AVERAGE PRICE OF SOYA REACHES THE LOWEST VALUE IN ONE YEAR

Soyabean prices in January registered significant decreases in the Brazilian market, returning to the lowest values since January of last year, in real terms, that is, with adjusted inflation. According to the Center for Advanced Studies in Applied Economics (Cepea), the pressure is due to the significant devaluation of the dollar against the real, the estimates of lower Chinese demand and the reduction in US shipments, which impacted the international market. Given this scenario, the liquidity is low due to the retraction of the consulted producers, who show preference to store the grain to the detriment of commercializing in the current price levels. Future negotiations have also stagnated in the face of uncertainty about the volume to be harvested in Brazil, which may decline with a possible crop failure. The Esalq / BM & FBovespa indicator for soyabean in the port of Paranaguá (PR) registered a significant fall of 5.2% between December and January, with an average price of R $ 76.89 per bag, the lowest since January 2018. The Cepea / Esalq Paraná indicator also had the lowest real value in one year, at R $ 72.02 per sack, 4.7% lower than the December average.

Source: Canal Rural

BRAZIL CONSUMES ANNUALLY 11 MILLION TONS OF WHEAT

It is not only in Brazilians' bread that Argentine wheat has influence. The product also acts in the balance of trade with the neighboring country, as revealed in the study "The Trajectory of Wheat in Brazil and its Role in Trade and Institutional Relations between Brazil and Argentina", a compendium published by Companhia Nacional de Abastecimento (Conab) . According to the research, the export of Brazilian manufactured goods, especially in the automobile and electric machinery sectors, is strongly related to the importation of grain and its derivatives, which shows a direct relationship between these commercial movements. "One of the reasons for this link is due to the fact that the list of products exported by Argentina is not very diversified," explains Rodrigo Souza, an analyst at Conab and technical head of the compendium. "Nearly half of what the neighboring country sells to Brazil concentrates on 16 products, wheat grain and wheat flour accounting for approximately 10% of the total acquired in recent years. In the Brazilian case, at least 50 products are needed to reach the same level of sales, due to our great diversity of items for export, "he adds. The conclusion of the study also points to the supply management framework as another important factor influencing the market relationship of this cereal between the countries. The document records that Brazil consumes about 11 million tons of wheat per year, with Brazilian production estimated at 5.4 million tons for the 2018/19 crop, according to the Company's latest survey. The situation confirms the data of the Secretariat of Foreign Trade (Secex), which shows that, from 1997 to 2017, about 77% of imported wheat originated from Argentina.

Source Universo Agro

EXPORTS OF ETHANOL IN JANUARY CEDE 14.43% BY VOLUME AND 23.9% IN REVENUE

In January 2018, Brazil exported a total of 103.7 million liters of ethanol, a drop of 14.43% compared to the 121.2 million liters shipped in January 2018 and a decrease of 3.44% against December 2018, when 107.4 million liters were shipped. The figures were published by the Foreign Trade Secretariat (Secex) of the Ministry of Economy and consider 22 working days. Exchange revenues from the sale of biofuel reached US $ 53.3 million in January 2019, down 23.96% compared to US $ 70.1 million recorded in January 2018. In relation to US $ 53.5 million December 2018, the value was practically stable, with a decrease of only 0.37%.

Source: Nova Cana

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Source: Nova Cana

RECORD CONSUMPTION OF HYDROUS ETHANOL IN 2018 BRINGS GROWTH OF 42.1%

Demand heated by hydrated ethanol was highlighted throughout the year 2018. Now, with the release of the December numbers by the National Agency of Petroleum, Natural Gas and Biofuels (ANP), the record is consolidated. At 19.38 billion liters, ethanol consumption in the year totaled 42.1% compared to the 13.64 billion liters registered in 2017. The figure also surpasses the previous record recorded in 2015 by 8.5%. Considering the accumulated consumption of 38.35 billion liters of C Gasoline, this means that hydrated ethanol served more than 26% of the energy demand for fuels in 2018. Most of this consumption is concentrated in São Paulo, with 9.96 billion liters. The state, which is also the largest domestic producer of biofuel, saw a 29.5% increase in demand. Relative growth was also observed in other producers in the South Center, such as Minas Gerais (69.4%), Goiás (48.4%) and Paraná (46.8%). Together, these three states corresponded to a consumption of 5.57 billion liters. Despite the high demand for ethanol, fuel consumption of the Otto Cycle (in gasoline equivalent) fell by 3.2% in 2018, going from 53.80 to 52.06 billion liters. Thus, the decline in the volume of Common Gasoline becomes even more evident, going from 44.15 billion liters in 2017 to 38.35 billion liters in 2018 (-13.1%). A drop in the amount of marketed gasoline also means a reduction in the volume of anhydrous ethanol. According to ANP figures, the specific consumption of this type of ethanol fell from 11.92 to 10.35 billion liters. In the sum with the volume of hydrous ethanol consumed in the period, the total was 29.74 billion liters. The value represents an increase of 16.3% compared to the 25.56 billion liters seen in the accumulated of 2017.

Source: Nova Cana

EXPORTS FROM BRAZIL MAY INCREASE US $ 10.5 BILLION WITH COMMERCIAL WAR

Brazil's exports could increase $ 10.5 billion for the United States and China if the two largest economies in the world expand trade war, according to a study by the United Nations Conference on Trade and Development (UNCTAD). The organization predicts that about 80% of Brazil's gain will be in additional exports to the US market, taking advantage of the barrier raised against the entry of Chinese products. That is, the gain is much greater than in the sale of soyabeans to China. President Donald Trump has warned that if he does not reach an agreement with his Chinese colleague Xi Jinping in the coming weeks, Washington will increase the additional tax rates of $ 200 billion from China from 10% to 25%. Beijing is expected to react at the same level. In this scenario, the trade war will definitely impact trade flows much more than before. The Unctad study concludes that the increase in tax rates is not very effective in protecting domestic companies, but actually causes a deviation in the flow of trade. In practice, the biggest losers are those at war. The UN Conference estimates that the effects of surcharges between the US and China reduce bilateral flow and cause substitution by suppliers from other countries. The estimate is that Brazil could earn US $ 8.5 billion in exports to the US, with sales of mostly machinery and metals that China could no longer sell in the US because of a 25% surcharge if actually applied. In addition, Brazil could earn an additional $ 2 billion in trade with China by imposing a surcharge for Beijing against the Americans, with more sales of agricultural products and even chemicals for the Chinese market, for example.

Source: Portos e Navios

PORT OF SANTOS EXPECTS 2.5% MORE CARGO HANDLING IN 2019

In all, 136.4 million tons of cargo are expected to pass through the quay. In the last year, the second port of call of the Docks Company of the State of São Paulo (Codesp), the port had 133.1 million tons in handling - also 2.5% larger than 2017. Among the busiest products in the last 12 months are soyabeans in bulk (20.58 million tons), accompanied by sugar (15.06 million), corn (12.66 million), cellulose (4.65 million) and juices citrus fruits (2.38 million). The latter two have an annual historical record. In addition, the port complex was also record in landings: 38.82 million tons, 6.9% higher than in 2017. The most stable index in relation to 2017 was that of berths: in December of the last year, there were 418, 410 of the same month of the previous year. It is expected that around 136.4 million tons will pass through the Port of Santos and expects to increase cargo handling by 2.5% in 2019. The projection accompanies the optimism of the maritime complex after the results obtained during the year of 2018.

Source: Portos e Navios

SOYABEAN CROP TO TOTAL 31 MILLION TONS IN MATO GROSSO

The Mato Grosso Institute for Agricultural Economics (Imea) has reduced its estimate of soyabean production in Mato Grosso by 1.6% for the 2018/19 season, which is now expected to reach 31.94 million tons. The institute also reduced the projection for crop productivity. For this crop, the performance will be 3.4% lower compared to 2017/18, totaling 55.34sc / ha. The result was influenced by unfavorable climatic conditions recorded in 10/18, such as irregular rains and high temperatures. In this survey, there was no change for the area planted, which should stand at 9.62 million hectares. Corn - The 2017/18 crop in the state should reach 28.78 million tons. However, the Imea warns that due to the weather, the numbers may change. Still this season, productivity should reach 102.23 sc / ha, on average. The highlight is for the cultivated area, which had its projection high by 1.62%, totaling 4.69 million hectares, driven by the advance in the field work with the soyabean, which is collaborating so that most of the areas of corn be sown within the ideal state window.

Source: Universo Agro

PORT OF PARANAGUÁ REDUCES LINE OF TRUCKS AND IMPROVES EFFICIENCY

Paranaguá Port, the main exporting complex of grains and derivatives in Brazil, is considered a model in the segment due to high productivity. This good performance is achieved through an information technology system that controls the flow of cargo from shipment to shipment. In this way, it is possible, for example, to schedule the arrival of trucks respecting the amount that the patio has, which is currently one thousand vehicles. Controlling the flow of cargo has been fundamental to give greater efficiency to the port operation, since producer, port operator and vessels can be programmed. Several strategic projects are under way to modernize operations and increase port capacity over the next decade. One of the works to be completed later this year is the west corridor of export. There, where five terminals are interconnected, the solid bulkhead cradle is being refurbished in order to have its high capacity from 2 million to 6.5 million tons. The execution of the new projects should increase the global movement of the Port of Paranaguá of 53 million tons (between exports and imports of several segments) in 2018, to 80 million tons in 2030. Among the agribusiness products, the port handled 30 million tons, with 10 million imports, mostly fertilizers, and 20 million exports of grains and by-products, especially wheat, soyabeans, bran and oil. Starting from Paranaguá, the main Brazilian grain destinations are China and European countries, whose delivery is centralized at the port of Rotterdam. On average, a ship takes 30 days to reach China and 15 days to reach European ports.

Source: Global Fert

WILLIAMS SUGAR STATICS FOR 2018 IS OUT!

Dear friends, please note that our traditional and annual Williams Brazil Sugar Statistics regarding the year of 2018 is out on https://www.williamssugar.com/, where you can access with the password sent to you.

In case you didn't receive it, please contact us on lineup@williams.com.br and any additional doubts please be sure we remain at your disposition!

Please, do not hesitate to contact us for futher information through our commercial@williams.com.br and lineup@williams.comb.br! Always keeping you duly posted.