

Positive signs for industry as picking gets underway

■ By Michael Murray – General Manager, Cotton Australia

IN most of our cotton growing regions across Australia, the rumbling sound of cotton pickers driving up and down fields will, at the time of writing, be in the air, as the 2020–21 cotton crop is harvested.

For many growers, the sight of their crop being picked will be a welcome one after last season's limited yield due to the drought and minimal water allocations.

This season, a national cotton crop of 2.5 million bales is forecast, which remains well below the average crop size, although significantly greater than last season's.

The picking of this season's cotton is set against a backdrop of changed export conditions for Australian cotton to China, which has traditionally been our largest export destination. Last year it became apparent that China was discouraging its spinning mills from using Australian cotton.

It remains disappointing China has moved away from importing Australian cotton, even when, as we have heard from our overseas colleagues, spinning mills in that country continue to want to use our high-quality fibre.

What this has meant for our industry going into this season is a pivot to other global markets, such as Vietnam and Thailand.



Michael Murray.

The global connections our industry has formed are of great value to us, as we supply our sought-after, high-quality cotton to the world.

The global cotton marketplace is something many growers and people in our industry keep a close eye on, especially as we continue on the road to recovery from the Covid-19 pandemic.

In March, the International Cotton Advisory Committee (ICAC) provided an update on global cotton supplies. ICAC said global cotton consumption for 2020–21 had been revised to 24.5

million tonnes, with production revised to 24.2 million tonnes. With some signs of recovery, the seven per cent expected growth in mill-use would not be a complete rebound from the losses incurred during the pandemic, ICAC said, but would exceed production for the current season.

With consumption exceeding production, stock levels were expected to decrease to 21.1 million tonnes by the end of the season – a one per cent fall.

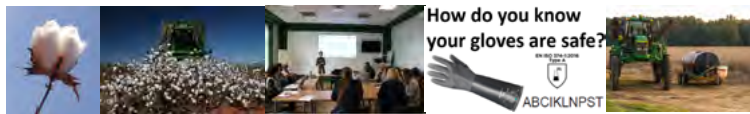
With consumption exceeding production, and with the balancing influences of global supply and demand in play, Australia's high-quality cotton should continue to enjoy the strong prices we have witnessed over recent months.

This strong pricing will have positive impacts here at home, with the flow-on economic effects set to boost many of our regional communities.

We know that cotton growers spend, on average, 79 per cent of expenses in their local area. We also know that most cotton growers (nine out of 10, according to an industry survey) regularly contribute to community activities such as events, sponsorships and charities, or are involved in local groups or sports teams. ABS data supports this, showing volunteering rates of cotton growers are slightly above the regional average and well above the national average, and cotton growers are more likely to be involved in their community than others living in the region, and farmers nationally. The socio-economic impact of this contribution cannot be understated, therefore underlining the significant benefits of having strong global prices for Australian cotton.

While the forecast of a La Niña weather pattern and increased rainfall has come to fruition for some cotton areas, it has had less of an impact in other regions.

As we head into the cooler autumn and winter months, we collectively hope for further rain so our catchments will fill and the lingering pressures of drought will dissipate, and so our next cotton season will yield further positive results for our communities and growers.



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Client feedback:

Well presented, neat, clear understanding, wealth of knowledge - G Oakley

Well informed course, trainer was more than happy to help individuals if they needed extra help. Easy to hear and to the point - B O'Leary



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