Due to this situation with Coronavirus, most businesses are operating from home-office. In case of need, please contact us through our Key Personnel mobile phones on our website **(*williams.com.br*)**

ISO SEES SMALLER GLOBAL SUGAR DEFICIT IN 2020/21

The International Sugar Organization (ISO) reduced its estimate for the global sugar deficit in the current harvest (2020/21) to 3.142 million tons, against 4.782 million tons previously projected. For the next season (2021/22), which starts in October, the organization foresees a deficit of 2.674 million tons, although it emphasizes that there is a lot of uncertainty, especially regarding production. The prospect of a slightly less restricted supply reflects ISO's estimate of slightly higher production in South-Central Brazil, where the organization expects mills to direct more cane towards sugar production than to ethanol. It is estimated that global production will reach 169.235 million tons in this harvest. The ISO also lowered its forecast for global sugar demand this season because of new waves of coronavirus infection in Brazil and India. It is estimated that world consumption will be at 172.377 million tons this season.
Sources: Valor Econômico/Datamar News

BRAZIL IS THE 4TH LARGEST GRAIN PRODUCER, BEHIND CHINA, THE US, AND INDIA, SAYS STUDY

Brazil is the 4th largest producer of grains (rice, barley, soybeans, corn, and wheat) in the world, trailing only China, the United States, and India, and accounts for 7.8% of world production. In 2020, Brazil produced 239 million and exported 123 million tons of grain. This was demonstrated by a study released on June 1 by EMBRAPA (the Brazilian agricultural research corporation linked to the Ministry of Agriculture). The authors of the study are physicist and data science analyst Adalberto Aragão and researcher Elísio Contini. Despite being the 4th largest producer, Brazil is the second-largest grain exporter globally, covering 19% of the international market. In the last 20 years, exports reached more than 1.1 billion tons, representing 12.6% of the total exported worldwide. "Soybeans, corn, cotton, and meat are the most dynamic products due to the growing foreign demand. The perspective is that they should continue in the coming years. Population growth and rising income in the world are the driving forces of world demand, especially in Asia, China and, soon, India", says Contini.
Sources: G1/Datamar News

CHINA INCREASES LEADERSHIP IN BRAZILIAN IMPORT SOURCE IN 2020

According to a CNI (National Confederation of Industry) study, China has continued to advance on Brazilian foreign trade in 2020. The Asian country accounted for 21.9% of Brazilian foreign purchases last year, with technology products leading advances. Over the past 15 years, China has grown considerably in foreign trade. In 2006, the Asian country supplied 8.6% of Brazilian imports. Traditionally the main supplier of products to Brazil, the European Union saw its share drop from 20.3% in 2006 to 19.1% last year. In the same period, the United States kept a relatively stable share in Brazilian imports, with a slight increase from 15.7% to 17.6%. The main loser in the origin of Brazilian imports was South America. In 2006, South America was in the second position and accounted for 17.6% of foreign purchases by Brazil, moving to the fourth position now, with 11.4% in 2020. In addition to increasing exports to Brazil, China has also begun to trade sophisticated products.
*Sources: Agencia Brasil/Portos e Navios (*Translated by Ia Niani)*

GRAINS STORAGE CAPACITY IN BRAZIL IS 14%

Grain storage capacity remains a barrier to agricultural production in Brazil. While farms in Argentina, Canada, and in the United States reach capacity levels of 40%, 85%, and 65% respectively, storage capacity in Brazil remains about 14% over 10 years, according to the Logistics Bulletin released by the National Supply Company (Conab). According to the bulletin, about 60% of the grains are kept in warehouses located in rural areas. "Despite the challenges, Brazil has not been in an awkward condition yet. Surely, there is a challenging situation regarding production and the available capacity, but not across the country. In some producing regions, the situation is further complicated, especially at specific periods of the year. However, this scenario may change in the next five years", says Thomé Guth Conab's Operational Logistics officer. A safe and protected storage space for the harvested crop is crucial for the country to remain an important food supplier in the world.
*Sources: CONAB/Rural Channel (*Translated by Ia Niani)*

AGRICULTURAL SECTOR GDP RISES 5.7% IN THE FIRST QUARTER

The Gross Domestic Product (GDP) of the agricultural sector grew the most in the first quarter of 2021, according to data released on June 1 by the Brazilian Institute of Geography and Statistics (IBGE). The sector registered a 5.7% growth compared to the fourth quarter of last year and a 5.2% growth compared to the same period in 2020. The Brazilian GDP grew 1.2% in the first quarter of 2021 compared to the fourth quarter of 2020, in the seasonally adjusted series. In addition to Agriculture (5.7%), growth was also registered in the Industrial (0.7%) and Services (0.4%) sectors. According to IBGE, the agricultural sector results can be explained mainly by the solid performance of some crop products in the first quarter, such as soybeans, tobacco, rice, and by productivity. "Cattle raising and the results of agribusiness exports in the first quarter are also factors. Despite the strong performance of these activities, the reduction in corn and cassava production negatively impacted", explains José Garcia Gasques, Coordinator of Policy Assessment and Information at the Ministry of Agriculture, Livestock, and Food Supply.
Source: Datamar News

BRAZILIAN SOYBEAN EXPORTS UP 16% IN MAY AND SURPASS 50 MILLION TONS IN THE YEAR

Brazilian soybean exports reached 16.4 million tons in May, up 16.3% over the same period in 2020, according to data released on May 1st by SECEX ((the Ministry of Finance's foreign trade secretariat). The shipment pace recorded during the first three weeks of the month indicated the possibility of a new monthly record, but the daily sales average cooled to 781,110 tons, and the volume in May was below the current record of 17.38 million tons set in April this year. Last week, ANEC (the national association of cereal exporters), which also foresaw a record May in the middle of the month, backtracked and reduced its export forecast for the oilseed, based on data from the shipping schedule. On June 1st, ANEC announced that May soybean shipments totaled 14.41 million tons, compared to 13.86 million in the same period of the previous year. Compared to April, however, there was a drop of 8%. The association's data consider the volumes exported, while SECEX's figures consider the shipment records, which explains the difference between the numbers.
Sources: Forbes/Datamar News

DATAGRO RAISES 2020/21 SOYBEAN CROP TO A RECORD OF 136.96 MILLION TONS AND REDUCES PROJECTION FOR CORN

Datagro consulting 8th survey for the 2020/21 Brazilian soybean crop estimates production of 136.96 million tons, up from 136.34 million tons in the last survey, released in April. If confirmed, this volume will be 7% higher than the 128.19 million tons of the record crop harvested in 2020. The new analysis points to an area of 39.05 million hectares, compared to 38.95 million hectares of the last survey. This total represents an advance of 4% or 1.55 million hectares over the 37.50 million hectares harvested in the 2019/20 season. According to Datagro, corn planting area in the summer crop rose slightly in Brazil in 2020/21, reaching 4.36 million hectares, up 1% from the 4.30 million hectares harvested in the past crop. The first crop production was revised to 24.29 million tons, down 8% from the 26.27 million tons of the revised last crop, with 18.59 million tons in the Center-South region, and 5.70 million tons in the North and Northeast regions.
*Source: Datagro (*Translated by Ia Niani)*

BRAZILIAN GORVERNMENT PROVIDES R$ 50 MILLION IN GRANTS FOR THE NORTH AND NORTHEAST REGIONS

The government released a budget of R$ 50 million for grain producers from the North and Northeast regions through the Subsidy Program for

the Rural Insurance Premium (PSR). The project intends to boost rural producers to contract insurance policies, with focus on the cultivation of corn, said the Ministry of Agriculture. The secretary of Agricultural Policy at the Ministry of Agriculture, César Halum, said in a note that the project aims to "foster the offer of insurance and increase the number of policies in these regions". In 2021, the first crop corn will have special attention, receiving R$ 20 million of the total budget for the project. In 2019, statistics grew by 109% compared to 2018, proving effectiveness of the government grant. The producer who is interested in contracting rural insurance must look for an insurance broker or a financial institution.
*Sources: Agência Estado/Nova Cana (*Translated by Ia Niani)*

SUGARCANE IS SOURCE OF 19% OF THE ENERGY CONSUMED IN BRAZIL

Sugarcane is the main source of renewable energy in Brazil, according to the National Energy Balance (BEN) 2021. Data released by the Energy Research Company (EPE) show that sugarcane biomass represents 19.1% of the domestic supply of energy (OIE), or 39.5% of all renewable energy used in Brazil. Sugarcane has already made Brazil a global reference in clean energy, contributing to a share above the world average of 13.8% of renewables in the matrix, and 11% of developed countries that are members of the Organization for Cooperation and Development Economic (OECD). In 2020, by 48.4% of the energy consumed in the national territory were from renewable sources. "Sugarcane is one of the oldest agricultural crops in Brazil and remains highly strategic due to its versatility. We produce sugar, ethanol, bioelectricity, biogas, and soon, biomethane, with a great unexplored potential, capable of guaranteeing that Brazilian socioeconomic development is supported by low-carbon energy sources", said Evandro Gussi, president of the Sugarcane Industry Union (UNICA).
*Sources: ÚNICA/Notícias Agrícolas (*Translated by Ia Niani)*

ETHANOL REDUCES CO2 EMISSIONS EQUIVALENT TO THE ANNUAL EMISSION OF 5 COUNTRIES

Based on data released by the National Agency for Petroleum, Natural Gas and Biofuels (ANP), between March 2003 and April 2021, UNICA shows that the consumption of ethanol (anhydrous and hydrous) has prevented the emission of more than 556 million tons of CO2 equivalent into the atmosphere. The volume is comparable to the combined annual emissions of Argentina, Venezuela, Chile, Colombia, Uruguay and Paraguay. Currently, by 86% of the ethanol sold in Brazil is certified by RenovaBio, ensuring the traceability and effectiveness of the reduction of greenhouse gas emissions, and preventing deforestation. "The COVID-19 pandemic has reinforced the urgency of taking effective measures to combat climate change. In Brazil, we have a strong renewable fuel industry, which has been contributing year after year to reducing the emission of greenhouse gases", says Evandro Gussi, president of UNICA.
*Sources: ÚNICA/AgroLink (*Translated by Ia Niani)*

COPERSUCAR SURPASSES 5 MILLION CBIOS

The partner mills of Copersucar, the world's largest sugar and ethanol company, reached an unprecedented milestone on May 24, with 5.2 million decarbonization credits (CBios). The outcome is due to the company's successful organization and great commitment to sustainability, accounting for 15.4% of carbon credits issued in the RenovaBio program since 2020. The result is comparable to 36.4 million trees growing for 20 years. For Luís Roberto Pogetti, Chairman of the Board of Directors of Copersucar, this result confirms the adherence of the company's partners to the decarbonization program established by the National Biofuels Policy (RenovaBio). "The management of environmental indicators carried out by Copersucar and its associates has highlighted the role of ethanol in fighting climate change. With more control of the product's life cycle, Copersucar has been able to improve the energy-environmental efficiency ratings (NEEA) of its mills, thus expanding the supply of CBios to the market", he said.
*Sources: COPERSUCAR/Notícias Agrícolas (*Translated by Ia Niani)*

EQUINOR TO INVEST US$ 8 BI IN BRAZILIAN PRE-SALT

Norwegian Equinor, together with partners ExxonMobil and Petrogal, reached a final investment decision in the Bacalhau Project (formerly Carcará Project), in the Santos Basin, and announced yesterday a joint investment partnership valued at US$ 8 billion for the first pre-salt field to be developed by a foreign oil company in Brazil. The asset should start producing in 2024. The project is a partnership between Equinor (40%), ExxonMobil (40%), Petrogal (20%), and Pré-sal Petróleo SA (PPSA) the union's representative in the contract. The project will be developed in the middle of big global oil companies' adaptation to the energy transformation towards a low-carbon economy. The president of Equinor in Brazil, Verônica Coelho, states that the Bacalhau Project has proved to be a competitive project within the company's global asset portfolio, both from an economic and environmental point of view. In this sense, according to the executive, Bacalhau will allow the company to produce oil with lower-than-world-average emission rates at a profit, even while the commodity is in a devaluation scenario.
Sources: Valor Econômico/Datamar News

SANTOS RECEIVES 120-WAGON TRAIN LOADED WITH SOY

The Port of Santos received a train with 120 wagons loaded with soy on June 3rd. The cargo originated in the railway terminals of Rio Verde and São Simão, in Goiás. The unprecedented operation marked the beginning of tests that could boost the transport of grains sent for export via the maritime complex. The trip started on May 30th. First, a train with 40 loaded wagons began its journey at Rumo's multimodal terminal in Rio Verde. Afterward, another 80 wagons were coupled at another company facility in São Simão. According to the company, of the 120 wagons that arrived at the Santos pier, 40 followed the right bank (Santos). These were partially unloaded at the terminal in the Outeirinhos region, operated by Rumo, and another portion at Terminal 12A, in Paquetá. The other 82 wagons followed the left bank (Guarujá). In this case, the unloading took place at the Guarujá Bulk Terminal (TGG). The integration between the two terminals operated by Rumo was possible after investments of R$ 711 million in infrastructure works. This corridor connects Goiás to the Port of Santos through the connection between the North-South Railway and the Paulista Network.
Sources: The Tribune/Datamar News

Please, do not hesitate to contact us for further information through our commercial@williams.com.br and lineup@williams.com.br! Always keeping you duly posted

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