AOF SUGAR OUTLOOK

February 2021

Presented by

WWW.CZAPP.COM
No.11 MARKET PRICE

No.11 Continuation Chart (c/lb)
No.11 FORWARD CURVE

c/lb

2020/21 BALANCE

Production (mt)

- 2016/17: 166.9M
- 2017/18: 188.4M
- 2018/19: 170.5M
- 2019/20: 161.9M
- 2020/21: 174.7M
- 2021/22: 177.4M

Consumption (mt)

- 2016/17: 168.3M
- 2017/18: 170.1M
- 2018/19: 171.7M
- 2019/20: 168.9M
- 2020/21: 171.3M
- 2021/22: 174.7M

Surplus Deficit (mt)

- 2016/17: 18.3M
- 2017/18: 4.8M
- 2018/19: -6.7M

2.9m tonnes
RAW SUGAR EXPORTERS 2020-2021
RAW SUGAR EXPORTERS 2022

Thailand to Return
BRAZIL – MAX SUGAR PRODUCTION AGAIN?

Sugar
Spot Arbitrage
15.74c/lb
Mills' Choice

Hydrous
11.93c/lb

CS Brazil – Sugar* vs. Hydrous Prices

- Produces Sugar
- Produces Ethanol

*Sugar Prices (No. 11) include Physical Differential and FOB Premium.
BRL SUGAR RETURNS

Weekly No.11 Prompt (BRL/mt)

Weekly No.11 Prompt (c/lb)
BRAZIL CS PRODUCTION FORECAST

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (mt)</th>
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<tbody>
<tr>
<td>2016/17</td>
<td>35.63M</td>
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<tr>
<td>2017/18</td>
<td>36.06M</td>
</tr>
<tr>
<td>2018/19</td>
<td>26.50M</td>
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<tr>
<td>2019/20</td>
<td>26.76M</td>
</tr>
<tr>
<td>2020/21</td>
<td>38.39M</td>
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<tr>
<td>2021/22</td>
<td>35.95M</td>
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BRAZIL CROP RISKS? – DRY WEATHER
THAILAND – WILL THE CROP BOUNCE BACK

But Cane availability is a big question mark:
CAN THE EU ALSO REBOUND?

We think so -

But yields will be the big question:

IFLScience

Neonicotinoids To Be Reintroduced To Post-Brexit Britain Found To Stop Pollinators From Sleeping

"Neonicotinoids are currently banned in the EU, and we hope that this continues in the UK as we leave EU legislation." Popular in the Community.

Pesticide set for return in UK despite EU ban ‘stops bees sleeping’

Neonicotinoids, linked to collapse in insect pollinator populations, knock bees’ and flies’ behavioural rhythms out of sync.
EU Sugar Production

Area Ha

Sugar Yield T/Ha
KEY TAKE AWAYS

- We expect the market to remain in a small surplus next year
- This is expecting good crops across 4 key markets: Brazil, India, Thailand, and EU.
- There are significant questions for all these crops
  - Brazilian Cane quality
  - Thai Cane volume is an unknown
  - EU Yields
  - Indian monsoon
- However uncertainty is likely to remain for a while as Covid-19 disruptions continue to affect logistics and market sentiment.