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IPEA REVISES UPWARD ESTIMATES FOR AGRO GDP FOR 2021

The Institute for Applied Economic Research (Ipea) has revised upwards estimates for the value-added agriculture from 2.2% to 2.6%. In comparison with 2020, crop output is expected to increase 2.7% and livestock production should increase by 2.5%. The upward revision is due to the upturn in results in 2021. The main risks are the water crisis, which could harm crop output more than expected, as well as the supply and demand uncertainties for livestock production. For crop production, the expected drop is for coffee (-21.0%), cotton (-19.7%), corn (-3.9%), and sugarcane (-3.1%), however, these drops should not undermine the good general performance assured by the high production of soybeans (9.4%), rice (2.8%) and wheat (27.9%).

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

SOYBEAN EXPORTS TO BREAK A RECORD IN 2021

DATAGRO points out a strong increase for soy exports. Brazil is expected to export 106.5 million tons of the soy complex in 2021, an increase of 5% when compared to the 101.4 million tons shipped last year. Analysts project sales "far above the 2020 record", taking into account the existing forecast for the 2020/21 crop of 136.9 million tons. These numbers represent a growth of 7% in relation to the last season (128.1 million tons). To reach that figure, 87.5 million tons of soybeans are expected to be shipped (+4.9% over the 2019/20 season). In addition, experts estimate the export of 18 million tons of soy meal (+6.1%), and 1.05 million tons of soy oil (-5.3%). "The trend is for an increase of the soy complex in Brazil's general export agenda. For a total revenue currently projected at US\$ 222,000 billion, the sector would contribute with 20.5%, a percentage well above the 16.9% of 2020, and 17.0% of 2018", DATAGRO says.

Sources: *DATAGRO/Agrolink* (*Translated by la Niani)

U.S., BRAZIL EXPECTED TO CONSTRAIN ETHANOL OUTPUT IN COMING MONTHS

The United States and Brazil, the world's top two ethanol producers, are expected to hold down production in the coming months, because of the surging cost of corn and sugar. Tight corn and sugar supplies are passing through to ethanol costs, making producers reluctant to raise production and boosting gasoline prices as well. The US and Brazil are the cornerstones of worldwide ethanol supply, accounting for 75% of global exports last year, according to S&P Global Platts Analytics. Average gasoline prices in the US are above US\$ 3 per gallon for the first time since 2014, according to data from the American Automobile Association, while prices in Brazil are R\$ 5.40 per liter in June, in the state of São Paulo, near all-time highs. In Brazil, ethanol prices at local mills are close to their historical highs, above R\$ 3.40 per liter, according to the Center for Advanced Studies in Applied Economics (Cepea).

Sources: *Reuters/New Cana* (*Translated by la Niani)

US-BRAZIL TRADE REBOUNDS FROM ITS BIGGEST DOWNTURN IN 11 YEARS AND RISES BY 10.9%

After bottoming out in 2020, trade between Brazil and the United States is recovering for the first time in 11 years, thanks mainly to expanded Brazilian exports totaling US\$ 10.671 billion, up 25.5% for the first five months compared to the same period in 2020. American exports had a much more modest increase, in the order of 1.5%, to US\$ 13.485 billion. The trade flow (exports + imports) registered an increase of 10.9%, totaling US\$ 24.163 billion. During the period, the United States had a trade surplus with Brazil of US\$ 2.807 billion. The data are from SECEX (the foreign trade secretariat) of the Ministry of Finance. The year 2020 was marked by a profound contraction in bilateral trade. Brazilian exports fell 27.8%, totaling US\$ 21.471 billion and, in absolute terms, the United States was the most affected partner among Brazil's main trading partners. American exports also fell, 19.8% compared to 2019, totaling US\$ 27.876 billion. Last year, bilateral trade flows totaled US\$49.347

billion and generated a trade surplus of US\$6.405 billion in favor of the Americans.

Sources: *Comex do Brasil/Datamar News*

U SANCTIONS AGAINST BELARUS COULD AFFECT BRAZIL'S FERTILIZER MARKET

The Brazilian fertilizer market is on alert after the European Union announced a series of economic sanctions to important sectors of the economy of Belarus. The retaliation came over the hijacking of a civilian passenger plane last month. Silvia Fagnani, partner at ThinkBrasil Diplomacia Corporativa, explained the country's importance for the fertilizer sector. "Belarus is the third largest producer of potash in the world. For Brazil, it is the second largest supplier, with 23%. Brazil is highly dependent on the foreign market", she said. For her, EU sanction against Belarus could cause problems with the global supply and increase production costs. "Brazil has been experiencing a decline in potash production, and we currently produce 3.7% of what we consume," she explained. According to the specialist, the government has been making an effort to create a National Fertilizer Plan.

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

MERCOSUR WHEAT SUPPLIES INCREASE; FLOUR PRICES SHOULD DECLINE

After experiencing a 6% increase in flour prices over the last 12 months, consumers will pay less for their bread in the coming months. The reasons are the increase in wheat production throughout Mercosur and the dollar's fall, which allows the cereal to be imported at much lower prices than in recent months. To a lesser extent, the drop in prices in Chicago also helped push prices down. The excellent prices for the 2020/21 crop have provided Brazilian wheat growers with profits that were unthinkable before – around 25% in the southern region. Therefore, there has been an 8.1% increase in the planted area throughout the country, according to the estimate by CONAB (the national food supply company). National production should total 6.94 million tons, 11.3% more than in the previous cycle, with records set in Santa Catarina and Rio Grande do Sul. Other Mercosur countries are also experiencing the increased production, observes analyst Luiz Carlos Pacheco, from T&F consultancy. In Argentina, last season's production of 17.5 million tons last cycle is forecast to increase to 19 million tons this cycle. In Paraguay, production is forecast to increase 43%, from 980,000 to 1.4 million tons. And in Uruguay, production volume is forecast to increase from 650,000 to 750,000 tons.

Sources: *Valor Econômico/Datamar News*

ITAU BBA SAYS CORN ETHANOL HAS LIMITED PROFITABILITY FOR NOW

Itau BBA bank expects limited availability of corn until the 2021/22 off-season. Still, for the first time in four years, global production is likely to meet the demand for the product. Itaú BBA estimates corn prices will remain stable, albeit at lower levels than those observed throughout this year, given the forecast of a greater global offer. According to the report, production of corn ethanol is expected to grow from 2.6 billion liters to 3.4 billion (32.5%). This estimate may be revised downwards, depending on corn prices. "In total, ethanol production should be 27.9 billion liters, versus 30.4 billion in 2020/21", he points out. The manager of agribusiness consulting at Itaú BBA, Guilherme Bellotti, says that the room for improvement tends to remain limited. "Although we expect an increase in ethanol prices, and DDG (dry distillery grain) stability, in the wake of the high prices of the substitutes, corn prices are likely to remain firm and could hinder expressive gains", he explains.

Source: *Nova Cana* (*Translated by la Niani)

SÃO PAULO: SALES OF THE SUGAR-ALCOHOL COMPLEX KEEP RISING

According to the Secretary of Agriculture and Supply of the State of São Paulo, from January to May, exports reached US\$ 20.17 billion, while imports totaled US\$ 26.73 billion, registering a trade deficit of US\$ 6.56 billion. By sector, agribusiness exports increased 9.4%, reaching US\$



7.42 billion, and imports declined 0.5%, totaling US\$ 1.89 billion, making a surplus of US\$ 5.53 billion, up 13.3% from the same period in 2020. The largest share in São Paulo exports was of sugar and alcohol (31.6%), with a growth of 29.3% in values and 17.3% in exported volumes, due to the foreign sales of sugar (31.6% in values and 16.7% in volume). Shipments of alcohol increased 24.6% in volume and 14.6% in value, when compared to the same period in 2020. The main exporters of the complex were: China (10.2%), Algeria (8%), Indonesia (7.6%), Saudi Arabia and Bangladesh (both with 7.3%), Nigeria (6.8%) and Malaysia (5%).

Source: IEA/Notícias Agrícolas (*Translated by la Niani)

COPERSUCAR UPHOLDS ITS SUGAR EXPORT VOLUMES IN THIS HARVEST

Despite the drop in productivity in the sugarcane fields due to the drought and a slightly more favorable trend for ethanol production in this harvest (2021/22) than in the past, Copersucar does not foresee a drop in its sugar export volumes in the current cycle, according to João Teixeira, CEO of the company, in a virtual press conference. "We don't see any impact from the eventual reduction of sugarcane on exports, especially via Alvean. We had a strong start to the harvest, and there are all indications that it will continue in this direction", said the executive. During the last harvest, Copersucar exported 3.4 million tons of sugar. The company believes that Brazilian sugar exports should be reduced by 10%. Therefore, according to the projection, sales abroad would go from the 30 million tons of the last harvest to around 27 million tons. It is estimated that sugarcane crushing will yield close to 88 million tons in this harvest, which should represent a reduction of 2% compared to the previous harvest when the Copersucar mills processed around 90 million tons.

Sources: Valor Econômico/Datamar News

SUAPE SOLID BULK TERMINAL RETURNS TO OPERATION AND INCREASES CARGO HANDLING

The Suape Port solid bulk terminal, located in the back area of Pier 5 of the berth, began operating after two years and three months of suspended activities. The area measures 72,000 square meters and is used for handling and storing various cargo. "With this resumption, Suape will see an increase in both exports and imports, such as sugar in bulk and bags, solid bulk in general, such as fertilizers and soda (white and translucent salt applied during the production of glass, paper, soap, and detergent); coke oil, vegetable bulk; and others", points out Roberto Gusmão, Suape's CEO. He reveals that the arrival of the first imported cargo of green petroleum coke through the port marked the resumption of operations at the terminal, temporarily leased by the company M&G São Caetano. Signed on June 16, the transition contract with M&G lasts for six months or until the conclusion of the bidding process for the definitive lease by ANTAQ (the national waterway transport agency), which will take place in 2022, to operate the terminal for 35 years. The terminal has the capacity to handle 500,000 – 600,000 tons of cargo per year.

Source: Datamar News

JUSTICE SUSPENDS PORT OF PARANAGUÁ ROCK DEMOLITION

Judge Flávio Antônio da Cruz, 11th Federal Court of Curitiba, suspended IBAMA's environmental licensing and the demolition of Pedra da Palangana, in Paranaguá Bay, which was scheduled to take place last Friday, June 25, and was canceled due to a protest from the communities. The decision is an injunction (provisional, made before the judgment) and is in response to the public-interest civil action of the Federal department of public prosecution and the Paraná state department of public prosecution. The order was published on the morning of the 26th. Demolition consists of an underwater explosion with the objective of increasing the depth of the Galheta channel at the entrance to the Port of Paranaguá to allow the entry of larger ships. The work was contracted by the public company Portos do Paraná at a cost of R\$23 million. The plaintiffs in the public-interest civil action claim that the work would require, "at the very least", an environmental impact study

and report, public consultations and hearings, in addition to an anthropological study and the consent of several institutions including FUNAI, IAT, ICMBio, INCRA, IPHAN, the Brazilian Navy, the municipality of Paranaguá, the Ministry of Health's special secretariat for indigenous health, and SPU (the federal government's department of property). It would also require consultation with traditional and indigenous communities.

Sources: Correio do Litoral/Datamar News

YTD HANDLING AT CEARÁ EPZ EXCEEDS 5 MI TONS

In May, the Ceará Export Processing Zone (EPZ), the only one currently in operation in Brazil, exceeded the mark of 5 million tons of cargo handled in 2021. In all, 5,135,509 tons passed through the company's gates in the first five months of this year, an increase of 15.3% compared to the same period in 2020. In the first five months of 2021, the Ceará EPZ has already handled 1.14 million tons of steel slabs, as well as 1.89 million tons of iron ore and another 969,000 tons of mineral coal, totaling more than 4 million tons only among these three main cargoes. Among the main destinations for goods produced by the Ceará EPZ in 2021, the United States was the primary destination, importing 586,609 tons. In the same period, Canada imported 69,749 tons and Belgium imported 22,609 tons. Total exports in 2021 reached 678,968 tons. The main countries exporting to Brazil this year are the United States, with 741,537 tons, Russia, with 307,968 tons, and South Korea, with 6,233 tons. In all, 1,060,164 tons arrived from other countries to be processed in the Ceará EPZ.

Source: Datamar News

THE PORT OF PARANAGUÁ LEADS OFF UNDERWATER SERVICES

Diving services for underwater inspection of the pier structures have been led in the port of Paranaguá, to identify, diagnose, and solve possible problems. The contract for the service will last one year, with an investment of R\$ 2.8 million, in Ports of Paraná's own resources. "It's a way of getting to know the current situation of our submerged structures to see if there is any spot to be repaired. Therefore, we improve safety for the operations, workers, and the port community", says André Cassanti Neto, Director of Engineering and Maintenance at Portos do Paraná. The service will be carried out throughout in the port's pier, which has an approximate length of 4.7 thousand meters, from berth 201 to berth 218. According to Cassanti, preventive maintenance can reduce risks. "The purpose is to check for cracks, fissures, corrosions, and damages along the pier, so that they can be repaired, preventing further structural damage", he said.

Source: Portos do Paraná (*Translated by la Niani)

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