## AREA PLANTED WITH GRAINS WILL BE THE LARGEST IN HISTORY IN THE 2017/18 HARVEST

The area planted with grains should be the largest in history in the 2017/18 crop, reaching 61.6 million hectares. Grain output is expected to add 229.7 million tons, a 3.4% decline from the previous harvest, despite being the second largest volume ever harvested. The information is from the 9th Survey of Grain Harvest, released by Companhia Nacional de Abastecimento (Conab). According to the company, the reduction of 2.9 million tons in grain production in Brazil is related to the climatic impacts on second crop corn, but it counts on the help of the good yields achieved by soyabean and the first corn crop that already has the harvest near the end. The highlights in agricultural production in this harvest are corn and soyabeans, the latter responsible for the productive performance and whose harvest advance has confirmed the good productivity of 3,359 kg / ha, close to the past record of 3,364 kg / ha. The legume reaches 118 million and the cereal, 85 million tons. The second corn crop, which accounts for 70% of the total harvest, reached 58.2 million tons, with the first crop accounting for 26.8 million tons.

*Src.: Universo Agro*

## STRIKE OF TRUCK DRIVERS AFFECTS THE PRODUCTION AND SALE OF SUGAR AND ETHANOL

The Brazilian Sugarcane Industry Union (UNICA) survey found that the truck drivers' strike severely affected the results of the second half of May in the sugarcane harvest in the Center-South region of the country. raw material reached 32.38 million tons, equivalent to an average loss of 4.5 days of milling. " Antonio de Padua Rodrigues, UNICA technical director, estimates that around 13 million tons of sugarcane were not processed in the second half of May, due to the suspension of operations due to the lack of diesel and other production inputs. "In Paraná, State more impacted, the loss has reached 10 days of grinding," he says. UNICA estimates that, considering the current prices in the commercialization of sugar and ethanol, the reduction in revenue from the sugar-energy sector due to the strike totaled around R $ 1.2 billion. The entity notes that the decline in sugarcane processing occurred even with the favorable climate for harvesting and the quality of the raw material. The concentration of Total Recoverable Sugars (ATR), which can be converted into sugar or alcohol, reached 133.44 kg per ton of sugarcane in the last half of May, compared to 122.75 kg in the same period of 2017. In the June, the indicator increased 4.53%, with 123.71 kg of ATR per ton of sugarcane. Regarding agricultural productivity, UNICA cites data from the Sugarcane Technology Center (CTC). The sample from 143 companies showed that the average yield of the area harvested in May reached 82.77 tons of cane per hectare, an increase of 0.9% in relation to the index calculated in the same month of 2017. In the accumulated crop, productivity reached 81.64 tons per hectare, a growth of 2.01% compared to the same period of the 2017/2018 crop (80.03 tons per hectare). "However, the positive result should be analyzed with caution, as it does not represent the expectation of expected agricultural decline for the 2018/2019 harvest, which may vary from -2% to -15, depending on the region," says UNICA.

*Src.: Revista Globo Rural*

## SUGAR AND ETHANOL EXPORTS UP IN MAY

Brazil exported 2,095 million tons of raw and refined sugar in May, 14.14% down on the volume shipped in the same period of 2017, of 2,440 million tons. When compared to April's exports of 1.021 million tons, there was an increase of 105.2%. Data released by the Ministry of Industry, Foreign Trade and Services (MDIC) shows that the total exported last month, 1.814 million tons were of demerara sugar and 281.8K tons of refining. Data takes 21 working days. Revenue from food exports in May was US $ 634.5 million, 85.6% higher than in April, at US $ 341.8 million, and 38.8% lower than in May 2017, of US $ 1.036 billion. In the first five months of 2018, the volume exported reached 8.660 million tons, down 10.7% from January to May 2017, from 9,694 million, with revenues of US $ 2,629 billion, a decrease of 38% over the total of US $ 4,240 billion of equal interval of 2017. In May, Brazil exported 90.7 million liters of ethanol, an increase of 8.5% compared to 83.6 million liters shipped in the same period of 2017 and 22.4% in relation to 74.1 million liters of ethanol. liters exported in April 2018. The data were released this Friday by the Ministry of Industry, Foreign Trade and Services (MDIC). Foreign exchange revenue from the sale of biofuel reached US $ 51.3 million in May, an increase of 8.23% compared to US $ 47.4 million recorded in April. In relation to the US $ 46.5 million in May 2017, there was a 10.3% increase in revenues. In the first half of 2018, the volume exported reached 413.2 million liters, a decrease of 3.6% compared to the 428.6 million liters shipped in the first five months of last year. Revenue totaled US $ 255.1 million from January to May 2018, down 6.2% compared to revenues of US $ 271.9 million accumulated in the same period of 2017.

*Src.: Revista Globo Rural*

## PORT OF PARANAGUÁ HAS THE BEST MONTH OF MAY IN HISTORY

The Port of Paranaguá closed the month of May with 4.39 million tons of cargoes, the highest mark in the history of the fifth month of the year. The brand, which is 4.8% higher than last year, was achieved even with the ten days of the truck drivers being stopped all over Brazil. The record attests to the increased productivity of the Port of Paranaguá, as well as the modal diversity and storage capacity of the port complex. "We have invested more than R $ 635 million in recent years and we have become a much more agile port", said Lourenço Fregonese, director of port administration for Paranaguá and Antonina (Appa). "The 21 days we were able to operate normally were enough to ensure a record turnover in the month," he added. The Port of Paranaguá also has the second largest static grain storage capacity for export in the country, which helped shipments continue in the period. In all, there is a stock capacity for grains of 1.5 million tons in Paranaguá, which is enough to load more than 20 ships. The increase in the supply of cargoes by rail was also fundamental for the port to continue operating during the strike. Currently, the participation of the modal is about 30% in the cargo operation in Paranaguá. According to Fregonese, the result, however, could be even greater. The estimate is that during the strike period, 648K tons of products, including liquids, general cargo, grains, fertilizers and others were no longer handled. In the accumulated of the year, the numbers are also still positive. In total, January to May, the port operated 21.93 million tons, 9% more than in the same period of last year, when 20.12 million

tons were handled. The difference is driven by good performance in soya exports. In 2018 the port shipped almost 1 million tons more than in 2017. The shipment of bran also grew, are about 540K tons more this year.
*Src.: Global Fert*

**PORT OF PARANAGUÁ EXTENDS LIQUID HANDLING**

With a new terminal, which starts operations this week, the port of Paranaguá will increase its capacity to handle liquid cargoes by 20.4%. Built by CBL (Companhia Brasileira de Logística), an Interalli Group company, it has the operation done by computers and equipment that allow the programming of the cargo from the origin to the destination. With a capacity to store 93,715 cubic meters, divided into 18 tanks, the terminal will move 200 million liters / month and starts operations with 100% of the contracted capacity. Interalli already operates in Paranaguá with the grain terminal and, according to the businessman Fabricio Slavieiro Fumagalli, the group realized the potential of the liquids market. R $ 200 million were invested in the construction of the terminal. Paranaguá has become an increasingly frequent destination for liquid derivatives in Brazil. Between the years of 2011 and 2017, the handling of these cargoes by the port of Paraná grew 81%, jumping from 4.2 million tons in 2011 to 7.7 million tons in 2017. From January to April last year, for example, the handling of liquid assets increased by 15%. The terminal will use the public flammable jetty in two berth berths and is licensed to receive diesel, biodiesel, ethanol, methanol, gasoline, naphtha, among others. The draft of the cradle allows the mooring of vessels of up to 48K $m^3$, with 210 meters length in the external cradle and 190 meters length in the internal. The terminal has two lines in stainless steel interconnected to the public pier of liquids for receiving and shipping products from tankers. These lines are coupled to three pumps with nominal capacity of 600 cubic meters per hour (m3 / h) each. Therefore, it is possible to carry out ship loading operations with 1,200 m3 / h. The CBL terminal has eight road platforms and four highways, with capacity to receive up to 12 trucks simultaneously of all sizes. One of the differentials of the enterprise is in the capacity for unloading via modal rail. The extension has 16 operating points that, together, offer a receiving and dispatch capacity of 960 cubic meters per hour. For this year, new investments are foreseen in the dock west of the port, with extension of 110 meters of the berth, that will allow the installation of four new bulk terminals.
*Src.: Global Fert*

**IMPASSE IN FREIGHT ALSO AFFECTS FERTILIZER DISTRIBUTION IN RS**

The stoppage of the grain market due to the minimum freight price table also affects the distribution of fertilizers in the State. According to the industry, only 20% of the daily volume is being sold. Is that normally the trucks that take grain to port return to the interior loaded with the product. The movement of fertilizers in June usually accounts for about 15% of the total volume of the year in Rio Grande do Sul. This is where intensifying the planting of wheat, which requires fertilization. Cerealists and cooperatives keep pressure on the values to be revised. While this does not occur, they continue with suspended loads, with the product having to be stored. The table with minimum freight price was negotiated during the truckers' strike and raised the values - the increase may exceed 50%. If in fact the stipulated prices are implemented, the producer may have loss of up to R$ 4 in the value of the soyabean bag according to estimate of Acergs.
*Src.: Global Fert*

**EXPORTS OF ORANGE JUICE HAVE INCREASED BY 29% IN THE 17/18 HARVEST**

Brazilian exports of orange juice increased by 29% in the first eleven months of the 2017/18 harvest, according to data from the Secretariat of Foreign Trade (Secex), compiled by the National Association of Juice Exporters (CitrusBR). According to the entity, the increase in foreign sales was driven especially by US demand, which grew 86% in the period.Between July 2017 and May 2018, shipments registered a 29% increase, totaling 1,052,239 tons of frozen orange juice, equivalent to 66 degrees brix (FCOJ equivalent), against 817.6K tons exported in the same period last year. In terms of revenues, exports totaled US $ 1.921 billion, up 30% from US $ 1.481 billion recorded in the same period of the previous harvest.
*Src.: Universo Agro*

**QUEUE OF SHIPS TO BOARD SOYABEANS IN BRAZIL GROWS 60% WITH PROTESTS AND FREIGHT TABLE**

The total number of ships in Brazilian ports waiting to ship soya products is almost 60% higher in June compared to the same period of last year, while the number of vessels actually receiving cargo shows a drop of 42% on the same basis of comparison, according to data of the Williams agency. Fazenda says the truck drivers' strike caused a loss of R $ 15.9 billion. The numbers reflect the protests of truck drivers last month and the lack of definition of freight tariffs, one of the government's alternatives to ending roadblocks. The stoppage and new regulation to hire road transport, which has been challenged by the sector, have hampered the commercialization of the record soyabean crop of nearly 120 million tons, according to experts, about a month ago. According to Williams, on Tuesday there were 46 ships "in the bar", that is, waiting for cribs at terminals to be able to load soyabeans, bran, among other products. A year ago, however, when the harvest was also voluminous, there were 29. In parallel, there were 22 vessels being loaded in Brazilian ports, compared to 38 in June 2017, according to the numbers of the maritime agency. For the president of the Brazilian Association of Vegetable Oil Industries (Abiove), André Nassar, this situation is totally linked to the uncertainties regarding the freight tariff, one of the measures taken by the government of Michel Temer to end the protests of truck drivers and that even has now been discussed by ANTT. The current minimum freights are the target of criticism from the entire agricultural sector, which projects losses and declines in exports this month. Not even the recent rally of the dollar against the real managed to stimulate the business, with giants like Bunge and Archer Daniels Midland (ADM) out of the market given the fear of getting transportation. Nassar confirmed that shipments of soyabeans are expected to fall in June, but said it is too early to revise projections for the year.
*Src.: Portos e Navios*

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*Always keeping you duly posted.*

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