

Main news

DatamarNews is periodically publishing a ranking of the main goods imported and exported by containers through Brazil according to DataLiner data. The ranking below covers the period from January to November 2020:

Exports

Food continues to lead the list among the most exported commodities in 2020, with a growth of 7% compared to 2019. Other highlights of the period are the increase in exports of cotton (27%) and sugar and derivatives (59%).

Ranking of Brazil's Most Exported Goods | Jan to Nov 2019-2020 | TEU

Rank	Commodity	2019 (TEU)	2020 (TEU)	% change
1	Foods	892.054	958.015	7%
2	Wood and coal and derivatives	406.074	459.619	13%
3	Paper And Cellulose	246.530	253.450	3%
4	Cotton	119.898	151.775	27%
5	Metals and derivatives	146.527	144.282	-2%
6	Plastic and derivatives	153.401	141.015	-8%
8	Beverages - Infusion	122.194	128.887	5%
9	Sugar and derivatives	70.951	112.643	59%
7	Chemicals	110.135	112.234	2%
10	Seeds and straws	77.394	102.599	33%
12	Reactors and boilers	80.258	68.153	-15%
11	Animal food	62.406	65.700	5%
14	Textiles, derivatives and clothing	61.746	59.923	-3%
13	Smoke	56.936	51.538	-9%
15	Minerals and derivatives	50.273	51.017	1%
	Total	2.656.775	2.860.851	8%
	Others	433.768	406.725	-6%
	Grand total	3.090.544	3.267.576	-6%

Source: DataLiner

Imports

Imports registered an overall drop of 8%. The worst decreases were in the "vehicles and parts" segment, which fell 26%. The positive highlight was fertilizer imports, which grew 15%, motivated by the increased Brazilian agriculture.

Ranking of Brazil's Most Imported Goods | Jan to Nov 2019-2020 | TEU

Rank	Commodity	2019 (TEU)	2020 (TEU)	% change
1	Plastic and derivatives	328.475	337.660	3%
2	Chemicals	312.059	318.638	2%
3	Reactors and boilers	314.742	293.727	-7%
4	Vehicles and parts	327.618	241.730	-26%
5	Electric machines	218.253	217.387	-0%
6	Metals and derivatives	197.339	178.623	-9%
7	Textiles, derivatives and clothing	191.242	155.489	-19%
8	Rubber and derivatives	122.006	98.129	-20%
9	Foods	109.030	108.622	-0%
10	Paper And Cellulose	91.776	84.112	-8%
11	Fertilizer	56.907	65.311	15%
12	Furniture	54.313	47.168	-13%
13	Glass and derivatives	47.526	39.444	-17%
14	Drinks	43.233	39.851	-8%
15	Salt, plaster, cement	36.590	39.143	7%
	Total	2.451.108	2.265.034	-8%
	Others	486.556	438.719	-10%
	Grand total	2.937.664	2.703.753	-8%

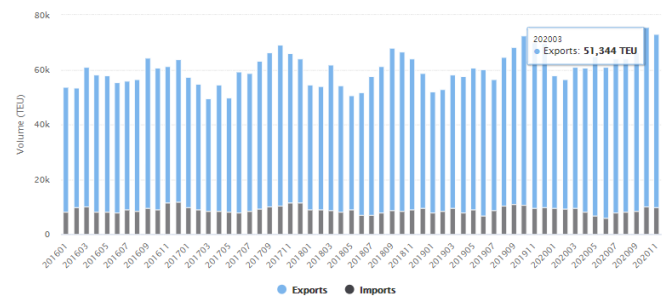
Source: DataLiner

Data from the Foreign Trade Secretariat (SECEX) compiled by the Brazilian Refrigerators Association (ABRAFRIGO) show that in 2020, the country's beef exports (fresh and processed) reached 2.016 million tons and generated US\$ 8.4 billion, record results guaranteed by strong demand from China.

According to ABPA (the Brazilian animal-protein association), international sales of pork (including all products, fresh and processed) totaled 1.021 million tons in the 12 months of 2020, a number 36.1% higher than that registered in 2019, when 750.3 thousand tons were exported. In relation to chicken meat, sales in 2020 reached 4.230 million tons, exceeding the total shipped in 2019, 4.214 million tons, by 0.4%. These positive numbers led to an increase in the demand for reefer containers, essential to ensure the conservation of exported products. In 2020, the use of reefer containers in Brazil grew 7% compared to 2019, according to data from DataLiner.

Consult the chart below for the history of monthly Brazilian container exports since 2016:

Reefer Container Handling in Brazil | Jan 2016 to Nov 2020 | TEU



Source: DataLiner

But it was not just animal proteins that drove the increase in demand for reefer containers. Exports of fruits and medicines also motivated the high demand for this type of container. Consult the chart below for the most exported goods via reefer container in the period from January to November 2020 and their comparison with the same period in 2019:

Ranking of Brazilian Goods exported via Reefer Container | Jan to Nov 2020 | TEU

Rank	Produtos	2019	2020	Dif. %
1	Carnes das Aves	280.236	277.832	-0.86%
2	Carne Bovina	90.086	103.908	15.34%
3	Carne Suína	36.245	54.872	51.39%
4	Melões, Melancias e Mamões	26.693	28.439	6.54%
5	Tamaras, Fijos, Abacaxis, Abacates, Goiabas, Mangas e Mangostões	16.667	18.916	13.49%
6	Sucos de fruta	16.438	17.635	7.28%
7	Miudezas Comestíveis de Animais	14.231	14.679	3.15%
8	Outras preparações e conservas de Carne, de Miudezas ou de Sangue	11.224	11.421	1.76%
9	Citros	8.339	9.550	14.52%
10	Carnes e Miudezas, Comestíveis, Salgadas ou em Salmoura	9.013	9.389	4.16%
11	Uvas Frescas ou Secas	6.212	6.972	12.23%
12	Enchidos e Produtos Semelhantes, de Carne, de Miudezas ou de Sangue	6.576	6.579	0.04%
13	Tripas, Bexigas e Estomagos, de Animais, Inteiros ou em Pedações	7.164	6.563	-8.38%
14	Carnes de Animais da Espécie Bovina, Frescas ou Refrigeradas	7.782	6.525	-16.15%
15	Maças, Peras e Marmelos	5.446	5.904	8.41%
16	Materias Vegetais e Desperdícios Vegetais	4.769	4.792	0.47%
17	Produtos de Origem Animal	3.499	3.709	5.99%
18	Medicamentos	1.916	2.872	49.89%
19	Gengibre, Açafrão, Curcuma, Tomilho, Louro, Caril e Outras Especiarias	2.013	2.449	21.70%
20	Peixes Congelados	2.235	2.311	3.38%
	Total	556.785	595.315	6.92%
	Outros	16.835	16.175	-3.92%
	Grande Total	573.619	611.490	6.60%

Source: DataLiner

Ports and Terminals

BNDES (the Brazilian economic and social development bank), approved a R\$ 3.93 billion loan to Gás Natural Açu for the construction of the GNA II thermoelectric plant in Porto do Açu, in the north of the state of Rio de Janeiro. In a report released, the bank stated that the Porto do Açu Thermoelectric park is an investment decision by Prumo Logística S.A., controlled by EIG Global Energy Partners, Siemens AG, and BP.

According to BNDES, the thermal plant will have a total installed capacity of 1.6 gigawatts (GW) and will integrate the project for the liquefied natural gas (LNG) generation park under development in the port. The first unit of the project, UTE GNA I, has 1.3 GW of capacity and also received funding from BNDES, according to a statement. The forecast is that the first part of the project will start commercial operations in the first half of 2021 and the second unit will start operating in 2023.

According to BNDES calculations, approximately 5,000 jobs should be generated during the construction of the thermal plant. Another 500 jobs are also expected when the plant goes into operation.

In the early hours of January 14, one of the iron ore shippers caught fire at the Ponta da Madeira Maritime Terminal, located in São Luís and owned by Vale. According to the company, the incident did not interrupt the terminal's operations and the iron ore shipments continued.

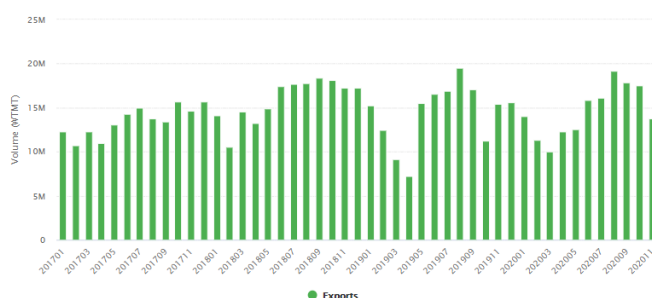
The fire happened at Pier 4. In Ponta da Madeira, Vale operates four piers to load ships with ore produced in Carajás (PA). The fire brigades and the fire department were called in and the fire was contained without casualties or environmental damage, according to the company

The terminal continues to operate. The affected site will undergo evaluation. The causes of the incident are being investigated, Vale said.

35 years in January - It is worth mentioning that on January 6th, the Ponta da Madeira Maritime Terminal (TMPM) completed 35 years of existence. In the last year, the site has reached a new level in the shipment of iron ore, manganese, and pellets. There were 191.2 million tons shipped in 2020. In 1985, loading tests with the Docepolo ship began, involving 127,000 tons of ore. TMPM went into regular operation in January 1986. That year, 11.6 million tons of iron ore were shipped.

Consult the chart below for the history of Brazilian exports via Ponta da Madeira since 2017:

Brazilian Exports from Ponta da Madeira | Jan 2017 to Nov 2020 | WTMT



Source: DataLiner (To request a DataLiner demo click [here](#))

According to the company, Vale has developed a system that allows it to remotely operate the forklift and recovery machines used to transfer the ore from the yard to the ship. The system allows remote control of the machines from the Port Control and Operations Center.

The companies Bracell, Santos Brasil, and Conport presented the best bids, respectively, to enter into transitional contracts for the exploration of an area located in Paquetá and two areas in Saboó, on the right bank of the Port of Santos. Once the proposals are confirmed, Santos Port Authority (SPA) will raise at least R\$ 6,480,200.64 as a minimum remuneration over the six months in which the contracts will be valid. Transitional leases are valid for 180 days or until long-term bidding is done – whichever comes first.

Companies must submit qualification documents to the SPA within five business days. If they do not, the next company in line will be called.

“The signing of transitional contracts keeps the port areas operational until long-term leases are signed. With this, SPA reduces idleness in the Port of Santos, already below 9%, guarantees the best remuneration for the exploitation of public assets and generates jobs and income”, highlighted the Director of Business Development and Regulation of SPA, Bruno Stupello.

The notices of the 3 areas were published on December 21 and attracted 11 offers. Each bidder could make a single final bid. See the list below.

Offer Classification – Saboó No. 01/2020 – 20,896 m²

#	Company	Fixed lease (R\$/month m²)	Variable lease (R\$/unit)	Minimum monthly remuneration
1	Conport Afretamentos Marítimos Ok Ltda.	R\$ 11.49	R\$ 1.00	R\$ 280.095.04
2	Reliance Agenciamento e Serviços Portuários Ltda.	R\$ 7.17	R\$ 2.00	R\$ 239.824.32
3	Grcmac Locações de Equipamentos Ltda	R\$ 7.19	R\$ 2.00	R\$ 190.242.24
4	Set Port Logistics Ltda	R\$ 7.17	R\$ 1.00	R\$ 179.824.32

Offer Classification – Saboó No. 02/2020 – 64,412 m²

#	Company	Fixed lease (R\$/month m²)	Variable lease (R\$/unit)	Minimum monthly remuneration
1	Santos Brasil Participações S.A.	R\$ 6.00	R\$ 3.00 per container and R\$ 3.95 per ton.	R\$ 399,497.00
2	Msc Mediterranean Logística Ltda.	R\$ 1.24	R\$ 1.00 per container and R\$ 0.03 per ton.	R\$ 99,870.88

Offer Classification – Paqueta No. 03/2020 – 16,020 m²

#	Company	Fixed lease (R\$/month m ²)	Variable lease (R\$/unit)	Minimum monthly remuneration
1	Bracell SP Celulose Ltda.	R\$ 16.07	R\$ 2.20	R\$ 400,441.40
2	Master Operador Portuário Ltda.	R\$ 16.50	R\$ 1.00	R\$ 304,330.00
3	Set Port Logistics Ltda.	R\$ 16.94	R\$ 0.25	R\$ 285,128.80
4	Conport Afretamentos Marítimos Ok Ltda.	R\$ 16.29	R\$ 0.20	R\$ 269,965.80
5	Eudmarco S/A Serviços E Comércio Internacional.	R\$ 10.70	R\$ 1.00	R\$ 184,414.00

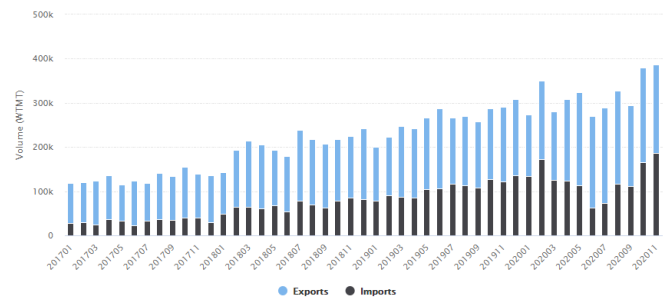
The Superintendence of the Port of Itajaí has been assumed by Fábio da Veiga. His appointment to the position had been officially confirmed in the Jornal do Município newspaper on January 1st, 2021. This is the second time that the executive has occupied the position of Superintendent of the Port Authority.

Fábio da Veiga is 41 years old, was born in Itajaí, is married, and has two children. He has a law degree, specializing in Corporate and Business Law. During the first term of Mayor Volnei Morastoni, Fábio worked at the Superintendency of the Port of Itajaí between 2005 and 2008, holding the positions of Legal Advisor, Legal Director, and Audit Advisor. In his last position beginning in January 2017, he was also part of the team acting as Audit Advisor and Legal Advisor. In May 2019, he had already been recommended by the mayor to occupy the position, and, as a standard procedure of the legislative government through the Organic Law of the Municipality, he was put on sabbatical during the Extraordinary Session and on that occasion, his name was approved by all the councilors present for the position. After he went through the public inquiry process at the headquarters of the City Council, he officially took over that month as Superintendent where he remained for five months.

During the previous management period, actions were carried out such as the resumption and completion of the works of Berths 3 and 4, the implementation of the 1st stage of the New Evolution Basin at the Itajaí and Navegantes Port Complex, new nautical signaling, a new polygonal for the organized port, a port expansion and expropriation plan, more than 30 RoRo operations, renovation dredging, nautical chart updating, expansion and modernization studies at the Port of Itajaí (privatization project), and others.

The following chart shows the monthly cargo movement in the Port of Itajaí since 2017:

Cargo Handling at the Port of Itajaí | Jan 2017 to Nov 2020 | WTMT



Source: DataLiner (To request a DataLiner demo click here)

On January 12th, the shipment of a new product drew attention at Port of Paranaguá in Berth 204, west of the pier: sugarcane bagasse biofuel. Shipped in bulk, the sugarcane bagasse pellets filled the holds of the ship Marina Prince destined for the UK market for their generation of sustainable energy. Originating in the state of Sao Paulo, the product shipped is sugarcane bagasse (residue from sugar and ethanol production plants) transformed into pellets, which is nothing more than the organic matter (biomass) compressed to become biofuel.

The shipment procedure is the same as for other solid bulk exported in the port of Paraná. That is, the sugarcane bagasse biofuel leaves the terminal by conveyor belt and heads towards the ship loader, which then dumps the product into the hold of the vessel.

The operation is owned by Pasa, in partnership with Céu Azul. According to Pasa's operations manager, Eric Ferreira de Souza, this is the first time the product has been shipped by the company. "The movement of sugarcane biomass pellets makes it possible to open new markets and future businesses. It also shows the pioneering spirit and the potential of our terminal in relation to the various products operated in Paranaguá", says the manager. According to CONAB, the national supply company), sugarcane is considered one of the great alternatives for the biofuels sector due to the great potential in the production of ethanol and its respective by-products.

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The Suape Complex will receive a thermal power plant that runs on liquefied natural gas (LNG). With an estimated investment of R\$ 3 billion, the venture includes the installation of a regasification terminal in Suape in addition to the implementation of approximately eight kilometers of pipelines between the gas terminal and the thermoelectric plant. Between the construction and operations, the project is expected to create 2000 jobs.

The venture will be managed by CH4 Energia, a developer of projects in the energy sector, in partnership with the North American company, New Fortress Energy, founded in 2014 and currently valued at US\$ 7.38 billion. The company operates in countries such as Jamaica, Puerto Rico, Mexico, and Nicaragua in the areas of LNG transportation, infrastructure, regasification terminals, power plants, and small-scale solutions. It is also currently developing an LNG terminal in Ireland to supply industrial customers.

Approximately 30% of the investment will come from the entrepreneur and 70% will come from development banks. The plant is expected to start operating in November this year, occupying an area of 16.5 hectares within the Suape Complex, where it already has a prior license issued by CPRH (the Pernambuco environmental agency).

“With the installation of the thermoelectric plant in Suape, the government of Pernambuco is also opening the doors towards a large regasification terminal for the state, offering gas at much more competitive prices to local industries,” said Governor Paulo Câmara. “With the new gas law by ALEPE (the Legislative Assembly of Pernambuco), a much larger contingent of companies could migrate to the free market and benefit from the new terminal, boosting expansions and new enterprises in the state”, he added.

In December 2020, the government of Pernambuco and CH4 Energia signed a Memorandum of Understanding to make the project feasible. The plant will have a generation capacity of 1.3 GW – which is 30% more than the Sobradinho hydroelectric plant – at the end of the project’s implementation, after holding an energy auction promoted by the National Electricity Agency and the Ministry of Mines and Energy which is forecast to occur in the first half of 2021.

With the long-term energy purchase and sale agreement signed with Petrobras to start the operation of two 144MW thermal power plants with a total generation capacity of 288MW, the project is already initially feasible for full implementation.

The thermal energy will be supplied by an LNG re-gasifier vessel, with a capacity of 21 million cubic meters per day, at the Multiple Use Wharf. The plant is expected to consume 2.5 million cubic meters a day, a potential that could be repeated in the future. The LNG surplus may serve COPERGÁS (the Companhia de Gás de Pernambuco network), a company that holds gas distribution rights in the state.

Cast iron, salt, products from the milling industry, fruits, minerals, cereals, and aluminum were the cargoes most shipped by the Port of Pecém in 2020. In all, 5,324,440 tons were shipped last year, an increase of 2% in this movement compared to 2019 (5,212,141 tons).

In December 2020 alone, shipments totaled 535,775 tons, an amount 14% higher than that shipped in December 2019 (469,290 tons). Altogether, between shipments and landings, 1,472,355 tons were handled in the last month of last year. “This increase may seem little, but it represents a lot in the face of this very difficult 2020. It was a year that demanded a lot from the team from the very beginning; it demanded a lot from all of us professionals at Complexo do Pecém. We adapted to continue with all our operations. And even with the pandemic, we did not stop our activities for a single day”, emphasizes Danilo Serpa, President of Complexo do Pecém (CIPP S/A).

And it was also the pandemic that directly affected last year’s accumulated movement. The year 2020 closed with a total of 15,930,483 tons handled at the Pecém Port Terminal, a result 12% below the same period in 2019 (18,096,308 tons). “In the first half of 2020, we expected a possible downturn. Pecém is a port-industry, and we are an industrial and port complex with customers who suffered and, in a way, still suffer from the pandemic. Some closed factories or suspended activities. But it is a fact that at the end of last year we started to feel an increase in handling”, concludes Danilo.

The nature of cargo handled in 2020 was 49% Solid bulk – with 7,761,958 tons handled; 30% Containers – with 4,818,581 tons handled; 20% Loose cargo – with 3,122,245 tons handled; 1% Other – with 227,700 tons handled.

Types of Navigation

Cabotage: cabotage navigation totaled 9,015,621 tons. In landings, the main products handled were ores (3,090,416 tons); cereals (402,270 tons); cast iron (242,762 tons); aluminum and derivatives (95,899 tons) etc. Cabotage shipments, on the other hand, the main products handled were salt (374,487 tons); cast iron (169,004 tons); products from the milling industry (139,561 tons); cereals (98,306 tons); aluminum and derivatives (96,160 tons); and plastics and derivatives (43,206 tons).

Long Haul: Long haul shipping totaled 6,914,862 tons. In long-haul landings, the main products handled were mineral fuels (2,759,759 tons); cast iron (60,567 tons); fertilizers (43,084 tons); and cereals (8,452 tons). Regarding long-haul shipments, the highlights were seen in the handling of cast iron (1,815,880 tons); fruits (107,613 tons); ores (104,744 tons); machines (39,541 tons); and vegetable preparations (34,130 tons).

Pecém is a multi-cargo terminal for handling solid bulk, liquid bulk, containers, and cargo in general in the 10 berths it owns. That is why it is considered a Port Hub – today connected by seven coastal lines and three long-haul lines.

In addition, the second expansion of the Ceará port terminal should soon be inaugurated. A new mooring berth (Berth 10), a second pier access bridge (Bridge 2), and a second access gate (Gate 2) to the terminal will be opened. All of these works will be officially delivered in the year that marks the 19th year of operation of Porto do Pecém.

Santos Port Authority (SPA) has accredited yet another regulatory yard to operate in scheduling trucks with cargo destined for the Port of Santos. The new accredited yard is located in Cubatão, in the industrial zone, and has a static capacity for 350 vacancies in an area of 55 thousand m2.

Ceparking is a regulatory yard managed by the company Terminal Logístico Cesari (TERLOC), which is part of the Cesari group, operating in the areas of storage, chemical transportation, fertilizer processing, and maintenance and cleaning of containers.

It is the seventh regulated courtyard accredited by SPA – there are three in Cubatão (Ceparking and two more that were already in operation), one in Santos, one in the capital of São Paulo, and two others in the interior of São Paulo state (Cordeirópolis and Sumaré). “With the new accreditation, the Port of Santos has more help in scheduling the arrival of cargo, an initiative that avoids the formation of congestion on access roads and around the port area”, says SPA’s Director of Operations, Marcelo Ribeiro.

With that, the trucker that goes to the Port of Santos has access to a building structure while he is waiting for the scheduled time for the delivery of their cargo in the terminals, with restrooms, changing rooms, restaurant and cafeterias, an emergency medical unit, safe and monitored rest area, and service station – all open 24 hours a day.

Since 2014, the arrival of trucks at the Port of Santos has followed a schedule. This need is mainly aimed at meeting the flow of the national harvest, which begins with soybeans in February, with peak flow in March and April. In the second semester, corn is harvested and the largest number of road vehicles arrives in August. As the cargo arrives from distances that require travel days, to prevent trucks from forming lines in the highways or even in the avenues of access to Porto, the adjustment of the scheduled period is made with the mandatory stop at these yards outside Porto, which have been accredited by SPA to sort and function as a parking lot until the trucks can call at the terminals.

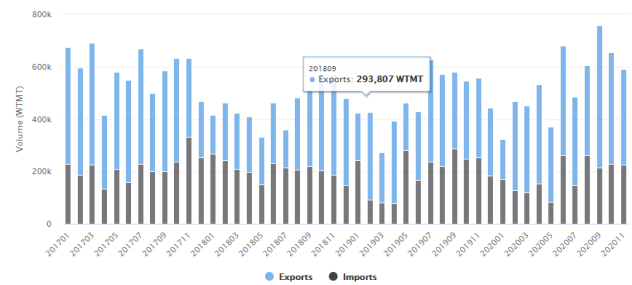
Log-In Logística Intermodal won a selection process by Companhia Docas do Espírito Santo (CODESA) and will be able to provisionally explore an area of more than 54,000 m2 in the Port of Vitória. The area is located in a retro area of Capuaba, in Vila Velha, and will be used for handling general cargo. The area should receive, on average, 1,200 vehicles per month. The contract will have a 180-day duration and has an estimated value of R\$ 2.02 million.

In a statement to the market, the company stated that the new operation will reinforce its participation in the Organized Port of Vitória and the expansion of services offered to current and potential customers. The company is already leasing the Vila Velha Port Terminal (TVV), of which it holds the concession until 2048. The contract renewal was signed in October last year and provides for the injection of more than R\$ 500 million in investments in Espírito Santo until 2048. Of this total, more than R\$ 120 million should be invested in the next two years.

Today, the terminal is the only one to handle containers in Espírito Santo and the company intends to invest in works and equipment to expand its operational capacity.

See the following graph for cargo handling at Port of Vitoria since January 2017:

Cargo Handling at Port of Vitoria | Jan 2017 – Nov 2020 | WTMT



Source: DataLiner (To request a DataLiner demo, click here)

Shipping

ONE published a statement stating that 227 containers that remained on board the ONE Apus, a ship that lost just over 1,800 TEUs on November 30 when crossing the Pacific Ocean from China to the United States, have been safely removed until the 13th of January 2021.

The owner also made a website available for customers to check the status of their containers at <https://one-apus.loc-group.com/>. “This website is updated regularly with details of containers downloaded from ONE APUS.

The goal is to ensure that the information on the website is as accurate as possible. Customers are encouraged to visit this website daily to check for updated information. It is necessary to know the number of the container, port of loading, and port of unloading to know the current status of each container”, said ONE.

The shipping company has indicated that it will “make every effort” to meet the requests for cargo inspection from its customers, for which it has established a minimum period of 5 days from the unloading of the unit. Remember that ONE Apus crashed on November 30, 2020 in the Pacific Ocean.

The ship ONE APUS was sailing from Yantian, China to Long Beach, USA, approximately 1600 nautical miles northwest of Hawaii, when it faced a violent storm with strong winds and big waves that made it fall heavily into the waves, resulting in the displacement of the containers. Some were lost, others were damaged.

CMA CGM informed its customers that operations at the Dalian Port terminal in China and container collection have been slow. Consequently, most of the reefer plugs in the port container terminal yards are already occupied, forcing the company to divert refrigerated cargo to other ports.

To cover additional costs, CMA CGM will apply a port-congestion surcharge for reefer cargo beginning on February 11, 2021 (loading date), for all shipments to Dalian, China in the amount of USD 1,250 per container (payment as shipping). For units in transit and those that have already been redirected, a specific surcharge will be calculated at the time of recharge, as soon as space is available at these terminals.

According to the owner, the local office will contact customers whose cargo has been affected, and provide details. In addition, the related costs will be borne by the consignee at the time of delivery.

Beginning January 20, Hapag-Lloyd will start its ‘Asia Express’ service from Valparaiso to Hong Kong, dedicated to

the transport of Chilean fruit. According to a statement released by the owner, “during the first quarter of 2021, we will implement our Asia Express service to reduce transit time from Valparaiso to Hong Kong during the Chilean fruit harvest. The Asia Express service starts week 03 with the ship Corcovado ”.

The service will be available until week 13. According to the shipping company, this seasonal express service will connect the port of Valparaiso and Hong Kong in 22 days. Hapag-Lloyd reported that it also has a network of feeders that guarantee “fast and flexible” delivery of Chilean products to different parts of Asia through Hong Kong.

Grain

Brazilian agribusiness exports totaled US\$ 100.81 billion in 2020, the second-highest value ever recorded, behind only 2018 (US\$ 101.17 billion). There was a 4.1% growth in foreign sales in the sector compared to 2019. Agribusiness was responsible for almost half of Brazil’s total exports in 2020, holding a record share of 48%.

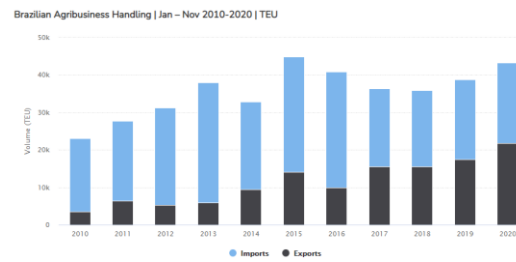
According to the Department of Trade and International Relations of the Ministry of Agriculture, Livestock and Supply, the expansion was the result of an increase in the exported amount (+ 9.9%), since the price index fell 5.3%. Imports of agribusiness products fell by 5.2%, reaching US\$ 13.05 billion. The increase in exports and the fall in imports resulted in a surplus balance of US \$ 87.76 billion for the sector.

The soy complex (grain, oil, and soybean meal) was the main product in the export basket, with 101.04 million tons exported valued at US\$ 35.24 billion. Grain exports represented 81.1% of the exported value and reached the second-highest value ever recorded, with 82.97 million tons exported valued at US\$ 28.56 billion. The export was greater in value and quantity only in 2018 when 83.25 million tons were exported valued at US\$ 33.05 billion.

Meats occupied the second position in the ranking of agribusiness exporting sectors in 2020, with sales of US\$ 17.16 billion. Sales of beef corresponded to 49.4% of this amount, a growth of 11.1% compared to 2019. Exports of fresh beef set a record in value (US\$ 7.45 billion) and quantity (1.72 million tons). Chicken meat exports represented 34.9% of the total exported by the meat sector in the 12 months, with sales of US\$ 5.99 billion. Foreign sales of pork totaled US\$ 2.25 billion, of which 94.1% corresponded to fresh meat. The amount recorded in fresh pork exports set a new record, both in value (US\$ 2.12 billion) and in quantity (901.10 thousand tons).

Regarding buyers, China acquired 73.2% of the exported soybeans, which corresponded to US\$ 20.91 billion (2.2% higher than 2019). It was also the main destination for fresh beef exported, 54.2% (US\$ 4.04 billion). The country contributed to the growth of these sales (beef) since it acquired US\$ 1.35 billion more than in 2019 (+ 50.3%).

See the graph below for Brazilian agribusiness handling since 2010:



Source: DataLiner (To request a DataLiner demo, click here)

On January 11, the Argentine government announced the partial resumption of the country’s corn exports after negotiations with representatives of the Argentine Agro-Industrial Council. According to a statement released by the country’s Ministry of Agriculture, the resumption will occur because there is a guarantee of corn supply to supply the domestic market. The shipments will be restricted to 30 thousand tons per day, valid for both the new agreements for sales abroad and for deals signed before the suspension.

Announced on December 30, the suspension of exports was expected to last until the beginning of March. Last week, entities such as the Argentine Rural Society and the Argentine Agricultural Federation protested by announcing the complete interruption of sales of the grain for a period of 72 hours. The strike started on the 11th, but until this edition went to press, the protest leaders had not announced if it would actually continue until the 13th. Argentina is one of the three largest corn exporters in the world.

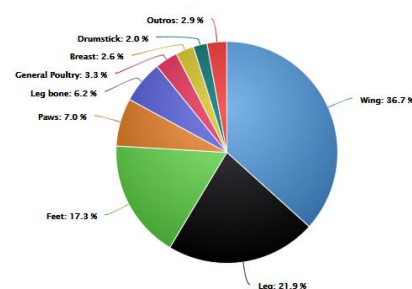
According to estimates by the United States Department of Agriculture (USDA), the country should ship 34 million tons from the 2020/21 harvest, behind only the USA (67.3 million) and Brazil (39 million).

Meat

According to ABPA (the Brazilian animal-protein association), sales of chicken meat to markets in Asia, Africa, and Europe maintained the increase in Brazilian exports last year.

As the main destination for chicken exports from Brazil, Asia imported 1.635 million tons in the 12 months of 2020, 5.8% more than the amount recorded in the same period of 2019. Also highlighted among the largest destinations (at 16.3% of the total exported amount), China imported 673,200 tons (+ 15%). Other highlights of the region, Singapore and Vietnam imported 124,200 tons (+ 27%) and 53,100 tons (+ 105%), respectively. Consult the chart below for the main cuts of chicken exported to China in 2020:

Main Cuts of Chicken Exported from Brazil to China | Jan to Nov 2020 | WTMT



Source: DataLiner (To request a DataLiner demo click here)

555,700 tons of chicken meat were shipped to Africa during the year, a result 5.1% higher than in 2019. One of the highlights was Egypt, importing 58,700 tons (+ 15%).

252,200 tons were shipped to the European Union (the sixth main destination for Brazilian exports, considered as a single market), in 2020, an increase of 1% over the same period of 2019.

120,300 tons were shipped to the Extra-EU countries, last year, 10.1% more than in the same period in 2019. Russia is the highlight of the region, having imported 83,900 tons (+ 30%).

1.335 million tons were shipped to the Middle East in the 12 months of 2020, 5.7% less than in the same period in 2019. Yemen and Jordan imported 112,400 tons (+6.1%) and 56,800 tons (+ 18.9%), respectively.

Finally, 225,100 tons were shipped to the Americas in 2020, 15.5% less than the previous year.

“The strong figures in most of the chicken importing regions show the strong capillarity of Brazilian exports and reinforce the good expectations for shipments in 2021, with the recovery of import levels. This is the case especially to the main destinations in the Middle East, which registered an improvement in import levels in the last two months of 2020”, analyzes Ricardo Santin, President of ABPA.

As already disclosed by the association in the first week of January, Brazilian exports of chicken meat ended the year 2020 with an increase of 0.4% in relation to the previous year, with a total of 4.23 million tons shipped.

According to ABPA, 67 chicken-meat-exporting plants were certified in 2020 for countries such as South Korea, Philippines, Egypt, Bolivia, Peru, Singapore, Vietnam, South Africa, Japan, and Canada.

Sugar & Ethanol

Two and a half months before the beginning of the 2021/22 sugar and alcohol harvest in April, Brazilian mills already have a record sugar export share estimated for the season, with prices fixed in the futures market. Average prices are at higher levels than a year ago, which favors yet another cycle of growth in revenue from commodity shipments.

A survey carried out by Archer Consulting points out that until December 31, 17.25 million tons of sugar had an export price fixed for shipments from April 2021 to March 2022. One year ago, the volume of the next harvest with a negotiated value was less than half, 6.8 million tons. Price is set by the mills in the sugar and foreign-exchange futures market through trading companies, not with final buyers.

Considering the consulting firm’s export estimate for 2020/21, Brazil has already negotiated 69% of next season’s shipments, while a year ago the volume fixed in advance represented 35% – within the average of previous harvests. The share of exports that are already guaranteed for the next harvest is the largest in the history of the consulting firm, which began in 2012/13. In turn, the English trading company Czarnikow estimates that the volume of sugar with a defined price for the next harvest is even higher, between 20 million and 21.5 million tons, which corresponds to 75% to 80% of its export estimate. These volumes

are close to total shipment levels from Brazil in recent periods. In the 2019/20 harvest, for example, the country exported 19 million tons. In the calendar year 2020, sugar sales until November reached US\$ 7.9 billion, which corresponded to 4% of all Brazilian shipments in the year. In 2019, the share was just 2%. And the only reason the pace of sugar commitment for export for 2021/22 is not stronger is that many mills have been holding back operations to see if the summer rains help to recover the damage that the drought caused to the cane fields last year.

According to an executive at a foreign-owned company, it will be necessary to wait until March or April to see whether the rains have normalized and the productive potential of the sugar cane can be recovered. Also, he says, this rebalancing of crops can mitigate the effects that contribute to rising prices.

Oil & gas

According to the Minister of Mines and Energy, Bento Albuquerque, Brazil registered a record for oil exports in 2020. According to him, sales of the commodity abroad totaled an average of 1.4 million barrels/day last year.

Bento also stated that in May, exports reached a level of 1.9 million barrels/day. It is worth remembering that on January 7, Petrobras announced that its new record level of 2.84 million barrels of oil equivalent daily (BOE/day) surpassed the previous record set in 2015, of 2.79 million BOE/day.

The company also separately reported that it reached a record in oil production. Last year, the company produced 2.28 million barrels/day, compared to 2.23 million barrels/day recorded in 2015. Pre-salt accounted for 66% of the volume produced by the company in 2020. In 2015, for comparison purposes, this percentage was 24%.

In total, the company produced an average of 1.86 million BOE/day in the region in 2020. The volumes produced in 2020 exceeded by 5% the targets originally forecast for the year, in line with the revised October forecast. Petrobras attributed the higher-than-expected result to four factors: (1) production above the nominal processing capacity in the Búzios field as a result of the greater temporary availability of power generation and gas compression on the platforms in that field; (2) the lower number of interventions to combat CO2 corrosion in underwater gas-injection pipelines, due to the development of new inspection tools and technologies; (3) the slowed production decline observed in the Tupi (ex-Lula) and Sapinhoá fields, due to the better performance of the reservoirs; and (4) greater production efficiency and optimization of production stops on platforms, despite the operational restrictions resulting from the Covid19 pandemic.

Other cargo

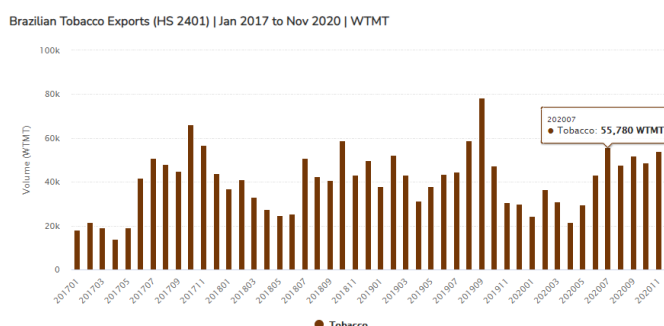
Data from the Ministry of Economy indicate that in 2020, Brazil exported 514,287 tons of tobacco valued at US\$1.638 billion. According to SINDITABACO (the interstate tobacco industry union), the numbers follow the expectations of the Deloitte Consultores survey, which forecast a 2-6% reduction in volume and a 15-20% reduction in dollars in comparison with 2019, when 549,000 tons were shipped valued at US\$ 2.14 billion.

According to Iro Schünke, president of the entity, the 6.31% reduction in volume, and the 23.4% reduction in dollars were expected. “The reduction was expected, since in 2019 we had an increase of 7.6% in dollars and 19% in the volume of tobacco exported compared to the previous year (2018), mainly due to postponed shipments for logistical reasons. If we consider the last five years, the volume shipped in 2020 was slightly above the historical average of 494,000 tons. Concerning sales, the quality of the product, and the appreciation of the dollar was reflected in the reduction of the exported value”, evaluates the executive.

The main destination remains the European Union, the destination of 41% of the exported tobacco, followed by the Far East (24%), Africa / Middle East (11%), North America (9%), Latin America (9%) and Eastern Europe (6%). Among the countries, Belgium (US\$ 414 million) remains the main importer of the product, followed by China (US\$ 153 million) and the United States (US\$ 125 million). Other customers include Indonesia (US\$ 98 million), United Arab Emirates (US\$ 74 million), Turkey (US\$ 55 million), and Russia (US\$ 54 million).

“Even in the face of an atypical year, with the adversities and logistical adaptations needed in the face of the pandemic, the tobacco sector has performed well in exports. The maintenance of the activities, following all the recommendations of the health authorities, was a correct decision and contributed to the achievement of these results”, comments Schünke. Tobacco represented 0.8% of total Brazilian exports in 2020 with 4.1% of shipments from the southern region. In Rio Grande do Sul, a state that concentrates more than half of the Brazilian production, the product was responsible for 9.5% of total exports. In Brazilian agribusiness exports, tobacco occupies the eighth position. In the southern region, tobacco was mostly exported through the Port of Rio Grande, in Rio Grande do Sul (83.7%), followed by Santa Catarina (16%) and Paraná (0.3%). Of the total exported in dollars, 97.4% comes from the south.

The following chart shows the history of Brazilian tobacco exports since January 2017:



Source: DataLiner (To request a DataLiner demo click here)

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