Due to this situation with Coronavirus, most of business are operating from home-office. In case of need, please contact us through our Key Personnel mobile phones in our website (williams.com.br)

SUGAR BOOSTS BRAZILIAN AGRIBUSINESS EXPORTS IN JANUARY

The strong pace of shipments of sugar accounted for 9.5% of total foreign sales, reaching revenues of US$ 537.1 million, up 35.6% when compared to the same period in 2020. The increase is due to the drop in sugar production in Thailand, Brazil's main competitor on the global market of sugar products. Corn was the second most important product, with an increase of 42.5% when compared to January 2020, reaching US$ 499.9 million in the first month of 2021. The list of the five best-selling products has beef, green coffee and soybean meal. In January, 51.8% of Brazilian agribusiness exports went to ten main importers. The largest shares of total foreign sales were from the European Union (16.9%), China (16.7%), and the United States (9.2%). Other Asian countries were also a highlight, such as Indonesia (5.1%), Vietnam (3.1%), South Korea (2.8%) and Bangladesh (2.4%).
Source: Universo Agro / DATAGRO

BRAZIL: CORN EXPORT PERFORMANCE IN THE FIRST 10 WORKING DAYS OF FEBRUARY

The weekly report released by the Ministry of Industry covering the first 10 working days of February points out the accumulated exports of agricultural products until the second week of February. Brazil has exported 504,940.3 tons of whole corn up to that moment. This volume represents an increase of 187,159.8 tons (58.89%) in relation to that recorded in the first week of February (317,780.5), which is about 19.81% of all that was shipped in January (2,548. 860 tons). So far, the country has shipped 48.4% that recorded in February 2020 (340,255.8 tons). As a result, the daily average of shipments was 50,490.4 tons, a percentage 60.39% lower than the average of last month (127,443 tons). The average daily exports was 163.12% higher than that in February 2020.
Source: Notícias Agrícolas

SOYBEAN EXPORTS FORECAST TO BE REVISED HIGHER IN FEBRUARY, ANEC SAYS

The Brazilian Association of Cereal Exporters (Anec) points out soy exports should reach 7.99 million tons in February, indicating a more optimistic range of scenarios compared to the previous week. Anec had pointed out exports would reach up to 7.63 million tons in the previous forecast, with a previous floor of 6 million tons. The revision comes amid a delay in harvest caused by late planting and rains since last month. More recently, however, some dry periods have allowed harvesters to enter the fields. In this scenario, Anec again has emphasized the vessel line-up to load soybeans out of Brazilian ports will go to the very limit. In February last year, the largest soybean exporter shipped 6.61 million tons. The entity also projects shipments of soybean meal at 960.06 thousand tons, a decrease when compared to the 1.248 million tons estimated last week. In February 2020, Brazil shipped 1.02 million tons of the product.
Source: Reuters

HIGH GAS, DIESEL PRICES IN BRAZIL

On February 19, Brazil's state-owned oil giant Petrobras will raise the average price of gasoline and diesel at refineries, reaching R$ 2.48 per liter for gasoline and R$ 2.58 per liter for diesel, after the readjustments of R$ 0.23 and R$ 0.34 per liter. "The alignment to international prices is vital to ensure that the Brazilian market continues to be supplied without risk of shortages from distributors, importers and other refiners. This same competitive balance leads to price reductions when the supply grows in the international market, as occurred in 2020", says Petrobras. According to the company, the prices charged to final consumers are not strictly influenced by the international market or the exchange rate. "The prices of gasoline and diesel at the pumps are different from the prices charged at Petrobras refineries. There are federal and state taxes and costs before it reaches the consumer, as well as mandatory mixing of biofuels are added". According to a survey by globalpetrolprices.com covering 167 countries, the average price of gasoline to the final consumer in Brazil is 17% lower than the global average, occupying the 56th position in the ranking.
Source: Jornal Cana

PORTS HAVE DISCOUNTS IN CHICAGO FOR THE FIRST TIME SINCE 2014

On Wednesday 17, FOB soybean prices had discounts in relation to the prices traded on the Chicago Stock Exchange, for the first time since 2014. According to ARC Mercosul, some purchasers in Paranaguá (PR) were offered 5 cents/bushel down the expiration in March 2021. "Shipments maturing in March decreased more than 20 cents/bushel, accumulating a drop of more than 80 cents since October". ARC Mercosul says the reason for this sharp drop is the logistical barriers in the rural area. "Heavy rains in the North of Brazil have caused complications in shipments. Trucks loaded with grain have faced intense traffic to unload in Miritituba (PA), where the cargo goes". The lineup of soybeans in the ports have exceeded 19 million tons, shortening waiting time and making freight more expensive.
Source: Canal Rural

JANUARY SAW RECORD WHEAT EXPORTS TO ARAB COUNTRIES

Data from the Market Intelligence area of the Arab / Brazilian Chamber of Commerce point out that in January this year, Brazilian exports of wheat and mixtures with rye to the Arab countries totaled US$ 26.78 million, the highest level ever recorded. 124,715 tons were exported in January and the main buyers were Saudi Arabia and Palestine. According to Felipe Novaes, agribusiness analyst at Tendências consulting firm, the record is inserted in a broader context. Among the factors are the Brazilian supply, which is high due to the harvest period, and the appreciation of the dollar that makes the Brazilian product more competitive. There is also demand from the North Africa and Middle East (MENA) region and low supply in important producing countries. Regarding Arab consumption, Novaes recalls that growth has occurred since last year. "Between 2020 and 2021, the USDA forecasts an increase in consumption of around 2.5% per year, on average, for North Africa and the Middle East, where the Arab countries are concentrated," he pointed out. The rate is above the last five years when consumption growth in the region averaged 1.1% per year. Also according to the USDA, to meet consumption needs, MENA nations must import more wheat. In the biennium that includes 2020 and 2021, the average growth in purchases should be 4.6% per year.
Sources: Agência de Notícias Brasil-Árabe – ANBA/Datamar News

AGRIBUSINESS EXPORTS TO CANADA UP 25% IN 2020

According to the Brazil-Canada Chamber of Commerce (CCBC), revenue from Brazilian exports to the Canadian market grew by 25% in 2020 compared to the previous year, despite the economic crisis caused by the Covid-19 pandemic. According to data from SECEX (the Foreign Trade Secretariat), shipments reached a total of US$ 4.2 billion in revenue. Despite the growth in several categories, the agribusiness category showed the largest growth. Of agribusiness products, CCBC highlighted the 2174% increase in exports of peanuts (shelled, even crushed), to US$ 7.3 million, and the 84% increase in sales of other cane sugars, to US$ 264 million. In the "cocoa and its preparations" category, exports rose from a very low level in 2009 to US$ 8.2 million in 2020, while in the group formed by "butter, fat, and cocoa oil" the advance reached 403%, to US$ 7.4 million.
Sources: Valor Econômico/Datamar News

BR DO MAR CABOTAGE BILL ESTIMATED TO REDUCE FREIGHT RATES BY 15%

The Planning and Logistics Company (EPL) estimates that the BR do Mar cabotage bill, proposed by the Federal Government, can reduce freight rates by 15%. Changes to the bill were approved by the Chamber of Deputies in December 2020. The EPL document on BR do Mar also shows that an increase of 60% in the volume of containers transported by cabotage can generate a reduction of more than

530,000 tons of CO_2 per year when compared to road transport. These values were calculated using tools developed by EPL. To calculate the cost reduction estimate, parameters such as fuel price, wages, number of vessels, volume transported, among others, were considered. In addition, databases of freights practiced were obtained through market monitoring carried out by the National Observatory of Transport and Logistics. To estimate the emission of greenhouse gases, EPL used a methodology developed in partnership with the Energy and Environment Institute that is available on the state-owned company website. The BR do Mar project is an initiative of the Ministry of Infrastructure that aims to encourage cabotage in the country, by increasing supply, encouraging competition, reducing costs involved, expanding routes, and making the Brazilian transport matrix more efficient. With high load capacity and low risk of theft and damage, cabotage allows for economies of scale that reduce unit costs. Estimates calculated by ONTL show that this mode costs on average 60% less than the road mode and 40% less than the rail mode. In 2021, the sector may grow at least 10% compared to last year, following a trend already seen in 2020. Finally, the EPL study shows that because it does not directly connect producers and consumers and its advantage is verified on long-distance routes, cabotage does not compete directly with road transport.
Source: Datamar News

CNA POINTS TO RECORD IN THE GROSS VALUE OF AGRICULTURAL PRODUCTION IN 2021

The Gross Value of Agricultural Production (VBP) is estimated at R$ 1.142 trillion in 2021, an increase of 15.8% when compared to last year. The Confederation of Agriculture and Livestock of Brazil (CNA) estimates an increase of 19.0%, with gross sales reaching R$ 759.25 billion. Estimates for the grain harvest are good, up 51.4% in the share of VBP. Also noteworthy is the increase in real prices for soy (25.5%), corn (23.6%), rice (8%) and cottonseed (28.7%). Livestock is expected to increase by 9.8%, with revenue of R$ 383.45 billion. According to CNA, even with the record revenue expected for the agricultural sector, most farmers were unable to commercialize their production at current prices due to early negotiations. The exchange rate depreciation raised the prices of agricultural inputs, pressuring margins.
Source: CNA

WHEAT PRODUCTION IN PARANA MEETS THE DEMAND OF THE DOMESTIC MARKET IN JANUARY

Data from the Brazilian Department of Rural Economy showed that the production of wheat in Parana met the demand of the domestic market in January. The product was mainly targeted to Paraná and São Paulo. The export data also showed wheat has not left Paraná in January 2021, and that the production of wheat in 2020 was limited to the national territory, most likely in 2019. The same report indicated that, in January, Brazil exported 408.7 thousand tons, considering the production of other regions in the country. Up to now, and including December 2020, the total production has reached 663 thousand tons, a volume remarkably close to that estimated by the Brazilian Supply Company (Conab) until July 2021. If expectations are confirmed, prices of wheat in the domestic market may possibly raise. The alternative to reduce prices is to decrease the demand and increase the imports.
Source: Agencia de Notícias do Paraná

CARGO HANDLING AT THE PORT OF RECIFE GROWS 69% IN JANUARY

The Port of Recife recorded a 69.04% growth in cargo handling in January compared to the same month in 2020. The forecast was to handle about 82,000 tons of products, but the result was 166,041 tons. In January 2020, cargo handling reached 98,225 tons. Eight vessels docked at the port in January. Six types of products were moved. The most prominent cargo was sugar in bulk and in bags, almost 82,000 tons were exported to Romania, Lebanon, and Canada. Subsequently, 34,847 tons of Belgian and Argentine barley malt arrived through the Port of Recife to supply the Pernambuco beer industry. Barrilha, fertilizer, and wheat also passed through the Port of Recife. "The year started with a promise of rebalancing. January has already exceeded expectations and the movement foreseen for February is 117,000 tons, already 30% higher than the same period last year. From now on, we already understand that advances at the port will get stronger and it will gain more importance in our economy", points out Marconi Muzzio president of the Port of Recife.
Source: Datamar News

SANTOS APPROVED TO RECEIVE 366 METER VESSELS

On Tuesday, February 23, the Port of Santos was approved by the Brazilian Navy to host vessels of up to 366 meters in length – the largest vessels planned to visit the East Coast of South America. This authorization further strengthens the port's position as a hub port in South America. With almost 30% of the national trade chain, the Santos port complex is preparing for further growth in container movements resulting from the planned expansions, including two new areas in Saboó, on the right bank. In addition, BR do Mar, a Minfra project to encourage cabotage, should benefit the port as a cargo hub. Even without including BR do Mar, the expected growth is 3.3% per year for this type of cargo, with projections being of growth from 4.4 million TEU today, to 7.9 million by 2040, as outlined by the Development Plan and Zoning (PDZ) project for the Port of Santos, approved last year. Today the Port of Santos receives vessels up to 340 meters long, which have a 9,000 TEU capacity. With the new approval for larger vessels, vessel capacity will increase to a maximum of 14,000 TEU, in a process that also involved the Pilotage of São Paulo and the University of São Paulo (USP), studied and performed simulations of maneuverability, hydrodynamic interaction, and mooring plans, before these vessels were approved to navigate the channel. PA's monitoring of the market shows that container handling has been increasing steadily over the years.
Source: 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

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