

MORE MARKET FOR BRAZILIAN GRAINS

As Argentina's grain harvest breaks more palpably, prospects for Brazilian soyabean and corn exports improve. According to the estimates published this weekend by Agroconsult, soyabean shipments in the country are expected to reach 72 million tons, compared to a record 68.2 million tons in 2017 calculated by the Brazilian Association of Vegetable Oils Industries (Abioiv and). In January, Agroconsult predicted that Brazilian exports of soyabeans would be around 68 million tons. The projection does not consider gains from an evolving trade war between the United States and China, in which Brazil could benefit by sending more oil from abroad. That is, the volume may be even larger. "We were 'presented' with the crop failure in Argentina, at a time when the marketing in Brazil was low", said André Pessôa, managing partner of Agroconsult, in the wake of the consultancy in São Paulo yesterday. According to Pessôa, the slow pace of commercialization made it possible for more business to be effected at higher prices and for the producer's margin to increase. "It's not a super-slick margin, but it gives a gas for investments", he said. On the possibility of China's increased demand for Brazilian soya, Pessôa said it was "practically impossible for China to break with the US". For him, however, there will be more interest in Brazilian soyabeans from the Asian country. One effect that can already be noticed is the increase in premiums paid by Brazilian soyabeans in export ports in relation to Chicago prices. "With the possibility of China retaliating in the United States, soyabeans are down in Chicago, but the premium paid for Brazilian soyabeans in the port goes up." For corn, the consultant's perspective is that 30 million tons of the cereal will be exported, compared to the 29.3 million calculated by the Ministry of Agriculture in 2017.

Src.: Valor Econômico

BRAZIL: WEEKLY SHIPMENTS OF SOYABEANS REACH 1.9 MILLION TONS

Brazil shipped 1.916 million tons of soyabeans in the week ended March 23th, according to data from the Ministry of Industry, Foreign Trade and Services (MDIC), compiled by DATAGRO Consultoria.

Src.: Universo Agro

PORT OF SANTOS HAS A 15.5% INCREASE IN THE VALUE OF CARGOES HANDLED

The Port of Santos share in the Brazilian trade balance reached 27% in the first two months of the year. In the period, US \$ 16.4 billion were moved through the Santos quay. In the first two months of the year, the commercial value of cargoes was 15.5% higher than in the same period of 2017. For Cleveland Sampaio Lofrano, Director of Market Relations and Community of Companhia do Docas do São Paulo (Codesp), the percentage of Porto's share in the trade balance is a result of the diversification of the merchandise handled in the complex. In February, in the country, the current trade (sum of imports and exports) was US \$ 60.8 billion. Exports reached US \$ 34.2 billion and imports reached US \$ 26.6 million. According to data from the state company that manages the Santos quay, in February, 25.5% of the total exported in the country originated the maritime complex. These operations generated US \$ 8.7 billion, an increase of 11.5% over the same period of 2017. Imports at Oporto accounted for US \$ 7.7 billion, a 20.3% increase compared to February

2017. In this case, the participation of the maritime complex was 29% of the total imported in the country. Imports by Santos came mainly from China, the United States and Germany, respectively. The main loads were diesel (diesel), gearboxes and sulfur. While imports of diesel fell 31.5% last month, reaching 127,035 tons, against 185,403 tons in the same month of 2017. In the two months, there was a 10.8% increase, with landings of 358,231 tons.

Src.: Portos e Navios

BRAZILIAN SOYABEAN EXPORTS SOAR IN MARCH, WITH HIGHER DAILY SHIPPING PACE

Brazil's soyabean exports soared in March compared to February and have the potential to approach nearly 9 million tons in the same month last year if the daily pace of shipments has remained hot, data from the Secretariat of Foreign Trade in this Monday. By the fourth week of March, equivalent to 17 working days, the country exported 7.05 million tons of oilseed, well above 2.86 million in February. The monthly increase of 146% occurs amid the advance of the harvest in Brazil, the world's largest exporter of oilseed, and the improvement of prices in the international market due to the prospect of a crop failure in Argentina due to the drought. In March last year, exports totaled 8.97 million tons. However, the daily average of external sales this month indicates that such quantity can be reached or approaching the visa in 2017. So far in March, 414.9K tons of soyabeans were shipped per day, compared to 390.4K tons a year ago. If this average is maintained in the last four working days of the month, Brazil will export an additional 1.66 million tons, bringing the final volume of March to 8.71 million tons. In relation to corn, Brazilian exports decreased in March compared to February, but remain above that recorded at the same time in 2017. In March, 597.3K tons were sold abroad, compared to 1.25 million tons in February and 243K in the same month last year. According to the National Supply Company (Conab), Brazil's total corn production is expected to fall to 87.3 million tons this year, against a record 97.84 million in the past crop.

Src.: Portos e Navios

TIPLAM CARRIES UNPRECEDENTED LOADING OF PANAMAX SHIP

The Luiz Antônio Mesquita port integrator terminal (Tiplam), a unit of the VLI logistics operator at the Port of Santos, concluded last Sunday the operation of the first Panamax ship that was fully loaded at the facility. The activity was possible due to the new depth of the Canal de Piaçaguera (where Tiplam is), homologated last week. The measure allowed the maximum draft (the greatest depth a ship can reach) from 12 to 13.5 meters. This dimension allows the full operation of the Panamax ships, which can carry from 60K to 70K tons of grains.

Src.: Portos e Navios

DRY WEATHER IN BAHIA SHOULD FAVOR SOYABEAN HARVEST

Over the next few days, the weather forecast for western Bahia and the center of Minas Gerais is dry weather. In the case of Bahia, this scenario should favor the beginning of the soyabean harvest. The producer should be aware, however, with the beginning of April. In the first ten days of the month



the rain is expected to return with intensity, which may hamper the harvest.

Src.: *Revista Globo Rural*

AGROCONSULT ESTIMATES SOYABEAN HARVEST AT 118.9 MILLION TONS

Brazil should harvest 118.9 million tons of soyabeans in the 2017/2018 harvest. The estimate was presented this week by consultancy Agroconsult, which released in São Paulo (SP), the results of the Safra Rally, an expedition that analyzes in situ the situation of the crops in the main agricultural poles of Brazil. Representing a new record, the new estimate is 4.3 million tons higher than the 2016/2017 harvest, which was 114.6 million tons. The current crop, in the final phase, was marked by a reversal of the company's expectations regarding the oilseed, which, initially, due to the delay in planting, was slightly lower than last season.

Src.: *Revista Globo Rural*

RAINFALL RETURNS TO THE SUGARCANE PLANTATIONS OF THE CENTER-SOUTH

After a dry scenario in the first half of March, a cold front brought rainfall to the sugarcane plantations of the Center-South Region. As of March 15th, it rained 67.9 mm on average, which corresponds to 57.4% to the average of 30 years. The information is provided by DATAGRO Consulting. So far, Goiás was the center-south state that recorded the highest volume of rainfall, with 120.4 mm, followed by Mato Grosso do Sul with 87.0 mm and Paraná, with 62.2 mm. According to DATAGRO, more rain is expected for next week. It should rain, on average, 32.0 mm in the region. The rains should be concentrated in Paraná and São Paulo. Already for the following week (until March 28th), the climate must once again be dry throughout the region, except in Mato Grosso and north-central Goiás. This rain should improve the scenario, whether it was projected earlier this month, easing expected losses in the development of the 2018/19 crop.

Src.: *Universo Agro*

BRAZILIAN SOYABEAN IMPORTS UP 154% IN FEBRUARY

Brazilian soyabean exports to China totaled 1,746 million tons in February, up 154% from the same month in 2017, the Customs Department of China said this week. In the first two months, the Chinese bought 3.82 million tons of the Brazilian oilseed, an expressive jump of 306% in the annual comparison. Still, the United States remains the main grain supplier to the Asian country, with 3.345 million tons shipped in February, down 24.42% from a year earlier. From January to February, the United States exported 9.16 million tons to the Chinese, 18.25% less than the first two months of 2017. In total, China imported 5.42 million tons of soyabeans in February, a reduction of 2.05% in annual variation, as previously announced by the Customs Department. In the first two months, the volume acquired totaled 13.9 million tons, an advance of 5.37%. In the cereal chain, shipments of corn to China totaled 102.48K tons in February, down 28.23% compared to the same month in 2017. In the first two months of 2018, the country bought 494.51K tons, of 63.9%. Ukraine occupies a leading position among suppliers. In wheat, imports reached 61.7K tons in February and 273.74K tons in the two months, falls of 73.1% and 51.75%,

respectively. Imports of sugar totaled 22.94K tons in February and 53.78K tons in the year to last month, significant decreases of respective 87% and 91% in the annual variation. In the oils segment, 5.9K tons of soyabean derivatives were acquired in February, a decrease of 80.2% in the annual variation. In the accumulated two months, the volume reached 25,158K tons, down 61.34%.

Src.: *Revista Globo Rural*

PLANTS PREPARE FOR THE 2018/19 SUGARCANE HARVEST AND ETHANOL PRICE DROPS

The 2018/19 sugarcane harvest begins officially from next week, but 42 mills have already put their machines in the fields. The expectation of an increase in the supply of the product touches the market, bringing down the prices of hydrous ethanol (which goes directly to the tank of the vehicles). Weekly survey by Cepea (Center for Advanced Studies in Applied Economics) showed that the average price of hydrous ethanol decreased by 2.1% last week in the plants of São Paulo. In the week immediately preceding, alcohol had reached the highest level since October 2016. The liter price of hydrous ethanol fell to R\$ 1.8617 at the mill door from March 19th to 23th. The previous week, it was at \$ 1.9022 per liter. Anhydrous ethanol was traded at R \$ 1.9231 per liter, an increase of 0.55% in the week. Researchers at Cepea attribute this drop in hydrated ethanol prices to the new supply of fuel, put on the market by plants that have already started the 2018/19 crop. Antonio de Padua Rodrigues, director of Unica (Sugar Cane Industry Union), the ethanol supply of the new crop still has little reflection on prices. The fall is more due to the expectations of the new harvest, which causes a spawning of the stocks of the harvest that ends. The grinding is still small and the cane does not have a good productivity, he said. In the first half of this month, 3.34 million tons of sugarcane were processed in the center-south region. By the end of the first half of this month, sugarcane crushing reached 588.5 million tons in the 2017/18 harvest. The volume was 2% lower than the same period of 2016/17. Prices fall at mills, but they need to reach consumers, says the director of Unica.

Src.: *Nova Cana*

FIRM POSITION OF POWER PLANTS BOOSTS CRYSTAL SUGAR PRICE

The prices of crystal sugar rose again in the spot market of São Paulo. According to researchers at Cepea, mill sales representatives are a bit more firm in the amounts ordered at the end of the season. In general, liquidity is stable and the volumes raised in the negotiations have been relatively low. The Cepea / Esalq crystal sugar indicator (Icumsa color from 130 to 180) closed at R \$ 52.3 / 50 kg bag this week, a rise of 3.13% between March 19th and 26th. Even with this support, the values are much lower than those practiced in the same period of 2017. In real terms, in March 2017, the Cepea / Esalq Indicator recorded the lowest average of the 2016/17 season, and was still at R \$ 77.63 / 50-kg bag (IGP-DI deflated values based on February 2018). The current average (from March 1st to March 26th, 2018) of R \$ 51.05 / bag is 34.24% below that of the same month of 2017.

Src.: *Nova Cana*

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