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PARTIAL RECOVERY OF SUGARCANE CROP IN BRAZIL'S CENTER-SOUTH IN THE UPCOMING SEASON, RABOBANK SAYS

Rabobank said on Wednesday that the upcoming sugarcane crop cycle in Brazil's Center-South (2022/23) will have only a partial recovery compared to the current season (2021/22), with an estimated volume at 530 million/550 million tons. This current forecast compares with the volume of around 525 million tons earlier projected for the 2021/22 season, however it was hampered by severe dry weather, and frost. After that, the current season has been putting pressure on production in the world's largest sugarcane supplier region. In 2020/21, the volume of sugarcane crushed by Center-South producers was 605 million tons. "The plan for planting sugarcane in the region was not carried out properly," said analyst Andy Duff. In this scenario of lower supply, Duff forecasts another year of high prices for the sugar and ethanol sector, considering the reduced cane availability for 2022/23. Despite the increase in costs, sugarcane industry will have good margins in the new harvest, which starts in April 2022.

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

ETHANOL EXPORTS REACH 67.15 MILLION LITERS IN OCTOBER

In October, the producing units in the Center-South sold a total of 2.14 billion liters of ethanol, recording a 29.81% drop compared to the same period of the 2020/2021 cycle. Of the total sold in the period, by 67.15 million liters were destined for the foreign market and 2.07 billion liters were sold in the domestic market. Hydrous ethanol sales in the domestic market reached 1.23 billion liters, which represents a considerable reduction of 34.92% over the amount of the last crop cycle (1.89 billion liters). The volume of anhydrous ethanol had a positive variation of 5.27%, with 842.67 million liters sold in 2021 against 800.49 million liters in 2020. Antonio de Padua Rodrigues, director of UNICA, explains that sales in October reflect the readjustment of the fuel market considering supply and price conditions. In the case of anhydrous ethanol, the current stocks, plus the production estimated for the upcoming months, will be enough to supply the domestic market.

Source: Jornal Cana (*Translated by la Niani)

2020/21 BRAZIL SOYBEAN CROP REACHES 92.8%, DATAGRO SAYS

A survey by the DATAGRO consultancy shows that the sale of the 2020/21 crop of soybeans slightly advanced in October but has already reached 92.8% of the expected production up to November, 5. "The limited movement confirms the expectations of general price declines in the month, in addition to the fact that the harvest is heavily sold, prices are now well below the highs of the year", said DATAGRO's Grains coordinator, Flávio Roberto de França Junior. Considering the current production forecast for the 2021 crop at 136.97 million tons, Brazilian soybean producers have a total of 127.06 million tons of soybean. In the same period last year, this production volume was higher in nominal terms but lower in absolute terms, reaching 126.53 million tons. According to DATAGRO, by 28.2% of the estimated production of the 2021/22 soybean crop has already been traded. This flow is below the 32.3% average of the last 5 years and well below the 53.4% of the previous record.

Source: DATAGRO (*Translated by la Niani)

SOYBEAN PROCESSING FELL AGAIN IN SEPTEMBER; EXPORTS TO BREAK RECORD IN 2022

Reductions in the biodiesel blend percentage of Brazil's diesel sales again affected soy processing in September informed ABIOVE (the Brazilian association of vegetable oil industries). According to the organization, the volume processed reached 3.3 million tons in September compared to 3.4 million in August and 3.7 million in June and July. In the first nine months of the year, the YTD volume decreased by 1.7%. For 2021 as a whole, the organization estimates that processing will total 46.5 million tons, 345,000 less than last year. But for 2022, the

perspective is for an increase, to 48 million, although this volume represents 33.7% of estimated production, compared to 33.3% this year. In the association's accounts, production of soybean will reach a record 144.1 million tons, 4.4% more than this year and they project an increase in grain exports, from 86 million tons in 2021 to 92.1 million. A record export volume of soy meal is also expected, in the order of 17.7 million tons, and 900,000 tons of soy oil over the next year.

Sources: Valor Econômico/Datamar News

BRAZIL CORN CROP IS EXPECTED TO REACH 105.9 MILLION TONS IN 2022

The 2022 agricultural harvest is expected to reach 270.7 million tons, up 7.8% compared to 2021 forecast. If confirmed, it will be a new historical record. The data are from the first Forecast for the Agricultural Crop released by the Brazilian Institute of Geography and Statistics (IBGE). The soybean and corn crops account for the projection of a new historical record for agricultural production for 2022, according to the first forecast for the Agricultural Crop. The soybean harvest will reach 135.2 million tons in 2022, an increase of 0.8% when compared to 2021. First-crop corn will reach 28.7 million tons in 2022, an increase of 11.1 % compared to 2021. Second crop corn production is expected to increase 26.8% in 2022. In total, there will be 105.9 million tons. According to IBGE, soybean planting has not been delayed, favoring the "planting window" for the corn second crop.

Sources: Agências do Estado/Nova Cana (*Translated by la Niani)

BRAZIL RICE EXPORTS SHOULD REACH 1.2 MILLION TONS

Brazil's rice exports are expected to reach around 1.2 million tons this year according to estimates from the Brazilian Rice Industry Association (Abiarroz), based on overseas sales between January to October, which total 958 thousand tons. In the same period of 2020, rice exports reached 1.68 million tons. In the analysis of the organization's export manager, Carolina Matos, the projection of foreign sales for 2021 is within expectations. "With greater control of the pandemic, the volume should be close to those of 2019, when Brazil shipped 1.43 million tons", she said. According to her, the recovery of the economy has also impacted logistics around the world, with a sharp rise in the prices of ocean freight. Abiarroz is working to open new markets. "Today we have eight priority markets, but we are working to open new markets and break down barriers for our rice," she said.

Source: Canal Rural (*Translated by la Niani)

ABITRIGO EVALUATES PRECAUTIONARY MEASURE AGAINST GMO ARGENTINE WHEAT

ABITRIGO (the Brazilian wheat industry association) will ask Brazil's Department of State to immediately convene the National Biosafety Committee to perform a more comprehensive analysis of the implications of the presence of transgenic argentine wheat in the Brazilian market. The entity also is considering entering into a precautionary measure to prevent the decision of the CTNBio (National Technical Biosafety Commission) to authorize the sale in the country of flour made with genetically modified argentine wheat from entering into force until the National Biosafety Committee expresses its opinion on the matter. On Thursday, November 11, the CTNBio approved the sale. "This decision is laden with uncertainties in the scope of developments before the market and the international community and was taken based on criteria that affect safety, without further study on market conditions and consumer behavior", says the entity, in a statement. The organization also claims that the approval will have an impact on Brazilian exports of by-products (pasta, biscuits, and bread), in addition to unpredictable splits on the image of national agribusiness.

Sources: Valor Econômico/Datamar News

TRES LAGOAS INDUSTRIAL UNIT COULD MINIMIZE POTENTIAL PROBLEMS FROM THE LACK OF FERTILIZER IN BRAZIL

Brazil faces high costs and problems in purchasing fertilizers for agricultural production. The product accounts for up to a third of the operating cost of soy and corn. A Nitrogen Fertilizer Unit III (UFN3), which



has been turning to scrap for seven years, located in Três Lagoas, could supply at least part of this demand. The projection is that the billion-dollar industrial unit would have a production capacity of 3,600 tons of urea and 2,200 tons of ammonia a day and could at least meet part of the country's demand. UFN3 has been abandoned since 2014. The factory's main raw material is natural gas coming from the neighboring country. It was part of a consortium made up of Galvão Engenharia, Sinopec (Chinese state-owned) and Petrobras, budgeted at R\$3.9 billion. With the appreciation of the exchange rate, the increase in international freight prices and the scarcity of raw materials, the price of the main fertilizers used in Brazilian agriculture has risen sharply and has directly impacted the country's agricultural production costs.

Sources: *Correiodoestado/Global Fert* (*Translated by la Niani)

ARCELORMITTAL TO INVEST R4 4.3 BILLION IN BRAZIL

ArcelorMittal, for a hundred years in Brazil in the long steels sector, announced on Thursday (11) an investment of R\$ 4.3 billion until 2024. The company will expand the capacity of the João Monlevade steel plant from 1.2 million tons to 2.2 million tons per year, and increase the capacity of the Serra Azul mine, from 1.6 million to 4.5 million tons per year. Minas Gerais will have increased long steels production by around one million tons/year for application in high added value products. Iron ore production is expected to increase by 4.9 million tons/year. The organization believes in Brazil's sustainable growth and increased demand for steel, especially in key sectors of the Brazilian economy, such as civil construction, automotive, machinery and equipment, and for iron ore, both in the domestic market and for export to both the products.

Source: *Portos e Navios* (*Translated by la Niani)

PORT SECTOR HANDLING GROWS 6.3% FROM JANUARY TO SEPTEMBER 2021

Between January and September of this year, the national port sector (public ports + authorized terminals) handled 910.6 million tons. This represented a growth of 6.3% compared to the same period in 2020. Public ports handled 312.5 million tons, an increase of 6%, and private facilities handled 598.1 million tons an increase of 6.4%. The information is from ANTAQ's Waterway Statistical Panel. In relation to load profiles, solid bulk grew 2.4% compared to the same period last year. Liquid bulk had an increase of 11.3% compared to the first nine months of last year. General loose grew 12.2%, reaching 44.1 million tons. Iron ore was the most-handled cargo in the national port sector between January and September, with 275.2 million tons handled, up 7.15%. In second place came oil and derivatives (208.4 million tons, +9.20%). Soy came in third place, with 99.4 million tons handled, down 1.38%. Among the navigations, the long haul, which represents 70.5% of handling, presented a growth of 6.7% until September 2021 compared to the same period in 2020.

Sources: *ANTAQ/Datamar News*

RECORD 3Q21 PROFIT AT PORT OF SANTOS

Santos Port Authority (SPA), the state-owned company that manages the Port of Santos, ended the third quarter with a net profit of R\$ 98.3 million, a new record for the period and a growth of 9.2% over 2020. The strong results were mainly due to increased efficiency in costs and expenses. The constant effort to optimize efficiency was reflected in the 17% drop in recurring general and administrative expenses, which went from R\$33.9 million in 3Q20 to R\$28.1 million in 3Q21. The increased efficiency achieved with the various austerity measures and rationalization of expenditures enabled gains in profitability and cash-generation indicators. Earnings before interest, taxes, depreciation, and amortization (EBITDA), adjusted for extraordinary events, increased by 3.7%, reaching R\$ 170 million in the third quarter. The adjusted Ebitda margin was 60.9%, increasing 3.7 percentage points in the period. SPA ended the quarter with a gross cash position of R\$1.2 billion, a significant increase of 74.4% compared to the 3Q20 ending cash position.

Source: *Datamar News*

SÃO FRANCISCO SETS NEW IMPORT RECORDS FOR STEEL AND AGRICULTURAL INPUTS

In the first 10 months of this year, the Port of São Francisco do Sul registered the largest import volume in its history for steel and agricultural production inputs. YTD imports of steel coils and bars from Asia reached 3.2 million tons in October, an increase of 77% compared to the same period in 2020 when 1.8 million tons entered. Imports of fertilizers and urea, used in agricultural production, rose from 1.6 million tons last year to 2.1 million tons, an increase of 31%. This fertilizer comes from the Middle East, mainly from countries like Iran and Oman, and lands in São Francisco do Sul on ships with a capacity of up to 57,000 tons. In 2021, the Port of São Francisco do Sul already handled 11.6 million tons: 6 million tons were imported (mainly steel and fertilizers) and 5.6 million were exported (mostly soy, wood, and pulp). These numbers represent an increase of 11.5% compared to the first 10 months of last year.

CODESA PRIVATIZATION ADVANCES IN FEDERAL AUDIT COURT WITH TARIFF REDUCTION

The process that will culminate in the first privatization of Brazilian ports, by Companhia Docas do Espírito Santo (CODESA), advanced at the federal audit court (TCU), which needs to release the project so the federal government can publish the notice and carry out the auction. During the government's negotiations with TCU's technical area, the privatization plan was amended to include more tariff reductions. According to sources, the government reached a new value for the main tariff paid by the shipping companies, that of waterway access (called table 1) with a reduction of 37% compared to the initial proposal by the Ministry of Infrastructure – also lower than the amount paid today by companies. Currently, the estimate in table 1 is around R\$ 1.7 per deadweight ton (TpB). The initial government spreadsheet foresaw the benchmark of R\$1.24/TpB, which dropped to R\$0.79/TpB after revisions carried out with the court's technical unit. The amount of R\$ 0.79 can still be adjusted upwards, due to a change in the tables that will exempt another tariff.

Sources: *AE News/Agência Estado/Datamar News*

RUMO: MALHA CENTRAL TO GET NEW SUGAR AND FERTILIZER TERMINALS IN 2022

Rumo, Cosan Group's logistics company, plans to open two new terminals in the Malha Central besides beginning container operations, says Ricardo Lewin, the group's investor relations director. In the second quarter of 2022, the plan is to open a sugar terminal on the North-South railroad and, in the third quarter, a fertilizer terminal. Container operations are expected to start in the second half of the year. After the corn crop failure this year, Rumo projects better numbers in 2022, both for the soybean and corn crop, according to Lewin in a conference call with analysts. For soybeans, the expectation is a record harvest, with an increase of 9 million tons compared to 2021. Of this volume, 80% will be exported, 4 million tons more than in 2021. Mato Grosso should register an increase of 1 million in exports. As for the corn market in 2022, the expectation is also a record harvest of 119 million tons, with an increase of 17 million.

Sources: *Valor Econômico/Datamar News*

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Williams Serviços Marítimos Ltda.
+ 55 81 3327 9200
williams@williams.com.br
www.williams.com.br