

AGRIBUSINESS EXPORTS ADD UP TO RECORD AND EXCEED US \$ 100 BILLION MARK

Brazilian agribusiness exports revenue reached a record US \$ 101.6 billion last year, an amount 5.9% higher than in 2017. The surplus in the agribusiness trade balance grew 7.1% to US \$ 87.6 billion, increasing the sector's share of the positive balance of Brazilian exports. Agribusiness imports fell by 0.8% last year to \$ 14 billion. The main highlight last year was the soyabean complex, which increased its share of agribusiness exports from 33% in 2017 to 40% in 2018. Last year the sector's foreign sales revenue grew 29% to US \$ 40.9 billion. Soyabean grain exports, which gained a foothold in the trade dispute between China and the United States, increased 29.1% to \$ 33.1 billion. The volume shipped grew 22.7% and reached the record of 83.594 million tons. Soya bean meal also performed positively. Revenue grew 34.7% to \$ 6.677 billion and export volume increased 18.9% to 16.8 million tons. Soyabean oil fell 0.6% in revenue (to US \$ 1.025 billion) and increased 5.4% in shipments (to 1.414 million tons).

Source: *Revista Globo Rural*

SOYABEAN HARVEST REACHES 6% OF THE AREA IN BRAZIL

The harvest of the 2018/2019 soyabean crop reached 6% of the area under cultivation in Brazil, according to a survey conducted by AgRural consultancy and released this week. The figure represents a four-point gain over 2% a week earlier and holds a good lead over 0.8% a year ago and 1.2% of the five-year average. The driest weather of the last few days made the fieldwork in Mato Grosso jump from 3.9% to 12.8%, which put the state at the forefront of the harvest in the country, ahead of Paraná. A year ago, 2.8% of the Mato Grosso area was harvested. In Paraná, which a week ago had already collected 6% of its area, the harvest reached 11.9%, well above 0.3% of the average of five years. The western region continues pulling the works, with productivities between 20 and 55 sacks per hectare. In Goiás, 4.1% of the soyabean area is harvested, compared to 1.6% in the previous week and 0.2% in the five-year average. However producers are worried about the lack of rain and the high temperatures that have prevailed since the beginning of the year. In Mato Grosso do Sul, 3% of the area is harvested, against 0.2% in the average of five years. In Maracaju, in the south of the state, the average of the first areas has been around 30 sacks per hectare due to the hot and dry weather of December. But the expectation is that the averages will improve as the harvest progresses. In the Matopiba region, which encompasses areas of Maranhão, Tocantins, Piauí and Bahia, sparse shocks have brought relief to many producers, but there are still areas that need rain, especially in Bahia. In Rio Grande do Sul, frequent rains have favored the development of crops, but humidity hampers cultural practices and there are isolated cases of flooding losses. There is also a harvest in Minas Gerais, with 2.7% of the area, São Paulo, with 0.9% and Rondônia, with 7% of the area harvested.

Source: *Canal Rural*

CENTER-SOUTH: PLANTING OF THE SECOND CORN CROP REACHES MORE THAN 5% OF THE AREA

Planting of the second corn crop reached 5.6% of the total area estimated for the Center-South of Brazil. The data released by the AgRural consultancy show that the field

work is advanced, since in the same period of last year the sowing of the cereal was in 0.8% of the area. In the average of the last five years, the planting was in 0.9%. The company claims that Mato Grosso leads, with 8.3% of its area already sown, followed by Paraná (7.4%), Goiás (2.7%), Mato Grosso do Sul (1.6%) and Minas Gerais (0.7%). Despite the anticipation of planting, in Goiás and Mato Grosso do Sul, growers have preferred to wait for more consistent rains to boost the works.

Source: *Canal Rural*

SECOND WEEK OF JANUARY HAS A 67% INCREASE IN FERTILIZER IMPORTS

In the second week of January, the Brazilian trade balance had a positive balance of US \$ 1.766 billion. This was the result of exports in the amount of US \$ 5.406 billion, less imports registered in the period, which were US \$ 3.640 billion. In the month, foreign sales totaled US \$ 9,224 billion and purchases abroad reached US \$ 5.613 billion, with a positive balance of US \$ 3.611 billion. In imports, there was a growth of 10.7% over the same period (average of the second week, US \$ 728 million over the average of the first week, US \$ 657.7 million), mainly explained by the increase in fuel expenses and lubricants, mechanical equipment, automobiles and parts, fertilizers and fertilizers, rubber, plastics and works. In imports, the daily average until the second week of January 2019 (US \$ 701.7 million) was 8.7% above the January 2018 average (US \$ 645.6 million). Costs increased mainly with fertilizers (67.8%), aluminum and its works (42.5%), organic and inorganic chemicals (31.4%), plastics and works (20.3%) and equipment electronics (11.8%). In December 2018, imports increased by 8.6% in the form of electrical and electronic equipment (52.9%), plastics and works (47.7%), organic and inorganic chemicals (36.9%), motor vehicles and parts 13.2% and mechanical equipment (12%).

Source: *Global Fert*

PORT OF SANTOS SURPASSES EXPECTATION OF CARGO MOVED IN 2018

The Port of Santos closed the year of 2018 with a new record of cargo handling. The brand was 133.16 million tons, 2.5% higher than the result observed in 2017, exceeding the expectation of December of 131.5 million. The projection made at the end of the year by the statistics management of Companhia Docas do Estado de São Paulo (Codesp) was exceeded mainly due to the increase of loose cargo in November. In addition, the expected deceleration in container handling in December was not confirmed. Shipments surpassed 94.34 million tons, also a record - an increase of 0.8% over 2017 (when the record was 93.56 million). The main highlight was the expansion of 24.9% in bulk soyabean shipments, totaling 20.58 million, ending the year as the bulk cargo in the Port of Santos. Still in the soyabean complex, the bran also had a remarkable expansion, of 18.3%, totaling 5.91 million. The soyabean complex grew in total, 22.8% over the previous year, with a record mark of 26.69 million. The second most shipped product was sugar (15.06 million, down 27% over the accumulated in 2017, when the mark was 20.63 million). Corn was the third most shipped product, with 12.66 million. Celulose was in 4th place, with 4.65 million - growth of 51.4% compared to 2017 -, and citrus juices in 5th place, with 2.38 million. Both pulp and juices recorded a record annual

turnover. Landings in the period also recorded a record 38.82 million tons, up 6.9% over 2017, which reached 36.31 million. The product with the highest movement in the period was the fertilizer, with 4.58 million, an increase of 10.7% compared to 2017.

Source: *Portos e Navios*

SOYABEAN PRICE RISES IN THE BRAZILIAN MARKET AND GENERATES SALES

The dollar continues to support some price rises in the Brazilian market. Not even the drop in stock prices on the Chicago Stock Exchange last Tuesday, the 22nd, disrupted business. In regions where prices rose, there was a better movement, especially in Minas Gerais, where 10K tons were sold, as well as São Paulo and Goiás, with transported volumes of 5K tons in each state. In Passo Fundo (RS), the bag of 60 kilos followed by R \$ 76.00. In the port of Rio Large, prices went up from \$ 77 to \$ 77.50. In Cascavel, Paraná, the price stabilized at R \$ 71.50 a bag. In the port of Paranaguá (PR), the bag remained at R \$ 77. In Rondonópolis (MT), the bag followed at R \$ 66. In Dourados (MS), the price fell from R \$ 68 to R \$ 66.50. In Rio Verde (GO), the bag increased from R \$ 68 to R \$ 70.

Source: *Projeto Soja Brasil*

CENTRAL-SOUTH PROCESSES 214% MORE SUGARCANE IN THE FIRST HALF OF JANUARY

The volume of sugarcane processed by the mills in the Center-South of Brazil reached 523.5K tons in the first half of January. The volume corresponds to an increase of 214.6% compared to the same period of the previous harvest, when the mills ground 166K tons. The figures are from the Sugar Cane Industry Union (Unica), released this week. Despite the expressive percentage, many mills have already closed the current harvest and are in the maintenance phase. With the low grinding between 1st and 16th of January, the ethanol and sugar productions were also residual. The amount of manufactured sugar reached 11.3K tons in the period, while the volume of ethanol produced totaled 70.35 million liters (35.44 million liters of hydrous ethanol and 34.91 million liters of anhydrous ethanol). According to Unica's survey, of the 70.35 million liters manufactured in that half of the month, 45.82 million liters (65%) were corn ethanol. During the period, the sucrose content in cane, measured in the amount of Total Recoverable Sugar per ton processed (ATR / t), was 103.53 kilos (kg) in the first half of January, 1.27% less than the same period of the past crop. The production mix in the first half of last month was 21.89% for the production of sugar and 78.11% for the manufacture of ethanol.

Source: *Revista Globo Rural*

BRAZIL IMPORTS MORE WHEAT FROM ARGENTINA

After two years of below-average production, Brazilians increased wheat purchases in Argentina and alleviated the situation of the neighboring country's producers, who have been obtaining good harvests. Much dependent on imported cereals, Brazil had to seek 6.82 million tons in the foreign market last year to supply domestic demand. The neighboring country was responsible for supplying 5.94 million tons of this volume, according to Secex (Secretariat of Foreign Trade). The increase in the volume of purchases of Brazil helped to spawn the production of Argentina, which is close to

19.5 million tons. Six years ago, the Argentine harvest was below 10 million tons. According to Secex, the volume of wheat imported from Argentina by Brazil in 2018 was the largest since 2006 and yielded US \$ 1.3 billion for neighbors. Usda (US Department of Agriculture) estimates indicate that Argentines have at least 14 million tons of cereal to export in this crop. Brazil will be an outlet for the country. Besides having as neighbors one of the main importers of the cereal in the world, the Argentineans have lower rate than the other great producers like the United States, Canada and Russia. World cereal output declines to 725 million tons this year due to a slowdown in Russia. The consumption will be 740 million, according to the FAO (Food and Agriculture Organization of the United Nations).

Source: *Portos e Navios*

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

