USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

Required Report - public distribution

Date: 10/1/2012

GAIN Report Number: BR12014

Brazil

Sugar Semi-annual

2012

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Report Highlights:
This report updates BR12005. Brazil's MY 2012/13 sugarcane crush is estimated at 570 mmt, up 5 mmt from the previous estimate (565 mmt) due to improved weather conditions in the Center-South region. Approximately 49.1 percent of the crop should be diverted to sugar, up 1 percentage point relative to MY 2011/12 due to continued strong international demand for sugar. Total exports for MY 2012/13 are forecast at 25 mmt, raw value, similar to MY 2011/12 (24.65 mmt).

Commodities: Sugar, Centrifugal

Production:

Sugarcane Production, Area and Yield

The Agricultural Trade Office (ATO/Sao Paulo) estimates total Brazilian sugarcane crush for marketing year (MY) 2012/13 (May-April) at 570 million metric tons (mmt), up 5 mmt from the previous estimate.

Total sugarcane production in the center-south (CS) has been revised upward to 518 mmt, up 18 mmt from previous figure, due to likely higher agricultural yields than previously expected, a consequence of steady rainfall during April through June. The harvest is likely to end in December and approximately 8 mmt of sugarcane is likely to be left in the fields.

The North-Northeast (NNE) is expected to crush 60 mmt of sugarcane, down 5 mmt from the previous season due to weather related issues. The crush begun in August for minor producing states and the harvest should extend though March.

According to the Sugar and Alcohol Millers Association of Sao Paulo State (UNICA), 307.6 mmt of sugarcane were crushed in the CS from March through September 1, down 9 percent compared to the same period in 2011. UNICA reports that 18.7 million tons of sugar, tel quel, and 11.9 billion liters of ethanol were produced through September 1, quite below 2011 levels (20.4 million tons of sugar and 13.8 billion liters of ethanol). These numbers also show that more sugarcane has been diverted toward sugar production (49.2 percent compared to 47.7 percent in 2011).

The following tables show monthly sugarcane crush data for the state of Sao Paulo and the CS region for the 2008/09 to 2012/13 crops, as reported by UNICA. Sao Paulo represents approximately 60 percent of the CS production.

Sugarcane crushed in the state of Sao Paulo (1,000 metric tons).					
Month	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**
February	0.00	0.00	207.21	0.00	0.00
March	472.40	2,665.32	4,120.21	708.01	0.00
April	12,948.0	27,545.3	35,863.9	13,464.1	6,753.4
May	38,933.8	46,716.6	51,305.9	49,442.9	34,197.0
June	45,157.1	46,210.3	52,523.4	48,575.0	32,888.1
July	50,136.3	46,934.1	52,596.6	53,335.4	54,517.2
August	47,158.6	45,596.4	52,065.6	49,139.9	56,652.6
September	46,246.2	37,594.3	40,116.0	46,245.9	0.0
October	42,464.9	44,334.6	36,567.7	27,754.5	0.0
November	39,485.7	36,651.4	27,872.0	14,814.4	0.0
December	19,375.0	16,809.7	5,606.2	702.4	0.0
January	2,104.7	3,638.0	294.6	0.0	0.0
February	1,050.7	3,221.3	105.9	23.9	0.0
March	759.5	3,343.3	257.5	23.4	0.0
Cumulative	346,293.0	361,260.7	359,502.7	304,229.9	185,008.3
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Sugarcane crushed in Center-Southern Brazil (1,000 metric tons).					
Month	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**
February	0	0	325	0	0
March	1,340	4,717	6,618	1,795	0
April	20,091	39,209	51,599	22,208	14,133
May	55,055	66,950	75,633	76,447	56,665
June	64,751	67,169	81,550	77,244	57,580
July	73,335	70,183	82,122	82,349	88,472
August	68,224	70,987	82,301	79,460	90,746
September	67,655	59,736	64,732	74,081	0
October	62,350	65,734	56,349	46,568	0
November	56,283	54,713	42,892	27,818	0
December	28,096	26,254	11,267	3,660	0
January	3,952	6,399	843	938	0
February	2,190	5,385	441	557	0
March	1,794	4,527	270	138	0
Cumulative	505,116	541,962	556,945	493,264	307,596
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Total area planted to sugarcane and sugarcane area for harvesting for MY 2012/13 are estimated at 9.75 and 8.7 million hectares, respectively. The agricultural yield in MY 2012/13 is estimated at 66.4 metric tons (mt)/hectare (ha), up 5 percent relative to the previous season (63.1 mt/ha), due to higher renewal rate of the sugarcane fields (20 percent) and good rainfall during April through June. Industrial yields are estimated at 135 kg of TRS (total reducing sugars)/mt of sugarcane, down 1.6 kg/mt compared to MY 2011/12 (136.6 TRS/mt) due to steady rainfall during the second quarter of 2012.

Sugarcane Industrial Yields (kg TRS/metric ton)					
	MY 08/09	MY 09/10	MY 10/11	MY 11/12	MY 12/13 *
TRS/ton	140.32	130.99	140.07	136.59	135.04
Souce: USDA/FAS/ATO/Sao Paulo * MY 2012/13 - estimate					

Sugarcane and Ethanol

Total sucrose (total reducing sugar, TRS) content destined for sugar and ethanol production is estimated at 49.1/50.9 percent for MY 2012/13, compared to 48.07/51.93 percent for MY 2011/12, due to higher profitability provided by sugar, a consequence of steady demand in the international markets.

ATO/Sao Paulo estimates sugar production in MY 2012/13 at 37.5 mmt, raw value, up 1.35 mmt, raw value, from MY 2011/12, due to higher availability of sugarcane for crushing. The tables below show monthly sugar production for the state of Sao Paulo and the CS region for the 2008/09 to 2012/13 crops, as reported by UNICA.

Sugar production in the state of Sao Paulo (Metric tons, tel quel)					
Month	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**
February	0	0	4,575	0	0
March	8,946	68,428	154,759	23,072	0
April	433,514.0	1,152,562.5	1,745,785.0	467,145.0	290,985.0
May	1,872,140.0	2,530,998.5	3,025,435.0	2,734,815.0	1,952,653.0
June	2,425,239.4	2,728,866.5	3,427,445.0	3,161,100.0	2,017,509.0
July	3,094,297.6	3,020,118.6	3,703,160.0	3,853,337.0	3,800,734.0
August	3,034,420.9	3,043,705.4	3,923,784.0	3,840,998.0	4,377,672.0
September	3,101,857.8	2,468,929.3	3,125,428.0	3,801,633.0	0.0
October	2,592,977.0	2,838,434.5	2,357,500.0	2,118,061.0	0.0
November	2,083,436.6	2,065,828.7	1,726,851.0	1,023,956.0	0.0
December	906,197.3	570,066.9	228,169.0	43,837.0	0.0
January	59,565.4	77,062.7	4,471.0	0.0	0.0
February	21,616.2	70,985.3	6,287.0	0.0	0.0
March	28,228.2	93,377.0	12,470.0	0.0	0.0
Cumulative	19,662,436	20,729,364	23,446,119	21,067,954	12,439,553
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Sugar production in Center-Southern Brazil (Metric tons, tel quel).					
Month	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**
February	0	0	4,575.00	0	0
March	41,936	147,030	208,240	56,496	0
April	631,526.0	1,572,303.5	2,342,614.0	761,078.0	545,249.0
May	2,527,935.0	3,364,576.5	4,094,385.0	3,966,565.0	2,983,558.0
June	3,282,349.0	3,669,830.5	4,854,177.0	4,618,058.0	3,161,408.0
July	4,243,947.1	4,137,317.6	5,284,255.0	5,411,365.0	5,605,984.0
August	4,087,441.9	4,381,252.4	5,704,484.0	5,629,162.0	6,360,894.0
September	4,247,954.8	3,552,156.3	4,619,064.0	5,607,822.0	0.0
October	3,541,734.0	3,824,805.5	3,425,318.0	3,257,617.0	0.0
November	2,741,753.6	2,786,746.7	2,496,111.0	1,776,138.0	0.0
December	1,221,877.4	870,647.9	437,100.0	178,575.0	0.0
January	92,084.2	118,869.7	10,797.0	28,526.0	0.0
February	40,002.2	108,770.3	7,031.0	14,408.0	0.0
March	49,278	110,527	12,574	2,332	0
Cumulative	26,749,819	28,644,834	33,500,725	31,308,142	18,657,093
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 2012/13 at 22.3 billion liters (8.9 liters of anhydrous and 13.4 billion liters of hydrous ethanol), similar to 2011/12 (8.9 billion liters of anhydrous and 13.7 billion liters of hydrous ethanol).

Estimates released by the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA), place cumulative alcohol production for the 2012/13 crop through August 1, 2012, at 8.5 billion liters – 3.1 billion liters of anhydrous ethanol and 5.4 billion liters of hydrous ethanol. The tables below show sugarcane, sugar and ethanol production by state for the 2011/12 and 2012/13, as reported by MAPA.

Cane, Sugar & Alcohol Production: 2011/12 Crop (MT and 000 Liters)					
			Ethanol		
State/Region	Cane	Sugar	Anhydous	Hydrous	Total
Acre	52,622	0	0	2,681	2,681
Alagoas	27,705,442	2,348,141	348,081	324,707	672,788
Amazonas	286,969	15,483	0	6,432	6,432
Bahia	2,557,325	124,035	66,694	51,223	117,917
Ceara	119,896	0	0	8,392	8,392
Maranhao	2,265,572	9,383	147,699	29,505	177,204
Para	666,370	15,414	17,255	21,762	39,017
Paraíba	6,723,102	269,950	149,655	207,835	357,490
Pernambuco	17,642,236	1,481,175	187,571	170,035	357,606
Piaui	991,946	60,068	35,587	1,891	37,478
Rio Gde Norte	2,973,301	200,743	57,552	48,121	105,673
Rondonia	157,091	0	0	12,416	12,416
Sergipe	1,918,128	89,780	39,585	62,482	102,067
Tocantins	1,366,152	0	77,353	33,849	111,202
NNE	65,426,152	4,614,172	1,127,032	981,331	2,108,363
Espirito Santo	4,003,836	122,235	137,811	74,605	212,416
Goias	45,220,066	1,752,443	724,594	1,950,827	2,675,421
Minas Gerais	50,241,798	3,238,313	739,945	1,361,765	2,101,710
Mato Grosso Sul	33,859,650	1,587,746	425,824	1,206,000	1,631,824
Mato Grosso	13,153,709	398,191	329,533	514,078	843,611
Parana	40,519,301	3,008,029	365,888	1,039,446	1,405,334
Rio de Janeiro	2,207,855	129,666	0	81,118	81,118
Rio Grande Sul	95,125	0	0	6,575	6,575
Sao Paulo	305,636,316	21,112,970	4,772,987	6,866,338	11,639,325
Center South	494,937,656	31,349,593	7,496,582	13,100,752	20,597,334
TOTAL	560,363,808	35,963,765	8,623,614	14,082,083	22,705,697
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 07/31/12					

Cane, Sugar & Alcohol Production: 2012/13 Crop (MT and 000 Liters)					
			Ethanol		
State/Region	Cane	Sugar	Anhydous	Hydrous	Total
Acre	0	0	0	0	0
Alagoas	0	0	0	0	0
Amazonas	0	0	0	0	0
Bahia	1,458,770	47,539	37,869	40,780	78,649
Ceara	0	0	0	0	0
Maranhao	1,393,749	3,534	52,813	5,864	58,677

Para	102,014	2,982	1,311	3,448	4,759
Paraíba	0	0	0	0	0
Pernambuco	0	0	0	0	0
Piaui	142,438	5,158	2,039	36	2,075
Rio Gde Norte	0	0	0	0	0
Rondonia	15,482	0	0	850	850
Sergipe	0	0	0	0	0
Tocantins	885,996	0	47,704	24,358	72,062
NNE	3,998,449	59,213	141,736	75,336	217,072
Espirito Santo	1,382,551	36,666	41,994	32,297	74,291
Goias	24,477,884	830,429	334,862	980,080	1,314,942
Minas Gerais	22,017,067	1,314,864	299,456	503,439	802,895
Mato Grosso Sul	14,846,003	629,880	173,570	539,188	712,758
Mato Grosso	6,873,274	200,547	179,945	236,713	416,658
Parana	17,292,793	1,193,071	156,853	395,660	552,513
Rio de Janeiro	651,659	28,861	0	21,977	21,977
Rio Grande Sul	14,352	0	0	721	721
Sao Paulo	128,358,239	8,062,169	1,723,624	2,618,175	4,341,799
Center South	215,913,822	12,296,487	2,910,304	5,328,250	8,238,554
TOTAL	219,912,271	12,355,700	3,052,040	5,403,586	8,455,626
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 07/31/12					

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 2006. Note that sales of FFV currently represent over 80 percent of total vehicle sales.

Licensing of Ethanol Powered Vehicles (pure ethanol & flex fuel units)						
2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012 /1**
1,432,197	2,003,197	2,329,331	2,652,368	2,876,223	2,848,122	1,812,108
Source: National Association of Vehicle Manufacturers (ANFAVEA) 1/ January-July						
Note: flex fuel vehicles were introduced in March 2003.						

The domestic demand for ethanol for MY 2012/13 is projected at 22.2 billion liters, similar to MY 2011/12 (22.4 billion liters). 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) 2009, 2010, 2011 and 2012. 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 the 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				**Ethanol**			
	2009	**2010**	**2011**	**2012**	**2009**	**2010**	**2011**	**2012**

Sao Paulo State	**Jan**	2.393	2.477	2.487	2.649	1.312	1.807	1.733	1.888
	Feb	2.398	2.509	2.490	2.641	1.331	1.831	1.765	1.818
	Jun	2.349	2.399	2.665	2.636	1.168	1.274	1.704	1.805
	Aug	2.351	2.412	2.663	2.261	1.231	1.387	1.814	1.747
Sao Paulo City	**Jan**	2.391	2.475	2.482	2.647	1.312	1.810	1.733	1.874
	Feb	2.396	2.508	2.486	2.630	1.327	1.835	1.766	1.801
	Jun	2.346	2.395	2.680	2.630	1.180	1.274	1.716	1.786
	Aug	2.348	2.408	2.673	2.605	1.230	1.382	1.820	1.722
Minas Gerais	**Jan**	2.381	2.489	2.537	2.824	1.611	1.965	1.902	2.208
	Feb	2.374	2.509	2.584	2.817	1.623	2.077	1.956	2.166
	Jun	2.326	2.412	2.823	2.806	1.501	1.678	2.075	2.142
	Aug	2.361	2.621	2.817	2.801	1.564	1.710	2.126	2.110
Belo Horizonte (MG Capital)	**Jan**	2.331	2.431	2.499	2.761	1.597	1.926	1.886	2.172
	Feb	2.329	2.458	2.547	2.746	1.612	2.064	1.938	2.128
	Jun	2.282	2.379	2.778	2.741	1.487	1.661	2.087	2.127
	Aug	2.313	2.381	2.781	2.718	1.547	1.683	2.113	2.094
Rio Janeiro State	**Jan**	2.537	2.641	2.654	2.850	1.685	2.044	2.022	2.266
	Feb	2.535	2.663	2.663	2.846	1.695	2.104	2.053	2.257
	Jun	2.524	2.613	2.892	2.854	1.588	1.703	2.200	2.256
	Aug	2.526	2.598	2.854	2.849	1.604	1.718	2.212	2.206
Rio Janeiro Capital	**Jan**	2.534	2.640	2.651	2.818	1.680	2.050	2.025	2.257
	Feb	2.531	2.660	2.661	2.810	1.692	2.106	2.057	2.236
	Jun	2.521	2.611	2.865	2.821	1.579	1.695	2.165	2.253
	Aug	2.523	2.595	2.824	2.813	1.598	1.713	2.191	2.185
Porto Alegre (RS Capital)	**Jan**	2.538	2.568	2.534	2.738	1.746	2.257	2.103	2.372
	Feb	2.538	2.592	2.552	2.689	1.765	2.335	2.157	2.348
	Jun	2.419	2.488	2.722	2.657	1.550	1.765	2.180	2.390
	Aug	2.577	2.560	2.632	2.663	1.765	1.836	2.237	2.360
Goiania (GO Capital)	**Jan**	2.565	2.654	2.667	2.831	1.581	1.838	1.822	1.959
	Feb	2.564	2.655	2.697	2.782	1.581	1.897	1.891	1.899
	Jun	2.562	2.304	2.830	2.672	1.483	1.227	1.782	1.856
	Aug	2.556	2.384	2.838	2.638	1.411	1.347	1.837	1.773
Fortaleza (CE Capital)	**Jan**	2.388	2.530	2.644	2.551	1.615	1.909	1.871	2.076
	Feb	2.533	2.530	2.647	2.660	1.747	2.013	1.944	2.077
	Jun	2.363	2.663	2.688	2.564	1.671	1.807	2.029	2.163
	Aug	2.575	2.645	2.661	2.685	1.768	1.772	2.161	2.162
Source: Petroleum, Natural Gas and Biofuels National Agency (ANP).									

Ratio Ethanol/Gasoline Prices					
		2009	**2010**	**2011**	**2012**
Sao Paulo	**Jan**	55%	73%	70%	71%
	Feb	56%	73%	71%	69%
	Jun	50%	53%	64%	68%
	Aug	52%	58%	68%	77%
Sao Paulo	**Jan**	55%	73%	70%	71%
	Feb	55%	73%	71%	68%
	Jun	50%	53%	64%	68%

	Aug	52%	57%	68%	66%
Minas Gerais	**Jan**	68%	79%	75%	78%
	Feb	68%	83%	76%	77%
	Jun	65%	70%	74%	76%
	Aug	66%	65%	75%	75%
Belo Horizonte	**Jan**	69%	79%	75%	79%
	Feb	69%	84%	76%	77%
	Jun	65%	70%	75%	78%
	Aug	67%	71%	76%	77%
Rio Janeiro	**Jan**	66%	77%	76%	80%
	Feb	67%	79%	77%	79%
	Jun	63%	65%	76%	79%
	Aug	63%	66%	78%	77%
Rio de Janeiro	**Jan**	66%	78%	76%	80%
	Feb	67%	79%	77%	80%
	Jun	63%	65%	76%	80%
	Aug	63%	66%	78%	78%
Porto Alegre	**Jan**	69%	88%	83%	87%
	Feb	70%	90%	85%	87%
	Jun	64%	71%	80%	90%
	Aug	68%	72%	85%	89%
Goiania	**Jan**	62%	69%	68%	69%
	Feb	62%	71%	70%	68%
	Jun	58%	53%	63%	69%
	Aug	55%	57%	65%	67%
Fortaleza	**Jan**	68%	75%	71%	81%
	Feb	69%	80%	73%	78%
	Jun	71%	68%	75%	84%
	Aug	69%	67%	81%	81%

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 2012/13 crop (April-August) for the state of Sao Paulo, in reais, is R$ 0.4858 per kg of TRS, or R$ 62.90 per ton of sugarcane, down R$ 2.10 per ton compared to the same period (April-August) for the 2011/12 crop (R$ 0.4904 per kg of TRS, or approximately R$ 65 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. Prices have remained stable even during the peak of the crushing season due to relatively tight supply of sugarcane.

Crystal Sugar Prices - Domestic Market (Real, 50kg/bag, including tax).					
Month	**2008**	**2009**	**2010**	**2011**	**2012**
January	25.04	36.71	70.83	76.29	62.04
February	26.20	44.77	72.49	75.17	59.10
March	27.44	48.40	69.58	70.55	57.34
April	28.11	46.48	63.66	66.24	56.44
May	26.71	44.57	43.76	59.73	54.58
June	24.94	42.20	40.40	52.25	55.12
July	24.38	41.46	40.90	64.33	56.96
August	29.01	45.43	46.42	68.49	56.08
September 1/	30.81	55.50	56.91	65.21	59.92
October	31.13	57.28	71.68	62.73	
November	30.74	56.21	75.24	63.91	
December	31.72	58.73	72.66	63.57	
Source: USP/ESALQ/CEPEA. September 2012 refers to September 10.					

Fuel Anhydrous Ethanol Prices: State of São Paulo (R$/000 liters).					
Month	**2008**	**2009**	**2010**	**2011**	**2012**
January	786.22	873.30	1,285.40	1,233.20	1,270.30
February	808.08	860.30	1,297.60	1,293.10	1,184.60
March	831.50	744.50	974.60	1,596.60	1,278.80
April	789.40	697.00	908.40	2,375.00	1,259.70
May	821.50	676.40	839.20	1,380.70	1,294.30
June	787.00	692.80	827.30	1,244.60	1,234.00
July	873.20	803.78	924.20	1,298.90	1,232.50
August	858.50	820.70	961.90	1,352.80	1,198.70
September 1/	891.20	912.90	1,040.20	1,384.20	1,244.80
October	902.20	1,086.40	1,173.20	1,378.50	
November	897.00	1,093.80	1,185.20	1,377.30	
December	880.60	1,131.60	1,201.80	1,359.20	
Source: USP/ESALQ/CEPEA. September 2012 refers to September 3-6					

Fuel Hydrous Ethanol Prices: State of São Paulo (R$/000 liters).					
Month	**2008**	**2009**	**2010**	**2011**	**2012**
January	697.18	781.40	1,171.20	1,109.40	1,159.00
February	714.70	777.60	1,095.80	1,176.10	1,119.80
March	754.56	656.80	825.20	1,421.90	1,204.40
April	715.60	621.30	799.70	1,387.50	1,191.40
May	697.10	585.22	724.30	1,005.90	1,140.10
June	665.30	606.60	720.30	1,113.70	1,082.80
July	718.10	710.20	797.90	1,136.80	1,059.90
August	719.30	726.50	835.70	1,193.00	1,041.70
September 1/	749.60	791.40	896.20	1,204.60	1,084.90
October	715.70	935.10	977.70	1,229.70	
November	726.40	941.90	1,001.00	1,277.00	

December	737.70	1,000.40	1,075.10	1,250.10	
Source: USP/ESALQ/CEPEA. September 2012 refers to September 3-6.					

Consumption:

There is no official source for domestic consumption of sugar in Brazil. ATO/Sao Paulo estimates for the Brazilian sugar consumption in MY 2012/13 remains unchanged at 11.7 mmt, raw value, based on updated information from post contacts.

Trade:

Sugar Exports

Brazilian sugar exports for MY 2012/13 are estimated at 25 mmt, raw value, similar to MY 2011/12 (24.65 mmt). Raw sugar exports should contribute 19.65 mmt of total exports. Refined exports should account for 5.35 mmt, raw value.

The following tables show Brazilian sugar exports by destination for MY 2011/12 and MY 2012/13 (May-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 2011/12 1/		**MY 2011/12 2/**		**MY 2012/13 2/**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
China	2,049,380	1,161,322	875,468	488,445	782,118	404,269
Russia	2,036,356	1,107,415	1,474,878	796,297	507,367	268,528
Egypt	1,638,572	942,484	525,399	304,396	411,182	219,049
Algeria	1,325,727	749,963	634,688	350,390	405,661	214,694
Bangladesh	1,119,727	626,871	392,545	218,254	206,151	106,128
Canada	921,609	540,992	353,927	207,184	207,026	109,930
Malaysia	900,140	506,809	469,834	256,110	153,596	80,399
Saudi Arabia	876,955	495,192	252,876	136,306	161,122	86,388
Iran	900,262	494,093	571,515	316,754	210,647	110,017
Venezuela	811,154	490,537	223,750	133,961	119,002	78,887
Others	6,595,932	3,856,581	2,417,727	1,344,674	1,588,153	832,029
Total	19,175,814	10,972,258	8,192,606	4,552,772	4,752,023	2,510,317
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/May - April - 2/May - Aug.						

Brazilian Sugar Exports (NCM 1701.99.00, MT, tel quel, US$ 000 FOB)						
	MY 2011/12 1/		**MY 2011/12 2/**		**MY 2012/13 2/**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
U.A.E.	758,901	439,749	441,596	269,403	88,140	45,111
Yemen	419,090	279,587	145,191	98,614	107,785	59,682
Saudi Arabia	377,075	222,945	173,515	103,642	136,440	67,028

Ghana	296,250	203,142	144,003	97,164	80,459	49,676
Nigeria	263,556	164,879	77,321	50,505	81,229	42,618
Colombia	232,666	158,920	50,103	34,567	73,872	41,657
Angola	215,900	147,398	36,683	23,880	37,819	22,310
South Africa	155,952	106,978	54,339	37,738	65,622	39,785
Mauritania	188,268	130,577	61,128	42,307	39,748	24,125
Togo	180,654	122,388	115,910	80,946	49,085	29,588
Others	1,927,472	1,329,317	958,109	651,354	366,680	225,157
Total	5,015,784	3,305,880	2,257,897	1,490,119	1,126,879	646,738
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/May - April - 2/May - Aug.						

Ethanol Exports

For MY 2012/13, Brazilian ethanol exports are estimated at 2.5 billion liters, up 585 million liters compared to the previous season (1.915 billion liters), due to expected increase of exports of fuel ethanol to the U.S. The tables below show ethanol exports for MY 2011/12 and MY 2012/13 (May-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 2011/12 1/			**MY 2012/13 2/**		
Country	**Volume**	**Weight**	**Value**	**Volume**	**Weight**	**Value**
USA	679,356	541,428	590,477	526,696	421,678	404,190
Japan	277,439	223,329	200,307	21,978	17,495	15,344
South Korea	243,558	196,827	165,824	50,512	40,812	33,360
Argentina	22,540	18,186	20,013	38	32	40
Jamaica	137,589	110,904	109,416	25,794	20,855	19,590
Netherlands	90,046	72,715	64,270	4,900	3,959	3,308
Switzerland	73,400	59,196	47,744	3,116	2,510	2,411
Puerto Rico	20,257	16,463	18,080	14,779	12,022	12,759
El Salvador	50,081	40,489	33,855	10,195	8,238	6,222
India	27,565	22,296	21,445	0	0	0
Others	293,796	237,267	222,485	39,953	32,268	27,481
Total	1,915,628	1,539,102	1,493,916	697,960	559,869	524,706
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/May - April - 2/May - Aug.						

Ethanol Imports

ATO/Sao Paulo estimates Brazilian ethanol imports during MY 2012/13 at 250 million liters, a sharp drop compared to MY 2011/12 (1.4 billion liters) due to expected lower supply from the U.S. The tables below show ethanol imports for MY 2011/12 and MY 2012/2013 (May-August), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Brazilian Ethanol Imports (NCM 2207.10, 2207.20.11 & 2207.20.19, MT, 000 Liters, US$ 1,000 FOB)						
	MY 2011/12 1/			MY 2012/13 2/		
Country	Volume	Weight	Value	Volume	Weight	Value
USA	1,374,616	1,085,784	979,359	73,231	57,794	46,640
United Kingdom	23,964	18,903	18,193	0	0	0
France	1,674	1,321	1,268	0	2	33
Jamaica	446	411	1,512	111	100	308
Trinidad & Tobago	417	345	441	0	0	0
Barbados	158	132	194	0	0	0
Germany	50	56	600	8	7	109
Poland	26	21	44	0	0	0
Netherlands	17	13,398	16,204	0	0	0
Spain	12	6,709	4,462	0	0	1
Others	12	10	63	23	22	51
Total	1,401,391	1,127,090	1,022,339	73,374	57,926	47,143
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/May - April - 2/May - Aug.						

Stocks:

Sugar ending stocks for MY 2012/13 are estimated at 515,000 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:

In October 2011, the percentage of ethanol blended to gasoline dropped from 25 to 20 percent, due to lower availability of the product, a consequence of the drop in the size of the sugarcane crop. The aforementioned percentage should remain unchanged at least until the beginning of the 2013/14 sugarcane crop. According to Provisional Measure (Medida Provisoria – MP) #532 of April/2011, the percentage of ethanol blended to gasoline can vary from 18 to 25 percent.

Production, Supply and Demand Data Statistics:

Sugar Cane for Centrifugal Brazil	2010/2011		2011/2012		2012/2013	
	Market Year Begin: May 2010		Market Year Begin: May 2011		Market Year Begin: May 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	8,950	8,950	9,650	9,650	9,750	9,750
Area Harvested	8,490	8,490	8,890	8,890	9,000	8,700
Production	620,000	620,000	561,000	561,000	565,000	570,000
Total Supply	620,000	620,000	561,000	561,000	565,000	570,000
Utilization for Sugar	284,900	284,900	269,670	269,670	274,760	279,870
Utilizatn for Alcohol	335,100	335,100	291,330	291,330	290,240	290,130
Total Utilization	620,000	620,000	561,000	561,000	565,000	570,000
1000 HA, 1000 MT						

Sugar, Centrifugal Brazil	2010/2011		2011/2012		2012/2013	
	Market Year Begin: May 2010		Market Year Begin: May 2011		Market Year Begin: May 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	-835	-835	-285	-285	-285	-285
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	38,350	38,350	36,150	36,150	37,800	37,500
Total Sugar Production	38,350	38,350	36,150	36,150	37,800	37,500
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	37,515	37,515	35,865	35,865	37,515	37,215
Raw Exports	20,400	20,400	19,350	19,350	19,850	19,650
Refined Exp.(Raw Val)	5,400	5,400	5,300	5,300	5,400	5,350
Total Exports	25,800	25,800	24,650	24,650	25,250	25,000
Human Dom. Consumption	12,000	12,000	11,500	11,500	11,700	11,700
Other Disappearance	0	0	0	0	0	0
Total Use	12,000	12,000	11,500	11,500	11,700	11,700
Ending Stocks	-285	-285	-285	-285	565	515
Total Distribution	37,515	37,515	35,865	35,865	37,515	37,215
1000 MT						

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
January	2.22	2.12	1.76	2.32	1.87	1.67	1.74
February	2.14	2.12	1.68	2.38	1.81	1.66	1.71
March	2.17	2.05	1.75	2.25	1.78	1.62	1.82
April	2.09	2.03	1.69	2.18	1.77	1.57	1.89
May	2.30	1.93	1.63	1.97	1.81	1.57	2.02
June	2.16	1.93	1.64	1.95	1.80	1.56	2.02
July	2.18	1.88	1.57	1.87	1.75	1.56	2.05
August	2.14	1.96	1.63	1.88	1.75	1.59	2.04
September 1/	2.17	1.84	1.92	1.78	1.69	1.85	2.04
October	2.14	1.74	2.12	1.74	1.70	1.69	--
November	2.17	1.78	2.33	1.75	1.71	1.85	--
December	2.14	1.77	2.34	1.74	1.66	1.88	--
Source : Gazeta Mercantil and BACEN (as of October 2006) 1/ September 2012 refers to September 4.							