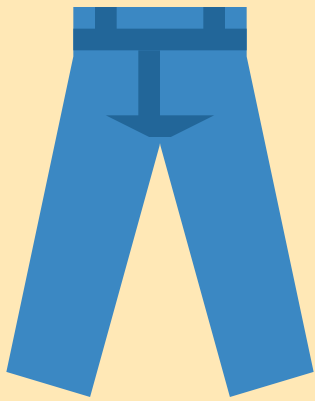


# Know the facts: Australia's cotton industry

## 1.) INDUSTRY FACTS



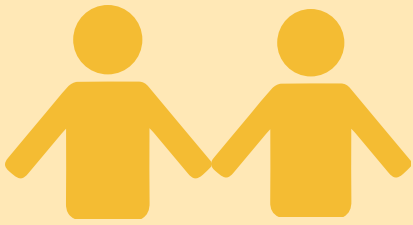
- In an average year, Australia's cotton growers produce enough cotton to **clothe 500 million people**.
- The fibre from **one 227kg cotton bale** can produce **215** pairs of jeans, **250** single bed sheets, **1200** T-shirts, **2100** pairs of boxer shorts, **3000** nappies, **4300** pairs of socks or **680,000** cotton balls.

## 2.) NUMBER OF FARMS

- In 2017-18, there were **1436** cotton farms in Australia.
- **66%** were in NSW, **33%** were in Queensland.



## 3.) WORKFORCE



- The average farm provides **jobs for 6.6 people**.
- In a **non-drought year**, the Australian cotton industry employs up to **10,000 people**.

## 4.) AUSSIE COTTON QUALITY

- **91.4%** of Australia's cotton crop in 2017 **met or exceeded the base grade**.
- **40.7%** was graded as **premium or high quality** (above base grade), attracting a higher price on the world market.



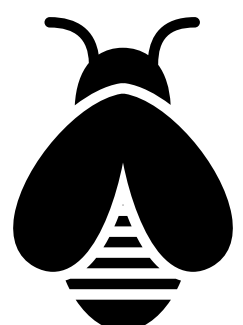
## 5.) AUSTRALIA'S PLACE IN THE WORLD COTTON MARKET



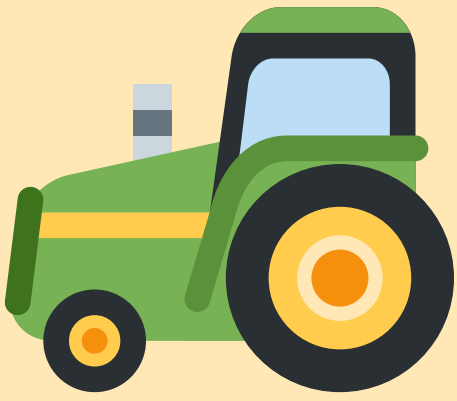
- Australia was the **third largest exporter** in the world in 2016-17.
- **99%** of Australia's raw cotton is **exported**, mainly to south-east Asia.

## 6.) INSECT PEST CONTROL

- There's been a **93% decrease in insecticide use** since 1997, coinciding with introduction of BT cotton and strong Integrated Pest Management.



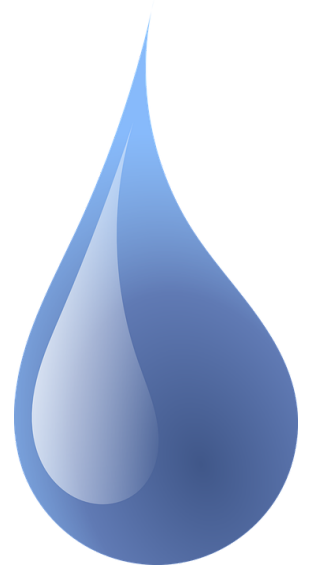
## 7.) LAND USE EFFICIENCY



- In Australia, **33% less land is now required** to produce one tonne of cotton lint compared to 1995-96.
- It takes **30% of the land to produce one metric tonne of cotton fibre** in Australia, compared to the global average.

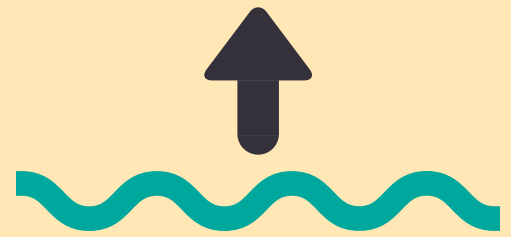
## 8.) COTTON CROP WATER REQUIREMENTS

- Cotton's average irrigation requirement is **6.8 megalitres** per hectare.
- This compares to **rice** (12.1 ML/ha), **fruit and nut trees, plantation or berry fruits** (6.5 ML/ha), and **sugar cane** (5.6 ML/ha).
- **Farmers choose to "spend" their water entitlements** on the crops that deliver the best return per unit of water; in many areas that crop is cotton.



## 9.) WATER USE EFFICIENCY IMPROVEMENTS

- **40% less water is now needed** to grow one tonne of cotton lint in Australia compared to 2003.



## 10.) COTTON'S TOTAL WATER USE



- In 2015-16, cotton accounted for 16% of water use on Australian farms.
- In 2015-16, the largest area of irrigated land in Australia was pastures and cereal crops for grazing, which accounted for 576,000 hectares of area watered, or 26.8% of the total area irrigated (2,148,000 hectares).

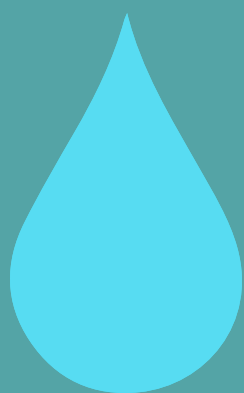
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# Know the facts: Cotton's water use



## 1.) COTTON CROP WATER REQUIREMENTS

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- This compares to **rice** (12.1 ML/ha), **fruit and nut trees, plantation or berry fruits** (6.5 ML/ha), and **sugar cane** (5.6 ML/ha).
- Irrigation water for agriculture is used on the highest value crops. **Farmers choose to "spend" their water entitlements** on the crops that deliver the best return per unit of water; in many areas that crop is cotton.

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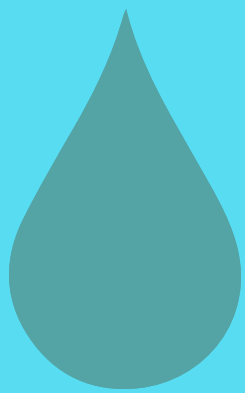
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# Know the facts: Floodplain harvesting

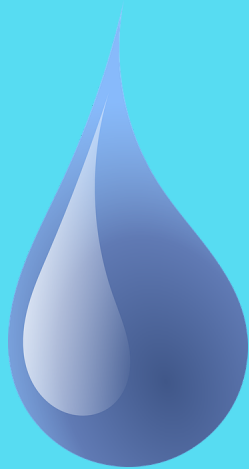
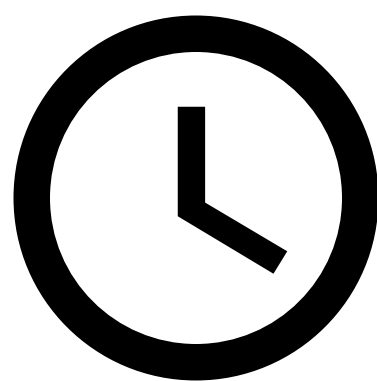


## 1.) WHAT IT IS

Floodplain harvesting is the taking of **water flowing overland** and across a floodplain. It is **already an approved and legal practice**, dating back decades. It is a very important part of the overall water resource mix across north-western NSW.

## 2.) WATER REGULATION IN STAGED TRANSITION

Since the introduction of the Water Management Act 2000 (in 2004), the NSW Government began **reforming the management** of the state's rural water. This has been a **staged transition**, with the conversion of regulated river licences the first major task, then groundwater, unregulated licences and **now floodplain harvesting**.



## 3.) NO INCREASED EXTRACTIONS

The policy which authorises the issuing of licences is explicit that **it cannot lead to increased water extractions** over existing water sharing plan limits.

## 4.) THIS IS NOT NEW

The take of floodplain-harvested water has been built into the baseline diversion limits used to make the Murray-Darling Basin Plan. Floodplain harvesting will be fully accounted for under the Basin Plan's sustainable diversion limits - **this is not new or additional water extraction**.

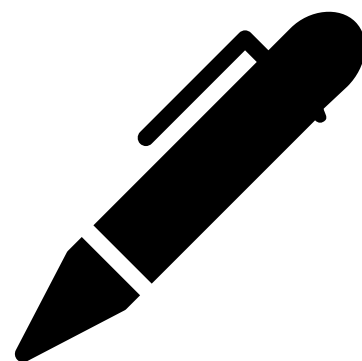


## 5.) APPROVALS NEEDED

Irrigators will be **issued with Works Approvals** for works used to take floodplain-harvested water.

## 6.) LICENSING DETAILS

- Irrigators will be issued with a **volumetric licence** which will, to a large degree, reflect their historical usage.
- The other feature is **standardising the rules around structures located on a floodplain** through the implementation of valley-wide Floodplain Management Plans. This includes the inspection of all work identified on the floodplain both on irrigation and non-irrigation farms.



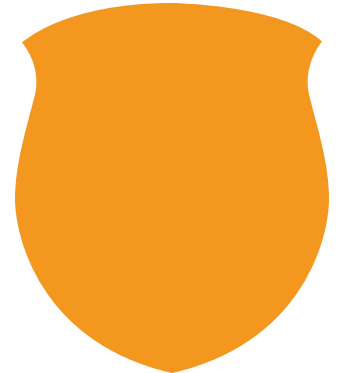
## 7.) OTHER LICENSING DETAILS



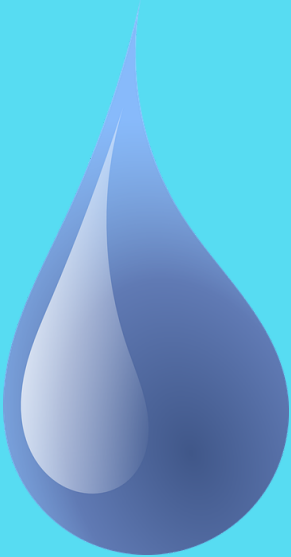
- Total valley **water use cannot exceed what is allowed** under existing water sharing plan limits which are below 1993/94 Murray- Darling Basin Cap limits.
- Only **works constructed prior to July 2008** will be eligible for approvals.
- **No growth in water used** across individual valleys is allowed.

## 8.) COMPLIANCE

Compliance will occur at an **individual and valley level** and will include floodplain works as well as measurement of volumetric take.



## 9.) FLOODPLAIN-HARVESTED WATER BUILT INTO PROPERTY VALUE



**Volumetric entitlements will be tradeable**, and therefore will have a monetary value; however, up until issue, the value of floodplain harvesting has been built into the value of the irrigator's property. It will now be **a stand-alone value**.

## 10.) A WORK IN PROGRESS

- The **NSW Floodplain Harvesting Policy has been a work in progress** for more than the past decade. It was developed by both sides of politics, and is now in the final stages of implementation.
- Not only is the NSW licensing of floodplain harvesting **fully consistent with the Basin Plan**, the implementation is being largely funded by the Federal Government as part of the Basin Plan.



## 11.) QUEENSLAND HAS SIMILAR REGULATIONS



- Take of Overland Flow (or Floodplain Harvesting) is also an important part of the water resource in Queensland, where it is **regulated in a similar manner** to what is being introduced in NSW.

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# Know the facts:

## Global demand for Aussie cotton

### 1.) AUSSIE COTTON QUALITY



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- **40.7%** was graded as **premium or high quality** (above base grade), attracting a higher price on the world market.

### 2.) AUSTRALIA'S PLACE IN THE WORLD COTTON MARKET

- Australia was the **third largest exporter** in the world in 2016-17 (behind the USA and India).
- **99%** of Australia's **raw cotton is exported** to countries including: China, Bangladesh, Vietnam, India and Indonesia.



### 3.) AUSSIE BRANDS USING AUSSIE COTTON



- Bell & Barnett
- Bonds
- Country Road
- Cue
- Just Jeans
- Katies
- Kmart
- Rivers
- Sportscraft
- Target

## 4.) INTERNATIONAL BRANDS USING AUSSIE COTTON

- 7-ELEVEN
- Hugo Boss
- H&M
- Liberty Art Fabrics
- NEUW denim



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