

SUGARCANE

2025/2026 OUTLOOK SUMMARY



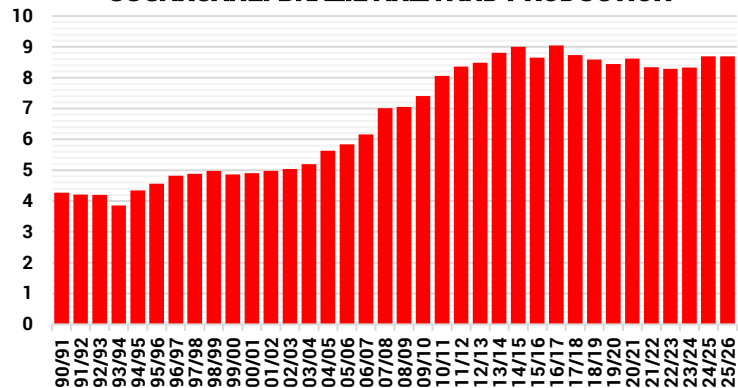
MARCH/2025



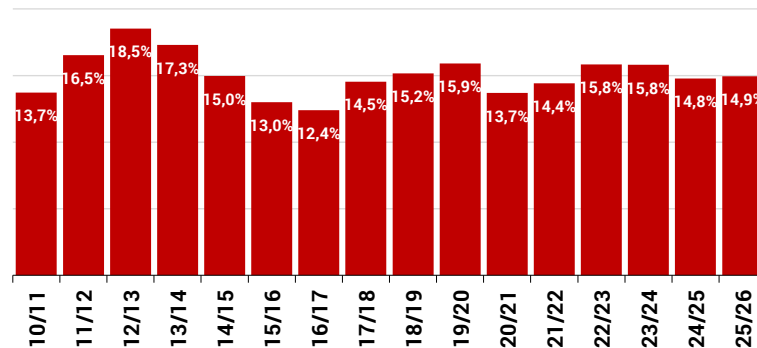
- In the 2024/2025 harvest (April 2024 to March 2025), sugarcane milling in the Center-South of Brazil reached 614.7 MMT until March 1, 2025, a decrease of 5.0% compared to the same period in the 2023/2024 season.
- Sugar production accumulated since the beginning of the harvest until February shows a decrease compared to the previous harvest, with 39.822 MMT produced, compared to 42.175 MMT in the previous cycle (-5.6%).
- Ethanol production by the Center-South units grew 3.1% on the same comparison basis, reaching 33.9 billion liters.
- Regarding the quality of the raw material, the level of Total Recoverable Sugars (TRS) recorded in the accumulated 2024/2025 harvest reached 141.27 kg of TRS per tonne, a rate 1.25% higher than in the same period of the previous cycle.
- The destination mix of sugarcane in the accumulated 2024/2025 harvest is 51.87% for ethanol, with the remaining 48.13% destined for sugar production.
- There are still great uncertainties regarding the size of the next 2025/2026 sugarcane harvest and the quality of the raw material is also a concern, with some mills opting to postpone the start of the harvest until May, which could put pressure on supply in the short term.



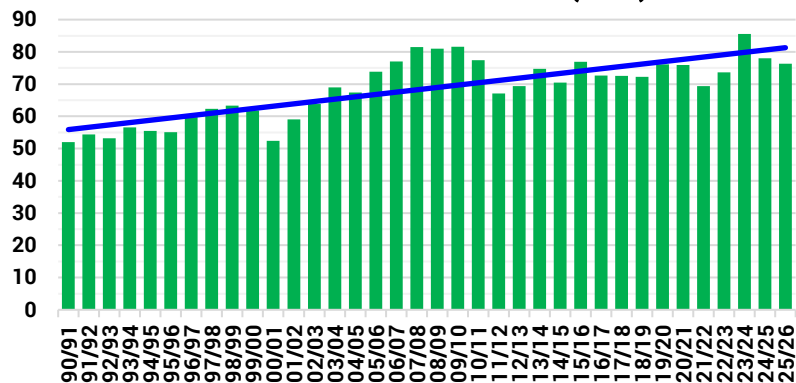
SUGARCANE: BRAZIL AREA AND PRODUCTION



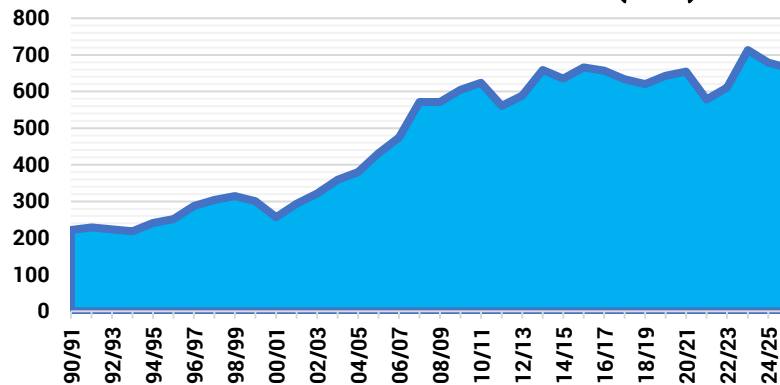
SUGARCANE: RENOVATION AREAS % OF TOTAL AREA



SUGARCANE: AVERAGE YIELD (T/HA)



SUGARCANE: BRAZIL PRODUCTION (MMT)

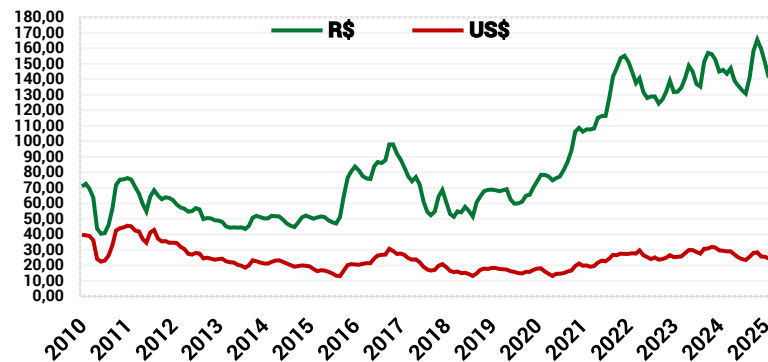


- The CEPEA/ESALQ crystal sugar indicator (ICUMSA color from 130 to 180) is quoted at R\$ 139.94 per 50 kg, down 1.3% in the last 30 days and 2.5% in the last 12 months.
- These devaluations have been observed even though it is the end of the off-season, a time when the supply of sugar from mills becomes increasingly limited.
- On the New York Stock Exchange (ICE US), sugar contracts for maturities in 2025 range from 19¢ to 20¢ per pound, while contracts for 2026 range from 18 cents to 19¢ per pound.
- Demand in the domestic market is weak, with some buyers seeking to negotiate only when prices are more attractive.
- This has led some mills to reduce their prices, especially for lots of sugar with an ICUMSA color of up to 180, which is the most widely sold type.
- On the other hand, for better quality sugar, with an ICUMSA of up to 150, the supply available for immediate delivery is increasingly scarce.
- This situation allows mills that still have this type of sugar in stock to sell it at significantly more advantageous prices.

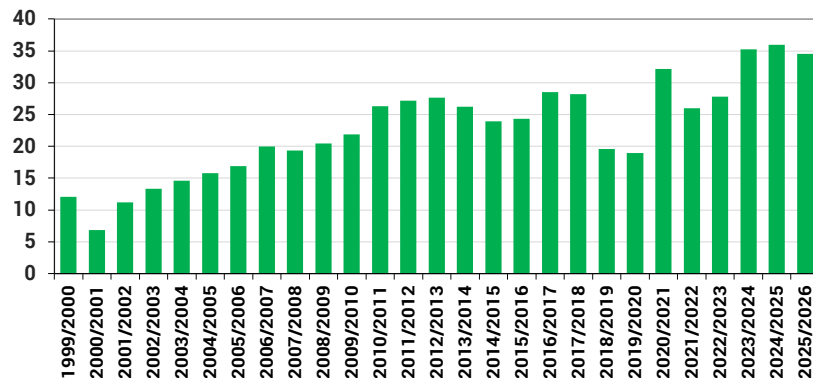
RAW SUGAR: FUTURES AT ICE US (NEW YORK)
¢ PER POUND



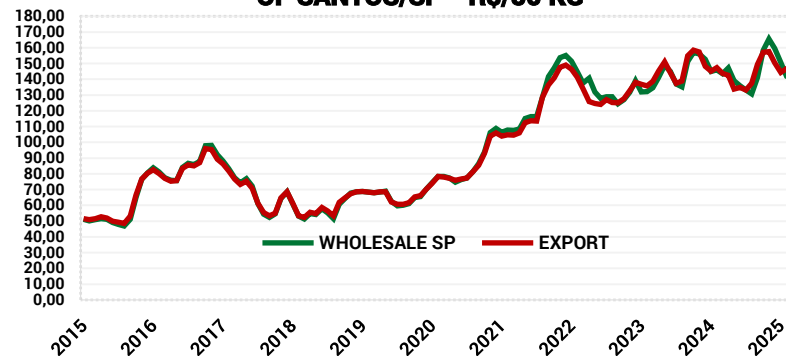
GRANULATED SUGAR: SÃO PAULO
WHOLESALE PRICES - R\$/50 KG



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\$2.82 per liter (without ICMS and PIS/Cofins), with a decrease of 1.1% in the last 30 days, but still accumulating a strong increase of 31.7% in the last 12 months.

→ The combination of low demand and bigger supply resulted in new drops in the prices of hydrous ethanol traded on the spot market, with some mills offering at lower prices.

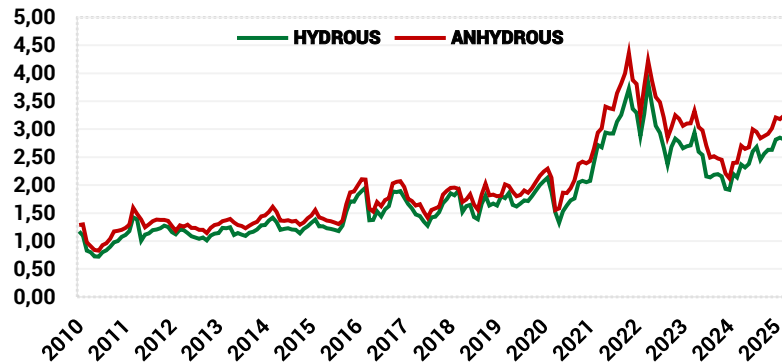
→ The price of anhydrous ethanol FOB mills in São Paulo is quoted, on average, at R\$3.24 per liter (without PIS/Cofins), accumulating an increase of 1.9% in the last 30 days and 35.0% in the last 12 mo.

→ In recent weeks, the volume of hydrous ethanol traded in the domestic market has been small, which is linked to the intense purchases in January, when distributors stocked up.

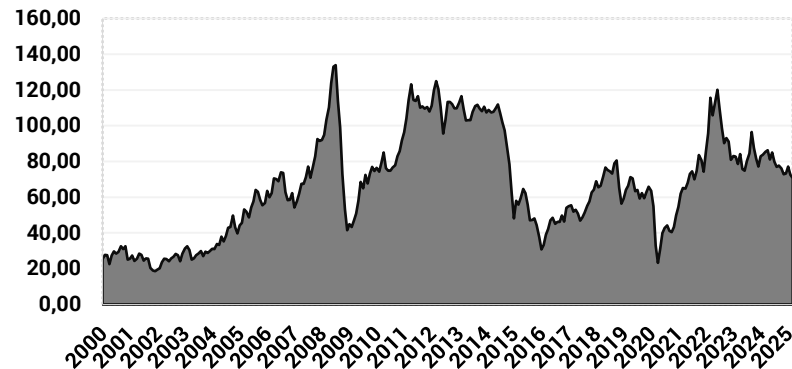
→ The Brazilian sugar and energy sector is preparing to increase the ethanol blend in gasoline from the current 27% to 30% (E30), while the government evaluates information on the price curve, before sending the proposal to the National Energy Policy Council.

→ The transition should also increase the demand for ethanol by 1.5 billion liters per year, boosting the national production of biofuels and attracting R\$9 billion in investments for the sector.

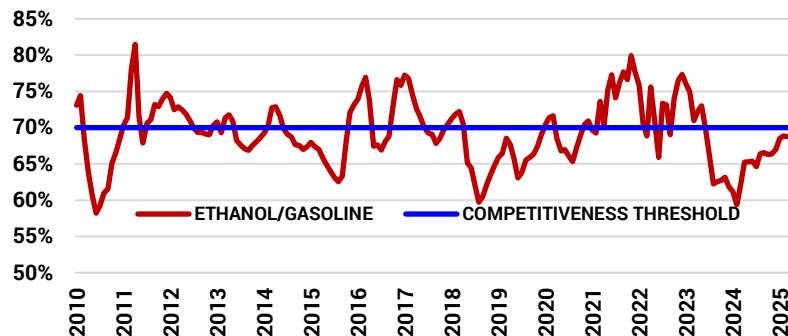
ETHANOL: HYDROUS AND ANHYDROUS PRICES FOB SÃO PAULO PLANT - R\$/L



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	1,9%	3,9%	-1,1%	0,9%
12 MO CHANGE	35,0%	18,1%	31,7%	15,2%



+55 51 3248 1117
+55 51 999 867 666



www.carloscogo.com.br/en



consultoria@carloscogo.com.br



@cogointeligencia

