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Brazil: more bioethanol, short in sweetener

The decline in sugar production in Brazil's key Centre South so far this season has topped 1 m tonne, thanks to the appeal of turning cane into ethanol rather than the sweetener, data from industry group UNICA revealed. Mills in the Centre South, responsible for some 90% of Brazilian sugar output, produced 6.75m tonnes of sugar in 2015-16 up to June 16 — down from 7.76m tonnes at the same time of last season. The decline represents in part a drop in volumes of cane processed, with the crush this season reaching 153.9m tonnes, a drop of 3.1%. However, the significantly bigger drop in sugar output - of 12.9% year on year so far - reflects also the preference by mills for producing ethanol from cane rather than the sweetener, with output of the biofuel showing a small increase so far in 2015-16, which started in April.

Indeed, so far this season mills have directed 61.1% of cane at making ethanol, compared with 57.9% as of a year ago. The increase in gasoline prices, tax changes observed in several consumer states in early 2015 are giving support to product sales in the Brazilian market. The administration of Dilma Rousseff has been implementing supportive legislation for the country's biofuel industry, while gasoline prices have been on the rise as crude oil recovers from its six-year low at the start of the year.

Source:

www.unica.com.br/na-midia/28217354920311735640/sugar-output-drop-in-key-brazil-region-tops-10m-tonnes/