

United States
Department of
Agriculture

Agricultural
Marketing Service

Revised June 2008

A photograph of a soybean field with mature, brown pods hanging from the stems against a clear blue sky. The text is overlaid on the upper portion of the image.

SOYBEAN TRANSPORTATION GUIDE: BRAZIL 2007

United States Department of Agriculture
Marketing and Regulatory Programs
Agricultural Marketing Service
Transportation and Marketing Programs

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Authors:

Delmy L. Salin, USDA, Agricultural Marketing Service
Jessica E. Ladd, USDA, Agricultural Marketing Service

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SOYBEAN TRANSPORTATION GUIDE: BRAZIL

Introduction

Brazil is the second largest soybean exporter after the United States and one of the most important U.S. competitors in the world oilseeds market. Brazil's competitiveness in the world market depends largely on transportation infrastructure and cost. The *Soybean Transportation Guide* is a visual snapshot of Brazilian soybean transportation in 2007. It provides data on the cost of shipping soybeans via highways and ships to Shanghai, China, and Hamburg, Germany, and gives information about soybean production, exporting, railways, and ports.

Total 2007 Brazilian soybean transportation costs to Hamburg and Shanghai increased 32–54 percent in Mato Grosso (MT), Paraná (PR), Rio Grande do Sul (RS) and South Goiás (GO) from a year earlier. These areas saw proportionally higher increases in transportation costs in terms of the U.S. dollar because of the 10.5 percent appreciation of the real against the dollar, which lowers transportation costs for Brazilian shippers. Since 2005, the real has appreciated 20 percent against the U.S. dollar. This, combined with increased soybean demand from China, put pressure on international transportation rates that could result in higher shipping costs for U.S. exporters.

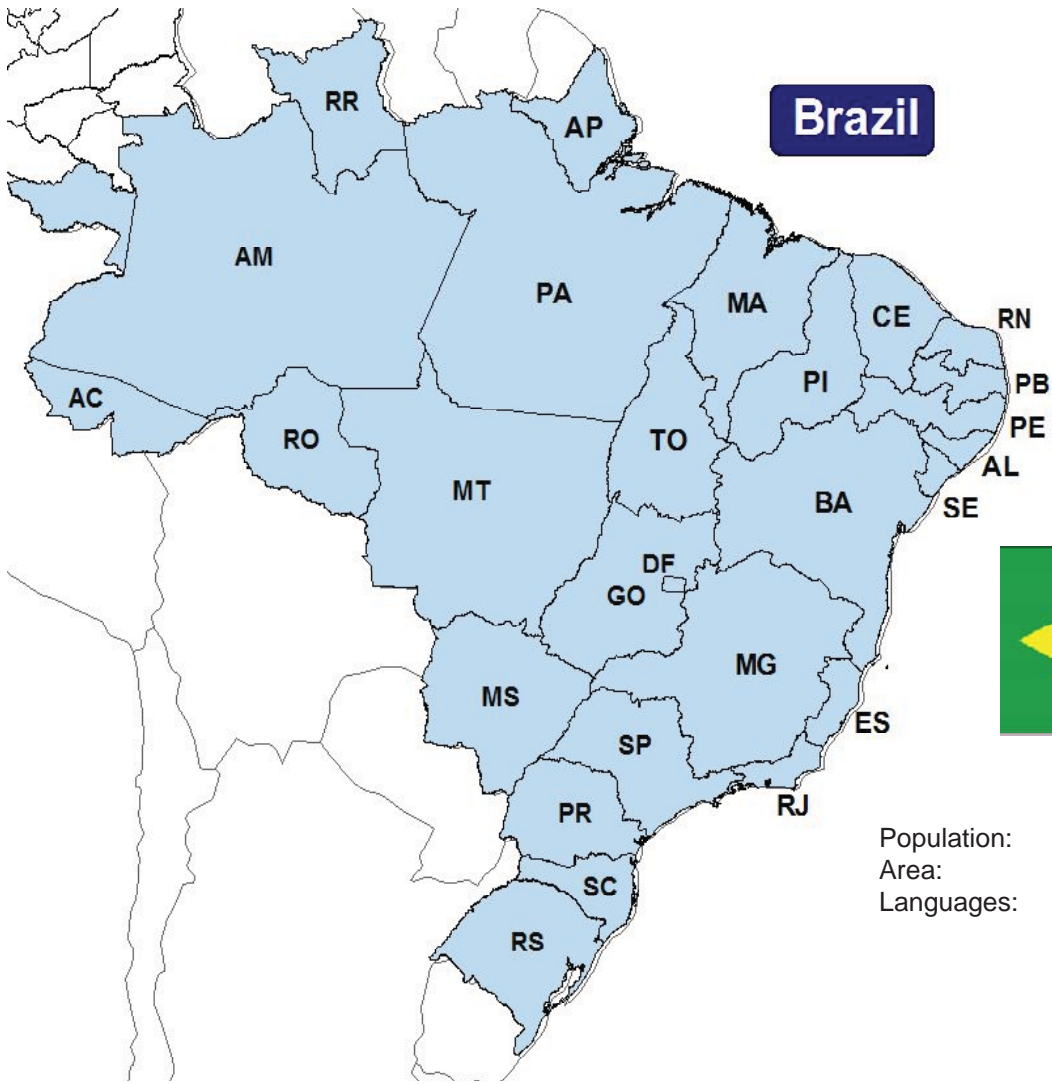
The Brazilian soybean export transportation cost index increased 21 percent in 2007. The cost of shipping a metric ton (mt) of soybeans 100 miles by truck increased from \$6.96 in 2006 to \$8.44 in 2007. Truck rates were pushed up by increased fuel costs; increased exports to China and the European Union; increased transportation demand for corn, soybeans, and rice; and an increase in the risk of carrying a higher value cargo caused by the rise in soybean prices.

Ocean rates from the ports of Santos, Paranaguá, and Rio Grande to Hamburg rose 55–59 percent and rates to Shanghai increased 44–46 percent. The significant increase in ocean rates was driven by tight vessel supply, congestion problems in Australia, increase in bunker fuel prices, and China's increased demand for coal. In 2007, ocean rates from the Santos to Shanghai reached a record high of \$111.20/metric ton (mt) early in the year but later declined, ending the year about 33 percent lower than that high, at \$74.81/mt. Ocean rates to Hamburg followed the same trend.

Transportation costs represent 42–44 percent of the total landed costs of shipping soybeans from Sorriso, North MT (the largest Brazilian soybean-producing state), to Shanghai and Hamburg through Santos and Paranaguá. Sorriso is located 1,190 miles from Santos and 1,262 miles from Paranaguá. The cost from Cruz Alta, Northwest Rio Grande do Sul (RS), to the same destinations was only 26–28 percent of the total landed cost because of the shorter road distance to the Port of Rio Grande (288 miles). U.S. transportation costs to Hamburg and Shanghai were up 43–56 percent in 2007 due largely to higher ocean freight rates. In addition, U.S. transportation costs were 24–30 percent of the landed cost for soybeans and well below Brazil's percentages.

Acknowledgments

The authors would like to acknowledge Francisco Olavo Batista da Silva, João Paulo de Moraes Filho, (Companhia Nacional de Abastecimento, CONAB), and Jose Alex Botelho de Oliva (National Agency of Aquatic Transportation, ANTAQ), for providing regional information and maps of Brazil. Comments and critiques by David Stalling, Keith Menzie (USDA, Office of the Chief Economist), Mark Ash (USDA, Economic Research Service), Curt Reynolds, Morgan Perkins, Elizabeth Mello, and Sergio Barros (USDA, Foreign Agricultural Service) are greatly appreciated. The authors would also like to thank Michael D. Smith, our editor.



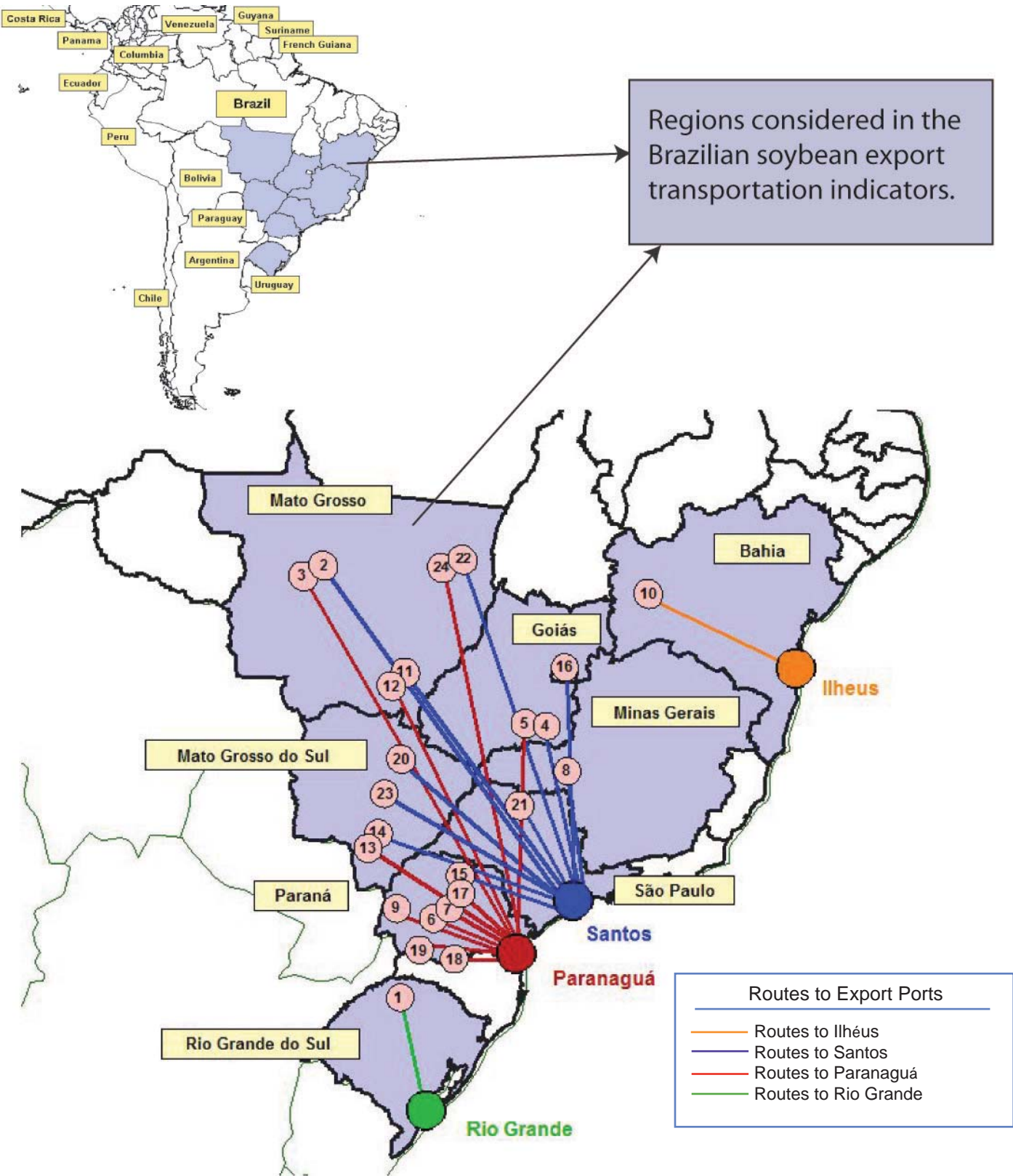
Brazil



Population: 190,010,647
 Area: 8,511,965 sq km
 Languages: Portuguese (official), Spanish, English, French

State and Abbreviation	
Acre (AC)	Paraíba (PB)
Alagoas (AL)	Paraná (PR)
Amapá (AP)	Pernambuco (PE)
Amazonas (AM)	Piauí (PI)
Bahia (BA)	Rio de Janeiro (RJ)
Ceará (CE)	Rio Grande do Norte (RN)
Distrito Federal (DF)	Rio Grande do Sul (RS)
Espírito Santo (ES)	Rondônia (RO)
Goiás (GO)	Roraima (RR)
Maranhão (MA)	Santa Catarina (SC)
Mato Grosso (MT)	São Paulo (SP)
Mato Grosso do Sul (MS)	Sergipe (SE)
Minas Gerais (MG)	Tocantins (TO)
Pará (PA)	

Routes¹ and regions considered in the Brazilian soybean export transportation indicator²



¹Table defining routes by number is shown on page 11

²Regions comprised about 82 percent of Brazilian soybean production, 2006

Source: USDA/AMS & ESALQ - University of São Paulo (USP), Brazil

In 2007, Brazilian soybean transportation costs to Hamburg, Germany, as a percentage of total landed costs decreased in South Goiás (GO) and Mato Grosso (MT), but increased in Paraná (PR) and Rio Grande do Sul (RS) compared with 2006.

Cost of transporting soybeans from Brazil to Hamburg, Germany								
	2005	2006	2007	Percent Change	2005	2006	2007	Percent Change
	--US\$/mt--				--US\$/mt--			
	North MT ¹ - Santos ²				North MT ¹ - Paranaguá ²			
Truck	79.10	79.46	97.67	22.93	77.64	78.05	88.05	12.82
Ocean	48.16	46.76	73.01	56.12	47.19	45.76	71.05	55.25
Total transportation	127.26	126.22	170.68	35.22	124.84	123.81	159.11	28.50
Farm Value ³	163.97	164.88	233.82	41.81	163.97	164.88	233.82	41.81
Landed Cost	291.23	291.11	404.50	38.95	288.81	288.70	392.93	36.10
Transport % of landed cost	43.70	43.40	42.50	-2.1	43.25	43.00	40.80	-5.1
	Southeast MT ¹ - Santos ²				North Center PR ¹ - Paranaguá ²			
Truck	58.95	57.56	69.58	20.88	21.52	21.31	32.36	51.89
Ocean	48.16	46.76	73.01	56.12	47.19	45.76	71.05	55.25
Total transportation	107.11	104.33	142.59	36.67	68.71	67.07	103.42	54.19
Farm Value ³	163.97	164.88	233.82	41.81	210.24	213.81	281.14	31.49
Landed Cost	271.08	269.21	376.41	39.82	278.95	280.88	384.56	36.91
Transport % of landed cost	39.51	38.80	38.20	-1.5	24.63	23.80	27.00	13.6
	South GO ¹ - Santos ²				Northwest RS ¹ - Rio Grande ²			
Truck	37.59	43.56	50.47	15.87	12.84	16.16	21.82	35.05
Ocean	48.16	46.76	73.01	56.12	46.72	45.03	71.73	59.30
Total transportation	85.75	90.32	123.48	36.71	59.55	61.18	93.55	52.90
Farm Value ³	181.92	189.63	268.65	41.67	208.35	210.34	267.06	26.96
Landed Cost	267.66	279.96	392.12	40.07	267.90	271.53	360.61	32.81
Transport % of landed cost	31.93	32.20	31.80	-1.3	22.21	22.30	26.10	17.1

¹Producing regions: RS = Rio Grande do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná

²Export ports represent 60 percent of total soybean exports; na = not available; ³Companhia Nacional de Abastecimento (CONAB)

Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

2007 Summary

Total 2007 Brazilian soybean transportation costs to Hamburg and Shanghai increased 32–54 percent in Mato Grosso (MT), Paraná (PR), Rio Grande do Sul (RS), and South Goiás (GO) from a year earlier. Transportation costs as a percentage of landed costs declined 1 and 3 percent in North MT and South GO as a result of a boost in farm prices of about 42 percent. However, the 27–32 percent increases in farm prices in PR and RS were not enough to offset the 44–46 percent rises in transportation cost, triggering an increase of 9–12 percent in transportation costs as percentages of landed costs.

Cost of transporting soybeans from Brazil to Shanghai, China								
	2005	2006	2007	Percent Change	2005	2006	2007	Percent Change
	--US\$/mt--				--US\$/mt--			
	North MT ¹ - Santos ²				North MT ¹ - Paranaguá ²			
Truck	--na--	79.46	97.67	22.93	--na--	78.05	88.05	12.82
Ocean	--na--	57.31	82.83	44.54	--na--	56.31	80.81	43.51
Total transportation	--na--	136.77	180.51	31.98	--na--	134.36	168.86	25.68
Farm Value ³	--na--	164.88	233.82	41.81	--na--	164.88	233.82	41.81
Landed Cost	--na--	301.65	414.33	37.35	--na--	299.24	402.68	34.57
Transport % of landed cost	--na--	45.40	43.90	-3.2	--na--	45.00	42.30	-6.0
	Southeast MT ¹ - Santos ²				North Center PR ¹ - Paranaguá ²			
Truck	--na--	57.56	69.58	20.88	--na--	21.31	32.36	51.89
Ocean	--na--	57.31	82.83	44.54	--na--	56.31	80.81	43.51
Total transportation	--na--	114.87	152.41	32.68	--na--	77.62	113.18	45.81
Farm Value ³	--na--	164.88	233.82	41.81	--na--	213.81	281.14	31.49
Landed Cost	--na--	279.75	386.23	38.06	--na--	291.43	394.32	35.31
Transport % of landed cost	--na--	41.11	39.90	-3.0	--na--	26.50	28.90	9.1
	South GO ¹ - Santos ²				Northwest RS ¹ - Rio Grande ²			
Truck	--na--	43.56	50.47	15.87	--na--	16.16	21.82	35.05
Ocean	--na--	57.31	82.83	44.54	--na--	55.81	81.56	46.13
Total transportation	--na--	100.87	133.30	32.16	--na--	71.97	103.37	43.64
Farm Value ³	--na--	189.63	268.65	41.67	--na--	210.34	267.06	26.96
Landed Cost	--na--	290.50	401.95	38.36	--na--	282.31	370.43	31.21
Transport % of landed cost	--na--	34.60	33.50	-3.2	--na--	25.20	28.10	11.5

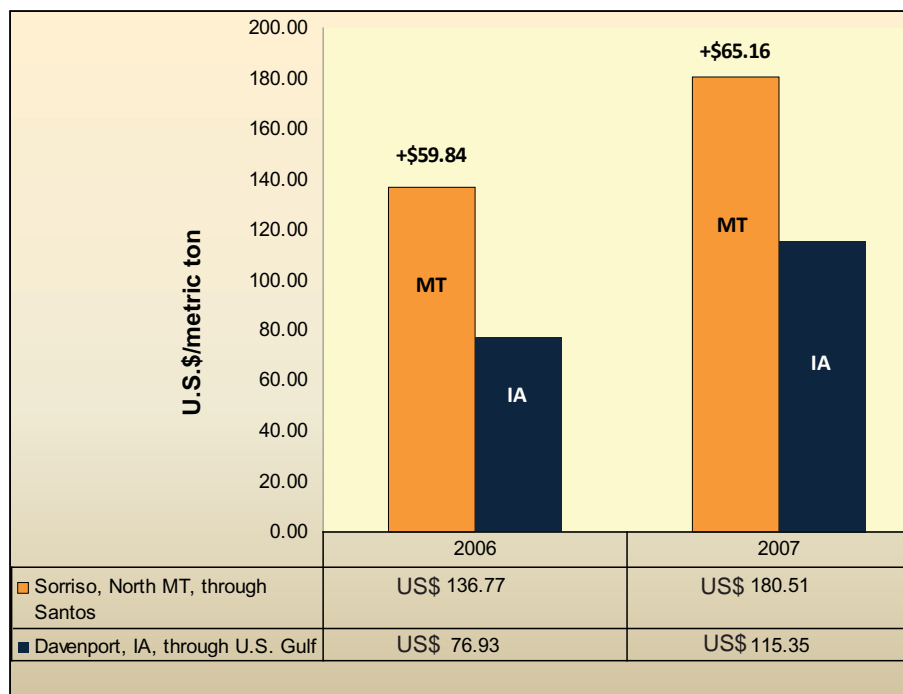
¹Producing regions: RS = Rio Grande do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná

²Export ports represent 60 percent of total soybean exports; na = not available; ³Companhia Nacional de Abastecimento (CONAB)

Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

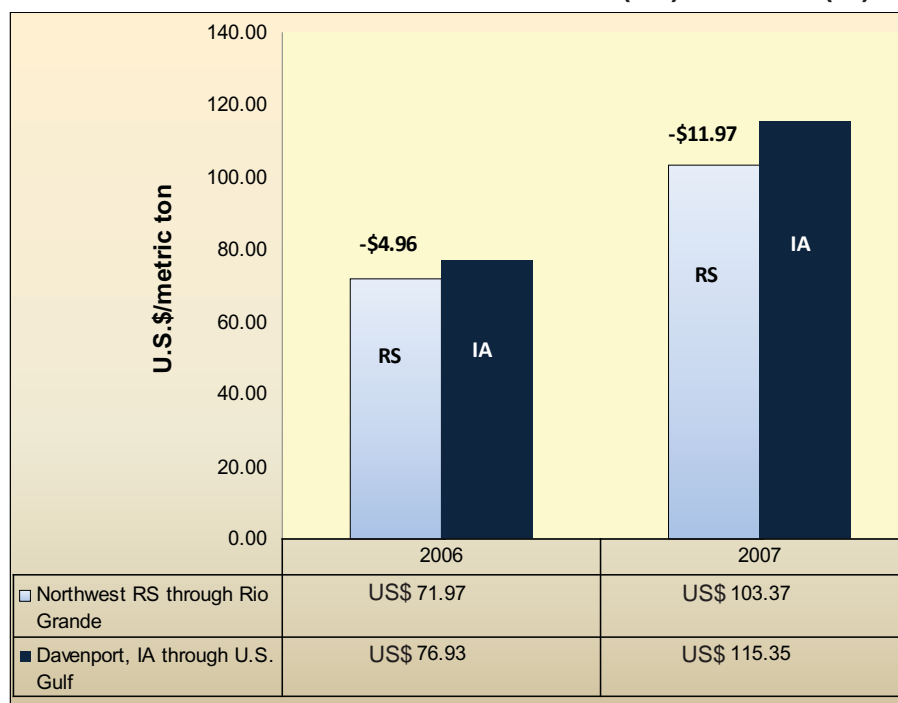
In 2007, it cost \$65.16 more per metric ton to ship soybeans from Sorriso, North Mato Grosso (MT) to Shanghai, China, than from Davenport, IA. Sorriso is located 1,190 miles from the port of Santos.

Transportation cost differences between Mato Grosso (MT) and Iowa (IA) to Shanghai, China



In 2007, the cost of shipping a metric ton of soybeans from Cruz Alta, Northwest Rio Grande do Sul (RS), to Shanghai, China, cost \$11.97 less than from Davenport, IA. The distance from Cruz Alta to the port of Rio Grande is 288 miles.

Transportation cost differences between Rio Grande do Sul (RS) and Iowa (IA) to Shanghai, China



2007 Summary

In 2007, truck rates from Londrina, Paraná (PR), to Paranaguá increased almost 36 percent from a year earlier, 10 and 1 percent from Sorriso, North Mato Grosso (MT), to Santos and Paranaguá, respectively.

Truck rates for selected Brazilian soybean export routes, 2005-2007							
Route #	Origin ¹ (reference city)	Destination	Distance (miles) ²	2005	2006	2007	Percent Change 06-07
				Reais/metric ton			
1	Northwest RS ³ (Cruz Alta)	Rio Grande	288	10.85	12.19	14.87	22.05
2	North MT (Sorriso)	Santos	1190	16.12	14.53	16.00	10.11
3	North MT (Sorriso)	Paranaguá	1262	14.93	13.46	13.60	1.03
4	South GO (Rio Verde)	Santos	587	15.43	16.14	16.77	3.92
6	North Center PR (Londrina)	Paranaguá	268	19.50	17.29	23.47	35.69
11	Southeast MT (Primavera do Leste)	Santos	901	15.89	13.91	15.06	8.31

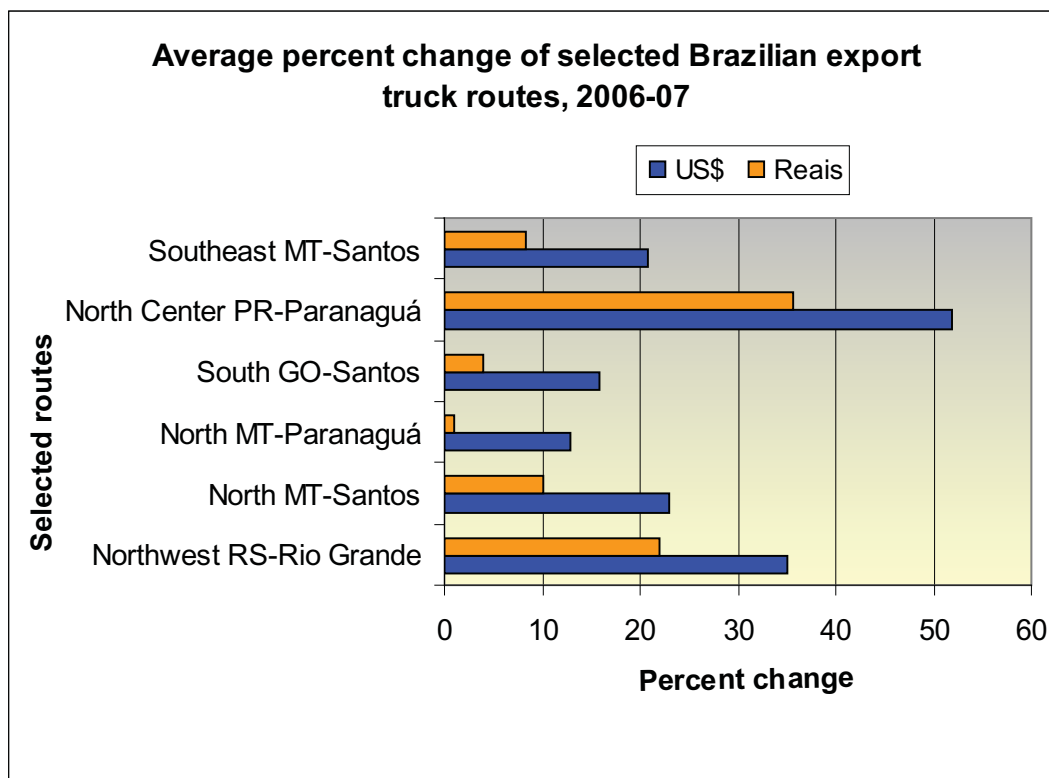
¹Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price

²Distance from the main city of the considered region to the mentioned ports

³RS = Rio Grande do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso do Sul, SP = São Paulo

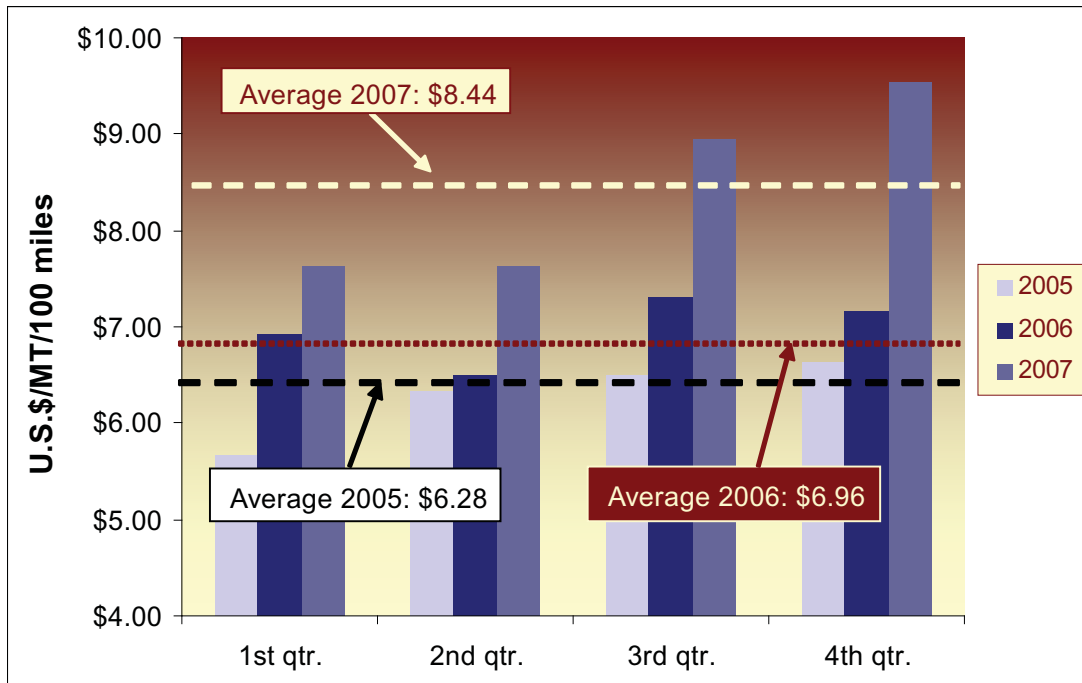
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

In 2007, selected Brazilian export truck routes saw proportionally higher increases in transportation costs in the U.S. dollar due to the appreciation of the real against the U.S. In 2007, the real appreciated 10.5 percent against the dollar, from 2.1771 to 1.9485 per dollar. Since 2005, the real has appreciated 20 percent against the U.S. dollar.



The Brazilian soybean export transportation cost index increased about 21 percent in 2007. The cost of shipping a metric ton (mt) of soybeans 100 miles by truck increased from \$6.96 in 2006 to \$8.44 in 2007.

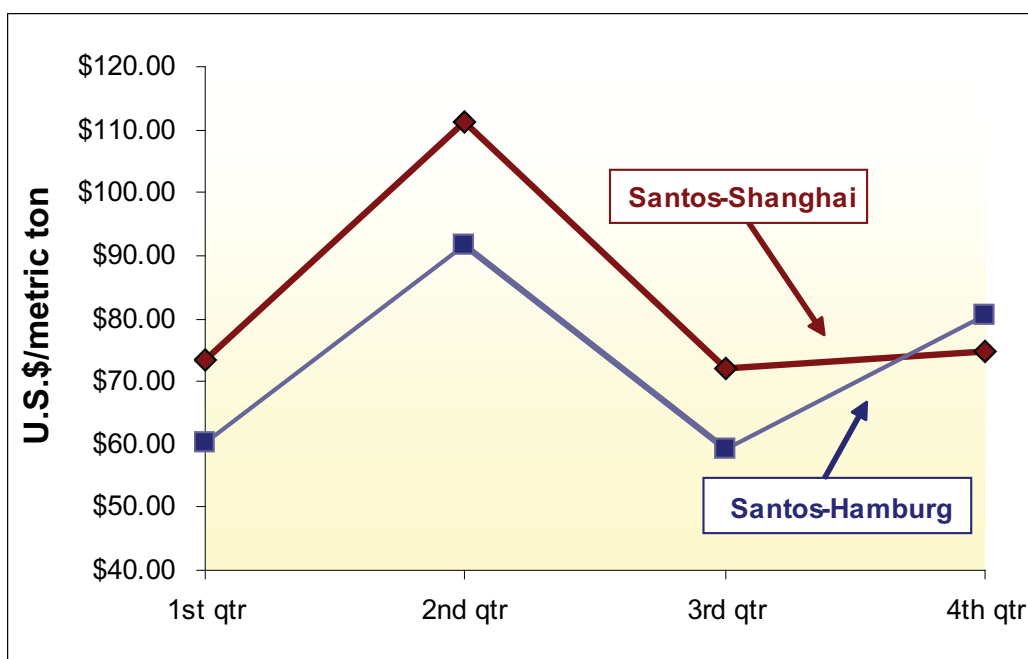
Brazilian soybean export truck cost index



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

In 2007, ocean rates from the port of Santos to Shanghai, China, reached a record high of \$111.20/mt early in the year but later declined; ending the year about 33 percent lower, at \$74.81/mt. Ocean rates to Hamburg followed the same trend.

Brazilian soybean ocean freight from Santos to Shanghai and Hamburg, 2007

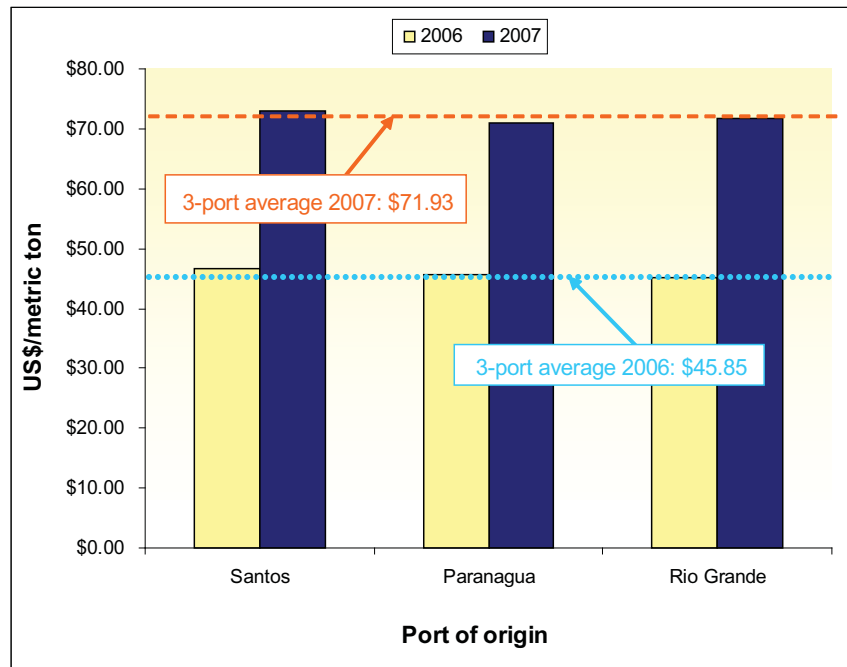


Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

2007 Summary

The cost to ship 1 mt of soybeans from Brazil to Hamburg by ocean-going vessel increased on average almost 57 percent, from \$45.85/mt to \$71.93/mt.

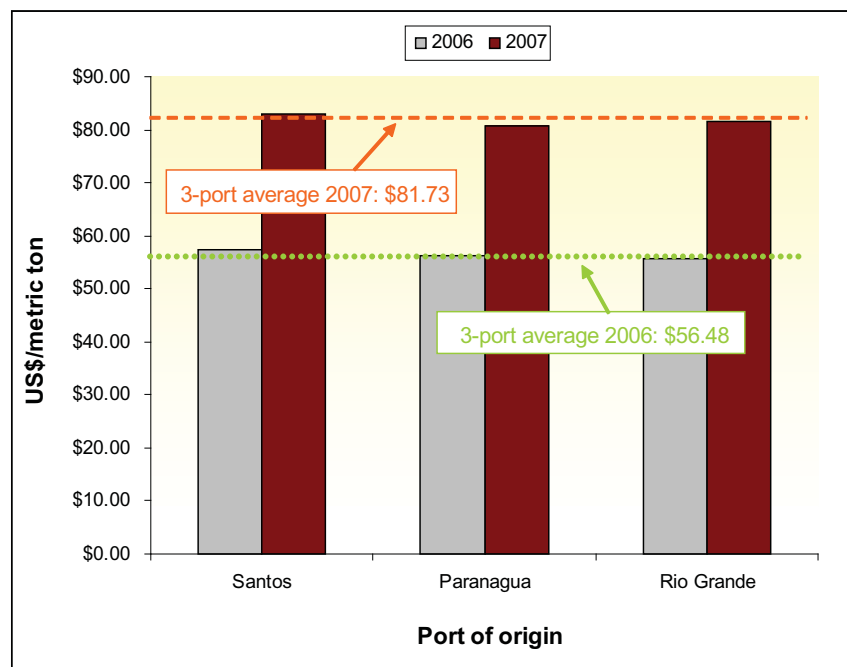
Ocean rates from Brazil to Hamburg, Germany, climbed in 2007



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

In 2007, the cost to ship 1 mt of soybeans from Brazil to Shanghai by ocean vessel increased on average 78 percent, from \$45.85/mt to \$81.73/mt, from a year earlier.

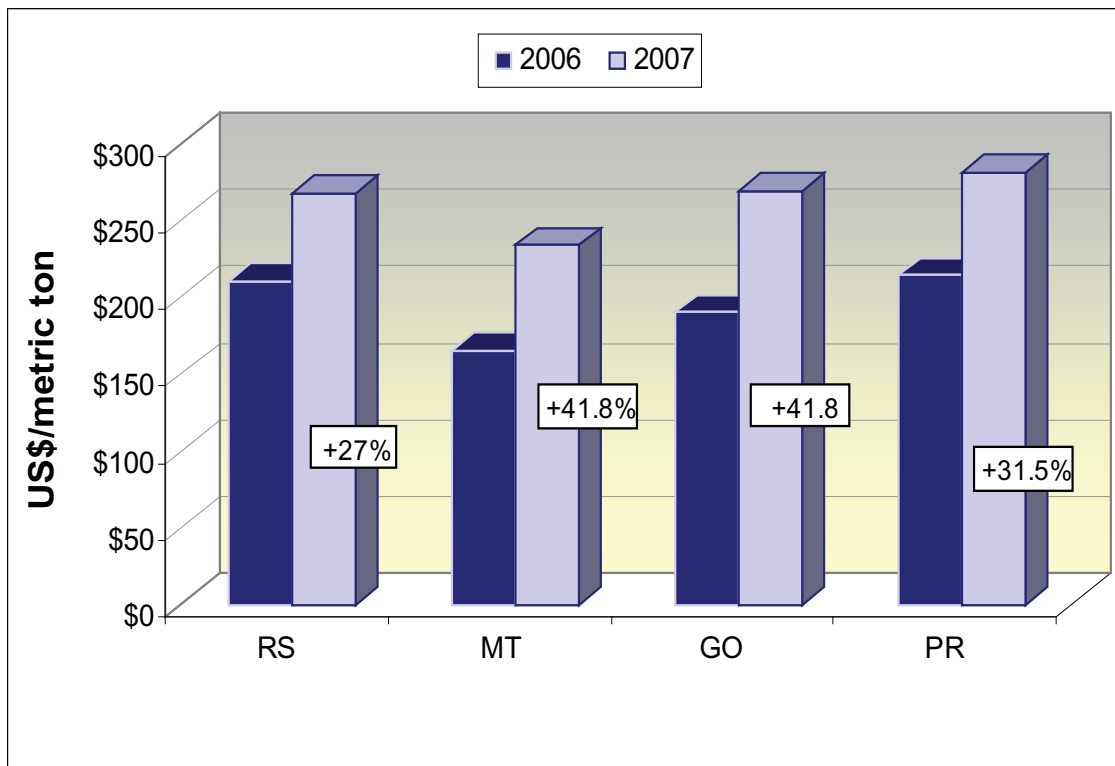
Ocean rates from Brazil to Shanghai, China, increased in 2007



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Farm prices increased 42 percent in Mato Grosso (MT) and Goias (GS) in 2007.

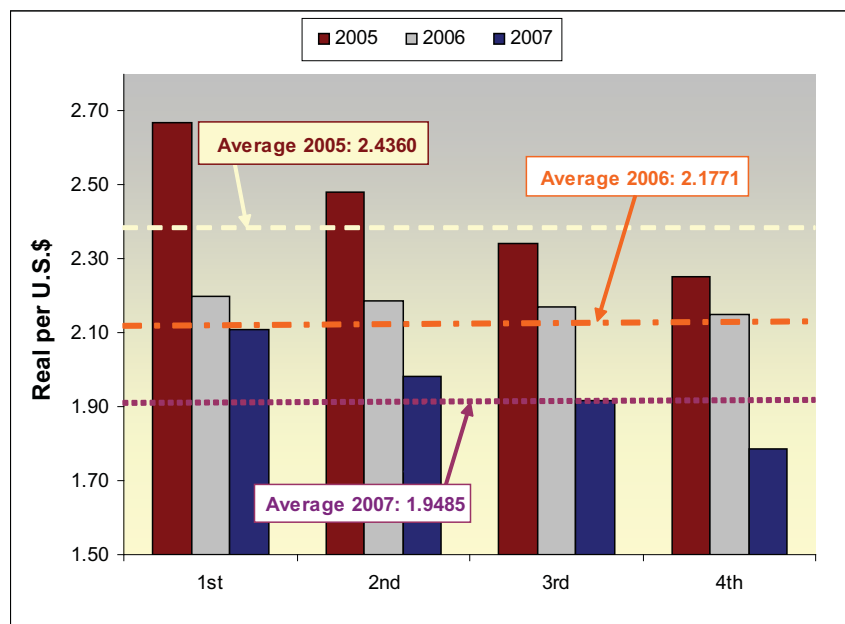
Selected Brazilian farm prices



RS = Rio Grande do Sul, MT = Mato Grosso, GO = Goiás, PR = Paraná
 Source: Companhia Nacional de Abastecimento (CONAB)

In 2007, the real appreciated 10.5 percent against the U.S. dollar compared with 2006, from 2.1771 to 1.9485 per dollar.

Average quarterly exchange rate, real per U.S. dollar



Source: Banco Central do Brasil

Transportation Indicators

Quarterly costs of transporting soybeans from Brazil to Shanghai, China										
	2007					2007				
	1st qtr	2nd qtr	3rd qtr	4th qtr	Avg	1st qtr	2nd qtr	3rd qtr	4th qtr	Avg
	North MT¹ - Santos² --US\$/mt--					North MT¹ - Paranagua² --US\$/mt--				
Truck	87.98	90.57	101.79	110.36	97.67	79.19	83.59	87.09	102.35	88.05
Ocean	73.32	111.20	72.00	74.81	82.83	72.32	110.20	65.50	75.22	80.81
Total transportation	161.30	201.77	173.79	185.17	180.51	151.51	193.79	152.59	177.56	168.86
Farm Value ³	196.22	198.61	234.16	306.30	233.82	196.22	198.61	234.16	306.30	233.82
Landed Cost	357.52	400.38	407.94	491.48	414.33	347.72	392.40	386.75	483.87	402.68
Transport % of landed cost	45.1	50.4	42.6	37.7	43.9	43.6	49.4	39.5	36.7	42.3
	Southeast MT¹ - Santos² --US\$/mt--					North Center PR¹ - Paranagua² --US\$/mt--				
Truck	63.73	63.14	75.35	76.10	69.58	19.72	36.51	38.44	34.80	32.36
Ocean	73.32	111.20	72.00	74.81	82.83	72.32	110.20	65.50	75.22	80.81
Total transportation	137.05	174.34	147.35	150.91	152.41	92.04	146.71	103.94	110.02	113.18
Farm Value ³	196.22	198.61	234.16	306.30	233.82	251.13	239.48	272.70	361.26	281.14
Landed Cost	333.27	372.95	381.50	457.21	386.23	343.17	386.19	376.64	471.28	394.32
Transport % of landed cost	41.1	46.7	38.6	33.0	39.9	26.8	38.0	27.6	23.3	28.9
	South GO¹ - Santos² --US\$/mt--					Northwest RS¹ - Rio Grande² --US\$/mt--				
Truck	44.88	48.80	52.24	55.95	50.47	19.93	25.22	21.89	20.24	21.82
Ocean	73.32	111.20	72.00	74.81	82.83	71.82	109.70	70.50	74.20	81.56
Total transportation	118.20	160.00	124.24	130.77	133.30	91.75	134.92	92.39	94.44	103.37
Farm Value ³	231.95	225.49	267.93	349.22	268.65	249.78	228.00	256.59	333.86	267.06
Landed Cost	350.15	385.49	392.17	479.98	401.95	341.53	362.92	348.98	428.30	370.43
Transport % of landed cost	33.8	41.5	31.7	27.2	33.5	26.9	37.2	26.5	22.0	28.1

¹Producing regions: RS = Rio Grande do Sul, MT = Mato Grosso, GO = Goiás, PR = Paraná

²Export ports represent 60 percent of total soybean exports; ³Companhia Nacional de Abastecimento (CONAB)

Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Transportation Indicators

Quarterly costs of transporting soybeans from Brazil to Hamburg, Germany										
	2007					2007				
	1st qtr	2nd qtr	3rd qtr	4th qtr	Avg	1st qtr	2nd qtr	3rd qtr	4th qtr	Avg
	North MT¹ - Santos² --US\$/mt--					North MT¹ - Paranagua² --US\$/mt--				
Truck	87.98	90.57	101.79	110.36	97.67	79.19	83.59	87.09	102.35	88.05
Ocean	60.40	91.61	59.35	80.67	73.01	59.40	90.61	53.12	81.08	71.05
Total transportation	148.38	182.18	161.14	191.03	170.68	138.59	174.20	140.21	183.42	159.11
Farm Value ³	196.22	198.61	234.16	306.30	233.82	196.22	198.61	234.16	306.30	233.82
Landed Cost	344.60	380.79	395.29	497.33	404.50	334.81	372.80	374.37	489.73	392.93
Transport % of landed cost	43.1	47.8	40.8	38.4	42.5	41.4	46.7	37.5	37.5	40.8
	Southeast MT¹ - Santos² --US\$/mt--					North Center PR¹ - Paranagua² --US\$/mt--				
Truck	63.73	63.14	75.35	76.10	69.58	19.72	36.51	38.44	34.80	32.36
Ocean	60.40	91.61	59.35	80.67	73.01	59.40	90.61	53.12	81.08	71.05
Total transportation	124.13	154.75	134.70	156.77	142.59	79.12	127.11	91.56	115.88	103.42
Farm Value ³	196.22	198.61	234.16	306.30	233.82	251.13	239.48	272.70	361.26	281.14
Landed Cost	320.35	353.36	368.85	463.07	376.41	330.25	366.59	364.26	477.14	384.56
Transport % of landed cost	38.7	43.8	36.5	33.9	38.2	24.0	34.7	25.1	24.3	27.0
	South GO¹ - Santos² --US\$/mt--					Northwest RS¹ - Rio Grande² --US\$/mt--				
Truck	44.88	48.80	52.24	55.95	50.47	19.93	25.22	21.89	20.24	21.82
Ocean	60.40	91.61	59.35	80.67	73.01	58.90	90.11	57.85	80.06	71.73
Total transportation	105.28	140.41	111.59	136.62	123.48	78.83	115.33	79.74	100.30	93.55
Farm Value ³	231.95	225.49	267.93	349.22	268.65	249.78	228.00	256.59	333.86	267.06
Landed Cost	337.23	365.90	379.52	485.84	392.12	328.61	343.32	336.33	434.15	360.61
Transport % of landed cost	31.2	38.4	29.4	28.1	31.8	24.0	33.6	23.7	23.1	26.1

¹Producing regions: RS = Rio Grande do Sul, MT = Mato Grosso, GO = Goiás, PR = Paraná

²Export ports represent 60 percent of total soybean exports; ³Companhia Nacional de Abastecimento (CONAB)

Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Transportation Indicators

Truck rates for selected Brazilian soybean export transportation routes, 2007

Route #	Origin ¹ (reference city)	Destination	Distance (miles) ²	Share (%) ³	Quarterly Freight Price (US\$) ----- (per 100 miles) ⁴ -----				Avg 2007
					1st	2nd	3rd	4th	
1	Northwest RS ⁵ (Cruz Alta)	Rio Grande	288	3.35	6.92	8.76	7.60	7.03	7.58
2	North MT (Sorriso)	Santos	1190	14.90	7.39	7.61	8.55	9.27	8.21
3	North MT (Sorriso)	Paranaguá	1262	14.05	6.27	6.62	6.90	8.11	6.98
4	South GO (Rio Verde)	Santos	587	7.45	7.65	8.31	8.90	9.53	8.60
5	South GO (Rio Verde)	Paranaguá	726	6.02	5.91	6.67	6.96	7.39	6.73
6	North Center PR (Londrina)	Paranaguá	268	3.83	7.36	13.62	14.34	12.99	12.08
7	Western Center PR (Mamborê)	Paranaguá	311	3.48	6.91	7.10	10.03	10.42	8.62
8	Triangle MG (Uberaba)	Santos	339	4.56	12.02	11.57	12.10	13.13	12.20
9	West PR (Assis Chateaubriand)	Paranaguá	377	3.49	6.20	6.37	8.48	9.14	7.55
10	West Extreme BA (São Desidério)	Ilhéus	544	5.71	8.03	10.21	10.22	10.66	9.78
11	Southeast MT (Primavera do Leste)	Santos	901	4.09	7.07	7.01	8.36	8.45	7.72
12	Southeast MT (Primavera do Leste)	Paranaguá	975	3.78	7.37	6.32	7.32	7.64	7.16
13	Southwest MS (Maracaju)	Paranaguá	612	2.81	7.53	7.83	8.35	8.49	8.05
14	Southwest MS (Maracaju)	Santos	652	2.64	7.83	7.47	6.93	8.66	7.72
15	West PR (Assis Chateaubriand)	Santos	550	2.39	7.53	7.98	8.47	9.28	8.32
16	East GO (Cristalina)	Santos	585	2.17	7.59	8.93	9.62	10.67	9.20
17	North PR (Cornélio Procópio)	Paranaguá	306	1.68	9.36	7.83	8.52	8.85	8.64
18	Eastern Center PR (Castro)	Paranaguá	130	2.46	15.52	15.07	17.59	16.78	16.24
19	South Center PR (Guarapuava)	Paranaguá	204	1.92	9.09	10.49	11.50	12.85	10.98
20	North Center MS (São Gabriel do Oeste)	Santos	720	2.00	6.48	6.75	7.15	7.70	7.02
21	Ribeirão Preto SP (Guairá)	Santos	314	1.45	10.02	10.57	10.81	11.88	10.82
22	Northeast MT (Canarana)	Santos	950	2.29	7.87	8.15	9.06	10.52	8.90
23	East MS (Chapadão do Sul)	Santos	607	1.42	7.52	8.27	8.77	8.29	8.21
24	Northeast MT (Canarana)	Paranaguá	1075	2.03	6.97	7.23	8.10	9.24	7.89
Average			626	100	7.63	7.63	8.95	9.54	8.44

¹Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price; na = not available

²Distance from the main city of the considered region to the mentioned ports

³Share is measured as a percentage of total production

⁴US\$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

⁵RS = Rio Grande do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso do Sul, SP = São Paulo

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Truck rates for selected Brazilian soybean export transportation routes, 2005-2007

Route #	Origin ¹ (reference city)	Destination	Distance (miles) ²	Share (%) ³	Quality Freight Price (US\$)			Percent Change 2006-07
					2005 ----- (per 100 miles) ⁴ -----	2006	2007	
1	Northwest RS ⁵ (Cruz Alta)	Rio Grande	288	3.35	4.46	5.61	7.58	35.05
2	North MT (Sorriso)	Santos	1190	14.90	6.65	6.68	8.21	22.93
3	North MT (Sorriso)	Paranaguá	1262	14.05	6.15	6.18	6.98	12.82
4	South GO (Rio Verde)	Santos	587	7.45	6.40	7.42	8.60	15.87
5	South GO (Rio Verde)	Paranaguá	726	6.02	5.11	5.78	6.73	16.53
6	North Center PR (Londrina)	Paranaguá	268	3.83	8.03	7.95	12.08	51.89
7	Western Center PR (Mamborê)	Paranaguá	311	3.48	5.72	6.68	8.62	28.91
8	Triangle MG (Uberaba)	Santos	339	4.56	9.48	10.30	12.20	18.46
9	West PR (Assis Chateaubriand)	Paranaguá	377	3.49	5.82	6.76	7.55	11.65
10	West Extreme BA (São Desidério)	Ilhéus	544	5.71	7.28	8.08	9.78	20.98
11	Southeast MT (Primavera do Leste)	Santos	901	4.09	6.54	6.39	7.72	20.88
12	Southeast MT (Primavera do Leste)	Paranaguá	975	3.78	6.06	5.95	7.16	20.42
13	Southwest MS (Maracaju)	Paranaguá	612	2.81	5.83	8.16	8.05	-1.39
14	Southwest MS (Maracaju)	Santos	652	2.64	6.01	8.00	7.72	-3.46
15	West PR (Assis Chateaubriand)	Santos	550	2.39	5.84	7.20	8.32	15.58
16	East GO (Cristalina)	Santos	585	2.17	--na--	6.41	9.20	43.62
17	North PR (Cornélio Procópio)	Paranaguá	306	1.68	--na--	8.54	8.64	1.17
18	Eastern Center PR (Castro)	Paranaguá	130	2.46	10.12	9.55	16.24	70.06
19	South Center PR (Guarapuava)	Paranaguá	204	1.92	8.33	9.56	10.98	14.87
20	North Center MS (São Gabriel do Oeste)	Santos	720	2.00	5.47	6.21	7.02	13.09
21	Ribeirão Preto SP (Guairá)	Santos	314	1.45	7.55	8.91	10.82	21.41
22	Northeast MT (Canarana)	Santos	950	2.29	7.35	7.87	8.90	13.08
23	East MS (Chapadão do Sul)	Santos	607	1.42	--na--	7.25	8.21	13.22
24	Northeast MT (Canarana)	Paranaguá	1075	2.03	6.48	7.03	7.89	12.24
Average			626	100	6.28	6.96	8.44	21.20

¹Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price; na = not available

²Distance from the main city of the considered region to the mentioned ports

³Share is measured as a percentage of total production

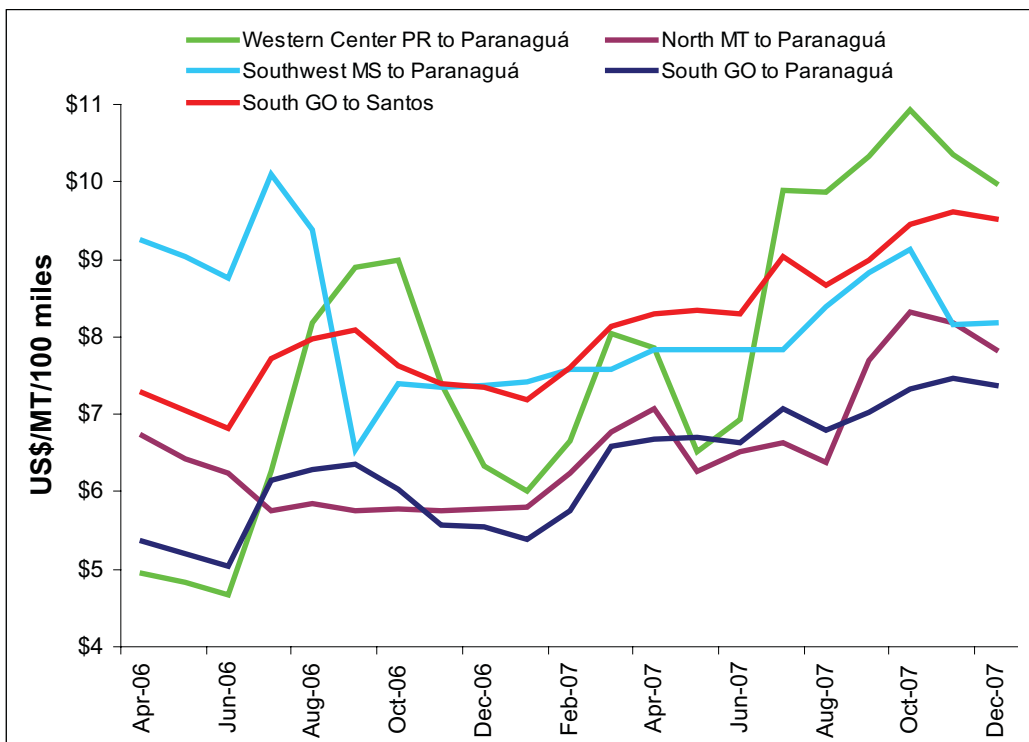
⁴US\$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

⁵RS = Rio Grande do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso do Sul,

SP = São Paulo

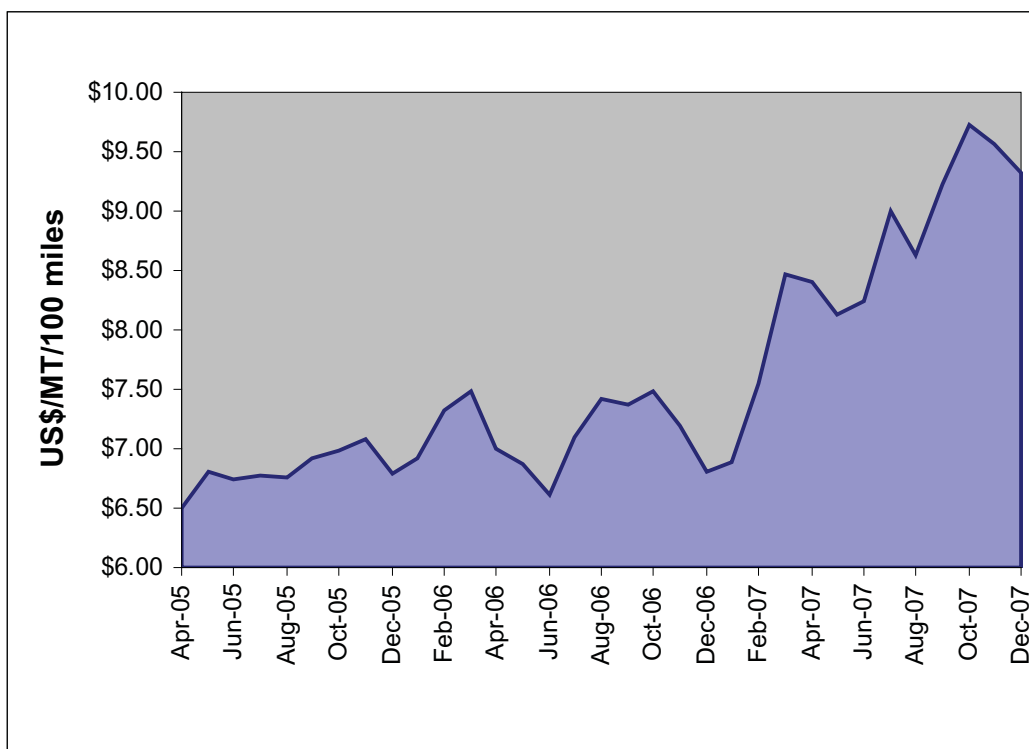
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Truck rates for selected Brazilian soybean export transportation routes



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Brazilian soybean export truck transportation weighted average prices, 2005/06



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Monthly Brazilian soybean export truck transportation cost index			
Month	Freight Price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.80		100.00
Feb. 05	5.85	0.9	100.90
Mar. 05	5.97	2.0	102.92
Apr. 05	6.51	9.0	112.14
May 05	6.80	4.5	117.22
Jun. 05	6.74	-0.9	116.22
Jul. 05	6.77	0.5	116.76
Aug. 05	6.75	-0.3	116.41
Sep. 05	6.92	2.5	119.27
Oct. 05	6.98	0.9	120.28
Nov. 05	7.09	1.6	122.15
Dec. 05	6.78	-4.3	116.95
Jan. 06	6.91	1.9	119.18
Feb. 06	7.33	6.0	126.36
Mar. 06	7.48	2.1	129.02
Apr. 06	6.99	-6.6	120.57
May 06	6.88	-1.7	118.56
Jun. 06	6.62	-3.8	114.05
Jul. 06	7.10	7.3	122.41
Aug. 06	7.41	4.4	127.79
Sep. 06	7.37	-0.6	127.02
Oct. 06	7.48	1.5	128.88
Nov. 06	7.19	-3.8	123.92
Dec. 06	6.81	-5.3	117.32
Jan. 07	6.88	1.1	118.30
Feb. 07	7.55	9.7	130.15
Mar. 07	8.47	12.2	146.00
Apr. 07	8.40	-0.9	144.76
May 07	8.12	-3.3	140.05
Jun. 07	8.24	1.4	141.99
Jul. 07	9.00	9.3	155.20
Aug. 07	8.63	-4.2	148.75
Sep. 07	9.23	6.9	159.05
Oct. 07	9.72	5.4	167.61
Nov. 07	9.56	-1.6	164.86
Dec. 07	9.32	-2.5	160.71

*Weighted average and quoted in US\$ per metric ton
 Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Shanghai, China (US\$/metric ton)*

Ports	1st qtr	2nd qtr	3rd qtr	4th qtr	2006 Avg	1st qtr	2nd qtr	3rd qtr	4th qtr	2007 Avg
Santos	50.13	44.80	60.98	73.32	57.31	73.32	111.20	72.00	74.81	82.83
Paranaguá	49.13	43.80	59.98	72.32	56.31	72.32	110.20	65.50	75.22	80.81
Rio Grande	48.63	43.30	59.48	71.82	55.81	71.82	109.70	75.22	74.20	81.56

*Correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volume

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

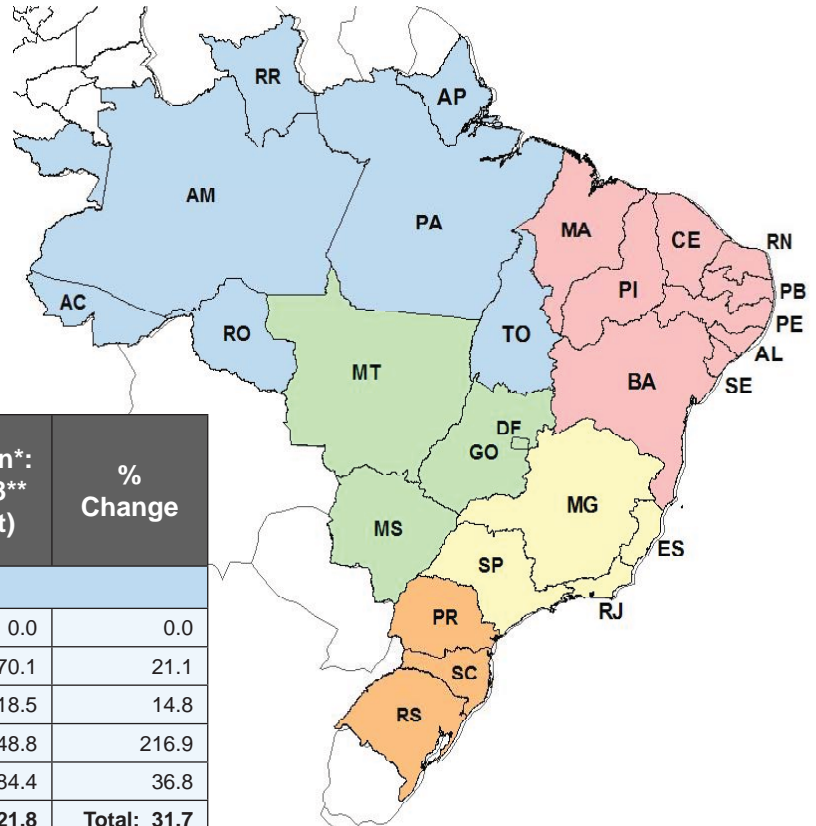
Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Hamburg, Germany (US\$/metric ton)*

Ports	1st qtr	2nd qtr	3rd qtr	4th qtr	2005 Avg	1st qtr	2nd qtr	3rd qtr	4th qtr	2006 Avg	1st qtr	2nd qtr	3rd qtr	4th qtr	2007 Avg
Santos	45.53	45.84	44.54	56.73	48.16	39.51	36.91	50.24	60.40	46.76	60.40	91.61	59.35	80.67	73.01
Paranaguá	44.64	44.84	43.54	55.73	47.19	38.51	35.91	49.24	59.40	45.76	59.40	90.61	53.12	81.08	71.05
Rio Grande	44.20	44.39	43.04	55.23	46.71	37.06	35.41	48.74	58.90	45.03	58.90	90.11	57.85	80.06	71.73

*Correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volume

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

Soybean production by state



Region/State	Production*: 2006-2007 (1,000 mt)	Production*: 2007-2008** (1,000 mt)	% Change
North			
Amazonas (AM)	0.0	0.0	0.0
Pará (PA)	140.5	170.1	21.1
Rondônia (RO)	277.5	318.5	14.8
Roraima (RR)	15.4	48.8	216.9
Tocantins (TO)	646.5	884.4	36.8
	Total: 1,079.9	Total: 1,421.8	Total: 31.7
Northeast			
Bahia (BA)	2,297.2	2,747.6	19.6
Maranhão (MA)	1,084.0	1,228.3	13.3
Piauí (PI)	486.0	795.7	63.7
	Total: 3,867.2	Total: 4,771.5	Total: 23.4
Center West			
Distrito Federal (DF)	140.5	153.4	9.2
Goiás (GO)	6,114.0	6,571.7	7.5
Mato Grosso (MT)	15,359.0	17,737.9	15.5
Mato Grosso do Sul (MS)	4,881.3	4,561.3	-6.6
	Total: 26,494.8	Total: 29,024.4	Total: 9.5
Southeast			
Minas Gerais (MG)	2,567.9	2,521.8	-1.8
São Paulo (SP)	1,437.5	1,470.2	2.3
	Total: 4,005.4	Total: 3,991.9	Total: -0.3
South			
Paraná (PR)	11,915.6	11,911.1	0.0
Rio Grande do Sul (RS)	9,924.6	7,776.3	-21.6
Santa Catarina (SC)	1,104.3	955.0	-13.5
	Total: 22,944.5	Total: 20,642.4	Total: -10.0
Total Production:	58,391.8	59,852.1	2.50
*Data based on calendar year, January-December			
**Forecast, June 2008			
Source: Companhia Nacional de Abastecimento (CONAB)			

Soybean Production

Brazil soybean supply and distribution (1,000 metric tons)

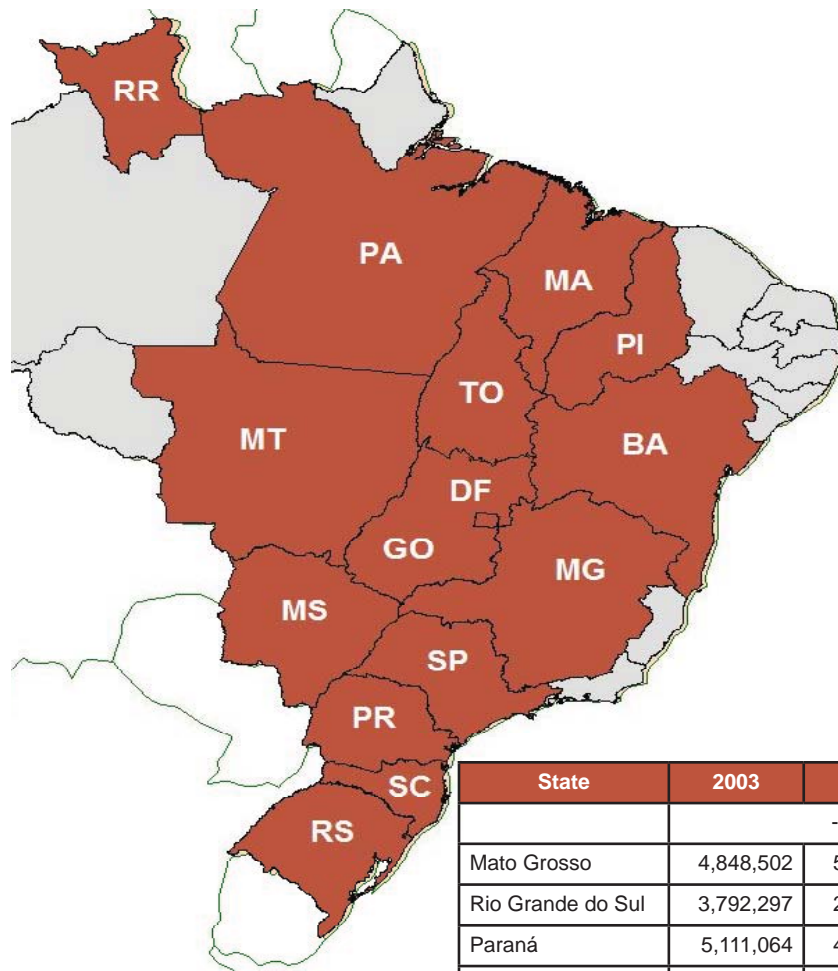
Year*	Area Harvested	Beginning Stocks	Production	Imports	Total Supply	Exports	Crush	Domestic Consumption	Ending Stocks
1995/96	10,950	648	24,150	1,300	26,098	3,633	20,083	21,631	834
1996/97	11,800	834	27,300	1,450	29,584	8,327	18,944	20,658	599
1997/98	13,000	599	32,500	634	33,733	9,325	21,832	23,586	822
1998/99	12,900	822	31,300	616	32,738	8,912	21,645	23,423	403
1999/00	13,600	403	34,700	794	35,897	11,779	21,578	23,502	616
2000/01	13,934	616	39,500	854	40,970	15,521	22,773	24,992	457
2001/02	16,350	457	43,500	1,100	45,057	16,074	25,843	28,302	681
2002/03	18,448	681	52,000	1,124	53,805	19,987	27,796	30,520	3,298
2003/04	21,476	3,298	51,000	364	54,662	19,257	28,914	31,807	3,598
2004/05	22,800	3,598	53,000	352	56,950	22,799	29,728	32,513	1,638
2005/06	22,229	1,638	57,000	40	58,678	24,770	28,756	31,656	2,252
2006/07	20,700	2,252	59,000	108	61,360	23,805	31,300	34,234	3,321
2007/08	21,300	3,321	61,000	190	64,511	25,594	32,500	35,750	3,167
2008/09**	22,500	3,167	64,000	210	67,377	28,700	32,500	35,850	2,827

*Data based on Brazil's local February/January Marketing Year (MY)

Where February 2006 - January 2007 is the 2005/06 MY

**Forecast: June 10, 2008

Source: USDA/Foreign Agricultural Service/Circular Series

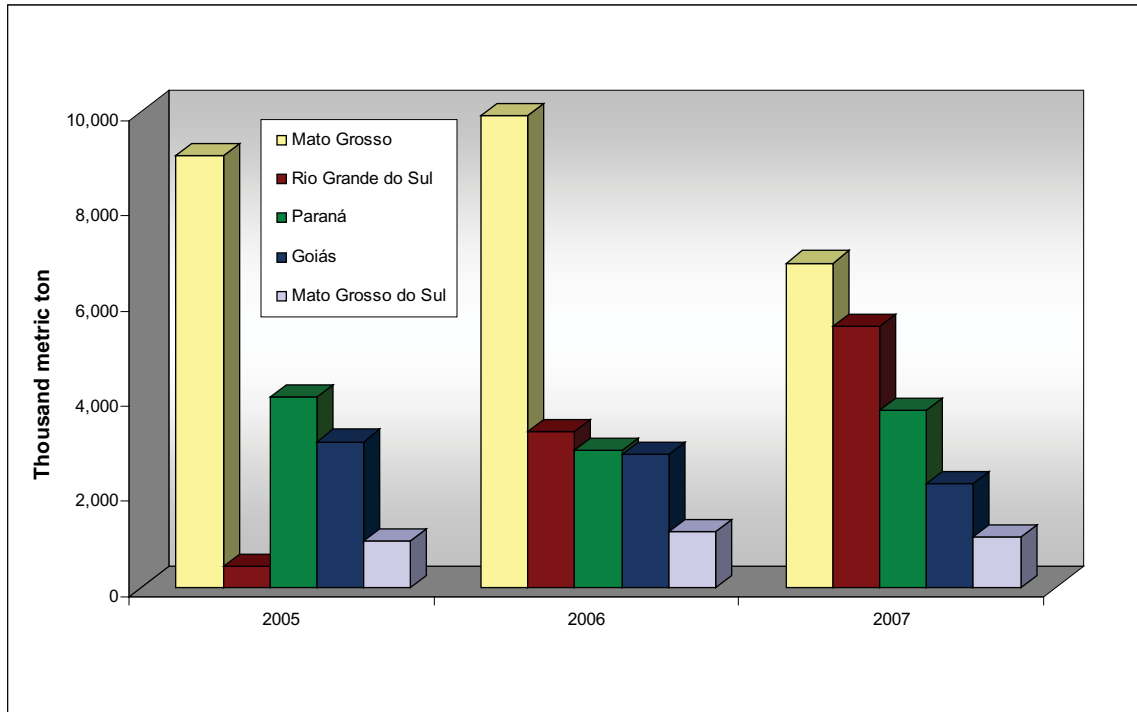


**Top 15 Brazilian
soybean exporting states**

State	2003	2004	2005	2006	2007	Rank
	-----Metric ton-----					
Mato Grosso	4,848,502	5,041,915	9,086,389	9,920,599	6,822,137	1
Rio Grande do Sul	3,792,297	2,200,352	439,739	3,281,005	5,503,371	2
Paraná	5,111,064	4,513,005	4,006,891	2,891,525	3,729,772	3
Goiás	2,183,320	1,843,558	3,066,616	2,800,224	2,192,407	4
Mato Grosso do Sul	233,830	345,325	978,248	1,182,096	1,065,860	5
Santa Catarina	41,712	79,622	132,873	206,735	1,057,247	6
Maranhão	576,581	676,922	896,838	1,021,543	841,944	7
Bahia	52,590	378,147	663,849	448,706	708,876	8
São Paulo	369,799	977,322	547,148	939,202	630,970	9
Tocantins	185,232	362,612	589,965	653,230	435,226	10
Minas Gerais	850,481	762,478	1,417,669	1,179,189	379,804	11
Rondônia	-	-	180,882	250,120	229,107	12
Pará	67,279	15,000	77,876	81,853	67,484	13
Distrito Federal	37,573	28,601	62,450	57,873	30,115	14
Roraima	-	35	11,212	16,592	30,323	15
Others	1,540,206	2,022,795	276,428	27,481	9,132	
Total	19,890,466	19,247,689	22,435,071	24,957,973	23,733,775	

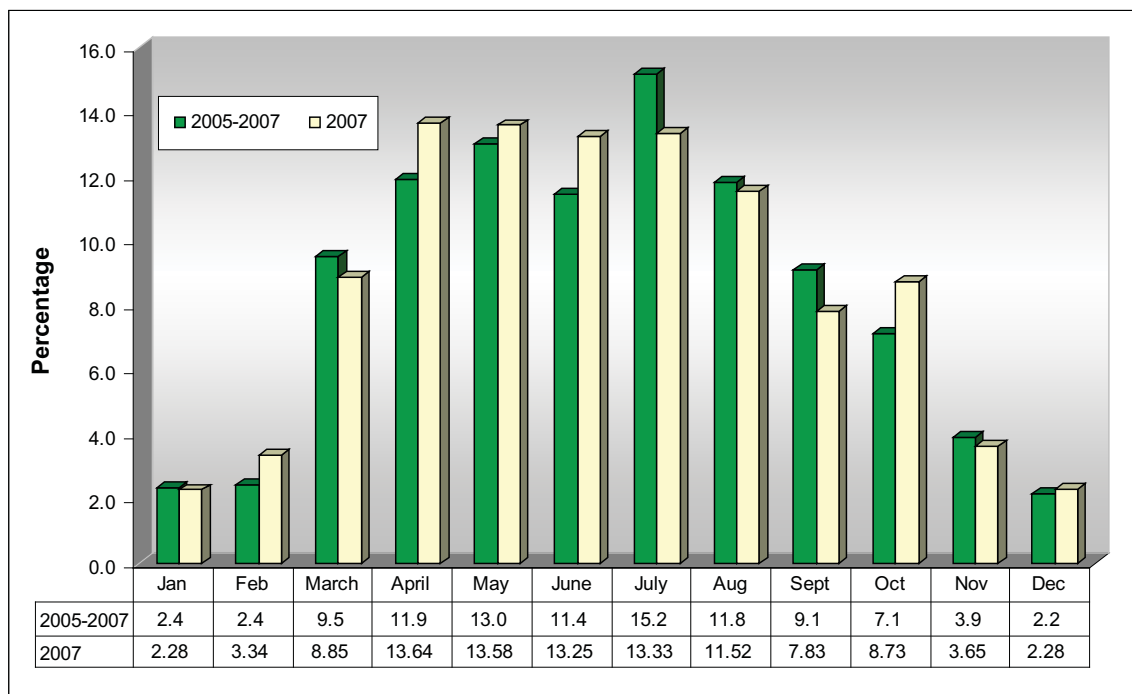
Sources: Secretaria de Comércio Exterior (SECEX) and Companhia Nacional de Abastecimento (CONAB)/Digem/Suinf/Geint

Top 5 Brazil soybean exporting states



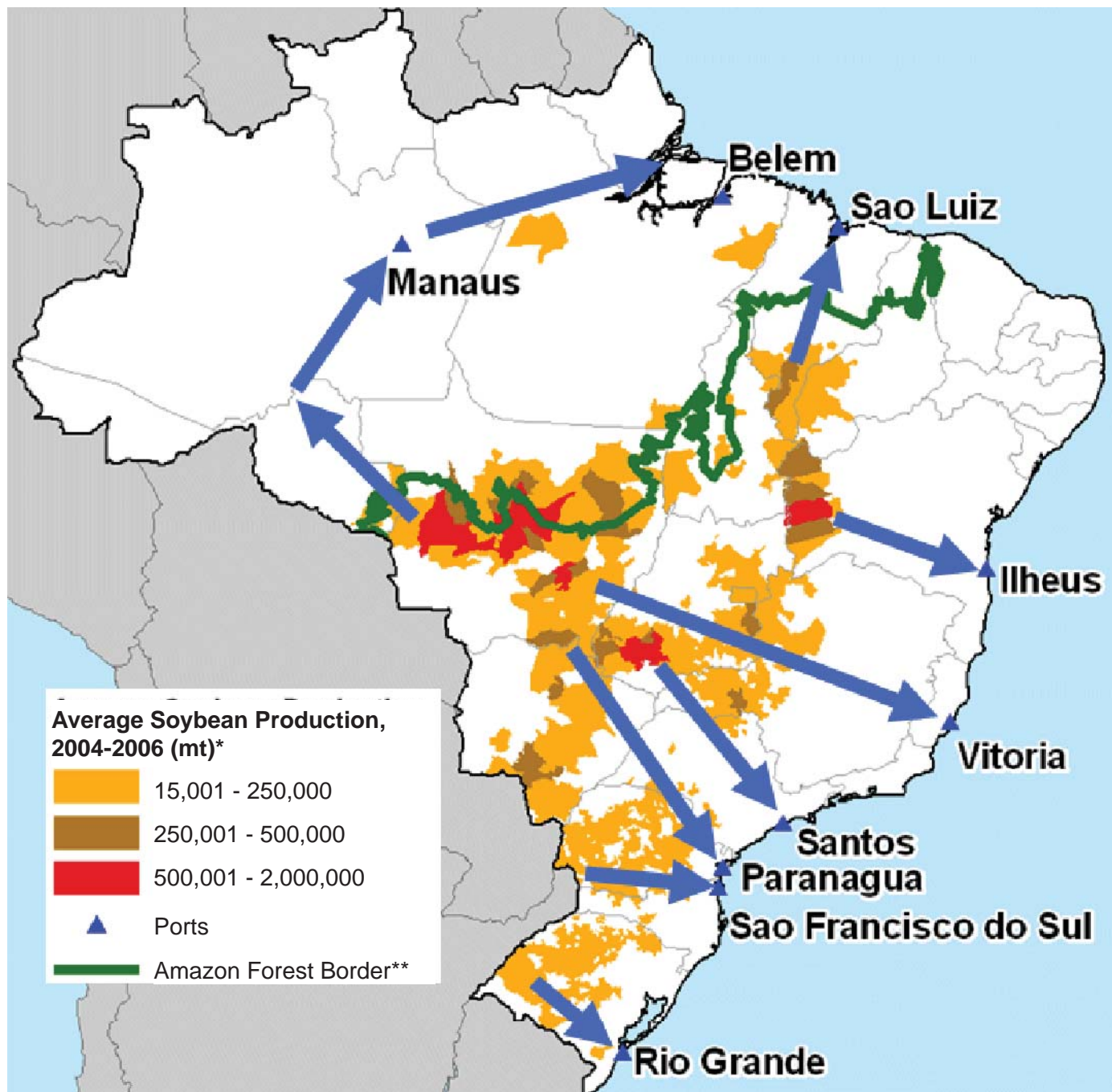
Sources: Secretaria de Comércio Exterior (SECEX) and Companhia Nacional de Abastecimento (CONAB)

Brazil soybean average monthly exports



Sources: Secretaria de Comércio Exterior (SECEX) and Companhia Nacional de Abastecimento (CONAB)

Main export routes for soybeans

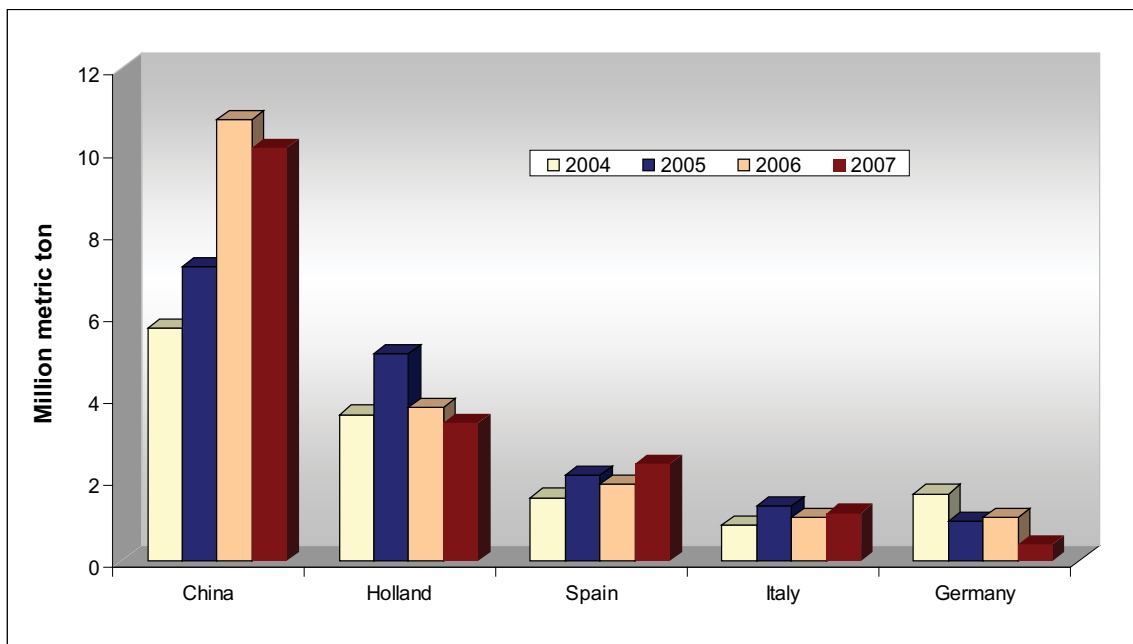


*Companhia Nacional de Abastecimento (CONAB)

**World Wildlife Fund (WWF)

Source: USDA /Agricultural Marketing Service & Foreign Agricultural Service

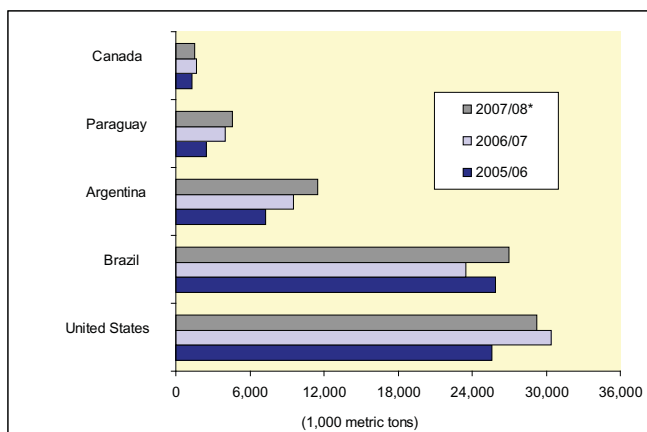
Brazil soybeans: top 5 export destinations



Sources: Secretaria de Comércio Exterior (SECEX) and Companhia Nacional de Abastecimento (CONAB)

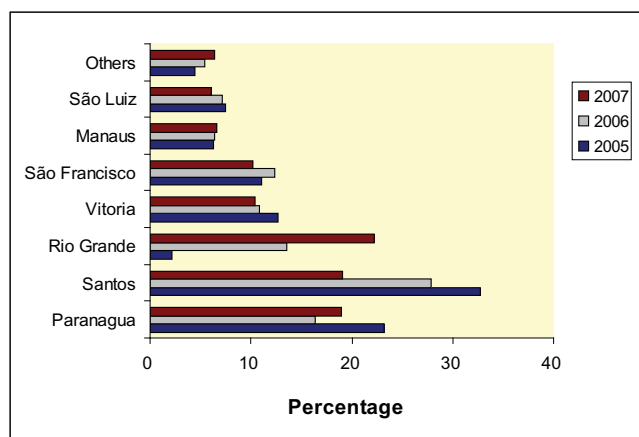
China and the European Union are the largest Brazilian soybean export markets. Brazil is the second largest soybean exporting country after the United States. In 2007, Rio Grande was the largest Brazilian soybean export port followed by Santos and Paranaguá.

Top 5 world soybean exporting countries



*Forecast: April 9, 2008
Source: USDA/FAS

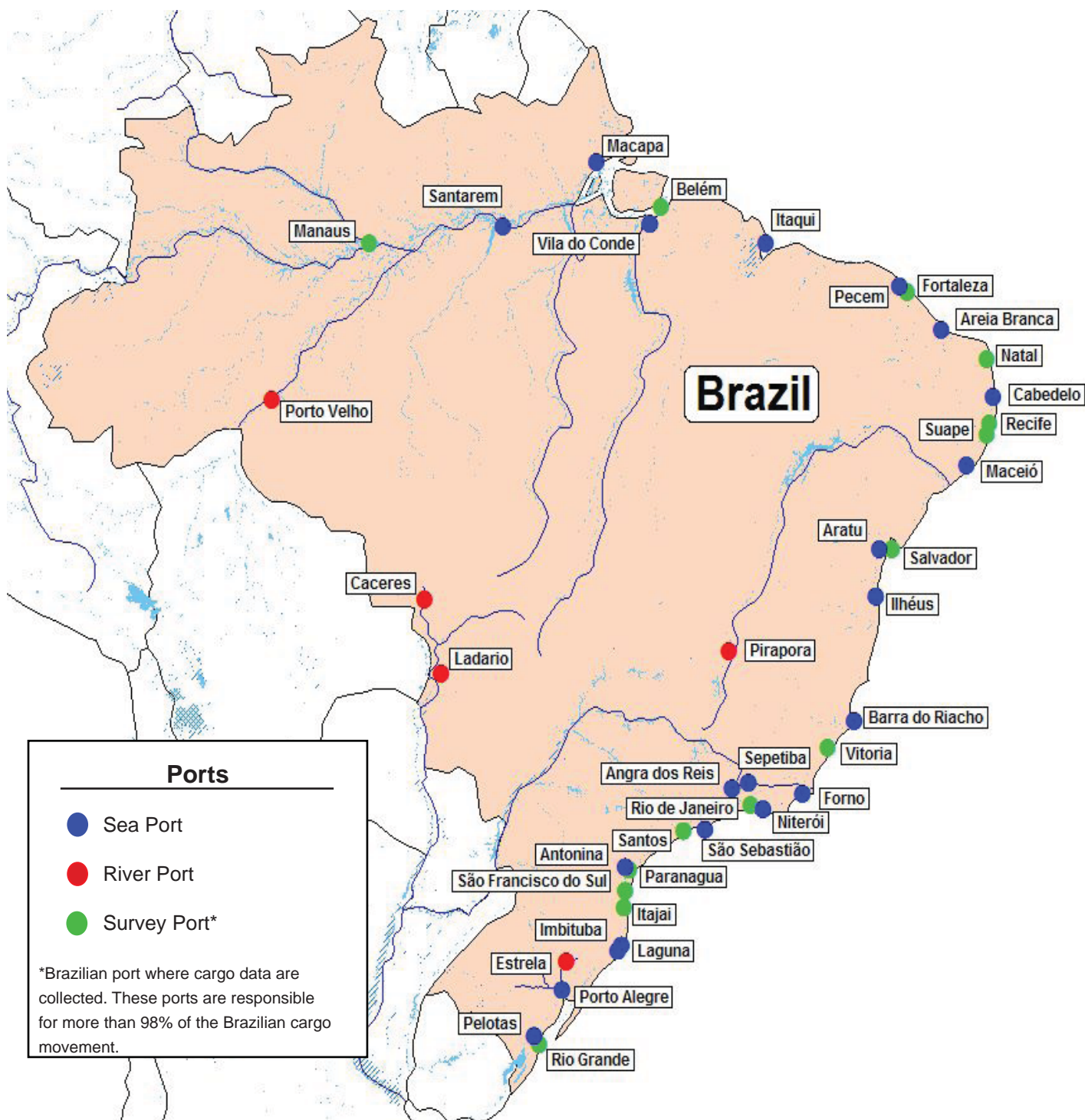
Brazil soybean exports by port



Sources: Secretaria de Comércio Exterior (SECEX) and Companhia Nacional de Abastecimento (CONAB)

Brazilian ports

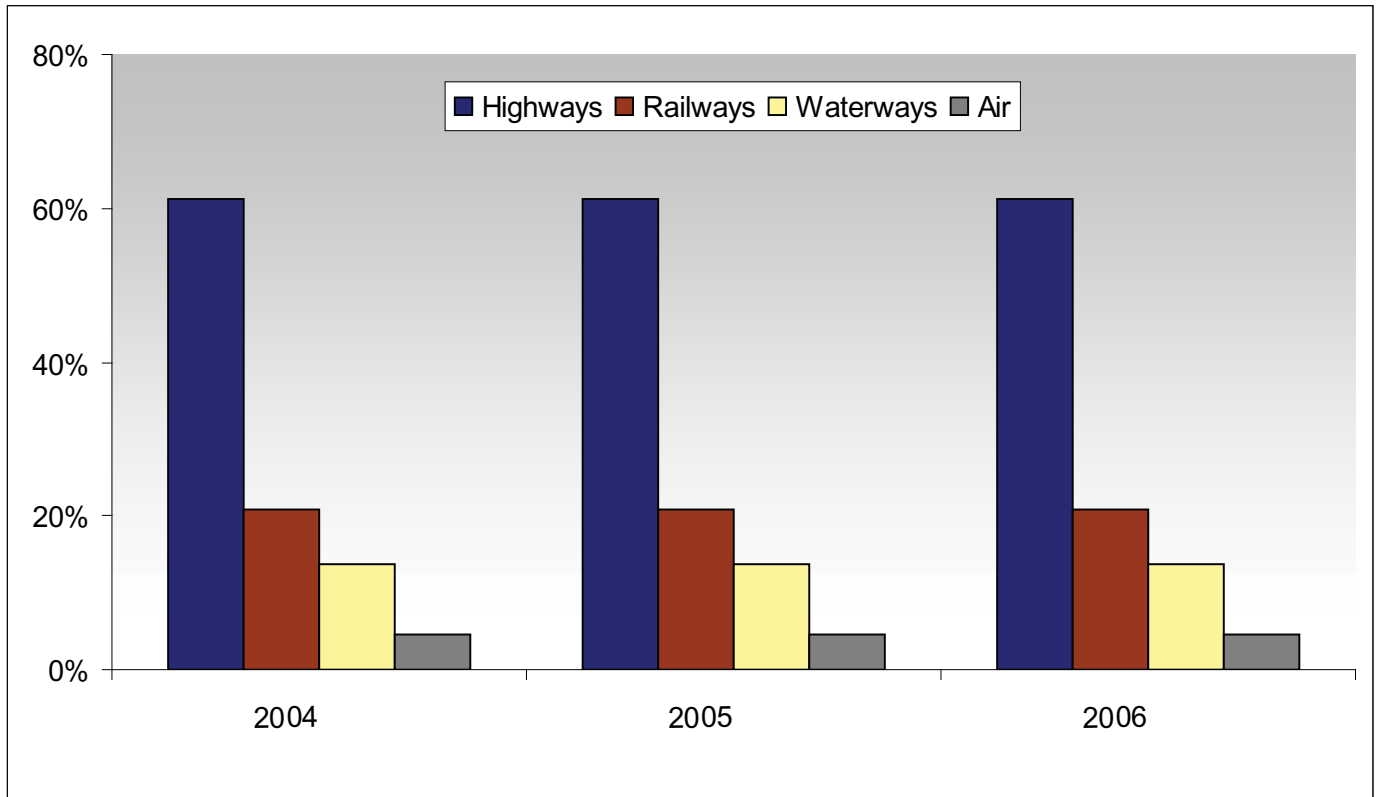
The Port of Santos Channel is 426.4 ft wide and 42.64 ft deep. The Port of Paranaguá's entrance strip is 656 ft wide and 39.36 ft deep. It has 3 access channels. Galheta, the major access channel, extends 17.7 miles and has a width ranging from 492 to 656 ft, and a depth of 39.36 ft. The Port of Vitória's entry strip is 820 ft wide and 62.32 ft deep. Its access channel extends 4.34 miles, and is 393.6 ft wide and 36.08 ft deep.



Sources: Companhia Nacional de Abastecimento (CONAB)
Ministério dos Transportes, Brazil

Modal share for Brazil's general cargo

In 2006, trucks carried 61 percent of Brazil's general cargo. Barge and rail shipped almost 21 and 14 percent, respectively.



Source: Confederação Nacional do Transporte (CNT)

Brazilian multimodal transportation system



Source: Agência Nacional de Transportes Aquavários

Major Brazilian highways



Source: Confederação Nacional do Transporte

Brazilian highways condition classification



Source: Confederação Nacional do Transporte

Brazilian public highways



Source: Confederação Nacional do Transporte

Brazilian private highway conditions

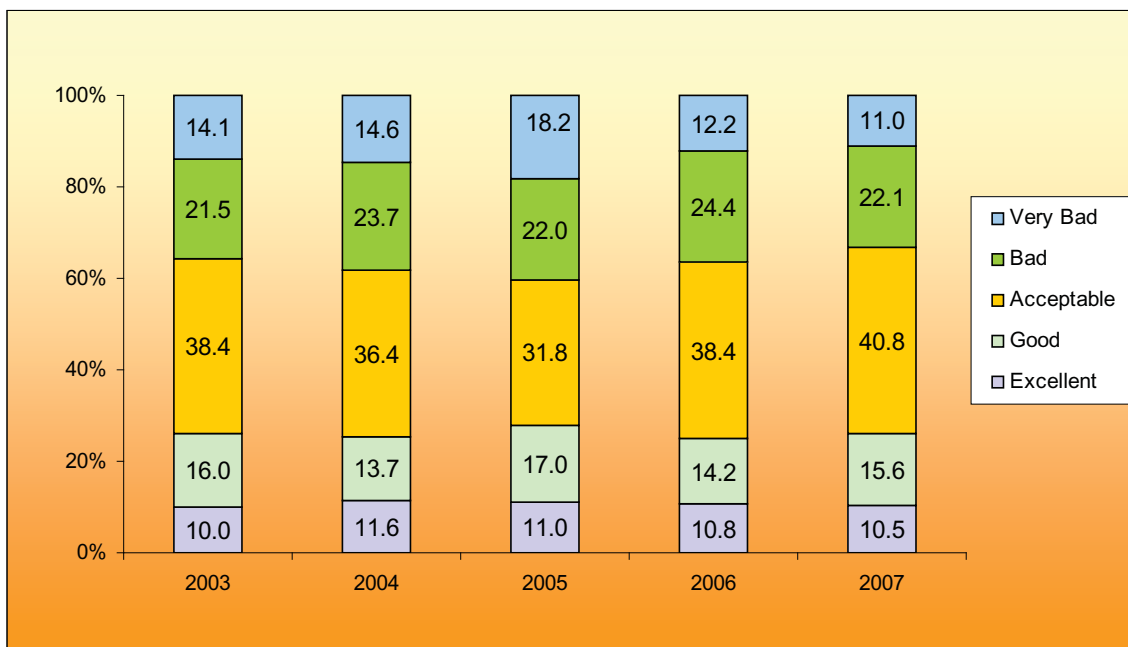


Source: Confederação Nacional do Transporte

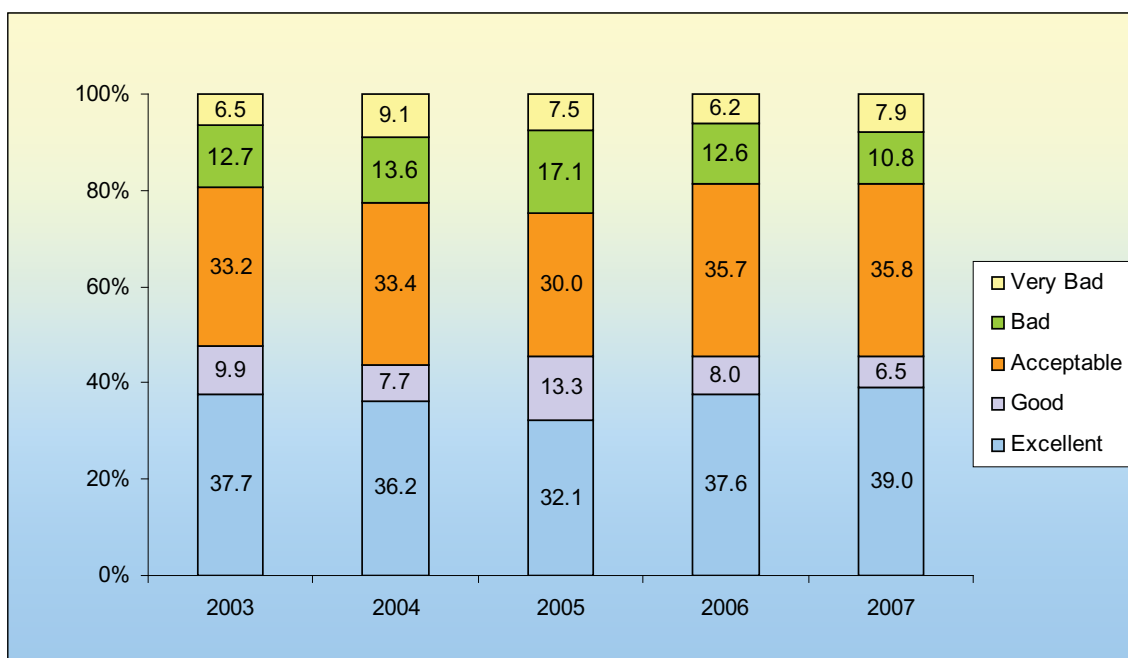
Brazilian highways

The 2007 Confederação Nacional do Transporte (CNT) survey of the highway system shows that more than half of the paved roads ranged from acceptable to very bad and 45.5 percent were in good to excellent condition; 65.4 percent of traffic road signs were deemed inadequate; 42.5 percent of the roads did not have shoulders; and 37.5 percent of the roads did not have speed limit signs.

Brazilian highway conditions 2003-2007

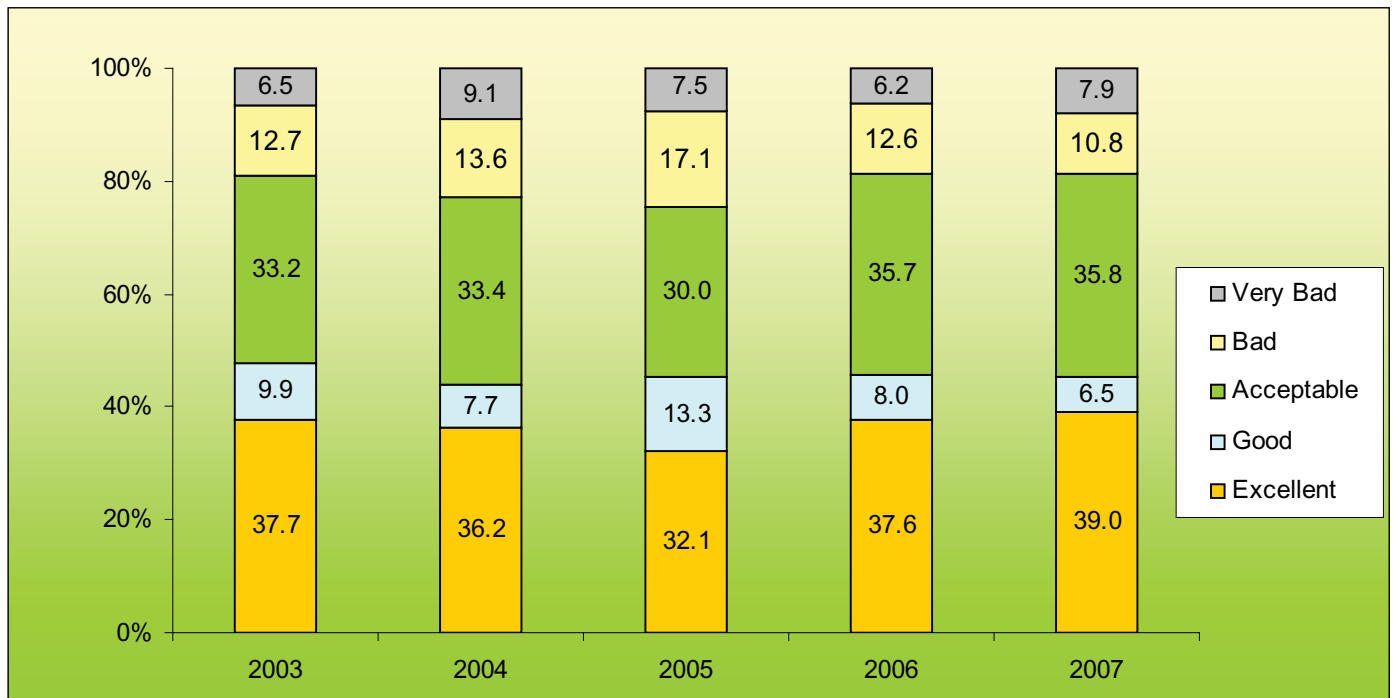


Brazilian paved highway conditions 2003-2007



Source: Confederação Nacional do Transporte

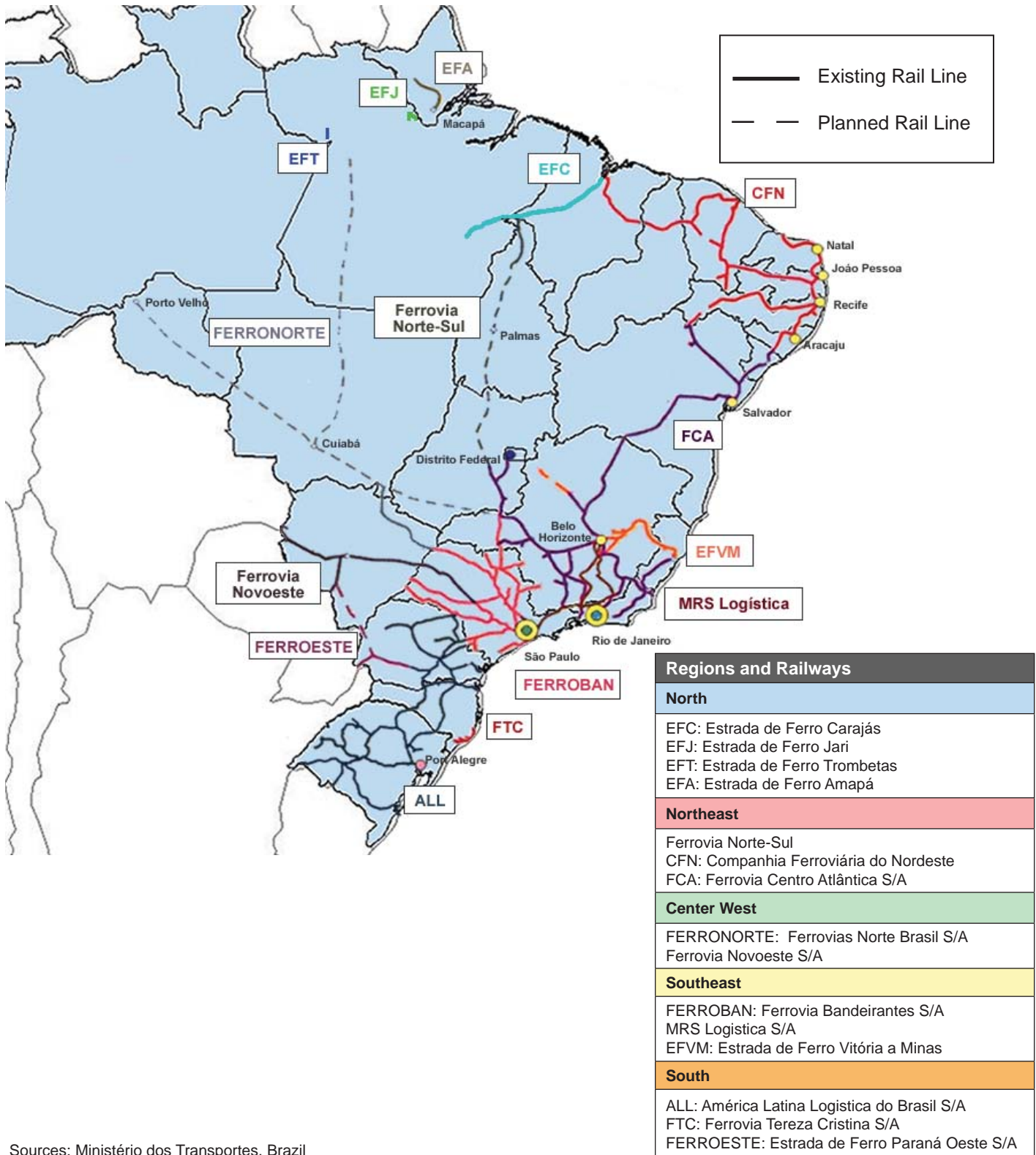
Brazilian road sign conditions
2003-2007



Source: Confederação Nacional do Transporte

Brazilian rail system

The Brazilian railroad system consists of 15 railroads with an extension of 17,861 miles, mostly concentrated in the south, southeast, and northeast. The following 11 railroads are privately operated: EFC, CFN, EFVM, FCA, FERROBAN, FERRONORTE, NOVOESTE, ALL, FTC, MRS, and FERROESTE. FCA and ALL are the largest Brazilian railroads, accounting for 25 and 23 percent, respectively, of total railroads.



Sources: Ministério dos Transportes, Brazil
National Association of Rail Transporters (ANTF)

Brazilian rail system: gauge sizes

Gauge size (distance between two rails) varies by region. There are 3 types of gauge: metric (39”), wide (63”) and mixed (39”-63”). The metric gauge accounts for 65 percent of the total Brazilian railroads, and predominates in the southern region. The wide gauge accounts for 17 percent of total railroads and prevails in the southeast region.



Source: National Association of Rail Transporters (ANTF)

Reference Material

United States: soybean supply and distribution (1,000 metric tons)

Year*	Area Harvested	Beginning Stocks	Production	Imports	Total Supply	Exports	Crush	Domestic Consumption	Ending Stocks
1995/96	24,906	9,112	59,174	121	68,407	23,108	37,273	40,306	4,993
1996/97	25,637	4,993	64,780	242	70,015	24,110	39,080	42,317	3,588
1997/98	27,968	3,588	73,176	135	76,899	23,760	43,464	47,701	5,438
1998/99	28,507	5,438	74,598	82	80,118	21,898	43,262	48,736	9,484
1999/00	29,318	9,484	72,224	114	81,822	26,537	42,927	47,388	7,897
2000/01	29,303	7,897	75,055	97	83,049	27,103	44,625	49,203	6,743
2001/02	29,532	6,743	78,672	63	85,478	28,948	46,259	50,867	5,663
2002/03	29,339	5,663	75,010	127	80,800	28,423	43,948	47,524	4,853
2003/04	29,330	4,853	66,778	151	71,782	24,128	41,632	44,595	3,059
2004/05	29,930	3,059	85,013	152	88,224	29,860	46,160	51,404	6,960
2005/06	28,834	6,960	83,368	92	90,420	25,579	47,324	52,612	12,229
2006/07	30,190	12,229	86,770	246	99,245	30,428	49,160	53,200	15,617
2007/08	25,422	15,617	70,358	272	86,247	30,209	50,077	52,635	3,403
2008/09**	29,866	3,403	84,504	218	88,125	28,576	50,077	54,774	4,775

*Data based on local Marketing Year (MY). Soybeans are on a September/August MY

**Forecast: June 10, 2008

Source: USDA/Foreign Agricultural Service/Circular Series

Soybean production: world supply and distribution (1,000 metric tons)

Country*	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09**
United States	66,778	85,013	83,368	86,770	70,358	84,504
Brazil	51,000	53,000	57,000	59,000	61,000	64,000
Argentina	33,000	39,000	40,500	48,800	47,000	48,000
China	15,394	17,400	16,350	15,200	13,500	16,000
India	6,800	5,850	7,000	7,690	9,300	8,700
Paraguay	3,911	4,040	3,640	6,200	6,800	7,200
Canada	2,263	3,042	3,161	3,460	2,700	3,060
Other	7,473	8,413	9,512	9,441	8,138	9,205
Total	186,619	215,758	220,531	236,561	218,796	240,669

*Most countries are on an October/September Marketing Year (MY). The United States, Mexico, and Thailand are on a September/August MY. Canada is on an August/July MY. Paraguay is on a March/February MY and Turkey is on an March/February MY.

**Forecast: June 10, 2008

Source: USDA/ Foreign Agricultural Service/Circular Series

Soybean imports: world supply and distribution (1,000 metric tons)						
Country*	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09**
China	16,933	25,802	28,317	28,726	34,000	35,500
EU-27	14,675	14,540	13,943	15,289	15,150	14,200
Japan	4,688	4,295	3,962	4,094	4,100	4,100
Mexico	3,797	3,640	3,667	3,940	3,850	3,640
Argentina	537	692	584	1,986	2,400	2,500
Taiwan	2217	2256	2498	2,436	2,350	2,475
Thailand	1,407	1,517	1,473	1,532	1,500	1,550
Indonesia	1,059	1,112	1,187	1,309	1,400	1,450
Korea	1,368	1,240	1,190	1,231	1,250	1,260
Turkey	603	858	986	1,172	1,200	1,200
Other	6,716	7,539	6,239	7,362	8,099	8,340
Total	54,000	63,491	64,046	69,077	75,299	76,215

*Most countries are on an October/September Marketing Year (MY). The United States, Mexico, and Thailand are on a September/August MY. Canada is on an August/July MY. Paraguay is on a March/February MY and Turkey is on an March/February MY.

**Forecast: June 10, 2008

Source: USDA/ Foreign Agricultural Service/Circular Series

Soybean exports: world supply and distribution (1,000 metric tons)						
Country*	2003/04	2004/05	2005/06	2006/07	2007/08*	2008/09**
United States	24,128	29,860	25,579	30,428	30,209	28,576
Brazil	20,417	20,137	25,911	23,485	24,413	28,550
Argentina	6,741	9,568	7,249	9,538	11,500	11,150
Paraguay	2,776	2,888	2,115	4,200	4,360	4,575
Canada	914	1,124	1,318	1,746	1,720	1,620
Other	1,228	1,197	1,411	1,828	1,548	1,821
Total	56,204	64,774	63,583	71,225	73,750	76,292

*Most countries are on an October/September Marketing Year (MY). The United States, Mexico, and Thailand are on a September/August MY. Canada is on an August/July MY. Paraguay is on a March/February MY and Turkey is on an March/February MY.

**Forecast: June 10, 2008

Source: USDA/ Foreign Agricultural Service/Circular Series

Reference Material

Soybean crush: world supply and distribution (1,000 metric tons)						
Country*	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09**
United States	41,632	46,160	47,324	49,160	50,077	50,077
China	25,439	30,362	34,500	35,477	38,050	40,800
Argentina	25,040	27,313	31,888	33,586	36,850	38,000
Brazil	29,323	29,252	28,285	31,110	32,500	32,500
EU-27	14,084	14,350	13,670	14,670	14,700	13,545
India	5,534	5,030	5,990	6,615	7,928	7,460
Mexico	3,889	3,729	3,823	3,985	3,900	3,705
Japan	3,536	3,149	2,820	2,925	2,875	2,920
Paraguay	985	979	1,220	2,055	2,325	2,475
Taiwan	2,046	2,013	2,190	2,161	2,100	2,200
Bolivia	1,676	1,815	1,843	1,665	1,045	1,550
Canada	1,565	1,545	1,497	1,524	1,410	1,500
Thailand	1,385	1,500	1,413	1,406	1,290	1,311
Iran	1013	1129	1254	1,030	1,120	1,160
Egypt	245	721	800	1190	1,100	1,133
Other	6,372	6,600	6,696	7,449	7,861	8,022
Total	163,764	175,647	185,213	196,008	205,131	208,358

*Most countries are on an October/September Marketing Year (MY). The United States, Mexico, and Thailand are on a September/August MY. Canada is on an August/July MY. Paraguay is on a March/February MY and Turkey is on an March/February MY.

**Forecast: June 10, 2008

Source: USDA/ Foreign Agricultural Service/Circular Series

Soybean ending stocks: world supply and distribution (1,000 metric tons)						
Country*	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09**
Argentina	14,615	15,976	16,473	22,627	22,142	21,954
Brazil	15,507	16,750	16,733	18,281	19,373	19,198
United States	3,059	6,960	12,229	15,617	3,403	4,775
China	2,100	4,700	4,573	2,656	1,756	1,831
EU-27	906	758	740	1,123	910	868
Other	1,638	2,345	2,503	2,132	1,677	1,782
Total	37,825	47,489	53,251	62,436	49,261	50,408

*Most countries are on an October/September Marketing Year (MY). The United States, Mexico, and Thailand are on a September/August MY. Canada is on an August/July MY. Paraguay is on a March/February MY and Turkey is on an March/February MY.

**Forecast: June 10, 2008

Source: USDA/ Foreign Agricultural Service/Circular Series

Quarterly costs of transporting U.S. soybeans to Hamburg, Germany, and Shanghai, China										
	2007					2007				
	1st qtr	2nd qtr	3rd qtr	4th qtr	Avg	1st qtr	2nd qtr	3rd qtr	4th qtr	Avg
To Hamburg, Germany										
	Minneapolis, Minnesota --US\$/mt--					Davenport, Iowa --US\$/mt--				
Truck	10.23	9.66	10.22	10.26	10.09	10.23	9.66	10.22	10.26	10.09
Barge ¹	21.84	23.27	36.19	36.23	29.38	17.57	17.53	31.64	28.83	23.89
Ocean ²	34.20	39.80	62.05	99.17	58.81	34.20	39.80	62.05	99.17	58.81
Total transportation	66.27	72.73	108.46	145.66	98.28	62.00	66.99	103.91	138.26	92.79
Farm Value ³	239.45	256.23	277.05	326.44	274.79	243.98	263.33	286.33	349.43	285.77
Landed Cost	305.72	328.96	385.51	472.10	373.07	305.98	330.32	390.24	487.69	378.56
Transport % of landed cost	21.7	22.1	28.1	30.9	25.7	20.3	20.3	26.6	28.4	23.9
To Shanghai, China										
	Minneapolis, Minnesota --US\$/mt--					Davenport, Iowa --US\$/mt--				
Truck	10.23	9.66	10.22	10.26	10.09	10.23	9.66	10.22	10.26	10.09
Barge ¹	21.84	23.27	36.19	36.23	29.38	17.57	17.53	31.64	28.83	23.89
Ocean ²	55.03	62.22	89.92	118.27	81.36	55.03	62.22	89.92	118.27	81.36
Total transportation	87.10	95.15	136.33	164.76	120.84	82.83	89.41	131.78	157.36	115.35
Farm Value ³	239.45	256.23	277.05	326.41	274.79	243.98	263.33	286.23	349.43	285.74
Landed Cost	326.55	351.38	413.38	491.17	395.62	326.81	352.74	418.01	506.79	401.09
Transport % of landed cost	26.7	27.1	33.0	33.5	30.1	25.4	25.4	31.5	31.1	28.3

¹The Mississippi River closes from Minneapolis to just north of St. Louis from mid-December to late March. The distance by barge between Minneapolis and Davenport to the Port of New Orleans is 1,713 and 1,343 miles, respectively.

²The Baltic Exchange; excludes handling charges; ³USDA/NASS

Source: USDA/AMS

Average quarterly exchange rate															
	1st qtr	2nd qtr	3rd qtr	4th qtr	2005	1st qtr	2nd qtr	3rd qtr	4th qtr	2006	1st qtr	2nd qtr	3rd qtr	4th qtr	2007
Real per US\$	2.6692	2.4792	2.3434	2.2520	2.4360	2.1974	2.1879	2.1711	2.1520	2.1771	2.1085	1.9818	1.9175	1.7861	1.9485

Source: Banco Central do Brasil

Reference Material

Average cost of transporting U.S. soybeans to Hamburg, Germany, and Shanghai, China								
	2005	2006	2007	% Change 2006-07	2005	2006	2007	% Change 2006-07
	To Hamburg, Germany							
	Minneapolis, Minnesota --US\$/mt--				Davenport, Iowa --US\$/mt--			
Truck	8.59	9.75	10.09	3.51	8.59	9.75	10.09	3.51
Barge ¹	25.74	33.21	29.38	-11.51	21.84	25.59	23.89	-6.64
Ocean ²	28.61	24.03	58.81	144.69	28.61	24.03	58.81	144.69
Total transportation ²	62.93	66.99	98.28	46.71	59.04	59.38	92.79	56.28
Farm Value ³	217.58	200.41	274.79	37.12	215.65	204.05	285.77	40.05
Landed Cost	280.51	267.40	373.07	39.52	274.69	263.43	378.56	43.71
Transport % of landed cost	22.47	24.94	25.7	3.03	21.54	22.49	23.9	6.17
	To Shanghai, China							
	Minneapolis, Minnesota --US\$/mt--				Davenport, Iowa --US\$/mt--			
Truck	8.59	9.75	10.09	3.51	8.59	9.75	10.09	3.51
Barge ¹	25.74	33.21	29.38	-11.51	21.84	25.59	23.89	-6.64
Ocean ²	49.50	41.59	81.36	95.64	49.50	41.59	81.36	95.64
Total transportation ²	83.83	84.54	120.84	42.93	79.93	76.93	115.35	49.94
Farm Value ³	217.58	200.41	274.79	37.11	215.65	204.07	285.74	40.02
Landed Cost	301.40	284.95	395.62	38.84	295.58	281.00	401.09	42.73
Transport % of landed cost	27.84	29.54	30.1	1.79	27.08	27.31	28.3	3.70

¹The Mississippi River closes from Minneapolis to just north of St. Louis from mid-December to late March. The distance by barge between Minneapolis and Davenport to the Port of New Orleans is 1,713 and 1,343 miles, respectively.

²The Baltic Exchange; excludes handling charges; ³USDA/NASS

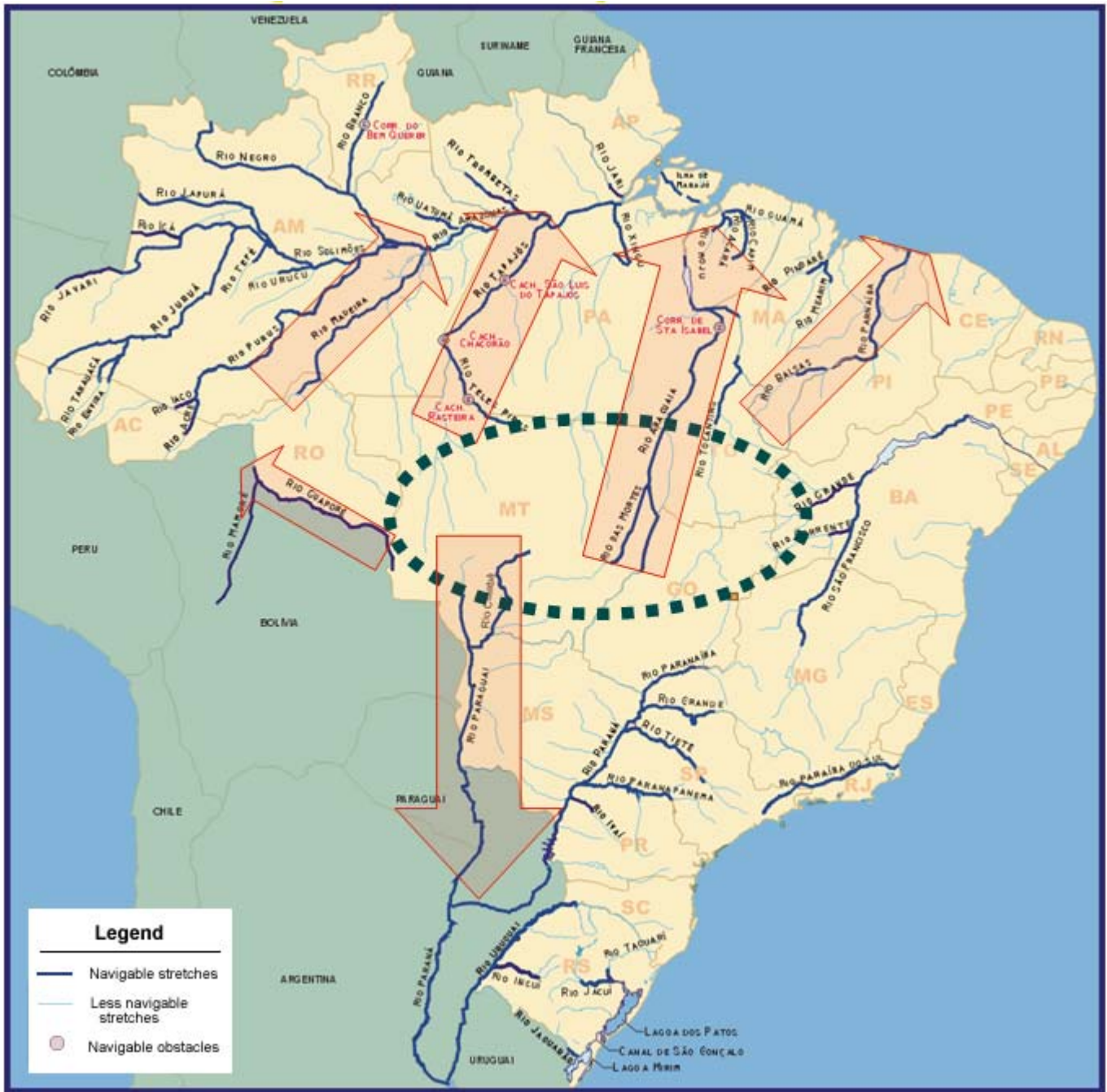
Source: USDA/AMS

Selected quarterly Brazilian farm prices (US\$/metric ton)*

	1st qtr	2nd qtr	3rd qtr	4th qtr	2005 Avg	1st qtr	2nd qtr	3rd qtr	4th qtr	2006 Avg	1st qtr	2nd qtr	3rd qtr	4th qtr	2007 Avg
Rio Grande do Sul	202.61	210.19	214.23	206.36	208.35	202.56	198.03	207.37	233.43	210.34	249.78	228.00	256.59	333.86	267.06
Mato Grosso	145.15	161.38	175.08	174.28	163.97	157.86	150.72	161.30	189.65	164.88	196.22	198.61	234.16	306.30	233.82
Goiás	174.70	179.81	188.26	184.89	181.92	180.71	175.49	185.73	216.60	189.63	231.95	225.49	267.93	349.22	268.65
Paraná	196.31	207.04	222.81	214.81	210.24	206.88	194.83	211.06	242.47	213.81	251.13	239.48	272.70	361.26	281.14

Source: Companhia Nacional de Abastecimento (CONAB)

Major river export routes



Source: National Agency for Waterway Transportation (ANTAQ)

