ETHANOL IMPORT REMAINS HIGH EVEN WITH TAXATION

Reason for disagreements within the sugar and ethanol sector last year, this month's ethanol imports are as heated as a year ago, even after the Brazilian government limited the volume of tariff-free imports to a quota of 150 million liters per quarter. What exceeds this volume pays 20% of the rate. Now the Ministry of Agriculture is re-evaluating the quota.
Src.: Valor Econômico

MATO GROSSO ACCELERATES AND LEADS SOYABEAN HARVEST TO 3.8% IN BRAZIL

AgRural's weekly crop monitoring report shows that soyabean harvesting in Brazil reached 3.8% of the area, against 0.8% last week, 4.3% year and 2.9% in the five-year average. According to the analysts, the good performance is due to the advance in Mato Grosso, which harvested 13.5% of the area and surpassed 12.4% a year ago, "when the harvest was anticipated by fast planting, but faced difficulties due to rains recorded at some times in January". Analysts explain that the steady weather of the last few days and the expectation of heavy rainfall from January to February have caused many growers in Mato Grosso to accelerate harvesters this week. The survey shows that in the rest of Brazil, the harvest reached 10% in Rondonia, which had 0.5% last week. In addition, three other states debuted in the table: São Paulo, with 0.8%; Mato Grosso do Sul, with 0.2%; and Pará, with 1%. In Paraná, harvesters are still waiting for the first ready-made areas.
Src.: Revista Globo Rural

PRODUCERS OF MT COLLECTED 853K HECTARES OF SOYABEANS

The soyabean harvest in Mato Grosso had a significant increase of 9% points and reached 1.163 million hectares, corresponding to 12.35% of the total estimated area of 9.424 million hectares. The information was disclosed by the Institute of Mato Grosso Agricultural Economics (Imea). Good weather conditions allowed farmers to harvest 853K hectares, compared to 310K hectares harvested last week. Even so, the harvest remains behind schedule at the end of January last year, when 16.2% of the area was harvested (1,526 million hectares). In relative terms, the work is more advanced in the western region of Mato Grosso, where the producers have already harvested 26.3% of the cultivated area, performing 2.27 % points ahead of the same period last year. The biggest delay compared to last year is in the North, where only 4.8% of the area has been harvested until now, compared to 15.7% harvested at the same time last year. In the Mid-North region, the largest state producer, the lag in relation to last year is 4%, with the harvest of 17.6% of the cultivated.
Src.: *Revista Globo Rural*

BRAZIL AND CHINA, UNITED BY SOYABEAN

The Sino-Brazilian "symbiosis" in the soyabean-to-grain market, which began to be settled in the first half of the last decade, once again showed its strength in 2017. Data released by China's customs service show that China bought 50, 9 million tons of oilseed from Brazil last year, 33.3% more than in 2016, and that volume accounted for 56.3% of total imports recorded. These totaled 95.5 million tons, 13.8% above the previous year.
Src.: Valor Econômico

IMPORTS OF FERTILIZERS INCREASE BY 18% IN 2017.

According to a GlobalFert survey, the volume of fertilizers imported by Brazil in December was 2.3 million tons, an increase of 30% compared to November. Imports of nitrogen fertilizers, phosphates and Potassium Chloride increased 25%, 22% and 40%, respectively, between December and November. In 2017, 23.9 million tons were imported, an increase of 18% over the 20.2 million tons observed in 2016. The main port of entry of fertilizers in 2017 was the Port of Paranaguá, responsible for 32%. The second largest importer of fertilizers, with 15.3% of the volume, was the Port of Rio Grande followed by the Port of Santos with 15% of the volume.
Src.: Global Fert

CORN ETHANOL ADVANCES IN THE MIDWEST

The Midwest found in ethanol a way to use its growing corn production, mostly for export. Rural producers, sugarcane mills and foreign investors have launched ethanol-based mill construction projects that are expected to add more than 1 billion liters of biofuel production capacity by 2019, equivalent to about one month of consumption in the country. At least six of these mills must be built or expanded in 2018, with total investments of R $ 2 billion.
Src.: Valor Econômico

CORN HARVEST RECORDS SLIGHT PROGRESS IN BRAZIL

The summer corn harvest in 2018 had a slight evolution in the last week. Until January 26th, the harvest in the Center-South region of Brazil reached 4.4% of the planted area against the 3.3% observed in the previous week. In comparison with the same period of 2017, the percentage of area harvested was 5.0%. If the average of the last five years is analyzed, the percentage is slightly higher: 5.1%.
Src.: Universo Agro

SOYABEAN PRODUCTION REACHES RECORD VOLUME IN 2016/17 HARVEST

Brazilian soyabean production reached a record volume in the 2016/17 harvest, reaching 114,213K tons. According to data from DATAGRO Consultoria, harvested area and productivity also reached unpublished numbers with 33,938K hectares, and 3,365 kg / ha, respectively. For the 2017/18 harvest, the consultancy projects an increase in the planted area of 3%, reaching 34,909K ha. However, the yield would fall to 3,233 kg, as well as production, with projection of fall of 1%, totaling 112,877K tons.
Src.: Universo Agro

CRUSHING SOYABEAN IN MT REACHES A RECORD OF 9.37 MILLION TONS IN 2017

Soyabean **crushing** in Mato Grosso decreased by 22.62% in December compared to November, reaching 682.6K tons, according to the Institute of Mato Grosso of Applied Economics (Imea), in a weekly bulletin. Even with the downturn, soyabean processing in the state reached a record volume of 9.37 million tons in 2016. "This is mainly due to the considerable volumes available from soyabeans to a record harvest," said the Institute. According to Imea, another factor

that stimulated **crushing** was the heated demand, mainly for soyabean oil to produce biodiesel. For 2018, the Imea projects that demand will remain heated, but that the crushing will have slight retraction, to 9.01 million tons.
Src.: Revista Globo Rural

SOYABEAN EXPORTS FROM SANTA CATARINA HIT RECORD IN 2017

Santa Catarina's soyabean exports were a record in the January-November total, totaling 1,845 million tons of grain, an increase of 17.9% compared to 2016, informed this week the Secretariat of Agriculture of Santa Catarina. The information is contained in the Agricultural Bulletin published by the Socioeconomics and Agricultural Planning Center (Epagri / Cepa). Soyabeans accounted for 9.7% of all exports by 2017. Santa Catarina's production in the 2016/2017 crop was 2.4 million tons in an area of 658,000 hectares, according to Epagri. For the 2017/2018 harvest, Epagri projected an increase of 7.3% in the area in relation to the previous crop, reaching 706K hectares. The expansion comes from reducing the area of corn, pasture, fruit growing, beans and other crops over the years, according to the agency.
Src.: Revista Globo Rural

OFFICIALS SAY PORTO DE SANTOS IS READY FOR THE 2018 HARVEST

Brazil's main export terminal, Santos Port (SP) is poised to sell grain this year, although improvements are on the radar to secure shipments, authorities said in a statement. The representatives met this days to discuss plans for the disposal of this year's grain crop, estimated by the National Supply Company (Conab) at nearly 230 million tons, the second largest in history. In 2017, corn, soyabean complex (grain and bran) and sugar accounted for 60.6% of total exports and 43.6% of the general cargo movement operated by the Port of Santos. Altogether, the Port of Santos moved a record of almost 130 million tons of cargo last year. According to the executive director of the Union of Port Operators (Sopesp), José dos Santos Martins, the terminals are fully equipped to meet the arrival of the crop without disturbances, as in the last three years. "There will be no problems for the city of Santos, because the arrival of trucks is scheduled electronically," he said in a statement.
Src.: Reuters

THE YEAR BEGINS WITH EXPORT RECORDS IN AGRIBUSINESS

Exports start heating at the start of the year. Foreign sales of soyabeans, the flagship of the trade balance, have already reached a record of 1.04 million tons in the first 14 business days of the month. At the current pace, they are expected to add 1.64 million tons in the period. These exports still reflect the production record of 2017. Traditionally, the United States provides soyabeans to the foreign market in January, due to the Brazilian off-season. Therefore, it's likely that Brazilian exports will continue unabated this year, since soyabeans already harvested in 2018 will begin to be exported in February. During 2017, soyabean exports totaled 68 million tons, a volume that should be repeated in this. The crop estimates for this year are still divergent. Some consultancies foresee reduction, while others estimate a harvest similar to the record of 114 million tons of 2017. The ports are busy not only for soyabean but also for corn. Exports of cereal this month already total 2.13 million tons and should end the period by 3.4 million. If confirmed, this volume will be the second largest for the months of January, lower only to the 4.4 million tons of 2016. The output of sugar in Brazil's ports this month maintains the level of December and should reach 1.8 million tons, but is below the 2.2 million in January 2017. Ethanol shipments are expected to add at least 150 million liters this month, 50% more than in the same period last year. The increase in volume shipped should not change the estimates of balance between exports and imports in 1.5 billion liters from April 2017 to March 2018. Part of this product being drained comes from the 84 million liters that came out of the mills last month.
Src.: Portos e Navios

HARVEST IN CENTER-SOUTH WILL PRODUCE MORE ALCOHOL

The sugarcane harvest that will be completed in the first quarter of the year (2017/2018) should end with a reduction between 10 million and 12 million tons in sugarcane supply, when compared to the previous period. Even so, there should be no reduction in the supply of products, since it was a very favorable year for the concentration of sugars per ton of sugarcane, which will contribute to the supply of both sugar and ethanol to the same level of the previous harvest. This is a harvest that began with the production of sugar, but which, in mid-September, registered a reversal for the production of ethanol. This was because in the **last quarter of the year** there was a greater consumer demand for ethanol, due to the change in Petrobras' pricing policy, which linked gasoline to world oil prices, giving biofuel more competitiveness. And by 2018, there is no forecast of falling gasoline prices. "With this, we will enter the 2018 harvest (which begins in April) with a significant reduction in sugar production, given the international sugar price scenario for 2018 well below last year", says Antonio de Pádua Rodrigues, technical director of Union of the Sugarcane Industry (Single). Initial forecasts point to a reduction of 3 million to 4 million tons of sugar in the 2018/2019 harvest in the center-south region. The supply of ethanol may be repeated or even expanded. "In 2017 there was an increase in the difference between the price of gasoline and ethanol, which traditionally was R $ 1 for the final consumer, but which in 2017 jumped to R $ 1.20, contributing to raise the demand for ethanol", says Antonio. In the center-south, sugarcane production is expected to be between 600 million and 625 million tons in the 2018/2019 harvest, according to projections by consulting firm Agroconsult. Sugar production should reach 34.7 million tons, while ethanol production should total 26.6 billion liters in the center-south of the country. "If we have a Brazilian sugar production similar to last year, the trend is a fall in exports from Brazil, since Thailand and India will produce more and can occupy the space of the Brazilian product", says Fábio Meneghin, an analyst at Agroconsult.
Src .: Revista Globo Rural

Please, do not hesitate to contact us for further information!
Always keeping you duly posted.

Williams Serviços Marítimos Ltda.
+ 55 81 3327 9200
williams@williams.com.br
www.williams.com.br