

Voluntary Report – Voluntary - Public Distribution

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Report Name: Brazil's Sunflower Sector-Opportunities and Challenges in a Growing Market

Country: Brazil

Post: Brasilia

Report Category: Oilseeds and Products, Agricultural Situation

Prepared By: Samuel Dantas dos Santos

Approved By: Joseph Degreenia

Report Highlights:

Sunflower seed production in Brazil remains relatively small compared to major oilseeds but has gained strategic importance as a rotation crop, especially in the Central-West region. Following a period of decline caused by high input costs and competition from second-crop corn, the sector rebounded in 2022, with planted area projected to more than double by 2025. Goiás has emerged as the leading producer, benefiting from favorable climate, soil conditions, and institutional support. Despite ongoing challenges—including limited infrastructure, weather risks, and pest pressure—rising domestic demand, health-conscious consumer trends, and global supply disruptions have strengthened the sector's long-term outlook, suggesting modest growth over the next decade.

Overview

Sunflower is a relatively minor yet strategically important oilseed crop in Brazil. It plays a niche role in the agricultural sector, particularly in crop rotation systems and regional economies, offering diversification opportunities for small and medium-sized producers. Its adaptability to a wide range of latitudes, longitudes, and seasons supports its integration into diverse farming systems.

In recent years, sunflower seed production has gained traction as a rotation and succession crop in grain-producing regions, especially following soybeans in the Central-West region. Its deep root system enhances drought tolerance and allows for efficient absorption of water and nutrients, contributing to its resilience. The crop also aids in nutrient cycling, particularly potassium, and typically experiences lower pest and disease pressure. However, successful cultivation depends on good soil management practices, as sunflowers are sensitive to soil compaction and high acidity.

Sunflower farming in Brazil offers both opportunities and risks. It is typically planted between January and March and harvested from May to July, with regional variation, especially between the South and the Cerrado (e.g., Mato Grosso and Goiás). The crop serves as a viable second-crop option, particularly in offseason systems, and helps diversify farm income.

Nonetheless, the sector faces persistent challenges, including limited processing infrastructure, pest threats like Spodoptera caterpillars, and stiff competition from more profitable crops such as corn and cotton. Additionally, excessive rainfall (of over 120 mm) can trigger white mold outbreaks, reducing yields and harming soil health for future planting. Despite its advantages, these constraints make sunflower cultivation a relatively risky investment.

Table 1
Second-Crop Options Comparison

Crop	Drought Tolerance	Production Cost	Climate Risk	Market
Sunflower	High	Low	Medium-low	Stable
Safrinha Corn	Medium	High	High (if late)	Strong
Sorghum	High	Low	Low	Limited
Beans	Low	Medium	High	Volatile
Cotton	Medium	High	Medium	Strong
Wheat	Low-Medium	Medium	High	Stable

Source: Empresa Brasileira de Pesquisa Agropecuária (Embrapa), Companhia Nacional de Abastecimento (Conab) | Chart elaborated by: Post Brasilia - Office of Agricultural Affairs (OAA).

Area, Production & Yield

Sunflower production in Brazil is modest compared to other oilseeds, such as soybeans. Currently, the country ranks 18th in global sunflower seed production, accounting for less than 0.2 percent of total global output. However, domestic production has grown, with notable regional expansion, particularly in the Central-West and South regions of the country.

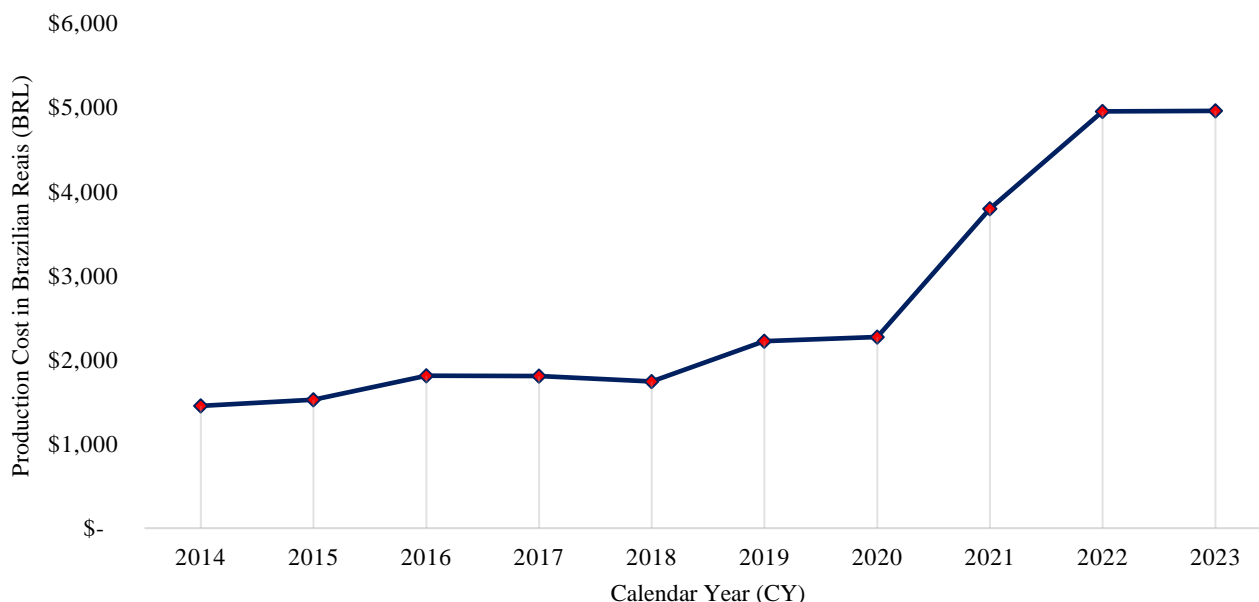
Historically, the state of Mato Grosso led the country's sunflower seed production, largely due to its favorable climate and the use of sunflowers in second-crop rotations. However, in the 2020/21 season, the state of Goiás emerged as the leading sunflower-producing state.

The decline in production levels in Mato Grosso was driven by multiple factors, primarily prolonged drought periods during the 2020/21 season and a 75 percent increase in production costs in certain areas, according to public data provided by the Companhia Nacional de Abastecimento (Conab).

Once recovered, farmers in Mato Grosso were more encouraged to instead grow second-crop corn, which offered higher profitability and stronger market demand at the time. This led to a 66 percent reduction in sunflower planting area in the state. The situation intensified in 2022, when fertilizer prices surged by nearly 140 percent.

Figure 1

Total Cost of Sunflower Production in Brazil (2014-2023)

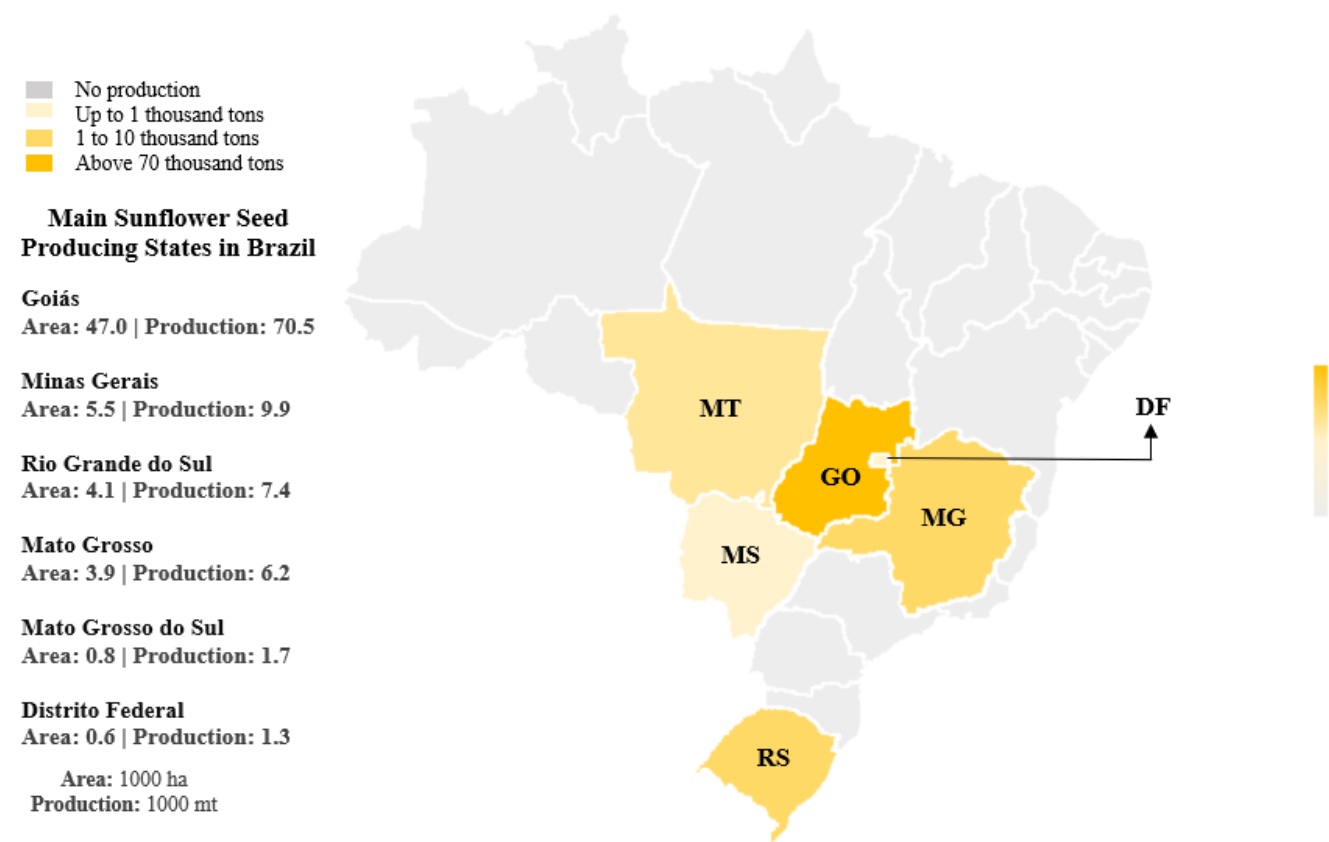


Source: Companhia Nacional de Abastecimento (Conab) / Chart elaborated by: Post Brasilia - Office of Agricultural Affairs (OAA).

During the same period, though also facing some weather instability, the state of Goiás experienced more favorable climatic conditions, with dry autumns and well-structured Cerrado soils. These factors supported sunflower cultivation after soybean harvests, resulting in efficient second-crop rotation practices.

The region’s climate allows sunflowers to thrive during the second-crop window by utilizing residual soil moisture from the rainy season. In addition, Goiás has long benefited from local institutional support and concentrated demand within the state, making freight costs more affordable compared to other regions.

Figure 2
Main Sunflower Producing States in Brazil (MY 2024/25 Estimates)



Source: Companhia Nacional de Abastecimento (Conab) | Chart elaborated by: Post Brasilia - Office of Agricultural Affairs (OAA).

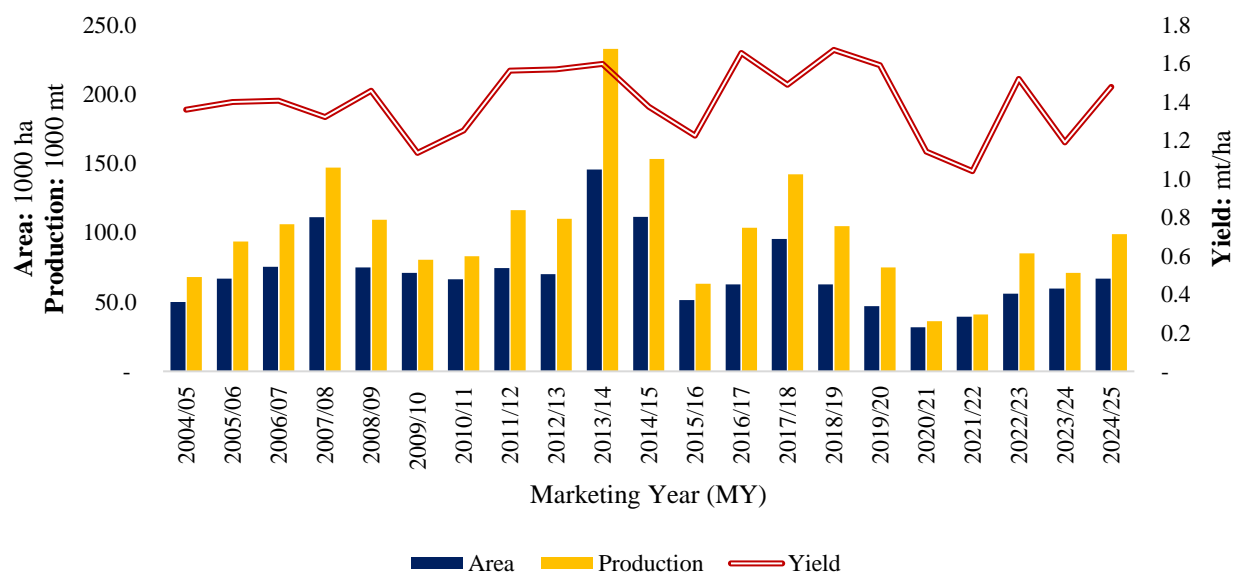
The crop’s lower input requirements have also made it an attractive option. Many farmers in Goiás can reduce production costs by using leftover fertilizer from the previous soybean cycle, improving the crop's economic viability. Furthermore, producers can adapt and use the same equipment already employed for soybean and corn production.

Local support from cooperatives and companies in the state of Goiás, such as Caramuru Alimentos, have played a key role by offering integrated production contracts and guaranteed purchase agreements, which reduce market risk and encourage expansion.

Research institutions, like Embrapa, have further supported this growth by developing cultivars suited to regional conditions, resulting in better yields and more consistent production.

Figure 3

Evolution of Sunflower Area, Production & Yield in Brazil (MY 2004/05 – MY 2024/25)



Source: Companhia Nacional de Abastecimento (Conab) | Chart elaborated by: Post Brasilia - Office of Agricultural Affairs (OAA).

Over the past decade, sunflower production in Brazil has displayed sharp volatility, with significant declines during the marketing years of 2015/16 and 2020/21, mainly because other commodities, such as second-crop corn, were more competitive.

Another reason for the decline in sunflower production was the significant increase in production costs, which made the crop less attractive for Brazilian producers.

However, in 2022, sunflower production started to gain momentum once again, with the total planted area more than doubling, resulting in a 167 percent increase in overall production.

Currently, Post estimates that Brazil has over 67 thousand hectares (ha) of sunflower planted area for the 2024/25 marketing year, with an expected production of 99 thousand metric tons (mt). This corresponds to a projected average yield of 1.6 mt/ha.

Although other states could also experience growth in sunflower planted area, logistics and freight costs remain major obstacles to greater investment in other regions.

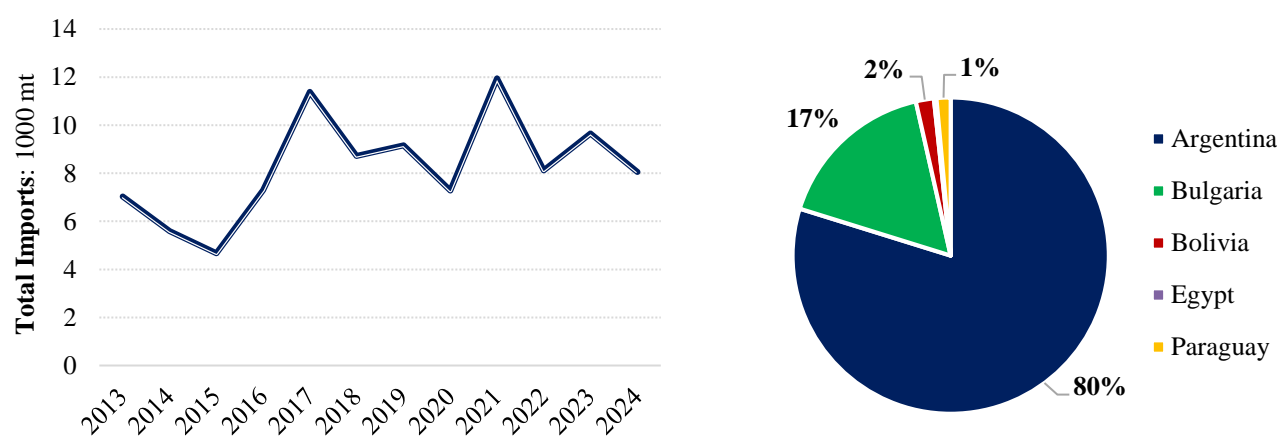
Sunflower seed is a light, low-density grain, which occupies more space compared to other commodities, elevating freight costs to as much as three times compared to the transportation of soybeans.

Currently, Goiás is the only state able to mitigate these risks and avoid the impact of high freight costs, as most of the largest sunflower seed processing companies in Brazil are located in the state.

Trade

Brazil is a net importer of sunflower seeds. In 2024, the country imported approximately 8.1 thousand tons of sunflower seeds, a 19 percent decrease from the previous year, indicating more independence and a growing reliance on domestic production.

Figure 4
Brazil Sunflower Seed Total Imports and Main Countries of Origin (2013-2024)

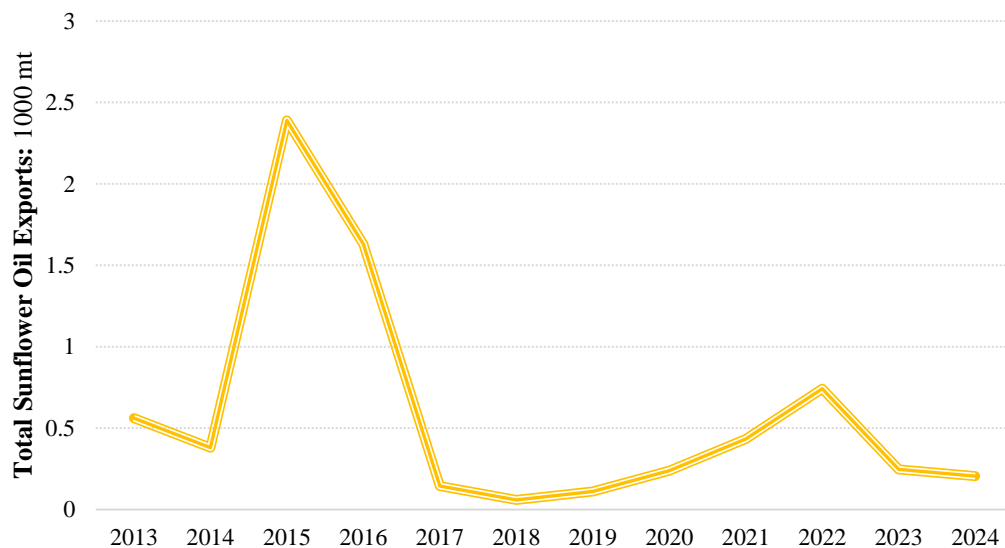


Source: TDM (Trade Data Monitor) / Chart elaborated by: Post Brasilia - Office of Agricultural Affairs (OAA).

Currently, Brazil’s sunflower seed exports are virtually non-existent, only with small batches shipped to Paraguay that average about 25 metric tons per year. In contrast, sunflower oil exports have shown more significant activity. Although volatile and generally trending downward—primarily due to rising domestic demand over total production—sunflower oil exports averaged around 370 metric tons per year over the past five years.

Figure 5

Brazil Sunflower Oil Exports (2013-2024)



Source: TDM (Trade Data Monitor) / Chart elaborated by: Post Brasilia - Office of Agricultural Affairs (OAA).

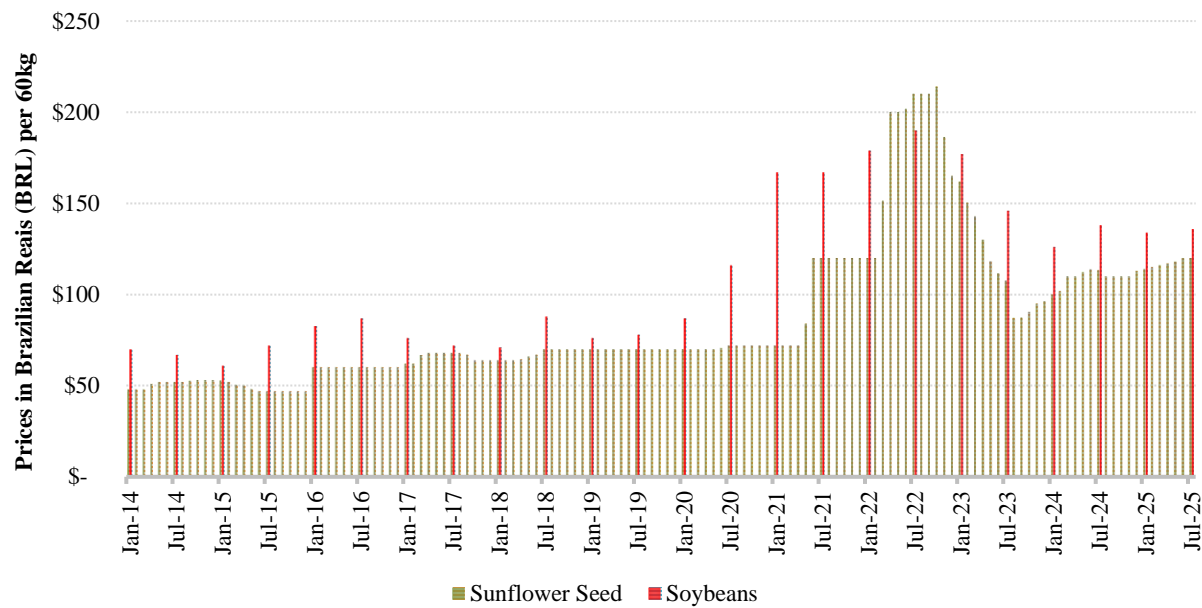
Prices

Historically, sunflower seed prices in Brazil were mainly subject to local supply shocks and crush demand. While sunflower oil itself has occasionally traded at a premium to soybean oil in certain markets, sunflower seed prices generally remain below soybeans, with a wider regional spread and sharper volatility as production is small and concentrated.

Although price fluctuations historically were relatively stable and dictated by predictable economic factors, sunflower seed prices reacted immediately to rising input costs, global demand, and competition from other commodities. This mostly occurred during the period of the COVID-19 pandemic, Russia-Ukraine conflict, and domestic policy shifts which resulted in a spike of nearly 140 percent between April 2021 and April 2022.

Over the past three years, prices have stabilized again, with steady increases driven by growing consumption and other regular economic factors.

Figure 6
Sunflower Seed & Soybeans Average Price Comparison in Brazil (2014-2025 / BRL/60kg)



Source: Companhia Nacional de Abastecimento (Conab) & CEPEA (Centro de Estudos Avançados em Economia Aplicada) / Chart elaborated by: Post Brasilia - Office of Agricultural Affairs (OAA).

Consumption

The industrial processing of sunflowers begins with the crushing of seeds to obtain crude oil and defatted cake, which are then used to produce a variety of derivatives.

In Brazil, the industrial crushing of sunflower seed is mainly conducted to extract crude oil and defatted meal. The crude oil is primarily refined for food use, including cooking oil—which has high commercial value in Brazil due to its public perception as a healthier oil option—margarine, and other food ingredients. Together, these account for around 85 to 90 percent of the country’s total sunflower seed production. Defatted meals are mainly used in animal feed, representing about 8 to 12 percent, while a small fraction, estimated at 1 percent, is directed to biodiesel production or used as on-farm vegetable fuel.

Since 2022, most of the major biofuel plants that process sunflower oil have been located in the state of Goiás, further reinforcing the state’s position as the leading region in sunflower production.

Sector specialists in Brazil claim that sunflower seed production has entered a phase of renewed growth and planted area expansion, especially in Goiás. This growth is driven by a decline in corn production profitability, favorable crop rotation with soybeans, and greater support from local companies, cooperatives, and research institutions.

Looking ahead, the sector is expected to stabilize with modest growth over the next decade, supported by rising domestic demand, global supply disruptions—particularly from Ukraine—and growing interest in healthier oil alternatives. However, risks such as weather volatility, input cost pressures, and sustainability constraints may limit expansion.

Continued institutional support, investment in adapted cultivars, and strategic integration into second-crop systems are expected to play a critical role in maintaining Brazil's momentum in sunflower cultivation.

Attachments:

No Attachments.