SUGARCANE

2021/2022 OUTLOOK SUMMARY

COGO
intelligence in agribusiness

OCTOBER/2021

- In the 2021/2022 harvest, between April 1st and September 30th, 2021, sugarcane crushing accumulates a decrease of 6.9%, reaching 467.4 MMT against 501.8 MMT in the same period of 2020-2021 crop.

- In the 2021/2022 harvest, sugar production reached 29.188 MMT, 8.9% below the same period of the 2020/2021 cycle.

- In the 2021/2022 harvest, the accumulated production of ethanol totaled 22.788 billion liters, 3.3% below the same period of the previous harvest, with 8.898 billion liters of anhydrous and 13.891 billion liters of hydrous.

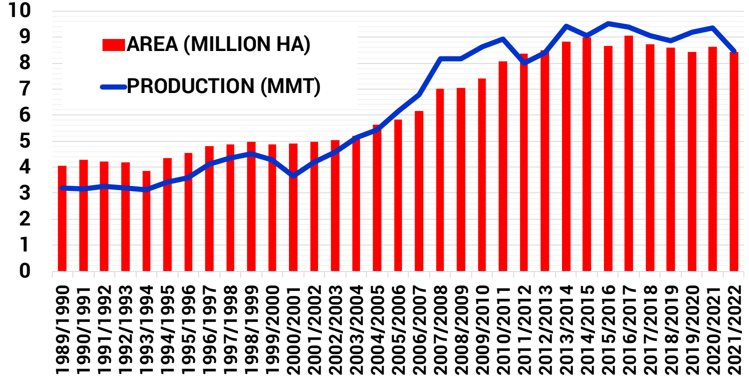
- Highlight for the strong increase of 24.4% in the production of anhydrous ethanol in the current 2021/2022 harvest.

- In the 2021/2022 harvest, the sugar concentration indicator indicates 142.71 Kg of Total Recoverable Sugars (TRD) per tonne of sugarcane, a slight decrease of 0.1% compared to 2020/2021.

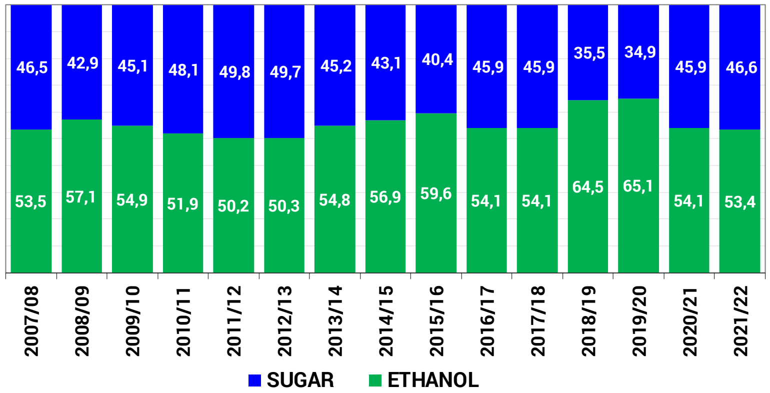
- As of October 1st, 225 companies have registered production and 88 companies have finished production for the 2021/2022 cycle by 10/15/2021.

- Mills that ended work by the end of last month had a 24.2% drop in crushing compared 2020.

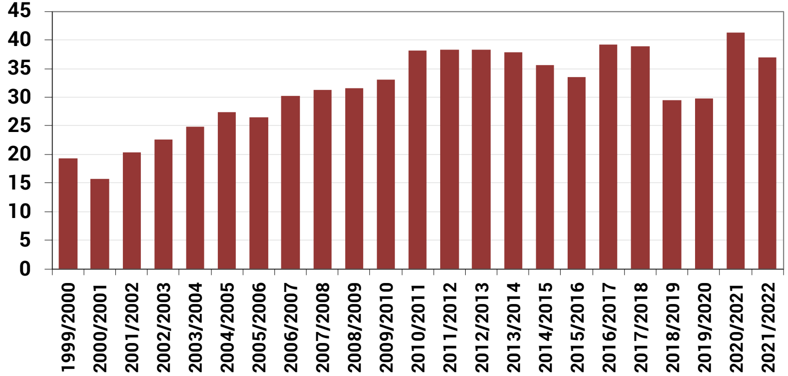
SUGARCANE: BRAZIL AREA AND PRODUCTION



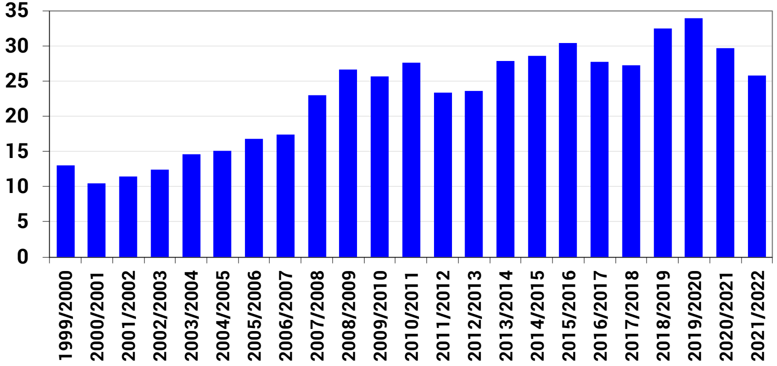
SUGARCANE: BRAZIL MIX EVOLUTION(%)



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$ 147.50 per 50 Kg, accumulating a 4.1% increase in the last 30 days and 57.3% in the last 12 months.

- In New York, the sugar futures contract maturing in March/2022 is quoted close to 19¢/pound, accumulating an increase of 27% in the last 12 months.

- As a result, the plants' export fixations for 2022/2023 have grown, totaling 9.8 MMT by 09/30/2021, which is equivalent to 38.5% of the export estimate for the next harvest, at an average price of 15.93¢/pound.

- The trend is bullish for prices on the domestic market, with supply restrictions, due to the drop in production due to climatic factors that harmed crops.

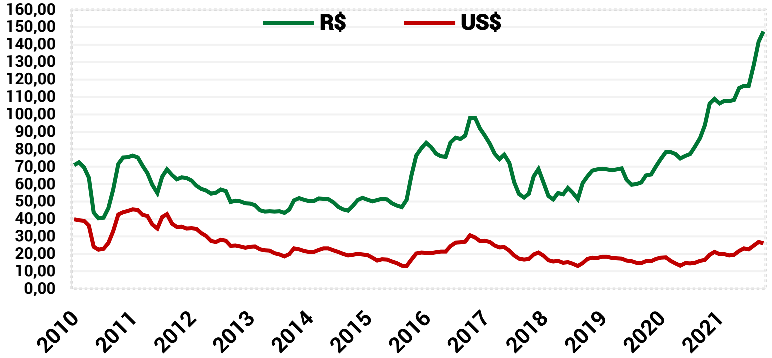
- The current 2021/2022 crop, which was marked by severe drought and the occurrence of frost, should end earlier than usual in the Center-South region of Brazil.

- Currently, sales in the domestic market remunerate 15.4% more than sales abroad.

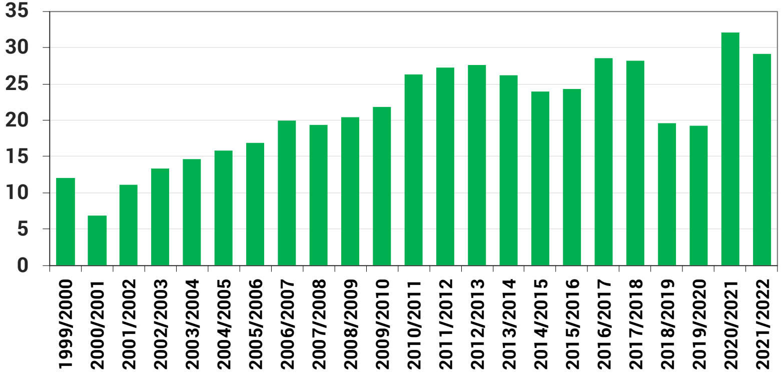
- As many mills are already ending crushing, there will be an extension of the off-season period in this 2021/2022 cycle, which should keep sugar prices sustained in the coming months.

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

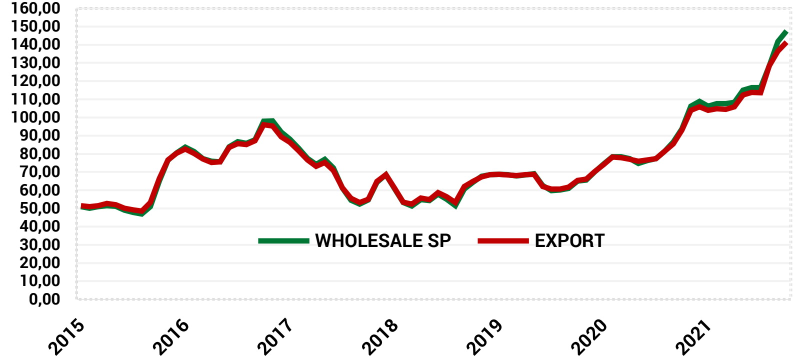
GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R$/50 KG



SUGAR: BRAZIL EXPORTS - MMT



GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R$/50 KG



- The average price of hydrous ethanol FOB São Paulo plants is quoted, on average, at R$ 3.43/liter (without ICMS and without PIS/Cofins), an increase of 5.3% in 30 days and 67.7% in 12 months.

- Anhydrous ethanol FOB São Paulo plants is quoted, on average, at R$ 3.94/liter (without PIS/Cofins), with an increase of 3.2% in the last 30 days and 65.6% in the last 12 months.

- In the 2021/2022 harvest, between April 1st and September 30th, 2021, the volume of ethanol sold by plants in the Center-South suffered a slight decrease of 0.1%, to 14.752 billion liters, with a decrease of 35.7% of exports.

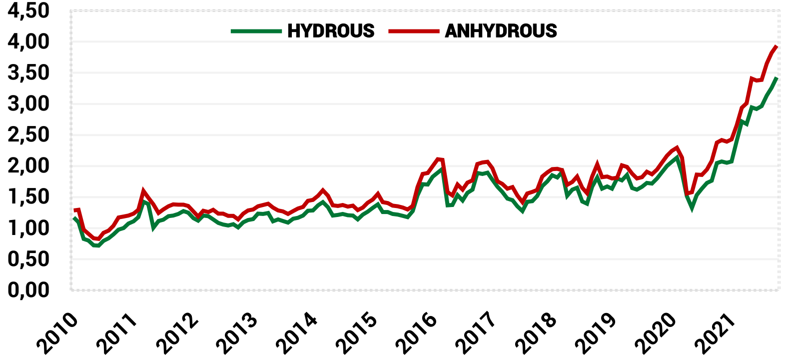
- Of the total sales of anhydrous ethanol made by plants in the Center-South to the NE Regions, 78% came from SP.

- The production of the new crop has already started in Alagoas, Pernambuco and Paraíba, but it is still limited to meet the demand of distributors in the region.

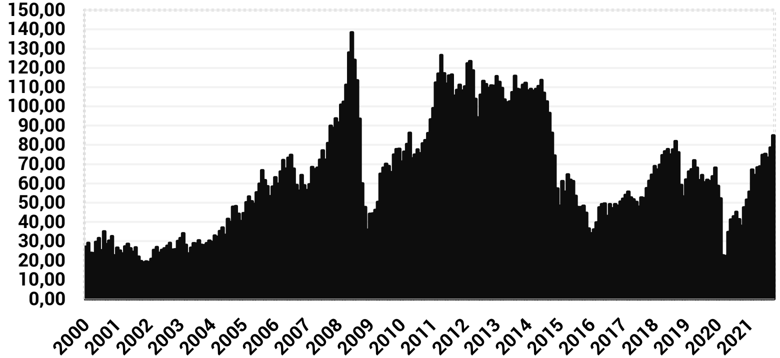
- Analyzing relative prices in the sugar-energy chain, the value of anhydrous ethanol is 10% above that registered for hydrous, while the price of sugar is 16.5% above that of anhydrous and 28.3% above that of hydrous.

- Since the beginning of this harvest, the price of sugar has been 10.4% higher than anhydrous ethanol and 22% higher than hydrous.

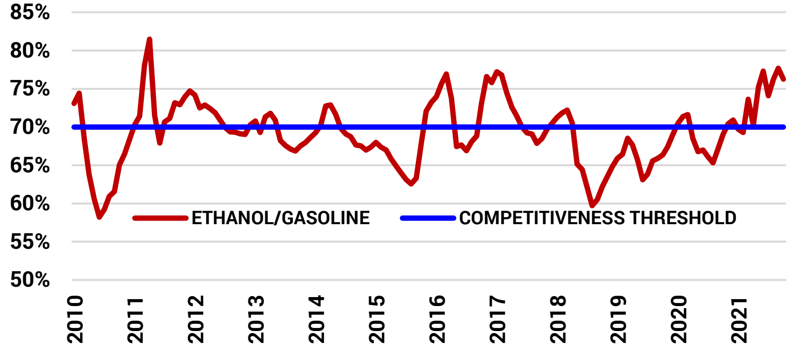
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R$/L



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	3,51	0,66	3,05	0,57
30 DAYS CHANGE	3,2%	-3,4%	5,3%	-1,4%
12 MO CHANGE	65,6%	65,2%	67,7%	67,2%

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