

Brazil ag
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As American corn and soybean farmers are midway through harvest this month, South American producers are likewise midway through spring planting. Corn planting typically gets underway in Brazil in September, with soybeans planted at the end of October. Brazilian farmers and crop consultants say the current low soybean prices will reduce the number of soybean acres. AM/580's Matt Hagemann has more.

NAT SOUND -- Brazilian speech, translator

Fifty-two Brazilian farmers are concluding their tour of Midwestern agriculture with a party at a Champaign County farm. Many of the Brazilians work for Cargill, and on the day of the party, October 1st, some of Cargill's worldwide operations became the property of Monsanto.

This same week, the Brazilian government approved genetically modified crops for production.

Some genetically modified soybeans have been grown illegally in Brazil for a few years now, with farmers smuggling them in from Argentina and Paraguay, where the seeds had earlier been approved. Marcio Farrah is an information manager with Cargill. He says smuggling was not widespread.

marcio--smuggling

One Brazilian farmer looking forward to using herbicide-resistant soybeans is Rudolfo Ruiz Vernacki Botelio. He raises cattle and corn and soybeans on 10-thousand acres. He says he expects genetically altered crops to be popular on both small and large farms in Brazil. The smaller farms are in the southern part of Brazil, and they are a couple hundred acres in size. The farms in Central Brazil are often much larger -- tens of thousands of acres. In the north is the Amazon rainforest, and that land is not as good for agriculture.

Though the farms are quite large, Brazilian farm machinery is often smaller than the machinery American farmers use. But Vernacki Botelio says farmers make up for it by having more employees.

rudolfo--more labor:24

Vernacki Botelio says Brazilian farmers typically market their crops through cooperatives, and some of them manage their risk with futures and options.

rudolfo--futures:18

This year's low world prices for soybeans and corn are likely to keep down production in Brazil. Corn and soybean advisor Michael Cordonier (Cro-DOAN-ee-air) says the low price of soybeans in the world market will prompt some Brazilian farmers to plant corn and cotton instead of beans.

Michael -- less soy:15

Chicago, Illinois-based Cordonier typically makes two trips a year to South America to check on crop conditions. He recently returned from one of these trips. He says there is much more land in Brazil that could be converted into farmland. Cordonier says farmers are only waiting for higher prices to put more land into production.

michael --landleft:21

He adds that the untilled land can be converted very quickly into tillable fields.

michael-- landclearing:18

But a big problem facing Brazilian farmers is the country's lack of infrastructure. Cordonier says transportation costs for soybeans can reach a dollar-fifty per bushel.

michael -- long-way:14

Yet even with the increased transportation costs, the beans have still been cheap enough in recent years for grain companies -- including Cargill -- to import for use in the U-S. I'm Matt Hagemann.