

Main news

The Brazilian trade balance has been registering record surpluses so far this year, mainly attributed to the Coronavirus pandemic whereby the direction of world trade has been changed, favoring exports of certain categories of Brazilian products. What are these categories? What were the most exported and imported goods by Brazil in containers in the first five months of the year?

The following rankings, based on DataLiner data, provides the answer to these questions and a comparison with the performance of each product category in 2020 in relation to the first five months of 2019:

Ranking of most exported goods from January- May 2020

On the export side, the top-ranking sector was food, which grew 9%, followed by paper and cellulose with 10% growth, then cotton with 44% growth, and sugar and ethanol which had an expressive volume increase of 54%. At the other extreme, rubber and derivatives as well as vehicles and auto parts suffered the largest drops in exports – 27% each.

Ranking Commodity - Exports

Rank	commodity	2019 (TEU)	2020 (TEU)	% change (2019 - 2020)
1	Foods	249.959	272.506	9%
2	Wood and coal and derivatives	165.143	161.020	-2%
3	Paper And Cellulose	101.114	111.183	10%
4	Plastic and derivatives	56.670	50.906	-10%
5	Metals and derivatives	51.343	53.527	4%
6	Beverages - Infusion	51.021	49.841	-2%
7	Cotton	35.521	51.234	44%
8	Chemicals	41.064	41.163	0%
9	Sugar and derivatives	24.303	37.464	54%
10	Reactors and boilers	31.694	26.176	-17%
11	Minerals and derivatives	22.772	18.846	-17%
12	Animal food	20.260	19.798	-2%
13	Textiles, derivatives and clothing	20.861	18.427	-12%
14	Rubber and derivatives	22.236	16.194	-27%
15	Vehicles and parts	20.440	14.935	-27%
	Total	916.422	945.230	3%
	Others	145.595	142.736	-2%
	Grand total	1.062.017	1.087.966	2%

Showing 1 to 18 of 18 entries

Fonte: DataLiner

Ranking of the most imported goods from January to May 2020

Regarding imports, the biggest highlight is the fertilizer category with 58% growth, motivated by the good performance of Brazilian agribusiness. In the opposite direction, the biggest fall was also seen in imports of vehicles and auto parts, with a 19% year-on-year downturn.

Ranking Commodity - Imports

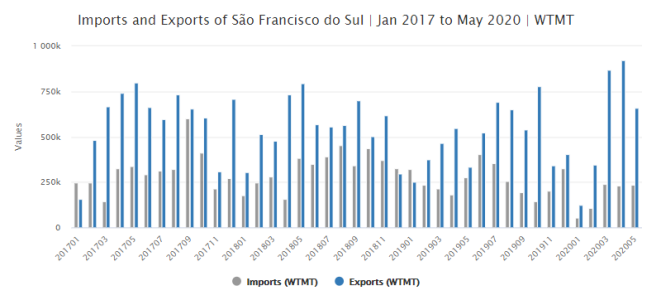
Rank	Commodity	2019 (TEU)	2020 (TEU)	% change (2019 - 2020)
1	Plastic and derivatives	113.021	119.363	6%
2	Vehicles and parts	114.651	92.688	-19%
3	Chemicals	93.940	102.076	9%
4	Reactors and boilers	92.605	88.509	-4%
5	Electric machines	69.653	77.301	11%
6	Textiles, derivatives and clothing	68.915	59.742	-13%
7	Metals and derivatives	63.071	63.347	0%
8	Foods	39.655	38.825	-2%
9	Rubber and derivatives	37.587	33.552	-11%
10	Paper And Cellulose	26.540	29.488	11%
11	Fertilizer	16.512	26.090	58%
12	Glass and derivatives	16.832	15.503	-8%
13	Furniture	14.866	12.297	-17%
14	Salt, plaster, cement	12.015	14.590	21%
15	Drinks	13.043	12.631	-3%
	Total	794.927	788.021	-1%
	Others	151.408	163.081	8%
	Grand total	946.335	951.102	1%

Ports, terminals and infrastructure

In the last week, the Port of São Francisco do Sul launched a notice for maintenance dredging whereby approximately two million cubic meters are to be removed from the access channel, the evolution basin, and the berths. According to SCPar Porto de São Francisco do Sul, the work will allow vessels of greater cargo capacity to be received and it will offer more security in operations, ensuring increased productivity.

Once the service order is received, the winning company will have a maximum of 30 days to begin the work, and the deadline for completion of the work is 160 days (already counting the mobilization period).

DataLiner data shows that soy corresponded to 71% of exports made by the Port of São Francisco do Sul in the first five months of 2020, reaching 2.78 million tonnes, followed by corn with 59,000 tonnes. The cargo most imported by the Port of São Francisco do Sul was fertilizers.

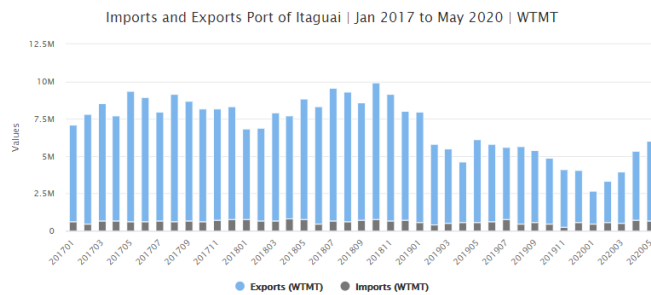


Fonte do gráfico: DataLiner (Para solicitar um demo do DataLiner clique aqui)

Administered by Companhia Docas do Rio de Janeiro (CDRJ), the Port of Itaguaí broke a monthly revenue record in June, reaching R\$37.16 million. According to information from the superintendent of Port Management of Itaguaí and Angra dos Reis, Alexandre Neves, the record was achieved due to several factors. "This record comes mainly from CSN's iron ore movement and the reestablishment of Vale's ore movement, in addition to the high dollar and the iron ore market price," explained Neves.

The report also indicates that June accounts for 20% of the port's total revenue for the year so far, which is 21% higher than the previous month's revenue, and more than double that recorded in

January. DataLiner data show that iron ore corresponded to 91.5% of all exports made by the Port of Itaguaí in the first five months of 2020, with a volume of 16,760 tonnes.



Fonte do gráfico: DataLiner (Para solicitar um demo do DataLiner clique aqui)

The National Waterway Transport Agency – ANTAQ changed a rule on its Normative Resolution No. 01-ANTAQ, issued on February 13th, 2015, which regulates the chartering of foreign vessels whilst vessels used for cabotage are out of action. Resolution No. 7,858, of July 6th, 2020, was published in the July 8th edition of the Federal Official Gazette.

The Normative Resolution states that such chartering is allowed during the time that a vessel, that has been in regular commercial operation, is docked. This, however, is limited to chartering a vessel of a similar type and size equivalent to the docked vessel, after verifying the unavailability of a Brazilian flag vessel of the appropriate type and size. Moreover, the chartering will be authorized for a period of up to 90 days, counted from the time of effective docking of the vessel, to the date of delivery of the vessel to the shipyard.

In order to obtain the authorization for foreign vessel chartering, the Brazilian Shipping Company (EBN) must submit the docking plan to ANTAQ, stating the reason and also the schedule with the transit period of delivery of the vessel to the shipyard and its return to EBN.

According to ANTAQ's Superintendent, Alber Vasconcelos, the change in the rules will cover possible operational gaps in time charter requests resulting from regular and mandatory docking operations carried out by EBN, thus allowing shipping capacity to be maintained. "It is common for these companies to dock their operating vessels, while at the same time having to maintain a constant service to regular customers. The weekly vessel calls are of paramount importance to such shipping lines, and there is no surplus capacity in the national market to cover for the absence of a vessel", he explained.

The Port of Fortaleza registered a 9% growth in cargo handling in the first half of 2020 compared to the same period last year, despite the economic crisis caused by the new coronavirus. The increase was driven by increased handling of wheat, slag, clinker, manganese, magnesium, rebar, steel billet, and oil products.

Solid bulk grew 19% in June compared to the same month last year, from 909,195 tonnes to 1,080,406 tonnes. General cargo performed second-best, registering an increase of 10.5%, equivalent to a rise of 20,459 tonnes. Liquid bulk remained practically stable, going from 1.03 million to 1.04 million tonnes.

From January to June this year, solid bulk accounted for 46% of total movement and liquid bulk for 45%. In the same period last year, this was at 43% and 48%, respectively. General cargo remained stable at 9%.

The Port of Itajaí has completed the expropriation phase of its areas that will be used to continue its expansion plan. Of the 42 properties evaluated on the market, so far 22 properties have been prioritized, leaving six properties that are still being negotiated in court.

The size of the physical space for the port expansion plan after expropriations, together with the other areas owned by the superintendence, total an area of 12,104m², with the capacity to store up to 1700 TEU. This area is almost half of the total area where the Contiguous Customs Area (RAC) is located, which measures 24,308.55m², and which will be incorporated next to the port's backyard.

The Itajaí port expansion project is subdivided into different regions (areas) or zones (A, B, C, D, E – F), and, in order to arrive at a definition of which areas would be dealt with first in accordance with the port expansion plan, the order was reversed so as to start with area "F" (RAC site and expropriated properties).

After the expropriation of these properties in the vicinity of the port region has been concluded, with the total expansion planned, container storage capacity is forecast to go from 14,000 to 30,000 TEU. There is a post-expansion plan to increase reefer units from 1,500 to 3,000.

Between July 13 and August 26, ANTAQ is to hold a public consultation and hearing to receive contributions regarding improvements to technical and legal documents related to the lease of a port terminal. It is the TERSAB terminal, which is dedicated to solid mineral bulk handling, at the Areia Branca Port Complex, in Rio Grande do Norte.

Legal drafts and technical documents about this public hearing will be available at the following electronic address: portal.antaq.gov.br/index.php/aceso-a-informacao/audiencia-publica-2/. Contributions can be sent to ANTAQ up until 11:59 pm on 26/08/2020.

In the first half of this year, the volume of grain transported via rail from the West of Paraná to the Port of Paranaguá more than doubled in comparison with the same period cast year. The increase was 128%, despite the effects of the COVID-19 pandemic.

One of the main factors driving this growth is the partnership developed by the State Government, through the Estrada de Ferro Paraná Oeste SA (Ferroeste), a state-owned company that operates the rail network between Cascavel and Guarapuava, and the company Rumo Logística, which moves cargo from Guarapuava to Paranaguá.

Signed in February 2020, the Specific Operation Contract aims to expand the flow capacity of the western region's harvest via the railway branch. In these first six months, the volume of grains jumped from 133.2 million tonnes to 303 million tonnes.

In addition to the 128% increase in the volume of grains, there was also a 32% increase in transportation of fertilizer and a 31% rise in cement handling. The total volume transported from the

west to Paranaguá was 55% higher than in the first half of 2019, with volumes at 598,100 tonnes, up from 385,800 million tonnes.

Investments

To further increase the flow of grains via rail, plans are for a new route of up to 1,371 kilometers in length of a railroad between Maracaju (MS) and Cascavel (PR), with the integration of the intermodal section Foz do Iguacu-Cascavel. The plan includes Cascavel-Guarapuava-Litoral lines, covering a strategic region for the country and the continent. The connection will span around 1,000 kilometers. The forecast is that 50 million tons of cargo will move via this railroad. This modeling is already in the EVTEA phase. The study was contracted in 2019 by the State Government.

A part of the public dock in the Port of Rio de Janeiro is soon to have a customs clearance area set up once again. This request was submitted by Companhia Docas do Rio de Janeiro (CDRJ) to the Federal Revenue Service in February this year. Currently, the CDRJ has hired a consulting and auditing company to verify the efficiency and security of the computerized access control systems to the port and a report of this analysis will be delivered to the Federal Revenue, together with complementary documents that the agency required. The director-president of CDRJ, Francisco Antonio de Magalhães Laranjeira stressed the importance of this measure: "With a customs area once again in place on the public dock at the Port of Rio de Janeiro, CDRJ will have more of its own resources to invest in port infrastructure".

The first stage in re-establishing a customs clearance area in Rio de Janeiro was to clear all federal taxes due, after 15 years of being in debt. The Debt Clearance Certificate (CND) was an indispensable requirement of the Federal Revenue for the recovery of customs.

The Port of Rio de Janeiro holds the eighth position in the ranking of exporting ports in Brazil and has seen an 8.66% drop in TEU handling in the first five months of 2020 compared to the same period last year. On the import side, the port occupies the seventh position, with a fall of 9.71% in TEU movement during the first five months of 2020 in relation to January to May 2019, according to DataLiner data.

Exports



Fonte: DataLiner

Imports



In the first half of 2020, fertilizer handling at the Port of Itaqui reached 1.2 million tonnes, an increase of 50% in relation to the same period last year. Moreover, the expectation for the coming months is for an even greater volume once the new fertilizer terminal, belonging to Companhia Operadora Portuária do Itaqui (Copi), comes on stream later this year.

In 2019, fertilizer cargo handled by the port exceeded 2 million tons and grew 11% compared to 2018. These results helped consolidate Itaqui as an outlet for grain production (soy and corn) in the Central-Northern region of Brazil, which is increasingly driving the import of fertilizers as return cargo (cargo brought back in place of goods previously exported).

With the new terminal, the port will be able to increase its capacity from 2 million to 3.5 million tonnes of fertilizer imports per year. According to the operator, the new terminal will have a static capacity of 70,000 tonnes distributed in independent bays, all connected directly to berth 101 (which can increase productivity to 1,250 tonnes/hour). The project also provides for a rail hopper, which will facilitate transport by rail to Palmeirante (TO), where the product will be distributed to other states.

The fertilizers handled by Itaqui originate mainly in Russia, Egypt, and Israel. When entering Brazil via the public port of Maranhão, this cargo is distributed throughout the producing region called Matopiba (which covers Maranhão, Tocantins, Piauí, and Bahia) and has been expanding.

Last year, 36.2 million tonnes of fertilizer were distributed across the country, according to data from the National Fertilizer Diffusion Association. Of this total, 7.1 million tonnes were produced in the country and the imported volume reached more than 80% of what was delivered to the market, which is equivalent to 29.5 million tonnes.

On July 6, ANTAQ (the National Waterway Transport Agency) held a virtual public hearing to discuss technical and legal documents related to bidding for the lease of a port terminal for the handling and storage of solid vegetable bulk, especially grain, located in the Port of Fortaleza / CE. Interested parties were able to manifest themselves via video, audio, and the WhatsApp application, as well as by entering the meeting room created in the Microsoft Teams application. A total of 161 people attended the hearing.

The area in question is 6,000m², and is called MUC01. According to studies by the planning company EPL, the total value of the contract / total gross revenue is R\$516.6 million, with future terminal lessees having to pay the port authority a monthly amount of R\$63,231 for use of the area, and over R\$1.54 per ton handled.

The investments planned to be made over the 25 years of the contract add up to R\$56.7 million, which should be invested in a new ship unloader with a minimum nominal capacity of 1,000 tonnes/hour; in the purchase of new conveyor belts for the interconnection of Berth 103 to Warehouse A, endowing the terminal with operational independence; and also in the dredging of berth 103 to a draft of 13 meters. According to the EPL / SNPTA study, the investments must guarantee better performance in the loading and unloading operations and in the storage capacity of the terminal.

Public consultation - Contributions, subsidies, and suggestions for this public consultation/hearing may be addressed to ANTAQ by 11:59 pm on 22/07/2020, exclusively through and in the form of the electronic form available at <http://portal.antaq.gov.br>.

The legal minutes and technical documents object of this public hearing are available at the following electronic address: portal.antaq.gov.br/index.php/aceso-a-informacao/audiencia-publica-2/

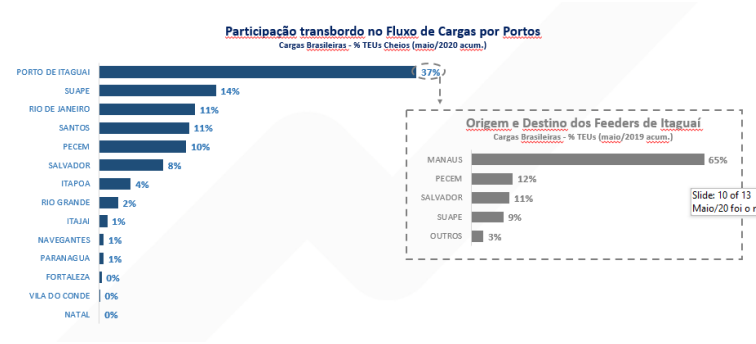
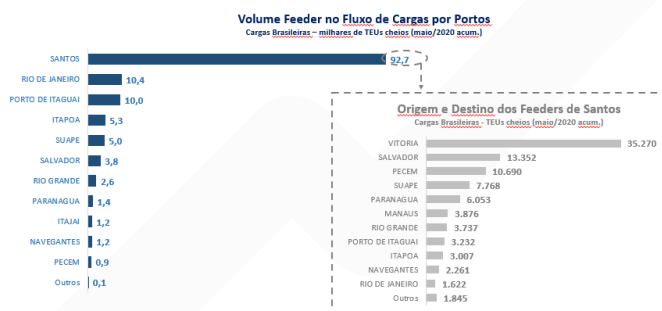
Shipping

A recent study carried out by Datamar on the amount of cargo transported between hub ports (long haul) and ports with origin or destination in Brazil, shows that between January-May 2020, 6.6% of all containerized cargo at Brazilian ports was transhipped. This is equivalent to 134,000 TEU of the total of 2 million TEU handled. When considering long-haul cargo transhipped at a Brazilian port, with the origin/destination as Plate (Argentina, Paraguay or Uruguay), the amount during the 5 months is 51,000 TEU going through Brazilian ports as hubs to connect to foreign ports.

Imports and exports

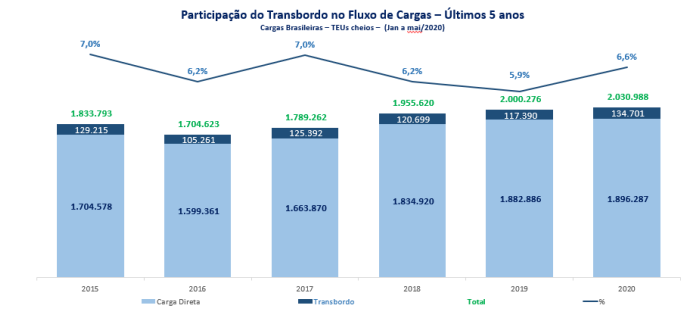
According to information from Datamar's DataLiner maritime foreign trade database, of the 2 million TEU handled between January-May 2020 in Brazil, exports correspond to 1.1 million TEU and imports 900,000 TEU. Of these volumes, 8% of imports and 4% of exports were transhipped at some Brazilian port.

The following graph shows the participation of transshipment in Brazilian container cargo flow over the last five years:



Participation by port

The data showed that Itaguaí is the port with the largest share in transshipment volume, mainly due to the volume with origin or destination in Manaus which accounts for 37% of the total. This is followed by Suape with 14%, and then Rio de Janeiro and Santos, both with an 11% share.

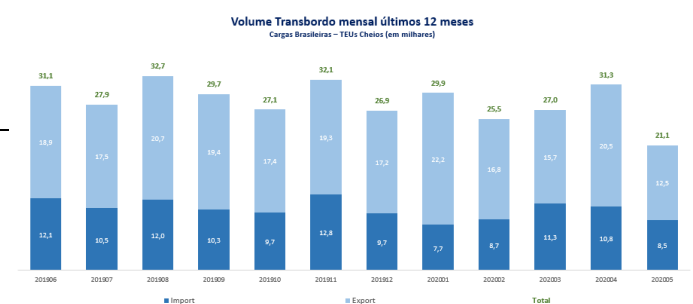


Santos is the port that shifts the most transhipped cargo in terms of volume, accounting for 68% of Brazil's total. The main transshipment flow in Santos has as its origin or destination as Vitória Port.

The shipping line that carried out the most transshipment activities is Hamburg Sud, with 66,900 TEU in May, followed by MSC with 31,100 TEU, Maersk, with 14,400 TEU, CMA CGM with 10,000 TEU, Hapag with 7,800 TEU, ZIM with 2,000 TEU, and Log-In with 1,700 TEU.

When analyzing the volume transhipped by continent in May 2020, Asia was first with 55,400 TEU, followed by North America with 29,500 TEU, Europe with 26,400 TEU, South America with 18,600 TEU, Africa with 4,700 TEU, and Oceania with 500 TEU.

The graph below shows the monthly transshipment volume in the last 12 months:



Grain

Agribusiness reached record levels for the month of June, with exports of US\$10.17 billion, an increase of 24.5% compared to exports in June 2019 (US\$8.17 billion). This data was shared by the Agribusiness Balance Bulletin released by the Department of Trade and International Relations of the Ministry of Agriculture, Livestock and Supply (SCRI-Mapa) on 10 July. According to the bulletin, in no other year since records began in 1997, have agribusiness exports exceeded US\$10 billion for June.

Soy complex was the main sector responsible for the growth of agribusiness exports. Foreign sales in the sector rose from US\$3.53 billion in June 2019 to US\$5.42 billion in June 2020, representing an increase of 53.4% or almost US\$1.9 billion in absolute values. To serve as a comparison, agribusiness exports grew by US\$2.0 billion over the same period comparison. The export of soybeans in grains (13.8 million tonnes) had a great influence on these values, reaching US\$4.67 billion in the month. Sugar exports, meanwhile, increased by almost 1.5 million tonnes in June 2020 compared to year-ago levels.

China was the main importing country responsible for the growth of Brazil's exports, acquiring 70% of Brazilian soybeans in June. The Asian country also increased purchases of Brazilian agribusiness products as a whole by 65% year-on-year, equivalent to US\$1.3 billion.

Brazilian agribusiness increased its share of Brazilian exports from 44.4% in June 2019, to 56.8% in June 2020. In turn, agribusiness imports decreased from US\$984.55 million to US\$826.28 million over the same time period. Thus, the trade balance for the sector reached a surplus of US\$ 9.3 billion.

Meat - Meat exports reached US\$1.41 billion – a record for June at 626,500 tonnes. Beef represented more than half of the exported value of meat, at a record US\$742.56 million, and 176,600 tonnes by volume.

Pork exports also showed record value and volume levels for June. Exports totaled US\$196.86 million, with a volume of 95,000 tonnes sold. Revenues from chicken exports were down 32.1% during the same period, reaching US\$438.23 million. This is due to a 13.6% decrease in the exported volume and a 21.4% reduction in the average export price.

China stood out again in the acquisition of Brazilian meats, having imported half of the beef and pork exported by Brazil. China's participation in chicken purchases was also relevant, reaching 23.7% of the total exported.

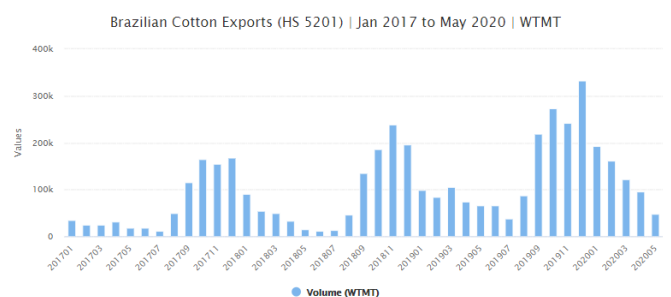
Alcohol and sugar - The sugar and alcohol sector had the highest percentage increase in exports among the main exporting sectors of Brazilian agribusiness, rising 74.5% in June of this year compared to last year, from US\$536.12 million to US\$935.37 million. Sugar cane sugar exports accounted for most of this value, at US\$810.80 million (+ 80.4%). A volume of almost 3 million tons was exported (+ 94.8%). Alcohol also registered an increase in foreign sales, rising from US\$85.83 million in June 2019, to US\$122.71 million in June this year.

According to the bulletin, the growth of Brazilian sugarcane exports is linked to the breakdown of the 2019/2020 sugarcane crops in India and Thailand, which made it possible to expand

exports to various markets. Indonesia is a market that did not import any Brazilian sugar in June 2019 and acquired US\$86.78 million last month.

Data released by the National Association of Cereal Exporters (Anec) shows that Brazilian cotton exports reached 836,00 tonnes between January-June 2020, representing 56.5% growth compared to the first half of last year, when the country shipped 534,200 tonnes. Shipment revenue totaled US\$1.3 billion, up from US\$908.5 million in the same period last year.

To give an idea of the growth in the volume of cotton shipped, the graph below shows Brazilian exports on a monthly basis since 2017:



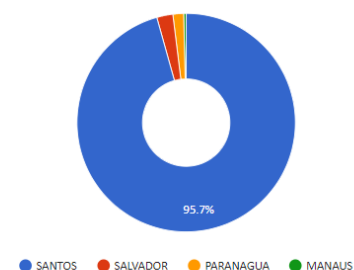
Fonte: DataLiner

Source: DataLiner

China was the main destination for the cotton, totaling 25% of the exported volume, or 212,300 tonnes. In second place was Vietnam, which bought 16% of the export volume, at 135,300 tonnes.

Among the ports that shipped the most cotton, Santos stood out with 95.7% of the volume shipped in the first five months of 2020, followed by the Port of Salvador, with 2.4%:

Brazilian Cotton (HS 5201) Exports by port | Jan to May 2020 | WTMT



Source: DataLiner

(Click here to request a DataLiner demo)

In the first week of July, Brazil shipped 5,900 tonnes of cotton, with revenues of US\$9 million.

On July 7, the National Association of Cereal Exporters (Anec) raised its forecast for Brazilian soybean exports in July to 8 million tonnes, up from 7.25 million projected in the previous week. With this, shipments of oilseeds are predicted to reach a cumulative total for the first seven months of this year of around 69.57 million tonnes, based on the schedule of vessels leaving ports.

The entity also raised the forecast for corn exports, from 3.9 million tonnes at the beginning of the month, to 5.16 million tonnes for July. As a result, the projection for cereal exports in the year up to the end of July is now 7.7 million tonnes.

For soy bran, the increase was 200,000 tonnes, to 1.7 million, causing exports between January-July to reach an estimated 10.1 million tonnes.

According to Argentina's Bolsa do Rosário (BCR), up until now corn exports from the country during the 2019/20 harvest has already reached a record of 16.3 million tons and exceeds the volume shipped by June during the previous harvest by 11%. The month of June also set a record in terms of total corn shipments via Argentina's ports at 4.36 million tonnes.

On July 1st, the amount of corn already scheduled to be shipped within the next three weeks reached 2.4 million tonnes – 10% above the amount registered during the same period last year.

Meat

The Brazilian Slaughterhouse Association (Abrafrigo) released a note in which it criticizes the excess of institutions involved and the norms created to combat Covid-19 at the establishments it represents. According to the entity, this is causing conflicts of interpretation by both companies and institutions.

It said, there are divergences in the rules determined by states and municipalities, which makes it difficult for industries to comply with the rules. "Although the intended objective is commendable, there is already a Joint Ordinance 19/2020 of the Ministries of Agriculture, Health and Economy through which all the prevention rules for the slaughterhouse industry are in place. These are being faithfully enforced by the sector, with due inspection by the Federal Agricultural Inspectors," said the entity.

It is worth remembering that the operation of the slaughterhouses is essential to keep up Brazil's strong animal protein exports, which have been breaking records.

According to the Brazilian Animal Protein Association (ABPA), Brazilian pork exports (considering all products, between fresh and processed) totaled 96,100 tonnes in June, a volume 50.4% higher than June 2019, with a total of 63,900 tonnes. In revenue terms, the increase was 43.4%, with a balance of US\$198 million recorded in June this year, compared to US\$138.1 million in 2019.

Year-to-date pork sales are 37% higher in 2020 compared to 2019, with 479,400 tonnes exported between January and June 2020, against 349,900 tons exported in the first six months of last year. During the same period comparison, there was an increase of 52.5% with US\$1.076 billion this year as opposed to US\$705.6 million in 2019. Sales to Asia reached 374,500 tonnes in the first

half of this year, which was 83.1% higher than that recorded in 2019. China, the largest pork importer in Brazil, received 230,700 tonnes during this period, up 150.2%. Hong Kong, in second place, imported 18.6% more, at 92,900 tonnes. Another prominent market was Singapore, which imported 27,800 tons, 51.6% up on the previous year.

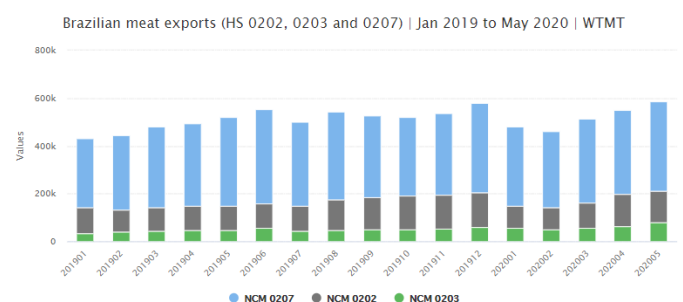
Brazilian chicken exports (including fresh and processed) totaled 341,900 tonnes in June, a volume 12.4% lower than that registered in the same period last year, which was 390,500 tonnes. In terms of revenue, the balance of exports reached US\$446.5 million in June, a number 30.95% lower than that registered in the same period of 2019, at US\$646.2 million. The accumulated total for the year so far showed that sales grow by 1.7%, with 2.106 million tonnes shipped between January and June this year, against 2.072 million tonnes in 2019. In the same period, revenues from exports generated US\$3.144 billion, 8.8% lower than the balance in the first half of 2019, which was US\$3.448 billion.

Similar to the pork sector, Asia was also the main destination for Brazilian exports of chicken, which reached 837,300 tonnes in the first half. This is 15% higher than the same period in 2019. China's imports of chicken increased by 32%, reaching 346,300 tonnes between January and June 2020. Singapore received 67,600 tonnes (+ 49%), Philippines imported 43,800 tonnes (+ 72%) and Vietnam registered 19,800 tonnes (+ 73%).

"There was also strengthening in sales to nations in Africa, such as Egypt, Libya, and Angola, in addition to Arab nations such as Kuwait, Yemen, and Qatar, which gave sustainability to the sector's shipments in the year, with monthly averages higher than those made in the first half of 2019", says Ricardo Santin, executive director of ABPA.

According to the Foreign Trade Secretariat (Secex), of the Ministry of Economy, exports of fresh, chilled, or frozen beef totaled 152,470 tonnes in June, 33.1% above the 114,500 tonnes exported in June 2019. Revenues totaled US\$655.47 million, up 48.2%. The average price reached US\$4,298.90 per ton, compared to US\$3,860.80 in June last year.

The following chart shows Brazilian exports of beef, pork, and chicken on a monthly basis since January 2019:



Graph source: DataLiner (To request a DataLiner demo click here)

The Brazilian Slaughterhouse Association (Abrafrigo) reported that China's imports of Brazilian beef grew 148% in the first half of 2020 in relation to the same period last year, reaching 365,126 tons. This is equivalent to 57% of Brazil's

total beef exports during this period. During the same period last year, China's market share of Brazilian beef imports was 38%. Looking at June alone, the total volume of beef (fresh and processed) imported grew 28% in relation to June 2019 and hit a record for the month, totaling 172,361 tons.

Also according to Abrafrigo, Egypt imported the second-largest volume of beef from Brazil after China, at 55,750 tons. This was actually 30% less than the amount imported in the first semester of 2019. Chile was in third place with 34,062 tons (a 33% drop during same period comparison).

Data from the Foreign Trade Secretariat (Secex) shows that during the first semester Brazil exported 909,700 tons of bovine protein (including both fresh and processed meat), signifying 9% year-on-year growth.

Economy

The National Industry Confederation (CNI) conducted a survey with exporting and importing companies to measure the impact of the new coronavirus pandemic on Brazilian foreign trade. The data revealed that the majority of companies were negatively affected. Among exporters, 57% registered a drop in the invoiced amount. Among importers and those that invest in foreign countries, the drop was even greater, at 70%.

The survey, carried out between June 2-10, evaluated data on 197 companies dealing in foreign trade in April and May and is the second survey done by the entity to assess the impact of the pandemic on Brazil's foreign trade.

Despite the study showing a negative picture, in comparison with the first edition, the data indicates that the fall in the value of exports has slowed. In February and March, the drop in invoicing had been 80%, significantly more than that recorded in the months of April and May. The forecast for the next 60 days is that exports of 36% of the companies consulted will be negatively affected, which points to a further slowdown in the fall compared with April and May.

Fall in imports - Among importers, seven out of ten companies registered a drop in the value of operations and 26% of those affected said that they had retracted more than 50% in the last 30 days. Despite this, the projection for the next 60 days is that this index will fall by almost half (36%). The main impacted countries are China and the United States, both strategic markets for the industry. In these places, 58% and 29% respectively of the companies indicated that they reduced imports.

Among the companies that invest in the international market, 70% reported that they have reduced the allocation of resources abroad. The biggest drop was felt in China (35%), the United States (30%), and Germany (13%). From the perspective of the next 60 days, the biggest contraction indicators are also registered in China (44%) and in the United States (31%).

Transport difficulties - The survey also pointed out that the main concerns of internationalized companies with the effects of

the pandemic are with the reduction of exports (24%) and production (19%), as well as the increase in the price of raw materials (15%). Among the nearly 200 companies that participated in the survey, 60% of them use maritime transport to export or import. Among them, the greatest difficulty has been the reduction in the frequency of ships, pointed out as a problem for 39%, followed by the increase in the value of freight (27%). Only 23% of the companies that use this transport mode said they did not face problems.

Air transport serves 43% of the companies that export or import. Among them, the increase in the value of freight is the main difficulty (54%), followed by a reduction in the frequency of international flights (37%). The reduction in the frequency of domestic flights and suspension of international air routes appear tied with 21% of the companies, indicating as a difficulty found in times of pandemic. Only 19% of the companies that use this mode of transport did not face problems.

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