

# AGRI IN DATA

DECEMBER 2020

**SEAPA**  
Secretaria de  
Estado de  
Agricultura,  
Pecuária e  
Abastecimento



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# PRESENTATION

We have reached the last Agri in Data edition of the 2020 year. It was a challenging year for Brazil, in general, and it would be no different for agriculture. The sector faced difficulties, but fortunately most of the obstacles that emerged from the crisis caused by the Covid-19 pandemic were overcome. Moreover, we can say that it was agriculture that sustained Brazil's economy in 2020, ensuring food and improving our economy while public health actions in support of the community have been taken.

We always say that agriculture does not stop. It did not stop. The numbers presented in this edition of Agri in Data prove that and ratify the importance of the sector, especially with the numbers accumulated during this year.

Agriculture has produced more than ever, improved the economy of cities throughout the state and was heavily on maintaining jobs, as noted by data from the General Register of Employees and Unemployed (CAGED), including creating new work positions while many sectors were stopped.

It should be emphasized that these results come from a collective effort between many links of the chain: farmers, cooperatives, institutions related to the sector, entities, unions and government. The role of the Government of Goiás in this mission stands out, under the leadership of Governor Ronaldo Caiado, in making the State Secretary of Agriculture, Livestock and Supply (SEAPA), as well as the institutions under their jurisdiction - Emater, Agrodefesa and Ceasa - find solutions to ensure not only production, but conditions for the whole sector to advance.

Many actions in which we made a move during the year prove it all. We had actions aimed at the small farmer, as the State Food Acquisition Program (PAA), the partnership with Ambev for launching a cassava beer purchased directly from small producers, strengthening fish farming, land regularization, and others. We also have advanced in the approval of letters able to receive resources from the Constitutional Fund for Financing in the Center-West region (FCO), worked to improve rural infrastructure, irrigation projects, and many actions in different areas, planned in order to strengthen agriculture.

The agriculture has not stopped and will not stop, because this whole business is strong, united and straight.

Although, even with Covid-19 pandemic, we have grown in several ways, our thoughts are that the numbers that appear here in this Agri in Data be surpassed and bring even more positive data to our agriculture next year.

Enjoy your reading and a happy end of the year to everybody!



**ANTÔNIO CARLOS DE  
SOUZA LIMA NETO**

STATE SECRETARY OF  
AGRICULTURE, LIVESTOCK  
AND SUPPLY IN GOIÁS



# INTRODUCTION

Despite the adverse scenario due to the COVID-19 pandemic, the negative impact of the crisis is lower than projections. While the first estimates, released by the World Trade Organization - WTO, pointed to a drop in the volume of global trade between 12.9% (optimistic scenario) and 31.9% (pessimistic scenario), the latest released projection concludes a decline of 9.2%. According to IPEA<sup>1</sup>, this decrease should be even smaller, since there is a recovery in international trades, although such recovery has been happening at different places in the countries.

For the national context, the latest statistics released show prospects for economic recovery, according to the IBGE<sup>2</sup>, GDP in the third quarter of 2020, compared to the previous quarter, grew 7.7% and, year-to-date result (until the third quarter), GDP dropped 5.0%, compared to the same period in 2019. This result is a consequence of the decrease in industry activities (-5.1%) and services (-5.3%), which were strongly impacted by the pandemic of COVID-19, while agriculture grew 2.4%, according to the Institute. It is estimated by the

close of 2020, a lower fall compared with earlier forecast, the market expectation, according to the Focus Bulletin, released on 11/27/2020, Brazil's GDP decreased 4.5%.

This economic crisis affected the Brazilian labor market and there was a sharp drop in the number of jobs in the country, especially in April, when almost one million workers were unemployed. In July, however, there was a reaction and the hiring process began, especially in October, with creation of almost 400 thousand new jobs in the country, according to data from the Ministry of Economy. In the regional scenario, 22,550 jobs were created in Goiás in the year-to-date (January to October) of 2020, 25.5% according to this Ministry were in agriculture, which shows the strength of this activity.

The performance of agriculture in Goiás is also observed in the gross value production estimated by the MAPA<sup>3</sup> for 2020, at R\$ 68.9 billion, an increase of 14.8% compared to 2019 and accounts for 8.1% of the national gross value of agricultural production. Several products hit record sales in 2020, due to prices and volumes produced,





such as corn, soybeans and beef. These products are priced at high levels, mainly due to the strong world demand. In addition, the Dollar appreciated against the Real has boosted trade with other countries. As for year-to-date result (January to October), Goiás exports registered growth of 24.2% in revenue, compared to the same period in 2019, totaling US\$ 5.6 billion.

The great results of agribusiness have boosted the investments in the sector, according to data from BACEN<sup>4</sup>, since the beginning of the current Plano Safra (July 2020), the rural credit acquisition grew 18.6% in the country and, in the state of Goiás, 25.7%, compared to the same period in 2019 (July to November).

The growth is supposed to continue and, for 2020/2021 crop in Brazil, grain production estimated by CONAB<sup>5</sup> is 268.9 million tons, an increase of 4.6%. The estimate considers the recovery of soybeans and corn yield, which were harmed by weather conditions in 2019, especially in the state of Rio Grande do Sul. The state of Goiás should produce 27.3 million tons of grains, with expansion of 0.9% of the cultivated area, in relation to the previous crop, highlighting on

soybeans increased area.

At this time, the market is worried about the weather problems. According to November Agroclimatological Bulletin, published by the National Institute of Meteorology (INMET), in the Center-West, rainfall should be more over north of Mato Grosso, southeast of Goiás and the Federal District. In the other areas, there will be rainfall close to or slightly below the climatology.

Despite irregular weather conditions in Goiás, planting is in the recommended schedule. However, it is likely that yield could be impacted. The expectation is that, although the weather problems can harm the good performance of the sector, the estimate, for most crops, is to have good production results in Goiás.

The government remains aware of the demands for the productive sector and society, focused on results to improve the social and economic conditions of the cities in Goiás.

*1 IPEA - Institute of Applied Economic Research*

*2 IBGE - Brazilian Institute of Geography and Statistics*

*3 MAPA - Ministry of Agriculture, Livestock and Food Supply*

*4 BACEN - Central Bank*

*5 CONAB - National Food Supply Company*

**Source: BACEN / CONAB / IBGE / INMET / IPEA / MAPA / Ministry of Economy / WTO.**





## CATTLE/ BEEF

In Brazil, according to Comex Stat data, the amount exported of beef in October 2020 decreased 4.3%, compared to October 2019, exports totaled 188.9 thousand tons and an amount of US\$ 789.6 million. The year-to-date result for 2020 (January to October), however, shipment of beef in Brazilian ports registered growth, compared to the same period of 2019, both in volume (9.0%) and in value (15.8%), with sales of 1.6 million tons and US\$ 6.9 billion. Goiás stands out in this scenario as the 3rd state with the highest beef export volume in 2020, with a share of 13.8% of the quantity shipped by the country, with China as the main trading partner.

The live cattle price continues at high levels, reducing the profits of industries that supply the domestic market, which face a scenario of high prices and reduced family income. As a result of the appreciation of this animal protein, according to CEPEA<sup>1</sup>, many slaughterhouses, especially those that serve the domestic market, are postponing the purchases of animals at the current levels of prices, expecting them to reduce. This,

however, is not enough to change the market dynamics, as the supply of cattle for slaughter is low, in a context of strong international demand. The index CEPEA/B3 registered R\$ 283.75 (15kg), on 11/30/2020 and, in the regional market, according to IFAG, in the 4th week of November, the average price was R\$ 270.50/15kg.



## GOIÁS: GROSS VALUE OF BEEF PRODUCTION - 2020

|  |                 |  |
|--|-----------------|--|
| <b>R\$ 11.3 billion</b>  | <b>↑ 16.6%*</b> | <b>4th</b> highest Gross Value of Production** |
| <b>9.3%</b> of the national Gross Value of Beef Production       |                 |  |
| <b>49.9%</b> of the Gross Value of Livestock Production in Goiás |                 |  |

\* Compared to the previous year. \*\* Between the states and the Federal District

## GOIÁS: BEEF EXPORTS

| YEAR-TO-DATE<br>(JANUARY TO OCTOBER)      | OCTOBER<br>2020                           |
|---|---|
| <b>US\$ 968.0 million</b> <b>↑ 15.0%*</b> | <b>US\$ 130.0 million</b> <b>↓ 0.1%*</b>  |
| <b>226.5 thousand tons</b> <b>↑ 9.0%*</b> | <b>30.4 thousand tons</b> <b>↑ 10.1%*</b> |

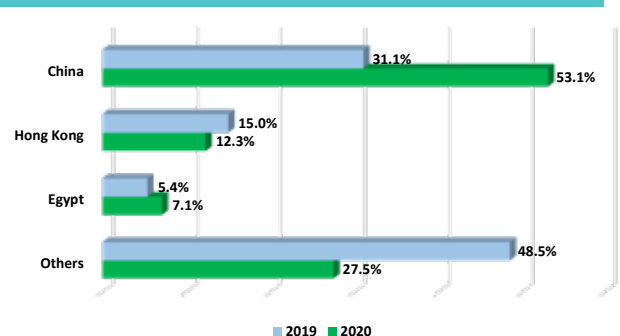
\* Compared to the previous year

### GOIÁS: BEEF EXPORTS\*



\* Year-to-date (January to October)

### GOIÁS: SHARE OF THE MAIN DESTINATIONS IN THE AMOUNT OF BEEF EXPORTS\*




The beef produced in Goiás is internationally competitive and meets the Chinese demand with effective health control. Considering the increase of the international demand, in a scenario of restricted supply of fed cattle for slaughter, prices are expected to remain high in the next months.

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





## PORK / PIG PRODUCTION



In the domestic market, the high corn and soybean prices have contributed to the input costs increase in the animal protein production chains. In view of this, the swine production sector, in some states, has considered the use of other crops as an option for the animal feed. Goiás, however, does not have additional alternatives at reasonable prices and volume to be used in the feed formulation for pig farming, therefore, the rancher has to be aware of the purchasing and logistics costs of this process.

In relation to the price of live swine, the restricted supply of animals for slaughter and the strong demand led to high commercialization prices. This commerce, however, was interrupted at the end of November when the prices declined from R\$ 9.10/kg in the 3rd week of the month to R\$ 7.60/kg in the 4th week, according to IFAG<sup>1</sup>.



## GOIÁS: GROSS VALUE OF PORK PRODUCTION- 2020 ESTIMATE

**R\$ 1.0 billion**

**↓ 13.2%\***

**7th highest** Gross Value of Production \*\*

**4.2%** of national Gross Value of Pork Production

**4.6%** of the Gross Value of Livestock Production in Goiás

\* Compared to the previous year

\*\* Among the states and the Federal District

## GOIÁS: PORK EXPORTS

### YEAR-TO-DATE - JANUARY TO OCTOBER:

**US\$ 13.1 million**

**↑ 137.7%\***

**9.5 thousand** tons

**↑ 128.1%\***

**7th largest** exporter \*\*

### OCTOBER 2020

**US\$ 1.8 million**

**↑ 49.4%\***

**1.1 thousand** tons

**↑ 4.7%\***

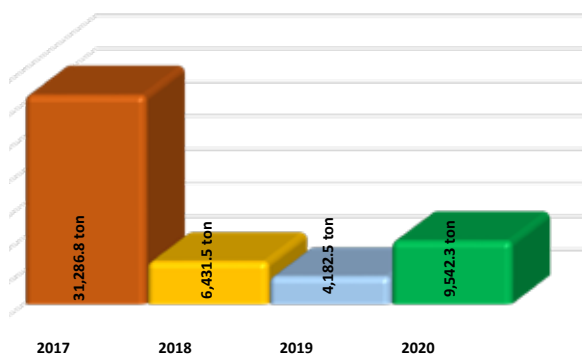
\* Compared to the previous year

\*\* Among the states and the Federal District

1 IFAG - Institute for the Strengthening of Agriculture in Goiás

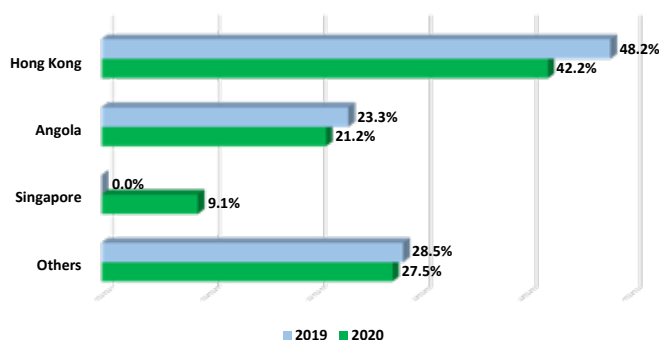
# PORK / PIG PRODUCTION

## GOIÁS: PORK MEAT EXPORTS \*



\* Year-to-date (January to October)

## GOIÁS: SHARE OF THE MAIN DESTINATIONS IN THE AMOUNT OF PORK MEAT EXPORTS\*



In the international scenario, although Goiás does not have a large share in the foreign market, the number of partners and the volume of pork exports have expanded. In October, there was an appreciation in the price for pork meat exports, reflecting in revenue growth which was expressively higher than the increase in the amount shipped by the state of Goiás.

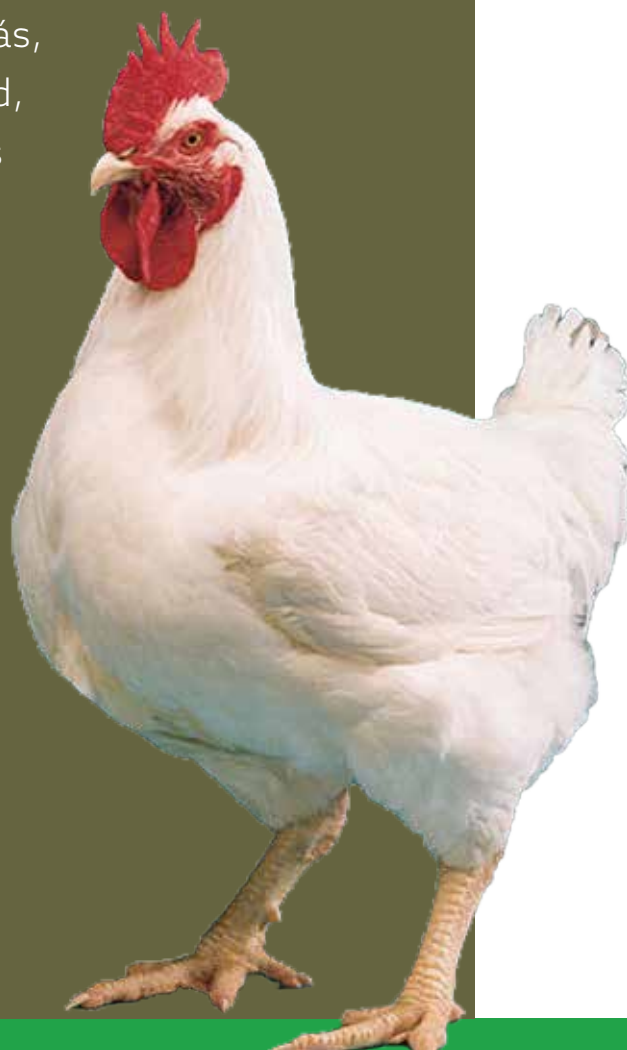
Despite the good results in international trade and also the positive expectations for the domestic market in December, due to the seasonal straightening at the end of year, the farmer's profit margin is pushed down because of the high input costs. This may impact the decision of the rancher in relation to expanding investments in pig farming for the next year.

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



Live poultry has been appreciated in the national market, but the increase of input costs has reduced farmer's purchasing power in the country. According to Embrapa, in October, the Chicken Production Cost Indicator grew 8.9%, compared to the previous month, driven by the feed costs increase, which has the highest share of this indicator. The analysis carried out by CEPEA in mid-November, the exchange ratio of the product with inputs used in poultry feed is the worst since May 2018.

Regarding the exports, shipments of poultry meat in the country had a 1.5% decrease in volume traded from January to October 2020, compared to the same period of 2019. In Goiás, the volume exported increased, even with the international prices at lower levels than in 2019. This product devaluation in the foreign market has been offset by the large volumes exported by the state and by the strong Dollar against the Real. In the domestic market, the demand has been driven by the competitiveness of poultry meat in relation to other animal proteins - beef and pork.



# POULTRY

## GOIÁS: GROSS VALUE OF POULTRY PRODUCTION - 2020 ESTIMATE

**R\$ 4.8 billion**

**↓ 11.0%\***

**6th** highest Gross Value of Production\*\*

**6.4%** of national Gross Value of Poultry Production

**21.1%** of the Gross Value of Livestock Production in Goiás

*\* Compared to the previous year*

*\*\* Among states and the Federal District*

## GOIÁS: POULTRY MEAT EXPORTS

### YEAR-TO-DATE - JANUARY TO OCTOBER:

**US\$ 279.9 million**

**↑ 16.0%\***

**176.2 thousand** tons

**↑ 37.1%\***

### OCTOBER 2020

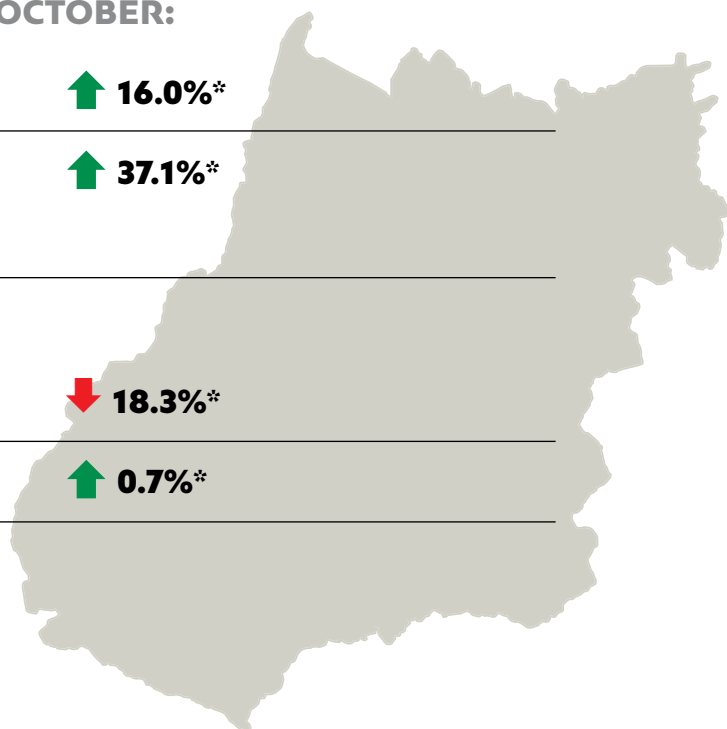
**US\$ 27.0 million**

**↓ 18.3%\***

**17.9 thousand** tons

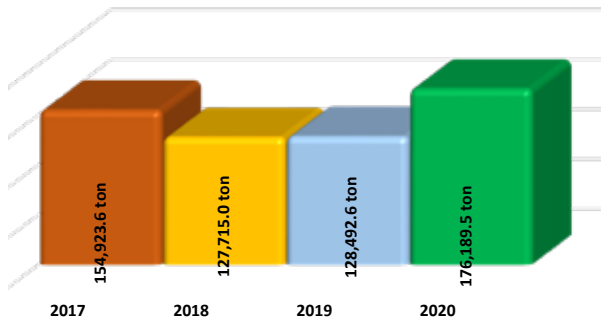
**↑ 0.7%\***

*\* Compared to the previous year*

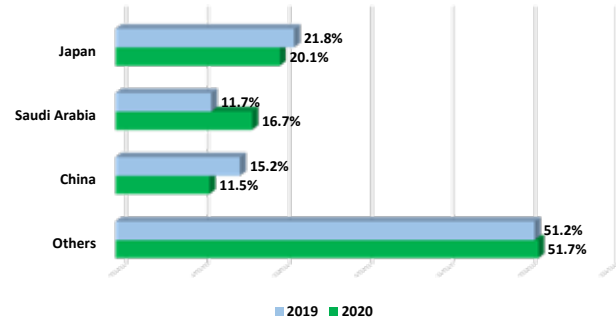




### GOIÁS: POULTRY MEAT EXPORTS\*



### GOIÁS: SHARE OF THE MAIN DESTINATIONS IN THE AMOUNT OF POULTRY MEAT EXPORTS\*



\*Year-to-date (January to October)

Goiás sold poultry meat to 81 countries in 2020, of which 47 registered an increase in purchases, and stands out as the 4th largest poultry meat exporting state, with 5.2% of the volume shipped by the country.

The poultry values remain devalued in the international market. According to IFAG, in the 4th week of November, the average price of live poultry was R\$ 4.23/kg in Goiás, keeping steady compared to the previous week. For the coming months, the market trend is to maintain the high prices and the strong demand.

1 IFAG - Institute for the Strengthening of Agriculture in Goiás

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

# MILK

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In the international market, Goiás does not have representative external negotiations. In 2020, from January to October, Goiás exported US\$ 785.2 thousand in dairy products, which accounts for 1.3% of the value shipped by the country. However, there is an increase in exports of value-added products - such as condensed milk and cheese - together, by the end of October, they accounted for 58.1% of dairy revenues exported by Goiás

Typically, during the rainy season, the increase of milk supply makes the price paid to the farmer to be reduced. This year, however, it has been different, according to CEPEA, the decline in prices was more connected to the pressure of dairy processors and manufacturing communities on the negotiations with the dairy industry, due to lower consumption during October. In this scenario, the prices paid to the ranchers are expected to decrease in November, which may lessen the raises observed in recent months. It is noteworthy that the

milk market has a particularity: farmers normally receive their money one month late, meaning that the milk collected in October is paid in November, according to the market's performance.

In November, according to the Bulletin of the Dairy Market in Goiás, only powdered milk cream registered a price raise compared to the previous month. According to the Bulletin, the dairy industry had the average price of the dairy products reduced, with a weighted total variation of -7.8%, compared to the previous month.



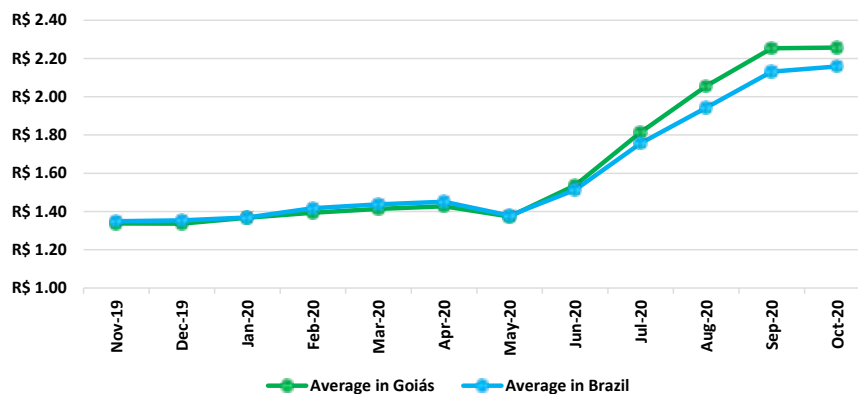
## GOIÁS: NOMINAL WHOLESALE PRICES FOR DAIRY PRODUCTS

| 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) |
|-------------------------|----------------------------|------------------------------|----------------------------|-----------------------------------|-------------------------|
| October                 | 3.30                       | 21.84                        | 27.56                      | 9.63 <sup>(1)</sup>               | 24.75                   |
| November                | 3.00                       | 20.51                        | 24.57                      | 9.01 <sup>(2)</sup>               | 25.92                   |
| <b>Variance</b>         |                            |                              |                            |                                   |                         |
| November/October        | -8.86%                     | -6.08%                       | -10.82%                    | -6.44%                            | 4.73%                   |
| <b>Weight</b>           |                            |                              |                            |                                   |                         |
| November Variance       | 20%                        | 23%                          | 37%                        | 14%                               | 6%                      |
| November Variance -7.79 |                            |                              |                            |                                   |                         |

Note: (1) Price in September. (2) Price in October

Source: MilkPoint Mercado. Provided by the State Secretariat of Economy in Goiás.

## GOIÁS: AVERAGE PRICE PAID TO THE FARMER FOR THE LITER OF MILK



Cepea (corrected by IGP-DI / FGV) - adapted by Seapa.

## GOIÁS: GROSS VALUE OF MILK PRODUCTION - 2020 ESTIMATE

**R\$ 4.6 billion**

**↑ 9.0%\***

**6th** highest Gross Value of Production\*\*

**11.4%** of the national Gross Value of Milk Production

**20.4%** of the Gross Value of Livestock Production in Goiás

\* Compared to the previous year

\*\* Among the states and the Federal District

# MILK

## GOIÁS: DAIRY EXPORTS

### YEAR-TO-DATE - JANUARY TO OCTOBER 2020:

**US\$ 785.2 million**

↑ **1.0%\***

**364.7 tons**

↓ **11.9%\***

**7th largest exporter \*\***

### OCTOBER 2020

**US\$ 47.2 thousand**

↑ **0.9%\***

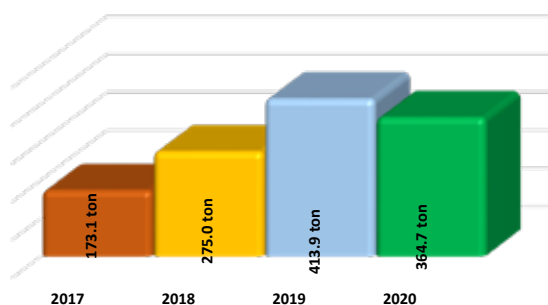
**19.4 tons**

↓ **66.1%\***

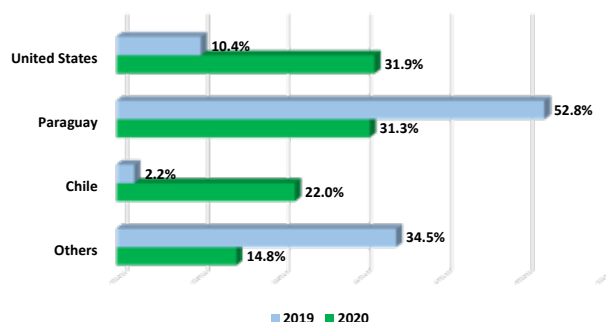
\* Compared to the previous year

\*\* Among the State Federative Units and the Federal District

### GOIÁS: DAIRY EXPORTS\*



### GOIÁS: SHARE OF THE MAIN DESTINATIONS IN THE AMOUNT OF MILK EXPORTS\*



\* Year-to-date (January to October)

In the coming months, the dairy chain will have considerable challenges to balance demand and supply. The first one has been impacted by the high prices of dairy products at a moment of income restriction; while the second is likely to continue to decrease, when, on a normal basis, it should expand, as a consequence of the weather problems that may affect the activity. In addition to this scenario, the increases in input costs can make investments in production economically infeasible. According to an analysis by CEPEA, it is possible that milk production will struggle to recover this summer, which may impair the fall of prices, as seen in previous years.

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



# SOYBEAN

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In Brazil, in October, shipments of the soybean complex decreased, but in the year-to-date (January to October), the exported volume grew 20.4%, compared to the same period of 2019. According to data from Comex Stat, 97.1 million tons of soybeans left Brazilian ports in 2020, amounting US\$ 33.7 billion. In the regional scenario, in value, 9.5% of the soybean complex exported by the country was from Goiás, which confirms the international competitiveness of the soybean produced in Goiás.

Soybean shipments growth have been driven by Chinese demand, in a context of favorable exchange rates. In this scenario, the domestic industry has faced difficulties in restoring inventories, in addition to prices at high levels. This has impacted the production of domestic industry, leading some states to buy processed products, such as soybean oil, from other countries.

In the year-to-date, the imports of soybean complex increased by 364.7%, compared to the same period in 2019, registering 732.2 thousand tons imported to Brazil. The expectation is that imports will continue to grow to supply the domestic industry, boosted by the removal of the Common External Tariff (CET), until 01/15/2021.

In Goiás, the only soybean complex product that was imported, between January and October 2020, was soybean oil, with a record of 40.0 thousand tons acquired from Argentina.

After a soybean crop on record for the 2019/2020 in Brazil, the estimate, provided by CONAB, for the season 2020/2021, is for a production of 134.9 million tons - growth of 8.1% and an increase of 3.5% in planted area, compared to the previous crop. This expansion of soybean area is taking place mainly in areas of pastures and summer crops, since the appreciation of the grain in the domestic and international market encourages the farmers to raise the investments in oilseed sowing.

In relation to the international market prices, the reduction in the American grain stock and the strong demand are likely to keep prices at high levels. The Soybean Index ESALQ/BM&FBOVESPA - PARANAGUÁ registered an average of R\$ 159.64/bag in October, an increase of 13.1% compared to September and, on 11/27, the index was at R\$162.31/bag. In the regional market, according to IFAG, on 11/27/2020, the bag (60kg) of soybeans registered an average price of R\$ 157.94, in Goiás. Soybean supply below demand expects prices to remain high.



# SOYBEAN

## GOIÁS: SOYBEAN CROP – 2020/21 ESTIMATE

**13.4 million** tons

↑ **2.1%\***

**4th** largest producer \*\*

**3.7 million** hectares

↑ **4.2%\***

**3.6 t/ha** in average yield

↓ **2.0%\***

*\* Compared to the previous crop*

*\*\* Among the states and the Federal District*

## GOIÁS: GROSS VALUE OF SOYBEAN PRODUCTION - 2020 ESTIMATE

**R\$ 22.4 billion**

↑ **46.1%\***

**3rd** highest Gross Value Production \*\*

**10.0%** of the national Gross Value of Soybean Production

**48.4%** of the Gross Value of Crop Production in Goiás

*\* Compared to the previous year*

*\*\* Among the states and the Federal District*

## GOIÁS: EXPORTS FROM SOYBEAN COMPLEX

### YEAR-TO-DATE (JANUARY TO OCTOBER):

**US\$ 3.2 billion**

↑ **43.2%\***

**9.2 million** tons

↑ **48.4%\***

**4th** largest exporter \*\*

### OCTOBER 2020

**US\$ 74.1 million**

↓ **49.3%\***

**192.0 thousand** tons

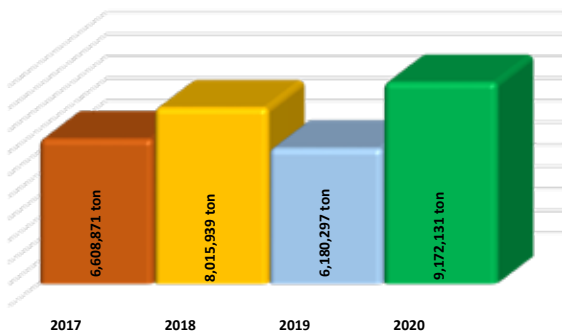
↓ **52.6%\***

*\* Compared to the previous year*

*\*\* Among the states and the Federal District*

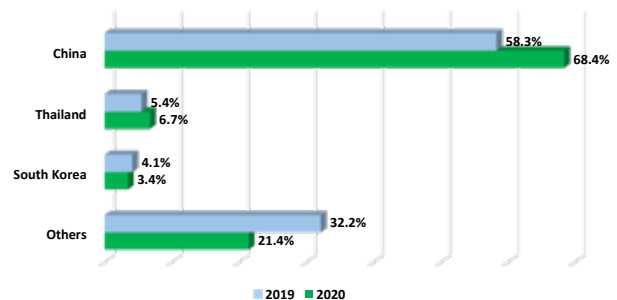


### GOIÁS: EXPORTS OF THE SOYBEAN COMPLEX - YEAR-TO-DATE (JANUARY TO OCTOBER)



\*Year-to-date (January to October)

### GOIÁS: SHARE OF THE MAIN DESTINATIONS IN THE AMOUNT OF SOYBEANS EXPORTS\*



Most concerns about the soybean market are related to weather, since, in some regions, the water deficit caused a delay in sowing. In Goiás, planting progressed - according to CONAB, until 11/20/2020, 93.0% of the soybeans areas were sown. The forecast is that the sowing in Goiás will finish within the ideal window, however, according to the intensity of the weather adversities in the coming months, the yield for the 2020/2021 crop may be affected.

With almost the entire 2019/2020 national crop sold and strengthening trades of the season 2020/2021, prices tend to continue high. The market expectation, even with the good results of American soybean crop, is that this commodity will maintain the appreciation. In the domestic market, the perspective is that the demand for soybeans will continue to increase, mainly due to the growth of Chinese consumption, supply of food industries and animal feed, changes in the percentage blend of biodiesel in diesel, which will increase from 12% to 13% next year, in accordance to CNPE Regulation No. 16/2018, which determines an increase of 1% a year, until 2023, of biodiesel blend to diesel oil.

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



# CORN

In the year-to-date (January to October), while the world demand for Brazilian corn was below market expectations, the domestic demand for the grain remained strong, mainly to supply the industry. During this period, national corn exports reached 25.1 million tons, 27.0% less than the same period in 2019, and amounted to US\$ 4.1 billion. Goiás followed the national business, with a 23.6% reduction in exported volume, on the same basis of comparison.

Regarding production, CONAB<sup>1</sup> estimates, for the 2020/2021 season, 104.9 million tons of corn - growth of 2.3% compared to the previous crop. For the state of Goiás, the estimate made by the Company shows a drop in the average yield of corn, weather adversities can directly impact the performance of the safrinha, which has the largest production share in the state.

The market expectation is that prices will remain at high levels, due to the increase in demand. According to Reuters, purchases made by China contributed to the increase in corn prices, which causes shocks in other supply chains that use the grain, such as livestock. In the domestic market, according to Rabobank, the appreciation of corn was driven by strong demand and high levels of exports. In the regional market, the data provided by IFAG , on 11/30/2020, registered an average corn price of R\$ 65.57/bag in Goiás.



## GOIÁS: CORN CROP – 2020/21 ESTIMATE

**11.9 million tons** ↓ **5.4%\***

**3rd** largest producer \*\*

**1.8 million hectares** ↓ **4.8%\***

**6.6 t/ha** in average yield ↓ **0.6%\***

\* Compared to the previous crop

\*\* Among the states and the Federal District

## GOIÁS: GROSS VALUE OF CORN PRODUCTION - 2020 ESTIMATE

**R\$ 9.5 billion** ↑ **31.7%\***

**3rd** highest Gross Value of Production\*\*

**10.6%** of the national Gross Value of Corn Production

**20.5%** of the Gross Value of Crop Production in Goiás

\* Compared to the previous year

\*\* Among the states and the Federal District

## GOIÁS: CORN EXPORTS

### YEAR-TO-DATE - JANUARY TO OCTOBER:

**US\$ 479.9 million** ↓ **24.1%\***

**2.9 million tons** ↓ **23.6%\***

**2nd** largest exporter \*\*

### OCTOBER 2020

**US\$ 103.0 million** ↓ **23.4%\***

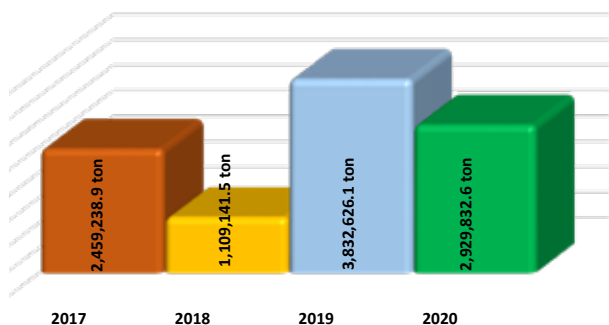
**601.6 thousand tons** ↓ **28.6%\***

\* Compared to the previous year

\*\* Among the states and the Federal District

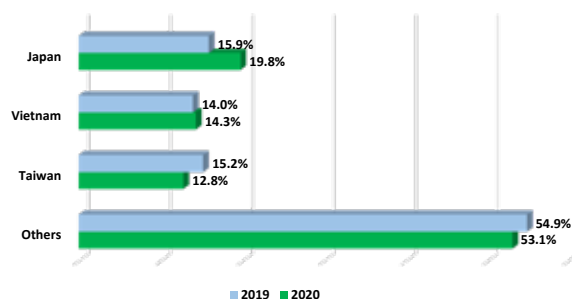
# CORN

## GOIÁS: CORN EXPORTS \*



\* Year-to-date (January to October)

## GOIÁS: SHARE OF THE MAIN DESTINATIONS IN THE AMOUNT OF CORN EXPORTS\*



With no new trades taking place in the international scenario, only the fulfillment of purchase contracts, importing countries preferred to buy corn in the USA, in which the crop is finished. In the domestic scenario, sales are also slow, on one hand, according to CEPEA<sup>3</sup>, buyers have only purchased small lots, because of the high level of prices and, on the other hand, some sellers have retracted the offer, with the expectation that buyers come back to negotiating tables for stocks.

The scenario for the 2020/2021 crops trade has been favorable in Goiás, both in the domestic and international markets. The high prices have encouraged the farmers to increase investments in machinery and storage, with the aim of reducing losses and improving negotiations. However, attention is needed to weather conditions that can impact the safrinha yield.

**Source: CEPEA / ESALQ / CONAB / IBGE / MAPA / Ministry of Economy / Reuters / Rabobank**

After the 2019/2020 cotton crop in the country - a 4.2% higher production compared to 2018/2019 season - a drop is expected for 2020/2021, driven by the possibility of having the planted area reduced. The producer's expectation decrease, in relation to the cotton cultivation area, is explained by two factors: reduced domestic demand and high input costs. The decrease was not only greater, due to the high technology used by Brazilian cotton farmers. This makes it difficult to change the crop grown, in a way that large investments and specific assets become a rate of entry nearly as high as the exit rate for the activity.

The area to be planted with cotton in Brazil in 2020/2021, according to CONAB, may reach 1.6 million hectares, a decrease of 5.8%, compared to the previous crop. In view of the high risk and high cost of cotton cultivation, some farmers, especially those with less technology, are likely to choose other crops this season. Considering the decrease of the planted area, it is estimated a retraction of 8.8% of the national cotton plume production and 8.9% of the cottonseed, in relation to the previous crop.

According to data collected by Goiás Association of Cotton Producers (AGOPA), a production decline is estimated, due to the reduction of the planting area.





# COTTON

Despite these setback estimates, yield growth is expected, as a result of technology investments made by the farmers.

The high performance of cotton farming in Goiás contributes to adding value to the chain, which is organized and has representativeness. AGOPA has contributed to the development of this chain, highlighting the work carried out in the visual and technological classification laboratory for cotton fiber.

Goiás crops are located in the southwest, in the region of the Chapadões and in surroundings of the Federal District. According to a survey conducted by AGOPA, 15 cities in the state should produce cotton in the 2020/2021 crop, with emphasis in the cities of Chapadão do Céu and Cristalina. Cotton production in Goiás has been guided by the high technological level and cultivation techniques, aimed both at the national and international markets.

## GOIÁS: 2020/21 COTTON CROP \*

Estimate made by AGOPA

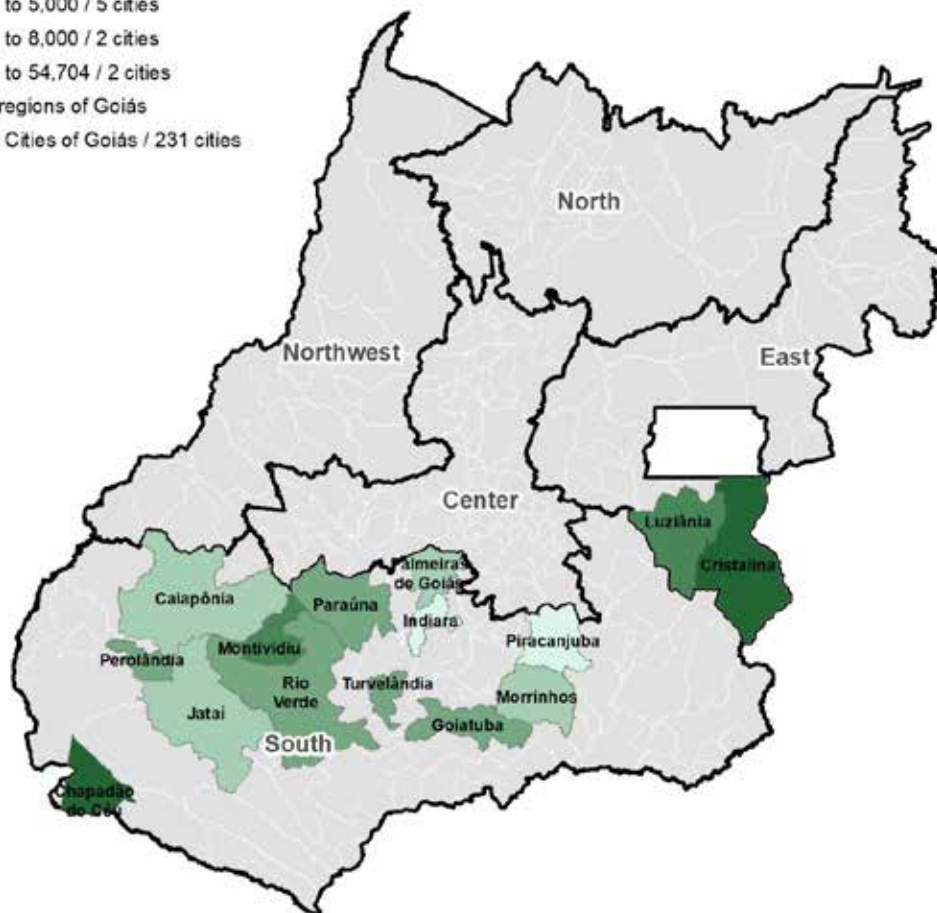
|                                  |                  |
|----------------------------------|------------------|
| <b>122.6 thousand</b> tons       | <b>↓ 19.1%**</b> |
| <b>27.6 thousand</b> hectares    | <b>↓ 22.1%**</b> |
| <b>4.4 t/ha</b> in average yield | <b>↑ 3.9%**</b>  |

\* Cotton seed (cotton seed + plume)  
\*\* In relation to the previous crop

## GOIÁS: COTTON PRODUCTION ESTIMATE - 2020/2021 CROP

### Cotton Production (ton)

- Until 750 / 2 cities
- 751 to 3,000 / 4 cities
- 3,001 to 5,000 / 5 cities
- 5,001 to 8,000 / 2 cities
- 8,001 to 54,704 / 2 cities
- Mesoregions of Goiás
- Other Cities of Goiás / 231 cities



Source: AGOPA, November 2020.

## GOIÁS: GROSS VALUE OF COTTON PRODUCTION - ESTIMATE 2020

**R\$ 1.2 billion**

**↓ 12.3%\***

**4th** highest Gross Value of production\*\*

**2.4%** of national Gross value of cotton production

\* In relation to the previous year

\*\* Among the states and the Federal District

# COTTON

## GOIÁS: COTTON EXPORTS

### YEAR-TO-DATE - JANUARY TO OCTOBER:

**US\$ 68.0 million**

↓ **6.5%\***

**48.4 thousand tons**

↑ **7.2%\***

**4th largest exporter \*\***

### OCTOBER 2020

**US\$ 10.2 million**

↓ **29.6%\***

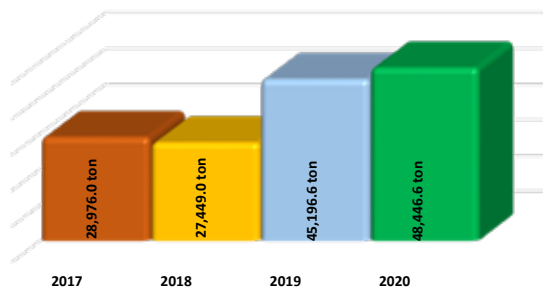
**6.7 thousand tons**

↓ **26.5%\***

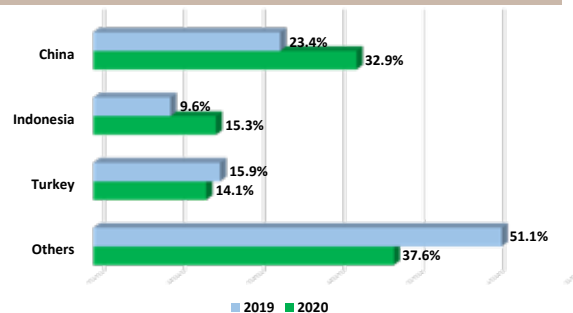
\* In relation to the previous year

\*\* Among the states and the Federal District

### GOIÁS: COTTON EXPORTS \*



### GOIÁS: SHARE OF THE MAIN DESTINATIONS IN THE AMOUNT OF COTTON EXPORTS\*



\*Year-to-date (January to October)

Brazilian cotton production has expanded in the international market and although it was one of the most impacted commodities by the Covid-19 pandemic, the exports were strong in 2020. From January to October 2020, a 1.5 million tons were shipped across the country - amount of 31.5% higher than the same period of last year - and reached US\$ 2.3 billion. The cotton trades in Goiás follows the national ones, showing a retraction in accumulated prices over the year, compared to the same period in 2019, which points out a slight devaluation of the product in the international scenario. Another factor that impacts the trade prices, is the competition that cotton fiber faces with the synthetic fibers.

In the domestic market, after a spike in cotton trade prices, driven by resumption of activities and the replenishment of industry stocks, price stabilization is expected.

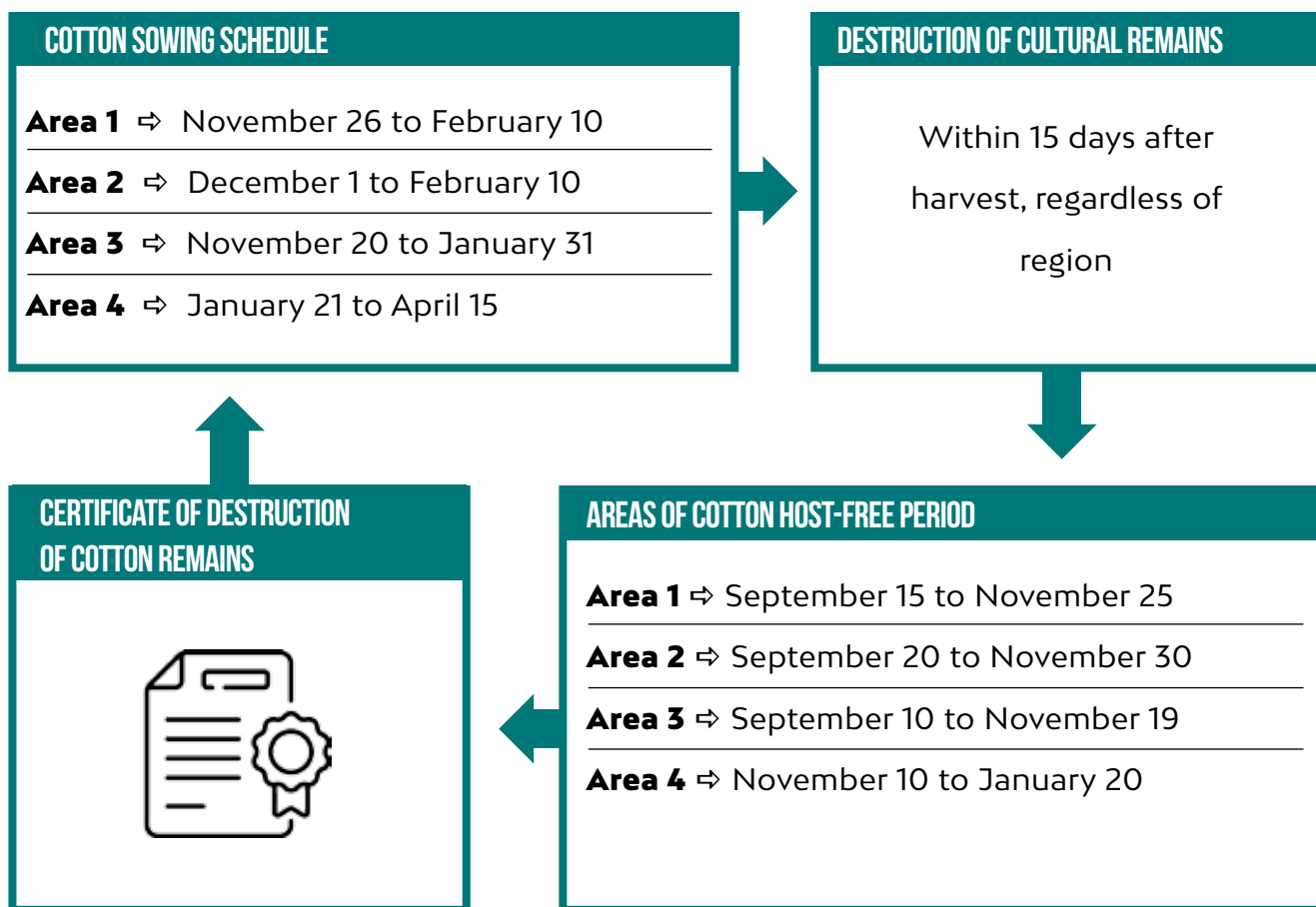


## PLANT HEALTH - COTTON PROGRAM

The **Cotton Program** aims at establishing phytosanitary measures for prevention and control of the boll weevil (*Anthonomus grandis*), the insect of highest incidence and greatest potential for damaging the crop. The inspection services are carried out in the production areas in three different periods - before, during and after cultivation - in order to ensure the compliance with the **sowing schedule**, the **destruction of cultural remains** and regrowth after harvest, the **host-free period** - a 60-day or longer period in which planting is prohibited - and issuance of the **Destruction of Cultural Remains Certificate for Cotton**.

These measures are established by the Agency for the Agriculture and Livestock Defense in Goiás, under the Normative Instruction No. 04, of September 18, 2019, based on studies and surveys conducted by the main research institutions in Brazil - Embrapa, INMET and the State Health Defense Agencies - which delimits edaphoclimatic zones and recommends the optimal planting season for each crop, in accordance with the Agricultural Zoning of Climate Risk for Cotton (Zarc).





In the last 5 years, Agrodefesa carried out

# 705 INSPECTION ACTIVITIES

in cotton crop areas. In 2020 (January to October),

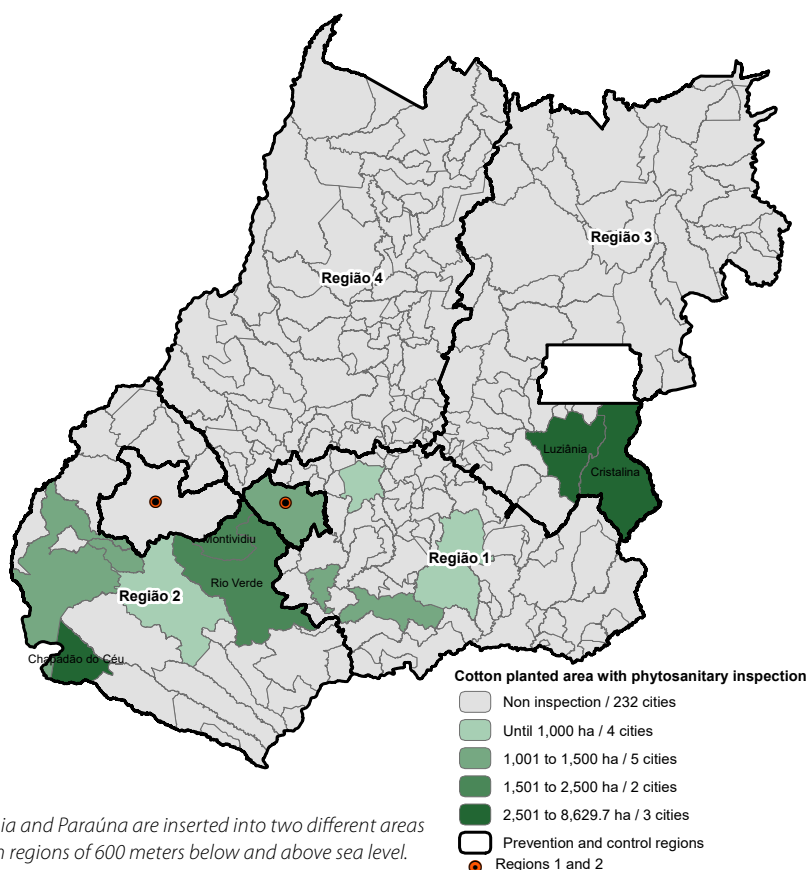
# 110 ACTIVITIES WERE ACCOMPLISHED.

<sup>1</sup> EMBRAPA - Brazilian Agricultural Research Corporation

<sup>2</sup> INMET - Brazilian National Institute of Meteorology



**GOIÁS: AREAS OF COTTON HOST-FREE PERIOD, SOWING SCHEDULE AND CROP FIELDS INSPECTED BY AGRODEFESA**



*Note: The cities of Caiapônia and Paraúna are inserted into two different areas because they are located in regions of 600 meters below and above sea level.*

The cotton crops registration is **mandatory** and can be done by the farmers in the System of Agriculture and Livestock Defense in Goiás - SIDAGO, available on Agrodefesa website ([www.agrodefesa.go.gov.br](http://www.agrodefesa.go.gov.br)), as new sowings are made, with tolerance up to 30 days after seed planting.

Agrodefesa has been always working to protect crops, in order to minimize the economic impacts that may be caused by insects, fungi or diseases, and to achieve better yield indicators in the State. The involvement and collaboration of Goiás producers, both in the registration of their areas and cooperation with the inspections, have been of great importance in providing positive results for agricultural production in Goiás.

Source: Agrodefesa, 2020

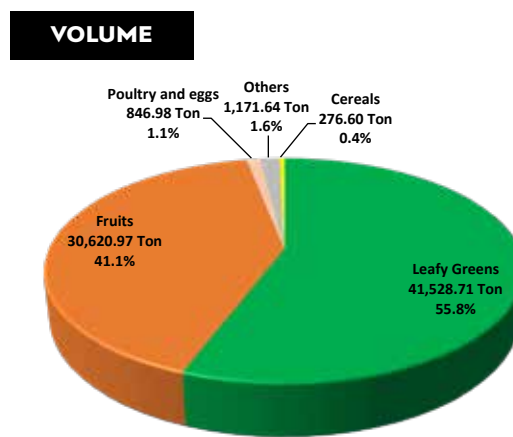
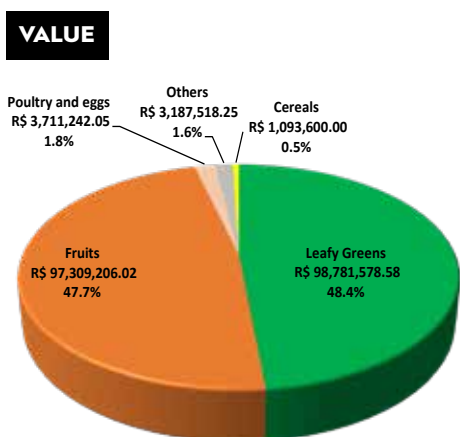


The start of the rainy season - higher humidity - influences the quantity and quality of vegetables, which impacts the prices of the products. In October, Ceasa-GO sold R\$ 204.1 million - an increase of 12.0%, compared to the previous month. In the same comparison, the weight amount had a slight decrease of 0.2%, registering 74.4 thousand tons.

### GOIÁS: TRADE VARIATION - OCTOBER COMPARED TO SEPTEMBER 2020

| Group                   | Variation in value (%) | Variation in weight (%) |
|-------------------------|------------------------|-------------------------|
| <b>Leafy Greens</b>     | ↑ 13.1                 | ↓ 4.2                   |
| <b>Fruits</b>           | ↑ 14.0                 | ↑ 7.2                   |
| <b>Poultry and eggs</b> | ↑ 8.9                  | ↑ 14.2                  |
| <b>Others</b>           | ↓ 35.3                 | ↓ 28.2                  |
| <b>Cereals</b>          | ↓ 7.6                  | ↓ 12.2                  |
| <b>Total geral</b>      | ↑ <b>12.0</b>          | ↓ <b>0.2</b>            |

### CEASA GOIÁS: TRADE IN OCTOBER 2020



## GOIÁS: AVERAGE PRICE OF THE MOST CONSUMED PRODUCTS - CEASA GOIÂNIA

|                       | Banana | Orange | Apple | Papaya | Watermelon |
|-----------------------|--------|--------|-------|--------|------------|
| <b>Price (R\$/kg)</b> | 2.92   | 1.80   | 5.19  | 1.81   | 1.27       |
| <b>VAR% (Oct/Sep)</b> | ↓ 4.2  | ↑ 29.6 | ↑ 1.4 | ↑ 50.6 | ↓ 3.0      |

|                         | Lettuce | Potato | Onion  | Carrot | Tomato |
|-------------------------|---------|--------|--------|--------|--------|
| <b>Price (R\$ / kg)</b> | 1.70    | 2.19   | 1.92   | 1.36   | 3.18   |
| <b>VAR% (Oct/Sep)</b>   | ↑ 2.2   | ↑ 61.6 | ↓ 22.0 | ↓ 21.6 | ↑ 52.0 |

According to PROHORT Bulletin released by CONAB<sup>3</sup>, there is a volatility in prices of main products sold in commercial supply centers monitored by the Company. In October 2020, after consecutive price drops, the potato registered an increase of more than 20%, compared to the previous month, in all supply centers, with the highest rise in Vitória (ES), followed by Goiânia. The risen prices are a result of reduced production that was caused by weather problems in some producing areas. Onions and carrots were traded at low prices in all monitored supply centers, with the biggest devaluation registered at Ceasa Goiânia. High increases were recorded for tomatoes, due to the strong heat in some producing regions, which impacted the product supply.

There was a high production of fruit-bananas, driven by higher temperatures, a factor that anticipated the maturation process, pushing the prices down in some supply centers. The banana (Cavendish) remained with limited supply, but their price was controlled by the fruit-banana. Orange registered increases in all other supply centers surveyed, except for Fortaleza. Highs and falls were registered for papaya, with the highest appreciation in Goiânia. Watermelon followed the same oscillation as papaya, with the highest value in São Paulo (9.2%) and the lowest in Brasília (-49.1%).

The government of Goiás works to strengthen Supply Centers in Goiás, with the goal of guaranteeing provision to families and safe commercialization.

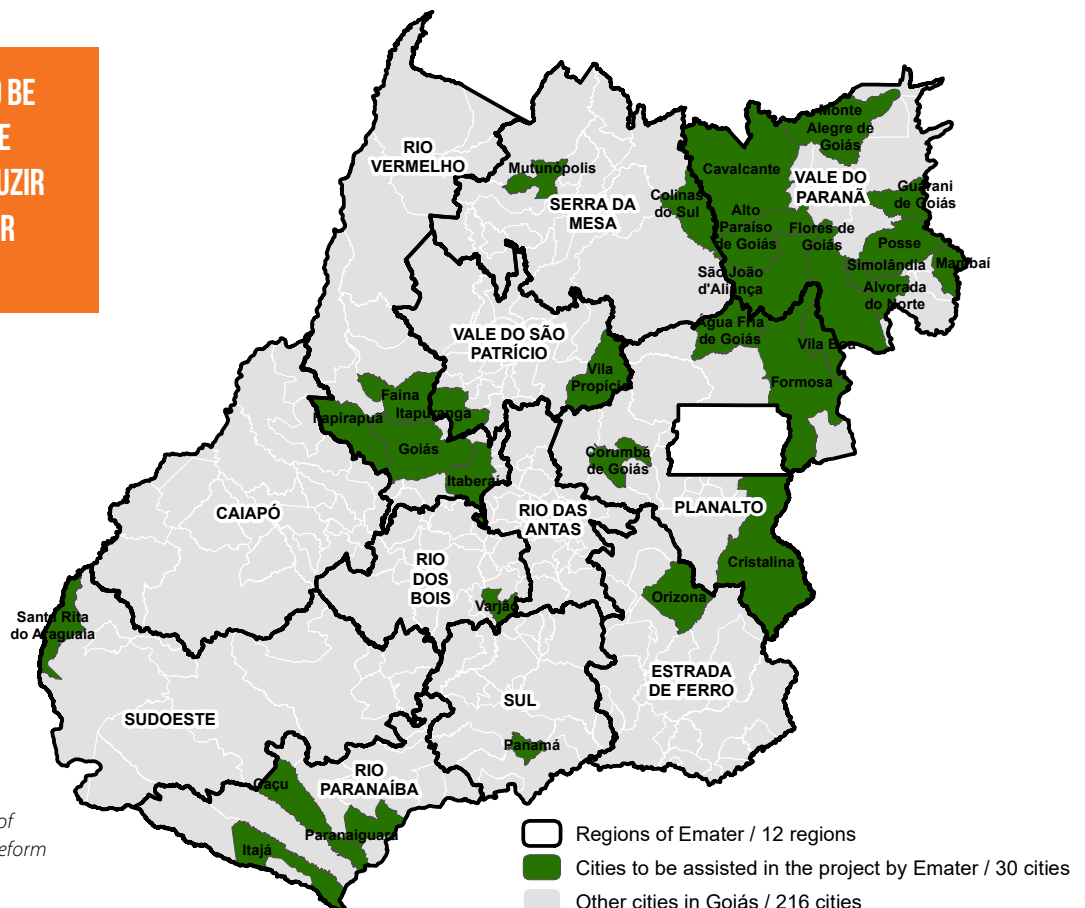
<sup>3</sup> CONAB - National Food Supply Company

### PRODUZIR BRAZIL PROGRAM

**Produzir Brazil Program** is one of those partnerships between Emater and the National Technical Assistance and Rural Extension Agency (Anater), which seeks to guarantee development in farms. The Program aims at benefiting 4 thousand families from 105 rural settlements, in 55 cities of Goiás, with an estimated investment of R\$ 7.84 million. Emater will take care of 2,005 families in 51 settlements in 30 cities in Goiás. The other families will be supported by Anater. In order to develop the actions, R\$ 7.84 million in resources will be made available in the state.

This action will take place in rural properties where INCRA<sup>1</sup>, in partnership with the Government of Goiás, handed the land titles of rural settlements in November this year.

**GOIÁS: CITIES TO BE ASSISTED BY THE PROGRAM PRODUZIR BRAZIL / EMATER**



<sup>1</sup> INCRA - National Institute of Colonization and Agrarian Reform

Source: Emater, 2020.



**SEAPA**  
Secretaria de  
Estado de  
Agricultura,  
Pecuária e  
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