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A GLOBAL SUGAR SURPLUS OF 5.2 MILLION TONS IS EXPECTED IN 2021/22

The rising production of sugar in Thailand and India has caused the global sugar market to reach a surplus in the 2021/22 crop season, Tropical Research Services (TRS) said. TRS has projected a surplus of 5.18 million tons in gross value, up from a previous estimate of 2.07 million tons in 2020/21 (based on October to September). Global sugar production was estimated at an increase of 5%, to 191.51 million tons. The good rains recorded during August and November 2020 have contributed to productivity growth in Thailand. According to TRS, Sugar production in Thailand is expected to increase to 10.11 million tons (October to September), compared to 7.81 million tons in 2020/21. The production in India, on the other hand, was estimated at a record 35.64 million tons, over 34.28 million tons in the previous year, with above average rainfall over the past two years boosting sugarcane cultivation. Global sugar consumption, in turn, is expected to grow 1% in 2021/22, reaching 186.33 million tons, since Covid 19 vaccine will supercharge global growth, allowing full recovery by 2022.

Source: Nova Cana

BRAZIL'S DEPENDENCE ON EXPORT TO CHINA IS EXPECTED TO CONTINUE GROWING

The pandemic of the new coronavirus is changing the profile of Brazilian exports, as Brazil becomes even more reliant on its sales to China. In 2020, the exports to the Asian country grew by 4% in relation to the previous year and reached a record percentage of 32.3%. China had been growing before that, but with more moderate increases. In one year, sales to China rose from \$ 63.4 billion to \$ 67.8 billion (up 7%), according to data from the Ministry of Economy. Due to the international crisis, total Brazilian exports dropped from US\$ 225.4 billion, in 2019, to US\$ 209.9 billion in 2020. The World Bank predicted China's growth of 2%, while the world average is expected to drop by 4.4%. Brazil depends on China's appetite to have an advantage in its exports (such as soybeans and iron ore). Armando Castelar from Getúlio Vargas Foundation (Ibref/FGV) recalls that the China's appetite for commodities should also grow this year, as the World Bank's projections show an increase of 7.9% in China's GDP, as well as some analysts have previously projected a 9% growth.

Sources: *Estadão/Canal Rural*

BRAZIL AND U.K. CREATE JOINT COMMITTEE ON AGRICULTURE

On February 11, Minister of Agriculture and Food Supplies, Tereza Cristina, and U.K. Secretary of the Environment, Food and Rural Affairs, George Eustice, signed a Memorandum of Understanding to create the Brazil/U.K. Joint Committee on Agriculture (CCA). Following this signature, the authorities of the two countries will make efforts to ensure the continuity of bilateral consultations on issues related to trade in agricultural goods and to establish a forum for debates related to the interests of both countries, including potential trade arrangements for the future. The CCA will consist of meetings between the participants held alternatively in each country (or virtually, when necessary) and between public agencies in Brazil and the United Kingdom and relevant agricultural and animal health institutions. Brazilian agribusiness exports to the United Kingdom grew 5% in value in the 2019/2020 comparison, rising from US\$ 1.031 billion to US\$ 1.087 billion. According to the explanation of the agricultural attaché in London, Augusto Billi, the year 2020 was quite atypical, partially due to the Covid-19 pandemic which altered consumption habits and supply chains, and also due to the Brexit transition experienced by the United Kingdom on 12/31/20. Despite all the difficulties of the year 2020, Brazilian agribusiness managed to grow 5% in the British market. Growth expectations are favorable for 2021.

Source: *Datamar News*

CONAB: BRAZILIAN GRAIN PRODUCTION TO REACH 268.3 MILLION TONS

Late on Thursday (11), the National Supply Company (Conab) reported that the expected grain production may reach 268.3 million tons, a 4.4% increase (11.4 million tons) when compared to 2019/20. Unlike the previous estimates, Conab now shows a possible gain of 3.5 million tons, supported by the 4.4% growth in the planting area of the second corn crop. The crop is still being sown. The total planted area is expected to reach 67.7 million hectares, a 2.7% increase in relation to the previous crop. The expectations on the planting area of the first corn crop decreased by 0.8%. The expected production is 23.6 million tons. Total production may reach 105.5 million tons, a percentage 2.9% higher than that obtained in 2019/20. The rate of growth of the soybean cropped area remains high. In this harvest, the estimate points to an area of 38.3 million hectares, an increase of 3.6% in relation to the previous cycle and a production of 133.8 million tons.

Source: *CONAB*

SALES OF ANHYDROUS ETHANOL GROW BY 10.53%

In the second half of January, sales of ethanol to the domestic and foreign markets in the Central-Southern region reached 1.36 billion liters. This is the first fortnight in the domestic market with an increase in the volume of ethanol - 1.25 billion liters this year over 1.23 billion liters in the same period last year (up 1.64%). Exports have reached 105.04 million liters. In the domestic market, the sale of hydrated ethanol reached 1.65 billion liters in January 2021, compared to 1.76 billion liters in the same month of 2020. In turns, the volume of anhydrous ethanol reached 810.05 million liters in January, an increase of 10.53% in sales when compared to the same period last year. "The increase in the sales of anhydrous ethanol indicates that we can meet the mandatory amount of ethanol mixed into gasoline, reducing the need to import biofuel" says Antonio de Padua Rodrigues, UNICA's technical director.

Source: *Jornal Cana*

SOYBEAN SHIPMENTS TO DECLINE IN FEBRUARY, WHEREAS CORN EXPORTS ARE EXPECTED TO GROW, SAYS ANEC

The National Association of Cereal Exporters (Anec) estimates soybeans shipments in February to be between 6 and 7.6 million tons, that is a decline when compared to the 8.5 million tons that had been forecasted before. In February 2021, the volume shipped was 6.6 million tons. Anec says that new estimates are due to the delay in the harvest and to the cargo that might be impacted by the rain. Soybean meal exports are expected to reach 1.2 million tons in February, over one million in the same period in 2020. In addition, corn shipments are expected to reach 534.8 thousand tons in February, which is an increase when compared to the 426,9 thousand tons estimated last week. In the same month last year, grain exports totaled 415.2 thousand tons.

Sources: *Universo Agro / DATAGRO*

BRAZIL GAINS ACCESS TO SIX NEW MARKETS FOR AGRIBUSINESS IN 2021

Brazil continues to work to diversify its export basket. From the beginning of the year until now, there were six new market openings in addition to the other 108 held since 2019. The country also managed to update the health certificate that limited the age of cattle sold to Saudi Arabia. On February 11, three openings were confirmed: Chile authorized the purchase of Specific Pathogen Free (SPF) eggs from Brazil; Colombia confirmed an opening to import Brazilian rice seeds; and Cambodia accepted the entry of Brazilian pork and meat products. At the beginning of February, Chile had opened its market to import rodents for exhibition in zoos and for use as pets. In addition, in January the Argentine market was opened for the purchase of bovine guts and bladders from Brazil. This information was obtained from the Department of Trade and International Relations of the Ministry of Agriculture. The first opening of the year was the Saudi Arabian market for the export of sheep meat.

Sources: *Valor/Datamar News*



MOSAIC FERTILIZANTES PROVIDES PROMISING SCENARIO FOR AGRIBUSINESS IN 2021

Mosaic Fertilizantes expects to trade 40 million tons of products in 2021, a historic record for the fertilizer market in Brazil. The possible result is attributed to the excellent outcomes in the grain crops, also the price of commodities in the international market and the exchange rate, which contributed to a 6% increase in the fertilizer when compared to 2019. The good scenario stimulates a greater technological investment in soil nutrition. The favorable currency exchange rate and the good prospects for Brazilian agribusiness also encourage the purchase of high-performance fertilizers, bringing even more relevant productivity gains. According to the vice president of Mosaic Fertilizantes, Eduardo Monteiro, the farmer exchange rate has reached its best level in the last 3 years, at about 12 tons of soybeans per ton of fertilizer.

Sources: *Grupocultivar/Global Fert*

CODEBA BREAKS RECORD FOR JANUARY BY HANDLING OVER 1 MILLION TONS

In January 2021, CODEBA Ports handled 1,095,335 tons, representing a 36.16% rise on the same period in 2020 when the company handled 804,466 tons. It was the best January in the company's history and, for the first time, more than 1 million tons were handled in the month. These figures were driven mainly by the performance of the Port of Aratu-Candeias, with an increase of 54.88% compared to January 2020, handling 643,113 tons. The movement of liquid bulk which grew by 69.45%, and solid bulk which grew by 33.82%, contributed to this increase. The main products handled were 294,953 tons of NAFTA, and 99,579 tons of fertilizer. It is worth mentioning that two weeks ago, the cargo handling system at Terminal I of Grãos Sólidos de Aratu-Candeias (TGS I) resumed its activities after undergoing maintenance. TGS I is the main terminal in the port for importing solid bulk. The Port of Salvador handled 442,230 tons, representing an increase of 20.81% compared to January 2020, when 366,065 tons were handled. In January, Ilhéus shipped the first nickel concentrate shipment in 2021. Around 10,000 tons were handled. Companhia das Docas da Bahia has shown a stable performance. For the fifth consecutive month, cargo handling is up compared to the same month of the previous year.

Source: *Datamar News*

PARANAGUA PORT PLANS RAILWAY EXPANSION

Cotriguaçu, one of the eleven terminals that make up the Eastern Export Corridor at the Port of Paranaguá, has inaugurated a new railway diversion. The private investment of R\$ 8 million for the remodeling is in line with the plans of the port to expand capacity and share the cargo transportation modal. With more modern tracks, the gains are, mainly, more security for operations and workers; increase in terminal productivity; and the reduction of interventions at the level crossing on Avenida José Lobo. According to Rodrigo Buffara Farah Coelho, general manager of Cotriguaçu, the company unloads 80 wagons of soy, corn and bran a day: "With the railway remodeling, this year the discharge should reach 150 wagons/day. Currently, the participation of the railway modal in our operations is 35%. Our goal is to equalize road and rail modes, thus ensuring more competitiveness for our customers," he said.

Source: *Portos do Paraná*

MINFRA SIGNS FOUR NEW TUP CONTRACTS IN PARÁ

On February 10, the Ministry of Infrastructure (MINFRA) signed four new contracts for the development of private-use terminals (TUPs) in the state of Pará through SNPTA (the national secretariat of ports and water transport). "The new contracts with the terminals will supply a demand for cargo handling in the region, which has become a strategic logistics corridor and is in constant growth", declared the National Secretary for Ports and Waterways, Diogo Piloni. Private Use Terminals (TUPs) are terminals granted by ANTAQ (the national waterway transport agency) to private companies. The new regulatory framework for the port sector (Law 12.815 / 2013 and Decree 8.033 / 2013) defined new terms for the exploitation of TUPs, facilitating access

to private resources. In two years, the Federal Government has signed 78 adhesion contracts with companies, which represents R\$ 6 billion in investments in the modal.

Source: *Datamar News*

SPA EXTENDS DEADLINE FOR INTERNAL RAILWAY PUBLIC CONSULTATION

Santos Port Authority (SPA) has extended the delivery deadline for public consultation on the new operating model of the Port of Santos Internal Railway (FIPS), a rail system that integrates the port infrastructure. Now the consultation will run until February 27. A public hearing was held for this online on February 10, due to the restrictions imposed by the pandemic. The debate, which lasted about four hours, was opened by Diogo Piloni, head of the National Secretariat of Ports and Waterway Transport (SNPTA). With an offer of 50 million tons, Porto's internal railway currently handles approximately 45 million tons. The port's Development and Zoning Plan (PDZ) foresees an increase of 91% in railway movement until 2040, to 86 million tons per year. To meet this demand, it is estimated that approximately R\$ 2 billion will be needed in expansion works such as new branches, a railway pier on the right bank (Santos), a new railway backyard on the left bank (Guarujá), the elimination of level crossings, and the construction of pedestrian walkways in Porto Organizado. The current contract expires in 2025. The entire hearing was broadcast live and will be available on SPA's YouTube channel. The documents for the public consultation may be consulted at:

<http://www.portodesantos.com.br/informacao/participacao-social/audiencias-ou-consultas-publicas/consulta-publica-fips/>

Source: *Datamar News*

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