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AGRICULTURAL GDP GROWS 1.9% IN THE FIRST QUARTER OF 2020

Brazilian agriculture grew by 1.9% in the first quarter of this year compared to the same period last year, according to data released this Friday (29/5) by the Brazilian Institute of Geography and Statistics (IBGE). In comparison with the last quarter of 2019, the sector registered an increase of 0.6%. Agropecuária registered a growth of 1.9% compared to previous year. This result can be explained by the performance of some products of the crop with relevant harvest in the first quarter, such as soybeans, and by the productivity, visible in the estimate of variation of the quantity produced vis-à-vis the planted area", says the IBGE, in a statement. The sector was the only one that grew in these two comparisons, according to the Gross Domestic Product (GDP) report for the first three months of the year, which, according to the IBGE, already considers the effects of the coronavirus pandemic and the social distancing over economic activity. Industry and services decreased in relation to the fourth quarter and the first quarter of 2019. In the accumulated of the period of 12 months ended in March, the GDP of the Agriculture registered growth of 1.6%, according to the Institute. Industry and services also had a positive result. In general, the Brazilian economy registered a decrease of 1.5% compared to the fourth quarter of 2019. In relation to the first quarter of 2019, the fall was 0.3%. In the accumulated of the 12-month period ended in March, the Gross Domestic Product of Brazil registered growth of 0.9%.
Source: Revista Globo Rural

ORANGE JUICE EXPORTS STILL GROWING

Total Brazilian orange juice exports (FCOJ Equivalent to 66° Brix) registered an increase of 17% in the first ten months of the 2019/20 crop compared to the same period of the previous crop. The data are Foreign Trade Secretariat (Secex) compiled by CitrusBR. In all, 914,287 tons were shipped, compared to 781,995 tons registered in the same period of the 2018/19 harvest. In revenue, the increase is 4.5%, with a total of US \$ 1.525 billion compared to US \$ 1.458 billion in the previous harvest. For the European Union, shipments of orange juice have so far totaled 635,602 tons, 25% more than the volume shipped in the same period of the previous harvest, 508,811 tons. Revenues totaled US \$ 1.069 billion, 12% above the US \$ 951.6 million in the previous harvest. To the United States, Brazilian exports closed with a 14% drop in the first 10 months of the crop year, with a volume of 147,693 tons before the 171,352 tons in the previous period. In revenue, sales were \$ 238.6 million, a 22% drop compared to \$ 305 million in April 2019. "Orange juice shipments to Japan also increased between July and April 2020, in relation to the same period of the previous year. This season, 49,831 tonnes have already been exported to the country, 38% more than in the ten months of the 2018/2019 harvest, with 36,083 tonnes. Revenue grew 27%, with US \$ 88.5 million compared to US \$ 69.6 million. China recorded a 36% increase in imports of Brazilian orange juice in the period, reaching a volume of 37,132 tons compared to 27,267 tons in the previous harvest. In turn, exports totaled US \$ 51.8 million, a decrease of 6% in relation to the same period of the previous harvest, when revenues were

US	\$	55.4	million.

Source: Universo Agro / DATAGRO

FERTILIZER DELIVERY SHOULD BE RECORD IN 2020 WITH 1% INCREASE, SAYS FCSTONE

Consultancy INTL FCStone expects a record delivery of fertilizers in Brazil in 2020. 36.6 million tonnes should be consumed, up 1% over last year. This is because the exchange ratio between soy, potassium and phosphorus is still the best for the past five. However, the new estimate is below the last data reported in February, where the forecast was 36.9 million tons. The perspective, according to the consultancy, considers a slight increase in the application of fertilizers in grain crops and a decrease in the application of inputs in crops that are currently devalued. "The new coronavirus pandemic has created a world of uncertainty, influencing the economic growth prospects of important consumers of the NPK complex (nitrogen, phosphorus and potassium) and of inputs", the study revealed. The consultancy notes that, despite the current situation leading to greater volatility in the prices of the main commodities, such as grains, the sale in dollars is offsetting the fall in soybean and corn prices for the Brazilian producer. This scenario, according to FCStone's analysis, corroborates for still favorable perspectives for the application of fertilizers in the second semester - a period in which the 2020/2021 summer crop is sown. On the other hand, the consumption of fertilizers by sectors in which prices remain at lower levels may be affected, due to the "dollarized" cost of fertilizers in the domestic market. FCStone considers that the level of investments in fertilizers by sectors with higher production costs, such as cotton and sugar cane, tends to be affected. The consultancy also points out that factors such as the availability of public and private credit, the level of producer remuneration, the exchange ratios between fertilizers and grains and the economic reflexes of the Covid-19 pandemic should also influence the prospects for the Brazilian market fertilizers in the second half.
Source: Canal Rural

PETROBRAS INCREASES PRICE OF GASOLINE AND DIESEL

Petrobras will increase the average prices of gasoline at its refineries by 5% and the price of diesel by 7%, starting today (27), informed the state-owned company. It is the fourth consecutive increase in gasoline prices this month and the second for diesel, which was readjusted by 8% on the 18th, the first of the year by the company. The adjustment comes amid the recovery of oil prices in the global market on May. With the increase of 7%, or R \$ 0.10 per liter, the average price of Petrobras diesel for distributors will increase to R \$ 1.51 per liter. The 5% increase in gasoline will represent R \$ 0.06 per liter, representing an average price of R \$ 1.32 per liter to distributors. Despite the increases, in the accumulated result for the year, gasoline accumulated a reduction of 30.9% and diesel, a reduction of 35.4%, according to information from the company's advisory. Weekly survey by the National Agency of Petroleum, Natural Gas and Biofuels (ANP), between May 10 and 16, shows that the average price of common gasoline in the country was R \$ 3.808. The S-500 diesel was R \$ 3.055. Ethanol, of R \$ 2.548. "Our pricing policy for gasoline and diesel sold to distributors is based on the import parity price, formed by international quotations for these products plus the costs that importers would have, such as transportation and port taxes, for example. Parity is necessary because the Brazilian fuel market is open to free competition, giving distributors the alternative to import products", explains, in a note, the state-owned company. Prices refer to the value sold to distributors from refineries. The final value to the driver will depend on the market, since each service station has its own pricing policy, on which taxes, operating and labor costs are levied.
Source: Jornal Cana



PORT OF SANTOS BREAKS RECORDS IN APRIL

The COVID-19 pandemic, which has slowed global economic activity, has not yet reached Santos. In April the port registered its largest monthly throughput in history, at 13.4 million tons, a number 5% higher than the previous record (12.8 million tons, in October 2019), and 26.8% higher than April of 2019 (10.6 million tons). In the first four months of 2020, throughput reached 45 million tons, marking a 9.8% year-on-year increase, and 5.5% more than the previous record (42.7 million tons, in 2018). The figures were compiled by the Santos Port Authority (SPA), and Tariff and Statistics Management. Container operations also grew by 13.6% in the first four months of the year compared to year-ago levels, with a total throughput of 1.5 million TEU. Shipments through the Port of Santos in April totaled 9.7 million tons; an increase of 32.6%. The highlight was soybeans, for which a record 4.6 million tons were handled, 68% more than April last year. Sugar also increased by 24%, totaling 1.10 million tons, the best result since 2014. For imports April registered 3.72 million tons, marking a 13.8% year-on-year rise. The number of vessel calls at the Port of Santos in April totaled 420, an increase of 9.7% compared to April of 2019 (383). In total there have been 30 more vessel calls this year than last year, marking a 1.9% increase.

Source: *Datamar News*

COFCO WILL EXPORT SUGAR INSTEAD OF CORN VIA 12A TERMINAL IN SANTOS

Cofco International announced that this year between July 1 and December 31, it will export sugar instead of corn from its 12a terminal in Santos (SP). Cofco increased its production of sugar in response to strong global demand for it. DataLiner data shows that Brazilian sugar exports grew by 23.4% in the first quarter of 2020 compared to the same period of 2019, totaling 3.77 million tons. The Chinese conglomerate's terminal has the capacity to export 400,000 tons of sugar per month. According to Cofco, "this internal agreement will allow the company to optimize its export programs for agricultural commodities since there has been an increase in sugar production at Cofco International's four plants in the state of São Paulo". The company's corn handling program will be executed according to the originally planned volumes, but at third-party terminals in the Port of Santos. "There will be no impact on soy exports, which the company plans to resume from January 2021 to June 2021 as usual."

Source: *Reuters/Datamar News*

PORTS OF RIO GRANDE DO SUL REGISTER MOVEMENT 4.89% BIGGER IN THE FIRST FOUR MONTHS THIS YEAR

The ports of Rio Grande do Sul - Porto Alegre, Pelotas and Rio Grande - registered a 4.89% greater movement in the first four months of this year compared to the same period last year, informed the Superintendence of the State Ports. In the period, 11.86 million tons were transported through the ports of Rio Grande do Sul. The result, according to the superintendence, was driven by the increase in soybean exports at the Port of Rio Grande, which registered a 67% increase over the same period last year, with 3 million tons shipped. The Rio Grande terminal accounted for 11.2 million tons handled in the period. The positive performance at the Rio Grande terminal was also observed in April, with growth of 13.2% in the total handled, to 3.89 million tons. "It was the best month of April of the last five years for the Port of Rio Grande," said the superintendent, in a statement released to the press. In the month, 1.6 million tons of soybeans were shipped through the port. The port of Pelotas registered an increase of 14.8% in the logs of wood handled in the first four months of this year, with 306.3 thousand tons. In the port of Porto Alegre, the highlight was the movement of fertilizers, with a volume 5.4% higher,

to 169 thousand tons between January and April this year.

Source: *Revista Dinheiro Rural*

BARGES ABLE TO NAVIGATE THE PARANÁ RIVER AGAIN, HELPED BY ITAIPU'S OPEN SPILLWAY

The step taken by the Itaipu hydro-electric power plant last week to open its spillway to help vessels navigate along the drought-stricken Paraná River, has had the desired effect. According to Paraguay's Center for Maritime and River Shipping Lines, the first of the 152 barges that had been stopped for more than 50 days in the country due to the low level of the Paraná River, were able to move again. The river has recently been at its most critically low level in the last 50 years. The entity explained that there are still around one million tons of soybeans waiting to be transported via the Paraná River. It said the country would now be able to use barges to receive fertilizers and fuels, which were previously received via ships along the river, but had started to be transported via road when the river level dropped. It is through the Paraguay-Paraná waterway that a large part of agricultural production in Paraguay and Argentina passes through the ports of Buenos Aires and Montevideo, on the River Plate. The spillway should remain open until the end of May, which releases an average of around 8,500 cubic meters of water per second. According to the Itaipu Plant, opening the spillway is not affecting energy production because its demand has fallen due to the COVID-19 pandemic.

Source: *Datamar News*

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