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**U.S. Department of Agriculture**

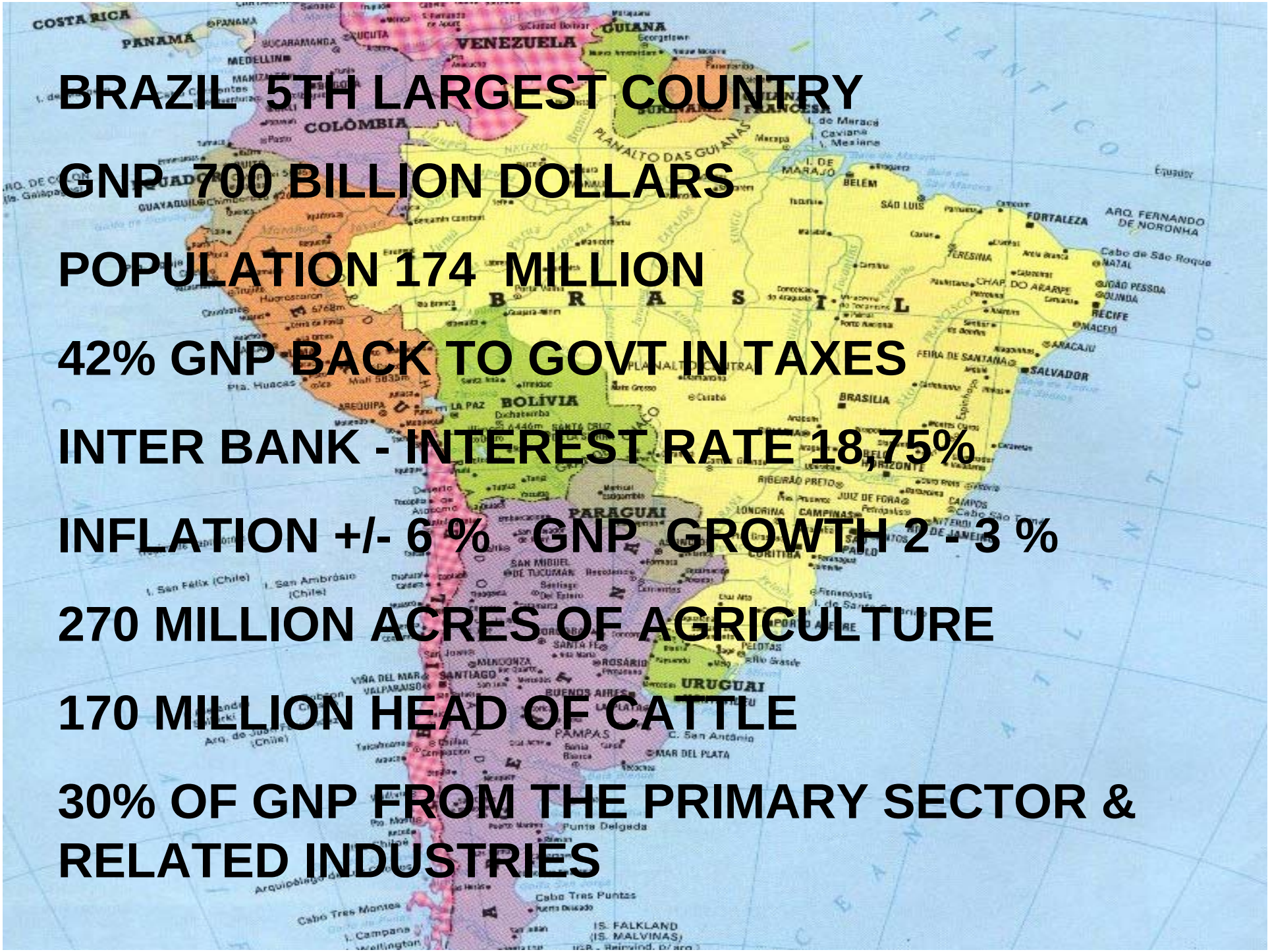
**Agricultural Outlook Forum 2005**

**February 25, 2005**

# BRAZILIAN AGRICULTURE & COTTON PRODUCTION. NOW & THE FUTURE: A FARMERS OUTLOOK

Chris Ward
USDA

# *BRAZILIAN AGRICULTURE & COTTON PRODUCTION. NOW & THE FUTURE A FARMERS OUTLOOK.*


BRAZIL 5TH LARGEST COUNTRY
GNP 700 BILLION DOLLARS
POPULATION 174 MILLION
42% GNP BACK TO GOVT IN TAXES
INTER BANK - INTEREST RATE 18,75%
INFLATION +/- 6 % GNP GROWTH 2 - 3 %
270 MILLION ACRES OF AGRICULTURE
170 MILLION HEAD OF CATTLE
30% OF GNP FROM THE PRIMARY SECTOR & RELATED INDUSTRIES

# BRAZILIAN –CERRADO SAVANNAH:REGION

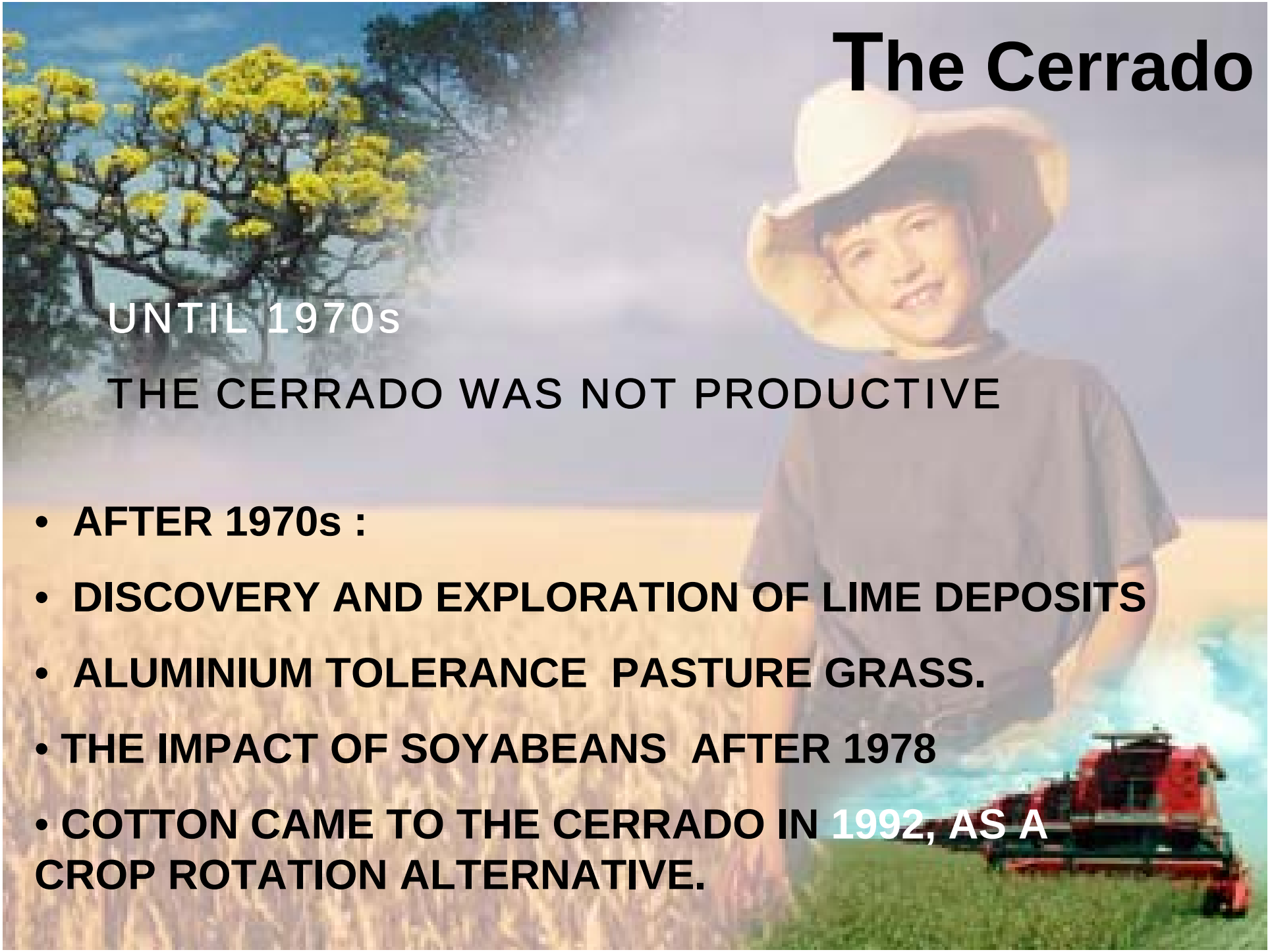
**530 Million Acres**

**25% National territory**

**60 -70% Suited for AGRICULTURAL & PASTORAL EXPLORATION**

**THERE ARE OVER 80 MILLION ACRES OF DEGRADED PASTURE**

# The Cerrado

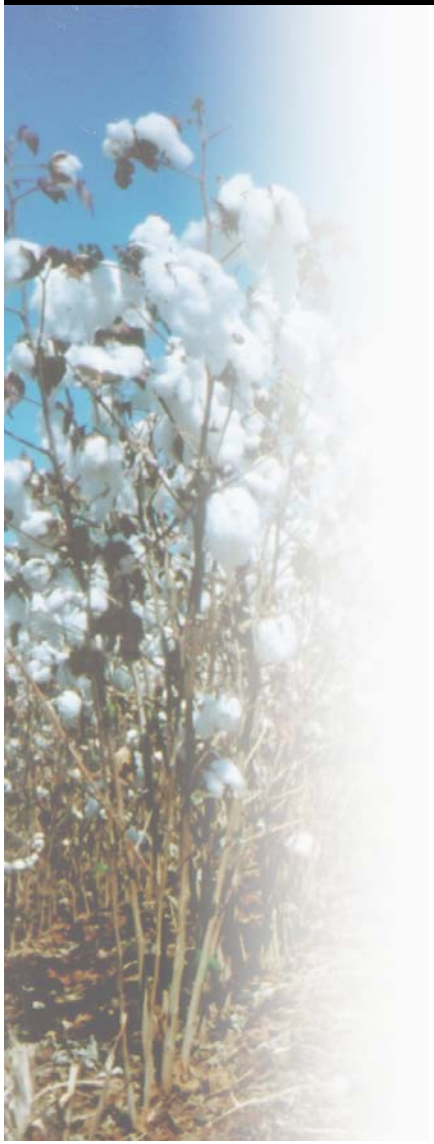


UNTIL 1970s

THE CERRADO WAS NOT PRODUCTIVE

- **AFTER 1970s :**
- **DISCOVERY AND EXPLORATION OF LIME DEPOSITS**
- **ALUMINIUM TOLERANCE  PASTURE GRASS.**
- **THE IMPACT OF SOYABEANS  AFTER 1978**
- **COTTON CAME TO THE CERRADO IN 1992, AS A CROP ROTATION ALTERNATIVE.**

# THE BRAZILIAN CERRADO PRODUCES (THE MID-WEST STATES)



- **46 % OF THE SOYBEANS**
- **19 % OF THE CORN**
- **24 % OF THE RICE**
- **88 % OF THE COTTON**
- **Mato Grosso, Goias, Bahia,**
- **Mato Grosso do Sul, MInas Gerais.**

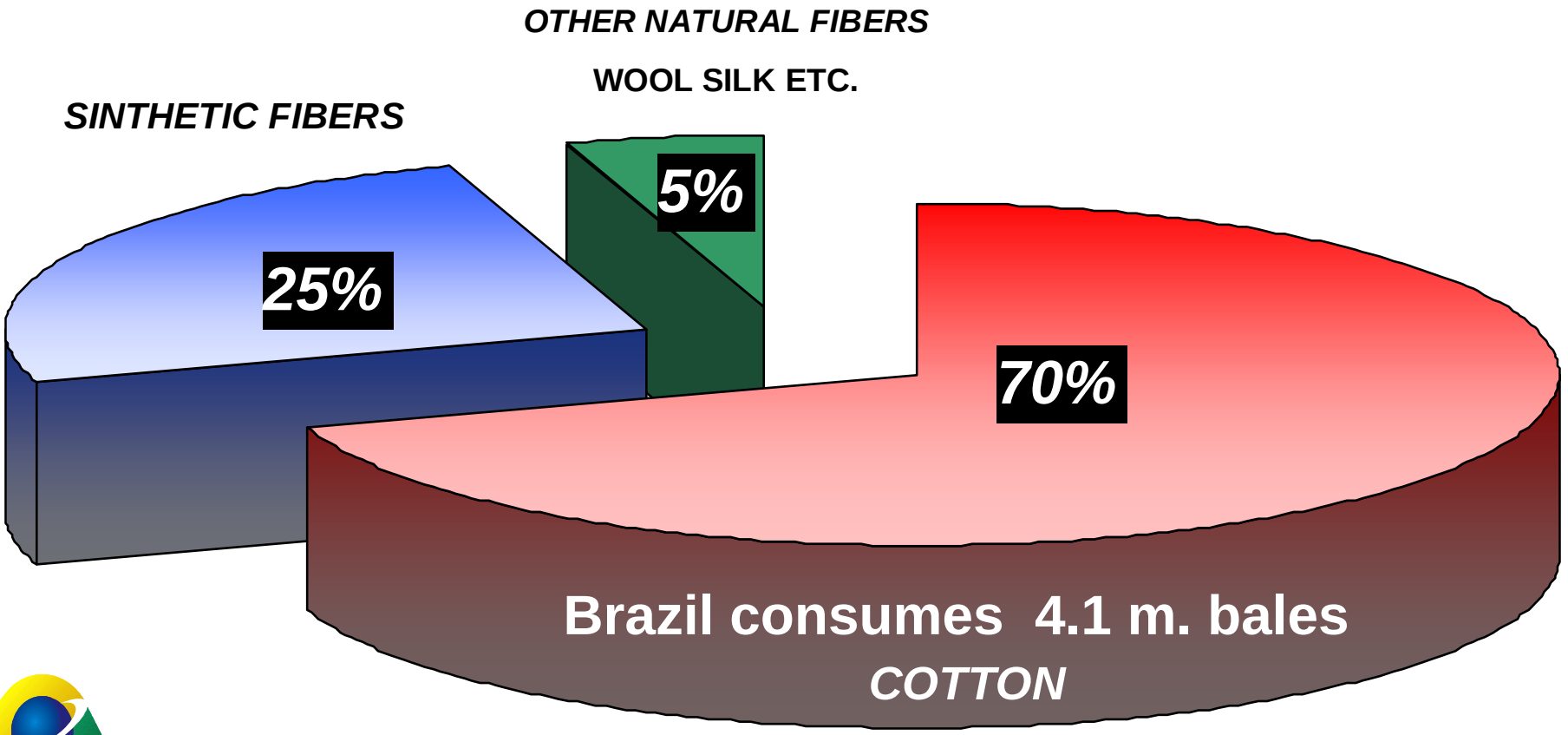
# COTTON PRODUCTION THE CERRADO 2004

**5,7 million bales**

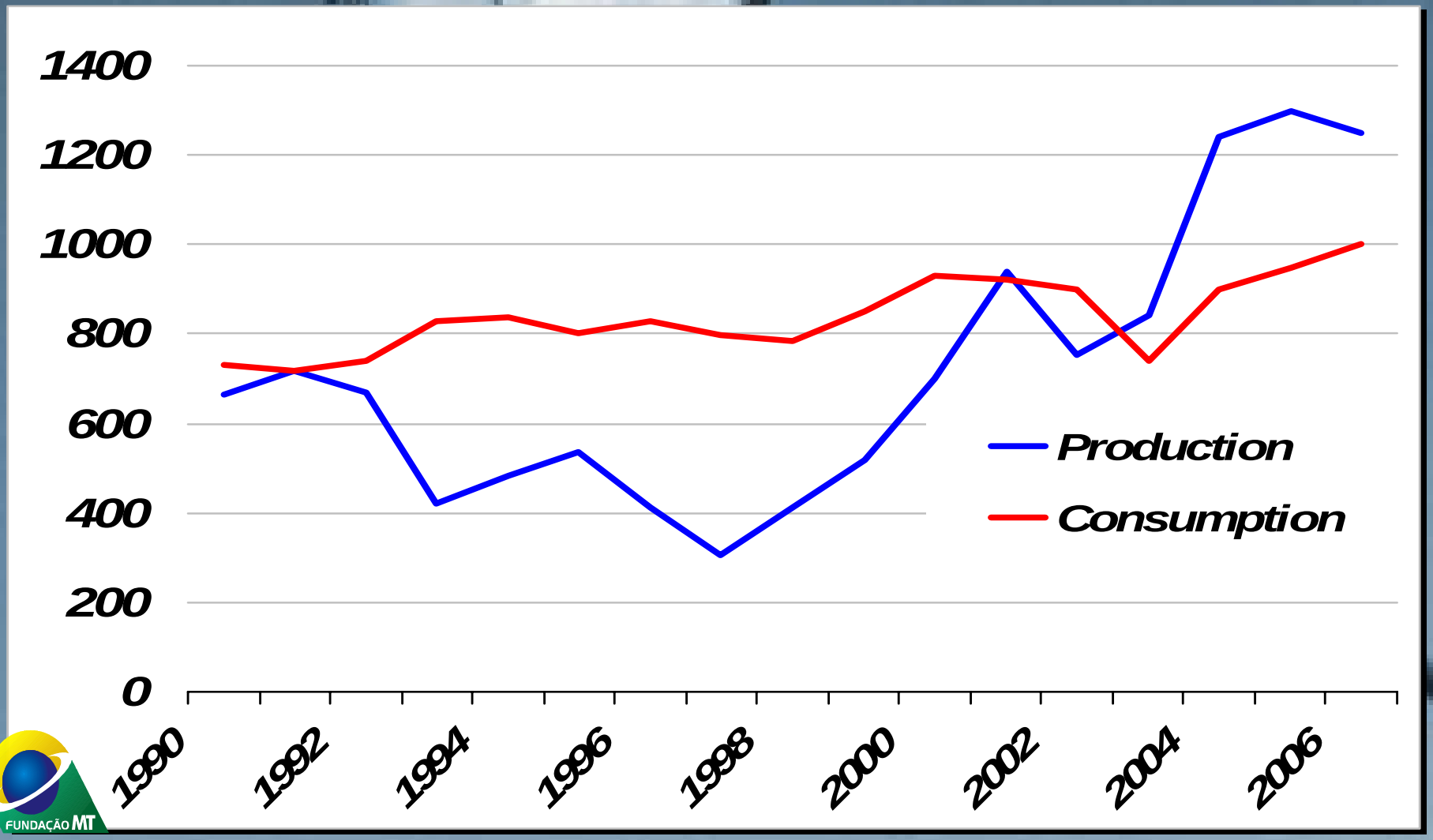
**4,1 million bales local consumption.**

**BALANCE 0,6 MILLION BALES.**

# FIBER USAGE IN THE BRAZILIAN TEXTILE INDUSTRY



# BRAZILIAN - COTTON PRODUCTION & CONSUMPTION / 1990-2006

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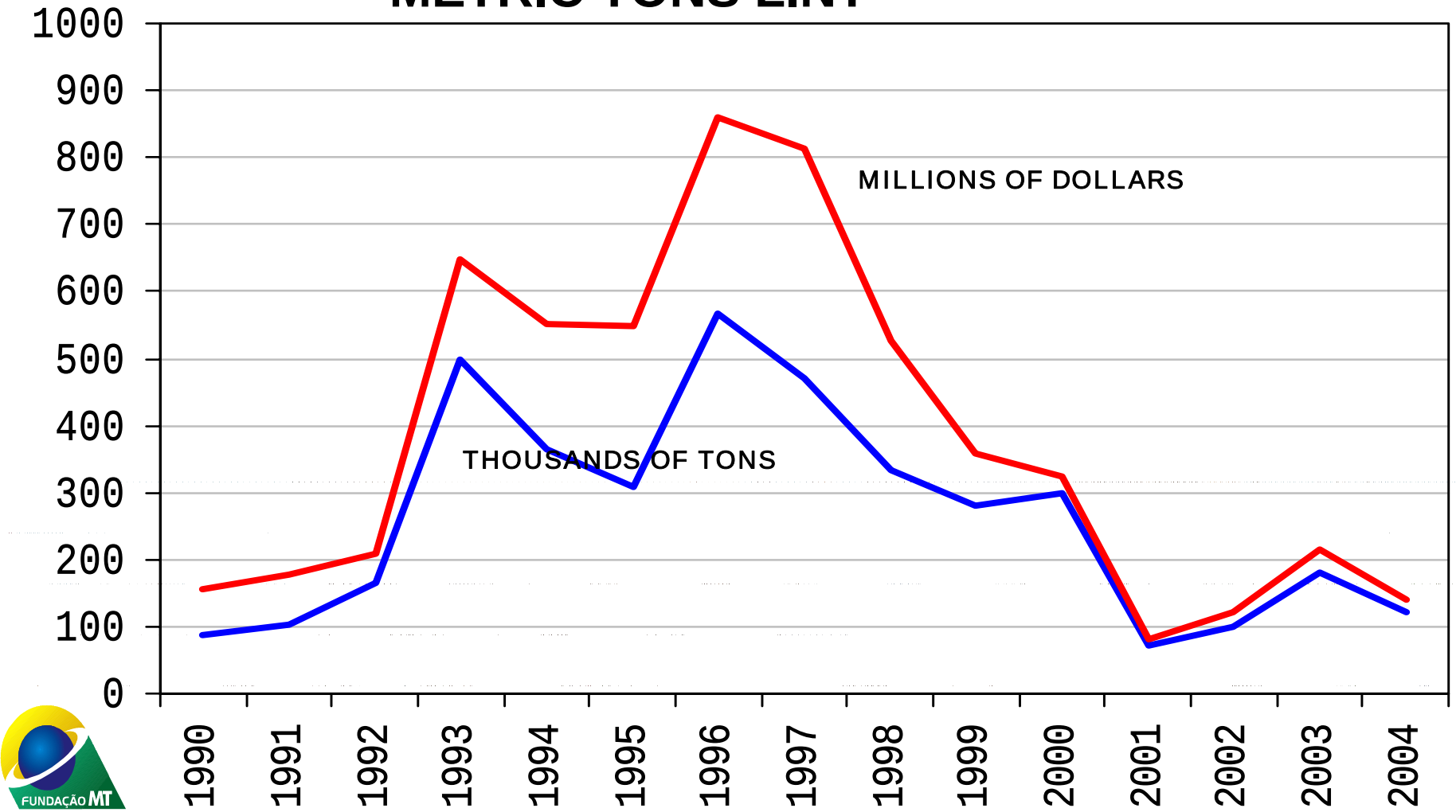
# BRAZILIAN COTTON

# IMPORTS: LAST 12 YEARS

## METRIC TONS LINT

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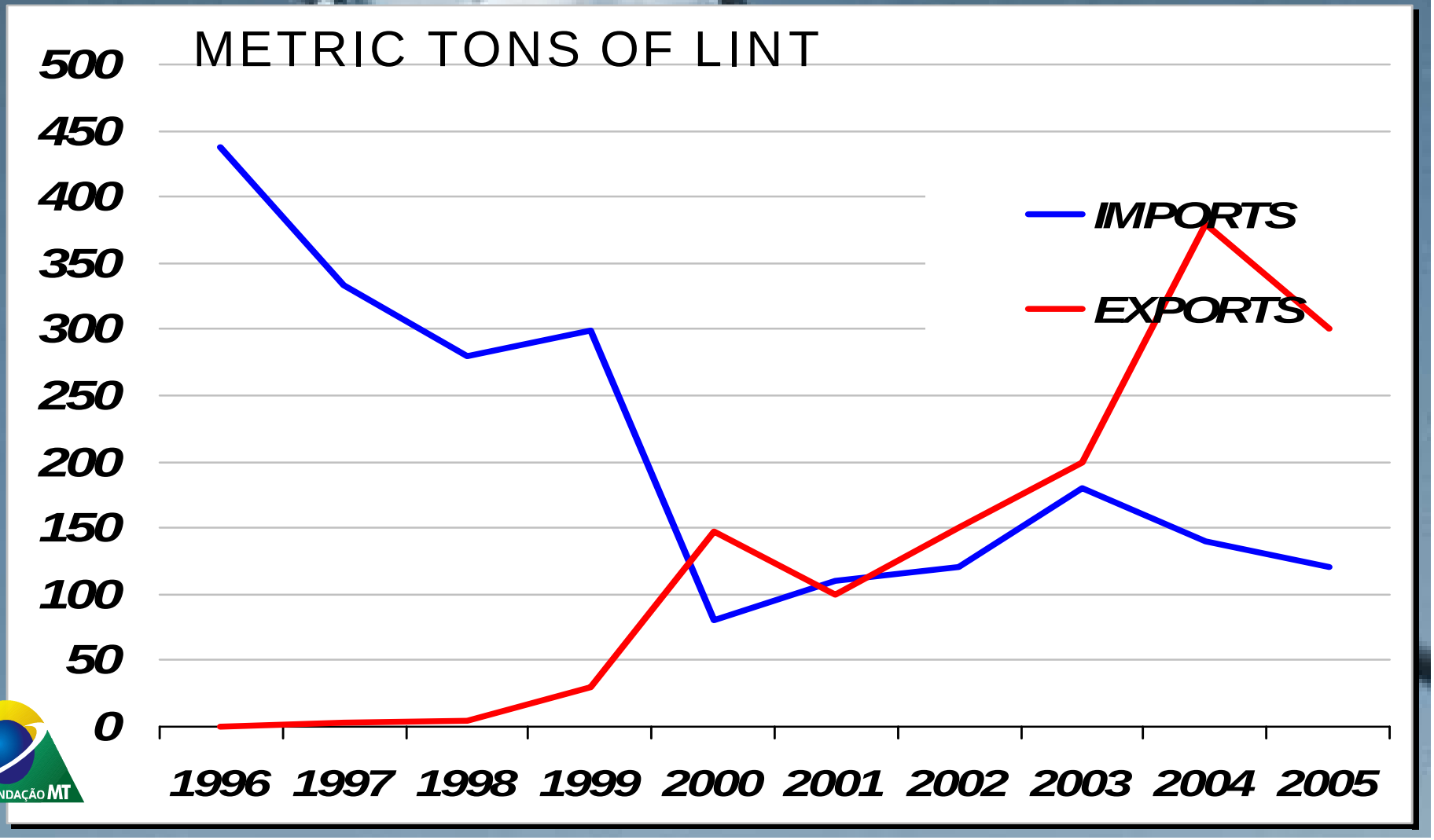
# BRAZILIAN - COTTON import & export comparison/ 1990-2005

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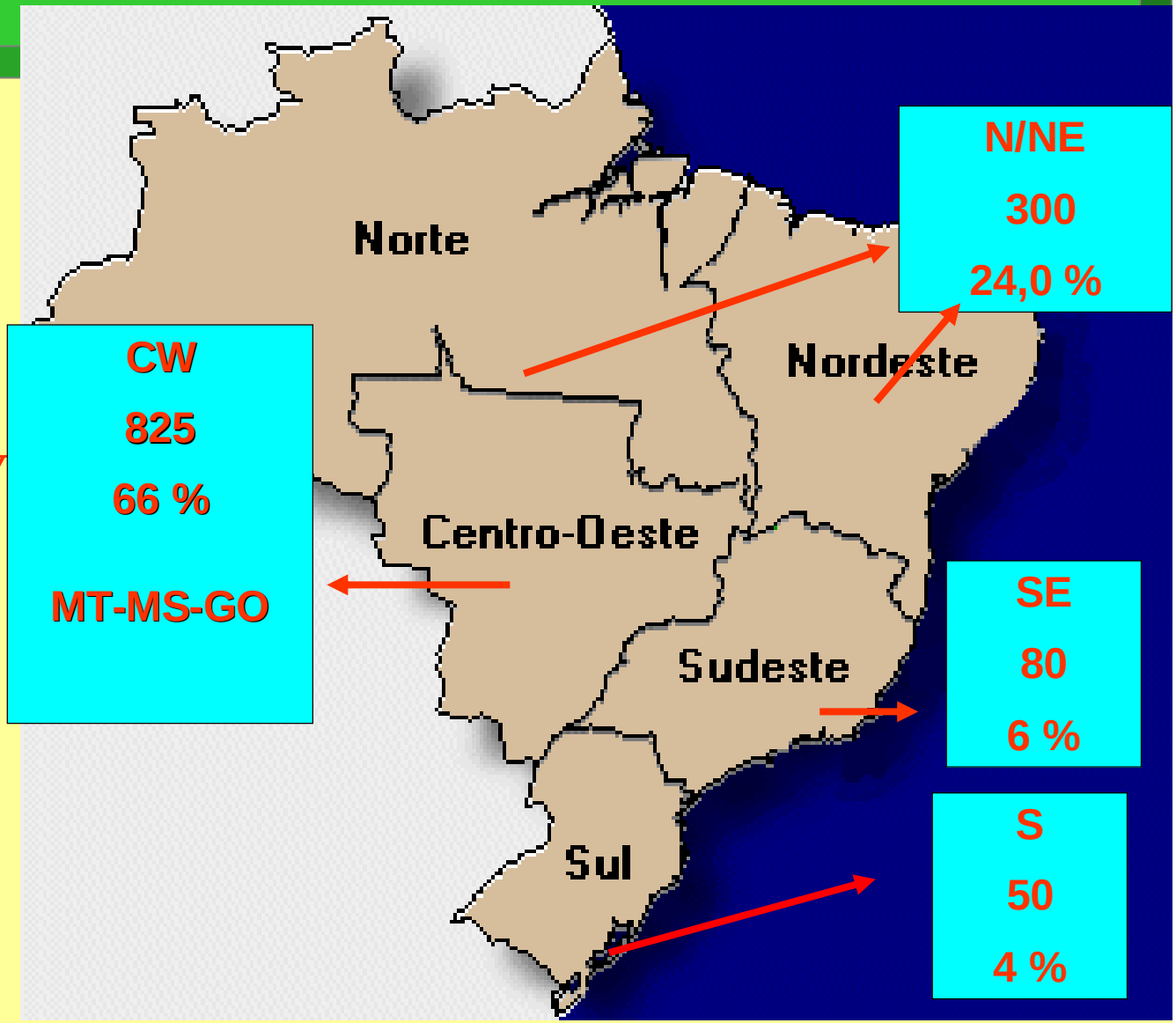
# Lint Production in Brazil MY 2004/05

**BRAZILIAN PRODUCTION BY REGION**
**(1.255 tons)**
**5.7 MIL BALES**
**Conab- Brazil**




ABRAPA
ASSOCIAÇÃO BRASILEIRA DOS PRODUTORES DE ALGODÃO

# BRAZILIAN - COTTON

## LONG TERM STABILITY AND A LONG TERM FUTURE

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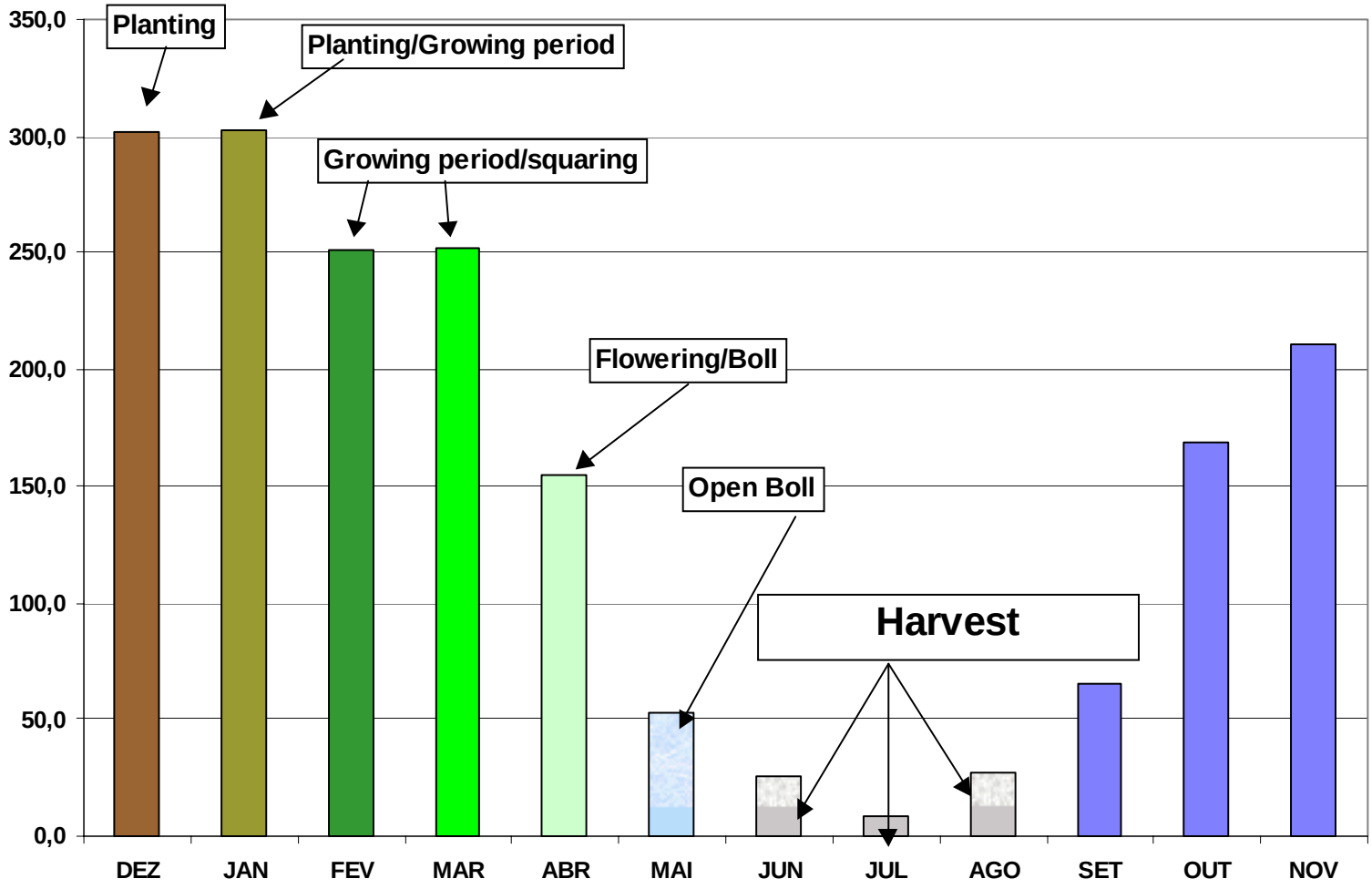
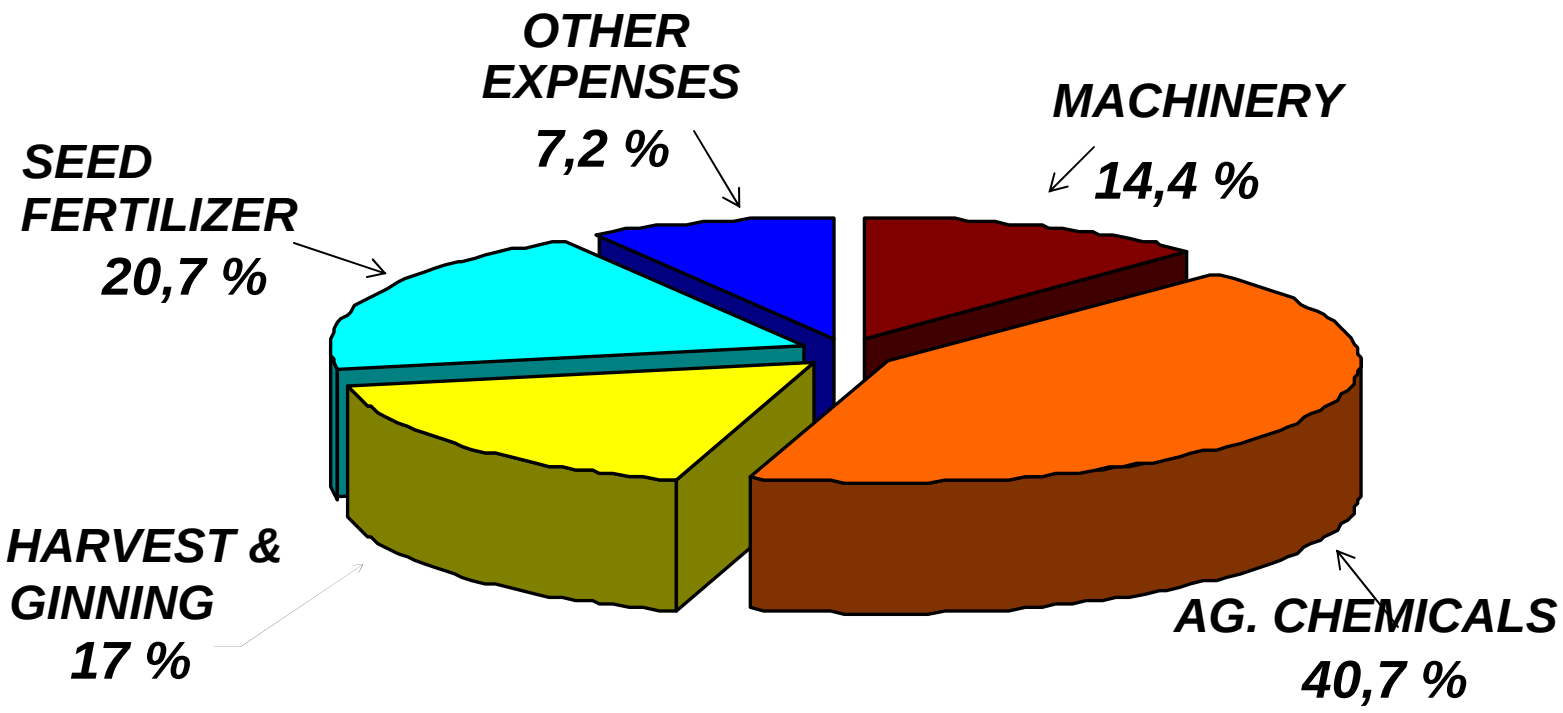
# Rainfall During The Cotton Cycle



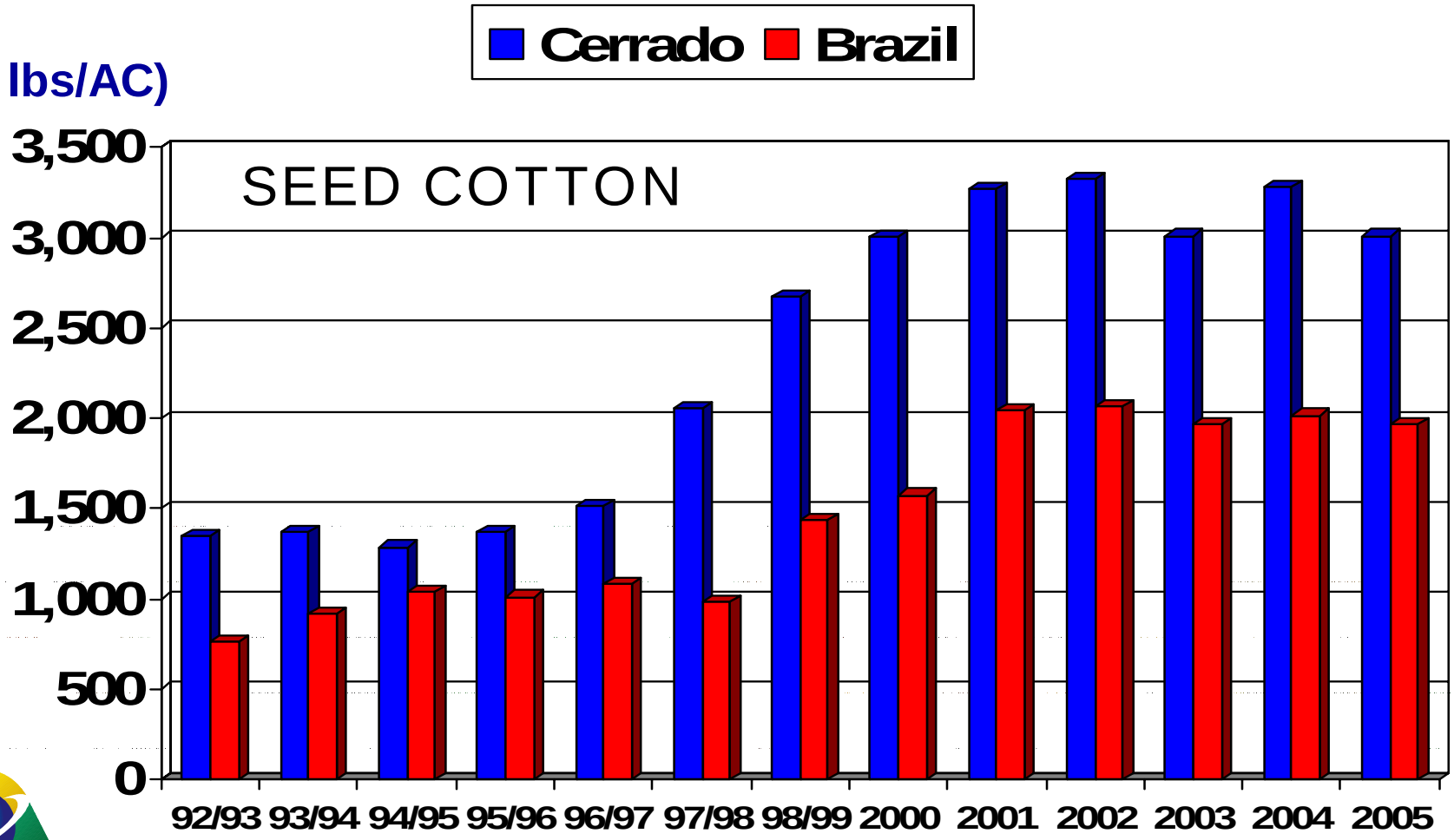
# COST OF PRODUCTION - COTTON BRAZIL

## GROSS MARGINS 2003/04 SEASON US $ 80 to 175 / AC




## ESTIMATED COST 2004/05 US $ 740 / ACRE (+/- 10%)

# PRODUCTIVITY - Cerrado x Brazil



# The Cerrado planting & harvest windows.

## Mid -West Nov – Jan.
## Bahia Dec-Feb

**COTTON CAN BE GROWN AFTER SOYABEANS BECOMES A SECOND CROP OPTION, REDUCES CLIMATE & ENVIROMENTAL RISK.**

# Mechanized harvest

# THE MOST COMMON GIN STANDS TODAY

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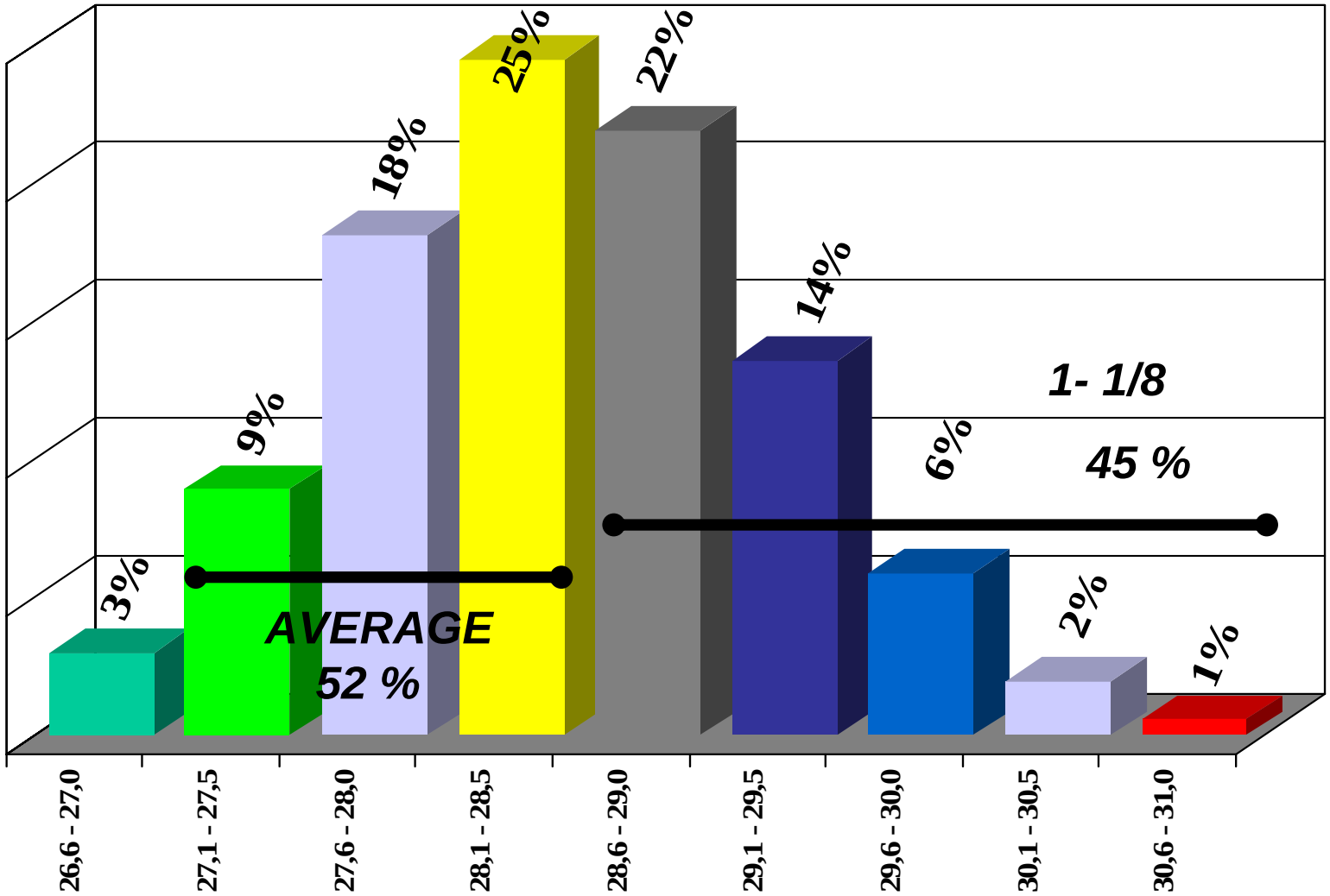
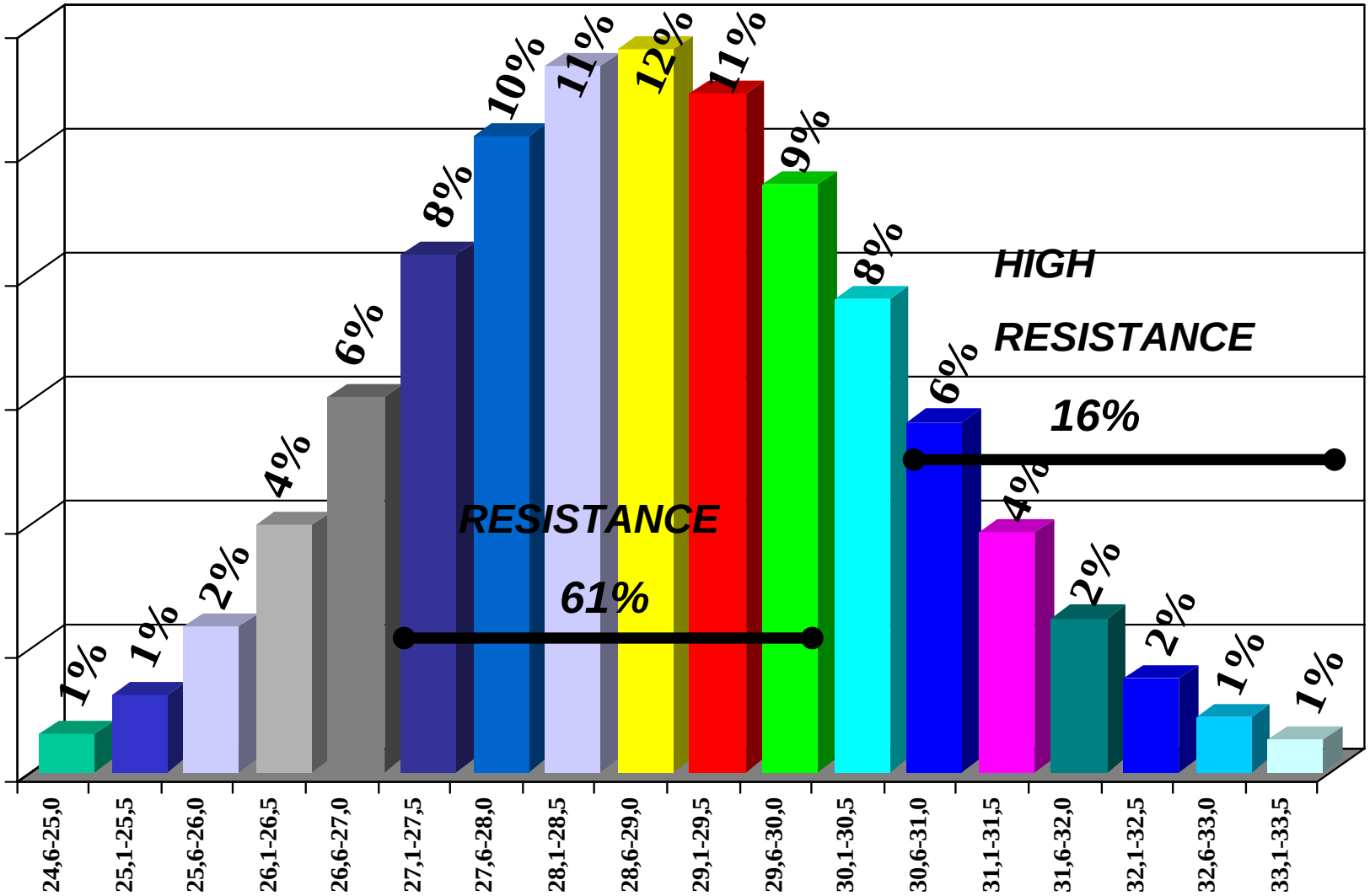
# *THE LATEST GENERATION OF GINS : MANY HAVE BEEN BUILT IN THE LAST THREE YEARS*

GOOD FIBER QUALITY
THREE MONTH HARVEST WINDOW
ABSENCE OF RAIN AT HARVEST TIME
MANY MARKETING OPPOTUNITIES
(EXPORT – HIGH GRADE) – (LOCAL - LOW GRADE)
BRAZIL CONSUMES ALMOST 75 % OF IT'S COTTON

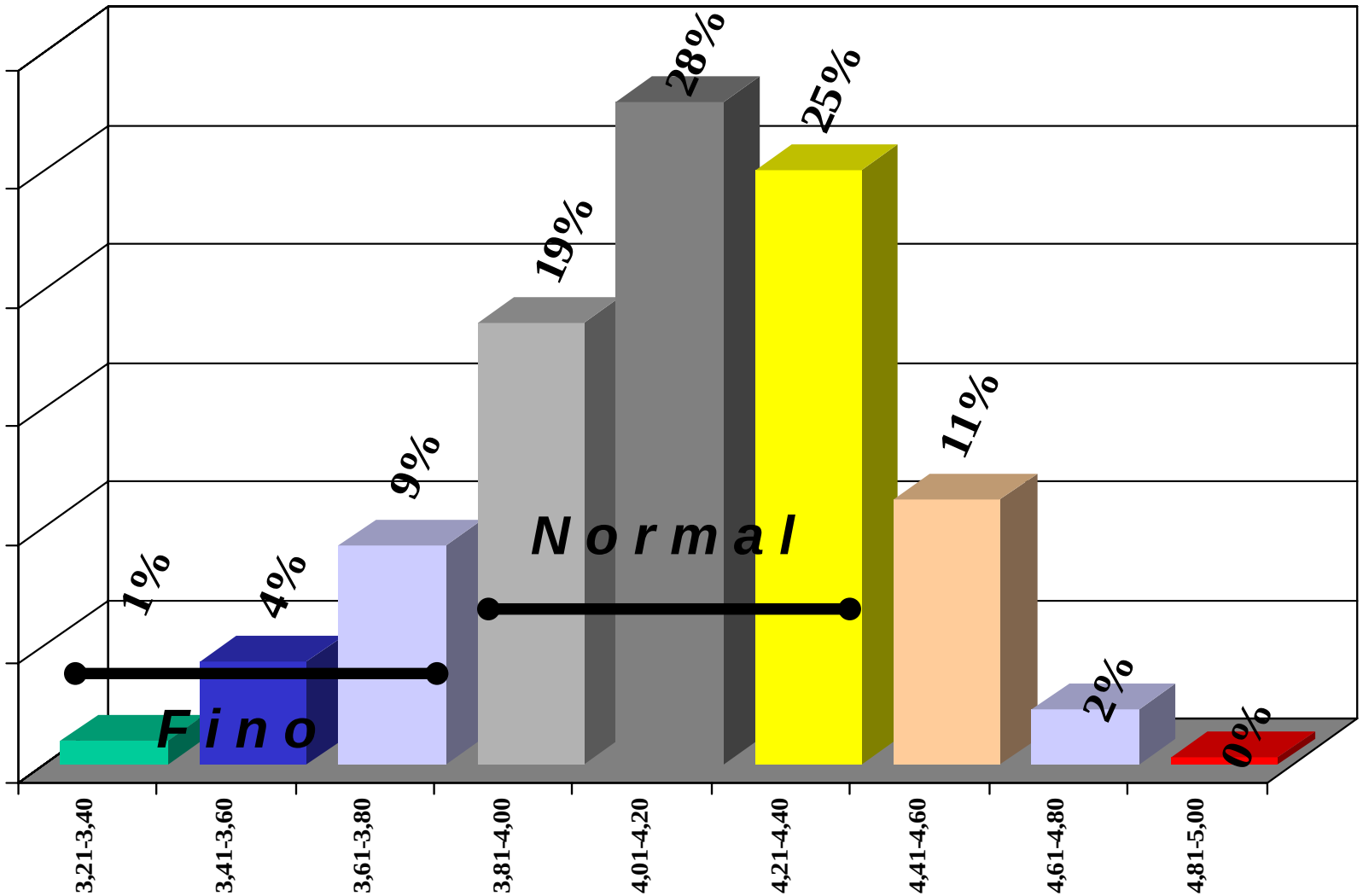
# LENGTH (UHM) 45% > 1 1/8



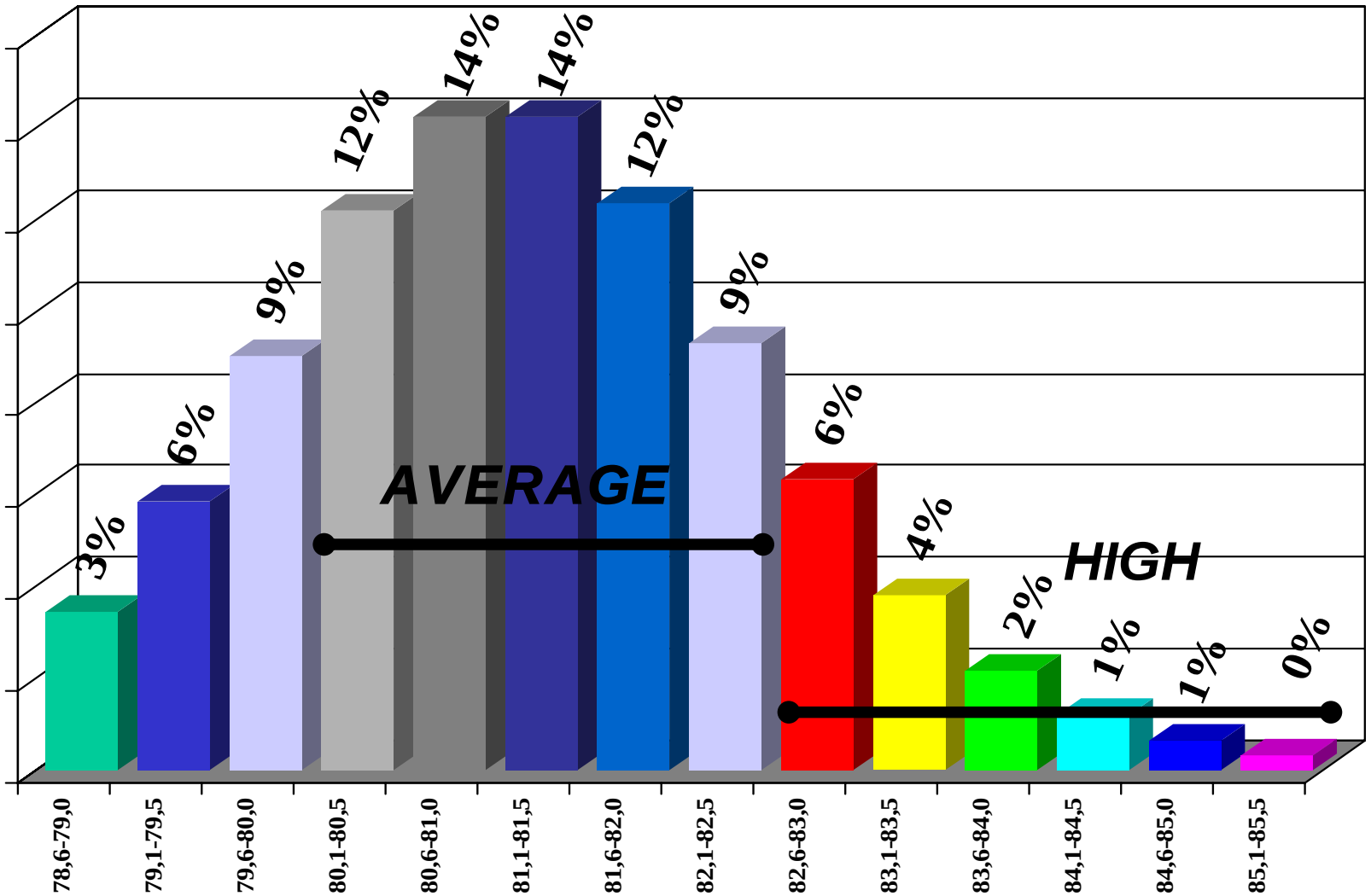
# ***STRENGTH (77% > 27,1)***



# ***MICRONAIRE (72% 3.8 to 4,2)***



# UNIFORMITY *(AVERAGE . > 80%)*



# FARMER GROUPS HAVE BROUGHT ABOUT THE CHANGE: GROWER FUNDED FOUNDATIONS

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# FARM EXTENSION THROUGH

# FIELD DAYS & SEMINARS

# Plant breeding & Biotechnology

# Economic Development

# Social Development

# IN CONCLUSION :

**Market oppotunities and Consumption will determine the future of The Brazilian Cerrado as a world supplier, of good quality cotton.**

**Innovative Farmers and ongoing investment will be the key to the future of Brazil's modern Agricultural.**

**WE ARE HERE TO COMPETE IN A MARKET OF HIGH QUALITY & COMPETITIVE PRICES.**

*Production, Consumption & Preservation:*
*Words and actions that must advance together!*
*Thank you all*
*christopher@rainhadaserra.com.br*