

Australian Cotton Shippers Association

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July 2011

For the Calendar

August 31, 2011	ACSA Golf Day Goondiwindi Golf Club
November 17, 2011	ACSA AGM & Associate Member Drinks, Sydney.
February, 2012	ACSA Export Market Development Delegation to China.
August 14- 16, 2012	16 th Australian Cotton Conference, Gold Coast Queensland.

From the Chairman



By Phil Sloan – ACSA Chairman

CHALLENGING seasonal and market conditions have made for a difficult start to the 2011 cotton shipping season, with Australian March/April/May shipments likely to be slower than 5 year average pace despite the record crop.

However, with pipelines now full from the gin through to the warehouse – ACSA anticipates peak shipping of more than 400,000 bales per month to be maintained from June through until early next

year. This should leave us with only minimal carry out when the 2012 crop starts to move.

Whilst official quality statistics for the 2011 crop are not yet available, overall grade and physical quality parameters are on a par with recent seasons. Average staple length, in particular, continues to impress – with the bulk of the crop 1-3/16” (38) and longer.

For next season, most estimates of crop size are in excess of 4 million bales, but this will require good seasonal conditions in the lead-up to planting in September/October – particularly for dryland area.

Production Estimates and Outlooks

2010/11 Cotton Production: ACSA estimates the 2010/11 cotton crop will total between 4.0 and 4.1 million bales from a harvested area of just over 506,000 hectares. This is a record Australian cotton crop.

2011/12 Cotton Production: All major water storages serving cotton producing areas, with the exception of Copeton Dam are now full, or near full capacity. ACSA estimates an approximate 5-10pc increase in harvested area for 2011/12 – for production potential of between 4 and 4.4 million bales.



ACSA – Bringing the Industry Together

Bankers, Brokers, Merchants, Controllers, Researchers & Stevedores – Present and Accounted for!

AUSTRALIAN Cotton Shippers Association Members and Associates gathered at the Breakfast Creek Hotel on the 19th May for an informal networking event.

Associate members in attendance included Arthur Medson from the Commonwealth Bank, Kristen Hopkins and Bill Dwyer from FC Stone, Roger Tomkins from Mega Cotton and Matthew Leeson from Independent Commodity Management.

Rene van der Sluijs from CSIRO Materials and Engineering in Geelong, and management staff from P&O Trans Australia were also in attendance.

These functions are a great opportunity for all sectors of the cotton supply chain to meet and share information in an informal setting, and we encourage all ACSA associates – and potential associates – to participate.

Golf Day – 31st August: ACSA's

next function will be our annual Brett Austin Memorial Golf Day – incorporating the Hilton Lobb Memorial Trophy, to be held at Goondiwindi on the 31st August.

ACSA invites all sectors of the industry – including growers, ginners, merchants, bankers, service providers, shipping lines and spinning mills to play in what promises to be a great day!

ACSA – 20 years on

THE AUSTRALIAN Cotton Shippers Association's May 2011 Board Meeting in Brisbane marked the organisation's 20th Anniversary.

The current executive of Chairman Phil Sloan, senior vice chairman Bryan Haddad, vice chairman Dave Lindsay, and secretariat Tracey Byrne Morrison were joined by past chairs Phill Ryan, Arthur Spellson,

Gordon Cherry and Pete Johnson for the cutting of the cake.

ACSA's role in the broader industry continues to expand, with involvement in industry Post Farm Gate BMP and market development initiatives. Early this shipping season, ACSA was



instrumental in negotiating an end to a dock-side dispute that threatened to derail early 2011 crop cotton shipments.



Australian Cotton bed-linen hits the retail space

The Australian Cotton Shippers Association’s collaboration with Cotton Australia, the CSIRO and CRDC in the Premium Cotton Initiative continues to make inroads – with a range of bed-linen produced from 100%



BMP cotton now available in retail outlets under the Koala Blue label. The cotton for the sheets was grown on “Tarrawatta” near Talwood, with initial manufacturing in China before completion in Australia by Australian Weaving Mills (AWM) for the Koala Blue brand.

AWM will be releasing Premium Australian Cotton towels (produced from Australian Long Staple cotton) in August this year at major outlets around the country under the Dri-Glo label.

2010 Season Australian Cotton Exports (Mar 10 –Feb 11)

BANGLADESH emerged as one of the top four export destinations for Australian cotton for the first time in 2010 – leapfrogging traditional markets in Japan and Korea to make up 7 per cent of total shipments (about 33,292MT).

In 2009, Bangladesh accounted for just 1pc of Australian cotton shipments, or just over 3774 MT – and prior to that, had not figured prominently in Australian cotton shipment statistics at all.

CHINA continues to dominate Australian cotton exports, taking close to 40pc of the Australian crop in 2010, which is a substantial increase on the remarkably stable 34pc recorded in 2009, 2008 and 2007.

INDONESIA has consistently remained Australia’s second most important cotton trading destination, accounting for 20pc of

shipments in 2010. This compares to 26pc in 2009, and 28pc in both 2008 and 2007.

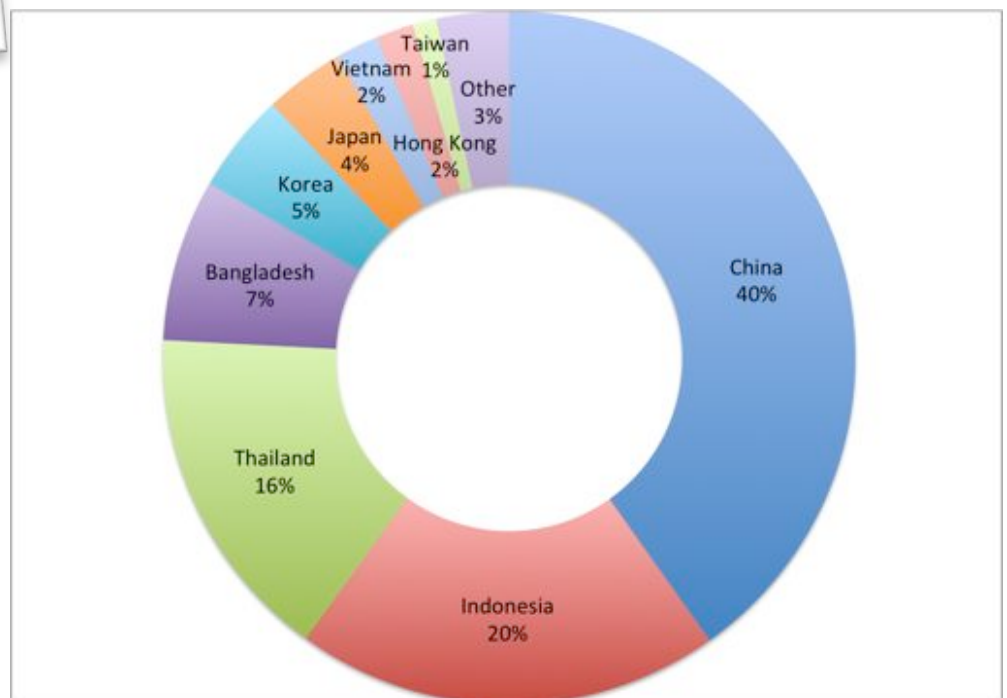
THAILAND also remains consistently in the “top three” Australian export destinations, accounting for 16pc of shipments in 2010.

This was down on the almost 21pc recorded in 2009, and 18pc in 2008 – but similar to the 15pc of Australian cotton exports recorded in 2007.

KOREA – at 5pc of Australian exports in 2010 was down from 8pc the year earlier, but better than the 3.5pc recorded in 2008. Korea took 7pc of the Australian crop in 2007.

JAPAN also appears to be a shrinking market for Australian cotton – taking just 4pc of the crop last year. This compared to 5pc in 2009 and 10pc in both 2008 and 2007.

Chart – 2010 Australian Cotton Export Destinations (% of total)





2012 Australian Cotton Conference planning already under way!

Planning is already well under way for the 2012 Australian Cotton Conference, to be held on Queensland's Gold Coast on August 14-16, 2012.

With subsequent seasons of record cotton crops now almost certain, this promises to be the biggest showcase the Australian industry has ever seen.

Mark your diaries – we look forward to seeing you on the Gold Coast!

August 14-16, 2012 – Gold Coast, Qld



Australian Cotton Shippers Association

PO Box 4
Annerley QLD, 4103
+61 73848 3823 ph
cottonshippers@bigpond.com email

www.austcottonshippers.com.au
www.bmpcotton.com.au



AUSCOTT LIMITED

