S&P Global Platts Pre-Report Survey of Analysts Results: UNICA Sugarcane Crush - 2016-17 Season 2H April

Advance Estimates Suggest a 2H April Cane Crush of 36.27 Million MT in Brazil's Center-South;
- Likely 42.38% Sugar Mix; ATR at 117.44 kg/mt of cane: Analysts -

LONDON and SAO PAULO, May 9, 2016 /PRNewswire/ --

Platts Survey of Analysts (2H April)

-- Cane crush: 36.27 million metric tons (mt)
-- Total recoverable sugar (ATR): 117.44 kilograms per metric ton (kg/mt)
-- Sugar production: 1.726 million metric tons (mt)
-- Total ethanol production: 1.447 billion liters (ltrs)
-- Hydrous ethanol production: 990 million ltrs
-- Anhydrous ethanol production: 456.9 million ltrs
-- Sugar mix: 42.38%
-- Ethanol mix: 57.62%

The amount of sugarcane crushed in Brazil's key Center-South (CS) region in the second half (2H) of April is expected to total 36.27 million mt, according to an S&P Global Platts survey of analysts.

The 2016-17 sugarcane season started April 1 in the Center-South, the largest sugarcane region in the world.

If realized, this volume would be a new record for the period. The previous record was in the 2013-14 season, when the crush came to 32.14 million mt.

Weather has been drier than average across the region, favoring intense harvesting, and more mills are expected to have come online.

The wider range of analyst expectations for the cane crush spanned from 33.7 million mt to 40 million mt.

Considering the average poll results for crushing, the accumulated volume in April is expected to be 72% higher than last year at 69.07 million mt, compared with the previous record of 51.6 million mt in the 2010-11 season.

Official production figures are expected to be released Tuesday by industry association UNICA.

S&P Global Platts' poll of analysts showed an average forecast of just 1.6 days lost to rain in 2H April and a consensus for total recoverable sugar (ATR) at 117.44 kg/mt, but a wider range of estimates at 115-120 kg/mt.

Analysts at Platts Kingsman, an agricultural analytics unit of S&P Global Platts, forecast cane crush of 36.5 million mt.

Platts Kingsman senior analyst Claudiu Covrig said that a 5.7 kg/mt rise in ATR from the previous fortnight to 117.1 kg/mt is expected, supporting a higher allocation of sucrose to sugar production.

"The sugar mix was also sustained by sugar being more profitable than ethanol by as much as 420 points on some days in 2H April," Covrig said. "We therefore estimate a recovery in the sugar mix of 1.7 percentage points on the fortnight to 42.7%. This should have led to sugar production of about 1.739 million mt (a record high for the period) and ethanol output of around 1.466 billion liters (with hydrous ethanol taking the lion's share at 1.02 million cubic meters)."

Industry analysts surveyed by S&P Global Platts estimated the percentage of sugarcane put toward sugar production in 2H April at 42.38%, compared with 34.64% last season. Sugar production was expected to increase 64% to nearly 1.73 million mt.

The balance of the cane, or 57.62%, was expected to be directed to produce nearly 1.45 billion liters of ethanol, up 27% from same period last year.

Of this, roughly 68% of the volume (990 million liters) is expected to be hydrous ethanol and the balance (nearly 457 million liters) anhydrous.

Hydrous is used in Brazil as a standalone biofuel in flex-fuel vehicles, while anhydrous is mixed with gasoline at a proportion of 27%.

CS Brazil Cane Production Data - 2H April, 2016 (as of May 1)

Category	Unit	Survey	Kingsman	UNICA (2015-16)	Y-O-Y
Cane crush	(million mt)	36.27	36.5	27.12	34%
ATR	(kg/mt cane)	117.44	117.1	111.67	5%
Sugar output	(million mt)	1.726	1.739	1.053	64%

Ethanol total	(billion ltr)	1.447	1.466	1.140	27%
Hydrous output	(million ltr)	990	1,020	821	21%
Anhydrous output	(million ltr)	457	446	319	43%
Sugar Mix	(%)	42.38	42.7	34.64	
Ethanol Mix	(%)	57.62	57.3	65.36	

CS Brazil Cane Production Data - 1H April, 2016 (as of April 16)

Category	Unit	Survey	Kingsman	UNICA
Cane crush	(million mt)	29.38	27.50	32.80
ATR	(kg/mt cane)	108.49	108.50	111.42
Sugar output	(million mt)	1.097	1.010	1.429
Ethanol total	(billion ltr)	1.207	1.154	1.279
Hydrous output	(million ltr)	921	881	891
Anhydrous output	(million ltr)	286	273	387
Sugar Mix	(%)	36.07	35.50	40.99
Ethanol Mix	(%)	63.93	64.50	59.01

Sources: Platts Pre-Report Survey of Analysts Results--UNICA Sugarcane Crush, Platts Kingsman, UNICA. *Year-on-year change compares Platts Survey against UNICA's figures for 2015-16

Visit the S&P Global 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 Platt's 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: 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 São Paulo and other states.

Media Contacts:
Global, Americas, Asia: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@spglobal.com

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CONTACT: EMEA: Arnaud Humblot +44 207 176 6685, arnaud.humblot@spglobal.com and Alex Brog +44 207 176 7645, alex.brog@spglobal.com;Global, Americas, Asia: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@spglobal.com; Singapore: Platts (platts@ryancommunication.com)

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