

# SUGARCANE

2024/2025 OUTLOOK SUMMARY

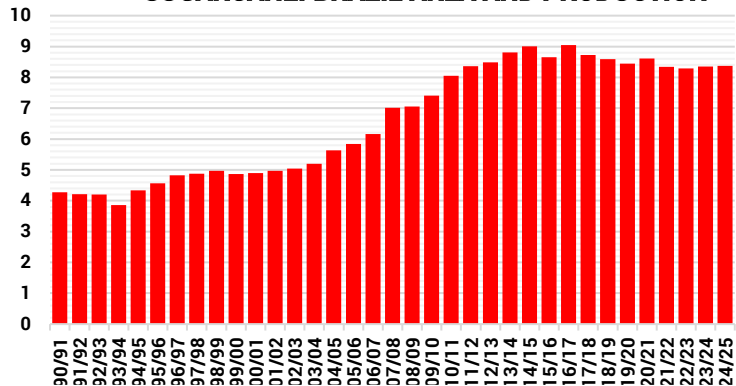


DECEMBER/2023

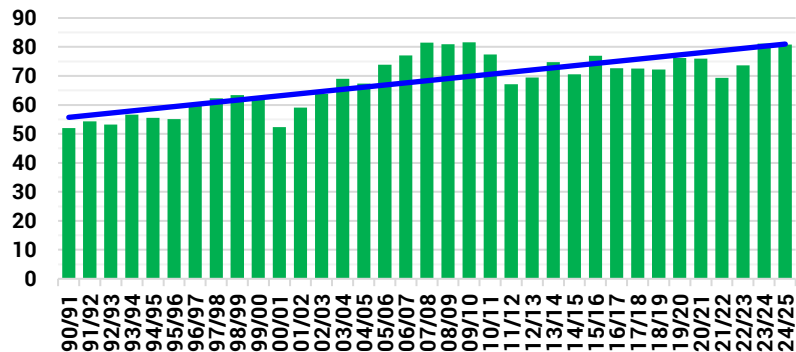


- Sugarcane crushing in the Center-South of Brazil reached 619.3 MMT in the 2023/2024 harvest, between 04/1/2023 and 11/15/2023, a strong increase of 15.9% compared to registered in the same period of the 2022/2023 season.
- In the 2023/2024 harvest, the level of Total Recoverable Sugars (TRS) is 140.25 kg per tonne, 0.6% less than in the last harvest.
- There should be around 10 MMT for crushing in the next harvest, creating a positive scenario for sugarcane crushing in the 2024/2025 season, repeating the sugar production of the current campaign.
- The only thing that has been hindering the plants is the climate: as the Center-South region approaches summer, the precipitation regime intensifies.
- In the 2023/2024 harvest, sugar production reaches 40.82 MMT, 23.5% above the 33.05 MMT in the previous cycle.
- Accumulated ethanol production is 29.85 billion liters, growth of 11.9% compared to 2022/2023, with an expansion of 14.7% in the manufacture of hydrous ethanol and 7.9% in anhydrous ethanol.
- 218 production units remain in operation in the Center-South Region, compared to 141 in the previous season.

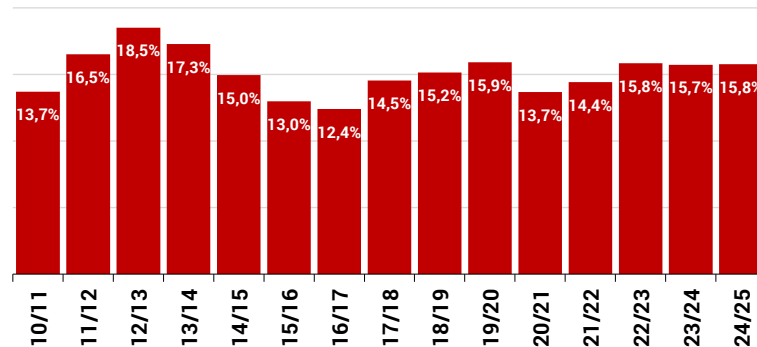
### SUGARCANE: BRAZIL AREA AND PRODUCTION



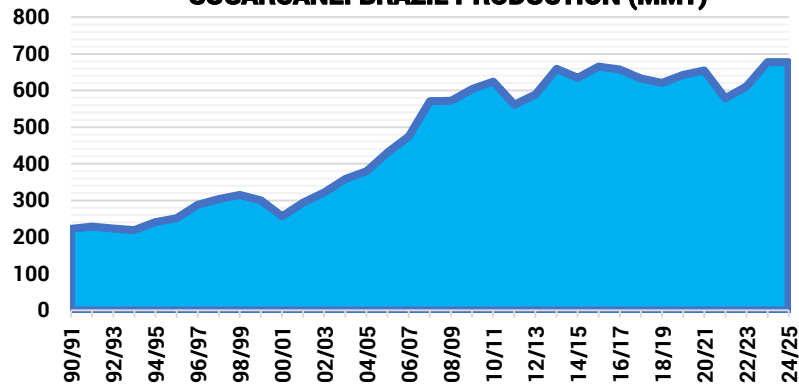
### SUGARCANE: AVERAGE YIELD (T/HA)



### SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



### SUGARCANE: BRAZIL PRODUCTION (MMT)

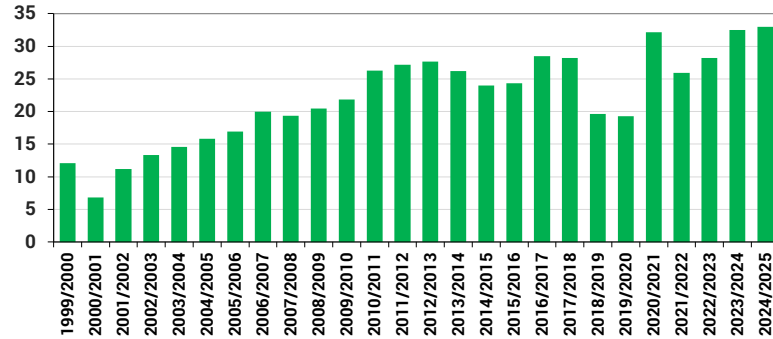


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 154.00 per 50 kg, accumulating a drop of 1.4% in the last 30 days and an increase of 10.7% in 12 months.
- Liquidity, which has already been low at the end of the year, is even lower.
- With external prices falling to the lowest level in five months, mills are cautious, avoiding offering large quantities.
- Most mills in the Center-South region are ending sugar production for this 2023/2024 harvest this December.
- On the New York Stock Exchange (ICE US), demerara sugar contracts lost the level of 28 ¢ per pound, falling to around 22 ¢ per pound in recent weeks.
- Prices have been pressured by expectations of increased production in India and speculation that the country may allow exports.
- Higher production and export volumes expected for Brazil in 2023/2024 also increase supply expectations and contribute to the decline, a scenario that could be repeated in the 2024/2025 season, as Brazil's sugar production potential is expected to increase, approaching the levels recorded in the current harvest.

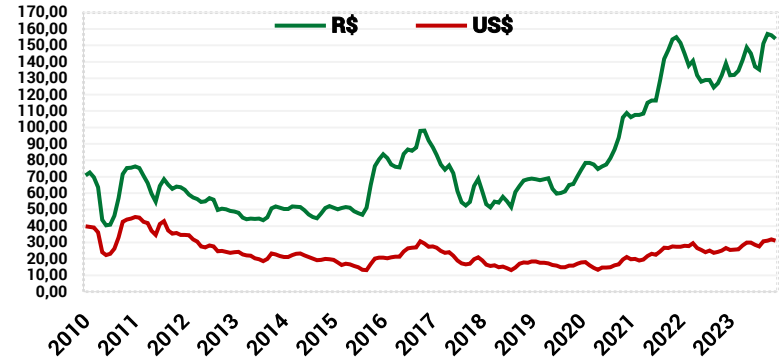
**RAW SUGAR: FUTURES AT ICE US (NEW YORK)**  
¢ PER POUND



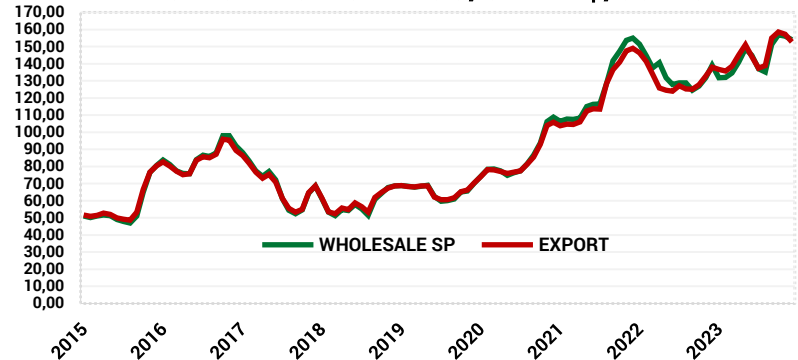
**SUGAR: BRAZIL EXPORTS - MMT**



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



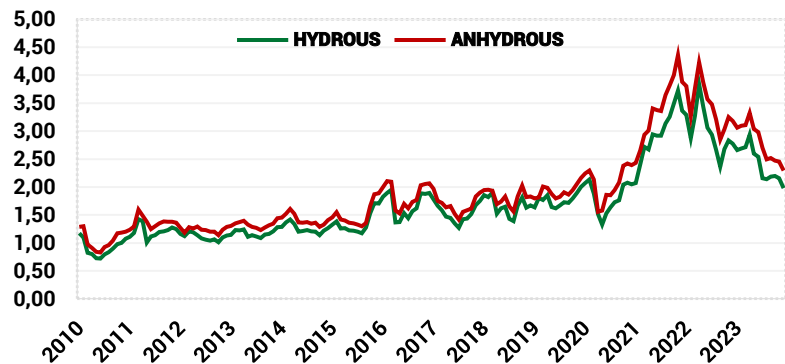
**GRANULATED SUGAR: WHOLESALE SP X**  
FAS PORT OF SANTOS/SP - R\$/50 KG



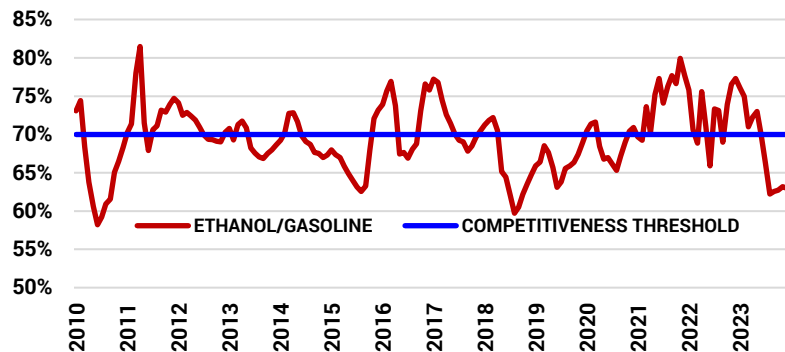
- The price of hydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 1.98/liter (without ICMS and without PIS/Cofins), a decrease of 8.1% in the last 30 days and 28.6% in 12 months.
- The price of anhydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.30/liter (without PIS/Cofins), with a decrease of 6.5% in the last 30 days and 27.9% in 12 months.
- Even with many plants in the state of SP already in the off-season, ethanol prices continue to fall in the market, with greater spot supply, as many plants are making available the ethanol that is stored.

- Furthermore, the new devaluations of a barrel of oil on international stock exchanges, with fossil fuel once again operating at around US\$ 70.00 per barrel, makes buyers test lower prices in part of the producing regions, and, in some cases, sellers end up giving in.
- Uncertainties regarding international oil prices and Petrobras' commercial strategy for fuels add additional pressure to ethanol prices.
- Furthermore, sugar, even with falling prices in foreign and domestic markets, still continues to provide higher margins to mills.

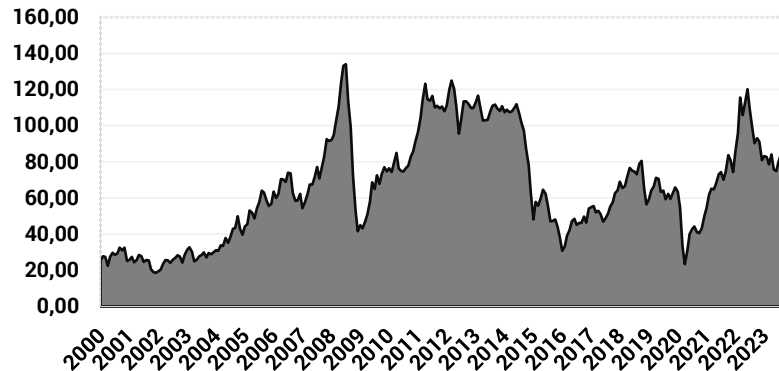
### ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



### 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	-6,5%	-7,5%	-8,1%	-9,0%
12 MO CHANGE	-27,9%	-23,6%	-28,6%	-24,4%



+55 51 3248 1117  
+55 51 999 867 666



[www.carloscogo.com.br/en](http://www.carloscogo.com.br/en)



[consultoria@carloscogo.com.br](mailto:consultoria@carloscogo.com.br)



@cogointeligencia

