

# SUGARCANE

## 2025/2026 OUTLOOK SUMMARY



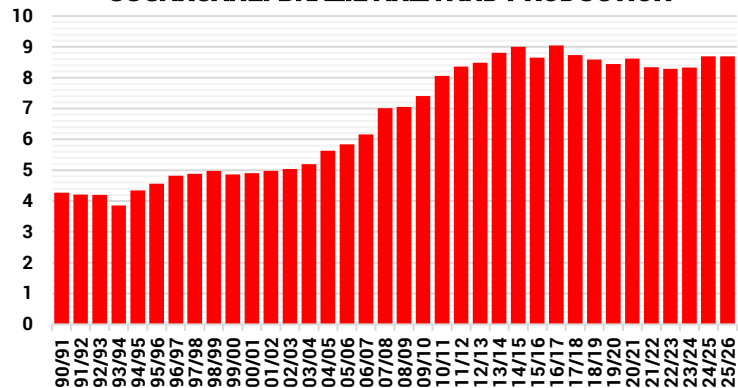
FEBRUARY/2025



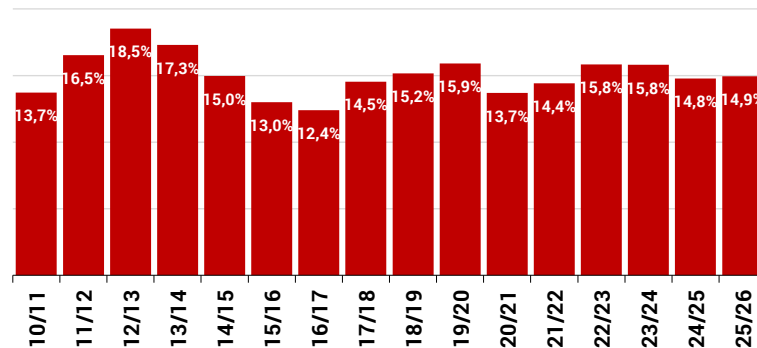
- In the 2024/2025 harvest (April 2024 to March 2025), sugarcane milling until February 1, 2025 in the Center-South of Brazil reached 614.1 MMT, a decrease of 4.9% compared to the same period in the 2023/2024 season.
- Sugar production from the beginning of the harvest until the end of January continues to show a decrease compared to the previous harvest, with 39.805 MMT produced, 5.5% below the same period in the previous cycle.
- Ethanol production in the Center-South reached 32.192 billion liters, a slight increase of 3.4% compared to the same period in the previous harvest.
- Early-year rains in sugarcane plantations in the Center-South offset initial problems related to the weather and fires in 2024, which should contribute to similar productivity in the next 2025/2026 season.
- March should bring more frequent rains in the Center-South region, favoring the new harvest.
- The harvested area is estimated at 7.4 million hectares in the 2025/2026 harvest, compared to 7.8 million hectares in 2024/2025, discounting the loss of more than 400 thousand hectares last year due to fires, lower renewal of 18-month and winter sugarcane areas, and larger concentration of renewal in the off-season.



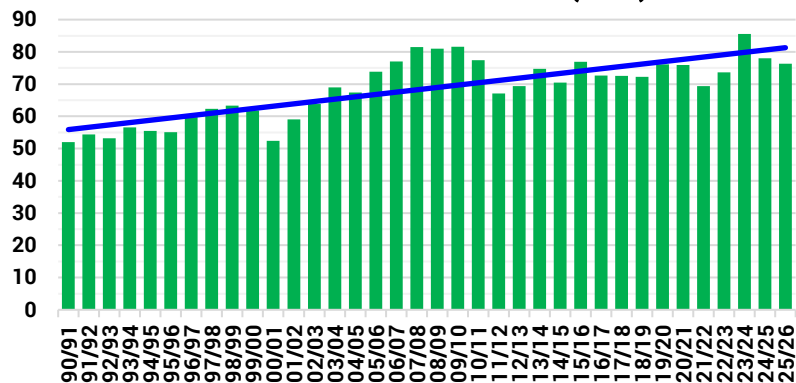
## SUGARCANE: BRAZIL AREA AND PRODUCTION



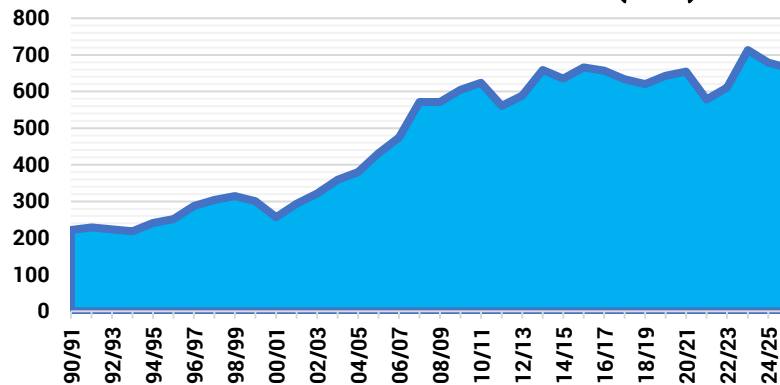
## SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



## SUGARCANE: AVERAGE YIELD (T/HA)



## SUGARCANE: BRAZIL PRODUCTION (MMT)

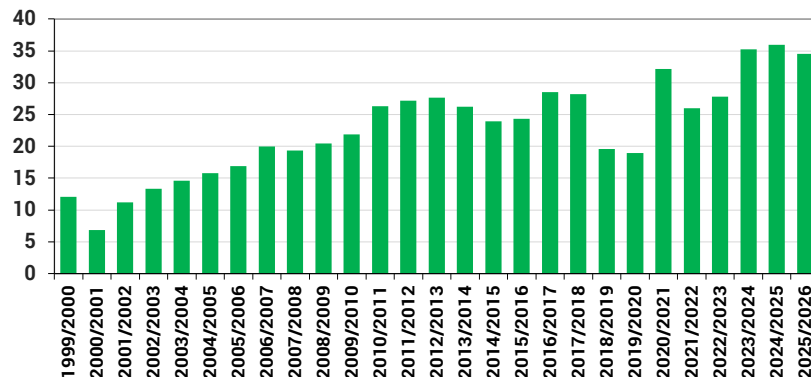


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 141.66 per 50 kg, with a strong decline of 6.0% in the last 30 days and 3.0% in the last 12 months.
- Sugar stocks in the Center-South of Brazil are low and the availability of sugar for export will remain limited in India, despite the recent announcement of an export quota of 1 MMT.
- On the New York Stock Exchange (ICE US), sugar contracts for 2025 maturities range between 19¢ and 20¢ per pound, while contracts for 2026 range between 18¢ and 19¢ per pound.
- In the domestic market, sugar prices have not shown support as some mills have continued to reduce the values of their offers over the last few weeks.
- The sugar market, however, may see significant surpluses in future harvests, especially in 2025/2026, as production in Brazil and India strengthens and the consensus is that there will be a global surplus of between 2 and 5 MMT in the 2025/2026 international harvest year.
- In terms of relative prices in the sugar-energy chain, sugar pays 47.5% more than hydrous ethanol and 38.0% more than anhydrous ethanol.

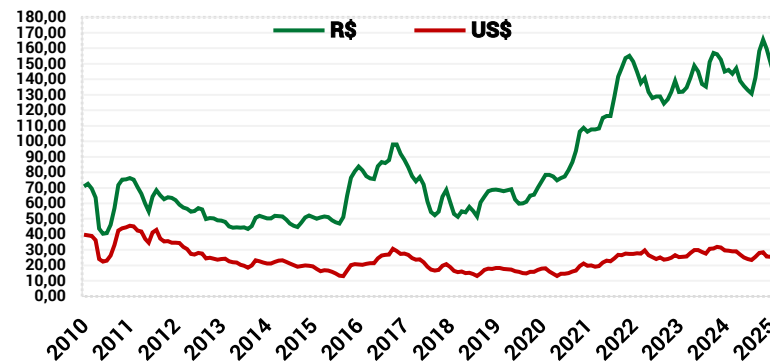
### RAW SUGAR: FUTURES AT ICE US (NEW YORK) ¢ PER POUND



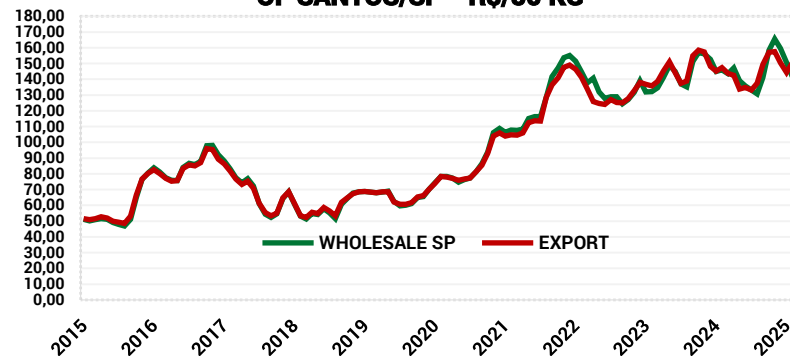
### SUGAR: BRAZIL EXPORTS - MMT



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

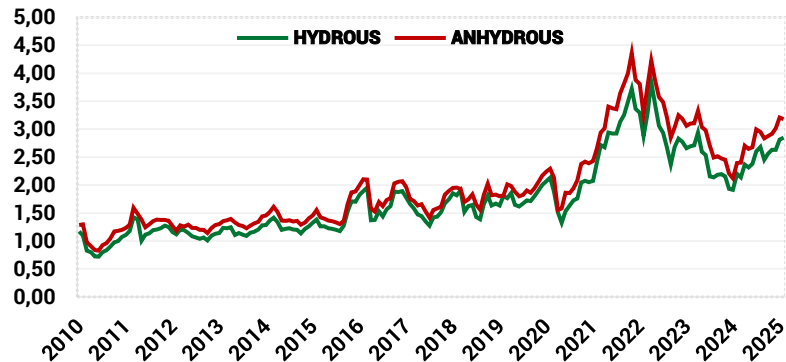


### GRANULATED SUGAR: WHOLESALE SP X FAS PORT OF SANTOS/SP - R\$/50 KG

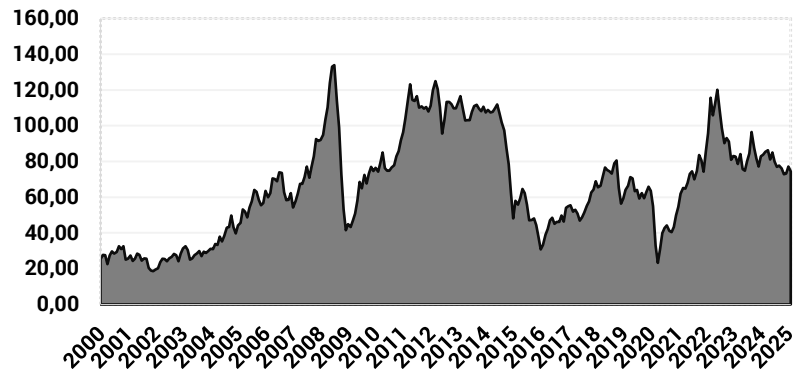


- The price of hydrous ethanol FOB mills in São Paulo is quoted, on average, at R\$2.85 per liter (without ICMS and PIS/Cofins), accumulating a strong increase of 29.5% in the last 12 months.
- The price of anhydrous ethanol FOB mills in São Paulo is quoted, on average, at R\$3.18 per liter (without PIS/Cofins), accumulating a strong increase of 32.8% in the last 12 months.
- The pressure is due to the weakening demand from distributors and the need for sales by some mills, given the proximity of the harvest year balance, while not even the arrival of the Carnival holidays is increasing demand.
- This weak demand in a period when there is usually a boom is linked to the fact that buyers have already made previous withdrawals throughout February, resulting in a lower need for new purchases.
- On the supply side, the proximity of the start of the 2025/2026 harvest in some production units in March seems to have a psychological effect on the market.
- If the rain forecasts do not confirm, there is a possibility that the new season's ethanol supply will start in the coming weeks, but even so, the vast majority of plants should start industrial activities in April.

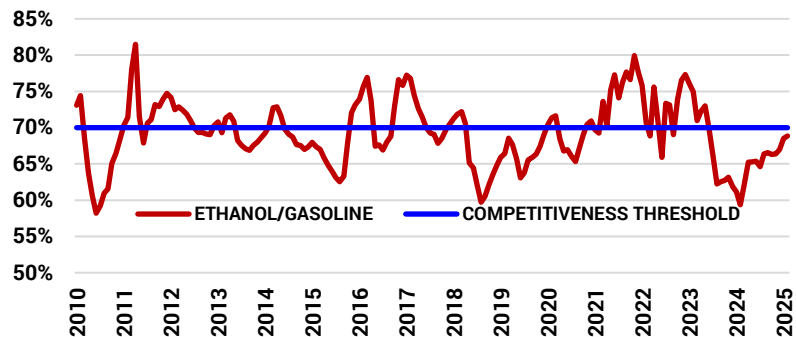
### ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



### 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	-0,9%	2,4%	1,3%	4,6%
12 MO CHANGE	32,8%	15,3%	29,5%	12,4%



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