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**Export Sales Highlights**

This summary is based on reports from exporters for the period May 15-21, 2015.

**Soybeans:** Net sales of 322,400 MT for 2014/2015 were up noticeably from the previous week and up 28 percent from the prior 4-week average. Increases were reported for China (198,000 MT, including 66,000 MT switched from unknown destinations), the Netherlands (85,700 MT, including 78,000 MT switched from unknown destinations), Germany (66,600 MT, previously reported as the Netherlands), Japan (58,900 MT, including 28,300 MT switched from unknown destinations and decreases of 1,900 MT), Taiwan (51,900 MT, including 40,000 MT switched from unknown destinations), Mexico (42,400 MT), and Indonesia (16,900 MT including 500 MT switched from Vietnam and decreases of 7,200 MT). Decreases were reported for unknown destinations (212,300 MT) and Thailand (2,000 MT). Net sales of 55,100 MT for 2015/2016 were reported for Japan (55,000 MT and unknown destinations (100 MT). Exports of 349,700 MT were up 71 percent from the previous week and 55 percent from the prior 4-week average. The primary destinations were Mexico (91,700 MT), the Netherlands (85,700 MT), Germany (66,600 MT), Taiwan (41,100 MT), Japan (33,900 MT), and Indonesia (19,500 MT).

Optional Origin Sales: For 2014/2015, outstanding optional origin sales total 475,000 MT, all China. For 2015/2016, new optional origin sales totaling 55,000 MT were reported for China. Outstanding optional origin sales total 385,000 MT, all China.
Exports for Own Account: The current exports for own account balance is 1,900 MT, all Canada.

Export Adjustments: Accumulated exports to the Netherlands were adjusted down 66,554 MT for week ending May 14th. The correct destination is Germany and is included in this week's report.

Soybean Cake and Meal: Net sales of 123,700 MT for 2014/2015 were up 20 percent from the previous week and 18 percent from the prior 4-week average. Increases were reported for Colombia (40,300 MT), Mexico (32,600 MT), Venezuela (25,000 MT, switched from unknown destinations), Canada (14,300 MT), Honduras (10,100 MT, including 8,300 MT switched from unknown destinations), and Peru (8,700 MT). Decreases were reported for unknown destinations (31,400 MT), Belgium (800 MT), Costa Rica (300 MT), and Indonesia (100 MT). Net sales of 120,300 MT for 2015/2016 were primarily for Thailand (109,400 MT) and the Dominican Republic (9,000 MT). Exports of 213,100 MT were up 99 percent from the previous week and 1 percent from the prior 4-week average. The primary destinations were Thailand (47,800 MT), Colombia (41,700 MT), Mexico (28,400 MT), Venezuela (25,000 MT), Honduras (22,000 MT), and Canada (15,800 MT).

Soybean Oil: Net sales of 9,200 MT for 2014/2015 were down 8 percent from the previous week and 9 percent from the prior 4-week average. Increases were reported for the Dominican Republic (7,200 MT), Mexico (1,500 MT), Canada (200 MT), and Australia (100 MT). Exports of 7,600 MT were up 97 percent from the previous week, but down 8 percent from the prior 4-week average. The primary destinations were Mexico (7,200 MT) and Canada (300 MT).

Website looks at China's Unfinished Economic Projects in Brazil
Text of report by leading, centre-left Brazilian newspaper Folha de Sao Paulo website on 22 May [Report by Fabiano Maisonnave: "Broken Promises from China Add Up To $24 billion"].

Note: The translation below is machine based with limited editorial intervention.

Sao Paulo - In Barreiras (BA) [Bahia], a soy processing megaproject stopped at the land-leveling stage. In the Port of Acu (RJ) [Rio de Janeiro], the Wisco steel industry gave up on the project in Brazil when [the holding of former oil and mining magnate] Eike Batista began to crumble. In Mato Grosso and Para, the agreement for financing a railroad is frozen since three years ago.
In common, they are billionaire Chinese-funded projects announced with fanfare in the last five years, but which never came out from the blue prints. Together, these broken or scaled down promises amount to at least $24 billion, according to a Folha investigation.

This amount would be higher if the Taiwanese electronics manufacturer Foxconn entered in the list. During a visit to Beijing in 2011, the Dilma administration announced that Foxconn would invest $12 billion, but it remained far away.

Such experiences have raised skepticism regarding the announcements made during the visit of Chinese Prime Minister Li Keqiang to Brazil this week, like the construction of a transoceanic railway line and an investment fund of up to $53 billion.

A study by Folha published on Thursday (May 21) shows that only 14 of the 35 newly signed agreements have secured resources and firm commitments.

MANUFACTURERS

The dissolution of plans was experienced in several fields. In the automotive industry, some car manufacturers have not yet deployed industrial projects in Brazil - such are the cases of Lifan, Hafei, and Zotye.

Other investments ended dependent on Brazilian money. In Camacari (BA), where JAC Motors plans a factory of R1 billion reais [$322 million], the construction is stopped waiting for a state financing of R122 million [$36]. The Chinese will pay 66 percent, and the rest will come from the local partner, the SHC Group.

In the case of the Foton Truck factory, which is being built in Guaiba (RS) [Rio Grande so Sul], the entire capital of R400 million [$129 million] is Brazilian; China will participate with the technology.

In the case of soybeans, a major Brazilian export product to China, investments of at least $8.7 billion, which would have included the purchase of land and infrastructure for soy transportation, did not materialize.

In telecommunications, the visit of President Dilma Rousseff to ZTE in Xian (China) in 2011 was not enough so far to make the company open a $200 million factory in Hortolandia (SP) [Sao Paulo].

On the other hand, at the same time Huawei has fulfilled its promise of opening a research and development center in Campinas (SP), estimated at $300 million.
Chinese entrepreneurs tend to become discouraged with Brazilian costs and bureaucracy. They are also disappointed with the meager Brazilian economic growth rate - many of the announcements were made in 2010 (when the economic growth rate was 7.6 percent) and in 2011.

INFRASTRUCTURE
Brazil has also failed to attract the Chinese to major infrastructure projects. The country's companies are little receptive to the concession model and to participate in bidding processes. For example, Planalto Palace was unsuccessful in involving Beijing in the bullet train project between Campinas and Rio de Janeiro, which was postponed several times.

Mozambique Agriculture Plan Could Displace 100,000 Farmers - Activists
25-May-2015 06:33
By Chris Arsenault

ROME, May 25 (Thomson Reuters Foundation) - Mozambique is mulling a plan to lease 240,000 hectares of prime farmland to investors to grow crops for export, threatening to displace more than 100,000 local residents, activists and academics said, citing a leaked document.

The Lurio River Valley Development Project in the country's northeast aims to produce cotton, corn, sugar, ethanol and livestock, said Clemente Ntauazi, a researcher with advocacy group Academic Action for the Development of Rural Communities.

An estimated 500,000 people will be affected by the plan, with 100,000 forced from their homes, Ntauazi said, citing a leaked presentation to would-be investors and satellite images of communities that would be impacted.

The leaked plan is the latest in a series of major foreign-based agricultural project proposed in Mozambique and other African countries that supporters say will bring jobs and boost land productivity but critics fear will displace local people and rob small-scale farmers of their livelihoods.

"The area holds some of Mozambique's best land and local farmers have been living there for more than 30 years," Ntauazi told the Thomson Reuters Foundation.

The proposal follows another major ongoing agricultural project in Mozambique with the government planning to approve the Brazilian-and-Japanese backed ProSavana Project covering several million hectares to grow soybeans by the end of the year.

The proposed Lurio River project, involving two hydroelectric dams along with agriculture plans, is currently awaiting approval from the Council of Ministers, a government body, researchers said. It's unclear when a decision will be made.
"This is a secret (plan), no consultation, (and) no published information from the government," Tim Wise, director of Tufts University's Global Development Institute, told the Thomson Reuters Foundation.

Officials at the country's agriculture ministry did not make a spokesperson available to comment on the proposed project.

The initiative is expected to cost $4.2 billion, a sum Mozambique's cash-strapped government would not be able to finance without outside support, Ntauazi said.

Mozambique is one of the world's poorest countries, ranking 178 out of 187 nations on the U.N.'s Human Development Index.

To increase food production, the government should invest in local farmers, many of whom still use the most basic hoes to till their fields and lack access to the best seeds, Wise said.

Residents living and working on the land in question had no idea they could be displaced, he said, after visiting some of the areas in Nampula province earlier this year.

Under Mozambique's land laws, the government is obliged to consult local communities, even if they don't have formal ownership of the land they farm, Ntauazi said.

**GMO Debate Heats Up in Sacramento**

Chipotle announced in April that it has removed nearly all genetically modified organisms from its menu

GMO refers to a scientific technique used to change a plant's genome

Some see it as a key to keeping up with growing food demand; others express concerns for human health and the environment

By Sammy Caiola

Is Chipotle pandering to unfounded fears? Or is it protecting consumers from hidden threats?

The answer likely depends on where you stand on GMOs.

In April, the burrito chain announced the removal of nearly all genetically modified ingredients from its nearly 2,000 restaurants. “Chipotle is on a never-ending journey to source the highest-quality ingredients we can find,” the company states on its website. “Over the years, as we have learned more about GMOs, we’ve decided that using them in our food doesn't align with that vision.”

GMO proponents call the move irresponsible. Critics call it overdue.
The fight over GMOs has been called “the World War I of food issues.” It’s a battle that is far from over. On May 21, demonstrators blocked entrances to biotech titan Monsanto’s Woodland plant to call attention to its role in producing genetically modified foods and pesticides. The protest kicked off a weekend of demonstrations worldwide against Monsanto. A rally is set for May 24 at the Capitol.

Man’s ability to tinker with a crop’s genetic makeup has evolved a great deal since Gregor Mendel’s 19th-century pollination discoveries. A modified corn seed from Monsanto spends up to seven years in a lab receiving genetic and chemical fortifications (and a striking neon treatment coat) before it’s planted.

The result is increased pest resistance, weed-killer resistance and water efficiency for about 90 percent of the nation’s corn and soybean crops. It’s been a boon to farmers. But it’s making some consumers cringe.

Despite findings from the American Medical Association, the World Health Organization and the U.S. Food and Drug Association that eating GM food poses little to no risk to human health, fears persist.

Every major scientific organization in the world has concluded that the GM crops that are currently on the market are safe to eat, and these are precisely the same organizations that most of us trust when it comes to the changing of the climate or the need for vaccines.

Pamela Ronald, director of UC Davis’ Laboratory for Crop Genetics Innovation and Scientific Literacy

A recent Pew survey found that while 88 percent of scientists say GMO foods are safe to eat, 57 percent of Americans believe they are unsafe.

GMO opponents cite a lack of long-term studies, and say genetically modified crops may harm the food chain and environment. Many global entities, including eight member nations of the European Union, have fully or partially banned the cultivation of genetically modified seeds.

The USDA hinted earlier this month that it may soon provide a voluntary non-GMO certification that companies can request. To help you decide if eating GMOs is right for you, we’ve put together a primer:

Genetically modified vs. genetically engineered

The shorthand for the debate is “genetically modified,” but “genetically engineered” is perhaps the more appropriate term.

Farmers have genetically modified plants for ages through cross-breeding – a pollinating technique used to select the most desirable traits in crops by crossing them with more successful varieties. The result is what we call a hybrid crop (cue the pluot); even organic farmers grow them.
Genetic engineering usually refers to the use of recombinant DNA methods to directly insert a gene from another organism into the DNA of host plant cells to transfer over a specific trait into a seed.

Genetic engineering in the United States is approved for about 20 crops, according to the International Service for the Acquisition of Agri-biotech Applications’ list. It’s mostly used to produce corn and soybean for cattle feed and ethanol production.

“It sounds scary,” Tawny Hendrix, 23, said while eating at a midtown Chipotle last week. “I think plants should just grow how they grow. Why are we messing with nature?”

But “messing with nature” is likely a key to feeding a growing population with a depleting pool of resources, GMO advocates say. “To advance agriculture, and to help maintain the safety of farmworkers and to advance the health of children here and abroad, we really need science-based practices,” said Pamela Ronald, director of UC Davis’ Laboratory for Crop Genetics Innovation and Scientific Literacy. “People are getting their information about health from Chipotle and Whole Foods and major corporations that are trying to sell you things, and that's really not accurate.”

Why do farmers use genetically modified seeds?

GM seeds are aggressive. They resist viruses, they tolerate environmental stressors, and most bugs want nothing to do with them. The crops they produce tend to be bigger and last longer in travel.

They're also extremely efficient, said Topper van Loben Sels of Amistad Ranches Inc. in Courtland. Monsanto's biotech seeds are “Roundup Ready,” meaning they're engineered to be resistant to an herbicide called Roundup, which is made from a chemical called glyphosate.

This isn't about producing the best product or doing the right thing. When we have a supply and demand curve, it all becomes, at the end of the day, about what the return is. That's where we become disconnected from our food.

Brenda Ruiz, Biba chef and policy chair for Slow Food California

With the conventional herbicide, farmers usually have to make several passes over the land to prepare a fine soil bed and pre-irrigate the soil in order for herbicides to take effect. Van Loben Sels said he makes just two passes to prepare the field instead of 11, which saves him fuel, keeps his soil moist, and minimizes dust and chemicals his workers breathe.

The Courtland farm's entire corn crop and alfalfa crop, both used for cattle feed, are grown from modified Monsanto seeds, which van Loben Sels buys from his local fertilizer dealer. Though he's forced to buy new Monsanto seeds every year due to the company's strict patenting agreements, he says he'd do it for all of his crops if the seeds were available in California.

“I call it the water-friendly, worker-friendly seed,” he said.
What about environmental concerns?

The mass distribution of Roundup in the United States is worrisome to GMO opponents who believe the chemical damages the soil, though the USDA's Extension Toxicology Network and the Environmental Protection Agency have both found the product to be nonvolatile.

While GM proponents insist that herbicide use will decrease with the use of engineered crops, some studies have shown that it has actually increased due to the need for more Roundup on “super weeds” that become resistant to glyphosate. A 2013 report from Food & Water Watch found that the total volume of glyphosate applied to the three biggest GM crops – corn, cotton and soybeans – has risen tenfold since its introduction in 1996.

Many have also voiced concern that the chemical has contributed to the declining honeybee population in the United States.

What are the health concerns about GM foods?

While the consumption of genetically modified foods has not yet been shown to cause harm to humans, those opposed to the idea believe there’s another shoe to drop.

A recent Pew survey found that while 88 percent of scientists say GMO foods are safe to eat, 57 percent of Americans believe they are unsafe.

The often-cited American Academy of Environmental Medicine, an alternative medicine organization that also opposes vaccines and water fluoridation, lists study after study showing the adverse effects of genetically engineered crops on animals, including infertility, accelerated aging and changes in the liver, kidney, spleen and gastrointestinal system.

However, a report published in the Journal of Animal Science, considered by many to be the most comprehensive look so far at the effects of GM foods, found that it was safe for consumption and did not cause any significant harm to the 100 billion animals studied. Many used the study, headed by UC Davis geneticist Alison Van Eenennaam, to declare the GM argument over. (UCD receives some research funding from Monsanto.)

Adding to the debate, the World Health Organization in March declared glyphosate a probable carcinogen, adding it to a long list of other things that may cause cancer including art glass, wood smoke and high-temperature frying.

Though the relevance of the categorization has been questioned by many scientists, it’s also being used to fuel a fierce national debate about whether the USDA has a responsibility to label genetically engineered food products.

Where do local chefs stand on the issue?
In the farm-to-fork capital, there are no shortage of opinions on GM foods. While several high-profile chefs, including Brenda Ruiz of Biba, have taken a stance against GMOs, others aren't opposed to them.

Patrick Mulvaney of Mulvaney's B&L said he feels like “the unicorn in the room” when the topic of GMOs comes up among chefs. Mulvaney does not know if the ingredients he sources are genetically engineered. He assumes they aren't, but he doesn't ask because genetic engineering is, in his opinion, “a technique, not a problem.”

When Mulvaney purchases his ingredients, he buys from places that fit his definition of sustainability – a healthy farm, a healthy business and healthy workers. He does not believe GM foods conflict with that.

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**El Nino Seen Bringing Drought to Brazil's North, Heavy Rains to South**

By Caroline Stauffer

SAO PAULO, May 26 (Reuters) - Brazil will likely experience a moderate El Nino by the end of the year, bringing steady rain to the country's main grain producing regions and sustained drought in the arid north, the national meteorological institute, Inmet, said.

Inmet meteorologist Fabrício Daniel dos Santos Silva said six consecutive quarters of warming sea surface temperatures in the Pacific Ocean "indicate an El Nino event of weak intensity, tending to pass into a moderate stage by the end of the year".

El Nino can lead to scorching weather across Asia and east Africa but heavy rains and floods in parts of South America. In 2009, it destroyed wheat fields in Australia and damaged crops across Asia, causing food prices to surge.

In Brazil, a country the size of the continental United States and a top global supplier of sugar, coffee, beef and soybeans, the impact of El Nino's return will likely be varied.

Dos Santos said in an email late on Monday that El Nino characteristics were already affecting Brazil's semi-arid northeast, where a severe drought began in late 2014 in one of the country's poorest regions and is already considered high intensity.

He said the center-west, home to the top soybean producing state of Mato Grosso, will likely see above-average rains by the end of the year, a forecast farmers who will plant their 2015/16 soybean crops in September are celebrating.

"We usually benefit from more regular rainfall," Ricardo Tomczyk, president of Mato Grosso state's soy farmer association, Aprosoja, said of the El Nino forecasts.
In the south, where the No. 2 and No. 3 soy-growing states Parana and Rio Grande do Sul are located, El Nino could also bring above-average rain, especially from May until July, dos Santos said. Inmet expects above-average rains in Rio Grande do Sul in the next three months.

Dos Santos said the effects of El Nino in the southeast cane and coffee growing regions would likely be warmer temperatures and not necessarily more rainfall. That is good news for arabica coffee in Sao Paulo and Minas Gerais, where in past years El Nino rains during the May-August harvest have caused damage.

The U.S. Climate Prediction Center (CPC) forecast on May 14 the chance of El Nino conditions developing during the Northern Hemisphere summer at 90 percent, up from 70 percent in April.

**Here's Why Organic Chicken Costs More Than $10 a Pound**

by Shruti Singh

Health-conscious Americans hungry for organic chicken are facing high costs as producers struggle to find the proper food for their birds.

Chickens certified as organic in the U.S. must only receive food grown without irradiation, synthetic fertilizers, certain pesticides and genetically modified organisms. The birds need access to the outdoors, can't be given antibiotics, and like all chickens, can't be given hormones.

The problem: Retail prices advertised for boneless, skinless organic breast meat are averaging $7.87 a pound, more than double the cost of regular chicken, in part because of a shortage of organic feed. Some wholesale buyers are paying more than $10 a pound. Perdue Farms Inc. is importing feed, researching better ways to grow organic feed in the U.S. and seeking to persuade farmers to convert more acres to organic production.

“‘The number one limiting factor of the growth in organic is feed,” said Jim Perdue, chairman of Perdue, founded by his grandfather in 1920.

U.S. organic food sales have risen 11 percent a year since 2005, while farmland certified as organic by the U.S. Department of Agriculture expanded by about 5 percent a year through 2011. Less than 1 percent of U.S. corn and soybeans, the main ingredients for chicken feed, are certified as organic.

Organic feed grade corn cost $12.63 a bushel during the first quarter of this year and organic feed grade soybeans were $25.10 a bushel, according to government data. Conventional corn on the futures market in Chicago cost about $3.88 and soybeans were $9.93.

‘Strongest Growth’
Consumers concerned about additives are seeking more food that’s less processed, engineered and treated, said Laura Batcha, chief executive officer of the Organic Trade Association.

Organic poultry demand is beginning to “take off,” she said. Consumers are looking for organic options on the center of the plate and chicken is seeing the “strongest growth” among organic meat.

In the U.S. about 25 percent of people bought an organic item at least once in a two-week period in the year through February 2014, according to the consumer research company NPD Group Inc., compared with 13 percent in 2004.

The amount of organic food and beverages people consume is also increasing. Per capita “eatings” reached 48 in 2014, up from 44 in 2010 and 29 in 2007, according to NPD.

Organic Crops

Perdue, the largest producer of organic chicken, began offering the birds in 2011 after purchasing Coleman Natural Foods. Under the Coleman brand, Perdue sells organic chicken cuts and cooked sausages and is experiencing “double digit” growth in organic chicken sales, according to spokeswoman Julie DeYoung.

For regular birds, the company mostly buys conventional crops close to both U.S. coasts where it runs elevators. For organic supplies, it has to reach deep into the Midwest to find corn and soybeans, and must haul them longer distances, adding to costs, said Mike Spangler, Perdue’s director of organic grain.

Perdue is researching techniques to grow organic corn and soybeans on 70 acres in Maryland and Delaware and passes on tips to farmers. The company is also sourcing organic corn and soybeans from Argentina, India and Turkey, he said.

Over the last four years, the company has sought to forge relationships with farmers such as Luke Howard, owner of Homestead Farms Inc. in Maryland, who grows organic corn and soybeans.

“We have no trouble selling what we produce,” said Howard, 50, who started growing organic crops 13 years ago.

Certification Process

One of the barriers to expanding the supply is the certification process. It takes three years for a farm to be certified organic by the USDA. Howard said he wants to expand production, though he would incur losses on the new acres during the transition period.
Americans, used to cheap food, should consider the “true cost of good food” and the “fair price” farmers should receive for producing it, Howard said.

Rivara SA, a Perdue supplier in Argentina, has doubled its land for growing organic corn, soybeans, wheat, canola and sunflower crops since 2009 to about 7,900 hectares (19,500 acres) because of booming demand from the U.S.

‘Hot’ Market

“The market is very hot,” said Diego Rivara, who heads up sales for the family-owned business founded in 1936.

The company began selling organic crops about 18 years ago, and had just a few U.S. customers until about six years ago. Now there are more than 10 buyers clamoring for supplies, and in 2014 about 90 percent of its organic output was committed to buyers before the harvest began.

Demand is “growing so fast” in the U.S., and farmers can't increase product quickly because it takes time to learn effective organic growing practices, Rivara said. Supply won't be able to meet demand for at least the next two to three years, he said.

“There just aren't enough people in the business,” said Chellie Pingree, a Democratic congresswoman from Maine who also owns an organic farm and restaurant. “If we had more organic grain, it would be more competitive and we wouldn't all be fighting over the same bag of grain and we could bring down the price.”

Brazil Likely to Expand Soy Area Slightly Despite Low Prices

By Caroline Stauffer

SAO PAULO, May 29 (Reuters) - Farmers will likely expand the area planted with soybeans in Brazil for a ninth consecutive year, local analysts and farm groups said, even with prices of the country's main export crop down by a quarter from a year ago.

Earlier this year, some analysts said the combination of low soy prices and rising seed and fertilizer costs could lead farmers to forgo bringing new area into production in 2015/16 for the first time in nearly a decade.

Most have now changed their views.

"I don't see how we could see a decline in soy area," said Luiz Fernando Gutierrez, soy analyst at Safras & Mercado. He said corn and cotton prices were even lower than soy.

Gutierrez estimates a mere 2 percent increase in area when the next soybean crop is planted in September, which would be the smallest annual rise since 2006. That year was the last time soy area
decreased in Brazil, one of the few countries thought to have more land available to expand agricultural activity significantly.

The potential for even slightly more soybeans to reach the market early next year, after record crops from South America and the United States, could further lower prices. Brazil is the world's No. 2 soybean producer after the United States.

July futures on the Chicago Board of Trade were at $9.25 per bushel on Friday, down 26 percent from a year earlier.

Fernando Muraro, an analyst at AgRural consultancy, expects a modest 1.6 percent increase of 500,000 hectares in Brazil over last year's 31.5 million hectares. In April, he had forecast stable soy area.

Muraro changed his estimate after a larger-than-expected second corn crop lowered local corn prices, which he said would lead farmers in the south to favor soybeans.

Plenty could still change and farmers face a challenging scenario, he said. Brazil may see modest or no new fields in northeastern states that usually see double-digit growth.

"It's still quite open," Muraro said, adding that a government announcement on the funds available for the 2015/16 crops expected next week could be a game changer.

Anderson Galvao, chief executive officer of analysis firm Celeres, said he was still "betting on stability" though Celeres has not made a formal estimate of 2015/16 soy area yet.

Recession is looming in Brazil, limiting government funds as well as farmers' access to credit.

Uncertainty also stems from the Brazilian real, which has weakened 30 percent over the past year. Farmers benefited from a stronger dollar when they sold their 2014/15 crop in the U.S. currency but are losing much of those gains paying more for imported seeds, pesticides and fertilizers for the next crop.

Ricardo Tomczyk, president of soy growers' association Aprosoja in top growing state Mato Grosso, said farmers would be compensated for the higher input costs as long as the real stayed at current levels or weakened in the next year.

Even so, he said lower soy prices meant they could no longer be certain investments in new fields would pay off and some older fields in Mato Grosso may even be abandoned.

"It's certainly going to be a year of consolidation," he said.