***Due to this situation with Coronavirus, most businesses are operating from home-office. In case of need, please contact us through our Key Personnel mobile phones on our website* (williams.com.br)**

SOYBEAN CROP IN SOUTH AMERICA CAN REACH 194.52 MILLION TONS, SAYS DATAGRO

New survey by DATAGRO projects a record crop for South America in 2020/2021. The area is estimated at 61.48 million hectares, below the 61.69 mln ha of the previous forecast, but 2% higher than the 60.19 mln ha of the 2019/20 season, setting a new historical record. Considering the larger area and a near-normal general yield, South America is expected to have a production lower than the previous projection, 194.52 million tons against 196.94 million tons, but still 1% higher than the revised record for 2019/20 (193.10mt). The new survey shows an increase of 4% in the area to be harvested, rising from 37.45mln ha to 38.96mln ha, with the potential to reach 136.34mt, which represents an increase of 6% over the last crop.

*Source: Datagro (*Translated by Ia Niani)*

REDUCTION OF MERCOSUR COMMON EXTERNAL TARIFF (CET) MAY NOT AFFECT INTERNAL GRAIN MARKET

Brazil supports Uruguay's plan to reduce Mercosur's Common External Tariff by 20% by the end of the year. According to the Ministry of Economy, each country in the bloc has different needs and different demands to reducing tariffs. The market analyst Vlamir Brandalizze says the reduction will not generate crucial changes in the grain market, but it can help business. “The soy and corn market will probably have a slight change since volumes are small, for our domestic price formation is basically export values. We will only have support in times of corn shortage, mainly because we rarely lack soybeans.” “In addition, eliminating some of the excess bureaucracy is the only thing that would really help, as market becomes more and more open and favorable”, explains Brandalizze.

*Source: Canal Rural (*Translated by Ia Niani)*

MERCOSUR TRADE BLOC MEMBERS SIGN ELECTRONIC TRADE AGREEMENT

The four founding members of Mercosur who are still members – Argentina, Brazil, Paraguay, and Uruguay – signed the bloc’s electronic commerce agreement in Montevideo, agreed at the Common Market Council’s virtual meeting and announced in December last year. Under this new agreement – which was not signed in December due to the virtual meeting – a common legal framework was established to facilitate trade in the bloc by electronic means, both for goods and services. The agreement also provides for the cross-border transfer of information, the protection of personal data, the non-imposition of tariffs on electronic transmissions, electronic signatures, the location of computer facilities, online consumer protection, and access and use of the Internet. Electronic commerce has been increasing annually, but the lifestyle changes imposed by the pandemic have accelerated this trend. According to the Argentine Chamber of Electronic Commerce (CACE), electronic commerce in Argentina grew 124% in 2020 compared to the previous year. The increase is observed in the number of products sold (251 million, 72% more than in 2019) and the number of purchase orders (164 million, 84% more than in 2019).

Source: Datamar News

MEXICAN MARKET CONFIRMED AS OPEN TO BRAZILIAN RICE EXPORTS

The Ministry of Agriculture officially informed Brazilian rice producers of the opening of the Mexican market and the establishment of a sales quota of 75,000 tons of un-husked rice through to December of this year. Rice exports have been growing year after year, and reached almost 12.000 TEUs in 2020 – see graph below. Historically exports to Mexico have been nill up until last year, when they reached almost 400 TEU. Assuming one container may weigh approximately 20 tons, the new 75,000 tons quota may account for a total of 3,750 TEU. The Commercial Director of the Rio Grande Rice Institute (IRGA), João Batista Camargo Gomes, stated in a note that “the information was public knowledge since September last year, but there was still a lack of confirmation. This announcement now by the Ministry of Agriculture allows us to work on this market, mainly because it is paddy rice. With a good harvest, the total production will be slightly above the previous crop, maintaining supply, making exports feasible, and regulating the market. Mexico advised the Brazilian government last year about opening a multi-year tariff quota for the import of paddy rice. In 2020, the volume of cereal authorized to enter Mexico at zero tariffs was 30,000 tons. This year, the quota increases to 75,000 tons.

Source: Datamar News

INDIAN SECOND WAVE OF COVID-19 MAY AFFECT DEMAND FOR SUGAR

The upsurge in the Covid-19 pandemic in India, one of the primary sugar producing and consuming countries globally, may affect local demand for the sweetener. “If the lockdown persists for a long time, then it will definitely affect sugar consumption,” stated Archer Consulting in a note. Industrial demand may be affected if restrictive measures continue. Analyst Michael McDougall of Paragon Global Markets said that consumption in the Asian country should be affected. He recalls that changes in demand generally take longer to be noticed. Together with Brazil, India is the largest global producer of the sweetener. On the supply side, there are still few signs that the pandemic has had a significant effect. “In terms of logistics, sugar is among the essential commodities, so it will keep moving,” says Archer. McDougall says he also has not received reports of problems with logistics. The world may become more dependent on the Indian sugar supply this year due to dry weather in Brazil’s central and southern regions. There is a possibility of cuts in the region’s production estimate. India’s government subsidy for exports this season (which runs through September) applies to 6 million tons. According to the Indian Association of Sugar Mills (ISMA), 2.97 million tons were already shipped between October 2020 and March 2021. The limited quota of subsidies can hinder the country’s exports.

Sources: Novacana.com/Datamar News

SALES OF ETHANOL GROW IN THE FIRST FORTNIGHT OF THE 2021/22 SEASON

In the first two weeks of the 2021/2022 season, the mills in Brazil’s Center-South region sold 960.75 million liters of ethanol, registering an increase of 19.53% when compared to the same two-week period of the 2020/2021 season. The increase was due to the growth in sales within the domestic market, which reached 943.48 million liters - up 23.11%. Exports, on the other hand, decreased by 53.75%, reaching only 17.53 million liters. The volume of hydrated ethanol sold in the domestic market was 650.50 million liters, against 567.28 million of the previous cycle, up 14.67%. Sales of anhydrous ethanol grew by 47.15%, reaching 293.00 million liters. “The increase in sales within the domestic market is due to the competitiveness of biofuel and the higher domestic consumption compared to 2020. However, when we compare current sales with those in the 2019/2020 harvest, when there was no COVID-19 effect, we see a decrease of 3.28% for anhydrous ethanol, and a drop of 25.46% for hydrous ethanol in the domestic market”, explained Antonio Padua Rodrigues, technical director of ÚNICA.

*Source: Jornal Cana (*Translated by Ia Niani)*

SAO PAULO AGRIBUSINESS TRADE BALANCE HAS A US$ 2.67 BILLION SURPLUS IN THE FIRST QUARTER

Agribusiness in São Paulo registered a surplus of US$ 2.67 billion in the first quarter of this year, an increase of 15.6% compared to the same period in 2020 (US$ 2.31 billion). Imports, on the other hand, decreased by 7%, from US$ 1.29 billion in 2020 to US$ 1.20 billion in 2021, informed the Agricultural Economics Institute (IEA). The three main categories of agribusiness exports in São Paulo this year were: sugar and alcohol complex (US$ 1.36 billion, in which sugar accounted for 86.1%, and alcohol, 13.9%), meat sector (US $ 507.23 million, in which beef accounted for 87.8%) and soy complex (US$ 438.08 million). China is the main destination of exports (US$ 798.71 million, 20.7% of participation and a negative variation of 5.6% when compared to the same period in

2020), followed by the European Union (US$ 59.73 million, 13.7% share, and a drop of 12.2% over 2020) and the United States (US$ 358.39 million, 9.3% share and positive variation of 13.5%).
*Source: Revista Dinheiro Rural (*Translated by Ia Niani)*

SUGARCANE CRUSHING TO REACH THE LOWEST LEVEL SINCE 2012, SAYS CZARNIKOW

Sugarcane crushing in Brazil's Center-South region is expected to reach the lowest level since 2012, as below-average rainfall affected the development of sugarcane, according to a report published by the International sugar trader Czarnikow. The company projects processed sugarcane at 558 million tons in 2021/22 (April to March), compared to 605 million tons in the previous harvest. "The situation in the sugarcane fields in the Center-South is serious - our field analysts have seen many areas where sugarcane does not seem to have grown", said Ana Zancaner, Czarnikow analyst. According to her, since October 2020, rainfall in the region is 36% below normal, the biggest drought in a decade. The situation is not even worse because the mills have improved crop care in the past two years, and this improvement will reduce losses, said the analyst. Nevertheless, Czarnikow said the drier weather would at least increase the sugar contents of the sugarcane, helping the production of sugar decline less than the volume of sugarcane.
*Sources: Reuters / Nova Cana (*Translated by Ia Niani)*

RECORD DRY WEATHER TO AFFECT SUGAR PLANTATIONS IN BRAZIL'S CENTRAL REGIONS

Brazil has just ended the third-driest summer in a century, with very little rain in March and April. The traditional dry season has just begun with low humidity, affecting the main period of sugarcane growth in the central-southern region of the country for the 2021/22 harvest. With the deterioration of crops, trading companies and analysts are reducing their projections for the season. The American consultancy StoneX revised its estimates and indicated that the most likely scenario is that the fall in the region's harvest will be 5.8%, or 35.3 million tons compared to the previous harvest, for a total of 570.2 million tons, a level close to that of the 2014/15 and 2018/19 cycles. The 2014/15 season was marked by a water crisis, mainly in São Paulo, which affected the water supply of several municipalities, causing producers to lose about 6 tons per hectare from the yield of sugarcane fields in the central-southern region. In the probable scenario for 2021/22, StoneX estimates a yield of 76.3 tons per hectare, down 6.8%. In the worst scenario outlined by the consulting firm, the sugarcane harvest will be 567.2 million tons, down 6.3%. In a more conservative loss calculation, StoneX sees a harvest of 578.1 million tons.
Sources: Valor/Datamar News

DERAL REDUCES PROJECTIONS FOR SOY AND CORN IN PARANA

The soybean harvest and the second corn crop in Paraná, Brazil's second-largest grain producer, will be smaller than expected, as the state evaluates the impact of dry weather, the Department of Rural Economy (Deral) said on Thursday. The worst change was in the second corn crop, with production now estimated at 12.23 million tons, compared to 13.38 million in March forecast and 11.9 million in the previous cycle. Deral also pointed out a weekly deterioration of corn crops in the state. Production may possibly rise 3% compared to the previous season, but would remain below its capacity, since the planted area is expected to grow 8%, to about 2.5 million hectares. Paraná 2020/21 soybean crop is now estimated at 19.8 million tons, compared to 20.09 million in March, and 20.78 million in 2019/20. All the oilseed fields have already been harvested. On the other hand, Parana leads wheat production, now estimated at 3.8 million tons, compared to 3.77 million in March, and 3.12 million in 2020, according to Deral. This winter crop is now being planted.
*Sources: Reuters/Notícias Agrícolas (*Translated by Ia Niani)*

ANDALI EXPANDS ACTIVITY IN BRAZILIAN FERTILIZER MARKET

Andali S / A, a joint venture formed by CHS Agronegócios (50%), the Brazilian arm of the largest agricultural cooperative in the United States; BRFértil Fertilizantes (26.5%); and holdings of two of the founders (23.5%) will invest R$ 150 million in a fertilizer mixer in Rio Verde, Goiás and the construction and operation of a fertilizer terminal for rail transshipment. With the investments, the company expects to double in size in the coming years. The enterprise should handle approximately 1.5 million tons of nutrients derived from potassium, nitrogen, and phosphorus annually, with a 700,000-ton mixing capacity (manufacturing the final products used by rural producers). Andali wants to take advantage of the growth of grain production in the Midwest to expand its business. When the new terminal is in full operation, the company expects to multiply annual sales from the current R$ 60 million to R$ 150 million, with an additional boost at the Rondonópolis (MT) terminal, where 900,000 tons are mixed, and 270,000 tons are currently stored to serve seven mixers. The terminal can mean cost savings for producers in the region, says Rafael Vaccari Gonçalves, Andali's CEO.
Sources: Valor/Datamar News

PORT CONCESSIONS IN PARANA ARE NATIONAL PRIORITIES

At the end of April, the Brazilian government considered four port concessions in Paraná as national priorities. They represent a third of the 12 new infrastructure projects listed by the Investment Partnership Program (PPI). The program has approved the study of the concession of the access channel to the Port of Paranaguá, in addition to the lease of three areas for handling dry bulk (PAR9, PAR14 and PAR15). This concession provides for the private administration of the stretch of the waterway that connects the port to the open sea. The overall investments can amount to R$ 5 billion over 35 years. "The authorization is for the beginning of studies, as to show us whether it is feasible and beneficial to grant works to the private sector, such as dredging, marking and maritime signaling, for example. In this phase, we will find out the existing needs, possible improvements, and ways to meet the growing demand with more attractive costs", explained the CEO of Ports of Paraná, Luiz Fernando Garcia. The analysis of the feasibility of the concession also considers the deadlines for the services performed by the government. The auction is expected to take place in the first quarter of 2023.
*Source: Portos do Paraná (*Translated by Ia Niani)*

CLI EVALUATES POSSIBLE CAPACITY EXPANSION AT TEGRAM TERMINAL

The continuous increase in volumes handled by CGG Trading's grain terminal at the Port of Itaqui, in Maranhão, led Corredor Logística e Infraestrutura (CLI), the unit's operator, to begin considering the possibility of expanding the site's capacity. After Tegram's second phase was inaugurated in early September last year, its total capacity increased to 15 million tons per year. Approximately R$ 230 million was invested in this phase to duplicate the railway hopper and belts. "At the mouth of the 'Mapito' funnel [confluence between the states of Maranhão, Piauí, and Tocantins], Tegram is a success. As the goals of the first phase were reached early and those of the second phase are also going very well, we have already started studies for a new expansion", said Helcio Tokeshi, director and partner of IG4, to Valor. In 2020, almost 8 million tons of grain were exported through the terminal, and the volume is expected to reach 10 million tons this year. Most of the cargo is soy, but the flow of corn is also increasing. If this new expansion is done by installing a third berth with a ship loader, there will probably be room for another 7.5 million tons, with investments similar to those of the second phase. But this is just one of the alternatives under analysis, and a final decision will also depend on negotiations with the other Tegram partners.
Source: Datamar News

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