

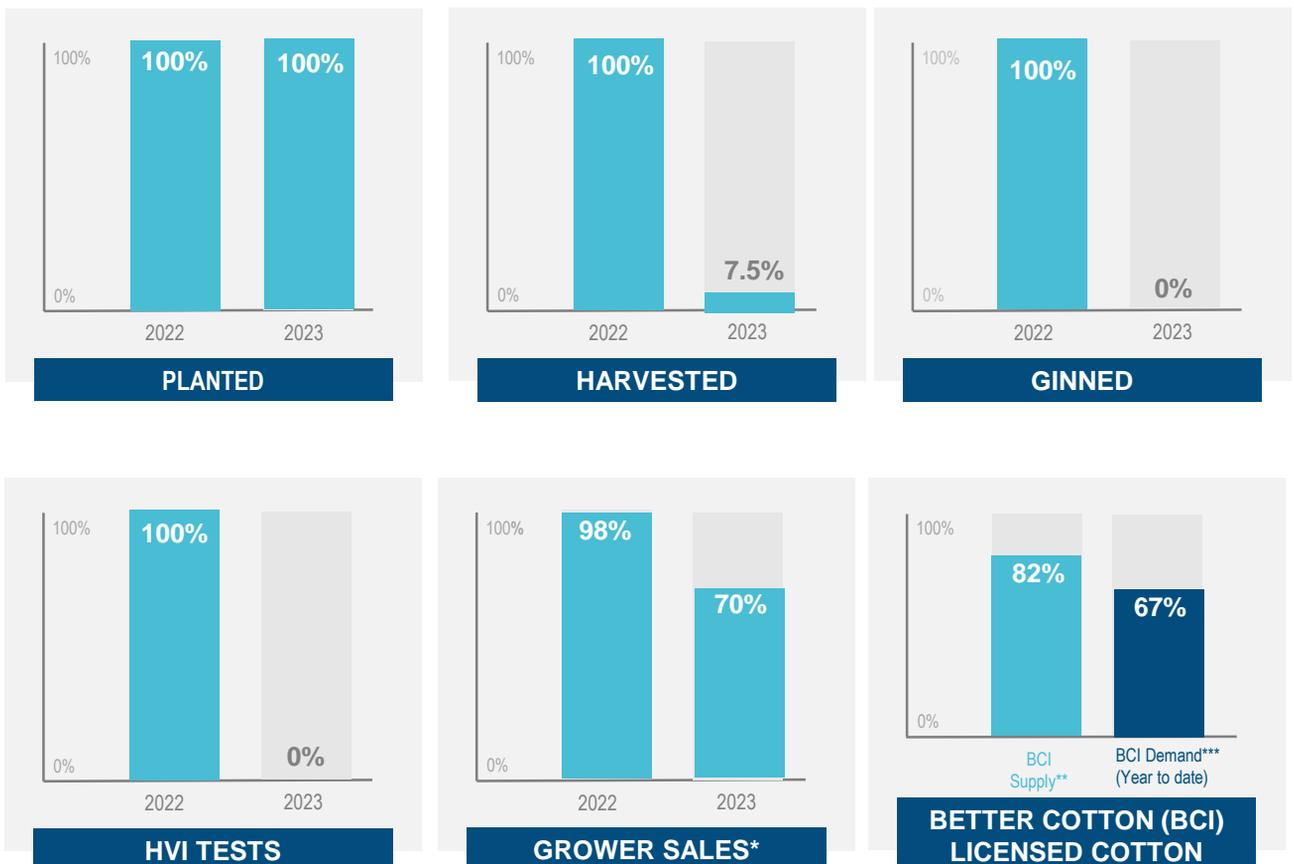


1. HIGHLIGHTS

- In the end of June, harvest reached 7.5% of the area in 2023.
- Cotton exports in June were **60.3 thousand tonnes**, bringing the total of cotton shipped in the commercial season overseas to **1,377 thousand tonnes**.
- Between Aug/22 and Jun/23, **China** remained the main buyer of Brazilian cotton, accounting for **30% of total** exports to date.
- **SouABR program** was one of the highlights of the Better Cotton Conference.

*Marketing Year: Aug-22 to Jul-23

2. STATUS OF BRAZIL'S COTTON CROPS



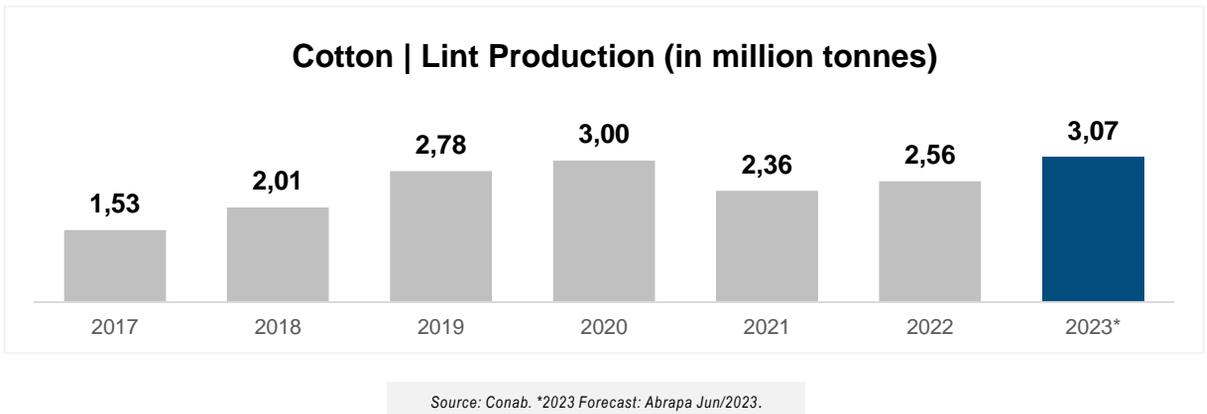
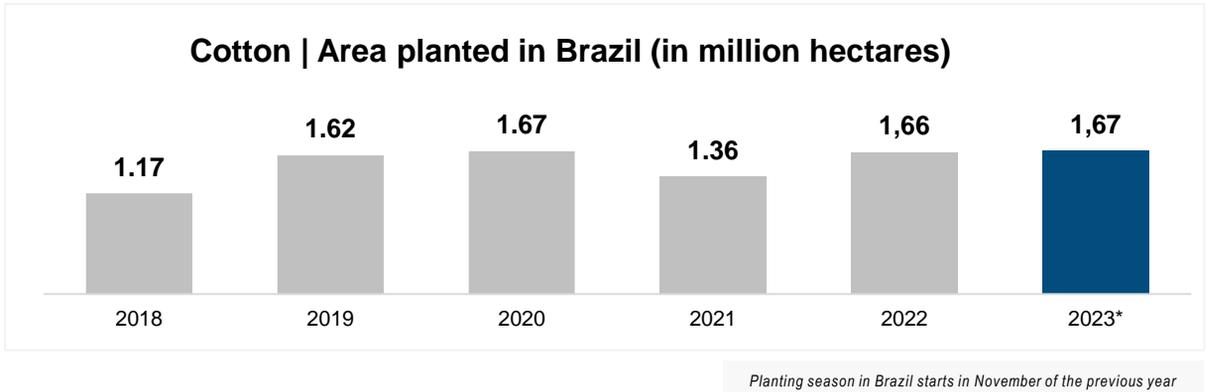
* Percentage of cotton sold from grower to merchant

** Better Cotton (BCI) production in Brazil as a % of total Brazilian cotton production (2022 Crop year)
*** Better Cotton (BCI) units claimed by buyers for the marketing year to date, as a % of total Brazilian cotton production (Marketing Year: Aug-22 to Jul-23)



3. 2023 CROP

In June, Abrapa updated the planted area and volume forecasts for the 2023 crop. The estimate is for production of 3.07 million tonnes on an area of 1.67 million hectares.



Abrapa's updated figures show that productivity will be 1,840 kg of cotton per hectare in 2023, an increase of 18.9% over the previous period.

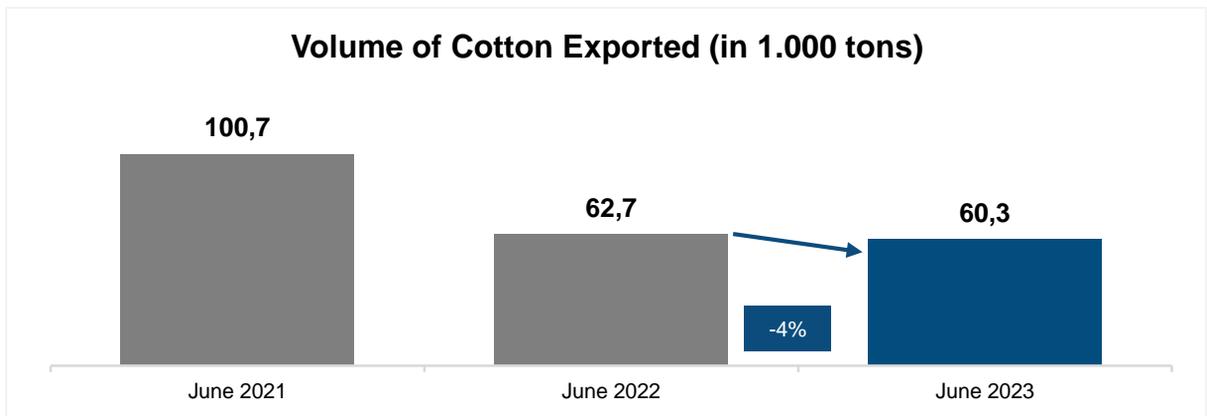
Brazilian Cotton Harvest								
PRODUCTION (million tons)	2018	2019	2020	2021	2022	2023*	22 vs. 21 (%)	23 vs. 22 (%)
SEED COTTON	5.01	6.94	7.37	5.79	6.27	7.45	8.3%	18.8%
LINT (COTTON)	2.01	2.78	3.00	2.36	2.56	3.07	8.6%	19.8%
YIELD (kg/ha)	2018	2019	2020	2021	2022	2023*	22 vs. 21 (%)	23 vs. 22 (%)
SEED COTTON	4,267	4,292	4,427	4,230	3,921	4,467	-7.3%	13.9%
LINT (COTTON)	1,708	1,717	1,802	1,721	1,547	1,840	-10.1%	18.9%

*Source: Conab *Forecast: Abrapa (jun 23)*



4. EXPORT SHIPMENTS

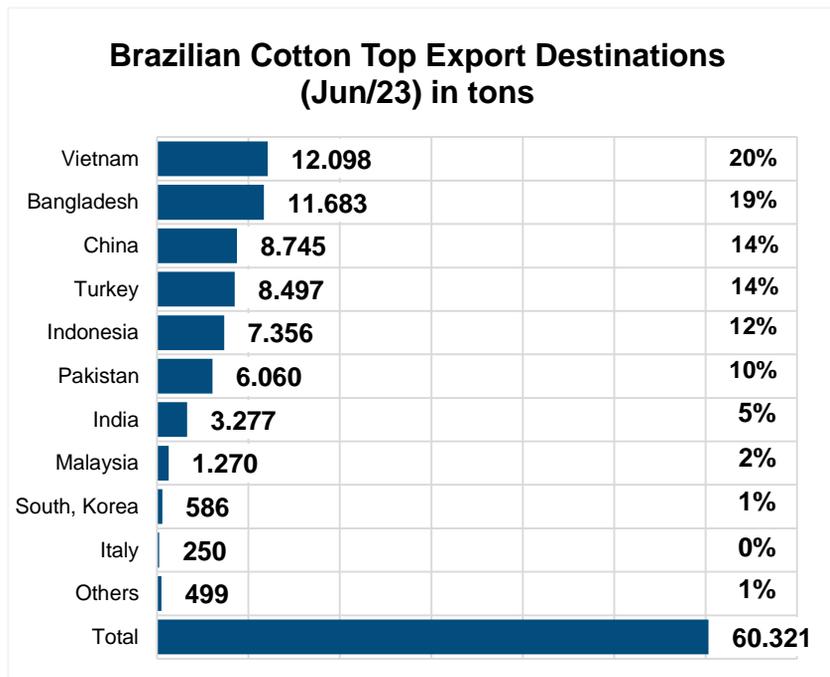
Brazil exported **60.3 thousand tonnes** of cotton in Jun/2023. This volume is **4% below** the amount shipped in Jun/2022. The monthly shipments of Brazilian cotton resulted in revenues of **US\$ 113.8 million**.



Source: ComexStat – ME, July/2023

Vietnam, Bangladesh and China were the main destinations for Brazilian cotton exports in June, totaling 32.5 thousand tonnes.

Together, the three countries accounted for **54%** of the entire volume for the month.



Source: ComexStat – ME, July/2023



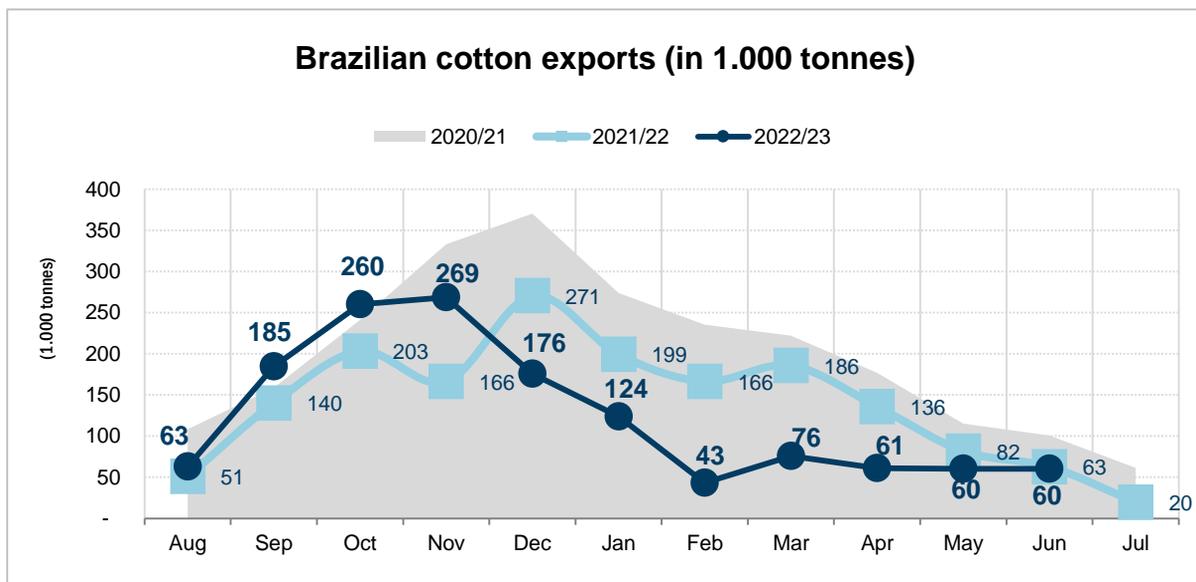
Cotton Brazil market report

Ed. 27

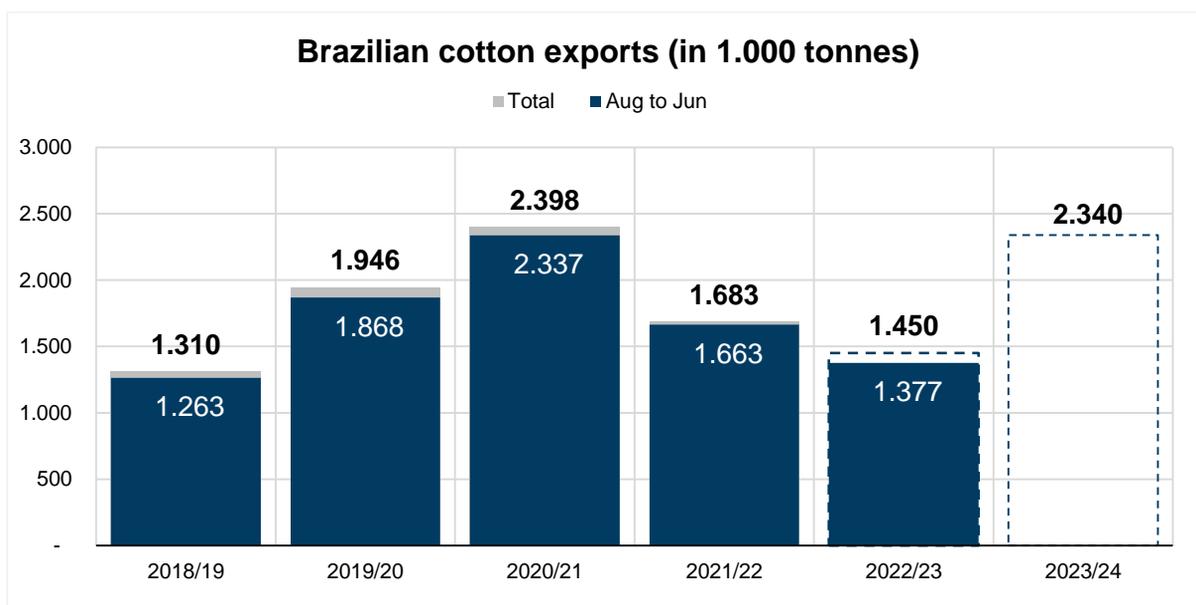
Monthly information on the Brazilian cotton crops and market news.
An information service produced and provided by Abrapa.

July 17th 2023

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



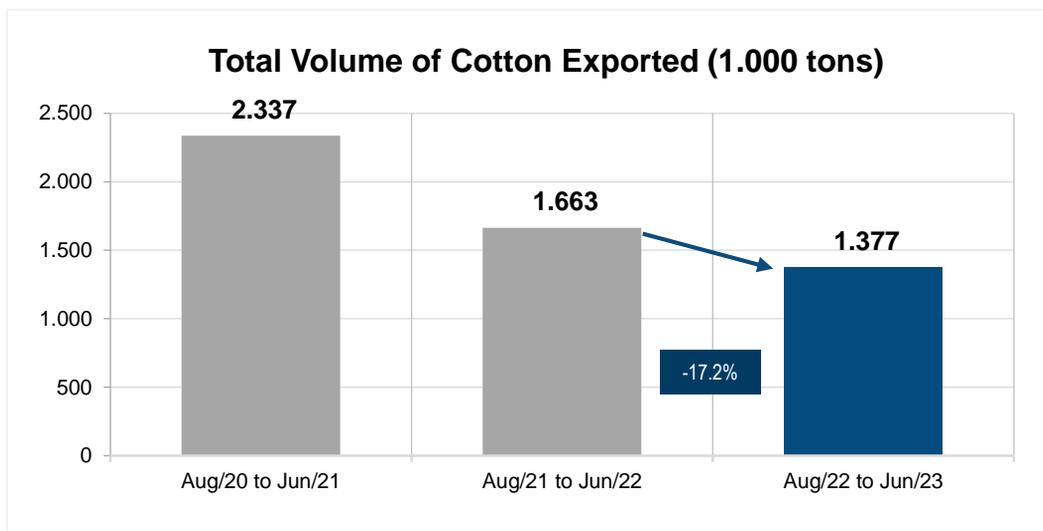
Source: ComexStat – ME, Jul/2023. Marketing Year: August to July



Source: ComexStat – ME, Jul/2023. Marketing Year: August to July. * Forecast



In the first eleven months of the marketing year (Aug/22 to Jun/23), Brazil shipped **1,377 thousand tonnes** of cotton overseas. This volume is **17.2% below** the amount recorded for the same period in 2021/2022. In these eleven months, exports generated revenues of **US\$ 2.7 billion**.



Source: ComexStat – ME, Jul/2023.

China remains as the **main buyer of Brazilian cotton**. China imported 413 thousand tonnes between August and June and thus accounted for **30%** of all the volume exported up to now.

Brazilian Cotton Top Export Destinations (Aug/22 to Jun/23) in tons

China	414	30%
Bangladesh	230	17%
Vietnam	201	15%
Pakistan	181	13%
Turkey	150	11%
Indonesia	77	6%
Malaysia	50	4%
South Korea	28	2%
India	16	1%
Thailand	6	1%
Others	20	1%
Total	1.377	

Source: ComexStat – ME, Jul/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.

2022/23 Export Shipments vs Average % of Accumulated Exports by Area*

*Brazilian exports for 22/23 estimated at 1.45 million tonnes by Area



Source: MDIC and ANEA

2022/23 Domestic use estimate vs. accumulated domestic use 5-year avg

Domestic consumption estimated at 700 thousand tonnes (Aug22-Jul23)

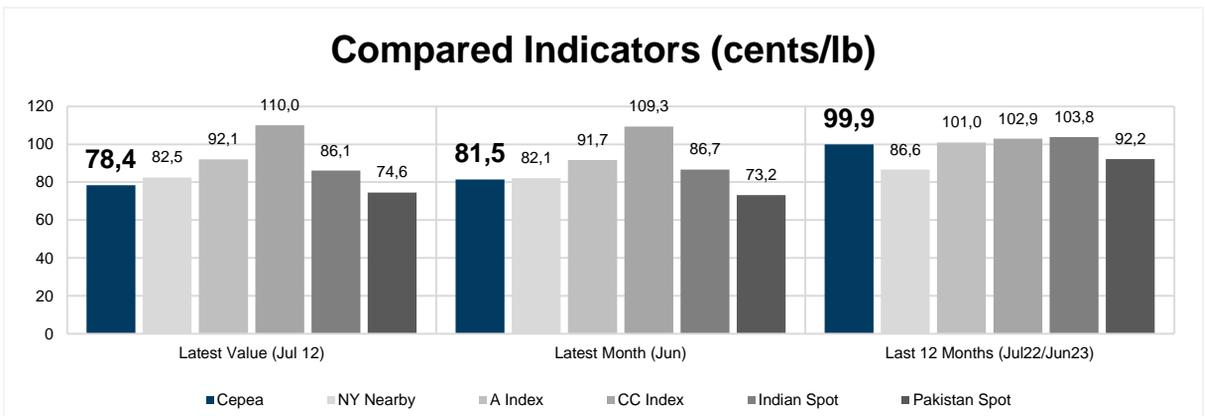
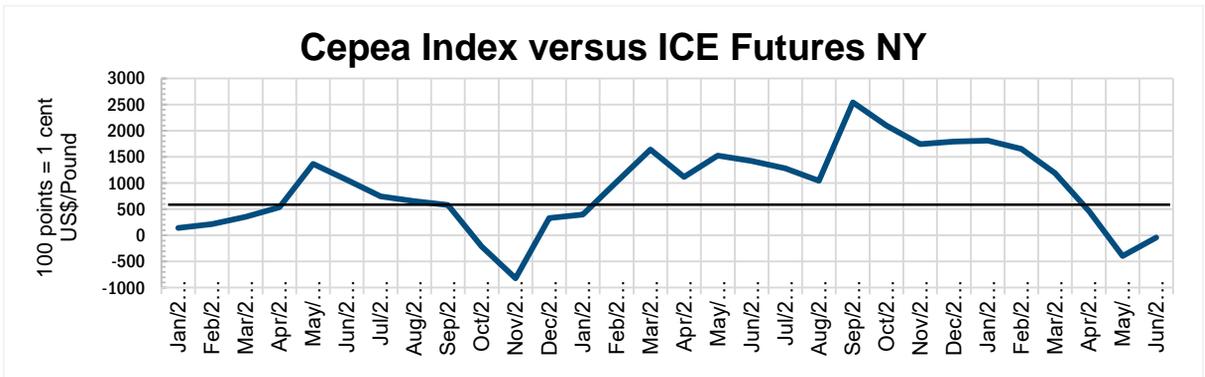
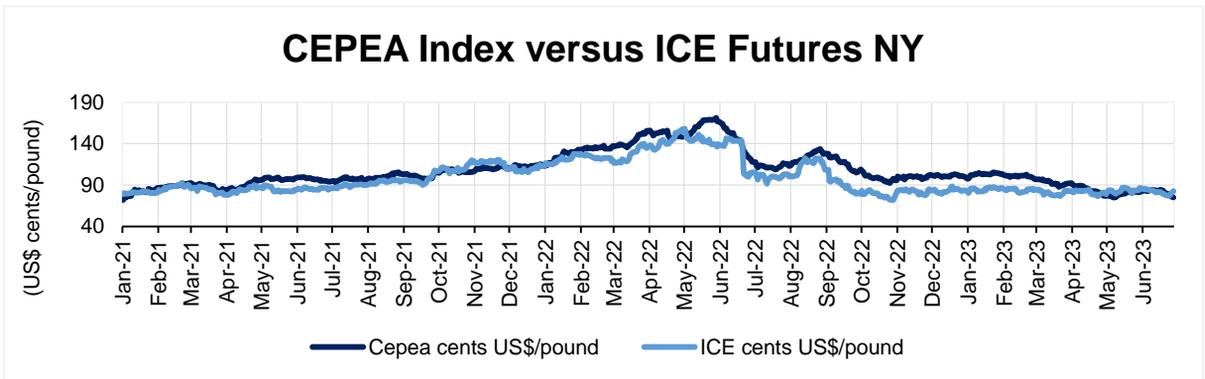


Source: Abrapa, Conab and Abit



5. PRICES

In Jun/2023, the *Cepea Index** accumulated a **decrease of 7.8%** and finished the month at 75.08 cents (US\$ cents/pound). The **average** spread between Brazilian and international prices ended July below zero (**minus 42 points** in the July average).



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

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

SouABR program was one of the highlights of the Better Cotton Conference

A pioneering initiative for the physical traceability of cotton garments, the **SouABR program** made Brazil a highlight during the Better Cotton Conference. The event in Amsterdam (Netherlands) was held by Better Cotton in June. The focus of the event was on the sustainability of cotton farming.

With the tags on the garments, the consumer can find out where the cotton was grown and the path it took to reach its closet. It is also possible to identify the spinning, knitting or weaving mills, the manufacturer and the retailer involved in the whole process.

All items tracked by **SouABR** contain at least 70% cotton in their composition, and **100% of the cotton used in the clothes is grown by farms that have the protocol's socio-environmental certification** – Responsible Brazilian Cotton (ABR), developed by Abrapa.

In Brazil, traceability is carried out on a bale-by-bale basis. Currently, 86% of Brazil's cotton production has this socio-environmental certification and Brazil accounts for 42% of the world supply of Better Cotton.

