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Report Highlights:

Brazil's grain and feed sector is expected to continue shifting toward more profitable crops in MY 2026/27. Post forecasts corn area to expand, supporting a 1.5 percent increase in corn production over MY 2025/26. Strong ethanol demand and better margins relative to rice and wheat reinforce this trend. Rice area and production for MY 2026/27 are also projected to rise. This follows a disappointing 2025/26 harvest, which strengthens incentives for expanded planting, even as many Brazilian rice producers face economic pressure, with market prices failing to cover production costs. In contrast, rising production costs and weak profitability in wheat are expected to reduce planted area and production in MY 2026/27. Consequently, Brazil will need to rely more heavily on imports to satisfy domestic demand.

CORN
Production, Supply, and Distribution

Table 1
Production, Supply, and Distribution of Corn

Corn	2024/2025		2025/2026		2026/2027
Market Year Begins	Mar 2025		Mar 2026		Mar 2027
Brazil	USDA Official	New Post	USDA Official	New Post	New Post
Area Harvested (1000 HA)	22,300	22,300	22,800	22,800	23,000
Beginning Stocks (1000 MT)	8,334	8,334	11,358	11,358	9,158
Production (1000 MT)	136,000	136,000	132,000	134,000	136,000
MY Imports (1000 MT)	1,762	1,762	1,600	1,600	1,700
TY Imports (1000 MT)	1,966	1,966	1,600	1,600	1,700
TY Imp. from U.S. (1000 MT)	-	-	-	-	-
Total Supply (1000 MT)	146,096	146,096	144,958	146,958	146,858
MY Exports (1000 MT)	42,238	42,238	43,000	42,000	42,000
TY Exports (1000 MT)	38,839	38,839	42,000	42,000	42,000
Feed and Residual (1000 MT)	65,000	65,000	65,500	65,300	65,500
FSI Consumption (1000 MT)	27,500	27,500	30,500	30,500	30,800
Total Consumption (1000 MT)	92,500	92,500	96,000	95,800	96,300
Ending Stocks (1000 MT)	11,358	11,358	5,958	9,158	8,558
Total Distribution (1000 MT)	146,096	146,096	144,958	146,958	146,858
Yield (MT/HA)	6.0987	6.0987	5.7895	5.8772	5.913

(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 for all countries. TY 2026/2027 = October 2026 - September 2027
Source: Post Brasilia

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Corn Production

Brazil's expanding corn ethanol sector continues to drive consumption higher, spurring greater producer interest in planting corn. This trend is expected to directly impact the 2026/27 cycle, with forecasts calling for increased production and greater planted area in key regions.

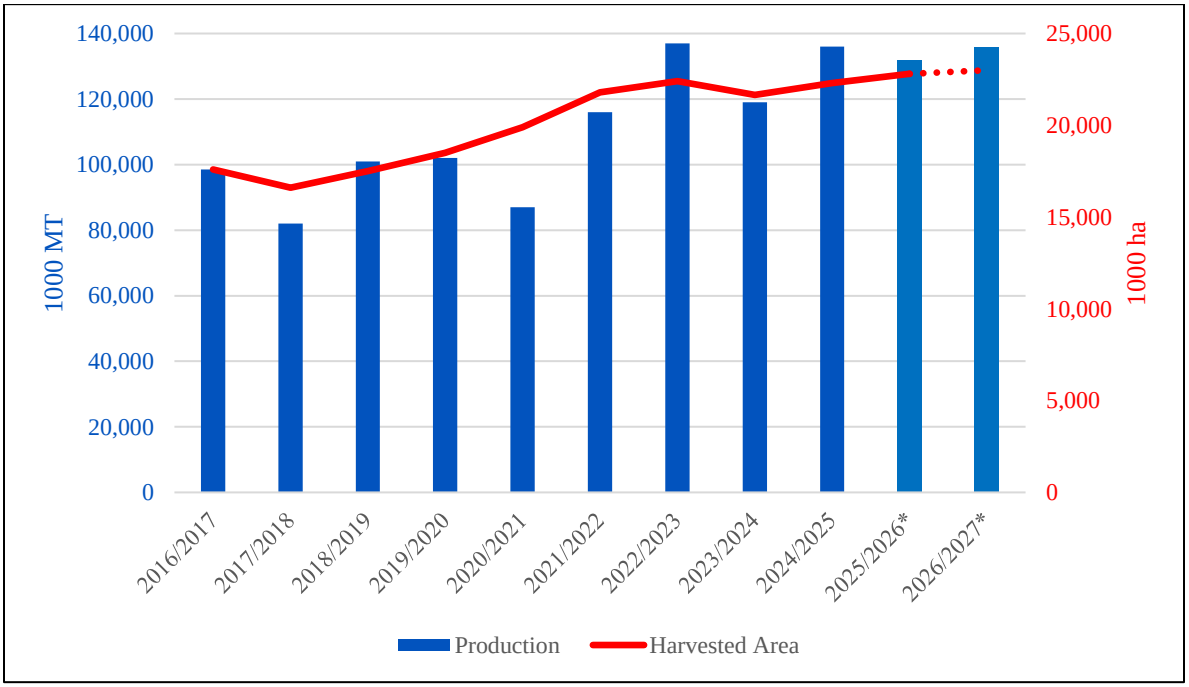
Concerns for the 2025/26 second-season crop intensify, as delays in the soybean harvest in several Center-West states have also hindered corn planting in the region. Combined with heavy rainfall in some key areas and drought in others, this pattern heightens the risk of reduced yields. Producers are now highly dependent on favorable weather in April and May to ensure robust crop growth.

2026/27 Corn Area and Production Forecast to Increase, Led by Brazil's Booming Corn Ethanol Industry

Post forecasts corn planted area for MY 2026/27 (March 2027 – February 2028) at 23 million hectares (ha), a slight increase over the estimated planted area for MY 2025/26 (March 2026 – February 2027), set at 22.8 million hectares. The growth in area is driven by the financially profitable production model of crop rotation between soybeans and corn.

As such, corn production for MY 2026/27 (March 2027 – February 2028) is forecast at 136 million metric tons (MMT), up 1.5 percent from the production estimate for MY 2025/26 (March 2026 – February 2027), set at 134 MMT. Rising demand for corn in ethanol production and strong profit margins, particularly compared to less profitable alternatives like rice and wheat, prompt producers to continue planting corn.

Figure 1
Evolution of Corn Harvested Area and Production in Brazil



Data source: *Foreign Agricultural Service, Official USDA Estimates, with 2025/26 as estimate and 2026/27 as forecast; Graph Post Brasilia*

Harvest Outlook

According to Brazil's National Institute of Meteorology (INMET), the arrival of autumn in the Southern Hemisphere (mid-March to mid-June) brings a gradual reduction in rainfall in the country's interior and lower temperatures, especially in the South and Southeast regions. The season is characterized by the first adverse phenomena, such as fog in the Center-West and frosts in the South and Southeast. In the North, above-average rainfall tends to favor already-planted crops, such as second-season corn.

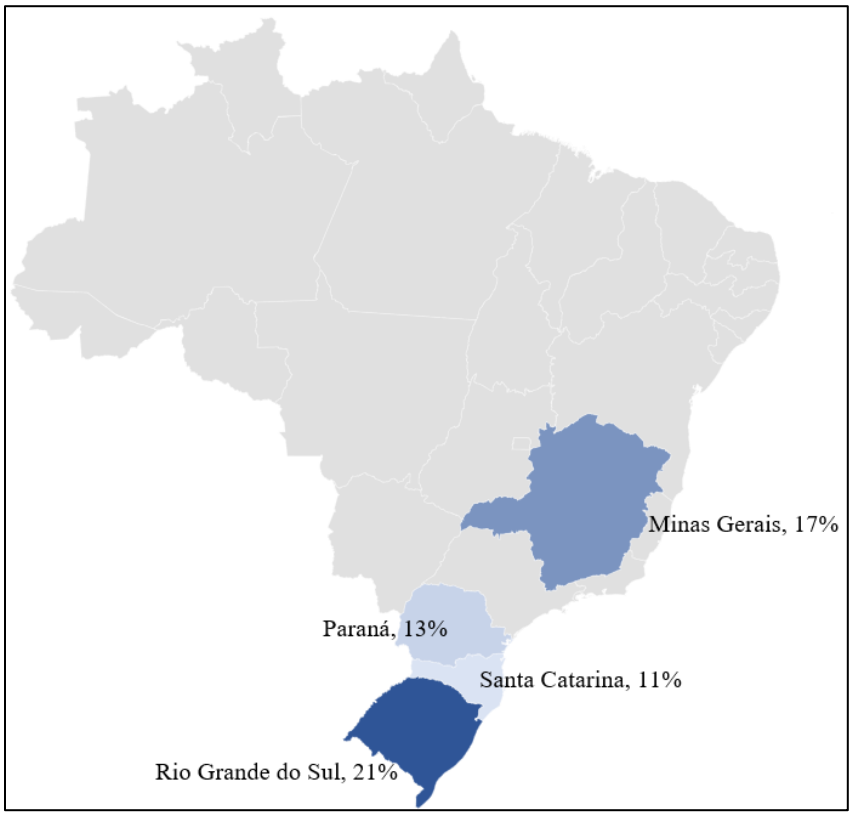
In the Center-West and Southeast, lower rainfall may cause water stress and negatively affect crop development during reproductive stages. In the South, the tendency for lower rainfall and higher temperatures may reduce soil moisture, affect second-season crops, and hinder the development of winter crops. In the MATOPIBA region (Maranhão, Tocantins, Piauí, and Bahia), the combination of below-average rainfall and high temperatures may reduce soil moisture and impact second-season crops, especially corn and cotton.

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 20 percent of the country's total corn production.

The first-season corn harvest is proceeding at a similar pace as previous seasons. At the beginning of March, CONAB estimated a national average of approximately 30 percent of the corn harvested. In the Center-South region of Brazil, by mid-March, harvest had reached 55.7 percent. At the same time last year, the first-season corn harvest was at 52.1 percent of the cultivated area, while the average for the last five years is 53.8 percent.

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



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

- **Rio Grande do Sul:** The first corn harvest progressed slowly due to high rainfall. Yields remain close to initial projections, as the crop was minimally affected by water shortages during the cycle. Second-season corn in the state should in the 2025/26 season should present lower yields than initially expected, due to periods of drought and incidences of leafhopper. According to EMATER/RS, the state should plant 785 thousand hectares of corn in 2025/26, and yields are estimated at 7.37 kg/ha.

- **Minas Gerais:** According to the Minas Gerais State Secretariat of Agriculture, Livestock and Supply, the 2025/26 first-season corn crop initially faced challenges from irregular rainfall and pest infestations, which impacted some early plantings. Rainfall returned in December, supporting crop recovery and good development, with crops now in the grain-filling stage. The Secretariat projects increases in both yield and area. Production is expected to grow by 8 percent compared to the previous crop, reaching 7 million tons in 2025/26. Continued investment in technology and crop management is expected to result in further incremental increases in area and production for the 2026/27 harvest.

- **Paraná:** According to the Department of Rural Economy (DERAL/PR), the 2025/26 first-season corn harvest is progressing, but at a slower pace than in the previous two cycles. Of the nearly 341,000 hectares planted, about 83 percent had been harvested by mid-March, compared to over 90 percent in the same period last season. CONAB estimates 2025/26 production at 3.5 MMT, a 21 percent increase over the previous cycle.

- **Santa Catarina:** The 2025/26 harvest developed well, with some regions achieving yields up to 12 kg/ha. However, delays in soybean harvest led some producers to plant corn outside the optimal sowing window, which will likely affect crop development and reduce the state's average yield. Cold temperatures and drought in early 2026 also impacted many fields, prompting CONAB to adjust the 2025/26 production estimate to 3 MMT, nearly unchanged from the previous harvest.

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.

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

- 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 mid-March, planting in Brazil's Center-South region reached 91.3 percent, nearly matching the five-year average of 91.6 percent but below the 95 percent recorded in the same period of 2025. According to CONAB, Brazil's national planting average was 76 percent in early March.

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

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

- **Mato Grosso:** The Mato Grosso Institute of Agricultural Economics (IMEA) estimates the 2025/26 corn planted area will reach 7.4 million hectares, nearly 2 percent higher than last season. This growth is driven by increased demand for corn ethanol and higher projected exports. Due to uncertain weather, 2025/26 corn production is estimated at 51.7 MMT, a 7 percent decrease from 2024/25. For 2026/27, assuming favorable weather and continued expansion of planted area, a slight production increase is forecast.

- **Paraná:** The Department of Rural Economy (DERAL/PR) reports that second-season corn planting for 2025/26 is progressing more slowly than in the previous two cycles. Approximately 2.9 million hectares are expected to be harvested. Extreme heat and insufficient rainfall in some areas have accelerated plant metabolism and caused premature maturation, which may reduce yields. The 2025/26 crop is currently estimated at 17 MMT.

- **Goiás:** Persistent rains delayed the soybean harvest, causing many producers to miss the optimal window for corn planting. As a result, the planted area for 2025/26 is expected to decrease. CONAB estimates production at 12 MMT, a 6 percent decline from the previous season.

- **Mato Grosso do Sul:** Regular rainfall in February supported crop development, with most fields now in the flowering and grain-filling stages. However, the humid and hot climate increased pest incidence, reducing productive potential. As a result, production for the 2025/26 harvest is expected to decline, with yields estimated below average. According to the Mato Grosso Soybean and Corn Producers Association (APROSOJA/MS), production should reach about 11 MMT in 2025/26, with a planted area of approximately 2.2 million hectares. Historically, the second-season corn area in the state ranges from 2.1 to 2.3 million hectares.

Third-Season Corn

The third-season corn crop, grown exclusively in 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.

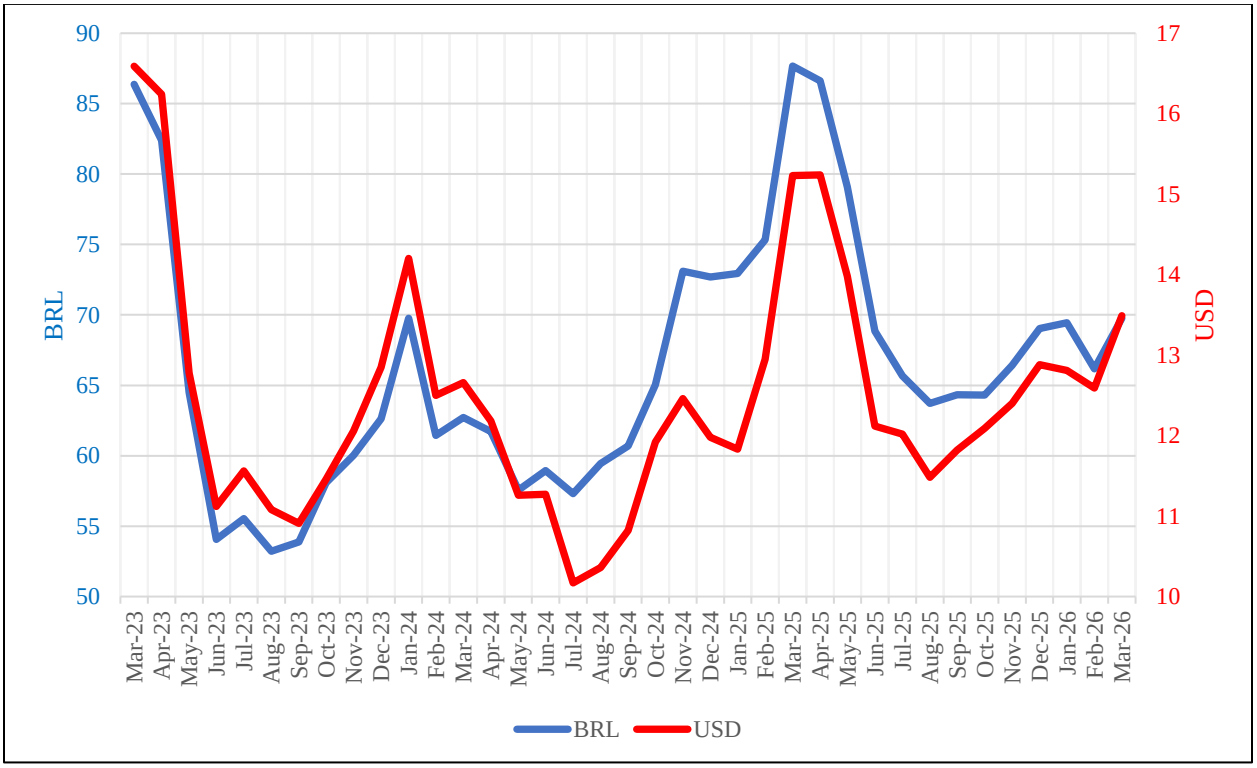
Figure 4
Third-season Corn: Producing States, 2025/26

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

Corn Prices

Corn prices have risen since February due to limited spot market supply. The University of São Paulo's Center for Advanced Studies in Applied Economics (CEPEA) reports that in January 2026, corn traded at BRL 69.45 (USD 12.81). By mid-March, prices reached BRL 71.63 (USD 13.74), a 3 percent increase since the start of the year. In comparison, corn sold for BRL 90.18 (USD 15.96) per bag in March 2025, reflecting a 21 percent year-on-year decline. Following this sharp drop throughout 2025, increased demand, as Brazil harvests first-season and plants second-season corn, is contributing to higher prices in the start of 2026. Additionally, the increase in freight costs is also influencing the rise in corn prices, since trucks are currently handling the transport of soybeans, creating logistical difficulties for loading corn.

Figure 5
Corn Prices in Brazil



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

The Mato Grosso Institute of Agricultural Economics (IMEA) reports a significant increase in average corn production costs in the state. In October 2025, the cost was BRL 6,706.92 per hectare, rising to BRL 7,256.98 by February 2026, an 8 percent increase. This rise is mainly due to higher prices for seeds, fertilizers, financial transaction items, and defensives. Only leasing and family labor costs decreased.

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

Harvest	2020/21	2022/23	2025/26	2025/26	2025/26	2026/27
Year	2020	2022	2025	2025	2025	2026*
Month	Consolidated	Consolidated	Consolidated	January	October	February
a) Seeds	445.42	670.53	777.46	708.55	772.27	850.92
b) Fertilizers	735.63	1,816.57	1,421.89	1,396.97	1,413.58	1,515.09
c) DEFENSIVES (Fungicide, Herbicide, Insecticide, etc.)	398.17	585.83	737.78	678.04	736.15	814.28
d) MECHANIZED OPERATIONS (Planting, Fertilizing, Applications with Machines, Harvesting...)	84.05	161.99	170.19	172.35	170.89	178.59
e) Third Party Services	2.09	3.00	17.66	15.72	17.66	30.93
f) Labor	72.99	83.05	194.53	193.49	194.59	231.28
g) Maintenance	106.13	109.97	239.61	240.00	239.61	274.90
h) Taxes and Fees	90.59	118.33	151.10	150.80	151.20	178.72
i) Financing and Insurances	160.18	276.71	291.69	282.39	289.97	349.65
j) POST-PRODUCTION (Classification and Processing, Storage, Production Transport)	286.26	288.55	444.61	441.18	444.72	511.39
k) Other Costs (Technical Assistance, Utilities Fuel, General Expenses)	69.46	97.43	125.67	123.40	125.76	135.40
l) Lease	132.30	208.66	233.98	242.54	234.63	231.69
Effective Operating Cost - EOC (a + ... + l)	*2583.26*	*4,420.62*	*4,806.17*	*4,645.44*	*4,791.03*	*5,302.85*
DEPRECIATION (of Equipment, Utilities, and Improvements)	196.96	202.72	456.37	456.52	456.37	465.76
Family Labor	59.83	61.64	131.54	130.73	131.70	106.35
OPPORTUNITY COST (Working Capital, Improvements, etc.)	538.00	925.79	1,331.83	1,279.16	1,327.82	1,382.02
TOTAL	**3,378.06**	**5,610.78**	**6,725.91**	**6,511.85**	**6,706.92**	**7,256.98**

***Data Source**: Mato Grosso Institute of Agricultural Economics (IMEA), costs in BRL/ha, * with 2026 as estimates; Chart Post Brasilia*

High Production Costs and Low Infrastructure Investments Continue to Affect Agricultural Decision-Making

The continuous growth of agricultural production in Brazil has not kept pace with investments in storage infrastructure. As a result, the country presents a structural imbalance that directly affects food security, the profitability of rural producers, agricultural sales, and increases operational costs.

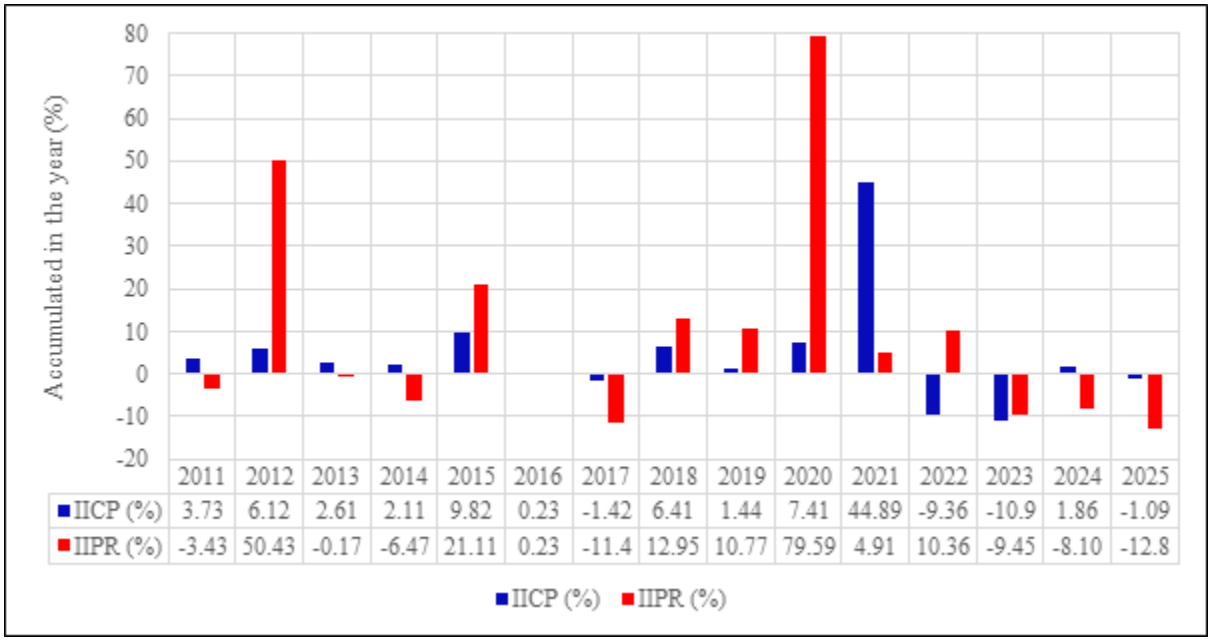
According to the Research and Extension Group in Agroindustrial Logistics (Esalq-Log/USP), Brazil currently has the static capacity to store 70 percent of its production, a reality quite different from that of the United States, which has the infrastructure to store the equivalent to 140 percent of its production.

According to the Mato Grosso Soybean and Corn Producers Association (APROSOJA/MT), the insufficient static storage capacity to safely maintain production stocks holds a significant portion of producers at the mercy of the harvest calendar and to market conditions during periods when supply reaches peak moments. As a result, the need for quick sales pressures producers to sell within a short period of time, which favors lower prices and directly impacts profitability.

The Federation of Agriculture of the State of Rio Grande do Sul (FARSUL) released new data on the cost of production and prices received by rural producers in the state. These figures are measured using the Production Costs Inflation Index (IICP) and the Index on Inflation of Prices Received by Rural Producers (IIPR) for significant commodities. The IICP measures the variations in the cost of production, while the IIPR defines the fluctuations in prices received by producers.

In 2025, prices received by rural producers declined. The IICP indicated a slight 1 percent decrease, due to lower commodity prices, an 11 percent devaluation in the dollar, and reduced tax expenses. Meanwhile, the IIPR showed a sharper deflation of nearly 13 percent, driven by falling prices in most basic food basket products. The largest drops were in rice, down 47 percent, and wheat, which fell 17 percent.

Figure 6
Rio Grande do Sul: Inflation Indexes on Production Costs (IICP) and Prices Received by Rural Producers (IIPR)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
IICP (%)	3.73	6.12	2.61	2.11	9.82	0.23	-1.42	6.41	1.44	7.41	44.89	-9.36	-10.9	1.86	-1.09
IIPR (%)	-3.43	50.43	-0.17	-6.47	21.11	0.23	-11.4	12.95	10.77	79.59	4.91	10.36	-9.45	-8.10	-12.8

***Data Source**: Federation of Agriculture of the State of Rio Grande do Sul (FARSUL); Graph Post Brasilia*

Post contacts shared they are concerned about recent disruptions in international fertilizer trade, which could raise crop production costs. Brazil imports roughly 85 percent of its fertilizer needs, so the recent increase in global fertilizer prices, especially nitrogen products such as urea, could affect upcoming soybean, corn, rice, and wheat crops. According to the National Confederation of Industry (CNA), the price of these inputs (including cost and freight) in Brazil already rose about 33 percent since the beginning of March.

Over the longer term, higher fertilizer costs could be passed on to food prices and affect products directly consumed by households, such as meat, eggs, and milk, since grains form the basis of most animal feed.

If the price increase persists, the main impact will likely be felt in the next summer crop, whose planting begins in August. Until then, producers are closely monitoring international market developments to identify the most advantageous time to purchase, as fertilizers account for roughly 40 percent of total crop production costs.

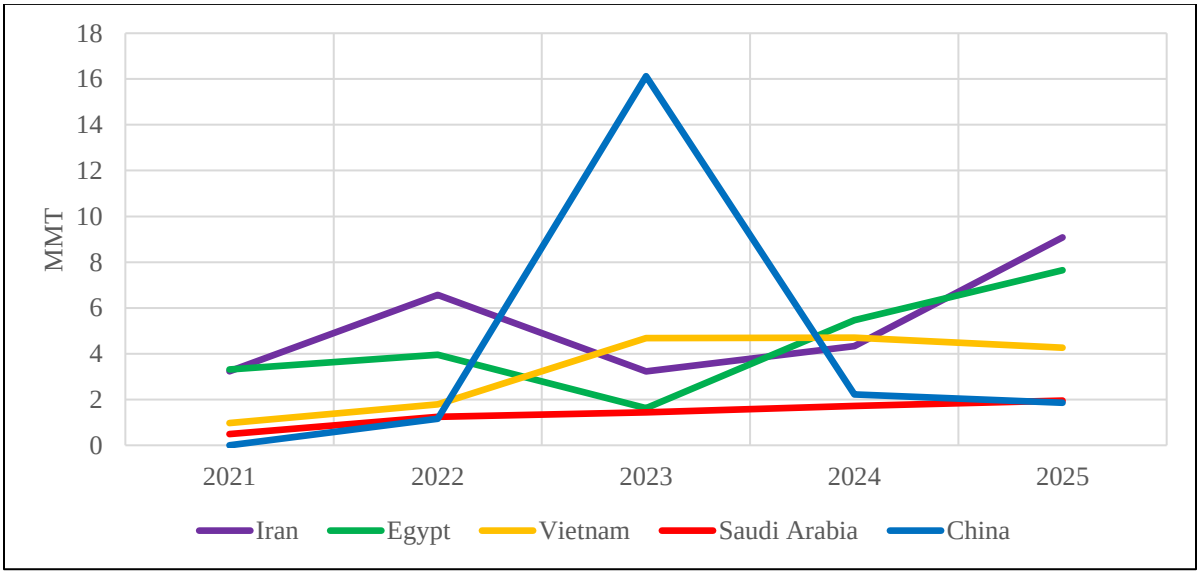
Corn Trade

Exports

Post forecasts corn exports for MY 2026/27 (March 2027 – February 2028) at 42 MMT, the same estimate for exports in MY 2025/26 (March 2026 – February 2027). While high production supports export potential, most of Brazil's corn is consumed domestically. Logistical challenges also limit grain shipments, making sustained high corn exports unlikely.

According to Brazil's Secretariat of Foreign Trade (SECEX) under the Ministry of Development, Industry, Foreign Trade, and Services (MDIC), Brazilian corn exports amounted to 784,176.5 tons of corn shipped in the 15 working days of March 2026. This volume represents 90 percent of the 871,297.9 tons shipped in all of March 2025 and represents a growth of 14 percent per working day compared to the volume recorded last year. However, Post contacts expressed concerns about Brazil's ability to maintain this export pace throughout the year, as Iran accounted for 22 percent of Brazilian corn purchases in 2025.

Figure 7
Top Destinations of Brazilian Corn Exports

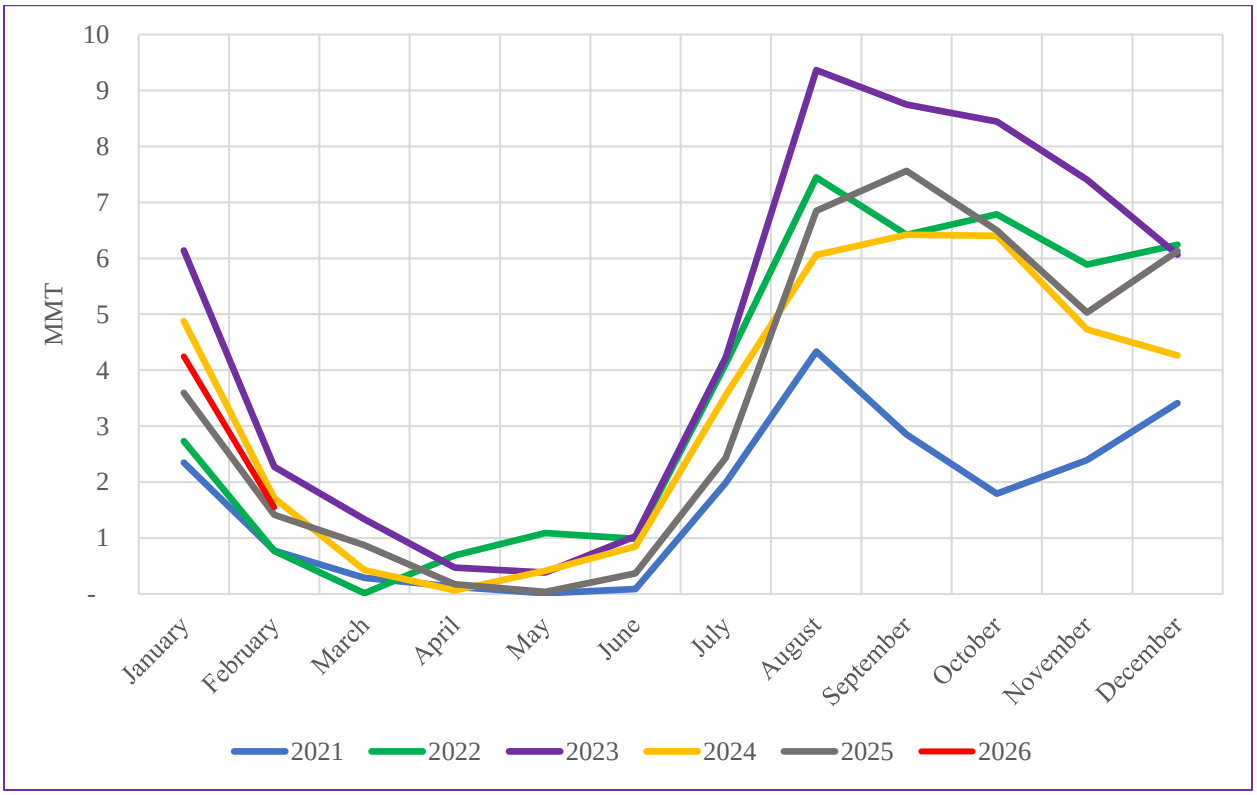


***Data Source**: Ministry of Development, Industry, Foreign Trade and Services (MDIC); Graph Post Brasilia*

Corn exports in 2025 reached 41 MMT, up 3 percent from the previous year. Iran was the largest buyer, importing 9 MMT, a 109 percent increase over 2024. Egypt, the second largest buyer, increased its purchases by 40 percent to 5.4 MMT. China dropped to fifth place with 1.8 MMT, behind Vietnam (4.2 MMT) and Saudi Arabia (1.9 MMT).

The Port of Santos in São Paulo handled the largest volume, shipping approximately 15 MMT despite a year-over-year decline. Belém in Pará remained second with 7 MMT, followed by Paranaguá in Paraná with 5 MMT and Santarém in Pará with 4 MMT.

Figure 8
Brazilian Corn Exports by Month (2021 – 2026)

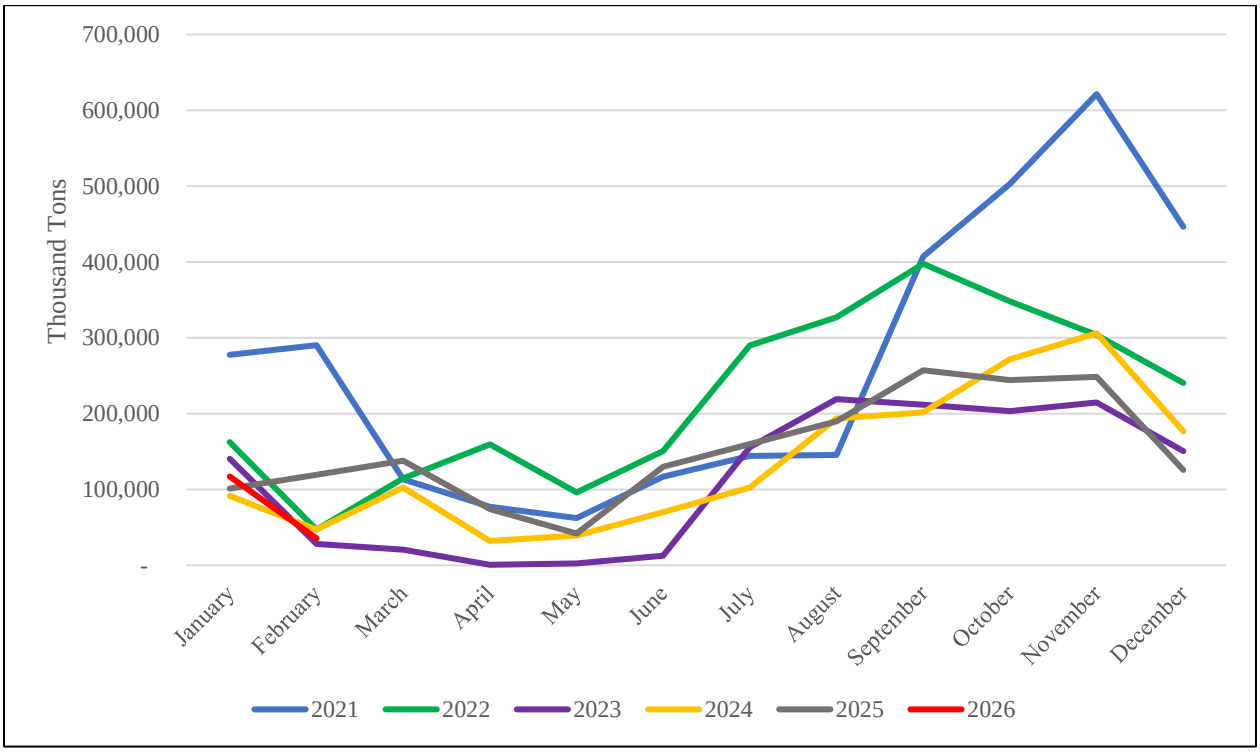


***Data Source**: Ministry of Development, Industry, Foreign Trade and Services (MDIC); Graph Post Brasilia*

Imports

Post forecasts corn imports for MY 2026/27 (March 2027 – February 2028) at 1.7 MMT. For MY 2025/26 (March 2026 – February 2027), Post estimates corn imports at 1.6 MMT. Brazil imports relatively little corn compared to its overall production, consumption, and exports, with imports primarily addressing immediate market needs. Although a significant surge in imports is unlikely, the country's increasing consumption may result in a gradual but steady rise in import levels to satisfy this expanding demand.

Figure 9
Brazilian Corn Imports by Month (2021 – 2026)



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

Paraguay was the leading supplier of corn to Brazil in 2025, accounting for 99 percent of imports. Argentina, the second-largest supplier, saw a 96 percent decline in sales to Brazil. Other exporters included Chile (down 63 percent), the United States (down 68 percent), and South Africa (up 200 percent). Paraguay's growth is attributed to improved prices and logistics.

Corn Consumption

Post forecasts total corn consumption for MY 2026/27 (March 2027 – February 2028) at 96.3 MMT, slightly over the estimate for MY 2025/26 (March 2026 – February 2027), of 95.8 MMT. Strong demand from the ethanol and feed industries continues to drive growth in corn consumption.

According to the Brazilian Association of Corn and Sorghum Producers (ABRAMILHO), about 60 percent of corn consumed in Brazil is used for animal feed. Of this, 32 percent goes to poultry and 15 percent to swine. Corn use in pet food is also increasing, now accounting for 1.7 percent of domestic consumption. This is notable as Brazil has the world's second-largest pet population, after the United States.

The National Union of Animal Feed Industries (SINDIRAÇÕES) projected growth for Brazilian animal feed production of 3 percent in 2025, with 94 million tons compared to 91.1 million tons recorded in 2024. In this estimate, the sector would consume around 60 million tons of corn (including DDG - Distillers Dried Grains - a protein meal for animal feed.).

ABRAMILHO reports that direct corn consumption by Brazilians remains low, at only 3 percent of total domestic use. Per capita consumption is about 12 kg per year, compared to 63 kg in Mexico, 42 kg in the European Union, 30 kg in China, and 28 kg in the United States.

Corn use for ethanol is rising each year as new ethanol and mixed-use plants open. Brazil now operates 31 corn ethanol plants across several states, with a production capacity of 12.93 billion liters per year. Another 20 plants are under construction. Corn also produces by-products such as DDG. Brazil produces about 5 million tons of DDG annually. While most DDG is used domestically, a trade agreement signed with China in May 2025 enabled exports to that country, creating new market opportunities (See: GAIN Brazilian Production of Distillers Dried Grains and Distillers Dried Grains with Solubles).

RICE

Production, Supply, and Distribution

Table 3
Production, Supply, and Distribution of Rice

Rice, Milled	2024/2025		2025/2026		2026/2027
Market Year Begins	Apr 2025		Apr 2026		Apr 2027
Brazil	USDA Official	New Post	USDA Official	New Post	New Post
Area Harvested (1000 HA)	1,764	1,764	1,600	1,550	1,600
Beginning Stocks (1000 MT)	711	711	1,661	1,661	1,511
Milled Production (1000 MT)	8,675	8,675	7,600	7,600	7,700
Rough Production (1000 MT)	12,757	12,757	11,176	11,176	11,324
Milling Rate (.9999) (1000 MT)	6,800	6,800	6,800	6,800	6,800
MY Imports (1000 MT)	925	925	850	1,000	1,100
TY Imports (1000 MT)	931	931	900	995	900
Total Supply (1000 MT)	10,311	10,311	10,111	10,261	10,311
MY Exports (1000 MT)	1,300	1,300	1,350	1,400	1,500
TY Exports (1000 MT)	1,090	1,090	1,375	1,280	1,400
Consumption and Residual (1000 MT)	7,350	7,350	7,350	7,350	7,300
Ending Stocks (1000 MT)	1,661	1,661	1,411	1,511	1,511
Total Distribution (1000 MT)	10,311	10,311	10,111	10,261	10,311
Yield (Rough) (MT/HA)	7.2319	7.2319	6.9850	7.2103	7.0775

(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 Rice, Milled begins in January for all countries. TY 2026/2027 = January 2027 - December 2027
Source: Post Brasilia

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Rice Production

The Brazilian rice industry is facing an extremely challenging scenario, which will likely have repercussions for the 2026/27 harvest. Rice producers in Mercosur had one of the largest harvests in the 2024/25 season, putting downward pressure on prices. India's rice exports to the international market further lowered international prices, worsening market conditions. Domestically, Brazilian producers also contended with limited access to credit, high production costs, and elevated interest rates in the 2025/26 season, contributing to the difficult economic environment of the sector.

This situation, in turn, has reduced producers' incentives to plant rice, given the trade-off between high production costs and weak profitability. As a result, Brazil is expected to decrease planted area and produce less rice during the 2025/26 harvest.

2026/27 Area and Production to Improve Following a Disappointing Harvest in 2025/26

Post forecasts rice planted area for MY 2026/27 (April 2027 – March 2028) at 1.6 million hectares (ha), a 3 percent increase over the estimate for MY 2025/26 (April 2026 – March 2027), set at 1.5 million hectares (ha). Rice production for MY 2026/27 (April 2027 – March 2028) is forecast at 7.7 million metric tons (MMT) of milled rice equivalent (MRE), an equivalent of 11.3 MMT of paddy rice. This represents a 1 percent increase over the previous season.

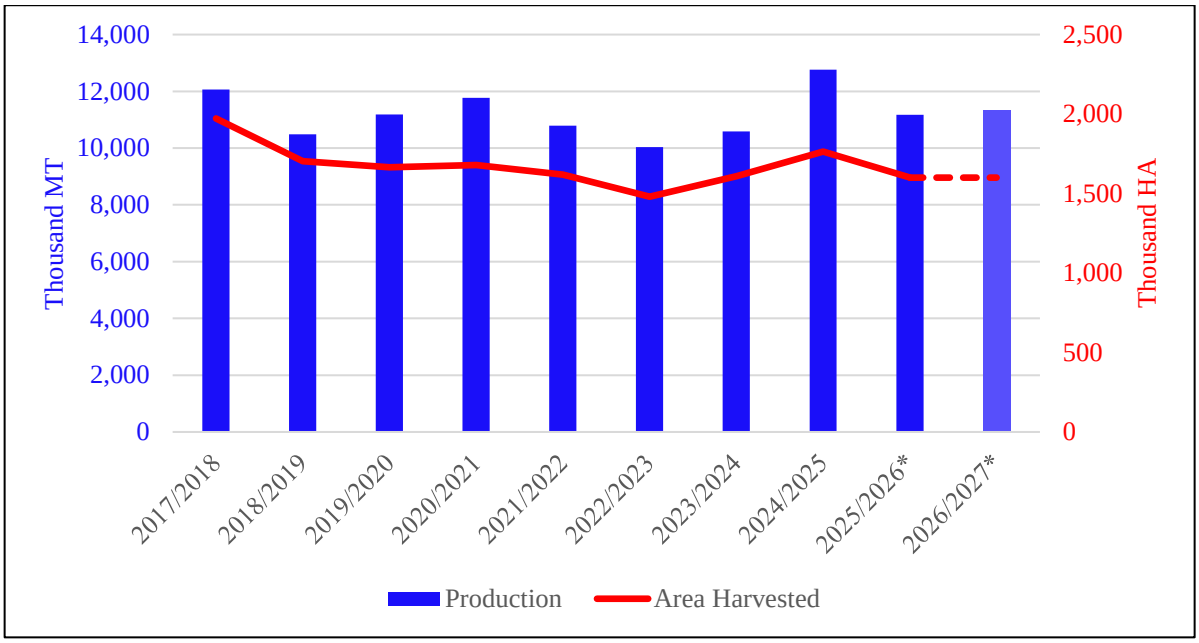
Brazil's rice harvest is marked by various challenges, as the cycle reflects the effects of previous harvests marked by significant imbalances. Rising production costs and loss of competitiveness relative to other Mercosur suppliers are eroding rice profitability and prompting producers to reduce planted area. However, 2025/26 production is expected to decline compared with the previous season, which would strengthen incentives for expanded planting in 2026/27.

With the current high production costs and low margins, producers were forced to reduce planted area in 2025/2026 and cut back on investments in technology and crop management. This will likely reduce average yields not only in the current harvest, but also in 2026/27. However, the anticipated expansion in planted area for next season should offset potential yield losses and help maintain overall production for 2026/27.

Producer returns remain weak, with a 50-kg bag selling for BRL 55.00, well below CONAB's minimum support price of BRL 63.00 per 50-kg bag. In contrast, production costs are estimated at roughly BRL 85.00 to 90.00 per 50-kg bag, depending on the production system.

Domestic rice also faces increased competition from imports in the Brazilian market, adding further downward pressure on prices. This situation has led to significant producer debt, which Post expects to persist through 2026. These combined factors have discouraged producers and resulted in lower 2025/26 planted-area estimates compared to projections for the 2026/27 harvest.

Figure 10
Rice: Evolution of Production and Area



Data Source: *Foreign Agricultural Service, Official USDA Estimates, with 2025/26 and 2026/27 as estimates; Graph Post Brasilia*

Harvest Outlook

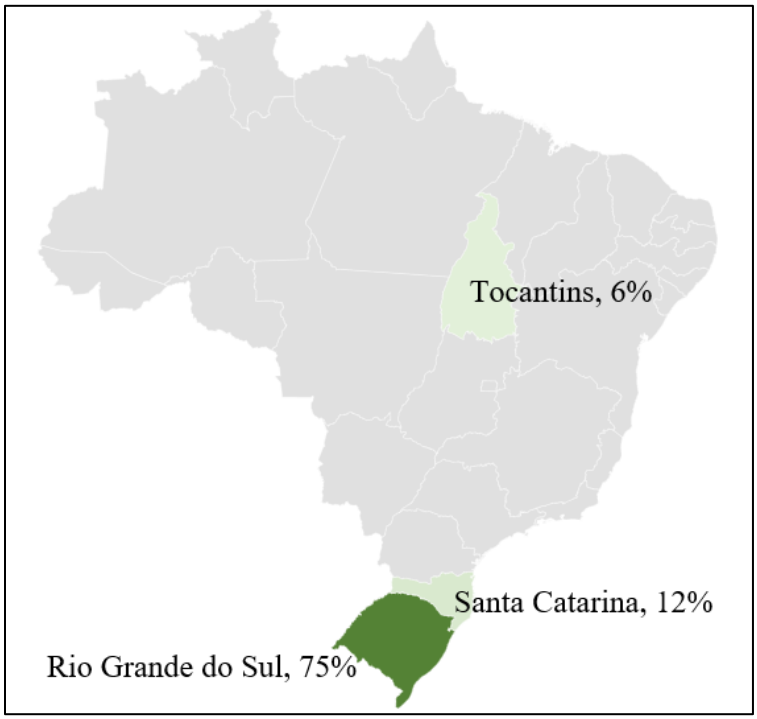
For the MY2025/26 rice crop, sowing is practically complete in the major producing regions. In Rio Grande do Sul, the largest producing state, planting concluded and harvesting already begun in some areas, confirming the estimated reduction in planted area compared to the previous cycle.

According to Brazil's National Institute of Meteorology (INMET), the arrival of autumn in the Southern Hemisphere (mid-March to mid-June) brings a gradual reduction in rainfall in the country's interior and lower temperatures, especially in the South and Southeast regions. In the North, above-average rainfall tends to favor already-planted crops, such as second-season corn.

In the Center-West and Southeast, lower rainfall may cause water stress and negatively affect crop development during reproductive stages. In the South, the tendency for lower rainfall and higher temperatures may reduce soil moisture, affect second-season crops, and hinder the development of winter crops. In the MATOPIBA region (Maranhão, Tocantins, Piauí, and Bahia), the combination of below-average rainfall and high temperatures may reduce soil moisture and impact second-season crops, especially corn and cotton.

Irrigated Rice

Figure 11
Main Irrigated Rice Producing States (2025/26)



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

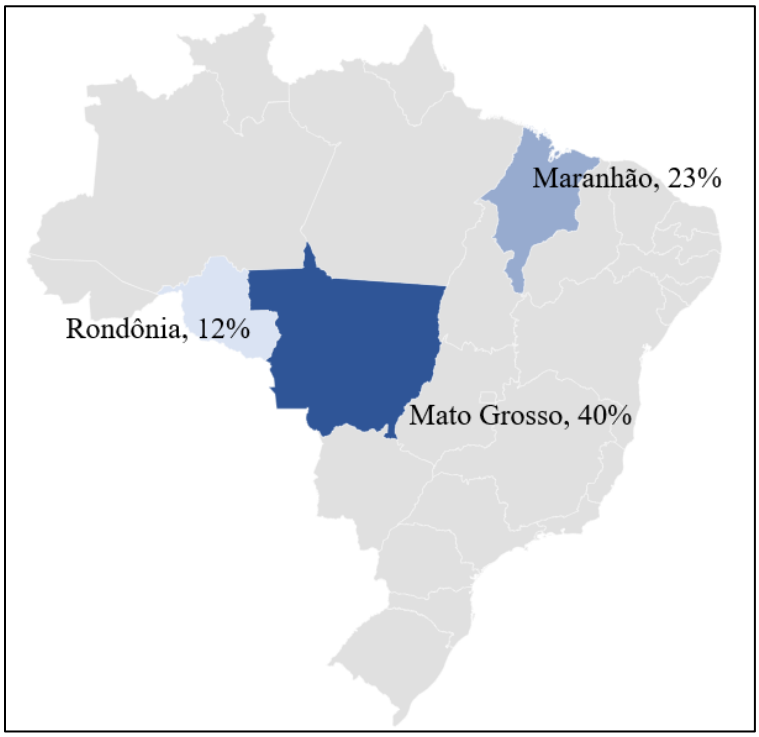
- **Rio Grande do Sul:** According to the Rio Grande do Sul Rice Institute (IRGA), state harvested area state in 2025/26 should reach approximately 892,000 hectares. Production is estimated at 7.7 MMT, with the Association of Technical and Rural Extension Enterprises of Rio Grande do Sul (EMATER/RS) estimating average yields at 8.75 metric tons per hectare (mt/ha). According to EMATER/RS, weather conditions during the period helped reduce grain moisture and allowed for a faster pace of harvest operations. High amounts of sun in January and February also supported grain filling and the consolidation of the productive potential of the crops. In addition, water availability in irrigated systems remains satisfactory, with continuous water-level management as crops approach full maturity. For 2026/27, rice production is forecast to increase in the state if prices improve for the producers, who require more incentives to continue planting.

- **Santa Catarina:** Optimal weather conditions favored the development of rice in the state, with crops in the flowering, grain-filling, and early-maturity stages, depending on the producing region. Proper water-level management also helped mitigate potential water deficits associated with irregular rainfall. The Agricultural Research and Rural Extension Company of Santa Catarina (EPAGRI/SC) estimates 2025/26 rice area at 144,000 hectares, about 1 percent below the previous cycle. Production is expected to reach 1.2 MMT, a 6-percent decrease compared to the 2024/25 harvest.

- **Tocantins:** According to CONAB, the state produces both irrigated and upland rice and has seen good development in both systems, with pest problems limited to a few regions. While these problems may raise operating costs due to increased crop-protection needs, they are not expected to impact state average yields in 2025/26. In some areas, producers opted to plant dry beans instead of rice due to higher expected profitability. CONAB estimates the 2025/26 rice production in Tocantins at 612,000 metric tons, a 24 percent decline from the previous cycle, mainly due to a sharp reduction in planted area.

Upland Rice

Figure 12
Main Upland Rice Producing States (2025/26)



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

- **Mato Grosso:** The state is expected to experience a stronger reduction in planted area during the 2025/26 harvest. Post contacts estimate cuts of up to 23 percent compared to the previous season, while CONAB projects that the decline could exceed 42 percent. Crops are reportedly developing well, supported by steady and well-distributed rainfall. CONAB estimates the 2025/26 upland rice production at 310,000 metric tons, a 42-percent decrease from the previous cycle. The decline stems from a significant drop in planted area, a trend that is expected to continue in the 2026/27 harvest as producers switch to more profitable crops.

- **Maranhão:** Planting took place through mid-February, and harvest is expected between April and June 2026. According to CONAB, rice area in 2025/26 contracted significantly across all producing regions of the state, primarily due to low market prices. With some producers receiving prices below their production costs, many opted to replace rice with more profitable crops, such as soybeans or corn. CONAB estimates the 2025/26 rice production at 180,000 metric tons, a 29-percent decline compared to the previous season.

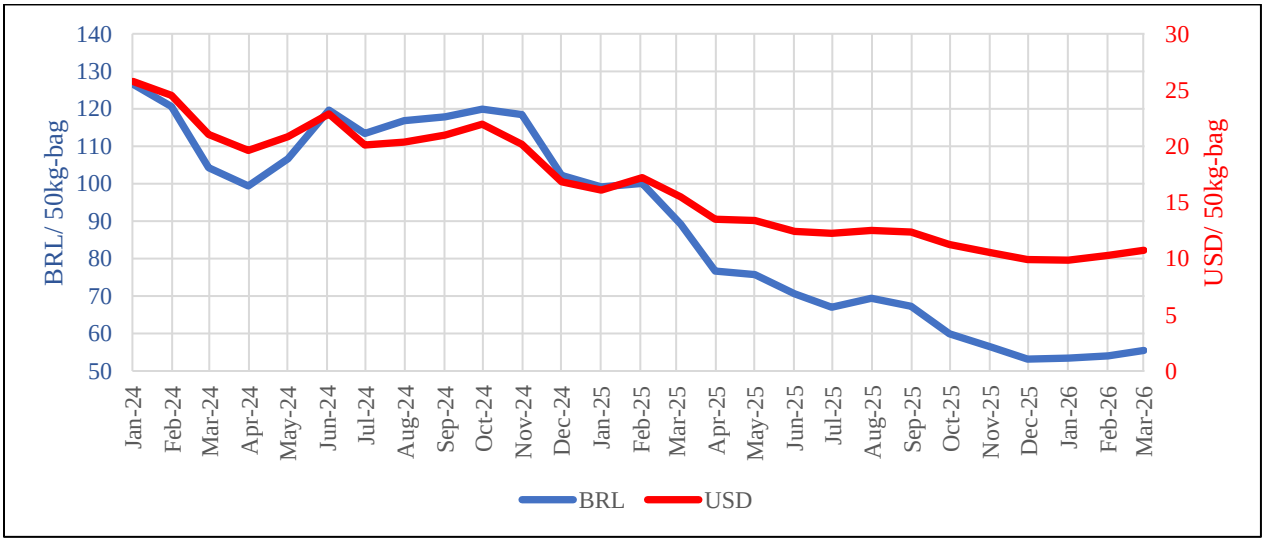
- **Rondônia:** Low profitability discouraged planting in the 2025/26 harvest, resulting in a substantial reduction in rice area. Sowing began in November and concluded early in 2026, with an estimated 40-percent decrease in planted area compared to the previous harvest. CONAB projects MY2025/26 rice production at 94,000 metric tons, a 42-percent decline from the MY2024/25 season.

Rice Prices

Rice prices closed February with a slight increase, following a prolonged period of decline. The growth mainly reflects limited rice availability in the domestic market, which is typical for the off-season period. As a result, sellers raised asking prices, while industry buyers largely confined purchases to spot transactions to replenish minimum stock levels.

According to the Center for Advanced Studies on Applied Economics (CEPEA/ESALQ/USP), the average rice price in February 2026 was BRL 54.80 (USD 10.54) per 50-kg bag, a sharp 75 percent decrease compared to the average in February 2025. In January 2026, rice in Rio Grande do Sul traded at BRL 53.38 (USD 10.01) per 50-kg bag, almost 3 percent below the February 2026 average. Since early 2025, the average price of paddy rice in Rio Grande do Sul has trended downward, reaching nominal levels last observed in July 2022.

Figure 13
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*

Under normal market conditions, increased supply would exert downward pressure on prices. However, recent movements have not followed this pattern. According to CEPEA, current rice prices remain below the minimum reference price established under Brazil's Minimum Price Guarantee Policy (PGPM). Part of the effective price floor has been sustained through policy tools such as PEP, PEPRO, and product retention by market participants.

The PGPM is a federal policy instrument designed to reduce income volatility for rural producers and ensure a minimum level of remuneration. The PGPM minimum price also serves as a reference for supply decisions, encouraging or discouraging production and helping to ensure regular domestic availability. PEPRO and PEP are CONAB-administered auction mechanisms that help guarantee that producers receive at least their cost of production when market prices are very low. Under PEPRO, the subsidy is paid directly to the producer or cooperative that sells the product. Under PEP, the subsidy is paid to the buyer (such as a mill or trader), who must in turn pay the PGPM minimum price to the producer.

Table 4
Rice Minimum Guaranteed Prices

Rice	Location	Type	Quantity	2024/25	2025/26	Validity
Long fine paddy rice	South (except Paraná)	1-58/10	50 kg	BRL 63.64	BRL 63.74	Feb 2026 to Jan 2027 (2025/26 harvest)
	Centre-West, Northeast, North, Southeast, and Paraná		60 kg	BRL 80.00	BRL 80.00	

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

This imbalance complicates decision-making and, in practice, reflects an environment of accumulated tension in the market. For retail buyers and in the physical market, heightened uncertainty tends to delay purchases, reduce product variety on store shelves, and push consumers toward lower-value items, gradually compressing margins.

High Production Costs and Low Infrastructure Investments Continue to Affect Agricultural Decision-Making with Few Incentives to Plant Rice in 2025/26

Producers are apprehensive about recent disruptions to the international fertilizer trade, as these could increase crop production costs. Since Brazil imports about 85 percent of the fertilizers it uses, a recent rise in fertilizer prices, especially nitrogen fertilizers like urea, could directly increase costs for the next wheat, corn, and soybean harvests. According to the National Confederation of Industry (CNA), this input's price has already risen 33 percent (including cost and freight) in Brazil since the beginning of March. In the long term, these increased production costs could be passed on to food prices, affecting products such as meat, eggs, and milk, because higher grain costs raise the prices of animal feed.

However, because investments in storage infrastructure have not kept pace with Brazil's continuous growth of agricultural production, the resulting structural imbalance leads to insufficient grain storage. As a result, the country presents a structural imbalance that directly affects food security, reduces the profitability of rural producers, negatively impacts agricultural sales, and increases operational costs.

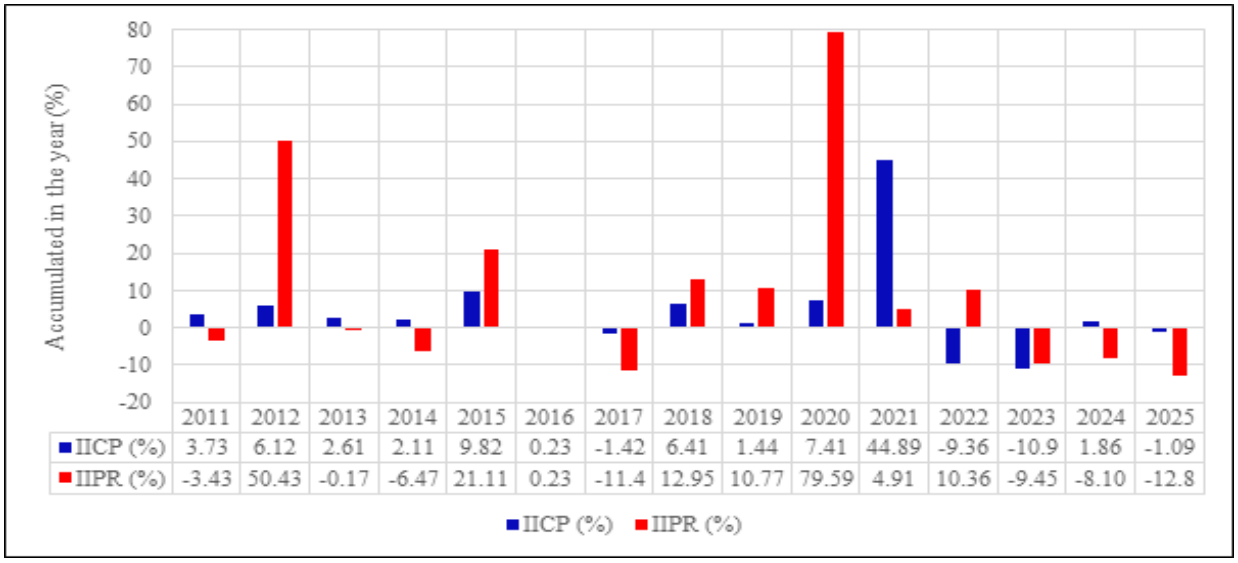
According to the Research and Extension Group in Agroindustrial Logistics (Esalq-Log/USP), Brazil currently has the static capacity to store 70 percent of its production. In contrast, the United States has the infrastructure to store the equivalent of 140 percent of its production.

According to the Mato Grosso Soybean and Corn Producers Association (APROSOJA/MT), insufficient static storage capacity prevents safe maintenance of production stocks. As a result, during periods when supply peaks, many producers must sell quickly to avoid losses, which drives prices down and reduces profitability.

The Federation of Agriculture of the State of Rio Grande do Sul (FARSUL) released new data on the cost of production and prices received by rural producers in the state. These figures are measured using the Production Costs Inflation Index (IICP) and the Index on Inflation of Prices Received by Rural Producers (IIPR) for significant commodities. The IICP measures the variations in the cost of production, while the IIPR defines the fluctuations in prices received by producers.

In 2025, prices received by rural producers declined. The IICP indicated a slight 1 percent decrease, due to lower commodity prices, an 11 percent devaluation in the dollar, and reduced tax expenses. Meanwhile, the IIPR showed a sharper deflation of nearly 13 percent, driven by falling prices in most basic food basket products. The largest drops were in rice, down 47 percent, and wheat, which fell 17 percent.

Figure 14
Rio Grande do Sul: Inflation Indexes on Production Costs (IICP) and Prices Received by Rural Producers (IIPR)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
IICP (%)	3.73	6.12	2.61	2.11	9.82	0.23	-1.42	6.41	1.44	7.41	44.89	-9.36	-10.9	1.86	-1.09
IIPR (%)	-3.43	50.43	-0.17	-6.47	21.11	0.23	-11.4	12.95	10.77	79.59	4.91	10.36	-9.45	-8.10	-12.8

***Data Source**: Federation of Agriculture of the State of Rio Grande do Sul (FARSUL); Graph Post Brasilia*

Post contacts shared they are concerned about recent disruptions in international fertilizer trade, which could raise crop production costs. Brazil imports roughly 85 percent of its fertilizer needs, so the recent increase in global fertilizer prices, especially nitrogen products such as urea, could affect upcoming soybean, corn, rice, and wheat crops. According to the National Confederation of Industry (CNA), the price of these inputs (including cost and freight) in Brazil already rose about 33 percent since the beginning of March.

Over the longer term, higher fertilizer costs could be passed on to food prices and affect products directly consumed by households, such as meat, eggs, and milk, since grains form the basis of most animal feed.

Current crops reportedly already contracted and delivered fertilizers. If the price increase persists, the main impact will likely be felt in the next summer crop, whose planting begins in August. Until then, producers are closely monitoring international market developments to identify the most advantageous time to purchase, as fertilizers account for roughly 40 percent of total crop production costs.

Rice Trade

Exports

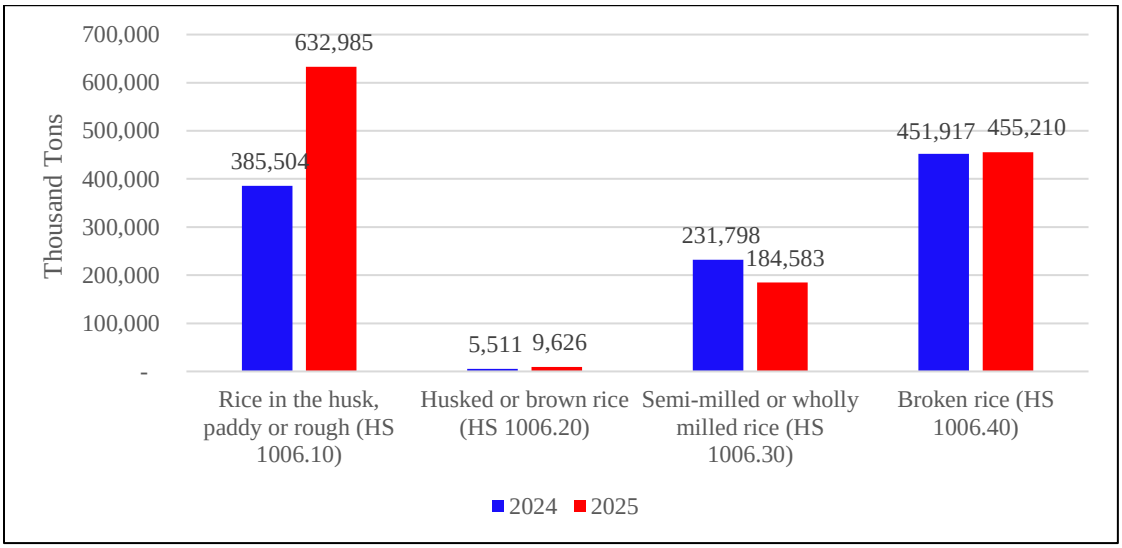
Traditionally, rice exports tend to increase between May and August, and producers rely on these sales to help regulate market prices. Brazilian domestic consumption alone is not sufficient to support higher prices without a more favorable international trade environment.

Post sets the forecast for rice exports for MY 2026/27 (April 2027 – March 2028) at 1.5 MMT, a 7 percent increase over the MY 2025/26 (April 2026 – March 2027) export estimate, set at 1.4 MMT, as Brazil remains a strong exporter of paddy and broken rice.

Rice exports reached impressive volumes in the first two months of 2026, totaling 370,400 metric tons, according to the Secretariat of Foreign Trade (SECEX) of the Ministry of Development, Industry, Commerce, and Services (MDIC). This represents a 211 percent increase compared to the same period in 2025. The expansion reflects larger purchases by Mexico, Senegal, Venezuela, and Costa Rica, which had not imported significant volumes from Brazil in the previous year. Cuba also emerged as a strong buyer during this period, importing primarily milled rice.

According to SECEX, Brazil exported nearly 1.3 million metric tons of unmilled rice in calendar year (CY) 2025, generating export revenue of USD 458 million. Compared to 2024, export volume rose by about 20 percent, while export value declined by 18 percent, largely due to exchange-rate movements between the U.S. dollar (USD) and the Brazilian real (BRL).

Figure 15
Brazilian Rice Exports, by Category (CY 2024 - 2025)

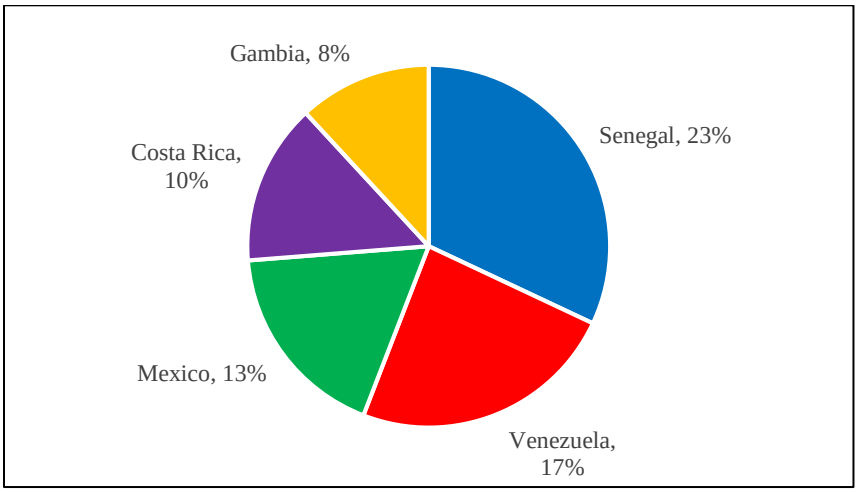


***Data Source**: Ministry of Development, Industry, Commerce and Services (MDIC); Graph Post Brasilia*

While international rice prices were lower—driven mainly by abundant supplies in Asia and the lifting of India's export ban—Brazil maintained comparatively higher costs and struggled to keep pace with global price dynamics in 2025. Logistical and financial constraints accumulated over previous harvests limited the extent of domestic price declines for Brazilian producers.

The main buyers of Brazilian rice in CY 2025 were Senegal, Venezuela, Mexico, Costa Rica, and Gambia. Senegal and Gambia imported primarily broken rice, while Venezuela, Mexico, and Costa Rica sourced mainly paddy rice from Brazil.

Figure 16
Main Destinations of Brazilian Rice (CY 2025)



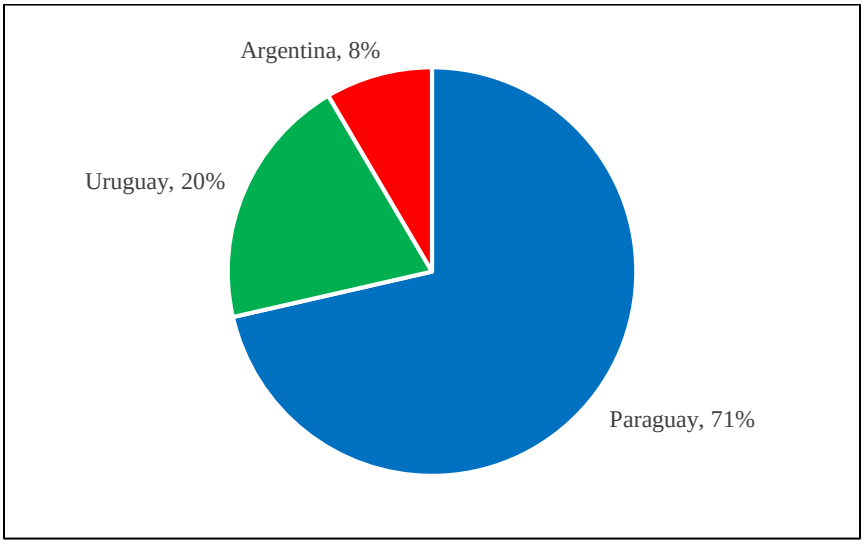
***Data Source:** Ministry of Development, Industry, Commerce and Services (MDIC); Graph Post Brasilia*

Imports

Post forecasts rice imports for MY 2026/27 (April 2027 – March 2028) at 1.1 MMT and estimates MY 2025/26 (April 2026 – March 2027) imports at 1 MMT. Brazil imports mainly husked and milled rice, in contrast to exports, which consist largely of broken and paddy rice. Imports are forecast to rise as the domestic industry takes advantage of favorable harvest conditions, competitive prices, and relatively simple logistics in Paraguay, which remains Brazil's leading rice supplier.

Paraguay, Uruguay, and Argentina continue to be Brazil's primary sources of imported rice. Benefiting from a tariff-free regime within Mercosur and facilitated access to the Brazilian market, these countries take advantage of facilitated access to Brazilian boarders, logistics, and better sales.

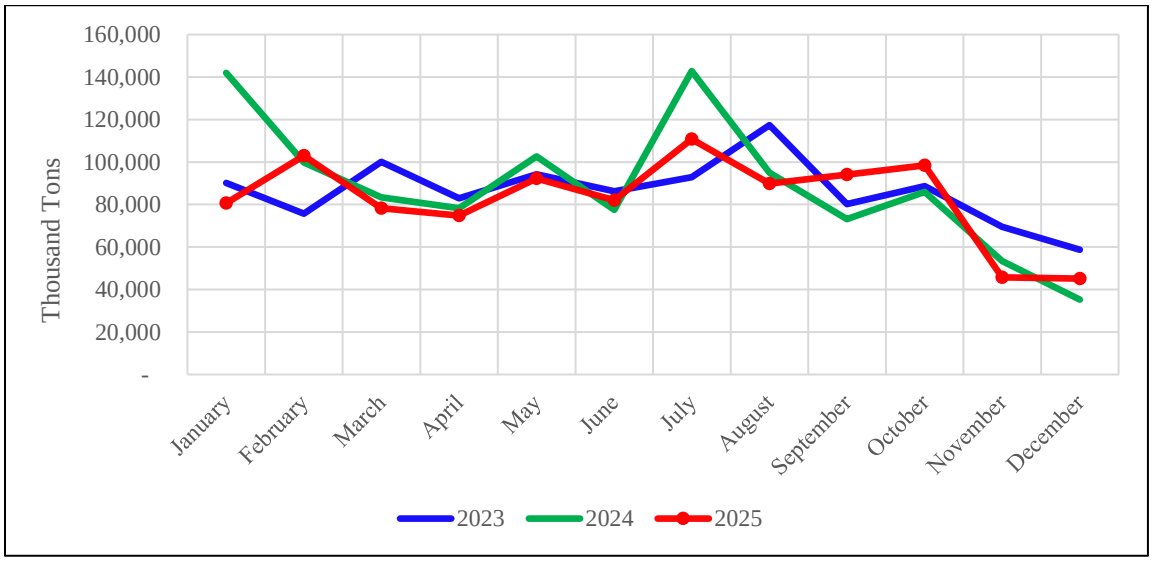
Figure 17
Main Origin of Rice Imports (2025)



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

Regarding 2025 imports, Brazil recorded declines in both volume and value. In CY 2025, the country imported approximately 1.0 MMT of rice, with an outlay of USD 390 million. This represents a reduction of about 7 percent in volume and 43 percent in value compared to 2024 imports.

Figure 18
Monthly Imports of Rice into Brazil



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

Rice Consumption

Post set its forecast for total rice consumption for MY 2026/27 (April 2027 – March 2028) at 7.3 MMT, 0.7 percent lower than the estimate for MY 2025/26 (April 2026 – March 2027). Brazil's rice consumption pattern has steadily declined over the years, driven by changes in consumer lifestyles, smaller household size, less time devoted to meal preparation, and the growing presence of ultra-processed foods. For industry, the effect is neither immediate nor absolute, as rice remains a staple food; however, the downtrend has raised concerns about how rice is presented to consumers and incorporated into meals.

Data from the Brazilian Association of Supermarkets (ABRAS) show that the cost of the basic food basket, which contains 35 widely consumed products, was 3 percent lower in January 2026 than at its peak in May 2025. Key staples such as wheat flour (down 1.63 percent) and rice (down 27 percent in recent months) contributed significantly to this decline.

Household food consumption has increased in response to lower prices. ABRAS expects this upward trend to continue as recent government measures, such as the income-tax exemption for individuals earning up to BRL 5,000 and the nearly 7 percent increase in the minimum wage implemented in February, take full effect over the course of the year.

However, even with lower prices, consumption of rice and beans continues to decline in Brazil. From January to June 2025, per-capita rice consumption fell by almost 5 percent, while bean consumption, traditionally served with rice, declined by about 4 percent. This is not a recent trend. According to the Brazilian Agricultural Research Corporation (EMBRAPA), per-capita rice consumption has fallen from 40 kilograms per year in 1985 to 28.2 kilograms, and per-capita bean consumption has dropped from 19 to 12.8 kilograms per year, at least.

WHEAT

Production, Supply, and Distribution

Table 5
Production, Supply, and Distribution of Wheat

Wheat	2024/2025		2025/2026		2026/2027
Market Year Begins	Oct 2024		Oct 2025		Oct 2026
Brazil	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**New Post**
Area Harvested (1000 HA)	3,059	3,059	2,445	2,445	2,300
Beginning Stocks (1000 MT)	1,691	1,691	2,687	2,687	3,337
Production (1000 MT)	7,889	7,889	8,000	8,000	7,000
MY Imports (1000 MT)	7,201	7,201	7,100	7,000	7,200
TY Imports (1000 MT)	7,299	7,299	7,300	7,100	7,300
Total Supply (1000 MT)	16,781	16,781	17,787	17,687	17,537
MY Exports (1000 MT)	1,894	1,894	2,300	2,000	1,900
TY Exports (1000 MT)	1,897	1,897	2,300	2,000	1,900
Feed and Residual (1000 MT)	700	700	750	750	780
FSI Consumption (1000 MT)	11,500	11,500	11,600	11,600	11,700
Total Consumption (1000 MT)	12,200	12,200	12,350	12,350	12,480
Ending Stocks (1000 MT)	2,687	2,687	3,137	3,337	3,157
Total Distribution (1000 MT)	16,781	16,781	17,787	17,687	17,537
Yield (MT/HA)	2.579	2.579	3.272	3.272	3.0435

(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 Wheat begins in July for all countries. TY 2026/2027 = July 2026 - June 2027
Source: Post Brasilia

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Wheat Production

Brazilian wheat production remains limited by climatic, agronomic, exchange rate, and market constraints, keeping the country heavily reliant on imports to meet domestic demand. Approximately 85 percent of national production is concentrated in the Southern Region, where it rains practically year-round. This excess precipitation and humidity expose crops to various diseases that compromise grain quality.

Domestic wheat prices in Brazil are influenced by international market dynamics. The current global wheat surplus and declining international prices have led Brazilian producers to hesitate expanding wheat cultivation. Furthermore, wheat competes with alternative crops such as onions, potatoes, beans, corn, and soybeans, which generally offer higher economic returns.

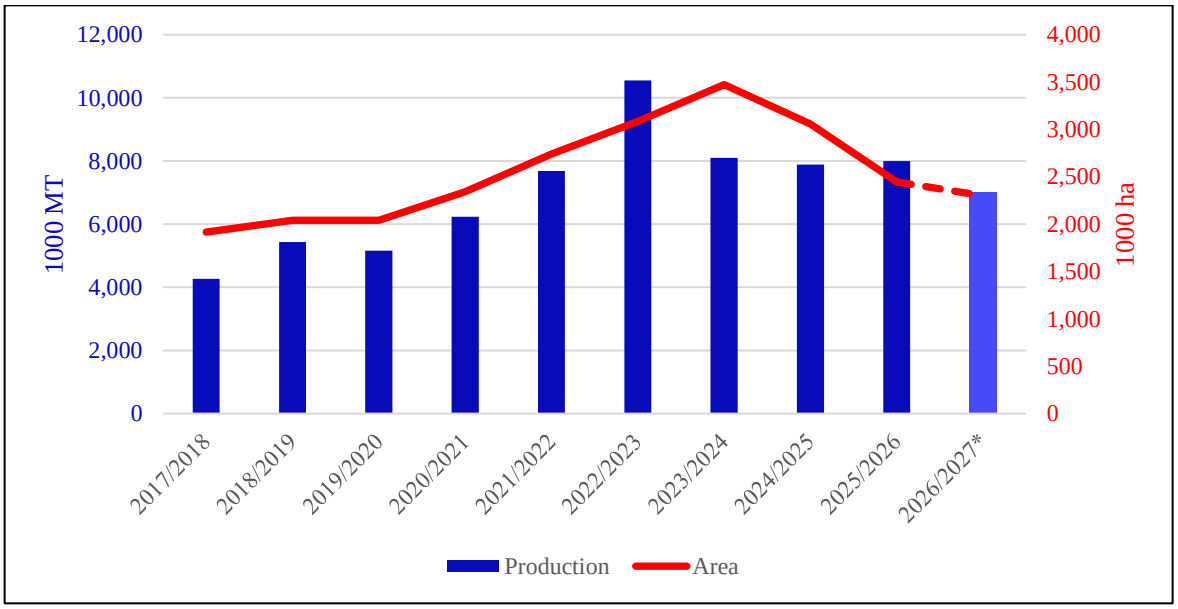
The recent depreciation of the US dollar has further impacted wheat planting decisions in Brazil for the 2026 harvest. A weaker dollar generally results in reduced exports and increased imports. Since Brazil remains a structural importer of wheat, this trend is expected to persist, primarily due to increased supply from Argentina, the main provider. Consequently, incentives to expand the area under wheat cultivation are diminished.

2026/27 Planted Area Forecast to Decrease Based on Reduced Profitability, Severely Impacting Production

Post forecasts wheat planted area for MY 2026/27 (October 2026 – September 2027) at 2.3 million hectares (ha). The estimate represents a 6 percent decrease in relation to the harvested area for MY 2025/26 (October 2025 – September 2026), estimated at 2.4 million ha. With wheat prices falling in Brazil throughout 2025, planted area for the 2026 crop is expected to decrease. The lack of incentive to plant wheat has led producers to opt for more profitable crops, such as corn or soybeans, especially in regions that often experience frost and excessive rainfall. This scenario discouraged investments in technology and area renovation, directly impacting yield.

Post forecasts wheat production for MY 2026/27 (October 2026 – September 2027) at 7 million metric tons (MMT), 12.5 percent lower than the production estimated for MY 2025/26, set at 8 MMT. The decrease is based on a combination of lower area and an expectation of returning to the average trend at 3.04 MT/ha.

Figure 19
Evolution of Wheat Harvested Area and Production in Brazil



***Data Source**: Foreign Agricultural Service, Official USDA Estimates, with 2026/27 as estimate; Graph Post Brasilia*

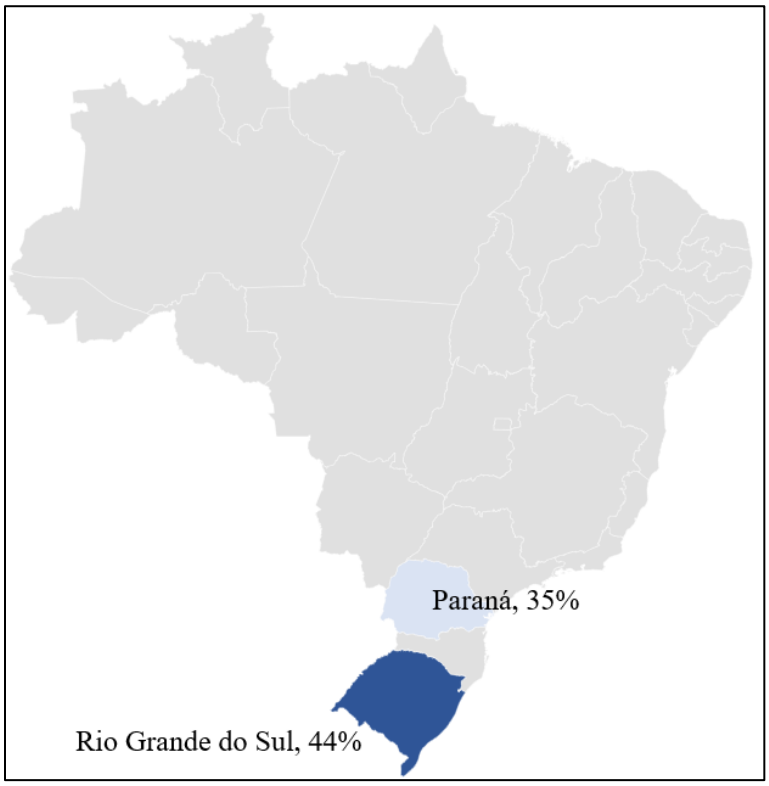
Expanding wheat production in Brazil presents significant challenges. While climate remains a primary obstacle, additional factors such as narrow profitability margins, elevated risk, and limited availability of hedging instruments further increase the vulnerability of wheat cultivation in farm management strategies.

Harvest Outlook

Most of Brazil's wheat crops are planted in two southern states: Rio Grande do Sul and Paraná. Brazil's National Supply Company (CONAB) estimates that 80 percent of the 2026 wheat harvest will be planted in these two states alone. Sowing typically begins in March and lasts until August, depending on the specific region. This planting schedule falls outside the USDA's marketing year, which spans across October to September of the following year. However, 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.

Adverse weather events are extremely frequent in these southern wheat-producing regions, where there is no well-defined dry season during the maturation of the grain. In recent years, producers have reported partial or total crop failure, as well as a loss of grain quality for industrial processing.

Figure 20
Main Wheat Producing States, 2026



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

- **Rio Grande do Sul:** According to CONAB, the state is forecast to produce 3 MMT of wheat in the 2026 harvest, a 15 percent reduction in relation to the previous cycle. Planted area is expected to reach 1 million hectares, down 10 percent from the 2025 figure. Low profitability and insecurities over high production costs and unstable weather patterns have led producers to opt for other crops, such as canola, corn, and oats.

- **Paraná:** According to the Department of Rural Economy (DERAL/PR), Paraná is no longer the largest wheat producer in the country, a position currently held by Rio Grande do Sul. This shift is attributed to the conversion of wheat cultivation areas in northern and western Paraná to second-crop corn. DERAL/PR forecasts a decline in wheat planted area for the 2026 cycle, falling below the 824 thousand hectares harvested in 2025.

- In January 2026, the average price per bag was BRL 62.19, corresponding to approximately 56 bags per hectare, compared to 57 bags per hectare in 2025. DERAL/PR notes that wheat prices are only 15 percent higher than corn prices, whereas an 80 percent premium would be necessary to incentivize wheat cultivation over corn. Even regions with higher technological investment are struggling to achieve productivity levels sufficient to offset costs. Consequently, in some areas, wheat is competing with second-crop corn or sorghum, both of which offer greater profitability. The 2025 harvest presented a similar scenario, with producers facing narrow margins and elevated production costs, leading many to opt for alternative crops. Wheat production is unlikely to exceed the 2.8 million metric tons recorded in 2025.

- **Cerrado:** The ideal planting window for wheat in the Cerrado region (Goiás, Federal District, Mato Grosso, Bahia, and Minas Gerais) began in early March, after the soybean harvest. Most crops benefit from seasonal rains, without irrigation. Good profitability with the 2025 harvest is leading to stable planted area for 2026, close to 290 thousand hectares for the region. Of this total, about 80 percent is upland wheat. This early planting window also results in harvest by June or July, making the region's wheat the first of the season available in the domestic market. As a result, producers have secured good financial returns on their trade. Wheat sowing has also increased in the region because of the possibility of rotation with corn, sorghum, and soybeans in a no-till system, which helps control pest risks and the spread of weeds.

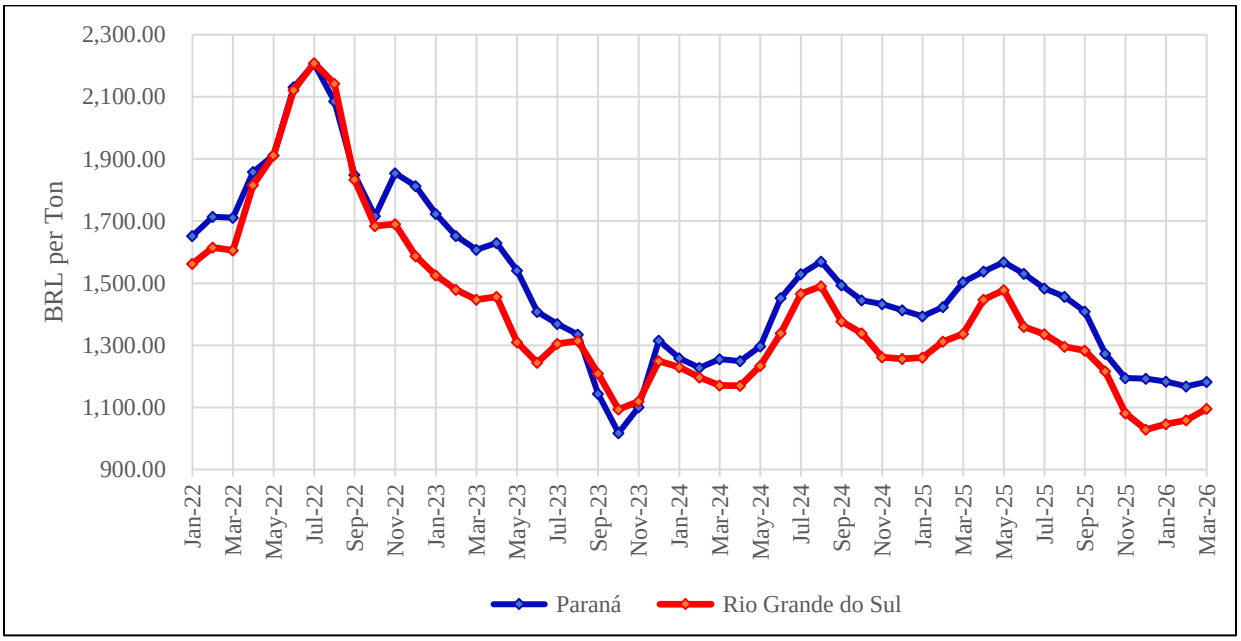
Wheat Prices

After a strong decline in domestic prices of wheat in mid-2025 in Brazil, the internal market began to recover in February 2026, with price increases experienced in the main producing states. The recovery was mainly driven by limited domestic offer and international market price increases, which are reflected on domestic sales.

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 1,169.18 (USD 224.83) per ton in February 2026. This represents a 19 percent drop compared to February 2025, when the average price was BRL 1449.63 (USD 251.433). In relation to January 2026, the average price in February 2026 showed a slight 1 percent decline. However, by early March, wheat in Paraná had gained 1 percent over the initial price in February.

In Rio Grande do Sul, the monthly average price for wheat also decreased year-on-year. In February 2026, the average price was BRL 1073.10 (USD 206.37) per ton, reflecting a 19 percent decrease from February 2025, when it was priced at BRL 1324.57 (USD 229.75). In January 2026, wheat prices averaged BRL 1050.89 (USD 197.07) in the state, 2 percent lower than the price registered in February 2026, when the prices started to recover. On the first business day of March, wheat was traded at BRL 1095.19 (USD 211.88) per ton in the state.

Figure 21
Average Wheat Prices in Paraná and Rio Grande do Sul



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

For Brazilian producers, especially the largest in the southern region, the entry of competitively priced imported wheat from neighboring Mercosur countries restrains domestic price increases. These imports may also put downward pressure on prices during the national harvest season. Conversely, for the domestic milling industry, lower-priced Argentine wheat helps stabilize raw material costs.

High Production Costs and Low Infrastructure Investments Continue to Affect Agricultural Decision-Making

Producers are apprehensive about recent disruptions to the international fertilizer trade, as these could increase crop production costs. Since Brazil imports about 85 percent of the fertilizers it uses, a recent rise in fertilizer prices, especially nitrogen fertilizers like urea, could directly increase costs for the next wheat, corn, and soybean harvests. According to the National Confederation of Industry (CNA), this input's price has already risen 33 percent (including cost and freight) in Brazil since the beginning of March. In the long term, these increased production costs could be passed on to food prices, affecting products such as meat, eggs, and milk, because higher grain costs raise the prices of animal feed.

However, because investments in storage infrastructure have not kept pace with Brazil's continuous growth of agricultural production, the resulting structural imbalance leads to insufficient grain storage. As a result, the country presents a structural imbalance that directly affects food security, reduces the profitability of rural producers, negatively impacts agricultural sales, and increases operational costs.

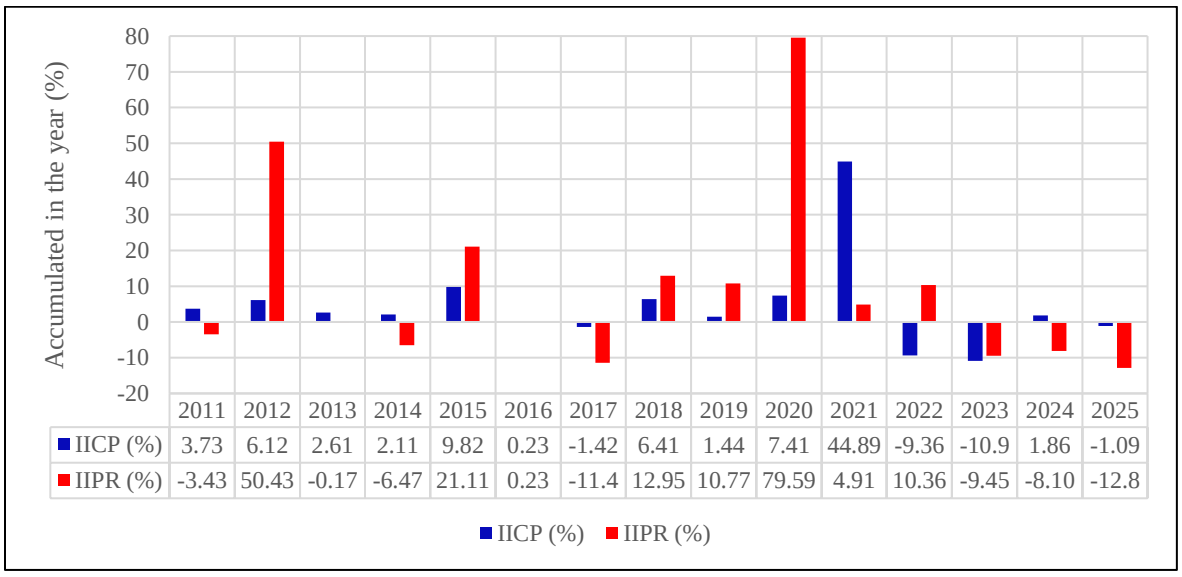
According to the Research and Extension Group in Agroindustrial Logistics (Esalq-Log/USP), Brazil currently has the static capacity to store 70 percent of its production. In contrast, the United States has the infrastructure to store the equivalent of 140 percent of its production.

According to the Mato Grosso Soybean and Corn Producers Association (APROSOJA/MT), insufficient static storage capacity prevents safe maintenance of production stocks. As a result, during periods when supply peaks, many producers must sell quickly to avoid losses, which drives prices down and reduces profitability.

The Federation of Agriculture of the State of Rio Grande do Sul (FARSUL) released new data on the cost of production and prices received by rural producers in the state. These figures are measured using the Production Costs Inflation Index (IICP) and the Index on Inflation of Prices Received by Rural Producers (IIPR) for significant commodities. The IICP measures the variations in the cost of production, while the IIPR defines the fluctuations in prices received by producers.

In 2025, prices received by rural producers declined. The IICP indicated a slight 1 percent decrease, due to lower commodity prices, an 11 percent devaluation in the dollar, and reduced tax expenses. Meanwhile, the IIPR showed a sharper deflation of nearly 13 percent, driven by falling prices in most basic food basket products. The largest drops were in rice, down 47 percent, and wheat, which fell 17 percent.

Figure 22
Rio Grande do Sul: Inflation Indexes on Production Costs (IICP) and Prices Received by Rural Producers (IIPR)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
IICP (%)	3.73	6.12	2.61	2.11	9.82	0.23	-1.42	6.41	1.44	7.41	44.89	-9.36	-10.9	1.86	-1.09
IIPR (%)	-3.43	50.43	-0.17	-6.47	21.11	0.23	-11.4	12.95	10.77	79.59	4.91	10.36	-9.45	-8.10	-12.8

***Data Source**: Federation of Agriculture of the State of Rio Grande do Sul (FARSUL); Graph Post Brasilia*

Producers have also told Post they are concerned about recent disruptions in international fertilizer trade, which could raise crop production costs. Brazil imports roughly 85 percent of its fertilizer needs, so the recent increase in global fertilizer prices, especially nitrogen products such as urea, could affect upcoming soybean, corn, rice, and wheat crops. According to the National Confederation of Industry (CNA), the price of these inputs (including cost and freight) in Brazil already rose about 33 percent since the beginning of March.

Over the longer term, higher fertilizer costs could be passed on to food prices and affect products directly consumed by households, such as meat, eggs, and milk, since grains form the basis of most animal feed.

Current crops reportedly have already contracted and delivered fertilizers. If the price increase persists, the main impact will likely be felt in the next summer crop, whose planting begins in August. Until then, producers are closely monitoring international market developments to identify the most advantageous time to purchase, as fertilizers account for roughly 40 percent of total crop production costs.

Wheat Trade

2026/27 Exports Decrease Based on Lower Production Forecast

Post sets its MY 2026/27 (October 2026 – September 2027) wheat export forecast at 1.9 MMT on a wheat grain equivalent basis (WGE), 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 2026/27 forecast represents a 5 percent decrease over the exports of MY 2025/26 (October 2025 – September 2026), estimated at 2 MMT.

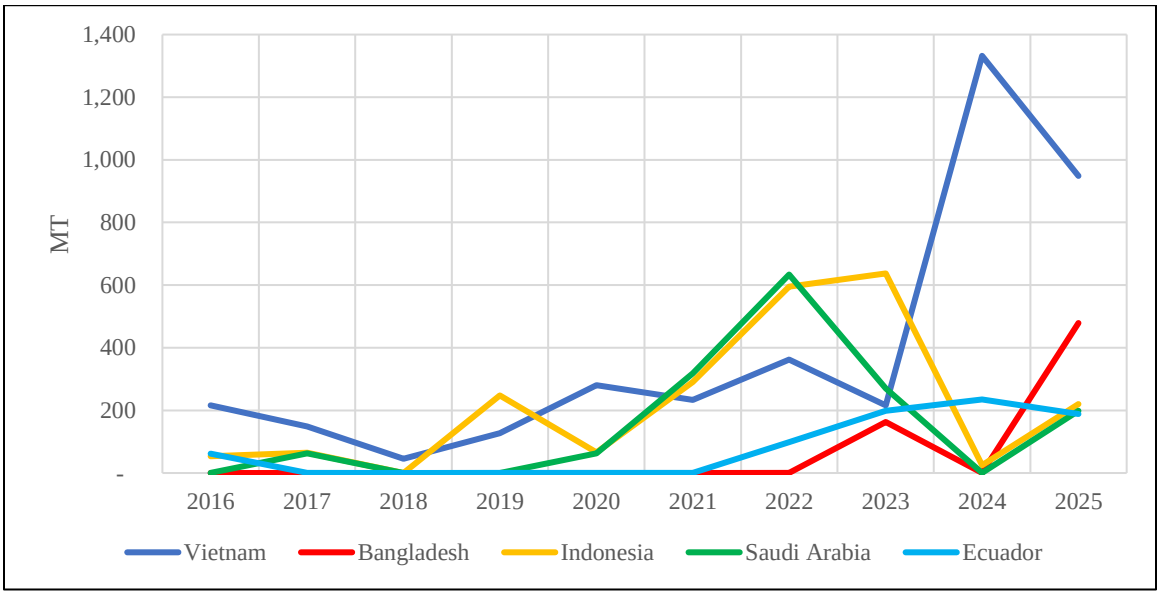
Brazil is not a major wheat exporter. Higher export volumes often mean lower quality wheat (less gluten) is shipped, or that it is cheaper for traders to sell wheat abroad than transport it from southern to northern Brazil.

In 2025, wheat exports totaled 2.85 MMT, a 19 percent decrease in relation to 2024, according to data from the Brazilian Secretariat of Foreign Trade (SECEX) of the Ministry of Development, Industry, Trade and Services (MDIC). Exports were concentrated in January, February, and December, aligning with domestic wheat availability.

Wheat exports in 2025 remained highly concentrated in Rio Grande do Sul. The state was responsible for more than 98 percent of Brazilian wheat shipments abroad. Domestically, interstate cabotage also played a key role in wheat movement, with Paraná sending more than 67 percent of its production to Rio Grande do Sul, for example.

Vietnam remained the largest recipient of Brazilian wheat in 2025, accounting for 41 percent of purchases, with 948,000 tons acquired from January to December. With 479,000 tons in acquisitions, Bangladesh was responsible for 21 percent of Brazilian wheat exports, followed by Indonesia (10%), Saudi Arabia (9%), and Ecuador (8%).

Figure 23
Main Destination of Brazilian Wheat Exports



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

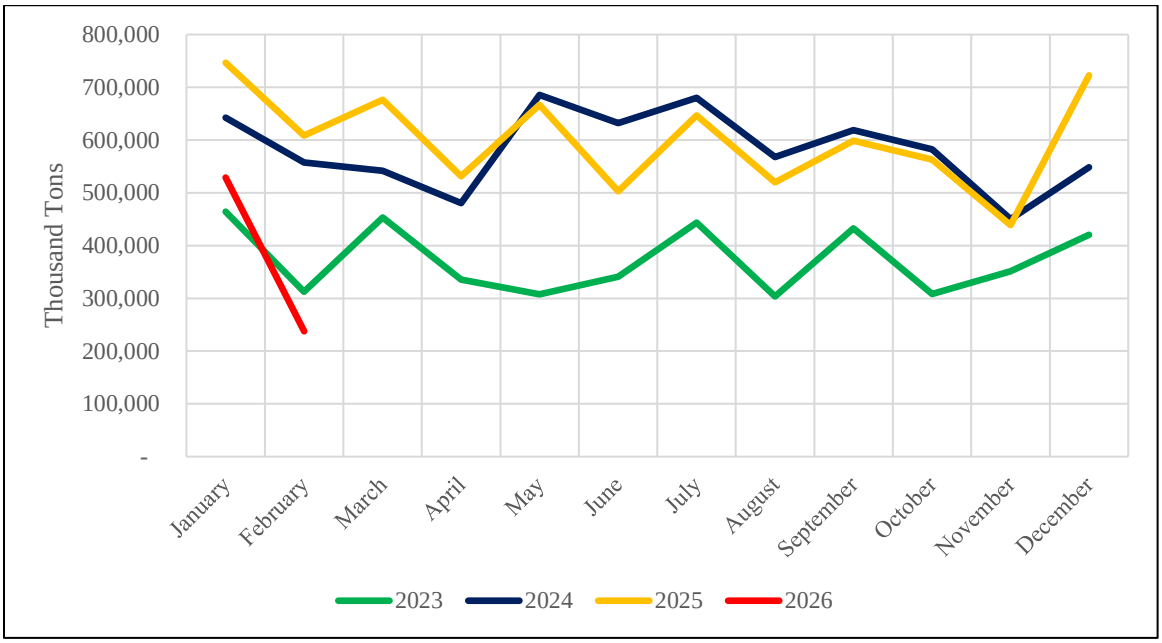
MY 2025/26 Imports Remain Firm, while 2026/27 Imports Set to Increase to Supply Internal Market

Post sets its wheat imports forecast for MY 2026/27 (October 2026 – September 2027) at 7.2 MMT, on a wheat grain equivalent basis (WGE). This figure is 3 percent higher than the 7 MMT estimated for MY 2025/26 (October 2025 – September 2026). The increase is based on the expectation of lower domestic production for the coming harvest and the need to supply internal market.

Data from SECEX indicates that in 2025, Brazilian wheat imports reached their highest volume in the past 10 years. This growth was due to lower international prices and ample wheat supply in the international market. In 2025, imports totaled 7.22 MMT, 3 percent higher than the amount recorded in 2024, a result driven by strong shipments during the first half of 2025 and in December. However, this upward trend reversed as imports in early 2026 showed a strong decrease, leading the 2025/26 market year estimate to fall below initial projections.

Building on these trends, Brazilian buyers took advantage of the greater availability of wheat on the international market and the lower prices in December 2025 to acquire large stocks, closing the month with the purchase of nearly 723,000 tons of wheat. This marked the largest inflow for December since 2016. As a result, 2026 began with lower wheat import figures, since the national industry was well-supplied at the start of the year. In January and February of 2026, Brazil imported 48 percent less wheat than in the same period of the previous year, according to SECEX.

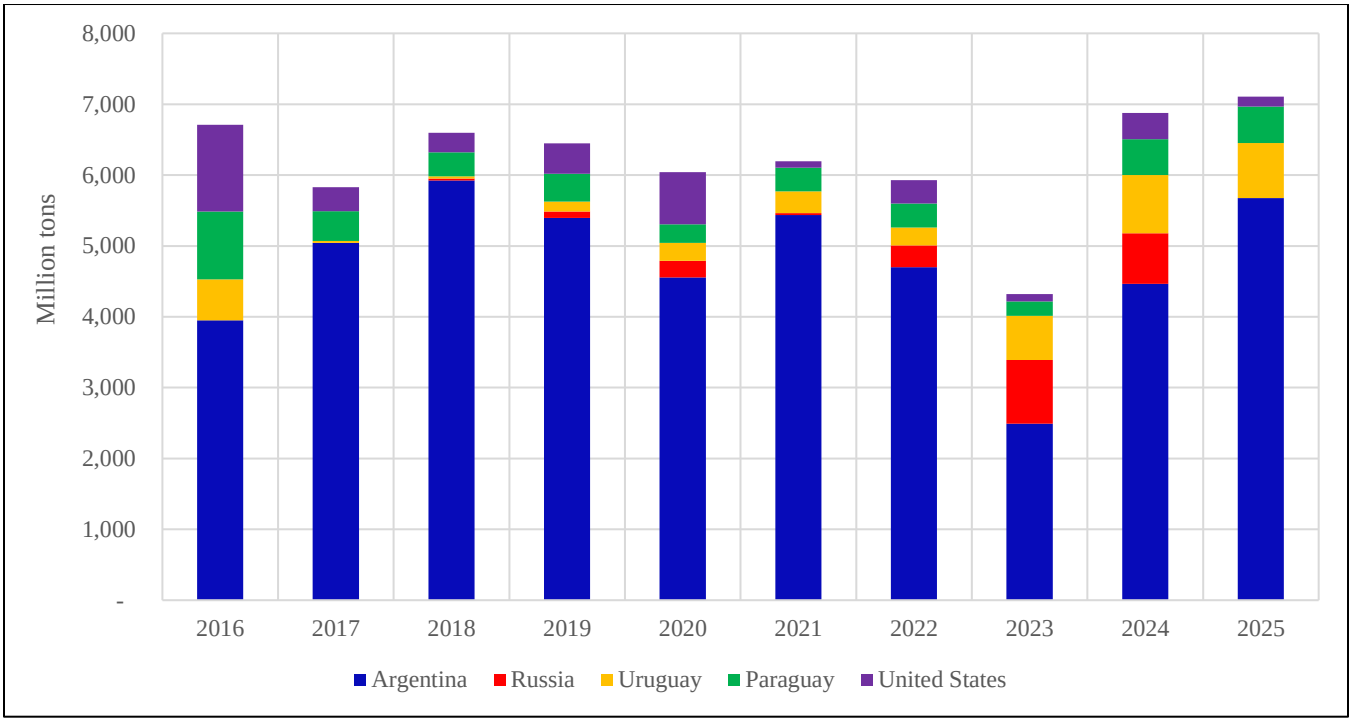
Figure 24
Brazil: Monthly Wheat Imports



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

In 2025, Argentina maintained a strong lead as a wheat supplier, accounting for approximately 80 percent of Brazilian imports, supported by geographic proximity, competitive pricing, and logistical ease. Uruguay appeared as the second main origin, with an 11 percent share, followed by Paraguay. Both countries benefited from the zero-tariff conditions applied to Mercosur members. Suppliers such as the United States, Canada, and Russia, which do not have tariff exemptions, made occasional exports, usually associated with specific quality demands, price arbitrage, or with the aim of promoting regional supply adjustments.

Figure 25
Main Origin of Wheat Imports to Brazil (2025)



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

According to SECEX, in 2025, nearly 19 percent of Brazil's wheat imports entered through São Paulo, the country's main port hub. Ceará received 14 percent, followed by Paraná (13%), Bahia (11%), and Pernambuco (10%). The presence of a main producing state such as Paraná among the destinations reflects purchases that complement domestic production, whether due to quality issues, specific industry needs, or logistical reasons. Paraná, as the largest milling hub in the country, has gone from a historically surplus-generating condition to one of the most deficit-generating in wheat production.

Despite expectations for a strong 2026 wheat harvest in Argentina, Post contacts noted that concerns over the quality of the Argentine wheat may lead to an increase in imports of wheat from countries from outside of the Mercosur bloc in the second half of the year.

At the start of 2026, Brazilian wheat imports declined. In January, imports were 29 percent lower than in January 2025. February saw a sharper drop, with external purchases totaling nearly 238,000 tons, the lowest since April 2008, according to SECEX. This figure is a 61 percent decrease from February 2025. The rise of the US dollar (USD) against the Brazilian real (BRL) and stocked mills helped slow purchases.

Wheat Consumption

Post sets its forecast for total wheat consumption for MY 2026/27 (October 2026 – September 2027) at 12.4 MMT, a 1 percent increase over the estimate for MY 2025/26 (October 2025 – September 2026), set at 12.3 MMT. The growth is attributed to a slight increase in feed, food, and industrial consumption.

Data from the Brazilian Association of Supermarkets (ABRAS) shows that the basic food basket, containing 35 widely consumed products, was 3 percent cheaper in January 2026 than at its peak in May 2025. Key products, such as wheat flour (-1.63%) and rice (down 27% in recent months), contributed to the decline.

Household consumption slightly increased due to lower prices. ABRAS expects this upward trend to continue as government measures—such as exempting income tax for those earning up to BRL 5,000 and the nearly 7 percent increase in the minimum wage implemented in February—take effect throughout the year.

Meanwhile, in a related sector development, the first wheat ethanol plant started operating at the beginning of 2026 in Rio Grande do Sul. C.B Bioenergia expects to produce 100 tons of wheat per day and generate up to 12 million liters of hydrous ethanol per year. By 2027, the company projects generating between 45 and 50 million liters per year with the expansion of the unit. The plant will also be able to use grains other than wheat in ethanol production, such as triticale, barley, and corn. In addition to ethanol, the plant will also have the capacity to produce neutral alcohol and byproducts used in the manufacture of animal feed.

Attachments:

No Attachments