

PolicyPennings by Dr. Daryll E. Ray

## Brazil crop landscape: Some similarities to US, many differences

The impact of Brazilian soybean production on world soybean markets was one of the crucial concerns of US farmers when we began writing this column five-and-a-half years ago. In our fifteenth column we noted that “larger soybean acreages and lower U.S. prices have not persuaded our major export competitor, Brazil, to plant fewer hectares of soybeans.”

Soon after writing that first column that touched on Brazilian soybean exports, we concluded that we needed to take a trip there so we could observe their soybean production and the factors that are driving the increase in production for ourselves. At last, along with several others, we arranged to get a first hand look at Brazilian soybean production from Wednesday, February 8 to Saturday, February 18, 2006.

In our last column we shared with you some of what we saw Thursday, February 9 in the Port of Santos on the Atlantic coast and Friday and Saturday at the Port of Santarem on the Amazon River. We then spent Saturday afternoon flying to Brasilia where we wrote our previous column. On Sunday, we boarded a flight to Cuiaba, the capital of the state of Mato Grosso (MT) where we were met by Glauco Menegheti, a Brazilian agricultural journalist.

Before heading out to Campo Verde do Leste, MT, we ate lunch at a traditional style Brazilian Steak Restaurant where we were served with a wide variety of meats trimmed off long skewers and onto our plates. While we are policy analysts and not food critics, we have to say that we found plenty of meat to please our palates and that says nothing about the delectable desserts.

Once we were on the road to Campo Verde do Leste, we began to experience the transportation issues that Brazilian farmers have to face on a regular basis. For the first ten or so miles outside of Cuiaba, the road was very smooth and the berm or shoulder was paved as well.

Soon the paved berms disappeared and before long the berm shrunk considerably on the state highway on which we were traveling. At the same time the road became rougher as a result of the large number of fully loaded soybean trucks that were making their way to market.

Even though it was not the peak of the soybean harvest, it was virtually impossible for our van to make good time as it continually had to negotiate the passing of soybean trucks on a winding two lane road. It was much like the travel we knew as kids in the 1950s and 1960s, before

the advent of the multi-lane Interstate highway system, except that these state routes wound their way up and down and around the rolling topography and 80 percent of the vehicles were trucks.

There were times when we were white knuckled as the van driver and two trucks turned a narrow two lane road into three lanes. We survived when the van driver dropped the two right wheels off the pavement to avoid the oncoming truck. For Brazilian farmers, the lack of an adequate highway infrastructure presents an additional set of costs that are not borne by US farmers who have access to good quality farm to market roads, relatively nearby elevators, and a superb Interstate highway system.

We are not sure what we were expecting, but looking out the van’s windows the landscape northeast of Cuiaba looked much like the rolling hills of eastern Iowa or west-central Ohio. The fields were planted, the rows were straight, and there were crops from horizon to horizon.

But soon we noticed things that were different. While the fields were there, farmsteads were few and far between and there were no small towns every five to ten miles. The horizon was not dotted with the regular appearance of country elevators. In addition, many of the fields were significantly larger than the fields that we are used to seeing in US crop production areas and while the sides were straight, very few of the corners were square.

What was most surprising to us was to see fields of soybeans being harvested adjacent to fields in which the soybeans had been planted 30 or 60 days ago. In any given area we could see soybean fields in all stages of growth from green shoots just making their way above the soil to fields in which the beans had filled in between the rows, to beans ready to harvest. In an area where the soil is always warm and there is no chance of frost, farmers in Mato Grosso and much of Brazil enjoy a wider planting window than do farmers in the US.

In fact where irrigation is available to assure adequate water during the dry season, three crops per year are often possible. Discussion on the number of crops per year, Asian Rust, and the connection between the two will be part of next week’s column.

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