

Brazil Needs US\$ 31 Billion to Finance Crop

Contributed by Érica Santana
Friday, 15 April 2005

Brazil's Superior Council of Agriculture and Livestock Raising (Rural Brasil), integrated by representatives of both the productive and cooperative sectors, estimates that US\$ 31.6 billion (81.4 billion reais) will be necessary to finance the 2005/2006 crop.

The estimate will be the basis for the Agriculture and Livestock Raising Plan for the next two years, and is part of a proposal given April 13 to the Minister of Agriculture, Roberto Rodrigues.

Of this total, US\$ 26.6 billion (68.6 billion reais) will finance costs and commercialization of cotton, rice, beans, manioc, corn, soy, sorghum, wheat, castor beans, Arabica coffee, sugarcane, and cacao.

According to the head of the Economic Department of the Brazilian Confederation of Agriculture and Livestock Raising (CNA), Getúlio Pernambuco, volume resources available to the rural sector need to be 75.2% higher than what was available in 2004.

The 2005 harvest could be 13.29% greater than in 2004. The forecast is for a total of 134.9 million tons. This estimate is part of the third prognosis on production and cultivated area, released earlier this year by the Brazilian Institute of Geography and Statistics (IBGE).

According to the IBGE, soybeans will play a substantial role in this year's crop increase, unlike in 2004, when the product contributed to a 3.7% decline in relation to 2003.

The IBGE's coordinator of Agriculture and Livestock, Carlos Alberto Lauria, said that soybeans account for 41% of the country's grain production.

"The significant increase in soybeans is being attributed to the lack of alternatives for farmers to shift to other products," he affirmed.

Herbaceous cotton, which was the standout in 2004, growing 62%, is expected to pull back this year in production and cultivated area, principally in the state of Mato Grosso.

This area is expected to produce 1.406 million tons, 18.16% less than in 2004. In terms of cultivated area, there has been expansion in the case of peanuts, unpolished rice, and soybeans.

Agência Brasil