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# Brazil

# Sugar Annual Report

**Approved By:**
Frederick Giles, Director
Agricultural Trade Office, Sao Paulo

**Prepared By:**
Sergio Barros, Agricultural Specialist

## Report Highlights:

This report updates BR12014. Brazil's MY 2013/14 sugarcane crop is forecast at 640 mmt, up 48.9 mmt from the previous season (591.1 mmt). Approximately 48 percent of the crop should be diverted to sugar, down 2 percentage points compared to MY 2012/13. Total exports for MY 2013/14 are forecast at 29.3 mmt, raw value, up 1.65 mmt relatively to the previous marketing year.

## Production

The Agricultural Trade Office (ATO/Sao Paulo) projects the marketing year (MY) 2013/14 Brazilian sugarcane production at 640 million metric tons (mmt), up 8 percent from the previous season (591.1 mmt). The center-south (CS) region is expected to harvest 585 mmt of sugarcane, a 10 percent increase relative the previous crop (532.6 mmt), due to expected higher agricultural yields as a result of good weather conditions and adequate renewal of sugarcane stocks. ATO/Sao Paulo forecasts the North-Northeastern (NNE) production for MY 2013/14 at 55 mmt, down 3.5 mmt from the revised figure for MY 2012/13 (58.5 mmt) due to weather related problems (drought) that affected growing regions.

The crushing period has already begun. Total sugarcane area for MY 2013/14 is projected at 9.8 million hectares (ha), up 50,000 ha from previous season. 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 Sao Paulo Secretariat of Agriculture.

| **Area Harvested to Sugarcane (1,000 ha).** | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** |
| **Brazil** | 5,529.6 | 6,016.0 | 7,088.9 | 7,409.6 | 8,033.6 | 8,356.1 | 8,520.5 |
| **Sao Paulo** | 3,436.8 | 3,907.4 | 4,614.7 | 4,937.9 | 5,135.3 | 5,841.6 | 6,047.9 |
| Sources: CONAB, IEA. | | | | | | | |

The industrial yield for MY 2013/14 is forecast at 136.44 kg of TRS (total reducing sugars)/mt, up 1.15 kg compared to MY 2012/13 (135.29 kg TRS/mt). The following table shows historical Brazilian yields measured in TRS per metric ton of sugarcane.

| **Sugarcane Industrial Yields (kg TRS/metric ton)** | | | | | |
|---|---|---|---|---|---|
| | MY 09/10 | MY 10/11 | MY 11/12 | MY 12/13 | MY 13/14 * |
| **TRS/ton** | 130.99 | 140.07 | 136.59 | 135.29 | 136.44 |
| Souce: USDA/FAS/ATO/Sao Paulo * MY 2013/14 - forecast | | | | | |

The following tables show monthly sugarcane crush data for the state of São Paulo and the CS region from the 2008/09 to 2012/13 crops (April-March), as reported by the Sugar and Alcohol Millers Association of São Paulo State (UNICA).

| **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 | 0 | 207 | 0 | 0 |
| **March** | 472 | 2,665 | 4,120 | 708 | 104 |
| **April** | 12,948 | 27,545 | 35,864 | 13,464 | 6,649 |
| **May** | 38,934 | 46,717 | 51,306 | 49,443 | 34,197 |
| **June** | 45,157 | 46,210 | 52,523 | 48,575 | 32,888 |
| **July** | 50,136 | 46,934 | 52,597 | 53,335 | 54,517 |
| **August** | 47,159 | 45,596 | 52,066 | 49,140 | 56,678 |
| **September** | 46,246 | 37,594 | 40,116 | 46,246 | 44,962 |
| **October** | 42,465 | 44,335 | 36,568 | 27,755 | 47,015 |
| **November** | 39,486 | 36,651 | 27,872 | 14,814 | 37,562 |
| **December** | 19,375 | 16,810 | 5,606 | 702 | 14,498 |
| **January** | 2,105 | 3,638 | 295 | 0 | 582 |
| **February** | 1,051 | 3,221 | 106 | 24 | 122 |
| **March** | 760 | 3,343 | 258 | 23 | 56 |
| **Cumulative** | 346,293 | 361,261 | 359,503 | 304,230 | 329,831 |
| 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 | 146 |
| **March** | 1,340 | 4,717 | 6,618 | 1,795 | 388 |
| **April** | 20,091 | 39,209 | 51,599 | 22,208 | 13,599 |
| **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 | 90,765 |
| **September** | 67,655 | 59,736 | 64,732 | 74,081 | 73,736 |
| **October** | 62,350 | 65,734 | 56,349 | 46,568 | 74,143 |
| **November** | 56,283 | 54,713 | 42,892 | 27,818 | 55,100 |
| **December** | 28,096 | 26,254 | 11,267 | 3,660 | 20,718 |
| **January** | 3,952 | 6,399 | 843 | 938 | 949 |
| **February** | 2,190 | 5,385 | 441 | 557 | 291 |
| **March** | 1,794 | 4,527 | 270 | 138 | 56 |
| **Cumulative** | 505,116 | 541,962 | 556,945 | 493,264 | 532,607 |
| Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA). | | | | | |

## Sugar and Ethanol

For MY 2013/14 total sucrose (total reducing sugar, TRS) content diverted for sugar and ethanol production is forecast at 48 and 52 percent, respectively, as opposed to an equal split of 50/50, respectively for MY 2012/13. Sugar-ethanol mills are likely to increase ethanol production due to an expected increase in the ethanol content blended with gasoline. Additionally, the international sugar market has not been particularly attractive compared to previous seasons.

For MY 2013/14 sugar production is projected at 40.4 mmt, raw value, up 1.8 mmt compared to MY 2012/13 (38.6 mmt). The CS states should account for 36.35 mmt, raw value, up 5 percent from MY 2012/13 (34.4 mmt). The NNE should account for 4.05 mmt of sugar, raw value, similar to MY 2012/13 (4.2 mmt).

Total ethanol production in MY 2013/14 is forecast at 26.82 billion liters (12.55 billion liters of anhydrous ethanol and 14.27 billion liters of hydrated ethanol). The sugar-ethanol sector should prioritize the production of anhydrous ethanol to comply with the ethanol mandate set by the Brazilian government.

The table below shows the sales of FFV and ethanol powered cars. Sales of FFV currently represent close to 90 percent of total vehicle sales.

| **Licensing of Ethanol Powered Vehicles (pure ethanol & flex fuel units)** | | | | | | |
|---|---|---|---|---|---|---|
| **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013 1/** |
| 2,032,361 | 2,356,942 | 2,711,267 | 2,876,173 | 2,848,071 | 3,162,824 | 459,280 |
| Source: National Association of Vehicle Manufacturers (ANFAVEA) 1/ January-February | | | | | | |

The steady sales of flex-fuel vehicles do not solely guarantee a higher demand for ethanol given that consumers' 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 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) 2010, 2011, 2012 and 2013. Due to higher ethanol prices during the offseason (January-February 2013), gasoline consumption was favored in several Brazilian states, except Sao Paulo, as reported in the tables below, thus reducing ethanol demand during the off-season.

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

| | | 2010 | 2011 | 2012 | 2013 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|
| **Sao Paulo State** | **Jan** | 2.477 | 2.487 | 2.649 | 2.644 | 1.807 | 1.733 | 1.888 | 1.829 |
| | **Feb** | 2.509 | 2.490 | 2.641 | 2.767 | 1.831 | 1.765 | 1.818 | 1.875 |
| | **Jun** | 2.399 | 2.665 | 2.636 | | 1.274 | 1.704 | 1.805 | |
| | **Aug** | 2.412 | 2.663 | 2.261 | | 1.387 | 1.814 | 1.747 | |
| **Sao Paulo City** | **Jan** | 2.475 | 2.482 | 2.647 | 2.628 | 1.810 | 1.733 | 1.874 | 1.818 |
| | **Feb** | 2.508 | 2.486 | 2.630 | 2.739 | 1.835 | 1.766 | 1.801 | 1.869 |
| | **Jun** | 2.395 | 2.680 | 2.630 | | 1.274 | 1.716 | 1.786 | |
| | **Aug** | 2.408 | 2.673 | 2.605 | | 1.382 | 1.820 | 1.722 | |
| **Minas Gerais** | **Jan** | 2.489 | 2.537 | 2.824 | 2.824 | 1.965 | 1.902 | 2.208 | 2.095 |
| | **Feb** | 2.509 | 2.584 | 2.817 | 2.923 | 2.077 | 1.956 | 2.166 | 2.125 |
| | **Jun** | 2.412 | 2.823 | 2.806 | | 1.678 | 2.075 | 2.142 | |
| | **Aug** | 2.621 | 2.817 | 2.801 | | 1.710 | 2.126 | 2.110 | |
| **Belo Horizonte (MG Capital)** | **Jan** | 2.431 | 2.499 | 2.761 | 2.740 | 1.926 | 1.886 | 2.172 | 2.083 |
| | **Feb** | 2.458 | 2.547 | 2.746 | 2.824 | 2.064 | 1.938 | 2.128 | 2.106 |
| | **Jun** | 2.379 | 2.778 | 2.741 | | 1.661 | 2.087 | 2.127 | |
| | **Aug** | 2.381 | 2.781 | 2.718 | | 1.683 | 2.113 | 2.094 | |
| **Rio Janeiro State** | **Jan** | 2.641 | 2.654 | 2.850 | 2.898 | 2.044 | 2.022 | 2.266 | 2.243 |
| | **Feb** | 2.663 | 2.663 | 2.846 | 3.002 | 2.104 | 2.053 | 2.257 | 2.268 |
| | **Jun** | 2.613 | 2.892 | 2.854 | | 1.703 | 2.200 | 2.256 | |
| | **Aug** | 2.598 | 2.854 | 2.849 | | 1.718 | 2.212 | 2.206 | |
| **Rio Janeiro Capital** | **Jan** | 2.640 | 2.651 | 2.818 | 2.866 | 2.050 | 2.025 | 2.257 | 2.231 |
| | **Feb** | 2.660 | 2.661 | 2.810 | 2.967 | 2.106 | 2.057 | 2.236 | 2.251 |
| | **Jun** | 2.611 | 2.865 | 2.821 | | 1.695 | 2.165 | 2.253 | |
| | **Aug** | 2.595 | 2.824 | 2.813 | | 1.713 | 2.191 | 2.185 | |
| **Porto Alegre (RS Capital)** | **Jan** | 2.568 | 2.534 | 2.738 | 2.695 | 2.257 | 2.103 | 2.372 | 2.316 |
| | **Feb** | 2.592 | 2.552 | 2.689 | 2.847 | 2.335 | 2.157 | 2.348 | 2.336 |
| | **Jun** | 2.488 | 2.722 | 2.657 | | 1.765 | 2.180 | 2.390 | |
| | **Aug** | 2.560 | 2.632 | 2.663 | | 1.836 | 2.237 | 2.360 | |
| **Goiania (GO Capital)** | **Jan** | 2.654 | 2.667 | 2.831 | 2.743 | 1.838 | 1.822 | 1.959 | 1.937 |
| | **Feb** | 2.655 | 2.697 | 2.782 | 2.836 | 1.897 | 1.891 | 1.899 | 1.951 |
| | **Jun** | 2.304 | 2.830 | 2.672 | | 1.227 | 1.782 | 1.856 | |
| | **Aug** | 2.384 | 2.838 | 2.638 | | 1.347 | 1.837 | 1.773 | |
| **Fortaleza (CE Capital)** | **Jan** | 2.530 | 2.644 | 2.551 | 2.675 | 1.909 | 1.871 | 2.076 | 2.220 |
| | **Feb** | 2.530 | 2.647 | 2.660 | 2.850 | 2.013 | 1.944 | 2.077 | 2.280 |
| | **Jun** | 2.663 | 2.688 | 2.564 | | 1.807 | 2.029 | 2.163 | |
| | **Aug** | 2.645 | 2.661 | 2.685 | | 1.772 | 2.161 | 2.162 | |
| Source: Petroleum, Natural Gas and Biofuels National Agency (ANP). | | | | | | | | | |

| **Ratio Ethanol/Gasoline Prices** | | | | |
|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** |

| | | | | | |
|---|---|---|---|---|---|
| **Sao Paulo** | **Jan** | 73% | 70% | 71% | 69% |
| | **Feb** | 73% | 71% | 69% | 68% |
| | **Jun** | 53% | 64% | 68% | |
| | **Aug** | 58% | 68% | 77% | |
| **Sao Paulo** | **Jan** | 73% | 70% | 71% | 69% |
| | **Feb** | 73% | 71% | 68% | 68% |
| | **Jun** | 53% | 64% | 68% | |
| | **Aug** | 57% | 68% | 66% | |
| **Minas Gerais** | **Jan** | 79% | 75% | 78% | 74% |
| | **Feb** | 83% | 76% | 77% | 73% |
| | **Jun** | 70% | 74% | 76% | |
| | **Aug** | 65% | 75% | 75% | |
| **Belo Horizonte** | **Jan** | 79% | 75% | 79% | 76% |
| | **Feb** | 84% | 76% | 77% | 75% |
| | **Jun** | 70% | 75% | 78% | |
| | **Aug** | 71% | 76% | 77% | |
| **Rio Janeiro** | **Jan** | 77% | 76% | 80% | 77% |
| | **Feb** | 79% | 77% | 79% | 76% |
| | **Jun** | 65% | 76% | 79% | |
| | **Aug** | 66% | 78% | 77% | |
| **Rio de Janeiro** | **Jan** | 78% | 76% | 80% | 78% |
| | **Feb** | 79% | 77% | 80% | 76% |
| | **Jun** | 65% | 76% | 80% | |
| | **Aug** | 66% | 78% | 78% | |
| **Porto Alegre** | **Jan** | 88% | 83% | 87% | 86% |
| | **Feb** | 90% | 85% | 87% | 82% |
| | **Jun** | 71% | 80% | 90% | |
| | **Aug** | 72% | 85% | 89% | |
| **Goiania** | **Jan** | 69% | 68% | 69% | 71% |
| | **Feb** | 71% | 70% | 68% | 69% |
| | **Jun** | 53% | 63% | 69% | |
| | **Aug** | 57% | 65% | 67% | |
| **Fortaleza** | **Jan** | 75% | 71% | 81% | 83% |
| | **Feb** | 80% | 73% | 78% | 80% |
| | **Jun** | 68% | 75% | 84% | |
| | **Aug** | 67% | 81% | 81% | |
| Source: Petroleum, Natural Gas and Biofuels National Agency (ANP). | | | | | |
| Gray Area means gasoline prices more attractive than ethanol | | | | | |

Fuel consumption in Brazil, as reported by the Petroleum, Natural Gas and Biofuels National Agency (ANP), follows. The figures take into account the product sales by distributors and do not include illegal sales, which were common in the past for hydrated ethanol due to tax differentiation between both types of ethanol.

| **Brazilian Fuel Consumption Matrix (000 m3)** | | | | | | |
|---|---|---|---|---|---|---|
| | **2008** | **2009** | **2010** | **2011** | **2012** | **2013 1/** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Diesel *** | 44,764 | 44,298 | 49,239 | 52,264 | 55,900 | 4,445 |
| **Gasoline C**** | 25,175 | 25,409 | 29,844 | 35,491 | 39,698 | 3,324 |
| **Hydrated Ethanol** | 13,290 | 16,471 | 15,074 | 10,899 | 9,850 | 801 |
| Source: ANP. * Diesel includes Bx Biodiesel as of 2008. ** Gasoline C includes 20-25 % of anhydrous ethanol. 1/ 2013 refers to January. | | | | | | |

According to the Ministry of Agriculture, Livestock and Supply (MAPA), cumulative ethanol production for the 2012/13 crop through February 28, 2013 was reported at 23.35 billion liters – 9.65 billion liters of anhydrous ethanol and 13.7 liters of hydrated ethanol. The table below shows sugarcane, sugar and ethanol production by state for MY 2012/13, as reported by MAPA.

| **Cane, Sugar & Ethanol Production: 2012/13 Crop (MT and 000 Liters)** | | | | | |
|---|---|---|---|---|---|
| | | | **Ethanol** | | |
| **State/Region** | **Cane** | **Sugar** | **Anhydous** | **Hydrous** | **Total** |
| **Acre** | 70,281 | 0 | 0 | 4,101 | 4,101 |
| **Alagoas** | 22,035,639 | 2,094,417 | 309,196 | 190,257 | 499,453 |
| **Amazonas** | 266,473 | 15,240 | 0 | 4,046 | 4,046 |
| **Bahia** | 3,083,714 | 113,368 | 78,724 | 76,474 | 155,198 |
| **Ceara** | 56,822 | 0 | 0 | 3,976 | 3,976 |
| **Maranhao** | 2,071,876 | 8,900 | 135,978 | 23,437 | 159,415 |
| **Para** | 695,321 | 37,134 | 22,123 | 10,740 | 32,863 |
| **Paraíba** | 5,267,672 | 207,328 | 148,930 | 150,660 | 299,590 |
| **Pernambuco** | 13,027,880 | 1,158,080 | 162,264 | 91,449 | 253,713 |
| **Piaui** | 828,104 | 52,414 | 31,365 | 1,472 | 32,837 |
| **Rio Gde Norte** | 2,247,762 | 133,919 | 40,759 | 30,790 | 71,549 |
| **Rondonia** | 125,106 | 0 | 0 | 8,763 | 8,763 |
| **Sergipe** | 2,029,503 | 117,931 | 35,373 | 56,729 | 92,102 |
| **Tocantins** | 1,800,222 | 0 | 108,875 | 48,172 | 157,047 |
| **NNE** | 53,606,375 | 3,938,731 | 1,073,587 | 701,066 | 1,774,653 |
| **Espirito Santo** | 3,431,140 | 118,380 | 104,005 | 68,255 | 172,260 |
| **Goias** | 52,727,030 | 1,875,260 | 821,255 | 2,309,322 | 3,130,577 |
| **Minas Gerais** | 51,207,922 | 3,418,321 | 846,750 | 1,172,398 | 2,019,148 |
| **Mato Grosso Sul** | 36,954,224 | 1,741,908 | 485,014 | 1,430,406 | 1,915,420 |
| **Mato Grosso** | 16,318,773 | 491,919 | 475,770 | 507,442 | 983,212 |
| **Parana** | 39,721,014 | 3,095,895 | 393,665 | 910,191 | 1,303,856 |
| **Rio de Janeiro** | 1,722,154 | 95,342 | 0 | 68,096 | 68,096 |
| **Rio Grande Sul** | 32,852 | 0 | 0 | 1,665 | 1,665 |
| **Sao Paulo** | 330,017,534 | 23,299,935 | 5,444,009 | 6,536,171 | 11,980,180 |
| **Center South** | 532,132,643 | 34,136,960 | 8,570,468 | 13,003,946 | 21,574,414 |
| **TOTAL** | 585,739,018 | 38,075,691 | 9,644,055 | 13,705,012 | 23,349,067 |
| Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 03/01/2013 | | | | | |

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 (April-March), 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 | 3,691 |
| **April** | 433,514 | 1,152,563 | 1,745,785 | 467,145 | 287,294 |
| **May** | 1,872,140 | 2,530,999 | 3,025,435 | 2,734,815 | 1,952,653 |
| **June** | 2,425,239 | 2,728,867 | 3,427,445 | 3,161,100 | 2,017,509 |
| **July** | 3,094,298 | 3,020,119 | 3,703,160 | 3,853,337 | 3,800,734 |
| **August** | 3,034,421 | 3,043,705 | 3,923,784 | 3,840,998 | 4,377,261 |
| **September** | 3,101,858 | 2,468,929 | 3,125,428 | 3,801,633 | 3,584,137 |
| **October** | 2,592,977 | 2,838,435 | 2,357,500 | 2,118,061 | 3,681,687 |
| **November** | 2,083,437 | 2,065,829 | 1,726,851 | 1,023,956 | 2,647,361 |
| **December** | 906,197 | 570,067 | 228,169 | 43,837 | 912,666 |
| **January** | 59,565 | 77,063 | 4,471 | 0 | 11,736 |
| **February** | 21,616 | 70,985 | 6,287 | 0 | 6,356 |
| **March** | 28,228 | 93,377 | 12,470 | 0 | 1,004 |
| **Cumulative** | 19,662,436 | 20,729,364 | 23,446,119 | 21,067,954 | 23,284,089 |
| 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 | 0 | 4,692 |
| **March** | 41,936 | 147,030 | 208,240 | 56,496 | 5,052 |
| **April** | 631,526 | 1,572,304 | 2,342,614 | 761,078 | 535,505 |
| **May** | 2,527,935 | 3,364,577 | 4,094,385 | 3,966,565 | 2,983,558 |
| **June** | 3,282,349 | 3,669,831 | 4,854,177 | 4,618,058 | 3,161,408 |
| **July** | 4,243,947 | 4,137,318 | 5,284,255 | 5,411,365 | 5,605,984 |
| **August** | 4,087,442 | 4,381,252 | 5,704,484 | 5,629,162 | 6,366,406 |
| **September** | 4,247,955 | 3,552,156 | 4,619,064 | 5,607,822 | 5,342,707 |
| **October** | 3,541,734 | 3,824,806 | 3,425,318 | 3,257,617 | 5,331,840 |
| **November** | 2,741,754 | 2,786,747 | 2,496,111 | 1,776,138 | 3,576,444 |
| **December** | 1,221,877 | 870,648 | 437,100 | 178,575 | 1,156,251 |
| **January** | 92,084 | 118,870 | 10,797 | 28,526 | 14,532 |
| **February** | 40,002 | 108,770 | 7,031 | 14,408 | 6,356 |
| **March** | 49,278 | 110,527 | 12,574 | 2,332 | 1,004 |
| **Cumulative** | 26,749,819 | 28,644,834 | 33,500,725 | 31,308,142 | 34,091,739 |
| Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA). | | | | | |

## Sugarcane, sugar and ethanol prices in the Domestic Market

The State of Sao Paulo Sugarcane, Sugar and Alcohol Growers Council (CONSECANA) reports that the average sugarcane price (April 2012-March 2013) for the state of Sao Paulo for the 2012/13 crop was reais (R$) 0.4728 per kg of TRS, or R$63.97 per ton of sugarcane, down R$ 4.57 per ton compared to the 2011/12 crop (R$0.5018 per kg of TRS, or R$68.54 per ton of sugarcane), due to lower industrial yield and lower 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.

The Crystal Sugar and Ethanol Indexes released by the University of Sao 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).** | | | | | |
|---|---|---|---|---|---|
| **Month** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **January** | 36.71 | 70.83 | 76.29 | 62.04 | 48.80 |
| **February** | 44.77 | 72.49 | 75.17 | 59.10 | 47.97 |
| **March** | 48.40 | 69.58 | 70.55 | 57.34 | 45.04 |
| **April 1/** | 46.48 | 63.66 | 66.24 | 56.44 | 42.94 |
| **May** | 44.57 | 43.76 | 59.73 | 54.58 | -- |
| **June** | 42.20 | 40.40 | 52.25 | 55.12 | -- |
| **July** | 41.46 | 40.90 | 64.33 | 56.96 | -- |
| **August** | 45.43 | 46.42 | 68.49 | 56.08 | -- |
| **September** | 55.50 | 56.91 | 65.21 | 49.85 | -- |
| **October** | 57.28 | 71.68 | 62.73 | 50.57 | -- |
| **November** | 56.21 | 75.24 | 63.91 | 50.20 | -- |
| **December** | 58.73 | 72.66 | 63.57 | 49.12 | -- |
| Source: USP/ESALQ/CEPEA. September 2013 refers to April 3. | | | | | |

| **Fuel Anhydrous Ethanol Prices: State of São Paulo (R$/000 liters).** | | | | | |
|---|---|---|---|---|---|
| **Month** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **January** | 873.30 | 1,285.40 | 1,233.20 | 1,270.30 | 1,302.50 |
| **February** | 860.30 | 1,297.60 | 1,293.10 | 1,184.60 | 1,352.70 |
| **March** | 744.50 | 974.60 | 1,596.60 | 1,278.80 | 1,374.50 |
| **April** | 697.00 | 908.40 | 2,375.00 | 1,259.70 | -- |
| **May** | 676.40 | 839.20 | 1,380.70 | 1,294.30 | -- |
| **June** | 692.80 | 827.30 | 1,244.60 | 1,234.00 | -- |
| **July 1/** | 803.78 | 924.20 | 1,298.90 | 1,232.50 | -- |
| **August** | 820.70 | 961.90 | 1,352.80 | 1,198.70 | -- |
| **September** | 912.90 | 1,040.20 | 1,384.20 | 1,198.90 | -- |
| **October** | 1,086.40 | 1,173.20 | 1,378.50 | 1,140.00 | -- |
| **November** | 1,093.80 | 1,185.20 | 1,377.30 | 1,234.90 | -- |
| **December** | 1,131.60 | 1,201.80 | 1,359.20 | 1,287.20 | -- |
| Source: USP/ESALQ/CEPEA. | | | | | |

| **Fuel Hydrous Ethanol Prices: State of São Paulo (R$/000 liters).** | | | | | |
|---|---|---|---|---|---|
| **Month** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **January** | 781.40 | 1,171.20 | 1,109.40 | 1,159.00 | 1,144.60 |

| | | | | | |
|---|---|---|---|---|---|
| **February** | 777.60 | 1,095.80 | 1,176.10 | 1,119.80 | 1,232.00 |
| **March** | 656.80 | 825.20 | 1,421.90 | 1,204.40 | 1,226.40 |
| **April** | 621.30 | 799.70 | 1,387.50 | 1,191.40 | -- |
| **May** | 585.22 | 724.30 | 1,005.90 | 1,140.10 | -- |
| **June** | 606.60 | 720.30 | 1,113.70 | 1,082.80 | -- |
| **July 1/** | 710.20 | 797.90 | 1,136.80 | 1,059.90 | -- |
| **August** | 726.50 | 835.70 | 1,193.00 | 1,041.70 | -- |
| **September** | 791.40 | 896.20 | 1,204.60 | 1,062.40 | -- |
| **October** | 935.10 | 977.70 | 1,229.70 | 1,010.60 | -- |
| **November** | 941.90 | 1,001.00 | 1,277.00 | 1,095.90 | -- |
| **December** | 1,000.40 | 1,075.10 | 1,250.10 | 1,132.50 | -- |
| Source: USP/ESALQ/CEPEA. | | | | | |

## Consumption

During MY 2013/14, ATO/Sao Paulo projects the Brazilian sugar consumption at 11.26 mmt, raw value, similar to MY 2012/13 (11.2 mmt), reflecting updated information from the sugar industry.

## Exports

## Sugar Exports

Brazilian sugar exports for MY 2013/14 are projected at 29.3 mmt, raw value, to meet projected international demand, representing a 1.65 mmt increase compared to the revised figure from 2012/13 (27.65 mmt) Raw sugar should account for 22.95 mmt, raw value, whereas the remainder represents exports of refined sugar.

The following tables show Brazilian sugar exports by destination for MY 2011/12, 2012/13 (May-February) and calendar year (CY) 2012, 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 2012/13 1/** | | **CY2012 2/** | |
| **Country** | **Value** | **Quantity** | **Value** | **Quantity** | **Value** | **Quantity** |

| | | | | | | |
|---|---|---|---|---|---|---|
| China | 1,161,322 | 2,049,380 | 1,165,892 | 2,332,649 | 1,067,452 | 2,115,240 |
| Russia | 1,107,415 | 2,036,356 | 634,624 | 1,267,937 | 743,886 | 1,425,486 |
| Egypt | 942,484 | 1,638,572 | 645,177 | 1,294,323 | 719,893 | 1,387,582 |
| Algeria | 749,963 | 1,325,727 | 719,916 | 1,448,002 | 779,185 | 1,510,599 |
| Bangladesh | 626,871 | 1,119,727 | 517,220 | 1,048,379 | 516,873 | 1,024,863 |
| Canada | 540,992 | 921,609 | 465,352 | 922,558 | 484,975 | 934,526 |
| Iran | 494,093 | 900,262 | 468,804 | 959,463 | 440,736 | 886,594 |
| Malaysia | 506,809 | 900,140 | 586,500 | 1,190,082 | 480,501 | 961,926 |
| Saudi Arabia | 495,192 | 876,955 | 332,197 | 672,295 | 408,712 | 771,900 |
| Morocco | 448,676 | 814,545 | 443,350 | 885,068 | 523,770 | 1,000,140 |
| Others | 3,898,442 | 6,592,541 | 3,693,170 | 7,357,022 | 3,864,120 | 7,453,135 |
| Total | 10,972,258 | 19,175,814 | 9,672,203 | 19,377,777 | 10,030,103 | 19,471,991 |
| Source : Brazilian Foreign Trade Secretariat (SECEX) | | | | | | |
| Note : Numbers may not add due to rounding; 1/ May – Feb; 2/Jan - Dec. | | | | | | |

| **Brazilian Sugar Exports (NCM 1701.99.00, MT, tel quel, US$ 000 FOB)** | | | | | | |
|---|---|---|---|---|---|---|
| | **MY 2011/12 1/** | | **MY 2012/13 1/** | | **CY 2012 2/** | |
| **Country** | **Value** | **Quantity** | **Value** | **Quantity** | **Value** | **Quantity** |
| UAE | 407,747 | 705,186 | 408,334 | 854,308 | 345,517 | 686,609 |
| Yemen | 234,085 | 348,504 | 201,424 | 370,243 | 299,038 | 509,446 |
| Saudi Arabia | 193,958 | 326,235 | 175,988 | 361,147 | 182,129 | 359,084 |
| Ghana | 194,511 | 283,002 | 211,013 | 367,855 | 194,260 | 323,446 |
| Nigeria | 139,510 | 223,259 | 156,232 | 296,991 | 166,914 | 300,587 |
| Iraq | 139,306 | 196,258 | 21,387 | 36,986 | 37,196 | 61,986 |
| Mauritania | 130,577 | 188,268 | 86,677 | 153,258 | 108,964 | 182,750 |
| Angola | 126,447 | 183,149 | 94,410 | 169,292 | 119,636 | 200,414 |
| Colombia | 121,988 | 176,740 | 115,095 | 213,417 | 169,192 | 286,233 |
| Togo | 114,309 | 168,352 | 63,463 | 110,152 | 68,381 | 114,404 |
| Others | 1,193,343 | 1,733,807 | 1,161,448 | 1,991,385 | 1,123,244 | 1,845,221 |
| Total | 2,995,782 | 4,532,759 | 2,695,471 | 4,925,035 | 2,814,470 | 4,870,180 |
| Source : Brazilian Foreign Trade secretariat (SECEX) | | | | | | |
| Note : Numbers may not add due to rounding; 1/ May – Feb; 2/Jan - Dec. | | | | | | |

## Ethanol Exports

The tables below show ethanol exports by destination for MY 2011/12 and MY 2012/13 (May-February), as reported by the Brazilian Secretariat of Foreign Trade (SECEX)

| Brazilian Ethanol Exports (NCM 2207.10, 2207.20.11 & 2207.20.19, 000 Liters, MT, US$ 1,000 FOB) | | | | | | |
|---|---|---|---|---|---|---|
| | MY 2011/12 1/ | | | MY 2012/13 1/ | | |
| **Country** | **Value** | **Quantity** | **Volume** | **Value** | **Quantity** | **Volume** |
| United States | 533,182 | 483,090 | 610,361 | 1,587,717 | 1,768,045 | 2,204,248 |
| South korea | 159,555 | 190,361 | 235,546 | 117,507 | 149,096 | 184,570 |
| Japan | 164,353 | 182,049 | 226,150 | 39,356 | 46,450 | 58,184 |
| Trinidad Tobago | 118,582 | 121,768 | 150,581 | 0 | 0 | 0 |
| Jamaica | 109,416 | 110,904 | 137,589 | 209,805 | 269,180 | 312,518 |
| Netherlands | 60,445 | 68,688 | 85,046 | 57,713 | 74,449 | 92,158 |
| Switzerland | 47,677 | 59,126 | 73,312 | 9,091 | 10,522 | 13,060 |
| Nigeria | 41,280 | 49,008 | 60,647 | 34,131 | 45,748 | 56,609 |
| El Salvador | 33,855 | 40,489 | 50,081 | 95,545 | 123,575 | 152,872 |
| India | 21,445 | 22,296 | 27,565 | 0 | 0 | 0 |
| Others | 96,844 | 97,050 | 120,312 | 154,066 | 188,954 | 233,891 |
| Total | 1,386,634 | 1,424,828 | 1,777,191 | 2,304,931 | 2,676,020 | 3,308,110 |
| Source : Brazilian Foreign Trade Secretariat (SECEX) | | | | | | |
| Note : Numbers may not add due to rounding; 1/ May – Feb | | | | | | |

## Ethanol Imports

The tables below show ethanol imports by origin for MY 2011/12 and MY 2012/13 (May-February), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

| Brazilian Ethanol Imports (NCM 2207.10, 2207.20.11 & 2207.20.19, 000 Liters,MT, US$ 1,000 FOB | | | | | | |
|---|---|---|---|---|---|---|
| | MY 2011/12 1/ | | | MY 2012/13 1/ | | |
| **Country** | **Value** | **Quantity** | **Volume** | **Value** | **Quantity** | **Volume** |
| United States | 873,434 | 965,361 | 1,221,582 | 90,957 | 111,805 | 141,675 |
| United Kingdom | 18,193 | 18,903 | 23,964 | 0 | 0 | 0 |
| Netherlands | 16,204 | 13,398 | 17 | 0 | 0 | 0 |
| Spain | 4,462 | 6,709 | 12 | 5 | 1 | 2 |
| France | 1,268 | 1,321 | 1,674 | 76 | 5 | 4 |
| Trinidad Tobago | 441 | 345 | 417 | 27 | 20 | 24 |
| Jamaica | 1,147 | 311 | 345 | 1,038 | 261 | 303 |
| Barbados | 110 | 73 | 89 | 31 | 20 | 23 |
| Germany | 518 | 51 | 45 | 441 | 31 | 43 |
| Mexico | 30 | 5 | 6 | 53 | 7 | 8 |
| Others | 21 | 3 | 4 | 200 | 99 | 111 |
| Total | 915,826 | 1,006,481 | 1,248,155 | 92,828 | 112,250 | 142,194 |
| Source : Brazilian Foreign Trade Secretariat (SECEX) | | | | | | |
| Note : Numbers may not add due to rounding; 1/ May – Feb | | | | | | |

## Stocks

Post forecasts total sugar ending stocks during MY 2013/14 at -695,000 mt, down 160,000 mt compared to the revised figure for MY 2012/13 -535,000 mt). Negative stocks have been balanced by the early start of crushing, March/April as opposed to May.

## Policy

The current ethanol content blended to gasoline set at 20 percent will change to 25 percent as of May 1. GOB has recently announced the future reduction of the PIS/COFINS taxes and the social security contribution on income from sugar-ethanol mills. The PIS/CONFINS taxes should be close to zero, but not zero to guarantee that mills are allowed to use the taxes collected as credit for exports. The social security tax should drop from 2.57 percent to 1 percent. The announcement has not been published in the Brazilian official gazette, therefore it is still not effective.

In early March, the GOB also announced the reduction of federal taxes (PIS/COFINS and the Industrialized Product Tax –IPI) for several products of the basic food basket, including sugar.

## Exchange Rate

| Exchange Rate (R$/US$1.00 - official rate, last day of period) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Month** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **January** | 2.12 | 1.76 | 2.32 | 1.87 | 1.67 | 1.74 | 1.99 |
| **February** | 2.12 | 1.68 | 2.38 | 1.81 | 1.66 | 1.71 | 1.98 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **March** | 2.05 | 1.75 | 2.25 | 1.78 | 1.62 | 1.82 | 2.01 |
| **April 1/** | 2.03 | 1.69 | 2.18 | 1.77 | 1.57 | 1.89 | 2.02 |
| **May** | 1.93 | 1.63 | 1.97 | 1.81 | 1.57 | 2.02 | -- |
| **June** | 1.93 | 1.64 | 1.95 | 1.80 | 1.57 | 2.02 | -- |
| **July** | 1.88 | 1.57 | 1.87 | 1.75 | 1.56 | 2.05 | -- |
| **August** | 1.96 | 1.63 | 1.88 | 1.75 | 1.59 | 2.04 | -- |
| **September** | 1.84 | 1.92 | 1.78 | 1.69 | 1.85 | 2.03 | -- |
| **October** | 1.74 | 2.12 | 1.74 | 1.70 | 1.69 | 2.03 | -- |
| **November** | 1.78 | 2.33 | 1.75 | 1.71 | 1.81 | 2.10 | -- |
| **December** | 1.77 | 2.34 | 1.74 | 1.66 | 1.88 | 2.04 | -- |
| Source : Gazeta Mercantil and BACEN (as of October 2006) 1/ April 2013 refers to April 4. | | | | | | | |

## PS&D Statistics

| **Sugar Cane for Centrifugal Brazil** | **2011/2012** | | **2012/2013** | | **2013/2014** | |
|---|---|---|---|---|---|---|
| | **Market Year Begin: May 2011** | | **Market Year Begin: May 2012** | | **Market Year Begin: May 2013** | |
| | **USDA Official** | **New Post** | **USDA Official** | **New Post** | **USDA Official** | **New Post** |
| **Area Planted** | 9,650 | 9,650 | 9,750 | 9,750 | | 9,800 |
| **Area Harvested** | 8,890 | 8,890 | 8,700 | 8,700 | | 8,800 |
| **Production** | 561,000 | 561,000 | 570,000 | 591,100 | | 640,000 |
| **Total Supply** | 561,000 | 561,000 | 570,000 | 591,100 | | 640,000 |
| **Utilization for Sugar** | 269,670 | 269,670 | 279,870 | 295,550 | | 311,232 |
| **Utilizatn for Alcohol** | 291,330 | 291,330 | 290,130 | 295,550 | | 328,768 |
| **Total Utilization** | 561,000 | 561,000 | 570,000 | 591,100 | | 640,000 |
| | | | | | | |
| 1000 HA, 1000 MT | | | | | | |

| **Sugar, Centrifugal Brazil** | **2011/2012** | | **2012/2013** | | **2013/2014** | |
|---|---|---|---|---|---|---|
| | **Market Year Begin: May 2011** | | **Market Year Begin: May 2012** | | **Market Year Begin: May 2013** | |
| | **USDA Official** | **New Post** | **USDA Official** | **New Post** | **USDA Official** | **New Post** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Beginning Stocks** | -285 | -285 | -285 | -285 | | -535 |
| **Beet Sugar Production** | 0 | 0 | 0 | 0 | | 0 |
| **Cane Sugar Production** | 36,150 | 36,150 | 37,500 | 38,600 | | 40,400 |
| **Total Sugar Production** | 36,150 | 36,150 | 37,500 | 38,600 | | 40,400 |
| **Raw Imports** | 0 | 0 | 0 | 0 | | 0 |
| **Refined Imp.(Raw Val)** | 0 | 0 | 0 | 0 | | 0 |
| **Total Imports** | 0 | 0 | 0 | 0 | | 0 |
| **Total Supply** | 35,865 | 35,865 | 37,215 | 38,315 | | 39,865 |
| **Raw Exports** | 19,350 | 19,350 | 19,650 | 21,750 | | 22,950 |
| **Refined Exp.(Raw Val)** | 5,300 | 5,300 | 5,350 | 5,900 | | 6,350 |
| **Total Exports** | 24,650 | 24,650 | 25,000 | 27,650 | | 29,300 |
| **Human Dom. Consumption** | 11,500 | 11,500 | 11,700 | 11,200 | | 11,260 |
| **Other Disappearance** | 0 | 0 | 0 | 0 | | 0 |
| **Total Use** | 11,500 | 11,500 | 11,700 | 11,200 | | 11,260 |
| **Ending Stocks** | -285 | -285 | 515 | -535 | | -695 |
| **Total Distribution** | 35,865 | 35,865 | 37,215 | 38,315 | | 39,865 |
| | | | | | | |
| 1000 MT | | | | | | |