

SUGARCANE

2021/2022 OUTLOOK SUMMARY



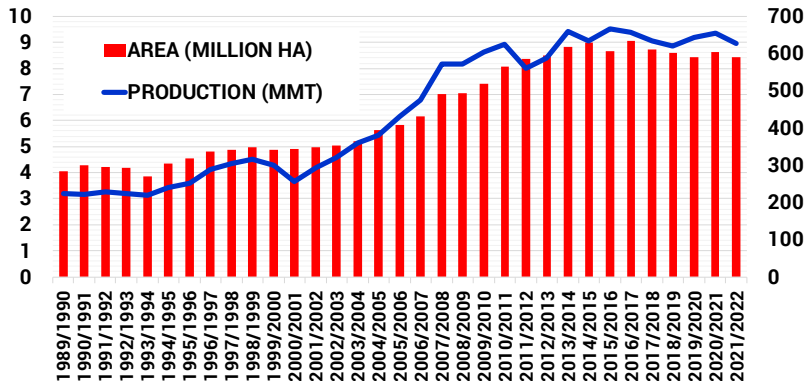
JUNE/2021



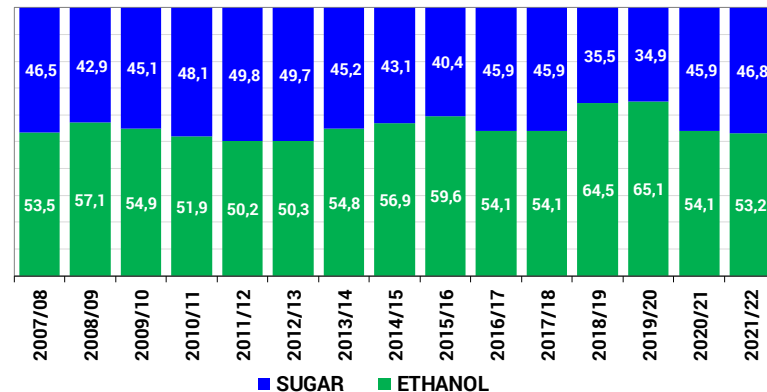
- The sugarcane production estimate for the 2021/2022 harvest is 628.1 MMT, 4% below the 2020/2021 season.
- In the 2021/2022 harvest (which started on April 1st of this year), sugarcane crushing in the Center-South region of Brazil reached 129.646 MMT on June 1st, a 10.9% decrease over the 145.466 MMT of the same period of the 2020/2021 cycle.
- In São Paulo, the accumulated crushing decreased by 18.8% in the same period, while in the rest of the producing states in the Center-South, processing increased by 2.2%.
- In the 2021/2022 cycle, the harvest reached 128.27 Kg of Total Recoverable Sugars (TRS) per tonne of sugarcane in the Center-South, 1.24% higher than the value calculated in the last cycle.
- From the beginning of the harvest until June 1st, 45.14% of the raw material was destined to sugar production, compared to 45.83% in the same period of 2020/2021.
- Thus, the accumulated production of sugar amounts to 7.152 MMT, 11.1% less than the 8.047 MMT produced a year earlier, while the accumulated production of ethanol in the 2021/2022 harvest totals 5.824 billion liters, 6.6% lower than registered in the same period of the previous harvest.



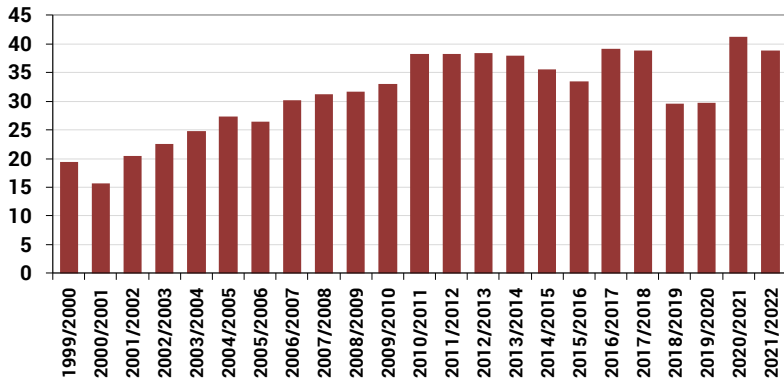
SUGARCANE: BRAZIL AREA AND PRODUCTION



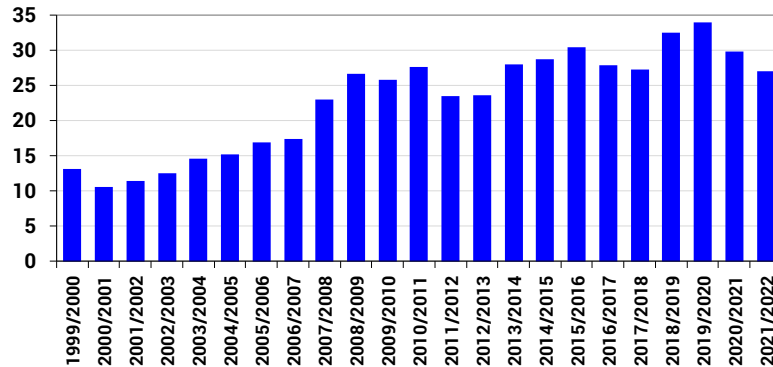
SUGARCANE: BRAZIL MIX EVOLUTION(%)



SUGAR: BRAZIL PRODUCTION - MMT

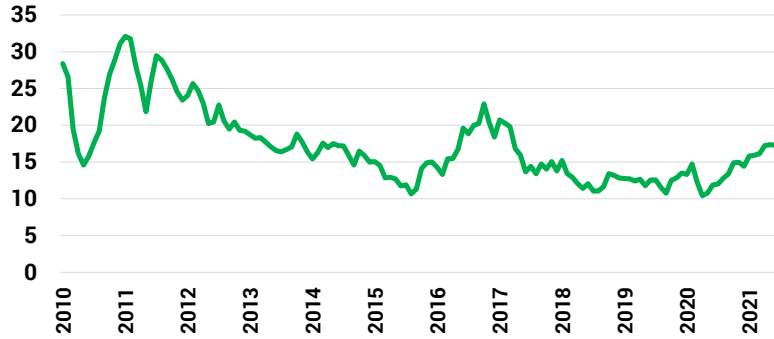


ETHANOL: BRAZIL PRODUCTION - BILLION L

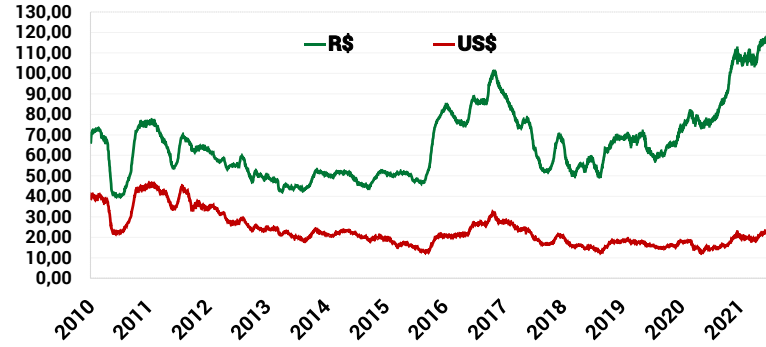


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 116.89 per 50 kg - the highest nominal value in the historical series -, accumulating an 1.6% increase in the last 30 days and 54.4% in the last 12 months.
- A stronger demand, the delay in the start of crushing in the Center-South region of Brazil and the lower productivity of sugarcane fields keep crystal sugar prices high in the state of São Paulo.
- In New York, the sugar futures contract maturing in July/2021 remains quoted above the level of 17 cents/pound, accumulating an increase of 60% in the last 12 months.
- The low productivity of sugarcane fields in Brazil also influences the rise in external sugar prices.
- The projection is for a deficit of 3.1 MMT in the 2020/2021 global sugar harvest (which runs until September this year), with a reduction in supply from Thailand.
- Currently, sales in the domestic market pay 10.8% more than sales abroad.
- Brazilian sugar exports remain very heated this year, with shipments of 10.4 MMT between January and May 2021, a sharp expansion of 23.7% compared to the same period last year.

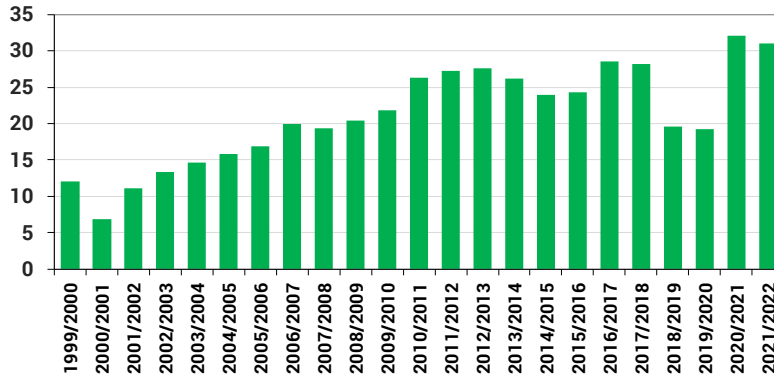
RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



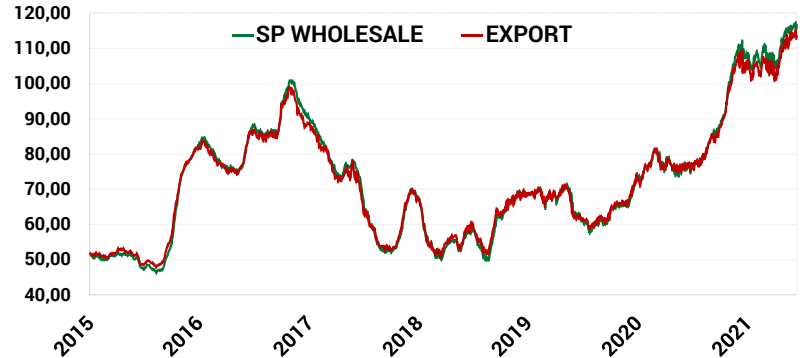
GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT



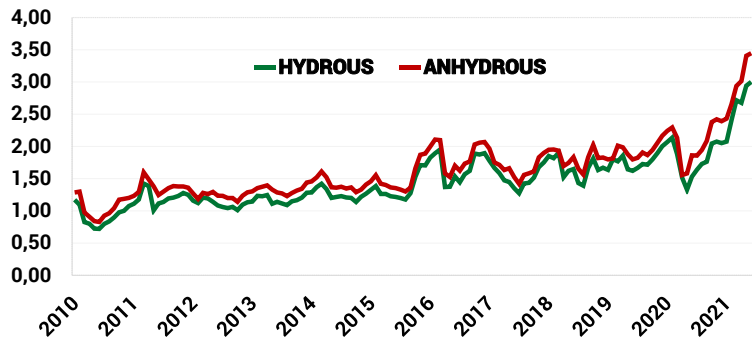
GRANULATED SUGAR: SÃO PAULO WHOLESALE x FAS PORT OF SANTOS - R\$/50 KG



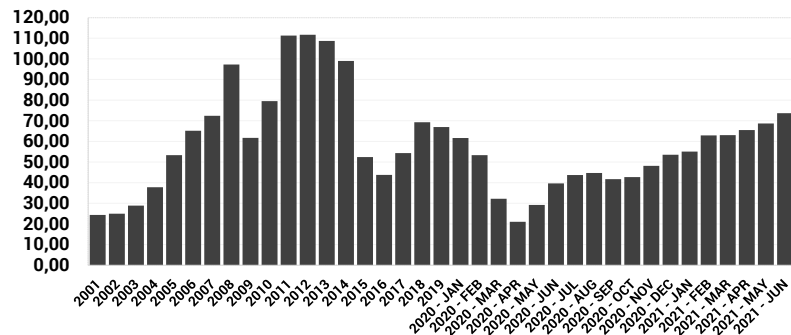
- The average price of hydrous ethanol is quoted at R\$ 3.00/l on average, FOB São Paulo plants (without ICMS neither PIS / Cofins), an increase of 2.0% in 30 days and 96.1% in the last 12 months.
- Anhydrous ethanol, FOB plants in São Paulo, is quoted at R\$ 3.44/l (without PIS / Cofins), an increase of 1.2% in the last 30 days and 85.1% in the last 12 months.
- In the 2021/2022 harvest (started on April 1st this year), 4.62 billion liters of ethanol were sold by plants in the Center-South region of Brazil, 14.8% above the volume traded in the same period of the previous harvest.

- The supply of ethanol is enough to fill the domestic market and the observed production pace guarantees the full supply of the national fuel market and compliance with the mandatory mixture of anhydrous ethanol in gasoline.
- Market agents have been claiming that the supply of biofuel is low, mainly because of the lower sugarcane crushing expected for this season, due to the dry weather.
- At the moment, there is no restriction in the supply of biofuel at the mills and anhydrous ethanol sales are growing, while hydrous ethanol sales are falling in the current crop.

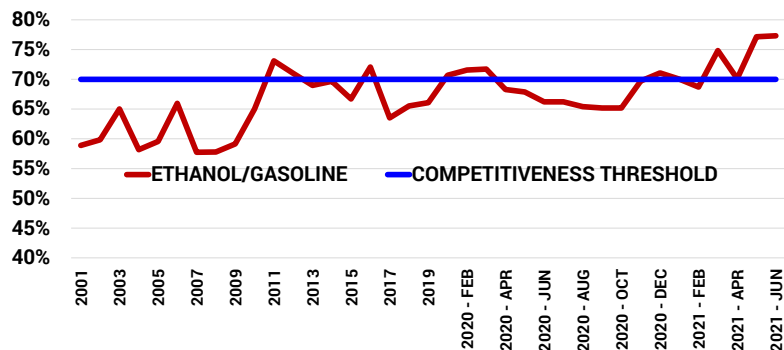
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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
2015/2016	1,86	0,49	1,68	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
2021/2022	3,29	0,62	2,87	0,54
30 DAYS CHANGE	1,2%	5,5%	2,0%	8,8%
12 MO CHANGE	85,1%	80,2%	96,1%	107,4%



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