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BRAZILIAN AGRIBUSINESS EXPORTS REGISTER ALL TIME RECORD IN MARCH 2021

Brazilian agribusiness exports had the best March since the beginning of the historical series analyzed by the Ministry of Agriculture, which started in 1997. According to data released by the entity last Friday, the country shipped US\$11.57 billion last month, an amount 28.6% higher than in March 2020. The increase in commodity prices was an influential factor, says the ministry – prices rose 8.7% in comparison with March 2020. Volumes shipped however grew 18.3%. The soy complex (grain, oil and bran) was the most prominent sector, with an increase of US\$1.66 billion in absolute exports. Also according to the government, the sugar and alcohol segment saw the highest percentage growth rate among the main exporting sectors (up 59.4%). The volume of sugar exported reached a record of almost 2 million tons in March 2021 (up 39.6%). This volume record, together with the 9% increase in the average price, generated US\$ 638.96 million in revenues. Finally, agribusiness imports also increased, from US\$1.28 billion in March 2020 to US\$1.34 billion, which represents an increase of 4.5%.

Source: *Datamar News*

CHINA'S SOYBEAN IMPORTS FROM U.S. SURGE IN MARCH, BRAZILIAN IMPORTS PLUNGE

China's March soybean imports from Brazil plunged as rain delayed some shipments from the top exporter, but its imports of the oilseed from the United States more than quadrupled. The world's biggest buyer of soybeans imported 315,334 tonnes from Brazil in March, down 85% from 2.1 million tonnes a year earlier, data from the General Administration of Custom showed. Brazil is the world's biggest soybean exporter. From the United States, China imported 7.18 million tonnes of soybeans in March, up 320% from 1.71 million tonnes in the previous year. China had stepped up purchases of soybeans and other U.S. farm produce after the two sides signed an initial trade deal in January last year. But buyers of the oilseed have turned to the United States more than usual in 2021, as rains in Brazil slowed the harvest there and delayed exports. China's total imports of soybeans in March rose 82% to 7.77 million tonnes. Chinese crushers bring in soybeans to crush into soymeal to feed livestock and for cooking oil.

Source: *Reuters*

VALUE-ADDED SELLING A CHALLENGE IN BRAZIL-ARAB TRADE

Brazil has a challenge and an opportunity ahead to step up the sales of value-added agricultural goods to the Arab countries, said Arab Brazilian Chamber of Commerce (ABCC) president Rubens Hannun. "In the first quarter of 2021, we stepped up agricultural sales to Arabs by 9%. They are extremely loyal countries, even amid moments of restrictions in exports," said Hannun. In addition to the bloc's top buyers – Saudi Arabia, Egypt, and the United Arab Emirates – the president stressed the "dramatic growth of Bahrain", Qatar and Morocco in recent months. He believes the growth trend is strong in Brazilian trade with Arab countries such as Yemen and Libya. "But we have a very big challenge ahead as most of our products are commodities. So, we also have an opportunity to include more value-added products," said Hannun. Likewise, ABCC secretary-general Tamer Mansour pointed out the trade with Arabs is a win-win partnership. "Unfortunately, we still export many unindustrialized products. Now we must seed the Arab countries as hubs for our [value-added] products. In Africa, we have Egypt, Morocco. In the Gulf, the UAE, Bahrain, as well as the Saudis, which can be considered as hubs for the halal market," stressed the ABCC secretary-general.

Source: *Brazil-Arab News Agency (ANBA)*

GOVERNMENT SUSPENDS IMPORT TAX FOR CORN AND SOYBEANS UNTIL THE END OF THE YEAR

The Executive Management Committee (Gecex) of the Chamber of Foreign Trade (Camex) again suspended the import tax rate applied to imports of corn, soybeans, soybean oil and soybean meal. The measure goes into effect seven days after the publication of the Gecex resolution and ends on December 31, 2021. In October last year, Camex had already authorized the suspension of the import tax for corn until March 31, 2021 and for soybeans, crude oil and flour and pellets until January 15, 2021. The expectation at that time was that there would be stabilization in external prices and the grain harvest, in 2021, would have sufficient production, in order to rebalance the price ratio with animal proteins, reducing the cost pressure for the integrating industries. However, international prices showed an upward trend, putting further pressure on domestic prices. In addition to the price scenario not being confirmed, despite the record harvest of 109 million tons of corn and 135.5 million tons of soybeans, domestic prices continued to rise due to the strong external demand and the maintenance of the devaluation of the real against the dollar.

Source: *DATAGRO*

RAINS IN THE CENTER-SOUTH REGION THIS WEEK WILL BE DECISIVE FOR THE WINTER HARVEST OF CORN, SAYS FRANÇA JUNIOR

The 6th survey by Consultoria DATAGRO for the Brazilian corn crop 2020/21 estimates a production, totaling 1 st and 2 nd harvests, of 109.30 million tons. However, this number depends, in large part, on the performance of the winter harvest, which corresponds to 78% of the volume of the current season. About 40% of the winter crop, whose planting is concentrated in the Center-South region of Brazil, was sown outside the period of technical recommendation, which implies a need for rain this month and early May. "It rained very little in the Center-South region in the last two weeks and this will undoubtedly cause potential losses", says Flávio Roberto de França Junior, Grain coordinator at DATAGRO. "The price has exploded in the last few weeks, above R\$ 100.00 (Campinas base), reflecting this concern of the winter harvest, most of the Brazilian corn harvest. Losses have already been recorded in the summer harvest and demand from the domestic market is very strong. This, coupled with very high international prices, a high exchange rate, can cause the corn market to collapse", points out França Junior. The rains in the next few days will be decisive for the harvest of this season and for the supply of the domestic market. "If the winter harvest is reasonable, the biggest loss will probably be on exports. However, if we have significant losses, there may be a lack of product and we will have a very complicated year for the domestic market", concludes the Grain coordinator at DATAGRO.

Source: *DATAGRO*

CONAB POINTS TO "OPTIMISTIC EXPECTATIONS" FOR SUGAR AND GROWTH IN ADVANCE SALES

Market conditions should guarantee the profitability of sugar cane producers for the 2021/22 harvest, as the external scenario is stable when compared to the previous period. This is what indicates the monthly conjuncture of the product released on April 19, by the National Supply Company (Conab). According to the analyst Fábio Costa, if at the beginning of the pandemic the devaluation of oil influenced the fall in international prices between March and April 2020, the following months were marked by the recovery of prices, due to the limitation of the global stocks of the 2020 harvest / 21. The trend can be maintained for this crop, he points out. According to the analysis, the perspective is that exports continue to increase, which should support domestic prices. The conjuncture of the high exchange rate, combined with attractive international prices, contributed to an export of approximately 32.2 million tons of sugar in the 2020/21 harvest, which represents an increase of 69.8% in comparison with the same cultivation period in 2019/20. "The 2021/22 harvest begins in Brazil with a very optimistic expectation for sugar exports, based on market information that



indicates a strong growth in the anticipated sale of production in the future market," says Costa.

Source: Nova Cana

ETHANOL PRICE RISES AT SÃO PAULO MILLS FOR THE THIRD WEEK IN ROW

The volume of hydrated ethanol traded and captured by the Center for Advanced Studies in Applied Economics (Cepea), from Esalq-USP, in the state of São Paulo grew by a significant 28.4% last week compared to the previous one. According to researchers from Cepea, the distributors were more active in the market. In addition, the increase in demand happens in a scenario of restricted supply, due to the production of ethanol from the 2021/22 harvest still being slow, which ended up raising the prices of hydrate for the third consecutive week. Thus, from April 12 to 16, the Cepea / Esalq Indicator for hydrated ethanol was R \$ 2.5852 per liter, an increase of 8.5% in relation to the previous one. In the accumulated of the last three weeks, the hydrated ethanol valorization reaches 15.6%. In turn, the value of anhydrous rose 9.71%, from R \$ 2.6367 to R \$ 2.8926 per liter, on average. This is also the third week of high for fuel.

Sources: CEPEA/Nova Cana

NATIONAL PORT HANDLING GROWS 9.7% IN THE FIRST TWO MONTHS

Statistics management and performance evaluation data by ANTAQ shows that the national port sector (state-managed ports + authorized and leased terminals) handled 174.3 million tons in the first two months of 2021, growing 9.7% compared to the same period last year. Private terminals handled 119.5 million tons in the first two months, growing 11.8% compared to the first two months of 2020. State-managed ports handled 54.8 million tons, an increase of 5.2%. The Ponta da Madeira (MA) Maritime Terminal was the facility that handled the most cargo in the first two months of this year: 28.4 million tons, an increase of 3.4%. The Port of Santos (SP) came in second place, with 15.6 million tons handled and a growth of 6.6%. The Angra dos Reis Waterway Terminal (RJ) came in third place, handling 11 million tons, a 7.0% increase. Most of the cargo handled was solid bulk, with 93.6 million tons handled, a growth of 7.4%. The port sector also handled 50.9 million tons of liquid and gaseous bulk, which represented an increase of 12.9%. By commodity group, iron ore led the handling.

Source: Datamar News

NEW ORDINANCE REDUCES PORT-LEASING BUREAUCRACY

On April 13, an ordinance that changes port-leasing conditions was signed by President Jair Bolsonaro and published in the Official Federal Gazette. The ordinance exempts bidding for leases and establishes procedures and requirements for the temporary use of areas and facilities in the state-managed port area. The norm regulates the Ports Law (Law 14.047 / 2020), which modernizes contract management in the sector. In addition to regulating these new types of contracts, the ordinance removes the lease contract's value limit for performing a simplified technical, economic, and environmental feasibility before bidding. It also ends the requirement for a 100-day minimum period to submit proposals in the bidding process. These measures will speed up contracting with the government. ANTAQ (the national waterway transportation agency) can now set the contract value to determine whether it is necessary to hold a public hearing on the port lease agreement bidding procedure. This will simplify obtaining approval for investments in leasing contracts. The new ordinance removes the first contractual period time limit for port concessions that intend to leverage even more resources. It also promotes adjustments in the contracting rules between the concessionaire and third parties.

Source: Datamar News

THE FUTURE OF BRAZIL'S PORT PRIVATIZATION PROGRAM

The past two years have seen contracts signed leading to R\$3.5 billion (US\$630 million) of initial investment into terminals' infrastructure and another R\$1.4 billion paid as down payments to local port authority and

federal government coffers in Brazil. Dozens more multi-million dollars contracts are up for grabs over the next two years taking in both port terminals and port authorities themselves. Diogo Piloni, the Minister for Ports and Waterways, under the powerful all-encompassing Ministry for Infrastructure (MINFRA), advised Port Strategy in a recent interview that the concessioning process has been progressing "very well" and the next key sell-off will be the port authority for the port of Vitoria. Companhia Docas do Espírito Santo (or Codesa) will be auctioned off in November of this year, says Piloni, with the revised and final tender documents going out in August, but with preliminary rafts of information going out in May. This concession will pave the way for the much anticipated sell-off of the Santos Port Authority (SPA), scheduled for early 2022. Piloni notes that between the start of this year and through to the end of 2022 another R\$7.9 billion (US\$1.40 billion) of investment is forecast for capital expenditure in Brazil's ports. On top of this, he says another R\$6.0 billion (US\$1.06 billion) has been raised from private port developments outside the organised port areas (Companhias Docas).

Source: Datamar News

PARANAGUÁ BREAKS RECORD FOR LARGEST SOYBEAN MEAL SHIPMENT

The Port of Paranaguá carried out the largest shipment of soybean meal on a single vessel in its history. The Pacific Myra bulk carrier is 292 meters long (LOA) and 45 meters wide. The vessel docked at berth 214 to transport 108,577 tons of soybean meal to the Netherlands. The CEO of Portos do Paraná, Luiz Fernando Garcia recalled that he completes an evolution that has been going on since last year. In June 2020, 102,200 tons were loaded on a single vessel, the Pacific South. A month later, in July, 104,200 tons were shipped on E.R Bayonne. Sailing under a Panamanian flag, the Pacific Myra has the capacity to load up to 180,000 tons of solid bulk. The vessel is among the largest in the segment operating at the Port of Paranaguá. Luiz Teixeira da Silva Júnior, Director of Operations at Portos do Paraná, explains that the costs involved in these operations are relatively lower when compared to medium-sized ships. "We are practically loading twice as much cargo on a single ship," he said. He also pointed out that the operation involved differentiated planning by Portos do Paranaguá.

Source: Datamar News

SUAPE PORT AUTHORIZED TO RECEIVE NEW PANAMAX VESSELS

The CPPE (port authority of Pernambuco ports) authorized the Port of Suape to receive New Panamax container vessels, the largest container vessels operating in Latin America. The ship measures 366 meters in length, 52 meters in width, and has a capacity of 14 thousand TEU. Permission for New Panamax ships could attract new shipping routes to the country, serving importers and exporters in the northeast region, where Suape is the leading port in container handling. "Suape is the main port of entry and exit for coastal and long-haul navigations to the Northeast and deserved this authorization, so it joins the class of other major world ports. This strengthens Suape's strategic mission to be a logistics hub for the region and promote our port's warehouse. Also, with the ability to provide the government with more products on a global scale, we add one more valuable item to the list of attractions in Pernambuco when it comes to attracting new investments", highlighted the Secretary for Economic Development, Geraldo Julio.

Source: Datamar News

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