FREIGHT UNDEFINED SHOULD STIMULATE USE OF WATERWAYS AND RAILROADS TO LEACH MS AGRICULTURAL PRODUCTION

The lack of definition as to the freight rate should further encourage the use of waterways and railroads to dispose of agricultural production of commodities such as soyabeans and corn in Mato Grosso do Sul. The assessment is by the state secretary for Environment, Economic Development, Production and Family Agriculture (Semagro), Jaime Verruck. Verruck said this week during the national opening of soyabean planting at the Jaraguá farm in Terenos that the issue of freight rates causes insecurity and represents an increase in costs for the productive sector. "This makes it even clearer that the further away from the port, the greater the importance of the freight rate, hence the importance of other alternatives," he says. In the state, the secretary points out as one of the main options the use of the waterway of the Paraguay River, with the ports of Porto Murtinho and Ladário. He explains that the Argentine crop failure represented a window of opportunity for the use of the Puerto Murtinho terminal to embark the oil-rich South-Mato Grosso to meet the demand of Mercosur's neighbor. "After 8 years, the port has been reopened and 460K tons are to be disposed of this year, and the goal for the next one is 700K tons, but it will need investments. The Argentine market's interest in the continuity of these acquisitions is so strong that three companies in the country have projects to set up ports in Porto Murtinho. They have already purchased the areas of the river canyon and have already filed for licensing applications. Two are Argentine industries, they are not trades. They will buy soya to process, "says Verruck. With the great demand for the flow of production, Verruck says that the option was to start using the port of Ladário as well. For the next year he reveals that the producer should gain the option of importing fertilizers from Argentina and unloading it into one of the two terminals in the state. Another modal that gains more space in the state, according to the secretary is the rail. In the north of the state, Verruck points out that Rumo has reopened and expanded this year the capacity of the railroad terminal in Chapadão do Sul. This structure is expected to be sold this year, which serves not only the northern producers of the state, but also the in the south of Mato Grosso and Goiás, 1.2 million tons of grains, which can increase 2 million tons with the improvement of the road network.
Src.: Portos e Navios

FREIGHT TABLE CAUSES INCREASE IN BRAZILIAN IMPORTS OF CEREALS

In addition to bringing maladjustments in the internal formation of prices, the imposition of the freight table by the government is provoking an increase in the Brazilian import of food. In the last two months, Brazil imported 278K tons of cereals from Paraguay, a volume 46% higher than in the same period of 2017. This should be a period of decline in foreign purchases, mainly due to the acceleration of the dollar. The freight from the neighboring country, however, compensates for part of this import. Rice and corn are on the list of imports from the neighboring country. In the case of rice, São Paulo and Minas Gerais benefit most, since, in addition to the smaller freight, they pay less tax on the internal circulation of goods. After 11 days of stoppages and demonstrations of the truck drivers, President Temer edited Provisional Measure 832 and ANTT instituted Resolution 5.820. Both determine a minimum price policy for land freight The industrial sector is against the freight tariffs and has been against since Temer announced the measures to end the paralyzes. Even the truckers say that the tabulation can be harmful. They fear lack of supervision and the emergence of a parallel market in the country Wheat producers said that if approved, the cost increase generated by the new freight rates will be passed on to flour producers, which already threatens the price of bread. Of the imported products, rice is one of the most worrisome. Purchases from neighboring countries should not prevent domestic prices from accelerating in the coming weeks, according to the Brandalizze analyst. High cereal prices will hit consumers' pockets and inflation. The rise of the dollar does not hinder the entry of Paraguayan rice, but facilitates exports. The Brazilian cereal is more attractive abroad exactly when the off season begins and the supply is scarcer. Brandalizze expects to export at least 1.2 million tons of cereal in this harvest --10% of production. The current value of the dollar allows external sales of rice to R $ 50 per bag in the regions near the port of Rio Grande (RS). This amount should cause a cascade effect in the state, whose prices range from R $ 43 to R $ 45 currently, depending on the region.
Src.: Portos e Navios

HIGHER DEMAND AND HIGH DOLLAR SUPPORT SOYABEAN PRICES IN BRAZIL

The higher demand, raising export premiums, and the strong appreciation of the dollar freight to the real have given support to soyabean prices in the domestic market. The evaluation is from the Center for Advanced Studies in Applied Economics (Cepea), whose indicator showed the highest value since July 2016, in real terms (discounting inflation). Between September 6 and 14, the reference for the grain based on the export corridor of Paranaguá (PR) advanced 2.8%, reaching R $ 96.95 a bag of 60 kilos on Friday (9/14) . The indicator based on the average business of the State of Paraná rose 3.2%, to R $ 90.55 a bag. "Sales interest is higher for exports, as the value is higher than that offered by domestic industries. In this way, as sellers consider the current scenario positive, domestic buyers are having difficulty acquiring the raw material, "says Cepea, in a note. The researchers point out, however, that domestic soyabean liquidity has been constrained by high freight rates, which have soared in recent weeks.
Src.: Globo Rural

AGRIBUSINESS EXPORTS GREW 3.6% IN AUGUST, TO US $ 9.3 BILLION

Brazilian agribusiness revenues with exports grew 3.6% in August this year compared to the same month of 2017, reaching US $ 9.3 billion. Shipments of the sector in the month accounted for 41.5% of all foreign sales made by Brazil in August, according to data from the Secretariat of Foreign Trade (Secex / Mdic), compiled by the Ministry of Agriculture. Imports last month, however, declined 1.6% to US $ 1.1 billion compared to the same period in 2017. With the result, the surplus in agribusiness was US $ 8.2 billion, 5.1% more than the one registered in August 2017. Among the most exported items, the "soyabean complex" (including grain, bran and oil), which generally leads the ranking of foreign sales of agricultural products in Brazil, was one of the only ones that grew and registered an increase of 43.4% to $ 4 billion in August, reflecting China's growing demand for these products amid a trade war with the United States. Only grain shipments totaled US $ 3.2 billion, 43.7% more than in August of last year. Sales of soyabean meal also rose 46% to $ 621.8 million, while soyabean oil sales increased 28.6% to $ 148 million. Other items that registered declines in exports were: sugar and ethanol, whose foreign sales fell 44.1% in August, to US $ 636.4 million, compared to August 2017. Main market for Brazilian agribusiness exports, China imported from the sector US $ 3.4 billion in August, an increase of 48.2% compared to the same month last. As a result, the country's share of the agribusiness balance also increased from 25.6% in August 2017 to 36.6% in the same month of 2018. When considering the accumulated from January to August, the external sales of Brazilian agribusiness also showed a positive result. There was a growth of 4.7% over the same period last year, to US $ 68.5 billion. Imports, however, fell by 0.7% to US $ 9.4 billion in this period. In a statement, the Ministry of Agriculture highlighted the record volume performance of soya exports between January and August. Foreign sales of soyabeans fell from 56.9 million tons in the first eight months of 2017 to a record 64.6 million tons in the same period of 2018.

Src.: Portos e Navios

HIGH FREIGHT WILL COST R $ 1 BILLION TO TRADE

The average readjustment of 5.5% in the freight table announced two weeks ago will cost R $ 1.09 billion to Brazilian trade by the end of this year, according to a calculation by the National Confederation of Commerce of Goods, Services and Tourism (CNC) obtained with exclusivity by Estadão / Broadcast. The result should be a flattening of the profit margin of the business. Faced with the scenario of weak economic activity, traders will not have space to pass on the rise in transportation costs to the prices of goods sold to consumers. Freight service expenses account for 10.5% of annual trade expenditures, but in some segments logistics accounts for more than 20% of total business costs. The most penalized activities will be wholesalers of raw materials, fuels and food. The new table with the minimum values of freight throughout the national territory, released on May 5, corrects the first version published on May 30 to meet one of the main demands made by truckers during the strike that blocked roads throughout the country of eleven days at the end of May. The CNC calculation considers only the last increase in the freight table and does not foresee any further increases until the end of 2018. The CNC estimates that freight expenses totaled R $ 50.7 billion in 2017 considering all Brazilian commercial companies, of which R $ 35.0 billion in wholesale trade, R $ 13.6 billion in retailers and R $ 2.2 billion in the automotive sector. Although no further adjustment is authorized in the table until the end of this year, the impact of additional freight costs will correspond to a final increase of 0.6% in total trade expenditures in 2018.

Src.: Portos e Navios

PLANTING OF SOYABEAN CROP REACHES 9% IN PARANÁ

The planting of the soyabean crop 2018/2019 increased 8% in the week, reaching 9% of the area predicted until Monday (17/9), said the Department of Rural Economy (Deral), of the Department of Agriculture of Paraná, in a weekly survey. On the other hand, sowing of first-crop corn increased by 24% compared to the previous week, to 37% of the area. According to Deral, 94% of the soyabean crops are in germination and 6% in vegetative development. Of corn, 75% of the plantations are in germination and 25% in vegetative development. Regarding the condition of the crops, in the case of corn, 97% were in good condition and 3% in average situation, while 100% of the soyabean plantations were in good condition. One year ago, 1% of the soyabean was planted, and corn sowing reached 12%. As for the 2017/2018 harvest, the winter corn harvest in Paraná increased by 2%, reaching 99% of the area, even a percentage of a year ago. Of the harvest that is still in the field, 6% of the plantations are in good condition, 54% in average conditions and 40% in bad situation. According to Deral, 100% of the crop is in maturity. The wheat harvest was up 8% from the previous week, to 11%, still very late compared to the same period last year (46%). According to Deral, 46% of the crops were in good condition, 35% in average situation and 19% in bad conditions. Until the second, 50% of the plantations were in maturation, 34% in fruiting, 11% in flowering and 5% in vegetative development.

Src.: Globo Rural

SOYABEAN: EXPORT OF GRAIN AND BRAN BY THE PORT OF PARANAGUÁ UP 24% IN AUGUST

The export of soyabeans in grain and bran by the Port of Paranaguá grew 24% in August to 1.913 million tons, informed the Port Administration of Paranaguá and Antonina (Appa). During the period, a total of 369K tons were shipped more than had been exported in August 2017, the equivalent of six soyabean vessels. In the first half of 2018, Paranaguá's soyabean exports totaled 14.726 million tons, representing a growth of 20% compared to the period from January to August 2017, when shipments of soya and bran totaled 12.248 million tons. "Last year we have already set records and this year we are managing to extrapolate this level," Appa's CEO, Lourenço Fregonese, said in a statement. According to Appa, the result of soyabean exports contributed to a 1% increase in handling in the port, which in the first eight months of the year was 35.8 million tons, compared to 35.6 million tons in the same range in 2017. Last year, the terminal hit a record 51.5 million tons.

Src.: Dinheiro Rural

Please, do not hesitate to contact us for further information!
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