News Release Archive

Platts Pre-Report Survey of Analysts Results: UNICA Sugarcane Crush - 1H October

Advance Estimates Suggest a 1H October Cane Crush of 36.84 Million mt in Brazil's Center-South
Likely 43.25% Sugar Mix for 1H October 2015: Analysts

LONDON and SAO PAULO, Oct. 21, 2015 /PRNewswire/ --

Platts Survey of Analysts

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--  Cane crush: 36.84 million metric tons (mt)
--  Total recoverable sugar (ATR):  141.66 kilograms per metric ton (kg/mt)
--  Sugar production: 2.127 million mt
--  Total ethanol production: 1.744 billion liters (ltr)
--  Hydrous ethanol production:  1.023 billion ltr
--  Anhydrous ethanol production: 721 million ltr
--  Sugar mix: 43.25%
--  Ethanol mix:  56.75%
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Sugarcane crush volumes in the key Center-South region of Brazil in the first half (1H) of October are expected to total 36.84 million mt, according to a survey of analysts conducted Wednesday by Platts Kingsman*, an agriculture analysis and forecasting unit of Platts. Platts is a leading global provider of energy and commodities information and benchmark prices. The consensus estimate accounts for an average of 2.6 days of crush lost to rain.

Wider analyst expectations for cane crush spanned 34 million mt to 40 million mt. Brazilian sugarcane industry group UNICA is expected to release its bi-monthly sugarcane harvest data in the next few days. Regarding total recoverable sugar, or ATR, the poll of analysts' forecasts 141.66 kg/mt, with a wider range from 140 kg/mt to 143.9 kg/mt.

Analysts at Platts Kingsman forecast the cane crush at 37.1 million mt and ATR at 141.7 kg/mt, down 3.94 kg/mt from second half of September.

According to a Platts survey of industry analysts, the sugar mix in 1H October is expected to reach 43.25%, up 0.27 percentage points on a year-over-year basis. Since the end of August the combination of the international sugar price and the low exchange rate for the Brazilian Real against the U.S. Dollar has been favorable for sugar production. The Platts Kingsman analyst forecast is close to the consensus estimate of industry analysts, at 43.4% sugar mix.

In terms of ethanol production, the average of analysts' expectations pointed to total output of 1.744 billion liters, which would be a decrease of 245 million liters compared with the second half (2H) of September. Even with a possible decline in production in the first two weeks of October, such an estimate, if realized, would bring cumulative ethanol production since the start of the season to 21.931 billion liters, or up 1.6% from the same period a year ago.

Hydrous ethanol production is expected to reach 1.023 billion liters, which would be down 9.72% from October 2014. Despite an uptick, supported by the increase of 6% in the gasoline prices on an ex-refinery basis on September 29, sugar prices remain favorable in the international market. From September 29 to October 20, ethanol prices based on Platts' hydrous ethanol ex-mill Ribeirao Preto assessment rose 12.18% from Real 1,560 per cubic meters (/cu m) to Real 1,750/cu m.

If the consensus proves correct, the accumulated hydrous production in Brazil's Center-South will total 13.677 billion liters, up 1.28 billion liters from the same period a year ago.

1H October anhydrous output is expected to be 721 million liters, down 78 million liters from the prior two-week period. Lower consumption of gasoline, capped by higher consumption of hydrous ethanol, has sparked a cumulative production plunge in anhydrous ethanol. Accumulated anhydrous production is expected to reach 8.212 billion liters, down 10.48% from the same period a year ago. Brazilian Gasoline C is a blend of gasoline A with 27% of anhydrous ethanol.

Although domestic consumption is low, exports in 2015 are expected to remain stable compared to a year ago. According to Platts Kingsman, the total volume may reach 1.42 billion liters, which includes both fuel and industrial ethanol exported out of Brazil's Center-South and North-Northeast regions.

The Brazilian Real's devaluation versus the U.S. Dollar has encouraged greater ethanol exportation. The latest government data shows September exports totaled nearly 174 million liters. That is an increase of 46% compared with September 2014. Cumulative Brazilian ethanol exports to date total 1.12 million liters, up 5% from the same period a year ago.

So long as a wet climate doesn't hamper harvest, mills will likely try to speed up sugar production, despite the fact that the 2015/16 crop has now entered late stage, when a low ATR typically boosts the cost of sugar production.

CS Brazil Sugarcane Production Data - 1H October, 2015 (as of Oct16)

Category	Unit	Survey	Kingsman	UNICA (2014)
Cane crush	(mil mt)	36.84	37.1	39.41
ATR	(kg/mt cane)	141.66	141.7	145.73
Sugar output	(mil mt)	2,127	2,174	2,364
Ethanol total	(mil ltr)	1,744	1,745	1,913
Hydrous output	(mil ltr)	1,023	1,044	1,132
Anhydrous output	(mil ltr)	721	701	781
Sugar Mix	(%)	43.25	43.4	42.98
Ethanol Mix	(%)	56.75	56.6	57.02

CS Brazil Sugarcane Production Data - 2H September, 2015 (as of Oct1)

Category	Unit	Survey	Kingsman	UNICA
Cane crush	(mil mt)	40.62	40.7	40.47
ATR	(kg/mt cane)	147.68	149.5	145.64
Sugar output	(mil mt)	2,378	2,534	2,387
Ethanol total	(mil ltr)	2,040	2,011	1,989
Hydrous output	(mil ltr)	1,229	1,237	1,189
Anhydrous output	(mil ltr)	811	774	799
Sugar Mix	(%)	41.93	43.7	42.51
Ethanol Mix	(%)	58.07	56.3	57.49

Sources: Platts Pre-Report Survey of Analysts Results-UNICA Sugarcane Crush, Kingsman, Unica.

Visit the Platts and Platts Kingsman websites for more information on sugar and biofuels.

Contact Platts Communications to arrange interviews with Platts Kingsman sugar and ethanol analysts: Claudiu Covrig, Maria Nunez, Alessandra Rosete, and Beatriz Pupo; and Platts sugar price assessments specialists: David Elward, Nicolle Monteiro de Castro and Darren Stetzel. If you would like to receive this on a regular basis, please select Agriculture at this alerts sign-up link.

Editor's Note: *Kingsman is Platts' agricultural business unit, acquired in 2012. In its bi-monthly cane harvest update, UNICA publishes a range of sugarcane harvest production metrics for Brazil's Center-South region, also broken down into Sao Paulo and other states.

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