

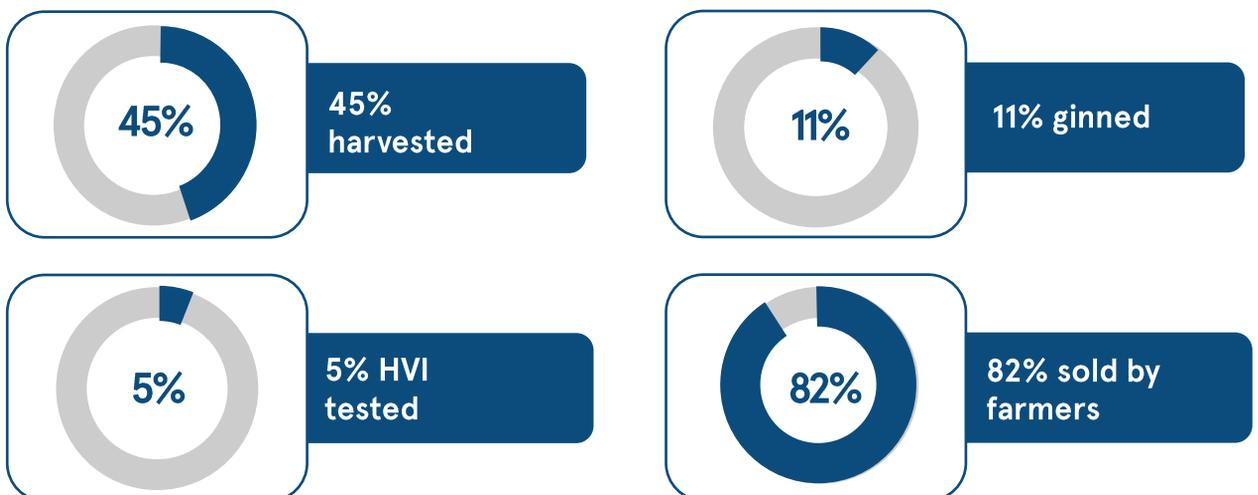
1. HIGHLIGHTS

- ⇒ As cotton picking in the Brazilian fields reached 45% of the planted area in July, the final numbers for 2020/21 export year show a **new historical record**;
- ⇒ 61,414 tonnes of cotton were shipped in July/21, 20% less than the volume recorded in June/21;
- ⇒ But, when analyzing the marketing year from August 2020 to July 2021, the result is one of growth. **Brazil exported 2.4 million tonnes in total, an increase of 23% compared to the 2019/20 cycle**;
- ⇒ A new record was also set in revenues. With a trade surplus of US\$ 3.762 billion in the 2020/21 season, Brazil achieved its **best performance in the entire history of the cotton trade balance**.

2. STATUS OF THE 2021 CROP

The cotton harvest in Brazil has picked up pace during the month of July: **45% of the area was harvested**, 11% of the crop has been ginned, 5% was HVI tested and 82% has been sold by farmers.

Status of the 2021 crop



Abrapa Cotton Brazil Report

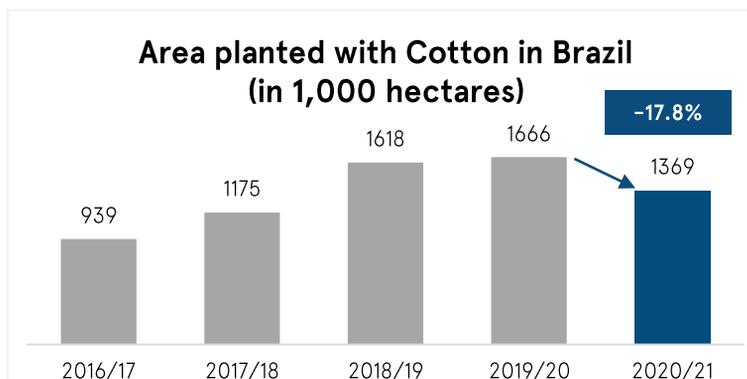
Monthly information on the Brazilian cotton crops and market news.
An information service produced and provided by Abrapa.

August 11th 2021

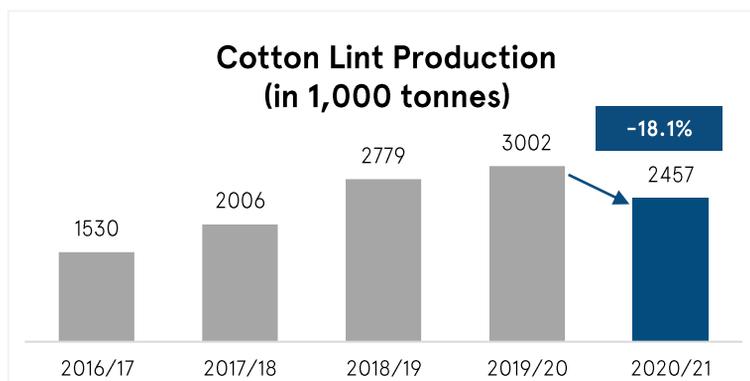
3. 2021 CROP – AREA AND PRODUCTION

The most recent update on the size of the cotton area in Brazil indicates an area of 1,369 million hectares for the 2020/21 crop. This represents a reduction of 17.8% in relation to the 1.666 million hectares planted in the previous season.

Harvesting is ongoing and will continue through to September. By the end of July, 45% of the planted area had been harvested, according to data from Abrapa.



Source: Conab and Abrapa (2020/21)



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It is forecasted that 2.457 million tonnes of cotton lint will be produced in the 2020/21 season. In relation to the 2019/20 season, this is equivalent to a reduction of 18.1% of the Brazilian production.

The state of Mato Grosso remains the leading state in cotton production in the country, accounting for 70% of the total. It is estimated the state will produce 1.724 million tonnes in the current season.

Despite the 18.1% 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 1% decrease in relation to the yields achieved in the previous season, reaching the level of 1,793 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	6,010	-18%
LINT (COTTON)	1,530	2,006	2,779	3,002	2,457	-18%
YIELD (kg/ha)	2016/17	2017/18	2018/19	2019/20	2020/21	Var %
SEED COTTON	4,076	4,267	4,292	4,427	4,388	-1%
LINT (COTTON)	1,629	1,708	1,717	1,802	1,793	-1%

Source: Conab and Abrapa (2020/21)

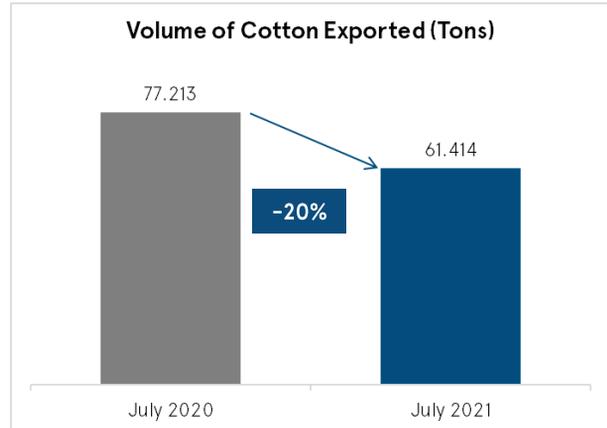
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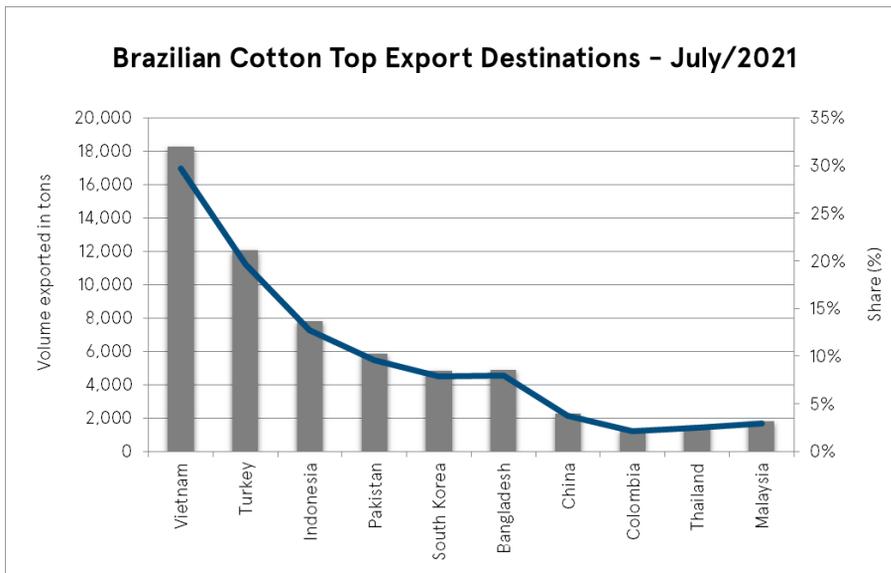
4. EXPORT SHIPMENTS

Brazil exported **61,414 tonnes of cotton in July 2021**, achieving a total revenue of US\$ 102 million. The volume shipped in July/2021 is 20% lower than the volume shipped in the same month of 2020.



Source: ComexStat – ME, July/2021

In July 2021, the three biggest buyers of Brazilian cotton were **Vietnam, Turkey, and Indonesia**, respectively, importing volumes between 7.7 and 18.2 thousand tonnes. China purchased 2,300 tonnes in July/2021, but set a record for purchases in the 2020/21 commercial season by importing 720.7 thousand tonnes of Brazilian cotton.



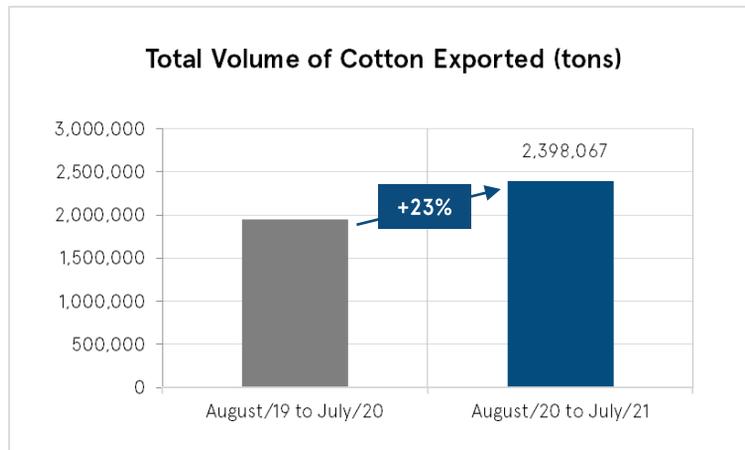
Source: ComexStat – ME, July/2021

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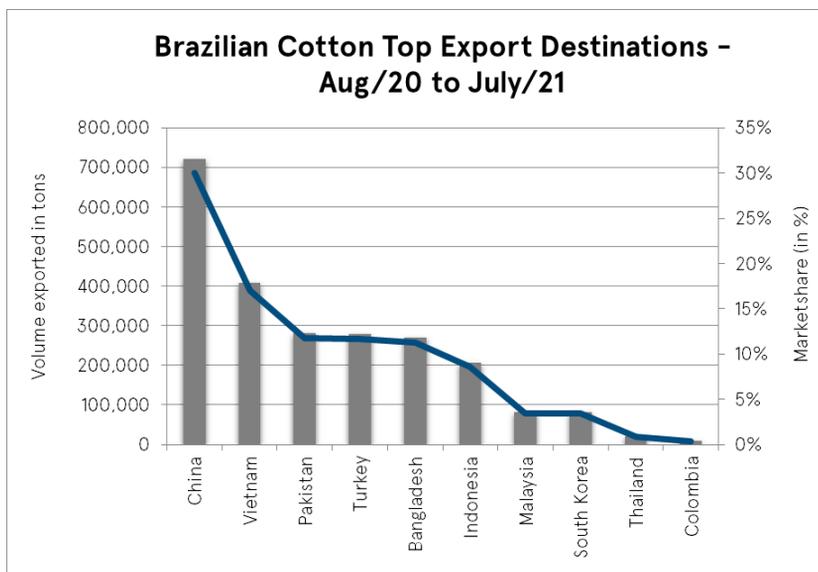
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From August 2020 to July 2021, Brazil exported 2.4 million tonnes, achieving a total **revenue of US\$ 3.77 billion**. The volume shipped in the 2020/2021 season is 23% higher than the volume shipped throughout the 2019/2020 cycle. As a result, Brazilian cotton has reached the estimate made at the beginning of 2021 of shipping 2.4 million tonnes.



Source: ComexStat – ME, July/2021

The ranking of the ten largest world importers of Brazilian cotton at the end of the 2020/2021 season has **China, Vietnam and Pakistan** in the first three places (with a market share of 30%, 17% and 12%), followed by Turkey (12%), Bangladesh (11%), Indonesia (9%), Malaysia (3%), South Korea (3%), Thailand (1%) and India (0.4%).



Source: ComexStat – ME, July/2021

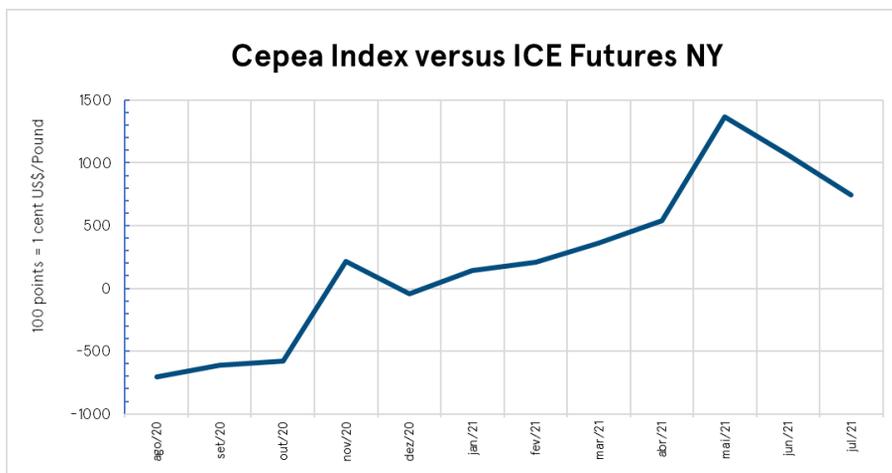
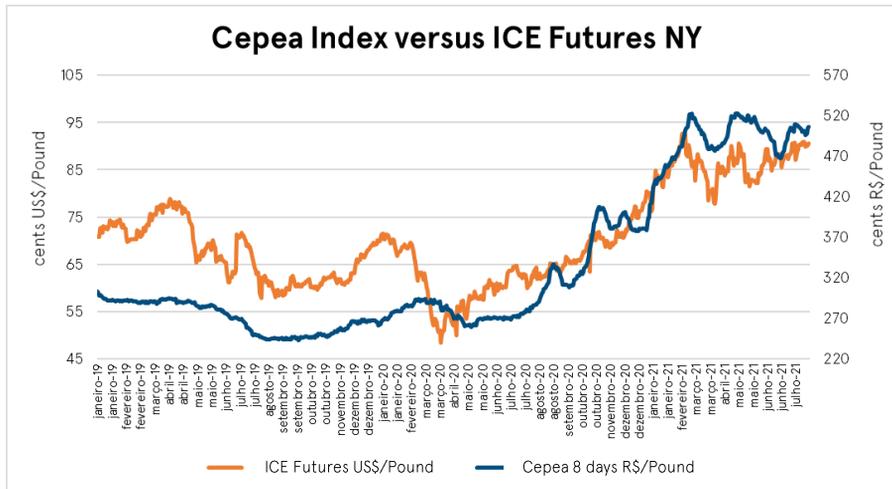
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5. PRICES

Brazilian cotton price indexes, published by Cepea-Esalq, were 8% above export parity in the first week of August 2021. The trend is for them **to remain at a high level** on the domestic market.



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