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AGRIBUSINESS GDP GROWS 2.42% IN THE FIRST TWO MONTHS THIS YEAR

The Gross Domestic Product (GDP) of Brazilian agribusiness grew 2.42% in January and February 2020 compared to the same period last year, according to the Confederation of Agriculture and Livestock of Brazil (CNA) and the Center for Advanced Studies in Applied Economics (Cepea). In a note, CNA says that the result was driven by the growth of the primary (3.86%), services (2.72%) and agribusiness (1.37%) segments. "The inputs sector fell by 0.7%. The livestock sector expanded by 4.61% in the two-month period, while the agricultural sector rose 1.33% in the same period in comparison with the first two-month period of 2019," he said. According to the analysis of CNA and Cepea, the behavior of livestock is a reflection of the still heated market for animal proteins, which comes from 2019, "mainly related to the increase in the prices of pork and beef, as a result of the heated demand in the foreign market as a result of the African Swine Fever (PSA), and as a result of this increase in the prices of substitute proteins, such as chicken meat and eggs ". The result for agriculture, on the other hand, is attributed to the increase in GDP in primary activity in January and February, of 3.92%, due to higher prices compared to the same period in 2019, with emphasis on coffee, soybeans, corn and rice, among other factors. "It also reflects the expectation of greater production in the field, in addition to the positive bienniality for coffee. Conab points out that the grain harvest should be a record, even with the climatic problems in Rio Grande do Sul and the pandemic of the covid-19", says the CNA.

Source: *Revista Globo Rural*

IMPORTANCE OF CHINA AID IN INCREASING BRAZILIAN SOYBEAN PRODUCTION

Soy is currently one of the highlights in bilateral trade relations between China and Brazil. In 2019, China was the biggest buyer of Brazilian soy, according to data from the Ministry of Economy. In times of crisis caused by COVID-19, Brazil hopes to maintain the direction of exports to China, informs the agency "Xinhua". In recent years, the significant increase in Chinese demand has driven the development of soybean culture in Brazil. According to the projection recently released by the National Supply Company (Conab), Brazilian soybean production is expected to total 120 million tons in the 2019/2020 season, an increase of 4.6% compared to the previous season, when 115 million were harvested tons. Among the major competing producers, which are the United States and Argentina, Brazil has the greatest potential for expansion in cultivated area, with the possibility of doubling production. "More than 50% of Brazilian soy is exported, and of this export, 90% goes to China to meet the Chinese demand for feeding pigs and chickens for the production of animal protein. This relationship between Brazil and China is very positive. a very important relationship for the future. Brazil will continue to increase soy production, because demand will continue to grow in China for soy and animal protein," said Rodrigo dos Santos, president of Bayer's agricultural division in Latin America. According to the April edition of Aprosoja Brasil's "Estimated Crop" bulletin, China will be the destination for 85% of Brazilian fresh soy exports in 2020. Of the 120 million tons of soy that Brazil is expected to produce in 2019/2020 harvest, 77 million tonnes will be exported, including 66 million tonnes to China.

Source: *Universo Agro*

HARVEST OF GRAINS 2019/20 SHOULD GROW 3.6%, SAYS CONAB

Despite the impact caused by climatic problems in the South Region on soybean and corn productivity, the volume of grain production in the country is estimated at 250.9 million tons, 3.6% or 8.8 million tons higher than harvested in 2018/19. In relation to the previous survey (April/2020), there was a decrease of 0.4%, but the record harvest estimate for these two crops remains. This is what the 8th Crop Survey 2019/2020 points out, released on Tuesday 12, by the National Supply Company (Conab). The first harvest crops are practically finished and the completion of production still depends on the climatic behavior of the second harvest crops, which are in an advanced stage of development. In relation to third crop and winter crops, planting is still in progress. It is worth remembering that farmers continue their activities, taking the necessary care to face the COVID-19 pandemic. Regarding the planted area, the estimate is for a growth of 3.5%, or 2.2 million hectares in relation to the past harvest, which means a total of 65.5 million ha. Soy production is estimated at 120.3 million t, a 4.6% gain over the 2018/19 harvest. With the advance of the harvest in Rio Grande do Sul, the lower yield caused by the unfavorable climatic conditions was confirmed.

Source: *Universo Agro / DATAGRO*

GOVERNMENT EXPECTS RECORD WHEAT IMPORTS IN BRAZIL IN 2020

Wheat imports into Brazil in 2020 should reach a record 7.3 million tonnes, amid a review of cereal milling data in the country carried out by the mill association (Abitrigo), which pointed to a tighter supply and greater need external purchases. The review of the milling numbers by the Brazilian Wheat Industry Association was passed on to the National Supply Company (Conab), which thus changed its data in the balance of supply and demand released on Tuesday 12. According to the manager of agricultural products at Conab, Thomé Guth, with the revision, the state-owned company also changed the wheat import data for Brazil in 2019, to 7.2 million tons, compared to 7 million tons of the April projection. Until last month, Conab estimated imports this year at 7.2 million tons, closer to the volumes last seen in 2006. With the revisions, which date back to 2018, Brazil's wheat consumption in 2020 was estimated record 12.513 million tonnes. For 2018, for example, Conab now estimates wheat consumption by mills in Brazil at 12.175 million tons, versus 10.7 million tons previously (excluding seed wheat). Sought, Abitrigo confirmed the reviews carried out and forwarded to Conab.

Source: *G1 / Portos e Navios*

SALE OF HYDRATED ETHANOL FALLS 38% IN APRIL, SAYS UNICA

Sales of hydrous ethanol fuel, in the domestic market in April, reached just 1.10 billion liters, with a significant reduction of 38.37% in relation to that sold in the same period of 2019, when the production units sold 1.78 billion liters. Domestic sales of anhydrous ethanol also decreased by 18.97%, reaching 480.19 million liters in April 2020 against 592.62 million liters in the same period of the previous year. The monthly volume traded in April by the plants in the Center-South reached 1.78 billion liters (with 76.77 million liters exported). This level of sales represents a decrease of 29% compared to the same period of the previous year (2.55 billion liters). "Despite the recent increase in the competitiveness of biofuel compared to its fossil competitor in the main consumer centers, the demand for ethanol continues with an uncertain future due to the impacts of the pandemic with social isolation and fluctuations in the price of gasoline," said Antonio de Padua Rodrigues, technical director of the Sugarcane Industry Union



(UNICA). According to Rodrigues, the change in the production mix is due to the loss of attractiveness of ethanol and reflects the expectation of a 2020/2021 more sugar harvest. Ethanol production totaled 1.57 billion liters in the fortnight, against 1.50 billion liters produced in the same period of the 2019/2020 cycle. Of the total produced this year, hydrate reached 1.14 billion liters and the volume of anhydrous produced grew 36.95%, reaching 438.50 million liters.

Source: *Jornal Cana*

IRREGULAR RAINFALL AND HIGH DOLLAR RAISE CORN PRICES OF THE SECOND HARVEST

Uncertainties regarding the development of second corn crops harvest, due to irregular rainfall and the strong appreciation of the dollar, which raised prices in the ports of Paranaguá (PR) and Santos (SP), led corn prices to rise in many places accompanied by the Center for Advanced Studies in Applied Economics (Cepea). Between April 30 and May 8, the Esalq / BM & FBovespa indicator, based in Campinas (SP), advanced 2.92%, with a 60-kg bag worth R \$ 49.76 on Friday, 8. As for the dollar, from April 30 to May 8, it rose 5.52%, to R \$ 5.748. Last week, farmers in second-crop producing regions in the South and Southeast were waiting for rain, but rainfall occurred only occasionally, raising concerns in the field. On the buyer side, little by little, many return to the market, but are faced with difficulties in finding large lots. In addition, the price requested by the seller is higher, and the payment period is shorter, with this, some farmers fear default, based on the current uncertainties due to the crisis generated by the coronavirus pandemic.

Source: *Canal Rural*

ITAIPU PLANT OPENS SPILLWAY TO HELP DROUGHT-STRICKEN NEIGHBORS

The Itaipu Plant announced that starting next Monday, May 18, it will open its spillway to help Paraguay and Argentina, which are suffering from a drought and hence having problems transporting their grain harvest. Below the point where the power plant is, the Paraná River is very low, thus impairing cargo transportation via this route. The measure was a decision made by the Brazilian and Paraguayan chancelleries but it will also benefit Argentina. The initial opening of the spillway is expected to last 12 days. According to the plant, there will be no loss for energy production, since the demand requested from Itaipu remains low due to the economic slowdown. According to the statement, for more than a month, the Brazilian, Paraguayan and Argentine governments have been negotiating the opening of the spillway, but initially, the hydroelectric reservoir was not at its normal level, which is 219 meters above sea level. Since last week, the level has returned to normal and is now at 219.27 meters. The plant also stated that before the opening of the spillway it had already gradually increased power generation to serve Argentina. With this increase, the increase in water that passed through the turbines, at around a thousand cubic meters more per second, was already contributing to mitigate the effects of the drought just below the plant.

Source: *Datamar News*

BRAZIL'S PORT MOVEMENT SHOWED ONLY A 1.1% DIP IN FIRST QUARTER DESPITE CORONAVIRUS PANDEMIC

According to ANTAQ, the national port sector (public ports and private terminals) handled 247.1 million tons in the first quarter of 2020. This is only a 1.1% drop year-on-year. Whilst there was a slowdown at the beginning of the quarter, the organ pointed out that in March movement reached 89.7 million tons, 7.6% higher than year-ago levels. Furthermore, cabotage grew 14.9% in the first quarter of this year, with 62.9 million tons handled at Brazilian port

facilities. Cabotage container shipping, in specific, registered 9.3% growth during the first quarter, compared to the same period last year, totaling 7.6 million tons handled. Whilst ANTAQ acknowledged that how long the coronavirus pandemic will last is very uncertain and that properly assessing how the movement of goods will develop in the coming months is a very speculative exercise, performance of national waterway transport in the first quarter was surprisingly good. If this trend is consolidated in the coming months, Brazil has shown that it has the necessary planning and port infrastructure conditions to maintain or even expand its current position as one of the world's main food suppliers."

Source: *ANTAQ/Datamar News*

DUE TO THE NEWS CORONAVIRUS PANDEMIC, THE ARRIVAL OF FOREIGNERS BY SEA TO BRAZIL IS RESTRICTED

Due to the new coronavirus pandemic, the arrival of foreigners by sea to Brazil is restricted. Currently, a person is only allowed to disembark in two situations: for emergency medical care or to return to their country of origin by air. Disembarkment for repatriation is subject to authorization by the Ministry of Foreign Affairs (MRE) and must be accompanied by Anvisa. Other border control agencies in Brazil, such as the Federal Police and the Federal Revenue Service, are also needed. The company responsible for the vessel is the one who must organize the operation, that is, it is the company that has to carry out the formal consultation with the MRE for disembarkation and repatriation and to arrange questions related to flights, dates and times. According to Technical Note 86/2020, the entire travel, accommodation, and air transportation procedure must be provided by the company. The company must provide the MRE with basic information, such as the location of foreigners, with reference to the vessel or quarantine hotel, the number of people to be repatriated, and the date of the operation, by providing flight and departure times. On the other hand, with the closing of the borders, the MRE will confirm whether the country of destination of the crew member will allow his return. Repatriation is the company's decision, which may decide to keep the crew onboard the vessels or send them back to the country of origin. This decision, in general, covers issues such as vessel maintenance and the operational planning of each company.

Source: *Anvisa*

FERTILIZER DELIVERY VOLUME IN 2019 WAS 2.1% UPPER THEN IN 2018

Fertilizer deliveries in the Brazilian market in 2019 exceeded the volume registered in 2018 by 2.1%. There were 36.2 million tons, against 35.5 million in the previous year, according to data from the National Fertilizer Diffusion Association (Anda). In December, the volume delivered reached 2.632 million tons, 11.1% above the one recorded in the same month of 2018. National production last year totaled 6.830 million tons, 16.4% less than a year earlier. In December, 592.4 thousand tons of fertilizers were produced, down 18.3% in the annual comparison. The country imported 7.3% more intermediate fertilizers in the last year, about 29.5 million, but in December the volume imported, 2.4 million tons, was 9.2% less than in the same month of 2018, according to Anda. At the end of 2019, fertilizer stocks in Brazil amounted to 6.6 million tons, 9.1% more than the one recorded a year earlier.

Source: *Isto e Dinheiro / Global Fert*

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