



1. HIGHLIGHTS

- 2022/23 Brazilian cotton planting was concluded in March and the growing conditions in the fields so far are good.
- In March, 78.8 thousand tonnes of cotton were shipped from Brazil. In the 2022/23 marketing year, Brazil shipped 1,195 thousand tonnes of cotton overseas.
- Abrapa is promoting a trade mission to China and South Korea in April. The core agenda is the future scenario of the 2023 Brazilian crop.

*Marketing Year: Aug-22 to Jul-23

2. STATUS OF BRAZIL'S COTTON CROPS



* Cotton sold by farmers

** Better Cotton (BCI) production in Brazil as a % of total Brazilian cotton production (2022 Crop year)

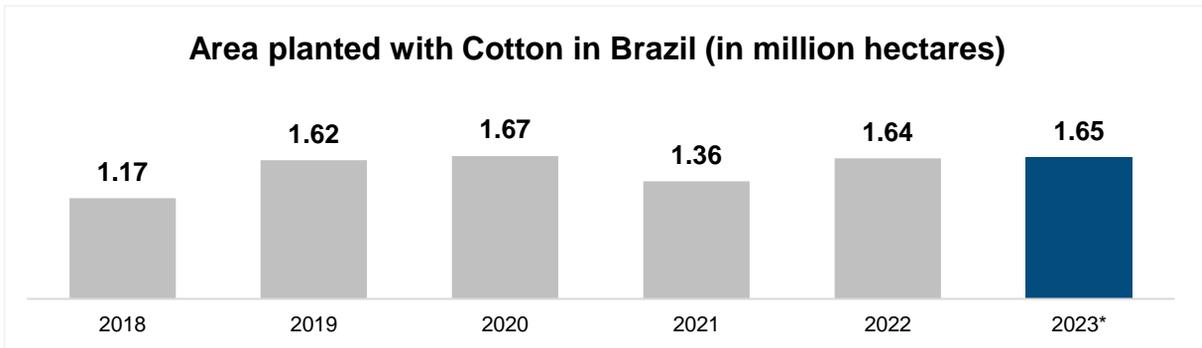
*** Better Cotton (BCI) units claimed by buyers marketing year-to-date as a % of total Brazilian cotton production (Marketing Year: Aug-22 to Jul-23)



3. 2023 CROP

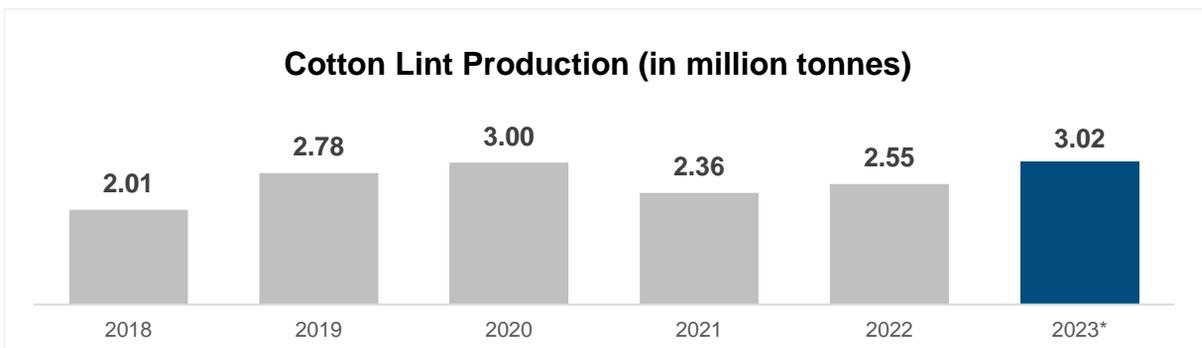
The latest Abrapa forecast for the 2023 crop is indicates an area of 1.65 million hectares from which 3.02 million tonnes will be produced. These numbers show a significant growth in cotton production in the next crop. If this forecast is confirmed, the country will have an increase of 0,8% in the planted area and 18% in the volume to be harvested.

Area planted with Cotton in Brazil (in million hectares)



Planting season in Brazil starts in November of the previous year

Cotton Lint Production (in million tonnes)



Source: Conab. *2023 Forecast: Abrapa Mar/2023.

Abrapa forecasts an increase of 17.2% in cotton yield, rising to 1,827 kg of cotton per hectare in 2023. In 2022, the drought at the end of the season significantly reduced the cotton yields in Brazil.

Brazilian Cotton Harvest

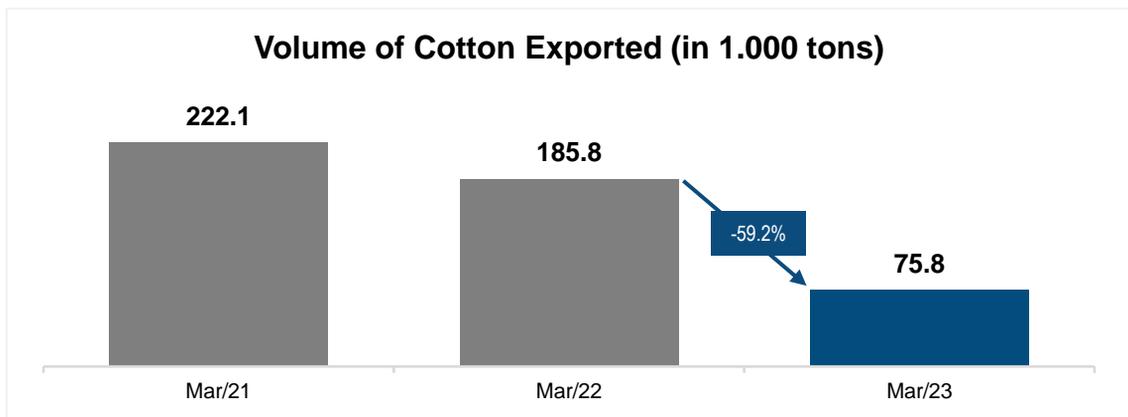
PRODUCTION (million tons)	2018	2019	2020	2021	2022	2023*	22 vs. 21 (%)	23 vs. 22 (%)
SEED COTTON	5.01	6.94	7.37	5.79	6.27	7.32	8.3%	16.7%
LINT (COTTON)	2.01	2.78	3.00	2.36	2.55	3.02	8.1%	18.4%
YIELD (kg/ha)	2018	2019	2020	2021	2022	2023*	22 vs. 21 (%)	23 vs. 22 (%)
SEED COTTON	4,267	4,292	4,427	4,230	3,920	4,435	-7.3%	13.1%
LINT (COTTON)	1,708	1,717	1,802	1,721	1,559	1,827	-9.4%	17.2%

Source: Conab *Forecast: Abrapa (mar 23)



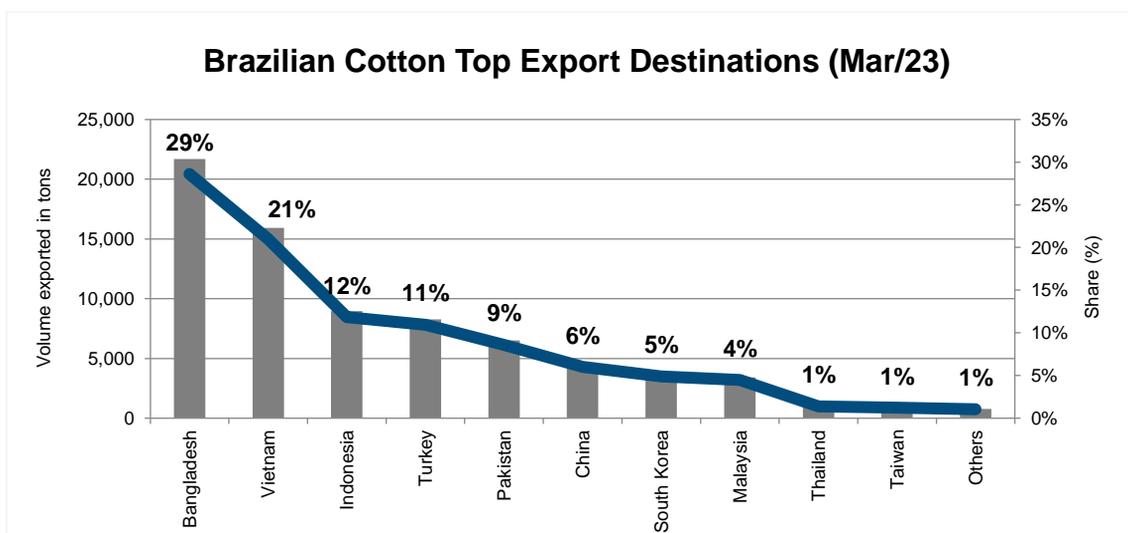
4. EXPORT SHIPMENTS

Brazil exported 75.8 thousand tonnes of cotton in March/2023. This volume is 59.2% below the amount shipped in March/2022. The March exports of Brazilian cotton resulted in revenues of US\$ 143 million.



Source: ComexStat – ME, Apr/2023

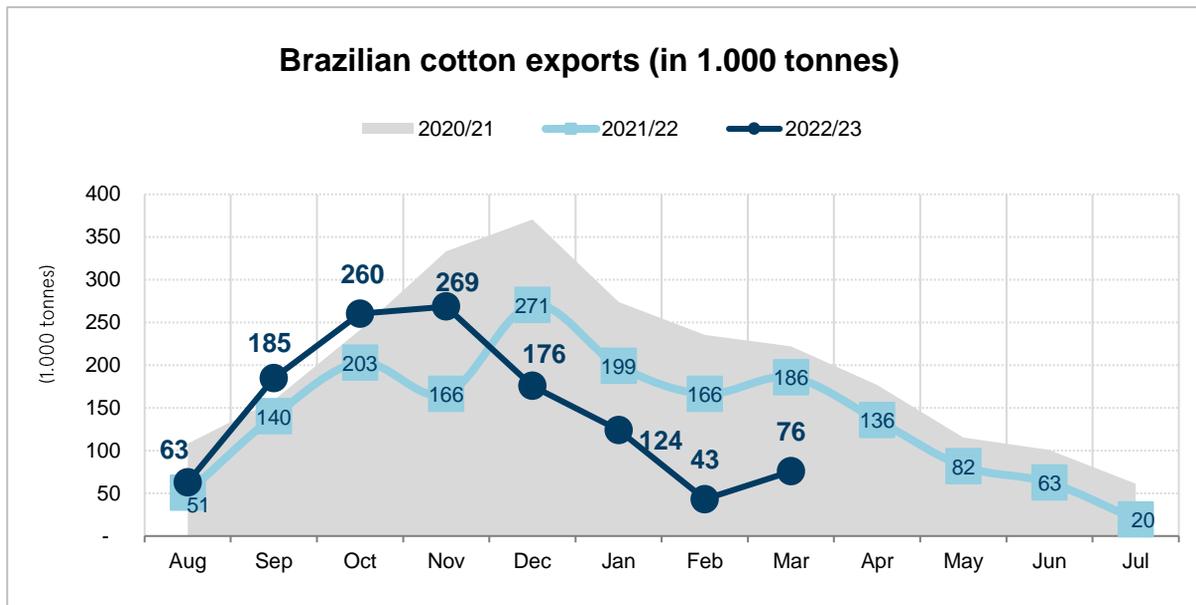
Bangladesh, Vietnam and Indonesia were the main destinations for Brazilian cotton exports in May, totaling 46.6 thousand tonnes. Together, the three countries accounted for **61%** of the entire volume for the month.



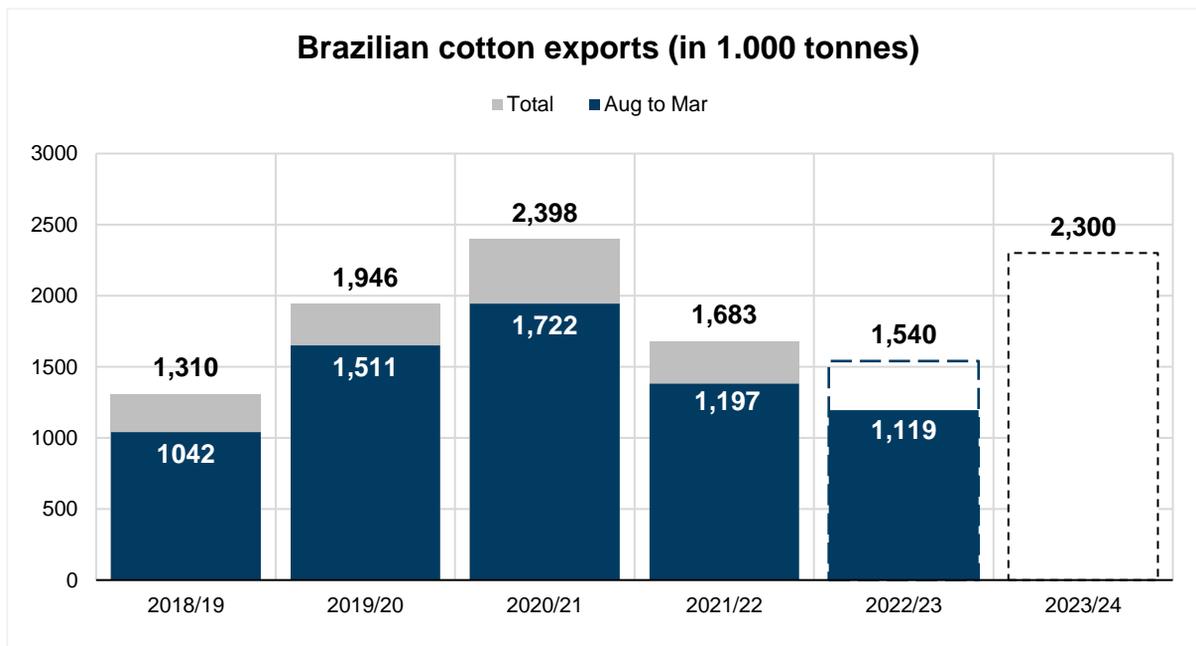
Source: ComexStat – ME, Apr/2023



In the cumulative analysis, the volume of Brazilian cotton shipped from August 2022 to March 2023 is the **fourth largest** on record.



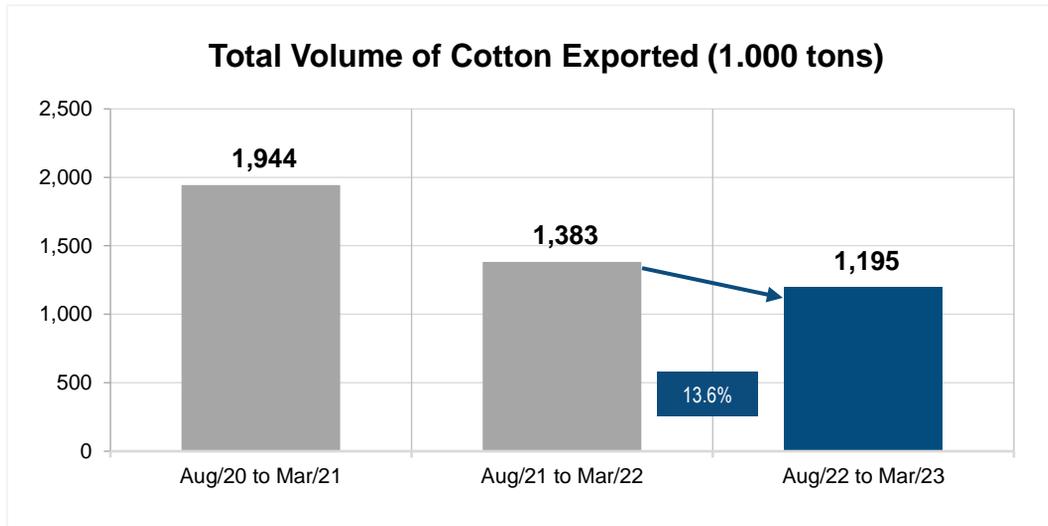
Source: ComexStat – ME, Apr/2023. Marketing Year: August to July



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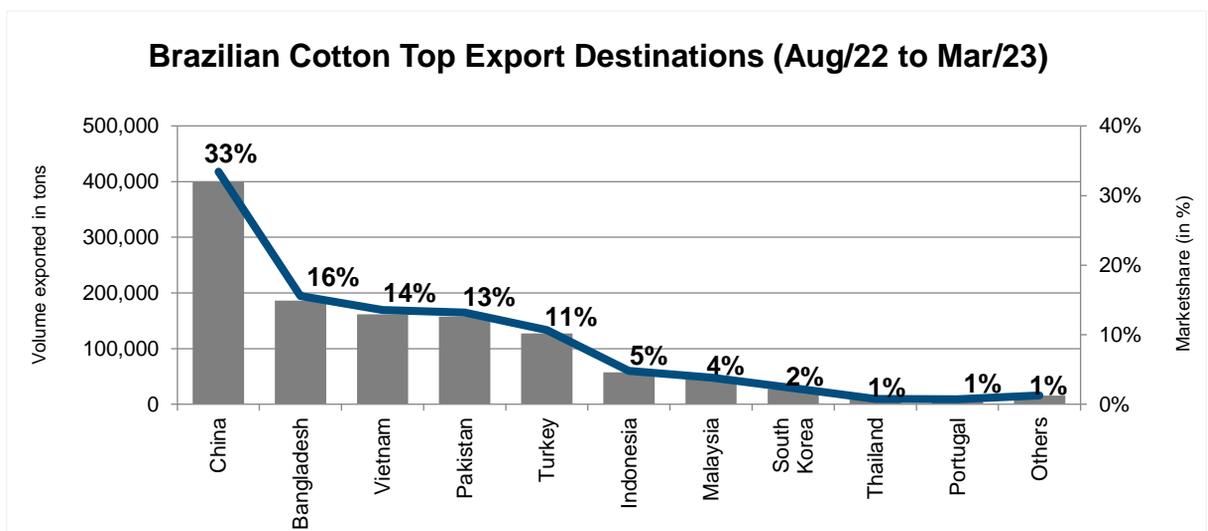


In the first eight months of the marketing year (Aug/22 to Mar/23), Brazil shipped **1,195 thousand tonnes** of cotton overseas. This volume corresponds to a performance that is **13.6% below** the amount recorded for the same period in 2021/2022. In these eight months, exports generated revenues of just over **US\$ 2.3 billion**.



Source: ComexStat - ME, April/2023

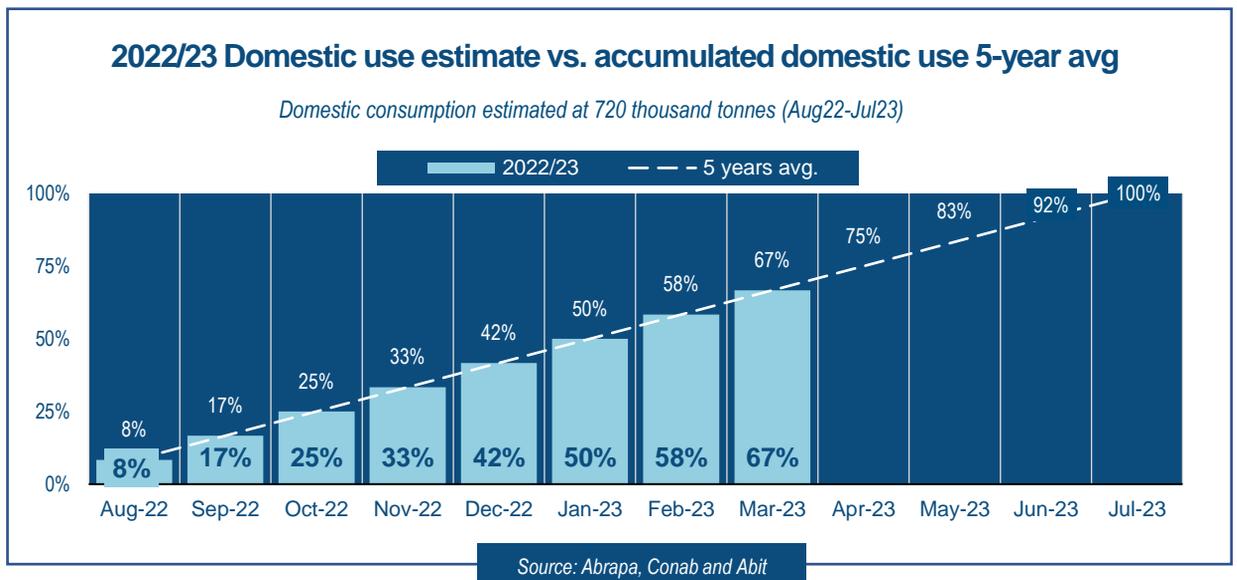
Total numbers show **China as the main buyer of Brazilian cotton**. China imported 399 thousand tonnes between August and March and thus accounted for **33%** of all the volume exported up to now.



Source: ComexStat - ME, April/2023

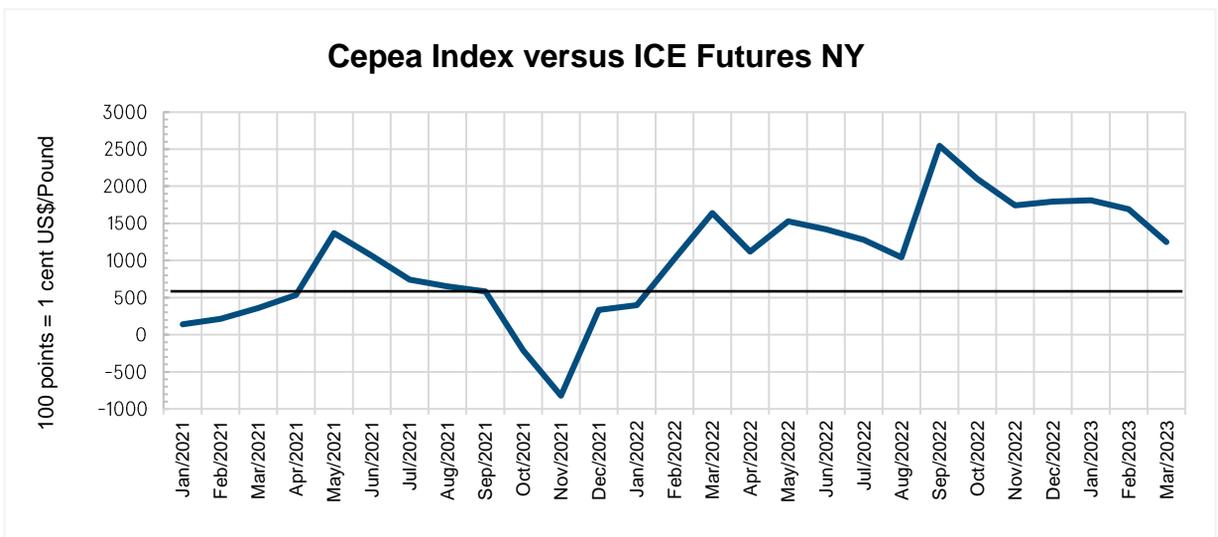
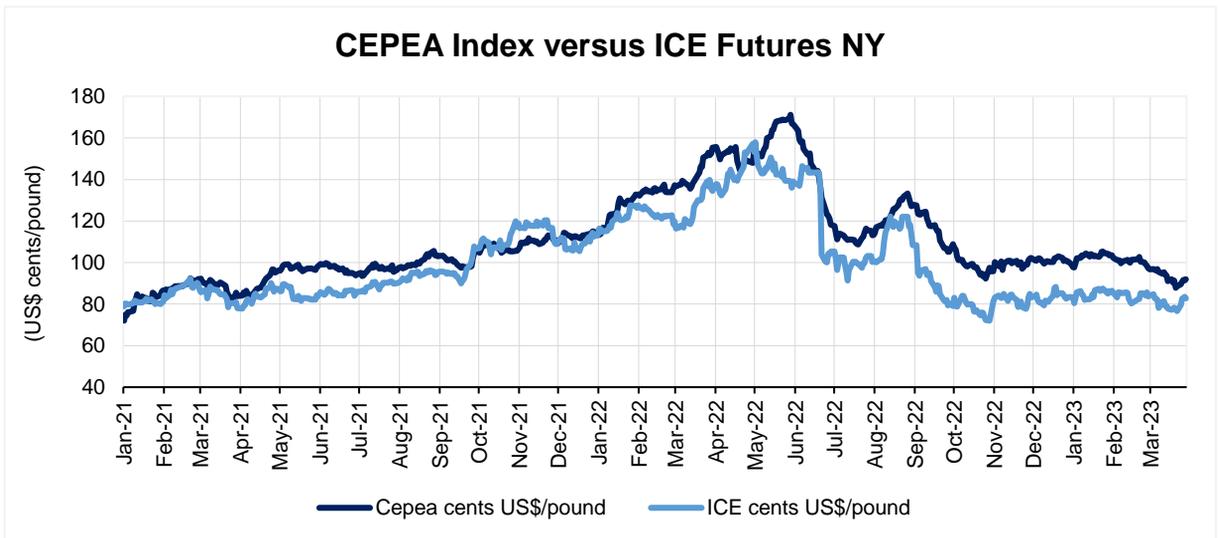
5. 2022/23 MARKET YEAR EXPORTS AND DOMESTIC USE

The charts below compare the performance of the current market year (2022/23) with Brazilian cotton exports over the last five years and the average volume consumed domestically in Brazil also over the last five years.



5. PRICES

In March/2023, the *Cepea Index** accumulated a **drop of 6.6%** and finished the month at 91.88 cents (US\$/pound). The March average spread between Brazilian and international prices closed at **1,249 positive**. Even with the falling spread in March, the Brazilian price difference remains **above** the historical average for this period of the year.



Source: Cepea/USP and ICE Futures, April/2023

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

7. MADE IN BRAZIL

Data and information about Brazilian cotton production

China and South Korea welcome the *Cotton Brazil Outlook* mission in April



In April, Abrapa will hold the second trade mission of 2023 to the Asian market. This time, Brazilian producers and exporters will visit China and South Korea to further expand business.

To this end, three editions of the “Cotton Brazil Outlook” event will be held, presenting updated data on the 2023 crop and crucial indicators for decision-making in the textile industry.

In addition to the event, the Brazilian delegation will visit textile industries, sector organizations and public agencies.

This is the second time that Abrapa visits China this year. In March, technicians and organization leaders had an extensive schedule to publicize the Brazilian Cotton Quality Program, developed by the Brazilian Ministry of Agriculture and Livestock in partnership with Abrapa.

Now, the second international mission of the year will add South Korea to its list. In addition to being the eighth largest importer of Brazilian cotton, the country is an important decision-making center for the Asian textile industry.

It's audit time on Brazilian farms

Cotton producers from Mato Grosso, Bahia, Goiás, Mato Grosso do Sul, Minas Gerais, Maranhão and Piauí have opened their gates for the on-site audit stage of the Brazilian Responsible Cotton protocol (ABR) and **Better Cotton** licensing.

By May, auditors from ABNT and Genesis Certifications will visit the farms to verify that good farming, environmental and social practices are being conducted responsibly.

This is a crucial step for the Brazilian protocol. 183 items are verified in detail to ensure that cotton in Brazil is grown with respect for people, preserving the environment and with the best farming practices. In the past season, 86% of Brazilian cotton production was approved by the ABR protocol.

