

### FERTILIZER IMPORTS INCREASE IN AUGUST

According to a GlobalFert survey, the volume of fertilizers imported by Brazil in June was 2.8 million tons, an increase of 33.3% in relation to June, where 2.1 million tons of fertilizers were imported. The importation of nitrogen fertilizers had an increase of 52%, phosphates an increase of 13%, and Potassium Chloride increased by 38% respectively between August and July. The main port of entry of fertilizers in June was the Port of Paranaguá responsible for 50.9% of total fertilizer imports. The second largest fertilizer import port in the month was the Port of Santos with 12.9% followed by the Port of São Luís with 7.3% of the volume.

Src.: *Global Fert*

### PRODUCTION COST OF CORN GROWS IN MT

The cost to produce one hectare of corn reached R \$ 2,353.80 in Mato Grosso in the month of August. According to the Mato Grosso Institute of Agricultural and Livestock Economics (Imea), the item that weighed most in the producer's pocket in the last month was the soil corrective, due to the supply and demand ratio and increase in freight, coupled with the increase in fertilizer expenses, reflecting the appreciation of the dollar. In the face of the high US currency scenario, the Imea highlights this is one of the factors that make the next harvest an "unknown". "... it is of the utmost importance, in this period of intensification in the purchase of inputs, that the producer is aware of the good management of expenses and use of business opportunities to enable the next harvest," warns the Imea

Src.: *Universo Agro*

### WITH LESS GRAIN AVAILABLE, SOYABEANS REMAIN HIGH IN BRAZIL

Soja maintains the valuation trajectory in the Brazilian market, according to the Center for Advanced Studies in Applied Economics (Cepea). Despite the adjustment in the benchmark based on Paranaguá last week, the September partial points high, with the bag of 60 kilos quoted above R\$ 90. Last week the indicator based on the export corridor of Paraná had a fall of 0.47%, to R \$ 95.72 the bag of 60 kilos. Even so, in the accumulated 21 days of the month, there is a valuation of 3.35%. On September 3<sup>rd</sup>, the reference was at \$ 91.52 a bag. "Many producers no longer have soya to market, while others say that the surplus is only 5% in the country. So the few producers that have soya available for sale are capitalized and have no interest in negotiating," says Cepea. a note released this week. Still according to the institution, this stance of the producers is also influenced by the beginning of the planting of the new crop in Brazil. In this period, speculation about the effects of climate on crops has an effect on prices and may favor business. In Mato Grosso, the main national producer of grain, planting is already underway. According to the Mato Grosso Institute of Agricultural and Livestock Economics (Imea), until last Friday, the machines had passed 0.83% of the estimated area for the 2018/2019 harvest in the state, which is 9.57 million of hectares. At the same time last year, the proportion sown was 0.14%. In Paraná, fieldwork is accelerating. The Department of Rural Economy (Deral) estimates that 9% of the area has already been sown and are in good condition. Of the total, 94% are already in the germination phase and the remaining 6% in vegetative

development, according to the most recent data of the institution, referring to the last 17<sup>th</sup> day.

Src.: *Revista Globo Rural*

### AGRURAL RAISES SOYABEAN AREA FORECAST FOR BRAZIL IN 2018/2019

AgRural consultancy increased its forecast of soyabean planted area in Brazil's 2018/2019 harvest, from 35.691 million hectares in August to 35,804 million hectares. The new number represents an increase of 655K hectares (+ 1.9%) compared to 35.149 million hectares of the previous harvest. The largest advance should occur in the North / Northeast, which can expand the area by 311K hectares, according to AgRural. With productivity estimated from the historical trend, the consultancy now foresees production of 120.3 million tons - 1 million tons above the record of 119.3 million tons of the 2017/2018 harvest. "The increase in area is due to the good results of productivity and profitability of the 2017/2018 harvest and the expectation of producers of attractive prices in reais," AgRural said. "The fall in dollar prices, which makes it difficult to advance the anticipated business in part of the Cerrado, and the new road freight tariff, however, limits the expansion of the soyabean area." Still according to the consultancy, the decision of some producers to plant more corn in the first harvest is another factor that prevents a greater increase of soyabean area.

Src.: *Revista Globo Rural*

### ETHANOL SALES INCREASE 42% IN THE FIRST HALF OF SEPTEMBER

Sales of hydrated ethanol from the plants in the Center-South of Brazil increased by 42.69% in the first 15 days of September compared to the same period in 2017. From year to year the volume increased from 674.42 million to 962, 32 million liters, according to data released by the Sugar Cane Industry Union (Unica). In the case of anhydrous ethanol, the volume reached 353.68 million liters in the first 15 days of the month. Compared to the second half of August, volumes were lower, attributable to the lower number of business days in the period. For the Single, the figures for the first half of this month reflect the "enormous competitiveness" of ethanol versus gasoline. From April to September 15<sup>th</sup>, ethanol sales totaled 13.58 billion liters, with 775 million exported and 12.80 billion domestically. The volume is 18.08% compared to the same period of the previous crop, according to the Sugar Cane Industry Union. The greater ethanol commercialization by the mills was recorded amid a scenario of price recovery. At least that is what shows the indicator of the Center for Advanced Studies in Applied Economics (Cepea), based on the business conducted in the State of São Paulo. Between September 17<sup>th</sup> and 21<sup>st</sup>, the benchmark for hydrated fuel rose 1.25% from the previous week's average. The reference value reached R \$ 1.6848 per liter. The anhydrous was stable in the same comparison (+ 0.1%), with a weekly average of R \$ 1.8335 per liter. According to the Cepea researchers, support for prices came from the output of some mills in the market. Rains in some regions of the state caused occasional stoppages in activities. In addition, the need for tank release was lower, interfering with the pace of business and also helping to maintain fuel prices.

Src.: *Revista Globo Rural*



## FREIGHT TABULATION CAN LEAD TO THE INPUT SECTOR TO COLLAPSE

According to the Confederation of Agriculture and Livestock of Brazil (CNA), the rise of the liter of diesel oil last month resulted in an increase of up to 6% in freight rate prices, which worries the suppliers of inputs. The assessment of the sector is that the measure could cause a collapse in the activity. According to the National Association for Diffusion of Fertilizers (Anda), between January and August of this year, 5% more fertilizers were transported than in the whole of last year. It looks like a breakthrough, but the association's chief executive, Davi Roquette, says it's a worrying number since August used to see 35% more transport than the average of previous months. The uncertainty of the sector is explained by the freight tariff, approved by Congress and sanctioned by the Presidency of the Republic after the truck drivers strike. The current minimum prices for freight transportation were defined by the National Land Transport Agency (ANTT), which brought an increase of up to 200% in freight, according to CNA. On top of the percentage, the confederation says that there was a new increase of up to 6%, after the price adjustment of the liter of diesel oil, at the end of last month. For the technical advisor of the Infrastructure and Logistics Commission of CNA, Elisângela Lopes, the tabulation is making production unsustainable in the country, mainly in relation to grains. It is not just the tabulation that presses the cost of agricultural production. ANTT still has to approve a draft resolution to increase the value of fines by R \$ 5K in case of non-compliance with minimum freight prices. Currently, if the irregularity is found, the offender must indemnify the carrier for twice the difference between what was paid and the minimum price established. The CNA considers the measure impracticable. Direct actions of unconstitutionality have already been submitted to the Federal Supreme Court (STF), questioning the validity of the freight table. Júlio César Busato, president of the Thematic Chamber of Agricultural and Livestock Inputs, says that the team hopes that the STF will judge the table as unfounded, so that the market returns to normal. This is agribusiness's last attempt to reverse law enforcement.

*Src.: Global Fert*

## ALMOST 40% OF SUGAR MILLS SHOULD CLOSE HARVEST IN OCTOBER

Almost 40% of sugarcane and ethanol-producing plants in south-central Brazil, a region that supplies much of the global sweetener trade, are expected to close sugarcane crushing in October, more than a month earlier than normal, the Union of Sugar cane industry (Unica). The mills have been able to maintain an accelerated grinding rate during most of the season started in April due to drier than normal climate in south-central Brazil. However less rainfall also means a smaller volume of cane, another reason for the early start of the season. In a normal year, the mills would extend the milling started in late March until mid-December. A survey by Unica with associated mills showed that 38% of them are due to close operations next month. Only 12% believe they will enter in December with cane still to be processed. Last year, 36% of the mills went into December with the sugarcane milling in progress. The situation will result in a much greater off-season, when the mills only work with the sale of sugar and ethanol from stocks. The association said on Tuesday

that mills produced 2.14 million tons of sugar in the first half of September, down from 2.37 million tons in the previous fortnight. Cane milling totaled 38.51 million tons in the period, against 43.30 million tons in the second half of August. Unica said sugarcane yields continued to fall at the latter stage of the harvest due to the drought. The yield in the first half of September was on average 70.7 tons of sugarcane per hectare, or 9.16% below that seen in the same period of last year.

*Src.: Nova Cana*

## FINANCIAL CRISIS IN ARGENTINA OPENS OPPORTUNITY FOR BRAZILIAN SOYABEANS

The International Monetary Fund (IMF) is due to announce this week the outcome of the renegotiations with the Argentine government to reformulate a financial aid agreement to the country. At a United Nations (UN) general assembly, President Mauricio Macri avoided commenting on the 24-hour general strike that affected virtually every public service in the country. According to Vlamir Brandalitze, an analyst at Brandalitze Consulting, the crisis in the neighboring country should help the Brazilian producer. According to him, Argentina is a major food supplier, such as soya, wheat, corn and meats, and all segments Brazil participates. In addition, according to him, with some adjustments to the rules of the IMF, the Argentinean producer will be penalized, with less investment in the crop that will be planted and increase of export rates. "In this scenario, the rural producer there will have lower income because the soya export tariff increased by 28%. With this, the farmer could lose a third of the revenue to the government. The crop, which could reach 57 million tons, is expected to fall to 50 million tons, which could bring Chinese demand to Brazil", he explains.

*Src.: Canal Rural*

## IMPORTS OF WHEAT WILL BE CLOSE TO 7 MILLION TONS

The partner of MB Agro Alexandre Mendonça de Barros estimates that imports of wheat in Brazil in 2018 will be closer to 7 million tons than the possible 6 million tons that were fished by the sector. "We will suffer from excessive rainfall in the southern region due to the effects of the El Niño phenomenon", said the expert at the 25th International Wheat Industry Congress in Foz do Iguaçu, PR. The need to buy the cereal in the foreign market to make up the country's supply is also due to the crop failure of Paraná, whose crops were harmed by delayed planting and drought for long periods during the development of crops. Overall, Barros recalls that there was loss in several producing countries, such as Australia and Russia. The Russians lost 16% to 20% of the estimated production initially. In this context, even with the wide production of Argentina, the expectation is of continuity in the high price levels for the cereal.

*Src.: Canal Rural*

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