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## BRAZIL MUST CLOSE YEAR WITH EXPORT OF 42.5 MILLION TONS OF CORN

The National Agriculture Society (SNA) forecasts that Brazil will close the year with corn exports of around 42.5 million tons. The entity cites data from the National Association of Cereal Exporters (Anec), which show that cereal exports in the year through November 23 totaled 36.7 million tons. Brazilian production in the 2019/20 harvest "should be slightly below the previous one, of 100 million tons," according to SNA Vice President Hélio Sirimarco, in a statement.

Source: *Dinheiro Rural*

## CANE GRINDING IN THE COUNTRY IS ESTIMATED AT 642.7 MI OF T IN CROP 2019/20

Brazilian sugarcane production in the 2019/20 harvest should reach 642.7 million tons, which corresponds to an increase of 3.6% compared to the previous period. The figures are part of the third survey for the 2019/20 crop, the National Supply Company. The area harvested with the crop is projected at 8.48 million hectares, representing a reduction of 1.3% compared to the 2018/19 crop. Conab explained in a statement that the fact that the reduction in area allows the increase of the crop is due to the good productivity of the sugarcane fields, which currently stands at 75.7 tons per hectare and an increase of 4.9% over the previous crop. In some regions, producers "are shifting production areas to renewal areas in search of greater productivity," says the state. Of the 642.7 million tons of sugarcane to be crushed in Brazil, about 65% is destined to ethanol production, distributed in anhydrous and hydrated byproducts, and 35% for sugar. Sugar production should reach 30.1 million tons of food, with a growth of 3.8% compared to the 2018/19 crop. Total ethanol production from sugarcane and corn is 35.5 billion liters, an increase of 7.2% compared to the 2018/19 crop. Only from sugarcane extraction are 33.8 billion liters and growth of 4.6%. Of this total, most goes to hydrous ethanol, generating 23.6 billion liters, while anhydrous gets 10.2 billion. Conab points out that corn ethanol is arousing interest from producers. The state has been observing this relevance in the destination of the product for fuel since May, when it began to include the cereal in its research. The estimate is for a production of 1.69 billion liters, an increase of 114% compared to the last crop. Biofuel in hydrated form signals production 1.2 billion liters, with growth of 120%, while anhydrous reaches 463 million and an increase of 2.6% more than in the previous study.

Source: *Dinheiro Rural*

## GRIND FALLS 81% AND ETHANOL PRODUCTION RECEIVES 66.5% IN THE FIRST DECEMBER

Central South Brazil's mills and distilleries processed 2,448 million tons of sugarcane in the first half of December of the 2019/2020 harvest. The volume is 81.04% lower than the total 12.913 million tons ground in the same period last season, reported the Union of Sugarcane Industry (Unica). The crop of the country is advanced compared to last year. With the

result, in the eight and a half months of the current period, which began on April 1<sup>st</sup>, processing reached 577.371 million tons, up 3.11% over the same interval as last season, when 559.966 million tons of sugarcane were processed. "Only 14 production units went into operation in the second half of December," says the entity. With 89.10% of the total supply of cane for ethanol in the fortnight (65.49% in the crop) and only 10.90% for sugar, biofuel production totaled 235 million liters in the first half of December, down 66, 55% compared to the same period last season, of 703 million liters. In the first half of the month, 119 million liters of hydrate were produced, down 80.66% from 2018, and 116 million liters of anhydrous, up 31.40% on the same basis of comparison. In the accumulated 2019/2020 harvest, 31.954 billion liters of ethanol were produced, an increase of 6.77% over the same period last year. Of the total volume of ethanol manufactured up to December 16, 22.155 billion liters were hydrated, up 6.23%, and 9.798 billion liters of anhydrous, up 8.02% over the same period last season. Corn ethanol production was 71.58 million liters in the first half of December and accumulates 951.90 million liters in the 2019/2020 cycle, Unica reported. Sugar production was 33K tons in the first half of December, down 92.42% over the same period in 2018, and reached 26.443 million tons in the harvest, up 0.67% compared to 2018/2019. The sugarcane sucrose content, measured in the amount of Total Recoverable Sugar per tonne processed (ATR / t), was 128.67 kilos in the first half of December, 5.36% higher than in the same period last season. In the accumulated season, the sucrose content is 139.27 kg ATR / t, up 0.51% over 2018/2019.

Source: *Dinheiro Rural*

## DESPITE THE INCREASE IN ETHANOL PRODUCTION, DEMAND INCREASED PRICES IN 2019

Even with the highest production in the 2019/2020 crop, the prices of anhydrous and hydrated ethanols rose. According to researchers at the Center for Advanced Studies in Applied Economics (Cepea), with record volumes each month, consumption has been strengthening throughout the season, influenced by the advantage of biofuel over gasoline C at the pumps. Taking into account the monthly Cepea / Esalq indicators of hydrous ethanol, the average was R \$ 1.75 per liter in the 2019/2020 crop, until November, against R \$ 1.70 per liter in the same period of the previous season, real increase of 3.13%. In the same comparison, anhydrous ethanol averaged R \$ 1.92 liter, an increase of 2.17% in real terms. As for production, from early April to November 30, were produced 31.7 billion liters of ethanol, hydrous and anhydrous, 8.6% above the volume of the same period of the previous crop, according to Unica.

Source: *Canal Rural*

## CNA BELIEVES BRAZILIAN AGRICULTURE WILL BREAK RECORDS IN 2020

The first good news for the Brazilian agricultural sector for 2020 is that the climate should not show abnormal variations, ie it will not be influenced by phenomena such as El Niño or La Niña. Given this finding, the Confederation of Agriculture and Livestock of Brazil (CNA) believes that the country may record production records in various sectors. "This brings excitement to the sector, because in a period with these characteristics, there is hardly any loss of production caused



by drought or excessive rainfall," says the entity. For the two main agricultural crops in the country, the entity forecasts significant increases in production. In the case of soybeans, planting is taking place within the ideal window and the expectation is for a 2% increase in the cultivated area and 5% in the volume produced. Already summer corn should have an increase of 1% in planted area, especially in the South, and production may exceed 26 million tons. For second crop corn, the situation is a little more obscure, as the delay in soybean planting should lead to harvest delay and, consequently, delay in sowing the grain. Still, it is expected to increase up to 3% in the area, which will be cultivated from January.

Source: *Canal Rural*

### **ETHANOL SALES REACHES 1.24 BILLION LITERS IN CENTRAL SOUTH**

Preliminary figures so far indicate that ethanol sales by the Central South producing units reached 1.24 billion liters, of which 21.94 million liters for export and 1.22 billion liters for the domestic market. The volume of anhydrous ethanol sold to the domestic market reached 306.05 million liters in the first fifteen days of December. In relation to hydrous ethanol, the biweekly sale was 909.74 million liters, with a slight decrease of 2.45% compared to the volume sold in the same period of 2018 (932.55 million liters).

Source: *Unica*

### **INCREASE IN ARGENTINA'S EXPORT TAXES WILL TAKE PRICE ON WHEAT FOR BRAZILIAN INDUSTRY**

The Brazilian Association of Industries of Biscuits, Pasta and Industrialized Bread & Cakes (Abimapi) issued a note in which it deals with the impacts that the tax increase in Argentina on agricultural exports will bring to the prices of the sector's inputs. Between 2017 and 2018, the total consumption of wheat in Brazil was 11.3 million tons. Of this number, over 80% come from Argentina. With the decree issued by Argentine President Alberto Fernández, the 4 pesos per dollar tax ceiling set by the government of former President Mauricio Macri loses effect and rates will return to 12%. According to Abimapi, 70% of the cost of the industrialized biscuits, pasta, breads and cakes sector is flour. According to the association's CEO, Claudio Zanão, this increase cannot be fully absorbed by the industry. In any case, this transfer tends to be gradual (between the end of this year and the first months of 2020), as there is no room to raise prices at one time for the final consumer. In addition, industries are stocked (two to three months, depending on each manufacturer) of wheat and finished goods, except those that are closing wheat purchase contracts after the decree.

Source: *Universo agro*

### **RICE EXPORTS HAVE POTENTIAL TO GROW 20% IN 2020**

The Federation of Rice Farmers Associations of Rio Grande do Sul (Federarroz) brings a positive balance to the rice sector in 2019. The increase in exports, especially to Central American and Caribbean countries, as well as actions with the state and federal governments to assist the producer to lower production costs, show a scenario of achievements and expectations for 2020. The crop year, which ends in February, is projected to export 1.2 million tons of grain, above the historical average of 1 million tons. The president of the

entity, Alexandre Velho, explains that this volume is due to the high exchange rate added to the opening of new markets, such as Mexico. In October, 11 containers were shipped to the country, with 275,000 kilos of processed rice. 60K tons are also planned for Venezuela and 20K tons for Costa Rica in paddy rice between January and February. "We are able to increase exports by 20%," says Velho, indicating the interest of nations such as Iraq, Iran and Egypt, which currently do not buy from Brazil. In the case of Mexico, shipments are expected to continue as a result of prolonged drought and reduced planting area in the United States. In Asian markets, such as China and India, the limited use of water is leading to increased imports of rice products in these regions. However, Brazil has US competition in supplying this demand, as well as a bottleneck in logistics operations, which require adequate transportation by sea. Currently, the largest buyers of Brazilian rice are Venezuela, Costa Rica, Peru and Senegal. Regarding the domestic market, the estimate is a 2.9% growth in consumption in Brazil, while production will remain stagnant - the estimate is 10.5 million tons, against 10.3 million in 2018. In the state, production of 7.1 million tons is projected.

Source: *Universo agro*

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