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Report Highlights:

Brazil's Marketing Year (MY) 2023/24 sugarcane crop is forecast to reach 661.4 million metric tons (MMT), which is 6.5 percent larger than MY 2022/23, because of favorable weather conditions and high sugar prices. The increase in sugar prices should also result in a higher sugar portion of the sugar-ethanol production mix. Post forecasts Brazilian sugar exports to increase 15 percent in MY 2023/24 to 32.4 MMT, raw value, because of the larger surplus of exportable sugar compared to the previous season. Brazil remains the second-largest recipient of the U.S. sugar tariff-rate quota, currently receiving an allocation for FY 2023 TRQ of 196,440 metric tons, raw value.

Sugarcane Production

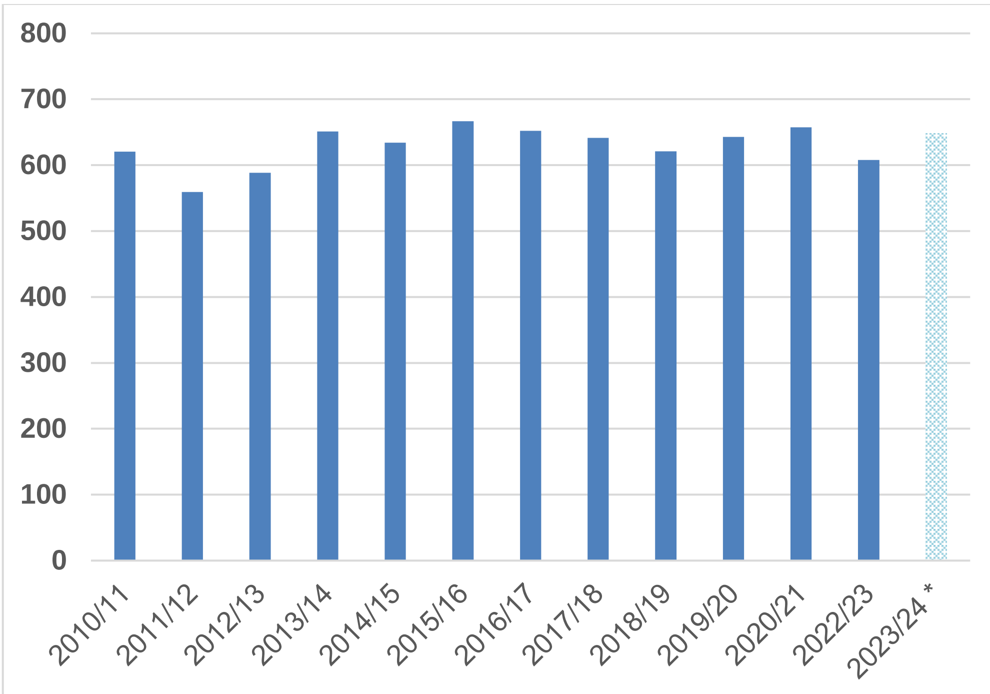
Post forecasts the Brazilian sugarcane crop for the marketing year (MY April-March) 2023/24 at 661.4 million metric tons (MMT), an increase of 6.5 percent compared to the final estimate for MY 2022/23 (621 MMT). The Center-South (CS) region should harvest 590 MMT of sugarcane, up 46.1 MMT vis-a-vis the revised figure for the last crop (543.9 MMT).

The CS region sugarcane harvest performed well in 2022/23 because of favorable weather conditions. The high sugar prices also ensured that farmers maintained their marginal areas for sugarcane plantations. The El Nino effect should cause heavier rainfall during the second half of 2023 that may have a favorable effect on the sugarcane harvests.

The conflict in Ukraine had only a slight impact on the current sugarcane crop because Brazil managed to find alternative sources of fertilizers since the onset of the war, thanks in part to the 'Fertilizer Diplomacy' undertaken by the Brazilian Ministry of Agriculture. Although in 2022 Brazil's total imports fell 10 percent in volume, the impact on agricultural production/productivity was minor because farmers used more efficient application methods of the input. However, the rise in fertilizer prices caused a proportional increase in production costs of agricultural crops, including sugarcane production. Considering that the conflict in Eastern Europe began 13 months ago, traders and fertilizer producers have had time to adapt themselves to the new situation. Fertilizer prices have fallen over recent months, so it is unlikely that the conflict will cause any drop in fertilizer availability to Brazilian farmers in the next planting season.

North-Northeastern (NNE) production for MY 2023/24 is forecast at 58 MMT, an increase of 2 MMT from the revised figure for MY 20221/23 (56 MMT), assuming normal weather conditions prevail until the beginning of the crop in the second semester of the year. The graph below shows the evolution of Brazilian sugarcane production since 2010/11.

Brazilian Sugarcane Production
(million metric tons)



Source: USDA/FAS-Brasília. * Forecast.

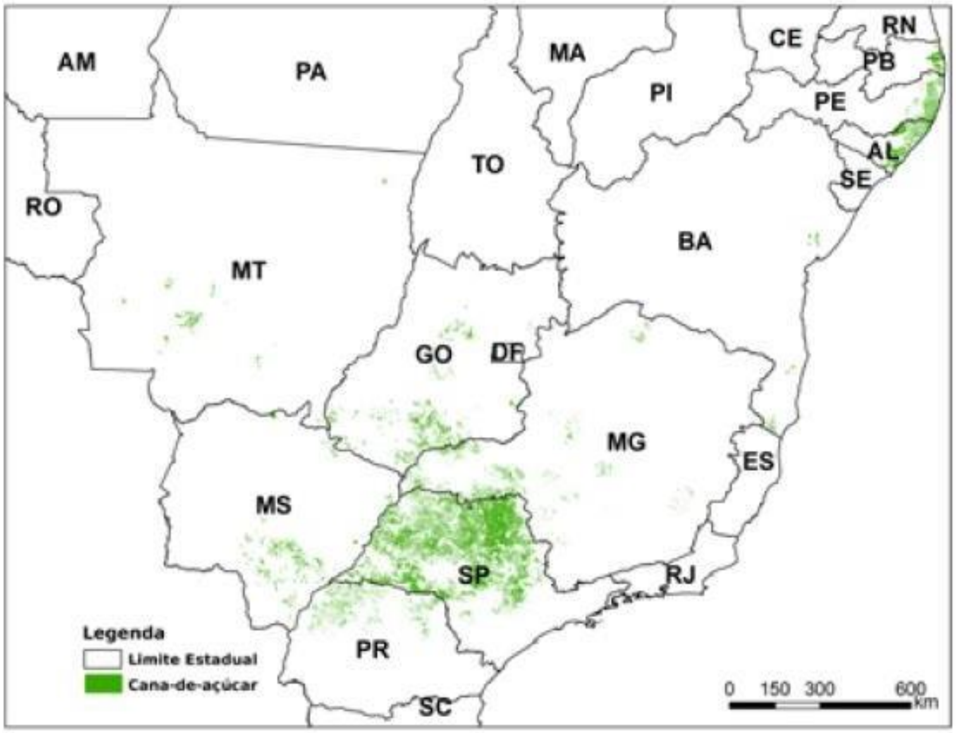
The following tables show monthly sugarcane crush data for the state of Sao Paulo and the CS region for MY 2019/20 through MY 2022/23 (April through mid-March), as reported by the Brazilian Sugarcane Industry Association (UNICA). According to updated data released by UNICA, the total sugarcane crushed during MY 2022/23amounted 543.9 MMT, an increase of 4.2 percent vis-à-vis the previous MY. Sao Paulo represents approximately 57 percent of the CS production.

Sugarcane Crushed in the State of Sao Paulo (1,000 metric tons)				
Month	**19/20**	**20/21**	**21/22**	**22/23**
April	25,180	37,970	23,508	14,682
May	50,390	52,642	50,824	45,260
June	52,524	50,182	48,555	47,363
July	52,662	57,731	53,786	55,575
August	53,390	52,776	51,358	48,197
September	43,676	49,759	43,095	36,585
October	42,907	37,895	19,282	36,744
November	17,106	15,230	7,028	24,674
December	1,261	617	191	3,024
January	20	10	0	0
February	0	17	0	18
March *1	4,635	1,679	0	225
Cumulative	**343,750**	**356,508**	**297,628**	**312,347**
Source: Brazilian Sugarcane Industry Association (UNICA). *1 April 2022 up to March 1. Note: Numbers may not add due to rounding.				

Sugarcane Crushed in Center-Southern Brazil (1,000 metric tons)				
Month	**19/20**	**20/21**	**21/22**	**22/23**
April	45,628	60,702	43,326	29,302
May	83,347	84,764	87,053	78,082
June	89,079	84,928	81,917	80,755
July	90,906	97,596	92,966	95,543
August	90,831	88,829	87,955	83,008
September	74,813	85,056	74,450	64,941
October	70,403	63,919	36,723	59,830
November	30,772	29,101	16,457	42,680
December	3,309	2,482	777	8,251
January	214	257	0	747
February	629	1,156	159	145
March *1	10,431	6,672	142	608
Cumulative	**590,361**	**605,462**	**521,926**	**543,892**
Source: Brazilian Sugarcane Industry Association (UNICA). *1 April 2022 up to March 1. Note: Numbers may not add due to rounding.				

Area Planted with Sugarcane

Total MY 2023/24 area planted with sugarcane is forecast at 9.8 million hectares (ha), 1.5 percent larger than the previous crop. Favorable sugar prices encouraged farmers to use their land for growing sugarcane, instead of grains. The map below illustrates sugarcane-planted areas in Brazil. The center-southern states (SP, PR, MG, MS, MT, and GO) represent over 90 percent of total sugarcane output and the crop season extends from April through March. In contrast, the north-northeastern states (AL, PE, PB, RN, and BA) account for less than ten percent of the total volume and crushing occurs during the September-August crop season.



Source: MAPA/CONAB (Ministério da Agricultura, Pecuária e Abastecimento/CompanhiaNacional de Abastecimento, May 2021)

Post forecasts total sugarcane area for crushing for MY 2023/24 at 9.33 million ha, a 1.45 percent increase compared to MY 2022/23 (9.2 million ha). The table below shows the sugarcane harvested area from 2015 through 2022, 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)								
	15/16	**16/17**	**17/18**	**18/19**	**19/20**	**20/21**	**21/22**	**22/23***
Brazil	8,646.6	8,963.1	8,711.4	8,614.6	8,565.0	8,749.2	8,586.7	8,543.8
Sao Paulo	4,299.2	4,684.6	4,538.4	4,453.0	4,402.1	4,588.4	4,491.2	4,428.3
Sources: CONAB, IEA.								

Genetically Modified Sugarcane Varieties

The Sugarcane Technological Center (CTC - Centro de Tecnologia Canavieira) remains the world leader in producing genetically modified (GM) sugarcane varieties. CTC currently supplies four different sugarcane GM varieties (CTC9003BT, CTC9001BT, CTC7515BT and CTC20 BT), which contain genes from a soil bacterium called Bacillus Thuringiensis (or BT), allowing the plant to produce proteins that are toxic to cane borer and act as an insecticide. The varieties can be used to produce sugar and ethanol. Industry contacts report that area planted to GM varieties are estimated at 70,000 ha for MY 2022/23. Experts believe that in the coming years more Brazilian farmers will adopt GM varieties, especially those that have already applied such varieties and seen the benefits.

Agricultural and Industrial Yields

The MY 2023/24 Brazilian sugarcane agricultural yield is projected at 75.4 metric tons (MT)/hectare (ha), an eight percent growth vis-a-via the previous crushing season (69.75 mt/ha), due to better weather conditions favoring stock development. Sugarcane agricultural yield was 67.22 tons per Ha in MY 2021/22, which is 11 percent lower than the previous harvest's yield. It worth noting that the average yield in the Center-South is around 30 percent higher than that of the North-Northeast, mainly due to higher use of machinery and advanced inputs.

Sugarcane production in the Northeast of the country experienced a higher productivity level in the current harvest because of greater investments in technology. Productivity grew 6.7 percent to 62.72 mt/ha, which is the second highest level for the region.

A recent survey found that sugar mills are planning to invest less in technologies for the next harvest (the survey includes 55 mills that produce a quarter of the country's sugarcane). The lower prices of sugarcane is making these mills avoid any large investments. Nonetheless, half the companies interviewed plan to invest in irrigation equipment.

The MY 2023/24 industrial yield is projected at 141.2 kg of TRS (total reducing sugars)/MT, a 0.8 percent increase vis-à-vis the previous season (140.13 mt/ha), assuming normal weather conditions prevail during the crushing period. The following table shows historic Brazilian yields measured in TRS per metric ton of sugarcane.

Sugarcane Industrial Yields (kg TRS/metric ton)						
	MY 2018/19	**MY 2019/20**	**MY 2020/21**	**MY 2021/22**	**MY 2022/23**	**MY 2023/24 *1**
TRS/ton	137.64	138.38	143.24	141.42	140.13	141.20
Source: USDA/FAS/ATO/São Paulo. *1 Estimate						

Sugar and Ethanol Production Mix

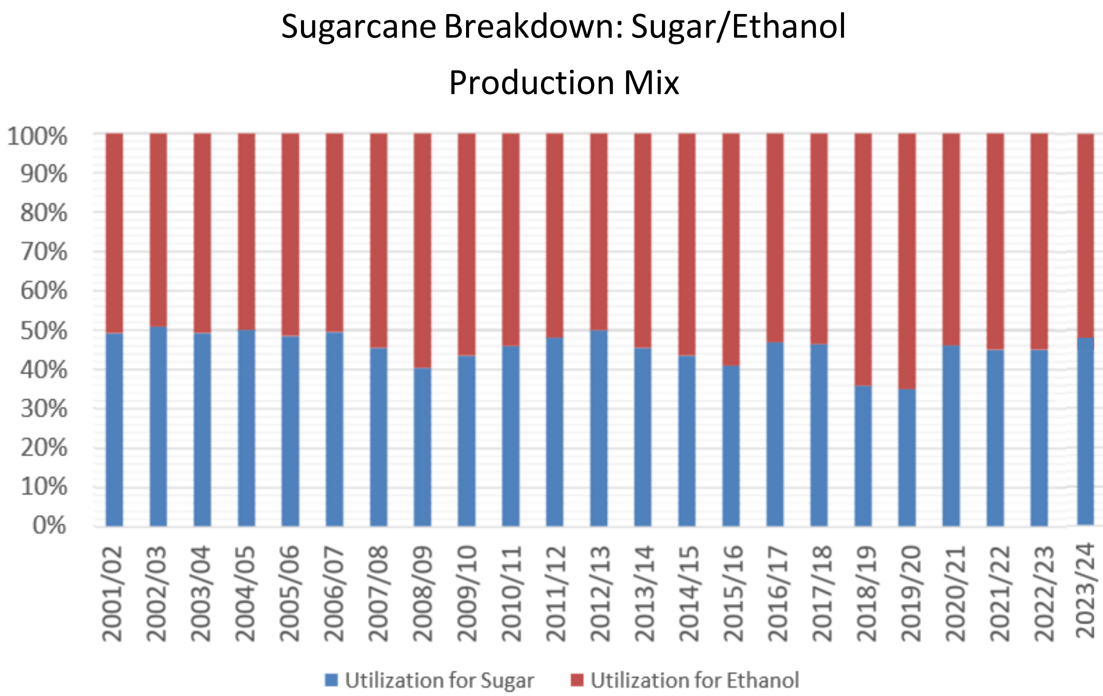
Brazilian sugar-ethanol mills have the unique ability to adjust the ratio of their ethanol and sugar production. The graph below shows the sugar #11 prices reported by the Intercontinental Exchange (ICE), indicating that sugar prices have remained elevated 2021. Therefore, sugarcane mills have preferred increasing sugar production during the 2022/23 season due to the favorable prices and the foreign demand.

Ethanol consumption has increased since the pandemic crisis and is expected to have a five percent increase in 2023/24. Although gasoline prices are expected to rise slightly until the 2023/24 period, which would encourage more ethanol demand, the recent changes in fuel tax legislation caused uncertainty in the sector. Therefore, most mills preferred to increase the sugar portion of the sugar-ethanol production mix. As a result, Post projects the sugarcane directed towards sugar and ethanol production for MY 2023/24 at 47.8 and 52.2 percent, respectively, compared to the 45.2 and 54.8 percent mix of MY 2022/23.

Sugar Prices #11

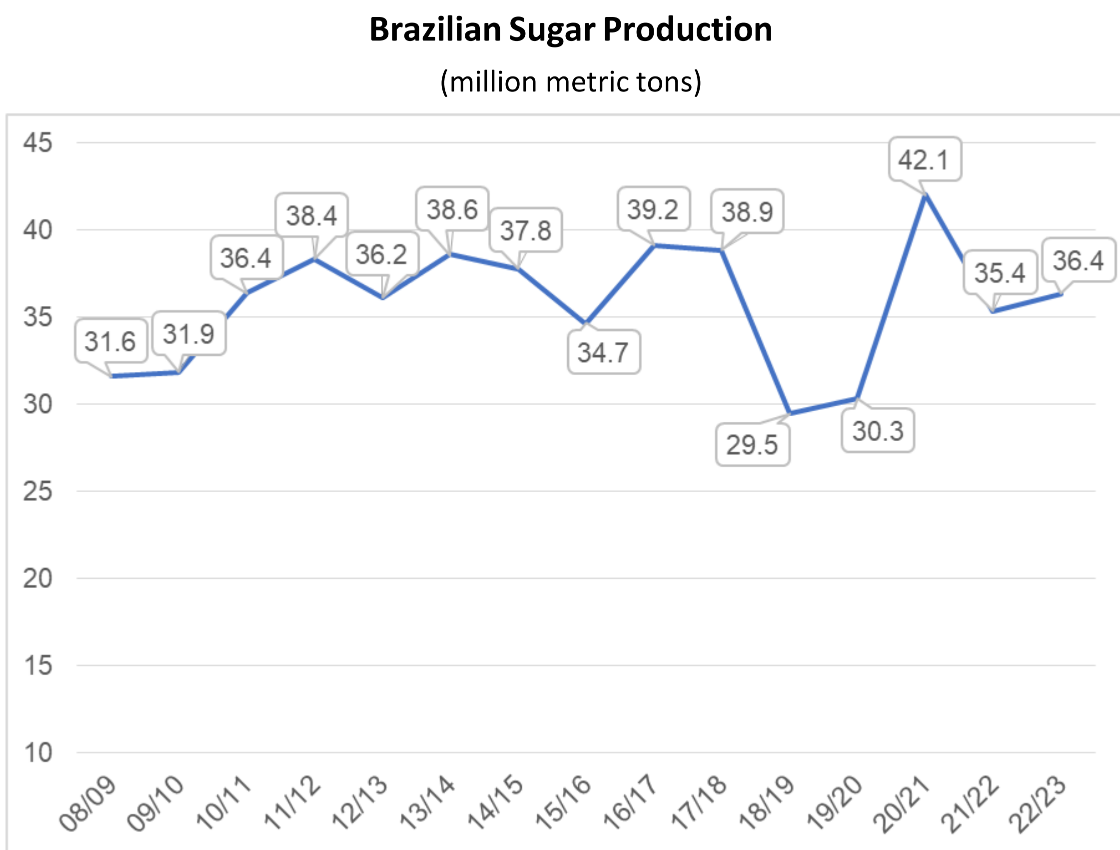
Source: Intercontinental Exchange (ICE).

The graph below shows the historical sugar/ethanol production mix breakdown. Note the shift towards more sugar production for MY 2020/21 and 2021/22 compared to the previous two crops, when higher ethanol demand combined with less attractive sugar prices favored more ethanol production. In 2022/23 the proportion for sugar continues to be around 45 percent, and Post forecast expects this proportion to increase to almost 48 percent in MY 2023/24.



Source: USDA/FAS-Brasília.

Brazil is the top world sugar producer with approximately 22 percent of the total production. Post forecasts sugar production for MY 2023/24 at 42 MMT, raw value, an increase of 10.4 percent compared to MY 2022/23 (38 MMT), due to the expected higher volume of sugarcane for crushing. The center-southern states should account for 38 MMT, raw value, up 13 percent relative to last year (33.6 MMT). The NNE sugar production should also increase, by around 6 percent, to 3.45 MMT of sugar, raw value, compared to 3.25 MMT of the previous season. The graph below shows the evolution of sugar production since MY 2008/09.



Source: USDA/FAS-Brasília.

According to updated data released by UNICA, total sugar production in the CS region for MY 2022/23 is 33.6 MMT, an increase of 4.8 percent compared to the same period in the previous MY. The following tables show monthly sugar production data for the state of Sao Paulo and the CS region for MY 2019/20 through MY 2022/23 (April through mid-March), as reported by UNICA.

Sugar Production in the State of Sao Paulo (Metric Tons, tel quel)				
Month	**19/20**	**20/21**	**21/22**	**22/23**
April	896,261	2,077,035	1,247,979	621,659
May	2,460,600	3,540,325	3,402,747	2,702,399
June	2,832,346	3,654,178	3,530,241	3,183,379
July	3,035,918	4,438,414	4,083,612	4,236,375
August	3,223,921	4,277,177	4,080,058	3,899,347
September	2,646,859	4,139,938	3,342,597	3,041,304
October	2,458,387	2,984,984	1,311,277	2,809,016
November	775,289	1,116,555	470,779	1,818,730
December	27,963	46,235	11,078	219,614
January	0	0	0	0
February	0	0	0	0
March *1	157,589	49,306	0	6,263
Cumulative	**18,515,133**	**26,324,147**	**21,480,368**	**22.538.086**
Source: Brazilian Sugarcane Industry Association (UNICA). *1 March 2022 up to March 15.				

Sugar Production in Center-Southern Brazil (Metric tons, tel quel)				
Month	**19/20**	**20/21**	**21/22**	**22/23**
April	1,382,273	3,004,807	2,156,915	1,196,968
May	3,475,214	5,042,277	5,033,945	3,866,290
June	4,082,023	5,298,051	5,149,836	4,653,080
July	4,423,054	6,469,897	6,024,308	6,284,434
August	4,651,032	6,170,137	5,962,038	5,781,583
September	3,835,497	6,069,945	4,890,336	4,570,283
October	3,432,103	4,356,601	2,009,965	3,990,226
November	1,139,066	1,674,592	797,446	2,708,703
December	63,113	105,222	23,974	476,613
January	7,922	9,559	0	36,057
February	2,508	40,023	0	2,706
March *1	267,549	223,828	0	15,565
Cumulative	**26,761,354**	**38,464,939**	**32,048,763**	**33,582,508**
Source: Brazilian Sugarcane Industry Association (UNICA). *1 March 2022 up to March15.				

According to the Ministry of Agriculture, Livestock and Supply (MAPA), cumulative sugar production for the 2022/23 crop (from April 1, 2022 to March 16, 2023) was 36.3 MMT, tel quel, whereas ethanol production was 30.4 billion liters (12.44 billion liters of anhydrous and 17.93 billion liters of hydrous ethanol). The table below shows updated estimates for sugarcane, sugar, and ethanol production by state for 2022/23, as reported by MAPA.

Cane, Sugar & Ethanol Production: 2022/23 Crop (MT and 1000 Liters)					
			Ethanol		
State/Region	**Cane**	**Sugar**	**Anhydrous**	**Hydrous**	**Total**
Espirito Santo	2,700,439	133,363	87,013	40,201	127,214
Goias	70,056,242	2,154,447	1,030,474	4,004,971	5,035,445
Minas Gerais	67,119,481	4,520,963	1,220,544	1,645,062	2,865,606
Mato Grosso Sul	43,190,700	1,447,987	1,252,975	1,980,120	3,233,095
Mato Grosso	15,876,611	501,642	1,578,942	2,452,717	4,031,659
Parana	30,746,358	2,212,105	590,110	493,556	1,083,666
Rio de Janeiro	1,002,687	28,701	0	63,648	63,648
Rio Grande Sul	0	0	1	3	4
Sao Paulo	310,799,225	22,434,057	5,552,387	6,306,764	11,859,151
Center South	**541,491,743**	**33,433,265**	**11,312,446**	**16,987,042**	**28,299,488**
Acre	0	0	0	0	0
Amazonas	217,656	12,051	0	4,586	4,586
Ceara	0	0	0	0	0
Maranhao	2,158,856	34,678	146,096	12,854	158,950
Para	1,168,831	60,254	40,300	12,672	52,972
Piaui	1,429,697	101,112	27,913	17,113	45,026
Rondonia	0	0	0	0	0
Tocantins	2,378,611	0	93,173	111,961	205,134
North	**7,353,651**	**208,095**	**307,482**	**159,186**	**466,668**
Alagoas	15,995,470	1,254,042	194,351	157,289	351,640
Bahia	4,657,677	87,522	132,348	192,318	324,666
Paraiba	6,755,670	154,122	268,850	156,098	424,948
Pernambuco	12,573,505	871,460	165,803	136,210	302,013
Rio Grande Norte	3,469,078	198,981	42,646	77,035	119,681
Sergipe	1,963,201	97,718	15,015	60,679	75,694
Northeast	**45,414,601**	**2,663,845**	**819,013**	**779,629**	**1,598,642**
TOTAL	**594,259,995**	**36,305,205**	**12,438,941**	**17,925,857**	**30,364,798**
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 03/16/2023					

Sugarcane and Sugar Prices in the Domestic Market

Sugarcane prices received by third-party suppliers for the major producing states are based on a formula that takes into account prices for sugar and ethanol in both the domestic and international markets. The

State of São Paulo Sugarcane, Sugar and Ethanol Growers Council (CONSECANA) was the first to develop this formula, and it is used for the state of Sao Paulo, which comprises approximately 60 percent of center-south production.

CONSECANA reports that the average sugarcane price (cumulative through February 2023) for the state of São Paulo for the 2022/23 crop was R$ 1.168 per kilogram of TRS, or approximately R$ 143.83 per ton of sugarcane, which is 2.2 lower than for MY 2021/22, after the high increases of sugar prices during the pandemic.

In February 2021, the Program for Continued Education in Economics and Business Management (PECEGE) of the ESALQ University (*Escola Superior de Agricultura "Luiz de Queiroz"*), reported that the price of total reducing sugar (TRS)/metric ton of sugarcane received by sugarcane growers in the State of Sao Paulo for MY 2023/24 is forecast at R$ 1.1786 per kilogram, an eight percent decrease compared to the previous MY.

The table below shows the Crystal Sugar Price Index released by ESALQ. The Index tracks crystal sugar prices received by producers in the domestic spot market. Sugar prices fell 13 percent during 2022, from R$ 151 per 50-kg bag in January to R$ 132 per 50-kg bag in December (see the sugar #11 future price series graph as reported by ICE in the Sugar and Ethanol Production Mix section).

Crystal Sugar Price Index - Domestic Market (Real, 50kg/bag, Including Tax)					
Period	**2019**	**2020**	**2021**	**2022**	**2023**
January	68.81	74.33	106.31	151.45	133,98
February	68.32	78.35	107.70	144.78	132,09
March *1	67.91	78.45	107.58	137.60	131,55
April	68.45	77.38	108.34	142.47	--
May	69.09	74.84	115.08	140,68	--
June	62.55	76.24	116.36	131,88	--
July	59.70	77.36	116.40	127,87	--
August	60.06	81.44	128.43	128,86	--
September	61.68	86.53	141.73	128,87	--
October	65.33	93.75	147.27	124,44	--
November	66.13	106.20	153.67	126,99	--
December	70.26	108.78	155.06	131,83	--
Source: USP/ESALQ/CEPEA. *1 refers to March 12.					

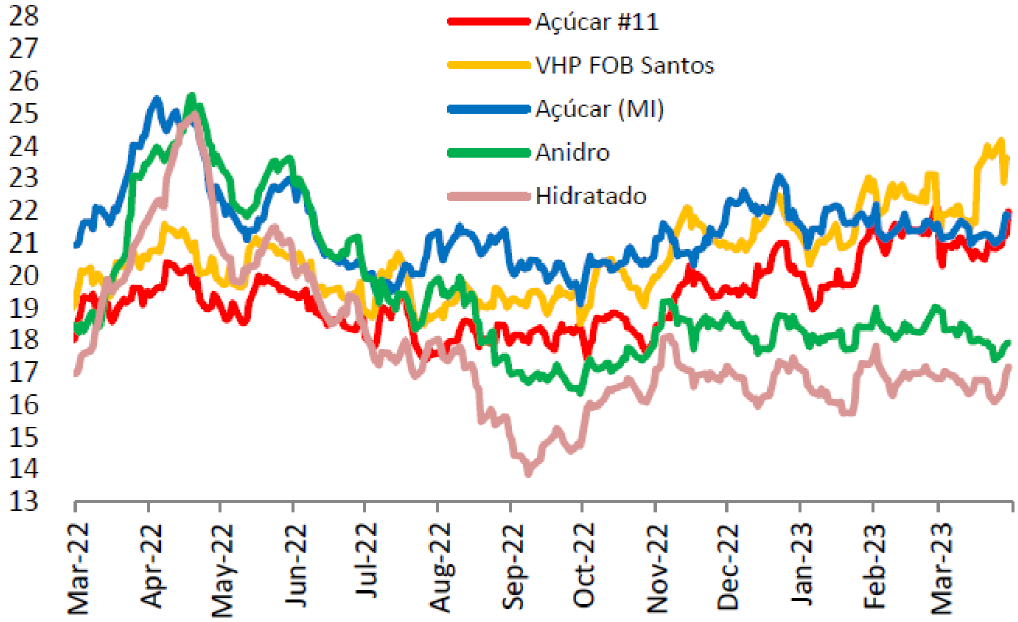
The sugar-ethanol price equivalency graph for the State of Sao Paulo, as reported by Datagro, is shown below. The March 2023 statistics shows that sugar contract #11 at ICE in New York was negotiated at 22.04 U.S. cents/lb. In contrast, very high polarity (VHP) sugar exported FOB from the Port of Santos and sugar sold on the domestic market were traded at approximately 23.1 and 22.0 U.S. cents/lb (FOB Santos), respectively. The ethanol price equivalence on the domestic market ranges between 17 and 18 cents/lb.

Market sources indicate that there is a sugar surplus of around 3 MMT in the global market in MY

2022/23, and that in MY 2023/24 there will be a deficit of 2 MMT. The global stock volume is expected to decrease in MY 2023/24, thereby exerting pressure on sugar prices to remain at elevated levels.

Price Equivalency

Center-South – US$ c/lb FOB Santos



Source: Datagro

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
January	3.13	3.16	3.65	4.25	5.48	5.36	5.10
February	3.10	3.24	3.74	4.50	5.53	5.14	5.21
March	3.17	3.32	3.90	5.20	5.70	4.74	5.12
April *1	3.20	3.48	3.94	5.43	5.40	4.92	
May	3.26	3.74	3.94	5.43	5.23	4.73	
June	3.30	3.86	3.83	5.48	5.00	5.24	
July	3.13	3.75	3.76	5.20	5.12	5.19	
August	3.15	4.14	4.14	5.47	5.14	5.06	
September	3.17	4.00	4.16	5.64	5.44	5.41	
October	3.27	3.72	4.00	5.77	5.64	5.26	
November	3.26	3.86	4.22	5.33	5.62	5.29	
December	3.31	3.87	4.03	5.20	5.58	5.22	
Source: Brazilian Central Bank (BACEN).							

Consumption

There is no official source for the domestic consumption of sugar in Brazil. Post forecasts Brazilian sugar consumption for MY 2023/24 at 9.54 MMT, raw value, which is only 0.4 percent higher than the MY 2022/23 volume. According to Datagro, the amount in tel quel sugar would be around 8.8 MMT in MY 2023/24. Post contacts estimate that 45 percent of the total domestic consumption is for direct use, e.g, consumers purchasing sugar at the grocery store, whereas 55 percent is for indirect use, e.g., for industrial use. According to the Brazilian Institute of Geography and Statistics (IBGE), retail refined sugar prices in the domestic market increased only around 2 percent in 2022, after a large jump of almost 40 percent in 2021.

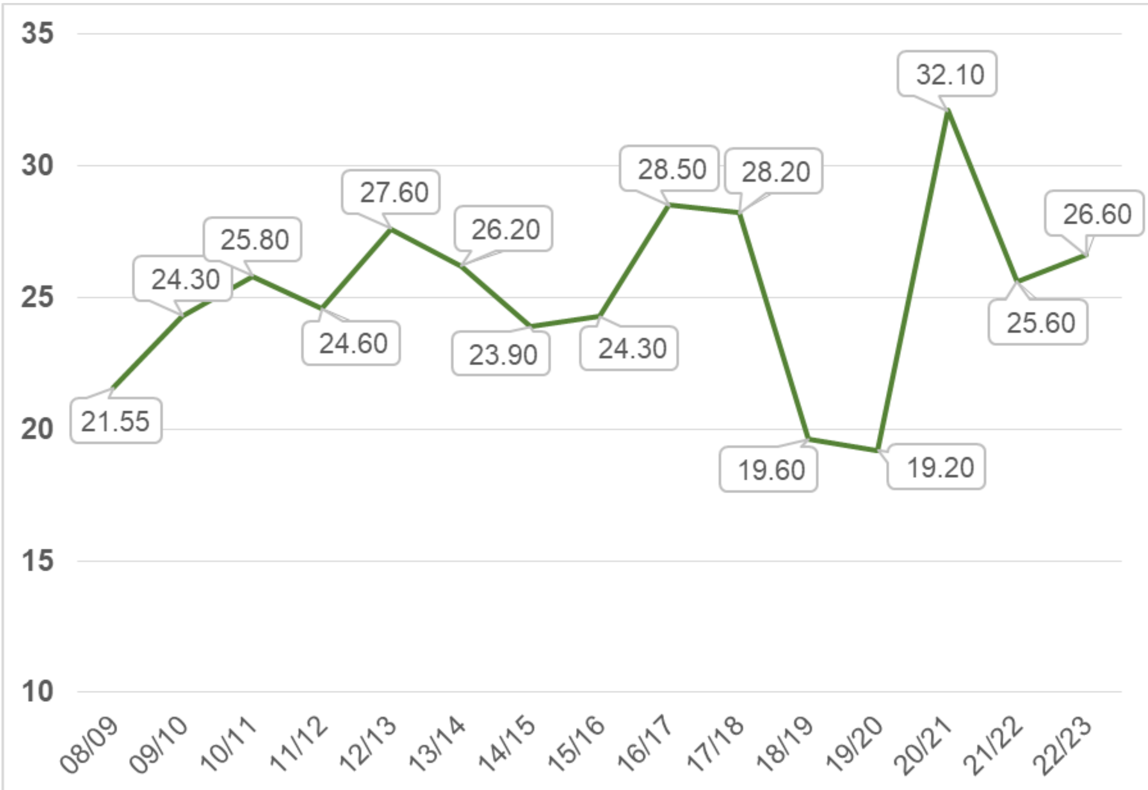
Sugar consumption is correlated to some extent to the country's economic activity. Indeed, in 2020-22, sugar consumption in Brazil fell nine percent due to the economic impact of the Covid-19 pandemic crisis. According to IBGE, the Brazilian Gross Domestic Product (GDP) in 2022 grew 2.9 percent. The Brazilian GDP for 2023 is forecast at a modest 1.6 percent, and sugar consumption is expected to experience a slight increase in MY 2023/24.

Exports

Brazil remains the largest sugar exporter worldwide with 47 percent of the world's total exports. Brazil is followed by India, Thailand, Guatemala and Mexico. Post forecasts Brazil's sugar exports for MY 2023/24 at 32.4 MMT, raw value, an increase of 4.2 MMT, raw value, from MY 2022/23 (28.2 MMT), due to the larger surplus of exportable sugar compared to the previous season. Raw sugar exports will likely account for 26 MMT during MY2023/24, raw value, whereas the remainder represents exports of refined sugar.

Since mid-2020, the Brazilian currency has remained relatively devalued against the U.S. dollar (see Exchange Rate section), which maintains the Brazilian product's high competitiveness in export markets. In addition, the world sugar market supply is likely to reach a deficit in MY 23/24, meaning there ought to be demand for Brazilian sugar. The graph below illustrates Brazilian sugar exports growth since 2008/09, despite the fluctuations.

Brazil Sugar Exports (million metric tons)



Source: USDA/FAS-Brasília.

The Brazilian sugarcane sector is concerned with a logistical issue that may occur, namely that exporters will compete with grain exporters for logistic vessels. Considering the current high transportation costs and prospects for record agricultural production in Brazil in the 2023-24 harvest, there will be pressure to compete for the transportation to export products. This risk is even higher if sugar production is delayed from the normal harvesting period, as it may coincide with the transportation of grains to the main ports of the country.

The following tables show Brazilian sugar exports by destination for MY 2021/22 and 2022/23 (April-February) as reported by the Trade Data Monitor (TDM). According to TDM, cumulative exports from April 2022 to February 2023 are 24.67 MMT, tel quel.

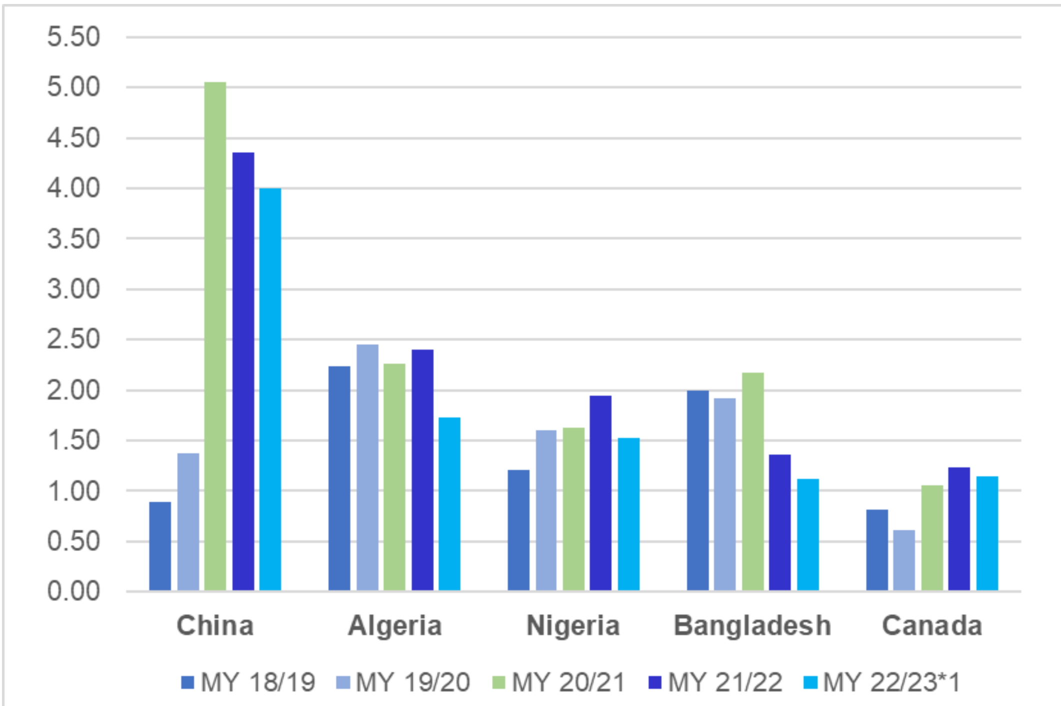
Brazilian Sugar Exports (NCMs 1701.11, 1701.13 & 1701.14, MT, tel quel, US$ 000FOB)				
	MY 2021/22		MY 2022/23 *1	
Country	**Value**	**Quantity**	**Value**	**Quantity**
China	1,478,267	4,357,225	1,576,066	4,004,325
Algeria	831,731	2,398,145	689,566	1,727,249
Nigeria	658,218	1,945,933	589,684	1,520,366
Bangladesh	458,359	1,361,057	433,309	1,119,090
Canada	444,697	1,233,787	468,240	1,141,204
Morocco	419,085	1,230,485	660,974	1,637,655
Malaysia	409,541	1,220,775	355,646	868,352
Saudi Arabia	374,591	1,127,737	413,550	1,036,119
Egypt	335,668	959,947	454,058	1,128,636
UAE	309,212	916,017	411,671	1,051,126
Others	3,384,227	9,439,130	4,581,325	9,434,229
Total	**9,103,597**	**26,190,238**	**10,634,090**	**24,668,351**
Source: Trade Data Monitor (TDM) based on the Brazilian Foreign Trade Secretariat (SECEX) Note: Numbers may not add due to rounding. *1 April - February				

Brazilian Sugar Exports (NCMs 1701.99.00, MT, tel quel, US$ 000 FOB)				
	MY 2021/22		MY 2022/23 *1	
Country	**Value**	**Quantity**	**Value**	**Quantity**
Ghana	118,003	338,882	92,110	198,684
Togo	116,459	311,133	87,879	191,913
Gambia	71,403	178,390	44,971	96,724
Angola	73,434	184,462	74,009	160,773
Benin	65,523	189,802	34,410	74,811
Cote d'Ivoire	62,282	175,886	69,228	159,916
Mauritania	70,794	176,320	127,290	266,181
Venezuela	102,706	166,766	101,785	153,324
Yemen	47,881	144,390	77,827	168,088
Guinea	58,302	159,353	76,711	163,144
Others	383,969	957,123	672,206	1,224,602
Total	**1,170,756**	**2,982,507**	**1,458,426**	**2,858,160**
Source: Trade Data Monitor (TDM) based on the Brazilian Foreign Trade Secretariat (SECEX) Note: Numbers may not add due to rounding. *1 April - February				

Major Brazilian sugar destinations include China, Algeria, Nigeria, Bangladesh, Morocco and Canada. The graph below illustrates Brazilian sugar exports by major destination for calendar years 2018 through 2022, as reported by the Trade Data Monitor (TDM).

Brazilian Sugar Exports - Major Destinations

(million metric tons)



Source: TDM - Trade Data Monitor. *1 until February 2023.

Stocks

Post forecasts total sugar ending stocks for MY 2023/24 at 760,000 MT, an increase of 70,000 MT from the revised estimate for MY 2022/23 (690,000 MT). There is no official source for carry-over stocks of sugar in Brazil.

The stock level is expected to only increase slightly due to the elevated foreign demand for sugar, together with a slight increase in domestic demand.

Policy

U.S. Sugar Tariff-Rate Quotas (TRQ)

Imports of sugar into the United States are governed by tariff-rate quotas (TRQ), which allow a certain quantity of sugar to enter the country under a low tariff. TRQs apply to imported raw cane sugar, refinedsugar, sugar syrups, specialty sugars, and sugar-containing products. The sugar import program meets the U.S. commitments under the Uruguay Round Agreement on Agriculture.

USDA establishes the annual quota volumes for each federal fiscal year (beginning October 1), 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 TRQs allocations based on historical trade to the United States. The top three quotaholding countries are the Dominican Republic, Brazil, and the Philippines.

The most recent quota distribution occurred on July 2022, when the U.S. government established the in-quota quantity for raw cane sugar for Fiscal Year (FY) 2023. As the second-largest recipient of the U.S. sugar tariff quota, Brazil obtained a raw value allocation of 155,993 metric tons. A volume was reallocated in March 2023, whereby Brazil received a volume of 42,765 MMT, which is 19 percent of the additional total. The table below shows the Brazilian U.S. sugar TRQ allocations (original and additional) for the past years. Over the past 12 years, Brazil received on average additional quotas of 37,433 MTRV per year, which is equivalent to 20 percent of the total volume of additional quotas. It is worth noting that Brazil also receives a favorable portion of the reallocated quota volumes, namely an average of 20,772 MTRV per year, i.e. around 18 percent of the total reallocated volume.

US Raw Sugar Tarif-Rate Quota (TRQ) for Brazil (Metric Tons)			
Fiscal Year -FY	**Original TRQ Allocation**	**Additional TRQ Allocation**	**Total**
2013	152,691	16,107	168,798
2014	152,691	15,251	167,942
2015	152,691	37,978	190,669
2016	152,691	33,865	186,556
2017	152,691	30,001	182,692
2018	152,691	30,000	182,691
2019	152,691	52,464	205,155
2020	152,691	158,203	310,894
2021	152,691	29,083	181,774
2022	152,691	16,320	169,011
2023*	155,993	40,447	196,440
Source: USTR. * Until April 2023.			

Sugarcane and Sugar PSD Tables

Sugar Cane for Centrifugal	2021/2022		2022/2023		2023/2024	
Market Year Begins	Apr 2021		Apr 2022		Apr 2023	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	9800	9800	9650	9650	0	9800
Area Harvested (1000 HA)	9350	9350	9200	9200	0	9330
Production (1000 MT)	576000	576000	621000	621000	0	661360
Total Supply (1000 MT)	576000	576000	621000	621000	0	661360
Utilization for Sugar (1000 MT)	259200	259200	280692	280692	0	316130
Utilizatn for Alcohol (1000 MT)	316800	316800	340308	340308	0	345230
Total Utilization (1000 MT)	576000	576000	621000	621000	0	661360

Sugar, Centrifugal	2021/2022		2022/2023		2023/2024	
Market Year Begins	Apr 2021		Apr 2022		Apr 2023	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	340	340	340	340	0	690
Beet Sugar Production (1000 MT)	0		0	0	0	
Cane Sugar Production (1000 MT)	35450	35450	38050	38050	0	42010
Total Sugar Production (1000 MT)	35450	35450	38050	38050	0	42010
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)	35790	35790	38390	38390	0	42700
Raw Exports (1000 MT)	20760	20760	22560	22560	0	25948
Refined Exp. (Raw Val) (1000 MT)	5190	5190	5640	5640	0	6450
Total Exports (1000 MT)	25950	25950	28200	28200	0	32398
Human Dom. Consumption (1000 MT)	9500	9500	9500	9500	0	9542
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	9500	9500	9500	9500	0	9542
Ending Stocks (1000 MT)	340	340	690	690	0	760
Total Distribution (1000 MT)	35790	35790	38390	38390	0	42700

Attachments:

No Attachments