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### **BRAZIL AND CHINA REACH AN AGREEMENT ON SUGAR IMPORTS**

Brazil and China reached an agreement on the request for consultation of sugar safeguard measures at the World Trade Organization (WTO). Brazil was claiming on China's extra charges on sugar imports. The Brazilian government also said the measures were inconsistent with various provisions under the WTO's tariffs. The Ministries of Agriculture and Foreign Affairs have not explained the details of the agreement. They only said on a note that the agreement between the two countries was reached without the need of a panel (a kind of judgment) at the WTO. "Under the terms of the agreement, the concerns that supported the Brazilian request should be met, in a mutually satisfactory manner, without the need for the establishment of a panel at the WTO to examine the matter,". The Asian country is currently Brazil's main trade partner, with 26.82% of Brazilian exports from January to April.

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

### **BRAZIL AND COLOMBIA SIGN AGREEMENT TO PROMOTE EXPORTS AND INVESTMENTS BETWEEN THE TWO COUNTRIES**

Another partnership signed between the governments of Colombia and Brazil can increase exports and commercial transactions between the two countries. On the 19th, the official visit of Colombian President Ivan Duque to Brazil resulted in bilateral agreements, including a Memorandum of Understanding to promote exports and investments. The Memorandum of Understanding aims to establish cooperation between the two parties, promoting commercial exchange between companies, and best practices for promoting exports and fostering investment. According to the document, Apex-Brasil and ProColombia plan to identify areas of mutual cooperation and reciprocal business, seeking partnerships to promote and support the export activity of companies in their respective countries and to provide advice on business opportunities in both countries. According to data from the Foreign Trade Secretariat of the Ministry of Economy, Colombia imported 1.1% of Brazilian exports in 2020, receiving US\$ 2.3 billion in products sold to the neighboring country. The trade balance with the Colombians closed last year with a surplus of US\$ 976.2 million for Brazil.

Sources: *Comex do Brasil/Datamar News*

### **'CONTAINERGEDDON' TAKES REFINED SUGAR AND RICE BACK TO BULK CARRIERS**

Food traders are shifting from containers to bulk carriers for transporting refined sugar and rice, hoping to avoid delays in shipments caused by the container shortages and port congestion which the industry is calling "Containergeddon," according to traders. Container transport has been hit by costs and delays amid growing demand for shipments, while container terminals at ports are finding it difficult to handle the flow. In the past, commodities such as refined sugar, coffee, rice, cotton, and cocoa moved from the holds of ships to containers since the large boxes were more practical and offered good quality control. But now, shippers are returning to their previous strategy, at least temporarily. "Around 80% of refined sugar trade was done in containers before the pandemic. Now it has dropped to around 60%", said Paulo Roberto de Souza, CEO of Alvean Sugar SL, the largest sugar trading company in the world. According to Souza, the change is only not more marked because there are not many small ships available on the market.

Sources: *Money Times/Datamar News*

### **SUGARCANE AND VEHICLE SECTORS ANNOUNCE ETHANOL PROMOTION CAMPAIGN**

Representatives of the sugarcane and vehicle sectors announced on Thursday a campaign to promote Brazilian ethanol. The initiative is supported by the government and will be officially released on next Wednesday (27). The announcement was made on an internet broadcast promoted by the newspaper 'Valor Econômico', with the participation of the Minister of Agriculture, Tereza Cristina; Volkswagen CEO, Pablo Di Si; and the Minister of the Environment, Joaquim Leite. "The electric cars

will take over soon and the use of ethanol, in this transition moment, is a way of reducing costs", said Tereza Cristina. "This is a convenient option for Brazil and other countries. The president of Colombia [Iván Duque] has shown great interest in Brazilian alcohol," she added. "We have a biofuel formula that can be used worldwide," said Pablo Di Si. Minister Joaquim Leite, in turn, ensured that he will uphold Brazilian ethanol at the United Nations: "We are about to enter into a climate negotiation. We have a solution to the global challenge of the green economy", he said. Brazilian agribusiness representatives also highlighted the potential of corn ethanol in the production of fuels in Brazil.

Source: *Revista Globo Rural* (\*Translated by la Niani)

### **GASOLINE IMPORTS SOAR 950% AND DIESEL, 584.1%, PETROBRAS SAYS**

Gasoline and diesel imports by Petrobras surged in the third quarter of this year: gasoline soared 950% compared to the same period last year, while diesel rose 548.1%. Petrobras says the domestic market explains the growth. Imports are at the center of the clash between Petrobras and a group of distributors. Earlier this month, the state-owned oil company warned its customers that it will not provide part of the orders for November. To meet all the demand at the service stations, distributors will need to import on their own. This increase in imports happened while Petrobras expanded production at its refineries. In October, the utilization factor jumped to 90%. With this significant growth in gasoline and diesel imports, the company's net exports dropped 49.7% compared to the same period last year. Total exports were 813 thousand barrels per day (down 17.3%) and the imports, of 415 thousand bpd (up 116%). The largest portion imported was diesel (175,000 bpd) and the largest portion exported was oil (604 thousand bpd).

Sources: *Agência Estado/Nova Cana* (\*Translated by la Niani)

### **BRAZIL: CHAMBER OF DEPUTIES SUSPEND TAX ON ORANGE JUICE EXPORTS**

The Brazilian Chamber of Deputies approved on Wednesday (20) the Decree 355/2020 to suspend the internal consultation solution of the General Taxation Coordination (Cosit) of the Federal Revenue, which generates indirect tax on orange juice exports, by charging corporate income tax on import fees paid by Brazilian companies abroad, mostly in the American market. The proposal goes to be analyzed by the Constitution and Justice and Citizenship Commission (CCJ). According to Deputy Zé Silva (SD-MG), the internal consultation is viewed as a barrier to exports, as the Brazilian agricultural sector is dealing with a crisis in the international markets. For Congressman Júlio Cesar (PSD-PI), president of the CFT, the decree is how they can correct the injustices with this important sector of the Brazilian economy. "Brazilian producers have been suffering from the strong global trade protectionism, it is not fair that we create more taxes that can contribute to the end of this production chain in Brazil," he said.

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

### **SOYBEAN PLANTED AREA IN BRAZIL IS BIGGER THAN ITALY**

Data obtained by MapBiomass through the analysis of satellite images between 1985 and 2020 show that the total agricultural area mapped in Brazil increased from 19 million hectares in 1985 to 55 million hectares in 2020. Of this total, 36 million hectares are soybeans, with 4.3% of the national territory – an area comparable to the entire Republic of Congo and bigger than countries like Italy, Vietnam or Malaysia. Half of this total is in the Cerrado region, which has advanced over the past 36 years to 16.8 million hectares. In the Amazon, soy growth started in the early 2000s, reaching 5.2 million hectares, 14% of the total planted area. By 26% of the country's soy area is in the Atlantic Forest, which expanded by 7.9 million hectares between 1985 and 2020. The growth of sugarcane in the mapped area was 291% between 1985 and 2020. In 2020, sugarcane crop reached 9 million hectares, an area comparable to a quarter of the soybean area.

Sources: *Acessória de Comunicação MapBiomass/Notícias Agrícolas* (\*Translated by la Niani)



**“REDUCE FERTILIZER USE”, SAYS DADOUD WHILE DOUBTS RAISE ON THE FERTILIZER MARKET**

Given the high cost of fertilizers, the purchase needs to be very well calculated, according to the president of Aprosoja Mato Grosso Fernando Cadore. The organization's president also recommends that producers reduce fertilizers in ways that do not compromise productivity. Rural Channel columnist Miguel Daoud agrees, saying that “the producer needs to reassess the condition of the soil and reduce fertilizer use at this time of uncertainty”. For Daoud, the supply chain has been cracked all over the world. Economic and geopolitical issues do not guarantee that production and exports of nitrogen, phosphorus and potassium will be stabilized in the short/medium term. “In addition, in Brazil, there is still the exchange factor”, he adds. In his opinion, the rural producer needs to take precautions. “They would better guarantee a little for security reasons. If the price drops in the future, the producer will at least have guaranteed a portion of it. They must build up a good strategy”.

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

**ANOTHER VICTORY FOR TRADING COMPANIES IN DISPUTE OVER ICMS COLLECTION IN PARÁ**

Trading companies continue to challenge in court the collection of the Tax on Circulation of Goods and Services (ICMS tax) for the interstate transport of grains destined for export in Pará, where the ports of Barcarena and Santarém are located, important for soy shipments. The most recent decision on the case was favorable to the companies that rely on a section of the Federal Constitution to justify the exemption from the tax. The legal dispute arose in 2001 when legislation in Pará established the levy of tax for the transport of cargo destined for export. As it is a state tax, it is up to each Brazilian state to define rates and activities on which ICMS is levied. But lawyers Celso Grisi and Thais Azevedo, from the Tauil & Checker law firm, claim that article 155 of the Constitution and Complementary Law 87/1996 – the “Kandir Law” – prohibit the charging of export-related operations and, therefore, the law of a state could not supersede the federal one. With this argument, many trading companies won in court the right not to pay the tax since 2008. “The main trading companies started using Arco Norte to transport their products from the Midwest due to the high cost of transport to Santos. This turned into a dilemma because the states invested in logistical infrastructure, but they charge a tax that makes it unfeasible”, says Grisi, noting that Maranhão and Piauí have similar practices.

Sources: Money Times/Datamar News

**WHEAT CROP IN RIO GRANDE DO SUL TO SURPASS 3.7 MILLION TONS, FECOAGRO SAYS**

Agricultural cooperatives in the Rio Grande do Sul say this year's wheat crop in the Rio Grande do Sul will be successful if the weather is favorable by the end of the cycle. Data are from the Federation of Agricultural Cooperatives of the State of Rio Grande do Sul (FecoAgro/RS) that estimates that the harvest can surpass 3.7 million tons in an area of almost 1.2 million hectares. According to the organization's president, Paulo Pires, the progress has been positive so far. “Even if in some regions, such as Missões and Grande Santa Rosa, there was a lack of rainfall in July and August, there will be a normal harvest, unlike the past cycle when the frosts harmed the harvest”, he explains. The concern, according to the leader, is with the behavior of the weather until the end of the harvest. The concern is the weather. Pires also says that it is a booming market demanding wheat exports from mills, and for animal nutrition, which has been substantially growing with the support and encouragement of the entities.

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

**RIVER DROUGHT ALTERS PARAGUAY'S EXPORT ROUTE, INCREASING SHIPMENTS TO PARANAGUÁ**

The Port of Paranaguá registered an increase of more than 30% in shipments of soybean meal from Paraguay destined for export last month, according to the Brazilian federal tax authority. The main reason is drought. The water crisis is affecting the Mercosur countries, so the Paraguayan soybean meal, which was normally sent by ships to

Argentina, needed a new logistical format. “Since the merchandise's destination is not Brazil, it is necessary for it to cross the country through the Customs Transit regime. In this modality, the products introduced in the country have the tax payments suspended until they leave Brazil again”, explains the tax authority. Due to drought and low levels in rivers, especially the Paraná River, most of the soybean meal enters the country via Porto Seco de Foz do Iguaçu, in the west of the state. There, customs transit starts under the inspection of the federal tax authority followed by truck transport to the Port of Paranaguá, on the coast of Paraná, where the transit is finalized by the agency's servers and the product goes on to its destination by ship.

Sources: Paraná Portal/Datamar News

**ANTAQ APPROVES SHIP-TO-SHIP OPERATION REGULATIONS**

At the 511th Meeting of the Collegiate Board of Directors held on October 20, 2021, ANTAQ (the national waterway transport agency) approved the standard that regulates ship-to-ship transshipment operations. The objective was to eliminate the regulatory gap present in the economic regulation of transshipment, or cargo transfer operations between vessels, specifically for combustible liquid bulk (oil and its derivatives, natural gas, and biofuels). The agency had received several regulatory inquiries seeking clarification on the legislation linked to the authorization of support vessels for this type of operation. The initial proposal considered the need to regulate the transshipment activity by obtaining authorization from ANTAQ in order to avoid possible competition risks. However, when analyzing the impacts that stricter regulation could cause, the Agency's Collegiate Board recognized that there is currently no regulatory problem that justifies going into specific aspects of regulation, and the intention, initially, will be to monitor and understand the universe of this market to seek regulatory improvement and the subsequent increased performance of the regulatory agency.

Source: Datamar News

**PORT OF SANTOS JOINS THE WORLD LOGISTICS PASSPORT**

The Santos Port Authority (SPA) has just joined the World Logistics Passport (WLP) customer-loyalty program based on partnerships promoting commercial transactions through the Port of Santos via international cooperation. The WLP was designed to overcome non-tariff trade barriers, such as the logistical inefficiency that currently limits the growth of trade between developing markets. SPA's purpose through the WLP Program is to provide advantages for customers and users who are willing to increase their operations and, therefore, foster new business. More than 20 countries are part of the program so far, including India, China, South Africa, Indonesia, Dubai, Brazil, Colombia, Mexico, Uruguay, Senegal, Kazakhstan. The Global Passport makes it easier for participating countries to diversify trade in their products, increasing market share for key products and creating new trading partnerships. WLP offers its members access to three levels of benefits (Silver, Gold, and Platinum) provided by a range of partners that involve airport authorities, port operators, airports, logistics operators, customs services, and others that are essential for more efficient supply chains.

Source: Datamar News

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