

SUGARCANE

2021/2022 OUTLOOK SUMMARY

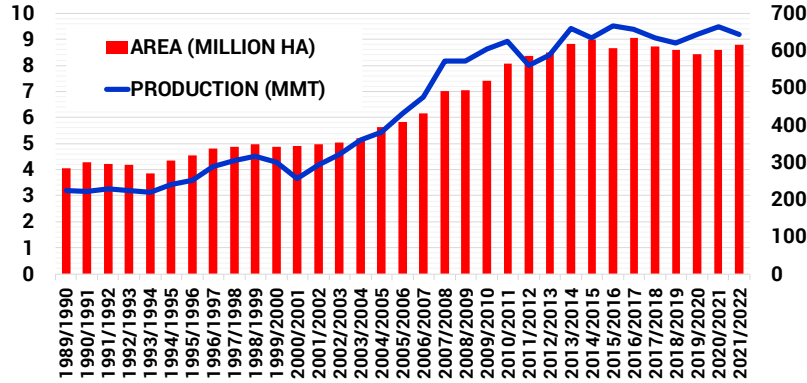


APRIL/2021

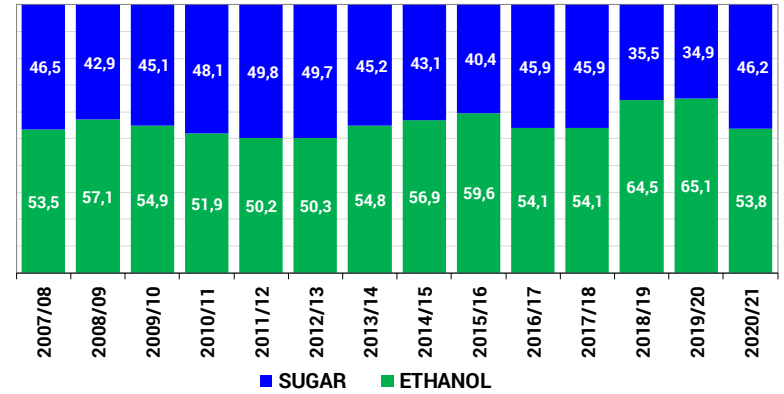


- The beginning of the sugarcane harvest 2021/2022 is being hampered by the lack of rain, especially in SP, GO and MG.
- The sugarcane formation period has 40% to 45% less rain and the best scenario is for MS, where the cane are responding well.
- The northwest of SP and the south of the Triângulo Mineiro (MG) are the most affected areas so far.
- The Center-South Region of Brazil processed 15.6 MMT of sugarcane in the first half of April, 30.5% less than in the same period of the previous year.
- The number of production units in operation at the beginning of this season also fell, from 180 in the first half of April 2020 to 147 in 2021.
- In the second half of April, another 60 mills are starting to grind the 2021/2022 harvest in the Center-South.
- The long period of below the historical average rain has hindered the development of sugarcane and led the mills to start crushing later this year.
- Total Recoverable Sugars (TRS), which measures the quality of the raw material, started the season at 108.73 kg per tonne of sugarcane, an annual decrease of 3.6%.

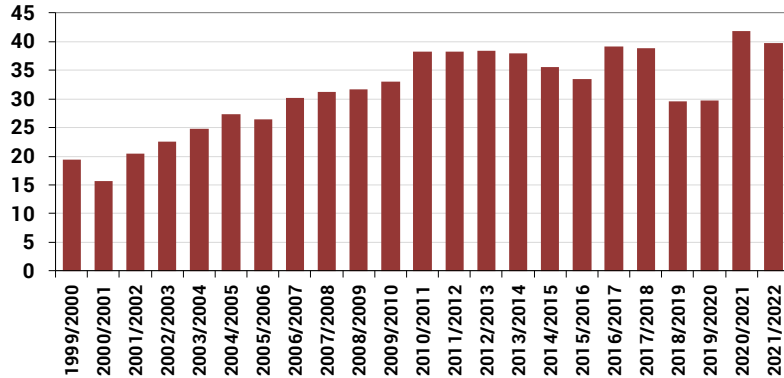
SUGARCANE: BRAZIL AREA AND PRODUCTION



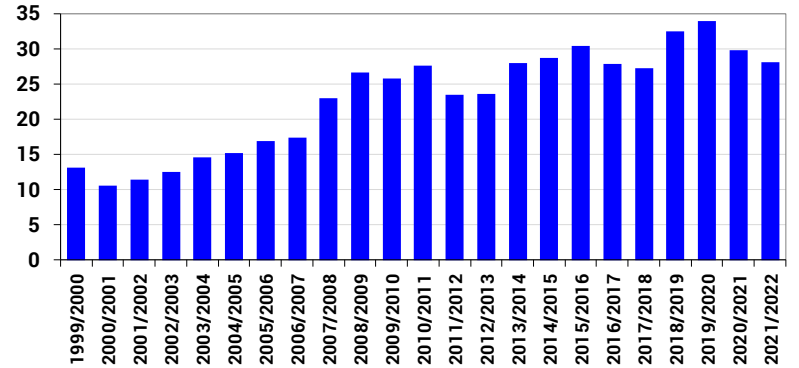
SUGARCANE: BRAZIL MIX EVOLUTION(%)



SUGAR: BRAZIL PRODUCTION - MMT

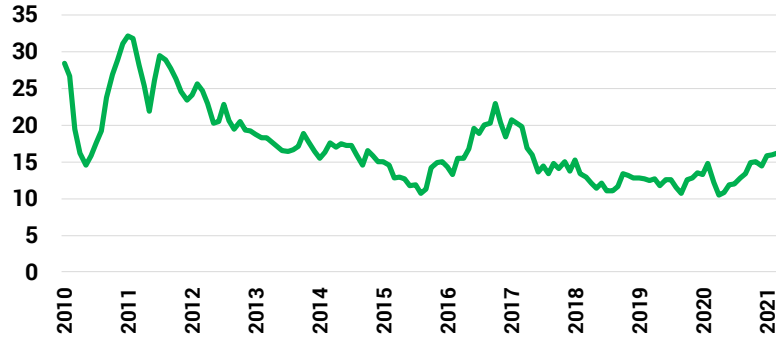


ETHANOL: BRAZIL PRODUCTION - BILLION L

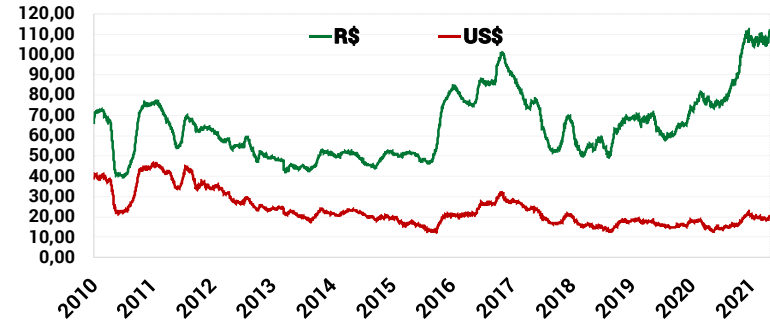


- The CEPEA / ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 112.51 per 50 kg, a 5.8% increase in the last 30 days and 49.4% in the last 12 months.
- On the New York Stock Exchange, the sugar futures contract due in May / 2021 is quoted above 17 cents / pound, accumulating a 65% rise in the last 12 months.
- With the delay in sugarcane crushing at the beginning of the 2021/2022 harvest, sugar production has not yet occurred in all mills and the supply remains low, which, consequently, keeps prices steady at the spot market in São Paulo.
- The units that are already producing sugar, in turn, prioritize early contract deliveries.
- The increases in international prices also support values in Brazil, with the May / 2021 maturity on the New York Stock Exchange appreciating 15% in April, supported by forecasts indicating reduced harvests in Brazil and the European Union.
- Currently, sugar exports pay only 1.5% more than sales on the domestic market.
- The trend is for firm quotations on the New York Stock Exchange throughout 2022, with the projected sugar deficit in the next global season 2021/2022.

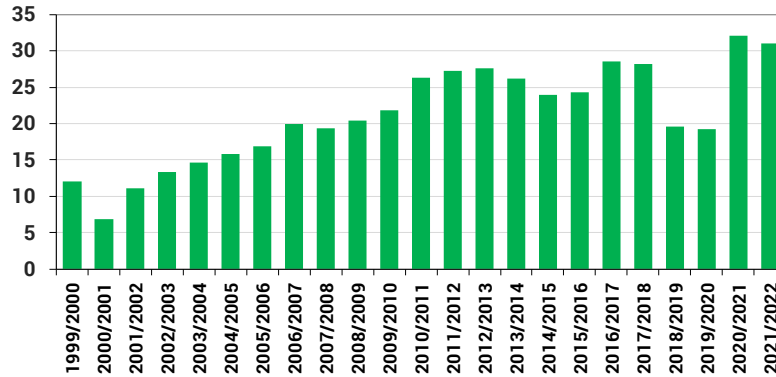
RAW SUGAR: FUTURES AT ICE US (NEW YORK)
¢ PER POUND



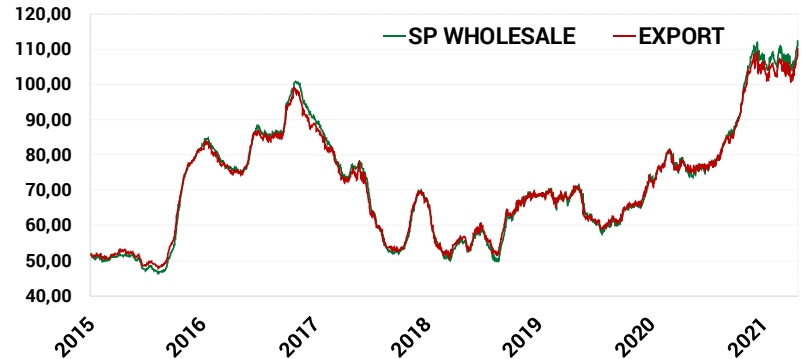
GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT

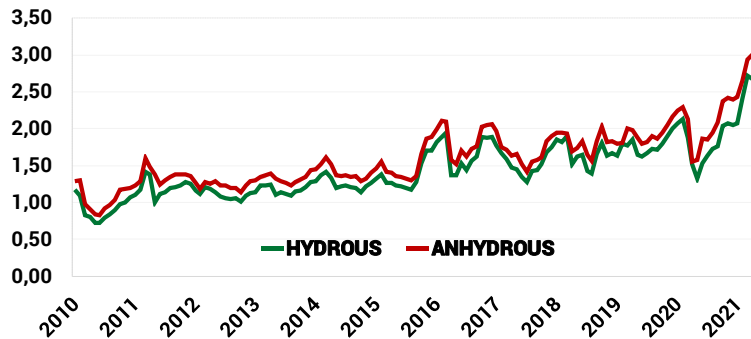


GRANULATED SUGAR: SÃO PAULO WHOLESALE x FAS PORT OF SANTOS - R\$/50 KG

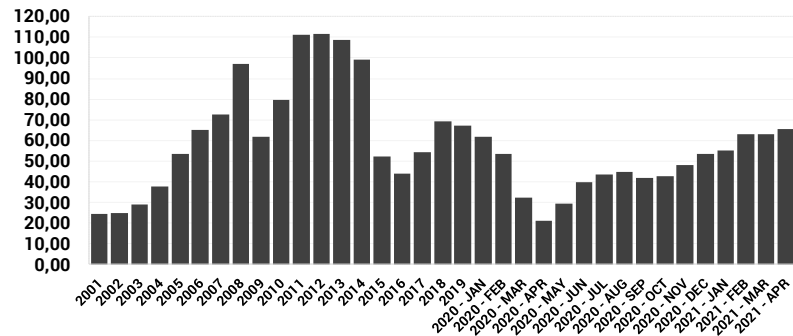


- The average price of hydrous ethanol is quoted at R\$ 2.67/l on average, FOB São Paulo plants (without ICMS neither PIS / Cofins), a decrease increase of 1.5% in April, but still a sharp increase of 76.4% in the last 12 months.
- Anhydrous ethanol, FOB plants in São Paulo, is quoted at R\$ 3.01/l (without PIS / Cofins), an increase of 2.5% in April and 93.6% in the last 12 months.
- Prices are sustained by the slow progress of milling in plants in the Center-South and by the return of demand from distributors, in addition to the global increase in oil and gasoline in Brazil.
- The anhydrous and hydrous price difference is 12.6% in April / 2021, in the state of SP.
- Although this spread is below that observed in the equivalent period of 2020, when it was 14.8%, it has been growing since the first week of April.
- In relative terms, the price of sugar is 13.5% higher than that of anhydrous ethanol and 22.5% above hydrous ethanol in the accumulated result for this month of April.
- In 2021, the offer of Decarbonization Credits (CBios) is expected to exceed the amount that distributors need to buy to prove compliance with the emission reduction targets set at RenovaBio.

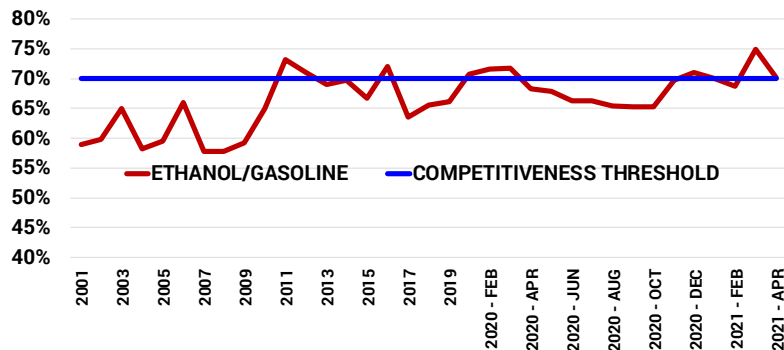
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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	U\$/L	R\$/L	U\$/L
2014/2015	#REF!	#REF!	#REF!	#REF!
2015/2016	1,81	0,48	1,64	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	2,17	0,41	1,91	0,36
30 DAYS CHANGE	2,5%	2,2%	-1,5%	-2,0%
12 MO CHANGE	93,6%	86,5%	76,4%	70,0%



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