COTTON OUTLOOK

NEWS • DATA • ANALYSIS

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End-to-end efficiency is Brazil's challenge

DAWID WAJS
President of the Brazilian Cotton Exporters Association (ANEA)

Brazil already accounts for roughly one-third of the global cotton trade. In the 2024/2025 season alone, output reached 4.26 million tonnes of lint, the highest volume in history. While many are surprised by the speed of Brazil's rise in cotton production, those who follow it closely know that this achievement is the result of sustained effort, research, technology, and a production chain that has learned how to compete.

To remain leaders in supplying cotton to the world, we must also drive the discussion that matters most today: how to recover and expand global demand for this natural fibre. ANEA is one of the voices amplifying this message and aims to take it even further, alongside Abrapa, the Brazilian government, and global cotton stakeholders.

In the current geopolitical landscape, cotton faces a challenging environment, with consumers increasingly price-driven and synthetic fibres gaining ground that we need to reclaim. Whether it is rising costs that squeeze household budgets or those that weigh on farming and logistics, the answer is efficiency.

Cotton must reach the customer under competitive conditions, and the same principle must apply on the demand side.

Supporting customers in optimizing industrial processes is part of our responsibility as leading suppliers. End consumers, too, must make efficient choices. Appealing to reason may be more effective at this moment, as cotton is made to last and, in times of uncertainty, quality becomes a decisive factor. Together, we can take this message further.

Reliability has become the new currency in the global cotton market

GUSTAVO PICCOLI
President of Abrapa

As you read this text, you may be wearing a variety of fibres and blends that didn't exist a few decades ago, with names that still sound strange or unfamiliar: polyester, elastane, polyamide, acrylic. For many years, the global textiles industry was guided by a dominant logic, where speed and low costs were paramount. Synthetic fibres, derived from petroleum, advanced rapidly because they were available at scale with a high degree of uniformity, and were integrated into a global manufacturing system sustained by cheap energy and highly connected logistics chains.

But the conditions that underpinned this model are changing rapidly. This transition opens up an important opportunity for natural fibres, especially cotton.

The world has entered a period in which reliability has become as important as price. Geopolitical tensions, trade disputes, energy insecurity, climate concerns, and increasing regulatory demands are redefining how brands, industries, and consumers evaluate textiles supply chains. In this new scenario, origin matters. Transparency matters. Credibility matters.

At a time when oil has become associated with geopolitical instability and the vulnerability of global supply chains, cotton offers something increasingly valuable to the industry: trust.

The ongoing conflict in Iran makes this transformation even more evident. In addition to the humanitarian and geopolitical consequences, tensions in the Middle East have once again exposed the fragility of logistics chains, especially those for energy markets involving the Strait of Hormuz. Maritime transport systems face uncertainty and volatile freight costs, and sectors dependent on petrochemical supply chains are under growing pressure. This directly affects the textiles industry.

Synthetic fibres are produced from petroleum derivatives and remain deeply dependent on complex industrial chains. They are therefore highly sensitive to energy prices and the stability of global trade. When energy markets are erratic, the entire system becomes more exposed to risk. Cotton follows a different logic, and the global textiles industry is beginning to understand that resilience has become a strategic asset. In the period between August 2025 and April 2026, Brazil exported 2.7 million tonnes of cotton, and the 2025/2026 harvest is expected to produce the largest volume of exports ever recorded by the country, exceeding three million tonnes.

Although it is still too early to distinguish exactly how the oil crisis will affect demand for cotton, the conflict may accelerate a movement that was already under way in the global market and for which Brazilian cotton has been preparing in recent years. That is to say, the value of a product is no longer defined solely by its availability, price, or cost of production. Increasingly, the credibility of its origin is a determining factor as well. Efficient production is no longer enough. It is now also necessary to demonstrate how each material is produced, where it comes from, and whether the production chain meets the environmental and governance standards increasingly demanded by markets and consumers.

Traceability and green credentials are becoming essential to any product traded within the global economy. These features influence financing, purchasing decisions, consumer perception, and even market access. In this context, Brazil has consolidated itself as one of the most relevant cotton suppliers in the world, a result of the joint action of Brazilian producers through Abrapa. We understood, from a very early stage, that cotton is not just a commodity. It is a raw material for creativity, an engine of regional development, and a fibre that is both ancient and more relevant than ever.

In Brazil, the reliability of cotton is built and demonstrated according to a well-established three-pillar system. The first pillar is traceability, guaranteed by the Abrapa Identification System (SAI), created in 2004 to ensure the monitoring and identification of Brazilian cotton bale by bale, and which, in 2021, enabled the *SouABR* programme to deliver complete traceability, from seed to final product. Next, sustainability gained even more strength with the Responsible Brazilian Cotton (ABR) program, which has existed since 2012 and is recognised for promoting best socio-environmental practice for farms, processing units, and backport terminals. Quality was strengthened by the Standard Brazil HVI (SBHRVI) system, which will be 10 years old in 2026 and was essential in opening markets for Brazilian cotton. Brands, retailers, regulators and consumers increasingly want to know where the fibres they use and wear come from, how they were produced, and whether sustainability commitments can be proven with concrete data. This movement is particularly strong in Europe and Asia, where discussions about origin, ESG compliance and transparency in supply chains are rapidly advancing. Social and environmental responsibility is as important to brands as consistency and quality are to the textiles industry. Even so, synthetic fibres are not usually subjected to the same degree of scrutiny regarding their origin and production models, creating unequal conditions for comparison between different fibres.

While adaptation requires investment, organisation, technical standards, and long-term commitments, the opportunity for natural fibres is also significant. Producers capable of combining scale, quality, sustainability and transparency will be better positioned in the next stage of the global textiles trade. Brazil believes that cotton can play a central role in this transition. Brazilian cotton farming operates in a highly professionalised environment, supported by technology, scientific research, modern management and continuous improvement programmes.

The market increasingly values production chains capable of offering clear information from the farm to the final consumer. This is not just a marketing trend, but a requirement if a product is to access higher value-added markets and enjoy lasting commercial relationships. Worldwide, consumers are showing growing interest in sustainability and transparency, although they still face difficulties in accessing reliable information about the origin of the products they consume. Attributes such as trust and transparency can only be offered by a natural fibre, produced in the field, cultivated by real people.

In a world increasingly marked by uncertainty, trust has become one of the most valuable assets in global trade. Strengthening traceability mechanisms will reduce the conceptual distance from producer to consumer and will help to build stronger relationships between the textiles sector and society. This has been one of the priorities of Abrapa's work, in contact with its international partners.

The textiles industry will continue to need scale, efficiency and competitive prices. But it will also need resilience, transparency and reliable suppliers. Cotton is well positioned for this future. And Brazilian cotton producers will continue working to remain part of this solution.

Brazil's Cotton Industry: From Domestic Supplier to Global Competitor

KENYO ANDRIES E ARANTES
Commercial Director, Cotton Brazil

BACKGROUND

Brazilian cotton has undergone a profound transformation in recent decades. Once a key export crop during colonial times, production declined due to economic shifts and global competition. Cotton was later reintroduced in southeastern Brazil by American immigrant communities, but the major turning point came with technological advances, government incentives, and the expansion of agriculture into the Cerrado. States like Mato Grosso and Bahia emerged as leading producers, supported by large-scale farming and favourable conditions. Today, Brazil has evolved from an importer to one of the world's top exporters, recognized for improvements in quality, traceability, and sustainability that strengthen its global market position.

INCREASE IN PRODUCTION

The expansion of cotton production in Brazil accelerated significantly during the 1990s and 2000s, especially with the consolidation of the Cerrado region as one of the country's most important agricultural frontiers. The migration of cotton production from traditional areas in the South and Southeast toward the Centre-West transformed the scale and efficiency of the sector.

Mato Grosso became the leading cotton-producing state in Brazil, followed by Bahia and Minas Gerais (Figure 1). The adoption of highly mechanized farming systems, combined with advances in seed technology, fertilization, pest control and precision agriculture, allowed Brazilian producers to achieve substantial productivity gains over the years.

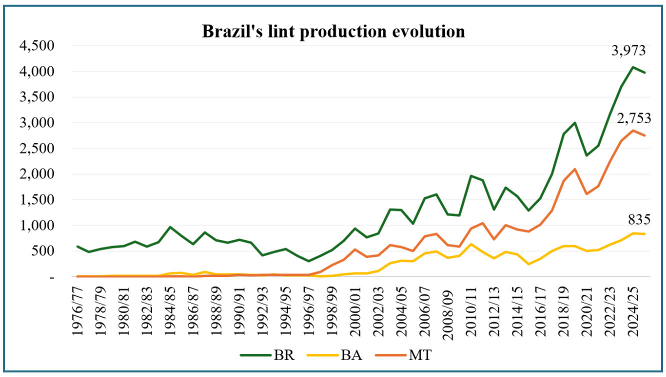

Figure 1: Evolution of lint production since the 1976/77 crop year, including the estimate for the 2025/26 crop. Source: CONAB, 2026.

An important characteristic of Brazilian cotton production is its integration into double-cropping systems, particularly following soybean cultivation. As soybean acreage expanded in the Cerrado, farmers sought profitable second-crop alternatives that could use existing infrastructure, machinery and agricultural inputs. Alongside corn, cotton became one of the main alternatives, especially in Mato Grosso. This system optimized land use, improved farm profitability and contributed significantly to the rapid growth of Brazilian cotton production.

As production increased, Brazil gradually shifted from being a net cotton importer to becoming one of the largest exporters in the world (Figure 2). In recent years, Brazilian cotton exports have expanded considerably, particularly to Asian markets such as China, Vietnam, Bangladesh and Pakistan.

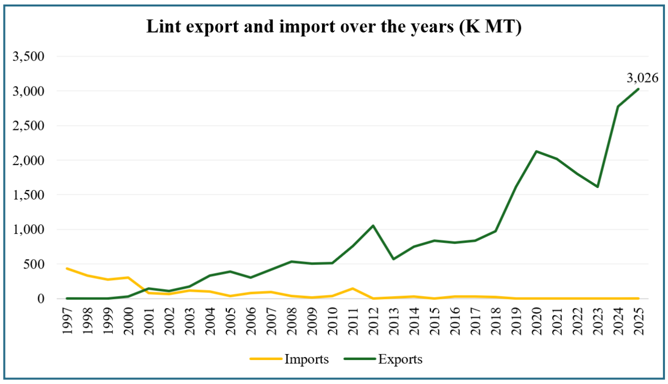

Figure 2: Brazil's lint exports and imports over the years. Source: COMEX, 2026.

The growth of Brazilian cotton production has also been supported by investments in logistics, storage and commercialization. Although transportation infrastructure remains a challenge in some regions, the sector has shown strong adaptability and competitiveness in the global market.

QUALITY, SUSTAINABILITY AND THE INTERNATIONAL MARKET

Alongside production growth, the quality of Brazilian cotton has improved substantially over the past decades. Investments in seed improvement, crop management, and fibre classification technologies enabled Brazil to strengthen its competitiveness against traditional exporters such as the United States and Australia.

The adoption of High-Volume Instrument (HVI) testing and standardized classification systems helped increase transparency and consistency in fibre quality. Today, Brazilian cotton is recognized internationally for its good fibre characteristics, including strength, length and uniformity, factors that are increasingly valued by the textiles industry.

At the same time, sustainability became an essential component of Brazil's cotton positioning in international markets. Global consumers and textiles companies increasingly

demand traceability, environmental responsibility and sustainable production practices throughout the supply chain.

In this context, Brazil has become one of the most relevant origins for Better Cotton globally. The country's sustainability framework is strongly supported by the Brazilian Responsible Cotton programme (ABR), developed by Abrapa, which operates in alignment with Better Cotton standards. This connection allows Brazilian cotton certified under the ABR to also be licensed as Better Cotton, strengthening the country's position among international buyers that increasingly require traceability, social responsibility and environmental compliance.

This has become an important element in the marketing of Brazilian cotton. The country is no longer promoting only volume and fibre quality, but also a production system based on responsible farming practices, legal compliance, worker safety and environmental management. For mills and brands, this adds value to Brazilian cotton and helps differentiate it in a market where sustainability requirements are becoming increasingly important.

MARKET DYNAMICS AND POSITIONING

This stronger international presence has also changed the way Brazilian cotton is priced and perceived in relation to other origins. Basis levels have become an important indicator of Brazil's competitiveness, reflecting not only fibre quality, but also availability, freight conditions, global demand and the size of the exportable surplus.

Over the years, improvements in fibre quality, reliability, and export capacity contributed to stronger market acceptance of Brazilian cotton among international buyers. When I began working with cotton in 2012, the standard grade in Brazil was 41-4, 35 staple and 27 GPT minimum G5. Today, however, most buyers worldwide – particularly in China – require 31-3, 37 staple and 28 GPT minimum G5. According to Abrapa's March 2026 report, 79.1 percent of Brazilian cotton had staple 37 or higher, while 71.4 percent was grade 31 or better. This demonstrates Brazil's ability to improve fibre quality year after year and successfully meet customers' needs. Moreover, the more buyers become accustomed to using Brazilian cotton, the less waste they experience in their production processes, and the more they tend to increase the share of Brazilian cotton in their overall consumption mix, reinforcing Brazil's position as one of the main suppliers to the global textiles industry.

More recently, however, the market has experienced a different dynamic. The rapid expansion of Brazilian cotton production, combined with large global supply and weaker demand from the textiles sector, contributed to softer basis levels for Brazilian lint (Figure 3). In addition, slower economic activity, higher interest rates, and reduced consumer demand in some key markets negatively affected textiles consumption and yarn demand worldwide.

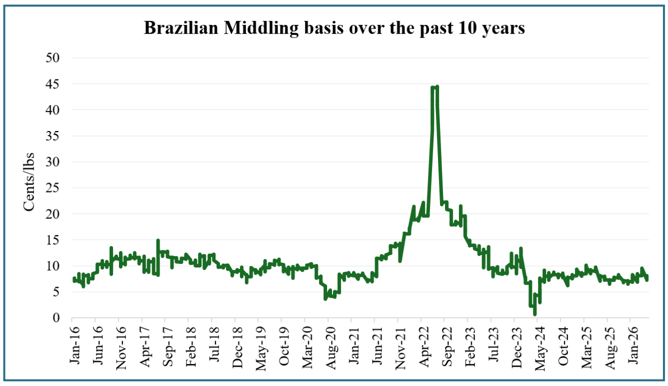

Figure 3: Brazil's Middling basis over the years. Source: Cotlook, 2026.

As a result, buyers currently have greater access to available cotton from multiple origins, increasing competition among exporters. In this environment, Brazilian cotton has remained highly competitive, particularly due to its large exportable surplus, consistent quality and strong availability.

This competitiveness has also been demonstrated by the record-breaking monthly export volumes in the past two years: 415,600 tonnes in January 2025 and 452,500 tonnes in December 2025. For the 2023/24 crop, Brazil surpassed the United States to become the world's largest exporter of cotton lint (Figure 4). This shift was driven not only by reduced US availability due to adverse weather conditions, but also by Brazil's ability to fill the gap in the global market.

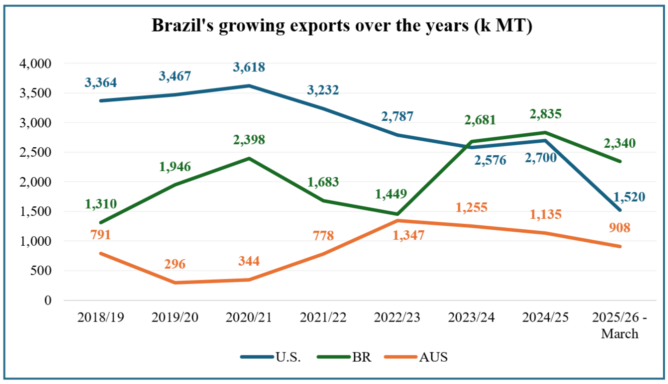

Figure 4: Main world cotton suppliers, highlighting Brazil's rapid growth over recent years (MY Aug-Jul.; 25/26 through March). Source: Global Trade Tracker, 2026.

Basis levels have played an important role in this process. In recent years, higher grade Brazilian cotton has often traded at an average discount of 4 to 6 cents compared to US cotton of similar specifications, helping maintain Brazil's competitiveness. This discount has only been possible thanks to the efficiency of Brazilian growers in keeping production costs low compared to other origins.

Freight conditions, exchange rates, and crop size continue to play an important role in basis formation and export competitiveness. Nevertheless, Brazil's growing participation in international trade has reinforced its importance within global cotton pricing dynamics and consolidated the country as one of the key origins in the global market.

In a country often described as blessed by God, where part of our second-crop corn acreage can be converted to cotton, we are able to continue supplying the world's cotton needs with social and environmental responsibility. For comparison, according to CONAB's May report, Brazil's second corn crop plantings are estimated at 17.8 million hectares. If five percent of this area (approximately 890,000 hectares) were converted to cotton, it could yield about 1.691 million tonnes of lint, assuming an average yield of 1,900 kilos per hectare. This would represent an increase of around 42 percent in production, given that Brazil is expected to produce about 4 million tonnes in the 2025/26 crop cycle. Importantly, this growth can be achieved without further deforestation, while ensuring the reliability that our customers demand globally.

Brazil's cotton story is no longer only about production growth. It is about the transformation of a domestic crop into a global, competitive and increasingly sustainable origin. With quality, traceability, and room for further expansion, Brazil is likely to remain at the centre of the global cotton trade in the years to come.

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The inspection process in Brazil - the practical challenges of inspecting the increasing crop given the growing focus on quality and sustainability

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BRENNO QUEIROZ

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INTRODUCTION

In recent years, Brazil has established itself as the largest exporter of cotton in the world. This has been a great achievement for the country's cotton industry and congratulations must be extended to all the farmers and cotton exporters in Brazil as well as the main associations (ABRAPA, ANEA, Cotton Brazil, ABIT, and Embrapa) and other partners throughout the supply chain who have worked together to arrive at this point.

However, with this rapid expansion has come many challenges, not least in the domain of logistics. Although the country's transport infrastructure has improved greatly over the years, there is still a great deal of work to do in order meet the increased demands for road, rail and sea freight. These challenges are well-known to the industry and we will not cover them in depth here; however, they have also had a knock-on effect on the controlling sector in Brazil, which also requires some development in order to catch up with current demand.

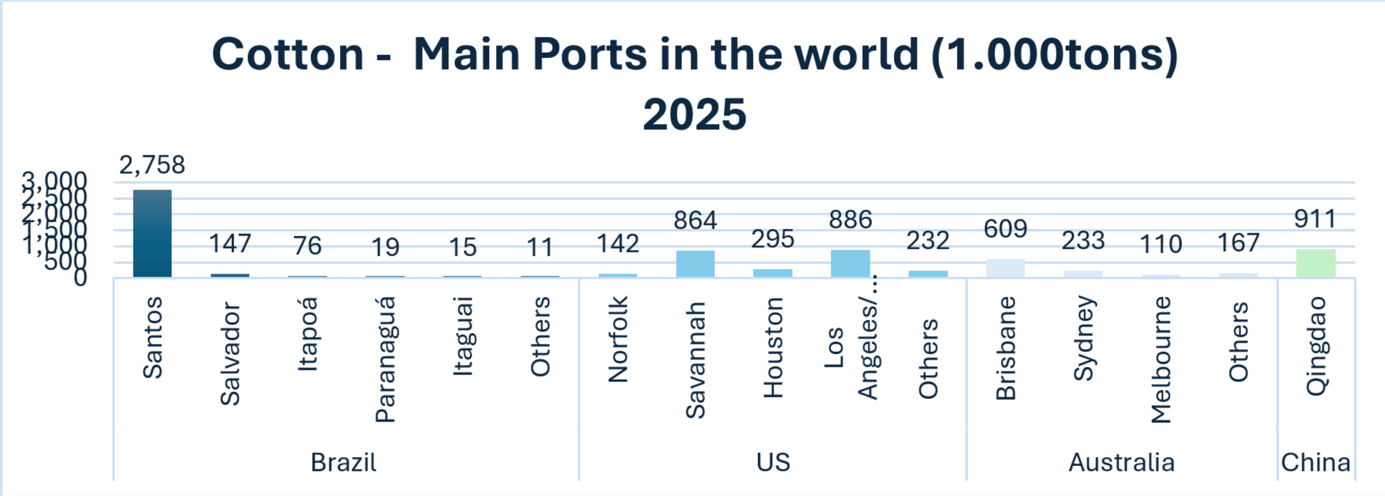
Congestion, restricted capacity and fragmented logistical flows do not just create occasional disruption, rather they are recurring features of the export process in Brazil. These constraints shape the conditions under which cotton is handled, stored and prepared for shipment – a process that includes inspection. The greater requirements in recent years for traceability and sustainability credentials have presented additional challenges. Again, this is another area we will explore in this article.

COTTON INSPECTION AS IT IS TODAY

The place we must start for any exploration of cotton controlling is Santos. As readers will be aware, Brazilian cotton exports continue to rely heavily on concentrated logistics corridors, particularly through the Port of Santos.

Well over 90 percent of Brazil's cotton exports are shipped through Santos, making it, by a considerable margin, the busiest cotton export port in the world.

Source: Comexstat and governments export/import data



At present, cotton is loaded from the farms, gins, or upcountry hubs, and delivered to the terminals of Santos either by truck or by rail.

Each terminal is different and has different procedures that an inspection company must follow to ensure a smooth and efficient process. In fact, though, in an effort to generate greater standardisation across the terminals, ANEA and ABRAPA have created a logistics certification (ABR LOG) for cotton-stuffing terminals across Brazil. The objective for the medium to long term is that cotton exporters should use only certified terminals, which will then help to deal with any gaps in terms of operations or the integrity of cotton bales in Brazil. We welcome this as a fantastic development for the sector.

Deliveries by trucks or rail are always accompanied by a *Nota Fiscal* and packing list detailing the bales within that truck or wagon. The inspector's first responsibility is to verify that the bales previously instructed by the exporter are the same bales arriving at the loading terminal.

Road trucks usually carry around 150 bales. These can be of various sizes and shapes, and the consignments do not necessarily exactly match the quantity of bales that can be loaded into the containers. In Brazil, there are currently nine different truck configurations capable of transporting anywhere from 110 to 250 bales. Considering that export lots are commonly formed of 110 bales, it is not unusual for multiple *Notas Fiscais* and several different lots to arrive within the same truck, often without clear physical segregation.

Brazilian cotton is generally packed in two main bale formats – *fardinho* and *fardão*. Containers are commonly loaded with either 110 or 124 bales, although variations frequently occur. Recent industry reports indicate the existence of more than 18 sub-types of bale dimensions and weights. It is therefore the inspector's responsibility to ensure that all containers within a shipping instruction are properly balanced and standardised, minimising the risk of operational issues during container handling, transportation, and vessel loading.

It is the inspector's responsibility to ensure that the bales loaded are the correct bales but also that they are in the best possible condition before loading and that the container itself is clean and sound with no evidence of holes or damage.

This is important as the cotton bales could be in the container for long periods of time transiting through different regions with different temperatures and levels of humidity. Any bales with damage or excessive moisture can deteriorate during transit, which will only be discovered at destination. Thus, the job of the cotton inspector is to minimise this risk as much as possible.

An inspections company must also create the reference documents that exporters will use to prepare export tax and customs documentation. From a practical perspective, alongside verifying that the correct bales have been delivered, as well as the condition of the delivered bales and the containers themselves, one of the main jobs of an inspector is to report which *notas fiscais* and lots the bales correspond to. This is important because different lots might have different weights and the exporter can incur penalties if the customs documentation is incorrectly presented.

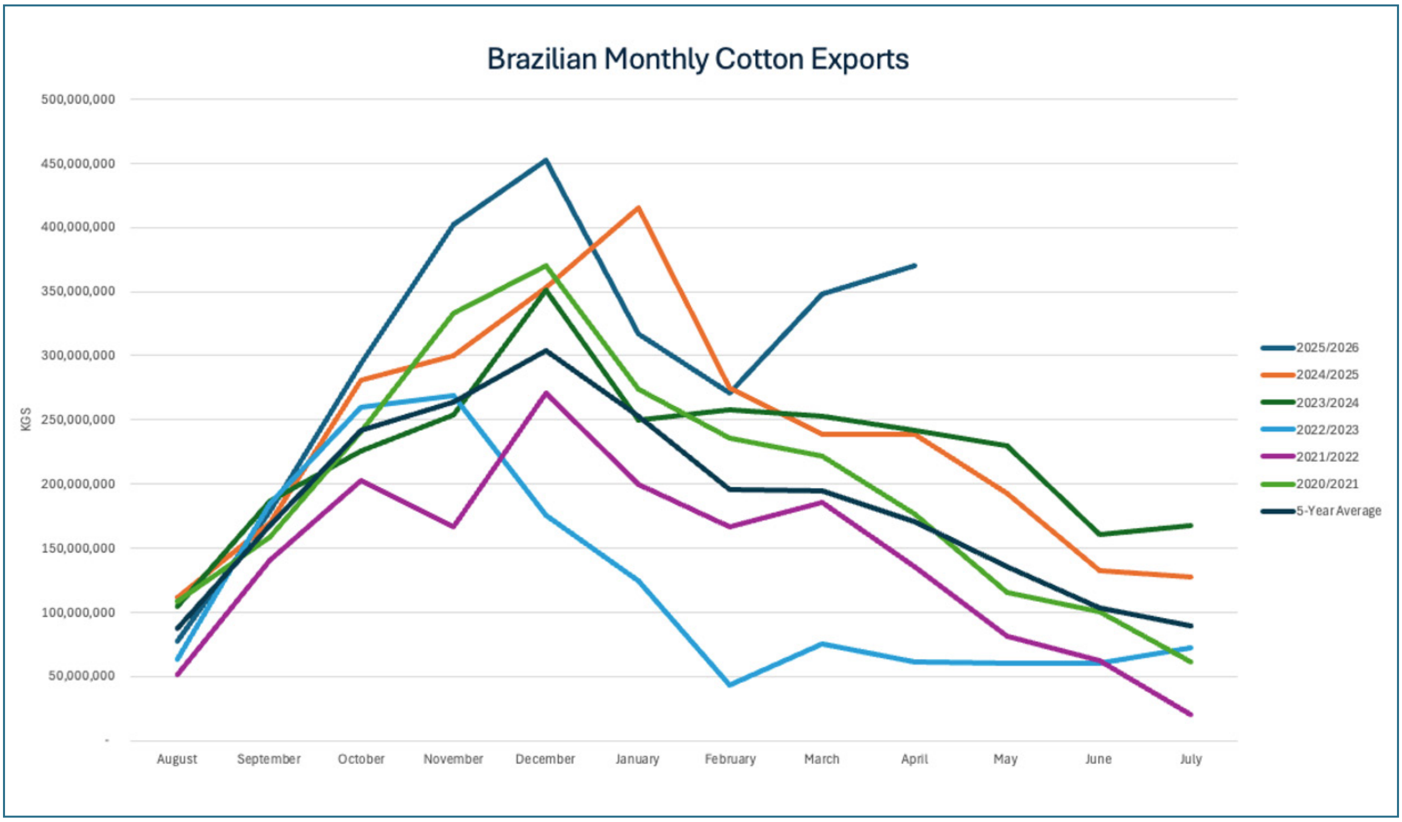
DEVELOPMENTS IN TRACEABILITY AND SUSTAINABILITY

The biggest issue for an inspector when it comes to traceability and sustainability is, quite simply, the cost of transport to regions of Brazil to conduct on-site inspections. This is in fact an issue all over the world; however, the distances between sites in Brazil pose a particular problem. Therefore, there are many sustainability and traceability programmes that require only 'self-assessment' or 'paper trail' surveys, which clearly involve the risk of collecting inaccurate or false data.

In addition, it is noted that each programme requires different criteria to be met, and often the same location has to be surveyed many times. Audit fatigue is real, even for inspection companies!

FROM SEASONAL PEAKS TO CONTINUOUS DEMAND

Historically, Brazilian cotton exports followed a seasonal pattern, with logistical pressure concentrated in the months following harvest. This dynamic has shifted significantly in recent seasons.



Source: Comexstat

Brazil now supplies cotton to the world throughout the year, transforming what used to be a cyclical challenge into a continuous operational demand. The logistics infrastructure is under constant pressure, and the system no longer benefits from spells of recovery between peak periods.

This transition increases the complexity of planning and execution. Inspection processes, in particular, must adapt to sustained workloads, requiring higher levels of efficiency, coordination and consistency over extended periods.

CONCLUSION

Despite the challenges faced by inspection companies in Brazil, one thing is clear, these are good problems to have! The increase in production and exports has been encouraging to see and it is incumbent on the service providers to keep up with this new demand as well as the changing requirements and increasing volumes.

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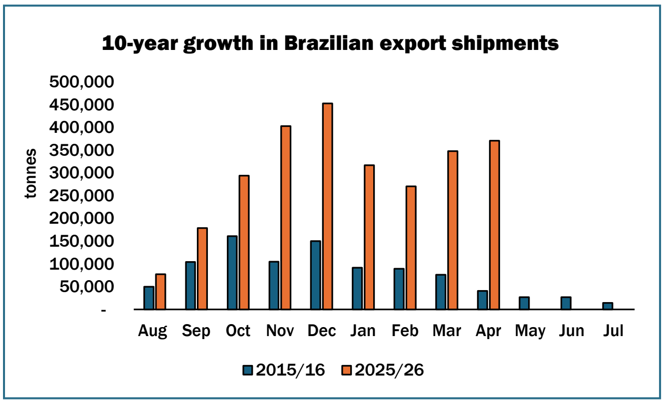
Import Buying Trends in the Major Consuming Markets

ALICE ROBINSON
Deputy Editor – Cotton Outlook

BRAZILIAN EXPORT SHIPMENTS CONTINUE TO GROW

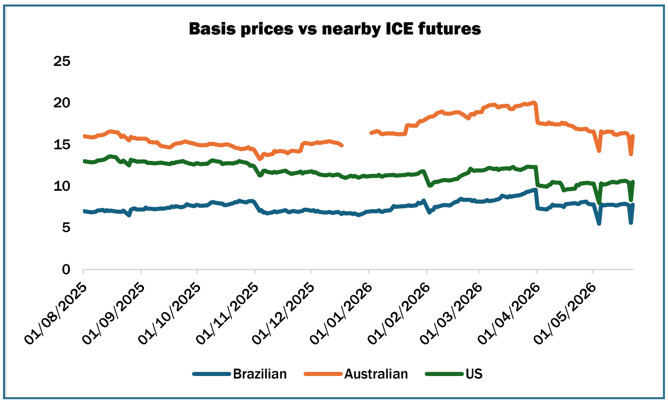
In last year's ANEA Special Feature, I remarked on the impressive rise of Brazilian productivity in recent seasons, and the growth of export sales and shipments that accompanied that rise. The country's position as the world's major cotton exporter is now well established, that having been the case for three consecutive marketing cycles (if we assume that the feat will be repeated in 2025/26, which seems at the time of writing in little doubt). In August-April this season, dispatches from Brazil totalled more than 2.7 million tonnes, around one million tonnes ahead of shipments from the United States in the same timeframe, and approximately 1.8 million tonnes more than Australia.

To a large extent, the strong performance of Brazilian exports arises from the increase of production in recent years: output reached a record of 4.1 million tonnes in 2024/25, according to Cotlook's estimate, and though the crop may be modestly smaller in the next season at perhaps 3.85 million tonnes, it remains considerably greater than the quantities observed just a few growing cycles ago. In fact, the first time the Brazilian crop exceeded three million tonnes was in 2019/20 – before that juncture, lint output in the region of 1.0-2.0 million tonnes was typical, and the seasonal pattern of availability meant that shipments often tailed off after the first quarter of each calendar year, not ramping up again until the new crop began to ship in earnest from around September.



However, the increase in production has enabled shippers to offer Brazilian cotton to buyers at more or less any point throughout the season, providing a constant source of supply for mills in need of cover. Achieving that feat also required great strides in logistical operations. Though the vast majority of the crop continues to travel via the port of Santos, investment in transport facilities and a focus on greater efficiency have mitigated supply bottlenecks, which until recently could result in delays of several months in the most severe cases.

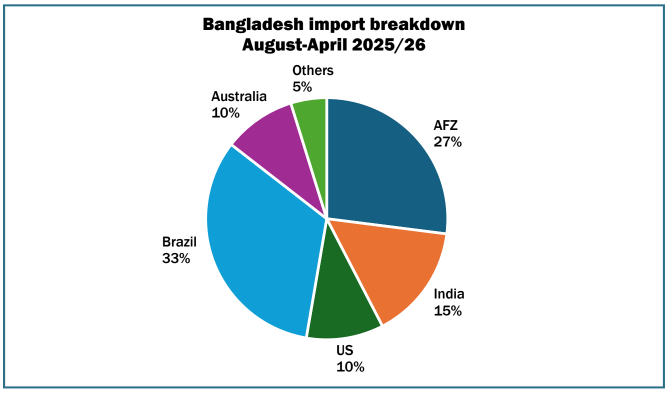
Finally, Brazilian cotton has benefited from the price advantage enjoyed over its major competitors, which results primarily from a lower cost of production compared to other origins. Basis levels in respect of the spot ICE futures contract have ranged in the past nine months from around 600 to 950 cent points, several cents lower than for US supplies. The cost for Australian was even higher, while Franc Zone lint – which is increasingly losing market share in its principal destination of Bangladesh – also traded considerably above the levels in circulation for Brazilian.



IMPORT BUYING PATTERNS IN THE MAJOR CONSUMING MARKETS

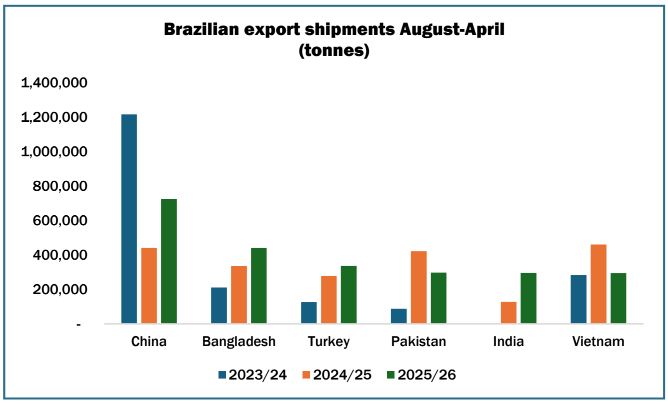
Several of the major destination markets have increased their purchases of Brazilian lint in both volume and percentage terms so far this season. In Bangladesh, arrivals from the country in August-April 2025/26 amounted to almost 390,000 tonnes, versus 168,400 in the same period a year earlier. Brazil has overtaken the African Franc Zone – which for some time has been the major supplier for the Bangladeshi spinning sector – to account for 33 percent of imports in the nine-month timeframe. By comparison, Franc Zone lint made up 27 percent of the total, versus 40 percent by the same moment last year. Spinners at that destination, who have traditionally preferred the particular characteristics of Franc Zone lint, have become increasingly accustomed to Brazilian cotton and have raised the proportion used in their blends.

That said, US cotton is also attracting greater demand, owing to an expected benefit for exporters to the US of finished products produced with supplies from that country. The percentage increase was less pronounced, however: from six percent in 2024/25 to 10 percent.



As for the buying pattern in China, overseas purchases so far in 2025/26 have been far more active than last year. Imports have been bolstered by very firm prices in the local market, higher asking rates for competing oil-based fibres arising from the conflict in the Middle East, and robust domestic consumption. Arrivals in the first nine months of the season amounted to roughly 1.27 million tonnes (versus slightly more than one million in the same period a year earlier), with Brazil accounting for around half of the total.

The proportion of US cotton acquired fell from approximately 17 percent in 2024/25 to just five percent. However, at the time of writing, Presidents Xi and Trump have recently met to discuss the commercial relationship between the countries, and reports of increased purchases of US agricultural products have emerged, although confirmed details were still awaited. In addition, strong rumours have circulated that a release of stocks from the Chinese State Reserve (currently thought to amount to perhaps 2.5 to 3.0 million tonnes) may be imminent, to cool the overheated local market. A replenishment of reserve inventories might be expected to follow any liquidation, paving the way for greater purchases overall, but perhaps with a focus on US styles.



Spinners' appetites for Brazilian cotton are also undimmed in Turkey. As the industry appears finally to be recovering somewhat from the earthquake that caused devastation in 2023, that destination has returned to import buying in earnest, with an overall year-on-year rise of more than 20 percent recorded in August-March. Brazil provided 43 percent of the total, a nine-percentage-point increase from the same juncture in 2025.

Vietnam has bucked the trend, meanwhile, instead reducing its purchases of Brazilian in favour of US, again perhaps in an effort to benefit from an as yet unconfirmed advantage for garment exporters to US retailers. Anecdotal reports indicate that downstream orders have often requested yarn produced with 100-percent US lint. In August-April, Vietnam imported 1.22 million tonnes of raw cotton, 45 percent of which was from the US (up from 28 percent by April 2025), while the share for Brazil had declined from 35 percent to 20.

Nevertheless, Brazil's export shipments are clearly on an upward trajectory. USDA's latest forecast of dispatches in 2025/26 stands at 3.2 million tonnes, which implies that 500,000 tonnes will be transported in May-July. That target seems eminently achievable, and the final figure could even surpass Washington's number. As for 2026/27, USDA forecasts that exports from Brazil will rise modestly further, despite a smaller crop.

WHAT HAPPENS NEXT?

When attempting to predict the outlook for overseas buying in the season ahead, it may be useful to examine our estimates of consumption and implied import needs in some of the major consumers in 2026/27.

In China, we currently project consumption in the region of 9.1 million tonnes, a modest decline from 2025/26. However, signals from Beijing that cotton planting may be discouraged in favour of food crops inform our expectation of a decline in production from the bumper output observed this year, to almost 7.4 million tonnes. The statistical import requirement thus stands at 1.7 million tonnes, before any potential State Reserve or stockpiling action are considered. Even if the proportion of Brazilian cotton acquired by Chinese buyers declines by ten percentage points, for example, a minimum of 700,000 tonnes could be expected to change hands at that destination.

The outlook for consumption in Bangladesh is cautiously positive, with Cotlook's figures indicating a two-percent rise from 2025/26. Brazilian shipments to that market have risen steadily in the past few years, from 10 percent of the August-April total in 2023/24, to 16 percent in the current marketing year. It is reasonable to imagine that the trend might be maintained, barring some transformation in Franc Zone producing countries that results in considerably lower basis levels (and even then, only if spinners can be persuaded to shift their buying patterns back to West African lint).

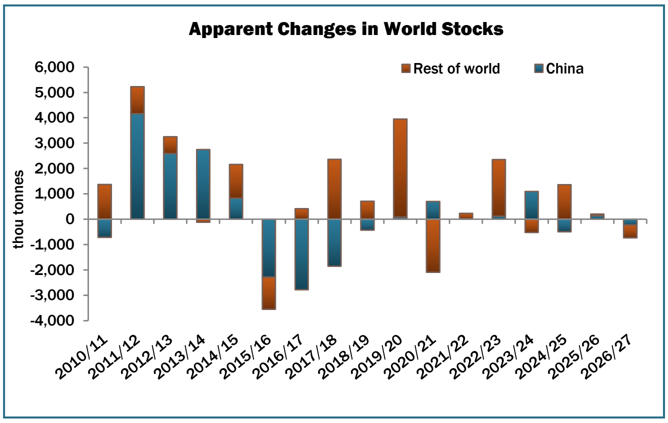
In Pakistan and Turkey, meanwhile, consumption is expected to remain around steady in 2026/27, while a modest rise is envisaged in Vietnam.

However, a *caveat* should be applied to the above. In April, the US inflation rate jumped to 3.8 percent, up from 3.3 percent in March, while the rise in the Eurozone was from 2.6 percent to 3.0. If that trend continues, it could curb consumer spending on discretionary items including textiles. In such a case it is not clear whether demand for fibre would fall equally across the spectrum, or if cotton would fare better or worse than its major competitor.

The outlook for production in other major exporting countries also looks set to favour Brazil in the year ahead. The situation in the US growing belt is always a principal concern for market participants, and the consensus is that output will decline in 2026/27 – though by what degree remains a matter of conjecture. Planting may eventually be higher than last year, but soil moisture levels in many key areas remained very short in mid-May, although the impact of an extended rainy spell at the end of that month is yet to become clear. As ever, the coming months will be crucial in determining the final crop figure, influenced in large part by the scale of abandonment in West Texas, an indicator that is always fiendishly difficult to predict.

Lower water availability and reduced enthusiasm among farmers for cotton in Australia, meanwhile, appear at this stage to suggest steady steps down in output during both the 2025/26 and 2026/27 seasons. At present, we posit that production in the next growing cycle will fall by as much as 23 percent, to around 775,000 tonnes – the first crop below one million tonnes since 2020/21.

On the strength of these estimates, Cotlook currently projects a small increase in global stock levels at the end of 2025/26, but a fall of 736,000 tonnes by August 31, 2027. Though that figure is hardly transformative it would mark the first time that world stocks declined since the 2020/21 season, and the first time that inventories recorded falls both within China and outside that country for over a decade.

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The Brazilian Cotton School concludes its third annual session, offering students a practical immersion experience and an integrated view of the cotton supply chain

BRAZILIAN COTTON SCHOOL

ONE OF THE NEW FEATURES OF THIS YEAR'S COURSE WAS A VISIT TO THE SÃO PAULO PILOTAGE SERVICE

The third cohort of the Brazilian Cotton School has just completed the training course, concluding another edition of the programme that is establishing itself as one of the leading executive training initiatives in the country's cotton sector. Over three intensive weeks, participants underwent a comprehensive learning journey, connecting theory and practice across different links in the production chain.

Created jointly by the Brazilian Cotton Producers Association (ABRAPA), the Brazilian Textile and Apparel Industry Association (ABIT), the National Association of Cotton Exporters (ANEA), and the Brazilian Commodities Exchange (BBM), the school aims to give professionals a broad and strategic understanding of the market, from the production to the international marketing of Brazilian cotton.

In addition to classes in Brasília (DF) and São Paulo (SP), taught by 60 industry experts, the programme included a series of technical visits that gave participants a unique practical experience. "*The technical visits are fundamental to connecting theory and practice, giving a real and strategic vision of the sector*," commented Marcella Guerreiro Wehrle, Executive Director of the São Paulo Cotton Producers Association (APPA) and participant in the third cohort.

"*It was a transformative experience that broadened my vision of cotton farming and its entire production chain*," she added.

STUDENT MARCELLA VISITING THE SAMAMBAIA FARM, PART OF THE MORESCO GROUP.

One of the highlights of the schedule was a visit to the Port of Santos, the main export corridor for Brazilian cotton, where the group was able to observe the port logistics and fibre shipping operations, passing through the Redex Alemoa Terminal, where cotton bales are loaded into containers. "*The group was able to physically see 4,000 tons of stored bales, as well as the receiving, handling and consolidation operations, and see how containers are moved around the terminal yards*," said Luiz Magalhães Ozores, advisor to S. Magalhães.

Still on the coast of São Paulo, the school provided, for the first time, a visit to the headquarters of the Pilotage Service, where the participants of the Cotton School were able to learn about the strategic role of pilots in the safe navigation of ships and in the efficiency of port operations – a fundamental element in the competitiveness of Brazilian products in the international market.

VISIT TO THE ALEMOA TERMINAL OF S. MAGALHÃES IN SANTOS (SP)

This year's field trip took place at one of the Moresco Group's cotton farms in Cristalina (GO), which represents a benchmark in technology and productivity. Students received a lesson on modern farm management practices, sustainability, and process integration, reinforcing the importance of the fibre's origin at the start of the value chain. They also had a visit to GM Algodoeira, located on the farm, which specialises in fibre processing. During the planting and harvesting module, the delegates also took a trip to the John Deere premises in Campinas (SP) and visited the manufacturer's training centre.

VISIT TO THE JOHN DEERE TRAINING CENTRE IN CAMPINAS (SP)

To investigate the final link in the chain, the group undertook a technical visit to *Santista Têxtil* in Americana (SP). There, participants were able to observe the different stages required to turn raw cotton into a final product, to achieve an understanding of the industry's requirements and the quality standards demanded by the market. Complementing the technical perspective, the group visited the National Service for Industrial Training (SENAI), recognised for its excellence in professional training and technological development, allowing them to deepen their understanding of innovation, workforce qualification, and the future of the textiles industry.

TECHNICAL VISIT TO SANTISTA TÊXTIL IN AMERICANA (SP)

According to the Board of Directors of the Brazilian Cotton School, the third class reaffirms the initiative's role in training leaders capable of acting strategically in an increasingly globalised and demanding sector. "*The school was born from the need to integrate different links in the chain, and this practical experience strengthens precisely this systemic vision, essential for the moment Brazil is experiencing as a protagonist in the global cotton market*," emphasises the school's director, Jonas Nobre. The school's content is curated by agricultural engineer Sérgio Dutra, who holds a Master's degree in Agronomy from ESALQ/USP, a Doctorate in Agronomy from the Energy in Agriculture Programme at FCA – UNESP in Botucatu, and now works as an industry consultant. "*We strive to improve the content of the sessions each year, and to expand the number of guest mentors, evaluating both the permanent and the cross-sectoral themes that evolve each year*," Dutra stated.

In its third annual session, the Brazilian Cotton School trained a total of 36 new ambassadors in the Brazilian cotton market. "*Participating in the BCS at this point in my career was a turning point. As I come originally from the grains and oilseeds sector, the BCS provided me, in just a few weeks, with a foundation to develop a deeper understanding of the sector*," commented participant André Barbieri, Market Intelligence Manager at Bunge.

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