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USDA ESTIMATES GLOBAL SUGAR DEFICIT FOR 2019/20 SEASON

Porto Alegre, November 22, 2019 - World sugar production in 2019/20 is expected to total 174.140 million tons, according to a US Department of Agriculture (USDA) semi-annual report. In May, the USDA estimated world sugar production at 180.734 million tons. In the 2017/18 season, production was 179.892 million tons. According to the USDA, total sugar consumption is expected to reach 174.684 million tons in 2019/20, up from 176.499 million tons estimated six months ago and 173.329 million tons in 2017/18. Then, according to the USDA, there will be a supply deficit of 544,000 tonnes in the 2019/20 season, compared with a surplus of 4.285 million tonnes in the previous season. The USDA pointed out that the drop in global sugar production is primarily due to the five million ton fall in the Indian crop. With this, Brazil and India are essentially tied as the global leaders in production. Already world sugar consumption is expected to continue growing due to record demand in India. According to the USDA, Brazil's production is expected to decline modestly in 2019/20 to 29.350 million tons. India's output is expected to fall sharply to 29.3 million tonnes due to a fall in sugarcane acreage and productivity losses. Consumption is expected to hit a record high due to the growth of the local economy, totaling 28.5 million tons.

Source: *Safras e Mercados*

COBAN TRADES 90.01% OF BIDS

Porto Alegre, November 21st, 2019 - The National Supply Company (Conab) traded 90.01%, or 45,003 tons of corn grain, of the 50,000 tons offered, originating in Mato Grosso, in the auction sale notice. 167/2019, held on November 21st.

Source: *Safras e Mercados*

ORANGE JUICE EXPORTS GROW 24% IN VOLUME

Brazilian orange juice exports advanced 24% in volume and 11% in revenue in the first quarter of the 2019/2020 crop, between July and October this year, over the same period of the previous crop. The volume went from 307,112 tons to 379,457 tons and revenues went from \$ 588.3 million to \$ 655.4 million. The data were released recently by the National Association of Citrus Juice Exporters (CitrusBR) from figures from the Special Secretariat of Foreign Trade and International Affairs of the Ministry of Economy. The survey considers the sum of volumes of concentrated and frozen orange juice and fresh (FCOJ), or not concentrated and frozen juice (NFC). The volume of NFC, six times higher, is transformed into the equivalent in FCOJ and added to the concentrate in the total disclosed. According to CitrusBR, the high was expected at this time of year, when there is a need to free more space in Brazilian tanks to receive juice from the new crop. "We are processing a large crop, so it is natural that there is some movement of stocks. At this time, it is difficult to assess whether the advance in exports represents increased demand", said CitrusBR director Ibiapaba Netto. The European Union (EU), market that consumed more than 70%

of Brazilian orange juice. For the United States, 53,488 tons were shipped in the first four months of the 2019/2020 harvest, compared to 56,087 tons in the previous period, down 5%. Third largest beverage market, Japan imported, between July and October, 19,903 tons, 17% more than the volume shipped in the same period of the 2018/2019 harvest. China, the fourth largest consumer market for Brazilian orange juice, imported 14,768 tons until October in the 2019/2020 harvest.

Source: *Revista Globo Rural*

ETHANOL REMAINS COMPETITIVE AGAINST GASOLINE IN FOUR BRAZILIAN STATES

For the fourth week in a row, average ethanol prices were ahead of gasoline prices in only four Brazilian states - Goiás, Mato Grosso, Minas Gerais and Sao Paulo - all major biofuel producers. The survey of the National Agency of Petroleum, Natural Gas and Biofuels (ANP), compiled by AE-Fees, considers that sugarcane or corn ethanol, because it has lower calorific value, has a limit price of 70% of petroleum derivatives in the United States posts to be considered advantageous. In Mato Grosso, hydrate is sold on average for 57.98% of the price of gasoline, in Goiás at 67.33%, in Minas Gerais at 64.23% and in São Paulo, parity was at 66, 42% .On average of the surveyed posts in the country, the parity is 67.23% between the average prices of ethanol and gasoline, also favorable to biofuel. Gasoline was most advantageous in Roraima, with parity of 90.99% for the price of ethanol.

Source: *Revista Globo Rural*

CODESP TO DISCUSS PLAN FOR SANTOS MARITIME COMPLEX

São Paulo State Dock Company (Codesp), the port authority of Santos, intends to discuss with businessmen, workers and industry authorities the update of the Development and Zoning Plan (PDZ) of the Santos Maritime Complex. It is expected that the study, which will set guidelines for the exploration of port areas, will be released in February next year. "We are calling the port community to discuss [the new version of the Port of Santos PDZ]. We have a draft. Let's call association by association to make some debates. The clustering discourse [concentration of operations of the same type of cargo in a region of Porto], of concentration will exist in the PDZ, will reflect this. There will be businessman A who will find cool, B who will not like. But it also has to be confronted," said Codesp CEO Casemiro Tércio Carvalho. The executive attended last week in Guarujá, a meeting held by the Inova-Metropolitan Region Movement of Baixada Santista. The group aims to stimulate the regional economy by joining the efforts of the political class, businessmen, unions, organized civil society and teaching institutions. A debate about the PDZ had already been demanded by the port community. For industry executives, the study, which sets out strategies and goals for the rational development and optimization of the use of organized port areas and facilities, should have been further discussed.

Source: *Portos e Navios*

AFTER CHANCES, BAHIA PORT BREAK RECORD SALES

Bahian public ports had increasing revenues for five consecutive months. From June to October, the operations presented revenue evolution. The growth rate reached 43.63% in September, when income jumped from \$ 11 million



to \$ 16 million. The figures released on Wednesday (20) by the Bahia State Dock Company (Codeba) also show the growth in cargo handling - 9.7 million tons in total. In October, for example, there was a 9.85% increase in the volume of cargo transported over the same period of 2018. In June, the number increased 21% when compared to the same period of the previous year. Among the products with greater circulation are wheat, by the Port of Salvador, and naphtha, in the Port of Aratu. "The results point to a warming of the Bahian economy and demonstrate the importance of choosing a results-oriented technical management. Codeba is focused on enhancing the vocations of the economy in each port," says Diogo Piloni, the National Secretary of Ports and Waterways of the Ministry of Infrastructure. Bahian public ports had increasing revenues for five consecutive months. From June to October, the operations presented revenue evolution. The growth rate reached 43.63% in September, when income jumped from \$ 11 million to \$ 16 million. The figures released on Wednesday (20) by the Bahia State Dock Company (Codeba) also show the growth in cargo handling - 9.7 million tons in total. In October, for example, there was a 9.85% increase in the volume of cargo transported over the same period of 2018. In June, the number increased 21% when compared to the same period of the previous year. Among the products with greater circulation are wheat, by the Port of Salvador, and naphtha, in the Port of Aratu.

Source: Portos e Navios

FERTILIZER IMPORTS GROW 49% IN ANTONINA PORT

Fertilizer movement through the Port of Antonina, on the coast of Paraná, increased 49% in 2019, reaching 422,569 tons between January and October. In the same period last year, 283,614 tons were imported. According to Gilberto Birkhan, CEO of Ponta do Felix Port Terminals (TPPF), the expectation is that the movement will grow even more with expansion works in progress at the Terminal. "About 80% of the Brazilian demand for fertilizers is supplied by imports, and Paraná is a reference in this port activity. Therefore, we are investing in the expansion of the structure and dredging works that will facilitate the movement of ships in our bay." Another important factor in the increase of movement, is the port authority of Portos do Paraná, with the dredging of the access channel and evolution basin of the Port of Antonina that has been taking place since August of this year. The state public company is responsible for managing the state's port terminals, maintaining all waterway access infrastructure, evolution basins, berths, road, rail and inland access. The private initiative, TPPF, is responsible for the superstructure: operating equipment, warehouses and skilled labor. Dredging began in August on the Antonina Port access channel and evolution basin. To date, about one million cubic meters have been removed from this area. With the dredging in progress, a depth of 9.5 meters is expected to be restored, allowing maneuvers of larger and more loaded vessels. After completion of the TPPF expansion and dredging in the ports of Paraná, the expectation is to double the current handling numbers at Terminal antoninense. The main products operated in Antonina are fertilizers, soybean meal and bagged sugar. All products had growth of movement in the accumulated of this year. In addition to the 49% increase in fertilizer imports, there was a 10.5% increase in soybean meal

movement and 7% in bagged sugar.

Source: Global Fert

HIDROVIAS DO BRASIL REGISTER GROWTH

Hidrovias do Brasil announces its results for the third quarter of 2019, recording a 38% increase in EBITDA (R \$ 153.8 million) compared to the same period of the previous year. Part of this result was due to the higher volume transported in both logistics corridors in which the company operates. The Northern Corridor, for example, saw a 25% increase in grain and fertilizer volume, as well as an increase in the number of short-term contracts. Other important points were the expansion of the harvest and the reduction in freight rates on BR-163, which favored the competitiveness of grain exports throughout the northern region. Southern Corridor - Comprising the Paraná-Paraguay Waterway (iron ore, grains and fertilizers) and the Uruguay River (pulp), the Southern Corridor is fully operational and with consolidated results. Cash flow from this corridor is mostly US dollar denominated. Regarding this corridor, it is important to highlight that the total volume transported grew 30% in the period. Northern Corridor - Operating on the Tapajós and Amazonas rivers (grains and fertilizers) and the Trombetas and Amazonas rivers (bauxite), the Northern Corridor continues to expand strongly as volumes foreseen in long-term trade contracts and strong opportunities for demand growth through the expansion of the grain harvest in the country. Cash flow from Norte is mainly denominated in Brazilian reais, with revenues and costs referenced in this currency. In the third quarter of 2019, the North Corridor grain and fertilizer segment grew 25% over the same period last year. Adjusted EBITDA grew by 60% (R \$ 66 million).

Source: Global Fert

MATO GROSSO DO SUL: SOYABEAN PLANTING DELAYS; 30% OF CORN CAN BE PLANTED OFF SEASON

The lack of rainfall delayed soybean planting in several states. In Mato Grosso do Sul, only 73.4% of the area of 3.163 million hectares were sown in this 2019/2020 crop. In the same period last year, jobs were around 98% and the historical average, 96%. According to Aprosoja-MS, this delay greatly worries producers, even more compared to the second crop of corn. Last Monday, 18, these conditions and difficulties were presented by the entity to the Secretary of Environment, Economic Development, Production and Family Farming (Semagro), Jaime Verruck. The central region of the state has the most advanced planting until November 15, on average 77.2%, while the northern region has 72.5% and the southern region with 72.4% on average. The planted area to date, as estimated by the SIGA Project, is approximately 2,322 million hectares.

Source: Canal Rural

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