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Global Agricultural Information Network

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Brazil

Sugar Semi-annual

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On October 18, 2013, Copersucar's 10-million-ton capacity export terminal at the Port of Santos suffered extensive fire damage. While repairs to the facility will take an estimated 12-18 months to complete, traders believe that remaining export terminals will generally absorb the lost capacity, but the fire will further complicate Brazil's already complex logistics. Brazil's MY 2013/14 sugarcane crush is estimated at 645 mmt, up 5 mmt from the previous estimate (640 mmt) due to improved crop conditions in the Northeast region. Approximately 47 percent of the crop should be diverted to sugar, down 1 percentage point compared to previous estimate. Total exports for MY 2013/14 are forecast at 27.25 mmt, raw value, similar to MY 2012/13 (27.65 mmt). (This report updates BR13001.)

Post: ATO Sao Paulo

PS&D Tables

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	9,800
Area Harvested	8,890	8,890	8,700	8,700	8,800	8,800
Production	561,000	561,000	591,100	591,100	640,000	645,000
Total Supply	561,000	561,000	591,100	591,100	640,000	645,000
Utilization for Sugar	269,670	269,670	295,550	295,550	311,232	303,150
Utilization for Alcohol	291,330	291,330	295,550	295,550	328,768	341,850
Total Utilization	561,000	561,000	591,100	591,100	640,000	645,000

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	-535
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	36,150	36,150	38,600	38,600	40,400	38,750
Total Sugar Production	36,150	36,150	38,600	38,600	40,400	38,750
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	35,865	35,865	38,315	38,315	39,865	38,215
Raw Exports	19,350	19,350	21,750	21,750	22,950	22,100
Refined Exp.(Raw Val)	5,300	5,300	5,900	5,900	6,350	5,150
Total Exports	24,650	24,650	27,650	27,650	29,300	27,250
Human Dom. Consumption	11,500	11,500	11,200	11,200	11,260	11,260
Other Disappearance	0	0	0	0	0	0
Total Use	11,500	11,500	11,200	11,200	11,260	11,260
Ending Stocks	-285	-285	-535	-535	-695	-295

Total Distribution	35,865	35,865	38,315	38,315	39,865	38,215
1000 MT						

Production

Sugarcane Production, Area and Yield

The Agricultural Trade Office (ATO/Sao Paulo) estimates total Brazilian sugarcane crush for marketing year (MY) 2013/14 (May-April) at 645 million metric tons (mmt), up 5 mmt from the previous estimate.

Total sugarcane production in the center-south (CS) remains at 585 mmt. The North-Northeast (NNE) is expected to crush 60 mmt of sugarcane, up 5 mmt from the previous season due to improved sugarcane stock conditions.

According to the Sugar and Alcohol Millers Association of Sao Paulo State (UNICA), 406.3 mmt of sugarcane were crushed in the CS from March through September 16, up 16 percent compared to the same period in 2012. UNICA reports that 22.9 million tons of sugar, tel quel, and 17.2 billion liters of ethanol were produced through September 16, representing a 5 and 25.9 percent increases, respectively, compared to 2012 levels (21.8 million tons of sugar and 13.6 billion liters of ethanol). These numbers also show that more sugarcane has been diverted toward ethanol production (55.03 percent compared to 50.5 percent in 2012).

The following tables show monthly sugarcane crush data for the state of Sao Paulo and the CS region for the 2009/10 to 2013/14 crops, as reported by UNICA. Sao Paulo represents approximately 56 percent of the CS production.

Sugarcane crushed in the state of Sao Paulo (1,000 metric tons).					
Month	09/10	10/11	11/12	12/13	13/14
February	0.00	207.21	0.00	0.00	0.00
March	2,665.32	4,120.21	708.01	104.32	0.00
April	27,545.3	35,863.9	13,464.1	6,649.1	26,345.5
May	46,716.6	51,305.9	49,442.9	34,197.0	47,425.1
June	46,210.3	52,523.4	48,575.0	32,888.1	39,035.6
July	46,934.1	52,596.6	53,335.4	54,517.2	52,400.1
August	45,596.4	52,065.6	49,139.9	56,677.7	57,342.0
September	37,594.3	40,116.0	46,245.9	44,961.6	26,582.1
October	44,334.6	36,567.7	27,754.5	47,015.4	0.0
November	36,651.4	27,872.0	14,814.4	37,562.3	0.0
December	16,809.7	5,606.2	702.4	14,497.8	0.0
January	3,638.0	294.6	0.0	581.9	0.0
February	3,221.3	105.9	23.9	122.5	0.0
March	3,343.3	257.5	23.4	55.9	0.0
Cumulative	361,260.7	359,502.7	304,229.9	329,830.9	249,130.4

Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).

Sugarcane crushed in Center-Southern Brazil (1,000 metric tons).					
Month	09/10	10/11	11/12	12/13	13/14
February	0	325	0	146	0
March	4,717	6,618	1,795	388	0
April	39,209	51,599	22,208	13,599	41,479
May	66,950	75,633	76,447	56,665	75,534
June	67,169	81,550	77,244	57,580	64,699
July	70,183	82,122	82,349	88,472	86,950
August	70,987	82,301	79,460	90,765	94,756
September	59,736	64,732	74,081	73,736	42,844
October	65,734	56,349	46,568	74,143	0
November	54,713	42,892	27,818	55,100	0
December	26,254	11,267	3,660	20,718	0
January	6,399	843	938	949	0
February	5,385	441	557	291	0
March	4,527	270	138	56	0
Cumulative	541,962	556,945	493,264	532,607	406,263
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Total sugarcane area planted and harvested for MY 2013/14 remain at 9.8 and 8.8 million hectares, respectively. The agricultural yield in MY 2013/14 is estimated at 73.3 metric tons (mt)/hectare (ha), slightly up compared to the previous figure (72.7 mt/ha), due to better crop conditions in the Northeast. Industrial yields are estimated at 133.72 kg of TRS (total reducing sugars)/mt of sugarcane, down 2.72 kg/mt compared to previous estimate based on updated information from the sugar industry.

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	133.72
Source: USDA/FAS/ATO/Sao Paulo * MY 2013/14 - estimate					

Sugarcane and Ethanol

Total sucrose (total reducing sugar, TRS) content destined for sugar and ethanol production is estimated at 47/53 percent for MY 2013/14, therefore sugarcane diverted to sugar is down 1 percentage point compared to previous estimate. As reported by UNICA, the Center South prioritized ethanol production as opposed to sugar even after the continuous and steady devaluation of the local currency, the real, during the past months.

ATO/Sao Paulo estimates sugar production for MY 2013/14 at 38.75 mmt, raw value, down 1.65 mmt, raw value, from previous figure, 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 Sao Paulo and the CS region for the 2009/10 to 2013/14 crops, as reported by UNICA.

Sugar production in the state of Sao Paulo (Metric tons, tel quel)					
Month	09/10	10/11	11/12	12/13	13/14
February	0	4,575	0	0	0
March	68,428	154,759	23,072	3,691	0
April	1,152,563	1,745,785	467,145	287,294	1,194,963
May	2,530,999	3,025,435	2,734,815	1,952,653	2,821,939
June	2,728,867	3,427,445	3,161,100	2,017,509	2,286,998
July	3,020,119	3,703,160	3,853,337	3,800,734	3,398,661
August	3,043,705	3,923,784	3,840,998	4,377,261	4,211,415
September	2,468,929	3,125,428	3,801,633	3,584,137	2,084,868
October	2,838,435	2,357,500	2,118,061	3,681,687	0
November	2,065,829	1,726,851	1,023,956	2,647,361	0
December	570,067	228,169	43,837	912,666	0
January	77,063	4,471	0	11,736	0
February	70,985	6,287	0	6,356	0
March	93,377	12,470	0	1,004	0
Cumulative	20,729,364	23,446,119	21,067,954	23,284,089	15,998,844

Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).

Sugar production in Center-Southern Brazil (Metric tons, tel quel).					
Month	09/10	10/11	11/12	12/13	13/14
February	0	4,575	0	4,692	0
March	147,030	208,240	56,496	5,052	0
April	1,572,304	2,342,614	761,078	535,505	1,695,238
May	3,364,577	4,094,385	3,966,565	2,983,558	3,922,541
June	3,669,831	4,854,177	4,618,058	3,161,408	3,290,570
July	4,137,318	5,284,255	5,411,365	5,605,984	4,931,834
August	4,381,252	5,704,484	5,629,162	6,366,406	6,119,226
September	3,552,156	4,619,064	5,607,822	5,342,707	2,961,563
October	3,824,806	3,425,318	3,257,617	5,331,840	0
November	2,786,747	2,496,111	1,776,138	3,576,444	0
December	870,648	437,100	178,575	1,156,251	0
January	118,870	10,797	28,526	14,532	0
February	108,770	7,031	14,408	6,356	0
March	110,527	12,574	2,332	1,004	0
Cumulative	28,644,834	33,500,725	31,308,142	34,091,739	22,920,972

Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).

The tables below show sugarcane, sugar and ethanol production by state for the 2012/13 and 2013/14, as reported by MAPA.

Cane, Sugar & Ethanol Production: 2012/13 Crop (MT and 000 Liters)					
State/Region	Cane	Sugar	Ethanol		Total
			Anhydrous	Hydrous	
Acre	70,281	0	0	4,101	4,101
Alagoas	23,459,852	2,228,110	339,805	203,351	543,156
Amazonas	266,473	15,240	0	4,046	4,046
Bahia	3,083,714	113,368	78,747	76,474	155,221
Ceara	56,822	0	0	3,976	3,976
Maranhao	2,071,876	8,900	136,497	23,437	159,934
Para	695,321	37,134	22,123	10,740	32,863
Paraíba	5,292,651	208,746	150,817	154,924	305,741
Pernambuco	13,573,865	1,221,011	170,256	104,330	274,586
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	2,147,512	129,834	35,373	75,249	110,622
Tocantins	1,800,222	0	108,875	48,172	157,047
NNE	55,719,561	4,148,676	1,114,617	749,825	1,864,442
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	51,207,923	3,418,321	846,750	1,163,540	2,010,290
Mato Grosso Sul	36,993,527	1,741,884	484,969	1,432,336	1,917,305
Mato Grosso	16,318,773	491,919	475,770	508,677	984,447
Parana	39,741,026	3,096,153	393,665	912,447	1,306,112
Rio de Janeiro	1,891,588	95,342	0	68,195	68,195
Rio Grande Sul	32,852	0	0	1,665	1,665
Sao Paulo	331,173,721	23,371,199	5,454,095	6,563,966	12,018,061
	533,517,580	34,208,458	8,580,509	13,028,403	21,608,912
Center South	0	8	9	3	2
TOTAL	589,237,141	38,357,134	9,695,126	13,778,228	23,473,354

Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 09/01/2013

Cane, Sugar & Ethanol Production: 2013/14 Crop (MT and 000 Liters)					
State/Region	Cane	Sugar	Ethanol		Total
			Anhydrous	Hydrous	
Acre	88,940	0	0	5,009	5,009
Alagoas	0	0	0	0	0
Amazonas	19,069	864	0	167	167
Bahia	1,953,289	52,043	64,331	46,190	110,521
Ceara	0	0	0	0	0
Maranhao	921,110	3,620	106,630	32,505	139,135
Para	334,990	12,598	8,406	5,784	14,190
Paraíba	0	0	0	0	0
Pernambuco	0	0	0	0	0
Piaui	512,726	24,032	15,475	371	15,846
Rio Gde Norte	0	0	0	0	0
Rondonia	77,741	0	0	5,429	5,429
Sergipe	0	0	0	0	0
Tocantins	1,338,429	0	62,720	48,554	111,274
NNE	5,246,294	93,157	257,562	144,009	401,571
Espirito Santo	2,049,493	65,418	64,395	37,114	101,509
Goias	38,329,162	1,142,152	593,416	1,722,660	2,316,076
Minas Gerais	37,637,932	1,944,612	748,857	868,129	1,616,986
Mato Grosso Sul	26,115,413	898,934	352,809	1,044,721	1,397,530
Mato Grosso	10,369,745	250,504	339,691	292,870	632,561
Parana	23,625,733	1,641,657	262,989	541,524	804,513
Rio de Janeiro	418,727	39,750	0	37,452	37,452
Rio Grande Sul	46,294	0	0	2,739	2,739
Sao Paulo	219,450,185	13,544,453	3,939,285	4,378,589	8,317,874
	358,042,68	19,527,48	6,301,44	8,925,79	15,227,24
Center South	4	0	2	8	0
TOTAL	363,288,97	19,620,63	6,559,00	9,069,80	15,628,81
	8	7	4	7	1

Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 09/01/2013

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 for the 2013/14 crop (April-September) for the state of Sao Paulo, in reais, is R\$ 0.4439 per kg of TRS, or R\$ 58.45 per ton of sugarcane, down R\$ 5.09 per ton

compared to the same period (April-September) for the 2012/13 crop (R\$ 0.4806 per kg of TRS, or approximately R\$ 63.54 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 Index released by the University of Sao Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ) follows. The index tracks crystal sugar prices in the domestic spot market. Prices have decreased during the 2013/14 crop following the drop of international sugar prices.

Crystal Sugar Prices - Domestic Market (Real, 50kg/bag, including tax).					
Period	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	46.48	63.66	66.24	56.44	44.21
May	44.57	43.76	59.73	54.58	44.55
June	42.20	40.40	52.25	55.12	44.23
July	41.46	40.90	64.33	56.96	44.48
August	45.43	46.42	68.49	56.08	43.55
September	55.50	56.91	65.21	49.85	45.34
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.

Consumption

There is no official source for domestic consumption of sugar in Brazil. ATO/Sao Paulo estimates for the Brazilian sugar consumption for MY 2013/14 remains at 11.26 mmt, raw value, based on updated information from post contacts.

Trade

Sugar Exports

Brazilian sugar exports for MY 2013/14 are estimated at 27.25 mmt, raw value, down 2.05 mmt from previous figure due to expected lower sugar availability. Raw sugar exports should contribute 22.1 mmt of total exports. Refined exports should account for 5.15 mmt, raw value.

The following tables show Brazilian sugar exports by destination for MY 2012/13 and MY 2013/14 (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 2012/13 1/		MY 2012/13 2/		MY 2013/14 2/	
Country	Quantity	Value	Quantity	Value	Quantity	Value
China	2,420,628	1,208,239	1,258,458	644,626	1,752,480	716,370
Algeria	1,775,390	864,351	546,375	287,187	486,586	211,706
Indonesia	1,650,803	795,547	273,674	141,578	292,673	125,051
Russia	1,519,015	746,209	554,067	292,486	292,424	124,752
India	1,483,753	697,015	127,414	62,511	259,180	106,407
Egypt	1,369,786	679,821	554,907	289,158	382,697	153,944
Malaysia	1,283,286	630,138	291,659	150,618	398,208	168,766
Bangladesh	1,245,377	605,312	370,654	189,048	773,166	322,295
UAE	1,134,026	535,750	295,051	150,348	123,148	56,412
Morocco	1,041,300	512,881	412,878	216,473	288,108	120,124
Others	7,249,014	3,656,080	2,124,309	1,126,306	2,712,734	1,147,972
Total	22,172,379	10,931,343	6,809,445	3,550,340	7,761,404	3,253,799

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 2012/13 1/		2012/13 2/		2013/14 2/	
Country	Quantity	Value	Quantity	Value	Quantity	Value
UAE	975,756	465,825	144,916	72,931	311,465	111,860
Yemen	459,259	246,378	139,213	77,967	199,546	92,973
Saudi Arabia	449,552	214,617	175,718	85,904	161,785	68,030
Ghana	419,261	236,565	116,500	71,799	111,700	53,266
Nigeria	348,791	179,759	83,392	43,801	125,829	50,753
Sri Lanka	281,598	149,854	31,861	18,100	77,058	35,514
South Africa	244,398	137,831	82,842	50,110	108,655	51,978
Colombia	243,963	130,399	89,046	50,398	44,685	21,089
Angola	233,086	127,806	52,038	30,667	145,852	73,833
Mauritania	196,758	107,806	53,748	32,196	135,230	66,519
Others	1,903,182	1,116,193	556,539	342,827	513,288	262,697

Total	5,755,604	3,113,033	1,525,813	876,699	1,935,094	888,511
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 2013/14 are estimated at -295,000 mt, raw value, up 400,000 mt from previous estimate. Negative stocks will be 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).

Logistics

On October 18, the Copersucar sugar terminal in the port of Santos was damaged by fire. The cause of the fire is being investigated. The incident damaged warehouses and conveyor belts that transport sugar.

Copersucar is comprised of 47 sugar-ethanol producers and the company's gross income for 2012 reached US\$ 4.1 billion. Prior to the incident, Copersucar's export projection for 2013 was 9 million metric tons of sugar, up 1.8 million tons from 2012. Copersucar had recently inaugurated a new warehouse in the terminal which increased the annual capacity to export sugar to 10 million metric tons.

In addition to losses estimated at 180,000 metric tons of sugar, the company will likely delay fulfilling the contracts. Moreover, industry analysts report that the reconstruction of the sugar terminal should take between 12 and 18 months. Traders believe that the temporary loss in export capacity will generally be offset by other terminals in Santos, but the port will lose some exporting capacity in the next year or so.

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	2.03	1.69	2.18	1.77	1.57	1.89	2.00
May	1.93	1.63	1.97	1.81	1.57	2.02	2.13
June	1.93	1.64	1.95	1.80	1.57	2.02	2.22
July	1.88	1.57	1.87	1.75	1.56	2.05	2.29
August	1.96	1.63	1.88	1.75	1.59	2.04	2.37
September	1.84	1.92	1.78	1.69	1.85	2.03	2.23
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)