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CHINESE IMPORTS OF BRAZILIAN SOYBEANS IN MAY REACHES HIGHEST LEVEL IN 2 YEARS

Chinese customs data indicates that Chinese soybeans imports from Brazil (now its largest supplier), reached its highest level in two years in May. China is the world's largest importer of soybeans. Data from the General Administration of Customs of the Asian country indicate that the country imported 8.86 million tonnes of Brazilian soybeans in May, the highest volume since May 2018, and 41% more than the 6.3 million tonnes imported in May 2019. Brazilian soybean imports also grew by 49% in comparison with April. Meanwhile, China's soy imports from the United States fell almost 50% in May 2020 compared to May 2019, totaling 491,697 tonnes. It is the lowest monthly count since January 2019. Now, China is expected to turn to the United States as the Chinese try to fulfill their agreement to boost agricultural purchases under the phase 1 trade pact with the Americans – Beijing repeated its commitment during talks in Hawaii last week.

Source: Reuters

TRADE SURPLUS HITS A RECORD IN JUNE DUE TO SIGNIFICANT DROP IN IMPORTS

The drop in Brazil's imports caused by the devaluation of the Real and the drop in economic activity made the trade balance hit a record in June. Last month, Brazil exported US\$7.463 billion more than it imported. This is the biggest surplus for a single month since records began in 1989. Despite this, in the first semester, the trade balance was still below last year. In the first six months of 2020, Brazil exported US\$23.035 billion more than it imported. The result is 10.3% lower than the balance for the same period last year, at US\$25.68 billion, and is at the lowest level for the first semester since 2015. Last month, both exports and imports fell. Brazil exported US\$19.912 billion in June, 12% less than in June 2019, according to the daily average criterion. Imports fell even further. Brazil bought US\$10.449 billion last month, marking a decrease of 27.4% in the same comparison, also by the criterion of the daily average. In the accumulated result for the year, exports fell more than imports. From January to June, Brazil sold US\$102.43 billion, 6.4% less than in the same period in 2019. Imports were US\$79.395 billion, with a decrease of 5.2%. Only agriculture exported more than in June last year, with US\$57.49 million more shipped abroad, up 29.7% by the daily average. The main highlights were soybeans, rice with husks, latex, and rubber.

Source: Agencia Brasil / Datamar News

MERCOSUL LEADERS REPORT ADVANCEMENT IN AGREEMENT WITH EU DESPITE FRENCH RESISTANCE

On Thursday, July 2, leaders of the South American trade bloc held a virtual summit to discuss trade agreements with Canada, Singapore, and South Korea, in addition to the European Union and to study readjustments in their common external tariffs, in addition to the pandemic caused by the new coronavirus. Mercosur ministers informed that the final text for the South American trading bloc's agreement with the European Union has advanced, despite recent comments by French President Emmanuel Macron against the pact. On Monday, Macron said France should not sign any agreements with countries that do not comply with the Paris Agreement against climate change. Brazil's Foreign Affairs Ministers, Ernesto Araújo, said that the legal wording of a document that outlines the agreement with the European Union is almost complete, thanks to "cooperation and flexibility" to overcome the final differences. The chancellor

said he hoped the coordinators of the South American bloc would be able to complete the texts and annexes with European negotiators after the northern hemisphere summer, so that the agreement would then be ready to be signed.

Source: Reuters

OIL AND GAS PRODUCTION IN MAY WAS 3.48 MILLION BARRELS PER DAY, ANP SAYS

National oil production in May was 3.48 million barrels of oil per day, according to the monthly production and oil and gas bulletin released by the National Petroleum, Natural Gas and Biofuels Agency (ANP). Total oil production was 2.765 million barrels per day, representing a decrease of 6.5% compared to the previous month and an increase of 1.3% compared to May 2019. Natural gas production, of 114 million m³/d, represented reductions of 7.8% compared to April and 3% compared to the same month last year. According to the ANP, the drop in production was a consequence of the stop of the platform ships (FPSO) Mangaratiba and Cidade de Angra dos Reis and the restriction in the production of platforms P-67, P-74 and P-76. During the month of May, 34 fields had their respective production temporarily interrupted due to the effects of the covid-19 pandemic, of which 16 seafarers and 18 onshore, and a total of 60 marine production facilities remained with interrupted production.

Source: Revista Dinheiro Rural

ACCORDING TO STUDY, CARGO RELEASE TAKES 7.4 DAYS

The Special Secretariat of the Federal Revenue of Brazil (RFB), in partnership with Secex, Anvisa and the Ministry of Agriculture, carried out the first Study of Cargo Release Times, developed according to the methodology of the World Customs Organization (OMA), Time Release Study. The study pointed out that cargo imported by Brazilians takes, on average, 7.4 days to be released after reaching the country's borders. The clearance period was 17 days in 2018 and the government's goal in recent years was reduced it for less than 10 days. According to the study, in the maritime modal it takes 9.7 days to release the cargo, while by air the average is 5.8 days; by land, it is 2.3 days. The results also show that more than 87% of imported goods are released in less than 7 days, counted from their arrival in the country. Another fact is that 65% of the total average time spent in Anvisa's consent processes does not result from actions under the agency's responsibility, but mainly for the payment and bank compensation of fees. The customs clearance stage, which is the responsibility of the Revenue, accounts for less than 10% of the total time calculated. The study was supported by the World Bank Group, the World Customs Organization and the UK Prosperity Fund.

Source: Agência Estado and Agência Brasil

DEMAND FOR FERTILIZERS IN BRAZIL SHOULD GROW 1.5% IN 2020

The demand for fertilizers in Brazil will increase 1.5% this year, from 36.1 million tons registered in 2019 to 36.7 million tons. The estimate is from the Dutch bank Rabobank, which published on Thursday the semiannual report "Fertilizer Outlook" with the prospects for the market at a global level in 2020. The flagship for the increase in Brazilian demand promises to be the soy market. According to Rabobank, the margins of soybean producers, and also of corn, for the 2020/21 harvest have been projected above the average of the last five years, which should stimulate an increase in the planted area and in fertilizer applications. With regard to imports of these inputs, Brazilian purchases totaled 11.5 million tons from January to May, an increase of 12% in comparison with the same period last year. The increase reflects the drop in fertilizer prices in dollars at historically low levels,



which has led many producers to anticipate their purchases. In addition, the covid-19 pandemic was another trigger of anticipation, given the fear of facing logistical problems. However, in relation to the production of fertilizers in Brazil, Rabobank projected an increase of 15% in 2020 compared to 2019, to 7.8 million tons.

Source: *Valor Econômico*

RICE EXPORT HAS A POTENTIAL TO GROW 66% UNTIL 2028/2029

Data from Outlook Fiesp 2029, published by the Federation of Industries of the State of São Paulo, indicate that although the combination of rice and beans is still present in the diet of Brazilians, there is a tendency for the population to increasingly incorporate other foods into their meals. According to the survey, beans are grown in all states of Brazil and the carioquinha type remains the most consumed in the whole country. Despite the challenge of producers to open new markets for rice, through the development of more elaborate products, and the establishment of negotiations with potential consumer countries for the product, the number of net tons exported may reach 537 thousand tons in 2028/2029, which means a 66% growth in relation to 2018/2019, a boost for the sector, since domestic consumption is expected to increase by only 6% and per capita consumption, a growth of less than 1%.

Source: *Universo Agro / DATAGRO*

INFRASTRUCTURE MINISTRY APPROVES NEW JURISDICTIONAL LIMITS FOR SANTOS PORT

On Tuesday, June 30, the Infrastructure Ministry published Ordinance 77 that changes jurisdictional limits of the Port of Santos, the most important in Brazil. The definition of the new polygonal (the name for the administrative perimeter that comprises accesses, facilities, leased terminals and expansion areas of the public port), updates the guidelines in force since 2002 and adapts the organized port to the Law of Ports (12,815, 2013), which differentiates leased and private terminals precisely because of what is inside or outside the polygonal. In addition, it paves the way for the approval of the new Development and Zoning Plan (PDZ), which provides for the lease of areas hitherto outside the jurisdiction of the Port Authority. According to the agency, this brings legal certainty for agreements and leases and ensures predictability for long-term investments. In total, 32 of the 37 organized ports that have existed since the law was issued had their polygonal defined. "After 18 years, the new polygonal establishes a landmark for the modernization of the Port of Santos by allowing the realization of long-term planning according to the guidelines of the Ministry of Infrastructure to make the port more rational and efficient. It is another important step in the process that precedes the privatization of the country's main port," said Minister Tarcísio.

Source: *Datamar News*

IMPORTS OF FERTILIZERS GROW 50% IN PORT OF ITAQUI

From January to June, the movement of fertilizers in the Port of Itaquí reached the mark of 1.2 million tons, an increase of 50% in relation to the same period last year. And the expectation for the coming months is to continue with an even greater volume as of the start of operation of the new fertilizer terminal, of Companhia Operadora Portuária do Itaquí (Copi), which should occur later this year. With the new terminal, the Port of Itaquí will move from a capacity of 2 million to 3.5 million tons of fertilizer imports per year. According to the operator, the new terminal will have a static capacity of 70 thousand tons distributed in independent bays, all connected directly to berth 101 (which can increase productivity to 1,250 t / hour). The project also provides for a rail hopper, which will facilitate transport by rail to Palmeirante (TO),

where the product will be distributed to other states. The fertilizers handled by Itaquí originate mainly in Russia, Egypt and Israel. When entering Brazil through the public port of Maranhão, this cargo is distributed throughout the producing region called Matopiba (which covers Maranhão, Tocantins, Piauí and Bahia) and has been expanding.

Source: *portodoitaqui.ma.gov.br*

PORT OF IMBITUBA HITS HISTORICAL MONTHLY MOVEMENT RECORD

The record of the Port of Imbituba has just been updated. The mark of 602,370 tons handled in June becomes the largest monthly volume recorded in the history of the port, managed by the public company SCPAR Porto de Imbituba. With this result, the port surpasses the record reached in March last year, of 592,641 tons. In relation to June 2019, when 542,595 tons were handled, there was an 11% increase in monthly handling. Over the past month, the port served 21 ships for the operation of various cargo, mainly soy, iron ore, coke, containers and corn. They also passed through the Port of Imbituba: cellulose, food in big bags, wind equipment, fertilizers, caustic soda and saltpeter. Also noteworthy is the shipment of 119.7 thousand tons of solid bulk in a single vessel, concluded at the Port of Imbituba also in June, the largest in the history of Santa Catarina. Since the beginning of the year, 96 ships have docked at the port's three quays, totaling more than 2.6 million tons handled so far. "The expectation is that there will be intense movement in the port for the coming months," says Aristeu Cavalca, operations manager at the Port Authority. At this rate, the expectation is positive for a new annual record to be achieved, closing the year with approximately 6 million tons handled.

Source: *Portos e Navios*

PARANAGUA GRADUALLY RESUMES OPERATION AFTER SEASONAL DAMAGE TO 2 SHIPLADERS

Operations at the Port of Paranaguá, one of the main ports in Brazil for shipping grain and sugar, are gradually resuming after damage caused by a storm and strong winds, which dragged two shiploaders in two berths (204 and 214) on Tuesday, June 30. According to a note from the Port of Paraná, electricity was restored by Copel at around 1 pm on Wednesday, allowing activities to take place, despite the damage, in most of the berths. According to the Paranaguá Directorate of Operations, berth 214 (one of the three in the Export Corridor) can still operate with one of the other available and undamaged equipment, which should occur on Wednesday - each cradle in the corridor operates with two "shiploaders. The port administration also said that the berths of the public dock (201, 202, 205, 206, 208, 209, 211, 212 and 213) have not suffered any damage, either in structure or in equipment, and are gradually resuming operations. Liquid bulk operators (in berths 141, 142, 143 and 144) have already resumed operations. The neighboring port of Antonina was also hit by the windstorm. According to TPPF, the leasing company that operates Antonina, the terminal was without power. As a precaution, some terminals had already chosen to stop activities to avoid damage and greater risks.

Source: *Reuters*

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