CONAB ESTIMATES SUGARCANE HARVEST 2018/19 AT 635 MILLION TONS

According to the 2nd Survey of the 2018/19 sugarcane crop, released this week by National Supply Company (Conab), total sugarcane production is currently estimated at 635.51 million tons, which represents an increase of 0.4% compared to the 2017/18 harvest, which closed at 633.26 million tons. Motivated by the better flow of commercialization against sugar in this harvest, total ethanol production is expected to reach 30.41 billion liters, an increase of 11.6%. Of this total, the production of anhydrous ethanol will increase by 2.2%, reaching 11.24 billion liters, due to the higher consumption of gasoline that has been maintained in recent years. With respect to hydrous ethanol, which is the fuel alcohol itself, production should also increase by approximately 18% (2.9 million liters), reaching 19.17 billion liters. The sugar numbers follow the retraction movement. According to the survey, production is expected to reach 34.25 million tons, a fall of 9.6% compared to the 2017/18 harvest of 37.87 million tons. The area harvested also decreased by 0.8%, which is now estimated at 8.66 million hectares. This decrease was influenced by the return of leased land and the termination of contracts with suppliers.

Src.: Universo Agro

CORN: FREIGHT TABLE MAY LEAD TO INCREASED INVENTORIES

The corn producer is expected to find a more comfortable scenario for the 2018/19 crop, both in terms of supply on the market and in relation to increased production, according to a study by Companhia Nacional de Abastecimento (Conab). According to the agency, for the market, however, the result of the elections may affect domestic prices, since the effects on the national economy can bring significant variations in the dollar. Freight issues should also influence the direction of the corn market for the next crop. In this case, this may be due to the pricing, which should increase the final price of freight and, consequently, reduce the producer's interest in the sale of the product. This would cause an increase in the quantity of corn in stock and a reduction in price. In the external scenario, the marketing opportunities for Brazil point to China and Mexico. However, the United States must maintain its production and also the market dispute, which does not intend to lose it to Brazil and Argentina.

Src.: Universo Agro

MARANHÃO GRAIN TERMINAL ANNOUNCES INVESTMENTS FOR SECOND PHASE

The Maranhão Grain Terminal (TEGRAM), located in the Port of Itaqui (São Luís, MA), reports the handling of 5.4 million tons of soya and corn in the last 12 months. Of this volume, 44% was received by railroad bog and 56% by road, totaling 85 ships shipped in the period. With this result, TEGRAM announces the start of the second phase of the project, which will double capacity in the cargo handling by the railway reception, adding a second one to the growing demand in grain production in some of the main agricultural regions of Brazil. line of shipments on another port berth, re-dimensioning the terminal's capabilities for handling volumes in excess of 10 million tons per year. When completed, the second phase involves the infrastructure required to operate one more berth. This includes the acquisition of a second shiploader, which will allow the terminal to reach a shipment rate of 5K tons of grain per hour, distributed in two berths, allowing the shipment of two ships simultaneously, as well as the activation of the second line of the shiploader. which will allow the unloading of eight wagons simultaneously, at a rate of 4K tons of grain per hour. When completed, TEGRAM expects to receive 80% of the volume for the rail mode and the remaining 20% for the road modal. Among the advantages of TEGRAM for agribusiness logistics, its strategic location, closer to important markets for Brazilian agriculture, and the use of high technology equipment in its processes, making the operation more efficient and the sector more competitive.

Src.: Portos e Navios

DESPITE UNCERTAINTIES, BRAZIL SHOULD PLANT A RECORD 36.3 MILLION HA OF SOYABEANS IN 18/19, ANALYSTS SAY.

Soyabean planting in Brazil's 2018/19 crop is expected to grow for the 12th consecutive year and reach a new record of over 36 million hectares, amid strong demand and still firm margins, although a number of uncertainties leave the industry on alert for potential revisions to the estimates already disclosed. According to the survey with nine consultancies and entities, sowing in the largest global exporter of oilseed, which starts in September, is expected to reach 36.28 million hectares, up 3.2% over 2017/18. Expansion of the area over the last 12 years averaged about 5% per year, with the largest increase occurring in 2012/13, with 10.7%. An escalation of tensions between the world's two largest economies this year culminated with Beijing taxing soyabean imports from the United States, prompting China, the world's biggest buyer of the commodity, to turn even further to the Brazilian offer. Domestic product premiums shot up to $ 2 a bushel, while the appreciation of the US dollar against the real has offset the weakening prices of the Chicago Stock Exchange (CBOT), which have already fallen by about 7% in 2018. But that same dollar, up nearly 20% this year, tends to pull the costs in season. "The devaluation of the real is expected to raise production costs by an average of 10% for the next harvest, especially the strong increase in fertilizer and chemical prices," said Céleres, who forecasts planting 36.2 million hectares and average operating profitability of 1,191 reais per hectare in 2018/19. Even so, there are industry radar uncertainties still able to throw down the prospects of planting. While the election scenario is expected to cause currency volatility in the coming weeks, uncertainty over freight costs, tabulated after truck drivers' protests, have hampered anticipated harvest sales. More recently, a court ruling suspending the registration of glyphosate raised doubts about the use of the herbicide, present for decades in Brazil, in the 2018/19 soyabean crop. "Among factors that may lead to changes in the baseline scenario we are currently considering are the issue of freight and the discussion on the use of glyphosate in the next harvest. In these two cases, if the measures in force are maintained, there is a possibility to revise the figures slightly downwards, especially with regard to the projection area", said Ikeda of Rabobank, which forecasts sowing of 36.7 million tons.

Src.: Portos e Navios

PLANTED AREA OF GRAINS SHOULD GROW 3% IN THE 2018/19 HARVEST

After eight consecutive growing seasons, Brazilian farmers are once again preparing to increase the area planted with grains (cereals and oilseeds) in the 2018/19 cycle, which is expected to reach 63,878 million hectares, against 61,964 million ha of the harvest (3% high). With the advance in the planted area, production is expected to reach a historical record of 243.725 million tons, an increase of 6% compared to the previous harvest of 2017/18 of 229.478 million tons. According to France Júnior, better credit supply and higher prices of some important crops drive the planting. "The evolution of the area must occur in most major crops, with a balance between cereals and oilseeds. At first, except for rice alone", says the grain analyst. France Junior points out that in the technological issue, the formation of the new crop should not raise major concerns. However, he notes that on the climate side, the picture is uncertain. "However, meteorological data indicate a trend for the occurrence of the El Niño phenomenon, which means above-average rainfall in the Center-South region and below the Central-North average". The production estimates for some of the main crops of cereals and oilseeds in the 2018/19 crop are as follows: Soyabean: 121.156 million tons, growth of 2%; Corn: 92.985 million tons, up 13%; Rice: 11,720 million tons, 1% decrease and Wheat: 5,450 million tons, 3% advance.

Src.: Universo Agro

LIMIT THAT PROHIBITS USE OF GLYPHOSATE CAN BE OVERTURNED IN THE COMING DAYS

The Federal Attorney General's Office (AGU) this week filed its appeal against a court decision banning the registration of glyphosate in Brazil. The material will now be appreciated in the coming days and the goal is to overturn the injunction that the Government does not issue new registrations for products with glyphosate as active principle and that, after 30 days, the Ministry of Agriculture publishes a decree suspending registrations already granted. For industry experts, this is a decision that should be taken in a few days, given the urgency of the agenda, mainly due to the proximity of the beginning of the planting of the new Brazilian crop. For the senior technical advisor of the Environment Commission of the National Agriculture Confederation (CNA), Rodrigo Justus, the decision may come out in the next few days, since it is an extreme resource and with preference over any other in progress in court due to the serious socio-economic repercussions that justify the measure. The suspension of an injunction is an appeal addressed to the higher instance of the magistrate who granted the decision and is admissible in cases where there are serious socioeconomic consequences. Therefore, these resources are urgently appreciated in view of the consequences of the implementation of the first degree decision suspending registration and consequently the marketing and use of all such products", says Justus. Understand the case: The substitute federal judge Luciana Raquel Tolentino de Moura, from the 7th District Court of the Federal District, granted early protection so that the Union suspended from September 3rd the registration of pesticides and products containing these active ingredients. As per the decision of the judge, the suspension occurs until the National Agency of Sanitary Surveillance (Anvisa) completes the procedures of toxicological re-evaluation of these products. The deadline for Anvisa is until December 31st, under penalty of a daily fine of R$ 10K. Maggi commented that a possible ban on the use of glyphosate would prevent the planting of 95% to 97% of the areas of soyabeans, corn and cotton, the three largest annual crops in the country. "I believe that the judge who will receive our technical arguments will understand the need of the sector", he says.

Src.: Canal Rural

RETURNING FREIGHT WORRIES TRADINGS

Ancient demand of carriers and drivers, the payment of a return freight when the trucks return to their empty source, has worried the agricultural sector. Since the establishment of the minimum road freight rate, after the truck stoppage in May, payment of this return freight became mandatory. Law 13,703, sanctioned by President Michel Temer on August 9th, ordered the publication of minimum price tables for freight of bulk cargoes. And the current National Land Transport Agency (ANTT) table, in addition to the minimum freight floor, establishes that, "in cases where there is no return cargo to include the cost of the return, one must multiply the distance of going for two ". That is, the contractor has to pay for the trip back from the empty vehicle. If the actions of agribusiness entities that challenge the ANTT table in court are shipwrecked, the costs of transporting soya, corn, bran and sugar to ports by up to R $ 25 billion per year if the to pay for the return of empty trucks. The calculations are part of a study of the Research and Extension Group in Agroindustrial Logistics of the Luiz de Queiroz Higher School of Agriculture (Esalq-Log / USP). Next week, Minister Luiz Fux, rapporteur for the issue in the Federal Supreme Court (STF), will hold a public hearing with representatives of the private sector and carriers before considering injunctions to suspend the tabulation. During the event held in Brasilia, agribusiness representatives were pessimistic about Fux's decision. "My impression is that this will be postponed for the next government to resolve", says Sérgio Mendes, director general of the National Association of Grain Exporters (Anec), one of the entities that have filed lawsuits calling for the unconstitutionality of the law. In the industry, it is believed that Fux will not take the decision alone to consider the unconstitutionality of the freight tables and transfer the responsibility to the Supreme Court plenary. If that happens, the lack of definition around the theme may last even longer.

Src.: Valor econômico

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