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JOB INCREASES ETHANOL PRODUCTION FORECAST

This month, Job Economia reduced its forecast for 2021/2022 sugarcane crush in the Center-South of Brazil, currently estimated at 533 million tons, down 7.5% from May forecast. On the other hand, the entity slightly increased its ethanol production forecast amid high domestic prices. The forecast for sugarcane ethanol in the main producing region of the country was 25.10 billion liters, an increase of 2.45% compared to the previous projection, while sugar production was estimated at 33.4 million tons for 2021/22, down 10.2% amid the crop failure. "It was a reversal of expectations. The industries are making more ethanol than expected", said the partner-director of the consultancy, Julio Maria Borge. Compared to last season, however, the production of ethanol from sugarcane in the Center-South will fall by almost 10%, due to an expected reduction in sugarcane crushing of 12% and with sugar production falling by 13%, according to figures from Job.

Sources: Reuters/Nova Cana (*Translated by la Niani)

VIBRA AND COPERSUCAR CREATE JOINT VENTURE TO MARKET ETHANOL

Vibra Energia (formerly BR Distribuidora) and Copersucar established a partnership to operate together selling ethanol through a joint venture. The distributor announced the agreement on the morning of August 30th in a statement to the Brazilian Securities Commission (CVM). The distributor will buy 49.99% of the shares of the Ethanol Trading Company (ECE) of Copersucar for R\$4.999 million, which will continue to control the business with a 50.01% stake. When the deal is approved by the regulatory authorities, the two partners will contribute R\$ 400 million to the new company, in parts proportional to the ownership of each one. The investment does not include fixed assets. Vibra handles between 6 billion to 6.5 billion liters of ethanol per year, while Copersucar handles 4.5 billion to 5 billion liters between its associated plants. The joint venture will be responsible for the flow of biofuel from the Copersucar plants. It will be able to buy the product from other manufacturers in the domestic market and will sell the ethanol to Vibra and other distributors. The company is also going to import and export ethanol, activities currently carried out by its partners. The deal is subject to approval by CADE (the administrative council for economic defense) and ECE registration with ANP (the national agency for petroleum, natural gas, and biofuels).

Sources: Valor Econômico/Datamar News

PRE-SALT PRODUCTION BREAKS HISTORICAL RECORD IN JULY

The pre-salt output totaled 2,806 MMboe/d (million barrels of oil equivalent) in July, of which 2,221 MMbbl/d (million barrels per day) were oil and 93.1 MMm³/d (million cubic meters daily) of natural gas. As a result, it surpassed the production of August 2020 which was the highest ever recorded. There was an increase of 3.4% compared to the previous month and 2.5% compared to the same month in 2020. Pre-salt output corresponded to 71.6% of the total portion of Brazil's pre-salt. Domestic production totaled 3,920 MMboe/d, with 3,045 MMbbl/d of oil and 139 MMm³/d of natural gas. Natural gas production surpassed the record registered in January 2020, when 138.7 MMm³/d were produced. Oil production averaged 3 MMbbl/d, a level which had not been reached since August 2020, when 3.084 MMbbl/d were produced. Oil production increased by 4.9% when compared to the previous month and dropped by 1.1% compared to July 2020. Natural gas production increased by 2.5% compared to the previous month and 6.8% compared to July 2020.

Source: DATAGRO (*Translated by la Niani)

PETROBRAS SIGNS A US\$ 189.5 MN SALES AND PURCHASE AGREEMENT WITH ATEM

Petrobras signed a US\$189.5 million agreement with Brazilian fuel distributor Atem on Wednesday 25 for the sale of the Isaac Sabbá (Reman) refinery and its associated logistical assets in Amazonas. Petrobras received 28.4 million dollars, and the remainder will be paid at

closing, subject to adjustments and regulatory approval by the Administrative Council for Economic Defense (Cade). The deal is part of a plan of the oil company that aims to sell all its refineries outside the states of Rio de Janeiro and São Paulo, according to a commitment signed by the state-owned company with Cade in June 2019. Petrobras said it will continue to support the operations for an undisclosed period under a transition contract. Located in Manaus (AM), Reman has a capacity of 46 thousand barrels per day, its assets include a storage terminal.

Source: Reuters (*Translated by la Niani)

BRAZILIAN 2021/22 SOYBEAN PRODUCTION EXPECTED TO GROW ALMOST 4%

On Thursday, August 26, CONAB (the national supply company) announced the forecast for agriculture in the 2021/2022 grain harvest. According to the figures, soy production should reach 141.26 million tons, an increase of 3.9% compared to the current harvest. As for productivity, the estimate is 39.91 million/hectare, an increase of 3.6% compared to 2020/2021. "We estimate that production will be 3,539 kg/ha in 2022, an increase of 0.29%. This increase may seem small, but it is very significant considering the high technology that is already used in the field", stated the manager of agricultural products management at the entity, Fernando Gomes da Motta. With the increase in Chinese demand and the high exchange rate in 2022, CONAB is betting on exports of around 87.58 million tons. "Even with an increase in production for the 2021/2022 harvest, it is estimated that the difference between world supply and demand will be small next year, which implies maintaining the world stock/consumption ratio still at low levels", points out Motta "In addition, low US inventories should support international prices in 2022," he adds.

Sources: Canal Rural/Datamar News

CHINESE DEMAND FOR BRAZIL'S 2021/2022 SOYBEAN HAS ALREADY REACHED 8 MILLION TONS

According to Agrinvest Commodities, China still needs to buy about 20 million tons of soybeans by February to assure adequate supply. Brazil's soybeans are currently more expensive than the American's. Besides, if Brazil's soybeans are not sold up until now, it will be by January, competing with the American product. Brazilian competitiveness will grow even further with the new crop in February. Given the current premium levels, "Brazilian soybeans, as of February, are unbeatable, and if we plan to export 92/93 million tons, we will have to export most of them between February and August". China has already bought 8 million tons of soy from the 2021/22 crop in Brazil. Soybean meal sales have been growing strongly in recent days. August is expected to end with more than five million tons of soybean meal exported to China. The volume has returned to levels considered "normal" after months of slump in sales".

Source: Notícias Agrícolas (*Translated by la Niani)

PARANÁ TO HAVE THE BIGGEST SOYBEAN AREA IN HISTORY

Paraná is expected to register a record area for soy planting with just a few days left for the beginning of the 2021/22 season. According to the Department of Rural Economy (Deral) in its monthly report released on Thursday 26, the area destined for soybeans will be 5.619 million of hectares, an increase of 1%, compared to last season. The production of soybean in Paraná can reach up to 20.95 million tons, up 6% from the previous season. According to Salatiel Turra, the head of Deral, the price of the commodity explains the growth of the planting area. "Prices were record high, and that weighed on the decision of the producers", he said. Facing one of the worst water crises in the last 50 years, Turra said Deral forecasts consider other factors, such as the climate, for the development of a particular crop.

Source: Rural Channel (*Translated by la Niani)

PUBLIC AUCTION FOR CORN TO START IN SEPTEMBER

Public auctions for the purchase and removal of corn stock carried out by the National Supply Company (Conab) are expected to start in September, in installments and in several regions closer to the delivery hubs defined by the entity. Tereza Cristina, the Minister of Agriculture,



Livestock and Supply, has already forwarded to the Ministry of Economy the proposal to purchase 110 thousand tons, enough to meet the demand of the Programa de Vendas e Balcão (ProVB) by the end of the year. The program benefits small animal breeders, including aquaculturists. The volume of corn will guarantee a regular supply of one of the main inputs in Brazil's countryside. With the Provisional Measure 1,064 on August 17, it was decided to purchase up to 200 thousand tons of corn annually, at market conditions, to meet the Program. As determined by the MP, the Ministry of Agriculture and the Ministry of Economy need to reach an agreement to define the amount for this year, compliant with Conab schedule.

Sources: *Universo Agro/DATAGRO* (*Translated by *la Niani*)

HIGH ORANGE PRICES

Demand for oranges was sluggish this week, according to Hortifruti/Cepea. High prices and lower quality (predominance of small and wilted oranges) have reduced demand. Prices were supported by low supply for another week. According to data from Cepea, in the partial of the week (Monday to Thursday), pear orange averages R\$ 41.00/box of 40.8 kg (in the tree), showing a slight increase of 0.6% from the week before. Prices of the Tahiti acid lime fell again in São Paulo due to the limited national demand. In addition, according to Cepea, exports of the variety have increased in recent days due to small interest from the domestic market and, consequently, lower prices. Tahiti acid lime this week average R\$ 35.50/box of 27 kg (harvested), about 11.2% lower than in the previous period.

Source: *Agrolink* (*Translated by *la Niani*)

PARANÁ TRADE BALANCE SHOWS AN INCREASE IN RAIL TRANSPORT

Of the 34.89 million tons of cargo that arrived or left the Port of Paranaguá between January and July of this year, 6.72 million were transported in railway cars. The volume corresponds to 19.3% of the total. The use of railways to transport products during the first seven months of this year is 29.5% higher than in the same period in 2020. Last year, of the 33.3 million tons imported and exported, 14.9% (4.97 million tons) were transported via train. "Considering the monthly movement, the increase is even greater. Last July, 20.8% of the cargo arrived or left the ports of Paraná by rail", says the CEO of Portos do Paraná, Luiz Fernando Garcia. This represents 1.2 million tons, of the almost 5.8 million moved in the last month. Corn, soy, bran, fertilizers, petroleum derivatives, containerized cargo, wheat, and sugar are the products that arrived or left the Port of Paranaguá via rail so far this year. The soy and sugar shipments were the largest.

Source: *Datamar News*

COSAN MINE TO DEBUT IN 2025 WITH 10 MILLION TONS PER YEAR

JV Mineração, a new project by the Cosan group in partnership with businessman Paulo Brito, should start operating in 2025 with a production of around 10 million tons of iron ore per year. The perspective, however, is that production will increase. The company, should explore at least three mineral projects in the State of Pará. The first of them is near Paraupbas (PA), in the Carajás region. "We have already done nearly 50 thousand meters [square] of drilling in the region and we intend to do another 80 thousand meters next year. Today, we can say with great confidence that we have 2 billion to 3 billion mineral resources to be able to transform into mines. With the survey, we expect this number to grow reasonably," said Juarez Saliba, an executive who took charge of the new business. The idea is to seek market niches through the production of quality iron ore sold at higher premiums.

Sources: *Valor Econômico/Datamar News*

PORT OF SANTOS TO EXPAND AREA BEFORE PRIVATIZATION

In another step of preparing for its privatization, the Santos Port Authority (SPA), the company that manages the port of Santos, plans to expand its land area from the current 8 square km to 14 square km. The idea is to incorporate areas currently outside the operating limits of the port that are still undeveloped but which could give rise to new terminals or

projects in the future. The proposed new route also foresees the incorporation of 10 square km of waterway extension. The main aggregated areas are Ilha de Bagres (located on the left bank of the port) and Largo do Caneu (which is close to the Piaçaguera channel). Incorporation into the SPA's area of influence is practically agreed upon by the government, according to Bruno Stupello, the company's business and regulation director. "The polygonal must be changed within a few months and will already be considered in the privatization process," said Stupello.

Sources: *Valor Econômico/Datamar News*

CDRG HANDLES 5.7 MILLION TONS IN JULY

Cargo handling for the month of July 2021 by Companhia Docas do Rio de Janeiro (CDRJ), which manages the ports of Rio de Janeiro, Itaguaí, Niterói, and Angra dos Reis) reached 5.7 million tons. The result surpassed the average for the first half of the year by 11.9% and was 38.8% greater than the movement of July 2020. In the accumulated result for the year, the volume moved exceeded by 29.9% the numbers registered in the same period last year. The data were released by the Business Planning area of the port authority. According to the report, the Port of Itaguaí handled 4.9 million tons in July 2021, which represents an increase of 42.2% compared to July 2020. At the Port of Rio de Janeiro, 752,000 tons were handled in July 2021, an increase of 18.8% compared to July last year.

Source: *Datamar News*

ROCK REMOVAL ADVANCES IN THE ITAGUAÍ CHANNEL

The rock-cutting work in the main channel of the Port of Itaguaí, managed by Companhia Docas do Rio de Janeiro (CDRJ), underwent an inspection by INEA (the state environmental institute) on August 25th. The intervention will allow the channel to be deepened to 20 meters. The purpose of the inspection was to verify the progress of the work and compliance with the environmental conditions established by the environmental license issued by INEA. The waterway access manager at the Port of Itaguaí, Julia Crisóstomo, who is accompanying the process, explained that "the removal of approximately 900 m3 of submerged rock is being carried out using a clean and sustainable method". The superintendent of port management of the Ports of Itaguaí and Angra dos Reis, Alexandre Neves, pointed out that "with the regularization of the depth of the main channel of the Port of Itaguaí to 20 meters by removing the rock, navigation in the stretch will be safer."

Source: *Datamar News*

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