



ACSA

AUSTRALIAN COTTON SHIPPERS ASSOCIATION

MARKET REPORT - MAY 2025

UPDATE

After a delayed start due to untimely and damaging rains, the 2025 Australian cotton season is finally underway. While the crop quality is expected to vary - from premium grades to lower ones - there's encouraging news on the yield front. Current estimates suggest a potential harvest of around 5.5 million bales. One can't help but wonder what the total output might have been had the early-harvest conditions been more favourable.

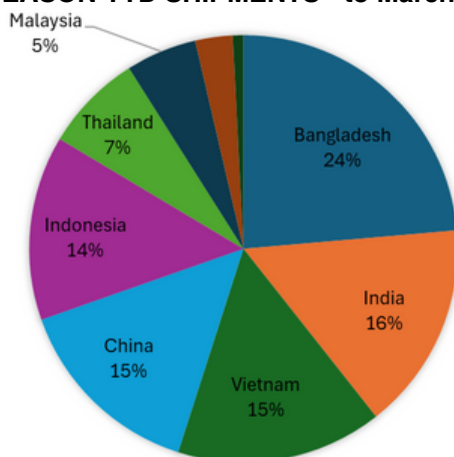
On the broader market front, uncertainty continues to dominate. Global macro influences remain the key market factor, with today's announcements often contradicted by tomorrow's developments. This volatility naturally leads to cautious business sentiment. Added to this, with the current issues between sub-continent cotton players India and Pakistan, it is easy to understand why most market commentary centres around slow demand. Market sentiment can shift rapidly – a few trade deal announcements could quickly rejuvenate demand.

The cotton Futures market appears to be trading within a relatively stable range of 65 to 70 cents per pound, lacking a clear catalyst to break out in either direction. Mill buyers remain engaged, primarily focusing on near-term shipments, and are particularly responsive to competitively priced offerings.

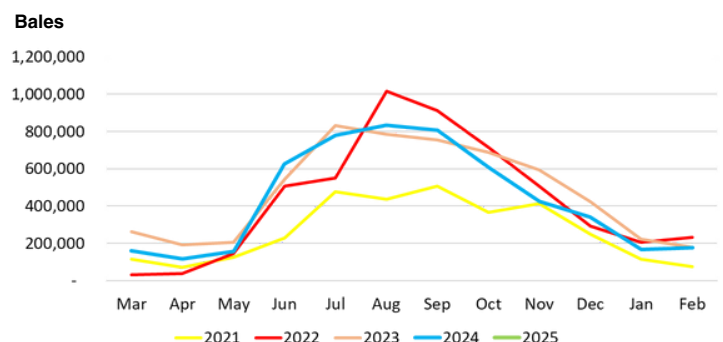
Interestingly, the diverse quality of this season's crop may present an opportunity. The range of grades allows for a broader spectrum of market participants to find suitable matches, facilitating continued movement of Australian cotton. After all, the Australian bale remains a preferred choice among spinners worldwide.

Cliff White
Chair

AUSTRALIAN COTTON EXPORTS 2025 SEASON YTD SHIPMENTS - to March 2025



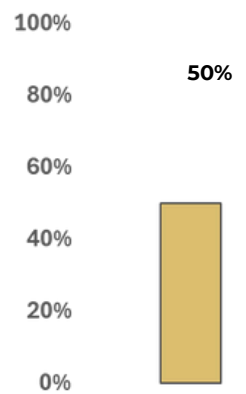
HISTORICAL SHIPPING PACE



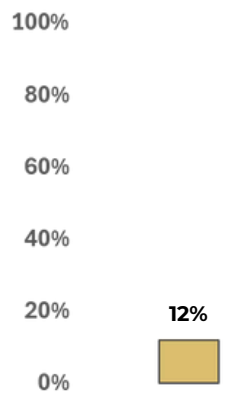
CROP UPDATE

- Harvest is in full swing with more than 50% picked
- Picture-perfect harvest conditions at the moment
- Quality is expected to vary - from premium grades to lower ones
- Ginning of the 2025 crop has only just ramped up to full speed and classing numbers will now closely follow

HARVEST PROGRESS



GINNING PROGRESS



CLASSING PROGRESS



Source : Data from industry estimates

SAVE THE DATE - AUSTRALIAN COTTON WEBINAR

ACSA’s Australian Cotton Webinar is scheduled for Wednesday, 18 June 2025. This event will provide valuable insights into crop quality, sustainability initiatives, market trends and export opportunities. Further information, including local webinar meeting times and registration requirements, will be made available soon.



AUSTRALIAN COTTON WEBINAR

Wednesday, June 18

Local webinar meeting times to be advised



MEET YOUR SUPPLY CHAIN PARTNER

Louis Dreyfus Company (LDC) has been a significant player in the Australian agricultural sector for over 110 years. In Australia, LDC is a leading exporter of cotton, leveraging its extensive network of 13 cotton gins across New South Wales, Queensland and Western Australia. The company sources cotton from local farmers, many of whom have long-standing relationships with LDC, and processes it at growers' preferred ginning sites.

LDC's Australian operations are strategically designed to support the efficient movement of cotton from gin to port, ensuring timely delivery to international markets. The company has invested in a large-scale network of warehouses and seed storage sites, both inland and at port locations. This infrastructure enables LDC to maintain cost control and mitigate risks throughout the supply chain, ensuring a reliable supply of high-quality cotton to meet global demand.

For international customers, LDC offers comprehensive services, including risk management and financing solutions tailored to the needs of key grower groups. The company's commitment to sustainability is evident in its proactive approach to promoting best practices within and beyond its value chain, collaborating with organizations such as the Better Cotton Initiative.



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