

Main news

In the first two months of 2020, Brazilian pork exports to China reached 4,523 TEUs, an increase of 173% over the first two months of 2019, when the volume sent by Brazil to the Asian country had been 1,656 TEUs.

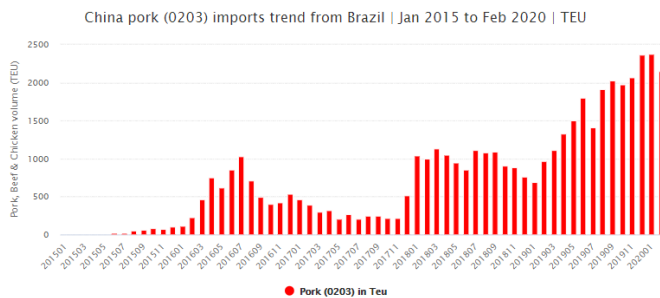


Chart source: DataLiner

The main factor responsible for this increase in exports is the African swine flu, which hit China hard in 2019, reducing the pig herd in the country by up to 60% and raising the price of the protein (a Chinese favorite), to record highs. As a result, on April 20 the Chinese Ministry of Agriculture announced that pork imports this year are expected to grow 32.7% year-on-year to 2.8 million tons.

China has been experiencing African swine flu since August 2018 and the disease has not yet been contained. The cases of African swine flu reported by China's Ministry of Agriculture and Rural Affairs had dropped to two a month at the end of last year, but 13 have been published on the ministry's website since March this year.

In an interview with Globo Rural magazine, the executive president of the Brazilian Animal Protein Association (ABPA), Francisco Turra, said that even with the pandemic caused by the coronavirus, the trend for Brazilian pork exports to China in 2020 is promising. "African swine fever has not been contained. On the contrary, it reached other regions in Asia. In addition, there are new cases of avian influenza in India and China itself. In Europe, there was a drop in pork production this year and an increase in consumption, so the continent should also be a little more demanding," said Turra. According to him, the coronavirus makes it difficult to resume production in these countries after these health problems, thus making room for Brazilian exports.

Ports, terminals and infrastructure

In March, the Port of Santos registered a monthly and first-quarter record for cargo handling. During the month it handled 12.74 million tons, a 12.1% year-on-year increase, allowing the first quarter to close at 31.62 million tons handled – the best first quarter in the port's history and 1.4% above the previous highest level for this period in 2018.

Exports were mainly responsible for the good performance, with 14.6% year-on-year growth in the month, reaching 9.74 million tons. There was a 2.4% rise in exports for the quarter, with 22.3 million tons shipped. Imports grew 4.8% during the month compared with year-ago levels and 7.5% for the quarter, reaching 3 million tons and 9.37 million tons, respectively.

Exports

There was significant growth for soybean complex (grain and bran), with almost 5 million tons handled, signifying 16.1% growth. The accumulated total exported in the first quarter reached 8.92 million tons, up 1.2%. Sugar exports rose 31% in the month, at 1.42 million tons, with the quarterly total at 3.32 million tons, an increase of 14.9% compared with year-ago levels.

This increase is the result of demand in international markets, boosted by the devaluation of the real as well as substituting for Argentina as it faces logistical challenges. The growth in sugar exports was influenced by the recent drop in oil prices, which makes ethanol less competitive compared to fossil fuels. This leads to sugar production in plants being more profitable. Added to this is the devaluation of the real, favoring national exports further.

Imports

Imports rose 4.8% during March compared to March 2019 (3 million tons), allowing the total for quarter to reach 9.37 million tons – a 7.5% year-on-year increase.

Diesel oil imports reached 224,450 tons in the month, an increase of 30.3% compared with March 2019, bringing the total to 657,830 tons for the quarter, up 23.2%. Fertilizer imports stood at 195,990 tons in the month, 27.7% higher than in March 2019, and totaling 1.02 million tons for the quarter (a 17.5% year-on-year increase).

Containers

Container operations registered a monthly increase of 7.6%, reaching 337,250 TEU. The quarter registered 1.02 million TEU, 15.4% above the first quarter last year. Santos' share of the total number of containers handled in the country, based on the latest data released by the National Waterway Transport Agency (Antaq) in February, reached 39%, an increase of two percentage points over 2019. The second best-placed port was Itajaí (SC), which accounted for 12% of the Brazilian container handling share.

Containers were used to transport 3.8 million tons in March, an increase of 4.6%, increasing the accumulated total in the year so far to 11.09 million tons, 10.8% more than in the first quarter of last year.

The first impact of COVID-19 on cargo movement began to be felt in the last two weeks of March, since the average travel time on the Asia/Santos route is 45 days. The impact is expected to become more acute in April, mainly in trade with Asia and possibly with Europe.



HMM, Hyundai Merchant Marine, held a ceremony to present the largest container ship in the world, the “HMM Algeciras”, with a capacity for 24,000 containers. The ceremony took place at the Daewoo Shipbuilding & Marine Engineering (DSME) shipyard and was attended by South Korean President Moon Jae-in.

HMM Algeciras is the first of a fleet of mega-vessels to be delivered sequentially. In September 2018, HMM signed a formal contract for its 20 ecological container ships with three shipyards – DSME, HHI (Hyundai Heavy Industries) and SHI (Samsung Heavy Industries).

DSME and SHI are building seven and five container vessels respectively, all with a capacity for 24,000 TEU, with delivery scheduled for September 2020. HHI is building eight container vessels with a capacity of 16,000 TEU to be delivered from the

second quarter of 2021. The vessels are equipped with a purification system in accordance with the IMO 2020 regulation. The optimized hull design and highly efficient engine should also improve energy efficiency and reduce carbon emissions.

The “HMM Algeciras” will be deployed in the Far East Europe 4 (FE4) service, one of The Alliance’s trade routes in Asia-North Europe, with its port rotation starting in Qingdao, Busan, Ningbo, Shanghai, Yantian, Canal from Suez, Rotterdam, Hamburg, Antwerp, London Gateway and Singapore via the Suez Canal.

Ship details of HMM Algeciras:

LOA: approx. 399.9m

Width: 61.0m

Depth: 33.2m

Capacity: 23,964 TEU

Flag: Panama

The infrastructure ministry plans to build a railway branch in the area of Marimex Despachos, Transportes e Serviços Ltda., at Santos Port. For this reason, it chose not to extend the company’s contract with Santos Port Authority (SPA), the authority that manages the port. The company operates a terminal in the Outeirinhos region, on the right bank, with its core activity being the storage of containers. The contract will expire on May 8.

The railway line will occupy part of the area where the Marimex terminal currently operates. The branch will allow the storage and handling of solid bulk and general cargo. There is also a proposal to install terminals to handle mineral solid bulk (salts and fertilizers). This plan is included in the new proposal for the port’s zoning and development plan.

With the early renewal of the Rumo Malha Paulista contract, which is expected to take place soon, and with new investments in the Norte Sul Railway, operated by the concessionaire itself, expectations are that demand for solid bulk outlets will double at the port. In addition, rail traffic, in general, is expected to grow by 41 million tons in the next 20 years. In other words, investment in rail access is essential to avoid future logistical bottlenecks.

“Our decision takes into account the need to increase the capacity of the port, the consolidation of a cluster for fertilizers on the right bank, the increase in the capacity for boarding wagons and adjustments to the railway infrastructure in the region”, explains the National Secretary for Ports and Waterway Transport, Diogo Piloni. The auctions for the lease of two cellulose terminals at the port, which should take place later this year, should also increase the need for cargo to be transported by rail.

Until the railway branch is complete, which should take about 18 months, Marimex is expected to continue operating in the region. This interim contract is valid for 180 days, until a definition for the area is reached.

The Port of Suape broke new ground in the first quarter of the year. The port handled 41% more cargo compared to the same period in 2019, totaling 6,675,954 tons. March throughput exceeded expectations and grew 13% compared

to the same month in 2019, closing at 1,971,259 tons. The number of vessels that docked in Suape was 11% higher in the period compared to the first quarter 2019, up to 354 vessels, against 318 in the first quarter of last year.

“These results in the midst of the Covid-19 pandemic show that we are working hard to keep all services and operations up and running. This is only possible because we have the support of the entire port community, which is at our side, engaged so that people will not lack essential products”, says Leonardo Cerquinho, president of Porto de Suape. “The figures indicate that if it weren’t for this unprecedented crisis, 2020 would certainly be Suape’s best year. But we know that the impact will come”.

Suape remains the national leader in liquid bulk handling, which accounted for 75% of the first quarter results. Fuels, LPG, crude oil, aviation kerosene, among other products, totaled 5,015,768 tons, and increased 54% compared to the the 3,242,294 tons moved over the same period in 2019. Figures for March alone saw a 15% rise, totaling 1,389,758 tons.

Containerized cargo (the most sensitive to economic dynamics) rose 14% in weight, reaching 1,420,104 tons. The increase represented a 10% rise in TEUs, reaching 121,480 TEU. In the first quarter of 2019, volumes reached 1,245,794 tons and 109,675 TEU. March alone registered the best results for containers. The total reached 503,901 tons and 41,907 TEU, respectively 10% and 6% more than March last year.

General cargo reached 113,771 tons, a 17.8% increase over the same quarter last year. The main general cargoes are vehicles, sugar in bags, steel sheets and coils, parts for wind industry and cast iron works. The figures show a recovery in vehicle shipments, with 9,220 units moved in 2020 compared to 8,667 in the first quarter of 2019, a 6% rise. The biggest increase happened in March, which registered 4,089 vehicles, 42% more than the same month last year. Dry bulk fell 20% in the quarter, despite having increased 30% in March. The total moved was 127,375 tons compared to 159,503 in 2019.

Cabotage, which Suape excels at and leads all Brazilian public ports, grew 36% in the quarter and 19% in March, reaching 4,274,701 tons and 1,326,847, respectively. Deep sea trades saw a big rise in exports: 158% in the first three months and 949,611 tons. Imports grew 17%, totaling 1,452,789 tons. In March alone exports totaled 175,903 tons while imports reached 468,997 tons.

The main destinations for exported goods, which for the most part correspond to fuels, were Singapore, Guinea, Colombia, Mauritania and Argentina. Imported cargo originated in the United States, Argentina, Nigeria, Spain and Colombia.

Cargo at the Port of Suape 2020

| Month | Vessel Calls | TEU | Gross Weight (t) | Break Bulk (t) | Dry Bulk (t) | Liquid Bulk (t) | Total (t) |
|-------|--------------|---------|------------------|----------------|--------------|-----------------|-----------|
| Jan | 115 | 40.602 | 470.800 | 21.178 | 27.500 | 1.879.021 | 2.397.838 |
| Feb | 124 | 38.971 | 446.213 | 69.503 | 44.151 | 1.746.989 | 2.306.857 |
| Mar | 115 | 41.907 | 503.091 | 23.091 | 55.724 | 1.389.758 | 1.971.664 |
| Total | 354 | 121.480 | 1.420.104 | 113.771 | 127.375 | 5.015.768 | 6.676.359 |

March 2020 was one of the best months of the last decade for the Rio Grande do Sul port complex. In the first three months of the year, cargo transportation in the three public ports (Porto Alegre, Pelotas and Rio Grande) had grown by 1.27%, driven by agribusiness and soy exports.

A total of 1.35 million tons of soybeans were shipped from Rio Grande port alone in the first quarter, compared with 499,588 tons year-on-year. Total cargo handled at the port during this period stood at 7.29 million tons in the first quarter of this year.

Meanwhile, at the Port of Pelotas there was a significant increase in the movement of timber, with 242,852 tons handled in the first three months of 2020, compared with 199,175 tons in the first quarter of 2019 – an increase of 21.9%. The basic chemical components for fertilizers were the main products handled in the Port of Porto Alegre, with 112,850 tons handled, compared with 55,380 tons in the first quarter of 2019.

Brazil’s Ministry of Infrastructure and the Companhia Docas do Ceará (CDC), signed the concession contract for the fishing pier at the Port of Fortaleza (CE) won by Compex Indústria e Comércio de Pesca e Exportação Ltda. The company won the electronic auction in March. This is the second infrastructure asset transferred by CDC to the private sector in 2020. A total of R\$ 10 million will be invested in the 11,963 m² structure aiming to build-up a successful fishing industry at the port. Compex will pay R\$ 3.4 million in grants over the 20 years of the contract.

Works are expected to begin in the second semester and operations should start in March next year. The demolition of a three-story building and improvements in the area’s delimitation areas are some of the expected improvements. Construction of the fish industry itself will include new refrigerated chambers and red-fish and lobster storage and processing facilities. The latter will be stuffed into containers on-site and exported to several countries, including the United States, Australia and China. The industry is expected to generate about 300 direct and indirect jobs.

Fish – The concession should lead to a 15% increase in exports of fish and lobsters from the state of Ceará. The contract stipulates that annually, about 800 tons of product caught must be exported by Compex. The company expects to increase revenues by 15% – the fishing pier alone should generate up to R\$ 20 million per year.

Compex is a Ceará-based company. The group operates on the north coast of Ceará and has a fish factory in Aracaú (CE). In addition to its expertise in red fish and lobster, it hopes to work with new products, such as tuna.

After several tests were done during the day, on 20/04 tests began of night maneuvers for container vessels entering and exiting the Cotunduba Canal – the main waterway access to the Port of Rio de Janeiro. The ramp-up, which is the transition process to receive larger ships in a progressive manner, will continue until the completion of four maneuvers, two of which are incoming and two of which are leaving, which should occur until the first half of May. The forecast is that the channel will be operational for safe night navigation this semester.

According to the CEO of Companhia Docas do Rio de Janeiro (CDRJ), Francisco Antonio de Magalhães Laranjeira, with safe navigation at night, loading and unloading operations will be made possible at night, which will provide greater competitiveness for the port’s terminals: “We estimate a reduction in waiting time by approximately 8 hours to approximately 50% of the port calls in Rio de Janeiro, which will represent a decrease in the ‘Custo Brasil’ (cost of doing business in Brazil).”

This improvement in the making was made possible by a partnership between CDRJ and the leasing companies ICTSI Rio, MultiRio, and Triunfo Logística, which operate terminals at Rio de Janeiro Port. The entire project was developed by a Working Group (GT) led by the Port Authority, through the VTMIS Manager (Vessel Traffic Management and Information System), Marcelo Villas-Bôas, and with participation from representatives of the leasing companies involved.

Due to droughts, the Paraná River is been at its lowest level since 1989. This has hampered grain exports from Argentina, which uses the river to transport a large part of its production.

To try to resolve this situation, the governments of Argentina and Brazil are in negotiations to release a gigantic volume of water from the Itaipu dam, with the objective that this water reaches the Paraná River. River exports account for around US\$20 billion a year. On Friday April 17, Argentina's Foreign Affairs Ministry reported that it reached an agreement with Brazil to increase the flow of the Paraná River by 1,400 meters per second. According to Reuters, the announcement comes after pressure from Argentina for Brazil to help.

The water level in Rosario, an important Argentine port city, is at just 78 centimeters (31 inches), almost five times below the average for this time of year, according to government data. Exporters have lost three feet of cargo capacity on bulk carriers, meaning they are loading up to 7,500 tons less than normal, depending on the vessel.

Belgian dredging company Jan de Nul is carrying out emergency work to increase the draft of the river channel. However, if dryness persists, the water level may continue to decrease more rapidly than the dredging work can keep up with.

Maersk announced that due to the reduction in market demand in the Far East and Latin America, caused by the COVID-19 pandemic, it is revising its capacity to adjust it to the current situation.

In exports, the following blank sailings are foreseen:

| Service | Ship | Travel | First port of embarkation | First date of embarkation | Last port of embarkation | Last embarkation date |
|---------|------------------|--------|---------------------------|---------------------------|--------------------------|-----------------------|
| ASAS | MAERSK SKARSTIND | 026E | Buenos Aires, AR | 23-Jun-20 | Santos, BR | 01-Jul-20 |
| IPANEMA | CROATIA | 019E | Montevideo, UY | 22-Jun-20 | Santos, BR | 04-Jul-20 |

For imports, the following blank sailings are foreseen:

| Service | Ship | Travel | First port of embarkation | First date of embarkation | Last port of embarkation | Last embarkation date |
|---------|------------------|--------|---------------------------|---------------------------|--------------------------|-----------------------|
| ASAS | MAERSK SKARSTIND | 019W | Busan, KR | 6-Mai-20 | Singapore, SG | 19-Mai-20 |
| IPANEMA | CROATIA | 019W | Busan, KR | 10-Mai-20 | Singapore, SG | 25-Mai-20 |

The alternative coverage for MAERSK SKARSTIND will be the IPANEMA service; MONTEVIDEO EXPRESS 020W. The alternative coverage for CROATIA will be the ASAS service; MAERSK LABREA 020W.

According to Maersk, the company will continue to review demand and will continuously adjust capacity to match it. The goal is to minimize the impact on customers' supply chains,

providing predictability and protecting a service plan with alternative routes in advance.

Meat

The general director of domestic trade at the Indonesian Ministry of Commerce, Suhanto, said on April 24, that the government issued permits for the country to import 20,000 tons of beef from Brazil and Argentina. According to him, the companies PT Berdikari and PT Perdagangan Indonesia were recommended to carry out the imports.

The Indonesian government is easing rules for imports of some food commodities, as it acts to guarantee food supplies amid the coronavirus pandemic and ahead of the Islamic fasting month, Ramadan.

China's Agriculture Ministry said it had again detected African swine flu in pigs. This time they were being transported to Sichuan, a province in the southwest of the country. This is the most recent of a dozen such cases in the past two months.

China has been facing African swine flu since August 2018, and since then the disease has spread rapidly through the world's largest pork producer, killing millions of pigs and causing meat prices to skyrocket. In the most recent incident, the virus was found in pigs in a truck stopped for inspection in Nanjiang County, near the city of Bazhong. The truck was carrying more than 100 animals and two were dead, the ministry said.

The cases reported by the Ministry of Agriculture and Rural Affairs had dropped to two a month at the end of last year, but 13 have been published on the portfolio's website since March. All cases, except for a boar, arose in pigs that were being transported between provinces. "It is easier for the government to have access to pig transport trucks than to rely on farmers' willingness to report outbreaks," said Dirk Pfeiffer, professor of veterinary epidemiology at Hong Kong City University. Pfeiffer added that recent reports may not reveal much about the epidemiology of the disease, as the reported cases are probably just the tip of the iceberg.

Despite the Ministry of Agriculture's figures on the outbreak pointing to far fewer infected animals, data from the folder itself showed that by September 2019 the herd had shrunk 41% year-over-year. Many in the industry believe it has decreased by up to 60%. On April 20, China's deputy agriculture minister, Yu Kangzhen, said the risk of African swine flu has risen considerably recently as farmers are rushing to replenish their herds and transfer young pigs to new breeding sites.

The disease in China has positively impacted Brazilian pork exports to the country, which have grown a lot in the last year compared to previous years. Chinese customs data shows that the country's pork imports in March almost tripled in comparison with the same month last year. The largest global consumer of pork, it imported 391,000 tons in March, up from 127,200 tons in March 2019. According to figures from China's General Customs Administration, pork shipments for the whole first quarter amounted to 951,000 tons, almost twice as much as in the same period last year.

China expects to import more soy and pork this year to supply domestic demand, after the coronavirus pandemic

and the impacts of swine fever decimated its pig herds.

Meanwhile, soy imports are estimated to reach 92.48 million tons this year. The forecast is that by 2025, they should grow to 96.62 million tons, while in 2029 they should reach 99.52 million tons. This forecast was released by the country's agriculture ministry in a video conference on Monday, April 20.

Pork imports this year are expected to grow to 2.8 million tons, an increase of 32.7% compared to year-ago levels. China is a major buyer of soy and pork globally and imports millions of tons of oilseed a year to process it into animal feed. African swine flu, however, reduced the country's pig herd by more than 40% last year, reducing the supply of the main pork-consuming country. Adding to the effects of the coronavirus, which hit pig transport and delayed the resumption of slaughterhouses, Chinese meat prices rose in February to record levels.

Despite higher imports, pork consumption in China in 2020 is expected to drop to 42.06 million tonnes, down 5.6% year-on-year, due to high prices and falling consumer demand due to coronavirus, according to the ministry. Domestic pork production is expected to drop to 39.34 million tons in 2020, recovering to 54 million tons in 2022. For soybeans, Chinese domestic production is estimated to reach 18.81 million tons in 2020, up 3.9% year-on-year.

Grain

The volume and revenue projections for exports of Brazil's soy complex in 2020 were updated by the DATAGRO consultancy. In it, total shipments were revised to 91.90 million tons compared to 93.60 million tons in the last estimate and 0.1% higher than the volume shipped in 2019 (91.78 million tons), but below the record volume of 101.35 million tons of 2018.

Specific shipments of soybeans in grain were updated by DATAGRO to 74.30 million tons – below the previous survey, but with a 0.3% increase compared to 2019. Forecasts for soybean meal exports are now at 16.70 million tons (a 0.2 % increase), and the volume of soybean oil at 900,000 tons (a 13.5% drop over the previous year).

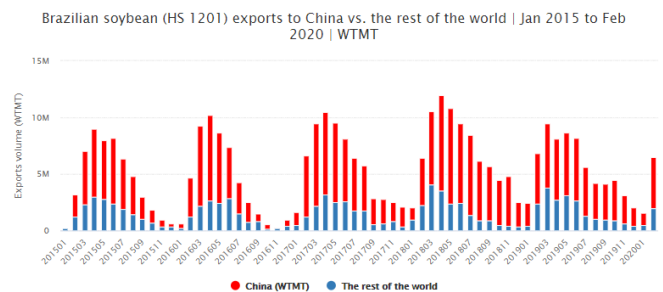
The cut made in the projection of soy exports was related to the review previously made by DATAGRO for potential soy production in the 2019/20 harvest, which dropped to 121.92 million tons compared to 123.62 million tons from the previous survey. Even so, this is still a 2% increase over the previous harvest which was 119.19 million tons.

“An important factor of uncertainty comes with the impact of African swine flu (PSA) on Chinese demand for soybeans and corn. Due to the slaughter of a large part of the pig herd, the Chinese continue to increase meat imports to meet their demand, generating additional demand for bran and corn in the supplier countries. That is the case in Brazil,” says Flávio Roberto de França Junior, coordinator of DATAGRO Grãos.

France also lists the following factors as points for attention: the impact on the global economy generated by the COVID-19 crisis and its uncertain influence on the demand for food; the climate with the formation of a low-intensity El Niño; the trade war between China and USA, still with no final resolution defined.

The forecast for total revenue fell to US\$31.97 billion this year, 2% less than the US\$32.63 billion gained at the close of 2019. The analysis takes into account the partially lower average price estimates. “This projection of a mixed price scenario for the market this year, but a predominant threat of drops, is associated with the partial retraction in demand due to the crisis brought about by the new coronavirus”, points out França.

The following chart shows Brazilian soy exports to China and the rest of the world as of January 2015:



Data released this Wednesday (22/04) by the National Institute of Statistics and Censuses (Indec) of Argentina showed that its foreign trade with other countries fell 17.6% in March, compared to year-ago levels. The trade flow reached US\$7.49 billion, in the third month of the year.

While exports fell 15.9% to US\$4.32 billion, imports decreased by 19.7% to US\$3.17 billion last month. As a result, Argentina had a surplus of US\$1.14 billion in March. In previous months, imports had been falling at a similar pace to that of March, due to the crisis the country has been facing since 2018. Exports, however, has been recovering. Before the pandemic, sales of agricultural products to other countries were the government's big bet for the recovery of Argentina's economy.

Fruit

The Arab Authority for Agricultural Investment and Development (AAAID) is seeking to identify companies that supply food to guarantee supplies in Arab countries during the covid-19 pandemic. The organization issued a statement listing 14 products for which it asks possible suppliers to contact them.

The list consists of wheat, rice, corn, potatoes, raw or refined vegetable oils, sugar, beef, milk and dairy products, fruits such as bananas, oranges and apples, chicken meat, eggs, fish and animal feed. According to the statement, the institution seeks to identify supply and demand elements for these products. “If there is a demand or supply for the following goods in your region, contact AAAID as soon as possible,” says the statement.

AAAID is a financial institution composed of 21 Arab countries headquartered in Sudan. The organization works in helping the Arab world to achieve food security by investing in agriculture and livestock projects.

In its statement, the AAAID informs that it is creating an emergency mechanism to guarantee the continuous supply of basic goods in the Arab countries during the pandemic.

The AAAID also states that the agricultural and food sector in the Arab countries is one of the most affected because the region imports most of what it consumes.

Total Brazilian orange juice exports (FCOJ Equivalent to 66° Brix) registered an 18% increase in the first nine months of the 2019/20 harvest compared to the same period in the previous harvest. A total of 861,700 tons were shipped during the period, compared to 732,048 tons during the same period of the 2018/19 harvest. Revenues increased 6% to a total of US\$1.445 billion compared to US\$1.369 billion in the previous harvest.

The 2018/19 harvest, which the current harvest is being compared to, ended with the second-worst export volume since it started exporting over 1 million tons in the 1991/92 harvest. "When we look at the volume exported in the period, it is equivalent to the performance of two years ago (2017/18 crop), which was a good year but still below the best rates observed between the 2003/04 and 2006/07 harvests," explains the executive director of CitrusBR, Ibiapaba Netto.

According to Netto, there was a big rush to buy orange juice in the second week of March. "Part of the increase in sales must be attributed to the demand for vitamin C and part of the increase is due to people stocking more food at home," says the executive, who comments that it is not possible to know how much each reason contributed to the increase at this time.

On the one hand, it is estimated that American retail consumption increased by 10% in 2020 (most of it in March), on the other hand the foodservice sector was devastated. "The foodservice sector is very relevant, especially in the United States, and this drop cancels out part of the gains that occurred in retail," he explains. "We will carefully follow the data and reports in the coming weeks," he said.

Markets: Shipments to the European Union, its main destination, totaled 597,242 tons, between July 2019 and March 2020 – 26% above the 472,449 tons exported in the previous harvest. Revenues totaled US\$1.011 billion, 14% more than in 2018/2019, when US\$886.812 million was exported.

The second main destination for Brazilian orange juice is the United States, which during this period imported 138,800 tons, 16% less than between July and March last year. In sales, shipments to the United States totaled US\$224.7 million, a reduction of 11% in comparison with the previous harvest, when revenues were at US\$295.5 million. "The reduction in shipments is still a reflection of the increase in juice stocks reported in the United States, which are at the highest levels in the last five years," informed the executive.

Shipments of orange juice to Japan also increased between July and March 2020, compared to the same period last year. This season, 48,944 tons have already been exported to the country, 38% more than in the eight months of the 2018/2019 crop. Revenue grew 28% to US\$87.07 million.

China recorded a 46% increase in imports of Brazilian orange juice in the period, reaching a volume of 35,991 tons compared to 24,601 in the previous harvest. By revenue, the increase is 1% in the first eight months to US\$50.6 million, compared with US\$50.2 million in the previous period. "One explanation for this may be

the devaluation in the price of the juice over this period compared to the previous period, as the Chinese market is very susceptible to price and an increase in this situation makes sense," he says.

The following graph shows Brazilian orange juice exports from July 2019 to March 2020:



Source: CitrusBR

Trade

The United States, the European Union and 20 other member countries of the World Trade Organization (WTO), including Brazil, Australia, Canada, and Japan, have agreed to keep trade in food and agricultural products open amid restrictions aimed at containing the spread of the coronavirus. In a joint statement, WTO countries said that some countries are imposing restrictions on exports despite lessons from the past showing that this increases food insecurity for vulnerable populations. "The world's poor, including agricultural workers, would suffer from the impact of increased export restrictions," the statement said.

The WTO group represents 63% of exports and 55% of agricultural and food imports in the world and has also pledged to ensure that supply chains remain open and that emergency measures are targeted, proportionate, transparent and temporary. The other signatories are Chile, Colombia, Costa Rica, Hong Kong, South Korea, Malawi, Mexico, New Zealand, Paraguay, Peru, Qatar, Singapore, Switzerland, Taiwan, Ukraine, and Uruguay.

On 21/04 Tereza Cristina of Brazil's agriculture, livestock and supply ministry participated in a video conference with agriculture ministers from the G20 countries to discuss the impact of the Coronavirus on the sector. The event, held by videoconference, warned of the need to review unjustifiable trade barriers and subsidies that reward inefficiency and may affect the supply of some countries.

"COVID-19 offers us the opportunity to rethink our collective behavior. We will win the fight against COVID-19 together and emerge from it with a mentality to finally achieve stable global food security and decent livelihoods for all of humanity," said the minister. Brazil's position was convergent with that of other countries such as the United States, China, Germany, and the United Arab Emirates. The G20 videoconference aimed to improve global cooperation and ensure the flow of agricultural products to protect global food security and nutrition during the pandemic.

According to Tereza Cristina, trade barriers should not be raised only when a calamity occurs, whenever it is convenient to combat the fear of food shortages. "Are we going to abandon rhetoric, taking effective measures to really improve the livelihood of the most vulnerable? Or will we fall into the trap of using the pandemic as an excuse to keep the parochial interests rooted, through the perpetuation of protectionism?" said the minister. The minister also criticized the use of subsidies at this time of the crisis, as they end up creating unfair competition for developing countries and affecting living conditions in the countryside. "Fair agricultural trade would allow better conditions to spread in rural areas, where most of the world's poverty is concentrated."

The G20 group said, "We agree that emergency measures in the context of the COVID-19 pandemic must be targeted, proportionate, transparent and temporary, and that they do not create unnecessary barriers to trade or disruptions in global food supply chains and consistent with the World Trade Organization (WTO)". The virtual meeting was attended by the Director-General of the World Health Organization (WHO), Tedros Adhanom Ghebreyesus, the Director-General of the World Trade Organization (WTO), Roberto Azevêdo, and the Director-General of the United Nations for Food and Agriculture (FAO), Qu Dongyu.

In the 3rd week of April 2020, the Brazilian trade balance registered a surplus of US\$1.04 billion and a trade flow of US\$6.90 billion, resulting from exports of US\$3.97 billion and imports of US\$2.93 billion. The cumulative monthly total is exports of US\$10.39 billion and imports of US\$6.98 billion, with a positive balance of US\$3.41 billion and a trade flow of US\$17.37 billion. In the year so far, exports totaled US\$59.91 billion and imports US\$50.94 billion, with a positive balance of US\$8.96 billion and a trade flow of US\$110.85 billion.

Monthly Comparison - For the averages up to the 3rd week of April (US\$866 million), there was a 5.7% drop year-on-year. Regarding imports, there was a 10.4% fall over the same period comparison, reaching US\$581.6 million. Hence, until the 3rd week of April this year, the daily trade flow average stood at US\$1.46 million, representing a 7.6% year-on-year drop.

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