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GLOBAL SUGAR-CONSUMPTION CURVE HAS CHANGED, ARCHER SAYS

The global sugar consumption curve is likely to be changing after bad outcomes in recent seasons, says Archer Consulting. “If we compare 2020/2021 global consumption to the average numbers of the last three years, we see a small growth of 0.21%, bringing concern for the coming years. However, we noticed that the consumption curve has changed”, Archer says. According to the entity, this more optimistic scenario is because of a number of factors, such as better income for countries with higher per capita consumption, population growth, replacing corn syrup with sugar, as in the United States, besides potential new consumer countries. "The combination of these factors points to a global sugar consumption growth of about 1% per year over the next 6 years", said the entity. Archer's forecas is that in the 2026/27 harvest, global sugar consumption will reach 184.4 million tons, up 6% from current levels, with India, Indonesia, Pakistan, Bangladesh and Iran being responsible for this increase in the global demand.
*Source: Notícias Agrícolas (*Translated by Ia Niani)*

INTERNATIONAL GRAIN COUNCIL ESTIMATES GLOBAL GRAIN PRODUCTION IN THE 2021/2022 SEASON AT 2.292 BILLION TONS

The International Grain Council (IGC) has estimated global grain production in the 2021/22 season at 2.292 billion tons. Last month, the following season production was estimated at 2.287 billion tons. The 2020/21 harvest was estimated at 2.22 billion tons, while world corn production in the 2021/2022 season is expected to reach 1.194 billion tons, up 1.192 billion from that forecast in April, while wheat production was kept at 790 million tons. For the previous season, the Council projected 774 million tons of wheat. IGC estimates soybean production in the 21/22 season at 383 million tons, over 383 million last month and up 361 million from the previous season. The rice harvest was forecast at 511 million tons for the 2021/22 season, over 509 million in April. The figures for 2020/21 was seen at 503 million tons.
*Source: Safras e Mercado (*Translated by Ia Niani)*

BRAZIL IMPORTS 85% OF FERTILIZERS USED IN AGRICULTURE

Brazil, one of the largest agricultural exporters in the world, is still dependent on the foreign market when it comes to fertilizer. According to a balance sheet by ANDA (the national association for the diffusion of fertilizers), of the 40 million tons delivered to the market last year, only 6 million came from the domestic market, which means that the country imports 85% of the product it consumes. This disproportion makes the market at the mercy of the dollar price. Fertilizers are important additives for agriculture to provide nutrients for plant growth. According to Marcelo Morandi, Chief Environmental Officer at EMBRAPA, one of the biggest challenges currently facing the industry is to have a stable market that gives more options to the domestic market. According to Morandi, of the three most important elements that plants need, namely NPK fertilizers (nitrogen, phosphorus, and potassium), Brazil is still dependent on imports for the last two, especially potassium, due to the few natural sources here in the country.
Sources: Folha de São Paulo/Datamar News

PRICE OF PHOSPHATE FERTILIZERS INCREASES AGAIN

After three weeks in a downward trend, prices of MAP (phosphate fertilizer) rose in the foreign market, Globalfert says. According to analysts, the quotes follow world demand growth. “India has been the major buyer of phosphates now for the ongoing Kharif crop plantings, and China has been negotiating large volumes to the country, increasing export prices as there is no offer on the spot. Bangladesh and Pakistan are also buying on the rise”, Globalfert explains. The government of India has hiked the subsidy on DAP fertilizer, which may well boost imports. The cost of raw materials has also influenced the price of phosphates in recent weeks. In Brazil, purchases of agricultural inputs increased in the beginning of the year: "The appreciation of commodities, especially corn and soybeans, has driven producers to invest in crops, so that the consumption of fertilizers has been significant.”
*Sources: GlobalFert / Agrolink (*Translated by Ia Niani)*

CNA PROPOSES SUBSIDY PLAN TO ENCOURAGE CORN PRODUCTION

The Secretary of Agriculture, Tereza Cristina, is closely observing increased corn prices in the foreign and domestic markets. The Secretary has already announced an increase in the costing credit limit for the corn producer for the next summer harvest (2021/22). Still, she wants to implement other measures to encourage advanced planting. In this context, the Ministry of Agriculture and Food Supplies (CNA) proposed to create a federal subsidy program, along the lines of rural insurance, for contracting corn put options on the futures market, providing price risk coverage to producers to cover costs and provide a margin compatible with that of soybeans, which are currently more attractive. With R$ 350 million in subsidies, it would be possible to double corn production in the South, estimates the entity. With this instrument, the producer could look for a grain broker and buy options for the future sale of corn at a certain price. The government would subsidize part of the premium, determined daily by B3, for contracting these options. On the expiration date, if the price is below the fixed price, the farmer exercises the right to sell at the higher price. If it is below, he can choose to trade on the physical market. The legal provision for the measure was included in Agro Act 13,986, which was initially used for coffee.
Sources: Valor Econômico/Datamar News

BRAZIL: GROSS VALUE OF AGRICULTURAL PRODUCTION WAS ESTIMATED AT R$ 1,076 BILLION

The Gross Value of Agricultural Production (VBP) this year is expected to reach R$ 1.076 billion, up 12.1% from 2020, according to the Ministry of Agriculture. Crops remain leading statistics, with sales reaching R$ 741.2 billion (+16%), while livestock sales amount to R$ 335.1 billion (+4.4%). The coordinator of research of the Ministry of Agriculture, José Garcia Gasques, said on a note that the lack of rainy days during the growing period of corn, soybeans and beans has affected these crops in some way, even though the production has increased. “The record production result in 2021 remains the same” he said. According to the note, the VBO of cotton is expected to grow by 3.7%, rice (+4.8%), banana (+2.4%); cocoa (+8.3%); sugarcane (+1.3%); corn (+22.7%), soybeans (+31.3%) and wheat (+25.4%). In livestock, the best results are from the beef sector, with an expected growth of 10.3%, and chicken meat (+ 2.2%).
*Source: Revista Dinheiro Rural (*Translated by Ia Niani)*

BRAZIL SHOULD BE AN EXPORTER OF ETHANOL TECHNOLOGIES, VOLKSWAGEN LATIN AMERICA CEO SAYS

Brazil should be an exporter of ethanol technologies, such as the fuel cell, to neighboring countries, to Europe, and to emerging powers, as China and India, said Volkswagen Latin America CEO, Pablo Di Si. “Brazil needs to think big and show the world its capacity as a developer of biofuels, exporting technology, and not just ethanol,” said the CEO in a webinar promoted by Fenasucro on Tuesday, 25. “We have to think about ethanol, and the fuel cell. The fuel cell can be transported in a container and exported to Europe and China”, he added. According to Di Si, this requires investment in research and development in national institutions, so that Brazil will be able to play a leading role in the world. “Ethanol can be a complementary technology for combustion, hybrid and electric vehicles, developed in Brazil with export potential. Ethanol works well in Brazil and will work well with some component mixed in some other countries, although the base is always ethanol”, he said.
*Source: Nova Cana (*Translated by Ia Niani)*

BRAZIL MAY PRODUCE AND EXPORT GREEN AMMONIA, SAYS DIRECTOR OF SIEMENS ENERGY FOR LATIN AMERICA

According to Andreas Eisfelder, Director of New Energies for Latin America at Siemens Energy, Brazil may be an exporter of green ammonia, a biofuel produced from renewable hydrogen that is capable of replacing the bunker used by the shipping industry. Responsible for 3% of global CO2 emissions, the naval sector is among those that will have the greatest difficulty in decarbonizing their activities. The International Maritime Organization (IMO) target establishes that by 2030, carbon dioxide emissions in the shipping industry should be reduced by 40%, compared to 2008 levels. “We need to find a carbon-neutral fuel that can replace that fuel. A candidate to achieve decarbonization may be ammonia, ”said Eisfelder during a webinar promoted by the IBP on May 26. “Today, Brazil is able to produce green ammonia. And the innovation of combustion engines, which can work with ammonia as a fuel, is an example to decarbonize this industry,” he explained.
Sources: Valor Econômico/Datamar News

ANVISA PROPOSES GREATER CONTROLS FOR SHIP CREWS

ANVISA (the national health surveillance agency) defends greater restrictions on the entry of foreign crew on ships and platforms in Brazil, due to new variants of the new coronavirus. In a document sent to the federal government last Friday, ANVISA proposes that crew members from the United Kingdom, India, South Africa, and Northern Ireland can only enter Brazil after undergoing a 14-day quarantine period in another country. On the other hand, Brazilian seafarers returning from these nations will be able to enter Brazil but will have to remain isolated for the same period in the city in which they land. Crew coming from other countries will continue to follow the current standards. Until now, ANVISA only requires that these professionals present a negative Covid-19 test. The purpose of ANVISA’s proposal is to prevent crew members from arriving from these four countries “but if they have to, they must first quarantine in another country,” stated the director of ANVISA, Alex Machado Campos.
Sources: The Tribune/Datamar News

PORT OF SANTOS: CONTAINER, SUGAR, AND SOYBEANS DRIVE HANDLING IN APRIL

In April, cargo handling at the Port of Santos totaled 13.7 million tons, an increase of 1.7% over the same period last year. This sets a new record for the month of April and is the 3rd highest monthly record in the history of the port complex. April also marks the fourth consecutive record set this year, registering the best April in the port’s history. January, February, and March 2021 had already set records also. Exports were key in reaching this handling level, totaling 10.3 million tons, 6.0% above that seen in April 2020. On the other hand, imports decreased by 9.6%, totaling 3.4 million tons. The biggest growth was seen in shipments of soybeans, with 5.0 million tons (+9.2%), and sugar, with 1.3 million tons (+16%). The fall in imports was mainly due to decreased fertilizer unloadings, 345.2 thousand tons (-26.0%), and sulfur, 192.4 thousand tons (-38.5%). Solid bulk reached 7.5 million tons, an increase of 1.3% over the same period in 2020. Liquid bulk totaled 1.5 million tons, a reduction of 9.2% over the result of April 2020. The loose general cargo totaled 556.1 thousand tons, increasing 7.9% over the same month last year. The share of the Port of Santos in the Brazilian trade flow reached 28.4% in April this year. About 27.3% of commercial transactions with foreigners that passed through the Santos port complex had China as their main source and destination. São Paulo remains the state with the largest participation in commercial transactions abroad through the Port of Santos (55.8%).
Source: Datamar News

PORT OF IMBITUBA RESUMES STEEL HANDLING

The Port of Imbituba is receiving the ship HG SINGAPORE, which is importing approximately 33,000 tons of steel coils and bars from China. The operation meets the high demand for steel products in the domestic market and is a solution for continuing port service in the middle of the grain harvest, with lines of ships for mooring that can last 30 days. The last time Imbituba received steel coils was in 2019 and rebars in 2016. The operation is taking place in the 5 holds of the ship, which has a Liberian flag and is 190 meters long. About 85% of the load is made up of galvanized steel coils and noble and flat steel. The rest is made up of steel bars and plates used mainly in the automobile industry. Steel products have an important entry market in Brazil through the port structure of Santa Catarina. “We have a Port that is available, is not full, and has a low waiting time for mooring, which has become a differential in attracting this cargo,” highlights Fábio Riera, CEO of SCPAR Porto de Imbituba. With the heated steel market and the availability of berthing, using Port of Imbituba guarantees companies will receive their cargo faster.
Source: Datamar News

STUDY POINTS TO DEVELOPMENT IN WATERWAY NAVIGATION MODALITIES

A study released on May 26 by the National Waterway Transport Agency (Antaq) shows an increase in inland and cabotage navigations. In 2019, there was a 20.7% increase in the ton-kilometer (tkm) indicator for inland transport, compared to 2018. In cabotage, the growth was 6%. Regarding inland navigation, the movement and the use of the waterway in the Northern Arc have considerably grown. “In relation to cabotage, we have an important issue, such as energy security. The waterway modal is strategic for Brazil for the transport of oil and fuel. We also see the continuous transport of containerized cargo in cabotage”, said José Neto, the manager of Development and Studies at Antaq. The study shows that the Brazilian transport system hardly use the waterway modal. Low cost and less pollution are the main advantages of using the waterway modal for long distances.
*Source: Portal Gov.br (*Translated by Ia Niani)*

VLI AND HYDROWAYS IN BRAZIL ANNOUNCE PARTNERSHIP WITH FOCUS ON FERROGRAO PROJECT

On May 27, VLI, the manager of Centro-Atlântica Railway and the northern part of Norte-Sul Railway, together with Hidrovias do Brasil S.A., an integrated logistics operator focused on waterway transport, announced a partnership for a technical evaluation of the Ferrogrão project. The announcement was made and validated through a memorandum. The railway is essential to boost the flow of grain through the Nothern Arc and consists of a 993-kilometer line from Sinop (MT) to Miritituba (PA). The partnership of VLI and Hidrovias do Brasil combines their respective expertise in the study of a multimodal logistics solution for Ferrogrão and in the search for an investor partner. “The Northern Arc enables the country to grow in a planned, sustainable and efficient manner. The infrastructure designed by the federal government for the Ferrogrão project will bring benefits to the total logistical cost and to the users”, says Ernesto Pousada, CEO at VLI. In his opinion, the region is closer to the destination of agricultural cargo exported by the country, which contributes to a lower total logistical cost for the client and reduces fuel consumption and the emission of pollutants.
*Source: Portos e Navios (*Translated by Ia Niani)*

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

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