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### **AVERAGE COMMODITY PRICES TO CONTINUE RISING IN 2021, SAYS BANCO INTER**

The dollar exchange rate appreciation and the prospects for a global economic recovery with the COVID-19 vaccination campaigns tend to maintain prices of agricultural, mineral, energy and environmental commodities at a high level in the coming months. Average commodity prices in 2021 may be well above those in 2020, said the analyst of Banco Inter. "The prospects for global economic recovery turned out to be higher than previously expected. Recent economic indicators in the two main world economies, the USA and China, have surprised the market and boosted demand for inputs. China is expected to grow by 8% this year, while the USA is forecast to grow by 6.5% as the country advances in its vaccination schedule". "We remain optimistic about commodities prices; even though we fear corrections can be made in the second half of the year, stopping the upward trend. We believe in price stability; however, we should see higher average prices in 2021 compared to 2020", explains the analysts.

Sources: *Valor / Portos e Navios*

### **THE WORLD WILL HAVE A SMALL SUGAR DEFICIT, BUT SCENARIO CAN CHANGE, SAYS ITAU BBA**

The 2021/22 global sugarcane harvest (October-September) is expected to have a slight deficit of 800 thousand tons, according to a bulletin released on Thursday (22) by the consultancy Itaú BBA. The company estimates an increase of 3.4% in sugar production compared to the previous cycle, reaching 186 million tons and following the increase in India, Thailand, and Europe. On the other hand, consumption in the new cycle is expected to reach 186.7 million tons. Itaú BBA's figures still need to be confirmed, as there are too many uncertainties about the global harvest scenario, including Brazil's. The new 2021/22 harvest (April-March) in Brazil's Center-South region have been in the spotlight of the market due to its adverse weather conditions and reduced area. "We expect a sugar harvest with a sugar mix of 46% and a production of 35.6 million tons, down 7.3% compared to the previous harvest", said the consultancy. Total ethanol production in Brazil is estimated at 29.23 billion liters, down 4% when compared to the previous season.

Source: *Notícias Agrícolas*

### **DATAGRO ESTIMATES BRAZILIAN GRAIN PRODUCTION AT A RECORD 273.93 MILLION TONNES FOR 2021**

Following the upward trend of recent years, Brazilian grain producers are advancing in the harvest and observe the confirmation of an increase in the area sown in the country for the 11th consecutive year. The DATAGRO Consultancy points to an area of 68.88 million hectares for the harvest that will be harvested in 2021, an increase of 3.1% over the 66.85 million hectares of the revised area last year. Production is in line with the expected increase in the area, which sets another record: 273.93 million tons, which, in case of confirmation, represents an increase of 3% over the record harvest of 2020, revised in this survey to 266.78 mln of t. Brazilian cereals had an advance in the planted area in the 2020/21 season, projected at 28.22 mln ha, an increase of 3% over the 27.43 mln ha of the past harvest. Regarding production, the current projection of DATAGRO points to 131.19mt, practically stabilized at 131.41mt from the revised previous season. In the case of corn, the new projection brings an increase of 3% in the planted area, going from 18.98 mi ha to 19.63 mi ha. It is estimated a production of only 105.76mt, 1% lower than the 106.81mt of the record set in 2020. In summer corn, the harvest had a better progress, but continues at a pace below the normal average, concludes consultancy.

Source: *DATAGRO*

### **BRAZIL EXEMPTS GRAIN IMPORTS FROM TAX**

The executive management committee (GECEX) of the foreign trade chamber (CAMEX), decided to zero the Common External Tariff (TEC) for the import of corn and soybeans and derivatives from countries outside of Mercosur by the end of this year. The objective is to guarantee the internal supply and competitiveness of the Brazilian meat segment, which faces a substantial increase in costs due to the high prices of these grains, which are essential inputs for poultry and pork feed. GECEX is suspending the 8% tariff on soybean and corn imports, 10% tariff on soybean oil imports, and 6% tariff on flour and pellet imports. The exemption will take effect seven days after the publication of the GECEX resolution. It will be valid for imports of corn grains and soybeans (even crushed) and will also apply to the oil, bran, and pellets of the oilseed. Maximum purchase quotas have not been established. In October last year, CAMEX had already zeroed TEC for imports of soy and corn. Even with record soybean and corn harvests in this 2020/21 season, domestic prices continued to rise because of strong external demand and the continuation of the devaluation of the real against the dollar.

Source: *Datamar News*

### **BRAZIL: FERTILIZER IMPORTS WILL GROW 7.5% IN 2021**

The consultancy MacroSector said on Thursday that fertilizer imports by Brazil are expected to increase 7.5% in 2021, while sales will grow 4.5% in the wake of a surge in agricultural income. Brazil, which imports most of its fertilizer, will close 2021 with foreign purchases of 35.3 million tons, over the estimated amount of 32.85 million tons for 2020. Domestic sales, on the other hand, will grow to a record 41.65 million tons, compared to an estimated amount of 39.86 million last year. The production of fertilizers in Brazil, in turn, will decline to 6.1 million tons, against 6.4 million in 2020. The growth in the use of fertilizers in Brazil is due to the good performance of the agricultural sector, whose revenue was estimated to grow to around R\$ 719 billion in 2021, an increase of more than R\$ 200 billion when compared to 2020, with a growth driven by the soybean crop, as well as better prices, said MacroSector.

Source: *Reuters*

### **UAE AND LEBANON IMPORTED RICE FROM BRAZIL IN MARCH**

Rice exports from Brazil climbed 28% year-on-year in March. Destinations included two Arab countries – the United Arab Emirates and Lebanon, which played a minor role in driving up sales. March saw 72,300 tons of rice shipped from Brazil, fetching USD 31.2 million, as per statistics from the Brazilian Rice Industry Association (Abiarroz). Export volume increased by a lesser rate at 11%, meaning prices were higher in March 2021 than in March 2020. The top buyers of Brazilian rice in March were, in this order Peru, Senegal, Gambia, Holland and the United States. The UAE and Lebanon did not rank among the leading importers, but they helped improve overall numbers, since they had not purchased any rice from Brazil in March. The UAE imported USD 95,800 worth of rice from Brazil last month, which amounted to 151 tons. Lebanon imported USD 19,530, or 24.98 tons. These were the only Arab countries that imported rice from Brazil in March.

Source: *Brazilian-Arab Agency (ANBA)*

### **THE GREEN PROTOCOL HAS ALREADY AVOIDED EMISSION OF 11.8 MILLION TONS OF CO2**

Since 2017, when the State of São Paulo and the sugar-energy sector signed The Green Protocol, the mechanization of the sugarcane harvest has prevented the emission of more than 11.8 million tons CO2 and 71 million tons of air pollutants. During this period, 132,285 hectares of riparian areas and 7,315 springs were restored, with the planting of more than 46.7 million native seedlings. In recent years, the Protocol has also contributed to reduce 46% of water consumption, reaching an average level of 0.82 m<sup>3</sup>/ton of crushed cane and the cogeneration of electricity, with 17.43 MWh produced and 9.97 MWh exported to the electricity grids in the 20/21 harvest. The Green



Protocol is an extension of the agreement signed ten years earlier to consolidate the sustainable development of the sugarcane segment and drive actions to overcome the challenges in the mechanization of the sugarcane harvest.

Source: *Jornal Cana*

### EVER GIVEN CARGO REMAINS IN EGYPT AS INSURANCE MATTERS REMAIN UNCLEAR

The Ever Given, one of the biggest Ultra-Large Container Vessels (ULCVs) in the world, ran aground in the Suez Canal March 23, 2021. The ship was successfully refloated on March 29 after an effort involving several tugs and dredging and towed to the Great Bitter Lakes, a wide area within the Suez Canal itself, and has remained there ever since, following its arrest by Egyptian authorities. Based on the thorough inspections, the vessel has been declared suitable for onward passage to Port Said where she would be assessed again before departing for Rotterdam. However, BSM were informed by the vessel's owner that the Suez Canal Authority (SCA) began arrest procedures against the vessel and that it will remain anchored at the Great Bitter Lake until an agreement between the SCA and the vessel's owner has been reached. There is still a good amount of uncertainty about what will happen with the 18,000 containers on board the vessel and the consequences of insurance matters for consignees, shippers and others involved in the supply chain. However, with the ship arrested, the prospect of cargo being released has diminished, as there is little practical option of unloading it at anchor in the Bitter Lake area and transshipping the boxes to another vessel.

Source: *Datamar News*

### PORT OF ANTONINA READY TO RECEIVE SHIPS WITH GREATER CARGO CAPACITY

The Port of Antonina is ready to receive larger ships. The operational draft now goes from 8 to 8.5 meters, which is the depth that the vessels can be submerged to enter or leave the terminal. The new operational draft was approved by the Maritime Authority - Captaincy of the Ports of Paraná - after the analysis of the bathymetry surveys carried out in August 2020. "As the Antonina's Port mostly handles dry bulk, the draft increase means about 2,500 tons of cargo for each ship", says the director-president of Ports of Paraná, Luiz Fernando Garcia. According to Gilberto Birkhan, president of Terminal Ports of Ponta do Félix (TPPF), which operates in Antonina, the impact of this draft increase will be felt in the first soybean meal operation in the coming days.

Source: *Portos do Paraná*

### PORT OF ITAGUAÍ IS OPERATING NORMALLY AND DENIES ENVIRONMENTAL CRIMES

CSN announced that the Port of Itaguaí (RJ) is operating normally after the company obtained a preliminary injunction that suspended the decision of the local city hall to temporarily shut down operations at Sepetiba Tecon Container Terminal (a CSN subsidiary), and the TECAR coal terminal held by CSN Mineração. On April 16, Itaguaí city hall banned the operations of CSN's iron ore export terminal at the city's port. According to the municipal government, it was noted during a survey carried out in March "problems at the effluent treatment stations, with CSN iron ore effluent being released indirectly, without adequate monitoring, into Sepetiba Bay". On Saturday, CSN and CSN Mineração filed a precautionary measure before the Court of Justice of the State of Rio de Janeiro, which accepted the requests and suspended the decision of the city hall. According to the companies, operations in the region continue at a normal pace. There was no operational impact for CSN, CSN Mineração, or its customers. In a note released to the market, the companies reinforced that "they do not recognize any of the accusations that were supposedly imputed to them and clarify that the interdiction occurred without legal basis and arbitrarily, without any opportunity to provide due information or defense".

Source: *Datamar News*

### OUTEIRO AUTHORIZED TO OPERATE CARGO VIA TRANSSHIPMENT

The Port of Outeiro, operated by Companhia Docas do Pará, received an environmental license to handle zinc ore, fertilizers, manganese, and steel plates via transshipment: Zinc ore, fertilizer, manganese, steel plate, coil, pozzolana, palm/palm kernel oil, combustible anhydrous ethyl alcohol; hydrated ethyl alcohol and fuel; gasoline A; GAV – 100/130; QAV; bunker C marine fuel oil; marine fuel oil MF 380; diesel oil S50; diesel oil S500 and illuminating kerosene, for barge and handling of wheat, soy and corn, wood and green petroleum coke (only with moored vessels), storage of soy and corn, mooring of research vessels, and supply of vessels moored at the pier. Port of Outeiro is located in a Belem district called Outeiro 19 km by car from downtown Belém. Maximum Draft is 10.60m. This may change due to the season and must be confirmed by the port authority and pilots association. All vessels are subject to port authority acceptance.

Source: *Datamar News*

### BID NOTICES FOR ALEMOA PORT TERMINALS TO BE PUBLISHED IN JUNE

In less than two months, the bid notices should be published for the STS08 and STS08A terminals in Alemoa, in the Port of Santos. Despite the expectation, studies for these port leases have not yet been approved by the Federal Accounting Court, which analyzes the processes. The main products moved by the terminals are petroleum products, ethanol and other chemical products. According to DataLiner the number of vessel calls per month ranges, on average, between 15 and 20 each month. The studies were delivered to the Federal Accounting Court in November last year. According to the Ministry of Infrastructure, the portfolio expectations are the best possible for these leases. "The terminals will consolidate the largest lease auction in 20 years, with a forecast of R\$ 1.6 billion in investments", informed the folder. The design of the two terminals foresees an increase in the capacity of the facilities installed on the site and their modernization, in addition to the construction of two berths at the Alemoa Liquid Bulk Terminal (Tegla), a pier where ships dock that handle liquids in the region. With these interventions, the storage capacity of the terminals will increase from the current 7.3 million to 10.8 million tons.

Source: *Datamar News*

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