

S&P Global Platts Pre-Report Survey of Analysts Results: UNICA Sugarcane Crush - 2016-17 Season 1H May

Advance Estimates Suggest a 1H May Cane Crush of 38.34 Million mt in Brazil's Center-South - Likely 43.89% Sugar Mix; ATR at 126.04 kg/mt of cane: Analysts -

PR Newswire
LONDON and SAO PAULO

LONDON and SAO PAULO, May 31, 2016 [PRNewswire/](#) --

Platts Survey of Analysts (1H May)

- Cane crush: 38.34 million metric tons (mt)
- Total recoverable sugar (ATR): 126.04 kilograms per metric ton (kg/mt)
- Sugar production: 2.025 million metric tons (mt)
- Total ethanol production: 1.593 billion liters (ltrs)
- Hydrous ethanol production: 997 millionltrs
- Anhydrous ethanol production: 596 million ltrs
- Sugar mix: 43.89%
- Ethanol mix: 56.11%

The total amount of sugarcane crushed in Center-South (CS) Brazil is expected to be 38.34 million metric tons (mt) in the first half of May, according to an S&P Global Platts survey of analysts. This would represent a 34% increase, or 9.69 million mt rise versus a year ago.

While there was a record crush in April, 1H May is not believed to have followed suit. The dry weather and a fast pace of harvesting last month resulted in 69 million mt of cane crushed, according to industry association UNICA. But the first period of May was wet with roughly 1.7 days lost to rain. The record high in 1H May was in the 2013-14 season (April-March) when CS Brazil crushed 40.42 million mt.

Official numbers will be released by UNICA on Wednesday at 10:00 am local time (1300 GMT).

According to the poll of analysts, on average, the new season-to-date (April 1 to 1H May) cane crush will total 107.4 million mt, up 56% on the year.

Wider analyst expectations for the cane crush ranged from 36.9 million mt to 40.5 million mt.

Analysts at Platts Kingsman, an agricultural analytics unit of S&P Global Platts, forecast a cane crush of 38.3 million mt. According to Platts Kingsman senior analyst Claudiu Covrig, even if May has been wet compared with a dry April, the increase in the number of mills coming online in 1H May most likely contributed to a higher crush volume than in 2H April.

"The ATR expected for the period should have continued to recover, leading to a higher sugar mix," Covrig said. Reason: Historically, there is an upward trend toward the peak of the crop.

"We estimate ATR recovered on the fortnight by some 3.4 kg/mt to 126 kg/mt, which would be up 8.09 kg/mt year over year and would push the sugar mix upwards. We expect the sugar mix to be 44%, up 1.1 percentage points from 2H April and up 6.1 percentage points from a year ago."

The S&P Global Platts survey showed analysts expect the 1H May sugarcane crushed for use in sugar production was 43.89%, with the balance of the crush, or 56.11%, aimed at ethanol production.

Surveyed analysts foresee an ATR of 126.04 kg/mt of cane.

Sugar output is expected to total 2.025 million mt, an increase of 66% from this time a year ago. If realized, total sugar output so far this season would be up 97% from last year at nearly 5.3 million mt.

Although a higher sugar mix is expected by analysts this season, total ethanol output is expected to increase 28% year over year in 1H May to 1.59 billion liters. Of this, nearly 997 million liters of hydrous ethanol is anticipated and 596 million liters of

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

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

Category	Unit	Survey	Kingsman	UNICA (2015-16)	Y-O-Y*	var. Vol
Cane crush	(million mt)	38.34	38.30	28.65	34%	9.69
ATR	(kg/mt cane)	126.04	126.00	118.38	6%	7.66
Sugar output	(thousand mt)	2,025	2,025	1,223	66%	801.49
Ethanol total	(million ltr)	1,593	1,610	1,244	28%	348.81
Hydrous output	(million ltr)	997	1,030	849	17%	147.58
Anhydrous output	(million ltr)	596	580	395	51%	201.23
Sugar Mix	(%)	43.89	44.00	37.85		
Ethanol Mix	(%)	56.11	56.00	62.15		

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

Category	Unit	Survey	Kingsman	UNICA
Cane crush	(million mt)	36.27	36.5	36.07
ATR	(kg/mt cane)	117.44	117.10	122.57
Sugar output	(thousand mt)	1,726	1,739	1,806
Ethanol total	(million ltr)	1,447	1,466	1,492
Hydrous output	(million ltr)	990	1,020	951
Anhydrous output	(million ltr)	457	446	541
Sugar Mix	(%)	42.38	42.7	42.86
Ethanol Mix	(%)	57.62	57.3	57.14

Sources: S&P Global Platts Pre-Report Survey of Analysts Results--UNICA Sugarcane Crush, Platts Kingsman, UNICA.

*Year-on-year change compares S&P Global 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 S&P Global [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.

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