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## **SUGAR MILLS SET PRICE FOR 21% OF THE SUGAR TO BE EXPORTED IN 2022/23**

Sugar and ethanol mills have already set the price for 20.9% of the sugar they intend to export in the next harvest (2022/23), which starts in April of next year, according to a survey carried out by Archer Consulting up to May 31. The percentage is the equivalent of 5.3 million tons, negotiated at an average price of R\$1,800 per ton (put at the port of Santos). In May alone, pricing operations were carried out for just over 1.2 million tons at an average price of R\$1,920 per ton. The value was below the average obtained in the previous month, of R\$1,962 per ton. The chart below was compiled using DataLiner data and shows Brazilian sugar handling in the period from January to April 2019/2021 based on data from DataLiner: According to Arnaldo Correa, managing partner of Archer Consulting, the mills took advantage of "the new highs reached by the market (in cents per pound) despite a stronger Brazilian currency against the US currency." In dollars, the average fixed price for sugar for the next season is 14.25 cents per pound. The value does not take into account the forward premium bias.

Sources: Valor Econômico/Datamar News

## **MILLS IN PARANA TAKE ADVANTAGE OF SUGAR GROWTH TO GAIN ACCESS TO NEW MARKETS**

Mills in Parana are giving rise to the production of processing of sugar, instead of ethanol. This is due to the drop of the sugarcane crop (6%) in Brazil's Center-South because of the drought, and the growth of sugar in the international market. A 50-kilogram bag of sugar was R\$90 in June last year, this year it is R\$117. As a result, pressure on the price of fuel also increases. In May, a liter of hydrous ethanol was R\$1.88, while in May 2020 it was R\$3.57. The economist at the Federation of Industries of Paraná (Fiep), Marcelo Alves, says that the mills in the state have gained from new buyers. "This year we have seen Iran, Switzerland and China, which are not traditional buyers of sugar from Paraná, choosing our product", say Alves. Paraná is the third largest sugar producer in Brazil. Approximately 90% of Paraná's sugar production is exported to Iraq, Algeria, Canada, Malaysia, Iran, Bangladesh and Russia.

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

## **ETHANOL PRICE RISES AND SURPASSES R\$ 5**

According to the latest Ticket Log Price Index (IPTL), the average price of ethanol surpassed R\$5.00 at the beginning of June, after an increase of 3.77% compared to the end of May. The fuel was sold at R\$5,004 at service stations, while the average price of gasoline is R\$5.853, an increase of 0.95%. "The increase in ethanol prices is significant. No fuel in Brazil was found with an average price above R\$ 5.00 in January, said Douglas Pina, Head of Urban Market at Edenred Brasil. Two Brazilian regions still register average prices below R\$ 5.00 for ethanol. The value per liter in the Center-West region is the lowest, at R\$ 4,546. The region also had the smallest increase in price (0.35%) compared to the end of May. In the Southeast region, the fuel was found at R\$ 4.861. The most expensive ethanol was found in the Northeast Region, at R\$ 5,133, also with the highest price increase (4.93%).

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

## **GLOBAL PRICE OF AMMONIUM SULFATE HAS BEEN RISING IN 2021**

Since the first quarter of 2021, the price of Ammonium Sulfate has increased and should keep the same pace in the coming months. There was a growth of 11% in May when compared to May 2020, reaching its highest level since February 2020. As the largest producer and exporter of Ammonium Sulfate, China was responsible for the higher prices in May in the international market, together with the stoppage for maintenance of some factories, and higher costs of raw materials. Moreover, Sulfuric acid increased by 10% when compared to the last month, the highest value in the last 7 years for the month. This increase is due to the poor availability of Sulfur. Likewise, the price of Ammonia grew in 2021. In

Brazil, price continues to grow, with an increase in the average CFR price in Paranaguá, when compared to the previous months. The largest volume of Ammonium Sulphate is from China (89,000 tons in May representing 78.3% of the total), where prices increased by 3.2% on average.

Source: Globalfert (\*Translated by la Niani)

## **BRAZIL TO EXPORT 11.5 MILLION TONS OF SOYBEAN IN JUNE, ANEC SAYS**

Brazil's total soy exports is expected to reach 11.5 million tons, according to a weekly survey by the National Association of Cereal Exporters (ANEC). In June last year, exports reached 11.92 million tons. In May, Brazil shipped 14.22 million tons. From June 6 to June 12, Brazil shipped 2.22 million tons. For the period between June 13 and 19, ANEC points out the volume of 2.63 million tons. Year-to-date, Anec projects shipments of 61.88 million tons by the end of June. The estimated forecast for soybean meal was raised to 2.13 million tons from 1.96 million last week, with a strong increase over June last year (1.39 million tons). In May, volume was 1.7 million tons. In the year, the first half, 8.56 million tons are expected to be shipped. ANEC does not forecast corn shipments in June.

Source: Agência SAFRAS (\*Translated by la Niani)

## **BRAZIL REGULATION ALLOWING GMO CORN IMPORTS FROM THE US IN JULY**

Under the new rules, published by Brazilian biosecurity regulator CTNBio in the official government gazette on June 17, a specific variety of genetically modified corn from the United States is already allowed to be imported. "CTNBio/MCTI approved the commercial release of genetically modified corn DP-ØØ4114-3 and its derivatives for human and animal food. This corn has already been authorized for human consumption in twelve countries and the commercial release of the commission includes handling, processing, marketing, transport, import, export, storage, consumption and disposal". The request for the release of GMO corn imports from the United States for animal feed production is an old claim by the animal protein sector in Brazil. This has been reinforced since last year, mainly due to the increase of corn and soybean meal production costs.

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

## **VLI PROMOTES FIRST SHIPMENT OF CORN THROUGH TERMINAL IN SERGIPE**

Logistics company VLI announced the first shipment of corn at the Inácio Barbosa Maritime Terminal (TMIB), located in the state of Sergipe. The company said that between June and July, by 60,000 tons of corn will be shipped to the US. "With the new flow, the company takes another step for consolidating TMIB as a channel for Brazilian agribusiness. The corn shipped in Sergipe comes from the west of Bahia". In May, VLI had announced the resumption of grain shipments through Sergipe, with the shipment of 90,000 tons of soy meal abroad. "The terminal has the structure to work for different production sectors, and can support the flow of steel inputs, now it is also a route for agribusiness, meeting a growing demand from producers, especially in the Northeast and Center-West regions of the country", said Italo dos Santos Leão, commercial manager of VLI. In 2020 alone, 763.28 thousand tons were handled by the terminal, over 578.71 thousand tons in 2018, which represents an increase of 31.8%.

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

## **ENTITIES EVALUATE EXPANSION OF WHEAT IN THE CERRADO BIOME**

The Confederation of Agriculture and Livestock of Brazil (CNA), the Brazilian Agricultural Research Corporation (Embrapa), and other entities from the productive sector met on June 16 to discuss the expansion of the wheat planting area in the Brazilian Cerrado. Embrapa plans to offer new technologies to increase the competitiveness of wheat crop, with actions to help promote new producers. Jorge Lemainski, the head of Embrapa Trigo, said that the planting area is expected to



increase 100,000 hectares by 2023, reducing wheat imports from countries, such as Argentina and Paraguay. "The project will start in the states of Bahia, Goiás, Mato Grosso, Mato Grosso do Sul, Minas Gerais and São Paulo and in the Federal District by September 2021, until December 2023", Lemainski said. According to the National Supply Company (Conab), the southern region has 88% of the Brazilian wheat production area.

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

### PORT SECTOR CARGO HANDLING UP 9.7% IN THE FOUR-MONTH PERIOD

Between January and April, the port sector handled 380.5 million tons of cargo. This corresponds to an increase of 9.73% compared to the same period last year. The numbers are from ANTAQ's Waterway Statistical Panel. In April 2021 alone, the Brazilian port sector handled 100.5 million tons, which meant an increase of 6.2% compared to the same month last year. In the first four months of the year, private ports handled 249.7 million tons, up 9.94% compared to the first four months of 2020. Public ports handled 130.8 million tons, registering an improvement of 9.33%. "The numbers are still positive, and the trend is that port activity will maintain on an upward curve throughout the year. The Brazilian port sector has proven to be resilient, even able to overcome a pandemic", said ANTAQ's CEO, Eduardo Nery, stressing that ANTAQ will continue working to provide the sector with more infrastructure and to attract investments. The busiest cargoes in this first four months were ores (+ 11.7%), mineral fuels (+ 15.87%), and seeds and oleaginous fruits (- 3.38%) The movement via cabotage was 94.3 million tons in the first four months of the year, a 12% growth.

Source: *Datamar News*

### PORT OF SANTOS SETS NEW CARGO-HANDLING RECORDS

In May, the Port of Santos set a new record for cargo handling for the month, reaching 14 million tons, an increase of 7.3% over the previous highest mark for May which was registered in 2020. It is the second-best monthly result in the history of the port, behind only March of this year (15.2 million tons). In the accumulated result for the first five months of the year, the movement reached 63 million tons, 8.1% higher in the annual comparison, which sets yet another record for the period. According to Marcelo Ribeiro, Operations Director of Santos Port Authority (SPA), the continuing high cargo-handling levels reflect not only the strength of agribusiness and the strong growth of the container but also the efforts made to increase the efficiency of the Port of Santos and keep it as the country's primary national logistics asset. "These numbers are favored by the management actions we have been adopting in recent years, and reflect not only the review of regulations and increased inspections for compliance with productivity indicators but also the expansion of areas through new auctions and transition contracts," explained the executive. Soybeans in bulk remained the primary cargo responsible for driving exports and reached an export volume of 4.1 million tons in May and 17 million tons year to date. Bulk sugar increased 5% in May, maintaining double-digit growth in the year, up 16.9% – with 2 million tons exported in the same period in 2020 and 7 million tons in 2021.

Source: *Datamar News*

### CARGO HANDLING AT THE PORT OF VITÓRIA GROWS 43% IN MAY

Following the trend of previous months, the Port of Vitória recorded a growth of 43.6% in cargo handling in May compared to the same period in 2020. In May, 178,641 tons of cargo were handled. The year-to-date numbers are also positive, registering an increase of 35.8% from January to May compared to the first five months of last year. The biggest increase was in solid bulk, 59.6%, with 423,910 tons handled year to date. The main products in the category were malt, with 159,200 tons (102.9%), and coal (87.5%). Liquid bulk registered an increase of 19.7%, with the movement of 63,160 tons in the first five months of the year. The liquid bulk highlights were fuel, which increased 15%, and caustic soda, increasing 47.8%. There was also an increase in the loose general cargo category, which grew 12.9%, and in containerized cargo which grew 28.2% compared to 2020, representing total handling of 272,290 tons. A

curiosity: in May, the Port of Vitória registered equal numbers for cabotage and long-haul navigation. Of all ships that entered the port, 50.8% were cabotage and 49.2% long-haul. There were more import operations during the period, which totaled 1,596,530 tons, while exports registered 1,370,190 tons. For long-haul routes, whether of destination or origin, the countries that registered the most operations were the United States, Argentina, and Chile. When it comes to cabotage, the Brazilian states with the most movements with the Port of Vitória were São Paulo, Rio de Janeiro, and Alagoas.

Source: *Datamar News*

### WITH BIDDING APPROVED, RECIFE PORT TO PUBLISH NOTICE TO BEGIN DREDGING WORK

Last Friday, June 18, the Port of Recife received authorization to bid for the anchorage dredging work. The document was in Brasília awaiting approval from the DNIT (national department of transport infrastructure) and PFE (specialized federal prosecutor). The prosecutor's opinion concludes that Porto do Recife S.A. will carry out the bidding in accordance with Law No. 13.303 (public companies law). With the release of the bidding by the Federal District agencies, the funds should be transferred this week to the Recife anchorage that will prepare the bidding documents for the dredging work, the supervision of the work, and the environmental monitoring necessary. The state government and federal government signed a Term of Commitment with DNIT (the national department of transport infrastructure) at the end of 2019 to execute the dredging works for the berth. From berth 00 to 01, dredging will take place to 10 meters; from berth 02 to 06 dredging will take place to 11 meters; and from berth 07 to 09, dredging will take place to 8 meters. There will be 832,208 cubic meters of sediment dredged from the berth, inner channel, and evolution basin. The federal government will contribute R\$ 28,500,000.

Source: *Datamar News*

### CRUDE STEEL EXPORTS UP 21% IN REVENUE, GENERATING SALES OF \$3 BI YTD

Brazilian crude steel exports totaled 4.3 million tons between January and May, up 128.4% over the same period last year, generating revenue of US\$ 3 billion. Volume dropped 13.6% and billing increased 20.5%. The data were released on June 17 by Instituto Aço Brasil (IABr). According to the Institute, 2 million tons were imported in the first five months of the year, an increase of 128.4% in relation to the same period of the previous year. In value, imports totaled US\$ 1.8 billion, a growth of 92.2% in the same period of comparison. The IABr also informed that the national production of crude steel grew 20.3% from January to May, compared to the same period last year. Totaling 14.9 million tons, production set a new all-time record. The production of rolled products in the first five months of the year grew 29.7%, compared to the result registered in the same period in 2020, at 11.1 million tons. Production of semi-finished products for sales totaled 3.3 million tons from January to May, an increase of 0.5% on the same basis of comparison.

Sources: *Comex do Brasil/Datamar News*

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