

AGRI IN DATA

AUGUST 2020

SEAPA
Secretaria de
Estado de
Agricultura,
Pecuária e
Abastecimento



AGRI IN DATA

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PRESENTATION

We are at a decisive moment that might determine the directions that Goiás economy will follow in the coming months. This is because the post-pandemic period, which is due to be announced soon, will require significant efforts from economies around the world to take a positive turn, as we can see in countries that are reducing the number of Covid-19 cases, but still facing difficulties in resuming the jobs creation and income generation. In Goiás, as determined by the Governor Ronaldo Caiado, we are one step ahead of that moment.

Our Governor created a secretariat addressed to post-pandemic growth. The new Secretariat of Resumption, which work has started early this month, will make the difference that will not only add to the strategy of Goiás Government for a public policy aimed at growth, but also it will attract investments, set strategic alignments for the state and take positive actions aimed at the development of all areas, including agribusiness sector.

In fact, it is important to note that agribusiness is a fundamental part of this recovery planned by the government, and this is due to the expressive results achieved by the sector that has not stopped, instead, it has adapted and even managed to grow amid the chaos experienced with the disease.

As it can be seen in this edition of Agri in Data, the 2019/2020 grain crop is coming to an end, and Goiás confirms another production record, which keeps the state as the third largest national producer. Particularly for soybeans, which is one of our main exported products, not only did the state become the third largest producer, increasing production by 9% compared to the previous crop, but also the Gross Value of Grain Production grew 28.2%. As a result, the price for the 60-kg bag has registered consecutive increases, driven by the high demand for grain in the international market.

It is an interesting example to stand out, given the proportions and importance for the state scenario in the country, which contribute to other important productions for Goiás and that you can see in this Bulletin, such as beef exports and also sugar production. This corroborates the idea that the agriculture kept our state firm, in a pandemic time, and helped Goiás to maintain a strong economy in order to plan ahead and make other sectors develop. The industrial sector has already shown signs of growing again in the last month, with new job hires.

The resumption led by our Governor Ronaldo Caiado will soon make all sectors to expand. That is what the agricultural sector has been working for, in the Government of Goiás, through the State Secretariat of Agriculture, Livestock and Supply (Seapa) and the institutions under its jurisdiction, Emater, Agrodefesa and Ceasa. Certainly, the new Secretariat will be together with the agricultural segment and we will strive together to create an increasingly robust state, with jobs and income for all.

Enjoy your reading!



**ANTÔNIO CARLOS DE
SOUZA LIMA NETO**

STATE SECRETARY OF
AGRICULTURE, LIVESTOCK
AND SUPPLY IN GOIÁS

#OAgroédeTodos #SomosTodosGoiás

INTRODUCTION

Agribusiness is one of the most robust pillars of the economy in Goiás and, in this scenario of crisis caused by the Covid-19 pandemic, proves to be even stronger, guaranteeing the food supply, creating jobs and generating income in the municipalities of Goiás.


In the country, the agribusiness statistics in Goiás stand out - growth of the grain crop, indicators of surpluses in international trade, increase of the Gross Value of Agricultural Production and a positive balance in formal jobs creation.

The forecast of the national grain production for the 2019/20 crop is 251.4 million tons, up 3.9% over the previous crop, for Goiás this increase is even greater, of 8.4%, with 26.7 millions of tons, which accounts for 10.6% of the national volume.

The Brazilian trade balance accumulates a surplus of US\$ 22.3 billion until June, during this period US\$ 101.7 billion

were exported, of which the agricultural sector is accounted for 50.8%, with a total of US\$ 51.6 billion in exports carried out from January to June 2020.

Goiás continues to express an excellent performance in the international trade. In June, the state accounted for 4.3% of the Brazilian exports, a total of US\$ 762.3 million traded, showing that it is in the agricultural sector that the state stands out in the national scenario. The state's economy is largely connected to agriculture, 85.1% of the exports carried out in June were from the agricultural sector, US\$ 648.6 million. In the first half of 2020, Goiás has accumulated almost US\$ 4 billion with the international sales, accounting for a value exceeding US\$ 2.4 billion in surplus. The agricultural activity alone exported more than US\$ 3.2 billion this semester, 28.7% higher than the same period in 2019.



The national Gross Value of Agricultural Production in 2020 is estimated at R\$ 716.6 billion, 8.8% higher than in 2019. For Goiás, the estimate is R\$ 57.2 billion, an increase of 8.5% over 2019, accounting for 8.0% of the national Gross Value of Production.

The employment statistics of the Ministry of Economy show a sharp drop in formal work in the country this semester, however the balance was positive in the agricultural sector, with 62,419 new job hires. In Goiás, there were more layoffs than hires in the economic sectors in March, April and May. In agriculture, however, in all months of this semester, new jobs were created, with an

accumulated balance of 6,508 new job vacancies in the year and, in June, 1,933 in agriculture.

The access to Rural Credit also stands out in Goiás, which is important for the economy development. According to data from the Central Bank, for the 2019/2020 Crop, there were 58.6 thousand financial contracts, totaling the amount of R\$ 17.6 billion. For the 2020/2021 Crop, the expectation is that more resources will be available to the farmer and at more attractive rates, mainly to the family farmer.

Thus, agribusiness remains firm in Goiás, where expressive work and results can be seen by the indicators and the positive effects on the whole society!

CATTLE / BEEF

The US dollar appreciated against the Brazilian Real has contributed to the competitiveness of the national beef market in the world scenario.

Regarding the demand, the volume of shipments sustained the accelerated growth in the international market, driven mainly by the Chinese purchases in the first half of 2020. New markets were also accessed, due to the quality of this commodity produced in the country, supported by investments in technology, animal health and control of production systems.

In the domestic scenario, the decline in household income has contributed to the decrease of beef consumption, once the consumer chooses lower-priced animal proteins. Considering the reopening of trade, the forecast is that the domestic demand will react, impacting positively the wholesale and retail segments.

In the domestic market, the **price** of the fed cattle (15 kg) remains steady, due to the retraction in the supply of animals for slaughter and the increase in exports. The reduction in slaughter volume in June compared to May was of **13.0%** in the country and of **5.8%** in Goiás, according to MAPA.

The fed cattle index - Cepea/B3 points out that the average monthly **price** in June was R\$ 209.87, the 3rd highest value since 1994, in real terms, and in the first weeks of July the average was R\$ 220.19. In **Goiás**, an **increase of 8.4%** was registered in June compared to May, according to Conab, and in the first three weeks of July, the average price for the fed cattle (15kg) was of R\$ 207.47. Considering the scenario of growing

international demand and supply restriction, the trend is that prices will remain high.

Although the increase in prices is favoring ranchers, the exchange ratio has been affected by the high prices of calves and inputs, impacting the farmer's profit margin. The Brazilian exchange rate depreciation has mainly impacted the feedlot system, since it uses technology and inputs that are largely imported.

CATTLE / BEEF

The **Gross Value of Beef Production** set record values for both Brazil and the state. In Goiás, the beef production accounts for **16.4%** of the total Gross Value of Production in the state.

GROSS VALUE OF PRODUCTION – ESTIMATE 2020

BRAZIL

R\$ 103.8 BILLION

↑ **11.8%** in relation to 2019

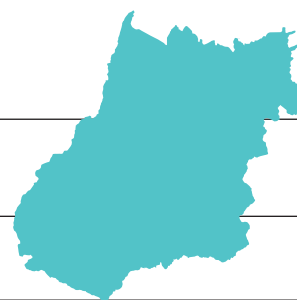
GOIÁS

R\$ 9.4 BILLION

↑ **10.7%** in relation to 2019

9.0% of the national Gross Value of Beef Production

49.5% of the Gross Value of Livestock Production in Goiás

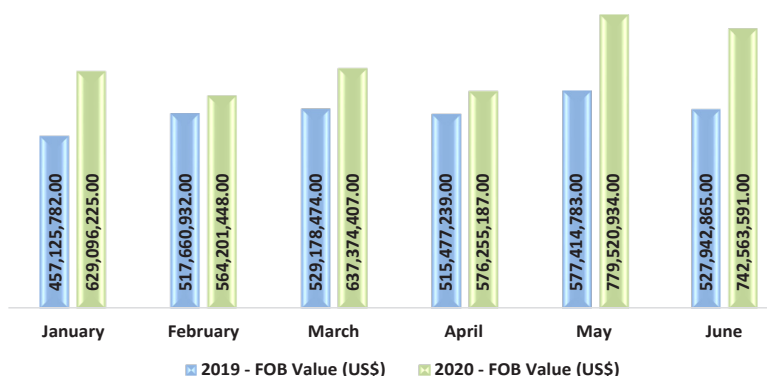


BRAZIL: BEEF EXPORTS

Brazil stands out in the **international beef trade**, currently the country exports to 137 destinations. In the **first half of 2020**, the amount was of **US\$ 3.92 billion**, an **increase of 25.7%** over the same period in

2019, and reached a share of **47.3%** of meat complex exports. During the same period and on the same basis of comparison, the volume exceeded **900 thousand tons**, an increase of 9.3%. China is the main destination of this commodity, with 46.7% of the value exported in 2020.

The national beef exports in **June** reached **US\$ 742.56 million** and **176 thousand tons**, an increase of 40.7% in value and 28.2% in volume, in relation to June 2019.

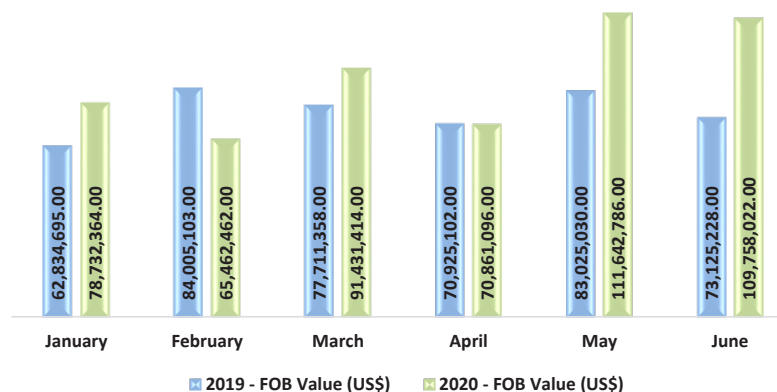


GOIÁS: BEEF EXPORTS

Goiás registered an **increase of 16.8%** in value of beef exports in the **1st semester of 2020**, relative to the same semester of 2019. In this period, the international beef sales had **63 countries as destination**, reaching

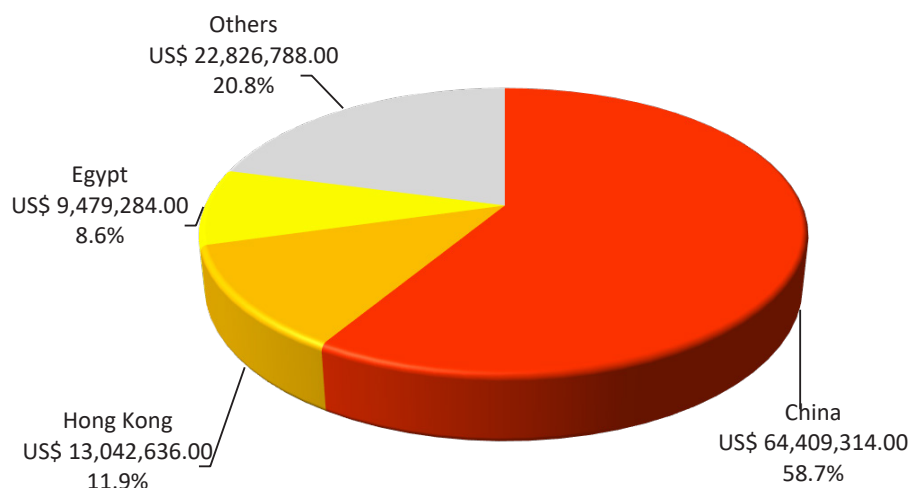
118 thousand tons and an amount of **US\$ 527.5 million**, which accounts for **73.9%** of the meat complex exports.

In **June 2020**, the increase in value was of **50.1%** and in volume of **34.9%**, compared to June 2019, reaching **US\$ 109.75 million** and exceeding **25 thousand tons**.



China is the main destination for the beef exported by Goiás and the sales for this destination are expected to increase, considering that a volume variation of **202.0%** was registered in June 2020, in relation to June 2019.

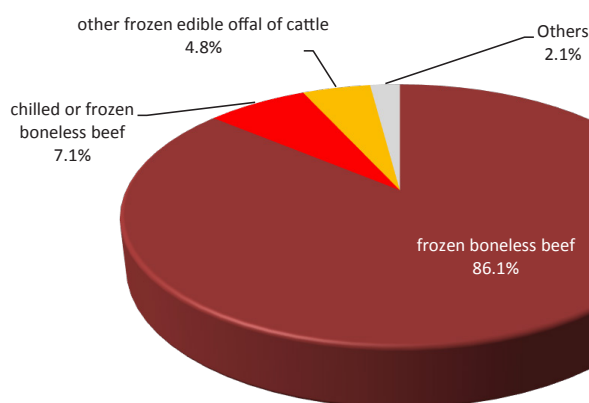
GOIÁS: MAIN DESTINATIONS FOR BEEF EXPORTED IN THE FIRST HALF OF 2020



CATTLE / BEEF

Boneless and frozen meats have the major share, of 86.1%, in beef exports carried out by Goiás in the first half of 2020.

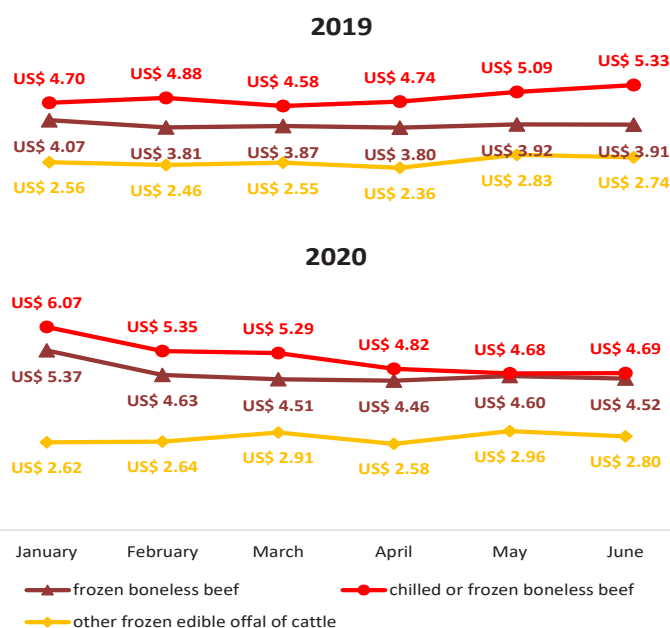
**GOIÁS:
MAIN BEEF
PRODUCTS
EXPORTED
IN THE 1ST
SEMESTER
OF 2020
(% IN US\$)**



A slight decrease in the average price paid for the products (kg) could be noticed along the months of 2020, which results in favorable indicators for the exporter, considering the depreciation of the Brazilian exchange rate.

The general scenario points to the good performance of livestock and the beef market in the country and in the state, due to the importance of this activity for the economy.

GOIÁS: AVERAGE PRICE (US\$/KG) OF THE MAIN BEEF PRODUCTS



Although the uncertainties of the current situation influence the market dynamics, the expectations are that exports will continue to grow, the prices of live animal (15 kg) will remain steady and that the domestic consumption will react in the coming months.

MILK

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In July, the decline of the fresh milk supply has sustained the average price paid to the farmer in Brazil and Goiás. This retraction of milk collection in some regions is due to the seasonality of production, in which there is a decrease in rainfall and, consequently, less forage availability and higher production cost.

An important characteristic of this activity in Goiás is that, of the 72,353 milk producing establishments in the state, 69.2% are family farms.

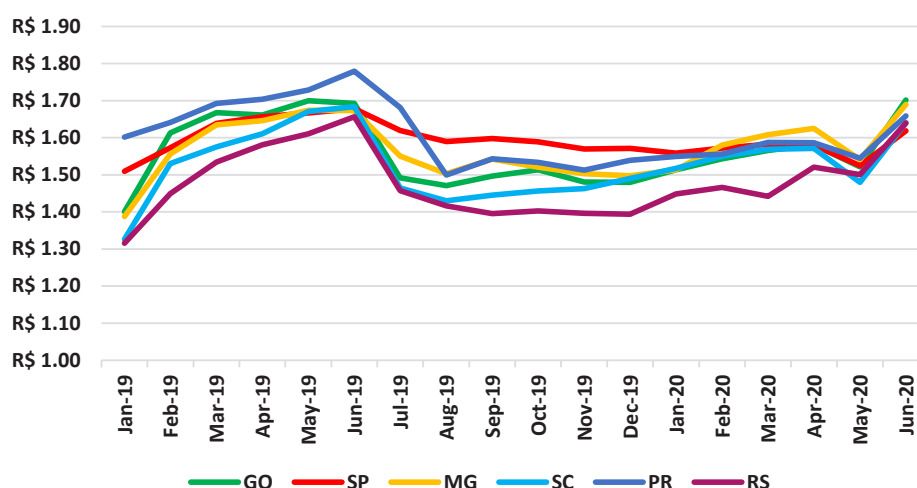
Regarding the demand, there was an increase in consumption, according to Cepea, supported by the Emergency Aid Policy, which contributed to stock reduction and to increase the dairy products prices, while the supply retraction has increased the spot milk price.

The deflated average monthly price paid to the farmer for the liter of milk, in the first half of 2020, had a similar behavior in all areas followed by Cepea. The highest increases were registered in June, when it reached R\$ 1.70 in Goiás and R\$ 1.69 in Minas Gerais. Prices in 2020, however, are below those observed in the same period of 2019, when a value peak was observed in June in the state of Paraná (R\$ 1.78).



MILK

MAIN MARKETS IN THE COUNTRY: DEFLATED AVERAGE MONTHLY PRICE PAID FOR THE LITER OF MILK TO THE FARMER



In July, according to the Bulletin of Dairy Market in Goiás, the average price for the dairy products basket had a weighted total variation of 9.97%, compared to the previous month. Except for the UHT milk, which had a decrease, the other products - powdered milk, mozzarella cheese, sweetened condensed milk and powdered cream - had an increase in prices. In this context, the forecast is that the price for the liter of milk paid to the farmer in Goiás remains steady.

WHOLESALE PRICES FOR DAIRY PRODUCTS

Reference Month	UHT Whole Milk (R\$/liter)	Powdered Whole Milk (R\$/Kg)	Mozzarella Cheese (R\$/Kg)	Sweetened Condensed Milk (R\$/Kg)	Powdered cream (R\$/kg)
June	3.15	17.06	20.90	6.74 (1)	19.20
July	3.10	18.31	24.57	7.50 (2)	21.03
Variance					
June/July	-1.74%	7.33%	17.54%	11.28%	9.53%

Dairy Products Variance in July 9.97%

Note: (1) Price in May. (2) Price in June.

Source: MilkPoint Mercado. Provided by Mauro Borges Institute/Secreariat of Economy in Goiás.

In this moment of economic uncertainties and challenges for the dairy chain, the estimate for 2020 of the **Gross Value of Milk Production** points to decreases for both Brazil and Goiás.

GROSS VALUE OF MILK PRODUCTION – ESTIMATE 2020

BRAZIL

R\$ 35.1 BILLION

↓ **2.1%** in relation to 2019



GOIÁS

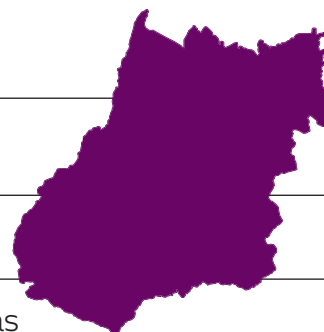
R\$ 3.6 BILLION

↓ **2.6%** in relation to 2019

10.3% of the national Gross Value of Milk Production

19.1% of the Gross Value of Livestock Production in Goiás

6.3% of the total Gross Value of Production in Goiás

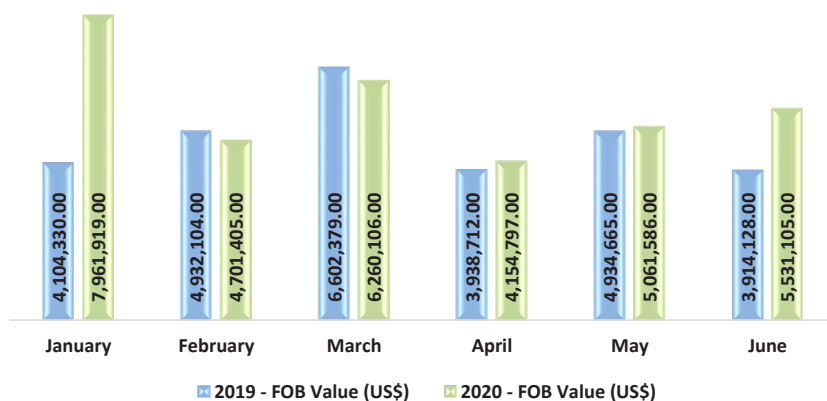


In the international market, it is observed an expansion of dairy exports, stimulated mainly by the American currency appreciated against the Brazilian one. Although Brazil is an importer of dairy products, it is expected that the country will be able to improve its competitiveness and take advantage of both the favorable exchange rate for exports and the potential of international demand in the current scenario. Therefore, the trend is that exports will continue to expand, while imports are likely to decrease.

In the first semester of 2020, **national dairy exports** reached the amount of **US\$ 33.6 million** with **14.4 thousand tons**, an **increase of 18.5 and 16.9%**, respectively, compared to the first semester of 2019. In June, the **growth** was of **41.3%** in value and **42.6%** in volume, compared to June 2019.

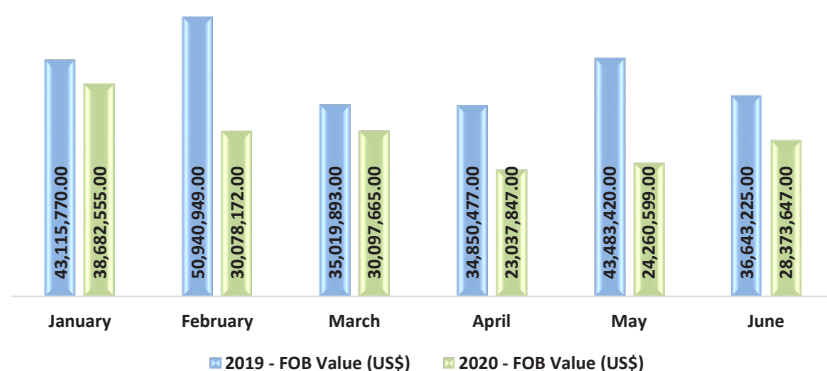
MILK

BRAZIL: DAIRY EXPORTS



As for **Brazilian imports, in the first half** of this year, there was a **28.5% drop** in value and **32.9%** in volume, compared to the same period in 2019, registering 52 thousand tons and US\$ 174,5 million in importing sales.

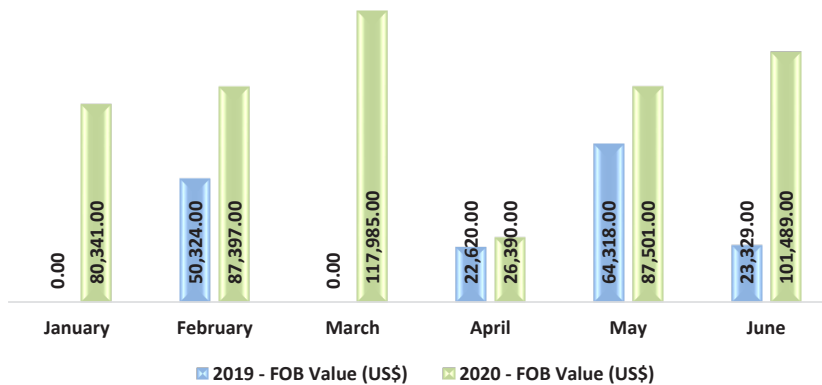
BRAZIL: DAIRY IMPORTS



The growth rate of dairy exports in **Goiás** was even higher than the national one. The share of the state in the export market, however, is still very small. It was exported US\$ 501.1 thousand in the first half of 202, an **increase of 212.0%** in relation to the same period in 2019. In June of this year, an amount of US\$ 101.5 thousand was reached, an increase of 335.0% over June 2019.

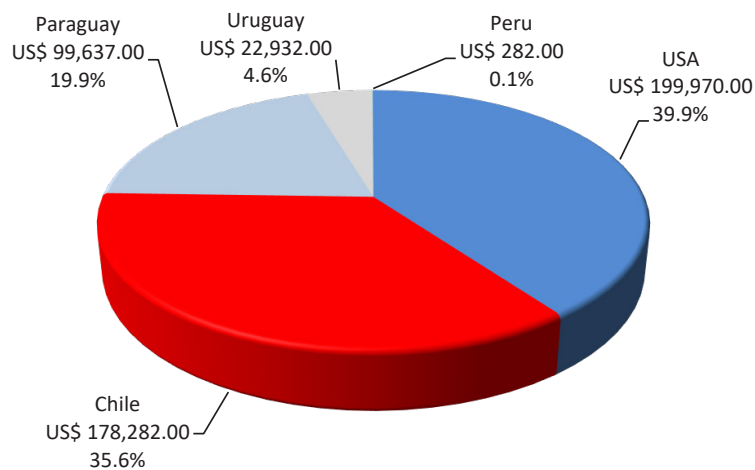
In volume, Goiás exported 259.6 tons in the 1st semester and 35.9 tons in June, an **increase of 87.7% and 240.6%**, in relation to the same period of 2019, respectively.

GOIÁS: DAIRY EXPORTS



Brazil exported dairy products to 92 countries in the first half of 2020. Goiás, however, reached only 5 destinations - USA, Chile, Paraguay, Uruguay and Peru.

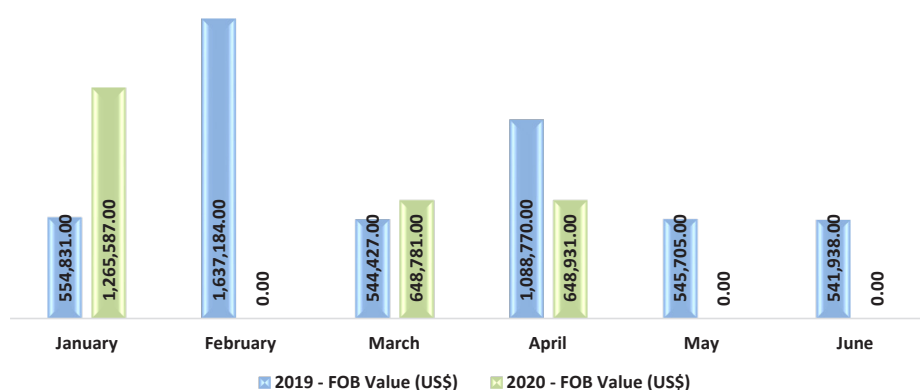
GOIÁS: MAIN DESTINATIONS FOR GOIÁS DAIRY EXPORTS IN THE FIRST HALF OF 2020



MILK

The **imports** of dairy products from Goiás registered US\$ 2.5 million in the first half of 2020, **a decrease of 47.8%** in relation to the same period in 2019, when no imports were carried out in February, May and June. The imported volume was of 800 tons, **fall of 55.6%** on the same basis of comparison. During this period, the only dairy product imported into Goiás was powdered milk, originating in Uruguay.

GOIÁS: IMPORTS OF DAIRY PRODUCTS



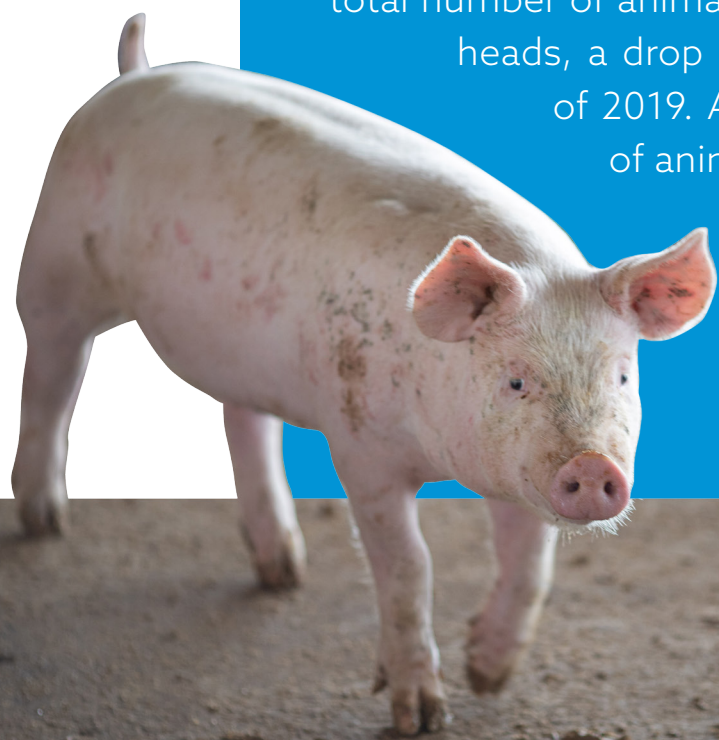
Despite the fact that dairy farming has great importance in the economy, as it is present in the 246 municipalities in Goiás, it is still necessary to strengthen the links of the dairy chain. To this end, the Government has worked in order to foster dialogue, increase transparency and reduce the conflicts in this sector, by means of the price index for dairy products created for the state. Within the farm gate, the work needs to be focused on management, technology, productivity and cost management, among other factors, to improve the profitability in the sector and reach gains in quality and results.

Source: CEPEA/ESALQ/IMB / CONAB/IBGE / MAPA/ Ministry of Economy

The prices for live pig have recovered in the major markets of the country after the decrease that happened in April. In June, the values of pork products registered consecutive raises, mainly due to the increase in liquidity in the domestic market as well as the growing Chinese demand in the international market. On the supply side, almost 20 million head were slaughtered in the country in the first semester of 2020, according to MAPA, an increase of 4.2% over the same period of 2019. For July, however, it is expected a decrease in the number of pigs at the ideal slaughter weight.

On the demand side, the growth has been driven mainly by the international market. In the domestic market, the sales of pork meat were mostly influenced by two factors – the Emergency Aid Policy and the opening of trade in many Brazilian municipalities.

In Goiás, a decrease in the number of pigs for slaughter was observed in the first half of 2020. During this period, the total number of animals slaughtered was of 598 thousand heads, a drop of 11.9% in relation to the first half of 2019. Although a reduction in the number of animal slaughter was registered, the pig production remains steady in the state and it is estimated growth above the country's average for the **Gross Value of Production.**



PORK / PIG PRODUCTION

GROSS VALUE OF PRODUCTION – ESTIMATE 2020

BRAZIL

R\$ 19.7 BILLION

↑ **5.6%** in relation to 2019



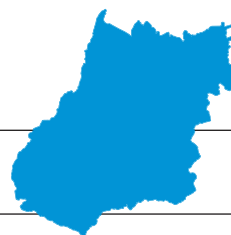
GOIÁS

R\$ 856.5 MILLION

↑ **6.1%** in relation to 2019

4.3% of the national Gross Value of Pork Production

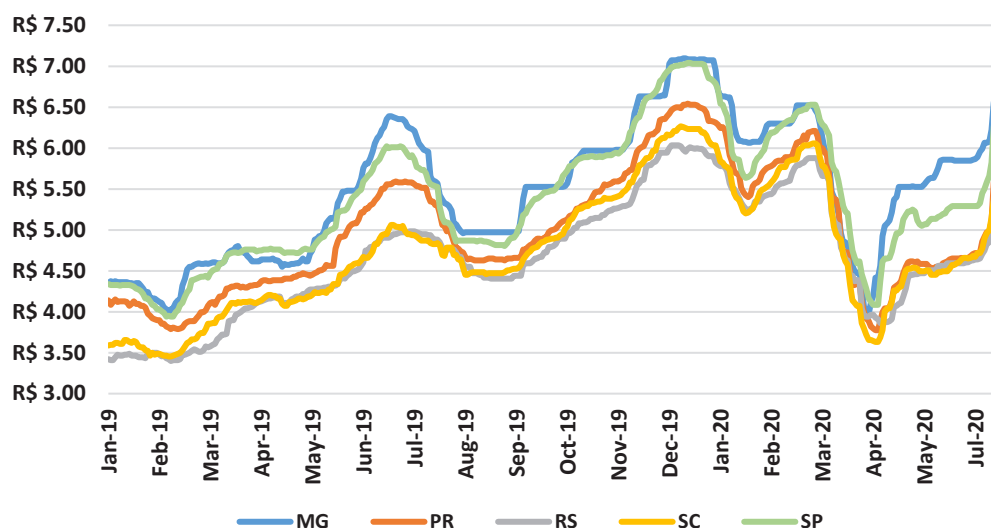
4.5% of the Gross Value of Livestock Production in Goiás



In June, according to Conab, the average price for the live pig (kg) paid to the farmer in Goiás was of R\$ 5.25, up 7.4% over May. The monthly averages of this year declined from January to April, but in the following months there was a recovery. For July, the average price is likely to increase, as in the second week, when the price for live pigs paid to the farmer in Goiás was at R\$ 6.30/Kg and in the third at R\$ 7.00/Kg, according to the statistics released by Conab.

The average daily price for live pigs (kg) paid to the farmer, observed by CEPEA in different parts of the country, shows that, in general, there was a raise at the end of 2019, that persisted until the beginning of 2020. The price dynamics on the following months can be seen in the graph below, and the best prices, among the states that are followed by Cepea, are in São Paulo and Minas Gerais.

MAJOR MARKETS IN THE COUNTRY: DEFLATED AVERAGE DAILY PRICE (R\$/KG) FOR LIVE PIG PAID TO THE FARMER



The national pork exports in the first half of 2020 were 52.4% higher than in the same period of 2019. In June, the growth rate was lower than the rate in the first half of this year, however it was expressive as well, presenting positive variation of 42.6% over the export value of June 2019.

BRAZIL: PORK MEAT EXPORTS

1st semester of 2020:

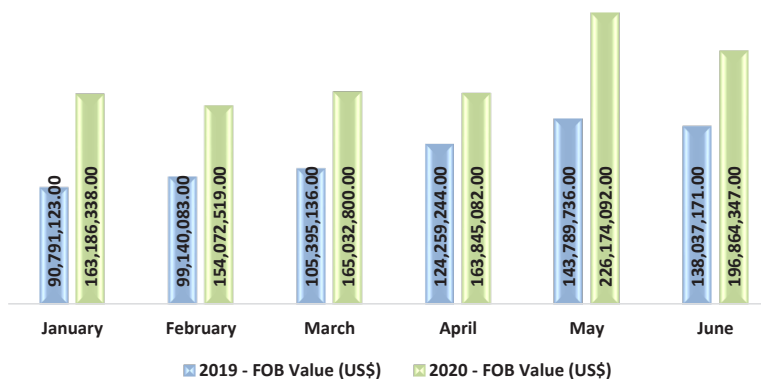
US\$ 1.1 billion

472.5 thousand tons

June 2020:

US\$ 196.9 million

95.0 thousand tons



PORK / PIG PRODUCTION

Although the **pork exports** in Goiás have been expanding, they are not very significant yet. In the first half of 2020, increases of 345.3% in value and of 401.7% in volume were observed, compared to the same period in 2019. This high variation was due to the lack of export sales by Goiás in the first four months of 2019. The exports in June of 2020 grew 27.1% in value and 40.5% in volume, compared to June of 2019.

GOIÁS: PORK MEAT EXPORTS

1st semester of 2020:

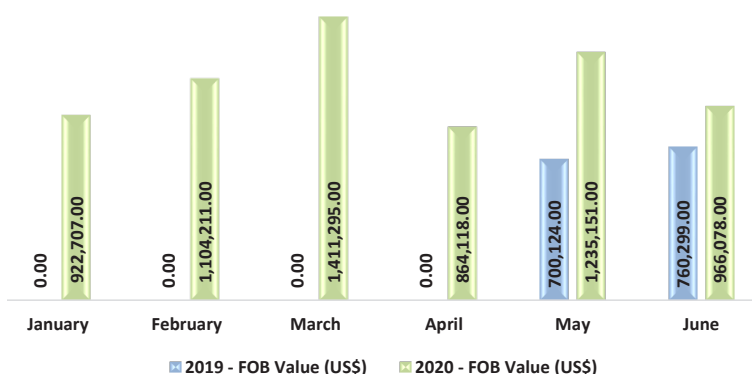
US\$ 6.5 million

4.9 thousand tons

June 2020:

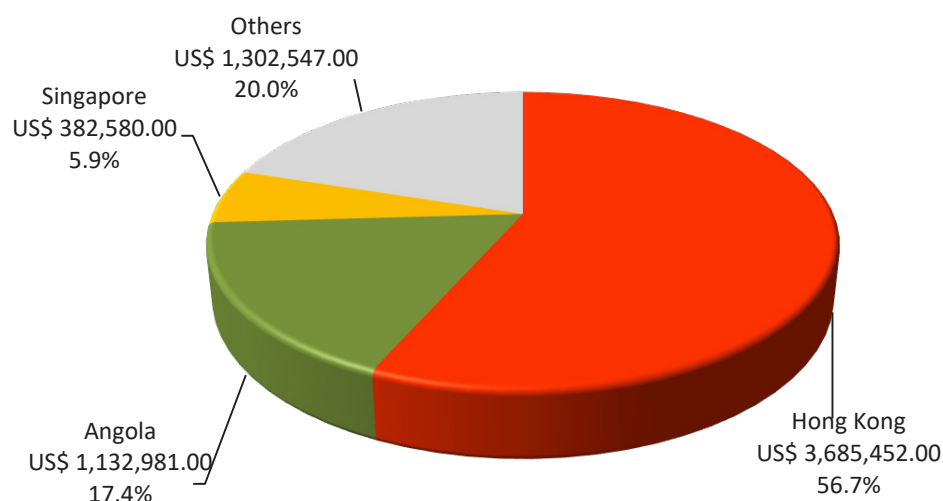
US\$ 966.1 thousand

784.2 tons



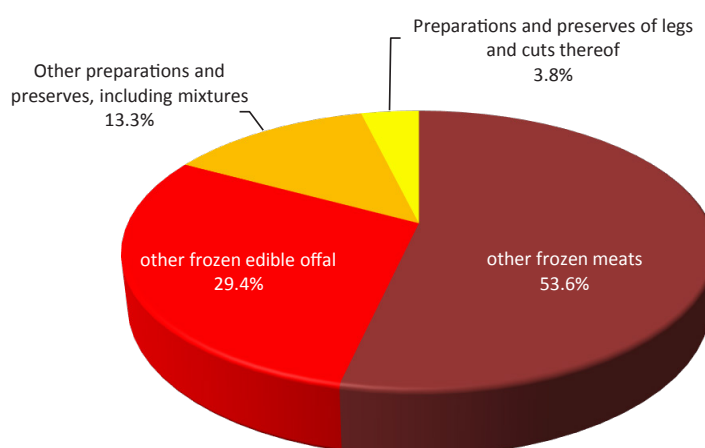
Brazil exported to 108 countries in the first half of 2020 and Goiás to 19 destinations - highlight to Hong Kong.

GOIÁS: MAIN DESTINATIONS OF PORK EXPORTED IN THE FIRST HALF OF 2020



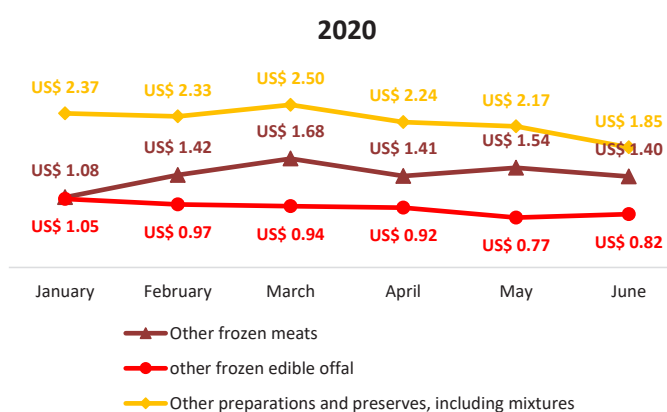
GOIÁS: SHARE OF THE MAIN PORK PRODUCTS EXPORTED IN THE 1ST SEMESTER OF 2020 - IN VALUE

Among the pork by-products, "**other frozen meats**" have the largest share in value of the exports carried out by the state. When analyzing the volume, "other frozen meats" account for 48.6% of the total pork exported by Goiás in the first half of this year. The most expressive difference in the share between value and volume is that of "**other frozen edible offal**", which account for 41.9% of the total volume of pork exported, while in value it is 29.4%, which means that the price of these products is low.



GOIÁS: AVERAGE PRICE (US\$/KG) OF THE MAIN PORK PRODUCTS

The average unit price for pork products exported from Goiás presented a distinct behavior during the 1st semester of 2020. It was observed a decrease in prices for "other frozen edible offal" and "other preparations and preserves, including mixtures" in June in relation to January 2020, while "other frozen meats" increased 29.6%.



The forecast for the international market is positive, as the exchange rate has favored Brazilian exports and the demand from Asian countries has been growing. For Goiás, the forecast is that the international scenario may boost eligible slaughterhouses approved for exporting in order the state be able to increase its share in the international trade.

POULTRY



On the demand side, the poultry meat sales increased, according to Cepea, boosting the prices for all poultry products in June. On the supply side, a reduction was observed and, according to MAPA statistics, the national slaughter of chicken was 2.6% lower in June, in relation to the previous month. In Goiás, the supply decrease was of 13.3%. This dynamic between supply and demand has driven the prices up.

The forecast for the Gross Value of Poultry Production in 2020, according to MAPA at the beginning of the year, was of growth. The pandemic, however, caused a negative impact on this production chain and, although there is a sign of improvement for June, the forecast released for the year is a drop both at national and state levels.

GROSS VALUE OF PRODUCTION - ESTIMATE 2020



BRAZIL

R\$ 63.5 BILLION

↓ **7.9%** in relation to 2019



GOIÁS

R\$ 4.2 BILLION

↓ **10.0%** in relation to 2019

6.7% of the national Gross Value of Poultry Production

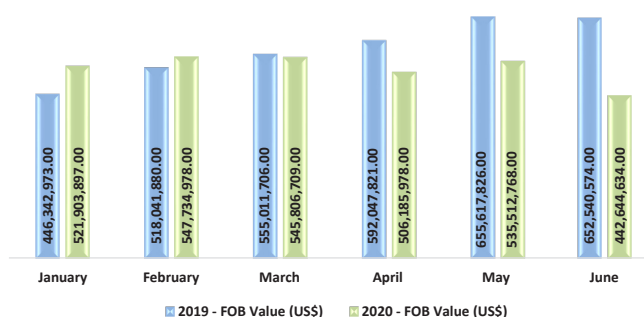
22.3% of the Gross Value of Livestock Production in Goiás

7.4% of the total Gross Value of Production in Goiás

The average monthly **price** for live chicken (kg) paid to the farmer in Goiás has registered decreases, reaching less than R\$ 3.00. In June, there was an increase in the price, registering the highest monthly average this year - R\$ 3.53 - which raised 10.3% compared to January and 18.9% compared to May this year.

BRAZIL: POULTRY MEAT EXPORTS

The **national exports of poultry meat** increased by 1.4%, reaching more than 2 million tons and an amount of US\$ 3.1 billion in the first half of 2020, but the low prices paid for the product on the international sales caused a 9.0% drop in value, in relation to the same period in 2019. From January to June this year, Brazil sold to 154 countries and China was the main buyer.



The international demand raised in Goiás in the first half of 2020, showing the capacity of the industries in the state in attending this market, despite lower trade prices. In this period, the growth of poultry meat was of 66.1% in value and of 90.7% in volume, in relation to the first semester of 2019.

GOIÁS: EXPORTS OF POULTRY MEAT

1st semester of 2020:

US\$ 170.6 million

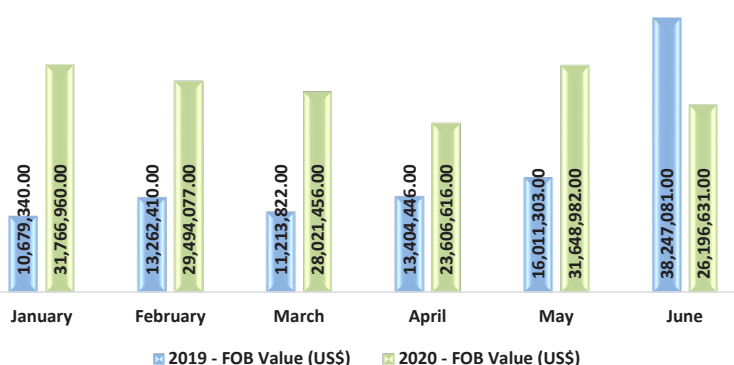
Accounts for **23.9%** of the Meat Complex exports

103.3 thousand tons

June of 2020:

US\$ 26.1 million

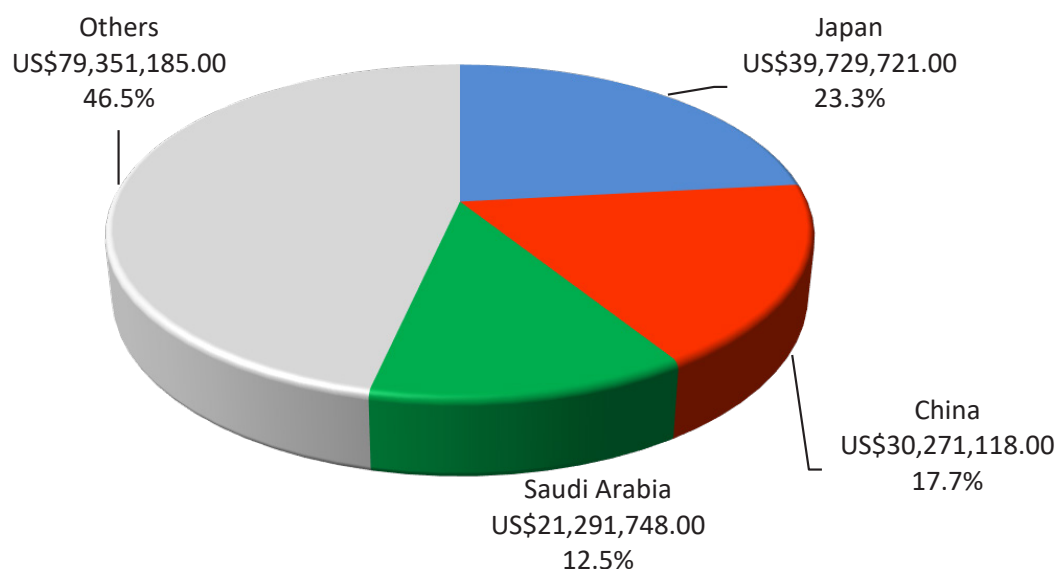
18.8 thousand tons



POULTRY

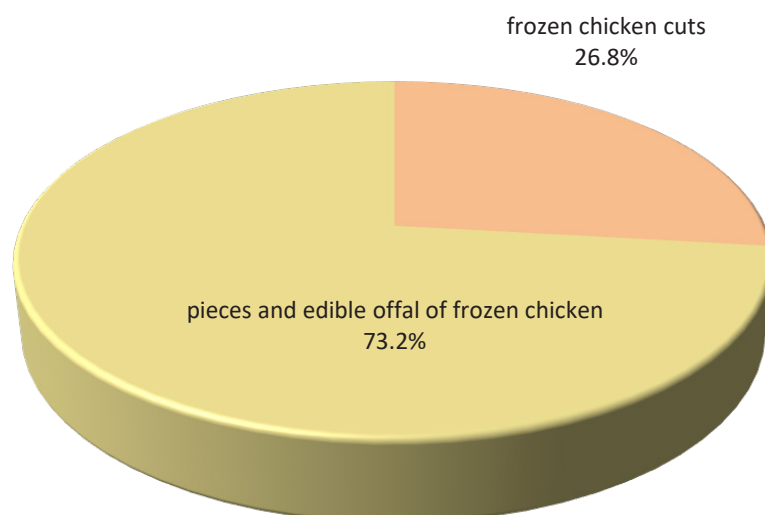
In Goiás, the poultry meat was shipped to **73 countries** in the first half of this year and Japan was the main destination.

GOIÁS: MAIN DESTINATIONS FOR POULTRY MEAT IN THE FIRST HALF OF 2020



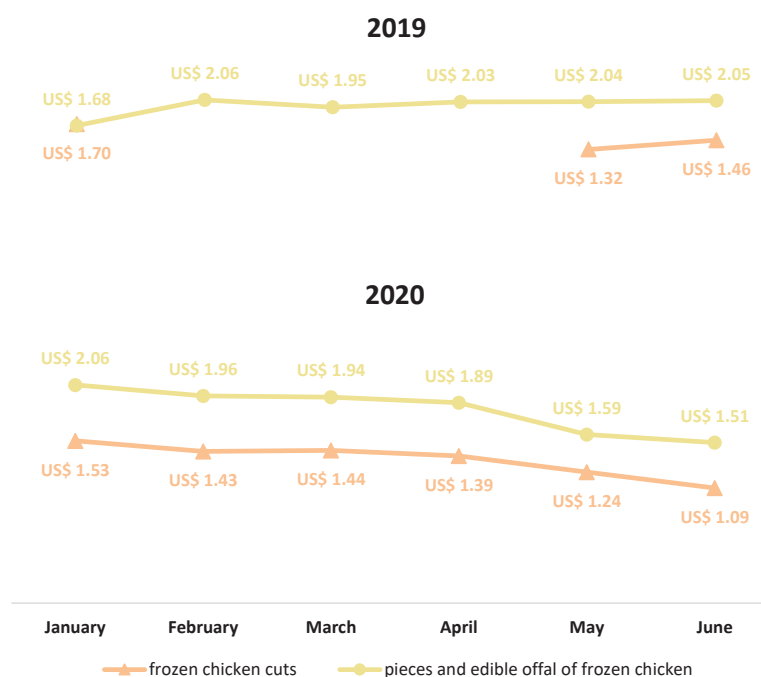
Goiás exports two poultry products, almost 3/4 of which are **pieces and edible offal of frozen chicken** and the other part of products are **frozen chicken cuts**.

GOIÁS: MAIN POULTRY MEAT PRODUCTS EXPORTED IN THE FIRST HALF OF 2020



Although the average price in dollar in the international trade this year is below of that in 2019, the devalued Brazilian exchange rate has contributed to increase the exported volume by Goiás. However, attention should be addressed to this drop in prices, as the increase in production costs will press the profit margins down along this production chain.

The average dollar price for poultry products has been falling throughout 2020 in Goiás.



The forecast for poultry meat in the country is to have domestic demand growing, since the decline in household income has driven to the consumption of lower-priced animal protein, as poultry meat. In the international market, the forecast is to have new market expansion, such as to Egypt, in which Brazil recently obtained an international health certificate to export poultry meat. In addition, the Asian market continues presenting a favorable scenario for negotiations with the country and, considering that Goiás is competitive, it is likely to expand its market share.

Source: CEPEA/ESALQ/ CONAB/ IBGE / MAPA/ Ministry of Economy.

SOYBEAN



The good market conditions and the record production results have impacted positively the soybean sector. According to Conab, the soybean production estimate for 2019/20 crop exceeded 120 million tons, 5.1% higher in volume than in the previous crop, which could be even higher if it was not for the crop failure in the state of Rio Grande do Sul. Due to the weather problems that happened in the south region of the country and also the good soybean production and productivity results, Goiás became the 3rd largest grain producing state in the country, with 12.4 million tons of soybean, production growth rate of 9.0% and productivity of 6.9%.

The increasing value of soybean in the market and the production growth results directly reflect in the Gross Value of Production, in which farmers harvest extremely positive results.

GROSS VALUE OF PRODUCTION – ESTIMATE 2020



BRAZIL

R\$ 173.5 BILLION

↑ **19.8%** in relation to the previous crop



GOIÁS

R\$ 17.3 BILLION

↑ **28.2%** in relation to the previous crop

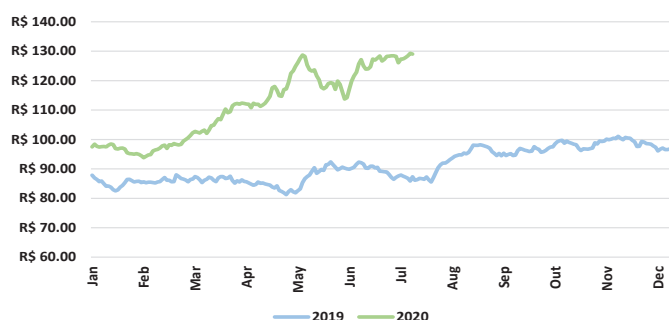
10.0% of the national Gross Value of Soybean Production

45.2% of the Gross Value of Crop Production in Goiás

30.2% of the Gross Value of Production in Goiás

The ESALQ/BM&F Bovespa Index for soybean in Paranaguá (PR) is considerably above the average for 2019, as it can be seen on the chart. Prices are likely to continue to be raised in July, the average daily price for the 60kg-bag of soybeans in Paranaguá (PR) has been high, reaching R\$ 129.27 (deflated value) on the 20th, cash price, 50.6% higher than the same day in 2019.

PARANAGUÁ (PR): DEFLATED AVERAGE DAILY PRICE OF THE 60-KG BAG OF SOYBEAN



According to Conab, the average monthly price of the 60-kg bag of soybeans paid to the farmer in Goiás was R\$ 87.34 in June, cash price, an increase of 17.0% compared to January this year. The trend for July is to have even higher monthly averages, as in the first and second weeks when they were registered at R\$ 97.07 and R\$ 97.40, respectively.

Regarding international trade, during the first half of 2020, export statistics ratified the importance of the soybean and its good performance has contributed mainly for generating foreign exchange to the country and to the state of Goiás.

BRAZIL: EXPORTS OF THE SOYBEAN COMPLEX

1st semester of 2020:

US\$ 23.9 billion

↑ **28.7%**, in relation to the same period of 2019

Accounts for **46.4%** of the Brazilian agribusiness exports

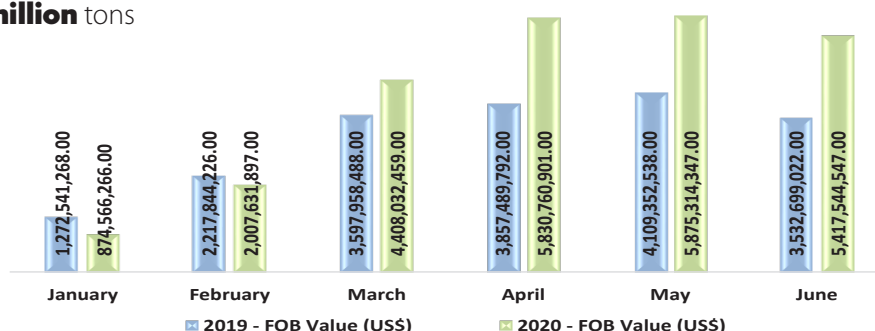
69.6 million tons

June of 2020:

US\$ 5.4 billion

↑ **53.4%**, in relation to June 2019

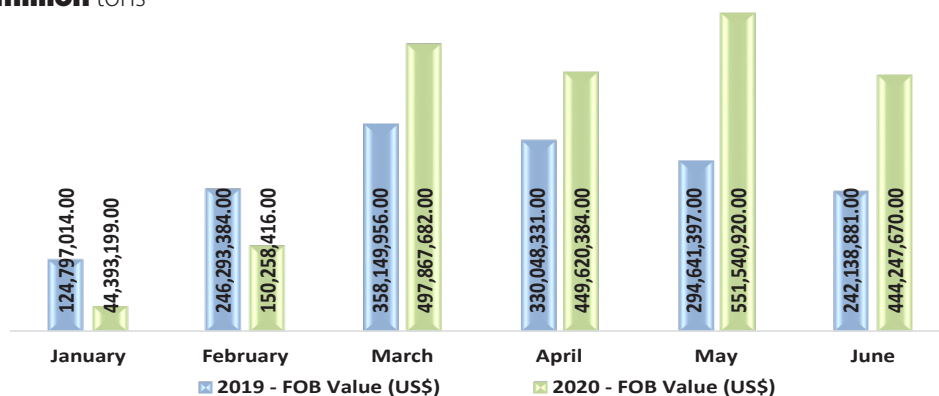
15.7 million tons



SOYBEAN

GOIÁS: EXPORTS OF THE SOYBEAN COMPLEX

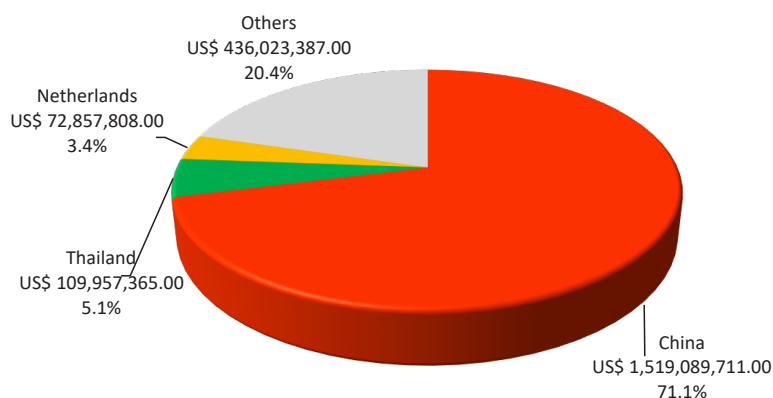
1st semester of 2020:	June of 2020:
US\$ 2.1 billion	US\$ 444.2 million
↑ 33.9% , in relation to the same period of 2019	↑ 83.5% , in relation to June 2019
Accounts for 66.2% of the Brazilian agribusiness exports	1.2 million tons
6.2 million tons	



GOIÁS: MAIN EXPORT DESTINATIONS OF THE SOYBEAN COMPLEX IN THE FIRST HALF OF 2020

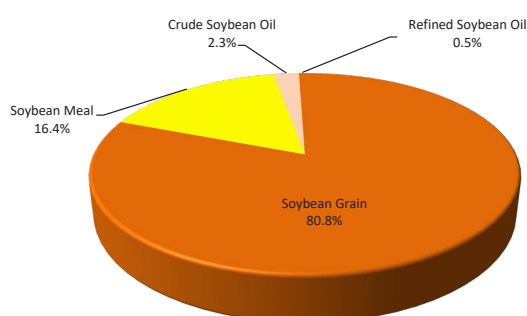
The **national soybean complex** was **destined for 99 countries** in this 1st semester of the year, China was the main destination, with US\$ 14.8 billion and 43.5 million tons, which accounts for

62.1% and 62.5% of the soybean complex exported, respectively. Goiás exported to 38 destinations during this period, and the Chinese share in the soybean complex exports by the state accounts for more than 70% of the total Goiás exports, which is higher than the country average.



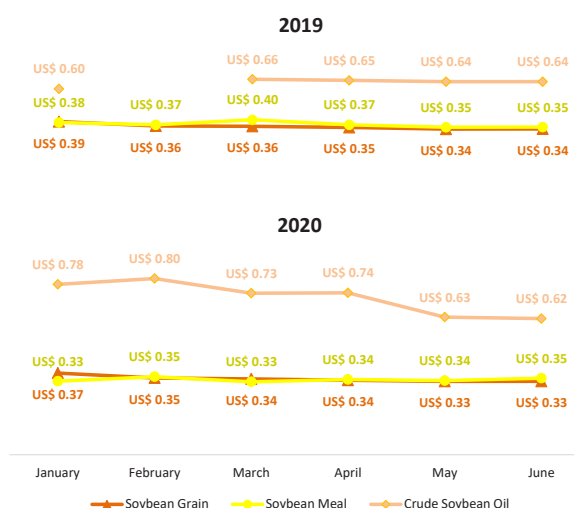
GOIÁS: MAIN PRODUCTS OF THE SOYBEAN COMPLEX EXPORTED, 1ST HALF OF 2020 -% IN VALUE (US\$)

Soybean grain is the major product of the soybean complex exported by Goiás and **Soybean meal** accounts for almost all the other amount of the exported value. It shows that Goiás mainly exports raw material, which is mostly used for the production of animal feed. The **crude soybean oil** and **refined soybean oil** together account for only 2.8%, showing that there is wide potential to market expansion and add value to this production chain.



GOIÁS: AVERAGE UNIT PRICE (US\$/KG) FOR THE MAIN PRODUCTS OF THE SOYBEAN COMPLEX EXPORTED IN THE 1ST SEMESTER OF 2019 AND 2020

The average unit price (US\$/kg) of soybeans and soybean meal had a slight decrease in relation to the same period in 2019. In Goiás, the price for the crude soybean oil had its value increased in 2020. Since the American currency continues to appreciate against the Brazilian Real, the scenario shows gains above the average of 2019, in which the activity margin has been favored by the exchange rate. The international market dynamic continue influencing on the domestic market prices and, consequently, impacting the profitability of the activity in a positive way.



For the soybean producer, the scenario is very favorable - appreciation of the soybean market and a record crop production 2019/2020. The forecast for the 2020/2021 crop is that the market will continue to be valued, addressing attention to the production cycle in the USA, which has great importance in this market dynamics. In Goiás, as soon as the soybean-free period ends, a new crop will begin and the trend is to have expansion of the planting area, as it has occurred in previous crops.

Source: CEPEA/ESALQ /CONAB/IBGE/ MAPA/Ministry of Economy



CORN

Although weather problems have affected the corn productivity, the national production set a record in the 2019/2020 season, with an estimate of 100.6 million tons, according to Conab, 0.5% higher than the previous crop. This increase in production is due to the 5.4% growth in planted area, with approximately 18.4 million hectares, since the average productivity decreased by 4.6%.

In Goiás, the estimate production is expected to grow 6.8% in relation to the previous crop, reaching 12.3 million tons of corn, driven by the 11.7% increase in the planted area, estimated at 1.8 million hectares, considering that the average productivity fell 4.4%. The safrinha corn production is widely important in Goiás, accounting for 81.9% of the corn produced in the state. As the safrinha corn planting was delayed due to the late rains, the productivity was affected, but even so the expectations were exceeded by the good performance, which reflected in production growth.

This increase in production positively impacts the estimate of the Gross Value of Production in Goiás, which is expected to have growth rate of 5 percentage points higher than the country's average for 2020, compared to 2019.

GROSS VALUE OF PRODUCTION - ESTIMATE 2020

BRAZIL

R\$ 76.1 BILLION

↑ **13.7%** in relation to the previous crop



GOIÁS

R\$ 7.5 BILLION

↑ **18.7%** in relation to the previous crop

9.9% of the national Gross Value of Corn Production

19.7% of the Gross Value of Crop Production in Goiás

13.2% of the Gross Value of Production in Goiás



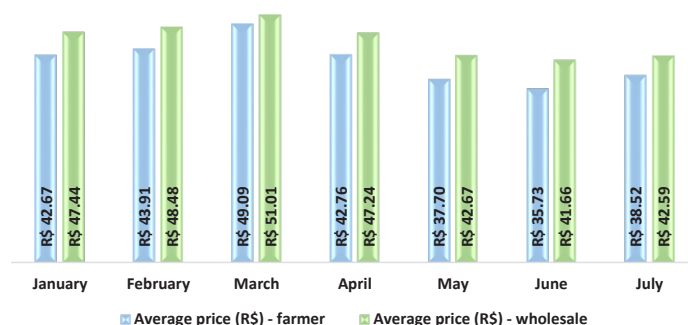
According to Cepea, the increasing values of corn in the ports had been supporting domestic prices, but the progress of the second corn crop and the drops of the international prices slowed down the increases of corn values in many markets. Waiting for the safrinha corn supply, traders have worked less in the market, and many of them have been receiving the corn negotiated in advance, and according to Cepea, sellers prioritized the fulfillment of contracts, addressing attention to export parity.

CORN

GOIÁS: AVERAGE MONTHLY CASH PRICE OF THE 60-KG BAG OF CORN PAID TO THE FARMER AND AT WHOLESALE, 2020

In June, the average monthly cash price paid for the 60-kg bag of corn grain in wholesale was the lowest of the year in Goiás, according to Conab, a drop of 12.2% compared to January and 18.3% compared to March, which was the highest price this year. For the farmer, the fall was even greater, 16.3% in June, compared to January and 27.2% compared to March.

In July, the price grew 2.2% at the wholesale and 7.8% for the farmer, in relation to June.



The Brazilian exports are declining in the international market. The demand for corn has been impacted mainly by the oil crisis and the drop in corn ethanol consumption due to the pandemic. These factors have had a negative effect on Brazilian exports of this commodity, showing sharp reduced statistics.

BRAZIL: CORN EXPORTS

1st semester of 2020:

US\$ 575.4 million

↓ **62.0%**, in relation to the same period in 2019

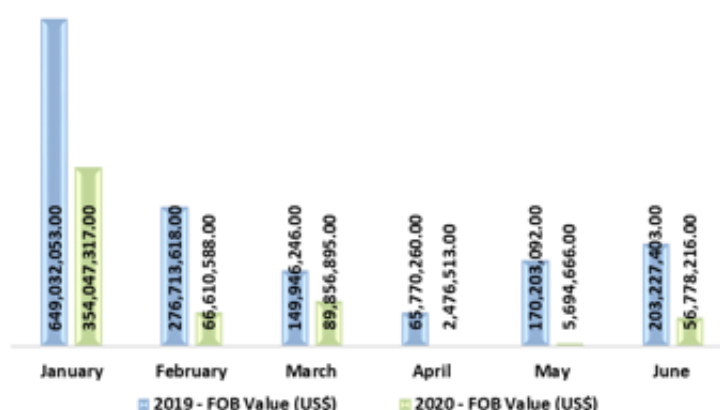
3.3 million tons

June of 2020:

US\$ 56.8 million

↓ **72.0%**, in relation to June 2019

347.8 thousand tons



GOIÁS: CORN EXPORTS - VALUE IN US\$

1st semester of 2020:

US\$ 52.4 million

↓ **27.2%**, in relation to
the same period in 2019

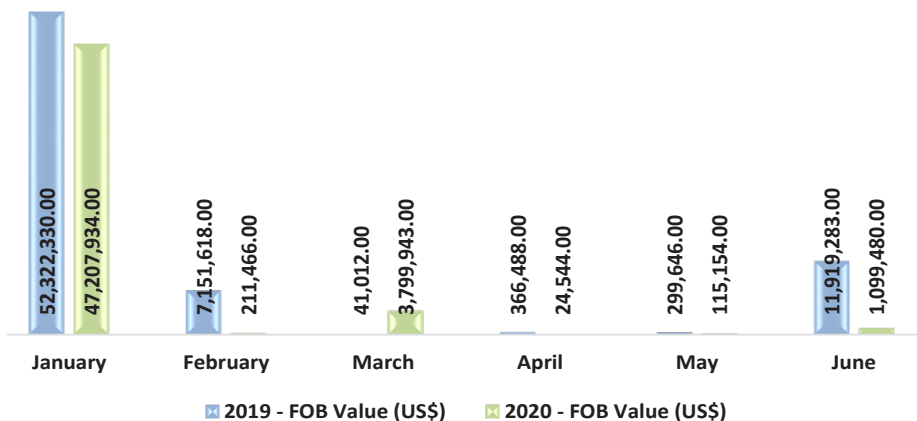
314.4 thousand tons

June of 2020:

US\$ 1.1 million

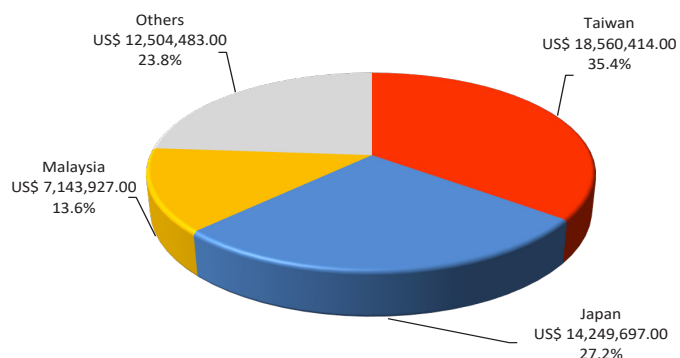
↓ **90.8%**, in relation
to June 2019

6.3 thousand tons



GOIÁS: MAIN DESTINATIONS FOR CORN EXPORTS IN THE FIRST HALF OF 2020

The exported value share of corn this semester was 9.1% in Goiás. Although exports have a trend to decrease and the international pricing is also declining, the exchange rate has helped to keep firm prices in the domestic market. During this semester, the international pricing was affected by the retraction in the consumption of corn ethanol due to the pandemic, the drop in oil prices, and also the supply provided by the main producers. For the short and medium term, the Brazilian market has to address attention to the American corn production and destination, as it is the largest market player and also to the increased share in the international trade of corn from Ukraine.



SUGARCANE

According to Conab, the national production of sugarcane for the 2020/2021 crop is estimated to reach 630.7 million tons, 1.9% less than the previous crop, impacted by the decrease in planted area, 0.4%, and the decline of average productivity, 1.5%, compared to the 2019/2020 crop.

The sugarcane production for the current crop in Goiás, which is the second largest in the country, is estimated at 75.7 million tons, an increase of 0.7% in relation to the previous crop, driven by the increase in the planted area in the state.

Although the national production of sugarcane is estimated to be lower, the forecast for the Gross Value of Production is to increase in 2020.

GROSS VALUE OF PRODUCTION – ESTIMATE 2020



BRAZIL

R\$ 63.2 BILLION

↑ **1.9%** in relation to the previous crop



GOIÁS

R\$ 7.1 BILLION

↑ **0,8%** in relation to the previous crop

11.2% of the national Gross Value of Sugarcane Production

18.5% of the Gross Value of Crop Production in Goiás

12.4% of the Gross Value of Production in Goiás

SUGAR

According to Conab, 42.4% of the national sugarcane crop will be used for sugar production, 7.5 percentage points higher than the previous crop, which was 34.9%. This increase of using sugarcane for sugar production is due to the growth in international demand for this commodity and also to the low consumption of ethanol in the domestic market, added to the difficulty in storing large volumes in the industries.

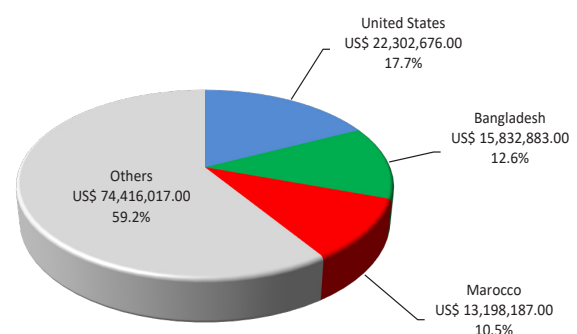
The usines installed in Goiás mostly use sugarcane to manufacture

ethanol and a smaller amount for sugar. The destination for sugar production was only 17.3% of the sugarcane in the previous crop and, in accordance to the national trend, it is expected to increase to 23.5% in the current crop.

Conab estimates that 35.2 million tons of sugar will be produced in Brazil during this 2020/2021 crop, 18.5% more than the previous crop. For Goiás, the production forecast is 2.4 million tons, an increase of 34.9% over the previous crop

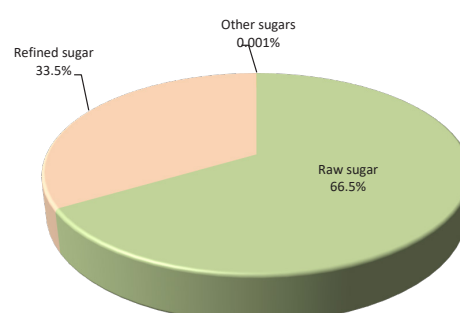
GOIÁS: MAIN DESTINATIONS FOR SUGAR EXPORTED IN THE FIRST HALF OF 2020

The national sugar is exported to 132 countries in 2020, with Bangladesh as the main destination, accounting for 10.7% of the value, followed by Algeria with 10.0% and China with 8.0%. The sugar exported by Goiás is destined for 40 of those 132 countries that trade with Brazil.



GOIÁS: MAIN SUGAR PRODUCTS EXPORTED IN THE FIRST HALF OF 2020 - VALUE IN US\$

Basically, the state of Goiás exports two sugar by-products, which are raw sugar, accounting for 2/3, and refined sugar, accounting for 1/3, the other kinds of sugar are not representative, since they were exported in small quantity only in January of this year.



SUGARCANE

ETHANOL

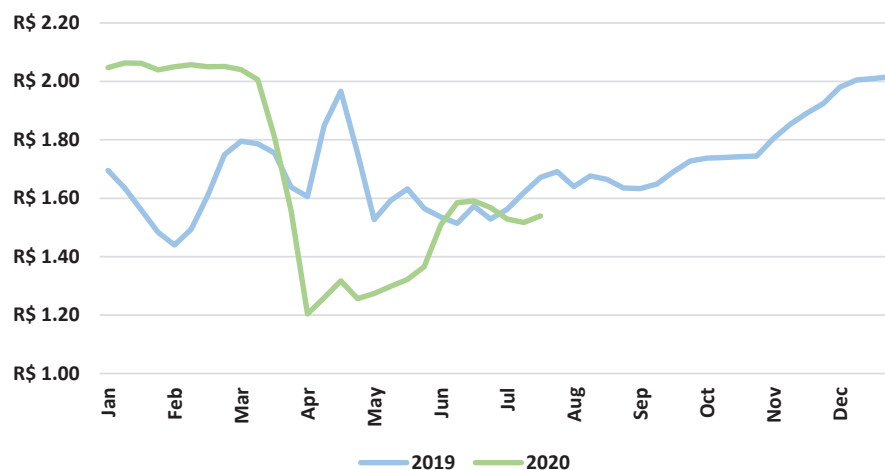
Among other factors, the low consumption of ethanol due to restrictions on the circulation of people in this pandemic period has impacted the fuel production estimates for the 2020/21 crop. The national destination of sugarcane for ethanol production in the last crop was 65.1% and, for the current crop, Conab estimates it to be 57.6%, a decrease of 7.5 percentage points. Thus, the production in this crop is expected to exceed 29.9 billion liters, an estimate decrease of 13.9% in relation to the previous crop.

In Goiás, the destination of sugarcane for ethanol production must be lower than the previous crop, when it was 82.7% while for this crop it is expected 76.5%, dropping 6.2 percentagepoints. This will significantly

impact ethanol production, with an expected decrease of 8.2%, reaching 4.8 billion liters, produced from 57.9 million tons of sugarcane.

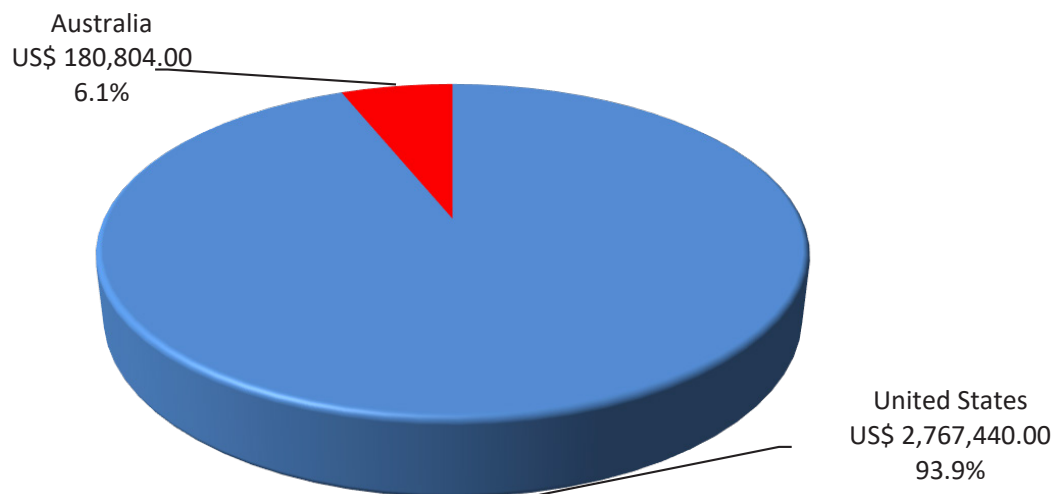
The deflated weekly price index for the liter of hydrous ethanol, cash price, according to CEPEA/ESALQ, in the domestic sales in Goiás, shows that from January to mid-March 2020, the price remained high, as well as in December 2019. In March of this year, with the need for social isolation measures, the demand for fuel fell dramatically, immediately reflecting on the price, which has been recovering as lockdown restrictions are relaxed. However, the gasoline price has not returned to pre-pandemic prices yet, affecting ethanol competitiveness.

GOIÁS - DEFLATED AVERAGE WEEKLY PRICE FOR HYDROUS ETHANOL FUEL PER LITER (NO TAXES INCLUDED)



The state of Goiás only exports ethyl ethanol, destined for 2 countries, most part is sold to the United States and the another one to Australia.

GOIÁS - MAIN DESTINATIONS FOR ETHYL ETHANOL EXPORTS IN THE FIRST HALF OF 2020



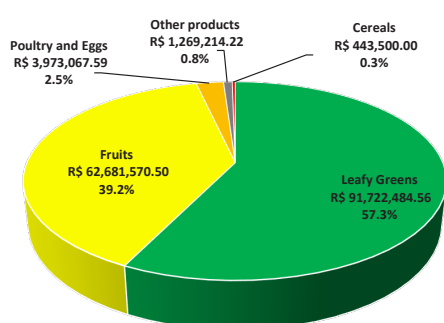
The sugar and alcohol agroindustry is seeking to operate in a positive and sustainable environment and, in order to stimulate and ensure the operationalization of the sector in Goiás, the Government recently approved the Law 20,810, in order to making the population to be aware of the benefits of using ethanol and to encourage the pollutants reduction in the atmosphere. Therefore, the expectation is that this productive chain will be strengthened and contribute to boost the job creation and income generation in the state.

Source: CEPEA/ESALQ /CONAB/IBGE/ MAPA/Ministry of Economy.

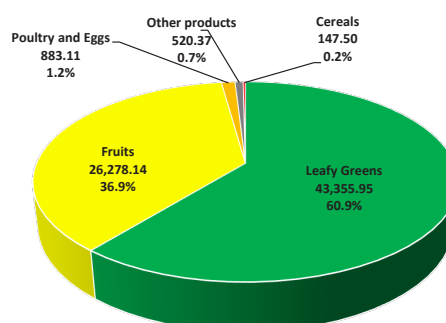
Ceasa traded **71.2 thousand tons of food** in June, an amount of **R\$ 160.1 million**. The growth rate was of 3.05% in volume, in relation to the previous month.

LEAFY GREENS: TRADE IN JUNE 2020 – SHARE AND VOLUME (TON)

VALUE AND SHARE

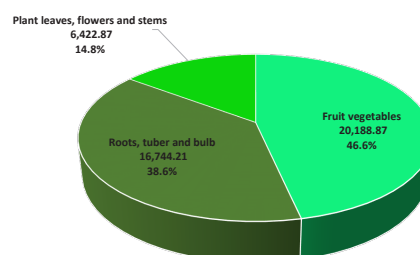


VOLUME (TON) AND SHARE



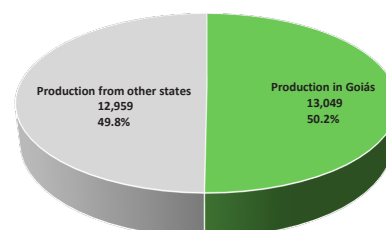
KINDS OF LEAFY GREENS TRADED IN JUNE 2020 – SHARE AND VOLUME (TON)

The group of leafy greens is the most representative in trade sales, it is divided into three subgroups, in which **plant leaves, flowers and stems** have the smallest share, since they are lighter products compared to the others.



NATIONAL FRUITS: ORIGIN OF THE PRODUCTION TRADED IN JUNE 2020 – SHARE AND VOLUME (TON)

The group of fruits has the second largest share in trading, divided into subgroups: **national** and **imported**. National fruit accounts for 99%, almost half of it is produced in other states, which implies in opportunities of new markets for producers in Goiás.



The development of fruit farming in Goiás is one of the objectives of the State Government, since there is promising market in both domestic and international one, besides it is an activity with the capacity to generate income, create jobs and value in many municipalities of Goiás.

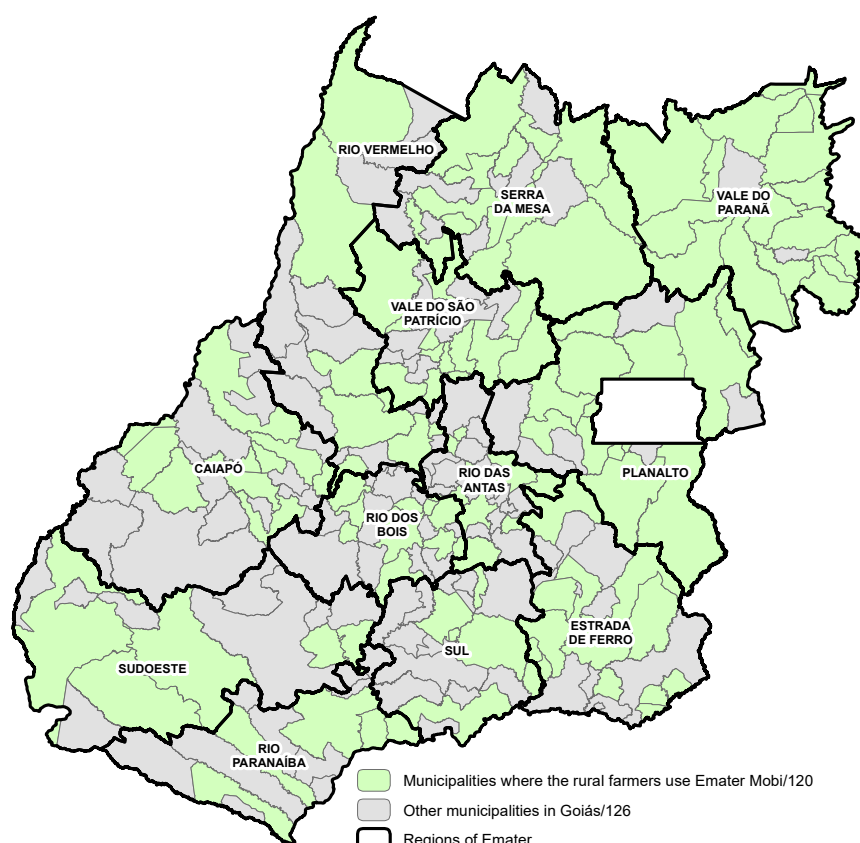
Source: Ceasa/Conab, 2020

Emater **MOBI** is a cell phone app developed by the **Agency for Technical Assistance, Rural Extension and Agricultural Research in Goiás (Emater)**, aimed at having a closer relationship between farmers and rural extension technicians, creating a direct channel of communication with virtual and remote services.

The platform streamlines the support process, since the farmer does not have to travel to the local office or the technician to the farm. The tool has a chat window, in which it is possible to contact the professional of Emater and send text messages, photos and any other elements that might be necessary to perform the technical assistance service remotely.

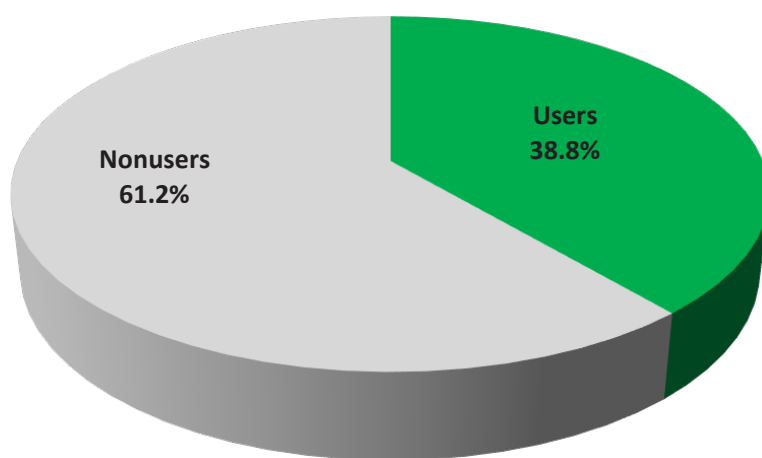
48.8% of the municipalities in Goiás have farmers using this new tool - technology at the service of the rural farmer.

GOIÁS: MUNICIPALITIES WHERE RURAL FARMERS USE EMATER MOBI



SIDAGO – SYSTEM OF AGRICULTURE AND LIVESTOCK DEFENSE IN GOIÁS
Evolution of electronic media using

SIDAGO is an electronic system provided by Agrodefesa that rural farmers may access in a fast and safe way, by remote means (computer or cell phone), to issue documents such as Animal Movement Permit, Herd Balances, Declaration of Vaccination, among others.

GOIÁS: RURAL FARMERS USING SIDAGO (%)

Currently, 38.8% of rural farmers in Goiás use SIDAGO. From January to June this year, growth of 29.1% was registered in the number of this system users and this increase was concentrated in the months following the beginning of the pandemic in the state. The statistics show increasing user adoption to Agrodefesa's services through digital means. This confirms the importance of making this tool available to rural farmers in Goiás, especially during this pandemic moment.

SIDAGO: TOP 10 MUNICIPALITIES WHERE FARMERS USE SIDAGO SYSTEM

Municipality	Percentage of rural farmers using SIDAGO
Doverlândia	72.3%
Jussara	68.8%
Caldazinha	66.2%
Goiás	65.7%
Alto Horizonte	64.9%
Aruanã	63.4%
Nova Aurora	63.2%
Itajá	62.7%
Chapadão do Céu	61.3%
Jandaia	59.8%

There are municipalities that stand out in using SIDAGO system, as shown in the table above.

Agrodefesa also continues to work on the process of technological innovation of the agricultural defense, in which **94.5% of rural properties have registered geographical coordinates**. This information registering is part of the action plan to achieve the status of an FMD-free zone without vaccination, with international recognition.

The state has been working hard to provide access to services by digital means to rural farmers, and SIDAGO is part of this process: **technology bringing convenience, security and quality service to farmers in Goiás**.

Source: Agrodefesa, 2020

SEAPA
Secretaria de
Estado de
Agricultura,
Pecuária e
Abastecimento



**AGRO
DEFESA**

Agência Goiana de Defesa Agropecuária



EMATER

AGÊNCIA GOIANA DE ASSISTÊNCIA TÉCNICA,
EXTENSÃO RURAL E PESQUISA AGROPECUÁRIA



Centrais de Abastecimento de Goiás S/A

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