



General Goods Trading

CommodityRepoNFT Presentation

# Wood Products Trading

Brazil May 2022

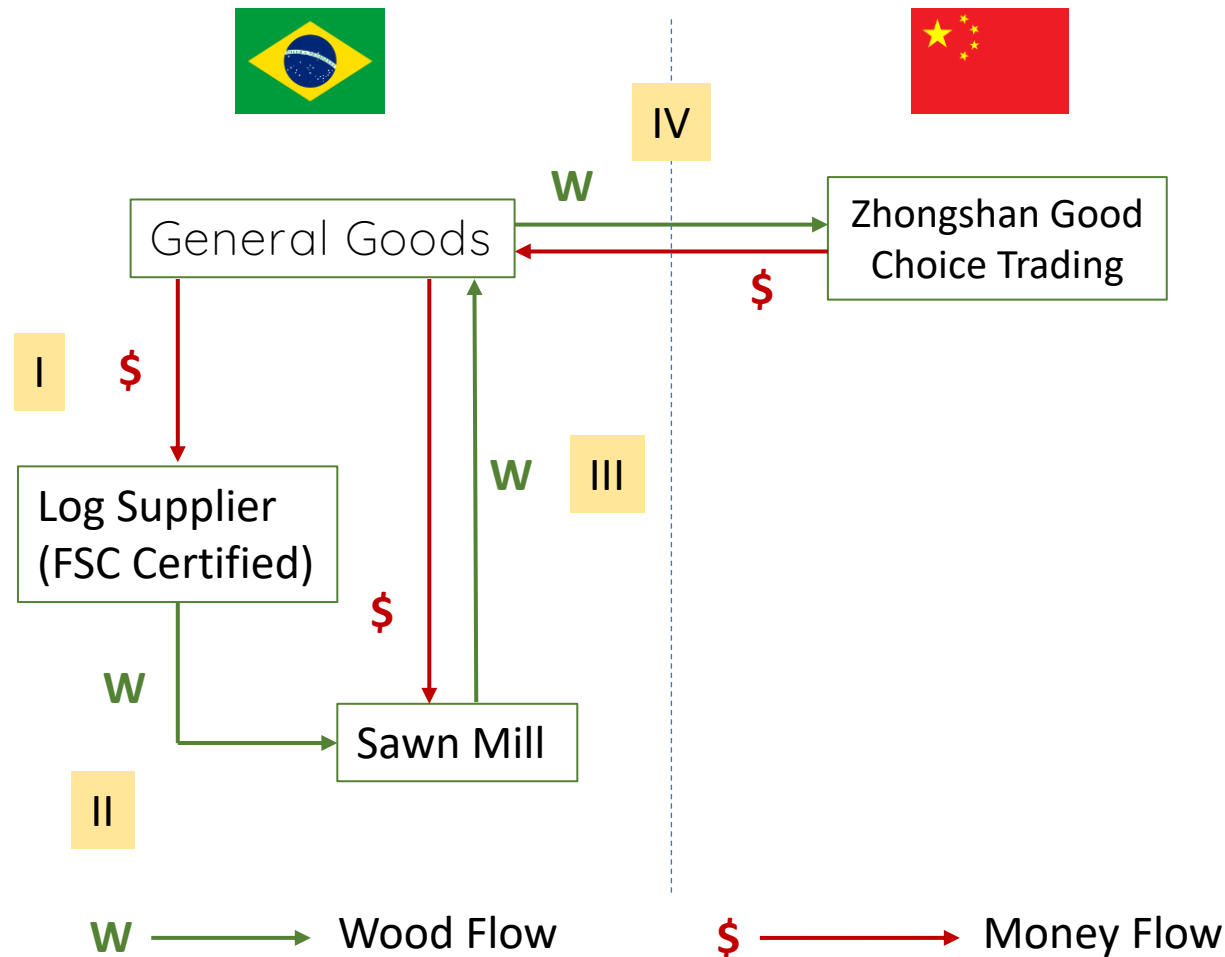
- 🌳 The Sustainable Forestry Management (SFM) is a reality. Is promoted under the REDD+ framework created by UNFCCC (United Nations Framework Convention on Climate Change, more info [here](#)) and attested by certifications issued by international organization such as FSC.
- 🌳 SFM actually contributes to the fight against Global Warming, not the opposite. In SFM the economic exploitation is made in a way that the forest has time to recover (we'll explain the whole system here). In the recovering process the forest absorb more carbon from the atmosphere than before the SFM.
- 🌳 Several SFM projects are generating and trading Carbon Credits in regulated markets.
- 🌳 **This is a eco-friendly NFT because we only trade wood supplied by SFM projects.**

- 🌳 Operation structure – plain vanilla and CommodityRepoNFT
- 🌳 CommodityRepoNFT Highlights
- 🌳 Sustainable Forestry Management Framework
- 🌳 Appendix: Wood Market facts and figures



# Operation structure Plain vanilla

# General Goods Trading



- I** General Goods uses its own working capital to buy logs from the log supplier. D-0
- II** The Supplier ships the logs to outsourced Sawn Mill to start industrialization process.
- III** Sawn Mill starts the production and ships the rough sawn wood to Itajaí Port in batches of 10 containers. First batch starts at D-45. General Goods pays for industrialization process at the shipment.
- IV** General Goods ships the containers to the Buyer and receives the payment at the presentation of the Bill of Landing (CAD – Cash Against Documents settlement).

# Operation structure

## Plain vanilla – detailed info

# General Goods Trading

Operation Cycle – June to April, shipping starts in late July

Volume traded since 2019:

Season	species	Volume m3	Contract Value USD	Avg Price USD/m3
2019-2020	JATOBÁ (Hymenaea sp)	2850	2,005,500	700
2020-2021	JATOBÁ (Hymenaea sp)	3650	2,993,000	820
2021-2022	JATOBÁ (Hymenaea sp)	5100	4,182,000	880

Incoterms FOB

Product type: Rough Sawn - AD

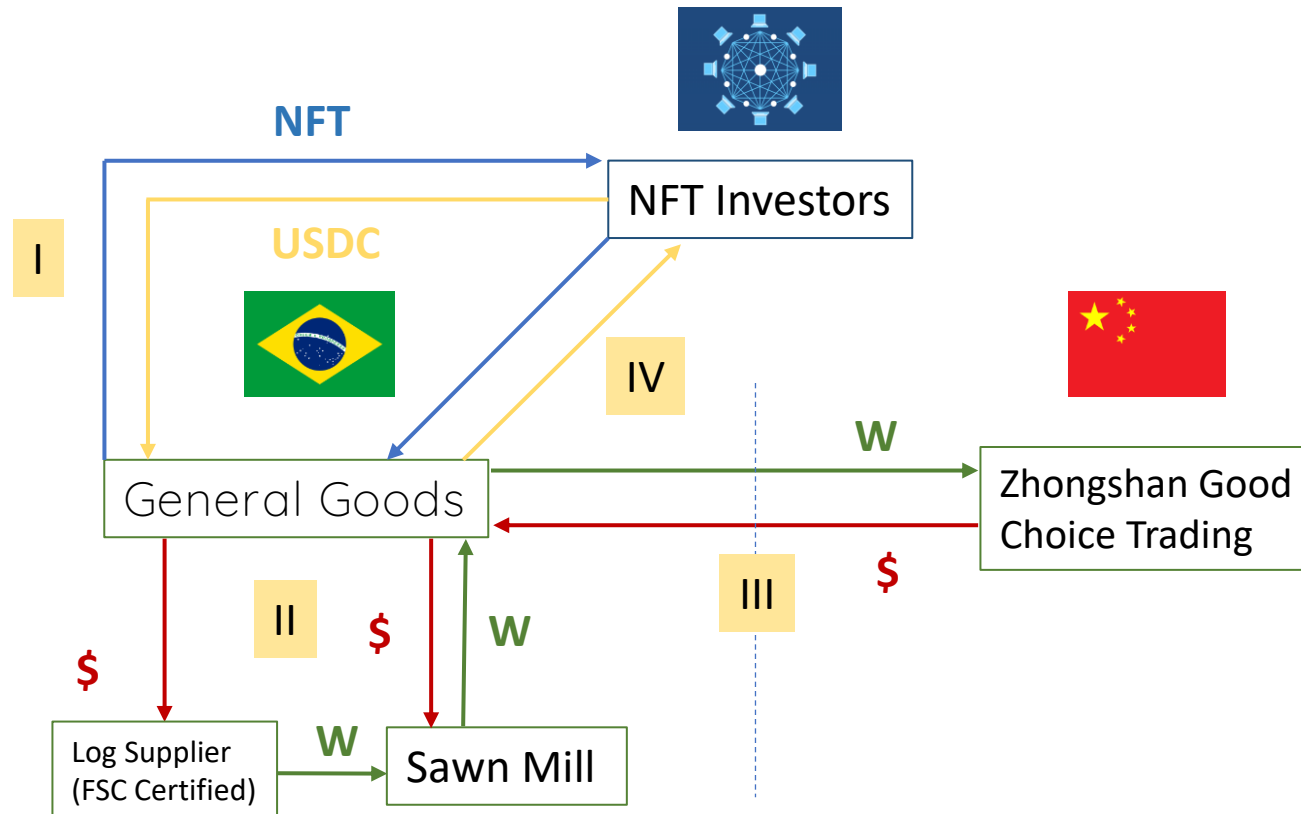
Log Supplier: AGROCORTX MADEIRAS DO ACRE AGROFLORESTAL  
Rodovia BR-364. Lote 50, Zona Rural, Sítio Katiani  
Manoel Urbano, Acre, Brasil

Buyer: ZHONGSHAN GOOD CHOICE TRADING CO. LTD.  
Block 21, Floor 2, No. 28 Jieyuanli,  
Shiqi District, Zhongshan city,  
Guangdong Province, China

Container value: aprox. USD 20,000 (2021-2022 Season)

## Log Supplier FSC Certificate





W → Wood Flow    \$ → Money Flow    NFT → NFT Flow    USDC → USDC Flow



- ✿ We offer Annual Percentage Yield (APY) of **3%** in USDC. For the sake of comparison Exchanges in the market pays aprox. **1.2%** APY for saving deposit in USDC. In US Market the highest rate for Certificate of Deposit (Cd's) are currently offering **2.25%** for 5<sup>yr</sup> term. For short term, 16<sup>mo</sup>, the rates are around **1.85%**.
- ✿ A few words about USDC: is a digital currency that is fully backed by U.S. dollar assets, which means that for every USDC in the crypto market there is one U.S. dollar in segregated accounts in U.S.-regulated financial institutions. USDC is designed to be a stable coin and its price stability contrasts sharply with the notorious price fluctuations of other cryptocurrencies like Bitcoin and Ethereum.
- ✿ CommodityRepoNFT is a short term investment, 60 days, and we are starting with one container value to tap the market.

Sustainable Forestry Management is extensively regulated in Brazilian Legal Framework. SFM implies in the following main aspects:

- ✿ **Exploitation intensity:** the maximum volume to be extracted is 25.8m<sup>3</sup> per hectare (10,000m<sup>2</sup>);
- ✿ **Extraction cycle:** the whole SFM project area is divided in 30 Annual Production Units (APU), with 5,800 hectares (in Agro cortex case). This means that the same APU will be managed only 30 years after its previous extraction plan. This gives time to the forest to recover.
- ✿ **Forest inventory:** In each APU, a forest inventory is carried out on 100% of the species of commercial interest in the year prior to their exploitation. The geographic coordinates of all trees are collected with GNSS receivers.
- ✿ **Trees categorization:** will be selected to extraction only trees that attend to several characteristics such as, minimum diameter at breast height (DBH) of 100cm, not mother tree (seed carriers), not rare tree (<0.03 trees per he), not a species that have exploitation prohibited by law, not tree in or close to permanent preservation area, not trees with nests.





Appendix

General Goods Trading

Wood Market facts and figures

# Forestry Products Global Trade Overview

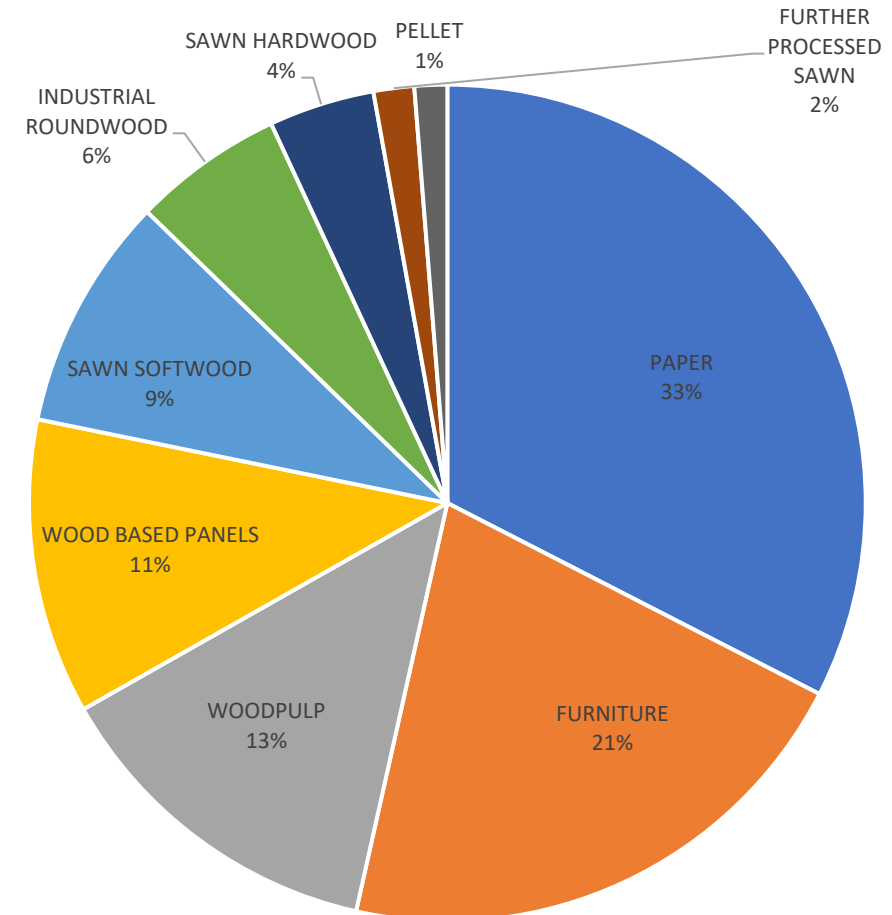
# General Goods Trading

- 🌲 Pulp & Paper (P&P) represents 54% of global imports.
- 🌲 Global trade dominated (78%) by value added products.

Total value of world imports:

2016-2017 (avg per year)	USD BI
PAPER	92.8
FURNITURE	59.75
WOODPULP	37.9
WOOD BASED PANELS	32.55
SAWN SOFTWOOD	25.8
INDUSTRIAL ROUNDWOOD	16.6
SAWN HARDWOOD	11.65
FURTHER PROCESSED SAWN	4.48
PELLET	3.6
	285.13

Source: ECE/FAO Forest Products Annual Market Review, 2018-2019



# Market excluding P&P

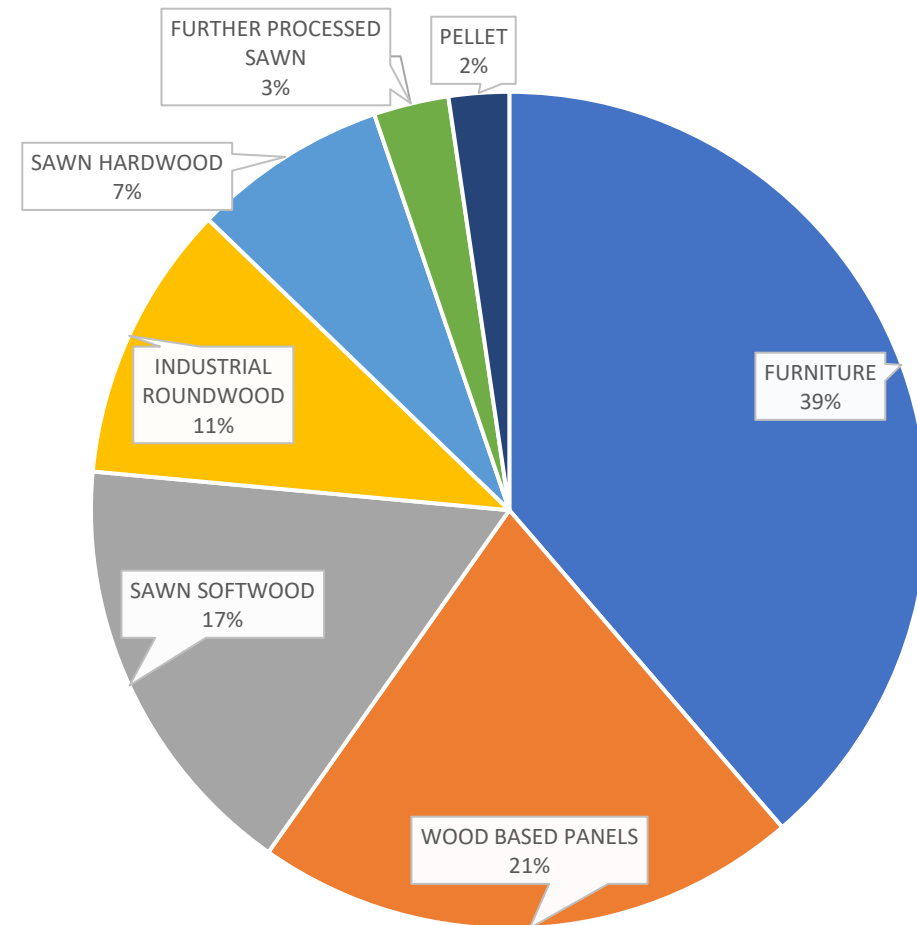
# General Goods Trading

- Our current business niche, sawn hardwood trading, has globally a turnover of circa USD 11.65 B.
- We are about to access the #1 and #2 niches with Engineered Wood Products, increasing the market to USD 103.95 B.

Total value of world imports:

FURNITURE	59.75	38.69%
WOOD BASED PANELS	32.55	21.08%
SAWN SOFTWOOD	25.8	16.71%
INDUSTRIAL ROUNDWOOD	16.6	10.75%
SAWN HARDWOOD	11.65	7.54%
FURTHER PROCESSED SAWN	4.48	2.90%
PELLET	3.6	2.33%
	154.43	

Source: ECE/FAO Forest Products Annual Market Review, 2018-2019





# Trade flow Sawn Hardwood

# General Goods Trading

- 🌳 China still major destination to Sawn Hardwood exports – 42.41%.
- 🌳 Brazilian production represents 2% of Global production.
- 🌳 We only trade FSC Certified wood and we don't believe that Brazil needs to have a big share in Global Trade.

2020 figures:

World Production: 124 MM m<sup>3</sup>

World Export: 21.8 MM m<sup>3</sup>

Brazilian Production: 2.4 MM m<sup>3</sup>

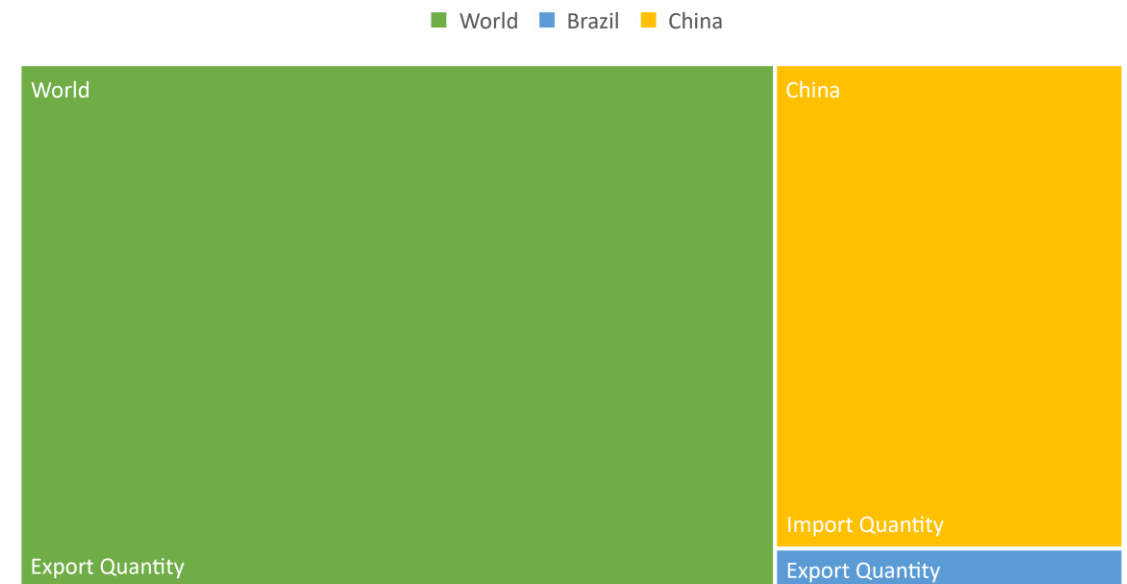
Brazilian Export: 799k m<sup>3</sup>

Brazilian Share in Global Trade: 3.67%

Chinese Import: 9.2 MM

Chinese Import Share in Global Trade: 42.41%

World Trade Flow - Brazil Export & China Import



# Wood Based Panel

# General Goods Trading

- Significant increase of USA imports, 60% increase in 4 years
- China still far away ahead peers in production, consumption and exports
- 22% of global production are traded – 91 MM m<sup>3</sup>

WOOD BASED PANEL PRODUCTION	408 MI M3
ASIA PACIFIC	248 MI M3
CHINA	204 MI M3
EUROPE	90 MI M3
NORTHERN AMERICA	48 MI M3
LATIN AMERICA CARIBBEAN	19 MI M3
AFRICA	3 MI M3

Source: Global Forest Products – Facts and Figures, 2018. Food and Agriculture Organization of the United Nations

