DatamarWeek
East Coast South America trade, shipping and infrastructure
Week 2021011 16 March 2021

Main news

The DatamarNews team prepared a ranking of the Brazilian ports and the Plate region that most moved cargo in January 2020 and January 2021 based on DataLiner data. The result can be seen below:

Brazil
Among Brazilian ports, Port of Santos leads the ranking, which had an increase of 4.13% in exports and 0.51% in imports. Exports via the Port of Paranaguá, the runner-up, fell 10.67% in the period. On the other hand, imports increased by 5.92%.

Ranking of Brazilian Ports | Exports | Jan 2020-2021 | TEU

Rank	**Ports**	**2020**	**2021**	**% Change**
1	SANTOS	79.011	82.278	4.13%
2	PARANAGUA	27.381	24.460	-10.67%
3	NAVEGANTES	22.201	24.316	9.53%
4	RIO GRANDE	17.067	18.599	8.98%
5	ITAPOA	11.622	13.316	14.58%
6	ITAJAI	9.242	8.907	-3.62%
7	SALVADOR	7.536	6.508	-13.64%
8	RIO DE JANEIRO	7.017	6.262	-10.75%
9	VITORIA	3.970	5.100	28.45%
10	PECEM	2.604	3.543	36.06%
11	VILA DO CONDE	3.992	3.495	-12.45%
12	FORTALEZA	2.357	2.810	19.22%
13	PORTO DE ITAGUAI	1.542	2.003	29.90%
14	SUAPE	1.980	1.885	-4.80%
15	NATAL	2.156	1.638	-24.03%
16	MANAUS	1.386	1.389	0.22%
	OUTROS	89	67	-24.72%

Source: DataLiner

Ranking of Brazilian Ports | Imports | Jan 2020-2021 | TEU

Rank	Ports	2020	2021	% Change
1	SANTOS	84.114	84.546	0.51%
2	PARANAGUA	22.914	24.270	5.92%
3	NAVEGANTES	18.274	23.399	28.05%
4	ITAPOA	17.307	20.382	17.77%
5	ITAJAI	12.401	16.087	29.72%
6	MANAUS	17.675	15.714	-11.09%
7	RIO DE JANEIRO	10.422	10.671	2.39%
8	SUAPE	7.534	8.433	11.94%
9	RIO GRANDE	7.356	7.561	2.79%
10	VITORIA	5.723	6.671	16.56%
11	SALVADOR	5.966	6.291	5.46%
12	PECEM	3.453	3.576	3.56%
13	PORTO DE ITAGUAI	2.752	2.351	-14.57%
14	VILA DO CONDE	604	627	3.81%
15	FORTALEZA	145	176	21.38%
16	NATAL	109	80	-26.61%
	OTHERS	91	71	-21.98%

Source: DataLiner

Plate
For the Plate, Port of Buenos Aires leads the rankings, which had a drop of 13.53% in exports and 7.37% in imports. The Port of Montevideo ranked second in the region's ranking, with a positive result: exports grew 5.66%, while imports increased 15.56% in the period.

Ranking of Ports in the Plate region | Exports | Jan 2020-2021 | TEU

Rank	**Ports**	**2020**	**2021**	**% Change**
1	BUENOS AIRES	32.473	28.078	-13.53%
2	MONTEVIDEO	13.880	14.666	5.66%
3	ZARATE	2.091	2.601	24.39%
4	ROSARIO	1.842	1.200	-34.84%
5	PUERTO MADRYN	661	737	11.50%
6	BAHIA BLANCA	766	216	-71.80%
7	SAN ANTONIO ESTE	520	216	-58.46%
8	LA PLATA	165	30	-81.82%

Source: DataLiner

Ranking of Ports in the Plate region | Imports | Jan 2020-2021 | TEU

Rank	Ports	2020	2021	% Change
1	BUENOS AIRES	47.543	44.041	-7.37%
2	MONTEVIDEO	13.671	15.798	15.56%
3	ZARATE	3.647	4.617	26.58%
4	ROSARIO	1.665	2.325	39.64%
5	USHUAIA	1.090	1.444	32.48%
6	PUERTO MADRYN	265	95	-64.15%
7	MAR DEL PLATA	11	16	45.45%
8	BAHIA BLANCA	18	14	-22.22%
9	PUERTO DESEADO	46	13	-71.74%
10	SANTA FE	0	4	100.00%
11	LAS PALMAS +AR	10	0	-100.00%

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

Ports and Terminals

Empresa de Planejamento e Logística S.A. (EPL) has submitted studies for the leasing of STS11 port terminal in the Port of Santos to the Ministry of Infrastructure (MINFRA). Intended for the transport and storage of solid vegetable bulk, the terminal is one of the largest grain-handling terminals in the country.

With the 25-year contract, it is estimated that the leasing of the terminal will generate investments of R$ 541 million. The studies carried out by the company indicate that this value should be used to build warehouses, buy new equipment, and create road and railway access.

In 2020, the Port of Santos was responsible for handling 64.19 million tons of solid vegetable bulk. The STS11 terminal will be used mainly for shipments of soybeans, soybean meal, corn, sugar, and wheat.

EPL's Technical, Economic, and Environmental Feasibility Studies (EVTEA) report the potential demand for each terminal, the engineering solutions needed for the project, and financial and economic modeling. The studies were carried out based on technical visits to the port by the EPL team, where assessments were made of the existing structures, market issues, and the region's environmental characteristics.

Once MINFRA has analyzed the studies, the project will advance to a public hearing to be conducted by ANTAQ (the national waterway transport agency).

In February, Bahian ports managed by Companhia Docas do Estado da Bahia (CODEBA) reached the mark of 958,681 tons handled, a strong 28.17% increase compared to the same period of 2020 when the company handled 747,991 tons. It was the best month of February in CODEBA's history.

The numbers were driven mainly by increased handling at the Port of Aratu-Candeias, up 58.79% compared to February 2020. 501,170 tons were handled compared to 315,626 tons in the same period of the previous year. The movement of liquid bulk (+49.27%) and solid bulk (+138.18%) largely contributed to the increase. The main products handled were naphtha (205,166 tons), phosphate rock (32,999 tons), and copper concentrate (22,739 tons). The resumption of activities in January after the reactivation of the import line at the solid bulk terminal at the Port of Aratu-Candeias had a decisive impact on the strong results.

436,919 tons were handled through the Port of Salvador, a 7.02% increase compared to February 2020, when 408,253 tons were handled. The increased tonnage of solid bulk (+37.45%) and containers (+4.68%) contributed to the increase. The main products handled at the public pier were the export of manganese ore (32,108 tons) and the import of wheat (41,263 tons).

The Port of Ilhéus handled 20,592 tons in February. 9,931 tons of nickel left the country through the Organized Port of Southern Bahia and 10,661 tons of cocoa entered.

For the sixth consecutive month, Bahian ports recorded a continuous increase in cargo handling when compared to the same month of the previous year. In January this year, the company's ports set a new record, reaching 1,095,335 tons handled, which represented an increase of 36.16% compared to the same period in 2020. It was the best month of January ever recorded, with more than 1 million tons handled during the month.

This month, Açu Port formalized its adhesion to the Environmental Ship Index (ESI), an environmental index that classifies vessels that exceed the emission standards established by the International Maritime Organization (IMO). With this, ships that have environmental performance that are above the standards, including the levels of greenhouse gas emissions, now have access to different port tariffs, with discounts of up to 10%.

With the initiative, Açu Port joins a list of 62 global ports that have adopted the environmental incentive mechanism. ESI is a project led by the World Ports Sustainability Program (WPSP), linked to the International Association of Ports and Harbors (IAPH).

"Açu's adoption of ESI-approved standards reinforces our commitment to participate in the global effort to reduce emissions through an incentive for a key player in the maritime chain – that is, the shipowners – in joining efforts to use more and more clean technologies", says Tessa Major, Director of International Business at Açu Port and Vice President of IAPH in South and Central America.

Açu Port has been accessed more than 13,000 times since 2014. In the last year, 3,245 vessels were received, with emphasis on B-Port (Edison Chouest), which operates the largest and most modern offshore support base in the world. The first vessel to receive the incentive when accessing the base was SEA Brasil, operating for Equinor. Today, there are already more than 8,000 vessels registered with the program.

In February 2021, the Pecém port terminal recorded a movement of 1,664,168 tons, a 21.7% increase compared to the 1,367,393 tons handled in January of this year. In the sum of the two months, the Ceará terminal surpassed the three-million tons mark.

Thus, the accumulated movement for 2021 (3,093,868 t) from Pecém Port was 7% higher than in the first two months of 2020 (2,879,626 t). The monthly average of 2021 is currently 1,546,934 tons, slightly higher than the average of 1,508,397 tons per month recorded in 2019 – the best year in the port's history.

Accumulated movement (Jan-Feb / 2021) – Nature of cargo

1,634,751 t (53%) – Solid bulk
759,100 t (25%) – Containers
525,586 t (17%) – Loose cargo
174,431 t (6%) – Liquid bulk
____
Total: 3,093,868 tons

Unloadings at the Port of Pecém - Cargo unloading, on the other hand, rose 21%, from 1,928,073 t in 2020 to 2,328,535 t in 2021. In other words, more cargo arrived in Brazil through the terminal.

In terms of long-haul imports, the main products handled were mineral fuels (1,082,724 t), cast iron (97,419 t), fertilizers (6,373 t), and plastics (1,855 t). In relation to long-haul exports, the main products exported were cast iron (98,782 t), fruit (51,300 t), salt (7,902 t), and vegetable preparations (6,401 t).

Cabotage navigation totaled 1,698,011 t, which represented an increase of 27% when compared to the same period of the previous year. In cabotage imports, the main products handled were ores (722,678 t), cast iron (76,269 t), cereals (59,643 t), and plastics (25,371 t). Cabotage exports handling included cast iron (269,846 t), salt (72,001 t), products from the milling industry (27,803 t), aluminum (21,217 t), plastics (16,706 t), and cereals (11,830 t).

"The figures show that Pecém Port has been growing even in the middle of a pandemic. These first two months of 2021 were also positively impacted by the excellent fruit harvest that we had throughout 2020 and which ended in March. Fresh fruits, mainly melons, were shipped in refrigerated containers to Europe. Thus, we have great expectations for 2021", highlights Raul Viana, Port Business Manager at Complexo do Pecém (CIPP S / A).

The accumulated movement (January and February 2021) of containers registered 64,169 TEU, a growth of 19% compared to the same period in 2020. Cabotage accounted for 56,016 TEU, a growth of 19% in relation to the same period 2020. For long-haul products, the growth was 16%, from 7,007 TEU in 2020 to 8,153 TEU in 2021. In tons, the handling of containerized cargo grew by 4% compared to the year 2020, totaling 759,100 tons.

Tonnage for the first 2 months of the year for the last four years in Pecém Port:
2021 – 3,093,868 tons
2020 – 2,879,626 tons
2019 – 2,584,235 tons
2018 – 2,564,097 tons

The Port of Vitória registered a 23.14% increase in cargo handling in the first two months of the year, compared to the same interval last year. During this period, 1,129,088 tons were handled, with emphasis on caustic soda; malt; compost and fertilizer; containers; and marble and granite. In terms of handling by cargo nature, solid bulk stands out with an increase of 88,500 tons handled compared to the same period of the previous year, an increase of 27.13%. In this category, the main products handled increased significantly: malt (+ 41.3%) and fertilizer (+ 38.39%). According to the Planning and Development Coordinator, Leonardo Bianchi, the perspective is that solid bulk will be the main cargo operated at the Port of Vitória in 2021. Among the liquid bulk, caustic soda was the biggest highlight, registering an increase of 72%. The movement report prepared by the Planning and Development Coordinator also highlights containerized cargo, which, in cumulative terms registered an increase of 30.33% compared to 2020, moving 114,690 tons. Also, the movement of loose general cargo increased by 18.92%, with the highlight being the export of granite.

Quantity and origin - In January and February this year, the Port of Vitória registered a percentage of 51.27% in long-haul shipping and 48.73% in the cabotage category. Also, in cumulative terms, the port registered more products exported than imported: 261,200 tons of products were exported and 243,900 tons were imported.

When it comes to cargo origins, the country that appears at the top of product imports handled by the Port of Vitória is the United States, which sent 45,000 tons of cargo in the first two months of this year alone. The North American country is followed by China, Colombia, Holland, and Estonia.

Within Brazilian territory, the state that stood out in products received by the port was São Paulo, with 101,000 tons of cargo imported The state of São Paulo is followed by Rio de Janeiro, Amazonas, and Paraná.

For the second consecutive month, imports outnumber exports through the ports of Paraná. In February, 1,946,654 tons of cargo entered Brazil through the terminals in Paraná, while 1,702,124 left the country. As a result, the first two months of 2021 recorded a 12% increase in purchases of foreign products and, at the same time, a 12% drop in sales of national products.

"In 2020, we had a very high volume of bulk shipments, mainly soybeans, at the beginning of the year. But in 2021 we had a delay in harvesting and the arrival of the product to the port, in addition to two months of heavy rain ", says the CEO of Portos do Paraná, Luiz Fernando Garcia.

In the last two weeks of February, soybeans began to arrive in greater volume and the expectation is that shipments will continue at an intense pace throughout the year. Meanwhile, handling of imported bulk has grown. "We beat the 24-hours unloading record. There were almost 50,000 tons, between the 20th and the 21st, well above the daily average of 30,000 tons. There were seven ships unloading products simultaneously ", says Garcia.

Bimonthly data - Altogether, there were 3,787,546 tons of cargo imported in the first two months of the year. Fertilizers alone amounted to almost 1.67 million tons. The volume is about 8% higher than the 1.55 million tons of fertilizers handled in the same period in 2020.

In addition to fertilizers, wheat, malt, barley, and salt are also imported as solid bulk from the ports of Paraná. Adding all the products in the segment, 1,847,850 tons were handled in the first two months of the year. The volume is about 4.4% higher than the 1,770,169 tons registered in January and February of last year.

The second segment that handled the most in 2021 was general cargo: 2,017,532 tons, in both trade directions. The volume represents an increase of 12% in relation to the 1,808,283 tons registered in the same period, in 2020.

The increase was also driven by imports. There were 855,599 tons of cargo unloaded- 20% more than the 715,670 tons imported in the first two months.

Of the 1,322,346 tons of liquid bulk handled in the first two months of the year, imports total 1,226,837 tons. In this sense, the segment recorded an increase of 35% in relation to last year (with 908,339 tons of imported liquids).

Adding up imports and exports, 1,140,785 tons of liquid bulk were handled by the Port of Paranaguá.

Exports - In exports, the highlights are in the increased volumes and percentages recorded in shipments of sugar, corn, and vegetable oils.

530,591 tons of sugar- in bags (general cargo) and in bulk – were exported in this first two months. Compared with the volume exported in the same period in 2020, this presents an increase of 127%. In the first two months last year, 233,457 tons of the product were sold.

Corn shipments increased by 99%. This year, 591,538 tons of the product were exported in bulk. In 2020, there were 297,802 tons exported.

142,349 tons of vegetable oils were exported in the first two months, 59% higher than the 89,293 tons registered last year for the same two months. In the first two months of the year, 7,247,245 tons of cargo were handled by the Ports of Paraná.

The beginning of the soybean harvest in Brazil is encouraging the prospects for the handling of the agricultural grain in the Port of Imbituba for the coming months. Last week, the port operator Granéis Imbituba confirmed the scheduling of at least six bulk shipments in the period between March and May.

The cargo is already arriving by road transport and being stored in the warehouses of Fertisanta and Serra Morena, which form the joint venture Granéis Imbituba. Together, the operators have a static storage capacity of around 220,000 tons. The product comes from the Midwest.

According to José Roberto Martins, Managing Partner of Granéis, the late start of the harvest ends up putting pressure on the flow going through Brazilian ports and, as there is the capacity to send the cargo through Imbituba, the market seeks these solutions, closing new contracts. "We moved around 1.4 million tons of corn and soybeans through Imbituba in the last year and our expectation is to exceed this mark in 2021", highlights Martins. The ships scheduled for the coming months are of the Panamax class and are expected to load, on average, 66,000 tons each, bound for China.

Last week, Tecon Santos, managed by Santos Brasil, received three extraordinary vessel calls from different shipowners. The vessels from Hapag-Lloyd, Cosco and MSC docked on March 3 carrying 3,946 containers, of which 2,746 were full-import containers that were unloaded at the terminal.

Extra calls, as extraordinary vessel calls are called, are a sign of recovery and strength of the country's economy and require flexibility to meet unexpected and above-projected demands.

This Tuesday, March 9, seven people were arrested and more than a ton of cocaine was seized in a joint operation launched by the Brazilian internal revenue service and the Federal Police in the Port of Santos. The drug was located in cargo from a breached container bound for the Port of Antwerp, Belgium. Inside the truck, which transported the goods, weapons and ammunition were also found.

According to information released by the Federal Police, security agents noticed suspicious movement by a truck driver inside a terminal in the Port of Santos, through surveillance cameras. The Federal Police and the Federal Revenue Service were called in to monitor the situation.

The truck was approached the moment it left the port terminal. The police found five other men hiding in the cab of the vehicle. All of them were wearing 'ninja' style caps, covering the entire face.

Inside the cabin, two .40 caliber pistols, ammunition, and a .556 rifle were seized, as well as several container seals, pliers, and five cell phones. In the breached container, 32 bags of cocaine tablets were found, totaling 1,111 kg of cocaine.

In addition to the men who were in the truck, the police identified the involvement of an employee at the port terminal, who assisted in the criminal activity. He was also caught in the act.

All seven men were taken to the Federal Police Station and registered as 'caught in the act' for international drug trafficking and illegal possession of a firearm.

Shipping

On March 11, a line of 277 ships waited to dock at Brazilian ports, one of the largest in history, caused by a combination of problems. The wait is ten days on average.

According to Larry Carvalho, a lawyer at Rabb Carvalho, an expert in foreign-trade conflicts, one of the main causes for this bottleneck is the delay in harvesting soybeans and the low availability of bulk carriers. The executive explains that the intense cold in the United States made the country increase its imports of coal, which increased the concentration of bulk carriers in the region in January and February. The delayed soybean harvest in Brazil also accentuated the need for more vessels in March.

"Covid-19 has also caused delays in international operations because of docking restrictions in some places and delays in crew repatriations. We also must not forget that China has prevented Australia's iron ore from entering the country amid political disputes. All of this removed tonnage from the market," he says.

Rains in Arco Norte, where the Rabb Carvalho office concentrates its activity, also prevented any movement in the ports. On the access roads to Miritituba (PA) between the BR-163 and BR-230 highways, there were more than 3,000 trucks lined up last month.

In this context, the cost of shipping for soybeans has risen. In December, freight from Santos to China, for example, cost US$ 32 a ton. In February, it rose 43.7% to US$ 46 a ton.

“We are predicting disputes over demurrage and soy quality,” says Carvalho. In general, he says, when the shipment arrives in China after days in the rain, there are losses in the quality of the grain. Even with the trading companies giving a discount, the Chinese recipients file complaints”, says the lawyer, who represents several logistics, transport, and agribusiness companies.

The president of the Senate, Rodrigo Pacheco (DEM-MG), scheduled a vote for March 23 on the BR do Mar cabotage bill, the objective of which is to expand coastal shipping. The voting date was agreed between the government and the opposition on March 11 during a leaders’ meeting. The information was confirmed by the minority leader in the House, Senator Jean Paul Prates (PT-RN). With the agreement, the bill will be considered directly in a plenary sitting. The BR do Mar project was scheduled to be analyzed this week but ended up being postponed due to differences about the wording of the bill.

With the approval of the proposal, the government expects that the capacity of the maritime fleet dedicated to this type of navigation will be increased by 40% over the next three years, excluding vessels dedicated to the transportation of oil and oil products. According to the government, the project will enable a 65% increase in the volume of containers transported per year by 2022 and will permit an estimated cabotage growth of 30% per year.

In 2020, the Mediterranean Shipping Company (MSC) shipped more than 1.9 million reefer containers, surpassing the previous 2019 mark of 1.8 million units transported.

The shipping company said in a statement that “2020 was another successful year for MSC’s refrigeration services as we fought the Covid pandemic to continue delivering essential food and medicines.”

According to the company, the increase is related to the increase in world demand for fresh fruit, which has grown by 40% in the last decade. “This was further intensified in 2020 by the increased demand for vitamin C-rich foods that boost immunity, such as fresh fruit, as part of a growing trend in personal health and nutrition amid the Covid-19 pandemic.”

Given this scenario, “in order to meet the increased demand for our refrigerated cargo service in new and existing destinations around the world, we have expanded our refrigerated fleet to temperature-sensitive cargo, in particular adding 15,000 Star Cool units in 2020”. The Swiss shipping company also put into operation new Gülsün-class container ships which are among the largest in the world and can handle more than 2,000 reefer, meeting the demand between Europe and Asia.

“Refrigerated containers and temperature-controlled solutions grew in popularity throughout 2020. Increased demand also opened up new market possibilities, which we were able to support thanks to our continued investment in the best technologies for refrigerated transport solutions”, explained Giuseppe Prudente , director of global logistics at MSC.

“The refrigerated services market will grow in the coming years and with a fleet of 560 vessels, MSC is well-positioned to meet this demand as an established leader in the transportation of refrigerated cargo in many regions. As part of our unrivaled customer service, we have over 1,000 refrigerated container specialists available to advise customers on their transportation needs”, noted the shipping company.

Grain

Brazil exported 3.3 million bags of green, soluble, roasted, and ground coffee in February. The figure represents an increase of 9% over the same month last year. The foreign exchange revenue generated by shipments was US$ 423.7 million, an increase of 4.7% in relation to February 2020. In the conversion into reais, the value was R$ 2.3 billion, showing an increase of 30.6%. The average price of the bag was US$ 129.19 in the period. The data are from the report compiled by CECAFÉ (the council of Brazilian coffee exporters).

In February, exports of green coffee (arabica + conilon) reached 3 million bags, registering a growth of 11.2% compared to February 2020. Regarding the varieties shipped, arabica coffee represented 81.9% of the total volume exported in the month (2.7 million bags), conilon (robusta) represented 9.5% of exports (312,300 bags), and instant coffee represented 8.5% of shipments (278,400 bags). Both arabica coffee and conilon coffee showed an increase in volumes exported of 8.5% and 42.7%, respectively, when compared to February 2020.

“Brazilian coffee exports remained steady in February, registering a 9% growth compared to the previous year. Analyzing the numbers for the 2020/21 crop year, export records were observed between July 2020 and February 2021.

In the period from January to February 2021, Brazil exported coffee to 96 countries, reflecting the excellent conditions of the past harvest and the potential scenario for a new record at the end of the cycle. These results demonstrate that Brazil remains competitive. This fact, added to the excellent quality and sustainability applied in the crops, makes Brazilian coffee more attractive and in high on the New York stock exchange, where the country stood out as one of the main origins of quality coffee deliveries, ”says Nicolas Rueda, president of CECAFÉ.

Calendar Year - In the first two months of 2021, Brazil exported 6.9 million bags of coffee, showing a 6% growth in shipments compared to the same period last year. Exports of green coffee increased by 8.1%, reaching 6.3 million bags, while shipments of arabica coffee (5.8 million bags) grew 6.7% and conilon (553,800 bags), grew 25.1%. The foreign exchange revenue generated in the period was US$ 889.7 million, an increase of 1.3%, and the average price was US$ 129.46.

Top destinations - In the calendar year so far (January to February 2021), the main Brazilian coffee destination, the United States, imported 1.3 million bags, 19.4% of the volume exported in the period. Germany, the second-largest consumer, imported 1.2 million, equivalent to a 17.8% share of shipments. Following these 2, the countries that most imported the product were Belgium, importing 561,800 bags (8.2%); Italy, importing 514,200

(7.5%); Japan, importing 350,000 (5.1%); Colombia, with 240,000 (3.5%); Russian Federation, with 192,200 (2.8%); France, with 167,700 (2.4); Turkey, with 155,100 (2.3%); and Canada, with 130,600 (1.9%).

Among the destinations listed, exports to Colombia registered an increase of 173%; to Belgium, an increase of 59.9%; and to France, a growth of 19.4%. Shipments to the USA and Germany also grew 8.4% and 6.6%, respectively, in relation to the first two months of last year.

Concerning exports by continent, groups, and economic blocs, Europe recorded a 3% increase in the consumption of Brazilian coffee compared to the first two months of 2020, totaling 3.6 million bags exported to the continent in the period. Exports to North America increased by 5.5% (reaching 1.5 million bags); in South America, an increase of 73.7% (434,000) was recorded; in Africa, 13.9% (155,600); in Central America, 158.9% (41,300); in the Arab Countries, 19.1% (304,000); and
in producing countries, 74% (486,500). Exports of green coffee, specifically, to producing countries registered an increase of 131.7%, with the shipment of 400,200 bags for them.

Special coffees - Brazil exported one million bags of special coffees (those with superior quality or some type of sustainable practices certificate) in the first two months of this year, a volume that represents 14.9% of total coffee exports in the period. The foreign exchange revenue generated by shipments of the differentiated reached US$ 173.7 million, corresponding to 19.5% of the total amount generated in the two-month period. The average price of a bag of differentiated coffees was US$ 169.31.

The 10 largest importing countries of the modality represented 80.5% of the shipments. The United States continues to be the country that receives the most coffees.

Meat

According to ABPA (the Brazilian animal-protein association), Brazilian pork exports (considering all products, fresh and processed) recorded a 20.3% increase in February. In all, 81,100 tons were exported in the month, against 67,400 tons registered in the same period in 2020. Revenues from sales in February totaled US$ 185.7 million, 19.9% higher than the second month of 2020 when sales reached US$ 154.9 million.

In the total of the first two months, pork exports reached 144,200 tons, 6.12% higher than that obtained in the same period last year when 135,900 tons were exported. Revenue for the first two months of 2021 totaled US$ 332.3 million, 4.1% higher than that recorded in the same period last year at US$ 319.1 million.

"The international scenario remains highly demanding for Brazilian pork. This, however, has not affected the internal offer of these products, which adjusted", evaluates Ricardo Santin, president of ABPA.

The main destination for Brazilian pork exports, China imported 41,600 tons in February, 34% more than that recorded in the same period in 2020. Also noteworthy in February were sales to Chile, of 4,500 tons (+73, 5%), Angola, with 3400 tons (+ 7.4%), Singapore, with 3300 tons (+ 43.8%) and Argentina, with 2000 tons (+ 15%).

"In addition to the high demand of Asian destinations, this month we had a considerable increase in sales within South America, with a positive balance in practically all destinations in the region", evaluates Luís Rua, director of markets at ABPA.

In the survey by state, Santa Catarina continues as the main exporter, with 40,700 tons shipped in February (+ 16.3% in relation to February 2020). Second, Rio Grande do Sul exported 21,300 tons (+ 30%). In third place, Paraná shipped 11,300 tons (+ 22.4%).

Shipments of chicken meat remain practically stable - Brazilian exports of chicken meat (natural and processed) totaled 348,800 tons in February, a volume 0.1% higher compared to the same period last year, with 348,400 tons exported, according to the entity. Sales revenue in the second month of the year reached US$ 521.7 million, 5.8% less than in the same period last year, with US$ 553.8 million.

In the first two months, international sales in the sector reached 640,400 tons, 4.7% less than in the same period in 2020, with 672,700 tons. The trade balance in the first two months of the year reached US $ 956.1 million, a number 11.7% lower than that registered in the previous year of US$ 1.082 billion.

"The steady exports to traditional markets in the Middle East and Europe allowed us to repeat in 2021 the good result achieved in the second month of last year, indicating a positive pace in international sales in March," says Ricardo Santin, president of ABPA.

The main highlight of the month was sales to Saudi Arabia, which increased its imports by 19.5% in February, reaching 43,800 tons. Exports of 29,000 tons to South Africa (+ 36.4%), 9000 tons to Libya (+ 8.6%), 8900 tons to the Philippines (+ 10.8%), and 7900 tons to the United Kingdom (+ 15.1%).

The main exporting state, Paraná, shipped 137,800 tons in February, 0.82% more than that recorded in the same period in 2020. In the second position, Santa Catarina exported 80,800 tons (-8.12%). Third, Rio Grande do Sul shipped 53,100 tons (-0.64%).

Other cargo

Data from ABICALÇADOS (the Brazilian association of footwear industries) show that in February, exports for the sector totaled US$ 61.58 million, with 9.97 million pairs of shoes shipped. The results are higher both in volume (+ 2.5%) and in revenue (+ 1.1%) compared to January, a month that had already registered strong growth compared to December 2020 (+ 5%). However, when compared to the February 2020 results, the data still points to a decrease of 5.9% in volume and a decrease of 18.1% in revenue. In the first two months of 2021, footwear exports totaled 19.7 million pairs totaling US$ 122.52 million, down 14.7% and 26.4%, respectively, compared to the same period last year.

The executive president of Abicalçados, Haroldo Ferreira, explains that the data point to a slow recovery since the beginning of the pandemic in 2020. "We had the best results since April last year. However, if we compare it with the first two months of 2020 before the Covid-19 pandemic was felt in Brazil, then we can see a setback", explains the leader.

According to him, the sector should still suffer a fall next month and then start a more substantial recovery. “This is if the immunization process continues around the world and with life returning to normal, especially with regard to the demand for shoes, products that were left in the background during the crisis”, he states.

Destinations - In the first two months of the year, the main destination for Brazilian footwear exports was the United States, to which 2 million pairs were exported for US$ 26.32 million, a 4.7% increase in volume and a 21% decrease in revenue compared to the same period in 2020.

The second-highest demand was from France, where 1.36 million pairs were shipped for US $ 11 million, down 22.9% and 11.7%, respectively, compared to the corresponding period last year.

The third-highest demand was from Argentina, where 1.19 million pairs were shipped for US$ 10.16 million, down 8.3% and 27.1%, respectively, compared to 2020.

Exporting States - Rio Grande do Sul was the main footwear exporter for the two-month period, exporting 4.3 million pairs at US$ 51.75 million, down 14.7% and 26.9%, respectively, compared to 2020.

Ceará was the second busiest exporter, shipping 8 million pairs at US$ 37.56 million, decreases of 17% and 28.5%, respectively, in comparison with the same interval of 2020.

In the third position among the exporters, Paraíba shipped 3.84 million pairs at US$ 8.62 million, down 4.5% and 11.6%, respectively, compared to the same period last year.

China’s imports increased by 22% - Although registering a general decline, footwear imports from China increased by 22.1% in volume in the two-month period when compared to the same period in 2020. Imports of Chinese products totaled 2.2 million pairs for US$ 7.15 million, a drop of 24% in dollars compared to the same period last year. “China recovered earlier from the coronavirus crisis. Now, they are sending their products around the world at prices that are well below market prices, practicing unfair competition”, evaluates Ferreira. He stressed that it is therefore imperative to renew the anti-dumping law against Chinese footwear.

Overall, February footwear imports totaled 1.99 million pairs at US$ 21.8 million, down 20.6% in volume and 24.9% in revenue compared to the same month last year. In the two-month period, imports reached 3.97 million pairs totaling US$ 42.94 million, representing decreases both in volume (-24.8%) and in revenue (-38.1%) compared to the same period last year.

After China, the other main exporters of footwear for the two-month period were: Vietnam (1.18 million pairs totaling US$ 23.34 million, decreases of 49.6% and 41.6%, respectively, compared to the same period last year), and Indonesia (319,260 pairs totaling US$ 5.28 million, decreases of 47.2% and 47.4%, respectively).

In terms of shoe parts – leather, heels, soles, insoles, etc. – imports for the two months totaled US$ 3.5 million, 28.6% less than in 2020. They were shipped mainly from China, Paraguay, and Vietnam.

To minimize steel shortages in the construction sector, some companies are importing rebar from Turkey. Coopercon-SC, a construction-materials-purchasing cooperative that represents construction companies in the southern region of Brazil, is bringing three ships of rebar – about 60 thousand tons – to the country this year.

According to the president of Coopercon, José Sylvio Ghisi, deliveries will be in May, September, and December. “120 companies from nine states are importing steel. Due to the delivery problems, construction companies are stopping contracts, sites, and failing to launch projects.”

According to him, the longer terms given by the mills, of around 120 days, also favor imports. On average, imported steel arrives in Brazil in 90 days.

Imported rebar is up to 25% cheaper than that produced in Brazil. This refers to the price at the port. The transportation cost depends on the location of the construction site, and this can slightly reduce this difference. “Steel in Brazil has undergone constant readjustments. The price of the ton has already risen more than 130% in the accumulated value from January 2020 to March 2021. This year alone, the increase was on average 30%”, he said.

Ghisi added that even with the exchange rate variation, imports are still viable due to the predictability of deliveries. The director stressed that the sector seeks to facilitate the purchase of steel in the international market with the temporary suspension of the import tax.

“What we are sending to the federal government and the Ministry of Economy is a request for this temporary exemption. It is a necessity because there is no steel in Brazil to supply the works ”, said Ghisi. The tariff is currently 12% and the exemption mechanism can be granted for six months to 18 months.

On March 9, the first meeting of the Interministerial Working Group responsible for the preparation of the National Fertilizer Plan was held. The group was created with the publication of Decree 10.605 and will have meetings every 15 days.

Minister Tereza Cristina (Agriculture, Livestock, and Food Supply) reinforced that fertilizers are strategic inputs for Brazilian agriculture and said that Brazil needs to have a minimum production of fertilizers to guarantee national security and food security.

“The moment you had the pandemic, you saw how important our country’s food security was. Our agriculture grows every year, we will need fertilizers more and more. This group will be our guide” she said. “It does not mean that we have to stop importing fertilizers, but we need a safe volume of national production,” added the minister.

The Working Group is formed by representatives of the Special Secretariat for Strategic Affairs of the Presidency of the Republic, the Civil House and the ministries of Agriculture, Livestock and Supply; Economy; Infrastructure; Mines and Energy; Environment and Science; Technology and Innovations; EMBRAPA; and the Office of Institutional Security and Advocacy-General of the Union.

The executive secretariat will be in charge of the Special Secretariat for Strategic Affairs.

The plan's objective is to make the country a protagonist in technological innovation in sustainable plant nutrition, expand the production and supply of national fertilizers, and reduce dependence on foreign products. The GTI must deliver the National Fertilizer Plan to the Special Secretary for Strategic Affairs of the Presidency of the Republic within 120 days.

In 2020, Brazil imported 32.8 million tons of fertilizers, according to ANDA (the national association for the dissemination of fertilizers), 11.3% more than in the previous year. Consumption had already risen from 33.5 million from January to October, 10% more than in the same period in 2019. National production is between 7 and 8 million tons.

Economy

Austria warned Portugal, which holds the rotating presidency of the European Union, not to attempt political maneuvers to obtain the ratification of the free trade agreement between the European Union and Mercosur. This makes the treaty's future more uncertain.

Although Austria is not one of the most influential members of the EU, its opposition to the agreement with Brazil, Argentina, Paraguay, and Uruguay creates more problems. And the same could happen this year in Germany, in case the Green Party returns to the government coalition.

In a letter to the Prime Minister of Portugal, António Costa, the deputy head of government of Austria, Werner Kogler, says that his government has agreed to do its utmost to oppose the signing of the agreement with Mercosur, in the face of "great concerns".

In the letter dated March 4, Kogler argues that forest fires in the Amazon "also known as the Earth's lungs", in combination with an increase in intensive agricultural production in the Mercosur countries, "will exacerbate global warming". "If we are going to boost trade and economic growth without taking into account the impacts on biodiversity, ecosystems, and natural resources, we are inevitably going in the direction of a climate catastrophe."

Kogler says that the ruling coalition, formed by the conservative People's Party and the Green Party, agreed that it should prevent this scenario and that Austria and the EU "as a whole have the responsibility and the fundamental role to act now, on behalf of future generations ".

Austria warns that it will also not accept the splitting 'of the agreement, whereby the commercial part could be separated to ease approval difficulties so that tariff preferences between the two blocs could benefit companies more quickly.

"We will be firmly opposed to that as well," says the Austrian deputy head of government, insisting that "it is not acceptable that attempts are made to circumvent any resistance from a qualified group of member states".

Instead, Austria suggests using the green deal, the EU's green plan, to advance climate protection and give new impetus to the Paris Agreement against climate change.

The Austrian government concludes by asking Portugal to ensure that a vote on the agreement with Mercosur can take place openly "without any political maneuver and with the public's full attention". For Austria, the impact of the agreement on the climate crisis "is a decisive factor" and will be opposed by all forces against the treaty.

In fact, Portugal no longer talks about taking the EU-Mercosur agreement to the European Council of Leaders until June, when its presidency ends. Lisbon understands precisely the size of the opposition of several Member States, starting with France.

DatamarWeek is our weekly newsletter. Previous editions can be downloaded at www.datamarnews.com
Your contributions, criticisms, suggestions and, if you do them, press releases, will be welcome. Contact: datamarweek@datamar.com.br
Tel + 5511-3588-3033
Datamar Consultores Associados Ltda.
Rua Fuchal 203, 4th floor
Vila Olímpia, São Paulo – 04551-904 – SP