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Brazil Highlights

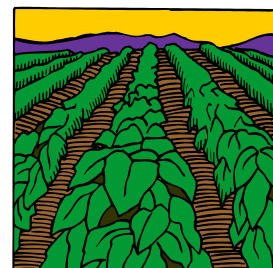
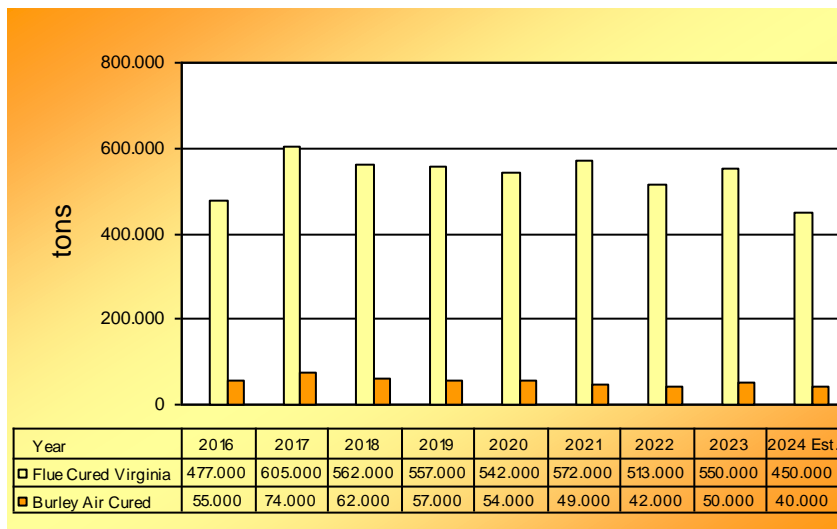
– There has been an improvement in tobacco production conditions and quality thanks to a decrease in rainfall, an increase in sunlight and mild temperatures in recent weeks;

– Despite the losses in the volume of production in several crops, the quality of tobacco is still good in several regions;

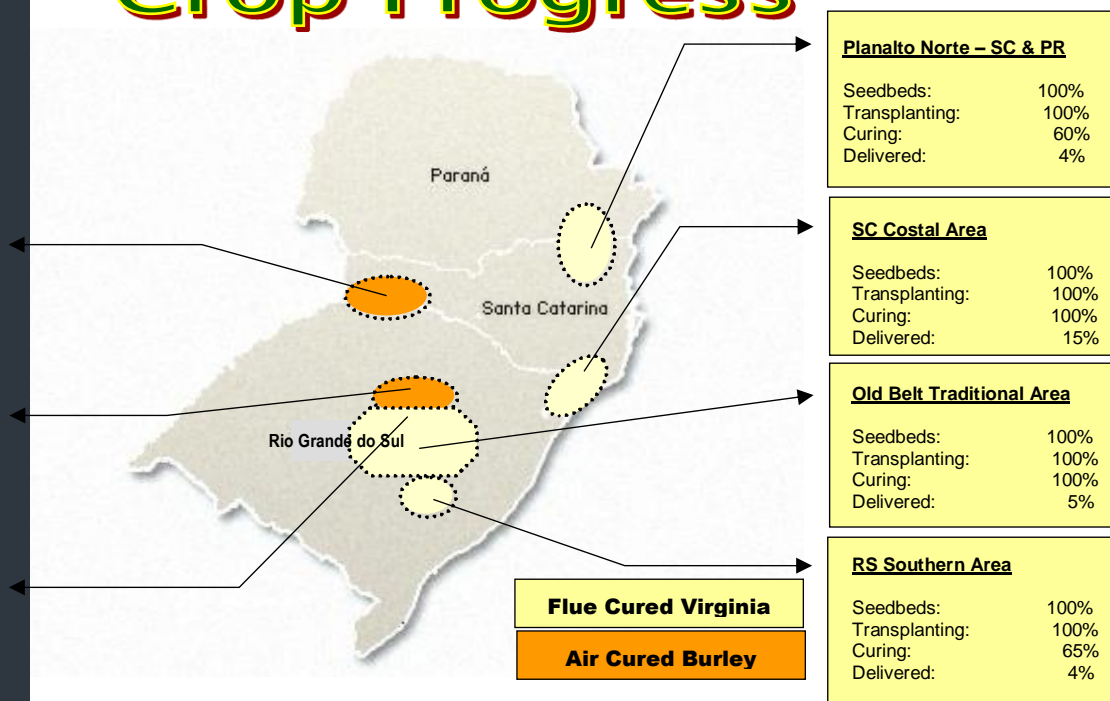
– Crop harvesting and tobacco sales are advancing in all municipalities;

– The forecast is that the effects of the El Niño phenomenon will be felt until mid-April in the southern region.

Crop Size



Crop Progress



SC Western Area

Seedbeds: 100%
Transplanting: 100%
Curing: 97%
Delivered: 6%

RS Highlands Area

Seedbeds: 100%
Transplanting: 100%
Curing: 35%
Delivered: 0%

RS Highlands Area

Seedbeds: 100%
Transplanting: 100%
Curing: 85%
Delivered: 0%

Planalto Norte – SC & PR

Seedbeds: 100%
Transplanting: 100%
Curing: 60%
Delivered: 4%

SC Coastal Area

Seedbeds: 100%
Transplanting: 100%
Curing: 100%
Delivered: 15%

Old Belt Traditional Area

Seedbeds: 100%
Transplanting: 100%
Curing: 100%
Delivered: 5%

RS Southern Area

Seedbeds: 100%
Transplanting: 100%
Curing: 65%
Delivered: 4%

Flue Cured Virginia

Air Cured Burley

2024 CROP PREVIEW

FLUE CURED VIRGINIA

Santa Catarina Costal Area

- In general, tobaccos are presenting fair quality;
- Tobacco production will be smaller in volume and quality than the previous harvest.

Planalto Norte – Santa Catarina & Paraná

- With around 60% harvested, the quality of the tobacco is good, especially in the lower stalk position and tips;
- The overall quality of tobacco varies according to municipalities, with the majority having slightly lower quality and lighter tobacco compared to the last crop;
- However, there're also several fields with good development, producing heavier, full-bodied tobacco.

Old Belt Traditional Area

- With the harvest complete, producers are classifying and preparing the tobacco for commercialization;
- As a result of poor weather conditions in the region, the harvest will be lower in quality and volume than the previous crop;
- Low stalk tobaccos are presenting more "R" styles. The upper stalk is mature, presenting medium to fine texture and good color intensity.

Rio Grande do Sul Southern Area

- In municipalities with earlier planting, tobacco production and quality will be lower than the last crop;
- In municipalities further south, with later planting, tobacco has been showing good development, as a result of an improvement in the weather in the region, with more sunlight, smaller volumes of rain and milder temperatures.

BURLEY

Rio Grande do Sul Highlands

- The overall quality of tobacco is good, with Burley planted later showing good development than the one planted earlier, due to better weather conditions;
- Tobacco production should remain similar to last harvest in volume and quality, despite a small increase in the planted area;

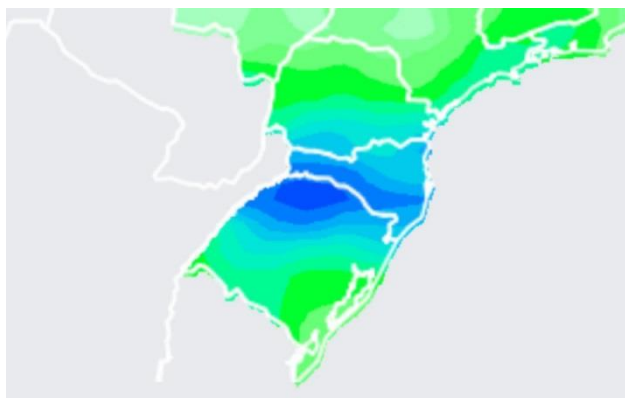
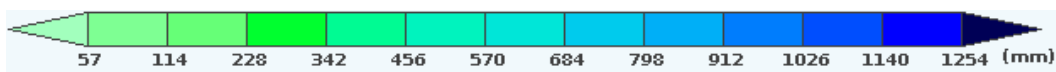
Santa Catarina Western Area

- Due to large volumes of rain and hail, Burley crops suffered, affecting production and physical and chemical qualities;
- Therefore, tobacco production will be below the average of previous harvests in this region.

WEATHER FORECAST

- The months of January, February and March will still be under the effects of El Niño. The possibility of El Niño still being ongoing throughout the month of April exceeds 90%;
- The forecast indicates a greater probability of rainfall above the climatological average in Rio Grande do Sul, however in the other states in the region, the forecast is for more irregular rainfall that may be close to or below the historical average. The air temperature is expected to prevail above the historical average throughout the region, except in the center-south of Rio Grande do Sul, where temperatures may be milder due to the number of consecutive days with rain.;

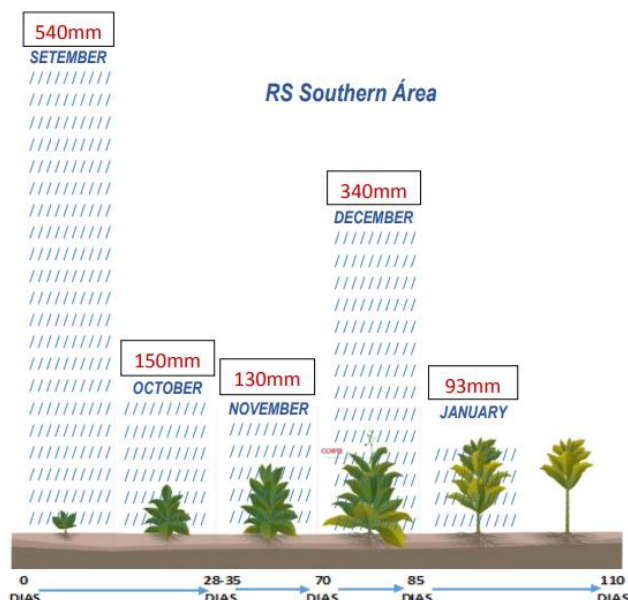
Water Surplus – Accumulated value (01/10/2023 – 22/01/2024)



- The rains that have occurred in recent months, combined with the volumes of rain predicted for a large part of the Southern Region, will keep water levels in the soil high, favoring the development of crops. However, in some areas of Paraná, reduced rainfall and high temperatures could harm tobacco planted later;
- According to the recent report from the National Oceanic and Atmospheric Administration (NOAA), the existence of the La Niña phenomenon will most likely occur in the second half of 2024. The percentages begin to rise from the June to August quarter.

Impacts of the rainfall in the tobacco maturation

(RS Southern Área, Setember/2023 – January/2024)



Monthly Precipitation

