



# Earnings Release

# 1Q24

## Videoconference

### May 9<sup>th</sup>

10 a.m – Brasília

9 a.m – New York

2 p.m – London

Simultaneous translation to English  
and Brazilian Sign Language

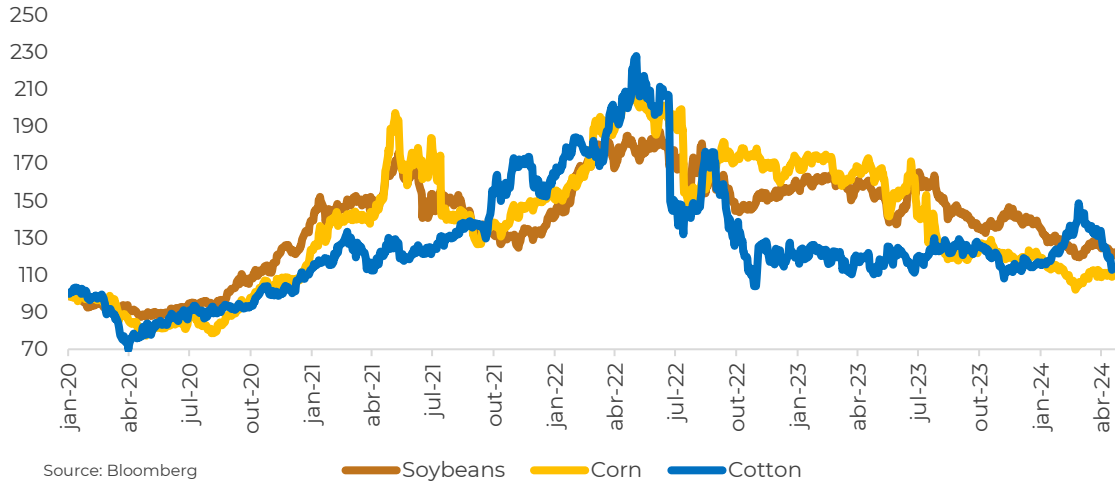


## AGRICULTURE AT ITS BEST

**SLC** *Agrícola*

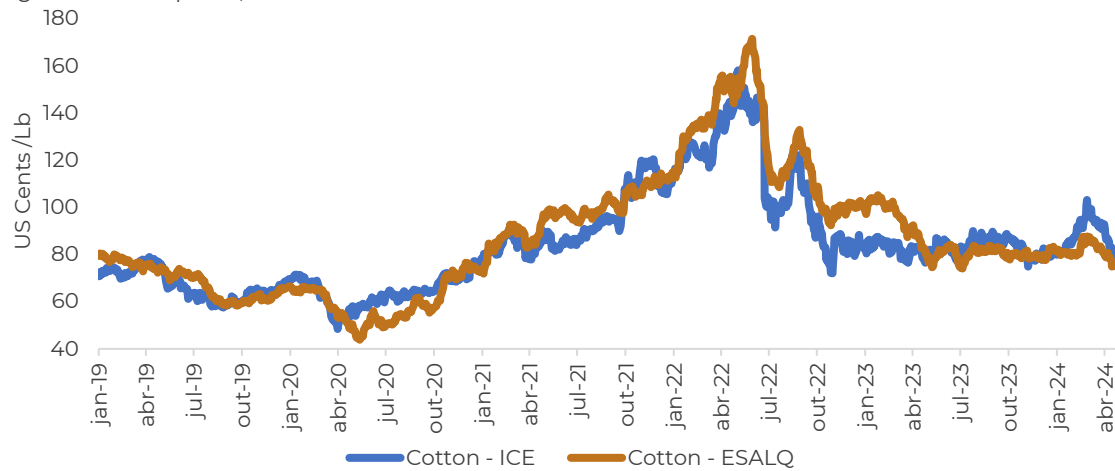
## Market Outlook

Figure 1: Price variation for selected commodities, January/2020 to April/2024



## Cotton

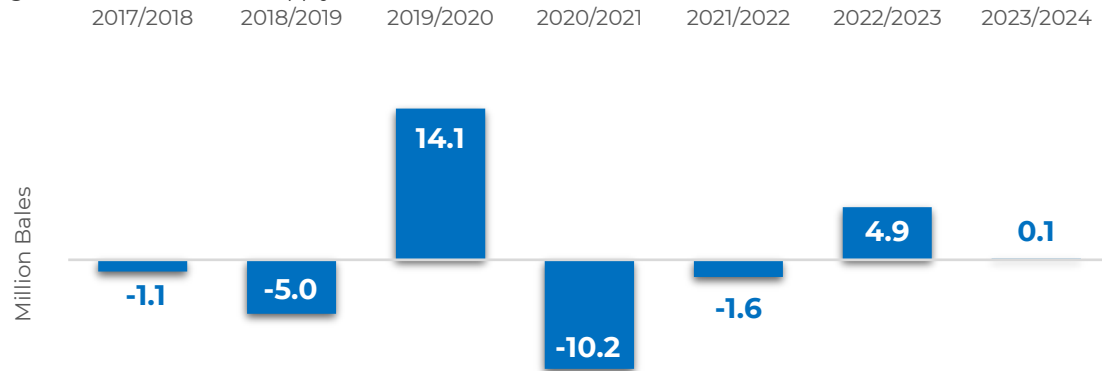
Figure 2: Cotton prices, international market x Brazil



The first quarter of 2024 was marked by a recovery followed by a decline in cotton prices in both the international and domestic markets, reflecting the global supply-demand fundamentals.

The USDA estimates global cotton consumption during the 2023/24 crop year at 112.9 million bales, as against estimated production of 112.8 million bales, resulting in a balanced global supply-demand scenario, unlike the surplus registered in the previous crop year (2022/23).

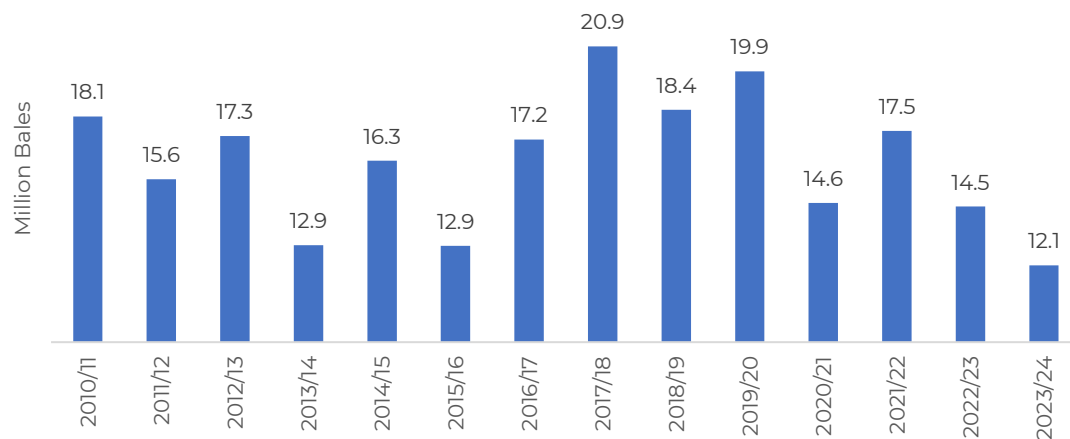
Figure 3: Cotton – Global Supply and Demand



Source: USDA

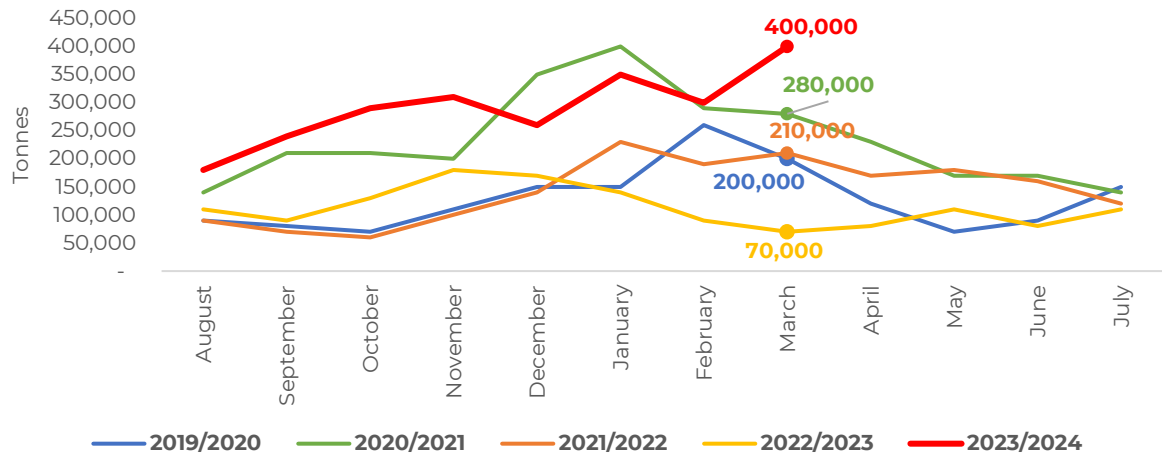
The current scenario reflects the substantial production losses in the U.S., whose final production should be 12.1 million bales, which represents the lowest production registered in the U.S. in the last 14 years.

Figure 4: Cotton – United States Production



This phenomenon should directly affect the global cotton market, since the U.S. is currently the world's leading cotton exporter.

Figure 5: Cotton – Chinese Cotton Imports – by crop year



Of fundamental importance has been the scenario of cotton demand in China, since the country is currently the world's biggest cotton consumer. In the 2023/24 crop year, its import volumes have consistently exceeded those of the past five years.

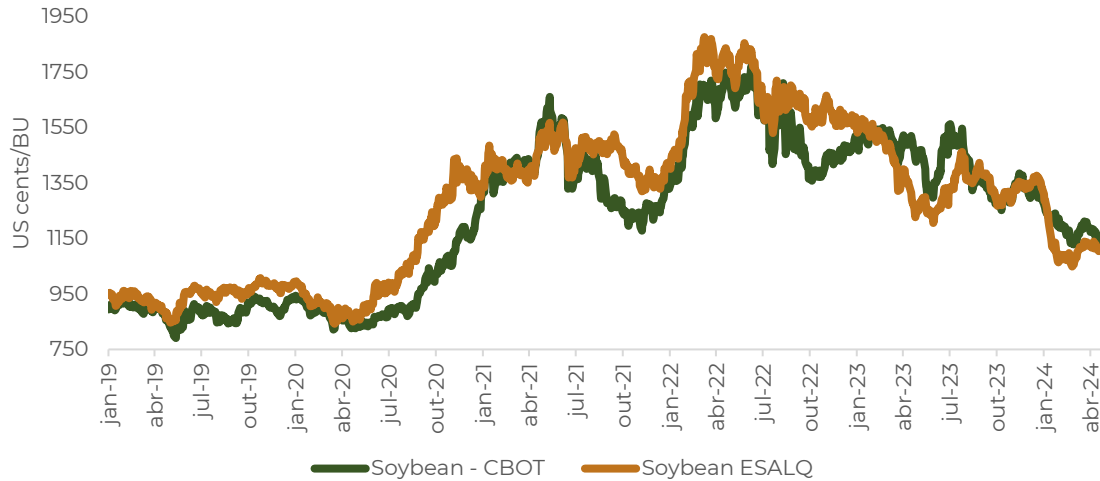
As such, in the above scenario, Brazil should continue to grow its market share and consolidate its position as an important global player - it has already risen to the position of the world's second largest cotton exporter.

According to the Prospective Plantings report of the USDA in March 2024, the initially estimated planted area in the U.S. for the 2024/25 crop year is a slight increase of 4% for cotton.

## Soybeans

Soybean spot prices quoted on the Chicago Board of Trade (CBOT) and the prices paid for the grain based on the Paranaguá/CEPEA reference were highly volatile in the first quarter of 2024.

Figure 6: Soybean prices, International Market x Brazil

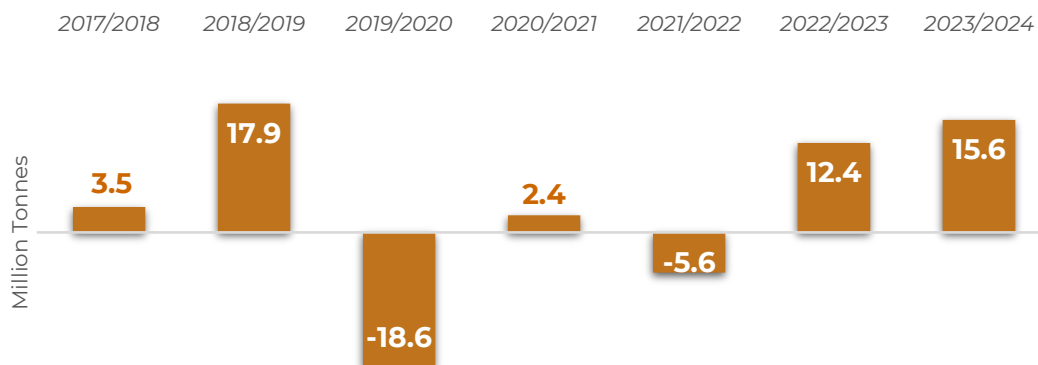


The start of the current 2023/24 cycle was marked by losses caused by the drought in the United States and the year-over-year reduction in planted area. Soybean production, initially estimated at 122.7 million tons, should end the year at 113.3 million tons, according to USDA, resulting in net loss of approximately 9.4 million tons.

In Brazil, as the soybean cycle began with below-normal precipitation and less favorable weather in important soybean producing regions, CONAB reduced its production estimate for the country by 9%, from 160 million tons to the current 146 million tons.

For the 2023/24 cycle, global supply-demand balance should register a surplus, with production outstripping consumption by about 15.6 million tons.

Figure 7: Soybean – Global Supply and Demand

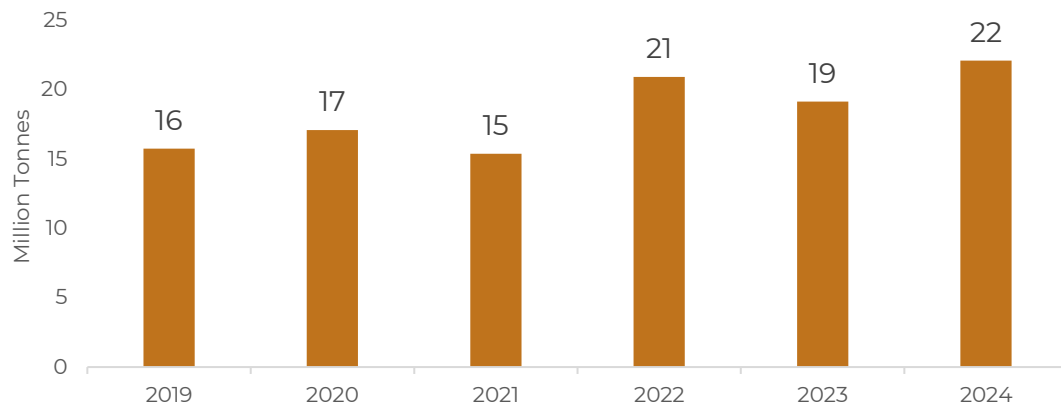


Source: USDA

Monitoring the development of South American crop will be of utmost importance to ensure that global supply-demand balance remains at the current estimated levels.

Regarding demand for Brazilian soybean, the country's balance of trade registered the highest export volume in the comparable period from January to March, attesting to the strong global demand and the competitiveness of Brazilian soybean in the international market.

Figure 8: Soybean – Accumulated Exports of Soybeans from Brazil



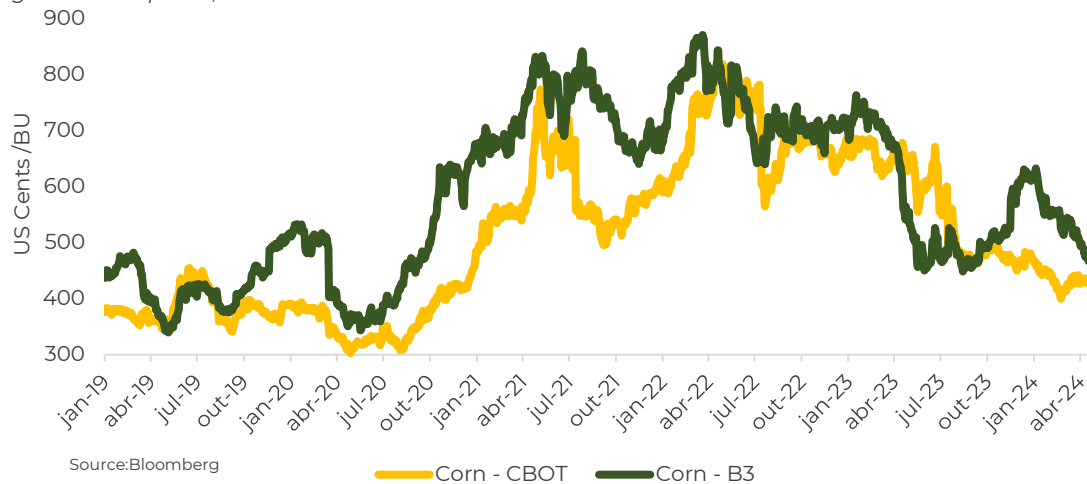
Source: Comexstat

According to the Prospective Plantings report of the USDA in March 2024, the initially estimated planted area in the U.S. for the 2024/2025 crop year is an increase of 3% for soybean.

## Corn

Corn prices for spot contracts on the CBOT and in Brazil's domestic market were highly volatile in the third quarter of 2023.

Figure 9: Corn prices, International Market x Brazil

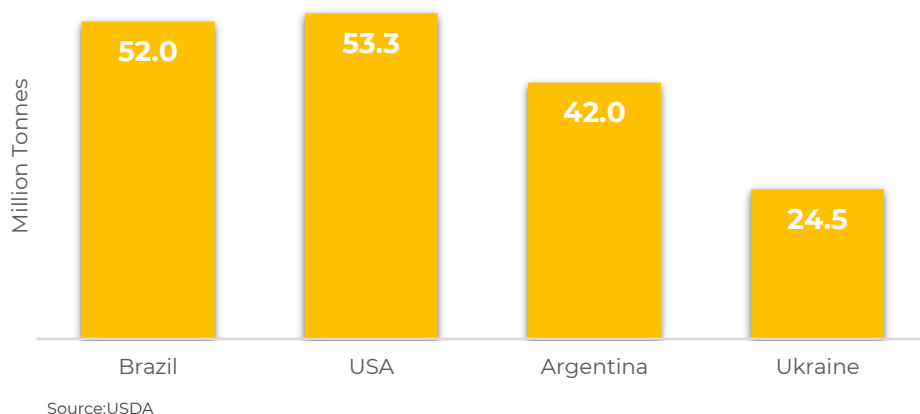


In a quarter marked by irregular growth of the U.S. corn crop, with production affected by adverse weather, which also resulted in lower yield, the global scenario still suffers from the uncertainty resulting from the Russia-Ukraine conflict, while Brazil has been consolidating its share of the global corn market.

According to estimates by the Buenos Aires Grains Exchange, estimates of Argentine corn production were reduced by 12% from the initial estimate of 56.5 million tons to the current 49.5 million tons, due to pest attacks.

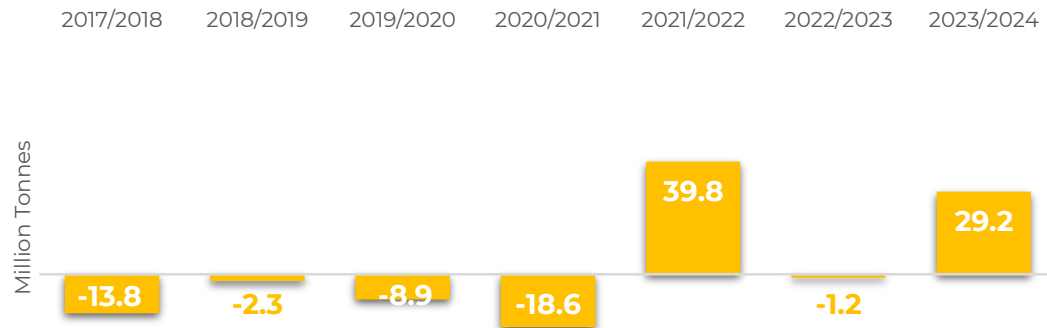
This should be key to an adjustment in global exports, since Argentina is one of the world's largest corn suppliers, behind only Brazil and the U.S.

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



Currently, the global supply-demand balance should result in surplus production of approximately 29.2 million tons over consumption.

Figure 11: Corn – Global Supply and Demand



Source: USDA

According to the Prospective Plantings report of the USDA in March 2024, the initially estimated planted area in the U.S. for the 2024/2025 crop year is a 5% drop in corn.



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