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BRAZIL: TOTAL GROSS VALUE OF AGRICULTURAL PRODUCTION IS NEAR R\$ 886 BILLION

The Gross Value of Agricultural Production (VBP) in 2020 was estimated at R\$ 885.8 billion in November, which represents an increase of 15.1% when compared to 2019. The gross value of crops and livestock rose by 19.2% and 7.3% respectively. Seven different products obtained from the crops boosted this year's VBP in relation to last year: peanuts (36.3%), rice (35.5%), cocoa (23.7%), coffee (39.8%), corn (20.9%), soy (40.4%) and wheat (48%). The highlights of livestock industry are beef (14.5%), pork (23.3%) and eggs (10.1%). The positive results are due to prices and exports. "The international market is attractive due to the favorable exchange rate and the growth in world demand for agricultural products", said José Garcia Gasques, general coordinator for Policy and Information Evaluation at the Ministry of Agriculture, Livestock and Supply. The Central-West region leads VBP's estimates, mostly because of Mato Grosso. Then comes the South region, with emphasis on Paraná, the Southeast (São Paulo), the Northeast and the North regions.

Sources: MAPA/Revista Negócio Rural

SUGAR EXPORTS EXPECTED TO BREAK A NEW RECORD IN 2020/21

According to the 3rd Survey of the 2020/21 sugarcane harvest released this week by the CONAB (the national food-supply company), the current harvest of Brazilian sugarcane, 665.1 million tons, approaches the record set in 2015, when 665.6 million tons of cane were harvested. Compared to last season, a growth of 3.5% is forecast. Sugar exports totaled 23.7 million tons in the first eight months of this 2020/21 harvest (April to November), 79.2% more than in the same period of 2019/20. In relation to the entire past cycle, the volume has already been 25% higher. According to the state-owned company, the expectation is that the 2016/17 record will be broken when Brazilian shipments reach 28.3 million tons. External ethanol sales increased by 49.2% from April to November, to 2.2 billion liters. Imports, in turn, decreased by 65.1%, to 306 million liters. According to CONAB, this drop is justified by the devaluation of the real against the dollar, despite a 14.3% reduction in biofuel production and domestic consumption due to the Coronavirus pandemic.

Source: Datamar News

CORN: SECOND-HIGHEST EXPORT VOLUME IN HISTORY

Even with the shortage of grains in the domestic market, exports of some agricultural products, such as corn, are still strong this year. Data from the Ministry of Economy show that Brazil exported 29.7 million tons of corn, with revenues of US\$ 4.9 billion from January to November. According to estimates based on preliminary data, foreign sales of the grain amount to 32.9 million tons in mid-December. With this volume, Brazil reaches the second-best result of corn exports in all history, behind only the volume of 44.9 million tons in 2019. For Vlamir Brandalisse, market analyst, Brazilian producers took advantage of the good exchange rate. "Exports this year are from older contracts. Dollar prices in Chicago rose 25% in the middle of the year, boosting sales abroad", he says. In December, Brazilian Association of Cereal Exporters (Anec) expects that corn exports will reach 4.457 million tons. According to the Association, Brazil should end the year with 34.003 million tons shipped.

Source: Canal Rural

TOTAL 2020/21 HARVESTED AREA OF SOYBEANS REACHES 96.5%

The most recent survey by DATAGRO shows that the planting of the 2020/21 soybean harvest reached 96.5% of the estimated area in December 11, with a weekly advance of 3.5%. In the same period last year, the total harvest area reached 95.6%, and the average for the last five years is around 95.1%. "The pace of work has achieved progress during last week, but it is still limited and heading towards closure, as most states have already closed the process", said França Júnior, chief analytic officer at DATAGRO. He also said that there may be just a little progress this week, "as the North and Northeast region have not yet finished sowing because of the irregular rains."

Sources: Universo Agro / DATAGRO

UK ESTABLISHES ZERO TARIFF RATE FOR RAW CANE SUGAR, SAYS UNICA

The UK government announced on December 17 that it will maintain the zero-quota tariff for 260 thousand tons of raw cane sugar. Unica (The Brazilian Sugarcane Association) says that the measure may favor Brazil as a supplier. According to the Association, the quota rate of 0% was preceded by a public consultation in which the Brazilian productive sector took part. The tariff increases access to a market mostly supplied by the European Union. "At a time when all countries are looking for partners to guarantee sustainable productive chains, Brazil is a privileged supplier," said the executive director of Unica, Eduardo Leão de Sousa. The quota will apply for 12 months and comes into effect in January 1, 2021. So far, the tariff applied to imported sugar by UK is the same as that of the European Union, of 339 euros per ton. In the year-to-date to October, Brazil exported 186 thousand tons of sugar to Britain, more than doubled over 2019 (79 thousand tons). "It is worth mentioning that the volume of 260 thousand tons exempt from tariffs will be filled on a quarterly basis by any country, respecting the order of arrival," added Sousa.

Sources: Reuters / Notícias Agrícolas

PLANTS HAVE ALREADY PRODUCED 20.47 BILLION LITERS OF ETHANOL IN THE CENTER-SOUTH OF BRAZIL

The Brazilian Sugarcane Industry Association (UNICA) estimates that 46.04% of the sugarcane processed in the 2020/2021 harvest will be used for sugar production, compared to the percentage of 34.33% in the previous harvest. As a result, sugar production will reach 38.40 million tons, registering an increase of 43.49% when compared to the previous cycle. "The outstanding quality of the raw material this year has provided a significant increase in sugar production. For the next harvest, the lower supply of sugarcane and the restoration of the quality of the product may possibly cause a decline in the supply of sugar", said Antonio de Padua Rodrigues, technical director of UNICA. Ethanol production is expected to reach 30.44 billion liters in the current agricultural cycle. Of the total produced in the current cycle, the volume of anhydrous ethanol is about 9.76 billion liters, and of hydrated ethanol is about 20.69 billion. The production of ethanol from corn, in turn, should reach 2.65 billion liters in the 2020/2021 harvest, which is an increase close to 63% over the volume produced in the last agricultural year (1.62 billion liters).

Source: Jornal Cana



SPECIAL FERTILIZERS USE HAS HELPED GROW BRAZILIAN GRAIN CROPS

Brazilian agribusiness is among the most important in the world and has reached high production levels, taking a prominent role in global exports. Data provided by the National Supply Company (Conab) showed that, for four decades (1980 to 2020), the grain harvest has grown 506%, while the planted area has increased 64.2%. Productivity has increased by 303.8%. Marketing Director at BRANDT highlights that the use of modern solutions, such as special fertilizers, composts, pesticides, genetic improvement, machinery and technological innovation, among other items, led to an explosion that has accelerated food production. According to information released by the press office, it is worth highlighting the role of fertilizers in agricultural production. Foliar fertilizers are essential products for appropriate plant nutrition. All living things need nutrients to survive, plants also require nutrients for their development.

Sources: *Agrolink / Global Fert*

BRAZIL'S NORTHERN ARC PORTS BOOST CARGO HANDLING BY 8.4%

Data of the Association of Private Port Terminals (ATP) showed that Ports of the North region of Brazil increased handling by 8.4% between January and October this year. According to the president of ATP, Admiral Murillo Barbosa, in Barra Norte do Rio, where there is an access to the sea, cargo handling has reached 38.8 million tons, considering long haul and cabotage. He pointed out that if Barra Norte were a port, it would be only behind the ports of Santos and Paranaguá. The ATP, the Brazilian Navy and other entities have been carrying out a project to expand the authorized draft for vessels transit in Barra Norte - mouth of the Amazonas River. At the beginning of the project, the maximum draft reached 11.5 meters, today it has already increased to 11.7 meters. Studies indicate that the draft can reach 11.9 meters, and further results can provide a draft of 12.5 meters. However, the Admiral said that the ideal draft would be 13.3 meters, making the access of Panamax type vessels available.

Source: *Portos e Navios*

PORTO DO PECÉM TO RECEIVE LARGE VESSELS AGAIN WITH LIQUID FUEL

Beginning in February, the Port of Pecém will once again receive large ships loaded with liquid fuel to carry out transshipment operations, a modality known as ship-to-ship. It has been 6 years since the state has received vessels for this type of activity. Initially, 200,000m³ of fuel will be handled per month. The Port of Pecém should receive three ships per month initially, but already with the prospect of expansion in the coming months. The President of Complexo do Pecém (CIPP S / A), Danilo Serpa, explained how the operation will take place: "These are bigger ships that are going to arrive in Brazil with liquid fuel and are going to move to smaller ships to take the fuel to states in the north and northeast regions. It is a very important operation for the port, because, in the same berth, you dock two ships – the smallest next to the largest", detailed Serpa.

Source: *Datamar News*

MINFRA'S AUCTION OF 4 PORT TERMINALS TO ATTRACT MORE THAN R\$400 MILLION IN INVESTMENTS

On December 18, the Ministry of Infrastructure (MINFRA) raised a total of R\$ 87.5 million in grants with the auction of the 4 port terminals located in Alagoas, Bahia, and Paraná, which will attract more than R\$ 400 million in investments. The ATU12 and ATU18 terminals, which are located at the Port of Aratu-Candeias (BA), were auctioned by CS Brasil Transportes for 62.5 million in total grants (ATU12 for R \$ 10 million

and ATU18 for R\$ 52.5 million). Both handle and store solid bulk – mainly fertilizers – copper concentrate, vegetables, and various ores. The MAC10 terminal, located in the Port of Maceió (AL), was awarded R\$ 50,000 in grants by the company Timac Agro Indústria. With a total area of 7,932 m², it is intended for the handling and storage of liquid bulk, especially sulfuric acid. The PAR12 terminal, located in the Paranaguá Port (PR), was awarded \$ 25 million in grants by Ascensus Gestão e Participação. It was leased for handling and storage of Ro-Ro cargo.

Source: *Datamar News*

SÃO FRANCISCO DO SUL PORT TO LEASE 2 PORT FACILITIES

On December 17, the Ministry of Infrastructure (MINFRA) published in the federal register the extract from the Competence Delegation Agreement which authorizes SCPAr Porto do São Francisco do Sul (SC) to prepare the notices and procedures tenders for the lease of two port facilities: Berth 401 and the Granelero Terminal. This indicator assesses the level of operational and administrative efficiency, maintenance of waterway access, investment budget execution, etc. The "Berth 401" and "Terminal" leasing processes together, can attract investments of R\$ 600 million to the port, providing the expansion of the handling and storage capacity of solid bulk, and reducing the operations time.

Source: *Datamar News*

MINFRA RECEIVES R\$3.6 BILLION INVESTMENT PROPOSAL FOR NEW PORT IN NATAL

MINFRA (the ministry of Infrastructure) received a proposal for a new R\$ 3.6-billion port terminal in Natal and for the adaptation of the current port. The project is for the construction of a terminal on the left bank of the Potengi River, in front of the current port, in addition to the construction of logistical corridors, a third bridge over the river, recovery of the degraded mangrove area, and among other investments in logistics infrastructure – such as a railway branch between the port, the airport, and the Export Processing Zone. Together, investments would reach almost R\$ 7 billion. The proposal was prepared by the Center for Strategies on Natural Resources and Energy (CERNE) in partnership with an Italian consultancy and Brazilian offices. According to the proposal, new port will have three container yards: one for empty, one for import and one for export. It will have yards for the handling of solid bulk (iron ore, feldspar, limestone, kaolin, etc.) with conveyor belts coupled with ship loaders. A fuel and chemical tanking yard with a capacity of 80,000m³ would also be built; in addition to all the necessary logistical infrastructures. Companhia Docas do Rio Grande do Norte (CODERN) has not yet taken a position on the matter. In a note, the company said it is discussing a partnership to install a truck yard company in the metropolitan region of Natal. "CODERN's objective is to contribute to improve traffic and facilitate logistics for users in the Port of Natal", he informed.

Sources: *G1/Datamar News*

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