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JUSTICE WITHDRAWS EMBARGO TO ALUMINA PRODUCER ALUNORTE

The federal court in Belém has revoked an embargo on Alunorte alumina refinery, which it had been operating for more than a year with half its capacity, Norwegian Norsk Hydro said in a statement this week. The unit, the world's largest alumina maker and key supplier to the aluminum industry, was operating with court-ordered restrictions on the discovery of illegal dumping of untreated effluent from the Amazon forest in February last year. The resumption at Alunorte can leverage Hydro's profit in the short term, company chief executive Hilde Merete Aasheim recently said. The company also said that production at Hydro's bauxite mine (alumina feedstock) at Paragominas will be expanded according to the speed of the Alunorte production resumption. A decision to increase production at the Albras primary aluminum plant, of which Hydro is a shareholder, is expected shortly, Hydro said in a statement this week. The federal court's decision to lift the embargo comes after a hearing last month. The company added that Alunorte could reach 75-85% use within two months. "The resumption of production at Alunorte is an important step towards normal production at our strategically important operations in Pará and a basis for our agenda to strengthen robustness and profitability throughout the value chain," said the company's CEO in note this week. Alunorte has an annual production capacity of 6.3 million tons. It is expected that an additional press filter will come on stream in the unit in the third quarter of 2019, further increasing capacity thereafter. The company pointed out, however, that an embargo by the Federal Justice is still in force, which prevents Alunorte from using its new Solid Waste Depot (DRS2) area. The company added that in the meantime, will continue to use the DRS1 "depot with modern filter press technology". It was not immediately clear whether the company could re-operate at 100 percent capacity if the embargo on DRS2 remains in effect.

Source: Reuters

BRAZIL RULES WTO PANEL AGAINST CHINA FOR SUGAR, EXPORT SHOULD GROW

An agreement on sugar tariffs will prevent a panel in the World Trade Organization (WTO) that would be established by Brazil against China and allow Brazilian exports to the Chinese again to be expressive, the Ministry of Agriculture and the main association of companies in the sector, Unica. Brazil and China reached an understanding in the consultations held in the context of WTO litigation that questioned Chinese safeguards in the form of surcharges on imports, according to a statement. For the Sugarcane Industry Union (Unica), the Chinese commitment not to renew its safeguard policy, as of May of next year, was an important achievement for Brazil, the world's largest exporter of sweetener. Until the beginning of the safeguard, China was the largest market in Brazil, with Brazilian exports exceeding 2.5 million tons per crop year, Unica said. In 2017/2018, with the policy in force and bilateral relations shaken by the WTO process, the volume dropped to only 115K tons. In 2018/2019, according to Unica, Brazil shipped 890K tons to China, volumes that are expected to grow in the face of the agreement, said Unica, which represents the plants in south-central Brazil. China establishes an annual import quota of 1.95 million tons of sugar at the 15% tariff, while extra-quota volumes until 2017 had a 50% tribute. With the safeguard, which will not be renewed from next year, according to the agreement, extra-cost volumes will now be taxed at 95%, according to the Single. Eduardo Leão, the executive director of Única, said that under the agreement, Brazil could also collaborate with the Chinese in actions to increase the share of biofuels in the energy matrix, aimed at reducing greenhouse gas emissions and improving quality the air of big cities.

Source: Estadão

ANEC SEES BRAZIL'S CORN EXPORTS MORE THAN 30MT IN 2019

Brazil's corn exports are on track to surpass 30 million tons by 2019, nearing an annual record, according to a revised projection from the National Association of Cereal Exporters (Anec), which remains cautious about soyabean shipments this year despite a recent warming of business. "We have been talking between 28 and 30 (millions of tons of corn), today we are working with 30, with the possibility of even more than that," Lucas de Brito, an executive assistant at Anec, told Reuters. an association that brings together companies such as ADM, Cargill, Amaggi, CHS and Cofco, among others. According to Anec data, the historical export record was set in 2015 with 30.7 million tons. If confirmed, the volume would have surpassed last year's 22 million tons, when a significant crop failure undermined Brazil's performance, which in recent years has been in second place among the largest exporters, behind only the United States. This year, unlike 2018, indications are of a record harvest of almost 100 million tons of cereal, according to data from private consultancy AgRural. "Market conditions are really (explaining this export forecast). The price is not being an impediment, the profitability with the business is proving favorable, and it is having a positive demand in the international market," explained Brito. In the year to the third week of May, Brazilian corn exports totaled 5.2 million tons, according to data from Anec, which accounted for only 3.3 million tons in the same period last year.

Source: Reuters

EXPORTER OF ORANGE JUICE WANTS TO SHIP IN BULK TO CHINA TO EXPAND MARKET

Brazil's orange juice exporters, the world's biggest player in this market, have called for a move to China this month to allow the country to ship the bulk product to the Chinese as a way to boost exports to the Asian giant, the CitrusBR association. The Brazilian claim is not new and comes up against technical and tariff issues, but the executive director of the National Association of Citrus Juice Exporters (CitrusBR), Ibiapaba Netto, evaluates that Brazil's mission may have established an agenda to improve business . He said he had met with the Chinese Beverage Association, which represents more than 80 percent of all local industry, and the Chinese Chamber of Commerce for Import and Export of Foods, which "showed an intention to support Brazilian lawsuits, which can accelerate understandings. The main issue in question was the so-called "temperature rate," a

trigger that is triggered if the juice reaches Chinese customs at a temperature warmer than minus 18 degrees Celsius. "The import tariff literally shoots up "According to him, the bulk product is delivered between 8 and 10 degrees Celsius negative in the case of frozen and concentrated juice (FCOJ), and between zero and 2 degrees positive for the juice in its natural dilution (NFC), which makes it impossible to invest in local terminals, considering the tariff issue. Currently, sales to the Chinese are made by container ships, with the juice shipped "It is important that companies have the option of exporting in bulk and this message was brought to the Chinese government by us and the Brazilian government, which involves the possibility of investments," he said, noting that the bulk of Brazilian exports it is in bulk and not in drums. He added that the Chinese have shown special interest in Brazilian non-concentrated juice (NFC). While the changes do not occur, the Chinese giant remains a relatively small market for the Brazilian product.
Source: Reuters

BRAZIL'S CORN ETHANOL INDUSTRY ADVANCES WITH CEREAL PRODUCTION CLOSE TO 100 ML

Coming back to 2014, the news that pointed to a group of investors launching a project to build Brazil's first 100% -based ethanol plant generated mistrust in a country that had created a national ethanol program based entirely on sugarcane, of sugar. Analysts believed the plan carried risks associated with an unstable fuel market and uncertainties related to corn supply and prices, as well as a general assumption that corn ethanol was more expensive to produce than sugarcane . Five years later, the group doubled the plant's initial capacity, built a second unit and announced plans for another three, as Brazilian farmers expand corn production. Two other companies are building 100% ethanol-based units of corn, while others reshape existing plants to also run corn in the off-season, flexible ethanol units. All five FS units will be located in Mato Grosso, the country's main grain state, where ethanol production has increased 275% in the last ten years, mainly due to the practice among farmers of planting a second crop, usually corn, after the harvest of the main summer crop, usually soyabean. FS Bioenergia announced in April its new corn ethanol plants. Mato Grosso is leading the growth of Brazil's corn production, which is expected to reach a record of around 100 million tons in the current harvest. "The second harvest with corn is consolidated," said Ricardo Tomczyk, president of the National Union of Ethanol from Corn (Unem), a group created to represent the corn ethanol industry in Brazil. He says strong recent demand for ethanol, partly because of high gasoline prices, has helped. This demand may increase next year, when Brazil will start the RenovaBio program, aiming for fuel distributors to reduce carbon emissions, gradually expanding the use of biofuels. Inpasa, which operates two corn ethanol plants in Paraguay, will inaugurate its first plant in Brazil in July. Luís Pomata, commercial director of Inpasa, says that in addition to ethanol, bioproducts such as dry beans by distillation (DDGs) and corn oil also have demand.
Source: Reuters

TRANSPORT BY TRAIN HELPS IN THE GROWTH OF THE PORT OF ITAQUI

In the first four months of this year, the Port of Itaqui exported more than 2.5 million tons of grain in the sum of VLI shipments (839K tons) and Tegram (1.7 million tons). Of this total, about 80% were received by the railroad. VLI receives the entire grain load from Itaqui on the railroad and Tegram jumped from 46% last year to 67% in the first four months of 2019, with the expectation of reaching 80% when the second phase is completed. At present, the railway sector accounts for 55% of total cargo handling in the public port of Maranhão, and this range is growing every year, mainly in solid and liquid bulk operations. In addition to the grains operated by VLI, all copper and cellulose operations use the railroad as well as part of the fuel distribution. Several expansions and new business for the development of Maranhão from Itaqui Port will require rail integration. The revision of the Development and Zoning Plan of the Itaqui Port contemplates the possibility of developing three railway solutions. With the expansion of the North-South, the trend is a significant increase in cargo volumes, which is why the feasibility of railway pear at the Port of Itaqui becomes more strategic every day.
Source: Itaqui Port

BRAZIL NEGOTIATES MILLION TONS OF SOYABEANS IN A FEW DAYS, WITH CHINESE DEMAND AND HIGH DOLLAR

The slow-pace soyabean trade in Brazil has skyrocketed in recent days with higher demand from China, prices and premiums in ports for the Brazilian product strengthened and a dollar above $ 4, according to market reports. The volume of just over 5 million tons of soyabeans for export, the equivalent of a hundred vessels, ran in the market for shipments in June, July and August, according to reports by the Center for Advanced Studies in Applied Economics (Cepea), researcher Lucílio Alves told Reuters. The key to this strong soyabean trade in Brazil, the world's largest oil exporter, was the failure of last week's trade talks between China and the US, which brought more demand to the Brazilian product. This additional demand came at a time when the dollar hit the highest value in more than seven months, which makes importing cheaper. This week business was boosted by both better prices, which generated more sales interest, and Chinese buying interest. He recalled that the price for shipping in Paranaguá (PR), an important export port, rose from US $ 326.48 / ton in early May to US $ 345.68 / ton the day before (FOB), for shipment in June. The combination of positive business factors comes at a time when Brazil is at the peak of the export season, soon after the oilseed harvest, which is expected to be the second largest in history, with more than 114 million tons, according to official figures, just behind the record of 2018. In addition, in the face of a delay in corn planting in the United States, the US soyabean area is expected to be larger than expected, which could result in a higher than expected oilseed crop.
Source: Portos e Navios

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