

DEMAND IN HIGH AND CLIMATE IN THE USA MAINTAINS FIRM SOYABEAN MEAL PRICE

Hot exports, which have led to an increase in premiums paid at ports, maintain firm prices for soyabeans and soyabean meal in the domestic market. In the international market, the climate less favorable to the development of the 2018/2019 crops in the United States supported the prices in recent weeks. In the first half of July, according to a survey by Scot Consultoria in São Paulo, the ton of soyabean meal was quoted, on average, at R\$ 1,444.67, without freight. Compared to the same period last year, there was a 29.0% increase in the price, already in relation to last June the price rose 0.6%. For the short term, the expectation is of heated demand and firm prices. Monitoring of the climate and situation of US crops continues, in addition to the exchange rate.

Src.: Scot Consultoria

HARVEST ADVANCE PRESSES CORN PRICE

Prices fell after the truck drivers strike and the start of the second crop harvest (2017/2018). According to Scot Consultoria survey, in the region of Campinas (SP), the 60 kg bag was quoted at R\$ 40 for immediate delivery, without freight, against business up to R \$ 45 per bag at the end of May. In relation to June 2017, corn is costing 53.8% more this year. The expectation for the short and medium term is that the increase in domestic availability, with the advance of the harvest, push down the prices, even with the lowest supply forecast this season. In the June report, Conab estimated national production at 58.22 million tons in the second harvest, 13.6%, or 9.16 million tons less, compared to the previous harvest. In total (first and second harvests), 85 million tons are forecast, 13.1% less than in the previous harvest. Regarding inventories, the volume was estimated at 10.9 million tons at the end of 2017/2018, compared to 17.25 million tons at the end of the 2016/2017 season. This lower availability, which is already priced by the market, was the main factor in the increase in grain prices in the first half. In any case, the attention and the monitoring of the climate in this period of harvest, besides the exchange, that will favor the exports in the second half of the year continue. In Paraná, until the middle of June, 33% of the crops were in good condition, 46% in medium conditions and 21% in bad conditions, according to Deral survey. Finally, in the USA, the sowing of the 2018/2019 corn was completed and the climate has been favorable to the development of the crop. The country is expected to harvest 356.63 million tons this year, compared to 307.96 million tons last year.

Src.: Revista Globo Rural

BRAZILIAN EXPORTS ARE EXPECTED TO GROW THIS YEAR DRIVEN BY SOYABEANS

According to data from the Brazilian Foreign Trade Association (AEB), Brazilian exports are expected to reach US \$ 224.445 billion in revenues this year. The figure indicates an increase of 3.1% over the volume of revenues obtained in 2017. According to AEB data released by Agência Brasil, the boost in exports will come mainly from two products: soya and oil. In the case of oilseed, the price projected at the end of 2017 was \$ 370 to \$ 380 per 50-kilogram bag. The other item that will boost foreign sales is oil that, at the end of last year, should be in the range of \$ 50 to \$ 55 a barrel,

according to estimates, and throughout the first half of this year, was between \$ 70 and \$ 78 a barrel. They are the two products that had weight in this small increase of 3.1%," said AEB president, José Augusto de Castro. Another positive finding for Brazilian exports was that the six-million-ton drop in the Brazilian crop, projected by the Brazilian Institute of Geography and Statistics (IBGE), did not occur. "Instead of dropping six million tons, there was an increase of two million (in the Brazilian crop)", said Castro. The president of the AEB also reminded that Argentina, which had forecast a harvest, suffered from the drought and harvested 42 million tons, experiencing a drop of 14 million tons compared to a forecast of 56 million tons. "This caused prices to rise because Argentina had no soya." Foreign trade will increase due to the growth of the Brazilian crop, which favors Brazil. Castro said that despite the fall in the price of soya in the international market, of the order of 20%, Brazil is not losing. You are receiving a bonus due to the greater demand from the foreign market. He explained that the reduction in the price of soya had no impact on Brazil, because the crop had already been sold before, at a time when it was clear that there would be a supermarket in Argentina. "And Brazil took the price of Argentina."

Src.: Universo Agro

FERTILIZERS AND FREIGHT RAISE PRODUCTION COSTS IN JUNE IN RIO GRANDE DO SUL

In addition to the impact of exchange rate variation on fertilizer prices, a new item is making production costs even higher. The implementation of the freight table by the federal government weighed in the producer's pocket and influenced the new increase in the Production Costs Inflation Index (IICP). According to the report of June 2018, released by the Farsul System, the increase was 3.97%. The IICP also showed an increase of 7.12% in the accumulated of the year and of 9.16% in 12 months. In both cases, the result is also a consequence of the exchange rate that affects fertilizer values along with the price of diesel. The Producer Price Inflation Index (IIPR) registered a decrease of 3.29% in relation to the previous month. The 6% reduction in soyabean prices was the main reason for the decline. Despite the result of the last month, in the accumulated the valuation is maintained, being 11.64% in the year and 16.74% in 12 months.

Src.: Global Fert

TRADE WAR BETWEEN THE US AND CHINA FAVORS THE FERTILIZER MARKET

"PhosAgro noted the increase in global demand for phosphate fertilizers over the previous year to 45.5 million tons in 2018," - Says Andrey Guriev, CEO of the company. According to him, there are positive moments in the trade war, organized by US President Donald Trump. Reciprocal sanctions as part of mutual restrictions on American soyabeans have led to the fact that its main buyer - China - is seeking other markets, which sharply increases the demand for fertilizers in Brazil and among other Latin American producers. "Relations between the US and China and the US and Europe are now creating enormous volatility in all markets," said Andrei Guriev. "This could potentially lead to a decline in global GDP, but global volatility for business is an opportunity to make money." Fertilizer producers can benefit from another Chinese government policy - plans to increase the use of biofuels by



2020. This move will lead to a huge increase in demand for fertilizers for agricultural production. Potential regulations in Europe to limit harmful substances in phosphorus fertilizers, including cadmium and arsenic, can also affect the market.
Src.: Global Fert

SOYABEANS AND CORN WILL INCREASE GRAIN PRODUCTION BY 2027/28

After the minister of agriculture, Blairo Maggi, presented in São Paulo projections that indicated that Brazilian grain and meat exports are expected to grow by about 30% in the next decade, Pasta said that in the case of grain harvest, the increase will be pulled by soyabeans and corn, which already dominate the crops. For soyabeans, the ministry forecast that production will reach 156 million tons in the 2027/28 crop, compared to 118.9 million for the last cycle (2017/18). In the case of corn, the increase in the same comparison could reach 36.1% to 113 million tons. In total, the ministry estimates that the Brazilian grain harvest will grow 30% by 2027/28 and add 232 million tons.

Src.: Portos e Navios

BRAZIL SHOULD HAVE RECORD SOYA PRODUCTION AND EXPORT IN 2018

Brazil is expected to produce a record 118.7 million tons of soyabeans this year, the Brazilian Association of Vegetable Oil Industries (Abiove), which is also betting on historical shipments by the world's largest exporter of oilseed oil, projected this week. With the harvest already harvested, the entity's new estimate for production is 0.3% higher than that reported in May and also surpasses the almost 114 million tons recorded last year. This year's soyabean crop raised fears of drought during planting between September and October 2017, but then the weather improved, and the crops eventually registered high yields. The largest production is expected to contribute to an increase in Brazilian exports this year, now estimated by Abiove at 73.5 million tons, from 72.10 million previously and approximately 68 million last year. Several consultancies and associations have been revising upward Brazil's soybean sales estimates in 2018 because of not only the record harvest, but also the trade dispute between the United States and China that could lead the Asian giant to buy more of the Brazilian oilseed for supply your market. As a result, the sector's revenue in 2018 from exports of the soybean complex, including also bran and oil, is expected to reach 37.53 billion dollars, against 36.86 billion in the previous forecast and 31.72 billion in 2017 -a soya has been Brazil's main export product.

Src.: Portos e Navios

HYDROUS ETHANOL PRODUCTION GROWS 57%; SUGAR FALLS 23%

Unica announced this week the fortnightly update of the 2018/2019 sugarcane harvest in the Center-South region of Brazil for the first half of July. In the period, hydrous ethanol production grew considerably, being the largest bi-weekly production of the historical series. Already the volume of milling and the manufactures of anhydrous and sugar fell. According to the report, the amount of sugarcane processed by the Center-South units totaled 44.88 million tons in the first half of July. The result is 6.50% lower than the 48 million tons recorded in the same period in the 2017/2018 harvest.

Of this amount, only 38.40% of the raw material was destined to the manufacture of sugar, against the 50.41% registered on the same date of 2017. The production of sugar, as a consequence, fell by 23.30% in the period, reaching 2.39 million tons. A of ethanol grew 26.24%, totaling 2.39 billion liters, against 1.89 billion manufactured in the same period of the 2017/2018 cycle. The highlight is the production of hydrous ethanol, which reached 1.60 billion liters, the highest production fortnightly historical series. This result represents a growth of 52.71% over the same period of 2017. The volume of manufactured anhydrous totaled 790.74 million liters in the first fifteen days of July, down 6.53% compared to 845.95 million liters recorded in the same fortnight of the previous year.

Src.: Nova Cana

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

