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Report Highlights:

Post forecasts Brazil's marketing year (MY, April – March) 2023/2024 sugarcane crush at 652 million metric tons (MMT), an increase of five percent compared to the final estimate for MY2022/23 (621 MMT). Sugarcane fields have performed well so far in 2023/24 due to good weather conditions. The Center South region production forecast remains at 590 MMT of sugarcane for MY2023/24. The sugarcane harvest started in April 2023 and the sugar/ethanol sector expects higher production compared to last MY. The total sugar production for MY2023/24 is estimated at 41 MMT, raw value. Post maintains the forecast of Brazil's sugar exports for MY2023/24 at 32.5 MMT, raw value, due to higher sugar exportable surplus. On July 19,2023, USTR announced the establishment of the in-quota quantity for raw cane sugar for FY2024. Brazil, the second-largest recipient of the U.S. sugar tariff quota, was allocated 155,993 metric tons.

Production

Table 1
Sugarcane Production, Area, and Yield

Sugar Cane for Centrifugal	**2021/2022**		**2022/2023**		**2023/2024**	
Market Year Begins	**Apr 2021**		**Apr 2022**		**Apr 2023**	
Brazil	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted (1000 HA)	9800	9800	9650	9650	9800	9800
Area Harvested (1000 HA)	9350	9350	9200	9200	9330	9650
Production (1000 MT)	576000	576000	621000	621000	661360	652000
Total Supply (1000 MT)	576000	576000	621000	621000	661360	652000
Utilization for Sugar (1000 MT)	259200	259200	280692	280692	316130	319480
Utilization for Alcohol (1000 MT)	316800	316800	340308	340308	345230	332520
Total Utilization (1000 MT)	576000	576000	621000	621000	661360	652000
(1000 HA) ,(1000 MT)						

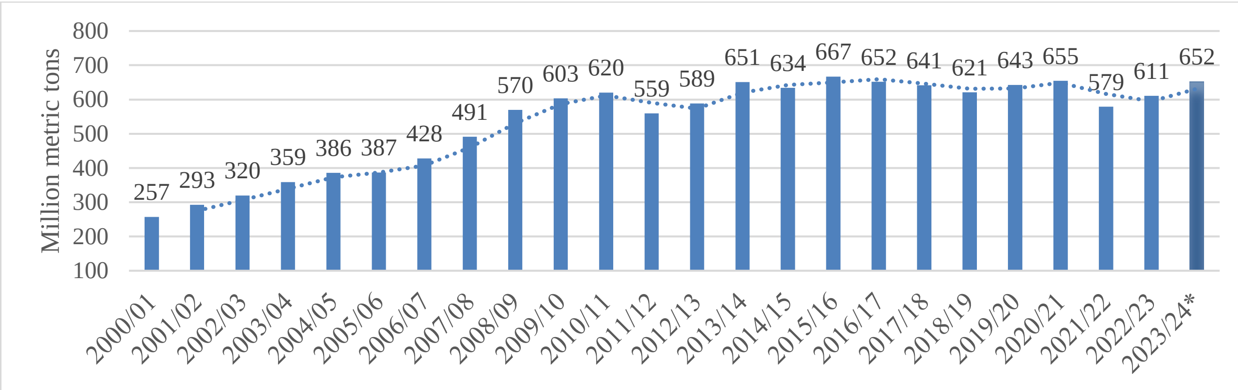
Source: *Post Brasilia*

Post forecasts Brazil's marketing year (MY, April – March) 2023/2024 sugarcane crush at 652 million metric tons (MMT), an increase of five percent compared to the final estimate for MY2022/23 (621 MMT). Sugarcane fields have performed well so far in 2023/24 due to the good volumes of rainfall observed, especially in January and February 2023. In addition, there were no frosts or water deficits during the harvest development phase. Thanks to these favorable conditions, Brazil has seen favorable harvests over the last three years, especially in the Center-South region (Mato Grosso, Mato Grosso do Sul, Goiás, Minas Gerais, Espírito Santo, Rio de Janeiro, São Paulo, and Paraná).

Good weather conditions in the Center South (CS) lead to a slight expansion of the sugarcane harvested area of 0.3 percent. Average yield from April-August 2023 is estimated at 81.4 metric tons (MT)/hectare (ha). In July, crushing in the CS region was 9.5 percent higher than in the previous MY 2022/23 (103 MMT via-à-vis 95 MMT). Sugarcane processing plants are planning to extend crushing until mid-December, assuming good weather conditions prevail. The CS region production forecast remains at 590 MMT of sugarcane for MY2023/24.

North-Northeastern (NNE) production for MY 2023/24 is projected at 62 MMT, a 6.8 increase related to the first estimate for MY2023/24, based on favorable weather conditions and investments in the recovery of previously cultivated areas. Between March and June 2023, the average rainfall in the NNE region (Amazonas, Pará, Tocantins, Maranhão, Piauí, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe, and Bahia) was within the expected average, contributing to develop sugarcane crops following a good rainfall period from MY 22/23. Agriculture yield for the NNE is forecast at 66.2 MT/ha for MY2023/24.

Figure 1
Evolution of Sugarcane Production in Brazil



***Data source**: National Supply Agency (CONAB); Graph Post Brasília *Forecast*

Post maintains its forecast of sugarcane planted area for MY2023/24 at 9.8 million hectares, which represents an increase of five percent in the sugarcane harvested area in 2022/23 of 9.6 million hectares. The North-Northeastern region has recovered from previous contraction in the harvested area and is expected to expand harvest in approximately 2.3 percent (945 MT/ha) compared to MY 2022/23 (923 MT/ha). CS land used for sugarcane production has decreased slightly due to the use of other grains, but the increase in both agricultural and industrial yields is expanding the production.

The following table shows the sugarcane harvested area, according to the Ministry of Agriculture, Livestock and Supply (MAPA), National Supply Company (CONAB), and the Agricultural Economics Institute (IES) of the State of São Paulo Secretariat of Agriculture.

Table 2
Area Harvested to Sugarcane

Area Harvested to Sugarcane (1,000 ha)							
	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24***
Sao Paulo	4,538	4,453	4,402	4,588	4,491	4,147	4,025
CS	7,837	7,705	7,552	7,720	7,452	7,369	7,343
NNE	892	884	890	896	893	923	945
Brazil	8,729	8,589	8,442	8,616	8,345	8,292	8,288
***Data sources:** MAPA, CONAB, IEA; Chart Post Brasília *Forecast*							

Post forecasts the MY2023/24 Brazilian sugarcane yield at 78.7 metric tons (mt)/hectare (ha), an increase of 4.3 percent relative to the previous crushing season updated figure (75.4 mt/ha). Investments in crop management, favorable rainfall, and mild temperatures in January and February 2023 have contributed to the yield increase in MY2023/24.

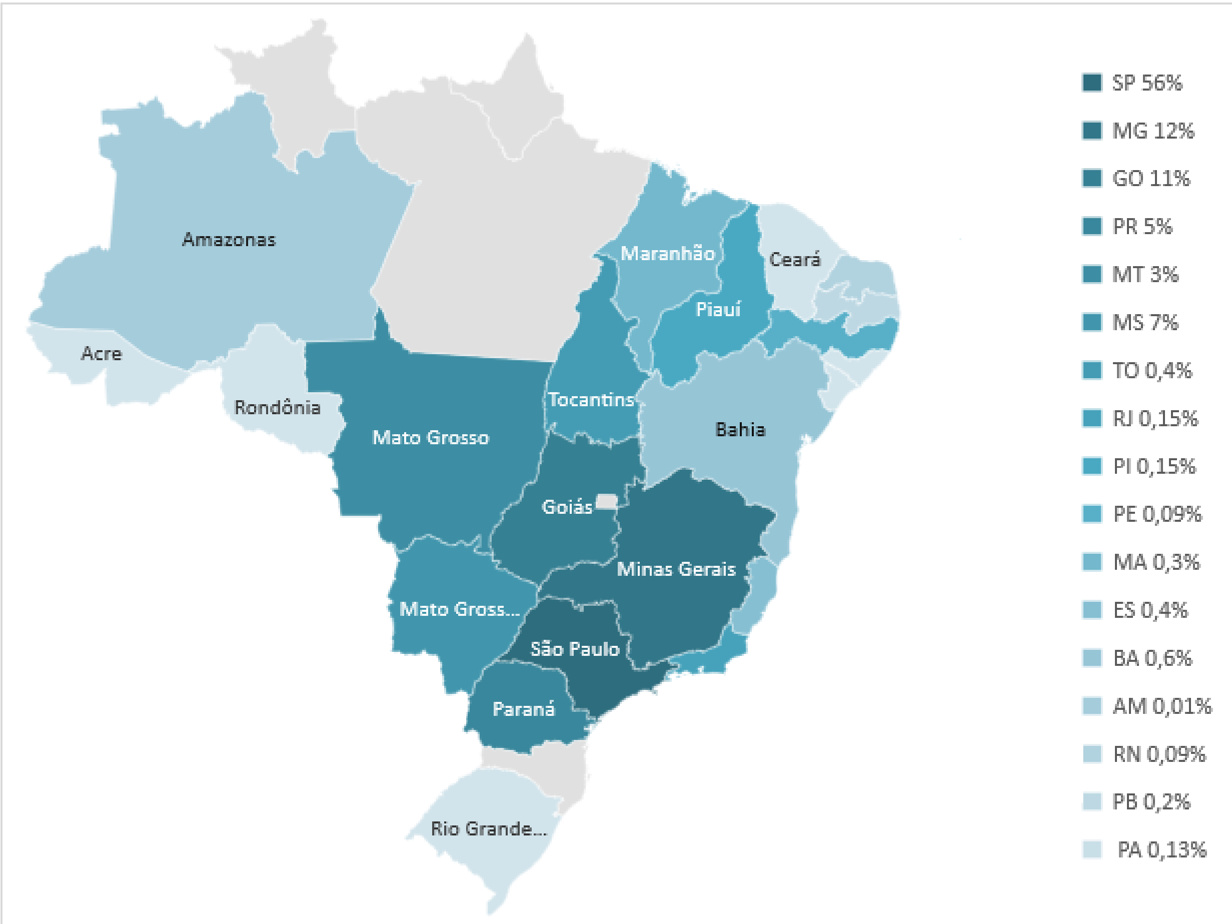
The MY2023/24 industrial yield forecast has been revised to 143.49kg of TRS (total reducing sugars)/mt, based on updated figures from industry and assuming normal weather conditions during crushing. The following table shows historical Brazilian yields measured in total reducing sugars (TRS) per metric ton of sugarcane.

Table 3
Sugarcane Industrial Yields

Sugarcane Industrial Yields (kg TRS/metric ton)							
	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24***
CS	138.06	140.23	138.61	144.62	142.88	140.78	143.73
NNE	129.52	134.52	135.86	130.97	127.23	125.02	131.61
Brazil	137.47	139.82	138.38	143.53	141.42	139.18	143.49
Data source: *MAPA; Chart Post Brasília *Forecast*							

São Paulo state remains the largest Brazilian sugarcane producer with 59 percent of the total area harvested. Post forecasts sugarcane production of 357 MMT in Sao Paulo. Minas Gerais is the second largest producer, followed by Goiás with forecast production of 82.3 MMT and 80.5 MMT, respectively. Sao Paulo registers a slight decrease of three percent in the estimated sugarcane harvested area due to the use of area for other crops. The following chart shows the largest sugarcane producing states in Brazil between April 1 and September 1, 2023. According to the Ministry of Agriculture (MAPA), total sugarcane production in Brazil was 414,4 MMT. São Paulo produced 56 percent of the total (235,6 MMT), followed by Minas Gerais with 12 percent (51,3 MMT) and Goiás with 11 percent (49,6 MMT).

Figure 2
Brazilian Sugarcane Production, Percentage by State (April 1 – September 1, 2023)



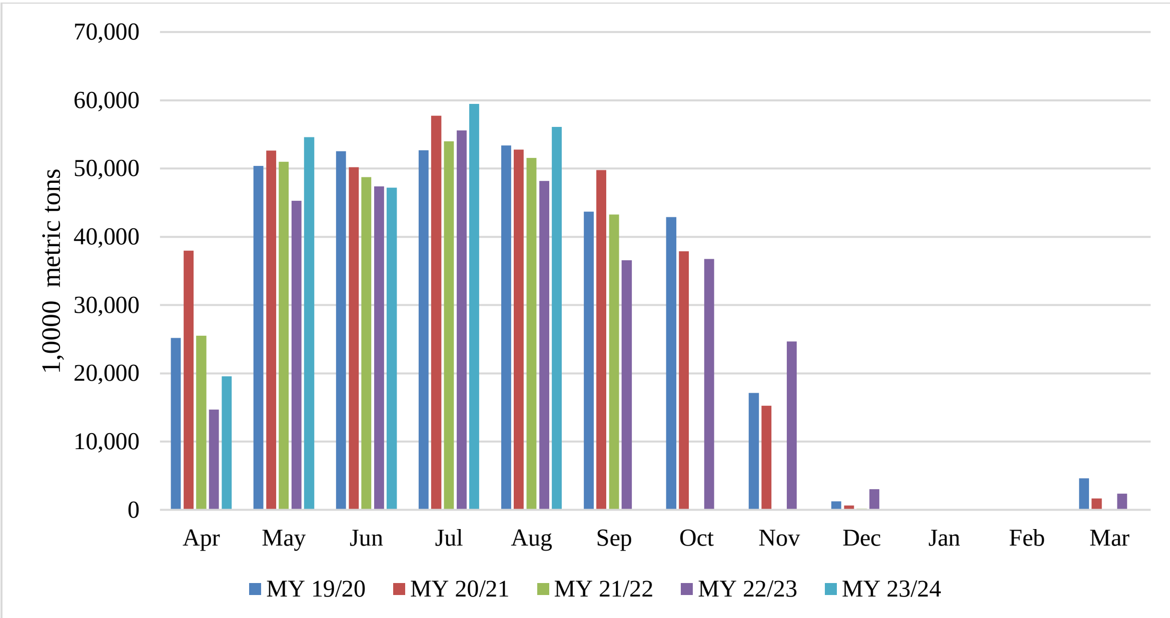
***Data Source:** MAPA; Graph Post Brasília*

According to the Brazilian Sugarcane Industry Association (UNICA), cumulative sugarcane crushed in the CS from April 1 to September 1, 2023, amounted to 406.4 MMT, an increase of 10.8 percent relative to the same period of MY2022/23 (366.6 MMT). As result of good weather conditions and investments in renovation of the soil, in July the region crushed approximately 101 MMT, an increase of 6MMT compared to the same period of MY2022/23. The cumulative crushing in São Paulo from April 1 to September 1 amounted to 236.9 MMT, an increase of 12 percent compared to the same period of MY 2022/23 (211 MMT).

The CS region has 261 sugarcane plants operating in MY2023/24, two more than in the previous period, from which 244 are dedicated to crushing, seven corn-base ethanol producers, and nine are flex plants. According to UNICA, Brazil has a total of 360 operating sugarcane crushing/producing units.

Figure 3

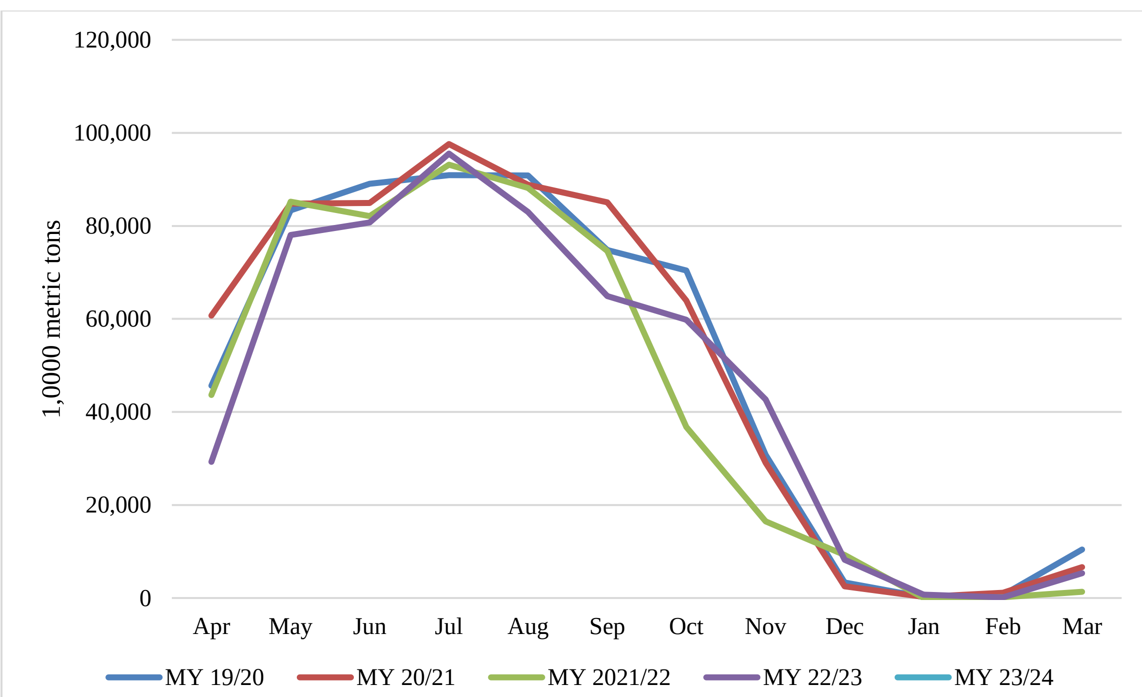
Sugarcane Crushed in the State of São Paulo



Data source: *UNICA; Graph Post Brasília*

Figure 4

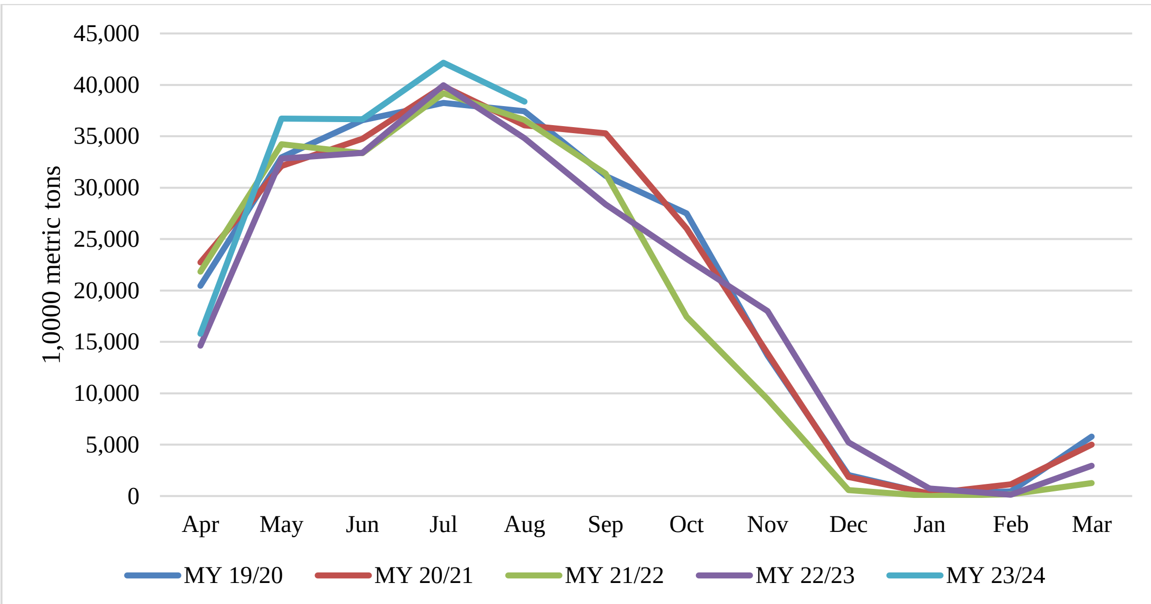
Sugarcane Crushed in Center-Southern Brazil



Data source: *UNICA; Graph Post Brasília*

The cumulative crushing in the North-Northeastern region in MY 2023/24 amounted to 169.7 MMT, an increase of nine percent compared to MY2022/23 (155.6 MMT).

Figure 5
Sugarcane Crushed in North-Northeastern Brazil



Data source: *UNICA; Graph Post Brasília*

Sugar

Table 4
Sugar Production, Exports and Consumption

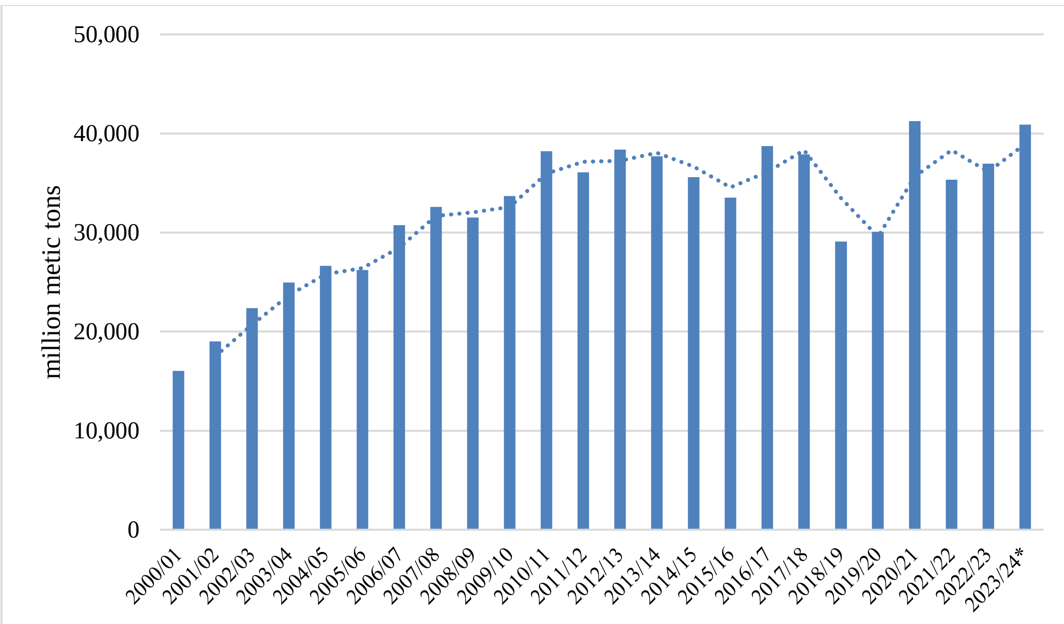
Sugar, Centrifugal	**2021/2022**		**2022/2023**		**2023/2024**	
Market Year Begins	**Apr 2021**		**Apr 2022**		**Apr 2023**	
Brazil	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks (1000 MT)	340	340	340	340	690	690
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	35450	35450	38050	38050	42010	41000
Total Sugar Production (1000 MT)	35450	35450	38050	38050	42010	41000
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp.(Raw Val) (1000 MT)	0	0	0	0	0	0
Total Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	35790	35790	38390	38390	42700	41690
Raw Exports (1000 MT)	20760	20760	22560	22560	25948	27500
Refined Exp.(Raw Val) (1000 MT)	5190	5190	5640	5640	6450	5000
Total Exports (1000 MT)	25950	25950	28200	28200	32398	32500
Human Dom. Consumption (1000 MT)	9500	9500	9500	9500	9542	8800
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	9500	9500	9500	9500	9542	8800
Ending Stocks (1000 MT)	340	340	690	690	760	390
Total Distribution (1000 MT)	35790	35790	38390	38390	42700	41690
(1000 MT)						

***Source**: Post Brasilia*

The sugarcane harvest started in April 2023 and the sugar/ethanol sector expects higher production compared to last MY. Producers report that favorable weather conditions have improved the quality of the cane planted, which will support higher production. Strong international sugar prices are also encouraging producers to increase sugar production for export, particularly in the Center-South (CS) region. The production mix indicates a slight shift towards sugar production. Contracts signed in advance and the reduced competitiveness of ethanol compared to gasoline in most Brazilian states support this movement.

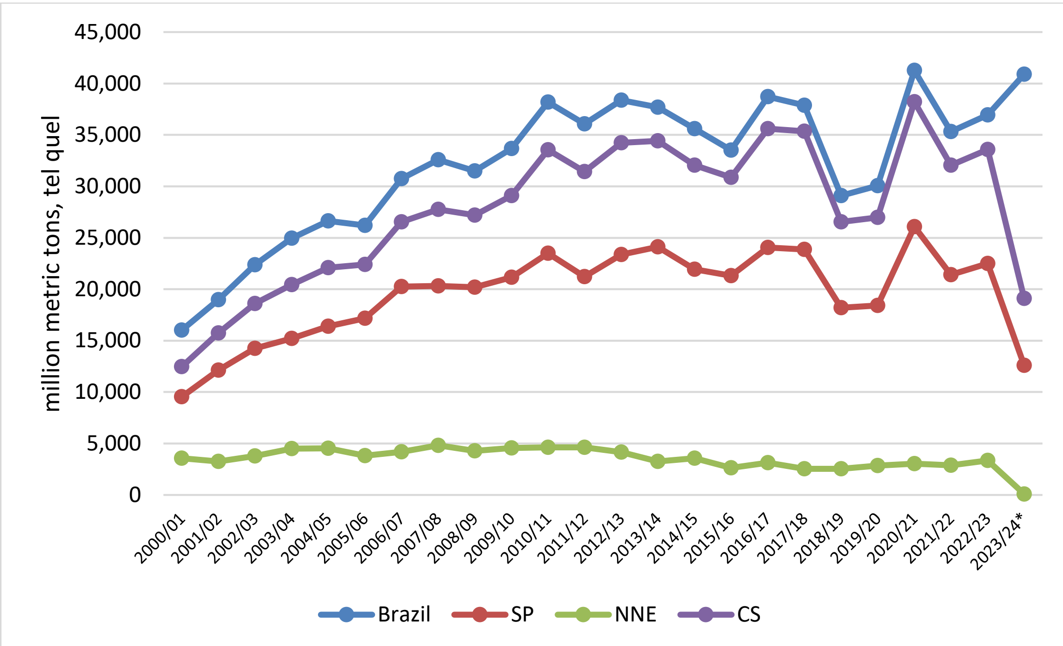
The total sugar production for MY2023/24 is estimated at 41 MMT, raw value, a slight reduction of one MMT compared the previous MY 2023/24 forecast (40 MMT). The CS region should account for 38 MMT, raw value. São Paulo is the largest Brazilian producer, accounting for roughly 60 percent of the national production. The North-Northeastern (NNE) region sugar production should amount to three MMT.

Figure 6
Evolution of Brazilian Sugar Production, Raw Value



Data source: *CONAB; Graph Post Brasília *Estimate*

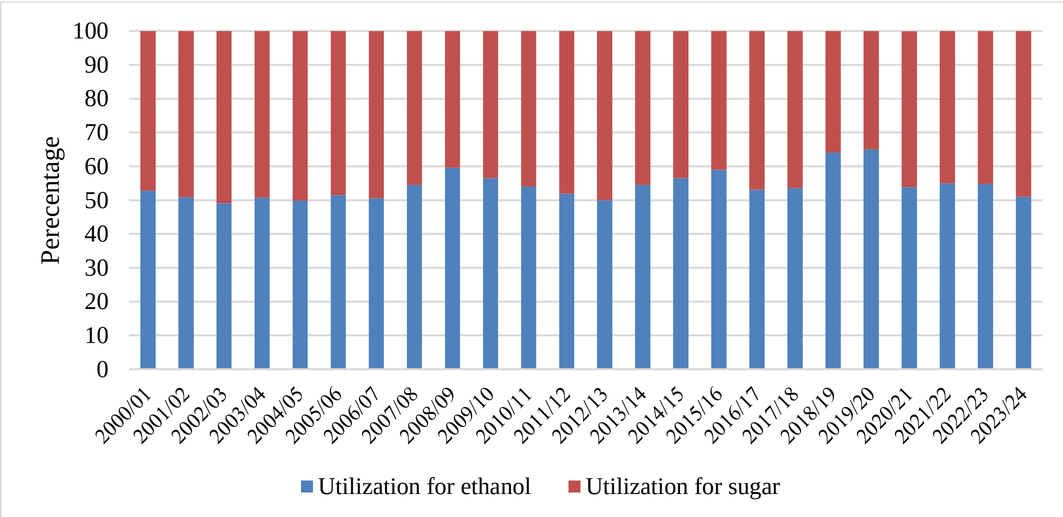
Figure 7
Sugar Production in Brazil, by Region



Data source: *MAPA; Graph Post Brasília *Forecast*

Domestically, the return of taxes on gasoline in July 2023 tends to make fossil fuel more expensive and ethanol slightly more competitive, which should balance the ethanol-sugar mix. Post estimates the total sucrose (total reducing sugar, TRS) content diverted to sugar and ethanol production at 49 and 51 percent, respectively, a slight adjustment compared to the previous MY2023/24 estimate of 47.8 and 52.2, respectively.

Figure 8
Sugarcane Breakdown: Sugar/Ethanol Production Mix



Data source: *CONAB; Graph Post Brasília*

The foreign market has remained attractive for sugar, as the main competing countries have been unable to increase their supplies. After a sharp drop in June 2023, estimated international prices for the remaining of MY2023/24 are trending higher on the prospect of lower global sugar supplies due to climate issues in Thailand and India. The following graph shows sugar #11 future prices reported by the Intercontinental Exchange (ICE), illustrating the upward trend of sugar prices from June 2023.

Figure 9
Sugar #11 Future Prices

Data and chart source*: Intercontinental Exchange (ICE); As of September 16*

According to UNICA, cumulative sugar production from April to September 1, 2023, is 34.8 MMT, an increase of 20 percent relative to the same period of MY2022/23 (28.9 MT). This is a result of inflated international sugar prices and the estimate of a possible sugar deficit caused by low production in Thailand and India. CS region production corresponds to 75 percent of sugar production (26 MMT), an increase of 4.3 MMT compared to the sugar production of April-September 2022. The following table shows monthly sugar production for the Center-Southern region for the 2019/20 through 2023/24 crops.

Table 5
Sugar Production in Center-Southern Brazil

Sugar Production in Center-Southern Brazil (metric tons, tel quel)					
	2019/20	**2020/21**	**2021/22**	**2022/23**	**2023/24**
Apr	1,432	2,914	2,226	1,069	1,542
May	3,344	5,127	5,028	3,870	5,468
Jun	4,020	5,117	4,939	4,699	5,266
Jul	4,623	6,510	6,107	6,281	6,946
Aug	4,574	6,204	5,923	5,752	6,823
Sep	3,795	6,057	4,883	4,557	-
Oct	3,463	4,275	2,050	3,972	-
Nov	1,137	1,694	782.8	2,708	-
Dec	59.2	120.8	29.2	460.7	-
Jan	328.5	9.8	18.1	61.9	-
Feb	2.7	41.2	11.6	6.7	-
Mar	211.7	142.1	62.3	138.7	-
MY Accumulated	26,992	38,217	32,062	33,579	26,045
Total Brazil	30,048	41,256	35,320	36,945	34.888

Data source: *UNICA; Chart Post Brasília*

Cane, Sugar, and Ethanol Production

According to the Ministry of Agriculture, Livestock, and Supply (MAPA), cumulative production for the 2023/24 crop from April to September 1, 2023, was reported at 26.2 MMT of sugar and 19.6 billion liters of ethanol (7.9 billion liters of anhydrous and 11.7 billion liters of hydrous ethanol).

Table 06
Sugarcane, Sugar and Ethanol Production, April-September 1, 2023

Cane, Sugar & Ethanol Production: 2023/24 Crop (MT and 000 Liters)					
			Ethanol		
State/Region	**Cane**	**Sugar**	**Anhydrous**	**Hydrous**	**Total**
Espirito Santo	1,758,697	92,069	50,040	17,763	67,803
Goias	49,622,600	1,795,465	799,932	2,542,029	3,341,961
Minas Gerais	51,342,362	3,457,254	845,072	1,211,734	2,056,806
Mato Grosso Sul	30,655,900	1,312,834	670,597	1,460,484	2,131,081
Mato Grosso	11,985,239	350,619	1,005,437	1,565,513	2,570,950
Parana	23,999,297	1,773,966	487,088	308,982	796,070
Rio de Janeiro	650,751	21,624	0	33,300	33,300
Rio Grande Sul	0	0	7	26	33
Sao Paulo	235,675,996	17,241,439	3,761,018	4,386,132	8,147,150
Center South	**405,690,842**	**26,045,270**	**7,619,191**	**11,525,963**	**19,145,154**
Acre	0	0	0	0	0
Amazonas	54,656	3,331	0	1004	1004
Ceara	0	0	0	0	0
Maranhao	1,358,670	13,667	85,634	13,399	99,033
Para	576,236	37,116	20,960	7,382	28,342
Piaui	627,191	40,560	12,311	9,756	22,067
Rondonia	0	0	0	0	0
Tocantins	1,674,292	0	74,387	59,483	133,870
North	**4,291,045**	**94,674**	**193,292**	**91,024**	**284,316**
Alagoas	0	0	0	0	0
Bahia	2,865,421	37,503	73,266	127,187	200,453
Paraiba	807,507	16,904	21,938	17,148	39,086
Pernambuco	373,252	25260	0	5,350	5,350
Rio Grande Norte	402,705	20,595	5,877	6,010	11,887
Sergipe	0	0	0	0	0
Northeast	**4,448,885**	**100,262**	**101,081**	**155,695**	**256,776**
TOTAL	**414,430,772**	**26,240,206**	**7,913,564**	**11,772,682**	**19,686,246**

Data source: MAPA; Chart Post Brasília. As of September 9, 2023

Sugarcane and Sugar Prices in the Domestic Market

Sugarcane prices received by third-party suppliers for major producing states are based on a formula that considers prices for sugar and ethanol in domestic and international markets. The State of Sao Paulo Sugarcane, Sugar, and Ethanol Growers Council (CONSECANA) was the first to develop this formula for the state of Sao Paulo, which accounts for roughly 65 percent of center-south production.

The cumulative CONSECANA price (May-August 2023) for the state of Sao Paulo for the 2023/24 crop was R$1,2110 per kg or TRS or approximately R$173 per ton of sugarcane. Note that CONSECANA's prices are based on both sugar and ethanol prices in domestic and international markets.

The Cystal Sugar Index released by the University of Sao Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ) follows. The index tracks crystal sugar prices received by producers in the domestic spot market. Sugar prices in the domestic remains attractive, with expectations of greater sugar production in Brazil.

Table 7

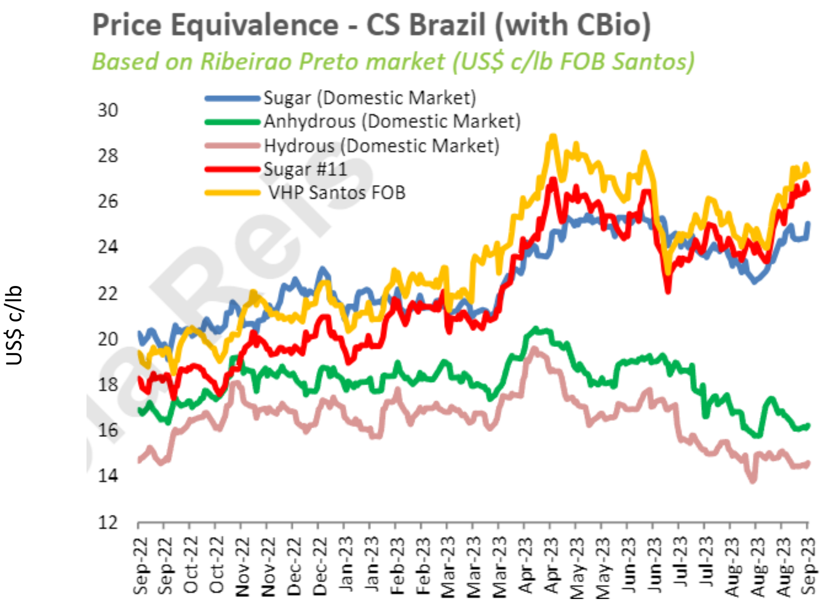
Crystal Sugar Prices Index, Domestic Market

Crystal Sugar Price Index - Domestic Market (Real, 50kg/bag, including tax).						
Period	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
January	60.88	68.83	74.33	106.31	151.45	133.98
February	53.23	68.49	78.35	107.70	144.78	132.09
March	51.32	67.93	78.45	107.58	137.60	132.00
April	54.89	68.46	77.38	108.34	140.68	141.03
May	54.27	69.1	74.79	115.08	131.88	148.84
June	57.80	62.55	76.24	116.36	127.87	144.99
July	55.11	59.70	77.36	116.40	128.86	137.00
August	51.49	60.07	81.44	128.43	128.87	135.27
September	60.69	61.04	86.53	141.73	124.44	147.43*
October	64.37	65.04	93.75	147.27	126.99	-
November	67.74	65.65	106.19	153.67	131.83	-
December	68.57	70.18	108.78	155.06	139.12	-

***Data source**: USP/ESALQ/CEPEA; Chart Post Brasília. *As of September 16th*

The following graph illustrates the sugar-ethanol price equivalence for the reference market of Ribeirao Preto at Sao Paulo State, as reported by Datagro. The September 16th price equivalence shows that sugar contract #11 at the Intercontinental Exchange (ICE) in New York was negotiated at 26.83 U.S. cents/lb. The remuneration for very high polarity (VHP) sugar exported FOB from the Port of Santos was 27.64 U.S.cents/lb and the sugar sold on the domestic market was traded at approximately 24.41 U.S. cents/lb. The ethanol price equivalence on the domestic market remained less competitive, ranging between 16.12 and 14.45 U.S. cents/lb. Post estimates sugar prices practiced in domestic and export markets to remain strong given the projection of global deficit for the coming months of MY2023/24.

Figure 10
Sugar and Ethanol Price Equivalence



Data and chart source: *Datagro*

Table 8
Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)						
Month	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
January	3.16	3.65	4.25	5.48	5.36	5.10
February	3.24	3.74	4.5	5.53	5.14	5.21
March	3.32	3.9	5.2	5.7	4.74	5.08
April	3.48	3.94	5.43	5.4	4.92	5.00
May	3.74	3.94	5.43	5.23	4.73	5.09
June	3.86	3.83	5.48	5	5.24	4.82
July	3.75	3.76	5.2	5.12	5.19	4.74
August	4.14	4.14	5.47	5.14	5.18	4.92
September	4	4.16	5.64	5.44	5.41	4.85*
October	3.72	4	5.77	5.64	5.26	
November	3.86	4.22	5.33	5.62	5.29	
December	3.87	4.03	5.2	5.58	5.78	

Data source: *Brazilian Central Bank (BACEN) *Refers to September 18th*

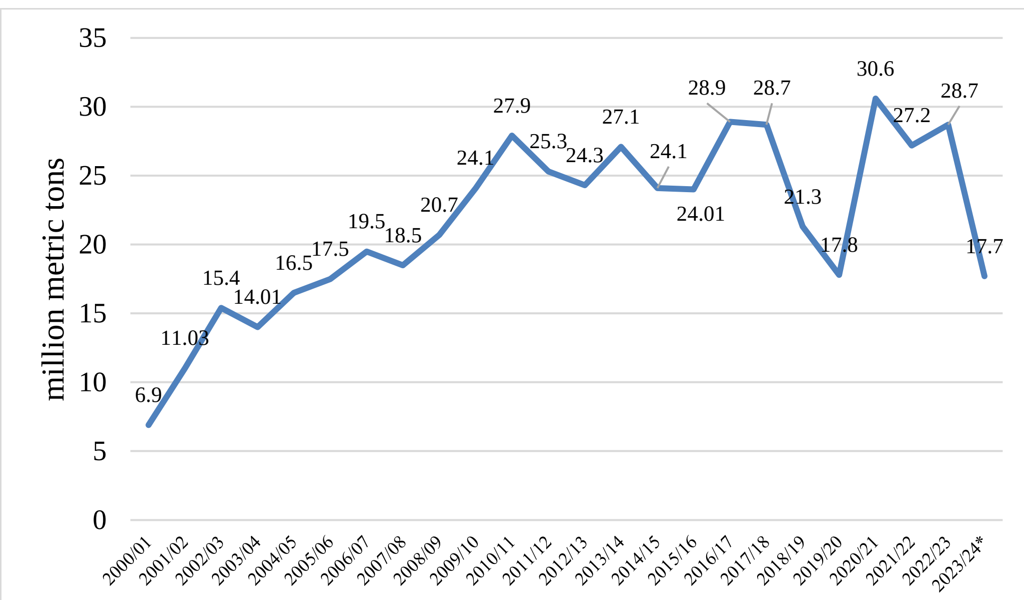
Consumption

There is no official source for domestic sugar consumption in Brazil. Post forecasts sugar consumption for MY2023/24 at 9 MMT, a slight adjustment from the previous MY2023/24 forecast (9.54 MMT), given the higher destination of sugar for exports as a result of strong international prices.

Trade

Post maintains the forecast of Brazil's sugar exports for MY2023/24 at 32.5 MMT, raw value, due to higher sugar exportable surplus relative to previous MY2022/23. Raw sugar exports will likely account for 27.5 MMT, raw value, an increase of 1.5 MMT compared to the previous MY2023/24 forecast. The remainder of 5MMT represents exports of refined sugar, an adjustment of 1.4MMT compared to the previous estimate. Brazil remains the largest worldwide sugar exporter and the steady devaluation of the local currency, the Real, compared to the U.S. dollar, keeps Brazilian sugar highly competitive. The following graph shows Brazilian sugar exports since 2000 and the overall upward trend for exports.

Figure 11
Brazilian Sugar Exports



Data source: *Ministry of Industry, Commerce, and Foreign Trade (MDIC); Chart Post Brasília *Refers to August 2023*

Brazil remains as the largest sugar exporter worldwide with 66.5 percent of the world's total exports in MY (April-March) 2022/2023, according to Trade Data Monitor. Brazil is followed by India, Thailand, and Mexico. From April to August 2023, Brazil's market share was 78.2 percent (11.1 MMT) an increase of 11 percent compared to the same period of MY2022/23 (10 MMT or 59.2 percent of the market share). Brazilian main sugar buyers for MY2023/24 are China, Algeria, Bangladesh, and Nigeria.

Since mid-2020, the Brazilian currency has remained relatively devalued against the U.S. dollar (see exchange rate section), which maintains Brazilian sugar's high competitiveness in export markets. In addition, the world sugar market supply is trending towards a deficit in MY2023/24, which will likely create more demand from Brazilian sugar.

Table 9
Brazil Sugar Exports by Main Countries (metric tons)

Brazil Sugar Exports by Main Countries (NCMs 1701.11, 1701.13 & 1701.14, tel quel, MT)						
	MY 2018/19	**MY 2019/20**	**MY 2020/21**	**MY 2021/22**	**MY 2022/23**	**Apr-Aug 2023/24**
China	891,560	1,374,951	4,973,424	4,356,464	4,004,640	1,511,106
Algeria	2,238,608	2,449,477	2,260,842	2,398,145	1,931,685	740,780
Morocco	927,275	861,351	1,452,790	1,230,467	1,739,016	715,074
Nigeria	1,210,573	1,623,761	1,623,761	1,945,933	1,655,234	738,970
Bangladesh	1,996,197	1,916,043	2,175,904	1,361,057	1,279,179	726,283
Canada	816,800	606,712	1,059,465	1,232,787	1,231,644	494,000
Indonesia	78,182	145,899	2,156,366	606,047	1,219,746	618,586
Others	11,576,500	9,973,142	21,392,990	12,850,456	14,678,697	7,267,184
Total	19,735,695	18,951,336	32,127,163	25,981,356	27,739,841	12,811,983

***Data source**: Trade Data Monitor (TDM) based on the Brazilian Foreign Trade Secretariat (SECEX); Chart Post Brasília Note: Numbers may not add due to rounding*

Table 10
Brazil Sugar Exports by Main Countries (US$ FOB)

Brazil Sugar Exports by main countries (NCMs 1701.11, 1701.13 & 1701.14, tel quel, US$ 000 FOB)						
	MY 2018/19	**MY 2019/20**	**MY 2020/21**	**MY 2021/22**	**MY 2022/23**	**Apr-Aug 2023/24**
China	244,540	382,302	1,391,715	1,478,267	1,576,699	745,706
Algeria	638,376	696,418	632,488	831,731	780,755	358,355
Morocco	257,034	237,769	414,900	419,085	706,732	356,548
Nigeria	330,113	432,418	451,331	658,218	650,225	333,266
Bangladesh	556,504	534,770	619,653	458,359	508,355	344,639
Canada	251,133	176,713	297,178	444,697	508,234	250,160
Indonesia	26,523	42,674	596,798	201,531	473,987	302,525
Others	3,497,155	3,012,968	4,900,234	4,611,701	6,303,775	3,636,661
Total	5,801,382	5,516,035	9,304,300	9,103,591	11,508,764	6,327,862

***Data source**: Trade Data Monitor (TDM) based on the Brazilian Foreign Trade Secretariat (SECEX); Chart Post Brasília Note: Numbers may not add due to rounding*

Stocks

Sugar ending stocks for MY2023/24 are projected at 390,000 MT, raw value, a reduction of 330,000 MT compared to MY2022/23 (690,000 MT) ending stocks. The decrease is based on the perspectives for diverting stocks towards international demand. There is no official source for carry-over stocks of sugar in Brazil.

Policy

U.S. Sugar TRQ

Imports of sugar into the United States are governed by tariff-rate quotas (TRQ), which allow a certain quantity of sugar to enter the country under a low tariff. TRQs apply to imported raw cane sugar, refined sugar, sugar syrups, specialty sugars, and sugar-containing products. The sugar import program meets the U.S. commitments under the Uruguay Round Agreement on Agriculture (which resulted in the World Trade Organization).

USDA establishes the annual quota volumes for each federal fiscal year (FY), beginning October 1st, and the U.S. Trade Representative (USTR) allocates the TRQs among countries. Sugar and related products paying a higher, over-quota tariff may enter the country in unlimited quantities. About 40 countries worldwide receive TRQ allocations based on historical trade to the United States. The top three quota holding countries are the Dominican Republic, Brazil, and the Philippines.

Brazil initially held a raw value allocation of 155,993 metric tons at the beginning of FY2023, which is equivalent to approximately 14 percent of the total TRQ. Brazil received additional quotas later in the FY and total sugar volume under the TRQ system reached a total of 232,573 MMT for FY2023.

On July 19,2023, USTR announced the establishment of the in-quota quantity for raw cane sugar for FY2024. Brazil, the second-largest recipient of the U.S. sugar tariff quota, was allocated 155,993 metric tons. The table below shows U.S. sugar TRQ allocations to Brazil (original and additional) for the past years.

Table 11
United States Sugar Tariff-Rate Quota (TRQ) for Brazil

US Raw Sugar Tarif-Rate Quota (TRQ) for Brazil (Metric Tons Raw Value)			
Fiscal Year - FY	**Original TRQ Allocation**	**Additional TRQ Allocation**	**Total**
2013	155,634	0	155,634
2014	152,691	15,251	167,942
2015	152,691	37,978	190,669
2016	152,691	33,865	186,556
2017	152,691	30,000	182,691
2018	152,691	0	152,691
2019	152,691	22,464	175,155
2020	152,691	158,203	310,894
2021	152,691	34,577	187,268
2022	152,691	53,502	206,193
2023	155,993	76,580	232,573
2024	155,993	-	155,993

***Data source**: USTR; Chart Post Brasília*

Attachments:

No Attachments