

SUGARCANE

2023/2024 OUTLOOK SUMMARY

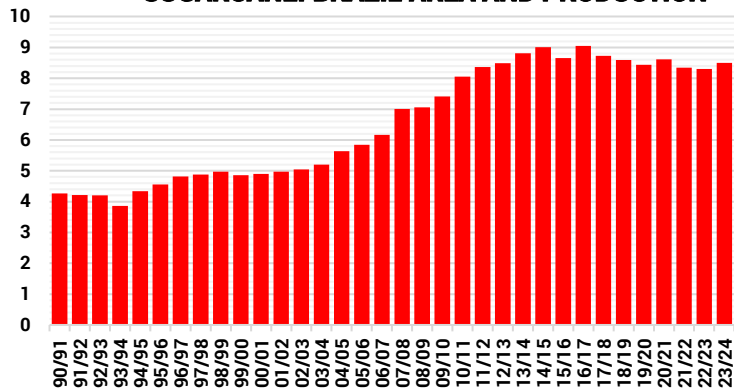


MARCH/2023

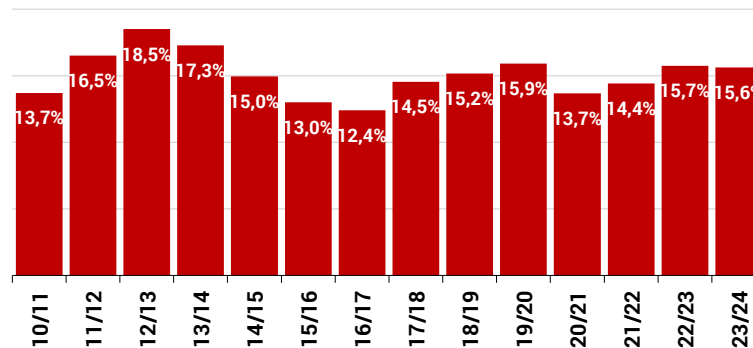


- Sugarcane crushing in the Center-South region of Brazil totaled 542.5 MMT in the 2022/2023 harvest, from April/2022 to February/2023, 3.8% above that of the same period of the season 2021/2022.
- The quality of cane harvested in the harvest, measured in Kg of TRS per tonne of sugarcane processed, recorded a drop of 1.28% in the annual comparison, with the indicator marking 141.14 Kg per ton.
- The alcohol mix of the harvest is 54.08%, down from 2021/2022, when it registered 54.98%, with 45.92% of the crushing destined to sugar production.
- Two plants in the Center-South have resumed crushing and have already started the 2023/2024 harvest and 18 production units are expected to restart agricultural operations throughout March, depending on weather.
- Our Consultancy's projection for the 2023/2024 sugarcane harvest points to a production of 657.5 MMT in Brazil, with 596.0 MMT in the Center-South region and the remaining 61.5 MMT from the North-Northeast region.
- If this projection is confirmed, there will be a significant increase of 9.9% in the 2023/2024 crushing over the production of the previous harvest, thanks to the improvement in weather conditions and increased productivity.

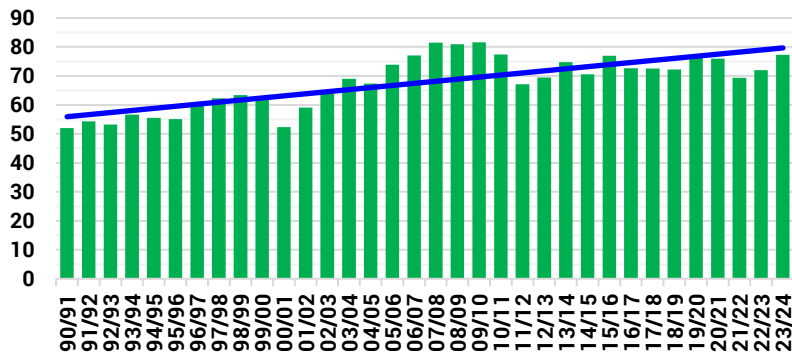
SUGARCANE: BRAZIL AREA AND PRODUCTION



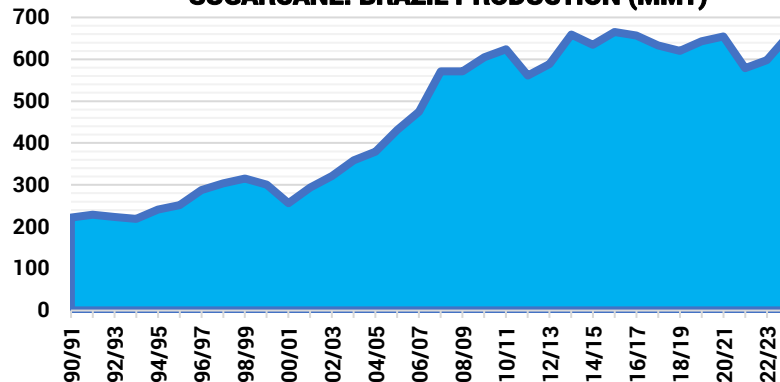
SUGARCANE: RENOVATION AREAS - % OF TOTAL AREA



SUGARCANE: AVERAGE YIELD (T/HA)



SUGARCANE: BRAZIL PRODUCTION (MMT)

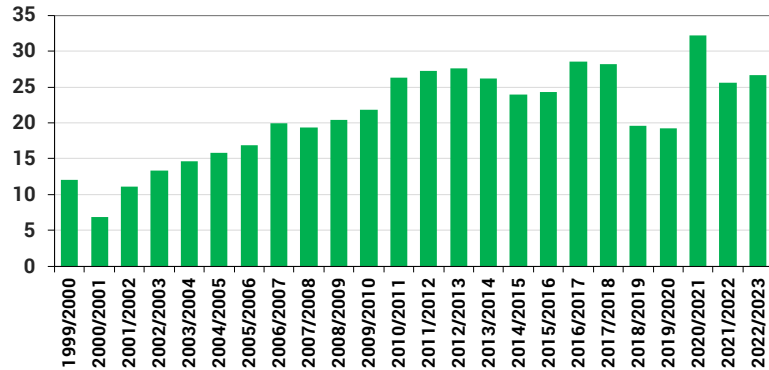


- The CEPEA/ESALQ Crystal Sugar Indicator (ICUMSA color from 130 to 180) is quoted at R\$ 132.68 per 50 Kg, accumulating a slight increase of 0.4% in the last 30 days, but a decrease of 3.6% in 12 months.
- The supply of better-quality sugar (ICUMSA up to 180) remains restricted, while demand for the product for prompt delivery is weak in the wholesale market in São Paulo.
- On the New York Stock Exchange (ICE US), demerara sugar contracts remain sustained and operate between 20 and 21 ¢ per pound, against 18.00 to 19.00 ¢ per pound in the same period of the last year.
- India has already released foreign sales of 6 MMT in the 2022/2023 cycle (October 2022 to September 2023) and the expectation of additional announcements by the country was frustrated, at the beginning of the year, by signs of a drop in production.
- The estimate for production in India is 34 MMT of sugar during the 2022/2023 harvest.
- In the 2023/2024 cycle, there will be more directing of the raw material for ethanol production and the *El Niño* phenomenon could make it difficult to recover productivity, with the total offer remaining below 34 MMT, with a tendency for the country's stocks to fall and non-release of additional export quotas.

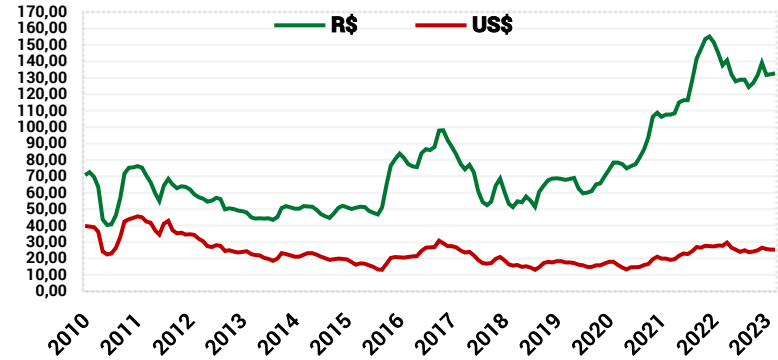
RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



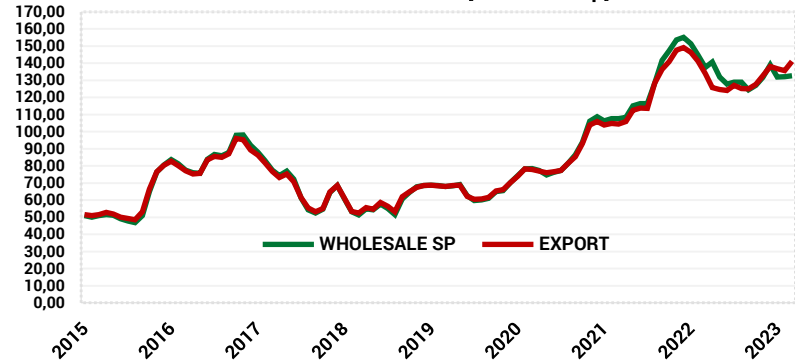
SUGAR: BRAZIL EXPORTS - MMT



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

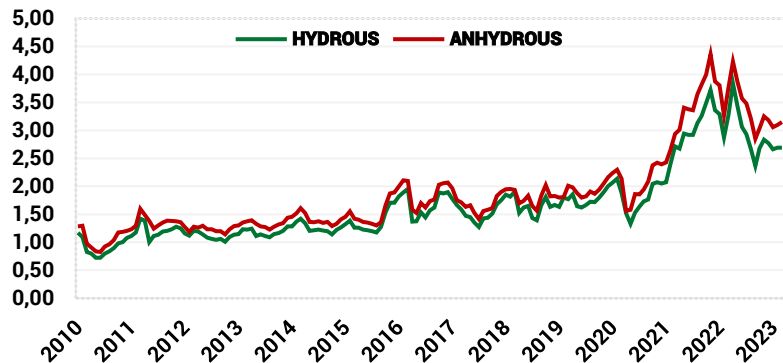


GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R\$/50 KG

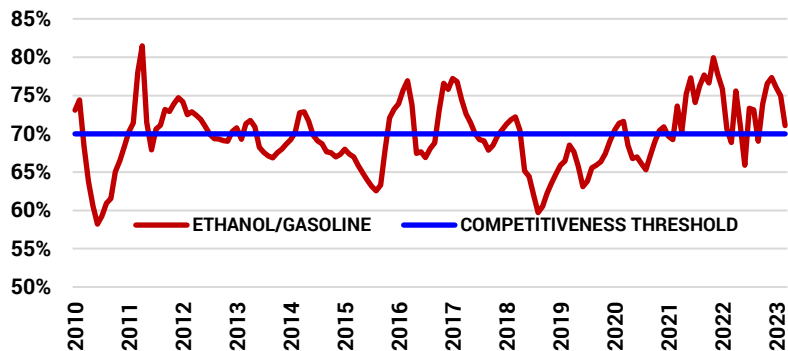


- The price of hydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.69/liter (without ICMS and without PIS/Cofins), with a slight increase of 0.1% in the last 30 days, but a decrease of 17.7% in 12 months.
- The price of anhydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 3.15/liter (without PIS/Cofins), up 1.6% in the last 30 days, but down 16.4% % in the last 12 months.
- The proximity of the 2023/2024 harvest (which officially begins on April 1st, 2023) and the high ending stocks of hydrous ethanol put pressure on biofuel prices in the domestic market.
- A few days before the official start of crushing in the main states of the Center-South Region, some mills still have stockpiled ethanol, especially hydrous ethanol, in high quantities for this time of year.
- In the case of anhydrous ethanol, the scenario is a little different, since sales of the product in the domestic market were higher, precisely due to heated sales of Type C gasoline at the retail end, and also to the increase in exports of the biofuel.
- In the accumulated harvest (April/2022 to February/2023), the volume exported by Brazil totaled 2.57 billion liters, with a strong increase of 57.6% compared to the same period of the previous season.

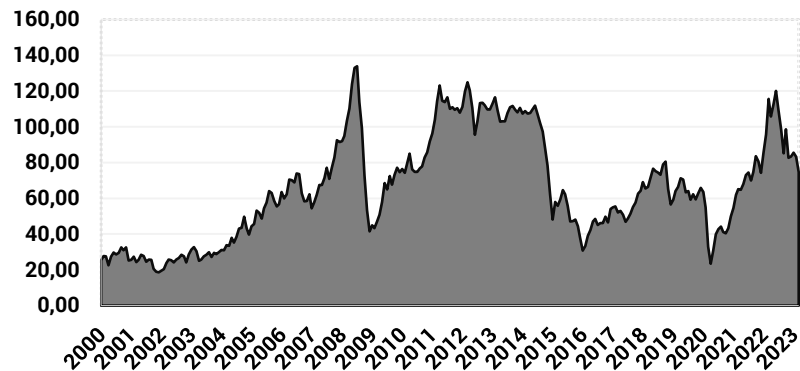
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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
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
2022/2023	3,33	0,65	2,89	0,56
30 DAYS CHANGE	1,6%	0,8%	0,1%	-0,7%
12 MO CHANGE	-16,4%	-20,7%	-17,7%	-22,0%



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