

## MEDIA RELEASE 7 October 2021

### World Cotton Day One Year On - Life after China

Australia's cotton industry has announced it has virtually sold out of 2021 cotton, just one year after the decision by China to dramatically reduce imports.

As the cotton industry celebrates World Cotton Day today, Australian cotton farmers are optimistic about the future with good demand, as buyers increase their support amid the emergence of new international markets.

Cotton Australia CEO Adam Kay said the sustained demand shows there is still strong interest in our premium cotton. "There is no doubt that China was a vital trading partner for us, and we hope that they will be again, but we needed to secure sales for our top-quality cotton and that's what our merchants have done."

Last year's crop was 2.8m bales and with the help of a grant from the Federal Government under the Agricultural Trade and Market Access Cooperation (ATMAC) Program, word is getting out.

Michael O'Rielley, Chair of the Australian Cotton Shippers Association said the efforts of all their members have paid dividends and the grant will only assist in marketing our cotton across all available export markets.

"Twelve months on I think things are looking positive. We are not without our challenges but there's life after China – there really is.

"We are still fielding enquiries for the 2021 crop however we are all but sold out. If we could get more bales, we would sell them because the demand is certainly there."

Mr O'Rielley said Vietnam, Thailand, Bangladesh and India have all been supportive with Indonesia having the most immediate potential.

"Right now, Vietnam is our biggest export market followed by Indonesia which currently has the most upside. They are our closest neighbour, and we have short shipping times. We are a lot more competitive in terms of price, and we can land it there quickly for an industry operating in a 'just-in-time' environment."

Mr O'Rielley said Turkey re-entered the market recently purchasing volumes of Australian cotton not seen for several years while Pakistan would order more if shipping issues could be resolved.

"The pandemic has increased prices and competition for containers while shipping lines are more selective, choosing ports with easy access. Once we have secured shipping, we can land bales in Asia in two weeks compared to 8 to 12 weeks for the US and Brazil," Mr O'Rielley said.

Mr Kay said Australia's cotton is known for its sustainability and high-quality, on top of its reputation for being one the least foreign matter contaminated fibres in the world, resulting in better productivity.

"Many of our farmers have already secured contracts for their cotton on the futures market and that gives us a great start to the sales campaign for this season. We sell every bale we produce and 2022 will be no different," Mr Kay said.

### **World Cotton Day 2021**

The United Nations has approved 7 October of each year as World Cotton Day on its permanent calendar. On World Cotton Day, stakeholders from the global cotton community come together to speak on the many benefits of cotton including:

- Cotton is grown in over 70 countries and provides an income to hundreds of millions of people every year.
- A single ton of cotton provides year-round employment for an estimated 5 or 6 people (often in some of the most impoverished places on earth.)
- Cotton is the only agricultural crop to provide both food and fibre.
- Cotton has a negative carbon footprint and degrades 95% more than polyester in wastewater helping to keep our land and water clean.

The event theme for 2021 is 'Cotton for Good' to celebrate the fibre's enduring positive impact

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