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Report Highlights:

Paraguayan wheat exports in marketing year (MY) 2026/27 are forecast at 300,000 tons, one of the lowest in the past decade, reflecting a projected drop in area and production due to expected tight farmer profitability. Corn exports in MY 2026/27 are forecast down to 2.2 million tons as rapidly growing domestic demand is expected to reduce exportable surpluses. Rice exports in MY 2026/27 are projected at 840,000 tons (milled base), 5 percent higher than the previous year, as area and production are expected to partially recover.

Wheat

Paraguayan wheat production in marketing year (MY) 2026/27 is forecast at 1.0 million tons, a 23 percent decline from the previous season. Planted area is projected to decrease to 380,000 hectares, down 40,000 hectares from MY 2025/26. Yields are also expected to fall below last year's exceptional levels, which benefited from favorable weather conditions.

Despite the upcoming wheat planting season (April–June), many farmers have yet to finalize their winter crop plans. Current commodity prices, which do not fully reflect rising production costs, result in expected tight margins. Additionally, producers recall that soybean yields in the 2025 season (harvested January–February 2026) were 1.0–1.2 tons per hectare lower when planted immediately after wheat. Soybeans are Paraguay's primary crop and considering that early soybean planting (August–September) has consistently outperformed late planting following a winter crop over the past six seasons, many farmers are evaluating direct planting of soybeans or corn between August and October. Producers opting out of wheat may instead plant oats or millet as cover crops for soil rotation and weed control.

Wheat production costs are currently estimated at $450–500 per hectare, including land rent and harvesting expenses. This represents a relatively high investment compared to expected returns and relative to alternative crops, especially considering that most farmers do not use high technology. Local wheat prices currently range between $160 and $170 per ton, meaning that only the most efficient producers are likely to remain profitable.

Paraguay's National Wheat Program has developed well-adapted varieties suited to the country's subtropical-to-tropical climate. However, in recent years, part of the area has been planted with Brazilian-origin varieties, which tend to produce lower-quality wheat. Virtually all of Paraguay's wheat surplus is exported to Brazil, where it is used to improve the quality of domestic wheat. As shown in the map below, the main producing departments are Alto Paraná, Itapúa, Caaguazú, and Canindeyú.

Map #1

Source: Ontheworldmap.com

Paraguay has 32 flour mills with a combined processing capacity of approximately 1.35 million tons of wheat. Only two or three companies export flour, primarily to Brazil and Bolivia. There are some reports that Brazilian flour mills are exploring the acquisition of Paraguayan mills, attracted by higher returns resulting from a lower tax burden. Should this occur, the industry could scale up considerably in the coming years.

Paraguayan wheat exports in MY 2026/27 are forecast at 300,000 tons, the third lowest figure in the past 12 years, reflecting the anticipated drop in production. Brazil is expected to remain the dominant destination by far, with Bolivia accounting for a smaller share, primarily in the form of wheat flour. Exports to Brazil are transported by truck to mills in the neighboring states of Paraná and Mato Grosso do Sul. Paraguay typically ships large volumes of wheat immediately following the harvest, between October and December, after which exports slow down as logistical priority shifts to the main soybean harvest.

Domestic wheat consumption in MY 2026/27 is projected to remain largely stable at 740,000 tons. Of this total, approximately 40,000 tons are normally used for animal feed, while the remainder are used for planting seed and flour production. The bulk of flour output is consumed domestically, with approximately 10,000–15,000 tons produced for export markets.

Corn

Paraguayan corn production in MY 2026/27 is forecast at 6.5 million tons, in line with the previous two seasons. Planted area is expected to increase to 1.0 million hectares, the third largest on record, supported by strong domestic demand and export opportunities.

The rapidly expanding local ethanol industry, along with growing demand from poultry, swine, and feedlot sectors, is providing farmers with consistent year-round demand and reduced price volatility compared to past years.

Strong demand from domestic users encourages increased production through stable pricing. Total production costs for MY 2025/26 are estimated at $600 per hectare. Current local prices are around $200 per ton, while forward prices for harvest (in approximately three months) are near $160 per ton, implying a breakeven yield of about 3.7 tons per hectare, roughly half the national average yield. Despite expected cost increases in MY 2026/27, current price levels suggest that producers will remain profitable.

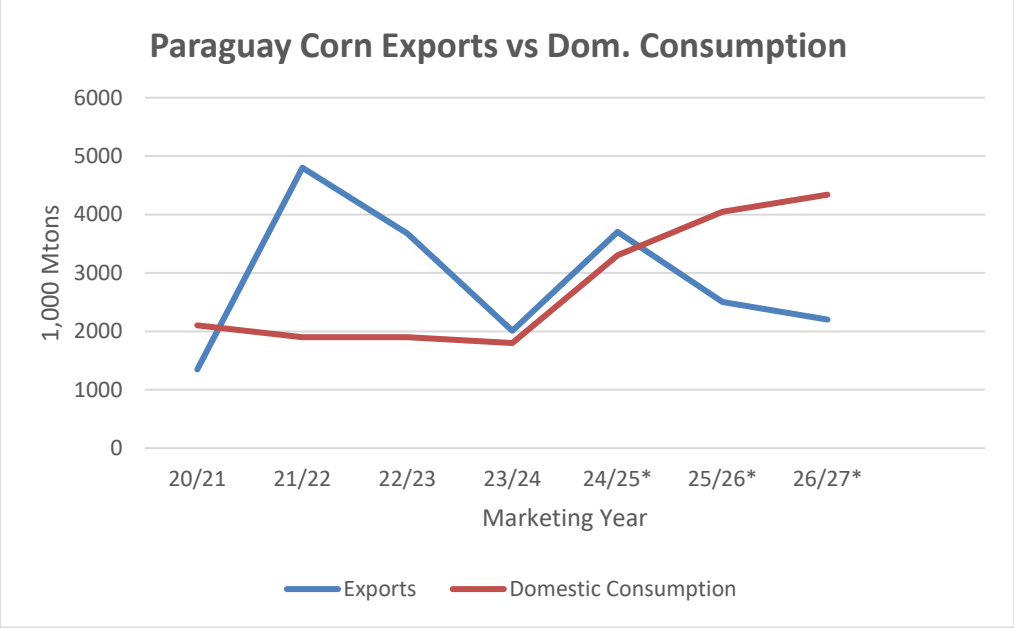
Corn production in MY 2025/26 is estimated at 6.4 million tons on 950,000 hectares, with potential upside given favorable crop conditions. Harvest is expected to begin in late May.

Paraguay has two corn seasons. Early corn, planted in August to September and harvested in December to January, yields approximately 8–9 tons per hectare, but covers a relatively small area (50,000–60,000 hectares) due to competition with the main soybeans crop. Some early corn does not enter the commercial market. Late corn (safrina) is planted in January to early March and harvested between June and August. This crop covers a significantly larger area and competes with the late soybeans crop. Farmers typically use short-cycle corn hybrid seeds to avoid frost risk, particularly in southern regions.

Yields are lower, at 5–6 tons per hectare but play an important role in crop rotation systems. Key producing departments include Itapúa, Alto Paraná, Caaguazú, San Pedro, and Canindeyú.

Corn exports in MY 2026/27 are forecast at 2.2 million tons, lower than in the past two seasons due to strong domestic consumption reducing exportable surplus. The expansion of the local bioethanol sector has significantly increased internal demand, and it is expected to continue to expand soon with 2-3 more new plants. Additional demand growth from the animal feed sector is also forecast.

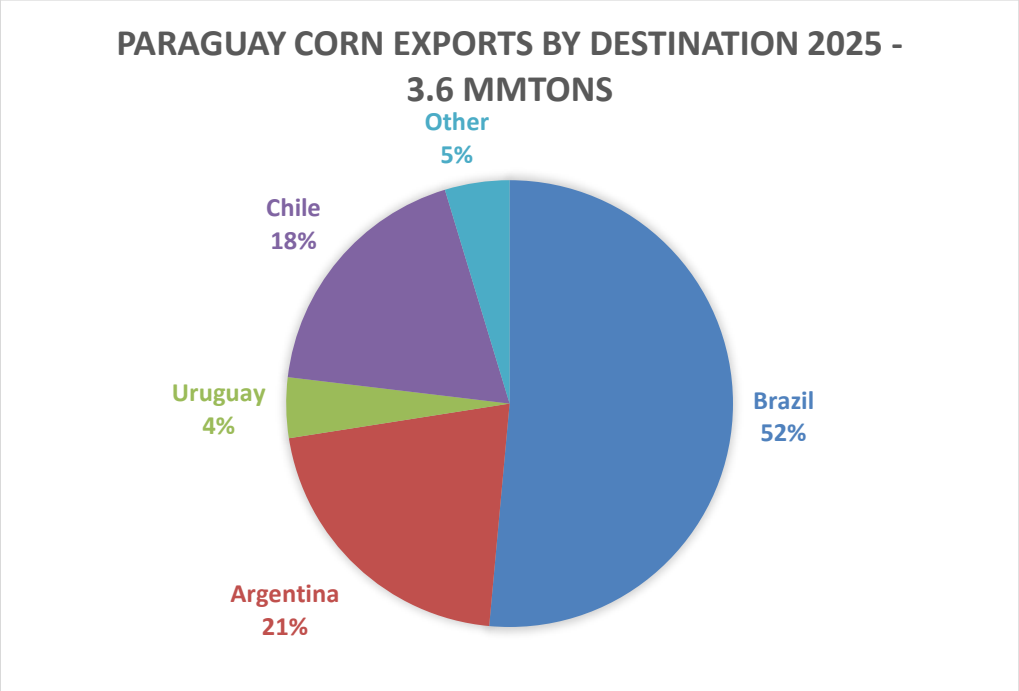
Chart #1



Source: Post with FAS/USDA data
* Post Estimate/Projection

As shown in the chart below, Brazil remains the primary export destination with typically 1.4–1.8 million tons annually. Poultry and swine industries in Paraná and Santa Catarina benefit from lower costs when sourcing Paraguayan corn due to favorable pricing, lower taxes, shorter freight distances, and logistical advantages. Other export destinations are primarily regional countries.

Chart #2



Source: Post with TDM

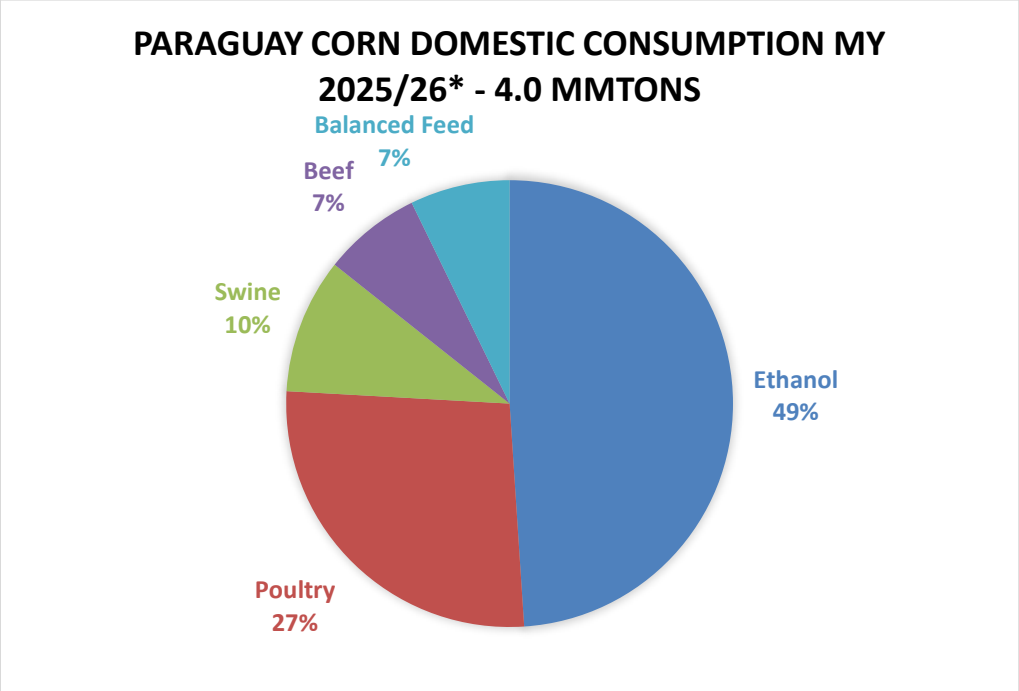
Domestic corn consumption in MY 2026/27 is projected at a record 4.3 million tons, driven primarily by bioethanol, poultry, and swine sectors. The cattle sector is also expected to increase corn usage, although this is more difficult to quantify.

Ongoing investment in ethanol production and animal protein industries, with Bolivian, Brazilian and European companies, is expected to support further expansion in corn area and output. Given limited availability of new agricultural land in eastern Paraguay, some acreage may shift from soybeans to corn. The Chaco/Western Region is slowly expanding its cropland area, but most crop production remains within the same region for animal feed use.

The bioethanol sector is currently the largest consumer, with demand estimated at 2.0 million tons in MY 2025/26. Additional ethanol plants are expected to come online between 2027 and 2028. Paraguay imports practically all its oil and maintains ethanol blending mandates of 25–30 percent in gasoline, along with E100 availability for flex-fuel vehicles. Ethanol domestic production currently meets internal demand and supports exports to Brazil, Uruguay, and Europe.

The chart below shows Paraguay's estimated corn domestic consumption by sector for MY 2025/26. The data was reported by Agridatos, a local agricultural market research company:

Chart #3



Source: Post with Agridatos data
* June 2026-May 2027

Large corn ethanol plants in Paraguay produce both wet and dry distilled grains. While precise figures are difficult to obtain, dry distillers' grains (DDGS) likely represent most of the output, given the logistical advantages and broader market access they offer. Most of this production is consumed domestically. According to official trade data, Paraguay exported DDGS to Uruguay in both 2023 and 2024.

Corn ending stocks for MY 2026/27 are forecast at 167,000 tons. Market end-users typically minimize inventories ahead of harvest, often exporting remaining stocks to Brazil at favorable prices before purchasing new crop supplies at lower prices.

Rice

Rice production in MY 2026/27 is projected at 1.42 million tons (rough basis) and 951,000 tons (milled basis). Planted area is expected to increase to 220,000 hectares, up 5 percent year-over-year, although estimates vary widely (180,000–240,000 hectares) due to financial pressures across the sector.

Many producers are facing financial strain following MY 2025/26, with weak prices resulting in losses for all but the most efficient operators. Rising indebtedness may influence financing decisions by banks and input suppliers. Profitability in MY 2024/25 was not great either.

Despite these challenges, producers are cautiously optimistic that prices may improve in the upcoming season, potentially offsetting higher production costs amid global price volatility. However, yields are forecast slightly below normal due to expected El Niño conditions, which typically bring excessive

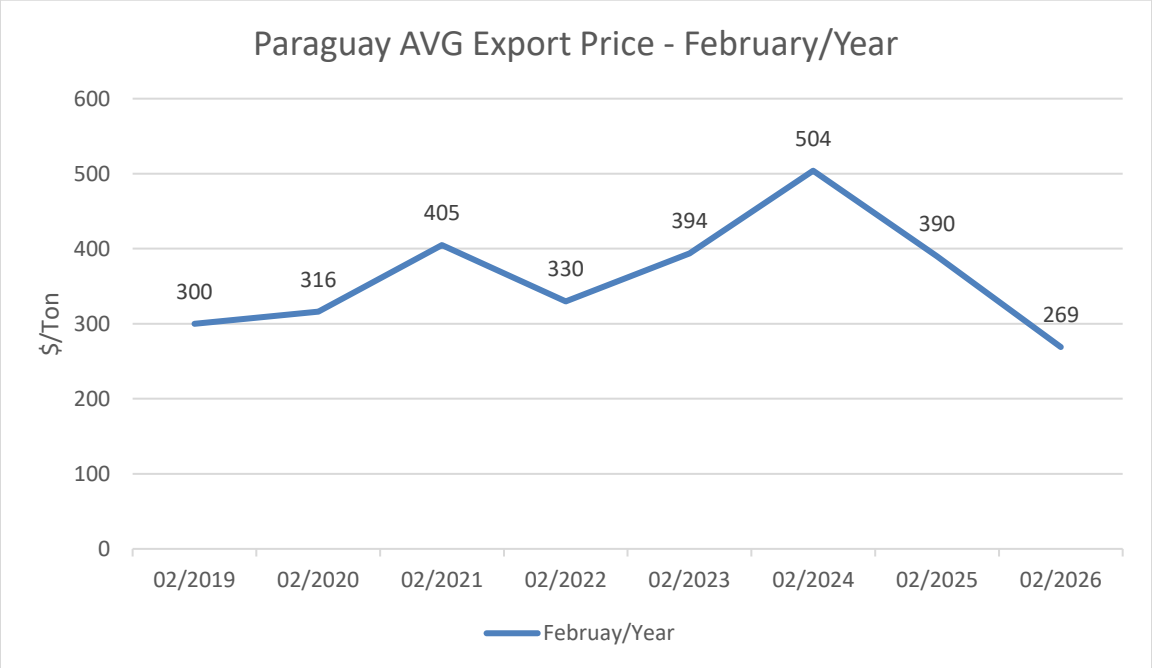
rainfall and cloud cover which are not quite favorable for rice production. Financial constraints may also lead to reduced technology use in rice fields.

Production in MY 2025/26 is estimated at 1.32 million tons (rough basis). Final harvested area remains uncertain, though over 90 percent of the crop had been harvested by late March. Initial planting intentions (235,000–240,000 hectares) were not fully realized due to heavy rainfall in September–October, particularly in Ñeembucú and Misiones. Rice planted early suffered yield losses due to planting challenges, fertilizer leaching, and adverse weather. Later-planted rice (up to December) performed better, but overall yields remain below average. The rice cycle in Paraguay typically lasts 120–130 days.

After two highly profitable seasons (MY 2022/23 and MY 2023/24), margins declined in MY 2024/25 as prices dropped 25 percent during harvest. Most producers broke even. In MY 2025/26, prices declined further early in the harvest, reaching approximately $160 per ton, before recovering to the current $175 per ton of rough rice.

The chart below shows Paraguay's average rice export price for the month of February each year, when the harvest is typically in full swing. These prices are directly correlated with farmgate prices, as Paraguay exports approximately 90 percent of its rice production.

Chart #4



Source: Post with TDM data

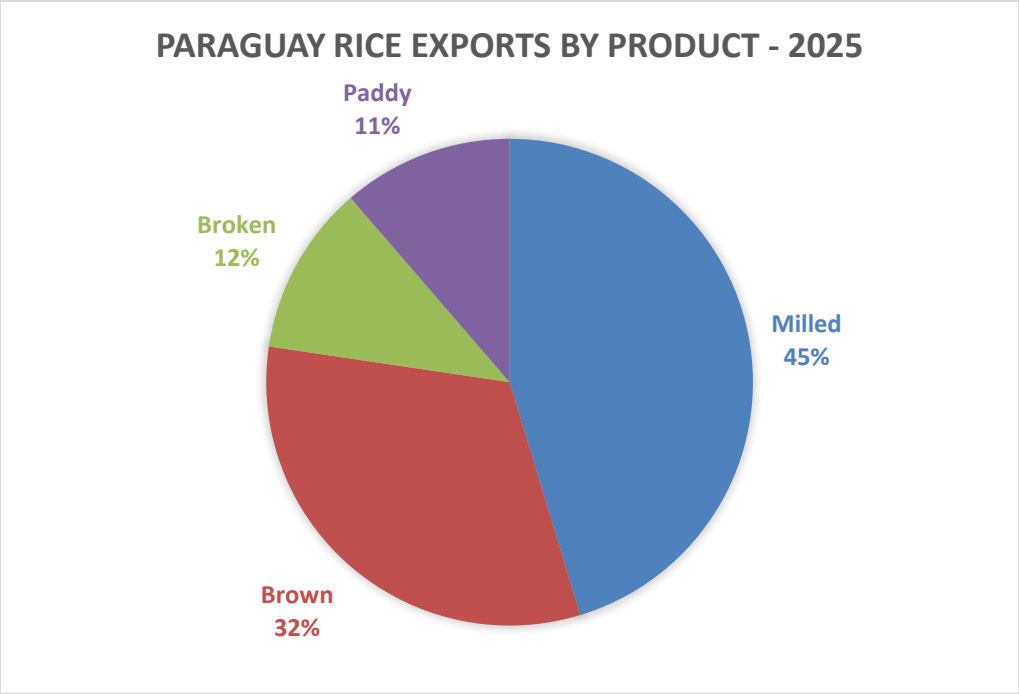
Paraguay remains the lowest-cost rice producer in the region, with average production costs of $1,500–1,600 per hectare in MY 2025/26. Vertically integrated producers (35–40 percent of total production) typically operate at lower costs, having the benefit of owning a milling facility. Approximately 60–70 percent of production occurs on rented land, with rental payments averaging 1.5 tons of rice per hectare. Costs for MY 2026/27 are expected to increase if current input and oil prices persist, with total production costs projected 15–20 percent higher year-over-year.

Paraguayan rice exports in MY 2026/27 are forecast at 840,000 tons (milled base), representing the third largest volume on record, driven by a rebound in production.

As usual, Brazil is expected to remain the main destination, accounting for at least 70 percent of total exports. Brazil primarily imports milled and brown rice. The second most important market is expected to be Chile, which typically imports 5,000-6,000 tons per month of milled and broken rice. Other regular destinations include Mexico, Costa Rica (and other Central American Countries), and African countries which import large volumes of broken rice.

Paraguayan rice exports in calendar year 2025 totaled $365 million dollars and 1.02 million tons in product weight. The graph below shows the type of rice products exported by volume in product weight:

Chart #5



Source: Post with TDM data

Paraguay rice domestic consumption in MY 2026/27 is forecast at 130,000 tons on a milled base. Excluding the use for planting seed, the per capita consumption is estimated at around 16 kilos of milled rice, in line with what the local milling industry estimates.

Statistical Tables

Wheat	2024/2025		2025/2026		2026/2027	
Market Year Begins	Sep 2024		Sep 2025		Sep 2026	
Paraguay	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	369	500	350	420	0	380
Beginning Stocks (1000 MT)	175	175	110	138	0	133
Production (1000 MT)	1237	1300	1200	1300	0	1000
MY Imports (1000 MT)	7	7	5	5	0	5
TY Imports (1000 MT)	7	7	5	5	0	5
Total Supply (1000 MT)	1419	1482	1315	1443	0	1138
MY Exports (1000 MT)	604	604	550	580	0	300
TY Exports (1000 MT)	655	655	500	550	0	300
Feed and Residual (1000 MT)	50	50	50	40	0	40
FSI Consumption (1000 MT)	655	690	660	690	0	700
Total Consumption (1000 MT)	705	740	710	730	0	740
Ending Stocks (1000 MT)	110	138	55	133	0	98
Total Distribution (1000 MT)	1419	1482	1315	1443	0	1138
Yield (MT/HA)	3.3523	2.6	3.4286	3.0952	0	2.6316
(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						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Corn	2024/2025		2025/2026		2026/2027	
Market Year Begins	Jun 2025		Jun 2026		Jun 2027	
Paraguay	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	875	980	900	950	0	1000
Beginning Stocks (1000 MT)	591	591	416	266	0	141
Production (1000 MT)	5600	6650	5200	6400	0	6500
MY Imports (1000 MT)	25	25	25	25	0	26
TY Imports (1000 MT)	20	20	25	25	0	26
Total Supply (1000 MT)	6216	7266	5641	6691	0	6667
MY Exports (1000 MT)	3600	3700	2900	2500	0	2200
TY Exports (1000 MT)	3146	3146	3200	3100	0	2600
Feed and Residual (1000 MT)	900	1900	800	2450	0	2550
FSI Consumption (1000 MT)	1300	1400	1600	1600	0	1750
Total Consumption (1000 MT)	2200	3300	2400	4050	0	4300
Ending Stocks (1000 MT)	416	266	341	141	0	167
Total Distribution (1000 MT)	6216	7266	5641	6691	0	6667
Yield (MT/HA)	6.4	6.7857	5.7778	6.7368	0	6.5
(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						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Rice, Milled	2024/2025		2025/2026		2026/2027	
Market Year Begins	Jan 2025		Jan 2026		Jan 2026	
Paraguay	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	210	210	215	210	0	220
Beginning Stocks (1000 MT)	111	111	88	68	0	52
Milled Production (1000 MT)	975	975	950	884	0	951
Rough Production (1000 MT)	1455	1455	1418	1319	0	1419
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	0	6700
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1086	1086	1038	952	0	1003
MY Exports (1000 MT)	948	948	900	800	0	840
TY Exports (1000 MT)	948	948	900	800	0	840
Consumption and Residual (1000 MT)	50	70	55	100	0	130
Ending Stocks (1000 MT)	88	68	83	52	0	33
Total Distribution (1000 MT)	1086	1086	1038	952	0	1003
Yield (Rough) (MT/HA)	6.9286	6.9286	6.5953	6.281	0	6.45
(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						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments