

Abrapa Cotton Brazil Report

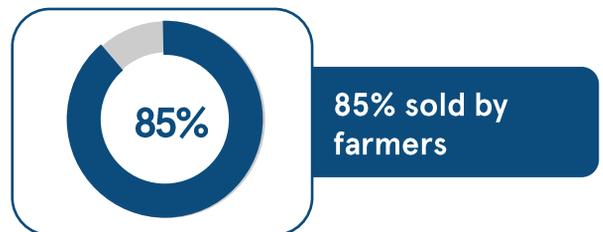
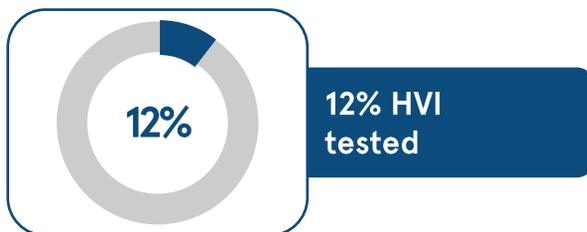
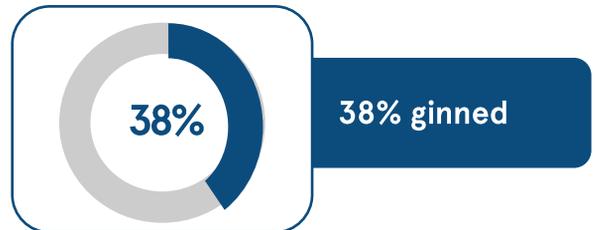
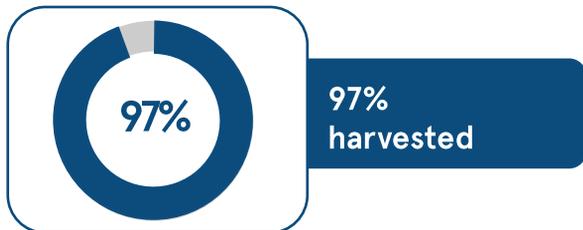
Monthly information on the Brazilian cotton crops and market news.
 An information service produced and provided by Abrapa.

September 13th 2021

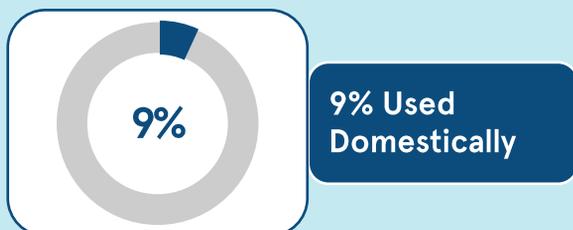
1. HIGHLIGHTS

- ⇒ The harvest has intensified in the Brazilian fields and has reached 97% of the planted area in August/2021. In addition, ginning has reached 38% of production;
- ⇒ August is the first month of the new export year in Brazil which goes through July/2022;
- ⇒ The monthly numbers show Vietnam, Pakistan and Bangladesh as main destinations for Brazilian cotton for now;
- ⇒ 50,776 tonnes of cotton were shipped in August/21, 53% less than the volume recorded in August/2020. This decrease is due to the delay in harvesting.

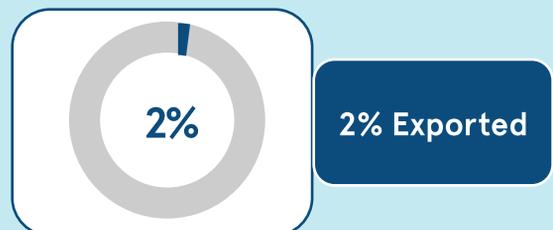
2. STATUS OF THE 2021 AND 2022 CROPS



DOMESTIC CONSUMPTION
 Estimated 21/22: 700k tonnes



EXPORTS
 Estimated 21/22: 2,1 million tonnes



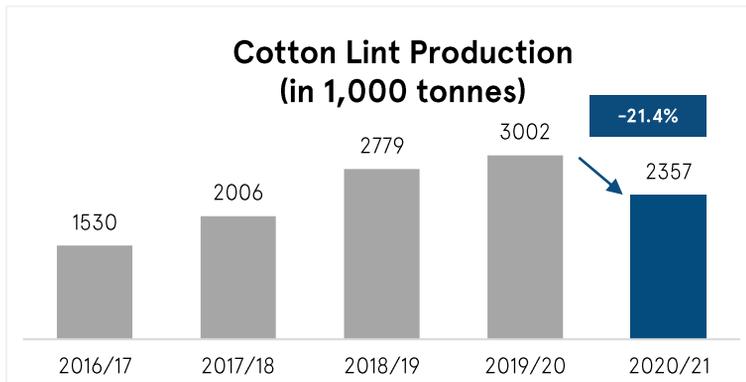
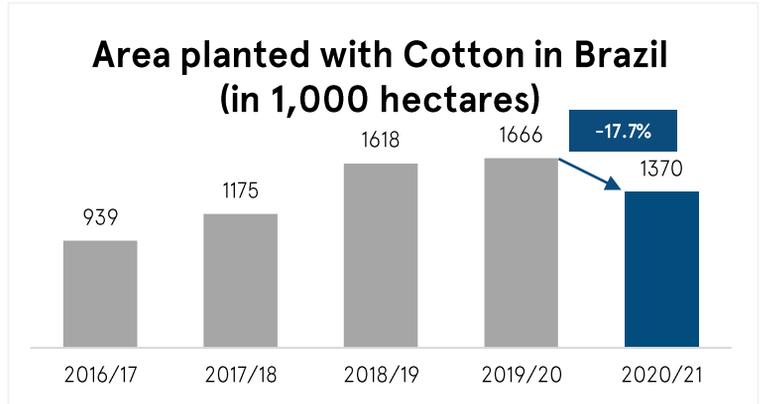
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3. 2021 CROP - AREA AND PRODUCTION

The most recent update on the size of the cotton area in Brazil indicates an **area of 1,370 million hectares** for the 2020/21 crop. This represents a **reduction of 17.7%** in relation to the 1.666 million hectares planted in the previous season. Harvesting is ongoing and by the end of August, **97% of the planted area had been harvested**, according to data from Abrapa.



It is forecasted that **2,357 million tonnes of cotton** will be produced in the 2020/21 season (Conab). In relation to the 2019/20 season, this is equivalent to a **reduction of 21.4%** of the Brazilian production.

The state of Mato Grosso remains the leading state in cotton production in the country, accounting for 69% of the total. It is estimated the state will produce 1,617 million tonnes in the current season.

Despite the 21.4% reduction in the volume produced, the yields for the 2020/21 season will not suffer any significant drops. It is estimated there will be a 4.6% decrease in relation to the yields achieved in the previous season, reaching the level of **1,720 kg/ha**.

Brazilian Cotton Harvest						
PRODUCTION (1.000 tons)	2016/17	2017/18	2018/19	2019/20	2020/21	Var %
SEED COTTON	3,828	5,013	6,945	7,373	5,794	-21.4%
LINT (COTTON)	1,530	2,006	2,779	3,002	2,357	-21.5%
YIELD (kg/ha)	2016/17	2017/18	2018/19	2019/20	2020/21	Var %
SEED COTTON	4,076	4,267	4,292	4,427	4,227	-4.5%
LINT (COTTON)	1,629	1,708	1,717	1,802	1,720	-4.6%

Source: Conab and Abrapa (2020/21)

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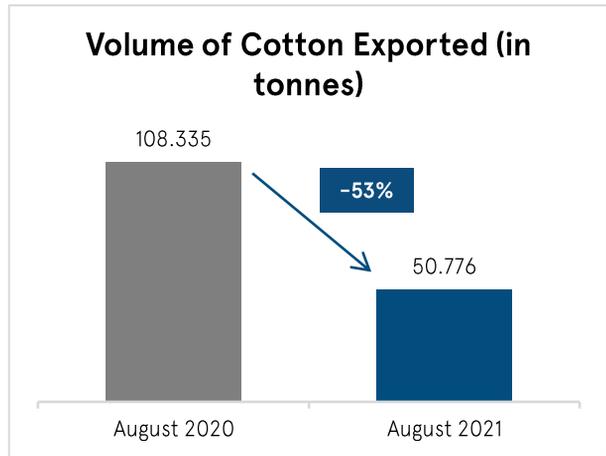
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4. EXPORT SHIPMENTS

Brazil exported **50,776 tonnes of cotton in August/2021**, the first month of the new export year in Brazil.

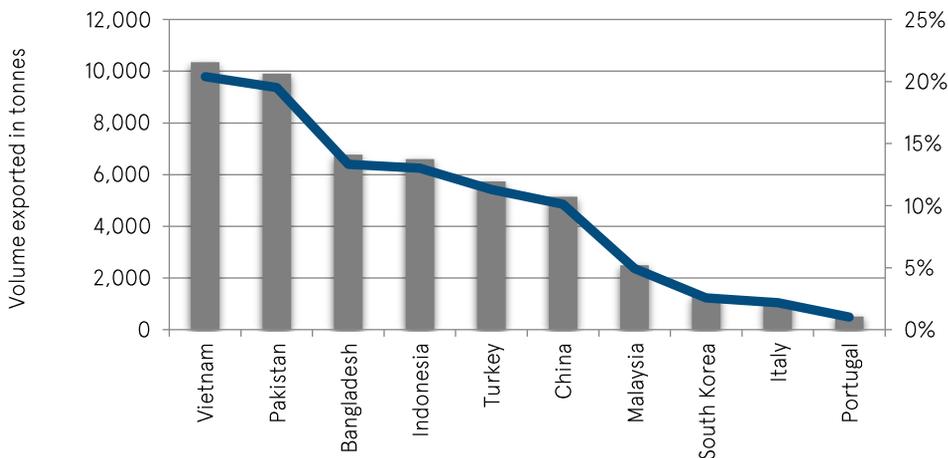
The volume shipped in this month is 53% lower than the volume shipped in the same month of 2020, achieving a total revenue of **US\$ 108 million**.



Source: ComexStat - ME, August/2021

In August 2021, the three biggest buyers of Brazilian cotton were **Vietnam, Pakistan and Bangladesh**, respectively, importing volumes between 6,7 and 10,3 thousand tonnes. China purchased 5,100 tonnes in August/2021.

Brazilian Cotton Top Export Destinations - August/2021



Source: ComexStat - ME, August/2021

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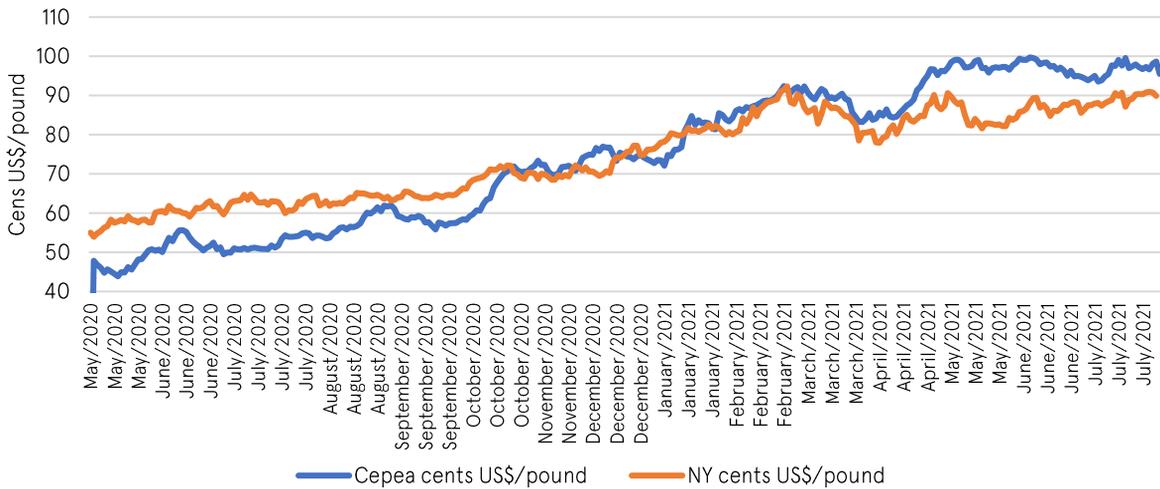
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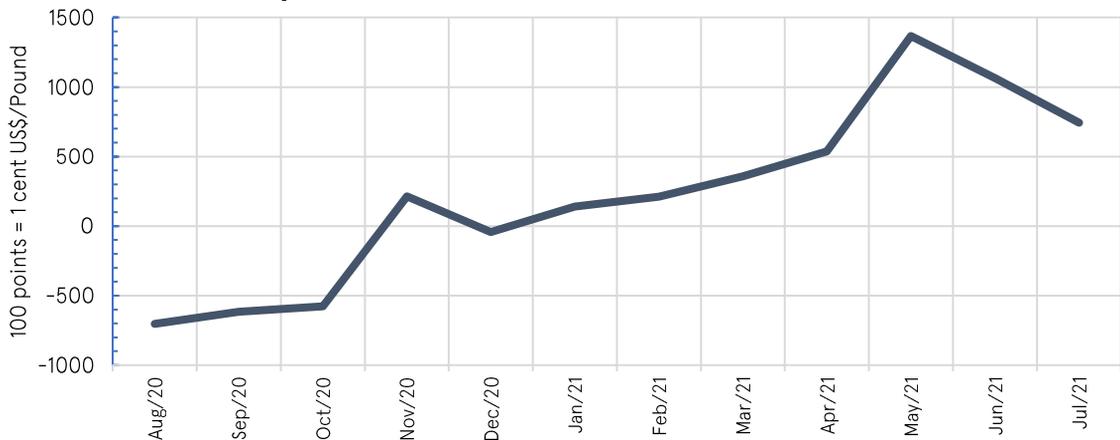
5. PRICES

The difference between Brazilian cotton price indexes and ICE Futures NY has dropped to 600 points with the harvest progress in August/2021.

Cepea Index versus ICE Futures NY



Cepea Index versus ICE Futures Index



Source: Cepea/USP and ICE Futures, September 2021.