

SUGARCANE

2021/2022 OUTLOOK SUMMARY



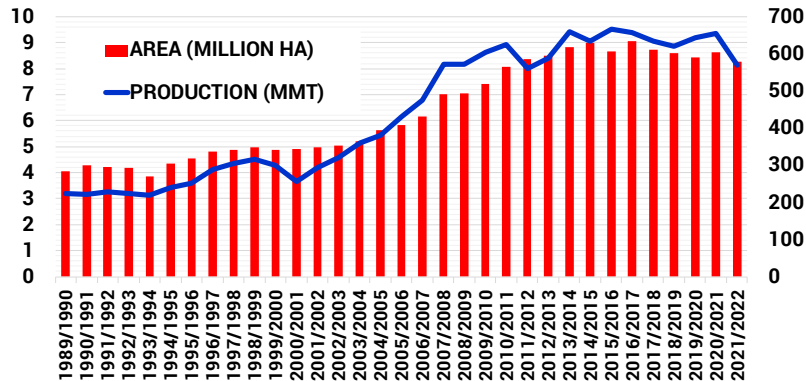
NOVEMBER/2021



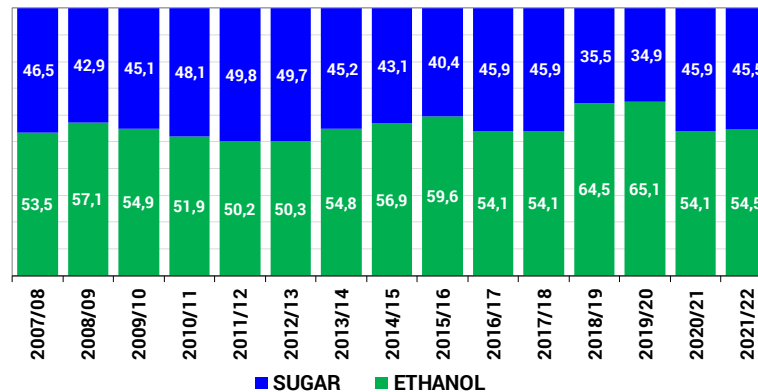
- In the 2021/2022 harvest, between April 1st and November 16th, 2021, the crushing of sugarcane accumulates a decrease of 11.8%, reaching 516.9 MMT, against 586.1 MMT in the same period of 2020-2021 crop.
- In the 2021/2022 harvest, sugar production reached 31.841 MMT, 15.4% below the same period of the 2020/2021 cycle.
- In the 2021/2022 harvest, the accumulated production of ethanol totaled 25.841 billion liters, 8.7% below the same period of the previous harvest, with 10.391 billion liters of anhydrous and 15.450 billion liters of hydrous.
- The sector has prioritized the production of anhydrous ethanol and, despite the strong drop in sugarcane crushing, production has accumulated growth of 14.8% in the current harvest.
- With the sharp drop in the consumption of hydrous ethanol, in order to guarantee the supply of this market, producers in the Center-South stopped manufacturing more than 1.5 MMT of sugar for the production of this biofuel.
- In the 2021/2022 harvest, the sugar concentration indicator shows 143.00 Kg of Total Recoverable Sugars (TRS) per tonne of sugarcane, a decrease of 1.48% compared to the same period in 2020 /2021 .



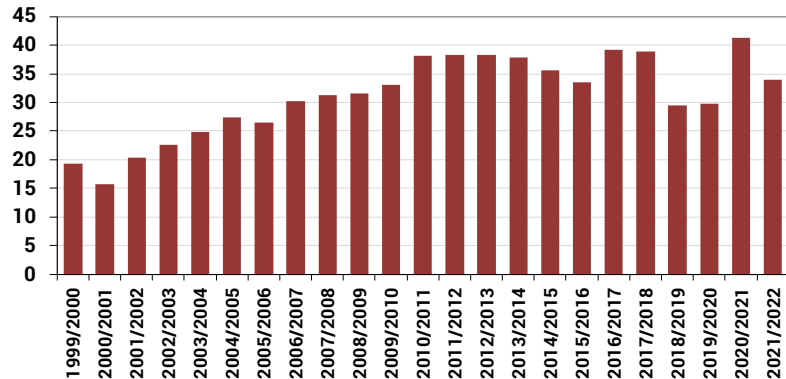
SUGARCANE: BRAZIL AREA AND PRODUCTION



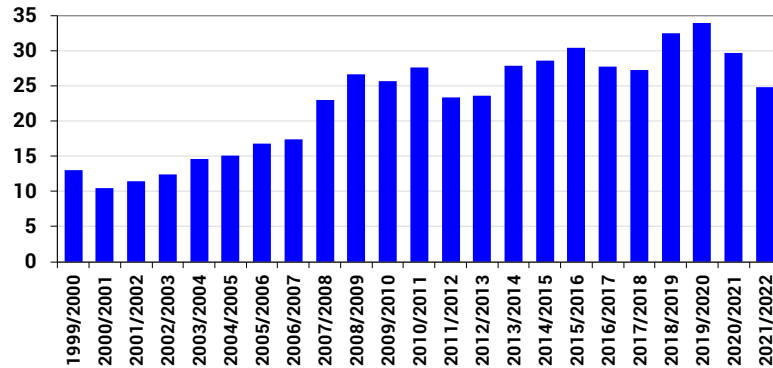
SUGARCANE: BRAZIL MIX EVOLUTION(%)



SUGAR: BRAZIL PRODUCTION - MMT



ETHANOL: BRAZIL PRODUCTION - BILLION L

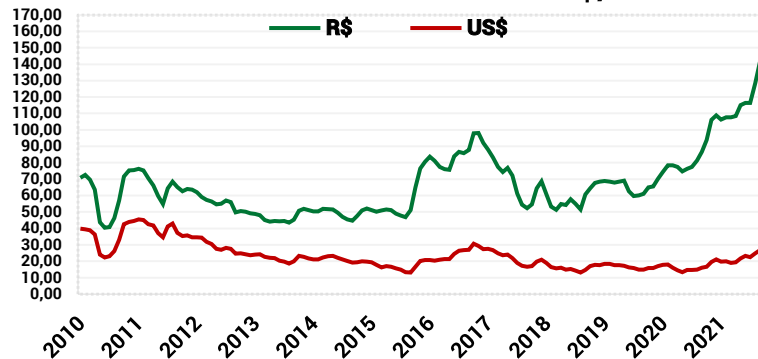


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 154.05 per 50 kg, accumulating an increase of 4.6% in the last 30 days and 45.1% in the last 12 months.
- In New York, the sugar futures contract maturing in March/2022 is quoted close to 20¢/pound, accumulating an increase of 33% in the last 12 months.
- Average sugar prices remain firm on the spot market, supported by the low supply, which has prevailed throughout this 2021/2022 season, with domestic sales remunerating 18.4% more than foreign sales.
- Sugar production in the country in 2021/2022 is estimated at 33.93 MMT, a reduction of 17.8% compared to the produced in the previous season, when it reached 41.25 MMT.
- With the crop break in South-Central Brazil and India predicting to direct a portion of sugar to the production of ethanol, as it has advanced by two years its schedule to increase the blend of biofuel with gasoline, sugar will register a global supply deficit in the current and next seasons.
- 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.

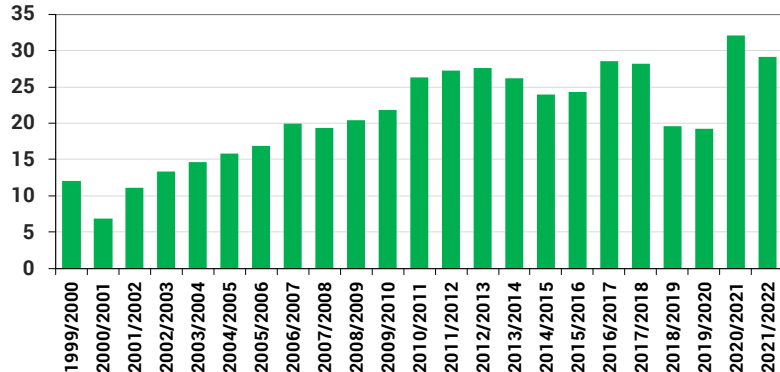
RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



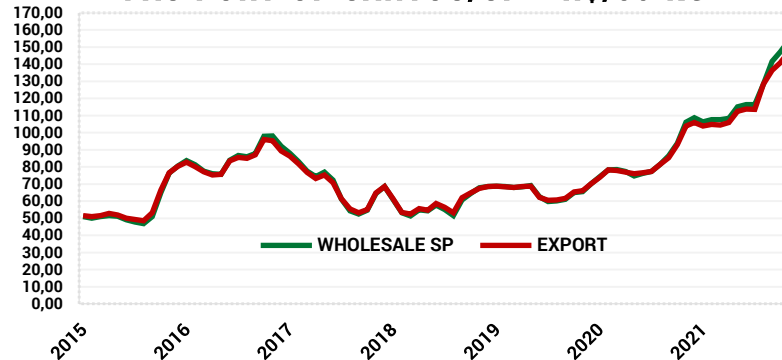
GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT

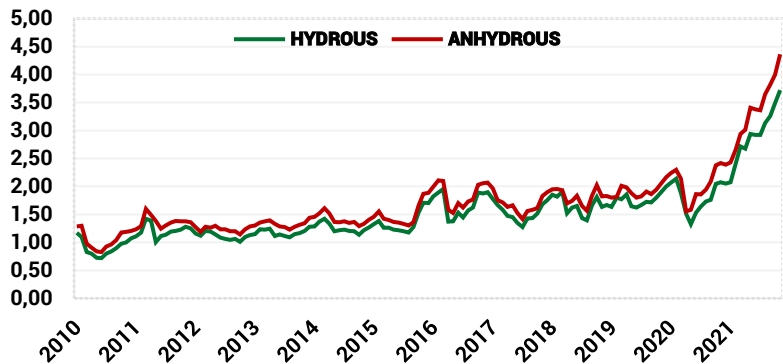


GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R\$/50 KG

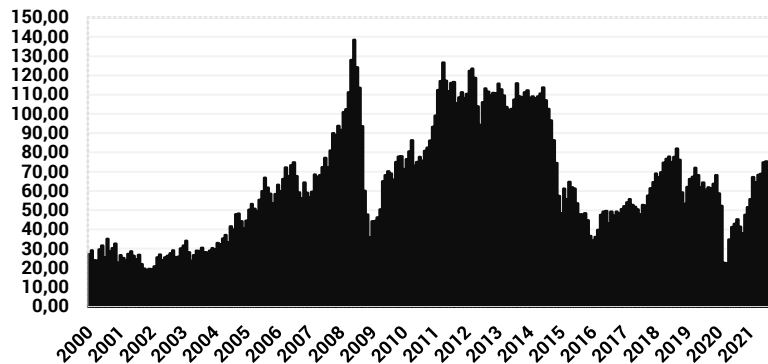


- The average price of hydrous ethanol FOB São Paulo plants is quoted at R\$ 3.72/liter (without ICMS and without PIS/Cofins), an increase of 6.7% in 30 days and 79.5% in 12 months.
- Anhydrous ethanol FOB São Paulo plants is quoted, on average, at R\$ 4.36/liter (without PIS/Cofins), with an increase of 9.1% in the last 30 days and 80.2% in the last 12 months.
- In the 2021/2022 harvest, between April 1st and November 16th, 2021, the volume of ethanol sold by plants in the Center-South recorded a drop of 6.4%, to 17.9 billion liters, with a decline of 46.6% of exports.
- The total production of ethanol from sugarcane in Brazil in 2021/2022 is estimated at 24.8 billion liters, a reduction of 16.6% compared to the previous harvest.
- The production of hydrous ethanol from sugarcane is expected to reach 15.1 billion liters in 2021/2022, a reduction of 26% compared to the previous harvest, while the production of anhydrous from sugarcane, used in blending with gasoline, should grow by 4% compared to last season, reaching 9.7 billion liters.
- At the end of the season, the trend is down for hydrous and anhydrous ethanol, with a strong decline in volumes traded on the spot market and with the manufacture of sugar remunerating more than that of biofuel.

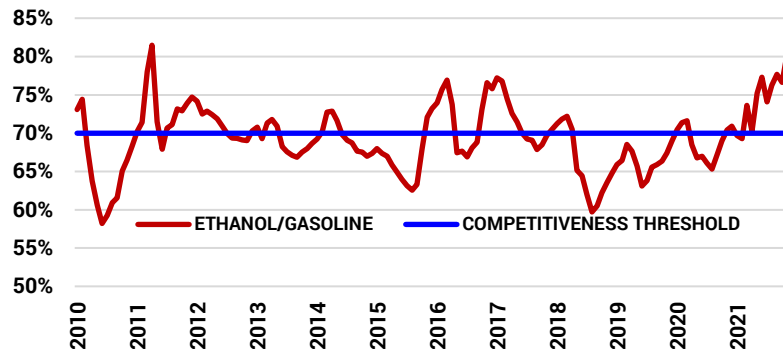
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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	1,64	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	3,62	0,68	3,13	0,59
30 DAYS CHANGE	9,1%	7,7%	6,7%	5,4%
12 MO CHANGE	80,2%	74,1%	79,5%	73,3%



+55 51 3248 1117
+55 51 999 867 666



www.carloscogo.com.br/en



consultoria@carloscogo.com.br



@cogointeligencia

