

SUGARCANE

2022/2023 OUTLOOK SUMMARY

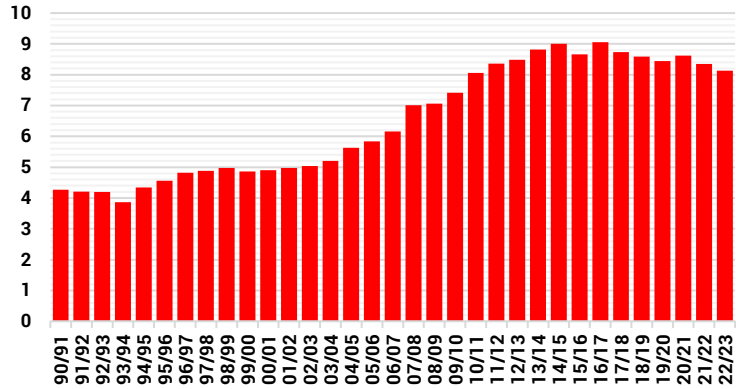


OCTOBER/2022

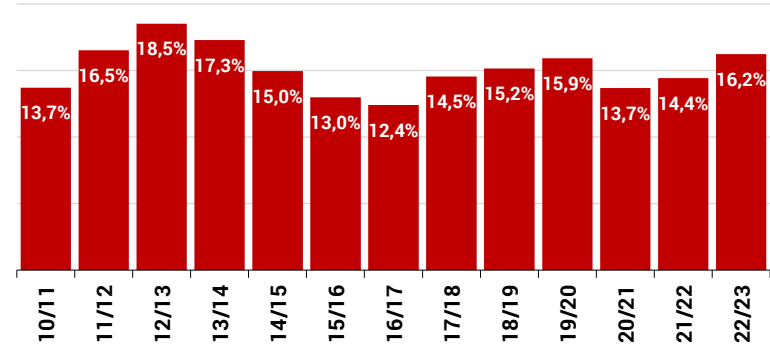


- Sugarcane crushing in the Center-South of Brazil reached 431.1 MMT in the first six months of the 2022/2023 harvest (April to September), a decrease of 7.9% compared to 467, 9 MMT registered in the same period of the previous harvest.
- As of October 1st, 240 units were in operation in the Center-South, compared to 222 in the 2021/2022 harvest, and 18 production units had finished crushing sugarcane in the current cycle.
- The production mix for the 2022/2023 crop year is 54.5% for the production of ethanol and 45.5% for the production of sugar.
- In the accumulated since the beginning of the 2022/2023 harvest, sugar production totaled 26.3 MMT, 9.9% lower compared to the previous cycle (29.2 MMT).
- The production of ethanol in the accumulated amount of the harvest reached 21.5 billion liters, 5.8% lower compared to the previous cycle (22.8 billion liters), with a drop of 7.2% in the production of hydrous and 3 .6% in anhydrous.
- The quality of the raw material harvested, measured in Kg of Total Recoverable Sugar (TRS) per tonne of processed sugarcane, fell by 1.28% in the 2022/2023 harvest, reaching 140.90 Kg of TRS/t , compared to 142.73 kg in the same period of the previous cycle.

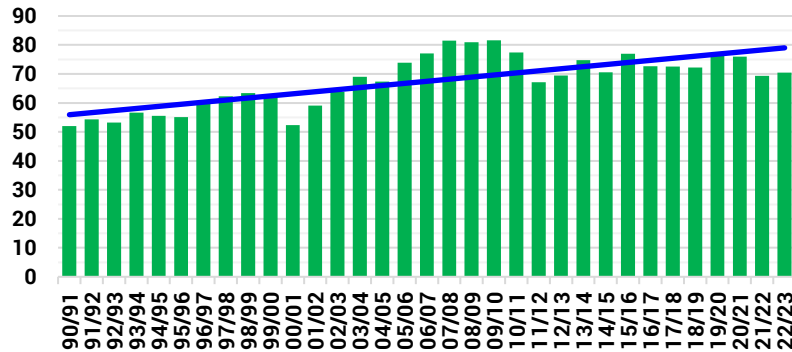
SUGARCANE: BRAZIL AREA AND PRODUCTION



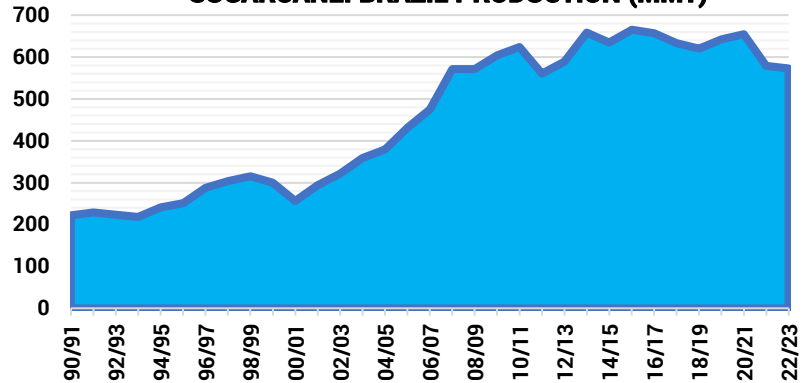
SUGARCANE: RENOVATION AREAS - % OF TOTAL AREA



SUGARCANE: AVERAGE YIELD (T/HA)



SUGARCANE: BRAZIL PRODUCTION (MMT)

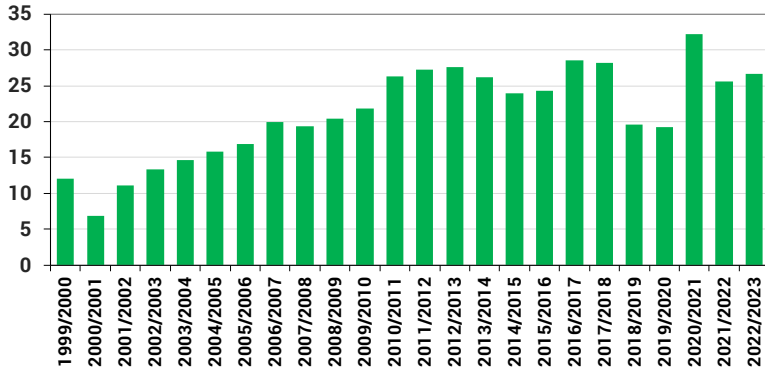


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 127.22 per 50 kg, with an increase of 2.2% in the last 30 days, but a decrease of 13.6% in 12 months.
- In New York (ICE US), the demerara sugar futures contract expiring in October/2022 is quoted at 18.77 ¢ per pound, accumulating a 4.7% drop in 12 months.
- In the domestic market, white crystal sugar prices are firm, returning to operations at around R\$ 127 per 50 kg, a nominal level that had not been observed since the end of August 2022.
- In São Paulo, sugar sales on the foreign market pay 6.9% more than domestic sales.
- The plants in the Center-South should produce until mid-November, remembering that this crop also started late compared to the previous one (2021/2022).
- Delays in harvesting in the Center-South region, due to the rains of recent weeks, also had repercussions on the New York Stock Exchange, supporting future quotations.
- In addition, oil at around US\$ 94/barrel reinforces the upward movement of sugar, since it increases the advantage of ethanol over gasoline and may lead national plants to prioritize the production of biofuel.

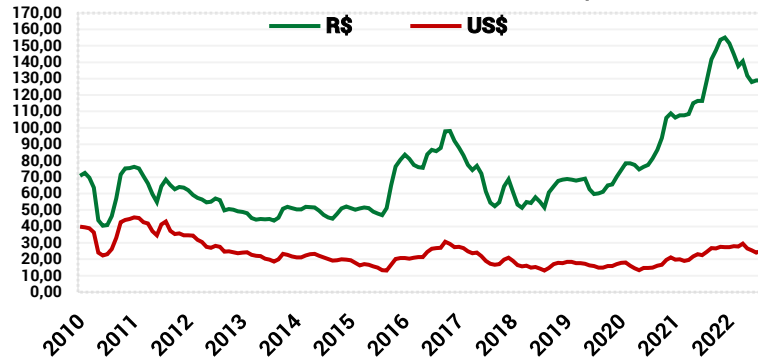
RAW SUGAR: FUTURES AT ICE US (NEW YORK)
¢ PER POUND



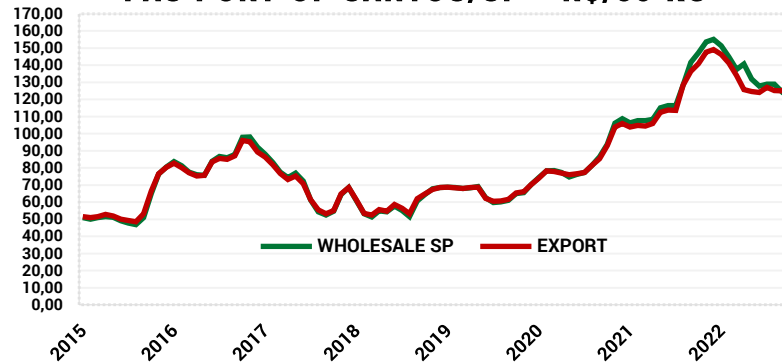
SUGAR: BRAZIL EXPORTS - MMT



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

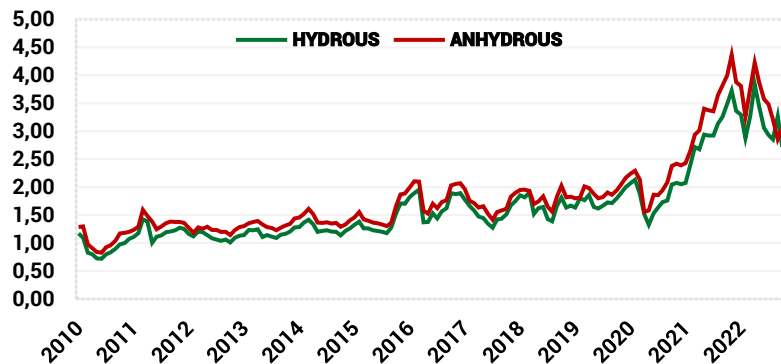


GRANULATED SUGAR: WHOLESALE SP X
FAS PORT OF SANTOS/SP - R\$/50 KG

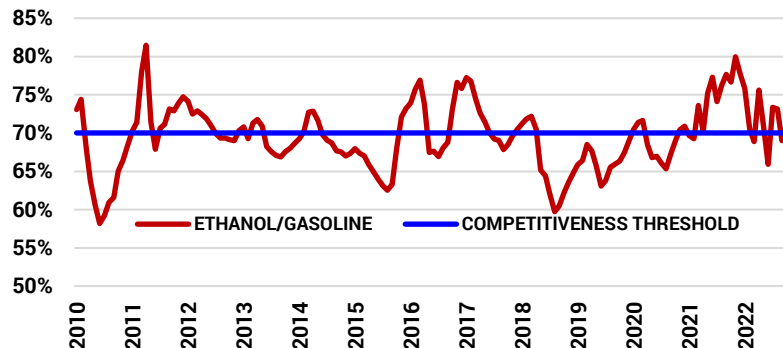


- The price of hydrous ethanol FOB mills in São Paulo is quoted, on average, at R\$ 2.72/liter (without ICMS and without PIS/Cofins), with a strong drop of 16.7% in the last 30 days and 22,0% in 12 months.
- The price of anhydrous ethanol FOB mills in São Paulo is quoted, on average, at R\$ 3.04/l (without PIS/Cofins), an increase of 6.7% in the last 30 days, but an accumulated decrease of 23.9% in 12 mo.
- The prices of hydrated and anhydrous ethanol are on the rise in the spot market, even though most distributors do not need to close new deals, working with inventories or withdrawing volumes under the contract modality.
- This upward trend stems from the seller's firm stance, the occurrence of rains in some producing regions (which halted harvesting and milling) and forecasts of new rainfall throughout October.
- In addition, there was little selling pressure from some production units due to financial needs.
- The trend is for new highs in ethanol prices in the short and medium terms, with a lower volume of crushed sugarcane in the Center-South region, low inventories and appreciation of gasoline forecasts due to oil prices.
- In addition, the weather may again limit production and crushing in the Center-South region of Brazil.

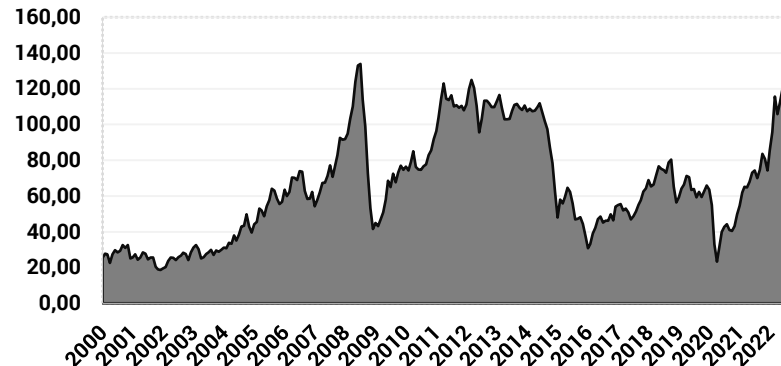
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



HYDROUS ETHANOL COMPETITIVENESS IN RELATION TO GASOLINE – BRAZIL AVERAGE



BRENT OIL: AVERAGE PRICE – US\$/BARREL



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	3,64	0,68	3,16	0,59
30 DAYS CHANGE	6,7%	4,7%	-16,7%	-18,2%
12 MO CHANGE	-23,9%	-20,9%	-22,0%	-18,9%



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