

### CONAB RAISES WHEAT IMPORT ESTIMATE

The Conab made some adjustments in the supply and demand framework of wheat, due to the updating of the conditions of the recently harvested crops. According to Conab, losses in quality and quantity of production have led to increased imports and also to sales of domestic wheat to less demanding countries compared to the grain standard. The harvest estimate, which was 5.531 million tons in November, rose to 5,471 million tons in November, a loss of 60.7K tons. The import projection increased by 100K tons to 6.4 million tons. The export forecast doubled to 600K tons. It is worth remembering that in the past harvest Brazil produced 4.262 million tons of wheat, imported 6.387 million tons and exported 206K tons. Domestic consumption, which was 10.987 million tons last year, is expected to grow to 11.005 million tons, according to Conab.

Source: *Revista Globo Rural*

### GRAIN SAFER CAN REACH 238.4 MILLION TONS

The 2018/2019 grain harvest may reach 238.4 million tons in Brazil, according to the 3<sup>rd</sup> Harvest Survey for the current period, released this week by Conab. If confirmed, it would be an increase of 4.6% over the 2017/2018 crop, estimated at 227.8 million tons. In the document, Conab still releases its figures showing the upper and lower limits of the estimates, as is usual in the first reports referring to the current harvest. "The main products responsible for these figures are soybeans, corn, rice and cotton, the largest crops in the country, which together account for 95% of total production. The study identified that the climatic conditions presented so far in all grain producing regions are positively influencing yields", says Conab, in a note. In the evaluation of the technicians, soybean production should reach 120.06 million tons at best, up 0.7% from the 2017/2018 season, whose harvest was estimated at 119.28 million tons. "Expectations for the 2018/2019 season indicate that the planted area will continue to grow steadily", the report says, adding that 35.79 million hectares of the crop should be planted with corn. , 8%, in addition to the two annual crops of the grain, and reach 91.10 million tons. The first crop, in the most optimistic scenario of Conab, should total 27.36 million tons, which would be a growth of 2, The most significant growth tends to be recorded in the second harvest, with an estimated 63.73 million tons represented an increase of 18.1% in the volume harvested, while the estimate for rice production points to a harvest of 6.6 According to the crop report, the volume to be harvested from the cereal may reach 11.26 million tons, the report said.

Source: *Revista Globo Rural*

### BRAZIL IMPORTS MORE THAN DOUBLE ETHANOL IN NOVEMBER

The volume of ethanol imported by Brazil reached 137.69 million liters in November, a rise of 177.3% over the total of 49.65 million liters purchased abroad in the same month of 2017. The total is also 191.8% higher than the 47.18 million liters of ethanol imported in October this year. The data are from the Ministry of Industry, Foreign Trade and Services (MDIC). In the first 11 months of 2018, the imported volume of biofuel reached 1.581 billion liters, down 9.14% from the total of 1,740 billion liters in the same period of 2017. The imported volume of biofuel in November was 6.9% less than the total exported. Last month, the country sent 147.9 million

liters of ethanol to the foreign market, according to the MDIC. The volume imported in the first 11 months of this year is 0.7% lower than exports that accumulate 1.592 billion liters. Brazilian imports of ethanol amounted to US \$ 55.41 million last month, up 142.9% from US \$ 22.81 million in November 2017 and 205.3% from US \$ 18.15 million in October this year. With the result, between January and November ethanol imports moved US \$ 670.61 million, down 27.2% over the same period of 2017, of US \$ 920.67 million. The trade balance of ethanol generated a deficit of US \$ 22.19 million in November, as exports moved US \$ 77.6 million in the month. The trade balance in the year is a surplus of US \$ 177 million, since foreign sales between January and last month totaled US \$ 847.1 million.

Source: *Globo Rural*

### SAFRA DE ORANGE MUST TOTALIZE 275.75 MILLION BOXES IN 2018/19

The production of orange in the 2018/19 crop is expected to reach 275.75 million boxes of 40.8 kg in the main national production center, the citrus park of São Paulo and Sudoeste of Minas Gerais. Data are from the second crop estimate, by the Citrus Defense Fund (Fundecitrus). This week's projection was 0.88% higher than that reported in September, but 4.35% lower than the one released in May, when the estimate indicated a harvest of 288.29 million boxes. According to Fundecitrus, the main reason for the projection of January-December harvest was the change in the rainfall regime. After the drought that was installed throughout the citrus park from May to July / 2018, with droughts of 45 to 70 days varying between regions - except for the Minas Gerais, where the phenomenon was even longer -, rains returned to occur in August, remained normal during September and intensified in October and November. The accumulated rainfall since May, in average, in the park, reached 610 millimeters and was 23% higher than the historical average (1981-2010), according to data from Somar Meteorologia. The higher amounts of water contributed to the recovery of Pera Rio and later fruits, because most of them had not yet been harvested when the rains occurred. According to the coordinator, the Fundecitrus estimate, Vinícius Trombin, the water deficit caused by the long drought period at the beginning of the harvest, besides inhibiting the growth of the oranges, interfered negatively in the vigor of the plants and left the fruits more susceptible to the fall and the effects of diseases and pests. "Soil monitoring data show that the fruit fall accumulated through November is already higher than expected for the period and is expected to close the crop above the projected value in May. In this new projection, the average fruit fall rate of the citrus belt increases from 17% to 17.20%", says Trombin.

Source: *UniversoAgro*

### MILLING ACHIEVES 14.58 MILLION TONS IN THE SECOND FORTNIGHT OF NOVEMBER

Sugarcane milling in the Center-South totaled 14.58 million tons in the second half of November, down 4.54% on the result of the same fortnight of 2017. In the accumulated crop of the 2018/2019 crop until the 1<sup>st</sup> of December, processing reached 544.32 million tons, a fall of 4.53% over the same period of the previous crop (570.17 million tons). "As expected in the last quarter of the year, heavy rainfall in all sugarcane states has led to a reduction in the harvesting rate, as well as the



postponement of harvesting in many of the Central-South units," explains Antonio de Padua Rodrigues, Technical Director of the Sugarcane Industry Union (UNICA). Up-dated survey with companies indicates that 45 mills closed the harvest in the second half of November this year. In the accumulated, 131 units registered the closing of the harvest 2018/2019 until December 1<sup>st</sup>, 2018 - in the same period of 2017/2018, 150 companies had completed the milling. Therefore, 132 mills and distilleries began the month of December of this year with the harvest 2018/2019 still in progress.

Source: *Única*

*Please, do not hesitate to contact us for further information through our [commercial@williams.com.br](mailto:commercial@williams.com.br) and [lineup@williams.com.br](mailto:lineup@williams.com.br)! Always keeping you duly posted.*

### **BRAZILIAN PORT SECTOR EXTENDED LOAD MOVEMENT BY 3.7%**

The Brazilian port sector expanded its cargo handling by 3.7% in the third quarter of the year, compared to the same period last year. In total, operations totaled 292.2 million tons. It was 98.8 million tons in public ports and 196.4 million tons in private terminals. The data are part of the 3<sup>rd</sup> Quarter 2018 Waterway Newsletter, produced by the Statistical and Performance Evaluation Management of the National Waterway Transportation Agency (Antaq).

Source: *Portos e Navios*

### **ETHANOL EXPORTS INCREASE 9.7% IN NOVEMBER**

Brazil exported 147.9 million liters of ethanol in November, up 9.7% compared to 134.8 million liters shipped in the same period of 2017 and a drop of 46.9% from 278.7 million liters of liters exported in October 2018. Foreign exchange revenue from the sale of biofuel reached US \$ 77.6 million in November, up 5% from US \$ 73.9 million in November 2017. In relation to US \$ 139.6 million in October 2018, there was a 44.4% drop in revenues. In the year of 2018, the volume exported reached 1.592 billion liters, a 17.6% increase compared to the 1.354 billion liters shipped in the first eleven months of last year. Revenue totaled US \$ 847.1 million from January to November 2018, up 10.5% compared to revenues of US \$ 766.3 million accumulated in the same period of 2017.

Source: *Revista Globo Rural*

### **CHINA AND USA COMMERCIAL PAUSE AFFECTS SOYABEAN DEMAND IN BRAZIL**

With the recent trade pause between the United States and China, external demand for Brazilian soyabeans may decline. This is because the Asian country can re-import larger volumes of the oilseed of the North American country. According to researchers at the Center for Advanced Studies in Applied Economics (Cepea), this possibility of a sharper reduction in foreign sales of the grain is already worrying the producer, who is about to harvest a large harvest. Domestic buyers, however, shrank in the acquisition of new lots, waiting for lower prices in the first quarter of next year. As a result, the ESALQ / BM & FBovespa Indicator of Paranaguá-PR soyabean registered a fall of 0.82% between November 30 and December 7, going to R \$ 82.10 / 60 kg bag last Friday, the 7<sup>th</sup>. In the same comparison, the indicator CEPEA / ESALQ Paraná fell 1.68%, to R \$ 76.53 / sc of 60 kg.

Source: *Canal Rural*

