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crop production with more volatile margins, such as vegetables and fruit crops, have had higher price-level variations. Table 2 shows the average lease prices in the states surveyed by Informa Economics FNP in the second half of 2015.

Table 2 - Average Land Leasing Prices (R\$/hectare) and Variations (%) by Brazilian State

Regions	Dec-2012	Dec-2014	Dec-2015	Variations (%)	
				36 months	12 months
CENTRAL-WEST	629	539	602	-4.2%	11.8%
Goiás	808	660	746	-7.8%	13.0%
Mato Grosso do Sul	599	502	557	-7.0%	11.0%
Mato Grosso	517	489	545	5.5%	11.6%
NORTHEAST	446	419	530	18.8%	26.4%
Alagoas	645	426	488	-24.3%	14.6%
Bahia	487	449	560	15.1%	24.9%
Maranhão	521	431	558	7.2%	29.6%
Paraíba	420	192	216	-48.6%	12.5%
Pernambuco	405	438	630	55.6%	43.8%
Piauí	467	477	528	13.1%	10.7%
Rio Grande do Norte	352	362	585	66.2%	61.6%
Sergipe	498	403	413	-17.1%	2.5%
NORTH	323	390	495	53.2%	27.0%
Pará	395	349	448	13.5%	28.1%
Rondônia	294	410	502	71.0%	22.5%
Tocantins	295	400	519	75.8%	29.9%
SOUTHEAST	1,015	797	895	-11.8%	12.4%
Espírito Santo	588	862	455	-22.6%	-47.2%
Minas Gerais	973	726	888	-8.7%	22.3%
Rio de Janeiro	350	382	398	13.6%	4.2%
São Paulo	1,188	915	986	-17.0%	7.8%
SOUTH	862	938	1,085	25.9%	15.7%
Paraná	1,041	1,060	1,171	12.5%	10.5%
Rio Grande do Sul	703	797	941	33.9%	18.1%
Santa Catarina	919	900	1,183	28.8%	31.5%
MAPITOBA	371	435	557	50.2%	28.0%
BRAZIL	748	678	775	3.5%	14.3%

Source: Informa Economics FNP, Dec-2015



In addition, they are short-cycle crops with high turnover and which occupy noble areas. In leases for cassava and potatoes, for example, contracts rarely exceed two years and plantations occur in areas that have not yet received the crop. This measure aims to reduce the control of the pests in the crops. With this, the prices of these land leases are generally well above those of other cultures.

Table 3 - Brazil - Average Land Leasing Prices (R\$/hectare) by Land Use and Variations (%)

Land use	Dec-2012	Dec-2014	Dec-2015	Variations (%)	
				36 months	12 months
Cotton	916	738	880	-3.9%	19.3%
Rice	723	1,091	1,317	82.0%	20.7%
Coffee	1,386	925	1,547	11.6%	67.3%
Sugarcane	1,035	854	916	-11.5%	7.2%
Orcharding	1,454	1,925	2,100	44.4%	9.1%
Grains and Oilseeds	788	632	752	-4.5%	19.0%
Vegetable and Tubers Crops	1,336	1,505	1,525	14.1%	1.3%
Pasture	211	311	340	61.4%	9.5%
Forestry	450	374	438	-2.8%	17.1%
Brazil	748	678	775	3.5%	14.3%

Source: Informa Economics FNP, Dec-2015



Table 4 - Average Land Leasing Prices (R\$/hectare) by Land Use & State and Variations(%)

Land use	Dec-2012	Dec-2014	Dec-2015	Variations (%)	
				36 months	12 months
Cotton	916	738	880	-3.9%	19.3%
Mato Grosso do Sul	-	954	1,103	-	15.6%
Mato Grosso	1,045	714	840	-19.6%	17.6%
Bahia	529	662	897	69.6%	35.5%
Sugarcane	1,035	854	916	-11.5%	7.2%
Paraná	941	1,036	1,085	15.3%	4.7%
São Paulo	1,322	999	1,053	-20.4%	5.3%
Minas Gerais	674	715	801	18.8%	12.0%
Mato Grosso do Sul	837	776	841	0.5%	8.4%
Pernambuco	405	438	630	55.6%	43.8%
Alagoas	645	426	488	-24.3%	14.6%
Grains and Oilseeds	788	632	752	-4.5%	19.0%
Paraná	1,060	914	1,087	2.5%	18.9%
Rio Grande do Sul	880	755	937	6.5%	24.1%
Santa Catarina	937	722	885	-5.5%	22.6%
São Paulo	836	771	923	10.4%	19.8%
Minas Gerais	695	510	583	-16.1%	14.4%
Mato Grosso	709	509	572	-19.4%	12.2%
Mato Grosso do Sul	858	607	708	-17.4%	16.7%
Goiás	917	647	769	-16.1%	18.8%
Maranhão	521	431	595	14.3%	38.1%
Piauí	467	477	528	13.1%	10.7%
Tocantins	347	438	598	72.6%	36.5%
Bahia	481	552	690	43.5%	25.0%
Pará	476	422	576	21.0%	36.4%
Rondonia	467	525	645	38.1%	22.9%
Pasture	211	311	340	61.4%	9.5%
Rio Grande do Sul	195	255	300	53.3%	17.6%
Minas Gerais	290	450	569	96.1%	26.4%
Mato Grosso do Sul	230	265	277	20.3%	4.3%
Mato Grosso	164	339	350	114.0%	3.4%
Goiás	209	405	428	105.0%	5.6%
Tocantins	159	252	266	67.3%	5.6%
Bahia	320	339	416	30.0%	22.7%
Pará	150	240	255	70.0%	6.3%

Source: Informa Economics FNP, Dec-2015



Table 7 - Land Leasing versus Land Acquisition Prices

FNP Region	State	High Yield Farmland Lease Prices (R\$/hectare)	High Yield Farmland Acquisition Prices (R\$/hectare)**	Lease/ Acquired Ratio (%)	Acquired Land Appreciation (Ave. per year since Dec/2005)*		
					Crop (High Yield)	Savannah	Pasture
Oeste Baiano	Bahia	R\$ 794	R\$ 20,000	3.97%	14.9%	16.5%	16.3%
Balsas	Maranhão	R\$ 570	R\$ 18,125	3.14%	17.3%	21.4%	25.7%
Uruçuí	Piauí	R\$ 528	R\$ 11,875	4.45%	18.2%	22.8%	18.2%
Palmas	Tocantins	R\$ 667	R\$ 19,231	3.47%	22.4%	12.8%	15.0%
Sinop	Mato Grosso	R\$ 671	R\$ 27,949	2.40%	14.1%	12.4%	12.5%
Rondonópolis	Mato Grosso	R\$ 810	R\$ 33,590	2.41%	14.2%	13.9%	15.6%
Chapadão do Sul	Mato Grosso do Sul	R\$ 835	R\$ 44,688	1.87%	17.1%	12.5%	16.5%
Rio Verde	Goiás	R\$ 899	R\$ 37,188	2.42%	20.2%	7.3%	17.7%
Uberlândia	Minas Gerais	R\$ 742	R\$ 27,925	2.66%	11.8%	21.8%	11.9%
Ourinhos	São Paulo	R\$ 965	R\$ 39,688	2.43%	10.2%	-	10.9%
Ribeirão Preto	São Paulo	R\$ 1,193	R\$ 44,000	2.71%	7.0%	-	11.3%
Cascavel	Paraná	R\$ 1,229	R\$ 57,813	2.13%	16.7%	-	17.7%
Londrina	Paraná	R\$ 1,150	R\$ 47,500	2.42%	11.7%	-	13.6%
Passo Fundo	Rio Grande do Sul	R\$ 1,117	R\$ 43,750	2.55%	15.9%	-	15.7%

* Last 10 Years (Dec-2005 a Dec-2015), taken from FNP Farmland Analysis Report

** Average Equivalent Price of arable land (discounted the Legal Reserve according with the current law).

Legal Reserve: 20% of the total area; exception: Mato Grosso and Tocantins (35% of total area).

Inflation rate annualized in 10 years: 6,21%

Source: Informa Economics FNP, Dec- 2015

Palmas (TO), Oeste Baiano (BA) and Balsas (MA) have very high leases when compared to other regions such as Chapadão do Sul (MS), Cascavel (PR) and Rio Verde (GO).

Also according to Table 7, the relationship between the value of the lease and the price for high productive potential lands in the main production centers in the first half of 2015 was less than 5%. This means that in these regions on average, land purchase investments aimed at leases would return an annual rate of less than 5%. Of course, one must also consider the potential value of the asset, which in fact has occurred in these regions.

For the producer, who uses the land for production, land leases can be a very attractive alternative because they optimize the use of capital for productive purposes. In contrast, it is observed that land ownership is an important attribute for the cost of its production, allowing more competitive rates on bank loans.

For the investor who bet on the land as a means of enabling capital gains, the gain is in the appreciation potential of the land. Taking as an example the Palmas region, leases accounted for 3.5% of the average price of land (here considering only the property of the business percentage, subtracting the percentage of legal reserve) and the average annual rate of appreciation observed in last 10 years was 22.4%. In



Land Leasing Prices

Region / Municipalities	FNP Region	Activity	Crop	Dec-2012		Dec-2014		Dec-2015	
				Lease Price References	R\$/hectare	Lease Price References	R\$/hectare	Lease Price References	R\$/hectare
CENTRAL-WEST BRAZIL - MATO GROSSO									
Cáceres	Cáceres (FNP 58)	Pasture	Pasture	15-20 R\$/head/ month	210	18-24 R\$/head/ month	302	15-25 R\$/head/ month	288
Rondonópolis	Rondonópolis (FNP 60)	Soybean/Corn (clay soil)	Grains and Oilseeds	12-15 soybean bags/year	897	10-14 soybean bags/year	642	10-14 soybean bags/year	768
Rondonópolis	Rondonópolis (FNP 60)	Soybean/Corn (sandy soil)	Grains and Oilseeds	-	-	6-10 soybean bags/year	428	6-10 soybean bags/year	512
Rondonópolis	Rondonópolis (FNP 60)	Cotton	Cotton	15-18 soybean bags/year	897	12-16 soybean bags/year	749	12-14 soybean bags/year	832
Rondonópolis	Rondonópolis (FNP 60)	Pasture	Pasture	16-18 R\$/head/ month	204	15-25 R\$/head/ month	360	15-25 R\$/head/ month	360
Primavera do Leste	Rondonópolis (FNP 60)	Soybean/Corn (clay soil)	Grains and Oilseeds	10-12 soybean bags/year	717	9-14 soybean bags/year	605	10-14 soybean bags/year	756
Primavera do Leste	Rondonópolis (FNP 60)	Soybean/Corn (sandy soil)	Grains and Oilseeds	-	-	6-10 soybean bags/year	421	6-9 soybean bags/year	473
Primavera do Leste	Rondonópolis (FNP 60)	Cotton	Cotton	15-20 soybean bags/year	1140	12-16 soybean bags/year	737	13-15 soybean bags/year	882
Alto Garças	Alto Araguaia (FNP 61)	Pasture	Pasture	16-18 R\$/head/ month	204	15-25 R\$/head/ month	360	15-25 R\$/head/ month	360
Alto Garças	Alto Araguaia (FNP 61)	Soybean (sandy soil)	Grains and Oilseeds	-	-	4-8 soybean bags/year	321	6-10 soybean bags/year	512
Alto Garças	Alto Araguaia (FNP 61)	Soybean/Corn (mixed soil)	Grains and Oilseeds	12-15 soybean bags/year	897	12-14 soybean bags/year	696	10-15 soybean bags/year	800
Alto Garças	Alto Araguaia (FNP 61)	Cotton	Cotton	15-18 soybean bags/year	1097	15-17 soybean bags/year	856	15-17 soybean bags/year	1024
Pontes e Lacerda	Pontes e Lacerda (FNP 62)	Pasture	Pasture	15-20 R\$/head/ month	210	18-22 R\$/head/ month	288	15-25 R\$/head/ month	288
Campo Novo dos Parecis	Tangará da Serra (FNP 63)	Soybean/Corn (clay soil)	Grains and Oilseeds	7-14 soybean bags/year	651	9-14 soybean bags/year	600	10-14 soybean bags/year	708
Campo Novo dos Parecis	Tangará da Serra (FNP 63)	Soybean/Corn (sandy soil)	Grains and Oilseeds	-	-	6-8 soybean bags/year	350	5-8 soybean bags/year	384
Sapezal	Tangará da Serra (FNP 63)	Soybean/Corn	Grains and Oilseeds	8-12 soybean bags/year	620	10-14 soybean bags/year	596	6-12 soybean bags/year	531
Tangará da Serra	Tangará da Serra (FNP 63)	Soybean/Corn	Grains and Oilseeds	-	-	9-11 soybean bags/year	500	6-10 soybean bags/year	472
Tangará da Serra	Tangará da Serra (FNP 63)	Pasture	Pasture	15 R\$/head/ month	180	15-25 R\$/head/ month	360	15-25 R\$/head/ month	360
Sinop	Sinop (FNP 64)	Soybean/Corn	Grains and Oilseeds	12 soybean bags/year	751	8-10 soybean bags/year	446	8-12 soybean bags/year	590
Sorriso	Sinop (FNP 64)	Soybean/Corn (clay soil)	Grains and Oilseeds	12 soybean bags/year	751	10-12 soybean bags/year	545	10-12 soybean bags/year	649
Sorriso	Sinop (FNP 64)	Soybean/Corn (sandy soil)	Grains and Oilseeds	-	-	9-11 soybean bags/year	496	6-10 soybean bags/year	472
Sorriso	Sinop (FNP 64)	Cotton	Cotton	-	-	12-14 soybean bags/year	645	12-14 soybean bags/year	767
Lucas do Rio Verde	Sinop (FNP 64)	Soybean/Corn (clay soil)	Grains and Oilseeds	12-14 soybean bags/year	862	10-12 soybean bags/year	549	10-12 soybean bags/year	649
Lucas do Rio Verde	Sinop (FNP 64)	Soybean/Corn (sandy soil)	Grains and Oilseeds	-	-	9-11 soybean bags/year	499	6-10 soybean bags/year	472
Lucas do Rio Verde	Sinop (FNP 64)	Cotton	Cotton	-	-	12-14 soybean bags/year	649	12-14 soybean bags/year	767
Nova Mutum	Sinop (FNP 64)	Soybean/Corn (clay soil)	Grains and Oilseeds	12 soybean bags/year	795	10-12 soybean bags/year	549	10-12 soybean bags/year	649
Nova Mutum	Sinop (FNP 64)	Cotton	Cotton	-	-	12-14 soybean bags/year	649	12-14 soybean bags/year	767
Nova Mutum	Sinop (FNP 64)	Soybean/Corn (sandy soil)	Grains and Oilseeds	-	-	9-11 soybean bags/year	499	6-10 soybean bags/year	472

Fonte: Informa Economics FNP



ANNEX I - LEASING INDICATORS: COMMODITIES PRICES

AVERAGE SOYBEAN PRICES TO PRODUCER (R\$/bag)

Region	State	2nd semester	1st semester	2nd semester	1st semester	2nd semester	1st semester	2nd semester
		2012	2013		2014		2015	
Barreiras	Bahia	65.30	52.00	61.44	60.43	55.06	56.37	68.56
Brasília	Distrito Federal	67.12	53.35	59.91	59.88	54.57	56.40	65.03
Catalão	Goiás	64.92	52.71	57.84	59.39	54.42	56.21	65.58
Cristalina	Goiás	65.80	52.97	59.31	59.26	54.12	56.46	66.02
Formosa	Goiás	64.99	52.34	58.69	58.79	53.94	55.65	65.79
Jataí	Goiás	65.31	50.30	56.19	58.58	52.36	56.42	62.63
Rio Verde	Goiás	67.76	51.69	58.41	59.50	52.77	56.75	62.92
Balsas	Maranhão	63.71	50.97	57.85	57.98	50.64	55.86	67.30
Patos de Minas	Minas Gerais	64.81	52.38	59.02	60.33	55.66	56.81	65.72
Uberlândia	Minas Gerais	67.12	53.53	60.45	61.36	56.98	57.89	67.02
Unaí	Minas Gerais	65.10	52.62	58.79	59.79	54.20	56.48	65.54
Campo Grande	Mato Grosso do Sul	68.40	51.89	59.92	59.01	55.56	54.17	63.92
Chapadão do Sul	Mato Grosso do Sul	66.21	51.36	59.89	58.72	54.35	54.12	63.32
Dourados	Mato Grosso do Sul	66.73	52.65	60.96	59.80	55.81	54.60	64.49
Campo Novo Parecis	Mato Grosso	61.93	45.50	53.33	52.27	49.84	49.72	59.28
Canarana	Mato Grosso	61.52	46.50	53.56	54.12	50.59	51.82	59.54
Cuiabá	Mato Grosso	65.68	50.16	58.10	56.55	52.73	54.67	63.56
Lucas do Rio Verde	Mato Grosso	62.60	45.63	53.28	52.13	49.81	49.98	59.27
Primavera do Leste	Mato Grosso	64.88	48.95	56.96	55.63	52.59	53.13	62.82
Rondonópolis	Mato Grosso	66.20	50.45	58.65	56.99	53.48	54.57	64.16
Sapezal	Mato Grosso	62.09	45.57	53.34	53.62	49.55	50.52	59.24
Sorriso	Mato Grosso	62.52	45.16	53.08	51.90	49.48	49.79	59.05
Uruçuí	Piauí	62.44	49.96	59.57	57.10	52.93	55.97	65.79
Campo Mourão	Paraná	69.74	55.15	63.60	62.15	56.87	57.38	66.62
Cascavel	Paraná	69.29	55.15	63.45	62.18	56.91	57.41	66.54
Goio-erê	Paraná	69.69	55.10	63.57	62.15	56.81	57.40	66.61
Guarapuava	Paraná	70.92	56.29	64.59	63.27	57.97	58.42	67.64
Londrina	Paraná	69.77	55.18	63.46	62.22	56.93	57.40	66.65
Maringá	Paraná	69.75	55.16	63.47	62.18	56.92	57.40	66.65
Ponta Grossa	Paraná	73.78	58.06	66.25	64.51	58.74	59.58	69.71
Rolândia	Paraná	69.76	55.16	63.51	62.19	56.88	57.39	66.67
Vilhena	Rondonia	62.38	47.22	56.02	54.32	48.67	50.90	59.69
Carazinho	Rio Grande do Sul	68.39	56.87	64.40	62.87	56.26	58.02	69.85
Cruz Alta	Rio Grande do Sul	69.34	57.35	65.24	63.75	57.46	59.57	71.63
Erechim	Rio Grande do Sul	68.53	56.30	64.16	62.38	55.84	57.33	68.56
Passo Fundo	Rio Grande do Sul	68.65	57.01	64.62	63.23	56.98	58.70	70.65
Rio Grande	Rio Grande do Sul	76.72	63.47	72.46	70.41	62.50	67.15	81.78
Santa Rosa	Rio Grande do Sul	67.44	56.21	63.36	62.22	55.94	57.52	69.54
Santo Ângelo	Rio Grande do Sul	67.30	56.04	63.25	62.57	56.12	57.62	69.55
Três de Maio	Rio Grande do Sul	67.27	55.99	63.21	61.84	55.53	57.30	69.04
Campos Novos	Santa Catarina	70.95	56.51	64.55	63.99	58.01	58.67	69.07
Chapecó	Santa Catarina	70.49	56.11	63.68	62.98	57.25	57.85	67.00
Concórdia	Santa Catarina	72.21	57.50	65.13	64.39	58.82	59.02	69.56
Mafrá	Santa Catarina	71.24	57.81	65.14	64.74	58.22	58.96	68.78
Araçatuba	São Paulo	65.57	53.43	59.38	60.63	56.17	57.65	66.84
Cândido Mota	São Paulo	75.34	55.71	63.86	62.48	57.80	58.06	68.90
Orlândia	São Paulo	72.94	54.95	63.52	62.21	58.14	58.17	67.29
Votuporanga	São Paulo	64.91	52.89	58.76	60.07	55.77	57.26	66.20
Pedro Afonso	Tocantins	63.20	50.47	56.87	56.64	49.80	55.67	65.29

Source: Informa Economics-FNP, Dec- 2015