

## TRADE BALANCE HAS SURPLUS OF US\$ 350 MILLION IN 1<sup>ST</sup>. WEEK OF AUGUST

The Brazilian trade balance registered a surplus of US \$ 350 million in the first week of August. The information was released by the Ministry of Industry, Foreign Trade and Services (Mdic). The positive balance is due to exports of US \$ 3,027 billion and imports of US \$ 2,677 billion in the period. In the year, the cumulative surplus is US \$ 42.860 billion. Exports by the daily average in the first week of the month grew 2.5% over the same month of 2016 to US \$ 756.7 million, due to the increase in semimanufactured and basic sales. Among the semimanufactured products, the increase in shipments was 11.1% to US\$ 130.4 million, driven by pulp, raw sugar, copper cathodes, chipped wood, crude soyabean oil and semi-manufactured iron and steel. Exports of basic products increased 4.8% to US \$ 329.3 million, mainly due to corn, copper ore, iron ore, chicken meat, beef and pork and soyabean meal. By contrast, sales of manufactured goods fell 1.5% to \$ 283.7 million, driven by falling cargo vehicles, passenger cars, refined sugar, fuel oils, electric motors and generators. The daily average of imports, in turn jumped 19.8% in the first week of the month to \$ 669.2 million. In this comparison, expenditures increased mainly with fertilizers (91.8%), steelmakers (65.4%), fuels and lubricants (42.1%), electrical and electronic equipment (25.6%) and pharmaceuticals (16,5%).

Src.: *Valor Economico*

## ORANGE PRICES INCREASE 3.8%

Orange prices, which have been decreasing since March, showed signs of recovery in recent days in São Paulo, reports the Cepea / Esalq-USP indicator. According to Hortifruti / Cepea collaborators, the return of the classes favored the search for the variety, despite the slow pace. Thus, between the end of July and beginning of August the orange pear had an average of R\$ 16.51 / cx of 40.8 kg, in the tree, a high of 3.8% compared to the previous period. Employees of Hortifruti / Cepea believe that pear prices may continue to rise in the coming weeks, due to expectations of intensified deliveries to large São Paulo industries, which would reduce the volume available in the market

Src.: *Universo Agro*

## HARVEST OF THE SECOND CORN CROP IN MATO GROSSO DO SUL REACHES 41.5%

Harvesting of corn from the second harvest in Mato Grosso do Sul in the 2016/17 crop reached 41.5% of the area, according to Circular of the Agribusiness Geographical Information System (Siga MS) of the Mato Grosso do Sul Soybean Producers Association Aprosoja / MS). According to Siga MS between regions, the north of the state continues with the average percentage of harvested area more advanced: 54.9%. The southern region has 45.9% and the central region, with 18.9% of area harvested. According to Siga MS, in relation to the average area harvested in the state in this period, the harvest of corns 2nd harvest 2016/17 is higher by approximately 3.6%, compared to the 2015/16 season. The evolution, in the last week, was of approximately 18,8% for the state, that is, approximately 333.650 hectares were harvested in this period.

Src.: *Universo Agro*

## SOYA PRODUCTION SHOULD REACH 113 MILLION TONS IN 2017

Brazilian soyabean production is expected to total 113.80 million tons in 2017. The data were released by the Brazilian Association of Vegetable Oils Industries (Abiove) and indicate a slight increase of 0.5% in relation to the estimate published in June by the entity. The processing of soyabean meal also had the numbers changed, from 31.10 million tons in June to 31.50 million. Domestic consumption is also expected to increase slightly, from 15,80 million tons to 16 million tons. The soyabean oil will have its high production of 8.10 million tons in the last estimate to 8.20 million.

Src.: *Universo Agro*

## EXPORTS OF SOYABEAN ARE RECORD IN PARANAGUÁ

Survey released by the Port Administration of Paranaguá and Antonina (Appa) points out that so much soya was never exported by the port terminal of Paranaguá as in the first half of this year. Between January and June, 6.7 million tons of the product were shipped. The performance of the first six months of 2017 broke the record of the first half of last year, when 6.4 million tons were exported. This year's increase over last year is 4%. The first soyabean harvest in 2017 was an absolute record in Paraná. In total, 19.5 million tons were harvested, a figure that represents three million more than last year [16.5 million tons], an increase of 19%, according to data from the Department of Rural Economy (Deral ), An agency linked to the State Secretariat of Agriculture and Supply (Seab). According to the economist of Deral, Marcelo Garrido, the historical record this year is due to several factors, especially the climate, the extreme organization of agricultural cooperatives, the market and the good conditions of disposal.

Src.: *Universo Agro*

## BRAZIL SHOULD INCREASE SOYABEAN EXPORTS IN 2017

The Brazilian Association of Vegetable Oil Industries (Abiove) has raised its estimates for the export of Brazilian soyabeans this year. Data released indicate that foreign sales will go from 63 million tons to 64 million tons. The entity also revised up the export numbers of soyabean meal, which went from 15.50 million tons to 15.70 million. Projections for the foreign sales of soyabean oil remain unchanged compared to June: 1.30 million tons. Abiove estimates that soyabean complex revenues are expected to total \$ 29.66 billion. Given this scenario, the forecast is US \$ 370 a ton of soyabeans, US \$ 320 a ton of bran and US \$ 740 a ton of oil.

Src.: *Universo Agro*

## EUROCHEM ACQUIRES EMERGER FERTILIZERS

EuroChem Group AG (EuroChem) announced the acquisition of Emerger Fertilizantes SA (Emerger), a private distributor of premium fertilizers in Argentina. The price and other terms of the agreement were not disclosed. EuroChem is expanding its distribution network to increase its access to several important markets, with recent acquisitions in Brazil, Bulgaria, Hungary and Spain. This acquisition will further strengthen EuroChem's strength in Latin America, which is an important region and currently accounts for 11% of the Group's sales of fertilizers. Emerger has annual fertilizer



sales of 50,000 tons, with about 60% of its sales being premium fertilizers. The company has a warehouse with storage capacity of 12k tons, located approximately 8 km from the port of San Nicolás de Arroyos in northern Argentina. The company also rents 3 separate retail centers. According to the organization of the Argentine fertilizer industry, Fertilizar Asociación Civil, the fertilizer market in Argentina is expected to increase from 3.4 million tons in 2016 to 5.5 million tons in 2020.

Src.: *Global Fert*

### **RAINS BENEFIT WHEAT CROPS IN RIO GRANDE DO SUL**

The presence of a cold front on Rio Grande do Sul will leave the weather unstable and with possibility for showers of rain at any time of day, informs Climatempo. The rain comes in good time, both for the wheat, under which it was under strong hydric stress, but also for the rice farmers, in which it will favor the preparation of the soil. The cumulative volumes will not be as high but will be sufficient to bring about an improvement in wheat development. This system also advances on Santa Catarina. In Paraná, if there is any rain, it will only be in the cities that border the state of Santa Catarina. As a result, wheat crops will still continue to experience the negative effects of low soil moisture levels. In other regions of Brazil, weather will remain open and without rainfall forecasts, enabling the rapid advance of maize, cotton, coffee and sugar cane harvesting.

Src.: *Universo Agro*

### **DATAGRO REDUCES FORECAST OF GLOBAL SUGAR SURPLUS FOR 2017/2018**

The global sugar market in the 2017/18 cycle will have a surplus of 590k tons, informed Datagro. In May's estimate, DATAGRO had projected a 2017/18 surplus of 640k tons. For the current 2016/17 crop which ends on September 30, DATAGRO cut its global deficit forecast from 6.78 million tons in May to 5.71 million tons in June. For Brazil, the consultancy maintains its projections for the 2017/18 season, which began in April. Milling in the center-south is estimated at 605 million tons and the North / Northeast at 42 million tons. In the center-south, sugar production is expected to reach 36.38 million tons and in the North-Northeast, 2.9 million tons

Src.: *Universo Agro*

### **GLOBAL OIL DEMAND REMAINS STRONG**

Data from the Goldman Sachs bank suggest that global demand for oil remains strong, boosted by robust economic growth. Data from the United States, Japan, India, China, South Korea, Brazil, Mexico, Spain and France, which account for 52% of global demand and have an 80% correlation to growth, imply an increase in Global demand in June of 1.54 million barrels per day (bpd) in annual comparison. According to the bank May-June numbers suggest that oil demand growth was 1.81 million bpd in the second quarter, above the 1.55 million bpd increase in the immediately preceding quarter, despite the Prices in one year. Goldman Sachs predicts demand for oil will increase by 1.60 million bpd in the second half. The institution estimates Brent's average price in 2017 at \$52 per barrel, with real growth of the overall Gross Domestic Product (GDP) of 3.7%

With recent activity and oil demand levels surprising positively, we see the risks of our annual growth forecast of 1.63 million bpd, already above the consensus, as distorted by the bullish side.

Src.: *Noticias Agricolas*

### **CORN ETHANOL MILL MAY BE THE ALTERNATIVE TO SUSTAIN THE GRAIN PRICE**

The decrease in corn prices this season has prompted discussions on how to ensure producers' profitability. One of the alternatives presented is to encourage the creation of ethanol mills exclusively from corn. The model, adopted in the United States, has been guaranteeing differentiated prices to North American producers. In Brazil, the first corn-only mill was inaugurated in Lucas do Rio Verde, in Mato Grosso. The mill that received an investment of R\$ 450 million, will produce 240 million liters of corn ethanol and consume more than 600k tons of grain per year. The investment is from FS Bioenergia, which is planning the implementation of two more such plants, one of them in Sinop, Mato Grosso, according to producers in the region. But for now the immediate solution to the corn surplus in Brazil may be in US crops. The dry climate in important producing areas has raised grain prices on the Chicago Stock Exchange and increased interest in the Brazilian product. According to the latest report by the US Department of Agriculture (USDA), the share of corn crops considered good or excellent fell to 60%. Unlike last year, when at that time 74% of the crops were considered good or excellent. In Brazil, it is estimated that at least 70% of the area planted with corn has already been harvested and the entry of this production continues to weigh on the prices practiced in the domestic market. The bag closed at R\$ 25.20, the lowest level of the year in the Esalq BM & F Bovespa indicator. Prices reacted with the news on the climate in the United States and the bag was traded for R\$ 26.00 in São Paulo.

Src.: *Universo Agro*

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