

EMBARKS OF ORANGE JUICE GROW 30% IN THE 2017/18 HARVEST

In volume, exports also grew. 1,150 million tons of FCOJ in the 2017/18 harvest were shipped, a 29% increase compared to the 894.6K tons shipped in the 2016/17 season. The increase in sales was driven by high demand in the US market, which increased product sales by 83%. "The American market has suffered from the effects of Hurricane Irma, which has hampered local production", CitrusBR executive director Ibiapaba Neto said in a statement. In the 2017/18 harvest, the volume exported to the US reached the highest level of the history series produced by CitrusBR. In all, Americans imported 315.5K tons in orange juice concentrate equivalent, an increase of 83% compared to 172.7K tons in the previous harvest. The main market for Brazil's orange juice, the European Union imported 675K tons of the product in the 2017/18 harvest, up 16% from 579.5K the previous season. On the same basis of comparison, revenue from exports to the EU grew 18% to US \$ 1.23 billion. As a result, Europeans accounted for 58% of the country's orange juice exports in 2017/18.

Src.: *Universo Agro*

DELIVERIES OF FERTILIZER IN RECOVERY

Fertilizer deliveries in the domestic market rose 3.8% in June compared to the same month in 2017, after having registered a 27.3% drop in May, also in the annual comparison, according to the National Association for Fertilizer Diffusion (Come on). Last month, deliveries reached 3 million tons. Even with the small recovery in June, the result in the first half still indicates a decline of 2.3%, to 12.8 million tons. The largest volume delivered last month still does not compensate for the fall in May, a reflection of the truck drivers' standstill and the impasse in relation to the minimum road freight rates. According to Anda, in spite of the June advance, fertilizer deliveries are slow for states farthest from ports. In Mato Grosso, the country's main grain producer, deliveries fell by 6.9%. In Mato Grosso do Sul, the third most relevant in grains, the drop was 25.3%. "These declines in deliveries over long distances are a direct consequence of this freight rate," said David Roquetti, Anda's chief executive. According to him, many uncertainties in freight pricing have delayed preparation for planting the 2018/19 crop. Carlos Heredia, president of Anda, added that the performance of June, the best of the historical series for the month, was made possible by the inventories of the industry. And, according to him, most of the deliveries occurred on shorter routes up to 250 miles away. Regarding imports of intermediate fertilizers - used by mixers for the preparation of the input -, the situation is more worrisome, according to Anda. In the first half, imports totaled 11 million tons, down 7.7% from the same period in 2017. "If we think that there is a period of about 90 days for this import to reach the mixer, there is not much time left," Heredia noted. "The peaks of insecurity generated by the truck stoppage and the freight table have coincided with the sector's peaks," he said.

Src.: *Valor Econômico*

HARVEST OF CORN IN THE STATE OF PARANÁ REACHES 6%

The winter corn harvest in Paraná increased 3% from the previous week, reaching 6% of the planted area of the

2017/18, according to the Department of Rural Economy (Deral), Department of Agriculture Paraná, in a weekly survey. The work remains well behind the same period last year, when 30% of the harvest had been completed. Of the harvest that is still in the field, 29% of the plantations are in good condition, 49% in average conditions and 22% in bad situation. According to Deral, 60% of the crop is in maturation. Wheat planting reached 99% of the state's forecast area, same percentage as last week and the same period of 2017. According to Deral, 75% of the crops were in good condition, 20% in average situation and 5% in bad conditions. As of Monday, 85% of plantations were undergoing vegetative development.

Src.: *Globo Rural*

AGRIBUSINESS EXPORTS GREW 2.9% IN THE FIRST HALF, TO US \$ 49.5 BILLION

In the first half of this year, Brazilian agribusiness exports increased by 2.9% in revenue compared to the same period last year to US \$ 49.5 billion, influenced once again by shipments of soybeans and by-products, according to a survey released by the Ministry of Agriculture from data from the Secretariat of Foreign Trade (Secex / Mdic). Imports of agribusiness products, in turn, fell by 3.6% in the same comparison, to US \$ 7.036 billion in the first half of the year. As a result, the sector obtained a trade surplus of US \$ 42.498 billion, up 4% year-on-year. In the historical series started in 1997, the current one was the largest surplus recorded for the period from January to June, while export revenue was the second largest. Only revenue from shipments of soybeans in the first half of the year increased 11.8% to US \$ 22.317 billion - growth fueled by both the higher volume of exports and the appreciation of products. The ministry states in a note that in addition to forecasting an increase in soybean production in the 2017/2018 harvest, the favorable scenario for grain marketing is complemented by the trade conflict between the United States and China. The dispute should stimulate sales of Brazilian soybeans to the Chinese market. China strengthened its leadership position in Brazilian agribusiness exports in the first half of 2018, increasing its share from 33.0% to 36.1%. Sales to the country grew 12.7% to US \$ 17.90 billion. Soybeans accounted for 80% of agribusiness exports to China, generating an additional \$ 1.43 billion over the same period last year. In June alone, Brazilian agribusiness exports generated US \$ 9,207 billion, an annual decrease of 0.7%. There was an increase in shipments with soybean, from 24.4%, to US \$ 4.923 billion. Imports for the month fell 10.1% to \$ 1.042 billion. As a result, the trade surplus increased by 0.7% to US \$ 8.165 billion.

Src.: *Portos e Navios*

PRICE OF RICE REACHES HIGHEST VALUE SINCE MARCH 2017

The price of paddy rice rose for the sixth consecutive week in Rio Grande do Sul, still reflecting the high demand and the withdrawn position of the rural producers. Last week, the Esalq / Senar-RS indicator, 58% of whole grains, reached R \$ 42 per bag, the highest value since March 14, 2017. In the partial of the month, the accumulated increase is 2.3%. According to the Center for Advanced Studies in Agricultural Economics (Cepea), only part of the producers were present in the market, selling some lots at higher prices, while some



farmers "made cash" with other commodities. On the buyer side, the active industries have increased the values of their offerings to be able to acquire the product.

Src.: Canal Rural

BRAZIL TO SURPASS US AS 3rd LARGEST SOYABEAN SUPPLIER IN THE WORLD

Brazil will surpass the United States as the world's third-largest supplier of soyabean oil in the 2017 and 2018 crop years, according to a report from the Food and Agriculture Organization of the United Nations (FAO). The study shows that, despite the greater production of the commodity in Brazil, other countries in South America will suffer a fall in the harvest of 2018/2019 due to the unfavorable climate. The decline of around 9% in the continent will be driven by severe losses in Argentina, Paraguay and Uruguay, according to the FAO. "In Argentina, the world's third-largest soyabean producer, average incomes have fallen to the lowest level in the last six years and total production has dropped to the lowest level in the last nine years. In Brazil, on the other hand, increases in planted area and almost ideal conditions of growth have raised production to unprecedented levels," the report says. As for soya production, the US is expected to have a smaller soyabean crop this year than Brazil, marking the first time Brazilians will top the global oilseed production, according to official projections. US production is expected to reach 116.48 million tons of soyabeans this year (crop year 2018/19), according to the US Department of Agriculture (USDA), which estimates Brazil's production in 2018 (already harvested) in 117 million tons. In the crop year the US is going to plant and harvest this year, the USDA expects the area harvested to fall by 1.45% year on year to 88.2 million acres (35.7 million hectares), while in the crop already harvested in Brazil the area reached about 35 million hectares, according to the government.

Src.: Portos e Navios

SOYABEANS REPRESENT 16% OF BRAZILIAN EXPORTS

Soyabeans accounted for 16% of all Brazil shipped abroad in the first half of this year. The data are from the Foreign Trade Indicator (Icomex), prepared by the Foreign Trade Indicator (Icomex) and published by Agência Brasil. FGV data show that soyabeans, allied to iron ore and petroleum represent 33% of the Brazilian exports. The document also highlights China as the main buyer of Brazilian items, where imports to the Asian country grew 26% in the first six months of the year. According to the study, since the country's export agenda has been concentrated in few commodities, and China has been gaining participation as the destination country of Brazilian products, the need to "discuss a new foreign trade policy agenda of the parents". Commodities, which account for about 60% of Brazilian exports, grew 2.9% in the first half of this year, compared to the first half of last year, although they fell by 1.7% in the monthly comparison (May-June). "This last result was influenced by the 11% decrease in global volume, driven by the aggregate of meat (-42%) and oil (-49%). The soyabean complex, on the other hand, registered a positive variation of 11.6%, with the end of the truckers strike".

Src.: Universo Agro

TRADE WAR WILL TRIGGER ADJUSTMENTS IN SOYA TRADING

The trade war is expected to trigger adjustments in the flow of international soyabean trade that could lure other buyers to the US oilseed, INTL consultancy FCStone said in its third-quarter "Commodity Outlook" report. According to the consultancy, however much the estimates point to a fall in US soyabean exports, this effect would tend to be more relevant in the short term. "With some time to adjust, international trade flows of soyabeans should be changed, with other countries excluding China, buying US soyabeans, attracted by lower prices, and the Chinese trying to buy as much soyabeans as possible from America. South and other smaller producers in Asia, displacing other applicants, "the consultancy said. In addition, according to FCStone, although China has been buying few US soyabeans a few months ago, Chinese imports are expected to reach close to 100 million tons, which will likely require the Asian country to seek at least part of its need for supply in the USA. Other producers, especially Brazil, are not able to supply all this soyabeans without the American grain. For wheat, the consultancy pointed out that the harvest in the US and the Black Sea and the expansion of the area in Mercosur can keep prices under pressure. "The possible expansion of 7% in the Argentine planted area in relation to the previous crop strengthens the perspective of increasing the country's market share in the next crop, since exports in the first half of this year are very heated", said FCStone. Regarding the sugar-energy sector, the global sugar surplus in the 2017/18 and 2018/19 crops should pressure the commodity prices, overshadowing the support of the driest climate and the alcohol mix in the Center-South of the country. According to FCStone, a possible record crop in India should force the country to export large volumes of sugar in 2018/19.

Src.: Revista Globo Rural

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