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### **BRAZIL: AGRI GDP TO INCREASE FROM 1.2% TO 3.4% IN 2022, IPEA SAYS**

The Institute for Applied Economic Research (Ipea) revised, on Thursday (23), the added value of the agricultural sector from 1.7% to 1.2% in 2021. The reasons for the reduction were the drop in corn yield and production, as well the harsh scenario for milk production. The added value of vegetable production in 2021 was also revised downward: from 1.7% to 1.2%, due to the revision of corn production estimate, which should drop by 15.5% - according to IBGE. Despite this, the result can be positive due to significant increases in the production of soy (+10.1%), rice (+4.3%) and wheat (+32.9%). Soybean is the only product with growth prospects in the added value for the year. The other most important crops may negatively influence the result due to climate issues: corn (-15.5%), sugarcane (-3.7%) and coffee (-21.2%). For 2022, the estimate was revised with an increase from 3.3% to 3.4% in the added value of the farming sector, with growth of 2.2% in cattle production and 3.9% in plant production.

Source: *Portos e Navios* (\*Translated by *la Niani*)

### **VALUE OF AGRICULTURAL PRODUCTION HIT A RECORD R\$ 470.5 BILLION IN 2020**

Value of national agricultural production hit BRL 470.5 billion in 2020, up 30.4% from 2019. The data are from a survey released on Wednesday, 22 by the Brazilian Institute of Geography and Statistics (IBGE). "With the appreciation of the dollar, there was an increase in external demand, immediately impacting the prices of the most important commodities. As a result, the ten main agricultural products in 2020 revealed an expressive growth in the production value when compared to 2019", said IBGE. Corn production (104 million tons) generated BRL 73.9 billion, up 55.4% from 2019. The sugarcane production (757 million tons) reached BRL 60.8 billion, an increase of 11.3% when compared to the last year. This was the first time since 2008 that the production value of corn surpassed sugarcane. In the overall ranking, corn and sugarcane were respectively in second and third place. The first position was for soybeans, with 121.8 million tons, totaling R\$ 169.1 billion. IBGE also said that positive climatic factors contributed to the good development of the grains.

Sources: *Agência Estado/Agência Brasil/NovaCana* (\*Translated by *la Niani*)

### **ECONOMY MINISTER: BRAZIL TO INSIST ON CHANGES IN MERCOSUR**

Economy Minister Paulo Guedes stated on Monday, September 27, that Brazil will continue trying to make changes in Mercosur. According to him, the Brazilian government is seeking to "modernize" the economic bloc formed by Brazil, Argentina, Uruguay, and Paraguay but has encountered resistance from Argentina. "Our position is to move forward. We are not leaving Mercosur. But we will not accept Mercosur as an ideology tool. Mercosur has a very clear proposal: it is an integration platform in the global economy. If it doesn't deliver this service, we will modernize, those who are inconvenienced can withdraw", he said while participating, remotely, in the event O Brasil Quer Mais, promoted by the International Chamber of Commerce. Brazil has proposed a 10% reduction in the common external tariff (TEC) for all products, while Argentina advocates that only part of the goods should be included in the reduction. Disagreements are also about the form of decision-making within the bloc. Currently, all decisions are made by consensus among the four member countries. "Unanimity is required to change Mercosur but instead they veto. In fact, there are three wanting to modernize Mercosur: Brazil, Paraguay, and Uruguay. Yet we understand that Argentina is at a very delicate moment right now", commented the minister on the subject.

Source: *Datamar News*

### **GOVERNMENT SUSPENDS PIS/COFINS ON CORN IMPORTS UNTIL DECEMBER 31**

The federal government has suspended the collection of PIS and COFINS taxes from corn imports until December 31. The objective is to demonstrate the cost of external acquisition in order to focus on increasing internal supply to reduce price pressure and costs for livestock breeders since the grain is an essential input in feeding bovine animals, pigs, and birds. The measure appeared as provisional measure No. 1,071, published on Thursday (Sept6. 23). It was proposed by Minister Tereza Cristina (Minister of Agriculture, Livestock, and Food Supply) to compensate for the decreased corn production due to drought. The reduced supply caused corn prices to soar, increasing costs for animal breeders. According to the provisional measure, PIS and COFINS taxes are zeroed until December 31, 2021, for corn imports. The provisional measure shall enter into force on the fifth working day after the date of its publication. The suspension will allow the purchase of corn from other markets outside Mercosur, improving the internal supply and avoiding a readjustment in meat prices for the consumer. The expectation is that removing the tariff will reduce the import cost by 9.25%, or R\$ 9 per bag. Source: *Datamar News*

### **BRAZIL EXPORTS 50,000 TONS OF RICE TO COSTA RICA AND VENEZUELA**

After the export of 60,000 tons of huskless rice to Cuba last week, Federarroz announced it will ship to Costa Rica 20,000 metric tons of paddy rice. The deal was confirmed this week. Another deal was confirmed on Thursday, 23, of 30,000 tons of paddy rice to Venezuela. According to Alexandre Velho, the president of the company, this is another shipment celebrated by the rice sector. He also said he will help to support producer prices, especially for the next crop. "This is an important move that will bring security to the domestic market prices" he pointed out. Velho also said that, in addition to the deal confirmed with Costa Rica, Federarroz is working with other export possibilities, already envisioning the rice market for 2022.

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

### **NEW ANP RESOLUTION FOR PRODUCTS MADE FROM OIL AND NATURAL GAS**

On September 24, ANP published Resolution No. 852/2021, which will regulate production of oil and natural gas byproducts, as well as their storage, sale, and services. The goal is to make the regulatory process easier and reduce costs for agents and for the ANP itself, maintaining the best operational safety practices in production. The new standard combines the regulatory framework to produce oil and natural gas byproducts, consolidating the activities of oil refining (ANP Resolution No. 16/2010), natural gas processing (ANP Resolution No. 17/2010), gasoline formulation and diesel oil (ANP Resolution No. 5/2012) and fuel production in petrochemical plants (ANP Ordinances No. 84/2001 and No. 317/2001). In all, 11 normative acts are being revoked (the five norms and another six ancillary ones). The resolution will take effect on October 1, 2021.

Source: *Noticias Agrícolas* (\*Translated by *la Niani*)

### **BRAZIL REGULATES USE OF DRONES IN AGRICULTURAL ACTIVITIES**

The Ministry of Agriculture, Livestock and Supply (MAPA) published on Friday (24) an ordinance regulating remotely piloted aircraft (RPAs), or drones, in the application of pesticides and the like, adjuvants, fertilizers, inoculants, improvers and seeds. The goal is streamlining procedures and adapting legal requirements to the specificities of the technology, as drones have gained more and more room in agriculture and livestock. In addition to the registration via Sipeagro, those working with drones will need to have a professional trained with a specific course referred to as an aerial applicator, and, in some cases, they will also need a technical manager, agronomist or forestry engineer, to coordinate activities. In addition, the drones must be duly regulated by the National Civil Aviation Agency (ANAC). The rules aim at the safety of the work team, including



minimum distances from sensitive areas to avoid environmental problems and aiming at the health of the population.

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

### BRAZIL'S PARANA SOYBEAN PRODUCTION TO RISE 6%

The Department of Rural Economy (Deral) in its monthly report estimates that the production of the soy crop in 2021/22 will reach 20.965 million tons, versus 19.768 million tons from the previous crop (2020/21), which represents a 6% increase. The planted area in the state should be 5.623 million hectares, versus 5.590 million in the 2020/21 season (up 1%). Average yield was estimated at 3,728 kg per hectare in 2021/22, over the 3,537 kg registered in the 2020/21 season. Deral announced last Tuesday that soybean planting for the next crop has already reached 3% of the estimated area. In the same period of the last season, this percentage was only 1%. The Department also indicated that 100% of the crops were in good condition, with 87% in the germination stage and 13% in vegetative growth.

Sources: *Agencia Safras/Rural Channel* (\*Translated by *la Niani*)

### RAIZEN WILL PROVIDE BIOMETHANE FOR YARA AMMONIA PRODUCTION

The largest global producer of renewable energy from sugarcane, Raizen has signed a contract with the fertilizer producer Yara. Chemically equal to natural gas, biomethane - made from waste from ethanol production - will be used by Yara to make "green" ammonia and produce nitrogen fertilizers, serving as an alternative for marine fuel. It is the first bilateral methane contract carried out within the Novo Mercado de Gas, as well as the first commercial contract for biomethane for industrial use in Brazil. The five-year, 20,000 m<sup>3</sup>/d (706,000 cf/d) deal is starting in 2023. Yara, the world's second-largest ammonia producer, with 7.7 million tons manufactured globally in 2020, is already testing other decarbonization ways in four of its 17 ammonia plants worldwide, but the option so far is electrolysis (using energy from renewable sources). While evaluating electrolysis projects in Brazil, Yara is optimistic about biomethane, whose production potential in São Paulo would be able to supply the entire demand of its plant in Cubatão.

Sources: *Ideonline/Global Fert* (\*Translated by *la Niani*)

### ALCOA RESUMES ALUMINUM PRODUCTION IN BRAZIL

With the improvement in the global aluminum market and prices, the American multinational Alcoa decided to resume primary aluminum production in Brazil. The company announced that the Alumar (smelter) plant, located in São Luís (MA), closed since 2015, will return to operation in April 2022. For this, the company will invest R\$ 400 million. According to the president of Alcoa in Brazil, Otávio Carvalheira, the company will be able to produce 268,000 tons of primary metal on the site and the volume will be destined for the Brazilian market. "We are going to supply the country, our production will be sold to aluminum transformers. This is the initial planning. However, the unit is close to the port, which can benefit exports," stated Cavalheiro. The company predicts that the new capacity will be reached by the last quarter of 2022. Alumar was previously able to produce up to 450,000 tons.

Sources: *Valor Econômico/Datamar News*

### ENEVA BUYS TEPOR, MACAÉ PORT TERMINAL

Eneva, a company that transforms oil and gas into energy, purchased the Macaé Port Terminal (TEPOR). The asset requires investments that easily exceed R\$ 1 billion. According to the company's CEO, Pedro Zinner, Eneva intends to develop a gas hub with associated infrastructure, and a regasification terminal for liquefied natural gas (LNG). Currently, Eneva's gas is called 'gas to wire', consisting of the use of gas extracted in Amazonas and Maranhão for thermal supply in the well-known 'well mouth' and, immediately afterward, to drain the generated electrical energy throughout the country. The location of Macaé is strategic for Eneva. The site has the ability to have access to imported gas and even pre-salt gas, which is much more competitive when compared to imported gas. TEPOR already has environmental licenses. The site must have a liquid terminal and also offshore support,

in addition to another terminal for the movement of oil. The project also foresees two berths capable of handling up to 2 million barrels of oil daily.

Sources: *CPG (Click Oil and Gas)/Datamar News*

### NEW RAINWATER SYSTEM TO DRAIN 375,000 M<sup>2</sup> AREA AT PORT OF PARANAGUÁ

The rainwater drainage system for the port strip and the vertical public silo at the Port of Paranaguá was completely readjusted. With an investment of just over R\$15.4 million by Portos do Paraná, the work was carried out in five lots, with a total area of almost 375,000 square meters. It is nearing completion. The port expanded over time, explains Luiz Teixeira da Silva Júnior, Director of Operations of the public company. New structural works were built and, at each undertaking, the drainage infrastructure was being implemented, often independently of the existing one. "These discontinuities caused several inconveniences in the loading and unloading operations in the port area, mainly due to the excessive accumulation of water in various points of the circulation routes", he comments. Also according to Teixeira, with the execution of the drainage work, the port of Paranaguá will have a fully interconnected system, in accordance with sanitary and environmental standards. "This provides conditions for the open circulation of vehicles and people passing through the port area, making operations more productive and efficient", he completed.

Source: *Datamar News*

### RIO GRANDE SETS NEW HANDLING RECORD

The Superintendency of the Ports of Rio Grande do Sul (Ports RS) released the January-August handling results from its three public ports and the Rio Grande superport complex. The trade balance is calculated monthly by the statistical sector of the Port of Rio Grande. The main highlight is the Port of Pelotas that recorded an increase of 42.88% year on year. The Port of Rio Grande registered its best month ever in August, surpassing the record set in May this year. In the eighth month of 2021, Rio Grandino's public pier reached 4,704,476 tons handled, an increase of 23.40% in relation to the same month last year. So far, the Port of Rio Grande has handled 30,026,626 tons from January to August, 13.29% more than in the first eight months of 2019, when the movement reached 26,505,138 tons. The Port of Porto Alegre has the highest handling in fertilizers, with 519,507 tons handled from January to August. Wheat totaled 38,544 tons, Other Cargo reached 34,488 tons.

Source: *Datamar News*

### PORT OF SÃO FRANCISCO SHIP MOVEMENT GROWS 17% IN 2021

In the first eight months of this year, the Port of São Francisco do Sul has already received 320 cargo ships, which represents an increase of 17% compared to the same period in 2020 when 274 vessels docked. This represents an average of 40 ships per month this year, whereas last year, the average was 34. Cargo handling at the Port of São Francisco also grew by 14% in the first eight months of 2021. Loads reached 9.7 million tons this year, while in the same period in 2020, 8.5 million tons were handled. The biggest loads correspond to wood, pulp, and steel products, in addition to fertilizers and grains.

Source: *Datamar News*

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