



Weekly Report

AgResource
Company

Brazilian Real

Spot
1 USD = R\$3.88

Argentinean Peso

Spot
1 USD = \$38.36



AgResource Latam

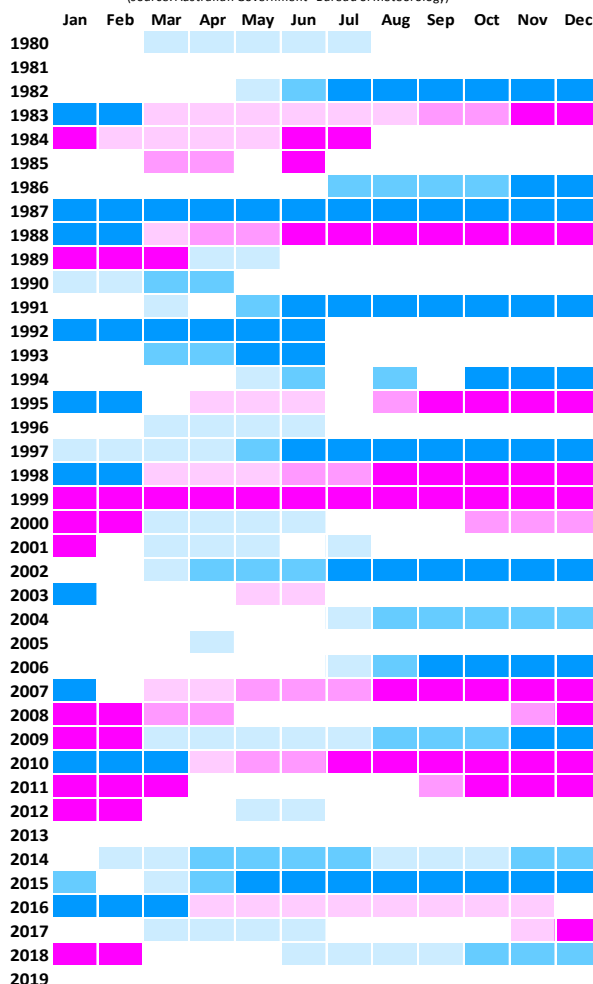
EL NIÑO IS ON THE MAIN RADAR OF THE 18/19 SOUTH AMERICAN CROP

ARC's Latin Division is mentioning the high possibility of an El Niño scenario being formed for South America crop window since late-August. However, the confirmation of the higher temperatures over the NINO3.4 region, where origins those climatic

phenomenon, came out this past recent weeks. Note that currently the El Niño is still in a phase where the weather pattern for South America does not intervene on a huge change of rainfall indexes. (continues on the next page)

Monthly ENSO Outlook Values

(source: Australian Government - Bureau of Meteorology)



LEGEND

El Niño WATCH
 El Niño ALERT
 El Niño
 La Niña WATCH
 La Niña ALERT
 La Niña

National Production by Crop

Brazil (1000 MT)						Argentina (1000 MT)				United States (1000 MT)			
Soybean		1st Corn Crop		Safrinha Corn		Soybean		Corn		Soybean		Corn	
15,156	%YoY	19,356	%YoY	79	%YoY	3,600	%YoY	6,400	%YoY	61,525	%YoY	201,384	%YoY
15,200	0.3%	21,157	9.3%	127	60.8%	3,500	-2.8%	12,900	101.6%	48,921	-20.5%	168,648	-16.3%
12,835	-15.6%	21,491	1.6%	114	-10.2%	4,150	18.6%	9,600	-25.6%	54,135	10.7%	206,223	22.3%
14,750	14.9%	18,982	-11.7%	33	-70.9%	4,200	1.2%	9,000	-6.3%	59,610	10.1%	209,181	1.4%
15,541	5.4%	20,797	9.6%	382	1049.1%	7,000	66.7%	9,500	5.6%	44,518	-25.3%	106,031	-49.3%
18,278	17.6%	20,691	-0.5%	484	26.8%	6,750	-3.6%	11,900	25.3%	50,644	13.8%	194,881	83.8%
14,100	-22.9%	19,755	-4.5%	510	5.4%	7,300	8.1%	12,400	4.2%	57,127	12.8%	225,447	15.7%
17,300	22.7%	26,179	32.5%	580	13.6%	7,000	-4.1%	9,250	-25.4%	52,868	-7.5%	208,944	-7.3%
18,020	4.2%	24,778	-5.4%	446	-23.0%	10,000	42.9%	9,200	-0.5%	52,736	-0.2%	181,143	-13.3%
23,600	31.0%	25,647	3.5%	621	39.1%	6,500	-35.0%	4,900	-46.7%	42,153	-20.1%	125,194	-30.9%
20,340	-13.8%	21,757	-15.2%	501	-19.3%	10,750	65.4%	5,200	6.1%	52,354	24.2%	191,320	52.8%
15,750	-22.6%	23,041	5.9%	1,056	110.8%	11,500	7.0%	7,685	47.8%	52,416	0.1%	201,534	5.3%
19,300	22.5%	29,242	26.9%	1,529	44.9%	11,350	-1.3%	10,600	37.9%	54,065	3.1%	189,868	-5.8%
22,500	16.6%	26,806	-8.3%	2,402	57.0%	11,350	0.0%	10,200	-3.8%	59,612	10.3%	240,719	26.8%
24,700	9.8%	30,924	15.4%	2,250	-6.3%	12,400	9.3%	10,000	-2.0%	50,885	-14.6%	160,986	-33.1%
25,900	4.9%	33,991	9.9%	3,451	53.4%	12,500	0.8%	11,404	14.0%	68,444	34.5%	255,295	58.6%
24,150	-6.8%	28,895	-15.0%	3,510	1.7%	12,480	-0.2%	11,100	-2.7%	59,174	-13.5%	187,970	-26.4%
27,300	13.0%	31,704	9.7%	4,011	14.3%	11,200	-10.3%	15,537	40.0%	64,780	9.5%	240,719	24.8%
32,500	19.0%	24,605	-22.4%	5,583	39.2%	19,500	74.1%	19,361	24.6%	73,176	13.0%	233,864	-0.3%
31,300	-3.7%	26,742	8.7%	5,651	1.2%	20,000	2.6%	13,504	-30.3%	74,598	1.9%	247,882	6.0%
34,700	10.9%	27,715	3.6%	3,925	-30.5%	21,200	6.0%	17,200	27.4%	72,224	-3.2%	239,549	-3.4%
39,500	13.8%	35,833	29.3%	6,457	64.5%	27,800	31.1%	15,359	-10.7%	75,055	3.9%	251,854	5.1%
43,500	10.1%	29,100	-18.8%	6,181	-4.3%	30,000	7.9%	14,712	-4.2%	78,672	4.8%	241,377	-4.2%
52,000	19.5%	34,614	18.9%	12,797	107.1%	35,500	18.3%	15,500	5.4%	75,010	-4.7%	227,767	-5.6%
51,000	-1.9%	31,554	-8.8%	10,574	-17.4%	33,000	-7.0%	14,951	-3.5%	66,783	-11.0%	256,229	12.5%
53,000	3.9%	27,272	-13.6%	7,705	-27.1%	39,000	18.2%	20,483	37.0%	85,016	27.3%	299,876	17.0%
57,000	7.5%	31,809	16.6%	10,706	39.0%	40,500	3.8%	15,800	-22.9%	83,507	-1.8%	282,263	-5.9%
59,000	3.5%	36,597	15.1%	14,773	38.0%	48,800	20.5%	22,500	42.4%	87,001	4.2%	267,503	-5.2%
61,000	3.4%	39,964	9.2%	18,688	26.5%	46,200	-5.3%	22,017	-2.1%	72,859	-16.3%	331,177	23.8%
57,800	-5.2%	33,655	-15.8%	17,349	-7.2%	32,000	-30.7%	15,500	-29.6%	80,749	10.8%	305,911	-7.6%
69,000	19.4%	34,079	1.3%	21,939	26.5%	54,500	70.3%	25,000	61.3%	91,470	13.3%	331,921	8.5%
75,300	9.1%	34,947	2.5%	22,460	2.4%	49,000	-10.1%	25,200	0.8%	90,663	-0.9%	315,618	-4.9%
66,500	-11.7%	33,867	-3.1%	39,113	74.1%	40,100	-18.2%	21,000	-16.7%	84,291	-7.0%	312,789	-0.9%
82,000	23.3%	34,577	2.1%	46,929	20.0%	49,300	22.9%	27,000	28.6%	82,791	-1.8%	273,192	-12.7%
86,700	5.7%	31,653	-8.5%	48,399	3.1%	53,400	8.3%	26,000	-3.7%	91,389	10.4%	351,272	28.6%
97,200	12.1%	30,082	-5.0%	54,591	12.8%	61,450	15.1%	29,750	14.4%	106,878	16.9%	361,091	2.8%
96,500	-0.7%	25,758	-14.4%	40,773	-25.3%	58,800	-4.3%	29,500	-0.8%	106,857	0.0%	345,506	-4.3%
114,600	18.8%	30,462	18.3%	67,381	65.3%	55,000	-6.5%	41,000	39.0%	116,920	9.4%	384,778	11.4%
120,300	5.0%	26,811	-12.0%	53,975	-19.9%	37,800	-31.3%	32,000	-22.0%	120,039	2.7%	370,960	-3.6%
122,000	1.4%	27,368	2.1%	63,735	18.1%	55,500	46.8%	42,500	32.8%	125,179	4.3%	371,517	0.2%

AgResource LATAM
Report

by: ARC Mercasul
www.AgResource.com





There's now a very high possibility of an El Niño scenario being established for the whole of South America's growing season. However, the confirmation of the higher temperatures over the NINO3.4 region were released this past week. Currently El Nino is not significantly impacting South America's climate.

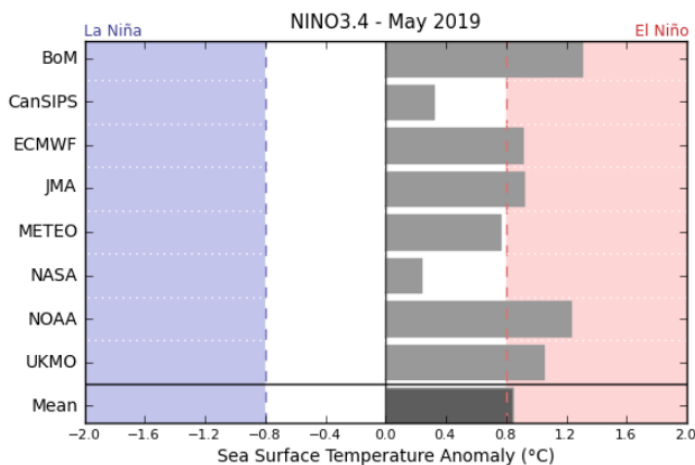
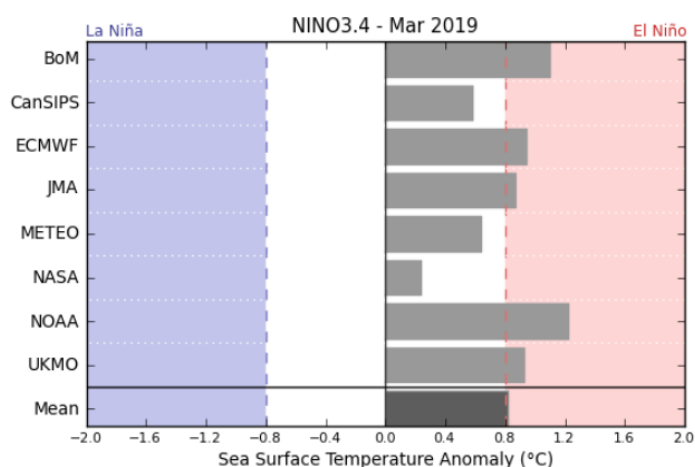
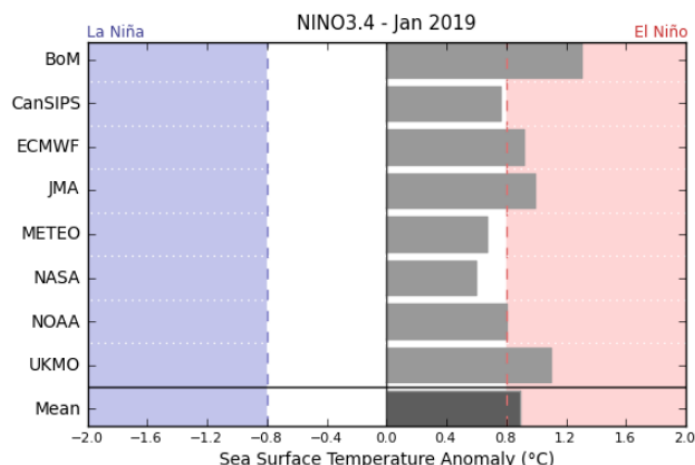
In a recent LATAM release we highlighted that there's almost no correlation between the South America's Summer Crop and El Nino. However, this event can directly impact Brazil's safrinha crop. El Nino's impact on the Dec-Feb period can differ from its impact on the Mar-May period.

The 2018/19 crop year can be somewhat compared to 2015/16, when Brazil suffered massive safrinha yield loss. We do mention that during mid-2015 the El Niño pattern tuned from a "ALERT phase" to a "EFFECTIVE phase".

Possible safrinha yield loss cannot be dismissed, through over time El Nino's impact on safrinha corn yield has been limited. ARC Mercosul still pegs total Brazilian corn production at 97 MMTs and Argentina's at 39. However, our bias it towards lower production. This will hinge upon El Nino's strength in late winter and spring.

KEEP IN MIND: El Niño, when fully established, turns the Brazilian Midwest weather pattern drier and hotter scenario (the same is true for the MATOPIBA region), and concentrates heavy rainfall in the Far South of the country and across most of Argentina.

NINO3.4 MULTI-MODEL





Bolsa de Cereales' Update

Argentina's **SOYBEAN** planting pace

Soybean planting continues expanding at a good pace. According to a survey from Bolsa de Cereales, soybean planting in Argentina already reached 68.8 % of the 17.9 M ha projected for the current season, by Thursday, December 13th. This reflects an advance of 14.8 percentage points over the previous week, in agreement with the overall average of the last 3 years. According to Argentine Secretary of Agroindustry, the industry sector made purchases of the 17/18 campaign for 143 tons. The delivery commitment to date totals 3.3 MMTs, delayed compared to the 2017/18 cycle in 3.3 MMTs for Industry and Export sectors.

Argentina's **CORN** planting pace

To date, corn is 46.7 % planted of the 5.8 M ha projected for the current season, weekly progress of 10 percentage points as of last Thursday, December 13th, according to a survey of Bolsa de Cereales. Fieldwork was concentrated in the provinces of Buenos Aires, Santa Fe and Entre Ríos. According to the Secretary of Agroindustry the purchases of the export sector reached 5 MMTs, with DJVE 4.3 MMTs of the 18/19 campaign.

Argentina's **WHEAT** planting pace

Wheat harvest in Argentina reached 57.4% last Thursday, according to a survey of Bolsa de Cereales, an advance of 13 percentage points over the previous week. To date, the average yield of more than 3.5 M ha is reported at 2.71 Tn/Ha, slightly (0,20 Tn/Ha) above last week. The accumulated volume harvested has reached 9.5 MMTs. As reported by the Secretary of Agroindustry, for wheat, the export sector has bought 7.8 MMTs of the 2018/19 campaign, 33% above the previous year. The DJVE accumulating up to date 5.94 MMTs against 2.88 MMTs on the same date last year.

ARGENTINA CROP UPDATE

Wheat production is reduced by 200 thousand tons.

During last weeks, Argentina's wheat crop has been affected by frosts on Buenos Aires, Southern Cordoba and Northern La Pampa. This impacted potential yield and reduced the projection of national production to 19 MMTs versus 19.2 MMTs the previous week. There are two further points to consider: in some significant producing regions, the volume will be adjusted due to occurrences of additional frosts and hail; on the other hand, a large proportion of the crop is grown in the south of Buenos Aires, which has maintained adequate growing conditions and could show higher yields than those accumulated during the previous cycle. Even though the price of the January-19 price is a harvest contract, it reached 200 u \$ s / t this week.

Finally, the planting of soybean and corn advanced at a decent pace in a large part of the country. In the case of corn, the greatest progress was made in the provinces of Buenos Aires and Santa Fe, while early lots began to enter reproductive stages in fine growing conditions.

There's' now a 95% chance that El Nino becomes established in the Dec/Jan period. It is expected that these characteristics will be maintained throughout the summer and autumn, losing intensity only towards the beginning of winter and then returning to neutral ENSO (neither El Nino nor La Nina).

During the next 90 days, the tendency to present wet characteristics over most of the country, especially on the northern of the national territory, continues. The most direct impacts begin to be seen in the northern and coastal region, where above normal rainfall has also been recorded.

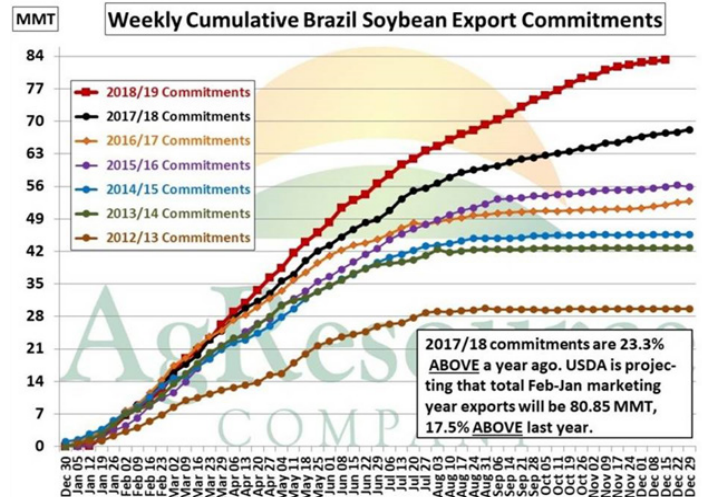
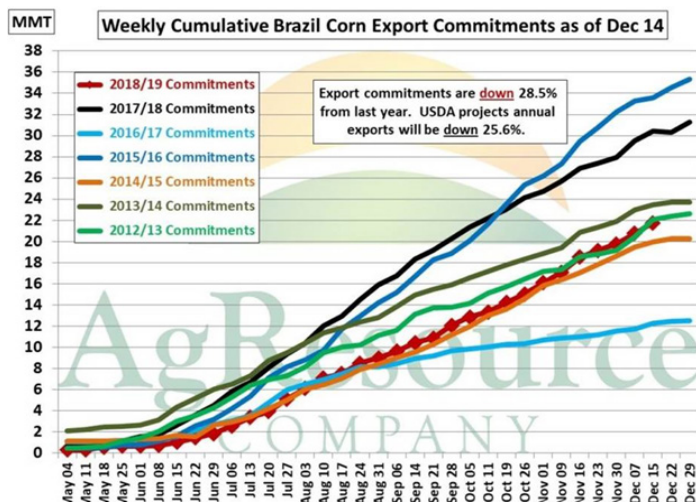


BRAZIL'S CORN EXPORTS

For the period Dec 08-Dec 14, the ship lineup shows that Brazil exported 1,068,000 MT corn. That is up 182,000 MT from the previous week and 332,000 MT more than what was shipped a year ago. For comparison, US export inspections were 885,000 MT. Argentina's corn exports last week are estimated to have been 380,000 MT. Brazil's ship lineup shows that 4.56 MMT are expected to ship in Dec. Brazil's cumulative export "commitments" are 21.74 MMT, 28.5% below a year ago. This is tied as the 3rd smallest figure (for this date) in 6 years. For over a month now, the ship lineup (vessels waiting and scheduled to arrive) has been above a year ago.

Brazil's corn exports are definitely "catching a second wind" late in the season. In the Dec WASDE, the USDA raised its projection for Brazil's local marketing year (Mar-Feb) exports by 1.5 MMT to 23.5 MMT. That's down 25.6% from last year.

Brazil's cumulative corn export "commitments" (shipments to date, vessels loading or waiting, and vessels to arrive) were estimated to be 21.74 MMT. That is up 994,000 MT from the previous week but it is 28.5% less than a year ago (see chart below).



BRAZIL'S SOYBEAN EXPORTS

Brazil shipped 854,000 MT of soybeans last week. That's down from the previous week's 1.15 MMT but it is well above a year ago. Brazil's export "commitments" rose to 83.2 MMT. This is a record for this date. In the Dec WASDE, the USDA raised their projection for Brazil's exports by 3.0 MMT to 80.85 MMT (on a Feb-Jan marketing year). SESEX's Feb-Nov cumulative exports are 78.35 MMT and there's still 2 months left in the marketing year. Soybean commitments have now accounted for 102.9% of the USDA's projection vs the 5-year average of 99.9%.

Based on the pace of commitments, USDA could raise its projection for Brazil's exports by another 1-2 MMT. To do so the USDA would again have to reduce Brazil's crush; or reduce ending stocks or other domestic use;

Brazil's soybean export "commitments" (shipments to date, vessels loading or waiting, and vessels to arrive) were estimated to be 83.2 MMT (see red line in chart below), 282,000 MT more than week go. Commitments are a record for this date.



ARGENTINA WALKING THE WIRE

Argentina's difficulties go far beyond one government or just a few years. In effect, the performance of the country has not been successful, having patterns that are repeated during each crisis. And a weak peso hasn't helped. Recurrent episodes of devaluation, high levels of inflation and a policy that does not incentivize the export sector are some of the factors that explain these events.

Since late April, the Argentine economy has registered a series of external and internal shocks that led to a sharp depreciation of the peso, acceleration of inflation and contraction of the level of activity. In this context, and with the aim of advancing the consolidation of imbalances in public accounts, the national government modified the aliquot scheme for exports through decree 793/18 on September 3rd, 2018.

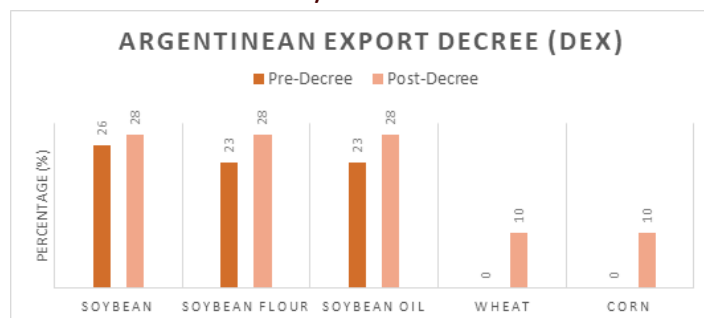
Argentina is not among the top 10 in natural exporters - responsible for 2% of world agricultural exports – however updated estimates from USDA show that Argentina should remain the world's top exporter of soy meal, with 45% of world market share. It's no secret, but the Argentine domestic market is still preferring to crush its soybeans and export its meal. However, this mentality may change amid increases in the "retenciones", which will equalize the export tax at 28% for the whole of the soybean complex.

In the case of the soybean complex, the aliquots already in place for grain, oil, and flour were unified in 18%, eliminating the differential of aliquots that favored domestic milling. Prior to September 3, the grain registered an aliquot of 26%, while oils and flours were affected by aliquots of 23%. At the time the "new export rate" was known, seeding decisions for the 2018/2019 season were already made. The 2019/2020 season will be the one that

fully reflects the new incentive scheme. To date, it is observed that since the application of decree 793/18 there is a decrease of 0.3% of total planted area, and a reallocation among the different crops. In comparison with the previous case of no decree, the area assigned to soybean is on track to reach 17.9 million hectares, while corn area is estimated to decrease at 5.8 MHa (- 3.9%) against 6 MHa projected before.

This new scheme of retentions is applied in a very adverse context for the grinding of Argentine soybeans and wheat. According to the Argentine Federation of the Miller Industry (FAIM) the increase of aliquots damages wheat crush margins so much that the sector is considering importing wheat. The price of the commodity was increased, boosted by the decline of yield at the local market to a level of US\$200/tons (on average). Today, more retention is paid for selling wheat flour, which is added value. This scenario is leading the different sectors to understand the advantages of hedging risk in futures markets to maximize revenue. In the case of future sales of January 2019 wheat reach 1.8 million tons, well below actual cash sales. This reflects a lower use of forward markets in terms of covering supply compared to the anticipated sales of market.

The Buenos Aires Grains Exchange estimates that the recent decree would trigger a contraction of planted area worth 1.1 million hectares for the 2019/20 season.





A WAVE OF OPTIMISM IN BRAZIL

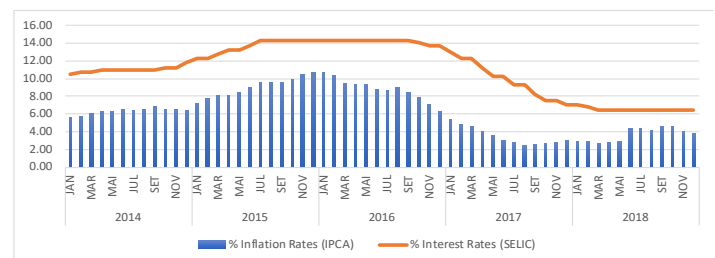
As we approach 2019, most Brazilians are renewing their hopes in an economic boom over the next few months with another administration taking office in January 1st. National confidence indexes are on a multi-year high. Below we can see Industrial Entrepreneur Confidence Index (ICEI, in Portuguese), in this month's updates we can note the highest level since March 2013, which gives good indications of the evolution of private investments (and confidence) in the country.



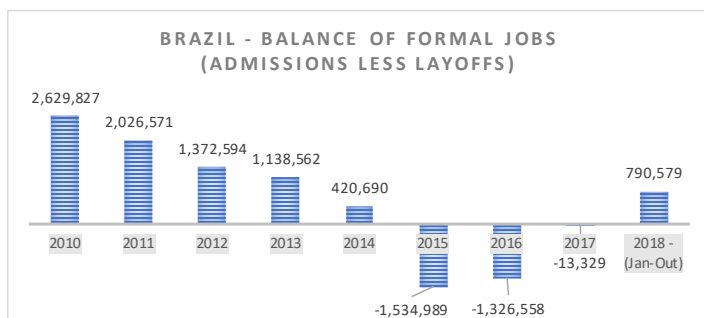
*Figures above 50 points indicate business confidence. The further above 50 points, the greater and more widespread is the confidence.

Such positive expectation is supported by a strong shift in the political profile of the new elected leaders, after two mandates of social democrats in the end of 1990's succeeded by 14 years of left-wing populism, one impeachment, and the last two years of the highest level of popular disapproval of a Brazilian government ever. With a liberal economic team (at least in speech), allied to a strong political base linked to the military and the business forces of the country, the new Bolsonaro's Government is still with a strong popular support and it is making good progress in the attraction of parliamentary hand. According to recent polls, 75% of Brazilians believe Bolsonaro is heading to a positive direction. This optimism is not only built on political nature expectations, since

after the impeachment of former President Dilma Rousseff (May/2016), the country has regained important improvements in its economic indexes, which should support more expressive advances in the next years. Inflation rates (IPCA, in Portuguese) that reached the ceiling of 10.71% in the 12-month accumulated index at the beginning of 2016, today is already fitted within the target set by the Brazilian Central Bank for 2019 (2.75% to 5.75%), even with the impact of the truck drivers' strike that took place in June 2018. This gave rise to a significant reduction in the interest rates, which since March 2018 has remained at the lowest historical level (6.5% per year), after more than 4 years of double digits rates.



The formal employment data also shows the Brazilian economic recovery. In the accumulated result in 2018 (Jan-Oct), Brazil added almost 800,000 new job positions with a formal contract, resuming an upward trend after the robust accumulated decline from 2015 to 2017. This result not only considers the strong inclusion of new entrepreneurs and autonomous professionals that have spread throughout the country in the last few years driven by the crisis and the broad labor reform approved by the Temer's Government in 2017.



All this point generates a positive perspective in the short and medium term for Brazil, even with the modest Central Bank's projections for GDP growth in 2018 (+ 1.3%) and to 2019 (+ 2.55%). An interesting matter is also to observe that ascertain the historical of the evolution of Brazilian GDP in the last decades in comparison with the market projections pointed out at the time, it is possible to affirm with confidence that **the optimism always impelled results that overtakes the prospects, with the same being true for the even worse results in periods of pessimism.**

The Real in late-2018 should be close of current levels, with market expectations around R\$3.83 per dollar, same level projected by the market for the end of 2019 (R\$3.80). However, counting with a economy growth next year, the valorization of the local currency should be easily noted into the next 6-7 months.

Brazil is leaving behind the almost surreal period that blends high inflation in a scenario of high interest rate and stagnation of economic activity, which together with the severe fiscal crisis of the Brazilian government, resulted in the greatest economic recession in Brazil's history. The greater risk remains in the result of the government accounts, which accumulate a very high annual

fiscal deficit, with pensions and the payment of interest on the public debt (which already reaches the equivalent of almost 80% of the national GDP) leading the expenses. According to what has already been announced by the team of Bolsonaro, the first matter should be resolved with a broad but sliced legislative reform, while the high expenses with the interests of the public debt will be mitigated payment the part of the debt with resources from the privatization of state-owned enterprises, which in Brazil reach the almost unbelievable number of 418 companies with direct or indirect control or federal and state governments.

The gap in national public pension is deep, and in 2018 (Jan-Oct) it already accumulates a negative balance of R\$77.7 billion Reais. Keep in mind that we are talking about a young population, that unlike other parts of the world the ratio of those over 65 years old people compared to economically active individuals (20 to 64 years) does not reach even 13% of the population.

The fact is that a wave of hope has taken over Brazil in recent months and give conditions to new government to build concrete measures in the short term. If Brazil achieves legislative approvals of structural reforms (pension and tax mainly), combined with a plan of revitalization of infrastructure that reduces the famous "Brazil's Cost", within a scenario of fiscal responsibility (cutting non-essential expenses and improving efficiency of the public services), all matters already pointed by the new elected team, the country has all conditions to make higher flights in the next years.

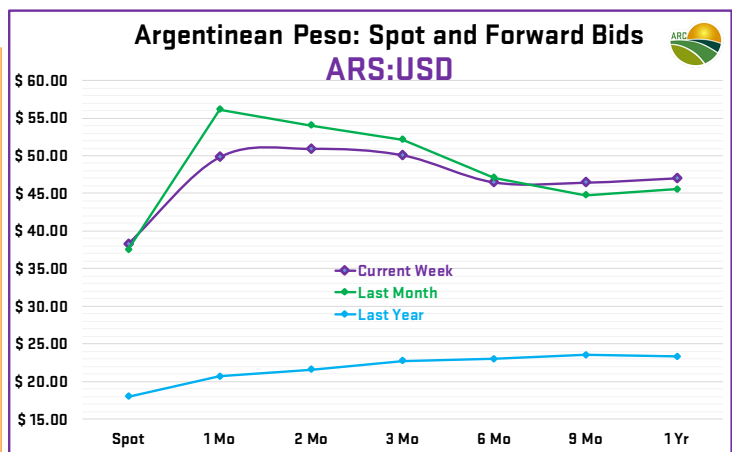
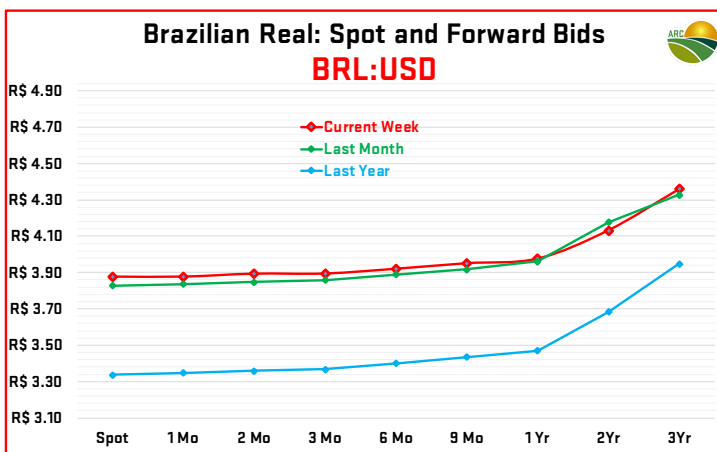


This Week's News

EMBRAE-BOEING ONLY WAIT FOR PRESIDENT'S GREEN LIGHT - After announcing a possible merger between Embraer and Boeing in July, it took only five months for both companies to draft the agreement term announced yesterday that will create a joint venture in commercial and military aviation. Because of the delay, the deal could be done in a complicated period, a government change. Those fears disappear with the new administration eager to privatize as much as they can. The agreement signed show Boeing will spend \$ 4.2 billion to hold 80% of the new joint venture in commercial aviation. Last July the amount announced was \$ 3.8 billion. The new company will be valued at \$ 5.2 billion and will focused in making jets with 50-150 seats to fight Bombardier-Airbus, created a year ago. The move doesn't have any implications with the agricultural sector, but the weaker Real and this deal can be a sign of more acquisitions in 2019.

FOREIGN OWNERSHIP FOR AIRLINES LIBERALIZED IN BRAZIL – Taking the markets by surprise, leaving president Michael Temer signed a provisional measure to end restrictions on foreign ownership of Airlines in the country. Up to last week, foreigners could only hold 20% of voting rights in a Brazilian company. The provisional measure is effective immediately, but the Congress must pass it in 120 days. The recess that starts next week will freeze the deadline until February, when the Congress is back in business.

BRAZIL'S NEXT PRESIDENT TAKES AIM AT VENEZUELA AND CUBA - Brazil's far-right President Jair Bolsonaro, who takes power January 1st, said on Tuesday that he would take all action "within the rule of law and democracy" to oppose the governments of Venezuela and Cuba. Bolsonaro is a strong defender of the military dictatorship that ruled Brazil from 1964-1985. Although Brazil is miles away from being a communist country, the rhetoric against communists found ground in Brazil after 14 years of the left-wing Workers Party in power, engulfed by corruption scandals. Bolsonaro also took aim in China before, but the Chinese have leverage on Trump being one the biggest Brazilian commercial partners.





EYES ON THE CROP

This week's latest look into the development of the 2018/19 crops in South America

Soybeans crop in Ponta Porã, Mato Grosso do Sul.



Brown beans harvest just started in Jataí, Goiás. (from Joel Ragagnin)



After 20 days of dryness, rains return to Paraná.



Fungicide spray on soybeans crop in Rio Verde, Goiás.





South America Weather Update

Total Precipitation (mm)

Next 7 days

Model: INMET

Total Precipitation (mm)

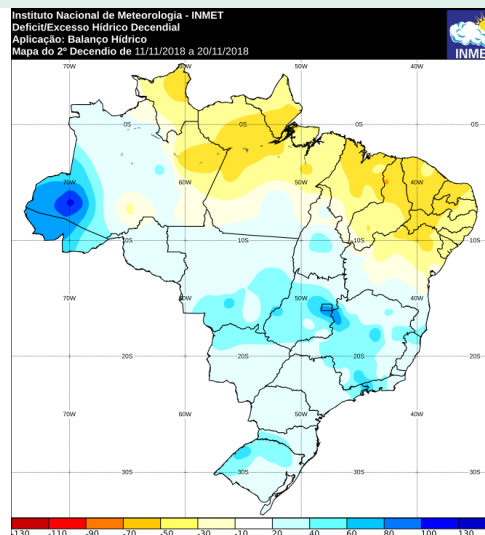
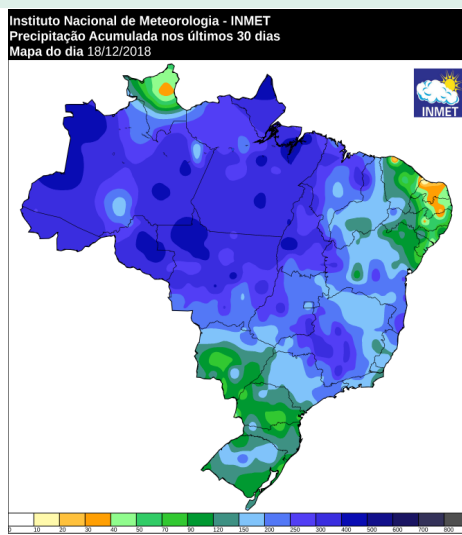
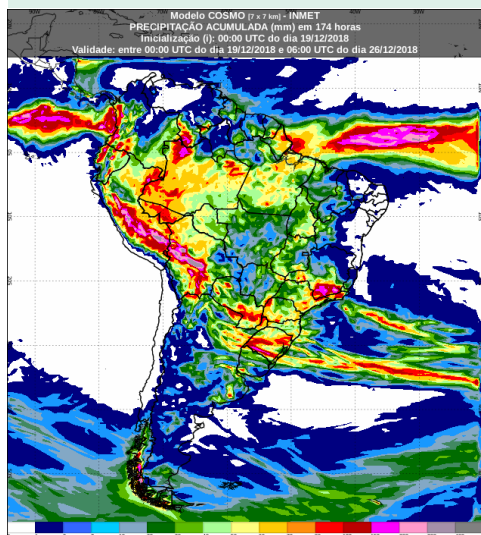
Last 30 Days

Model: INMET

Variation of Normal Precipitation (mm)

Last Update: November 11-20

Model: INMET



in	1	2	3	4	5	6	7	8	9	10	11	12
mm	25.4	50.8	76.2	101.6	127	152.4	177.8	203.2	228.6	254	279.4	304.8
mm	1	5	10	20	30	40	50	60	70	80	90	100
in	0.04	0.20	0.39	0.79	1.18	1.57	1.97	2.36	2.76	3.15	3.54	3.94

Water Saturation (%)

Topsoil

Model: SMN-ARG

Water Saturation (%)

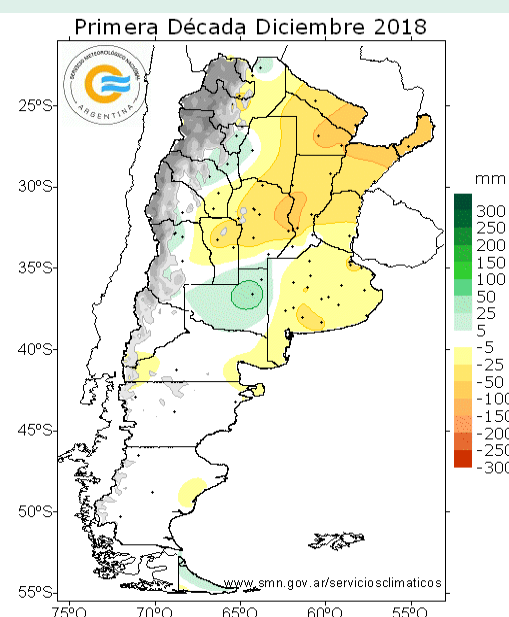
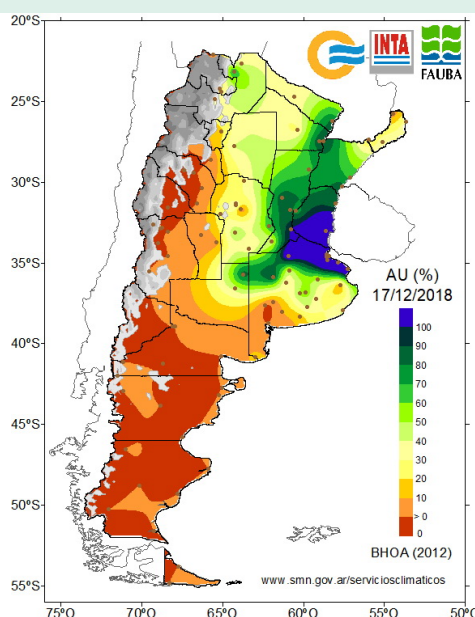
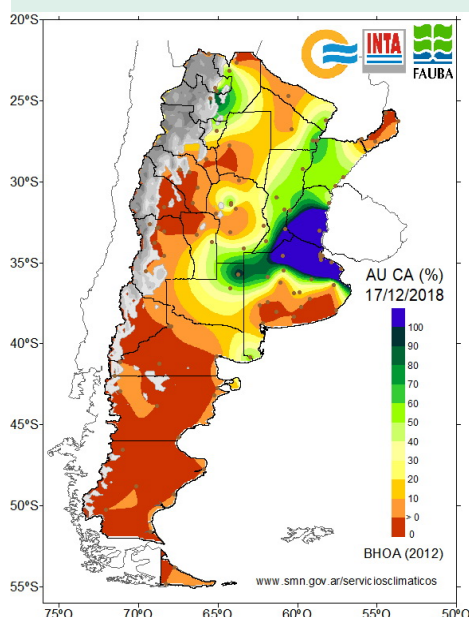
Subsoil

Model: SMN-ARG

Variation of Normal Precipitation (mm)

Last Update: December 01st-10th

Model: SMN-ARG



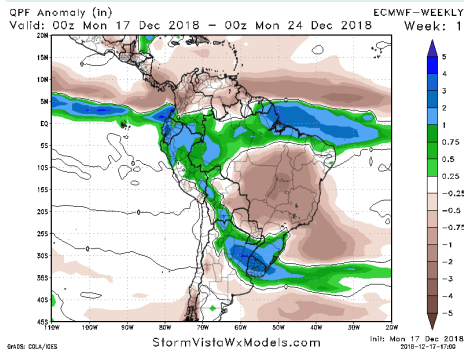


AgResource

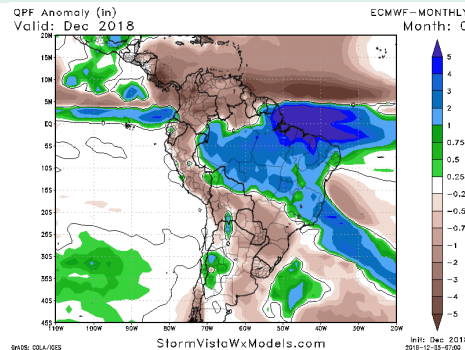


19th December, 2018

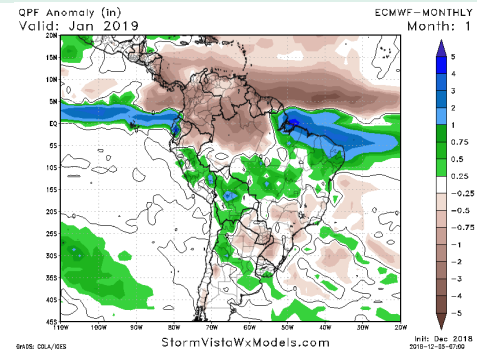
Precipitation Anomaly (inches)
Current Week (7 Days)



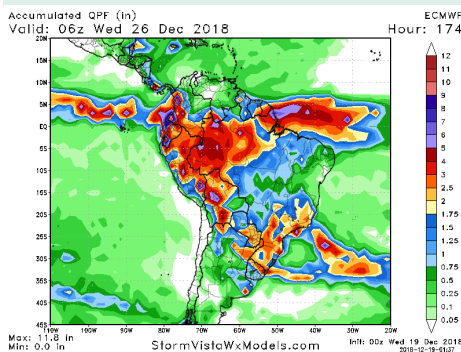
Precipitation Anomaly (inches)
Forecast for December



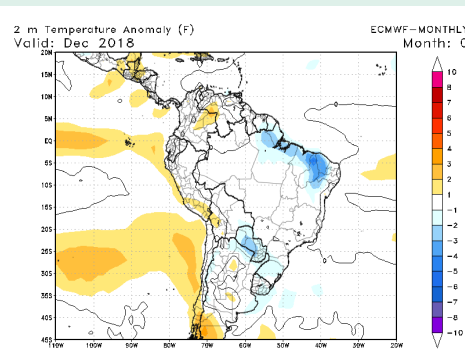
Precipitation Anomaly (inches)
Forecast for January



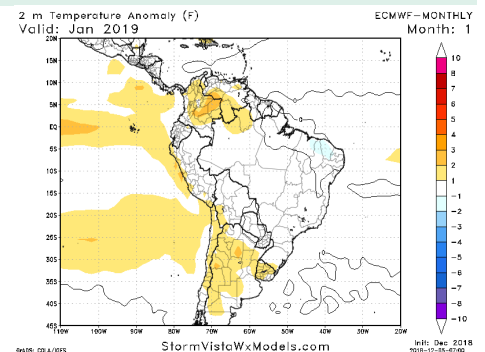
Total Precipitation (inches)
Next 1-7 days



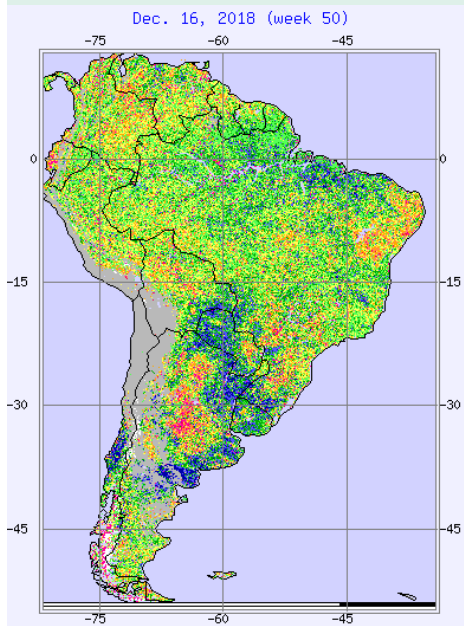
2m Temperature Anomaly (F)
Forecast for December



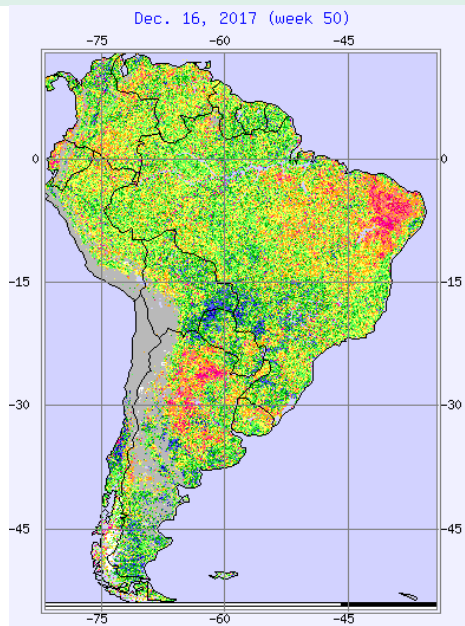
2m Temperature Anomaly (F)
Forecast for January



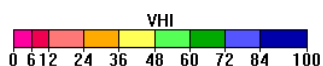
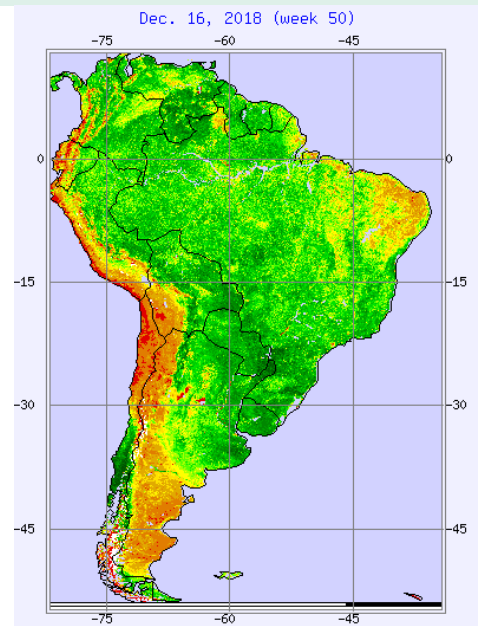
Vegetation Health Index (VHI)
Current Week



Vegetation Health Index (VHI)
Year Ago

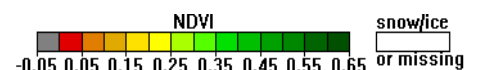


Greenness (No Noise NDVI)
Current Week



snow/ice
or missing

VHI is a proxy characterizing vegetation health or a combine estimation of moisture and thermal conditions. VHI is used often to estimate crop condition and anticipated yield. If the indices are below 40 indicating different level of vegetation stress, losses of crop and pasture production might be expected; if the indices above 60 (favorable condition) plentiful production might be expected. VHI is very useful for an advanced prediction of crop losses



snow/ice
or missing



Brazilian Soybeans Crop Estimates **UPDATED!**

ARC MERCOSUR	State by State Crop Estimates								
	SOYBEANS 2018/19 - BRAZIL								
	AREA (Hectares x1000)			YIELD (Kg/Hectare)			PRODUCTION (x1000 MT)		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
NORTH	1932	2113.5	9.4%	3,236	3,074	-5.0%	6,253	6,497	3.9%
Roraima	40	55	37.5%	2,935	3,032	3.3%	117	167	42.0%
Rondônia	333.4	350	5.0%	3,379	3,202	-5.2%	1,127	1,121	-0.5%
Acre	0.6	1.5	150.0%	4,833	4,833	0.0%	3	7	150.0%
Pará	545.1	600	10.1%	3,188	3,115	-2.3%	1,738	1,869	7.5%
Tocantins	992	1080	8.9%	3,232	3,021	-6.5%	3,206	3,263	1.8%
NORTHEAST	3255.4	3520	8.1%	3,197	3,285	2.7%	10,409	11,564	11.1%
Maranhão	942.5	1030	9.3%	3,109	3,000	-3.5%	2,930	3,090	5.5%
Piauí	710.5	780	9.8%	3,277	3,300	0.7%	2,328	2,574	10.6%
Bahia	1602.4	1710	6.7%	3,214	3,450	7.3%	5,150	5,900	14.6%
MID-WEST	15647.9	16021	2.4%	3,390	3,391	0.0%	53,054	54,320	2.4%
Mato Grosso	9518.6	9600	0.9%	3,427	3,372	-1.6%	32,620	32,371	-0.8%
Mato Grosso do Sul	2671.1	2850	6.7%	3,351	3,500	4.5%	8,950	9,975	11.5%
Goiás	3386.7	3500	3.3%	3,316	3,350	1.0%	11,230	11,725	4.4%
Federal District	71.5	71	-0.7%	3,554	3,500	-1.5%	254	249	-2.2%
SOUTHEAST	2450.3	2630	7.3%	3,575	3,478	-2.7%	8,760	9,148	4.4%
Minas Gerais	1489.6	1600	7.4%	3,511	3,500	-0.3%	5,230	5,600	7.1%
São Paulo	960.7	1030	7.2%	3,674	3,445	-6.2%	3,530	3,548	0.5%
SOUTH	11814.1	12070	2.2%	3,504	3,339	-4.7%	41,392	40,296	-2.6%
Paraná	5443.8	5550	2.0%	3,701	3,400	-8.1%	20,150	18,870	-6.4%
Santa Catarina	678.2	720	6.2%	3,454	3,578	3.6%	2,342	2,576	10.0%
Rio Grande do Sul	5692.1	5800	1.9%	3,320	3,250	-2.1%	18,900	18,850	-0.3%
NORTH & NORTHEAST	5187.4	5633.5	8.6%	3,212	3,206	-0.2%	16,661	18,060	8.4%
MID-SOUTH	29912.3	30721	2.7%	3,450	3,378	-2.1%	103,206	103,764	0.5%
BRAZIL	35099.7	36354.5	3.6%	3,415	3,351	-1.9%	119,868	121,824	1.6%

1000 Kg/Hectare = 14.87 Bushels/Acre = 16.67 Bags/Hectare

PRODUCTION estimates 2018/19			
BRAZIL (MMT)			
Grain	CONAB	USDA	ARC
Soybeans	120.06	122.00	121.82
Corn	91.10	94.50	97.00
ARGENTINA (MMT)			
Grain	BCR	USDA	ARC
Soybeans	50.00	55.50	58.97
Corn	43.00	42.50	39.00



DATA CENTER

Cash Price

BRAZIL - Soybeans

State	City	R\$/Sacks	US\$/Sacks	US\$/Bu
Paraná	Paraná	74.50	19.14	8.68
	Paranaguá	79.00	20.30	9.21
	Cuiabá	68.50	17.60	7.98
Mato Grosso	Primavera	67.90	17.45	7.91
	Sorriso	64.60	16.60	7.53
	Campo Grande	73.00	18.76	8.51
Mato Grosso do Sul	Dourados	74.00	19.02	8.63
	Chapadão	74.00	19.02	8.63
São Paulo	Santos	79.50	20.43	9.27
Goiás		71.25	18.31	8.30
Rio Grande do Sul		83.00	21.33	9.67
Balsas (Maranhão)		67.00	17.22	7.81

BRAZIL - Corn

State	City	R\$/Sacks	US\$/Sacks	US\$/Bu
Paraná		36.00	9.25	4.20
	Rondonópolis	24.80	6.37	2.89
Mato Grosso	Sapezal	20.10	5.16	2.34
	Sorriso	20.30	5.22	2.37
	Campo Grande	26.00	6.68	3.03
Mato Grosso do Sul	Chapadão do Sul	26.50	6.81	3.09
	Dourados	27.50	7.07	3.21
São Paulo	Campinas	37.50	9.64	4.37

Source: CEPEA/IMEA

Cash Price

Argentina

Port	Soybeans		Corn	
	ARS/MT	US\$/MT	ARS/MT	US\$/MT
Bahía Blanca	9,153	239.16	5,670	148.15
Rosário South	9,117	238.22	5,643	147.45
Cordoba	-	-	5,031	131.46
Rosário North	9,120	238.30	5,681	148.44
Buenos Aires	-	-	-	-
Quequén	-	-	5,328	139.22

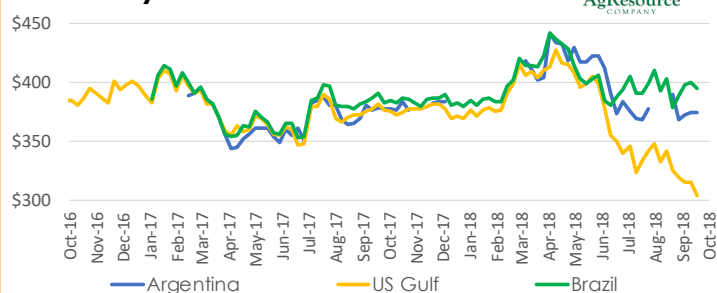
Exports by Ports

BRAZIL - Soybeans (MT) - data for December 2018

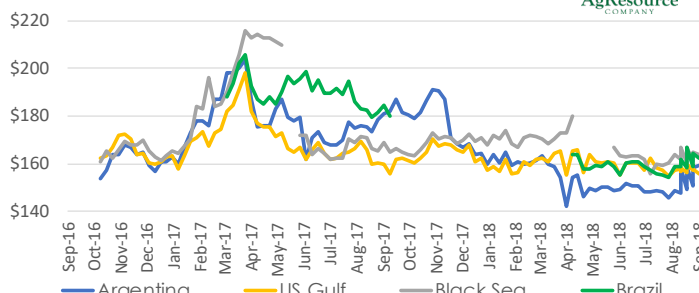
Location	Total 2016	Total 2017	as Nov., 2018
Santos	14,475,763	16,589,640	20,192,845
Paranaguá	8,157,251	11,349,446	14,040,138
Rio Grande	9,704,071	12,549,977	12,732,048
São Luís	3,850,196	6,127,570	7,744,453
Belém	0	0	4,781,438
São Francisco do Sul	3,961,713	4,718,238	5,323,101
Vitória	2,944,967	3,850,616	3,991,747
Santarém	1,695,169	1,877,759	2,486,027
Others	6,792,745	11,091,562	8,340,983
TOTAL North Arch	11,201,671	17,915,304	21,682,755
TOTAL	51,581,875	68,154,809	79,632,779

Source: MDIC/SECEX/ABIOVE

FOB - Soybeans



FOB - Corn



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