

Abrapa Cotton Brazil Report

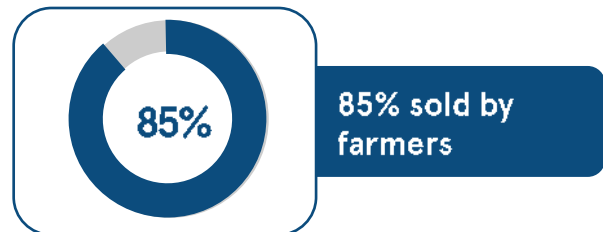
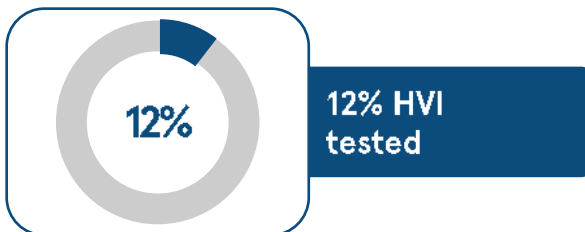
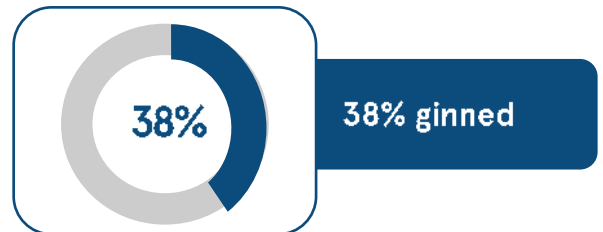
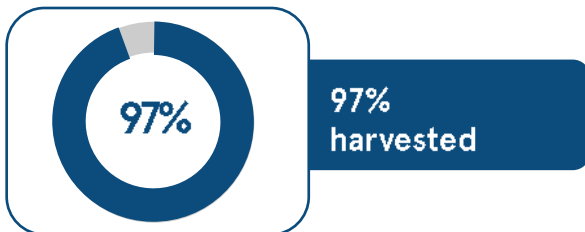
Monthly information on the Brazilian cotton crops and market news.
 An information service produced and provided by Abrapa.

September 13th 2021

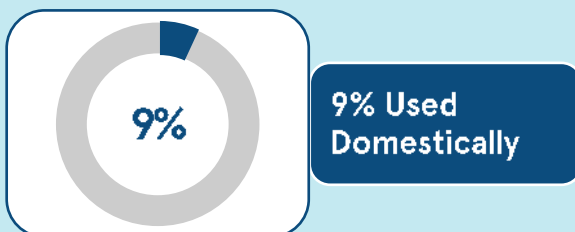
1. HIGHLIGHTS

- ⇒ 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.

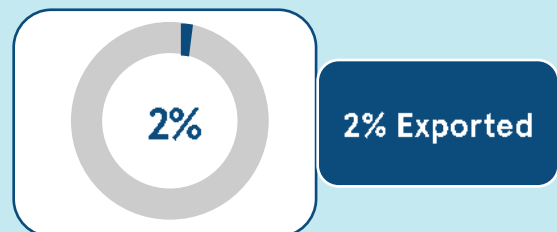
2. STATUS OF THE 2021 AND 2022 CROPS



DOMESTIC CONSUMPTION
 Estimated 21/22: 700k tonnes

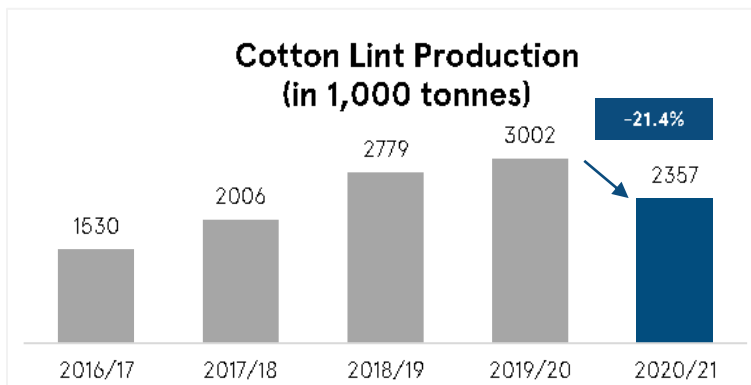
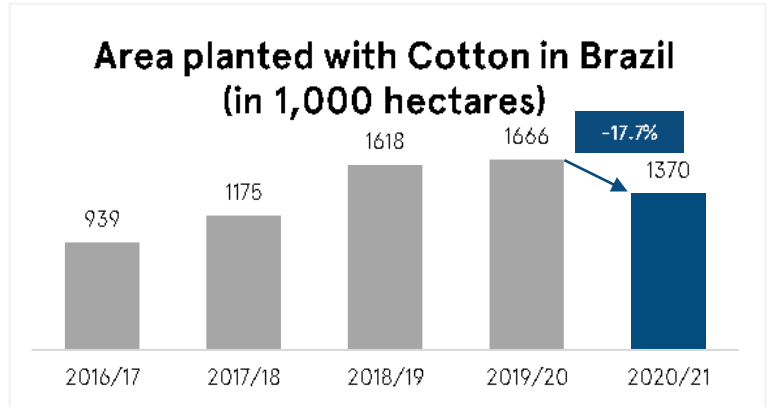


EXPORTS
 Estimated 21/22: 2,1 million tonnes



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)

Abrapa Cotton Brazil Report

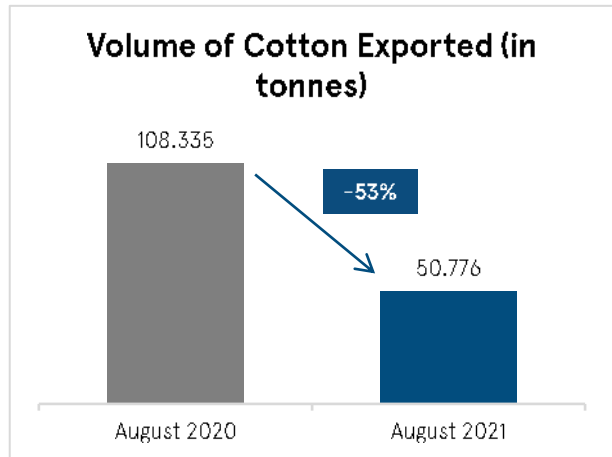
Monthly information on the Brazilian cotton crops and market news.
An information service produced and provided by Abrapa.

September 13th 2021

4. EXPORT SHIPMENTS

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

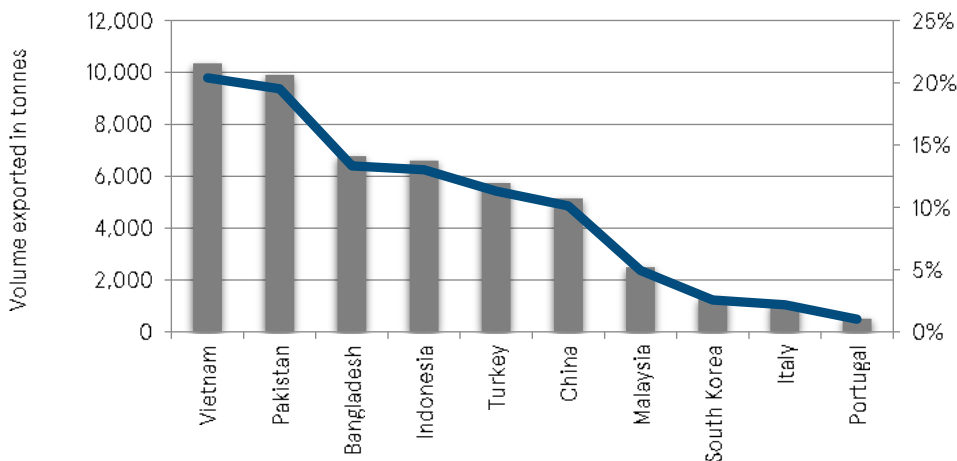
The volume shipped in this month is 53% lower than the volume shipped in the same month of 2020, achieving a total revenue of **US\$ 108 million**.



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

Abrapa Cotton Brazil Report

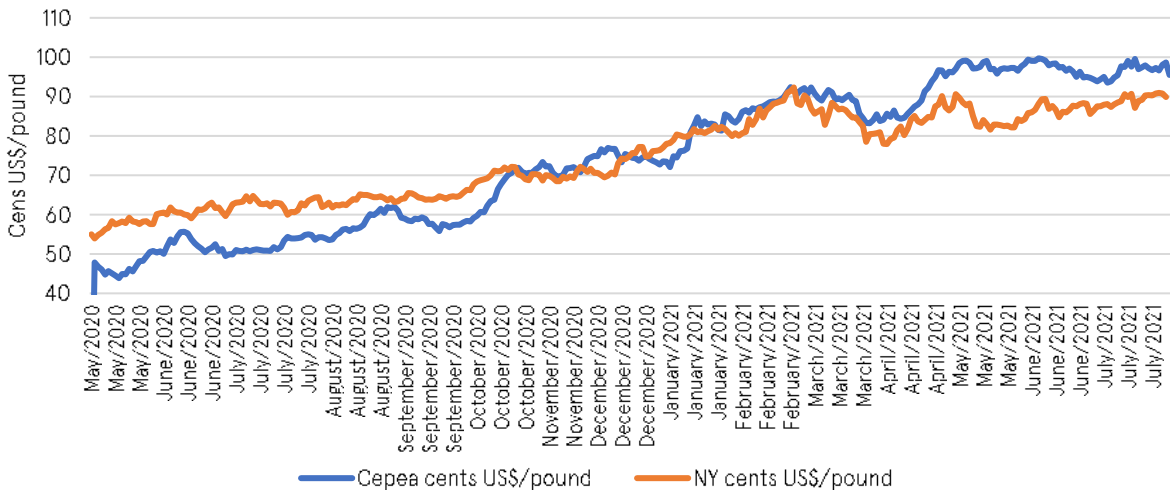
Monthly information on the Brazilian cotton crops and market news.
An information service produced and provided by Abrapa.

September 13th 2021

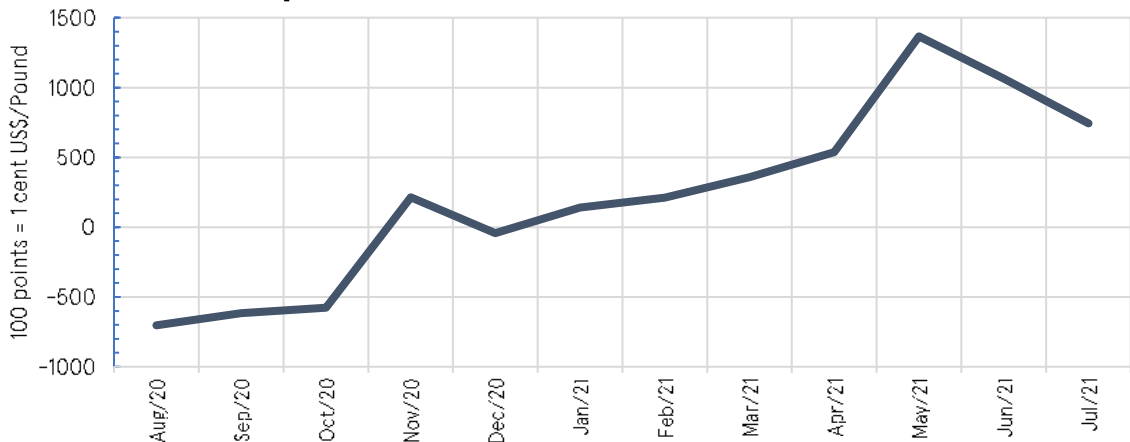
5. PRICES

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.