

2024 Challenges, Achievements & Optimism

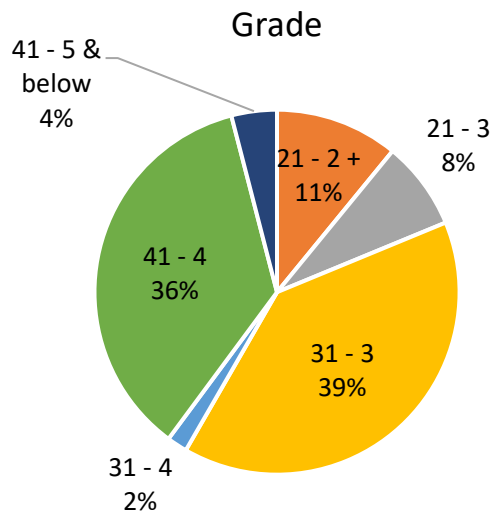
By Eimear McDonagh, Australian Cotton Shippers Association

As we come to the close of the 2024 season and ginning and classing winds down for another year, we are heartened to see that the quality of the crop improved significantly as the season progressed.

Our fears that the early rain would cause havoc were allayed to a large degree. The final crop estimate is a touch over 4.8 million bales and slightly lower than the 2023 crop number of 5.2 million bales.

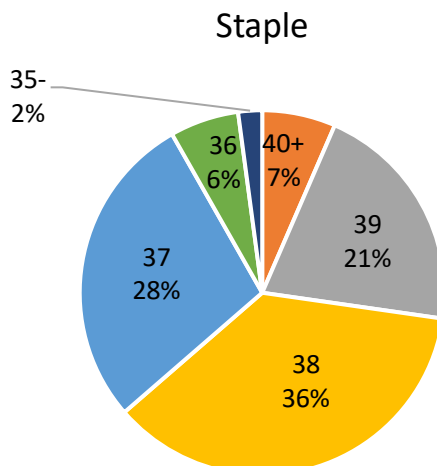
When we look at quality, it's important to understand that the overall quality for the 2023 crop was a standout and the best on record, so it makes for a tough comparison. However, this crop is almost an echo of the 2022 crop results reflecting similar rains early in the harvest period.

The current crop grade produced just over 58% base grade or better, leaving ~40% below base grade. This compares with 35% of the 2022 crop being impacted and downgraded.



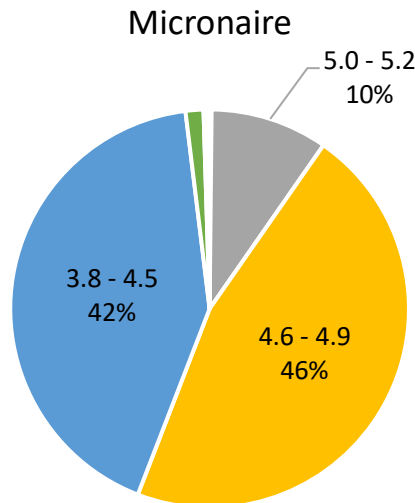
Although this puts the grade in the discount category for growers, the introduction of a HVI classing option this season has helped mitigate the severity of these discounts.

Results for length again proved that seed breeding performance continues to keep Australian cotton above the base 36 staple, with 92% of the crop testing within the 37 to 40+ range.



This will be supportive of our trade relations with India where spinners have a strong preference for longer staple, as well as some of our Chinese and Vietnamese counterparties who spin higher yarn count.

Micronaire also measured up favourably to the last two seasons with 90% in the G5 range (3.5-4.9) compared with 90% and 94% respectively. With a small percentage of G6, 5.0-5.2 mic being more acceptable than the lower side of the mic range G4 or G3.



In a year of less than robust global demand, accessing a diversity of markets is critical. It is worth noting that having a wider variety of quality to trade does create more work for the merchant in terms of storage, handling and allocation variability but positively it does allow us to access market share outside the traditional 21-3 customer base.

In summary, the intrinsic qualities of the 2024 crop has been good. As we look forward to the 2025 crop now in the ground, it looks like we might have a larger crop to trade.

We hope you've been getting beneficial rains and that sunny skies arrive as the crop opens.

On behalf of ACSA, we wish you all a very Merry Christmas and a safe, prosperous New Year!

Ends

December 12, 2024