

WHEAT CROP ADVANCE IN PARANÁ PRESSES QUOTATIONS

The harvest of the 2017/2018 wheat harvest in Paraná reached 47% of the area, according to the Department of Rural Economy (Deral). Production is expected to reach 2.92 million tons of wheat, up 30% on the previous year. The organization reported that 57% of the wheat crops are in good condition, 25% in average situation and 18% in bad situation, divided between the stages of vegetative development (1%), flowering (9%), fruiting (29%) and maturation (61%). According to the Center for Advanced Studies in Applied Economics (Cepea), this advance in fieldwork has been pushing cereal prices. In September, for example, casualties were more pronounced in regions with higher yields, despite higher liquidity, as in the western and northern regions of Paraná. In the last month (from August 31st to September 28th), at the counter, the values fell by 4.2% in Paraná, but recorded increases of only 1.1% in Rio Grande do Sul and 0.2% in Santa Catarina. In the market of lots, in the accumulated of the month, prices fell expressively 12.3% in Paraná, 6.9% in Santa Catarina and 4.2% in São Paulo, but remained 1% higher in Rio Grande do Sul.

Src.: Canal Rural

SOYA EXPORTS: BRAZIL HAS ALREADY EARNED MORE IN 2018 THAN IN THE WHOLE OF LAST YEAR

An increase in Brazilian soyabean export volumes was expected in the second half of this year, still reflecting the trade war between China and the United States. From January to September the country already exported practically the same quantity of grain and its by-products as the one shipped in the whole last year. In the accumulated 2018, Brazil has already exported 83.4 million tons of soyabeans, bran and oil, compared to 73.313 million tons in the same period last year. The figures are even more important when compared to the 12 months of 2017, which the country exported 83.6 million tons. Revenue from sales of the complex in the first nine months of this year totaled US \$ 33.6 billion, compared to US \$ 27.7 billion in the same period of 2017. Throughout last year revenue totaled US \$ 31.7 billion. This year, demand for Brazilian oilseed increased as Argentina's soyabean crop fell and the trade dispute between the United States and China, which turned Asian demand to Brazil, meant that shipments of the complex were restricted to the first half, have extended to the last six months of the year. Shipments of soyabeans remain much higher than in the same period last year, although they are well below those observed in August. In September alone, Brazilian exports of the soyabean complex totaled 5.984 million tons, with revenues of US \$ 2.4 billion. In relation to the same period of 2017, volume increased 9.9% and revenue, 19.3%. As of August this year, there was a fall of 38.9% in the quantity shipped and 39.8% in sales.

Src.: Canal Rural

MERCADO STILL FEELS REFLEXES OF THE COMMERCIAL WAR AND BREAK OF THE HARVEST OF ARGENTINA

The soyabean market in Brazil still feels the effects of the collapse of the Argentine harvest and also of the commercial war between the United States and China. According to data from the Ministry of Industry, Foreign Trade and Services (MDIC), grain exports in September reached 4.61

million tons. In the period from January to September 2018, the total exported was 69.21 million tons. This volume is already larger than the total shipped by Brazil last year. The market analyst at Scot Consultoria Felipe Reis explains that the rise in the dollar, which reached the highest level in September since the Real Plan, also raised the price of oilseed. "Even with a good production in the 2017/2018 crop, the values of the bag in Paranaguá (PR) are around R \$ 94 to R\$ 95", he says.

Src.: Canal Rural

PLANTING OF SOYABEANS CONTINUES AT AN ACCELERATED PACE IN PARANÁ AND REACHES 29% OF THE AREA

Even with excessive rainfall in the state, soyabean planting in Paraná does not stop. Many producers take advantage of the few dry weather windows to enter the field with the machines. According to the Department of Rural Economy (Deral), linked to the State Secretariat of Agriculture and Supply of Paraná (Seab), 29% of the area of 5.45 million hectares have already been sown. At the same time last year the state had planted 2% and the average of the period in previous years was 8%, according to a survey by the Safras & Mercado consultancy. Paraná works with a production perspective of 19.5 million tons of soyabeans in 2018/2019, 2% above the 19,125 million tons of the previous harvest. The average productivity is estimated at 3,596 kilos per hectare, 2% above the 3,513 kilos recorded in the last harvest. Apparently the condition of the crops, for now, is very good. Deral reports that 100% of the crops are looking good, between germination (49%) and vegetative growth (51%).

Src.: Canal Rural

PORTO DE SANTOS REGISTER RECORDS IN MONTHLY AND ACCUMULATED TOTALS

The movement of cargo in the Port of Santos recorded in August monthly and cumulative records of the entire historical series. The result surpassed in the accumulated index by 4.0% and by 1.1% the hitherto highest monthly movement, both recorded in August of last year. Container operations also recorded historical records in monthly and cumulative totals. In the general cargo movement, 88.821 million tons were operated in the first eight months, with an increase of 8.5% in landings and 2.2% in shipments. In the month, there were 12.483 million tons with an increase of 8.8% in goods discharged and a slight reduction of 1.6% in shipments. In the consolidated result of the month, the most significant increases in relation to August 2017 were observed in the handling of soyabeans in bulk grains, with 201.7% increase and cellulose, with 71.4%. In the accumulated one, the highlights were the growth of 46.1% in pulp shipments and 20.6% in exports of citrus juices. As for the flow of ships, the August movement pointed to a drop of 7.5% in the total number of vessels (393 vessels) that landed at the Port of Santos in the month and a 0.9% increase in the number of berths (3247 vessels) accumulated of the period. The average consignment, which represents the average tonnage operated per vessel, increased by 9.69% and 2.84%, respectively, in monthly and accumulated totals. The indexes indicate that the vessels have been operating with higher volume of cargo due, among other factors, to the draft conditions for navigation. The share of the Port of Santos in the foreign trade chain reached



24.3% of the national total, reaching the commercial value of US \$ 68.2 billion in long-haul cargoes that transited through the complex. Exports accounted for 22.0% of the country's total, accounting for US \$ 35.0 billion. China was the country that received most of our goods, with 28.7% participation, valued at US \$ 10.03 billion. Imports through Santos reached US \$ 33.2 billion with 27.4% of the national total, also with China leading the ranking with 21.2% of the total, US \$ 7.03 billion in commercial value of cargo from the external market.

Src.: *Portos e Navios*

PORT OF SANTOS INCREASES BY 12 MILLION TONS THE CAPACITY OF OPERATION OF GRAINS AND FERTILIZERS

The Port of Santos, on the coast of São Paulo, increased the annual capacity of grain and fertilizer operation by 12 million tons with the expansion of the Port Integrator Terminal Luiz Antônio Mesquita (Tiplam). The installation completed the modernization valued at R \$ 2.7 billion. The terminal, which began operating in 1969, is located in Cubatão and is on the banks of the Canal de Piaçaguera, at the end of the pier. By 2014, when the interventions were initiated, the complex could move up to 2.6 million tons of sulfur, fertilizers and phosphate rock per year. The investment occurred to meet the growth of the Brazilian agribusiness, which set records every harvest. The original design allowed the terminal to import only products, but the structure was developed so that the facility exports soya, corn and sugar to the Chinese market. The general manager of the terminal, Alessandro Gama, says that facility has been able to handle 14.5 million tons of annual products. Storage capacity jumped from 140K tons to 640K tons with four new warehouses built. The embarkation and disembarkation of goods on the quay stopped occurring in only one berth of berth for ships, to be able to happen simultaneously in up to four berths. Gama also explains that the modernization was planned to dodge the general panorama of the Port of Santos, which faces logistical crises by exploiting the rail modal in most operations (70%) and conflicts with air pollution by grain handling.

Src.: *Portos e Navios*

BRAZIL MAY ONCE AGAIN BECOME A MAJOR SUGAR SUPPLIER TO CHINA

Brazil may once again be a major supplier of sugar to China in the 2018/19 season, after the country extended a tariff regime for all exporters, the US Department of Agriculture said this week. In August this year, the Chinese Ministry of Commerce expanded the range of tariffs amid the global surplus and a rise in domestic supply after previously restricting shipments from Brazil and Thailand. Since May 2017, Brazil, the world's largest sugar exporter, suffers from harsh sugar import tariffs, which drastically reduced Brazilian exports to the Asian giant. This situation changed the country's import standards, with smaller suppliers entering the Chinese market, mainly from Southeast Asia and Central America, which were duty free. According to the USDA in China, in view of the new tariff framework, Brazil and Thailand, with more competitive products, should once again be the country's main suppliers of sugar. The move would come amid threats from Brazil to enter the World Trade Organization (WTO) against Chinese tariffs. Between October 2016 and March 2017, Brazil had 71% share of China's sugar

purchases, while in the same period after tariffs this share accounted for only 8%, according to Chinese customs.

Src.: *Udop*

ETHANOL EXPORTS GROW 22.2% IN SEPTEMBER, TO 176.4 MILLION LITERS

Brazil exported 176.4 million liters of ethanol in September, a 22.2% increase compared to 144.4 million liters shipped in the same period of 2017 and a 32.8% drop in relation to the 262.5 million liters of liters exported in August 2018. The data were released this week by the Ministry of Industry, Foreign Trade and Services (MDIC). Foreign exchange revenue from the sale of biofuel reached US \$ 84.4 million in September, up 11.6% from US \$ 75.6 million in September 2017. In comparison to US \$ 124.8 million in August of 2018, there was a 32.4% decrease in revenues. In the year of 2018, the volume exported reached 1.165 billion liters, a 9.3% increase compared to the 1.066 billion liters shipped in the first nine months of last year. Revenue totaled US \$ 629.9 million from January to September 2018, 4.2% higher compared to revenues of US \$ 604.3 million accumulated in the same period of 2017.

Src.: *Nova Cana*

FREIGHT SHIPPING CREATES FEAR AND DAMAGES FUTURE CONTRACTS

The expansion trend of soyabean cultivation in Minas Gerais may be hampered by the negative impacts caused by the freight tariff. According to the Soyabean and Corn Producers Association of Minas Gerais (Aprosoja-MG), soyabean farmers are finding it difficult to commercialize the production in advance, since the buyers are afraid of the amount of freight they will be charged in the next harvest and are not making future contracts. The situation is aggravated by rising costs and the trend is that planting, which began on September 30th, when the sanitary void ended, will remain stable in relation to the previous harvest, when soyabeans occupied 1.5 million of hectares in Minas Gerais. According to the president of Aprosoja-MG, Wesley Barbosa de Freitas, producers are already prepared to start planting, but the scenario is cautious in relation to investments in the harvest. This is due to the fact that the purchasing companies are not active in the market, which has been blocking the anticipated sales of the oilseed. The current offseason moment would be favorable for the commercialization of soyabeans, which has also been benefited by the appreciated dollar. With the restricted offer, the futures contracts could be closed with the bag evaluated at around R\$ 80 to R\$ 90. By committing part of the production in advance, the producer has the opportunity to guarantee part of the profitability of the business. The intervention of the federal government in freight prices is strongly criticized by Aprosoja's representative. Another obstacle to the advance of soya production is the costs, which Freitas says are soaring.

Src.: *Global Fert*

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

