

## Smaller Harvest Means US\$ 4 Billion Less for Brazil

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Brazil's Minister of Agriculture, Roberto Rodrigues, admitted Friday, June 24, that he expects agricultural exports to be affected by the reduction in this year's grain harvest.

According to the Brazilian Institute of Geography and Statistics (IBGE), the decrease should amount to 4.98%, compared with last year's crop. A 20.88% reduction is expected in the Southern region.

"There will be a loss of income for some export items, such as soybeans, although coffee, orange juice, and sugar have experienced price gains, and others, such as meat, have higher production volumes," the Minister commented.

"My expectation is that agribusiness export volume, in dollars, will be very close to what it was last year; however, with an exchange rate favorable to imports, as it is at present, I believe that imports will increase, so the agribusiness surplus should end up below what it was last year, close to US\$ 39 billion," he pointed out.

According to Rodrigues, the expectation for this year's grain harvest was 132 million tons, but the National Supply Company (Conab) is forecasting a harvest of around 113 million tons.

"This represents practically US\$ 4.1 billion (10 billion reais) less for the Brazilian agricultural economy, which is a cruel blow," he said.

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