INTERNATIONAL TEXTILE MANUFACTURERS FEDERATION
FÉDÉRATION INTERNATIONALE DES INDUSTRIES TEXTILES
INTERNATIONALE VEREINIGUNG DER TEXTILINDUSTRIE

Spinners Committee

BRAZIL 2025

From July 20-25, 2025, the ITMF Spinners Committee visited Brazil on behalf of ITMF, as part of the on-going program of the Committee to visit cotton-producing countries around the world in an effort to strengthen the dialogue in the cotton pipeline between growers, ginners, seed breeders and cotton spinners.

The Committee would like to express its appreciation for the warm welcome and the interesting discussions and informative exchange of opinions with all the people the Committee visited and met on the different occasions in cotton fields, gins, cotton organisations, and laboratories. The hospitality of all hosts was outstanding and made the whole visit not only very informative, but also very pleasant.

The Committee is very grateful to Mr. Marcelo Duarte, Director of International Relations, ABRAPA (Brazilian Cotton Producers Association) and his team, especially Fernando Rati and Renata Caixeta who had assisted the Committee with their in-depth expertise and experience of the Brazilian cotton industry in the detailed planning, preparation and execution of the visit, thus helping to make the visit an outstanding success.

Participation

K.V. Srinivasan	India	Premier Mills and ITMF President
Marinus (René) van der Sluijs	Australia	Textile Technical Services
Bharat Desai	India	BMAN Cotton Consultancy
Rafael Cervone	Brazil	ABIT, ITMF and FIESP
Ronaldo Dantas	Brazil	Rieter
Volkan Seyok	Türkiye	Karsu
Raghav Agarwal	India	Salona Cotspin Limited

ITMF Secretariat

Christian Schindler	Switzerland	ITMF
Olivier Zieschank	Switzerland	ITMF

From Left to Right: Christian Schindler, Ronaldo Dantas, K.V. Srinivasan, Rafael Cervone, Olivier Zieschank, Barat Desai, Volkan Seyok, René van der Sluijs & Raghav Agrawal

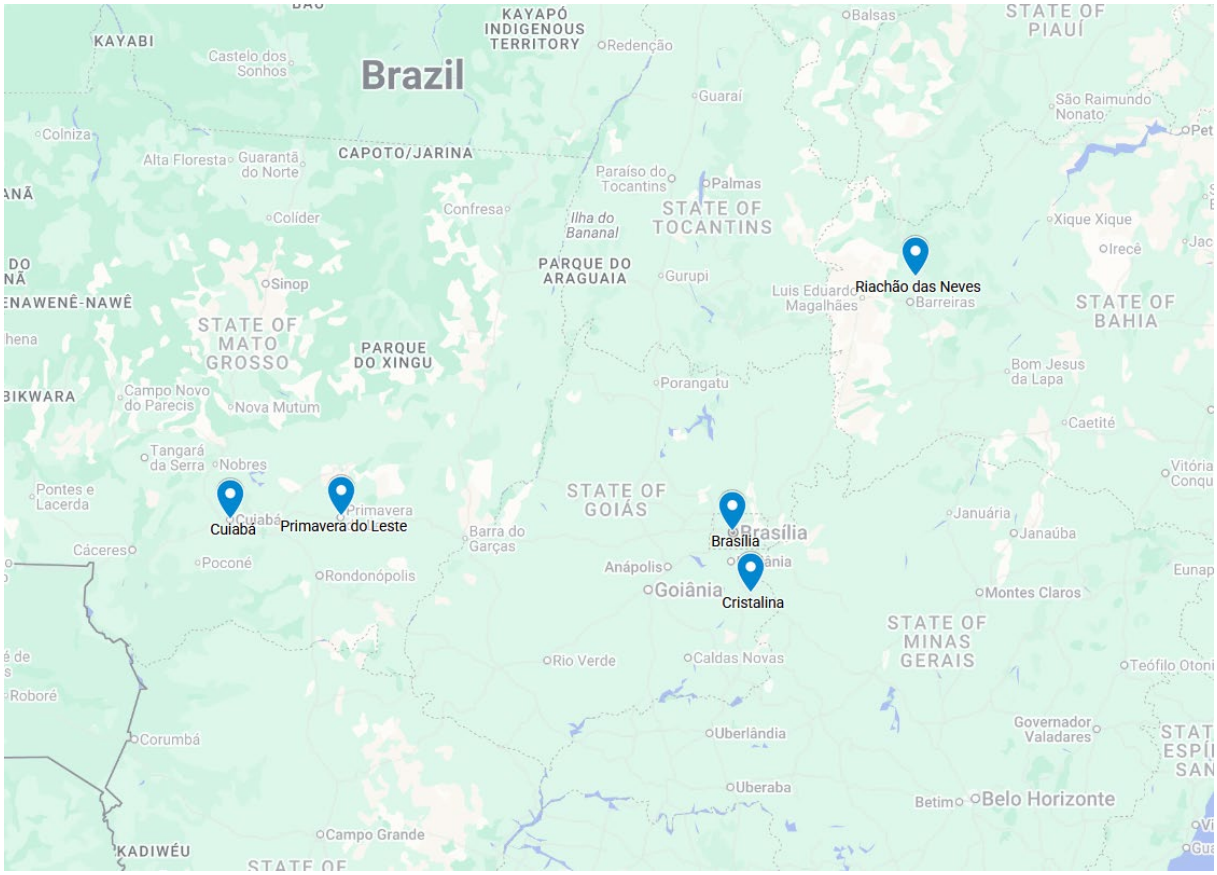
Objectives of the visit

- To review the situation of cotton growing and ginning in Brazil
- To evaluate current cotton quality in the fields and harvesting
- To evaluate the ginning today, based on world standards
- To evaluate and discuss the road to sustainably and traceability in cotton
- To evaluate the cotton classing systems
- To discuss the future of cotton programs in Brazil

Program

The Spinners Committee conducted a comprehensive five-day tour of Brazil's cotton industry from July 20-25, 2025. The visit began with arrival in Cuiabá, Mato Grosso, where participants were accommodated at the Gran Odara Hotel on Day 1. Day 2 featured an intensive field experience including visits to Daltrozo's Group Farm and ginning plant at Primavera do Leste, followed by a tour of the UniCotton Laboratory, all conducted via private aircraft and ground transportation.

Day 3 centred on an extensive workshop at AMPA's headquarters in Cuiabá, featuring presentations on Brazilian cotton sector outlook, production statistics, fibre quality challenges, and sustainability initiatives from major producers including AMAGGI and Scheffer. The group then travelled to Brasília and subsequently visited cotton operations in Bahia, including Franciosi's Group farms at Riachão das Neves and Luís Eduardo Magalhães, with presentations by ABAPA (Bahian Cotton Producers Association).



Day 4 extended the tour to Goiás state, visiting SLC Group's Pamplona Farm and ginning facilities at Cristalina, before returning to Brasília. Day 5 included visits to ABRAPA's

headquarters and the Brazilian Centre of Reference in Cotton Analysis (CBRA), concluding with presentations on the Better Cotton Initiative, sustainability frameworks, and traceability systems. This debriefing session took place in the evening of Day 4 following the SLC Group farm visit, capturing participants' comprehensive impressions after experiencing Brazil's diverse cotton production regions and meeting with key industry stakeholders.

Executive Summary

The ITMF Spinners Committee's July 2025 visit to Brazil revealed a cotton industry that is well positioned as leading cotton producer in the world. The Committee members shared the view that there is still scope to realize its full potential. As the world's largest cotton exporter and third-largest producer, Brazil demonstrates exceptional operational excellence through industrial-scale farming with sophisticated monitoring systems, innovative double-cropping that produces two full crops annually on rain-fed (dryland) land, and remarkable land use efficiency utilizing only 0.1% of Brazil's territory. The industry leads in sustainability with 90% family-owned farms maintaining genuine conservation practices, 81% certified production, and 100% traceability, while farmers demonstrate exceptional innovation by testing 5-10 new varieties annually.

However, critical challenges limit Brazil's market potential. Brazilian cotton predominantly falls into the commodity market (micronaire G5, length> 1.13 inch; 28.7 mm (1.1/8 inch; 36/32nds), Middling (31) with a leaf grade of 4), restricting price premiums and market positioning. Most gins visited by the Committee operated with only one lint cleaner versus the international standard of two, though the Committee could not conclude if this observation was representative of the overall Brazilian ginning industry. Export infrastructure concentration through Santos Port (93%) creates bottlenecks and unfavourable delivery times, and the dual HVI/manual classification system generates market confusion requiring standardisation.

Brazil possesses the capability to double production through expanded double-cropping without additional land use, but success depends on shifting focus from volume expansion to quality differentiation. Participants recommended upgrading 20% of its cotton production into higher quality grades, improving ginning infrastructure, standardizing classification systems, and diversifying logistics routes. The combination of operational excellence, sustainability focus, and innovation capacity provides a strong foundation for market dominance, provided these strategic improvements are implemented systematically to capture premium markets rather than competing solely on commodity pricing.

Overall Comments/Impressions

1. Seed, Research and Variety Development

Participants observed Brazil's sophisticated approach to variety development and seed selection. Farmers demonstrate aggressive innovation by testing 5-10 new varieties on small portions of their land annually, with 70% of acreage planted with 2-3 main varieties and the remaining 30% dedicated to experimental varieties. This rapid adoption cycle accelerates innovation significantly.

The genetic improvement programs show strong results, with notable progress in developing nematode-resistant varieties that have increased yield in affected areas. However, participants noted that the focus on increasing lint percentage through smaller seed development (≤ 10 mm) has created unintended consequences, particularly higher Seed Coat Fragments (SCF) values. This has been a phenomenon worldwide and breeders and farmers are now aware of this issue and are adjusting variety selection criteria accordingly.

The height of cotton plants in Brazilian fields was notably different from other major cotton-producing regions, with plants appearing taller than normal. Participants suggested that resources might be better directed toward boll development rather than stalk and branch growth resulting in the possibility of more bolls per plant and a further decrease in bark in the cotton lint.

2. Field Operations and Agricultural Practices

The scale and scientific approach of Brazilian cotton operations impressed all participants. Farms operate like industrial facilities rather than traditional agricultural operations, with sophisticated control rooms and remote monitoring systems that track all field activities. The level of technology adoption and precision agriculture implementation was consistently praised.

Brazilian farmers have achieved remarkable efficiency in land use through their double-cropping system, allowing two full crops (soybeans followed by cotton) on the same land within one agricultural year using mostly rainfall. This system produces yields of 9-10 bales per hectare in dryland farming, which participants considered excellent for rainfed production.

The management of legal requirements for environmental preservation (20% of farm area) was seamlessly integrated into operations, with farmers viewing these requirements not as constraints but as necessary elements for long-term sustainability. Participants noted strong commitment to regenerative agriculture practices, with many farmers implementing cover crops and biological pest management systems 15 years before "regenerative agriculture" became a recognized term.

The younger generation's involvement in farming operations was particularly notable, with three generations often working together on family farms. Participants observed passionate commitment to agriculture among young Brazilians, contrasting with trends in other countries where young people are leaving agriculture.

3. Ginning and Processing

Ginning operations revealed both strengths and improvement opportunities: From the gins visited by the committee, participants observed generally good ginning facilities, though some equipment appeared older and would require upgrading for future capacity expansion. The main concern centred around trash removal efficiency, with most gins visited operating only one lint cleaner compared to the standard two lint cleaners used in most other major cotton producing countries

This single lint cleaner configuration limits trash extraction capability and possibly contributing to the higher leaf grade that affects much of Brazilian cotton. Participants noted that there were two approaches to address this: either reduce trash content in the harvested modules delivered to the gin or improve ginning cleaning efficiency in either the seed cotton cleaning stage and/or at the lint cleaning stage.

The variation in ginning operations observed during the visits was evident, with some facilities having minimal seed cotton cleaning while others employed two-stage seed cotton cleaning systems. However, even facilities with more sophisticated cleaning achieved only a leaf grade of 4, suggesting either excessive trash delivered to the gin or/and insufficient cleaning efficiency in the initial processing stages.

Participants emphasized that while additional lint cleaning can remove more trash, it can also reduce fibre length and length uniformity and increase nep and short fibre content, requiring a careful balance between cleanliness and fibre integrity. The recommendation was to initially focus on improving seed cotton cleaning efficiency as this is a gentler approach to trash removal.

It was noted that cotton bales are covered/wrapped with a fine knitted fabric which provides very little or no protection to the cotton lint. This should be improved in accordance with ISO 8115-3:1986 ‘Bales of cotton - Packaging and labelling’. Also bale lots were stacked and stored outside under tarpaulins which could result in country damage and affect fibre quality.

4. Fibre Quality and Classification

Fibre quality emerged as a critical area requiring attention for Brazil's continued growth in global markets. Current Brazilian cotton predominantly falls into the commodity market (micronaire G5, length 37, Middling (31), strength 29 g/tex, with a leaf grade of 4 leaf), which limits market positioning and price premiums. While this current quality serves the commodity range very effectively, Brazil should consider expanding its quality range to accommodate wider yarn counts for global mill requirements as it positions itself to become a market leader. Participants strongly recommended that Brazil shifts around 20% of its production into the higher quality market with longer staple length to capture premium markets.

The dual classification system (HVI and manual classing) was identified as creating market confusion and inconsistency with international standards. Brazilian classing facilities should benchmark with best practices from USA and Australia for testing, classing, and grading. The focus should be on improving practices rather than completely abandoning manual processes. For example, the USA continues to use manual classing for extraneous matter demonstrating that it is about adopting best practices rather than total abandonment of manual methods. This standardization would further improve international acceptance and eliminate confusion among buyers.

Specific quality challenges included bark content, which remains a perception issue among international spinners, despite improvements from previous years. This problem relates directly to the structure of the plant and harvesting during dry conditions when spindle harvesters also extract stem material along with cotton.

Stickiness testing was praised as an important quality control measure, particularly relevant given the whitefly pressure from intercropping with soybeans. However, participants suggested more further improve proactive pest monitoring to prevent rather in addition to detecting stickiness issues.

Consistency in quality parameters was identified as crucial for maintaining market relationships, with significant variation observed between different regions and production periods affecting spinner confidence and pricing.

5. Market Strategy and Growth Potential

Brazil's position as a major cotton supplier presents both opportunities and challenges. Participants acknowledged Brazil's potential to increase production significantly, with estimates suggesting capacity to double current output through expansion of double-cropping systems without additional land use. However, this growth potential raises questions about market absorption capacity.

The current focus on commodity markets was seen as both a strength and weakness. While Brazilian cotton quality currently serves the commodity market effectively, this positioning limits price premiums and market opportunities. As Brazil seeks to become a market leader, expanding the quality range to accommodate wider yarn counts for global mill requirements is essential. While commodity markets represent the largest volume opportunity, participants warned of the dangers of competing solely on price in oversupplied markets. Expansion of another 5-10 million bales would require displacing other origins through price competition, potentially damaging overall market dynamics.

Future readiness was consistently praised, with participants noting that Brazilian producers have the capability to rapidly scale production when demand materializes. The challenge shifts from production capacity to marketing effectiveness and quality differentiation.

Participants emphasized that Brazil's cost competitiveness and profitable farming operations position the country well for sustained growth, particularly as geopolitical tensions create opportunities for market share gains in key Asian markets including China, Vietnam, Bangladesh, and India.

6. Logistics and Infrastructure

Export infrastructure concentration emerged as a significant constraint, with 90-93% of cotton exports flowing through Santos Port despite the distance from major production areas. This concentration creates potential bottlenecks and extends delivery times, with participants noting that one-month delivery periods are too long for optimal market service.

The development of alternative logistics routes was discussed, including planned railway connections from Mato Grosso to Salvador Port and potential Pacific-Atlantic connections through Peru. However, these infrastructure developments require significant time and investments.

Private logistics innovations were noted positively, including AMAGGI's development of biodiesel-powered truck fleets and private port facilities for river transportation. These initiatives demonstrate the industry's commitment to solving logistics challenges through innovation rather than waiting for public infrastructure development.

The railway infrastructure focusing on Santos Port reflects historical trade patterns and São Paulo's economic dominance, but participants suggested that diversification of export routes would be essential for handling future production growth efficiently.

7. Sustainability and Industry Structure

The family-owned structure of Brazilian cotton farming (90% family-owned operations) impressed participants as providing long-term stability and commitment to sustainable practices. The presence of multiple generations working together on farms demonstrates continuity and knowledge transfer that supports sustainable development.

Sustainability practices were viewed as genuine rather than imposed, with farmers implementing conservation measures because they recognize the necessity for long-term viability rather than merely meeting regulatory requirements. The integration of legal reserves (20% preservation) into farm planning was seamless and viewed positively by farmers.

The high level of certification (81% of production) and commitment to traceability systems positioned Brazil favourably for markets requiring sustainability credentials. However, participants noted that market premiums for certified cotton remain limited, suggesting that sustainability investments are primarily driven by operational benefits rather than price incentives.

Investment in biological inputs and regenerative agriculture practices was substantial, with major producers developing in-house biological production capabilities and conducting extensive research on soil health and microbiology. This commitment to biological solutions represents both cost reduction and environmental benefit strategies.

8. Miscellaneous

The organization and execution of the tour itself received unanimous praise, with participants appreciating the comprehensive exposure to different scales of operations and geographic regions within one week. The mix of technical presentations, field visits, and industry

association interactions provided valuable insights into Brazilian cotton's complexity and potential.

International collaboration opportunities were discussed, with participants suggesting stronger connections between Brazilian producers, international spinners, and machinery manufacturers to optimize production for specific market requirements. The triangle of producer-spinner-manufacturer cooperation was identified as underdeveloped compared to other major cotton origins.

Carbon footprint concerns and the need to correct international databases that overestimate Brazilian agriculture emissions were mentioned as important for future market positioning, though detailed discussion was limited.

The contrast between Brazil's current achievements and the situation 20-25 years ago was noted by participants with historical perspective, emphasizing the dramatic transformation in organization, technology adoption, and quality consciousness among Brazilian cotton producers.

Recommendations

Fiber Quality and Classification

- **Benchmark classification practices**: Brazilian classing facilities should benchmark with best practices from USA and Australia for testing, classing, and grading, focusing on improving practices.
- **Expand quality range:** Move approximately 20% of production from commodity grade to higher quality grades with longer staple length. While current Brazilian cotton quality serves the commodity range effectively, Brazil needs to expand its quality range to accommodate wider yarn counts for global mill requirements as it positions itself to become a market leader.
- **Address leaf grade issues**: Improve ginning efficiency by adding a second lint cleaner or enhancing seed cotton cleaning systems to reduce leaf grade of 4
- **Focus on consistency**: Develop more consistent quality parameters across regions and production periods to strengthen spinner confidence.

Ginning Operations

- **Upgrade ginning equipment**: Scale up ginning capacity and modernize older equipment to handle future production increases.
- **Improve cleaning efficiency based on observations:** From the gins visited by the committee, most operated with only one lint cleaner versus the international standard of two. However, the committee could not conclude if this observation was representative of the overall Brazilian ginning capabilities. Consider adding another lint cleaner or enhancing seed cotton cleaning as the gentler approach to trash removal.
- **Balance cleaning intensity**: Carefully balance trash removal with nep and short fibre formation - prioritize seed cotton cleaning over lint cleaning where possible.

Agricultural Practices

- **Optimize plant architecture while recognizing current achievements:** Despite Brazil's taller plant height and lower boll count per plant, Brazil achieves remarkable yields exceeding 2,000kg per hectare - significantly above the global average (around 750kg). Further optimization could direct energy toward boll development rather than stalk/branch growth.
- **Address bark content**: Develop harvesting technologies or practices to reduce bark content during dry season harvesting.

- **Enhance pest monitoring**: Implement more proactive whitefly monitoring and control to prevent stickiness issues in addition to detecting them after harvesting.

Market Strategy

- **Diversify quality offerings**: Avoid concentrating solely on the commodity markets develop premium grade production for higher-value market segments.
- **Manage expansion carefully**: Consider market absorption capacity when planning production increases of 5-10 million bales to avoid destructive price competition.
- **Strengthen spinner relationships**: Build direct connections with international spinners to understand specific quality requirements and market needs.

Infrastructure Development

- **Diversify export routes**: Accelerate development of alternative ports and logistics routes to reduce dependence on Santos Port (currently 93% of exports).
- **Improve delivery times**: Reduce current one-month delivery periods through logistics optimization and infrastructure development.
- **Support private logistics initiatives**: Continue encouraging private sector innovations like biodiesel fleets and alternative transportation systems.

Industry Collaboration

- **Strengthen international cooperation**: Develop closer triangular relationships between Brazilian producers, international spinners, and machinery manufacturers.
- **Share technical expertise**: Facilitate more technical exchanges to optimize production for specific international market requirements.
- **Correct international databases**: Continue efforts to update international carbon footprint calculations that overestimate Brazilian agriculture emissions.

Quality Control and Standardization

- **Implement consistent standards**: Establish uniform quality standards across different regions and production systems.
- **Enhance traceability**: Leverage existing 100% traceability systems to provide more detailed quality information to international buyers.
- **Develop quality premiums**: Work with international markets to establish price premiums for higher quality and certified cotton.

These recommendations emerged consistently across participants and represent both immediate improvement opportunities and strategic directions for long-term market positioning.

August 2025

ANNEXES

ANNEX I - BRAZILIAN COTTON INDUSTRY OVERVIEW

Brazil has emerged as the world's largest cotton exporter and third-largest producer globally, trailing only China and India in production volume while leading international trade. The industry supports over 10 million jobs across the textile supply chain and operates with 100% farm-to-mill traceability, including origin information and HVI (High Volume Instrument) data. Remarkably, 81% of production is certified, with the vast majority being rain-fed rather than irrigated farming.

Geographic Concentration and Production Systems Cotton production is heavily concentrated in Mato Grosso state, which accounts for 70% of Brazil's total output with 1.5 million hectares under cultivation. The state alone contributes over 10% of global cotton production. The MATOPIBA region (comprising Maranhão, Tocantins, Piauí, and Bahia states)

represents the second-largest production area with 25% of national output across 500,000 hectares. A defining characteristic of Brazilian cotton farming is the sophisticated double-cropping system, predominantly in Mato Grosso, where 90% of cotton is grown as a second crop following soybeans. This system allows farmers to cultivate both soybeans (planted in October, harvested in January) and cotton (planted in January-February, harvested in August-September) on the same land within a single agricultural year, all achieved through rain-fed production without irrigation.

Industry Structure and Scale The sector comprises approximately 500-600 cotton farmers operating an average of 4,000 hectares each, a scale significantly larger than global standards. These operations are supported by around 250 gins distributed across the country, with 137 gins in Mato Grosso alone, organized into six main regions addressing different weather and soil conditions. Farmers typically own most of their assets including land and machinery, demonstrating strong capital investment in the sector. The industry benefits from a young, innovative farmer demographic spanning first, second, and third generations, with farming remaining an attractive career choice for young Brazilians.

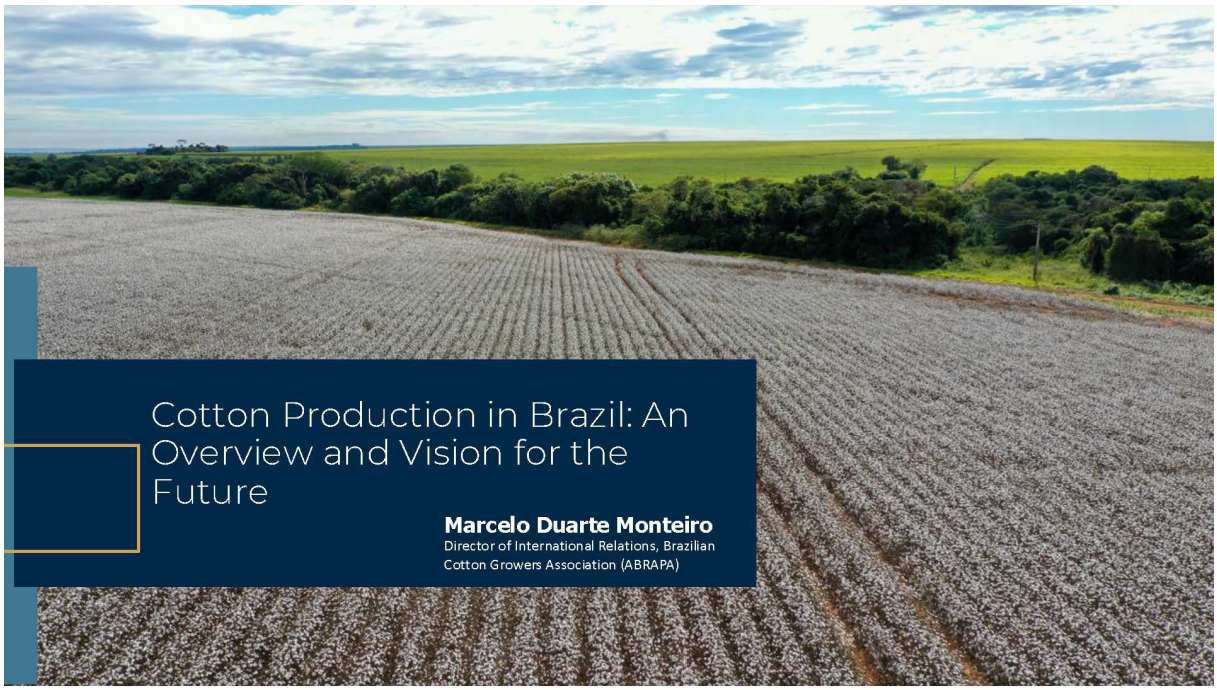
Export Infrastructure and Markets Brazil's cotton exports are heavily dependent on Santos Port in São Paulo state, which handles 93% of all cotton exports, while Salvador accounts for only 4%. This concentration stems from the reliance on established shipping lines and container infrastructure, unlike soybeans which can utilize chartered vessels through northern ports. Export destinations are led by Vietnam, followed by Pakistan, Bangladesh, and China, with approximately 60% of total production exported, 20% consumed domestically, and 20% remaining in regional markets.

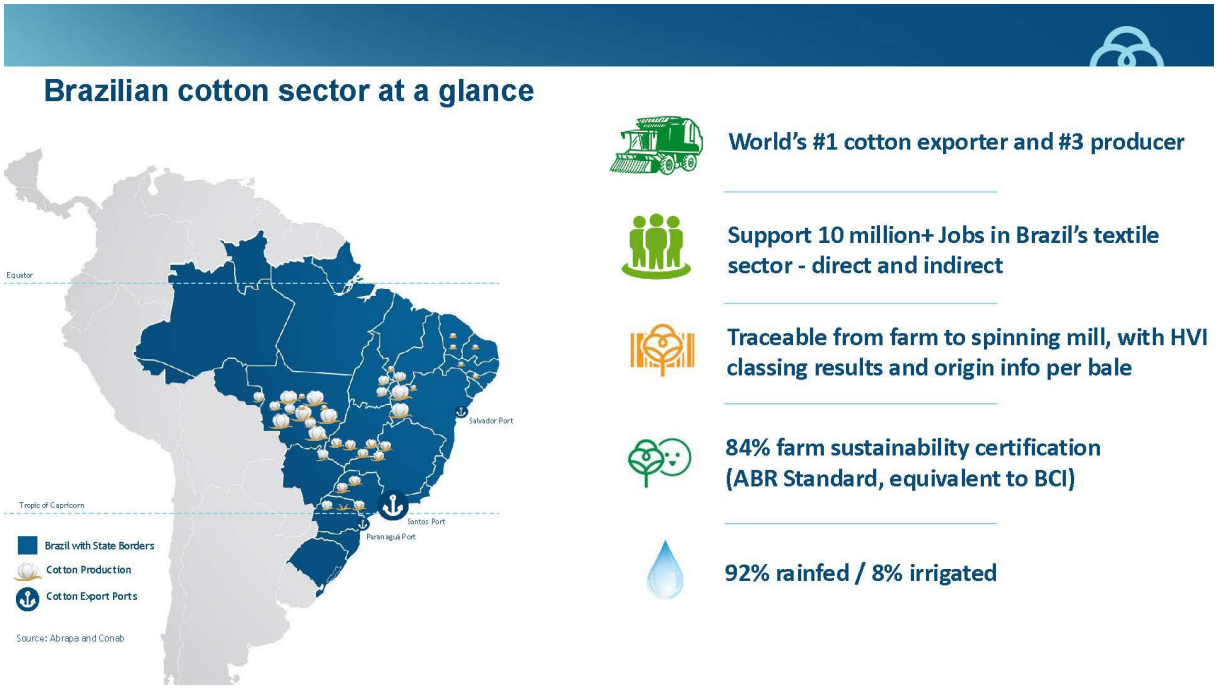
Quality Improvements and Innovation The industry has achieved significant quality improvements over the past decade, with the percentage of cotton above 29 millimetres increasing from 31% to 72%, while cotton above 30.5 millimetres improved twelve-fold from 1% to 12%. These improvements result from aggressive variety testing programs where farmers typically test new varieties on 5% of their area annually, demonstrating a highly innovative approach to variety adoption. The sector benefits from a strong domestic research and development foundation, with Brazilian companies (including IMAmt, TMG, and others) representing more than 50% of market share in variety development, ensuring that basic research and genetic improvements remain locally controlled and adapted to Brazilian conditions.

Sustainability and Innovation Framework Brazilian cotton production operates under a comprehensive 10-pillar sustainability framework encompassing Integrated Pest Management, renewable energy use, preservation requirements (mandatory 20% of farm area), soil health, water management, social responsibility, and economic viability. The industry demonstrates remarkable land use efficiency, utilizing only 0.1% of Brazil's territory for cotton production while achieving dramatic production increases on reduced land area—a 49% reduction in land use compared to 1980 levels despite significantly higher output. Major producers have implemented advanced monitoring systems covering millions of hectares, zero deforestation commitments, and innovative biological input development programs, positioning Brazil's cotton industry as a leader in sustainable agriculture practices while maintaining economic competitiveness in global markets.

ANNEX II – PRESENTATIONS

Presentation by Marcelo Duarte, Workshop July 21st (Mato Grosso, Ampa's Headquarter Office)





The 2 most important cotton producing regions in Brazil

Mato Grosso State: 70% of the production

- 1,500,000 hectares
- 90% double crop with soybeans
- Competing crop: Corn

MATOPIBA Region: 25% of the production

- 500,000 hectares
- Limited double crop, except when irrigated
- Competing crop: Soybeans

The 2 most important cotton exporting ports in Brazil

Salvador Port: 4% of exports

Santos Port: 93% of exports

Brazilian cotton farmer profile – large-scale producers who adopt innovative technologies

500 + farmers

4,000 hectares
average cotton area

250 +
cotton gins

Crop rotation
with soybeans and corn

Preserves
at least 20% of farm total area

Owns Assets
land, cotton gin, machinery

Innovative
heavy users of ag technology

Young farmers
passing on farming legacy to the next generations

Business approach
professionally run, focus on efficiency, and long-term growth

Cotton Brazil Strategic Roadmap

Sustainability	Regenerative practices, measure impact, circularity, certifications, traceability
Quality	Continue to focus on improving product and service quality
Affordability	Production efficiency, agricultural and ginning technology, continuous innovation
Availability	Continue efforts to increase output, year-round supply, logistics, climate resilience
Cotton advocacy and promotion	Advocate for and promote the natural attributes of cotton to increase consumer awareness, and differentiate it from synthetic fibers.

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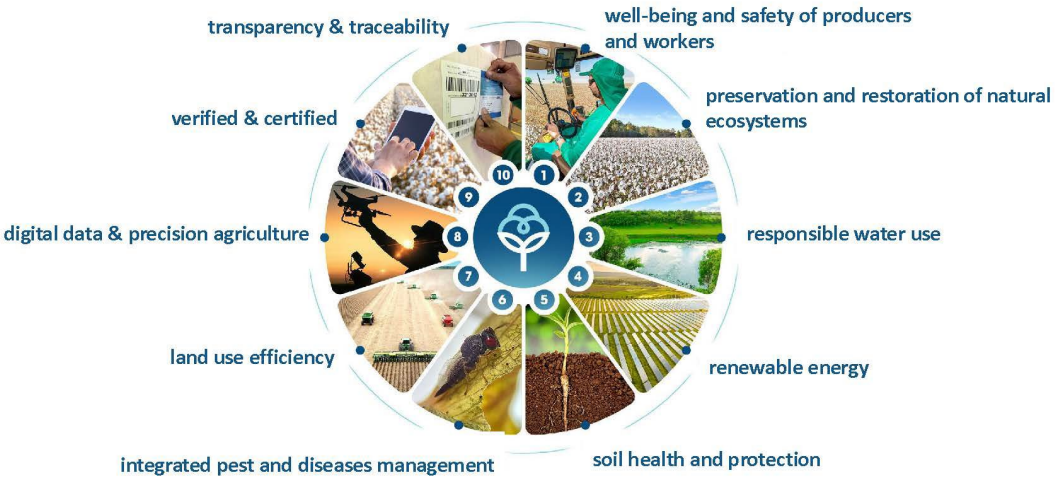
Sustainable practices in the Brazilian cotton sector



Sustainable practices in the Brazilian cotton sector

Double cropping – Example of a 1,000 hectares farm

Crop Year - Brazil

			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Single Crop	Cotton	500 hectares												
	Soybeans	500 hectares												
	Farm Size: **1,000 hectares**		= 500 hectares of cotton + 500 hectares of soybeans											

Source: Abrapa

Double cropping = land use efficiency

Crop Year - Brazil

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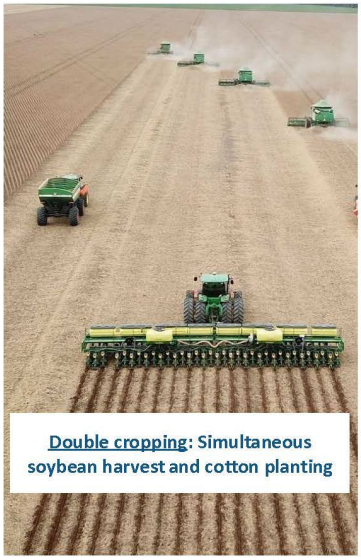
	Farm Size: **1,000 hectares**		= 500 hectares of cotton + 500 hectares of soybeans											
Double Crop	Soybeans + Cotton	500 hectares												
		500 hectares												
	Farm Size: **1,000 hectares**		= 1,000 hectares of cotton + 1,000 hectares of soybeans **(2x higher)**											



Double cropping: Simultaneous soybean harvest and cotton planting

Source: Abrapa

Double cropping = land use efficiency

Crop Year - Brazil

			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Single Crop	Cotton	500 hectares												
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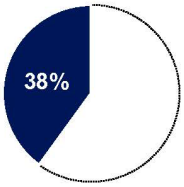
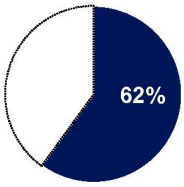
800,000 hectares

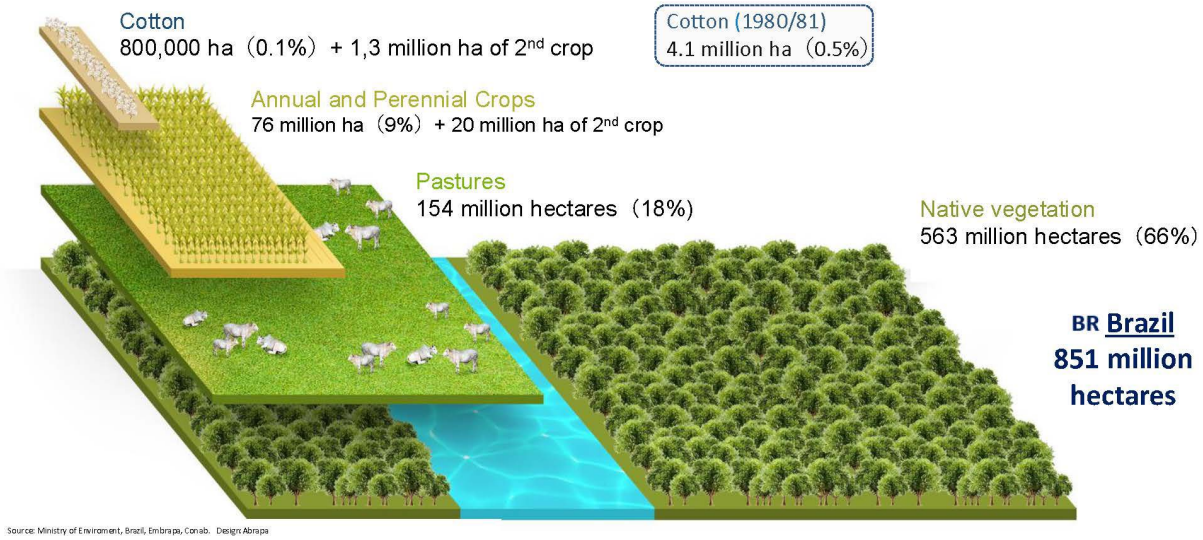


1.3 million hectares



Source: Abrapa

Land use in Brazil

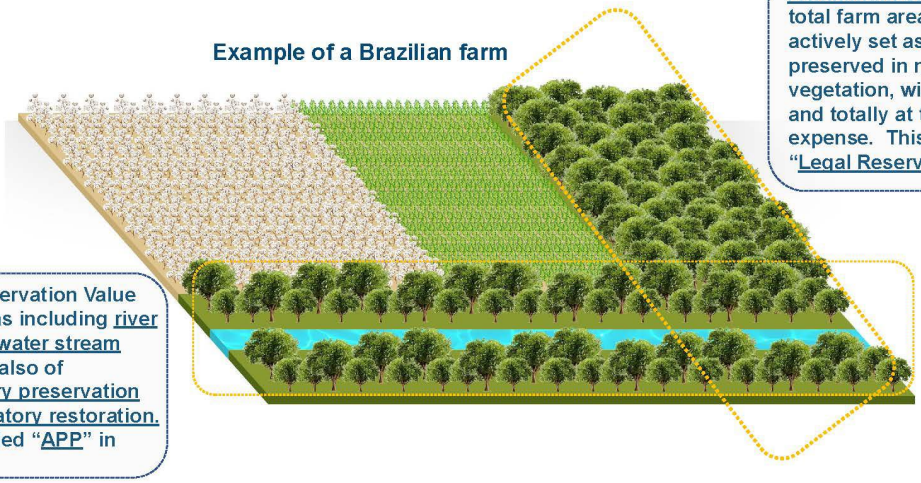


Source: Ministry of Environment, Brazil, Embrapa, Conab. Design Abrapa

Sustainable practices in the Brazilian cotton sector

Public Policy: Brazil's private land use legislation

Example of a Brazilian farm



A minimum of 20% of the total farm area must be actively set aside and preserved in native vegetation, without subsidy and totally at the producers expense. This is a called "Legal Reserve" in Brazil

High Conservation Value (HCV) areas including river and other water stream banks are also of compulsory preservation and mandatory restoration. This is called "APP" in Brazil.

Source: Código Florestal Brasileiro

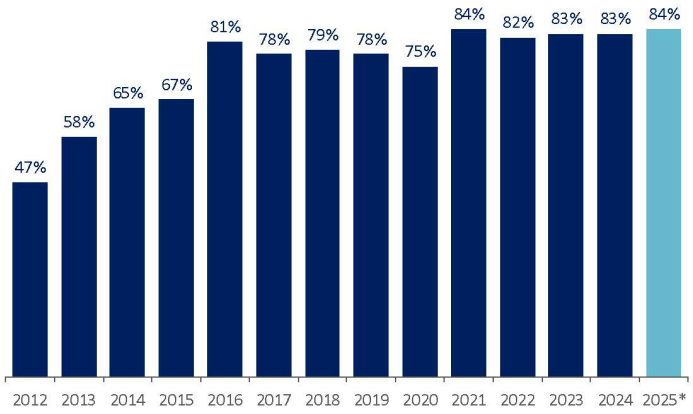
Public Policy: Preserved HCV areas of river and other water stream banks

Sustainable practices in the Brazilian cotton sector

Cotton sustainability: the majority of farms are certified

ABR
RESPONSIBLE BRAZILIAN COTTON

Percentage of Brazil's cotton production certified by ABR Standard



Source: ABRAPA and BCI/ *Forecast

84% better cotton

of Brazil's total cotton crop is ABR Certified and BCI licensed

100%

of farm audits are conducted annually and by independent auditors

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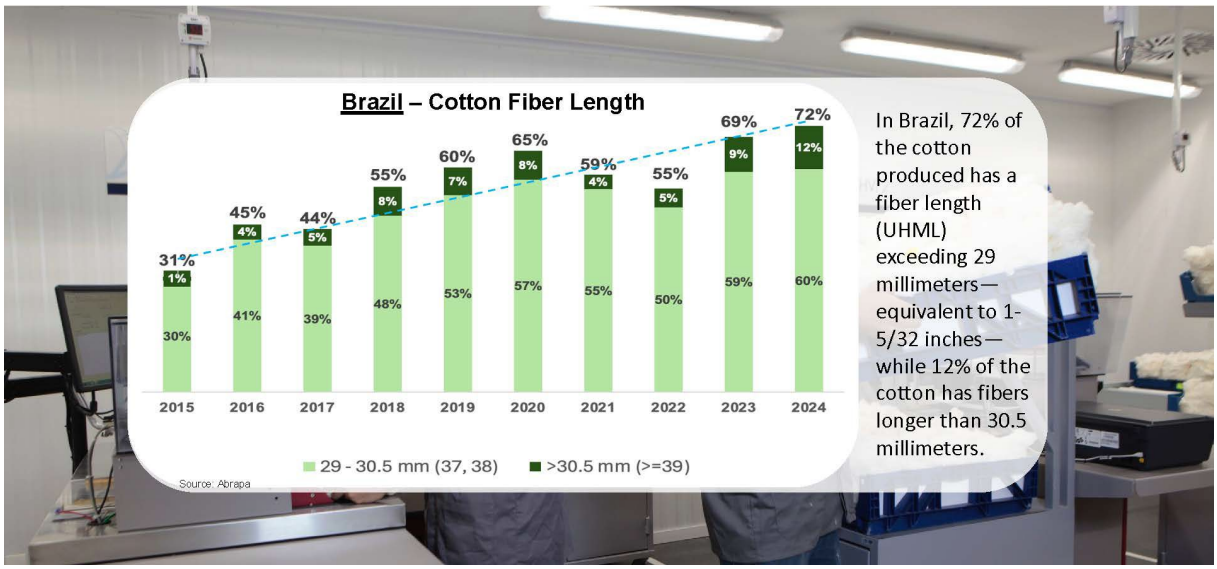
Share of Brazilian cotton with fiber length (UHML) above 29 mm (1 5/32")



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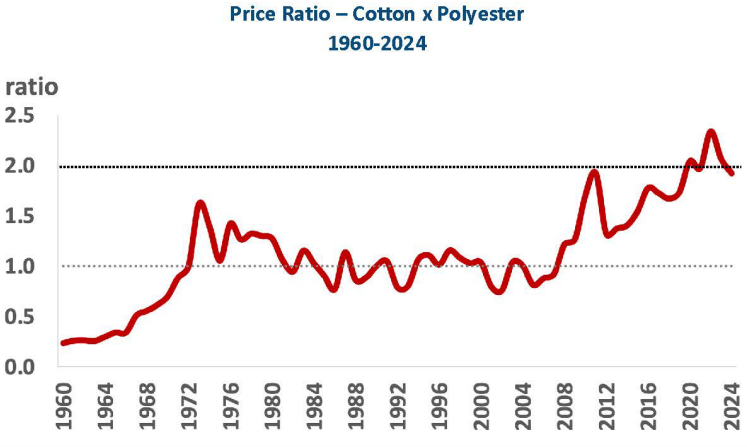
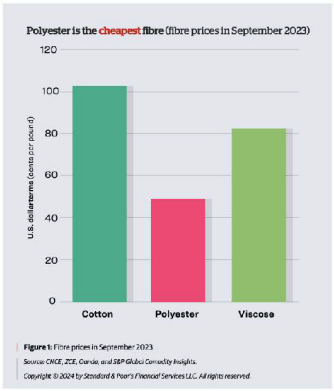
Cotton advocacy and promotion	Advocate for and promote the natural attributes of cotton to increase consumer awareness, and differentiate it from synthetic fibers.

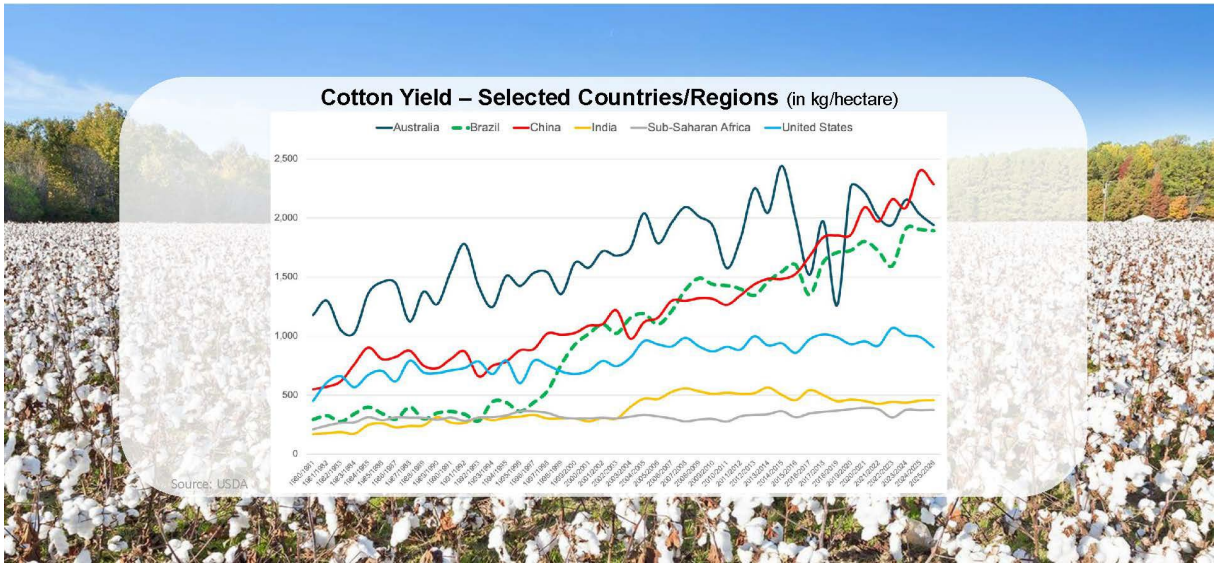
Compared to its main competing fibers, cotton is generally more expensive





Fonte: ICAC

Affordability – Yield increase has been the main driver of production growth and cost reduction.



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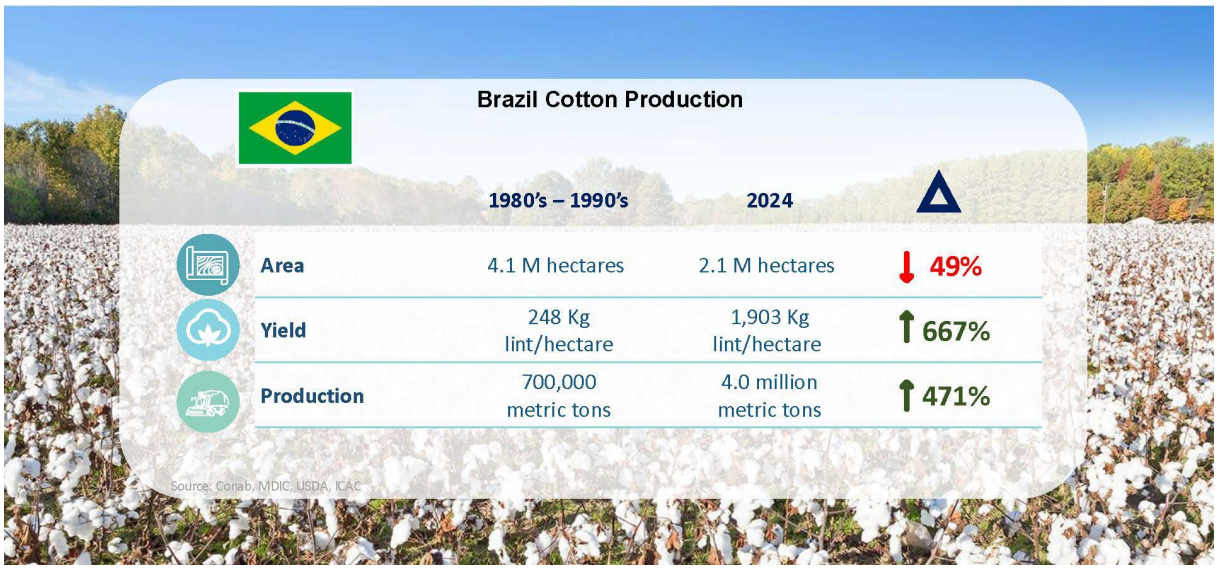
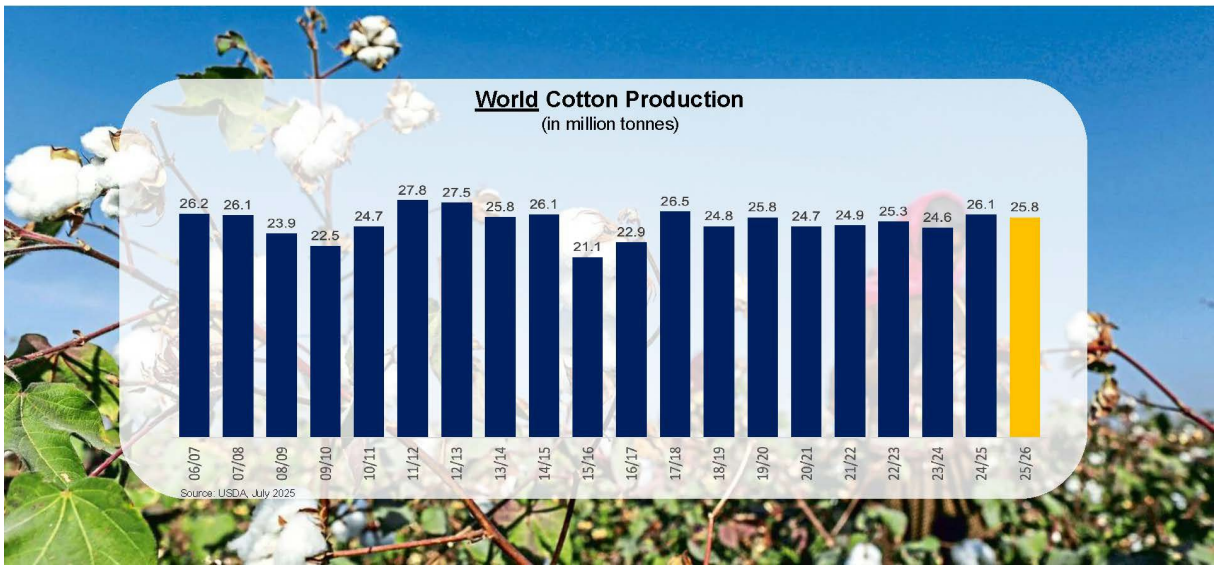


Cotton Brazil Strategic Roadmap

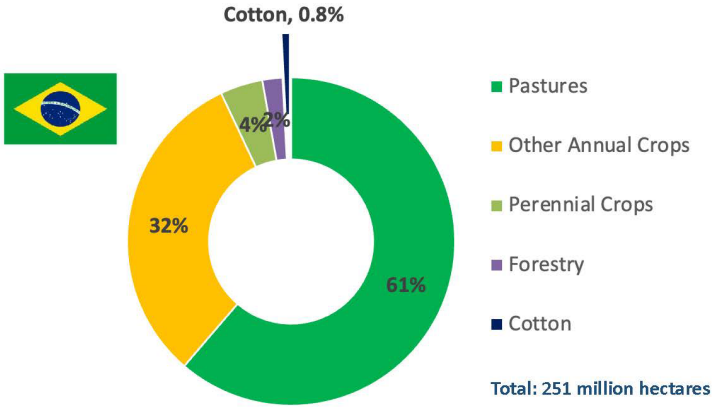
Sustainability	Regenerative practices, measure impact, circularity, certifications, traceability
Quality	Continue to focus on improving product and service quality
Affordability	Production efficiency, agricultural and ginning technology, continuous innovation
Availability	**Continue efforts to increase output, year-round supply, logistics, climate resilience**
Cotton advocacy and promotion	Advocate for and promote the natural attributes of cotton to increase consumer awareness, and differentiate it from synthetic fibers.

Availability – Despite rising demand for fibers, cotton production has stagnated over the past two decades



Availability - Brazil has quadrupled its cotton production over the past 20 years

Agricultural and Forestry Land use in Brazil (Considering 1st and 2nd crop)



Type of Use	1st Crop	2nd Crop	Total (hectares)
Pastures	154,000		154,000
Other Annual Crops	60,098	19,528	79,625
Perennial Crops	10,551		10,551
Forestry	5,000		5,000
Cotton	800	1,300	2,100
BRASIL	230,449	20,828	251,276

Cotton occupies just 0.8% of Brazil's total agricultural and forestry land—considering both 1st and 2nd crop cycles. Brazil has **substantial room to expand cotton production using only its existing farmland**, without the need for new land conversion.

Source: Ministry of Enviroment, Brazil, Embrapa, Conab. Design Abrapa

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Advocacy and promotion strategy

What	How	Why
	Science and impact data	Be the most valued cotton origin by spinners
Cotton advocacy and promotion	Public affairs, advocacy	Be known as a sustainable and low risk cotton origin
	Public relations, communication	Increase cotton consumption by showcasing its advantages

Driving change outside Brazil: we support cotton growers in 23 countries

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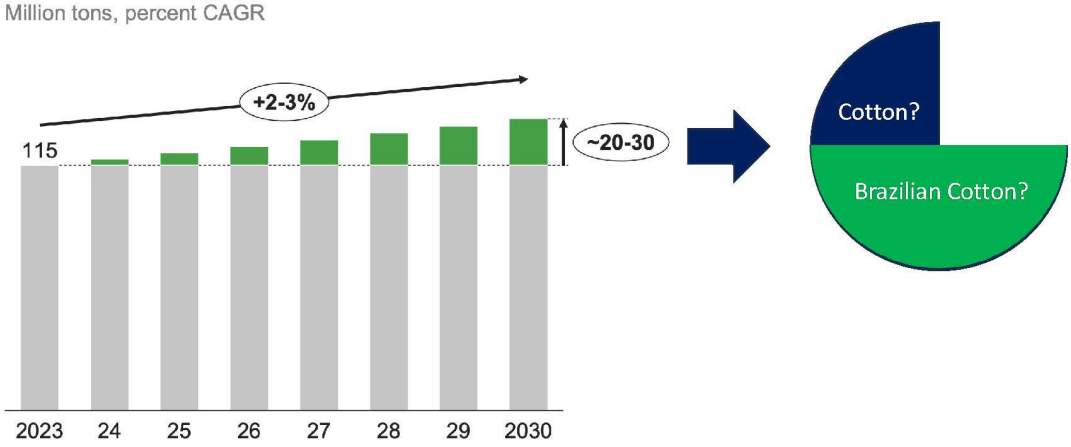
Global fiber demand will continue growing

Global fiber demand, 2023-30
Million tons, percent CAGR



SOURCE: The Fiber Year; ICAC; Lenzing estimates

Links to additional materials:

IMAmt – Fiber Quality & Future Genetic Challenges

AMAGGI - Climate Commitment and decarbonization strategy

Scheffer - Regenerative Agriculture - Case Study

Bom Futuro Group - Cotton Traceability Case