

SOYABEAN HARVEST TO REACH 116.4 MILLION T RECORD

National soyabean production is expected to reach a record 116.4 million tons in 2018. The result is 1.2% higher this year than in 2017, according to the July Systematic Survey of Agricultural Production released this week, by the Brazilian Institute of Geography and Statistics (IBGE). The area harvested should increase by 2.5%. The corn crop, however, should shrink 16.7% in 2018, down 7.1% in the area. On the other hand, rice recorded a decrease of 7.3% in production, and a 5.4% reduction in the area harvested. Rice, corn and soyabeans are the country's three main agricultural products, accounting for 93.0% of the estimated Brazilian production in 2018 and 87.0% of the area to be harvested. In relation to the June estimates, soya production will be 0.1% higher than expected. Harvest of second-crop corn will be 1.5% lower. Production of first-crop corn will be 0.3% higher than that estimated in June.

Src.: *Globo Rural*

FISCAL WAR BETWEEN US AND CHINA WILL LEAD TO THE APPRECIATION OF BRAZILIAN SOYABEANS

the United States and China, the two largest global economies, could lead to a boost in soyabeans in the Brazilian market, which should increase the ration for livestock, according to the Minister of Development, Industry and Foreign Trade (MDIC) Marcos Jorge. According to the minister, if China stops buying soyabeans from US producers, Chinese demand will be supplied by the grain produced in Brazilian soil, which would lead to an increase in the price of oilseed. "The feed is an important product that goes to cattle, which is an important product of Brazilian exports.", said the minister, adding that in the medium term the intensification of trade tension between the US and China could bring negative effects because of potential trade war. At the moment, according to Marcos Jorge, Brazilian foreign trade is still not feeling the effects of the upsurge of trade relations between the United States and the Asian giant. "What we took to the Chinese government, at the bilateral meeting we had between President Temer and President Xi Jinping in Johannesburg, was the possibility that China would be opening the door to soyabean derivatives like oil and ground soyabeans", he said. said the minister, for whom such a transaction would also serve, besides access to the market and increase of our exports, as a potential market regulator. "We are attentive and taking measures so that we do not damage our exports", he said.

Src.: *Globo Rural*

MINIMUM FREIGHT IMPOSES \$ 2 BILLION MORE FOR GRAIN EXPORTERS

policy of minimum road freight prices can generate an additional logistical cost of at least US \$ 2.36 billion for grain exporters operating in the country. The calculation is the director general of the National Association of Exporters of Cereals (Anec), Sergio Mendes, based on the expectations of exports for this year and the difference in competitiveness between Brazil and the United States. Mendes explains that, considering only the current logistics conditions, the logistic cost disadvantage for Brazilian exporters compared to the US is US \$ 60 per ton. With the freight tariff, this difference would increase by another \$ 20. Applying this difference to the

118 million tons expected by the entity in shipments of soya, corn and soyabean meal, the result is an additional cost billionaire. According to him, the loss of revenue of exporters is already estimated at more than 20%. Recently, Anec had estimated that this loss would be between 10% and 30%. "The freight table is bankrupt. There is a company that will not stand it, "protests the director general of the entity, saying he is mainly afraid of the situation of smaller exporters. Sérgio Mendes bases his evaluation on three factors. One is the margin of companies, which operate with large volumes of merchandise but with tight accounts. According to the executive, something around 2% is celebrated by the exporters. "It's too short. When you introduce any additional cost, such as freight, borderline loss, "he explained. Another factor, Sérgio recalls, is the price of products being referenced in international exchanges, which makes it difficult to pass on additional costs and compromises the hedge of exporters. And the third point is that the weak point of the grain chain is exactly the logistics. "That's where companies can earn more or less. With \$ 20 more per ton, that ends", he said.

Src.: *Globo Rural*

BRAZIL'S SUGARCANE MILLS WILL FOCUS ON ETHANOL IN THE NEXT HARVEST

Brazil's sugarcane mills will continue to prioritize ethanol production over sugar production next season as rising oil prices boost biofuel demand, producers and consultants said. Even with the giant stocks of ethanol, due to the rapid pace of harvesting in the midst of dry conditions in the center-south, sugar and mill owners said in interviews this week that biofuel gives more return than sugar. In some cases mills said they were paralyzing their sugar facilities to help save sugarcane to produce ethanol. The focus on fuel and accelerated harvesting have resulted in ethanol inventories of 2.5 billion liters more than in the same period last year, according to estimates from Bioagency, a leading ethanol trading company. That has pushed up prices, but ethanol still pays better than sugar, the processors said. Tarcilo Rodrigues, of the Bioagency, said that the most capitalized plants are stocking ethanol to sell after the harvest in early November when prices are expected to rise. Others, pressured by paying bills, are selling fast.

Src.: *Nova Cana*

TEMER SANCTIONS NEW FREIGHT TABLE AND VETOES AMNESTY TO FINES

President Michel Temer has sanctioned, with a veto, Law 13.703 / 18 establishing the Minimum Freight Policy for Road Freight Transport. The policy was one of the claims of truckers who paralyzed roads across the country in May. The paragraph that foresaw amnesty to judicial and traffic fines imposed during the truckers' strike was denied. The text of the law is published in the 9th edition of the Federal Official Gazette and does not fix the values, but creates the rules for the National Land Transport Agency (ANTT) to define the floor, taking into account factors such as diesel oil, tolls and cargo specificities. The law specifies that minimum freight floors should reflect the total operational costs of transportation, defined and disseminated under the ANTT, with prioritization of costs related to diesel oil and tolls. The ANTT will publish twice a year, until January 20 and July 20, a standard with the minimum floors for the kilometer driven by

a loaded axle, considering the distances and specificities of the loads, as well as the spreadsheet used for the obtaining the minimum floors. The standard will be valid for the semester in which it is edited. A first table was published by ANTT in May. Whenever the price of diesel oil fluctuates more than 10% in the national market, in relation to the price considered in the spreadsheet, more or less, a new standard with minimum floors should be published by ANTT, considering the variation in the price of the fuel. The text specifies that the fixing of minimum floors should involve the parties involved, such as representatives of shippers, freight contractors, cargo transport cooperatives, transport company unions and freight forwarders. By law, any agreement or agreement - individual, collective, entity or representation - that results in payment lower than the minimum floor established is forbidden. There is provision for punishment for those who do not follow the table as of July 20 this year. The violator will have to indemnify the carrier in an amount equivalent to twice the difference between the amount paid and what would be due. Indemnities arising from infractions occurring between May 30, 2018 and July 19, 2018 will be annulled.

Src.: *Globo Rural*

PORT OF SANTOS MOVED 64.5 MILLION TONS IN THE FIRST HALF

Approximately 64.5 million tons were moved in the Port of Santos during the first half of 2018, a mark that exceeds the total of the first half of 2017 by 1.5 million tons. Between shipments and landings, the port of Santos increased by 5, 6%, despite the lower performance of the month of June in relation to the same month in the previous year, due to the fall of about 4% in shipments, still influenced by the reflexes of the truckers' strike. After the good results, it is expected that by the end of the year, the port complex will move 133.3 million tons, which will represent an increase of 2.7% over last year. Corn shipments, up 55.2%, were the highlights during the first half of the year and boosted the results, followed by cellulose (40.7%) and citrus juices (35.2%). Despite a rise of only 10.4%, soya exports represented almost 20 million tons, leveraging the numbers. In the discharge operations, calcium phosphate (47%), caustic soda (35.2%) and ammonia (29.4%) were more relevant in the trade balance. About 2 million TEUs (standard measure of a 20-foot container) were moved at the Port of Santos during the first half of 2018, an increase of 11.8% over the previous year, almost 22 million tons of cargo operated, even with the 8.5% drop in container traffic, compared to June 2017. According to the Docks Company of the State of São Paulo (CODESP), 11 months of growth have been achieved thanks to the conditions of the draft that has been maintained by dredging, propitiating the navigation of larger ships in the Santos complex. With the growth presented during the semester, Santos now represents 27.7% in the Brazilian trade balance with US \$ 54.1 billion moved by the complex. Exports accounted for 26.7% of the total, equivalent to US \$ 30.2 billion. Imports reached US \$ 23.9 billion, with a 29.2% share. When trading only using the port system is taken into account, Santos' share reaches 36.4%. With these numbers, Port of Santos hit a record of cargo movement in the first half.

Src.: *Portos e Navios*

BRAZILIAN EXPORTS OF SOYABEANS AND SOYABEAN MEAL INCREASED IN THE ACCUMULATED OF 2018

According to the Ministry of Industry, Foreign Trade and Services (MDIC), Brazil exported 10.19 million tons of soyabeans in July, with a daily average of 463.45K tons. The average volume decreased 6.6% compared to June this year, but was 39.9% higher than that shipped per day in July 2017. Year-to-date, 56.47 million tons of grain were exported, 10.8% more than in the same period of last year. In the partial of August, until the first week, the country exported, on average, 266,83 tons per day. There was a decrease of 42.4% compared to the average of last July, but the volume was 3.1% higher than that shipped daily in August last year. Regarding soyabean meal, 1.73 million tons were exported in July, the highest monthly volume this year. The daily average grew 5.9% compared to last June and was 42.8% higher than that shipped in July 2017. From January to July 2018 Brazil exported 10.30 million tons of soyabean meal, 17.5% more than in the same period of last year. In the first week of August, the daily average shipped decreased 55.6% compared to July this year and was 34.5% lower than the average shipped in August 2017. The increased demand for Brazilian soyabeans and grains, due to the drought in Argentina and the commercial war between the United States and China, have impacted export volumes this year and helped support domestic market prices. However, deadlocks in relation to road freight tariffs may hamper shipments in the coming months, as well as hindered the anticipated business with the 2018/2019 harvest.

Src.: *Scot Consultoria*

IMPORTED VOLUME OF ETHANOL RISES 93.3% IN JULY TO 140.9 MILLION LITERS

After a sharp decline in June, Brazil's imported volume of ethanol increased again last month to 140.88 million liters, up 93.25% from a total of 72.90 million imported from biofuel in July 2017. The amount is 106.9% higher than the 68.06 million liters imported in June this year. The data are from the Ministry of Industry, Foreign Trade and Services (MDIC). In the first seven months of 2018, the imported volume of ethanol reached 1.344 billion liters, a slight decrease of 0.44% over the total of 1.350 billion liters of the same period of 2017. Even with the increase, the total imported biofuel in July was 22% lower than that exported. Last month the country sent 180.7 million liters of ethanol to the foreign market, according to the MDIC. However, imports in the first seven months of 2018 exceeded by almost two times the total of 725.8 million liters exported by Brazil in the period.

Src.: *Dinheiro Rural*

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