

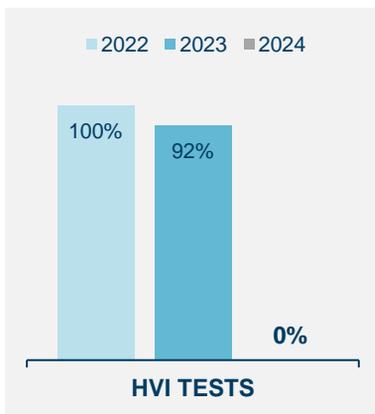
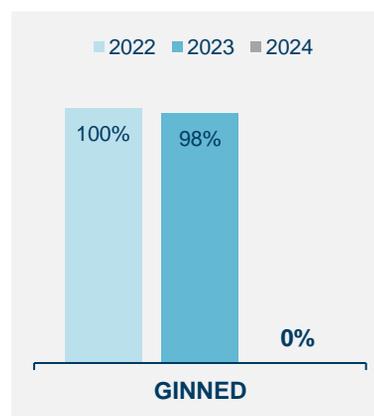
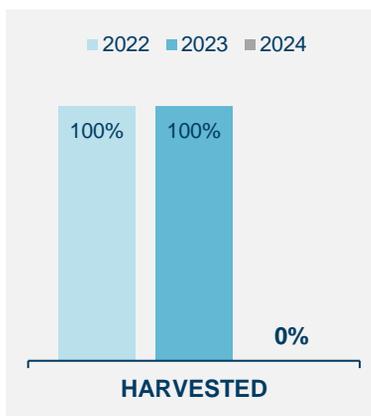
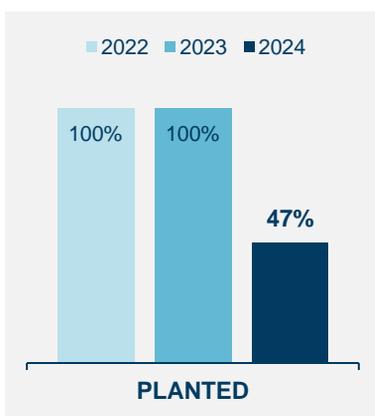


1. HIGHLIGHTS

- As of January 11th, **47%** of the 2024 cotton crop **had been planted** in Brazil. Forward sales are already **over 54%**.
- **In December**, Brazilian exports totalled **350.8 thousand tonnes** – **100% more** than the volume recorded in the same month of 2022. This resulted in total revenue of US\$ 684.4 million.
- **From January to December 2023**, Brazil shipped **1.6 million tonnes**. Revenue from exports totalled US\$ 3.07 billion for the year.
- See the “*Made in Brazil*” section for the **quality indicators** for the 2023 cotton crop.

*Market Year: Aug-23 to Jul-24

2. STATUS OF BRAZIL'S COTTON CROP



* Percentage of cotton sold by growers to merchants

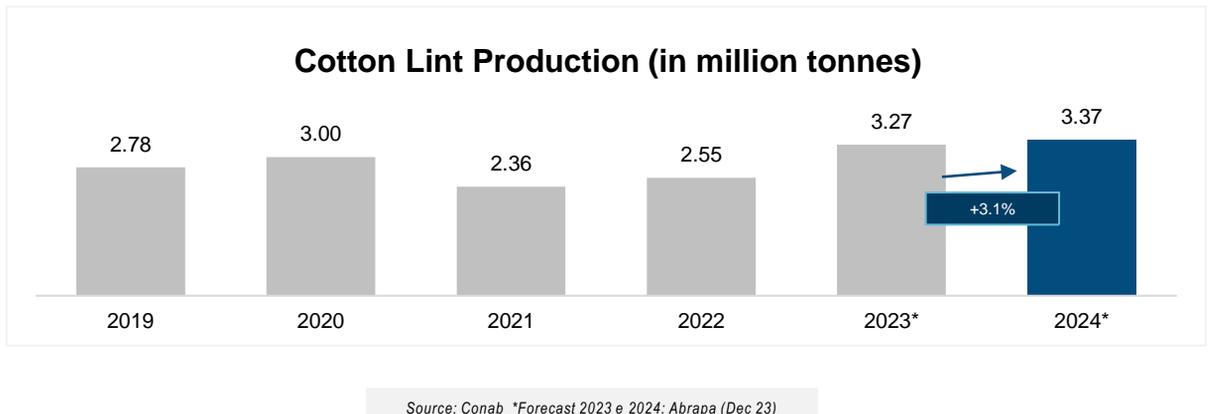
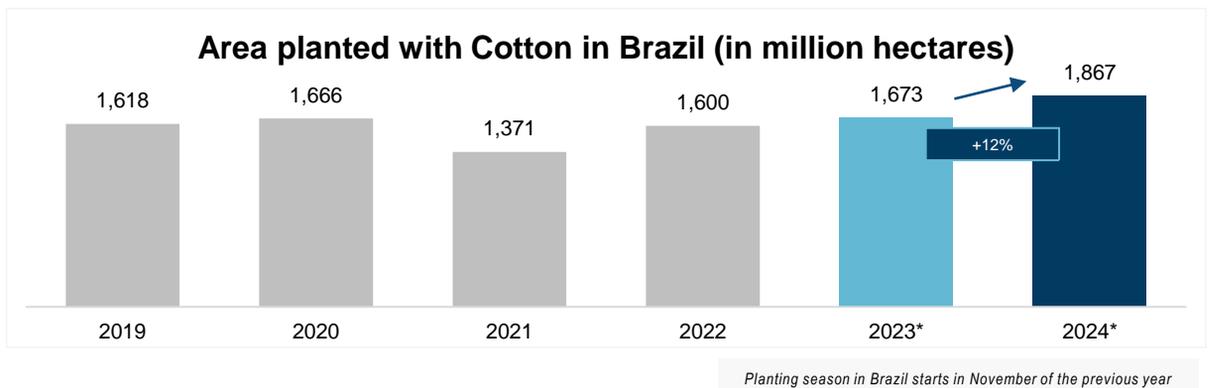
** Better Cotton (BCI) licensed cotton volume in Brazil as a % of total Brazilian cotton production (2023 Crop year)

*** Better Cotton (BCI) units claimed by buyers for the marketing year to date as a % of total Brazilian cotton production (Market Year: Aug-23 to Jul-24)



3. 2024 CROP

Abrapa's most recent estimates (Dec/23) indicate that the 2024 cotton crop in Brazil will be **11.6% greater** in planted area (**1.967 million hectares**) and **3.1% larger** in production, with **3.37 million tonnes**.



If these estimates are confirmed, the average yield for Brazilian cotton will be **1,805 kg/ha** in 2024 – 7.6% below the record rate of 2023.

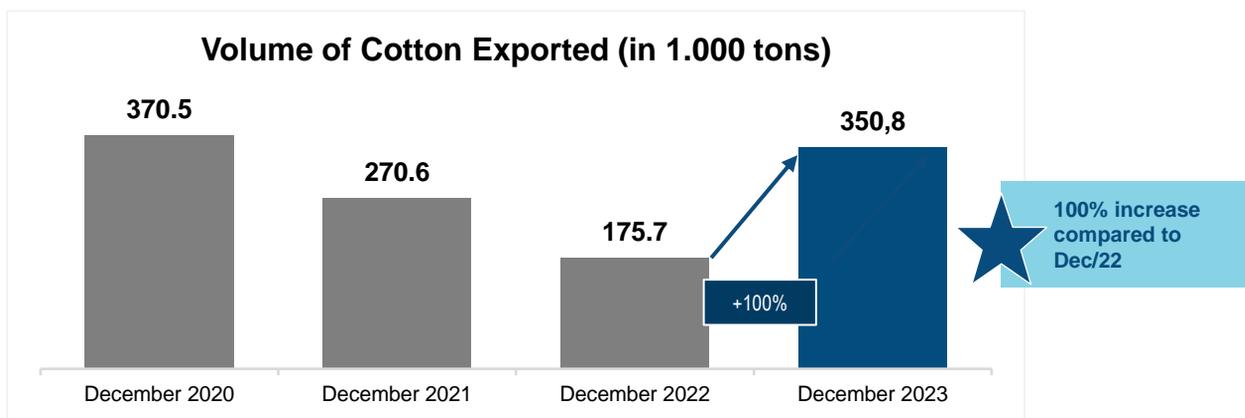
Brazilian Cotton Harvest								
PRODUCTION (million tons)	2019	2020	2021	2022	2023*	2024*	23 vs. 22 (%)	24 vs. 23 (%)
SEED COTTON	6.95	7.37	5.80	6.27	7.89	8.13	25.9%	3.0%
LINT (COTTON)	2.78	3.00	2.36	2.55	3.27	3.37	28.0%	3.1%
YIELD (kg/ha)	2019	2020	2021	2022	2023*	2024*	23 vs. 22 (%)	24 vs. 23 (%)
SEED COTTON	4,292	4,427	4,230	3,921	4,716	4,357	18.0%	-7.5%
LINT (COTTON)	1,717	1,802	1,721	1,596	1,954	1,805	22.4%	-7.6%

Source: Conab *Forecast: Abrapa (Dec 23)



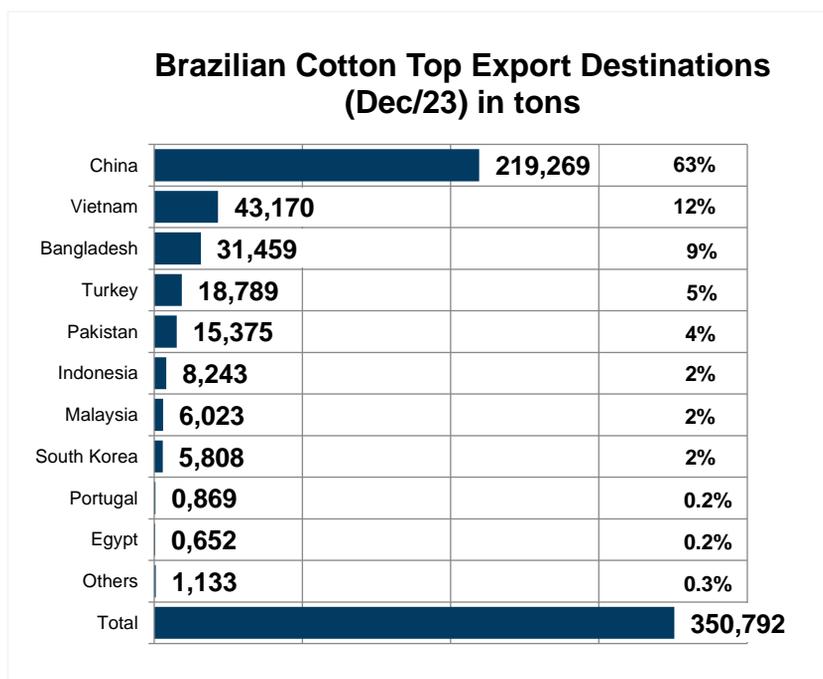
4. EXPORT SHIPMENTS

In December, Brazil shipped **350.8 thousand tonnes** of cotton overseas – exactly **double** the volume shipped out in Dec/22 and **38% more** than the amount in Nov/23. As a result, the monthly revenues were **US\$ 682.4 million**.



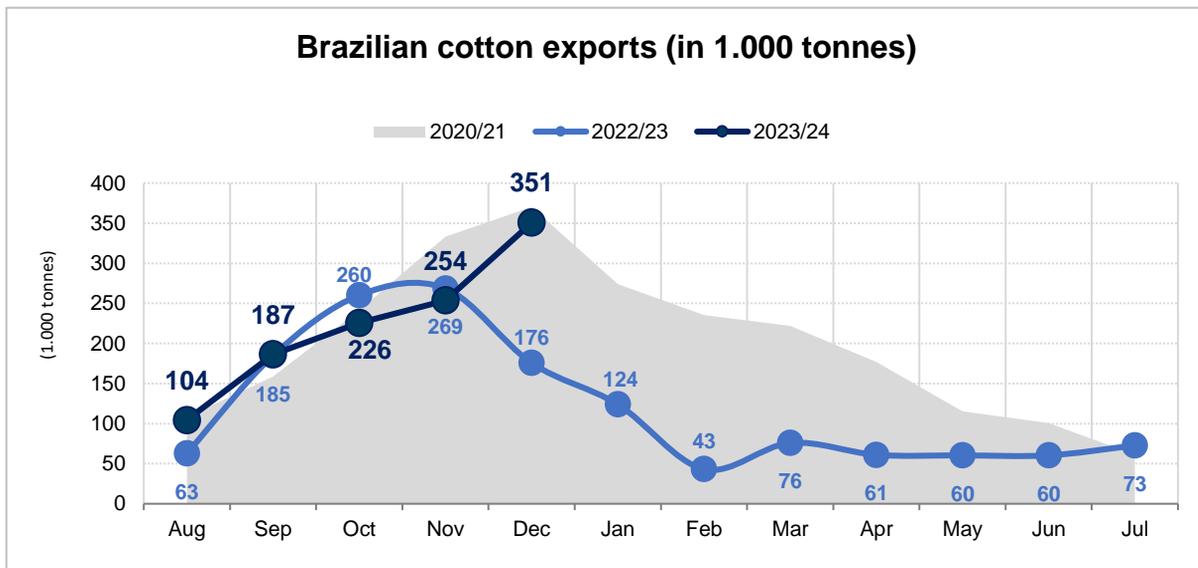
Source: ComexStat – ME, Jan 2024

China remains as the main importer of Brazilian cotton. With **219 thousand tonnes** shipped there in December, the country accounted for **63%** of the total.

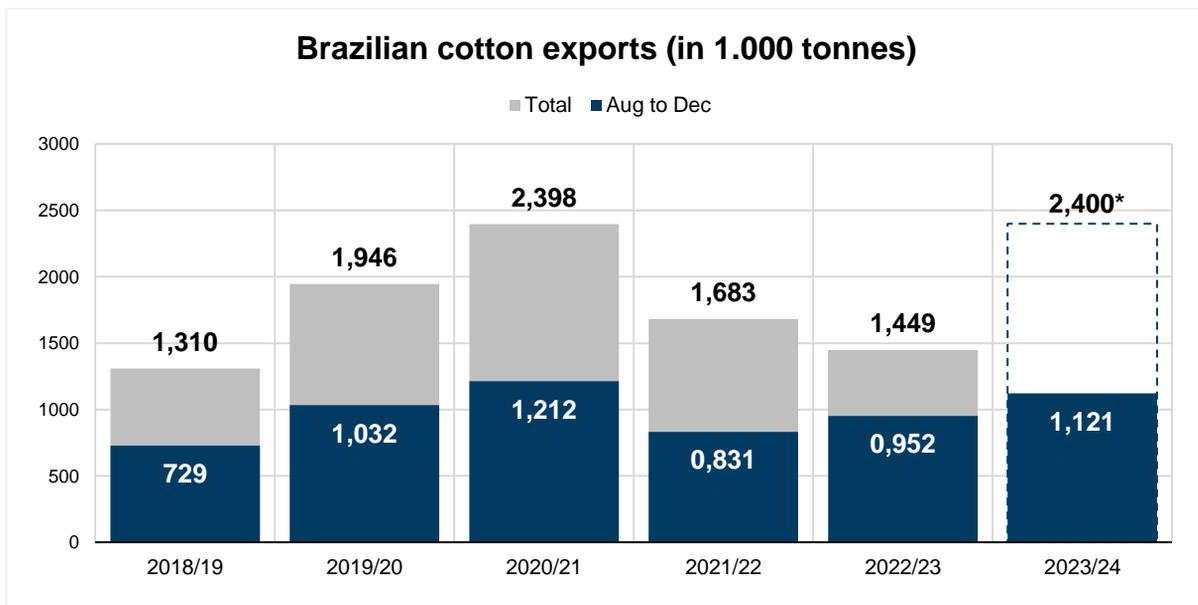


Source: ComexStat – ME, Jan 2024

The December figures mean that Brazil has achieved its **Second best performance** in accumulated exports from August to December in **the last six seasons**.



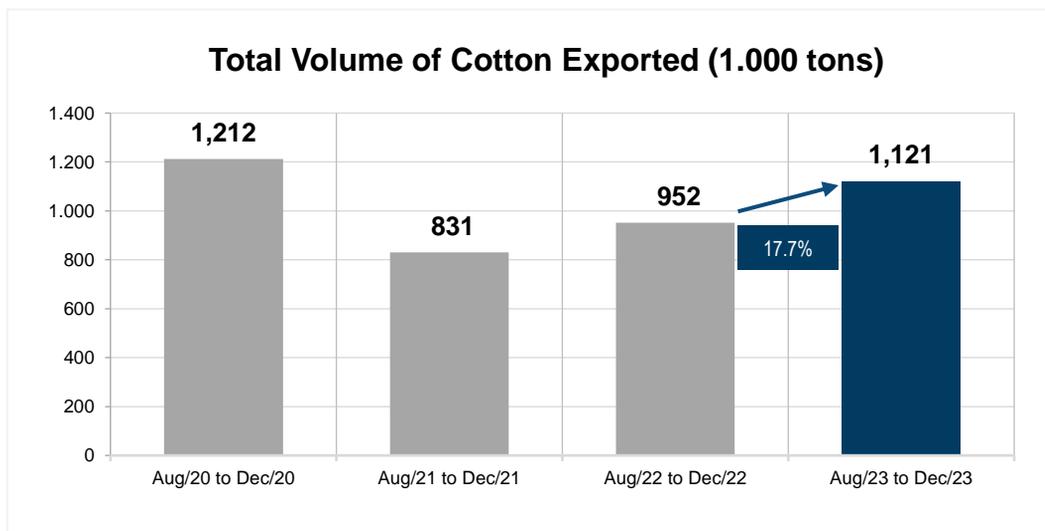
Source: ComexStat – ME, Jan/2024. [Market Year: August to July]



Source: ComexStat – ME, Jan/2024. [Market Year: August to July.] * Forecast



From August to December, Brazil exported **1,121 thousand tonnes**, **17.7% higher** than that recorded in the same period of 2022. **The second best performance since 2018.** Total revenue in the period reached **US\$ 2.14 billion**.



Source: ComexStat – ME, Jan 2024

With 707.7 thousand tonnes imported, **China** is the country that has purchased the most Brazilian cotton, accounting for 63% of the total sold so far. **Vietnam** (111.7 thousand tonnes; 10%) and **Bangladesh** (90.5 thousand tonnes; 8%) take the next positions in the ranking.

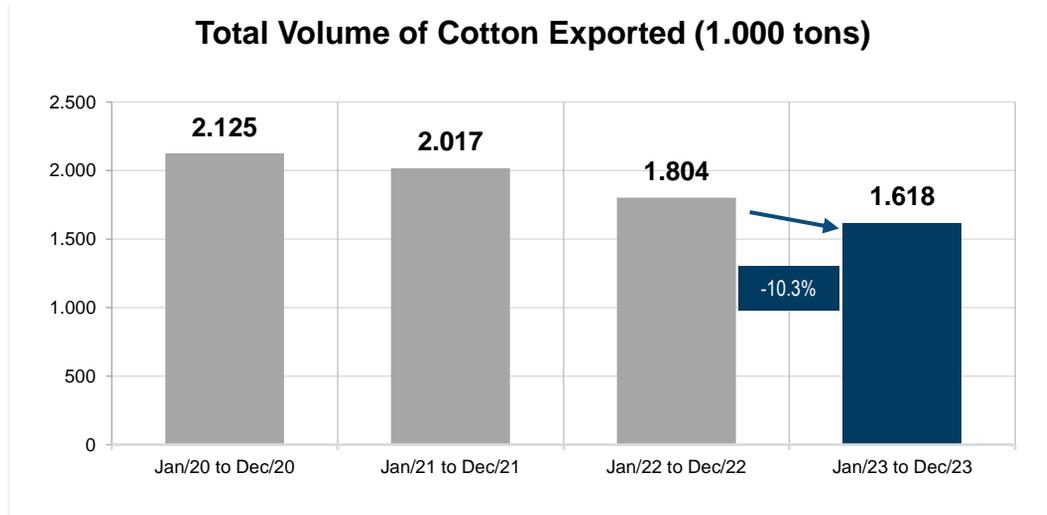
Brazilian Cotton Top Export Destinations (Aug/23 to Dec/23) in tons

China	707.723	63%
Vietnam	111.734	10%
Bangladesh	90.584	8%
Turkey	66.205	6%
Indonesia	51.990	5%
Pakistan	32.755	3%
Malaysua	28.011	2%
South Korea	14.502	1%
Portugal	6.167	1%
Egypt	4.465	0.4%
Others	6.848	1%
Total Geral	1.120.984	

Source: ComexStat – ME, Jan 2024

4.1. Export shipments (calendar year)

Analysing the total exports from **January to December 2023**, we see that Brazil shipped **1.6 million tonnes**, 10.3% lower than in 2022. Revenue from exports totalled **US\$ 3.07 billion** for the year.



Source: ComexStat – ME, Jan 2024

In the analysis of the calendar year, **China** remains the main destination for Brazilian cotton, with 776.6 thousand tonnes shipped representing 48% of the total. **Bangladesh** (207.7 thousand tonnes; 13%) and **Vietnam** (201.6 thousand tonnes; 12%) appear in second and third place, respectively.

Brazilian Cotton Top Export Destinations (Jan/23 to Dec/23) in tons

China	776.665	48%
Bangladesh	207.785	13%
Vietnam	201.608	12%
Turkey	136.767	8%
Indonesia	99.428	6%
Pakistan	88.302	5%
Malaysia	45.804	3%
South Korea	22.019	1%
India	11.651	1%
Portugal	7.674	0.5%
Others	20.473	1%
Total Geral	1.618.176	

Source: ComexStat – ME, Jan 2024

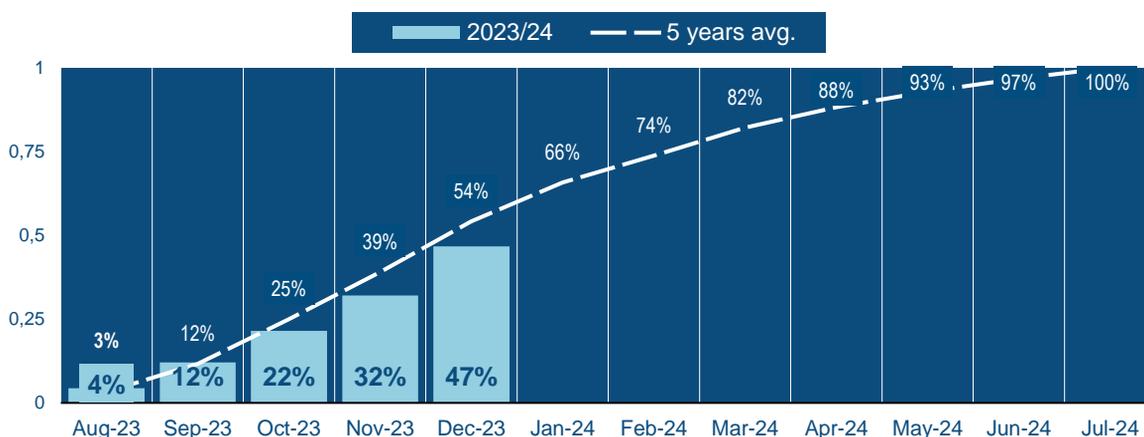


5. 2023/24 MARKET YEAR EXPORTS AND DOMESTIC USE

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

2023/24 Export Shipments vs Average % of Accumulated Exports by Area*

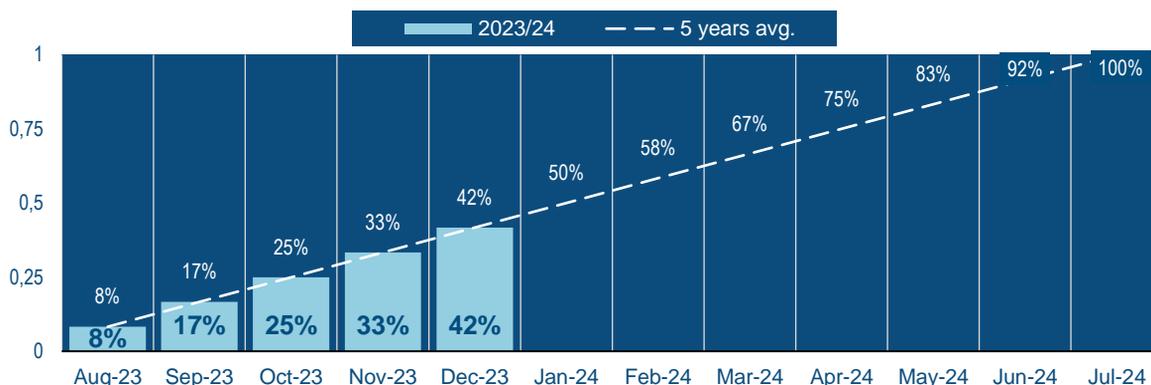
*Brazilian exports for 23/24 estimated at 2.40 million tonnes by Area



Source: MDIC and ANEA

2023/24 Domestic use estimate vs. accumulated domestic use 5-year avg

Domestic consumption estimated at 730 thousand tonnes (Aug23-Jul24)

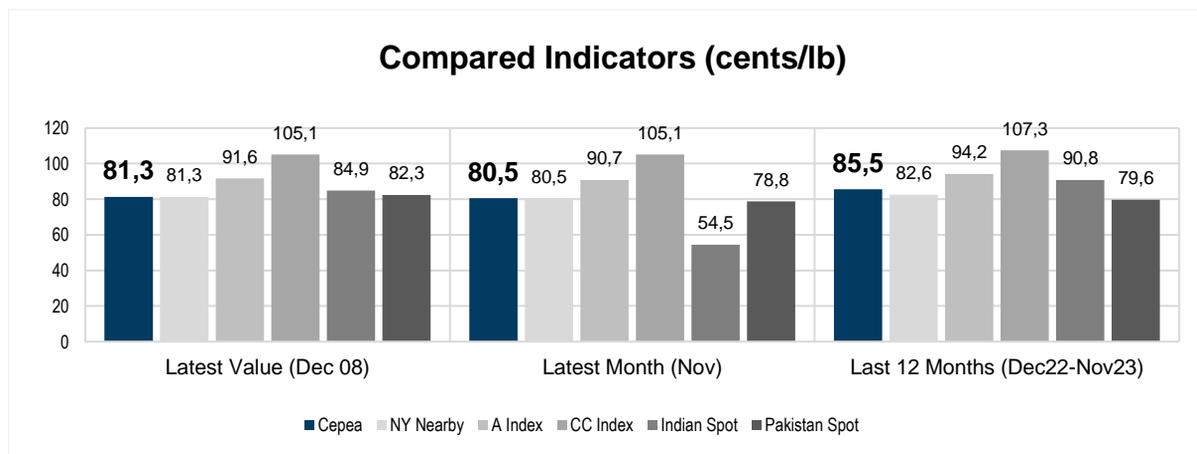
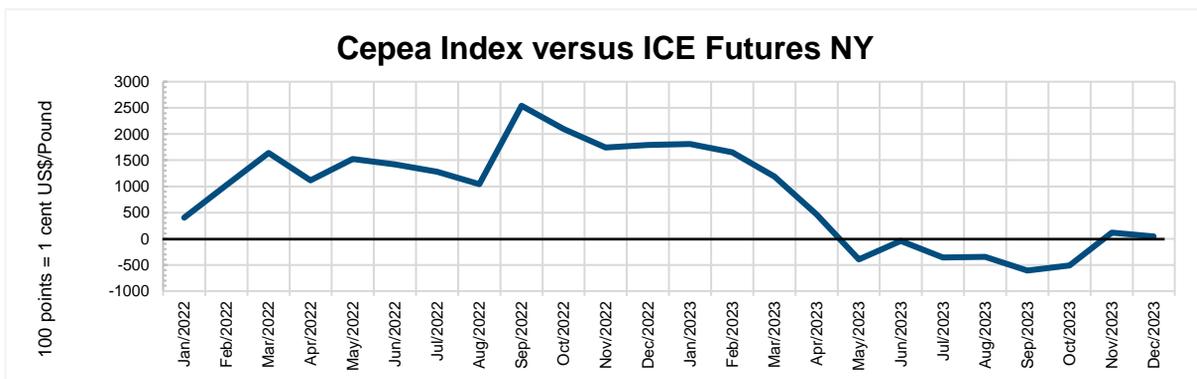
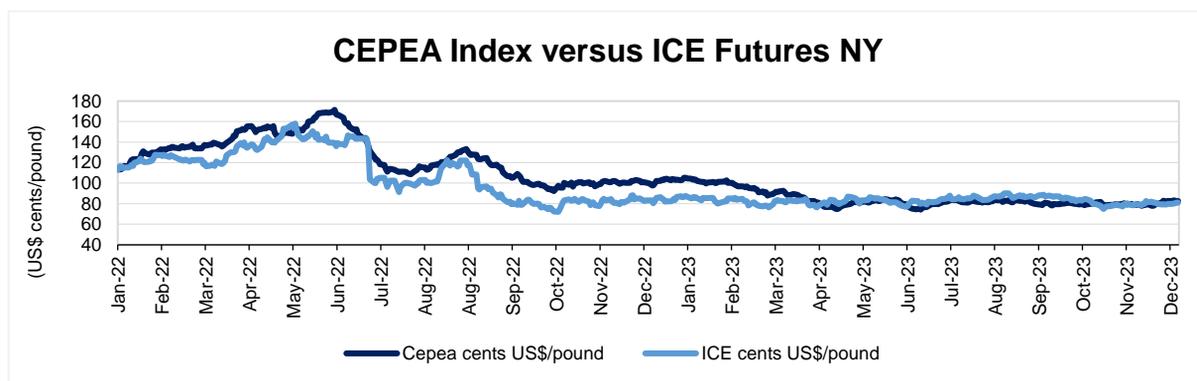


Source: Abrapa, Conab and Abit



6. PRICES

The Cepea indicator closed the month of December at **82.5 US\$ cents/pound** – which corresponded to an increase of 3.4%. The average difference between domestic and international prices reached **+41 points** in the month.



Source: Cepea/USP and ICE Futures, Jan/2024

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



Brazil has achieved significant improvements in quality indicators for the 2023 crop

On January 11th, Abrapa released the most recent report on the quality indicators of Brazilian cotton. The results reflect quality rating of 92% of the 2023 crop and provide an overall positive view in terms of improvements.

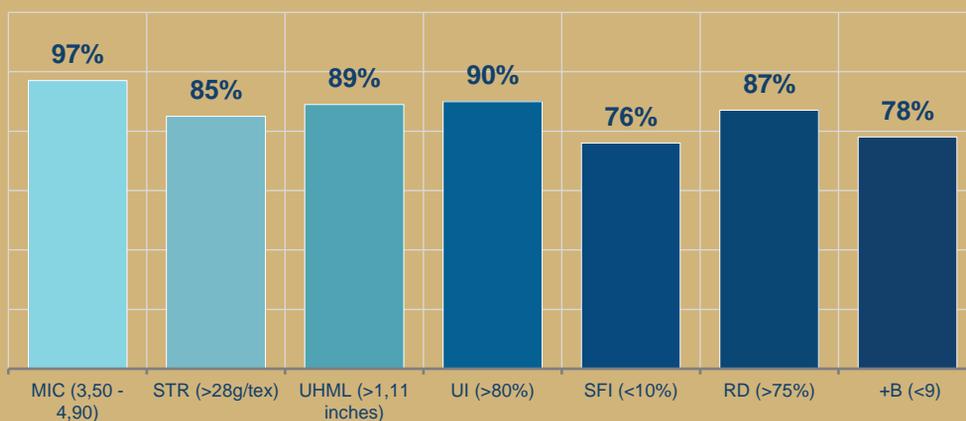
Among the highlights is the significant improvement in the **short fibre index** (SFI), one of the most crucial indicators for the importing textile industries. For this crop, the SFI achieved its best mark for the last three seasons: 74% of the

cotton had an SFI below 10%. This time, the more favourable weather contributed to the result.

Two other indicators also improved significantly in the 2023 crop: **fibre length** (UHML) and **uniformity** (UI). Both achieved their best level for the last six years: 89% and 90%, respectively.

Good rainfall distribution and investments by farmers are the main factors that led to this result.

Quality Indicators - 2022/2023 Growing Season



Source: Brazilian HVI Laboratories, December 2023

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