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Brazil's Infrastructure Investments Heating Up Competition for U.S. Soybean Producers

Pennsylvania soybean farmer sees Brazil's investment in transportation infrastructure firsthand

HARRISBURG, PA (February 9, 2016) –Although the United States is currently the world's leading soybean producer, this status may not be sustained without continued investment in the U.S. transportation system. Right now, the U.S. has the rivers, roads and rails to move soybeans from field to market, but Brazilian soybean farmers continue to gain on their U.S. counterparts, and the country has big plans to improve its ability to move more soybeans into export position.

Soybean producer Bill Beam from Elverson, Pa., who serves as chairman of the Pennsylvania Soybean Board and on the United Soybean Board, traveled to Brazil with two other United Soybean Board soy checkoff farmer-leaders and two American Soybean Association farmer-leaders to see firsthand the status of Brazil's infrastructure. They saw advancements that are being made now, along with improvements still in the planning stage.

Altogether, these projects could improve Brazil's ability to compete with the U.S. on the global market.

"I was under the impression that Brazil's transportation infrastructure was primitive, basic and highly inefficient," says Beam. "After observing the northern region of the country, I was very impressed with the heavy investment Brazil is making to handle soybeans and how efficiently its transportation system operate. They keep going further and further up the Amazon River with ocean-going ships and barges. And the country is still building; it hasn't peaked yet. It's just a matter of time before the country has a very efficient system from one end to the other. It is pretty obvious that we have some serious competition."



Pa. soybean producer Bill Beam (third to left) at the new ADM facility in Brazil.



The U.S. farmer delegation joined their Brazilian hosts and an interpreter on a floating dock on the Amazon River.

The group's first stop was Cuiaba, the capital city of the Brazilian state of Mato Grosso. This area is located in the heart of South America and is one of the key ag-production areas in Brazil. The U.S. farmers met with agribusinesses, political leaders and associations, including APROSOJA, which is Brazil's largest soybean cooperative.

The group then traveled north to Belém to meet with navigation industry representatives. They learned that a floating terminal being built in Belém should be operational in early 2016.

Afterward, the farmers headed east toward the coast to Sao Luis. There, they visited the Port of Itaqui to see export elevators, meet with river transport providers and learn about rail developments in the area. The Port of Itaqui is the No. 1 port in northeastern Brazil and fifth overall in volume. One of the factors contributing to this port's importance is its proximity to the Panama Canal.

Next, the group traveled inland to Santarém, where they toured the Port of Santarem. Ninety percent of the grain arriving to this port comes by barge, while the rest comes by truck — there are no plans at this time to invest in railways to the location. In addition to visiting the port, the farmers also toured a Cargill export elevator in the area.

The farmers ended the mission in Barcarena, where they saw Bunge and ADM export elevators. During visits to the elevators, Beam and his fellow farmers learned that Cargill is currently undergoing an expansion, and ADM has plans in the works to grow as well.

Beam will be returning to Brazil and Argentina in March to complete their study of South America and their agriculture's ability to expand.

About the Pennsylvania Soybean Board

The [Pennsylvania Soybean Board](http://www.pasoybean.org) is a farmer-controlled Board responsible for managing Pennsylvania's share of funds received from the nationwide Soybean Checkoff program. The funding is available under an assessment program, approved by Congress in 1990, under which soybean farmers contribute 50 cents of every \$100 they receive for their beans at the first point of sale. Funds are used to develop markets, educate consumers, and research new ways to utilize and produce soybeans more efficiently. For more information, visit www.pasoybean.org.

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