

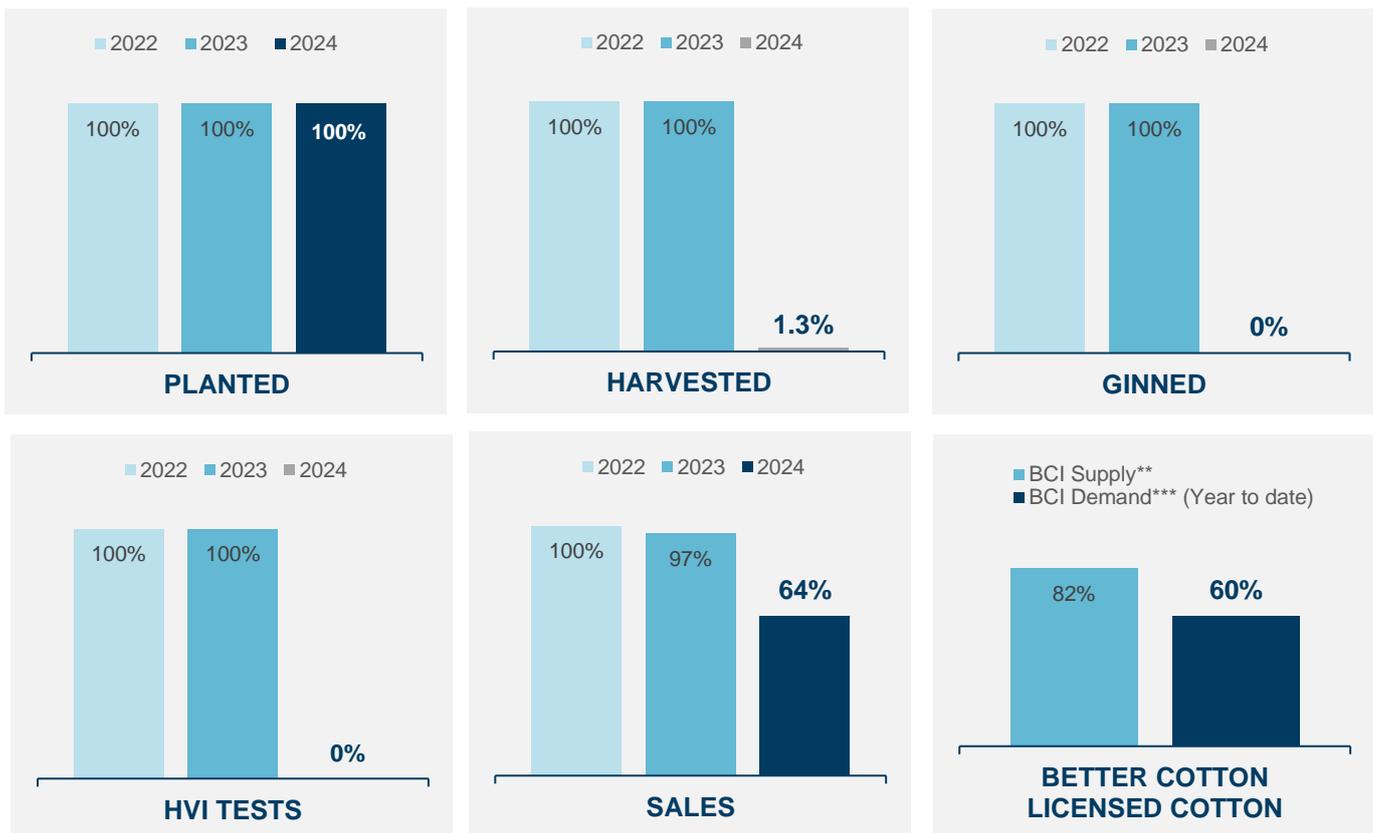


1. HIGHLIGHTS

- The cotton harvest in Brazil has started with **1,34% of the area picked so far**. Estimates of total acreage and production volume for the 2024 crop are maintained.
- In May, Brazil exported **229,000 tonnes of cotton** - 280% more than in May/23. In total, Brazilian exports reached **2.3 million tonnes**, an **all-time record**. There are still two months to go until the end of the 2023/24 marketing year.
- At the end of May, Abrapa held a **trade mission in China**. See more in the section **Made In Brazil**.

*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)

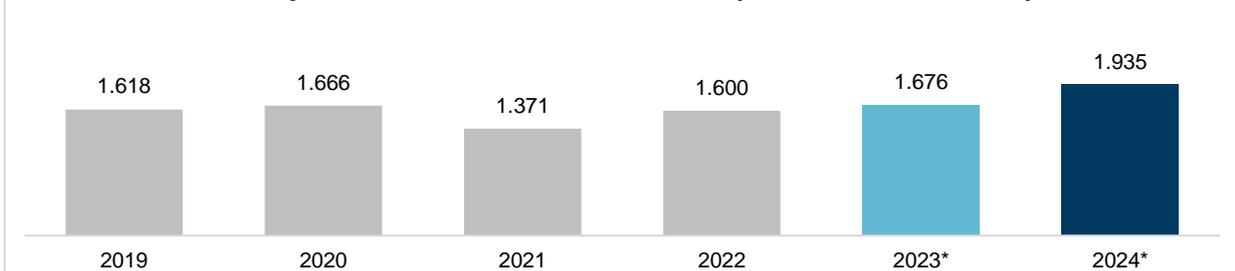
*** Better Cotton (BCI) units claimed by buyers for the marketing year to date as a % of total Brazilian cotton production (Market Year: Aug-23 to Jul-24)



3. 2024 CROP

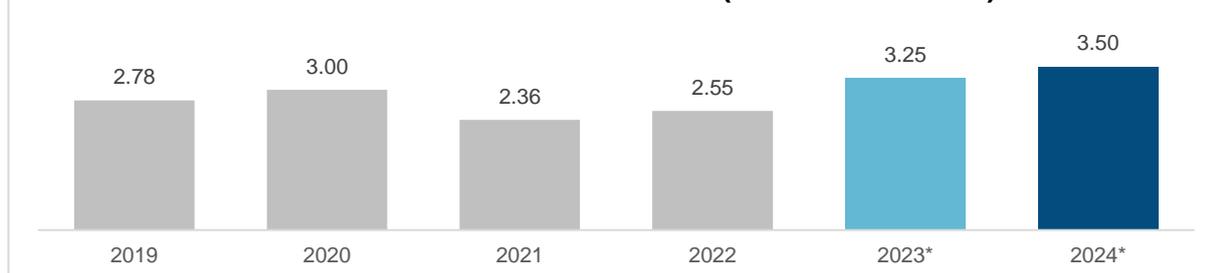
According to Abrapa, the area planted to cotton in Brazil is expected to reach **1.935 million hectares** for the 2024 crop. As a result, production is expected to reach **3.5 million tonnes** of cotton. If confirmed, this will represent an **increase of 7.7%** compared to the volume harvested in the previous season.

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 *Forecast 2023 e 2024: Abrapa (Mar 2024)

From this, the average yield in Brazil is estimated to reach **1,809 kg/ha in 2024** – **6.7% below** the previous crop record.

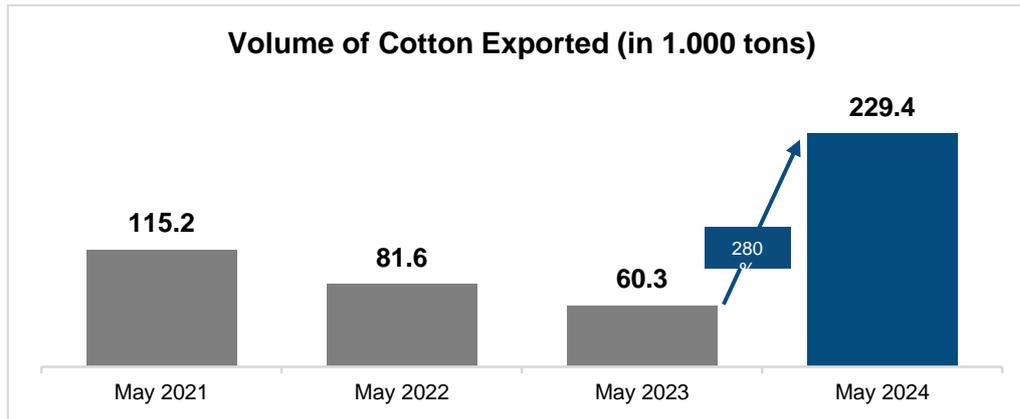
Brazilian Cotton Harvest

PRODUCTION (million tons)	2019	2020	2021	2022	2023*	2024*	23 vs. 22 (%)	24 vs. 23 (%)
SEED COTTON (Lint + Seed)	6.95	7.37	5.80	6.27	7.80	8.45	24.4%	8.3%
LINT (COTTON)	2.78	3.00	2.36	2.55	3.25	3.50	27.5%	7.7%
YIELD (kg/ha)	2019	2020	2021	2022	2023*	2024*	23 vs. 22 (%)	24 vs. 23 (%)
SEED COTTON (Lint + Seed)	4,292	4,427	4,230	3,921	4,716	4,372	20.3%	-7.3%
LINT (COTTON)	1,717	1,802	1,721	1,596	1,938	1,809	21.4%	-6.7%

Source: Conab *Forecast: Abrapa (Mar 24)

4. EXPORT SHIPMENTS

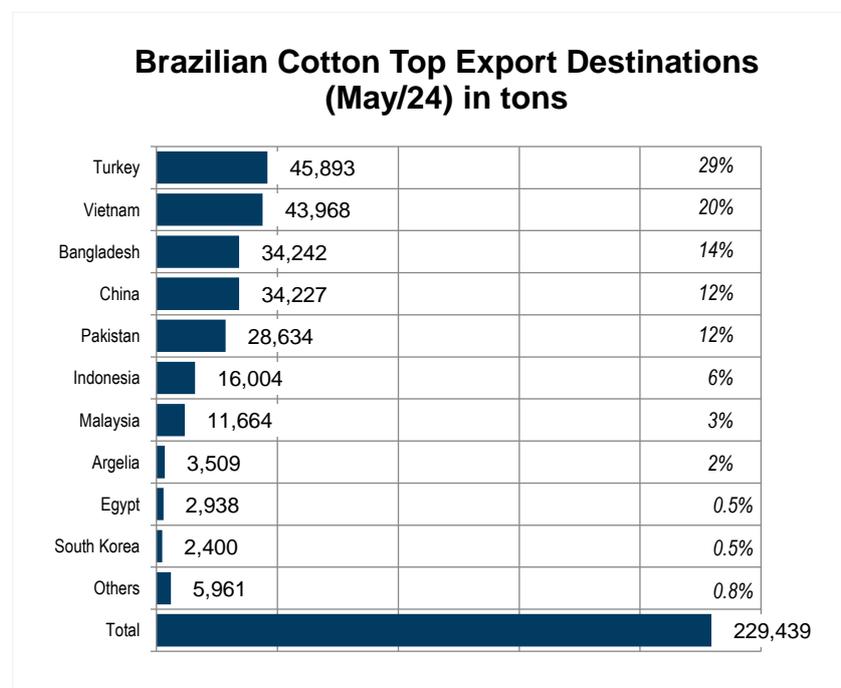
Brazil exported **229.4 thousand tonnes** of cotton in May. This volume **exceeds** the performance in May 2023 **by 280%** and is 99% greater than the 115.2 thousand tonnes recorded in May/21. Monthly export revenue was **US\$448.5 million**.



Source: ComexStat – ME, Jun/2024

For the first time this market year, China lost its top position in terms of imports of Brazilian cotton. In May, **Turkey took 45.8 thousand tonnes** (29% of the monthly total).

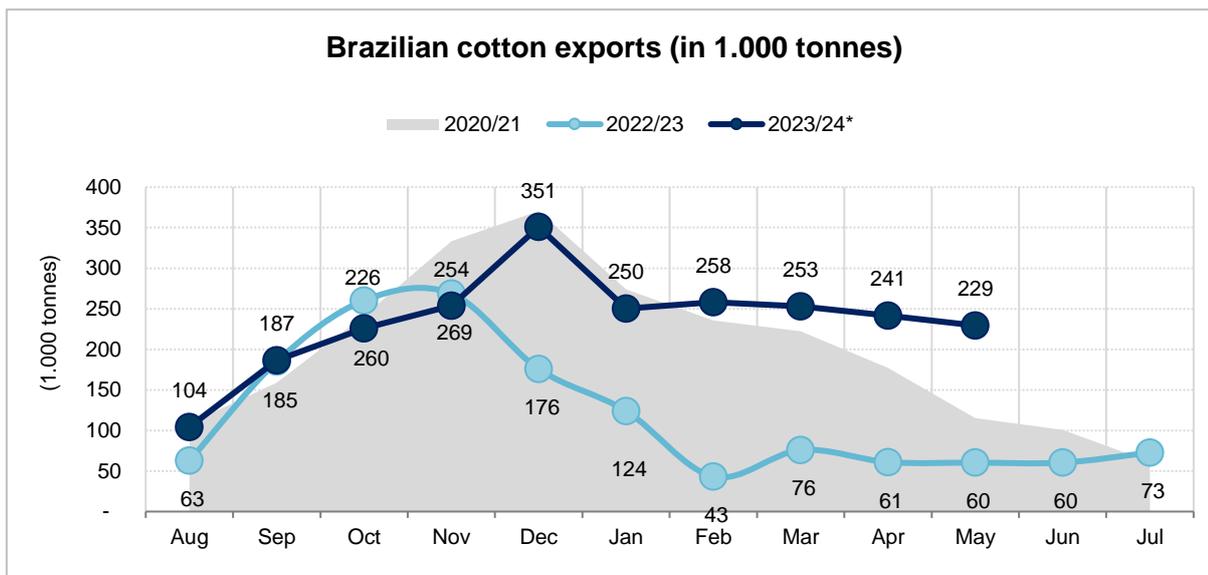
Following Turkey came **Vietnam** (43.9 thousand tonnes; 20%) and **Bangladesh** (34.2 thousand tonnes; 14%).



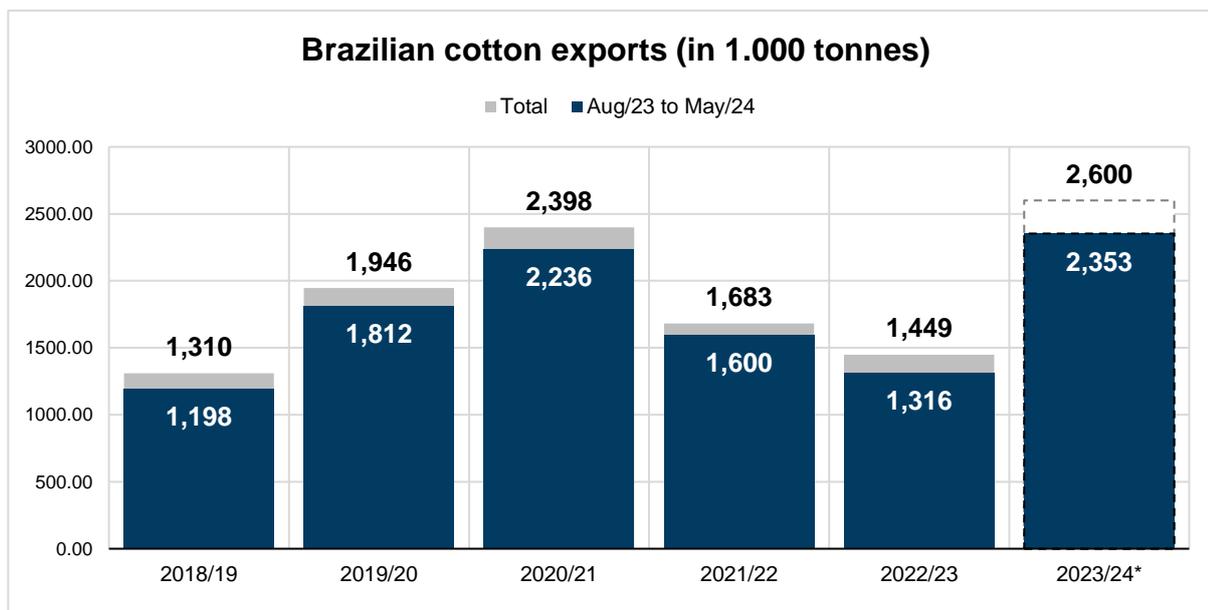
Source: ComexStat – ME, Jun/2024



May is the **sixth consecutive month** in the 2023/24 market year in which monthly export volumes have exceeded that recorded in the 2022/23 cycle. This represents the best performance in this period (August to May) in the history of Brazilian cotton exports.



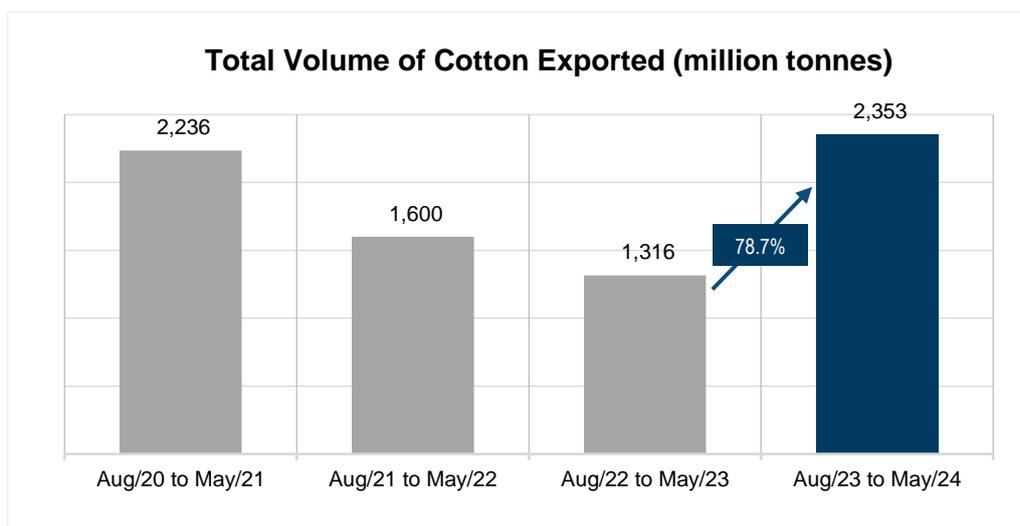
Source: ComexStat – ME, Jun/2024. [Market Year: August to July]



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



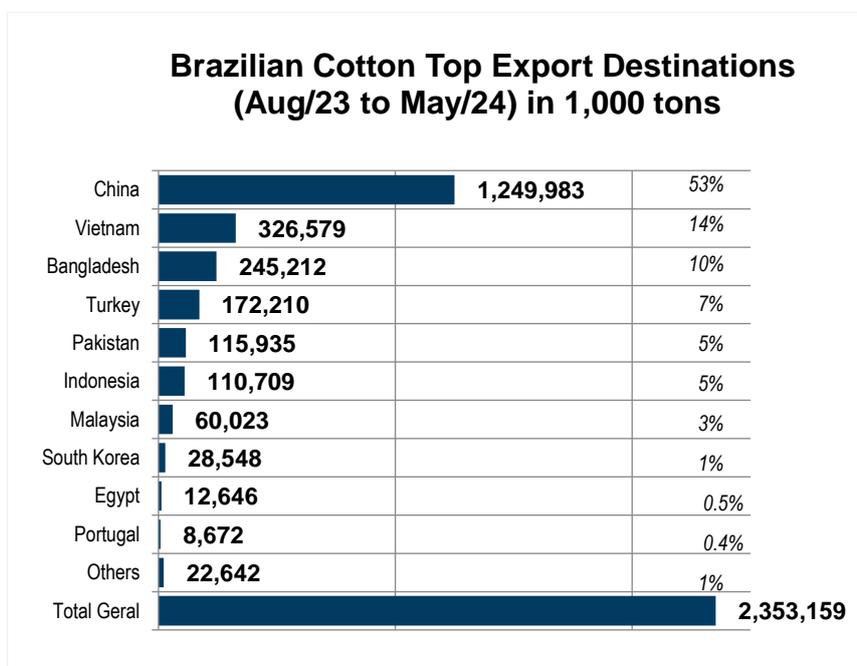
From Aug/23 to May/24, Brazil exported **2.3 million tonnes of cotton - 78.7% above** that recorded in the same period of 2022/23. This volume is a **historic record** and generated revenues of US\$4.2 billion.



Source: ComexStat – ME, Jun 2024

In the 2023/24 market year, **China** is the country that has purchased the most Brazilian cotton. From Aug/23 to May/24, they purchased **1.25 million tonnes which corresponds to 53%** of the total.

After China come **Vietnam** (326 thousand tonnes; 14%) and **Bangladesh** (245 thousand tonnes; 10%).



Source: ComexStat – ME, Jun 2024

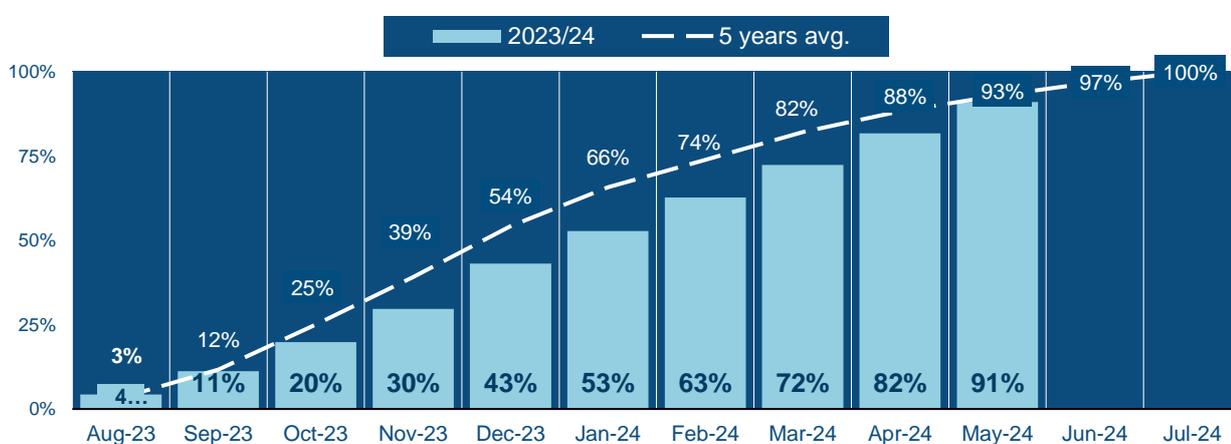


5. 2023/24 MARKET YEAR EXPORTS AND DOMESTIC USE

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*

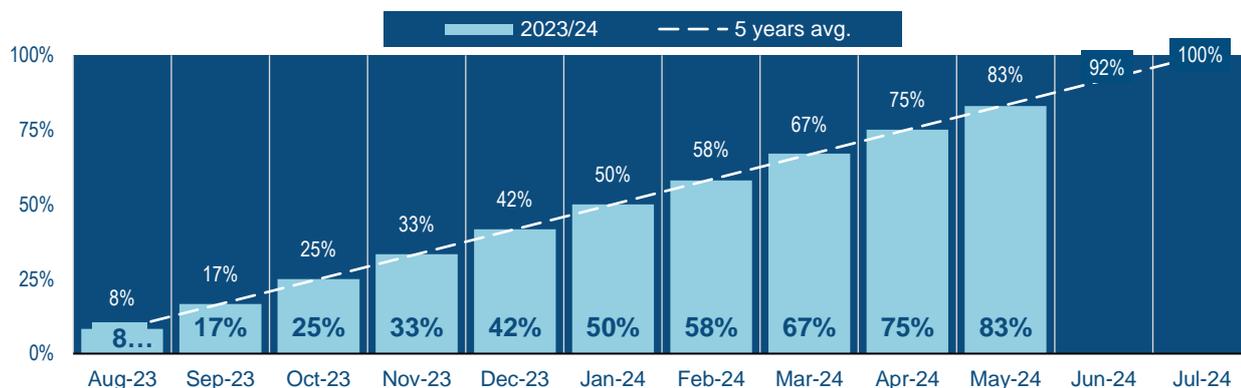
*Brazilian exports for 23/24 estimated at 2.6 million tonnes by Anea



Source: MDIC and ANEA

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

Domestic consumption estimated at 720 thousand tonnes (Aug23-Jul24)

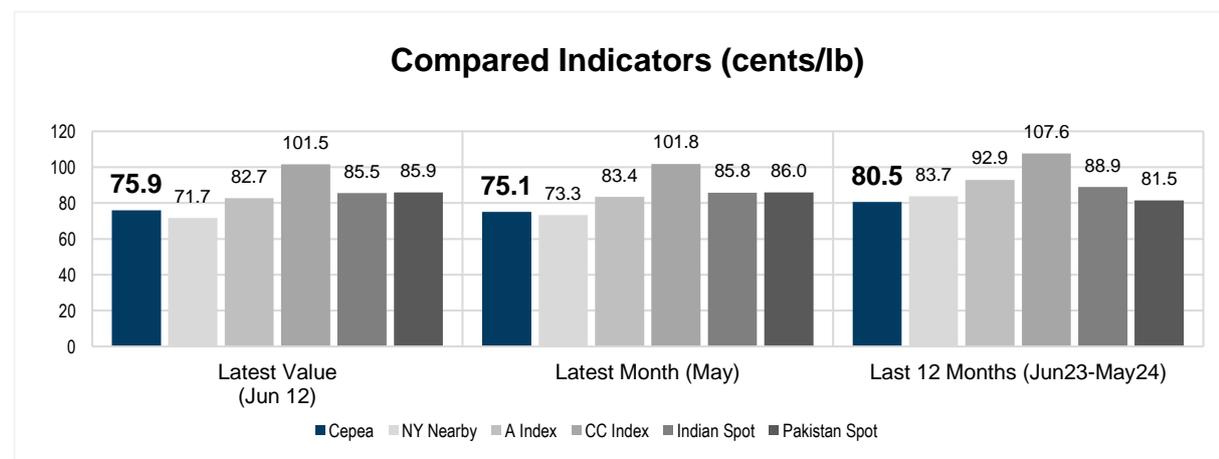
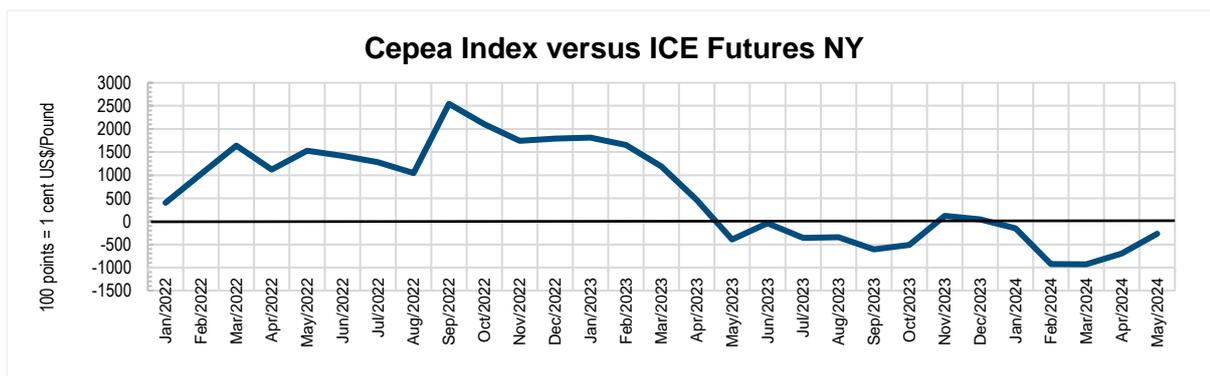
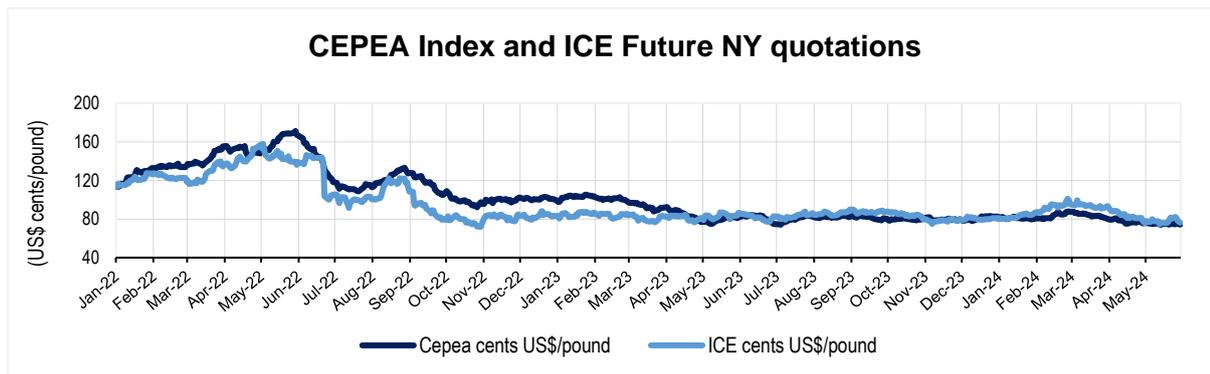


Source: Abrapa, Conab and Abit



6. PRICES

In May, the Cepea/Esalq Cotton index **dropped 1.8%**, ending the month at 74.3 cents per pound. In NY, the Jul/24 contract closed the month at 76.15 cents per pound, **3.0% lower** than the beginning of the month.



Source: Cepea/USP and ICE Futures, Jun/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 assures China of regular cotton supplies during trade mission



With the aim of enhancing relations between China and Brazil in the cotton market, Abrapa has undertaken a **ten-day trade mission** to Asian country.

From 28th May to 5th June, a Brazilian delegation with nine members of Abrapa and the National Cotton Shippers Association (Anea) was in China making technical visits, attending events and holding meetings.

The **sustainable evolution of Brazilian cotton farming** was the central theme of Abrapa's presentation during the global trend panel of the "2024 China Cotton

Industry Development Summit", an annual event held by China National Cotton Exchange (CNCE) in Xi'an.

Cotton Brazil's mission included visits to Xi'an, Shanghai, Ningbo and Beijing for working meetings and technical visits to government agencies, as well as spinning and textile mills.

The delegation also took part in Brazilian Vice-President Geraldo Aickmin's official agenda with the China-Brazil Commission of High-Level of Agreement and Cooperation (Cosban).

Chinatex, CNCGC and CNCE honoured by Brazil

During the trade mission, Abrapa paid tribute to three of the largest Chinese state-owned companies that trade cotton. This gesture marks 2024 as the year in which Brazil became the largest supplier of cotton to this giant Asian country.

The **Global Cotton Brazil Global Partnership Award** was presented to Chinatex President Yuan Fei, China National Cotton Group Corporation (CNCGC) President Liu Yong and China National Cotton Exchange (CNCE) President Yang Baofu by



Abrapa Vice President Gustavo Piccoli.

The award was also presented to the president of the Brazilian Trade and Investment Promotion Agency (Apex-Brazil), Jorge Viana, and to Carlos Fávoro, the Brazilian Minister of Agriculture and Livestock.

Six years ago, only 6% of the cotton bales imported by China came from in Brazil. From January to April this year, **48% of all bales imported by China came from Brazil.**