

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)

FAO AND OECD PROJECT THAT BRAZIL WILL INCREASE ITS WEIGHT AS A FOOD PRODUCER

Brazil will continue to increase its role as one of the main global food suppliers, including for products such as beef, and this despite a slower pace of growth of Chinese demand. The projections are from the report on agricultural prospects 2021-2030 published by the United Nations Food and Agriculture Agency (FAO) and the Organization for Economic Cooperation and Development (OECD). China will continue to have an enormous influence on agricultural markets. In addition, the Chinese market will have tougher competition as trade tensions diminish with the US. The report predicts that China could once again become the main market for US agricultural exports. In this scenario, and with Brazil as the dominant producer, Latin America as a whole will see its agricultural production grow 14% over the next ten years, given its abundance of land and water. The region's net export value is projected to expand by 31% – just over half the rate achieved between 2011-2020. Until 2030, the region will continue to grow its share of global markets for major commodities. It may eventually increase its share to 63% of world soy exports, 56% of sugar exports, 44% of fish exports, 42% of beef exports, and 33% of chicken meat exports.

Sources: *Valor Econômico/Datamar News*

BRAZILIAN EXPORTS FACE AN AVERAGE IMPORT TARIFF OF 4.6%, CNI STUDY SHOWS

The study "Tariff barriers faced by Brazilian exports: An international comparison," by the National Confederation of Industry (CNI), shows that Brazilian exports are subject to import tariffs that are twice as high, on average, as those applied to countries with geographic characteristics and economic similar to those in Brazil. The average import tariff applied to Brazilian products abroad is 4.6%, while the average of the other countries analyzed by the study is 2.3%. Among the 18 countries selected by the study, Brazil is the one that is subject to the third-highest import tariff (4.6%) when seeking access to foreign markets. The country is only behind Argentina (5.3%) and India (4.8%). In Latin America, except for Argentina and Brazil, other countries stand out for the low average tariff they are subject to when exporting their products: Colombia (1.2%), Chile (1.2%), Peru (1.1%), and Mexico (0.4%). In the BRICS group, Brazil's tariff is the second-highest, behind India, but it is lower than that of other economies: China (3.7%), South Africa (2.4%), and Russia (2.0%). The study shows that Brazil has the fourth highest tariff among the selected countries when considering only industrialized products. The tariff is 3.3%, second only to those registered by India (4.4%), Indonesia (3.8%), and China (3.6%).

Sources: *Comex do Brasil/Datamar News*

REDUCTION OF MERCOSUR'S COMMON EXTERNAL TARIFF REQUIRES EQUAL CONDITIONS TO COMPETE, ABIARROZ SAYS

The Brazilian Rice Industry Association (Abiarroz) sent a letter on negotiations to reduce Mercosur's Common External Tariff (TEC) to the Minister of Economy, Paulo Guedes. The document defends the free market and recognizes the need to revise the TEC, proposing "the adoption of measures that guarantee equal conditions to compete internationally, to prevent the national rice chain from suffering losses in the countryside and in agribusiness". According to Abiarroz, reducing the tariff may not bring the expected results because of the high cost of rice production in Brazil. TEC reduction may vary on average from 7.6% to 9.4% for different types of rice. In this period of pandemic, with restrictions on transport and inputs, the cost of packaging has grown by 113%, while freight cost has surpassed 300%. Energy and hiring labor have also become more expensive.

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

BRAZIL SURPASSES FORECAST WITH 92 THOUSAND TONS OF CORN SHIPPED IN JUNE

The weekly report released by the Ministry of Industry, Foreign Trade and Services showed the exports of several agricultural products in June. In the twenty first days of June, Brazil exported 92,169.2 tons of unground corn. This volume represents an increase of 90,052.9 tons when compared to exports until the third week of June (2,116.3), surpassing the total recorded in May (13,919.9) by 562%. However, year-over-year, Brazil shipped in June 2021 only 29.52% of everything registered during June 2020 (312,210.8). As a result, the daily average of shipments was 4,389 tons, up 562% from last month's average (662.9 tons). Compared to the same period last year, the average daily exports is 70.48% lower than the 14,867.2 in June 2020. Anec (National Association of Grain Exporters) expected Brazil to ship 89,000 tons in June, lower than the projection for the month of 123,949 tons, due to "low corn supply after a crop failure".

Source: *Notícias Agrícolas (*Translated by la Niani)*

HYDROUS ETHANOL SALES REACH THE SECOND HIGHEST MONTHLY VOLUME IN HISTORY

According to a survey by the National Agency of Petroleum, Gas and Biofuels (ANP), about 1.5 billion liters of hydrous ethanol were traded by distributors in May/2021, up 17.68% from May/2020 (1.3 billion liters). This is the second largest monthly volume of May in the historical series started in 2000, lower only than the volume sold in May 2019 (1.9 billion liters). In the first five months of this year, hydrous ethanol sales totaled 7.9 billion liters, up 3.90% from the same period in 2020 (7.6 billion liters). Ethanol imports (anhydrous and hydrous) totaled 15.1 million liters in May 2021, a drop of 64.91% when compared to May/20 (42.9 million liters). This was the second smallest amount imported for the months of May in the historical series started in 2012. The share of imports in total sales was 0.65% in May/21, a percentage lower than that registered in May/20 (2.21%) and Apr/21 (0.80%).

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

TEREOS SEES ROOM FOR HIGHER SUGAR PRICE ON BRAZIL WOES

French food group Tereos estimates that the Brazilian operation will crush 10% less sugarcane in the 2020/2021 season due to drier-than-normal weather, however the entity sees sugar at prices higher than the average, and an upward trend in the sweetener market due to weather problems. Tereos' CEO in Brazil, Pierre Santoul, said the Brazilian sugarcane crop failure "has not yet been completely priced by the global market", and there is room for sugar prices to go even higher. Raw sugar prices traded on the ICEM exchange were on July 1 at around \$18.40 cents per pound, fluctuating near the highest levels since 2017 on a continuous chart. Frosts in Brazil's Center-South are seen adding to the drought losses. Santoul believes the result will offset the 10% drop in production expected for the current cycle, not least because the company set sales at values 13% higher than the average last year.

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

RIO GRANDE DO SUL TO HARVEST ITS BIGGEST WINTER CROP

Rio Grande do Sul will harvest its biggest production of winter crops in this 2021 harvest, with 3.7 million tons of wheat, barley, canola and white oats, according Emater/RS-Ascar's report. The entity points out the most important winter grains will be cultivated in 1.49 million hectares (ha), reaching the highest output in recent years (3.7 million tons are forecast). This represents an increase of 10.8% in the planted area, and a growth of 32.5% in production, when compared to the previous year. Wheat production should reach 2.89 million tons, which represents an increase of 37.81% when compared to the last year (2.1 million tons). Wheat is the leading product in winter, its crop area is 1.08 million hectares, up 13.29% from the previous harvest (953.8 thousand hectares). Currently wheat's average yield trend is 2.6 ton/ha, up 21.6% from the previous crop (2.2 ton/ha).

Sources: *Terra/Arbitrigo (*Translated by la Niani)*



BRAZIL: ANP RELEASES CONSOLIDATED DATA FOR NATIONAL OIL, NATURAL GAS AND BIOFUELS IN 2020

National oil production rose 5.7% and reached 2.9 million barrels/day in 2020. The increase was led by the supply of pre-salt oil, which reached an average of 2 million barrels per day in the year, about 69.4% of the country's output. Likewise, this is the 11th consecutive year of increase for natural gas, growing by 4.3% (128 million cubic meters per day). In the pre-salt, natural gas production also continues to increase its share, with 65.7% in 2020. Oil exports reached the highest price in history due to the increase in domestic production in 2020 (1.4 million barrels per day), which represents an annual increase of 16.9%. Oil imports dropped 28.9% (135,000 barrels per day). The national production of oil products grew 3.4% in 2020, reaching 2 million barrels/day, around 77.2% of the refining capacity. Biodiesel production was 9% higher than the last year.
*Source: Portos e Navios (*Translated by la Niani)*

AMAGGI ANNOUNCED CONSTRUCTION OF A NEW BULK BLENDING FERTILIZER PLANT

The blending fertilizer plant to be built at the Portochuelo terminal, on the banks of the Madeira River is expected to be finished within a year, with investments of R\$ 102 million. It will be the second plant of this kind in the region, with potential to produce 200,000 tons/year. A rear warehouse with capacity to store 40,000 tons will be constructed all together to serve rural producers in Rondônia, Acre, Amazonas, and northwestern Mato Grosso. The first bulk blending fertilizer plant was built in Comodoro (MT), 100 kilometers away from Vilhena. The construction in Porto Velho was made possible due to grain exports via the Madeira-Amazonas River, and to raw material imports through Itacoatiara. For the executive president of AMAGGI, Judiney de Carvalho, the goal is to meet the diversified demand for agricultural production. According to Adélio Barofaldi, this industry is part of a process that will reduce costs for soy, corn and grass recovery, adding more value to the milk production chain, with logistics and freight at the producers' doorstep.
*Sources: Amaggi/Global Fert (*Translated by la Niani)*

MINFRA ANNOUNCES SANTOS PRIVATIZATION MODEL IS 'PRACTICALLY SIGNED'

The Minister of Infrastructure, Tarcísio Gomes de Freitas, declared that the Port of Santos privatization model is almost finished. Freitas spoke about the matter on Friday, July 2, during the breakdown Ministry's actions for the 1st half of 2021. "The model for the Port of Santos is practically finished, which will be a superlative auction as well, next year. The model is becoming very interesting; we incorporated the lessons learned from the structuring of the Codesa project, where we debated a lot about the regulatory issue. Codesa was a success and then we will do Santos. Without a doubt, it will be a great auction," he said. The auction for the Port of Santos is the most awaited by the port sector. The government is going to grant the private sector the management of the port, which is currently carried out by the Santos Port Authority (formerly Companhia Docas do Estado de São Paulo — Codesp). Terminals located at the Port of Santos are already private. The forecast is for the auction to take place in 2022. In the case of ports, the contracts are for 35 years.
Sources: G1/Datamar News

HANDLING AT THE PORT OF VITÓRIA GROWS 30.6% IN THE FIRST HALF OF 2021

The Port of Vitória closed the first half of 2021 with the best result in the last 10 years and growth of 30.6% compared to the same period in 2020. Handling totaled 3,659,016 tons. The information was consolidated by CODESA's Planning and Development Coordination (Coplad). The waiting time of ships also improved: it dropped 15.29%. The average was 23:44, in these first six months of 2021, it rose to 20:07.". All types of cargo registered an increase in movement in the semester. With a growth of 55%, general cargo was handled the most, followed by solid bulk (up 36.4%), liquid bulk (16.6%), and volume of containers (25.8%). By type of load, the biggest increase was malt, which rose 43.3% this semester, compared to the first six months of 2020. Support loads registered an

increase of 41.6%; caustic soda, 31.8%, and mineral coal, 31.3%. 10 years ago, the Port of Vitória did not register such important indexes. In 2011, which was an atypical year, 4.03 million tons were handled in the first semester. As of 2012, the results remained at lower levels. In the same period last year, for example, it was 2.8 million tons, but this year it exceeded 3.6mt.
Source: Datamar News

RECIFE CLOSES THE FIRST HALF OF 2021 WITH 4.06% GROWTH

The Port of Recife handled more than 590 thousand tons in the first half of 2021. The numbers show a growth of 4.06% compared to 2020. Cargoes such as sugar, malt, ash, fertilizers, wheat, and metallurgical products are among the highlights. In the first six months of the year, 147 vessels docked at the Port of Recife, operating a wide range of cargoes. Sugar was the most-handled cargo, followed by malt, with a growth of 48.38%, soda, fertilizers, wheat, and metallurgical materials. At the end of the first half, the terminal totaled 592,632 tons handled. In this semester, exports presented a growth of 59.57%, going from 98,272 tons to 156,811 tons. This scenario is due to the good performance in the handling of sugar, our main export product. From January to June 2020, the Recife anchorage handled 56,091 tons of sugar, while in the same period of 2021, it handled 145,079 tons. Bulk sugar exports grew 354.62% and sack sugar exports, 102.30%.
Source: Datamar News

PARANÁ EXPECTS TO REACH 2030 HANDLING TARGET THIS YEAR

Appointed as the gateway to Mercosur, Paraná is expected to advance by ten years its goal of 60 million tons of cargo handling in its ports. In May alone, there were 6 million tons, considered an all-time record. Last year, the Paraná port complex handled just over 57 million tons, a volume close to the target set for 2030 with the national plan and port logistics (PNLP). According to Sandro Alex, Secretary of Infrastructure and Logistics for the government of Paraná, Portos do Paraná (public port complex formed by the ports of Paranaguá and Antonina) has already invested nearly R\$361.5 million in projects, works, and services, such as the expansion of the pier and the modernization of Berth 201 (work which will allow larger ships to moor and will increase the handling capacity at the site by up to 140%), dredging for continued maintenance, and the renovation of passenger and tourism terminals on Ilha do Mel. The secretary also informs that another R\$ 56 million were foreseen for the initial project to modernize the Port of Paranaguá, with which the complex's operational capacity will increase by 100%. In all, the state's export corridor (Corex) should receive R\$ 1 billion in investments over the next few years. "
Sources: Valor Econômico/Datamar News

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

Please, follow us on Instagram

 [@williamsagents](https://www.instagram.com/williamsagents)

