

# SUGARCANE

2024/2025 OUTLOOK SUMMARY

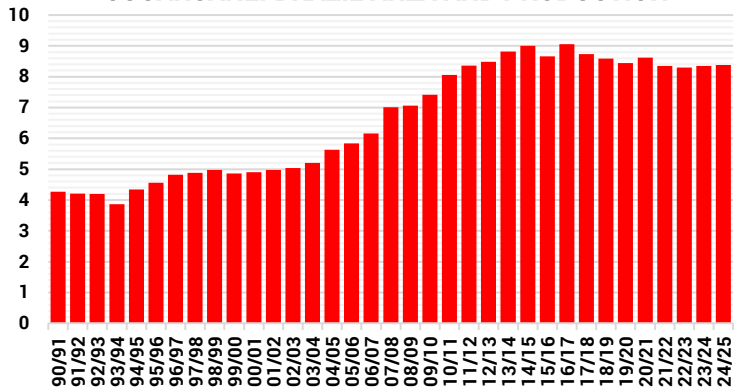


MARCH/2024

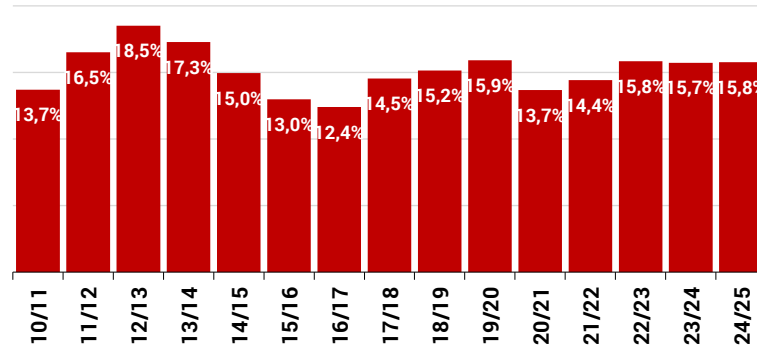


- Climatic conditions in the Center-South Region will be a decisive factor for a smaller sugarcane harvest in the 2024/2025 season, when compared to the 2023/2024 crop year.
- The perspective is that sugarcane productivity shall decline by 10% in 2024/2025.
- Rainfall between October 2023 and February 2024 in the Central-South Region was 26.7% below the historical average.
- There is still time for the sugar cane to mature and the mills have leftovers from the 2023/2024 season to begin crushing the current harvest.
- Furthermore, the average age of sugar cane is lower than in previous years, with the best sugarcane renewal rates in recent seasons.
- Sugarcane crushing in the Center-South Region, in the current harvest (2023/2024), reached 647.1 MMT, growth of 19.1% compared to 543.3 MMT recorded in the same period of the 2022/2023 cycle.
- The quality of the raw material harvested from the beginning of the harvest, in April/2023, until February/2024, measured in kg of TRS per tonne of processed sugarcane, decreased by 1.13% compared to the last agricultural cycle , reaching 139.55 kg of TRS per tonne.

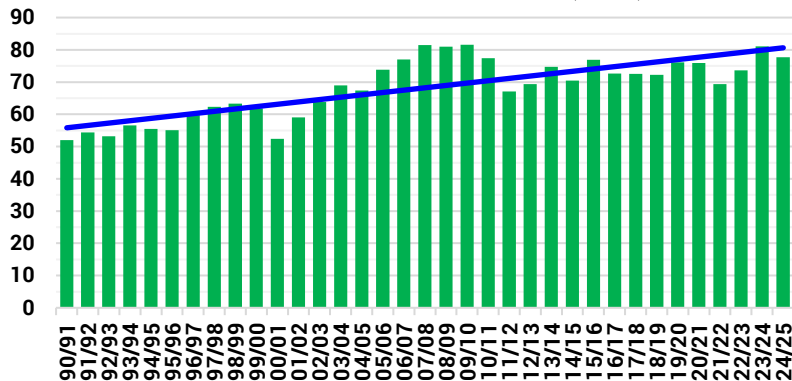
### SUGARCANE: BRAZIL AREA AND PRODUCTION



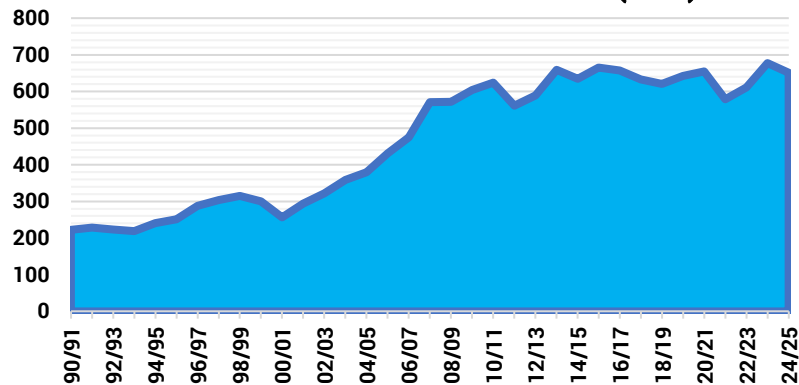
### SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



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



### SUGARCANE: BRAZIL PRODUCTION (MMT)

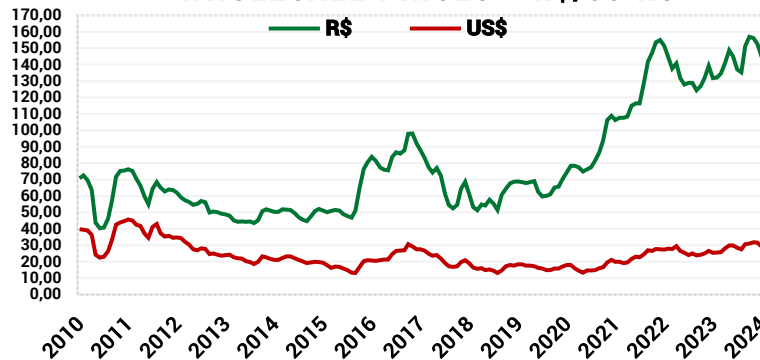


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 143.62 per 50 kg, accumulating a drop of 2.5% in the last 30 days and an increase of 3.7% in 12 months.
- Although demand has shown signs of weakening, prices remain relatively supported by supply restrictions at the end of the 2023/2024 off-season, especially for the best quality types, ICUMSA up to 180.
- Even given the expectations of sugarcane crushing in the 2024/2025 season in a volume below the current one, the Brazilian harvest is expected to be lean towards sugar in 2024/2025.
- On the New York Stock Exchange (ICE US), demerara sugar contracts for 2024 maturities are around 22 ¢ per pound, but may lose momentum with the entry of the new Brazilian harvest (2024/2025) in the market, from April 2024.
- The sugar market is more optimistic about Asian sugarcane harvests in 2024/2025 and 2025/2026, in a possible *La Niña* scenario.
- The 62% probability for the start of La Niña in July could benefit the 2024/2025 Indian harvest. However, the focus in the short term is on the size of the Brazilian harvest and how high the sugar mix can get with capacity additional crystallization of the plants.

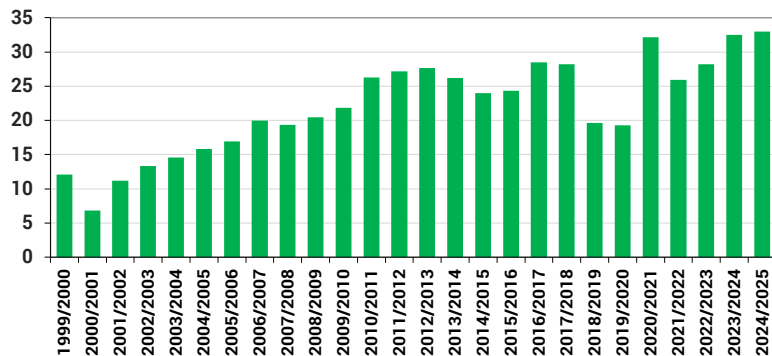
### RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



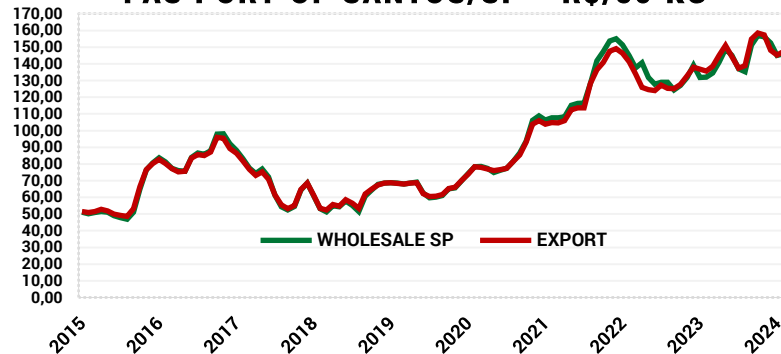
### GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



### SUGAR: BRAZIL EXPORTS - MMT

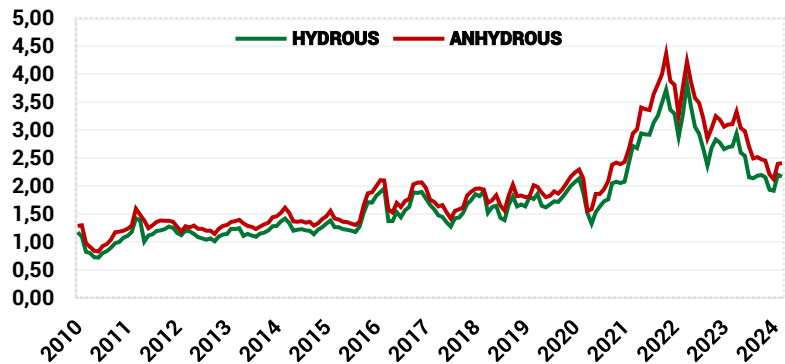


### GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R\$/50 KG

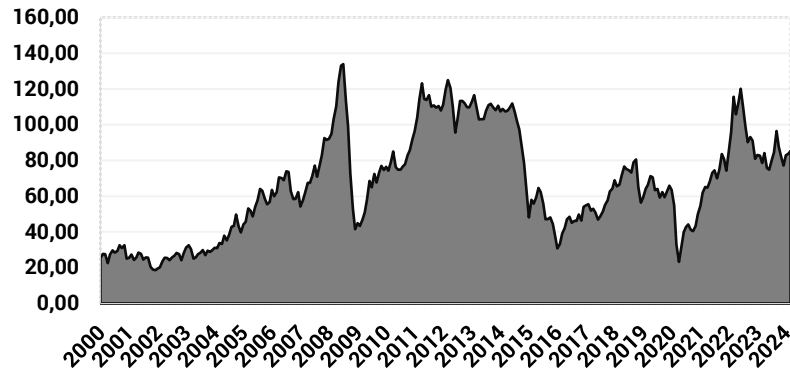


- The price of hydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.17/liter (without ICMS and without PIS/Cofins), down 1.5% in the last 30 days and 20.0 % in the last 12 months.
- The price of anhydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.41/liter (without PIS/Cofins), a slight increase of 0.6% in the last month, but a decrease of 22. 5% in 12 months.
- Just a few days before the end of the 2023/2024 sugarcane harvest in the Center-South Region, the prices of hydrous and anhydrous ethanol rose again at mills, with stable offers and an increase in demand from distributors.
- In addition to the sequence of good product outflows at the retail end, the rise in oil barrel prices and the proximity of the Easter holiday also provide some support to ethanol prices.
- In terms of relative prices in the producing links of the sugar-energy chain, the current value of anhydrous ethanol is 6.4% higher than that of hydrous ethanol in SP.
- In the case of sugar, the price is 98.1% above the remuneration for hydrous ethanol and 86.3% higher than that for anhydrous ethanol.
- In SP, the relationship between the prices of hydrous ethanol and those of gasoline C was 60.9% in March.

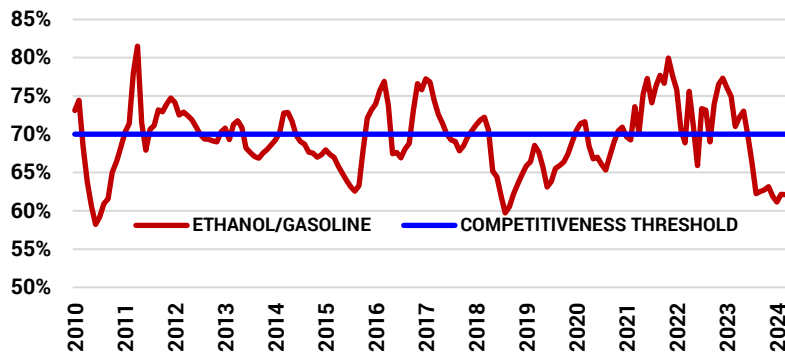
## ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



## 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	0,6%	-0,1%	-1,5%	-2,2%
12 MO CHANGE	-22,5%	-19,0%	-20,0%	-16,5%



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