

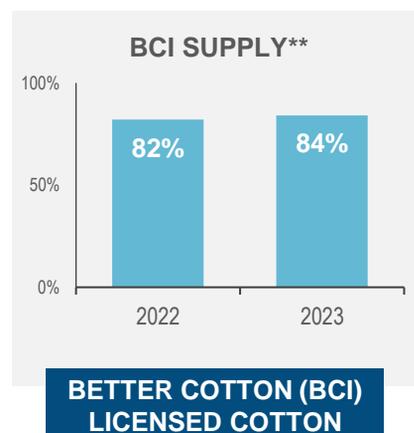
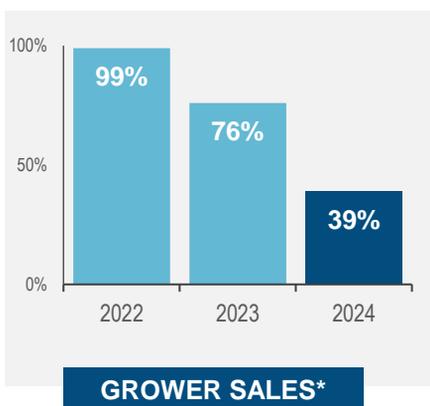
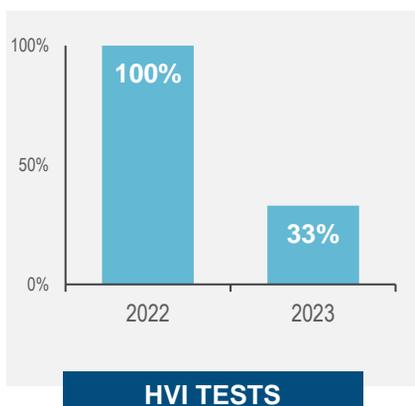
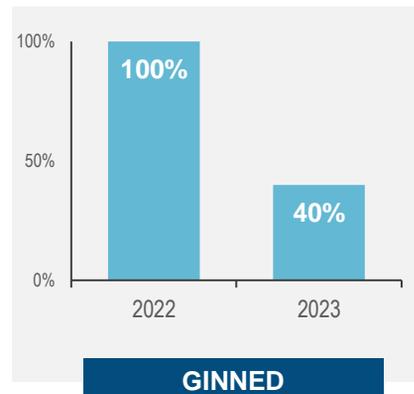
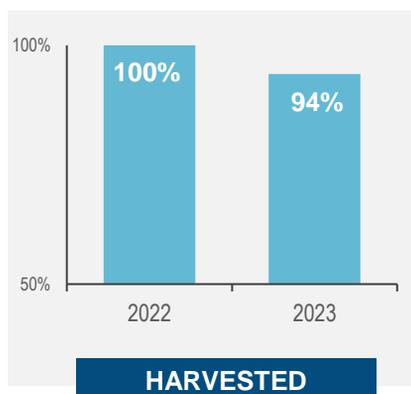


## 1. HIGHLIGHTS

- Cotton picking in Brazil is 94% completed in terms of the total planted area as of September 6th.
- In August, Brazil shipped 104.3 thousand tonnes of cotton – up by 66% compared with the amount shipped in August/2022.
- Brazil is estimated to export a total of 2.4 million tonnes in the current market year (2023/24). If confirmed, this will represent a 66% increase over the previous season.
- And more: HVI results show an upward trend for the quality of Brazilian cotton.

\*Market Year: Aug-23 to Jul-24

## 2. STATUS OF BRAZIL'S COTTON CROPS

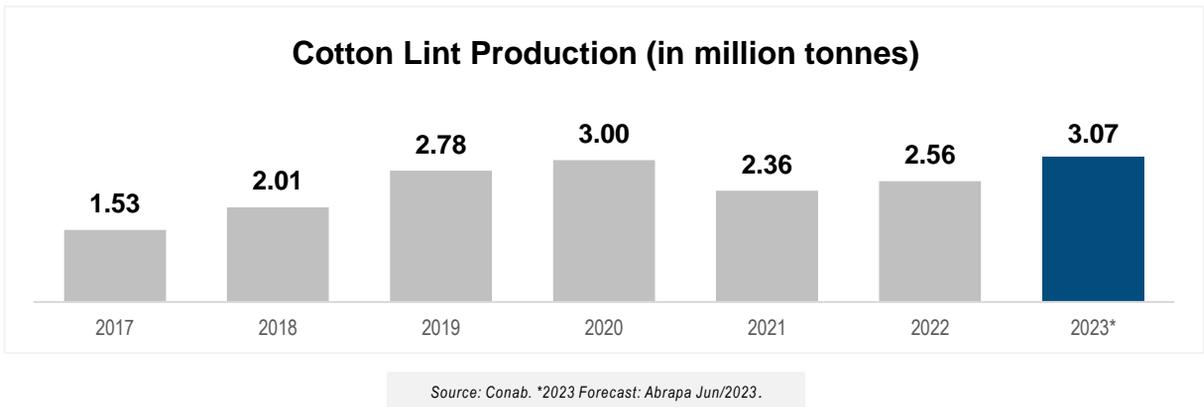
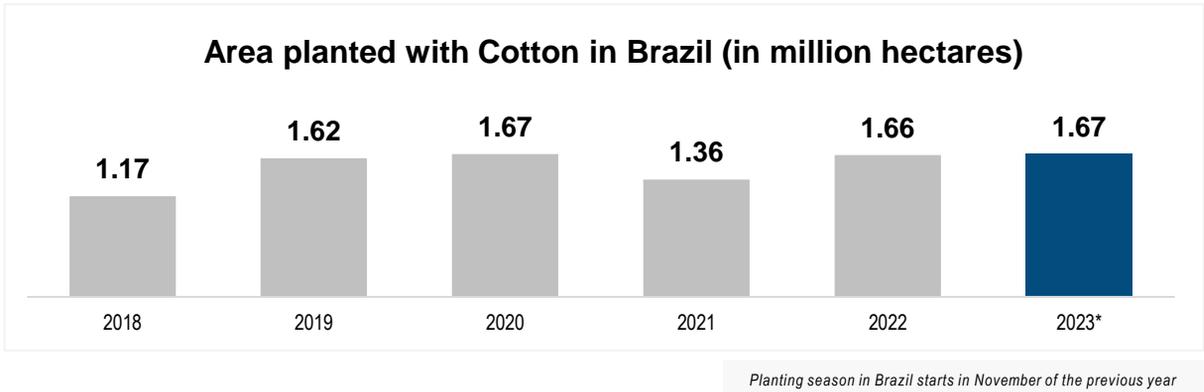


\* Percentage of cotton sold by growers to merchants

\*\*% of total Brazilian cotton production licensed by Better Cotton

## 3. 2023 CROP

The forecast for total cotton production is 3.07 million tonnes (+1%) from a planted area of 1.67 million hectares (+20%).



Abrapa predicts an average cotton yield of 1,840 kg of cotton per hectare in 2023, an increase of 18.9% over the previous year.

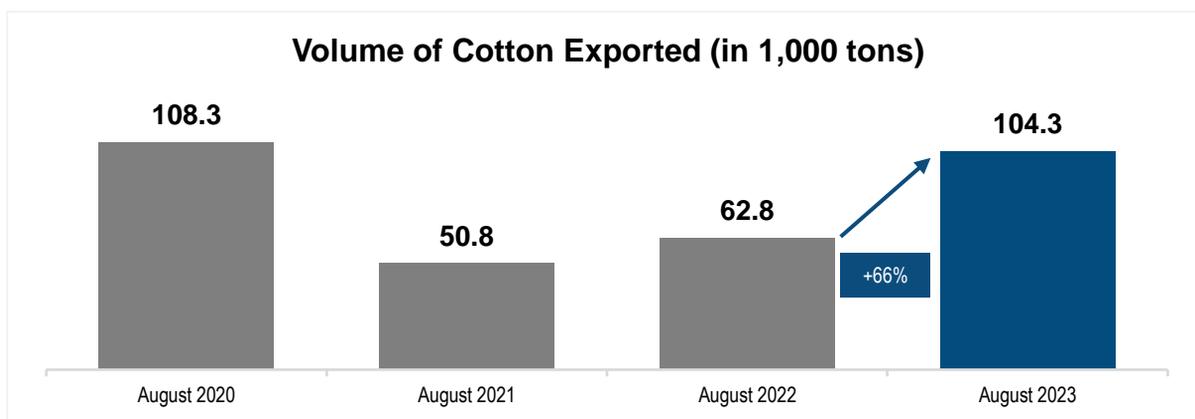
Brazilian Cotton Harvest								
PRODUCTION (million tons)	2018	2019	2020	2021	2022	2023*	22 vs. 21 (%)	23 vs. 22 (%)
SEED COTTON	5.01	6.94	7.37	5.79	6.27	7.45	8.3%	18.8%
LINT (COTTON)	2.01	2.78	3.00	2.36	2.56	3.07	8.6%	19.8%
YIELD (kg/ha)	2018	2019	2020	2021	2022	2023*	22 vs. 21 (%)	23 vs. 22 (%)
SEED 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 **104.3 thousand tonnes** of cotton in Aug/2023. This amount is **66% above** the amount shipped in Aug/2022. The monthly shipments of Brazilian cotton resulted in revenues of **U\$ 187.7 million**.



Source: ComexStat – ME, Sep/2023

**China, Turkey and Malaysia** were the main destinations for Brazilian cotton exports in August, totaling 70 thousand tonnes.

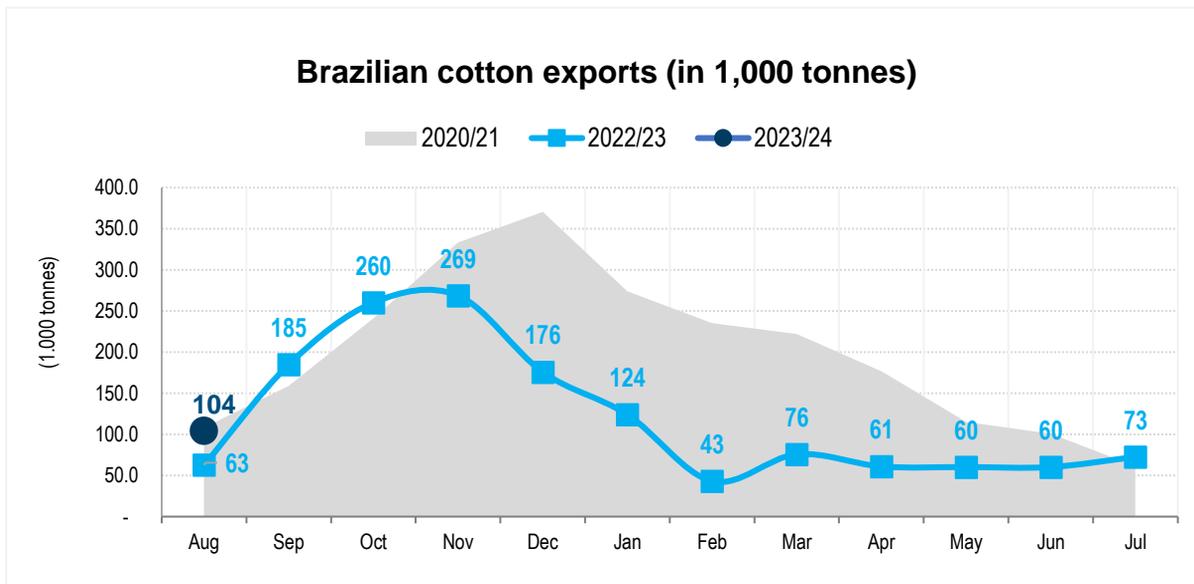
Together, the three countries accounted for **67%** of the August exports.

### Brazilian Cotton Top Export Destinations (Aug/23) in tons

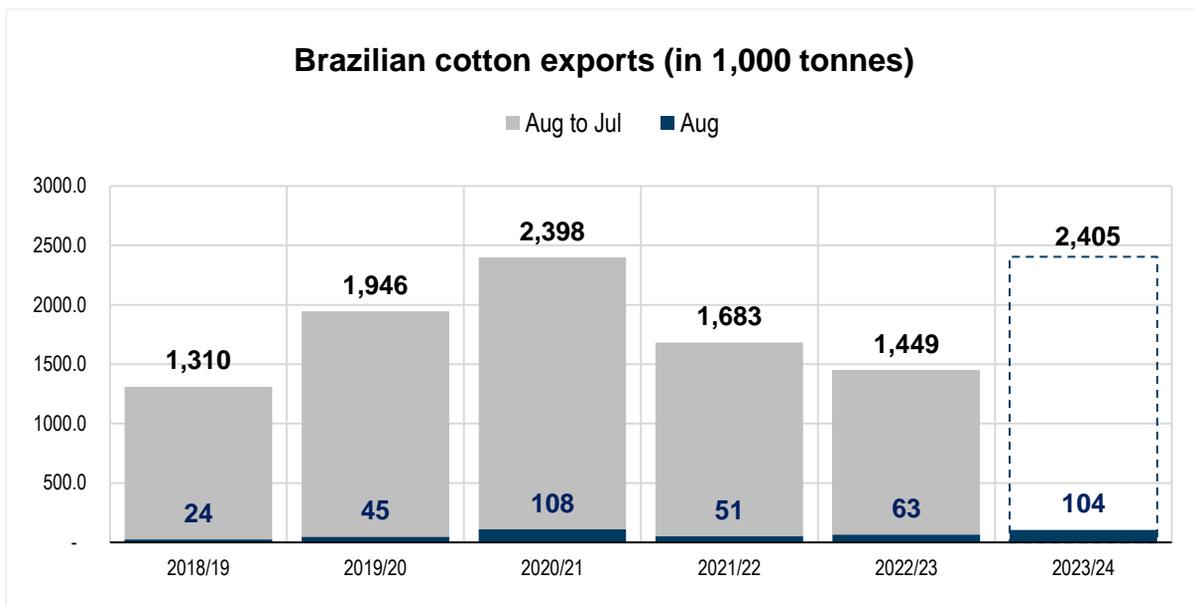
China	46,923	45%
Turkey	12,307	12%
Malaysia	10,082	10%
Bangladesh	8,601	8%
Vietnam	7,863	8%
Pakistan	6,893	7%
Indonesia	5,529	5%
Egypt	1,505	1%
Portugal	1,216	1%
Taiwan	1,062	1%
Others	1,607	2%
<b>Total</b>	<b>104,311</b>	

Source: ComexStat – ME, Sep/2023

Brazilian cotton exports in the 2023/24 market year are estimated to be 2.4 million tonnes (August 2023 to July 2024). This will represent a 66% increase over the previous year, 2022/23.



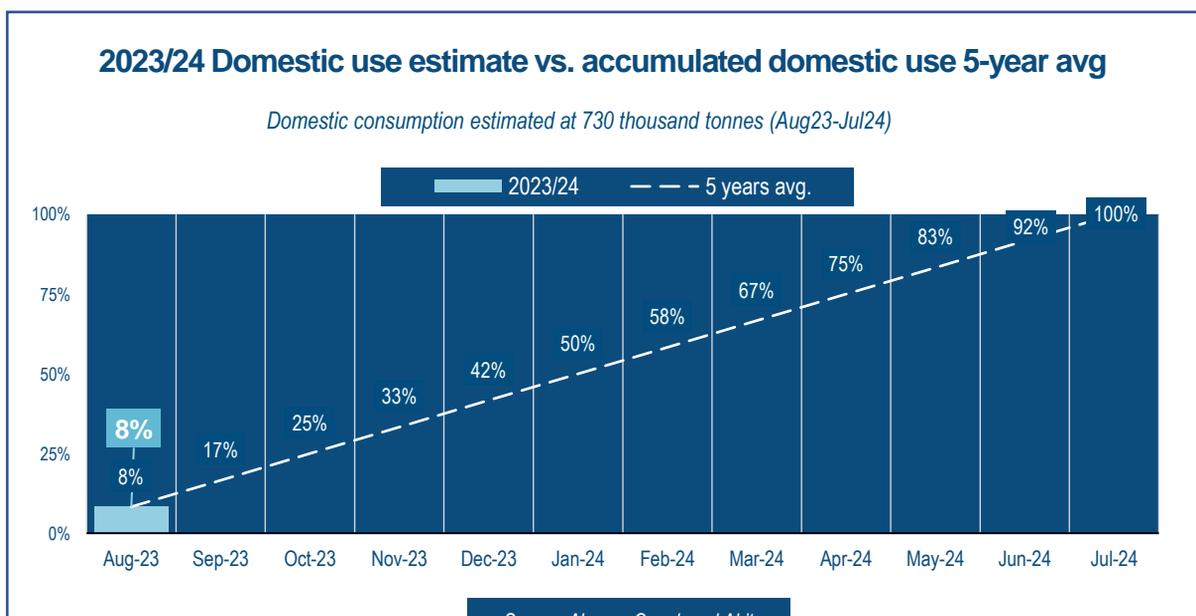
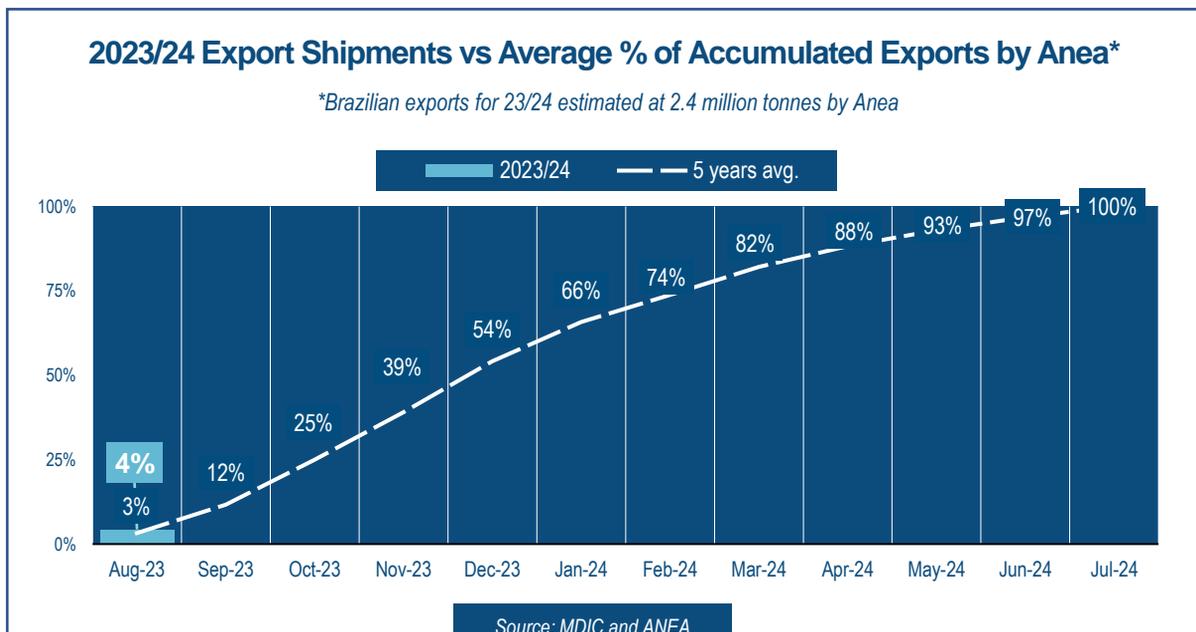
Source: ComexStat – ME, Sep/2023 Market Year: August to July



Source: ComexStat – ME, Sep/2023 Market Year: August to July. \* Forecast

## 5. 2023/24 MARKET YEAR EXPORTS AND DOMESTIC USE

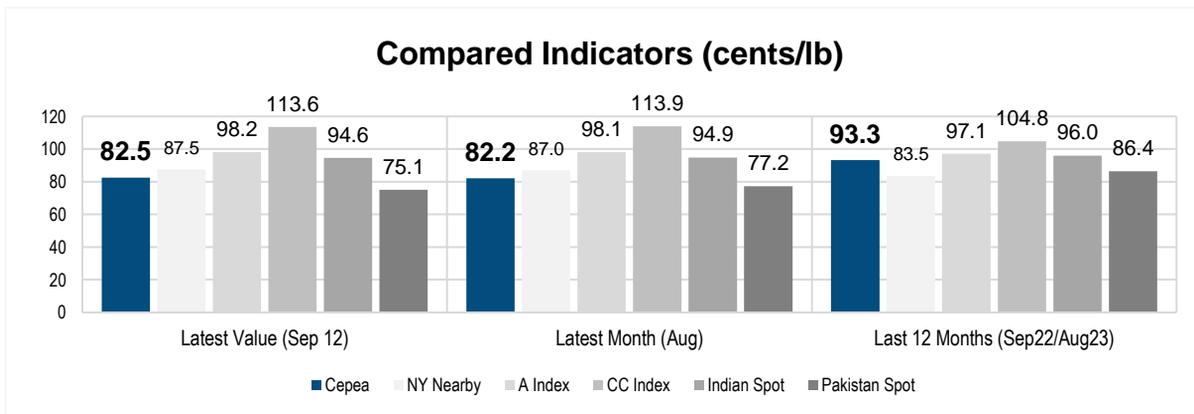
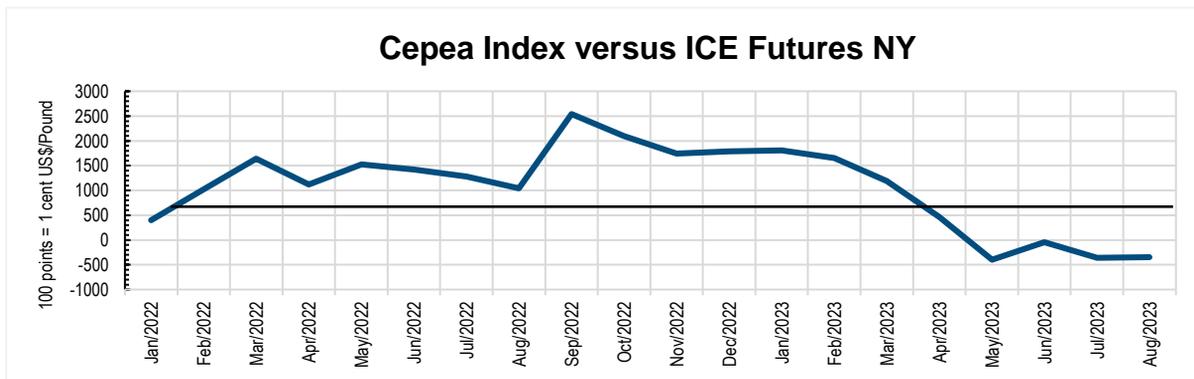
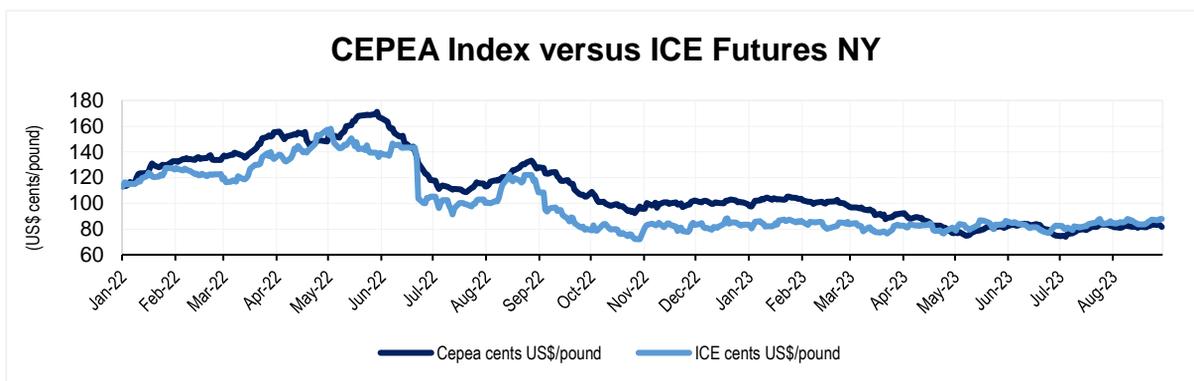
The charts below compare the performance of the current market year (2023/24) with Brazilian cotton exports over the last five years and the average volume consumed domestically in Brazil also over the last five years.





## 6. PRICES

In Aug/2023, the *Cepea Index*\* dropped slightly by **0.8%** and ended the month at US\$**81.77**/pound. The **average** spread between Brazilian and international prices ended August at **minus 344 points**. The increase in domestic supply at harvest time usually causes a negative spread for the third quarter of the year for domestic prices.



Source: Cepea/USP and ICE Futures, Sep/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

### Brazilian cotton quality is on the up

The Brazilian cotton that will be going out to the global market in the 2023/24 market year will present **better quality indicators** than in the previous season. This is according to Abrapa's end of August report which is based on the test results from more than 4.9 million bales.

This volume represents 33% of the estimated total to be exported by Brazil during this period. The data show that the most important characteristics for the textile industry **have outperformed the previous season**.

One example is micronaire (MIC), which is a measurement of fibre diameter and maturity.

Tests show that that 96% of the samples were within the desired range of 3.50 to 4.90. In addition, the percentage of fibre

lower than 3.6 has drastically reduced.

Fibre strength and length have also improved, especially in relation to length and uniformity. The short fiber index is better but there is still room to improve, although this parameter is also affected by weather conditions.

Another highlight in the report is the fiber colour indicators. The reflectance grade (which measures the 'whiteness' of the cotton) was within the ideal range for 94% of the samples tested and yellowing with 95% in the ideal range. Possible rainfall in the coming few days may affect these indicators.

In Brazil, **100% of all the cotton bales shipped overseas undergo HVI testing**. For the current market year, more than 14.8 million bales will be laboratory tested.

### Quality Indicators - 2022/23 Growing Season

