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2020: THE HIGHEST GROSS AGRICULTURAL PRODUCTION VALUE IN 32 YEARS

The Gross Agricultural Production Value (VBP) in Brazil was US\$ 871.3 billion in 2020, an increase of 17% over 2019 and the highest in the last 32 years, according to the Ministry of Agriculture. The prognosis for 2021 estimates an increase of 10.1%. Last year, crop revenue was R\$ 580.5 billion, up 22.2%, and livestock revenue was R\$ 290.8 billion, up 7.9%. In a note, the Secretariat of Agricultural Policy of the Ministry of Agriculture said the main highlights were corn, with a growth of 26.2%; soy (42.8%); beef (15.6%); and pork (23.7%). "Soy, corn and beef sales reached respectively R\$ 243.7 billion, R\$ 99.5 billion and R\$ 126.3 billion". In relation to the estimated growth of 10% in 2021, the Ministry points out to the expected high performance of rice (17.3%), potato (22.1%), cocoa (14.7%), cassava (10.9%), corn (17.7%) and soy (24.4%). "There are still good expectations for livestock, especially for cattle, pork, chicken meat, and milk."

Sources: *Estadão / Revista Dinheiro Rural*

IBGE FORECASTS RECORD CROP IN 2021

The estimate for the 2021 crop points to a third consecutive annual record of 260.5 million tons, an increase of 2.5% in relation to 2020. The information is obtained from the Systematic Survey of Agricultural Production, released by IBGE in December (The Brazilian Statistics Institute). If confirmed, it will be the largest crop in history. In 2020, according to the 12th survey by IBGE, the agricultural crop registered 254.1 million tons, which represents an increase of 0.8% in relation to the forecast made in November. Soy remains rising, with preliminary estimates (129.7 million tons) indicating an increase of 6.8% in production (8.2 million more tons) compared to 2020, and an increase of 1.5% in relation to the second forecast (released in December). On the other hand, corn production is expected to decline by 1.5% (1.5 million tons) in comparison to 2020, however it should increase by 1.6% when compared to the previous estimate.

Source: *Revista Globo Rural*

BRAZIL EXPORTS THE MOST ELEVATED VOLUME OF RICE IN 8 YEARS

Figures released on Friday (15) by the Brazilian Association of the Rice Industry (Abiarroz) and by the Rice Industry Union of RS (Sindarroz-RS) showed that, last year, Brazil exported the highest volume of rice since 2011/12. From March to December, foreign sales of rice (husk base) reached 1,667,305 tons. Brazil should end the commercial year, in February 2021, with a total of 1.8 million tons in rice exports. The main countries that received Brazilian rice are Peru, Venezuela and Cuba. Rice imports totaled 1,140,007 tons and were led by the Mercosur countries (Paraguay, Argentina and Uruguay). It is estimated that imports will reach around 1.2 million tons. According to the executive director of Sindarroz-RS, Tiago Sarmento Barata, the rice sector managed to overcome the challenges of the pandemic. "The sector was resilient to meet global health requirements and the increased demand in the external and domestic markets due to the pandemic," he said.

Source: *Agrolink*

CONAB BROADEN PROSPECTS FOR CORN IMPORTS AND REDUCES ESTIMATE FOR THE CLOSING STOCK IN THE 2020-2021 CROP YEAR

A report on the Brazilian grain crop for January 2021, released by Conab (National Supply Company), noted that corn planting should decline 1.5% when compared to the last season. However, that percentage represents an increase in relation to the prospects of December 2020, which estimated a decline of 2.1%. "For the 2020/21 harvest, the total production is about 102.3 million tons, a decline of 0.3% when compared to November forecast. The adjustment is due to possible yield reductions for the first harvest estimated by Conab, pondering on climatic changes in Brazilian South Region. Also, the

report maintained the same estimate for domestic consumption at 68.7 million tons for the 2019/20 harvest and 71.8 million tons for the 2020/21 season. On the other hand, Conab has broadened projections for corn imports from 1.1 million tons to 1.3 million. Regarding the closing stock, it is expected a total of 7.3 million tons, which represents a reduction of 32.4% in relation to the last harvest.

Source: *Noticias Agrícolas*

MATO GROSSO DO SUL HAS A FIVEFOLD INCREASE IN SUGAR EXPORTS

The volume of sugar exported by the state of Mato Grosso do Sul has increased fivefold in 2020, reaching 1,133 million tons, with revenues of US \$303 million. The data are from the Complexo Cana's Technical Note and have been elaborated by the Secretariat for the Environment of the state. The report shows how the sector has changed in response to the market last year. In 2019, the sector represented only 1.23% of the Mato Grosso do Sul's exports, while in 2020, however, the percentage jumped to 5.22%. The president of Biosul, Roberto Hollanda said that the production mix of the units in Mato Grosso do Sul is 70% for ethanol and 30% for sugar. However, the percentage varies according to the market. In the last two crops, the production of ethanol was 90%. Algeria, in North Africa, is the country that has most purchased sugar from Mato Grosso do Sul in 2020, from 48.2 thousand tons in 2019 to 241 thousand tons last year. China is the second largest buyer and has also expanded the market in 2020, from 7,900 tons to 132,000.

Sources: *Semagro - MS / Noticias Agrícolas*

SÃO PAULO: HIGH ICMS TAX ON ETHANOL AND DIESEL

On Friday (15), São Paulo issued decrees 65,469, 65,470, 65,472 and 65,473/21 revoking the increase in the Tax on the Movement of Goods and Services (ICMS) on food, medicine, agricultural inputs and electricity. In turns, the ICMS tax on diesel and ethanol remains high (13.3%), however, the expectation is that the tax will return to 12%. For the Federation of Agriculture and Livestock of the State of São Paulo (FAESP), the revocation will grant the movements of the sector and will not put pressure on food prices. "The decision of the state government is sufficiently satisfactory to meet the main demands of FAESP, unions and rural producers, which will benefit the whole society. The productive chain realizes that the measures of the public administration will grant stable food prices, fostering the maintenance of jobs in the sector", says Fábio de Salles Meirelles, president of the system FAESP/ SENAR-SP.

Source: *Jornal Cana*

BRAZILIAN GOVERNMENT RELEASES NEW AGRICULTURAL ZONING FOR WHEAT PLANTING

On Thursday, the Ministry of Agriculture released the Agricultural Zoning Climate Risk (Zarc) for wheat cultivation in the 2020/2021 crop year. Zarc indicates the best period for planting, considering some demands proposed by the sector throughout 2020, which basically includes the type 1 soil and the re-analysis of the sowing periods of some municipalities in the states of Paraná and São Paulo, as well as a forecast for new areas for wheat cultivation in tropical regions, especially in the states of Minas Gerais, Goiás and Bahia, which are becoming a new wheat growth pole in Brazil. Currently, the largest wheat producers are Rio Grande do Sul and Paraná, which oversee around 85.8% of the national production, according to Conab. Farmers that follow Zarc's recommendations are less subject to climatic risks and should benefit from the Agricultural Activity Guarantee Program (Proagro) and the Rural Insurance Subsidy Program (PSR).

Source: *Canal Rural*

PORT OF PARANAGUÁ EXPORTS BIOFUEL FROM SUGARCANE BAGASSE

Last week, a new product shipment drew attention in berth 204 in the port of Paranaguá. Sugarcane bagasse pellets (in bulk) filled the holds of the ship Marina Prince. This is an export product to serve the UK market as sustainable energy. "We get really pleased when new products arrive and leave through the ports of Paraná. It is even more



rewarding to have a biofuel to replace coal in the thermoelectric power generation”, says the CEO of the Ports of Paraná, Luiz Fernando Garcia. Sugarcane bagasse (pulpy fibrous that remains from sugarcane stalks crushed in sugar and ethanol industries) transformed into pellets is nothing more than the organic matter (biomass) compressed to become biofuel. It comes from São Paulo and is shipped by the ports of Parana. The shipment procedure of the sugarcane bagasse is carried out as any other dry bulk: the product leaves the terminal to reach the shiploader through conveyor belts to get into the ship's holds. The operation is made by Pasa, in partnership with Céu Azul. Pasa's operations manager, Eric Ferreira de Souza, says the product is being shipped by the company for the first time. “Handling sugarcane pellets opens new markets and future business, and also confirms the pioneering spirit and the potential of our terminal in relation to other products operated in Paranaguá”, says the manager. According to the National Supply Company (Conab), sugarcane is considered one of the best options for biofuel production, due to the great potential as a major raw material for ethanol (and by-products) production. The production of renewable energy is also encouraged in the state of Paraná. Last December, through the State Secretariat of Agriculture and Supply and the Paraná Rural Development Institute - Iapar-Emater (IDR-PR), the Government of Paraná established the Paraná Energia Rural Renovável program. The program is in the structuring phase and will support the electricity generation supply from renewable sources in rural production units. The program proposes to create subsidies for rural producers in Paraná, such as credit lines and tax incentives.

Source: Agencia De Noticias Do Parana (Aen)

PORT OF SANTOS ACCREDITS ANOTHER REGULATORY YARD FOR TRUCKS

Santos Port Authority (SPA) has accredited yet another regulatory yard to operate in scheduling trucks with cargo destined for the Port of Santos. The new accredited yard is located in Cubatão, in the industrial zone, and has a static capacity for 350 vacancies in an area of 55 thousand m². It is the seventh regulated courtyard accredited by SPA – there are three in Cubatão (Ceparking and two more that were already in operation), one in Santos, one in the capital of São Paulo, and two others in the interior of São Paulo state (Cordeirópolis and Sumaré). “With the new accreditation, the Port of Santos has more help in scheduling the arrival of cargo, an initiative that avoids the formation of congestion on access roads and around the port area”, says SPA's Director of Operations, Marcelo Ribeiro. With that, the trucker that goes to the Port of Santos has access to a building structure while he is waiting for the scheduled time for the delivery of their cargo in the terminals, with restrooms, changing rooms, restaurant and cafeterias, an emergency medical unit, safe and monitored rest area, and service station – all open 24 hours a day.

Source: Datamar News

SUAPE COMPLEX TO RECEIVE THERMAL POWER PLANT WORTH R\$3BN

The Suape Complex will receive a thermal power plant that runs on liquefied natural gas (LNG). With an estimated investment of R\$ 3 billion, the venture includes the installation of a regasification terminal in Suape in addition to the implementation of approximately eight kilometers of pipelines between the gas terminal and the thermoelectric plant. Between the construction and operations, the project is expected to create 2000 jobs. Approximately 30% of the investment will come from the entrepreneur and 70% will come from development banks. The plant is expected to start operating in November this year, occupying an area of 16.5 hectares within the Suape Complex, where it already has a prior license issued by CPRH (the Pernambuco environmental agency). The thermal energy will be supplied by an LNG re-gasifier vessel, with a capacity of 21 million cubic meters per day, at the Multiple Use Wharf. The plant is expected to consume 2.5 million cubic meters a day, a potential that could be repeated in the future. The LNG surplus may serve COPERGÁS (the Companhia de Gás de Pernambuco network), a company that holds gas distribution rights in the state.

Sources: Diário de Pernambuco / Datamar News

BNDES APPROVES FINANCING FOR THERMOELECTRIC PLANT IN PORTO DO AÇU

BNDES (the Brazilian economic and social development bank), approved a R\$ 3.93 billion loan to Gás Natural Açú for the construction of the GNA II thermoelectric plant in Porto do Açú, in the north of the state of Rio de Janeiro. According to BNDES, the thermal plant will have a total installed capacity of 1.6 gigawatts (GW) and will integrate the project for the liquefied natural gas (LNG) generation park under development in the port. The first unit of the project, UTE GNA I, has 1.3 GW of capacity and also received funding from BNDES, according to a statement. The forecast is that the first part of the project will start commercial operations in the first half of 2021 and the second unit will start operating in 2023. According to BNDES calculations, approximately 5,000 jobs should be generated during the construction of the thermal plant. Another 500 jobs are also expected when the plant goes into operation.

Source: Valor / Datamar News

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