

BAHIA PORT MOVED MORE THAN \$ 16 BILLIONS IN 2018

Important and strategic locations for the disposal of products and other merchandise, the three State Ports administered by the Docks Company of the State of Bahia (CODEBA) - Salvador, Ilheus and Aratu-Candeias - registered significant indexes in 2018, even with mishaps such as strike of the truck drivers, in the month of May. Together, they handled \$ 16.2 billion. According to the Company, of this total, 75% went through the ports of Salvador, Aratu-Candeias and Ilhéus and 25% moved by private terminals (basically for raw material with low added value) or by air, a volume considered small. According to Codeba, the commercial values handled in public ports represent, historically, about 75% of the state's trade flow. With regard to cargo volume, the ports managed by the Company totaled 11.1 million tons in 2018, a decrease of 6% over the previous year (11.8 million tons). The justification for the fall was the volume of cargo left to move in the Port of Aratu-Candeias, the most affected by the crisis in the period of the truck drivers' stoppage. Among the main cargoes in Codeba's ports, a little more than 6.5 million tons were in the port of Aratu-Candeias. Petrochemical naphtha, fertilizers and liquid chemicals were the main products. Salvador's equipment moved almost 4.5 million tons of pulp, petrochemicals, wheat and food. Cacao was the busiest product in the port of Ilhéus, among the 211,477 tons in general.

Source: Codeba

HEALTH OF THE ECONOMY MUST RAISE DEMAND FOR ETHANOL THIS YEAR

The expected resumption of growth of the national economy to 2019 may result in increased household income, a scenario that tends to heat up car sales and, consequently, increase fuel demand. The projection, made by the Center for Advanced Studies in Applied Economics (Cepea), says that ethanol should continue to have a significant share of fuel sales in Brazil. On the supply side, for the 2019/2020 South-Central crop, analysts are projecting sugarcane milling close to the previous cycle in progress. On the other hand, the allocation of sugarcane and ethanol must be readjusted. Power plants, encouraged by signs of rising sugar prices - projections indicate reductions in inventories and even overall product shortfall - should increase the percentage of sugarcane used to produce the sweetener and reduce that of ethanol. Even with this adjustment of the mix, the harvest should still be quite alcoholic, with estimates showing that approximately 60% of sugarcane will be directed to the production of biofuel. The reduction in the supply of ethanol from sugarcane, in turn, should be offset only in part by the greater availability of corn ethanol. The developments resulting from the expected scenario may also alter the proportion of cane destined to the production of hydrated and anhydrous ethanol, increasing the proportion of ethanol.

Source: *Cana Rural*

PORT OF RECIFE CAN RECEIVE R \$ 100 MILLION

The resources needed for the recovery of the Port of Recife, which nowadays works with reduced draft, can finally be released by the Federal Government. There are more than R \$ 100 million that can unlock this year the dredging and recovery works of the wharf, expanding the port movement of sugar and grains, and will be added to a concession

plan of the State Government, which wants to transfer part of the port terminals to the private initiative to expand the investments in the anchorage. "Of the R \$ 72 million from dredging, there are R \$ 50 million in LOA 2019 (Annual Federal Budget Law). In addition, we have R \$ 27 million of remainder to pay from 2016 for the recovery of the quay zero to quay six. And there is another R \$ 28.4 million for this work in the LOA ", explains the president of Porto of Recife, Carlos Vilar, who returned to the anchorage, after a passage by Suape, with the second step of the Paulo Câmara Government, announced this week. "I return to resume the dredging project and maintain an interaction with Suape, which will be directed by Leonardo Cerquinho," says Vilar, admitting that unlocking this project is essential. It is that the draft of the port, initially of 12 meters of depth, today varies between 9.3 and 8.8 meters due to the silting. And that limits the capacity of ships: every meter less than draft represents a fall of four tons of cargo per ship. "The governor will talk to the Federal Government to do this as soon as possible," Vilar said, explaining that since the resources are federal, the work will be tendered by the Ministry of Infrastructure. For this, however, Paulo Câmara will also need to make a request for budget supplementation or articulate with the federal bank an amendment that guarantees the \$ 22 million that are missing for the service. With the dredging and the recovery of the wharf, the Port of Recife will have 12 meters of draft - to the sugar terminal and the grain terminal, which always operated with 10 meters of depth. "The recovery provides for the increase of these berths, so they can receive ships of up to 55K tons," explains Vilar, noting that the project has already been approved by the former Ministry of Transport. "Only the signature of the compromise agreement between the State and the Union is missing," Vilar reports.

Source: *Portos e Navios*

CENTRO-SUL FOLLOWS WITH SALE OF HYDRATED ETHANOL HIGH AT THE BEGINNING OF DECEMBER

The volume of hydrated ethanol sold in the domestic market by the Central-South units totaled 858.11 million liters in the second half of December 2018. This represents an increase of 26.57% over the same period of the previous year (678.00 million liters). In total for the month, hydrated sales reached 1.79 billion liters, up 25.26% over December 2017 (1.43 billion liters). This volume, a record for a month in December, is due to the maintenance of the biofuels competitiveness against gasoline in the domestic market. This is the beginning of the most advantageous year for ethanol in this decade. In the first weeks of 2019 - according to a survey by the National Agency of Petroleum, Natural Gas and Biofuels (ANP), with data compiled by the technical team of the Sugar Cane Industry Union (UNICA) - the average parity between pump prices hydrous ethanol and gasoline totaled 65% in Brazil. This figure is far below the average technical yield of 73% between both fuels. In at least eight states - Alagoas, Goiás, Mato Grosso, Minas Gerais, Paraíba, Paraná, Pernambuco and São Paulo - the renewables remain competitive at the stations. In the capital of São Paulo and in the interior of the state, for example, the ratio is below 65%. Compared to November 2018, sales of hydrated ethanol from the Center-South dropped by approximately 40 million liters - 1.79 billion in December versus 1.83 billion in the previous month. But this retraction does not point to a loss of competitiveness of the



renewable, even with a current retreat of the international prices of gasoline. Reflects only the pricing by Petrobras for fossil fuels, which had their prices appreciably reduced in December. As a result of this practice, the distributors decreased their operating inventories to the lowest possible level due to changes in fuel procurement policies due to changes in market dynamics. Adding hydrated ethanol sales from the Center-South to those produced by the producers in the Northeast region - determined by the Ministry of Agriculture, Livestock and Food Supply (MAPA) - the volume of biofuel sold in Brazil totaled 1.9 billion liters in December. However, the actual demand for the month will only be known when ANP discloses the sales statistics (delivery) of fuels by the distributors to the stations. In the case of anhydrous, sales reached 311.32 million liters in the second half of December; lower than the 411.76 million observed in the same period of the previous year. In the month, the volume reached 633.80 million liters, against 809.52 million liters in December 2017. This reduction is due to the greater participation of hydrated in the fuel market of the otto cycle. Between April and December 31, sales of ethanol from the Center-South totaled 23.08 billion liters - 16.19 billion hydrated and 6.90 billion anhydrous. Of that total, 1.23 billion liters were for export and 21.86 billion for the domestic market - with domestic hydrated sales totaling 15.67 billion liters, an accumulated increase of 35.48% over the last year harvest. Finally, it should be noted that ethanol sales accounted for by UNICA and MAPA do not incorporate the imported product.

Source: Unica

PREVIOUS SALE OF CORN SAFRA 2018/19 REACHES 40% IN MATO GROSSO

The anticipated commercialization of corn in the 2018/19 crop of Mato Grosso reached 40.66% of the production expected in December, according to the Institute of Mato Grosso de Economia Agropecuária (Imea). The advance against the previous month was 4.36 percentage points. "The talks picked up pace during periods of recovery in the dollar and the Chicago Stock Exchange," the institute said. The average selling price of the bag in the state was \$ 18.84 last month. With prices higher than in the same period last season, the marketing of the crop being planted is 20.68 percentage points ahead of the same period of the 2017/18 season. Already the negotiation of the harvest 2017/18 reached 95.12% of the production, advance of 3.41% compared to the previous month. According to the Imea, the rise in domestic grain prices was the main factor for the increase in sales. The average selling price of the bag was R \$ 20.19 last month.

Source: Globo Rural

EUROPEAN UNION CONSIDERS ABOUT 70% OF BRAZILIAN ORANGE JUICE

The European Union, which consumes about 70% of Brazilian orange juice, imported 333.53K tons in orange juice equivalent in FCOJ in the initial half of 2018/2019, down 8% from 361.93K tons registered in the same period of 2017/2018. Revenue totaled US \$ 625.59 million, down 4% from US \$ 649.72 million in sales revenue from the beverage to the economic bloc in the first half of the previous crop. The United States, responsible for the increase in exports of Brazilian orange juice in the last harvest, now act directly in the decline in sales. Between July and December 2018,

112,65K tons were shipped to North American ports, compared to 151,26K tons in the previous period, a 26% decrease. In revenue, the drop was 23% the same basis of comparison, from US \$ 263.11 to US \$ 202.98. According to CitrusBR, the drop in exports to the United States was expected by industries, since in the previous harvest the orchards of that country had been hit by Hurricane Irma (in September 2017) and the Americans needed to import more juice for stocks and consumption internal. Positive highlights for exports to Japan, with a 65% increase in volume purchased in the first half of the 2018/2019 harvest compared to the same period of the previous harvest, from 18.29K to 30.20K tons. Revenue growth was 72% for the Japanese market, from \$ 34.47 million to R \$ 59.25 million between the periods, "It is not an increase in demand, but an advance on shipments to that destination," Netto pondered. China, the fourth largest consumer market for Brazilian orange juice, imported 14.74 million tons until December 2018/2019, compared to 18.99K tons in the first half of last season. The decline was 22% in volume and 19% in revenue, from \$ 36.9 million to \$ 29.9 million in the same period in 2018. "China has been buying a lot of unconcentrated juice (NFC) from countries like Cyprus, Spain and Israel," concluded the CitrusBR executive.

Source: Globo Rural

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