



# COTTON OUTLOOK

NEWS • DATA • ANALYSIS

Special Feature June 2025



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25 YEARS

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# ANEA: The First 25 Years



**Alice Robinson,**  
Director and Deputy Editor, Cotlook Ltd

Over the past two and a half decades, ANEA's annual Cotton Gala Dinner has become established as one of the most prestigious events in the global cotton calendar. The 25th anniversary meeting takes place in the metropolis of São Paulo – a vibrant industrial centre, and the most populous city in Brazil - and comes at an exciting time for the Brazilian industry. Lint output is edging ever closer to the four-million-tonne mark, and the country has staked a new claim as the world's number one exporter of raw cotton. The great strides made in production, sustainability, quality and performance have been made possible only by the efforts of the many players involved across the value chain.

Authors in this publication address some of the opportunities, as well as the challenges, that lie ahead for the Brazilian cotton sector. The articles discuss the importance of

recovering some of cotton's lost market share in the ongoing battle with man-made fibres, the sizeable logistical innovations required to reliably ship the expanding crop, and the continued focus on sustainability at a time when consumers are increasingly conscious of the impact of their purchasing decisions.

Cotton Outlook's relationship with ANEA goes back to the very early stages of the organisation's existence and it is therefore our great pleasure to mark the achievements of its first 25 years with this Special Feature. It is left only for us to thank all our contributors to this publication, as well as the ANEA administration and the President, Miguel Faus. To paraphrase the motto of the city in which we gather this week – "cotton is not led, it leads".

Here's to the next 25 years!

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# Brazil: The World's Largest Cotton Exporter



Miguel Faus,  
President of ANEA  
Brazilian Cotton Exporters Association

The National Cotton Exporters Association (ANEA) will celebrate its 25th anniversary in 2025 with many reasons to celebrate. It has dedicated over two decades to promoting, defending and valuing Brazilian cotton on the global stage. Last year, Brazil achieved an unprecedented feat: for the first time, it became the world's largest cotton exporter, overcoming the United States' long-standing dominance. This significant milestone is the result of a joint effort by the production sector, ANEA and several partner institutions, and represents a new and important moment for Brazilian cotton in international trade.

The quality and excellence of our cotton, combined with the intensive use of cutting-edge technology and our commitment to sustainability, are some of the factors that allow us to regularly and efficiently serve the most demanding consumer markets in the world. Today, Brazil ranks third among the largest global producers, behind only China and India, and leads in exports, reflecting the continuous investment in innovation, research, development of new varieties and improvement of production processes.

ANEA has played a key role in this progress. We work side by side with Brazilian producers

and industry representatives to promote the quality of Brazilian cotton, encourage best practices and expand our international presence. This collaborative approach has been crucial in strengthening Brazil's image as a reliable, competitive and sustainable supplier.

**Brazilian cotton exports and consumer countries - last four cycles\***

Crop	21/22		22/23		23/24		24/25	
China	456.464	26,5%	414.883	29,7%	1.296.603	50,1%	466.997	20,2%
Vietnam	291.999	16,9%	202.261	14,5%	359.841	13,9%	461.162	20,0%
Pakistan	195.615	11,3%	181.775	13,0%	142.928	5,5%	404.548	17,5%
Bangladesh	206.342	12,0%	233.315	16,7%	273.522	10,6%	295.091	12,8%
Turkey	237.418	13,8%	151.526	10,9%	217.922	8,4%	245.554	10,6%
Indonesia	160.211	9,3%	79.677	5,7%	127.000	4,9%	127.733	5,5%
Malaysia	67.453	3,9%	51.892	3,7%	83.194	3,2%	61.744	2,7%
Korea	45.779	2,7%	28.792	2,1%	30.984	1,2%	31.002	1,3%
Thailand	16.194	0,9%	9.049	0,6%	8.673	0,3%	15.472	0,7%
India	16.511	1,0%	21.283	1,5%	4.373	0,2%	124.654	5,4%
Egypt	0	0,0%	0	0,0%	12.645	0,5%	45.719	2,0%
Others	30.907	1,8%	21.545	1,5%	28.370	1,1%	31.490	1,4%
	<b>1.724.893</b>	<b>100,0%</b>	<b>1.395.998</b>	<b>100,0%</b>	<b>2.586.055</b>	<b>100,0%</b>	<b>2.311.166</b>	<b>100,0%</b>

Source: Secex

\*In the table, the volume exported in the 24/25 cycle represents nine months - from July 24 to March 25



# Beyond cotton. Connections that tell stories.

Since 1956, **Laferlins** has connected producers to the market with trust, transparency and environmental respect. To us, it's not just about commodities. **It's about the people behind them.**



Furthermore, in recent years, we have been present in consumer destinations with the aim of showcasing the best of Brazilian production, conquering new markets and further increasing the share of Brazilian cotton in various countries. An example of this is our participation in Cotton Brazil, together with the Brazilian Cotton Producers Association (ABRAPA) and the support of the Brazilian Trade and Investment Promotion Agency (Apex-Brazil).

Through Seller Missions, we visit industries in cotton-consuming countries in Asia. With Buyer Missions, we welcome these industries to Brazil, providing an immersion into our agricultural practices and the quality of national cotton. These actions have been essential for conquering new markets and expanding our global presence.

The Association's participation as a member of the Make The Label Count (MTLC) movement, which advocates the importance of natural fibres over synthetic fibres before the European Parliament and the textile industry, was also an extremely important action. Another notable initiative that I could not fail to mention is the creation of the Brazilian Cotton School, a joint initiative between ANEA, ABRAPA, the Brazilian

Textile and Apparel Industry Association (ABIT) and the Brazilian Commodities Exchange (BBM). The knowledge journey provided to participants allows a 360° view of the sector, from the production, transformation, marketing, regulation and promotion of raw materials.

With so much commitment from the sector, the constant evolution of the quality of our cotton is a competitive advantage, especially in markets that are increasingly attentive to criteria such as traceability, socio-environmental responsibility and legal compliance. In this sense, Brazil has made significant progress, with emphasis on BCI and ABR certifications, in addition to strict compliance with environmental (Forest Code) and labour legislation, which lends legitimacy and trust to our production.

With favourable natural conditions - fertile soil, advantageous climate and installed technical capacity - Brazil is prepared to expand its production and meet the growing international demand in a sustainable, traceable manner and with high quality standards. The future of Brazilian cotton is promising, and ANEA will continue to act firmly and responsibly so that we can further consolidate this global leadership.

# Quality, Traceability and Sustainability to Strengthen Cotton Worldwide



Gustavo V. Piccoli,  
President of ABRAPA

Year after year, Brazil has strengthened its role in the global cotton market. Historically, domestic production was mainly consumed by the local textile industry. However, over the past 20 years, significant advances in productivity and efficiency have transformed the country into one of the world's leading cotton exporters.

This prominent role that Brazil has achieved comes with great responsibilities. We believe that cotton is the natural fibre most aligned with the principles of sustainability and, therefore, we continue to invest in quality, traceability, sustainable practices and promotional actions. Our goal is clear: to consolidate cotton as the ideal choice for a more responsible and sustainable future.

Although the Brazilian cotton industry has reason to celebrate, we keep our eyes focused on the considerable challenge of ensuring a greater share of cotton in the global mix of textile fibres. Cheaper, but much more polluting, synthetic fibres currently predominate in the market, and polyester is now the most widely used textile fibre in the world.

Our concern is not commercial, but rather one of socio-environmental responsibility. We know that with responsibly produced cotton, fashion and textile consumption can be more

sustainable and less polluting. Synthetic fibre use has contributed heavily to microplastic pollution, with serious impacts on human health. On the other hand, cotton is a natural fibre, of renewable origin, biodegradable, with less environmental impact, and without health risks. Cotton production also has great social effects, such as generating employment and income for more than 24 million farmers in 80 nations around the world.

Data from Textile Exchange attest to the reasons for our concern. The predominance of synthetics in the global textile matrix began in the 1990s, and by 2023 had reached 67 percent of all fibre production - the equivalent of 84 million tonnes. Polyester alone accounted for 57 percent of world production, registering 71 million tonnes in the year. Cotton came in second place, with 24.7 million tonnes, representing 20 percent of the total produced in 2023.

How best to increase demand for cotton is therefore the most important issue for everyone involved in the sector today. Although there is potential to increase the supply of cotton, producers predominantly make their planting decisions based on signals from the consumer market. Demonstrating the viability of cotton as the main input for the textile industry has

been one of Brazil's strongest arguments in international relations in recent years.

On our part, this is a daily commitment. ABRAPA's performance reflects the extent to which Brazilian cotton farmers have evolved and become more professional. Constant investment in technology, management and good practices has yielded results: we have become the third largest producer, and the largest exporter in the world.

If global demand for cotton increases, Brazil has the potential to contribute to this expansion. But that's not all. Other producing countries could resume investment in the growth of cotton farming, halting the loss of planted area to other crops.

In 2024, we harvested 3.7 million tonnes of cotton, representing an increase of 24 percent compared to the previous growing cycle. Of the total, after supplying our textile industry, we exported 2.7 million tonnes of lint, accounting for almost a third of global exports.

These advances are the result of a great deal of work undertaken in Brazil. Genetic improvement, precision agriculture, integrated pest management, bale-by-bale classification with HVI, integration with other crops, and regenerative practices are strategies that are resulting in improved quality indicators and enabling growth in sustainable production.

On each bale, there is a label with a QR Code and barcode with a unique number that, when scanned, provides detailed information about the bale. With each reading, the buyer identifies the HVI quality results, where the cotton was grown, whether or not the producing farm has socio-environmental certification and where the fibre was tested and processed.

In terms of sustainability, we follow the ABR protocol. This protocol, launched in 2012, encompasses 183 social, environmental and governance indicators, audited by independent certification bodies. Recognized by the Food and Agriculture Organization of the United Nations (FAO) and classified by Textile Exchange as one of the preferred cotton certifications in the world, ABR has certified farms covering a total planted area of 1.59 million hectares. This is a voluntary programme that has a high level of engagement on the part of Brazilian cotton farmers. In the last harvest, more than 83 percent of our production was certified by the ABR programme.

Furthermore, the ABR programme is aligned with the global Better Cotton certification standard (previously known as BCI), ensuring equivalence and allowing ABR certified producers to market their crop as Better Cotton via mass balance. We are already working with Better Cotton to offer physical traceability of Better Cotton produced in Brazil as well.

With a focus on continuous improvement, in 2020 we brought the best practices of the ABR programme to cotton gins. Brazil became the first country to maintain a specific socio-environmental certification for cotton processing units. In the 2023/24 harvest, 113 gins were certified, which was equivalent to 69 percent of the total volume of cotton processed in Brazil.

Our commitment to responsibility in the cotton production chain does not stop there. In 2023, we expanded the ABR programme to the retro-port terminals responsible for cotton export containers. The ABR-LOG certification monitors compliance with strict quality criteria at different stages (receipt, storage and packing), in addition to evaluating companies' social and environmental practices.

Aware of the challenge of adding value to cotton in the global textile matrix, we are going further. In 2024, we began monitoring greenhouse gas emissions from the production process, as we know that the Brazilian production model is unique and requires a specific methodology. And we have already identified that at least 25 percent of the pesticides used by Brazilian cotton farmers are biological.

None of these initiatives, however, will be of any value if they are not recognized. For this reason, since 2020, ABRAPA has been carrying out an initiative to position Brazilian cotton internationally in partnership with the largest national public agencies for the promotion of exports: Apex-Brazil. The Cotton Brazil programme has the mission of maintaining an ongoing dialogue with importers and the textile and fashion industry around the world.

The agenda is clear: to show that Brazil can support the textile industry and the global fashion sector and contribute to the growth of the cotton market, with environmental responsibility, good management practices, traceability, transparency and a high-quality product.



# How Sustainable Farming Practices Have Shaped Cotton Production Over the Past 25 Years



**Fabiana Furlan,**  
Head of Commercial, Finance, and Sustainability  
Scheffer

I was born and raised in Mato Grosso State, Brazil, a region once known for its vast, untapped Cerrado landscapes and now recognised globally for its robust agricultural output. Over the past 15 years, I have worked across commercial, financial, and sustainability fronts in the cotton industry. With an academic background in International Business and a postgraduate on China's Economic and Political Organisations, I have had the privilege to observe not just local changes, but also the global implications of Brazil's rise as a sustainable cotton powerhouse.

## **From Importer to Exporter: A 25-year journey**

Just a few decades ago, Brazil's cotton industry faced immense challenges. In the late 1990s, the country was a net importer of cotton lint, struggling to meet domestic demand. Cotton yields were low, and production was concentrated in traditional areas such as the Southeast and Northeast, where pest pressures and land constraints limited growth.

The pivotal shift came with the expansion into the Centre West region, particularly in the states of Mato Grosso, Mato Grosso do Sul, Goiás and Bahia. Farmers invested heavily in soil correction techniques, adapting acidic and nutrient-poor soils to support cotton and other crops. Meanwhile, seed technology rapidly advanced, improving resistance to pests and diseases,

and becoming better suited to Brazil's tropical climate.

These innovations and investments led to a surge in productivity. Cotton yields in Brazil increased dramatically from under 1,000 kg/hectare in the 1990s to upwards of 1,800-2,000 kg/hectare today in many areas. Brazil transitioned into a major cotton player in the global scenario, becoming the largest cotton exporter in 2024.

## **Innovation and Technology in Brazilian Cotton Fields**

Brazilian cotton farming is now at the forefront of agricultural innovation. Precision agriculture, satellite and sensor guided equipment, and digital monitoring tools are widespread across farming operations. These technologies allow for the optimisation of all crop inputs, such as fertilizers and crop protection products, reducing waste and environmental impact.

Farmers analyse soil composition, apply inputs only where needed, and track plant health with various technologies. These tools not only improve yields and operational efficiency but also support better sustainable farming practices. The integration of data analytics into our daily processes has fundamentally changed how we plan, monitor, and evaluate each crop cycle.

Biotechnology, particularly genetically modified (GM) seeds, has played a crucial role. Today, the majority of Brazil's cotton acreage is planted with GM varieties, offering resistance to pests and diseases, reducing the need for chemical applications, while improving quality aspects and increasing lint yield at the ginning stage. Institutions like EMBRAPA (Brazilian Agricultural Research Corporation) and TMG played a critical role by developing cotton varieties suited to our unique climate and soil.

### **Natural Resources and Land Use Efficiency: The Role of the Brazilian Forest Code**

One important aspect of Brazil's cotton production is its compliance to the Brazilian Forest Code, one of the strictest environmental regulations globally. This law requires farmers to maintain a percentage of native vegetation within their properties, ranging from 20 percent to 80 percent, depending on the biome.

In the Cerrado biome, where most of Brazil's cotton is produced, farmers must preserve, as Legal Reserve, a minimum of 35 percent (under Legal Amazon boundaries) and 20 percent (outside Legal Amazon boundaries). These requirements ensure that agricultural expansion does not come at the expense of biodiversity and ecosystem services.

Efficient land use is another highlight. Cotton is often cultivated in rotation with soybeans and corn, improving soil health and maximizing productivity per hectare. This integrated farming system enhances sustainability and helps Brazil produce more output per hectare, with less land, compared to global competitors.

About 65 percent of the total cotton crop is planted as a second crop, immediately after the soybean harvest, in the same field. This double cropping system contributes to the optimisation of inputs: as soybean production fixes nitrogen in the soil, this system can save about 20 percent of this fertilizer.

Ninety percent of total production is rainfed, eliminating the need for artificial irrigation, and zero-tillage methods are used across most of our fields.

Brazil preserves around 65 percent of its natural territory, using less than 10 percent of its total land mass for agriculture and about 0.3 percent for the cotton crop. These statistics highlight Brazil's significant role in global agriculture, balanced with its efforts to preserve natural ecosystems.

### **Labor and Community Impact**

Brazilian labour laws are among the most comprehensive in the agricultural world. They ensure that farm workers have access to formal employment contracts, health and safety protections, fair wages, and social security benefits. In rural areas, this translates into formal employment opportunities, often in regions where few alternatives exist.

On cotton farms across Brazil, compliance with labour laws has led to significant improvements in working conditions and contributed to social development in rural areas. Many farming operations invest in training programmes, educational initiatives, and health services for their workers and the surrounding communities. These efforts uplift local economies, reduce inequality, and create long-term opportunities for thousands of families. This is proven by the Human Development Index of cities where cotton farming and agriculture are predominant economic activities.

### **Clean Energy**

Brazil's energy matrix is one of the cleanest among the major economies. Approximately 83 percent of Brazil's electricity comes from renewable sources, mainly hydroelectric power, along with growing contributions from wind, solar, and biomass energy.

The predominance of renewable sources in the country's energy matrix plays a key role in reducing the carbon footprint of Brazilian cotton, providing a competitive advantage in a world increasingly focused on climate responsibility. It also aligns with the global push for "climate-smart" supply chains, where low-carbon production is becoming a key purchasing criterion for brands and retailers.

### **Technologies Driving Transparency and Governance**

Technology is also revolutionising transparency and governance across the cotton value chain. Blockchain, QR code traceability, and digital documentation are increasingly used to connect farm-level practices with end users in spinning mills, textile factories, and even on retail shelves.

This traceability is essential to meet the demands of global brands and consumers who want assurance that their cotton is produced ethically and sustainably. Our ability to provide detailed records on crop origin, labour practices, environmental impact, and certifications gives us a competitive edge.

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By shortening the distance between farmer and final garment, we not only build trust but also enhance the value proposition of Brazilian cotton on the global stage.

### **Conclusion: Big Role, Big Responsibilities**

Brazil's rise as a global cotton powerhouse has been fuelled by a deep commitment to sustainable practices, innovation, and community development. Our journey from a net importer to a leading exporter is a story of resilience, vision, and responsibility.

As global demand for cotton continues to grow, especially for sustainably sourced, ethically produced fibres, Brazil is well-positioned to meet this need. Farmers are equipped with the latest technologies, under strict environmental and labour regulations, in a transparent market.

Yet with this leadership comes great responsibility. We must continue to uphold and advance the best farming practices, protect our natural ecosystems, and deliver positive impacts for people and communities throughout the cotton value chain.

In doing so, Brazil will not only supply the world with high-quality cotton but will also lead by example, proving that sustainable growth is not just possible, but essential for the future of agriculture and humanity.

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*About the Author: Born in Mato Grosso, Brazil, Fabiana Furlan holds a degree in International Business Administration and a post-graduate degree in China's Economic and Political Organisations. With 15 years of experience in the cotton industry, Fabiana currently serves as Head of Commercial, Finance, and Sustainability at Scheffer, based in Cuiabá, Mato Grosso, Brazil. She also serves as Associate Director at the Board of the International Cotton Association – ICA.*



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# Brazilian Cotton Export Logistics



**Kierran Fraser,**  
Magna Logistics Solutions

I started my cotton career in Liverpool, UK, which is seen as the heart and soul of the cotton industry. My journey began in the inspection and auditing company Wakefield Inspection Services (WIS), where my mother Barbara Fraser worked for Frank Wakefield, and he brought me into an incredible global cotton family who taught me that integrity, transparency, communication, and honesty are fundamental in this industry. I have followed these principals over the past 23 years, which have led to the success of my company in the cotton sector.

In 2006 I moved to Brazil to manage the inspection operations. By 2010, my career took a different path as I shifted to explore the trade and logistics aspects of cotton and agriculture in the country. In 2016, after over a decade in Brazil, I opened ACX Group, which is a logistics & warehousing management company primarily focused on the exportation of cotton bales. Over the next eight years, ACX grew into a multimodal logistics service company offering services in road transport, warehousing operations, custom agency and ocean freight. Last year, my partners and I created a new brand for our multimodal platform structure and Magna Logistics Solutions (MLS) was born. Today, Magna operates a fully integrated fourth party logistics platform handling 18 percent of Brazilian cotton exports.

I am honoured to say that Brazil became the biggest exporter globally in 2024, largely owing to the unity, structure, and fantastic work that

the members of the Brazilian cotton associations ABRAPA and ANEA have built together over the last 25 years. These members are focused on providing a uniform, high-quality product and standards, resulting in Brazil becoming the global leader in Better Cotton. Over this period there has been a focus on yields, which continue to improve year on year. This shows the commitment of the whole industry in promoting and improving Brazilian cotton for all.

In addition, traders/merchants have opened new markets for Brazilian cotton to compete with other growths on a global level. However, due to the increase in exports, a huge gap has emerged in the cotton logistics supply chain. As Brazil has become the global powerhouse for agricultural exports, these logistics issues affect not just cotton but all farm products.

## **Cotton logistics – who and what are involved?**

**Transport companies** – Raw cotton in Brazil is moved 100 percent by road. It is picked up at the farms by several different types of trucks which can carry between 28,000 kgs to 48,000 kgs of cotton in bale form. The truck then travels to the following places:

Inland warehouses, usually situated between 200 km to 500 km from the gins. These warehouses are normally in the same state as the cotton is grown, so as not to incur cross state taxation (ICMS).

Inland railway loading stations available in Mato Grosso, situated between 300 km to 1000 km from the gins.

Port warehouses situated in Paranagua, Santos, and Salvador Ports, between 900 km to 2,250 km from the gins.

It is common in the high export months that there is insufficient trucking capacity in ginning regions. This is magnified if other agri commodities are exporting at the same time, resulting in a shortage of trucking capacity, and leading to spikes in pricing.

**Port warehouses** – When the cotton bales arrive at the destination port warehouse, the most efficient option is Cross-Docking, which means the bales are unloaded from the trucks and loaded into the containers. It is important to note that the truck often carries more cotton bales than are stuffed into one container.

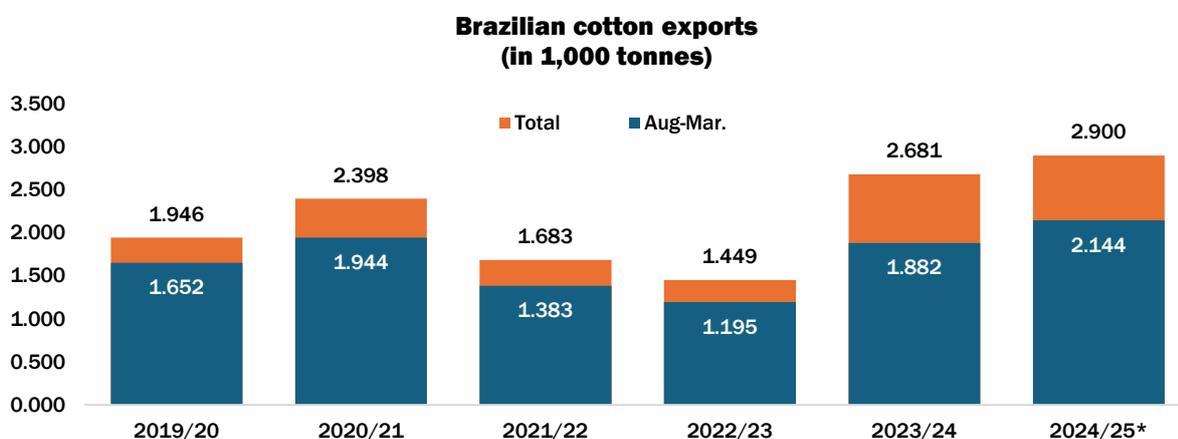
To highlight the 50 percent expansion of cotton exports over the last five years (as per the accompanying graph), during the 2019/20 season approximately 80,000 40-foot High Cube containers (40HC) were exported. Fast forward to the 2024/25 season, and we are nearing 120,000 40HC to be dispatched.

During the same period, the number of Redex licensed loading warehouses used for cotton operations has decreased by over 20 percent. In the 2024/25 cotton export season, more than 15 general warehouse structures were opened for cotton operations, to attend the increased demand at the Port of Santos. Special requirements were issued so that certain certifications for the Ministry of Agriculture,

Livestock and Food Supply (MAPA) could be approved to assist the export process. This short-term measure helped dramatically in the shipment of cotton for the season, but a long-term solution and investment are required to meet the export demands of the Brazilian cotton market. In 2023, ABRAPA issued its first certification for ABR-LOG: the ABR-LOG programme aims to promote social and environmental responsibility within the cotton supply chain, particularly in retro-port terminals. The majority of Redex licensed warehouses have or are acquiring this certification, which will improve the quality of loading services.

**Port container terminals** – Santos is the main export port in Brazil, operating with three container terminals. Over 90 percent of the cotton crop leaves from this port, due to the shipping lines running regular vessels to Asian destinations. However, since 2022, the port of Salvador has become a new player in cotton exports, with freight operators adding new services each year. In 2023, the ports of Paranagua and Itapoa, in the south of the country, also added new routes, thus giving more options for exports and reducing bottlenecks at the port of Santos. These additional ports, along with new shipping line routes, are essential to achieve a sustainable logistics supply chain for the ever-growing Brazilian cotton export sector.

**Customs agent associated with Ministry of Agriculture & Federal Customs** - In Brazil, a customs agent, known as a “Despachante Aduaneiro,” acts as an intermediary between businesses and customs authorities, ensuring smooth customs clearance and compliance



Source: ComexStat - ME Apr 2025 (Market year, August to July)\*Forecast

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with regulations. They are essentially legal representatives for import and export companies before the Federal Revenue Service. One major problem that occurs regularly in Brazil is that certain processes for exports are handled manually, and approval is sought from governmental bodies during high volume export months. This process can cause backlogs and long delays for issuance of essential export documentation.

**Inspection companies associated with ICA members** - In Brazil it is normal to contract pre-inspection services at the time of loading cotton into containers at the port warehouse. These companies verify the quantity and visual external condition of the cotton bales prior to loading, and that the container is in a suitable condition for the transportation of the cargo.

**Fumigation companies** - Fumigation requirements are based on the Import Permit precepts from the destination countries. Each year we are seeing less and less desire for this service at the main destinations, due to the high quality of control at origin from Brazilian growers. Fumigation services must be carried out in a Redex or Bonded approved area under Brazilian law.

**Ocean freight services** – All major shipping lines offer services for cotton in Brazil. The increase in container demand from greater cotton exports has seen new carriers and services emerge in recent years. Also, the larger shipping lines are expanding vessel capacity and container availability each year.

The process for exportation of Brazilian cotton is not a simple one and requires a lot of work, communication and experience from specialised logistics teams. Magna today handles and executes all the above services through the cotton supply chain, offering logistics solutions, and finance and risk management, to both Brazilian exporters and traders/merchants. We are also investing with our strategic partners within the logistics supply chain. In 2026, we will have new facilities and services to help with the increasing supply of cotton exports.





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# Interview with Lena Staafgard



Better Cotton - Chief Operating Officer

**Cotton Outlook:** Brazil is one of the world's largest producing countries and output is increasing year on year. What kind of challenges does that growth present in terms of keeping the crop within the Better Cotton and ABR standards?

**Lena Staafgard:** We are very proud of the growth that Better Cotton, together with ABRAPA, has managed to achieve over the years in Brazil, and with that comes both new challenges and an increased responsibility. The first, more obvious challenge is to have a standard that can meet requirements to make cotton production significantly more sustainable; satisfy market demands; and properly respond to the realities in the field, including farmers' needs. We overcome this by involving all stakeholders in the development of our standard – farmers, our partners, members, and the public. Then, once the standard is set, the task is to implement it in the field, bringing growers into the pathway of change through our support and cooperation. In Brazil, we have a strategic partnership with ABRAPA and by extension with a dense and skilful network of state-based associations that provide support and guidance to all growers, old and new.

Another major challenge is to balance economic/financial profitability of cotton growing with sustainability demands, as some

practices that support sustainability impact the cost of production and yields. With higher yields, there is less pressure on access to additional land for production, meaning more land can be preserved as wild. But often, to achieve high yields, greater effort and sometimes more inputs are needed. Lower intensity production, where yields are usually also lower, would come with less stress on the environment, but unfortunately, we see little willingness in the market to pay a higher price to compensate farmers for the lower yields.

It is true that growth usually means expanding area, which in the context of Brazil would often imply conversion of ecosystems due to a significant acreage of natural land in the country. Whilst Brazil does have stringent laws regarding land conversion, it remains an internationally sensitive topic, and we work closely with ABRAPA and farmers to ensure environmental, social and economic needs are considered in any developments.

The Better Cotton Standard System is designed to balance all aspects of sustainability – environmental, social, economic – as farmer livelihoods are as important as environmental enhancement. Seeing that market actors are largely unwilling to compensate for many environmental and social protection and enhancement costs in their pricing, we are instead looking at ways to monetise sustainability progress outside the cost of

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cotton. Farmers need a fair deal and fair risk sharing.

**CO: Better Cotton's partnership with ABRAPA goes back 15 years. How has the alignment of the standards evolved over that time? What do you envisage for the future?**

**LS:** Our ultimate goal is to mainstream more sustainable cotton production, contributing to the increase of the overall sustainability of the cotton sector. For us to achieve that, especially in a country as large and important as Brazil, there must be a mutual learning process and country-level ownership of both challenges and successes. This cannot be achieved without collaboration and local ownership.

This collaboration, however, has never been set in stone; it has evolved over the years, considering the changing nature of all challenges, and it will continue to evolve. Our third standard alignment with ABRAPA was completed in 2024, giving us the opportunity to review and improve many of its aspects. This revision of standards was done in consultation with a wide range of stakeholders, including benchmarked partners, like ABRAPA itself.

In the past, every revision increased demand on growers and led to partners' standards having to be aligned to an improved BCSS (Better Cotton Standard System). In the future, we will continue this collaborative way of working, also considering regional standards to reflect Brazil's diversity in cotton production. Improving traceability and re-engaging with smallholders will also be part of our efforts.

**CO: The environmental benefits of responsible production are clear – but could**

**you explain some of the other advantages, both for growers and those further down the value chain?**

**LS:** A truly responsible production that increases sustainability does not look only at environmental benefits, it goes much further. That is why the Better Cotton standard also covers economic aspects and, especially, social ones, such as decent work, improved livelihoods, health and safety, education for children, and female empowerment.

Responsible production is also about risk mitigation – ensuring future supplies of cotton and

building climate change resilience for farmers. One good example involves the use of synthetic pesticides, a significant problem in Brazil. When suitable and more environmental alternative practices are adopted (e.g. in crop protection), production costs can be reduced, as chemicals are expensive for growers. When adopted correctly, environmental protection can increase economic viability and safeguard social rights and opportunities – making responsible production a holistic effort. No environmental achievement can be truly sustainable and long-lasting without economic viability. Therefore, supporting rural communities through economic development is one of the best ways to pursue a proper combination of environmental, economic, and social sustainability – and we believe not only that those three aspects must be achieved together, but that each helps the other advance.

**CO: Though the Brazilian climate is well suited to cotton production, pest pressures are one of the more persistent problems faced by farmers. How is Better Cotton working to reduce the effects while also ensuring that Better Cotton and ABR practices are maintained?**

**LS:** Brazil's unique conditions offer both challenges and opportunities for cotton production. With the necessary environmental and health considerations, the abundance of rainfall means that 85 percent of Brazilian cotton production does not need additional irrigation. Pest pressures, however, do represent an enormous risk, having the capacity to undermine all other efforts if not directly addressed.



**Headed to cotton**  
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It is vital, though, that this is done whilst respecting all elements of Better Cotton and ABR standards. For that reason, we have specific policies to deal with the problem, a holistic approach to crop protection that addresses these risks while also supporting farmers and their livelihoods. This is outlined in our Integrated Pest Management (IPM), as part of Better Cotton’s Principles and Criteria. We also have a target in place: to achieve a reduction of at least 50 percent in the use and risk of synthetic pesticides applied by Better Cotton farmers and workers by 2030.

**CO: Scrutiny from environmental organisations is greater than ever. How does Better Cotton plan to respond to the increasing demand for transparency?**

**LS:** We have always been very much open to the scrutiny from environmental organisations. They are incredibly important, and we welcome their contributions. We are convinced that their ultimate goals are the same as ours: to secure more sustainable cotton production, by protecting the environment whilst safeguarding the economic opportunities and livelihoods of farmers and workers – particularly the most vulnerable, such as women and migrants. We are, therefore, willing to establish dialogue and collaboration with other organisations, which includes being transparent about our actions. As part of that collaboration, it is important that environmental and social activists understand the realities in which Better Cotton operates, including the challenges involved, and engage with us in a constructive manner.

Our transparency also means we continue

to involve as many actors and sectors as possible in our activities and programmes – from regularly engaging with producers, local communities, or retailers, to working with third parties in our certification process. One good example of those efforts has been the several multistakeholder dialogues we have recently initiated, including a broad and ambitious new plan in Brazil, launched in March with a workshop in Brasília.

**CO: Finally, is there anything you would like to add – either from a personal perspective, or regarding the future of Better Cotton production in Brazil?**

**LS:** Despite well-known challenges in agriculture, all of which are valid for cotton as they are for other crops, I strongly believe that natural fibres are the best choice for textiles – they are inherently circular and biodegradable, they require less processing, and their production provides millions of people in rural areas with decent jobs and economic opportunities. As we tackle the challenges of production in a tropical climate together with farmers and ABRAPA, I am convinced that Brazil will continue being a major global cotton producer and an important partner for Better Cotton. Just because something is difficult doesn’t mean it should be abandoned, on the contrary. There is so much happening on productivity and pest management around the world, and I can see a great future for socially just, regenerative cotton production in Brazil. Many solutions are already available, and many of them are low-tech and cost-effective – and we are committed to supporting Brazil as they strive for best-in-class cotton production.

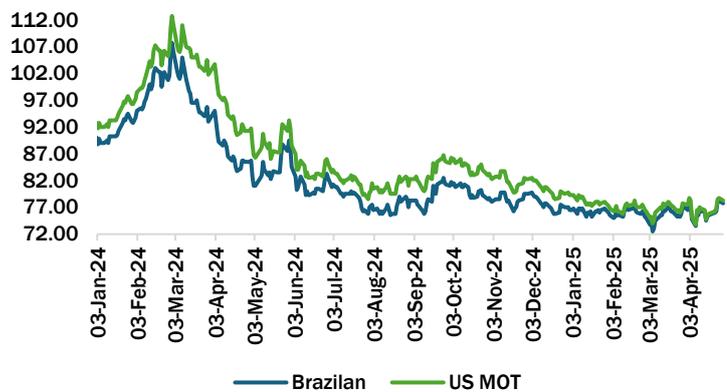
# Brazilian Market Share in the Major Consuming Centres



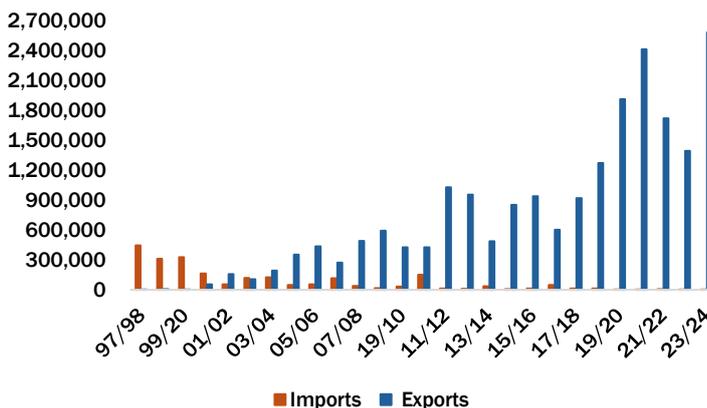
**Alice Robinson,**  
*Deputy Editor – Cotton Outlook*

The explosion of productivity in the Brazilian cotton sector during recent years saw the country rise to the position of top exporter in the international 2023/24 season. That achievement appears on course to be repeated this year, as shipments in the August-April period stood at 2,400,000 tonnes, some 500,000 tonnes ahead of the volume dispatched from the United States (previously the world's biggest shipper). When I began my career in cotton 13 years ago, it was unfathomable that shipments from any nation could exceed those from the US, but much has changed in the intervening period, propelled in large part by the energy and innovation that now characterises the Brazilian industry.

**Cotton Outlook quotations**  
**US cents per lb, CFR Far East**



**Brazilian cotton trade Jul-Jun**  
**(tonnes)**



Trade missions by Cotton Brazil have successfully communicated the inherent value of the Brazilian fibre to spinners, as well as the downstream textiles sectors, in countries and regions around the globe. In the EU in particular, this objective is aided by the country's long-standing dedication to environmental responsibility, at a time when European legislation is becoming more focused on sustainability throughout the textile value chain. New laws are coming that will compel retailers to confront the implications of their sourcing practices and adopt a more traceable approach to the garments they offer to end consumers. For Brazil, where the vast majority of cotton is grown under certification programmes including Better Cotton and ABR, demonstrating the envi-



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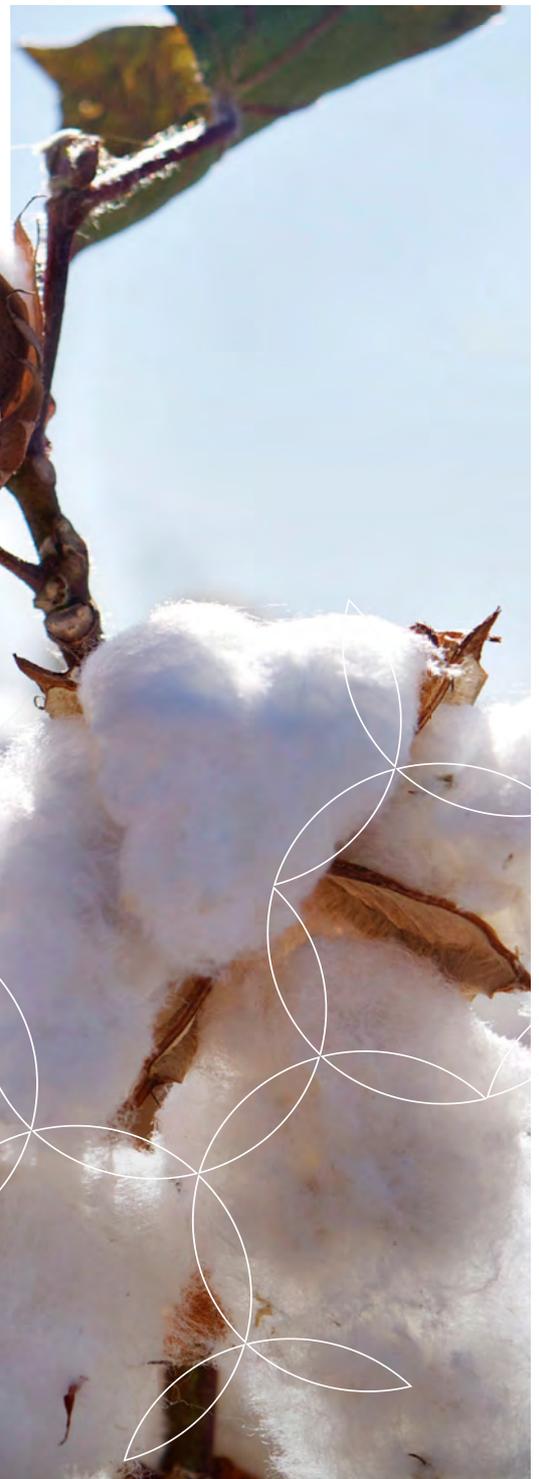
Coffee



Cotton



Freight



ronmental credentials of the crop has become one of the major marketing tools in recent years.

In addition, the growth of Brazilian exports – particularly this season – is due in no small part to the decline of international prices, and the production costs of Brazilian growers in comparison to those in the other major exporting origins. Farmers in the US require ICE futures in the region of 75-80 cents per lb in order to break even, while their counterparts in Brazil are able to achieve profits at prices considerably below those levels, owing predominantly to the double cropping production model.

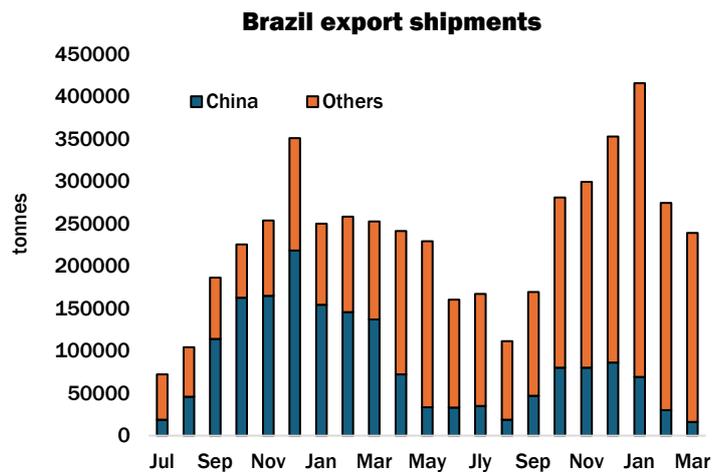
Combined, these elements present Brazilian cotton as an attractive choice for importing mills – a fact that can be clearly observed in the pattern of raw cotton purchasing today. On one hand, while China remains the major customer for Brazilian exports by a small margin in the international season so far, the percentage share has decreased significantly from 2023/24: the former country accounted for around 60 percent of Brazil’s total shipments in August-March last season, compared with 20 percent by the same juncture this year.

However, the total volume of Chinese imports from all countries has fallen dramatically from the 3.26 million tonnes recorded in the last marketing year (our projection of overall arrivals in 2024/25 is placed at just 1.3 million tonnes), and Brazil is still the principal supplier, representing around 46 percent of the total in August-March. These percentage shifts, then, are attributable as much to the increase in Brazilian production as they are to the decline of Chinese import purchases in the current season.

As China has retreated from the international stage, Brazil has made great progress in advancing its market share in the other major importing

countries. Following China, the most prominent customers in the August-March period are Vietnam, Pakistan, and Bangladesh. The respective proportions of Brazilian exports dispatched to those destinations stand at the time of writing at 20, 17 and 14 percent – all up significantly from the 2023/24 season.

Shipments to Vietnam in the eight-month period under review were 400,000 tonnes, up from less than 190,000 by the same juncture last year, and accounting for around a third of the country’s total imports. Mills in that nation have turned away from Australian lint – previously the major supplier – in favour of Brazilian cotton, on grounds of



price and availability (Australian output declined in 2024 to its lowest since the 2020/21 season, while Brazil’s, as previously discussed, has only continued to rise).

Pakistan, meanwhile, is estimated to have taken delivery of around 325,000 tonnes of Brazilian lint in the season to February, representing 45 percent of the total. The US follows in a distant second place with 34 percent. And in Bangladesh, which is



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expected this year to overtake China as the world's largest importer, approximately 22 percent of arrivals in August-March was sourced from Brazil, amounting to almost 200,000 tonnes. In terms of Bangladeshi market share, Brazil is second only the African Franc Zone, which still dominates owing to the preference of many spinners for the characteristics of the handpicked supplies to suit their needs.

ANEA forecasts that Brazil's cotton exports in the 2024/25 marketing year will total around 3,000,000 tonnes, up from more than 2.7 million in the previous period. That figure seems eminently achievable given the current position, and so attention is beginning to turn to the outlook for shipments of the crop now being harvested – the situation for which is somewhat less clear in the face of macro-economic upheaval and shifting trade policy in the world's two major economies.

The well-documented trade dispute between China and the US has damaged confidence in the downstream sector, with mills and manufacturers

in many locales unable to plan coherently for the months ahead in view of fragile consumer demand and downgraded growth forecasts. In addition, trade negotiations are ongoing between the US and other nations hit with "reciprocal" tariffs – the results of which may not yet become clear for some time. Nevertheless, one possible outcome is a situation in which those nations with substantial trade surpluses vis-à-vis the US are compelled to increase their purchases of US agricultural products, including cotton, to secure an agreement.

In such an instance, the question arises: where will Brazil market its growing crop, if Vietnam, Bangladesh and the other major cotton importing countries outside China shift their focus to the US? While China may plug some of the gap, as imports of US lint are likely to remain negligible until an accord is reached, few observers expect the country to return in earnest to imports next season (our own forecast currently stands at 1.5 million tonnes). Of course, all of that may change should the Chinese State Reserve judge the time right to embark on a fresh round of stock rotation: the last



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time the Reserve made any import purchases was in the 2023/24 season, since when no sales have been made from the stockpile, which we estimate amounts to perhaps 2.8 million tonnes. Should any of the cotton in storage be released in the coming year, it is likely that buying would follow to replenish the stock level. Brazil may benefit from such a move, in lieu of US (an origin for which Reserve buyers have shown a distinct preference in the past). Alternatively, if Sino-US negotiations were already underway, a sizeable amount of US imports could be offered as part of a “phase two” trade deal between the countries.

Attempting to predict the shape of the global trade landscape in the coming months and years is thus a dauntingly difficult task, though one in which all market participants are engaged. Regardless of the eventual outcome, Brazil can take comfort from the knowledge that the dynamism of the industry has enabled producers and transporters to weather challenges of at least the same magnitude in the recent past. The many initiatives detailed in the pages of this publication, and the momentum of a Brazilian industry galvanised to capitalise on recent progress, are certain to remain undimmed.



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