

Brazil Loses US\$ 4.29 Billion From Crops Ruined by Drought

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Brazilian farmers are expected to suffer losses amounting to US\$ 4.29 billion (10 billion reais) in the 2004/2005 crop year, which includes this year's summer and winter harvests.

This estimate was presented Wednesday, September 8, by the federal government's National Supply Company (Conab). The final figure will be released when the Conab has calculated the final results of this year winter harvest.

According to Conab president, Jacinto Ferreira, the chief cause of crop loss was the drought that mostly affected the states of Rio Grande do Sul, Paraná, São Paulo, and Mato Grosso do Sul. The drought caused the loss of 18.4 million tons of grains, a 14% drop in comparison with the previous crop year.

"If we compare this with the prognosis in December, 2004, we will have a substantial reduction, caused mainly by the climatic factor," Ferreira observes.

In his view, the decline in production should not lead to shortages this year, thanks to the current level of stocks.

The study was conducted by 40 members of the technical staff in the last week of August (21 to 27). They visited 330 municipalities in 11 states, where they interviewed 970 representatives of agricultural associations and governmental and private agencies.

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