Brazil and Argentina – Recession, Reform & Renewal

Opportunities & Challenges for US Agriculture

Agricultural Outlook Forum
Crystal Gateway Marriott
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Overview

• Background & Situation
• What Might the Future Look Like?
• Final Thoughts
Export share of U.S. farm production, 2011-13

- Corn: 15%
- Beef: 10%
- Total: 33%

Source: USDA, Economic Research Service calculations based on data from U.S. Department of Commerce, U.S. Census Bureau, Foreign Trade Database; and USDA, National Agricultural Statistics Service, various reports.
World Soybean Exports

Million Metric Tons

- Argentina
- Brazil
- U.S.
- Canada
- All Other

US Share Held at 40%
Brazil Rose: 30% to 43%

Source: PS&D View, FAS/USDA
US Share Fell: 60% to 40%
Arg/Bzl Share Rose: 20% to 33%
Some Projections
US Dollar Commodity Exchange Rate Indices, Projection 2016

Source: USDA, Economic Research Service, Online Data Base
Figure 1. National Average Corn Yield for Argentina and Brazil, 1961-2016

Yield (bushels per acre)

Argentina

Brazil

Year


Corn for Grain Yield
United States

Bushels per Acre

1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015

Yield Linear (Yield)

174.6

USDA-NASS 1-12-17
Corn Production
Marketing Years 2008-2016

Million Metric Tons

Argentina
Brazil

HA = +18%
HA = +44%

Soybean Yield
United States

Bushels per Acre

1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015

USDA-NASS
1-12-17
Soybean Production
Marketing Years 2008-2016

Million Metric Tons

HA = +60%
HA = +18%

The Future?

- US Ag Remains Export Dependent
- Weather & Climate Remain Key Factors
- US Market Share in Jeopardy
- US Farm Financial Situation Precarious
Final Thoughts

- Infrastructure Improvements?
- Switch from Grazing, Adding Cultivation?
- US Trade Policy & Responses by Other Countries?
Is More Expansion Possible?

Mato Grosso & Beyond?
Thanks for Your Attention!

Questions?

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