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CORN PRICE FOLLOWS RISE AND PRODUCERS WAIT TO SELL

Corn prices continue to rise in most regions accompanied by the Center for Advanced Studies in Applied Economics (Cepea), supported mainly by strong international demand. In August, Brazil exported a record volume for the month. The upward movement in values, however, was limited by declines in foreign cereal and dollar prices. In ports, specifically, the values fell. Overall, port liquidity was low and there was a large disparity between prices offered by buyers and orders by sellers. Still, the pace of shipments is intense, reflecting the anticipated commercialization in previous months. In the domestic spot market, sellers have opted to postpone the commercialization of new lots in anticipation of better opportunities in the coming weeks. Buyers, in turn, indicate that they have short-term inventories and thus keep offers lower when new acquisitions are needed.

Source: Canal Rural

CORN PRODUCTION GROWED 24% IN THE 2018/2019 CROP

Brazilian corn production in 2018/2019 should be 99.994 million tons, according to a survey by the National Supply Company (Conab) released this week. This number represents growth of 23.9% over last season, when the country harvested 80.709 million tons. According to the entity, planted area and productivity also increased this season. The grain occupied 17.495 million hectares, an increase of 5.3%, with an average yield of 5,715 kg per hectare, 18% higher than 2017/2018. First crop production is estimated at 26.188 million tons, down 2.3% from the previous year, when 26.810 million tons were harvested in the summer harvest. The planted area was 4.39 million hectares, down 3.8% compared to last season, when 5.082 million hectares were sown. Average yield is expected to be 5,355 kilograms of corn per hectare, 1.5% higher than the 2017/2018 average of 5,275 kilograms per hectare. In relation to the second crop, Conab forecasts production of 73.795 million tons, a gain of 36.9% over the previous year, when the crop was 53.898 million tons. Planted area stood at 12.605 million hectares, up 9.3% compared to last season, when 11.534 million hectares were sown. The average yield should be 5,854 kilograms of corn per hectare, 25.3% higher than the 2017/18 average of 4,673 kilograms per hectare.

Source: Canal Rural

BRAZIL HARVESTS GRAIN CROP 6.4% BIGGER

With a 6.4% growth in production, this year the country is expected to harvest 242.138 million tons of grain. In addition to surpassing the 227.7 million of the previous crop (2017/2018), the data confirm that the 2018/2019 crop was a record of the historical series. The growth is due to higher production in cotton and corn crops. The data were released this week by the National Supply Company (Conab). Regarding corn, the total harvest reaches almost 100 million tons (99.9 million tons). There was an increase in the second crop, with growth of 36.9% and a record production forecast of 73.8 million tons, and a decrease in the first crop, with 26.2 million tons, 2.3% lower than the previous one. In Conab's supply and demand scenario, the product also shows a record export expectation of almost 35 million tons. In the case of rice, the production of 10.4 million tons is 13.4% lower than that obtained in 2017/2018, due to the reduction in area and productivity occurred in the main producing states. Soybean also suffered a 3.6% reduction in production, reaching 115 million tons. However, there was a 2.1% growth in

the planting area. With the end of the harvest near (only a few areas left in the North and Northeast Region), and even with the decrease in percentage, it consolidates as the second largest soybean production in the Conab historical series. Winter Harvest 2019: Wheat production is estimated at 5.4 million tons, with an area of 2 million hectares, 0.2% higher than in 2018.

Source: Canal Rural

RECORD GRAIN CROP HELPS TO CONTAIN INFLATION ADVANCE

The record crop of 239.8 million tons of grain expected this year has helped keep consumer food prices steady, said Carlos Alfredo Guedes, manager of the Agricultural Coordination of the Brazilian Institute of Geography and Statistics (IBGE). The result is 108.1K tons higher than expected in July, according to the August Systematic Agricultural Production Survey (LSPA). Farmers will harvest more wheat (9.5%), barley (20.5%), oats (10.7%) and sorghum (13.9%) this year. National agricultural production is expected to surpass 1.4 million tons over the super harvest obtained in 2017, the last record recorded so far. The weather was better in 2017 than now in 2019, but this time there was an increase in planted area, Guedes explained. The expected result in August is unlikely to change much by the end of the year, the researcher said. He estimates that about 7.5 million tons of grain still in the field is missing, including wheat and other winter crops, third crop beans and second crop corn. The expected advance in the Brazilian crop is pulled by corn, which has higher yields than soybean per hectare cultivated. "Per hectare, we produce much more corn than soy. As we increased corn this year, there was an increase in production (in tons)," explained Guedes. "One hectare gives almost twice as much corn as it gives soy," he added. Advances in corn exports helped sustain grain prices at a level still attractive to growers, who invested in increasing acreage, according to the IBGE. With the growth of exports, the supply of corn in the country was not as abundant, but still sufficient to avoid price pressures, despite the expanding trend of the corn ethanol manufacturing industry in Mato Grosso, said the IBGE researcher.

Source: Portos e Navios

ITAQUI BATE PORT RECALLS MONTHLY LOAD MOVEMENT HISTORY

The Itaqui Port set a historical record of monthly movement, closing August with more than 2.8 million tons of cargo. The increase is 17% over the previous monthly record of October 2018 (2.4 million tons) and 37% higher than last August. And since January, the public port of Maranhão handled 16.1 million tons of cargo, 18% more than in the same period in 2018. These numbers are mainly due to the growth of corn, fertilizers and liquid bulk handling. Also contributing to this new record are the investments of the Maranhense Port Administration Company (Emap) and the private initiative in the expansion of the Itaqui Port infrastructure. With 745.3K tons handled, fuel operations had an increase of 79% over the planned and 31% compared to the total operated in August 2018. This increase has been registered since the start of operation of Berço 108 and the resumption. the handling of cargo from the fuel warehouse to other regions of the country last year. Also, a historical record was registered in the monthly movement of corn and fertilizers. The volume of corn reached 693,000 tons, which is 162% higher than planned for the month and 421% over what was moved in the same period last year. With a volume of 310,500 tons handled, fertilizer operations grew 41% over planned and 228% over the total imported last August. These numbers will soon be even higher due to investments of more than R \$ 1 billion, between public and private resources to be invested by 2022 in the expansion



of Tegram infrastructure, and new fertilizer terminal and expansion of tankage (fuels).

Source: Itaqui Port

ETHANOL: HYDRATE PRICE RISES AFTER 2 WEEKS FALL

Hydrous ethanol prices rose in the São Paulo market after two weeks of declines, as data from Cepea indicate. Between September 2 and 6, the CEPEA / ESALQ Indicator for hydrous ethanol closed at R \$ 1.7031 / liter (without ICMS and without PIS / Cofins), an increase of 0.73% over the previous week. Support came from the lower supply as some units had to stop grinding early last week due to rainfall. In addition, the return, even on time, of some distributors to the market also influenced the rise. In the case of anhydrous, turnover was higher in the last week, but, in the balance of the period, supply remained slightly higher than demand. Thus, the CEPEA / ESALQ Indicator was R \$ 1.888 / liter (without PIS / Cofins), down 1.06% in the same period.

Source: Udop

CENTRAL SOUTH HAS GREATER CANE GRINDING AND RECORD IN HYDRATED ETHANOL ON AUGUST 2TH

The mills in south-central Brazil increased sugarcane crushing by nearly 10 percent year-over-year in the second half of August to 47.8 million tons, while hydrous ethanol production had a record in the period. The dry weather at the end of August helped mills move forward quickly with the 2019/20 harvest. Sugar production in the period totaled 2.5 million tons, up 5.47% over the same period last year. Ethanol production jumped 10.5% from the same fortnight of 2018 to 2.72 billion liters, with mills still favoring fuel over sweetener due to better financial returns. Crude sugar futures in New York touched contract lows last week, down 11 cents a pound as funds continue to sell widely on the commodity and global stocks put pressure on prices. The mills allocated only 36.5% of the sugarcane harvested in the second half of August for sugar production, compared to 37.6% in the same period of the previous season. The rest went to ethanol production. As a result, hydrous ethanol production, which competes with gasoline at pumps, advanced 14.06% year-on-year to 1.925 billion liters in the second half of August, a historic record, according to Unica. However, the association highlighted a sharp drop in corn ethanol production, which had been expanding significantly in Brazil in recent months. The mills produced just 26.5 million liters of corn ethanol in the second half of August, compared to an average production of 48 million liters per fortnight this season. Unica has given no explanation for the fall, but corn prices have risen this year in Brazil due to crop problems in the United States and strong export demand.

Source: Udop

SOYA MARKET RECORDS GOOD ADVANCE

The commercialization of the 2018/19 soyabean crop reached 86% of the expected production until September 6th, 6% monthly advance, but still below the record 89% of the previous cycle for the same period, as well as slightly lower than 87% of the normal average of the last five years. "The expected positive price behavior has been confirmed, bringing sellers back to market. As the strong export movement also brought buyers to the market, we had another round of sales stimulus," explains França Júnior. With regard to sales of the 2019/20 oilseed crop, sales reached 24.5% of estimated production, against 18.5% in the same period of the previous season, as well as above 19.1% of last five years. Corn: In the case of the 2018/19 summer corn crop, sales reached 79% of the production obtained - monthly advance of 5% - but below the 83% registered in the same period last year, as well as the percentage of 86% of the average. normal of the last five years. "The slower pace of business is linked to the

conservative stance of producers, following sharp sales in May and early June. With the price drops in July and August, the option was for retention", explains França Júnior. The commercialization of the 2018/19 winter corn crop advanced to 70% of the forecasted production, against 66% of the previous month. "The pace is well advanced compared to 64% at the same time last year and also slightly above the 67% of the normal average of the last five years," points out France Junior.

Source: Universo Agro

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