

SUGARCANE

2023/2024 OUTLOOK SUMMARY

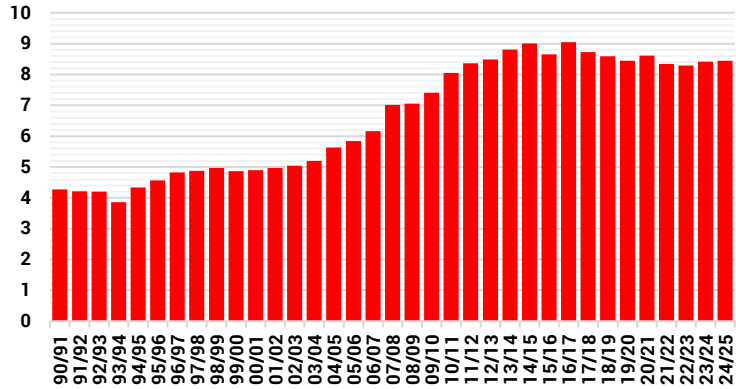


OCTOBER/2023

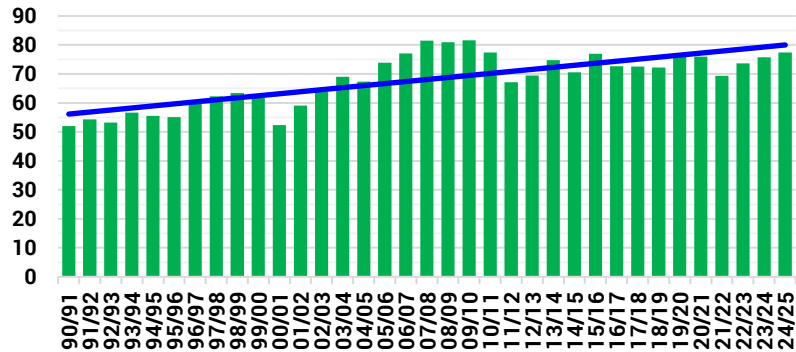


- Sugarcane crushing in the Center-South of Brazil reached 493.1 MMT in the 2023/2024 harvest, between 04/1/2023 and 10/1/2023, a strong increase of 14.2% compared to registered in the same period of the 2022/2023 season.
- The greater processing reflects the greater supply of raw materials in the current cycle, reducing the gap when compared to 2020/2021.
- Last year, until this same date, 501.9 MMT had been processed. Some 8 million still remaining that will need to be recovered to surpass the mark of 605 million observed, for the last time, in 2020/2021.
- In the 2023/2024 harvest, the level of Total Recoverable Sugars (TRS) is 140.13 kg per tonne, 0.6% less than in the last harvest.
- In the 2023/2024 harvest, sugar production reaches 32.62 MMT, 23.8% above the 26.35 MMT in the previous cycle.
- Accumulated ethanol production is 23.43 billion liters, growth of 8.8% compared to 2022/2023, with an expansion of 6.6% in the manufacture of hydrous ethanol and 12.3% in anhydrous ethanol.
- 260 production units remain in operation in the Center-South Region, compared to 242 in the previous season.

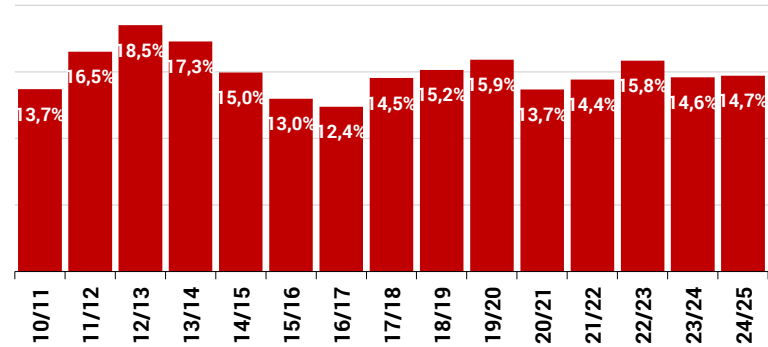
SUGARCANE: BRAZIL AREA AND PRODUCTION



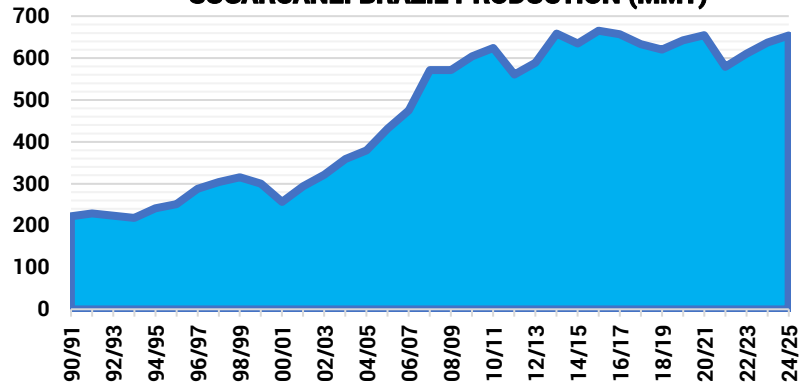
SUGARCANE: AVERAGE YIELD (T/HA)



SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



SUGARCANE: BRAZIL PRODUCTION (MMT)

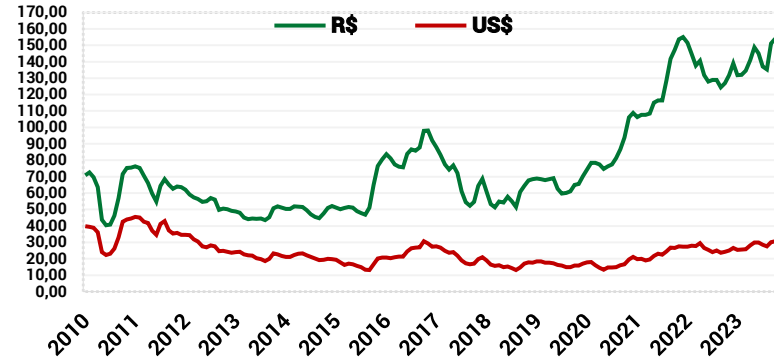


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 154.13 per 50 kg, accumulating increases of 1.9% in the last 30 days and 21.4% in 12 months .
- With the recent highs, there is resistance from buyers, who are pulling back on purchases.
- On the mills' side, those with greater sales urgency reduce prices, even when negotiating small quantities.
- In the foreign market, sugar prices on the New York Stock Exchange are supported by adverse weather conditions in several producing regions.
- On the New York Stock Exchange (ICE US), demerara sugar contracts remain sustained and operate above 27¢ per pound, accumulating a strong increase of 46.9% in the last 12 months.
- In India, the deficit in monsoon rains causes concerns about the country's product supply.
- Thailand is expected to produce 9.4 MMT of sugar in 2023/2024, a volume 15% lower than estimated for the 2022/2023 harvest.
- There are concerns about the impacts of the drought on productivity in Mexico and USA. The increase in prices is not bigger because Brazil production remains strong.

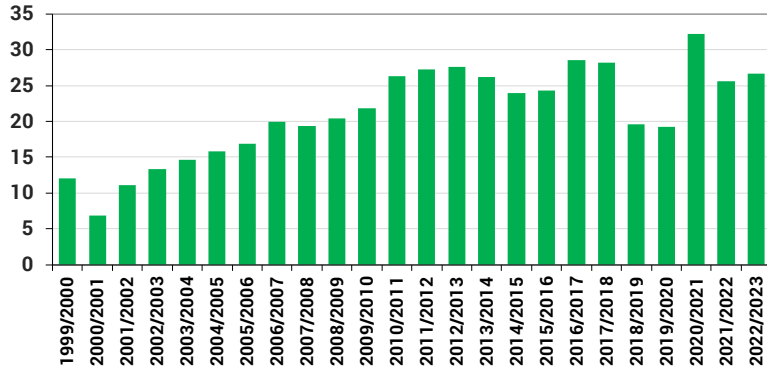
RAW SUGAR: FUTURES AT ICE US (NEW YORK)
¢ PER POUND



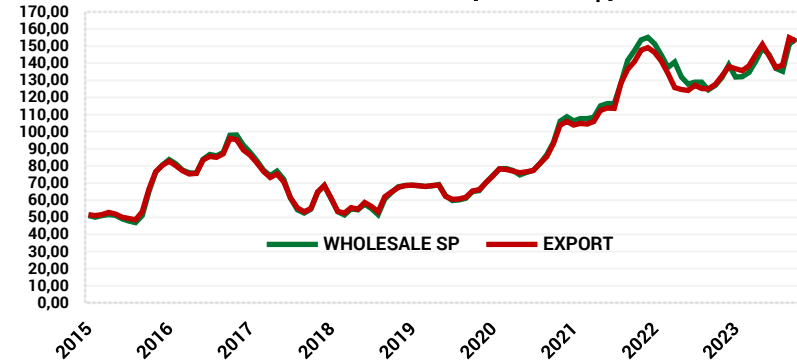
GRANULATED SUGAR: SÃO PAULO
WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT

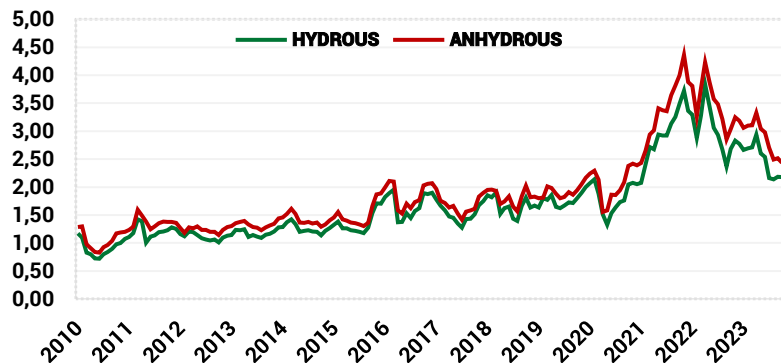


GRANULATED SUGAR: WHOLESALE SP X
FAS PORT OF SANTOS/SP - R\$/50 KG

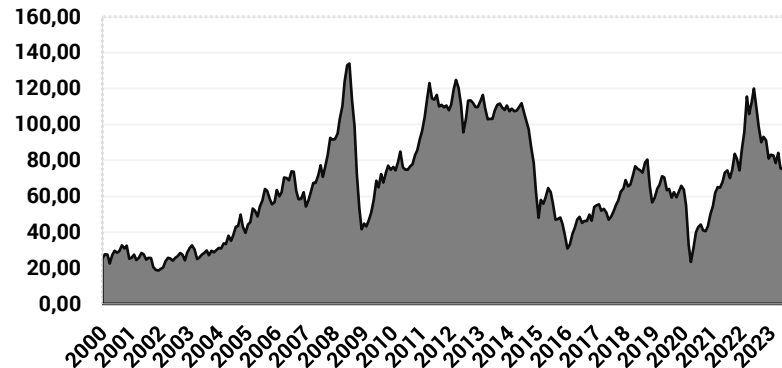


- Hydrous ethanol prices FOB plants in São Paulo is quoted, on average, at R\$ 2.18/liter (without ICMS and without PIS/Cofins), with a decrease of 0.5% in the last 30 days and 18.8 % in 12 months.
- The price of anhydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.44/liter (without PIS/Cofins), with a decrease of 3.2% in the last 30 days and 19.7% in 12 months.
- The greater pace of business is due to the good competitive advantage of biofuel over gasoline and the firm stance of the plants, which are paying attention to the field, as the rains are limiting sugar cane harvesting and crushing.
- Furthermore, high external sugar prices also support ethanol values, as they encourage greater sugar production at the expense of biofuel.
- The plants in the Center-South of Brazil have high stocks of ethanol, despite the increasingly sugar mix.
- The sugarcane harvest shown strong gains in productivity and resulted in large ethanol production.
- However, ethanol sales volumes are insufficient for plants to discontinue production and many units are close to their tankage limits, stimulating business and demand.

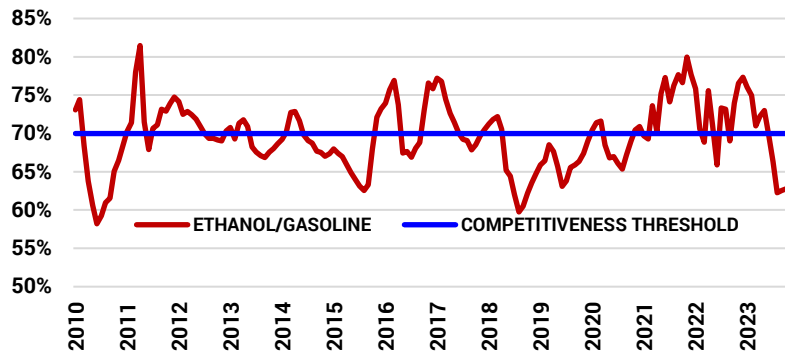
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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
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	-3,2%	-3,3%	-0,5%	-0,7%
12 MO CHANGE	-19,7%	-16,3%	-18,8%	-15,4%



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