

Main news

The Ever Given, Evergreen's gigantic container ship which blocked the Suez Canal for almost a week, was freed and resumed sailing at around 10:30 am on Monday, March 29, after a series of removal methods were employed by the Egyptian government teams that manage the channel.

Earlier, the Suez Canal Authority (SCA) also stated that "navigation will resume immediately after the vessel has fully restored its direction" and that Ever Given will be routed to the Bitter Lakes waiting area "for technical inspection".

The head of the channel's management told an Egyptian TV station that the container ship was undamaged and the channel is navigable, according to Reuters news agency.

400 meters in length and weighing in at 220,000 tons, the mega-ship operated by the company Evergreen ran aground at km 151 of the channel on March 23rd amid strong winds and a sandstorm, thus blocking the passage of all other ships.

Companies specializing in maritime trade estimate that the economic losses directly or indirectly linked to the stranding exceed R\$ 300 billion, according to the BBC. There are more than 400 vessels in line waiting for the channel to be unblocked.

According to the president of SCA, Osama Rabie, it will take three and a half days for all ships waiting in line to be able to cross the channel after they are cleared to continue.

But Maersk, the largest container transport company in the world, estimates it will take longer. "Assessing the current accumulation of ships, it may take six days or more for the entire group to pass," the company said in a statement.

Maersk currently has three vessels stuck in the channel and 29 waiting to enter, in addition to 15 that have already been re-routed around the southern tip of Africa.

Stripping operation

SCA announced earlier that it had managed to push the Ever Given's stern from 4 meters from the bank's edge to 102 meters from the edge after "successful pushing and towing maneuvers that led to the restoration of 80% of the vessel's steering".

The channel manager also stated that they were going to take advantage of the high tide to finish the maneuvers, "allowing the vessel to completely restore its direction so that it is positioned in the middle of the navigable waterway."

Ports and Terminals & Logistics

On March 24, the Ministry of Infrastructure published an ordinance in the Official Federal Gazette which should attract more investment from the private sector and reduce bureaucracy in the port sector. According to Ordinance 51 of March 23, 2021, the authorization for commercial use of areas that are not affected by port operations may be granted directly by the sector authorities.

The areas not linked to the port operation are the empty areas located inside the ports that are not related to the movement of passengers or cargo. With this new ordinance, port authorities

will have more freedom to free up these areas for various services in order to raise their income, through companies that want to set up commercial activities.

"The measure even meets the observations of the Federal Accounting Court which recommends that ports have more autonomy in generating new revenues, reducing idle areas, contributing to their sustainable growth, reducing bureaucracy, and consolidating ordinances", evaluates MINFRA's National Secretary of Ports and Water Transport, Diogo Piloni.

The new ordinance consolidates Ordinance No. 409 of November 27, 2014, and Ordinance No. 114 of March 23, 2016, both from the extinct Secretariat of Ports of the Presidency of the Republic.

On March 24, the Federal Police, the Federal Tax Authority, and the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA) carried out an inspection of the containers at the Paranaguá Container Terminal (TCP).

The action stems from the work carried out in the context of Operation "30 Days at Sea 3.0", by Interpol, which is carried out on several continents with the objective of preventing and combating maritime pollution committed on land, on inland waters, and at sea. One of the aims of this operation is to suppress the traffic of waste in the ports, especially the import or export of plastic, medical, and hazardous waste.

During the action, containers were identified as abandoned and assessed whether the cargo or its packaging could damage the environment.

Log-In Logística Intermodal has been expanding its operations at the TecPlata terminal, located in the Port of La Plata, in Buenos Aires. Earlier this month, Log-In's first cargo transshipment service was carried out with two ships operating simultaneously; this enabled the maritime connection between the Port of Asunción, in Paraguay, and the Port of Santos.

In an unprecedented operation, the cargo left the Independiente Shipping Line (ISL) barge Independiente, from the port of Asunción, sailed down the Paraná River, and arrived at the Tecplata terminal, where it docked simultaneously with the Log-In Jacarandá ship. Soon afterward, the containers were transferred to the Log-In ship, which went left for Brazil on the same day.

Since 2019, Log-In calls the TecPlata terminal regularly with the Log-In Jacarandá, Log-In Jatobá, and Log-In Endurance vessels. The maritime connection in Argentina with cargo coming from Paraguay allows the containers from Log-In's ships to be transferred to smaller vessels that will sail up the Paraná River to the Port of Asunción and vice versa.

Since last year, Log-In has maintained a partnership with the shipping company Independencia Shipping Line (ISL) on the Paraguay route to serve the Port of Asunción every fifteen days. To make this service feasible, three smaller ships with a total capacity of 510 TEU are dedicated to river navigation.

In a session held on March 24, the Federal Accounting Court approved the feasibility studies for the lease of the MUC01 terminal at the Port of Fortaleza, in the state of Ceará. The

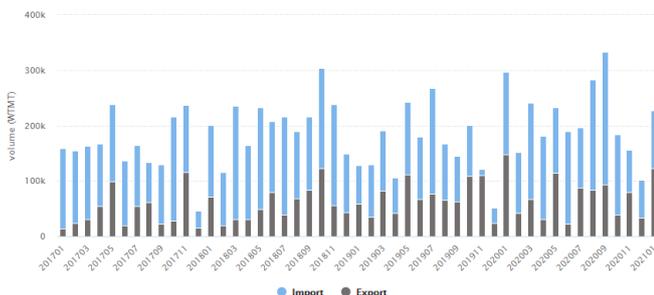
project qualified for inclusion in the Investment Partnerships Program (PPI) portfolio through Decree nº 10.484 / 2020.

The 6,000m² area called MUC01 is intended for the handling and storage of solid vegetable bulk, especially wheat. The expected investments to be made by the auction winners over the 25 years of the contract total R\$ 56.7 million. The future leaseholders of the terminal will pay the port authority for the use of the area R\$ 63,231.54 per month and an additional R\$ 1.54 per ton handled. It is also estimated that more than 1,100 direct and indirect jobs will be generated during the lease.

The approval of studies by the Federal Accounting Court is another important stage of the project. The next phases involve eventual adjustments to the project due to the court's decision, ANTAQ's approval of the publication of the draft public notice and contract, in addition to the establishment of a date for the auction session.

The expectation is that the terminal will be auctioned in the third quarter of this year.

Brazilian cargo handling at the Port of Fortaleza | Jan 2017 to Jan 2021 | WTMT



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

In 2020, the Centro-Atlântica Railway (FCA), controlled by VLI, handled 25 million tons of agribusiness cargo, 27% more than in 2019. The increase follows the trend of the last five years, a period in which this type of cargo was up 189%.

From 2016 to 2020, VLI registered a movement of more than 119 million tons of soybeans, corn, sugar, bran, and fertilizers on the railroad.

In 2020, grains (soybeans, corn, and soybean meal) accounted for 11.6 million tons, fertilizers and inputs totaled 8.1 million tons, and sugar exceeded 5.3 million tons. These items are moved via the connections between FCA and four multimodal terminals located in Minas Gerais, São Paulo, and in the coastal areas of Espírito Santo and São Paulo.

Agribusiness was one of the factors responsible for FCA's profitable results in 2020. Last year, considering all segments drained by the Centro-Atlântica Railway, 39.55 million tons were handled, compared to 36.04 million in the previous year, a growth of 9.7%. In the comparison between 2016 and 2020, the cargo flow grew 28.8%. Net revenue from these operations jumped from R\$ 2.42 billion in 2019 to R\$ 2.69 billion in 2020, which represents an increase of 11%. FCA's positive financial balance of operations is the result of the increase in the volume transported via the network during the period.

In February, the total cargo handling at the Port of Santos set a new record for the period, with 10.9 million tons handled. As a result, it maintained the growth trend seen in the last months of 2020 and in January of this year. The result is 2.5%

above the same period last year when just over 10.6 million tons were handled.

Containerized cargo saw double-digit growth. 388,564 TEU were handled, 13.0% above that recorded in February last year (343,794 TEU), bringing the year-to-date (YTD) result to 762,656 TEU, 11.8% more than in the first two months of 2020 (682,270 TEU).

Shipments grew 2.3%, totaling 7.5 million tons. Contributing to this result was Sugar (with an increase of 26.6%); diesel oil and diesel (195.9%); citrus juices (20.3%); and coffee beans (12.3%). Imports registered a growth of 3.1%, totaling 3.4 million tons. Fertilizer (82.2%) and caustic soda (66.2%) led imports.

YTD handling - The strong results in February increased YTD cargo to 20.1 million tons, also a record for the period, at 5.4% above the highest result registered in 2019 (19.1 million tons) for the period, and 6.0% above 2020 (19.0 million tons).

Exports reached 13.2 million tons in the first two months, 5.1% above the same period in 2020. Products that led exports include sugar (31.4%); coffee beans (16.6%); alcohol (18.2%); soybean meal (15.8%); corn (13.3%); diesel oil and diesel (109.3%); and citrus juices (35.0%). Imports during this period reached 6.8 million tons, 7.9% above the first two months of 2020. Fertilizer (80.1%) and liquefied petroleum gas (97.4%) led the imports.

Loose general cargo amounted to 955,800 tons, up 12.0% compared to the same period last year. In the same line, solid bulk grew 3.6%, registering the second-best level for the period: 8.4 million tons. The liquid bulk showed stability before 2020.

The lower number of ships in the period (decrease of 5.7%) coupled with the growth in physical movement denotes the tendency to increase the average load, with higher cargo volumes per vessel.

ANTAQ (the national waterway transport agency) approved the inclusion of the "tariff due for temporary-use contracts and leases made based on simplified studies" in the tariff structure of the Port of Imbituba (SC). The Statement of Decision No. 101-2021 was published in the Official Federal Gazette on March 22.

During the 496th Ordinary Meeting of the Collegiate Board of Directors held on March 11, the agency directors authorized the values of the tariffs approved in this process, adopted specifically for caustic soda, to be inserted in the corresponding resolution, as well as included in the simplified lease studies mentioned in ANTAQ Resolution No. 7821 / 2020.

"The tariff approved for use in the simplified lease, which, possibly, should become the new model to be adopted for the future, means that the remuneration of the lease is defined only per square meter of occupied area", explains the manager of ANTAQ Port Regulation, Dax Rösler, noting that for now, this type of tariff is only applicable to small businesses: terminals limited to R\$ 330 million in total revenues (contract value) and with a maximum contractual term of 10 years.

According to the Statement of Decision, the new tariffs and the tariff group to be added to the tariff structure in force at the Port of Imbituba will come into force within five working days of its publication, without altering the existing general application

rules. This tariff in Imbituba was the second that ANTAQ has approved. The first was in Itaguaí (RJ).

On March 23, Santos Port Authority (SPA) published a public call for proposals on its website to identify those interested in the construction and operation of two parking lots in Ponta da Praia, in Santos, for the preferential use of autonomous truck drivers who transport cargo between port and retro port terminals (“intra-port transportation”).

The areas are located between Rua Maria Máximo, Rua Comendador Alfaia Rodrigues, and Avenida Pedro Lessa (Area 1, totaling 7881 m²); and between Rua Comendador Alfaia Rodrigues and Rua Cipriano Barata (Area 2, totaling 3640 m²). The area to be used for consideration will be allowed for a period of five years, extendable at the discretion of the SPA.

Conceptual projects and other documents required in the call notice and its attachments must be sent to the port authority within 30 calendar days of the publication on the SPA website, to the e-mail chamamento.esteamento@brssz.com. If there is more than one interested party for each area, the SPA will carry out a selection process.

The object of the aforementioned call also includes the provision of services and the provision of necessary facilities to guarantee minimum safety, sanitation, and comfort conditions for truck drivers. These services should include, at minimum, uninterrupted monitoring by closed-circuit cameras (DFTV), with real-time image sharing with the SPA, as well as daily cleaning of the area, in particular grain particulates, drainage system, toilets, and changing rooms and rest areas with a place for meals.

Interested parties must submit a conceptual project that at least contains the number of parking spaces; the description of the services and facilities envisaged; the implementation schedule; the estimated amount charged by users, according to the period of stay (amount per hour – R\$/hour); and the SPA’s remuneration proposal for occupying the area, based on the amount per square meter.

Proponents interested in presenting conceptual projects for both areas must do so separately. The information provided in the conceptual projects will support the eventual modeling of the transfer of rights of assignment for the available areas.

The call notice and its attachments will be available on the Santos Port Authority website (www.portodesantos.com.br).

Shipping

Icelandic health officials went on alert because of a ship coming from Brazil with Covid-infected crew members. The country has been successfully controlling the pandemic by means of detection tests with an interval of five days for all those who arrive on the island by sea or by air.

But tests carried out last Sunday show that the ship Taurus Confidence, which docked in Reyðarfjörður, in eastern Iceland, has 10 of its 19 crew members infected. The vessel was taking calcined alumina from São Luís do Maranhão to the aluminum plant in Reyðarfjörður.

Contaminated crew members are kept in isolation and the others are quarantined on board the ship, under strict surveillance by the local police. As the entire crew is Chinese, the Asian country’s

embassy has been informed and is monitoring the situation in cooperation with local authorities.

When consulted, the Icelandic Department of Health, which centralizes information about the Covid-19 in the country, confirmed that all ten infected crew members have the Brazilian variant, P.1. This information was confirmed by Kári Stefánsson, director of DeCode, a genetic research company responsible for sequencing all samples of Covid-19 patients in Iceland.

The finding left health officials on alert. Until now, Iceland was the only Nordic country to which the Brazilian variant had not arrived.

Even though the situation is under control, the authorities fear that if an infected person’s condition worsens, the patient will have to be transferred to a hospital for treatment.

According to Garðar Jóhannsson, director of Nesskip, the Icelandic shipping company that acts as the vessel’s local maritime agent, the ship’s captain had warned the port authorities the day before arrival that there were seven sick crew members on board.

Iceland has recently managed to control the third wave of pandemic contagions and has been recording very few new daily cases in recent weeks. The infections registered on Taurus Confidence on Sunday account for half of the cases confirmed last weekend.

Since the beginning of the pandemic in Iceland, 6,122 cases of covid-19 have been confirmed, 330 have required hospitalization, and 53 were admitted to ICU. The disease has caused 29 deaths in Iceland.

In addition to the increase in internal costs from rising inflation and commodities, Brazilian industries have been facing difficulties in transporting inputs and goods due to the disruption in global supply chains.

After the global industry shutdown in the first half of 2020 caused by the coronavirus pandemic, there was a huge breakdown in global logistics: sea routes were interrupted and ships and containers were scattered around the world. After the reopening, reorganization efforts were overrun by the growing demand for goods, medicine, and hospital equipment.

In November, for example, container handling in Shanghai, one of the main cargo handling points in the world, broke the all-time record of 42 million TEU handled. As demand increased, costs exploded; in January, freight from China to the port of Santos set a new record, reaching US\$ 9,000 per 40-foot container, almost five times the normal fare.

Users of this type of service say that in addition to the high price, they live with ship delays and changes in port calls, which make it difficult to plan production. According to Luiz Carols Moraes, President of ANFAVEA (the national association of motor vehicle manufacturers), “the disruption of the production chain” puts operations at risk. “The automobile sector is most impacted because it is within a global chain,” he said. “The risk of interruptions [at automakers] remains a permanent risk in our sector until the global production chain adjusts.”

The problem began to be felt more intensely in the fourth quarter of 2020. Santos Brasil, the operator of a terminal in Santos, recorded a 4.4% increase in container movements in the period,

closing the year at a higher volume than that seen before the pandemic.

In January 2021, the port of Santos broke its prior handling record for both general cargo and container cargo. The port reached 338,500 TEU, an increase of 10.5% compared to January 2020 when the previous record was set. "We are experiencing a great deal of stress in the logistics channels," said the company's president, Antônio Carlos Sepúlveda, in a teleconference to talk about the company's results in 2020.

The textile industry is another that has been experiencing impacts. "[The problem] increases the costs of imported products that make up our matrix of inputs", says Fernando Pimentel, President of ABIT (the Brazilian textile industry association).

On the export front, experts see difficulties mainly in sales of frozen meat, given the limited availability of refrigerated containers. For BRF, the scenario is treated as a "comma" in the recovery process. "What problems do we have? China's growth is very strong and they end up using containers that are on their way to us, for their own exports," said the company's VP of International Markets, Patrício Rohner, in a conference call with analysts.

"The impact is being felt stronger now ever since the reopening of markets and the current wave of refueling have resulted in an abrupt increase in container flows," says ABIMAQ (the Brazilian machinery and equipment industry association).

For the entity, the biggest difficulty is to find containers for shipments of products to Asia, since shipowners would prefer to return with empty equipment to meet the sales demand of that region and to recover the losses taken during the first lockdown.

The president of AEB (Brazilian foreign trade association), José Augusto de Castro, says that exports have not been seriously affected, since the country sells more commodities that are transported in bulk carriers.

But 85% of Brazil's imports are manufactured products. "There has to be a container ship and the shipowners only come to Brazil today if they can fill the ship," he says. "And since Brazil exports few manufactured goods, it is almost certain that any ship arriving in Brazil will return empty."

In addition to the problems for those who depend on inputs and components, he sees impacts on the final price of goods, pressured by high freight rates. "Only time will tell when this will return to normal and, until then, we will have to live with very high prices for some products."

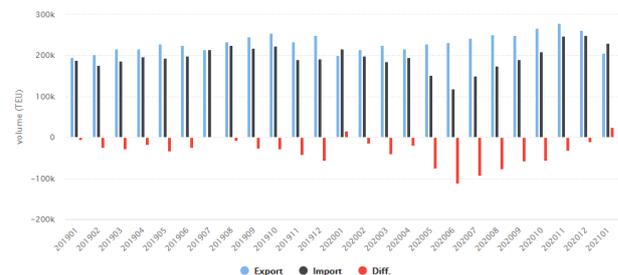
The crisis caught Brazil at a time of growth in container movements: according to a study by the CNI (national confederation of industry), export tonnage for this type of cargo increased 48% between 2010 and 2020.

CNI logistics specialist, Matheus Castro, says that long-haul freight has already begun showing signs of relief in March, but the problem is far from being solved. "Experts argue that it will take a while for the market to adapt and return to normal," he says. "The terminals in the United States and Europe today are experiencing long delays in cargo handling, with lines of ships waiting their turn in line." "Navigation is globalized and the shipowner puts the ship where the market is strongest", says Luis Resano, Executive Director of ABAC (Brazilian association of coastal shipowners).

"When [the ship] is owned by a Brazilian company, it is built to be dedicated to this market, and it is not worth leaving."

The following graph illustrates the trade imbalance between container imports and exports that contributed to the current logistical problems:

Trade Imbalance | Jan 2019 to Jan 2021 | TEU



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

Maersk has recently informed its customers that due to the recent drop in water levels in the Paraguay River, its suppliers have begun to apply the Low Water Surcharge, but only to terminals north of Asunción.

The surcharge will be applied first to the following vessels:

Export shipments: BM ROSA 2108

Export shipments: BM THEIA 2105

Surcharge: Low Water Surcharge (LWC)

Scope: Paraguay (Import and Export)

Load: Dry and Reefer

Value: US\$ 150 per TEU

Effective date: March 24, 2021 – until further notice.

According to the company, the water levels south of Asunción still permit operations so Maersk is currently not applying this surcharge to the terminals Puerto Seguro Fluvial and Terport Villeta. The company also stated that it is monitoring the situation and that its customers will be advised of any further changes.

Grain

The costs in Brazil to export sugar have increased both on the highways and on sea shipments due to the delay in the soybean harvest in this 2020/21 harvest. The picture may tighten the operating margins of sugar sellers who do not work with long-term contracts.

Currently, the average freight cost to take sugar from Ribeirão Preto to the Port of Santos is R\$ 150 per ton, 30% more than the R\$ 115 a ton a year ago, according to the executive of a company that produces and trades sugar. From Tarumã (SP) to Santos, the increase was 20%, to R\$ 181 per ton, says EsalqLog. There are still operators who are reporting increases above 40%.

The increase in cost reflects the competition between soy and sugar for trucks. There was a three-week delay in the soybean harvest. Thus, according to EsalqLog, the cost of shipping soybeans from Cascavel (PR) to Paranaguá is 58% higher this month, at R\$ 193.86 per ton.

At the ports, this competition has not yet created difficulties, since many terminals today have the flexibility to operate with both grains and sugar. This month, most of the sugar terminals have allocated a greater part of their space to soy. According to the trading company Czarnikow, the grain occupied more than 60%

of the capacity of the Santos terminals. In March 2020, it was about 55%.

In a few weeks, the flow of sugar to the ports will increase with the new harvest (2021/22). In a report, Czarnikow pointed out a “possible logistical tightening from April to August”, but not everyone agrees. Two logistics operators and two trading executives said they did not see any difficulties in selling the product. One trader recalled that sugar buyers on the March contract for the exchange have not yet named all ships and that nominations can be made until May.

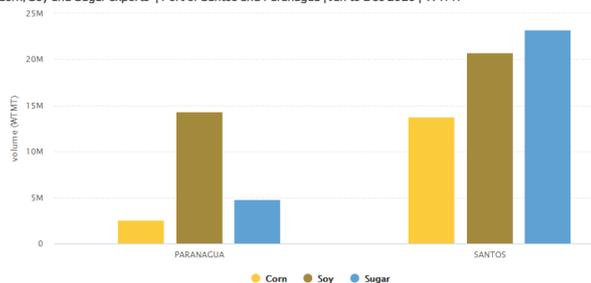
For now, what is seen is less flexibility in the terminals for additional volumes of sugar, according to another trader, who said he does not see any problems in fulfilling signed contracts. A plant executive said tradings that work more with spot contracts may have more market difficulties.

At the Port of Paranaguá (PR), there is no competition between grains and sugar because the east terminal is dedicated to grain in bulk, and the west, to sugar. Despite this, the President of Portos do Paraná, Luiz Fernando Garcia stated that there may be problems when the export of off-season corn begins. “As they leave through the same terminal, it is possible that we have some delays”.

Sea freight is also on the rise, both due to the delay in the Brazilian soybean harvest, as well as the rise in marine fuels – reflecting the appreciation of oil – and the greater use of ships for other purposes, such as coal transportation.

According to S&P Global Platts, the freight of a ship carrying 50,000 tons of sugar from Santos to Rizhao (China) rose 94% in 12 months, to US\$ 51 a ton in the week until the 18th. Freight for soybeans reached US\$ 57.25 per ton from Santos to Qingdao, in China, in the week up to March 22nd, a new record. According to lawyer Larry Carvalho, from Rabb Carvalho, an expert in foreign trade, sea freight should continue to rise in April with the increase in the dispute over bulk carriers that operate with both commodities.

Corn, Soy and Sugar exports | Port of Santos and Paranaguá | Jan to Dec 2020 | WTMT



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

Other cargo

On March 25, the Ministry of Agriculture and Food Supplies (MAPA) published, in the Official Federal Gazette, normative Instruction No. 126, which regulates the criteria and procedures for the hygienic-sanitary certification of exported peanuts.

The implementation of the new regulation reduces the bureaucracy and simplifies the health certification of the exported product for companies with a high level of compliance (above 90%), and increases competitiveness in the export of peanuts to the European Union (EU).

According to the director of the Department of Inspection of Products of Vegetable Origin, Glauco Bertoldo, the current level of excellence in the international peanut trade is due to the commitment and investment made by the exporting industry. “In five years, we went from 43 interceptions of irregular product exported to just three in 2020. In the same period, Brazilian exports of the product more than doubled. Now, we will increase the competitiveness of the Brazilian product by simplifying the certification processes for agents that have a level of compliance above 90% in their production processes”, he states.

MAPA’s Secretary of Agricultural Defense, José Guilherme Leal, is optimistic about the prospect of access to new markets. “Negotiations on technical criteria with Georgia are already underway, in addition to the search for an agreement with China, which started a year ago,” he says. According to him, the evolution of the official certification system for Brazilian peanuts is advancing according to the guidelines of the Minister of Agriculture, Tereza Cristina, through risk management, process auditing, and self-controlling of agro-industries.

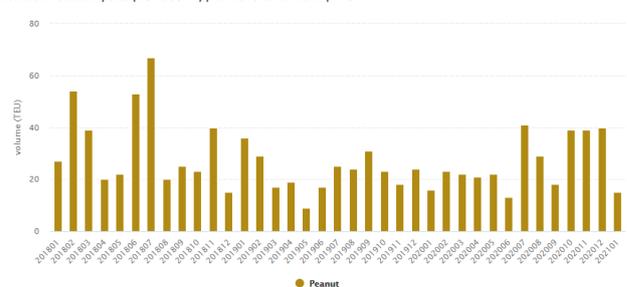
Peanut export - Since 2015, Mapa has developed a system for qualifying exporters based on individualized monitoring of the batches produced and annual audits at the peanut industrial and storage units that are willing to invest in laboratories, internal control processes, and product processing.

In 2020, 29% of exports of this commodity were destined for countries in the European bloc. Considering the increase in competitiveness, the quality of the Brazilian product, and the demand from the EU, the Ministry estimates that exports to this block will represent 60% of the total exported by 2023.

“MAPA’s expectation is that if there is a product supply, Brazilian peanut exports will be increased by 50% in the next three years, especially to the EU countries, an economic bloc that has the most restrictive health criteria and quality demands for peanut imports”, explains Bertoldo.

Currently, the state of São Paulo is responsible for the production of 90% of the peanuts exported by the country. See the graph below for the history of Brazilian peanut exports since 2018:

Brazilian Peanut Exports (HS 2008.11) | Jan 2018 to Jan 2021 | TEU



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

According to ABPA (the Brazilian animal protein association), Brazilian egg exports totaled 3,177 tons in the first two months of 2021, an increase of 150.6% over the volume shipped in the same period last year, which was 1,267 tons.

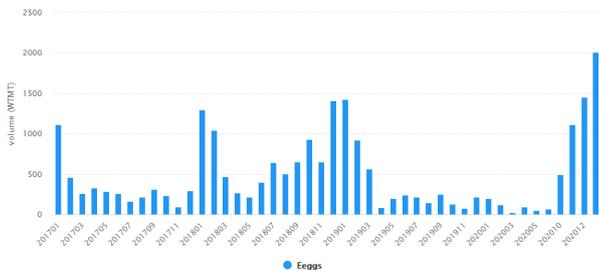
In terms of revenue, sales in the egg sector reached US\$ 4.128 million in the first two months of this year, 152.8% higher than in the same period of 2020, at US\$ 1.633 million.

In February only, sales in the sector reached 1,552 tons, 247.9% higher than in the second month of 2020, with 446 tons. In revenue, the February result reached US\$ 2.099 million, 172.8% higher than the US\$ 769,000 realized in the same comparative period.

The main destination for egg exports from Brazil was the United Arab Emirates, receiving 2356 tons in the first two months of this year, 209.7% more than in February 2020. Without imports registered in 2020, Sierra Leone was second place in Brazilian egg exports this year, with 103 tons shipped. In third place, Japan imported 89.2 tons, 103% more than the same period in 2020.

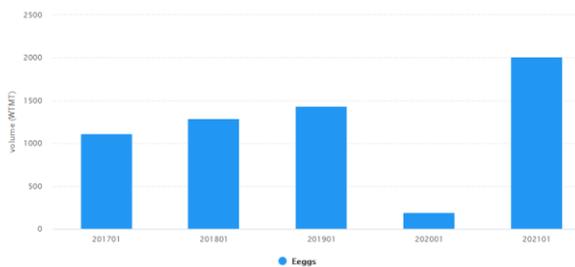
The following graphs show a history of Brazilian egg exports from 2017 and a comparison of January exports for the last five years:

Brazilian Egg Exports | Jan 2017 to Jan 2020 | WMTMT



Source: DataLiner

Comparison of Brazilian Egg Exports for the month of January | Jan 2017-2021 | WMTMT

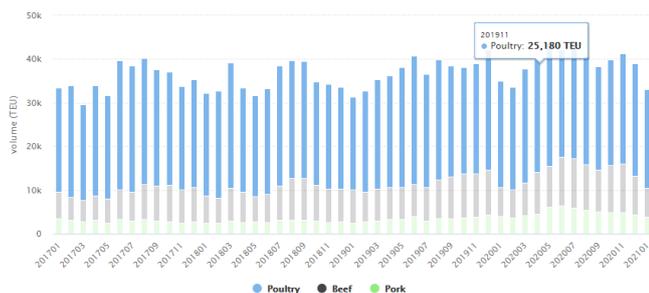


Source: DataLiner (To request a DataLiner demo click here)

Meat

In 2020, Brazilian meat exports continued throughout the year, and exports grew because of both the devaluation of the real, which made Brazil's prices more competitive abroad, and by the African swine flu that hit China and devastated much of its herds, leading the country to considerably decrease its reserves and increase its exports, benefiting Brazil.

Brazilian Meat Exports (HS 0202, 0203, and 0207) | Jan 2017 to Jan 2021 | TEU



Source: DataLiner

Despite the growth, the year 2020 was also marked by suspension and subsequent recovery of the right to export by some

refrigeration plants due to cases of Covid-19 among workers. Also, China pressured Brazil and other exporting countries to disinfect the outer packaging of products and the inside of containers before sealing export products to ensure the safety of food imported from the cold chain and to increase consumer confidence in imported products.

Beef

DataLiner data show that beef exports in 2020 grew 12.60% compared to 2019, maintaining the same growth pattern observed previously. In 2019, beef exports were 12.52% higher than in 2018. During June, July, August, October, and November, new export records were set, comparing with data since 2017.

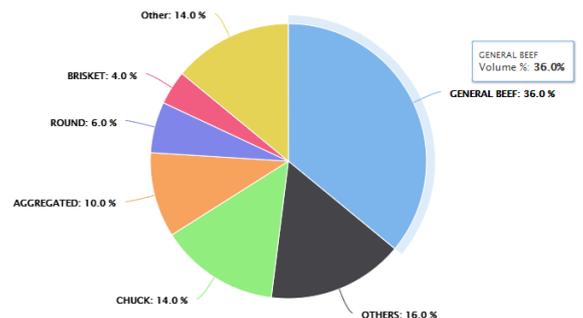
In January 2021, there was a slight drop of 0.17% in exports compared to the same period of the previous year.

The Port of Santos was the main outlet for Brazilian beef in 2020, exporting 66.39% of all beef exports, followed by Paranaguá, exporting 18.90%, Vila do Conde with 5.35%, and Rio Grande with 3.87%.

The main destinations for beef in 2020 were: China (56.60%), Hong Kong (13.39%), Egypt (7.53%), and Russia (3, 43%).

The following chart shows the main cuts of meat exported by Brazil in 2020:

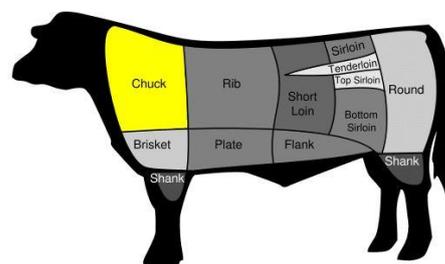
Brazilian Beef Exports (HS0202) by Cut | Jan to Dec 2020 | TEU



Source: DataLiner

Analyzing only the Chuck roast cut, the main destinations were: China (81.12%), Russia (7.41%), and Taiwan (5.07%).

The main destinations for the Brisket cut in 2020 were: China (89.78%), Libya (2.92%), and Russia (2.52%).



Pork

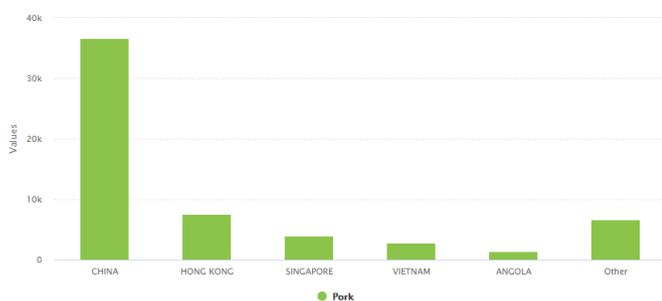
2020 pork exports grew 45.58% compared to 2019, more than double the growth from 2018 to 2019, which was 20.40%. It is worth mentioning that between April and November, records were set monthly comparing data since 2017.

When comparing the months of January of the last three years, it is possible to see that in January 2020 there was a significant increase of 65.01% in pork exports compared to January 2019. In January 2021, there was a 4.34% drop in volume exported compared to January 2020.

The largest volume of Brazilian pork exported in 2020 was through the Port of Navegantes, with 32.42% of the total, followed by Itajaí, with 30.76%, Rio Grande, with 19, 68% and Paranaguá with 11.22%.

The main destinations for Brazilian pork were: China (62.01%), Hong Kong (12.79%), Singapore (6.67%), and Vietnam (4.85%). Check the chart below:

Main Destinations for Brazilian Pork Exports (HS 0203) | Jan to Dec 2020 | TEU



Source: DataLiner

Chicken

Chicken meat remained the most stable in 2020, as well as in the previous three years.

In 2019, exports grew 2.55% in the volume exported over 2018 and, in 2020, a small decrease of 1.38% was seen in comparison with 2019.

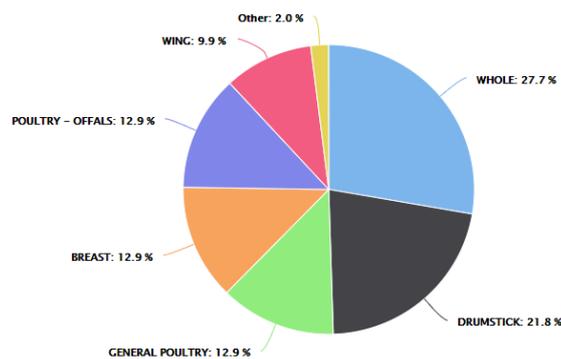
Comparing only the months of January, we can see a greater variation: the volumes exported in January 2021 were 7.35% lower than in the same period of 2020, which, in turn, were 15.37% higher than those of January 2019.

Port of Paranaguá maintained the leadership position as the exit door for Brazilian poultry meat, handling 42.86%, Navegantes was in second place, with 19.18%, Itajaí ranked third, with 16.70%, and Santos ranked fourth, with 8.28%.

The main destinations for Brazilian chicken meat were China (16.07%), Saudi Arabia (12.12%), Japan (10.97%), and the United Arab Emirates (7.76%).

See the main cuts of poultry exported by Brazil in 2020 below:

Brazilian Chicken Exports (HS0207) by Cut | Jan to Dec 2020 | TEU



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

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