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

Advance Estimates Suggest a 2H May Cane Crush of 32.15 Million MT in Brazil's Center-South;
- Likely 43.07% Sugar Mix; ATR at 126.61 kg/mt of cane: Analysts -

LONDON and SAO PAULO, June 14, 2016 /PRNewswire/ --

Platts Survey of Analysts (2H May)

- -- Cane crush: 32.15 million metric tons (mt)
- -- Total recoverable sugar (ATR): 126.61 kilograms per metric ton (kg/mt)
- -- Sugar production: 1.668 million metric tons (mt)
- -- Total ethanol production: 1.344 billion liters (ltrs)
- -- Hydrous ethanol production: 831 million ltrs
- -- Anhydrous ethanol production: 514 million ltrs
- -- Sugar mix: 43.07%
- -- Ethanol mix: 56.93%

The amount of sugarcane crushed in the key Center-South region of Brazil in the second half of May is expected to come in at 32.15 million mt, down 21% from a year ago, an S&P Global Platts survey of analysts showed Monday.

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Industry association UNICA is expected to released its bi-monthly sugarcane harvest data Thursday. Analysts put sugarcane crushed in 2H May between 27 million mt and 34.9 million mt. The drop can be attributed to almost five days of crushing lost to rain over the period. Taking the average of analysts' estimates of the volume crushed in 2H May, cane crushed since the season began on April 1 will total 140.7 million mt, up 29% year on year.

Analysts at Kingsman, an agricultural analytics unit of S&P Global Platts, are forecasting a cane crush of 33.9 million mt and 4.5 days lost to rain.

Kingsman senior analyst *Claudiu Covrig* said: "the wet period definitely contributed to the increase in agricultural yield for the second half of the current crushing period and probably helped hike yields for 1H 2017 too."

Analysts surveyed by Platts estimated the percentage of cane that went into sugar production at 43.07% in 2H May, compared with 44% a fortnight earlier, but up from 41.15% in 2H May 2015. The balance, or 57%, was directed towards ethanol output.

The ATR was 126.61 kg/mt of cane, the survey showed. This compares with 124.34 kg previous fortnight and the same period a year ago. The wider range of analysts spanned from 123 kg to 130 kg.

Analysts at Kingsman pointed out that one of the factors that increased the percentage of cane that went into ethanol production -- besides the usual need of cash for pay-roll commitments at the end of the month -- was that in some regions towards the end of May, the cane had many impurities due to the rain, making it more suitable for ethanol than sugar production. Ethanol sells fast in the domestic market due to high demand.

Sugar output is expected to total 1.668 million mt in 2H May, down 16% year on year. However, if realized total sugar production in the first two months of 2016-2017 season (April-May) reaches 6.97 million mt it would be 50% higher from a year earlier.

According to the survey, total ethanol production in 2H May is expected to come in at 1.34 billion liters, down 23% year on year, with the hydrous grade accounting for 62% of the total at roughly 831 million liters, down 27%, or 312 million liters, from same period in the previous season. Anhydrous ethanol production is expected to drop 15% year on year to nearly 514 million liters.

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

Category	Unit	Survey	Kingsman	UNICA (2015-16)	Y-O-Y*	var. Vol
Cane crush	(million mt)	32.15	33.90	40.53	-21%	-8.38
ATR	(kg/mt cane)	126.61	126.00	124.34	2%	2.27
Sugar output	(thousand mt)	1,668	1,750	1,976	-16%	-307.54
Ethanol total	(million ltr)	1,344	1,455	1,747	-23%	-402.66
Hydrous output	(million ltr)	831	864	1,142	-27%	-311.37
Anhydrous output	(million ltr)	514	591	604	-15%	-90.92
Sugar Mix	(%)	43.07	43.00	41.15		
Ethanol Mix	(%)	56.93	57.00	58.85		

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

Category	Unit	Survey	Kingsman	UNICA
Cane crush	(million mt)	38.34	38.30	39.49
ATR	(kg/mt cane)	126.04	126.00	124.34
Sugar output	(thousand mt)	2,025	2,025	2,060
Ethanol total	(million ltr)	1,593	1,610	1,617
Hydrous output	(million ltr)	997	1,030	965
Anhydrous output	(million ltr)	596	580	652
Sugar Mix	(%)	43.89	44.00	44.02
Ethanol Mix	(%)	56.11	56.00	55.98

Sources: S&P Global 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, and Alessandra Rosete; 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: 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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