

Main news

Datamar, the lead data provider in the maritime sector of the entire East Coast of South America, has added with its main product, DataLiner, data from the Chilean market. Until now, DataLiner contained information only from Brazil, Argentina, Uruguay, and Paraguay.

DataLiner contains data and information that allows all imports and exports by sea from the East Coast of South America to have more detailed information about the ship, port, shipowner, exporter and importer, as well as shipped volumes. All the information comes directly from cargo manifests received by Datamar through reliable long-term partnerships with ocean carriers.

DataLiner Chile

DataLiner Chile will be provided to customers on a monthly basis. The data will have the same quality and punctuality as Datamar's other products, with its reputation built in the last 22 years.

On July 1st, data for April will be made available. In its beginning, Datamar has used customs data as DataLiner Chile's main source, delivering data with a two-month delay. They expect to reduce this delay in the next few months (customs data has a fixed 30-day interval due to the release date).

For other markets, where the data source is the manifestos sent by the shipowners, Datamar recently managed to reduce this timelag to just 18 days. The objective is to continue working to reduce this delay further.

DataLiner Chile will be provided to customers through dashboards, as shown below:



Ports, terminals and infrastructure

The Dock Company of São Paulo State (Codesp) is working on opening an office in Shanghai, China. On the 6th, the company's CEO, Casemiro Tércio Carvalho, will go to China for meetings with partners, with Apex (Trade and Investment Promotion Agency), the embassy, the Port of Ningbo, as well as associations of importers and investors from other ports.

"The idea is to bear fruit during this mission, as preparation to set up the office in the second half of this year. We intend to make ties with the Chinese ports and create a protocol between them and the Port of Santos," said Carvalho.

For him, import and export operations can be improved with a container tracking chip standard, for example. These new measures should surround the entire logistics chain.

"The meat that will be exported from the interior of São Paulo will leave the refrigerator in a container with a tracking chip. I track this cargo to the Port of Santos and quickly release it because the authorities will already have the information about the cargo. Then this cargo will also be cleared quickly when it arrives at the Port of Ningbo because we will make the connection between Chinese and Brazilian customs, the Chinese and the Brazilian port".

The executive emphasizes that the relationship and the protocols will generate gains with the reduction of operating time and costs.

This month, Codesp hired the professional responsible for the Chinese office. This is Chiang Chia-Hung, who, in Brazil, adopted the name of Allan Chiang. He is a civil engineer graduated from the Polytechnic School of the University of São Paulo (USP).

Codesp informs that, in principle, the new contractor will stay in Brazil. Among Chiang's missions are: to make ties between the Port of Santos with other ports in China, Asia and users, especially the owner of the cargo; improve the user experience in Santos and open the commercial representation of the Port in that continent.

"He is Chinese, speaks Mandarin, Cantonese, German, English, and Portuguese. He has a respected resume. We intend to set foot in China and show how to enter Brazil and, obviously, Santos," said the executive.

Carvalho commented that one of the objectives is to translate, for example, customs regulations from the National Agency for Sanitary Surveillance (Anvisa) and the International Agricultural Surveillance System (Vigiagro) to Mandarin. "It is a way of encouraging the business to happen through the Port of Santos."

Container movement at the Port of Santos set a new record for the month of May, totaling 362,341 teu (twenty-foot equivalent unit), ranking 3.5% above the total recorded in the same period last year (349,960 tons). May was also the third best monthly movement ever recorded, when compared to the other months of the year, only falling behind August/2018 (387,791 tons) and October/2018 (365,351tons).

Regarding the global movement, the port complex reached its second-best performance for the month of May, with 10.9m tons, behind only May/2017 (11.4m tons). It also recorded a 0.4% increase over the same period last year (10.9m tons). This growth was due to the performance of import cargo totaling 3.2m tons, an increase of 3.4% over May 2018 (3.1m tons). Exports, however, fell 0.8% to 7.77m tons, from 7.84m tons in May last year. The data were compiled by the Port Authority of Santos Statistics Management.

Among the goods that presented the highest percentage of growth are calcium phosphate, with 330.9% (127,749 tons); coffee, with 250.6% (196,682 tons); naphtha, with 154.6% (3,946 tons); meats with 115.5% (132,273 tons); and cellulose, with 75.4%

(498,026 tons). It is also worth mentioning the increase in shipments of orange juice, with 27.3% (201,534 tons); fertilizer, with 44.8% (390,516 tons); gasoline, with 30.1% (147,510 tons); and alcohol, with 20.4% (101,130 tons). Soy and sugar, the two main cargoes handled at the Port of Santos, fell by 13.5% and 17.0%, respectively.

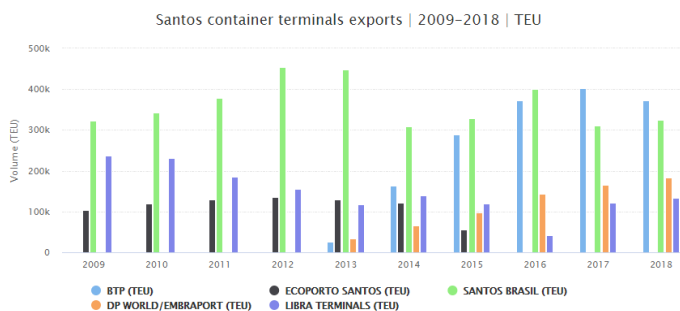
The number of ships reached 395, being 2.9% below May of last year (407).

Cumulative total movement

The cumulative total movement for the first five months reached 52m tons, falling 3.0% below the same period last year (53.6m tons). Shipments decreased by 3.8%, totaling 36.8m tons, and discharges decreased by 0.9% to 15.2m tons.

Cargoes with the highest increase were: meats (154.4%), coffee (153.3%), gasoline (71.6%), fertilizer (29.3%), and cellulose (15.1% %). Also, in the yearly accumulated movement, soybean grains and sugar still presented movement below the same period in 2018, with decreases of 5.6% and 6.5%, respectively. The containerized cargo movement, despite the good performance in May, was 6.5% lower than in the same period of last year, totaling 1.6m tons. The number of ship moorings was also 4.2% lower than the last period, totaling 1,958 vessels.

The following DataLiner chart shows the export numbers for Santos container terminals since 2009:



ANTAQ (National Agency for Water Transport) authorized the registration of the port facility to support the waterway known as 'Marina do Gelson', from the company Faoro and Faoro in Corumbá, Mato Grosso, Brazil. The registry does not exempt the company of compliance with the regularity and safety standards required for the operation, especially those related to the Brazilian Navy, the Municipal Government, the Customs Authority, the Fire Department, and the Environment Agency.

The Agency also recognized the possibility of transferring ownership of the adhesion contract, which authorizes the operation of a port facility as a Private Use Terminal (TUP), located in Duque de Caxias, Rio de Janeiro. Its purpose is the handling and storage of liquid and gaseous bulk, which is shipped through waterborne transport, from Braskem Petroquímica LTDA to Braskem S/A, as a result of the merger.

The authorization and recognition were published on June 25 in the Official Gazette, section 1, page 37.

Shipping

South Korea's largest container carrier, Hyundai Merchant Marine (HMM), will join The Alliance, a group of maritime

operators including Hapag-Lloyd, Ocean Network Express (ONE), and Yang Ming, as a full member.

In addition, The Alliance members also decided to renew their cooperation and extend the partnership for another ten years, until 2030.

The corresponding documents were signed in Taipei, Taiwan, on June 19, 2019. Subject to the required regulatory approvals, the new agreement between the four lines will officially begin on April 1, 2020.

"HMM is an excellent choice for The Alliance as it will provide a number of new and modern vessels that will help us deliver better quality and more efficiency – and help us further reduce our emissions," said Rolf Habben Jansen, Hapag-Lloyd's CEO.

HMM recently commissioned twelve vessels of 23,000 TEUs to be delivered in the second quarter of 2020. In addition, eight new vessels with a capacity of 15,000 TEU will join the HMM fleet in the second quarter of 2021.

The new HMM 23,000 TEU vessels will be deployed in the Far East – Northern Europe trade and further strengthen The Alliance's portfolio of services.

"Being a full member of The Alliance gives us great pride. We are convinced that we will be successful and generate additional value for our customers, employees, and shareholders with combined experience, strategic skills, competitive fleet, and a strong focus on our customers' needs," said Jae-hoon Bae, HMM President, and CEO.

HMM holds 1.8% of the world's fleet capacity and is responsible for 25% of the volume transported by sea to South Korea. Its share in the Brazilian flow is 0.5%.

Logistics

In June, technicians from the National Department of Transportation Infrastructure (DNIT), with the support of a technical team from the United States Army Corps Engineers (USACE), conducted a technical visit to the four locks of the Autarchy, located on the Brazil-Uruguay Waterway, in Rio Grande do Sul.

The locks of Amarópolis, Ring of Don Marco and Fandango, in the Jacuí River, allow navigability along the 370km river, from its mouth in Lake Guaíba, to the city of Dona Francisca (RS). Bom Retiro do Sul, in turn, makes navigation possible on the Taquari River, connecting the Port of Estrela to the Jacuí River.

Amarópolis, Ring of Dom Marco and Bom Retiro do Sul are each 120m long, 17m wide and allow a draft of 2.5m. Fandango, the oldest, is 85m long, 15m wide and has a 2.5m draft.

These visits are part of the National Lock Recovery, Operation, and Maintenance Program (PROECLUSAS), initiated in May by the Board of Waterway Infrastructure (DAQ), to promote the management, maintenance and operation of the locks under DNIT's responsibility. The main purpose of these visits was to check if the facilities need recovery and / or modernization, since these locks have between 43 to 61 years of operation.

The next step will be to make revisions of existing pre-projects, with the support of USACE, in order to subsidize the contracting of the Basic and Executive Projects for the necessary interventions.

There are eight locks under DNIT's responsibility. Of these, four are in Rio Grande do Sul (Fandango, Amarópolis, Dom Marco, and Bom Retiro do Sul), two in São Paulo (Três Irmãos and Jupia), one in Pará (Tucuruí), and one in Bahia (Sobradinho).

The Governor of São Paulo, João Dória (PSDB) said during the opening of Porto & Mar – The Tribune for the Development of the Port of Santos Seminar, that **the government hopes to complete the environmental licensing in the next eight months for work on the bridge that will link the two banks of the Port of Santos.**

The work has been awaited for at least 90 years. "The bridge project is ready, and we will get the environmental license within eight months and the concession holder for Rodovia dos Imigrantes has agreed to invest. Without public money, with private investment, making it a first-world construction, efficiently and quickly" said the governor.

According to Doria, the R\$3bn to be invested will be funded fully by private initiative.

The project

As previously reported, the proposal presented by Ecovias, concessionaire that manages the Anchieta-Imigrantes System, the bridge will be about 7.5km long, starting at the entrance of Santos, at km 64 of Via Anchieta, and ending next to the access to Barnabé Island, in the Continental Area of Santos, about 500 meters from the toll plaza of Guarujá, at km 250 of the Canne Domênico Rangoni Highway.

The main span of the bridge will be 85 meters high and 325 meters wide between the pillars. These measurements are requirements from the State Government to keep the Metropolitan Airport of Baixada Santista (Santos Air Base) activities operable and not to impact port operations.

Challenges

The Docks Company of the State of São Paulo (Codesp) and the Port Authority Council (CAP) of Santos have already positioned themselves against the bridge but the governor is hoping for an agreement so that the marine complex is not harmed by the project.



"Nothing contradicts the future execution of the tunnel. The bridge does not make the tunnel unusable. Prestes Maia, 90 years

ago, foresaw three links. It is quite possible that, following the bridge, the tunnel will become viable. What cannot happen is the delay of the construction of the bridge, even more so with this work now approved", said the governor of the State.

Trade

The European Union and Mercosur reached a historic trade agreement in Brussels, Belgium, after a 20-year negotiation.

The agreement involves goods, services, investments, and purchases.

This is the second largest agreement ever closed by the European Union, losing only to one signed with Japan. The details will be presented at the G20 meeting in Osaka, Japan.

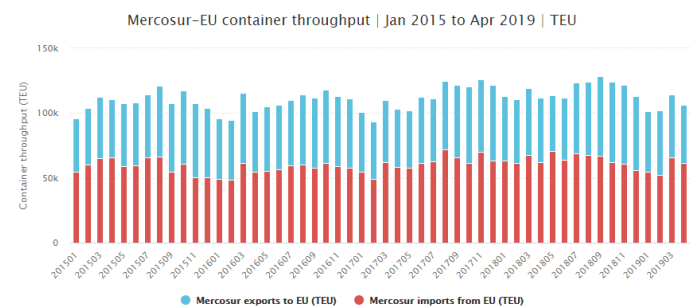
According to a statement from the European Commission, the agreement upholds the highest standards of food safety and consumer protection, as well as the precautionary principle for food safety and environmental rules and contains specific commitments on labor rights and environmental protection, including the implementation of the Paris climate agreement and related enforcement rules.



Día histórico, ya es oficial: el #Mercosur y la UE alcanzaron un acuerdo después de 20 años de negociaciones. Un enorme paso para el bloque y su apertura comercial #AcuerdoMercosurUE

♡ 2.892 14:30 - 28 de jun de 2019

Dataliner data shows Mercosur exports to the European Union in 2018 were 645,542 TEUs, while the volume imported was 770,941 TEUs in the same period.



President of the European Commission Jean-Claude Juncker said: "I measure my words carefully when I say that this is a historical moment. In the midst of international trade tensions, we are sending a strong signal with our Mercosur partners that we stand for rules-based trade. Through this trade pact, Mercosur countries have decided to open up their markets to the EU. This is obviously great news for companies, workers and the economy on both sides of the Atlantic, saving over €4 billion worth of duties per year. This makes it the largest trade agreement the EU has ever concluded. Thanks to the hard and patient work of our negotiators, this is matched with positive outcomes for the environment and consumers. And that's what makes this agreement a win-win deal."

After the signature, the treaty must go through the scrutiny of the Parliaments of all countries involved, aside from the

parliamentarians of the European Union. In the meantime, it can take effect with transitional rules.

The following is the joint statement released by the Ministry of Economy and Foreign Affairs confirming the partnership:

Joint Note from Ministry of Economy and Ministry of Foreign Affairs

Conclusion of the Negotiations on the Agreement between MERCOSUR and the European Union – Brussels, 27 and 28 June 2019

At a ministerial meeting held in Brussels on 27 and 28 June, negotiations on the commercial part of the Association Agreement between MERCOSUR and the European Union (EU) were concluded. Brazil's participants were the Minister of Foreign Affairs, Ernesto Araújo, the Minister of Agriculture, Livestock, and Supply, Tereza Cristina, and the Special Secretary for Foreign Trade and International Affairs of the Ministry of Economy, Marcos Troyjo.

The agreement marks a historic milestone in the relationship between MERCOSUR and the European Union, which together account for around 25% of world GDP and a market of 780m people. In the face of tensions and uncertainties in international trade, the conclusion of the agreement underscores the two blocs' commitment to economic openness and the strengthening of competitiveness.

The trade agreement with the EU will be one of the largest free trade areas in the world. Because of its economic importance and the scope of its disciplines, it is the largest and most complex agreement ever negotiated by MERCOSUR. It covers both tariff and regulatory issues, such as services, government procurement, trade facilitation, technical barriers, sanitary and phytosanitary measures, and intellectual property.

Under the agreement, agricultural products of great interest in Brazil will have their tariffs eliminated, such as orange juice, fruit and soluble coffee. Brazilian exporters will gain access to quotas, for meat, sugar and ethanol, among others.

Brazilian companies will benefit from the elimination of export tariffs of 100% of industrial products. This will equalize the conditions of competition with other partners that already have free trade agreements with the EU.

The agreement will recognize as distinctives of Brazil several products, such as cachaças, cheeses, wines and coffees. The agreement will guarantee effective access in several service segments, such as communication, construction, distribution, tourism, transportation and professional, and financial services.

In public procurement, Brazilian companies will gain access to the EU bidding market, estimated at US \$ 1.6 trillion. The assumed commitments will also streamline and reduce the costs of import, export and transit of goods.

The agreement will provide an increase in competitiveness of the Brazilian economy by guaranteeing, for domestic producers, access to inputs with a high technological content and with lower prices. Reducing barriers and greater legal certainty and transparency of rules will facilitate the insertion of Brazil into global value chains, generating more investment, employment and income. Consumers will also benefit from the agreement, with access to a greater variety of products at competitive prices.

Brazil stands out as the largest destination of direct foreign investment (FDI) of the EU countries in Latin America, with almost half of the investment stock in the region. Brazil is the fourth largest destination of FDI in the EU, which is distributed in sectors of high strategic value.

Brazilian President Jair Bolsonaro said on Sunday (30/06) that it may take up to three years for the free trade agreement between the European Union (EU) and Mercosur to enter into force, as it depends on approvals from legislators of all involved countries.

"The agreement comes into force in one or three years, depending on the parliaments... Ours might be one of the first to approve, I hope," he told reporters when he arrived in Brasília.

Besides, there is a round of negotiations for the different sectors that remain open and need further discussion.

What does the agreement foresee

- Elimination of tariffs for orange juice, fruits (melons, watermelons, oranges, lemons, and others), soluble coffee, fish, crustaceans, and vegetable oils.
 - Brazilian exporters in various sectors will have preferential access (through exclusive quotas and partial tariff reductions): meat (beef, pork, and poultry), sugar, ethanol, rice, eggs, and honey.
 - Cachaças, cheeses, wines, and coffees were recognized as distinctive of Brazil. This means that the identity of these products will be protected on European territory.
 - The agreement does not foresee the use of special agricultural safeguards, which preserves the interests of Brazilian producers.
 - Brazilian companies will have export tariffs eliminated for 100% of industrial products.
 - Brazilian companies may participate in bids from the European Union, a market estimated at US\$1.6tn.
 - Reduced costs and agility in the import, export, and transit of goods.
 - Brazilian producers will be able to access high technology inputs with lower prices.
 - Consumers will have access to a greater diversity of products at competitive prices.
- Effects of the agreement for Brazil*
- The Mercosur-EU Agreement will increase Brazil's GDP by US\$87.5bn over 15 years, reaching US\$125bn if we consider the reduction of non-tariff barriers and the expected increase in the total productivity of the factors of production. The estimate is from the Ministry of Economy.
 - Investments in Brazil, in 15 years, are expected to grow to US\$113bn.
 - Brazilian exports will have gained almost US\$100bn by 2035.

In 2018, Brazil registered trade of US\$76bn with the EU and a surplus of US\$7bn. Brazilian agricultural exports to the European Union reached US\$13.6bn last year. Soybean leads the list (\$3.4bn). Imports from Brazil resulted in US\$2.2bn, mainly of olive oil (US\$362.5m) and wines (US\$156.6m) from Europe.

Mercosur-EU

– The European Union is Mercosur's second trading partner and the first in investment. Mercosur is the EU's eighth largest non-regional trading partner.

– Mercosur and the EU have a combined market of 780m people. The two blocs together represent a GDP of about \$20tn, which is about 25% of the world economy.

– In 2018, the current trade (sum of exports and imports) between Mercosur and the European Union resulted in US\$94bn according to international trade statistics.

– In 2017, the EU's stock of investments in the South American bloc amounted to about \$433bn.

The Secretariat of Foreign Trade (SECEX) of the Ministry of Economy (ME) is launching a new digital tool that allows the online scheduling of dispatches of foreign trade operations – face-to-face consultations with companies that have doubts about some aspect of their export or import operations.

The electronic form is available on the Single Foreign Trade Portal page and in the Federal Government Services Portal. The goal is to reduce the average response time to schedule a service from 7 to 2 days. In 2018, about 80 face-to-face meetings were held.

How it works

The new service is aimed at foreign trade operators who need specific explanations.

Previously, the operator needed to fill out a static form, made available on the website of the former Ministry of Industry, Foreign Trade and Services, and e-mail it for analysis. Two employees were sorting the requests in order to identify which area they should be submitted to, depending on the subject at hand. Then, when they received an answer from the responsible sector, they would send it to the interested party and they would schedule the day and time for the service.

Now, with the implementation of the electronic form, the company enters the Single Foreign Trade Portal, completes a customized form according to the type of request to be made, attaches documents that may be useful for evaluating the case and, when submitting the process for the government, the system itself directs it automatically to the area that should examine it.

If the request is accepted, the company receives a notification by email and can then access the system to schedule the day and time it would like to be attended to. Orders can be scheduled on Wednesdays, from 9:00AM to 12:00PM and from 2:00PM to 5:00PM.

Economy

The Central Bank of Brazil (CBB) has reduced its projection for economic growth this year. The growth estimate of the

Gross Domestic Product (GDP) – the sum of all goods and services produced in the country – went from 2% to 0.8%. The projection has been documented in the Inflation Report, the quarterly publication of the CBB.

The CBB cites that one of the factors responsible for the reduction of the projection is the less-than-expected growth in the first quarter of this year, which reduced the “statistical load [result of what happened in the previous period] for the remainder of the year.” Other factors that influenced the reduction are the absence of clear signs of recovery in the first economic indicators for the second quarter and the “retreat of the indicators of trust of companies and consumers, affecting the perspectives of consumption and investment”.

In addition, the CBB states that the growth prospect of 0.8% is “conditional on the scenario of continuity of the necessary reforms and adjustments in the Brazilian economy and the expectation that activities will recover at a growing pace throughout the rest of the year.”

Sectors

According to the CBB, agricultural and livestock production is expected to grow 1.1% this year, remaining practically stable compared to a forecast increase of 1% in March. This increase in the projection for agriculture and livestock contrasts with reductions in growth forecasts for other sectors.

The projection for the industry's performance was reduced from 1.8% to 0.2%. The estimate of the variation in output from the industry went from 1.8% to -0.3%. The forecast for the extractive industry declined from 3.2% to 1.5% due to uncertainties about the impacts of the rupture of the mining dam in Brumadinho, Minas Gerais.

The forecast for construction went from an increase of 0.6% to a decrease of 1.0%, although the forecast for the distribution of electricity, gas and water went from 2.3% to 2.8%, due to the expectation of decreased participation of thermal plants this year and favorable amounts rain.

The CBB estimates growth of 1% for the tertiary sector (trade and services) in 2019, with reductions in estimates for the performance of most activities. In March, the forecast was 2%.

There was also a decline in the projection for household consumption from 2.2% to 1.4%, “compatible with the expectation of a more gradual recovery of the wage bill”. The estimate for Gross Fixed Capital Formation (GFCF) – investments – fell from 4.3% to 2.9%, while the projection for government consumption is expected to grow 0.3%, compared to the projected growth of 0.6% in March, “consistent with expectation of worsening tax collection in a scenario of lower economic growth”.

Exports and imports of goods and services should vary, 1.5% and 3.8% respectively, in 2019, compared to respective projections of 3.9% and 5.6% of the March Inflation Report. “The decline in export projections reflects additional reductions in forecasts for world growth, uncertainties about iron ore exports and deepening of the crisis in Argentina, a major destination for industrialized goods,” the CBB says.

The decrease in the import estimate stems from a reduction in the growth projections of the manufacturing industry and the GFCF,

“with a consequent decrease in purchases of inputs and machinery and equipment, as well as a reduction in the projection for household consumption.”

Meat

According to the Food and Agriculture Organization of the United Nations (FAO), **ever since the first case of African swine flu was registered in August last year in the Chinese city of Liaoning, the disease has also been found in animals in Vietnam, Laos, Mongolia, Cambodia, and North Korea.**

As a result, millions of pigs are being slaughtered in China and Vietnam. According to Vietnam’s state media, about 2.8m pigs, representing about 10 percent of the herd of the Southeast Asian country, were slaughtered. The disease has spread to Vietnamese farming facilities on a large scale.

In China, the world’s largest pig producer, about 1.1m pigs were slaughtered, with officials saying cases were found in 32 areas.

According to the estimates from Rabobank in the Netherlands, one in two pigs in China will die either from contracting African swine flu or from slaughter.

Economic impact

Containment of the outbreak will not be easy. According to Dirk Pfeiffer, a veterinary epidemiologist at the City University of Hong Kong, “if you do not have a vaccine and have a virus that survives so well in the environment, combined with the huge density of pigs kept in low biosecurity conditions, stopping the spread of the virus is a huge challenge.”

The disease has already hit most provinces in China, reducing pork production by an estimate of 30 percent.

Millions of pigs have been slaughtered, devastating global food chains, with pork prices rising from food markets in Hong Kong to American dinner tables.

Prices of live pigs have increased by about 40 percent compared to last year in China, and pork imports from Europe, Canada, and Brazil to China are increasing.

Beef and chicken exports are also on the rise as traders struggle to fill the deficit in a region where pork is the basic protein.

This will hurt the pork industry and derived sectors such as the soybean business that is used for animal feed.

According to Valor, **Canada suspended all meat exports to China last Tuesday (06/26).** Through an investigation, China discovered the existence of forged certificates in some consignments of Canadian pork.

Meat trading between the two countries is valued at roughly US\$0.5bn a year. Recently, China banned imports of Canadian canola seeds, restricted imports of pork products from certain slaughterhouses, and arrested two Canadian citizens for reasons of national security.

According to a statement on the website of the Chinese embassy in Canada, China-based investigations identified “obvious safety gaps” in Canadian exported meat inspections. The investigation

was initiated after Chinese customs agents found traces of a feed additive called ractopamine, which is banned in China, in a Canadian frozen pork shipment.

The Chinese embassy said the investigation found that the veterinary certificate attached to the frozen pork was fake, and that the Canadian investigators found other forged certificates.

The Chinese embassy in Canada stated that “in order to protect the safety of Chinese consumers, China has taken urgent preventive measures and has asked the Canadian government to suspend the issuing of certificates for meat exported to China.”

The Board of Pork in Canada said that this preventive measure was not taken “because of worry about food safety, but because of the misuse of the country’s reputation as a safe supplier of quality products.” Groups interested in the meat industry are in contact with Canadian authorities, discussing their next steps.

The tables below use data from Statics Canada to show pork exports from Canada (amounts in thousands of US dollars):

Destino	2014	2015	2016	2017	2018
China	114.070	121.692	341.341	315.065	295.442
Outros	2.702.279	2.120.987	2.057.937	2.237.658	2.130.432
Todos os países	2.816.348	2.242.679	2.399.278	2.552.723	2.425.874

Top 10 exports of Canadian pork (amounts in thousands of US dollars)

País	Janeiro-Abril 2018	Janeiro – Abril 2019	% da mudança 2019/2018
Japão	281.204	289.981	3,1%
Estados Unidos	263.789	210.630	-20,2%
China	103.762	180.254	73,7%
México	33.569	39.845	18,7%
Coreia do Sul	40.070	38.811	-3,1%
Taiwan	20.593	17.716	-14%
Filipinas	23.331	13.836	-40,7%
Austrália	12.367	8.694	-29,7%
Nova Zelândia	6.347	5.994	-5,6%
Chile	5.384	4.754	-11,7%
Sub-Total	790.417	810.513	2,5%
Outros	22.364	16.799	-24,9%
Total Todos os Países	812.780	827.313	1,8%

Grain

Brazilian exports of the soybean complex are expected to have a sharp fall this year. According to a survey by Datagro Consulting, shipments are expected to close the year at 87.3m tons, down 14.6% from 102.17m tons over last year’s volume.

In the face of smaller shipments, revenue should also end 2019 with negative results. The total revenue forecast is US\$31.81bn, which is 22.5% below the revenue recorded in 2018.

According to Datagro’s chief grain analyst, Flávio Roberto de França Júnior, in addition to the lower volume, sales revenue from soybean by-products will be impacted by the fall in average prices. The expert also stated that the revenue obtained this year will be the lowest since 2017.

The Port of Paranaguá Export Corridor shipped 57,193 tons of corn in a single mooring berth on Tuesday, June 25. That was more than 2,300 tons of grain per hour. The volume surpasses the previous mark, recorded on December 8, 2015, when 51,600 tons were shipped in a single day.

According to the president of the public company Paraná Ports, Luiz Fernando Garcia, the performance proves that the ports of Paraná are prepared to export the record harvest of Brazilian corn. "Our model of the Export Corridor, the rules of operation to prioritize the product, the capacity of our equipment and the productivity of port operators are differential," he says.

Berth 213, the dock space at which the ship berths to receive the cargo, has two shiploaders and has special rules for operation, with priority given to exporters with cargo available and conditions for boarding in 36 hours .

"Priority mooring means entering before the other ships to operate in that space. For this, it is necessary to have the technical and operational capacity to guarantee that the ship will be loaded within the estimated time," says the operational director Luiz Teixeira.

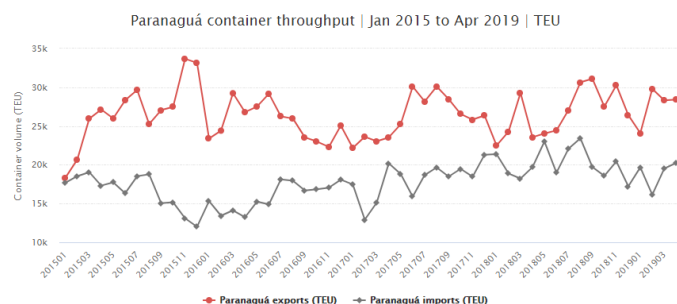
According to him, if the deadline is not met, the penalty for the operators is to have to unberth the ship immediately and take on the extra costs of the extra berthing and unberthing and with the stay of the ship. "In addition, they will not have priority on the second time," says Teixeira.

In the case of the record operation, the loading plan was 61,408 tons and the loading was to be completed in 34 hours at the most. The operation was performed in less than 29 hours. The operators went to Cargill, South Center and Louis Dreyfus. The ship loaded with corn was the Puppis Ocean which left for Shibushi, Japan.

The Port of Paranaguá is one of the main points of exit of Brazilian corn. This Thursday, June 27, a ship carries 63,700 tons. Later on, two other ships are scheduled to dock and load 136,550 tons of grain.

In the pre-scheduling, seven vessels will carry 424,450 tons of the product and five more have already been announced to arrive and carry 292,000 tons between June 29 and July 10.

In the last ten days (from June 15 to 25), seven ships carried a total of almost 381,200 tons of the grain.



Sugar & ethanol

Bunge Açúcar & Bioenergia, Bunge's Brazilian sugar unit, announced in May and June some of the best cane crushing volume results.

According to the company, eight mills operating in Brazil processed 2.65m tons of sugarcane in May, their highest record since they began operations in Brazil in 2007.

Operations continued strongly in June when it reached the average milling peak for 30 days.

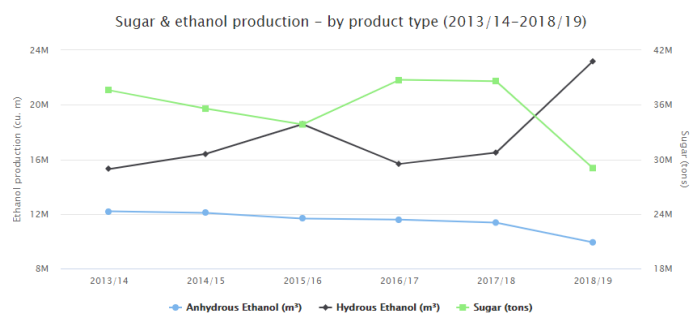
This year, the center-southern area of Brazil had a better harvest. The agricultural yields were about 5% higher than the previous harvest but fell by 2% in the first half of June, according to Única – Sugarcane Agroindustry Union of the State of São Paulo.

Bunge stated that the high volume of cane crushing is also the result of improvements in its industrial capacity.

In the past, the US company has tried to sell its sugar operation, but without success. Last year, the company tried to make an initial public offering (IPO) of the unit's shares in São Paulo, but then canceled the plan, citing adverse market conditions.

Since then, market conditions have improved for ethanol in Brazil, with strong demand and better prices. However, the sugar segment remains globally slow.

The following graph (based on Unica data) shows Brazil's sugar and ethanol production patterns in the last six seasons:



San Martinho predicts an increase of 8% in sugarcane production in the 2019/20 harvest.

San Martinho, a sugar and ethanol producing company, estimates that it will process 22m tons of sugarcane in the 2019/20 season – an 8% year-on-year increase – according to information disclosed by the company.

The increase is "the result of better weather conditions and projects aimed at increasing productivity," said the company, which is one of the largest in the sector in Brazil. It was also stated that the average concentration of Total Recoverable Sugars (TRS) in 2019/20 is expected to be 139 kg per ton, down 2% from the previous harvest.

San Martinho also foresees the production of 1.4m tons of sugar and 915m liters of ethanol in case the mix reaches the maximum limit in favor of the sweetener and 1.055m tons of sugar and 1.1bn liters of ethanol if the mix favors ethanol at its maximum.

In a separate statement on the results of the 2018/19 harvest, San Martinho reported that sugar production totaled 992m tons, down 29.5% from the previous season, and ethanol production increased by 15% to 1.1bn liters.

The company also stated their net income in the 2018/19 season totaled R\$314m, down 36.1%.

Oil & gas

The port of Qingdao in eastern China and Petrobras inaugurated a bonded crude oil deposit.

The tank, the first of its kind already built in a Chinese port, received 130,000 tons of crude oil from Brazilian tanker Maran Cleo, which arrived on Monday (June 24).

Petrobras has signed an agreement with the port of Qingdao to lease four oil tanks, with a total storage capacity of 400,000 cubic meters.

Thus, instead of buying a large amount of oil from abroad and taking risks of price fluctuation, Chinese refineries can now buy crude oil based on their needs directly in the port of Qingdao.

Currently, the port of Qingdao, China's main import port for crude oil, has seven oil terminals and thirteen cribs, which can accommodate up to 450,000 fuel tanks.

Petrobras produced 110 million tons of crude oil last year, accounting for 82% of Brazil's total crude oil production.

A century ago, an American geologist speculated that in the arid steppe found in the Andes Mountains, in the far west of Argentine Patagonia, the shale formation known as Vaca Muerta contained a huge amount of oil and gas.

As soon as the engineers confirmed these suspicions, a race began for the exploration and production of shale. First came YPF SA, the local oil giant, and Chevron. Then Total and Royal Dutch Shell. Amongst these corporations, about US\$13bn has been invested in exploration over the last eight years. However, obstacles continued to appear and production was marginal.

Until now. In recent weeks, two companies have exported two small loads from the formation, one of light oil and the other of liquefied natural gas (LNG), foreshadowing what industry officials say will be a steady stream of shipments until the end of the year. But it is too early to declare victory – any number of logistical and economic barriers remain. Nevertheless, it is the first sign that all the money and time invested will have a return and transform Argentina back into the global energy supplier it used to be over a decade ago.

drilling outside North America, Exxon Mobil made a similar commitment in June. It is now expected that Argentina's light oil shipments will reach 70,000 bpd next year.

According to Bloomberg, there is a long way to go in order to reach – or to even match – the shale production benchmark: the Permian Basin in Texas and New Mexico, where production is boosting Gulf Coast shipments to about 2.5m bpd. Infrastructure development is needed, including that of roads, pipelines, and the progress of delayed drilling.

The producers also want the government, which has been taking Argentina out of protectionism, to finally free up exports. That means ending the domestic refiner's right of first refusal and delivering on the promise of abandoning export taxes by the end of 2020.

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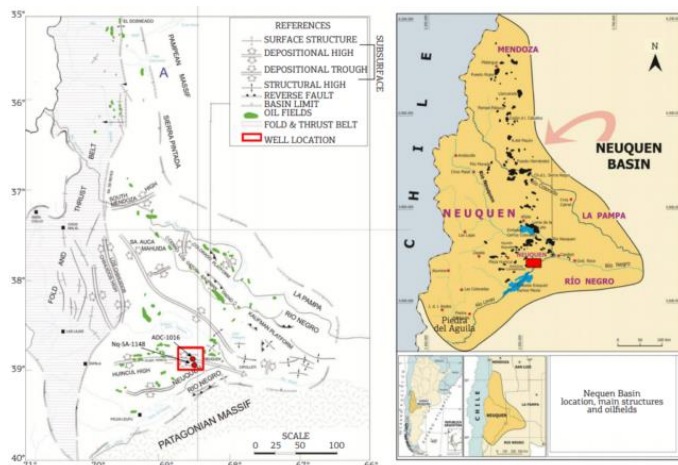
Your contributions, criticisms, suggestions and, if you do them, press releases, will be welcome. Contact: datamarweek@datamar.com.br

Tel + 5511-3588-3033

Datamar Consultores Associados Ltda.

Rua Fuchal 203, 9th floor

Vila Olímpia, São Paulo – 04551-904 – SP



Shell announced an expansion of operations in the region last December and, in a seal of approval for the first intensive shale