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## TRADE BALANCE RECORDS US\$4.32 BI SURPLUS IN SEPTEMBER

The Brazilian trade balance registered a surplus of US\$ 4.322 billion in September 2021, according to data released by the Ministry of Finance on October 1st. In the daily average, the positive balance is 15% lower than that registered in September of last year. In that month, the surplus reached US\$ 5.1 billion. In 2021, exports reached US\$ 24.284 billion in September. Imports reached US\$ 19.962 billion in the month. Compared to September 2020, daily average exports grew 33.3% and imports increased 51.9%. From January to September, the year-to-date surplus totaled US\$ 56.433 billion, according to the Ministry of Finance. The value is the highest recorded for the period of the first nine months of the year. From January to September 2021, exports totaled US\$ 213.223 billion. Imports, on the other hand, reached US\$ 156.79 billion. At the end of the third quarter, the Ministry of Finance revised the trade balance surplus forecast to US\$ 70.9 billion in 2021. If confirmed, the value will be 40.7% higher than the positive result of \$50.9 billion observed in 2020. Sources: *G1/Datamar News*

## COMMODITIES CONTINUE TO CLIMB

The prices of the main agricultural commodities exported by Brazil — in addition to wheat, which the country imports — remained at a high level in September on the international market and ended the third quarter of this year with strong valuations compared to the same period of 2020. Persistent and with no signs of cooling, the rising prices continue to increase food costs in Brazil and worldwide and contribute to keeping inflation rates high — although they also inflate the gross value of rural production and agribusiness export earnings. According to calculations by Valor Data based on second-crop futures contracts, corn closed September with an average value 4.5% lower than in August, but with gains of 20.9% compared to December and 42.4% compared to September of last year. The average price in the third quarter, 56.7% higher than that recorded between July and September 2020, reached the highest level for the interval since 2012.

Sources: *Valor Econômico/Datamar News*

## SUGARCANE BAGASSE MILLS TOP ENERGY AUCTION SALES FOR 2026

Sugarcane bagasse mills led sales in the A-5 new energy auction held in September this year, accounting for more than 32% of the total sales to be delivered in 2026. The thermal source also had the biggest discount among the participating generators. The thermal traded 9.3 million MWh, or about 37% of the total 25.14 million MWh sold at the auction, according to data from the Electricity Trading Chamber (CCEE), which held the auction together with Brazil's power regulator Aneel. Among the leading sugarcane companies, the largest investment was made by Raizen in Paraguaçu Paulista (SP), with BRL 114.14 million, followed by Coruripe plant, located in the state of Alagoas, which will invest BRL 100.2 million; and Bioaroeira, from Tupaciguara (MG), which will invest BRL 83 million. "Biomass is a traditional source in the Brazilian matrix and showed good competitiveness in this auction, which boosted its results, in addition to the higher initial price being attractive for entrepreneurs", explained Rui Altieri, chairman of the Board of Directors of CCEE.

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

## ANHYDROUS ETHANOL SALES RISE 29.9% IN 2021

In the first half of September, the producing units in the Center-South sold a total of 1.17 billion liters of ethanol, a decline of 14.9% in relation to the same period of the 2020/2021 season. Of the total sold in September, 30.87 million liters were sold to the foreign market and 1.14 billion liters to the domestic market. Sales of hydrous ethanol in the domestic market reached 654.9 million liters, which represents a significant reduction of 22.6% over the amount of the last season (844.6 million liters). The amount of anhydrous ethanol, in turn, increased by 29.9% in 2021, with 483.08 million liters versus 371.9 million liters in 2020. The technical director of the União da Indústria de Cana-de -Açúcar (UNICA), Antonio

de Padua Rodrigues, explains, "The loss of competitiveness of hydrous ethanol compared to gasoline in some regions has caused a reduction in the consumption of the biofuel. I see this as a natural movement of the market in face of the supply and demand conditions of the products".

Source: *Jornal Cana (\*Translated by la Niani)*

## BRAZIL: GRAIN CROPS TO GROW 4% IN 2021/22, DATAGRO SAYS

The area planted with cereals and oilseeds in the 2021/22 season is expected to reach 72.45 million hectares, a growth of 4.1% compared to the previous season. The data were released on Thursday, 30 by Datagro. The early estimate of the total grain output for 2021/22 is 299.27 million tons, which represents an evolution of 17% over the current unsuccessful crop, revised to 256.20 million tons. There will be a growth of 12% in comparison with the record 266.88 million tons in 2020. "We can see that this new season is off to an encouraging start, as we have seen in 2020, due to the good offer of credit, the exceptional prices, and the market sentiment still favorable", said Flávio Roberto de França Junior, Datagro's grain coordinator. He added, "this volume would be in line with the expected increase in the area to be sown and the initial expectation of normal average productivity, depending on the climatic behavior and the reliable use of inputs."

Source: *Canal Rural /Estadão (\*Translated by la Niani)*

## BRAZILIAN FUEL DISTRIBUTORS APPLY FOR ETHANOL IMPORT RATE EXEMPTION

Brazilian fuel importers and distributors are applying for an exemption from the 20% import tax on anhydrous ethanol, given the low offer of the product in the country. According to the president of the Brazilian Association of Fuel Importers (Abicom), Sérgio Araújo, a letter has already been sent to the minister of Mines and Energy, Bento Albuquerque, and to the president of the Chamber, Arthur Lira. The entities explain that the exemption will reduce the cost of gasoline by around BRL 0.18 per liter, with favorable impacts for the final consumer. "We are giving an opportunity for reducing the price of gasoline," said Araújo. The cut in costs could represent a reduction for the final consumer of around BRL 0.25 per liter of C gasoline at service stations, depending on the ICMS and logistical costs. The ethanol sector in Brazil suffers from persistent low levels due to the crop failure in the center-south.

Sources: *Reuters/Notícias Agrícolas (\*Translated by la Niani)*

## CHINA'S ENERGY CRISIS UNLEASHES INSTABILITY IN FERTILIZERS AND PESTICIDES PRODUCTION

China power cuts may affect Brazilian agribusiness, leaving Brazilian producers on alert. According to an analysis by Itaú, if these events have a relevant impact on Chinese economic growth, doubts arise on possible export impacts of Brazilian agricultural products. The high price of energy is due to some factors, such as the increase in demand in this transition period of the pandemic, the challenging climate scenario, the increase in gas prices, and the production restrictions to the burning of coal — the country's primary source of energy, which represents 60% of the total — derived from environmental concerns and commitments to reduce emissions. "Furthermore, as the Brazilian government controls the price of energy in the country, this appreciation of coal and gas prices implies reductions in the margins of power plants, which discourages the increase in supply", explain Itaú's analysts. China is currently the main commercial partner of Brazilian agribusiness and has been responsible for approximately 34% of the sector's total exports in 2020.

Sources: *Revista RPAnews /Global Fert (\*Translated by la Niani)*

## WINTER CROP OUTPUT IN RIO GRANDE DO SUL TO BE THE LARGEST IN HISTORY

Emater/RS-Ascar released the updated production estimate for the 2021 Winter Crop, which can be the largest in history, both in cultivated area (1.59 million hectares) and in production (4.58 million tons) of wheat, canola, barley and white oats, an increase of 61.3% when compared to the previous crop (2.84 million tons). The wheat crop alone can reach 3.59 million tons, which represents an increase of 70.95% in relation to



last year (2.1 million tons). The update also represents an increase of 24.04% compared to the initial estimate (2.89 million tons) released in June this year. The survey also points to an increase of 8.97% in the total cultivated area (1.17 million hectares) when compared to the first estimate (1.08 million hectares). The crop's productivity can be the third highest since 2013, also reaching 3 tons per hectare.

Source: Grupo Cultivar (\*Translated by la Niani)

### SÃO PAULO REDUCES ICMS TAX ON ORANGE JUICE TO 3%

The Government of the State of São Paulo announced the reduction of the ICMS Tax on orange juice, from the current 13.2% to 3%. The measure comes after two years of discussions and marks the importance of the sector, which is the third most important agricultural segment in São Paulo. "This measure will multiply the competitiveness of all citrus fruits and will generate more jobs, and more growth," said the Governor of São Paulo, João Doria, during a meeting. For the executive director of CitrusBR, Ibiapaba Netto, the measure does justice to the sector, which has been spending some efforts to put São Paulo on the same level of other states, such as Rio de Janeiro, and Espírito Santo. Some juice packaging companies left São Paulo years ago in search of similar incentives. The new measure will be forwarded to the Legislative Assembly along with next year's budget guidelines and is expected to take effect on January 1, 2022.

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

### STEEL IMPORTS SHOULD NORMALIZE IN 2022

Despite the high imports of steel products this year by the Brazilian market, national companies estimate that the share of foreign material in apparent consumption should return to previous levels next year. According to the president of Usiminas, Sergio Leite, the normal level of participation of imported products in domestic consumption is in the range of 11%. For Leite, the big problem is that this imported steel is produced by countries that do not have symmetry with the Brazilian market, which causes unfair competition. "Until August, according to Instituto Aço Brasil, imports of steel products totaled 3.5 million tons, an increase of 163.9% compared to the same period last year. Consumption reached 18.8 million tons in the first eight months of 2021, an increase of 41.7% compared to the same period in 2020. The president of Aperam Brasil, Frederico Ayres, stated that the reduction in the import tax rate for steel products being demanded by some consumer sectors, such as civil construction, is out of consensus. "The market is already supplied. Talking about the reduction of the tax rate as an outlet for supply is nonsense. Stocks are replenished and now what the sector needs is to grow, mainly in exports," added Ayres.

Sources: Valor Econômico/Datamar News

### ANTAQ TO HOLD NINE AUCTIONS IN NOVEMBER WITH INVESTMENTS OF R\$1.420 BILLION

In November, ANTAQ will hold nine auctions at B3 in São Paulo for port areas. Investments will reach around R\$ 1.420 billion. On November 5, three areas will be auctioned: MUC59 (Port of Fortaleza), which will be used for the movement and storage of bulk liquids, especially fuels; MAC13 (Port of Maceió), for handling and storage of vegetable bulk, especially sugar; and Tersab, in the Areia Branca Port Complex, in Rio Grande do Norte, which will be used to move and store bulk mineral solids, especially sea salt. On November 19, there will be another six auctions, this time for two areas in the Port of Santos (SP). The STS08 and STS08A areas will be used for the movement, storage, and distribution of bulk liquids (fuels). In addition, there will be auctions in the POA01 area, in the Port of Porto Alegre (RS), for the movement and storage of bulk vegetable solids; IMB05, at the Port of Imbituba (SC), for handling and storage of liquid bulk; ITG03, at the Port of Itaguaí (RJ), for handling and storage of bulk mineral solids; and AE-14, at the Port of Cabedelo (PB), for handling and storing general cargo.

Source: Datamar News

### CDRJ REACHES PROFIT OF 179.1 MILLION IN THE 1ST SEMESTER

Companhia Docas do Rio de Janeiro (CDRJ), the port authority that manages the ports of Rio de Janeiro, Itaguaí, Niterói, and Angra dos Reis ended the first half of 2021 with net income of R\$179.1 million. The significant growth in revenue reached R\$514.6 million in June, 63% higher when compared to the same period in 2020 (R\$314.9 million). This result is due to the increase in handling at the ports, in particular, the increase in handling volume and stable iron ore prices. The increase in sales combined with the effectiveness of cash flow management enabled closing the first half of 2021 with cash and cash equivalents exceeding R\$186 million. Another development that deserves to be highlighted was the company's tax management. With the support of specialized consulting, CDRJ settled debts with the Internal Revenue Service after reviewing the calculation of taxes due, paid taxes to Treasury coffers, and made use of relevant tax credits, generating great significant savings for CDRJ.

Source: Datamar News

### SUAPE REQUALIFIES LIQUID BULK PIER TO INCREASE CARGO HANDLING

The Liquid Bulk Pier 2 (PGL-2) at the Port of Suape, located in Ipojuca, Grande Recife, will have its structure requalified to streamline its operation and expand cargo handling. The works will be carried out with state resources and should start in the second half of October. The cost of the intervention is R\$7 million. In addition to structural recovery, the changes will make it possible for the pier to receive larger ships. Currently, the pier supports vessels of up to 90,000 deadweight tons (TPB). However, upon completion of the services, it may receive vessels of up to 120,000 (TPB). This is another one of the actions to modernize the berth, which has been investing R\$ 55 million this year in restructuring the piers, wharves, and other structures of the state-owned port. In 2020, R\$16.7 million were invested in works. PGL-2, which handles various chemical products, such as fuels and other petroleum products, is located at the state port and is one of the piers most used for berthing ships. For the director of Engineering at Suape, Claudio Valença, these interventions are fundamental to streamlining the operation of the port.

Source: Datamar News

### PORT OF ITAQUI RECERTIFIED TO ISO 14001

The Port of Itaquí has been recommended for ISO 14001 recertification. The internationally recognized standard attests to compliance with an environmental management system that requires the company to commit to preserving the environment and implementing continuous improvements. The result was announced last September 24th at the end of the audit that showed no observations, recommendations, or non-compliance. The standard was created to help companies identify, prioritize and manage their environmental risks as part of their usual practices. Since 2018, Porto do Itaquí has been part of the group of Brazilian public ports that have achieved ISO 14001 certification. To obtain certification, you must show documented proof, controls, and records, that you are committed to your environmental management system. One of the important points in the work that EMAP performs is the existence of a set of objectives and goals that translate into effectively implemented procedures that are widely known to employees, contractors, and partners.

Source: Datamar News

**IMPORTANT NOTICE: In order to facilitate the documents issuance all messages related to Documentation (Documentary Instructions/BsL /Mate's Receipt /Others) for the vessels in Santos Port, should be sent to the new e-mail [doc.santos@williams.com.br](mailto:doc.santos@williams.com.br)**

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