

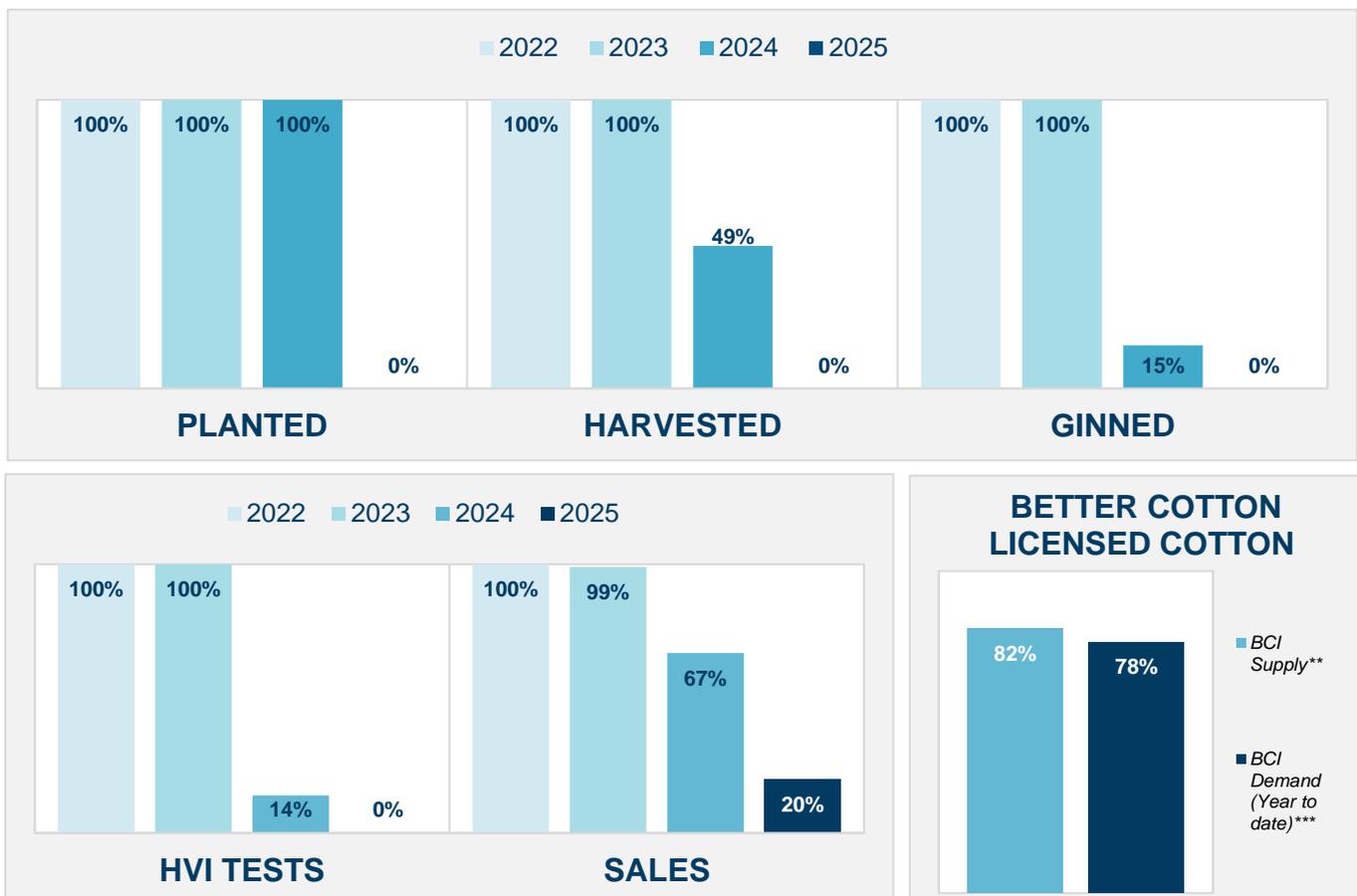


1. HIGHLIGHTS

- Brazil ended the 2023/24 marketing year in July with exports of 2.68 million tons - 85% more than in 2022/23. With this volume, the country became the world's largest exporter for the first time in history.
- China was the largest importer of Brazilian cotton this season (1.31 million tons; 49%). This was followed by Vietnam (390,000 tons; 15%) and Bangladesh (284,000 tons; 11%).
- On 9 August, Brazil had harvested 49% of the 2024 crop. Processing had reached 15% of the crop.
- In July, Abrapa welcomed 21 importers from eight countries to Brazil on its Buyer's Mission. Check it out.

*Market Year: Aug-23 to Jul-24

2. STATUS OF BRAZIL'S COTTON CROP



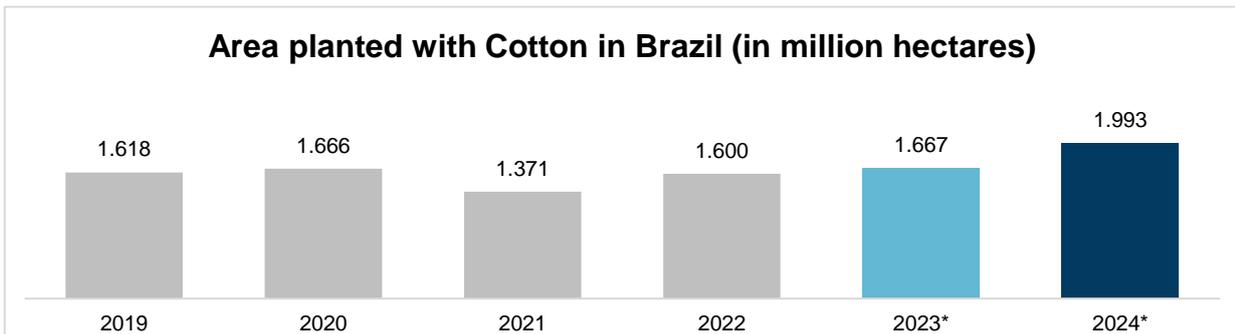
* Percentage of cotton sold by growers to merchants

** 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

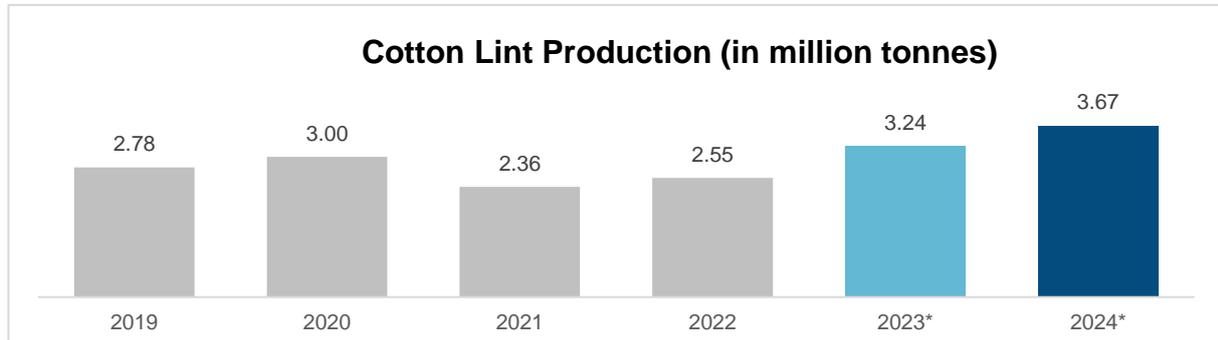
The figures for the 2024 harvest, as published in June, have been maintained by Abrapa. The planted area is projected at 1.99 million hectares and production is estimated at 3.67 million tons of cotton, representing a 13% increase over the previous season.

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 and 2024: Abrapa (Jun 24)

Consequently, the forecast for Brazilian productivity is 1,841 kg/ha, representing a 5.1% decline compared to the previous harvest.

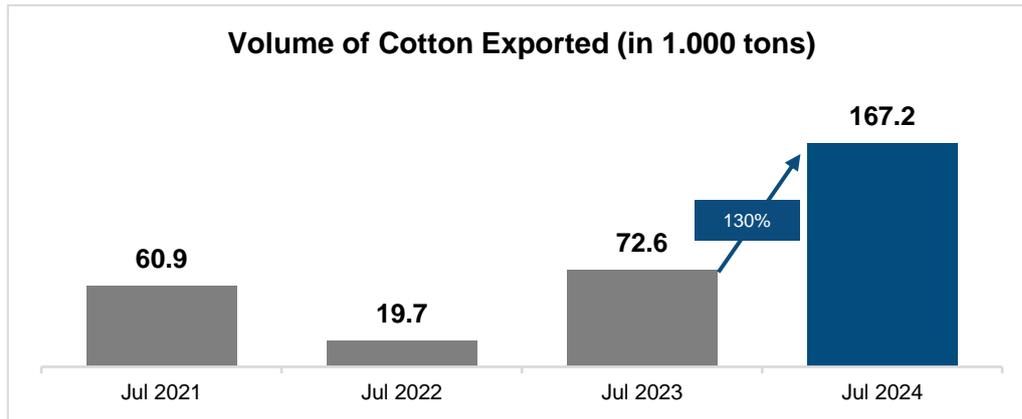
Brazilian Cotton Harvest

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	7.70	8.86	22.8%	15.0%
LINT (COTTON)	2.78	3.00	2.36	2.55	3.23	3.67	26.6%	13.4%
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	4,628	4,447	18.0%	-4.0%
LINT (COTTON)	1,717	1,802	1,721	1,596	1,940	1,841	21.4%	-5.1%



4. EXPORT SHIPMENTS

In July, Brazil shipped 167,200 tons of cotton, generating revenues of US\$310 million in the month. The sales figures were 130% higher than those recorded in July 2023 and 4% higher than in June 2024.

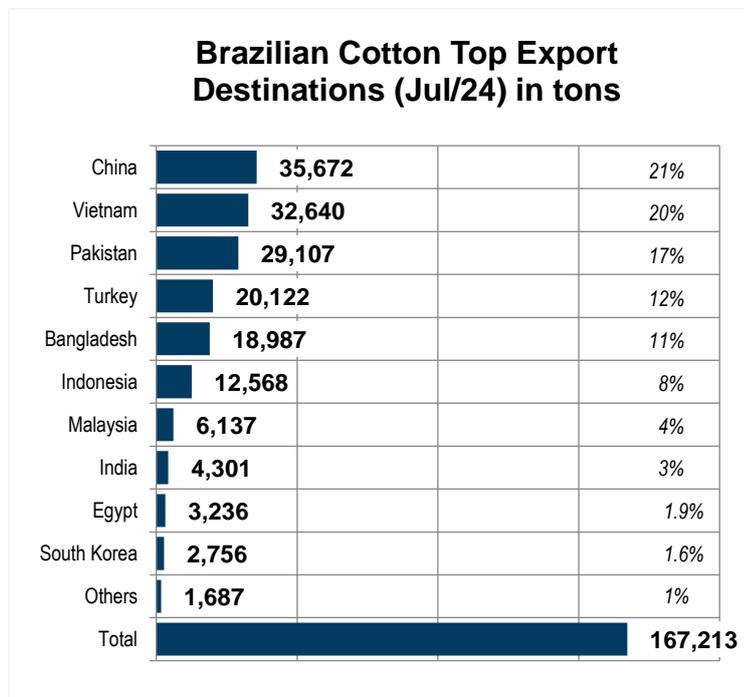


Source: ComexStat – ME, Aug/2024

In July, China imported 35,600 tons of Brazilian cotton, representing 21% of the total imports for the month.

Vietnam was the next largest importer, with 32,600 tons (20%). Pakistan imported 29,100 tons, representing 17% of the total.

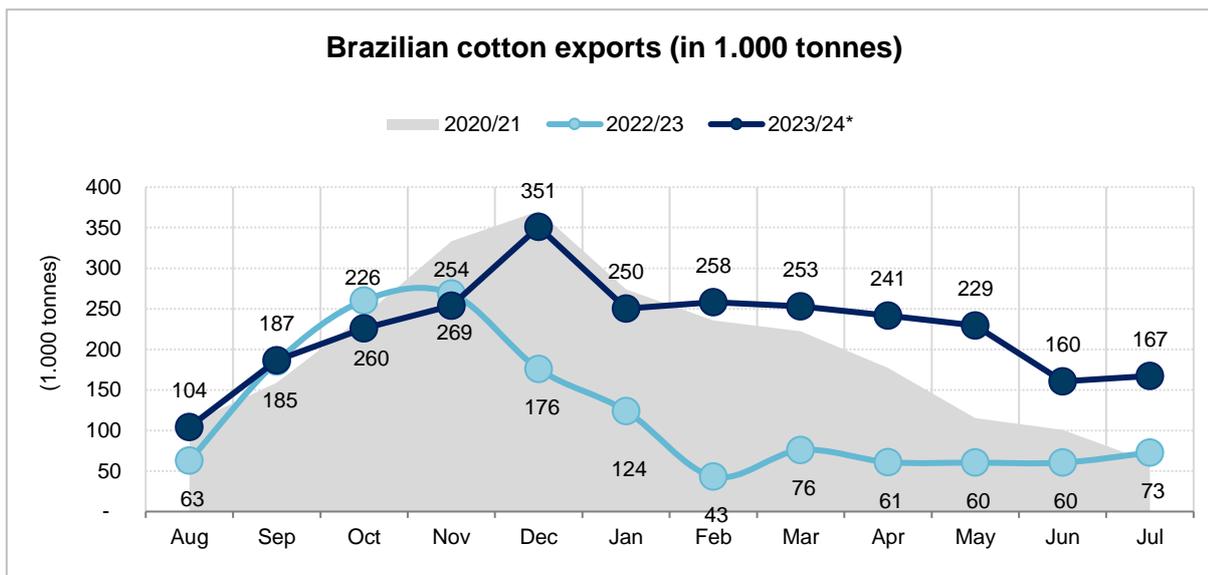
Together, these three countries accounted for 58% of the total volume of Brazilian cotton exported in the month.



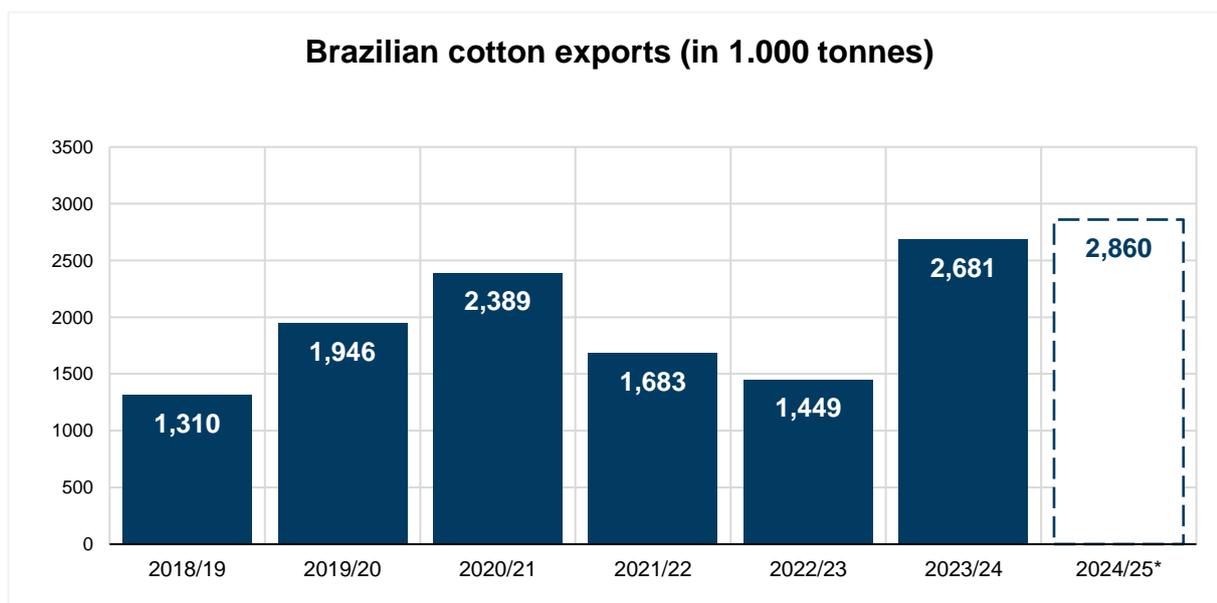
Source: ComexStat – ME, Aug/2024



July is the **eighth 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 during this period (August to July) in the history of Brazilian cotton exports.



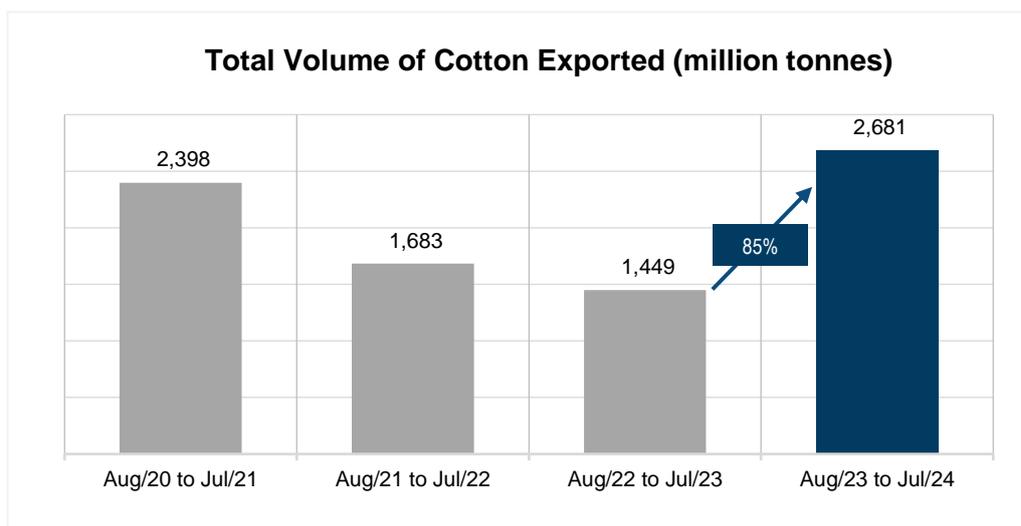
Source: ComexStat – ME, Aug/2024. [Market Year: August to July]



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



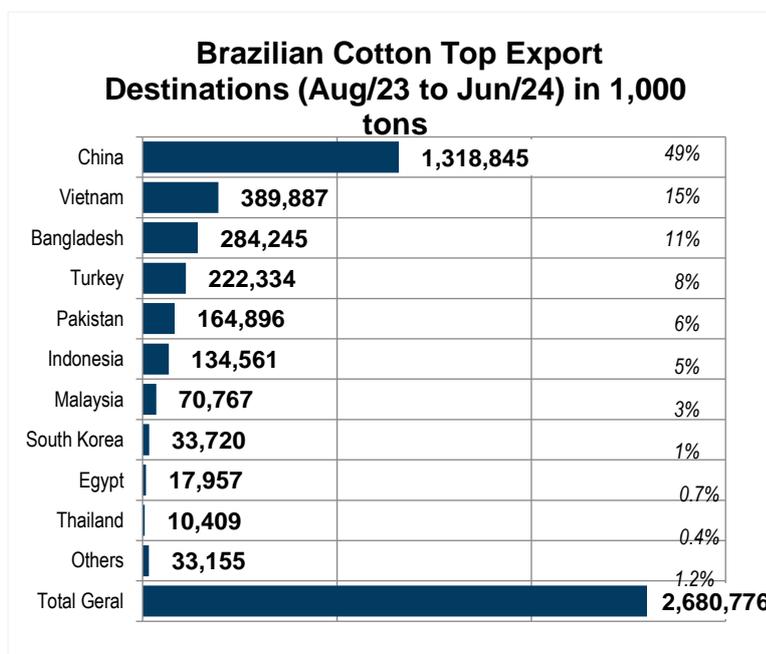
From Aug/23 to Jul/24, Brazil exported **2.68 million tons of cotton - 85% above** that recorded in the same period of 2022/23. This **recorded volume** generated revenues of **US\$5.1 billion**.



Source: ComexStat – ME, Aug/2024

In the 2023/24 season, China was the leading importer of Brazilian cotton, with a total of 1.31 million tons, accounting for 49% of the total exports.

Vietnam was the second-largest importer, with 389.8 thousand tons (15% of the total) followed by Bangladesh which imported 284.2 thousand tons (11% of the total).



Source: ComexStat – ME, Aug/2024

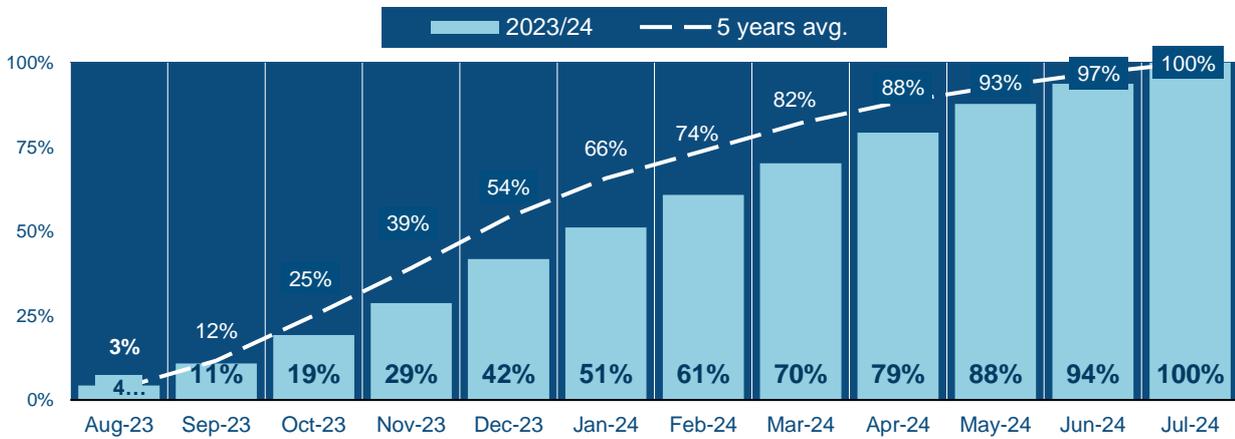


5. 2023/24 MARKET YEAR EXPORTS AND DOMESTIC USE

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*

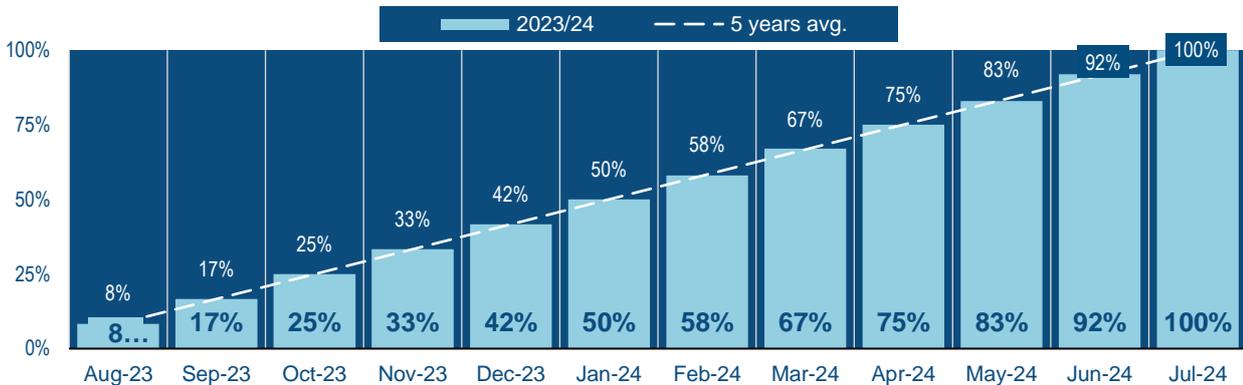
*Brazilian exports in 2023/24: 2.68 million tons



Source: MDIC and ANEA

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

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

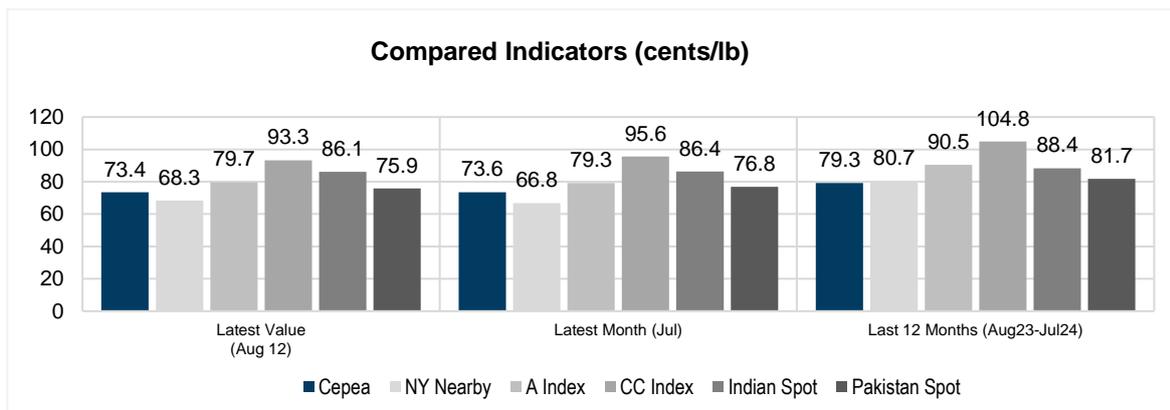
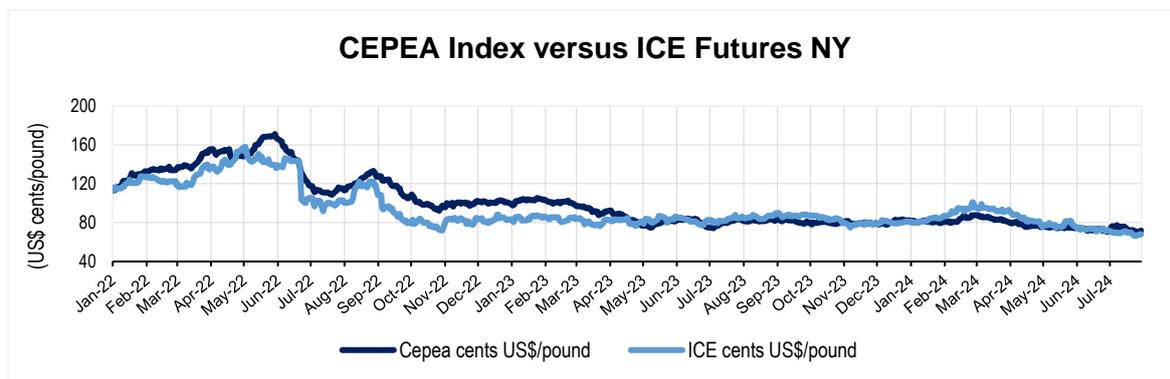
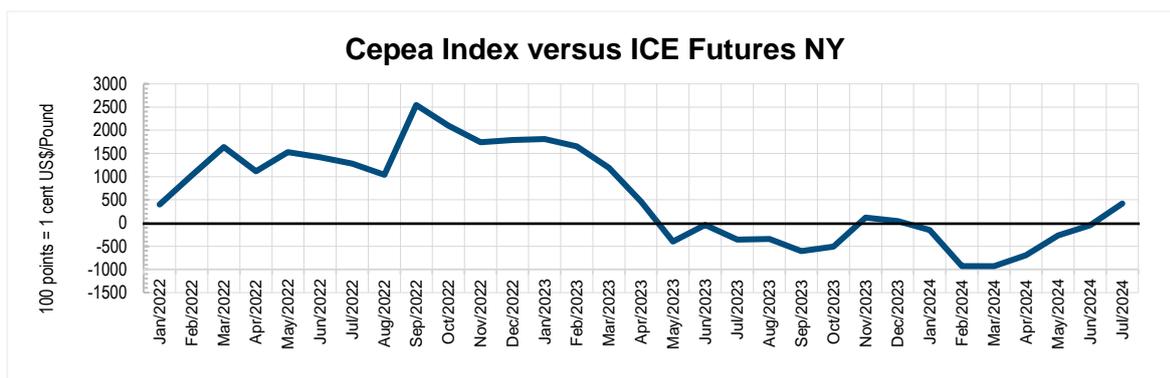


Source: Abrapa, Conab and Abit



6. PRICES

In July, the Cepea indicator increased by 1.3%, reaching 71.89 US\$ cents/pound. Since 24 January, national prices (in US dollars) have declined by 12.7%. In New York, the contract for December 2024 closed the month at a price 5.6% lower than the previous month, at 68.99 US\$ cents/pound.



Source: Cepea/USP and ICE Futures, Aug/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

Importers visit Brazil to experience the Brazilian model for producing cotton

In order to understand how Brazil has grown its global cotton market share, 21 entrepreneurs from textile industries in eight different countries took part in an intensive range of visits in Brazil. The “Buyer’s Mission” visited farms, cotton gins, mills, laboratories and research centres in five Brazilian states.

The exchange program is in its eighth edition and this year it was held from July 26th to August 5th. The tour is run by Cotton Brazil, a program set up by the Brazilian Cotton Growers Association (Abrapa) to promote the entire Brazilian cotton production sector internationally.

The guest delegation included industrialists, executives and entrepreneurs representing companies with operations in Bangladesh, China,



Colombia, South Korea, the United States, Honduras, Mauritius, India, Mexico, Pakistan, Turkey and Vietnam. In all, nine Brazilian locations were visited.

Number of farms with socio-environmental certification increases by 16.8% in Brazil

The number of Brazilian cotton farms with socio-environmental certification has increased by 16.8%. During the 2023/24 crop year, 439 farms were successfully audited and approved under the ‘Responsible Brazilian Cotton’ (ABR) program.

The ABR protocol sets the standard for socio-environmental certification of cotton in Brazil, and is benchmarked against Better Cotton principles and criteria.

This group of farms is expected to produce

an estimated 3.02 million tons of certified cotton, meaning that 82.5% of Brazil's cotton production in the 2023/24 season will be certified.

The demand for ABR certification has grown across all nine of Brazil's cotton-producing states.

In 2022, Brazil accounted for 37% of the world's Better Cotton supply—the global benchmark for cotton production certification.