

# SUGARCANE

## 2024/2025 OUTLOOK SUMMARY

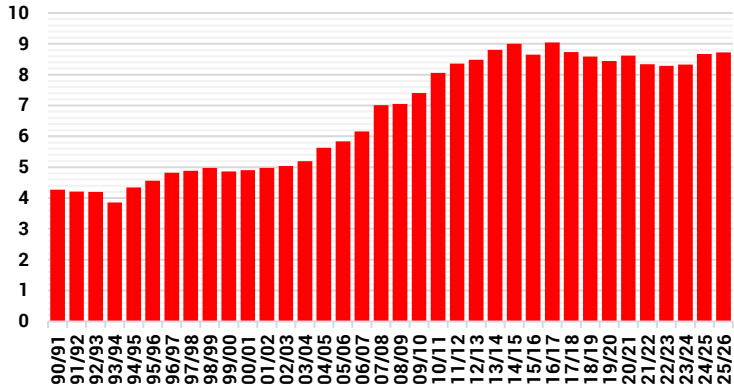


JULY/2024

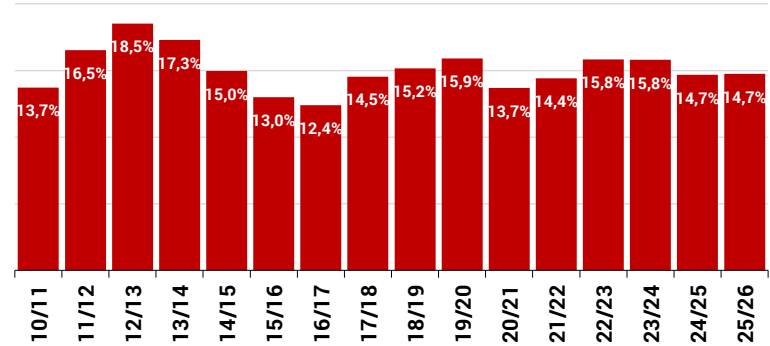


- Sugarcane crushing by plants in the Center-South of Brazil reached 238.4 MMT in the 2024/2025 harvest, between 04/1/2024 and 07/1/2024, 13.3% above the same period in the previous cycle 2023/2024.
- In the 2024/2025 harvest, productivity in the Center-South remains close to that observed in the previous cycle, with an average of 89.7 t/ha in this harvest, compared to 92 t/ha in 2023/2024.
- However, the lack of rain worries producers in several regions and the sugarcane fields that will be harvested in the medium/late cycle will suffer an impact due to the high accumulated water deficit.
- In the current harvest, the quality of the raw material (ATR) harvested is 125.7 kg/t of sugarcane, compared to 125.0 kg in the 2023/2024 season, as the drier climate favors the accumulation of sucrose by the crop.
- The occurrence of *La Niña* this first half year should not compromise sugarcane productivity in the Brazilian Center-South in the current harvest.
- The possible impacts of *La Niña* are expected to come in 2025/2026 and the phenomenon could result in a drop in sugarcane crushing due to drought and frost.
- Doubts about these consequences could add a risk premium to the global sugar price.

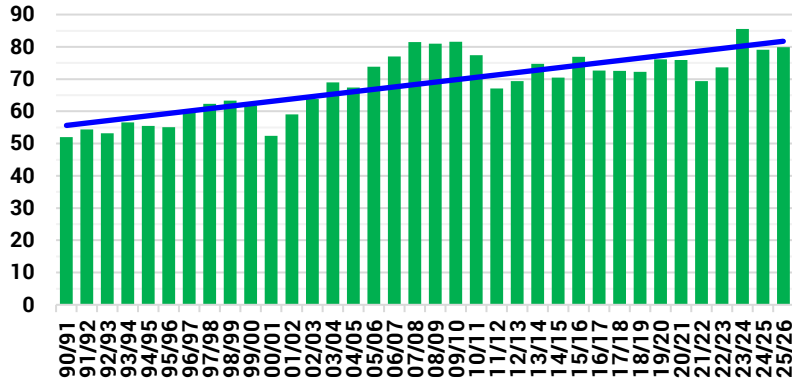
### SUGARCANE: BRAZIL AREA AND PRODUCTION



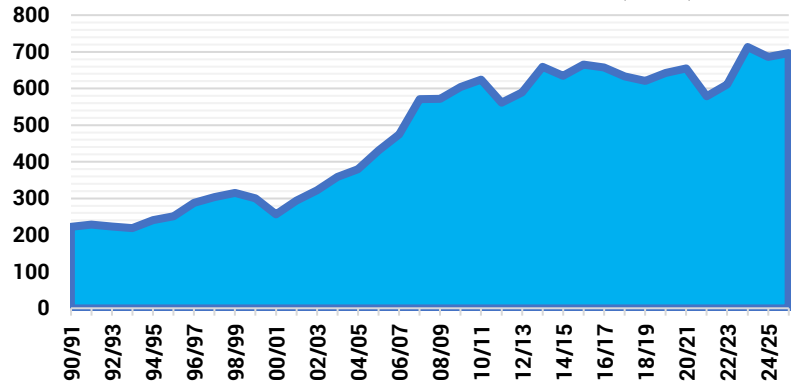
### SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



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



### SUGARCANE: BRAZIL PRODUCTION (MMT)

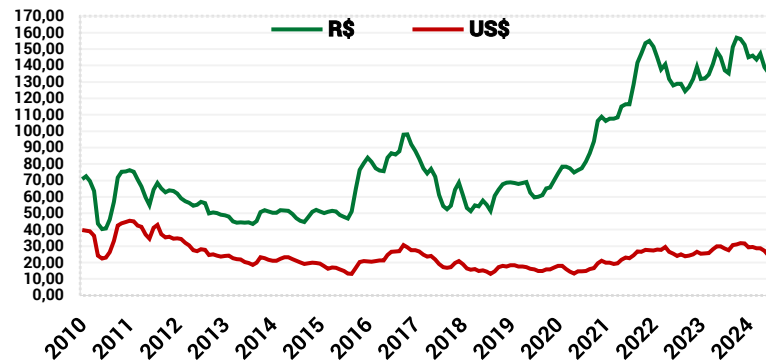


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 132.48 per 50 kg, accumulating a drop of 2.4% in the last 30 days and 3.3% in 12 months .
- Businesses with ICUMSA 150 crystal sugar, which has been presenting a more restricted supply throughout this 2024/2025 season, are responsible for sustaining the average prices of the product in Brazil.
- The transition from *El Niño*, which ended in June, to *La Niña*, tends to take at least three months and will prevent the effects of the phenomenon from affecting sugar production in the Center-South of Brazil in the current 2024/2025 harvest.
- On the New York Stock Exchange (ICE US), demerara sugar contracts for 2024 maturities are around 18 ¢ per pound, accumulating a drop of 9.9% in the last 30 days and 25.0% in the last 12 months.
- The improvement in the prospects for sugar production in Asia in the 2024/2025 world season, which begins on October 1<sup>st</sup>, puts pressure on future prices.
- Furthermore, the strong advance of the dollar against the Real and the new prospect of a global sugar surplus in the 2024/2025 season (which runs from October 2024 to September 2025) are also factors that put pressure on future prices for the commodity.

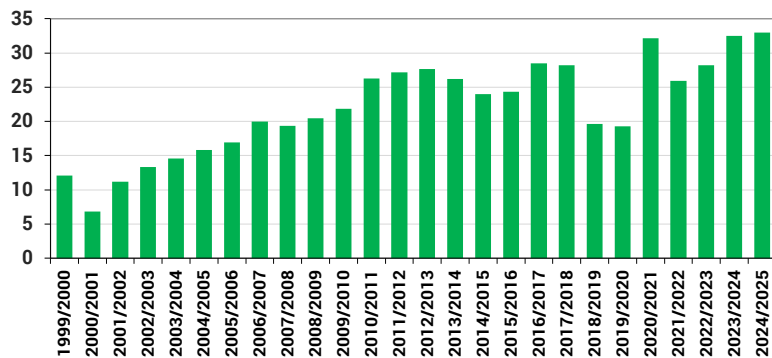
### RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



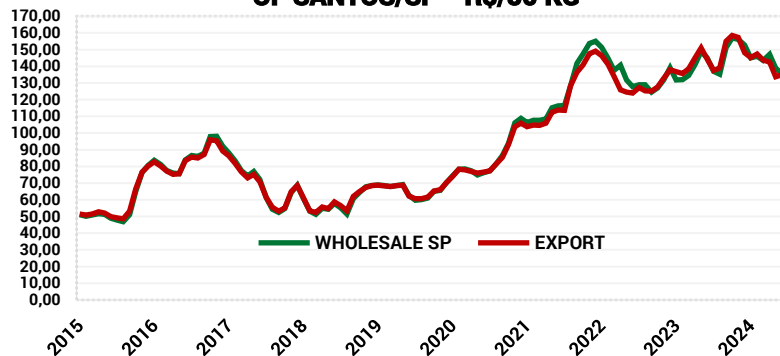
### GRANULATED SUGAR: SÃO PAULO WHOLESALE PRICES - R\$/50 KG



### SUGAR: BRAZIL EXPORTS - MMT

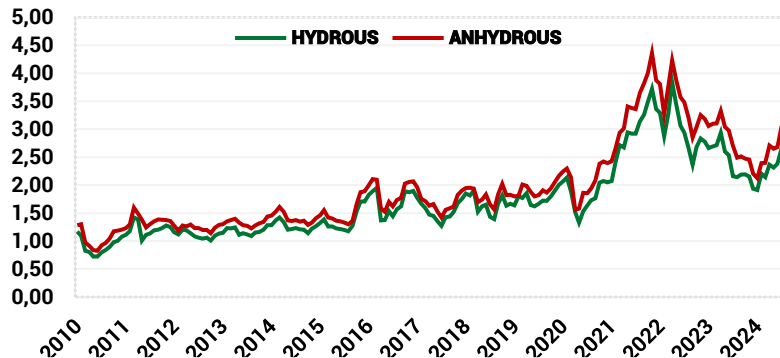


### GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R\$/50 KG

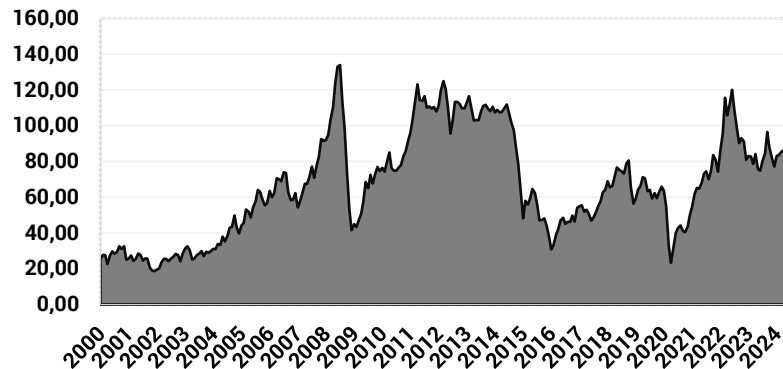


- The price of hydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 2.66 per liter (without ICMS and without PIS/Cofins), with a strong increase of 11.6% in the last 30 days and 23.1% in 12 months.
- The price of anhydrous ethanol FOB plants in São Paulo is quoted, on average, at R\$ 3.05 per liter (without PIS/Cofins), with a strong increase of 14.0% in the last 30 days and 12.8% in last 12 months.
- The pace of ethanol purchases by distributors remains slow in the Center-South of Brazil, with the school break period reducing the flow of cars and reducing the need for new purchases.
- On the producer side, some plants choose to stay out of the market, while other sellers offer lower values, seeking to increase liquidity and avoid an increase in stocks, as the harvest continues to be favored by good weather conditions.
- In terms of relative prices, the value of anhydrous ethanol is 10% higher than that of hydrous ethanol and, in the case of sugar, the current price exceeds that of hydrous ethanol by 35.6% and 49.3% that of anhydrous.
- Ethanol manufacturing in the Center-South grew 13.5% in the current harvest, reaching 11.02 billion liters, of which 7.06 billion were hydrous ethanol (+27.3%) and 3.96 billion were anhydrous ethanol. (-4.8%).

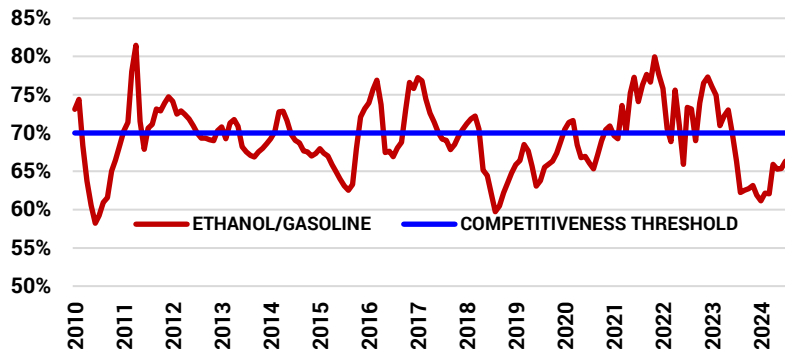
### ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



### 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	U\$/l	R\$/l	U\$/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
<b>30 DAYS CHANGE</b>	<b>14,0%</b>	<b>14,0%</b>	<b>11,6%</b>	<b>11,6%</b>
<b>12 MO CHANGE</b>	<b>12,8%</b>	<b>-2,6%</b>	<b>23,1%</b>	<b>6,3%</b>



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