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# Cotton



Australia is one of the world's largest exporters of raw cotton. More than 90% of its production is exported, mainly to spinning mill customers in Asia. China, Indonesia and Thailand are the main buyers, followed by the Republic of Korea, Japan, Taiwan, Pakistan and Italy.

In 2015–16 favourable growing conditions and water access resulted in a 32% increase in cotton production to 551 million kilograms. The area planted to cotton increased by 43% to 280,000 hectares, reflecting growth in dryland production.

## Building a stronger cotton industry

The Australian Government is driving a more profitable, resilient and sustainable cotton sector by:

- providing dollar-for-dollar matching funds of \$5.9 million in 2016–17, alongside the funding already invested by the sector through levies, for research and development (R&D) to advance the cotton sector
- providing additional funding through the Rural R&D for Profit program, including:
  - \$4 million to boost the profits of cotton, dairy, rice and sugar irrigators by achieving a 10% to 20% improvement in water use efficiency through the use of new irrigation technologies and techniques
  - more than \$5.8 million to improve efficiency in the use of nitrogen in the cotton and other industries
  - almost \$1.4 million to design solutions for the use of big data in agriculture to increase adoption of new technologies and improve farm profits
  - more than \$6.7 million to improve plant pest management through cross industry deployment of smart sensor, diagnostics and forecasting

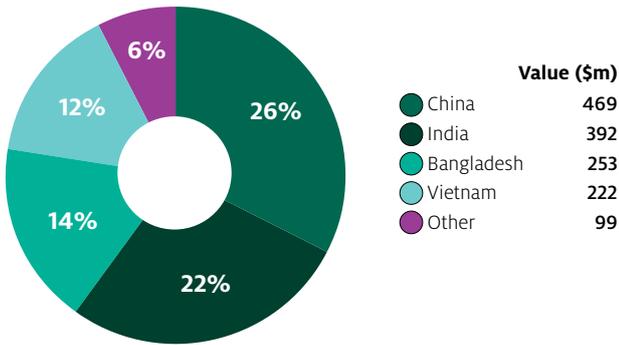
## Key facts

- Australia has about 1,470 cotton farms, almost split evenly between New South Wales and Queensland, except for the 1% of farms in Victoria.
- Australia produces 100% of its seed for sowing.
- Australian cotton growers achieve the highest yields in the world—almost 3 times the world average.
- Australia produces 9% of the world's raw cotton.
- The export value of cotton lint increased by 41% between 2015–16 and 2016–17 to \$1.78 billion.
- 48% of Australia's raw cotton exports go to China and India.
- 73% of cottonseed exports go to China and the United States.

- providing funding for the Healthy HeadWaters Water Use Efficiency project to help irrigators, communities and the environment in the Queensland Murray–Darling Basin by funding on-farm irrigation infrastructure improvements and supporting projects
- improving cotton farmer access to seasonal workers by reducing the tax rate to 15% for those on working holidays
- implementing a comprehensive foreign investment framework for agriculture to improve transparency and give the community and investors' confidence in our foreign investment arrangements
- introducing legislation to establish an 'effects test' in national competition law to protect small businesses from the impact of anti-competitive conduct by large, counterparty businesses
- providing \$25.8 million over 4 years to help manage the effects of pest animals and weeds in drought-affected areas and an additional \$50 million for managing pest animals and weeds across Australia.



Export markets for raw cotton, 2016–17



Sources: ABS, *International Trade, Australia*, cat. no. 5465.0, Canberra



General inquiry 1800 900 090  
GPO Box 858, Canberra ACT 2601



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