Crop Tour
Report V

MATOPIBA
Maranhão, Tocantins, Piauí and Bahia
In Bahia, for instance, grains cultivation occurs in the Far West, a narrow strip where the rainfall regime throughout the crop period is enough for plant development (see more in the next pages).

We bid farewell to this sequence with records from the visits through unpaved roads, beautiful landscapes and, obviously, our climate and productivity analysis.

### Special Guests

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The main characteristic of this region is the rapid development of production. When comparing the historical data, it is observed that the share of the MaToPiBa region planted area has been gaining strength in Brazil’s total, even with the vertiginous expansion in other areas of the country as well. In 2001/02, MaToPiBa corresponded to only 8% of the planted area, with Bahia being the main representative, and minor participation from the other states. Bahia was the first region to be explored, hence it is said that the arable areas from the west of the state are worn-out.

The largest expansion potential is in Piauí, Maranhão and Tocantins, where exploration of the cerrado regions is more recent. It is estimated that the available arable area is four times larger than the current one, which makes it possible for the area planted with grains to double in size over the next 15 years.

Source: Conab; Designed by INTL FCStone

Soybean Planted Area - 2001/02 Crop

Soybean Planted Area - 2014/15 Crop

Productivity—Selected Micro regions (bags/ha)

Source: IBGE; Designed by INTL FCStone
When observing the rate of the micro regions in the risk rating analysis created by INTL FCStone, one may face a limiting factor to the expansion of the area. **This is because most of them are located in ranges of low and average risks.** Since the regime of rains is not characterized by abundance (as we have seen, for example, in Mato Grosso), any alteration in the normal pattern impacts final productivity in a considerable way. In Piauí, it is common to hear about reports from producers that lost all of their production due to the climate, which ends up reflecting in the yield levels.

In Tocantins, on the other hand, in the eastern part of the state, the climatic pattern is safer, triggering a low historical variability of the productivity and rating Jalapão as the only low-risk micro region among the largest producers.

Despite the low annual rainfall volume, good daily luminosity is a favorable point. Thus, the productive potential of the states is increased and manages to be larger than many traditional soybean-producing states, such as Rio Grande do Sul, and even larger than the national average.
**Bahia**

In Bahia, represented by the Far Eastern region of the state, initial expectations were much positive for this year’s crop. However, a few climatic problems should reduce the productivity potential, which is estimated at slightly above 50 bags/ha. This is because during January, when part of the fields enter into flowering stage and some into grain filling, rainfall was scarcer, totaling only 3.7 inches (94 mm). In February, on the other hand, rainfall was abundant, but many fields were already formed and reverting the damages was no longer possible.

**MAToPiBa**

This year, the climate was favorable for the development of the crop in almost all of the regions analyzed. Although a few climatic problems were faced (detailed over the next section), MAToPiBa’s productivity should be above average from past years. However, Maranhão should pull the average down, since the state went through two more harsh Indian Summers, which damaged the plants.

**Bahia**

The initial expectation of the average yield of 56 bags/ha of soybean in Bahia will unlikely be achieved. According to the President of "Bahia's Irrigating and Agriculture Association (Aiba)"; Júlio Cézar Busato, the state should register an average of 50 bags/ha (against 48 bags in the previous cycle). Some regions were hit by the drought for approximately 30 days. After that, restricted rainfall returned, bringing good recovery in (just) some areas. With this, in the same property, we see variation between 30 and 60 bags/ha of the oilseed.
In the region of West of Tocantins, rainfall is usually very abundant in the soybean cultivation period. The historical average rainfall for January and February almost reaches 11.81 inches (300 mm). This year, despite the smaller volume of rainfall during this period, the amount about 7.87 inches (200) per month was more than enough for plants to develop in a healthy way. With this, productivity should be almost 50 bags/ha, quite close to the maximum already reached by the region.

Loamy soil guarantees good soybean productivity

Despite the adverse climate during November in Pedro Afonso, a city that belongs to the Macro Region of West of Tocantins, soybean crop is expected to show good yields. According to the COAPA’s ("Tocantins' Agro-industrial Cooperative") agronomist Fernando Coelho, the region of this county should harvest, approximately, 55 bags/ha.

Among the member of the cooperative, the productivity is one of the largest in the state. They count on the advantage that the soil is 60% loamy, a composition that tends to hold water, better offsetting the situations of drought. Despite that, the agronomist does not bet on more than 47 bags/ha for the average productivity of the state. And the bearish sentiments extend towards the 2015/16 cycle.

"For the next crop, the producer remains little optimistic, with a lot of fear in light of the dollar’s increase and its impact over costs", explains INTL FCStone’s grain consultant, Vinícius Xavier, while visiting the cooperative. The region suffered attacks from Silverleaf Whiteflies, Canker and Coffee Leaf Rust during the current cycle.
Among the MaToPiBa states, Maranhão should be the most damaged by the climate during this crop, with the largest productivity failure. There was lack of rainfall in the end of last year and in the beginning of this one, hitting soybean in almost all the critical stages of development. Thus, this year's productive potential ought to be reduced and the expected productivity is about 45 bags/ha.

Unfavorable climate

After two Indian summers in the end of 2014 and another one in the beginning of this year, the Agrex's Technical Trade Representative, Nelson Luiz Pezzini, points towards soybean yields lower than initial expectations. The region of Balsas is at the beginning of harvesting activities and records average productivity of 40 bags/ha. Despite that, other fields present yield near 60 bags/ha. Considering variations, the final average should consolidate around 48 bags/ha in place.

Another point that caused troubles to reach the productivity potential was pests, whereas the most common ones are the canker, the silverleaf whitefly and the bed bug.

In the Fazenda 6 irmãos, 6,000 hectares of soybean were planted, with additional 3,000 hectares allocated to corn. The yield expectation hovers around 40 bags/ha for the oilseed and 130 bags/ha for the cereal.

The corn sown in January suffered from the Indian summer, but received rains above average in February. For this month, 6.29 inches (160 mm) are expected and, in April, 2.36 inches (60 mm).

The property's soil is sandy, composed by 18-22% of clay and the region's average rainfall throughout a year, is 59 inches (1,500 mm); a rainfall index considered low. Despite that, the productivity is similar to the one verified in Tocantins.
In Piauí, the fields’ conditions are healthy, despite the extremely low rainfall volume in January. Rainfall reached only 1.92 inches (49 mm) in the first month of the year, but there was a rebound in February, which registered a volume above average. With this, plants managed to recover part of the productive potential and the expectations for the productivity are 47 bags/ha.
The Crop Expedition's team (a project from the Agribusiness Gazeta do Povo), along with INTL FCStone, followed the loading of the first 65,000 tons of soybean on their way to China. Through the Maranhão Grain Terminal ("Tegram" in its Portuguese acronym), about 2 million tons of soybeans and corn will be exported in 2015, according to estimates of the consortium that operates the terminal.

As soon as one arrives at Itaqui's port (photo), in São Luís (Maranhão), it is possible to see four silos of 125,000 tons each, whose owners are CHS and NovaAgri, Glencore, CGG Trading and Amaggi. Out of these four, one is ready to use and all four groups make use of it evenly up to April, when three others are expected to be finished and the silos' operation will be distributed.

"Tegram appears in a moment when the agricultural expansion occurs in the closest region to Equator, and asks for an appropriate infrastructure for its outflow", according to INTL FCStone consultant Vinicius Xavier, who followed the operation.

The focus of the terminal is to cater the markets of MaPiTo (Maranhão, Piauí and Tocantins), Northeast and Mato Grosso, and West of Bahia as well.

About R$600 million have already been invested in this project so far and the port will have the capacity to drain the output of the entire region. In order to do so, however, there must be production. To obtain it, it is necessary to invest in fundamental aspects, such as the entry of input, the increase of storage capacity and logistical improvement as well.

The project is divided in two phases. In the first one, Tegram will use dock 103 and then, for the next 3 years, expectations are that 5 million tons will be exported. From that point on, the second phase will start, when dock 100 will also be used by the consortium. Shipments of up to 10 million tons of grains are expected in the most advanced phase.

AMEP's CEO, Ted Lago, explains that the goal is to make the port efficient in the loading and landing, in addition to developing other agricultural terminals throughout Maranhão. "Itaqui's port will be what Maranhão intends to be", he states.
expectation

"For the next crop, the producer is not very optimistic, with a lot of fear due to the dollar's increase and its impact over costs", explains INTL FCStone's grain consultant, Vinicius Xavier, while visiting COAPA ("Tocantins' Agro-industrial Cooperative").

logistics

In the region of Balsas, the amount destined to exports is drained through Itaqui, heading from Balsas to Porto Franco by truck and then following to the final location by rail transport. "Given the exports dependence, Tegram was mentioned a lot. Everyone in the region lay their hopes in it", declare the consultant.

yield

The pivot area of 240 hectares of the Fazenda Corrente, in Balsas, provides good yields of grains for the Sândri family: 158 bags/ha of corn and 62 bags/ha of soybean (with final expectations of average productivity of 120 bags/ha of the cereal and 40 bags/ha of the oilseed).

development

The soybean crop in Nova Santa Rosa, at Fazenda Marcolin, advances well. After a drier January, rainfall came regularly. The yield expectation hovers around 47 bags/ha, an increase of 18% compared to the previous year.
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