

SUGARCANE

2024/2025 OUTLOOK SUMMARY

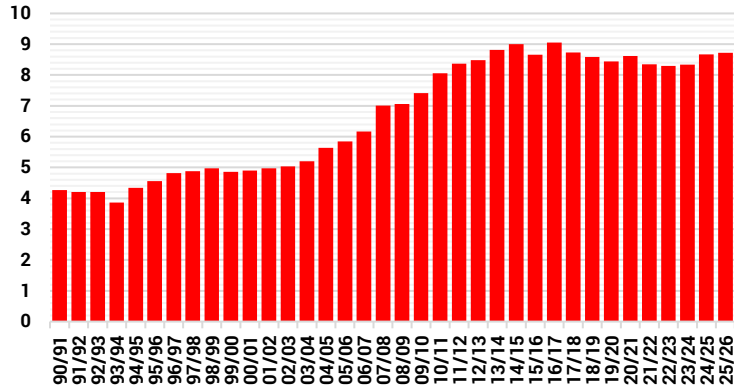


JUNE/2024

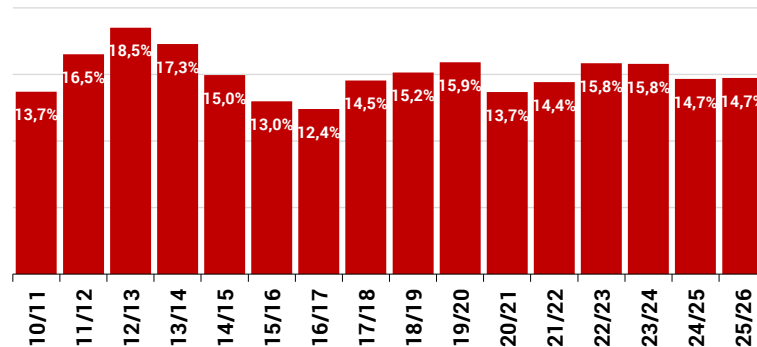


- Sugarcane crushing by plants in the Center-South of Brazil reached 140.7 MMT in the 2024/2025 harvest, between 04/1/2024 and 06/1/2024, 11.1% above the same period in the previous cycle 2023/2024.
- Accumulated sugar production since the beginning of the harvest until June 1st reached 7.84 MMT, an increase of 11.8% compared to the same period of the previous year, while ethanol production reached 6.46 billion liters, an increase of 10.4% compared to the same period of the previous year.
- 249 processing units are in operation in the Center-South of Brazil.
- The lower-than-expected sugar mix at mills in the Center-South of Brazil is a specific situation and should be adjusted in the coming months.
- The market expectation was that, after investments in crystallization, the region's mills would maximize sugar production and that the mix would be above 50% in favor of sugar.
- Some mills are waiting for sugarcane to mature to maximize sugar production in the coming months.
- The harvest began with a challenging climate scenario, with a marked water deficit in April, due to the reduced regime and irregular rainfall.

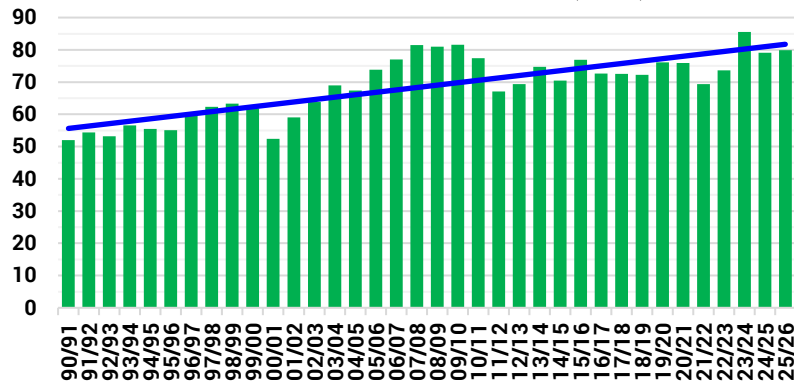
SUGARCANE: BRAZIL AREA AND PRODUCTION



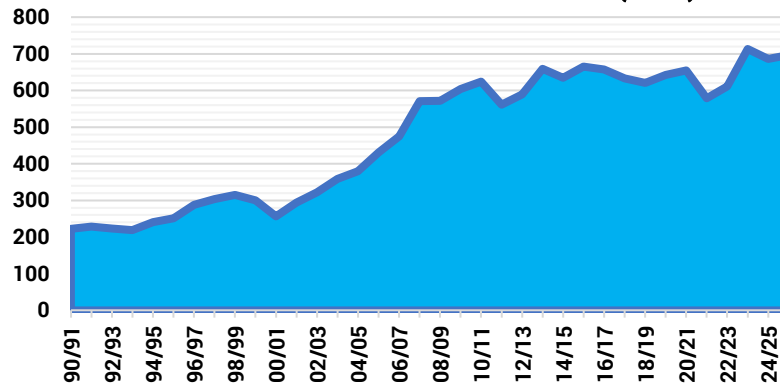
SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



SUGARCANE: AVERAGE YIELD (T/HA)



SUGARCANE: BRAZIL PRODUCTION (MMT)

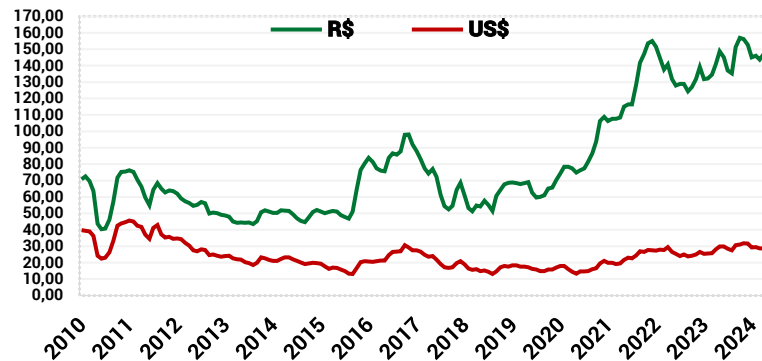


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 136.12 per 50 kg, accumulating a slight drop of 2.1% in the last 30 days and 6.1% in 12 months.
- Prices are firm in the midst of harvesting and crushing for the 2024/2025 harvest, due to the devaluation of the Real against the dollar, which leads mills to restrict the supply of ICUMSA crystal up to 180 on the spot market, as exports make them more attractive.
- The *La Niña* phenomenon usually brings less rainfall to the Center-South region of the country and is expected to begin in the 2nd half of this year.
- On the New York Stock Exchange (ICE US), demerara sugar contracts for 2024 maturities are around 19 ¢ per pound, accumulating a slight increase of 3.4% in the last 30 days, but with a decline of 15.9% in the last 12 months.
- This firmness in external prices arises from expectations of lower sugarcane productivity in the 2nd half of 2024 and for the next season (2025/2026), due to the long period of drought in the Center-South of Brazil, in addition to the indication that India will export less than estimated.
- There is no relevant increase in supply, world consumption does not decline and there have been 6 years of falling stocks.

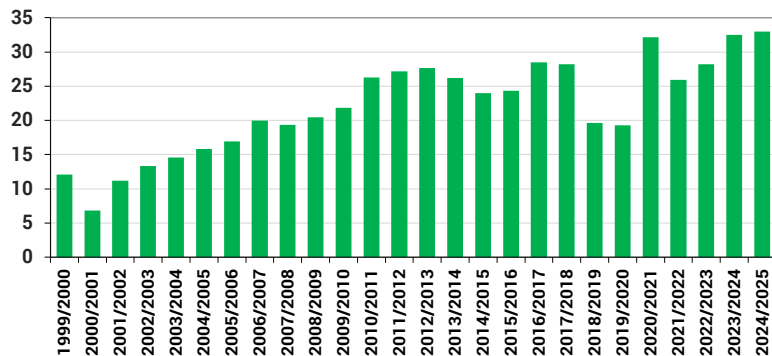
RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



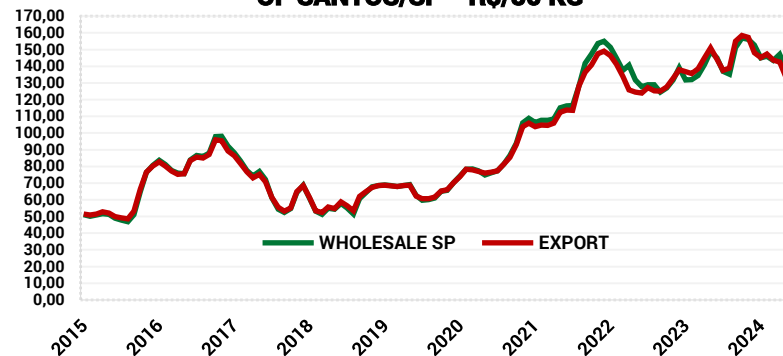
GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT

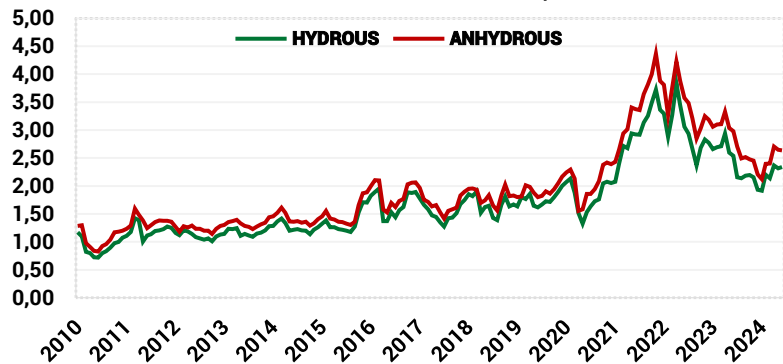


GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R\$/50 KG

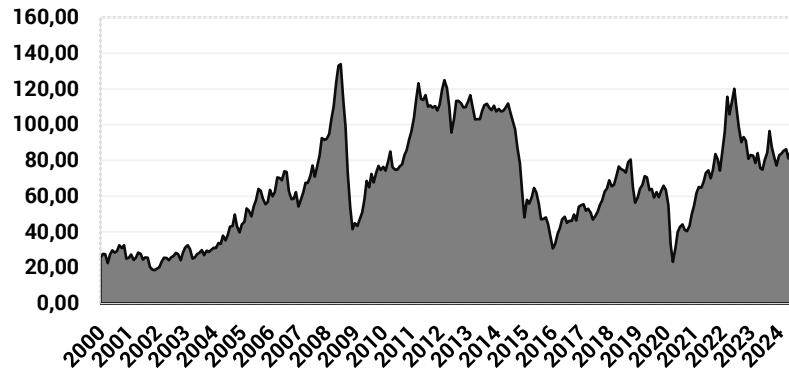


- The price of hydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.34/liter (without ICMS and without PIS/Cofins), with a slight increase of 1.0% in the last 30 days, but still with accumulated decline of 7.9% in the last 12 months.
- The price of anhydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.63/liter (without PIS/Cofins), with a slight decrease of 0.6% in the last 30 days and 11.6% in last 12 months.
- The volume of ethanol sold by plants in the Center-South Region in May this year reached the highest level since October 2020, remaining firm throughout this month of June.
- The plants remain firm in the ethanol trading prices on the spot market, paying attention to sugar prices on the foreign market, which has returned to being traded on the New York Stock Exchange at around 19 ¢ per pound since the beginning this June.
- In terms of relative prices in the producing link of the sugar-energy chain, the value of anhydrous is 7.9% higher than that of hydrous, while sugar has a price 73.6% higher than that of hydrous and 60.8% higher than that of anhydrous.
- The relationship between biofuel prices and C gasoline prices is 64.8% in the state of São Paulo, with averages of R\$3.64 /l for hydrous ethanol and R\$5.62 /l for C gasoline.

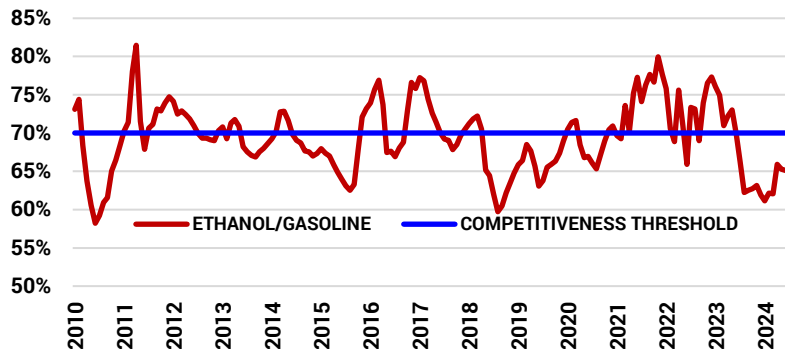
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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%	-7,0%	1,0%	-5,5%
12 MO CHANGE	-11,6%	-21,5%	-7,9%	-18,2%



+55 51 3248 1117
+55 51 999 867 666



www.carloscogo.com.br/en



consultoria@carloscogo.com.br



@cogointeligencia

