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Date: 10/14/2009
GAIN Report Number: BR9010

Brazil

SUGAR SEMI-ANNUAL

2009

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Report Highlights:
This report updates BR9004 and BR9007. Brazil's MY 2009/10 sugarcane crop is estimated at 592 mmt, down 13 mmt from the previous estimate mainly due to excessive rainfall in the center-south region. Approximately 44.65 percent of the crop should be diverted to sugar, up 4.25 percentage points relative to the previous season. This is due to strong international demand, mainly in India.

Commodities:

Sugar, Centrifugal

Production:

Sugarcane Production, Area and Yield

The Agricultural Trade Office (ATO)/Sao Paulo estimates the MY 2009/10 Brazilian sugarcane production at 592 million metric tons (mmt), down 13 mmt from the previous estimate, but up 22 mmt compared to MY 08/09 (570 mmt).

The center-south (CS) region should contribute 530 mmt of sugarcane, down 10 mmt relative to the previous figure. The harvest has been severely interrupted throughout the season due to excessive rainfall, therefore affecting the volume of sugarcane for crushing. The Sao Paulo Sugarcane Agroindustry Union (UNICA) reports that 50 harvesting days have already been lost due to rainfall, as opposed to 34 days during the same period in 2008 (March-September). Assuming that the CS harvest will end in December, industry contacts report that approximately 50 mmt of sugarcane will be left in the fields.

According to UNICA, 377.5 mmt of sugarcane were crushed in the CS from March through September, an increase of 7.7 percent compared to the same period in 2008. UNICA reports that 20.8 million tons of sugar, tel quel, and 16.4 billion liters of ethanol were produced through October, clearly indicating that more sugarcane has been diverted toward sugar production than from the previous crop (19 million tons of sugar and 16.9 billion liters of ethanol were produced during the same period last year). Note that 17 out of 23 new mills scheduled to start crushing this season are in operation. The remainder should start crushing by the end of the season.

The North-Northeast (NNE) is forecast to crush 62 mmt of sugarcane, down 3 mmt from the previous forecast due to weather related problems. The crush has just begun for major producers in Alagoas and Pernambuco, and the harvest should extend though March.

The following tables show monthly sugarcane crush data for the state of Sao Paulo and the CS region for the 2005/06 to 2009/10 crops, as reported by UNICA. Sao Paulo represents approximately 70 percent of the CS production.

Sugarcane crushed in the state of Sao Paulo (1,000 metric tons).					
Month	**05/06**	**06/07**	**07/08**	**08/09**	**09/10**
March				472	2,665
April	11,100.4	13,761.0	11,725.0	12,948.0	27,545.3
May	30,740.0	35,913.9	35,594.1	38,933.8	46,491.9
June	35,561.1	39,237.0	43,459.2	45,157.1	45,790.2
July	37,355.1	40,843.1	38,781.8	50,136.3	46,531.6
August	38,898.5	39,660.5	46,735.2	47,158.6	45,098.8
September	33,435.7	36,468.5	43,418.5	46,246.2	
October	31,235.6	31,047.8	38,912.0	42,464.9	
November	20,614.4	22,352.7	27,542.8	39,485.7	
December	3,888.2	5,054.0	9,215.3	19,375.0	

January	0.0	0.0	860.4	2,104.7	
February				1,810.2	
Cumulative	242,828.8	264,338.7	296,244.4	346,293.0	214,123.1
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Sugarcane crushed in Center-Southern Brazil (1,000 metric tons).					
Month	**05/06**	**06/07**	**07/08**	**08/09**	**09/10**
				1,340	4,717
April	15,644.5	19,294.5	20,297.2	20,091.2	39,209.1
May	43,740.7	50,535.4	51,676.2	54,994.0	66,715.8
June	49,717.1	55,869.1	62,666.3	64,811.4	66,720.3
July	53,307.1	58,502.5	57,448.9	73,334.7	69,957.8
August	55,236.0	57,322.7	67,864.7	68,224.3	70,569.6
September	46,546.0	51,049.4	63,104.1	67,655.1	0.0
October	42,026.9	42,769.1	55,928.5	62,349.7	0.0
November	25,388.8	30,731.2	38,290.3	56,283.1	0.0
December	5,087.6	6,679.8	12,875.8	28,096.0	0.0
January	88.6	0.0	963.2	3,952.5	0.0
February				3,830.6	
Cumulative	336,783.3	372,753.6	431,115.2	504,962.9	317,889.7
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Total sugarcane area and sugarcane area for harvesting for MY 2009/10 remain unchanged at 8.7 and 8.05 million hectares (ha), respectively. ATO/Sao Paulo projects agricultural yield for MY 2009/10 at 79.75 metric tons (mt)/ha, slightly up from MY 2008/09 (78.95 mt/ha), due to good weather conditions supporting stock development. On the other hand, above average rainfall during the June-September period has negatively impacted industrial yield which is estimated at 136.8 kg of TRS (total reducing sugars)/mt of sugarcane, down 2.5 percent from previous MY (140.32 kg TRS/mt).

Sugarcane Industrial Yields (kg TRS/metric ton)						
	04/05	**05/06**	**06/07**	**07/08**	**08/09**	**09/10***
TRS/ton	143.5	142.5	145.8	143.9	140.3	136.8
Source: Datagro, UNICA, ATO/Sao Paulo as of MY 2003/04.						
* MY 2009/10 - projection						

Sugarcane and Ethanol

The sugarcane breakdown for sugar/ethanol has confirmed the trend towards sugar. Total sucrose (total reducing sugar, TRS) content destined for sugar and ethanol production is estimated at 44.65 and 55.35 percent, respectively, as opposed to 40.4 and 59.6 percent, respectively for the previous season. India is projected to become a net importer of sugar, thus encouraging Brazilian production.

Sugar production for MY 2009/10 is estimated at 35.5 mmt, raw value, up by 3.65 mmt, raw value, from MY 2008/09. The tables below show monthly sugar production for the state of Sao Paulo and the CS region for the 2005/06 to 2009/10 crops, as reported by UNICA.

Sugar production in the state of Sao Paulo (Metric tons, tel quel)					
Month	**05/06**	**06/07**	**07/08**	**08/09**	**09/10**
March	0	0	0	8,946	68,428
April	573,693.0	667,102.0	506,326.0	433,514.0	1,152,562.5
May	1,895,471	2,393,035	2,060,416	1,872,140.0	2,513,033.9
June	2,374,536	2,982,938	2,773,968	2,425,239.4	2,715,771.1
July	2,600,509	3,283,896	2,521,042	3,094,297.6	3,008,752.0
August	2,955,858	3,321,415	3,234,706	3,034,420.9	3,036,943.5
September	2,600,071	3,004,302	3,172,657	3,101,857.8	
October	2,234,868	2,239,680	2,925,756	2,592,977.0	
November	1,368,359	1,435,440	1,475,693	2,083,436.6	
December	154,204	182,657	394,983	906,197.3	
January	0	0	73,515	59,565.4	
February				49,844.4	
Cumulative	16,757,568	19,510,464	19,139,062	19,662,436	12,495,491
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Sugar production in Center-Southern Brazil (Metric tons, tel quel).					
Month	**05/06**	**06/07**	**07/08**	**08/09**	**09/10**
March	0	0	0	41,936	147,030
April	776,552	868,062	851,430	631,526.0	1,572,303.5
May	2,548,993	3,180,638	2,816,677	2,527,935.0	3,346,611.9
June	3,172,441	4,002,254	3,782,565	3,282,349.0	3,656,735.1
July	3,529,777	4,407,637	3,550,615	4,243,947.1	4,125,951.0
August	3,980,457	4,483,362	4,480,838	4,087,441.9	4,377,055.2
September	3,407,693	3,918,878	4,367,990	4,247,954.8	
October	2,845,850	2,865,209	3,885,907	3,541,734.0	
November	1,564,896	1,814,436	1,879,787	2,741,753.6	
December	183,613	255,317	504,722	1,221,877.4	
January	4,863	0	80,075	92,084.2	
February				89,280.4	
Cumulative	22,015,135	25,795,792	26,200,606	26,749,819	17,225,687
Source: Sugar and Alcohol Millers Association of Sao Paulo State (UNICA).					

Total ethanol production for MY 2009/10 is estimated 25.5 billion liters (7.5 billion liters of anhydrous ethanol and 18 billion liters of hydrated ethanol), down 2 billion liters from previous marketing year. Strong demand for sugar in international markets and the expected lower size of the sugarcane crop will likely limit ethanol production.

Estimates released by the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA), place cumulative alcohol production for the 2009/10 crop through August 31, 2009 at 14 billion liters – 3.27 billion liters of anhydrous alcohol and 10.73 billion liters of hydrated alcohol. The tables below show sugarcane, sugar and ethanol production by state for 2008/09 and 2009/10, as reported by MAPA.

Cane, Sugar & Alcohol Production: 2008/09 Crop (MT and 000 Liters)					
State			**Alcohol**		
Region	**Cane**	**Sugar**	**Anhydous**	**Hydrous**	**Total**
Alagoas	23,060,342	1,916,656	295,575	415,475	711,050
Amazonas	303,350	14,320		7,963	7,963
Bahia	2,452,237	75,305	88,457	51,194	139,651
Ceara	100,046		616	7,003	7,619
Maranhao	2,280,160	15,335	121,118	60,441	181,559
Para	626,865	13,726	19,651	25,257	44,908
Paraiba	5,640,761	125,354	166,304	208,584	374,888
Pernambuco	15,865,693	1,307,969	203,972	227,384	431,356
Piaui	900,181	38,796	33,136	11,417	44,553
Rio Gde Nte	2,998,311	189,040	46,284	60,777	107,061
Rondonia	106,292			7,224	7,224
Sergipe	1,152,136	72,246	16,443	28,538	44,981
Tocantins	55,456		1,125	1,676	2,801
NNE	55,541,830	3,768,747	992,681	1,112,933	2,105,614
Espirito Sto	4,210,841	85,272	129,044	136,328	265,372
Goias	29,705,238	954,861	498,204	1,221,147	1,719,351
Minas Gerais	41,341,777	2,231,246	573,297	1,614,241	2,187,538
Mato Gr Sul	16,526,088	655,310	245,973	746,054	992,027
Mato Grosso	14,153,762	389,496	352,362	546,159	898,521
Parana	42,365,636	2,298,621	429,277	1,519,264	1,948,541
Rio Janeiro	3,399,501	239,196	36,786	89,490	126,276
Rio Gde Sul	107,184			6,318	6,318
Sao Paulo	341,516,254	19,977,252	6,244,438	10,458,943	16,703,381
Center South	493,326,281	26,831,254	8,509,381	16,337,944	24,847,325
TOTAL	548,868,111	30,600,001	9,502,062	17,450,877	26,952,939
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 02/16/09					

Cane, Sugar & Alcohol Production: 2009/10 Crop (MT and 000 Liters)					
State			**Alcohol**		
Region	**Cane**	**Sugar**	**Anhydous**	**Hydrous**	**Total**
Alagoas	0	0	0	0	0
Amazonas	149,550	5,190	0	3,978	3,978
Bahia	1,466,221	63,412	25,087	41,023	66,110

Ceara	4,030	0	0	287	287
Maranhao	850,406	1,984	45,464	16,650	62,114
Para	216,929	5,766	3,408	9,607	13,015
Paraiba	0	0	0	0	0
Pernambuco	0	0	0	0	0
Piaui	378,051	42,807	11,001	3,621	14,622
Rio Gde Nte	0	0	0	0	0
Rondonia	41,365	0	0	6,774	6,774
Sergipe	0	0	0	0	0
Tocantins	16,310	0	0	939	939
NNE	3,122,862	119,159	84,960	82,879	167,839
Espirito Sto	2,209,251	44,640	54,925	66,044	120,969
Goias	21,414,465	844,051	256,965	1,004,207	1,261,172
Minas Gerais	33,615,535	1,637,962	246,482	1,105,688	1,352,170
Mato Gr Sul	11,454,482	389,272	89,441	532,204	621,645
Mato Grosso	7,664,384	207,497	175,149	291,508	466,657
Parana	25,724,009	1,407,562	186,225	873,438	1,059,663
Rio Janeiro	2,177,452	120,744	6,701	66,743	73,444
Rio Gde Sul	20,149	0	0	1,176	1,176
Sao Paulo	215,149,528	12,589,194	2,170,502	6,712,495	8,882,997
Center South	319,429,255	17,240,922	3,186,390	10,653,503	13,839,893
TOTAL	322,552,117	17,360,081	3,271,350	10,736,382	14,007,732
Source: Ministry of Agriculture, Livestock and Supply-Sugar, Alcohol Dept, 09/01/09					

Sugarcane, Sugar and Ethanol Prices in the Domestic Market

According to the State of Sao Paulo Sugarcane, Sugar and Alcohol Growers Council (CONSECANA), the cumulative average sugarcane price for the state of Sao Paulo for MY 2009/10 (April-August) is R$ 0.2913 per kg of TRS, which is equivalent to R$ 38.23 per ton of sugarcane.

Below are figures from the Crystal Sugar and Ethanol Indexes released by the University of Sao Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ). The Crystal Index tracks crystal sugar prices in the domestic spot market. The Ethanol Indexes track anhydrous and hydrated prices received by producers in the domestic spot market.

Steady sugar prices throughout the season have been supported by strong demand for the product both in the domestic and international markets, notably India. Ethanol prices have shown a recent upward trend, supported by the likely decrease in the size of the sugarcane crop and by the fact that mills have shown a preference for sugar production as opposed to ethanol.

Crystal Sugar Prices - Domestic Market (Real, 50kg/bag, including tax)					
Month	**2005**	**2006**	**2007**	**2008**	**2009**
January	29.40	47.80	36.79	25.04	36.71
February	28.78	51.55	34.96	26.20	44.77
March	33.24	51.72	34.70	27.44	48.40

April	33.63	50.61	33.87	28.11	46.48
May	26.24	48.56	28.56	26.71	44.57
June	26.13	49.72	24.94	24.94	42.20
July	29.19	50.25	24.38	24.38	41.46
August	30.51	44.10	25.18	29.01	45.43
September 1/	31.80	37.99	25.11	30.81	56.25
October	33.69	37.32	23.92	31.13	--
November	34.28	36.47	22.06	30.74	--
December	39.15	36.78	23.62	31.72	--
Source: USP/ESALQ/CEPEA. 1/ September 2009 refers to September 18.					

Fuel Hydrated Ethanol Prices: State of São Paulo (R$/000 liters)					
Month	**2005**	**2006**	**2007**	**2008**	**2009**
January	763.41	1,018.24	845.36	697.18	781.40
February	765.47	1,064.20	802.87	714.70	777.60
March	772.09	1,208.53	855.05	754.56	656.80
April	734.91	1,063.46	940.51	715.60	621.30
May	593.29	848.56	690.84	697.10	585.22
June	584.96	854.55	587.86	665.30	606.60
July	672.77	898.36	583.99	718.10	710.20
August	657.65	819.57	581.02	719.30	726.77
September 1/	735.72	756.09	580.96	749.60	788.20
October	820.25	758.58	585.48	715.70	--
November	817.91	751.59	716.09	726.40	--
December	947.24	778.07	751.28	737.70	--
Source: USP/ESALQ/CEPEA. 1/ September 2009 refers to September 18.					

Fuel Anhydrous Ethanol Prices: State of São Paulo (R$/000 liters)					
Month	**2005**	**2006**	**2007**	**2008**	**2009**
January	885.13	1,040.59	870.69	786.22	873.30
February	847.92	1,063.94	837.39	808.08	860.30
March	875.67	1,191.42	912.93	831.50	744.50
April	842.91	1,185.53	1,072.57	789.40	697.00
May	680.88	966.47	883.78	821.50	676.40
June	669.81	983.66	675.07	787.00	692.80
July	773.32	1,036.03	668.53	873.20	803.78
August	759.74	955.43	665.58	858.50	828.37
September 1/	843.78	878.49	660.73	891.20	908.00
October	938.00	867.02	664.44	902.20	--
November	928.65	858.93	792.90	897.00	--
December	1,053.25	849.55	851.07	880.60	--
Source: USP/ESALQ/CEPEA. 1/ September 2009 refers to September 18.					

In spite of steady sales of flex-fuel vehicles (FFV), domestic demand for ethanol for MY 2009/10 is projected at 23.5 billion liters, up 1.4 billion liters compared to MY 2008/09, but down 1 billion liters from the previous estimate for the current season. Expected lower supply and projected higher prices as of October should result in less attractive ethanol prices at the pump, thus lowering demand for the product.

The table below shows the sales of FFV and hydrated ethanol powered cars since 2003. Note that sales of FFV currently represent over 90 percent of new vehicle sales.

Domestic Sales of Alcohol Powered Vehicles (pure alcohol & flex fuel units)						
2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009 1/**
84,558	379,329	897,308	1,425,177	2,032,361	2,356,942	1,505,244
Source: ANFAVEA 1/ January-July.						
Note: Flex fuel vehicles were introduced in March 2003.						

The tables below show the average prices for gasoline and ethanol, as well as the price ratio for January-February (off-peak), June and August (peak season) 2006, 2007, 2008 and 2009. The gray area in the price ratio table means that gasoline prices are more attractive than ethanol. Note that in 2009, the relative low price of ethanol has encouraged the use of ethanol as opposed to gasoline.

Gasoline and Ethanol Prices in Selected States (average price, R$/liter)									
		Gasoline				**Ethanol**			
		2006	**2007**	**2008**	**2009**	**2006**	**2007**	**2008**	**2009**
Sao Paulo State	**January**	2.376	2.405	2.380	2.393	1.759	1.367	1.290	1.312
	February	2.373	2.339	2.376	2.398	1.546	1.361	1.257	1.331
	June	2.415	2.419	2.385	2.349	1.305	1.314	1.259	1.168
	August	2.424	2.384	2.394	2.351	1.358	1.128	1.264	1.231
Sao Paulo City	**January**	2.371	2.403	2.376	2.391	1.496	1.363	1.291	1.312
	February	2.370	2.397	2.372	2.396	1.545	1.356	1.264	1.327
	June	2.412	2.416	2.383	2.346	1.306	1.316	1.264	1.180
	August	2,420	2.383	2.393	2.348	1,357	1.135	1.270	1.230
Minas Gerais	**January**	2.382	2.392	2.405	2.381	1.867	1.749	1.606	1.611
	February	2.398	2.360	2.389	2.374	1.924	1.744	1.577	1.623
	June	2.396	2.404	2.368	2.326	1.845	1.662	1.568	1.501
	August	2.408	2.372	2.356	2.361	1.809	1.526	1.575	1.564
Belo Horizonte (Minas Gerais Capital)	**January**	2.336	2.345	2.369	2.331	1.853	1.733	1.589	1.597
	February	2.352	2.315	2.346	2.329	1.915	1.730	1.554	1.612
	June	2.364	2.379	2.322	2.282	1.840	1.643	1.547	1.487
	August	2,376	2.342	2.315	2.313	1,811	1.500	1.571	1.547
Rio Janeiro State	**January**	2.511	2.488	2.505	2.537	1.850	1.728	1.624	1.685
	February	2.517	2.488	2.501	2.535	1.887	1.754	1.614	1.695
	June	2.534	2.511	2.513	2.524	1.807	1.653	1.635	1.588
	August	2.519	2.490	2.576	2.526	1.775	1.513	1.658	1.604
Rio Janeiro Capital	**January**	2.505	2.481	2.500	2.534	1.841	1.717	1.614	1.680
	February	2.511	2.483	2.496	2.531	1.876	1.737	1.603	1.692
	June	2.526	2.507	2.509	2.521	1.795	1.640	1.627	1.579
	August	2,514	2.486	2.513	2.523	1,770	1.500	1.653	1.598
Porto	**January**	2.596	2.600	2.463	2.538	2.222	1.848	1.792	1.746

Alegre (Rio Gde Sul Capital)	**February**	2.630	2.463	2.326	2.538	2.228	1.829	1.693	1.765
	June	2.689	2.585	2.514	2.419	2.100	1.789	1.731	1.550
	August	2,724	2.481	2.566	2.577	2,056	1.512	1.744	1.765
Goiania (Goiais Capital)	**January**	2.516	2.329	2.539	2.565	1.660	1.425	1.569	1.581
	February	2.480	2.499	2.502	2.564	1.777	1.487	1.508	1.581
	June	2.426	2.583	2.330	2.562	1.467	1.359	1.368	1.483
	August	2,635	2.233	2.452	2.556	1,457	1.093	1.472	1.411
Fortaleza (Ceara Capital)	**January**	2.560	2.625	2.667	2.388	1.756	1.661	1.829	1.615
	February	2.656	2.620	2.655	2.533	1.812	1.680	1.814	1.747
	June	2.705	2.492	2.439	2.363	1.950	1.719	1.726	1.671
	August	2,741	2.638	2.589	2.575	1,953	1.676	1.885	1.768
Source: Petroleum, Natural Gas and Biofuels National Agency (ANP).									

Ratio Ethanol/Gasoline Prices					
		2006	**2007**	**2008**	**2009**
Sao Paulo State	**January**	74%	57%	54%	55%
	February	65%	58%	53%	56%
	June	54%	54%	53%	50%
	August	56%	47%	53%	52%
Sao Paulo City	**January**	63%	57%	54%	55%
	February	65%	57%	53%	55%
	June	54%	54%	53%	50%
	August	56%	48%	53%	52%
Minas Gerais	**January**	78%	73%	67%	68%
	February	80%	74%	66%	68%
	June	77%	69%	66%	65%
	August	75%	64%	67%	66%
Belo Horizonte (Minas Gerais Capital)	**January**	79%	74%	67%	69%
	February	81%	75%	66%	69%
	June	78%	69%	67%	65%
	August	76%	64%	68%	67%
Rio Janeiro State	**January**	74%	69%	65%	66%
	February	75%	70%	65%	67%
	June	71%	66%	65%	63%
	August	70%	61%	64%	63%
Rio Janeiro Capital	**January**	73%	69%	65%	66%
	February	75%	70%	64%	67%
	June	71%	65%	65%	63%
	August	70%	60%	66%	63%
Porto Alegre (Rio Gde Sul Capital)	**January**	86%	71%	73%	69%
	February	85%	74%	73%	70%
	June	78%	69%	69%	64%
	August	75%	61%	68%	68%
Goiania (Goiais Capital)	**January**	66%	61%	62%	62%
	February	72%	60%	60%	62%
	June	60%	53%	59%	58%
	August	55%	49%	60%	55%

Fortaleza **(Ceara Capital)**	**January**	69%	63%	69%	68%
	February	68%	64%	68%	69%
	June	72%	69%	71%	71%
	August	71%	64%	73%	69%
Source: Petroleum, Natural Gas and Biofuels National Agency (ANP).					

Consumption:

The ATO/Sao Paulo estimate for Brazilian consumption in MY 2009/10 consumption is 11.8 mmt, raw value. This is up 150,000 mt from MY 2008/09 (11.65 mmt). Domestic sugar consumption is driven not only by Brazilian population growth, but also by expansion in the food processing sector, which uses more sugar for indirect consumption.

Trade:

Sugar Exports

Brazilian sugar exports for marketing year (MY) 2009/10 are estimated at 23.85 mmt, raw value, up 2.3 mmt compared to the previous MY. Strong demand in India is a direct driver of the increase. ATO/Sao Paulo estimates that raw sugar exports will contribute 17.9 mmt of total exports. Refined sugar will add 5.95 mmt, raw value. The following tables show Brazilian sugar exports by destination for MY 2008/09 and MY 2009/10, as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Brazilian Sugar Exports (NCM 1701.11.00, MT tel quel, US$ 000 FOB)						
	MY 2008 / 09 1/		**MY 2008/09 2/**		**MY 2009/10 2/**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Russia	4,217,831	1,143,671	2,011,810	528,118	1,311,468	399,837
India	935,710	265,709	0	0	1,280,404	388,750
U.A.E.	372,103	100,194	67,480	16,992	565,095	175,481
Nigeria	987,662	267,058	352,702	96,180	400,917	121,563
Bangladesh	802,602	222,524	231,750	64,025	350,311	109,589
Canada	873,630	244,599	196,784	51,432	302,053	93,853
Malaysia	677,737	190,636	96,911	25,794	299,522	88,278
Algeria	829,070	231,616	291,103	78,906	289,681	89,733
Morocco	662,029	183,307	176,175	46,912	249,788	76,832
Indonesia	94,000	26,689	0	0	212,352	67,053
Others	4,764,061	1,345,265	1,695,465	455,040	1,198,623	384,211
Total	15,216,435	4,221,269	5,120,179	1,363,399	6,460,213	1,995,179
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/ May – April; 2/ May - August						

Brazilian Sugar Exports (NCM 1701.99.00, Metric ton, tel quel, US$ 000 FOB)						
	MY 2008/09 1/		**MY 2008/09 2/**		**2009/10 2/**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Saudi Arabia	806,609	220,544	257,115	60,288	224,580	69,250

Ghana	411,791	134,024	138,358	43,486	115,242	43,953
Yemen	395,762	132,515	77,269	23,743	192,123	72,882
U.A.E.	375,673	117,563	48,808	17,075	269,967	78,736
South Africa	285,407	97,668	115,292	36,447	90,734	35,759
Angola	277,334	91,870	68,908	21,222	52,116	20,028
Libya	163,579	59,048	38,169	13,272	42,664	15,789
Algeria	161,543	55,381	49,067	14,943	47,934	19,052
Mauritania	172,825	55,180	65,825	19,875	42,824	16,422
Syria	161,678	50,429	64,009	19,917	90,638	32,852
Others	2,715,119	904,284	1,156,858	366,066	1,185,103	448,871
Total	5,927,321	1,918,507	2,079,678	636,333	2,353,924	853,594
Source : Brazilian Secretariat of Foreign Trade (SECEX)						
Note : Numbers may not add due to rounding 1/May – April; 2/May - August						

Ethanol Exports

Ethanol exports for MY 2009/10 are estimated at 3 billion liters, a 1.69 billion liter reduction compared to MY 2008/09 (4.69 billion liters), mostly due to an expected decrease in direct exports to the United States. The tables below show ethanol exports for MY 2008/09 and MY 2009/10.

Brazilian Alcohol Exports (NCM 2207.10.00, MT 000 Liters, US$ 1,000 FOB)						
	MY 2008/09 1/			**MY 2009/10 2/**		
Country	**Volume**	**Weight**	**Value**	**Volume**	**Weight**	**Value**
Netherlands	1,096,264	870,463	518,553	327,543	260,781	131,531
Jamaica	326,024	263,554	142,647	265,456	214,593	86,263
India	139,247	112,572	55,121	179,033	144,393	59,732
Japan	299,729	242,118	132,480	112,618	90,991	39,799
Trinidad Tobago	214,279	173,213	93,278	97,072	78,476	30,326
U.S.A.	1,398,898	1,107,669	694,039	88,989	70,747	37,334
Costa Rica	81,346	65,598	35,701	81,675	66,034	25,790
El Salvador	271,134	219,246	114,866	71,101	57,482	22,379
South Korea	229,671	185,576	104,952	61,454	49,577	24,114
United Kingdom	84,476	66,633	39,095	62,467	49,277	28,622
Others	512,926	413,160	241,843	216,827	174,610	82,314
Total	4,653,994	3,719,801	2,172,577	1,564,235	1,256,961	568,204
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding 1/May – April; 2/May - August						

Brazilian Alcohol Exports (NCM 2207.20.10, MT, 000 Liters, US$ 000 FOB)						
	MY 2008/09 1/			**MY 2009/10 2/**		
Country	**Volume**	**Weight**	**Value**	**Volume**	**Weight**	**Value**
Netherlands	15,247	12,026	7,891	64	52	38

Jamaica	16,806	13,590	7,853	0	0	0
U.S.A.	2,000	1,580	1,019	0	0	0
Philippines	190	150	123	0	0	0
Cameroon	120	97	98	0	0	0
Cote d'Ivore	100	81	88	120	97	92
Denmark	25	20	21	25	20	18
United Kingdom	21	17	13	0	0	0
Paraguay	0	1	1	0	1	1
Angola	0	0	0	0	0	0
Others	0	0	0	0	0	0
Total	34,510	27,562	17,108	209	170	150
Source : Brazilian Foreign Trade Secretariat (SECEX)						
Note : Numbers may not add due to rounding. 1/May – April; 2/May - August						

Stocks:

Domestic carry over stocks in MY 2008/09 were adjusted downward to –1.135 mmt, raw value, based on strong sugar exports and recent trade figures. Negative stocks have been balanced by the early start (March) of the sugarcane harvest in the CS region (March) as opposed to the official beginning of the season (May). Sugar ending stocks for MY 2009/10 are projected at -1.235 mmt, raw value. Again, negative stocks should be balanced by the early start of the MY 2010/11, March as opposed to May.

Policy:

The Brazilian government has recently proposed a new bill to the Congress that restricts the use of land for sugarcane plantation. If approved, sugarcane planting will not be permitted in the Amazon, the Brazilian Wetlands (Pantanal) and in the upper Paraguay River Basin regions, in addition to conservation land units and native Indian territories (adding up to 92 percent of the country's land availability). The proposed bill is based on the National Agri-Ecological Zoning for Sugarcane ("ZAE Cana") which defines the suitability of land for sugarcane production based on environmental, economic and social criteria.

The Brazilian government has also proposed a phase out agenda to prohibit the burning of sugarcane nationwide. According to the proposal, the burning of sugarcane in all mechanized areas will be prohibited in 2017.

Production, Supply and Demand Data Statistics:

Sugar Cane for Centrifugal Brazil	2008			2009			2010		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: May 2007			Market Year Begin: May 2008			Market Year Begin: May 2009		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
			Data			Data			Data
Area Planted	7,190	7,190	7,190	8,050	8,050	8,050		8,700	8,700
Area Harvested	6,500	6,500	6,500	7,400	7,400	7,600		8,050	8,050
Production	491,100	491,100	491,100	555,000	566,000	570,000		605,000	592,000
Total Supply	491,100	491,100	491,100	555,000	566,000	570,000		605,000	592,000
Utilization for Sugar	223,450	223,450	223,450	225,000	228,500	230,000		257,000	264,350
Utilizatn for Alcohol	267,650	267,650	267,650	330,000	337,500	340,000		348,000	327,650
Total Utilization	491,100	491,100	491,100	555,000	566,000	570,000		605,000	592,000

Sugar, Centrifugal Brazil	2008			2009			2010		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: May 2007			Market Year Begin: May 2008			Market Year Begin: May 2009		
	USDA Official Data		Old Post Data	USDA Official Data		Old Post Data	USDA Official Data		Jan Data
Beginning Stocks	-485	-485	-485	465	465	215	665	665	-1,135
Beet Sugar Production	0	0	0	0	0	0	0	0	0
Cane Sugar Production	32,100	32,100	31,600	32,350	32,350	31,850	36,850	36,850	35,500
Total Sugar Production	32,100	32,100	31,600	32,350	32,350	31,850	36,850	36,850	35,500
Raw Imports	0	0	0	0	0	0	0	0	0
Refined Imp.(Raw Val)	0	0	0	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0	0	0	0
Total Supply	31,615	31,615	31,115	32,815	32,815	32,065	37,515	37,515	34,365
Raw Exports	14,830	14,830	14,580	14,175	14,175	15,085	18,225	18,225	17,900
Refined Exp.(Raw Val)	4,920	4,920	4,920	6,075	6,075	6,465	6,075	6,075	5,950
Total Exports	19,750	19,750	19,500	20,250	20,250	21,550	24,300	24,300	23,850
Human Dom. Consumption	11,400	11,400	11,400	11,900	11,900	11,650	12,250	12,250	11,800
Other Disappearance	0	0	0	0	0	0	0	0	0
Total Use	11,400	11,400	11,400	11,900	11,900	11,650	12,250	12,250	11,800
Ending Stocks	465	465	215	665	665	-1,135	965	965	-1,285
Total Distribution	31,615	31,615	31,115	32,815	32,815	32,065	37,515	37,515	34,365

Author Defined:

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
January	3.53	2.94	2.62	2.22	2.12	1.76	2.32
February	3.56	2.91	2.60	2.14	2.12	1.68	2.38
March	3.35	2.91	2.67	2.17	2.05	1.75	2.25
April	2.89	2.94	2.53	2.09	2.03	1.69	2.18
May	2.97	3.13	2.40	2.30	1.93	1.63	1.97
June	2.87	3.11	2.35	2.16	1.93	1.64	1.95
July	2.97	3.03	2.39	2.18	1.88	1.57	1.87
August	2.97	2.93	2.36	2.14	1.96	1.63	1.88
September	2.92	2.86	2.22	2.17	1.84	1.92	1.80
October	2.86	2.99	2.25	2.14	1.74	2.12	--
November	2.95	2.73	2.21	2.17	1.78	2.33	--
December	2.89	2.65	2.26	2.14	1.77	2.34	--
Source : Gazeta Mercantil and BACEN (as of October 2006)							
1/ September 2009 refers to September 18.							