

Brazil to overtake US as top soybean producer

March 12 2013

An Iowa State University grain markets expert said this week that a combination of long-term trends and recent weather patterns are responsible for putting Brazil in a position this year to overtake U.S. soybean production for the first time.

A report from the U.S. Department of Agriculture released Friday predicted that [Brazil's soybean production](#) would eclipse the [United States](#). Chad Hart, an ISU Extension and Outreach grain markets specialist and associate professor of economics, said USDA predicted a similar scenario earlier in the year and updated its forecast on Friday.

Hart said the general trend in recent years has pointed toward Brazil eventually surpassing the United States, but he said the 2012 drought that withered much of the prime U.S. farmland hastened Brazil's ascent among the world's top soybean producers.

"This has been building over a long period of time, but this year will be a milestone," Hart said. "The United States has been the dominant producer of corn and soybeans for quite some time. For Brazil to ramp up dramatically and catch us, it shows the changing global conditions behind the crop markets."

Hart said he expects the next few years to bring competitive soybean crops between the United States and Brazil but doubts the United States will return to its previous dominance of the market. U.S. farmers won't be able to keep up with the rate at which Brazilian producers are

expanding the acres devoted to soybeans.

"I think there's going to be some back and forth over the next few years, but 20 years down the road, my guess is Brazil will keep that mantle as the largest soybean producer," he said. "The Brazilians will continue to build on their production base, while we've run out of room. About all the land we can devote to crop production is pretty much in already."

Soybeans will continue to turn a profit for U.S. farmers, Hart said. The USDA report released on Friday predicted an average price of \$14.30 per bushel for U.S. soybeans in 2013, which would be a record if the forecast holds true.

Hart said the U.S. is in no danger of falling behind other countries in corn production. While South American countries such as Brazil enjoy some climatic and agronomic advantages conducive to soybean production, the same doesn't hold true for corn.

"While Brazil can catch the United States in soybeans, they're still a long way behind in corn production," he said. "Brazil and Argentina combined would only produce a third of what we produce in the U.S."

Provided by Iowa State University

Citation: Brazil to overtake US as top soybean producer (2013, March 12) retrieved 20 April 2024 from <https://phys.org/news/2013-03-brazil-soybean.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.