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## FROM OIL TO COFFEE - BRAZIL CLOSES 2020 WITH RECORD LEVELS OF COMMODITY EXPORTS

Data released on January 4 by the Ministry of Economy point out that in 2020, Brazil recorded record volumes shipped for its main commodities, with emphasis on oil, sugar, and meat imported by China, while coffee also had a record year. Shipments of soybeans, Brazil's main export product in terms of value, grew 13% compared to 2019, to 83 million tons, due to steady Chinese demand. Brazilian oil exports last year reached 70.6 million tons, up 18.5% compared to 2019, with countries like China taking advantage of low prices to purchase large quantities. In revenue, shipments fell almost 19% to \$ 19.5 billion. Shipments of fuel oils also reached historic highs of 15.5 million tons, as pre-salt production grows. Soybean meal exports had historical highs last year, totaling 17.5 million tons. Unroasted coffee ended the year with historical shipments of 2.373 million tons with an increase of 7.2% in volume shipped and an increase of 9.6% in billing, to almost 5 billion dollars. Sugar was another product that set record export levels, much in the wake of Chinese purchases, who managed to get out of the pandemic faster, although the coronavirus originated in the Asian country. Total shipments of the sweetener reached 31 million tons, totaling almost 9 billion dollars. In the case of corn, exports fell about 18% from a record of 42.7 million tons exported in 2019.

Sources: Reuters / G1 / Datamar News

## BRAZILIAN GOVERNMENT PUBLISHES LIST OF VESSELS WITH BENEFIT FROM DIESEL OIL SUBSIDY

Brazilian government published on Wednesday (30) the list of credentials for the acquirement of diesel oil subsidy in 2021. The estimated value of the subsidy in the Annual Budget Bill 2021 (PLOA 2021) is R\$ 1.3 million. More than 1,300 vessels, which include professional fishermen, owners and industries, have been benefited by the subsidy. They are linked to representative entities located in 11 Brazilian states: Pará, Piauí, Ceará, Rio Grande do Norte, Alagoas, Sergipe, Espírito Santo, Rio de Janeiro, São Paulo, Santa Catarina and Rio Grande do Sul. The Ministry of Agriculture says that the Subsidy Program for the Price of Diesel Oil is a federal partnership with federal states created in 1997, in which the federal government provides for the payment of financial assistance of up to 25% related to the difference between the price of domestic diesel oil and the price of international diesel oil, and the states promote the full exemption from the Tax on Circulation of Goods (ICMS) when purchasing diesel oil from fuel suppliers.

Source: Dinheiro Rural Magazine

## BRAZILIAN CENTRAL-SOUTH 2020/21 SUGARCANE HARVEST YEAR TO BE CLOSED WITH 605 MILLION TONS

The 2020/21 harvest of sugarcane in Brazil's Center-South region may end with 605 million tons, with a quality index range of 144.70 kg of ATR per ton of cane, the highest of the last ten harvests. The volume represents an increase of 2.5% in relation to the 2019/2020 crop. According to Sugarcane Industry Union (UNICA), this is the best season in recent years. Of the total sugarcane, 46.04% should be used to produce 38.4 million tons of sugar, compared to 26.7 million in the previous cycle. Ethanol production is estimated at 30.44 billion liters, 8.45% less than the 33.26 billion liters produced in the past harvest. Of the total volume, 9.76 billion liters should be anhydrous ethanol (-3.2%) and 20.69 billion liters of hydrous ethanol (-10.7%). The production of ethanol from corn should reach 2.65 billion liters, representing an

increase of around 63% in relation to the volume produced in the last agricultural cycle, which was 1.62 billion liters.

Source: Jornal Cana

## BRAZIL'S RICE MARKET IS ALERT TO US DOLLAR

Despite recent steadiness in prices, Brazil's rice market will start 2021 with attractive prices. According to SAFRAS & Mercado analyst, Elcio Bento, regardless the recent drop in prices, producers from Rio Grande do Sul would cover production costs and achieve a yield margin close to 46%. "The problem was that most producers had negotiated rice production before the price jump in mid-August," he recalls. "We expect next harvest will bring better returns". Now, attention is focused on the US dollar, which can make imports more attractive if Brazilian real continues posting strong gains against US dollar. Until the fourth week of December, rice husk imports totaled 83.829 thousand tons, with a daily average of 4.657 thousand tons. In comparison with the daily average of December 2019, there was an increase of 788.78%. Regarding the 2020/21 harvest, the National Supply Company (Conab) indicates a production of 10.943 million tons, which represents a decrease of 2.1% over the 11.183 million tons of 2019/20.

Source: Safras & Mercado

## CONAB'S PANEL ON PRODUCTS NOW PROVIDES INFORMATION ON SOY, RICE, BEANS, WHEAT, COFFEE, AND CORN

For the purpose of producing data on Brazilian agriculture, the National Supply Company (Conab) expanded the Panel Products presented on the website "Portal de Informações Agropecuárias (Agricultural Information Portal)". It is now possible to have an overview of the main products grown in Brazil. In December, Conab's panel on products started to present data on soybeans, rice, beans, wheat and coffee. This portal provides information on the variation in producer prices, the comparison between production costs and prices received, as well as the supply and demand table, production data and trade balance. Conab's Panel Products data are updated according to the dynamics of each harvest and available by producer state. You can also find in the portal information on supply, family farming, storage and logistics, horticultural market, minimum prices, agricultural production, historical series, etc.

Source: CONAB

## PORT OF ITAQUI ENDS 2020 AT A RECORD LEVEL

The Port of Itaqui closed 2020 with handling above the record level reached in 2019, with 25.3 million tons of cargo handled. Grains (soybeans, corn, and soybean meal) reached 12.1 million tons – including the Tegram and VLI operations – which represents an increase of 8.5% over the same period in 2019. The volume of fertilizer reached 2.6 million tons handled, registering an increase of 21% over 2019. Pulp was also highlighted, with 1.4 million tons exported which was 35% above what was exported in 2019. This was in addition to the container shipments which contributed heavily in 2020 with their weekly ship calls. The management of Port of Itaqui has an Investment Plan in progress – between public and private resources – for a total amount of R\$ 1.4 billion for port infrastructure, which includes works delivered, works in progress, and projects for 2021. The works are being concluded for the renovation berths, paving of the internal roads and access to the port, a new electrical system including modernization of the receiving substation, and the construction of an emergency response base at the Ponta da Espera Terminal. These are being done using company resources from Empresa Maranhense de Administração Portuária (EMAP), manager of the Port of Itaqui. One of the most important private investments, in addition to Novo Tegram, is the ongoing works to expand the fertilizer terminal, two liquid bulk



terminals, and one cellulose terminal, which should be completed in 2021. Also on the agenda for 2021 is the auction of four new fuel terminals, the construction of a new berth (99), and a railway pier.

Source: *Datamar News*

#### PORT OF IMBITUBA SETS CARGO-HANDLING RECORDS IN 2020

The Port of Imbituba closed 2020 with records levels of shipments and monthly and annual movements, cargo diversification, and investment attraction. From January to December 2020, 5.8 million tons were handled in the port of Santa Catarina, a volume 1.8% higher than in 2019. Among the busiest cargo in the period were petroleum coke, soybeans, ore iron, containers, corn, salt, and urea. In all, there were 228 ship moorings in 2020. The cargo portfolio was also expanded, adding pulp, iron ore (hematite and magnetite), fertilizer (triple superphosphate), and food in big bags. The significant movement of ore helped set shipping records and attract private investments inside the port, such as the construction of a new warehouse dedicated exclusively to cargo, with a static storage capacity of approximately 80,000 tons.

Source: *Datamar News*

#### PORT OF CABEDELO WITH MORE THAN 1 MILLION TONS OF CARGO HANDLED IN 2020

The Operations Management sector from Companhia Docas da Paraíba released on Thursday (31) data on cargo handling in the Port of Cabedelo. Around 1,139,141 tons of cargo were handled in 2020, an increase of 5.25% over 2019, despite the coronavirus pandemic. January forecast 2021 shows that cargo handling should reach more than 100 thousand tons, which represents a growth in comparison to January 2020, when about 70 thousand tons of cargo were handled. The Provisional Acceptance Terms for the Areas is scheduled to be signed in January 14, 2021, with the presence of the Secretary of Ports and the Northeast Consortium. "This partnership will make investments up to more than R\$ 100 million", said Gilmara Temóteo. In addition, she said that the goal for 2021 is to break the record of 2 million tons of cargo, counting on new operations that are about to start, such as the export of coke and sugar.

Source: *Porto de Cabedelo*

#### PORT OF AÇU EXPANDS OPERATIONS IN AGRIBUSINESS

With the short-term growth focused on projects related to natural gas, the port of Açú, in the north of Rio de Janeiro, aims at expanding and operate in agribusiness. The company started to import fertilizers in 2020 and is now an alternative for the flow of grains in Minas Gerais and in Brazil's Central-West region. Today, in addition to the ore terminal, the port's main operations depend on the offshore oil platforms and the oil transfer terminal for large vessels exporting oil, with shares to be publicly traded on the Stock Exchange. With a general cargo terminal, the company has started to operate in cabotage, to receive oil equipment imported by the port of Rio de Janeiro. In 2019, GNA (Gás Natural Açú) started work on a thermal power plant and on a terminal for receiving imported gas at the port, which should may operating commercially at the end of the first half of 2021. A second thermal station has already been authorized, but the beginning of the works depends on the evolution of the pandemic.

Sources: *Folha de São Paulo / Portos e Navios*

#### REVENUE UP 21% IN 2020 FOR RIO DE JANEIRO PORTS

Companhia Docas do Rio de Janeiro (CDRJ), the port authority that manages the Ports of Rio de Janeiro, Itaguaí, Niterói and Angra dos Reis, ended 2020 with a 21% increase in revenue. The turnover of approximately R\$ 630 million represents the highest billing ever and is

the largest growth during the last 10 years out of a succession of consecutive increases of 19.4% in 2017 16.8% in 2018 and 13.6% in 2019 (fourth-highest increase in the period). According to the figures released by the Market Relations and Planning department, revenues were higher than in 2019 by R\$ 108 million. The record amount is due to a combination of factors: the sustaining of operations during the pandemic, the resilience of container operators during the crisis, the recovery of iron ore handling after a fall in 2019, the successful negotiations with commercial partners, and the sharp increase in the price of iron ore in reais. At the iron ore terminals, which account for approximately 72% of the product volume handled at the ports managed by CDRJ, there was a recovery in the movement that had fallen in 2019. Iron ore handling in 2020 was about 3% higher than in 2019.

Source: *Datamar News*

#### PORTOS DO PARANÁ OPENS CONSULTATION FOR NEW LEASE AUCTIONS

The public company Portos do Paraná opened an inquiry for the lease auctions for the PAR32 and PAR50 areas in the Port of Paranaguá. The competitions should take place in the first half of 2021, with total investments of R\$ 367.6 million. The auctions will be carried out by the Paraná port authority and the pre-auction procedures are carried out with the support of ANTAQ (the national waterway transport agency) and the EPL (the planning and logistics company of the Ministry of Infrastructure). PAR32 is an area measuring approximately 6.6 thousand m2 for handling general cargo, especially bagged sugar. The space already has a structure, at berth 205. The lease term is 10 years, extendable at the discretion of the granting authority. PAR50 is for the operation of liquid bulk, with a total area of 85,392 m2, next to the flammable materials pier. The lease provides for mixed-use storage facilities, with 18 vertical tanks already installed and a total capacity of approximately 70,181 m3, in addition to piping, pumping, administrative, and utility areas. The lease term is 25 years, also with the possibility of an extension. The consultation began on December 30, 2020, and will end on January 29, 2021.

Source: *Datamar News*

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