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#### DATAGRO REVISES UP SOYBEAN HARVEST FOR 2020/21

According to DATAGRO, soybean production is expected to reach a record number over the last forecast, from 134.98 million tons to 135.61 million tons, and about 7% above last crop year (127.15 million tons). The planted area was revised from 38.79 million to 38.75 million hectares, a volume still above that of last year (37.39 million ha). The most important factors for growing soybeans in this harvest season are the following: high average prices, high average productivity, positive gross profit, credit supply, intense internal and external demand, Argentina exports limits, the new minimum freight pricing table, and the maintenance of the phase 1 of the economic and trade agreement between USA x China. On the other hand, DATAGRO expects lower numbers for corn in Brazil. Considering soybean and corn crops, the new estimates point to a planting area of 19.62 million ha in 2020/21, over the 19.77 million ha previously expected, but 3% above 2019/20 (18.98 million ha). In turns, expected production was revised and will have a reduction (from 114.04mt to 109.93mt), when compared to the last survey, however, the percentage is 3% above the previous crop year.

Source: DATAGRO

#### BRAZIL SUGAR PRODUCTION TO DECLINE BY 6%, SAYS CZARNIKOW

Sugar production in Brazil is expected to decline by 6% in the 2021/22 season, also mills in the south-central region are expected to produce around 36 million tons, said Czarnikow on Thursday (21). Ana Zancaner, an analyst at Czarnikow, said that mills will still expand sugar production, "it's just that we expect less cane to be diverted to sugar". She pointed out to the below average rainfall in the last quarter of 2020 (26%), which may negatively affect Brazil's cane output for 2020/21, as local sugar production reached 38.4 million tons. Fires caused by dry condition in some regions of the state of São Paulo have also affected cane fields and are causing concerns over yields. Czarnikow projected total cane crushing in Brazil's center-south region at 580 million tons for 2021/22, compared to 605 million tons in 2020/21. Despite sugar production forecast to decline, the report indicated that mills are expected to grow, with a high level of historical prices of sugar in terms of local currency.

Sources: Reuters / Notícias Agrícolas

#### MINISTERS MEET TO MOVE AHEAD WITH SINGLE WATERWAY WINDOW PROJECT

The Executive Secretary and the National Secretary of Ports and Water Transport of the Ministry of Infrastructure (MINFRA), Marcelo Sampaio and Diogo Piloni, respectively, met on January 20 with representatives of the Brazilian Federal Revenue Service (RFB), representatives of the Ministry of Economy's Special Secretariat of Foreign Trade (SECEX) and the Digital Government Secretariat (SGD), and with the Federal Data Processing Service (SERPRO) for the presentation and approval of the implementation schedule for the Single Waterway Window. This project refers to the integration of two systems: Porto sem Papel (PSP), managed by MINFRA, and the Single Foreign Trade Portal (PUCOMEX), managed by the RFB and SECEX. "This is one of the main digital transformation projects at MINFRA. We took another important step towards the federal government's mission to reduce bureaucracy and reduce costs for the country. The unification of these two systems will have a positive impact on the port logistics sector and thereby increase Brazil's competitiveness," said Sampaio. Secretary Diogo Piloni added that the project is integrated with other initiatives in the portfolio: "This project will generate greater efficiency for carrying out port operations, together with other initiatives for modernization and digital transformation in Brazilian ports," he said.

Source: Datamar News

#### SÃO MARTINHO APPROVED INVESTMENTS OF R\$ 640 MILLION FOR CORN-BASED ETHANOL PRODUCTION

The board of directors of Brazil's São Martinho approved building a facility in Quirinópolis (GO) to produce ethanol from corn, with investments estimated at around R\$ 640 million. The operations are expected to start in November 2022, said the company on Wednesday. The company also said that the new facility will be built alongside the Boa Vista mill, with the capacity to produce 210 million liters of biofuel per year, 100 million liters of anhydrous ethanol and 100 million liters of hydrous ethanol. It may also produce 150,000 tons of distiller's dried grains with soluble (DDGS), a by-product used for animal feed, and 10,000 tons of corn oil per year. With the operations beginning in November 2022, the facility is expected to have 50% of its capacity for the 2022/23 harvest, reaching 100% in the 2023/24 harvest. The investments will be financed by the National Bank for Economic and Social Development (BNDES) for a period of up to 20 years.

Sources: Reuters/Nova Cana

#### BRAZILIAN SUGAR EXPORTS GROW 65.4% IN THE FIRST TWO WEEKS OF JANUARY

Brazilian exports grew 14.8% compared to the same period last year and reached US\$ 7.56 billion in the second week of January. Sugar exports have increased by 65.4%, representing a growth of US\$ 14.03 million in the daily average. The information is from the Foreign Trade Secretariat (Secex) of the Ministry of Economy. In comparison to December 2020, external sales of raw sugar were US\$ 740.08 million (+ 119.3%) or 2.6 million tons. China was the largest sugar importer, with US\$ 156.84 million (+ 665.3%). Other importing countries were Algeria (US\$ 98.34 million; + 72%); Malaysia (US\$ 69.86 million); Nigeria (US\$ 56.17 million; + 15.3%) and the United Arab Emirates (US\$ 50.69 million).

Source: Jornal Cana

#### SYNGENTA TO EXPORT SOYBEANS AND CORN TO CHINA

Syngenta will export directly to China a part of the soy and corn it receives from Brazilian producers via barter operations, a mechanism through which it negotiates seeds and pesticides in exchange for grains at harvest. The company already exports coffee and cotton in this same model, dubbed "boutique trading", through the Nutrade platform. In the case of soybeans, the first loads should leave Brazil between April and May, according to Dong Guo, global director of the Agricultural Value Chain initiative. André Savino, marketing director for Syngenta Brasil, says that there is no competition with the trading companies. "The operations comprise only grains related to the technologies we supply", he says. The company does not disclose the volumes it hopes to achieve, arguing that they will depend on the interest of producers. But a third of about US\$ 1 billion of sales in Brazil in 2019 originated from barter. The priority given to China at this time is due to the potential for demand and the proximity to the Chinese market – Syngenta was acquired by ChemChina in 2017.

Sources: Estadão / Datamar News

#### BRAZIL: WHEAT COSTS EDGE HIGHER AFTER RUSSIA CONSIDERS IMPOSING A WHEAT EXPORT TAX

Brazil has already been facing higher prices in wheat in both imports and domestic market, after the Russian government considers increasing the wheat export tax, which has affected global prices and boosted the values of the main players in the world, according to industry analysts and representatives. Data from the Center for Advanced Studies in Applied Economics (Cepea) showed on Monday (18) that the average price of wheat in Paraná was R\$ 1,418.22 per ton. A week earlier, when the first report on Russian wheat export tax was released, the cereal was quoted at R\$ 1,318.22. In parallel, in a week, the price for importing wheat from Argentina rose at least US\$ 10 per ton, and has a chance to increase even more, said Roberto Sandoli, a management consultant at StoneX. The price of the wheat in Argentina is important as an indicator for Brazilian prices, together with solid exchange rates. These indicators help Brazilian producers seek better prices. Sandoli believes that the Russian wheat export tax will stop price drops at least for the first half of 2021.

Source: Reuters



## PRICE OF RICE TO RISE AFTER THE BEGINNING OF THE HARVEST SEASON IN RIO GRANDE DO SUL

The Brazilian Association of the Rice Industry (Abiarroz) estimates that after the beginning of the 2020/21 harvest season, the price of rice for Brazilian producers will increase. At this moment, the rice sector is waiting for the results of the harvest to identify factors that can affect the demand-supply curve, as prices should be adjusted throughout the year. In addition, the recovery of grains in the domestic market should also benefit the rice grower. "Prices may well be higher than they were in the pre-pandemic period," said Andressa Silva, the executive director of Abiarroz. At the beginning of the week, rice was traded at around R\$ 90 for a 50 kg bag in Rio Grande do Sul, the largest rice producer in Brazil. Rice harvest will be intensified from the end of February to the beginning of March. Brazil is forecast to produce 10.9 million tons of rice.

Source: *Agrolink*

## ENTITY REPRESENTING TRUCK DRIVERS TO KEEP 30% OF THE FLEET RUNNING DESPITE THE STRIKE

The National Council for Road Cargo Transport (CNTRC) reiterated its intention of mobilizing a national strike on 1 February "for an indefinite period" in case of "collapse of administrative solutions" for the problems found by truckers. The CNTRC, which represents around 40,000 truck drivers, said that due to the Covid-19 pandemic, it plans to keep at least 30% of the fleet circulating as to provide essential services, "guaranteeing priority for the transportation of fuel, medicines, hospital supplies, live loads, perishable food and the likes". However, there are some entities representing truck drivers that diverge from each other, such as The National Confederation of Autonomous Transporters (CNTA), which is against the strike. CNTA points out to the coronavirus pandemic saying that "despite the issues for truck drivers, this is not the perfect time for a general strike".

Source: *Canal Rural*

## PORT OF VITÓRIA EXPANDS SUPPLY OF MARINE DIESEL AS CARGO HANDLING GROWS

The Port of Vitória in Espírito Santo now has a new operation by BR Distribuidora to expand the supply of marine diesel to the region. The supply is now also carried out by means of tank rafts, which can navigate to any terminal on the Vitória channel where the ship is docked. With this modal, the service capacity was increased up to ten times in comparison with road transport (tank truck). The expansion of the company's operations in ES reflects the growth in port handling in that state, thanks to the strategic geographic location and characteristics of the local oil & gas market. This scenario paved the way for BR to invest in cabotage distribution, which not only optimizes logistics but also increases the supply of marine diesel in the region. BR already supplied the product to port vessels via tank trucks. With the expansion of the supply capacity, they can service maritime support vessels in the offshore segment, seismic surveys, dredging, port support, cabotage, long-haul, and other vessels that require diesel for their operations.

Source: *Datamar News*

## CARGO HANDLING AT FORTALEZA UP 12% IN 2020

According to Companhia Docas do Ceará, the year 2020 was marked by several records set at the Port of Fortaleza. Between January and December 2020, 1157 ships docked at the Port of Fortaleza, an increase of 9.5% over the previous year. Solid bulk (cereals and non-cereals) accounted for 46.6% of all movement, followed by liquid bulk (oil and oil products) at 45.3% and general cargo at 8.1%. Regarding wheat, grain imports by the mills M. Dias Branco, Grande Moinho Cearense, and J. Macêdo were 9.9% higher than in 2019. The cargo came mainly from Argentina, the United States, and Canada; this amount will be surpassed again in 2021, according to the management of Terminais de Grãos de Fortaleza Ltda (TERGRAN), tenant in the Port of Fortaleza. In relation to solid non-cereal bulk, the highlight of 2020 was the handling of clinker, slag, steel products, chemicals, manganese, iron ore, scrap, coal, and plaster.

Source: *Datamar News*

## 39 MILLION TONS HANDLED AT RIO GRANDE DO SUL PORTS IN 2020

Throughout 2020, the Port of Rio Grande handled more than 38 million tons of cargo in the public complex alone. At the close of 2020, the Port of Pelotas showed an increase in the movement of wood logs, moving more than 23,000 more tons than in 2019, a positive difference of 2.60%. Currently, the handling of logs accounts for more than 90% of the handling at Port of Pelotas. Regarding the main destinations and origins of exports and imports from the Port of Rio Grande, there are few differences with 2019 in terms of the percentage share of countries. China, which was in first place in 2019 and received 58.38% of cargo exported, remained in first place in 2020, receiving 52.77% of cargo exported. The star of the Rio Grande Port Complex's handling is still soy (grains and soybean meal), representing more than 32% of the complex's handling, and pulp, which represents almost 9%. Some of the goods handled that stood out in terms of handling increases in 2020 were shipments of rice, which increased by 21.74%, and shipments of fertilizer, which increased by more than 15% compared to 2019.

Source: *Datamar News*

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