Required Report - public distribution

Date: 10/3/2011
GAIN Report Number: BR110016

Brazil

Sugar Semi-annual

2011

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Report Highlights:
This report updates BR110006 and BR110011. Brazil's MY 2011/12 sugarcane crop is estimated at 558 mmt, down 10 percent from MY 2010/11 (620 mmt) due to several weather related problems. Approximately 48.5 percent of the crop should be diverted to sugar, up 2.55 percentage points relative to MY 2010/11 due to continued strong international demand for sugar. Total exports for MY 2011/12 are forecast at 23.8 mmt, raw value, down 2 mmt from the previous season, due to lower availability of the product.

Commodities:

Sugar, Centrifugal

Production:

Sugarcane Production, Area and Yield

During marketing year (MY) 2011/12 (May-April), the Agricultural Trade Office (ATO/Sao Paulo) estimates total Brazilian sugarcane production at 558 million metric tons (mmt), down 62 mmt from the previous season (620 mmt).

Sugarcane production in the center-south (CS) has been adjusted to 490 mmt, down 12 percent from MY 2010/11 (557 mmt), according to updated industry information. Several factors have contributed to this sharp decrease in the size of the crop including lower renewal rates in the fields leading to lower agricultural yields, lower volume of cane not harvested from the previous year ("cana bisada"). The dry weather during April-August 2010 and May 2011 negatively affected stock development. There was also frost and blossoming present in sugarcane fields in several growing regions. The harvest is likely to end in early December, sooner than normally expected.

The North-Northeast (NNE) is expected to crush 68 mmt of sugarcane, up 5 mmt from the previous season due to good weather conditions. The crush begun in August for minor producing states and the harvest should extend though March.

No official forecast has yet been made with regard to the MY 2012/13 crop in the CS, however preliminary projections from industry sources place next year's crop between 520 and 540 mmt.

According to the Sugar and Alcohol Millers Association of Sao Paulo State (UNICA), 375.1 mmt of sugarcane were crushed in the CS from March through September 16, down 10 percent compared to the same period in 2010. UNICA reports that 23.1 million tons of sugar, tel quel, and 15.4 billion liters of ethanol were produced through September 16, quite below 2010 levels (25.1 million tons of sugar and 18.8 billion liters of ethanol). These numbers also show that more sugarcane has been diverted toward sugar production (48.1 percent compared to 45.3 percent in 2010).

The following tables show monthly sugarcane crush data for the state of Sao Paulo and the CS region for the 2007/08 to 2011/12 crops, as reported by UNICA. Sao Paulo represents approximately 65 percent of the CS production.

Sugarcane crushed in the state of Sao Paulo (1,000 metric tons).					
Month	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**
February	0.00	0.00	0.00	207.21	0.00
March	0.00	472.40	2,665.32	4,120.21	708.01
April	11,725.0	12,948.0	27,545.3	35,863.9	13,395.9
May	35,594.1	38,933.8	46,716.6	51,305.9	49,137.8
June	43,459.2	45,157.1	46,210.3	52,523.4	48,322.0
July	38,781.8	50,136.3	46,934.1	52,596.6	53,160.2
August	46,735.2	47,158.6	45,596.4	52,065.6	48,916.9
September	43,418.5	46,246.2	37,594.3	40,116.0	0.0
October	38,912.0	42,464.9	44,334.6	36,567.7	0.0
November	27,542.8	39,485.7	36,651.4	27,872.0	0.0
December	9,215.3	19,375.0	16,809.7	5,606.2	0.0
January	860.4	2,104.7	3,638.0	294.6	0.0
February	0.0	1,050.7	3,221.3	105.9	0.0
March	0.0	759.5	3,343.3	257.5	0.0
Cumulative	296,244.4	346,293.0	361,260.7	359,502.7	213,640.8
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Sugarcane crushed in Center-Southern Brazil (1,000 metric tons).					
Month	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**
February	0	0	0	325	0
March	0	1,340	4,717	6,618	1,795
April	20,297	20,091	39,209	51,599	22,140
May	51,676	55,055	66,950	75,633	76,134
June	62,666	64,751	67,169	81,550	76,937
July	57,449	73,335	70,183	82,122	82,091
August	67,865	68,224	70,987	82,301	79,147
September	63,104	67,655	59,736	64,732	0
October	55,929	62,350	65,734	56,349	0
November	38,290	56,283	54,713	42,892	0
December	12,876	28,096	26,254	11,267	0
January	963	3,952	6,399	843	0
February	0	2,190	5,385	441	0
March	0	1,794	4,527	270	0
Cumulative	431,115	505,116	541,962	556,945	338,245
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Total area planted to sugarcane and sugarcane area for harvesting for MY 2011/12 remain unchanged at 9.65 and 8.89 million hectares, respectively. The agricultural yield in MY 2011/12 is estimated at 62.76 metric tons (mt)/hectare (ha), down 16 percent relative to the previous season (75.03 mt/ha), due to lower renewal rate of the sugarcane fields and several weather related problems in the CS. Industrial yields are estimated at 134.88 kg of TRS (total reducing sugars)/mt of sugarcane, down four percent from the previous season (140.07 kg TRS/mt) due to poor weather conditions throughout the harvest.

Sugarcane Industrial Yields (kg TRS/metric ton)					
	07/08	**08/09**	**09/10**	**10/11**	**11/12***
TRS/ton	143.88	140.32	130.99	140.07	134.88
Souce: USDA/FAS/ATO/Sao Paulo * MY 2011/12 - estimate.					

Sugarcane and Ethanol

The strong demand for sugar in the international market has led to a continuous increase in the sugarcane diverted to sugar production. Total sucrose (total reducing sugar, TRS) content destined for sugar and ethanol production is estimated at 48.5/51.5 percent for MY 2011/12, compared to 45.95/54.05 percent for MY 2010/11.

ATO/Sao Paulo estimates sugar production in MY 2011/12 at 35.75 mmt, raw value, down 2.6 mmt, raw value, from MY 2010/11, due to lower availability of sugarcane for crushing.

The tables below show monthly sugar production for the state of Sao Paulo and the CS region for the 2007/08 to 2011/12 crops, as reported by UNICA.

Sugar production in the state of Sao Paulo (Metric tons, tel quel)					
Month	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**
February	0	0	0	4,575	0
March	0	8,946	68,428	154,759	23,072
April	506,326	433,514	1,152,563	1,745,785	460,983
May	2,060,416	1,872,140	2,530,999	3,025,435	2,709,198
June	2,773,968	2,425,239	2,728,867	3,427,445	3,146,861
July	2,521,042	3,094,298	3,020,119	3,703,160	3,849,026
August	3,234,706	3,034,421	3,043,705	3,923,784	3,829,460
September	3,172,657	3,101,858	2,468,929	3,125,428	0
October	2,925,756	2,592,977	2,838,435	2,357,500	0
November	1,475,693	2,083,437	2,065,829	1,726,851	0
December	394,983	906,197	570,067	228,169	0
January	73,515	59,565	77,063	4,471	0
February	0	21,616	70,985	6,287	0
March	0	28,228	93,377	12,470	0
Cumulative	19,139,062	19,662,436	20,729,364	23,446,119	14,018,600
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Sugar production in Center-Southern Brazil (Metric tons, tel quel).					
Month	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**
February	0	0	0	4,575	0
March	0	41,936	147,030	208,240	56,496
April	851,430	631,526	1,572,304	2,342,614	754,916
May	2,816,677	2,527,935	3,364,577	4,094,385	3,940,948
June	3,782,565	3,282,349	3,669,831	4,854,177	4,603,819
July	3,550,615	4,243,947	4,137,318	5,284,255	5,407,054
August	4,480,838	4,087,442	4,381,252	5,704,484	5,617,624
September	4,367,990	4,247,955	3,552,156	4,619,064	0
October	3,885,907	3,541,734	3,824,806	3,425,318	0
November	1,879,787	2,741,754	2,786,747	2,496,111	0
December	504,722	1,221,877	870,648	437,100	0
January	80,075	92,084	118,870	10,797	0
February	0	40,002	108,770	7,031	0
March	0	49,278	110,527	12,574	0
Cumulative	26,200,606	26,749,819	28,644,834	33,500,725	20,380,857
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Based on the aforementioned sugar/ethanol breakdown, Post estimates total ethanol production for MY 2011/12 at 21.95 billion liters (9.2 liters of anhydrous and 12.75 billion liters of hydrous ethanol), down 5.43 billion liters relatively to 2010/11 (8.33 billion liters of anhydrous and 19.05 billion liters of hydrous ethanol).

Estimates released by the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA), place cumulative alcohol production for the 2011/12 crop through August 15, 2011, at 12.18 billion liters – 4.46 billion liters of anhydrous ethanol and 7.72 billion liters of hydrous ethanol. The tables below show sugarcane, sugar and ethanol production by state for the 2010/11 and 2011/12, as reported by MAPA.

Cane, Sugar & Alcohol Production: 2010/11 Crop (MT and 000 Liters)					
			Ethanol		
State/Region	**Cane**	**Sugar**	**Anhydous**	**Hydrous**	**Total**
Acre	33,834	0	0	1,489	1,489
Alagoas	28,958,180	2,499,414	327,624	388,425	716,049
Amazonas	346,992	19,643	0	7,140	7,140
Bahia	2,791,971	113,582	59,200	68,134	127,334
Ceara	36,262	0	0	2,545	2,545
Maranhao	2,327,485	8,823	141,504	40,284	181,788
Para	521,847	20,956	6,198	16,761	22,959
Paraiba	5,246,317	182,778	124,289	173,569	297,858
Pernambuco	16,923,679	1,347,779	159,832	225,340	385,172
Piaui	836,696	46,297	33,109	2,388	35,497
Rio Grande Norte	2,729,169	169,003	43,144	39,734	82,878
Rondonia	136,690	0	0	10,763	10,763

Sergipe	2,058,963	79,520	10,400	92,954	103,354
Tocantins	238,983	0	4,515	11,973	16,488
NNE	63,187,068	4,487,795	909,815	1,081,499	1,991,314
Espirito Santo	3,524,817	90,083	95,117	92,079	187,196
Goias	46,697,856	1,798,457	659,432	2,242,242	2,901,674
Minas Gerais	56,013,604	3,254,070	598,494	2,061,537	2,660,031
Mato Grosso Sul	33,476,503	1,328,546	360,800	1,485,397	1,846,197
Mato Grosso	13,660,681	446,110	274,146	583,158	857,304
Parana	43,320,918	3,022,089	271,761	1,347,822	1,619,583
Rio de Janeiro	2,537,723	118,250	0	69,102	69,102
Rio Grande Sul	82,016	0	0	5,805	5,805
Sao Paulo	361,723,269	23,506,910	4,857,709	10,607,896	15,465,605
Center South	561,037,387	33,564,515	7,117,468	18,495,038	25,612,497
TOTAL	624,224,455	38,052,310	8,027,283	19,576,537	27,603,811
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 08/15/11					

Cane, Sugar & Alcohol Production: 2011/12 Crop (MT and 000 Liters)					
				Ethanol	
State/Region	**Cane**	**Sugar**	**Anhydrous**	**Hydrous**	**Total**
Acre	51,516	0	0	2,582	2,582
Amazonas	76,191	3,940	0	1,550	1,550
Bahia	848,743	47,752	30,152	5,918	36,070
Ceara	0	0	0	0	0
Maranhao	990,566	6,317	64,888	5,554	70,442
Para	210,728	6,763	2,168	7,059	9,227
Piaui	298,098	15,960	11,014	15,851	26,865
Rondonia	73,926	0	0	5,652	5,652
Tocantins	791,952	0	40,167	17,638	57,805
NNE	3,341,720	80,732	148,389	61,804	210,193
Espirito Santo	1,895,011	47,052	64,460	40,370	104,830
Goias	28,017,604	1,043,480	412,038	1,167,250	1,579,288
Minas Gerais	27,775,456	1,602,852	388,367	681,437	1,069,804
Mato Grosso Sul	18,344,181	792,263	223,515	658,057	881,572
Mato Grosso	8,492,400	225,857	205,213	332,572	537,785
Parana	22,922,130	1,570,154	196,403	604,328	800,731
Rio de Janeiro	930,088	54,664	0	29,566	29,566
Rio Grande Sul	27,571	0	0	1,895	1,895
Sao Paulo	189,095,646	12,001,263	2,819,184	4,144,994	6,964,178
Center South	297,500,087	17,337,585	4,309,180	7,660,469	11,969,649
TOTAL	300,841,807	17,418,317	4,457,569	7,722,273	12,179,842
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 08/15/11					

In spite of the steady increase in the flex-fuel vehicle (FFV) fleet, hydrous ethanol production has been severely limited by the high prices at the pump and the trend towards sugar production to meet strong international demand.

The table below shows the licensing of flex fuel vehicles (FFV) and ethanol powered cars since 2004. Note that sales of FFV currently represent over 85 percent of total vehicle sales. According to the industry, flex fuel vehicles currently represent over 50 percent of the light vehicles fleet.

Licensing of Ethanol Powered Vehicles (pure ethanol & flex fuel units)							
2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011 1/**
379,329	844,461	1,432,197	2,003,197	2,329,331	2,652,368	2,876,223	1,867,540
Source: National Association of Vehicle Manufacturers (ANFAVEA) 1/ January-August							
Note: flex fuel vehicles were introduced in March 2003.							

The domestic demand for ethanol for MY 2011/12 is projected at 24.1 billion liters, down 1.23 billion liters from MY 2010/11. The table below shows the average prices for gasoline and ethanol as well as the price ratio for January-February (off-peak) and July-August (peak season) 2008, 2009, 2010 and 2011. The 70 percent ratio between ethanol and gasoline prices is the rule of thumb in determining whether flex car owners will choose to fill up with ethanol (price ratio below 70 percent) or gasoline (price ratio above 70 percent). Note that ethanol/gasoline ratio has been over 70 percent in several Brazilian states and cities, even during the peak of the season, thus favoring gasoline consumption.

Gasoline and Ethanol Prices in Selected States (average price, R$/liter)									
		Gasoline				**Ethanol**			
		2008	**2009**	**2010**	**2011**	**2008**	**2009**	**2010**	**2011**
Sao Paulo State	**Jan**	2.380	2.393	2.477	2.487	1.290	1.312	1.807	1.733
	Feb	2.376	2.398	2.509	2.490	1.257	1.331	1.831	1.765
	Jun	2.385	2.349	2.399	2.675	1.259	1.168	1.274	1.711
	Aug	2.394	2.351	2.412	2.664	1.264	1.231	1.387	1.805
Sao Paulo City	**Jan**	2.376	2.391	2.475	2.482	1.291	1.312	1.810	1.733
	Feb	2.372	2.396	2.508	2.486	1.264	1.327	1.835	1.766
	Jun	2.383	2.346	2.395	2.680	1.264	1.180	1.274	1.716
	Aug	2.393	2.348	2.408	2.666	1.270	1.230	1.382	1.806
Minas Gerais	**Jan**	2.405	2.381	2.489	2.537	1.606	1.611	1.965	1.902
	Feb	2.389	2.374	2.509	2.584	1.577	1.623	2.077	1.956
	Jun	2.368	2.326	2.412	2.789	1.568	1.501	1.678	2.069
	Aug	2.356	2.361	2.621	2.785	1.575	1.564	1.710	2.110
Belo Horizonte (MG Capital)	**Jan**	2.369	2.331	2.431	2.499	1.589	1.597	1.926	1.886
	Feb	2.346	2.329	2.458	2.547	1.554	1.612	2.064	1.938
	Jun	2.322	2.282	2.379	2.778	1.547	1.487	1.661	2.087
	Aug	2.315	2.313	2.381	2.775	1.571	1.547	1.683	2.110
Rio Janeiro State	**Jan**	2.505	2.537	2.641	2.654	1.624	1.685	2.044	2.022
	Feb	2.501	2.535	2.663	2.663	1.614	1.695	2.104	2.053
	Jun	2.513	2.524	2.613	2.869	1.635	1.588	1.703	2.170
	Aug	2.576	2.526	2.598	2.826	1.658	1.604	1.718	2.191
Rio Janeiro Capital	**Jan**	2.500	2.534	2.640	2.651	1.614	1.680	2.050	2.025
	Feb	2.496	2.531	2.660	2.661	1.603	1.692	2.106	2.057
	Jun	2.509	2.521	2.611	2.865	1.627	1.579	1.695	2.165
	Aug	2.513	2.523	2.595	2.822	1.653	1.598	1.713	2.189

Porto Alegre (RS Capital)	**Jan**	2.463	2.538	2.568	2.534	1.792	1.746	2.257	2.103
	Feb	2.326	2.538	2.592	2.552	1.693	1.765	2.335	2.157
	Jun	2.514	2.419	2.488	2.722	1.731	1.550	1.765	2.180
	Aug	2.566	2.577	2.560	2.635	1.744	1.765	1.836	2.238
Goiania (GO Capital)	**Jan**	2.539	2.565	2.654	2.667	1.569	1.581	1.838	1.822
	Feb	2.502	2.564	2.655	2.697	1.508	1.581	1.897	1.891
	Jun	2.330	2.562	2.304	2.830	1.368	1.483	1.227	1.782
	Aug	2.452	2.556	2.384	2.840	1.472	1.411	1.347	1.836
Fortaleza (CE Capital)	**Jan**	2.667	2.388	2.530	2.644	1.829	1.615	1.909	1.871
	Feb	2.655	2.533	2.530	2.647	1.814	1.747	2.013	1.944
	Jun	2.439	2.363	2.663	2.688	1.726	1.671	1.807	2.029
	Aug	2.589	2.575	2.645	2.660	1.885	1.768	1.772	2.162
Source: Petroleum, Natural Gas and Biofuels National Agency (ANP).									

Ratio Ethanol/Gasoline Prices					
		2008	**2009**	**2010**	**2011**
Sao Paulo	**Jan**	54%	55%	73%	70%
	Feb	53%	56%	73%	71%
	Jun	53%	50%	53%	64%
	Aug	53%	52%	58%	68%
Sao Paulo	**Jan**	54%	55%	73%	70%
	Feb	53%	55%	73%	71%
	Jun	53%	50%	53%	64%
	Aug	53%	52%	57%	68%
Minas Gerais	**Jan**	67%	68%	79%	75%
	Feb	66%	68%	83%	76%
	Jun	66%	65%	70%	74%
	Aug	67%	66%	65%	76%
Belo Horizonte	**Jan**	67%	69%	79%	75%
	Feb	66%	69%	84%	76%
	Jun	67%	65%	70%	75%
	Aug	68%	67%	71%	76%
Rio Janeiro	**Jan**	65%	66%	77%	76%
	Feb	65%	67%	79%	77%
	Jun	65%	63%	65%	76%
	Aug	64%	63%	66%	78%
Rio de Janeiro	**Jan**	65%	66%	78%	76%
	Feb	64%	67%	79%	77%
	Jun	65%	63%	65%	76%
	Aug	66%	63%	66%	78%
Porto Alegre	**Jan**	73%	69%	88%	83%
	Feb	73%	70%	90%	85%
	Jun	69%	64%	71%	80%
	Aug	68%	68%	72%	85%
Goiania	**Jan**	62%	62%	69%	68%
	Feb	60%	62%	71%	70%
	Jun	59%	58%	53%	63%

	Aug	60%	55%	57%	65%
Fortaleza	**Jan**	69%	68%	75%	71%
	Feb	68%	69%	80%	73%
	Jun	71%	71%	68%	75%
	Aug	73%	69%	67%	81%
Source: Petroleum, Natural Gas and Biofuels National Agency (ANP).					
Gray area means gasoline prices more attractive than ethanol					

Sugarcane, Sugar and Ethanol Prices in the Domestic Market

The State of Sao Paulo Sugarcane, Sugar and Alcohol Growers Council (CONSECANA) reports that the cumulative average sugarcane price for the 2011/12 crop (April-August) for the state of Sao Paulo, in reais, is R$ 0.4942 per kg of TRS, or R$ 65.31 per ton of sugarcane, up R$ 17.36 per ton compared to the same period (April-August) for the the 2010/11 crop (R$ 0.3475 per kg of TRS, or approximately R$ 47.95 per ton of sugarcane). Note that CONSECANA's prices are based on both sugar and ethanol prices in domestic and international markets and these have been considerably better in the current crop season compared to the previous year.

The Crystal Sugar and Ethanol Indexes released by the University of Sao Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ) follow. The Crystal Sugar Index tracks crystal sugar prices in the domestic spot market. The Ethanol Indexes track anhydrous and hydrous prices received by producers in the domestic spot market. All prices are notably higher than previous years due to the sharp decrease in the size of the crop.

Crystal Sugar Prices - Domestic Market (Real, 50kg/bag, including tax).					
Period	**2007**	**2008**	**2009**	**2010**	**2011**
January	36.79	25.04	36.71	70.83	76.29
February	34.96	26.20	44.77	72.49	75.17
March	34.70	27.44	48.40	69.58	70.55
April	33.87	28.11	46.48	63.66	66.24
May	28.56	26.71	44.57	43.76	59.73
June	24.94	24.94	42.20	40.40	52.25
July	24.38	24.38	41.46	40.90	64.33
August	25.18	29.01	45.43	46.42	68.49
September	25.11	30.81	55.50	56.91	65.23
October	23.92	31.13	57.28	71.68	--
November	22.06	30.74	56.21	75.24	--
December	23.62	31.72	58.73	72.66	--
Source: USP/ESALQ/CEPEA. September 1/ refers to September 16.					

Fuel Anhydrous Ethanol Prices: State of São Paulo (R$/000 liters).					
Month	**2007**	**2008**	**2009**	**2010**	**2011**
January	870.69	786.22	873.30	1,285.40	1,233.20
February	837.39	808.08	860.30	1,297.60	1,293.10
March	912.93	831.50	744.50	974.60	1,596.60
April	1,072.57	789.40	697.00	908.40	2,375.00
May	883.78	821.50	676.40	839.20	1,380.70
June	675.07	787.00	692.80	827.30	1,244.60
July	668.53	873.20	803.78	924.20	1,298.90
August	665.58	858.50	820.70	961.90	1,352.80
September	660.73	891.20	912.90	1,040.20	1,383.70
October	664.44	902.20	1,086.40	1,173.20	--
November	792.90	897.00	1,093.80	1,185.20	--
December	851.07	880.60	1,131.60	1,201.80	--
Source: USP/ESALQ/CEPEA. September 1/ refers to September 12-16.					

Fuel Hydrous Ethanol Prices: State of São Paulo (R$/000 liters).					
Month	**2007**	**2008**	**2009**	**2010**	**2011**
January	845.36	697.18	781.40	1,171.20	1,109.40
February	802.87	714.70	777.60	1,095.80	1,176.10
March	855.05	754.56	656.80	825.20	1,421.90
April	940.51	715.60	621.30	799.70	1,387.50
May	690.84	697.10	585.22	724.30	1,005.90
June	587.86	665.30	606.60	720.30	1,113.70
July	583.99	718.10	710.20	797.90	1,136.80
August	581.02	719.30	726.50	835.70	1,193.00
September	580.96	749.60	791.40	896.20	1,212.10
October	585.48	715.70	935.10	977.70	--
November	716.09	726.40	941.90	1,001.00	--
December	751.28	737.70	1,000.40	1,075.10	--
Source: USP/ESALQ/CEPEA. September 1/ refers to September 12-16.					

Consumption:

There is no official source for domestic consumption of sugar in Brazil. ATO/Sao Paulo estimates the Brazilian sugar consumption in MY 2011/12 at 11.5 mmt, raw value, down 500,000 mt from the previous marketing year, based on updated information from post contacts.

Trade:

Sugar Exports

During MY 2011/12, Brazilian sugar exports are estimated at 23.8 mmt, raw value, down 2 mmt compared to previous marketing year, as a consequence of lower availability of the product. Raw sugar exports should contribute 18.7 mmt of total exports. Refined exports should account for 5.1 mmt, raw value.

The following tables show Brazilian sugar exports by destination for MY 2010/11 and MY 2011/12 (May-August), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Brazilian Sugar Exports (NCM 1701.11.00, MT, tel quel, US$ 000 FOB)						
	MY 2010/11 1/		**MY 2010/11 2/**		**MY 2011/12 2/**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Russia	3,800,518	1,935,955	1,109,722	487,264	1,474,878	796,297
China	1,237,140	505,584	838,842	336,969	875,468	488,445
Algeria	1,268,275	574,465	460,998	188,744	634,688	350,390
Iran	1,384,191	602,166	704,968	306,851	571,515	316,754
Egypt	1,049,591	487,698	406,552	176,431	525,399	304,396
Malaysia	1,017,322	446,176	414,657	168,103	469,834	256,110
Bangladesh	695,723	296,830	267,558	114,230	392,545	218,254
Canada	718,995	328,718	214,027	92,730	353,927	207,184
Indonesia	1,139,103	514,287	304,469	134,195	351,369	203,235
Morocco	884,232	437,521	316,257	131,673	269,319	142,905
Others	7,506,914	3,547,656	2,854,641	1,211,342	2,273,664	1,268,800
Total	20,702,005	9,677,056	7,892,690	3,348,531	8,192,606	4,552,772
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/May - April - 2/May - August.						

Brazilian Sugar Exports (NCM 1701.99.00, MT, tel quel, US$ 000 FOB)						
	MY 2010/11 1/		**MY 2010/11 2/**		**MY 2011/12 2/**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
UAE	1,119,570	491,766	623,723	258,727	441,596	269,403
Saudi Arabia	165,800	81,401	112,528	51,260	173,515	103,642
Yemen	512,357	252,840	257,452	118,985	145,191	98,614
Ghana	456,017	247,238	131,728	64,017	144,003	97,164
Togo	140,259	76,042	48,360	21,609	115,910	80,946
Senegal	112,699	69,141	31,948	16,284	92,946	63,463
Nigeria	387,010	173,406	128,540	54,772	77,321	50,505
China	18,728	10,631	1,664	952	74,374	46,122
Mauritania	169,898	94,655	61,260	28,894	61,128	42,307
Cameroon	66,212	36,430	14,132	7,112	57,937	40,037
Others	3,610,447	1,915,349	1,451,503	714,680	873,977	597,917
Total	6,758,996	3,448,899	2,862,838	1,337,292	2,257,897	1,490,119
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/May - April - 2/May - August.						

Ethanol Exports

For MY 2011/12, Brazilian ethanol exports are estimated at 1.6 billion liters, down 300 million liters compared to the previous season (1.9 billion liters), due to lower supply of the product. Most ethanol exports fall under the category “for other uses”” other than fuel. The tables below show ethanol exports for MY 2010/11 and MY 2011/12 (May-August), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Brazilian Ethanol Exports by Country of Destination (NCM 2207.10.00, 000 liters, MT, US$ 000 FOB)						
	MY 2010/11 1/			MY 2011/12 2/		
Country	**Volume**	**Weight**	**Value**	**Volume**	**Weight**	**Value**
USA	360,509	285,157	232,630	185,244	146,711	133,719
Soth Korea	406,659	328,589	215,361	122,561	99,054	82,121
Japan	276,901	223,389	142,834	105,893	85,219	77,870
Trinidad & Tobago	6,561	5,282	3,761	76,686	62,003	55,291
El Salvador	2	1	4	50,081	40,489	33,855
Swtizerland	53,024	42,722	30,177	49,744	40,142	31,193
Jamaica	123,406	99,775	60,589	38,834	31,414	29,271
Holland	230,580	185,604	121,094	35,961	29,073	23,004
Nigeria	94,977	76,790	52,458	27,628	22,334	18,023
Puerto Rico	27,183	22,075	16,591	10,113	8,222	8,820
Others	314,900	251,779	173,642	31,043	24,921	22,705
Total	1,894,701	1,521,162	1,049,142	733,787	589,583	515,874
Source : Brazilian Secretariat of Foreign Trade (SECEX) 1/May-April 2/ May-August.						

Brazilian Ethanol Exports by Country of Destination (NCM 2207.20.10, liters, kg, US$ FOB)						
	MY 2010/11 1/			MY 2011/12 2/		
Country	**Volume**	**Weight**	**Value**	**Volume**	**Weight**	**Value**
Angola	120	51	185	300	395	1,021
Argentina	1,334,208	1,072,251	788,071	0	0	0
Cameroon	60,000	48,306	61,635	0	0	0
China	23,716	19,170	11,905	0	0	0
Italy	0	0	0	100	74	488
Japan	0	1	1	0	0	0
Holland	44,413	34,130	31,410	0	0	0
Paraguay	2,035	2,133	3,016	16	74	306
Uruguay	30,000	24,420	30,000	0	0	0
Total	1,494,492	1,200,462	926,223	416	543	1,815
Source : Brazilian Secretariat of Foreign Trade (SECEX) 1/May-April 2/ May-August.						

Ethanol Imports

ATO/Sao Paulo estimates Brazilian ethanol imports during MY 2011/12 at 1.5 billion liters, almost exclusively for fuel use, due to the shortage in the domestic supply of ethanol. The tables below show ethanol imports (NCM 2207.10.00 and 2207.20.10) for MY 2010/11 and MY 2011/2012 (May-August), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Brazilian Ethanol Imports by Country of Origin (NCM 2207.10.00, 000 liters, MT, US$ 000 FOB)

	MY 2010/11 1/			MY 2011/12 2/		
Country	**Volume**	**Weight**	**Value**	**Volume**	**Weight**	**Value**
Holland	0	0	0	16,576	13,398	16,204
Spain	0	0	0	8,297	6,707	4,452
USA	23,760	19,206	16,489	7,836	6,334	9,813
UK	10,475	8,467	7,840	3,179	2,569	2,463
France	0	0	0	1,634	1,321	1,266
Trinidad & Tobago	0	0	0	287	232	294
Jamaica	95	77	251	141	114	414
Barbados	45	36	59	23	18	30
Germany	29	24	401	12	10	204
Italy	10	8	46	4	3	19
Others	81	65	121	0	0	3
Total	34,495	27,882	25,205	37,990	30,707	35,162
Source : Brazilian Secretariat of Foreign Trade SECEX - 1/ May-April 2/ May-August.						

Brazilian Ethanol Imports by Country of Origin (NCM 2207.20.10, 000 liters, MT, US$ 000 FOB)						
	MY 2010/11 1/			**MY 2011/12 2/**		
Country	**Volume**	**Weight**	**Value**	**Volume**	**Weight**	**Value**
USA	172,057	136,857	114,850	368,497	290,700	261,815
UK	1	1	5	20,708	16,334	15,729
Germany	12	16	30	22	27	73
Mexico	9	7	37	3	2	15
Others	0	0	9	0	0	1
Total	172,079	136,881	114,931	389,230	307,064	277,632
Source : Brazilian Secretariat of Foreign Trade SECEX - 1/ May-April 2/ May-August.						

Stocks:

Sugar ending stocks for MY 2011/12 are estimated at 165,000 mt, raw value. Negative stocks in the previous marketing years have been balanced by the early start (March/April) of the sugarcane harvest in the CS region as opposed to the official beginning of the season (May).

Policy:

On August 30th, the Brazilian Government (GOB) announced a drop in the percentage of ethanol blended to gasoline from the current 25 percent to 20 percent, effective October 1. This action reflects an expected drop in the 2011/12 sugarcane crop and the steady price escalation of anhydrous ethanol prices. The GOB is hoping that the reduction in the ethanol blend will decrease the domestic ethanol demand by 160 million liters per month.

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
January	2.62	2.22	2.12	1.76	2.32	1.87	1.67
February	2.60	2.14	2.12	1.68	2.38	1.81	1.66
March	2.67	2.17	2.05	1.75	2.25	1.78	1.62

April	2.53	2.09	2.03	1.69	2.18	1.77	1.57
May	2.40	2.30	1.93	1.63	1.97	1.81	1.57
June	2.35	2.16	1.93	1.64	1.95	1.80	1.56
July	2.39	2.18	1.88	1.57	1.87	1.75	1.56
August	2.36	2.14	1.96	1.63	1.88	1.75	1.59
September	2.22	2.17	1.84	1.92	1.78	1.69	1.84
October	2.25	2.14	1.74	2.12	1.74	1.70	--
November 1/	2.21	2.17	1.78	2.33	1.75	1.71	--
December	2.26	2.14	1.77	2.34	1.74	1.66	--
Source : Gazeta Mercantil and BACEN (as of October 2006) 1/ September 2011 refers to September 26.							

Production, Supply and Demand Data Statistics:

Sugar Cane for Centrifugal Brazil	2009/2010		2010/2011		2011/2012	
	Market Year Begin: May 2009		Market Year Begin: May 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	8,700	8,700	8,950	8,950		9,650
Area Harvested	8,050	8,050	8,310	8,490		8,890
Production	603,000	603,000	639,000	620,000		558,000
Total Supply	603,000	603,000	639,000	620,000		558,000
Utilization for Sugar	262,300	262,300	286,000	284,900		270,630
Utilizatn for Alcohol	340,700	340,700	353,000	335,100		287,370
Total Utilization	603,000	603,000	639,000	620,000		558,000
1000 HA, 1000 MT						

Sugar, Centrifugal Brazil	2009/2010		2010/2011		2011/2012	
	Market Year Begin: May 2009		Market Year Begin: May 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	-1,135	-1,135	-835	-835	-335	-285
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	36,400	36,400	38,150	38,350	39,600	35,750
Total Sugar Production	36,400	36,400	38,150	38,350	39,600	35,750
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
Total Supply	35,265	35,265	37,315	37,515	39,265	35,465
Raw Exports	18,900	18,900	20,250	20,400	21,450	18,700
Refined Exp.(Raw Val)	5,400	5,400	5,400	5,400	5,850	5,100
Total Exports	24,300	24,300	25,650	25,800	27,300	23,800
Human Dom. Consumption	11,800	11,800	12,000	12,000	12,550	11,500
Other Disappearance	0	0	0		0	0
Total Use	11,800	11,800	12,000	12,000	12,550	11,500
Ending Stocks	-835	-835	-335	-285	-585	165
Total Distribution	35,265	35,265	37,315	37,515	39,265	35,465
1000 MT						