

SUGARCANE

2025/2026 OUTLOOK SUMMARY

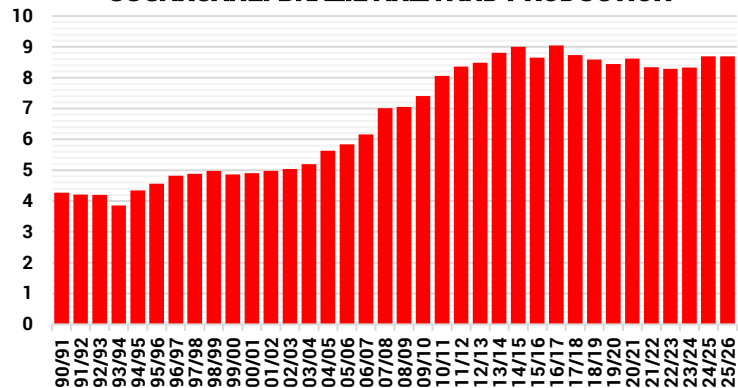


JANUARY/2025

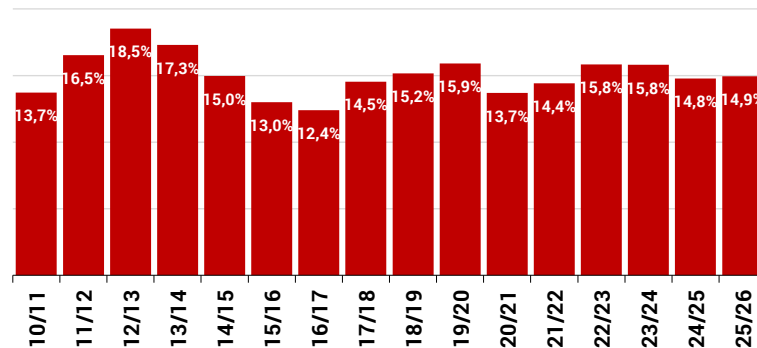


- In the 2024/2025 harvest (April 2024 to March 2025), sugarcane milling in the Center-South of Brazil until 01/01/2025 reached 613.6 MMT, a drop of 4.7% compared to the same period in the 2023/2024 season.
- According to data from the Sugarcane Technology Center (CTC), sugarcane productivity in the 2024/2025 harvest fell 10.8% in the Center-South Region compared to the previous season.
- The current harvest recorded 136.3 kg of Total Recoverable Sugar (TRS) per tonne of sugarcane, surpassing the last harvest, which had 134.5 kg of ATR per tonne.
- Favorable weather conditions could boost the 2025/2026 sugarcane harvest in the Center-South.
- After a severe drought and fires, rainfall in November and December was, on average, above expectations in the main sugarcane producing regions of the Center-South, increasing optimism about the recovery of crops.
- In addition, the expansion of sugarcane planting for 18 months, expected for early 2025, could influence future production, especially in the 2025/2026 harvest.
- Despite this, the weather in the first quarter of 2025 will be decisive for the performance of the 2025/2026 harvest.

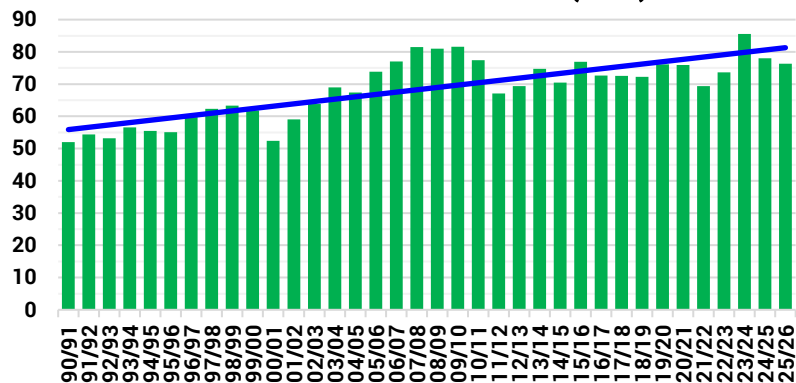
SUGARCANE: BRAZIL AREA AND PRODUCTION



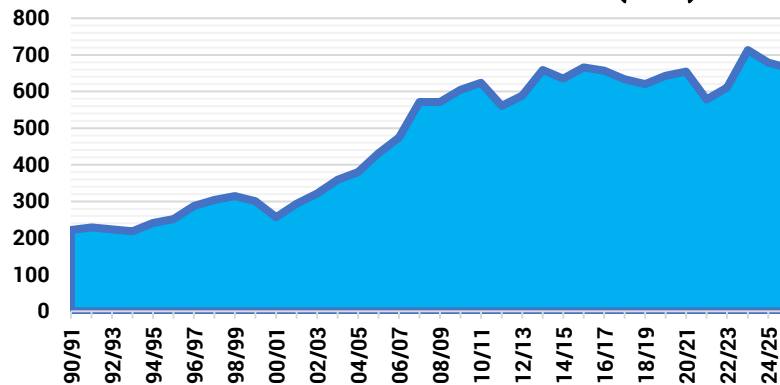
SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



SUGARCANE: AVERAGE YIELD (T/HA)



SUGARCANE: BRAZIL PRODUCTION (MMT)

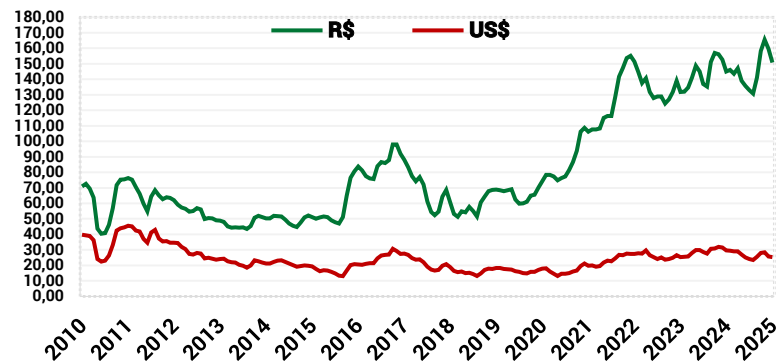


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 150.72 per 50 kg, down 5.5% in the last 30 days, but up 3.9% in 12 months.
- The pace of crystal sugar trading on the spot market has been slower in recent days, due to weak demand, with flexibility to lower sales values.
- On the New York Stock Exchange (ICE US), demerara sugar contracts for maturities in 2025 fell to the range of 17 ¢ to 19 ¢ per pound, with an average decline of 19.8% in the last 12 months.
- Brazil will continue to be an uncertain area, as estimates for the 2025/2026 harvest range from 38 to 43 MMT of sugar, which could represent more pressure or support for future prices.
- Political and climate decisions in India and Thailand remain on the radar. The Indian government continues to restrict exports and may limit sugarcane ethanol production to ensure domestic supply, which would minimize the impact on global prices.
- Future sugar prices are expected to fluctuate between 17 and 18 ¢ per pound throughout 2025, under pressure from ample supply in Brazil and the devalued Real.

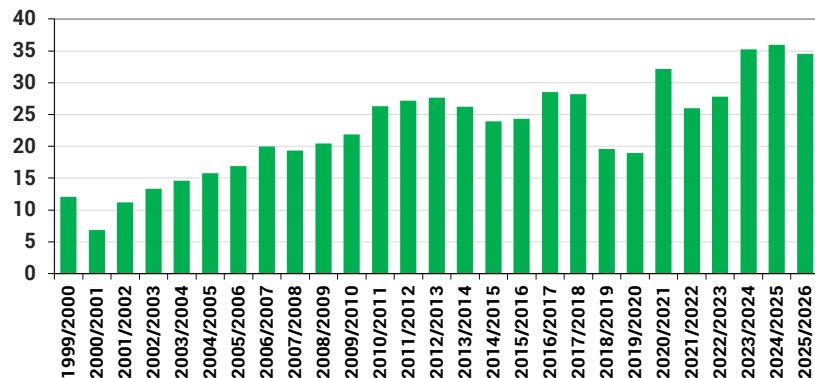
RAW SUGAR: FUTURES AT ICE US (NEW YORK)
¢ PER POUND



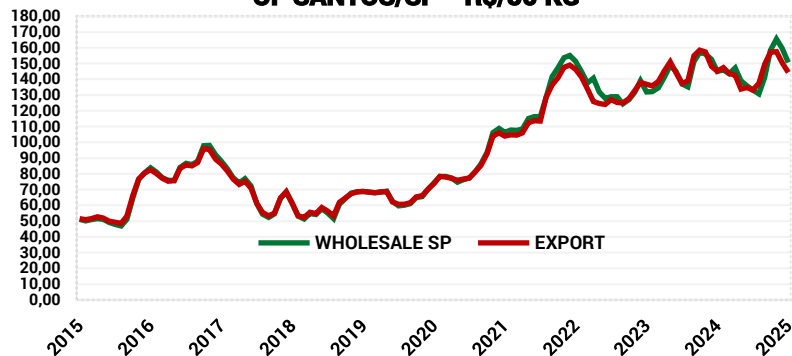
GRANULATED SUGAR: SÃO PAULO
WHOLESALE PRICES - R\$/50 KG



SUGAR: BRAZIL EXPORTS - MMT

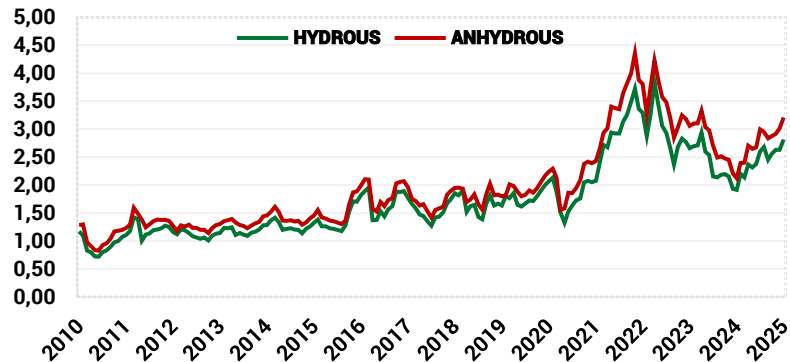


GRANULATED SUGAR: WHOLESALE SP X FAS PORT
OF SANTOS/SP - R\$/50 KG

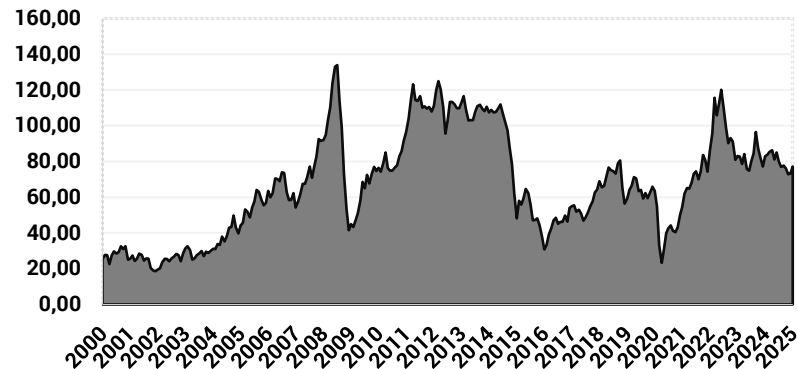


- The price of hydrous ethanol FOB mills in São Paulo is quoted, on average, at R\$2.81 per liter (without ICMS and PIS/Cofins), accumulating a strong increase of 47.1% in the last 12 months.
- The price of anhydrous ethanol FOB mills in São Paulo is quoted, on average, at R\$3.21 per liter (without PIS/Cofins), also accumulating a strong increase of 51.2% in the last 12 months.
- In January, the first month of the sugarcane off-season, the price of hydrous ethanol was higher than in the last month of 2024, due to the combination of strong demand and a firm stance by sellers.
- Hydrous ethanol prices are expected to rise throughout the first quarter of 2025, the sugarcane off-season, so that the hydrous ethanol-gasoline parity at the pump in São Paulo retail will have to be above 70% at some point.
- In 2025, the Law establishing that the percentage of ethanol mixed with gasoline will increase from the current 27.5% to 35%, subject to technical feasibility, is expected to come into effect.
- In the 2025/2026 harvest, the outlook is for a drop in the total supply of ethanol, with a reduction in production from sugarcane exceeding the increase expected for corn, which projects higher prices for the biofuel.

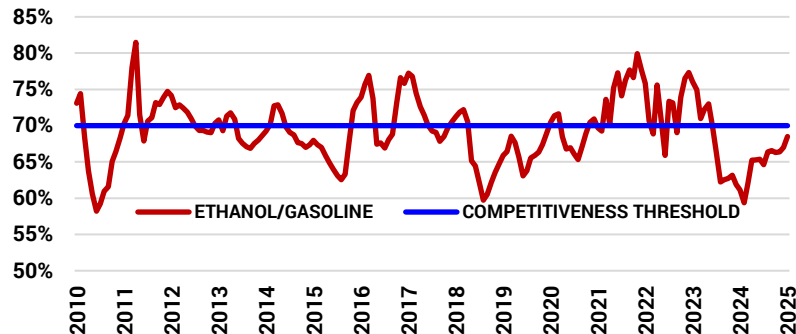
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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	6,4%	11,5%	6,9%	12,0%
12 MO CHANGE	51,2%	24,5%	47,1%	21,1%



+55 51 3248 1117
+55 51 999 867 666



www.carloscogo.com.br/en



consultoria@carloscogo.com.br



@cogointeligencia

