



ACSA

AUSTRALIAN COTTON SHIPPERS ASSOCIATION

MARKET REPORT - SEPTEMBER 2025

UPDATE

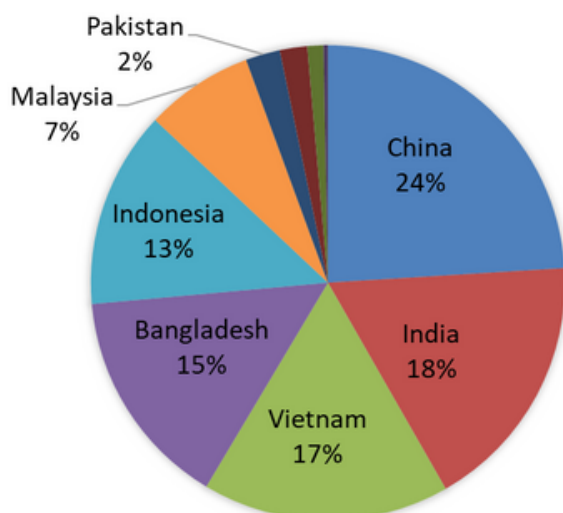
We run the risk of sounding repetitive in our monthly update, as the market scenario has barely shifted for several months. Futures remain locked in a narrow band as does the USD/AUD exchange rate and the same macroeconomic headwinds continue to dominate. Blaming it on the “summer doldrums” is perhaps too generous - this inertia has been evident since the northern hemisphere spring.

Yet, despite the lacklustre backdrop, physical cotton business has been steady. With spinners holding minimal forward cover, every dip to the lower end of the trading range has been met with buying. The Indian government’s decision to lift cotton import duties added further momentum, prompting solid demand for both Australian and Brazilian cotton - an encouraging sign in an otherwise flat market.

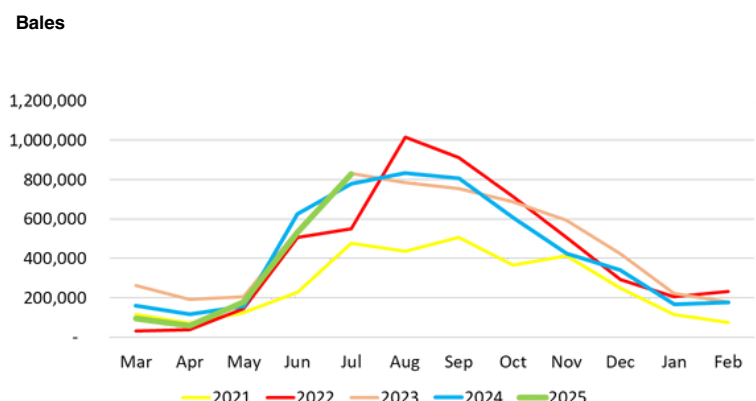
Ginning is now winding down across most regions. This season has been a demanding one, putting every part of the supply chain under pressure. The sheer volume of daily tenders has stretched logistics to their limits, and there will no doubt be plenty of focus in coming weeks on how to build greater efficiency for next season. With back-to-back large crops, the seasons are beginning to blur - planting for 2026 is already underway, even as we work to wrap up the 2025 crop.

Cliff White
Chair

AUSTRALIAN COTTON EXPORTS 2025 SEASON YTD SHIPMENTS - to July 31, 2025



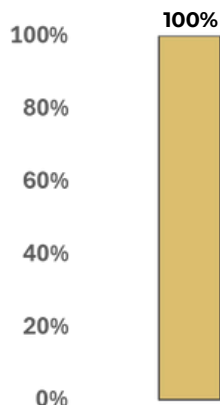
HISTORICAL SHIPPING PACE



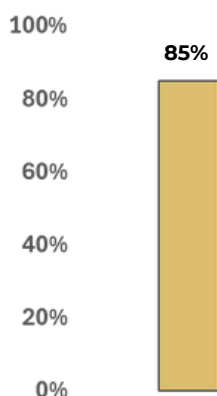
CROP UPDATE

- Harvest complete
- Ginning anticipated to be complete by early October
- Planting commenced in Central Queensland with growers in other regions considering 2026 plantings

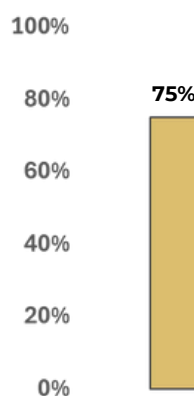
HARVEST PROGRESS



GINNING PROGRESS



CLASSING PROGRESS



Source : Data from industry estimates

RANGE-BOUND MARKET AWAITS DIRECTION

By Tim Storck

No matter where you get your market intel, most commentary over the past year or more has painted a similar picture. Economic uncertainty, tariffs, potential tariffs, global conflict, reduced consumer demand, interest rate uncertainty and myriad other issues have seen Futures markets range-bound for quite an extended period. Markets have barely blinked at finicky weather, USDA's US crop downgrade and other global production tweaks. It will take a materially larger shock - policy, macro, or demand-driven - to shift sentiment.

The market is essentially stuck within a sideways trading range with the mid-70s (US cents/lb) representing the upper band and the area near 60 cents the lower one - a pattern that has persisted since June 2024.

In the past, many have argued that it would be difficult to see the market trade (lastingly) much above or below this range, as there have been few fundamental factors strong enough to alter the picture. That view probably still holds, however ranges do not persist indefinitely. As underlying drivers change, a catalyst-led break will emerge.

As ACSA Chair Cliff White mentioned in his August 2025 article, after enduring a sustained period of bearish news, the cotton market may finally be positioned to shift its outlook as global trade deals inch closer to completion. Here's hoping!

Closer to home and considering Australian 2025/26 production, with the wet finish to the 2024/25 crop in many production areas and the resultant downgrading of much of the crop, some Australian growers will be weighing up their cropping options. Some growers have indicated that they will reduce some of their cotton acreage in favour of sorghum, for either disease control or other reasons and some will plant their usual cotton area.

The Bureau of Meteorology in its Climate Outlook published on 21/08/2025 suggested that above average rainfall is very likely for the September - November period for most of Eastern Australia with rainfall received since the beginning of July resulting in increased soil moisture in many areas as well.

Similarly, good river flows in many production areas have seen on-farm water storages replenished. Favourable factors indeed.

Despite having faced challenges in marketing the cotton crop this season, many growers still intend to plant significant areas to cotton for 2025/26. We're already seeing this in Central Queensland, where growers have begun planting despite less-than-ideal irrigation supplies.

RANGE-BOUND MARKET AWAITS DIRECTION CONT...

Few would dispute that Australian cotton growers are resilient and optimistic. History shows most seasons offer windows to forward-sell at favourable levels and weather events like this year's wet harvest are the exception, not the rule. Growers also know cotton typically delivers the strongest economic outcome versus competing crops - more often than not, cotton is king.

Whilst there have certainly been some unfavourable conditions and problematic global issues weighing on commodity markets in recent times, some things remain reasonably constant. Cotton growers enjoy growing cotton and in the majority of seasons, cotton has proven itself as the better crop in terms of profitability.

MEET YOUR SUPPLY CHAIN PARTNER

China National Cotton Group Corporation (CNCGC) is the largest and most influential cotton enterprise in China, holding a globally leading position in terms of scale, infrastructure and market impact.

Established in 1993 under the All-China Federation of Supply and Marketing Cooperatives, CNCGC initially served as the central authority responsible for managing the nation's cotton reserves. Over time, it transitioned into a fully market-driven enterprise. Today, as a trusted pillar of China's cotton industry, CNCGC plays a central role in procurement, ginning, warehousing, trading and logistics - supported by an expansive network across the country's key cotton-producing regions. With its longstanding presence and reputation for operational excellence, CNCGC provides direct access to China's extensive textile sector - an industry that continues to modernise through automation and integrated supply chain capabilities.



As part of its international sourcing strategy, CNCGC established CNCGC Australian Pty Ltd, headquartered in Sydney. This subsidiary offers a competitive service for Australian cotton growers and partners to engage with one of the world's most established and interconnected cotton supply chains. Backed by the strength and reliability of a major state-owned enterprise, CNCGC offers more than just trade - it delivers a secure, long-term platform for market access into China, supported by transparent pricing, flexible contracting options, and deep expertise in both domestic and global cotton markets.



CONTACT

www.austcottonshippers.com.au

Jules Willis | ceo@austcottonshippers.com.au | +61 404 392 311

