

Supply Chain Efficiencies a Shared Responsibility

by Richard Porter

With picking now underway in key cotton growing regions of eastern Australia, the 2025 harvest is declared open. Recent rain across parts of northern New South Wales and Queensland is likely to delay gin start dates in some areas, giving time for seed cotton to accumulate on gin module pads.

During the recent ACSA Post Farm-Gate Industry Forum held in Toowoomba, there was discussion around the marketing pace of the 2025 crop from growers to merchants. It is a widely held view that growers have sold less than 50% of their expected production to date - significantly behind the typical 65-70% commitment usually seen at this point in the season. This slower sales pace may have implications for the broader supply chain.

One of the key advantages of Australian cotton is its highly efficient supply chain. We are the envy of global competitors and international buyers consistently value our ability to move a bale from gin to vessel within a month.

A streamlined supply chain

To maintain this world-class performance, the supply chain typically follows a well-oiled process:

- Cotton is forward sold from grower to merchant
- The ginner notifies the merchant when the bales are due to be ginned
- Cotton is ginned, samples are cut and sent to one of Australia's three independent classing facilities
- The ginner advises merchant that bales are ready for collection
- The classing facility provides classing results to grower and merchant (typically 4-5 days post ginning)
- The merchant's transporter collects bales and delivers them to a nominated warehouse
- Cotton is stacked by quality, packed into containers and delivered to port

Uncommitted Cotton – A Growing Challenge

With a higher percentage of cotton currently unsold, there is growing consensus that the ginning of uncommitted cotton - and subsequent sales of known grades via tender or recap - may again challenge the streamlined supply chain described above.

The traditional supply chain relies on bales being sold prior to ginning. When cotton is ginned uncommitted, bales tend to sit longer on gin pads. Merchants purchasing known grades post-ginning (often six or more days later) cannot pre-plan logistics and this results in delays to bale removal.

This slower flow can significantly impact ginning operations. Bale pads are designed for quick turnover. Throughput is critical to gin efficiency and no ginner wants to reduce pace due to delays in bale pickup.

A Shared Responsibility

All stakeholders - growers, brokers, merchants, ginner and transporters - play a role in maintaining our industry's efficiency. We remind both merchants and growers of their responsibility to move bales from gins promptly. Ginners are entitled to charge daily demurrage to the bale owner, so all parties should familiarise themselves with these rates.

Growers are encouraged to proactively market uncommitted cotton, and merchants should ensure they are ready to collect bales without delay.

By working together, we can minimise disruptions and ensure another successful ginning and marketing season. Let's continue to demonstrate the strength of Australian cotton - superior in quality, backed by the most efficient cotton supply chain in the world.

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