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Prepared By: Thiemi Hayashi

Approved By: Frederick Giles

Report Highlights:

In 2024, Brazil recorded extreme weather events including the intensification of heat waves in several regions. Although the impacts of the fire outbreaks in the sugarcane production are difficult to estimate, the losses caused directly by the fires should not affect Brazil´s total sugar production in the MY 2024/25. Post maintains the forecast for Brazil´s MY 2024/25 sugarcane crush at 645 million metric tons (MMT), revising down the sugarcane production in the CS due to adverse climate conditions to 590 MMT, a decrease of 1.7 percent (600 MMT). Post is revising up the forecast for the NNE production to reflect updated data and the increase in productivity caused by good weather conditions from 44 MMT to 55 MMT. Post revises down the production of sugar in Brazil for MY2024/25 from 44 MMT to 43 MMT raw value, due to the worsening of the quality of the sugarcane. Brazil remains the second-largest recipient of the U.S. sugar tariff-rate quota, receiving an allocation of 155,993 MTRV in FY2025.

Sugarcane Production

Table 1
Sugarcane Production, Supply, and Demand

Sugar Cane for Centrifugal	**2022/2023**		**2023/2024**		**2024/2025**	
Market Year Begins	**Apr 2022**		**Apr 2023**		**Apr 2024**	
Brazil	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted (1000 HA)	9650	9650	9500	9500	9600	9600
Area Harvested (1000 HA)	9200	9200	9300	9300	9400	9400
Production (1000 MT)	621000	621000	705200	705200	645000	645000
Total Supply (1000 MT)	621000	621000	705200	705200	645000	645000
Utilization for Sugar (1000 MT)	280692	280692	345548	345548	311100	316050
Utilization for Alcohol (1000 MT)	340308	340308	359652	359652	333900	328950
Total Utilization (1000 MT)	621000	621000	705200	705200	645000	645000
(1000 HA), (1000 MT)						

Climate Updates

In 2024, Brazil recorded extreme weather events including a severe drought in the Amazon and the intensification of heat waves in several regions. From June onwards, dry weather and high temperatures added to intentional criminal fires, and inadequate land use practices favored the spread of fires that affected the entire country. In May, the National Institute for Space Research (INPE) recorded 6,324 fire outbreaks in Brazil. In the following month, INPE registered 12,432 fire outbreaks. The situation worsened in July, when 22,478 fire outbreaks were registered. At the peak of the drought, August recorded 68,635 fire outbreaks, and September registered 110,704 wildfires in total.

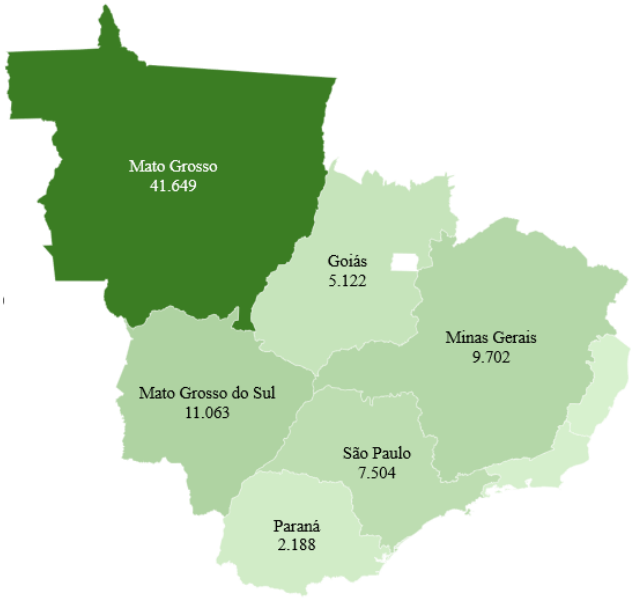
The flames burned large areas of forest, crops and environmental protected reserves, releasing large volumes of smoke that spread over thousands of kilometers, and several cities recorded alarming levels of air pollution. There is no official government information on the size of the affected area and the impacts on sugarcane fields in the Center-South region. Analysts have varying estimations which are observed through diverse calculation methodologies including the size of the sample reported by the mills, and whether the affected area includes environmental protection areas.

Figure 1
Map of Fire Outbreaks - Brazil, between September 1st and 30th 2024

***Source**: National Institute for Space Research, Queimadas Program, AQUA Tarde Satellite, as of September 30*

The Union of Sugarcane and Bioenergy Industry (UNICA) reports that, between August and the first half of September, fire outbreaks affected 230,000 hectares of sugarcane plantations, with 180,000 hectares of sugarcane to be harvested. The Sugarcane Technology Center (CTC) reports that 400,000 hectares of sugarcane fields were burned in São Paulo state in the second half of August, and 28,000 hectares were affected in Minas Gerais. The Organization of Sugarcane Producers of Brazil (ORPLANA) stated that between August 23 and September 27, approximately 200,000 fire outbreaks were registered in sugarcane areas and sugarcane regrowth areas in São Paulo, with losses estimated at R$1.2 billion. Fire outbreaks also affected sugarcane fields in Minas Gerais, Goiás, Mato Grosso and Mato Grosso do Sul impacting 234,000 hectares in total. The Federation of Agriculture of São Paulo (FAESP) informed Post that the fires affected more than 8,000 properties in 317 municipalities of São Paulo and caused losses of R$1.15 billion.

Figure 2
Number of Wildfires in the Center-South Region, Between May 1st to September 30th, 2024



Source: *National Institute for Space Research, Queimadas Program, AQUA Tarde Satellite; Chart Post Brasilia.*

Although the impacts of the fire outbreaks in the sugarcane production are difficult to estimate, Post projects the reduction of sugar production caused directly by the fires to be relatively small compared to the total production and should not affect Brazil´s sugar production in the marketing year 2024/25 (MY - April to March). The industry reports that the sugarcane harvest was in an advanced stage in most impacted areas. Sugarcane can be transformed into sugar even if it is burned and if the sugarcane is processed in a maximum period of seven days. If the poor concentration of sugars makes crystallization impossible, the sugarcane can be used directly for ethanol production.

Companies such as Raizen and Tereos have disclosed the impact of the fires on their own or third-party sugarcane farms and the losses in production. Tereos reported that the fires affected 30,000 hectares, ten percent of the company's sugarcane fields, which represents 1.7 million tons of sugarcane, including half in areas to be harvested and the rest in sugarcane fields that were prepared to regrow after harvest. The loss reaches R$100 million. However, the company maintained the crushing projection of 21 million tons of sugarcane in the 2024/25 harvest, as the burned sugarcane could be partially processed, despite the significant drop in Total Recoverable Sugar (ATR). For the 2025/26 cycle, Tereos informed Post that the impacts of the fires may affect productivity depending on the percentage of sugarcane that burned and will be able to resprout in time to be processed.

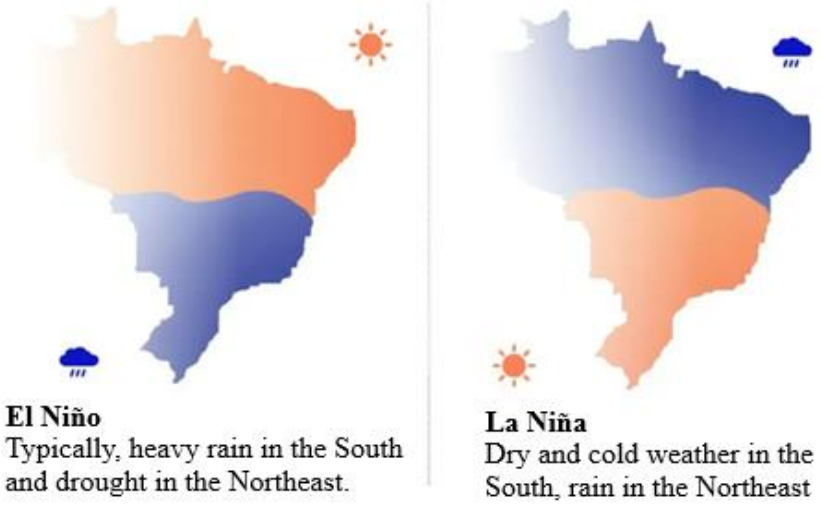
In early September, Raízen reported that 1.8 million tons of sugarcane areas were affected, representing 2% of the crushing forecast for the 2024/25 harvest. To avoid further losses, the company prioritized the crushing of burnt sugarcane. Raízen projects it is able to process between 82- 85 million tons of sugarcane in the 2024/25 season.

The consequences of the wildfires in sugarcane and sugar production should be more pronounced in MY2025/26. The damage caused by fires may require the need for new fertilizer supplementation, spraying and application of herbicides, in addition to the risk of non-regrowth and the consequent replanting of part of the crop. The industry reports an increase in the amount of sugarcane fields impacted by water stress, which is resulting in the loss of weight of the stalks and the reduction of the Total Recoverable Sugars (ATR) of the sugarcane. Forecasts and projections for the next harvest depend on the beginning of the rainy season in October and if the rainfall will be sufficient to improve the quality of the sugarcane.

Still under the influence of El Niño, meteorological agencies report that dry weather and high temperatures in Brazil continued until mid-October, mainly affecting the central and Northeast regions. In mid-September, a brief cold front hit part of Brazil, with passing rains in several cities in the Center-South. However, as of September 21, Minas Gerais faces the longest consecutive period without rain, with an average of 154 days without relevant precipitation. In Mato Grosso and Goiás, the drought reached an average of 152 and 150 days, respectively. In São Paulo, the sugarcane cities of Araçatuba, Bauru, Piracicaba and Presidente Prudente recorded rainfall in September, but Ribeirão Preto and São José do Rio Preto have not recorded rainfall for 40 days. Regular rains are expected in the first half of October in São Paulo and Minas Gerais and only in the second half of October in producing areas of Mato Grosso, Goiás and northern Mato Grosso do Sul.

Regarding the arrival of La Niña, updated data from the National Oceanic and Atmospheric Administration (NOAA) indicate that the probability for the phenomenon to occur between September and November this year is 71%, and the intensity should be weak to moderate and last until the first quarter of 2025. The previous forecast made in June indicated the probability of 70% for the period between August and November. In Brazil, La Niña reduces temperatures in the Southeast and Midwest and alters the distribution of rainfall, which can harm crops due to the risk of frost and cause droughts in the South of the country and more rainfall in the North and Northeast.

Figure 3
Effects of the El Niño and La Niña on Brazilian Agriculture



***Source**: Globo Rural*

Sugarcane Production

Despite uncertainties with the size of the areas impacted by wildfires, Post maintains its forecast of sugarcane planted area for MY2024/25 at 9.6 million hectares, and for the sugarcane area harvested at 8.4 million hectares. For the past three years, favorable international sugar prices have encouraged farmers to expand land use for growing sugarcane.

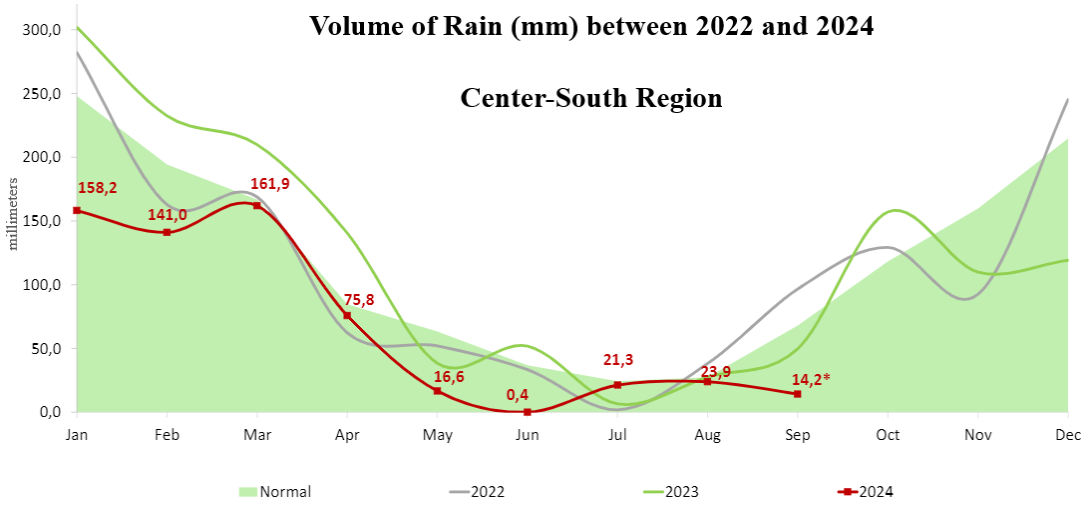
Table 2
Area Harvested to Sugarcane (1,000 hectares)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25*
Sao Paulo	4,538	4,453	4,402	4,588	4,491	4,147	4,091	4,170
CS	7,837	7,705	7,552	7,720	7,452	7,369	7,390	7,500
NNE	892	884	890	896	893	923	961	964
Brazil	8,729	8,589	8,442	8,616	8,345	8,292	8,351	8,464

***Source**: Ministry of Agriculture, National Supply Company; Chart Post Brasília *Forecast*
NOTE: Consider SP (São Paulo); CS (Center-South); NNE (North-Northeast).

Sugarcane fields have suffered from water stress caused by a prolonged period of drought, especially in São Paulo and Minas Gerais, the largest sugarcane-producing states in Brazil. Between October 2023 and August 2024, the accumulated water deficit is 1.072 millimeters (mm), which hindered the development of sugarcane fields. In addition, the beginning of the 2024/25 harvest was marked by a strong share of *bisada* sugarcane (cane left in the fields to be crushed early next season), which brought a false sense of high productivity. However, the worsening of sugarcane quality resulting from water stress became evident throughout the harvest.

Figure 4
Volume of Rainfall between 2022 and 2024, in millimeters (mm)



***Source**: Datagro*
Note: Average weighted by the participation of each micro-region

Previous estimates already point to lower production due to dry weather forecasts and the evolution of the harvest shows a worsening of sugarcane productivity. Given the effects of the adverse climate conditions on cane fields, Post is revising down the Brazilian sugarcane agricultural yield for MY 2024/25 to 79 metric tons per hectare (MT/ha), representing a year-on-year decrease of 3.8 percent (82 MT/ha). On average, the 2024/25 harvest shows an aged sugarcane, around 2 percent more than in the last harvest. Data from the CTC show that less than 15 percent of the harvest of the varieties monitored by the center was 18-month cane, compared to about 20 percent in MY2023/24.

Table 3
Brazilian Sugarcane Agricultural Yields (kg/ha)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25*
SP	76,607	75,207	79,636	79,719	70,945	75,436	85,704	82,731
CS	75,105	74,323	78,107	78,048	70,458	74,643	83,089	81,751
NNE	50,021	54,021	59,381	58,006	60,139	65,765	66,064	65,737
Brazil	72.543	72,234	76,133	75,965	69,355	73,655	81,129	79,953

***Source**: National Supply Company; Chart Post Brasilia * Forecast*
NOTE: Consider SP (São Paulo); CS (Center-South); NNE (North-Northeast).

The concentration of Total Recoverable Sugars (ATR) in this harvest is similar to the previous season due to investments producers previously made in planting. Post adjusts its projections for the Brazilian industrial yield of sugarcane 2024/25 at 135.2 kilograms of TRS per metric ton (kg of TRS/MT). Wildfires in the Center-South (CS) region would likely have an impact on the TRS for FY 2024/25 and the industrial yield of CS sugarcane is forecast at 134.5 kg TRS/MT. Productivity in the North-Northeast (NNE) region should be sustained at 127.1 kg TRS/MT.

Table 4
Sugarcane Industrial Yields (kg TRS/metric ton)

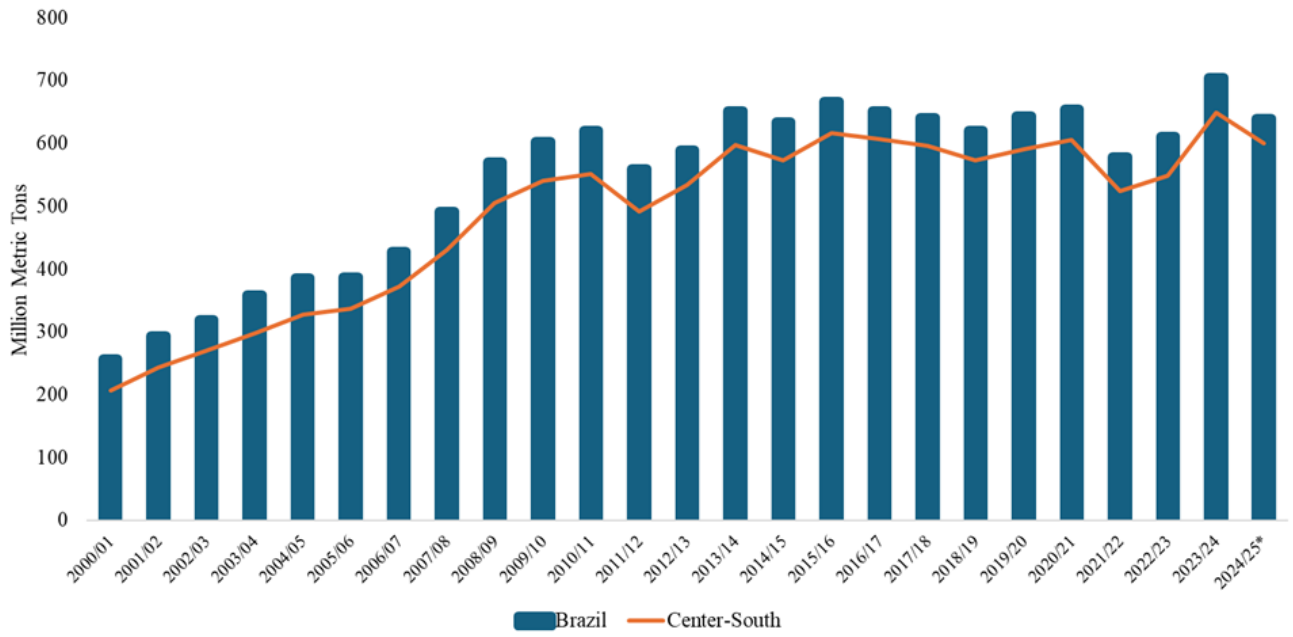
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25*
SP	136.3	139.5	139.1	147.0	138.0	133.6	135.4	134.9
CS	139.0	141.2	139.7	145.1	136.4	134.1	135.3	134.5
NNE	128.0	133.1	134.3	132.3	124.6	127.7	127.0	127.1
Brazil	138.2	140.6	139.3	144.1	135.3	133.5	134.6	135.2

***Data source:** National Supply Company; Chart Post Brasília *Forecast*
NOTE: Consider SP (São Paulo); CS (Center-South); NNE (North-Northeast). Post Brasilia has adjusted the historical information since MY2017/18 to reflect updated data.

Post maintains the forecast for Brazil´s MY 2024/25 sugarcane crush at 645 million metric tons (MMT), revising down the sugarcane production in the CS due to adverse climate conditions to 590 MMT, a decrease of 1.7 percent (600 MMT). The forecast includes the estimates of losses in sugarcane fields caused by wildfires but considers more than 70 percent of the cane affected was in conditions to be processed in time to produce sugar or ethanol.

Post is revising up the forecast for the NNE production to reflect updated data and the increase in productivity caused by good weather conditions from 44 MMT to 55 MMT.

Figure 5
Brazilian Sugarcane Production, MY 2000/01 to MY2024/25 (in million metric tons)



***Source**: Union of Sugarcane Industry and Bioenergy; National Supply Agency, Ministry of Agriculture; Chart Post Brasilia *Forecast*

The Center-South region remains the largest sugarcane producer. According to UNICA, cumulative sugarcane production between April 1st and September 15th amounts to 466.2 MMT, an increase of 3.9 percent compared to the same period of MY2023/24 (448.5 MMT). São Paulo is the largest producing state with 58.2 percent of the total CS production, amounting to 271.3 MMT, an increase of 3.5 percent compared to the previous crop (262.1 MMT). Between April and September 15th, 259 plants were operating in the CS region, from which 240 were processing sugarcane, nine were processing corn ethanol, and ten flex-plants.

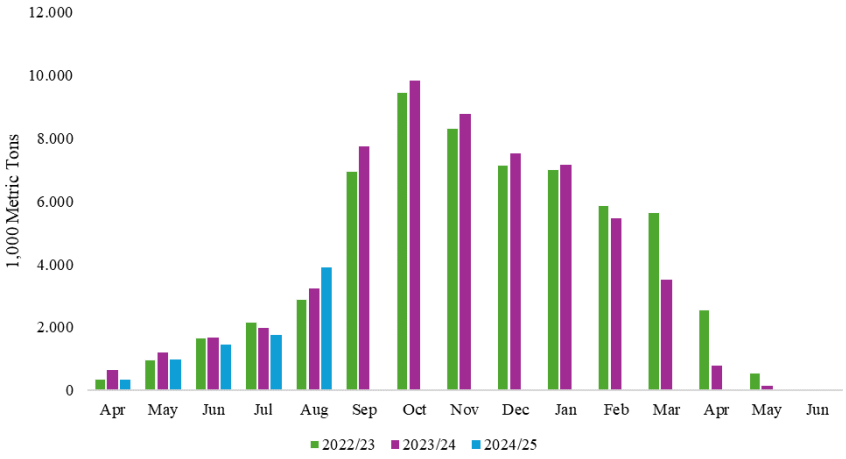
The dry weather encouraged mills in the Center-South to advance sugarcane crushing and crushing for MY2024/25 should end mid-November at the latest, which will lead to a longer off-season of approximately five months in some regions of CS. Producers who were most affected by the fires should have extra costs with replanting or will have to wait for regrowth.

Figure 6
Sugarcane Crushed in the Center-South Region, April to September 15th

***Source**: Union of Sugarcane Industry and Bioenergy; Chart Post Brasilia *As of September 15th, 2024*

According to the Ministry of Agriculture (MAPA), the North/Northeast region recorded sugarcane production of 8.4 MMT between April 1st and August 31st, a reduction of 3.5 percent compared to the previous harvest (8.7 MMT). During this period, Bahia was the largest producer of sugarcane, with 2.3 MMT, followed by Tocantins with 1.4 MMT and Maranhão with 1.2 MMT. However, Alagoas and Pernambuco are the largest sugarcane-producing states in the NNE. It is worth remembering that the harvest in the states of Amazonas, Bahia, Ceará, Maranhão, Piauí and Tocantins is between May and April, and the harvest in Alagoas, Bahia, Paraíba, Pernambuco, Rio Grande do Norte and Sergipe occurs between September and August.

Figure 7
Sugarcane Crushed in the North-Northeastern Region, April to June



***Source**: Ministry of Agriculture; Chart Post Brasilia*
NOTE: The figure is displayed with information from April to June to facilitate data reading given the different crop months of the North-Northeastern region.

Sugar Production

Table 5
Sugar Production, Supply, and Demand

Sugar, Centrifugal	**2022/2023**		**2023/2024**		**2024/2025**	
Market Year Begins	**Apr 2022**		**Apr 2023**		**Apr 2024**	
Brazil	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks (1000 MT)	340	340	690	690	760	760
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	38050	38050	45544	45544	44000	43000
Total Sugar Production (1000 MT)	38050	38050	45544	45544	44000	43000
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp.(Raw Val) (1000 MT)	0	0	0	0	0	0
Total Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	38390	38390	46234	46234	44760	43760
Raw Exports (1000 MT)	22560	22560	30225	30225	29000	29000
Refined Exp.(Raw Val) (1000 MT)	5640	5640	5749	5749	5500	5500
Total Exports (1000 MT)	28200	28200	35974	35974	34500	34500
Human Dom. Consumption (1000 MT)	9500	9500	9500	9500	9500	9000
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	9500	9500	9500	9500	9500	9000
Ending Stocks (1000 MT)	690	690	760	760	760	260
Total Distribution (1000 MT)	38390	38390	46234	46234	44760	43760
(1000 MT)						

Production

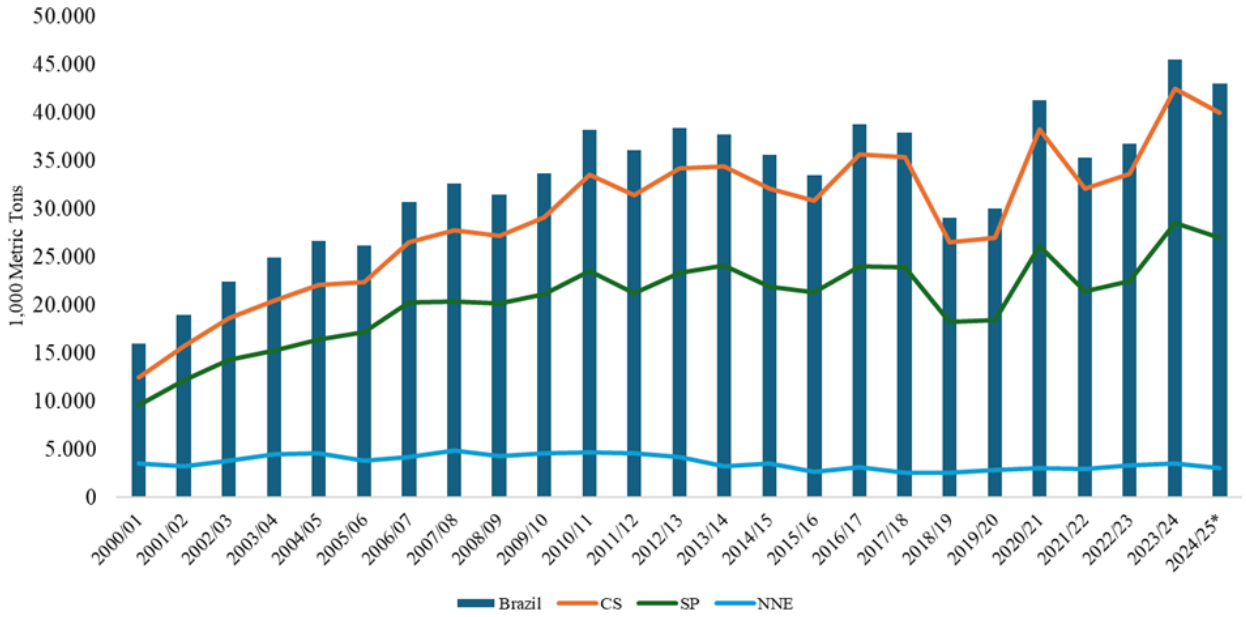
Post revises down the production of sugar in Brazil for MY2024/25 from 44 MMT to 43 MMT raw value, due to the worsening of the quality of the sugarcane, which resulted in juice with more impurities and greater difficulty in crystallization. Nevertheless, previous investments made by the mills allowed the industry to maximize sugar output. Post estimates that the CS region should produce 40 MMT of raw value sugar and the NNE region should produce three million metric tons. The forecast includes the impacts on sugar production resulting from the fires.

Between April 1st and September 15th, cumulative sugar production in the CS region amounted to 30.3 MMT raw value, an increase of 3.6 percent compared to the previous season (29.2 MMT raw value). The state of São Paulo is the largest producer in the country and accumulates a production of 19.8 MMT, about 65 percent of the total in CS region.

On September 13, 2024, the NNE region officially ended the 2023/24 sugarcane harvest (September – August), with a higher sugar mix and a reduction in sugarcane crushing due to off-season rains. In the period from September to August, the NNE region produced 59.3 MMT of sugarcane, a reduction of

4.7% compared to the 2022/23 harvest, of 62.3 MMMT. Due to better remuneration for sugar on the international market compared to ethanol on the domestic market, mills in the NNE focused on producing sugar for export. Sugar production mix reached 50% in the MY2023/24 crop season (Sep-Aug) and total sugar production amounted to 3.5 MMT, an increase of 2.7% compared to 2022/23 (3.4MMT).

Figure 8
Brazilian Sugar Production – in metric tons, raw value



***Source**: Ministry of Agriculture; Chart Port Brasília *Forecast*

Table 6
Brazilian Sugar Production per Type, in million metric tons

	VHP		Demerara		Crystallization 0 to 180		Others	
	2023/24	**2024/25***	**2023/24**	**2024/25***	**2023/24**	**2024/25***	**2023/24**	**2024/25***
SP	20,835	13,294	0,034	0,021	7,126	4,297	0,487	0,359
CS	30,394	19,538	0,037	0,024	10,727	6,765	1,290	0,904
NNE	1,598	0,012	0,118	0,015	0,752	0,107	0,967	0,121
Brazil	**31,992**	**19,550**	**0,155**	**0,039**	**11,480**	**6,872**	**2,258**	**1,013**

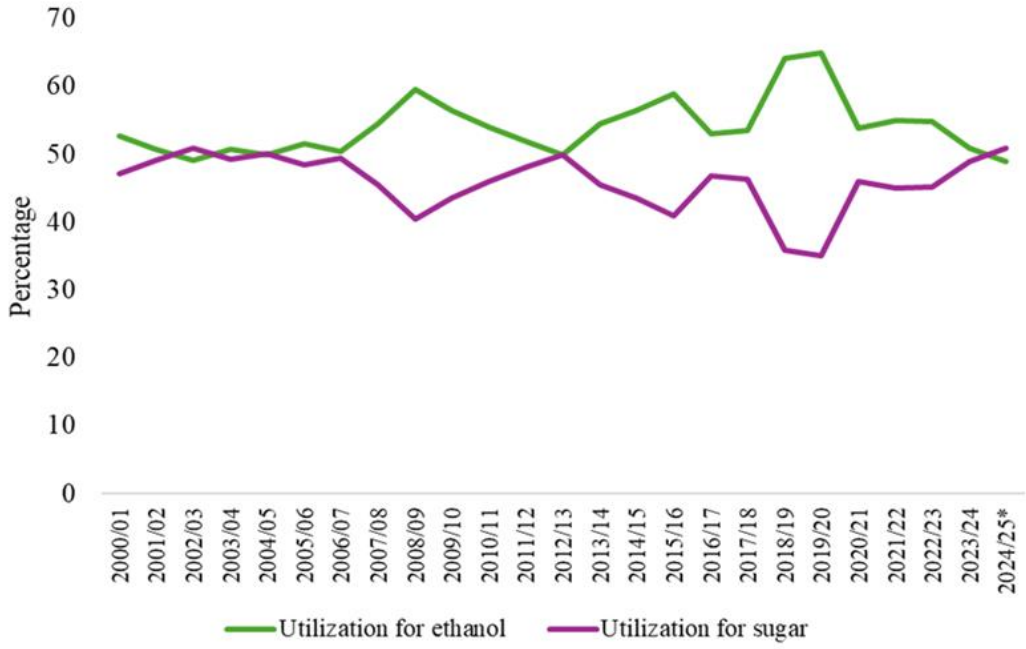
***Source**: Ministry of Agriculture * April 1st to August 31st*
NOTE: Others include Amorphous Refined Sugar, granulated refined sugar, High Test Molasses, Crystallization 181 to 300.

In MY 2024/25, Brazil will continue to be the largest global producer and exporter. International sugar prices have encouraged the industry to maximize sugar production. Due to the lower productivity of

sugarcane, Post revises downward the production mix, updated to 49% sugar and 51% ethanol. Previously, the forecast was 51% for sugar and 49% ethanol.

Figure 9

Sugar and Ethanol Production Mix, in percentage



***Source**: National Supply Company and Industry Sources; Chart Post Brasília *Forecast*

Sugarcane and Sugar Prices in the Domestic Market

Sugarcane prices received by third-party suppliers for major producing states are based on a formula that considers prices for sugar and ethanol in domestic and international markets. The State of Sao Paulo Sugarcane, Sugar and Ethanol Growers Council (CONSECANA) was the first to develop the formula for the state of São Paulo, which accounts for approximately 65 percent of the Center-South production. The cumulative CONSECANA price (May – August 2024) for the State of São Paulo for the MY2024/25 was R$1.1701 per kg of TRS, or approximately R$158 per ton of sugarcane. CONSECANA also prices sugarcane for the states of Paraná (May - Aug, R$1.1988 per kg of TRS or R$161 per ton), Alagoas and Sergipe (May – Aug, R$1.4052 per kg of TRS or R$178 per ton), and Pernambuco (August 2024, R$1.4173 per kg of TRS or R$180 per ton).

The Crystal Sugar Index released by the University of São Paulo's College of Agriculture "Luiz de Queiroz" (USP/ESALQ/CEPEA) tracks crystal sugar prices received by producers in the domestic spot market. White crystal sugar prices moved up in the spot market of São Paulo state in the first two weeks of September. The long period of dry weather, high temperatures and wildfires in cane fields in late August sustained values. According to CEPEA/ESALQ, the demand for crystal sugar increased in early September in São Paulo's spot market indicating that the purchases were to guarantee stocks to avoid price rises in the short-term.

Table 7
Crystal Sugar Price Index São Paulo - Domestic Market (Real, 50kg/bag, including tax).

	2022	2023	2024
January	151.45	133.98	145.04
February	144.78	132.09	145.99
March	137.60	132.00	143.58
April	140.68	141.03	147.14
May	131.88	148.84	138.97
June	127.87	144.99	135.73
July	128.86	137.00	133.12
August	128.87	135.27	130.73
September	124.44	151.19	140.87*
October	126.99	156,89	
November	131.83	156.18	
December	139.12	152.62	

***Source**: USP/ESALQ/CEPEA. *Refers to September 27*
NOTE: The index refers to Icumsa from 30 to 180

In MY 2024/25, prices remained competitive in the North-Northeastern region and the sugar mills focused on producing VHP sugar for exports.

Table 8
Crystal Sugar Price Index Pernambuco, Paraíba and Alagoas - Domestic Market (Real, 50kg/bag, including tax).

	2022			2023			2024		
	PE	**PB**	**AL**	**PE**	**PB**	**AL**	**PE**	**PB**	**AL**
January	150.83	153.38	150.51	137.98	131.44	139.96	152.38	149.98	152.34
February	150.2	152.68	149.51	139.71	136.52	139.55	151.03	152.25	150.35
March	150.66	152.27	149.67	145.26	137.85	141.08	171.64	158.96	164.94
April	154.14	152.65	152.81	152.83	143.47	148.86	176.64	165.04	175.89
May	153.67	152.17	152.56	166.27	156.96	160.05	174.08	163.42	176.51
June	154.54	151.99	151.57	163.89	157.61	160.63	171.76	157.88	170.90
July	154.36	152.06	152.00	152.47	152.66	155.78	170.46	158.23	168.66
August	154.52	151.14	151.45	146.37	150.81	149.30	169.98	158.39	168.00
September	152.58	143.70	150.55	148.07	152.49	149.53			
October	142.56	138.24	145.49	155.88	153.75	152.81			
November	139.67	134.09	141.16	156.71	151.22	156.02			
December	139.14	132.38	140.56	155.42	150.34	154.55			

***Source**: USP/ESALQ/CEPEA. *Refers to September 02*
NOTE: Consider PE (Pernambuco), PB (Paraíba), AL (Alagoas). The index refers to Icumsa from 30 to 180

International Sugar Prices

On September 20th, raw sugar contracts traded on the Intercontinental Exchange in New York (ICE) ending in October rose 19.2%, the largest weekly price increase since 2008, to 22.66 cents of dollar per pound (US$ c/lb). The increase reflects concerns about Brazil's supply due to the persistence of dry weather and the risk of reduced production this year and in the next 2025/26 harvest. International raw sugar prices are expected to have further advances for futures contracts until there is a clearer idea of the reduction in Brazil's sugar production for next year's harvest.

Figure 10
Sugar #11 Prices, US$ c/lb., for October 2024 contracts

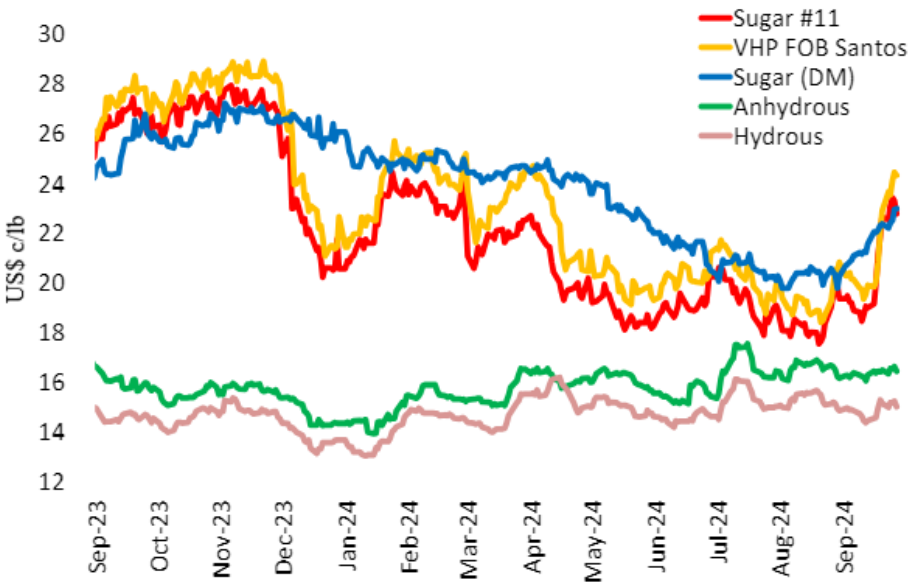
***Data and chart source**: Intercontinental Exchange (ICE); as of September 27, 2024.*

Sugar and Ethanol Price Equivalence

The following graph illustrates the sugar-ethanol price equivalence for the reference market of Ribeirão Preto in the state of São Paulo, as reported by Datagro. The September 27th price equivalence shows that sugar contract #11 was negotiated at 22.79 US$ c/lb. The remuneration for very high polarity (VHP) sugar exported FOB from the Port of Santos was 23.80 US$ c/lb, and the sugar sold on the domestic market was traded at 22.99 US$ c/lb. The ethanol price equivalence on the domestic market remained less competitive, ranging between 16.46 US$ c/lb for anhydrous and 15.04 US$ c/lb for hydrous.

Ethanol continues to have a remuneration far below sugar, due to stagnant domestic consumption. However, there are expectations the ethanol market will recover in the medium term, given the slow but steady increase in hydrous consumption and the possibility of a prolonged off-season as result of the early end of the 2024/25 harvest and the possible late start of the 2025/26 harvest.

Figure 11
Sugar and Ethanol Price Equivalence with CBios - Ribeirão Preto Reference (US$ c/lb FOB Santos)



***Source**: Datagro*

Table 9
Exchange Rate (R$/US$1.00 - official rate, last day of period)

Month	2018	2019	2020	2021	2022	2023	2024
January	3.16	3.65	4.25	5.48	5.36	5.10	4.95
February	3.24	3.74	4.50	5.53	5.14	5.21	4.98
March	3.32	3.9	5.20	5.7	4.74	5.08	4.99
April	3.48	3.94	5.43	5.4	4.92	5.00	5.17
May	3.74	3.94	5.43	5.23	4.73	5.09	5.24
June	3.86	3.83	5.48	5.00	5.24	4.82	5.55
July	3.75	3.76	5.20	5.12	5.19	4.74	5.66
August	4.14	4.14	5.47	5.14	5.18	4.92	5.65
September	4.00	4.16	5.64	5.44	5.41	5.00	5.44*
October	3.72	4.00	5.77	5.64	5.26	5.05	
November	3.86	4.22	5.33	5.62	5.29	4.93	
December	3.87	4.03	5.20	5.58	5.78	4.84	

***Source**: Brazilian Central Bank (BACEN) *Refers to September 30*

Consumption and Stocks

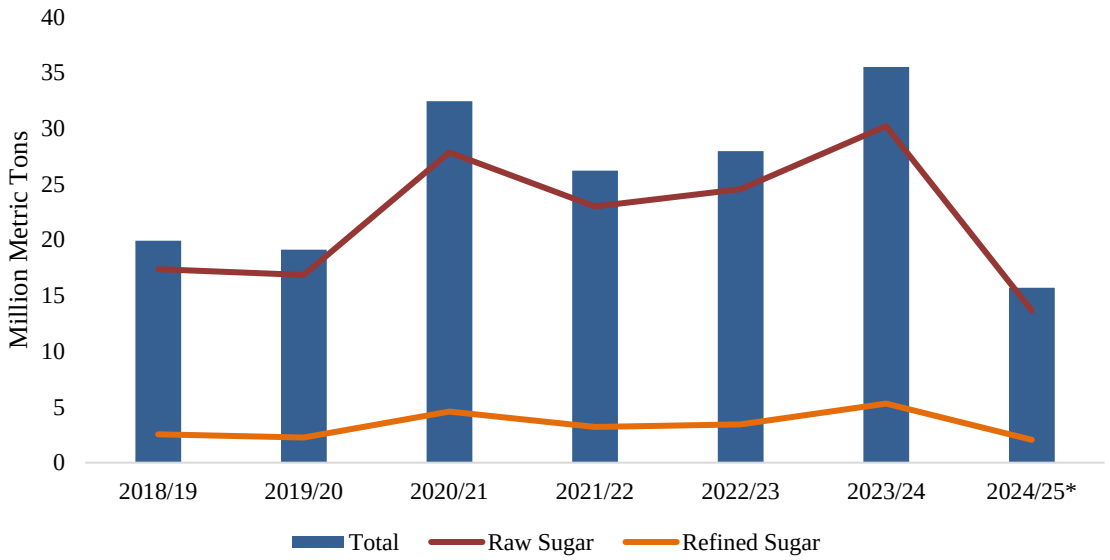
There is no official source for domestic sugar consumption in Brazil. Post maintains the forecast for sugar consumption in MY2024/25 at 9 MMT. Even with a possible further reduction in sugar production

with the early end of the season and a longer offseason, Brazil has stocks to supply the domestic market and to ensure exports. Sugar ending stocks for MY2024/25 are projected at 260 MMT, a decrease of 66 percent compared to the previous season.

Trade

Post maintains the forecast of Brazil's sugar exports for MY2024/25 at 34.5 MMT, raw value. Raw sugar exports will likely account for 29 MMT and refined sugar for 5.5 MMT. From April to August 2024, Brazil has exported 15.7 million metric tons of sugar, raw value, an increase of 17 percent compared to the same period in MY2023/24, with a market share of 70 percent. Revenues from April to August 2024 amounted to US$ 7.4 billion, an increase of 14 percent compared to the previous season (US$ 6.4 billion). The five main buyers are China (1.7 MMT), Indonesia (1.3 MMT), United Arab Emirates (1.2 MMT), India (1.0 MMT), and Egypt (1.0 MMT).

Figure 12
Brazilian Sugar Exports – Raw and Refined Sugar, Marketing Years in Million Metric Tons tel quel



***Source**: Trade Data Monitor, Chart Post Brasília *April to August 2024*
NOTE: HS 170111, 170112, 170113, 170114, 170191, 170199

Despite high international market prices, global sugar consumption remains strong, and Brazilian sugar continues to supply the world's demand, supported by the steady devaluation of the local currency which helps to maintain Brazilian sugar's high competitiveness. According to Post contacts, international sugar supply is balanced until the first half of 2025, when a surplus is expected due to good weather conditions and expansion of the harvested area in Thailand and the possible resumption of exports by India.

Table 10
Brazil Sugar Exports by Main Countries, in Metric Tons tel quell

	2020/21	2021/22	2022/23	2023/24	Apr - Aug 2024/25
China	5,050,284	4,357,225	4,004,640	3,924,609	1,654,538
Algeria	2,260,874	2,398,145	1,931,685	1,927,341	890,058
Morocco	1,452,790	1,230,485	1,739,675	1,722,191	617,967
Nigeria	1,623,761	1,945,933	1,655,269	1,609,088	452,382
Bangladeh	2,175,904	1,361,057	1,279,179	1,720,991	593,785
Canada	1,061,142	1,232,787	1,232,884	1,263,798	586,391
Indonesia	2,156,366	606,047	1,219,746	2,468,977	1,299,445
UAE	1,175,240	916,017	1,122,964	1,646,061	1,165,470
India	1,755,821	268,270	581,482	3,325,957	1,030,301
Egypt	987,866	959,947	1.195,087	1,136,639	1,016,623
Others	12,726,574	10,914,320	13,196,163	14,753,319	6,389,709
Total	**32,426,622**	**26,190,233**	**27,963,687**	**35,498,971**	**15,696,669**

***Source**: Trade Data Monitor, Chart Post Brasilia*
NOTE: HS 170111, 170112, 170113, 170114, 170191, 170199

Policy

Sugar imports to the United States are governed by tariff-rate quotas (TRQ), which allow a certain quantity of sugar to enter the country at a low tariff. TRQs apply to imported raw cane sugar, refined sugar, sugar syrups, specialty sugars, and sugar-containing products. The sugar import program meets the U.S. commitments under the Uruguay Round Agreement on Agriculture, which resulted in the creation of the World Trade Organization (WTO).

USDA establishes the annual quota volumes for each federal fiscal year (FY October 1 – September 30), and the U.S. Trade Representative (USTR) allocates the TRQs among countries. Sugar and related products paying a higher, over-quota tariff may enter the country in unlimited quantities. About 40 countries worldwide receive TRQ allocations based on historical trade to the United States. The top three quota-holding countries are the Dominican Republic, Brazil, and the Philippines.

USDA announced on June 14, 2024, the establishment of the FY 2025 (October 1, 2024 – September 30, 2025) TRQ for raw sugar at the WTO minimum amount of 1,117,195 metric tons raw value (MTRV). USTR allocated the TRQ on July 26, 2024. Brazil, the second-largest recipient of the U.S. sugar tariff-rate quota, received an allocation of 155,993 MTRV, which is equivalent to approximately 14 percent of the total TRQ.

Table 11
U.S. Tariff-Rate Quota for Brazilian Raw Sugar (metric tons raw value)

Fiscal Year - FY	Original TRQ Allocation	Additional TRQ Allocation	Total
2013	155,634	0	155,634
2014	152,691	15,251	167,942
2015	152,691	37,978	190,669
2016	152,691	33,865	186,556
2017	152,691	30,000	182,691
2018	152,691	0	152,691
2019	152,691	22,464	175,155
2020	152,691	158,203	310,894
2021	152,691	34,577	187,268
2022	152,691	53,502	206,193
2023	155,993	76,580	232,573
2024	155,993	27,174	183,167
2025	155,993	n/a	155,993

***Source**: USTR; Chart Post Brasilia*

Attachments:

No Attachments