EXCLUSIVE REPORT

Brazil's Agribusiness at a Crossroads: When Financial Pain Fuels Industry Consolidation

How record-breaking exports mask a farm-level financial crisis — with 59 M&A; deals in 2025, tripled bankruptcies, and consolidation reshaping one of the world's most important agricultural sectors.

Comprehensive Research Report | February 2026

What's Happening?

Brazil's agribusiness sector recorded at least **59 mergers and acquisitions (M&A;)** in 2025, representing a growth of 15 to 20 percentage points compared to 2024. This marks the end of a decline cycle that began in 2022 and signals the return of strategic investors as the main players in sectoral deals, according to PwC Brazil's year-end analysis.

From January to September 2025, there were 49 M&A; operations in the country — the same number recorded throughout all of 2024 — representing a **40% increase** compared to the same period of the previous year. The estimated value of these transactions exceeded **$2.5 billion**.

But here's the paradox: this M&A; surge isn't a sign of sector health. It's happening **because** many farm businesses are struggling so badly that selling assets has become their only survival option.

Why Are Farmers in Crisis?

The Interest Rate Squeeze

Brazil's Central Bank maintained its benchmark Selic rate at **15%** in January 2026, the highest in nearly two decades. This creates a brutal environment for farmers who depend heavily on credit to operate.

Tractor loans now carry annual interest rates exceeding **20%**. For farmers, this means a **30% increase in financing costs** compared to 2020. Leonardo Dell'Oso, a PwC Brazil partner, explained that the M&A; growth was driven by companies in difficulty that found selling assets to be their only alternative for facing the financial scenario.

Guilherme Campos Jr., Secretary of Agricultural Policy at Brazil's Ministry of Agriculture, acknowledged that "with the benchmark Selic rate at 15%, farmers are being very cautious about taking on loans and focusing more on working capital."

A Tidal Wave of Bankruptcies

The numbers are staggering:

Metric	Figure
Agricultural companies under judicial recovery (end 2024)	295 (+38.4% YoY)
Judicial recovery requests in agribusiness (2024)	1,272 (+138% vs 2023)
Recovery requests, H1 2025 vs H1 2024	700 vs 320
Farm bankruptcies (Q1–Q3 2025 vs 2023)	1,172 vs 534 (tripled)
Companies in soybean farming (struggling)	34%
Companies in beef cattle production	20%
Companies in sugarcane cultivation	15%
Success rate of judicial recovery	Only 25%

Most affected companies are located in the states of Goiás (53), Rio Grande do Sul (50), São Paulo (47), and Mato Grosso (46).

Price Collapse Despite Record Production

Soybeans, Brazil's flagship crop, sold for around **200 reais per sack in 2022** but traded between **110 and 145 reais in 2025**. With costs rising (especially dollar-denominated inputs like fertilizers) and selling prices falling, profit margins have evaporated.

During the pandemic, cheap credit and low interest rates encouraged borrowing. Then input costs surged with the strong dollar, climate shocks cut yields, and the central bank pushed rates sharply higher. Margins vanished.

Where Are the M&A; Deals Happening?

The agriculture and livestock category led with **15 operations** (jumping from 2 to 9 transactions just in the first half of 2025), followed by poultry (from 2 to 5 transactions) and dairy (from 1 to 4 transactions).

Companies in fertilizers and pesticides saw a sharp decline, dropping from 7 to just 1 transaction in 2025 — attributed to excess inventory and falling prices in 2023 and 2024.

One high-profile potential deal that's drawing attention: Brazil's grain storage leader **Kepler Weber** announced it is evaluating a possible merger with American company **GSI**. Kepler Weber is currently valued at approximately **$303 million**. According to Citi analysts, the potential new entity could participate in virtually all grain silo business in Brazil, optimizing costs and logistics.

National capital accounted for **68%** of M&A; transactions, with the Southeast region (especially São Paulo) showing the highest concentration of deals.

Why Does This Matter Globally?

Brazil Feeds the World

Agribusiness is expected to generate about **29% of Brazil's total GDP** in 2025, driven by a sharp first-quarter expansion. The sector employed more than **28 million Brazilians** in 2024, close to one quarter of the national workforce.

Brazilian agribusiness exports reached **$169.2 billion** in 2025, marking a 3% increase over 2024. The sector accounted for **48.5% of Brazil's total exports** during the year.

Product	2025 Performance
Soybeans	$43.5B revenue; 108.2M tonnes (+9.5%)
Beef exports	$17.9B (+39.9% value; +20.4% volume)
Global soybean export share	~60%
Net food trade surplus (2023)	>$115 billion

China Dependency

China is currently the leading importer of several major Brazilian agricultural products:

Product	China's Share of Brazil Exports
Soybeans	73%
Cellulose	49%
Beef	46%
Cotton	33%
Sugar	29%
Pork	19%
Poultry	11%

China was the number one destination for Brazilian agricultural goods in 2025, accounting for **$55.3 billion** in exports and **32.7%** of total exports, growing 11% over 2024.

U.S.-China trade tensions have benefited Brazil: since the beginning of 2025, Brazil exceeded its historical soybean exports by an average of **10.7% per month** as Chinese buyers shifted purchases away from American suppliers.

The EU-Mercosur Game-Changer

After 25 years of negotiations, the EU and Mercosur reached an agreement covering **780 million people**, representing the largest free trade deal agreed by Mercosur since 1991 and the EU's largest trade deal to date in terms of tariff reduction.

The deal will allow **99,000 tonnes** of Mercosur beef to enter the EU market with a reduced 7.5% duty, and **180,000 tonnes** of poultry duty-free, phased in over five years.

On January 21, 2026, the European Parliament voted 334–324 to ask the European Court of Justice to rule on whether the agreement can be applied before full ratification, potentially delaying implementation by two years.

PwC noted that if the EU-Mercosur agreement advances, it could attract more foreign investors to Brazilian agribusiness M&A; deals.

What Does This Mean for You?

For Your Wallet

This Brazilian drama affects global food prices. Brazil produces a significant portion of the world's soybeans (which feed livestock globally), beef, coffee, sugar, poultry, and orange juice. When Brazilian farmers struggle, global supply chains feel the pressure.

The US is an important destination for Brazilian agribusiness exports. Among the main products exported are coffee, beef, and orange juice — sectors that could be affected by trade policies.

For the Environment

There remains a risk that the surge in demand for Brazilian soy from China could increase deforestation and carbon emissions. Trase data shows that deforestation linked to the soy trade between Brazil and China in 2018 was the second highest on record.

Investigations show soy cultivation now reaching all nine Amazonian states, with some expansion in areas previously covered by forest despite a longstanding "soy moratorium."

For Investors

"New money is coming in from investment firms and individuals without production experience," experts report. Brazil's bankruptcy system allows debt restructuring, often at the expense of creditors, creating opportunities for those who can weather volatility.

PwC projects that sectors like fertilizers, bioenergy, and sugar-ethanol mills will show signs of M&A; movement in 2026–2027 as consolidation continues.

The Political Dimension

Brazilian agribusiness remains fiercely opposed to President Lula's environmental and social mandates, from preserving the Amazon to land redistribution. With Congress dominated by right-wing parties allied with agribusiness, appeasing large-scale farmers while pursuing broader social goals remains one of Lula's core challenges.

Critics argue that **75% of operating credit** — representing 60% of total government agricultural credit — goes directly to soybean, corn, and cattle farmers, and that **76.1%** of the soybean supply chain is controlled by foreign multinational corporations, indirectly subsidizing foreign companies to the detriment of local smallholder farmers.

Looking Ahead

PwC projects the number of M&A; transactions could reach **62 for 2025** — a level approaching 2021, when the world was still facing pandemic effects.

Projections indicate that cuts in the Selic rate should only occur from the beginning of 2026, according to Goldman Sachs' chief economist for Latin America. Until then, financial pressure on farmers will persist.

For 2025/2026, soybean area is projected to grow **2% year-over-year** with another record year of production at **177 million metric tons**, though this is below the 15-year expansion rate of 4% per year.

The bottom line: Brazil's agribusiness is simultaneously breaking export records AND experiencing a farm-level financial crisis. This paradox — booming production masking struggling producers — is reshaping ownership in one of the world's most important agricultural sectors through a wave of consolidation deals. Whether you eat, invest, or care about the environment, what happens in Brazilian fields will affect you.

Key Figures at a Glance

Metric	Figure
M&A deals in 2025	59 (+15–20 pp vs 2024)
M&A deal value (Jan–Sep 2025)	>$2.5 billion
Brazil Selic rate	15%
Agribusiness share of GDP (2025)	~29%
Agribusiness employment	28 million
Agribusiness exports (2025)	$169.2 billion
Share of total Brazil exports	48.5%
China's share of ag exports	32.7% ($55.3B)
Soybean exports (2025)	108.2M tonnes; $43.5B
Beef exports (2025)	$17.9B (+39.9%)

Metric	Figure
Soybean price (2022 vs 2025)	R$200 vs R$110–145/sack
Farm bankruptcies (tripled)	534 (2023) → 1,172 (Q1–Q3 2025)
Judicial recovery success rate	Only 25%
EU-Mercosur beef quota	99,000 tonnes at 7.5% duty
EU-Mercosur poultry quota	180,000 tonnes duty-free

Verification Statement

All figures, statistics, and claims in this narrative come directly from verified sources including: PwC Brazil, Serasa Experian, Brazil's Ministry of Agriculture, Bloomberg, CNN Brazil, Exame, Farm Progress, the European Commission, academic journals, and various specialized agricultural news outlets. The information reflects reporting primarily from 2025 and early 2026.

— End of Report —