

LARGER DEMAND DOES NOT RAISE ORANGE PRICES

The warmer climate at the end of the year has raised the demand for orange, especially the table. However this movement has not reflected in fruit prices, according to the Center for Advanced Studies in Applied Economics (Cepea). On average, the 40.8 kg box of pear was traded at R \$ 26.83, down 0.6% from the previous week. In the first 20 days of the month, the devaluation is 5.6%. The initiator measured by the institution calculates the values negotiated in the State of São Paulo, the largest national park. "Even with the closeness of the holiday season, citrus growers have seen increased demand for orange, especially due to warmer weather. However, the greater supply of fruit at the end of the year, as well as the reduction of the quality of part of the oranges, also due to the hot weather, pressed the quotations", says Cepea.
Source: Revista Globo Rural

PRIVATE TERMINALS CLOSED QUARTER WITH 5.7% MORE CARGO HANDLING

The third quarter of 2018 closed positive for the port sector. According to the Report of the Association of Private Port Terminals (ATP), between July and September the Private Use Terminals (TUP) had a positive variation of 5.7%, compared to the same period in 2017, when they moved 196.4 million tons, equivalent to 67% of the country's total cargo. Data from the National Water Transport Agency (Antaq) also recorded the global increase (public and private ports) of 3.9%, totaling 295 million tons. In an economic impact analysis, in the third quarter, the country also achieved an increase of 11.4% in the Trade Flow (exports and imports), compared to the months of 2017, with an amount of US \$ 63.4 billion. In the accumulated between January and September, the estimated surplus is US \$ 41.8 billion, according to the Ministry of Industry, Foreign Trade and Services (MDIC), with US \$ 177.1 billion in exports and US \$ 135.3 billion in imports. Among the exported goods that stood out with significant growth in the quarter are shredded soybeans, with a 42% increase, crude oils, 97%, and cellulose, with 19% more. In the Association's assessment, the signs of improvement and exit from the crisis are evident due to the warming of external demand and the recovery of commodity prices, reflected in the performance of a quantitative increase in the production of the main export items. According to ATP's Annual Report 2018, the Organization for Economic Co-operation and Development (OECD) expects world economic growth to show an average growth of 3.8% over the past five years in port handling, the national capacity to meet external demand for mineral and agricultural commodities, cargo handling by waterway terminals should reach the mark of 1.128 million tons. Among the private terminals that stood out most in the period are the Maranhão Ponta da Madeira (+ 26%), Guaíba Island, Santa Catarina (+ 1%), Pecém, Ceará (+ 13%) and, in Rio de Janeiro, the Açú Port Operations (+ 6%) and Ilha D'Água terminals (+ 32%). In Antaq's survey, the ten port facilities with the highest volume of cargo handling in the third quarter of 2018, five of them public and five private, totaled 186.4 million tons in the period, corresponding to 63% of the total.

Source: Portos e Navios

BRAZILIAN CORN EXPORTS INCREASE IN DECEMBER

Shipments of Brazilian corn abroad intensified in the first two weeks of December. According to Scot Consultoria, about 231.1K tons per day were shipped up to the second week, exceeding the daily average of 15.6% in November and 15.7% in December 2017. With the slowdown in the second half of the month, Scot forecasts a cumulative near 4 million tons throughout December. "If this volume is confirmed, in the total of 2018 Brazil will have exported 23.9 million tons of corn, 18.3% less than the 29.3 million tons shipped in 2017," the consultancy said, based on data from the Ministry of Industry, Foreign Trade and Services (MDIC). By 2019, Scot sees a scenario favorable to foreign sales of the cereal, with the prices "more competitive of Brazilian corn in the international market" and the strong dollar against the real, which favors the negotiations of commodities produced in the country. "These are factors that should drive the growth of national exports", he said in a statement. The consultancy recalled that the National Supply Company (Conab) estimates Brazilian exports of corn of 31 million tons in the 2018/2019 season.
Source: Canal Rural

PORT OF IMBITUBA BEATS HISTORIC RECORD OF HANDLING

The Port of Imbituba surpassed in December the mark of five million tons moved in 2018. The volume represents an annual historical record for the port complex, which already registered an 18% growth in the accumulated from January to November, when compared to the same period of 2017. In addition, the port celebrates the conclusion of 2018 with three monthly operational records in June, August and September; and the expansion of the cargo portfolio. Altogether, 277 ships have passed through the port this year. The United States (USA), Chile, China and Argentina are the main origins of import cargoes. In export, China, USA, Holland and Russia are among the most frequent destinations. Coke, soybean, container and salt operations maintained the leadership of the main cargoes that passed through Imbituba. Given its multipurpose capacity, the Port of Imbituba also expanded its cargo portfolio in 2018. For the first time the Santa Catarina agro-industry exported the rice in bulk bark from the state ports. The good results that the port has achieved, the CEO of SCPar Porto de Imbituba, Santa Catarina State, which manages the port, Osny Souza Filho, foresees a positive scenario for 2019. "Our perspective is to continue the strategic work that has been made to attract new loads and new lines, with the constant modernization of the port infrastructure, fulfilling our mission as development agent of Santa Catarina, especially in the south of the state, so that next year is even better", says the manager.

Source: Portos e Navios

BRAZILIAN GOVERNMENT DISCUSSES CHINESE SAFEGUARD FOR SUGAR

On December 18th and 19th, the Brazilian government held consultations at the World Trade Organization with China on the safeguard applied by this country to imports of Brazilian sugar. During this period, the Executive Director of the Sugar Cane Industry Union (UNICA), Eduardo Leão de Sousa, and the Senior International advisor of the organization, Géraldine Kutas, were also present to support the government. Brazil decided to request consultations in October, after Brazil's

numerous efforts with the Chinese government and UNICA itself with the Asian private sector, which did not lead to proposals for possible solutions. During the consultation meetings the Chinese were open to providing further explanations of how their import system worked. "From the reports of the Brazilian government, it seemed to us that the final outcome of the meetings was positive as Brazil and China agreed to meet again at the beginning of next year and to try to reach a consensual solution to this case. We think an agreement is always preferable to a panel. However, if there is no progress, the way should be to use the WTO dispute settlement mechanism," explains Eduardo Leão. In September of this year, the Foreign Trade Chamber (CAMEX) consulted the WTO challenging China's policy on the product. This is the first step in opening the litigation motivated by a measure adopted in May 2017, whereby the 45% surcharge on imports of Brazilian sugar, above the 50% tariff previously practiced. As a result, Brazilian exports to that country plunged approximately 87%, from 2.4 million tons in 2016 to only 300K tons in 2017.

Source: Unica

SUGAR CANE: CENTRO-SUL REACHES 556.85 MILLION TONS AT THE END OF THE FIRST FIFTEENTH DECEMBER

Sugarcane milling in the Center-South totaled 12.6 million tons in the first half of December. In the accumulated harvest of 2018/2019 until December 16th, processing reached 556.85 million tons, down 4.10% over the same period of the previous crop (580.68 million tons). Up-dated survey with companies indicates that 72 mills closed the harvest in the first half of December this year. In the accumulated, 205 units registered the closing of the harvest 2018/2019 until December 16th, 2018 - in the same period of 2017/2018, 215 companies had completed the milling. In the first half of December, sugar production fell by 20.1% in relation to the same half of 2017, totaling only 408.3K tons. In the case of ethanol, there was a 34.7% increase in production, with 681.5 million liters produced (601.4 million hydrated and 80.1 million anhydrous). From the beginning of the 2018/2019 crop to December 16, the amount of sugar produced totaled 26.17 million tons, down 26.72% when compared to the same period of 2017. Conversely, ethanol production is high of 18.93%, reaching 29.77 billion liters (9.06 billion anhydrous and 20.71 billion hydrated). Of the total raw material processed in the first 15 days of December, 71.30% were destined to the production of the renewable. In the accumulated crop, this percentage reached 64.44%. The amount of Total Recoverable Sugars (ATR) per ton of processed raw material reached 120.87 kg in the first half of December. In the accumulated crop, the indicator totaled 138.69 kg of ATR per ton, up 1% over the 2017/2018 crop. The total volume of ethanol sold in the Center-South totaled 1.38 billion liters in the first half of December, 65.74 million of which were destined for export and 1.32 billion for the domestic market. It should be noted once again the expansion of sales of hydrated in the domestic market, which reached 987 million liters in the first fifteen days of December. This volume represents a significant increase of 31.21% compared to the amount registered in the same period of 2017 (752.22 million). The accumulated sales of ethanol by the mills since the beginning of the harvest until December 16 totaled 21.81 billion liters, with 1.18

billion exported and 20.63 billion sold internally - accumulated growth of 16.87% in comparison with the crop 2017/2018.

Source: Unica

CORN AND SOYABEAN PRODUCTION EXPECTED TO GROW IN BRAZIL IN 2019

For next year, the positive trends for the domestic grain market are strong demand and smaller areas of cultivation, sustaining the Chicago Stock Exchange, in addition to higher exchange rates and premiums. Brazilian ports record firm demand, comfortable freights and better logistics. There are some contrary factors, such as the largest areas of cultivation in Argentina, the uncertainties about the commercial war, the increase in production costs and freight impasses. The margins will be more fair, but still positive for the 13th consecutive year and the capitalized producers. Growing areas and production should grow by 3% and 1%, respectively, in the two crops. Soyabeans had 35.2 million hectares in the 2017/18 harvest and an estimated 36.1 million ha in the current crop. Production will jump from 121.4 million tons to 122.9 million tons this year. Corn had 17.3 million ha in the previous harvest, reaching 16.8 million in the 2018/19 harvest and the expected production is 94.6 million tons, compared to 81.1 million in the previous harvest. France Junior showed the advanced planting and the good technological level in the sector. The climate pattern of La Niña weak, including winter and summer without major anomalies help the producers. "The instability of the exchange rate with the trade war between the United States and China, as well as other economic obstacles such as the Fed's interest rate and concern about the slowdown of the global economy, will influence the next direction of the quotations". France ends by saying that the Brazilian market is very enthusiastic about the assembly of the new economic team of President Jair Bolsonaro and that 2019 will be a year of good fluidity for agribusiness.

Source: Universo Agro

Please, do not hesitate to contact us for further information through our commercial@williams.com.br and lineup@williams.com.br! Always keeping you duly posted.

