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EXPORTERS PUSH FOR A DROP IN AGRICULTURAL SUBSIDIES

Brazil and other exporters are making new moves in the World Trade Organization (WTO) in search of a significant reduction in subsidies and tariffs in world agricultural trade in the coming years. To try to speed up the discussions, the Brazilian delegation will present studies to partners on the organization's Agriculture Committee. Brazil, Canada, Australia, New Zealand, and other exporters already submitted a proposal in February for a 50% reduction in subsidies that distort global agricultural trade. This cut would be made proportionately and would require China, India, the United States, the European Union, and Japan to cut subsidies more than other countries. Now, a Brazilian study aims not only to cut traditional forms of subsidies, such as price support, but also to review two categories with no limits on the payment allowed to producers and which already represent one-third of the aid that distorts agricultural trade. The first involves some government programs to encourage rural development in developing countries, covered by Article 6.2 of the Agricultural Agreement. Based on data from 2016, the year in which most countries notified subsidies to the WTO, the finding is that 27 countries used the mechanism, for a total of US\$ 30.9 billion. *Sources: Valor Econômico/Datamar News*

BRAZIL'S SUGARCANE CROP SET TO DECLINE, CONAB SAYS

The forecast of the 2021/22 sugarcane crop released by the National Supply Company (Conab) points out a production of 628.1 million tons in Brazil, a drop of 4% when compared to 2020/21. The production decline is due to the reduction of 3% in the harvest area in Brazil's Southeast region, the largest in the country, with 5.2 million hectares, and the drop in production (down 6,2%), now estimated at 402.2 million tons. The planting area in the Central-West region fell by 0.8%, reaching 1.8 million hectares for 137.5 million tons of sugarcane, down 1.6% from the previous harvest. In the Northeast region, even with 0.5% less area, a growth of 3.2% in average productivity is forecast, and may possibly reach 49.7 million tons, up 2.7% from the previous season. Brazil's South region followed the trend, with a reduction of 2.1% in the area, despite the 2.5% growth in production, estimated at 35.1 million tons. In the North region, the area is expected to be the same, and the crop harvest is set to increase by 3.3% (3.6 million tons). *Source: Universo Agro/DATAGRO (*Translated by la Niani)*

MILLS CUTTING SOME OF SUGAR PRODUCTION, FOCUSING ON ETHANOL, DATAGRO SAYS

Brazilian sugar and ethanol mills are likely to temporarily reduce sugar production volumes to increase ethanol production as a way to meet growing demand amid high prices for biofuel, said Plinio Nastari, analyst at Datagro. Nastari said during the Santander ISO Datagro sugar and ethanol conference that financial returns on sales of anhydrous ethanol, the type that is blended in gasoline have surpassed those from sugar, leading some mills to adjust their production strategy for the moment. Most mills in Brazil have the flexibility to adjust the production mix between sugar and ethanol, depending on the market for both. "At the moment, sales of anhydrous ethanol are giving better return than both domestic and export sugar sales, so we might see some mills postponing sugar production to increase ethanol volumes," Nastari said. Ethanol prices in Brazil are near record levels, despite the opening of the harvest. *Source: Nova Cana (*Translated by la Niani)*

ABIOVE SEES BETTER PROJECTIONS FOR SOYBEAN IN 2021

The Brazilian Association of Vegetable Oil Industries (ABIOVE) released on Thursday (20) new forecast for soybean in 2021. The expectation is that soybean output will reach 137.5 million tons, a

historic record, up 7.4% from 2020. About 4.5% of the growth results from productivity gains, and the remainder consists of the planting area. Despite production growth, ABIOVE estimates soybean crushing at 46.8 million tons, below 200 thousand tons from the previous estimate. Such forecast comes after the government cut the official biodiesel mixture into fossil diesel oil to 10% (B10) during the L79 and L80 biodiesel auctions. Given the prospects, Brazilian soybean grain exports are expected to reach a record high of 85.6 million tons. From January to April, the exported volume has already grown by 49% over the same period of 2020.

*Sources: Abiove/Noticias Agricolas (*Translated by la Niani)*

BRAZIL'S DIESEL DEMAND TO GROW 4.4% IN 2021

Brazil's diesel demand is expected to grow 4.4% in 2021, driven mainly by the transport of agricultural commodities and domestic items, S&P Global Platts Analytics says. The entity estimates that diesel demand in Brazil has remained resilient even with the pandemic scenario in 2020. In March 2021, when important regions were blocked, such as the state of São Paulo, fuel demand was still expressive, and reached an increase of 16.3% (more 158 thousand barrels per day). To meet the growing diesel demand, Platts Analytics says Brazil should increase domestic production or imports, or else take both initiatives amid an uncertain scenario and risks of new waves of infection.

*Source: S&P Global Platts (*Translated by la Niani)*

WHEAT PLANTING AREA SET TO EXPAND IN RIO GRANDE DO SUL

Brazil Supply Company (Conab) has started to release figures for the 2021/2022 wheat crop that will begin in August 2021. Brazil is expected to harvest 2.3 million of wheat, toward a yield recovery of 0.6%. The crop is expected to produce 6.3 million ton of grain. In Rio Grande do Sul, the Federation of Agricultural Cooperatives (FecoAgro-RS) forecasts an increase of 10.5% in the wheat planting area this year, which has already increased from 930 thousand to 1.02 million hectares. According to FecoAgro-RS, the projection might be confirmed when the Cooperative Technical Network complete the survey on planting plans. Paulo Pires, president of the entity, explains that the reason for the increase in production is mainly due to the price of wheat. "The attractive prices made the activity more profitable, leading producers to increase their planting area", he explains.

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

CHINA'S CORN IMPORTS MAY SURPASS 30MT

Data released by the General Administration of Customs from China shows that China's demand for imported corn in April was 1.85 million tons, up 108.6% from last year. Global Times portal said that China's imports could reach a record high of 30 million tons. Analysts also say that imports are to remain strong even with the expansion of the planting area in China mainly due to high prices of corn in the country. According to Global Times, China's corn planting area is expected to reach 42.7 million hectares, up 3.4% from 2020. Corn output is initially projected at 272 million tons, up 4.3% from previous one. "This year we will see an extension of the of last year's corn imports, which is likely to break through 30 million tons", says Lu Yuping, general manager of Longping Biotechnology. Wang Gangyi, professor at Northeast Agricultural University, said that "the price of imported corn, including transport costs, is much lower than that of domestic corn. Corn processing and feed enterprises will still choose imported corn".

*Source: Noticias Agricolas (*Translated by la Niani)*

STUDY POINTS OUT THE ROLE BIOFUELS CAN PLAY IN REDUCING CO2 EMISSION

Biofuels have been playing the main role in reducing greenhouse gas emissions in the transport sector, according to the research center BEST (Bioenergy and Sustainable Technologies). Data show this positive effect from biofuels might last until late 2050. In Finland and Sweden, biofuels will play this role until 2040, when electric cars will probably be leading the vehicle fleet. The United States and Germany



will also have gains from biofuels. The analyst Dina Bacovsky explains countries must adopt several measures at once, in a way to achieve their targets for reducing CO2 emissions by 2050, such as reducing demand for road transport, improving vehicle efficiency, adding biofuels to fossil fuels, increasing the utilization of renewable energy, and hydrogen from renewable sources. There are some resources that have been mentioned, such as plantations focused on energy production (sugarcane and corn), crop residues, organic residues, biogas, firewood, construction residues, and leftover wood.

Sources: *Valor/Portos e Navios* (*Translated by la Niani)

SANTOS PORT COMMUNITY DISCUSSES PROTOCOLS TO AVOID THE INDIAN STRAIN

Representatives of ANVISA (the national health surveillance agency) in the Port of Santos detailed the expanded protocols for preventing the Indian Covid-19 variant. The measures were discussed at the headquarters of the Santos Port Authority (SPA) on May 24th in a meeting requested by the state-owned company and by the São Paulo state port authority. There is no record of any ship in – or arriving at – the Port of Santos complex that has the new strain. So far, the confirmed cases in Brazil are of crew members on a ship at anchor off the coast of the State of Maranhão. Faced with detecting the Indian strain, the federal government extended the scope of the exceptional and temporary entry restrictions into the country of foreigners whose travels originate or pass through the United Kingdom, Northern Ireland, South Africa, and India. Travelers coming from these countries must remain in quarantine for 14 days. Therefore, the vessel will only be released by ANVISA after satisfactory verification of the requirements already adopted by the agency, as defined in Ordinance 653, of May 14, 2021. Regarding the vaccination of port workers, after the announcement by the Ministry of Infrastructure on the re-prioritization of the category in the National Immunization Plan (PNI), the municipal agencies discussed the logistical strategies to accelerate vaccination as soon as the doses are available. The port community is committed and united around the application of vaccines.

Source: *Datamar News*

PARANAGUÁ PORT BEGINS RECEIVING CORN IMPORTS

In berth 206 of the Port of Paranaguá, the Aurora SB is moored to unload 35,279 tons of corn. Imported from Argentina, the cereal – usually exported by terminals in Paraná – will supply the domestic market, especially the starch industry which is the basis for some human food products. This is the first of four ships to land at the port of Paraná in the coming months carrying corn. With the forecast of a break in the product's second crop, other imports should happen by the end of the year. According to the CEO of Portos do Paraná, Luiz Fernando Garcia, due to the official reports and disclosures about the development of the corn crop, the second-semester harvest is expected to be small, which should also reduce the supply of corn for export. "In parallel, domestic demand increases so industries end up having to import. We should receive even more imported corn for this purpose, considering the expected drop for this off-season," says Garcia. According to the Director of Operations of Portos do Paraná, Luiz Teixeira da Silva Júnior, this is not the first time that the Port of Paranaguá has received imported corn. "Whenever internal consumption is needed, this operation will take place and the Port of Paranaguá will be able to receive the product and discharge it with the same efficiency that we operate the product for export", he guarantees.

Sources: *Ports of Paraná/Datamar News*

PORT OF ANTONINA SPECIALIZES IN HIGH-VALUE CARGO AND A SHORT WAITING PERIODS FOR SHIPS

The Port of Antonina, in Paraná, has a new growth strategy: to handle special product exports and imports, betting on customized cargoes with high added values. It is one of the few Brazilian ports, and the only one in Paraná, able to export non-GM soybean meal as it has the right conditions to avoid cross-contamination. Qualified since 2016 for this export, in the last week the Pontado Félix Port Terminal (TPPF) [the

name of the port of Antonina] underwent a new audit and had its license renewed. Annually, 300,000 tons of non-transgenic soybean meal are shipped to the foreign market. In addition to non-GM bran, other products handled include fertilizers (imports) and bagged sugar (exports). "Expanding the range of special and differentiated products, this year the Port of Antonina started exporting cane pellets. The material is waste from sugar and ethanol production plants. Another novelty this year was the first export of malt. There were 15,000 tons shipped to Australia for beer production. During the year, 100,000 tons of the product will be exported.

Sources: *Gazeta do Povo/Datamar News*

CATTALINI RECEIVES THE LARGEST SHIP IN ITS HISTORY

The docking of the ship "Cielo Rosso" at the pier of Cattalini Terminais Marítimos on May 18, represented two important brands for the company. With a length of 228 meters (LOA) and a draft of 12.5 meters, the ship is the largest to operate on Cattalini's private pier in the 40 years of the company's history and the first to use the capacity provided by the external berth. The Liberian-flagged vessel is unloading 19,500 cubic meters of diesel oil. The investments made by Cattalini in the last few months have enabled safe and effective operating conditions for receiving larger ships. The mooring structure has undergone recent works and is prepared to receive ships of up to 70,000 DWT and 229 meters in length, with the replacement of maritime fenders and the construction of new dolphins. Among the improvements is the adoption of an unprecedented tool at the Port of Paranaguá, which, during mooring, informs the crew of the speed and the distance to the mooring berth fenders. There is also a kind of traffic light with green, red, and yellow indicator lights on the site, which guides the operations and can be viewed from a distance.

Sources: *Portogente/Datamar News*

DOCAS DO RIO'S REVENUE GROWS ALMOST 50% IN THE FIRST FOUR MONTHS OF 2021

Companhia Docas do Rio de Janeiro (CDRJ), the port authority responsible for managing the Ports of Rio de Janeiro, Itaguaí, Niterói, and Angra dos Reis, earned R\$ 328 million in the first quarter of 2021, R\$ 107 million more than in the same period of 2020, representing a growth of 48.5% in relation to the first third of last year. The good revenue result is due to the current positive cycle of increased appreciation of iron ore in international markets and the large volume of handling during the period. In the first four-month period of 2021, the ports managed by Docas do Rio handled 19.4 million tons of cargo, the best result on record since 2015. According to the analysis released by the Business Planning Management of Docas do Rio, in relation to the same period from January to April 2020, the growth was 5 million tons, which corresponds to an increase of 34.7%. The report indicates that the Port of Itaguaí registered a record turnover in April 2021, with revenue of R\$ 85.2 million. This represents the highest monthly turnover in real terms ever recorded for the port since 2015, for the analyzed period. In this sense, the first four months of 2021 was the best result for the period since 2015 and, compared to 2020, the growth was 4.7 million tons or 39.5%.

Source: *Datamar News*

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