

SUGARCANE

2022/2023 OUTLOOK SUMMARY



MARCH/2022

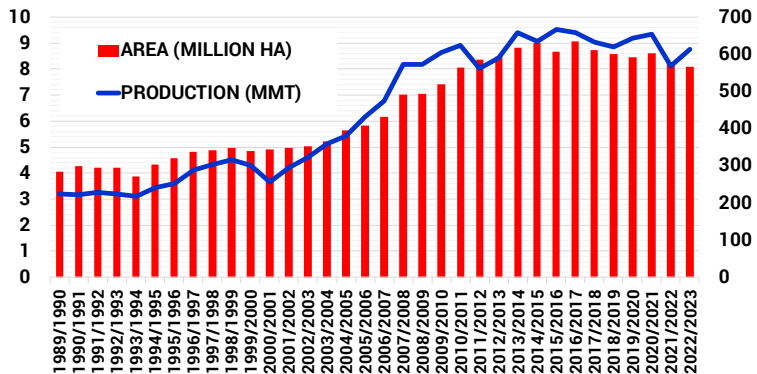


- In the 2021/2022 harvest, between April 1st and March 1st, 2022, sugarcane crushing accumulates a drop of 12.8%, reaching 521.8 MMT, compared to 598.8 MMT in the same period of the 2020/2021 harvest.
- In the accumulated of the 2021/2022 harvest, sugar production reached 32.0 MMT, 16.2% below the same period of the 2020/2021 cycle.
- In the 2021/2022 crop year, ethanol production totaled 27.2 billion liters, 8.8% below the same period in the previous crop, with 10.9 billion liters of anhydrous (up 12.4%) and 16.2 billion liters of hydrous (19.1% decrease).

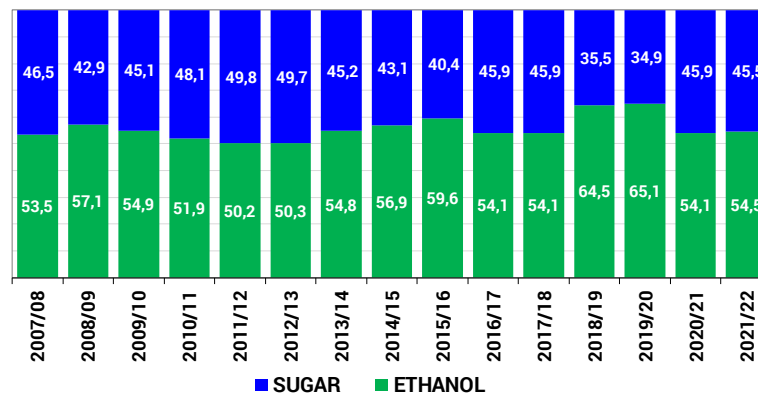
- Rainfall in sugarcane producing regions of Brazil in February was 6% below the historical average.
- It was the first time in four months that rainfall did not exceed the historical average. Compared to February 2021, the decline was 35%.
- Even so, the 2022/2023 harvest, which officially starts on April 1st, 2022, in the Center-South, should be larger than the previous one.
- Weather conditions are solid for a potentially larger crop, with average rainfall between November and February rising 56% annually and falling 7% compared to 2020.



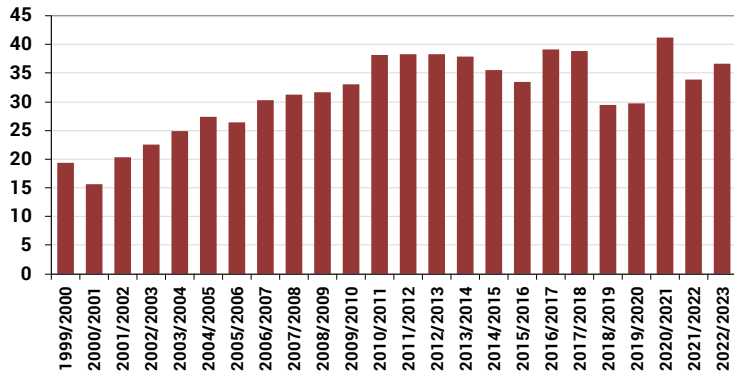
SUGARCANE: BRAZIL AREA AND PRODUCTION



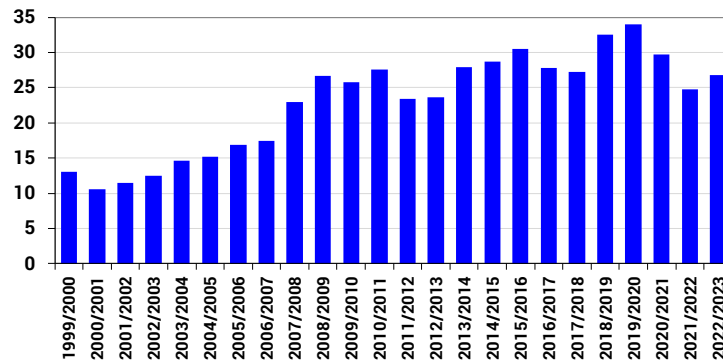
SUGARCANE: BRAZIL MIX EVOLUTION(%)



SUGAR: BRAZIL PRODUCTION - MMT



ETHANOL: BRAZIL PRODUCTION - BILLION L

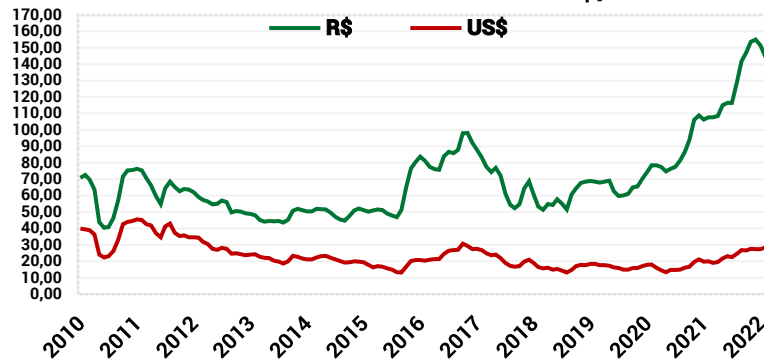


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 139.29 per 50 kg, accumulating a decrease of 3.8% in 30 days, but with an increase of 29.5% in the last 12 months.
- In New York (ICE US), the sugar futures contract expiring in May/2022 is oscillating around 19 cents/lb, accumulating a high of 19.4% in 12 months.
- On the international market, sugar prices follow the movement of oil, amid the conflict between Russia and Ukraine: the rise in oil raises the price of gasoline at stations, increasing the competitiveness of ethanol.
- Some mills are firm and/or raising the values of their offers, in the midst of a scenario of low sugar stocks in the Center-South region of the country.
- Demand, when compared to previous weeks, is also a little more heated, supporting quotes.
- In the last seven days, spot sugar sales paid 9.2% more than foreign sales.
- The trend is for sustained prices, due to the restriction of supply in this period of the 2021/2022 harvest, and the low availability is expected to remain until mid-April, when grinding of the 2022/2023 harvest will begin.

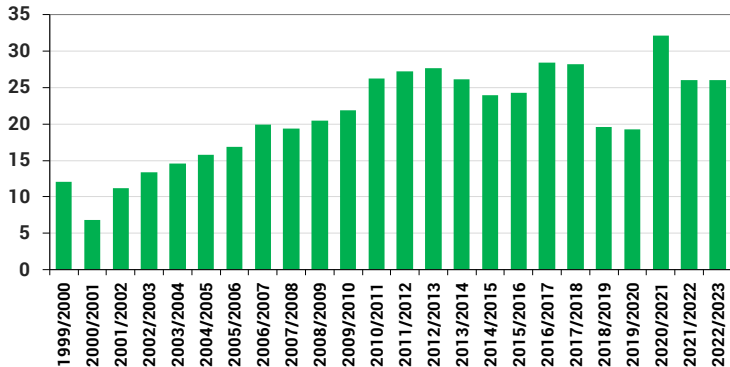
RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



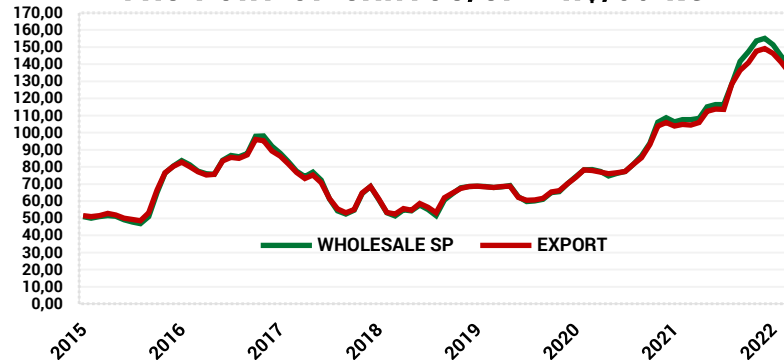
GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT

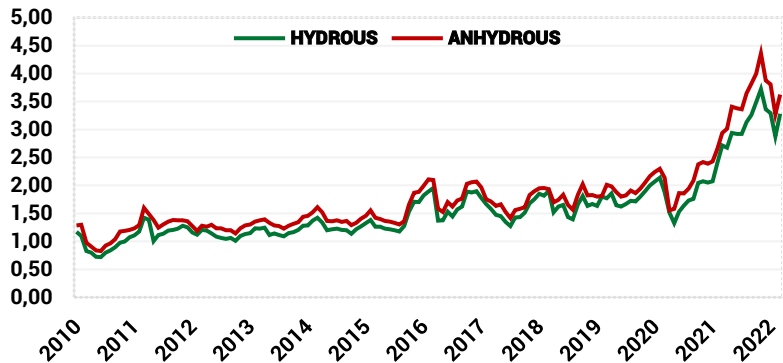


GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R\$/50 KG

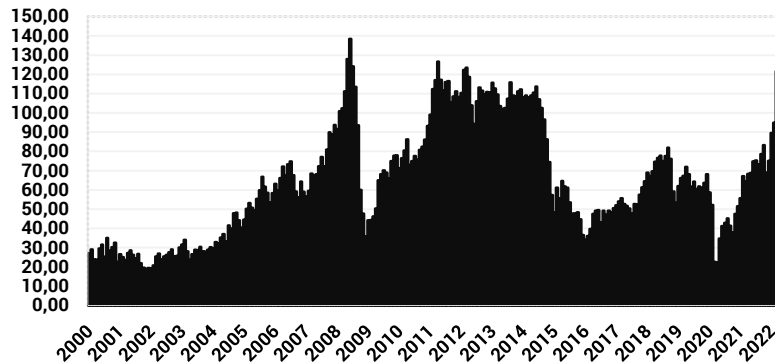


- The price of hydrous ethanol FOB mills in São Paulo is quoted, on average, at R\$ 3.28/liter (without ICMS and without PIS/Cofins), with a strong increase of 14.2% in 30 days and 20.9 % in the last 12 months.
- Anhydrous ethanol FOB São Paulo plants is quoted, on average, at R\$ 3.63/liter (without PIS/Cofins), with a strong increase of 10.9% in the last 30 days and 23.4% in the accumulated last 12 months.
- In the 2021/2022 crop year, between April 1st and February 16th, 2022, the total volume of ethanol sold by plants in the Center-South registers a drop of 11.8%, to 24.0 billion liters, with a decrease of 40.9% of exports.
- Demand for ethanol at gas stations increased, due to constant increases in gasoline prices, with an increase of 26.2% in hydrous biofuel sales in February, compared to January.
- Now that the new harvest is approaching, it would be normal for the price of ethanol to fall, which is not happening, due to the strong increases in gasoline.
- The sugar-alcohol sector expressed opposition to the withdrawal of taxes on ethanol imports, at the beginning of the sugarcane harvest in the Center-South of Brazil, with no counterpart for exports of Brazilian sugar, which has high taxes when it arrives in the United States, where most of the imported biofuel would come from.

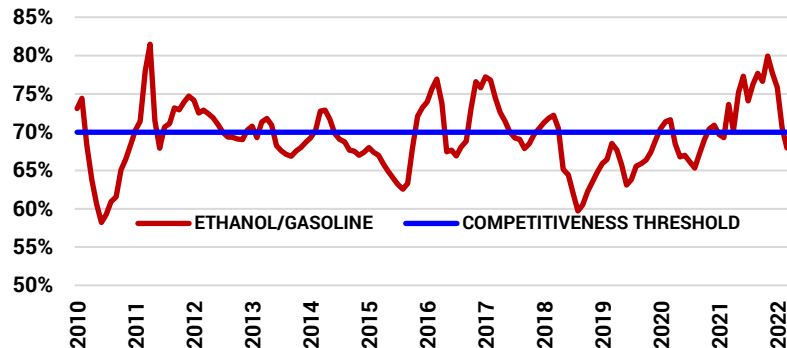
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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	3,63	0,68	3,16	0,59
30 DAYS CHANGE	10,9%	17,4%	14,2%	20,8%
12 MO CHANGE	23,4%	43,9%	20,9%	41,0%



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