SUGARCANE

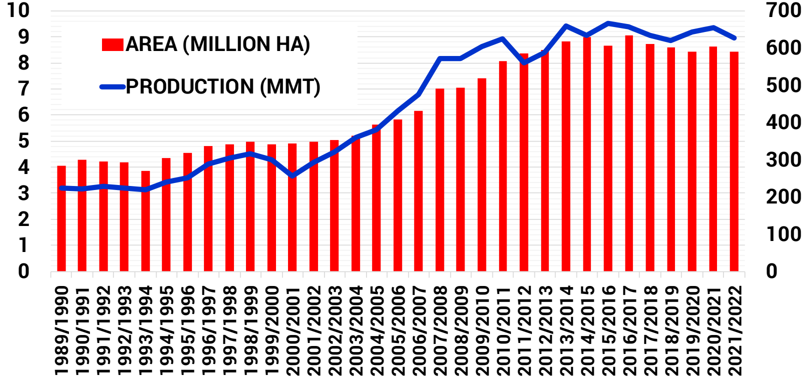
2021/2022 OUTLOOK SUMMARY

COGO intelligence in agribusiness

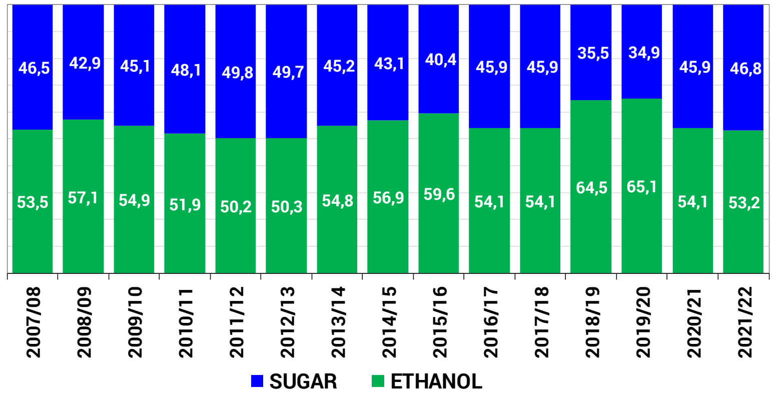
JULY/2021

- In the 2021/2022 harvest (which started on April 1st of this year) until the end of June, the crushing accumulated decrease of 8.4%, reaching 210.9 MMT, against 230.4 MMT in the same period of the 2020/2021 cycle.
- Regarding the number of plants in operation, 254 companies registered production up to July 1st, compared to 264 units on 7/1/2020.
- According to sample data from the Sugarcane Technology Center (CTC), productivity is 80.9 tonnes per harvested hectare in June, compared to 90.9 tonnes observed in the same period in the 2020/2021 harvest, a 11% yield drop.
- The accumulated drop in productivity up to June generated a decline in the supply of some products.
- In the 2021/2022 cycle, the harvest reached 132.91 Kg of Total Recoverable Sugars (TRS) per tonne of sugarcane in the Center-South, an increase of 1.4% compared to 2020/2021.
- The dry weather has reduced the productivity, but, on the other hand, this condition has stimulated the concentration of sugars in the plant.
- The effect of frosts in sugarcane producing regions is being estimated by the mills, but it is possible that it will have bigger impact in the 2022/2023 harvest.

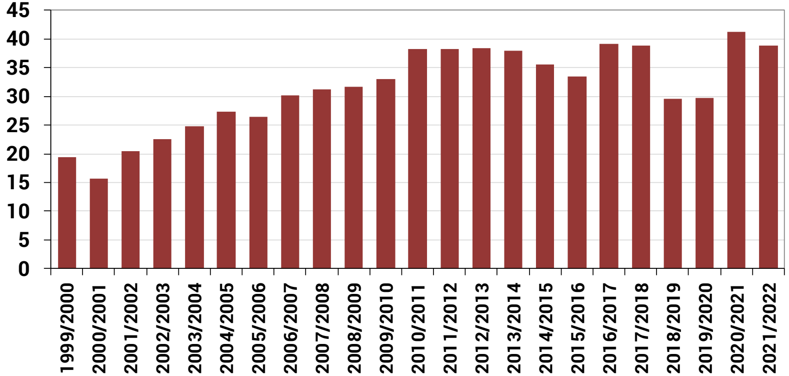
SUGARCANE: BRAZIL AREA AND PRODUCTION



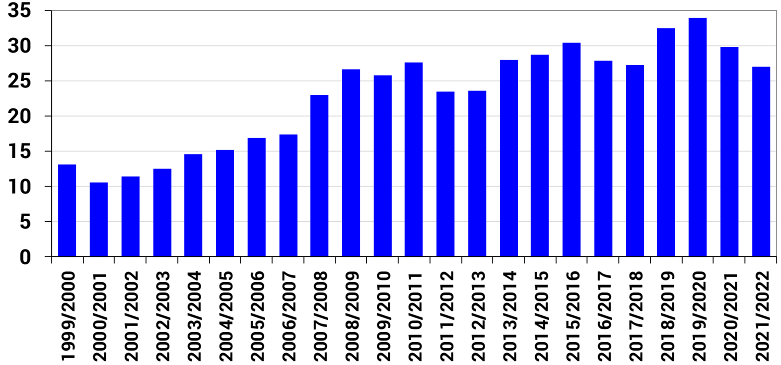
SUGARCANE: BRAZIL MIX EVOLUTION(%)



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$ 116.55 per 50 kg bag, accumulating a rise of 2.0% in the last 30 days and 51.3% in the last 12 months.

- Some mills even lowered prices for ICUMSA 150 crystal (better quality), whose supply has been restricted in this 2021/2022 harvest, due to difficulties related to the product's storage logistics.

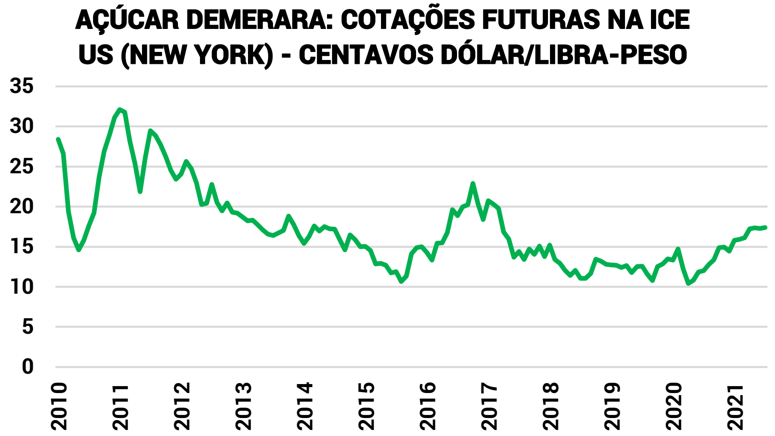
- In New York, the sugar futures contract maturing in October/2021 remains quoted above 17¢/pound, accumulating an increase of 45% in the last 12 months.

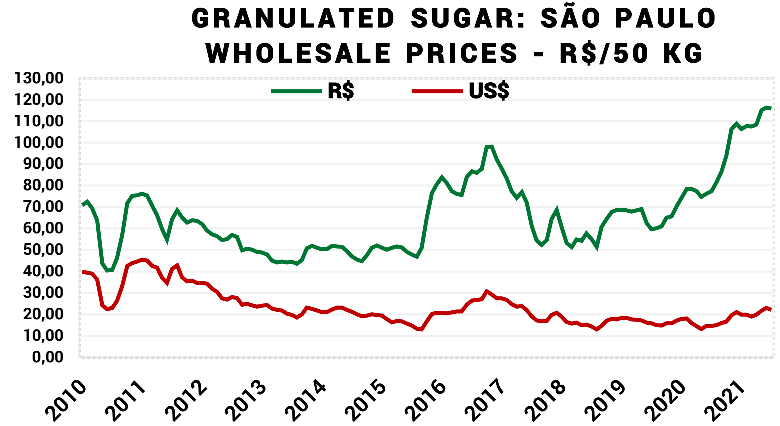
- The sustained international price of Brent oil at around US$ 75 per barrel influences the production mix of mills in Brazil and, consequently, the supply of sugar in the world market.

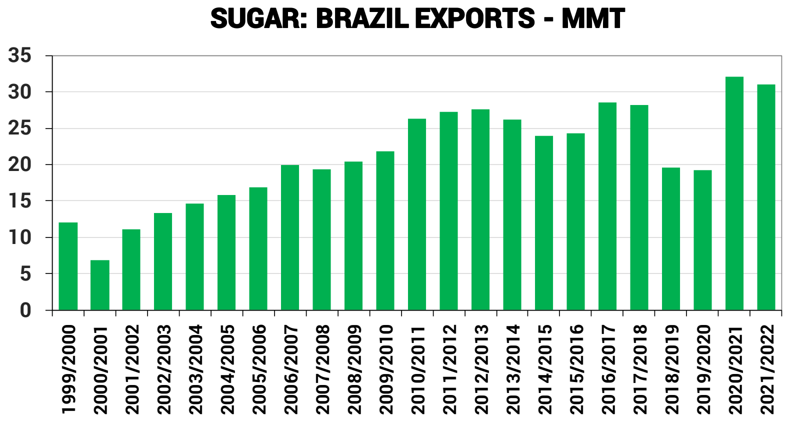
- Currently, sales in the domestic market pay 12.7% more than sales abroad.

- In June, Brazilian sugar exports reached 2.750 MMT, 1.3% above the same month of the previous year.

- Brazil exported 13.03 MMT of sugar year to date, an increase of 17.2% compared to the same period last year.


AÇÚCAR DEMERARA: COTAÇÕES FUTURAS NA ICE US (NEW YORK) - CENTAVOS DÓLAR/LIBRA-PESO
35
30
25
20
15
10
5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021


GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R$/50 KG
R$
US$
130,00
120,00
110,00
100,00
90,00
80,00
70,00
60,00
50,00
40,00
30,00
20,00
10,00
0,00
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021


SUGAR: BRAZIL EXPORTS - MMT
35
30
25
20
15
10
5
0
1999/2000
2000/2001
2001/2002
2002/2003
2003/2004
2004/2005
2005/2006
2006/2007
2007/2008
2008/2009
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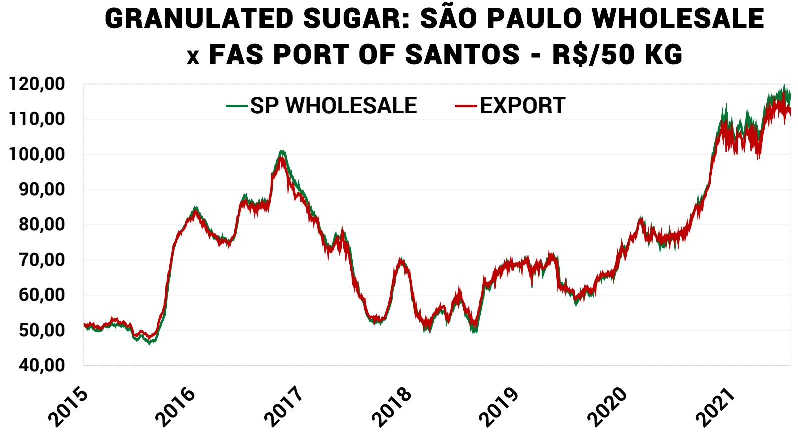
2020/2021
2021/2022


GRANULATED SUGAR: SÃO PAULO WHOLESALE x FAS PORT OF SANTOS - R$/50 KG
SP WHOLESALE
EXPORT
120,00
110,00
100,00
90,00
80,00
70,00
60,00
50,00
40,00
2015
2016
2017
2018
2019
2020
2021

- The average price of hydrous ethanol FOB São Paulo plants is quoted, on average, at R$ 2.96/l (without ICMS and without PIS/Cofins), an increase of 1.4% in 30 days and 81.0% in 12 months.

- Anhydrous ethanol, FOB São Paulo plants, is quoted, on average, at R$ 3.38/l (without PIS/Cofins), an increase of 0.2% in the last 30 days and 82.3% in the last 12 months.

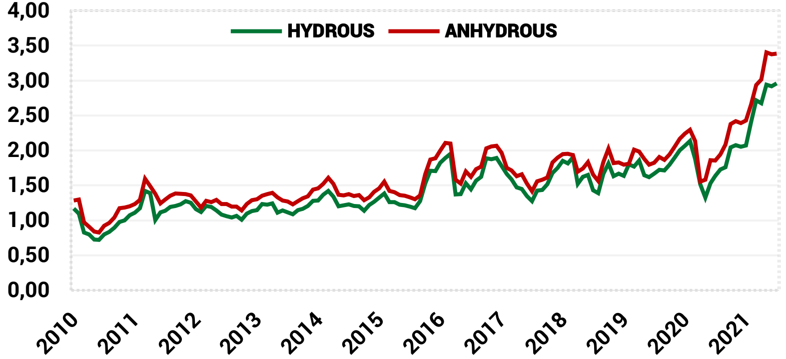
- In the accumulated of the 2021/2022 harvest (April 1st to July 1st of 2021), the volume of ethanol sold by the plants in the Center-South grew 9.9%, to 7.1 billion liters, with a decrease of 15.6 % of exports and 12.1% increase in domestic sales.

- The mills remain firm in the offered prices, focused on trading sugar and anhydrous ethanol to meet the need for financial resources.

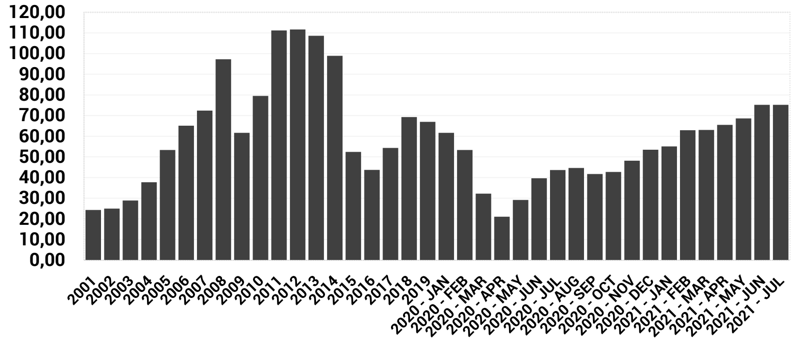
- Demand for anhydrous ethanol, unlike the observed for hydrous ethanol, is more heated, with the relationship between fuel prices stimulating the consumption of regular gasoline, which motivates distributors to increase business in the spot market to meet the needs for the product .

- Gasoline continued more competitive in the country over the past month, as in all states the parity was above 70% and, as a result, the mills prioritized the production of anhydrous ethanol, which is mixed with gasoline.

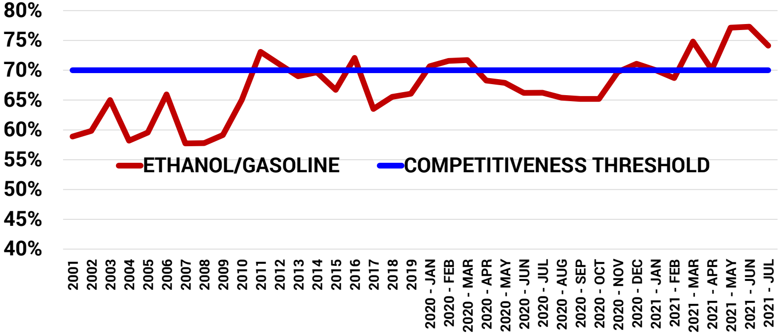
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R$/L



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
2015/2016	1,64	0,46	1,50	0,41
2016/2017	1,79	0,55	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	0,45
2020/2021	2,17	0,40	1,91	0,35
2021/2022	3,29	0,63	2,87	0,55
30 DAYS CHANGE	0,2%	-3,6%	1,4%	-2,4%
12 MO CHANGE	82,3%	83,4%	81,0%	82,0%

COGO intelligence in agribusiness

+55 51 3248 1117
+55 51 999 867 666

consultoria@carloscogo.com.br

www.carloscogo.com.br/en

@cogointeligencia

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