

SUGARCANE

2024/2025 OUTLOOK SUMMARY

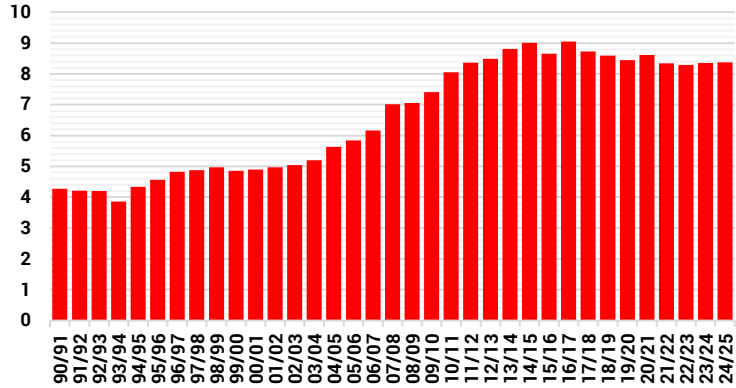


FEBRUARY/2024

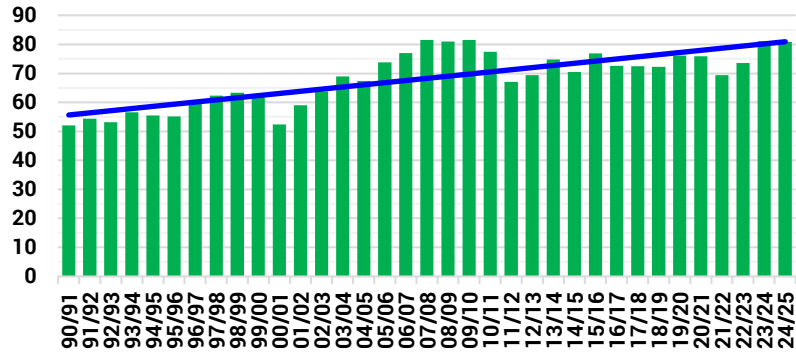


- Sugarcane crushing in the Center-South of Brazil reached 646.1 MMT in the 2023/2024 harvest, between 04/1/2023 and 01/31/2024, a significant increase of 18.9% compared to registered in the same period of the 2022/2023 season.
- In the 2023/2024 harvest, the level of Total Recoverable Sugars (trs) is 139.54 kg per tonne, 1.1% less than in the last harvest.
- The climate was inconsistent in 2023, influenced by *El Niño*, with some months recording above-average rainfall volumes and other periods with scarcity, which favored the progress of the 2023/2024 harvest.
- However, this may have harmed the development of sugarcane fields for the next 2024/2025 cycle.
- The production mix of the new 2024/2025 harvest (which will begin in Apr/2024) should continue to favor sugar, with 52% of processed sugar cane being used for sugar production, an increase of 3% compared to the mix projected for the current harvest, 2023/2024.
- This strategy will be adopted to take advantage of the moment of greater appreciation in the price of sugar in contrast to the lower prices of ethanol.
- To this end, adjustments to plant operations are being made throughout the Center-South of Brazil.

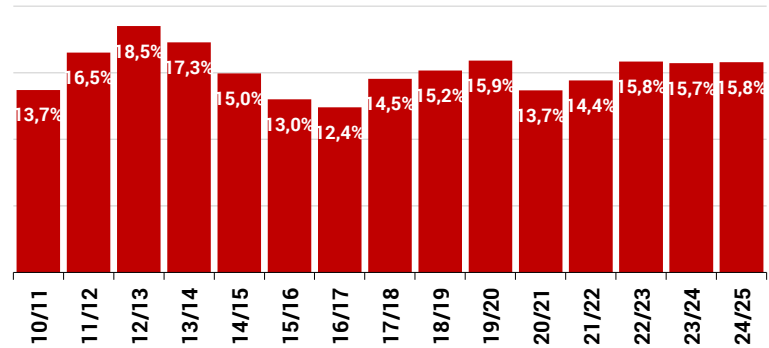
SUGARCANE: BRAZIL AREA AND PRODUCTION



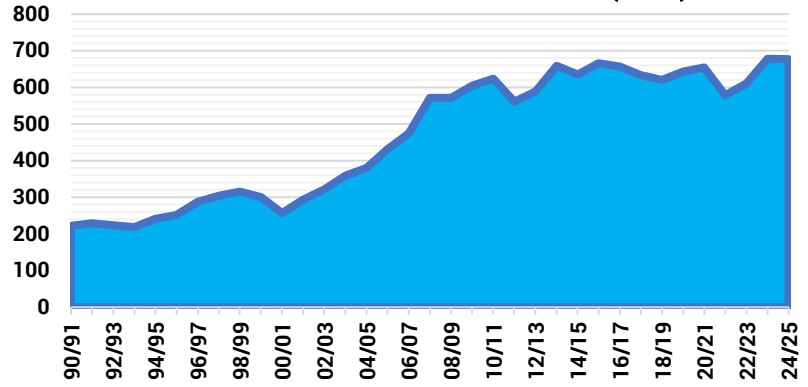
SUGARCANE: AVERAGE YIELD (T/HA)



SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



SUGARCANE: BRAZIL PRODUCTION (MMT)

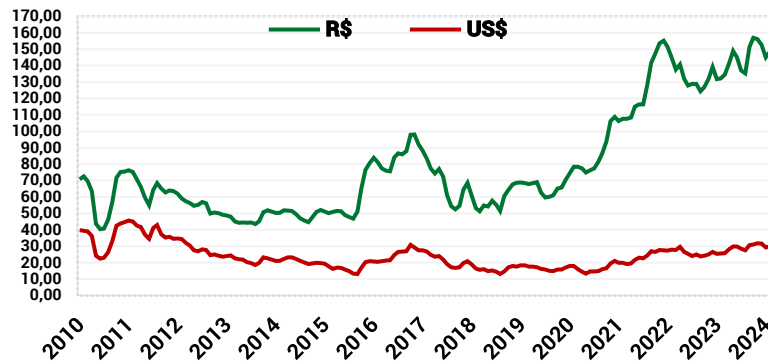


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 148.59 per 50 kg, accumulating an increase of 2.4% in the last 30 days and 12.5% in the last 12 months.
- Supply from mills, especially for better quality sugar (ICUMSA up to 180), has been restricted in this period of the 2023/2024 off-harvest, with a large part of stocks being committed to exports.
- Despite record sugar production in the Center-South of Brazil, the global market remains highly vulnerable to any adverse events, with strong dependence on the Brazilian product.
- On the New York Stock Exchange (ICE US), demerara sugar contracts for 2024 contracts are around 22 ¢ per pound, but they could lose momentum with the entry of the new Brazilian harvest (2024/2025) in market, from April 2024.
- Production declines are being recorded in India and Thailand, respectively, the 2nd and 3rd largest global exporters, behind Brazil, and if there is no resumption of growth in India's harvest, global production could decline in 2024/2025.
- Despite high prices on the world market, global consumption remains strong, and this trend is expected to continue in the 2024/2025 season.

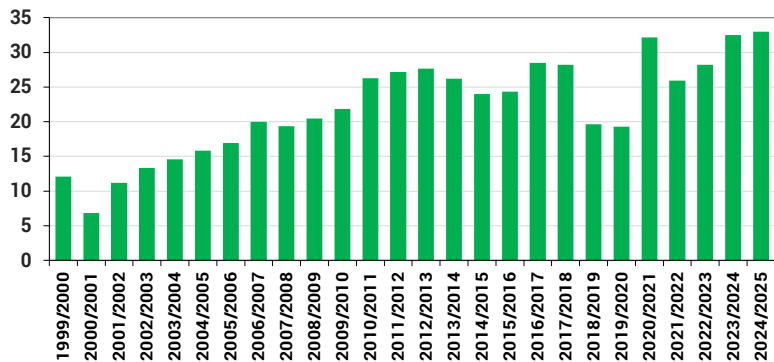
RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



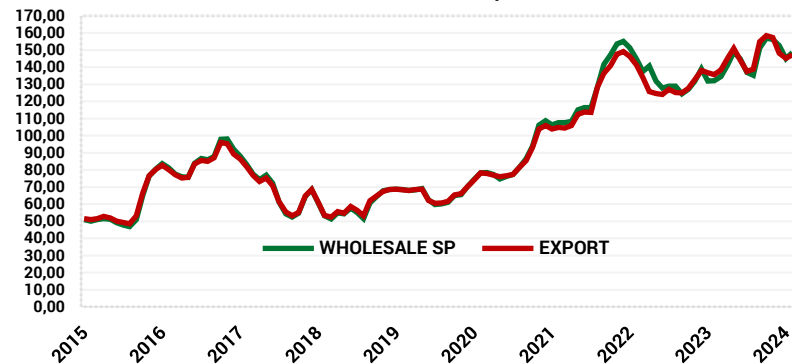
GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT

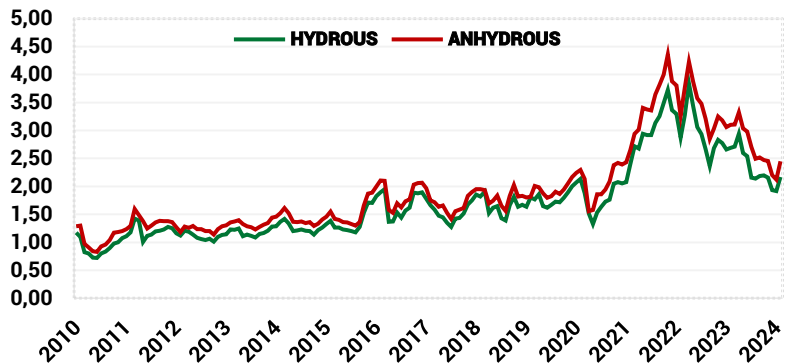


GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R\$/50 KG

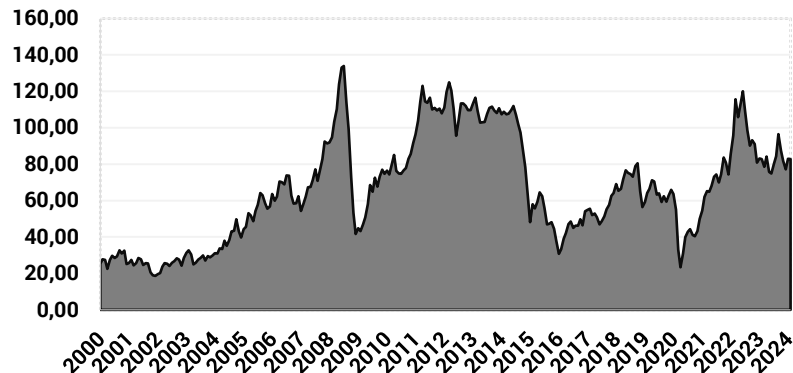


- The price of hydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.17/liter (without ICMS and without PIS/Cofins), with an increase of 13.1% in the last 30 days, but a decrease of 19.6% in 12 months.
- The price of anhydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.45/liter (without PIS/Cofins), with a strong increase of 15.3% in the last 30 days, but with a decrease of 21% in 12 months.
- Ethanol sales totaled 3.0 billion liters in January, 38.2% more compared to the same period in 2023, reaching the highest volume since October 2020.
- This result reflects the competitiveness of ethanol at the pumps that has been going on for months, with the current average parity of 61.7% between the price of hydrous and C gasoline.
- Biofuel's competitive advantage at retail results in strong sales, which consequently supports ethanol prices.
- There should be no drop in ethanol prices until March, unless there is a large price increase.
- With the distance between the price of gasoline and ethanol, there is room for an increase in the price charged for ethanol, due to high demand and the growth in biofuel consumption will determine how far the price rise will go.

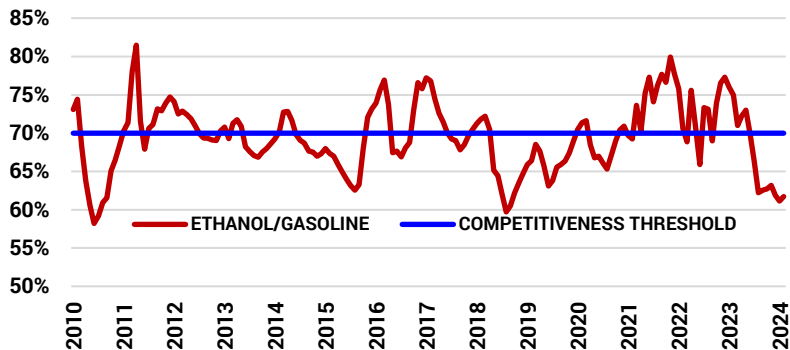
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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
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
2023/2024	2,61	0,53	2,27	0,46
30 DAYS CHANGE	15,3%	15,2%	13,1%	13,0%
12 MO CHANGE	-21,0%	-17,8%	-19,6%	-16,3%



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