

SUGARCANE

2020/2021 OUTLOOK SUMMARY

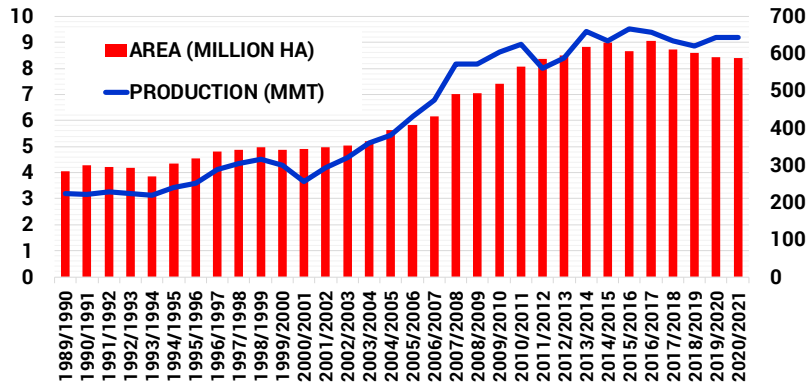


NOVEMBER/2020

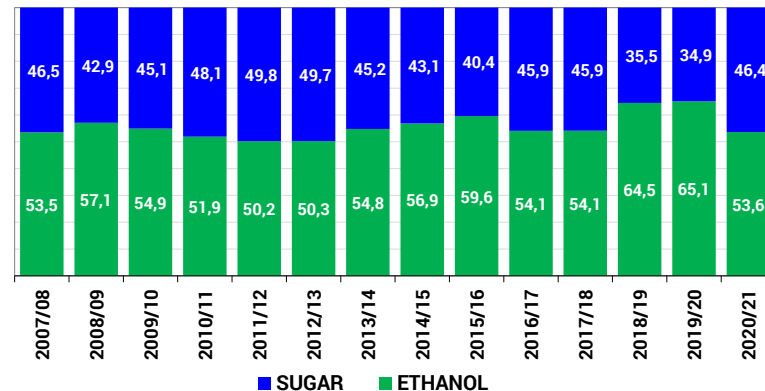


- In the 2020/2021 season, between April and November 2020, sugarcane crushing in the Center-South of Brazil reached 585.7 MMT, an increase of 3.7% over the same period of the previous year.
- In this period, sugar production in the Center-South increased by 44.4%, compared to the same period of the previous season, reaching a total of 37.660 MMT.
- Ethanol production, in the 2020/2021 season, reached 28.290 billion liters, a decrease of 7.1% in comparison to the same period of the previous year. From this total, 9.040 billion liters were anhydrous and 19.250 billion liters of hydrous.
- In the accumulated of the 2020/2021 cycle, between April and November, the quality of ground sugar cane reached 145.17 Kg of Total Recoverable Sugar per processed tonne (ATR/t), an increase of 4.3% compared to the 2019/2020 harvest.
- In the accumulated of the 2020/2021 harvest, 147 units already finished the milling activities, compared to 126 in the same period of 2019. In the second half of November, another 67 mills are expected to complete the operations of the current agricultural cycle.
- Year to date, 53.5% of the processed sugarcane was targeted for ethanol production, well below the 65.1% of the past harvest.

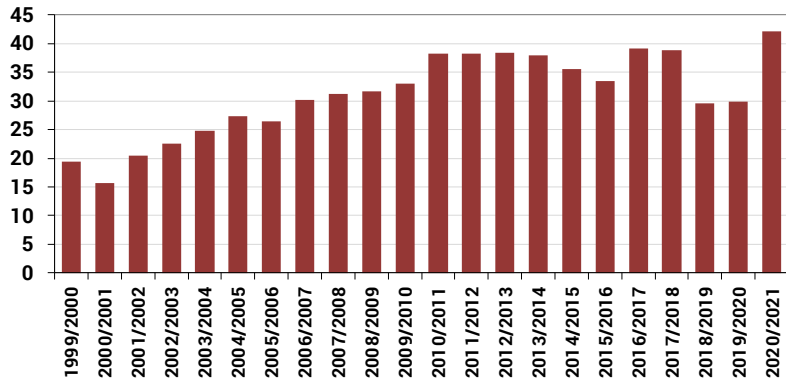
SUGARCANE: BRAZIL AREA AND PRODUCTION



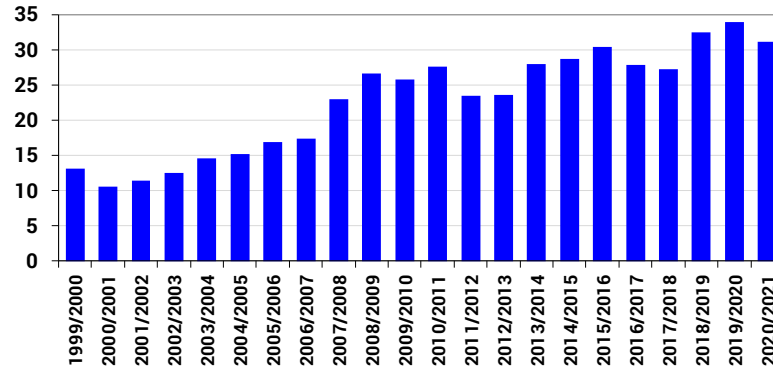
SUGARCANE: BRAZIL MIX EVOLUTION(%)



SUGAR: BRAZIL PRODUCTION - MMT



ETHANOL: BRAZIL PRODUCTION - BILLION L

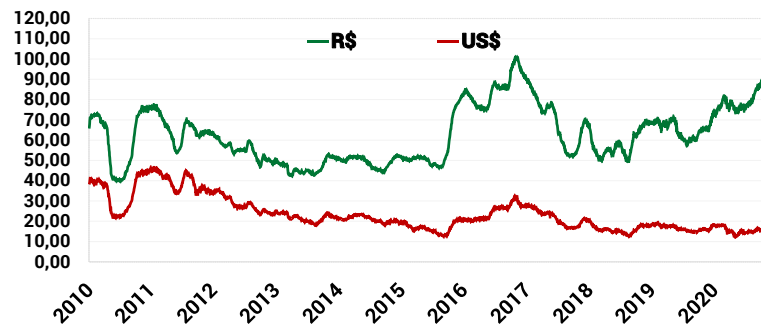


- The CEPEA / ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 108.96 per 50 kg, accumulating a 11.8% increase in the last 30 days and 65.9% in the last 12 months.
- On the New York Stock Exchange, the future prices for raw sugar remain firm, above 15 ¢ per pound, accumulating a strong increase of 17% in the last 12 months.
- The price support at high levels comes from a greater number of plants already in the off-season and from a more heated demand, which allows the units still in operation to ask higher values on the spot market.
- In addition, the strengthening of international sugar prices and the dollar at high levels throughout this year favored Brazilian exports, leaving the availability of sugar in the domestic market even more limited in this off-season.
- In São Paulo, internal sales pays more than the external, with the Crystal Sugar Indicator quoted at R\$ 108.96 per 50kg, compared to R\$ 94,99 per 50kg of the March / 2021 contract on the New York Stock Exchange, given a R\$ 5.35 exchange rate.
- From January to October 2020, Brazilian sugar exports grew 72.8%, compared to the same period of the previous year.

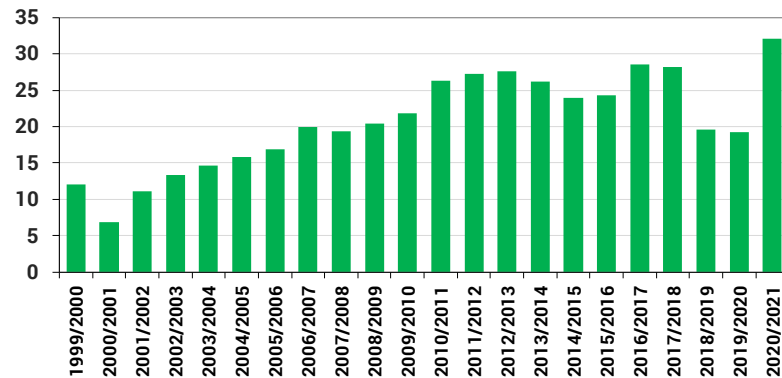
RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT

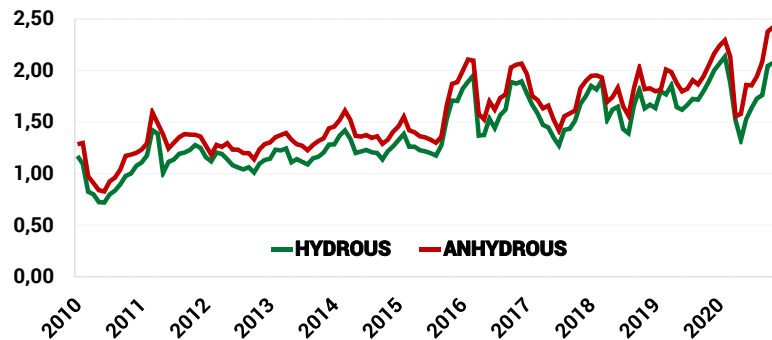


GRANULATED SUGAR: SÃO PAULO WHOLESALE x FAS PORT OF SANTOS - R\$/50 KG

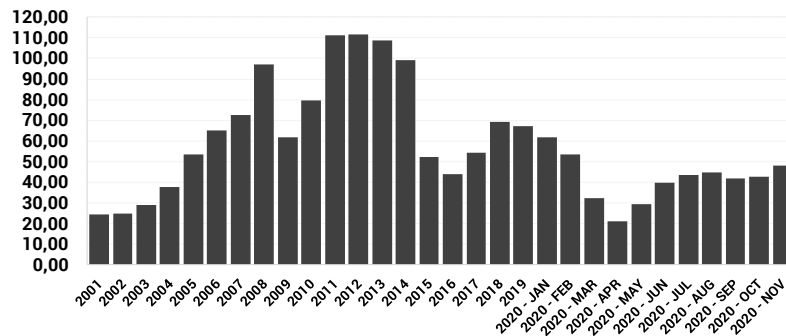


- The trend is for an increase in ethanol prices, given the strong recovery in oil prices and the gradual recovery in domestic demand.
- The price of hydrous ethanol is quoted at R\$ 2.07/l on average, FOB São Paulo plants (without ICMS neither PIS / Cofins), increases of 1.4% in the last 30 days and 9.4% in the last 12 months.
- Anhydrous ethanol, FOB plants in São Paulo, is quoted at R\$ 2.42/l (without PIS / Cofins), registering increases of 1.7% in the last 30 days and 17.9% in the last 12 months.
- In the partial of the current 2020/2021 harvest, the average prices of hydrous and anhydrous ethanol sold by the São Paulo production units are 14% lower than those observed in the same period of the previous harvest (2019/2020), in real terms (values inflation-adjusted by the IGP October 2020).
- This reduction results from the lower fuel consumption during some months of 2020, in view of the mobility restriction measures that were adopted in Brazil to fight the Covid-19 pandemic.
- In addition, the fall in oil quotations caused a drop in gasoline prices at refineries, driving ethanol prices down in the first half of 2020.

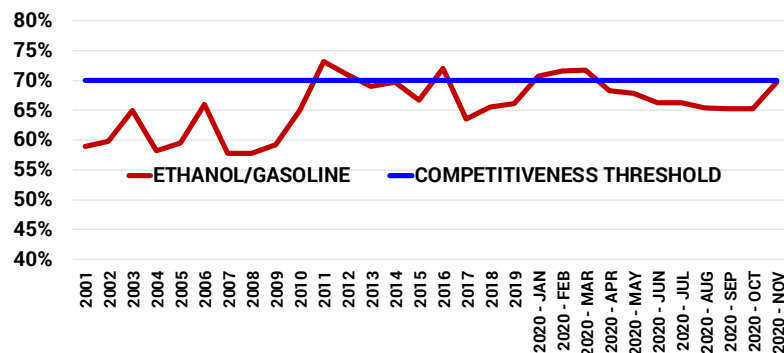
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



BRENT OIL: AVERAGE PRICE - US\$/BARREL



HYDROUS ETHANOL COMPETITIVENESS IN RELATION TO GASOLINE - BRAZIL AVERAGE



ETHANOL AVERAGE PRICES - FOB SÃO PAULO PLANTS

| HARVEST | ANHYDROUS ETHANOL | | HYDROUS ETHANOL | |
|-----------------------|-------------------|--------------|-----------------|---------------|
| | R\$/L | US\$/L | R\$/L | US\$/L |
| 2014/2015 | 1,40 | 0,57 | 1,25 | 0,51 |
| 2015/2016 | 1,74 | 0,48 | 1,57 | 0,44 |
| 2016/2017 | 1,79 | 0,54 | 1,63 | 0,50 |
| 2017/2018 | 1,71 | 0,53 | 1,58 | 0,49 |
| 2018/2019 | 1,80 | 0,48 | 1,63 | 0,43 |
| 2019/2020 | 2,01 | 0,49 | 1,83 | 0,44 |
| 2020/2021 | 1,96 | 0,36 | 1,70 | 0,31 |
| 30 DAYS CHANGE | 1,7% | 6,4% | 1,4% | 6,1% |
| 12 MO CHANGE | 17,9% | -8,7% | 9,4% | -14,8% |



+55 51 3248 1117
+55 51 999 867 666



www.carloscogo.com.br/en



consultoria@carloscogo.com.br



@cogointeligencia

