreign Trade and Services (MDIC), with 2025 until November; Graph Post Brasilia*

Corn Consumption

Post revised its forecast for total corn consumption for MY 2025/26 (March 2026 – February 2027) to 96.5 MMT, a 2 percent increase over the MY 2024/25 (March 2025 – February 2026) estimate. The revision is based on the strong growth in demand for corn by the ethanol industry and by the feed industry.

Data from the National Union of the Animal Feed Industry (SINDIRAÇÕES) indicates that from January to September 2025, the Brazilian animal feed industry estimates a 2.0 percent increase year-on-year on feed consumption. Meanwhile, the increased use of corn in ethanol production should register growth of more than 18 percent in 2025/26 compared to the previous harvest.

A survey conducted by the National Confederation of Commerce of Goods, Services, and Tourism (CNC), utilizing data from the Secretariat of Foreign Trade (SECEX), revealed that the Government of Brazil's decision in March to eliminate import taxes on various food items did not help control inflation or increase consumption. The measure, intended to ease consumer prices, has proven ineffective. According to the CNC, since the exemption was enacted, there has been no significant impact on consumer prices. Although this initiative has facilitated the entry of foreign products, costs remain high, indicating that the underlying issues are related to other factors within the economic chain.

The list of products that received a zero-tariff included several basic food items, such as olive oil, both whole and roasted coffee, corn, pasta, biscuits, and certain types of sugar not derived from sugarcane. Prior to the elimination of the tariff, rates ranged from 7.2 percent to 32 percent, depending on the item. Among these products, only olive oil and sugars experienced an increase in imports during April and May, accompanied by a slight decrease in prices.

RICE

Production, Supply, and Distribution

Table 4
Production, Supply, and Distribution of Rice

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Apr 2024		Apr 2025		Apr 2026	
Brazil	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	1,608	1,608	1,764	1,764	1,600	1,600
Beginning Stocks (1000 MT)	617	617	711	711	1,786	1,786
Milled Production (1000 MT)	7,199	7,199	8,675	8,675	7,600	7,600
Rough Production (1000 MT)	10,587	10,587	12,757	12,757	11,176	11,176
Milling Rate (.9999) (1000 MT)	6,800	6,800	6,800	6,800	6,800	6,800
MY Imports (1000 MT)	964	964	950	1,000	850	1,000
TY Imports (1000 MT)	1,023	1,023	1,000	1,000	900	950
TY Imp. from U.S. (1000 MT)	0	-	0	-	0	-
Total Supply (1000 MT)	8,780	8,780	10,336	10,386	10,236	10,386
MY Exports (1000 MT)	969	969	1,200	1,300	1,350	1,400
TY Exports (1000 MT)	958	958	1,050	1,100	1,275	1,200
Consumption and Residual (1000 MT)	7,100	7,100	7,350	7,300	7,350	7,350
Ending Stocks (1000 MT)	711	711	1,786	1,786	1,536	1,636
Total Distribution (1000 MT)	8,780	8,780	10,336	10,386	10,236	10,386
Yield (Rough) (MT/HA)	6.5840	6.5840	7.2319	7.2319	6.9850	6.9850

MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice begins in January. TY 2025/26 = January 2026 - December 2026
Source: Post Brasilia

Rice Production

After a high-yield rice harvest in 2024/25, the forecast for 2025/26 indicates lower productivity, as weather conditions are not expected as favorable as in the previous season. Producers should brace for 2026 to be marked by high costs and narrow profit margins. This challenging situation is further complicated by high interest rates in Brazil, which increased production costs and discouraged sowing.

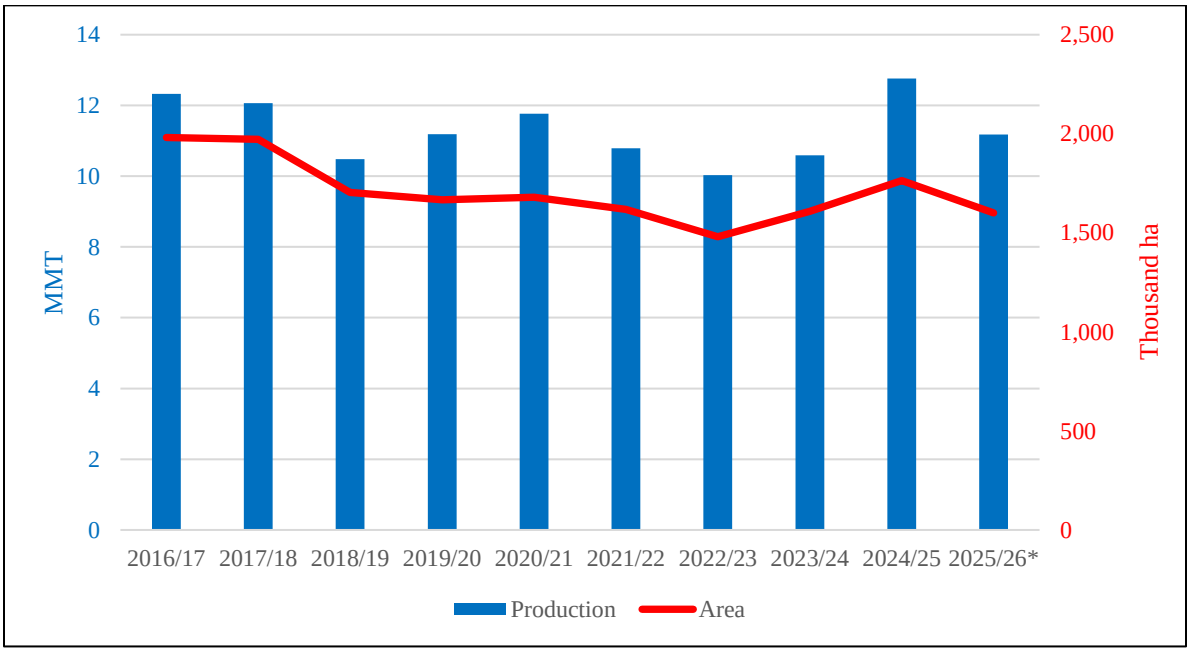
Producers with Few Incentives to Plant Rice in 2025/26

Post maintained its forecasts for rice planted area for MY 2025/26 (April 2026 – March 2027) at 1.6 million hectares (ha), a 9 percent decrease from the MY 2024/25 estimate, set at 1.7 million hectares (ha). This decline reflects the current market scenario, which generated concern and discouragement among producers.

Prices paid to farmers show no signs of improvement until next year. At the same time, carryover stocks remain high, and production costs are burdensome, resulting in lower incentives for growers. In contrast, high prices for rice during the sowing season for the 2024/25 harvest have led to an increase in planted area compared to the previous season.

Post decreased its forecast for rice production for MY 2025/26 (April 2026 – March 2027) to 7.6 MMT of milled rice equivalent (MRE), an equivalent of 11 MMT of paddy rice. This represents a 12 percent decrease over the previous season. The 2024/25 harvest was marked by a particularly successful crop, with an output of 8.6 MMT of milled rice equivalent (MRE), an equivalent of 12.7 MMT of paddy rice. High prices for rice at the time of planting enabled proper investments in the harvest. Combined with favorable weather conditions, this led to the significant production levels achieved in 2024/25.

Figure 8
Rice: Evolution of Production and Area



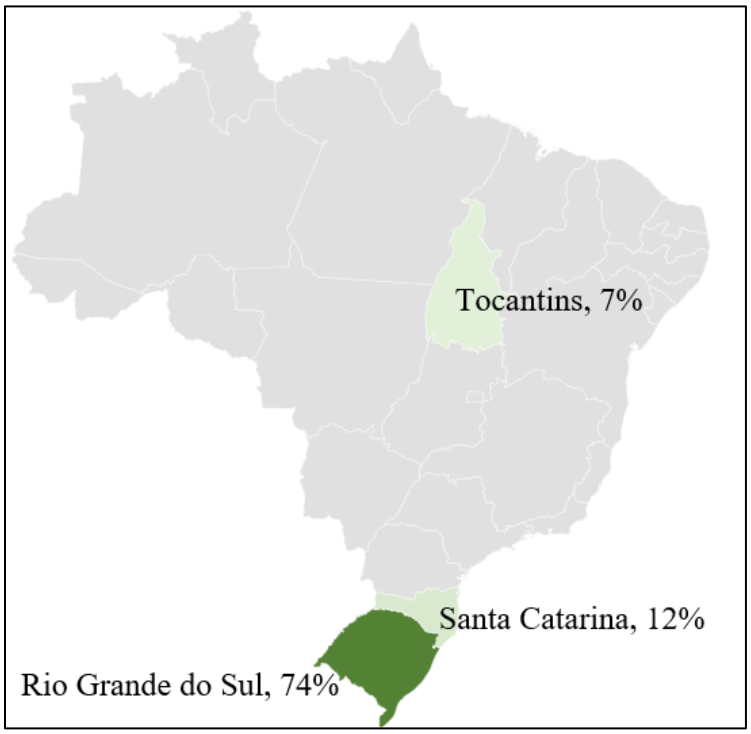
Data Source: *Foreign Agricultural Service, Official USDA Estimates, with 2025/26 as estimates; Graph Post Brasilia*

Harvest Outlook

Rio Grande do Sul, responsible for more than 70 percent of Brazil's rice production, is still dealing with the effects of the 2024 floods, which caused structural damage, loss of machinery, and erosion of agricultural soil.

Irrigated Rice

Figure 9
Main Irrigated Rice Producing States (2025/26)



Data Source: *National Supply Company (CONAB); Graph Post Brasilia*

- **Rio Grande do Sul:** In the last week of November, rice planting reached 94 percent of the planted area, which is estimated by the Rio Grande do Sul Rice Institute (IRGA) at 920,081 hectares. The crops are in the germination and vegetative development stages, with few occurrences of pests and diseases being registered. Due to effective crop management, the Association of Technical and Rural Extension Enterprises of Rio Grande do Sul (EMATER/RS) estimates an average yield of 8.75 kg per hectare. However, a recent decline in rice prices has led to a reduction in the estimated planted area, as producers are opting for more profitable crops, such as soybeans.

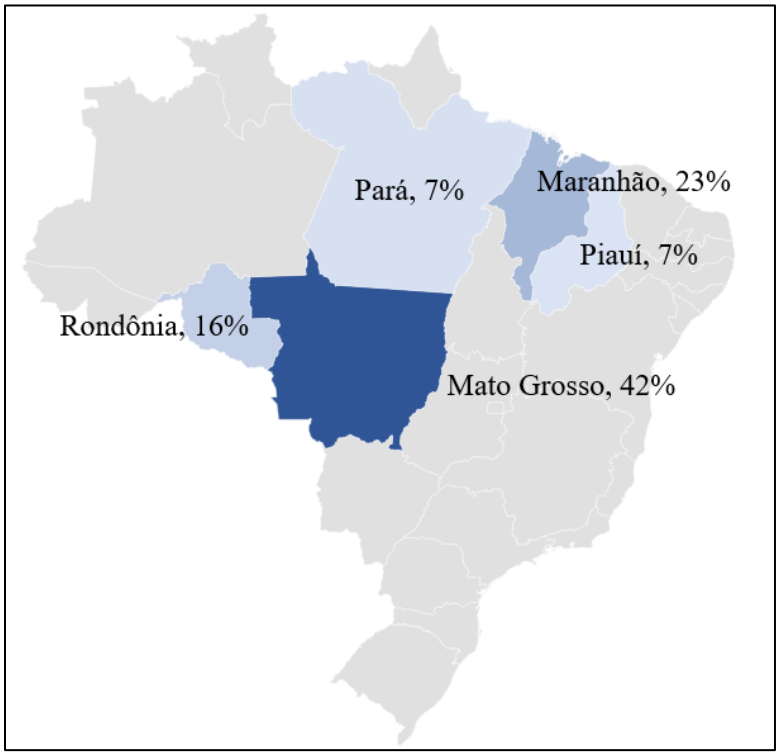
- **Santa Catarina:** The Agricultural Research and Rural Extension Company (EPAGRI/SC) projects rice production for the 2025/26 harvest to be 1.2 MMT, which represents a decline of

nearly 6 percent compared to the 1.3 MMT produced in the previous season. Some regions of the state experienced low temperatures, which not only hindered plant development but may also reduce the number of grains per panicle. Expected yields are around 8.51 MT/ha. Despite progress in the fields, producer prices have decreased, affected by oversupply in Brazil and Mercosur, coupled with stagnant demand.

- **Tocantins:** Rice production is primarily concentrated in the western region of the state, which has heavily invested in public policies and agricultural research to boost rice output. However, high production costs and low prices paid to producers have dissuaded many from sowing rice this 2025/26 season, leading to an anticipated reduction in the planted area. As a result, many farmers are choosing to plant more profitable crops, such as soybeans or corn.

Upland Rice

Figure 10
Main Upland Rice Producing States (2025/26)



Data Source: *National Supply Company (CONAB); Graph Post Brasilia*

Mato Grosso: The area planted with rice for the 2025/26 harvest is projected to decline significantly, driven by low market prices and rising production costs in the region.
Brazil's National Supply Company (CONAB) estimates a 24 percent decrease in planted area compared to the 2024/25 harvest. Consequently, production for 2025/26 is projected to reach 401,400 tons, marking a 25 percent decline from the previous year.

Maranhão: Sowing of upland rice is set to begin in early December and continue until February 2026, following the local rain cycle. This type of rice is cultivated throughout the state, primarily to clear land for soybean cultivation by medium and large producers. Additionally, small family farmers often alternate rice planting with corn and black-eyed peas. For the 2025/26 harvest, CONAB estimates an almost 8 percent reduction in the planted area compared to the previous cycle, driven by low prices and crop rotation practices. Production is expected to reach 250,000 tons.

Rondônia: Discouraged by low profitability, producers are likely to plant less rice in the state for the 2025/26 harvest. Sowing began in November and will continue into early 2026. However, high temperatures and erratic rainfall may adversely affect the ideal planting window, potentially leading to a decrease in yields. CONAB estimates production for 2025/26 at 150,700 tons, which represents a 7 percent drop compared to the previous season.

Piauí and Pará: Planting typically starts in December and January, with rice being grown primarily in smaller family farming operations. For the 2025/26 harvest, CONAB anticipates a reduction in production for both states, largely due to decreased estimates for the planted area.

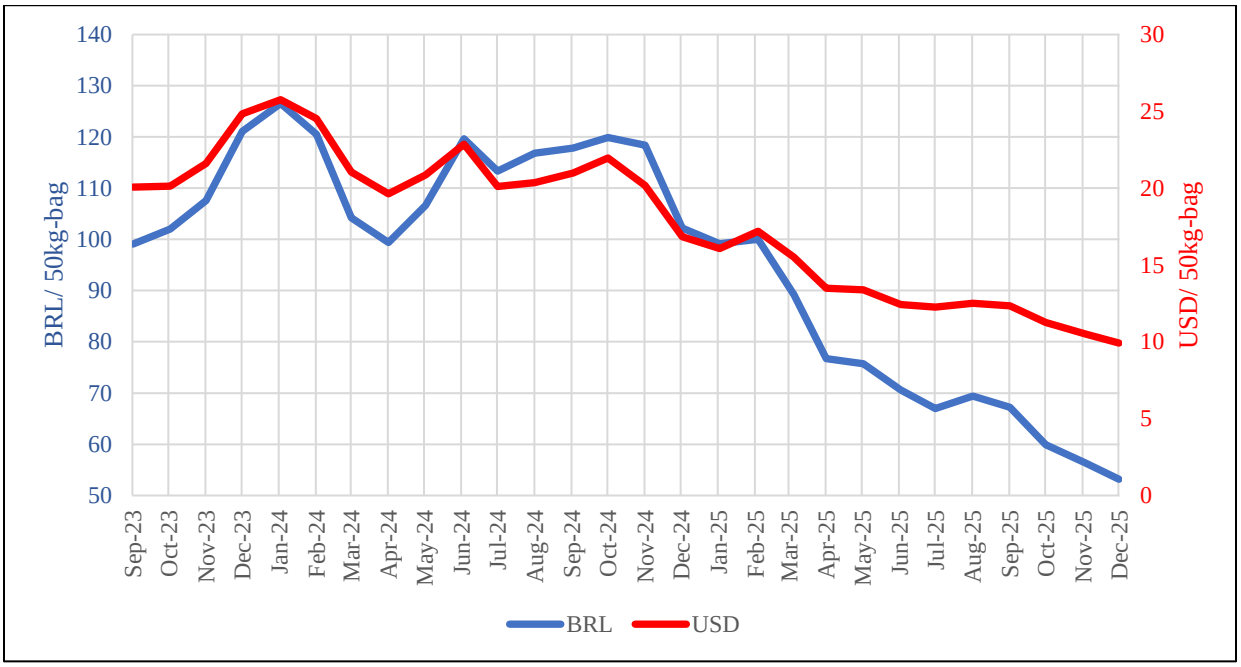
Rice Prices

Brazil experienced a significant increase in rice prices from June 2023 to January 2024, reaching BRL 147.97 (USD 26.88) per 50-kilo bag. However, the situation changed dramatically due to an abundant harvest in Rio Grande do Sul and neighboring Mercosur countries. The rise in regional supply and intense competition led to a substantial decline in prices.

Since the beginning of 2025, the average price of paddy rice in Rio Grande do Sul consistently decreased, reaching nominal levels last seen in July 2022. According to the Center for Advanced Studies in Applied Economics (CEPEA/ESALQ/USP), the average price for rice in November 2025 was BRL 54.82 (USD 10.27) per 50-kilo bag, marking a staggering 51 percent decrease compared to the average price in November 2024. In October 2025, rice was traded in Rio Grande do Sul at BRL 58.01 (USD 10.77), which was 5.5 percent higher than the November average. By December 1, 2025, rice prices had accumulated a loss of more than 46 percent since the beginning of the year. This resulted in trading being limited to occasional demand, as the prices offered were below production costs.

In addition to domestic factors, the rice sector is under pressure from the international market, largely due to the last two harvests in India, which were significantly larger than in previous years. This has affected the global market because of the increased supply. The decline in prices also reflects the start of the harvest in Mercosur, especially Paraguay, which accounts for more than 70 percent of Brazil's rice imports and possesses ample stocks.

Figure 11
Prices of Rice in Rio Grande do Sul



Data Source: *University of Sao Paulo Center for Advanced Studies in Applied Economics (CEPEA); Graph Post Brasilia*

In an effort to address the crisis in the rice sector and curb falling prices CONAB announced at the end of October 2025 its plan to purchase up to 137,000 tons of rice from the 2024/25 harvest. This initiative guarantees a minimum price for producers and aims to supply states where cereal prices are below the established minimum. To ensure broader access for producers, CONAB has set a sales limit of 189 tons per producer, which is equivalent to 3,150 bags of 60 kilograms each.

However, some industry experts argue that while these government purchases may provide temporary relief to domestic prices, they will lead to high internal stock levels, which does not address long-term profitability in the sector. The Santa Catarina Rice Industry Union (SINDARROZ-SC) suggests that programs such as the Product Flow Premium (PEP) and the Equalizing Premium Paid to Rural Producers (PEPRO) are more effective tools for alleviating domestic stock issues and recovering rice prices. Utilizing these mechanisms aims to stabilize prices and manage surpluses, thereby protecting both producers and the processing chain.

Production Costs Remain High

Fertilizers continue a significant contributor to rising production costs, with Brazil remaining heavily reliant on imports. In August 2025, Brazil set a record by importing 5.2 million tons of fertilizers, according to data from the Ministry of Industry and Foreign Trade (MDIC). This figure marks a 9 percent increase compared to the previous month, which has already seen a record import of 4.79 million tons. From January to October 2025, Brazil imported a total of 38.3 million tons of fertilizers. Of

this total, 34 percent were nitrogenous fertilizers (HS 3102) such as urea, ammonium sulfate, and calcium ammonium nitrate (CAN), 32 percent were potassium fertilizers (HS 3104), 20 percent were multi-nutrient fertilizers (HS 3105), and 14 percent were phosphate fertilizers (HS 3103) like MAP, DAP, SSP, TSP, and NP.

However, national logistics remains a concern. Major ports are facing long queues of ships carrying fertilizers, with average waiting times exceeding 30 days, leading to high demurrage costs. Additionally, high road freight costs are affecting the domestic transportation of fertilizers and commodities, which in turn is increasing production costs.

Between January and October 2025, China emerged as the primary supplier of fertilizers to Brazil, shipping 9.76 million tons, which accounts for 25.5 percent of the total imports. Russia, historically the largest exporter to Brazil, followed closely behind with 9.72 million tons in the same period. Canada ranked third with 4.64 million tons, representing 12 percent of the total, followed by Morocco, with 2 million tons (5%) and Egypt, with 1.6 million tons (4%).

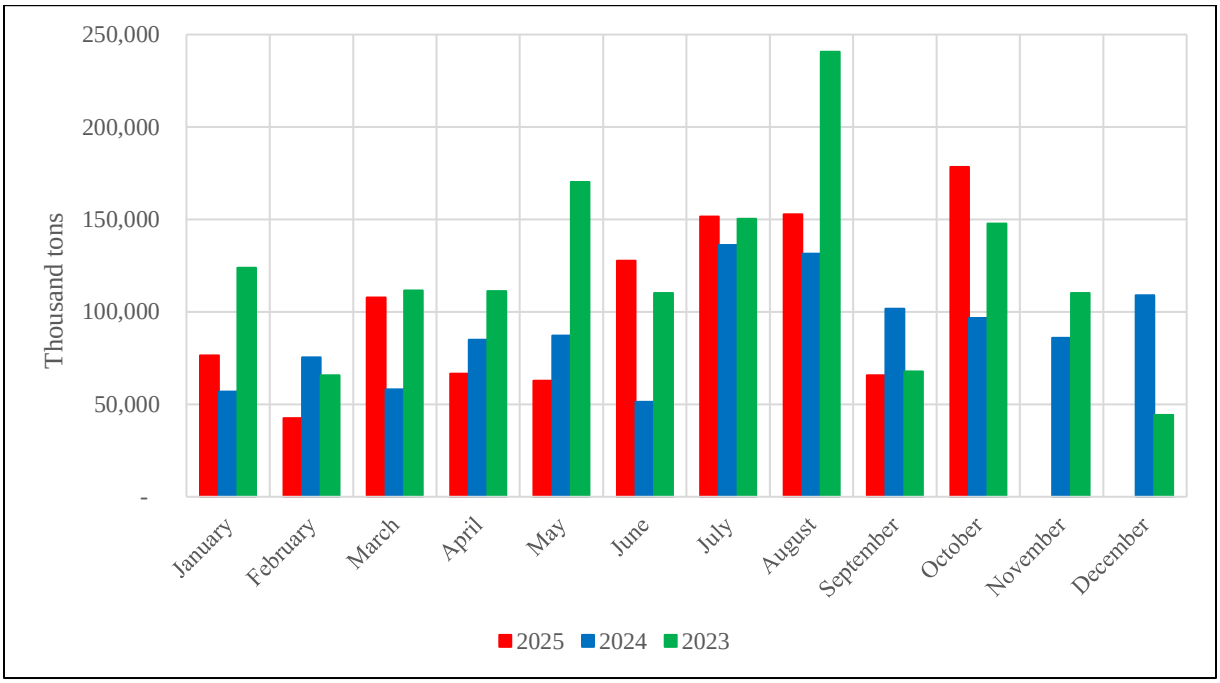
The international scenario, characterized by geopolitical tensions and larger tariffs on various products, prompted many producers to expedite their purchases, leading to increased demand and sustained high prices.

Rice Trade

Traditionally, rice exports tend to increase between May and August, and producers are relying on these sales to help regulate market prices. Brazilian domestic consumption alone is not sufficient to support higher prices without a more favorable international trade environment.

Post maintained its forecast for rice exports for MY 2025/26 (April 2026 – March 2027) at 1.4 MMT. This forecast represents an 8 percent increase over the MY 2024/25 (April 2025 – March 2026) export estimate, which was also maintained by Post at 1.3 MMT. The strong availability of rice in the domestic market during MY 2024/25 contributed to a significant increase in exports (34%) compared to the previous season. Additionally, robust carryover stocks are expected to support higher exports in the upcoming harvest.

Figure 12
Monthly Brazilian Rice Exports



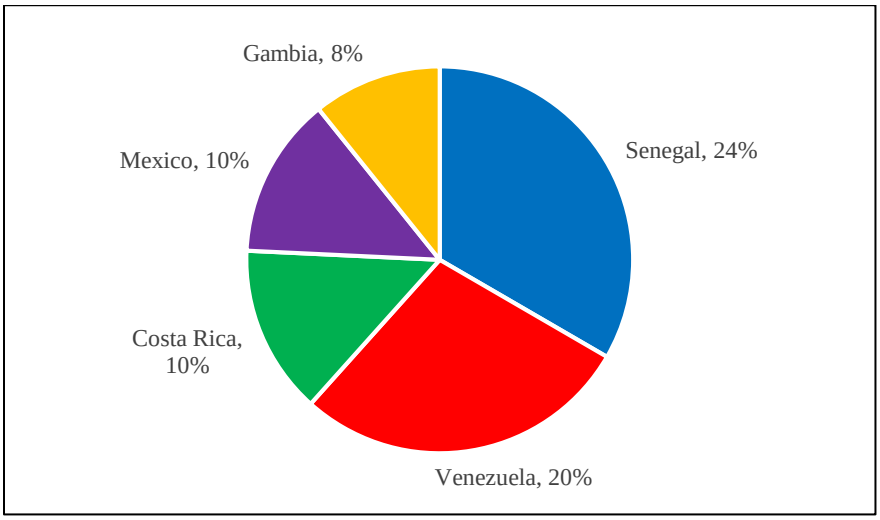
Data Source: *Ministry of Development, Industry, Commerce and Services (MDIC); Graph Post Brasilia*

The third quarter of the year (from July to September) experienced a significant decline in international rice prices, largely due to the more assertive policies of major exporters like India and Thailand. This decrease in prices particularly impacted exports in Brazil during September.

According to the Ministry of Development, Industry, Foreign Trade, and Services (MDIC), Brazilian rice exports from January to October 2025 reached 1 MMT, which is 17 percent higher than in the same period of the previous harvest. These exports were influenced by the appreciation of the Brazilian Real against the US dollar and by a robust harvest in 2024/2025, leading to substantial carryover stocks.

The primary buyers of Brazilian rice include Venezuela, Costa Rica, Mexico, and Senegal, which continues to be the main market for the country's broken rice. In contrast, exports of milled rice saw a decline due to a loss of competitiveness in the international market, with reductions noted in countries such as the Dominican Republic and Cuba. However, Saudi Arabia and the United States exhibited occasional increases in their imports of this type of rice. Demand for broken rice remained strong, particularly from countries like Senegal, Gambia, and Sierra Leone.

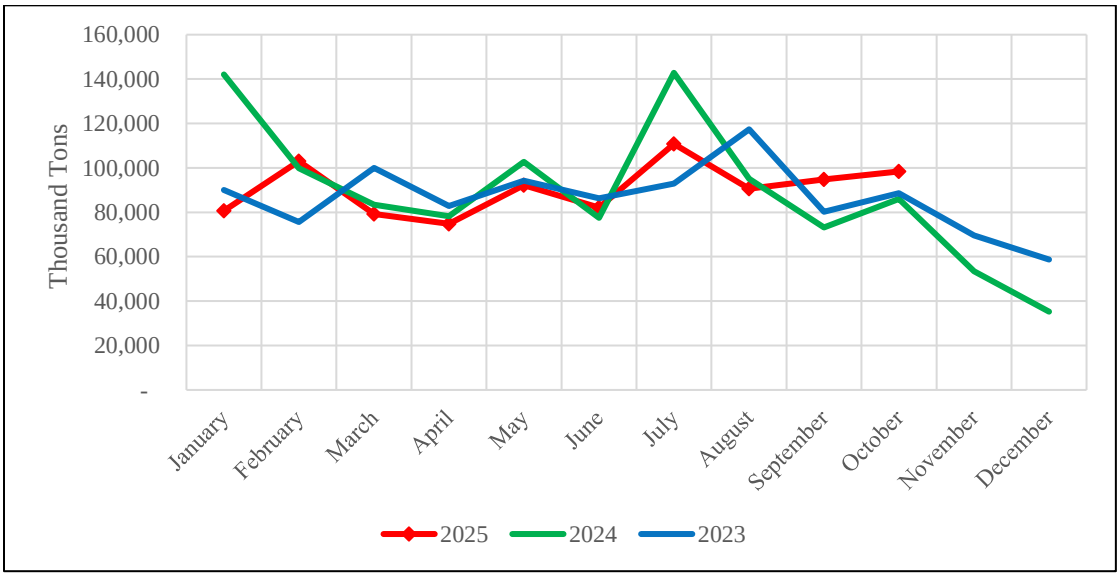
Figure 13
Main Destinations of Brazilian Rice (January – October 2025)



Data Source: *Ministry of Development, Industry, Commerce and Services (MDIC); Graph Post Brasilia*

According to MDIC, total rice imports from January to October 2025 amounted to approximately 906,500 tons, representing a decrease of 7.6 percent compared to the previous cycle. In October, Brazil imported 98,383 tons of rice, of which 53 percent was of milled rice and 43 percent of husked rice.

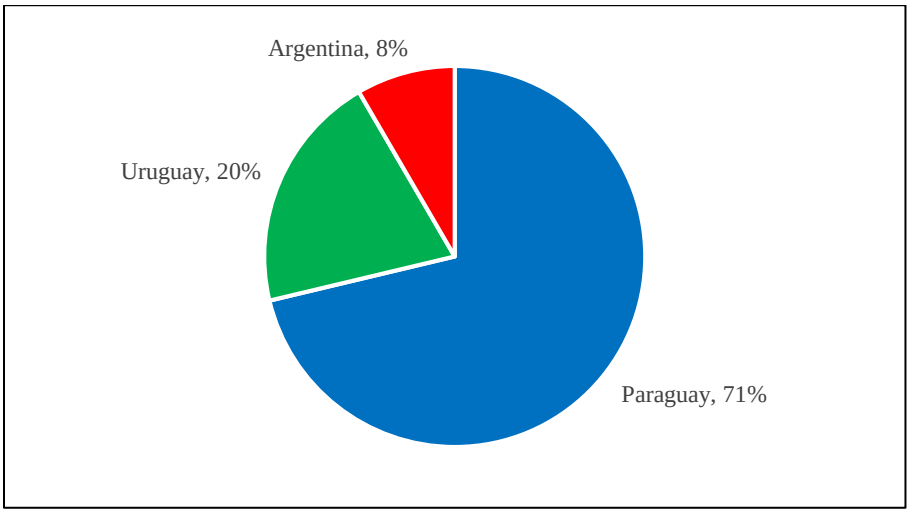
Figure 14
Monthly Imports of Rice into Brazil



Data Source: *Ministry of Development, Industry, Commerce and Services (MDIC); Graph Post Brasilia*

Mercosur countries remain the primary source of rice imports for Brazil. With a tax-free regime and easy access to the Brazilian market, Paraguay, Uruguay, and Argentina emerged as the main rice suppliers during the season.

Figure 15
Main Origin of Rice Imports - January to October, 2025



Data Source: *Ministry of Development, Industry, Commerce and Services (MDIC); Graph Post Brasilia*

Rice Consumption

Post maintained its forecast for total rice consumption for MY 2025/26 (April 2026 – March 2027) at 7.3 MMT, the same estimate for MY 2024/25 (April 2025 – March 2026). Brazil's rice consumption pattern is relatively stagnant.

According to the Association of Producers of Beans, Pulses, Special Crops, and Irrigators of Mato Grosso (APROFIR), average annual per capita rice consumption has declined from approximately 47 kilograms in the 1990s and 2000s to about 34 kilograms in recent years. This decline reflects changes in people's lifestyles, leading them to favor quicker meals and pre-prepared products, rather than traditional home-cooked foods.

However, the variation in consumption patterns is small. For instance, even with the recent drop in prices for consumers, rice sales have not increased. This observation aligns with the findings of APROFIR, which indicate that consumers are not easily motivated to increase their rice intake.

To stimulate rice consumption in Brazil and promote the quality of the product, the Brazilian Rice Industry Association (ABIARROZ) launched the "*Arroz Combina*" (Rice Goes… [with everything]) campaign in October. This initiative also aims to combat misinformation on social media and reinforce the cultural and economic significance of rice in the lives of Brazilians.

The campaign is promoted throughout Brazil and includes educational efforts, partnerships with influencers, and a dedicated website aimed at encouraging rice consumption. ABIARROZ conducted a survey revealing that 50 percent of respondents would be more likely to increase their rice consumption if they had more information about its benefits.

WHEAT

Production, Supply, and Distribution

Table 5
Production, Supply, and Distribution of Wheat

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3,473	3,473	3,059	3,060	2,600	2,500
Beginning Stocks (1000 MT)	1,797	1,797	1,691	1,691	2,687	2,687
Production (1000 MT)	8,097	8,097	7,889	7,889	7,700	7,700
MY Imports (1000 MT)	6,609	6,609	7,201	7,201	7,300	7,300
TY Imports (1000 MT)	5,917	5,917	7,299	7,299	7,500	7,500
TY Imp. From U.S. (1000 MT)	118	118	288	288	-	-
Total Supply (1000 MT)	16,503	16,503	16,781	16,781	17,687	17,687
MY Exports (1000 MT)	2,812	2,812	1,894	1,894	2,500	2,000
TY Exports (1000 MT)	2,812	2,812	1,897	1,897	2,500	2,000
Feed and Residual (1000 MT)	600	600	700	700	750	750
FSI Consumption (1000 MT)	11,400	11,400	11,500	11,500	11,600	11,600
Total Consumption (1000 MT)	12,000	12,000	12,200	12,200	12,350	12,350
Ending Stocks (1000 MT)	1,691	1,691	2,687	2,687	2,837	3,337
Total Distribution (1000 MT)	16,503	16,503	16,781	16,781	17,687	17,687
Yield (MT/HA)	2.3314	2.3314	2.5789	2.5781	2.9615	3.0800

MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July. TY 2025/2026 = July 2025 – June 2026
Source: Post Brasilia

Wheat Production

Wheat prices in Brazilian declined in recent months due to ample stock levels, expectations for the current crop, and a less favorable exchange rate. Considering high production costs and disappointments from previous harvests, producers are expected to reduce the planted area with wheat during the 2025/26 season. This decrease is unlikely to be offset by estimates of increased yields, as crop development is anticipated to proceed normally, aided by forecasts of optimal weather conditions and increased investment in machinery and technological advancements.

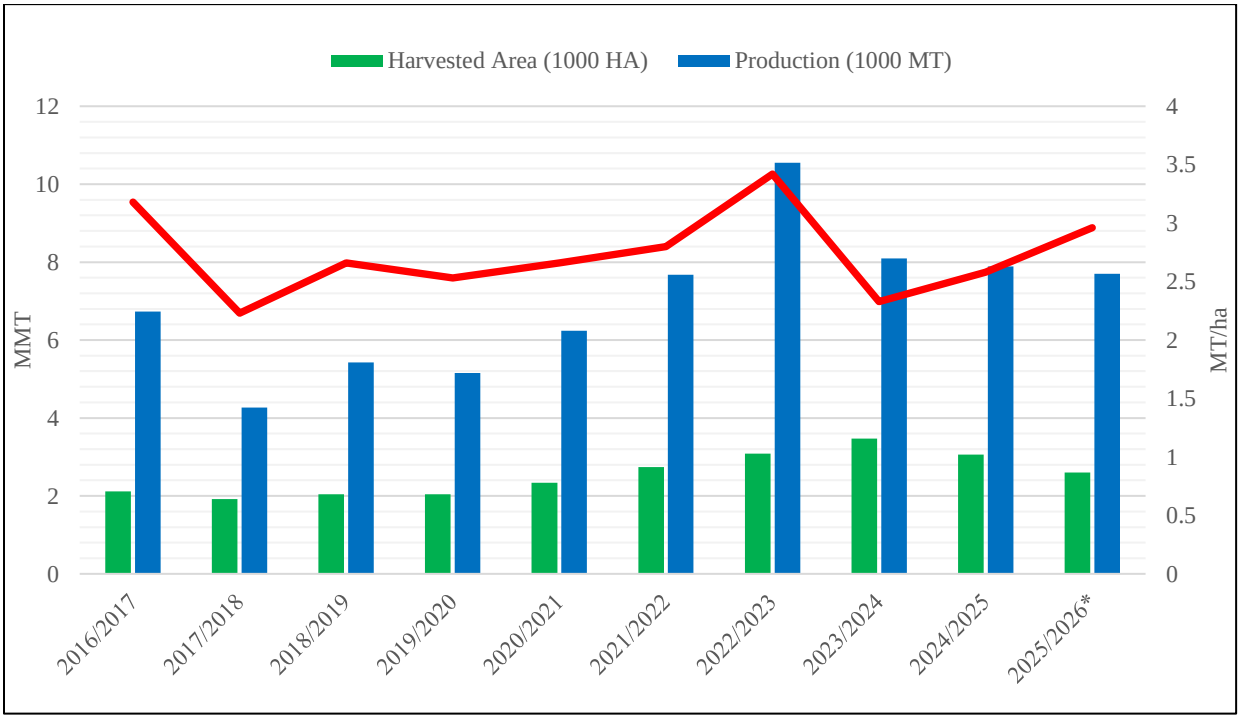
2025/26 Reduction in Planted Area Limits Production Growth

Post revised its forecast for wheat planted area for MY 2025/26 (October 2025 – September 2026) to 2.5 million hectares (ha). The estimate represents an 18 percent decrease in relation to the planted area for MY 2024/25 (October 2024 – September 2025). The decrease in planted area is due to reduced incentives for producers, who are facing high production costs and low trading prices for wheat. In the major producing region, Rio Grande do Sul and Paraná, area is expected to decrease by 14 percent and 26 percent, respectively.

In the coming years, it is anticipated that advancements in technology, irrigation, and new crop varieties will enable an expansion of the planted area in the Central-West region. This transformation could position wheat as a viable crop rotation option alongside soybeans and corn in areas that have predominantly relied on those two crops.

Post reduced its forecast for wheat production for MY 2025/26 (October 2025 – September 2026) to 7.7 million metric tons (MMT), 2.4 percent lower than the production estimated for MY 2024/25, set at 7.8 MMT. The decline in production is primarily due to the anticipated reduction in the planted area, although yields for 2025/26 are expected to rise, reaching 3.08 MT/ha.

Figure 16
Wheat Harvested Area, Production, and Yield in Brazil



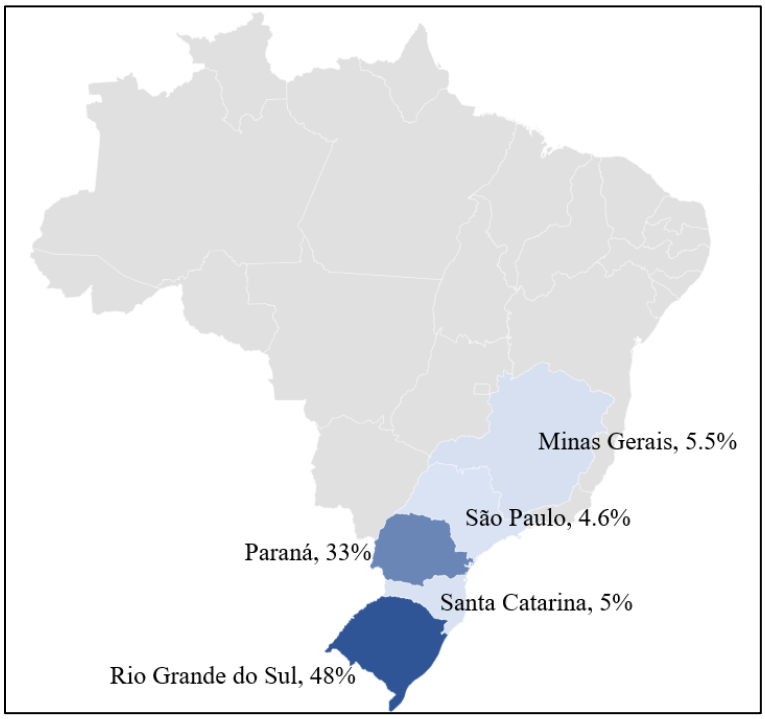
***Data Source**: Foreign Agricultural Service, Official USDA Estimates, with 2025/26 as estimate; Graph Post Brasilia*

Harvest Outlook

Most of Brazil's wheat crops are planted in two southern states: Rio Grande do Sul and Paraná. Sowing typically occurs between March and August, depending on the specific region. However, this planting schedule falls outside the USDA's marketing year, which runs from October to September of the following year. In contrast, Brazil considers its entire wheat season to extend from August to July, allowing the harvest and export of wheat to align with the market year.

Producers should expect 2026 to be marked by elevated production costs, tighter profit margins, and increased dependence on favorable weather conditions. This challenging situation is further complicated by high interest rates in Brazil, which have increased production costs. Consequently, Rio Grande do Sul and Paraná are expected to see a decrease in the area planted for the 2025/26 cycle compared to the previous harvest.

Figure 17
Main Wheat Producing States, 2025



***Data Source**: National Supply Company (CONAB); Graph Post Brasilia*

- **Rio Grande do Sul:** According to the Association of Technical and Rural Extension Enterprises of Rio Grande do Sul (EMATER/RS), by late November, the wheat harvest in the state covered 88 percent of the sown area. This figure is below the average for the last five years, during which 94 percent of the area was harvested at the same time. The delay in harvest is attributed to a longer crop maturation cycle, which was affected by alternating periods of rain and mild temperatures.

Despite this, yields generally met expectations, although there is high variability among different crops, influenced by management practices, the level of technology used, and differing climatic conditions. EMATER/RS estimates the total planted area of wheat in the state is 1.1 million hectares, down 14 percent from the 2024 harvest. Average yield in 2025 should reach 3.26 metric tons per hectare (MT/ha), 17 percent above the previous cycle.

However, Post contacts have indicated that lower-than-expected productivity and poorer quality of the harvested grains have led to widespread dissatisfaction among producers, which could potentially result in a reduction of the planted area for wheat in 2026.

Table 6
2025 Wheat Crop Development in Rio Grande do Sul

Wheat Stages	2025 Harvest	2024 Harvest	2020-2024 Average
	November 27	November 27	November 27
Planting	100%	100%	100%
Germination / Vegetative Development	0%	0%	0%
Flowering	0%	0%	0%
Grain filling	0%	0%	0%
Ripening	12%	4%	6%
Harvesting	88%	96%	94%

***Data Source**: Association of Technical and Rural Extension Enterprises of Rio Grande do Sul (EMATER/RS); Table Post Brasilia*

- **Paraná:** According to the Department of Rural Economy (DERAL/PR), the wheat harvest yielded better results than expected. DERAL/PR indicates there is a high probability the state will achieve a historic productivity record, surpassing the 3.17 MT/ha achieved in the 2016 harvest. This is despite occasional issues such as water deficits, frosts, and lower investment in some areas.

  However, overall production will likely fall short of a record, given an estimated 25 percent reduction in planted area compared to the previous year. Planted area in 2025/26 is expected to decrease from 1.1 million hectares to 819,000 hectares. Total production is projected at 2.7 million tons, a 19 percent increase from the 2.3 MMT reached in 2024. However, this figure remains below the 3.6 million tons harvested in 2023, which was nearly equivalent to the state's milling capacity.
  By the end of November, DERAL reported that 99 percent of the crops were harvested, with 73 percent classified as being in good condition and 27 percent in average condition.

- **Minas Gerais:** According to the Brazilian National Supply Company (CONAB), wheat harvest yields are expected to increase by approximately 5 percent in 2025/26 compared to the previous season. Consequently, the state is projected to produce 423.7 thousand tons of wheat, with grain quality considered superior to that of the last cycle.

- **Santa Catarina:** The harvest started in some isolated areas, although most of the crops are still developing across the various regions of the state. High levels of rainfall raised the risk of plant diseases; however, yields are generally expected to be high. The Agricultural Research and Rural Extension Company of Santa Catarina (EPAGRI/SC) estimates a nearly 15 percent reduction in planted area for the 2025/26 harvest compared to the previous cycle. This decrease is attributed to a lack of incentives resulting from low wheat prices. While yields are anticipated to show slight improvement, EPAGRI/SC estimates that production will reach 374.7 thousand tons, which is 13 percent lower than the 2024/25 harvest.

- **São Paulo:** The 2025 harvest is projected to yield a significant volume and superior quality of wheat in the state. According to the São Paulo Wheat Sector Chamber, the harvest is expected to reach nearly 400,000 tons, surpassing initial projections. This positive outlook is attributed to favorable weather conditions. Additionally, the use of genetically adapted cultivars has contributed to both increased yield and improved quality.

Wheat Prices

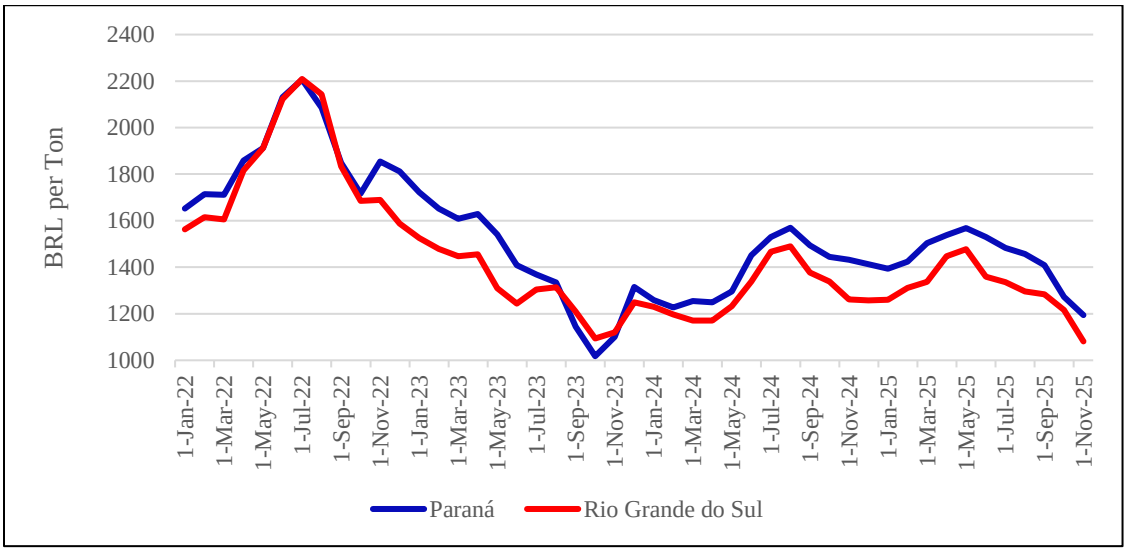
Wheat prices in the Brazilian market declined in recent months, largely due to a high domestic supply from substantial carryover stocks. An increase in the harvest from key producing regions, along with promising productivity forecasts for this season, has led to greater grain availability.

Moreover, the recent devaluation of the U.S. dollar (USD) against the Brazilian real (BRL) has made imported wheat more competitive compared to the domestic product. This change is significant, especially given that Argentina, Brazil's largest wheat supplier, is expected to have record production this season, further increasing the competitiveness of imported grain.

According to the University of São Paulo's Center for Advanced Studies in Applied Economics (CEPEA), the monthly average price of wheat in Paraná was BRL 1,196.69 (USD 224.16) per ton in November 2025. This represents a 16 percent drop compared to November 2024, when the average price was BRL 1,429.98 (USD 246.39). In relation to October 2025, the average price in November 2025 showed a 1.6 percent decline.

In Rio Grande do Sul, the monthly average price for wheat also decreased year-on-year in November 2025. The average price was BRL 1,044.82 (USD 195.71) per ton, reflecting a 17.4 percent decrease from November 2024, when it was priced at BRL 1,265.61 (USD 218.07). In October 2025, wheat prices averaged BRL 1138.41 (USD 211.36), almost 8 percent higher than the price registered in November 2025.

Figure 18
Average Wheat Prices in Paraná and Rio Grande do Sul



***Data Source**: Center for Advanced Studies in Applied Economics (CEPEA); Graph Post Brasilia*

Production Costs Remain High

Fertilizers continue a significant contributor to rising production costs, with Brazil remaining heavily reliant on imports. In August 2025, Brazil set a record by importing 5.2 million tons of fertilizers, according to data from the Ministry of Industry and Foreign Trade (MDIC). This figure marks a 9 percent increase compared to the previous month, which already seen a record import of 4.79 million tons. From January to October 2025, Brazil imported a total of 38.3 million tons of fertilizers. Of this total, 34 percent were nitrogenous fertilizers (HS 3102) such as urea, ammonium sulfate, and calcium ammonium nitrate (CAN), 32 percent were potassium fertilizers (HS 3104), 20 percent were multi-nutrient fertilizers (HS 3105), and 14 percent were phosphate fertilizers (HS 3103) like MAP, DAP, SSP, TSP, and NP.

However, national logistics remains a concern. Major ports are facing long queues of ships carrying fertilizers, with average waiting times exceeding 30 days, leading to high demurrage costs. Additionally, high road freight costs are affecting the domestic transportation of fertilizers and commodities, which in turn is increasing production costs.

Between January and October 2025, China emerged as the primary supplier of fertilizers to Brazil, shipping 9.76 million tons, which accounts for 25.5 percent of the total imports. Russia, historically the largest exporter to Brazil, followed closely behind with 9.72 million tons in the same period. Canada ranked third with 4.64 million tons, representing 12 percent of the total, followed by Morocco, with 2 million tons (5%) and Egypt, with 1.6 million tons (4%).

The international scenario, characterized by geopolitical tensions and larger tariffs on various products, prompted many producers to expedite their purchases, leading to increased demand and sustained high prices.

Wheat Trade

2025/26 Exports Decrease Due to Less Competitiveness of the Domestic Market

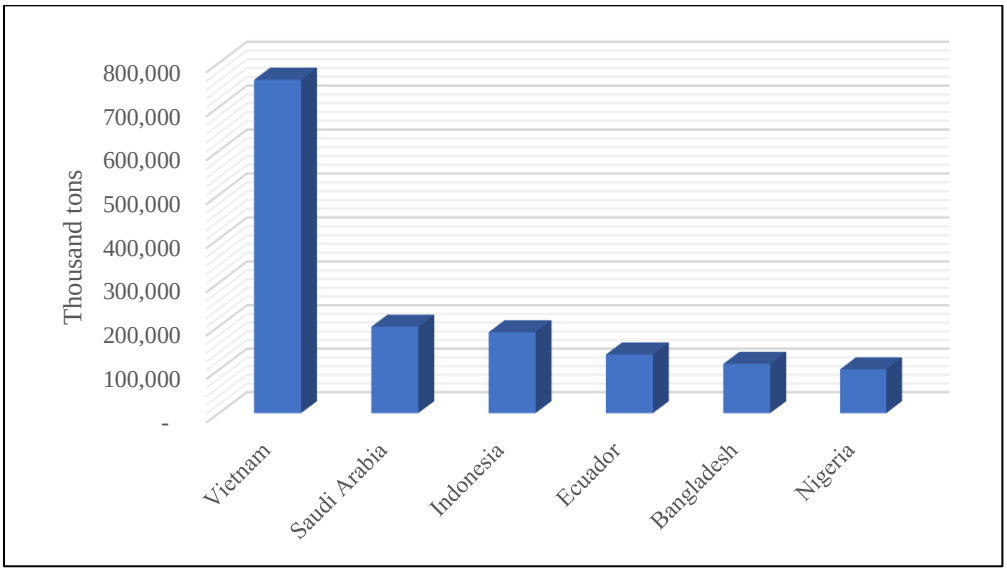
Post decreased its forecast for wheat exports for MY 2025/26 (October 2025 – September 2026) from 2.6 MMT on a wheat grain equivalent basis (WGE) to 2 MMT, based on the expected decrease in production. Note that the USDA uses WGE for trade numbers, which, in addition to wheat grain, include flour and wheat product volumes adjusted on a wheat grain equivalent basis. The 2025/26 forecast represents a 5 percent increase over the exports of the previous year.

Post maintained its estimate for wheat exports for MY 2024/25 (October 2024 – September 2025) at 1.9 MMT, on a wheat grain equivalent basis (WGE). The appreciation of the Brazilian real has made Brazilian wheat exports less competitive compared to Argentine grain. Brazil is not traditionally a major wheat exporter and often relies on imports to meet its domestic consumption needs due to insufficient supply.

Vietnam remains the primary destination for Brazilian wheat exports, accounting for 49 percent of the total wheat exported by Brazil between January and October 2025. Saudi Arabia is the second-largest destination, importing 13 percent, followed by Indonesia (12%), Ecuador (9%), Bangladesh (7%), and Nigeria (7%).

Several importing countries purchase Brazilian wheat for animal feed, opting for the lower-quality grains offered. In contrast, other countries prefer high-quality grains and source Brazilian wheat as a substitute for grains from other markets, such as Ukraine.

Figure 19
Main Destination of Brazilian Wheat Exports (January - October, 2025)

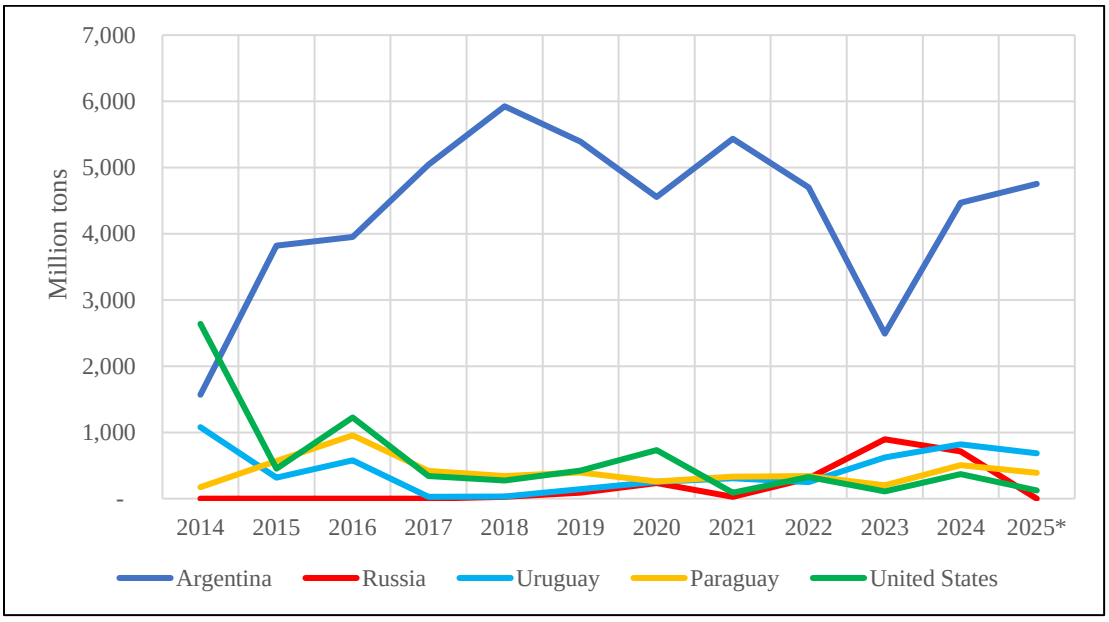


***Data Source**: Ministry of Development, Industry, Foreign Trade and Services (MDIC); Graph Post Brasilia*

2025/26 Imports Increase Due to Lower Domestic Production

Post increased its wheat imports forecast for MY 2025/26 (October 2025 – September 2026) to 7.3 MMT on a wheat grain equivalent basis (WGE), 1.4 percent higher than the previous season. The growth is based on the expectation of lower production for the coming harvest and the need to supply internal domestic consumption.

Figure 20
Main Origin of Wheat Imports to Brazil (2014 – 2025)*



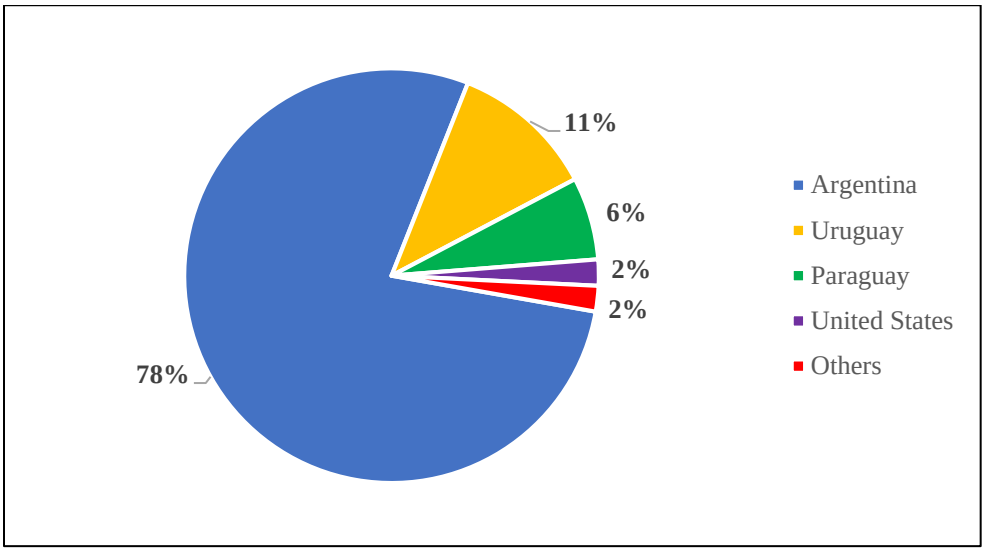
***Data Source**: Ministry of Industry, Foreign Trade and Services (MDIC), with 2025 until October; Graph Post Brasilia*

Data from the Brazilian Ministry of Development, Industry, Foreign Trade, and Services (MDIC) indicate that Brazil imported 562.5 thousand tons of wheat in October 2025. This represents a 6 percent decrease compared to the previous month and a 3.5 percent decline compared to October 2024. From January to October of this year, total imports reached 6 million tons, marking a 1.2 percent increase from the same period in 2024 and the highest volume for this timeframe since 2013.

Analysts predict that purchases of Argentine wheat by Brazilian mills will continue to rise following a measure adopted by the Government of Argentina in September 2025, which eliminated export taxes on grains and by-products. This development adds further pressure on prices paid to farmers in Brazil.

Argentina, traditionally the largest exporter of wheat to Brazil, maintained a dominant position in the Brazilian market in 2025. From January to October, Brazil imported 4.7 million tons of Argentine wheat, accounting for 78 percent of all wheat imports.

Figure 21
Main Origin of Wheat Imports (January - October, 2025)



***Data Source**: Ministry of Industry, Foreign Trade and Services (MDIC); Graph Post Brasilia*

Wheat Consumption

Post increased its forecast for total wheat consumption for MY 2025/26 (October 2025 – September 2026) to 12.3 MMT, a 1.2 percent increase over the estimate for MY 2024/25 (October 2024 – September 2025), set at 12.2 MMT. The growth is attributed to a slight increase in feed and industrial use, while consumption of food products is not expected to rise significantly.

A survey conducted by the National Confederation of Commerce of Goods, Services, and Tourism (CNC), utilizing data from the Secretariat of Foreign Trade (SECEX), revealed that the Government of Brazil's decision in March to eliminate import taxes on various food items did not help control inflation or increase consumption. The measure, intended to ease consumer prices, has proven ineffective. According to the CNC, since the exemption was enacted, there has been no significant impact on consumer prices. Although this initiative has facilitated the entry of foreign products, costs remain high, indicating that the underlying issues are related to other factors within the economic chain.

The list of products that received a zero-tariff included several basic food items, such as olive oil, both whole and roasted coffee, corn, pasta, biscuits, and certain types of sugar not derived from sugarcane. Prior to the elimination of the tariff, rates ranged from 7.2 percent to 32 percent, depending on the item. Among these products, only olive oil and sugars experienced an increase in imports during April and May, accompanied by a slight decrease in prices.

In November 2025, the government of Rio Grande do Sul authorized the opening of Brazil's first wheat ethanol plant. The projected production capacity exceeds 1,300 cubic meters per month of hydrous ethanol and 1,140 cubic meters of neutral alcohol, along with the production of 810 tons of Dried Distillers Grains (DDGS) and 2,160 tons of Wet Distillers Grains (WDGS).

Another area of innovation involves using wheat as a raw material for ethanol production. Two industrial plants in southern Brazil have already begun testing this process, expanding market possibilities beyond traditional uses.

Attachments:

No Attachments