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Brazil

Sugar Semi-annual

Semi Annual Report

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Report Highlights:
Brazil's MY 2015/16 sugarcane crush is estimated at 659 mmt, up two percent from the previous estimate (648 mmt) due to above average rainfall during February-March and May-July in the center-south which favored development of sugarcane stocks. Approximately 40.6 percent of the crop should be diverted to sugar, down three percentage points compared to previous season, a direct consequence of higher domestic demand for ethanol. Total exports for MY 2015/16 are estimated at 23.75 mmt, raw value, similar to MY 2014/15 (23.95 mmt).

Production

Sugarcane Production, Area and Yield

The Agricultural Trade Office (ATO/São Paulo) estimates total Brazilian sugarcane production for marketing year (MY) 2015/16 (April-March) at 684 million metric tons (mmt), up six percent from the previous estimate, and total sugarcane crushing is estimated at 659 mmt. Total sugarcane production in the center-south (CS) has been revised upward to 625 mmt due to above average rainfall during February-March and May-July which favored development of sugarcane stocks. However, it is expected that 600 mmt will be harvested during the current season, whereas the remaining 25 mmt will be left in the fields for crushing in MY 2016/17. The beginning of the rainy season in November-December 2015 will likely bring logistic obstacles for harvesting, thus limiting the crushing of the total estimated production volume.

The North-Northeast (NNE) is expected to crush 59 mmt of sugarcane, down 2.1 mmt compared to previous crushing season due to below average rainfall during the April-August period as a consequence of the El Nino phenomenom.

Total sugarcane area planted and harvested for MY 2015/16 remain unchanged at 9.9 and 9.45 million hectares, respectively. The table below shows sugarcane harvested area, according to the Ministry of Agriculture, Livestock and Supply's (MAPA) National Supply Company (CONAB), and the Agricultural Economics Institute (IEA) of the State of São Paulo Secretariat of Agriculture.

Area Harvested to Sugarcane (1,000 ha).							
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Brazil	7,409.6	8,033.6	8,356.1	8,485.0	8810.8	9,004.50	9,057.20
São Paulo	4,937.9	5,135.3	5,841.6	6,047.9	6,190.0	6,136.40	N/A
Sources: CONAB, IEA.							

The agricultural yield in MY 2015/16 is estimated at 72.38 metric tons (mt)/hectare (ha), up six percent compared to the previous year (68.38 mt/ha), due to better crop conditions in the CS. Industrial yields are estimated at 133.46 kg of total reducing sugars (TRS)/mt of sugarcane, down 2.26 kg/mt relative to MY 2014/15 based on above average rainfall during harvest, excessive blossoming spread out through the CS, and high impurity content on the cane delivered for crushing which negatively impact the quality of the sugarcane stocks. The following table shows historical Brazilian yields measured in TRS per metric ton of sugarcane.

Sugarcane Industrial Yields (kg TRS/metric ton)					
	MY 11/12	MY 12/13	MY 13/14	MY 14/15	MY 15/16 *
TRS/ton	136.59	135.29	132.63	135.72	133.46
Souce: USDA/FAS/ATO/São Paulo * MY 2015/16 - forecast					

According to the Sugar and Alcohol Millers Association of São Paulo State (UNICA), 403.8 mmt of sugarcane were crushed in the CS from March through September 16, down two percent compared to the same period in 2014. The crushing is 8.8 mmt of sugarcane behind compared to the same period last year, but harvest should be extended through 2016 to guarantee the crushing of the aforementioned volumes.

UNICA reports that 20.89 million tons of sugar, tel quel, and 18.21 billion liters of ethanol were produced through September 16, representing 11 and 1 percent increases, respectively, compared to 2014 levels (23.4 million tons of sugar and 18.1 billion liters of ethanol). These numbers also show that more sugarcane has been diverted toward ethanol production (58.53 percent compared to 55.65 percent in 2014).

The following tables show monthly sugarcane crush data for the state of São Paulo and the CS region for the 2011/12 to 2015/16 crops, as reported by UNICA. São Paulo represents approximately 60 percent of the CS production.

Sugarcane crushed in the state of São Paulo (1,000 metric tons)					
Month	**11/12**	**12/13**	**13/14**	**14/15**	**15/16**
February	0	0	0	0	0
March	708	104	0	0	0
April	13,464	6,649	26,582	25,864	23,886
May	49,443	34,197	47,857	48,510	40,659
June	48,575	32,888	39,393	53,885	51,234
July	53,335	54,517	52,875	48,034	46,678
August	49,140	56,678	57,868	54,736	56,341
September 1/	46,246	44,962	46,719	39,289	15,559
October	27,755	47,015	43,117	42,558	--
November	14,814	37,562	36,445	19,130	--
December	702	14,498	15,482	5,106	--
January	0	582	525	573	--
February	24	122	19	95	--
March	23	56	351	0	--
Cumulative	304,230	329,831	367,233	337,780	234,356
Source: Sugar and Alcohol Millers Association of São Paulo State (UNICA). 1/ September refers to Sep. 1-15.					

Sugarcane crushed in Center-South Brazil (1,000 metric tons)					
Month	**11/12**	**12/13**	**13/14**	**14/15**	**15/16**
February	0	146	0	0	0
March	1,795	388	0	0	0
April	22,208	13,599	41,716	40,375	45,583
May	76,447	56,665	75,966	76,938	68,943
June	77,244	57,580	65,057	85,676	86,108
July	82,349	88,472	87,425	77,394	78,750
August	79,460	90,765	95,281	92,308	94,849
September 1/	74,081	73,736	77,169	68,750	29,577
October	46,568	74,143	70,227	73,878	--
November	27,818	55,100	58,357	38,903	--
December	3,660	20,718	23,816	13,850	--
January	938	949	970	2,040	--
February	557	291	204	664	--
March	138	56	416	569	--
Cumulative	493,264	532,607	596,603	571,344	403,809
Source: Sugar and Alcohol Millers Association of São Paulo State (UNICA). 1/ September refers to Sep. 1-15.					

Sugarcane and Ethanol

Total sucrose (total reducing sugar, TRS) content destined for sugar and ethanol production is estimated at 40.6/59.4 percent for MY 2015/16, compared to 43.5/56.5 for last season, therefore sugarcane diverted to sugar is down roughly three percentage points compared to previous crop.

This is a direct consequence of higher demand for ethanol in the domestic market due to the increase of the ethanol blend on gasoline to 27 percent; the increase of federal and state taxes for gasoline making fuel ethanol more competitive and; the decrease of the state tax for ethanol in Minas Gerais, which has a large fleet of flex-fuel vehicles (FFV). Please refer to the Brazilian Biofuels Report 2015 (Gain report BR15006) for further information (http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Biofuels%20Annual_São%20Paulo%20ATO_Brazil_8-4-2015.pdf).

In addition, sugar prices on the world market have remained depressed the past five years due to excessive worldwide sugar stocks thus, discouraging domestic production.

ATO/São Paulo estimates sugar production for MY 2015/16 at 35 mmt, raw value, down one mmt, raw value, due to expected lower total sucrose content and higher percentage of sugarcane diverted to ethanol production. The tables below show monthly sugar production for the state of São Paulo and the CS region for the 2011/12 to 2015/16 crops, as reported by UNICA.

Sugar production in the state of São Paulo (Metric tons, tel quel)					
Month	**11/12**	**12/13**	**13/14**	**14/15**	**15/16**
February	0	0	0	0	0
March	23,072	3,691	0	0	0
April	467,145	287,294	1,204,407	1,077,798	968,851
May	2,734,815	1,952,653	2,844,117	2,874,125	2,196,313
June	3,161,100	2,017,509	2,305,372	3,564,842	3,096,910
July	3,853,337	3,800,734	3,425,222	3,407,713	2,983,211
August	3,840,998	4,377,261	4,244,576	4,003,035	3,920,663
September 1/	3,801,633	3,584,137	3,653,913	2,734,179	1,073,761
October	2,118,061	3,681,687	3,039,994	2,894,877	--
November	1,023,956	2,647,361	2,415,600	1,136,646	--
December	43,837	912,666	807,064	203,879	--
January	0	11,736	10,242	9,542	--
February	0	6,356	0	2,485	--
March	0	1,004	14,371	20	--
Cumulative	21,067,954	23,284,089	23,964,878	21,909,141	14,239,709
Source: Sugar and Alcohol Millers Association of São Paulo State (UNICA). 1/ September refers to Sep. 1-15.					

Sugar production in Center-South Brazil (Metric tons, tel quel)					
Month	**11/12**	**12/13**	**13/14**	**14/15**	**15/16**
February	0	4,692	0	0	0
March	56,496	5,052	0	0	0
April	761,078	535,505	1,704,682	1,499,504	1,605,877
May	3,966,565	2,983,558	3,944,719	3,935,971	3,180,660
June	4,618,058	3,161,408	3,308,644	4,905,573	4,480,420
July	5,411,365	5,605,984	4,958,695	4,787,076	4,230,432
August	5,629,162	6,366,406	6,152,387	5,815,997	5,705,332
September 1/	5,607,822	5,342,707	5,281,370	4,137,377	1,683,107
October	3,257,617	5,331,840	4,372,655	4,404,882	--
November	1,776,138	3,576,444	3,407,612	1,952,698	--
December	178,575	1,156,251	1,135,957	506,583	--
January	28,526	14,532	10,513	28,066	--
February	14,408	6,356	1	6,250	--
March	2,332	1,004	15,640	7,120	--
Cumulative	31,308,142	34,091,739	34,292,875	31,987,097	20,885,828
Source: Sugar and Alcohol Millers Association of São Paulo State (UNICA). 1/ September refers to Sep. 1-15.					

Total ethanol production for MY 2015/16 is estimated at 30.4 billion liters (12.8 billion liters of anhydrous and 17.6 billion liters of hydrated ethanol) based on higher projected consumption. The table below shows the sales of FFV and ethanol powered cars. Note that sales of FFV currently represent over 90 percent of total vehicle sales. According to the industry, FFV already represents roughly 70 percent of the light vehicles fleet, therefore, supporting potential demand for ethanol.

Licensing of Ethanol Powered Vehicles (pure ethanol & flex fuel units)						
2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015 1/**
2,711,267	2,876,173	2,848,071	3,162,824	3,169,111	2,940,508	1,494,233
Source: National Association of Vehicle Manufacturers (ANFAVEA) 1/ January-August						

The steady sales of FFV do not solely guarantee a higher demand for ethanol given that consumer decisions are driven by the ratio between ethanol and gasoline prices. 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).

The tables below show ethanol and gasoline prices as well as the price ratio for selected states and cities for January-February (off-peak) and July-August (peak season) 2012, 2013, 2014, and 2015. Note that in June and August 2015, purchasing ethanol was more cost effective in the state of Minas Gerais and the cities of Belo Horizonte and Goiania, where gasoline is traditionally the best economic option for fueling due to logistic advantages and preferential state taxes. Also note the sharp decrease in the price ratio for the State of São Paulo, São Paulo city and Goiania in the state of Goias, further encouraging more ethanol consumption.

Gasoline and Ethanol Prices in Selected States (average price, R$/liter)

		Gasoline				Ethanol			
		2012	**2013**	**2014**	**2015**	**2012**	**2013**	**2014**	**2015**
São Paulo State	**Jan**	2.649	2.644	2.835	2.918	1.888	1.829	1.909	1.935
	Feb	2.641	2.767	2.837	3.150	1.818	1.875	1.946	2.101
	Jun	2.636	2.726	2.868	3.128	1.805	1.787	1.902	1.969
	Aug	2.261	2.705	2.856	3.095	1.747	1.741	1.874	1.897
São Paulo City	**Jan**	2.647	2.628	2.803	2.878	1.874	1.818	1.903	1.914
	Feb	2.630	2.739	2.800	3.100	1.801	1.869	1.935	2.069
	Jun	2.630	2.699	2.835	3.074	1.786	1.751	1.869	1.935
	Aug	2.605	2.674	2.674	3.042	1.722	1.718	1.841	1.862
Minas Gerais	**Jan**	2.824	2.824	2.976	3.025	2.208	2.095	2.134	2.198
	Feb	2.817	2.923	2.963	3.304	2.166	2.125	2.149	2.363
	Jun	2.806	2.903	2.952	3.366	2.142	2.105	2.210	2.232
	Aug	2.801	2.875	2.969	3.340	2.110	2.035	2.173	2.152
Belo Horizonte (MG Capital)	**Jan**	2.761	2.740	2.859	2.902	2.172	2.083	2.098	2.135
	Feb	2.746	2.824	2.847	3.225	2.128	2.106	2.110	2.312
	Jun	2.741	2.782	2.851	3.296	2.127	2.065	2.155	2.244
	Aug	2.718	2.732	2.846	3.245	2.094	1.947	2.115	2.098
Rio Janeiro State	**Jan**	2.850	2.898	3.082	3.214	2.266	2.243	2.352	2.500
	Feb	2.846	3.002	3.085	3.453	2.257	2.268	2.378	2.662
	Jun	2.854	3.005	3.132	3.516	2.256	2.303	2.468	2.649
	Aug	2.849	2.994	3.128	3.516	2.206	2.257	2.454	2.635
Rio Janeiro Capital	**Jan**	2.818	2.866	3.052	3.187	2.257	2.231	2.340	2.485
	Feb	2.810	2.967	3.056	3.433	2.236	2.251	2.372	2.661
	Jun	2.821	2.974	3.109	3.490	2.253	2.280	2.451	2.624
	Aug	2.813	2.959	3.098	3.497	2.185	2.231	2.430	2.618
Porto Alegre (RS Capital)	**Jan**	2.738	2.695	2.897	2.967	2.372	2.316	2.387	2.389
	Feb	2.689	2.847	2.882	3.297	2.348	2.336	2.396	2.586
	Jun	2.657	2.751	2.884	3.289	2.390	2.396	2.384	2.491
	Aug	2.663	2.760	2.872	3.316	2.360	2.387	2.337	2.487
Goiania (GO Capital)	**Jan**	2.831	2.743	3.136	3.220	1.959	1.937	2.225	2.181
	Feb	2.782	2.836	3.111	3.431	1.899	1.951	2.175	2.339
	Jun	2.672	2.794	3.085	3.170	1.856	1.849	2.100	1.974
	Aug	2.638	2.784	3.134	3.224	1.773	1.811	2.166	2.043
Fortaleza (CE Capital)	**Jan**	2.551	2.675	2.891	3.151	2.076	2.220	2.335	2.572
	Feb	2.660	2.850	2.879	3.347	2.077	2.280	2.342	2.601
	Jun	2.564	2.856	2.952	3.370	2.163	2.337	2.471	2.609
	Aug	2.685	2.780	2.984	3.369	2.162	2.332	2.491	2.608
Source: Petroleum, Natural Gas and Biofuels National Agency (ANP).									

Ratio Ethanol/Gasoline Prices

		2012	2013	2014	2015
São Paulo State	**Jan**	71%	69%	67%	66%
	Feb	69%	68%	69%	67%
	Jun	68%	66%	66%	63%
	Aug	77%	64%	66%	61%
São Paulo City	**Jan**	71%	69%	68%	67%
	Feb	68%	68%	69%	67%
	Jun	68%	65%	66%	63%
	Aug	66%	64%	69%	61%
Minas Gerais	**Jan**	78%	74%	72%	73%
	Feb	77%	73%	73%	72%
	Jun	76%	73%	75%	66%
	Aug	75%	71%	73%	64%
Belo Horizonte (MG Capital)	**Jan**	79%	76%	73%	74%
	Feb	77%	75%	74%	72%
	Jun	78%	74%	76%	68%
	Aug	77%	71%	74%	65%
Rio Janeiro State	**Jan**	80%	77%	76%	78%
	Feb	79%	76%	77%	77%
	Jun	79%	77%	79%	75%
	Aug	77%	75%	78%	75%
Rio Janeiro Capital	**Jan**	80%	78%	77%	78%
	Feb	80%	76%	78%	78%
	Jun	80%	77%	79%	75%
	Aug	78%	75%	78%	75%
Porto Alegre (RS Capital)	**Jan**	87%	86%	82%	81%
	Feb	87%	82%	83%	78%
	Jun	90%	87%	83%	76%
	Aug	89%	86%	81%	75%
Goiania (GO Capital)	**Jan**	69%	71%	71%	68%
	Feb	68%	69%	70%	68%
	Jun	69%	66%	68%	62%
	Aug	67%	65%	69%	63%
Fortaleza (CE Capital)	**Jan**	81%	83%	81%	82%
	Feb	78%	80%	81%	78%
	Jun	84%	82%	84%	77%
	Aug	81%	84%	83%	77%
Source: Petroleum, Natural Gas and Biofuels National Agency (ANP).					
Gray Area means gasoline prices more attractive than ethanol					

According to the Ministry of Agriculture, Livestock and Supply (MAPA), cumulative ethanol production for the 2015/16 crop through August 30, 2015 was reported at 17.81 mmt of sugar and 16.78

billion liters of ethanol (5.93 billion liters of anhydrous and 10.84 liters of hydrated ethanol. The table below shows sugarcane, sugar and ethanol production by state for MY 2014/15 and 15/16, as reported by MAPA

Cane, Sugar & Ethanol Production: 2014/15 Crop (MT and 000 Liters)					
			Ethanol		
State/Region	**Cane**	**Sugar**	**Anhydrous**	**Hydrous**	**Total**
Alagoas	23,115,449	1,882,915	369,171	185,534	554,705
Amazonas	187,061	10,714	0	2,918	2,918
Bahia	3,729,874	83,540	131,950	108,443	240,393
Ceara	130,452	0	0	9,129	9,129
Maranhao	2,347,930	8,014	166,024	13,586	179,610
Para	810,517	37,815	33,195	7,754	40,949
Paraíba	6,723,322	147,849	214,475	206,144	420,619
Pernambuco	14,492,379	1,046,831	189,430	160,441	349,871
Piaui	949,125	62,072	31,974	529	32,503
Rio Gde Norte	2,726,376	155,786	62,866	25,849	88,715
Rondonia	371,572	0	0	12,596	12,596
Sergipe	2,849,913	124,868	31,305	109,440	140,745
Tocantins	2,348,469	0	109,101	66,884	175,985
North-Northeast	**60,782,439**	**3,560,404**	**1,339,491**	**909,247**	**2,248,738**
Espirito Santo	3,242,981	107,294	110,159	57,422	167,581
Goias	66,453,943	2,009,905	1,100,841	3,098,939	4,199,780
Minas Gerais	59,558,271	3,267,094	1,145,967	1,601,040	2,747,007
Mato Grosso Sul	43,848,107	1,367,715	627,355	1,847,078	2,474,433
Mato Grosso	17,011,940	405,277	506,924	661,661	1,168,585
Parana	43,111,271	2,923,325	529,185	1,088,497	1,617,682
Rio de Janeiro	1,586,423	37,437	0	89,209	89,209
Rio Grande Sul	73,408	0	0	4,399	4,399
São Paulo	342,041,994	21,942,779	6,383,993	7,825,014	14,209,007
Center South	**576,928,338**	**32,060,826**	**10,404,424**	**16,273,259**	**26,677,683**
TOTAL	**637,710,777**	**35,621,230**	**11,743,915**	**17,182,506**	**28,926,421**
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 03/31/2015					

Cane, Sugar & Ethanol Production: 2015/16 Crop (MT and 000 Liters)

			Ethanol		
State/Region	**Cane**	**Sugar**	**Anhydrous**	**Hydrous**	**Total**
Amazonas	52,517	2,468	0	1,300	1,300
Bahia	2,340,680	38,587	23,065	109,193	132,258
Ceara	14,183	0	0	992	992
Maranhao	1,357,143	4,270	71,342	27,761	99,103
Para	196,378	6,450	7,610	2,048	9,658
Paraíba	372,664	2,936	10,860	11,352	22,212
Piaui	1,769,927	25,789	12,558	923	13,481
Rio Gde Norte	0	0	0	0	0
Rondonia	119,490	0	0	7,895	7,895
Tocantins	1,557,297	0	90,781	47,659	138,440
North-Northeast	**7,780,279**	**80,500**	**216,216**	**209,123**	**425,339**
Espirito Santo	1,477,185	33,046	41,899	30,577	72,476
Goias	46,236,167	1,178,789	595,819	2,234,568	2,830,387
Minas Gerais	39,806,370	2,022,328	624,211	1,339,220	1,963,431
Mato Grosso Sul	27,959,738	791,106	381,768	1,231,704	1,613,472
Mato Grosso	10,712,571	198,416	334,978	421,923	756,901
Parana	25,936,518	1,771,940	351,539	608,145	959,684
Rio de Janeiro	282,429	0	0	16,256	16,256
Rio Grande Sul	27,223	0	0	1,693	1,693
São Paulo	231,348,937	11,737,494	3,388,523	4,756,125	8,144,648
Center South	**383,787,138**	**17,733,119**	**5,718,737**	**10,640,211**	**16,358,948**
TOTAL	**391,567,417**	**17,813,619**	**5,934,953**	**10,849,334**	**16,784,287**
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 08/31/2015					

Sugarcane, Sugar and Ethanol Prices in the Domestic Market

Sugarcane prices received by third party suppliers for major producing states are based on a formula that takes into account prices for sugar and ethanol prices both in the domestic and international markets. The State of São Paulo Sugarcane, Sugar and Ethanol Growers Council (CONSECANA) was the first to develop this formula for the state of São Paulo, the major producing state comprising roughly 60 percent of the center-south production.

CONSECANA reports that the average sugarcane price (April 2014-March 2015) for the state of São Paulo for the 2014/15 crop was R$0.4763 per kg of TRS, or R$65.06 per ton of sugarcane, up R$4.09 per ton compared to the 2013/14 crop (R$0.4573 per kg of TRS, or R$60.97 per ton of sugarcane), due to higher industrial yield and higher prices paid for sugar and ethanol during the crushing season compared the previous year. Note that CONSECANA's prices are based on both sugar and ethanol prices in domestic and international markets.

As of MY 2015/16 (April-March), updated Consecana prices will be released only for subscribers of the CONSECANA site (www.consecana.com.br). April 2015 CONSECANA price is set at R$0.4909 per kg of TRS or R$ 53.60 per ton of sugarcane.

The Crystal Sugar and Ethanol Indexes released by the University of São Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ) follow. The Indexes track crystal sugar, anhydrous and hydrated prices received by producers in the domestic spot market.

Crystal Sugar Prices - Domestic Market (Real, 50kg/bag, including tax).					
Period	**2011**	**2012**	**2013**	**2014**	**2015**
January	76.29	62.04	48.80	50.29	51.05
February	75.17	59.10	47.97	50.38	50.11
March	70.55	57.34	45.04	51.86	50.97
April	66.24	56.44	44.21	51.70	51.57
May	59.73	54.58	44.55	51.49	51.20
June	52.25	55.12	44.23	49.54	49.03
July	64.33	56.96	44.48	47.07	47.85
August	68.49	56.08	43.55	45.54	46.90
September	65.21	49.85	45.44	44.76	51.06
October	62.73	50.57	50.78	47.62	
November	63.91	50.20	51.94	50.97	
December	63.57	49.12	51.06	52.12	
Source: USP/ESALQ/CEPEA.					

CEPEA monthly ethanol price index series are no longer available as of May 2015. However, the institution continues to report the weekly index. Therefore, Post will continue to report the price index for a given month based on the average weekly price for that particular month.

Price for Fuel Anhydrous Ethanol - State of São Paulo (R$/000 liters).					
Period	**2011**	**2012**	**2013**	**2014**	**2015 1/**
January	1233.20	1270.30	1302.50	1456.10	1458.20
February	1293.10	1184.60	1352.70	1520.50	1552.50
March	1596.60	1278.80	1374.50	1610.20	1420.40
April	2375.00	1259.70	1394.80	1522.00	1401.50
May	1380.70	1294.30	1329.10	1366.40	1381.00
June	1244.60	1234.00	1285.20	1359.20	1375.30
July	1298.90	1232.50	1271.20	1373.90	1364.80
August	1352.80	1198.70	1227.30	1346.00	1341.00
September	1384.20	1198.90	1277.10	1362.40	1389.50
October	1378.50	1140.00	1315.40	1290.00	
November	1377.30	1234.90	1342.80	1329.90	
December	1359.20	1287.20	1440.00	1407.10	
Source: USP/ESALQ/CEPEA.					

Price for Fuel Hydrated Ethanol - State of São Paulo (R$/000 liters).					
Period	**2011**	**2012**	**2013**	**2014**	**2015 1/**

January	1109.40	1159.00	1144.60	1284.80	1325.60
February	1176.10	1119.80	1232.00	1368.60	1384.70
March	1421.90	1204.40	1226.40	1419.50	1261.30
April	1387.50	1191.40	1244.30	1338.50	1261.60
May	1005.90	1140.10	1110.20	1200.90	1223.50
June	1113.70	1082.80	1140.20	1214.90	1218.50
July	1136.80	1059.90	1114.50	1229.10	1198.90
August	1193.00	1041.70	1088.60	1207.00	1174.00
September	1204.60	1062.40	1148.50	1200.60	1261.50
October	1229.70	1010.60	1164.00	1138.30	
November	1277.00	1095.90	1204.70	1218.20	
December	1250.10	1132.50	1281.10	1265.50	
Source: USP/ESALQ/CEPEA.					

Consumption

There is no official source for domestic consumption of sugar in Brazil. ATO/São Paulo estimates for the Brazilian sugar consumption for MY 2015/16 has been revised downward to 11.15 mmt, a three percent decrease compared to MY 2014/15.

According to updated information from post contacts, the current and severe economic recession in Brazil has resulted in the reduction of Government of Brazil (GOB)'s food stamp program for the lower income population. Sugar is one of the products offered by the program. In addition, there have been changes in consumer behavior with lower purchasing of processed food items that include sugar like soft drinks, consumer ready products such as cakes, candies, and other sugar-related items.

Trade

Sugar Exports

Brazilian sugar exports for MY 2015/16 are estimated at 23.75 mmt, raw value, similar to MY 2014/15 exports (23.95 mmt) due to expected lower sugar availability and depressed sugar prices in the world market due to high world stocks. Raw sugar exports should contribute 18.95 mmt of total exports. Refined exports should account for 4.8 mmt, raw value. The steady devaluation of the local currency, the Real, and projected lower world stocks in the upcoming season should revert stagnant exports for MY 2016/17.

The following tables show Brazilian sugar exports by destination for MY 2014/15 (April-March and April-August) and MY 2015/16 (April-August), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Brazilian Sugar Exports (NCMs 1701.11, 1701.13 & 1701.14, MT, Tel quel, US$ 000 FOB)						
	MY 2014/15 1/		**MY 2014/15 2/**		**MY 2015/16 2/**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**

Bangladesh	1,865,177	683,348	600,925	235,702	972,475	295,768
China	2,338,246	870,442	833,439	330,952	955,576	289,988
Algeria	1,651,490	629,828	671,184	264,008	627,776	203,525
India	1,550,332	589,978	901,793	354,050	542,939	180,553
Egypt	1,244,586	473,214	451,861	176,568	477,285	143,814
Nigeria	1,172,379	438,658	444,001	173,123	387,018	118,878
Russia	1,407,174	516,961	457,351	175,475	347,684	116,438
Morocco	616,769	227,690	193,500	77,704	327,619	96,909
Canada	783,735	303,322	403,362	158,349	282,259	91,015
Malaysia	1,210,018	448,188	315,398	120,917	232,615	73,514
Others	5,387,118	2,094,871	2,164,403	866,570	1,727,843	550,021
Total	19,227,025	7,276,499	7,437,217	2,933,418	6,881,089	2,160,423
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/April-March 2/April-Aug.						

Brazilian Sugar Exports (NCM 1701.99.00, MT, Tel quel, US$ 000 FOB)						
	MY 2014/15 1/		**MY 2014/15 2/**		**MY 2015/16 2/**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
UAE	946,156	328,092	397,765	140,835	336,087	98,017
Saudi Arabia	653,380	224,991	205,121	77,591	219,276	64,408
Nigeria	368,327	132,973	145,875	53,459	166,051	47,176
Sri Lanka	254,694	110,182	177,005	79,988	123,171	43,728
Mauritania	198,011	83,036	31,641	14,294	115,595	40,059
Benin	130,152	54,463	44,824	20,390	110,504	39,064
Egypt	38,488	12,770	33,106	10,806	116,316	37,837
Angola	392,576	169,673	144,695	65,605	84,306	30,613
United States	68,868	56,040	27,415	22,648	39,891	28,248
Guinea	132,398	56,307	48,305	21,643	64,304	23,639
Others	1,834,183	791,499	714,605	323,456	626,949	229,014
Total	5,017,233	2,020,026	1,970,356	830,714	2,002,450	681,804
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/April-March 2/April-Aug.						

Ethanol Exports

The tables below show ethanol exports by destination for MY 2014/15 (April-March) and MY 2015/16 (April-August), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Brazilian Ethanol Exports (NCM 2207.10, 2207.20.11 & 2207.20.19, MT, 000 Liters, US$ 1,000 FOB)						
	MY 2014/15 1/			MY 2015/16 2/		
Country	Volume	Weight	Value	Volume	Weight	Value
United States	740,289	585,157	482,545	362,171	286,759	175,074
South Korea	442,556	357,513	255,887	132,454	106,992	58,074
India	0	0	0	29,630	23,958	12,462
Nigeria	45,894	37,015	27,129	22,915	18,521	10,258
Japan	99,426	78,968	64,446	15,944	12,584	8,226
China	0	0	0	16,356	12,912	8,208
Turkey	6,446	5,191	4,061	6,493	5,228	3,156
Saudi Arabia	0	0	0	6,518	5,250	2,859
Angola	10,057	8,070	6,357	3,971	3,148	2,824
Colombia	319	257	375	4,717	3,798	2,493
Others	53,255	42,941	34,088	14,076	11,468	8,085
Total	1,398,242	1,115,113	874,887	615,245	490,620	291,719
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/April-March. 2/ April-Aug.						

Stocks

Sugar ending stocks for MY 2015/16 are estimated at 950,000 mt, raw value, up 100,000 mt from previous season.

Production, Supply and Demand Data Statistics

Sugar Cane for Centrifugal	2013/2014		2014/2015		2015/2016	
Market Begin Year	Apr 2013		Apr 2014		Apr 2015	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	9800	9800	9900	9900	9900	9900
Area Harvested	9140	9140	9250	9250	9450	9450
Production	650000	650000	628600	632500	648000	659000
Total Supply	650000	650000	628600	632500	648000	659000
Utilization for Sugar	295750	295750	273441	275138	278640	267554
Utilizatn for Alcohol	354250	354250	355159	357362	369360	391446
Total Utilization	650000	650000	628600	632500	648000	659000

(1000 HA) ,(1000 MT)						
Sugar, Centrifugal	**2013/2014**		**2014/2015**		**2015/2016**	
Market Begin Year	**Apr 2013**		**Apr 2014**		**Apr 2015**	
Brazil	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks	10	10	350	350	350	850
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	37800	37800	35850	35950	36000	35000
Total Sugar Production	37800	37800	35850	35950	36000	35000
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	37810	37810	36200	36300	36350	35850
Raw Exports	21050	21050	19500	18900	19400	18950
Refined Exp.(Raw Val)	5150	5150	5050	5050	4950	4800
Total Exports	26200	26200	24550	23950	24350	23750
Human Dom. Consumption	11260	11260	11300	11500	11400	11150
Other Disappearance	0	0	0	0	0	0
Total Use	11260	11260	11300	11500	11400	11150
Ending Stocks	350	350	350	850	600	950
Total Distribution	37810	37810	36200	36300	36350	35850
(1000 MT)						

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
January	2.32	1.87	1.67	1.74	1.99	2.43	2.66
February	2.38	1.81	1.66	1.71	1.98	2.33	2.88
March	2.25	1.78	1.62	1.82	2.01	2.26	3.21
April	2.18	1.77	1.57	1.89	2.00	2.24	2.98
May	1.97	1.81	1.57	2.02	2.13	2.24	3.18
June	1.95	1.80	1.57	2.02	2.22	2.20	3.10
July	1.87	1.75	1.56	2.05	2.29	2.27	3.39

August	1.88	1.75	1.59	2.04	2.37	2.24	3.65
September	1.78	1.69	1.85	2.03	2.23	2.45	3.98
October 1/	1.74	1.70	1.69	2.03	2.20	2.44	3.98
November	1.75	1.71	1.81	2.10	2.32	2.56	
December	1.74	1.66	1.88	2.04	2.34	2.66	
Source : Brazilian Central Bank (BACEN) 1/ October 2015 refers to October 1.							