



1. HIGHLIGHTS

2021/22 Marketing Year

Cumulative exports reached 1.683 million tonnes of cotton, down 30% on the amount recorded in 2020/21.

China was the country that most imported Brazilian cotton (455 thousand tonnes). Its share of total exports dropped from 30% to 27% from one cycle to the next.

After China, the countries that most imported Brazilian cotton in the marketing year were Vietnam (275 million tons; 16%), Turkey (226

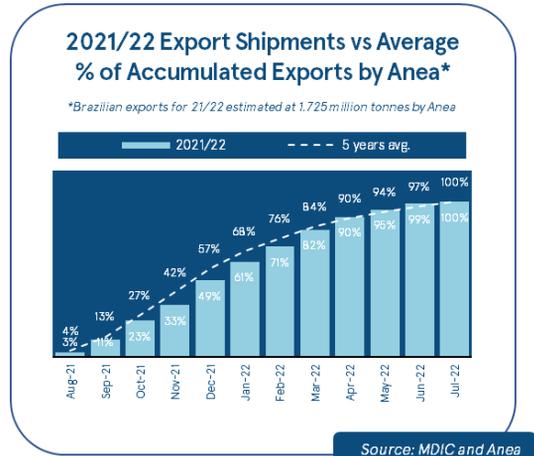
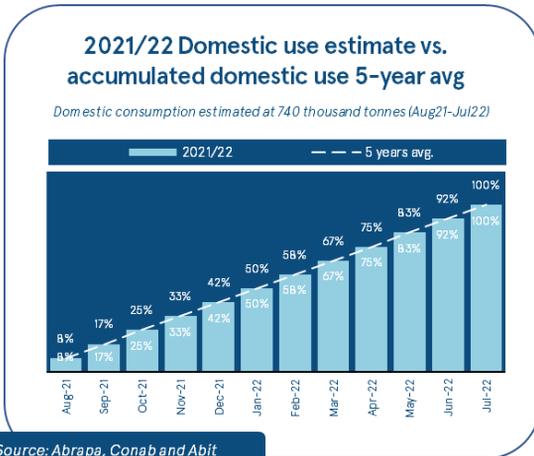
million tons; 13%) and Bangladesh (205 million tons; 12%).

July/2022

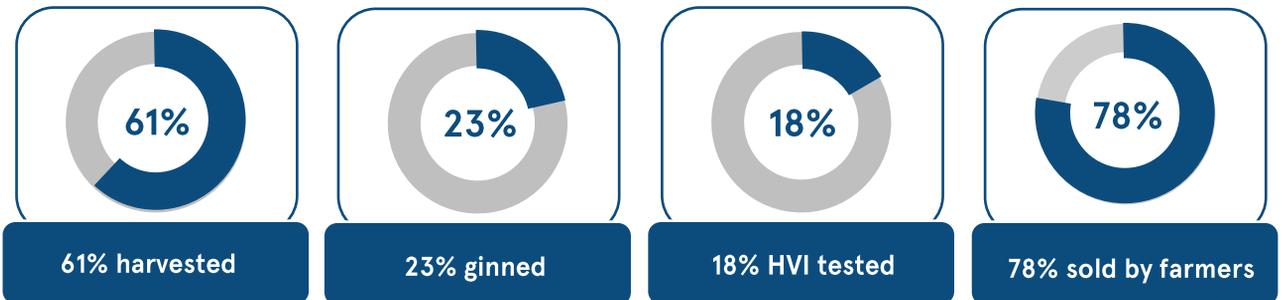
The 2022 harvest ramped up in July: 61% of the area has been harvested and ginning reached 23% of the total estimated volume;

At the end of July, the Buyer’s Mission was held in which members of the textile industry from importing countries got a first-hand experience have the Brazilian cotton production system.

2. 2021/22 MARKETING YEAR EXPORTS AND DOMESTIC USE



3. STATUS OF THE 2022 CROP



Source: Abrapa and state associations. Up to August 4th, 2022.



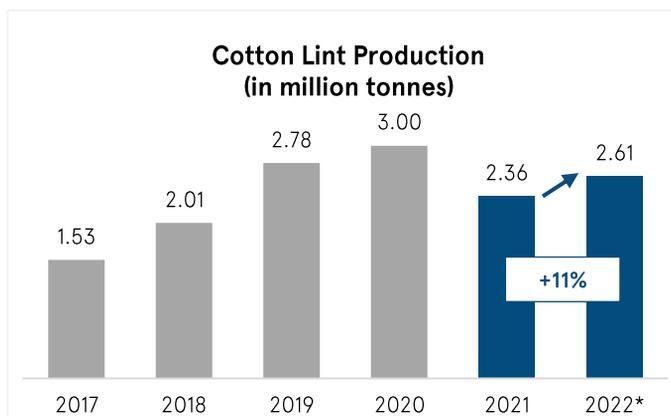
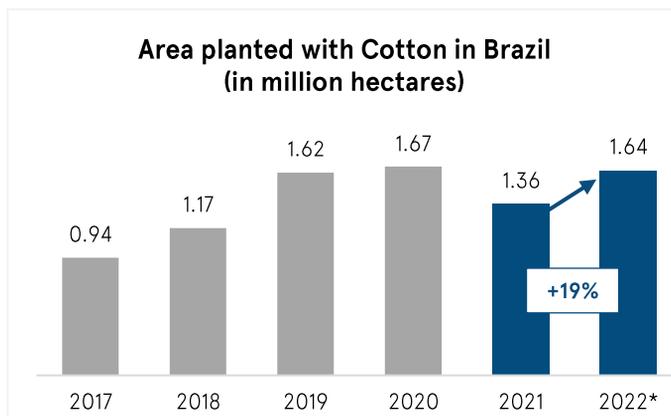
4. 2022 CROP – AREA AND PRODUCTION

Abrapa estimates that the 2022 crop will achieve an area of 1.64 million hectares, from which 2.61 million tonnes will be produced. These numbers will be updated in September/22.

In early August, the National Association of Cotton Exporters (Anea) released its latest forecast for the 2022 cycle of 2.55 million tonnes.

The numbers in relation to production levels are likely to be lower than the earlier estimates due to issues related to weather conditions. In some growing regions there was excessive rain, while in others the dry season was longer than usual.

Looking to **the yield**, Abrapa forecasts a **decrease of 7.2%** achieving **1,595 kg/ha** of cotton lint in 2022.



Source: Conab 2022 Forecast; Abrapa (Jun/22).

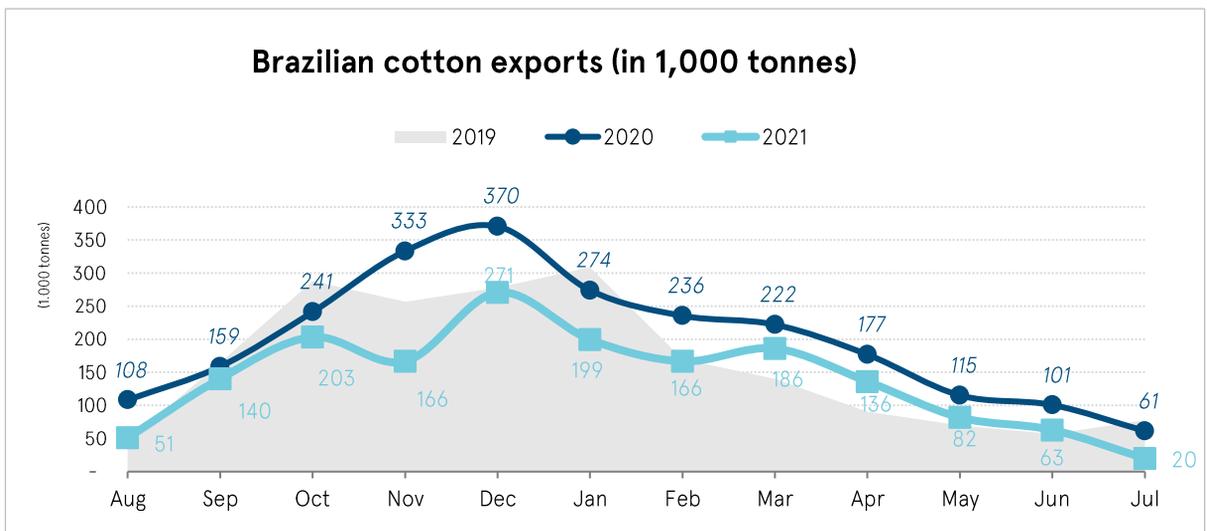
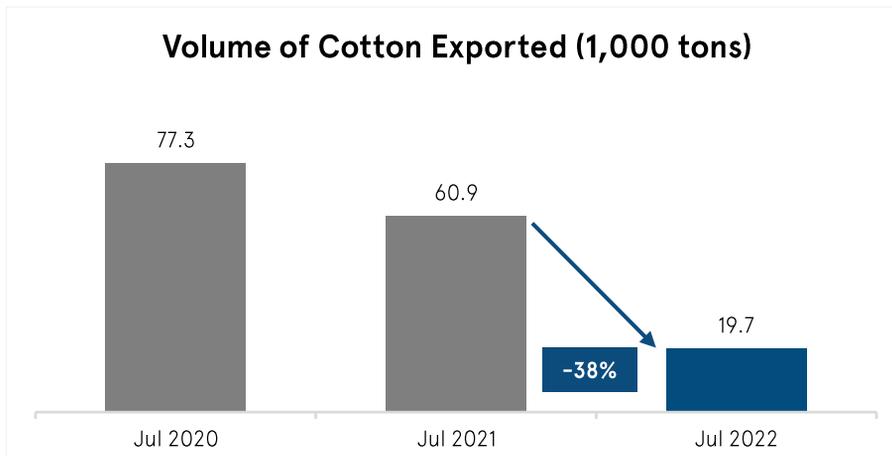
Brazilian Cotton Harvest								
PRODUCTION (million tons)	2017	2018	2019	2020	2021	2022*	21 vs. 20 (%)	22 vs. 21 (%)
SEED COTTON	3.82	5.01	6.94	7.37	5.79	6.33	-21.5%	9.3%
LINT (COTTON)	1.53	2.01	2.78	3.00	2.36	2.61	-21.5%	10.6%
YIELD (kg/ha)	2017	2018	2019	2020	2021	2022*	21 vs. 20 (%)	22 vs. 21 (%)
SEED COTTON	4,076	4,267	4,292	4,427	4,224	3,872	-4.6%	-8.3%
LINT (COTTON)	1,629	1,708	1,717	1,802	1,719	1,595	-4.6%	-7.2%

Source: Conab Forecast; Abrapa



5. EXPORT SHIPMENTS

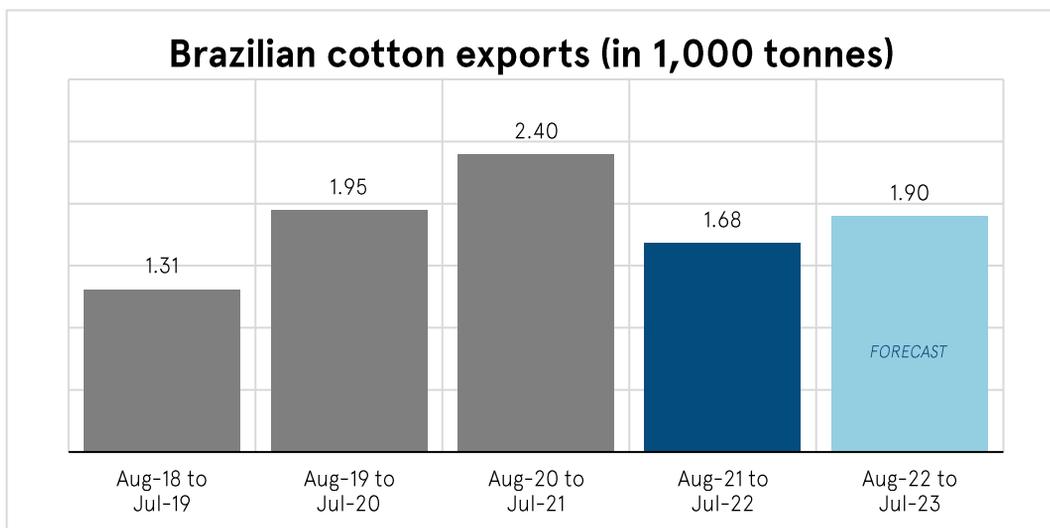
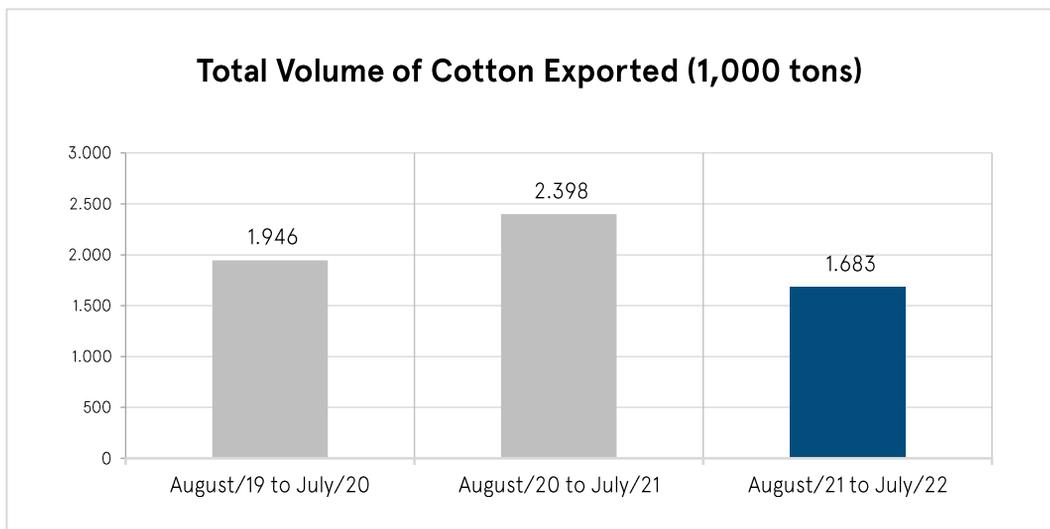
Brazil exported **19.7 thousand tonnes** of cotton in Jul/2022. This volume is 68.5% below the amount shipped in the previous month, Jun/2022, and a 38% reduction in comparison to Jul/2021. The July exports of Brazilian cotton resulted in revenues of **US\$ 47.9 million**.



Source: ComexStat – ME, August/2022



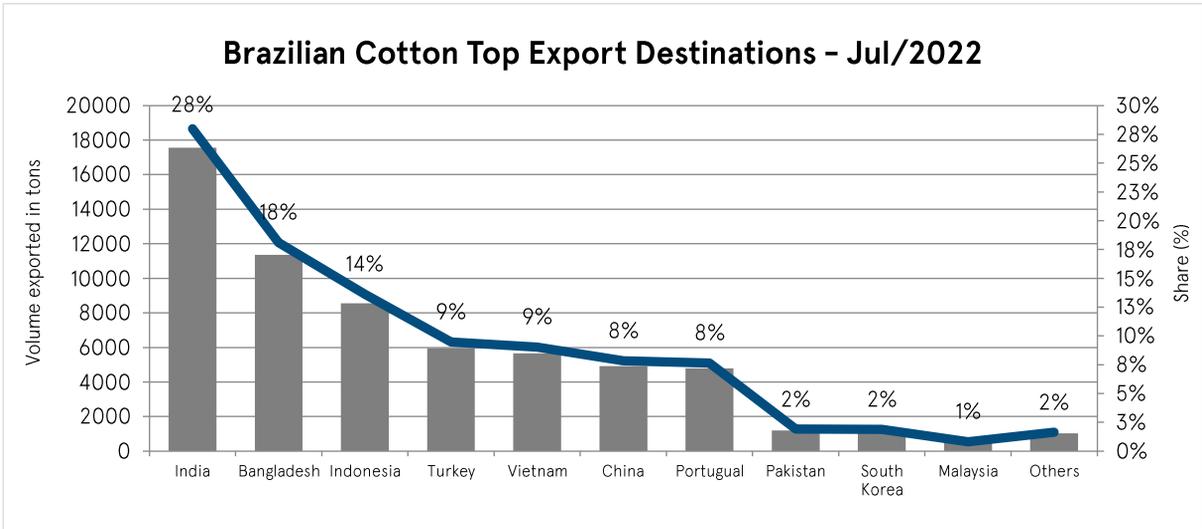
From August/21 to Jul/22, Brazil shipped **1.683 million tonnes** of cotton overseas. This volume corresponds to a performance that is 30% below the amount recorded between August/20 and Jul/21. In this current marketing year, exports generated revenues of **US\$ 3.222 billion**.



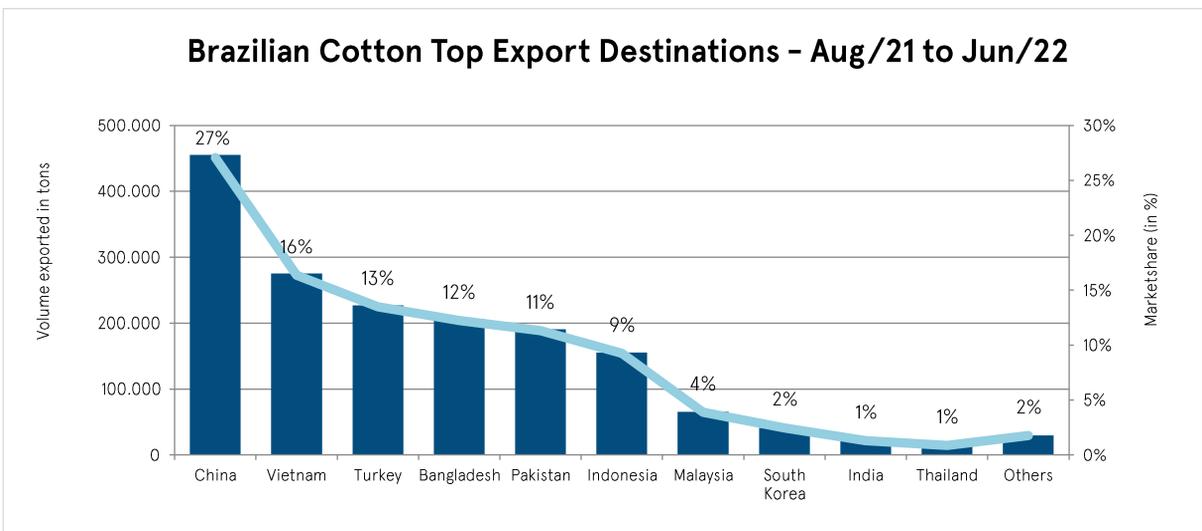
Source: ComexStat - ME, August/2022 Forecasts 2021/22 and 2022/23: Anea



India, Bangladesh and Indonesia were the main destinations for Brazilian cotton exports in July, totaling **37.4 thousand tonnes**. Together, the three countries accounted for 60% of the entire volume for the month.



Total numbers show **China** as the main buyer of Brazilian cotton. The country imported **455 thousand tonnes** between August/2021 and July/2022 and thus accounted for **27%** of all volume exported throughout the trading year.

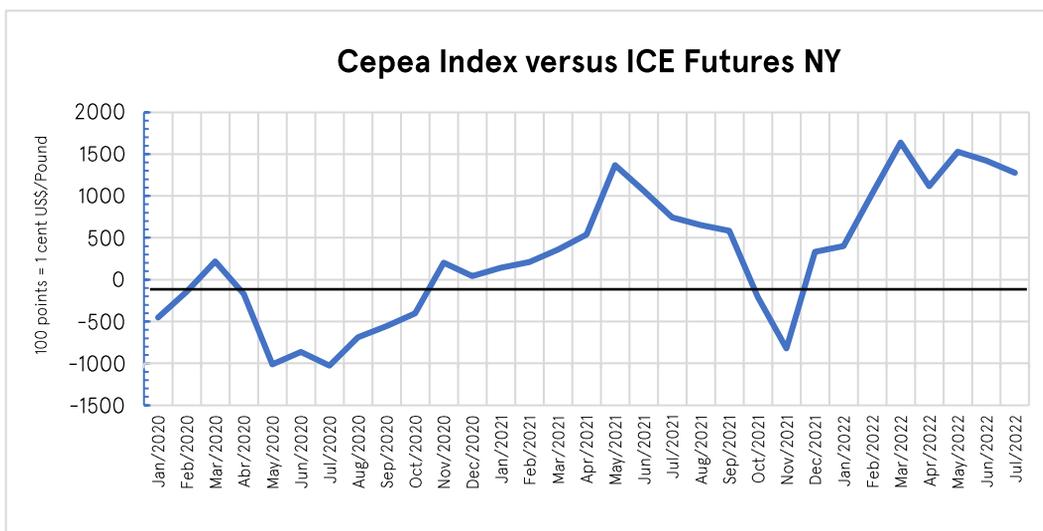
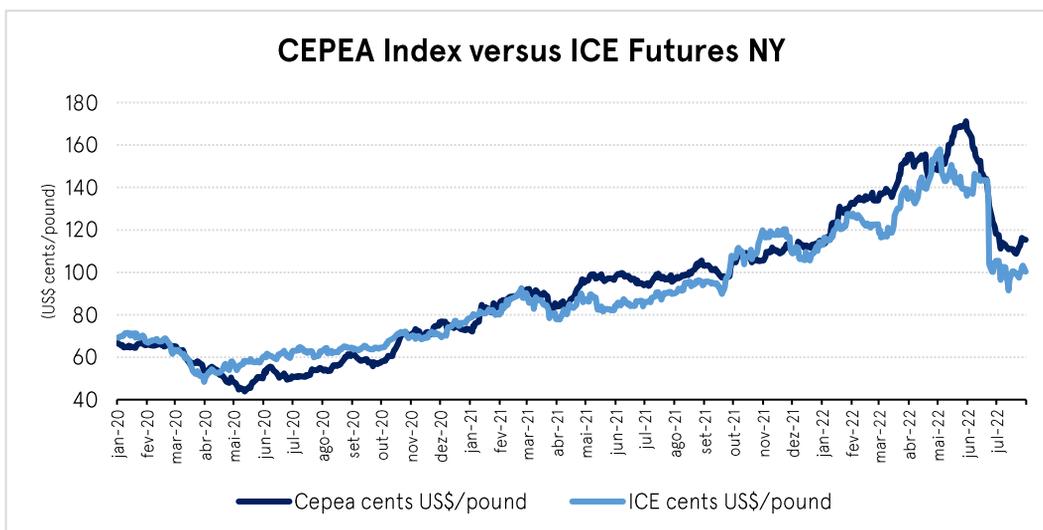


Source: ComexStat - ME, August/2022



6. PRICES

In June/2022, the Cepea Index* went down to 115.64 cents (US\$/pound) and accumulated a drop of 4.6%. The downward movement of national and international indices keeps the spread between the Cepea indicator and prices in NY (ICE) above that of last year. On average the spread in the month was 1,421 points.



Source: Cepea/USP and ICE Futures, July/2022

*CEPEA Index is the most commonly used index price for domestic market prices for cotton in Brazil.



7. MADE IN BRAZIL

Data and information about Brazilian cotton production

Seeing cotton *Made in Brazil* firsthand

The **Cotton Brazil** project held another edition of the trade exchange trips to promote Brazilian cotton in the buying countries. The **Buyer's Mission** began at the end of July and went on until the first week of August. The delegation consisted of executives and spinning mill owners from Bangladesh, South Korea, Mexico, Pakistan, Turkey and Vietnam. Representatives of the largest cotton trading companies also participated.

The group visited farms and cotton gins in Mato Grosso, Bahia and Goiás, as well as classing laboratories and Abrapa's headquarters in Brasília. The aim was to give the visitors a first-hand

experience of how Brazilians harvest, gin, classify and prepare cotton for export.

The **Buyer's Mission** was first held in 2015 by Abrapa and has gained the partnership of Anea and Apex-Brasil. This is the first edition held after the pandemic, when it was temporarily suspended.



Cotton classing will acquire official certification

During the Buyer's Mission, the Brazilian Ministry of Agriculture, Livestock and Supply (Mapa) presented a pilot project for the certification of Brazilian cotton classing to the delegation.

The aim is to establish an **official Brazilian government program** to identify shipments that fully comply with internationally adopted classification criteria.

Gins and labs are currently going through the preparation and qualification process for the program. Mapa expects the program to start in the 2023 crop.