

Agriculture at its best

# EARNINGS RELEASE 2Q23

VIDEOCONFERENCE

**August 10<sup>th</sup>**

10:00 a.m. Brasília

09:00 a.m. New York

02:00 p.m. London

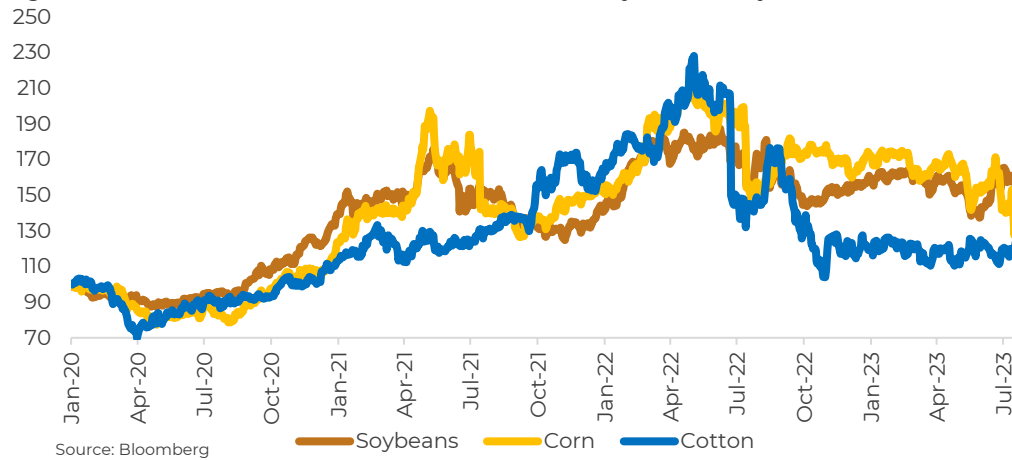
Simultaneous translation to English and Brazilian Sign Language



**SLC** *Agrícola*

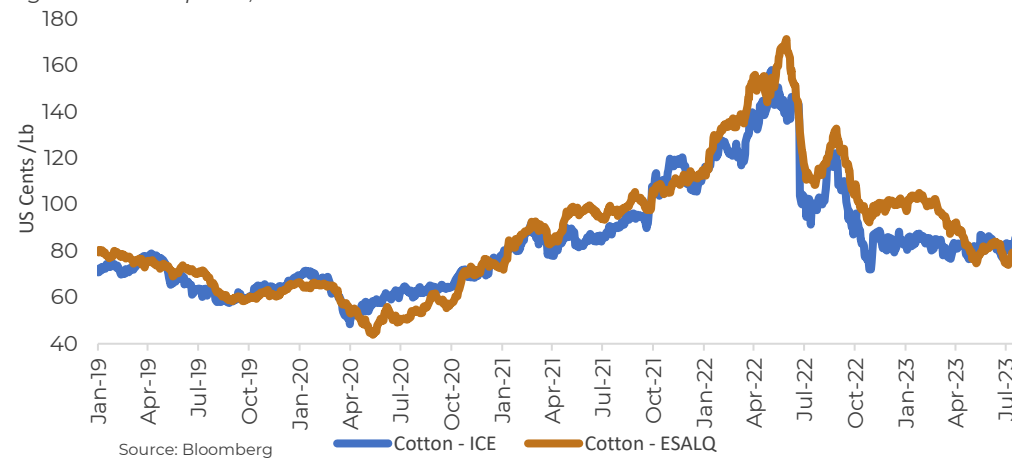
## Market Outlook

Figure 1: Price variation for selected commodities, January/2020 to July/2023



## Cotton

Figure 2: Cotton prices, international market x Brazil

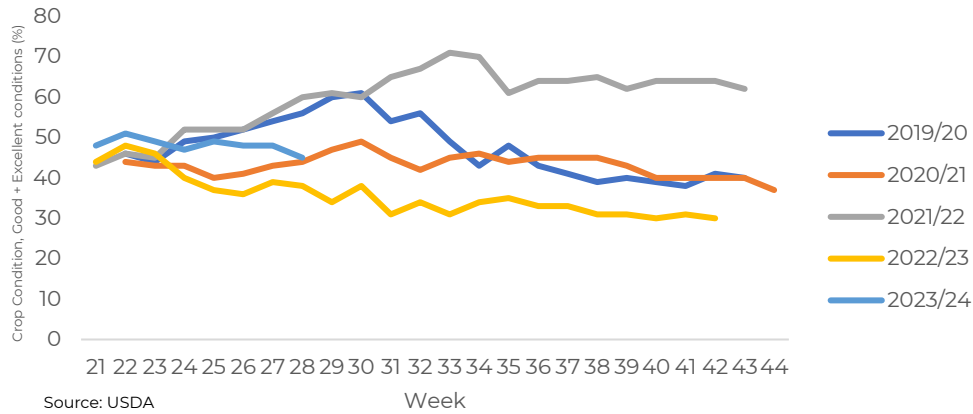


The second quarter of 2023 was marked by stability in cotton prices in both international and Brazilian markets.

The scenario marked by expectations of a global economic slowdown has been an important factor influencing international cotton prices.

The 2023/24 crop year in the United States, the world's largest cotton exporter, was marked by significant contraction in planted area which, combined with the current conditions of the country's cotton crop, is likely to establish a ceiling for production near the current USDA estimate of 16.50 million bales.

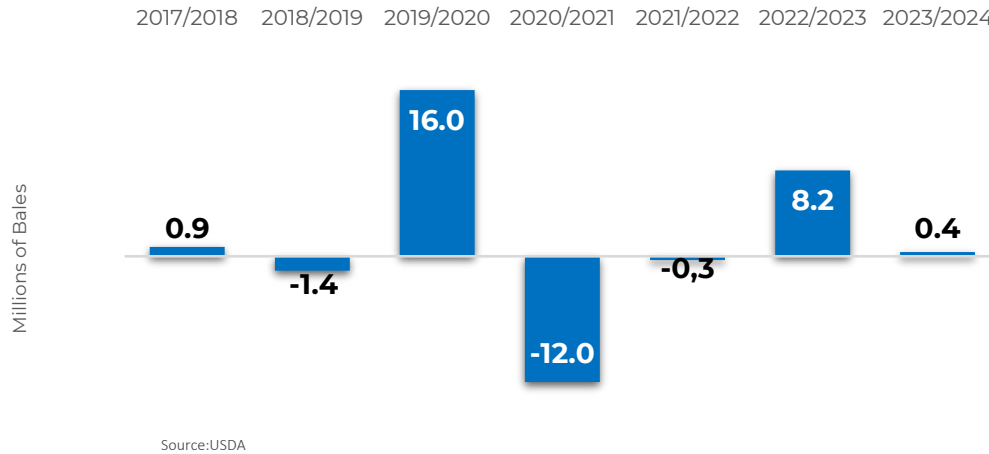
Figure 3: Crop Condition, Good + Excellent conditions in the United States



This scenario is key in terms of monitoring, since the cotton abandonment rate reached a record high in the United States in the last cycle, reflecting the severe drought that affected the country during the crop development period, which resulted in production losses and higher cotton prices in New York.

According to USDA data, the world supply-demand scenario should be balanced for the current cycle.

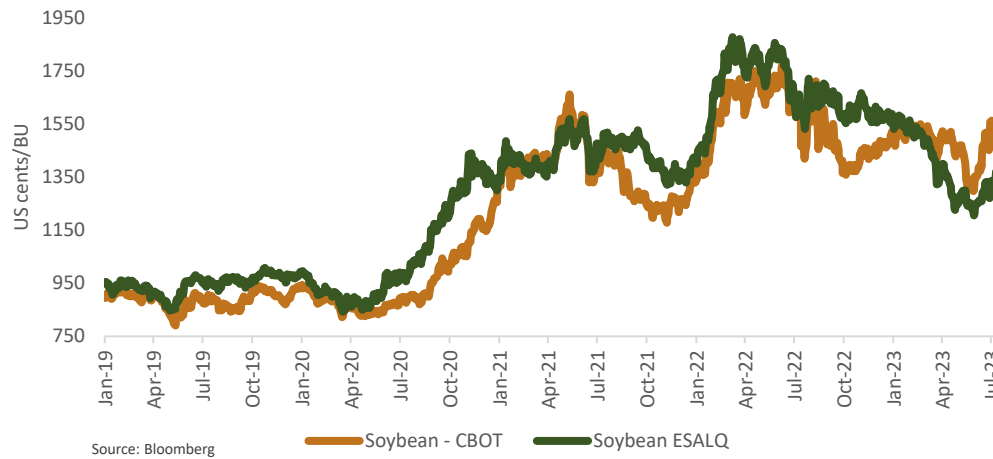
Figure 4: Cotton – Global Supply and Demand



## Soybeans

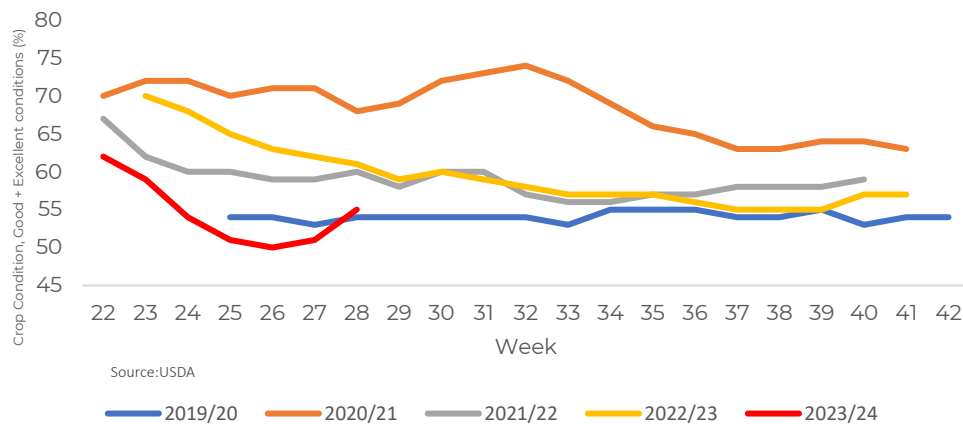
Soybean spot prices on the Chicago Board of Trade (CBOT) and the prices paid for the grain based on the Paranaguá/CEPEA reference staged recoveries during the second quarter of 2023.

Figure 5: Soybean prices, International Market x Brazil



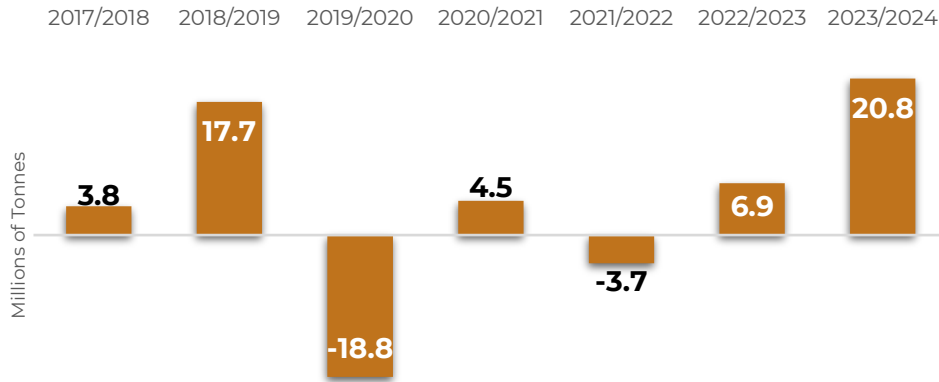
Regarding the 2023/24 crop year in the United States, considering the drought that affected the Corn Belt in June and part of July, the conditions of the country's soybean crop are below the average of recent years and should tend to support soybean prices on the CBOT if losses occur due to the deterioration presented.

Figure 6: Condições de Lavoura, Condições Boas + Excelentes nos Estados Unidos



At the global level, for the 2023/24 cycle, the supply-demand balance should register a surplus, with production outstripping consumption by about 20.8 million tonnes, after the surplus of 6.9 million tonnes in 2022/23.

Figure 7: Soybean – Global Supply and Demand

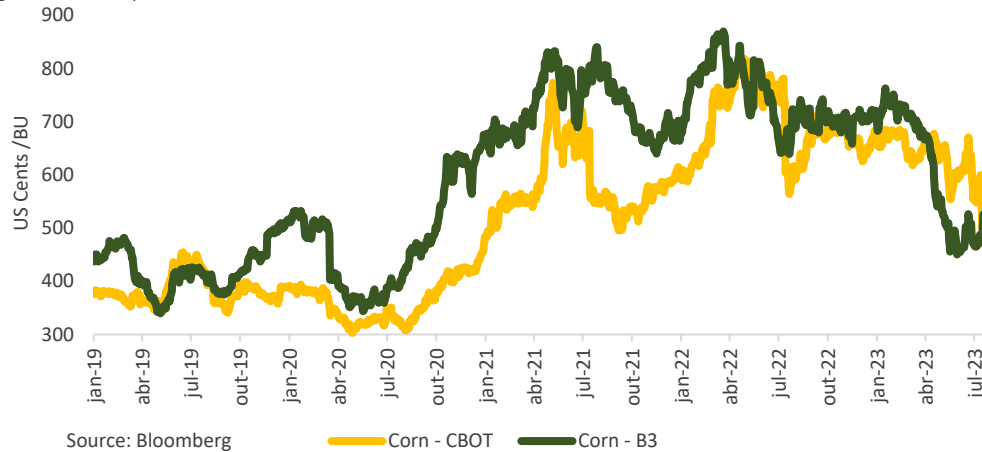


Source: USDA

## Corn

Corn prices for spot contracts on the CBOT and in Brazil's domestic market presented high volatility in the second quarter of 2023.

Figure 8: Corn prices, International Market x Brazil

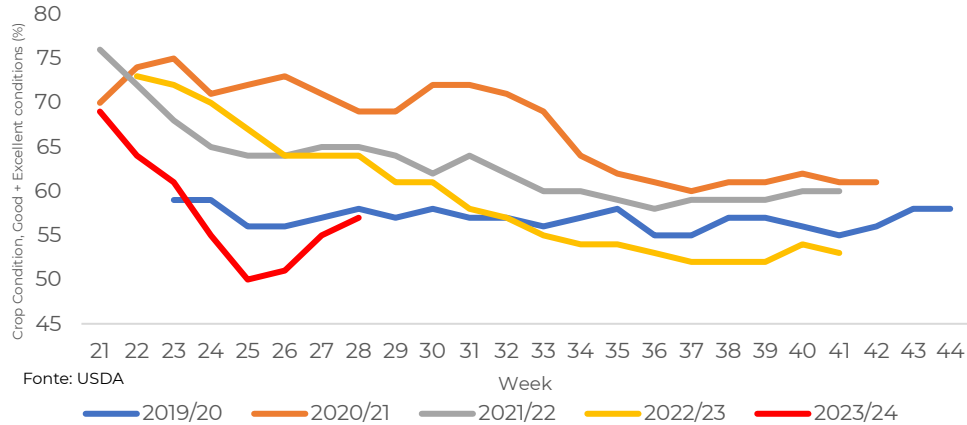


Regarding the 2023/24 crop year, the drought scenario described above for the U.S. soybean crop also affected the corn crop during an important period for its development.

Good and excellent conditions of U.S. crops are currently at the lowest level considering the comparable period of the last five years, which led the USDA, in its supply and demand report of July, to already revised downward by 2% its yield forecast for the corn crop.

The monitoring of crop conditions combined with weather expectations will be the main drivers of corn prices in the market in August and September.

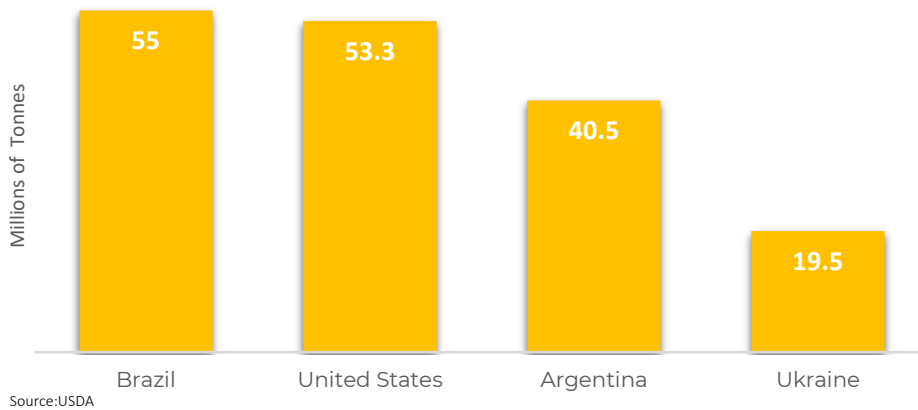
Figure 9: Crop Condition, Good + Excellent conditions in the United States



Of key importance in global terms, the Russia-Ukraine conflict remains a relevant factor in the formation of international corn prices, since Ukraine is the world's fourth largest corn exporter, behind Argentina, United States and Brazil, respectively.

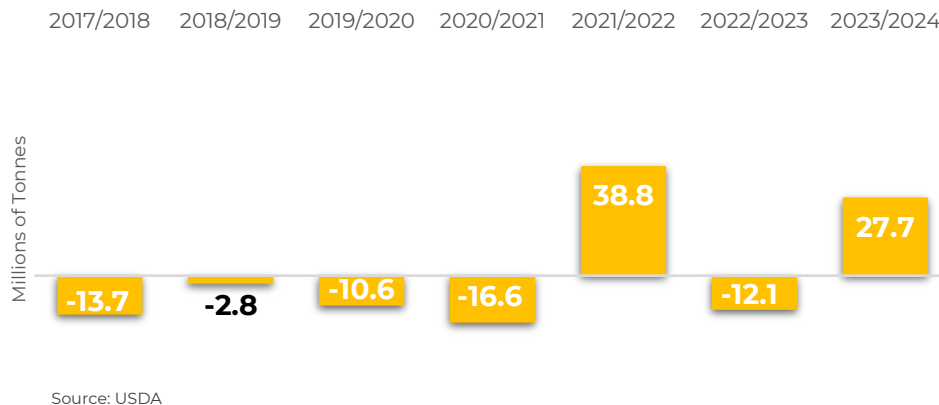
Problems arising from the conflict and the expansion in planted area nationwide ended up making Brazil the world's largest corn exporter, according to USDA data.

Figure 10: Global Corn Exports by country in 2023/2024



In the global scenario, the difference between supply and demand should lead production to outstrip consumption by approximately 27.7 million tonnes.

Figure 11: Corn – Global Supply and Demand



# INVESTOR RELATIONS TEAM



**IVO MARCO BRUM**

CHIEF FINANCIAL AND INVESTOR RELATIONS OFFICER



**RODRIGO GELAIN**

FINANCIAL AND INVESTOR RELATIONS  
MANAGER



**ALISANDRA REIS**

INVESTOR RELATIONS COORDINATOR



**STEFANO BING**

INVESTOR RELATIONS ANALYST



**JULIA SOARES**

INVESTOR RELATIONS ANALYST

[www.slcagricola.com.br](http://www.slcagricola.com.br)

[ri@slcagricola.com.br](mailto:ri@slcagricola.com.br)

+ 55 51 3230.7799 | + 55 51 3230.7864

