

Pima plantings set to expand as price prospects brighten

By David Dowling

As prices for upland cotton continue to languish, Australian growers are paying more attention to the potential of pima cotton. And much of the interest is outside of the traditional Australian pima areas of Tandou and Bourke — where any production will be severely constrained due to lack of water.

Pima growers around Moree received over \$700 a bale last year with yields of over seven bales per hectare, so there is understandable interest in an expansion of the crop this season. Early indications are that up to 2000 hectares will be planted this season — mainly at Hillston and Moree.

Reinhart is the leading merchant of extra-long staple (ELS) cotton worldwide and has an interest in the proposed expansion of the crop in Australia. Reinhart is offering forward contracts at around \$US1 per pound which comes to about AUD\$670 per bale at current rates.

WAIT AND SEE ATTITUDE

“Most potential growers are taking a wait and see attitude at this stage,” says Reinhart’s Tony Geitz. “There has been an upsurge in interest in the Gwydir valley after the success of the crops there last season and we expect about 1000 hectares will be planted in the Moree district this year.

“We held a seminar in Moree recently where we talked about the potential of pima, but also pointed out some of the pitfalls,” says Tony. “Potential growers must realise that if they get any quality downgrades on their crop, discounts can be very substantial.”

Most of the crop will be processed through the North Bourke roller gin, where local Bourke growers will only have enough water to keep horticultural crops alive unless they receive a good flow in the river soon. If there was water available, North Bourke’s Ian Cole has no doubt there would be a sizable pima planting at Bourke.

“If we had the water, our farm would



probably be planting 2000 hectares of pima,” says Ian. “With pima, you take a 20 per cent yield penalty, but the price is just about double that of upland cotton.

“Sure, there are some risks. But there are risks associated with any crop.”

Moree-based consultant Lindsay Tuart has already taken two trips to the US this year to broaden his understanding of pima crop agronomy. A number of his clients are ready to take the plunge and plant some pima cotton this season.

“In California, over half the cotton area is now planted to pima,” says Lindsay. “They are planting new varieties which are probably 20 per cent higher yielding than the older Arizona varieties and just about equivalent to their upland varieties.

“Whereas the areas grown in Australia last season had a 25 per cent yield penalty compared to upland yields and there was some boll rot. The first Australian-bred variety should be available next year and will have blight resistance as well as superior Fusarium and Verticillium resistance.

“In the US, they expect to have Roundup Ready Flex varieties available next year and hopefully Bollgard is also on the agenda.”

As the Australian-bred varieties improve and the yield penalty is reduced and even

eliminated, Lindsay can see a time when up to a quarter of the Australian cotton crop is planted to pima.

“On the downside, there is no futures market and it is susceptible to rain at harvest,” he says. “But I think pima should almost be seen as a different crop to upland cotton — a viable alternative crop which has been lacking in the Australian cotton industry. From my observation, the price of pima fluctuates with little relationship to the price of upland cotton. So it can give growers a good alternative when upland prices are in the doldrums.”

The title of Australia’s largest pima grower in 2006–07 is likely to go to Moree’s Will Kirkby. Will expects to plant 835 hectares of pima this season — 80 per cent of his total planting, which has been drastically reduced by limited water.

“I can’t see any greater risk in planting pima at the moment than planting upland cotton and hoping that the price will go up,” says Will. “Because of our reduced acreage, we can’t make a profit by growing a four bale upland crop at \$400 a bale. But we may be able to get through by growing a three bale pima crop at \$700 a bale.

“The only upland cotton I will be planting will be to cover some existing contracts. It could prove to be a bad gamble if the price of upland cotton goes through the roof, but we have been waiting in vain for that to happen for quite a while now.”

Will grew about 50 hectares of pima last season with a yield of just over seven bales per hectare (2.83 bales per acre) and expects to do a little better this season after that experience.

“We will probably manage it more like a Sicot 71 conventional crop this year,” he says. “Last year we made the mistake of thinking the Pima A8 was more indeterminate than it was. Most other management options are similar to upland crops, but it does cost more to transport and gin and the seed value is not as high. Overall, the net cost of transport and ginning is probably \$60 a bale higher than upland.”