

STATEMENT OF BRAZIL

Brazil has evolved quite a bit in all areas relevant to the production, marketing and promotion of cotton, focusing not only on the technical and commercial aspects, but also seeking to meet what today is globally understood as socially and environmentally correct. Such effort is made through the Associação Brasileira dos Produtores de Algodão (Brazilian Association of Cotton Producers) (Abrapa) and its 10 state associations, in addition to interaction with the Associação Brasileira da Indústria Têxtil e de Confecções (Brazilian Association of Textile and Apparel Industry) (ABIT), Associação Nacional dos Exportadores de Algodão (National Association of Cotton Exporters) (ANEA), federal government, among many other actors that participate in the Brazilian textile chain. We can cite the scope of the involvement of the cotton sector in the most diverse areas of activity, as follows:

1 - With regard to **technical research and training of labor:**

- **Training Centers** - In addition to working in the area of research on new seed varieties and cultural practices in some states, such as Mato Grosso, they also work in the area of development and diffusion of new technologies; in the monitoring of the main diseases, pests, weeds and nematodes that affect the cotton sector; as well as in the training and qualification of technicians and operators of farm equipment. Embrapa Algodão, a company of the Federal Government, continues as a reference in the agricultural sector.

Research platform - Abrapa has a research project for development of the transgenic events of cotton sector resistant to the boll weevil. The Platform has as executing institutions Instituto Mato-Grossense do Algodão (IMAmt), Embrapa - through the Centro de Recursos Genéticos e Biotecnologia (Embrapa Cenargen) and Embrapa Algodão - and the Fundação Eliseu Alves. It also counts on the collaboration of foreign institutions and companies, such as the American universities Mississippi State University, Texas Tech University, and University of Pennsylvania, the Agricultural Research Service of the United States Department of Agriculture (ARS-USDA), and the Israeli company Evogene Ltd. It is a project funded by the Instituto Brasileiro do Algodão (IBA) and is expected to last five years.

2 - Regarding the classification of HVI cotton, the **HVI Standard Brazil (SBRHVI) program in the 2017/2018 harvest,**

- Recalling that all Brazilian cotton production is classified in laboratories through HVI equipment, this program has as main objective to guarantee the quality of this classification in all laboratories in Brazil. In order to audit and monitor the efficiency of each one of them, a specific central checking laboratory was installed in Brasilia, which

not only audits the quality of the sample classification, but also checks the facilities of the laboratories annually regarding the qualification of the classifiers, temperature and humidity conditions of their classification rooms, as well as the state and calibration of the equipment. In the 2016/2017 harvest, the program operated as a pilot harvest and in this year's harvest, which has not yet been fully classified, it's expected to reach at least 35 thousand checks, which guarantees 7 million bales monitored by the Central Laboratory. In addition to checking in Brazil, all Brazilian laboratories participate in the inter-laboratory rounds of the CSITC in Bremen. ICA (International Cotton Association) certification, which is in its final stage of completion, has also been requested. Recently, trainings were conducted with technicians from all the laboratories plus the central laboratory team, with the Uster Senior engineer from the United States. This demonstrates the concern of the Brazilian productive sector with the quality of the information contained on the labels with 100% of the cotton produced in Brazil.

3 - With regard to the registration of all producers and database management, the **Sinda - Sistema Nacional de Dados do Algodão (National System of Cotton Data)**, was created,

- A complete system of registration of all the information inherent to all those involved in cotton production in Brazil, in order to better manage the actions and policies inherent to the sector.

4 - Regarding the traceability of the bales from its origin to the consumer, aiming at quality assurance, we have the **Sistema Abrapa de Identificação (Abrapa Identification System) - SAI -**

- The Abrapa Identification System (SAI) is exclusively intended to guarantee the traceability of the bales. Through this Cotton, Presses, Labels with bar code and ABR Seals for Productive Units certified in the program are registered.

5 - Regarding the commitment to social sustainability we have the program - **Algodão Brasileiro Responsável (Brazilian Responsible Cotton) ABR / BCI-**

- The sustainability sector has obtained continuous advances in the development of the Brazilian cotton chain through regional initiatives with member states of the

ABRAPA system and institutional relations with BCI and FAO, considering, at all times, a strategic planning of short, medium and long-term.

- The program encompasses the guarantee of observance of enforceability of labor contracts, non-use of child labor, non-use of workers in degrading or indecent conditions, the guarantee of freedom of association, non-discrimination of persons in any respect, and guarantee ideal conditions of safety, occupational health and ideal working environment.
- - 79% of Brazilian crop production was ABR certified
- - 75% of Brazilian crop production was BCI licensed
- - 30% of the sustainable Cotton marketed in the world comes from Brazilian farms. Brazil is the largest global supplier of BC Cotton

5 - Regarding the preservation of the environment - **Embrapa survey**

A Brazilian government agency recently used satellite images and surveys to map areas around Brazil, presenting its results in February of this year, important here to register, considering that Brazil is often cited as a country that does not preserve its forests, when reality shows exactly the opposite, it is the country that most preserves native forest.

- Agricultural producers in Brazil are responsible for preserving without use, 20% of their properties in the Atlantic Forest and Caatingas regions, 35% of the area planted in the so-called Cerrado Biome and 80% in the Amazon Region.
- Of the total area of the Brazilian territory, 13.1% is native vegetation in conservation units, 13.8% is native vegetation in indigenous lands, 18.9% in unregistered and unsettled lands (belongs to the government) and 20.5% are compulsorily conserved lands in rural properties, making these lands unusable and preserved 66.3% of the Brazilian territory. Thus, land use in Brazil is restricted to only 33.7% of its territory, with 3.5% in cities and infrastructure, 9% in crops and planted forests, 13.2% in planted pastures and 8% in native pastures.

6 - With regard to encouraging consumption of cotton by the consumer market - **Sou de Algodão (I am of Cotton)**

Knowing the importance of marketing together with the retail market, the cotton productive sector, through ABRAPA, launched a campaign to promote products made with cotton at the point of consumption.

A campaign so well accepted that it already has:

- Five large input trading companies, investors.
- Eight associative entities that represent the industrial branch, apparel branch, retail branch, stock market, besides the government through its State of Embrapa Research.
- More than 60 brands of spinning, weaving, knitting, fabrication, retail, handicrafts and social projects.
- Approximation with the higher education courses of Fashion, with lectures and workshops to sensitize students and teachers about cotton and sustainability, in 10 colleges in the country.

This has been an excellent way to promote cotton in the Brazilian consumer market.

7 - Regarding the participation with governmental entities and non-governmental institutions and class entities - **Institutional Relations.**

In order to participate in a constructive way in the governmental management of Brazil, the productive sector, including cotton, participates with other 39 other entities representative of the agricultural sector, of the IPA - Instituto Pensar Agropecuária (Thinking Agriculture Institute), which supports the FPA - Frente Parlamentar da Agricultura (Parliamentary Front of Agriculture).

- The FPA is a non-partisan organization composed of members of the Brazilian legislature (218 deputies and 27 senators) that acts on the issues related to the agriculture and sustainable livestock activity together with the National Congress. Of an associative and non-partisan nature, FPA aims to discuss with society the most diverse topics related to the sector, aiming at policies that benefit the citizen, generate jobs, produce cheaper and quality food, and provide legal security for the productive chain. Its importance is recognized by the government, so much so that the president of the FPA was chosen by the current president-elect of Brazil, as Minister of Agriculture who will take office next January.
- A representative non-profit organization, Instituto Pensar Agropecuária (IPA) was created through the agreement of technical cooperation between entities of the agricultural sector, with the objective of defending the interests of agriculture and providing technical advice to the Frente Parlamentar da Agropecuária (FPA). The commissions are divided into nine major themes: Environment, Agricultural Policy, Infrastructure and Logistics, Labor Issues, Property Law, Agricultural Defense, and more recently, the International Relations and Family Agriculture Commissions were created.

This statement from Brazil, sought to address issues that directly involve cotton production, not only in our country, but which we believe are inherent to other producing countries, and even consumers. Seeking to emphasize that the involvement of all links that involve the cotton chain, from production to consumption, including government agencies that dictate norms and laws, is important so that cotton continues to fulfill its role of sustainable and comfortable fiber and fundamental in the generation of employment and income.